

CONJURE

An Incentivized, Decentralized Content Platform with
Economic Models Based Upon Taxonomy

August 2018

White Paper

Abstract

Conjure is an incentivized, decentralized content platform, which enables users to be rewarded with cryptocurrency. Conjure combines concepts from social media, search, and advertising with a cryptocurrency to enable content creators to monetize their content. Using the NEO blockchain to decentralize creative content monetization, Conjure will create new search and advertising economies for our users, content creators, and partners.

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Introduction

The current climate of the creative Internet is skewed in favor of gigantic tech corporations, most notably YouTube and parent company Google Inc. These companies have complete control on the monetization of creative content and subject matter on their platforms.

Content creators, who largely ignited the growth of these platforms, have voiced their concerns regarding unstable advertisement revenue, mass demonetization of content, and the general direction of the platform - only to receive silence in response. Despite the media market trending away from TV networks and toward authentic, online video platforms, YouTube management appears to be rebranding the platform as a "New TV" service to compete with Netflix, Hulu, and Amazon Prime Video.

In an effort to return control to the independent content creators who led the expansion of YouTube, we are building a platform that addresses all of these problems. In addition to fixing YouTube's problems, we have developed a full litany of tools for content creators to use. With these tools and monetization power, content creators will have the ability to compete with traditional corporate media.

The Problem

Content creators are dependent upon ad platforms to monetize their content. Ad platforms are centralized autonomous entities that can change the rules at a moment's notice – often to the detriment of the creator. The problem that needs to be solved is rectifying the dependence on these centralized entities.

[The Adpocalypse, YouTube Heroes and the Whitelist](#)

In early 2016, Google's algorithm placed advertisements on a racist video; many advertisers were justifiably outraged and began withdrawing their advertising campaigns. Google quickly instituted new guidelines on monetizable content. They set "family friendly" rules to ensure advertisers of the wholesomeness of the content. Google's updated rules brought with it a huge amount of subjectivity, wherein lies the issue. This subjectivity can be used as justification to condemn any type of content.

After YouTube's new rules were put into place, complaints surfaced across the platform. Creators, large and small, reported mass demonetization, decreased revenue, and less traffic.

The Adpocalypse caused irreversible damage to the YouTube platform and brand, and continues to impact as much as 80 percent of creators' income today.¹

Community Policing Effort Failed

In an effort to further its crackdown on inappropriate content, YouTube sought help from its user base through a new initiative: YouTube Heroes. The program gave approved users the ability to police content throughout the site, collecting rewards and unlocking more abilities through the hero leveling system. The most alarming part of the program came in the form of the powerful "super tools" given to the heroes - including the ability to mass flag videos and report negative content. Due to an extremely negative reaction from the creator community, YouTube backed off. The program has since been renamed YouTube Contributors, and remains in beta while the original Heroes campaign was quietly removed in early 2018.

Demonetization Based on Size: 'Whitelisted' Partners

In October 2017, a YouTube Vlogger with over 8.5 million subscribers uploaded a video regarding the Las Vegas Shooting and stated that ad revenue generated from the video would be donated to the victims of the tragedy. The video gained over 1.2 million views, but YouTube demonetized it and shut down the fundraising effort. Paradoxically, it was discovered that Jimmy Kimmel's video titled *Jimmy Kimmel on Mass Shooting in Las Vegas* was monetized and running ads. This discrepancy was picked up by media outlets, who reported that 'whitelisted' partners are allowed to run partner-run ads on the website. That means they aren't flagged by YouTube and use external sale forces to sell the advertisement for them.

