

Komerka

April 9

Summary

Scarcity's impact on e-commerce;
Ship us your stuff go to market;
Want to move carefully, so focus is
on process, building to last.

Outline

1. High level pitch
2. Go-to market
3. Action Plan

High level pitch

**Digital scarcity is going to change
e-commerce.**

Web 2.0: the fight for the consumer interface.

Wedge is **aggregation** (Google vs. NYT) or **focus** (AirBnb, eBay vs. Craigslist)

In e-commerce, “focus” plays are hottest.

REBAG (purses/bags): raised \$53M

GOAT (Sneakers): raised \$197M

The RealReal(luxury goods): raised \$288M

Their pitch

Lower the cognitive load for a subset of e-commerce, use better UX to gain customers, use customer base to expand into other parts of e-commerce.

Web 2.0: Single platform pseudo-asset, capture value with services related to these assets.

Web 3.0: Cross platform source of truth, possible to capture value on ***only*** asset production.

Web 2.0: if they're using your interface, you win.

Web 3.0: if they're using your asset, you win.

Pickaxes in a goldrush

Can we own the factory for source-of-truth e-commerce assets?

What might this look like?

A protocol for physical asset-backed tokens.

A suite of tools for using them.

How to capture value?

Half a peta-wei (\$0.09) on mint.

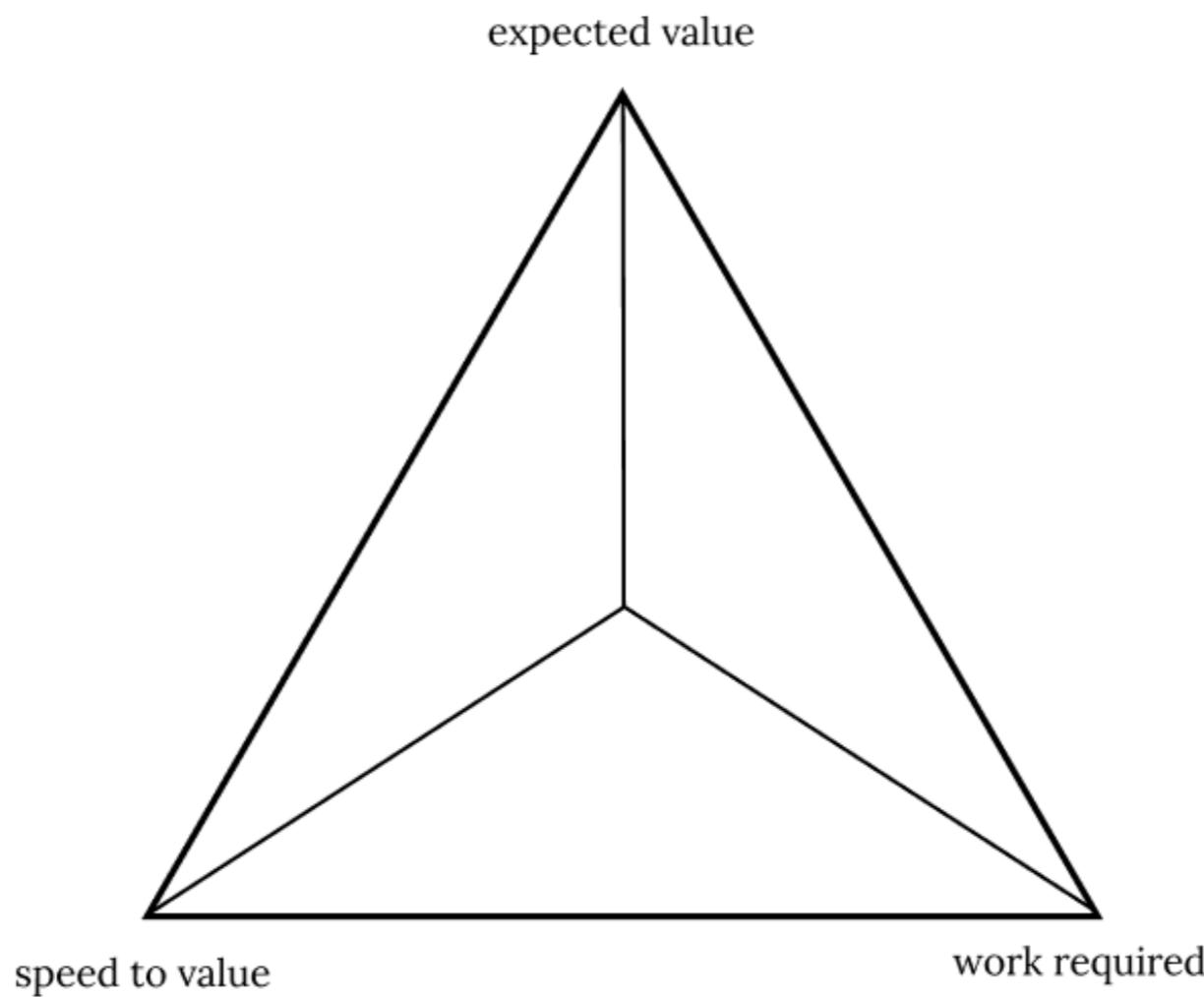
eBay S-1, 70k items listed a day.

