

NFT

(Non-Fungible Token)



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What exactly are the NFTs?

- Irreplaceable indicators, which cannot be copied and are the only one of their kind.
- Connected to a blockchain infrastructure.
- Any item can become an NFT when digitized.
- Necessary to use cryptocurrencies like Ethereum.
- The transition to a more digital world has enabled people to begin investing in NFTs and selling their products via NFTs.



What exactly are the NFTs?

- You can buy or exchange the same cryptocurrency in its own currency like Bitcoin or Ether.
- NFTs are unique assets.
- The blockchain structure ensures the originality of the NFT.
- Works are accessible to everyone.
- Their value is determined by their producer or investor.
- The value of an asset is determined by certain parameters such as how rare that asset is, age, and cosmetics.



Why did NFTs become popular?

- Hard to prove the originality of the physical works.
- Many small artists sell their works at cheap prices to make a living.
- Investors buy the original works cheaply.
- Other challenges in selling physical artworks:
 - Fraud and forgery
 - Crowded galleries due to a large supply flow
 - No authentication mechanisms
 - Partial ownership unavailable



The world's first NFT watch by Jacobs & Co

Buyer: "Unlike a physical watch, I don't have to worry about it getting damaged. I don't have to pay for insurance. And I don't have to hide it in a safe where I won't enjoy it."



Why did NFTs become popular?

- The person who buys an NFT receives a "digital token" that certifies that he owns the "original" of the work.
- In this way, the original work, which is unique of its own, will belong to the purchaser forever (unless the contract between the seller and the buyer says otherwise).



NFT Marketplaces

Mostly Ethereum-based platforms that facilitate the creation, sale, and purchase of property rights to digital artworks through NFTs.



What are the NFT marketplaces?

- Platforms that connects sellers and buyers together in digital marketplaces.
- People can see how many dollars the pieces of NFTs were put on sale for, how much interest they received, and who they belonged to in the past.
- Marketplace offers a gallery of works that the user may like, just like Instagram.



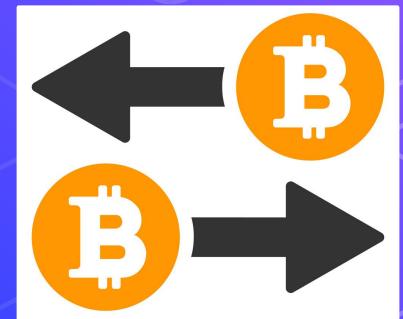
Blockchain Structure

Transactions here can be verified without the need for any central authority such as banks or governments.



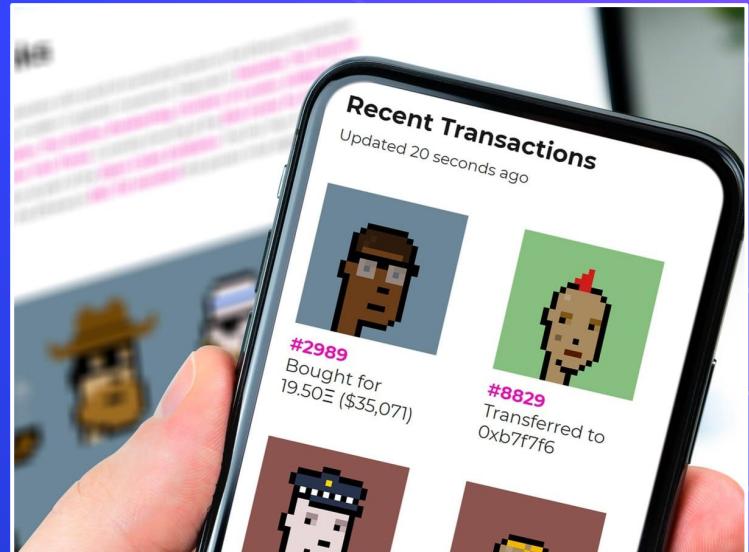
The Blockchain structure of NFTs

- Created safer transactions in the digital world.
- Stores information over a network.
- Every transaction is timestamped.
- Impossible to be altered, hacked, or corrupted.
- Helps to keep records of the transaction.
- Transactions are added to an ever-growing chain of data blocks.
- Chunks of codes that specify the details of these verified transactions.
- Wallet: The identifier of the base address that stores the NFTs.
- Logging in to a marketplace with a wallet → The site reads the address → Sees the blockchain → Establishes a connection



