Top blockchain trends for 2023

Preprint · November 2022

DOI: 10.13140/RG.2.2.33836.54400

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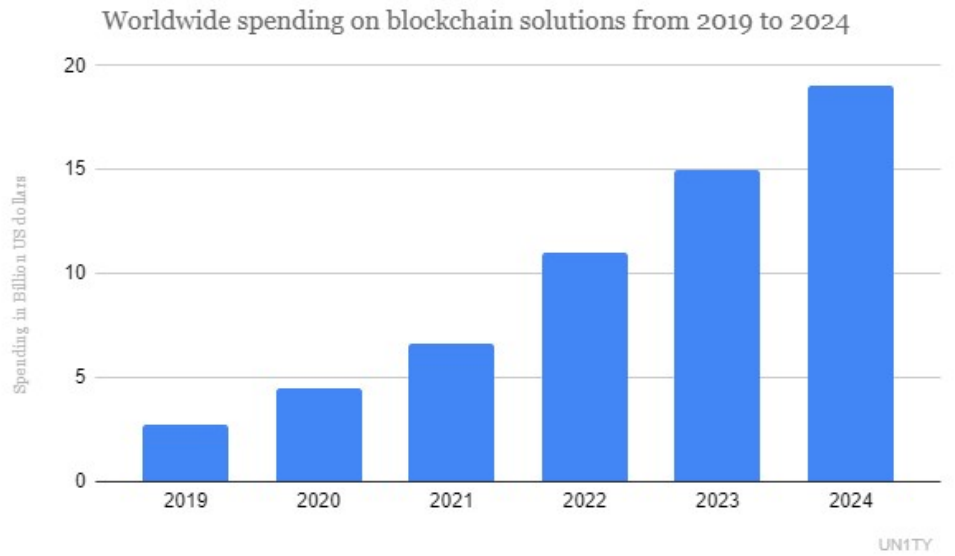
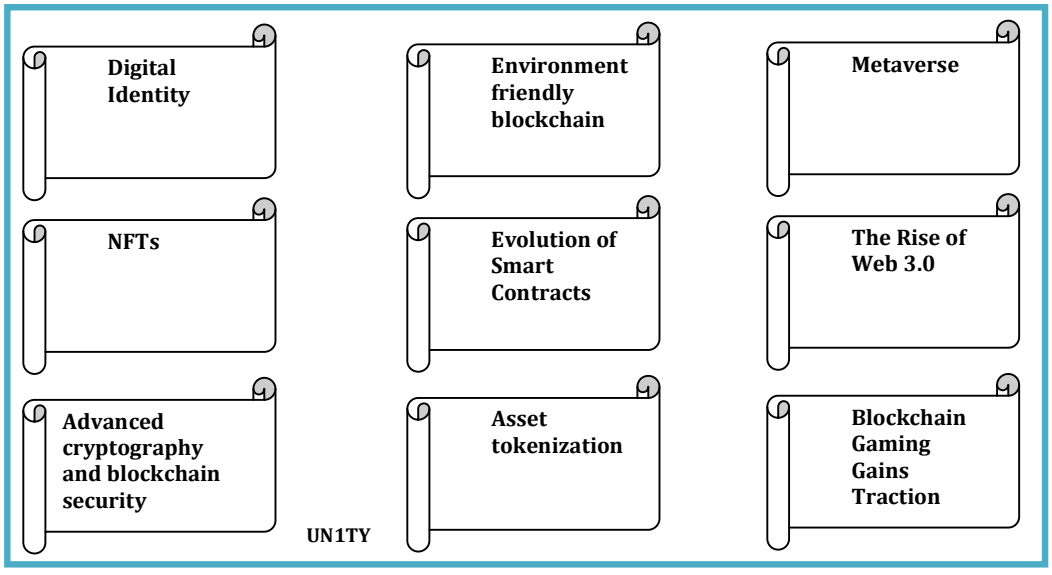
Where will blockchain go next?
Let's check the top blockchain trends for 2023

More and more companies are interested in investing in blockchain technology. The technology is attracting the attention of global business executives because of its enormous real-world applications. Furthermore, blockchain applications are more scalable and secure compared to traditional applications. According to the Bloomberg statistics, the global spending on blockchain is predicted to reach $15 billion by 2023.



