Sponsee Application Features & Architecture

(Non-Technical Whitepaper)

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Abstract: Sponsee aims to be the leading platform for all influencer monetisation activities, allowing creators and businesses to form mutually beneficial and successful partnerships. This paper presents the features of the Sponsee application, problems it solves as well as key features of smart contract implementation.

1.0 Introduction

Sponsee is a cross platform mobile and web application that facilitates organic connections between social media influencers and businesses around the world. Influencer marketing is a thriving and growing industry that adds value to both traditional and modern businesses (Wielki, 2020). However, a large portion of small and medium enterprises do not utilize social media influencers to market their services or products (Kadekova & Holienčinová, 2018). This can be attributed to a high barrier of entry in the form of :

1. Not knowing which social media platform to use
2. No benchmark on the return of investment per influencer shoutout
3. No rating system
4. No assurance on delivery of media content to justify pre payment of services
5. No reference on rates per shoutout
6. No information on an influencer's willingness to participate
7. High cost per brand deal for accessible influencers (large follower count)

In more detail, the Sponsee application is a fee-free peer-to-peer marketplace that removes the traditional middleman (in influencer marketing agencies) and allows for influencers and businesses to converse directly with the aim of establishing a brand deal or sponsorship deal. Additionally, Sponsee contains a full suite of features designed to enhance and compliment the influencer marketing process for both sponsors (businesses) and "sponsees" (influencers). These include:

1. Cross social media platform filtering and sorting system

2. Direct access to listed brand deals and jobs up for browse

3. Rating system for both sponsors and sponsors

4. Digital contract system to facilitate brand deals and shoutouts

5. Fully transparent financial transaction system

6. Dispute resolution

Another problem faced in the traditional influencer marketing landscape is that it is a largely mega-influencer dominated economy. The difference in revenue generated per shoutout between micro/nano-influencers and large influencer celebrities is not linear to the increase in their respective outreach (Hughes et al., 2019). This means that larger influencers are overcharging businesses for brand endorsements while smaller businesses with less financial backing do not have access to the influencer group more suited for their needs. In summary, Sponsee hopes to change the nature of this economy, by connecting smaller sized influencers with smaller businesses.

Through the use of a full suite of features as mentioned above, Sponsee's vision is to be the one stop solution platform for all influencers and businesses. Influencers with a low follower count should be able to sieve out and connect with appropriate businesses within their budget range and likewise for smaller businesses. The workflow for the use of the Sponsee application can be represented by the following flow diagrams in figures 1 and 2.
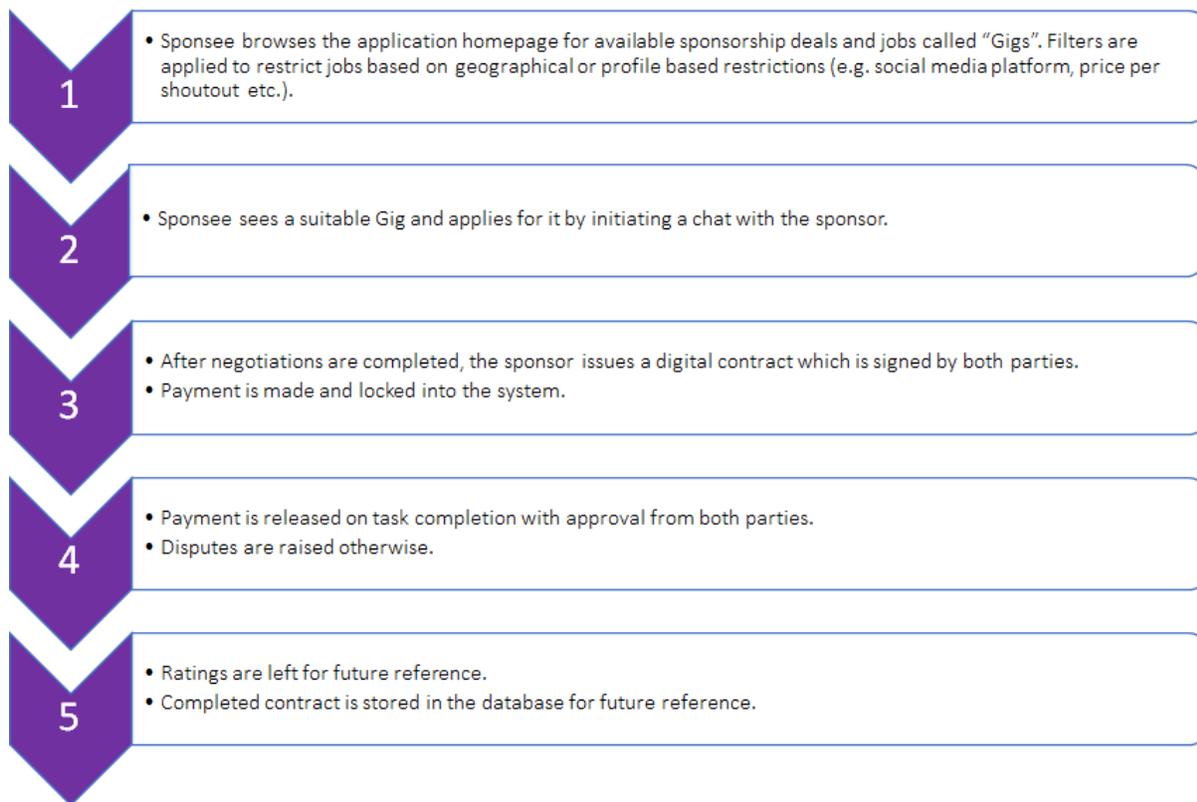
1. Sponsee browses the application homepage for available sponsorship deals and jobs called "Gigs". Filters are applied to restrict jobs based on geographical or profile based restrictions (e.g. social media platform, price per shoutout etc.).

