

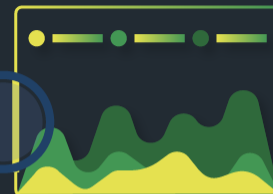
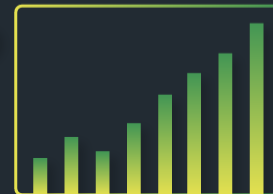
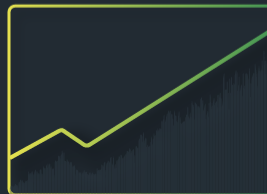
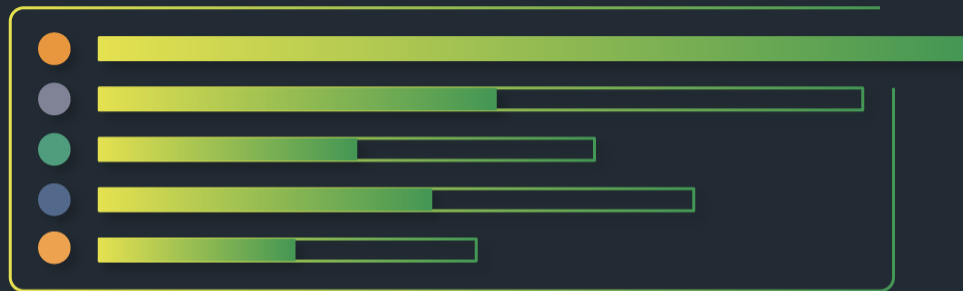


CoinGecko

Survey Report

NFT

MARCH 2022





Background

Non-fungible Tokens (NFTs) is **Collins Dictionary's Word of Year for 2021**, and is not without a good reason. NFTs saw a **meteoric rise in mid-2021** that ushered in a storm of interest, even from outside the cryptoverse. **Total trading volume** of NFTs hit **over \$5 billion at its height** in August 2022, kickstarting what is now known as "NFT Summer". Since then, the market has tapered off slightly but NFT is still **one of the hottest buzzwords** in town, and continue to grace headlines, both within and outside of the cryptoverse.

NFTs are polarizing – there's a small group of people pledging **belief in the underlying technology**, a good deal more opportunists attempting to capitalize on its **financial upside**, while others cry foul at this **new age digital "skem"**. So, how do people really feel about NFTs?

Here at CoinGecko, we conducted a **poll on Twitter** to take a deeper look at the **demographic** of NFT owners, their **behavior, motivation, tendencies, preferences, knowledge**, and **perception** related to NFTs.



Methodology

Campaign date: 30 March 2022 – 2 April 2022

Data collection method: Twitter poll thread on [@CoinGecko](https://twitter.com/CoinGecko)

Total number of questions: 23

Number of participants: Varies with minimum of 394 and maximum of 874

Poll thread link:

<https://twitter.com/coingecko/status/1509075551168114688>

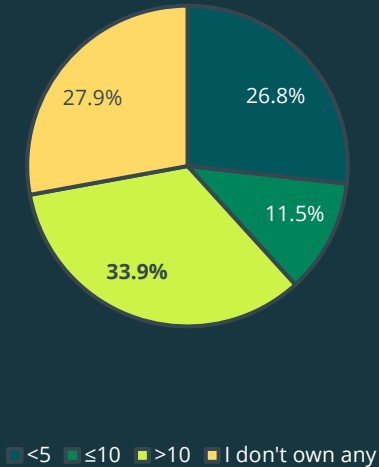
Disclaimer

- *The content is strictly for your general information only. No part of the content that we provide constitutes financial advice, legal advice, or any other form of advice meant for your specific reliance for any purpose. Any use or reliance on our content is solely at your own risk and discretion.*
- *There are data limitations, and therefore the survey is not representative of the NFT community's true demographic.*
- *If anything, the results represent CoinGecko's Twitter community demographic on NFTs.*