The Creator Community Has Been Abandoned

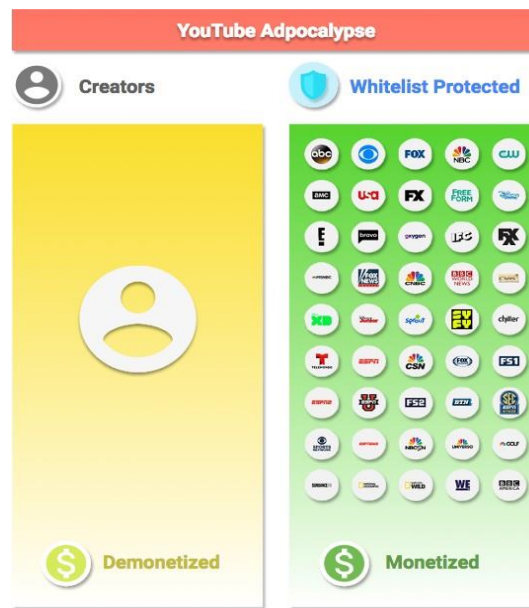
The Adpocalypse, the Whitelist, and the YouTube Heroes are all symptoms of a much larger problem. The Whitelist and Adpocalypse work in conjunction to distance the creators from the platform as a whole, pushing creators down while pulling big networks up. In October 2017, The Hollywood Reporter featured YouTube and their future strategy, in which YouTube announced its arrival into the New TV market.

The creator community is what made YouTube the goliath it is today; it's the one factor that differentiates it from any other website.

¹ "YouTube Advertising Crackdown Puts Some Creators Out of Work," by Lucas Shaw. Bloomberg, December 2017.

YouTube doesn't care about the creator community. In fact, the Adpocalypse was a calculated move dictated from upper management.

If YouTube's goal is to become a player in the New TV market, a rebranding helps distance the company from its creators – the push needed to enter the ring with Netflix, Hulu, and Amazon.



Barriers to entry for creators continue to grow. In the past year alone, we've seen two big jumps in monetization requirements. When looking at the evidence as a whole, the Adpocalypse begins to look more like a purge than a mistake.

Traditional Content Discovery

Most web platforms use centralized advertising to generate revenue. For a single entity to run ads throughout their platform, an algorithm must be utilized to facilitate placement and targeting of these ads. This system relies on search engine technology, which offers users a way to find and locate content and enables advertisers to place ads on that content.

The system acts as a link between users and advertisers, where the advertisement process is facilitated through an algorithm comprised of a complex code of inputs.

Results are not curated based on quality, but rather by adherence to the algorithm's rules. Adherence to the search algorithm is vital for visibility. Results are spawned by an entire industry in response to the ever-evolving criterion: Search Engine Optimization, or "SEO." Experts in this industry react to the shifting criteria - helping companies get to the front page of a google search inquiry.

The important takeaway is that the central entity, Google and YouTube, is most concerned with increasing the amount of time a user spends on the site. This increases the rate of advertisement consumption, which increases the revenue the central entity will generate.

The Solution

Conjure is building a content platform that intends to reward those who participate on the Conjure platform with cryptocurrency. Conjure is designed according to four guiding principles:

1. The discovery of the content must be based upon transparent open source algorithms and taxonomies. These algorithms for discovery will be governed by consensus of the community.
2. Governance and monetization on the Conjure platform should be based upon a series of smart contracts and cryptocurrencies.
3. The platform for the distribution of content should be governed by the users of the platform, not a central authority that has an economic incentive to enable people to consume content. We've already seen what transpires when a centralized organization who has economic incentive distributes content. The centralized organization becomes wealthy, while the content contributors starve.
4. The people who participate on the platform should be rewarded for their participation. The creators who spend time producing the content will be rewarded. The consumers of the content should be rewarded for engaging with or liking the content provided by the platform. The developers who keep the system alive by writing code to facilitate content delivery should also be rewarded.

Transparent Open Source Algorithms and Taxonomies for Content Discovery

In the last 30 years alone, we've invented the world wide web, refined it, and put it in our pockets. We live in an era of discovery the world has never seen.

