



SAATCHI ART

The World's Leading Online art Gallery



State of Art Collecting

2022 REPORT



A word from: **Wayne Chang**

General Manager at Saatchi Art

Art collecting is not a new phenomenon. As long as there have been artists, there have been those who want to own and display the objects that they produce. While the subjects and styles of artwork have evolved through trends and movements over the centuries, the ways in which a collector acquires their purchases has stayed relatively the same: either bought directly from the artist themselves or through a physical gallery.

But that's all shifting as new innovations and technologies like digital art, NFTs, online galleries, and more are rapidly changing the art market.

As one of the world's leading online galleries, we at Saatchi Art are always thinking about the experience of collectors. Our day-to-day interactions tell us a lot, but we wanted to learn more about their experiences, motivators, and outlook for the future. What type of work do they collect, and why? Do they plan to spend more or less on art in the coming years? What are their experiences with online galleries, collecting digital art, and purchasing NFTs?

Through this research we discovered that the world of art collecting is indeed shifting from the traditional to the digital.

We hope these insights will be helpful, as you look to the future of art collecting.



Here are some of the key findings we learned from the art collectors we surveyed:

- **Collectors discover new artists through online marketplaces and galleries.**

Our respondents are primarily finding new artists today through digital commerce platforms. They're also seeking out new artists through brick-and-mortar galleries and social media.

- **61% are comfortable with buying art online.**

They're also spending as much on art online as they are in-person: 58% spent over \$2,000 on art online last year, and 56% spent more than \$2,000 on art in person.

- **56% believe digital art should hold as much monetary value as physical art.**

However, when asked about Beeple's \$69 million sale of *Everydays*, only 32% said they understand how a work of digital art could be worth that much.

- **63% have purchased art NFTs in the past year.**

Additionally, 64% of collectors say they're likely to buy an art NFT in the next 12 months, and 47% express excitement over what NFTs can do for the art world.

- **"It's too complicated" is the primary reason why collectors haven't purchased an NFT yet.**

They also say that not knowing where to buy them and not knowing how to enjoy them are keeping them from moving into the NFT space. They say that an easier, guided process and more educational resources would change their minds.

- **22% plan to spend more than \$5,000 on NFTs in the next year.**

And of those who plan to spend over \$15,000 on art in general in the next year, 50% plan to spend more than \$5,000 on NFTs — one-third of their budget. For those big spenders, art NFTs, paintings, and digital art will be their primary collecting focus.

- **The majority see digital art dominating in five years.**

60% believe that in five years, the digital art market will grow to be larger than the traditional or physical art market.

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Methodology and participant demographics

In January 2022, we surveyed 1004 people from the United States who have spent more than \$3,000 on artwork in the past year. The survey was conducted online via Pollfish using organic sampling through Random Device Engagement (RDE). Learn more about the Pollfish methodology [here](#).

Profile of Who We Surveyed

PART #1





In January 2022, we surveyed 1004 people from the United States who have spent more than \$3,000 on artwork in the past year. Of the respondents, 20.5% were between the ages of 18 and 24, 29.3% were between the ages of 25 and 34, 28.6% were between the ages of 35 and 44, 11.3% were between the ages of 45 and 54, and 10.4% were over the age of 54.

Gender Self-selecting groups	
Male	58.9%
Female	41.0%
Age	
18 - 24	20.5%
25 - 34	29.2%
35 - 44	28.5%
45 - 54	11.2%
> 54	10.3%
Country	
United States	100.0%



They’re generally spending the same amount online and in-person on art

The largest segment of respondents (17.4%) reported that they spent between \$3,001 and \$4,000 buying art online in the past year. The rest of the respondents were evenly spread across budgets: 15% spent \$500 or less, 12.6% spent between \$501 and \$1,000, 14.2% spent between \$1,001 and \$2,000, 14.7% spent between \$2,001 and \$3,000, 15.2% spent between \$4,001 and \$5,000, and 10.8% spent \$5,001 or more.

