



NFTs: FRIEND or FOMO?

An introduction for traditional visual artists & crypto-novices

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The technology discussed in this presentation is *evolving by the minute*.



Therefore, the resources and information contained in this presentation may be outdated
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KEY TERMS

- **Cryptography**: the science of protecting information by transforming it into a secure format. [Definition.](#)
- **Blockchain**: an online record of transactions backed by cryptography.
You can think of this as a **distributed digital ledger** where records of all transactions are recorded and stored in many places at the same time. Data or information on the blockchain cannot be changed once it's recorded and it is visible to all. [More information here.](#)
- **Cryptocurrency** (vs. Fiat currency): A cryptocurrency is a medium of exchange that is digital, encrypted and decentralized. [Source: Forbes](#) Fiat money is a government-issued currency that is not backed by a physical commodity, such as gold or silver, but rather by the government that issued it. [Source: Investopedia](#)
- **Smart Contract**: a contract expressed in code that is designed to carry out a set of instructions automatically—once pre-programmed conditions are met. [More information here.](#)
- **Wallet**: Crypto wallets store your private keys, keeping your crypto safe and accessible. They also allow you to send, receive, and spend cryptocurrencies like Bitcoin and Ethereum. [More information here](#) and [here.](#)

Non-Fungible Token NFT Definition



A peer-reviewed article, published in October 2021 in the journal [Nature](#), explains NFTs as follows;

“An NFT is a unit of data stored on a blockchain that certifies a digital asset to be unique and therefore not interchangeable, while offering a unique digital certificate of ownership for the NFT.

More broadly, an NFT allows to establish the “provenance” of the assigned digital object, offering indisputable answers to such questions as who owns, previously owned, and created the NFT, as well as which of the many copies is the original.

Originally NFTs were part of the Ethereum blockchain but increasingly more blockchains have implemented their own versions of NFTs.”

THE FIRST NFT...



The first NFT was created in 2014 by artist Kevin McCoy and tech entrepreneur Anil Dash, as part of the New Museum's tech incubator "hackathon".

No one cared.

In 2018, Ethereum developers announced the ERC-721 standard, which would become the standard for non-fungible tokens.

In 2021, Christie's sold a work by the digital artist Beeple as an NFT for \$69 million.
Now, NFTs are a billion dollar industry. The FOMO is real.

Source: NPR "On the Media" featuring Anil Dash

NFT TIMELINE



1990s

Stuart Haber & Scott Stornetta invent “time-stamping of digital documents” - this technology paved the way for blockchain and Bitcoin ([source](#))

2008

Satoshi Nakamoto publishes the [Bitcoin whitepaper](#), essentially inventing cryptocurrency, which runs on blockchain technology

2014

Kevin McCoy and Anil Dash create the first NFT as part of the New Museum’s hackathon
([Source: The Atlantic](#), feature article written by Anil Dash)

2018

Ethereum blockchain developers release the ERC-721 token, which becomes the standard for NFTs ([source](#))

2021

Christie’s sells Beeple’s work for \$69million to a crypto-billionaire, setting off the NFT Fomo frenzy ([source](#))

WHAT DO NFTs MEAN FOR ARTISTS?





For **digital artists**, NFTs allow access to a new marketplace by creating **digital scarcity** and **digital ownership**.

For **traditional artists**, NFTs can accentuate revenue, or distract from an artist's core practice ... and be costly.

Winning (and losing) in the NFT space depends on how digitally-savvy you are, and usually correlates to an artist's pre-existing **online following**.



NFT Opportunities

- Smart Contracts = Artist Royalties
- New Outlets & Access to a Younger Demographic
- New Ways to Express Your Creativity



NFT Challenges

- Increasing Market Saturation**
- Technical barriers to entry, for both creators and collectors (+fees, etc.)
- Distraction from main artistic practice

OpenSea, one of the most popular NFT marketplaces in the space, has **over 80 million NFTs on display.

And a recent study conducted by OpenSea itself found that 80% of these are “fakes.” [source](#)

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NFT Stats

- Number of unique buyers: 895,000 ([source](#))
- Just 10% of traders accounted for 85% of all NFT transactions, according to research published in the journal *Nature* ([source](#))
- Over 50% of NFTs sold are under \$200 ([source](#))**

*****The largest number of Primary NFT Sales were for \$100 or less.***

33.6% of Primary Sales were \$100 or less

20.0% of Primary Sales were \$100-\$200

11.1% of Primary Sales were \$200-\$300

7.7% of Primary Sales were \$300-\$400

3.9% of Primary Sales were \$400-\$500

3.3% of Primary Sales were \$500-\$600

2.5% of Primary Sales were \$600-\$700, etc.

