The ABCs of NFTs

The ultimate guide to NFTs

From wallets and marketplaces, to lingo and launch strategies, here's everything you need to know.

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A Brief History of NFTs

A BRIEF HISTORY

2021 WAS THE YEAR OF NFTS

When our great grandkids look back in their history books, 2021 will be remembered as the year NFTs went mainstream. While some may argue (with good reason) that the NFT revolution began in 2017 with Crypto Kitties, one of the world's first blockchain games and NFTs to be minted on Ethereum [1], this was the year that their growth and popularity became truly phenomenal.

They'll read how NFTs were among the most searched terms of the year, beating Dogecoin, blockchain, and even Ethereum in Google searches. [2]

They'll remember how it was the Collins Dictionary word of the year, and how it all began with Christies opening its first ever auction of an NFT, "Everydays" closing at $69.3M—making that creator the 3rd most valuable living artist in the world. [2] They'll see how that sale alone lent prestige and validation to the novel NFT market, and caught the attention of the world.
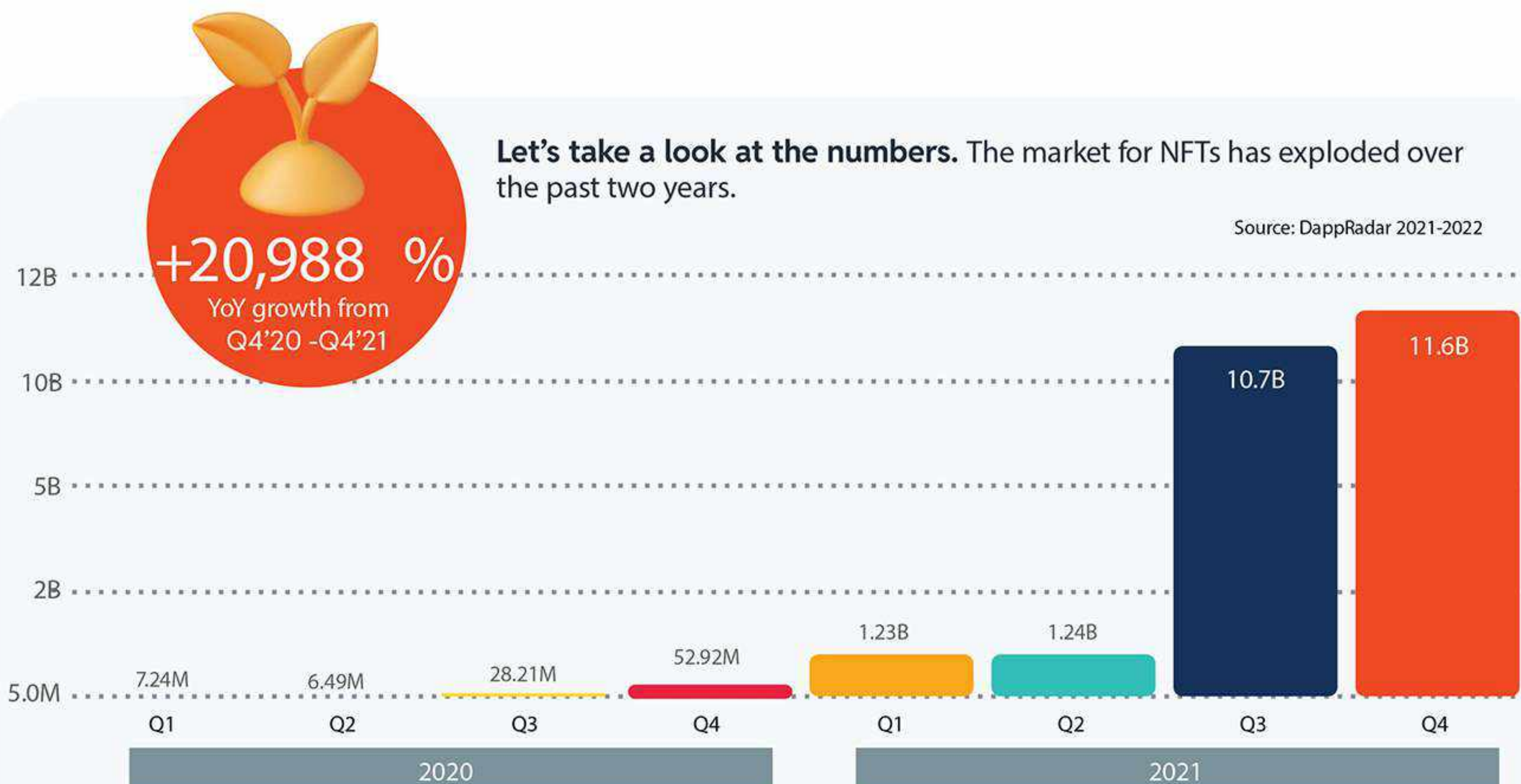
What isn't written yet in the books is what is soon to come. And while we can't predict the future, we know that this is only the beginning.

[1]Source: Hayward, Andrew. "Remember Cryptokitties? Classic Ethereum Nfts Are Soaring in Value." Decrypt , Decrypt, 3 Sept. 2021; [2]Tripathi, Smita. "The Year When Nfts Truly Came of Age. Here's How." Business Today , 30 Dec. 2021.

NFTS ARE HERE TO STAY

NFT SALES SKYROCKETED IN THE LAST HALF OF 2021

Let's take a look at the numbers. The market for NFTs has exploded over the past two years.

Source: DappRadar 2021-2022

+20,988 %
YoY growth from
Q4'20 -Q4'21

		2020				2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	7.24M	6.49M	28.21M	52.92M	1.23B	1.24B	10.7B	11.6B

12B
10B
5B
2B
5.0M

AND CONVERSATION ON REDDIT IS BOOMING

r/CryptoCurrency

I have 3 different NFTs. One gets me fee-less lending. One gets me bonus airdrops. And one is an adorable little space dude that does nothing and can be right-clicked by whomever. And I love them all.

⬆ Vote ⬇   💬 Reply

NFT conversations soared on the platform, with a +3,949% increase in NFT mentions YoY.
Source: Reddit Internal 2021-2022

TOP GROSSING NFT SALES OF 2021

THE MERGE		$91.8M
EVERYDAYS		$69.3M
HUMAN ONE		$29.9M
CRYPTOPUNK #7542		$11.75M

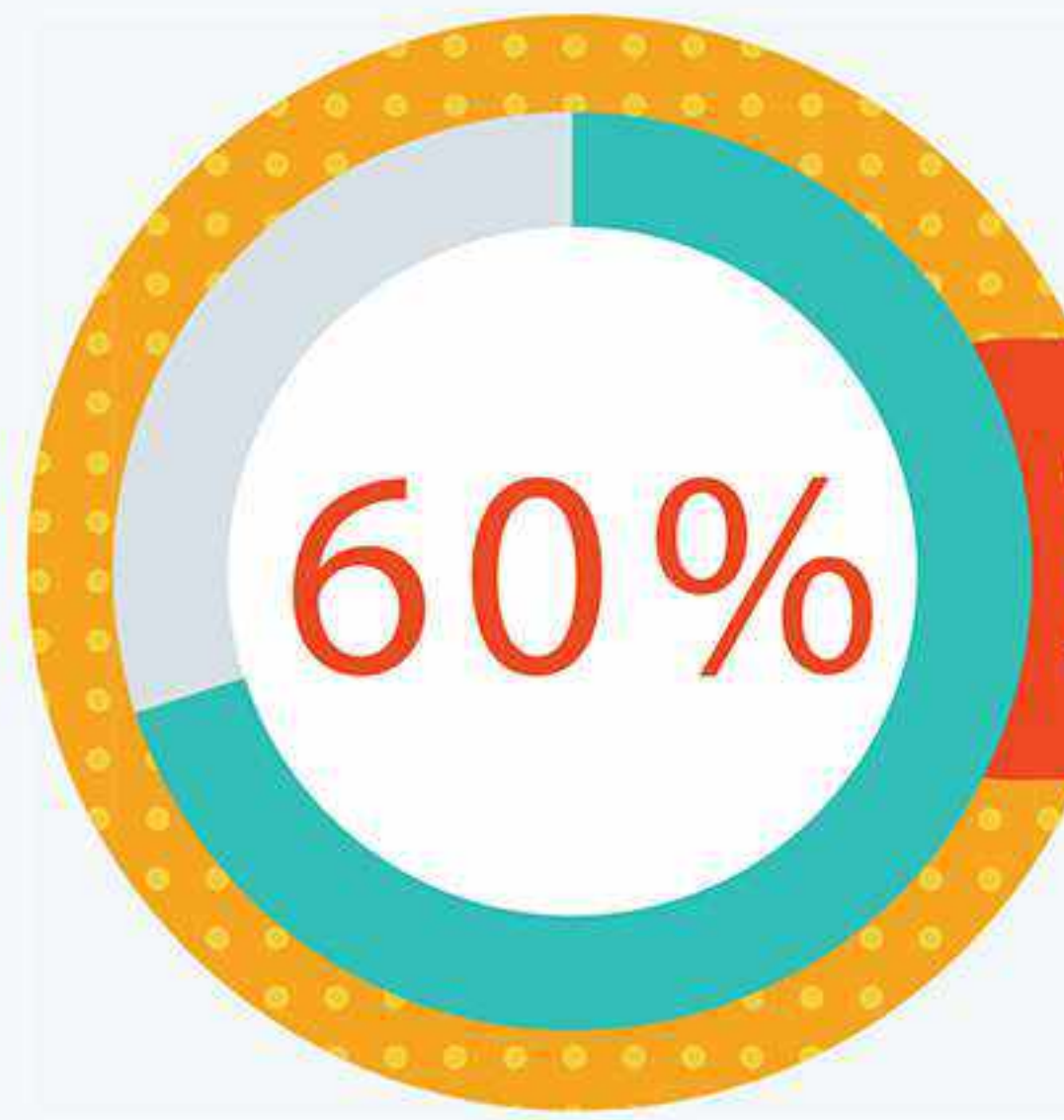Experts predict the NFT market will reach: **$80B** BY 2025

LEADING BRANDS ARE ENTERING THE SPACE.

The massive trading volume and skyrocketing consumer demand for NFTs has made them extremely attractive for brands, which is no wonder why companies from every industry are joining in.

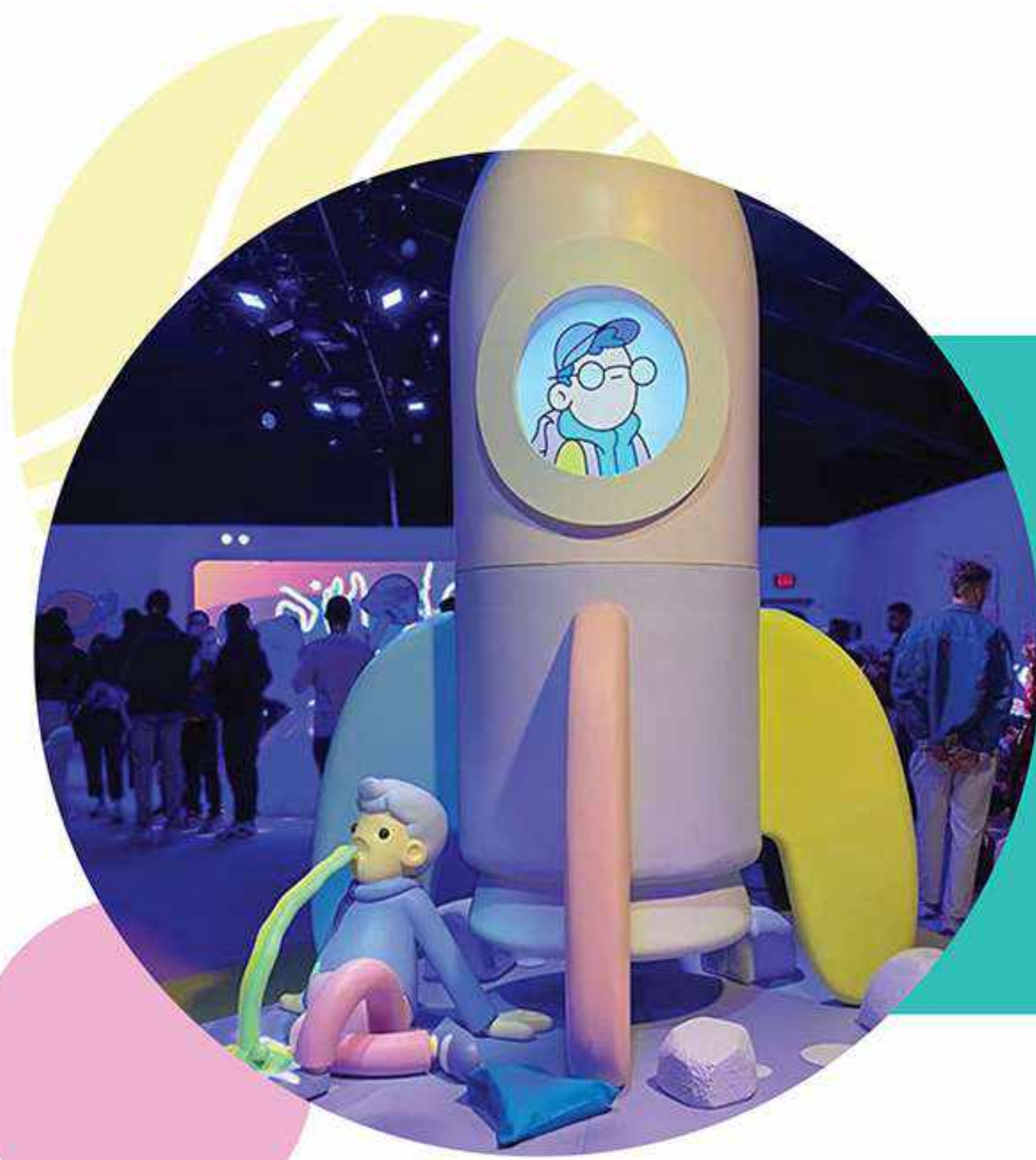But beyond pro fitability, brands are experimenting with NFTs for a few reasons.