Overall, 58.1% spent more than \$2,000 on art online last year.

► **How much would you estimate you've spent buying art online in the past 12 months?**



The off-line spend breakdown is similar. 17.1% of respondents reported that they spent between \$3,001 and \$4,000 buying art in-person in the past year. And the remaining respondents’ off-line budgets lined up closely with their online responses: 13.8% spent \$500 or less, 15.2% spent between \$501 and \$1,000, 15.4% spent between \$1,001 and \$2,000, 15.6% spent between \$2,001 and \$3,000, 13.8% spent between \$4,001 and \$5,000, and 9% spent \$5,001 or more.

Overall, 55.5% spent over \$2,000 on art in person last year.

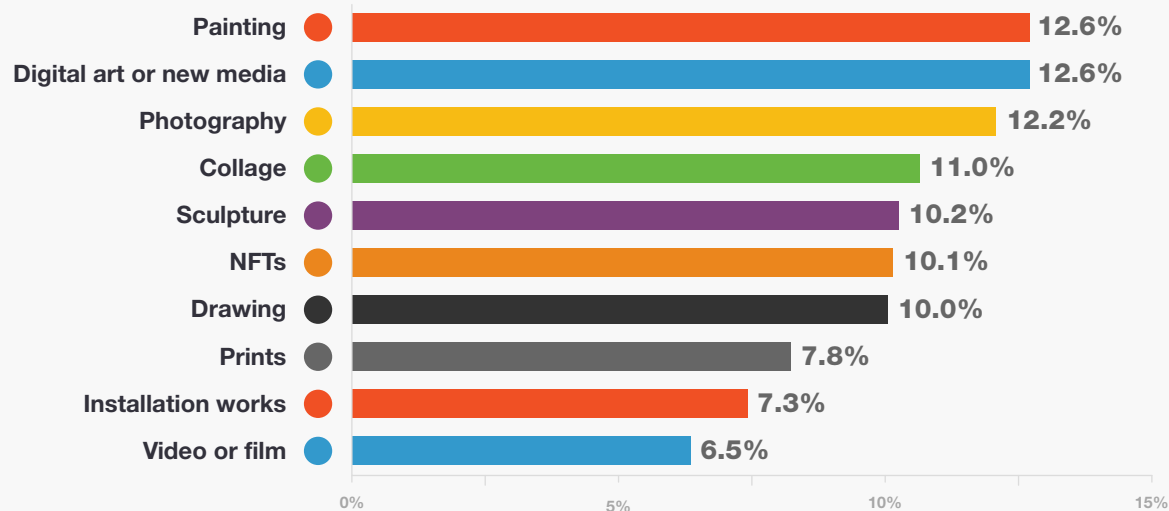
► **How much would you estimate you’ve spent on buying art in person, like at a brick and mortar gallery, in the past 12 months?**



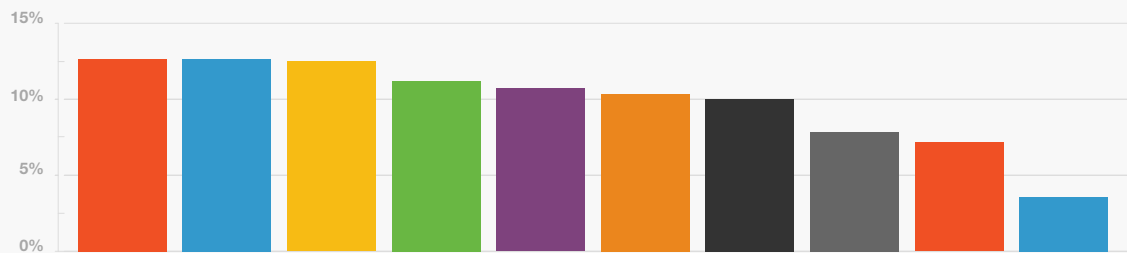


They’ve spent the most on paintings, digital art, and photography

Over the past year, respondents have spent the most money on the follow art mediums:



