

Business Research Project: Part II

Exploratory Qualitative Research

Prepared for:

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Introduction

The rapidly evolving digital world has profoundly changed the internet we all know of. As one of today's most significant developments, blockchain technology is considered a huge breakthrough. Blockchains, essentially, are digital ledgers of transactions that are duplicated and distributed across a network of computers (Euromoney). Whenever a new transaction occurs on the blockchain, records are added to all participants' ledgers in a peer-to-peer network. Complicated mathematics underlies blockchain technology, which ensures that the transactions are "immutable, tamper-proof and secure" (Dalai, S. S., 2022). Widely known for its role in cryptocurrency systems, it has "entered into multiple different spaces," notably NFTs (Non-Fungible Tokens) (Dalai, S. S., 2022).

Non-fungible Tokens are referred to as "unique digital assets built on [the] blockchain technology" (DeNicola, L., 2022). The 'asset' in this regard can take up the form of "a video, a GIF, an audio clip, or [even] a standard image," which is what we commonly see in the marketplace (Cipriani, J., 2022). The term 'non-fungible' implies that it is unique and not interchangeable, much like a one-of-a-kind work of art (i.e., Leonardo da Vinci's Mona Lisa or The Starry Night by Vincent van Gogh). Beyond just images, GIFs, and videos, even tweets have been subject to being tokenized. A prime example is the first-ever tweet by Jack Dorsey, Twitter's founder, which was converted to a non-fungible token and sold for \$2.9 million in 2021. In essence, these tokens represent digital receipts of ownership.

Non-fungible Tokens have been making headlines in recent years, gaining popularity and widespread acceptance from the general public. Digital art, in particular, assumes the lion's share of the recognition surrounding NFTs. The 'hype' is believed to have been ignited when a collage made by a digital artist, Beeple, sold at an auction house for an overwhelming \$69 million in March of 2021. Given the commerciality of digital art/NFTs and several of its other appealing attributes, which include uniqueness, authenticity, rarity, ownership, and indivisibility, professionals in the art world and that of finance have emerged from all corners of the globe and seemingly engaged themselves in what has revolutionized digital commerce. Backed by statistics, an NFT marketplace that only comprised "8,000" buyers and sellers in 2019 grew "to over 1.15 million in 2021" (Bahr, J. K., 2022). In terms of dollar volume, a "255% year-over-year" growth was recorded in 2020, followed by an astounding "69,912% [growth] in 2021" (Bahr, J. K., 2022).

NFTs, without a doubt, are still in their early stages. Irrespective of the tremendous traction they have garnered over a short period, speculation, doubt, and strong rejections persist among many. In light of this, it has become imperative to identify the critical factors that influence consumer behavior towards NFTs that prompt their buying patterns and impact their confidence, as our study does. In order to accomplish this dissertation's objectives, several interviews were conducted to collect data and establish facts. Furthermore, a comparison of the responses was made, and an analysis and, accordingly, a framework were drawn based on the findings.

Research Statement

Research Objective:

- To identify the influencing factors behind consumer behavior towards NFTs.

Research Questions:

- What current factors affect consumer perception of NFTs and their impacts on buying behavior?
- What are the limitations of NFTs that impact consumer confidence?

Personal Information of Interviewees

Name	Confidential [Respondent 1]	Confidential [Respondent 2]	Confidential [Respondent 3]	Confidential [Respondent 4]
Age	21	32	24	23
Gender	Female	Male	Male	Male
Education	BFA	MBA & CCI (Certified Crypto Investigator)	BBA	BBA
Culture/Ethnic Background	Yemeni	Indian	Pakistani	Indian
Country of Birth	Yemen	India	Pakistan	India
Job	Game Developer	Compliance Officer	Businessman	Director
Organization (if applicable)	Endless Studios/E-Line Productions	Bank	Infusion Power	RC Imports LTD (Belize); RC Imports FZCO (Guatemala Freezone; JAFZA); Wave Foods LTD

				(New Orleans, Louisiana)
Number of years of experience with NFT	2 years	-	1 year	3 years

Comparison of Respondents' Answers

Key: [Code (Respondent(s))]; With Correlation; Without Correlation

Questions	Respondent 1	Respondent 2	Respondent 3	Respondent 4
How did you first learn about NFT? What was your first direct experience with NFT? [Research (1; 2; 4)] [Word of Mouth (1; 3)] [Social Media (4)]	It was actually when my brother told me I could make money from art doing NFTs, and I thought there is no way people can get money just selling their art works, so I researched more about it and found out that was actually possible. So, I started heading to the NFT route.	I came across NFTs whilst reading to invest in crypto.	I found out about NFT's through a friend who was already investing in them.	I learned about NFTs through social media. My first direct Experience with NFTs is purchasing one off Open Sea's marketplace.
How do you identify yourself with NFTs (a creator, a collector, investor, or a trader)? What does NFT mean to you? Why?	I am a creator of NFTs. At first, I thought that it was paintings to be sold to be used in the meta verse and I really didn't think it was a business gamble, I really just thought people	I want to know more about NFTs and discover how I can become a trader. I understand that NFTs are digital assets based on blockchain technology. NFTs have	I think for the time being I would consider myself as someone who is looking into collecting NFTs.	I would identify myself as a trader, I don't purchase to collect I purchase to resell and potentially make money. NFT to me is just another way to

<p>[Trader (2; 4)] [Creator (1)] [Money-Making (1; 2; 4)] [Risky (2)] [Collector (3)]</p>	<p>were buying these artworks to put in their meta verse houses. That was not the case but it would have made sense if it was. But NFTs to me is basically an artwork that you own that gives you benefits, and that's about it. I see it as a business not something cool.</p>	<p>become a popular commodity over recent years; their commerciality has intrigued me. However, it is quite risky and volatile.</p>		<p>copyright ideas and resell them.</p>
<p>Can you tell me what kinds of NFT you are holding? (For each NFT project / item / brand) What is it about? Which collection?</p> <p>[Wa Wa Watermelon (1)]</p>	<p>I hold one of my personal collections called the Wa Wa watermelon NFT. It is a watermelon drawn in a water hose art style. And it is supposed to represent the koawawa noise. The idea of it is that getting different colour watermelon and making him wear cloth and change the background and all. We made our first 10 NFTS of the wa wa watermelon and we launched it into opensea, and it did not end up selling</p>	<p>I do not hold any NFTs at the moment.</p>	<p>Currently, I do not hold any NFTs.</p>	<p>Due to the recent market crash I have sold all NFT's so I'm not holding any now.</p>

	because it did not come with benefits, which was upsetting. Then we thought maybe make it a little more unique and make him wear adidas and Nike shoes we made him wear chains we made him wear a cap but hat still did not work.			
Have you ever created an NFT? If yes, please explain what are the reasons you created an NFT for the very first time? Can you tell me more about it? [For Commercial Purposes (1)]	Well for obvious reasons lets address the elephant on the room, to get money and this is what NFTs are here for. As a creator all I am getting is money. But I didn't actually get money when I created my NFT, so I wasted a lot pf time making above 15 NFTs hand made. It was not even A.I. generated, which I should have used. So yes, mostly it is just to get money.	No, I have never created an NFT.	No, I have never created one. I am only looking into collecting.	No, I have not.
Have you ever bought NFT? If yes, please explain what are the reasons you bought	I bought a space shipped cat NFT. I do not know who created it, but I just bought it.	No, I have not bought any NFTs as of yet.	I have not bought one yet since I am still learning about it.	Yes, I have. I bought this NFT that was a derivative of the Keys metaverse. Where they

<p>NFT for the very first time? Can you tell me about the most recent NFT you bought?</p> <p>[Make Money (1)] [Spaceship Cat (1)] [Keys (4)] [Mutant Ape Yacht Club (4)]</p>	<p>But after being a creator, I thought maybe buying NFTs and reselling it would have been much better because you are getting your money back regardless, and how I saw it from research, you as a buyer and seller, you actually get more benefits than a creator. So, I started doing that but it's very hard to know which one is going to be popular and which one is not, and end up buying a lot of NFTs which don't have value.</p> <p>So, I found an NFT website where people don't care about the benefits that come from NFTs. You can just buy NFTs and keep it with you, but they don't have benefits so you don't gain anything from it. Regardless if</p>			<p>would have a private concierge for people who would want to rent luxury items like houses, yachts, private planes, etc... the most recent NFT I had purchased was a Mutant Ape Yacht Club but only for resale purposes which I had sold 2 days after.</p>
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	<p>you resell it, you are reselling it for the same amount of money you bought it as, so there's no profit. I thought, that was a better approach thinking If I bought all these NFTs which are low in value at the moment, maybe I can gain an audience and selling it for a higher price, but that did not happen because people just didn't care.</p>			
<p>How do you decide which NFT to buy or invest in? What are the criteria?</p> <p>[Uniqueness (2; 3)] [Legitimacy of Seller (2)] [Pricing/Profitability (1; 2; 4)] [Transaction-Related Fees (2)] [Research (1; 4)] [Popularity/Trend (1; 4)]</p>	<p>A lot of research! Because every month an NFT is more popular than the other. And you must consider NFT is not just drawing an artwork, people are selling username as well. People are selling crypto wallet usernames. You can sell videos and audios, and even started selling in the metaverse. If you would happen to know</p>	<p>If I were to invest in NFT, I would consider the uniqueness of the NFT, for one. Additionally, I would take into account other aspects such as the legitimacy of the seller, the price, transaction fees, to name a few.</p>	<p>Research is definitely important. I tend to look into the quality and uniqueness of the art as they tend to hold the most value.</p>	<p>There are many tools and information platforms where I would do my research to purchase an NFT. Ex/ icy.tools, rarity.tools, discord groups ex/ bounce. These all platforms give you information on market data on how actively the NFT is trading and what the average price is. It shows you how many buys to sales per</p>