They're able to attract new audiences, strengthen existing relationships by providing new experiences, and boost their brand reputation by being at the forefront of a new wave of technology.

60%

of Redditors agree that brands can help build the future of NFTs

Source: Reddit Internal 2022

There's a couple ways brands are getting involved—by launching their own NFTs, or partnering with existing projects. Behr Paint dipped their brush into the world of NFTs by partnering with Doodles to bring a one-of-a-kind immersive experience at SXSW. By collaborating with Doodles, Behr was able to align their brand with the concepts of creativity and innovation while di fferentiating themselves from other paint companies. And through their partnership with Doodles, a highly coveted project in the Web3 space, it gave them credibility while tapping into a new audience.

*"We are thrilled to have identifi*ed this unique opportunity for BEHR to make its *first* foray into the NFT space through such an authentic collaboration with Doodles. We believe that this *collaboration speaks to each brand's core* values and mission, bringing their mutual love *for color to inspire their communities."*

Avery Akkineni, President, VaynerNFT

NFTS ARE EVOLVING BEYOND DIGITAL ART

NFTs have garnered a lot of attention in the art and entertainment world. But with the emergence of Web3 and the Metaverse, the increased consumer appetite for virtual merchandise, and the shift towards the idea of digital ownership, NFTs are expanding way beyond digital art. We're starting to see it spread into music, entertainment, sports, and live events—and provide value and utility beyond simply a digital collectible. While it's still early stages, some real-world applications for NFTs could include:

- **Ensuring authenticity of products:** Imagine a world where you can scan a QR code for a product you bought online and see its entire journey from manufacturing to shipping.
- **Real estate:** NFTs can be used to transfer land deeds, provide proof of ownership, and even keep track of changes in property value over time.
- **Veri fied vehicle history:** NFTs can be the auto industry's solution to misleading or altered vehicle history reports. Incorporating NFTs and blockchain technology into their vehicles means that future buyers have full transparency into the history of a vehicle and can make a more con fident used car purchase.
- **Supply chain:** NFTs can give companies the ability to track their products from manufacturing through shipping and delivery. This gives customers insight into what they are spending money on as well as maintaining transparency within a company's supply chain.
- **Ticketing :** NFTs can solve issues related to fraud and paper usage for ticketing—whether that's for concerts, sporting events, or even parking passes.

The double edged sword of NFTs is that while they may hold a lot of confusion, there is an equal amount of potential for NFTs to shape our everyday lives.

REAL ESTATE

Bloomberg
US Edition ~

Crypto Mortgages Let Homebuyers Keep Bitcoin, Put Down Nothing

New home loans are deepening the role of volatile digital assets in the real estate market.

Miami Beach, Florida, Biscayne Bay, Miami downtown city skyline. (Photo by: Jeffrey Greenberg/UCG/Universal Images Group via Getty Images) Photographer: Jeffrey Greenberg/UCG/Getty Images

By Heather Perlberg
April 27, 2022, 8:01 AM CST

From **Crypto**

It took Vincent Burniske months to get a seven-figure loan to buy two small apartment buildings in a coveted Miami neighborhood. The sports-media consultant had money – but much of it was tied up in crypto.

Digital wealth meant little to banks when it came to a mortgage. And

FASHION

☰ **Firstpost.**

Future of fashion in NFTs: How the pandemic has pushed designers to embrace blockchain technology

"The digital age is a reality, and sooner or later, NFT will make a strong impact but the only thing which needs to be seen is the regulation, consumption pattern, and the impact it will bring in the fashion space. Will it be a disruptor or a supporter, that time will tell.'

Nivedita | May 01, 2022 09:33:03 IST

Representational image

When ace Indian couturier Manish Malhotra forayed into the crypto world with his first-ever collection of non-fungible tokens (NFTs) — unique digital items that can be bought using cryptocurrencies — in 2021, it seemed like the Indian fashion industry is ready to explore this new digital avenue.

In the same year, Indian menswear designer Raghavendra Rathore too launched a collection of his artwork as NFTs via blockchain technology, and it has definitely reaffirmed the belief.

"The pandemic has helped accelerate the growth of virtual fashion. NFTs open a new world

MUSIC

FORTUNE

Music artists are making what they'd earn from 1 million streams in '2 minutes' with NFTs. Now they're turning toward Web3 —right alongside Snoop Dogg

BY **TAYLOR LOCKE**
April 27, 2022 11:06 AM CST

There are only 10,000 original Bored Ape Yacht Club NFTs

Sign up for the *Fortune Features* email list so you don't miss our biggest features, exclusive interviews, and investigations.

Snopp Dogg said he was bringing his music to the metaverse. He wasn't lying.

On 4/20, the rapper, songwriter and entrepreneur dropped *Death Row Session: Vol. 2* as a non-fungible token, or NFT, on platform Sound.xyz. All 1,000 copies quickly sold out for a total of 100 Ether, or just over $300,000, in a single day.

Snoop isn't new to Web3, a name for a decentralized iteration of the internet that relies on blockchain technology. He owns several digital assets, including CryptoPunk and Bored Ape NFTs, and has created many of his

Let's pause for a secound. Now that you have a brief history of NFTs, We should talk about what NFTs are.

r/NFTsMarketplace

NFT Like I'm 5

NFT LIKE I'M 5

FUNGIBLE VS. NON-FUNGIBLE

The term NFT stands for Non-Fungible Token. Let's break that down. Something fungible means it can be easily replaced for another identical thing. A $10 bill can be easily replaced by another $10 bill. They are 2 different bills, but when you use them to buy something, they have the same value.

Non-fungible is the opposite —it's a unique copy that can't be replaced by another, like the Smithsonian's Hope Diamond or the Sistine Chapel. The other important thing to note here is that non-fungible tokens are immutable (can't be edited) and are stored on the blockchain—we'll talk about that more later on.

VALUE = $10

VALUE = $10
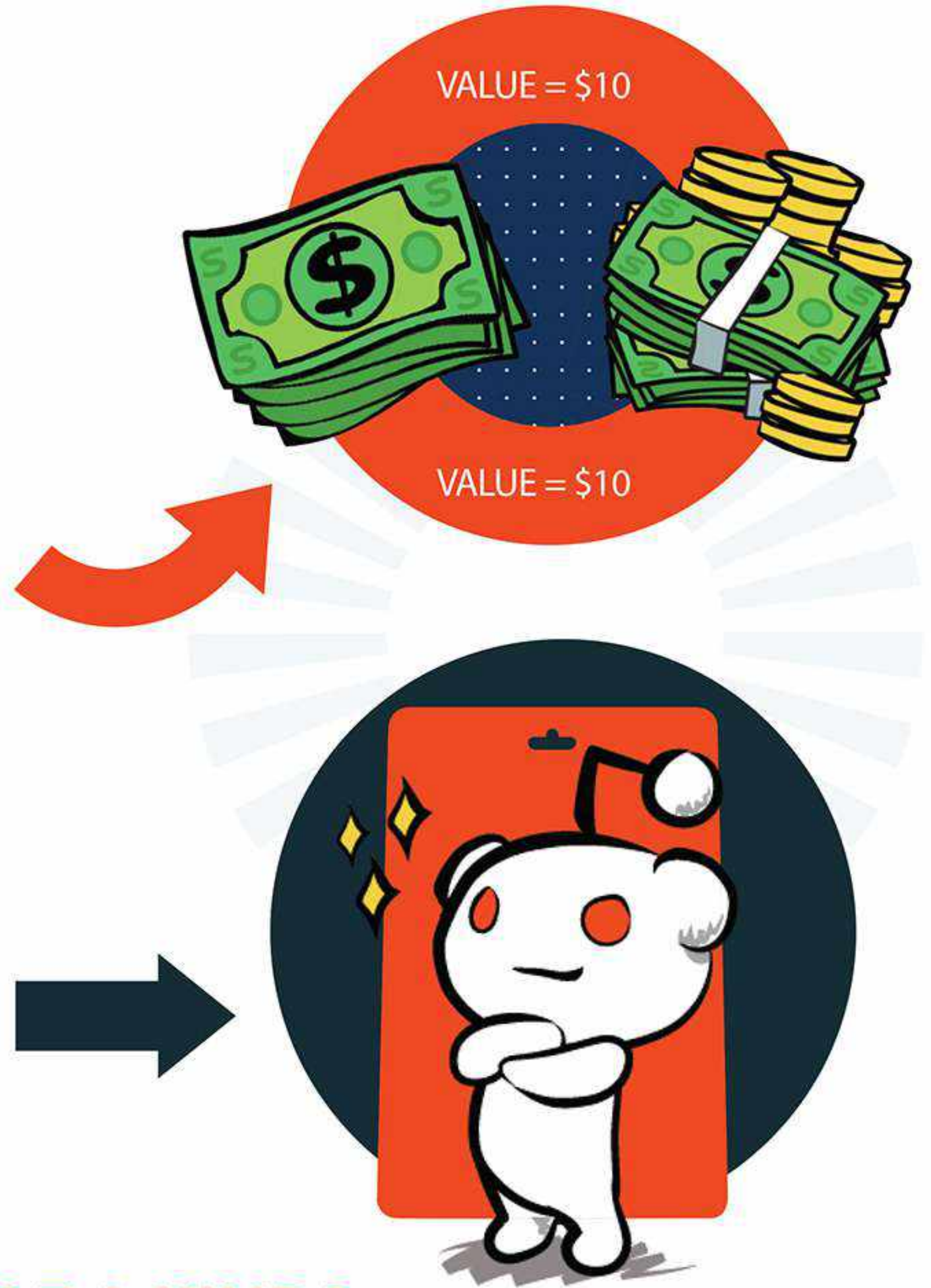
WHAT MAKES NFTS ONE OF A KIND?

Description
A friendly, ever smiling alien

Name
Snoo Mona Lisa

Owned by
11111111

Birthday
May 20, 2071

Contract
ERC721

So say for instance you create this drawing. What makes this one of a kind?

1. First of all, you, the creator

2. The date of your drawing

3. The technique (tools, medium, etc) and so on

NFT LIKE I'M 5

WHAT MAKES YOU THE OWNER?

0 1 2 3 4 5 6 6 6 7 8 9 0 A B C D E F 1 2 6

To protect and promote your drawing, you can record all this proof in a "virtual register" i.e. the blockchain and create a kind of "ID card" for your drawing.

And to easily **fi**nd your drawing in **this virtual register, you'll add a** number. All of this drawing information in this virtual register is called a token. To access your drawing, you need to have access to this token that allows you to get all the info, and tells you where this image is hosted—mostly on a website or distributed file system.

BUT REDDIT, CAN'T I JUST RIGHT CLICK & SAVE AN IMAGE?

Yes, you can. But you don't own it or have the rights to it. Enter: the blockchain.

The blockchain involves a whole network of computers reading and approving transactions and data. It's the most secure form of ledger and, quite simply, creates a "digital signature" (or that ID card we talked about) as proof of who created it along with other vital information.

