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DIGITAL ART COLLECTING

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01 FOREWORD

With this third report, we continue our ongoing exploration of the intersection of art and technology while staying attuned to the latest developments in the art market.

Nearly three years ago, our journey commenced with a fundamental query – already then addressing collectors: „How can art be sold digitally?“. The sudden rise of NFTs and their growing traction within the traditional art market in 2020/2021 led us to our second report, a deep dive into the personal experiences of purchasing and the motivations driving collectors in the realm of art NFTs.

Now, with this report, our focus shifts towards the landscape that has emerged in the aftermath of the crypto crash. Our objective is to unravel the evolving status of Digital Art and its recognition in the art market. We focus on Digital Art as digital artworks that are created, presented, and traded using NFT and blockchain technology. Naturally, we aim to avoid a restrictive definition of what qualifies as „art“ and what does not. However, for practical purposes, we use the terms „art NFT“ and „Digital Art“ to distinguish types of NFTs and collectibles that are collected in large editions and by a specific audience with distinct motivations.

A particular emphasis is placed on understanding the profound influence of web3 on the paradigm of art collecting, which is achieved through a comprehensive assessment of the current behaviors and motives of art NFT collectors. Below we delve into the contemporary purchasing patterns and incentives that drive Digital Art collectors. By examining the intersections of technology, creativity, and ownership, we aim to provide a comprehensive understanding of how web3 is not only challenging established norms but also shaping a dynamic and intricate landscape for the future of art collection. From April to July 2023, we conducted an

online survey involving 300 global digital art collectors who generously shared their thoughts. With 55 % identifying as male and 39 % as female (0% selected 'other' and 6% preferred not to say) our respondents create a vibrant mosaic of gender identities and viewpoints. The choices, motivations, and buying habits of these collectors provide a dynamic canvas where personal inclinations merge with the evolving landscape of art and technology.

We'd like to thank our collaborators and partners for sharing their expertise and dedicated support of this project: Dr. Rebekka Revel (Co-founder Superteam Germany), Stina Gustaffson (curator & art strategist) and Malte Rauch (Bright Moments) for their sharp expert insights, Philip Borchardt and d&p Kommunikation for the development of the ART+TECH logo, Karolina Gebka for the visual design of the research results and this report, and Dr. Georg Neuschäffer for his analytical support.

Very special thanks are due to the digital agency MoreSleep once again for the design and implementation of the arttechreport.com website and to Superteam Germany for sponsoring the realisation of the report design.

Our aspiration is that these insights not only steer discussions and ignite innovation but also foster a deeper understanding of the impact of web3 on the art market. In sharing this report, we intend to create an unbiased and comprehensive database that offers insights from an art market perspective. We trust you'll find it valuable and wish you an enjoyable reading experience. Let's together pave the way for an innovative and transformative art market of the future.

We hope you enjoy it and wish you a pleasant read.



Kerstin Gold



Kristina Leipold



Johanna Neuschäffer



Anne Schwanz

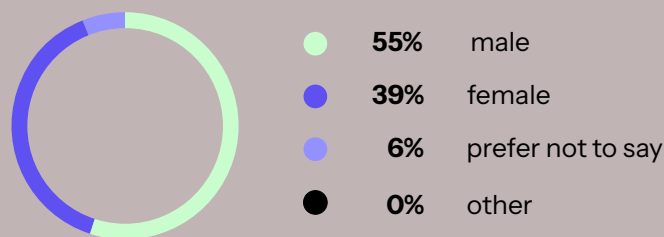
02 WHO WE SPOKE TO

2.1 SOCIODEMOGRAPHICS

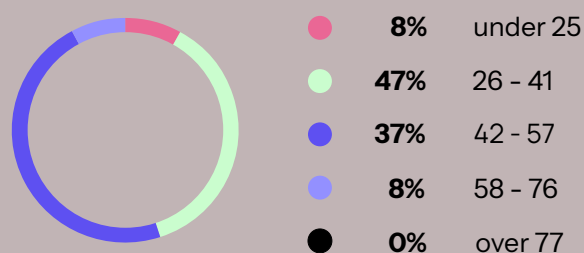
This year's quantitative survey was designed to collect opinions and assessments from Digital Art collectors of different genders, age groups, and regions. By partnering with influencing voices and significant communities in both the traditional art world and the art NFT space, we were able to reach a broad range of Digital Art collectors with our survey link.

A total of 300 respondents completed the questionnaire in full. The respondents were asked whether they identified as male, female, or other. They could also indicate that they preferred not to say. Those who identified as male or female were split in 55% and 39% respectively (Fig. 2.1.1), while 0% selected "other" and 6% preferred not to say.

2.1.1 Gender (%)



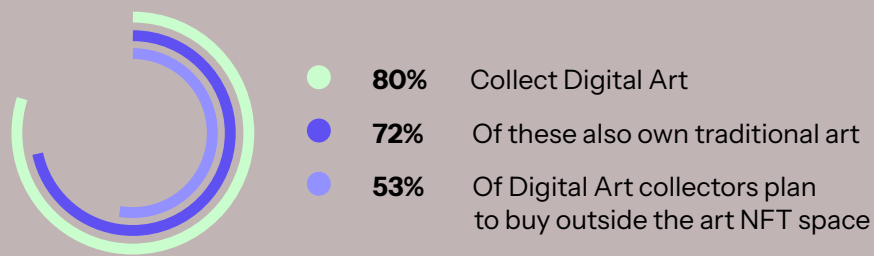
2.1.2 Age in years (%)



Around 47% of the collectors surveyed were millennials – people between 26 and 41 years. 37% were between 42 and 57 years (generation X), 8% in each case were over 58 or under 25 years of age (Fig. 2.1.2). Similar to last year's data, with over one third of respondents belonging to generation X, it's clear that millennials aren't the only players in the field of Digital Art collecting.

The majority of responses (38%) came from those living in Germany, other respondents resided in the USA (19%), Asia (7%), UK (7%), France (4%), and elsewhere in Europe (18%).

2.1.3 Collecting activities (%)



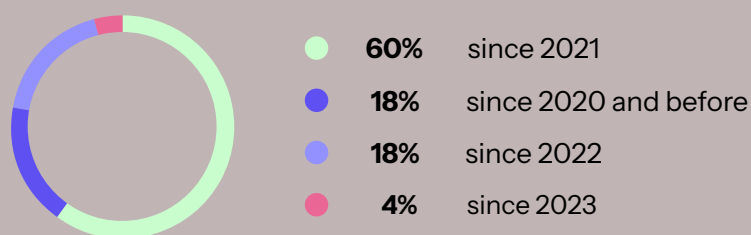
80% of the respondents of this survey stated they actively collect Digital Art. Out of those 72% said, that they also own traditional art and collect outside the art NFT space. Out of those Digital Art collectors, not owning any traditional art yet, 53% are planning to do so in the near future.

The gender split among collectors who already collect Digital Art is comparable to the whole group of survey respondents, with 57% identifying as male, 37% as female, and 5% preferring not to specify.

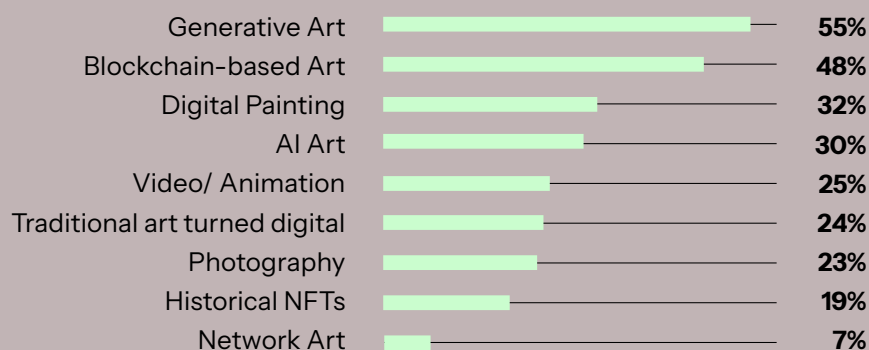
2.2 PROFILE OF A DIGITAL ART COLLECTOR

Due to the wealth of responses, this report represents a wide range of collector types and characteristics. This is reflected in the amount of collecting experience, the variety of types of Digital Art collected, the range of average prices spent and the frequency in buying.

