

## How should NFT be valued?

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**Abstract.** NFTs are non-fungible, one-of-a-kind digital assets that are enabled by blockchain technology. Digital encrypted assets known as non-fungible tokens are one-of-a-kind, rare, and impossible to duplicate. A greater variety of use cases, including as digital art, domain names, gaming, collectibles, and others, have been observed recently for NFTs. On a blockchain, like Ethereum, NFTs are created (i.e., minted), and they can be used to confirm ownership of an asset (where it came from, who is the owner, etc.). Data from a joint analysis by Nonfungible.com and L'Atelier BNP Paribas indicates that 2020 In 2018, the overall market value of the NFT market was around \$ 338,035,012 with an annual growth rate of 299%. This excludes wash trading and abandoned projects. Some NFTs cost millions of dollars, which is quite expensive. How can the value of NFTs be fairly honestly evaluated is a common question. Let's analyze the history of NFT's evolution before responding to this query.

**Keywords:** Value; NFT; Worth.

### 1. Introduction

NFTs have their roots in small-denomination coloured bitcoins known as "Colored Coins (Fig1)," which served a variety of functions including access tokens, collectibles, and more between 2012 and 2013. These coloured coins contain the scripting language of bitcoin and have special properties encoded in the information, making them "distinct and distinguishable from conventional bitcoin transactions." In this manner, even a single satoshi (0.00000001BTC) can stand in for any item, including money, equities, real estate, or digital collectibles.



Fig 1. Colored coins (source: <https://unlock.net/what-are-colored-coins/>)

### 2. History of NFT development

#### 2.1 Brief History of NFT

In order to create non-fungible and semi-non-fungible tokens, Counterparty, a peer-to-peer financial network based on coloured coins, was founded in 2014. The creators of Counterparty were aware that the development of robust asset creation and trading capabilities was not supported by Bitcoin.

In 2015 and beyond, trading cards and memes gained popularity. Swords, shields, and even virtual plots of land have all gained popularity thanks to various video games that use blockchain technology.

The breedable, collectible, and CryptoKitties-focused game CryptoKitties(Fig2) emerged in 2017. Every CryptoKitty is one of a kind and 100% the owner's property; it cannot be stolen, copied, or destroyed [1].



**Fig 2.** CryptoKitties (Source: <https://www.cnn.com/style/article/cryptokitty-blockchain/index.html>)

By 2021, NFTs had acquired even more traction and were beginning to enter the mainstream economy in some surprising ways. As the groundwork and supporting structures in this area continue to advance, NFTs are set to give the digital economy a whole new face.

## 2.2 Consensus among collectors

The lack of an objective inherent value makes investing in collectibles both interesting and challenging. The future cash flows of a firm are what you are purchasing when you invest in stocks; these cash flows can be projected and discounted to real amounts to calculate intrinsic value. Even though not all investors do this, it is possible to calculate a stock's intrinsic value.

However, this future cash flow is absent in the collectibles market, which only uses consensus to create value. The value and marketability of collectibles are shaped by the general public's demand for them. Anyone can have a particular taste for an artist's work, but the public's general acknowledgment of the artist's talent is what drives demand for it and drives up prices.

A collectible may not have any intrinsic value in terms of money, yet it nevertheless has value to those who enjoy it. The first piece of advice for any collector purchasing real estate is to buy something they truly enjoy. In this approach, even if the asset is worthless in the worst event, the owner will still derive some enjoyment value from it.

The general acceptance of collectibles is precisely the reason why NFT assets may be identified in the virtual world and continue to draw attention.

What value does NFT offer in everyday life, aside from the value we now enjoy? How may NFTs be used to maximize their tangible benefits? How may NFTs be used to maximize spiritual enjoyment?

## 3. The pricing standard of NFT

### 3.1 NFT value idea

What can I do with this thing? and "How much do I like this thing? " are the two value categories that items typically fall into in economic literature.

