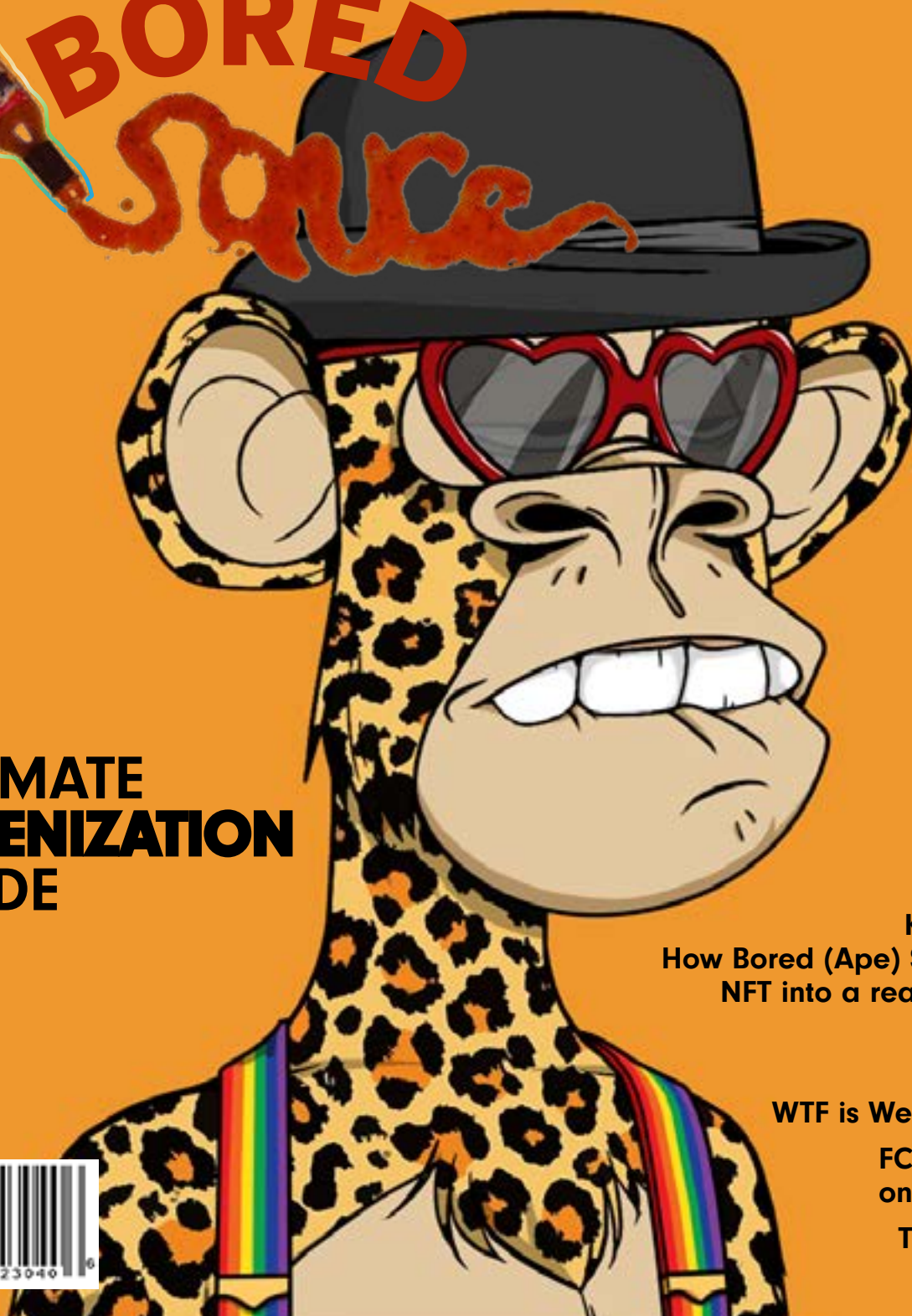


# TOKENIZINE

**BORED**  
*Sauce*



**THE  
ULTIMATE  
TOKENIZATION  
GUIDE**

*In this issue...*

**Keeping it Spicy:  
How Bored (Ape) Sauce turned an  
NFT into a real-world business**

*Also featuring*

**WTF is Web3 tokenization?**

**FCS' Chris Pantoya  
on fandom's future**

**The Anti-Acronym  
Web3 Glossary**





# WELCOME TO



## THE INTERNET'S NEXT EVOLUTION. WE KNOW: YOU'VE "HEARD" OF IT.

If you've zoned out a time or two while "visionaries" and crypto bros drill into mining, minting, and public ledgers, we understand. To most of us, the bits and bytes of rewiring the internet are like highway construction. We don't care how it's done. We want to know where it will take us.

The ultimate destination is the metaverse, a persistent, virtual space with immersive, interoperable worlds and an independent, digital economy. Think Ready Player One minus the earthly dystopia. But there's a lot of roads to lay between here and there—Gartner says it will be at least a decade until a fully realized metaverse is ready for the mainstream.

Right now, platforms like Roblox, Sandbox, and Decentraland are already using a Web3-era internet tech stack to create online worlds where consumers can fashion unique avatars, build homes and buy goods and services using digital currencies.

Brands are using those worlds—as well as Web3 tools like blockchains and tokenization—as a springboard for new ways to engage with consumers. Marketers are using these technologies to connect the physical and virtual worlds by auctioning off digital renderings of real-world items for use in the metaverse, rewarding loyal customers with "tokens" they can redeem during limited-run product drops, and giving users access to exclusive virtual events like concerts and fashion shows.

While the biggest players—Starbucks, Coca-Cola, Adidas, and others—have already gotten started, Web3 is nascent enough that you have arrived well in time to make it your own. But in order to do that, you'll have to understand the technology that underpins it.





# WWWEB3 COULD REWIRE THE INTERNET.

## WHAT IS IT?

Simply put, Web3 (also known as Web 3.0) is the internet's next evolution and, potentially, a way to bring it closer to its founders' vision by making it more democratic, decentralized, and peer-to-peer. Web3's architects aim to rewrite the web by eliminating central powers like banks and media platforms and distributing wealth, ownership, and information along blockchains.