2.2.1 Digital Art collecting experiences in years (%)

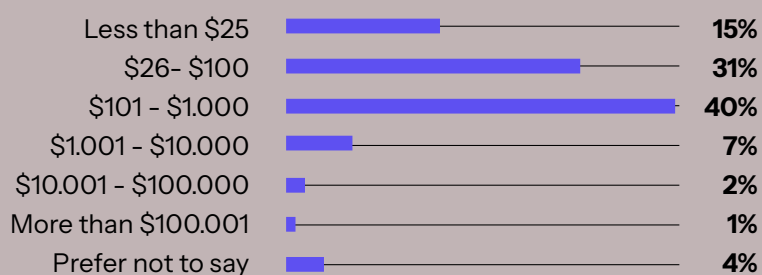


2.2.2 Collecting Focus (%) *

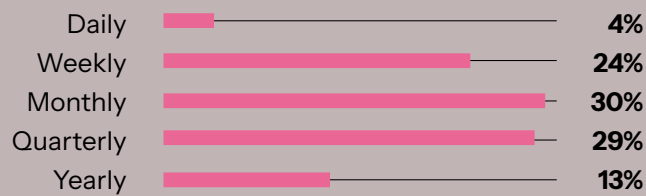


* multiple answers possible

2.2.3 Average price spent per Digital Artwork (%)



2.2.4 Average buying frequency (%)



The majority, making up 78% of all respondents, has been collecting Digital Art since 2021 and earlier (Fig. 2.2.1).

It's also clear that respondents have varied collecting priorities and target price ranges. A majority of the respondents show a collection focus in Generative Art (55%), Blockchain-based Art (48%), and Digital Painting (32%). (Fig. 2.2.2).

In terms of the collection size, the majority of all respondents own either more than 100 art works or less than 20.

87% of respondents stated that they buy Digital Art more often than once a year, with 30% of those each buying on a monthly and on a quarterly basis, and very interestingly 1/4 even purchase pieces of Digital Art on a weekly basis (Fig. 2.2.4).

Approximately 50% of respondents usually spend less than \$100 per Digital artwork, 41% between \$101 and \$1.000, and 7% from \$1.001 upwards (Fig. 2.2.3). The highest price tag mentioned in the survey was \$ 1.000.000.

Digital Art may be less expensive than traditional art. However, the higher purchase frequency than typical in the traditional art world indicates a different, but still significant collector interest and market potential.

03 BUYING & COLLECTING DIGITAL ART

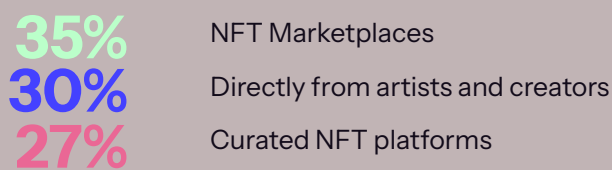
3.4 THE BUYING PROCESS

The majority of the surveyed collectors most frequently purchase art NFTs from NFT marketplaces (35%). Closely behind, 30% of respondents tend to rather buy directly from artists and creators, and 27% prefer curated NFT platforms. Galleries (5%) and auction houses (1.3%) are the least preferred options where to buy Digital Art from (Fig. 3.1.1). It is important to note, however, that these two last figures could also be due, at least in part, to the current lack of supply in art NFTs as an offer.

The top three preferred platforms among all collectors surveyed are OpenSea with 35%, Objkt with 27% and fxhash with 22%. Interestingly 1/4 opted for “other platforms” obviously missing specific candidates in the list of options offered.

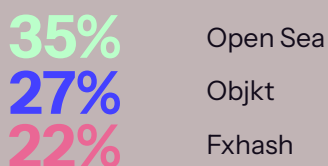
When keeping up with the Digital Art space, the majority uses social media channels (79%) as their primary source of information, and 60% actively participate in specific communities on platforms like Discord or Twitter. 48% also use various dedicated art NFT platforms to stay informed. Interestingly, newsletters as well as influential collectors (17% each) as source of information play a more significant role, than blogs and online magazines (13%) (Fig. 3.1.3).

3.1.1 From whom do you mostly buy? (Top3) *



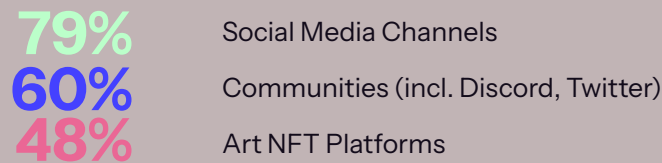
* multiple answers possible

3.1.2 Which platforms do you prefer to buy from? (Top3) *



* multiple answers possible

3.1.3 How do you stay informed about NFT art? (Top3) *

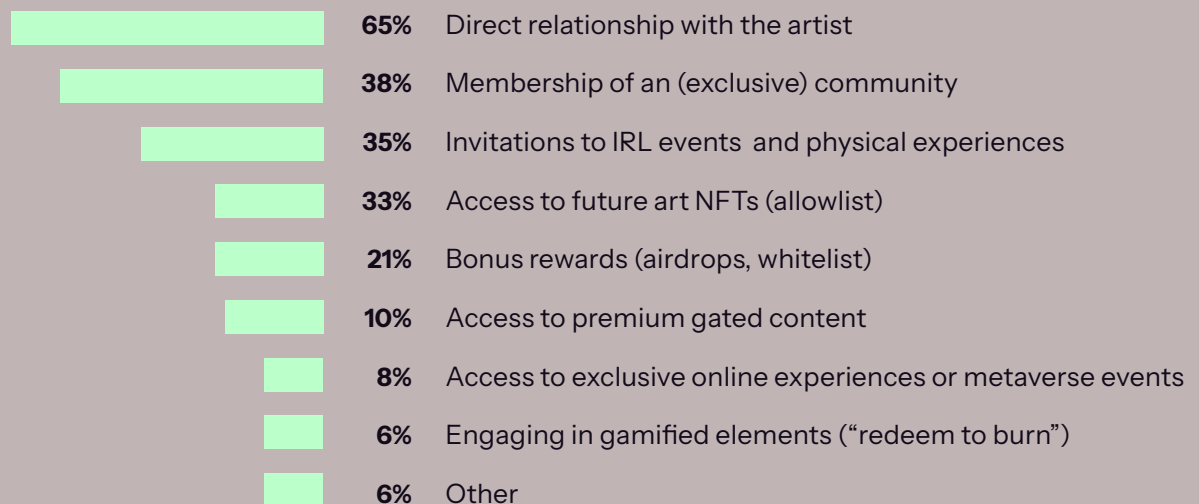


* multiple answers possible

Figure 3.1.4 shows the research results outlining the most significant utilities with art NFTs from the collectors' perspective: With the top three being: artists relationship (65%), membership in communities (38%) and invitations to IRL events (35%) (Fig. 3.1.4).

