WEEKEND SPOTLIGHT

GET Protocol
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Disclaimer // **Introduction** // **Token Overview** // **Market Opportunity** // **Risk**

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INTRODUCTION

Product Dive

GET Protocol is a fully transparent NFT ticketing protocol for any event with coordinated entry. The ecosystem ensures that all parties involved in an event (e.g. users, event organisers, associates) can trust the counterparty without intermediaries such as Ticketswap. The current event industry is relatively non-transparent and inefficient while being relatively profitable. This particular combination does attract malicious actors who perform harmful acts to exploit the opaqueness for financial gain. A few examples of harmful behaviour are: forging entry admissions or exploiting sophisticated ticket-buy scripts to scalp tickets. Since national policy frameworks are lagging behind the innovation of ticketing, these harmful actions are not necessarily punished. The industry's opaqueness is caused by intermediaries between the artist and the consumer. A significant chunk of intermediaries adds an unnecessary service, resulting in a ticket price increase.

Additionally, the connection between the fan and the artist decreases due to the added intermediaries. A typical example is when a malicious ticket holder scalps their ticket in a secondary market to earn profit. Consequently, the overall sentiment of fans towards that artists turns more negative, due to that the fans are not able to attend the event without paying considerable premiums.

Smart Tickets

The smart tickets of GET Protocol have been anchored to the Polygon Network and Ethereum blockchain. Due to the nature of blockchain technology, actions on a blockchain are final and cannot be altered afterwards. The characteristics of finality with a trustless network allow GET Protocol to find a solution for existing problems, as highlighted in the previous chapter. The ecosystem utilises the blockchain as a database for all their tickets; therefore, all underlying information is encrypted and cannot be altered. GET Protocol removes many intermediaries by using smart contracts, decreasing the total overhead costs. The smart ticket technology utilises dynamic QRs, which prevents fraud and forgery.

The usage of a dynamic QR limits the window of forgery by revealing the QR code shortly before the events start. Consequently, this significantly decreases the time window of malicious intent to sell fraudulent entry tickets. The QR code changes every 10 seconds, making it infeasible to perform forgery attempts. Additionally, all tickets are linked to a cellphone number, making it harder for malicious actors to commit harmful acts. Additionally, the GET protocol infrastructure allows controlling the secondary ticket market. Through that, users can only sell their tickets in the GET or white label licensee application. Thus, the possibility of scalping is eliminated; however, the issue of centralisation arises. This issue will be further explored in the chapter "Risks".

The User Interface (hereinafter: UI) of an application plays a significant role in the probability of adoption (Seneler et al., 2009). The same trend is observable with buyer experiences, whereby the UI plays a vital role if a consumer decides to purchase a service or product. GET Protocol provides an intuitive traditional ticketing buyer experience to its consumers by masking the underlying blockchain layer. The primary reason for focusing on a conventional experience is attracting non-cryptocurrency users and reducing the complexity thresholds.

White-Label Infrastructure

The GET Protocol white label infrastructure allows ticketing companies to integrate their brands with the underlying tech-stack of GET protocol (i.e. complete stack ticketing solution). The firms can benefit from the experience of GET Protocol as an infrastructure operator in the ticketing industry. However, the firm has complete control over its branding, data, revenue model, and overall engagement.

The infrastructure provides all the necessary tools for a ticketing company to either set up or modify the ticketing infrastructure. The white-label infrastructure involves an analytics dashboard, underlying tech for ticketing, a support team, and a web application. The ticketing firms control fundamental operational aspects, such as revenue mark-ups and distributions.