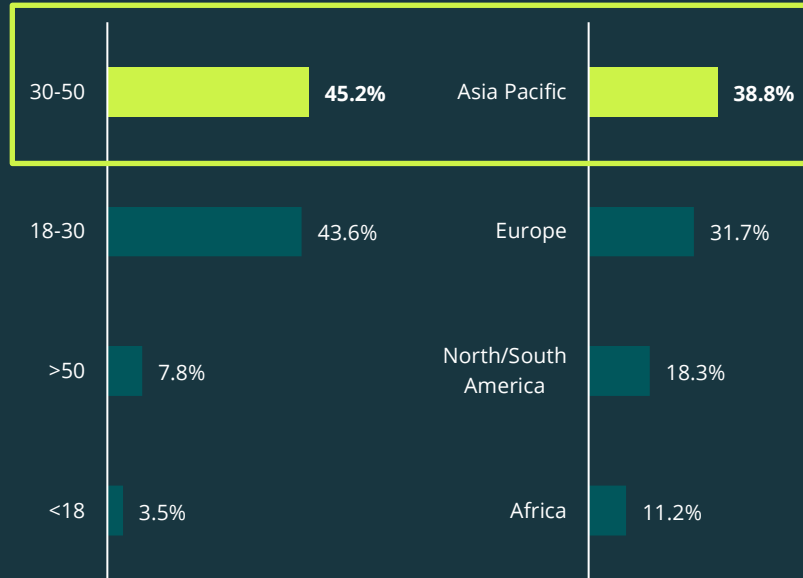
Majority of the respondents are from the APAC region, aged 18-30 and 30-50. 72% of these own NFTs, with more than half of them having 5 or more NFTs.

Do you own any NFTs?



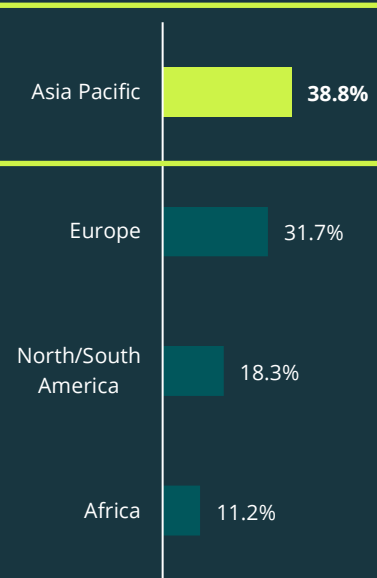
N=871

Age



N=810

Region



N=874

Out of the 871 respondents, **~72% of them are NFT owners**, with more than half of them having 5 or more NFTs.

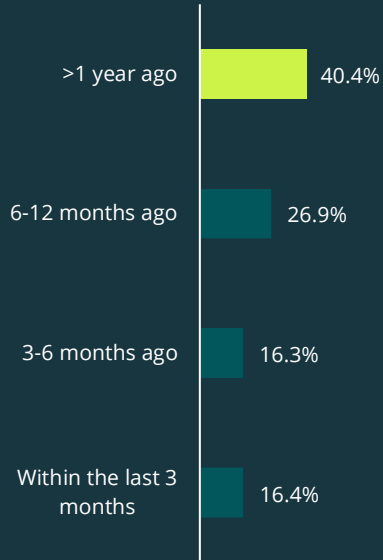
There's a relatively **even split for age brackets 18-30 and 30-50**. Combined, they make up close to 90% of respondents.

Interestingly, the **APAC region leads NFT adoption** among survey respondents at 38.8%, similar to the findings from our [previous Axie Infinity survey](#). Another independent survey corroborates this, which also found [the Philippines, Thailand, and Malaysia](#) as the 3 leading countries for NFT adoption.

Europe followed closely as the second largest region (31.7%) of respondents, with North/South America a distant third (18.3%).