2. Sponsee sees a suitable Gig and applies for it by initiating a chat with the sponsor.

3. • After negotiations are completed, the sponsor issues a digital contract which is signed by both parties.
   • Payment is made and locked into the system.

4. • Payment is released on task completion with approval from both parties.
   • Disputes are raised otherwise.

5. • Ratings are left for future reference.
   • Completed contract is stored in the database for future reference.

Figure 1.0: Simplified workflow for sponsees

1 • Sponsor browses the sponsee homepage for available influencers looking for Gigs. Filters are applied to restrict influencers based on geographical or profile based restrictions (e.g. social media platform, price per shoutout etc.).

2 • Sponsor sees a suitable influencer and applies for it by initiating a chat with them.

3 • After negotiations are completed, the sponsor issues a digital contract which is signed by both parties.
• Payment is made and locked into the system.

4 • Payment is released on task completion with approval from both parties.
• Disputes are raised otherwise.

5 • Ratings are left for future reference.
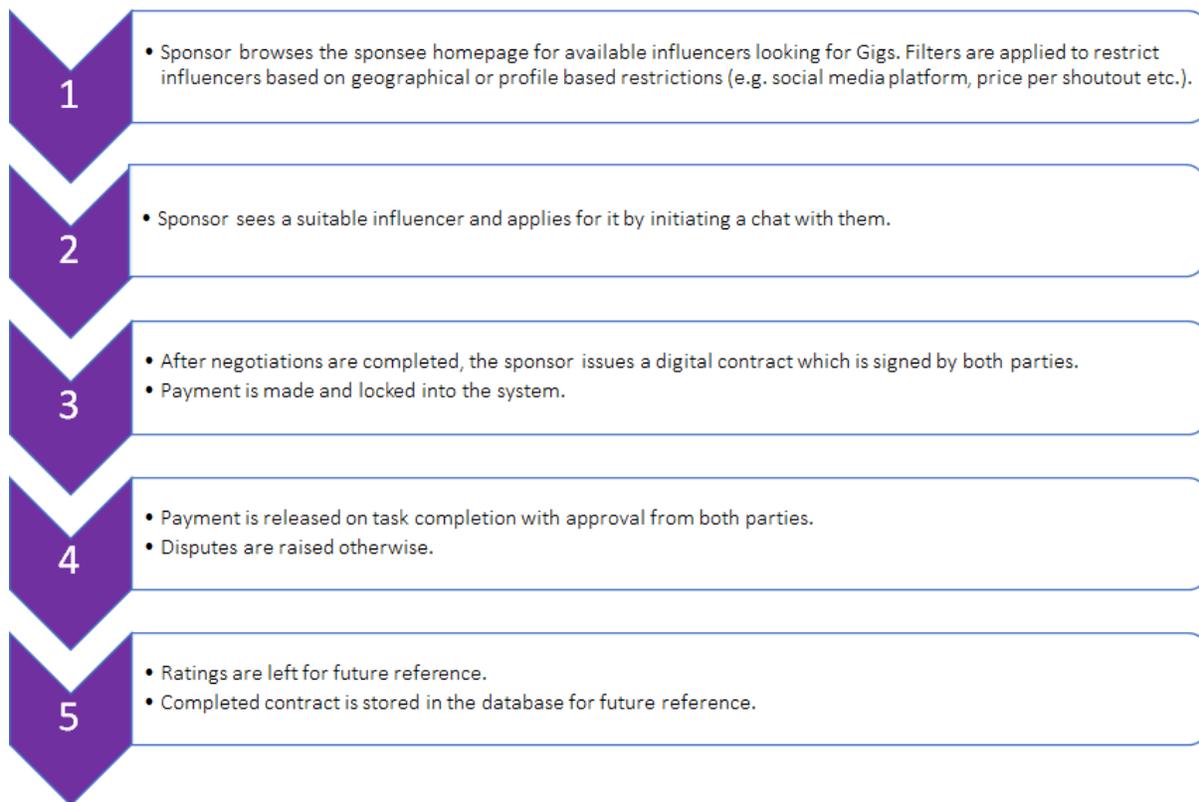• Completed contract is stored in the database for future reference.

