



**How Nike's First NFT Collection
Generated Over \$11M USD in
Transactions in Just Over a Month**

UK Entry Point Consumers

Key Takeaways

Nike partnered with RTFKT to launch its first NFT collection, “Nike Dunk Genesis CRYPTOKICKS” in April 2022, and as of June 2022, the collection has generated 5.8K ETH in volume (~\$11M USD). Here’s How:

- **Strategic Partnerships:** Nike's acquisition of RTFKT was a strategic move to help accelerate its digital transformation and piggyback of RTFKT's established position in the digital wearables space.
- **Generating Hype:** Two months before releasing CryptoKicks, RTFKT x Nike launched MNLTH. The NFTs were directly sent for free to RTFKT's CloneX holders, and the rest were auctioned off. The release of MNLTH NFTs was met with curiosity, as what was housed in the floating metal boxes was kept secret.
- **Engaging the NFT Community:** MNLTH NFTs use Dynamic Artefact Reveal Technology, which engaged the RTFKT community to complete a set of various challenges that RTFKT shared on its Twitter and Discord. After two months of anticipation, RTFKT's “Ultimate Quest” revealed that a pair of CryptoKicks were in the mysterious MNLTH NFTs.
- **Channeling Drop-Culture:** Nike x RTFKT created a sense of exclusivity by only releasing 20,000 digital sneakers from the collection. CryptoKicks are customizable, with eight different "skin vials" that holders can purchase to change the colour of the shoes' signature Swoosh, heel, straps and tongue. Additionally, the collection featured 98 highly collectible sneakers designed by the famous artist Takashi Murakami.

Lessons Learned:

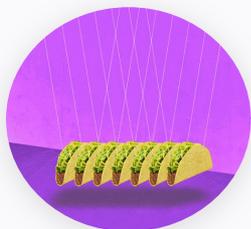
- **Sustainability:** Nike received backlash from the project as an “environmental disaster” allegedly producing 7,437 metric tons of CO2 as of May 2022.

In 2021, many brands created their own NFTs to increase publicity, drive brand loyalty and experiment with them as revenue-generating sources. Some notable branded NFT collection drops include:

NFTs

"NFTacoBell"

by Taco Bell



Floor Price:
0.001 ETH

"AmeriCANa"

Campbell's x Sophia Chang



Floor Price:
0.25 ETH

"CryptoCrisp"

Pringles



Floor Price:
0.0013 ETH



Floor Price:
0.245 ETH



Floor Price:
3 ETH



Floor Price:
0.11 ETH

"Budverse Cans"

Budweiser

"SUPERGUCCI"