	<p>what to buy and what to sell you must guess what the next trend is. For example, if you see that pixilated pictures are the trend right now, you must guess that the next trend would be a GIF or a video, so if you made or bought video NFTs you are most probably going to be profitable. So, its all about guessing what the next trend is.</p>			<p>minute. For me the Criteria is when an NFT project has a high number of transactions per minute with the average price increasing, I purchase and hold for no longer than a couple hours. This way I can either make 20-30 percent per purchase.</p>
<p>What are your personal motivations behind engaging in the NFT marketplace as a trader, investor, or creator?</p> <p>[Making Money (1; 2; 3; 4)]</p>	<p>Motivation is as easy as money. Because you can get a ridiculous amounts of money by creating and selling the right NFT. Having that is the greatest motive. Knowing that people got to the place of being millionaires or billionaires because of NFTs is the one of the only motive why you would be in the NFT industry in the first place.</p>	<p>I would engage in the NFT marketplace as a trader. In light of the fact that NFTs have become popular commodities, I intend to profit from buying and selling them.</p>	<p>I have always been into art and when digital art was introduced in the form of NFT's, I was intrigued by it. The money-making factor has also been a motivator for me.</p>	<p>Making money would be the personal motivation behind engaging in the NFT marketplace.</p>
<p>What are the values/benefits/</p>	<p>Creating you do not gain much</p>	<p>For one, continued</p>	<p>The benefits derived for</p>	<p>The value behind the NFT</p>

<p>utility that you derive from holding, creating or trading the NFT? And why? Please specify as many as are applicable for each NFT.</p> <p>[Continued Growth (2)] [Unique (2)] [Commercially Viable (2; 4)] [Ability to Socialize/Develop Connections (1; 3)]</p>	<p>value because you are the giver. This is how I see it. The creators are the givers and the people who are receiving the NFTs are the receivers. You being the creator you are getting much, but as a receiver you are getting a lot right, whether that NFT is allowing you to be on yacht parties or getting a chance to go to the oscar.</p>	<p>growth is the value I perceive from holding/trading NFTs. Additionally, among its benefits are its uniqueness factor, which significantly affects how most, including myself, perceive it. Furthermore, in one of the previous questions, I mentioned that trading NFTs could generate income; NFTs have been shown to be commercially viable.</p>	<p>holding NFT's is that they act as an investment. Also, they provide access to many communities allowing you to create valuable connections.</p>	<p>is the utility the NFT has to offer and the demand for that utility. I don't hold NFT's or Create NFT's is because I am a trader, I buy and sell and don't have any use for the utilities itself. The benefits of being a trader to me is that the ROI is shot term (between hours to many a day or two), not worrying if the project is going to follow through with their "promises".</p>
<p>What do you believe are the risks and challenges associated with holding, creating or trading the NFT? Why? How do you address these challenges?</p> <p>[Volatile (1; 2)] [Subject to Varying Policies (2)] [Scams/Fraud (2; 3)] [Due</p>	<p>There is a lot of challenges because again you have to understand that it is a trend, and could die off anytime. A lot of people are being involved and there are many competitions. The best advice I can give you is to keep updated on the NFT market place. It is all about research and learning from</p>	<p>NFTs are highly volatile, for one. Different jurisdictions have varying policies governing NFTs. Furthermore, the likelihood of being scammed and pricing variations are the perceived risks and challenges associated with NFTs. Conducting thorough due diligence, keeping abreast</p>	<p>There is an opportunity loss associated with holding an NFT project for too long as it may result in losing the chance to earn a good return. Various fraudulent activities and thefts surrounding NFTs give rise to security concerns.</p>	<p>Holding an NFT is one of the riskiest things possible because you can either get 10-20 times your money or lose it all. This is because the publicity and demand that a project creates for their project creates "demand/hype", this causes people to have "FOMO" or "Fear of missing out" thinking</p>

<p>Diligence/Research (1; 2)] [Dynamic Environment (1)] [Critical Thinking (1)] [Does Not Hold Value/Only Short-Term Yields (3; 4)]</p>	<p>different aspects. Do not look at the positives only but look at the negatives as well. Critical thinking and solving come in very handy. There is no golden advice that I can give to you. You have to really do your research.</p>	<p>of regulations in jurisdictions, etc., may be a start in addressing these challenges.</p>		<p>that this project will be the one to 20x their money. the way how I address these challenges is I don't hold. I buy and I sell. It makes no sense waiting months for someone to keep their promise just to see if you can make money. I rather sell the hype then wait for the result.</p>
<p>Which social media channels do you use to know about the NFT market and collections (e.g., Twitter, Discord, Telegram, WhatsApp). Any offline/P2P communities like meetups dedicated to NFTs? And on average, how much time do you spend on these channels per day/week?</p> <p>[Twitter (2; 3; 4)] [YouTube (1; 2)] [Reddit (1)] [Art Dubai (1)] [icy.tools (4)] [rarity.tools (4)]</p>	<p>I'm not into NFTs anymore, but when I was like super heavy, I would have to look at the market like a hawk. Primarily. I use Reddit. Reddit. It is funny enough. But it does make sense because people usually pour their heart out in Reddit. Nobody knows who you are. It is, it is not like Twitter or Instagram or whatever. So, people can generally give you like gem ideas to learn from.</p>	<p>Twitter and YouTube are the two social media channels that I use to keep myself up-to-date on the NFT market. I spend an average of two hours per week on these channels researching NFTs.</p>	<p>I prefer using Twitter for updates. I am part of a WhatsApp group where all of us members discuss various NFT projects.</p>	<p>Discord, Telegram, icy.tools, rarity.tools, and Twitter. These are the places I would go to get my information on NFT's. I used to spend about 3 hours a day researching but now I'm out of the NFT market place and I only focus in managing my companies and maybe slight crypto trading.</p>

<p>What sort of activities are you engaged on these channels? (E.g., discussing price movements, exchange of NFT market-related information, meeting new people, discussing projects), please explain.</p> <p>[Exchange of NFT Market-Related Information (1; 2; 3; 4)]</p> <p>[Discussions (1; 3; 4)]</p> <p>[Socializing (1)]</p>	<p>I would go to places where people talk about NFTs, but they are not an exact event. I would go to, for example, Avenue. Like if you went next to the movies, there are usually people just talking about NFTs for no reason really? Yes. And if you went to Art Dubai as well, like you would go there and people just talk about NFTs, like it is not an event that is specifically dedicated to NFTs.</p> <p>I spend on my phone total eight hours every day, a total of eight hours in my laptop. I would say every day, like 8 to 12 hours. Because at first, I have to go to opensea and other websites I don't remember specifically which ones, but</p>	<p>As you mentioned, the exchange of NFT market-related information would be the sort of activity that I engage in on these channels. For someone looking to enter the NFT space like myself, it is imperative that I keep myself aware of the relevant shifts and changes. As we know, the crypto environment is dynamic, and so for those reasons as well, I seek to keep myself informed through the use of the aforementioned channels.</p>	<p>All of us members discuss price variations and values of different NFTs.</p>	<p>I used to check for new projects, discuss the creators, the utility and check the market data.</p>
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	<p>You have to go all of these websites and you have to physically Scroll and see what works and see what does not work.</p> <p>And then you have to click and see who bids, who's not bidding, why is it bidding? What are the benefits of that? You scroll, you go to the other website, you scroll, you go to YouTube. You hear about people talk about NFTs. You go to the crypto market, you see how crypto like Ethereum and Bitcoin is doing, which one is going up and down.</p> <p>Yeah, and then you have to go other places where you personally hear from the NFT creators, which is a lot of people and then this whole time, like 8 to 12 hours</p>			
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	searching for answers. And then I have to go and actually work on my NFT and then I have to post it in.			
Why did you join these communities? What were your motives? (Compensation/monetary rewards, show ideas, gain knowledge, interest and curiosity about novel things, etc.) What are the benefits of being part of the community to you personally? [Curiosity (1; 2)] [To Gain Knowledge (2; 3; 4)] [Monetary Rewards (1)]	To me personally, it is interesting to see how people work. Really? I joined NFT discord servers. I know Discord is not exactly the best place to be, but I went to Discord to see these NFTs groups, because this is where they get their audience through their Discord account. And you go there and you see how there is obviously giveaways, NFTs, that you can get NFTs for free, but you must resell them afterwards. It's interesting to see how everyone is just so energetic. You just look and observe the chat. You See them saying "I	The motives behind my following NFT communities were to gain knowledge and simply out of interest and curiosity.	I joined these communities to keep myself up-to-date with the changes in the NFT market. I get the chance to hear valuable insights.	Main motivation was to stay informed. I used all these platforms as a source of information to make my decisions based on trading.

