The Art Inside the NFT

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**Introduction**

## The topic of NFTs, also known as NFTs (Non-Fungible Tokens), has recently emerged as a hot topic of discussion at various get-togethers and events. I, for one, am thrilled about the increased visibility that this debate is receiving among fans of traditional art as opposed to digital art. Will they bring about a fundamental change in the world that we live in? Is there a need for this technology in the real world? Or is everything just conjecture? The most crucial question is, what problem are they trying to solve? Non-fungible token artwork, often known as NFT art, has proven to be an incredible opportunity for contemporary artists to get online notoriety and financial compensation in the form of cryptocurrency. Nevertheless, the proliferation of non-traditional forms of art has created a discussion.

## Are NFTs works of art? How closely do their practices align with those of the traditional art world? And do you think the value will continue to increase in the years to come?

In order to keep the reader interested and thinking about what they are reading, it is helpful to investigate this subject because it opens up some real-life themes worth discussing. The initial difficulty was classifying what was being presented as art and what was merely decorative. In this study, we will examine the similarities and differences between traditional and digital art, the role that gatekeepers play in the art world and their influence on innovation, Andy Warhol's influence on the art world, Western and non-Western artworks, and the most notable distinctions between NFT Art fairs in the United States and China. The history of art demonstrates that artists have always been interested in discovering new art forms and non-traditional materials via which they can express their aesthetic beliefs. The conventional understanding of art was fundamentally called into question by a number of avant-garde movements that began to proliferate at the beginning of the 20th century. New non-artistic materials, such as books, magazines, fabrics, household items, and many other everyday objects were introduced as perfect art mediums by artists who emerged from these progressive art movements. These artists stated that true artists can create artworks out of anything, including books, magazines, fabrics, and household items. The arrival of mixed-media artwork at this point in the history of art heralds the beginning of an exciting new age. We will Look into the impact and value that NFT brings to the table in comparison to traditional art, as well as the relatively small set of people who hold the keys to the doors of the art world. Speaking on key holders; let’s highlight Andy Warhol influence in the arts of classic and digital. Andy Warhol was an influential pop artist, film director, and producer from the United States. Warhol was criticized for utilizing a process that many thought to be technically inferior to painting and for using an image that he did not produce (the original Marilyn Monroe photograph) (Regan, 2022). Some people considered that silk-screening required less talent than painting an entirely original piece. This viewpoint led to the assumption that creative works had less impact and significance than "pure original" works of art (Regan, 2022). Many critics also contended that because the silkscreened pieces were produced through an industrial technique, they couldn't have the same depth of meaning as original paintings. Some have said that an industrial process can never be "artistic." Simply put, Andy Warhol used the elements at his disposal to produce a powerful creative creation. Algorithmic NFTs are no different (Regan, 2022). They may be more technologically advanced, but they are still just tools that artists use to engage and entertain audiences. Computational NFTs are, in reality, a computerized replica of the analog silkscreen process. The entire collection is propelled and guided by a human hand, on the other hand when we look at NFT’s its just art added on to the a big server called the blockchain, Andy Warhol’s work inspired artist like Russell Young to create his own style of Marilyn Monroe NFT art. One way Russel describes it “as discovering new ways of bringing images to life in a new medium was an incredibly rewarding process. I already think of my work in a linear, cinematic sense because my practice consists of creating series of screen prints that are of icons, protagonists of America’s culture and counterculture throughout history. NFT’s allow me to translate the filmic language of my physical work and give it an energy all its own.” (SuperRare, 2022)

**Gate keepers in the Art World**

Market forces of supply and demand in the art world are driven by prices. Artwork without a price tag is useless. The market value of art is affected by where it is sold. There are both authentic and reproduction art markets. "First sales" to galleries and collectors are considered part of the primary market. Auctions are a part of the secondary art market. Resellers in the secondary market typically increase prices because the artist makes so little money there. Resale art is more expensive than gallery art, with the exception of auctions. Following the establishment of art prices, the market's supply and demand can be evaluated. Want is demanded. Art prices tend to go up when demand goes up. A person's standing as an artist can increase or decrease the demand for their work, even though the need for art will never go away. The works of famous painter’s command higher prices than those of unknown ones. The price and value of works by emerging artists rises as their fame grows. Demand is tied to price. When an artist becomes well-known, interest in their work increases, which drives up the price. Having enough art for sale is essential. Only one picture exists, which drives up both demand and price (Margolis, 1969). When an artwork is reproduced in multiple editions, its demand and thus its value, decline. I find this fascinating because it reveals the artist's process. They may produce several variants or just one original, depending on how much money they stand to make. Different artists have vastly different annual outputs; some make thousands of pieces, while others make only a handful. Prices in the art market respond to market forces of supply and demand (Margolis, 1969). When there is an increase in the supply of artwork, both demand and price fall. The laws of supply and demand can help musicians maximize their earnings. It's not uncommon for artwork to be priced in the hundreds of thousands (Margolis, 1969).