### 3.2 functional worth

When it comes to practical usefulness, this is where NFTs usually start conversations: You can flaunt your NFT holdings, show off your cryptocurrency wallets, or display your musical or artistic preferences. Additionally, functional value is taken into account in the resale market, allowing

speculative holders to profit from how much money NFTs generate. The functional value of NFT is boosted by the practice of tokenizing physical assets on the blockchain.

### 3.3 Framework for Analyzing Functional Value

Utility plus Ownership History + Digital Scarcity + Supply and Demand + Future Value + Liquidity Premium = NFT Value

The assets that NFTs represent have various value weights for these six components. Investors can use this framework to determine if NFTs are worthwhile investments, and developers can think about ways to enhance NFT value to draw in users and investors. Notably, NFTs have produced a variety of new opportunities for developers and asset owners to add value. (ie Meetit fig 3)



Fig 3. Meebit (source: <https://nfts.wtf/millions-for-meebits/>)

## 4. Others

### 4.1 practicality

NFTs vary depending on how they are utilized. Tickets and game assets are two significant categories with substantial practical value. For instance, LAND parcels, etc., in the virtual world The Sandbox. The cost of event tickets is what is meant by the term "NFT ticket value." For instance, Decentraland users must purchase tickets to attend art exhibits.

The ability of NFTs to be used in various applications is another aspect of utility. The practical value of NFT assets will obviously be larger if the same asset can be used across chains and platforms to achieve cross-platform utilization.

However, there are still several challenges to interoperability's implementation. 90% of NFT players currently concentrate solely on one game. To do this, game producers must create a sizable gaming ecosystem, offer compelling use cases, and draw in additional players. Now, efforts in this direction are being made by Dapper Labs and Enjin. The prospects that lie within are exciting for the industry as a whole, even though there is still uncertainty and a large investment of time and effort required.

Another way to boost the utility value of NFTs is to create relationships with other companies and offer incentives to NFT holders. For instance, Dapper Labs can collaborate with NFT event planners to talk about having the owners of CryptoKitties provide discounted rates. Additionally, AlphaWallet's technologies, including tokenScript, can efficiently validate the issuer and owner of NFTs, allowing event organizers to more easily draw in more attendees after forming a partnership. For both sides, it is beneficial.

### 4.2 Ownership Background

The identity of the NFT issuer and previous owner determines the value of the ownership history. NFTs are frequently produced or distributed by well-known artists or businesses with strong brands and have significant historical value.

Meebits, for instance, was recently published. The renowned Larva Labs, which launched the most well-known on the Internet, is the Meebits creative team. One of the NFT projects known for CryptoPunks is the pixel portrait game.

There are 20,000 Meebits in use, and each one has its own personality, character, and flair. To thank the early supporters of Larva Labs and the blockchain community, several Meebit are distributed. Of the 20,000 Meebits, 10,512 will be held aside for former Larva Labs asset owners. The remaining 9488 Meebits were distributed to other users and promptly went on sale via a Dutch auction process. Even though Meebit minting is completely random and no one can predict who will get what, many people still pay 2.5 ETH, or around 8500 USD, for the chance to produce unique characters.

It is simple to see how the public's rising enthusiasm for Meebits reflects their enthusiasm for CryptoPunks' support and for Larva Labs' aspirations. Meebits, a recent entrant, currently has an advantage over other inconspicuous individuals trying to gain attention for NFT initiatives thanks to its "background" bonus. Meebit's price will increase in the secondary market in addition to the primary market, and its historical ownership worth is undoubtedly quite amazing.

The historical worth of ownership might be raised in one of two ways. First, release NFT coins in collaboration with a business or person who has a strong brand, which will inevitably bring a lot of traffic and users to the ecosystem.

Reselling NFTs that influencers previously owned is the second strategy. It is now challenging to determine who the former proprietors were, and this incredibly rich historical information still needs to be mined. Easy-to-use tracking interfaces can be offered by marketplaces and vendors to raise the value of NFTs. By using OpenSea as an illustration, the site can tag investors' addresses who have benefited the most from NFT deals and display other investors who possess NFTs [2].