One of the most relevant issues in the last 20 years with the arrival of the new millennium has been the way in which our payment methods will evolve and the way in which we know the commercial world, strongly involving and with a certainly controversial degree under growth. And that is why here at UN1TY ventures we bring you a summary of the main trends for 2023.



1. Digital Identity

The idea of the metaverse and avatars, as proposed by the greats of the digital world, can only work if we are sure that the users with whom we communicate are real people; and not only that, but also if those people present themselves in a genuine way, that is, not lying about their gender or age. Clearly, this kind of virtual world cannot exist securely without some version of continuous authentication. This idea of an autonomous and portable blockchain-based identity would break with the habit we currently have of handing over our personal data to centralized organizations.

The goal can be explained very simply: the metaverse must verify the user while protecting the privacy of their personal information and preventing identity fraud. To do this, digital identity verification processes have been proposed that cover the entire user journey through the metaverse. Avatar on-boarding, re-verification, and ongoing surveillance are essential steps to ensure that a user is who they say they are at each and every stage. When someone makes something as an avatar, an identity and vitality check should be done in the background. This is mainly for providers in the DeFi system and other necessary services that require identity verification. With the entry of NFTs and metaverses into the market, the issue of digital identities will continue to trade. This also raises the question of further regulation within the space. Most governments are curious about how digital identities play into the world of cryptocurrencies and how that may affect established monetary transaction regulations. An established digital identity system will lead to more regulation on Know Your Customer (KYC) and Anti-Money Laundering (AML) measures in the DeFi world.

2. Environmentally friendly blockchain

One of the most criticized aspects of blockchain technology is the high energy consumption required by the most popular protocols. All protocols that are based on Proof of Work (PoW) require validators that perform huge computational tasks. This is, of course, linked to the impact it has on the environment. But newer protocols are more focused on eliminating the problem of power consumption by using Proof of Stake (PoS) and Proof of History (PoH) consensus. For example, Cardano uses PoS while Solana is based on PoH. This has caused protocols like Ethereum switching from PoW to PoS in an attempt to make their algorithm greener. This trend is likely to be seen more in 2023 and beyond. This will likely make blockchain an even more attractive solution for many companies.

3. Metaverse

Big tech companies like Meta, Microsoft and Epic Games have moved globally to develop immersive 3D virtual experiences that allow people to connect with others and live a virtual life. When it comes to technology right now, there is no better place to develop a secure and expansive metaverse than on blockchain. Due to its decentralized structure, blockchain development can provide frictionless and secure access to the metaverse, free from cyber-security and fraud issues and inadequate user authentication.

In addition to privacy and security, blockchain also links the metaverse to the crypto economy, making it an attractive investment for companies in 2022 and beyond.
Some of the benefits of the metaverse are:
-Increased Engagement: A virtual world that closely mimics the real world can help significantly boost engagement and customer experience, and thus stimulate the consumption of content, brand offers as well as image and style in the metaverse.
-New economic flows: The metaverse offers the possibility for your company to create and sell useful and more attractive virtual content than on other social platforms.
-Better communication: The metaverse can allow people to communicate and participate as if they were in the same room, even if they are geographically separated.

4. NFT's

For the past two years, non-fungible tokens (NFTs) have been one of the hottest developments in blockchain technology. These are tokens issued on the blockchain as unique and irreplaceable tokens. This allows them to use the concept of asset scarcity to build their value. In addition to digital art and securities, NFTs offer a multitude of additional use cases on the blockchain.
Musicians are tokenizing their songs and selling directly to their fans, sports brands and athletes are also tokenizing sports merchandise and moments. Artists and brands can get automatic payments from royalties, record labels, managers, and other niche players. Similarly, companies can create NFTs and marketplaces to trade with them.
NFTs have also found a large following in the fashion and gaming industries. It is also invaluable technology for tracking and verifying goods in the supply chain.

5. Evolution of Smart contracts

Smart contracts are becoming popular due to their implications in many sectors. Unlike traditional contracts, smart contracts are digital ones executed after meeting several conditions. In essence, smart contracts are transactions between multiple parties that are stored on a blockchain as code, making them irreversible for each participant. When certain specified circumstances are met, agreements are instantly implemented by a blockchain, allowing for proxy-free contracting without the need for intermediaries. Blockchain services are now available to companies that do not have the resources for several years of research and development of their blockchain systems due to smart contract mechanisms.

