

An Empirical Approach on Exploring NFT Launch Strategies

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Abstract: *In the field of Blockchain Technology applications and research, non-fungible tokens (NFTs) have gained significant attention in recent years. Whilst current research is focused on NFT use cases or the purchase of NFTs from an investor's perspective, the NFT launch (i.e. primary market) from a creator's perspective remains uncovered. However, the launch strategy is considered to be an important factor for the success of a product. Therefore, our research paper aims to explore launch strategies of NFTs. Thereby, we discuss the marketing mix instruments price (i.e. pricing strategy), place (i.e. mint mechanism), and promotion. Through an empirical approach of conducting eight expert interviews, we examine parameters that are used to define an NFT launch strategy and assess their preference of different stakeholders.*

Keywords: *Blockchain Technology, non-fungible token, NFT, launch strategies, pricing strategy, mint mechanism*

1. Introduction

In the field of Blockchain Technology (BCT) applications and research, non-fungible tokens (NFTs) have gained significant attention in recent years. NFTs are tokens which “are neither exchangeable nor divisible, meaning they have individual information and properties that make each token unique” (p. 2 in [1]); NFTs represent unique digital assets. Due to their characteristics (such as scarcity, proof of ownership, and proven authenticity), organisations in various fields have recognised the potential of NFTs as a novel marketing tool [2]. Current research outlines approaches how to use NFTs in marketing (e.g. [2]; [3]) or is mainly focused on NFT sales and purchases from an investor's perspective (e.g. [4]). What remains uncovered is the NFT launch, i.e. the first sale of the creator to one or more buyers (cf. primary market). However, the launch strategy of a product is considered as an important factor for the success of a product (e.g. [5]; [6]). Therefore, our research paper aims to explore launch strategies of NFTs. Thereby, we focus on tactic launch decisions [7] referring to the marketing mix instruments, i.e. product, price, place, promotion (referred to as 4P's). The product to be considered is pre-defined to be NFTs. Hence, we discuss the instruments price (i.e. pricing strategy), place (i.e. mint mechanism), and promotion. Through an empirical approach we examine parameters that are used to define an NFT launch strategy and assess their preference of different stakeholders.

2. Background

When Satoshi Nakamoto published the Bitcoin whitepaper [8], the cryptocurrency Bitcoin was introduced, i.e. the first fungible, Blockchain-based/cryptographic tokens. Crypto-graphic tokens are defined in smart contracts (i.e. software code automatically executed in a Blockchain network) [1]. Fungible tokens, such as cryptocurrencies, are interchangeable with tokens of the same category [9].

However, several use cases require to represent the ownership of unique assets, which can be digital (e.g. files, gaming assets) or physical (e.g. cars, luxury goods) [10]; [11]. Such assets can be represented by cryptographic non-fungible tokens (NFTs). In contrast to e.g. cryptocurrencies, NFTs are unique and cannot be divided. Thereby, they enable digital scarcity [11]. As other cryptographic tokens, NFTs are defined in smart contracts and mainly refer to the standard Ethereum Request for Comments 721 (ERC-721) [1]. ERC-721 [12] introduces a standard interface which provides NFTs with a unique tokenID (stored immutable on a Blockchain). Furthermore, it enables to verify the owner of a specific NFT, to get the current token balance of a wallet address, and to transfer NFTs to other accounts. Hence, the standard ensures the main properties of NFTs, i.e. to be unique and immutable, change the ownership (cf. transferability), and verify it [12].

[1] provides a taxonomy which classifies NFTs across their whole lifecycle, i.e. referring to their origination (e.g. asset substance), distribution (e.g. price formation), transfer (e.g. wallet), trading (e.g. fees), and redeem (e.g. purpose). As our research is focused on the NFT primary market, we will briefly describe the high-level process of an NFT launch, i.e. the first phases of an NFT's lifecycle. First, an NFT creator / NFT project team determines which assets (e.g. digital collectibles) shall be represented, which type of NFT to create, which Blockchain network to use, etc. [1]. Afterwards, this information is digitised, i.e. the file, title, and description of the NFT are in a proper format [13]. When the NFT shall be sold for the first time and thereby created (i.e. registered on the Blockchain), it is launched. During a launch, a transaction containing the pre-defined data is sent to the respective smart contract, which executes the predefined functions (cf. ERC-721). Once the thereby initiated transactions are confirmed, the new NFT is “minted”, i.e. the virtual representation is registered on the Blockchain [10]; [13].