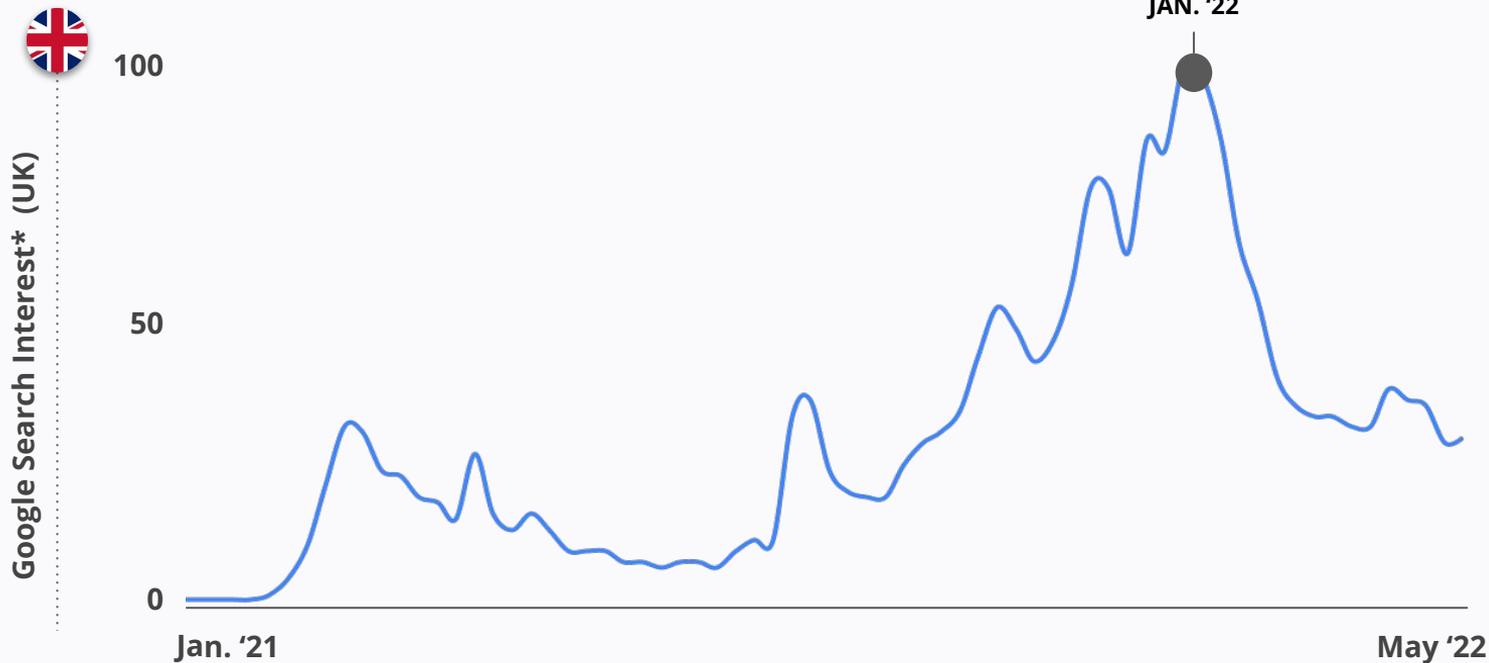
Gucci x Superplastic

"Hyundai Metamobility"

Hyundai

Since February 2021, interest for “Non-Fungible Tokens” in the UK has significantly increased, peaking in January 2022.

“Non-Fungible Tokens”



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While interest in the UK has been increasing, figures show that UK consumers are less interested in NFTs than those from other countries across the world*.

“Non-Fungible Tokens” Interest by Country

April 2021-May 2022

Rank	Country	Interest Score	Rank	Country	Interest Score
01.	Hong Kong	100	11.	Australia	49
02.	Singapore	98	12.	New Zealand	49
03.	China	85	13.	Venezuela	49
04.	Taiwan	59	14.	South Korea	48
05.	Nigeria	55	15.	United States	45
06.	Philippines	55	16.	Georgia	44
07.	United Arab Emirates	53	17.	Israel	38
08.	Lebanon	52	18.	Netherlands	37
09.	Cyprus	51	19.	Switzerland	37
10.	Canada	50	20.	United Kingdom	37

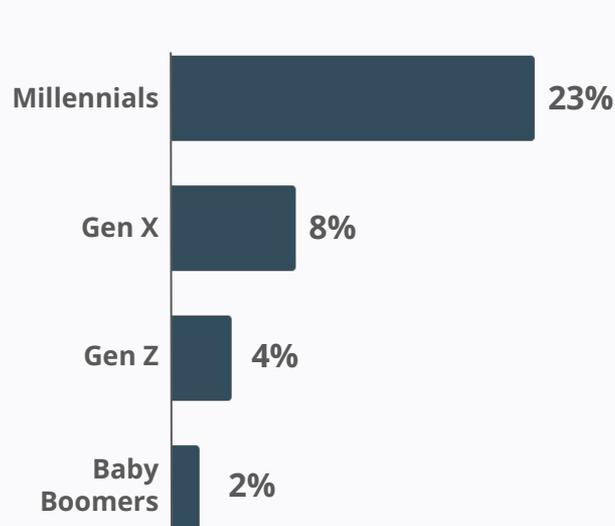
*Based on search volume around the theme of “Non-Fungible Tokens” from April 2021 to May 2022. Source: Google Trends