### 4.3 Electronic scarcity

For collectible brands, scarcity is a multiplier of value. Similar to brands, scarcity has three sub-criteria: availability, relative scarcity, and absolute scarcity. Then, we'll utilize cryptopunks as an illustration. The ERC-721 protocol, which has fueled the growth of the majority of the digital art and collectibles industries, was inspired by Cryptopunks, the first " non-fungible tokens " based on Ethereum.



Fig 4. CryptoPunk (source: <https://www.saveartspace.org/pixelated>)



How many products are offered by a specific brand is referred to as absolute scarcity. There will only ever be 10,000 cypherpunks (fig 4). There will be millions of hot trends on the market, but the only supply that can accurately reflect absolute scarcity is the number of releases.

The relative scarcity of a given object in the absolute set is its rarity. For instance, of the 10,000 cypherpunks, 6,039 were male NFT and 3840 were female NFT, but there are only 88 zombies, 24 apes, and 9 aliens among the scarcity punks, making them more valuable due to their rarity.

One of the primary characteristics of NFTs is scarcity. Buyers are well aware of the absolute and relative scarcity of the chosen items. But those who collect tangible goods like sports cards, vehicles, or shoes will never be able to predict exactly how many units will be produced.

Brands may be impacted by both absolute and relative scarcity, which are defined by the developer. Greater scarcity will always increase the brand's value if scarcity is desired [3].

However, no product's popularity stems only from its rarity. For brands to initially be valuable, marketing is necessary.

The amount of products connected with a certain brand that are on sale at any one time is ultimately impacted by availability, which includes both absolute and relative scarcity. Products with greater relative scarcity indicate that buyers will have less opportunities to collect that specific collectible, while things with greater absolute scarcity indicate that buyers will have fewer opportunities to collect items from that brand. Greater scarcity results in a more constrained supply, and as demand increases significantly, the cost of supplying assets might change dramatically.

#### 4.4 Demand and supply

Many individuals automatically consider the digital scarcity indicated in the previous section when considering supply and demand. But there are two angles from which supply and demand should be viewed. Utilizing NFT technology will increase supply, and the less supply there is, the more likely it is that there will be digital scarcity. However, it's crucial to remember that these platforms do not directly influence demand. Exploiting digital scarcity is undoubtedly something to think about, but even in cases where supply is extremely limited, demand must still exist.

A while back, Beeple completed its first digital collectible at Christie's *Everydays: An online auction for The First 5000 Days* with bids starting at \$100 USD, after 220 The auction was completed with the highest transaction price of all online auctions, and the final transaction price was about 6930 \$10,000, setting a world record for digital art auctions and the third-highest transaction price ever for an online auction. Beeple's popularity caused a sensation both inside and outside the NFT space. As "a landmark event in the development of digital art," the successful auction was hailed.

But the majority of tales usually go the other way. Some artists painstakingly created NFT artwork, paid a 10 \$ GAS fee, uploaded their work, tweeted about it, and predicted that it would sell for \$1,000, but they didn't give a damn. They effectively lost \$10 and wasted their time and effort. In order to play the part of digital scarcity, it is therefore vital to build the concept of demand while concentrating on supply.

Additionally, this is connected to the super fan economy that has developed in the NFT industry. Since the invention of the Internet, copying files has basically zero marginal cost. According to conventional wisdom in economics, low-margin technologies like radio, television, and—most significantly—the Internet are what give rise to the fan economy.

The fan economy is without a doubt something to pay attention to before NFT joins the mainstream market, and it will largely grow dependent on attention.

People who are more engaged in the community and on social media platforms like Twitter, Instagram, and YouTube are more likely to have the chance to connect with more potential consumers and gain first-mover advantages. It is not possible to rectify the supply-demand imbalance alone through digital scarcity; it is a two-way process. The true realization is to create demand. a way to measure NFT asset value.