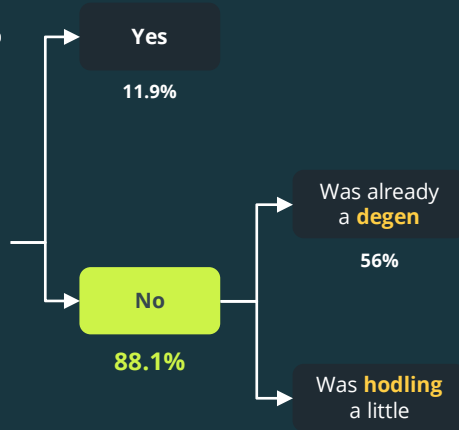
Most respondents are veteran NFT owners who actively acquired most of their NFTs, with only a small portion being onboarded onto crypto via NFTs

When did you get your **first NFT**?



N=676

Did you **get into crypto** because of NFT?



N=810

How did you **acquire** most of your NFTs?



N=874

About **40%** of the respondents are seemingly **veterans** who have been exposed to NFTs for more than a year, even *before* the NFT summer in mid-2021.

NFTs and their more aesthetic nature have always been postulated to be the first crypto-touchpoint for retail users and newbies. However, that did not seem to be the case based on our survey.

A staggering **88% of the respondents did not enter crypto due to NFTs**, with over half of respondents being self-proclaimed "degens". This is in line with most respondents being NFT veterans who got their first NFT even before NFT summer.

Acquisition of NFTs are mostly achieved through secondary market purchases (36.9%) or direct minting (36.5%). **Most acquisition seems to be active in nature** (e.g. minting, buying), as opposed to passive (e.g. airdropped, gifted).

Metaverse / gaming NFTs are the most common type of NFTs owned, with half of the respondents having participated in metaverse(s) before

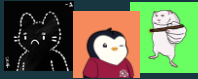
What **NFTs** do you **mostly own**?

Metaverse/
Gaming NFTs



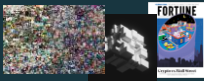
35.8%

Profile Pictures
(PPFs)



27.4%

Art



25.3%

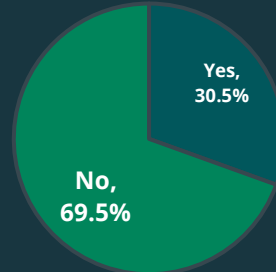
Others



11.5%

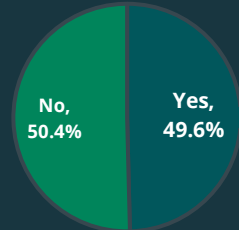
N=514

Do you own any **metaverse lands or items**?



N=557

Do you **participate** in any **metaverse(s)**?



N=510

Regular
20.6%

Tried
before
29%

NFT ownership **congregates around metaverse/gaming type NFTs** (35.8%), followed by a relatively even split between PFPs (27.4%) and Art (25.3%). With most of our respondents/NFT owners residing in the APAC region, the outcome is perhaps unsurprising considering [the dominance of GameFi NFTs in Asia](#).

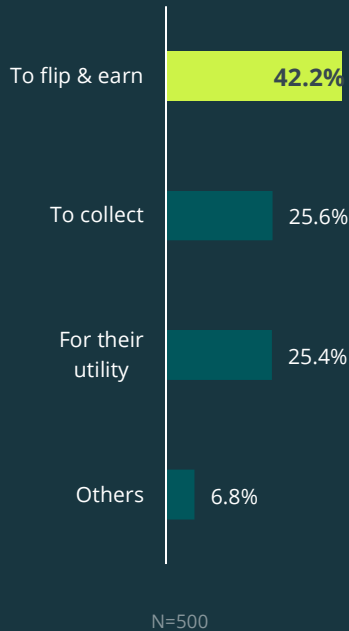
When it comes to ownership of metaverse lands or items, the results (30.5%) mirror the numbers from metaverse/gaming NFT ownership (35.8%) – highlighting the **common overlap between GameFi and Metaverse NFTs/projects**, and how the former frequently incorporates elements from the latter, vice versa.

Only about **half of the respondents** had **participated in metaverse(s)** before, with only 20% of them being classified as “regulars”.

