

This document is an excerpt of the Attrace white paper and is intended to give high level information about the Attrace blockchain technology. More extensive and in-depth information about our vision for Attrace can be found in the white paper.

INTRODUCTION TO ATTRACE

The Attrace proposition applies blockchain technology to online marketing. Attrace aims to replace the established affiliate networks in affiliate marketing by connecting Publishers and Merchants directly.

Affiliate marketing is the only form of online marketing whereby advertisers (Merchants) reward their partners (Publishers) for actual sales or leads achieved. This makes affiliate marketing the only true "pay for performance" model of online marketing. Therefore, affiliate marketing should arguably have one of the largest market shares in the online advertising market. This however is not the case as the current system has significant problems. Most issues are related to the middlemen between the Publishers and Merchants: the affiliate networks. These affiliate networks charge high fees and are not trusted by the Publishers and Merchants due to transparency and fraud problems. These problems can only be solved by using the key features of a fully decentralised blockchain that can track the complete affiliate marketing chain.

Attrace is the only complete answer to all problems with affiliate marketing as it is the only solution using a fully dedicated blockchain tracking every individual click/lead - sale or no sale.

MORE INTO AFFILIATE MARKETING

Online advertising is a 260 billion USD market and growing more than 10% per year.¹ Affiliate marketing is about 13 billion or 5% of the online advertising market.² There are three parties involved:

1. Merchants (companies trying to sell products or services);
2. Publishers (websites etc. promoting those products or services); and
3. Affiliate networks (middlemen between Merchants and Publishers).



Affiliate marketing is the only form of online marketing whereby advertisers (Merchants) reward their partners (Publishers) for actual sales or leads achieved.

The affiliate networks track all clicks, referrals, leads and sales generated and arranges all payments. In return they take a 10-25% cut of the commissions paid by the Merchant to the Publisher.

¹ <https://www.statista.com/statistics/237974/online-advertising-spending-worldwide/>

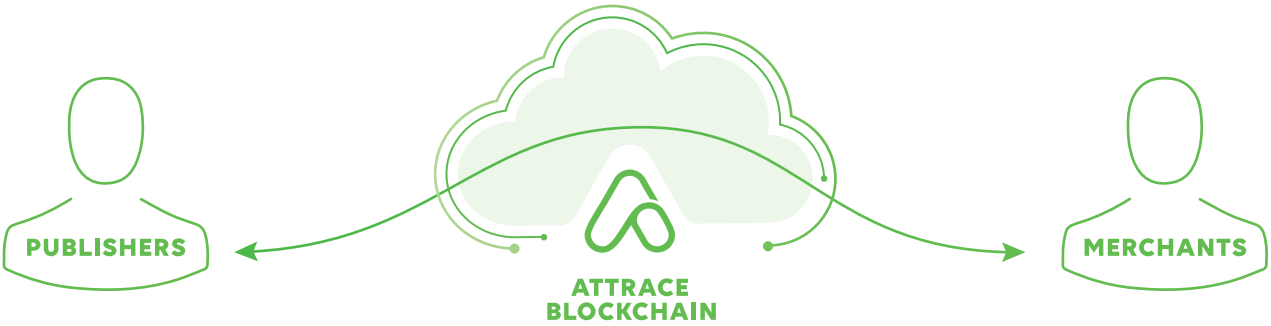
² <https://www.awin.com/gb/market-insights/the-awin-report>



AFFILIATE MARKETING PROBLEMS AND THE ATTRACE SOLUTIONS

STATUS QUO PROBLEM	ATTRACE SOLUTION
Affiliate network fees are currently at around 10-25% of the commissions paid by the merchant to the publisher.	Attrace fees will be starting at ~0.5%.
Tracking problems: Many clicks/referrals are not tracked or allocated correctly.	Each individual click/referral will have a unique ID - sale or no sale.
Fraud problems: Without transparency the affiliate networks could claim traffic did not land or result in a sale.	All clicks and sales are published in the Attrace blockchain assuring full transparency.
Slow and complicated payments.	Smart contracts will trigger immediate payments upon a sale.
No real value payments.	Leads and sales from different types of customers can be rewarded based on dynamic factors that determine their real value. ³ These rewards can also be allocated over multiple Publishers.
No direct communication between Publishers and Merchants.	Attrace has an advanced messaging board connecting Publishers and Merchants directly.
Restrictions to becoming a Merchant because affiliate networks refuse service if potential revenue is not large enough.	Attrace does not require a minimum monthly revenue nor a specific product / service offering for Merchants to participate.
Cookie spamming by Publishers.	Although the fee per click is very low on the Attrace blockchain, it will be enough to refrain Publishers from spamming activities.

The Attrace blockchain creates a direct connection between Publishers and Merchants.



³ For example: Time of day, geographics, demographics, visitor behaviour or lifetime value.





A DEDICATED BLOCKCHAIN FOR AFFILIATE MARKETING

The issues surrounding affiliate marketing can only be solved by using the key features of blockchain technology: A decentralised network with smart contracts and independent validation.

The only way to create full transparency is to track and allocate every individual click/referral of a prospect, including those that in the end will not convert into a sale. This principle is what separates Attrace from any other blockchain marketing solution.

A first version of the Attrace blockchain is already capable of processing 2,000 clicks (referral leads) per second⁴, allowing fees to stay as low as \$0.0005-\$0.001 per transaction.

