

# SMARTDROPS!

**Building communities**

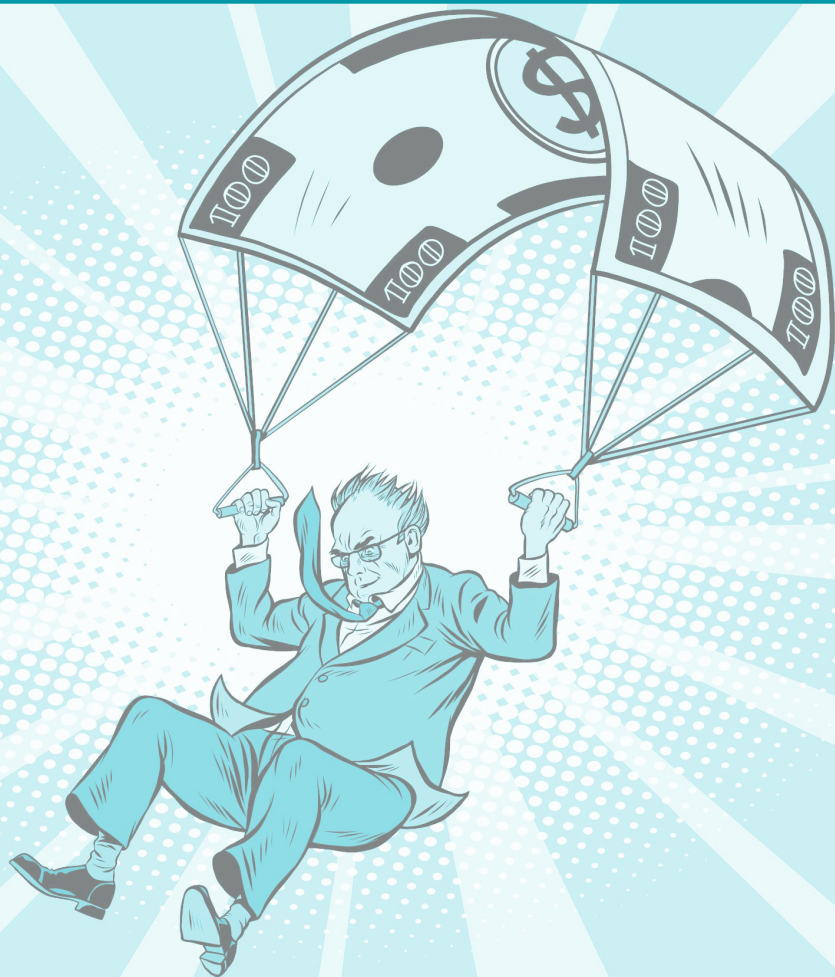
via targeted token distributions

[www.smartdrops.network](http://www.smartdrops.network)





**Since the early years** of public blockchains, projects have been experimenting with giveaways of new tokens to grow communities.



The most common approach has been the Airdrop: a free distribution of tokens to users who have a cryptocurrency address.



**However**, these broad, un-targeted giveaways of tokens meant to create interest in the project haven't worked for various reasons.

## Why Are Most Airdrops Ineffective?



Primarily attract speculators  
(ie, pump & dump)  
instead of true contributors



Don't engage the community in a  
targeted way that creates ongoing  
progress for the protocol



