

ARTS AND ENTERTAINMENT

## Where tradition, innovation collide: art in the metaverse

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Auction houses are quickly adhering to the rising demand for NFT accompaniment. Image credit: Sotheby's

By NORA HOWE

Although some skepticism regarding non-fungible tokens (NFTs) and their place in the luxury sector remains, this disruptive technology is providing vast opportunities for artists in an increasingly digital world.

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During a [Sotheby's Talks](#) virtual discussion this February, industry experts suggested that NFTs provide a controlled marketplace for digital artists and, in turn, foster authenticity. The benefits may not stop with artists, however, as luxury brands and auction houses experiment with the technology and enter new, virtual spaces.

"NFTs are entirely complementary to the art world an additive new medium for the art world," said Sebastian Fahey, managing director for EMEA at [Sotheby's](#). "For many digital artists, the technology behind NFTs has, for the first time, allowed them to codify and bring their art to the marketplace and assign value.

"By presenting digital art to the public in this way, we, as an auction house, are able to expand our community of buyers and artists."

### Opportunities for artists, collectors

While digital art is certainly not new, the advent of NFT technology and recordable certificates is enabling monetization opportunities for artists.

According to the panelists, the technology is providing a more seamless process for trading between artists and buyers, ultimately protecting artists through these birth certificates or passports, so to speak.

"These unchangeable certificates, or receipts, can be exchanged on platforms without the friction of what we see in the trading of physical works," Mr. Fahey said. "It gives a huge amount of scope for digital artists to demonstrate ownership and formally pass that title of ownership to the collector."



*Sotheby's upcoming auction of a Gerald Genta original design will include NFT videos of his sketches. Image credit: Sotheby's*

With so much protection provided to artists, collectors may wonder what is in it for them when they choose to purchase a digital asset.

"As a very rapidly evolving medium and marketplace for the art world, there is a natural side to caution that some collectors are taking, but when you look at the risks of NFTs, they are rather slim," Mr. Fahey said.

"Being able to buy digital assets, digital goods and the works of digital artists is a huge opportunity," he said. "In the case of the Genta sale, to have this digital record of ownership of something going all the way back through the family provides a huge amount of opportunity for collections to think differently about their portfolios."

The Sotheby's Talks discussion coincides with the auction house's upcoming "Gerald Genta: Icon of Time" sale, which will pay tribute to the watchmaker's legacy by pairing an original design with a unique NFT video of his sketches.

"My father would be extremely proud of the upcoming auction," said Frederic Genta, son of Gerald. "He was a genius his designs are the equivalent of buying the blueprint of the first Macintosh computer.

"When you are buying those designs and those NFTs, you are buying the 20th-century watchmaking design industry," he said. "I think he would also be excited to initiate a new trend a trend that I think will grow in value over time."

#### Fashion in the metaverse

It was not until early 2021 that luxury fashion brands really started experimenting with NFTs and virtual spaces, led by brands like Burberry and Gucci.

In April 2021, Britain's Burberry revealed its first NFT and became the first luxury brand to partner with Mythical Games' Blankos Block Party ([see story](#)).



*Gucci's first NFT was a four-minute digital, looped video. Image credit: Gucci*

Italian fashion house Gucci has also been busy in the virtual world, unveiling a new limited-edition series of CryptoJanky NFTs and handmade ceramic sculptures in January ([see story](#)), then, launching its Vault concept store in the metaverse a month later ([see story](#)).

"Luxury brands have an amazing archive of digital and physical artifacts and garments they are sitting on an amazing amount of value," said Karinna Grant, co-CEO of The Dematerialised. "The tangible benefits of an NFT,

such as authenticity, traceability and provenance of ownership over time, could be hugely attractive to certain brands."

Now, consumers are taking their digital certificates one step further, and transferring them into digital wearables in virtual environments.

This trend presents a unique opportunity for brands to encourage fashion consumers to purchase digital representations of their products to wear in these emerging spaces.

"One of the amazing things about a digital-only asset is the creativity involved you are not constrained by physics or materials, but instead have limitless opportunities from a utility perspective," Ms. Grant said. "You could wear it instantly on Snapchat, have a garment tailored to yourself or you can wear it on your avatar in a video game."

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