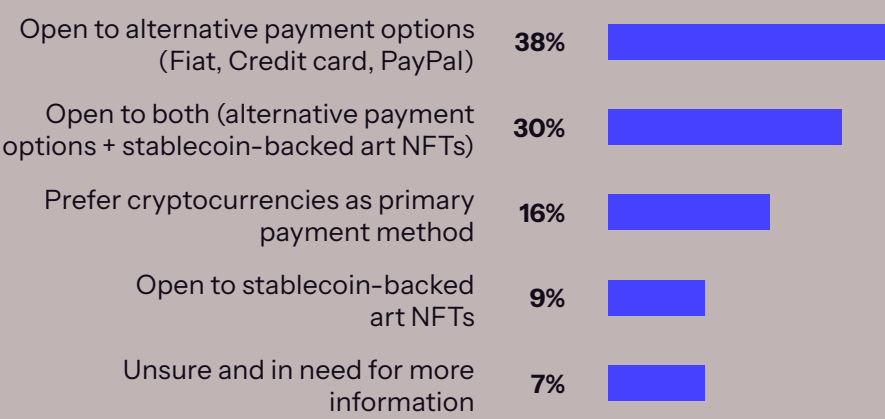
A significant portion of respondents (75%) are willing to consider either alternative payment options or stablecoin-backed art NFTs or even both, to reduce the impact of cryptocurrency volatility on their collection's value, with only 16% explicitly preferring to stick to crypto currencies as primary payment method. These figures could be interpreted as a recognition of the importance of providing diverse payment options (Figure 3.1.5).

3.1.4 The most valued art NFT utilities (%) *



* multiple answers possible

3.1.5 Openness to explore alternatives to crypto payment (%)



3.2 PREFERENCE OF PROTOCOL

The data from this study on protocol selection from the collector's perspective reveal interesting insights about the preferences, considerations, and potential correlations within the realm of Digital Art collecting and protocol choices: Ethereum, Tezos, Solana, Polygon, and Bitcoin are the top five most frequently collected on protocols, indicating their established popularity and acceptance within the art NFT collector community.

More specifically, the majority of collectors (86%) are currently collecting on the Ethereum blockchain, with Tezos (55%) coming in as second most preferred protocol. Solana has also grown in popularity, with 40% of respondents having Digital Art collections based on this protocol.

In the identical Top5 order – with Ethereum, Tezos and Solana leading – these protocols are also considered the most accessible protocols for both artists and collectors, which only underscores their user-friendly nature and suitability for engagement in the art NFT ecosystem. Apart from the top protocols, collectors are also keen to further explore Bitcoin, Algorand and Polkadot.

3.2.1 Preference of protocol

Protocols most collected on today (Top5)

1. Ethereum
2. Tezos
3. Solana
4. Polygon
5. Bitcoin

Most accessible protocols for artists and collectors (Top5)

1. Ethereum
2. Tezos
3. Solana
4. Polygon
5. Bitcoin

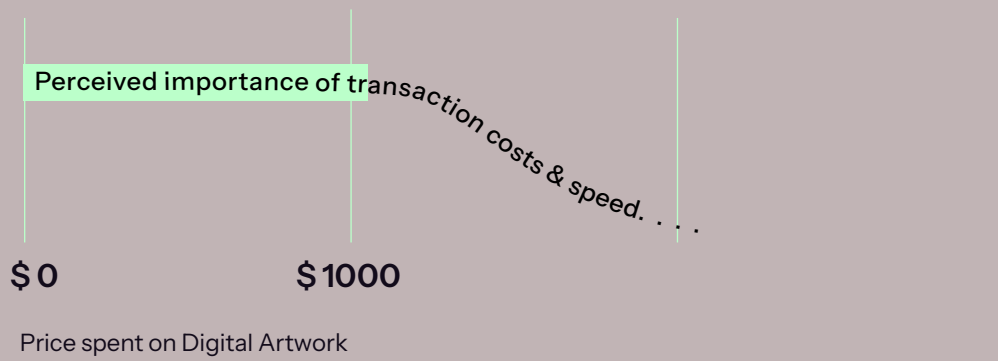
Protocols to further explore as a collector (Top5)

1. Bitcoin
2. Tezos
3. Solana
4. Algorand
5. Polkadot

With 68% of respondents confirming that transaction costs play a significant role in their choice of protocol and 64% emphasizing the importance of transaction speed for them, it's only fair to assume that there is a collectors' desire for cost-effective, efficient and swift transactions, influencing their protocol of choice.

The data also indicates a correlation between transaction cost importance and price segment, with collectors spending between \$1-1000 showing an above-average sensitivity to transaction costs and transaction speed (Fig. 3.2.2.)

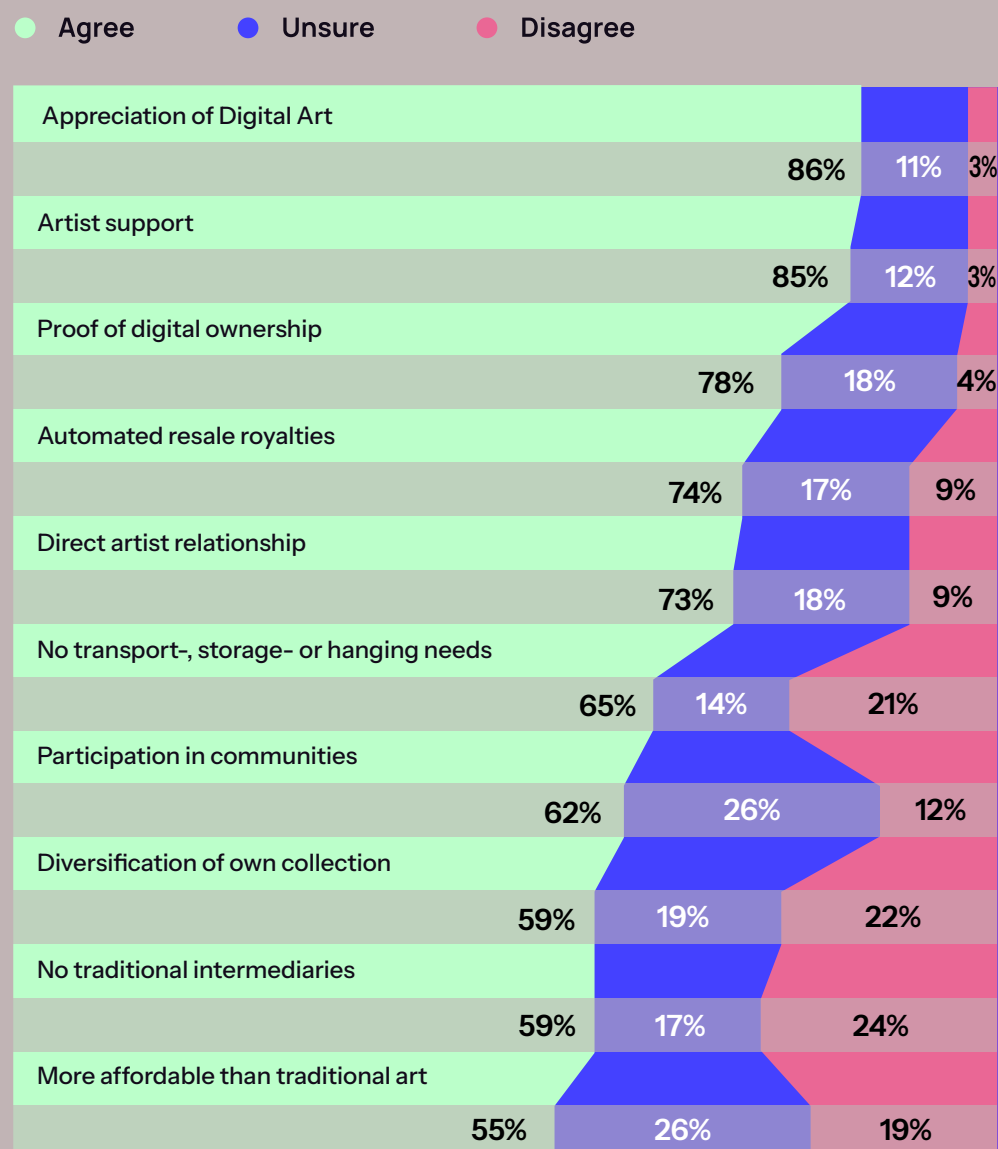
3.2.2 Relationship between price and transaction costs & speed



3.3 MAIN MOTIVATIONS TO COLLECT DIGITAL ART

When asked what motivates them most to buy art NFTs, collectors rated three main factors as equally important: the appreciation of Digital Art (86%), being able to support the digital artist (84%) and a proof of digital ownership (78%). A preference for the absence of traditional intermediaries (59%) and the affordability over higher priced traditional art (55%) were ranked as less important (Fig. 3.3.1).

