



5 Steps to Building a Successful NFT Project



1

Decide Your Project's Use Case

NFTs are a cultural product. The underlying story and use case behind your NFT project inform branding decisions, technical factors, and how you attract users.

Guiding Questions:

- Who is your target audience?
- What is the purpose behind your NFT project?
- How do these NFTs serve your audience?

Business Considerations:

- NFT projects with a specific target audience will initially find it easier to gain traction and find users. However, it can be difficult to expand past this early user base.
- A compelling brand is key to a long-lasting NFT project. A strong brand and purpose can attract users and galvanize project evangelism.
- Focusing on the purpose or function an NFT provides for users is critical for gaining interest, but focusing on this aspect too much can distract from creating a strong brand.

CASE STUDY



The first NBA Association NFTs were launched in April 2022. Each NBA player had a select number of associated NFTs, which were purpose-built as collectibles that evolved based on the players' performance in the 2022 Playoffs. These NFTs had strong brand recognition in the basketball niche and a clear target audience, with users excited to acquire NFTs for the players and teams they believed would perform well.

2

Choose a Blockchain

Every blockchain has a different user base and offers tradeoffs in terms of speed, cost, security, scalability, and how easy it is to build on.

Guiding Questions:

- How simple is building an NFT project on a given blockchain?
- What are the gas fees for users who want to mint an NFT?
- Which marketplaces will the NFTs be listed on?

Business Considerations:

- More established chains often have more robust and time-tested infrastructure, as well as developer tooling, enabling quicker project launches. But they're also more competitive, as more projects are building on them.
- Using a blockchain with expensive gas fees creates a higher barrier to entry. However, high fees are often the result of a larger, more active user base and network.
- Users interact with NFTs through NFT marketplaces, but most marketplaces support only a select few blockchains.

Technical Factors:

Coding Language

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Forked Blockchains and Consensus

Unproven consensus mechanisms can increase the chances of a “fork,” which can undermine the uniqueness of your project's NFTs.

Smart Contract Functionality

A lack of protocol-level safeguards along with inherent limitations on smart contract design can require burdensome in-house infrastructure development.

3

Design Your NFTs

NFT design decisions should relate to the project's theme, the current and future utility assigned to each NFT, and the specific NFT vertical being targeted.

Guiding Questions:

- Which features do your users value?
- What utility do your NFTs provide?
- What rights do NFT owners have?

Business Considerations:

- Rare NFT tiers can be used to offer holders access to exclusive features, while rare NFT traits generate value through unique, high-quality designs.
- A focus on NFT utility might hinder the growth of your project in the immediate term, but it could open up a sustainable path for continuously adding value for NFT owners.
- Clearly outlining NFT ownership rights can increase user confidence and demand but might require navigating global copyright standards for your specific NFT use case.

Technical Factors:

NFT Metadata Storage

On-chain storage is more expensive but permanent, while off-chain centralized storage solutions are less expensive but potentially unreliable. Consider using IPFS.

Secure NFT Implementation

As immutable pieces of code, buggy smart contracts can result in failed launches and compromised NFT ownership.

Dynamic NFT Triggers

Dynamically changing NFT metadata requires the use of oracles. Chainlink enables NFTs to securely reference off-chain data and automatically trigger changes.

4

Create a Minting Structure

A fair and transparent NFT mint sets the tone for your entire project, boosting user perception of its legitimacy.

Guiding Questions:

- How can your project gain initial traction?
- How much will the base mint price be?
- How do you increase user confidence in a fair launch?

Business Considerations:

- Creating an allowlist with presale access helps bring aboard early adopters for standalone NFT projects but can reduce demand for your project based on the implementation.
- Low mint prices generally offer higher growth potential but can also mean a direct reduction of your project's immediate revenue streams.
- A robust vetting process can reduce bot activity and protect against inflated secondary markets driven by concentrated ownership over the majority of your project's NFTs.

Technical Factors:

Random Mints and Drops

Randomness generated in-house is opaque, while randomness generated through blockhashes can be tampered with. Chainlink VRF is the industry standard RNG solution that provides verifiable randomness and the transparency and fairness that Web3 users expect.

Minting Costs

Optimized NFT smart contracts reduce computation complexity and thereby lower minting costs. This is particularly important on more expensive chains.

Commit-Reveal Schemes

Randomizing NFT metadata after a collection is minted in a commit-reveal scheme using verifiable randomness reduces incentives for dishonest behavior.

5

Attract and Grow a Community

A thriving community is a strong sign of success for an NFT project and opens the door to continuous expansion.

Guiding Questions:

- How can you attract new users to join your project?
- What can you do to better communicate the project's vision?
- How do you keep the community engaged over time?

Business Considerations:

- Promotion through social media influencers can be a powerful way to attract users, but the wrong influencer can dilute or even damage your project's reputation.
- Constant communication keeps your project's community engaged, but strategically timing the release of positive news can kickstart a wave of adoption for your project.
- An official roadmap keeps users aligned with the project's vision over time, but failing to launch on schedule can cause problems with your community.

CASE STUDY



Prominent NFT project Bored Ape Yacht Club (BAYC) garnered a massive following upon its launch. With the help of a particularly passionate community of NFT owners, Yuga Labs—the entity behind the collection—successfully scaled the BAYC ecosystem to include a variety of real-life events, novel NFT “mutant” serums, a project-native ERC-20 token, and a highly successful digital land sale for its upcoming metaverse.

About Chainlink

Chainlink is the industry standard for building, accessing, and selling oracle services needed to power hybrid smart contracts on any blockchain. Chainlink oracle networks provide smart contracts with a way to reliably connect to any external API and leverage secure off-chain computations for enabling feature-rich applications. Chainlink currently secures tens of billions of dollars across DeFi, insurance, gaming, and other major industries, and offers global enterprises and leading data providers a universal gateway to all blockchains.

Learn more about Chainlink by visiting chain.link or reading the developer documentation at docs.chain.link.

