PROPOSAL NAME:

Grain - The Affiliate Marketing Network For Web3 Brands

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TEAM DESCRIPTION:

Led by Grains (X profile) Kevin Brown (LinkedIn Profile), founder of Affiliate Window (Awin.com) and FanCircles, Kevin brings extensive knowledge and experience in building successful companies. Highlights of his career include:

- Founded Affiliate Window (<u>Awin.com</u>), Europe's biggest affiliate network, and exited with over \$160 million turnover to German-based media company Axel Springer.
- Developed the initial software platform that started Affiliate Window.
- Managed the world's biggest tribute band, The Australian Pink Floyd, from small shows to arenas and stadiums around the US, Europe, and Asia.
- Founded FanCircles to form direct-to-fan relationships between artists and fans.
- Kevin's first NFT was a HAPE, before becoming a proud member of BAYC with a MAYC bought just after the ApeCoin drop. Kevin is also a Mocaverse NFT holder.

Technical lead and Kevin's CTO, Kostas Melas, joined Affiliate Window as the lead developer and continues to work with Kevin on all business projects, including being the CTO of FanCircles. Kostas works alongside his dedicated team. As the platform grows, the team will recommend community members to fill additional roles that may arise, including performance marketing experts, influencers, and more. This ensures that the platform benefits from the wealth of experience and expertise within the ApeCoin/BAYC and Moca ecosystems.

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This proposal aims to onboard new incremental users to the MocalD Realm Network while benefitting the whole Animoca Brands, Made By Apes, and Yuga & ApeCoin ecosystem via performance marketing that drives new users to all parties without financial risk using a pay-per-acquisition marketing model that in web2 drives around 15% of all retail sales online worldwide. It also benefits both BAYC & MAYC MBA licensees and MocaVerse holders who will qualify for a Merchant account with zero signup and management fees. Non-holder Merchant account costs will be ~\$2000 per month.

GRAIN Affiliate Network (grain.xyz) can be used by the entire web3 ecosystem.

Other web3 outside of MBA and MocaVerse holders such as PudgyPenguins and Azuki can use the platform to sell their product, but with a Merchant account cost of \$2,000 per month or by buy a BAYC, become MBA certified and claiming a Merchant account at no costs.

- Merchants pay a fee to affiliates who generate a sale or a lead.
- Affiliates choose which Merchant they wish to promote via the directory of Merchant programs.

Merchants decide on their commission rates and various other parameters for affiliates to work with, making GRAIN a hub for performance CPA marketing and bringing in both the web2 and web3 worlds together to market web3 brands. This is how Amazon got so big!

The platform will also have the ability for affiliates to create and connect their accounts to a future ApelD platform and MocalD's platform, onboarding more normies to these ID systems. It also onboards new users to ApeCoin & Moca Token as every active affiliate will be given bonus rewards which can be collected in \$APE or \$Moca token. In Mocaverses' case, this could be potentially paid in Realm Points.

Globally, affiliate marketing is responsible for about 15%

of all online media revenue. In addition, 65%

of worldwide retailers generate up to 20%

of their total revenue through affiliate commissions -AuthorityHacker.com

GRAIN is aimed at onboarding the wider affiliate community and is not restricted to only web3 natives. There are hundreds of thousands of affiliates to tap into who know how affiliate marketing works. This network allows all Affiliates from websites, ad networks, cashback sites, rewards portals to Google Ads affiliates and social media marketing affiliates to market web3 brands to both web2 and web3 audiences. Tapping into these enormous networks will bring high quality affiliates while exposing them to the ApeCoin ecosystem and generating customers for all web3 brands that participate.

Kevin's history of building one of the big three affiliate networks, Affiliate Window from scratch into a \$170 million company shows his success and connections without the affiliate marketing industry to onboard top affiliates in the space.

Key points:

 Merchants can sign up for free if they hold any of the following assets: BAYC, MAYC (With MBA licenses, MOCAVERSE

NFTs, and potentially other partners. Without holding these assets, the cost for a merchant would be ~\$2000 price point per month.

- MBAs holders need an ApeChain MBA license NFT to qualify which will be validated on chain.
- Affiliates do not pay to use the platform. They Earn from the platform.
- Enables web3 brands and the wider web3 world to be onboarded to be marketed by top affiliates worldwide.
- All users will have the ability to connect their accounts with a future ApeID system and MocaID Realm Network via a partnership with Animoca.
- Drives transactions on ApeCoin via 10% of the network's 30% fee going into a bonus pot allocated to pay out bonuses in ApeCoin to affiliates.
- Grows the presence of ApeCoin throughout the whole web3 ecosystem.
- Brands from Made By Apes (MBA) licensees, Animoca Brands, future Moca DAO projects, and Yuga Labs properties, as well as all web3 brands, can reward affiliates based on sales or leads generated.
- Reduces risk for Merchants by allowing marketing costs to be performance-based.
- Merchants will have access to the most engaged buyers within the ApeCoin community.
- Payouts are in fiat, with bonus payouts in ApeCoin. The Affiliate Network will cover gas fees for bonus payouts.
- Merchants will pay their affiliate commissions to GRAIN in USD or GBP.
- Other web3 business who want to become Merchants can use the platform with a fee or by buying into the BAYC, MAYC, or Mocaverse NFT ecosystems.

