



DROPCOIN

WWW.DROPCOINPROJECT.IO

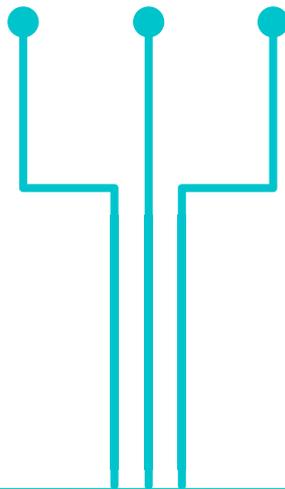
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ABSTRACT

DropCoin (DCO) is an open-source cryptocurrency project seeking to foster the development of a decentralized ecosystem. A new form of social media marketing is created via the use of branded promotional coin airdrops. DropCoin intends to provide its partners and users with the ability to create and disperse promotional coins through an airdrop platform. Promotional coins will be given as the reward for the completion of campaign-specific objectives. *DropCoin*, the token, is built off of the PIVX protocol and relies on a network of masternodes to remain decentralized.





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INTRODUCTION

The need to reach more consumers is an inevitable challenge for businesses. Businesses have long relied on advertisers to help bridge the divide between goods, services, and consumers. Yet, advertising methods are fluid and constantly evolving along with the audience they seek to engage. To be consistently competitive, advertisers must adapt to the needs of now.

Businesses and advertisers are eager to tap into the crypto ecosystem, but need a point of entry. *DropCoin* plans to meet this need by creating the opportunity for businesses and advertisers to engage with the crypto space by using branded promotional cryptocurrency airdrops. DCO community contributors plan to build an airdrop platform that will allow clients and users within the *DropCoin* network to create their own promo coin airdrop. An airdrop allows users to receive cryptocurrency independent of a purchase. These coins can be "mined" for a short period of time before they reach their total supply. Promo coin airdrop participants will receive coins and be able to trade them for *DropCoin*.



PROBLEMS

- In their current state, airdrops are often insecure, inefficient, and costly.
- Users expose themselves to significant security and privacy risks signing up for airdrops from unknown projects.
- Airdrops currently have underdeveloped or non-existent analytic capabilities. Projects airdrop coins to users and have uncertainty about value generated.
- Staking and mining often require significant investment and are not understood by lay users.
- Projects see dilution from the inherent sell-off after dispersing coins to airdrop recipients.



SOLUTIONS

- Airdrops are administered through a secure platform which helps reduce fraud and streamlines identity verification.
- Create targeted marketing campaigns based on client preferences such as token holdings, demographics, and geography.
- Clients are able to evaluate engagement analytics and results / performance of airdrop campaigns.
- Automates enrollment and expedites the airdrop process for clients.
- Coins are branded to bring awareness to specific campaigns or events.





DROPCOIN

DropCoin will enable its partners to build new relationships with crypto users. *DropCoin* acts as a "pass through," allowing DCO users to trade promo coins sponsored by partners engaging with *DropCoin's* airdrop platform. Future users will need to own DCO to access the airdrop platform where they will be able to create their own promo coin airdrops. *DropCoin* will use a proof-of-stake algorithm built off of the PIVX protocol. Everyday users will be able to "mine" DCO from the comfort of their laptop or PC without the need for an elaborate mining rig or expensive electricity costs. *DropCoin* will have a burnable transaction fee resulting in coins being burned from its circulating supply regularly. Masternode ownership will require 2,500 DCO collateral representing .00025% of *DropCoin's* total supply. 70% of "mined" DCO will go to masternode owners, while 30% of the block reward will go to stakers of the coin.

DropCoin will not pursue an ICO, crowdfunding, or presale. Instead, the DCO network will advance itself through the use of a decentralized governance model.



DECENTRALIZED GOVERNANCE

DropCoin will utilize a decentralized governance model where masternode owners vote on budget proposals. Proposed amendments that are accepted by masternode owners can include payment to individuals or groups that improve the network. This budget mechanism encourages robust participation and decentralizes the maintenance of the network. Fostering an active, open, and diverse developer ecosystem that is incentivized to contribute to the network will facilitate *DropCoin* development and adoption.