Referring to a launch, it is differentiated between an NFT auction (i.e. a specific NFT is sold, e.g. "Everydays" from Beeple [14]) and an NFT drop [15]. During an NFT drop, a collection of NFTs is offered, which are still unique but have certain similarities. Thereby, the buyer purchases a certain number of NFTs from the collection but does not know which exact NFT is being obtained. Hence, the exact value of the NFT is not clear when purchasing it as NFT of a collection usually have different rarities [15].

3. Methodological Approach

As NFT launch strategies are widely unexplored in the scientific literature, we gather insights empirically from experts through interviews. A total of eight interviews were conducted with different stakeholders to capture their perspectives, i.e. being an expert who represents a certain group [16]. We interviewed experts (defined according to [17]) who have launched NFT projects (I6, I7, I8), who are investors of NFT projects at an early stage (I1), and collectors who mint NFTs and own a substantial NFT portfolio (I2, I3, I4, I5), illustrated in Table 1.

Type of organisation	Position	ID	Duration in mins
Venture capital for crypto investments	Head of NFT investments	I1	20
/	NFT collector & influencer	I2	43
Start-up for NFT data analysis	Founder & NFT collector	I3	37
Self-employed	Consultant for digital marketing and NFTs	I4	57
/	NFT collector	I5	82
NFT Start-Up	Founder & CEO	I6	18
AR Gaming & NFTs	Technical community lead	I7	41
AR Gaming & NFTs	Founder & CEO	I8	39

Table 1: Overview of interview partners

Afterwards, the interview records (337 minutes in total) have been transcribed according to [18] and evaluated by performing a structuring qualitative content analysis according to Mayring [19]. This systematic procedure aims to filter out certain aspects of the material and structure it according to previously defined criteria. As described in the chapter Introduction, we focus on tactic launch decisions [7] (cf. 4P marketing mix instruments) when exploring launch strategies of NFTs. Therefore, we structure the empirical findings according to the criteria pricing strategy, mint mechanism, and promotion (cf. deductive categories). By interpreting the empirical material, a category system is created [19], comprising of the deductive categories and inductive sub-categories based on the interpretation of the empirical material.

4. Results

As follows, the result of our analysis is described along the structure of the final coding frame (cf. Figure 1). It is comprised of the three deductive categories which have been introduced and various inductive subcategories which will be described as follows.

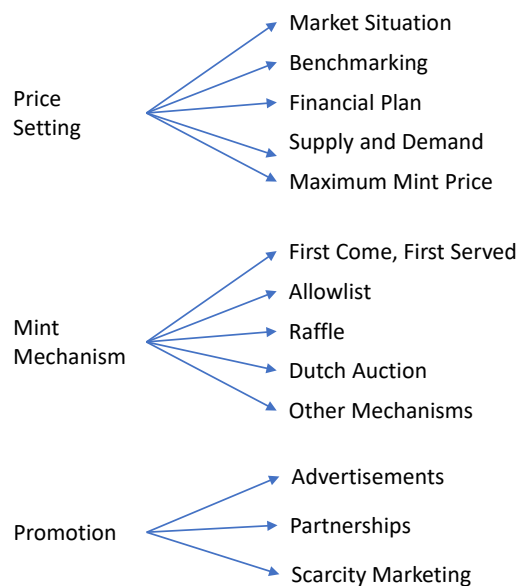


Figure 1: Coding frame resulting from the interview analyses

4.1 Price Setting

According to the empirical findings, the price setting for an NFT launch is determined by the categories market situation, benchmarking, financial plan, supply and demand, and maximum mint price (cf. Figure 1).