Disadvantages of NFTs

- ◊ Anyone can digitize something and sell it as their own
- ◊ Malfunctioning in the NFT licensing system
 - OpenSea and Nifty Gateway marketplaces have added the ability to "report suspicious NFTs".
- ◊ Authority gaps in blockchain technology
- ◊ The possibility of NFTs being stolen from marketplaces



Disadvantages of NFTs

- ◊ The requirement of huge amounts of computer processors and graphics processing power
 - Huge amount of energy is released
- ◊ If the platform hosting the NFT is disabled, access to the NFT may be lost.



ERC Standards

- They were created to regulate tokens.
- ERC-721 Standard: The NFT is unique and represents ownership of NFTs.
- ERC-1155 Standard: A token standard for NFTs.



Economy and NFT



The relationship of Economy and NFTs

- NFTs are unique, cannot be copied → Profitable investment tool.
- NFTs are not exchangeable (There are no such thing as an NFT and I will buy another NFT).
- Ownership history
- Underlying value
- Buyer perception
- Liquidity premium
- Future value.

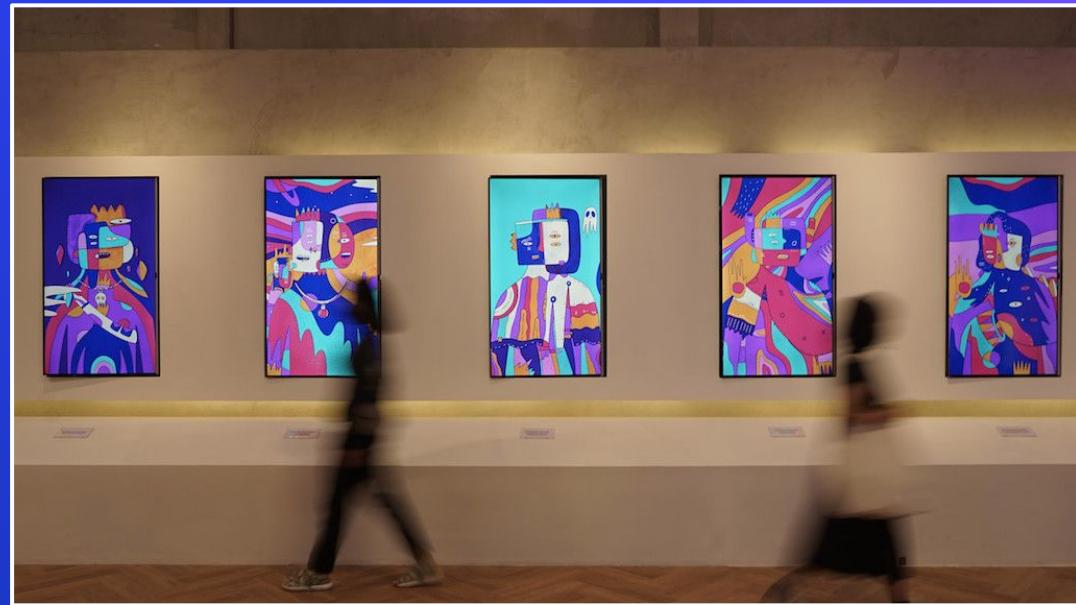


The relationship of Economy and NFTs

- Enables individual artists to reach larger audiences.
- Easier to sell their works.
- Requires a fee for registration and transactions (However, this fee is almost equivalent to the commission fee that a physical gallery would receive).