NFT LIKE I'M 5

HOW DO I BUY ONE? In a nutshell, you'll need to follow a few steps:

1 **Purchase some crypto on an exchange.**

The most frequently used is **Ethereum,** but depending on which blockchain the NFT lives on, it may require a different crypto e.g. Solsea (an NFT marketplace) uses Solana (cryptocurrency).

Think of it as a **digital checking account** that stores and transfers your cryptocurrency.

Transfer your crypto to a crypto wallet. **2**

METAMASK   LEDGER   Temple   ZilPay Wallet   TREZOR

Trust Wallet   Phantom

3 **Connect your wallet to an NFT marketplace.**

Now you're ready to browse and buy.

There's no shortage of NFT sites to shop and sell on. Currently the largest is OpenSea, which primarily uses Ethereum, but other predominant marketplaces include **Rarible, Nifty Gateway, SuperRare, Mintable, NBA Top Shot, Axie Infinity Market**

Where can I buy one? **4**

OpenSea   SR   R   N   M   AXIE INFINITY   TOPSHOT

Type of NFTs

7 TYPES OF NFTS

WHERE NFTS ARE TODAY

One of the reasons NFTs are so popular is the fact they can take countless forms — from digital works of art to trading cards, like video clips of NBA plays. There are many different kinds of NFTs, and brands are getting more creative in how they're incorporating them with their own IP.

With that, let's talk about 7 types of NFTs around today.

Artwork (1/1)

A 1/1, 1 of 1, or one of one, is an NFT that has been issued as a single, unique edition. One of ones are seen as more scarce and therefore more valuable, because only one person can own them at a time. It's important to note that it's not always a 1/1 —sometimes artists will release 10, 50, 100, etc. copies of the same piece of art, just like in real life. The takeaway is still the same though, as it creates scarcity and value because they are scarce.
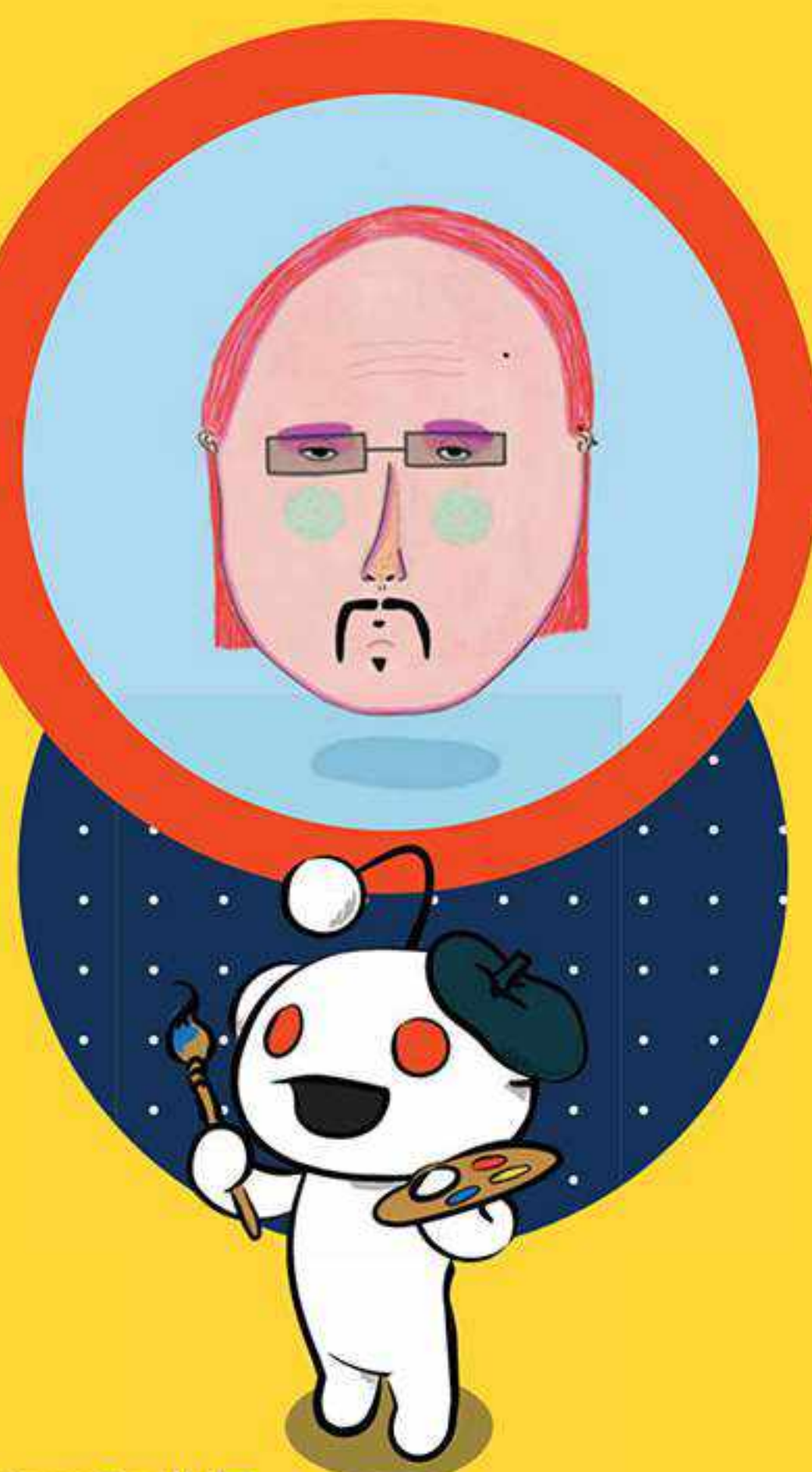
@SeriousCoolNFT

@worldofwomennft

PFPs & Avatars

Profile Pic Projects & Avatars are projects that people often use as their social media pro file pics. They've been popularized by projects like CryptoPunks and Deadfellaz and we'll start to see more of these as we move forward into Web3. It's become so widely used that social media companies like Twitter have updated features that enable users to display NFTs as their avatars, while also including details like their blockchain address to show proof of ownership.

Photography NFTs

Photography NFTs can also be collected in the same way editions of photographic prints are in the traditional market. The only difference from the traditional art market is that everything from transactions to ownership is conducted in a digital manner via the blockchain. It's a potential new avenue for photographers of all levels and genres to market and sell their work.

@creative_commons_collection
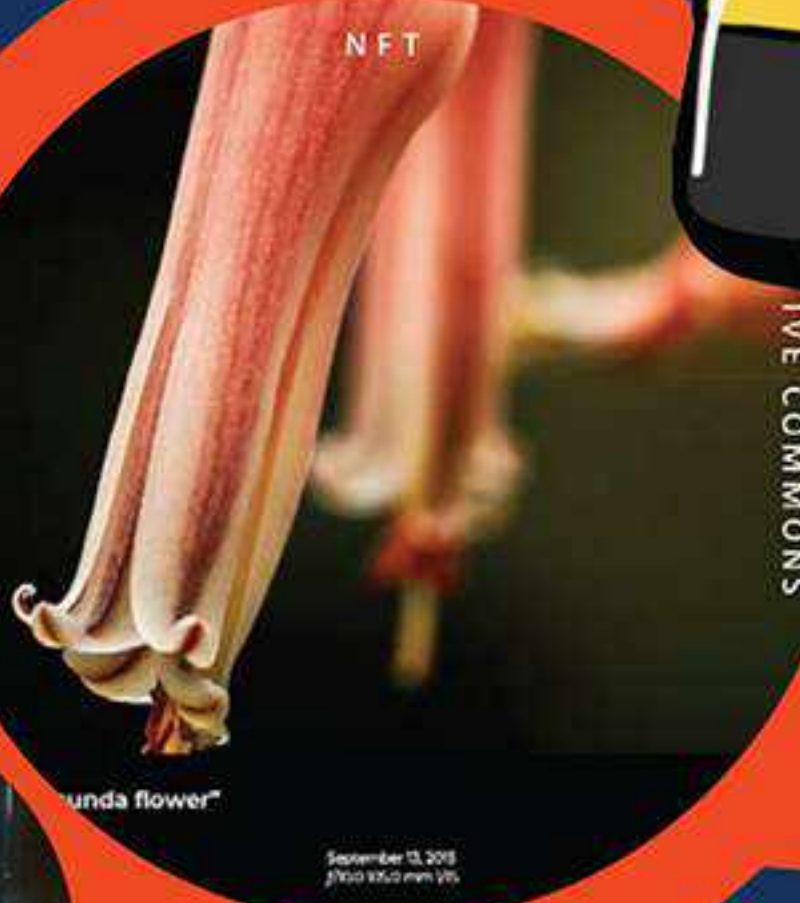
Collectibles

NFT collectibles are just what they sound like—they're collectibles that can take the form of digital trading cards, sports memorabilia, video clips, concert tickets, and more. Disney is bee   fing up their NFT collectibles game by selling "Golden Moments" from icon franchises like Star Wars and The Simpsons. NBA TopShot is another example, where people can buy collectibles of certain moments from their favorite NBA players, including dunks and game-winning shots.

@stellabelle
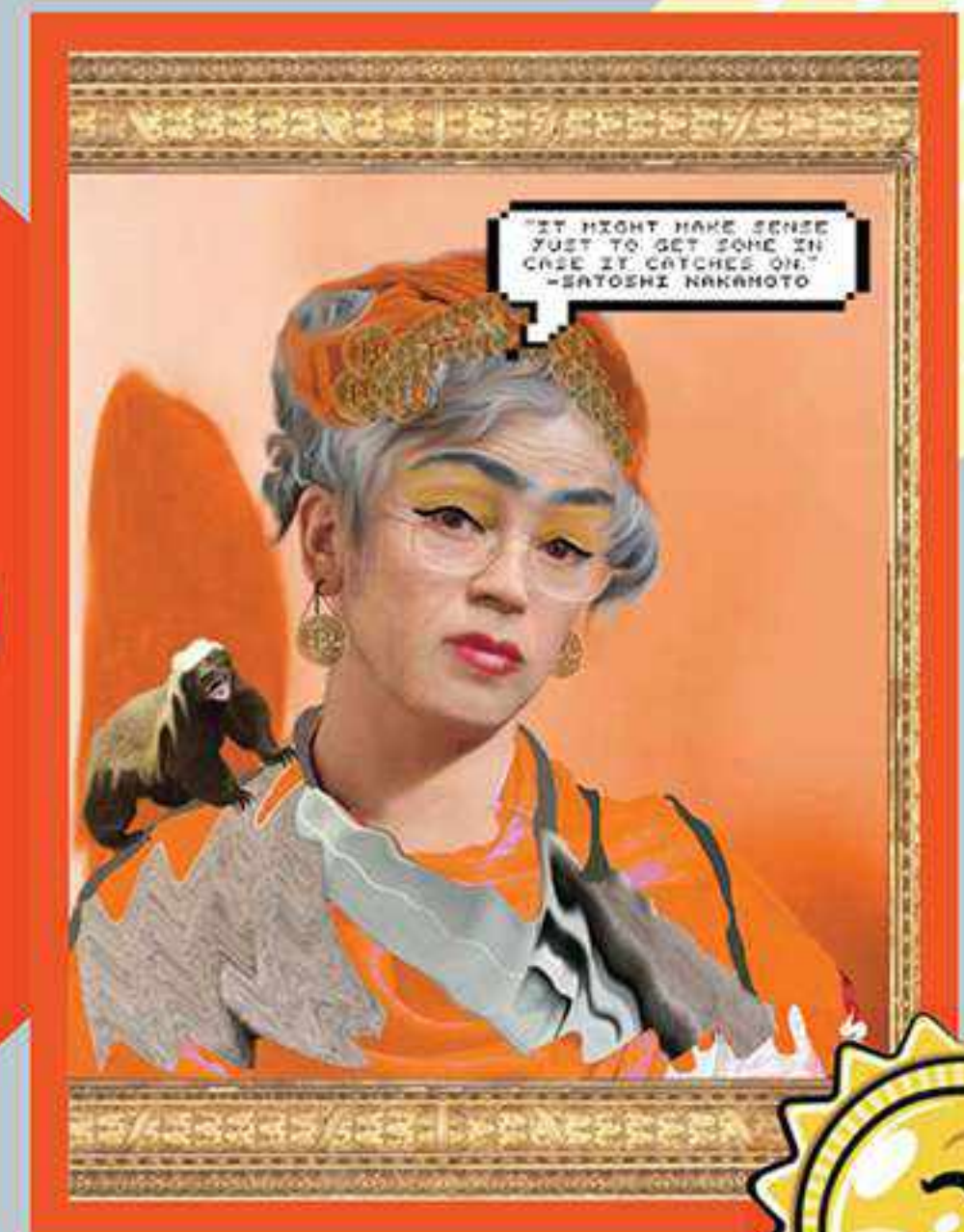
Generative Art

Generative art is described as art that has been wholly or partially produced by an autonomous system that can independently determine features of an artwork that would otherwise require decisions made directly by the artist. Art Blocks is an example of a platform that provides programmable generative NFT art. Art Blocks projects like Tyler Hobb's Fidenza series are fetching well into the millions of dollars per NFT.