The market situation as a parameter for NFT mint price setting was mentioned by four experts. For example, I6 stated: "You would take the macro [economy, and] micro [economy] into consideration. So, what the underlying crypto market is doing". The interviews revealed that several aspects are considered regarding the market situation, such as the current Ether (ETH) price or whether the current situation can be described as a bear market (i.e. strong market decline, pessimistic investors) or a bull market (i.e. strong market increase; confident investors).

Benchmarking means that companies that want to launch NFT projects determine their prices based on the comparison to the price of similar NFTs. The founder of an NFT project (I6) stated: "other things have been priced on around that time in the market". Thereby, it can be evaluated how high the price of comparable NFT collections was, whether they sold all NFTs or how the launch performed in general. I7 and I8, who have created several NFT collections, agree on this approach. I2, an NFT influencer and collector, goes even further: "I would say that's probably how the typical NFT project is priced up".

Another parameter for NFT price setting is the financial plan; projects calculate their minimum price based on costs including the expected profit. Especially I5 puts strong emphasis on cost-based pricing, including the effort which was spent on the development. I7 and I8 also mention that effort should be included in the pricing, but do not explicitly point out cost-based pricing. Apart from costs, many interviewees emphasise that profit is crucial. I8 described that referring to the profit

achieved by the mint, he was able to convince his investors that NFTs are lucrative to earn money. I6 states that the generated revenue across all NFTs is important, rather than looking at an individual NFT; half of their mints are free mints. In contrast, I2 mentions that projects are taking advantage of the hype and trying to make as much profit as possible.

The parameters supply and demand are intertwined as a scarcity in the supply leads to a demand which cannot be satisfied. Notably, these parameters were only mentioned by the experts who had already launched an NFT project themselves. On the one hand, they explained that, as sellers, they do not want to set the price too high, even though there would be enough demand. It should still be room for growth on the secondary market: "You don't want to overdo it. You don't want to overcharge people to maximize your return because they will suffer in the secondary" (I8). This even resulted in a project launch of I7 and I8 where the community voted on the price beforehand; hence, the community determined the price. However, I8 is also slightly critical regarding the demand as a measure and stated: "there was a built-in system where, if it didn't sell out, the remaining [NFTs] would be locked anyway" to ensure scarcity and a high price.

On the other hand, the hype around a project and the resulting demand are influenced by the experience of NFT creators / NFT project teams, i.e. whether they have launched successful projects before. For example, I8 mentions his own collection where he could charge 0.2 ETH, as "you look at the floor price of the previous collections as well" and the community starts to trust in the projects. Furthermore, I8 referred to another project which had a mint price of 2.5 ETH. Nevertheless, the demand was high as people had confidence in the project since the floor price of the previous collection was at 100 ETH. The floor price refers to the lowest price for an NFT of a certain collection on the secondary market.

The maximum mint price refers to the buyer's perspective, i.e. whether they set themselves a maximum price for which they would buy an NFT. Many experts agree that this is completely dependent on the project and cannot be generalised. For example, I4 would start to conduct more intensive research from a mint price of 0.2 ETH upwards; I5 referred to 0.5 ETH. Aspects of interest are inter alia the organisation behind the projects and their previous projects. For I2 "it simply comes down to the atmosphere around it". This approach is also connected to the supply and demand as the maximum mint price depends on how strong the community and their demand is. In fact, an increased hype and resulting demand also increased the willingness to pay.

4.2 Mint Mechanism

According to the experts, the mint mechanism can be based on first come, first served, an allowlist, a Dutch auction, a raffle and other mechanisms (cf. Figure 1).

First come, first served (FCFS) is based on fixed prices and enables anyone to mint an NFT until the full NFT collection is sold. FCFS is referred to as a simple mechanism by the experts; I2: "here's our price, here's our supply, we hope we sell out". Also, many projects want to make the mint process as simple as possible. I6 even said "[t]hat's probably our preferred approach, because it's the fairest way to price it". Furthermore, a fixed price reflects the fact that the project has been given some thoughts about the appropriate price. Besides its' benefit of simplicity, the experts point out that the mechanism of FCFS has a major downside – gas wars. When the demand for NFTs is much higher than the supply, only the fastest buyers receive an NFT. Therefore, they spent large sums of transaction fees (gas cost) to accelerate the process of adding their transaction to the next block in order to securely mint an NFT.