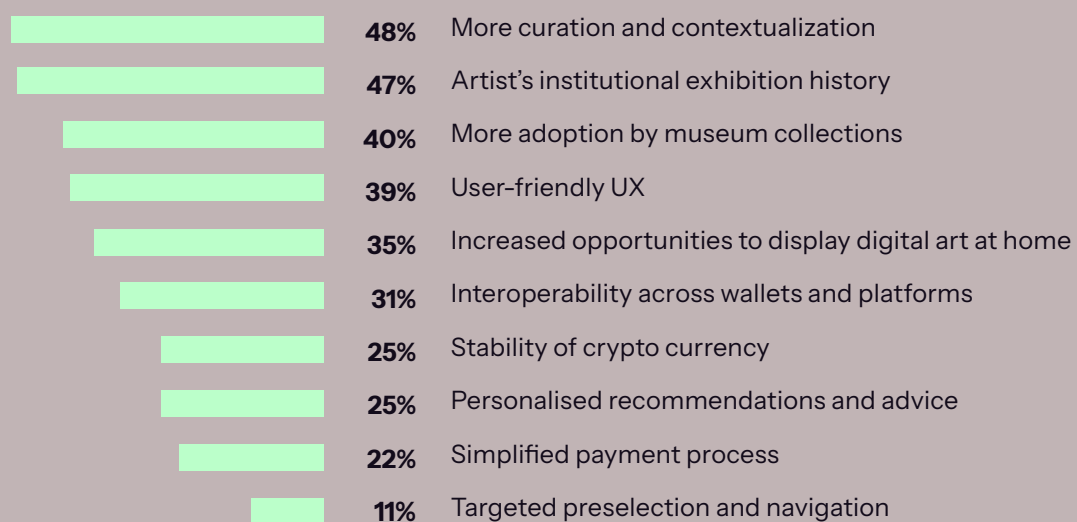
3.3.1 What motivates collectors to buy Digital Art? (%)



3.4 MAIN FACTORS TO BUY EVEN MORE DIGITAL ART

When asked for reasons which could motivate them to buy even more Digital Art in the near future, collectors rated the following factors as the highest: More curation and contextualization (48%), the artist's exhibition history with meaningful institutions (47%), and more adoption by museum collections (40%). On the other hand, only a few respondents (22%) said that they would buy more if the payment process was simpler. So, it still seems, that once you are in, you are in for good (see Art+Tech Report 2022, Ch. 4.8) and the payment complexity of cryptocurrency is clearly not a major barrier (Fig. 3.4.1).

3.4.1 What motivates collectors to buy even more Digital Art? (%) *



* multiple answers possible

04 KEY FINDINGS

4.1 DIGITAL ART JOINS THE CANON

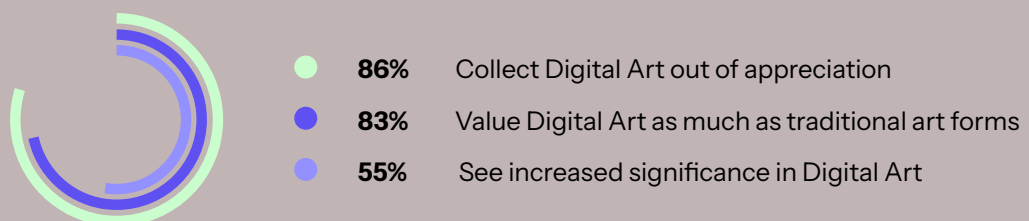
83% agree that Digital Art holds the same significance as traditional art forms

In this survey, 83% of respondents agree that Digital Art holds the same significance as traditional art forms like painting or sculpture. Furthermore, the appreciation of Digital Art is the number one collecting motivation for 86% of all collectors.

For many years, Digital Art has struggled with value appreciation and ownership challenges, but things are changing at last, and the second-tier Digital Art's existence has finally and deservedly ended: 55% of respondents stated that their personal perception of the significance of Digital Art has increased in the last year. (And 36% said their viewpoint had not changed, owing to their high regard for digital art already before 2022.)

Digital Art has been around since the 1960's, but it seems that digital ownership associated with blockchain technology has finally anchored Digital Art in the official art canon and gave it its significance and merits, it certainly deserves.

4.1.1 Digital Art joins the art canon



“Finally it is officially perceived (in value and meaning)
in line with traditional art.”

4.2 THE RISE OF GEN ART

Over half of the collectors focus on Blockchain-based art

In this study, Generative Art received the highest collecting focus (55%), indicating its increasing significance as a leading Digital Art form, with Blockchain-based art coming in second at 48%. What distinguishes Generative Art in particular is its innovative fusion of creativity and technology, which uses the power of algorithms to create sophisticated and ever-changing artworks.

The advancement of Generative Art can hence be attributed to artists' increasing recognition of blockchain as a dynamic creative medium, allowing them to both utilize and challenge the technology, resulting in entirely new artistic expressions. This evolution of new art forms is undeniably also fascinating for collectors who have a genuine appreciation for Digital Art. In this survey, the top two platforms for collecting Generative Art are FXhash, followed by household name ArtBlocks (Fig. 3.1.2).

Interestingly, despite being a relatively new art form, AI Art is ranked fourth as a collecting focus. Also using technology as an artistic tool, it will certainly further benefit from the current AI momentum.

Capitalizing on the potential introduced by web3 technology and utilizing blockchain as a creative medium has certainly allowed the genre of Digital Art to push artistic boundaries and explore new frontiers.

4.2.1 The rise of GenArt



GenArt is **the primary** collecting focus for

>50%

collectors

“Generative Art has a unique opportunity to comment on the everchanging relationship between human and machine.”

4.3 CRYPTO CRASH ≠ ART NFT CRASH

More than half of the respondents still buy the same amount or even more art NFTs than before the crypto crash

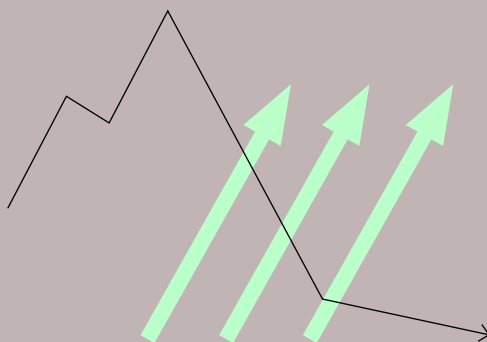
According to the survey results, crypto winter has had less impact on art NFT collecting behavior in particular than on the crypto and NFT market in general: App. 56% of the respondents stated that despite the current downturn in the crypto market, their art NFT collecting behaviour remained steady (37%) or even increased in transactions (19%). Women were slightly less influenced by the crypto crash, with two-thirds having purchased the same or even more art NFTs during this time. Moreover, the data suggest that 85% of collectors, who are also collectors of traditional art, even slightly increased their collecting behaviour during crypto winter.

In addition, nearly half (48%) of all collectors indicated that cryptocurrency's volatility does not at all affect the perceived and personal value of their art collection. Although the NFT market volume has undoubtedly plummeted in the last year (as other research has shown), the crypto crash has clearly had less influence on the activity level of collectors of digital art – in contrast to what is frequently suggested in the media.

Over two-thirds of respondents however would also be open to exploring alternative payment options, stablecoin-backed art NFTs, or both – to minimize the effects of cryptocurrency volatility on the value of their collections, indicating a strong preference for diversified payment methods in Digital Art collecting. Only 16% explicitly prefer cryptocurrency as their primary payment method (see Ch. 3.4; Figure 3.1.5).