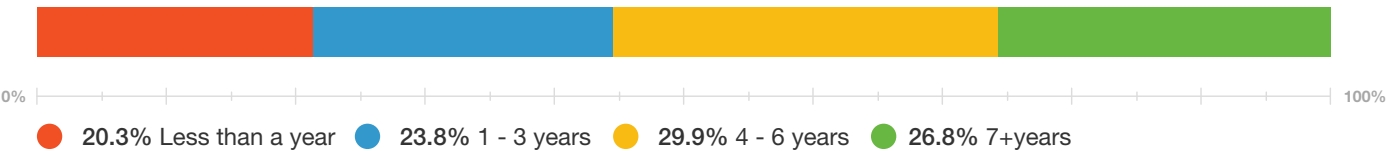
► What type of art have you spent the most on in the past 12 months?



Respondents are long-time art collectors and newcomers

Our respondents have been collecting art for various lengths of time, but skew towards the longer end. 26.9% have been collecting for seven years or longer, and 29% have been collecting for four to six years. 23.8% have been collecting for one to three years, and 20.3% have been collecting for less than a year.

► How long have you been collecting art?





23% collected more than 13 original artworks in the past 12 months

The largest segment of respondents (23.4%) collected thirteen or more unique works of art over the past year. 16.6% have collected one to three works, 19.3% have collected four to six works, 19.6% have collected seven to nine works, and 21% have collected ten to twelve works.

► How many unique works of art have you purchased in the past 12 months?



1 - 3	16.6%
4 - 6	19.3%
7 - 9	19.6%
10 - 12	21.0%
13 or more	23.4%

Summary

While our respondents have all spent more than \$3,000 on artwork in the past year, they have very different experiences when it comes to how they collect. Some are new art buyers who just started purchasing their first works, while others have been collecting art for many years. Additionally, some have only collected one or two works over the past year, while others added a dozen or more works to their collection. Their preferences tend towards paintings, digital art, and photography. They're also spending about the same amount on art online as they are through physical locations.

Discovering New Artists and Artworks

PART #2





Collectors love the works that they already own. But they also know that their next favorite artist is out there waiting to be found. How do collectors find new work to acquire? Is it through one particular channel, or are collectors casting their nets widely? Our respondents gave us some insights into where they're searching for new acquisitions.

Top Seven Ways Collectors Find New Artists

Collectors are always looking for new artists whose work moves them or whose story resonates with them. But they aren't just limiting themselves to one source. Here are the top seven ways that collectors are finding new artists today.

- **37.4% Online marketplaces or online galleries**

The place where new artist discovery is happening the most today is online. We're seeing more digital marketplaces and galleries opening, enabling a global audience of collectors to find artists they might not have ever been able to in person. Additionally, as the pandemic forced physical locations to close, collectors had no choice but to turn to online options to discover new work. This shift in consumer behavior is likely a permanent one.

- **36.7% Physical art galleries**

Despite the popularity of online galleries, physical art galleries are still one of the top ways collectors discover artists. They may look to local galleries whose tastes they trust, or live in a location with a burgeoning art scene. Or, they may simply be accustomed to this traditional way of finding new art.

- **34.1% Social media**

Social media platforms are quickly becoming the primary place for discovery — not only when it comes to brands and products, but when it comes to art as well. Social media also allows artists to connect directly with collectors, lowering barriers to entry for new artists without formal representation.

- **31.7% Art auctions**

A large number of respondents are also finding new artists and artwork through auctions. Art auctions offer collectors the ability to purchase some of the art world's finest and highest-priced works.

- **30.8% Recommendations from friends or family**

Art collectors often have friends or family who also keep up with the art world. Another way collectors find new artists is through word-of-mouth from those who know their tastes and want to share new art they discover with them.

- **30.5% Physical art fairs**

Collectors also find new artists by attending in-person art fairs. Because of their size, these events give collectors the chance to view the work of hundreds of artists, and in some cases meet them directly, and be exposed to much more work than is on display at a typical gallery or auction.



