



Whitepaper

Vybit: The social media platform for a fair and efficient transfer of value between its users

Abstract

The societal impact of social media and the experience users have of platforms has been a hot topic of discussion throughout 2021. People are asking two fundamental questions; are they receiving an equitable share of the value they generate for the platforms; and should governance of such platforms be done by the social media companies alone when they have become such critical arbiters of truth for society. In the United States these concerns have manifested in the form of various Senate Hearings that have been focused on social media companies.

There is a demand for decentralization of both the value received by users of social media platforms and the governance of information on these platforms. At present only celebrity influencers can materially earn from their social media presence and no governance is influenced by user communities at all but all managed centrally.

Backed by blockchain this can change for social media, Vybit is a platform that will make this change. Vybit will share the value that users create equitably and share the governance with everyone in the community democratically.

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1. The creator economy

On average, we spend 2 hours and 24 minutes a day on social media making it a major part of modern life to anyone with a smartphone. The content users share and the interactions they have with each other is what drives the value created on social networks. The central business model of traditional social media companies is that users get a “free” service in which they contribute time and attention to; and the companies in turn get a highly profitable advertising platform.

In the last few years, the most popular personalities on the social media platforms have emerged as “creators.” They are the celebrity Youtubers and Instagram influencers; a new economy emerged in which the top creators can monetize their content through lucrative brand sponsorships and are highly remunerated.

The most recent trend to build on this is more niche creators earning money directly through paid platforms such as Patreon and receiving financial “tips” for posting compelling content on the likes of: Twitter, YouTube, and Twitch. This democratization of who can earn through social media, has seen creators at every scale from areas as diverse as political news reporters to music teachers earning a reliable income as part of the new creator economy. The business models of how the creator economy works continues to evolve as social media platforms change over time. The only question is where does it go next?

2. The concept of an egalitarian creator economy

In traditional macroeconomics, countries contend with the challenge of getting the balance right between centralised planned requirements and free markets that produce the best outcomes for their citizens. Clearly there are universal basic services that all citizens should receive in a well-functioning society, while people also require incentives to be productive to create the community value that allows for well-functioning societies.

The creator economy of today judged from this point of view does not resemble a well-functioning economy in which all citizens possess a high living standard and access to the same opportunities. The current creator economy as we know it resembles a country with great inequality in which the social media companies are autocratic governments at the center that take the lion share of value leaving some to the elites who are celebrity creators, while most citizens, or users, receive none of value they are collectively responsible for generating.

This is because the creator economy is in fact not a free market economy at all. It rather is an inefficient shadow economy only open to creators who are marketable enough to do direct business with advertisers or through subscription and tipping services. The social media giants are behind this, and most do not share their actual profits even with the biggest celebrities and influencers on their platforms.

Vybit democratizes the concept of earning money through social media by empowering every user to be financially rewarded. Through our rewards mechanism users are rewarded based on their impact score, which is a measure of engagement, interactions, and popularity of content. Ensuring that the total rewards distributed are shared in proportion to who is driving the most overall value on the platform.

We are building a new egalitarian creator economy that works for everyone. We want to blur the line between creators and consumers, every user on Vybit will earn purely based on their contribution to the community on the platform thereby getting a share of the value the social network creates.

3. The concept of UBI and Vybit's response: Value Income

Loss of jobs and income. Technological advancement, AI and automation will cause record rates of unemployment. These are current issues that modern society must fix. People need an additional source of income, and the rise of cryptocurrency allowing users to earn and generate additional sources of income, particularly in regions of the world with lower median wages and costs of living, although not only restricted to those. The general consensus is that UBI (universal basic income) is the most viable solution to this pressing issue. UBI is an amount of money that every citizen receives regardless of other income. All citizens receive the same amount and there are no specific requirements to receive it. Many governments have considered and are trialing forms of UBI. Thus far no one has presented a long-term viable solution. This is due in part to the fact that the money that is to be distributed either would be sourced by increasing taxes or increasing national debt.

We believe VI - Value Income is a viable alternative to UBI. VI is the value created by users, redistributed to users as an additional form of income. Ultimately, value is generated by a user's usage of a business. Users create enormous value in user centric or C2C businesses, but none of this value ever returns to them. Every time a user opens Facebook, searches with Google, or watches a video on YouTube they create value for that platform. Other than free access to the service what does this user receive for the value they have created? Nothing. These companies have a combined value of trillions of dollars, but they have zero value without their users. Power and value are with the users. With the Value Income Model, users have the power to earn income based on the value they create for our platform through their usage, engagement, and interactions.