Consider another age of discovery, almost three hundred years ago. This era wasn't marked by technology, but rather biology. When Europeans ventured outside their native lands to explore the world, they encountered many foreign plants and animals along the way. Over time, the amount of new organisms grew to an overwhelming number - without a method of organization.

Enter Carolus Linnaeus, who solved this problem in 1735 with his magnum opus, *Systema Naturae*. In this book, he outlined a system which classified every living organism on earth: Taxonomy.

Initially, Linnaeus realized the need to encompass a wide range of organisms: everything from the gentle sunflower to the humpback whale. He started with a wide range of inputs, or "kingdoms" - plants, animals, fungi, etc. These categories existed on a horizontal axis: *breadth*. Linnaeus knew that if he stopped there, Taxonomy would simply take the already big list and divide it into smaller lists. To encompass every living thing on Earth, he would need to get creative. He added a vertical axis: *depth*. With the combination of breadth and depth, Linnaeus was able to extend the reach of Taxonomy to capture any living organism on planet Earth.

Breadth and depth worked in conjunction to provide pathways of specialization, and established context between closely related organisms: from the wolf, to the dog, to the

dachshund. The framework was flexible; additional organisms easily slid into their logical locations.

Linnaean Taxonomy has traditionally been used to sort organisms by characteristics, but its methodology is highly adaptive to any set of data. With some adjustments, this framework can be used to enable discovery of user generated content.

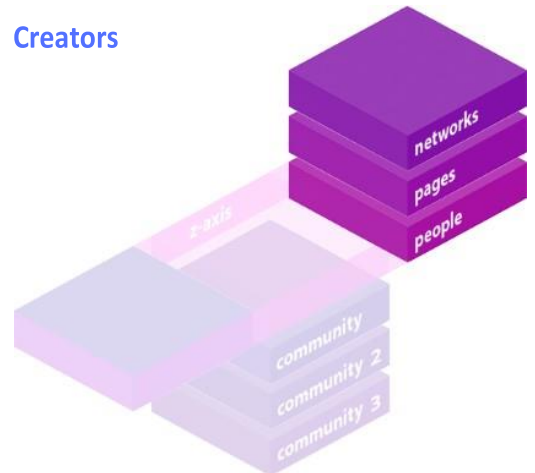
Depth Engine

Conjure's content platform will make use of Linnaean Taxonomy to enable users to discover new content. The software component that performs this organization of content is the Depth Engine. The Depth Engine is comprised of 4 separate components, each of which provide unique functionality on their own. Together, they work in harmony to dynamically organize content throughout the platform.

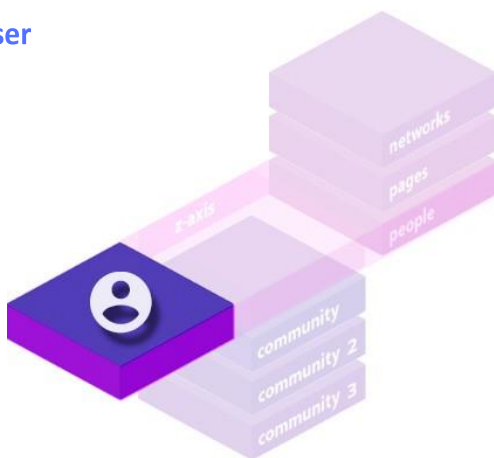
Communities



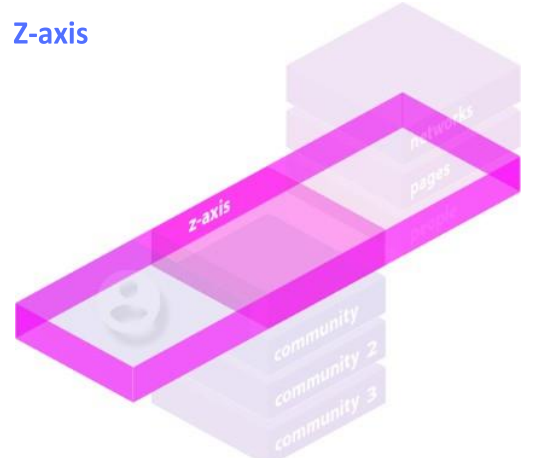
Creators



User



Z-axis



Communities

The core of the Depth Engine is built around community. This is where our friend Linnaeus makes his influential contribution of Taxonomy. Broad communities splinter into more specific communities, yet still remain connected to the platform as a whole.