An allowlist is a mechanism which is linked to the fixed price aiming to prevent gas wars. Thereby, a list of wallet addresses is created (i.e. allowlist/whitelist), which are guaranteed to be able to mint a predefined amount of NFTs [20]. Whilst most experts state that they initially liked the idea of a fairer approach, many of them are no longer convinced of this approach; "we've moved away from that recently" (I6). Mainly criticised is the way and the effort to get on such an allowlist. For example, I5 criticised that people working or going to school are not able to put in the effort which is required. I4 even hired a graphic designer to create fan art to become whitelisted.

The raffle as a mint mechanism addresses the critique of gas wars (cf. FCFS) and high effort for allowlist spots. In a raffle, mint slots are randomly assigned to registered wallet addresses (cf. lottery). Therefore, I2 and I5 emphasise that raffles are one of the fairest mint mechanisms. Furthermore, they are a good indication for NFT projects on the number of interested buyers. I8 highlights that raffles especially make sense in the bear market; otherwise they had no problems being sold out. Often, NFT raffles are performed on the website Premint. I4 likes that it enables to link raffle tickets to certain access requirements, such as following on Twitter. However, I4 also criticises that some projects on Premint can overallocate the mint permissions in the bear market and, thus, end up in a gas war again. Another downside is the abuse by so-called bots (i.e. software) and users creating multiple wallets. This results in "people that got several entries accepted" (I2), i.e. the mechanism being unfair again.

Dutch auctions (also reverse auctions), i.e. auctions starting at a very high price and lowering gradually until

the first buyer bids [21], are known by all experts. I2 and I4 like Dutch auctions as “that kind of sales are more fun [...] to watch” (I4) and they associate them with the sale of traditional art. However, most experts are not enthusiastic about Dutch auctions. For example, I6 criticises that: “it drives it optimises for the creators of the project to get the most money and it doesn't optimise for the value of the project, for the community”. I1, I3, and I8 agree that one of the reasons for a Dutch auction is to generate as much revenue as possible. Also, it leads to an unfair distribution, “because if you have some extra Ethereum, you know you're going to get it” (I8). This aspect is faced by an adapted form of Dutch auctions.

Apart from established mint mechanisms, several experts suggest adapted versions for NFT launches. I2 and I4 mention a special form called fair Dutch auction. According to the description of I4, this approach works as follows: the lowest price of the auction is the final price. For example, the auction starts at 1 ETH and the last NFT is sold at 0.3 ETH; now, every buyer gets a refund of the difference to this price, i.e. a refund of 0.7 ETH for the first buyer. As everyone just pays the 0.3 ETH in the end, the experts consider this approach to be fair. Furthermore, I2 points out that this satisfies different kinds of buyers as “you have big money people out there that say, hey, I know I want 50 of these, but I don't have 3 hours to wait around [...]. So, I'll just buy in early knowing that I will get a refund and I'll get the appropriate price at the end.”

Besides auctions, two experts suggest adapted selection procedures to mint a fixed price NFT. For example, I3 proposes virtual queues, i.e. “a queue that says our mint goes on sale at 02:00 p.m., and at 02:00 p.m. you click the queue button and you join a queue that's first come, first serve”. Beyond that, I6 mentions that their project no longer uses an allowlist, but a kind of raffle with adapted mint conditions. Their algorithm “scores the wallet that you hold”; the chance to win a raffle ticket is weighted with the wallet score. “So, it rewards existing community members with the ability to get a higher chance of receiving the raffle ticket if you've got more of the community assets” (I6).

4.3 Promotion

For promoting NFT launches, the experts refer to the categories advertisements, partnerships, and scarcity marketing (cf. Figure 1).

Advertisements are used to call the attention of potential buyers to NFT launches. I7 and I8 mention how intensively they have been advertised in a bear market. Then, buyers are very cautious as there are a lot of NFT projects on the market; a solid marketing is very important to stand out from the other projects. Hence, the experts aimed to get as much attention as possible. I1 highlights the importance of having a presence on

Twitter or Discord, because this is the “town of crypto” and where everyone is.

