True Social Token

The new value flow at the intersection of web3 and the creator economy

Empowering Creators: Leveraging Social Tokenization to Foster Community Growth and Monetization

A revolutionary Tokenization Model, meticulously designed to establish a direct financial link between creators and communities, eliminates the need for intermediaries. Our solution uniquely mints tokens within the creator's environment, fostering a tight-knit connection with the community, bypassing the necessity for any exchanges (DEX or CEX) and any kind of intermediaries.

Social tokens are tradable assets linked to a community affiliated with a content creator or brand. They are customized cryptocurrencies that enable community members to unlock specific interactions or experiences or simply invest in their favorite idols or brands.

Not only does this solution compensate the creator when the community mints it, but it also sees a growth in value alongside the community's expansion. Operating on a model that mutually rewards both creators and communities as financial success unfolds, this model ensures stability and reliability, never facing liquidity challenges under any circumstance.

In stark contrast to tokens vulnerable to speculation, this solution prioritizes aligning economic incentives. Its foundation is built on a progressive ownership model, introducing innovative ways to benefit both creators and communities. With these distinctive features, the solution signifies a pioneering approach to nurturing mutually beneficial relationships in the blockchain ecosystem.

This experience can be similar to how players use digital currencies in a video game to unlock additional experiences. For the first time, creators will be the sole arbiters of how and to what extent they retain the value they create.

While personal monetization will undoubtedly evolve beyond our current conceptual understanding, social tokens can serve as the cornerstone of how influencers, creators, brands, etc., allocate, transfer, and extract value directly from the communities they tirelessly work for. In theory, creators or brands, in general, should be able to extract value solely from their name.

Social tokens bypass the relentless control that centralized authorities have over the entertainment industry. They exemplify the core spirit of how intermediaries should not be a necessary condition for the transfer of value. Social tokens are a path to financial and creative independence for both content creators and their communities.

The success of any creator comes from fostering the growth of their community. With a social token, as their fan base grows, a prosperous economy forms that rewards both the value creator and their community.

The dynamics of the creator economy are rapidly evolving, paving the way for novel methods of community engagement and value extraction. This paper delves into the realm of social tokenization, offering a comprehensive understanding of its implementation and the benefits it brings to both content creators and their communities. By establishing a theoretical framework and practical insights, this study presents a structured approach for creators to cultivate a strong sense of ownership over their communities, thereby fostering sustainable growth and financial independence.

The modern landscape of the creator economy is characterized by a diverse range of monetization avenues and a significant surge in the number of content creators across various platforms. As this trend continues to gain momentum, the question of community

ownership and sustainable monetization becomes increasingly pertinent. This paper explores the concept of social tokenization as a powerful tool for creators to establish a direct link between their value creation and community appreciation, thereby reshaping the traditional dynamics of the industry.

Social tokens represent a transformative approach to community monetization, enabling creators to mint personalized cryptocurrencies that align with their brand and community ethos. These tokens facilitate a decentralized ecosystem, allowing community members to invest in their favorite creators, access exclusive content, and participate in unique experiences. Moreover, social tokens empower creators to retain the value they generate, fostering a mutually beneficial relationship with their audience.

The Model

Implementing Social Tokenization:

The implementation of social tokenization involves a three-step process:

1. Creating a Bonding Curve: This is done by establishing a mathematical model that sets the price of one token relative to another and to supply. The weighted mathematical equation is a generalization of the constant product formula, allowing for weighted contributions.

2. Creating a Fungible Intertwining: This step enables bidirectional exchanges, ensuring participants can buy and sell their tokens at any time without being subject to the risks of volatility, speculation, and liquidity associated with traditional cryptocurrency exchanges.

3. Seed Liquidity: Central to the functioning of social tokens is the Seed Liquidity, a mechanism inspired by Vitalik Buterin's mathematical principles. This pool serves as the foundation for generating value and liquidity, ensuring a seamless exchange between the base currency and the newly minted tokens. By

integrating a dynamic pricing mechanism, creators can nurture a sustainable economy that mitigates the risks associated with market volatility and speculation.

Formulas and Data:

1. Social Token Price Formula: Social tokens are priced using a dynamic formula where P represents the token price, S represents the supply, and R represents the reserve.

   $P = S^{0.5}$
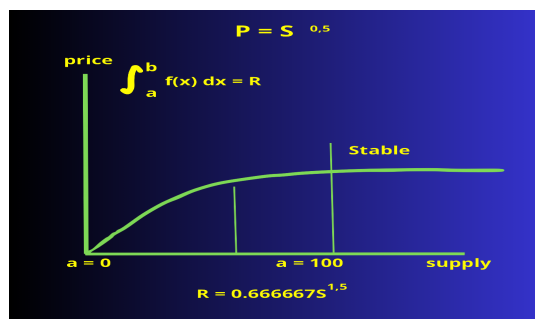
2. Reserve Calculation: The reserve is calculated as the area under the curve up to the current supply:

   $R = 0.666667 * S^{1.5}$

3. Relationship Between Supply and Reserve: To maintain a proportion between the reserve and supply, the following formula is used:

   $0.666667 * S^{1.5} / R = 0.666667 * (S + \Delta S)^{1.5} / (R + \Delta R)$

4. Price for a Certain Amount of Destination Tokens: The price for a certain amount of destination tokens (R) is calculated as:

   $R = R^{1.5} + R * (S + \Delta S)^{1.5} / S^{1.5}$

References:

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