As highlighted in the previous chapter, the infrastructure of GET Protocol hides complex blockchain technology for the end consumer. The overall experience for the user is as smooth as traditional ticketing companies but with more in-built features. The user can use the custom-built ticketing application for storing, selling, and sharing tickets without the need of an intermediary (Figure 1). Additionally, because all fundamental mechanisms are built in one application, it increases the retention rate of the consumer as there is no incentive to utilise other third-party applications. The white label infrastructure of GET Protocol is currently being used by multiple traditional ticketing companies such as Djebber and Wicket. The pricing for white-label licensees is a relative transaction fee of the ticket value. The exact percentage varies per event and user due to the complexity of services and market-specific elements. The off-chain revenue that is being made is utilised to cover operating costs and allow for custom deals.

Figure 1 GET Protocol User & Licensee featured
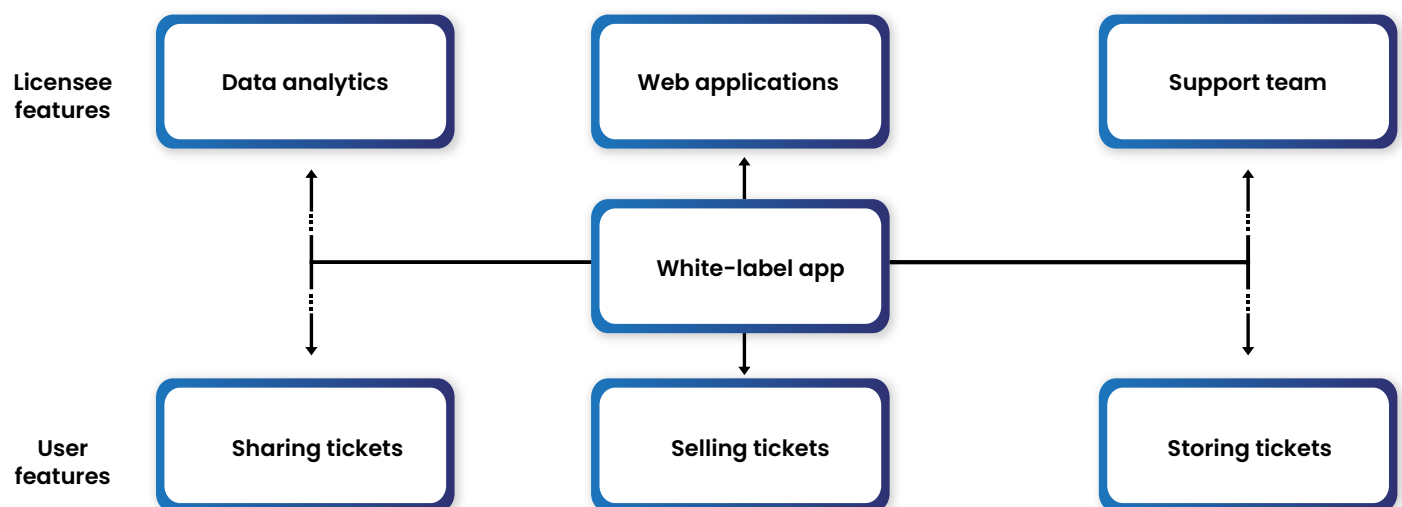
Digital Twin

The ticketing solution of GET Protocol is not solely a digital ticket anchored to the blockchain, but it also supports many more features through NFTs. Financial and social ticketing features arise by enabling ticketing companies to interlink an NFT to their tickets. The ticketing company can secure a part of the secondary market through royalties or enhance user experience through digital collectables or fan rewards. Engaging with the consumer increases the probability of retention, which is positively correlated with the amount of operational revenue (Venkatesan, 2017).

The ecosystem allows for various NFTs, such as generative and evolving collectables and Metaverse passes. Additionally, the NFTs are tradeable, comparable with traditional collectables (e.g. Magic of the Gathering, Pokémon), and therefore have a value. The end-consumer can claim the NFTs through a non-custodial Ethereum wallet (e.g. MetaMask). A non-custodial wallet allows the user to own and control the private keys to their cryptocurrency and therefore is significantly different from a wallet on a centralised exchange (CEX). Therefore, non-custodial wallets are perceived as more complex by users. Two ticketing companies are currently integrating the Digital Twin solution: YourTicketProvider and eTicketaBlanca.