DropCoin seeks to advance the development of the DCO network by following in the footsteps of DASH. More specifically, "To guarantee long term sustainability of the blockchain, the network keeps a portion of the block rewards back as new blocks are created, with the masternode operators tasked to act as stewards and invest in the maintenance and expansion of the network by voting. This results in faster development and promotion, creating a virtuous cycle that benefits all actors... More importantly, this gives the blockchain itself a self- preservation mechanism that is beyond the control of any individual.... Masternode operators vote on specific budgets and projects to be funded, thus defining the direction the coin is taking. This is done in a completely transparent way through a public portal where new initiatives are proposed and masternodes can vote on them. Functioning like a decentralized Kickstarter or Lighthouse, the budget can be used for anything that creates value within the ecosystem."¹

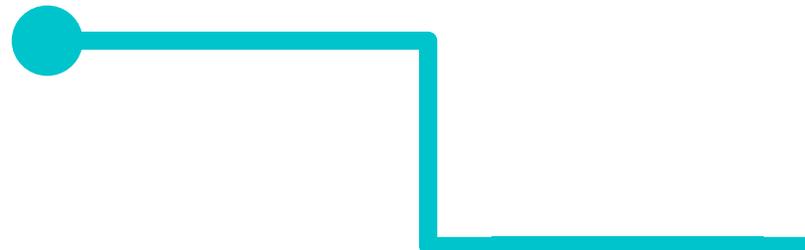
¹ <https://docs.dash.org/en/latest/governance/understanding.html>



PROMO COINS

At the highest level, promo coins will be created as micro life cycle cryptocurrency. These coins will function as promotional content for the DCO community's partners. Promo coins will be exclusively paired with *DropCoin* and can be "mined" by coinholders before reaching their total supply. Each promo coin will come with its own name, logo, and specifications. At least one pilot coin will be created and introduced to the market before the DCO community launches its first officially sponsored promo coin.

Prospective airdrop recipients will complete campaign-specific tasks, allowing them to become eligible for participation in promo coin airdrops. DCO community contributors will work to comply and evolve with regulation as further guidance is issued. Promo coins will be distributed as project participants engage with *DropCoin's* airdrop distribution system.

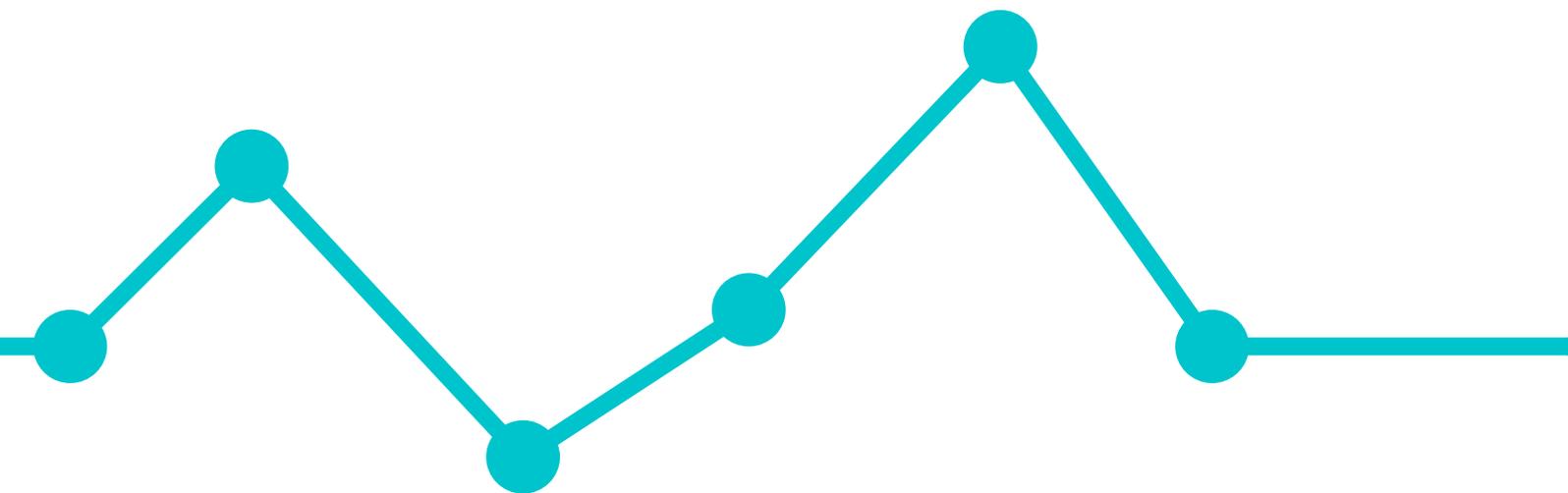




STRATEGIC PARTNERSHIP INITIATIVE

More than 13 million individuals have accounts on Coinbase, with projections for crypto adoption as high as 200 million users by 2024.² As the space continues to move towards mainstream adoption, the initial focus of *DropCoin's* strategic partnership initiative will be geared towards the ICO market before expanding into niche industries such as gaming/VR, fashion, music and film.