4.3.1 Crypto crash ≠ art NFT crash

Despite the crypto winter...



48% find cryptocurrency volatility doesn't impact the personal collection value

56% maintained or increased their art NFT collecting behaviour during crypto winter

85% of traditional art collectors slightly increased art NFT collecting during crypto winter

4.4 WEB3 RULES/ROLES APPLY

Rethinking the traditional paradigms of the art market

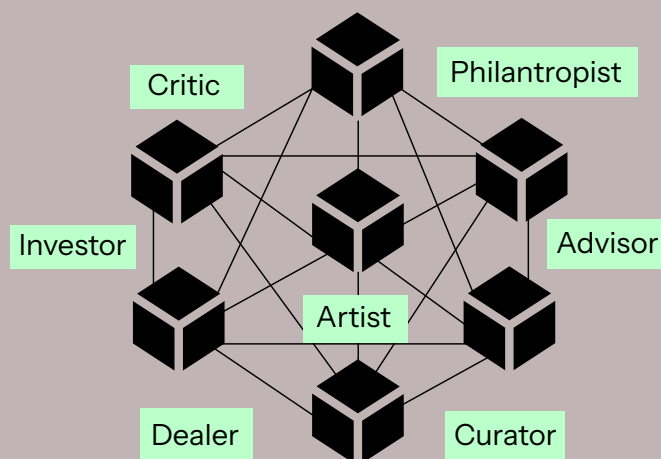
Open marketplaces have undoubtedly emerged as the epicenter of the web3 (r)evolution in the art world. By facilitating direct interactions, these platforms have set out for a new level of transparency, decentralization, and democratization. Collectors benefit greatly from the ability to buy directly from and communicate with the artist without going through a gallery or other third party, which is unquestionably less intimidating than the traditional art market.

The three most preferred ways to buy Digital Art according to the respondents include marketplaces (35%), direct artist purchases (30%), and curated art platforms (27%), while galleries and auction houses fall behind. The top two leading platforms in this survey being OpenSea and Objkt.

Another remarkable aspect of web3 is the fusion of traditional artistic roles: Amongst other, artists have also adopted collector roles (43%), while collectors have taken on curatorial (35%) and advisory roles (32%). We can see how traditional roles are blurring here, resulting in a more interconnected and fluid ecosystem. And not to forget the growing influence of self-determined, self-governing communities on shaping opinions, artists' careers, and market demand, which is complementing the traditional functions of institutions and curators.

Web3 has certainly introduced new rules and roles that contradict many of the traditional art mechanisms. Web3's inclusive approach has also made Digital Art collecting more inviting and accessible for new collectors, and is thereby diversifying the space and expanding the market.

4.4.1 Web3 Rules/Roles Apply



“More and more reflective artists and true collectors are becoming interested in learning about *web3* technologies and exploring the new possibilities of tokenizing art and how it can improve their practice as both an artist and a collector.”

4.5 POWER TO THE ARTIST

Artists in control over shaping their own careers in web3

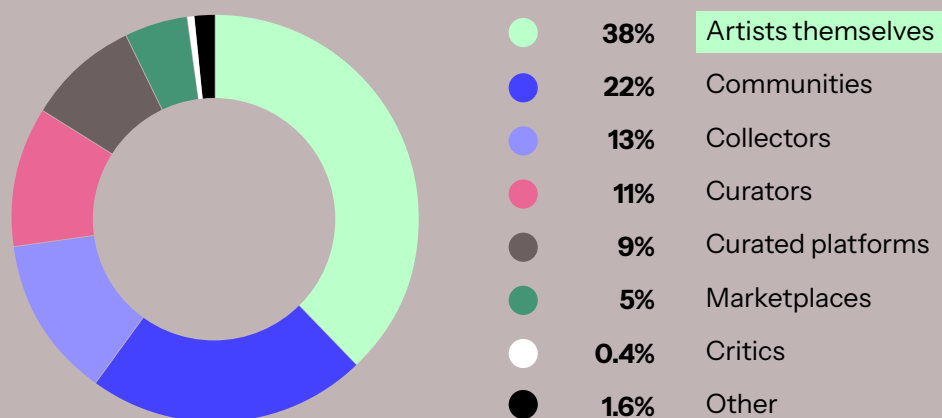
The biggest impact on the art ecosystem through web3 is the redistribution of power to the creator and artist side. In addition to the new opportunities for artists to create innovative on-chain experiences and pushing the boundaries of artistic creation, they are now in a much stronger position, as they own their data and works, promoting and selling to collectors without traditional intermediaries, and participating in resale royalties from the secondary market.

The power to shape their own artistic careers lies first and foremost in the hands of the artists themselves (Top1 answer with 38%), with the weight of artists' communities (22%) coming in second. As a result, artists are now in a more powerful, independent, and self-determined position to shape their artistic careers themselves.

Furthermore, web3 as a system offers artists a powerful new way to engage directly with their collectors and maintain their interest and support in a long-term way. As a result, both artists and collectors, benefit from the uniqueness of a higher level of interaction between holders and creators. Not surprisingly, 75% of collectors prioritize direct artist relationships as one of their primary collecting motivations (see Fig. 3.3.1), with 65% considering it the most important form of utility.

Web3 technology is undeniably reshaping the dynamics of the art world by redistributing power to the artist, which is only consistent with the creator economy philosophy of web3.

4.5.1 Key influences shaping artists' careers in web3



4.6 TRANSPARENCY: THE GREAT DIVIDE

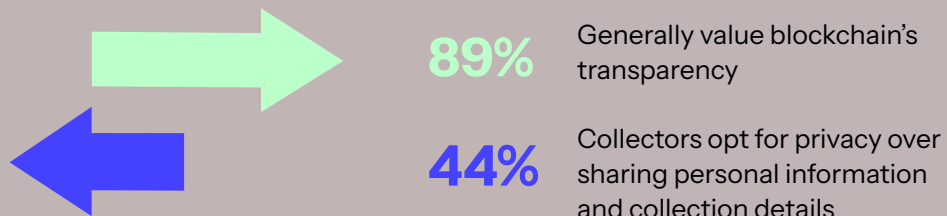
9/10 people appreciate blockchain's transparency, but only 56% like it as a collector

According to the surveyed respondents, the concept of transparency sparks a paradox: In general, 89% of respondents value the overall transparency provided by blockchain technology, and 41% even consider it extremely important (at a score of 10 out of 10).

However, from the perspective of art NFT collectors, the survey reveals nearly a 50/50 split in collectors preferences: 44% of collectors would prefer to keep personal details rather private and not reveal much information about their individual collection. An attitude reminiscent of traditional art collecting, which is often described as discrete, private, and opaque. The other half, on the other hand, clearly appreciates the increased transparency that web3 offers and introduces in relation to their own art NFT collection.

Transparency, as one of web3's core concepts, clearly appears to divide the Digital Art collecting scene in half, at least for the time being.

4.6.1 Transparency: the great divide



4.7 CURATION & CONTEXTUALISATION REMAIN KEY

80% view curation and contextualization of Digital Art as highly important

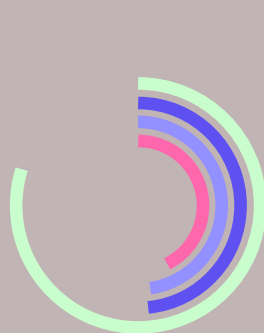
80% of the surveyed respondents consider curation and contextualization in the crypto art space to be extremely important.

Moreover, more curation and contextualization rank as number one reason, to buy even more art NFTs as a collector (48%), followed by the artist's exhibition history with meaningful institutions (47%), and more adoption by museum collections (40%) (see Ch. 3.4, Fig. 3.4.1).