	<p>have this type of NFT” And then the other person says “I have that type of NFT”. And the other person goes like “You have too have that”.</p> <p>It's just a bunch of people just talking and flexing on each other as well. They say “Oh look, I have this, it’s on my profile picture” And then someone mentions their auntie, about her having multiple NFTs and we are like , we were not talking about your auntie, but okay.</p>			
<p>Do you trust the community and the project leaders / community manager, people discussions to make decisions in relation to NFTs? Why or why not? It really depends – tweets from expert traders or those who have had some</p>	<p>I do not trust them at all. It is just weird in my own opinion. I feel like it is weird that you're getting. A lot of money after something such as NFT. It is not even stable income. So, when someone comes to you and tells you “You are going be rich if you</p>	<p>It is crucial to examine the views and perspectives of many involved in the NFT space and conduct my own in-depth research to derive valuable information. Some project leaders and communities pursue their agendas and capitalize at the</p>	<p>I personally do not believe every discussion that takes place within the communities that I am a part of, and at the end of the day I believe we must make our own decisions on whether to engage in any one NFT project.</p>	<p>I don’t trust them; I only hear what they have to say and then I research myself before I make a decision. Plus, to add on top I don’t invest in NFT’s that are for “minting”. Which basically means I don’t invest in new projects; I wait for them to be launched and</p>

<p>experience and success in NFT trades.</p> <p>[Not Trustworthy (1; 2; 3; 4)] [Hidden Agenda (2)] [Superficial (1)]</p>	<p>work with my NFT project”, it's weird and sketchy. It feels illegal. It feels really illegal.</p> <p>You don't understand when someone comes to you and goes “You are an artist. I have a position for you. You are going to get a lot of money. You are going to get a lot of benefits.” It is basically, I am sorry to use this word, seducing. Yeah.</p> <p>And I'm like, what is going on? I do not trust them at all because us as humans, who wouldn't want all that? Who does not want all these benefits. You are chasing your desires all the time. Yeah, and it's weird because me, as a creator, it's even weirder for me than a trader because a trader, you don't have anything to offer. And these</p>	<p>expense of other traders, which necessitates extensive due diligence. As a result, the trust factor has been eroded.</p>	<p>then trade based on trading activity.</p>
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	<p>people are looking for people who create NFTs, people who have a creative background, people who draw. So, I am in a very risky position where I do not know who to join and what people want me to do, it's really screwed up. And there is a lot of projects where they overwork their artists by the way. So, it's hard to trust. It really is.</p>			
<p>Have you made friends with community members? Please elaborate</p> <p>[Following/Subs cription (2)] [Gender Discrimination (1)] [Connections (3)]</p>	<p>No, I have not. What was wrong, woman? I'm a woman, that is why. Girls do not care about making NFTs as much as men do. They do not, but for sure there are some. I don't know where they are though. If I could i would love to meet them, obviously, but I don't know where they are.</p> <p>Obviously online, the only</p>	<p>No, but I do follow and subscribe to their channels.</p>	<p>Yes, I have been able to establish good connections in the communities that I am a part of. It goes further than just NFT projects. You get to find very like-minded individuals.</p>	<p>Yes, I have, we just used to talk about the new projects that launched and how they trade as well talk about the most trending project at the time.</p>

	<p>things that you see is just a male dominated area. you might see them, but they might not be even be active on discord or active on Reddit. Does that make sense? And the girls who are usually into NFTs, they are only into NFTs to get someone who's into NFTs.</p> <p>Yeah. They are like “I will do nothing. I will just find someone who knows NFTs and we are just going to make money together. I will just be the face”. Me as someone who is actually involved in NFTs, I get mistreated a lot. They go like, aren't you supposed to be the kitchen?</p> <p>There is the alpha movement as well. Where the man goes, like, I'm an alpha man. And then like, you are nothing as a</p>			
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	<p>woman. Like, you should be glad you should be talking to me in the first place. And I am like, okay.</p> <p>I do see a problem with it. Really. I think just the whole mentality of. It is basically Wall Street. Do you know how everyone is in Wall Street? Yeah. It's basically Wall Street, just digital.</p>			
<p>Have you observed common topics, values, and norms in NFTs online forums that you want to share with us? Does this community have rituals and traditions (e.g., special ways of greeting new members) What are they?</p> <p>[Competitive (1; 4)] [Networking (3)]</p>	<p>Let me tell you my experience. Which is the only experience that I had. Again, I have never went very deep into NFTs. I tried obviously what I can, but it did not work out for me. For some other people it might. The UAE NFT project, again, they were all just a bunch of men. No offense, going with their alpha. And I did not get pretty much treated right. But there is also this</p>	-	<p>I have noticed that it is highly beneficial to attend events that are held for networking purposes. I have had the chance to meet many talented creators and various investors in such events.</p>	<p>Honestly, the NFT world is mostly a bunch of teens-young adults trying to make money off each other. So, people would try to upsell projects and try to work together to move a price of a project and then dump it so they make their profit.</p>

	<p>weird, thing between like young men and old men in the same server where the older men criticize the younger men for getting money before them. It was like “you are 21 and you gain like much more money? I think this is a joke.” And they get offended.</p> <p>And I think these communities of like the NFT projects are not good at all because there is also the thing where the person who already got the money from the NFTs, they think it's very easy. They do not see about the people who failed. Maybe they are lucky or maybe they are smart enough to get whatever they got. But they were like, If I did it, you can do it. They do not think that every individual is different. And</p>			
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	<p>this is what happens in the community. Someone pushes the other person to do crypto, do whatever. And at the end of the day, they lose a lot of money and then they didn't gain anything.</p>			
<p>Do you have voice in the community? Are you able to participate in decision-making (e.g., have your say in the direction of the community, development of products, etc.)?</p> <p>[Open Communication (2; 3; 4)] [Gender Discrimination (1)]</p>	<p>No. I do not have my say because I'm a woman. Yeah. But I do try my best to tell people that “hey, if you are going to the NFT money route and about to join the NFT community or whatever, be careful, be wise, be smart, be clever.” Because what happens is that everyone, I mean, everyone must put in the work. It takes a lot of sacrifices for a project and ends up not working. So, what I do is I try to advise people that sometimes NFT does not work, so to try to make it the least damaging to yourself as much as possible.</p>	<p>I can have a say and respond to statements; thus, I have a voice. However, I wouldn't say it is in the direction of product development.</p>	<p>The communities allow for insightful discussions about various NFT projects; however, I do not have a say in their development.</p>	<p>Depends on which community you are in. everyone has a voice, but it just depends if people want to hear what you have to say.</p>

<p>Did the NFT developers / project leaders offer incentives (monetary/non-monetary, such as NFT drops) to join the community? If yes, what kind of incentives?</p> <p>[Giveaways (1)]</p>	<p>Yes, yes, yes. Definitely. That is the only way to keep the audience interested or gain more audiences, do giveaways. This is what it is. Giveaways. The only giveaways that I have seen, which is polls and You log in into some sort of website and then they do like the spin wheel, and then whoever's user name comes by. And there is some, they tell you, for example, to like a certain post on Instagram to follow a page and you are offered a prize.</p> <p>So, definitely 100% they give you giveaways, usually give you NFTs too. And it is not worth much. They are not going to give you a limited edition. They are just going to give you like normal NFTs.</p>	-	No, I have not come across such incentives.	No, they have not offered incentives.
According to you, how can	It is all about marketing. So, if	Increased brand awareness and	Brands can benefit	NFT space can really bring a

