

[AVARC
whitepaper]





A Decentralized sports apparel marketplace

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Abstract

There is currently no effective marketplace for creatives in the sports apparel market segment. Indeed, incumbents such as Nike, Adidas, Under Armour, Asics among others control not only their designs and quality of sports apparel and ensemble but also dictate what markets they serve, at what price points. In so doing, low and mid income groups in the developed world and emerging markets are excluded. Unserved markets end up with not only used and environmentally unfriendly material but also cheap and low-quality knock-offs. AVARC proposes to disintermediate a decentralized sports marketplace where creatives, ideators, artists, computer programmers, sports scientists can unlock value for participating in the creation process of sports goods and services. The aggregation of creatives in a decentralized marketplace facilitates development of ensemble from where the best and most relevant creations are chosen by a community. Subsequently, they are pushed into production at given specifications. The talent pool can also create ancillary sports-tech-based services not limited to physical fitness, monitoring and tracking, without relinquishing their intellectual property, yet rewarded. The market is facilitated by the AVC token through which creators are rewarded and through which peer-to-peer transactions within the network are enabled. The value of the marketplace increases with growth of users and their creative outputs.

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1 Introduction

Sport is a universally spoken and accepted language in all nooks and crannies. Directionally, it has been used to break walls, mend fences, restore dignity, and give hope, as much as it has been used to reward professionals and countries in competitive races and tracks.

Sport is a \$620 billion market enabled by an ecosystem of players such as event, media and rights owners who facilitate enjoyment of live sporting experiences and content around sporting activities.¹

From the turn of second world war, there has been innumerable efforts and investments into sports branding and differentiation. The charge has been led by Nike and Adidas for the last 60 or so years, however smaller and more vertically aligned sports apparel and ensemble manufacturers have mushroomed in the course all over the globe.

Sporting goods such as apparel and equipment play an important and often symbolic role for consumers. Whether for performance improvement, active leisure enjoyment, fanatical team support, or even as fashion statements, sport is now an admirable lifestyle.

1.1 Sports and tech

The advancement of engineering in textiles and metallurgy saw the first wave of the fusion of technology into sports products and equipment. Synthetic fibre improved performance resilient apparel the same metallurgical advances enabled better equipment. The unprecedented growth of the internet and physical computing (internet of things) is summarily the second wave of this fusion. Media broadcasts on cheaper and more available platforms has enabled the immediacy and connectivity of the world on sporting events. The rise of physical computing and sensor technology has hastened physical training, and performance improvement for both professionals and fans.

The third wave will be enabled by decentralized markets and platforms where no central authority will dictate the rules and sensibilities of sport. With emergent technology, new rules must be created and adopted. Consensus around what is allowed or no will be the prerogative of the markets. Technology has enabled the development of protocols and platforms for experimentation in organizational structures. The Ethereum protocol facilitates open participation, meritorious distribution of economic incentives, and protection of the network market from malicious or bad actors.

¹ The Sports Market

<http://www.atkearney.co.uk/documents/10192/6f46b880-f8d1-4909-9960-cc605bb1ff34>

1.2 Problem statement

Sports apparel and ensemble is a \$168 billion market.² While a bevy of sports played both at the amateur and the professional level in emerging markets, there is a deficiency of authentic and affordable apparel. Emerging markets in Africa and some parts of Asia might have missed out on the first wave of sports and technology, the industrialization phase in the strict sense, which saw hastened quality of sports ensemble and equipment. However, as has been evidenced, China and the saber-toothed tigers of Southeast Asia has supercharged an adoption of sports apparel and equipment in their constituent markets. They have largely acted as outputs of aggressive western giants for their inexpensive manufacturing capabilities and low cost labour pool.

This has created two challenges: a) emerging markets have been reduced into big waste piles of second hand and reused sports apparel, b) which has bred a dark and arbitrageur market of cheap and potentially dangerous knock-offs. This has thus led to dearth of product differentiation in local or amateur team sport and has also demeaned the huge brands that traditional sports entities represent.

2 AVARC marketplace

AVARC proposes a marketplace of sports apparel where ideas, designs, and processes are reimaged from first principle in order to:

- a) Foster a standard protocol, and frontend, to enable ideation, remixing, redesigning of sports apparel and tech services in order to produce unique and original products and services.
- b) Facilitate an open ecosystem of consensus and distribution of economic incentives for participants on the network. This will be facilitated by the AVC token.

2.1 How it works

The marketplace is comprised of communities that exist within decentralized entities. They are organized in categories dependent on type of sport. however, soccer should hold high precedence in the formative stages. The marketplace's features are as follows: Posts (enabled by a design frontend), Search/filtering, Ranking/voting, Payments and invoicing

The AVC is a multi-utility [ERC20 token](#) that provides token holders with the means of transferring economic value and also participating in the marketplace's governance. The initial round of AVC tokens will be used to facilitate ideation and design of the critical mass of sports apparel that will then be produced for the mass market. The ownership of AVC tokens by participants grants the right to issue a proportional amount of the said tokens in the escrow. However, these will give special and early access to features on the marketplace besides discounts on the products and services.

² Total revenue of the global sports apparel market from 2012 to 2024 (in billion U.S. dollars)*
<https://www.statista.com/statistics/254489/total-revenue-of-the-global-sports-apparel-market/>

By default the marketplace is open to ancillary modules and products such as development of services in physical fitness, fantasy leagues, media and sports rights management, among others. Further, when the platform has attained enough momentum to become self sufficient, it will enable development of digital collectibles in close semblance to cryptokitties whose intrinsic value is derived from non-fungibility. These artistic and unique creations will be used to enhance fantasy sports league, comic strips because of their collectible value.

2.2 Participation

The token sale is hard capped at \$1 million. Whereas the sale is open to everyone, anybody purchasing more than 5 ETH must go through an elaborate KYC process as prescribed by the legal department. We recommend the following ways of participating.

- a) Make sure you have an Ethereum wallet that is not from an cryptocurrency exchange for security reasons. If you want to buy ether for your wallet, we highly recommend an exchange like Binance.
- b) Send ETH to the token address listed on the AVARC (<https://avarc.co>) homepage and make sure to check EtherScan to track your purchase and verify that it went through.
- c) Keep your AVC tokens safe until marketplace launch. You could download the Metamask plug-in for Google Chrome to secure your information and keys for future reference.

2.3 About AVARC

AVARC is a design company prized for making original and creative designs in both online and print media. The apparel division – AVARC apparel – designs and prints t-shirts and ensemble grounded in creating +impact.