**What does it mean when you read small and concentrated market**

Long story short the wealthy drive the price of art. Independent or institutional curators with influential intellectual interests and artist choices. To be included in an exhibition produced by Hans Ulrich Obrist (Director of Exhibitions at the Serpentine Gallery, London) is a sign of approval and assures rapid global attention. Why are these curators so great? Because they curate shows that are nearly always worth seeing, showing artists whose activities push the frontiers of what art can be. Inclusion in such an exhibition can be career-changing for artists. It can lead to more exhibition and press chances, price increases, and collectors' chase. Then, collectors. They tour super-curators' hottest new shows to keep up with the art world's emerging stars and latest talking points. Many collectors as well-known as the artists and collections they assemble. David Walsh's Old and New Museum Examples of art can be found in Tasmania, Australia, and Bernardo Paz's Inhotim, Brazil (An, K., & Cerasi, J. 2022). Even when they employ advisers, their art collections reflect their individual tastes. Collectors are freer to spend

than public museums due to looser procurement processes (An, K., & Cerasi, J. 2022). Certain collectors have become synonymous with particular artists, thereby elevating their values and reputations to unprecedented heights (e.g., Michael Jackson).

Young American Artists) or new lows if they sell.

**What and how collectors acquire**

The act of buying and selling affects the market. Today, artists can become popular overnight. Sales, positive testimonials, and Because stardom occurs so quickly, people forget that art criticism can provide a more thoughtful evaluation (An, K. & Cerasi, J. 2022). Critics defend and contextualize their viewpoints with art-historical and industrial evidence. knowledge. Included in this group are art historians, journalists, and bloggers. While all publicity is beneficial Certain prominent names hold more weight than others in public relations (An, K., & Cerasi, J. 2022).

**What are the 5 galleries that run the art industry**

Pace: The gallery features locations in London, Geneva, Palo Alto, Hong Kong, Seoul, East Hampton (temporary), Palm Beach (seasonal), and two in New York. It will grow in London this fall. Pace offers 15,000 square meters of display area and 150 international employees. Pace's exhibition calendar features great painters. Christo, Chuck Close, Nigel Cooke, Adrian Ghenie, Paul Graham, David Hockney, JR, Jeff Koons, Li Songsong, and Agnes Martin are among the artists represented (Delagrange, 2022).

Marian Goodman Gallery: Marian Goodman Gallery has helped international artists and organizations communicate for over 40 years. New York's Marian Goodman Gallery opened in 1977. In 1995, the Gallery opened a Paris exhibition space, and in 2014, a London exhibition room. Marian Goodman Projects will showcase exhibitions and artist projects in London and other countries in 2021 (Delagrange, 2022).

Hauser & Wirth: Hauser & Wirth's love for architecture and cultural history is outstanding. Instead of establishing new state-of-the-art gallery spaces, they repair old structures and rediscover their environs, integrating current art with history. Hauser & Wirth organizes major exhibits with famous curators, presents high-end surveys, and invests in study, research, and education. The gallery achieves museum-quality exhibitions and enriches its program, the art world, and culture (Delagrange, 2022).

Gagosian Gallery: Gagosian is a key art industry player. They're the top digital gallery. First gallery to match established art publishers with 500 publications. Transparency, historical scholarship, research, market insights, and more are included in Gagosian Quarterly, online publications, and other cultural activities. Gagosian's numbers are mind-boggling because they outgrow art galleries. They collaborate with established artists and estates. Baselitz, Richter, Currin, Kiefer, Hirst, Gursky, Saville, Kami, Koons, Prince, Wall, Stingel, and others (Delagrange, 2022).

Dadid Zwirner: David Zwirner founded his first gallery in 1993 in New York. David Zwirner owns three New York galleries plus worldwide galleries in London, Paris, and Hong Kong. David Zwirner represents several remarkable artists. Francis Als, Marlene Dumas, Michal Borremans, Barbara Kruger, Neo Rauch, Luc Tuymans, Thomas Ruff, Wolfgang Tillmans, and more are included. Dan Flavin, Donald Judd, Josef Albers, Alice Neel, Juan Munoz, and Sigmar Polke are among the gallery's secondary market artists (Delagrange, 2022).

