

## NFT MARKETPLACE

### Ruturaj Patade

Department of Computer Engineering  
Vasantdada Patil Pratisthan's College  
of Engineering & Visual Arts  
(University of Mumbai)  
Mumbai, India  
[vu1f1920114@pvppcoe.ac.in](mailto:vu1f1920114@pvppcoe.ac.in)

### Abhishek Walvekar

Department of Computer Engineering  
Vasantdada Patil Pratisthan's College  
of Engineering & Visual Arts  
(University of Mumbai)  
Mumbai, India  
[vu1f1920115@pvppcoe.ac.in](mailto:vu1f1920115@pvppcoe.ac.in)

### Swaraj Bhalerao

Department of Computer Engineering  
Vasantdada Patil Pratisthan's College  
of Engineering & Visual Arts  
(University of Mumbai)  
Mumbai, India  
[vu1f1920118@pvppcoe.ac.in](mailto:vu1f1920118@pvppcoe.ac.in)

### Ronak Potha

Department of Computer Engineering  
Vasantdada Patil Pratisthan's College  
of Engineering & Visual Arts  
(University of Mumbai)  
Mumbai, India  
[vu1f1920121@pvppcoe.ac.in](mailto:vu1f1920121@pvppcoe.ac.in)

### Prof. Prajakta Khelkar

Department of Computer Engineering  
Vasantdada Patil Pratisthan's College  
of Engineering & Visual Arts  
(University of Mumbai)  
Mumbai, India  
[prajaktak@pvppcoe.ac.in](mailto:prajaktak@pvppcoe.ac.in)

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## ABSTRACT

*Non-fungible tokens (NFTs) have become increasingly popular in recent years, with a surge in growth since early 2021. However, most NFT marketplaces still rely on centralized systems for digital asset storage, which goes against the concept of decentralization. In light of this, we propose a secure platform for trading NFTs that allows users to create new digital assets and exchange them for Ethereum-based crypto currencies. Furthermore, we aim to explore the potential of a decentralized file system that utilizes the IPFS protocol to enhance digital asset security. By addressing the issue of file storage in this manner, we hope to promote the adoption of blockchain technology.*

**Key Words:** NFT, token, blockchain, non-fungible, Ethereum, Asset, bitcoin

## 1. INTRODUCTION

NFT is a type of digital asset that simulates real-world products including music, art, film, and in-game stuff. A site where they can buy and sell their digital artifacts is needed by the many people who own them. DAMs, or digital asset marketplaces, give their consumers a full framework. DAM serves as a dependable middleman between investors and digital asset issuers. To make transactions between the various users easier, they suggest a selection of tools and services.

We would need some Ethereum smart contracts written in the solidity programming language in order to develop this kind of application. To convert this online application into a blockchain website, we would need a web application and the web3.js framework.

### 1.1 AIMS & OBJECTIVES

The following clever strategies are what drive the development and modernization of ongoing projects:

- Making it as easy as possible for users to buy, sell and exchange their digital treasures and assets.
- Develop a unique transaction protocol known as smart contracts that is used in every NFT marketplace to control, oversee, and approve transactions between buyers and sellers.
- For frictionless transactions, users should be able to sync and link their crypto-currency wallet with the NFT marketplace.
- The NFTs listed on the market should display all essential information in the most effective way possible

### 1.2 MOTIVATION

A great platform to launch your company empire in the crypto-currency industry is NFT Marketplace. The NFT market is one of several solutions that have been introduced as the world progresses towards assets under one roof, including artwork, pictures, films, metaverse, and other valuables. Since 2021, a large number of NFT marketplaces have opened on the global market and are seeing significant user growth.

The young generation is drawn to the NFT marketplace because of its premise. Also, it has inspired the majority of tech aficionados to join the NFT revolution by publishing their digital works and inventions as NFTs. Whether it is Ethereum, BSC, Solana, Cardano, or another blockchain ecosystem, each NFT market provides advantages exclusive to that ecosystem

## 2. SYSTEM ARCHITECTURE

Designing the NFT marketplace: Start by creating a design document that outlines the features and functionality of your NFT marketplace. This should include details such as the types of NFTs that will be sold, the payment methods accepted, and the user interface.

### 2.1 CURRENT SCENARIO

The transactions that are taking place are within the jurisdiction of the existing system. The system is susceptible to attacks from outside parties because these transactions between two parties are authorized by an institution or someone acting as a trusted party. With the current method, records must be kept and maintained on paper.

### 2.2 PROPOSED SYSTEM

- Storefront where users can buy NFT's or offer their own digital assets for sale
- Product page with NFT description, reference to the creator, description and the history of bids and purchases.
- A user's profile that includes biographical data, transaction history, and owned NFTs.
- Provide people the tools they need to build blockchain-based NFT.
- Sellers start the NFT creation process by uploading their digital works and viewing the NFT's transaction history. The user sets up a brand-new account. That account has a crypto wallet attached to it. Via an integrated cryptocurrency wallet, the marketplace manages the transaction.

