



## **INTRODUCTION**

In early 2021 the art market finally sank its teeth into blockchain technology. The continued growth since then has proven there is a true market demand for NFTs and that big-money is coming to the table. In 2021, there was \$10.7 billion traded in the third quarter of 2021, up from a staggering \$2.3 billion sold in the first quarter and \$2.4 billion worth of NFTs traded in the second quarter.

## **WHAT ARE NFTs?**

Non-fungible blockchain tokens (now commonly called NFTs) are used to identify something or someone in a unique way. NFTs are designed to give you something that can't be copied: ownership of the work (though the artist can still retain the copyright and reproduction rights, just like with physical artwork). To put it in terms of physical art collecting: anyone can buy a Monet print. But only one person can own the original.

Technically anything digital could be sold as an NFT (such as drawings, music, books), but a lot of the current excitement is around using blockchain technology to sell digital art as an evolution of fine art collecting. NFTs provide a way for digital art to be traded: prior to now, digital art could be replicated, but lacked a mechanism to authenticate provenance. NFTs provide evidence of ownership of the original asset.

The majority of all NFTs being bought and sold today live on the Ethereum blockchain and are based on the ECR-721 technical standard. The standard defines a method for "minting" a digital token that is cryptographically unique, identified by a TokenID associated with a particular blockchain wallet, and distinguishable from any other token. These tokens are powered by smart contracts, which are a new form of legal document that automates proof of ownership transfer.

Another way to think about NFTs is as the latest iteration of the project to create scarcity in the digital realm via cryptography that began with Bitcoin. NFTs are designed to heighten that scarcity but also introduce uniqueness.

## **BENEFITS OF NFT OWNERSHIP**

There are clear experiential and sociological benefits associated with participating in the NFT market, including supporting global artists and other content creators, taking part in a new digital movement and community, and acquiring the rights associated with NFT ownership on the internet.

In an age when people are spending more time online and younger generations are increasingly entwined with the internet, the rise of digital art as a mode of expression is a natural progression, and only looks to explode further. Right now, this art revolution is still in its infancy, making it the perfect time to get involved.

## **SCHOOL OF CRYPTO ART**

This is where the School of Crypto Art (SOCA) comes in. SOCA was born out of the Crypto Art Appreciation Society, when it brought together a group of 11 global artists as artists-in-residence. The power of the connections made through that group exposed the need for a larger artist-focussed community. The group of artists that came together through this original project are committed to being foundational members of SOCA.

The purpose of SOCA is to ensure that global artists have equal access to education, resources, collectors and connections so that as many artists as possible have the ability to take part and thrive in this new art revolution.

As Margaret Ngigi, one of our artists from Kenya put it: "Without NFTs I wouldn't have a fine art career as there simply are no art collectors in my country."

The power of Crypto Art to change the livelihoods of artists is real and measurable.

## **THE PROBLEMS FOR ARTISTS & ART COLLECTORS**

New artists entering the space can be overwhelmed by the technology, as well as the crypto culture, which can take time to get a handle on. Like any avant-garde movement there are unwritten rules that help you be successful - or not. The opportunity that crypto art opens for artists is so significant that we must work hard to make sure that as many artists as possible are given the chance of success.

This isn't as simple as teaching someone how to mint an NFT, but introducing them to the history, the memes (cultural references), the need to adapt and push your work in this new medium, how to find collectors, how to price their work, how to market themselves, and where to find a community to help support them. At the same time 1/1 artists (the term for independent artists on the blockchain) are competing with large, well-funded collectible collections for attention.

Despite the huge growth in NFTs from early 2021 until now, investing in 1/1 artists is still a huge area of opportunity for collectors. The interest in NFTs has been largely born out of a market for PFP (Profile Picture Projects) as they are often cheap and easier for people to understand as a 'collectible'.

Generative art (art created with the help of technology to produce large amounts with varying traits and rarity) has also been a popular area of growth, and often where people follow on from collectibles.

However, 1/1 art is where the area of big growth will follow as the market matures and traditional art collectors enter the space. This opportunity is early and there for the taking for those collectors who are prepared to do the work and understand the space.

1/1 art will always require the most work for the prospective collector because, unlike generative, there aren't easy identifiers of what is valuable and what is not, other than the artist and their work. In this whole new paradigm few trust their instincts in identifying great crypto art, and when you combine that with less liquidity (i.e. the ability to sell 1/1 art on the open market usually takes time) it has created a slower maturing market.

The other advantage that collectibles have is that they can activate communities to build their brand and awareness in the market. People love being part of an identifiable group where they establish a strong sense of belonging that builds loyalty and value.

Yet, no grassroots community exists for artists and art collectors. Everyday new opportunities are created for both — e.g. For artists, new tools to make creating art cheaper, new platforms they can list their work on, new things they need to be experimenting with; for collectors, new tools to discover art, ways to assess an artist's potential etc.

Currently, there is nowhere for these lessons to be shared, learnt and captured, and for artists and art collectors to be empowered to leverage the influence that collectibles have.