<p>brands and retailers benefit from the NFT technology?</p> <p>[Increases Brand Awareness (1; 2)] [Additional Revenue Streams (2)] [Effective Marketing Tool (1; 3; 4)] [Authenticity (4)]</p>	<p>the board Abe has like a, a gap cap on then who's really getting the markets right? Some people would like to impersonate their NFT, right? So, let's say there's like a, which is funny because if you went to Popcon. Popcon is like ComicCon. At World Trade Centre. Okay, so there was a popcon, I believe Friday or yesterday, and some people dressed as NFTs. They came like with the board ape. They dressed exactly like identity, so, Brands get benefits from that because the moment they, they see that the most sold NFT is being sold with a gap hat on, people would want to replicate that. Right. Or they would start to see the gap hat as something trendy. So some</p>	<p>increased revenue streams are the primary benefits to brands and retailers, which are made possible through the exclusive communities created.</p>	<p>massively through NFTs as they serve as an effective marketing tool. We see today many companies that have taken a serious approach towards utilizing NFT technology for its potential.</p>	<p>modern way to how brands copyright their products. Instead of brands focusing on the “Metaverse”, which I think is not going to happen anytime soon. I think they should focus on modernizing their copy rite and protecting their IPs on all platforms. As well brands can have their limited product releases through NFT’s and then have those digital pieces connected to a physical piece that can be picked up/collected. For example, if Nike were to drop limited edition shoes, they can release the NFT and people who purchase it can resale the NFT to whomever without enduring the cost of shipping the whole shoe. The person who buys it would go to store and pick up</p>
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	<p>people would get the gap cap that is exactly the same as the one on the NFT.</p> <p>So basically, they can use it for marketing purposes. I believe some brands did use it for marketing purposes, such as Gucci. Yeah, and this guy that created these flowers, I forgot the designer's name. Do you know the flower with the rainbow petals and the smiley face? He made NFTs and he sold it to NFTs is considered as a well-off brand. It is a very popular brand. Yeah, it's all a marketing scheme.</p>			<p>and the NFT gets burned for collection of the Item. This way shipping cost is 0 and guaranteed authenticity of product is there. There are many ways brands can incorporate NFT's to their sales structure.</p>
<p>What do you think will be the future of NFTs?</p> <p>[Redefining Traditional Notions of Art and Entertainment (2)] [Growing Gen Z Base (2)] [More]</p>	<p>I think it's just going to, well I really suggest, and really hope it becomes more of a metaverse thing because in my own opinion, it just makes so much more sense. If it turns to be like a metaverse</p>	<p>I believe Gen Z is likely to be more interested in investing in NFTs simply because digital assets are becoming mainstream and more engaging utilities are being rolled out. NFTs are not</p>	<p>I believe eventually NFTs will be the new normal. The NFT space, as is, is gaining widespread acceptance and will most probably continue to do so.</p>	<p>I believe the future of NFTs would be a way to notarize legal documents, copyright products, have shares in companies, have utility-based memberships, crowd funding, etc. I don't</p>

<p>Acceptance/Mainstream (2; 3)] [Advancements into the Metaverse (1; 4)] [Redefining Legal Aspects (4)]</p>	<p>auction where you buy your artworks and put it in your whatever. They can even make NFT galleries in the metaverse where people can go and actually see artworks. I feel it makes more sense. Maybe they have though, I don't know. I did not do my research enough.</p> <p>But here is the thing, it makes more sense if it all stays digital Nothing physical, like you as a person, you are in a physical world buying something tangible. In the digital world, it would be you as your persona or character or avatar in the digital world. Buying a digital painting or NFT. So yeah, this is how I see it in my brain.</p>	<p>fads and are progressively redefining traditional notions of art and entertainment.</p>		<p>believe NFTs should be focused on art. That is a waste of time. It should be focussed more on advancing the way we do day to day items. The metaverse is not made for NFTs real world application would be the most successful thing that can come out of NFTs.</p>
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Analysis

Using semi-structured interviews, we evaluated the underlying factors that influence consumer behavior toward NFTs, specifically their impacts on buying behavior and their limitations that undermine consumer confidence. In this study, we interviewed individuals from different cultural backgrounds, which enabled us to evaluate varying and shared views and gain an overall broader perspective regarding the study's objectives.

Throughout the responses shared, one can draw similarities regarding their primary motivation for participating in the NFT space, which was to "make money." Whether they were traders, collectors, or even creators, making money was their primary goal. NFTs have proven to be commercially viable commodities, as Respondent 2 and Respondent 4 expressed. Thus, it makes logical business sense to participate in the NFT market. Seen as a form of "investment" and a feasible venture by the respondents, their ability to generate "profits" through trade and ownership is a key driver that continues to encourage user involvement and participation.

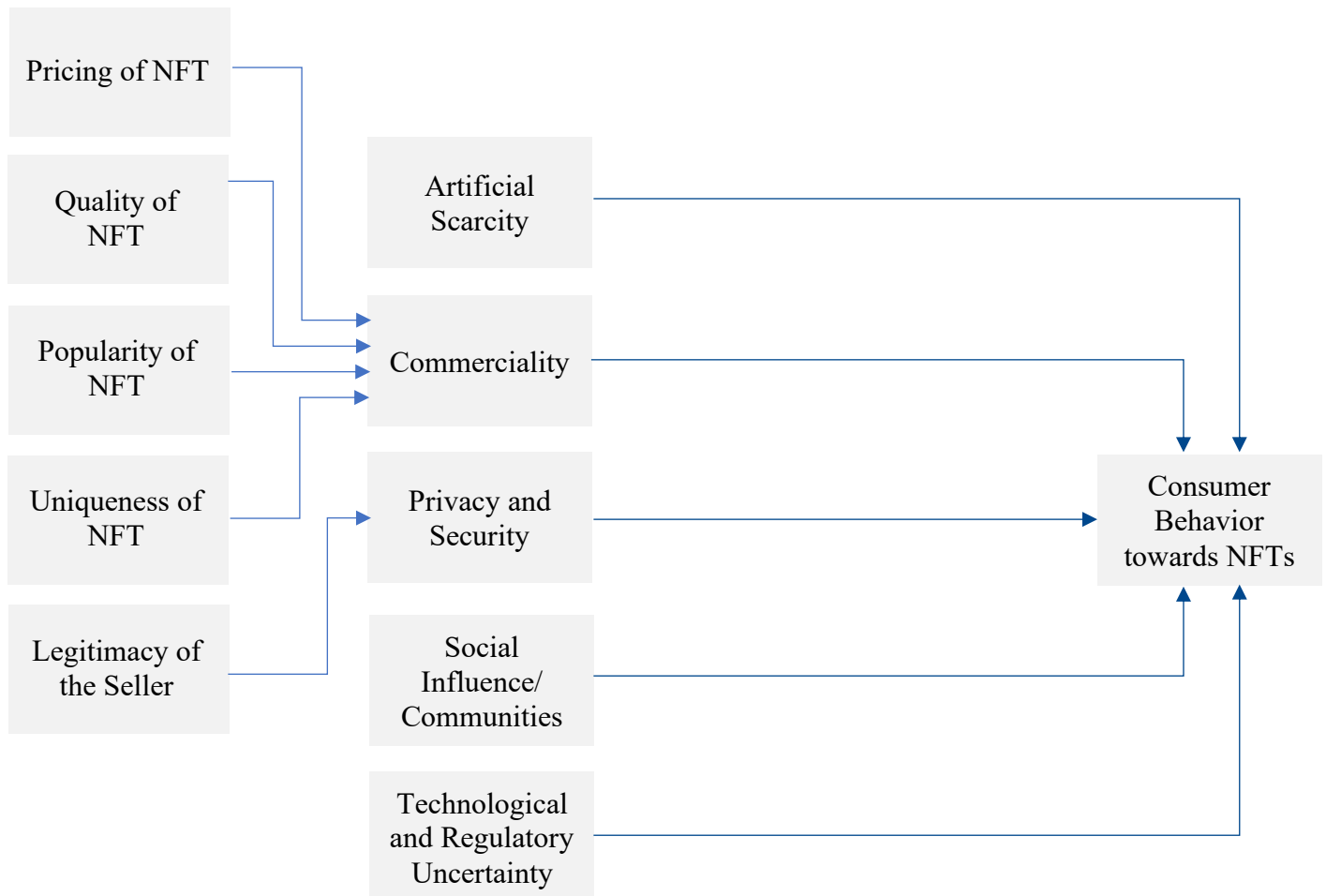
Despite the potential of NFTs in terms of their commerciality, they are not without risks and challenges. For example, its "volatility" is a major risk, as even Respondents 1 and 2 outlined. This can be attributed to the environment within which NFTs operate, which can be characterized as dynamic, as can be inferred by the claims of Respondent 1. She describes them as being strongly associated with "trends" and quote-on-quote something that can "die off [at] any time." This can trigger an unprecedented response in terms of "pricing variations" that are likely to occur, often offering short-term yields, which is another perceived risk by Respondents 2, 3, and 4. A further

constraint from Respondent 2's perspective is the legal framework surrounding NFTs, with different jurisdictions enforcing different rules. Furthermore, "the likelihood of being scammed" and "theft" constitutes another "perceived risk and challenge associated with NFTs" (Respondent 2; Respondent 3).