@coolcatsnft

Music NFTs

It may be the year of the ear. If 2021 saw the proliferation of profile picture NFTs, 2022 could elevate music NFTs. Music NFTs are the blockchain alternative to buying tracks on iTunes, with one big difference. While iTunes lets you buy the rights to listen to the music, Music NFTs let anyone listen but confer ownership of the rights to a track through an NFT.

There is a wide range of potential use cases for music NFTs. They can be used to grant access to discounted concert tickets, special areas at concerts, or allow meetups with the artist. It all depends on how the artist wants to structure the NFTs they issue. Artists like Nas are entering the space—he teamed up with blockchain-powered platform Royal to sell extended versions of NFTs that include streaming royalty rights to two of his tracks, "Ultra Black" and "Rare."

Gami **fi**ed NFTs

Gami fied NFTs, or Play-to-Earn games and Play-and-Earn games, take typical gaming elements like point scoring, competition, and rules of play and apply that to blockchain technology. This has led to a new term called GamFi, in which users trade and swap game assets for   financial rewards. The idea is that assets used within the game world are programed as NFTs, which have value among players and collectors and can also be sold or traded.

Play-to-Earn and Play-and-Earn games will be the next wave of transformation in the NFT space, where players of the games can earn rewards and even money in games that they play.

@OthersideMeta

THE VALUE OF NFTS

Why are people spending big big bucks on NFTs? We boiled it down to 6 key reasons.

1 IP RIGHTS

NFTs generally provide the holder with a bundle of rights. Common rights given to NFT holders include the rights to display or modify art, access special content, and transfer or sell your rights. This gives value to holders who may build their online presence around the art, which can enrich the value of the underlying art and any related NFT collection.

RARITY 2

The first type of value to talk about is in collection. Just about every generative collection has a rarity system with traits that make some items of the collection more valuable than others. People get excited about generative projects because they have the chance to mint a rare item!

3 UNDERWRITING

Underwriting is the process through which an individual or institution takes on financial risk for a fee. This has been a popular method recently for projects to store value. In the next 6 months we will see these kinds of projects raising capital to buy anything from property to classic cars. But, buckle up; NFT projects deriving value from this method run legal risk, since raising capital is a heavily regulated activity in many countries.

UTILITY 4

This is going to be a huge part of the NFT space in the future; access to clubs or content, season tickets or concerts—the sky is the limit when it comes to utility! We've already seen a number of projects using the access options to join exclusive discords, but it won't be long before we see the Web3 versions of Net flix or Soho House.

5 COMMUNITY

Most NFT holders would argue community building is one of the most important parts to an NFT. In order to build a strong community, you first have to build a solid value proposition to attract them. Do this right and you'll build a tribe of brand ambassadors and champions that will shout about the value of your collection to the network of potential buyers and loyal following that they've built.

INCOME GENERATION 6

Some projects now have a system in place to share pro fits with holders, and these pro fits can come from a venture that is funded by the collection or by sharing a percentage of secondary sales. But, promising income generation from an NFT project may bring the project under legal scrutiny.

So, now that you know about NFTs... you're probably wondering how you can leverage NFTs for your brand.

Let's dive in.

r/NFTsMarketplace
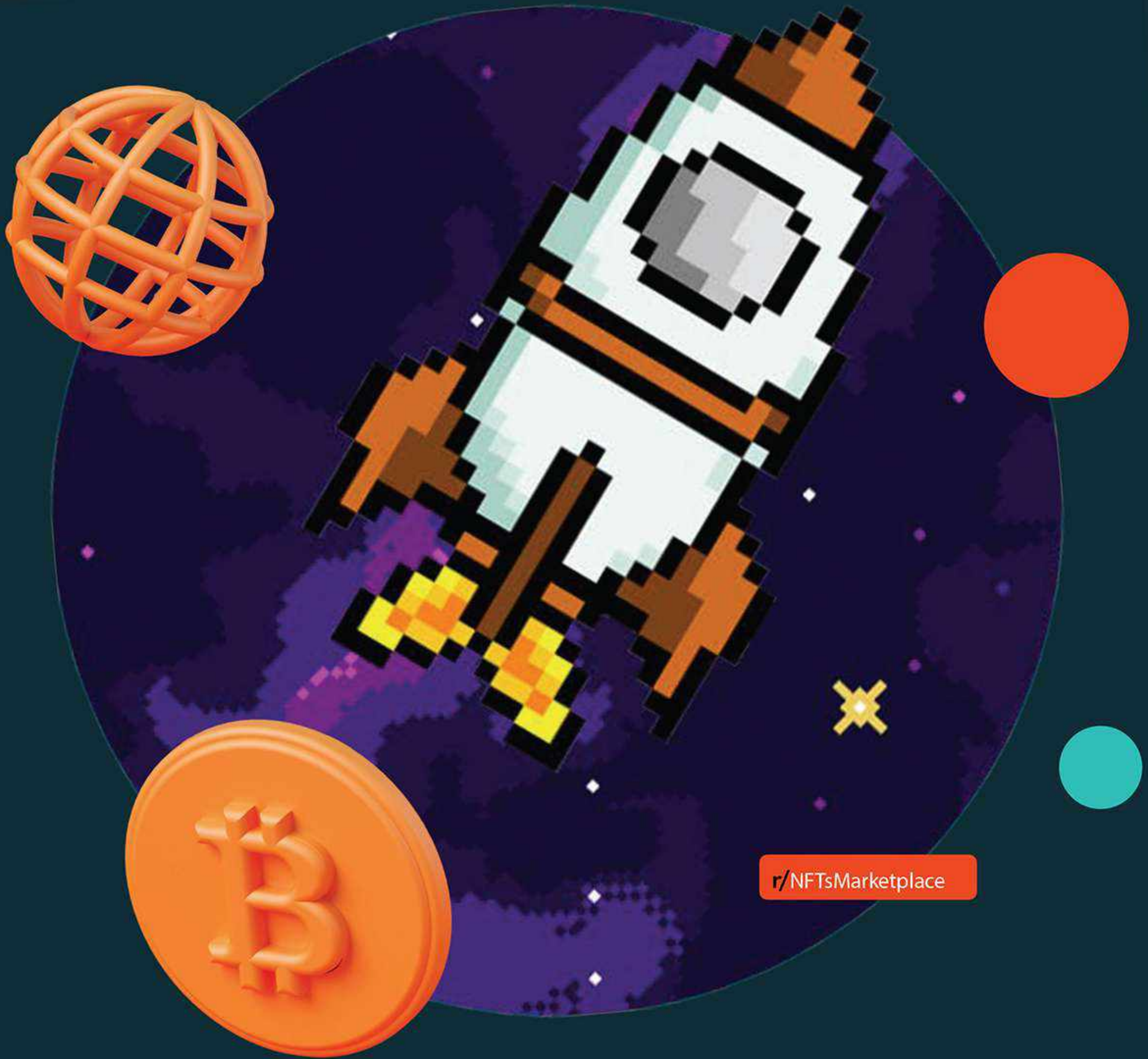
NFT Launch Playbook

NFT LAUNCH PLAYBOOK

BUT FIRST, THINGS TO THINK ABOUT

NFTs are new territory—for consumers and brands alike. One key thing to remember though is that the Web3 and NFT community are marketing savvy.

So while 70% of Redditors are open to buying an NFT from their favorite brands, 1/3 agree that brands can ruin the future of NFTs.

70 % of Redditors are open to buying an NFT from their favorite brands [1]

BUT ALSO…

Agree that brands can ruin the future of NFTs [1] **35%**
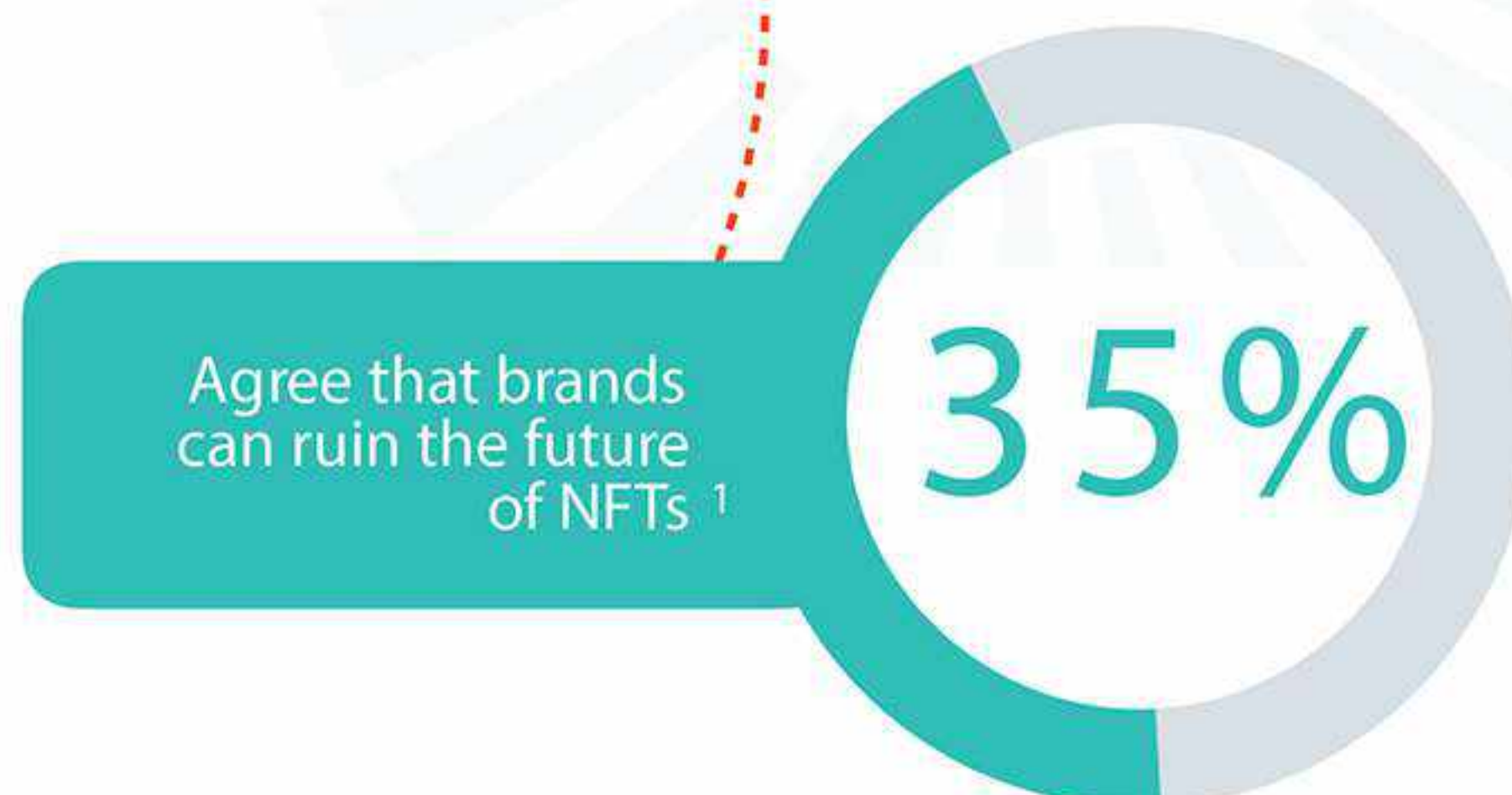
In order to build a sustainable and successful model, brands have to be diligent and put in the elbow grease. It starts with an organic investment in community building, one that creates value and transcends your brand to users in a way that matters to them.

So with that, here's our 6 step blueprint to launching your own NFT.

LAUNCHING AN NFT BLUEPRINT

1. FIGURE OUT YOUR NICHE

Carving out a place in this emerging space is a tough nut to crack, but an important one. Brands should think about which niche they want to target— whether that's sports, cars, or characters, and be sure that it aligns with your audience's interests.

2. DEFINE THE UTILITY

Successful NFT projects add utility into their projects whether that looks like unlocking exclusive access, VIP parties, or digital merch. Ask yourself: what value will you bring to your holders?

3. ASSEMBLE THE TEAM

Brands will need a rockstar team to execute the project, from community managers and marketers to developers and artists. Having the right, and credible, people will be essential to your project's success.

