

ARTS AND ENTERTAINMENT

Every art collector is an online collector: Artsy

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Jordan Kasey, detail of *Hands with Black Mountains*, 2013. Image credit: Coleccin SOLO

By NORA HOWE

When the COVID-19 pandemic hit, most in-person art events transitioned to digital-only affairs, and purchasing work online became the only way for many collectors to support artists and their galleries or participate in auctions.

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Online art sales more than doubled in value year-over-year, from \$6 billion in 2019 to \$12.4 billion in 2020, making up 25 percent of the overall art market, according to online art brokerage [Artsy](#). In its 2021 Art Collecting report, Artsy identifies how collectors are navigating the online art marketplace through analyses of their habits, preferences and pet peeves, ultimately discovering that collectors view their online activities as inseparable from and essential to their experience of the art market.

"The art world's digital shift has drastically accelerated in the past year, and as a result, it has opened up some of the historic barriers of entry, bringing in a new wave of next-gen collectors that are buying art just as frequently as seasoned collectors," said Dustyn Kim, chief revenue officer at Artsy, New York. "Collectors are increasingly discovering artists and researching artists' markets online before making a purchase and are truly embracing the low-friction digital transactions that Artsy provides.

"Ecommerce purchases on Artsy grew by 150 percent in 2020 and have accelerated further in 2021 as the art world has further embraced transparent pricing and low-friction purchases."

Conducted in May 2021, Artsy's survey generated responses from a range of art buyers in 60 countries, although 45 percent of responses came from U.S.-based collectors.

The survey received a total of 2,290 complete responses, and the final sample used for this report included 765 of those respondents who reported buying art at least twice, having spent at least \$10,000 on art in 2019 or 2020 or who expected to spend that much in 2021.

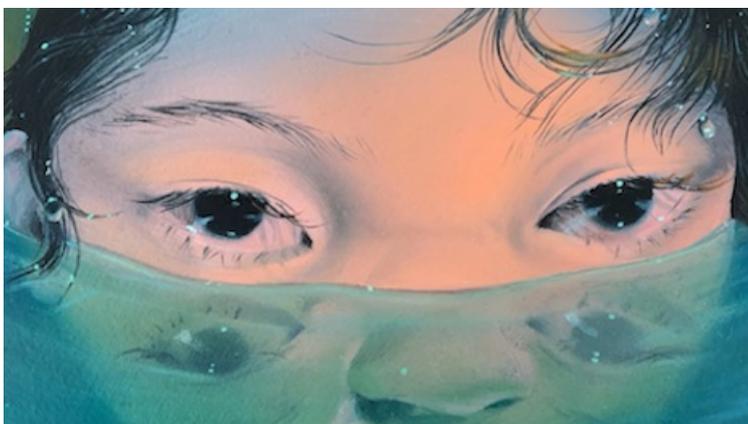
From among that cohort of 765 collectors, Artsy defined a subset of Next-Gen collectors as those who started collecting in the last four years. This group totaled 139 respondents.

Key findings

Among respondents, 83 percent said they had purchased art online, up from 64 percent of collectors in Artsy's 2019 survey. Online art market participation was even higher among Next-Gen Collectors, 91 percent of whom said they bought art online.

More than two-thirds of collectors, 68 percent, said they bought as many or more works of art in the previous 12 months than in a normal year. Fifty-six percent of Next-Gen Collectors said they bought more works in the past year.

Among Next-Gen Collectors, about 44 percent said they purchased fewer than 5 works of art in the previous 12 months, 31 percent said they purchased 5 to 9 works in that time, 16 percent had purchased 10 to 25 pieces and 9 percent purchased more than 25 artworks.



Sasha Gordon, detail of Untitled, 2021. Image credit: Matthew Brown Gallery

These numbers slightly differed from the buying patterns of the wider respondent base over the same period, of whom 40 percent purchased fewer than 5 works of art, 30 percent purchased 5 to 9, 17 percent purchased 10 to 25 and 9 percent purchased over 25.

More than half of collectors surveyed, 58 percent, said they had used an online marketplace such as Artsy to purchase art, up from 41 percent in 2019.

According to the survey, online art marketplaces were the most popular place to discover art and artists, ahead of auction houses and gallery websites or viewing rooms, and well ahead of Instagram.

"We believe that the online art market will always complement the physical art world, not replace it," Ms. Kim said. "Buyers increasingly, across so many industries, expect to be able to have both an online and offline component to their overall experience.

"Collectors have learned that, between in-person events like art fairs, they can open their Artsy app and discover nearly one million for-sale artworks by 100,000-plus leading artists," she said. "They can easily participate in dozens of auctions, shop thousands of galleries and, with Artsy's personalization, have new works surfaced to them daily."

Among Next-Gen Collectors, 64 percent said that they prefer to find new artists on their phones. Next-Gen Collectors were also more likely to purchase art from their mobile devices: 56 percent said they prefer to buy via an app or mobile website on their phones.

Nearly two-thirds, 62 percent, of respondents said the lack of visible prices was a hindrance to buying art online. This was even more pronounced among Next-Gen Collectors, 71 percent of whom said it was a roadblock to purchasing art online.

More than a quarter of collectors surveyed said they had sold or consigned works online, and 34 percent said they plan to. Among Next-Gen Collectors, only 18 percent of respondents said they sold or consigned works from their collections online, but 43 percent said they plan to.

Despite the hype surrounding non-fungible tokens (NFTs), only 5 percent of respondents purchased an NFT, while another 9 said they plan to. Next-Gen Collectors are somewhat more engaged with NFTs, with 9 percent saying they had bought an NFT, while an additional 10 percent said they plan to do so.

Collecting with crypto

While it may just be a fad, auction houses and luxury brands are quickly welcoming cryptocurrency as forms of payment, and increasingly offering art pieces as NFTs.



Banksy's "Love is in the Air." Image courtesy of Sotheby's

In May, auction house Sotheby's became the first major firm to accept select cryptocurrencies as payment for physical artworks. In partnership with cryptocurrency exchange Coinbase, Sotheby's now offers buyers the option of paying with bitcoin or ether.

The first artwork Sotheby's made available for purchase with cryptocurrency was Banksy's iconic protest image, "Love is in the Air." The lot was included in the Contemporary Art Evening Auction ([see story](#)), and sold for \$12.9 million on May 12.

Last week, Sotheby's celebrated the 25th anniversary of rapper and entrepreneur Shawn Jay-Z Carter's "Reasonable Doubt" album with a commemorative NFT. Jay-Z commissioned artist Derrick Adams to create a one-of-one animated digital artwork that comments on and recontextualizes the album's cover, which will be sold by NFT in a single-lot auction.

This is the first NFT-based collaboration for both the rapper and artist and the auction is the only official event authorized by Jay-Z to commemorate the album's anniversary ([see story](#)).

"While we've seen a lot of buzz around NFTs recently, we view it as a niche market right now," Artsy's Ms. Kim said. "As well as the paintings, sculpture, prints and photography etc. that our art business partners already offer on Artsy, we'll enable our marketplace so that NFT-backed digital art can be sold as well.

"It'll just be another thing that you can buy on our marketplace," she said. "Artsy's mission continues to be focused on democratizing and expanding the art market, and supporting more artists and galleries around the world."

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