4. Discussions on blockchain enabled social media

There is much discussion within the technology community and traditional media as to what role social media should play within society. Recently within traditional internet-oriented industries there is a new trend of decentralization and within blockchain communities there is a desire for blockchain enabled social media. Notably the traditional business magazine, in September published their weekly briefing column on the topic of DeFi and one article wrote about the concept of a social media platform in which governance tokens would be the reward for engagement. Further to that blockchain figure Vitalik Buterin has discussed the topic multiple times at conferences and online.

4.1 In the news:

4.1.1 The Economist “Adventures in DeFi-Land” weekly briefing column, September 18, 2021:

“Imagine, for instance, a rival platform to YouTube that awards users various kinds of tokens: those that act as compensation for uploading videos, and can be scaled to reflect how popular uploads are, to attract content creators; or governance tokens, to determine how the platform is run. If the platform caught on, these tokens might rise in value, rewarding early adopters and luring new users. This sort of model is made possible because blockchains hold organizations to their promises about how their platform is run.”

4.1.2 Vitalik Buterin



Vitalik Buterin at the Paris Ethereum conference in July of 2021 discussing blockchain being the next factor to affect and change the functioning of social media for the better.

Further to the talk in Paris, Vitalik Buterin posted the answer below to an Ask Me Anything arranged on Twitter in September of 2021.



Mechanism design refers to economic incentives derived from game theory that aim to drive desired behaviors in users. i.e., Vybit’s reward system “Vibes”.

5. Review of established social media platforms and their monetization models

5.1 TikTok

Musical.ly was a popular short-form (15 seconds) video streaming and sharing app, with over 100 million users, up until August 2018 when it was taken over by Chinese company ByteDance and its users were moved to TikTok. There has been rapid growth in popularity of the app with younger users with many TikTok trends going viral. TikTok has used an strategy of celebrity endorsements and localized content, often running local contests and challenges capturing local trends.

5.1.1 How creators make money on TikTok

- **Endorsements/sponsored posts**
- **TikTok Creator Fund:**
TikTok's Creator Fund is not a grant or ad revenue sharing program. Creators receive funds based on a variety of factors from their videos.

5.2 Kwai

Kwai is a short video social media platform, which is targeting Latin American creators to boost its growth and tackle western competitors such as Instagram Reels and YouTube Shorts. The app is developed by Chinese company Kuaishou and has more than 300 million users worldwide including 60 million active users in LATAM.

5.2.1 How to make money on Kwai

- **Engaging on the app:**
Subscribing, opening the app daily, inviting friends, and watching other users' videos.
- **Endorsements/sponsored posts:**
Creators must rely on relationships with third party brands who pay them to advertise products or services to their followers.

5.3 Patreon

Patreon is the pioneer of subscription-based social platforms that turns the unique interaction between the creator and the crowd into an ongoing relationship. It facilitates the presentation and communication of past / present / planned content and allows sponsors to support creators of all types (e.g., musicians, visual artists, podcasters, video creators, writers, and journalists) with a monthly commitment.

5.3.1 How to make money on Patreon

- **Subscriptions:**

Content creators receive a subscription payment from their supporters known as patrons who access content along with special benefits and merchandise.

Creators receive most of the revenue generated on the Patreon platform. Content creators must setup user tiers for their sponsors to define the monthly fees to be paid.

5.4 YouTube

Originally launched in 2005 with a focus on user-generated content, YouTube has become the dominant platform for online video worldwide, and an important location for some of the most significant trends in the contemporary new-media environment. Throughout its history, it has also intersected with and been the focus of scholarly debates related to the politics, economics, and cultures of the new media—in particular, the “participatory turn” associated with “Web 2.0” business models’ partial reliance on amateur content and social networking.

5.4.1 How to make money on YouTube

- **Video Monetization and sponsored content:**

Youtubers can monetize their videos after being accepted into YouTube's partner program. There is no exact figure that can estimate what a creator will earn for a fixed number of views on YouTube. This platform does not pay for the number of views, but offers a commission for other complementary actions (advertising, Super Chats, membership, etc.)

5.5 Instagram

Instagram is currently the most acclaimed social network, both in terms of content creation and active users. The platform is characterized by being an image-based social network that users share with the rest of the community and has recently made strong pushes in the short video sharing social media space with the introduction of Reels.