Like Taxonomy, the first level of community is broad; the deeper a user travels, the smaller the communities get. But no matter how small a community gets, quality content is brought to the surface through an aggregative system - a perfect compliment to the Taxonomic structure.

Conjure opens the field up for creators, applying vertical depth the static nature of the traditional search engine model. Creators will finally have communities to operate in and call home, while still maintaining connection to the rest of the platform.

With the aggregative system spread across the platform, a creator that operates within a specific space can still reach larger audiences and connect to the entire platform. Trending creators and content will appear in larger communities above. For example, a user exploring the music community will see the feed from all genres underneath, ranked relative to one another. A trending band that operates within the “rock” community will appear in the above in the parent community, “music.” And if it continues to trend, the band will make its way onto the front page of the entire platform.

A community is a reflection of the interactions of its participants; however, the nature of this interaction differs. One concept of community is topic-based, where creators regularly engage in various areas, debate and discussing ideas. News, for example, covers a wide range of topics. An independent news commentator may talk politics one day, but environment the next. On the other hand, a community can serve as a home. Podcasts, for example, coexist alongside one another in genres: comedy podcasts, political podcasts, music podcasts, and so on. To reconcile these different characteristics, pages can launch content collections that act as “subpages.” These are streams of content that are regularly updated by the creator, which link to surrounding communities. These serve as a way for creators to distribute their content throughout communities according to the subject matter of their content.

Through content collections, creators have the ability to link their content to relevant areas within a community. Creators have the agility to scale the reach of their channel with their content, extending their web of influence throughout.

Conjure’s aggregation system draws inspiration from Reddit, a site known for its strong community dynamics. Conjure takes it a step further with its prioritization of the creator within a community.

Content Creators

Content creators come in all shapes and sizes to provide substance to the platform. They are the heart of the platform, pumping content throughout the body and into communities.

Pages are community specific. They can be channels, blogs, podcasts, magazines, and more. Pages can be operated by an individual or a team.

Networks are collections of pages. This collection can jump across multiple communities, or just exist within one community. The group that operates the network can do so in whatever capacity they choose, whether casual or professional. Networks serve as a way for similar creators and channels to team up and leverage their collective audience.

People are fluid within the Conjure ecosystem. An individual can post from their personal account, operate multiple pages, or join pages with other creators to build a network. People can leave networks at will, taking their content with them. No network will be able to exclusively own a person's content.

Content Consumers - Users

Users possess all the abilities of a network, but in an individual capacity rather than collective. All works are bound to a person under their user name.

Whenever a user finds an item of content originating from an individual, they can click underneath a person's nameplate to explore the rest of the creator's content with ease. Conjure's architecture enables an individual to extend their web of influence across multiple communities while still retaining centrality. No matter how unique a creator is, everything they do and make leads back to them.

Interaction between individuals is one of the main drivers of content discovery. When one creator contributes content to another's page, a link is generated as a byproduct of their collaboration. This helps creators leverage their collective audience. For users, it establishes an unofficial "network" that can be used as a map to explore similar creators and content. It also compliments the community component, fostering an environment built around creative contribution.

Z-Axis

The Depth Engine is broad enough to cover the diverse range of interactions on the web, and deep enough to accommodate the diversity of participants. Recall from Linnaean Taxonomy that breadth is the X-axis, and depth is the Y-axis. All life on earth is sorted through pathways that specialize an organism. Within the Conjure architecture, this same system is applied to community.