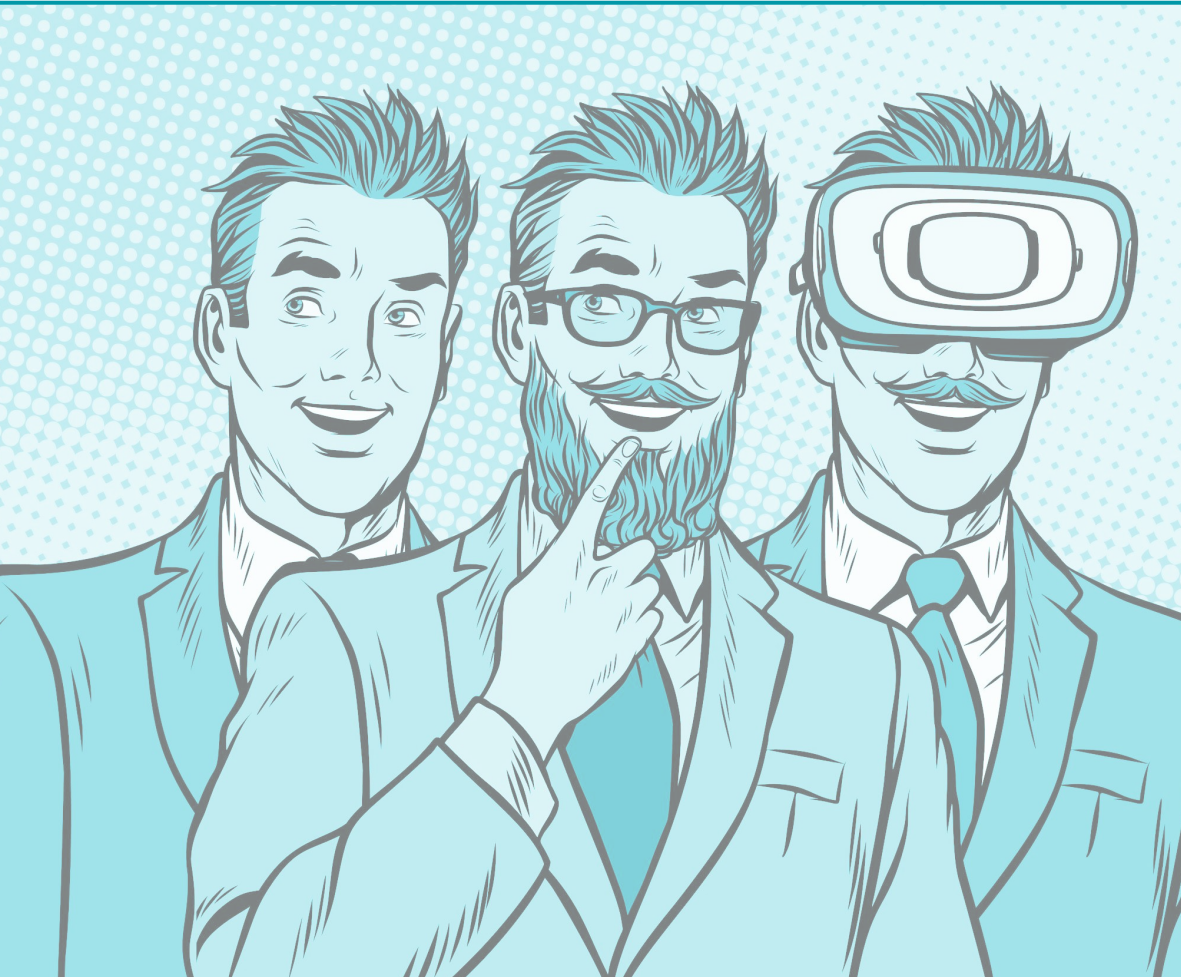
Devalue the potential  
of the token with a  
giveaway mentality



## The Solution: Smartdrop

A Smartdrop is a permissionless way of introducing new technology to users of protocols with established network effects.

- Intelligently Target Airdrop Recipients
- Distribute A Large Portion of Tokens in Waves
- Align Incentives Of Users With The New Project