**The internals of how art sales work**

Art Demand Bottle necked (us, UK, China), In the traditional art world, researchers, curators, museums, collectors, critics, and art galleries are all involved in the promotion of art. They are the "gatekeepers," and their opinions are vital to the canonization of artworks and artists. Art has never been more accessible globally. Annual art sales are between 60 and 70 billion, and they occur in galleries, art fairs, consulting services, and online. Auctions, which produce 20% of annual sales, intimidate even seasoned art aficionados (Murphy, 2018). It's also one of the most exciting ways to buy market-priced goods. Auctions are public. Anyone can observe the sale and join. When the hammer falls, the people who want a thing set its price in public. Before bidding, conduct your research. Every auction house releases an online catalog of works several weeks before a sale, so you may peruse through photographs and learn about prices, the work's history, other works by the same artist, exhibitions, and more. With so much real-time information, it's impossible to know what to buy and for how much (Murphy, 2018). As with any investment, consult an art specialist before selecting.

What makes art valuable, an artwork’s provenance, the documented history of who it has belonged to, is a huge determining factor in its value. For example, if a painting was once owned by a celebrity, a prominent collector, or perhaps a respected gallery, it will certainly attract higher offers when put on sale. Art's value-determining variables have altered. Before the modern era, art's worth was decided by its materials, function, scale, and artist's and commissioner's notoriety. These components aren't gone, but they're now complemented. Cattelan's banana-and-duct-tape Comedian sells for $150,000, far more than its materials cost (Bastoni, 2022). Art is priceless. The intrinsic is how a work of art makes the viewer feel, what sensations it provokes, and it can't be held or shown. Culture, education, and life experience shape these traits. materials independent. Art communicates ideas, values, sentiments, and concepts that may be viewed differently by each spectator but nevertheless transmit notions about society and the human condition (Bastoni, 2022). When making art, an artist contributes a story, a sentiment, and cultural components, and viewers project their own. Human consensus determines an artwork's worth, like currency. When talking about art, there are two separate markets where negotiations take place and this stipulation happens: the primary market, from the artist's hands to its first purchaser, where the price is decided mainly by the artist and his dealer, and the secondary market, where the price inevitably follows demand and supply (Bastoni, 2022). Auctioneers and galleries set prices. Consensuses establish an artwork or artist's pricing history, which helps price new or resold works.

This may be historic. Provenance is another important factor. The previous owner's fame is noted. Museum art is so valuable that it's usually "off" the market.

**Why and Who is buying non-Fungible tokens**

Ease of access to buy and create All user needs is ETH(Ethereum) Wallet then the user can create a NFT. Just like Traditional art, digital art has a universal unifier, for example Traditional art unifier can be cooking, sport, politics. While your digital unifiers are more like in game currency, token, or some relative knowledge of computers. To re-iterate, NFTs require knowledge of several topics, including minting, blockchain, crypto wallets, marketplaces, and gas costs, in order to be created (Gomez, 2021). Once a creator understands how NFTs function, getting started with them is simple. Collectors, investors, flippers, admirers, and individuals worldwide buy NFTs. Gary Vee, Jay-Z, and Mark Cuban to working-class citizens (Gomez, 2021). If you like supporting your favorite brands and communities, you may like NFTs. Buying and trading digital collectibles can be lucrative, but there are other reasons to possess an NFT.

Value of the NFT against real art. The most significant distinction that can be drawn between traditional art and NFT art is that NFTs are wholly digital goods that can only exist in digital wallets that are hosted on a particular blockchain. In point of fact, anyone is able to generate a new token and sell it on a marketplace dedicated to new tokens. Digital authentication and ownership are non-fungible tokens. It's like a certificate that validates a Picasso's legitimacy. NFTs sell homes. Images, videos, and songs are popular. Blockchain records most NFTs (Captain, 2022). Solana, Polygon, and Flow are other blockchains where NFTs live. One NFT can sell at Open Sea for $100,000. Nifty Gateway tickets cost $30. NonFungible.com says a 2021 NFT costs $807.52. NFTs buy (Captain, 2022). Digital art is co-owned. Rarely used. Possibilities exist. Twitter now let’s NFT owners use profile pictures. Right-clicking or screen-shotting can be used to copy and use JPEGs. NFTs don't buy bits. You buy crypto. “If you can wrap your head around the fact that ownership now means ‘as represented by the blockchain,' you can offer digital commodities distinctiveness they never had before,” says USC crypto professor Chaz Hales (Captain, 2022). Like art and collectibles, an NFT's buyer and community give it value. NFTs develop personalities based on their owners and how they use them.

