

NFT marketing with Dr Raeesah Chohan

By  Emily Stander

10 Feb 2022

What is an NFT? This question has seemingly plagued the online sphere of late, especially since Beeple's \$69m NFT sale in early 2021.



Dr Raeesah Chohan

Raeesah Chohan is a senior lecturer at the University of Cape Town (UCT), where she teaches digital marketing, consumer behaviour, and services marketing. Her research explores how emerging technologies are changing the B2B dynamic. She has recently published an academic [article](#) on NFT marketing in an international peer-reviewed journal.

We spoke with her to find out more about NFTs and how they might change the marketing landscape.

What is an NFT?

“A non-fungible token (NFT) is a ‘one-of-a-kind’ digital asset that people can buy and sell,” says Chohan. “A fungible asset can be exchanged for an amount that is identical in value. For example, a R50 note can be exchanged for another R50 note. Non-fungible assets are unique and in turn not interchangeable with one another. An NFT’s price depends on its value.”

For example, as Chohan says, an NFT representing a photo of tennis player Rafael Nadal holding the trophy after winning the 2022 Australian Open is worth more to one of his fans than those who supported his opponent, Daniil Medvedev. As such, the Nadal fan would be willing to pay more for the NFT - and this is why NFTs are often sold by auction on online marketplaces.

But why are they currently so hyped?



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“[The hype] is primarily driven by influential personalities and others we follow in our social network who share their NFTs on social media,” says Chohan. “However, when the curtains are drawn, I believe that NFTs can continue to offer real value.”

NFTs operate on blockchain technology. Freely available digital content has been shared legally and illegally for years, and NFTs allow content creators to benefit from selling their work. This means that content creators need to strategise how to maintain a competitive advantage, and level the playing field.

But how do you determine ownership of an NFT?

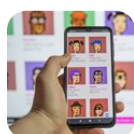
“NFTs have digital certificates that contain metadata about the NFT, which is listed on the blockchain to verify its authenticity,” says Chohan. “NFT ownership can also be verified using a marketplace’s database. It is worth noting that buying an NFT often entails buying a link to the NFT, rather than its intellectual property. A smart contract records these terms and conditions which can be set by the NFT creator or seller.”

NFT marketing

According to Chohan, NFT marketing is the strategic creation, promotion and use of NFT’s in marketing campaigns.

Primarily, marketers are able to use NFTs to promote their products and services and build and maintain relationships with their customers. “For example, marketers can offer NFT packages that include tangible products and/or real-life services, or sell NFTs that consumers will wear using augmented reality and post about on their social network,” says Chohan.

Traditionally, marketing has been centred around generating awareness, fostering interest, inducing desire, and encouraging action. Introducing NFTs to the marketing strategy means considering the new consumer behaviour that NFTs foster, according to Chohan. “First, marketers can retain ownership rights over their content and resell it for royalties. This means that instead of simply creating content for their digital marketing campaigns, marketers can now benefit by selling this content as NFTs if consumers deem it valuable enough to purchase,” she says. “Second, marketers can sell NFTs globally, without geographical barriers due to blockchain technology.”



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Moreover, there are two more things to consider with NFT marketing:

- An NFTs value primarily depends on its scarcity. Marketers would do well to promote and maintain this scarcity appeal - this is important, as NFT sales can comprise royalties owed to the original creator or seller.
- Given the irreplaceable component of NFTs, the role of the marketer is to help potential buyers answer how the asset

will add value to their lives.

Essentially, NFTs have the potential to change the marketing landscape. Given their place in the digital world today, it is an important thing to focus on in the future of marketing strategies.

ABOUT EMILY STANDER

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