DropCoin will deploy market analytics to gather data from airdrop participants in order to help clients better understand their target market operating within the crypto ecosystem. The DCO community plans to conduct a pilot coin test launch in Q4 of 2018. This launch will measure the airdrop platform's ability to enhance brand awareness and consumer engagement, while delivering actionable insights into specific target markets.



² <https://www.ccn.com/exponential-growth-number-bitcoin-users-reach-200-million-2024/>



REACHING THE MARKET

DropCoin appeals to a broad range of consumers across the crypto spectrum, ranging from novice to advanced users. Its breadth of reach distinguishes it as one of the most inclusive projects operating within the cryptocurrency space. DCO's community development strategy aims to build a community of coinholders from a core infrastructure of early adopters originating from the same niche "staking" subculture that produced the original DCO contributors. As the project gains momentum, *DropCoin* will acquire coinholders who share the DCO vision of using airdrops to create a new generation of social media marketing. *DropCoin's* airdrops will provide a bridge to reach non-users and motivate them to become active users of cryptocurrency.

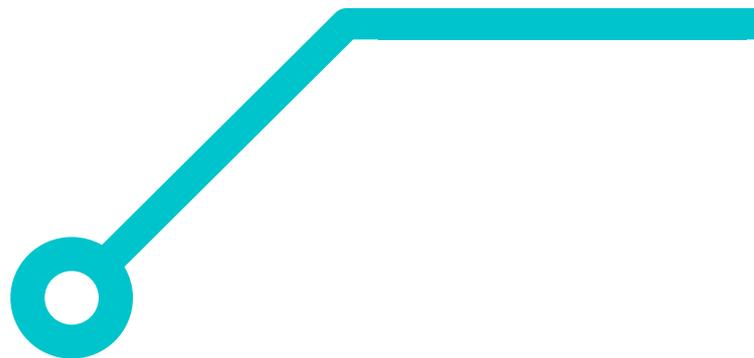
DropCoin's depth goes beyond the business / crypto ecosystem. The DCO community will offer qualified nonprofits the opportunity to use the project's airdrop platform to launch new awareness campaigns or enhance existing ones.





AIRDROP PLATFORM

DropCoin's pre-launch contributors will begin development of an airdrop platform and use it to spawn the DCO network by airdropping 100,000 coins to early adopters who sign up for the *DropCoin* airdrop. A user profile system will be created, which will allow prospective airdrop recipients to become eligible for participation in airdrops. First time users engaging with the airdrop platform will create an account providing information such as Telegram username, email address, Twitter handle, etc. Existing users will be informed of upcoming airdrops via a built-in messaging system within the airdrop platform. Prospective recipients are then eligible to receive promo coins after signing up. At the time of the airdrop, eligible recipients will receive coins. Each campaign will feature a predetermined number of participant slots.





USE CASE HYPOTHETICALS

The following use cases provide high-level examples of the *DropCoin* concept:

Use Case Hypothetical #1: An ICO needs promotional content to create awareness about its upcoming release. The ICO sponsors a promo coin that is dispersed to members of the public who join the ICO's Telegram group. Prospective airdrop recipients must be verified members of the ICO Telegram group to receive coins in the promo coin airdrop.

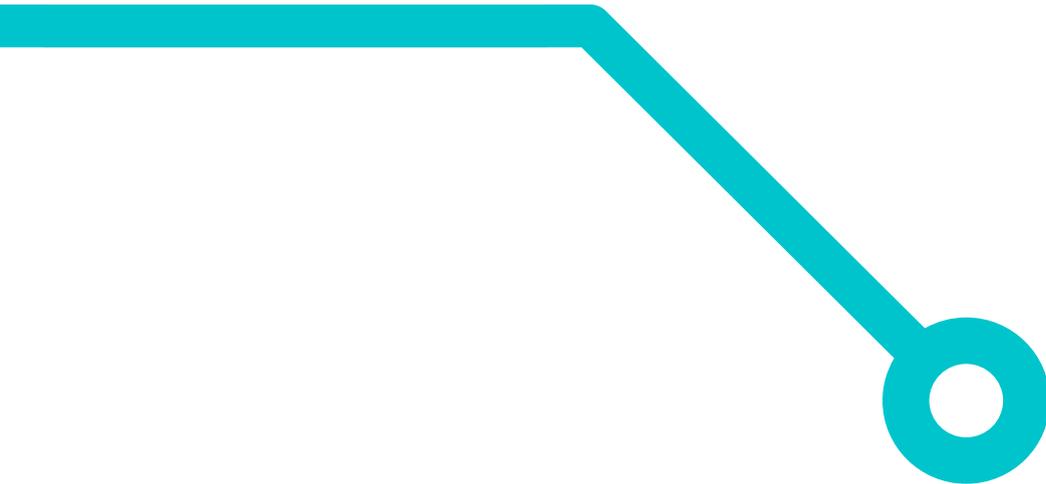
Use Case Hypothetical #2: The DCO community is approached by Company X with an offer to run a promo coin campaign to boost Facebook likes and Twitter followers. Here, prospective recipients must "like" Company X on Facebook or follow it on Twitter for airdrop eligibility.