• **30.1% Online art fairs**

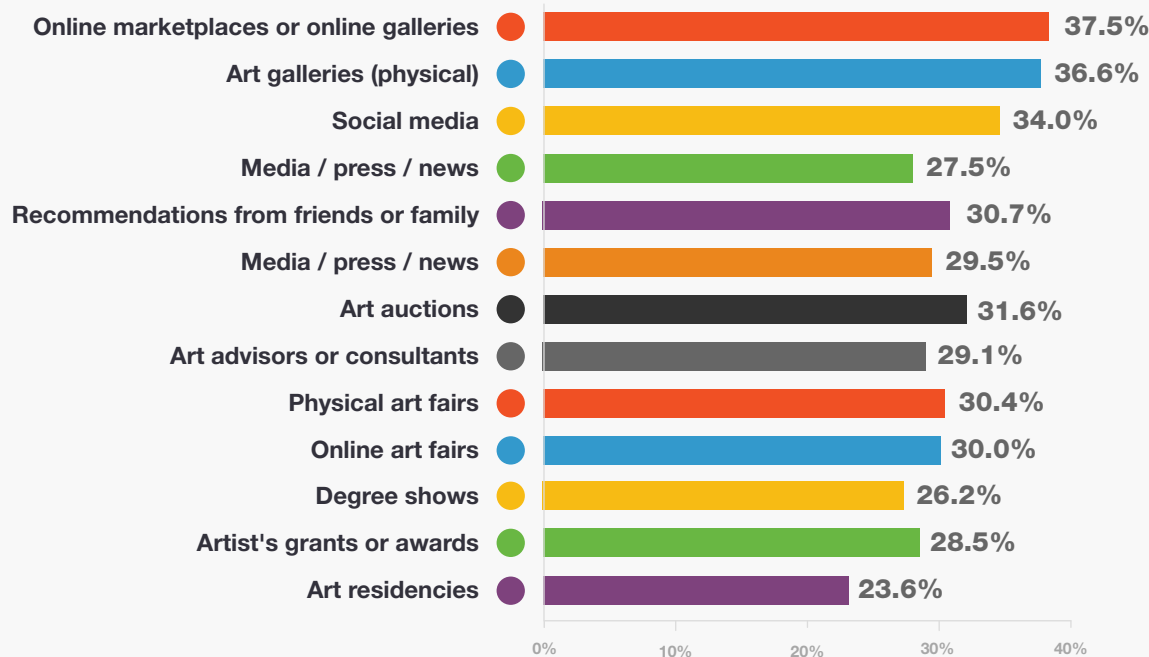
Online art fairs are not only able to offer the diversity of artists and work that a physical art fair does, but they are also accessible by everyone around the world, making them another important means for collectors to discover new artists.

Collectors also cited open studios (29.6%); art advisors or consultants (29.2%); artist grants or awards listings (28.6%); media, press, or news (27.6%); degree shows (26.3%); and artist residencies (23.6%) as important tools for artist discovery.

Age matters when it comes to preferred ways to discover new art. We found that respondents 45 and older are finding new artists through online marketplaces or online galleries (32.3%), through art advisors or consultants (31.8%), and also via both social media and physical art fairs (30.9% for each). Respondents age 34 or younger are using physical art galleries (36.6%), online marketplaces or online galleries (33.4%), and artist grants and awards listings (31.4%) more readily.

Respondents who have been collecting for more than seven years are relying primarily on online marketplaces or online galleries (43.3%), physical galleries (42.6%), and social media (40.4%) to find new artists — similar to the broader group. However, respondents who have been collecting for three years or less are turning to online marketplaces or online galleries (30.3%), physical galleries (30%), and art auctions (28.4%).