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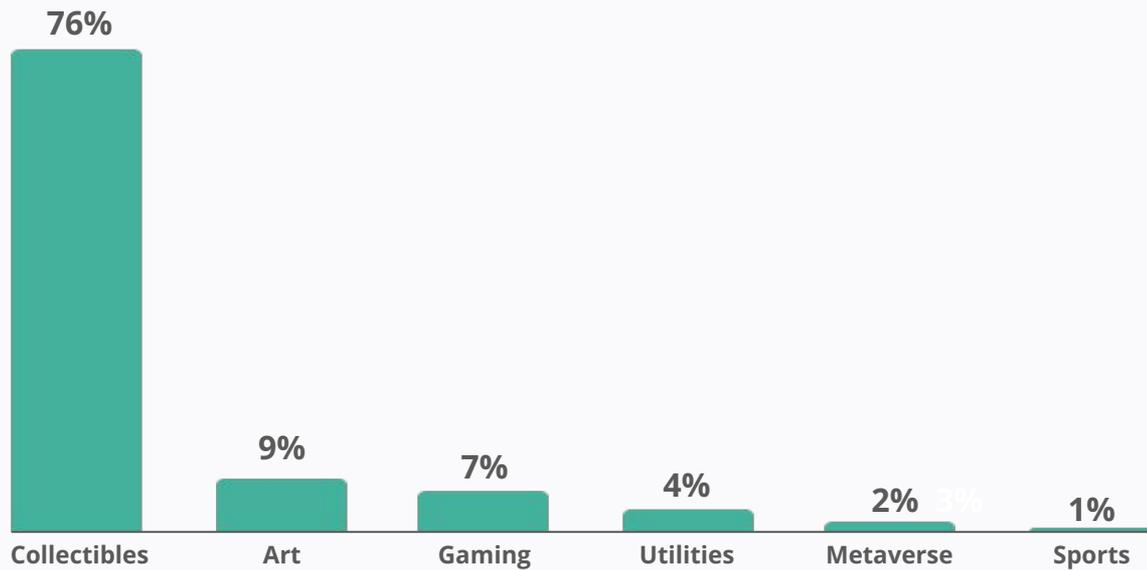
UK Millennials are the most interested in owning NFTs, with 23% saying they are interested in purchasing one in the future, while only 4% of UK Gen Zs responded. Collectables made up 76% of the UK's NFT market sales in Q3 2021.

NFTs

UK Population Interested in Buying an NFT
by Generation



NFT types by Market Distribution in UK
Q3 2021



*Source: [Finder's September 2021 Survey](#)
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According to [Forbes](#), the following characteristics of Gen Z may indicate that NFTs “could be more than just a hype culture”:

*Gen Z will become the largest cohort of consumers by 2026**

01

Digital Natives

Gen Z has been raised in a world where the internet and social media are a part of everyday life. As such, they are digital natives and innately comfortable in the virtual world.

02

Digital Identity

Gen Z is about self-expression, and NFTs provide another means for Gen Zs to showcase their identity in the virtual world.

03

Affinity for Investing

Gen Zs are more financially sophisticated than previous generations were at their age, with 54% reporting that they hold some sort of an investment.**

04

Disparity

Gen Zs are tackling inequality. The technology behind NFTs and blockchain aims to balance the inequality gap and was built to prevent monopolies.

05

Communaholics

Gen Zers are [inclusive](#) and don't distinguish between friends they meet online and friends in the physical world. Web3 technologies, including NFTs, are built on the foundation of online communities and social interactions.