HOW AFFILIATE MARKETING WORKS:

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affiliate model how

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Despite the significant growth in traditional affiliate marketing, Web3 brands have yet to take full advantage of this trend. While traditional sectors are leveraging influencer marketing to drive traffic and revenue, the Web3 space remains largely untapped. There is a tremendous opportunity for Web3 brands to harness the power of affiliate marketing to build awareness, drive conversions, and engage with a decentralized digital audience. By integrating affiliate marketing strategies, Web3 brands can lead this innovative and rapidly growing sector, potentially positioning themselves at the forefront of this rapidly growing marketing strategy.

HOW GRAIN ONBOARDS INCREMENTAL USERS TO "ID" LOGINS

Each affiliate in the Grain Affiliate Network will be able to connect with "ID" logins. These integrations will seamlessly onboard incremental users to these systems. We will initiate conversations with merchants to add "ID" logins. This opens up new opportunities for mass onboarding with ID systems for the Merchant's customers, as well as for affiliates and merchants.

BENEFIT TO APECOIN ECOSYSTEM:

The GRAIN Affiliate Network delivers substantial benefits:

- Innovation and Leadership: Positions Grain as the ApeCoin powered affiliate network with branding throughout the ecosystem showing ApeCoin is a leader in innovative marketing solutions.
- All users will have the ability to connect with a future ApeID system and MocaID (Realm Network?).
- 5% Bonus Pot Allocation: Allocates 5% of the network's 30% fee to a bonus pot for paying out bonuses in on-chain rewards to affiliates.
- Increased ApeChain Volume: Drives volume to ApeChain by making bonus payouts to affiliates on-chain.
- Performance Marketing: Reduces risk for merchants by using a cost-per-acquisition (CPA) model, encouraging content creators and affiliate website owners to drive sales.
- · Increased Utility: Increases the utility and demand for ApeCoin.
- Proven Expertise: Leverages Kevin's success in building one of the biggest affiliate networks worldwide, Affiliate Window, to ensure project success.
- Affiliate Community Integration: Brings the affiliate community, including websites and content creators, into the ApeCoin ecosystem by paying out bonuses in ApeCoin with fiat options for standard payouts.
- DAO Growth: Returns 30% of the net profits to the DAO, directly contributing to the DAO's growth and sustainability.
- Onboarding Non-Ape Related Brands: Expands the ApeCoin ecosystem by onboarding non-ape-related brands, creating a performance marketing hub for all web3-related brands.
- Merchants Only Pay On Results: The GRAIN Affiliate Network enables the most cost-effective form of marketing, CPA (cost-per-acquisition) marketing. This enables result-driven marketing via affiliate websites and content creators with no risk.
- Central Hub for Performance Marketing: Provides a central hub for performance marketing, with tens of thousands of affiliates willing to promote web3 companies, services, and products on a commission basis. This will help other ApeCoin initiatives by offering a ready-made network of marketers to support their projects.

AFFILIATE BONUS PAYOUTS IN APECOIN:

GRAIN introduces a robust bonus payout system in ApeCoin to incentivize affiliates and foster engagement and growth on both the platform and ApeCoin. Affiliates will accumulate bonuses in ApeCoin based on their performance.

Bonus ApeCoin Accumulation and Payout:

- Tiered Bonus Structure: GRAIN will implement a tiered bonus structure where affiliates earn higher bonuses in ApeCoin and Moca Token (or Realm Points if this is possible to implement) based on their performance. Reaching certain milestones such as total sales generated, number of sales or leads generated will unlock higher bonus percentages.
- 2. Example Tiers:
- 3. Tier 1: \$0 \$1,000 in sales $\to 5\%$ bonus
- 4. Tier 2: \$1,001 \$5,000 in sales $\rightarrow 10\%$ bonus
- 5. Tier 3: \$5,001+ in sales → 15% bonus
- 6. Tier 1: $$0 $1,000 \text{ in sales} \rightarrow 5\% \text{ bonus}$
- 7. Tier 2: \$1,001 \$5,000 in sales \rightarrow 10% bonus
- 8. Tier 3: \$5,001+ in sales \rightarrow 15% bonus
- Bonus Multiplier Events: Introduce limited-time multiplier events where affiliates can earn double or triple the usual bonus rates for promoting specific merchants or during particular promotional periods (e.g., Black Friday, Cyber Monday, holiday seasons).

- 10. Referral Bonuses: Offer affiliates additional ApeCoin bonuses for referring new affiliates to the platform. This can create a network effect and encourage affiliates to bring in others.
- 11. Example: An affiliate gets a 10% bonus of ApeCoin on the first payout of any referred affiliate.
- 12. Consistent Activity Rewards: Provide monthly or quarterly bonuses for affiliates who maintain consistent activity, such as generating sales or leads every month. This incentivizes continuous engagement.
- 13. Example: Affiliates who generate sales every month for a quarter receive an additional 5% ApeCoin bonus on their accumulated earnings.