► **How do you typically find new artists?**

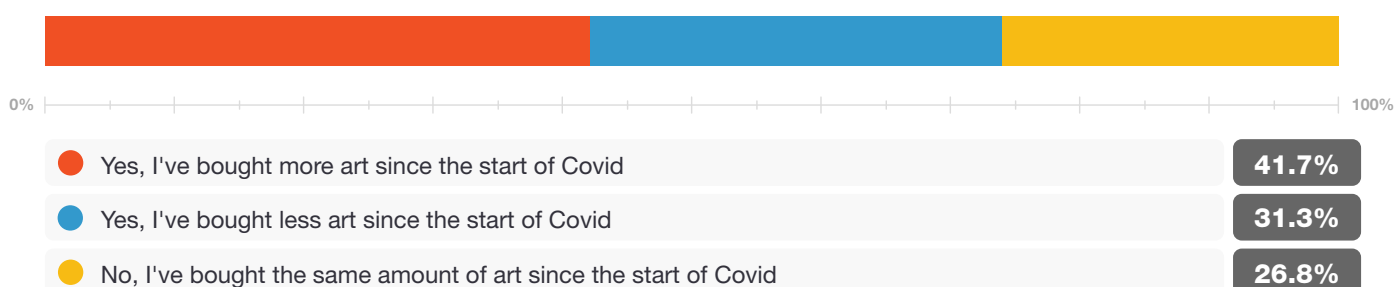




42% have purchased more art since the start of the COVID-19 pandemic

Considering the pandemic changed the way of daily life for many people, we wanted to know if it had any effect on our respondents' buying behaviors. The largest group of our respondents (41.75%) said they have purchased more art since the start of the pandemic. 26.9% replied that they've purchased the same amount of art since the start of the pandemic. Finally, 31.4% replied that they've purchased less art since the start of the pandemic.

► Did Covid change your behavior toward buying art?

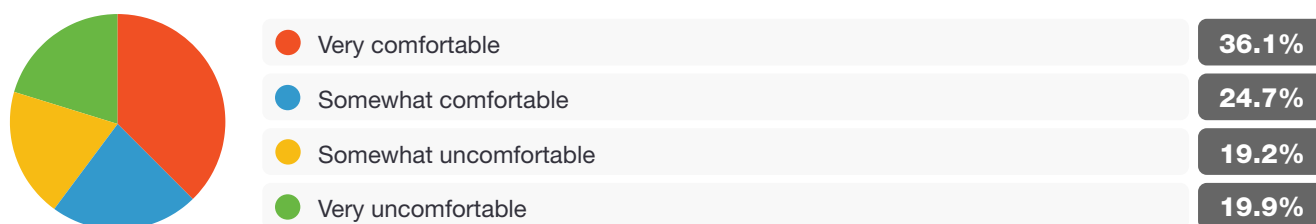


61% are comfortable with buying art online

Purchasing art online is obviously a relatively new innovation. But consumer behavior is shifting fast, and the majority of respondents (60.9%) have some level of comfort purchasing art online: 36.2% say they're very comfortable buying online, with 24.7% saying they're somewhat comfortable buying online.

Of the remainder, 19.2% say they're somewhat uncomfortable purchasing art online, and 19.9% say they're very uncomfortable.

► How comfortable are you with buying art online?



58% have discovered an artist online but purchased their work offline

Over half of our respondents (58.4%) say that they've discovered an artist online, then have purchased their work offline at a physical location.

► Have you ever discovered an artist online and purchased their work offline or at a physical location?





The same amount have discovered an artist offline and purchased their work *online*

Similarly, 58.5% say they have discovered artists in person and then have purchased their work online.