The emergence of the fan economy may also draw attention to the NFT sector as a whole. The underlying technology and usefulness of NFT are not just price-driven gimmicks.

#### 4.5 Future worth

NFTs result from both future cash flow scenarios and valuation modifications. Speculation influences valuations, which can occasionally be the primary factor in price increases.

For instance, the price of CryptoKitty #18(fig5) increased from 9 ETH to 253 ETH in December 2017, when \$110,707 USD was the equivalent in USD. And Meetbit has experienced a lot of recent pricing increases. Some could counter that price volatility brought on by valuations may have unfavourable repercussions, however most people have always exhibited speculative (capital) behaviour, which is a necessary component of the existing financial system. Developers can improve NFT value while simultaneously attracting more new users if the appropriate balance is reached.



**Fig 5.** 18th CryptoKitty (source: <https://thecontrol.co/digital-collectibles-a-new-category-of-tokens-emerging-fb991c1dff6a>)

The supply of non-fungible tokens (NFTs) and speculation have driven a price trend that has increasingly shifted in favour of expectations for financial investment.

For instance, StockX, a well-known marketplace for sneakers, has witnessed 10 The \$100 million valuation is partly attributable to the platform's effectiveness in inducing some scarcity in the industry by enticing users to speculate on sneaker prices.

The original NFT owner's interest or royalties are considered future cash flow. For instance, SuperRare enables the artist of NFT artwork to get 3% in royalties each time their work is subsequently sold on the secondary market. Similar to this, in the NFT artwork production platform In Rarible, a specific percentage can be specified as royalties for secondary sales whenever the author generates When NFT collectibles. for instance. A digital piece is produced by an artist using Sold for 0.2 ETH with a 10% royalty. The royalty scheme then took effect when the original purchaser of the artwork resold the painting for a greater price of 0.5 ETH. Original artists will receive 10% of the sale, or 0.05 ETH, as compensation for creating the original material [4].

Future developers will be able to employ NFTs to truly enhance the usefulness of real-world assets using concepts taken from DeFi innovation. To generate more cash flow and boost profits for holders, NFTs are assets that can be leased, mortgaged, and resold speculatively.

#### 4.6 Liquidity Bonus

The time and expense involved in turning an investment asset into cash is referred to as the liquidity premium (Liquidity premium). An asset is said to be highly liquid if it can be converted into cash at a price near to market value in a short amount of time. The term "liquidity premium" in the context of NFT refers to the usage of increased liquidity to generate higher NFT value.

Simply put, market participants believe that the future prospects of other underlying objects are inconveniently inferior to those of the underlying objects on the one hand, and are generally optimistic

about a target For the trading prospects of NFTs, holders are more willing to hold them for a long time on the other. NFTs. The target will be born as a result of the constant strengthening and intertwining of these two types of anticipation. A liquidity premium is created by NFT's high liquidity.

Tokens created on-chain should be more valuable than assets created off-chain primarily due to the liquidity premium. ERC standard NFTs are simple to hold on the secondary market, which helps ETH users gain more visibility and new customers. In general, investors favour larger trading volume NFT categories since strong liquidity lowers holdings risks associated with NFTs [5].

Highly liquid NFT assets continue to have value even in the most extreme circumstances where NFT loses its utilitarian value once the relevant platform is closed. On the other side, NFTs formed on these platforms are typically very undervalued, and those that are not based on Ethereum NFT rules are typically illiquid.

Token economics features can be fully utilized by developers to incentivize users to enhance transaction frequency, asset holder involvement, and NFT liquidity. To maintain competition in the game, for instance, games may include systems that encourage asset exchange. If assets are left idle for an extended period of time, NFT assets will also depreciate as a result.