06

Co-Creator Culture

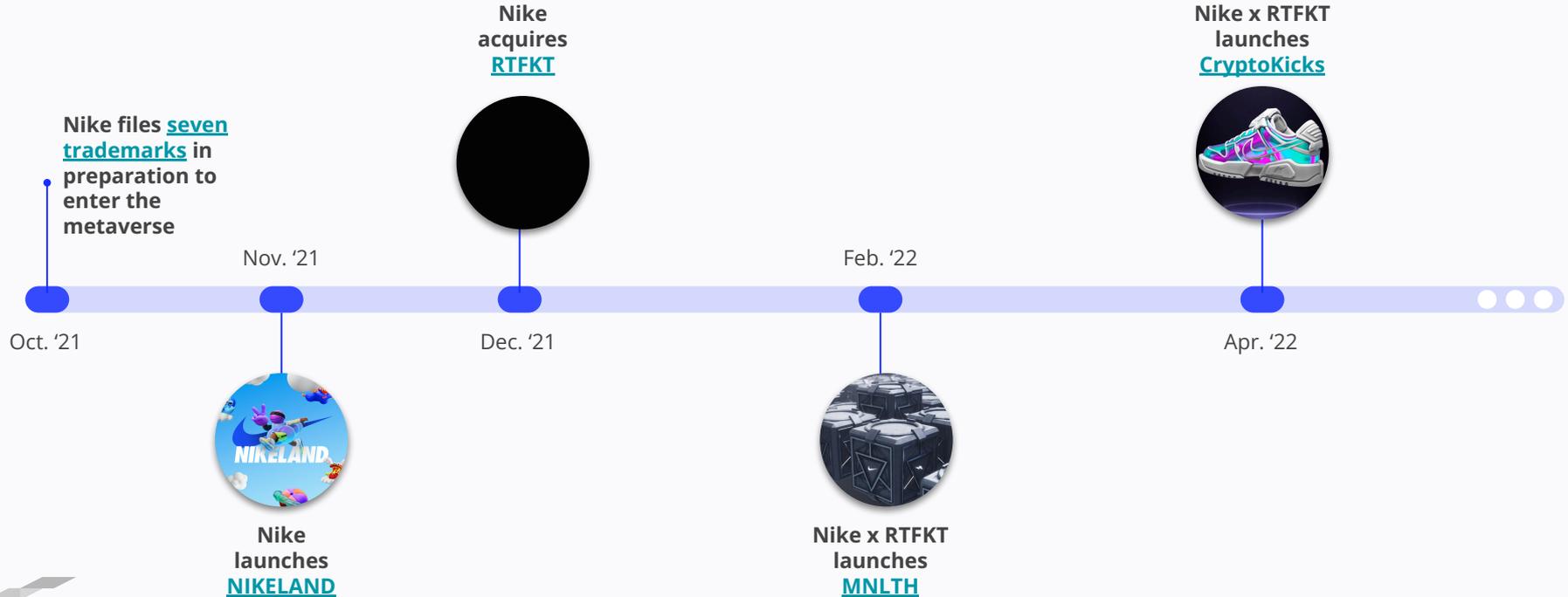
"Gen Zs have become known for their desire to participate rather than simply consume content. They enjoy being part of the process of creating and influencing outcomes. In the NFT space, community members are given the power to decide the direction of the projects alongside the founders."***

*[Source](#), **[Source](#), ***[Source](#)

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Nike made its first steps into the metaverse in October 2021 and has since heavily invested in its Web3 strategy. According to Nike's [Q4 '21 report](#), Nike's Web3 efforts helped generate a **+41%** YoY increase in NIKE Brand Digital revenue.

A Timeline of Nike's Web2 & Web3 Initiatives





In December 2021, Nike [acquired](#) the virtual sneaker company [RTFKT](#) (pronounced “artifact”) as a step towards accelerating their digital transformation.

In April 2022, RTFKT x Nike launched their first digital shoe collection, “[Nike Dunk Genesis CRYPTOKICKS](#)”.

The sneakers in the collection sold for between [\\$5,000 and up to \\$130,000](#) on OpenSea where they were auctioned off as NFTs. As of June 2022, the collection has generated [5.8K ETH in volume](#) (~\$11M USD).