Arts and NFT



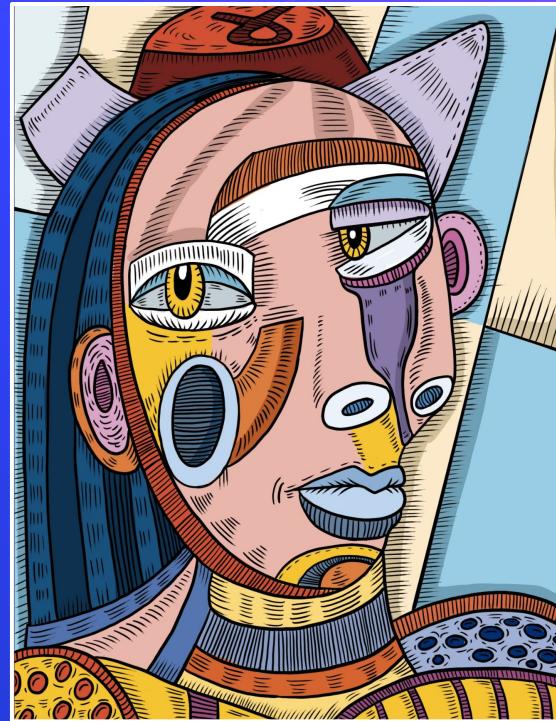
The Cycle of Transactions

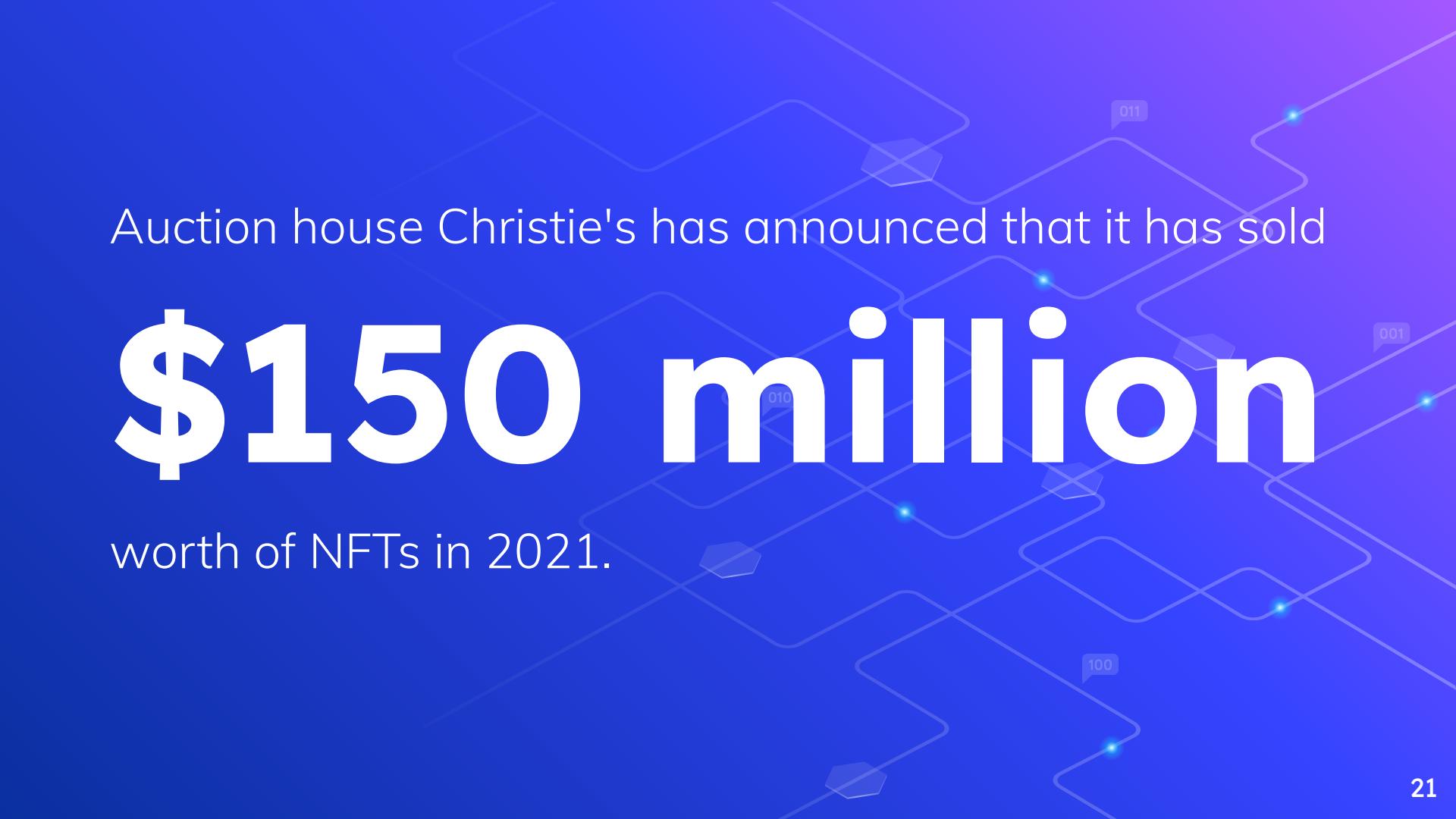
- The artwork produced is transferred to the blockchain infrastructure using token generation platforms via Mintbase or Mintible.
- The crypto wallet is also connected.
- The products are then uploaded to marketplaces such as OpenSea, Rarible, etc.



