

Gobstopper: A Clever Solution to the Solana NFT Liquidity Crisis

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Abstract. A ranking system based on static individual tiers containing many NFTs would allow for an equal rarity value for all NFTs grouped within that designated tier. This would equalize the market value of every NFT placed within each given tier. Using this system, one would be able to seamlessly transact between all NFTs within a designated tier on a 1:1 basis, allowing for seamless instant buys, sells, and swaps. This can be accomplished using a liquidity pool. In its current state the issue with transacting NFTs is reaching consensus on the NFT's fair market value. Ranking an NFT's rarity on a static scale for each individual NFT creates a situation where it is difficult to determine the fair price at an instant with consensus. By expanding the static rank to include large groups of NFTs all placed together in tiers, but not the individual NFTs themselves it is much simpler to determine the NFT's fair market value. NFTs can easily be transacted through use of a pool allowing for a perpetual randomized exchange. This process will be known as the "Everlasting Gobstopper". This is a possible solution to the NFT liquidity crisis currently experienced in the Solana NFT Market.

1. Introduction

Commerce within the NFT market has come to rely on the ability for two separate parties to agree on a price for transaction execution to occur. While the system works well enough for most transactions it still suffers from the inherent weaknesses of two parties quickly being able to agree on a price and execute the transaction in a timely manner. This has created a situation that while NFTs listed on the "floor" typically transact rather quickly, the rarer NFTs can take much longer to transact based on market conditions due to their subjective value. The difficulty to determine each NFT's fair market value increases as the rank of the NFT becomes more rare. As an NFT collector begins to add more NFTs to their collection their ability to easily keep track of every NFT's fair market value diminishes. This creates a situation where a seller must adequately conduct price discovery to estimate an NFT's fair market value before listing it for sale; a time consuming and tedious process. This also creates a situation of the possibility of under or over selling because the market conditions fluctuate at a rate hard to predict. The constant need of having to delist and relist NFTs based on market conditions can be very burdensome. All this painstakingly time-consuming research occurs with no guarantee that a

transaction will ever execute. Sellers list their NFTs based on faith that a buyer will come along and purchase it. This issue is fueled by the indecision created by the abundance of choice. This abundance of choice makes price discovery very difficult.

What is needed is a clever solution based on DeFi and liquidity pools allowing for instant transaction executions of these NFTs. Grouping NFTs into tiers where all NFTs in the tier share an equal value will make this a possibility while providing the needed liquidity. The ability to instantly transact NFTs in a seamless manner with the exact fair market value known at all times will solve many of the issues involved in transacting NFTs. Consensus on fair market value can be achieved through use of a liquidity pool. In this paper, we propose a solution to the liquidity crisis through the use of our “Everlasting Gobstopper”.

2. The Everlasting Gobstopper

Gobstopper will allow for a perpetual randomized swap process. This is why we have named it the “Everlasting Gobstopper”; a solution that allows for a process by which NFT holders are able to buy, sell, and swap for a different NFT within the same tier at any time in an instant. It will work because every NFT grouped within a tier will have its tier statically set in the metadata with the understanding all NFTs of the same tier are interchangeable and have the exact same monetary value. NFTs based on an individual static rank system are not compatible with Gobstopper. This is because there is no agreement that individual NFTs of a different rarity rank hold the exact same monetary value. Gobstopper is only possible if there is an agreement that all NFTs within the same tier hold the exact same monetary value at all times.

3. A Dynamic NFT Ranking System

In their current state NFTs cannot change their rank. Their rank is statically set according to rarity on an individual basis. This makes the monetary worth of every NFT difficult to assess, as the sample size is too small. By increasing the sample size we are able to stabilize the price point of each NFT within their respective tier. A dynamic rank system within each individual tier will allow for the NFTs within these tiers to change rank based on XP points. These XP points will be awarded to each NFT based on their activity in our social NFT game, OnlyFres. All NFTs will be ranked against each other within their respective tier using a real time leaderboard. NFT holders will be able to verify their rank at any moment and view how game activity affects their rank. The more they participate the higher their XP will be and therefore the higher their rank. This system is sustainable because the game will operate with “seasons”; upon a season ending all XP points are reset. Additionally, if users enter their NFT into Gobstopper their XP points will be reset. This will create the first fun dynamic social game with incentive to participate.

4. Incentive

At the conclusion of every season the highest ranked NFT holders from within each tier will receive a distribution of MEME that will be held in a prize pool. The system will be sustainable because the profit generated through Gobstopper's fees will fund all prize pools. The ability for all players to choose if they would like to swap through Gobstopper and play with a new NFT character upon season completion will make for a very exciting experience. Gobstopper will not display the NFT that will be exchanged through the swap. It will dispense at random and the NFT received will be unknown until the transaction is completed. This will recreate the excitement of participating in the mint process. One of the most exciting things about a mint is the uncertainty of what you will receive. Players will be able to experience the social game with different NFT characters. This will allow them to change their identity in the game whenever they'd like. Gobstopper will charge a fee for all swaps to fund the prize pools. This fee will be waived if the swap occurs during our "swap season" and the NFT holder holds MEME.

5. Conclusion

We have proposed a system for instant liquidity and randomized swapping that can be used in combination with a social NFT game where players are ranked on a dynamic scale. Although all NFTs in their designated tier will be considered equal outside the game, inside the game they will have a distinct rank and value based on their engagement. There will be a separate Gobstopper for each tier to facilitate the NFT swap.

We are currently exploring the idea of Gobstopper 2.0 which will allow for total randomized swapping of attributes between separate NFTs. This will allow for the creation of a completely new NFT, different from any of the NFTs initially placed in Gobstopper.

Our proposed game and NFT collection is currently in development with @OnlyFrensNFT.