4. TIMELINE & ROADMAP

Plan ahead and be transparent with your community on your project's roadmap. Outlining key milestones and what members can expect in the future is essential.

5. COMMUNITY BUILDING & MARKETING

This is arguably the most important and necessary step. An NFT project is only as successful as the community behind it.

6. LAUNCH

It's go time. But the work isn't over yet. Nurturing the community and continuously improving the project will lead to long term success.

🚩 FIGURE OUT YOUR NICHE

The reason why projects succeed is about more than just the art. It's not about the apes, cats, toadz, or bears…it's about filling a certain void in the marketplace. It's about connecting with your audience and invoking a certain feeling.

The best projects have a clear art concept, brand, and value proposition. They aren't just art, and in some cases, the NFTs can also serve as membership access to clubs, or assets that can be gamified. Regardless of their art style, there is attention to detail, both in the art itself and also in the profiles, website, and marketing collateral.
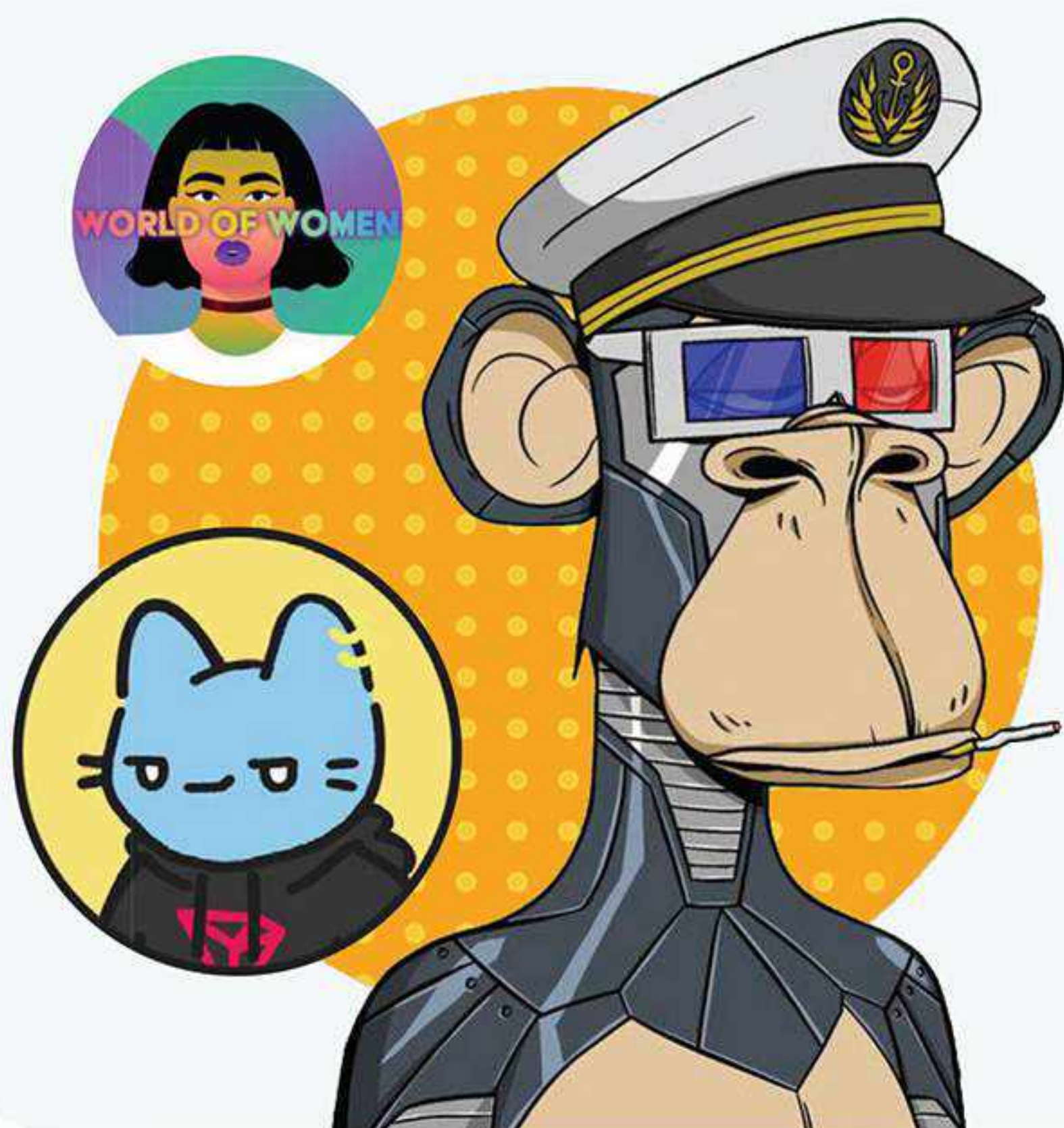

For example, Bored Ape Yacht Club serves the hypebeast crowd—it's underground, trendy. Cool Cats serves the family fun, wholesome crowd. World of Women is all about celebrating representation, inclusivity, and equal opportunities for all.

So, **the first step to figuring out your niche is first knowing your target audience.** What are they interested in? Are there any new trends relevant to this audience?

The second step is then defining the concept of your NFT project. Plan out the main concept of your NFT, and explore and get inspiration from other NFT collections.

THINGS TO THINK ABOUT

- Who is my target audience? What community am I targeting? E.g. gamers, collectors

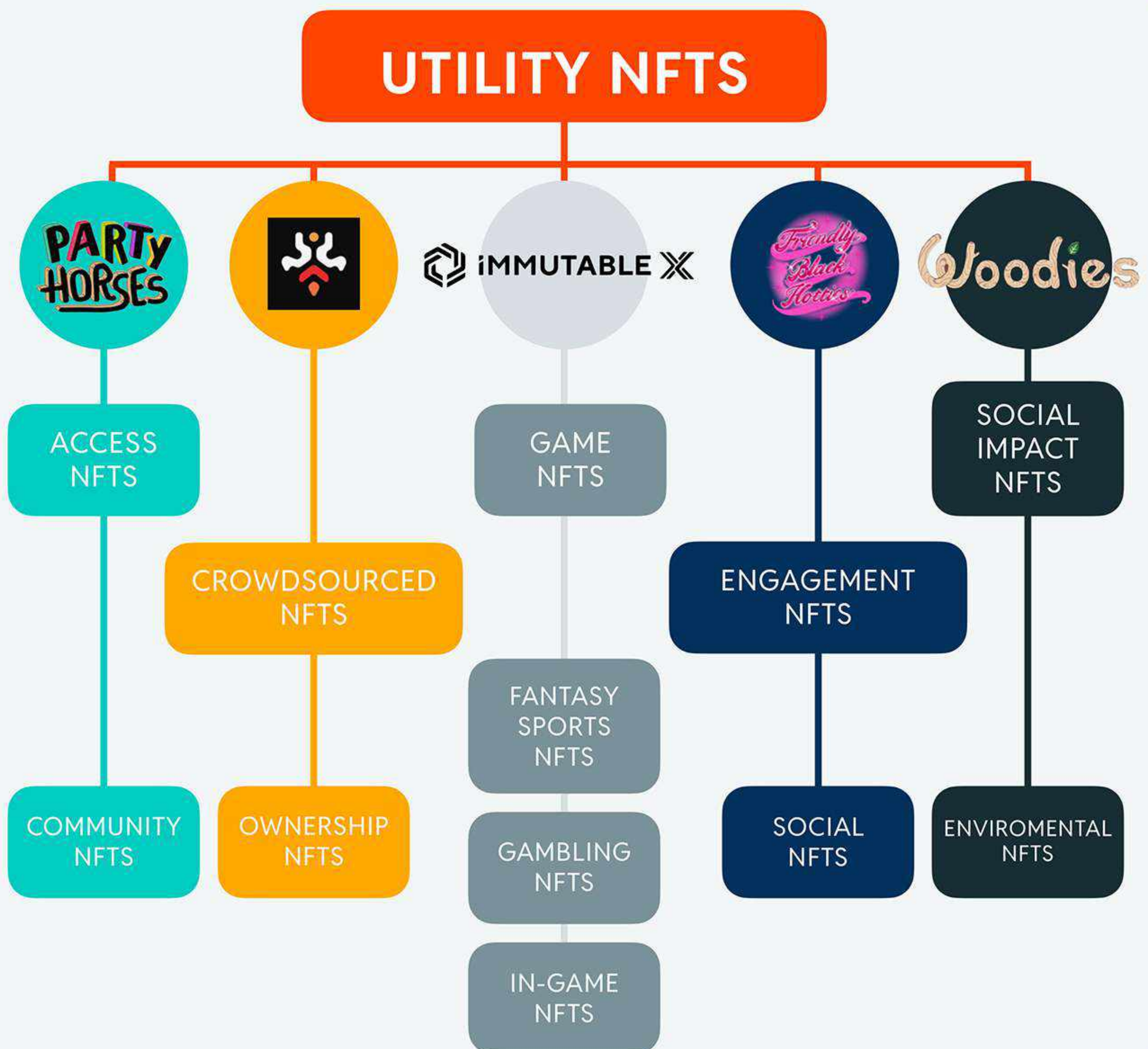- Is my NFT project offering something new and unique?
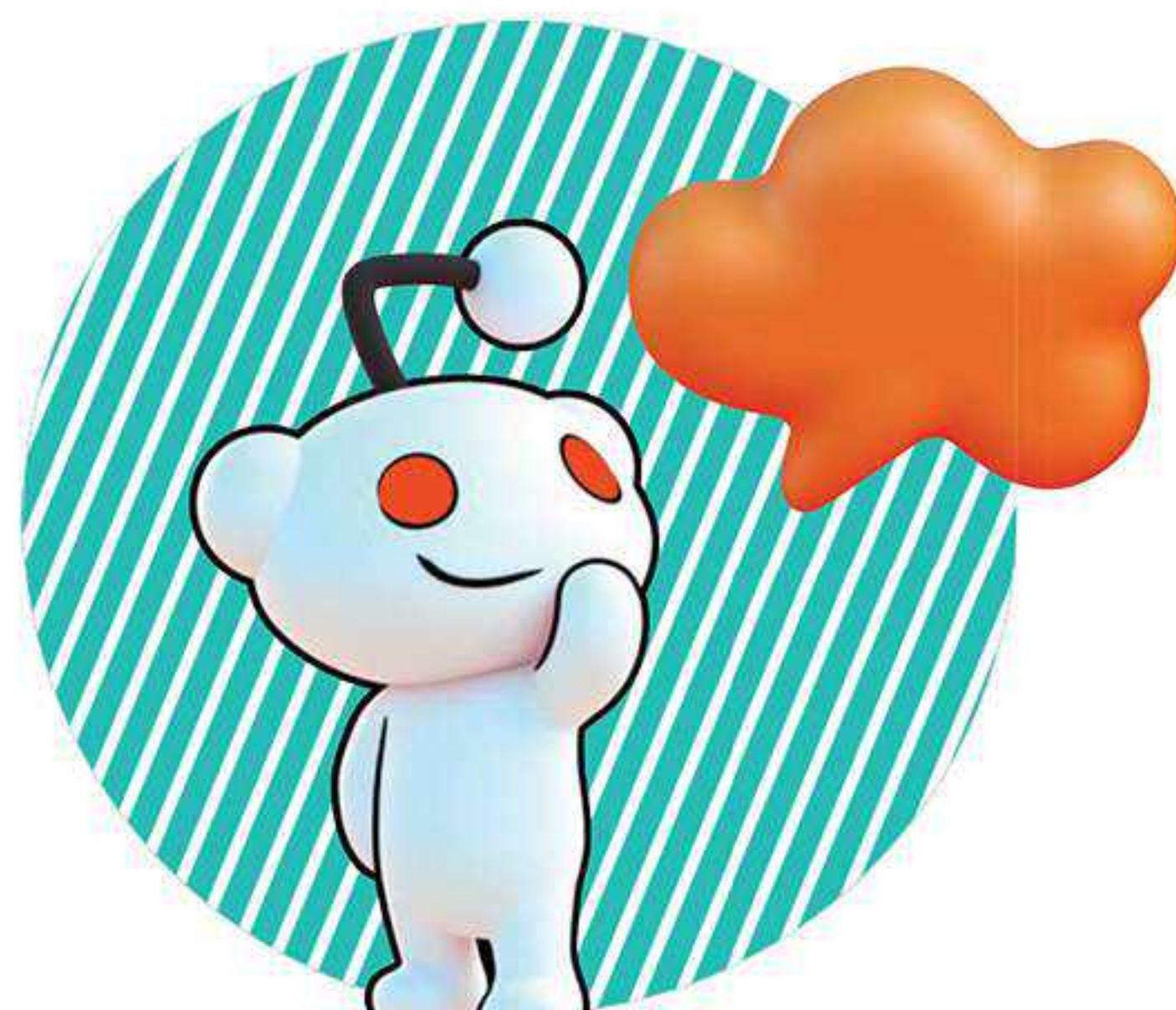
DEFINE THE UTILITY

Once you have an understanding of your audience, then it's time to define your NFT's utility. Utility gives members something beyond the art itself—it could unlock different experiences, give members early access to future products to be launched, gain membership to premium events, or provide dividends for owners.