Figure 2.0: Simplified workflow for sponsors.

2.0 Problem Formulation

The Sponsee application faces several challenges in its workflow and API based implementation of certain features.

2.1 Digital Contract

First, a major problem surfaces in the formulation of a digital contract between the sponsor and sponsee. With the generation of a pdf based digital contract, there is little legal weight to the terms and conditions agreed by both parties. Essentially, once payment is made, there is no mechanism to prevent the Sponsee from breaking the contract. A third party solution proposed was through an intermediary such as Docusign. However, since the Sponsee app caters to an international audience, legally binding contracts are tedious to verify and hard to enforce with little to no consequences on breakage.

2.2 Dispute Resolution

Second, the dispute resolution process is entirely subjective in this traditional application workflow. When disputes are raised, the details of the dispute are revealed to the administrators or to a third party dispute resolution service. This introduces the element of human error, and is forecasted to cause dissatisfaction to the party losing the dispute. As such, this motivates the need for an objective system of dispute resolution that does not rely on human judgement.

2.3 Financial Transactions

Thid, the traditional financial transaction process between sponsors and sponsees is a trust based system. Standard practice requires sponsors to make payment for shoutouts before the task is completed. This is an inherently flawed practice. Sponsors face a high barrier of entry to influencer marketing because of the uncertainty in the results sponsees might provide. Sponsees also have little to no incentive to do a good job of their shoutout. This prompted the use of smart contracts to create a decentralised method of rewarding sponsees based on performance, which shall be elaborated on in the later section.

2.4 Data Storage & Extraction

Fourth, the storage and extraction of media content and digital contracts is an expensive task, due to high frequency and high bandwidth communications with our server. Even with compression and caching, it is not sustainable when scalability is factored into the growth of user base. This motivated the use of the IPFS peer to peer network system for storage of data and extraction through blockchain hash keys.

2.5 Lack of Complexity

Fifth, the traditional workflow of the Sponsee application does not allow for complex and conditional agreements to be made between parties involved. It does not allow for partial/conditional reward tiers based on milestones completed. The use of smart contracts changes this as it allows for complex agreements to be subdivided into subtasks and validated on the blockchain in a procedural manner.

2.6 Validity & Security

The final and largest problem faced with the traditional application implementation is the lack of measures in place to ensure ratings, accounts and agreements are verified and recorded without possibility of interference. For example, scammers might use bots to increase the rating of a sponsee account to receive jobs without actually fulfilling the contract in the end. Contract details are also centralised on the Sponsee server, and are inaccessible to the public which raises questions about transparency. The use of blockchain technology solves all these issues as it provides a concrete and transparent manner of data and contract storage with little interference or tampering possible, once the smart contracts involved are written per negotiation.