6. Web 3.0

Web 3.0 refers to a website with the ability to interpret and interconnect a greater number of data, that is, it is decentralized and more secure for users through the blockchain and other technologies. Web 3.0 also aims to provide a personalized browsing experience for each user. According to the New York Times, “drivers envision web3 taking many forms, including decentralized social networks, “play to earn” video games that reward players with cryptographic tokens, and NFT platforms that allow them to people to buy and sell bits of digital culture. The vision of web 3.0 is quite

broad, since some critics also believe that this website is an attempt to rename cryptocurrencies, while idealists think that this will lead to a total transformation of the digital economy.

7. Advanced cryptography and blockchain security

Blockchain technology produces a data structure with inherent security qualities. It is based on principles of cryptography, decentralization and consensus, which guarantee trust in transactions. In most blockchain or distributed ledger technologies, data is structured in blocks, and each block contains a transaction or a packet of transactions. Each new block is connected to all the previous blocks in a cryptographic chain in such a way that it is almost impossible to tamper with it. All transactions within the blocks are validated and agreed upon using a consensus mechanism, ensuring that each transaction is true and correct. Blockchain technology allows for decentralization through the participation of members in a distributed network. There is no single point of failure and a single user cannot change the transaction log. However, blockchain technologies differ in some critical security aspects. Being a distributed technology, where each network node stores an exact copy of the chain, the availability of information is guaranteed at all times. In the event that an attacker wanted to cause a denial of service, they would have to take down all the nodes on the network, since it is enough for at least one to be operational for the information to be available. On the other hand, as it is a consensual registry, where all the nodes contain the same information, it is almost impossible to alter it, ensuring its integrity. If an attacker wanted to modify the information in the blockchain, they would have to modify the entire chain in at least 51% of the nodes.

Finally, since each block is mathematically linked to the next block, once a new one is added to the chain, it becomes unchangeable. If a block is modified its relationship with the chain is broken. That is to say that all the information registered in the blocks is immutable and perpetual. In this way, blockchain technology allows us to store information that can never be lost, modified or deleted. In addition, each network node uses certificates and digital signatures to verify the information and validate the transactions and data stored in the blockchain, which makes it possible to ensure the authenticity of said information.

In this way, we can think of blockchain as a scribe which means to certify and validate any type of information. Nowadays we are used to centralized models. We give all our information to companies like Google or Facebook to manage it, we send all our messages through the Telegram or WhatsApp servers so that they take care of sending them or we spend fortunes on notaries and institutions to certify and save our deeds or important documents. In blockchain the data is distributed in all the nodes of the network. As there is no central node, everyone participates equally, storing and validating all the information. It is a very powerful tool to communicate and store information in a reliable way; a decentralized model where the information is ours, since we do not depend on a company that provides the service.

8. Asset tokenization

New models around blockchain technology emerge every day. One of the biggest disruptors is asset tokenization, which could completely change the way we view the financial industry. Currently, there are trillions of dollars locked up in assets that cannot be exploited or to which there is extraordinarily limited access. Markets such as real estate, art, intellectual property, and rare and valuable resources are predominantly owned by institutional investors, leaving little room for retail investors to invest in these markets. In other words, retail investors are only left with the possibility of investing in debt or equity markets, where there is high volatility and risk.

The importance right now is to establish that with these two mechanisms, anyone can invest in assets that they had never imagined before. People no longer need to go solely to the stock or cryptocurrency market, because they do not have large amounts of capital to invest in assets like real estate. With these two mechanisms, anyone with any amount of capital can earn profits based on the performance of the real-world asset in which they have decided to invest.

What do we expect in 2023 onwards? A token will be the basis of any digital transaction from the simplest to the most complex where a specific digital unit with a value is needed to carry out a transaction. Once the regulations advance in digital property, it will be feasible to tokenize any type of asset (from money, shares and titles of intellectual property rights to art and contracts) without the right to ambiguities which will be stored securely in a BlockChain network through its representation and digital property.

In the end, what is undeniable is the evolution presented by tokenization, which will be a key element in the digital economy and will be redefining some aspects of innovation and entrepreneurship based on a more decentralized economic model, less bureaucratic and with more direct user involvement.