5.5.1 How to make money on Instagram

- **Endorsements/sponsored posts:**
 - Creators must rely on relationships with third party brands who pay them to advertise products or services to their followers.
 - The platform does not make or facilitate any direct payments to the creators.

5.6 Twitter

Twitter is a microblogging service that allows users to post primarily short text posts. It is a popular source of news for many consumers, it attracts major public figures from pop stars to politicians to industry leaders who use it as a communication platform. It is unique in its usage by non-celebrity major public figures.

5.6.1 How to make money on Twitter

- **Receiving tips via TipJar/Lightning:**
Users who set up TipJar/Lightning can receive remittances from other users.

5.7 Comparison between social media applications and their remuneration mechanisms

Platform	Monthly Average Users	Main User / Creator Monetization Type	Payment Mechanism	Who Can Earn	Regions Operating
Instagram	1.4B	Endorsements/sponsored posts	Third party brands sponsored payments	Only celebrity creators	Global
Kwai	1B	Engagement on app	Kwai pays out to users directly	Celebrity creators + Micro-creators/active users	Asia and LATAM
Patreon	6M	Paid subscriptions	Subscribers pay creators through Patreon	Only registered content producers	North America and Europe
TikTok	1B	Endorsements/sponsored posts + Creator fund	Third party brands sponsored payments + creator fund payments	Only celebrity creators	Global
Twitter	397M	Tipping/remittance service	Users can tip creators through PayPal or Crypto	Only users who set up Lighting/TipJar and are sent remittances	Global
YouTube	2.2B	Endorsements/sponsored posts + Ad revenue split from YouTube on revenue generated from Ads for each respective video	Third party brands sponsored payments + Video Ad revenue share	Only celebrity creators	Global

Figure 1: Table comparing social media applications' remuneration mechanisms

The comparison table on page 13 above demonstrates that most currently established social media platforms do not give priority to remunerating or facilitating remuneration to creators, as main sources of income for creators on Instagram, YouTube, and TikTok are sponsored posts, with additional sources of income for creators in the form of a “Creator Fund” for TikTok and a share of the respective video’s advertisement revenue on YouTube. When it comes to direct payments to creators, only subscription-based platforms such as Patreon currently enable creators to directly earn, however, they require a monthly financial commitment from the supporters of each specific creator. With the release of its tipping mechanisms TipJar/Lighting, Twitter has attempted to bridge the two above mentioned approaches, although the service could be considered more of a facilitator of transactions between users, rather than a solution for creators to earn from their content on the platform. Therefore, while one could argue that the launch of Twitter’s TipJar (tipping via PayPal/Venmo) and its subsequent improved and crypto enabled version (Lightning) are a strong use case for the concepts of blockchain enabled social media and value redistribution, a main point of differentiation has to be made, however, as TipJar/Lighting is a tipping service which ultimately shares the characteristics of a simplified remittance payments enabler, which is merely a simplified wallet where the need to input a “scary” long address is removed and only a familiar username or handle is needed instead.

If someone’s intent is to send a specific amount of money, they could do it via a wallet or exchange. Twitter’s feature has simply allowed more people who are not familiar with wallet/exchange solutions to do that, Lightning is then no more than another simplified wallet in that case. Wallet/Web 3.0 enabled websites already allow users to perform such transactions, for example crypto domain providers allow anyone to buy a domain such as example.crypto which can then be used as an address to receive crypto instead of pasting a long or “scary” wallet address.

5.8 An ecosystem for a fair and efficient transfer of value between social media users

The main differentiator and added value proposition of the platform Vybit offers, is that in addition to the above-mentioned concepts, the Vybit ecosystem goes one step further, where with Vybit, the transfer of financial value already occurs by the liking of someone's post. Additionally, since said monetary value is embedded in our Vibes (or "like") mechanism, this allows for every user to naturally engage with the ecosystem and take part in a continuous transfer of value - in other words, everyone receives value and earns, not just the people getting tipped or sent remittances. Our ecosystem then, using mechanism design/rewards for engagement combined with utilities including our Vibe content promotion and Hashtag NFT ownership, make Vybit a complete economy of users and creators (where the line between creators and users is blurred, as it should be, as every user of any social media platform does create, they should all therefore also be able to earn and be a creator) as everyone on Vybit creates and earns, allowing for our creator ecosystem to operate as a functional economy that leverages the power blockchain to solve the most pressing issues and follow the latest developments of the social media industry.

