

Collectibles

The most expensive Pokémon card ever sold is the “Pikachu Illustrator” card, selling at 224,250 dollars in October 2019. Perhaps you’ve collected Pokémon or Yu-gi-oh! cards, Silly Bandz, or even Pogs before. These objects would be considered collectibles, items that have either monetary or sentimental value.

It seems absurd at first, because, who would spend their fortune for an inanimate object susceptible to being lost or destroyed? However, it becomes more obvious once the idea of a limited stock is brought to attention. This is where the term “Limited Edition” comes into play. A limited-edition item is one that only has a certain quantity produced and existing in a period. Imagine how valuable the Eiffel Tower in Paris is, compared to the replica in Las Vegas. The comparison in monetary, sentimental, and historical value would be too large to quantify.

Now, take the idea of collectibles, combine it with the digital age, and you get Non-fungible Tokens, or NFTs. Digital collectibles. How significant can an NFT be, though? Apparently, 69.3 million dollars significant, from how much the artist Mike Winkelmann, or Beeple, has sold one at.

Non-Fungible

“Fungible” means that the item has the ability to be replaced or to replace another item. On the other hand, “Non-Fungible” means that the item is unique and cannot be involved in replacement.

Money or investment in stocks can constantly be traded and have the same value, meaning that they are fungible. For instance, 10 dollars would be the same as another 10 dollars or even two 5 dollars. Then, retreating to the Pokémon card example, with only 39 of the “Pikachu Illustrator” cards available, those 39 cards can’t be replaced with any other card. There is a value mismatch.

Every NFT is one-of-a-kind and can never be replaced because it can be distinguished from another NFT or physical item.

NFT Experience

Cryptocurrency (i.e. Bitcoin) is what supports NFTs, specifically blockchains, which is a system of recording information digitally, protecting that information from being changed or disrupted. The “Token” part of NFTs comes from these blockchains actually “tokenizing” digital files. Tokenizing means taking that digital information, and certifying that information to bestow ownership. For instance, the most popular form of NFTs is digital art. An art piece can be tokenized and stored in blockchains on the internet. This digital art piece can then be bought and sold.

What can be an NFT, though? Almost anything with digital information, however, it must be alluring to consumers. While I gave the example of digital art, which is currently the most popular medium of NFTs, even a Tweet can be transformed into an NFT and sold. For instance, the founder of Twitter sold his Tweet: “just setting up my twttr”, for just under 3 million dollars.

NFTs’ Future

Currently, NFTs are considered the next step for collectibles. The consumers will continue to determine the worth of all NFTs, While buying an NFT gives you ownership over the “real” token, the copyright isn’t handed over to the purchaser.

Does this mean that an NFT can be reproduced and resold? Yes and no. NFTs still are digital and visible to any internet user, meaning they can be copied, screenshotted, or redrawn, in any way, and sold again as “new”. However, referring back to the non-fungible quality of NFTs, they are tokens. e The original NFT will remain as the “original” forever, thus adding to its value.

While anything can be made into an NFT, and thus be collected, it’s hard to determine the durability of the NFT market. There is consistency in the unexplained phenomena of humans being attracted to the “one and only” idea and will continue to play a role in collecting NFTs.

Sources

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