What are the most significant issues NFT can solve and how does the US and China market fairs against each other. NFTs build a connection between the digital and the real worlds in fields as diverse as sports, music, the entertainment industry, and even cinema and television. NFTs have the potential to provide solutions to extremely specific problems or pain points, such as distribution, ownership, and remuneration, because to the sophisticated protocols and capabilities that are built into its architecture, such as royalties and access rights. NFTs build a connection between the digital and the real worlds in fields as diverse as sports, music, the entertainment industry, and even cinema and television. NFTs have the potential to provide solutions to extremely specific problems or pain points, such as distribution, ownership, and remuneration, because to the sophisticated protocols and capabilities that are built into its architecture, such as royalties and access rights.

What is it like to own digital art. It gives artists and owners of artwork the ability to provide documents such as proof of ownership or proof of creation of the artwork. In essence, it acts as a fingerprint for the piece of art that is stored on the blockchain. The uses extend far beyond just the purchase and sale of artwork.

How big is the crypto/ nft community? According to the findings of a recent study conducted by BlueWeave Consultancy, a leading strategic consulting and market research business, the total size of the worldwide non-fungible token (NFT) market in 2021 is projected to be 4.36 billion US dollars.

Worldwide NFT Recognition, the results of the analysis might come as a bit of a shock to some people. Singapore came out on top as the nation most interested in NFTs, with a monthly search volume of 18,717 per one million in population, making it the top country in this category. On the ranking, the first place spot is held by Hong Kong, followed by Canada, then Iceland, and finally the United States.

China has joined the NFT Movement. The Chinese government imposes tight restrictions on cryptocurrencies like Bitcoin, which are often used to buy NFTs. The new market is growing. "Virtual Niche" is adding to China's interest in crypto art. A new generation of digital-savvy Chinese creators is reshaping the genre. In 2018, during a crypto movement breakout, NFTs spread in China. CryptoKitties, a game in which players breed and trade limited-edition virtual pets, was popular worldwide, and Chinese netizens created their own blockchain-based felines (Bradley, 2021). China's crypto community was still reeling from a previous year's crackdown. Beijing closed China-based exchanges, prohibited ICO financing, and restricted bitcoin mining. Bans hurt the movement. The Chinese share of Bitcoin transactions, formerly 90%, fell, developers stagnated, and investors were scared. Even now, China insiders warn against investing in NFTs. NFTs make digital artworks more collectible and traceable (Bradley, 2021). Artists can get a cut of secondary sales. It will stop the age of artists selling artworks to collectors for a modest fee, then seeing them sell at auction for millions and earning nothing. NFT (Non-Fungible Tokens) has become more popular since 2021 than cryptocurrencies like Bitcoin and Ethereum. It's attracted venture capital money, giving digital goods unimaginable speculative worth. China's NFT market is still in the exploratory stage but has great growth potential as more Chinese players show interest and regulate it as much as they can. Although there are no regulations pertaining to NFTs in the United States, similar to the United Kingdom, certain types of NFT crypto-assets may be subject to existing federal laws. The Securities and Exchange Commission (SEC), for instance, has the authority under US securities legislation to classify some forms of non-traditional financial instruments (NFTs) as securities.

**Conclusion**

Many of these outstanding artists and their works are instances of how technological breakthroughs are redefining the world of art as well as how consumers experience art. These advancements are also transforming how customers interact with art. The number of people who have access to the arts has also expanded as a result of technological advancements, which have made it possible for art enthusiasts and collectors to build their own collections and share them with others. People are now able to express their deepest feelings and opinions through interactive and highly engaging works of digital art, which has had an effect not only on the contemporary art scene but also on the traditional art scene. This has been made possible by the proliferation of technologies and social media. There is no question that China is lagging behind the West in terms of the development of new financial technologies (NFTs). This is in part due to the stringent restrictions on cryptocurrencies that the Chinese government has imposed, and it is also in part due to the limited understanding and spreading of the new industry. However, in the Chinese cryptocurrency community in 2021, NFTs are becoming an increasingly popular issue, and many enthusiasts are doing research and experiments in a variety of areas in an effort to gain momentum. Through their participation in the NFT Project, musicians are closing the communication gap that exists between them and their audience. From within an NFT project, a collector has the option to either join a Discord channel or start following the account of an artist or collection. Collectors have the opportunity to voice their thoughts and receive real-time information directly from the content creators about the path that they are going with their art when they use these various forms of media. According to Weber, an arrangement of this nature enables artists to "think more generally about how we might give back to our patrons." (Newar, 2022).

we looked into NFTs as a whole and thought about how to tell the difference between art and decoration. This research paper will compare and contrast non-Western artworks with Western artworks, talk about the value of gatekeepers in the art world and how they affect innovation, compare and contrast Western artworks with non-Western artworks, and point out the main differences between how NFT Art fairs are held in the United States and in China.

In conclusion, non-fungible tokens (NFTs) have significantly altered the art market by spawning not only a new generation of investors and collectors but also a new worldwide market that is exclusively devoted to the sale of digital art.

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