A closer look at the top three reasons to buy even more art NFTs reveals that they are all curatorial in nature and follow common art market contextualization practices (Fig. 3.4.1). This demonstrates clearly that art collectors strive for the same (artworld-standard) relevance, categorization, and value in Digital Art.

Or in other words, digital artistic opinion building clearly follows the principles of art and the art market and demonstrates once again that digital art is (just) another form of art. Despite web3's concept of decentralization, the importance of curation and contextualization continues to rise in the crypto space.

4.7.1 Curation & Contextualisation for Digital Art remain key



- Curation's Significance:** 80% emphasise the importance of curation and contextualisation
- Top Collecting Motivation:** 48% are mainly driven by curation when purchasing more art NFTs
- Artist's Exhibition Impact:** 47% factor in the artist's institutional exhibition history when making collecting decisions
- Institutional Prestige:** 40% consider the artist's exhibition history with institutions as motivating additional purchases of digital art

“It's great to see institutions interacting more with it than ever before.”

4.8 UTILITIES MIRROR ART MARKET'S EXCLUSIVENESS

The top3 utilities manifest as personal participation, belonging and exclusive access

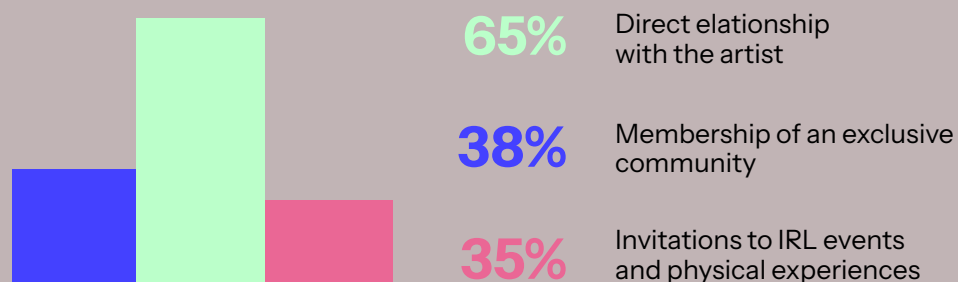
According to survey responses, the significance of utility in the context of art NFTs is a quite nuanced aspect due to differing perceptions among collectors: About 1/4 of respondents highly value utility, while another quarter consider it entirely unimportant. This apparent contradiction could stem from the dual meaning of utility within the art and the NFT sphere.

When it comes to valuing specific utilities in the context of art NFTs, 65% of respondents prioritize having a direct relationship with the artist, 38% consider membership in an exclusive community circle as essential, while 35% highly value invitations to in-real-life (IRL) events and experiences. Utility appreciation is generally spread across all price segments in which purchases were made. However, there seems to be a slight tendency for collectors in the higher price segments (\$10.000 - 100.000) to place a higher value on utilities in the form of participation and experiences – basically very similar to the traditional market.

The top three utilities preferred by Digital Art collectors relate first and foremost to the art and artist itself and primarily manifest as personal participation, belonging and exclusive access rather than the usual functional use like exclusive perks and airdrops. They hence mirror the qualities that lend the art market its distinct exclusiveness and allure, albeit in a more transparent and evident manner.

Since NFT as a technology is allowing artists to connect directly with their audience, we will surely see a clear attention shift to utilities, in addition to being primarily Digital Art.

4.8.1 Top3 Utilities favoured by Digital Art collectors



“ART is the utility.”

4.9 THE WEIGHT OF COMMUNITIES

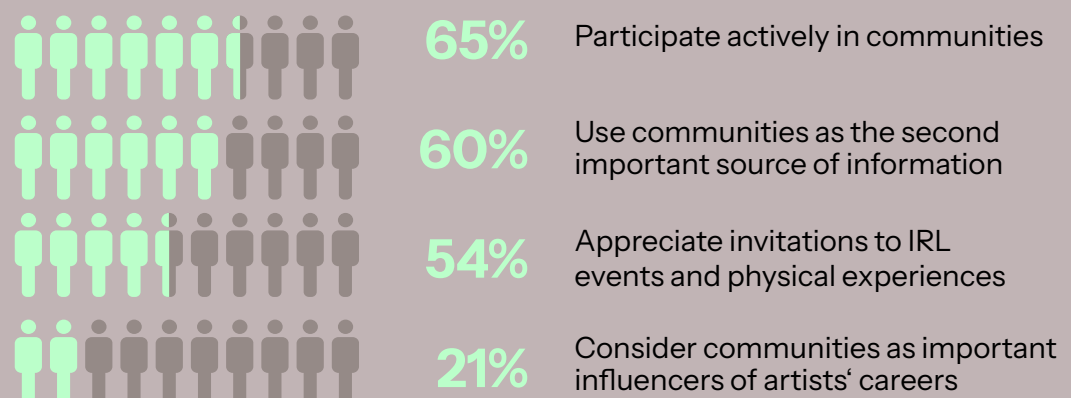
Communities influence 54% of collectors in their buying decisions

A substantial 65% of respondents actively participate in artist communities, signifying a strong sense of engagement and interaction. Notably, more than half of the participants acknowledge the high to very high influence of community opinions and recommendations on their art NFT collecting decisions. Communities also play a crucial role in information circulation, ranking as the second most significant source of information at 60%, just after social media (79%) and before art NFT platforms (48%).

An intriguing insight surfaces when exploring who holds the power to shape artist careers within the art NFT space. According to the surveyed respondents, communities are the second most important force in shaping artistic careers followed by collectors, while artists still take the top spot with 38% (see Ch. 4.4).

Communities have obviously transitioned into a pivotal player within the Digital Art collecting realm. They wield considerable influence over artist careers, opinion building, collecting decisions, and even contribute to shaping market demand; and hence mark a significant transformation in the traditional art market paradigm.

4.9.1 The weight of communities



“An artistic vision matters, but only if you can cultivate a community around it.”

4.10 PHYGITALITY AS THE NEW NORMAL

Collectors opt for both digital and physical display options

Despite the vast digital possibilities of web3, collectors value being able to connect the digital and physical worlds for themselves.

79% display their Digital Art on a personal device, such as a smartphone or tablet, as it is the most convenient way to access your art NFT collection. Half of the respondents believe that having Digital Art in their wallet is sufficient, while the other half prefer indeed a tangible presence. Collectors are equally interested in digital-to-physical integration and virtual gallery showcasing, with each aspect accounting for 50% of their preferences, suggesting a desire for a more holistic experience. They clearly do not want to choose between digital and IRL presentation, preferring a seamless presentation that encompasses multiple display options. So, we will certainly observe more bridging of physical and digital realms, referred to as phygital, fostering integrated and immersive artistic experiences.

As a side note, thirty percent of respondents already wish for a wallet-combining app (like Autonomy) which, while still a modest number, certainly indicates a growing demand in light of web3’s potential.

4.10.1 Phygitality: the new normal

How do you like to display and showcase your Digital Art?

	That’s me	Not for me
On a personal device (such as a phone or tablet)	79%	21%
Through a wallet-combining app (e.g. Autonomy)	32%	68%
At home, in a digital picture frame	51%	49%
At home, as a physical reproduction (print) of the digital image	52%	48%
On any electronic device at home (such as a TV or computer screen)	56%	44%
In a digital gallery or virtual museum, or metaverse	57%	43%
It stays in my wallet and I don’t actively display it	48%	52%

“The concept of phygital art experiences is becoming more commonplace.”

