

# Creaticles

## The World's First Bespoke NFT Platform

*Empowering Creators and Buyers*

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### Abstract

*The NFT market has grown significantly over the past year, born from the original introduction of CryptoKitties<sup>1</sup> in 2017. With the recent re-emergence, we are witnessing a surge in interest focused on designing, trading, and holding unique and collectible media, most commonly in the form of image files or GIFs. Other platforms have also emerged, which preserve the collectible nature of NFTs but focus on other media such as audio<sup>2</sup>. We believe the current state of the NFT market, regardless of the media, has limitations that hinder its use cases and market reach. We also think the current state of NFTs has a powerful yet untapped opportunity, driven by more practical needs from both creators and buyers. At Creaticles, we take the first-mover advantage to build a bespoke NFT platform that is scalable, low-cost, and solves unaddressed pain points for both parties.*

### Introduction

In 2017, CryptoKitties emerged quickly and grew to take over the entire Ethereum network for a while as users poured in to breed and trade digitally generated cats. CryptoKitties, the first popular form of non-fungible tokens, or NFTs, started a trend of online digital collectibles. Fast forward to the present day, and we see an emergence of NFTs and

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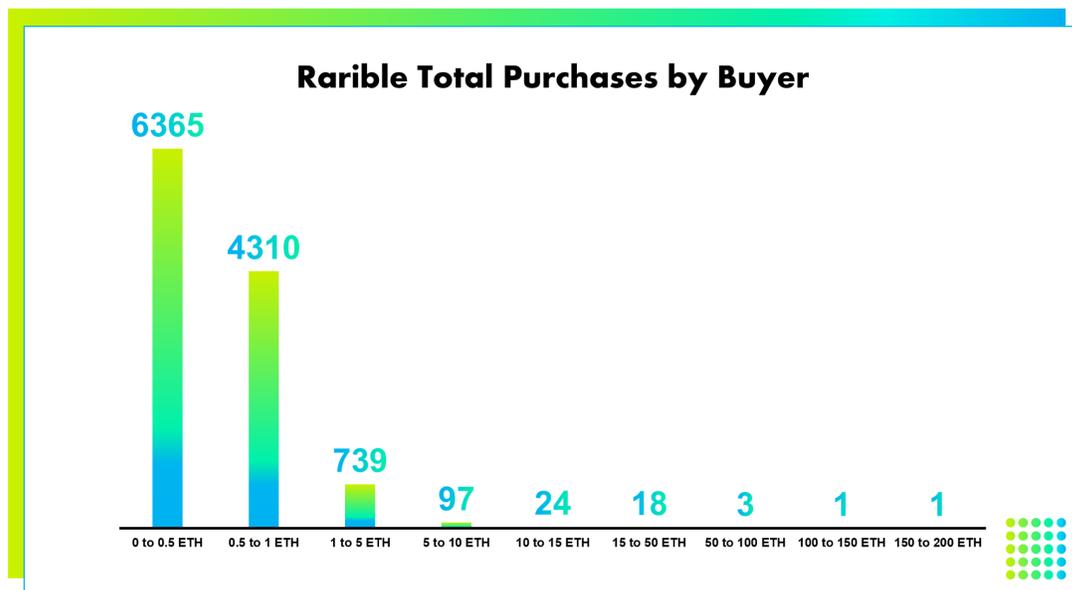
<sup>1</sup> <https://cryptokitties.co>

<sup>2</sup> <https://audius.co/>

blockchain collectibles that are permeating mainstream interest, finding their way onto the front page of media like the New York Times<sup>3</sup>.

With platforms like Rarible<sup>4</sup>, OpenSea<sup>5</sup>, and SuperRare<sup>6</sup>, NFT creation and collecting have become easier than ever, and the opportunity opens doors to connect creators with collectors. In this world, users can shop around, buy new art, or trade existing art created by artists worldwide. While exciting stories about NFTs selling for \$560,000<sup>7</sup> make the news, most sales earn artists under 1 ETH (see *Figure 1* below for more information).

