NFT

Non-Fungible Tokens 101 Guide

First of All... What does Fungible and Non-Fungible mean?

Fungible:

If an item is fungible, then it can be substituted or exchanged for any similar item. Fiat currencies, like the US dollar, contain fungible units. A one dollar bill can be exchanged for any other dollar bill.

Cryptocurrency tokens like Bitcoin, Ethereum and MANA are all fungible because one token can be exchanged for any other token of the same currency. The only thing that changes is a record on the blockchain registering the transaction.

- Interchangeable
- Uniform
- Divisible

Non-Fungible:

A non-fungible asset therefore has the opposite characteristics to this definition: they are unique, irreplaceable and non-interchangeable.

One physical example of a non-fungible asset could be a plane ticket. While they look the same as other tickets, each one has different passenger names, destinations, departure times and seat numbers.

- Not Interchangeable
- Unique
- Non-Divisible

The Basics

Now that you understand the concept of Fungibility, let's move forward!

The recent appearance of non-fungible tokens has left many confused regarding what these tokens are, and what do they do.

Every currency, whether crypto or a fiat, needs fungibility if it wishes to be seen and used as a medium of exchange, a unit of account, or a store of value. In fact, when it comes to cryptocurrencies, fungibility might be even more important, since it allows them to maintain the legitimacy of interchangeability between different units.

NFTs are unique representations of goods or assets that take the form of digital tokens. Through the use of cryptography, NFTs can prove the authenticity, as well as ownership of such assets and goods.

The Basics

Blockchain

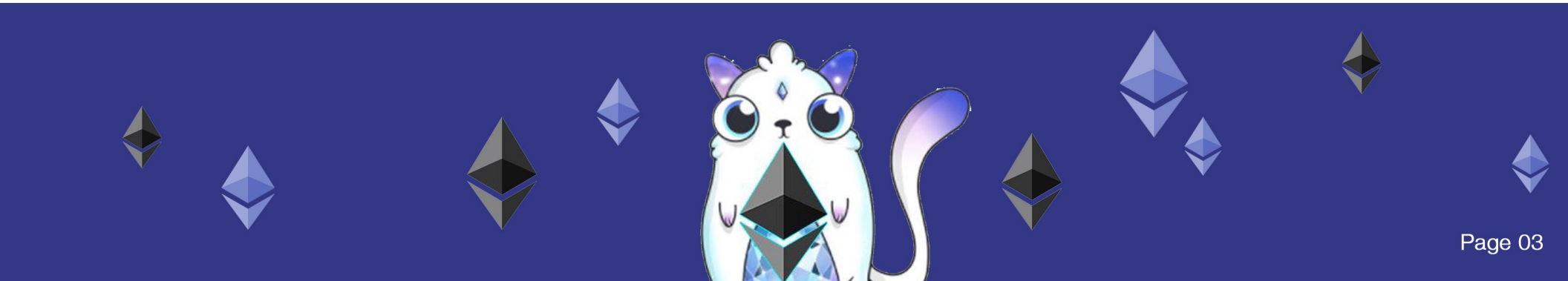
Blockchain is literally a chain of blocks. When we say the words “block” and “chain” in this context, we are actually talking about digital information (the “block”) stored in a public database (the “chain”). “Blocks” on the blockchain are made up of digital pieces of information. Specifically, they have three parts: Transactions (day, time, amount, etc); Participants (user’s “digital” signature”) and a Block to distinguish them from each other.

Ethereum

Ethereum is an open-source platform that enables thousands of decentralized cryptocurrencies and projects to be built and deployed on their open, public blockchain.

ERC-721

ERC-721 is the seven hundred and twenty-first proposal in the Ethereum proposal process (EIPs) to standardize how these applications are made and how Ethereum will work.



The World of Collectibles

Crypto Collectibles and the ERC-721 Token

The ERC-721 protocol makes each token unique. They may operate on the same smart contract, but each token has its own cryptographic signature.

Perhaps the most common reference or use case for NFTs of the ERC-721 standard, is CryptoKitties, which uses the standard to power a crypto-collectible online game.

There are also many other useful applications for ERC-721 contracts.

Uses of Non-Fungible Tokens (NFTs)

NFTs are shaping the future of technology, including: securing digital ownership, protecting intellectual property, tracking digital assets and overall creating real world value.

Why do we Collect things?

