



The Art Market in the Digital Age: Trends and Predictions

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ABSTRACT

The digital age has significantly transformed the art market, bringing about new trends and predictions that influence how art is created, sold, and valued. This paper explores the evolution of the art market from traditional practices to digital platforms, examining key players, emerging trends, and future predictions. The advent of blockchain technology and non-fungible tokens (NFTs) has introduced a new era of digital art, challenging traditional market structures. The paper also discusses the impact of online auctions and the growing influence of cryptocurrency in art transactions. By analyzing these developments, the paper aims to provide a comprehensive understanding of the current state and future possibilities of the art market in the digital age.

Keywords: Art market, digital age, online auctions, blockchain, NFTs, cryptocurrency.

INTRODUCTION

From the very first topped dollar of the first artwork auction ever held in Amsterdam, there have been voices governing the price of art. The primary question has been, and still is, what is the value of an artwork? In a world where value and price are frequently confused, seeking to untangle them might seem futile. Yet the challenges influencing the value of art are manifold, ranging from its attendant myths, to its market players, the institutions affecting its price as well as the mediums transporting it. Just as challenging is disentangling the notion of the “art market”, which supposes an unchanging historic presence but in fact has constantly shifted forms. Outside of the recorded price like “market”, the (ever-dominating) words defining the parameters of discussion are “online” and “digital”. Within the art world, they hope for an “evolution”, almost as a code word for the expected utopian future when everything will change in favour of the traditional art dealers and auction houses. In contrast, the digital world hype itself often moves on, and is already focusing on the upcoming challenge of virtual reality [2, 3]. The first segment of “the art market in the digital age” presents a material exploration of the “digital” topic, demonstrating how different forms of doing the art market invite different interpretations of its current state and future possibilities. It starts off with tracing the graphic tradition of depicting the auction house in art literature, and countering it with newly recorded overviews. It moves on with recasting the live auction filming from an inherent contrast of space, in terms of what players feel, see and experience, to disentangling the event itself in terms of a five-part sequence that informs the visual reading of the entire process. Then it concludes with analysing art market databases. Each of these segments presents information of the most recent events and development too [4, 5].

EVOLUTION OF THE ART MARKET

The history of the art market is a history of complex structures and systems modulating images created, symbols, and art objects made, traded, consumed, and wagered upon by implicit and explicit agreements. It is a history of speculative fates nourished by aspiration, hope, and fear. Multiple modernist systems led to Art Chunking as an inflecting of discrete primary and secondary markets. The Capitalist 1.0 Art

Chunking System, arising after the birth of perspective and oil painting, became fully operational with the industrialization of printmaking. The rise of Capitalist 2.0 Art Chunking Systems coincided with and utilized the spread of the telegraph, photographing, and phonograph, expressing artist friendship-based ties of inner-eye Maecenates networking with Flea Marketite Prince and royalty kin-sellers seeking lottery prizes as avowed contributions to improving culture and reasoning [6].

The first coordinates of the Art Chunking Grid closely following a J.R. Firth-Foss start were Dewey-initiated by Munsterberg, publishing Charles Eames photographs of the notorious American armchair, then starting alternately artistic auction images/philately/photography coinage coverage. The art market exploded and extreme leftism combined auctioneering with other suggests releasing camouflaged hitherto taboo soft news images, igniting undisclosed stakes, information arbitrage, and the recombination techné of newsprint and oil paintings. From chalkboard etching satires on French dealings, Picasso electronically remapped late-hothouse Abstract Expressionism to become market suffragette/probominalist congressman Lichtenstein, Moore, and Vasarely riding the smoking fallout. As Rothko's one-year consignment loyalty contracts with formulated dealers were only fattened by advances, hoard-seeking rubberneckers were pauperized carry-alls for hundreds of defamations, mediations impaired, damaged, and cold custard art of one paint-beady canvas-casting operation scribbling side-back organizational Bloomberg/CBS-rat graffiti-statutes [7, 8].

