

NFT MARKETPLACES EXPLAINED



There has been so much rave in the past couple of years about NFTs. To some, it has been a goldmine of sorts; to others, it is still largely a mystery. The NFT world happens to have gained much more prominence in the past couple of years, with the NFT market value skyrocketing into billions of dollars. Although NFTs have existed since 2014, 2020 and 2021 can be described as the breakthrough years for NFTs.

What Are NFTs?

NFT is the short form for non-fungible token. A non-fungible token is an item that practically allows its buyer to own the original version of a digital object, similar to how you can own the original copy of physical art or a song. NFTs are one-of-a-kind assets in digital form, and they exist in different forms, such as music, video clips, and images. Each NFT is unique, and as the term 'non-fungible' implies, they can't be exchanged or traded equivalently like fungible tokens like physical money.

NFTs seem to have taken the world by storm in 2021, especially; many people who happen to be familiar with the crypto space were astonished at the rapid and massive growth of the NFT market and its increased degree of mention in the mainstream media. Unlike other complex ideologies and concepts in the crypto space like DeFi, NFTs happen to be much easier to grasp than others, mainly because of the relatability of digital collectibles.

NFT sales have been able to gain much more traction since 2021, with NBA Top Shot - a digital collectible that is used to refer to video highlights of NBA best plays - leading the rave. Coming in right behind, many artists started to see NFT as a gateway to market and monetize their artworks. This has helped them to a significant effect. Many people in the crypto space tend to believe that NFTs might be the killer blockchain product that the cryptocurrency industry might have been waiting for as it gets more and more acceptance and adoption among the masses.

NFT Marketplaces

Fungible assets have the advantage of being uniform and interchangeable, making trading more convenient. For example, shares are traded on stock exchanges such as the New York Stock Exchange and London Stock Exchange. Fungible coins can also be traded on crypto exchanges like Coinbase, Binance, and Uniswap because they are interchangeable.

Non-fungible assets, especially those that are one-of-a-kind and rare, are not suited for trading on such platforms. The value of each asset is determined by various factors and can vary dramatically. Non-fungible products are posted and sold on marketplaces like eBay and Etsy or consigned and auctioned off by auction houses such as Christie's and Sotheby's in the real world.

A marketplace is also required for NFTs to support the minting, selling, and aftermarket trading of NFTs amongst potential NFT buyers and sellers.

We'll be using OpenSea as an example in this section to demonstrate the many capabilities accessible on a typical NFT marketplace. Other popular NFT marketplaces include SuperRare, Axie Marketplace, Larva Labs, Foundation, Nifty Gateway, and Rarible.

OpenSea

The idea to start OpenSea came during CryptoKitties' surge of popularity in 2017. In terms of trading volume, OpenSea is the most popular NFT platform. In September 2021, it saw about \$3 billion in market activity, accounting for more than 99 percent of the total market.

To create an OpenSea account, you'll need to put a few things in place. First, you'll need some digital currency; you could buy ETH, which is the currency used for transactions; Coinbase is an excellent place to purchase digital currency.

Secondly, you'll require a cryptocurrency wallet; this is where you'll be able to store the cryptocurrency you have purchased and other related items.

Finally, you'll link your wallet to OpenSea, and then you'll be ready to begin interaction on the platform.

On OpenSea, uploading an NFT is slightly different from other NFT platforms. First and foremost, you must establish a collection. To do so, go to your profile icon and pick My Collections from the drop-down menu. You can start a new collection by tapping on Create a Collection from here.



You must provide a logo for your collection, give it a name and description, and select the blockchain on which the NFT will be minted. After that, click Create to start making NFTs for your collection. It's worth noting that you can expand your collection by adding more information. This includes social media profiles, a category to help others find your item on OpenSea, and the opportunity to submit a banner image.

Conclusion

When it comes to selecting an NFT marketplace to use, NFT artists and owners have many options. Even though we've covered some of them, new marketplaces are always cropping up and competing for attention.

You've also seen how simple it is to create an account on one of these NFT exchanges, OpenSea. You should be able to own an NFT or start your own NFT collection in no time if you follow the step-by-step guide that we've supplied.

However, when buying or minting NFTs on Ethereum, gas expenses should be well monitored. Make sure you double-check the amount you're being charged for transaction fees since there have been far too many instances where people have overpaid for gas by mistake.