Web1 (or Web 1.0), the "read-only web," democratized access to information by putting it on web pages available to anyone with a computer. Web2 (or Web 2.0), "the read-write web," saw the rise of user-generated content posted primarily on social media platforms that surreptitiously collected

users' personal information. Those platforms have become information monopolies that make billions of dollars selling data to advertisers.

Web3, the "read-write-own" web, aims to shatter those monopolies using blockchains, a public ledger system that can be used to record proof of creation, ownership, and sales. That information isn't kept by a central authority like a bank or a corporation; it is distributed over network of thousands of computers. No one "owns" it, and everyone has access to it.

What does that mean for the web? Web3 is already being used to democratize content creation and ownership by creating "tokens,"

digital units that, when bought and sold, are tied to transaction data by a unique identifier. Theoretically, users could "mint" tokens to authenticate any content they create and put that record on the blockchain. They could then sell the content or accept micro-payments from those who publish or consume them. Jack Dorsey, for example, minted his first tweet as a non-fungible token (NFT), then sold it for \$2.9 million in 2021.

Web3 also enables peer-to-peer financial transactions in the physical world. Roofstock's Head of Web3 Initiatives, Sanjay Raghavan, put his house up for sale as an NFT, after about 10 months of rigorous legal and tax analysis, allowing SFR (Sales and Foreclosure Resource) sale and settlement to be completed via NFT marketplaces.

Everyday users are more excited about more immediate applications, namely the tokenized purchases of the physical and digital products we described earlier. Web3's biggest contribution so far—and for the foreseeable future—is bridging the gap between the physical and digital worlds, an accomplishment already giving marketers a portal to the metaverse.

*Web3's biggest contribution so far—and for the foreseeable future—is bridging the gap between the physical and digital worlds, an accomplishment already giving marketers a portal to the metaverse.*



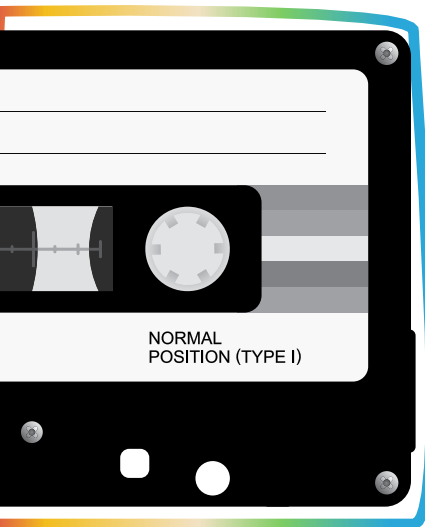
## SYSTEM UPDATE IN PROGRESS

- 1969** The U.S. government's ARPANET, the foundation of the modern internet, sends its first message.
- 1991** Computer scientist Tim Berners-Lee launches the first read-only web page using URL, HTML, and HTTP technologies
- 1991** The blockchain begins: Scientists W. Scott Stornetta and Stuart Haber launched the first blockchain
- 1994** The first banner ad is bought for AT&T on HotWired.com.
- 1997** WiFi connection becomes commercially available with classic cable packages.
- 1999** Blogger ushers in the read-write web by allowing users to sign up for 100 blogs for free.
- 2003** The social web launches with Friendster and, soon after, Myspace.
- 2006** Facebook opens up to all users over 13 years old.
- 2007** The mobile web era dawns thanks to the first iPhone, which sold for \$499.
- 2009** Bitcoin launches in the wake of the financial crisis by the pseudonymous inventor Satoshi Nakamoto.
- 2013** Oreo's famously fast "Dunk in the Dark" tweet during the Superbowl blackout proves social media can be a powerful tool for tech-savvy brands.
- 2014** The first NFT, called "Quantum," is minted on Namecoin.
- 2017** NFTs gain momentum with collections like CryptoPunks.
- 2020** The COVID-19 pandemic encourages millions of isolated people to explore metaverses like Roblox and Decentraland.
- 2021** Beeple sells a piece of digital art minted as an NFT for \$69 million through Christie's online auction house, igniting global interest in NFTs.
- 2022** Yuga Labs, parent of the "Bored Ape Yacht Club" NFT collection, hits a \$4 billion valuation



64%  
of consumers said they  
would join the metaverse to  
get brand discounts  
—Clarus Communications

# TOKENIZATION: YOUR PORTAL TO THE METAVERSE



Many consumers are by now familiar with, and somewhat puzzled by, the idea of buying digital art as non-fungible tokens, or NFTs. It was just last year when digital artist Beeple sold a piece called “Everydays: The first 5,000 days” for \$69.3 million through a Christie’s online auction.

Media coverage of the sale set off a high-flying market that left everyday consumers scratching their heads. It doesn’t help that these tokens are sometimes confused for the property itself, instead of a unique digital identifier that shows proof of ownership. Millions of dollars for a .jpg file (well, technically a .png)? That’s hard to wrap your head around.

Early access, discounts and exclusive events, however, are easy to understand. Brands that use tokens to deliver tangible benefits to consumers will soon find that they have a passkey to the metaverse—and a whole new way to engage with customers.

Here are a few ways leading-edge brands are doing it.

## TANGIBLE COLLECTIBLES

LIKE WE SAID EARLIER, tokens provide unalterable proof of authenticity and ownership of physical objects, from art to apartments to collectibles. Brands are already using them to give preferred customers access to exclusive product drops. Adidas, for example, rewarded event attendees with NFTs that gave them access to limited-run product drops. But brands can also use NFTs to certify authenticity and ownership of big-ticket collectibles like sports memorabilia and pop culture collectibles, limited-run liquors and more.

## LOYALTY PROGRAMS

FOR BRANDS, tokenization is a natural way to extend gamification strategies that reward consumers digitally for real life behaviors. In September, Starbucks rolled out “Starbucks Odyssey,” an extension of its existing rewards program that the company said “will offer members the ability to earn and buy digital collectible stamps (NFTs) that will unlock access to new, immersive coffee experiences.”

## IMMERSIVE DIGITAL EXPERIENCES

TOKENIZATION can also enable immersive metaversal and IRL crossover brand experiences. Luxury brands like Gucci, Ralph Lauren and Balenciaga have unveiled promotional experiences on highly popular platforms like Roblox and Fortnite, where customers can explore a virtual, branded world. At one such event, Gucci created a digital handbag NFT based on a real-world bag that sold for 350,000 Robux, Roblox’s digital currency, equivalent to \$4,115. Not every engagement is quite so pricey. Coca-Cola auctioned off digital “loot boxes” that looked like vending machines and contained items that could be used in Decentraland.