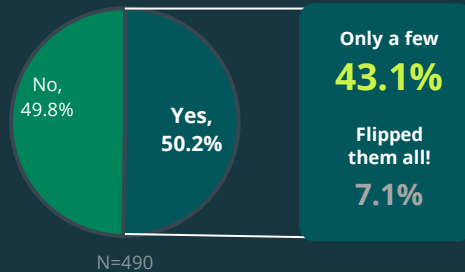
Metaverse is projected to be an **\$800B market** in the next 2 years, and games look like the most likely NFT-point-of-entry for most people, particularly crypto folks.

Flippers top NFT ownership at 42%, a majority of crypto portfolios assigned only 0-25% to NFTs, and less than half of the respondents have profited from trading

Why do you buy/trade NFTs?

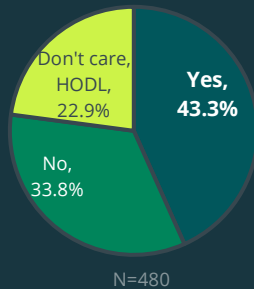


Have you sold any NFTs?

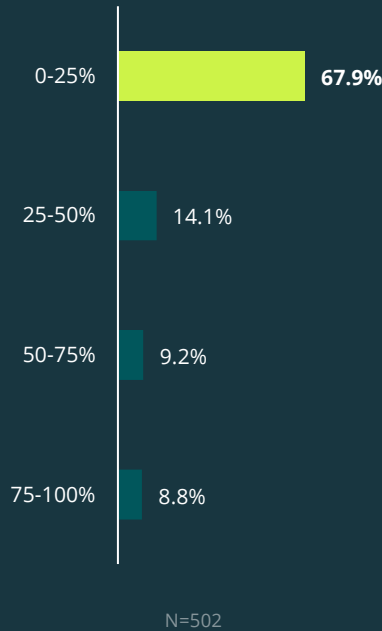


Only a few
43.1%
Flipped them all!
7.1%

By your estimation, have you made a profit?



What % of your crypto portfolio is in NFTs?



“Buy low, sell high” tops as the **driving force** behind NFT **purchase** at 42.2%.

On the other hand, the HODL mentality of “to collect” and “for their utility” feature a combined dominance of around 50%. This is consistent with the question “have you sold any NFTs” where only half of them responded “Yes”.

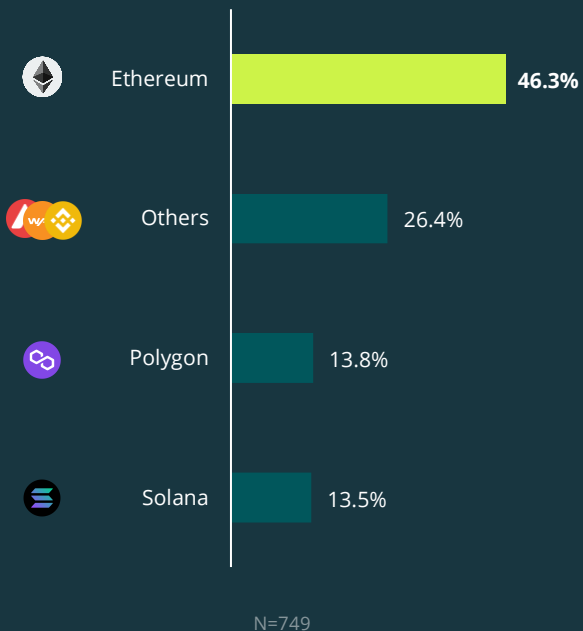
Less than half of the respondents (43%) have **profited from NFT trading**, while 23% are HODLers by choice with no regard for profiteering off NFTs.

Suppose we only consider the ratio between “Yes” and “No”, roughly 57% of the non-HODLing traders turned a profit in NFTs, possibly a sign of trading proficiency among respondents, who are mostly NFT veterans.

