

ARTS

Decoding luxury's NFT consumer

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From casual collectors, to crypto-natives, *Jing Collabs & Drops*' latest report categorizes the three types of consumers who are showing confidence in NFTs. Image credit: OpenSea

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Whether you are a crypto-professional or the blockchain is entirely alien to you, there is one thing that everyone knows about non-fungible tokens (NFTs): they are selling for a major price.

For context, the first **NFT artwork** to ever auction at Christie's back in March 2021 sold for \$69 million (435,521,100 yuan), not to mention **Dolce & Gabbana** setting records for its *Collezione Genesi* NFT collection in August 2021 which made more than \$6 million (37,869,600 yuan).

If the past year's drops are anything to go by, Morgan Stanley's prediction that luxury NFTs will be a \$56 billion market by 2030 is easy to envision.

But when such extortionate prices are making headlines at a time when the mainstream population has little knowledge of what NFTs even are, it raises the question of who exactly is investing in these digital assets right now. And *Jing Collabs & Drops*' latest market report ***NFT Collaboration: Luxury's Metaverse Opportunity*** answers exactly that.

The report classifies today's NFT consumers into three categories via the help of experts. Of course, if co-branded drops continue at the rate they are, there is the solid expectation that these three consumer groups will very soon evolve. But for now taken from *NFT Collaboration: Luxury's Metaverse Opportunity* here is a breakdown of the people currently buying NFTs.

Casual collectors

As KnownOrigin Labs cofounder/CEO David Moore said, "[Casual collectors] will peruse several marketplaces and literally see something and if it's within their price range, they'll make a purchase, which will then audibly live at parties or events. They'll open their phone and they'll show people what they own, and scroll through it like a feed."

In short, not every NFT purchaser has conducted extensive research or is even a regular collector. They just have a lot of money and, more specifically, cryptocurrency at their disposal.

"The billionaires buy the most," said Sam Hamilton, creative director of Decentraland. "Then, you've got people who

are just coming into this space and buying cheap NFTs."

As more luxury fashion labels enter the market, this opens it up to casual collectors who ordinarily consume the physical products of a brand, such as clothing.

"There are crypto-collectors, and then people who are just interested in fashion," said Michaela Larosse of The Fabricant.

"Collectors are in fashion and the digital space," she said. "When you look at all of these projects there is definitely a hunger to be a collector and an excitement that's felt out of reach to a lot of people. The digital space opens it up to everybody."

Crypto natives

The NFT space is made up of the crypto community, with those who are benefitting from it wanting to give something back.

"A lot of it is support for what the artists have been through, or someone has sold some work and done quite well so then they want to pay back into the community and ecosystem," Mr. Moore said.

Decentraland's Mr. Hamilton agrees.

"The crypto-millionaires want to put something back into the ecosystem and bring forward the technology, and support artists," he said.

There is also the additional aspect that NFTs can, for the most part, only be purchased with cryptocurrency, and so consumers must first be equipped with a crypto-wallet.

"Most of the people who participate in NFT collaborations or the audiences are the crypto natives, because there are still many points of entrance that you need to be aware of, like payment, the wallet passes and the gas fees," said Cyrus Yu, cofounder of Luxeto. "People need to be educated in order to participate."

Speculators

Like most of us, speculators do not understand exactly what is going on when it comes to NFTs but know that they want to be involved somehow.

"Those who think they can buy at a low price and then make a return on investment going forward," Mr. Moore said of the speculators.

It is ultimately this group of people who want to market themselves as innovative and the first to play the game yet they are not willing to splash cash that they cannot afford to lose.

"They are collectors who are signaling to say that they're in the space early and want to show off their identity online, in order to gain a following from it," Mr. Moore said. "But it's an entry point and they start looking at other things to purchase, whether that's digital fashion or artwork. They might not want to risk \$10,000 on something, but don't mind risking like \$400."

Download your copy of "NFT Collaboration: Luxury's Metaverse Opportunity" on [Jing Daily's Reports page](#).

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