Communities within the NFT space have played a prominent role in the "exchange of NFT market-related information" (Respondents 1, 2, 3, 4). These communities channel relevant information through various social media platforms like that of YouTube, Twitter, Reddit, and WhatsApp, with YouTube and Twitter being the respondents' common go-to platforms. To further their "knowledge" and out of "curiosity" are the reasons stipulated by the respondents as to why they join communities and visit these aforementioned social media platforms. According to Respondent 2, trust in NFT communities has "eroded" for various reasons, as the rest of the interviewees implied. For one, there are certain communities that have been set up for the sole purpose of furthering "their agenda" to be able to "capitalize at the expense of other traders" (Respondent 2). NFT community leaders are sometimes seen making "sketchy" promises, as Respondent 1 would describe them, such as "you are going to be rich if you work with my NFT project." The NFT may offer no particular functionality or utility for its end users. It is nevertheless conveyed in a way that makes it almost a necessity to have, which demonstrates the influence communities have on consumer perception. Despite the lack of trust within the NFT communities, its ability to provide an open platform where participants "have a voice" or can take part in the "insightful discussions" that occur is one of its perks (Respondents 2; 3; 4).

The respondents' decision-making processes and their criteria for buying NFTs have exhibited some commonalities. The importance of conducting sound "research," for one, is what the interviewees have emphasized before making any decision. In the process, pertinent information can be gathered about the "uniqueness," "popularity," "quality," "legitimacy of the seller," "pricing," and "transaction fees," allowing for proper evaluation when purchasing NFTs (Respondents 1; 2; 3; 4); where out of the aforementioned criteria, the interviewees commonly look into the uniqueness, popularity, and pricing aspects of NFTs.

Theoretical Framework



Themes and Codes

Themes	Codes
Commerciality of NFTs	[Making Money]; [Continued Growth]; [Commercially Viable]; [Additional Revenue Streams]; [Pricing/Profitability]
Limitations of NFTs	[Risky]; [Volatile]; [Subject to Varying Policies]; [Scams/Fraud]; [Short-Term Yields]
Role of NFT Communities	[Exchange of NFT Market-Related Information]; [To Gain Knowledge]; [Not Trustworthy]; [Hidden Agenda]
Decision-Making	[Research]; [Due Diligence]; [Uniqueness]; [Legitimacy of Seller]; [Pricing]; [Transaction-Related Fees]; [Popularity]; [Quality]

Conclusion

NFTs are digital assets built on blockchain technology. There has been a significant increase in the popularity and acceptance of NFTs in recent years. Collectors and enthusiasts were intrigued by the idea of owning digital assets such as images, gifs, videos, and music, which led to a sudden growth in its market (Rehman, W., Zainab, H. e, Imran, J., & Bawany, N., 2021). However, NFTs have been met with overwhelming skepticism and speculation and have been rejected by many. A semi-structured interview process was used to gather primary source data with four interviewees from different cultural backgrounds in order to understand the factors that affect consumer behavior toward NFTs, particularly the impact they have on buying behavior and their limitations that undermine consumer confidence. We identified four key themes based on our findings: commerciality, limitations, role of communities, and decision-making. In the NFT space, people are primarily motivated by the desire to make money from them. The respondents' perspectives

also touched on the risks and challenges associated with NFTs, including volatility, price fluctuations, and the likelihood of being scammed. The ability of communities to support the exchange of data on the NFT market has also demonstrated their influence on consumer perception. The interviewees outlined that due diligence and research were essential elements in the decision-making process. In choosing which NFTs to collect and trade, respondents considered the uniqueness, quality, popularity, legitimacy of the seller, pricing, and transaction fees.

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Appendix

Respondent 1

Section 1: Profile of the respondent

Age: 21

Gender: Female

Education: BFA (Digital Media at the American University in Dubai)

Culture/ethnic background: Yemeni

Country of birth: Yemen

Job: Game Developer

Organization (if applicable): Endless Studios/E-Line Productions

Number of years of experience with crypto/NFT/Blockchain: 2 years

Section 2: Experience, motivations, perception of value and risks

How did you first learn about NFT? What was your first direct experience with NFT?

It was actually when my brother told me I could make money from art doing NFTs, and I thought there is no way people can get money just selling their art works, so I researched more about it and found out that was actually possible. So, I started heading to the NFT route.

How do you identify yourself with NFTs (a creator, a collector, investor, or a trader)? What does NFT mean to you? Why?

I am a creator of NFTs. At first, I thought that it was paintings to be sold to be used in the meta verse and I really didn't think it was a business gamble, I really just thought people were buying these artworks to put in their meta verse houses. That was not the case but it would have made sense if it was. But NFTs to me is basically an artwork that you own that gives you benefits, and that's about it. I see it as a business not something cool.

Can you tell me what kinds of NFT you are holding? (For each NFT project / item / brand) What is it about? Which collection?

I hold one of my personal collections called the Wa Wa watermelon NFT. It is a watermelon drawn in a water hose art style. And it is supposed to represent the koawawa noise. The idea of it is that getting different colour watermelon and making him wear cloth and change the background and all. We made our first 10 NFTS of the wa wa watermelon and we launched it into opensea, and it did not end up selling because it did not come with benefits, which was upsetting. Then we thought maybe make it a little more unique and make him wear adidas and Nike shoes we made him wear chains we made him wear a cap but hat still did not work.

Have you ever created an NFT? If yes, please explain what are the reasons you created an NFT for the very first time? Can you tell me more about it?

Well for obvious reasons lets address the elephant on the room, to get money and this is what NFTs are here for. As a creator all I am getting is money. But I didn't actually get money when I created my NFT, so I wasted a lot pf time making above 15 NFTs hand made. It was not even A.I. generated, which I should have used. So yes, mostly it is just to get money.

Have you ever bought NFT? If yes, please explain what are the reasons you bought NFT for the very first time? Can you tell me about the most recent NFT you bought?

But after being a creator, I thought maybe buying NFTs and reselling it would have been much better because you are getting your money back regardless, and how I saw it from research, you as a buyer and seller, you actually get more benefits than a creator. So, I started doing that but it's very hard to know which one is going to be popular and which one is not, and end up buying a lot of NFTs which don't have value.

So, I found an NFT website where people don't care about the benefits that come from NFTs. You can just buy NFTs and keep it with you, but they don't have benefits so you don't gain anything from it. Regardless if you resell it, you are reselling it for the same amount of money you bought it as, so there's no profit. I thought, that was a better approach thinking If I bought all these NFTs which are low in value at the moment, maybe I can gain an audience and selling it for a higher price, but that did not happen because people just didn't care.

How do you decide which NFT to buy or invest in? What are the criteria?

A lot of research! Because every month an NFT is more popular than the other. And you must consider NFT is not just drawing an artwork, people are selling username as well. People are selling crypto wallet usernames. You can sell videos and audios, and even started selling in the metaverse. If you would happen to know what to buy and what to sell you must guess what the next trend is. For example, if you see that pixilated pictures are the trend right now, you must guess that the next trend would be a GIF or a video, so if you made or bought video NFTs you are most probably going to be profitable. So, its all about guessing what the next trend is.

What are your personal motivations behind engaging in the NFT marketplace as a trader, investor, or creator?

Motivation is as easy as money. Because you can get a ridiculous amounts of money by creating and selling the right NFT. Having that is the greatest motive. Knowing that people got to the place of being millionaires or billionaires because of NFTs is the one of the only motive why you would be in the NFT industry in the first place.

What are the values/benefits/utility that you derive from holding, creating or trading the NFT? And why? Please specify as many as are applicable for each NFT.

Creating you do not gain much value because you are the giver. This is how I see it. The creators are the givers and the people who are receiving the NFTs are the receivers. You being the creator you are getting much, but as a receiver you are getting a lot right, whether that NFT is allowing you to be on yacht parties or getting a chance to go to the oscar.

What do you believe are the risks and challenges associated with holding, creating or trading the NFT? Why? How do you address these challenges?

There is a lot of challenges because again you have to understand that it is a trend, and could die off anytime. A lot of people are being involved and there are many competitions. The best advice I can give you is to keep updated on the NFT market place. It is all about research and learning from different aspects. Do not look at the positives only but look at the negatives as well. Critical thinking and solving come in very handy. There is no golden advice that I can give to you. You have to really do your research.

Section 3: Role of the community (related to NFT projects)

Which social media channels do you use to know about the NFT market and collections (e.g., Twitter, Discord, Telegram, WhatsApp). Any offline/P2P communities like meetups dedicated to NFTs? And on average, how much time do you spend on these channels per day/week?

What sort of activities are you engaged on these channels? (E.g., discussing price movements, exchange of NFT market-related information, meeting new people, discussing projects), please explain.

I'm not into NFTs anymore, but when I was like super heavy, I would have to look at the market like a hawk. Primarily. I use Reddit. Reddit. It is funny enough. But it does make sense because people usually pour their heart out in Reddit. Nobody knows who you are. It is, it is not like Twitter or Instagram or whatever. So, people can generally give you like gem ideas to learn from.

I'm not into NFTs anymore, but when I was like super heavy, I would have to look at the market like a hawk. Primarily. I use Reddit. Reddit. It is funny enough. But it does make sense because people usually pour their heart out in Reddit. Nobody knows who you are. It is, it is not like Twitter or Instagram or whatever. So, people can generally give you like gem ideas to learn from.