70k items per day would be \$2.2M a year at current ETH prices.

Go-to market

**We need to build the first
successful platform on our
software.**

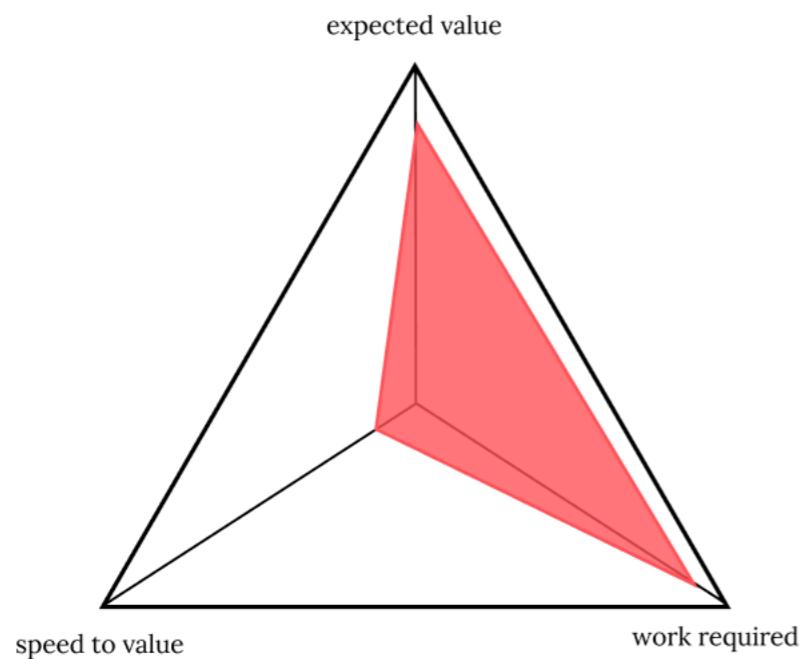
The triangle of customer e-commerce concerns



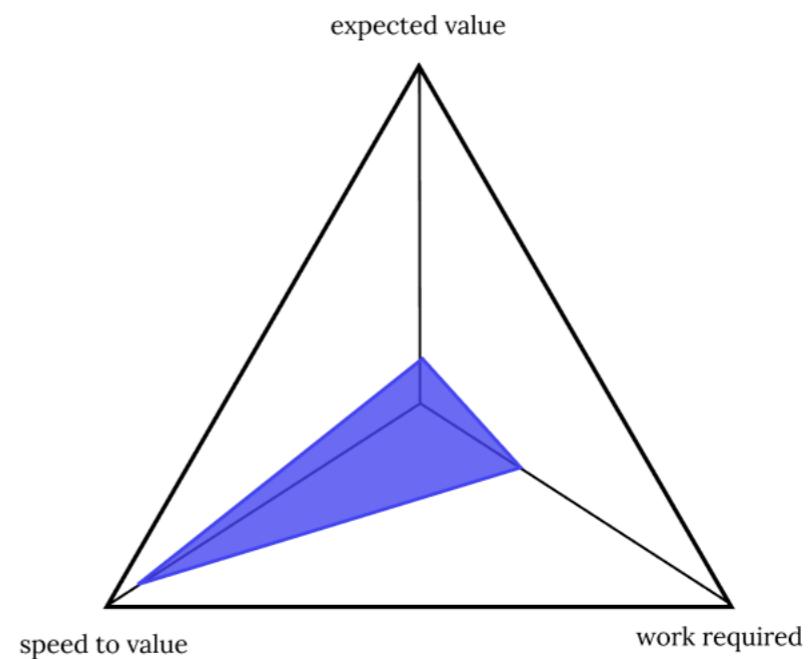
Customer sentiment:
I will use your service, if

