

# NFT

## INCOME FOR CREATIVE MINDS

HOW TO GENERATE ADDITIONAL INCOME AS A  
PHOTOGRAPHER, GRAPHIC DESIGNER, COMPOSER,  
MUSICIAN OR OTHER ART CREATOR



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## Foreword

At the latest since there have been press reports that digital artworks have been sold for millions in leading auction houses around the world, some artists may have wondered whether this could be a source of income for them. Some have already jumped on the bandwagon and in some cases have generated considerable income, while others have - apparently - done the same, but possibly lost money as well as time.

I myself, also a creator of art, asked myself the same question. I, too, was initially put off by the many cryptic terms such as blockchain, hashing, cryptocurrency, Ethereum, non-fungible tokens, and so on. But at some point, my curiosity got the better of me and I got to grips with the terms. In the process, I learned on the one hand what was behind all these strange terms, and on the other hand, I also offered and already sold my own digital artworks online. Admittedly, the millions are still a long time coming! Nevertheless: For the beginning I am enormously satisfied and happy about income from sales as well as those from resales by my buyers (if you can't imagine that yet, don't worry about it, we will discuss it in detail in the course of this book).

However, I realized relatively quickly that it's not enough to simply create interesting works and put them somewhere on the Internet. Thousands of people around the world are doing this, and standing out from the crowd and generating sales is about as likely as placing a daily classified ad in any

newspaper that people can buy art from you. You might actually find a potential buyer this way. However, it would probably be a matter of chance.

So if you want to become successful with NFT and generate recurring income from your art, there are some further measures to take. There are many ways to do this and some of them lead to the goal more easily, others more difficult or with greater detours and a lot of effort. I have already made these experiences and in this book I would like to offer you a shortcut, so to speak. Instead of listing all the mistakes - some of which I have made myself and some of which have also cost me a lot of money and time - I would like to offer you a shortcut.

I offer you the opportunity to benefit from my experience and to start from the pole position.

I wish you much success with your art and its marketing, and I hope that with the help of the insights and information in this book you will be able to create a solid additional income that will allow you to continue to devote yourself to your art. The information in this book is valuable - in any case, too valuable to be read and forgotten. The book can help you market your art. But this presupposes that you become active and take action!

The Author

**Annotation:**

In this book you will also find screenshots of websites. These are of course to be understood as a quotation and not my work. The source results from the context. It may be that screenshots will change over time.

***The prices quoted in the book can fluctuate greatly depending on price developments, demand, adjustments to price lists, etc. In any case, it is recommended to verify the current prices before listing and selling NTFs in order to be able to design offers in such a way that they also lead to actual income and do not only cause costs.***

## What are NFTs?

When we talk about NFTs, we should first be clear about what NFTs, Non Fungible Tokens, are. I would like to address this in the following subchapters:

- What is an NFT?
- Why are NFTs valuable?
- What are blockchain and blockchain protocols?
- The main types of NFTs

**Caution:** This is not a book for technicians or people who want to understand the technology behind NFT in detail. There are other publications for that. Within the scope of this text, we only want to deal with the technical basics to the extent that we understand the interrelationships that we need in order to be successful with NFT.

## What is an NFT?

If we want to understand NFTs, we should first briefly look at the evolution of the Internet.

### *Web 1.0*

In the beginning, in the 1990s, the Internet was a platform that people accessed to get information. Most people



couldn't really publish their own content, or if they could, it was only at an extremely rudimentary level. In order to design a website, people had to have certain technical skills. It was necessary to know HTML and, for applications that went beyond displaying fixed text, more advanced programming languages. This excluded a large proportion of people from publishing their own content. They used the Internet accordingly to consume content provided by others - often by companies and organizations.

## ***Web 2.0***

In the 2000s, the Internet continued to develop. This was, of course, possible to a large extent because the number of users increased steadily, which meant that much more money flowed into developments. Also, more and more people actively engaged with the Internet and the underlying mechanisms and techniques. During this time, platforms like Twitter, Facebook, Instagram, etc. became big. Users were now no longer just consumers. They were able to easily upload their own content such as text, images, graphics, videos, sound files, etc. to the Internet and make it accessible to a worldwide audience. To do this, they no longer needed in-depth technical understanding or special technical skills. The camera in a cell phone can be used to take pictures and videos, which can then be edited as desired using apps, some of which are available free of charge, and finally uploaded to various platforms.