# IP IS EVERYTHING: THE BENEFITS OF TOKENIZATION

When IP holders think about tokenization, they think about NFTs—Non-Fungible Tokens. The key word here is “non-fungible,” aka they can’t be tampered with. Tokens are unique identifiers tied to a digital file that contains information about an asset, like who made it, who owns it, since when, how much they bought it for, and more. Then it goes on the blockchain, a public ledger where it can’t be copied or changed.

For a brand, tokenization is a revolutionary approach that puts control back in the hands of brands, allowing them to protect their intellectual property (IP) and ensure authentic experiences for their biggest fans.

## Smart licenses and contracts

IP law isn’t always much help on the wild, wild Web, where creators often only find out about a copy or dupe of their work when it’s too late, and the copycat has gotten the attention and income that might have been theirs. But NFTs can be written to preserve a creator’s IP safety using smart licenses and contracts.

Tokenization can provide clear ownership information that immediately cuts through any debate about who creates and owns what. The encoded information contained in a token can include product details, of course, but it can also help NFT creators protect their IP, grant NFT holders a baseline of protection for their creation, and help them unlock value from their creations, mostly in the form of revenue. This information can’t be altered either, ensuring an item’s long-term protection, whether it’s a digital or physical item. In a world where trust in centralized institutions is at a premium, ensuring your IP is protected is worth serious peace of mind.

## Ensuring authenticity.

For true fans, authenticity is a matter of the highest order and getting ripped off by counterfeiter is a blow to the ego. The danger is pervasive in an era where social media has accelerated the rise of product dupes and fakes. Brand piracy costs brands billions of dollars in lost revenue per year. Those Yeezys we mentioned? Footwear is especially vulnerable, with 22% of the world’s counterfeit items being shoes.

NFTs issued by IP owners themselves offer fans the assurance that they are investing in the real deal, and not relying on some shady middleman’s say so. They know they won’t have to go back to their boys and admit they didn’t have the expertise to spot a knockoff—and they were taken by a con to boot.

## Second-hand success

Tokenization also lets brands effectively capitalize on where their top fans commonly encounter them: in the secondhand market.

The secondhand market, which encompasses early listing services like Craigslist as well as newcomers like Depop, permits a level of discovery that was unheard of even 15 years ago. For example, the US secondhand fashion market is expected to triple in value in the next decade, according to the 2022 Thredup Resale report.

Buying, selling, and trading have become incredibly easy thanks to these platforms, which is great for fans – but creators are still losing out on income when they can’t prove that an item is genuinely theirs. By minting NFTs of their most popular products, creators can continue to earn revenue from subsequent sales of the item’s NFT, while fans get to experience a brand like never before.

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# BORED



## WEB3 GOES APE SH\*T FOR HOT SAUCE

THREE NFT NOOBS TOOK A SWING ON BORED APES AND BROUGHT TWO WORLDS TOGETHER.

How do you explain to your significant other that you've spent \$8,000 on a "picture online?" In June 2021, childhood friends Lucas McGarvey, Mike Roberto and Nick Bonnano thought the solution might be to split the cost three ways. For a mere \$2,666 each, the men bought an NFT for their first "Bored Ape"—a cartoon ape with cheetah-like fur, a top hat and rainbow suspenders they call Bobby Bellhop.

Lucky for them, Apes minted by The Bored Ape Yacht Club (BAYC) have become a Web3 phenomenon; at the time of writing, the floor price for an Ape was 69.94 ETH, equal to \$110,964.7587. Celebrities, including Snoop Dogg and Gwyneth Paltrow, have purchased Bored Apes, and one sold for \$3.4 million at Sotheby's auction house last October.

But the trio has gone a bit further for their return on investment. Because the trio's NFT gives them intellectual property rights to the image, they were able to make Bellhop the face of their IRL business venture, "Bored Sauce," a hot sauce company that sells Ape-branded hot sauces for \$11.99 a pop.

"We all love hot sauce," said Roberto, adding they're all huge fans of the YouTube show "Hot Ones," and Bonnano, a fireman, is "known as the chef of the firehouse" at his local station. "It was a no-brainer for all of us going into a culinary-type product."

Many creators and brands have crossed from the physical world into the virtual world, reaping profits by transmuting their IP into digital assets like art, meta-world objects, and exclusive deals or access. The Bored Sauce team has done the opposite—taking digital IP and turning it into an IRL product.

The decision to front a hot sauce company with a Bored Ape specifically turned out to be a canny one. The crew liked the look of the Apes, but they also liked the "perks" associated with ownership. "We liked that there was merch you could only buy if you had an Ape. We liked that you can only...see certain portions of the [BAYC] Discord if you verified your Ape, stuff like that," McGarvey said.

Thousands of collectors felt the same: "The Bored Ape community exploded. We were lucky to get in early," McGarvey said. Now, the sauce is sought after by its built-in customer base of thousands of Bored Ape community members and fans. The BAYC is dedicated to fostering that community by hosting members-only events and other exclusive experiences for holders of its collection.

For instance, the BAYC team has thrown massive parties featuring performances by The Roots and LCD Sound System for its holders, and they're creating a "metaverse" game where BAYC holders get special, early access. Across the board, BAYC owners love to support each other's projects and amp each other up—partly to maintain or increase the value of the "pictures online" they spent good money on, but partly because they're having fun.

Crucially, Bored Sauce has promoted its hot sauces at BAYC community events, like Ape Fest 2022, a gathering for BAYC NFT holders in New York City. The team sponsored a brunch featuring "Bored Bloody Marys," made with their sauce. The breakfast drew a crowd that had already enthusiastically gathered that week to celebrate their stake in the wider BAYC universe and had already

spent money on other Ape-inspired food products from a collection of food trucks run by BAYC owners during the festival—like a Bored Ape taco truck.

The success of their product so far underscores the fluidity between the digital and physical realms—an increasingly porous barrier that not just Bored Sauce's founders have explored. Adidas has purchased a Bored Ape, which it's using to sell online comics and other digital products, and even Starbucks is using NFTs to power its new loyalty program.