1. I get more value than I otherwise would.
2. I get value faster than I otherwise would.
3. I get value more easily than I otherwise would.

Or some combination.

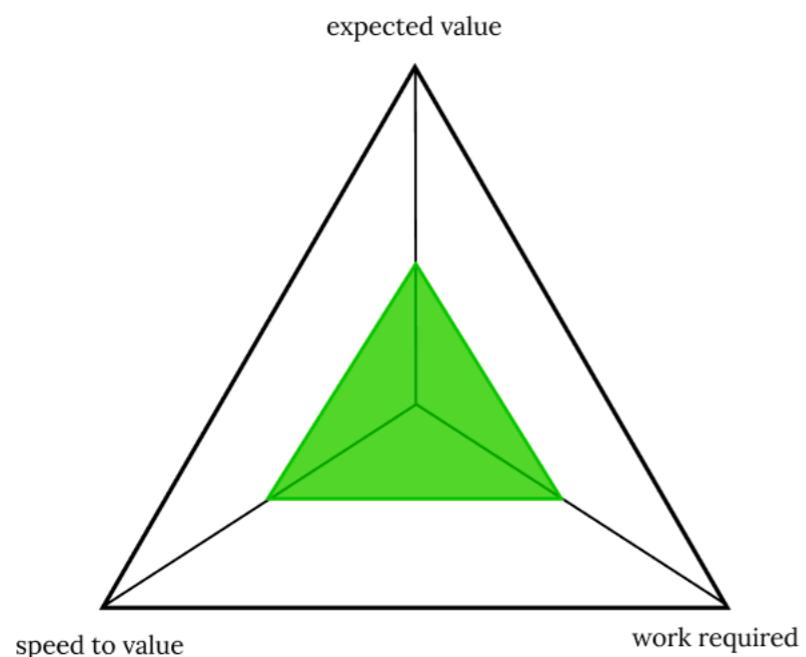


Christie's Auction House



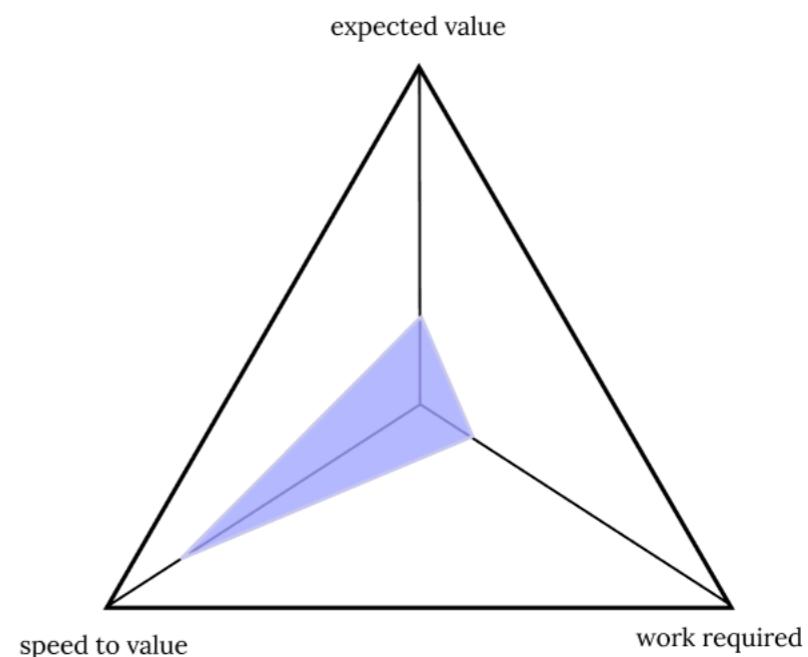
Pawn Shop

Desktop 2.6



eBay

Desktop 2.7



Craiglist

Our most promising go to market: **Digitize Your Stuff (DYS)**

Send us a box, we take photos, give you an NFT for each, which represent “rights to ship.”

