Luna Protocol

A Peer-to-Peer Attention Economy on Solana

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Solana · USDC · $YzY

Luna is a multi-media social protocol where every meaningful action costs USDC, and 100% of engagement revenue flows directly to creators and token holders. No perverse incentives. Instead, Luna offers a better system for everyday social behaviors.

Contents

Section 1

Abstract

Bitcoin solved peer-to-peer money. Luna solves peer-to-peer attention.

Luna is a social protocol on Solana where every meaningful engagement action — posting, replying, reposting, and spotlighting — costs a flat fee in USDC. One hundred percent of engagement revenue is split between direct creator payouts in USDC and automatic on-chain token buybacks. New-post revenue splits between the poster (via token buyback) and the protocol treasury, which funds operations transparently. There are no ads, no algorithmic feed suppression, and no hidden platform extraction.

The protocol's native token is $YzY, though the architecture is designed so that any token can occupy this role. The result is an economy where attention has a real price, creators are paid by the protocol for every piece of engagement they attract, and the cost of participation serves as an organic quality filter.

Every like, every follow, and every piece of content is recorded on-chain, creating an immutable ledger of social activity that can be referenced by future protocol upgrades, governance mechanisms, and third-party applications.

Section 2

The Problem

The attention economy is broken. Not philosophically — mechanically.

On every major social platform, the same extraction loop operates: users produce content, platforms capture the engagement data generated by that content, and advertisers pay the platform for access to that data. The creator — the person who generated the value — receives nothing from the platform's core revenue stream. Monetization, when it exists, is gated behind follower thresholds, ad-revenue-sharing programs with opaque terms, and algorithmic promotion that the creator cannot control.

The consequences are well-documented: engagement-optimized algorithms that reward outrage over substance, feeds saturated with advertising, bot networks that inflate metrics, and a fundamental misalignment between what is good for the user and what is profitable for the platform. Creators do not own their audiences. Users are products, not customers.

Early-era decentralized social protocols have made progress on censorship resistance and data portability, but have not solved the economic problem. Tipping is optional and rare. There is no protocol-level mechanism that ensures creators are compensated for the engagement their content generates. The economic model is still extractive or, at best, absent.

Luna takes a different approach. Instead of building a social network and then figuring out how to monetize it, Luna builds the monetization into the protocol itself. Every action has a cost. Every cost has a destination. The protocol is the payment rail, and the payment rail is the product.

Section 3

The Luna Model

Luna is a multi-media social protocol that merges a typical content feed with on-chain micropayments. Users post images, music, video, and text in a single unified feed. The protocol supports topic-based communities, each with the option to attach an existing token to the community's economic activity.

The core principle is simple: **every meaningful action costs a flat fee in USDC, and the protocol routes revenue transparently — to creators, to token holders, and to an open treasury that funds operations.** There is no hidden platform take-rate. The treasury allocation is visible on-chain.

Three Axioms

1. Attention = Currency. Every engagement action has a denominated cost. This is not a tip, not a donation, and not optional. The cost is the protocol.

2. Engagement = Liquidity. Every paid action triggers an automatic on-chain token swap, creating continuous buy pressure on the protocol token and (where applicable) community tokens. Social activity is economic activity.

3. Ownership = Freedom. Every user has an embedded Solana wallet. Tokens earned through participation are owned by the user, held in their wallet, and transferable at any time. The protocol does not custody user funds.

Section 4

The Action Economy

Luna divides all social actions into two tiers: **paid actions** that carry economic weight, and **free actions** that serve as social signals recorded on-chain.

Paid Actions

Each of the following actions costs a flat fee in USDC. The current protocol parameter is **$1.00 USDC per action**, though this is tunable by governance.

Action	Cost (USDC)	Description
Post	$1.00	Publish original content (image, video, music, or text)
Reply	$1.00	Respond to an existing post
Repost	$1.00	Amplify another creator's content to your audience
Spotlight	$1.00	Promote content for broader discovery

All action costs are tunable protocol parameters.

Free Actions (On-Chain Signals)

The following actions are free to the user but are written to the Solana blockchain as verifiable signals. This on-chain record enables future protocol upgrades — reputation scoring, governance weighting, algorithmic personalization, and third-party applications — without requiring any change to user behavior today.

Action	Cost	On-Chain
Like	Free	Yes — recorded as signal
Save / Bookmark	Free	Yes
Follow	Free	Yes
Join Community	Free	Yes
Direct Message	Free	No (encrypted, off-chain)

The distinction between paid and free tiers is intentional. Free actions keep the social graph active and content discoverable. Paid actions carry economic weight — every reply, every repost, every spotlight is a deliberate economic decision that compensates the creator and contributes to token demand.

Economic Friction as Quality Filter

The flat action cost is itself a protocol-level quality mechanism. Bots and spam accounts that operate freely on zero-cost platforms face a real economic barrier on Luna: a spam campaign that would post 10,000 messages for free elsewhere costs $10,000 on Luna. The cost of posting is the moderation layer. Combined with multi-layer identity verification (email, social account linking, community-level verification), the protocol produces a higher-signal feed than any free platform without relying on algorithmic content filtering.

