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Blockchain: If We Already Have a Centralized Solution, Why Do We Need it?

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<https://www.btcc.com/en-US/academy/research-analysis/blockchain-if-we-already-have-a-centralized-solution-why-do-we-need-it>

Many smart, well meaning people accepted the fact that [cryptocurrency](#) and [blockchain](#) worked as planned - but there was only one problem. For every blockchain solution, can't a centralized solution do better? This seems to be a basic problem. Tear up all the hype, ideals and details, and you're left with this. Do we really need it? I must admit that in several conversations, this question puzzled me. But it's just that I'm not ready to give obvious answers that we've explained thousands of times in a thousand different ways.

Blockchain Solves the Problem of Digital Ownership

Simple and clear. Here's another point: blockchain solves the problem of centralized control. Who has the right to supervise the information flow? Have they handled their responsibilities correctly? Do they make a lot of profits just because they control the uncomplicated things that others can easily do?

With blockchain technology, no one can control information. Access to information has become a public utility, and access to information fundamentally determines the operation mode of the Internet. That's everything. Let's be clear. The Internet and the systems it builds have become part of the roads, power lines and pipelines in real life. Payment solutions, banks and businesses - these are public facilities. They are a necessity, not a luxury.

So you see This is not important if a centralized entity is a more effective solution in some ways. That is because these centralized entities are abusing their position to extract the systems needed for the normal operation of society. If we can trust individuals to do what is best for the country when they have no motivation and sense of responsibility, companies like Amazon and Uber will be fine. Obviously, our trust is wrong. We are exchanging some comfortable things for wealth and autonomy. Facts have proved that this is disastrous for the future of our society. Those centralized solutions are not more effective. They seem to offer something great on the surface. Beneath the surface, they are slowly draining the country.



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NFTs

Let's dig into some details. The NFT page on Ethereum website has a great and simple information diagram to explain the benefits of [NFT](#). The second point here is another quick summary I explained. Ownership of digital records - accounts, memberships, inventory - is stored on servers controlled by the organization. We must trust them with this information. For example, Amazon has large-scale control over e-commerce simply because they hold the custody of digital items - inventory - and control the way they are displayed. They take a cut from the profits of both sides of the transaction to reward themselves for their rich income as intermediaries. Shiv Sakhuja published a great article on the utility of NFTs. I want to discuss some of his views from the perspective of centralized and decentralized information supervision.

But First, E-Commerce

This is not one of his examples, but the role of blockchain technology in retail and e-commerce cannot be overemphasized. First, let's study the most basic building blocks of e-commerce.

- The seller uploads data to the website
- Buyer view data

Now, who will hold and manage all this data? If we allow a central organization to manage these data, they will certainly abuse their power and position and bring pressure to e-commerce activities. Instead, we can use blockchains to facilitate data storage and currency transactions. No one owns a blockchain, but it is cost-effective and secure. The e-commerce platform built on the blockchain will provide any utility that the centralized organization can provide, but there is no cost and no review system. No theft of products.



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eNFTs - a Solution to a Known Problem

So you see, what we need is a person or something to entrust our data. Blockchain provides this solution. Instead of uploading product data to a website, it is better to upload it as an NFT, specifically shopx e-commerce NFT (enft). With this, centralized entities will no longer control product data and, therefore, e-commerce.

Blockchain does not require profits. It does not require a fee (except for small handouts that keep the system online). Applications built on blockchain can be accessed by anyone at any time. This is the foundation of a truly free market. A digital space, people can buy and sell, just as they do in real life, without a third party to intervene in their business and draw profits from it.

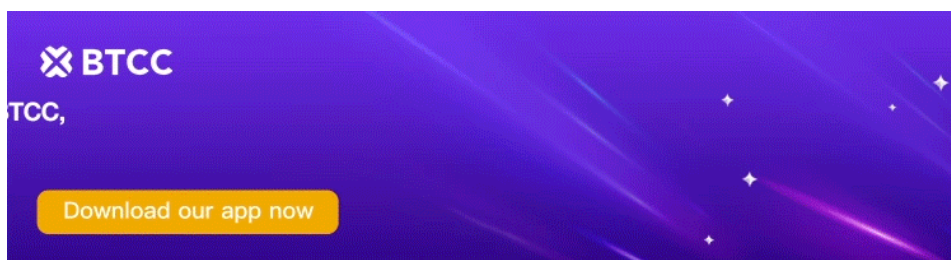
Another great utility of eNFTs to e-commerce is the interoperability that centralized solutions cannot (or will not) provide. At present, each e-commerce platform has its own infrastructure to maintain and distribute retail data. These data cannot be transferred from one platform to another. In order to transfer inventory, each information must be re entered, bit by bit.

eNFTs provides a solution to this problem. Once the product data is uploaded as enft, it can be used on any compatible e-commerce platform. Data entry becomes a one-time event. This also standardizes data across all platforms.

Tickets, Music and Video Games

These are the low hanging fruits that NFT technology can touch. To solve these three problems in the context of digital ownership, it is obvious what the problem is: the centralized organization acts as the intermediary of the three.

What is the core concept here? Tickets are what the venue sells to participants. Music is what artists sell to their fans. The game is what the creator sells to the player (this is a little complicated, hold on). If we can cut off the three important links of tickets, distributors and profits, then we can focus on the middle. Content.



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Blockchain and Music

There are endless problems with record companies' complete control over artists. Artists become tools for labels, not tools that artists use to spread their music. This also reduces the quality of music. There is a recent story about an artist who won't make her music unless she creates a viral Tik tok video. The artist's talent was used to help another artist produce better songs.

What happened was the birth of a money making machine. This machine has one goal: to draw out profitable songs. Artists and art become secondary factors in sales. Music NFTs like yellowheart control the power of music in the hands of artists. If and when music NFTs take off, artists will no longer need to rely on labels to protect and distribute their information. The information storage system — NFT — does not belong to any individual or organization. As long as artists can promote themselves, they will be able to retain all their income.

Blockchain and Video Games

The studio is not technically an intermediary between creators and players. The creator is the studio. But in recent years, the studio has become a profit seeking entity, and the creators in the studio have become their tools. When smartphones make applications highly popular and iPhone games take off, many studios turn their attention to paid games with micro transactions, because this is the most profitable model at present. Small and cheap games that usually cost only one dollar can slowly accumulate to tens of dollars, sometimes even hundreds of dollars.

Together with other in-game purchases, such as skin and items, it is a net profit for the studio. Some studios release free games, and these games depend on those who are willing to spend money to buy them in the game. Why not give these players ownership of what they buy and be able to resell them? This will encourage the creation of high-quality collectibles rather than cheap upgrades that cannot be resold. The studio will profit from the royalties on resale, and players will profit from their hard work.



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No, Blockchain is not a Solution to Finding Problems

In short, blockchain is the only technology that can safely and effectively store digital proof of ownership. Unless you have the infrastructure to store information, the ability to request digital information was previously impossible. Blockchain provides an infrastructure for storing information. No one owns it and anyone can access it. This effect is absolutely necessary for society, and will have a huge ripple effect on many different industries, and therefore have an impact on our whole society.