GRAIN REVENUE MODEL:

The GRAIN Affiliate Network charges the industry standard of a 30% fee on top of the commission paid to affiliates. For example, if a merchant wants to pay its affiliates a 10% commission on the cart value, the Affiliate Network will facilitate the 10% commission going to the affiliate and charge the merchant an additional 30% of the 10% for this service. Thus, \$10 in commission to an affiliate would generate \$3 for GRAIN, making the total fee for the merchant \$13. Additionally, 10% of the 30% fee will be allocated to a bonus pot that can pay out bonuses in ApeCoin to affiliates, built into the platform as an option for Merchants.

DEFINITIONS:

· Merchant:

A consumer facing brand with a website that pays a commission on sales or leads generated by affiliates.

· Affiliate:

A website, content creator, cashback site, rewards site, comparison site, social media advertiser or CPC ad specialist who hosts a tracking link to drive conversions to sales, signups, leads and more on a CPA basis. (CPC is cost per click, CPA is cost per acquisition basis meaning the generation of a sale, signup or lead)

· Affiliate Network:

The trusted third party providing the interface for merchants and affiliates and securing payments from Merchants to pay affiliate one single payment for all of the revenues they earn from all Merchants.

STEPS TO IMPLEMENT:

- 1. Platform Development: Design and build the affiliate network platform (12 weeks).
- 2. Beta Launch and Merchant Onboarding: Onboard merchants during the beta phase and gather feedback to refine the platform (starting immediately after the 12-week development phase).
- 3. Full Launch: Roll out the affiliate network to the entire ApeCoin ecosystem, allowing any merchant to join with the minimum requirement of holding a BAYC or MocaVerse NFT, with comprehensive marketing and onboarding strategies.
- 4. Continuous Improvement: Regular updates based on user feedback and market trends, expanding features and capabilities.

REPORTING EXPECTATIONS:

The revenue split that will be returned to the DAO will be reported yearly upon the finalization of the company accounts.

COST BREAKDOWN:

Item

Cost (\$)

Platform Development

350,000

QA Testing & Tech Support

65.000

Technical Infrastructure

35,000
Marketing/Advertising/Conferences
100,000
Sys Admin
40,000
Contingency

50,000

Legal

75,000

Management/Staff

120,000

Accountancy Costs

30,000

Total

\$865,000

Launch partner marketing and on-boarding: 250,000 APE (Under NDA's at the moment)

We want to make a big splash and onboard some of the communities biggest players. This allows for marketing, advertising and partnerships to be forged that will not only attract more merchants, but also big affiliates. Expect some big announcements on launch.

OVERALL COST:

The total budget for GRAIN - The Web3 Affiliate Network is \$865,000 plus 250,000 in ApeCoin, covering platform development, full launch, and continuous improvement. Building this is a big project that requires technical expertise, staff and extensive legal infrastructure.

Total amount requested from the ApeCoin Ecosystem Fund = \$1,065,000, (This includes the 250,000 APE Launch Partner Marketing And Onboarding at ApeCoin Price of \$0.80)

The system needs 99.8% uptime, requiring backup servers to ensure that affiliate links remain operational. A UK company will be set up for this project. The costs cover all setup expenses and aim to bring the project to profitability within 12 months.

Given Kevin's prior success with Affiliate Window, this is set to succeed both for the ApeCoin ecosystem, web3 brands and for the DAO. Kevin is highly confident in the projects success and has the track record to show this. After the initial investment for the setup and build the network will move into profit which will in turn benefit the DAO in a sustainable way.

POTENTIAL PROFITS:

Based on Kevin's experiences and understanding of the affiliate marketing space, it's estimated that the first year (post full launch) gross profits will be around \$200,000, second year's profits will be in the region of \$750,000, third year \$1.5 million, and fourth year \$3 million. The network effects of affiliate marketing mean growth is exponential. There are hundreds of brands within web3 and thousands within web2 that want to reach the web3 world. From day one, there will be thousands of registered affiliates.

The profits have been calculated based on a few assumptions:

With 50 Merchants paying 10% to their Affiliates and an basket value of \$100, each Merchant would need to generate approximately 1,333 sales to reach \$200,000 in revenue for GRAIN. This would generate \$11,108.33 in revenue per Merchant per month. However there are multiple scenarios of this such as higher commission for lead based Merchants who would pay \$10-\$100 lead fees and Merchants paying 25% to their Affiliates. I envisage more than 50 Merchants registering within 12 months.

30% of gross profits after tax will be returned to the DAO, so 100% of the grant will be paid back from profits. At this point, Merchants holding the specified assets—Bored Ape Yacht Club (BAYC), Mutant Ape Yacht Club (MAYC), and Mocaverse NFTs

—will continue to have zero-fee access to the affiliate network as a Merchant, for as long as they	hold these assets.