TRADITIONAL VS. DIGITAL ART MARKETS

During the 1970s, the art market was dominated by works on the traditional media of canvas, wood, paper, and sculpture. It could be described as a marketplace for the sale and purchase of physical artworks rendered in analog techniques (paintings, drawings, prints, videos, and sculptures). It was a business model supported by galleries and auction houses that sold the artworks to a very niche audience; and for which the majority were unsure of whether to purchase, trade, or simply use it to decorate their interiors. Finally, it was a very exclusive and elitist marketplace, only accessible to high-net-worth individuals, celebrities, and art dealers known as 'the insiders' [9]. Over the past decade, the traditional art market has undergone a seismic shift towards a new digital marketplace. A full decade after the advent of online auction houses, the art market began to invest in its own front-end direct e-commerce solutions that would mirror the traditional art market experience with the same exclusivity and elitism, although operated on a global scale. Similar to the traditional art market, it was a marketplace for the sale and purchase of physical artworks rendered primarily in analog techniques (paintings, drawings, prints, photographs, and sculptures). It was a business model – bolstered by galleries and auction houses – that sold the artworks to an even more niche audience. And for which the overwhelming majority were unsure of whether to purchase, trade, or simply use it to decorate their interiors. Consequently, it was a digital marketplace rendered as a bizarre corollary to the traditional art market, and although publicly accessible, completely exclusive and elitist, just like its predecessor [10].

KEY PLAYERS IN THE DIGITAL ART MARKET

Digital art is by no means a new phenomenon on the media—and neither are the practices of buying, selling, nor collecting. Musicians have been associated with various forms of technology since making wax cylinders in the nineteenth century. Ten years later, in 1888, when the first half of an art picture was painted by Frederick MacMonnies as a commission for the Paris Exposition Universelle, this artwork was already a pastiche of an earlier painting from 1860. However, only lately have 'digital' and 'art' somehow come together in a general, popular, and distinctive way. As a term, 'digital art' went mainstream only over the last ten years, commonly understood as short-burst animations, static images, and interactive projects: gifs, videos, and HTML art [11]. Simultaneously, this form of creation, like all media before it, has gone from non-constructed, disrespectful, non-empathic change—whether in copying (theft, appropriation, sampling, collage, etc.) or wholesale success without wars and struggles (with music in Coke and Disney)—to more organized, serious, respectful, and constructivist form. It would seem digital media need to go through a long process analogous to that experienced by music and painting before now finding themselves within the 'fine art' domain. The progression from being just a medium to becoming an art form in its own right is deemed as passing through stages of simulation, parody, and appropriation—on the grounds of visual aesthetic, social effects, and formative processes. However, there are still ripples—some physical (for example, galleries and context), some ontological (for instance, co-option and authenticity), and some temporal (such as the 'stage' of it all) [12].

TRENDS IN THE ART MARKET

The contemporary art market has witnessed a tumultuous past decade, resulting in a dramatically altered landscape for artists, collectors, and dealers alike. These changes have heavily affected the core system of creating, collecting, and selling art, driving transformations in the questions of where to view and purchase art. However, the most profound and irrevocable alterations have been brought about by the rapid digitalization of the industry, providing a fertile environment for fresh possibilities and visions. Since such conditions may lead to unintended consequences, such as the loss of a more personal connection to art, the art market must navigate the fine line between the control and use of these developments, observing several emerging trends while exercising caution. Focused on the establishment of such a contemporary landscape, driven by the indelible digitalization of the industry, several trends are explored in detail [13]. There is a media focus on the contemporary art market's presently growing investments in cryptocurrency. Hence, it is no surprise that the media focus has now turned to the contemporary art market's presently growing investments in cryptocurrency. Although some suspect my interest is induced by the popularity of digital currency, concentrating on blockchain technology seems rather fitting as a current trend within the art market. There is a steady rise of blockchain's associated processability in the creation, exchange, registration, and cataloguing of art sales, ownership histories, provenance in the art world, etc. Interestingly, there is the emergence of new market actors such as CryptoKitties, CurioCards, or Murat Pak who create and sell digital artworks – having an inherent only-internet existence, each as unique as traditional paintings or sculptures. Accomplishment of this uniqueness is rendered by NFTs [14].

BLOCKCHAIN AND NFTS

An overall changing environment has an impact on the structure and actors of the conventional art market, and is reshaping the needs, interests, and roles of its existing participants while also creating opportunities for new entrants. Three trends are sketched in greater detail: the growing influence of young and wealthy collectors, the increasing role of art fairs in the dealing of high- and mid-priced artworks, and the entry of innovative technologies and new market participants (e.g., crypto investors and retail hodlers) with an interest in crypto art in the dealing of low-priced artworks. Transitioning to blockchains, having the impact of art fairs on the market structure, and addressing economic, financial, aesthetic, cultural, sociological, and contextual questions are fields for scholarly practice-led inquiries [15]. The emergence of blockchain technology and non-fungible tokens (NFTs) is piloted to inflect the market for low-priced digital artworks. Applications and art projects are proposed that recast low-priced artworks using tokens and random probabilistic artworks in perpetual stock, infinitely mintable editions, experimental trading formats, and application snapshots. Employing these innovations would help protect the value of small artworks in a rapidly changing environment controlled by a handful of platforms. Reshaping artworks and transactions to recenter them on blockchain protocols would increase artists' remuneration, provide collectors transparency, authenticity, and new interactions, and shift power and value back from the platforms to the infrastructure on which the art market runs. While predictions are made about the transformative emerge of this market, the focus is to provide a clear understanding of this experimental field and its artistic potential. While discussion revolves around economic, social, and artistic questions, there is political potential in addressing both the infrastructures of ecosystems and their rules and needs [16].