As one of our 11 artists, Apocalypse Art articulated:

“My hope is that hanging out with these folks would help me (1) grow the Apocalypse brand (2) increase its recognition and value in the marketplace (3) grow as a person in my thinking and understanding (4) push me as an artist (5) acquaint me with people who I can hire or with whom I can collaborate, (6) introduce my work to more collectors If and as I can get these needs met, my work can grow in value, my income grows, etc”

SOCA is not just for traditional artists entering the space and needing to learn the basics (though we will provide that) but will also cater to artists who are here in the space already and need more recognition, support from recognised art collectors and access to them, which will help them cultivate good ongoing relationships. Artists want friendships and relationships with peers and the ability to hang out with artists at the same stage, or those who they aspire to be.

We will build educational resources that cater to all levels, but also work hard to build our own access to top collectors and artists in this space. We have already achieved a lot of this work through the Crypto Art Appreciation Society, but we'll have more leverage with this new focus. We already have some big name NFT art collectors like batsoupyum involved in the project who have expressed interest in being an ongoing advisor, as well as supporting this idea.

We believe that building a grassroots community that is art-focussed and allows both collectors and artists to be better educated about the space will create a social network and facilitate connections that will amplify the full potential of the opportunity before us.

Art communities have existed in many forms throughout history, including building whole self-sustaining geographic communities. This is a digital version that brings this well-proven idea into a new paradigm.

We want our community to be truly global and have everyone feel that they are welcome and included. We want artists in Kenya to have access to the same opportunities as those in the US, or other countries that have strong histories of art patronage. The original 11 artists who are part of the project represent a diverse group of global artists who will be able to activate their communities to make sure that we have strong international appeal.

We will initially use Discord to build the community and resources. While not a perfect solution as Discords are prone to hacking, Discord remains the dominant way for NFT communities to connect. We will invest in security, as well as educating our community about hacking risks — something that every artist needs to know.

Down the line, we hope to build the school in the Open Metaverse, a project that is being built right now. This will be a fully immersive experience where people from around the world can gather and learn from each other, attend classes, hear from famous artists and launch their art collections. We will be applying for this now to get the wheels in motion.

In the meantime we'll hold online events, run global art shows that our community can participate in, IRL gatherings around the world open to everyone keen to learn about crypto art. We'll invite international guests to speak at our exclusive events, and hold open public events to get more people interested in this new art movement. We plan on being guided by our community about their needs.

## **TOKEN GATED COMMUNITY: THE SOCA TOKEN**

In the start-up phase, SOCA will be accessed through 5,000 unique NFTs that will be created as a collaborative project between our 11 artists. The NFTs will be minted at 0.08ETH raising around 400ETH in primary sales. We will look at opening another 5,000 once the demand arises. This means that artists can build value into the project through participation that will drive demand (and increase the value of the token). Once they feel they have gotten what they need from the community, they are free to sell their NFT, meaning they don't lose money. We'll take 6% on secondary sales.

## **FUNDING**

Funds will be used to create content and on salaries to build a team. We'll also use funds to run events and build out our school in the Metaverse. An agreed percentage of the primary sale will go to the founding team, and 1% each to the founding artists.

## **THE CLIMATE CONTROVERSY SWIRLING AROUND NFTs**

Is dealing in crypto art environmentally unethical?

CryptoArt is a tiny part of global emissions. The majority of NFTs are minted on the Ethereum blockchain. Ethereum currently runs on a paradigm called "Proof of Work" or PoW. The PoW algorithm is very compute intensive and with the rise in popularity of NFTs it has become a problem too large to ignore.

Ethereum does however have a solution on its roadmap. The plan is to switch from PoW (Proof of Work) to PoS (Proof of Stake). This should eliminate up to 90% of power consumption.

## **PROJECT OVERVIEW**

### **Step one:**

Build out a website and resources and begin work on the artist's collaborative NFT.

### **Step two:**

Build marketing awareness, (including gathering allowlist wallets) and open Discord to the public.

### **Step three:**

Successfully mint 5,000 NFTs and kick-off Token-gated channels for SOCA members on Discord.

### **Step four:**

Focus on events, community ones as well as with well-known artists to grow awareness of the opportunity for artists and art collectors. Events will be a mix of public and token-gated.

**Step five:**

Activate community perks like the ability to participate in a group art collection that SOCA markets, giving any money made back to the artists (after costs).

**Step six:**

Launch Open Metaverse School.

**Step seven:**

Cement SOCA as a leader in building a collaborative and global art community that helps thousands of artists go on to be successful in their own right.

**THE TEAM****Bronwen Clune (Co-founder)**

Bronwen is an artist and former journalist who has worked in technology for the last 15 years. She started one of the world's first collaborative news sites, and has a strong history of identifying early digital trends, and has also worked at senior levels consulting on DEI. She has advised the Australian Government on innovation, and acted as a mentor to many startups. NFTs represent an intersection of both her worlds, and skills - the creative and the technical. They also provide an opportunity for equality that she is deeply passionate about. She is committed to helping others be successful in the NFT space.

**Michele D'Acosta (Co-founder)****Matthew Roberts (Community manager)**

Matthew is a writer and educator, having taught Creative Writing at university level for several years. He has been a published poet and believes NFTs offer people the ability to indulge their creative sides in ways that have not been possible before in today's world. He is a strong community builder and understands that part of that is listening to a community and managing their expectations. He is committed to making CAAS the place that artists and creators come to share their vulnerabilities, wins ... and to thrive.

**Disclaimer**

The document is intended for general informational purposes only