3.0 Smart Contracts

The general architecture of Sponsee's smart contract driven workflow can be visualised in Figure 1.0 below. The end-clients in our application consist of sponsors and sponsees. The Sponsee application to be developed with the latest cross platform integration tool, will be released for both IOS and Android devices.
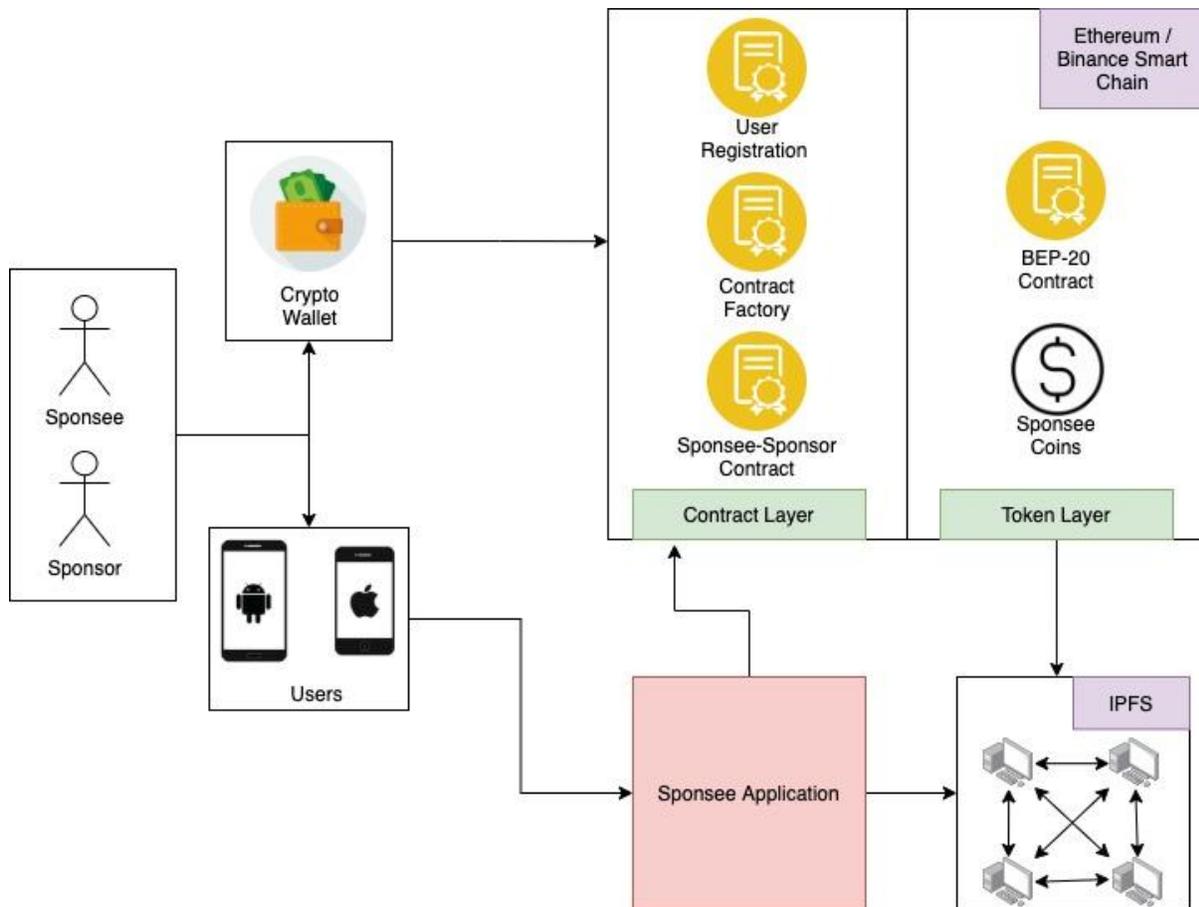

Figure 3.0 : Sponsee smart contract architecture block diagram (non-technical)

3.1 Non-custodial wallet

Users of the application will be given access to a unique non-custodial crypto wallet on sign up, pegged to their individual accounts. This means that the user has full access and discretion over their private keys, without centralised control from Sponsee.