These digital sneakers can be worn by avatars in the virtual world, such as Decentraland*.





533K Views | 17K Engagements
[Click to View](#)



358K [Twitter Followers](#)

191K [Discord Members](#)

2.3M [Web Visits](#) in 2021

Positive Takeaways:

Strategic Partnerships

Acquiring Digital Fashion Innovator

Nike's acquisition of [RTFKT](#) was a strategic move to help accelerate its digital transformation.

RTFKT, which launched in 2020, had a strong position in the NFT space prior to its acquisition by Nike. The company specializes in creating digital collectables that can be inserted in virtual worlds and video games.

RTFKT made news in March 2021 when the company sold 608 pairs of NFT sneakers in just 6 minutes, bringing in more than \$3 million*.

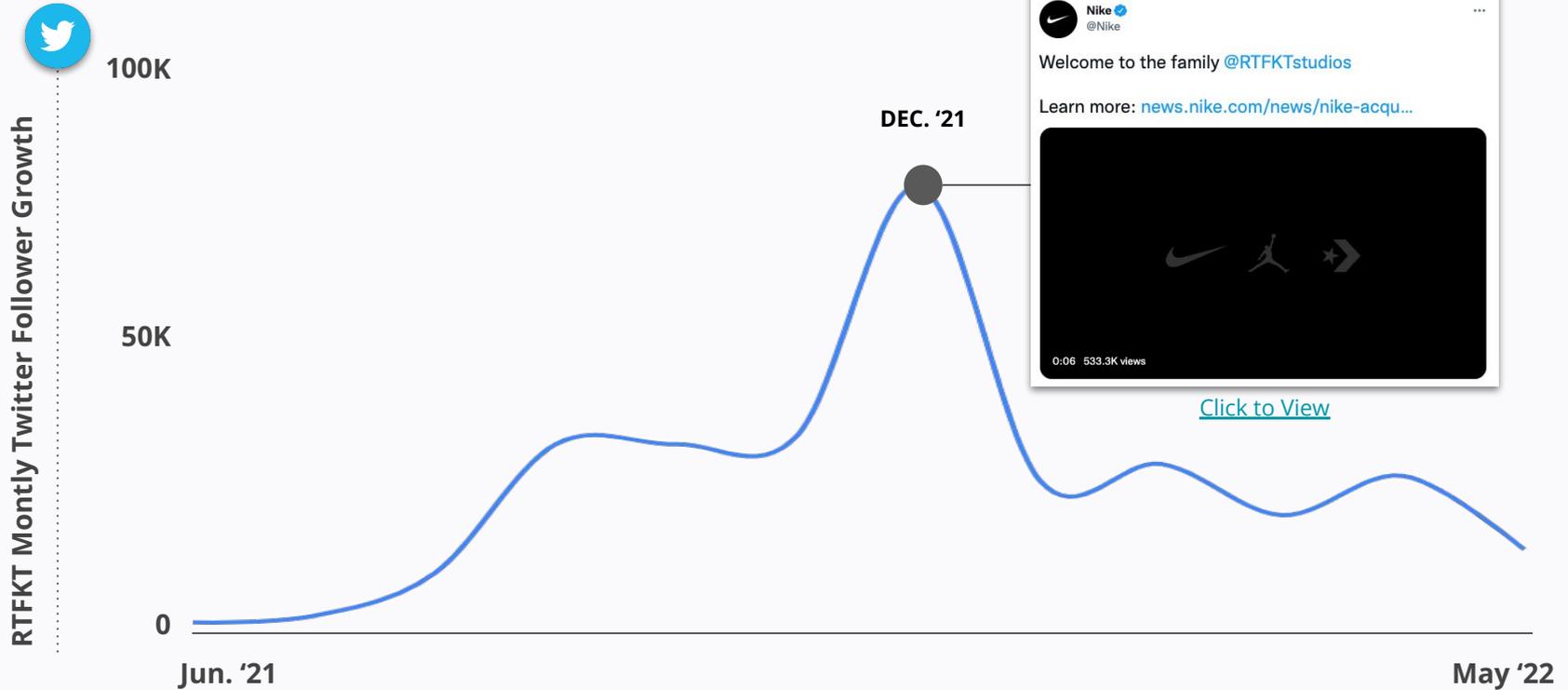
In acquiring RTFKT, Nike gained a "[very talented team of creators with an authentic and connected brand](#)" and the brand's established NFT enthusiast audience.

