

NFTs have gained tremendous traction since the beginning of this year. These Non-Fungible crypto tokens have been sold for millions of dollars. Moreover, the craze for these digital collectibles have continued to soar. Notably, we have observed that this year there were two uptrends in the crypto market that also coincided with solid spikes in the internet for NFTs query. Besides, it is also noteworthy that trading volumes across various vertices of NFT have been on a tear. Indeed, the combined sales for collectibles and art NFTs have reached \$7.4 billion this quarter. Since January, the digital collectibles market has grown to \$1.8 billion from only 17.8 million.

Hype poured fuel in the NFT market

Earlier this year, Artnome, the art and data science blog, highlighted the correlation between the number of views on SuperRare and an NFT sale price on the platform. The authors of the blog concluded that the hype machine is real following the number of views by registered collectors of a work correlated to a higher sales price for the collectibles.

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In the two surges of this year, the term NFT has been found being the most searched term on Google, in comparison to other major assets. Notably, the first highest-paid price for an NFT was Beeple's \$69 million auction of his photo collage entitled "Everydays: The First 5,000 Days". Moreover, it is also observed that the art piece was one of the first ever crypto collectibles that was auctioned on a major fine art auction house of Christie's.

The hype poured fuel to the fire in the market, as the total monthly sales volume skyrocketed from \$32 million to \$83 million within a month. Simultaneously, the second time in July when the market surged, the sales increased to 4.65 billion.

NFTs being co-owned

A Hungarian network scientist Albert-László observed transactions that took place on the platform of SuperRare NFTs marketplace. In the analysis report entitled "Barabási", he examined the number of co-owned crypto collectibles transactions between collectors and platforms. Albert further explained that co-owned art NFTs are those bought and sold between more than one collector. To find how many of the same pieces were owned by different collectors, he examined each artwork as a node on a network of transactions.

The overall analysis revealed that art collectors collect and trade in one type of art only. Whether such type could be a particular artist, style, genre, or medium. Hence, there is only a small group of collectors that makes the purchases of high-end art NFTs.

Crypto collectibles needs to solve some issue

Researchers suggested that the CryptoPunk NFTs are now equivalent to a Picasso. Moreover, these tokens are outside of most people's financial reach. It is noted that one of the NFTs greatest achievements has been to puncture the illusion of contemporary art as a space for high culture. It is also significant to point that speculation is appearing to be as much a driver of the art's value as the work themselves. Indeed, following the scenario, it is much needed to point a way beyond the current situation.

Source: [NFTs witness mainstream demand, sales, and popularity](#)