



# THE BOOMING INTEREST FOR **NFTS**

NFTs have emerged as a promising medium for fan engagement, with more than **US\$25 billion in NFT sales volume generated in 2021.** "NFTs have the potential to become a powerful accelerator for the creator economy," said Cuy Sheffield, head of crypto, Visa. "We've been studying the NFT ecosystem and its potential impacts on the future of commerce, retail and social media.

## What is an NFT?



A non-fungible token (NFT) that exists on the blockchain and represents digital ownership of a unique piece of digital art, music, or other assets. Because NFTs can establish ownership and authenticity of digital goods and media, like images, videos, and music, they give added utility to projects that creators work on and can help them generate revenue and grow their business.



### Profile picture NFTs (PFP)

Profile picture (PFP) non-fungible token is a digital token or artwork that is designed using personal traits to be displayed as a digital representation of oneself. PFPs can be used as avatars on social media, gaming and now in the metaverse.

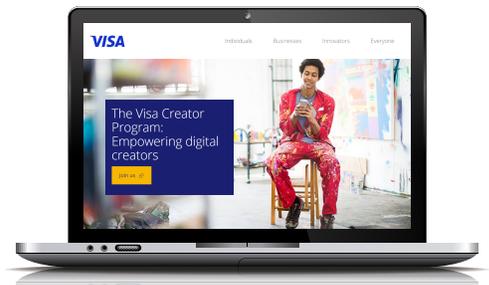


### Proof of Attendance Protocol (POAP)

POAP is an acronym for Proof of Attendance Protocol. These NFT badges are given out to prove attendance of an event. Each one is unique, meaning that the only way to get a certain POAP is to be part of the event. Collectors can quickly accumulate a collection of POAPs which documents their experience and travels through the crypto space.

## Supporting new forms of small business

Visa just launched the **Visa Creator Program**, an initiative that aims to help digital-first artists, musicians, fashion designers, and filmmakers accelerate their small business through non-fungible tokens. Each cycle of the program will support a selected group of entrepreneurs looking to deepen their understanding of the technology and platforms underpinning NFT commerce. The goal of the program is to bring together a global cohort of digital creators and empower them through product strategy mentorship.



## Visa's Involvement with NFTs

We're excited about the future of NFT commerce and what this technology can offer to small and micro business owners in the creator economy. We want to help this new breed of small and micro businesses tap into new mediums for digital commerce along with supporting our clients to navigate the world of NFT.



Conduct research on different NFT activations and use-cases across industries – from entertainment to media to restaurant, etc.



Educate consumers on what NFTs are, different NFT marketplaces available, and different blockchains that NFTs are built on



Partner with NFT marketplaces to uncover trends and adoption of this digital asset

## How Visa can help clients

NFTs represent an evolution and next stage of Digital commerce. Visa aims work with clients to support acceptance of Visa products for this new category and help them understand this new ecosystem.



### Visa Consulting & Analytics and Visa Innovation Center

Help clients understand and identify NFT opportunities for businesses to further engage with consumers and fans.



### Acceptance

For NFT marketplaces, enable acceptance of Visa cards for NFT purchases.



### Crypto-Linked Card Programs

For global crypto exchanges, Visa is helping to launch card programs that will allow exchange users to convert and spend their digital currencies through Visa crypto-linked cards.



### Marketing

Tap into Visa's network of over 70+ crypto exchange and wallet partnerships to identify new potential NFT and crypto enabled collaborations and determine go-to-market strategy for these product launches.

## NFTs Opportunities



### Creators

Engage with this new digital asset to build a community that supports the creator's mission and art as well as expand the reach of creator's existing work.



### Issuers

Lean into NFTs to manage sensitive information such as contracts, identity or the exchange of financial information.



### Merchants

NFTs present a new way by which consumers buy and sell digital assets, like music video games or movies. They also provide a new way to reward consumers enabling brands to better connect with fans and consumers.



### Visa

Enable consumers to purchase digital goods through mechanisms that they are familiar with today, namely cards and the Visa network, and create new use-cases for this digital medium.

## Visa is here to help you

If you want to learn more about how we can support clients to increase their knowledge on this new ecosystem and identify opportunities for their businesses, contact the Crypto Solutions team.

#### SOURCE: 1. Reuters 2021.

<https://www.reuters.com/markets/europe/nft-sales-hit-25-billion-2021-growth-shows-signs-slowing-2022-01-10/#:~:text=Register%20now%20for%20FREE%20unlimited%20access%20to%20Reuters.com,Register&text=NFT%20sales%20volume%20totalled%20%2424.9,record%20who%20owns%20the%20NFT>

#### Best Practices:

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