The relationship of Arts and NFTs

- Some people believe in visiting museums and buying "real" works of art to display them, etc.
- Digital art has been denied.
- Beeple's NFT has caught the attention of many.
 - Meticulous process of adding a digital illustration each day to this collage for 13 years.





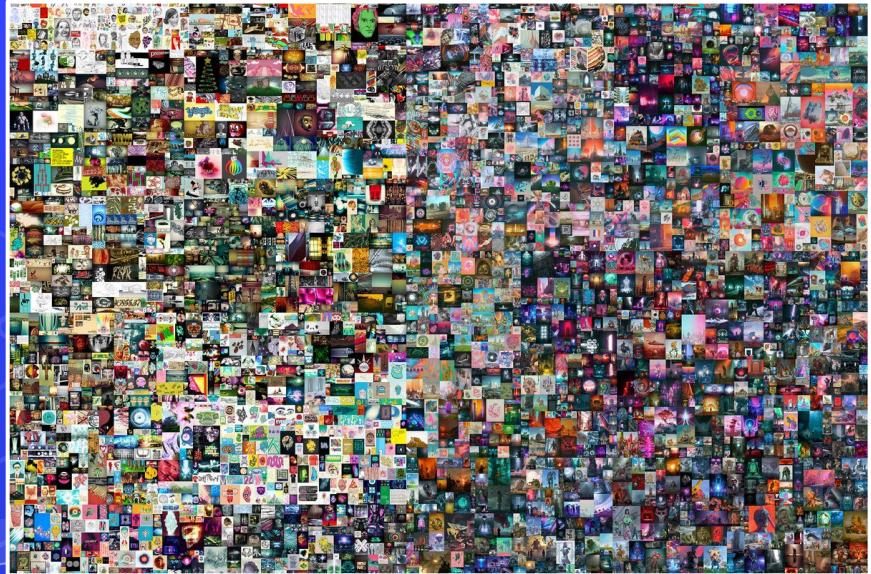
Auction house Christie's has announced that it has sold

\$150 million

worth of NFTs in 2021.

Beeple's "Everydays: The First 5000 Days"

It is the first all-NFT digital artwork (\$69 million) to be auctioned at a major auction house.





Pablo Picasso's ceramic bowl NFT

Pablo Picasso's heirs have released 1010 NFTs of a ceramic bowl that Picasso had made.

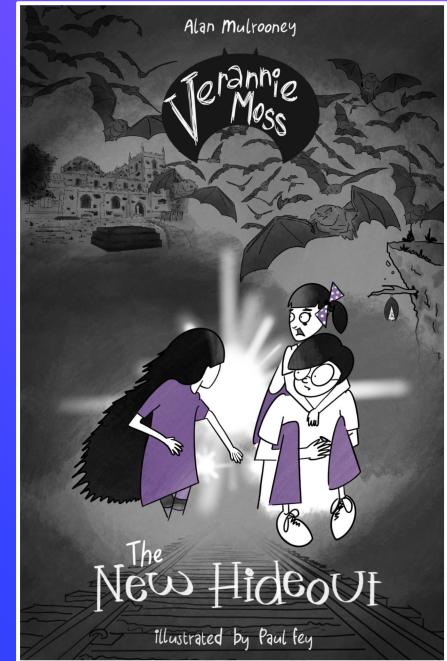
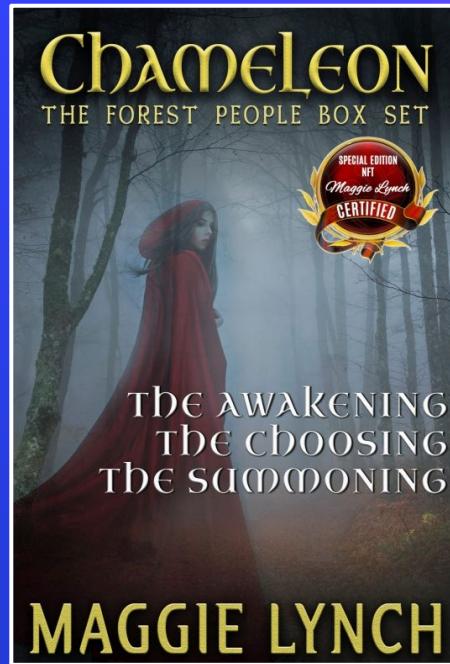
Banksy's "Morons (White)"