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NFT Stats continued...

- 80% of adults in the US still don't know what an NFT is.
- The average NFT has the same carbon footprint created by more than a month of electricity usage by an EU citizen
(thankfully, this is rapidly changing & for the better...)
- The value of ethereum and other cryptocurrencies is incredibly volatile >>> source

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NFT-CURIOUS ARTIST? YOU SHOULD...



1. **Educate yourself:** If this is something you are interested in, it's a good time to educate yourself about this new technology. Some thought leaders in the space are included on the last slide.
2. **Be patient and focus on your art:** This technology is developing at a frenetic pace, so don't despair if you need more time to get up to speed. Jumping on the bandwagon before truly understanding the nuances of NFTs could cost you in the long run.
3. **Join a community (Discord, etc) and develop your network:** The NFT audience differs from the traditional art collector audience in where they congregate and how they interact with the market. NFT collectors and "creators" are on Discord and Twitter, although having tens of thousands of Instagram followers is also helpful.

WHAT DO NFTs MEAN FOR COLLECTORS?





NFTs are typically purchased by collectors for one of **four reasons**:

1. Cultural Flex
2. Membership
3. Patronage
4. **Speculation**

HOW TO BUY NFTs





Major **Blockchains & Cryptocurrencies:**

- Ethereum/ Ether ETH - Ethereum blockchain is the genesis of original NFT, known as the “ERC-721 token”
- Bitcoin
- Tezos / XTZ
- Kusama (KSM) / Polkadot (DOT): How are these related?
- Polygon (Matic)
- FLOW (Flow)
- USDC (stablecoin)
- Solana
- DAI (stablecoin)

Major **NFT marketplaces:**

- OpenSea
- Foundation (artists list by invite only)
- SuperRare
- Rarible
- NiftyGateway (accepts Fiat)
- Makersplace

Sources on How to Buy an NFT:

Coinbase, Wired, Cointelegraph

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HOW TO CREATE NFTs





“How to” Resources:

- [The Verge](#)
- [Coinbase](#)
- [101 Blockchains](#)

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NFT Trends

- “Collections” instead of series
- “Attributes” & Generative art
- Digital animation trends (i.e. endless loop)
- Timed drops and auctions
- Community mostly on Twitter, Discord, Instagram
- Many of the most successful “NFT artists” already have tens of thousands of social media followers >>>>>

“...if you click through the drops on Nifty Gateway, it quickly becomes clear that **the artists here are obviously selected based on their number of followers.**”

You can also just look at the postings on Instagram from Nifty Gateway about the drops: @__baeige__ 59k, @reisingerandres 98.7k, @justinmaller 137k, @blakekathyrin 79.9k, @ mad.dog.jones 254k, @superplatstic 1.2M , @chadknight 217k, @fvckrender 332k ...”

-Anika Meier

translated from German from an article published in Monopol

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SOME INTERESTING PEOPLE TO FOLLOW IN THE NFT (ART)WORLD



[Kevin Rose](#), entrepreneur

[Gary Vaynerchuk](#), entrepreneur

[Andrew Wang](#), entrepreneur

[Art Blocks](#), generative art platform (SNOWFRO)

[Johann König](#), gallerist

[Nancy Baker Cahill](#), artist

[Kate Vass Gallery](#)

[Casey Reas](#), artist & [founder of Feral File](#)

[Anika Meier](#), critic & curator

[Ryan McGinness](#), artist & [researcher](#)

[Kevin & Jennifer McCoy](#), artists

[Olive Allen](#), artist

[Dread Scott](#), artist

[Adam Lindemann](#), gallerist & collector

[Cryptopunks](#) & Larva Labs
([auction record](#))

[Refik Anadol](#), artist

[Simon Denny](#), artist

[Amy Whitaker](#), Professor & author

[Kevin Abosch](#), artist

[Georg Bak](#), art advisor

[gmoney](#), influencer

[XCOPY](#), NFT artist

THANK YOU!



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