Communities exist on a layered X-axis system. The first level is broad: news, music, podcasts, gaming, etc. When a user chooses to travel to a more specific community, from music to rock for example, he descends down the Y-axis, and conjures the corresponding X-axis below.

$X + Y = Z$

The Z-axis binds the X and Y axes together, providing a way for the user to refine their search through logically venturing down different pathways. It reconciles the breadth and depth of the results, and returns content based on this combination.

The Z-axis enables the user to adjust to their location within the Depth Engine. This is a specialized search engine traveling with the user and showing more specific content through each instance of selection. Comparatively, traditional search engine models operate solely on a horizontal axis. You enter keywords in a search bar, it returns content based on that entry. Conjure provides an actual human component to the search engine, with the implementation of depth.

Because of the free market component, creators will naturally place themselves in the location that corresponds to their target audience and maximizes their reach. Then, the community itself determines the quality of the content. This circumvents the guessing game that an algorithm plays, which uses a complex formula of keywords, tags, and more to show the user content.

By decentralizing the advertisement model and allowing individuals to utilize the Conjure blockchain to monetize their own content, quality creators will breakthrough on merit - not through exploitation of a centralized algorithm.

Capital in the Conjure Ecosystem

The Conjure Ecosystem will leverage cryptocurrency for governance and monetization.

Conjure (CONJURE)

The fundamental unit of commerce on the Conjure platform is CONJURE, a NEP-5 asset residing on the NEO blockchain. Conjure will operate on the basis of one CONJURE, one vote. CONJURE will be a liquid currency that can be bought and sold on the exchanges. For governance, those users who own the most CONJURE according to account balance will have the most influence over the community.

Governance by the Community

Those users who own the most CONJURE according to account balance will have the most influence over the community. Voting input from community members is critical for Conjure to function. Voting is a crucial contribution and worthy of rewards on its own. Conjure chooses to reward those who contribute the most to the total promotion of a piece of content and rewards the voters proportionally to the ultimate reward paid to the content creator.

Monetization

Conjure is built upon a free market foundation that prioritizes the community. The CONJURE token is the main currency of exchange on the platform. Users of Conjure can generate, consume, and advertise content.

Users of Conjure

Content Creators

Content creators will create content with information which may be valuable to users who consume Conjure content. To create content for Conjure, the content creator must possess CONJURE tokens. Afterward, their content will be available for others to consume. After some time, content creators will be able to collect a reward for the content they've submitted from their content advertisers, if that content has been deemed worthy.

Content Consumers

Users will consume content created by content generators/creators. They have the option to upvote content that they like. We have explored the options of micropayments extensively, and concluded that micropayments place a burden on the content consumer, which we'd prefer to avoid.

Micropayments have long been considered a viable way to monetize content on traditional web-based platforms. This method has been tried repeatedly, with minimal success. It has been proven to be ineffective, biased and costly.

First, the transaction fees become burdensome on such small payment amounts, outweighing the whole concept of rewarding the content creator for their work, and denying consumers the value they are expecting for their micropayments. Making people pay five cents or ten cents per article or video is not a profitable system.

Second, the idea that a person's decision to pay is based on a small teaser of a video or article, places the onus of whether the content is worth even a micropayment on the viewer. Most will reject the payment due to having to make a split decision based on a small sample of the presented material.

Third, people are used to consuming their information for free. Imposing a scheme such as micropayments is off-putting, and pushes consumers to search other avenues to find the content they requested for free. We need to 'chalk up micropayments as an idea that seems really appealing but just doesn't work in the general case.'²

² Gordon Haff, CNET, <https://www.cnet.com/news/micropayments-the-business-model-that-never-was/>

Content Advertisers

These users offer their advertisements to content creators. Every advertiser who wants to advertise on the Conjure platform must place their stake on Conjure in order to use the platform. To create advertisements for Conjure content, they must include a deposit in Conjure tokens. Content creators are then able to view prospective advertisements for their payout.