I would go to places where people talk about NFTs, but they are not an exact event. I would go to, for example, Avenue. Like if you went next to the movies, there are usually people just talking about NFTs for no reason really? Yes. And if you went to Art Dubai as well, like you would go there and people just talk about NFTs, like it is not an event that is specifically dedicated to NFTs.

I spend on my phone total eight hours every day, a total of eight hours in my laptop. I would say every day, like 8 to 12 hours. Because at first, I have to go to opensea and other websites I don't remember specifically which ones, but You have to go all of these websites and you have to physically Scroll and see what works and see what does not work.

And then you have to click and see who bids, who's not bidding, why is it bidding? What are the benefits of that? You scroll, you go to the other website, you scroll, you go to YouTube. You hear about people talk about NFTs. You go to the crypto market, you see how crypto like Ethereum and Bitcoin is doing, which one is going up and down.

Yeah, and then you have to go other places where you personally hear from the NFT creators, which is a lot of people and then this whole time, like 8 to 12 hours searching for answers. And then I have to go and actually work on my NFT and then I have to post it in.

Why did you join these communities? What were your motives? (Compensation/monetary rewards, show ideas, gain knowledge, interest and curiosity about novel things, etc.) What are the benefits of being part of the community to you personally?

To me personally, it is interesting to see how people work. Really? I joined NFT discord servers. I know Discord is not exactly the best place to be, but I went to Discord to see these NFTs groups, because this is where they get their audience through their Discord account. And you go there and you see how there is obviously giveaways, NFTs, that you can get NFTs for free, but you must resell them afterwards.

It's interesting to see how everyone is just so energetic. You just look and observe the chat. You see them saying "I have this type of NFT" And then the other person says "I have that type of NFT". And the other person goes like "You have too have that".

It's just a bunch of people just talking and flexing on each other as well. They say "Oh look, I have this, it's on my profile picture" And then someone mentions their auntie, about her having multiple NFTs and we are like , we were not talking about your auntie, but okay.

Do you trust the community and the project leaders / community manager, people discussions to make decisions in relation to NFTs? Why or why not? It really depends – tweets from expert traders or those who have had some experience and success in NFT trades.

I do not trust them at all. It is just weird in my own opinion. I feel like it is weird that you're getting. A lot of money after something such as NFT. It is not even stable income. So, when someone comes to you and tells you "You are going be rich if you work with my NFT project", it's weird and sketchy. It feels illegal. It feels really illegal.

You don't understand when someone comes to you and goes "You are an artist. I have a position for you. You are going to get a lot of money. You are going to get a lot of benefits." It is basically, I am sorry to use this word, seducing. Yeah.

And I'm like, what is going on? I do not trust them at all because us as humans, who wouldn't want all that? Who does not want all these benefits. You are chasing your desires all the time. Yeah, and it's weird because me, as a creator, it's even weirder for me than a trader because a trader, you don't have anything to offer. And these people are looking for people who create NFTs, people who have a creative background, people who draw. So, I am in a very risky position where I do not

know who to join and what people want me to do, it's really screwed up. And there is a lot of projects where they overwork their artists by the way. So, it's hard to trust. It really is.

Have you made friends with community members? Please elaborate

No, I have not. What was wrong, woman? I'm a woman, that is why. Girls do not care about making NFTs as much as men do. They do not, but for sure there are some. I don't know where they are though. If I could i would love to meet them, obviously, but I don't know where they are.

Obviously online, the only things that you see is just a male dominated area. you might see them, but they might not be even be active on discord or active on Reddit. Does that make sense? And the girls who are usually into NFTs, they are only into NFTs to get someone who's into NFTs.

Yeah. They are like “I will do nothing. I will just find someone who knows NFTs and we are just going to make money together. I will just be the face”. Me as someone who is actually involved in NFTs, I get mistreated a lot. They go like, aren't you supposed to be the kitchen?

There is the alpha movement as well. Where the man goes, like, I'm an alpha man. And then like, you are nothing as a woman. Like, you should be glad you should be talking to me in the first place. And I am like, okay.

I do see a problem with it. Really. I think just the whole mentality of. It is basically Wall Street. Do you know how everyone is in Wall Street? Yeah. It's basically Wall Street, just digital.

Have you observed common topics, values, and norms in NFTs online forums that you want to share with us? Does this community have rituals and traditions (e.g., special ways of greeting new members) What are they?

Let me tell you my experience. Which is the only experience that I had. Again, I have never went very deep into NFTs. I tried obviously what I can, but it did not work out for me. For some other people it might. The UAE NFT project, again, they were all just a bunch of men. No offense, going with their alpha. And I did not get pretty much treated right. But there is also this weird, thing between like young men and old men in the same server where the older men criticize the younger men for getting money before them. It was like “you are 21 and you gain like much more money? I think this is a joke.” And they get offended.

And I think these communities of like the NFT projects are not good at all because there is also the thing where the person who already got the money from the NFTs, they think it's very easy. They do not see about the people who failed. Maybe they are lucky or maybe they are smart enough to get whatever they got. But they were like, If I did it, you can do it. They do not think that every individual is different. And this is what happens in the community. Someone pushes the other person to do crypto, do whatever. And at the end of the day, they lose a lot of money and then they didn't gain anything.

Do you have voice in the community? Are you able to participate in decision-making (e.g., have your say in the direction of the community, development of products, etc.)?

No. I do not have my say because I'm a woman. Yeah. But I do try my best to tell people that “hey, if you are going to the NFT money route and about to join the NFT community or whatever, be careful, be wise, be smart, be clever.” Because what happens is that everyone, I mean, everyone must put in the work. It takes a lot of sacrifices for a project and ends up not working. So, what I do is I try to advise people that sometimes NFT does not work, so to try to make it the least damaging to yourself as much as possible.

Did the NFT developers / project leaders offer incentives (monetary/non-monetary, such as NFT drops) to join the community? If yes, what kind of incentives?

Yes, yes, yes. Definitely. That is the only way to keep the audience interested or gain more audiences, do giveaways. This is what it is. Giveaways. The only giveaways that I have seen, which is polls and You log in into some sort of website and then they do like the spin wheel, and then whoever's user name comes by. And there is some, they tell you, for example, to like a certain post on Instagram to follow a page and you are offered a prize.

So, definitely 100% they give you giveaways, usually give you NFTs too. And it is not worth much. They are not going to give you a limited edition. They are just going to give you like normal NFTs.

According to you, how can brands and retailers benefit from the NFT technology?

It is all about marketing. So, if the board Abe has like a, a gap cap on then who's really getting the markets right? Some people would like to impersonate their NFT, right? So, let's say there's like a, which is funny because if you went to Popcon. Popcon is like ComicCon. At World Trade Centre. Okay, so there was a popcon, I believe Friday or yesterday, and some people dressed as NFTs. They came like with the board ape. They dressed exactly like identity, so, Brands get benefits from that because the moment they, they see that the most sold NFT is being sold with a gap hat on, people would want to replicate that. Right. Or they would start to see the gap hat as something trendy. So some people would get the gap cap that is exactly the same as the one on the NFT.

So basically, they can use it for marketing purposes. I believe some brands did use it for marketing purposes, such as Gucci. Yeah, and this guy that created these flowers, I forgot the designer's name. Do you know the flower with the rainbow petals and the smiley face? He made NFTs and he sold it to NFTs is considered as a well-off brand. It is a very popular brand. Yeah, it's all a marketing scheme.

What do you think will be the future of NFTs?

I think it's just going to, well I really suggest, and really hope it becomes more of a metaverse thing because in my own opinion, it just makes so much more sense. If it turns to be like a metaverse auction where you buy your artworks and put it in your whatever. They can even make NFT galleries in the metaverse where people can go and actually see artworks. I feel it makes more sense. Maybe they have though, I don't know. I did not do my research enough.

But here is the thing, it makes more sense if it all stays digital Nothing physical, like you as a person, you are in a physical world buying something tangible. In the digital world, it would be you as your persona or character or avatar in the digital world. Buying a digital painting or NFT. So yeah, this is how I see it in my brain.



INFORMATION FOR PARTICIPANT

Dear participant,

This information sheet explains the research project you are being asked to join. Please review this form carefully. Please ask any questions about the project before you answer the interview. You may also ask questions at any time after joining the study.

The main purpose of the study is **to investigate the value, risks and the role of communities in shaping the NFT space from the collectors and creators perspective.**

As part of this interview, you will be asked a set of questions related, to your perception of NFT, their challenges, their drivers, their value, the motivations to be in the space and the role of social media and communities in driving the value. On average, the length of the interview is 30 minutes.

Your participation in this research project will help us increase our knowledge about Non-fungible Tokens and will allow us to complete our research project for the Business Research course.

Participation in this study is **voluntary** and you are free to withdraw at any time. You do not have to answer any questions which make you feel uncomfortable.

