

FINANCIAL SERVICES

## Luxury's bitcoin acceptance picks up pace as cryptocurrency value surges

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*Royal Yacht Charters has begun accepting cryptocurrencies. Image credit: RYB*

By JEN KING

From yachts to fine art, using cryptocurrencies as payment for high-priced items has gained traction among the world's affluent.

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The most mainstream of the cryptocurrencies, bitcoin's valuation recently rose significantly to more than \$10,000 per "coin," a growth spurt of 1,000 percent in just 11 months after beginning 2017 at \$963 each. According to the [International Business Times](#), at the start of the year, the cryptocurrency market was valued at \$18 billion, but it is now worth a reported \$300 billion, with bitcoin representing more than half of that figure.

"The ideal for people who have accumulated large wealth through cryptocurrency is to use it to purchase actual goods, while at the same time safeguarding their privacy," said Elizabeth White, CEO of [The White Company](#), New York.

"Just over the last three days people have spent more than \$3 million worth of ethereum, a cryptocurrency, buying virtual pets called crypto kitties," she said. "Some of the most expensive kitties are selling for more than \$100,000."

"Clearly the cryptowealthy are looking to buy things with their newfound wealth but are finding it troublesome since it's very difficult to exchange large amounts of BTC to U.S. dollars. As most merchants like jewelry stores, art dealers and luxury automobile dealerships do not accept bitcoin, they are spending \$100,000 on a virtual cat."

Anonymous

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 ([see](#)

story).

Bitcoin's popularity can be attributed to the payment form's ability to send funds without revealing the identity of the sender and receiver.

But, when bitcoin units, referred to as BTCs, are converted into U.S. dollars, the holder of the bitcoins must share their identity during the exchange.

Nevertheless, the concept of buying a high-ticket item anonymously is intriguing for affluent consumers and has made services such as those provided by The White Company all the more attractive.

The White Company acts as a fine art and luxury goods dealer that accepts payment by cryptocurrency. By leveraging The White Company's services, an affluent consumer can use their preferred currency and maintain their anonymity during a high-priced purchase.



## THE WHITE COMPANY

Purveyors of luxury to the cryptocurrency world

*"Select A Victim" by Mark Flood sold by The White Company for Bitcoin. Image credit: The White Company*

Also, communication between The White Company and a consumer is secured through the use of encrypted messaging platforms such as Signal and Telegram, if the client so wishes.

Just last week, The White Company sold American artist Mark Flood's "Select a Victim" painting for 12.3 BTC, or about \$100,000. The sale marks the first time that fine art has been purchased via bitcoin in the U.S.

Mr. Flood's 2013 painting was offered privately to a Canadian citizen who wishes to remain anonymous.

The White Company does not just act as the liaison for fine art purchases, the company also facilitates the sale of other luxury items such as timepieces, experiences and even high-end automobiles.

"We launched the White Company to help clients exchange their bitcoin or other cryptocurrency into tangible items while preserving their privacy and anonymity," Ms. White said. "We have experience doing private exchanges and the demand is growing."

"We want to open our services to the wider cryptowealthy market so that anyone can use their bitcoin to purchase the luxury goods they want while staying private," she said.

Slow and steady

Despite more merchants accepting cryptocurrency, the luxury good sector has been, predictably, slower to adapt. But, a few brands within luxury's various categories have embraced the payment solution.

For example, Royal Yacht Brokers is now accepting these digital payment methods for rentals and sales.

Global currencies such as bitcoin and Ethereum and national currencies such as CryptoRubles, can now be used to charter or purchase the service's mega yachts. Due to the anonymity associated with these forms of payment, a number of luxury categories that cater to the well-heeled have adopted these currencies.

The Monaco- and London-based Royal Yacht Brokers provides services including yacht sales, chartering and management. Its fleet includes 2,000 mega-yachts that can be rented on-demand.



*Overmarine ship available through RYB. Image credit: RYB*

RYB believes that following widening cryptocurrency use in real estate, it will eventually be used for other categories. The brokerage claims to be the first maritime company to accept these forms of payment ([see story](#)).

Also, as of Dec. 1, a Los Angeles-based online watch seller, Javy Estrella, began accepting bitcoin as a payment form for Rolex timepieces.

Consumers purchasing one of Javy Estrella's authentic, pre-owned Rolexes can now pay for the watch directly using bitcoin through a partnership with the United Kingdom's Bitfinex or Coinbase in the U.S., or directly via Stripe Payments.

Javy Estrella has more than 500 authenticated Rolex Datejust and Rolex Presidents in stock as well as operating a wholesale business that already accepts payments in cryptocurrencies such as Ripple, Monero, Dash, bitcoin and bitcoin cash and Litecoin.

Although a number of brands and retailers have started to accept bitcoin as payment, the market may not be full prepared.

"In the near future we do not expect retailers to widely adopt bitcoin payment as the retailer would expose themselves to the risk of the fluctuation in cryptocurrency," The White Company's Ms. White said. "They could potentially lose all their profit margin, or even take actual losses, in minutes which is very possible with the high price and volatility of bitcoin today.

"The market, meaning the merchants, are not prepared at all, most of them don't even understand bitcoin, let alone

consider the risks of accepting it," she said.

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