### 2.3 APPROACH

- Choose a blockchain: Go for a blockchain platform that accepts NFTs, like Polygon, Ethereum, or Binance Smart Chain. This will be the cornerstone of your NFT market.
- Creating smart contracts: Build smart contracts that specify the conditions for purchasing and selling NFTs, such as the establishment and administration of auctions, escrows, and royalties. On the blockchain, smart contracts are self-executing programs that guarantee the security and openness of transactions.

- Creating a frontend: Create a user-friendly interface that enables interaction between buyers and sellers on your NFT marketplace.
- Integrating with wallets: Integrate your NFT marketplace with popular crypto-currency wallets such as metamask, trust Wallet, or coinbase Wallet. By doing this, users will be able to quickly link their wallets to your site and buy or sell NFTs using their digital money.
- Launching and marketing: After your NFT marketplace has undergone extensive testing and is prepared to go live, you should promote it to prospective customers using social media, paid advertising, and other methods.

### 2.4 FUTURE OF NFT

The market for non-fiat money is robust and dynamic, which leads to an increase in NFT usage and transactions. Future study will also take into account NFT data that was not included in this analysis but is still valuable, including theoretical writings and insider information from the cryptocurrency sector, and will propose a wide range of topics for future NFT research. On a blockchain, NFTs serve as immutable digital assets that represent tangible goods like songs and paintings. The market's strength and vigor have led to an increase in NFT transactions and users.

#### [I] Tokenomics

A system of economics called tokenomics is based on tokenization and consists of user incentive systems, token features, and monetary policy. Everyone in tokenomics receives tokens as payment for their involvement, and they can then spend those tokens on goods and services. The word "tokenomics" refers to the economic behaviour of the token allocation method in comparison to the mechanism of resource allocation do not adhere to the NFT principle. The second type of token is a utility token, which is designed to give customers digital access to a specific app or service. With the introduction of NFT, the third type, asset tokens, has experienced a significant increase in usage. Studies on tokenomics have thus far concentrated on the creation, propagation, and administration of token ecosystems. The results from this sample were all intended for tokens that may be used multiple times.

#### [II] Regulation and risk

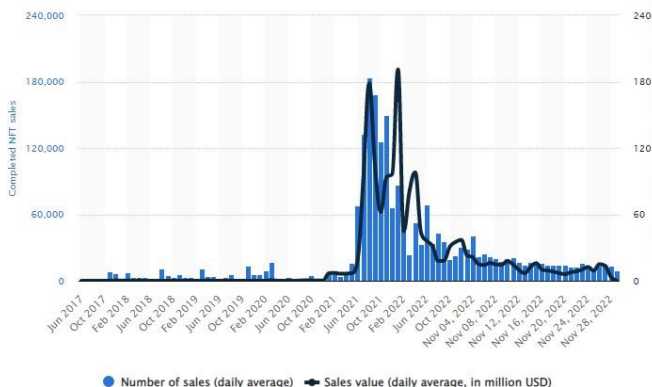
On the one hand, fraud is an important consideration when dealing with crypto-currencies, and the value of NFTs may be impacted by market manipulation or other unethical practices. Thus, additional research is needed in the present or future NFT market to identify or warn about the associated risks. Yet, NFT mining and trading activities have the potential to produce unsustainable profits, distort investor expectations, and

eventually exacerbate the market bubble brought on by the massive infusion of new capital. There are worries about how NFTs can affect crypto-currencies and other financial markets. Legislation would restrict the NFT industry's development and potential benefits because it is currently too small for politicians and regulators to care, but its expansion should be regularly tracked.

### [III] Video games

It is up to the video game industry to decide if NFTs are an enhancement over classic games. For instance, the blockchain game Axie Infinity requires a USD 300 beginning bundle. The high price of some NFT games begs the question of whether gamers will find the extra money worthwhile or if the producers are merely looking to increase their earnings. Since the scalability and speed of a blockchain depend on the chosen consensus algorithm, it is crucial to determine whether scalability is sufficient as the blockchain video game business expands. The video game industry is risky and could cause precious belongings to be lost or destroyed. The NFT concept must be simplified because the video game industry demands simple access. Buyers' possible hazards must be disclosed.

### 3. Data Insights Of NFT Market



2017-2022

## 4. CONCLUSION

### 4.1 Summary

Non-Fungible Token is a fast developing technology in the blockchain industry. In this article, we examine cutting-edge NFT systems that could change the market for digital or virtual assets. When we first discussed NFT, we discussed how assets are created and then uploaded to the marketplace. Moreover, how ownership functions in the case of NFTs. Then we discussed the technological aspects, such as how the NFT is distributed via the blockchain and how smart contracts will aid in secure transactions. We further discussed the approach for the project and its architecture. The reason why the NFT concept is so popular in the market is then revealed. referring

to the reason why many artists are turning to the NFT rather than offline art sales. Next we talked about tokenization, which is the key element that makes the NFT stand out from the competition. Finally, we presented some sales information from the NFT sector. We anticipate that this paper will provide a description of what NFT is and how it can assist next business ideas.

### 4.2 Future Scope:

This project can be further enhanced to provide greater flexibility and performance with certain modification whenever necessary.

- Users will be able to bid on their favorite NFTs .
- Royalties will be provided to loyal users .
- Convert the project into a Progressive Web App (PWA).

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