4.11 THE FEMALE COLLECTOR

Women continue to rise in the art NFT space

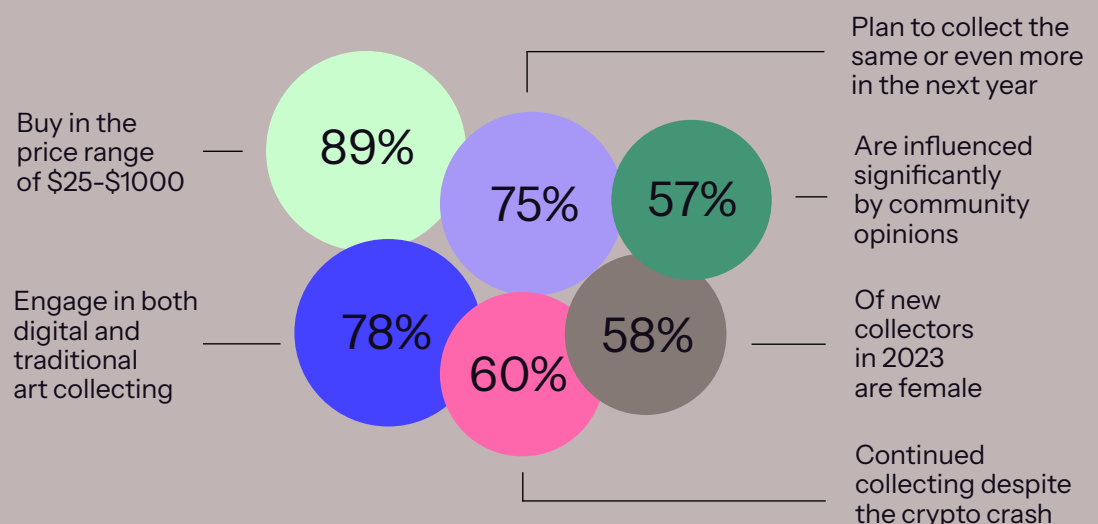
The art NFT space still seems to have a strong male base and men still made up the majority of art NFT collectors in this survey. However, given that 37% of women in this survey own Digital Art and are active collectors, it's clear that collectors are genuinely paired in their appreciation for digital art regardless of gender.

Interestingly, men and women's primary collecting habits are quite similar. However, there were some distinctions:

- **58%** of those who started their Digital Art collection journey in 2023 are female collectors.
- Women place a slightly greater emphasis on community impact and belonging, with **57%** stating to be even heavily influenced by community opinion building.
- Most female collectors of Digital Art (**89%**) appear to be more active buyers in the price range of \$25-\$1000.
- Female collectors (**78%**) were more likely to also collect traditional art, suggesting that they view collecting art as a more holistic experience.
- Women were also somewhat less influenced by the crypto crash, with **60%** having purchased the same or even more art NFTs during this time.
- In fact, **3/4** of the surveyed women said they plan to buy the same or even more Digital Art throughout the next 12 months.

Taken together, this demonstrates once again that web3 is attracting and inviting new collector segments and making Digital Art collecting more accessible and diverse. Female art NFT collectors are undoubtedly on the rise and will continue to be so.

4.11.1 Women continue to rise in the Digital Art space



4.12 COLLECTIVE OWNERSHIP: A NEW FORM OF ART COLLECTING

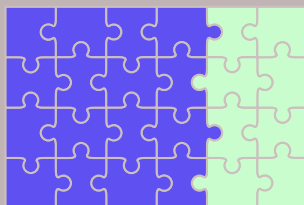
1/3 of fractionalized art collectors are motivated by the concept of collective ownership

At a time where digital ownership is becoming increasingly normal, the concept of tokenization opens the door to a world of previously unimagined possibilities. Buying fractionalized art is certainly still a relatively new option, but collectors are already taking advantage of it. 21% of art NFT owners said that they've already made some fractionalized art purchases – which, as a side note, is identical to last year's data (see Art+Tech Report | art NFT Collecting, 2022, Fig, 4.7.1). Only 7% said they weren't yet familiar with the concept of art fractionalization. The rest in majority is either not interested in the topic (37%) or haven't had the opportunity yet (31%).

Among those who have purchased fractionalized art thus far, the possibility of owning at least a portion of a high-end work (39%) and the web3 inherent concept of collective ownership (33%), are two main reasons why Digital Art collectors in this survey purchased art fractions. Once again, an investment-driven belief in fractionalized art as an asset class was one of the lower rated motivations (ranking #5 out of 6).

Perhaps collecting in the form of tokenized art currently caters primarily to the technically savvy collector and has yet to be widely adopted by the general collecting population. However, as a result of web3, we can clearly see the beginnings of two new collecting concepts emerging. The fractionalization of art is introducing new forms of art collecting that admittedly challenge established models of art ownership and patronage: Owning art as a fragment because owning the entire work is unaffordable and therefore unattainable. And owning fractionalized art as a like-minded community and turning it into a communal experience. Given the rise in digital ownership, this is undoubtedly only the beginning with more forms of ownership to emerge.

4.12.1 Collective Ownership: A new form of art collecting



1/3

of fractionalized art collectors are motivated by the idea of collective ownership

“Many traditional art collectors do not understand digital collecting or believe it is worthwhile to collect digital art. Collector education would most likely expand capital in the space.”

4.13 LIFE AFTER THE HYPE

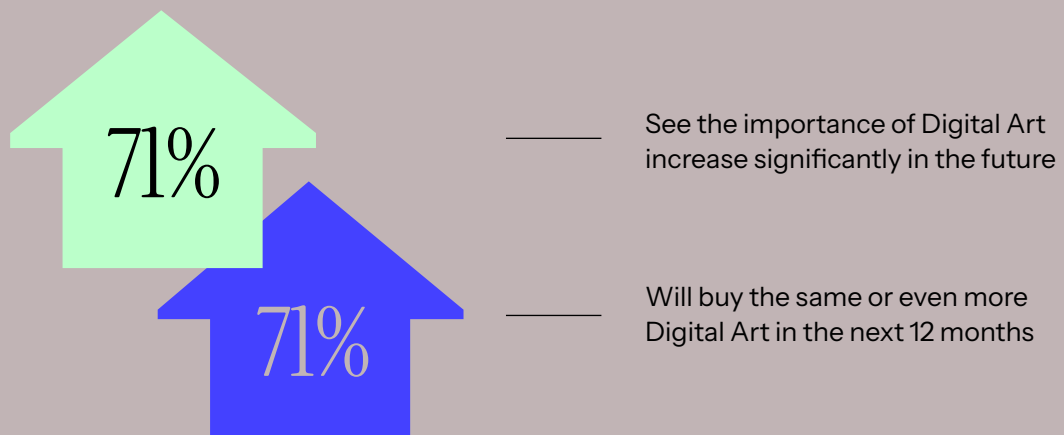
71% of all collectors plan to buy just as many or even more art NFTs in the near future

As the initial wave of excitement subsides, the rise of Digital Art is only beginning in earnest: Looking ahead, a substantial 71% of all surveyed participants express their intent to collect either an equivalent or even greater number of art NFTs in the upcoming 12 months compared to the prior year. Notably, a higher proportion of women than men show enthusiasm for expanding their Digital Art collections in the near future (75% vs. 68%).

A significant 71% of surveyed collectors believe that the importance of Digital Art will grow in the coming years, with 37% expecting its relevance to increase even significantly.

In essence, the results of this survey only emphasizes Digital Art's long-term significance as an art form; it is more than a passing trend but here to stay. The journey has only just begun, and it will continue to evolve as further innovations in technology emerge. #wearestillearly!

4.13.1 Life After The Hype



“This is a historical moment, and both artists and collectors have an important opportunity to shape it.”

Coll3cting digital art *IS* different.

As the results of this report demonstrate, web3 is having an undeniably significant impact on the evolution of contemporary art and art collecting. The report's findings especially reveal that collecting Digital Art is not the same as collecting traditional art, nor is it the same as collecting NFT or collectibles. It is unique in its own right and adds something new.