*Figure 1: Rarible Total Purchases based on price (source: @gumbymc on Dune Analytics<sup>8</sup>)*



Furthermore, most artists don't successfully sell their NFTs. It doesn't mean they're bad — but it implies that supply is greater than demand for NFTs at this moment. Artists are eager to create in hopes of selling an NFT for a record-breaking \$69.3 million<sup>9</sup> and becoming the next Beeple<sup>10</sup>. At the end of the day, though, most artists' efforts don't bear fruit, and NFTs

<sup>3</sup> <https://www.nytimes.com/2021/03/11/arts/design/what-is-an-nft.html>

<sup>4</sup> <https://rarible.co/>

<sup>5</sup> <https://opensea.io/>

<sup>6</sup> <https://superrare.co/>

<sup>7</sup> <https://www.nytimes.com/2021/03/25/business/nyt-column-nft.html>

<sup>8</sup> <https://duneanalytics.com/queries/16576>

<sup>9</sup> <https://decrypt.co/60971/beeples-nft-artwork-sells-for-60-3-million-in-christies-auction>

<sup>10</sup> <https://twitter.com/beeples>

are left unsold. In other words, creators are putting in the time and money in network gas fees; but they are not necessarily rewarded. That identifies a core problem that Creaticles has identified and is setting out to solve.

## **Problems**

When it comes to the existing market for NFTs, both the creators and the buyers have an optimization problem. Specifically, the creator has an efficiency optimization problem, while the buyer has a search optimization problem. Not every creator and every buyer experiences these problems, and the emergence or intensity of each issue depends on each party's goals. With that in mind, we believe that the current optimization problems on both ends remain unaddressed and present a significant opportunity, especially for a first-mover.

### *The Creator: Efficiency Optimization Problem*

For creators, the most significant variables in creating an NFT are:

1. The time it takes to produce the content;
2. The cost of minting the NFT (most commonly done on Ethereum, which can incur high costs due to gas fees).

Furthermore, to successfully sell the newly minted art, creators must also bear in mind the cost of additional time and money for marketing and branding. At the end of the day, though, the creator's ability to successfully sell a piece of NFT is arguably as much luck as it is skill, at least while the creator is still building their reputation in the space.

### *The Buyer: Search Optimization Problem*

On the other hand, the buyer can experience a search optimization problem. This problem should not be confused with the term "search engine optimization" (or SEO), which is the process of strategically positioning a website or other piece of Internet content to be ranked in the first spot of a search result. Instead, the search optimization problem that an NFT buyer experiences is one of successfully locating art that the buyer is searching for on the

Internet. While this problem may not resonate for collectors, who are more focused on selecting existing, high-value NFT pieces, the problem exists for those buyers who are looking for NFT pieces for a purpose outside of collecting and trading as the top priorities. For example, a buyer may want to look for a specific piece of art to commemorate an occasion; with the existing marketplace solutions, that buyer must search from platform to platform to hopefully find something close to what they're looking for. Unfortunately, "close" enough does not mean "good" enough.

## **The Creaticles Solution**

At Creaticles, we are building a solution that addresses the optimization problem on both ends by bridging the users through a platform that allows bespoke NFT requests.

*Creators: Optimization around effort*

Through the Creaticles platform, Creators no longer need to play the guessing game of NFT creation, which wastes both time and money in an attempt to sell NFTs. Instead, requests are submitted into the Creaticles platform, and creators can submit fulfillments to those requests.

*Buyers: Optimization around search*

Rather than searching for a specific NFT that may or may not exist, buyers are able to submit custom requests to the Creaticles creator community through contests (for more information, see [How Creaticles Works: The Contests](#)). Using contests, buyers specify what they want (e.g., Elon Musk in space but with a centaur's body and he's wearing the Infinity Gauntlet on his right hand, and battling Darth Vader).

## How Creaticles Works

### *The Contests*

Everything on the Creaticles platform begins with a contest. An NFT buyer submits a contest, which declares the rules of each engagement to produce the resulting NFT. Information including:

1. **Description:** a description of what the NFT buyer is looking for
2. **File Formats:** a list of acceptable formats
3. **Contest Duration:** the duration of time that the contest will run (the time that the contest will be accepting entries)
4. **Judging Duration:** the duration of time for winner(s) selection (the time that the buyer will take to select the winners)
5. **Game Mode:** the game mode (see [How Creaticles Works: Game Modes](#))

### *Game Modes & Execution*

In its first year, Creaticles intends to offer three bidding modes for contests; each mode is optimized for various purposes and provides unique incentives:

1. **Single Winner Mode:** this game mode allows an unlimited number of creator submissions. At the end of the time period, the buyer must select a single winner; once that selection is made, the NFT is passed onto the buyer, and the funds from that request are released to the winner.
2. **Multi Winner Mode:** this game mode is similar to the Single Winner Mode because an unlimited number of creator submissions are allowed. The difference, though, is in the number of winners that are selected. Furthermore, the distribution of rewards to the winners can be controlled as well. Think of it like first, second, and third (or

more) prizes. The first-prize winner may receive more rewards than the nth prize winner.