Why will people use?

Improve speed to value:

- Buyers have confidence because photos/possession with 3rd party.
- All the crypto benefits: embed, sell anywhere online

Cura
-ted

komerkaCurated

Used Luis Vuitton Handbag for 850 DAI

Luis Vuitton Messenger Bag with Strap



< 1/3 >

BUY FOR 850 DAI

Bought it at the local LV store in downtown Portland. Used it several times and it still has a good life to it.

Verified by: photoVerify

Possessed by: Amazon Services

```
1  {
2      "title": "Token Metadata",
3      "type": "object",
4      "properties": {
5          "name": {
6              "type": "string",
7              "description": "Identifies
8          },
9          "decimals": {
10             "type": "integer",
11             "description": "The number
12         },
13         "description": {
14             "type": "string",
15             "description": "Describes
16         },
17         "image": {
18             "type": "string",
19             "description": "A URI poin
20         },
21         "properties": {
22             "type": "object",
23             "description": "Arbitrary
24         },
25     }
26 }
```

Improve ease to value:

- Easy to ship a box of stuff, saves trouble of photographing.
- Single asset for a world of services
 - E.g. Could consign token to someone else for traditional e-commerce sale. Saves trouble of managing auction with no risk: consignee doesn't touch physical good.

Improve value:

- Items might sell for higher because
 - Third party photos are trusted/good enough for many authenticity tests.
 - Crypto sale offers global audience, more anonymity for buyers

Challenges:

- Scaling verification
- Scaling storage
- Unit margins

We don't want to run a centralized photo and storage company.

But if photo and storage are done separately, the unit margins become very difficult due to shipping.

Best option: build a network of individuals who store and take photos.

Can we pay photo takers/storer's
enough while still keeping a
compelling value prop to
customers?

A look at eBay consignment:

Btw, eBay consignment is still a thing!

VIRTUAL

iSold it on eBay
Ship items to us!
(301)990-2040
info@lsolditMD.com
eBay Store iSoldit MD

Kelly's Collectibles
Whitefish, MT
(406)885-6728
kellyscollectiblesmt@gmail.com
Specializing in art, collectibles and
antiques
Items can be mailed – contact for
more info!

Jetsom -
Individual
Consign
Items ca
for detail
540-322-
info@jet
eBay Stc

ARKANSAS

Genie Wall
Serving Southwest Missouri,
Central and Northern Arkansas
(417)263-0673
ewall1984@yahoo.com
eBay Store Denim Junction

David and Kathy Heatherly
Serving Memphis
North MS, Eastern AR
(901)275-4627
(901)753-0432
dheaterly1661@comcast.net
eBay Store Down and Along
Memory Lane

CALIFORNIA

justinreed

Follow

...

81 posts

27.2k followers

1,241 following

JUSTIN REED

a boutique consignment shop

www.justinreed.com



isoldit.md0118 (39951)

99.8% positive feedback

Save

Feedback ratings

1,619 Item as described

1,690 Communication

1,646 Shipping time

1,567 Shipping charges

eBay



~10% goes to eBay

eBay Selling Services



take 20 - 40%



Seller potentially gets
only 50% of sale value

Jobs to be done:

- Authentication
- Photos
- Listing
- Shipping

Can we price more efficiently by
creating a marketplace and
separating?

Jobs to be done:

- Photos Storer/verifier
- Authentication Digital service provider
- Listing Digital service provider
- Shipping Storer/verifier

Assumption: people are willing to work for \$40,000 a year.

Verify 100 items a day → \$1.54 per item (\$40k annual, 5 day week)



Listing → API access, possible to do > 100 per day, but let's say \$2 per item.



[Features Guide](#) [Users Guide](#) [Making a Call](#) [API Reference](#) [Tutorials](#) [Release Notes](#)

x

[AddItem](#)

Creates a fixed-pr

Authentication: price and utility
varies by item. Opt-in.