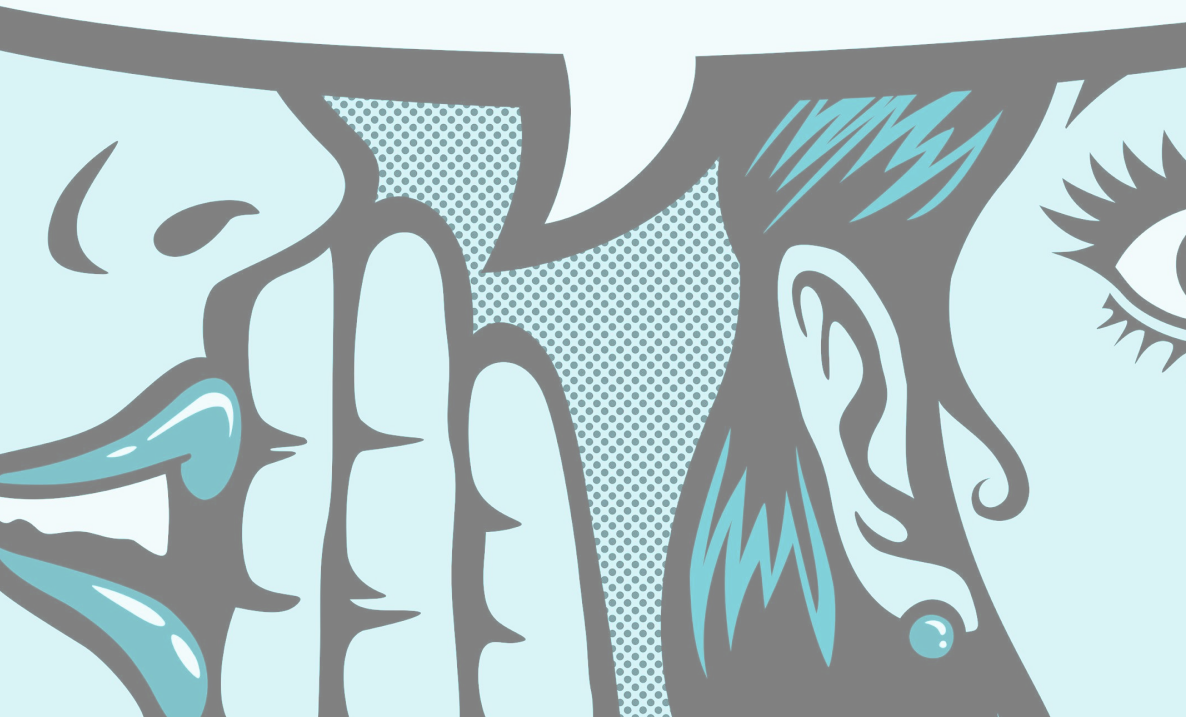


### **Step #1:** Carefully Select Recipients Who are Aligned with Your Project's Values

If you are targeting a community of decentralized exchange developers, consider OX Protocol (ZRX) holders as recipients;

If you are building a community of merchants, consider Bitcoin Cash, DASH, or Litecoin users Etc.

# PSSST....!



## Step #2: Focus on Quality Over Quantity

Not all users are equal  
From the complementary  
protocols, find the best users  
willing to add value to your project



## Case Study: POLYMATH

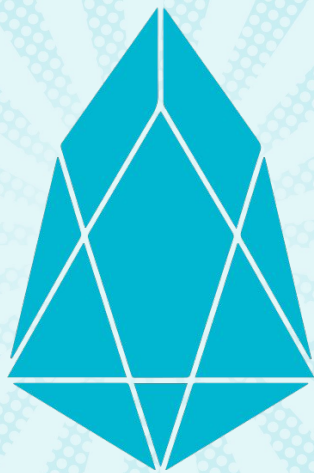
To ensure that this airdrop ran fairly, Polymath required that each participant complete a Know-Your-Customer and Anti-Money Laundering (KYC/AML) process. This way, they confirmed that only real Polymath platform users receive their tokens (instead of bots) which in turn allowed them to distribute a bigger amount to their investors.



## Step #3: Incentivize Work-Based Distributions at Each Project Milestone

Reward new users with gamified, programmable incentives for completing tasks such as: downloading a Dapp, referring friends, unlocking certain achievements.

Allows you to reward top contributors and keep the community engaged even after the smartdrop.



