

FINANCIAL SERVICES

Luxury beginning to embrace bitcoin in major way

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Bitcoin is becoming increasingly popular among luxury buyers for fine art and jewelry. Image credit: Bitcoin

By DANNY PARISI

Bitcoin and other cryptocurrencies were initially thought to be nothing more than a pipe dream, but the recent availability of luxury items such as jewelry and fine art purchasable with bitcoin marks an opportunity for vendors and buyers alike.

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With bitcoin's acceptance at PayPal and a few other major services, its popularity is growing even more than anyone expected. Now that art galleries and jewelers are beginning to accept bitcoin, the cryptocurrency may just gain a valuable new audience: ultra-wealthy luxury buyers.

Cryptocurrencies

Since its release in 2009, the world has been struggling with what to make of bitcoin.

On the surface, it is hard to understand exactly what it is. After all, the money has to come from somewhere.

The idea behind bitcoin is that anyone can use it to make secure, anonymous and decentralized payments, making it initially popular for illicit transactions. But in the intervening years, bitcoin's ease of use has made it popularly acceptable at a number of legitimate outlets, including Microsoft.

With bitcoin's acceptance at PayPal, it has become far easier and convenient to use, leading to growth in its use.

Now, bitcoin is beginning to be a major player in the luxury industry.

For example, CNN reports that Dadiani Gallery, a prominent art gallery in London run by Eleesa Dadiani, has begun accepting bitcoin in exchange for fine art and experiencing radical success ([see story](#)).



Bitcoin is now accepted on a wide variety of platforms. Image credit: Bitcoin

Everything for sale in the gallery is purchasable with bitcoin and Ms. Dadiani has found the process to be as simple as accepting traditional tender.

One of the benefits for bitcoin users to buying items such as fine art is that it validates the currency in giving it value against real assets. In this way, bitcoin can be a powerful investment tool for wealthy buyers.

Planes, boats, paintings, fine jewelry and condos in exclusive locations can all be found on sale for bitcoin online these days, showing the growing ubiquity of the cryptocurrency within the ultra-wealthy sector.

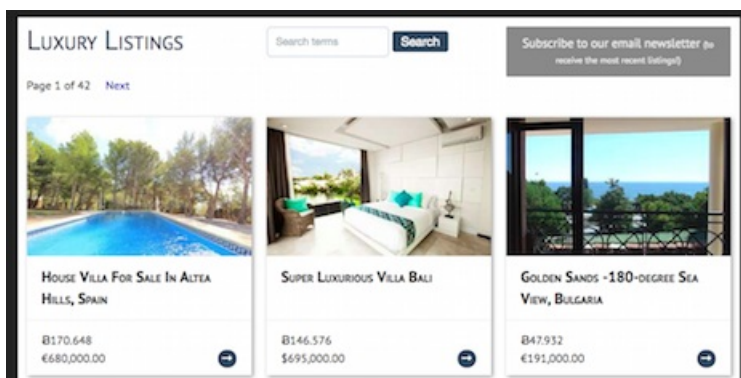
This has been aided by the rise of Silicon Valley which has seen tech visionaries swell the ranks of the ultra-rich in the United States, merging wealthy elites with technological knowledge that helps bitcoin thrive.

Secure transactions

Many startups are also popping up to improve Bitcoin's viability. For instance, tools such as Shopify provide retailers with an easy method for accepting the currency.

An even more fundamental question is why would a merchant accept Bitcoin in the first place? Does it not just add more steps and more confusion to the already delicate process of digital transactions?

As venture capitalist Marc Andreessen argues, bitcoin is straightforward, secure and conducive to a global market.



Platforms such as BitPremier offer luxury products for bitcoin. Image credit: BitPremier

The currency is straightforward in the sense that it involves one party sending coded Bitcoins to another party without any personal information being disclosed. This feature obviously lends itself to security. If personal information is withheld, hackers have much less to seize ([see story](#)).

For wealthy individuals, their money is constantly under threat of being stolen or embezzled. For this reason, a safe and secure transaction platform is vital.

Similarly, the lack of fees involved with using bitcoin can be a major boon to buying more expensive items. While a 2 percent fee on cheaper products is nothing, that same percentage on a work of art worth more than \$50,000 can jump up significantly.