

Mercury Protocol

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Summary:

With social media kicking off and booming in the past decade their impact and use has grown exponentially. However, just because there has been growth it does not mean it is good growth - social networks have "flawed principles and monetization strategies." The Mercury Protocol attempts to fix these issues by implementing a decentralized architecture with blockchain systems.

Analysis:

The Mercury Protocol has been built around Global Messaging Tokens, a way applications can incentivize user behavior and in which users can exchange those tokens for premium services from any platform that is integrated with the Mercury Protocol. An advantage of using GMTs is that are not specific to a single application and are not susceptible to fluctuations like cryptocurrencies, and can work on any compatible system, similar to tickets at a state fair. The flexibility the Mercury Protocol provides allows limitless innovation in how users can be rewarded for their actions/behaviors.

Current social networking platforms have many different purposes - "For Facebook, it's an open platform to connect the world; for Twitter, it's a virtual space for real-time conversations; and for Instagram, it's a place to connect via visual storytelling." But all these platforms aim to make money, and a key step in accomplishing that is to grow their user base. Currently, most platforms collect data on users and sell it away to get ads which everyone is legally okay with as they check off the "Agree to Terms and Conditions" that everyone "definitely" reads. Once the network has matured they tend to start adding more features that enhance their data collecting abilities and actually reduce the true purpose of the product. A

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major issue that arises from large user bases is harassment which can come in many forms from threats to trolling; however, “trying to control harassment and trolling in a network at scale is like trying to repaint a house with a toothbrush”. These large traditional social networking platforms also monopolize user attention, wherein this market only the major players survive, no new or even better products can make their way through the competition.

The main issues in current social networking platforms are that the application owns all of the data, it's a monopolistic model, “walled garden” ecosystems are the norm, user base quality is reduced by scalability, and the whole structure of the business model is based purely on the monetization of proprietary user data. The Mercury Protocol uses the ethereum blockchain to address these issues, by creating a public network that is designed to be against the monetization of user data.

Traditional social networks own all the data and control it, and having a single all-powerful entity with absolute control over the data is “ethically questionable.” The Mercury Protocol addresses this issue by being completely decentralized using the ethereum blockchain structure. All content is tied to a pseudonymous identity allowing privacy and ensure that any application uses the data from a higher level it does own any of it but is just using it. This all works with data being stored on the blockchain or on decentralized data solutions like IPFS or Swarm.

The current social network platform marketplace has little room for newcomers due to the monopolies that are caused by network effects. Mercury Protocol connects different applications together on the same network so when there is a new service or platform they aren't competing for market share or user base they just join the ever-growing networking. This implementation allows more users on more applications “significantly boosting network effects compared to an isolated application.”

The walled garden ecosystem is currently the norm; all platforms are unique, isolated, and don't connect with each other - you may be able to share that you posted something on Instagram through twitter but not the post itself. By allowing multiple platforms to come together on a single network allows multiple applications to work together “on the protocol,

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securely and seamlessly.” A cross between network communication can result in a “cross-pollination of uses.”

An issue that arises from the large scale of the current network is harassment. Mercury Protocol solves this by providing a reputation score in which it works as the determining metric for network participation quality. The metric will directly affect their cost of being on the network, it's similar to charging a rude child more for breaking a toy in a store. This “will boost positive engagement and retention of the primary user base.”

The biggest concern for pulling out traditional social networking platforms and pursuing a Mercury Protocol backed one is that there is no traditional form of monetization; however, that is not completely true. The Mercury Protocol encourages the use of tokenization where tokens are provided to all parties: some to developers and programmers, some to users, and others to service providers. It can be looked at “as credit card points for your social interactions.” This will allow users to have meaningful interaction instead of purely data gathering oriented ones, and encourages positive interactions, and incentivizes an early adoption by awarding tokens. And as more users join either the user's utility will either increase or decrease depending on their usage of the network.

The creators of Mercury Protocol believe that social networks should exist as a decentralized network in which the benefits of privacy, security, and anonymity prevail, but it is important to consider the general downsides of a decentralized network from cost to design overhead. Overall the Mercury Protocol can reinvigorate the social networking scene allowing new and old platforms to become better for the user while still making money and not owning all the data.

“Economies thrive only when new entrants are able to enter the marketplace and compete with established companies.”