Lower bound price average: \$20

eBay consignment 33% → \$6.6

Sum so far \$3.54 → We can beat eBay consignment.

Shipping to us another cost, but can box things together, < \$2 per item is highly possible.

A look at other marketplaces
(people are willing to give up a lot)

 Name	 Fee
eBay	Varies by item, but roughly 10% plus nominal listing fee
ThredUP	\$10 for verification, buy out right
the realreal	complex: you keep 40% < \$145, 50% \$146 - \$195, 70% \$100 - \$499,...
Tradsey	\$7.5 < \$50, 19.8% > \$50, 2.9% cash out fee
Rebag	They buy your bag out right. Lots of complaints online about lowball prices. Hard to know.
Poshmark	20%
Goat	Flat seller fee: \$5 - \$30, 9.5% commission, 2.9% cash out fee.

People give more when they just want it gone.

ThredUP

\$10 for verification, buy out
right



Wristlet
Est. Payout: \$0.23



Wool Skirt
Est. Payout: \$0.35



Pullover Sweater
Est. Payout: \$0.35



Pullover Sweater
Est. Payout: \$0.46

Note Prices >

Craiglist is another example. If we had a distributed network of storers, you could have storers in your city. Avoid a furniture fire sale.

We can offer different packages for shipping and other things re customer preference on work, value, and speed preference.

Action plan

Crypto is a nascent space. Even the most well-reasoned go-to market is super fragile.

How to build something anti-fragile?

How to succeed in crypto in 2019.

Don't die

Capture value

Build an organic community

Developers are the most important audience

How?

Tokens are really useful.

Projects that excite. Best of breadth and depth.

We think building an entirely remote org is helpful in that it puts community concerns authentically front and center from the beginning.

How others can get involved has to be clear.
Coordination systems have to be clear.

Our plan:

A series of projects, built as proof of concepts. Showing off different things that could be done in the Komerk world. Built to inspire.

Goal is to build a consistent work process. Starts a my personal work list, but is structured well so that others can get involved.

Design ideas:

Komerka

PROJECTS

SEE PAST PROJECTS >

YEEZY NFT DUTCH AUCTION

CURRENT PROJECT

DIGITIZEYOURSTUFF.COM

UPCOMING PROJECTS

PAYPAL SUBSTITUTE

K

Yeezy-Backed NFT Dutch Auction

Tasks	
Change font ...	\$10 DAI
Twitter embed...	\$200 DAI

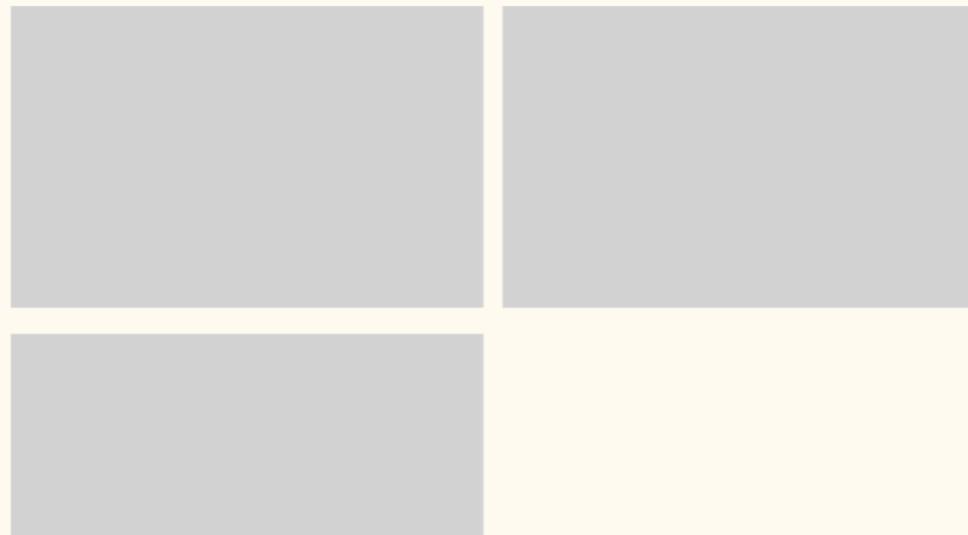
Motivation

Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo consequat. Duis aute irure dolor in reprehenderit in voluptate velit esse cillum dolore eu fugiat nulla pariatur. Excepteur sint occaecat cupidatat non proident, sunt in culpa qui officia deserunt mollit anim id est laborum