3.2 User Registration Contract

User onboarding for both sponsors and sponsees is executed through a role based access control system made using a smart contract. Depending on the user's role in the ecosystem, users are given unique management and access rights. This role based access is implemented for governance within the system and hashes are used to map stakeholder categories based on unique identifiers.

3.3 Token Layer (BEP-20) & Contract Layer

The SPON token is a BEP-20 token distributed on the BSC smartchain network. The token layer provides an optimised medium of trading and incentivising the sponsee on successful shoutouts through $SPON tokens in the system. The token layer also facilitates the main contract layer that contains the features of the Sponsee application, in particular, the Sponsor-Sponsee digital contract used for negotiation and transaction between parties. The contract layer comprises various complex smart contracts deployed to ensure security and transparency for the users during the whole cycle of a negotiated sponsor-sponsee agreement.

3.4 Contract Factory

The contract factory is a smart contract that facilitates the creation and communication between smart contracts in the contract layer.

3.5 Sponsee-Sponsor Digital Contract

The entire negotiation process and agreements made between the sponsor and sponsee relies on the Sponsor-Sponsee Agreement Smart Contract. This is a milestone based verification system that stores the terms and conditions of each signed agreement onto the BSC smartchain as a smart contract. Once signed, the contract is fully accessible, transparent and resistant to any tampering. The milestone based automation to the contract also allows Sponsors to release payments based on the performance of a Sponsee's content, thus changing the landscape of influencer marketing to a performance incentivised ecosystem. This benefits both parties as it reduces the barrier of entry for businesses to commit large payments, and also incentivises influencers to perform to a high degree of standard.

3.6 Financial Transactions through SPON tokens

At present, all financial transactions on the Sponsee app will be made through the SPON token ecosystem. However, on the frontend, all transaction amounts will be displayed and decided by the sponsor through the medium of FIAT currency. Once the smart contract is activated, the corresponding or matching amount of SPON tokens are locked into the smart contract till completion of task. To prevent the fluctuation of SPON token pricing on the DEX from affecting the value of transaction, a DeFi protocol will be utilised.
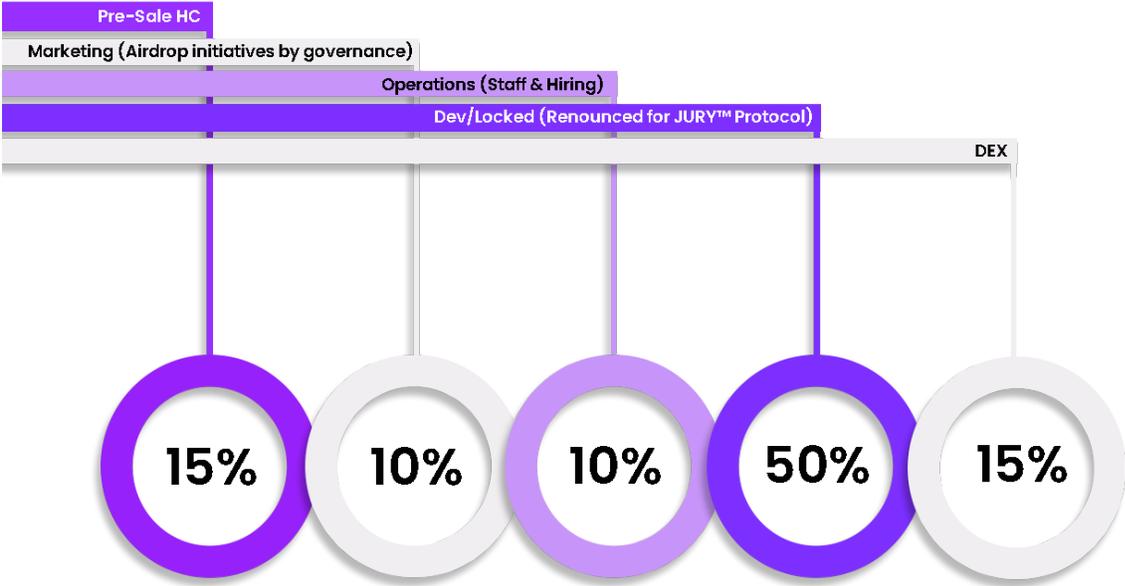
3.7 Data Storage & Extraction

Traditional data handling is an expensive task. The huge amount of data in the form of media content and contract data to and from the Sponsee server can be costly. We utilise the blockchain to cross communicate with a peer to peer IPFS network to store our data. Data storage and extraction is facilitated by calling unique hash keys on the blockchain. This solves the age-old dilemma between high bandwidth media storage and compression related drop in media quality.

