

NFT: The Future of Decentralized Economy

Introduction

In the decentralized economy, NFTs are quickly gaining popularity, mainly for the wrong reasons that raise concerns about the technology's long-term viability.

For some reason, many early adopters saw NFTs as a quick money scheme, as evidenced by the recent influx of investment in the space, even though many projects have little or no use cases. Furthermore, NFTs are undoubtedly still in the early stages of development and are still relatively new in the decentralized economy.

This article brings to focus the place of NFT in growing a decentralized economy and its viability.

What are NFTs

An NFT is quite similar to a digital certificate of authenticity. By its very nature, digital art can be easily replicated and distributed worldwide. Regardless of the number of digital copies, purchasing an NFT provides the buyer with ownership documentation for whatever they are collecting.

NFTs, which originated in visual art, produce an illusory sense of scarcity because the token, not the actual work of art, is rare. As a result, the tale of NFTs is equally as much about commerce as it is about artistic expression. What happens to them will depend just as much on the volatility of the financial markets as on creative ingenuity.

Why are NFTs likened to get-rich schemes?

With the recent hype about NFTs and the general influx of individuals who know little to nothing about how the project works or understand cryptocurrency, some individuals likened it to a get-rich-quick scheme. The idea that a digital piece could sell for an outrageous amount brought more people looking to flip their money into thousands of dollars.

To put things in perspective, the most costly NFT, a digital collage of pictures by Beeple, sold for \$69.3 million at a Christie's auction in March 2021. The least expensive NFT might sell simultaneously for as little as \$100, \$50, or even \$10. On the other hand, if a buyer purchases an NFT at the \$5 base price, it can end up being sold for as much as \$1 million.

Are NFTs a decentralized economy project that can be sustained?

What does this portend for the future of the technology if the purpose of NFTs is to make rapid money based on how the majority perceives them? More specifically, how might the NFT initiative eventually dispel the perception and stigma surrounding quick-money schemes in terms of scalability?

First, many factors, from the underlying technology to use cases and widespread adoption, will determine if NFTs have a viable future. Regarding infrastructure, NFT is built on blockchain technology, a safe, immutable, distributed ledger. This is similar to the majority of crypto assets.

Blockchain is decentralized, meaning there is no centralized body or controlling authority over the network. Instead, it is controlled by a collection of nodes that run a number of the network's processing resources, maintaining decentralization at all times. However, because NFTs are hosted on different blockchain networks, they can take advantage of the aforementioned characteristics of the blockchain, making it even more sustainable than the technology upon which it is based.

Infrastructure-wise, NFT is similar to most crypto assets. NFTs or NFT projects can remain as long as they satisfy user requirements or address a particular need. Since NFTs are still in the early stages of research, there aren't many use cases for them. NFTs have demonstrated value and great financial potential in a number of industries, including gaming, decentralized finance (Defi), and the quickly expanding Metaverse sphere, to mention a few.

NFTs have changed the dynamics of in-game items because consumers can now take advantage of the lucrative opportunities that NFTs can provide users in and outside the gaming space. In the past, even after paying for in-game products, the majority of games did not give the customers any actual value, while the developers profited greatly. But with NFTs in place, players can export their in-game purchases of the gaming network, control the rights to them, and earn money from the resale.

In the Defi area, NFTs are also used for collateralization. There are many NFT-collateralized loan platforms, such as Arcade, where NFT holders can access a pool of cryptocurrency loans by using a portion of their NFT as collateral. In other situations, NFT owners might help lenders by staking or locking their NFT collectables like memes and artwork.

Another important factor in evaluating if NFTs will have a long-term future is mainstream adoption. NFT acceptance by the majority may indicate a sustainable future for the technology as it sparks a number of diverse applications throughout time, even though it is primarily based on use cases.

NFT Trading

Some individuals find NFT trading process too difficult to handle. All those results to using AI bots like [BountyBox](#) to trade. The beauty of using an AI not of this nature is it eliminates the fear of trading wrong as a novice, and if you are an early bird, you'd gain far more in the long run.

Personally, I recommend trading with [BountyBox](#) to ensure the safety of your NFT as well as to enjoy guaranteed profits. A lot of scams on the crypto space, and you don't want to be a victim.

Additional Applications

NFTs are the most recent development in a long-promised blockchain revolution that has the potential to fundamentally alter consumer capitalism and have far-reaching effects on everything from house loans to health care. The hype surrounding NFTs reinforces the idea that recent price increases in GameStop and dogecoin were speculative bubbles caused by US stimulus payments, lockdown boredom, and low-interest rates. History cautions us from writing off NFTs as a transitory trend, as technological advancements frequently reveal their actual value after the initial excitement has subsided. When the dot-com bubble burst in the late 1990s and the first wave of widespread cryptocurrency enthusiasm began in 2017, many critics wrote off the flood of new companies only to have their assumptions proven wrong.

Non-fungible tokens may also be used to verify assets like credentials, software licenses, warranties, and even birth and death certificates. A digital wallet could be used to hold a non-fungible token's smart contract, which provides irrefutable proof of the recipient's or owner's identity. One day, every certificate, license, and asset we own could be stored in our digital wallets as proof. But because NFTs radically alter the laws of ownership, their potential extends far beyond these fields. Transactions in which ownership of something is transferred typically rely on intermediaries to build confidence, exchange contracts, and guarantee that money is transferred.

Markets like real estate and automobiles may also undergo remarkable changes once NFTS is adopted and put to use. NFTs, for instance, could contribute to finding a solution to problems of land ownership. Only 30% of people on the planet have rights to their land and property that are officially registered. It is significantly more difficult for property owners to obtain financing and credit when their rights are not clearly established. Additionally, if we spend more time in virtual worlds in the future, our purchases there will likely also be made and sold as NFTs.

Conclusion

There will inevitably be more advancements in this field. A decentralized economy's full potential hasn't yet been realized. We may anticipate that it will be a market that is considerably more open and direct than what we are accustomed to. People who believe what they are experiencing is a fad are probably not ready for what is coming from NFTs.

Become an early starter in the NFT industry and enjoy the benefits of Enjoy the leverage others had from investing in the crypto industry early. www.bountybox.io offers you automated NFT trading. You don't need to know so much or do so much as our AI offers you all the tools needed to become profitable in the NFT trading. The future is Now!