The \$95,000 artwork by Banksy was turned into an NFT and been sold on the Open Sea NFT market for 228.69 ether (more than \$394,000).



Books and NFT

- E-books, audiobooks
- Never-before-published information about the books
- Different versions of the cover art
- Not available online or in retail bookstores materials
- Autographed illustrations



Music and NFT



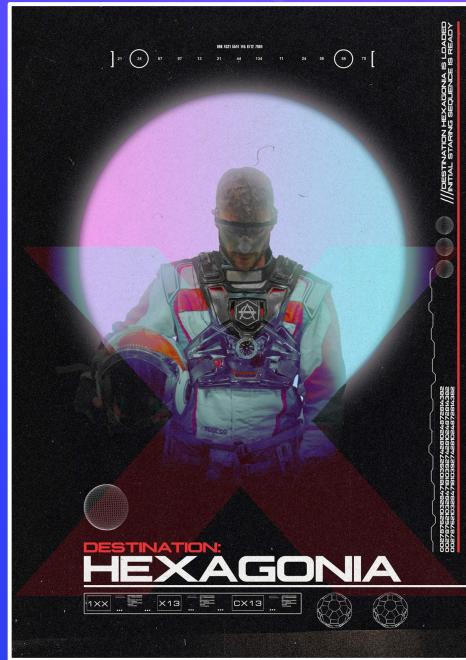
The relationship of Music and NFTs

The publishing rights of Jacques Greene's single "Promise" was auctioned permanently (13 ETH = \$23,000).



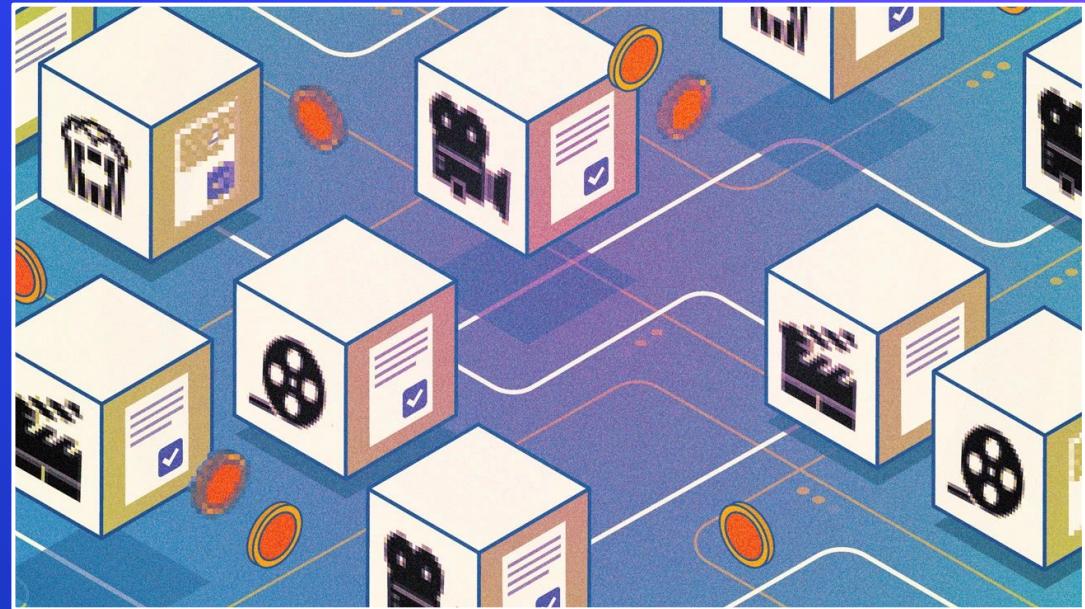
Grimes's WarNymph Collection Vol. 1. made nearly \$6 million in 20 minutes.

