

# Introduction to NFTs

Blockchain Business Applications

# Introducing NFTs

- **NFT stands for non-fungible token**
- **Non-fungible**
  - **Non-interchangeable for other equivalent items/tokens due to unique properties**
  - **Different from fungible tokens like cryptocurrencies/ fiat money, which are identical to each other and, therefore, can be traded or exchanged at equivalency**
- **Digital certificates/tokens to represent ownership of any unique real-world object, such as art, music, collectible or video**
  - **Secured by a decentralized blockchain**
  - **Each token has a trackable unique identifier and a verifiable owner**

→ **No two NFTs are the same and the record of ownership cannot be modified**

# Examples of NFT use cases

Currently NFTs are used especially for digital content, such as artworks and other collectibles

- A digital art collage by artist Beeple was sold for price of \$69,3 million in an auction
- The first-ever published tweet was sold for \$2,9 million<sup>1</sup>

Other examples of where NFTs could be utilised as a proof of ownership:

- In-game items
- Event tickets
- Domain name
- Real estate
- Loan collateral <sup>2</sup>

# Benefits of NFTs

## For NFT collectors

- Easy to prove ownership and authenticity of your asset
- Anyone else cannot manipulate it
- You can sell it easily or hold it securely in your wallet

## For NFT creators

- Easy to prove you are the creator of the content
- You can determine the number of unique NFTs and replicas
- You can sell it on any NFT marketplace → Not tied to just one platform, no need for intermediates
- You can earn royalties every time NFT is sold

# NFT Marketplaces

	Marketplace	Description
1	OpenSea	<b>World's first and largest NFT marketplace</b> , broad selection of different kinds of NFTs, such as art, music, photography and sport collectables. Accepts over 150 cryptocurrencies as payment.
2	Nifty Gateway	<b>NFT marketplace with verified and curated drops of digital art.</b> Popular among celebrity NFTs and social media. Enables collectors to buy NFTs using Fiat (government-issued currency), which means buyers can make purchases using credit cards instead of cryptocurrency.
3	Mintable	<b>New marketplace for creating and selling NFTs very easily.</b> Allows creating NFTs from any type of digital file, such as image, gif, video, audio file or text, and adding it to your store. No comprehensive knowledge of NFTs, crypto wallets or blockchains required.
4	Rarible	<b>Community-owned marketplace</b> designed to sell both single pieces of art and collections. Popular among sports, gaming, and media brands as well as artists releasing collections of works.
5	Binance NFT	<b>Large and secure marketplace for any type of NFTs.</b> Seen as one of the most future-proof NFT marketplaces due to its size, scale and low fees.

# How to build a successful NFT business

- **Build a loyal audience for your content**
- **Learn more about NFTs**
- **Choose the right NFT marketplace for you by considering:**
  1. **Type of NFT you're creating**
  2. **Which blockchain the marketplace uses**
  3. **Fees you will have to pay** <sup>1</sup>
- **Mint and sell your content**
  - **Minting or creating an NFT is how it becomes part of the blockchain. It is required before NFTs can be bought, sold, and traded** <sup>2</sup>

# Issue of theft

- **Fraudulent NFTs have become a problem on many marketplaces**
  - **Forging digital files as NFTs is easy as minting is an anonymous process**
    - **How to sue an anonymous forger? <sup>1</sup>**
- **Platforms are not doing enough to prevent the trading of stolen content**
  - **Burden for creators and independent art communities to detect copies of their work**
- **In order to fix this issue, further actions are needed**
  - **Delisting and banning accounts that trade plagiarized content**
  - **Using image recognition to recognize stolen content more efficiently**
  - **Improving verification process of NFT listings <sup>2</sup>**