EXECUTIVE SUMMARY

VISION INDUSTRY

GET PAID TO WATCH©

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THE VIDEO ENTERTAINMENT INDUSTRY IS RIPE FOR DISRUPTION

Moving Images have existed for over a century. The technology to create, capture, and display these images has rapidly evolved during this time. However, the business model according to which content is distributed has not. In fact, the business model according to which content is distributed, purchased, paid for and how it is consumed has changed very little.

Today, viewers buy admission tickets to a movie, or purchase the rights to a pay-per-view event. Content producers and distributors – from cable tv operators to satellite tv providers to telecommunication companies all forecast revenues based on the number of paying viewers they can attract. Even the advent of the Internet did not alter the aging 100 year plus revenue model that forms the basis for video revenue generation today where content producers pay advertisers to attract viewers and where viewers pay to watch.

Today's advertisers pay to place their advertising in or as close to the consumers point of interest on websites as they can; including any video being offered. Advertisers do this using product placement, contextual advertising, and interstitial ads. The proximity of video to advertising enables some video operators to offer content for free. Sponsors pay to screen space to display advertising. The hope is that advertising placed such catches the attention of the viewer. This subsidizes the video provider's operating expenses. This permits a viewer to watch without paying. These days, people watch videos for free, just for having to look at a few advertisements.

Today's ad supported free viewing model is the Internet industry standard. However, there are still three major problems with this model in its current state.

1. TOO MANY HANDS IN THE POT

It isn't as simple as the advertiser paying the content producer. More often, it involves the advertiser paying an advertising network, and the advertising network paying the agent of the content producer. Eventually revenue trickles down to the content producer. Each of these parties along the way takes a cut or they own the distribution network and keep it all. Because the content producer often does not control or own the distribution network, very little of the revenue is shared with the content producer.

Surprisingly, the bulk of revenue in the online video industry is not generated by content. The bulk of online revenues are generated by compiling big data on viewers and reselling it and by generating traffic and reselling it to others maybe even in competing business verticals (Facebook, Google, etc.). This is a huge business generating billions upon billions in revenue and where advertisers earn very little revenue, content producers earn even less and the viewer earns absolutely nothing.

Instead of improving the quality of content production, the current business frustrates almost all content producers and reduces the incentive to create quality content as net revenues dwindle to nothing. This is a problem for content producers who provide content to aggregators like Facebook, YouTube and Google and many, many more.

2. IT'S NOT ABOUT THE VIEWER

Since the viewer does not pay for content on sites, advertisers are able to control which content gets sponsored. Advertisers control which content is made available for free. Viewers can watch free content. However, the curation process is more geared towards showing viewers what types of ads they are or might be interested in by tracking them algorithmically and tracking their habits on the Internet. Today, viewer's interests and real concerns are secondary at best.

3. LIMITED USER ENGAGEMENT

When the supply of video programming on the Internet was limited, it was easy to get users to pay to watch. As more content became available, it was easy to provide content for free with supporting ads and banners, pop-ups and pop-unders. The watch for free system has inevitable led to saturation of the market with low quality content and "click bait". While nearly 100% of video platforms show ads, this doesn't necessarily means viewers watch ads. Viewers often switch windows or use ad blocking software. Viewers skip or may not even watch an ad. As a result, the value advertisers get for their advertising dollars is questionable. As a direct consequence, ad costs decrease, leading advertisers to place more and even lengthier ads to compete with each viewer's attention. The lack of genuine engagement with ads by viewers is forcing advertisers to rethink their monetization model – because it is broken.

VIT – THE RISE OF THE ATTENTION ECONOMY

"Free was good – it's just not good enough anymore."
- Stuart Duncan, CEO, Video Industry Token and blockchain

Authentic viewer attention is the most valuable resource in the video industry. It can be broken down into three words, "eyeballs, eyeballs, eyeballs". Todays vast majority of News, sports, social media and entertainment websites on the Internet feature video platforms. Among these sites, competition for viewer attention is fierce.

What does the new monetization model for VIT look like? VIT, is designed to re-center monetization for free video content around the specific desires of the viewer. VIT has created a decentralized cryptocurrency token distribution platform that rewards each stakeholder in the video content industry – from amateur to professional- by capturing genuine viewer engagement at the point of intersection with various forms of the new emerging "Attention Economy" in what we call Proof of View (PoV), Proof of Brain (PoB) all using Delegated Proof of Stake (DPoS) consensus through something we call Witness Nodes.

