

Proposal Name:

A Marketplace for Apes, by Apes, built by Magic Eden

Proposal Category:

Brand Decision

Abstract |

Building a world class, low-fee marketplace for apes, by apes, powered by ApeCoin and run on the [ApeCoin.com](https://apecoin.com) domain:

Magic Eden's vision is to build the ApeCoinDAO marketplace, the home for \$APE holders to buy and sell ApeCoinDAO NFTs, including but not limited to BAYC, MAYC and BAKC, as well as Otherside Otherdeeds. All inside of the DAO's native home at a 0.75% transaction fee and no cost to the DAO. The marketplace strives to be the place where ApeCoinDAO members can share experiences and utility across the most powerful community in NFTs. Features include: combo ETH / APE bidding, discounts for APE payments, merch functionality, and custom engineering & marketing resources. Subject to approval of this AIP, future AIPs may propose a fee split between Magic Eden and ApeCoinDAO to create a revenue stream for the community as well as Launchpad capabilities, positioning the marketplace as a platform for DAO members to launch their own projects.

Motivation |

The most prolific DAO in world history is paying obscene fees to trade on a marketplace that returns no value to DAO members, full stop. The existing marketplace takes no initiative to curate an experience for its most valuable community. We aim to change that. The ApeCoinDAO marketplace will significantly slash fees, provide sustainable utility to ApeCoin, and provide a platform through which the community can launch their own projects and initiatives. There will be no cost to ApeCoinDAO for building this marketplace.

Rationale | Magic Eden - one of the fastest growing companies ever - is on ETH L1:

Magic Eden has built a dominant primary and secondary marketplace that has gained and held over 90% market share on Solana for over 10 months and is now rolling out full ETH L1 capability. We are one of the fastest growing companies ever, backed by the best, and have assembled an all-star team of builders. We have 100+ employees, including 45+ engineers, all devoted to creating the best marketplace possible. Our success is a credit to the talent of our team, and more importantly, our emphasis on listening to the community and constantly iterating on our marketplace to meet their needs.

Averaging 15 new marketplace features a month, we've shipped a secondary marketplace, a best-in-class Launchpad engine that has successfully launched 250+ collections, iOS and Android apps, a gaming division, dynamic user notifications, power trading tools, SPL token support and collection analytics, all in a matter of months. This pace and our responsiveness to community needs are critical to the approach we will champion as members of the ApeCoinDAO community. Our deep resources, work ethic and the time we spend to understand user needs are the core pillars on which Magic Eden will build for ApeCoinDAO the most dynamic community-forward marketplace in NFTs.

Building custom marketplaces is our core competency:

Most importantly, custom community marketplaces are a core capability. We have a history of providing whiteglove end-to-end services to scope, build and launch marketplaces for communities. We built our first custom community marketplace when Magic Eden was less than two months old and have bootstrapped this approach, becoming more efficient after every build. We have recently signed agreements to build marketplaces for partners such as Okay Bears, Aurory, Genopets, Mini Nations, Sugar Realm, Yaku Corp, VBA, Nekoverse, and with many more upcoming. We already power marketplaces for Raydium and Exodus Mobile Wallet. We intend to leverage our building expertise to provide ApeCoinDAO members with a community-tailored, world-class marketplace.

As a leader in NFT product development, Magic Eden is committed to releasing new features with the ApeCoinDAO marketplace, allowing the DAO to pilot novel initiatives including creator tooling (allowlist management, wallet targeting, auctions, multi-stage allowlists, pre-minting) and native \$APE support.

We are devoted to the utility of \$APE and aspire for the ApeCoinDAO marketplace to directly benefit community members and drive utility to \$APE.

Key Terms |

Launchpad: A primary sales smart contract engine ushering projects from ideation through execution of their mints with engineering and marketing support. Subject to a future AIP, capabilities could include minting with \$APE, launching community-voted projects, immediate post-mint listing on the marketplace and the ability to flow Launchpad fees, if any, back to the DAO.

Specifications |

Marketplace: The ultimate goal of the marketplace is to drive ApeCoin utility.

Secondary trading: The first phase of the ApeCoinDAO marketplace will be a customized & branded secondary trading experience, live around October 2022. Sellers will pay a net fee of 0.75%, which takes into account a 1.5% base fee per trade, minus a 0.5% discount for trades made with \$APE, and minus an additional 0.25% discount for trades made by holders of BAYC, MAYC, BAKC, or Otherdeeds. The 0.75% fee will help fund marketplace operations. We will offer customized trading pages for each collection listed on the ApeCoinDAO marketplace, (starting with BAYC, MAYC, BAKC and Otherdeeds), with additional listings to be determined by the community via a process decided on in a future AIP.

Community support: customer service, ongoing management, and post-launch feature development to the specs of ApeCoinDAO.

Merch: We will work with e-commerce channels to launch a merch store that accepts \$APE and is part of the ApeCoinDAO marketplace. Initially, we will work alongside the teams for BAYC, MAYC, BAKC, and Otherside and community members to align on the merch items and launch a fully branded merch store for holders. Going forward we look forward to similarly partnering with other projects selected by ApeCoinDAO for listing or launch on the marketplace.

Ultimate flexibility: Magic Eden will lend significant engineering resources to ensure success. We will also offer dedicated marketing staff to ensure both the announcement and formal launch of the marketplace help ApeCoinDAO gain significant traction across business and lifestyle publications. We will partner closely with key community members to also activate Twitter and other social platforms important to the community.

Custom tooling: As mentioned above, we will allow for allowlist management, wallet targeting, auctions, multi-stage allowlists, and pre-minting, as applicable.

Future Initiatives (contingent upon approval of this initial AIP and future AIPs):

ApeCoinDAO Revenues: Beyond ApeCoin discounts, the ApeCoinDAO marketplace will create the potential for a recurring revenue stream for ApeCoinDAO by splitting fees between Magic Eden and the DAO. We leave it to community discussion and future AIPs to determine whether a fee model to flow value directly back to ApeCoinDAO should be adopted.

Launchpad: Beyond developing a core secondary marketplace, in the future the marketplace may be used for launching new projects. We leave it to the ApeCoinDAO community and future AIPs to propose the criteria for launching new collections on the marketplace. Projects using Launchpad would also enjoy full market functionality, including minting in \$APE, allowlist management and wallet targeting for launches.

Steps to Implement |

Community review and approval by ApeCoinDAO, after which Magic Eden will provide a “white-glove” experience. Magic Eden will devote a full team of engineers, operators, and marketers to build, maintain and improve the marketplace, the cost of which will be paid for via the fees described below.

Timeline | Approval |

projected September '22 Implementation: October '22, subject to changes in project and feature scope and community approval timeline

Overall Cost |

Each trade will charge the seller a 1.5% fee. The 1.5% fee will be subject to a 0.5% discount for all transactions made in \$APE, and an additional 0.25% discount for transactions made by BAYC, MAYC, BAKC or Otherdeed holders, resulting in a 0.75% net fee after discounts. The marketplace will respect the 2.5% royalty for Yuga Labs currently provided on other marketplaces.

As mentioned above, Magic Eden is able to reconfigure the fee structure to send fees to ApeCoinDAO, producing a recurring revenue stream for the community. We leave it up to community discussion and future AIPs to determine whether this is something ApeCoinDAO would like to pursue, and if so, what to do with the funds generated for it by the marketplace.