4.0 Tokenomics

A brief summary of the $SPON token's allocation is as follows :

Tokenomics

Pre-Sale HC

Marketing (Airdrop initiatives by governance)

Operations (Staff & Hiring)

Dev/Locked (Renounced for JURY™ Protocol)

DEX

15% **10%** **10%** **50%** **15%**

Based on total supply of 100m $SPON

4.1 JURY™ protocol

The JURY™ Protocol is a proprietary blockchain protocol that governs dispute resolution on all platforms on the $SPON ecosystem. This means that token holders get to vote and decide on the outcomes of disputes on platforms. Our system also integrates proprietary smart contracts that train the protocol to perform classification tasks for dispute resolution outcomes. These smart contracts leverage Natural Language Processing and Supervised Learning. Eventually,

the JURY™ Protocol will be a self-sufficient system that provides dispute outcomes with a high degree of similarity to a human voter pool.

Additionally, the JURY™ Protocol is the primary staking model behind the $SPON token. Rather than utilising yield farming and LP contributions, the $SPON network focuses on rewarding stakers for work done on the ecosystem. Work done via the JURY™ Protocol is not limited to dispute resolution use cases, but can also include governance.

4.2 Benefits

Staking benefits

The largest incentive for presale token holders is the opportunity to commit tokens to the JURY™ protocol as part of the staking model we offer. This is an exclusive arrangement for presale holders only, and token holders will be able to earn airdrop rewards as a % of the committed tokens during weekly events on our JURY™ web app. The rewards earned will also be directly associated with the work done by the token holder, via the events which require voting.

Governance

As a presale stage token holder, individuals will be able to vote on growth and collaboration based decisions, such as which youtube channels to partner with or which launchpads/audit firms to work with. As such, only presale holders will be given direct involvement in $SPON's growth trajectory, and be entrusted a sense of ownership.

Community events

We will be releasing a variety of community events available only to presale holders which present airdrop reward opportunities. These community events are centered around 2 avenues, marketing & testing. Be directly involved in evaluating the Sponsee smart contracts on the testnet as well as actively promote $SPON in your community for guaranteed rewards in the form of exclusive airdrops.

4.3 Growth roadmap

The growth roadmap of the $SPON token and ecosystem are centered around 3 main themes:

Short term

Increased exposure worldwide via the Sponsee app as a means of adoption. We are planning to collaborate with macro influencers and content creators around the world, and have already done so with a couple of creators. We see the app as a gateway to token adoption and publicity, and believe in the scalability and outreach potential of influencer marketing, which is what the Sponsee App focuses on.

Mid Term

Public purchase of the $SPON token to utilise on platforms as a means of transaction. The more usage our platforms see, the more token holders in volume and proportion. While price action is not directly an addressable issue for the team, an increase in utility of the token can translate to an increase in the holder pool.

Long Term

We will allow token holders (with early access to presale holders) to mint their own tokens on the $SPON ecosystem, as well as build their own platforms and web apps by leveraging our consensus mechanism and blockchain. We will present opportunities for the public to monetise their own projects with our technology.

5.0 Revenue generation

Revenue generation will be achieved through several different avenues. These include in-app microtransactions for purposes of :

- Rank boosting for user exposure
- Access to analytics
- Featured gigs on gig page

Other than in-ap microtransactions, Sponsee's revenue model also includes:

- Enterprise software solutions for influencer and talent management agencies
- Pro version of the app

6.0 References

Wielki, J., 2020. Analysis of the Role of Digital Influencers and Their Impact on the Functioning of the Contemporary On-Line Promotional System and Its Sustainable Development. Sustainability, 12(17), p.7138.

Kadekova, Zdenka & Holienčinová, Mária. 2018. Influencer marketing as a modern phenomenon creating a new frontier of virtual opportunities. Communication Today. 9. 90-104.