## Case Study: EOS

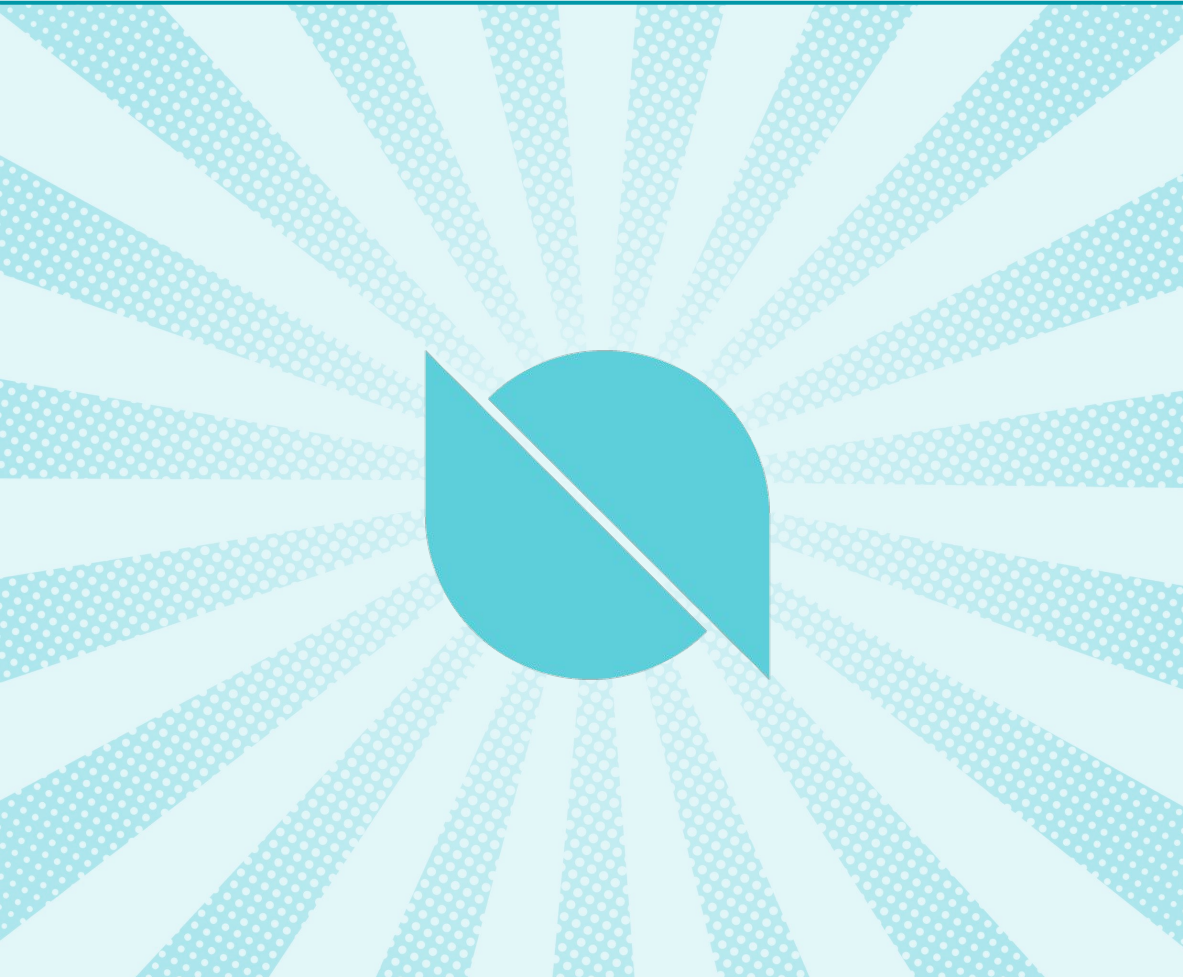
EOS offers a bug bounty program which offers substantial rewards for finding security vulnerabilities in the code. One participant in this program found several vulnerabilities in the EOS network which entitled him to a hefty \$120,000 reward from the company's bug bounty program in a single week.



