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NFTs Are Not Dead: They Will Change Rights of Digital Property

NFTs are not dead. Dani chear, CEO of virtual Pangea, said that the factor that brought NFTs into the spotlight - hype - is threatening to become the culprit who may push it to the unknown.

The word NFT — an unforgeable token — has been on everyone's tongue, especially last year, so much so that Collins dictionary declared it the word of the year. Some say it's an outdated technology fad for money laundering and fraud, while others say it's exploding and has unlimited potential. Like any emerging technology, the market is not yet mature.

I believe that NFTs, as a new digital asset category, will forever change our digital property rights.



What Creates the Value of Digital Assets?

Imagine that the Internet is the wild west of ownership. Digital assets are easily copied and redistributed on the network, so it is almost impossible to determine a real owner, and their value will drop to zero once they go online. Take the memo as an example. You've never thought about who's behind it, or what's the first - there are so many copies, no difference from the original. This is where the NFTs intervened, acting as the Sheriff of this "lawless land".

Non counterfeit tokens assign a certificate of ownership to digital assets in a place of unlimited plagiarism, such as the Internet. Because it is cast on the blockchain - a decentralized ledger - you can see it, but you can't change it. This "[blockchain](#) certificate" ensures the scarcity, authenticity and ownership of a digital item.

Many people believe that scarcity creates the value of NFT. It does, but scarcity itself is not sufficient.

In fact, the value of NFT cannot be determined by a single parameter, but by a mixture of multiple elements.

These factors include:

- Practicability or ease of using NFT
- What is its purpose

- Prestige, or value given by the popularity or notoriety of the creator or source
- Liquidity, i.e. the difficulty of buying and selling NFT.
- At present, NFT in the market has been saturated, and they lack the key factor in this formula: utility.

The Booming of NFTs

In the past year, we have seen NFTs transform from a strange technology fashion denied by skeptics to generating \$10.7 billion in sales in a quarter. In March 2021, Christie's auction house in New York City sold a piece called "every day: the first 5000 days" for \$69 million. What makes this auction newsworthy is not the amount (which is huge in itself), but the fact that it is sold as an NFT. This means that someone spent nearly \$70 million on an image on the Internet. Since then, the NFT market exploded!

High profile celebrities like NBA superstar Stephen Curry, rapper Snoop Dogg and singer Grimes buy and sell NFT at astronomical numbers, which is all we can read these days. Twitter's founder sold Autographed tweets as NFT, Elon Musk's NFT songs were quoted for \$1 million, NBA top shot sold NBA history worth \$500 million, and Formula One racing sold digital collection auto parts.

The Utility of NFT is Hidden in Full View of the Public

Bringing NFT into the spotlight may be a culprit who can drive it into an unknown state: hype. Reputation and scarcity seem to be what makes NFTs exciting now. However, the lack of practicality of these NFTs is giving them a bad evaluation - opponents and critics are quick to point out that they lack real market value, calling them "rich people's digital baseball cards".

As a new technology, creators and owners are implementing new methods through trial and error to increase the utility of NFTs. It is necessary to remind you that the use of NFTs is not just art. Although they do gain popularity through digital art and may have collection value, there is an entire market hidden in full view, where NFTs can "do" things - or let their owners do things. The game industry is such a market, where NFTs are first driven by practicality.

Games of NFTs

As a digital project, games are the perfect product that can use NFTs. This creates real value for the whole ecosystem. Players can gain the benefit of having valuable assets, which they can sell to other players. Game publishers can create more assets for their games, and can also program smart contracts associated with NFTs to obtain small commissions for future purchases.

NFTs can be used as membership cards or event tickets to obtain exclusive goods and special discounts - as well as access keys to various online spaces that NFT holders can contact each other. This is only a superficial phenomenon. For example, metaverse envisions NFT as the building block of the entire concept. Many platforms are already doing so. In some 3D VR worlds, users can purchase virtual plots with cryptocurrency as NFT, and the land or avatar created by users cannot be copied.

Conclusion

The utility of NFT is here, hidden in people's sight. It's just a matter of time and acceptance. NFT has the potential to change the way we do business, play games, create and connect online.