Twitter Thread by Hamza



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1. Last week, @robbietilton sold this art piece for about 17305$ on @withFND.
I saw a lot of people asking questions on CryptoArt and NFTs (Non-fungible token) to understand how it works. I'll try to explain the basic concepts on this thread ↓

2. First, you don't directly buy the art piece, you buy a token. This token is what holds the asset that you're buying, it is a unique id that is used to represent what you bought. It can hold information like the name of the asset, an URL, a description, and so on.

3. On most marketplaces, you won't have a classic signup or login form when you'll want to create an NFT or buy one. Instead, it will be asked to connect your crypto wallet.

4. Now, why bother with a crypto wallet? Couldn't we just do an app that works with dollars? This is where things get interesting: when you buy an NFT, the data is not stored on the marketplace servers.

5. When you post a picture on Instagram, it is stored on their servers. If the app is shut down, your data might be deleted. But also, Instagram could delete your content if they want to, NFTs works differently.

6. When you create your NFT (it is called minting), the data is stored on the blockchain, it is a decentralized way to store data and the marketplaces have no authority over it.

7. When you will sell your first NFT, the money will be transferred to your crypto wallet.

8. Also, some marketplaces like @ourZORA give power to the artists by allowing them to put royalties on their art when they mint it, which means that if the art takes value overtime the artist will benefit it.

9. NFTs are not just limited to pictures or gifs, it can hold everything: a recipe, a song...
This is just an overview and there is much more to say on this subject (how it technically works, environmental cost, hosting responsibilities) but they need dedicated threads.