# 2.3.5.2.2 Utility Tokens

Return to Tokens

**Utility Tokens** are a more abstract category of **Digital Assets** and are used to grant rights or access to goods or services. Utility Tokens can represent all kinds of rights, such as the right to be first in line to buy the latest phone to the right to be given pre-released access to an online game or platform.

> **Note:** Utility Tokens do not represent a product or service, but rather the right to purchase or use a product or service.

Utility Tokens are specifically designed to represent the rights to access the goods or service and not represent the goods or service itself. Utility Tokens are best used as a method by companies or organizations to grant customers special rights or privileges creating an economic model or market place around customers and rights to the goods and services that a company offers. [1)]

Utility Tokens can be a superior method to traditional ways individuals or companies grant customers special rights. Utility Tokens:

- Enhance the Utility Token issuer's ability to quantify the value of the right being sold
- Help the issuer to engage more directly with their customer base
- Allow the issuer to create a customized economic model for rights to access a digital or physical service.

1)
Mark Murray, Sam Auch, Understanding Digital asset Classification, RSM.com, 08 June 2020, Accessed: 24 September 2021, https://rsmus.com/what-we-do/services/assurance/featured-topics/audit-innovation/understanding-digital-asset-classifications.html