

NFT Guide

Everything YOU need to know.

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# What is an NFT?

Non-Fungible Tokens (NFT) are digital assets such as collectibles, gaming, art, and virtual assets that are exchanged over **blockchain** platforms such as Ethereum, OpenSea, Rarible, Axie Marketplace, or NBA Top Shot Marketplace and come with their digital signature that designate ownership of the asset.

# What is the blockchain?

Blockchain is a system of recording information in a way that makes it difficult or impossible to change, hack, or cheat the system. A blockchain is essentially a digital ledger of transactions that is duplicated and distributed across the entire network of computer systems on the blockchain.

# What are gas fees?

Gas fees are payments made by users to compensate for the computing energy required to process and validate transactions on the Ethereum blockchain. "Gas limit" refers to the maximum amount of **gas** (or energy) that you're willing to spend on a particular transaction.

# What is a Digital wallet?

A digital wallet (or e-wallet) is a software-based system that securely stores users' payment information and passwords for numerous payment methods and websites. By using a digital wallet, users can complete purchases easily and quickly with near-field communications technology.

# What is a crypto wallet?

A **cryptocurrency wallet** is an app that allows cryptocurrency users to store and retrieve their digital assets. As with conventional currency, you don't need a wallet to spend your cash, but it certainly helps to keep it all in one place.

# Do you need to have a crypto wallet to own NFTs?

Yes, the only way to own a NFT is if you have a crypto wallet, but there are more ways to “save” your NFT, such as:

* Software wallets
* IPFS (InterPlanetary File System) - An IPFS is a peer-to-peer hypermedia protocol that allows users to store their decentralized NFTs off-chain, decreasing the likelihood of being hacked.
* Cold Storage Hardware Wallet OR Hardware wallets- If this sounds like the opposite of a software wallet, that’s because it is. Any NFT added to a hardware wallet is stored 100% offline, and it’s password-protected.

# Where are the NFTs stored?

NFTs are stored on the blockchain. The smart contract address pointing to the location of the NFT (on the blockchain) is received after an NFT is purchased and kept in a digital wallet. The contents of the NFT's smart contract is stored on the web through a file sharing system.

It’s worth remembering that you don't store NFTs or cryptocurrency in your wallet. Instead, a wallet guarantees access to the investments held on the blockchain through a private key.

# What are smart contracts?

**Smart contracts** are simply programs stored on a blockchain that run when predetermined conditions are met. They typically are used to automate the execution of an agreement so that all participants can be immediately certain of the outcome, without any intermediary's involvement or time loss.

# What is minting?

Minting is the process of creating or producing something. In blockchain, **minting** means, validating information, creating a new block and recording that information into the blockchain. For example, someone can mint an NFT or mint a new cryptocurrency.

# What makes a successful NFT drop/collection?

Here are the 9 steps we’ve seen successful NFT projects nail, and that you should consider prior to your NFT drop:

* Tell a compelling story
* Choose your blockchain & marketplace
* Set up smart contracts
* Build hype & community
* Create fairness for fans and customers
* Know your customer
* Prepare your staff
* Ensure your website is prepared for high traffic
* Create lasting value & innovate

## Tell a compelling story

In order to make a NFTs valuable, we need to create value, create a story to get people to buy them. It’s needed to answer this questions:

* Why are my NFTs significant?
* How are they different from other NFTs?
* Why will people be trying to get their hands on them for years to come?
* What value do they give my customer?
* How exclusive are they?

**Successful NFT** projects have these questions clearly answered before anything else. And the most successful projects tell a **compelling story** to ensure their audience understands the same value propositions.

Bored Ape Yacht Club (BAYC), for example, isn’t just 10,000 images of different apes. It was launched with a narrative and a vision.

The project had a **roadmap** which detailed its future and what it would give back to early buyers. It had a professional website, a fun and lighthearted brand voice, and was committed from the outset to creating benefits for an exclusive community. BAYC created a world that people could only join by buying their NFTs.

This story, voice, and vision is what captured people. And the commitment to the vision and community drove continued value.

**When devising your communication strategy, determine the story you want to tell, explain the value of your project early on, and be clear about the journey you want to take buyers on.**

## Choose your blockchain & marketplace

For every NFT creator, there are two early decisions that are vital to the success of the project: where you’ll sell your NFTs, and which blockchain you’ll mint them on.

While most NFTs are minted on Ethereum and sold on OpenSea, there are many larger projects which benefit from using alternative blockchains and even creating their own marketplaces. Creating your own marketplace gives more control over the NFT launch, allowing creators to capture more revenue and often saving fans from the high gas fees associated with Ethereum.

A few of the larger marketplaces include:

* **OpenSea**: The first and largest NFT marketplace
* **Nifty’s**: An eco-friendly marketplace selling NFTs by big brands and creators
* **Foundation**: A curated NFT marketplace planning to build a new creative economy
* **MakersPlace**: An NFT marketplace for digital creators
* **Rarible**: A community-owned marketplace which uses its own currency
* **WAX digital**: An NFT marketplace that releases exclusive NFTs by global brands and artists

Choosing a marketplace and choosing a blockchain go hand in hand. Some marketplaces only sell Ethereum-based NFTs, while others have their own blockchains, sidechains, and currencies. Major available blockchain options include:

* Ethereum
* Flow
* Tezos
* Palm
* WAX
* Cardano
* Polkadot
* Binance Smart Chain

Each blockchain has different benefits, proponents, and selling points. Some are more environmentally friendly, others have **lower gas fees**, and some offer interoperability.