3. Social Mode: in this game mode, the buyer only sets the maximum number of entrants allowed. All entries that are received will be rewarded equally. E.g., if the buyer puts in 10,000 \$CRE8 (\$CRE8 is the Creaticles native token. For more information, see [The Creaticles Token](#)), and set the maximum number of entries to 100, then up to 100 creators who send submissions will receive 100 \$CRE8 each. On the other hand, if only 80 creators send submissions, then each creator receives 125 \$CRE8. Once 100 submissions are received, though, the contest is closed regardless of whether the contest duration has expired. No additional entries after the 100th entry will be accepted.

#### *Unselected Winners*

In Social Mode, funds are automatically dispersed to all creator participants at the expiration of a contest. For both the Single Winner and Multi Winner modes, the buyer must select a winner(s). In the event that less than five submissions (this is an arbitrary number that Creaticles will start with as the line of demarcation, but the number is subject to change in the future through community voting. For more information on community voting, see [The Creaticles Token: Governance](#)) are received, and the buyer does not select a winner, the deposited funds will be returned to the buyer's wallet address.

On the other hand, if the amount of submissions to the contest is greater than five, and the buyer does not select a winner by the end of the time period, the funds are released to the Community Chest (for more information about the Community Chest, see [The Creaticles Token: Rewards - Community Chest](#)). Furthermore, the buyer does not receive an NFT. This system incentivizes the buyer to be more conscious and responsible in selecting a winner.

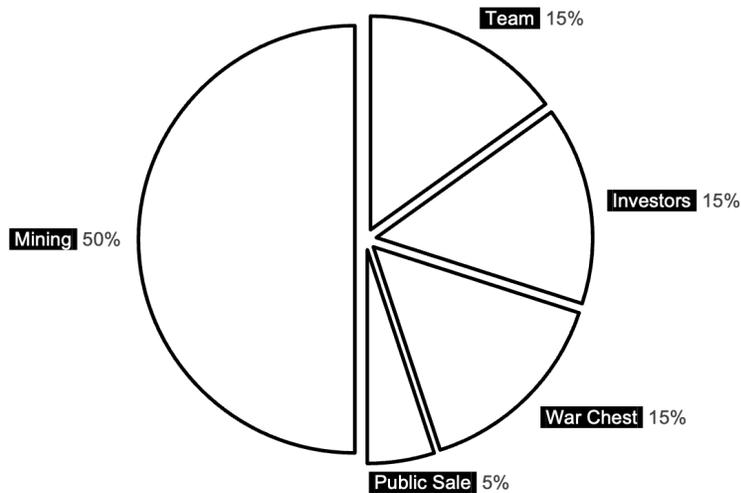
## *The Underlying Network: Cross-chain Compatible Smart Contracts*

Creaticles intends to deploy its first smart contracts on Ethereum and Polygon. The team selected this option due to the advantages available through Polygon, namely transaction speed, and significantly lower gas fees compared to Ethereum, while also preserving a Solidity runtime environment. By reducing the gas fees, Creaticles are able to reduce the barrier to entry for minting NFTs and submitting them as a creator, opening access to the more casual buyer. That reduction in the cost of minting can be passed on to the buyer as well; i.e., both the buyer and creator receive economic benefits of reduced gas fees. Furthermore, by deploying on Ethereum as well, users can reap the benefits of the larger Ethereum ecosystem. Through a deployment on both, users have the freedom to choose. Currently, Creaticles is deploying its multichain strategy, and will launch on other layer-1 and layer-2 ecosystems outside of Ethereum including but not limited to Fantom, Polygon, and Avalanche. Creaticles intends to become chain agnostic.

### **The Creaticles Token**

The Creaticles platform will have its own native token, \$CRE8. There will be a total fixed supply of 1 billion \$CRE8. Figure 2 outlines the allocation proposal for \$CRE8. The majority of tokens (50%) must be mined, and mining occurs through creator and buyer engagement on the Creaticles platform.