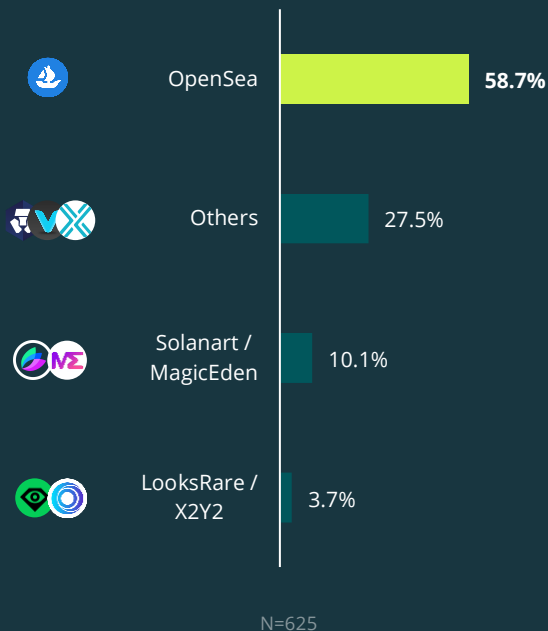
Interestingly, **NFTs constitute only a small portion of most crypto portfolios**, with 70% of our respondents reporting that it only makes up 0-25% of their crypto portfolios.

Ethereum and OpenSea dominate NFT-related activities, while Solana and its marketplaces dwindle in usage

What **network** do you use most for NFTs?



What **marketplace** do you use most often?



Unsurprisingly, **Ethereum** remains the **dominant chain** for NFTs at 46.3% despite being plagued by high-gas fees and slow transactions, largely also thanks to the strong **dominance of OpenSea (58%)**.

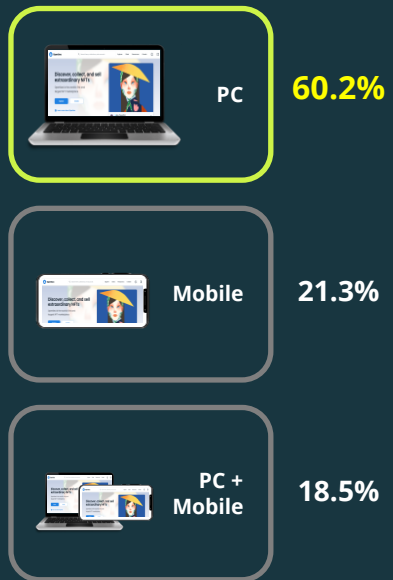
It is however worth noting that the dominance of Ethereum shown here is in sharp contrast to the data shown in our [Q1 2022 Report](#) where **Ethereum commands 85% of the market share** in March 2022

Solana unexpectedly is the **least used** network at only 13.5%, with Solanart and MagicEden also rounding up the bottom against other marketplaces.

Interestingly, Crypto.com, VEVE Official and Immutable X are some of the most cited examples parked under "Others" by the respondents, perhaps alluding to their rising prominence. LooksRare and X2Y2 on the other hand, despite their generous incentive programs, failed to build stickiness despite early success.

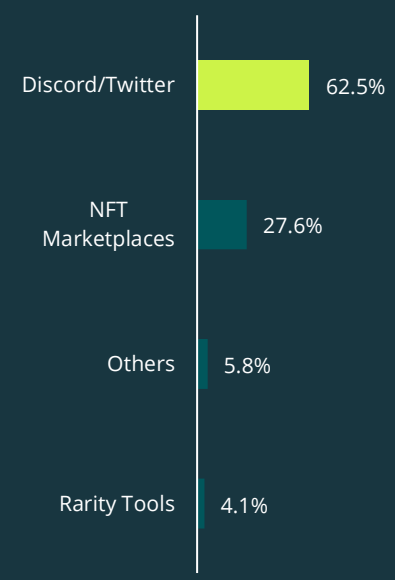
PC is the preferred choice for trading and minting NFTs, while most of the respondents hunt for new projects on Discord/Twitter and track their portfolio via marketplace wallet UI

How do you usually **mint/trade** NFTs?