Open Data Standard

GET Protocol aims to be the Open Data Standard (ODS) for ticketing by making the ticketing industry more transparent and accountable for its business operations. The ecosystem has launched two fundamental concepts to achieve that goal: NFT Ticket explorer and GET Protocol Subgraph (Figure 2).

The NFT Ticket Explorer allows users to track all the ticketing activity on the GET ecosystem. Therefore, users can verify and discover onboarding ticketing integrators by a fully transparent explorer. As highlighted in the first chapter, the ticketing industry is relatively opaque and, therefore, a closed environment. GET Protocol provides users transparency and accountability on their business operations by adding a fully transparent explorer.

The GET Protocol Subgraph, utilising The Graph explorer, is a decentralised index of historical on-chain data. The data that users can pull is categorised into different groups, allowing users and integrators to extract various data sets to perform analytics. Additionally, the GET Protocol ecosystem uses a WebSocket for pulling real-time data sets.

Figure 2 The fundamentals of ODS
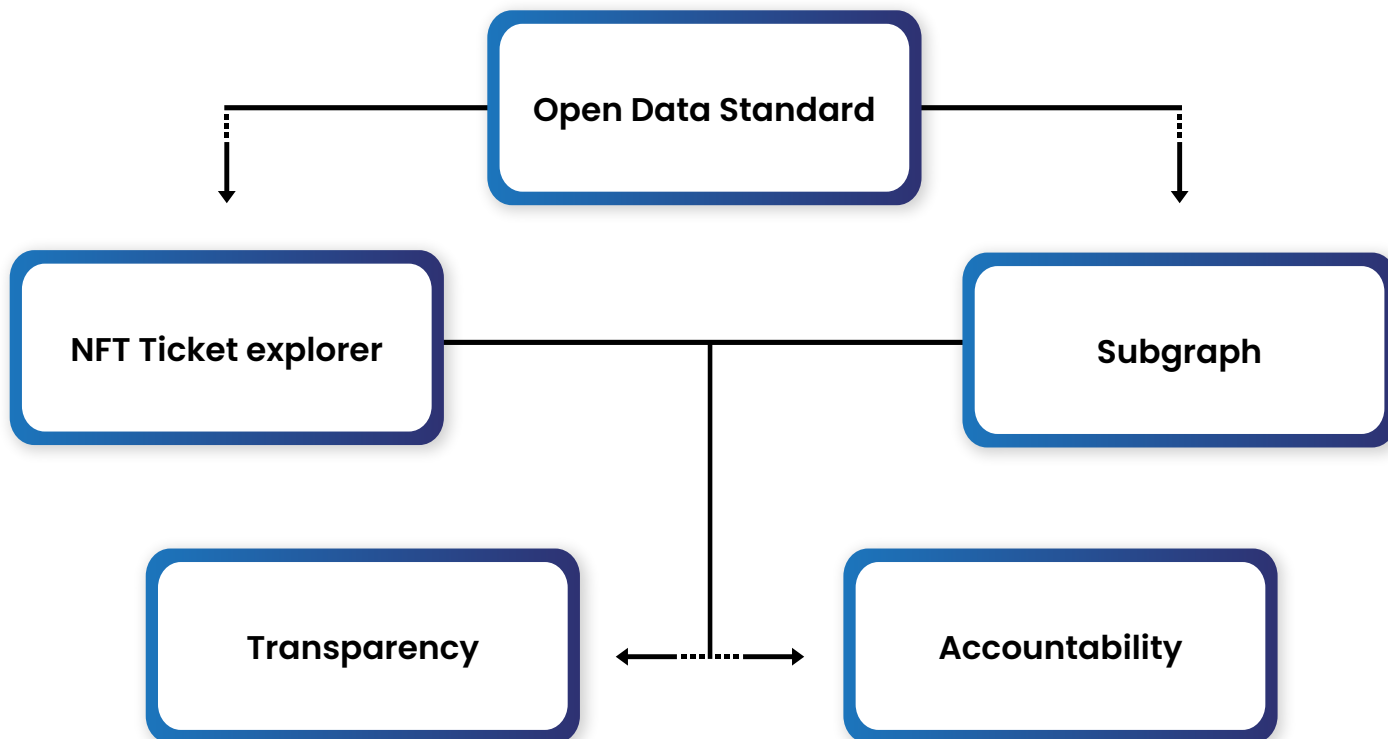
TOKEN OVERVIEW