## Step #4: Make the Reward Worthwhile: Do A Big Airdrop

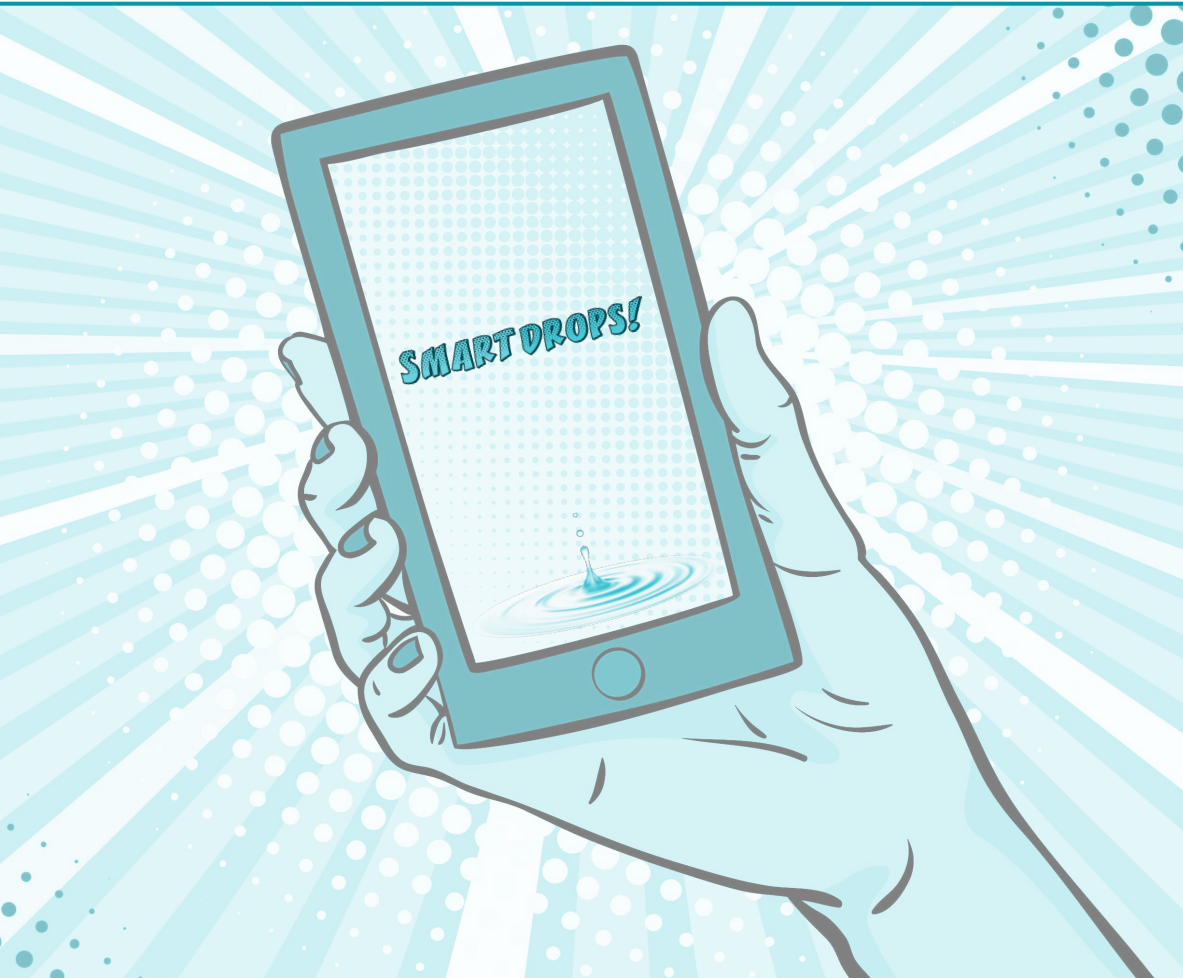
Reward your users with meaningful amounts of your token, not a rounding error.

The total value of your smartdrop should be in the tens of millions of dollars in value.



## Case Study: ONTOLOGY

On March 7, 2018, Ontology finalized their first airdrop to those that subscribed to their newsletter and attended NEO DevCon. People who subscribed to get the Ontology Newsletter in January of 2018 were airdropped 1,000 Ontology (ONT) tokens, and NEO DevCon attendees received 500 ONT tokens. ONT was worth around \$10 at that time, according to Coinmarketcap.



## Step #5: Make It Easy, Make It Verifiable

Define the milestones and how community members can contribute to earn rewards.