#### 4.7 Like value

Additionally, NFTs offer entertainment value. The enjoyment value can more precisely define the enjoyment factor given by digital scarcity, which can reflect the NFTs are technological items with temperature, even though it is less tangible than the functional value on the surface.

An average encrypted cat might not fetch a high price on the open market, but it might be given to you by a friend or come into your possession by chance. In these situations, the special features of NFT make the assets in your possession more valuable. This inherent hedonic value is useless for the vast majority of digital products. However, with NFTs, this may be a selling point to entice owners or buyers.

The phrase "biographical indexability" refers to how abstract the hedonistic part of value is. According to collectibles theory, individuals enjoy collectibles because they often include a biographical element that alludes to a significant historical event or a famous person's life. And this idea is spreading throughout the digital sphere in the form of NFT. NFTs are now a necessary component of living rather than being used as computations or algorithms [6].

#### 4.8 Valuation Obstacle

Although the formula for NFT valuation has been mentioned above, it cannot be said that this formula may be utilized to precisely estimate the market value of NFTs because the value of NFTs is far from being generalized by these indicators.

Even the relatively straightforward process of calculating the market value of homogenized tokens is fraught with difficulties, such as problems with the token supply and potential wash trades.

Non-fungible token valuations are inherently more challenging due to factors like a highly speculative market, a lack of liquidity, the diversity of NFTs, whales and market makers, and market size.

#### 4.9 Market that is quite speculative

Many individuals will run into the following issue: Can the price of an NFT asset be used to determine the The value of NFTs? When the NFT is priced, there are some comparables for sale.

The short answer is no, with some comparability. The NFT price list as it stands now is not very detailed. Even if the NFT ecosystem is developing, it is still somewhat speculative as of right now. Because of this, many buyers purchase assets in an effort to resell them, even at their 10% resale price twice, even though they are more or less aware of the true market trend. Because of this, even the subpar \$LAND price tag on the Decentraland market might be as high as 1000 10,000 MANA [7].

#### 4.10 Inadequate liquidity

A further challenging element for asset appraisals is market liquidity. The asset's current market valuation might not be as accurate if no comparable assets are being sold or if it has been more than six months since the last sale.

It should be emphasized that the harder it is to identify suitable reference points to estimate market worth, the more rare digital assets (such as Gods Unchained cards) and unique assets (with 1 copy released artwork, not associated with an artwork series) are.

#### 4.11 NFT diversity

Although it is commonly recognized that NFTs are special in nature, there are hundreds of different kinds of NFT. Based on the underlying digital assets, NFTs can be categorized into a number of major groups. For instance, DJ 3LAU's limited-edition CD NFTs might be categorized as digital works of art; Pokemon cards sold by YouTuber Logan Paul NFTs could be considered digital trading cards.

Each project publishes its own NFTs, each of which is made up of unique information that reflects the many aspects of the project in question. As a result, the evaluation of NFT can occasionally be based on objective standards and occasionally on its value in the community.

Therefore, accurately evaluating each type is important because the metadata that defines an NFT's value must be taken into account.

Typical illustrations of defining asset value include:

LAND - Decentraland

\$LAND's The Sandbox

Close to the centre, on the roadside, in a busy neighbourhood, or in a popular or established real estate neighbourhood...

\$CARD> Gods Unchained

Name of card, rarity, and trait...

\$CVPA CryptoVoxels

the size and location of the land

Naturally, when NFT projects and markets expand quickly, these criteria must also be continuously changed and taken into consideration. According to the CCA valuation approach, NFT validators can create a wide value range, not just a few dispersed signs, for novice purchasers by carefully choosing peer comparables of the same category (apart from the speculative sales indicated above). Additionally, more accurate appraisals are possible on a wider sample basis because to an increase in NFT sales [8].