Token Overview

The native token of the GET Protocol ecosystem is $GET, which is deployed on the Ethereum and Polygon Network blockchain. The circulating supply is currently 11,388,257 tokens with a market capitalisation of 21,557,199 USD. The utility of the native token is a means of payment, and it is being utilised as gas for the ecosystem. The creation and transfer process of blockchain-backed NFT tickets utilises GET as transactional gas. The used gas is stored in a Decentralized Autonomous Organization (DAO) treasury fund (i.e. wallet), governed by the GET DAO; this will be further highlighted in the upcoming chapter. Currently, the DAO treasury fund holds 2,6 million GET tokens. The GET token holders are managing the GET DAO.

GET DAO

The GET holders will govern the GET DAO. The DAO will govern a set of system variables that are crucial to the operational activities of GET Protocol. An example is the parameter "MintRate", which is the percentage fee in getting to mint an NFT for integrators. The MintRate is interlinked to the BasePrice, which is in USD. Therefore, if the native token, GET, significantly increases in value, the MintRate will reduce, so due to that, it has to be equal to the fixed BasePrice in USD. The DAO is currently being worked on, whereby the governance voting mechanism is a complex challenge. A well-balanced voting mechanism prevents malicious intent and focuses on a fair and structured voting process for all the holders. Therefore, a non-linear voting mechanism is preferred, whereby the voting power is not linearly correlated with the number of tokens.

MARKET OPPORTUNITY

Disrupting the Ticketing Industry

A monopolised industry is inefficient because it leads to market failure, whereby the ratio of price and quality is uneven (Spence, A. M., 1975). A common outcome of a monopolised industry is all-or-none pricing; the price increases, but there is no significant change in product quality (Stewart, 1979). Additionally, monopolies are characterised by increasing the complexity of entering the market to discourage new entrants. The innovation in monopolised markets is low due to the lack of incentive to improve the product or service (Spence, 1975). The entertainment industry is relatively dominated by a few significant participants (GAO U.S., 2018). The ticketing industry in the US is mainly controlled by Live nation-Ticketmaster with an 80% market share. The consequences of the monopolised industry result in market failure, multiple US representatives have urged President Biden to investigate the Live nation-Ticketmaster monopoly due to market failure (Shafer, 2021). The charged total fees for primary and secondary ticketing companies are increasing, averaging 27% and 31% respectively, of the ticket's price. In contrast, the service of Live nation-Ticketmaster did not significantly change.

The GET Protocol white-label structure aims to de-monopolise the ticketing industry by providing a full-stack blockchain infrastructure. As highlighted earlier in this paper, the ticketing firm controls fundamental operational aspects, such as revenue mark-ups and distributions. However, by using the white-label structure and the dynamic QR technology, the firms are transparent through the underlying blockchain layer while protecting consumers against fraud through smart tickets. Additionally, consumers can resell their tickets through the white-label app, eliminating intermediaries.

Web 3.0

Web 3.0 is the upcoming third generation of the internet; websites and apps will process information intelligently and efficiently through Decentralized Ledger Technology (DLT), Artificial Intelligence (AI) and Big Data. The main difference between the current web 2.0 and the proposed web 3.0 is the storage of data and the assistance of AI. Web 2.0 is relatively centralised, while web 3.0 presents decentralised data storage, more flexibility and decentralised features (e.g. NFTs). Consequently, web 3.0 will operate through decentralised storage protocols.