It helps that Bored Sauce has a foothold in another robust, enthusiastic, real-world community: hot sauce lovers. "We wanted to figure out a community that exists that we can branch into Web3," says Roberto. "Chili heads," aka the hot sauce obsessed, were already there, part of a group that's rallied behind a shared interest just like BAYC owners.

And there's plenty of hype around hot sauce. The documentary "Chiliheads" explored people's widespread love of the condiment and its key ingredient chili peppers when it debuted last year, and a subReddit dedicated to hot sauce currently has roughly 119,000 members. Meanwhile, festivals devoted to chili and hot sauce take place regularly all over the world, illustrating the community's desire to converge around this beloved, spicy treat in person.

Bored Sauce is a tasty entry point for the Web3-curious. Of Americans who know what NFTs are, almost 40% said they'd be most interested in buying an NFT if it represented ownership of a physical object, Clarus Commerce reported.

"We wanted to be the middle factor of, 'This is a cool product. What is that Ape? Let me find out more about this,'" says Roberto. From there, they could usher new internet users into Web3, using a physical product to spread awareness about this community in which they're passionate and financially invested. Meanwhile, other BAYC owners are excited to see digital art collections they've invested in on the front of a hot sauce container. "We wanted to bring the NFTs to life," Roberto explains.

The guys are already seeing the phenomenon extend beyond the orbit of just NFT owners. "Now, some of the people that are just into hot sauce, or even our friends that are into food, are checking out NFTs," McGarvey adds, "just because [our hot sauce] is like a bridge," bringing customers from the physical realm of hot sauce to the Bored Ape's native Web3.



FOUNDER  
Mike Roberto

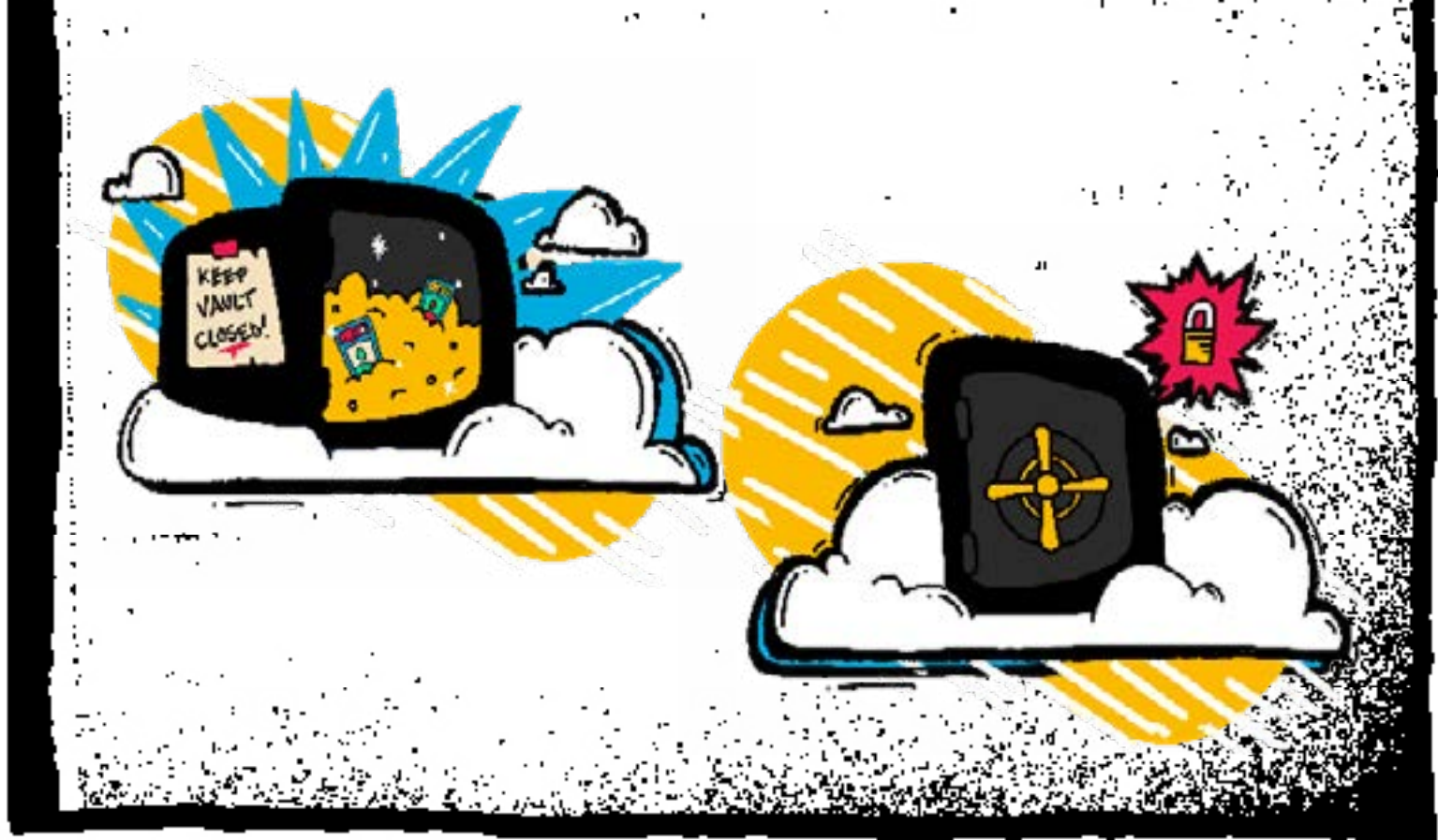
FOUNDER  
Nick Bonnano

FOUNDER  
Lucas McGarvey

NFTs have been called "the fandom of the future." Through NFTs, brands and other IP holders can engage collectors, superfans, and Web3 early adopters in a way that creates new revenue streams and fortifies their legacy.

One low-risk way for marketers to enter that space is to tokenize physical assets already in their IP portfolio. Dibbs makes it easy to convert collectibles and other exclusive inventory into NFTs and offers an easy onramp to the metaverse.

# HOW IT WORKS: GO FROM IP TO NFT



## TOKENIZATION

Dibbs starts by minting an NFT for the authenticated asset of your choice. We partner with reputable authenticators and grading companies who establish provenance for your objects of cultural value.