Kings of Leon's new album, When You See Yourself (820 ETH = \$1.45 million)



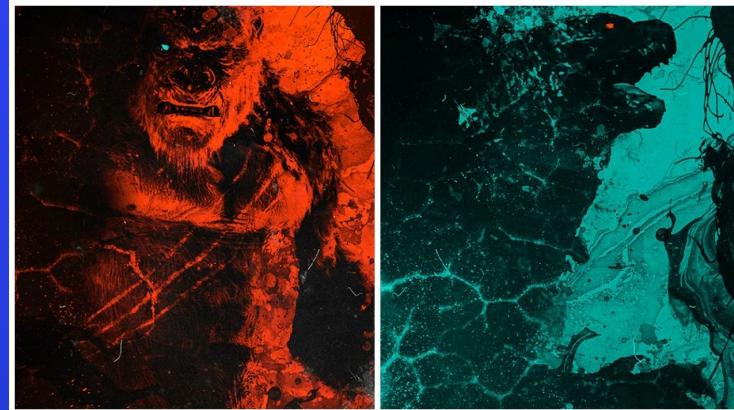
DJ Don Diablo made the first full concert movie called Destination Hexagonia (600 ETH = \$1.26 million) which was sold through a USB stick containing the file.

Movies and NFT



The relationship of Movies and NFTs

- Arabian Camels released the "Antara Movie NFT" (\$50 million)
- The first move in the transition of the indie industry was made by Kevin Smith. The upcoming horror movie anthology "Killroy Was Here" will be auctioned off as an NFT.
- Godzilla vs. Kong launched a seven-piece collection of film-inspired originals.



The relationship of Movies and NFTs

- Marvel's NFT edition sold for all 60,500 NFTs, a Spiderman NFT collection that sold within 24 hours of launch, and a Captain America Marvel Mighty Figures collection that sold within 20 minutes.

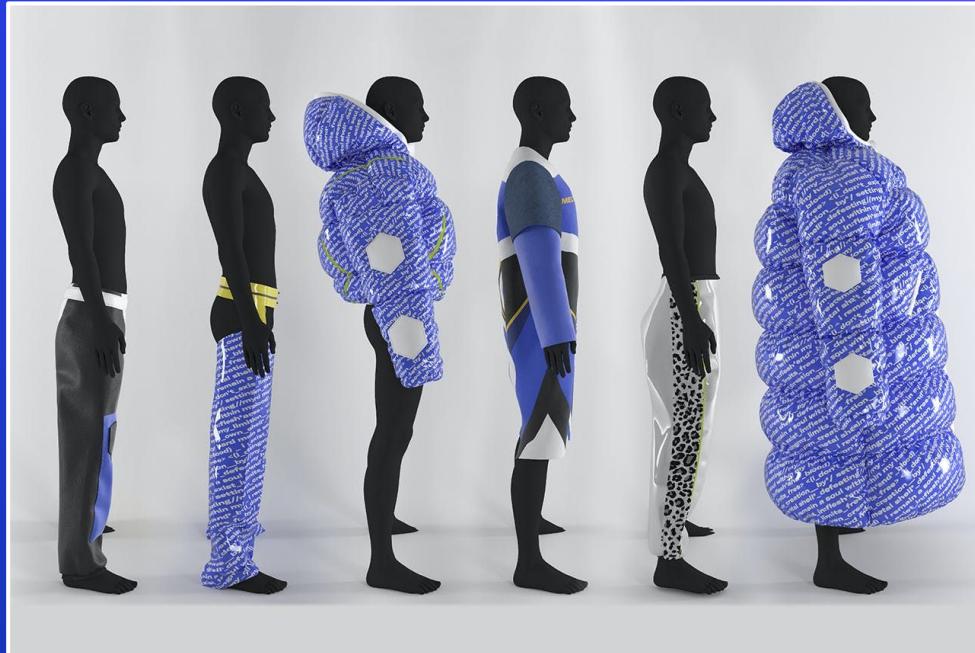


The relationship of Movies and NFTs

- No Time To Die became the first in the series to release digital NFTs to recapture memories of their favorite characters.
- “The Matrix Resurrections” gifted NFT products to the first 30,000 people who bought tickets.