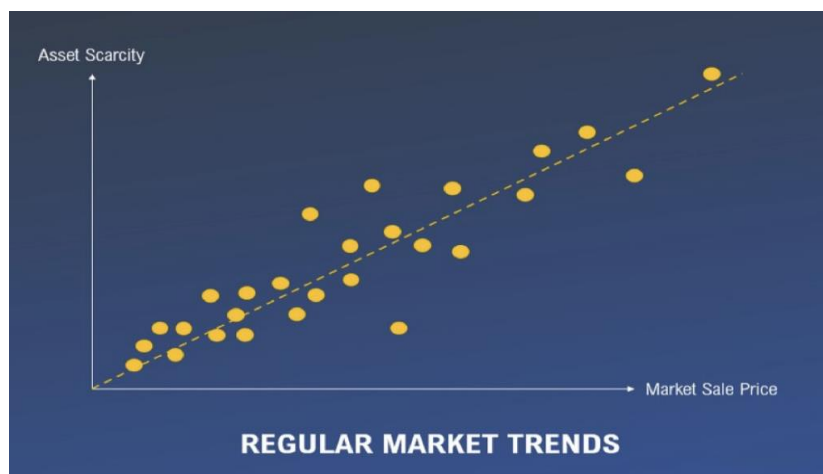
#### 4.12 Market volume

Finally, consider that the NFT ecosystem and the markets connected to it are still modest as another factor in the complexity of NFTs.

This is more obvious and more indicative of the issue in market areas like art, trading card games, wearables, etc.

As a result, there is a disruption in the consistency of the market because the more extreme and speculative non-standard sales frequently eclipse the larger number of " classic " sales. broader market trends (Fig 6)





**Fig 6.** Market trends for NFT

Machine learning, which necessitates weighing numerous approaches, doing in-depth experiments, and ultimately deciding which approaches will yield the best results, may be the only approach that may possibly address the enormity of challenges associated with the valuation of the NFT ecosystem.

Additionally, the price of cryptoassets presents another difficulty for NFT valuations. Since the value of cryptoassets can change dramatically over time, it is more difficult to model NFT valuations.

#### **4.13 Real-world assets against NFT assets**

While NFT is still a young and abstract field, more businesses and brands are entering it, and many people are starting to wonder whether there will be a frenzy that NFTs are connected to the real world.

Many individuals speculate about this type of thinking occurring when NFT occurs. Undoubtedly, there have been a lot of successful attempts of this nature. the emergence of NFT, like REAL WORLD ASSETS BY MATEREUM (RWANFT). rwaNFT, a pronoun that denotes virtual ownership of physical things, is committed to introducing into the virtual economy trillions of dollars' worth of investment-grade assets including gold, real estate, and works of art through the use of NFTs. A widely used file format called rwaNFT makes it possible to upload physical objects to the Internet for worldwide use, trading, and security purposes. Use NFTs are therefore a particularly valuable real-world asset from a symbolic standpoint.

Additionally, Nike is submitting a design patent application based on an algorithmic token to launch tokenized sneakers after being inspired by CryptoKitties. The invention may generate distinctive shoe-based ID, produce a token, and attach securely encrypted digital assets to physical objects using blockchain technology (ERC 721 or ERC1155 standard). Blockchain technology will be used by the Nike platform to track shoe ownership and confirm its legitimacy.

Customers may safely trade both real-world and digital sneakers on the platform, placing them in digital blockchain lockers or cryptocurrency wallets. The virtual sneakers can be combined with one another and "bred" to produce "shoe progeny." In accordance with the regulations governing acceptable footwear manufacturability, the offspring of the newly bred sneakers may also be modified into useful sneakers [9].

#### **4.14 NFT Assets and actual assets are not exactly the same.**

NFTs, however, cannot attain complete peer-to-peer and do not accurately reflect the real world. The tokens you are holding are a simple representation of a \$100k pair of sneakers. What if the sneakers you're holding are stolen? Virtual tokens still can't be used to secure ownership of physical goods.

In this example, owning a real-world asset is more like using it for its functional value, while what NFT assets offer is more like using it for its enjoyment value, if we return to the distinction between

functional value and enjoyment value that was made above. People are drawn to Nike patents in large part because the new NFTs could actually provide them with stylish new shoes in the future [10].