Here's a chart that classifies the different use cases for utility. On the next page, we'll go deeper into what each one means.

UTILITY NFTS

- **ACCESS NFTS**
  - COMMUNITY NFTS
- **CROWDSOURCED NFTS**
  - OWNERSHIP NFTS
- **GAME NFTS**
  - FANTASY SPORTS NFTS
  - GAMBLING NFTS
  - IN-GAME NFTS
- **ENGAGEMENT NFTS**
  - SOCIAL NFTS
- **SOCIAL IMPACT NFTS**
  - ENVIROMENTAL NFTS

DEFINE THE UTILITY

Access NFTs

These NFTs grant holders access to exclusive experiences or goods, both in the physical and digital world. They can be used to access events with celebrities & athletes, premium content, voting on brand decisions, and much more—the applications are endless both online and offline.

Access NFTs can act as a powerful marketing vessel. They allow the project owners to have an extensive collection of active collectors that give them opportunities to promote new projects, spread the word, and be lifelong members.

A Peek into a Project: Party Horses

Party Horses is a collection of 3,200 NFTs on the Ethereum Mainnet. Their vision is to create a future where NFTs can grant their members access to exclusive products and special experiences, backed by great art and brand collaborations.

The Party Horses team saw an opportunity in January 2022 to address two main problems in the NFT space: Access and Utility. They partnered with Makers Mark to give every NFT holder a free bottle of limited edition bourbon. To drum up anticipation for their main NFT launch, Party Horses distributed free "pregame" NFTs that not only guaranteed a white list spot for the Party Horses mint, but also gave holders a heavy discount. All 2,000 pregame NFTs were minted on day one.

Why did it work? The team attributes their launch success to the authenticity of the partnership. As Kentucky natives, not only are Maker's Mark and Party Horses rooted in the same cultural origins, but are also aligned by their loyal community, innovation, and appreciation of art. For Makers Mark, it was about experimenting with art and a new technology medium to create new types of customer engagement.
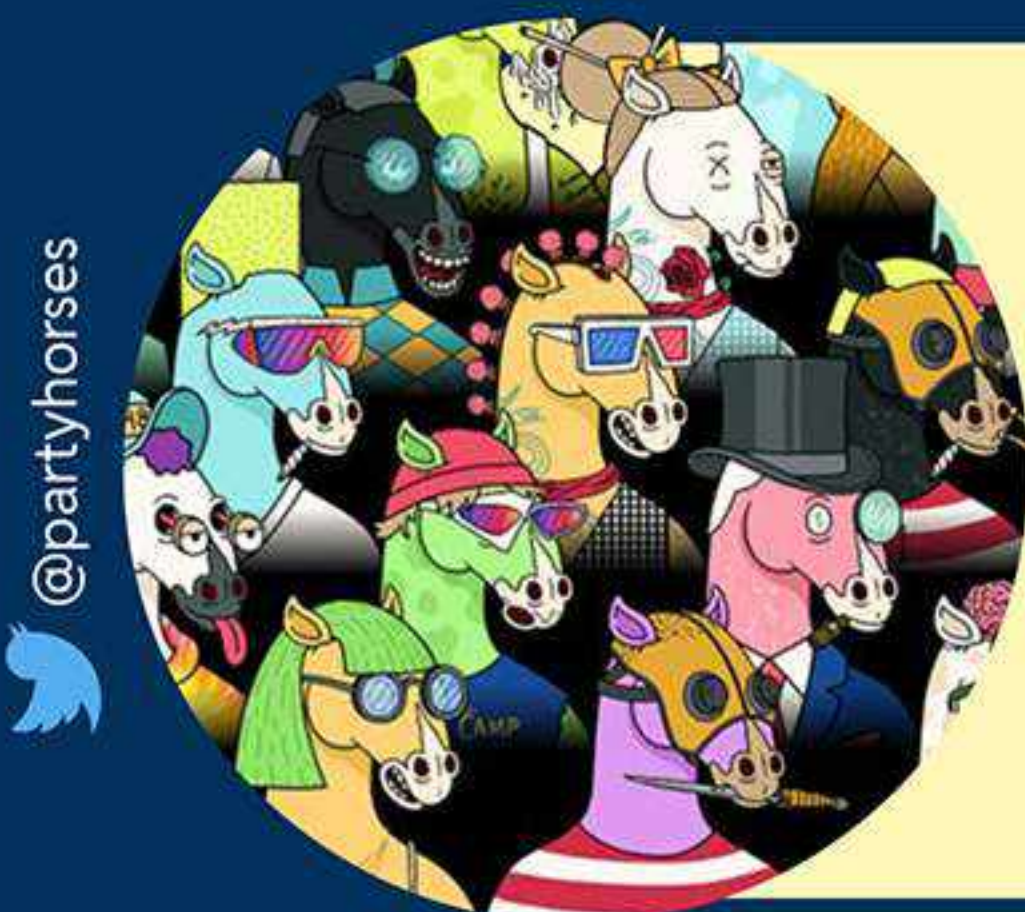
@partyhorses

"NFTs are offering an innovative approach for brands and products to be more accessible. We're prioritizing the use of technology as access points, like NFTs, to enable a thoughtfully curated and direct consumer experience."

Craig Jackson, Global Digital Director, Maker's Mark
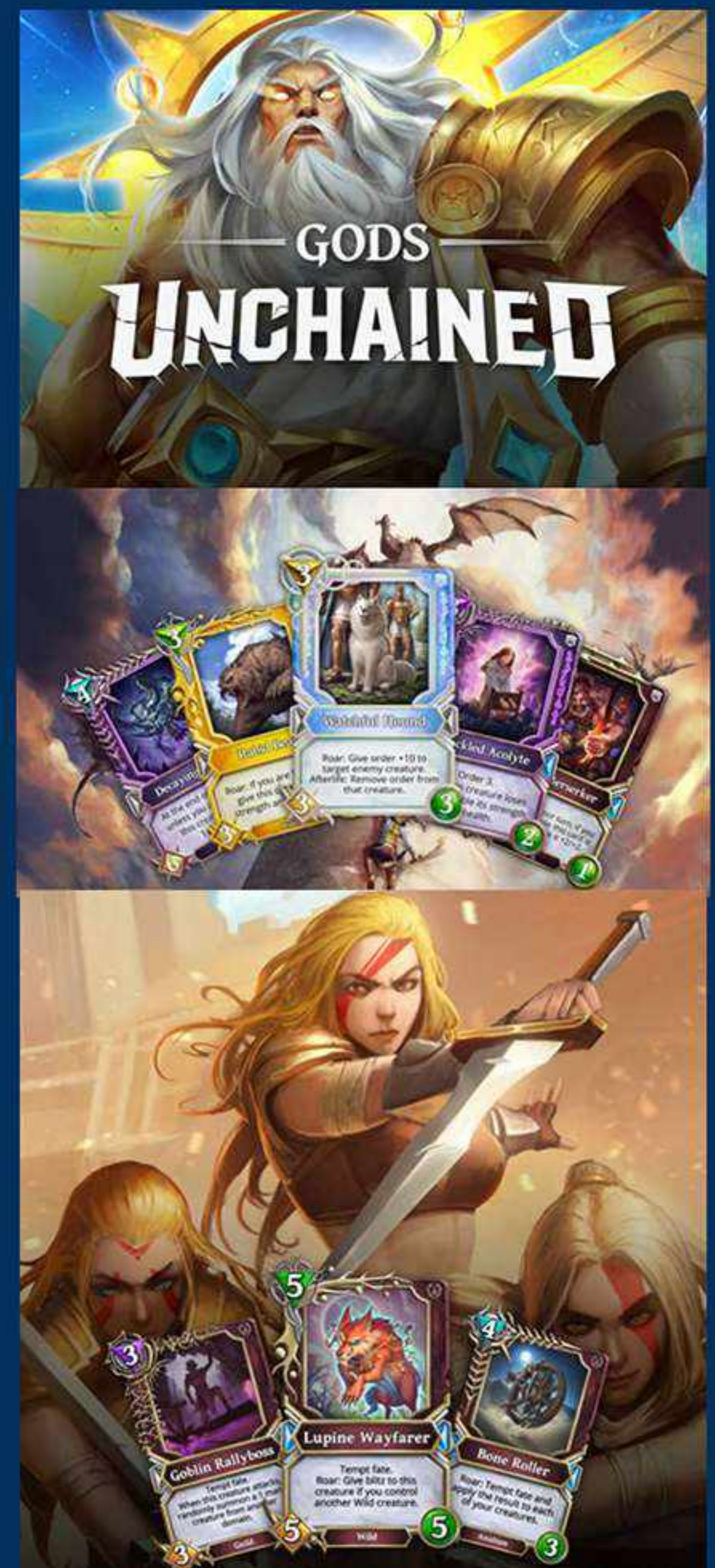
DEFINE THE UTILITY

Game NFTs

With Game NFTs, users can compete for special NFTs that are dropped as a perk for their activities or as a part of a gaming universe. The Sandbox is the most prominent example of in-game NFTs as an important facet. Game NFTs aren't just about drops or rewards though, in some of these NFT projects like Champion's Ascension, your character is an NFT and you can level them up to gain new powers.

A Peek into a Project: Immutable's Gods Unchained

Powered by carbon-neutral Immutable X, Gods Unchained (GU) is building the future of play-and-earn by empowering players to own, trade and upgrade their in-game assets via NFTs — just like owning real, tangible cards. GU is a strategic, skill-based trading card game led by Chris Clay, former Game Director of Magic the Gathering: Arena. Gods Unchained takes the collectability and craft of these epic card duels to NFTs.

How does it work? The game has tens of thousands of active users and hosts in a thriving play-and-earn economy. Players can earn cards through skillful competitive play, and even craft new cards to enhance their decks or to trade. Over $55M worth of cards has been exchanged on the marketplace with over $13M worth of NFTs out in the world.

The enjoyment of 'play' has been missing from the blockchain gaming space while the ability to 'own' and 'earn' is still glaringly absent from the mainstream gaming space – and GU is on a path to achieving both. Whether you're a competitive player building a strategic deck, or a collector showcasing your rarest shiny card, each NFT represents one card that players can own as a central part of the gameplay experience — and as a part of gaming history.

@GodsUnchained

DEFINE THE UTILITY

Engagement NFTs

These encompass NFTs that can be used to engage with other users within a community. Social NFTs, for example, can be used socially like GIFs, emojis, badges, profile pictures, comment embeds, etc. Engagement NFTs are primarily used to unlock special connections and access to holders

A Peek into a Project: Friendly Black Hotties

Friendly Black Hotties is an online social club that empowers Black women to organize and build in Web3 and crypto. The collections consist of 980 NFTs, selling for 1.5 sol on the Solana NFT marketplace, Magic Eden.

Their goal is to grow a network of Black women thought-leaders across Web3. Their robust curriculum is the entry point for community members to gain formative knowledge of blockchain technology. Members are even eligible to earn crypto for completing assignments and doing their own research.

What's their differentiator? Purchasing a Friendly Black Hottie NFT gives community members (also known as, Hotties) access to a Private Discord chat, curated resources, virtual learning, rewards, and a wickedly swaggy PFP.

@friendlyhotties

"I've watched the Bored Ape Yacht Club become the most passionate NFT community in Web3, with its value being driven by and shared among its community. **I, too, wanted a community I felt equally passionate about with people that looked like me.** Unfortunately, women and Black people are severely underrepresented across Web3 and crypto. I created the Friendly Black Hotties to onboard more Black women into #Web3 and create a *network* of Black, female Web3 thought-leaders." - **Simone Banna, Founder**

Friendly Black Hotties

DEFINE THE UTILITY

Social Impact NFTs

One of the more exciting developments in the NFT space has been purpose-driven social impact projects that have sprouted up. The emergence of NFTs and decentralized communities has also led to a new way of thinking about social responsibility and sustainability.

Many projects in the NFT space are developing road maps that outline how they plan to use their NFTs to create social value and improve the world around them. Typical Tigers, for example, is a project where the direct proceeds support tiger rescues based on the direction given by their holders.