An important part of promotion activities for NFT launches are advertisements with partners or influencers; “we partnered with Brian, Lewis Hamilton and Snoop Dogg” (I8). Partners promote the project or special sub-collections of NFTs are created with them. The aim is that partnerships with well-known people increase the awareness and build trust in the project. Especially interesting is their payment model, as I8 states: “We actually didn't pay them any money. It was purely they all got some NFTs and [...] success at the [...] sale”.

An existing marketing approach that has been adopted to promote NFTs is scarcity marketing. In the case of NFTs, a shortage in the supply is created, i.e. NFT collections are severely limited in their number of single NFTs. This approach aims to evoke a demand in potential buyers and make the minting experience more exciting. I4 mentions that mint mechanisms in general cause the aspiration to outbid others and get the opportunity to mint an NFT at all costs. I5 makes a comparison to his own life: “When I was in San Diego, I liked surfing bigger waves because it felt risky. [...] That was NFTs. There was a big excitement for people. I mean definitely the money is nice but the excitement was just great.” This scarcity increases the demand when NFTs are minted, but also results in higher prices afterwards.

5. Discussion

As follows, the results obtained from the expert interviews are interpreted and discussed with regard to the literature.

5.1 Price Setting

In the business management pricing theory, three different pricing strategies are differentiated, i.e. cost-based pricing, competitor-based pricing, and value-based pricing [22].

Cost-based pricing is about creating prices based on costs, i.e. companies calculate their costs and add a profit margin to calculate the price. A variation of this approach is to calculate the price only based on the costs [22]. This cost-based approach without margin is reflected in the interviews, as some experts mention that mint prices were determined on the basis of costs, or that the effort was chosen as the reference point for determining the mint price. The suggestion to determine the price of NFTs according to their costs or the required funding to create them is also supported by [23] who makes recommendations for NFT projects. However, I8 points out the importance of the achieved profit to attract investors.

Following a competitor-based approach, the price is determined based on an analysis of similar or almost identical products of competitors [22]. This approach is often named by collectors who assume that creators

determined the price of their NFTs this way (cf. benchmarking). [23] also emphasises this approach and states that projects should analyse at what prices other NFT projects sell their NFTs. Although the competitor-based approach is mentioned in theory, according to the experts it is equally important to analyse the market (cf. bull market vs. bear market, ETH price), especially in the area of NFTs (cf. market situation).

The approach of value-based pricing refers to the demand of customers and their willingness to pay [22]. These aspects also have been discussed in the context of NFT pricing, summarised in the parameters supply and demand, and maximum mint price. Remarkably is that most NFT creators refer to the demand when determining the price. However, they do not set the price based on the willingness to pay, but rather stay below this price as they do not want to overcharge the customers given that there should still be room to grow on the secondary market. Some projects even let the community actively decide on a fixed price through voting, instead of a price which is determined on the overall demand.

Another aspect referring to the hype and resulting demand of a project is the experience of NFT creators, i.e. successful projects launched before. This ensures a certain confidence for another successful project and enables a higher price during the launch. The experts argue that this is enabled by an increased trust of the community. In theory, this approach is associated with the penetration strategy. Thereby, companies initially price products low to achieve a high market share, and later increase the price successively [6]. This strategy is suitable when manufacturers (i.e. creators) can sufficiently reduce the production and take a leadership position or when a low price is needed to overcome acceptance barriers [24]; [25]. Both arguments are valid for NFTs as creators can determine the number of NFTs in a collection (i.e. the supply), and the large number of NFTs and the volatility of cryptocurrencies can be an acceptance barrier for new customers.

In summary, all of the approaches of price setting in theory could have been identified in the expert interviews. However, many of the experts emphasise that not only the analysis of competitors but rather the current market situation in general is important, especially as it is more volatile. Accordingly, they e.g. look current cryptocurrency prices and publish prices only a few days before the launch such that it can be still adjusted. Surprisingly, none of the experts explicitly mentioned payments to artists who e.g. design digital collectibles. However, this might be included when referring to costs.

