

Auction houses Sotheby's, Phillips latest to join NFT craze

April 12 2021, by Thomas Urbain



Sotheby's is getting into NFTs

Sotheby's and Phillips launched so-called NFT auctions on Monday, a month after Christie's sold a digital artwork for \$69.3 million, as traditional auction houses seek to capitalize on the craze shaking up the

art market.

Three months ago, barely anyone had heard of a non-fungible token (NFT), a digital object such as a drawing, animation, piece of music, photo, or video with a certificate of authenticity created by blockchain technology.

But that changed in March when a digital collage by American artist Beeple sold for \$69.3 million at Christie's, setting a new record for an NFT, and the first message posted on Twitter went for \$2.9 million.

More than \$10 million in NFT transactions are now taking place daily, according to the website DappRadar.

The exchanges happen in cryptocurrencies on specialist sites such as Nifty Gateway and OpenSea, on the fringes of the art world.

But the phenomenon is now becoming more mainstream with traditional auction houses keen to cash in, lending the craze, and digital artists, even more credibility.

"I feel like collectibles are collectible," said Max Moore, contemporary art expert at Sotheby's, which is holding a three-day sale from Monday to Wednesday of NFT works by digital artist Pak.

"I do expect some collectors who maybe have never purchased an NFT to make their first NFT purchase in this sale, given that it is a Sotheby's sale," he added.

The sale is also vastly different from a typical Sotheby's auction.

Collectors are able to purchase "cubes" for a fixed price of \$500 each, which can then be redeemed for NFTs. In just 15 minutes on Monday,

Sotheby's sold nearly \$10 million in "cubes" via the Nifty Gateway platform, a partner for the sale.

Phillips is selling an unique work by Canadian artist Mad Dog Jones during an auction running from Monday until April 23.



Works by digital artist Beeple exhibited in Beijing in March

When the work, called "Replicator," is sold, it will generate new artworks—which will themselves come with a limited number of NFTs.

There will be seven generations of NFTs in total, meaning between 75

and 300 digital objects will be created over approximately a year.

Cryptocurrencies

"We're situating these artists within the canon of great artists that we offer all the time," said Rebekah Bowling, contemporary art expert at Phillips, the third largest auction house behind Christie's and Sotheby's.

The movement into NFTs comes at an opportune time for the auction houses, who have sped up their transition to digital following a year of virtual sales because of the coronavirus pandemic.

The sales should help Sotheby's attract new collectors who may not have interacted with the house before, said Moore.

"It's a much younger audience, which I think is quite interesting for Sotheby's as well," he added.

Some 91 percent of people who bid for Beeple's "Everydays" had never bid at Christie's before. More than half of them were between 25 and 40 years old.

The NFT boom is being fueled by early investors in cryptocurrencies who became millionaires.

"My primary focus right now is establishing these roots, these connections, establishing these relationships, understanding what drives their collecting habit, what interests them," said Moore.

"Then we'll be able to kind of target them in a way that we would never have done before."

Citation: Auction houses Sotheby's, Phillips latest to join NFT craze (2021, April 12) retrieved 27 April 2024 from

<https://techxplore.com/news/2021-04-auction-houses-sotheby-phillips-latest.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.