

What is NFT art?

Adapted from an article by Elena Fitzsimons <https://99designs.co.uk/blog/web-digital/nft-art/>

An NFT is a digital asset that exists completely in the digital universe—you can't touch it, but you can own it. An NFT can be any type of digital file: an artwork, an article, music or even a meme such as "Disaster Girl", the original photo of which sold for \$500k earlier this year.

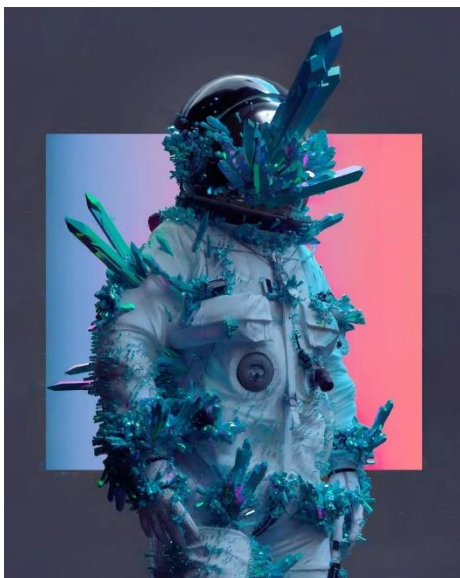
NFT stands for 'Non Fungible Token', but what does that mean? Well, it helps to first understand what a 'Fungible Token' is. If we think of it in terms of money: a £50 note can be swapped for five £10 notes and still hold the same value, which means a £50 note is a fungible token.

If the same £50 note is signed by Banksy, it becomes a totally unique product. Its value is then much harder to determine, as it's no longer simply worth five £10 notes. This means a Non Fungible Token cannot be swapped for any equivalent value. It also means that, like any investment, its value can increase or decrease in the future depending on the circumstances.

What do NFTs mean for creators?

1. Ownership of digital art

Prior to the existence of Cryptocurrency, we never really got to own something that was completely digital. We passed around videos and motion graphics, repurposing and reposting them, but there wasn't this current opportunity to automatically assume complete, concrete ownership over a digital file or artwork. The rise of NFT's changes this, allowing creators the authority to rent digital artworks out, to sell them or display them how they wish.



A detail from Beeple's "Everydays — The First 5000 Days," a collage of digital images that was "minted" as a "nonfungible token" (NFT) and sold for \$69.3 million.

In order to sell them, designers need to get some kind of 'legal' ownership of their work. So, after NFT art is created, it's 'minted' or tokenized on the cryptocurrency service, Blockchain. The Blockchain is a digital transaction system that records information in a way that makes it very difficult to hack or scam, which means it's extremely useful for tracking copyright ownership and maintaining records of creation. Theoretically, any digital masterpiece you create and mint will lead solely to you.

Ultimately, this process should allow digital artists to gain formal recognition for their work, similarly to how a painter like Gustav Klimt is credited with his infamous painting, The Kiss. The issue surrounding this very new concept is that although Blockchain does have contracts in place to support the legalities of minting and copyrighting cryptoart, none of these have yet been tried or tested in court.

Artists have already come forward with the news that they have had their work fraudulently minted and sold by scammers. But without relevant protection by the law or any pre-existing legislation on this topic, it remains speculative as to what these artists will be able to do about this.

2. A novel way to generate income

NFT art is a totally new way of categorizing digital artworks that enables designers to monetize their work. It's supposed to be a quicker process and a more accessible way for designers to produce work and reap the rewards for their creativity. There's no chasing clients for payment, there's no preparing files for print and there's no waiting to hear feedback or changing and editing your work to suit a client's needs.

Royalties

Some NFT art comes with royalties to the artist, meaning every time the artwork is sold on, the artist can receive 8-10% of all future sales. This depends upon which platform the artist is using; Zora, for instance, is an NFT platform with the “Creative Share” option, meaning users can buy and trade artworks immediately.

NFTs can't stand alone

Another thing that's affecting the design industry hugely by the outbreak of NFTs is value. How do you value a physical artwork in comparison to a virtual work of art. Also the value of NFT's and CryptoArt is solely based on the value of Cryptocurrency. Because NFTs are sold on the basis of Ethereum, and that's translated into monetary value, for example an NFT sells for 2 Ethereum, which is translated to us as about £1,880. But if the value of Ethereum were to drop, then so does the value of the artwork: its value is continually dependant upon the cryptocoin.

3. A global reach

Previously, the exclusive, illustrious world of art collecting and selling has been something that's generally happened in physical spaces concerning physical artworks. Designers and artists made money from real life events like exhibitions and markets. The rise of NFT trading means that art collecting has been able to move online, opening it up to many artists, on a global scale, who may not have previously had the chance to sell their work to buyers.

Like social media, NFT platforms grant designers immediate access to global audiences. And, often, having a pre-existing online following will help artists gain exposure in the NFT market. The tricky part for artists is working out how to convert their audiences into buyers. Like any other brand, you must find your audience and learn how to establish an emotional connection with them. This means that you'll need to investigate brand strategies to find what works for you. If you don't have much of an online presence already, also take a deeper look at your approach to marketing.

Inclusivity versus exclusivity

The art sector of NFTs professes to create an inclusive, protecting environment for digital artists to make money. Anyone with access to a computer can make an NFT and have the potential for it to blow up: whether your niche is realistic, 3D motion graphics or blocky pixels like the Nyan Cat video (which sold for \$600,00, might I add). This has the potential to be life-changing for millions of creatives worldwide.

Yet, one point to be aware of is how expensive the minting fee is. Artists must outbid each other to get their artwork 'minted' on Blockchain. Prices fluctuate, depending on time and network, but it ranges from anywhere between \$80 to \$1000. This fee doesn't guarantee sales for artists, but without paying it they cannot list their artwork on the market.

How to actually create an NFT

The first thing artists need to do on their way to setting up an NFT to sell is create a “Crypto Wallet”. This is going to store the Ethereum, which you will need to pay the minting fees. Then you will need to connect your Crypto Wallet to one of the NFT marketplaces.

NFT marketplaces allow designers and artists to upload their digital artwork and list it for sale online as an NFT. You can imagine them to be like Ebay or Etsy—except they're purely for NFTs! The most popular ones include: Rarible, OpenSea, Mintable, KnownOrigin and SuperRare.

One thing to keep in mind when uploading your artworks onto these is how many you're going to provide. You can choose to put it on as 1 of 1, meaning there will only be one artwork to exist and be sold, or you could decide to upload a collection of the artwork with multiple copies. This is quite a huge decision to make because—like traditional art forms—the number of original editions and how rare a piece is will directly impact its value.