Conjure Admin

This user is essentially a moderator who can step in to resolve mistakes. For example, if someone accidentally sends another type of token to the Conjure contract, the Conjure admin will be able to refund the user.

The Conjure admin will have an administrative overview of the contents of the Conjure Platform enabling them to monitor new users, content, and advertisements. In the event that content is flagged for violating Conjure's terms of services, the Conjure Admin will be able to remove the content and issue refunds.

Advertisements

Conjure enables users to utilize several diverse methods of monetization by providing tools that match their creative works. These methods will be a part of the MVP discovery process.

Conjure rewards content creators and content consumers accordingly for viewing Video Ads and Banner Ads. The reward consists of a fraction of the CONJURE token payout made from content advertisers to content creators for each video ad impression and view.

Video Ads

Video ads enable content creators and consumers to generate revenue through short advertisements played prior to their own content. Conjure will enable a creator to set their own rules on advertising: maximum length, play frequency, and company type. This gives creators the ability to support certain companies over others, and allows advertising to be based on the merit of the advertisements.

Banner Ads

Banner ads support text-based content. One of the issues with modern digital advertising is saturation directly within the content field, which interferes with the user experience. Banner ads come in different shapes and sizes. They can be displayed on the sides of content or above, not within the content itself.

Solution Layers

The Conjure monetization platform is comprised of two decentralized layers detailed below:

1. Data Layer

2. Application Layer

Data Layer

The data layer is the foundation of the Conjure monetization platform, concurrently communicating with the application and consensus layers, and transparently maintaining all incoming data in the Conjure ledger. The data layer maintains a ledger of all Conjure payouts, Conjure token stake balances, and all Conjure transactions via the application layer.

On the NEO platform, the data layer will be comprised of two smart contracts: the ICO smart contract and the stakeholder/transaction contract. The ICO smart contract will be used to create the CONJURE token. The second smart contract will be used to manage payouts from content advertisers to content creators and content consumers.

Application Layer

The application layer is the Conjure user interface, which enables all of the users of Conjure to interact with the platform. The application layer registers and reports all monetization activity back to the data layer, to facilitate Conjure transactions.

On this layer, content creators are able to upload their content to find a monetization strategy. Content advertisers are able to offer their advertisements by using the CONJURE token. Content consumers are able to consume quality content that has been upvoted.

How It All Works

A content advertiser creates a Conjure account. The advertiser connects their cryptocurrency wallet to our system, enabling Conjure to confirm the amount of CONJURE that has been deposited. The advertiser then has access to a dashboard that enables them to manage their campaigns and upload their video and banner ads. The advertiser can customize their profile, selecting communities that best embody their brand and marketing message. The advertiser then designates their preferred targets and determines how much ad spend to allocate to their campaign, which is automatically pulled from their Conjure wallet on a daily basis. When the campaign is ready to begin, the advertiser hits the “Start Campaign” button. From there, the application layer has access to the advertiser’s ads for placement in content creator inventory.

When content creators sign up for Conjure, they begin by connecting their cryptocurrency wallet, so we can confirm how much CONJURE is held. The content creator starts to create and

classify their content. The Conjure Depth Engine indexes that content according to community, matching advertisements according to best fit.

Rather than facilitating advertising entirely through a centralized, keyword-based algorithm, Conjure takes advantage of its unique Depth Engine architecture to facilitate advertising primarily through communities.

Placement is facilitated through a queue system, which matches ads with content in specific communities. For an advertiser, entry order into the queue is determined by their “weight,” calculated by amount of CONJURE held in their wallet and their campaign budget. The greater their weight, the higher they enter the queue. On the other side of the queue, creators enter the based on their following size, average views, like to dislike ratio, and community rank. To keep the queue moving, time works in favor of smaller creators and brands, ensuring they get matched and not buried underneath the big players.