Use Case Hypothetical #3: A nonprofit wants to generate awareness for a particular cause. The nonprofit works with the DCO community to create an awareness campaign through a promo coin airdrop. Prospective airdrop recipients must read an infographic and pass a brief test about the topic before being eligible to receive coins in the airdrop.



PHILANTHROPY

DropCoin is about more than just cryptocurrency. Through the use of DCO's decentralized governance budget system, masternode owners will have the opportunity to submit budget proposals which advance DCO's commitment to philanthropy. The DCO community plans to partner with and support other projects that use blockchain technology to alleviate poverty and empower underserved populations in developing countries.



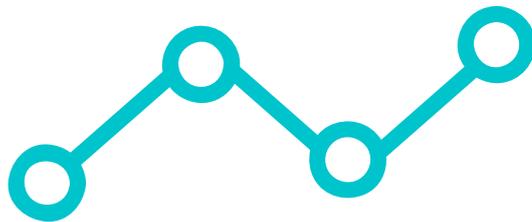


COIN SPECS

Total Supply	11,000,000
Block Time	1.5 minute average
Masternode Collateral	2,500 DCO

Block Reward Structure

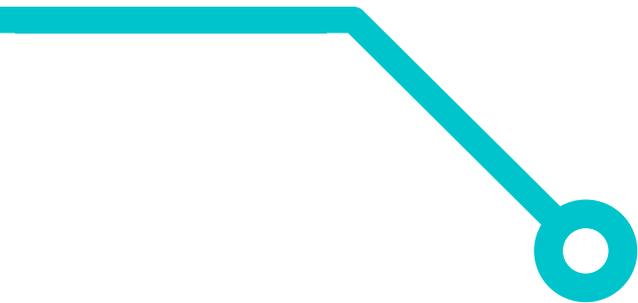
Proof-of-Work Phase	102,500 DCO		
Block 1001-11,000	25 DCO	17.5 MN	7.5 Stakers
Block 11,001-21,000	10 DCO	7 MN	3 Stakers
Block 21,001-31,000	5 DCO	3.5 MN	1.5 Stakers
Block 31,001-indefinite	2 DCO	1.3 MN	.70 Stakers





CONCLUSION

DropCoin significantly departs from the traditional narrative of how businesses engage with their customers. By giving its partners a new way to engage with their target market, *DropCoin* moves cryptocurrency one step further towards mainstream adoption.





DEFINITIONS

***Blockchain:** Technology-based ledgers which provide users the ability to record transactions in real-time and allow them to be viewed by anyone, from anywhere.*

***Decentralization:** No third-party or central authority governs transactions. Information does not pass through a single point. Instead, many points connect, known as a peer-to-peer (P2P) network.*

***Decentralized Governance:** Masternode owners submit and vote for or against funding proposals that advance the development of the project.*

***Staking:** Placing cryptocurrency coins in a digital wallet and using them to verify transactions on the network. This is done automatically by a user unlocking their desktop wallet and letting the algorithm run in the background.*

***Proof-of-Stake:** A process for transaction verification on a blockchain. A user can mine or validate block transactions according to how many coins he or she holds. Allows user to "mine" without expensive mining equipment or electricity costs.*



DEFINITIONS

Masternodes: A term to denote coinholders that have acquired a set number of coins, and then used those coins to secure the network and verify transactions. Masternodes are used along with normal coinholders to verify transactions, but are paid an increased amount as a reward.

Masternodes require additional set-up and are run using a separate VPS hosting service.

Airdrop : Receipt of cryptocurrency independent of a purchase



REFERENCES

- 1) <https://www.ccn.com/exponential-growth-number-bitcoin-users-reach-200-million-2024/>
- 2) <https://docs.dash.org/en/latest/governance/understanding.html>