This new movement creates a stronger bond between the community and the project and shifts the company-consumer relationship to more of a partnership.

A Peek into a Project: Woodies

Woodies is a story-driven, family friendly, entertainment brand with a focus on environmental conservation. The NFT collection acts as a bridge between the physical and the digital world by offering community members the chance to be immersed in the world of Woodies through its rich lore, unique artwork, in-person outdoor events and charitable efforts.

The Woodies collection consists of 9,739 unique generative characters, made from over 900 nature-themed traits illustrated by Grelysian, Des Lucrece and Jae-838. The project sold out in 30 minutes after the public release using an innovative mint passport system, designed to relieve so-called "gas wars," maximize the number of unique holders and to give holders decision making power, thus creating an enjoyable minting experience. In partnership with Trees for the Future, Woodies goal of planting 1 million trees was achieved. In total 88.6 ETH (around $242,000 USD) was donated.

What's next? Woodies are coming to life in the form of metaverse ready 3D avatars and in Summer 2022 in the form of high quality animated shorts.

Woodies
IMPACT BY NUMBERS

1,000,000
TREES PLANTED

88.6
ETH DONATED

2,000
FARM FAMILIES IMPACTED

250
ACRES RESTORED

36,160
TONNES OF CO2 CAPTURED IN NEXT 20 YEARS

"From its inception, Woodies has focused on community, storytelling and the environment. Through rich lore and loveable characters we've been able to foster a community of like minded individuals with an affinity for the outdoors and the desire to experience and preserve it. Contrary to the narrative of NFTs being destructive to the environment, we're determined to show the world that NFTs can be a vehicle for outdoor adventures, conservation, and education." - **Richard Powazynski, CMO**

@WoodiesNFT

DEFINE THE UTILITY

Ownership NFTs

The idea behind ownership NFTs are that they're able to provide partial ownership to a project, item, or entity. Holders of these types of NFTs are typically granted access that allows them to have a voice in the decision making process of whichever entity they have a stake in . A recent example you may have heard of is BlockbusterDAO, a group seeking to buy Blockbuster and convert it to a streaming service that would run on the blockchain. The group aimed to raise $5M through minting a Blockbuster DAO NFT. Similar organizations have managed to purchase a one-of-a kind Wu Tang Clan album, and another came very close to buying a rare copy of the US Constitution. The possibilities are endless—with the right imagination. Tread lightly though in building out these kinds of NFTs, since raising capital can be highly regulated.

A Peek into a Project: Lipsweater

Lipsweater is at its core a community of passionate hockey enthusiasts & practitioners of all types, levels, and experiences. Their aim is to usher hockey into the future. Lipsweater is creating the dope metaverse hockey brand powered by the community.

Although large centralized organizations such as the NHL, national sports federations, the Olympics, and traditional media outlets have been the trusted intermediaries for the community of our beloved sport over the years — Lipsweater has an unprecedented opportunity to build the backbone of a new type of organization. One where fans, NHL players, minor leaguers, beer-leaguers, youth coaches, volunteers, trainers, agents, educators, and anyone in-between can benefit and unlock tangible upside by owning a digital asset. A world where individuals can make their interests and passion work for them, and not the other way around.

Members will be involved in the management of a pro minor league hockey team. They will get behind-the-scenes information, give regular input on certain operational and hockey decisions, help scout new players and prospects, help find sponsors, design and sell merchandise, raise funds, and more.

ASSEMBLE THE TEAM

Next, you'll need to bring in some bright minds to get your NFT project up and running. The three main categories include...

THE ARTISTS

You'll need artists to generate the art itself and an artist to create the website. If you're going the random image generation route, you'll need a designer, developer, and artist for that too.

THE DEVELOPERS

You'll need people to create the smart contracts, mint the NFTs, and automate the decisions for NFTs, such as who's getting paid royalties or creator fees, or what needs to happen when someone owns the NFT.

THE MARKETERS

You'll need a community manager to handle all the social channels and a marketer for collabs and outreach.

THINGS TO THINK ABOUT

Do I have the right staff that believes in the project and can execute the vision?
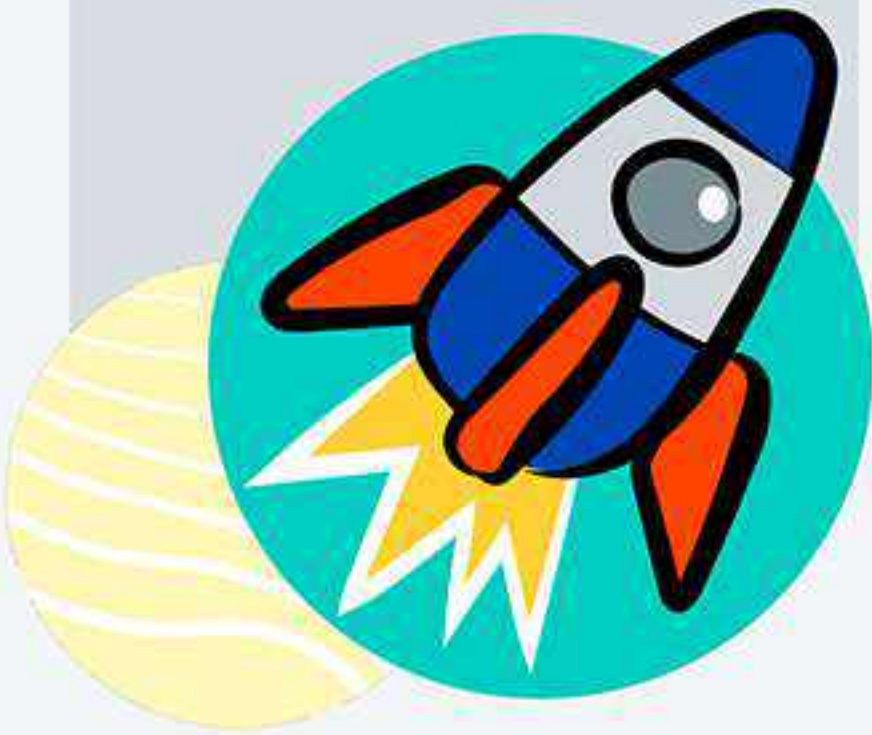
TIMELINE & ROADMAP

You'll need an internal roadmap that maps out the goals and strategies for your NFT project in order to communicate its long term value. These usually include key project milestones, short and long term goals, and plans for marketing and growth.

Your roadmap should also include the timeline of activities that will work as a catalyst to boost the popularity of your project. Make a practical timeline about all the countdowns, hashtags, and giveaways that will help to increase the engagement of your community. As an internal guide, draw a chart and plan your activities according to the decided timeline to keep the team on track.
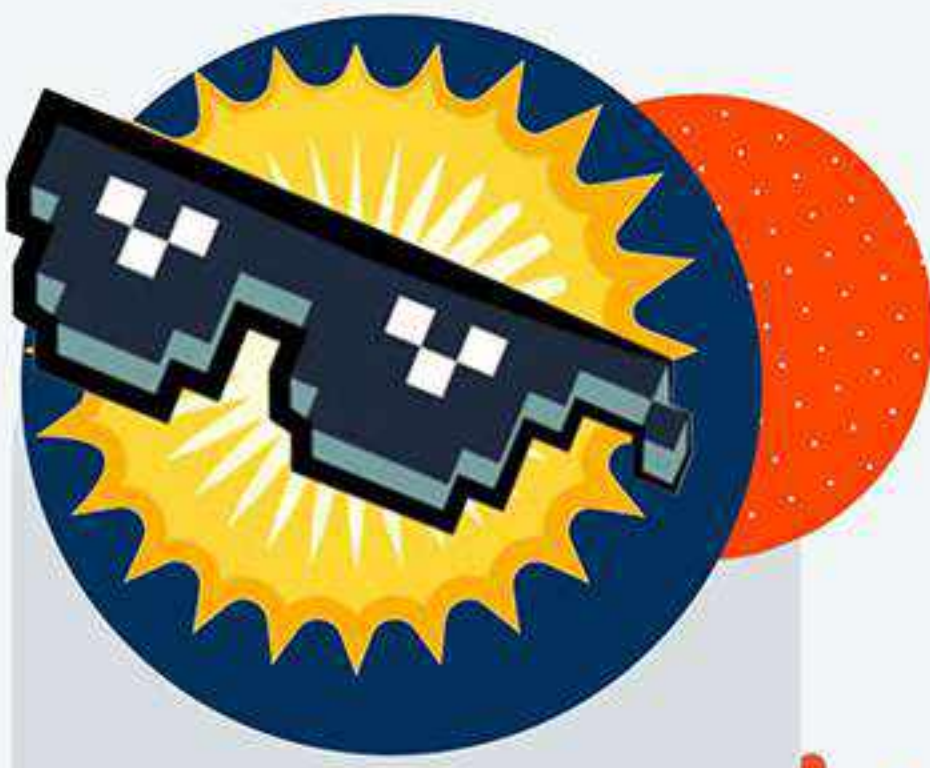
1. **NFT Launch**

2. **Launch party**

3. **IRL Meet Up**

6. **Roadmap 2.0 reveal**

5. **NFT airdrops & Giveaways**

4. **Community Rewards & Activations**

TIMELINE & ROADMAP

This step also covers all the technicalities that an NFT project requires, such as pricing details, timelines, and distribution of your NFT items.

Does the price align with your brand? It makes sense for Ferrari, for instance, to sell their NFTs at a higher price point because they are a luxury brand that touts exclusivity. In the same vein, it wouldn't make sense for McDonalds to sell NFTs for a crazy amount. Brands should also focus their attention on the prices of their digital goods that are offered alongside the NFT. The price for event access, concert tickets, and digital merchandise to name a few, should be in line with your brand.

There should also be a clear strategy for distributing your NFTs, whether it's a single large drop of thousands of variants, or a slow (but predictable) release schedule.

HHI IS A GOOD GAUGE

40%

of those of those with a HHI of

$100K - $150K

state they are likely to purchase[1]

PRICE IT RIGHT

Redditors say their sweet spot to spend on an NFT is

$200-$300[1]

THINGS TO THINK ABOUT

Does my roadmap outline key milestones for my NFT that gets holders excited?

COMMUNITY BUILDING & MARKETING

"COMMUNITY IS THE PROJECT, PROJECT IS THE COMMUNITY"

Community building is arguably the most critical area to focus on. Many great ideas are born but don't succeed if a substantial community isn't there to support it.

It might make sense to first talk about why community is so essential to NFTs. NFTs have evolved because of the community—a community provides a sense of belonging, education, identity, and entertainment.
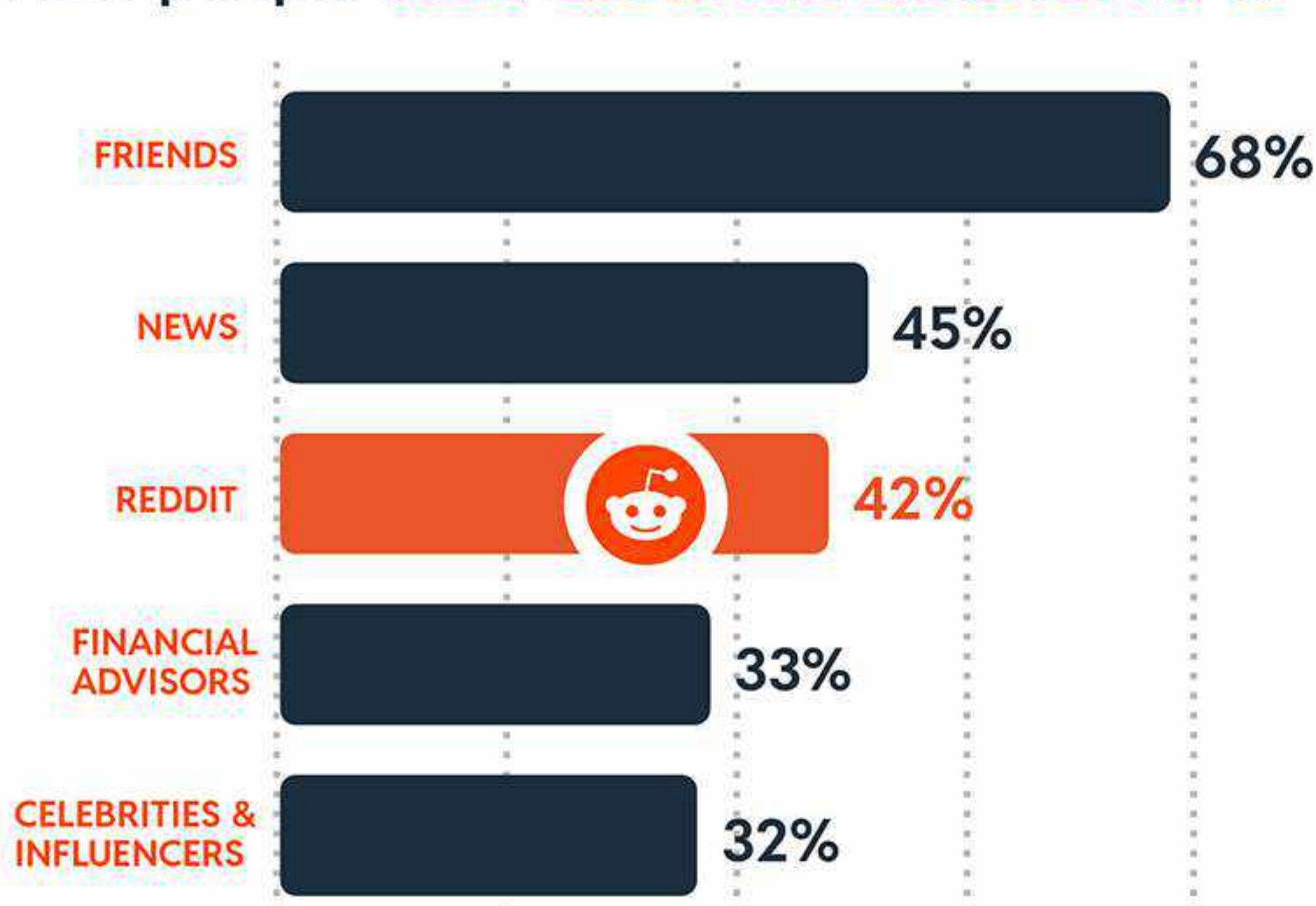
Lazy Lions is a prime example of a project that aims to be more than just a collection of artwork.