This gives advertisers surgical accuracy when it comes to choosing an outlet for advertisements. Companies can take a broad approach, or choose to market to select communities. It enables a company to build its marketing campaign unique to their brand and audience, maximizing reach while minimizing waste.

The advertiser dashboard also allows a company to research the performance of their campaign within each community, helping them tweak and shape their campaigns to become more efficient.

The content creator has a similar dashboard to that of the advertisers, where they can see all of the indexed content. The creator dashboard enables them to add advertisers to their content. When the content consumer navigates to the content creator’s content, the appropriate advertisement is displayed. The application layer records the amount of time that the video or banner ad was displayed. The application layer then reports the transaction to the data layer’s smart contract for calculation of the CONJURE payout to the content creator and content consumer. The content advertiser’s CONJURE token balance is credited at the end of the day based upon performance.

Why the Neo Smart Economy?

NEO is a non-profit, community-based blockchain project that utilizes blockchain technology and digital identity to:

- Digitize assets,
- Automate the management of digital assets using smart contracts, and
- Realize a “smart economy” with a distributed network.

In combining digital assets, digital identity, and smart contracts, NEO plans to build a secure blockchain that is recognized by enterprises and governments, which is core to Conjure’s guiding premises.

NEO is the first platform to offer a set of features focused on enabling a regulatory compliant smart economy. NEO is different from other blockchain smart contract competitors, as it provides the following features:

- **Aims for Regulatory Compliance** - For large companies and governments to operate on the blockchain, these institutions will require the ability to audit digital assets and transactions. Digital identities will need to be known and verifiable. NEO is committed to making use of the Public Key Infrastructure (PKI) X.509 standard for identity, which means that NEO will have the ability to issue and confirm digital identities. NEO is building this digital identity mechanism into their ecosystem.
- **Utilizes a Superior Consensus Mechanism** - NEO uses an improvement to the Proof of Work (e.g. Bitcoin) and Proof of Stake (e.g. NXT) consensus mechanisms, entitled Delegated Byzantine Fault Tolerance (dBFT). The dBFT is a modification of the Proof of Stake protocol, in which holders of NEO tokens vote for delegates, and the delegates must reach a consensus on acceptable transactions.
- **Processes Transactions Faster** - NEO’s use of dBFT means that its architecture does not require thousands of machines mining to complete a resource-expensive algorithm to verify transactions. NEO’s consensus mechanism enables the blockchain to process in excess of 10,000 transactions a second without transaction costs.

Regulatory compliance, consensus mechanism, and the speed at which transactions can be made, are three attributes that make NEO the ideal platform for a secure wallet utility token. These features are in alignment with Conjure’s mission to ensure that consumers are transacting business on the blockchain in the most secure and efficient way possible.

Token Sale

Conjure will hold a token sale in Q3 2018. We plan to sell 700 million tokens to the public, of a total pool of 1 billion. We will announce more details for the sale during Q3 2018.

We are working with the Monetary Authority of Malta (MAM) to be compliant with regulators.

For details with regards to the token sale, please see the following URL:

<https://conjure.network/>.

Current Progress and Roadmap

Incorporation

Conjure will be incorporated in Malta.

Technology

We are in the process of developing a minimum viable product of the Conjure Content Platform described in this paper. See our GitHub account for updates and information:

<https://www.github.com/conjurenetwork>.

Roadmap

We propose the following preliminary release schedule:

- June 2018: Start of Proof of Concept (PoC).
- Q3 2018: Conjure PoC delivered
- Q3 2018: Conjure Token Sale
- Q4 2018: Conjure Alpha Launch
- Q1 2019: Conjure Beta Launch

Team

Max Helsel - Max graduated from Michigan State University in December 2017 with a degree in Finance.

Shane Ciccone - Shane graduated from Michigan State University in May 2018 with a degree in Economics.