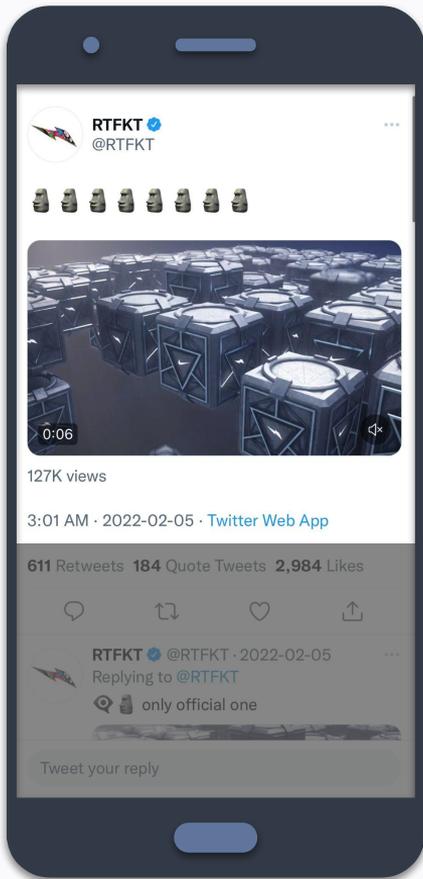
Tactics:

- Consider joining forces with a big player in the NFT space like RTFKT to piggyback off their following and break down barriers of entry into the virtual world.

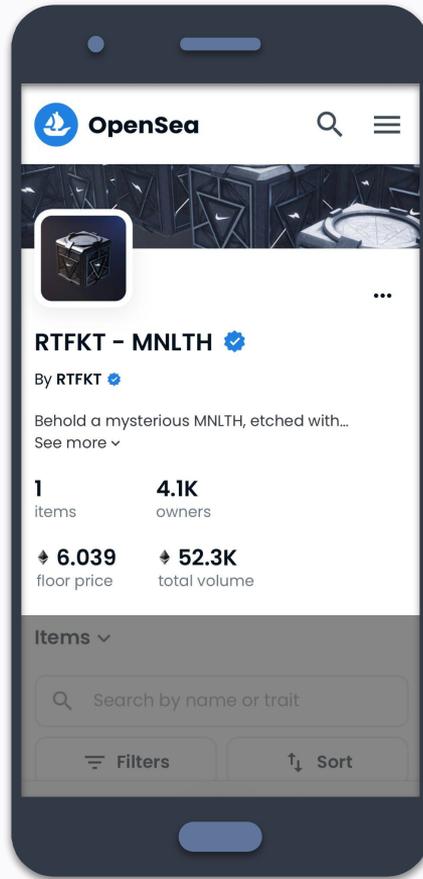
*[Source](#)

After announcing the acquisition in December 2021, RTFKT's Twitter followers grew by 83K, a **+130%** MoM growth.





127K Views | 4K Engagements
[Click to View](#)



[Click to View](#)

Positive Takeaways:

[CryptoKicks](#)

Generating Hype Airdropping Exclusive Holders

Two months prior to releasing CryptoKicks, RTFKT x Nike launched [MNLTH](#) (pronounced "Monolith").

MNLTH NFTs were directly sent for free (via airdrop) to RTFKT's [CloneX](#) holders and the rest were auctioned off on OpenSea at a floor price of 5.6 ETH (~\$10K USD)*.

