



Forget NFT Artwork: Here's the Real Reason They Have So Much Potential

Description

[Cryptocurrencies](#) have been growing and disrupting existing technology for years. But it wasn't until the last couple of years that the industry has gained so much popularity and caught the attention of investors. And it's not just cryptocurrencies gaining popularity, but also other blockchain products such as Non-Fungible Tokens (NFTs).

NFTs have become ultra-popular over the last year, thanks in large part to the massive gains that some investors have made.

There is a tonne of different types of NFTs you can buy, whether it's assets from a [play-to-earn video game](#), music, or artwork. The latter has been the most popular and successful, with some investors making hundreds of thousands of dollars flipping these digital images.

And while that's what has caught the attention of investors and made NFTs so popular, it's also what's turning a lot of investors away from investing in the space.

In fact, there are several reasons I've seen for why many don't like NFTs and aren't bullish on their long-term potential.

Why do so many investors dislike NFTs?

It all starts with not understanding why art NFTs have value, given you can just screenshot the image. But it goes far beyond that. Investors don't like how speculative art NFTs can be. In addition, it's clear that in some cases, bots are trying to control and manipulate the market.

The fact that there is speculation around this art isn't exactly surprising, though. A lot of cryptocurrencies are already highly speculative assets. In addition, the art industry has always been prone to manipulation, and it's no different with digital art. Therefore, investors are passing on the idea of NFTs, because they seem to only appeal to speculators and money launderers.

Another popular complaint I've seen is about NFTs on blockchain networks like **Ethereum** ([CRYPTO:ETH](#))

). Because Ethereum uses a proof-of-work consensus to validate transactions, it means that the rising popularity of NFTs can cause a lot of unnecessary power consumption.

However, just because the most popular NFT use case today is to buy and sell digital art doesn't mean that's the ultimate reason to be bullish on NFTs and the long-term potential they offer.

The potential of blockchain technology

NFTs have a tonne of popularity simply because they are run on blockchain networks. So, although a popular argument is that creating digital artwork is a pointless use case and one that can have a poor effect on the environment, investors need to think bigger.

First off, there are many NFTs run on blockchains, where it's almost free to send transactions and which hardly use any power consumption. But on top of that, because they are run on blockchains, which are highly secure, transacting through smart contracts offers major benefits.

Right now, whenever you buy or sell something large, say an automobile or property, there can be significant expenses just to do the transaction due to the middlemen needed, mostly to establish trust, such as lawyers.

When everything can be written into the code of a smart contract, though, and that code can't be changed, you no longer need these expensive middlemen to bring trust to a transaction. This is why NFTs have so much potential.

Almost anything can be turned into a token in order to be sent on a blockchain, which includes the ownership of an automobile.

So, although the NFT space right now is still full of highly speculative markets, I wouldn't ignore the potential that the industry offers. It's still so early for the entire blockchain and cryptocurrency industry.

Although a lot of projects may look highly risky or speculative, it doesn't necessarily mean that you can't find some truly incredible long-term investments to buy with confidence.

Therefore, while I would avoid highly speculative assets whether that's an NFT or actual cryptocurrency, the long-term potential of the entire blockchain industry offers so many opportunities for growth that it's crucial to find the projects that create the most real-world value.

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