

A Statistical Study into the World of NFT Investing and the Process Behind It

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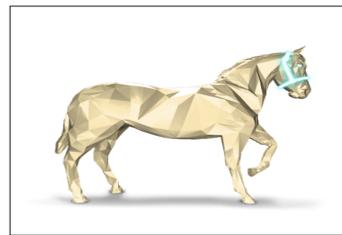


What is an NFT's

Non-Fungible Tokens (NFTs) are cryptographic assets that are listed on a blockchain for digital artwork that can be owned, sell, or buy but can't be traded.

When the user owned, sell or buy a digital file, the user has access to the NFT's data from that one digital artwork (Brain L. Frye, 2021).

2.8% of American internet users own Non-Fungible Tokens (NFTs).



Unnamed Foal (Price: 0.03 ETH (\$95.03 USD))



Bored Ape Super 520 (Price: 0.03 ETH (\$94.09 USD))



Lil ShibaDoge #12720 (Price:0.03 ETH (\$94.09 USD))

Hypothesis

We hypothesize that, when it comes to investing in NFTs, 70% of people tend to invest based on how cool or weird the image is rather than based on the market or the statistics.

Method

113 students and staff at the Harrisburg University were surveyed, through in-person interviews and Google Forms. Information gather included **Genders, Know/heard of NFTs, Invested in NFTs, Pick NFTs Image, and Reasoning.** We plan for everyday people to be better informed on how to better invest in NFTs, considering they are the future of investing.

Statistical Analysis

In a sample of 113 HU students, staff, and Harrisburg citizens, 43 of them picked an NFT to invest in based solely on the way it looks. This means that my statistic, or **sample percentage (\hat{p})**, was **38.05%**.

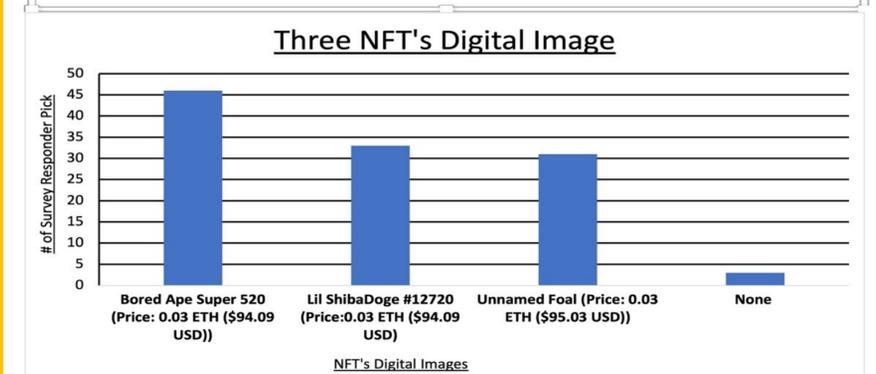
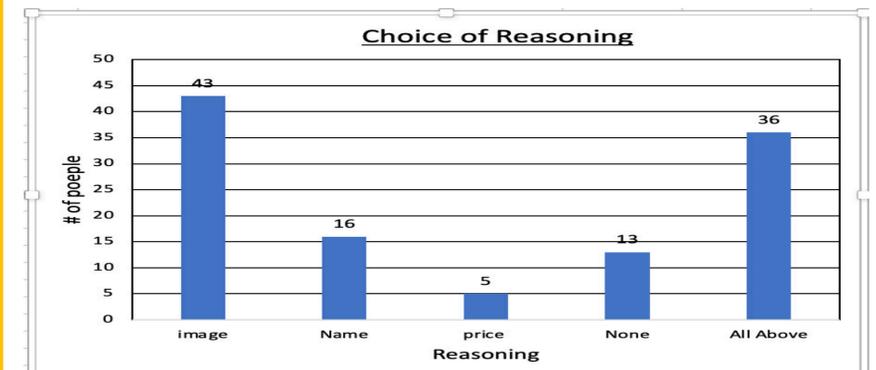
Margin of Error: 9.0%, Confidence Interval: (29.1%, 47.1%), Null Hypothesis, $H_0: p_0 = 70\%$, Alternative Hypothesis, $H_a: P_0 < 70\%$, **Test Statistic:** -7.4 (P-value =0.00001).

Conclusion

I am 95% confident that the true percentage of all of the people in HU and the city of Harrisburg who chose to invest in an NFT based on the image is between 29.1% and 47.1%. With 95% confidence, the percentage of the people who pick images as the reason for choosing NFTs Digital Image is less than 70%. We have rejected our Null Hypothesis.

Results

The most chosen NFT was the Bored Ape Super 520, with exactly 46 people, and the least chosen NFT ended up being the Unnamed Foal with a total of 31 people who chose it. We noticed that only 63% knew what an NFT was and 12% have merely heard about the existence of the NFTs. The least used reason on the other hand was the price of the NFT, with a total of 5 people who use that reason. 12 other people did not have a reason at all for their final decision.



References

- Frye, B. L. (2021, April 19). *NFTs & the Death of Art*. Papers.ssrn.com. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3829399
- Laycock R. NFT statistics 2022: (2021), <https://www.finder.com/nft-statistics>