**4.15 NFT Assets are less expensive than their equivalents in the real world.**



**Fig 7.** (source: <http://www.liandu24.com/archives/17657.html>)



**Fig 8.** (source: <https://web3caff.com/zh/archives/9188>)

There are 300 individuals in the historic temple, as seen in the two photographs above.(Fig 7 & 8) Jain gods' physical artwork from a year ago and digital King Kong artwork from the NFT blockchain.

Even in tiny towns, the "right to touch" fee for that tangible artwork ranges from 2000 to 5000 dollars for the opening of a new temple. Just using this as an illustration of the limitations of physical art).

However, the 88-year-old media distribution company with a sizable global audience only charges around 1,000 for perpetual trade ownership of the King Kong digital artwork. Dollar.

As a result, it is clear that in the modern era, physical works and virtual art works are valued quite differently and considerably less than one another. Therefore, it is still too early to draw any conclusions about whether NFT digital assets are significantly cheap or whether they are simply positioned that way.

**Table 1.** Comparison of traditional and digital art

	Physical artwork	Digital artwork
ownership	Have	Have
Ownership/Title Registration	None (holder assets)	(blockchain)
registering & proving ownership	higher	simple
the past is entitled to historical records	higher	simple
Tradable & Transferable ownership	have	Have
Transaction Difficulty ownership	difficult (illiquid market)	simple (relatively liquid)
Collection/Investor Entry Barriers	high	low
Barriers to entry for artists	high	low
The realization of the value of the artist's work	low (immature ownership management system)	high
Tax share for resale artists	none	about 10%

**Table 2.** Difficulties with digital assets

Question	Describe
lack of brand	NFT Ecosystem
Collector's dilemma	There is no digital way to display the collection Lack of practical use other than display
Low interoperability	Assets between ecosystems cannot be transferred to each other
closed market	Only open to platform users No connection to the external community lack of liquidity
transaction chaos	Difficult to verify authenticity fake transaction theft hacker
Blockchain threshold	NFT platform have a knowledge threshold

## 5. Conclusion

We can improve the NFT valuation by create digital infrastructure and expand the use of NFT (will NFT as collateral, in used in VR , etc.). Increase value and utility. Form alliances with other businesses, such as Harry Potter, Star Wars, Disney, and others, to include NFT field and increase its worth. Let NFTs grow to be a significant source of income for the entertainment sector as well as a means of community monetization. (Mark Cuban versus the NBA has comparable goals.) Brand

marketing, often known as "Next Beeple," enables an artwork's worth to rise over time. Compared to the US dollar, Bitcoin, Ethereum, and other cryptocurrencies are rising.

We must admit that many people nowadays who publish their work online make it freely accessible to everyone with a computer or mobile device. However, the introduction of NFT could alter how we perceive and comprehend the open Internet.

An open Internet has had a significant influence on us. In a way, NFTs do make something scarce that wasn't previously rare.

Why would people seek to make something more rare if they want it, one could quickly respond. Elinor Ostrom, the recipient of the Nobel Prize in Economics, once carried out an intriguing experiment that examined how people manage their resources with or without government intervention. She came to the conclusion that the tragedy of the commons can be caused by excessive consumption, as everyone brings harm.

The availability and worth of content may decline as a result of the freedom provided by the internet and social media. The marginal cost of copying any work, which requires a lot of time and effort, is zero once it is posted online, effectively making the work's price zero. No one will pay for the labour, regardless of how much experience is worth. More scarcity is beneficial in this circumstance.

This issue has a remedy in NFTs. There are those who will spend a lot of money to connect with a piece of music or art, but the work is still available for everyone to watch without charge. This paradox protects the internet's transparency while giving the original author financial rewards. This could alter people's perceptions of the traditional Internet's openness in the future and increase desire for digital scarcity.

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