Holders of Lazy Lion are instantly part of a global community. They also receive a ton of benefits, from access to monthly **'ROARwards'**, ownership of full commercial rights, a voice in the development process through AMAs, and eligibility for future token airdrops and prizes.
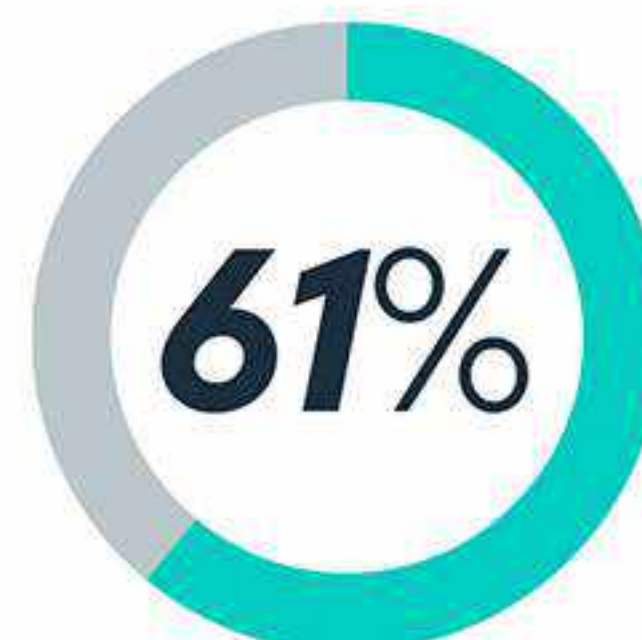
COMMUNITIES ARE YOUR BIGGEST CHAMPIONS

For brands, their community is also their brand ambassadors and advocates. They will be the ones to recommend projects to their friends and shout about the value of your collection to the network of potential buyers and loyal following that they've built.

How people learn about and discover NFTs[1]

Source	Percentage
FRIENDS	68%
NEWS	45%
REDDIT	42%
FINANCIAL ADVISORS	33%
CELEBRITIES & INFLUENCERS	32%

68% of the general population learn about NFTs from friends

61% of Redditors agree community is an important element of NFTs & Crypto

COMMUNITY BUILDING & MARKETING

SO, HOW DO YOU BUILD A STRONG COMMUNITY?

1 Be vocal on social

When it comes to building a strong community for NFTs, social media is the ideal place to start. Twitter is the platform for NFT discussions and promotions— and allows NFT holders to showcase their shiny new NFTs as their profile pic. Reddit can be used to communicate with the crypto audience but gives more room for free-flowing discussions, community-driven support, and having your subreddit shared.

Telegram is particularly popular with crypto audiences because it gives your NFT crypto community the ability to communicate in real-time using a scrollable text chat freely. Discord has dramatically evolved in the past years from a gaming-oriented platform to a more encompassing place, including the NFT crypto community. Discord channels allow you to join communities and hear from founders and other members.

42% of people familiar with NFTs learn about them from Reddit[1]

of social media users agree that Reddit is the best place for crypto news, community, and education[1] **44%**

2 Reward early adopters

One way to build up hype and following is to give value to people in it from the beginning. Some NFT projects like Invisible Friends announced that their NFTs will be 100% pre-sale for people on the early access list. Others give early adopters exclusive access to events, additional NFT airdrops, giveaways of upcoming characters, and staking awards.

Rewarding NFT adopters doesn't just turn them into holders—it turns them into brand ambassadors, too.

COMMUNITY BUILDING & MARKETING

3 Consistent and transparent community engagement

In a space that's predominantly anonymized, it's particularly important for brands to communicate frequently and transparently with the community. Many NFT teams have frequent "community calls" and AMAs for this purpose.

And while established brands and institutions can lean on their reputation, releasing an NFT without any engagement can look gimmicky and ultimately hurt brand reputation. So communicate often, and communicate authentically.

4 Giveaways

Organizing giveaways can be a great way to build awareness, grow followers, and drive engagement.

Typical giveaways involve some participation from potential holders—whether its following your social media handles, re-sharing the post, or tagging friends in the comments.
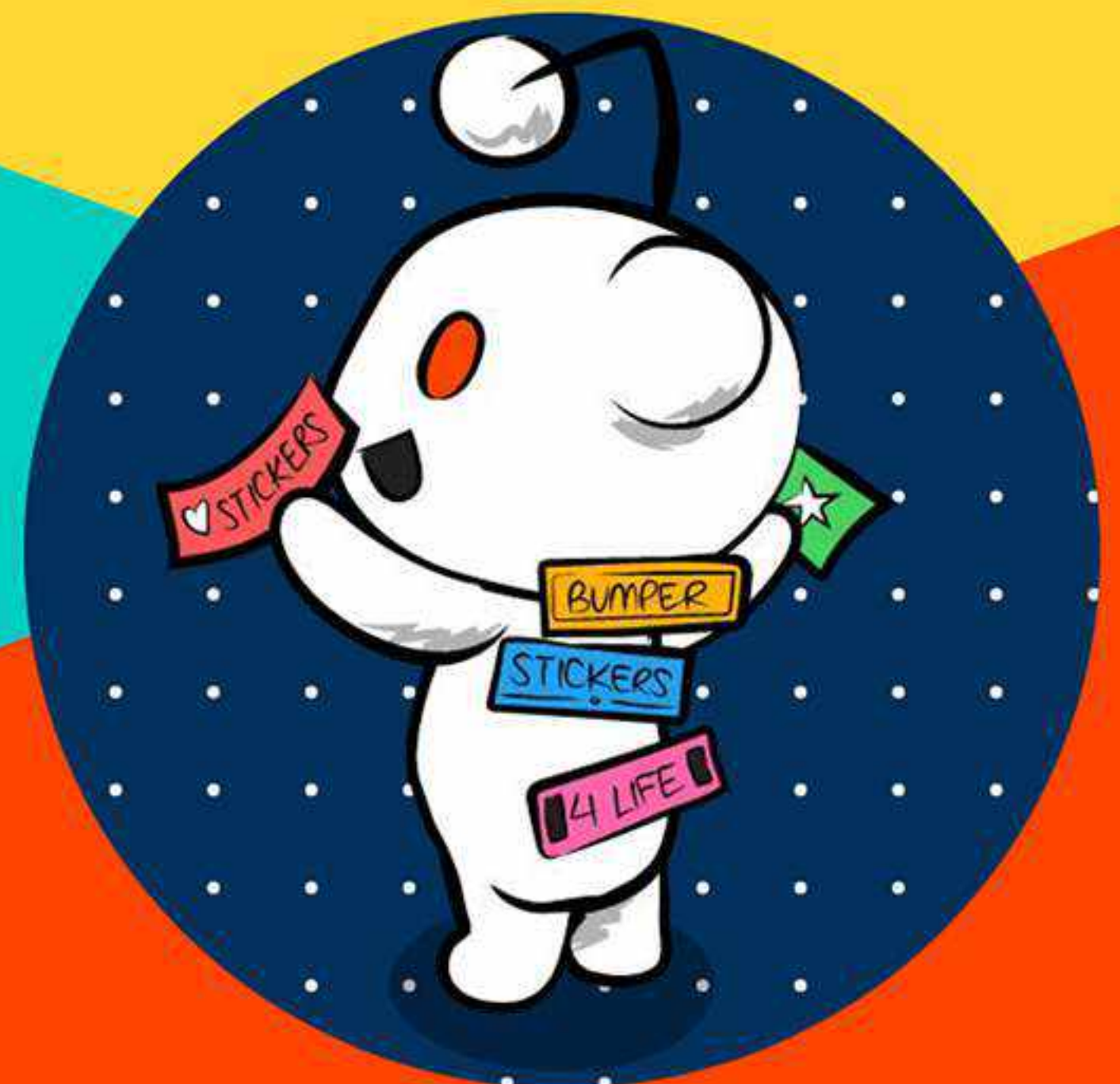
LAUNCH

IT'S LAUNCH TIME! NOW WHAT?

After the NFT drop, it's still vital to engage with the community and continue adding value for existing and potential new users. It's important to outline what and when members can expect value…whether it's liquidity, events, or airdrops.

What's an airdrop you might ask? An airdrop is a distribution of cryptocurrencies, tokens, or NFTs that are sent to a Web3 wallet address for free as a promotion, or as added value for participating in an experience or purchasing a digital asset. Brands have leveraged airdrops to reward loyal users, or early holders who have been there from the beginning.

Also begin to think about other ways to boost your NFTs visibility…**is it working with influencers, exploring brand partnerships, special events, or even merch partnerships?**

Thinking beyond NFTs, there are other exciting developments happening in the Web3 space. The Metaverse, for instance, provides boundless and exciting opportunities for brands to not only engage with the community but bolster the value of NFTs as the Metaverse continues to expand. Does your brand want to invest in building a virtual location for NFT holders to hang out?

LAUNCH CHECKLIST

To get a gut check of whether to start your own NFT collection, put yourself in the mind of your audience and ask yourselves these questions:

1. Why are my NFTs significant?
2. How are they different from other NFTs?
3. Why will people be trying to get their hands on them for years to come?
4. What value do they give my customer?
5. How exclusive are they?

LAUNCH

SOME OPERATIONAL CONSIDERATIONS

Now to the meaty stuff. While NFTs present a huge opportunity for brands, there are some operational things to consider before launching. You'll need heavy coordination to make sure you have the proper infrastructure in place—from treasury to tax and IT to legal. Here are several early steps to think about.

ESTABLISH DIGITAL WALLET INFRASTRUCTURE AND ACCEPT CRYPTO

As an organization, you cannot store your NFTs and your crypto in your traditional bank account. Plenty of custodial, payment, and technology partners exist to help facilitate crypto infrastructure within large enterprises, but organizations will have to reorganize the need for an entirely new tech stack for crypto.

ARTICULATE CLEAR LEGAL AND REGULATORY POSITIONS

Regulatory guidance is still sparse in this field. Major organizations have taken a variety of different internal stances and positions on their appetite for participation and their tolerance for ambiguity. Our (non-legal) advice is to convey the commercial opportunity to your lawyers ASAP and put them to work in developing your organization's position.

PARTNER WITH THE NFT COMMUNITY
(MARKETPLACES, ARTISTS, TASTEMAKERS)

Beyond core infrastructure, partnerships are paramount to operationalizing successful NFT programs. We have discussed the notion of authenticity and 'the community', and new entrants will do well to find smart partners to lend legitimacy and signal you've done your homework.

DEVELOP A TOP-DOWN WEB3 STRATEGY

The sale of an NFT is the beginning of a new community relationship, not the end of a traditional merchandise transaction. Executives need to be thinking about 5 years, not 5 weeks. Developing an upfront strategy, a set core of principles, and a measured approach to experimentation is a necessary first step. This space is full of noise and distraction, and your organization needs to move in lock-step.

Thank You