International Journal of Art, Design, and Metaverse

ISSN 2985-8453 (online)
Vol 1, No 1, February 2023

Minting NFTs on OpenSea Marketplace

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Abstract

This study examines the risk and return characteristics of the NFT-based artists, creators, and creators the cryptocurrency exchange. This study is motivated by the recent surge in the NFT activity on the part of creators, investors, and traders. We begin by proposing novel classification of the existing NFTs that range from NFT blockchains through NFT metaverse to NFT DeFi. Next, It focuses on minting NFT in OpenSea. The method includes (1) Set up a crypto wallet, (2) Create a collection, and (3) Upload the work. In the final analysis of the paper, we find that NFT infrastructure integrated within the existing blockchains increase market valuations of these networks. The NFT industry represents another important use case for blockchains, in addition to artists, creators, and collectors to trade easily..

Keywords: NFT, cryptocurrency, minting, blockchain

I. Introduction

An NFT is a digital asset attached to images which prove your ownership to it. This means that even if someone else saves your NFT image into their gallery, you're still the rightful owner because you have the digital certificate of ownership. However, NFTs aren't all about digital art and preventing art theft. NFTs can be used for many things, from event ticketing to verifying the authenticity and transaction history of a luxury product. While there are many uses of NFTs and blockchain technologies, this time we'll focus on digital art and how to create them.

NFTs have gain lots of momentum in recent years. Early NFT projects such as CryptoKitties and CyberPunks are images released in 2017 and have sold for millions of dollars. NFTs in the gaming industry (i.e., trade of in-game objects) have already reached a certain level of maturity [1], and many other industries such as music, sports and fashion are also experimenting with this emerging technology [2]. For instance, Decentraland is an online/VR game (more recently known as an example of metaverse) for creating and trading virtual land, on which users can run their own business. NFTs of famous sports players are getting sold for hundreds of thousands of dollars. Companies such as Adidas created their own NFTs. Music producers (e.g., Grimes) earned millions of dollars by selling NFTs of their recordings [3] (see Figure 1). While counterfeits have been a long-standing problem in the traditional art industry, NFT with its ability of validating ownership and authenticity was thought as a possible solution [4]. People can create and sell NFTs on online marketplaces, such as OpenSea and Rarible. Many believe that NFTs are poised to transform the art world, changing not only how art is bought and sold, but also, what kind of art people value.

The profile of youth changes over time, and the nature of parenting and community involvement deviates as well. However, the teaching methods in schools and universities is just about the

ISSN 2985-8453 (online)
Vol 1, No 1, February 2023

same, with little understanding of how big the generation gap is. [6]. How young people learn is arguably linked to their future opportunities and well-being. For this reason, it is critical to identify each generation in how they process the world around them, how they engage with authority, how this impacts the family and the community, and what should be done to maximize the likelihood of them achieving their goals. A number of concepts have be brought together in an attempt to find teaching opportunities in the diverse and complex influences on the learning processes of the 21st century learner. We shall focus on three generations: Generation X (Gen X, 1965–1985); Generation Y (Gen Y, 1978–2000), also known as the Millennials; and Generation Z (Gen Z, 1995–2012) [7].

Figure 1 Kings Of Leon and Grimes have both made money from NFTs [3]

1.1. How to Create NFTs

Since most NFTs come in the form of digital files, you can make them with most photo editing software – including Adobe Photoshop. Creating an NFT with Photoshop is just like creating any other art piece, the only difference being you need to mint them on minting platforms like OpenSea afterwards.

If you're looking to launch your own NFT projects, Tokenfy is the place to do it! Visit our site to see how we can help digital artists with no technical knowledge kickstart their collection of NFTs [5].

What Is Photo Editing?

By definition, photo editing is simply changing certain aspects of an image. You can edit photos, drawings, and other images with editing software such as Adobe Photoshop and GIMP.

People edit photos for various reasons. Some use them to clear blemishes, eliminate imperfections, and remove unwanted things from the original photo. Some artists also edit photos to create works of art – like what we're about to do today.

What Is Generative Art?

Generative art is art created with the help of a system. This system usually has rules in place so that only a certain type of art is produced. Good examples of generative art include the popular CryptoPunks and Bored Ape Yacht Club NFT collections.

Generative art is very popular in the NFT space because you can create near-endless variations simply by adding traits to the system. They also draw collectors in because some traits are rarer than others – which means a generative art NFT with lots of rare traits fetch higher prices in art marketplaces.

What Is Compiling?

Compiling is defined as assembling things from a variety of sources. In the subject of computing, compiling something means gathering all the necessary elements to create a program or a file. In generative art, compiling entails putting together a set number of traits to create a unique combination that is then saved into an NFT art piece.