5.2 Mint Mechanism

As follows, we discuss the identified launch mechanisms along different mechanisms with fixed prices (cf. FCFS, allowlist, raffle) as well as variable prices, i.e. auctions.

Thereby, we summarise their advantages and challenges and refer to their evaluation by the experts as well as the literature.

According to the literature, a fixed price on a first come, first served basis is the most widespread method of carrying out an NFT launch [15]. This is also reflected in the analysis of the interviews. All three experts who work on NFT projects agree that this mint mechanism is the most common for their NFT collections. Also, three of the NFT collectors, perceive FCFS based fixed prices as positive. Furthermore, according to the NFT literature, the price is usually set below the actual market price to increase participation in the launch [15]. This is also underlined by the experts who mention that the price should be determined such that it can still rise on the secondary market.

Whilst in the literature fixed prices on a FCFS basis are mainly associated with gas wars (e.g. [26]), the experts' opinions differ. On the one hand, experts from NFT projects report that they have never had problems with high gas fees in their own projects. On the other hand, an important issue mentioned during the interviews is the changed NFT value in case of gas wars. This means that an NFT that is actually priced at e.g. \$100 suddenly costs \$800 due to the high gas fees. This is especially counter-productive for the resale on the secondary market, which is an important aspect according to the experts. However, further mint mechanisms based on fixed prices which address the problem of gas wars are continuously developed (cf. usage of an Azuki contract ERC 721A [27]).

The mint mechanisms allowlist and raffle were inter alia built to reduce the amount of gas buyers have to pay when minting. Of all experts interviewed, only I3 stated that a fixed price in connection with an allowlist is his favourite mechanism. I5 mentioned that in the beginning an allowlist was a fair thing. In fact, allowlists have several benefits such as guaranteed access to mint, avoiding high gas fees, and not having to worry about bots buying up all of the NFTs [20]. However, I3 stated that this mechanism always depends on how to get an allowlist spot. I5 points out that, meanwhile, there are people who do nothing else all day but try to get on the allowlist. He thinks that is unfair to those who do not have time for that and suggests that the projects should have a varied system. I4 mentions that he hired a graphic designer to create fanart for him to get on the whitelist. Apart from the interviews, an NFT influencer described this approach in a tweet as follows: "It's a full-time job getting on whitelists for NFTs..." [28].

The experts as well as the literature considers raffles to be fair as the choice who can mint an NFT is randomised. Usually, selected wallet addresses have a certain period of time to mint, which allows them to mint when the gas fees are low. This, as well, reduces the transaction costs when minting an NFT [15]. The literature suggests different raffle-based NFT launch mechanisms, such as

[29]. Furthermore, the experts appreciate about a raffle via Premint the various requirements offered. For example, I8 thinks that raffles are very successful especially in the bear market. He justifies this by the fact that it was only possible for people to register for a raffle who own partner NFTs, as these are the people who are really interested and want to be part of the community. However, even this launch mechanism has its weaknesses, as people/bots e.g. register with multiple wallets and, thus, strongly increase their chances of winning a ticket. I3 compares this practice to the release of limited-edition sneakers, where bots were also used at some point (confirmed by [30]). I3 argues that because the mints gained more hype and became more competitive, people started trying other ways to ensure to get an NFT. Thereby, bots can be used in various ways, as described in detail by [31].

Apart from fixed price mechanisms which can be differentiated based on the selection procedure of wallet addresses which can mint, auctions determine this by variable prices. In a Dutch auction, the price is continuously reduced [21] until all NFTs are sold. According to the literature, the choice of this mechanism is justified by the fact that it does not create gas wars [32]. Interestingly, this argument has not been confirmed by our empirical data. None of the experts associate Dutch auctions with the avoidance of gas wars. In contrast, four of the experts relate them with profit maximisation of projects. For example, this is why I8 also emphasises that he explicitly did not choose a Dutch auction because he did not want to demand the maximum price but a price that he considered to be fair. This is faced by fair Dutch auctions, mentioned by two experts. Interestingly, this adapted approach of Dutch auctions is not known in the scientific literature, but seems to be designed for the launch of NFTs [33].