Each NFT ties a **unique identification code** to a digital file with information that authenticates it, spells out terms of sale in a smart contract and certifies ownership. That NFT is then recorded on the blockchain, where it can't be copied or tampered with. When the token is sold, a new record is created and added to the blockchain that records the transaction and becomes proof of ownership for the buyer.

## VAULTING

Traditionally sold artifacts come with logistics challenges. (The owner of the recently sold \$12 million Mickey Mantle Topps card built a fully-alarmed, vaulted room for the card.) Items have to be securely transported, insured, and, often, secured.

Dibbs eliminates those challenges by accepting shipment of your high-value item at our **state-of-the-art, climate-controlled**, 100% natural-light-free vault before the sale. We ensure around-the-clock surveillance of your precious object via CCTV and an on-site guard. Once vaulted, it has a forever home and life protection, regardless of who owns it next.

## TRANSFER OWNERSHIP INSTANTLY

Thanks to **Web3's smart contract technology** and our vaulting system, the sale of a collectible's NFT confers instant ownership to the lucky buyer of your item. No need to arrange for secure shipping and related insurance, it simply stays securely in our vault. The only thing that's transferred is ownership and bragging rights.

## ENTER THE METAVERSE

Marketers can **integrate NFT sales of physical items** into larger campaigns with other benefits for their community. Unique digital art, entry into exclusive clubs and early access to new products or events in real life or in the metaverse will delight collectors and other superfans.

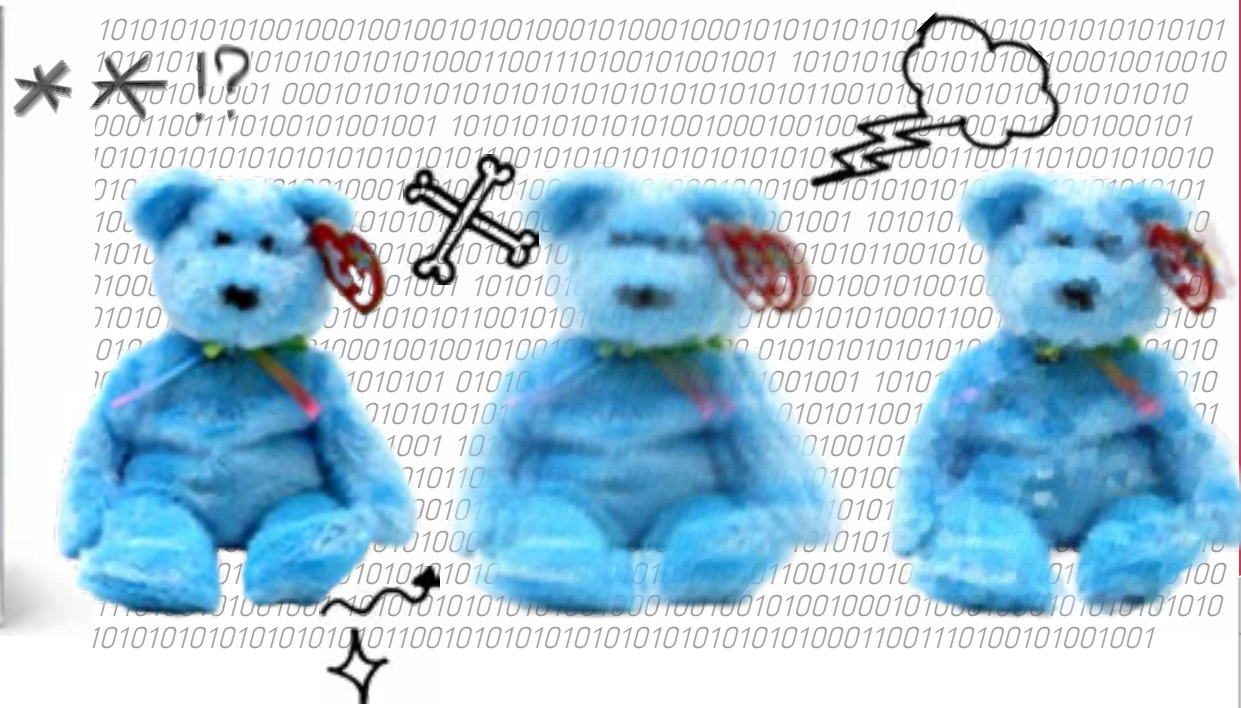
## COLLECT RECURRING REVENUE

When collectibles are sold traditionally, the creator nets only the original selling price. However, NFT licenses allow creators to be paid a percentage of sales in the future. The combination of NFT technology and the convenience of a central, secured vault essentially **turns your collectible into a digital token of value.** That makes it easier for future owners to sell their NFTs, and nets the original IP holder recurring revenue.



# NFTS IRL:

**EACH TOKEN IS UNIQUE, AND EACH DAY IS DIFFERENT, BUT THIS IS A TYPICAL DAY IN MY LIFE AS AN NFT**



**DIBBS.**

## ~~10:00 AM~~

Today's the big day—I'm getting authenticated. An expert will examine my provenance trail, kind of like a background check. I'm not worried, of course, but it's always nice to be validated by companies like PSA/Beckett, Analogr, and CGC/WATA.

## ~~11:00 AM~~

I am shipped to the Dibbs Vault to be processed and stored. Dibbs first scans me so they can render my digital twin, then mints a token for me. My parents chose the Ethereum blockchain, but they could have gone with Polygon, Flow, Solana and many more.

## ~~12:30 PM~~

While I relax in the Dibbs' vault, my digital twin waits to go on sale. Dibbs' client listed me on OpenSea, an NFT marketplace. They could have also chosen to list me on Rarible, SuperRare, Nifty Gateway, or Candy.

## ~~2:00 PM~~

Some savvy collector cracks open their digital wallet and buys my twin for .2 ETH. The sale is recorded on the blockchain, and the NFT is automatically imported into their Metamask or Coinbase account. Once it's there, my new owner can show it off to other collectors or use it as a VIP card for loyalty programs.