CloneX is one of the top traded NFT collections globally, with a floor price of 12.45 ETH (~\$22K USD) as of June 2022. The [collection](#) was created in collaboration with the iconic contemporary artist, Takashi Murakami.

The release of MNLTH NFTs was met with curiosity, as what was housed in the floating metal boxes was kept secret.

The strategic release generated buzz within the NFT community with MNLTH related videos generating 2.3M views on Twitter alone.

Tactics:

- Create hype months prior to a drop by involving NFT wearable enthusiasts (such as CloneX holders).

*[Source](#)

Positive Takeaways:

Engaging Audience

Utilizing Dynamic NFTs for Engagement

MNLTH NFTs collection uses DART X (Dynamic Artefact Reveal Technology), meaning the reveal was:

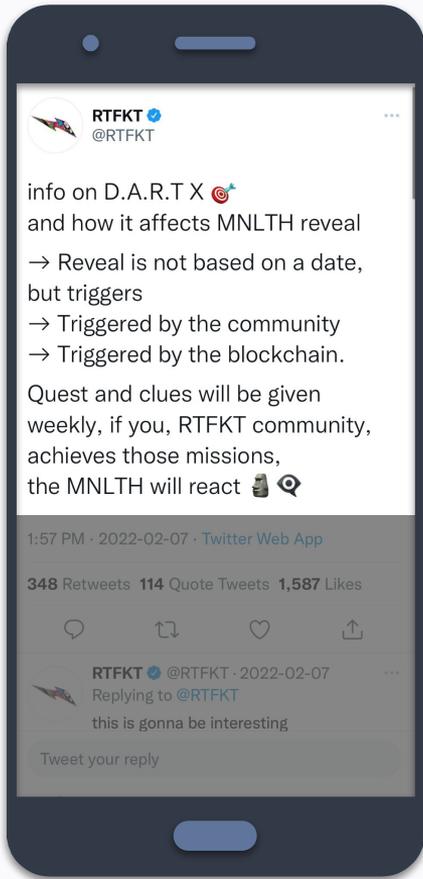
- Not based on a date, but triggers (completion of challenges)
- Triggered by the community
- Triggered by the blockchain

The RTFKT community had to complete a set of various challenges such as a [numerical/letter puzzle](#) that RTFKT shared on its Twitter and Discord leading up to the "Ultimate Quest" to unlock the box on April 22, 2022.

After two months of anticipation, the "Ultimate Quest" revealed that a pair of CryptoKicks were in the mysterious MNLTH NFTs.

Tactics:

- Add excitement and mystery to the experience by using dynamic artefact reveal technology that requires holders to complete a series of triggers in order to reveal the NFT.



2K Engagements
[Click to View](#)



1K Engagements
[Click to View](#)

Positive Takeaways:

Channeling Drop-Culture

Exclusive and Customizable

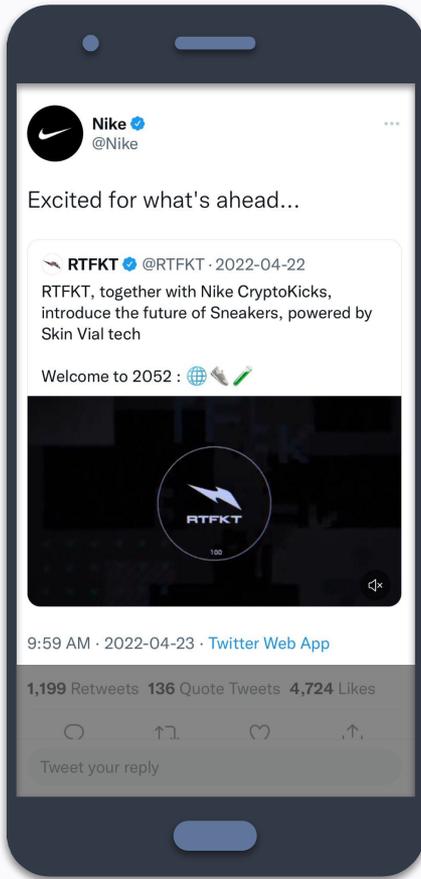
Nike x RTFKT created a sense of exclusivity by only releasing 20,000 digital sneakers from the collection*.