For example, there's this NFT collection that features someone wearing different hats, glasses, and earrings. Compiling the image means ensuring that every image includes a hat, glasses, and earrings as well as ensuring there are no same combinations of those three traits in the entire collection.

How To Create an NFT In Photoshop Step By Step

Now that you have all the tools and knowledge you need, it's time to get down to business. Here's a step-by-step guide to creating NFTs in Photoshop/

Getting Started With The Art Creation Process

Before you begin the creative process, there are some things you need to do to prepare:

1. Have an idea in mind

2. Open Photoshop
3. Create a new document
4. Choose the image size and resolution

Creating The Art

With the canvas in front of you, you're ready to go! Now, you can create whatever kind of art you want. Let your creativity roam free in making the NFT artwork piece you've always wanted.

How To Create An NFT With Code

If you're planning to create a generative art collection, you should also look up generative art scripts. Be sure to properly read through what each script does so you find the one that fits you needs.

Many NFT generative art scripts also offer Youtube tutorials that you can watch so you're not flying blind. If all else fails, you can always visit Tokenfy to see how to launch your NFT project without any coding required!

Either way, once the script is run, you'll end up with a folder filled with however many image variations you wanted.

1.2 What Is Minting An NFT?

Minting an art piece means officially turning it into an NFT. When you mint your digital content, its details are written into an online ledger called the blockchain that records the ownership. This means your NFT is ready to be sold in digital marketplaces like OpenSea.

Generally, you need three things to mint an NFT:

- A crypto wallet, like Metamask
- An account on a crypto exchange account, like Coinbase
- An account on a minting platform, like OpenSea.

A number of interesting results emerge from our dataset along the NFT risk and return attributes. First, we find that NFTs earn large first-day returns of 130% on average. This is an order of magnitude higher than returns on IPOs - startup firms going public on a traditional stock exchange. The first-day NFT volume is also abnormally high, pointing to a large value of assets changing hands on the first day of listing. Second, we show that NFTs provide superior long-term returns, both on the raw and the risk-adjusted basis. By way of comparison, the returns to NFTs are substantially higher than both long-term returns to IPO and returns from VC investments (about 23% NFTs in our sample give a return greater than 1,000%). [6]

Furthermore, volatility of NFTs remains excessively high (11% daily or 175% annually), implying that NFTs are for investors who are willing to bear relatively high level of risk. On the other hand, knowing that the correlation between NFTs and S&P500 is nearly zero, NFTs can reduce portfolio variance, while maintaining portfolio expected return. This last attribute renders NFT an appealing diversifier. Third, we estimate NFT alphas and betas. We find that at the portfolio level, NFTs deliver positive and significant alpha and have an above-average beta. Finally, we run an event-study and estimate blockchain valuation effects that come about as a result of implementing the NFT technology. We show that incorporating NFTs into the existing blockchain networks can boosts their market valuations by over 20%.

Minting An NFT On OpenSea

Minting for creators

As a creator, minting your work allows you to establish provable scarcity, verified ownership, and ongoing creator earnings. For the first time, creators can publish limited edition digital works, whose authenticity is validated on the blockchain. Ownership is undisputed and public, allowing creators to build special communities and perks for those who hold their NFTs. Creators can also set "creator fees" to earn on every secondary sale of their NFTs, and these fees are automatically programmed and executed by the NFT's code. On OpenSea, creators can receive up to 10% of every sale after the initial sale. [7]

Minting for collectors

Minting NFTs isn't just for creators, however. NFT projects will often offer early access to their NFTs via a mint. When you mint an NFT from a project, you're the first ever owner of that NFT, since the mint is when it's written to the blockchain. Oftentimes, participating in a project's mint is like buying a pack of Pokémon cards: you don't know if you'll end up with something rare.

ISSN 2985-8453 (online)
Vol 1, No 1, February 2023

II. Research Method

Minting NFTs on OpenSea is easy. On the Ethereum blockchain, OpenSea also offers “lazy minting,” a process by which you can avoid paying gas fees to mint your NFTs. When you lazy mint, you can list your item for sale on OpenSea, but it’s not actually written to the blockchain yet. When someone buys your NFT, the mint and the sale are combined into one transaction, so the buyer pays all the gas fees! [7]

To mint on OpenSea, you’ll need to do the following:

2.1 Set up a crypto wallet

In order to do anything on the blockchain, you’ll need a crypto wallet. This will hold your NFTs and cryptocurrency. A crypto wallet is a program that helps you buy, sell, and store your cryptocurrency and (in many cases) your NFTs. Think of it as your address on the blockchain—you can send and receive items from it, it stores your items, and you want to keep it locked and safe. In this article, we’ll walk through the types of crypto wallets and how to set one up.