## ~~2:15 PM~~

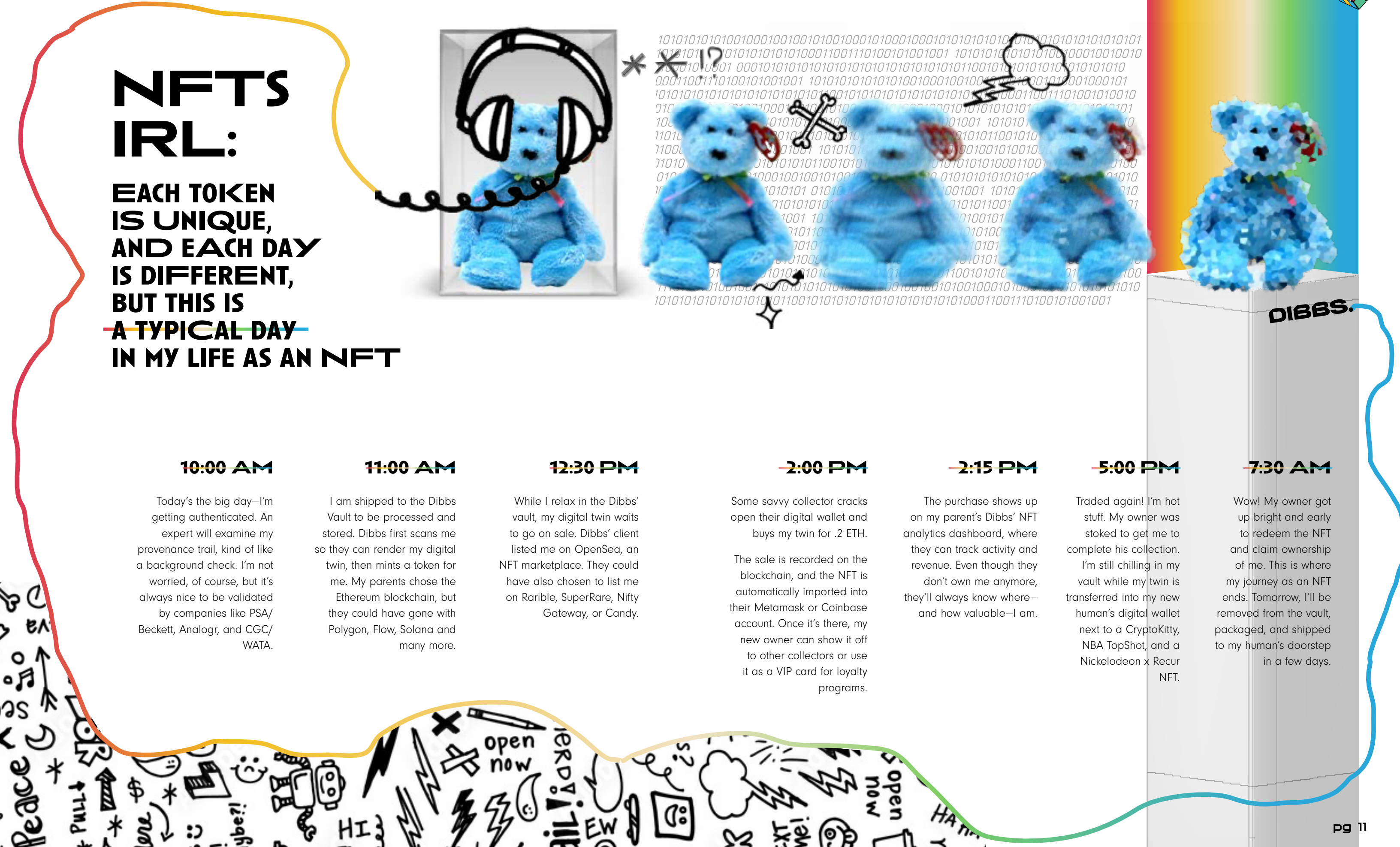
The purchase shows up on my parent's Dibbs' NFT analytics dashboard, where they can track activity and revenue. Even though they don't own me anymore, they'll always know where—and how valuable—I am.

## ~~5:00 PM~~

Traded again! I'm hot stuff. My owner was stoked to get me to complete his collection. I'm still chilling in my vault while my twin is transferred into my new human's digital wallet next to a CryptoKitty, NBA TopShot, and a Nickelodeon x Recur NFT.

## ~~7:30 AM~~

Wow! My owner got up bright and early to redeem the NFT and claim ownership of me. This is where my journey as an NFT ends. Tomorrow, I'll be removed from the vault, packaged, and shipped to my human's doorstep in a few days.



# CAN WEB3 RE-SHAPE FANDOM?

**CHRIS PANTOYA THINKS SO.**

CHRIS PANTOYA



**CHIEF COMMERCIAL OFFICER**

- CCO & Head of Strategy, Fan Controlled Sports + Entertainment
- Former SVP of Digital, NBA
- Web3 visionary
- Ballerz Collective NFT holder

Chris Pantoya, formerly SVP of Digital at the NBA, is now Chief Commercial Officer at Fan Controlled Sports + Entertainment, a company giving fans the power to call plays, sub players, and more. Their NFT extension, Ballerz Collective, aims to give fans the ability to do even more by buying tokens that allow them to get real-world access and VIP experiences, additional game play power, and more. We spoke to her about her vision for Web3 and its potential to reshape fandom.

**Q:** Launching the Ballerz Collective was your first professional NFT experience. What gets you most excited about the project?

**A:** I've always thought that the heart of sports should be the fan, and that's not the way the business model has worked. What intrigues me is that Ballerz Collective brings real, live benefits as well as the digital art—exclusive merchandise, in-person experiences. It also powers up the fans' playing capabilities in both the live sport interaction as well as the video game that we're planning. So, I just found it a very intriguing project because not only did it bring to bear an NFT project around live sports, which is pretty unique, but it also brought real utility to the NFT holder itself.

**Q:** How can Web3 technologies change sports fandom?

**A:** We really are looking to solve a problem that has long existed. Fans of sports have always had the feeling that when their team is losing, they would love to just grab the coach by the ear and say, "Hey, you've got to pull so-and-so out now."

What we're doing here is taking NFT ownership and community and turning that into the ability to make key decisions in live sports leagues that fans can own a stake in. Letting them play call in-the-minute [plays] and being able to have IRL experiences with them because of a particular attribute you have in your NFT.