CryptoKicks are customizable, with eight different "skin vials" that holders can purchase to change the colour of the shoes' signature Swoosh, heel, straps and tongue. In the future, Nike x RTFKT plans to offer creators the ability to create their own skins*.

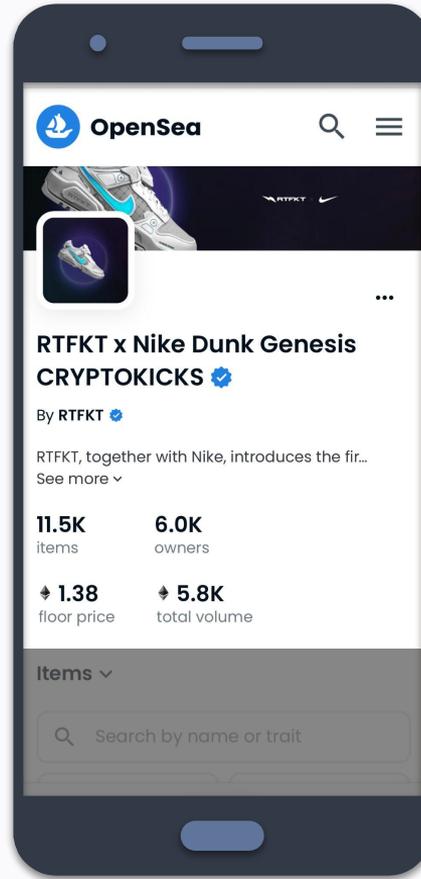
At launch, 98 sneakers featured a skin vial created by artist Takashi Murakami. These highly collectable sneakers sold for upwards of \$130,000**.

Tactics:

- **Exclusivity:** The [principle of scarcity](#), as it applies to Nike's NFT sneakers, means that the rarer an item is, the more valuable people will think it is, which fosters a sense of urgency.
- **Customizable:** [44%](#) of Gen Z said that, if given the opportunity, they would like to submit ideas for product design.
- **Collectable:** Like the [drop-culture](#) used by streetwear brands (ex: Supreme), NFTs are pushing this idea of owning something rare or unique as a way to motivate purchases.



610K Views | 7K Engagements
[Click to View](#)



[Click to View](#)

*[Source](#) **[Source](#)

Single Ethereum Transaction Footprints



Electrical Energy:

223.85 kWh



Which is the equivalent of powering an average household for:

8 days



Carbon Footprint:

124.86 kgCO2



Which is the equivalent of performing:

276K Visa Transactions



Or the equivalent of watching:

21K Hours of YouTube

Lessons Learned:

Sustainability

Environmental Disaster

Sustainability is a crucial element to consider when brands enter the NFT space and when targeting younger audiences in general.

Despite CryptoKicks being wildly successful, the project has been called an “[environmental disaster](#)”. The NFT collection has allegedly producing 7,437 metric tons of CO2 as of May 2022 — the equivalent of 1,602 gasoline-powered passenger vehicles driven for one year, or the annual electricity use of 1,447 average homes*.

According to the [FY21 Nike impact report](#), this project alone accounts for 6.24% of Nike’s annual GHG emissions for their owned or operated facilities*.

Tactics:

- **Eco-Friendlier Alternatives:** Consider using blockchains that rely on proof-of-stake (PoS) protocols instead of the energy-intensive protocols that Ethereum uses, called proof-of-work (PoW). Alternative chains include [Tezos](#), [Solana](#) and [Cardano](#). Learn more about eco-friendly NFT strategies [here](#).