## ***Departure into Web 3.0***

Now, in the 2020s, there will be another quantum leap in the technology and application of the Internet, and this is to

a large extent related to a technology that we will look at in more detail a little later: blockchain technology. In this context, users of the Internet are increasingly also becoming co-owners and co-operators. We are only at the beginning of this development, but it can already be seen today that this is a quantum leap in development, which will lead to us as Internet users being excluded from any large operators will become increasingly independent. Cryptocurrencies, NFTs, smart contracting, and many more are just the beginning of what this technology can produce in the coming years.

### ***Attempt to define NFTs***

If you are looking into the topic of NFT, there is a good chance that you have at least a basic understanding of what an NFT or Non Fungible Token is. That said, let's address the question briefly to make sure we're all talking about the same issue.

As a person who creates art, you are probably familiar with this situation: you have created a work - whether it is a visual work, an acoustic work, or a work that appeals to one or more (other) senses. For simplicity's sake, let's assume it's a visual work, such as an oil painting. You could create a second painting on the same subject, but it would never be a 100% copy.

Differences in color application, brush strokes, etc. might not be perceptible at first glance, but they would be upon closer analysis. Of course, you could also photograph the picture and pass it on as a photograph or print, and you could even scan it and have a painting robot make thousands of copies. Nevertheless, there would really only

be one original. If, on the other hand, you had created a print, you might make a certain number of prints, which you number and sign. Thus there is a manageable number of originals.

However, one can now ask why what we perceive as an original is much more valuable than, for example, a copy or even a print. Are we less pleased with the colors, the expression, the picture's message? How can it be that a painting by Vincent van Gogh has a value in the millions just because he painted it himself, while an art print with exactly the same dimensions and colors can be had for the cost of a dinner? If you look at both paintings with a little distance, you may not even be able to tell the difference.

The difference in value has not so much to do with the picture's message, but rather with its rarity, which is recorded by signatures, certificates and proofs of ownership. There is only one original painting, but potentially millions of reproductions. These certificates, which are supposed to ensure that a painting is indeed a work by Vincent van Gogh - and that it was not, for example, created by a talented forger - provide the buyer with proof of value, which makes it easier for him to resell the work, if that is what he is aiming for. On the other hand, this also leads to the buyer being the proud owner of a genuine, unique van Gogh painting.

NFTs also include certificates that uniquely identify digital objects and thus ensure that they cannot be falsified, copied or imitated. It goes without saying that a digital image can be copied an infinite number of times. However, the results of the copying process are always copies and there remains

exactly one original whose status can be verified at any time by the NFT.

NFT technology is based on blockchain technology. Early forms of it can be traced back a long time. An early version of blockchain-like technology was described by David Chaum as early as 1982. "Bitcoins," probably the most blockchain-related application of this technology today, show 2008 as the year of birth. However, the technologies needed to implement NFTs can be traced back to the development of the ERC-721 standard, which was published in 2017. This standard made it possible to work with token-based smart contracts, which made it possible to create and process NFTs.

To understand NFTs, we should know what is meant by "non fungible." "Fungible" means exchangeable. A typical example of a fungible store of value is, for example, a ten-euro banknote. It is interchangeable. If I give my counterpart a banknote of ten euros and he gives me another one, we may have different papers before the transaction, but we both still have the same asset. Even if he gave me back two banknotes for five euros instead of a ten-euro banknote, neither he nor I would have the impression that we had lost anything as a result of this exchange.

Non-fungible plants are different. They are different from one another and no two are the same. Unlike the banknote example, an exchange would also be possible here, but it would first have to be agreed how the non-fungible (NF) assets involved would be valued. Would the value of NF1 and the value of NF2 be the same, so that the two owners could simply exchange them, so to speak, or would the