I think that Web3 really has that opportunity to completely change sports but I think it has to start by the NFT projects or the Web3 project really solving very specific real-life problems.

**Q:** Is utility the most important thing to you as a collector?

**A:** I can't look at a piece of digital art and know that it's going to be uber-valuable versus another piece. It's personal preference. But utility [integrates] the types of activities and experiences that you're involved in. What are the video games you like to play? What are the passions that you have? And then puts utility around that NFT that's related. I do think that utility is one of the most important pieces of an NFT project as we move forward.

**Q:** The NFT market has been volatile, and some people seem to already be disillusioned by Web3. What would your response be to those who say, "I wish it would all go away already?"

**A:** I think what gets missed in that kind of comment is that we're just getting started. If we had gotten tired of the internet in 1988, what are all the things that would have never happened? Amazon, YouTube, Google, the iPhone, the ability to book airlines and hotels over the internet.

I met an investor right after the recent crash and I said, "how do you think about Web3 and investing in this space?" She said, "The way I think about Web3 is that, finally, the tourists have left and now those of us that are residents in Web3 are here to stay and we're going great guns." That's a great answer.



# THE ANTI-ACRONYM

All controversy aside, we believe Elon Musk is right about one thing: Acronyms Seriously Suck. Overusing acronyms obscures meaning and hinders n00bs' ability to understand a space or industry. We don't want to leave anyone behind. Check this small but mighty list of acronyms and abbreviations so you can understand Web3 as easily as any crypto bro.

# WEB3 GLOSSARY

AML	Anti-Money Laundering	the activities financial institutions perform to achieve compliance with legal requirements to actively monitor for and report suspicious activities. See also: KYC
CEX	Centralized Exchange (noun)	a cryptocurrency exchange managed by a centralized business or entity. i.e., Coinbase, Gemini, Kraken
CeFi	Centralized Finance (noun)	centralized businesses that participate in crypto. i.e., BlockFi, DCG, Grayscale

DAO	Decentralized Autonomous Organization (noun)	an organization based on open-source code and governed by its users. DAOs typically focus on a specific project or mission and trade the traditional hierarchical systems of legacy corporations for guidelines written on the blockchain.
Dapp	Decentralized Application (noun)	an application built on open-source code that lives on the blockchain. Dapps exist independent of centralized groups or figures and often incentivize users to maintain them through rewarded tokens.
DeFi	Decentralized Finance (noun)	the ecosystem of borderless, trustless, peer-to-peer financial tools being built on public blockchains without the use of banks. DeFi apps are built to be open and interconnected, allowing them to be used in conjunction with one another.
DEX	Decentralized Exchange (noun)	a peer-to-peer cryptocurrency exchange built on the blockchain. A DEX is run by its users and smart contracts instead of an intermediary figure or centralized institution. i.e., Uniswap, 1inch, Sushiswap



Crypto	Cryptocurrency (noun)	a digital asset designed to be used as a medium of exchange. Cryptocurrencies are borderless, secure, and maintained by blockchains as opposed to centralized banks or governments. Has nothing to do with the on-camera puppet host of Tales From the Crypt.
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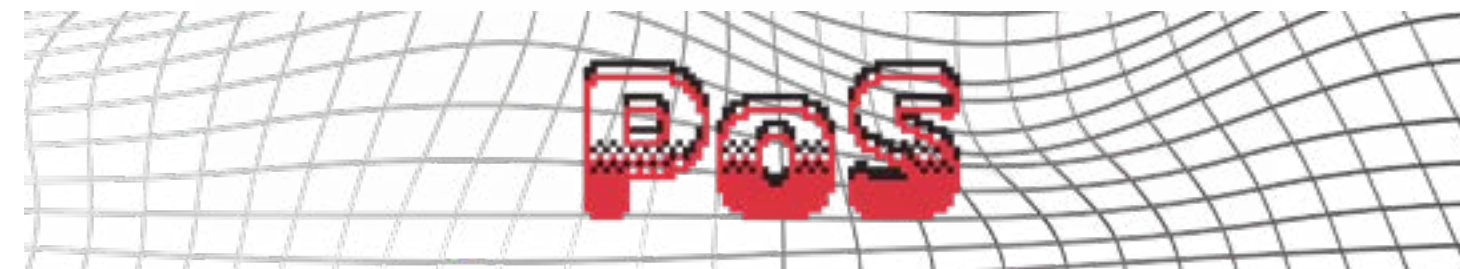


DLT	Distributed Ledger Technology	storage of all information in a secure and accurate manner using cryptography. Not to be confused with the recreational psychedelic drug, DMT.
EVM	Ethereum Virtual Machine (noun)	a virtual component that is contained in every Ethereum node and is able to execute bytecode for contracts. Smart contracts are usually written in high-level languages like Solidity and are then converted into EVM bytecode. See also: Solidity
KYC	Know Your Customer	guidelines in financial services require that professionals make an effort to verify the identity, suitability, and risks involved with maintaining a business relationship. The procedures fit within the broader scope of a bank's anti-money laundering (AML) policy. See also: AML
L1	Layer 1 (noun)	this is the blockchain platform itself, also referred to as the base layer, mainchain, or mainnet. i.e., Bitcoin, Ethereum, Cardano, Litecoin, Solana, Polkadot



L2	Layer 2 (noun)	protocols, also referred to as solutions, built on top of a layer 1 blockchain and commonly used to improve scalability, privacy, and add cross-chain communication. Unlike sidechains, which use their own consensus mechanisms, layer 2 solutions are secured by their underlying mainchain. i.e., Lightning Network, Optimism, Arbitrum
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NFT	Non-fungible token (noun)	a digital certificate of authenticity used to assign and verify ownership of a unique digital or physical asset. Unlike fungible tokens, NFTs are not interchangeable with one another. See also: ERC-721, non-fungible
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PFP	Profile Picture (noun)	profile picture, usually referring to one of an NFT.
PoS	Proof of Stake (noun)	a consensus mechanism that requires nodes, called validators, to stake a set amount of cryptocurrency on the blockchain in order to verify transactions and mint blocks. If a validator approves fraudulent transactions, then a portion of their stake will be slashed. See also: slash
PoW	Proof of Work (noun)	a consensus mechanism that requires miners to complete complex mathematical puzzles in order to verify transactions and mint blocks. When a miner correctly solves a puzzle, they gain access to mint the next block and receive the corresponding block reward and transaction fees. See also: miners
Sats	Satoshis (noun)	the smallest denomination of BTC, equal to 0.00000001 bitcoin. Satoshis are named after Bitcoin's pseudonymous creator, Satoshi Nakamoto.
TaaS	Tokenization-as-a-Service	digitizing ownership of real-world assets into security tokens.