There is an interesting psychological factor into why we collect things. The satisfaction associated with collecting can stem from pure enjoyment to investment, expanding our social circles, preserving the past, a means of distinction, and the simple thrill of the chase.

Collecting is the arrangement and classification of parts of a “smaller world” within our very own.

What can we do with NFTs ?

Collectibles

NFTs are best known for their utility as Collectibles, where users can keep digital assets assigned to their names and ownership is immutable.

www.CryptoKitties.co

Gaming

NFTs give players real ownership over in-game items. Gamers can monetize their efforts by actually owning (and even selling) the rare assets they earn in games.

www.GodsUnchained.com

Tickets

Tokenization of event tickets prevents fraud (including fake tickets) and opens up new, decentralized markets for trading and reselling.

www.OpenSea.io/cryptotickets

What can we do with NFTs ?

Identity and Certificates

Birth certificates, passports, driving licenses, contracts or even patents can be tokenized with NFTs and used for identity authentication and certification.

Charity and Donation

NFTs can provide entrepreneurs with new ways to raise funds and engage with their stakeholders. They can also assure the safety of transfers and support Not-For-Profit organizations to manage their funds.

Licensing

Creating NFT based licenses can reduce software piracy, and even allow people to sell their license when they no longer need it. The licence here acts as an asset.

The Non-Fungible Future

The realm of possibilities for non-fungible digital assets is vast. Your identity, qualifications, real-world property, and digital collectibles could all exist on the blockchain. They would be tokens you can keep, show, share, or sell.

NFTs can empower us as individuals to instantly transact with anyone in the world, while companies can manage their entire inventories using digital tokens. Given time and investment, NFTs may become the foundation for future economies.

Music

Artists could launch NFT smart contracts which store their music, prove its authenticity and give the holder immutable legal license.

Real Estate

Buyers and sellers will store property records in the Ethereum blockchain, allowing the property purchase process to be executed in an intelligent contract, with the actions planned for each of the parties involved.

Vehicles

Selling a tokenized car would be as easy as accepting the payment from the buyer and transfering the token ownership. It is this ease and frictionless way of functioning that gives tokens an edge in real-world situations.

Popular Collectibles

CryptoKitties

Gods Unchained

CryptoFlowers

MyCryptoHeroes

Dragonereum

MLB Crypto Baseball

Etheremon

CryptoPuppies

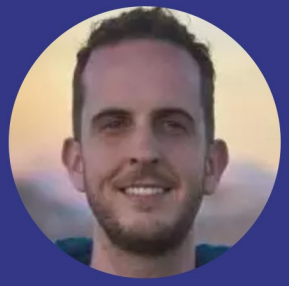
Decentraland

Rare Pepe

NFT Heroes

Benny Giang

Co-founder of CryptoKitties



James Ferguson

Co-founder of Gods Unchained, one of the first games on the Ethereum blockchain

Alex Atallah

Co-founder of OpenSea, decentralized marketplace for crypto collectibles

Lisa Nestor

Director of Partnerships at Stellar

Randy Saaf

Co-founder and CEO at Lucid Sight, the company that developed MLB Crypto Baseball

Jehan Chu

Co-founder of Kenetic Capital. Also the founder of the Ethereum HK meetup

Esteban Ordano

Tech Lead at Decentraland, the first blockchain-enabled virtual world powered by cryptocurrency

Jake Tran

Co-founder and Game Designer at Etheremon, one of the Top 5 NFTs in the token space

Will Warren

Co-founder & CEO of 0x, an open protocol that enables the peer-to-peer exchange of assets on the Ethereum blockchain

Spencer Bogart

Partner at Blockchain Capital and the General Partner of Blockchain Capital's venture funds.

NFT Spotlight: Kred Coins

Kred Coins are actionable NFT Coins for sharing and connecting.

They are used by Influencers, Designers, Content Creators, Brands and more, to generate conversation and drive engagement.

Actionable

Each Kred Coin can carry your call to action, like redeeming an offer, visiting a website, watching a video, or almost anything.

Collectible

Kred Coins can be collected, given to friends, sold or auctioned. Each Coin carries an allocation of CKr (ERC-20) meaning that even the most common Coins hold value in the Marketplace.

Engaging

Every Kred Coin carries a conversation stream, where the current and previous Coinholders can connect and share comments.

Discover more at: **www.Coin.Kred**