2.2 Create a collection

Before you mint your NFTs, you’ll have to create the collection that they’re a part of. At this step, you’ll name and describe your collection, choose a category, and add any social links.

2.3. Upload the work

Once you’ve set up your wallet and created a collection, you’re ready to start minting the NFTs.

III. Discussion

The Before you mint your NFT, be sure to create an OpenSea account and have a digital wallet like Metamask active on your browser. You should also have a crypto exchange account to pay for the transaction fee. The first thing you need to do is create an OpenSea account. To do that, you need a crypto wallet. NFTs are stored on the blockchain, so all NFT transactions, including printing and selling them, will be executed through the crypto wallet.

3.1 Set up a crypto wallet

In order to do anything on the blockchain, you’ll need a crypto wallet. This will hold your NFTs and cryptocurrency

MetaMask, Coinbase, WalletConnect, Phantom, and others can be used, but a popular wallet choice is MetaMsk. Here’s how to get the MetaMask crypto wallet. The crypto wallet can be extended in the browser, as shown in Figure 2.

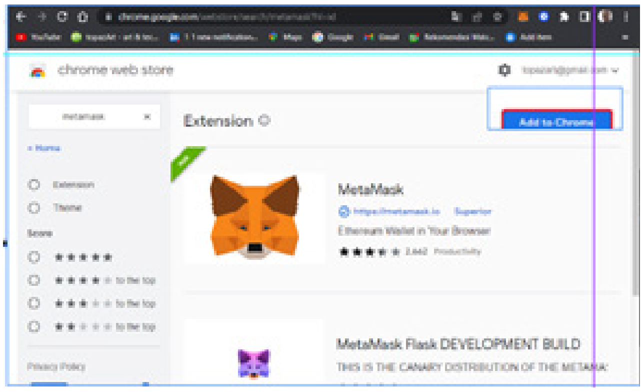

Figure 2. The MetaMask icon in the browser

3.2 Create a collection

On opensea.io, navigate to your Profile icon and select My Collection.Enter the collection’s category and tag information. OpenSea is in the process of revamping our category system. Changes made to the Category section will show up immediately on OpenSea. Changes made to the New categories and tags coming soon section will show up later. As part of the revamp, a new set of categories is being defined. The collection’s previous category, selected under Add category, may not be available after our category system revamp.

In addition to categories, you can now choose up to 5 descriptive tags to help collectors learn more about your collection.

3.3 Upload the work

Creating an NFT on OpenSea is easy! This guide explains how to create NFTs on the Ethereum or Polygon blockchains. Setting up thrr first NFT collection. On OpenSea, click the Profile icon in the top right corner and select Create.

Now you’re prepared to browse through the marketplace and potentially make a purchase. Certain listings will feature a Buy Now option while others allow you to place an offer to the owner. If you click Make Offer, choose the amount you are willing to pay and an expiration

ISSN 2985-8453 (online)
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date. After the exchange is complete, the NFT is transferred into your wallet and appears under the Collected tab on your profile page. OpenSea takes a 2.5 percent cut from every marketplace transaction.

To put an existing NFT on the market, go to your Profile and click on the desired NFT. Then select the blue Sell button at the top right of the screen. Pick Fixed Price if you would like to sell it for a specific amount or pick Timed Auction if you want people to bid on your NFT.

OpenSea charges an account initialization fee for your first listing. Ethereum transactions incur something called a gas fee. If a seller accepts an offer made on an NFT, then they pay the gas fee. For fixed price sales, the buyer is responsible for the extra cost. The NFT is ready to sell, as shown in Figure 3.

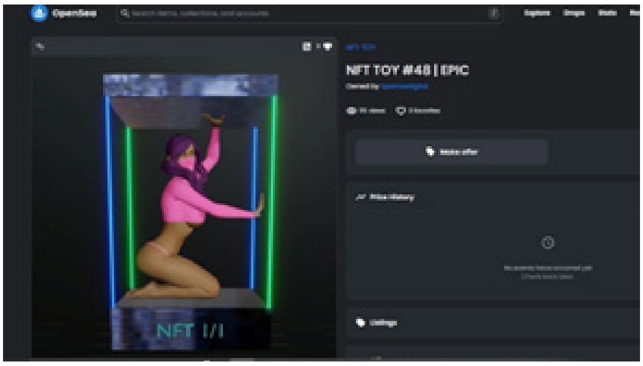

Figure 3. Selling an NFT [8]

IV. Conclusion

This study examines the opportunity of the NFT-based creators and collectors whose valuations are determined on a cryptocurrency exchange. Recent months have seen a surge in the use of NFTs, including primary NFT offerings and feverish NFT trading on the markets. The NFT industry represents another important use case for blockchains, in addition to artists, creators, and collectors to trade easily

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