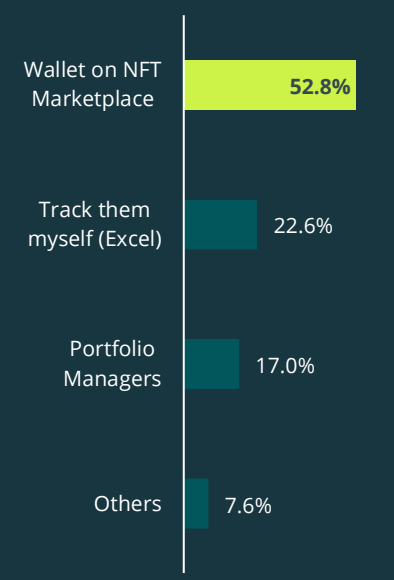
N=475

How do you keep **track of new** NFT projects?



N=416

How do you **track your NFT** portfolio?



N=394

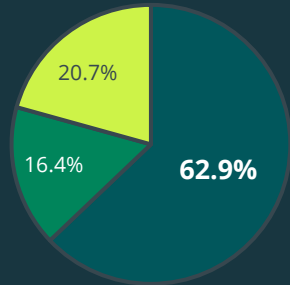
60% of NFT owners prefer to **mint / trade NFTs solely on PC**, with only **21% using mobile devices**. The dominance of PC could be owed to its superiority in manoeuvring the time-sensitive nature of NFT mints / trades, especially when wallet mobile apps are still largely unwieldy compared to their PC counterpart.

Over 60% of users track new, upcoming NFT projects via Discord and Twitter, where information is fragmented and often scattered among other noises. That said, they still seem to be the best option to stumble across fresh-out-of-the-oven projects. **Aggregator platforms** such as Rarity Tools exist but **usage is low (4.1%)**, perhaps due to the lag time in updates (which could be the difference for early access whitelists), or imperfect coverage.

Over half of the users track NFT portfolio via marketplaces as opposed to more structured approaches (e.g. portfolio managers, Excel)

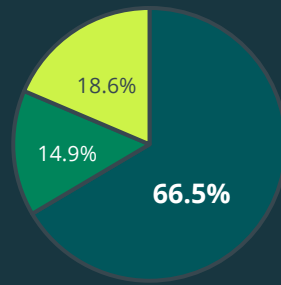
Usage of NFT aggregators and fractionalized NFTs remain low, though there is budding interest in NFT collateralization

Have you used any **NFT aggregators** like Genie or Gem?



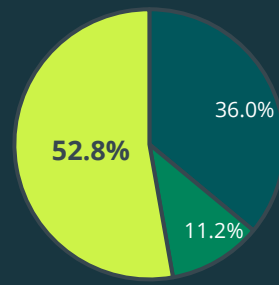
N=464

Do you own any **fractionalized NFTs**?



N=457

Are you interested in **collateralizing NFTs for loans**?



N=483

■ No ■ I don't know what that is ■ Yes

Usage for **NFT aggregators and fractionalized NFTs** are **staggeringly low**, with **63-67% of respondents having never used** them. This suggests the **lack of a product-market fit currently**. NFT aggregators like Genie and Gem mostly cover Ethereum marketplaces, while other popular marketplaces based on our survey are also not covered by these protocols, another possible explanation for their low usage.

