

NFTS - Pros and Cons

This is an **ArtMakers** guide to the basic issues associated with non-Fungible Tokens (NFTs)

To learn more about NFTs see 'What is an NFT?' (ADD LINK) and read about how to create your own NFT check out 'NFT Creation Process'.(ADD LINK)

PROS

Options for creating different types of NFTs are large.

There are numerous types of NFT art you can create including, but not limited to:

- Photography
- Digital Images
- Digital and physical paintings
- Digital and physical drawings
- GIFs
- Videos
- Music
- Clothing Design

The Market for NFTs

The total value of the market in first quarter of 2021 was US\$2b/£1.4b. There were between 20,000 and 40,000 unique buyers in any 30-day period between March 1 and May 31 of 2021.

You do not need to use Code

NFTs can be created and sold via various platforms using digital wallets etc., without you ever having to use code to create or move anything in your digital space.

There are several marketplaces to choose from

Here are the most popular marketplaces available on the ethereum blockchain:

- [OpenSea.io](#) (The largest open marketplace, good for beginners)
- [Rarible.com](#) (Good for minting your own collection)

- [SuperRare.com](#) (High-end marketplace, for experienced artists)
- [NiftyGateway.com](#) (Premier Marketplace with new selections dropped every 3 weeks for buyers to review)
- [Mintable.com](#) (Wide variety of various NFT art collections)

The Process is Understandable

Though NFT artworks have become a 'thing' in 2021 the jargon is not too extensive - see NFTS : Jargon Buster.(ADD LINK)

You can Create Editions of your NFT

Like prints and photographs NFTs can be created as 'editions', allowing you to sell your NFTs to more than one person. Each version is treated as a unique version within the blockchain universe.

Scarcity

Since NFTs are non-fungible and stored on a blockchain, the owner of an NFT associated with a digital work of art, knows that they alone hold that specific NFT.

Authenticity

Once an NFT is minted on the blockchain it is a unique token that anyone can view and access to confirm the metadata, ownership history, TokenID, blockchain address and other underlying information. In addition, since transactions on a blockchain are publicly viewable, buyers can see the address from which the NFT was first minted.

History of ownership

As noted, every transfer or purchase of an NFT is recorded on a blockchain. As a result, there is a publicly accessible record documenting the ownership history for each NFT that cannot be altered or erased. Provenance is therefore automated, accurate and verifiable.

CONS

It is DIGITAL ART - not a physical artwork, so it will only appeal to buyers who are happy to view and buy digital versions of art. Obviously, these are buyers who

accepts they will not be able to hang this in their home or office - it is generally viewed as an investment.

Sales

The average sale price for an NFT in 2021 is under \$200/£145. Therefore, for some NFT artworks they are sold at a loss. The market is speculative, so prices can vary month to month. Equally, it is growing all the time, so your work may be lost amongst the thousands of other artwork NFTs.

It is not free to create

The cost of creating an NFT can range from £50 - £110. This includes blockchain transaction fees, creation of the NFT and marketing. In addition, the 'gas fees' fluctuate and can be high at some points, making transactions expensive. Note: these costs do not include your time learning how to do this or creating your buyers list.

You need a Following to make it Work

If you have your work picked up for sale by a major auction house e.g. Christies etc., then their audience is your following. However, most artists are not invited to be in a major international auction houses sale of NFTs. This means you have to create/have a major social media following who are open to buying NFTs. If you do not have this following you can start to develop it based upon an NFT offering.

It currently uses a lot of Energy.

Running and maintaining online activity uses power - electricity. In 2021 one Ethereum transaction was equal to 4+ days of an average US household's use of power. Bonneau, a carbon market advisor for Offsetra, estimates that, on average, a single NFT (edition of one) should take responsibility for about 90 kilograms of CO₂ — the equivalent of an hour of international commercial jet flight.

I hope you have found this useful in your journey with NFTs or not NFTs.