In order to comply with the ethical guidelines as set out by AUD, there will be full maintenance of confidentiality and anonymity of all information collected during this research project. **No identifying information** will be used from the results of this study. Your details will also not be released to any third parties.

Should you have any concerns regarding the research, please do not hesitate to contact Dr. Elissar Toufaily on Telephone: +971 4 399 9000 Ext. 304; Email: etoufaily@aud.edu

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American University in Dubai

Your Consent

I have understood the above information and agreed to participate in this interview as a part of an academic study. I have also understood that my details would be made anonymous and kept confidential.

Name: _____ Layan Showlaq _____

Signature: _____  _____

Date: _____ 21/11/2022 _____

Respondent 2

Section 1: Profile of the respondent

Age: 32

Gender: Male

Education: MBA & CCI (Certified Crypto Investigator)

Culture/ethnic background: Indian

Country of birth: India

Job: Compliance Officer

Organization (if applicable): Bank

Section 2: Experience, motivations, perception of value and risks

How did you first learn about NFT? What was your first direct experience with NFT?

I came across NFTs whilst reading to invest in crypto.

How do you identify yourself with NFTs (a creator, a collector, investor, or a trader)? What does NFT mean to you? Why?

I want to know more about NFTs and discover how I can become a trader. I understand that NFTs are digital assets based on blockchain technology. NFTs have become a popular commodity over recent years; their commerciality has intrigued me. However, it is quite risky and volatile.

Can you tell me what kinds of NFT you are holding? (For each NFT project / item / brand)

What is it about? Which collection?

I do not hold any NFTs at the moment.

Have you ever created an NFT? If yes, please explain what are the reasons you created an NFT for the very first time? Can you tell me more about it?

No, I have never created an NFT.

Have you ever bought NFT? If yes, please explain what are the reasons you bought NFT for the very first time? Can you tell me about the most recent NFT you bought?

No, I have not bought any NFTs as of yet.

How do you decide which NFT to buy or invest in? What are the criteria?

If I were to invest in NFT, I would consider the uniqueness of the NFT, for one. Additionally, I would take into account other aspects such as the legitimacy of the seller, the price, transaction fees, to name a few.

What are your personal motivations behind engaging in the NFT marketplace as a trader, investor, or creator?

I would engage in the NFT marketplace as a trader. In light of the fact that NFTs have become popular commodities, I intend to profit from buying and selling them.

What are the values/benefits/utility that you derive from holding, creating or trading the NFT? And why? Please specify as many as are applicable for each NFT.

For one, continued growth is the value I perceive from holding/trading NFTs. Additionally, among its benefits are its uniqueness factor, which significantly affects how most, including myself, perceive it. Furthermore, in one of the previous questions, I mentioned that trading NFTs could generate income; NFTs have been shown to be commercially viable.

What do you believe are the risks and challenges associated with holding, creating or trading the NFT? Why? How do you address these challenges?

NFTs are highly volatile, for one. Different jurisdictions have varying policies governing NFTs. Furthermore, the likelihood of being scammed and pricing variations are the perceived risks and

challenges associated with NFTs. Conducting thorough due diligence, keeping abreast of regulations in jurisdictions, etc., may be a start in addressing these challenges.

Section 3: Role of the community (related to NFT projects)

Which social media channels do you use to know about the NFT market and collections (e.g., Twitter, Discord, Telegram, WhatsApp). Any offline/P2P communities like meetups dedicated to NFTs? And on average, how much time do you spend on these channels per day/week?

Twitter and YouTube are the two social media channels that I use to keep myself up-to-date on the NFT market. I spend an average of two hours per week on these channels researching NFTs.

What sort of activities are you engaged on these channels? (E.g., discussing price movements, exchange of NFT market-related information, meeting new people, discussing projects), please explain.

As you mentioned, the exchange of NFT market-related information would be the sort of activity that I engage in on these channels. For someone looking to enter the NFT space like myself, it is imperative that I keep myself aware of the relevant shifts and changes. As we know, the crypto environment is dynamic, and so for those reasons as well, I seek to keep myself informed through the use of the aforementioned channels.

Why did you join these communities? What were your motives? (Compensation/monetary rewards, show ideas, gain knowledge, interest and curiosity about novel things, etc.) What are the benefits of being part of the community to you personally?

The motives behind my following NFT communities were to gain knowledge and simply out of interest and curiosity.

Do you trust the community and the project leaders / community manager, people discussions to make decisions in relation to NFTs? Why or why not? It really depends – tweets from expert traders or those who have had some experience and success in NFT trades.

It is crucial to examine the views and perspectives of many involved in the NFT space and conduct my own in-depth research to derive valuable information. Some project leaders and communities pursue their agendas and capitalize at the expense of other traders, which necessitates extensive due diligence. As a result, the trust factor has been eroded.

Have you made friends with community members? Please elaborate

No, but I do follow and subscribe to their channels.

Have you observed common topics, values, and norms in NFTs online forums that you want to share with us? Does this community have rituals and traditions (e.g., special ways of greeting new members) What are they?

-

Do you have voice in the community? Are you able to participate in decision-making (e.g., have your say in the direction of the community, development of products, etc.)?

I can have a say and respond to statements; thus, I have a voice. However, I wouldn't say it is in the direction of product development.

Did the NFT developers / project leaders offer incentives (monetary/non-monetary, such as NFT drops) to join the community? If yes, what kind of incentives?

-

According to you, how can brands and retailers benefit from the NFT technology?

Increased brand awareness and increased revenue streams are the primary benefits to brands and retailers, which are made possible through the exclusive communities created.

What do you think will be the future of NFTs?

I believe Gen Z is likely to be more interested in investing in NFTs simply because digital assets are becoming mainstream and more engaging utilities are being rolled out. NFTs are not fads and are progressively redefining traditional notions of art and entertainment.

INFORMATION FOR PARTICIPANT

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As part of this interview, you will be asked a set of questions related, to your perception of NFT, their challenges, their drivers, their value, the motivations to be in the space and the role of social media and communities in driving the value. On average, the length of the interview is 30 minutes.

Your participation in this research project will help us increase our knowledge about Non-fungible Tokens and will allow us to complete our research project for the Business Research course.

Participation in this study is voluntary and you are free to withdraw at any time. You do not have to answer any questions which make you feel uncomfortable.

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Should you have any concerns regarding the research, please do not hesitate to contact Dr. Elissar Toufaily on Telephone: +971 4 399 9000 Ext. 304; Email: etoufaily@aud.edu

Dr. Elissar Toufaily,
Associate professor of Marketing
School of Business Administration
American University in Dubai

Your Consent

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Name:

Murali Raj Vinayagam

Signature:

UM [Signature]

Date:

21/11/22

Respondent 3

Section 1: Profile of the respondent

Age: 24

Gender: Male

Education: BBA

Culture/ethnic background: Pakistani

Country of birth: Pakistan

Job: Businessman

Organization (if applicable): Infusion Power

Section 2: Experience, motivations, perception of value and risks

How did you first learn about NFT? What was your first direct experience with NFT?

I found out about NFT's through a friend who was already investing in them.

How do you identify yourself with NFTs (a creator, a collector, investor, or a trader)? What does NFT mean to you? Why?

I think for the time being I would consider myself as someone who is looking into collecting NFTs.

Can you tell me what kinds of NFT you are holding? (For each NFT project / item / brand)

What is it about? Which collection?

Currently, I do not hold any NFTs.

Have you ever created an NFT? If yes, please explain what are the reasons you created an NFT for the very first time? Can you tell me more about it?

No, I have never created one. I am only looking into collecting.

Have you ever bought NFT? If yes, please explain what are the reasons you bought NFT for the very first time? Can you tell me about the most recent NFT you bought?

I have not bought one yet since I am still learning about it.

How do you decide which NFT to buy or invest in? What are the criteria?

Research is definitely important. I tend to look into the quality and uniqueness of the art as they tend to hold the most value.

What are your personal motivations behind engaging in the NFT marketplace as a trader, investor, or creator?

I have always been into art and when digital art was introduced in the form of NFT's, I was intrigued by it. The money-making factor has also been a motivator for me.

What are the values/benefits/utility that you derive from holding, creating or trading the NFT? And why? Please specify as many as are applicable for each NFT.

The benefits derived for holding NFT's is that they act as an investment. Also, they provide access to many communities allowing you to create valuable connections.

What do you believe are the risks and challenges associated with holding, creating or trading the NFT? Why? How do you address these challenges?

There is an opportunity loss associated with holding an NFT project for too long as it may result in losing the chance to earn a good return. Various fraudulent activities and thefts surrounding NFTs give rise to security concerns.

Section 3: Role of the community (related to NFT projects)

Which social media channels do you use to know about the NFT market and collections (e.g., Twitter, Discord, Telegram, WhatsApp). Any offline/P2P communities like meetups dedicated to NFTs? And on average, how much time do you spend on these channels per day/week?