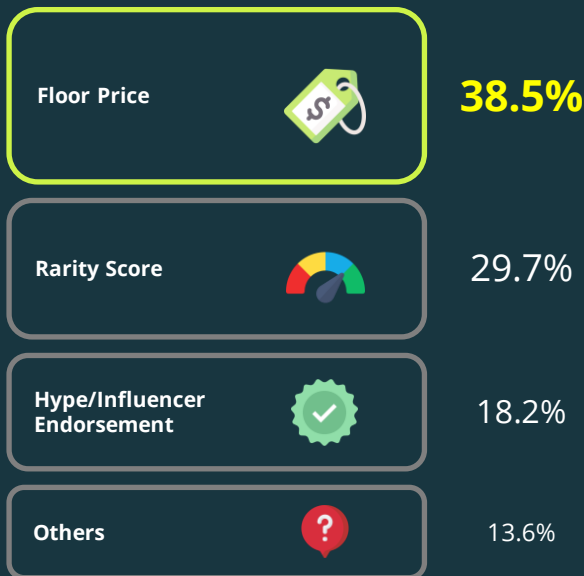
The **total TVL of fractionalized NFTs has doubled to \$186m** since we last covered it in July 2021, but **adoption/ownership seemingly remains low at only 18.6%**. It's clear that both of these subsectors are still in their nascent stage.

Protocols such as NFTfi are paving the way to enable **lending for NFTs** – a tune which has struck a chord with **over half (52.8%)** of the respondents. Like the other two, NFT loans are **still a nascent sub-sector**, with leading protocols NFTfi and Drops collectively having only <\$150m in TVL.

A sizable number of respondents (**11-16%**) also **do not understand** what NFT aggregators, fractionalized NFTs, and NFT collateralization are, which suggests a **gap in user know-how and product offering** at the moment.

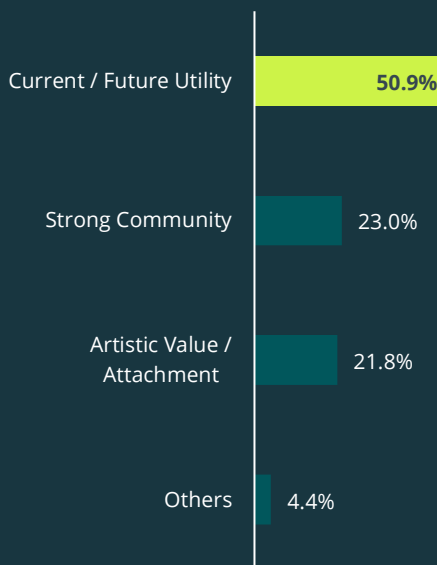
Most respondents are interested in floor price when trading NFTs, with over half motivated by current & future utility to HODL

What **attributes** are you most interested in when buying NFTs?



N=455

Instead of flipping, what would incentivize you to HODL NFTs?



N=639

When questioned about the attribute that drives their NFT trades/purchases, **38.5% respondents cite "Floor Price" as the most important**. Again, this is in line with our earlier question about the motivation for trading NFTs which saw ~40% selecting "flip & earn". The floor price is a common metric used to gauge affordability and potential upside of a collection/piece.

Rarity score and hype/influencer endorsement on the other hand sit at ~30% and ~18% respectively.

Outside of flipping for profit, **half of the respondents (50.9%) think that current or future utility of NFTs is the main incentive for them to HODL**, with only 23% and 21.8% selecting "strong community" and "artistic value/attachment". Based on our survey, it seems that NFT owners **value NFTs that are perceived to deliver the most 'practical' value**, rather than just its aesthetics. Recent NFT projects are also trending towards having some form of utility (e.g. exclusive access, future airdrops), instead of being just "onchain JPEGs".

5 Key Findings

1

Majority of the respondents are from the **APAC region, aged 18-30 and 30-50**. 72% of these are NFT owners, with more than half of them having 5 or more NFTs.

2

Metaverse / gaming NFTs are the **most popular type** of NFTs owned, with half of the respondents having participated in metaverse(s) before

3

"Flippers" top NFT ownership at 42%, **majority** of crypto portfolios (70%) **assign only 0-25% to NFTs**, and **less than half** of the respondents have **profited** from trading.

4

PC is the preferred choice for trading and minting NFTs, while most of the respondents hunt for new projects on **Discord/Twitter** and **track their portfolio via marketplace wallet UI**

5

Most respondents are **most interested in floor price** when trading NFTs, with **over half motivated by current & future utility to HODL**.