Section 5

Revenue Mechanics

Every paid action generates a USDC fee. That fee is split according to the action type. All revenue flows to one of three destinations: the protocol token buyback, the creator's wallet, or the protocol treasury.

5.1 New Posts

When a user publishes a new post (paid), the fee is split evenly:

Destination	Share	Mechanic
$YzY Buyback	50%	Auto-swap via Jupiter DEX; tokens sent to poster's wallet
Protocol Treasury	50%	USDC retained for operations, liquidity, infrastructure

The poster receives $YzY tokens worth $0.50 immediately. Their net cost is effectively $0.50, plus whatever value the $YzY tokens hold. The treasury share is allocated transparently to fund protocol operations and infrastructure.

5.2 Reposts & Replies

When a user reposts or replies to an existing post, the fee split changes to compensate the original creator:

Destination	Share	Mechanic
$YzY Buyback	50%	Auto-swap via Jupiter DEX; tokens sent to engager's wallet
Creator Payout	50%	USDC sent directly to the original poster's wallet

This is the core creator-compensation mechanism. Every reply and every repost pays the original creator $0.50 USDC directly. This is not a tip. It is automatic, protocol-level revenue. One hundred percent of engagement revenue (reposts and replies) flows to participants — half as tokens to the engager, half as USDC to the creator.

5.3 Creator Economics

The economics of posting on Luna are designed to make creators profitable with even modest engagement. Consider a single paid post at $1.00 USDC:

Cost to post: $1.00 USDC
Immediate return: $0.50 in $YzY tokens (via buyback)
Net cash outlay: $0.50
Per-engagement income: $0.50 USDC for each reply or repost received

Breakeven occurs at **one paid engagement**. A single reply or repost returns $0.50 USDC, which combined with the $0.50 in $YzY from the initial buyback recovers the full $1.00 cost. Every engagement beyond the first is profit.

Engagements	USDC Earned	$YzY Received	Total Return	ROI
0	$0.00	$0.50	$0.50	-50%
1	$0.50	$0.50	$1.00	Breakeven
5	$2.50	$0.50	$3.00	3x
15	$7.50	$0.50	$8.00	8x
50	$25.00	$0.50	$25.50	25.5x

Creator profitability per post at $1.00 action cost, assuming $YzY held at purchase value.

Action costs are tunable protocol parameters. If pricing is adjusted in the future, the breakeven point and creator returns shift accordingly — a tradeoff the protocol will instrument and optimize.

5.4 The Full Cycle

Every paid action on Luna follows the same four-step cycle:

- **Step 1:** User initiates an action (post, reply, repost, or spotlight).
- **Step 2:** USDC is deducted from the user's embedded Solana wallet.

• **Step 3:** 50% of the fee is auto-swapped for $YzY (and community token, if applicable) via Jupiter DEX. Tokens are deposited in the acting user's wallet.

• **Step 4:** The remaining 50% is routed to the protocol treasury (new posts) or directly to the original creator's wallet (reposts and replies).

Section 6

Community Token Economics

Luna's most differentiated mechanism is its community token framework. Communities on Luna are topic-based groups — analogous to subreddits or Discord servers — but with an optional economic layer: any community can attach an existing Solana token to its activity.

When a community has an attached token, the buyback portion of every paid action within that community splits between $YzY and the community token:

Destination	Share	Mechanic
$YzY Buyback	25%	Auto-swap via Jupiter; tokens to acting user's wallet
Community Token Buyback	25%	Auto-swap via Jupiter; tokens to acting user's wallet
USDC	50%	Treasury (new posts) or original creator (reposts/replies)

Revenue split for actions within a community with an attached token.

6.1 The Collective Action Mechanism

Community tokens create a collective action incentive that does not exist on any other social platform. When a user replies to a post in a community channel, $0.25 of their fee is auto-swapped into the community token. That buyback benefits **every holder** of the community token — not just the poster, not just the replier, but the entire community. Every engagement in a community channel is a micro-investment in a shared asset.

This creates a self-reinforcing dynamic: the more active a community is, the more buy pressure is generated on its token, the more valuable the token becomes, and the more incentive members have to participate. Content creation and token demand are coupled at the protocol level.

6.2 Community as a Cultivation Tool

Luna positions communities as a **cultivation layer** for existing token ecosystems. The pitch to any project with an existing token (memecoins, DAOs, NFT communities, creator coins) is concrete: bring your community to Luna, and every piece of social activity in your channel generates buy pressure on your token. The community gets a content-driven social home. The token gets sustained, organic demand tied to real social activity — not speculation.

This is a fundamentally different value proposition than pump-and-dump platforms where token demand is purely speculative. On Luna, the demand is tied to content creation. The social good (quality content, community conversation) and the economic activity (token buybacks) are the same action.

6.3 Integrity Requirements

Community token attachment requires verification. Minimum requirements include token age, holder count, and demonstrated community activity. The protocol reserves the right to revoke community verification if quality standards are not maintained.