I prefer using Twitter for updates. I am part of a WhatsApp group where all of us members discuss various NFT projects.

What sort of activities are you engaged on these channels? (E.g., discussing price movements, exchange of NFT market-related information, meeting new people, discussing projects), please explain.

All of us members discuss price variations and values of different NFTs.

Why did you join these communities? What were your motives? (Compensation/monetary rewards, show ideas, gain knowledge, interest and curiosity about novel things, etc.) What are the benefits of being part of the community to you personally?

I joined these communities to keep myself up-to-date with the changes in the NFT market. I get the chance to hear valuable insights.

Do you trust the community and the project leaders / community manager, people discussions to make decisions in relation to NFTs? Why or why not? It really depends – tweets from expert traders or those who have had some experience and success in NFT trades.

I personally do not believe every discussion that takes place within the communities that I am a part of, and at the end of the day I believe we must make our own decisions on whether to engage in any one NFT project.

Have you made friends with community members? Please elaborate

Yes, I have been able to establish good connections in the communities that I am a part of. It goes further than just NFT projects. You get to find very like-minded individuals.

Have you observed common topics, values, and norms in NFTs online forums that you want to share with us? Does this community have rituals and traditions (e.g., special ways of greeting new members) What are they?

I have noticed that it is highly beneficial to attend events that are held for networking purposes. I have had the chance to meet many talented creators and various investors in such events.

Do you have voice in the community? Are you able to participate in decision-making (e.g., have your say in the direction of the community, development of products, etc.)?

The communities allow for insightful discussions about various NFT projects; however, I do not have a say in their development.

Did the NFT developers / project leaders offer incentives (monetary/non-monetary, such as NFT drops) to join the community? If yes, what kind of incentives?

No, I have not come across such incentives.

According to you, how can brands and retailers benefit from the NFT technology?

Brands can benefit massively through NFTs as they serve as an effective marketing tool. We see today many companies that have taken a serious approach towards utilizing NFT technology for its potential.

What do you think will be the future of NFTs?

I believe eventually NFTs will be the new normal. The NFT space, as is, is gaining widespread acceptance and will most probably continue to do so.

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As part of this interview, you will be asked a set of questions related, to your perception of NFT, their challenges, their drivers, their value, the motivations to be in the space and the role of social media and communities in driving the value. On average, the length of the interview is 30 minutes.

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Associate professor of Marketing
School of Business Administration
American University in Dubai

Your Consent

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Name: Shahraiz Waseem

Signature: Shahraiz

Date: 21/11/2022

Respondent 4

Section 1: Profile of the respondent

Age: 24

Gender: Male

Education: BBA

Culture/ethnic background: Pakistani

Country of birth: Pakistan

Job: Businessman

Organization (if applicable): Infusion Power

Section 2: Experience, motivations, perception of value and risks

How did you first learn about NFT? What was your first direct experience with NFT?

I learned about NFTs through social media. My first direct Experience with NFTs is purchasing one off Open Sea's marketplace.

How do you identify yourself with NFTs (a creator, a collector, investor, or a trader)? What does NFT mean to you? Why?

I would identify myself as a trader, I don't purchase to collect I purchase to resell and potentially make money. NFT to me is just another way to copyright ideas and resell them.

Can you tell me what kinds of NFT you are holding? (For each NFT project / item / brand)

What is it about? Which collection?

Due to the recent market crash I have sold all NFT's so I'm not holding any now.

Have you ever created an NFT? If yes, please explain what are the reasons you created an NFT for the very first time? Can you tell me more about it?

No, I have not.

Have you ever bought NFT? If yes, please explain what are the reasons you bought NFT for the very first time? Can you tell me about the most recent NFT you bought?

Yes, I have. I bought this NFT that was a derivative of the Keys metaverse. Where they would have a private concierge for people who would want to rent luxury items like houses, yachts, private planes, etc... the most recent NFT I had purchased was a Mutant Ape Yacht Club but only for resale purposes which I had sold 2 days after.

How do you decide which NFT to buy or invest in? What are the criteria?

There are many tools and information platforms where I would do my research to purchase an NFT. Ex/ icy.tools, rarity.tools, discord groups ex/ bounce. These all platforms give you information on market data on how actively the NFT is trading and what the average price is. It shows you how many buys to sales per minute. For me the Criteria is when an NFT project has a high number of transactions per minute with the average price increasing, I purchase and hold for no longer than a couple hours. This way I can either make 20-30 percent per purchase.

What are your personal motivations behind engaging in the NFT marketplace as a trader, investor, or creator?

Making money would be the personal motivation behind engaging in the NFT marketplace.

What are the values/benefits/utility that you derive from holding, creating or trading the NFT? And why? Please specify as many as are applicable for each NFT.

The value behind the NFT is the utility the NFT has to offer and the demand for that utility. I don't hold NFT's or Create NFT's is because I am a trader, I buy and sell and don't have any use for the utilities itself. The benefits of being a trader to me is that the ROI is shot term (between hours to many a day or two), not worrying if the project is going to follow through with their "promises".

What do you believe are the risks and challenges associated with holding, creating or trading the NFT? Why? How do you address these challenges?

Holding an NFT is one of the riskiest things possible because you can either get 10-20 times your money or lose it all. This is because the publicity and demand that a project creates for their project creates “demand/hype”, this causes people to have “FOMO” or “Fear of missing out” thinking that this project will be the one to 20x their money. The way how I address these challenges is I don’t hold. I buy and I sell. It makes no sense waiting months for someone to keep their promise just to see if you can make money. I rather sell the hype then wait for the result.

Section 3: Role of the community (related to NFT projects)

Which social media channels do you use to know about the NFT market and collections (e.g., Twitter, Discord, Telegram, WhatsApp). Any offline/P2P communities like meetups dedicated to NFTs? And on average, how much time do you spend on these channels per day/week?

Discord, Telegram, icy.tools, rarity.tools, and Twitter. These are the places I would go to get my information on NFT’s. I used to spend about 3 hours a day researching but now I’m out of the NFT market place and I only focus in managing my companies and maybe slight crypto trading.

What sort of activities are you engaged on these channels? (E.g., discussing price movements, exchange of NFT market-related information, meeting new people, discussing projects), please explain.

I used to check for new projects, discuss the creators, the utility and check the market data.

Why did you join these communities? What were your motives? (Compensation/monetary rewards, show ideas, gain knowledge, interest and curiosity about novel things, etc.) What are the benefits of being part of the community to you personally?

Main motivation was to stay informed. I used all these platforms as a source of information to make my decisions based on trading.

Do you trust the community and the project leaders / community manager, people discussions to make decisions in relation to NFTs? Why or why not? It really depends – tweets from expert traders or those who have had some experience and success in NFT trades.

I don't trust them; I only hear what they have to say and then I research myself before I make a decision. Plus, to add on top I don't invest in NFT's that are for "minting". Which basically means I don't invest in new projects; I wait for them to be launched and then trade based on trading activity.

Have you made friends with community members? Please elaborate

Yes, I have, we just used to talk about the new projects that launched and how they trade as well talk about the most trending project at the time.

Have you observed common topics, values, and norms in NFTs online forums that you want to share with us? Does this community have rituals and traditions (e.g., special ways of greeting new members) What are they?

Honestly, the NFT world is mostly a bunch of teens-young adults trying to make money off each other. So, people would try to upsell projects and try to work together to move a price of a project and then dump it so they make their profit.

Do you have voice in the community? Are you able to participate in decision-making (e.g., have your say in the direction of the community, development of products, etc.)?

Depends on which community you are in. everyone has a voice, but it just depends if people want to hear what you have to say.

Did the NFT developers / project leaders offer incentives (monetary/non-monetary, such as NFT drops) to join the community? If yes, what kind of incentives?

No, they have not offered incentives.

According to you, how can brands and retailers benefit from the NFT technology?

NFT space can really bring a modern way to how brands copyright their products. Instead of brands focusing on the “Metaverse”, which I think is not going to happen anytime soon. I think they

should focus on modernizing their copy rite and protecting their IPs on all platforms. As well brands can have their limited product releases through NFT's and then have those digital pieces connected to a physical piece that can be picked up/collected. For example, if Nike were to drop limited edition shoes, they can release the NFT and people who purchase it can resale the NFT to whomever without enduring the cost of shipping the whole shoe. The person who buys it would go to store and pick up and the NFT gets burned for collection of the Item. This way shipping cost is 0 and guaranteed authenticity of product is there. There are many ways brands can incorporate NFT's to their sales structure.

What do you think will be the future of NFTs?

I believe the future of NFTs would be a way to notarize legal documents, copyright products, have shares in companies, have utility-based memberships, crowd funding, etc. I don't believe NFTs should be focused on art. That is a waste of time. It should be focussed more on advancing the way we do day to day items. The metaverse is not made for NFTs real world application would be the most successful thing that can come out of NFTs.



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American University in Dubai

Your Consent

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Name: Mayank Chawla

Signature: _____

Date: 11/21/2022