6. Vybit user archetype

The heaviest social media users are also typically the most open and curious about crypto if not already involved. Between 2019 to 2021 the number of owners of crypto has tripled with the majority between the ages of 19 to 36 years old, which is a clear crossover with the main age demographic of social media users. Furthermore, currently the fastest growing genre on social media platforms are for crypto investments and personal finance.

Vybit is the perfect bridge between these two domains and serves as a natural onboarding point for these crypto curious to begin their journey from a point of familiarity. It is expected for this reason \$VI will be the first coin that many people will own.

7. The Vybit app

Vybit is a video social journal where users can create video memories; connect with friends and family; share their content with other users and earn Vibes as a reward for their engagement in the community. The app is available on both the Apple Appstore and the Google Play Store.

The platform gives our users Vibes, our in-app currency. Every day these are distributed to all users for being part of the community on the platform. Users can then share their earned Vibes with their favorite content creators by 'liking' the posts, this in turn incentivizes users all become creators to an extent and share compelling content to earn more Vibes. Furthermore, users can purchase additional Vibes to share with their favorite users and engage more in the community.

Vibes may be redeemed for our native cryptocurrency \$VI at any time on our website. The redemption value is 1,000 Vibes to 1 \$VI. Built on Solana, \$VI can be converted to your local currency at any time either on one of our partner exchanges or DEX.

We are revolutionizing the social media industry and creating a new place for people to create, share, connect and earn. Vybit is a platform that for many will be their first experience of crypto and start their journey in the space.

8. Vybit NFT #Tags

Vybit hashtags are NFTs (Non-Fungible Tokens), this means you can own tags such as #nature, #friends, #money or #love. #Tags are ERC-721 NFTs meaning that there is only one single owner of each #Tag. The sale of each #Tag will be open for 24 hours and once they are purchased, they may be resold.

The owner of each #Tag will have their content posted to the top of any search for that #Tag and additionally receive 1% of Vibes shared on posts for that #Tag will be awarded to the owner. This will facilitate a #Tag economy within the Vybit community.

9. Tokenomics

The value created by the users is distributed using a digital currency \$VI built on Solana blockchain technology, this is in turn represented by the in-app currency Vibes.

Each day users who are an active part of the community will receive an amount of \$VI.

9.1 Technical details

- Total supply: 888,888,888
- Initial \$VI Circulating: 77,777,777
- Unreleased \$VI: 25,000 tokens released daily in equal amounts (over 88 years + return to source).
- Token usage: Reward users for the value they create in the Vybit economy.
- Method of value transfer: Returning of tokens to source contract address by companies that wish to give back to their users.

In addition, tokens will continually be sent back to the source address via Vybit's deflationary return-to-source mechanism covered in section 9.5 of this whitepaper, further extending the length of the daily release.

9.2 Reward structure

Users that are active on the Vybit app on any given day receive Universal VI and Impact Bonus.

9.2.1 Universal VI

Universal \$VI is paid to all active users. How much each user receives is dependent on how many users were active on the platform on a given day. Activity is proven by opening the app and using the service.

9.2.2 Impact bonus

The amount of additional VI each user receives daily is dependent on their impact bonus score, this metric reflects their impact on the growth of the Vybit ecosystem.

The impact bonus score is comprised of 2 parts:

- Activity score (Personal Contribution PC)
- Invite score (Network Contribution NC)

Activity score initially is comprised of 5 behaviours:

Reach	UV: total number of unique views for all the user's videos. FO: number of user's followers.
Audience Engagement	EN: the user's engagement, which is UV divided by FO.
View Count	OV: total number of videos viewed by the member (other than their own).
Content Creation	PV: total number of public videos created by the user.
Consistency	CA: the number of consecutive days the user has been active.

Scores that are displayed to end users are normalized and calculated in the following manner:

- Get the lowest value (MIN)
- Get the highest value (MAX)
- Compute the range (MAX-MIN)
- Subtract MIN from each individual value and divide by RANGE
- Values are computed per user; all users, including inactive users, are taken into consideration.

The impact score displayed to the user is the average of the activity score and invite score.

NUV: normalized UV

NEN: normalized EN

NOV: normalized OV

NPV: normalized PV

NCA: normalized CA

PC: the user's personal contribution, which is:

$$NUV * 1/3 + NEN + NOV * 1/3 + NPV + NCA * 2/3$$

NPC: normalized PC

9.3 Invite score

Invite score is a percentage of the activity score of a person that an existing a user invited to the network.