*Figure 2: \$CRE8 Allocation*



#### *Team Allocation*

15% of the token supply will be reserved to incentivize team members and advisors. At token generation, a 3-year vesting period will begin, unlocking this token allocation on a monthly basis.

#### *Investor Allocation*

This allocation of tokens is reserved for private investors. At token generation, 15% is released with the remainder vested over a 2-year period. The investors in this allocation are strategic to help Creaticles scale as a project.

#### *Public Sale Allocation*

The public sale allocation will be immediately unlocked after the public sale, and will be available to participants within the public sale.

#### *War Chest Allocation*

The War Chest is intended to be used for any activities contributing to the Creaticles project, including but not limited to grants, events, developer communities, creator communities, liquidity, airdrops, and other activities for marketing, development, and ecosystem growth.

#### *Mining Allocation*

Mining on the Creaticles Network is correlated with a user's activity on the Creaticles platform. New Creaticles tokens are released on a weekly basis until the mining pool is fully released (500,000,000 tokens).

1. Creator Mining

Creators (users on the platform who are submitting NFTs) receive an allocation within a weekly distribution of \$CRE8 tokens based on their activity on the platform. Creaticles will incentivize creators to submit quality NFT content to contests and those creators are rewarded with \$CRE8. The Creaticles Network will not incentivize spamming, and continuing to submit low-quality content will not be rewarded.

2. Buyer Mining

Buyers (users on the platform who are requesting NFTs) receive an allocation within a weekly distribution of \$CRE8 tokens based on their activity on the platform. Creaticles will incentivize buyers to actively post quality contests, while also encouraging them to select winners. Doing both will be rewarded with \$CRE8 tokens. That being said, the Creaticles Network does not incentivize spamming, and continuous posting of low-quality requests will not be rewarded.

### *Payment*

Buyers can use \$CRE8 as a form of payment for contest winnings. Creaticles will integrate flexible payment options for contests. At launch, buyers can offer prizes in either \$CRE8, \$ETH, or \$FTM. Creaticles also intends to incorporate other forms of payment including stablecoins such as \$DAI.

### *Rewards - The Community Chest (Pool of Unclaimed Rewards and Transaction Fees)*

The Community Chest is a collection of fees and rewards that are redistributed back to the community through the form of token buybacks. As of the time of this document update (April 12, 2022), Creaticles currently charges a 2.5% fee for every contest. The fee can be subject to change in the future based on community governance (for more information, see

[The Creaticles Token: Governance](#)) for each contest. That fee is sent into the Community Chest.

Furthermore, the Community Chest will also include unclaimed rewards. As mentioned before, sometimes the buyer may forget to select a winner. In the event that a buyer receives more than five submissions for their contest and does not end up selecting a winner(s) in either Single Winner or Multi Winner mode, those funds are moved into the Community Chest.

### *Governance*

As witnessed throughout this paper, the Creaticles project relies heavily on community governance. Setting fees, trigger thresholds, and other decisions will be the responsibility of the token-holder community. We believe that the incentives are aligned such that token holders want what is best for the future of Creaticles.

### *Premium Placement on Creaticles*

Both the buyer and the creator can benefit through using \$CRE8 on Creaticles. From the buyer's side, the \$CRE8 token can be used to claim the top spot for exposure of their custom NFT requests. On the creator's side, \$CRE8 can be spent to move the creator's submission to the front, where it can be more easily seen by the buyer.

## **Conclusion**

The NFT marketplace has undeniably grown and captured the interest of users inside and outside of the blockchain space. Until now, NFT use cases have been largely limited to speculation of high-value art, which limits the accessibility of most buyers, who are looking for less expensive NFTs that can serve other purposes, and creators, who struggle to optimize their efforts and sell their valuable works. We believe Creaticles is a project that expands NFT use cases into a practical arena--one where demand drives supply, and price discovery and matching is based on applicable value propositions.

## **P.S. - The Great Creaticles Experiment**

The vision of Creaticles is one that helps empower creators. We want as much to be users of the Creaticles platform as we are the builders of it. In other words, we want to put our money where our mouth is. Creaticles does not intend to have an in-house design team. We will use our own platform to source all designs, which will provide fun community activities, more opportunities for creators, and also a portfolio of amazing NFT content that Creaticles can auction off or gift back to its community in the future.