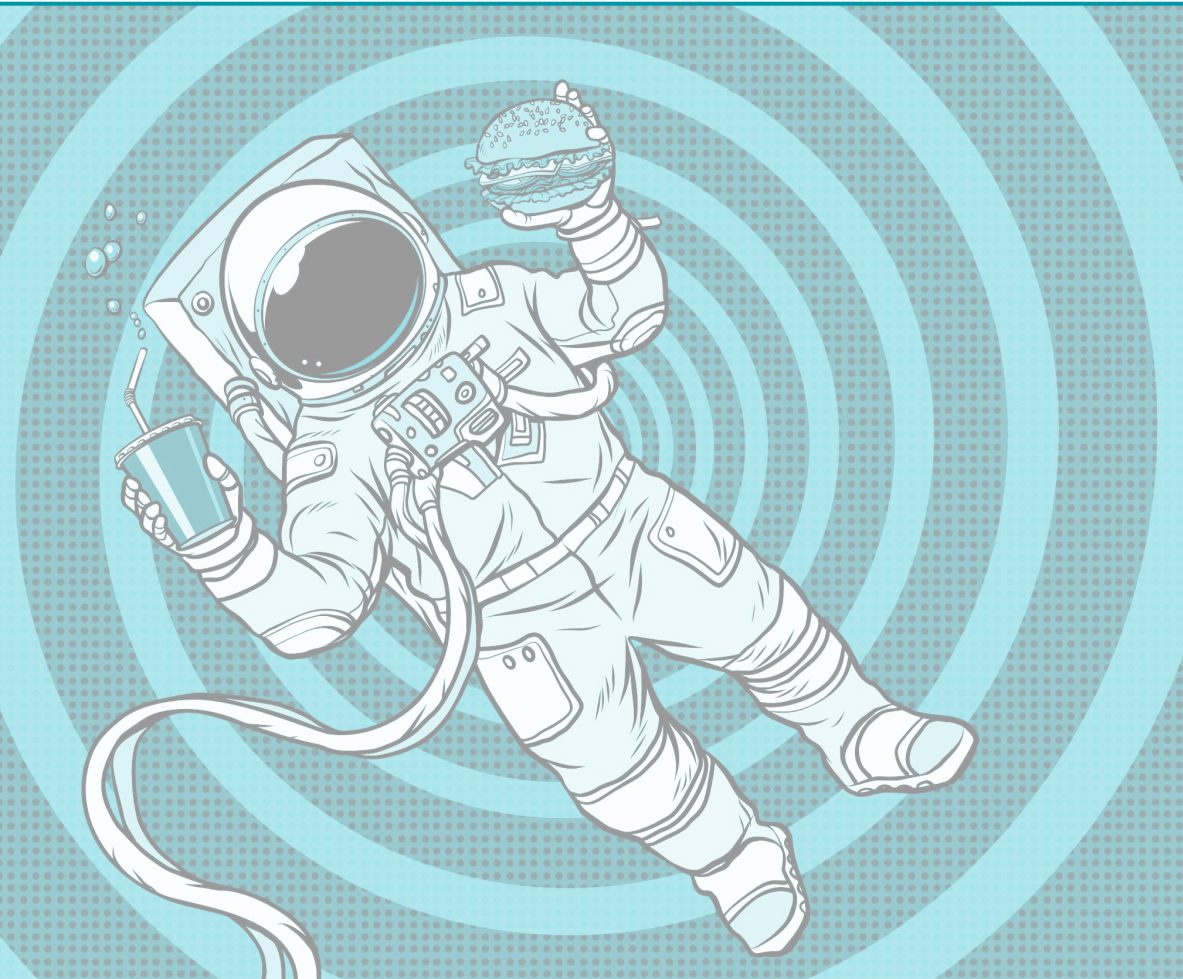
Make the steps to get involved straightforward (e.g., a Google Form, CoinList interface, or TRM API)

Pick questions that generate useful, verifiable information such as email addresses, Telegram usernames, and so forth.



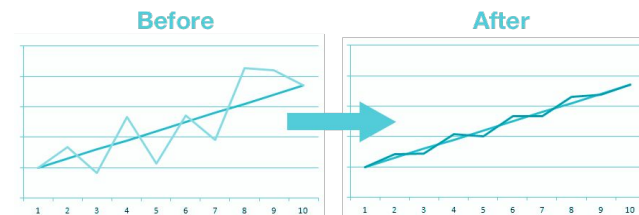
### **Benefit #1: Faster Innovation Cycles**

Compared to preparing a token sale or working through establishing a company, the Smartdrop model can be executed in a matter of weeks, instead of months.



## Benefit #2: Less Market Volatility For Communities who were Smartdropped

As Smartdrops increase, holders of “blue chip” cryptos could receive “blue chip” like benefits: Smartdrops of new tokens, more stable value, and lower volatility.





### **Benefit #3: Keeping The Community Together**

Because Smartdrops bring in new ideas and technologies to existing projects, community members might be excited to work for an existing project that receives and experiments with an inflow of new ideas and technologies via Smartdrops.

## Where to Start?

1

Go to [www.smartdrops.network](http://www.smartdrops.network)

2

**Announce** your project has selected the Smartdrop method for distribution of a portion of its tokens.

3

**Encourage** interested developers and other community members to join and contribute to the software of the Dapp and earn part of the community reward.