## HAVE YOUR OWN CONFUSING WEB3 ACRONYM OR JARGON?

Send it to us for a simpler translation and [read our comprehensive glossary.](#)

# Where are we with NFTs?

Dibbs surveyed an audience of NFT enthusiasts to understand what they want and where NFTs may be going next.

Source: Dibbs, based on responses from 227 NFT enthusiasts in the US, Europe and Asia Pacific.

**47%**

said they agreed or strongly agreed that NFTs/crypto should be regulated similar to financial services, in order to protect consumers.

**60%**

said they had purchased or would consider purchasing an NFT from a brand they loved.

**57%**

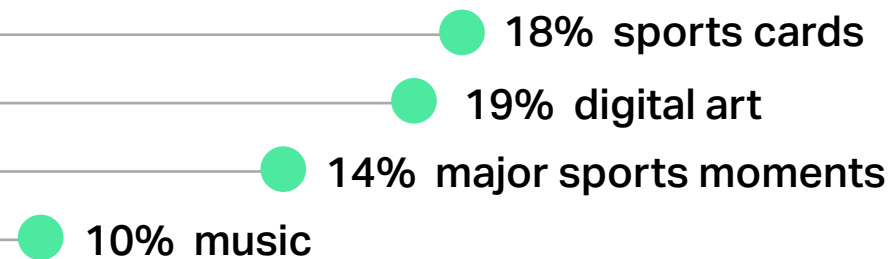
say blockchain technology is an essential innovation in society.

**52%**

say they want to collect NFTs today to be used in future digital innovations like the metaverse or video games.

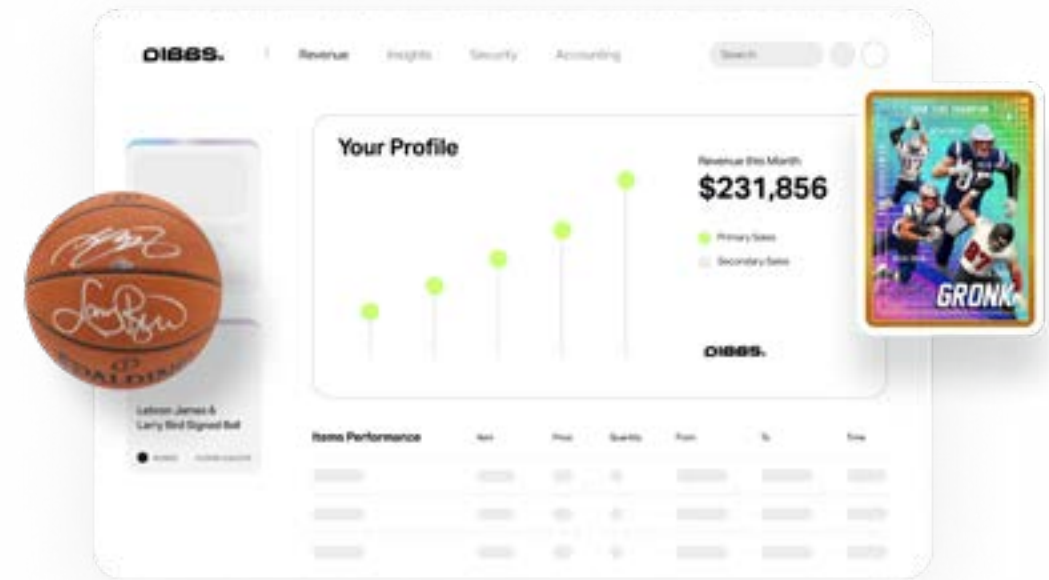
**80%**

of enthusiasts surveyed have owned an NFT themselves. What type have they owned?



**84%**

of respondents say they would purchase an NFT if this was redeemable for a physical item.



With a secure platform for the minting and redemption of collectible-backed digital tokens, Dibbs is the physical world's onramp to Web3, helping brands and IP holders create a digital presence for their real-life collectibles and forge a new path for deeper connection within their communities. Launched in 2021, Dibbs has raised more than \$15 million in venture capital from a variety of notable investors, ranging from Amazon, Tusk Venture Partners, Foundry Group, CourtsideVC, and Founder Collective; to athletes including Chris Paul, Channing Frye, Skylar Diggins-Smith, DeAndre Hopkins, Kevin Love and Kris Bryant. The company is based in Los Angeles, CA.

**Schedule a demo with your future Web3 partners today.**

[Schedule a Demo](#)

**DIBBS.**

CEX CENTRALIZED EXCHANGE CEFI  
CENTRALIZED FINANCE  
DAO DECENTRALIZED AUTONOMOUS  
ORGANIZATION DLT DISTRIBUTED  
LEDGER TECHNOLOGY  
EIP ETHEREUM IMPROVEMENT  
PROPOSAL ERC ETHEREUM REQUEST  
FOR COMMENTS EVM ETHEREUM  
VIRTUAL MACHINE  
FOMO FEAR OF MISSING OUT  
HODL HOLD ON FOR DEAR LIFE  
ICO INITIAL COIN  
OFFERING IEO INITIAL EXCHANGE  
OFFERING NFT NON-FUNGIBLE TOKEN  
SATS SATOSHIS SPV SPECIAL  
PURPOSE VEHICLE TAAS  
TOKENIZATION-AS-A-SERVICE  
TLD TOP LEVEL DOMAIN TPS  
TRANSACTIONS PER SECOND EIP  
ETHEREUM IMPROVEMENT PROPOSAL  
ERC ETHEREUM REQUEST FOR  
COMMENTS EVM ETHEREUM VIRTUAL  
MACHINE FOMO FEAR OF MISSING  
OUT HODL HOLD ON FOR DEAR  
LIFE ICO INITIAL COIN OFFERING  
TVL TOTAL VALUE LOCKED YOLO  
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