Multiple tech-behemoths are already using AI; Google utilises AI to identify fake reviews, and Facebook uses AI to tailor content to particular users. However, the current level of AI is not sufficient to perform complex multi-aspect tasks. There is still a long way to achieve AI smart-assistance for the worldwide web (Simonite, 2021). Nonetheless, the idea is that AI will vastly improve in the upcoming years due to its disruptive and resource-efficient nature.

The NFT tickets of GET Protocol aim to be a Web 3.0 bridge for traditional ticketing venues. Event organisers can connect with their audiences through NFTs, increasing retention rates and allowing consumers to re-experience their favourite events. The NFTs are claimable through the Ethereum Network but are currently being held in a private custodial wallet of the particular event organiser. This might change in the future but is now viewed as a risk, further explained in the 'Risk' Chapter. The consumer can only claim these NFTs through an ERC-20 non-custodial wallet (e.g. Metamask). Subsequently, the NFTs extend the entry ticket allowing event organisers and artists to engage with their audiences. The utility of these NFTs can be diverse, such as discounts on new events, royalties, fan experiences, metaverse access, and more.

RISK

Centralised NFTs

NFTs are fundamentally changing traditional industries by creating a new paradigm for digital ownership between artists and their communities, removing the centralised trusted third parties. NFTs are anchored and verified on an immutable public blockchain, ensuring that data cannot be altered. The decentralised nature of the public blockchain enables the chain to be secure and without authority. In general, decentralisation is being perceived as substantial within the cryptocurrency community.

The NFT industry has grown significantly in the last years and is valued at 13 billion USD in 2022 (Jones, 2022). The growth of NFTs is primarily caused by the broad scope of usage of NFTs (e.g. video game assets, ticketing, art, domain names). Therefore, many cryptocurrency projects are utilising NFTs for anchoring and verifying digital ownership on the blockchain. However, one may wonder where these NFTs and users' data is being stored; in many cases, this is on a centralised data storage.

Many NFT marketplaces have centralised elements comparable to 'web 2.0' websites (Portion, 2021). When an NFT is purchased, the token is represented on a public blockchain. However, the art file, metadata or media is usually stored off-chain due to decentralised storage protocols being very expensive for large files. This means that the NFT platform does rely on a centralised server, exposing NFT holders to a single point of failure. This means that in case the centralised service or server stops working, all metadata is lost.

Effects of COVID19

The global pandemic is significantly impacting the entertainment industry with nationwide lockdowns. In 2020, the revenue of the global theatrical sector decreased by over 70% compared to 2019 (MotionPictures, 2021). The same trend is observable with the ticketing industry, whereby Live Nation, a global concert and festival industry leader, had to cancel over 5,000 concerts and postpone 6,000 shows (LiveNationEntertainment, 2021). The overall revenue decreased by 81% in 2020 compared to 2019, resulting in a net loss of over 500 million USD. According to Pfizer, there is a realistic probability that the COVID19 pandemic could extend to 2024 (Erman & Roy, 2021), these claims are backed by the government of Hongkong (Al Jazeera, 2022) and the World Tourism Organization (WEF, 2022). Therefore, the uncertainty of the COVID19 pandemic might continue in the ticketing industry for the upcoming few years.

Since GET Protocol is active within the entertainment industry, more specifically, the ticketing sector, it is possible that the current economic downturn could negatively impact the white label service by COVID19. Subsequently, the possibility arises that the white-label service and the overall usage of the product of GET protocol may become stagnant due to national lockdowns and restrictive measures to prevent the spread of COVID19. However, this particular risk is expected to be temporarily and might increase the marginal effect of the growth of GET Protocol. If the entertainment industry opens again, more consumers will be temporarily more interested in events due to the long absence of the entertainment industry as a whole. Consequently, artists are more willing to engage with their audiences through NFTs because it increases retention rates and revenue.

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