The evolution of contemporary art

Digital ownership has undoubtedly established Digital Art's place in the traditional art canon. In addition, the use of blockchain as a creative tool, as well as capitalising on the potential of web3 technology, has allowed the genre of (Digital) Art to truly evolve and push its artistic boundaries. Blockchain has become one of the new creative mediums of our time. Hence, we are certain to see art evolve further thanks to new technologies, leading to unique and exciting artistic works, such as GenArt and AI Art, or the possibilities surrounding dynamic and interactive NFTs as technology.

Web3's mechanism of power and players

The most significant impact on the art ecosystem introduced by web3 is probably the redistribution of power to the artist side and the rise of new rules and roles that are different from those known from the traditional art market: Digital Artists are now in a much stronger position, owning their data and works, promoting and selling to collectors without traditional intermediaries, and potentially participating in resale royalties from the secondary market, putting them in a new position of self-determination and power.

Platforms provide artists and collectors with a new sense of immediacy and independence, improving the efficiency of buying and trading while reducing the need for active third parties. Nonetheless, the emergence of dedicated and curated art NFT platforms is already indicating novel modes of mediation.

This is especially not surprising given that Digital Art collectors seek the same level of pre-selection, context, and categorization as in the traditional artworld, despite the core web3 concept of decentralization.

Another remarkable impact of web3 is the growing influence of communities. As our data suggests, these self-governing groups are actively shaping public opinions, artists' careers, and market demand. Communities have emerged as another influential player in the art market system, complementing the established roles of institutions and curators.

Utilities may have appeared unnecessary for art NFTs at first (see ART+TECH Report 2022, Ch. 4.5). However, because they allow collectors to get closer to and engage directly with the art and artist, we can see a noticeable shift towards valuing digital art utilities and artists actively using them as a mechanism for collector loyalty engagement.

All these aspects demonstrate how traditional rules and roles of artists are starting to blend and overlap, sometimes contradicting many of the traditional art market mechanisms and resulting in a more interconnected, inclusive and fluid ecosystem.

New collectors entering the field of collecting

Our survey clearly shows that web3's concepts of decentralization and democracy provide a new accessibility for new collectors, making it easier and more inviting to enter the field of Digital Art collecting. Prices tend to be lower for the most part compared to traditional art forms, allowing collectors to buy more frequently and see their collection grow faster. It is simple to obtain all relevant information as well as buy and sell at any time on their own terms. Having direct contact with the artist not only saves collectors the - sometimes intimidating - step of going through an intermediary, but it also allows them to develop a personal relationship with the artist whose work they are passionate about.

One obvious advantage for Digital Art collectors is the ability to always carry the art close with you and to show and share it, whether on a smartphone or a tablet. At the same time, this research reveals a growing desire on the part of collectors to seamlessly connect their physical and digital art experiences.

Female collectors of Digital Art are unquestionably on the rise and will continue to be so. Their collecting habits are generally similar to those of male collectors, but we like that female collectors appear to be less affected by the crypto crash and intend to buy even more Digital Art in the coming year.

In general, the survey confirms that Digital Art collectors are less affected by cryptocurrency volatility because they hold a rather personal and emotional value than a speculative one.

All these aspects affirm that web3 is attracting and inviting new collector segments who are discovering their way into the field of art collecting through their affinity for the medium. They embrace new forms of art driven by technology with a newfound curiosity and genuine appreciation, eager to explore the artistic innovations that are taking place around us.

New concepts of collecting and owning

As digital ownership becomes more common, digital possessions will soon be as valuable as physical ones, with the concept of tokenization allowing for completely new forms of owning and collecting. We can see that web3 is also introducing entirely new forms of art collecting, which, admittedly, challenges conventional paradigms of art ownership and patronage due to the concept of digital ownership and new tokenization possibilities.

One of them being collective ownership. It forms the primary motivation for purchasing fractionalized art, as evidenced by the data in this report, introducing an entirely new concept of collecting. Owning art as a fragment can be an option, when owning the entire artwork is financially unaffordable. But owning fractionalized art can also be a way to own art as a like-minded community and turn it into a shared experience. And this is, without a doubt, only the beginning, and we will certainly see other new forms of ownership emerge in the future.

Looking ahead

Web3 clearly serves as a catalyst for new media art forms, while empowering the artist side and attracting new collector segments, gradually making the field more inviting and accessible. The evolution of art will never replace but will always complement and drive further changes in art creation, making blockchain the creative medium of our times. It's also important to keep in mind that as our world becomes more digitised and virtual, so will the demand for digital and virtual objects.

Still, it will be interesting to see if all of web3's core concepts, such as full transparency and decentralisation, will be 100% applicable to the realm of Digital Art collecting, with platforms increasingly taking on a selective curation and mediation role. Also, as the desire for contextualisation of Digital Art grows, art world players will most likely continue to play a role, albeit in a different way.

At the same time, as the traditional art world and the web3 world merge, long-established art market practices will undoubtedly be challenged. It will also be interesting to see how web3 innovations, such as accessibility, direct artist-collector relationships, or more transparency for the collector side, (re)affect the traditional art market and its current market paradigms.

Perhaps not all at once, but web3 technology will gradually contribute to a more transparent, accessible, and diverse art ecosystem. And we believe that is something we will all benefit from.

06 METHODOLOGY

As framework of the ART+TECH Report | Digital Art Coll3cting, 300 international art and art NFT collectors were surveyed about their personal buying experiences and collecting motivations with Digital Art.

The online survey was conducted between June 8th and July 31st, 2023 (using the Typeform software). By distributing the survey link in cooperation with renowned art and NFT experts, influencing communities and via Twitter, Discord and LinkedIn, we were able to address a correspondingly broad collector base.

In the questionnaire, respondents could identify themselves as male, female, other or could prefer not to say. Those who identified as male or female were split in 55% and 39% respectively, with 0% selected other and 6% preferred not to say (Fig. 2.1.1) and included a variety of age groups and collector profiles (Fig. 2.1.2, Fig. 2.1.3). Among the 300 respondents surveyed, 80 % identified as experienced Digital Art collectors and form the basis for the following questions on art NFT collecting.

In this report, we focus on Digital Art as digital artworks that are created, presented, and traded using NFT and blockchain technology. Naturally, we want to avoid a restrictive definition of what counts as “art” and what does not. But for practical purposes, we’re using the term “art NFT” and “Digital Art” to single out types of NFTs and collectibles that are collected in large editions and by a specific audience with distinct motivations.

All quotes are taken from anonymous, unaltered comments that were provided by respondents who took the online survey.

This is an independent report and was not commissioned by any specific institution or sponsor. It therefore serves as a general reference and actual results are not guaranteed.

07 ABOUT

This is the third edition of the ART+TECH Report on Digital Art Coll3cting.

The ART+TECH Report continues its exploration of the dynamic interface between art, market, and technology, driven by an independent initiative founded by four Berlin art market actors: Kerstin Gold, Kristina Leipold, Johanna Neuschäffer, and Anne Schwanz. With a shared passion for envisioning future-proof scenarios for the art ecosystem, we embarked on this journey in May 2020 with a concrete intention – to shed light on the profound influence of digitization on a market that has long operated in traditional ways.

In this latest edition, the ART+TECH Report | Digital Art Coll3cting, we take a step forward by exploring the rapidly evolving world of web3 and its impact on the art market. As technology and blockchain in particular revolutionize the way art is created, owned, and experienced, we delve here deep into the buying patterns and collecting motivations of art enthusiasts and Digital Art collectors.

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THE EDITIONS

In its second edition, the ART+TECH Report | art NFT Collecting (published in April 2022) set out to examine buying patterns and collecting motivations of art NFT collectors in order to identify important market opportunities and provide sellers with recommendations for their own successful future in the digital art market.

The first edition, the ART+TECH Report | Collectors Edition (published in April 2021), embraced the momentum of the general digitization push due to the pandemic and surveyed and analysed the art collectors' behaviour and expectations when buying traditional art online.

For further questions regarding the present ART+TECH Report | Digital Art Coll3cting - Edition, feel free to contact us any time.

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