Name: Attrace

Token: ATTR

Blockchain: Delegated Proof of Stake (after the ERC20 token swap)

Language: Golang (developed by Google)

Block size: Relative to transaction volume (1MB holds ~3000-5000 tx)

Block time: 15 seconds

Transactions per second: ~2,000 (transfer of ATTR or clicks/leads)

Total amount of ATTR: 1,000,000,000

ATTR USAGE

ATTR transfers, clicks/leads/sales tracking and commission payments; each action on the Attrace blockchain needs to be fueled with a transaction fee paid in ATTR. These fees are paid by either the Publisher or the Merchant.

The Publisher pays a very low fee for each smart contract made on the blockchain. We aim for this to be no higher than \$0.001 per transaction made. All of this will go to the witnesses that create new blocks.

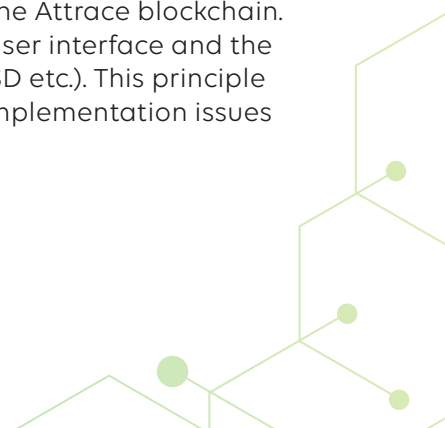
The Merchant pays Attrace only when a sale has been closed. The amount will be around 0.5% of the commissions paid by the Merchant to the Publisher. Of this amount, 80% will be destroyed and 20% will go to the Attrace Development Group for further development of the network.

For the Attrace ecosystem to be healthy, it is important to have low transaction fees which are still competitively priced to leave a decent profit for the witnesses. This is regulated by the Network Quality Assurance (NQA). The NQA is enforced by ATTR token holders selecting witnesses.

PUBLISHERS & MERCHANTS PORTAL

Publishers and Merchants will not notice any changes bar the advantages of the Attrace blockchain. The Attrace user interface will be very similar to any existing affiliate network user interface and the commissions paid between the two parties will still be in fiat currency (Euro/USD etc.). This principle means the platform will be able to achieve immediate market share without implementation issues Merchant and Publisher side.

⁴ <https://youtu.be/SJfLWlax4A>





THE ATTRACE TEAM

Attrace was founded mid 2017 by a group of Publishers (website owners) and Merchants that decided to solve once and for all the problems with the current affiliate marketing ecosystem. These seasoned online marketing professionals are the core of the Attrace team, supplemented by finance and blockchain experts (Morgan Stanley, Deutsche Bank, Deribit, Deloitte, McKinsey, Komparu, DIG, Fnatic, Clifford Chance, Sentiance, ING). The team will be able to contribute strategic traffic for significant immediate market share in two of the most developed affiliate markets in the world: the Netherlands and Germany.

The Attrace Development Group is based in the Netherlands and is subject to strict EU privacy and data protection laws.

ATTRACE & ATTR PROPOSITION

The prize is big: By enabling dramatically reduced costs and restoring total trust in the sales numbers registered, Attrace is potentially going to be a game changer in an industry which is worth an estimated \$13 Billion in 2018 with expected 12% annual growth. Moreover, Attrace can also enable affiliate marketing to obtain a larger share of the online advertising market as a whole.

ATTR features:

- Token destruction mechanism: 80% of the tokens the network receives from Merchant fees are destroyed
- Reward for Network Quality Assurance: ATTR token holders will generate a reward in return for selecting the elected witnesses that forge blocks
- Voting: ATTR tokens can vote on network parameters like Merchant fee levels
- Immediate revenue: The team behind Attrace will immediately contribute strategic traffic to the project by contributing the deal flow of a successful existing affiliate marketing business, allowing the project to immediately generate revenue in two of the most developed online marketing economies in the world (the Netherlands and Germany)

ICO

Supporters can contribute to the Attrace project during the pre-ICO and ICO. In exchange supporters will receive an ERC-20 token on the Ethereum network, which can be swapped against Attrace blockchain tokens (ATTR) later this year on the Attrace portal.⁵ During the ICO we will offer 50% of the total amount of tokens. More details about the pre-ICO and ICO will be available on our website soon.

CONCLUSION

Given the proposition, fully tailor made blockchain framework, clear and substantial benefits, execution team and go to market plan, we are confident that Attrace is going to become the final answer to *all* problems that constrain affiliate marketing from reaching its full potential.

⁵ <https://swap.attrace.com>





CONTACTS AND FURTHER INFORMATION

This memo is a summary of the Attrace white paper. For further information about this project please read the white paper which can be downloaded from the Attrace website, join the Attrace Telegram group or get in direct contact with the founders and developers via e-mail.

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E-mail: info@attrace.com

Telegram: <https://t.me/attrace>

PLEASE NOTE: This document solely constitutes a description of the Attrace platform and the functionality of the Attrace tokens. This document does not constitute a prospectus of any kind. It is not a solicitation for investment and does not in any way pertain to an offering of securities in any country. No rights or obligations can be derived from this document. The exchange agreement that a person participating in the crowdsale will enter into, is the only document setting out mutual rights and obligations, and that agreement supersedes and prevails over this document and the whitepaper.