Section 7

The Protocol Token

The current protocol token is **$YzY**, a Solana SPL token. The Luna protocol is architecturally designed so that the buyback mechanism is not permanently coupled to any specific token. The token occupying the buyback slot can be replaced via governance action if the protocol's needs evolve. This gives Luna flexibility to adapt to changing market conditions, regulatory requirements, or strategic shifts without rebuilding the core economic engine.

Buyback Mechanics

Every paid action on Luna triggers an automatic buyback of $YzY via the Jupiter DEX aggregator. This creates continuous, predictable buy pressure that scales linearly with platform activity. At *n* paid actions per day, the protocol generates *n* × $0.50 in daily buyback volume (or *n* × $0.25 per token in community channels where the buyback splits between $YzY and a community token).

Daily Paid Actions	Daily $YzY Buyback	Annualized Buyback
100	$50	$18,250
1,000	$500	$182,500

10,000	$5,000	$1,825,000
100,000	$50,000	$18,250,000

Projected $YzY buyback volume at various activity levels (non-community actions at 50% buyback rate).

Section 8

Free Tier Design

Luna provides a free tier designed to eliminate barriers to entry while preserving the economic signal of paid actions.

Free Post Allowance

Every user receives **free posts on signup**. Additional proof-of-work mechanisms may be set in place for users to earn additional free posts. Free posts are economically identical to paid posts from the creator's perspective: the protocol executes the $YzY buyback on the user's behalf (this is Luna's customer acquisition cost). The creator still earns USDC from any paid engagement their free post receives.

Free posts serve two functions: they keep the feed active with fresh content regardless of spending behavior, and they give new creators a zero-risk way to test the platform and observe the economics in action. The expected conversion funnel is: post for free → observe engagement earnings → deposit USDC → begin paid participation.

Paid Engagement

Lightweight signals — likes, saves, follows, community joins — are free. Actions that carry economic weight and drive network effects — replies, reposts, and spotlights — always cost USDC. A reply on Luna is not a throwaway comment; it is a signal that someone valued the content enough to pay for the right to respond.

The tradeoff is lower engagement volume on paid actions. Luna will always have fewer replies per post than other platforms. The thesis is that fewer, higher-quality, economically-weighted engagements are more valuable to creators than high-volume, zero-cost noise.

Section 9

On-Chain Data Model

All meaningful social actions on Luna are settled and recorded on the Solana blockchain. Paid actions are settled on-chain as USDC transfers and token swaps. Free actions are recorded as on-chain signals with no cost to the user. This creates a verifiable, immutable social graph that is not controlled by any single entity.

The on-chain record enables:

- Transparent, auditable revenue flows (every buyback and payout is a Solana transaction)
- Future governance participation weighted by engagement history
- Third-party applications built on Luna's open social data
- Reputation systems derived from on-chain engagement patterns
- Protocol upgrades that can retroactively reference historical activity

The decision to record free actions on-chain is deliberate. Today, a like is a costless signal. Tomorrow, that on-chain record could become an input to governance weighting, reputation scoring, or reward distribution. The protocol is building the data layer now so that future upgrades have a complete history to reference.

Section 10

Governance

Luna's governance model is a progressive decentralization toward a DAO structure. Key protocol parameters — action pricing, revenue split ratios, community verification requirements, free post allowance, protocol token selection, and treasury deployment — are designed to be transparent and governance-controlled while in beta.

Phase 1 (Current): Community-operated. Parameters set by the team with community input. Appropriate for the alpha/beta period where rapid iteration is needed.

Phase 2: Advisory governance. Token holders propose and vote on parameter changes. Voting weight may incorporate both token holdings and on-chain engagement history, leveraging the signal data recorded by free and paid actions.

Phase 3: Full DAO governance. Protocol parameters, treasury deployment, and strategic decisions controlled by the community. The founding team transitions to a contributor role.

The on-chain recording of all social actions — including free signals like likes and follows — is designed with governance in mind. A system that weights participation history, not just token holdings, produces more representative outcomes than pure plutocratic voting.

Section 11

Conclusion

Luna does not decentralize social media. It decentralizes the economics of attention.

The protocol's core insight is that if every social action has a real cost, and that cost is routed transparently to creators, token holders, and an open treasury, the resulting system produces three things that no existing platform offers simultaneously: a higher-quality feed (economic friction filters noise), direct creator compensation (protocol-level, not optional), and community-aligned token economics (engagement drives shared value).

The community token framework — where existing token projects can plug their communities into Luna's economic engine — is the most differentiated and scalable growth mechanism. Each community brings its own users, its own token, and its own incentive to create and engage.

Luna is live. The economic model is operating. What follows is growth.

Not social media. **Social capital.**

This document describes the Luna protocol as currently implemented and planned. Protocol parameters, token mechanics, and governance structures are subject to change as the platform evolves. Nothing in this document constitutes financial advice, an offer of securities, or a guarantee of returns. Participation in the Luna protocol involves risk, including the potential loss of USDC deposited and the volatility of token values.