Fashion and NFT



The relationship of Fashion and NFTs

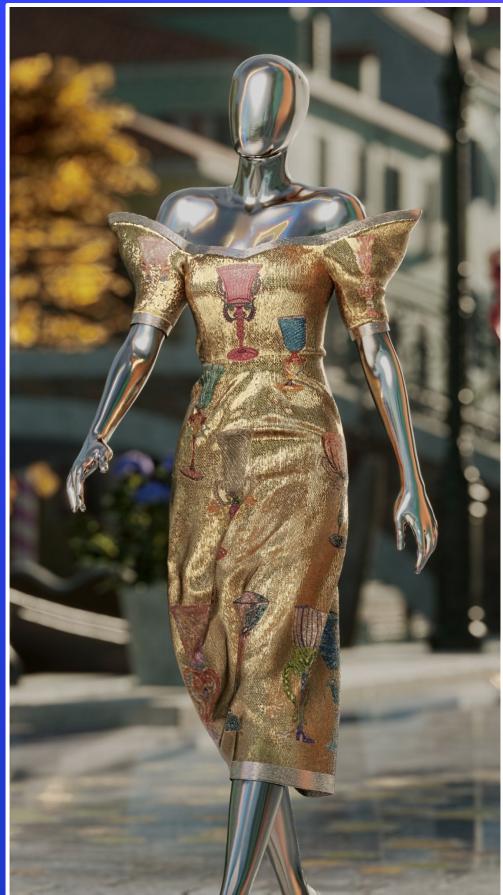
- RTFKT specializes in selling virtual sneakers.
- Designed 3 virtual sneakers where bidders can "try on" the sneakers via Snapchat and then enter an auction to purchase.
- The highest bidder won a physical pair of sneakers.
- 600 pairs of sneakers were sold in less than 7 minutes (3.1 million USD)



Gucci became the first major luxury fashion house to sell an NFT. They made a short film inspired by their “Aria” collection (25 million USD)

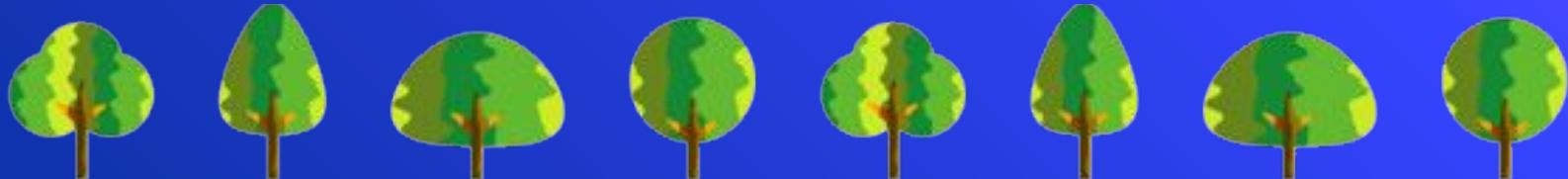


Louis Vuitton introduced “Louis the Game,” in which players will have to go through a dollhouse collecting 30 NFTs.



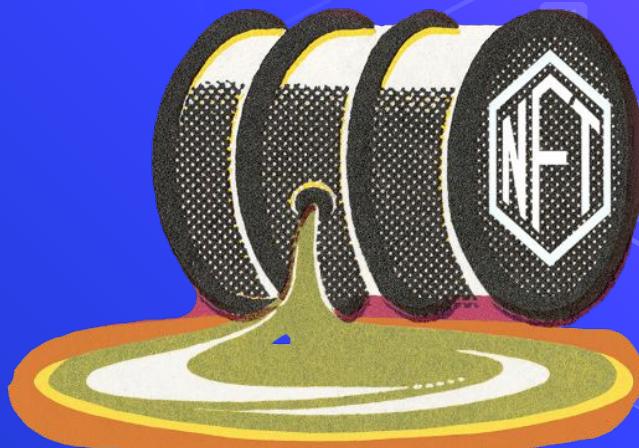
Environment and NFT

Total Cost → Minting + Gas emission (usually more expensive)



The relationship of Environment and NFTs

- EXAMPLE:
 - Minting → 0.005 ETH, Gas cost → 0.581 ETH
- Gas costs are a major drawback of creating NFTs
- There are a group of companies and/or projects that help the NFT ecosystem grow by sponsoring the artist.



