

## NFTs: Beeple juices up the digital art market

Art buyers have always prized 'provenance' — and non-fungible tokens take that idea into the digital sphere



A detail shot from the collage 'Everydays: The First 5000 days', by digital artist Beeple © via REUTERS

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The \$69m sale of an [online collage](#) has transformed creator Beeple into one of the world's most valuable living artists and fuelled the global mania for non-fungible tokens (NFTs). Expect NFT prices to keep rising.

NFTs are non-duplicable tokens published on a blockchain. They represent ownership of digital content such as a video or Beeple's digital image *Everydays: The First 5000 Days*. Value is set by the people willing to buy, usually using cryptocurrencies. Christie's auction house, which sold Beeple's work, offered to accept payment in ethereum.

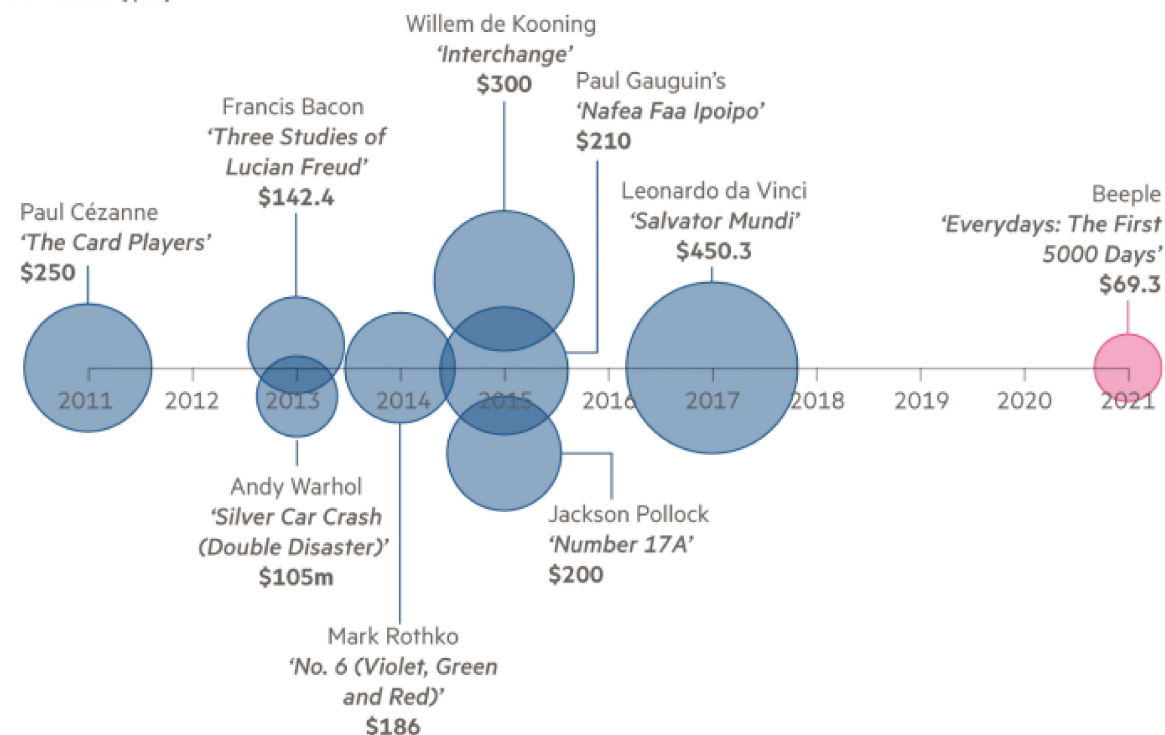
Using blockchain technology offers a public way to authenticate artwork and prove its association with the artist. It taps into the same desire to prove rarity that fuels demand for limited edition trainers or figurines. The more exclusive the item, the higher the price.

Interest surged in 2017 with the sale of CryptoKitties — tradeable online cat images sold by Canadian company Dapper Labs that changed hands for the [crypto equivalent of more than \\$100,000](#).

Real money is already being spent on virtual purchases such as avatar outfits in video game Fortnite. Still, applying high monetary value to digital art that can never be held in the buyer's hand might look like a wilful act of make-believe or extreme lockdown boredom.

## How Beeple's crypto-art compared to previous art sales

Art sales (\$m)



Source: FT Research  
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The price of the Beeple photo collage will shock traditionalists. You could buy a lot of second-tier old masters for that money.

But art buyers have always prized “provenance” — proofs of an ownership chain that show the artwork is authentic. NFTs take that idea into the digital sphere.

As a new way to validate artistic provenance they are useful. Putting a value on digital works of art is no more a conceptual leap than accepting an expensive painting has been produced in an art factory, ancient or modern. Damien Hirst spots painted by assistants rather than the artist can sell for millions of dollars. So why not a jpeg?

*The Lex team is interested in hearing more from readers. Please tell us what you think of the Beeple art sale in the comments section below*