NL1: the user's first level network contribution, which is the sum of 10% the NPC from each referral

NL2: the user's second level network contribution, which is the sum of 1% the NPC from each referral's referral

NC: the user's network contribution (NL1 + NL2)

NNC: normalized NC

9.4 Daily distribution

Daily distributions work as follows:

- Payouts are distributed among all active (active on the valuation day) users
- The daily token pool for users is variable containing up to 25,000 tokens.
- 20% of the token pool are used for Universal VI (\$VI) payouts.
- 80% of the token pool are used to pay users based on their impact.

IS: the user's impact score is the sum of their normalized personal contribution and their normalized network contribution (NPC + NNC.)

NIS: normalized IS.

TIS: the sum of all users' NIS.

UVI_M: which is the number of UVI tokens divided by number of all users.

IMP_M: the impact multiplier, which is the number of impact tokens divided by TIS.

Finally, each user's payout is calculated as follows:

Universal VI payout: UVI_M

Impact payout: $IMP_M * NIS$

The factors that contribute to the impact score may alter during the initial growth phase of the VI platform. After which any changes will be voted on by token holders via governance.

9.5 Return-to-source mechanism

Finally, financial value will be injected into the Vybit eco-system by business advertising on the platform and open market purchases of \$VI.

Vybit will continuously return financial value spent by advertising partners who run campaigns on the platform by using 70% of all advertisement revenue to purchase \$VI on the open market, this is achieved by sending the amount purchased to the \$VI return address, thereby removing \$VI tokens from circulation at the exact value purchased and causing continuous price appreciation of the remaining tokens held by the users. The remaining 30% of advertisement revenue will be used by Vybit for operations and development.

The return address is the source address, (i.e., the contract that releases the \$VI every day). This enables the value to transfer to the community user recipients of \$VI. A simple yet effective transfer of value.

The \$VI tokens sent back to the return address will continue to be released at a rate of 25,000 per day. Therefore, tokens sent back in 2021 will be released in the year 2,110, after the original supply will have been entirely released.

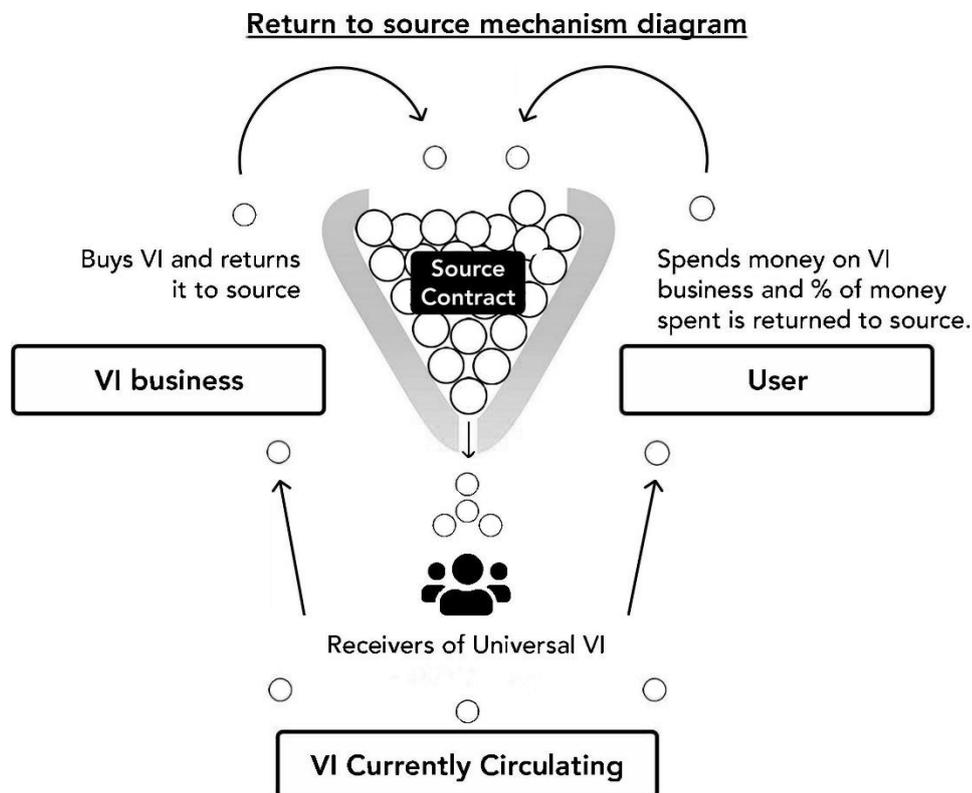


Figure 2: Return-to-source mechanism diagram