9. Blockchain Gaming Gains Traction

No one would have believed in the second half of the 20th century that one could earn a living from gaming. However, we are constantly moving towards that world. A breakthrough is currently taking place in the gaming sector that taking advantage of cryptocurrencies, decentralized exchanges, and NFTs.

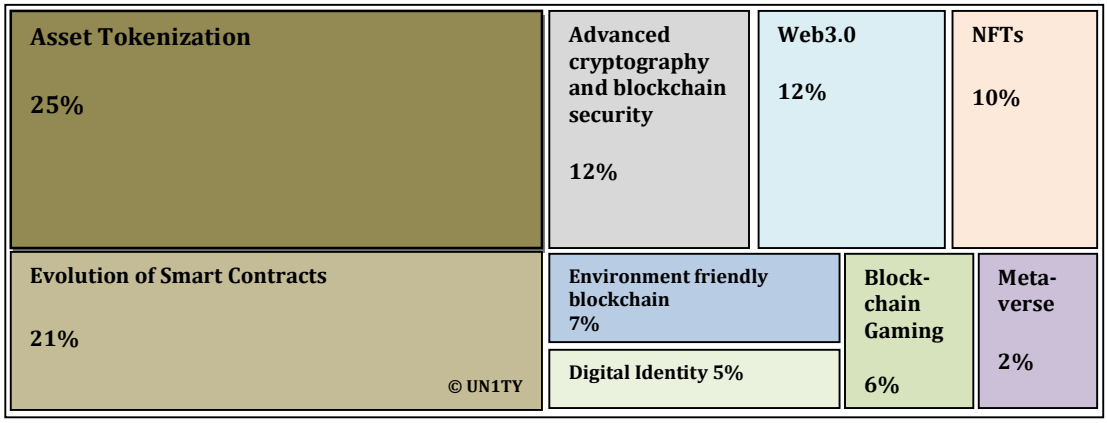
As a result, the scope for monetizing items and in-game has expanded substantially over the past decade. However, innovations in blockchain technology are taking Play-to-Earn (P2E) video games one step further. As Play-to-Earn games grow in popularity. They capture markets in almost every type of game out there. Unlike traditional pay-to-win games, those based on blockchain strike a balance between pay-to-win and play-to-win.

In crypto-based P2E games, players may strive to acquire assets or tokens redeemable for in-game services and tradable on secondary markets. As profitable as it is, this paradigm shift in gaming has been particularly important in the wake of the ongoing global pandemic.

In general, decentralized networks and cryptocurrencies have made the P2E model highly feasible for the gaming industry. On the one hand, payments have become more agile and accessible due to the underlying blockchain technology. On the other hand, NFTs make it easy to monetize in-game assets without the risk of counterfeiting. In addition, the game environment can also break away from the traditional top-down, developer-to-user model. For example, Nine Chronicles, a free-to-play PvP RPG, runs on fully decentralized servers that are maintained by users through Peer-to-Peer (P2P) networks. Whatever the future of crypto gaming, it is sure to go in unexpected directions. Like the Internet, blockchain technology is revolutionary because the details of its design allow for incredible flexibility.

Final Thoughts

Blockchain technology has rapidly evolved from cryptocurrency technology and most people are used to enterprise technology disrupting the business landscape. The Blockchain Trends outlined in this article only scratch the surface of trends that UN1TY identified during the data-driven innovation and scouting process. UN1TY ventures have found the following impact percentage from a careful analysis on the abovementioned blockchain trends:



The above are just a few of the trending topics that revolve around it and the ones we will see in 2023 and beyond. Among others, digital assets, quantum computing, and enterprise blockchains will transform the sector as we know it today. Identifying new opportunities & emerging technologies to implement into your business goes a long way in gaining a competitive advantage.

Implementing blockchain in your business can create more scalable applications and processes for a more streamlined workflow. Your company can get all the benefits of blockchain technology. All you need is to consult the experts to get started.

Get in touch to easily & comprehensively scout startups, technologies & trends that matter to you! If you need any additional assistance about how blockchain technology can help you grow your business and what could be the future of VC funding, talk to our experts and founders at contact@un1ty.io