**Understanding the Relationship Between the Metaverse, Crypto, and NFTs**

# Understanding the Relationship Between the Metaverse, Crypto, and NFTs

The Metaverse. Cryptocurrency. Non-fungible tokens. These three phrases have been thrown around a lot in the global tech industry. In many cases, they’re even used in the same sentences. But how exactly are these three seemingly different things related?

**To put it frankly, cryptocurrency and NFTs are a means of digital currency that can help users navigate their way through the Metaverse. To put it in simpler terms, the Metaverse is the world, and cryptocurrency and NFTs are what you use to make purchases and exist within that world. But, in order for a person to fully understand how each term is related, they must know what each phrase refers to.**

In this guide, we’re going to explain in detail what the Metaverse, cryptocurrency, and NFTs are. We’ll also cover how they’re all related and how the Metaverse needs crypto and NFTs to survive.

## What is the Metaverse?

The Metaverse is a virtual world that combines the physical world with virtual and augmented reality to create an entirely new space. The goal of the Metaverse is to eventually break down the barrier that currently sits between the virtual and physical worlds in order to bring both together as one.

Although the true Metaverse, which is a fully immersive VR-AR experience, isn’t fully developed yet, there are less sophisticated versions already available. Through games like ROBLOX and Minecraft, kids and adults alike can build their own characters and worlds within the game. Let’s take ROBLOX for example. In order to change your wardrobe or buy new game pieces for your world, you have to spend ROBLOX money.

That money comes in the form of coins and works in much the same way that cryptocurrency does. That’s where the use of cryptocurrency and NFTs within the Metaverse comes in.

## Cryptocurrency and NFTs

Although the terms crypto and NFT are often used [interchangeably](https://www.businessinsider.com/nft-meaning#:~:text=Cryptocurrency%20tokens%20are%20fungible%20tokens,convey%20rights%20over%20digital%20goods.), they aren’t the same thing. While cryptocurrency is a fungible token or a token that can be duplicated, NFT is non-fungible and is completely unique in its own rite.

These two types of digital currency also differ in how they can be used. For example, cryptocurrency is used to purchase goods or services. However, NFTs are meant to show ownership over digital goods. What this means is that you can certainly purchase an NFT within the Metaverse, but you can’t use it to pay for goods or services like you could with cryptocurrency.

## How is the Metaverse Related to Cryptocurrency and NFTs?

Now that we’ve gone over what each term means, it’s easier to distinguish how each of these digital terms is related. With that said, it’s important to note that cryptocurrency is more related to the Metaverse than NFTs are. While NFTs can certainly be bought within the Metaverse, the official currency within the digital world is cryptocurrency.

When it comes to making purchases within the Metaverse, whether that be clothing or accessories for an avatar or any other digital good, cryptocurrency is the method of payment used.

Cryptocurrency is very much like a link between the physical and virtual worlds. The currency shows how much you have in terms of money as a physical being while allowing you to make purchases and live within the Metaverse world.

## Parting Thoughts

Although the Metaverse is a long way from being fully immersive, it’s worth delving into the world of cryptocurrency to prepare yourself for what’s to come. This way, you’re well-equipped to navigate the Metaverse when the time comes and you don’t need to worry about not having access to certain parts of the world.