## Set up smart contracts

Once you’ve chosen your blockchain and marketplace, it’s time to write your NFT smart contracts. These contracts are crucial to the value proposition you give buyers.

Decisions that need to be made include:

* Will your NFTs live on-chain or off-chain?
* Will you take royalties from resale of the NFTs?
* What is the maximum mint amount?
* Will you mint the NFTs, or will you allow the public to mint them?
* What are the built-in features such as randomness, rarity, and voting rights?

Is there any additional utility built into your NFTs? Do they **double as tickets to an exclusive event**? Do you give owners the intellectual property rights to the NFTs? Can they access exclusive media using the NFTs?

These early decisions matter because features like royalties, rarity, and mint amount are fixed after the initial minting. And even for features that aren’t fixed, you should establish what your NFTs will offer and include from the start. If not through code in your smart contracts, then through copy on your website and information in your whitepaper.

## Build hype & community

NFT launches are all about building excitement and community. The more excitement surrounding your NFTs, the more value people will ascribe to them. So, once you have your NFTs ready for release, it’s time to get people excited about them.

A few key ingredients shared by successful NFT projects include:

* Establish social media channels (Twitter and Discord are the main areas NFT enthusiasts spend their time, but it’s also worth considering Instagram, Reddit, and Telegram)
* Reach out to NFT influencers and consider donating NFTs to them for support
* Run giveaways
* Engage with the community
* Create a **professional website**
* Create promotional videos, photos, and written content
* Create a presale sign-up form and mailing list
* Add your project to the NFT calendar

There’s no better product launch result than a quick sell out. It’s the NFTs that sell out fast that make headlines, capture the attention of NFT enthusiasts, and realize increased value on the secondary market.

## Create fairness for fans & customers

The co-creator of Ethereum, Vitalik Buterin, wrote a thought-piece on achieving fairness in product launches, outlining the five goals of an ideal NFT launch:

* **Fairness**: don't completely lock low-income people out of participating, give them at least some chance to get in. For token sales, there's the not quite identical but related goal of avoiding high initial wealth concentration and having a larger and more diverse initial token holder community.
* **Don't create races**: avoid creating situations where lots of people are rushing to take the same action and only the first few get in (this is the type of situation that leads to the horrible auctions-by-another-name that we saw above).
* **Don't require fine-grained knowledge of market conditions**: the mechanism should work even if the seller has absolutely no idea how much demand there is.
* **Fun**: the process of participating in the sale should ideally be interesting and have game-like qualities, but without being frustrating.
* **Give buyers positive expected returns**: in the case of a token (or, for that matter, an NFT), buyers should be more likely to see the item go up in price than go down. This necessarily implies selling to buyers at below the market price.

In these criteria, *Vitalik* stresses that giving a fair and simple NFT launch to as many people as possible is the best way to create community engagement and enthusiasm. **This approach creates a large and diverse holder community who believe in your project, which is key to long-term success.**

## Know your customer

A key element of making the NFT space fairer is proof of personhood (PoP). As the name suggests, PoP means each participant is required to prove they’re a real person. This mirrors the regulatory concept of know your customer (KYC) that exists for financial institutions and the physical art world.

When setting purchase limits, PoP and KYC allow businesses to authenticate each customer, so savvy users can’t exploit the sale using shopping bots, VPNs, or multiple devices.

## Prepare your staff

During high-demand product releases, it pays to be prepared. When everything has gone perfectly in your checklist until this point, the drop day can make or break your project.

The drop day is the culmination of all your hard work. It’s payday. When your project will be most visible. When fans are excited and ready. It’s the most crucial day to have your entire team prepared.

## Ensure your website is prepared for high traffic

It’s very import generating hype, but there are also dangers to being unprepared for too much hype. Beyond high gas fees, website crashes are a key threat to prepare against when releasing high-demand NFTs.

As businesses navigate the exciting space of NFTs, many quickly realize the interest in NFTs exceeds the capacity of their websites. With customers expecting fair, orderly, and problem-free product releases so virtual waiting rooms are playing an important role in that process.

## Create lasting value & innovate

NFTs are so exciting because fans and community drive their value. And if you’re wanting fans and customers to continue to hype your NFTs, you need to create value that lasts.

The benefits of these types of innovation are cyclical: creators give value to fans, others see this value and want to be involved, and the value of the NFTs grows. On top of this, when people see the value original holders are getting out of particular NFTs, they’re more likely to participate in the next release.

# Technologies needed to implement

* Wallet- MetaMask; Coinbase
* Blockchain- ethereum; Solana
* NFT marketplace- Open sea; solanart

## Discover

Redes sociais (Instagram, twitter, website)

## Organise Attendace

Ticketing software

Moralis.io

## Trip/event in progress

Guides

## After experience

Website

Notas de sites:

<https://cointelegraph.com/nonfungible-tokens-for-beginners/how-to-store-nft-assets-a-beginners-guide>

<https://support.avax.network/en/articles/5325125-what-is-minting>

<https://windowsreport.com/software-to-create-nft-art/>