ONLINE AUCTIONS

In parallel to the examination of trends, the growing importance of online auctions in the art market is assessed. The advantages and disadvantages of a shift from auction houses to a digital platform used by many are discussed, as are the effects of such a shift on the art market, similar to the decrease of personal retail shopping due to online shopping. The number of online art auction platforms has markedly risen with the increased interest in art investment, particularly among younger generations. According to research conducted by ArtTactic, a consultancy and research agency focused on the art market, the number of online dedicated auction platforms increased from 12 in June 2010 to 46 in December 2013. Seventeen of these platforms have been launched since January 2013 alone. Nonetheless, while the online auction market in 2013 attracted €120 million (~\$163 million) in sales revenue and grew by an expected 115% over the next three years, it represented merely 2% of the €6.5 billion (~\$8.872 billion) in overall auction house sales. As such, the online auction market is in its early stages with immense growth potential [17]. When comparing online auctions to auction houses, both pros and cons become clear. On the one hand, digital platforms allow for global and round-the-clock access for buyers and sellers. It

addresses the geographic limits set by auction houses, where many are situated in hopping cities like New York, Hong Kong, London, and Paris, near that have 2.2 billion people in the two biggest metropolitan areas on the planet. Moreover, while in-person auctions generally take place during a set period of a few weeks throughout the year, online auctions are typically conducted in a period of ten days, open twenty-four hours a day. On the other hand, the façade of anonymity in online auctions could discharge the sense of prestige typically associated with auctions and perhaps increase the probability of dealing with low-quality pieces and fraudulent auctions [18].

PREDICTIONS FOR THE FUTURE

As a follow-up to these considerations, it is illuminating to adumbrate certain predictions – some broad, others detailed – about the near future and long term, 5, 10, and 20 years ahead, in the digital age art market. In an average summer by century, the global art market would be estimated to total something in the range of €45 to €60 billion of sales achieved. There is general agreement in concert with the above forecasts that it would be highly unrealistic to expect noticeably larger totals to emerge opulently from just higher prices or even from the reporting of hitherto unnoticed economic tiers of art and culture. Furthermore, it is generally agreed that an observable bifurcation in the art market would emerge in the late 1990s and that the fundamental drivers of socioeconomic change would be the Internet and technology – mostly digital developments involving advancement in audiovisual scope and reach, cheaper cost and easier transfer of communications, and earlier access to art by and to the widest audience and demographic possible [19]. Many have also foreseen relentlessly continuing economic consolidation of the market's high end and the concomitant hegemony of a relatively few large companies and a tightening grasp on the secondary market by a few large players. Collectively, these auguries would report a determination of the expected market regime by the passing of the old economic structures and mentalities, by large institutions losing their stature and effectiveness, and by behaving more like private equity corporations or hedge funds than purveyors of timeless cultural artifacts. These and the many detailed predictions, even when subject to detailed analysis and research, are usually found to rest on fragile foundations. Often, the logic employed in their construction can be toppled by a series of quite ordinary irregularities or if there are meaningful divergent observables. Consider, for example, what happened at the Millennium: contrary to what the art market was built on and what was predicted and planned, it instead emerged as a global titan, perhaps the most powerful and influential of all markets [20].

CONCLUSION

The art market in the digital age is undergoing profound transformations driven by technological advancements and digital platforms. The integration of blockchain technology and NFTs has revolutionized the creation, sale, and ownership of art, providing transparency and authenticity. Online auctions have democratized access to art, enabling global participation and fostering new market dynamics. While traditional market players adapt to these changes, new entrants, such as crypto investors and digital artists, are reshaping the landscape. The future of the art market promises further integration of digital technologies, with predictions indicating continued growth in online transactions and the influence of cryptocurrency. As the market evolves, stakeholders must navigate the balance between embracing innovation and preserving the intrinsic value and personal connection to art.

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CITATION: Dusabe Bihoyiki Gahiji. The Art Market in the Digital Age: Trends and Predictions. Research Output Journal of Arts and Management, 2024 3(2):5-9.