Moreover, the experts suggested different adaptations of existing auction mechanisms (cf. fair Dutch auction) or selection procedures (cf. adapted raffle mechanism based on wallet scores by I6), which are even unknown in the NFT-specific literature. Other adaptations are based on the launch of scarce products of different fields, such as the idea of virtual snakes (cf. I3), which are used in limited-edition sneaker releases [34]. Even though such adapted approaches aim to improve mint mechanisms, I3 adds the fairness cannot be ensured. For example, virtual queues require people to register at a certain point in time to join the group of the 10,000 first people who get the NFT. However, the human reaction is somewhere around 0.14 seconds and everything below that is pure coincidence or caused by bots. Therefore, they need to be excluded to ensure a fair mechanism.

Overall, most experts state that there is not one perfect mint mechanism; it rather depends on many factors. However, several mechanisms are susceptible to bots, which needs to be addressed to ensure a fair launch.

5.3 Promotion

The experts as well as the literature agrees that promotion is an important factor for NFT launches. According to [35] and [36], a project has to stand out from the crowd of NFT projects to attract attention. They name different strategies to do so, such as social media marketing, and advertisements with influencers. Partnerships with well-known people is what I7 and I8 also apply in their start-up to increase their reach. According to them, this also includes the formation of a community as a marketing tool. Further, I7 reports that they have engaged in other Discord channels (cf. social media) to advertise their project. According to I1, it is important to promote an NFT launch on Twitter or Discord. Overall, the empirical findings as well as the literature agree that it is important to generate attention and, therefore, to build a community.

Another promotion parameter for NFT launches is the fact that NFTs are usually scarce. I2 compares an NFT mint to the drop of exclusive sneakers, both are hyped products which are only available in limited quantities. I4 is convinced that NFT mints trigger a fear of missing out on something that others have. In the literature, scarcity marketing is well understood and the statements in the interviews can be confirmed. For example, [37] mention that once a product is available in limited quantities, people are more willing to fight for it. Furthermore, [38] confirms that scarce goods are mainly luxury goods and therefore scarcity and exclusivity are related. In the context of NFTs, projects use supplier-induced scarcity strategy, i.e. a conscious strategy of marketers to limit the production or availability of a product [39]. In the context of luxury goods, this strategy is also referred to as a limited-edition scarcity [40].

6. Conclusion

Our research contributes to the understanding of NFT launch strategies by referring to the pricing strategy, mint mechanism, and promotion. Thereby, we provide valuable insights for industry practitioners, artists, and collectors. As the discussion revealed, NFT projects mainly use established concepts from theory when planning and conducting their launches. However, some aspects are important along all marketing mix instruments when launching NFTs.

On the one hand, our empirical findings point out the importance of the market situation as it is highly volatile in this field. The market situation (i.e. bull/bear market, cryptocurrency prices, demand/supply) is important when determining the price (cf. competitor-based pricing; value-based pricing referring to the demand), the mint mechanism (e.g. raffles making sense in the bear market), as well as the marketing strategy (cf. attracting buyers in bear markets).

On the other hand, the community is an essential aspect of an NFT launch. During the price setting, the community is important as many experts as aim for fair

prices which enable further gains on the secondary market. Also, an established community resulting from a successful previous launch enables to set higher prices. In mint mechanisms, fairness is a major factor as well and, thus, several experts developed enhanced mint mechanisms. Furthermore, the community can be essential when taking part in raffles as several access requirements are community-related (cf. Premint), such as the participation in social media communities. When promoting NFTs, the experts put emphasis on the importance of partnerships and Twitter/Discord as a promotion channel, i.e. social media marketing in the crypto community.

Overall, our research introduces several parameters for NFT launch strategies. They provide opportunities for

future research by facilitating the development of best practices when launching NFTs. These will aid practitioners in launching successful NFT projects, but also accelerate the adoption of Blockchain Technology in general.

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