The Philosophy behind NFTs



The Philosophy behind NFTs

- Digital artists cannot determine what is and is not a real art project.
- Ontologically, an NFT product is just a pointer.
- Property rights can pass from buyer to seller.
- The contracts of the transaction determines everything (no set of ground rules are established).



The Philosophy behind NFTs

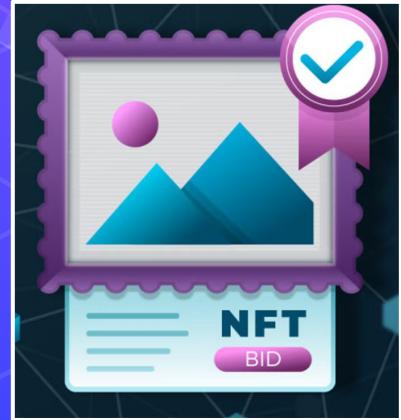
- Receiving physical painting:
 - Ownership includes the ability to control the display and performance of artworks.
 - Lend the work to a museum for preservation and public viewing.
- Receiving digital art:
 - No guarantee or control over reproduction and online viewing.
 - NFTs sometimes do not even give us ownership of the internet art that is bought.

The Legality of NFTs



The Legality of NFTs

- No legal rules specific to NFTs, but there are legal actions regarding copyright.
- Copyright Law:
 - The copyright holder without any license is and should be the only person authorized to convert the original work into an NFT.
 - The artist continues to own the copyrights to his work, enabling him to sell copies of his work (never the original).



Copying NFTs

- Screenshot: You're not really taking a screenshot of an NFT, the actual NFT is a string of characters and just having an NFT does not copyright the use of a particular image.
- Technically any NFT can be used anywhere.
- The original NFT is on the secure blockchain and only the owner has buy/sell rights in his wallet.

Lakshay Crypto
@Lakshaycrypto

Replies to @greg16676935420 and @elonmusk

I'm selling this screenshot of the screenshot of Elon's song he's selling about NFTs as an NFT as an NFT

greg @greg16676935420 · 56s
Replies to @elonmusk

I'm selling this screenshot of Elon's song he's selling about NFTs as an NFT as an NFT

Elon Musk ✅
@elonmusk

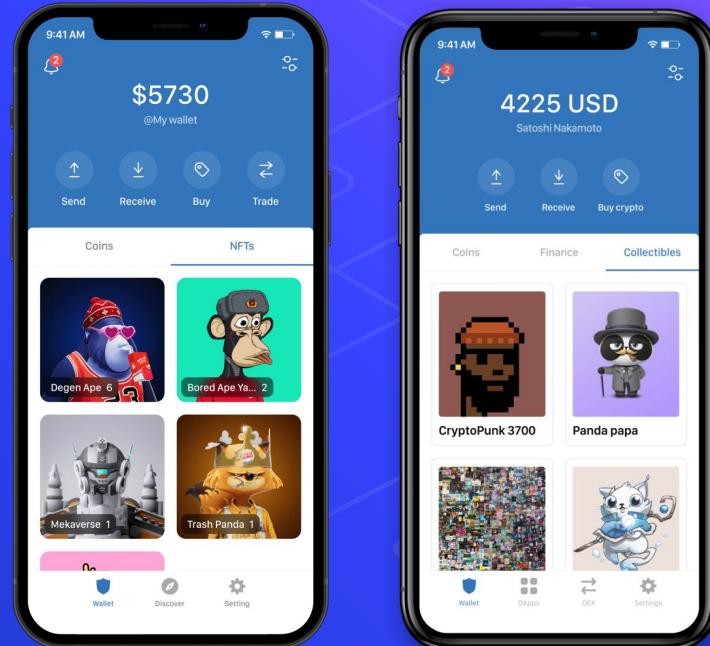
I'm selling this song about NFTs as an NFT

3:57 PM · Mar 15, 2021 · Twitter for iPhone

107 Retweets 28 Quote Tweets 1,977 Likes

What is your opinion on the sustainability of the NFTs?

- Many experts think that the prices of the works are met with more buyers than they worth.
- Digital art investors are increasing their prices day by day in order to make more profit.
- As the number of artists in the digital space increases, price drops can also be seen.





Thank you for paying attention !

Any questions?