Design

Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo consequat. Duis aute irure dolor in reprehenderit in voluptate velit esse cillum dolore eu fugiat nulla pariatur. Excepteur sint occaecat cupidatat non proident, sunt in culpa qui officia deserunt mollit anim id est laborum

Artifacts



Status

In Progress, Pre Launch

Address

0x3795F842a07FbB2875C0e55013fc6c8cE277E0c2

Revenue

To Date: 10,000 DAI

This Month: 1,000 DAI

Costs

To Date: 10,000 DAI

Links:

Github:

First projects:

- Komerka base contract v1
- Short Komerka explainer
- 0x Dutch Auction creator
- 1155 <-> 721 contract
- Yeezy/Speciality NFT Auction
- Paypal Substitute
- Digitize your stuff

Focus on interesting things on different axis.

Minting: who, how

Possession: who possesses, how it is possessed, assurances

Ownership: unique rules

KPI: time to 3rd party building
something we're excited about.

Most focused on Yeezy auction.

Almost art piece. Leaning into crypto weirdness. Plan to do a series: ant farm, art pieces, high end sneakers.

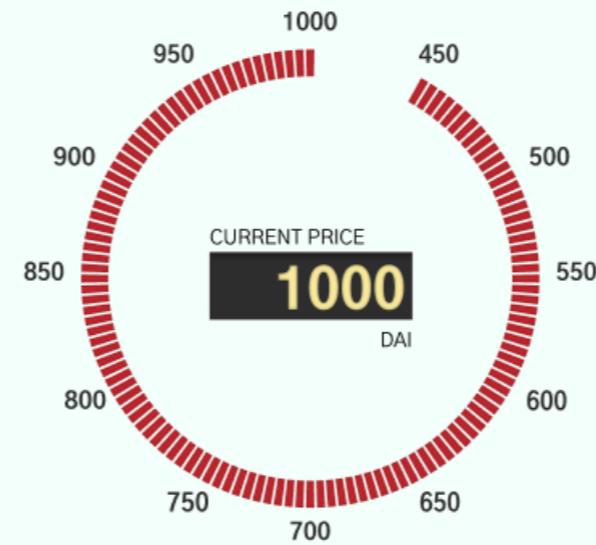
yeezy Boost 700 Inertia



The adidas Yeezy Boost 700 is a sneaker designed by Kanye West and adidas. It was first revealed during the Yeezy Season 5 fashion show in February, 2017, and later officially released on August 12th, 2017 for \$300 exclusively via the Yeezy Supply online store in highly limited quantity.

The Intertia 10 version was released on March 9, 2019.

“Inertia” is the name of the soft blue shades featured all throughout this iteration’s upper, while its lone swathe of color arrives on the orange dots prominently featured on the lateral and medial side of its chiseled midsole. Overall the Yeezy 700 model is revered for its premium build, fusing together hits of suede, mesh, rubber, and other textiles.



AUCTION START

02 05 22
days hours minutes

Block: 8,000,000

AUCTION END

04 05 22
days hours minutes

Block: 8,006,171



How it works:

Dutch auctions start at the highest price and go down in price as time progresses. The auction end when a buyer agrees to the price or when the auction minimum price is hit.

Price Calculator

When will the price be...

700

Approx. April 24 at 3:54PM

Yeezy Boost 700 Inertia



Sold to **0x3795F842a07FbB2875C0e55013fc6c8cE277E0c2**
for **780 DAI** on block **7,420,251** in the first Komerka NFT auction ever.

Currently owned by: **0x3795F842a07FbB2875C0e55013fc6c8cE277E0c2**

Message from owner: @wilsoncusack

Owner history:

Funding:

Want to do a token. Considering the best path.
Interested in things using Uniswap. Like:

Deposit 100 k-tokens owned by us into a Uniswap exchange. Selling other k-tokens to investors, in exchange for ETH deposited in Uniswap.

Means: token starts to take value and be desirable to others. The better we manage our money, the more ETH stays in the exchange and gives our token value.

:)