The foundation of VIT is built on a "fork" of the code that powers the open-source Steem blockchain, which generates and distributes Steem tokens as users consume internet content, simultaneously recording proof of such interactions as PoV and PoB on an immutable ledger. In essence, VIT has forked the open-source code that powers the Steem network to meet the specific needs of the entire video industry.

Vision Industry awards tokens called "VIT" to each stakeholder in the video content distribution and transaction chain. This includes viewers, content producers, advertisers, distributors, licensees and even performers. We copyrighted the phrase "Get Paid To Watch ©" to emphasize the benefit of the VIT platform for content viewers. The process of recording and authenticating viewer interaction on a ledger through the generation of VIT tokens also permits content producers to more accurately identify viewer preferences, allowing them to refine and create better content for viewers, etc.

To kick start the VIT network, VIT is creating relationships with main stream video producers and developers including creating and working with creators of sites like YouTube, Facebook and many more to tokenize and pay people for their valuable attention as viewers. VIT also offers a B2B assistance program to content producers to integrate VIT into their own web monetization strategies.

VIT

Why use VIT instead of another cryptocurrency – or even a fiat currency? The VIT protocol's unique feature is the creation and distribution of tokens to all stakeholders in the industry that serves both as proof of engagement with content and a mechanism for payment.

The primary features of the VIT protocol are the VIT rewards pool and the VIT ledger. The VIT rewards pool ensures instant and transparent allocation of VIT to stakeholders according to a fixed set of rules. The VIT protocol is capable of recording more that 100,000 transactions per second!

The VIT ledger records granular user behavior – such as social activity, likes, upvotes, comments, content preferences and other valuable transaction and knowledge metadata. Traditional website traffic analysis systems only passively record engagement metrics, like view counts and clicks, but do not permit content producers to provide incentives to viewers to deeply engage with content in real time. VIT does. The VIT protocol permits producers to reward viewers for their input in real time, providing much richer data sets. The VIT protocol includes web traffic analysis to enable producers to market and capitalize on VIT's data, to refine the content they offer and more accurately target viewer preferences.

VIT believes that viewers who are paid for their attention will spend more time engaging with VIT connected platforms, will be more likely to buy content they like and will indeed even provide better information in an ongoing feedback loop if they are paid. In addition, content producers will be able to aggregate and sell rich data to other content producers or even to other site owners. This data will be saleable across an unlimited number of Internet business verticals. Advertisers will finally know what ads work and what programs will be the best vehicles for their advertising offers to be promoted on. The old adage of "We know that half the advertising we do works – we just don't know which half" will be replaced with "We know exactly what works for us".

All of VIT's content partners and website owners will embed support for VIT on their websites, and will honor VIT as a means of payment for premium content in their networks. VIT will also be supported by a growing number of VIT video portals operating in exactly the same way.

VIT has a huge advantage over general use cryptocurrencies because it can serve not only as a medium of exchange and payment in buy and sell transactions, it can be earned. As such, VIT singlehandedly captures every viewer's attention as a mass utility token capable of rewarding and paying everyone.

VIT PORTALS

• Vision Industry will launch a portal website similar to the STEEM.com site that will not carry any adult related materials inside the Video Industry platform. The platform will utilize the Chainbase/Graphene database optimized for blockchain applications to capture social interactions and text, as well as the Inter Planetary File systems protocol (IPFS) for hosting and delivering content. All portals and subsequent sites will integrate VIT to enable the distribution of tokens to stakeholders.

• Because IPFS content storage and delivery is decentralized and encrypted, it has numerous advantages over centralized platforms. Users with sporadic or unreliable Internet service can access files in the same manner and speed as users with reliable Internet connectivity. This removes barriers for viewers in remote or non-metropolitan areas.

• As described above, all participants in all aspects of the Video Industry portals and sites will be eligible to earn VIT

• IPFS node operators will be able to earn VIT by providing content storage resources to portal operators.

• Witness node operators will be able to earn VIT by staking witness nodes to witnessing VIT transactions across the entire VIT network.

• Vision Industry will operate as a channel for supporting the VIT blockchain and the websites and content of its video industry partners. The VIT protocol is open source and will be available to independent content producers who want to take advantage of the protocol to run their own branded VIT nodes, in any language – on the same blockchain. In addition, the VIT protocol will allow others to modify the code at their discretion to add other off-chain functionality. The re-branding option is offered to provide ample opportunity for enterprising parties worldwide to create specialized versions of the Video Industry portal in the interests of enriching users of both the portal and the VIT protocol. Those who operate VIT nodes will be able to earn for transactions processed through each node.

• The VIT protocol will allocate 3% of the VIT earned by viewers and content producers to affiliate, partner websites and brands as a reward for hosting.

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