



Non-fungible tokens (NFT): an innovation that represents an opportunity for all those seeking to exploit digital assets?

NFTs, just like cryptocurrencies, are the future, so we need to embrace them, big brands like Adidas have already understood and seen the potential that NFTs offer. In the year 2000 some companies struggled to make their digital transition and missed out on a lot of opportunities with the advent of the internet

To the uninitiated, crypto may seem complex and difficult to understand, yet an NFT is a limited edition, unique digital asset that offers a sense of community to its holders, which creators, collectors, curators, traditional institutions (companies...) and custodians of digital culture around the world should take advantage of.

What about NFTs ?

NFTs stands for Non-Fungible Tokens.

But you're probably wondering: what is a token? Tokens can be fungible or not.

Fungible token

Tokens considered fungible are exchangeable assets, such as dogecoin, built on an existing blockchain like Ethereum - the most popular token platform. Fungible tokens, such as the ERC-20 and BEP-20 tokens on Ethereum and Bitcoin, respectively, can be traded in parts, meaning you can trade one bitcoin for another bitcoin or 100,000,000 satoshis (units of bitcoin) and you will get the exact value.

To make it simply:

A dollar is divided into 100 cents, a pound is divided into 100 pence, a Yuan is divided into 10 jiao and a jiao is divided into 10 fen... so what is a Bitcoin divided into?

A Bitcoin is divided into a unit of cryptocurrency known as Satoshis. Each Bitcoin is divisible up to eight decimal places, which means that a single satoshi is equal to one hundred millionth of a Bitcoin. In other words, 100 million Satoshis constitute one Bitcoin.

The satoshi was named after the "founder" of Bitcoin, Satoshi Nakamoto. Recently, satoshis have become more commonly referred to as SATs in everyday conversations about cryptocurrencies.

A cryptographic token is a smart contract that can represent anything, tangible or intangible objects like OVIS, a 3D sheep accessible in all Metavers and therefore in this new world that will arrive in the future.



Non-fungible token.

The opposite applies to NFTs, which are cryptographic tokens generated by hashing methods and linked to a digital asset such as a video clip, JPEG or PNG or physical assets such as real estate, while leveraging blockchain technology. An NFT is said to be unique, unlike fungible tokens, because of its metadata - a digital "title" associated with NFTs when they are created. Thus, when an NFT, such as an ERC721 token on the Ethereum marketplace, is digitally titled, it becomes unique.



#1 original NFT Ovis held by the creators on the Ethereum blockchain

So when an NFT, for example an ERC721 token on the Ethereum blockchain, is made, what is really created and valued is not just the digital asset, but the unique ERC721 token - the "title" or artist's signature, which is the original.

A good way to perceive NFTs is that a seller/buyer of digital assets creates a digital version of "original copy created/received by me", which solves the problem of provenance, it is traceable in the market - blockchain. That is, any other version of the asset is a counterfeit (a more detailed explanation in the section "Why NFTs?").

An NFT is a digital certificate of ownership, which can relate to any underlying asset.

As the name implies, NFTs are "non-fungible" and cannot be replaced, changed inertly, subdivided or sold in parts like fungible tokens.

There are 6 popular types/cases of use for NFTs:

- Sports, e.g. "NBA Topshot."
- Games, e.g. "Plasma Bears"



- Art, for example "ArtBlocks
- Utility (e.g. Ethereum Name Service)
- Metaverse, e.g. Decentraland
- Collectibles (CryptoPunks, BAYC)

OVIS NFTs will be used in several universes, metaverse worlds, games, art, collectibles.

Why NFTs?

NFTs present a great investment opportunity and have many use cases as mentioned above. Although holders tend to spread them as an image symbol, by using NFTs as profile pictures on social media, NFTs represent more.

The problems associated with their valuations are reduced due to the existence of digital platforms for monetizing, selling, valuing and offering NFTs. Moreover, it is impossible to sell a fake NFT, as its origin is traceable and its history verifiable. NFTs are authenticated online by ownership records that are updated on the blockchain as soon as the artwork is created, sold and resold. In addition, fractional ownership possibilities offer buyers an opportunity for diversification.

Why are NFTs so expensive?

For the same reason that a painting in the real world, such as an auction at Sotheby's, is expensive. I know this answer only applies to NFTs that are works of art or collectibles, and you are probably looking at me the wrong way, just like Steph Curry's NFT BAYC (Professional Basketball Player).

You're worried about the fact that NFTs are expensive.

The reasons why NFTs are expensive are simple but complex. You and I can download the Mona Lisa photo from Google, but do we own the Mona Lisa painting? NO!

Therefore, the price of NFTs, like any other asset in the real world, is determined by how much buyers are willing to give up in exchange for that asset. Furthermore, only original NFT images, with the artist's signature, metadata or title, are valuable. In other words, the NFT image below is worthless because only the owner - Steph Curry - has the original, with unique metadata.



Image: Wardell "Steph" Curry's Bored Ape Yacht Club (BAYC) NFT. The NBA superstar and Golden State Warrior's point 'god' purchased this digital art for c.\$180,000 or 55 Ethereum, in August 2021.



How to take advantage of NFTs

Collectors and institutions can benefit from NFTs in a variety of ways.

Institutions

Companies can purchase NFTs as assets for sale. Companies can create NFTs for interesting projects in the digital world and offer fractional ownership to users. In addition, companies will find NFTs extremely useful for Web 3.0 projects.

Collectors

Collectors can buy, hold or engage in speculative transactions or staged investments in NFTs.

Conclusion

The key to the success of NFT is collaboration. While individual creators and collectors may find it easier, companies may find it difficult and will need professionals like the OVIS team to prove the potential of NFT so they can implement it in their business and preshot the internet 3.0.