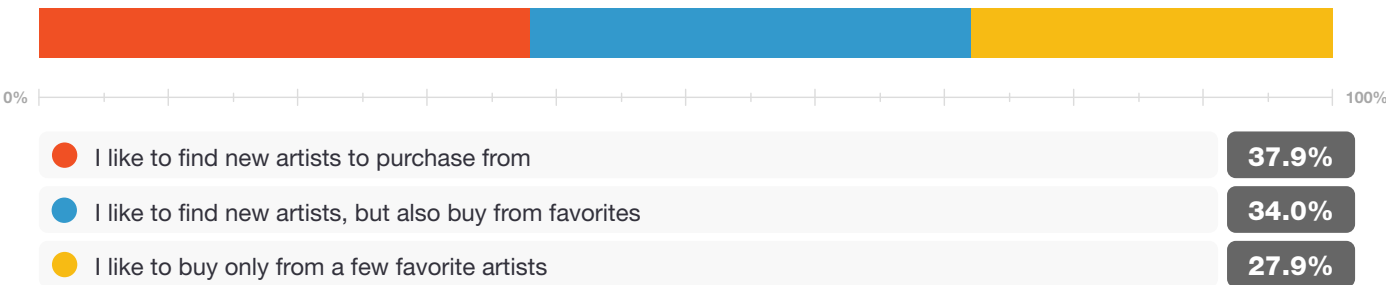
► Have you ever discovered an artist offline or at a physical location and purchased their work online?



38% like to find new artists to purchase from, while 28% are repeat buyers of their favorite artists

Are our respondents actively seeking new artists, or are they only collecting from a few favorites? About one-third (34.1%) say they prefer finding new artists, but also continue to buy from their favorites. However, 38% say they generally like to find new artists to purchase from, while 28% say they like to buy only from a few favorite artists.

► What best describes your artist preference when collecting art:



Summary

Our research demonstrates that art collector behavior now spans both physical and online spaces, and many collectors are growing more comfortable moving back and forth between the two. 36% of respondents say they're very comfortable buying art online, and another 25% say they're somewhat comfortable buying online. Consumer behavior shifting increasingly online could also account for the fact that 42% have purchased more art since the start of the COVID-19 pandemic — an event that forced people out of in-person spaces and into digital ones.

And many collectors are comfortable toggling between the two channels. Over half of respondents say that they have discovered an artist online and purchased their work offline, or vice versa. This signals a growing “omnichannel” approach in the art world: online marketing efforts are fueling both on- and offline sales, and offline efforts are fueling both off- and online sales.

We see cross-channel approaches surface again in how our respondents are finding new artists through both online marketplaces and physical galleries. They're also finding new artists and work through social media, a channel where both galleries and individual artists can drive awareness around new work, exhibitions, art fairs, digital drops, and more.

As we'll see in the next sections, this fluidity across both spaces suggests a future of art collection and creation that moves back and forth between digital and physical.

Top Motivations for Collecting Art

PART #3





Ask someone why they love art — or music, or books, or any other creative pursuits — and each one will give you a different reason, ranging from the practical to the emotional. We wanted to learn more about the motivations behind why our respondents collect art (and asked them to choose all that apply). Here are their varied responses.

- **36.8% Decoration or to beautify my home**

The primary motivation of respondents to collect art is to have something to hang on their walls. Whether it be about complementing their decor style or finding a statement work that will be a centerpiece of the room, collecting for many people is about surrounding themselves with beauty.

- **35.9% Love and inspiration of art**

Some people are motivated to collect simply because they are art lovers. They may be drawn to the way an artist crafted a work; seek out specific themes, styles, or even color palettes; or look to art to be moved emotionally or have their ideas challenged.

- **31.0% Conversation piece**

Many say they're motivated to collect art to spark a dialogue. These collectors seek out works that are interesting, challenging, or unique, and that prompt conversations or debate.

- **30.7% To celebrate or commemorate a milestone**

Many collectors are driven to purchase artwork to mark a pivotal moment in their life. Whether it be a work to reward themselves for an accomplishment, or a commissioned piece to commemorate a specific occasion or location, collectors connect art purchases with life events.

- **30.6% To make a political statement or express my political views**

For others, art and politics are connected, and they collect art as a way to make a political statement. When on display, artwork can express their political views to others or function as a form of activism.

- **30.4% To support artists**

Many collectors purchase art to directly support artists. They may seek out artist-run fairs or online platforms, which tend to pay artists more per sale than brick-and-mortar galleries.

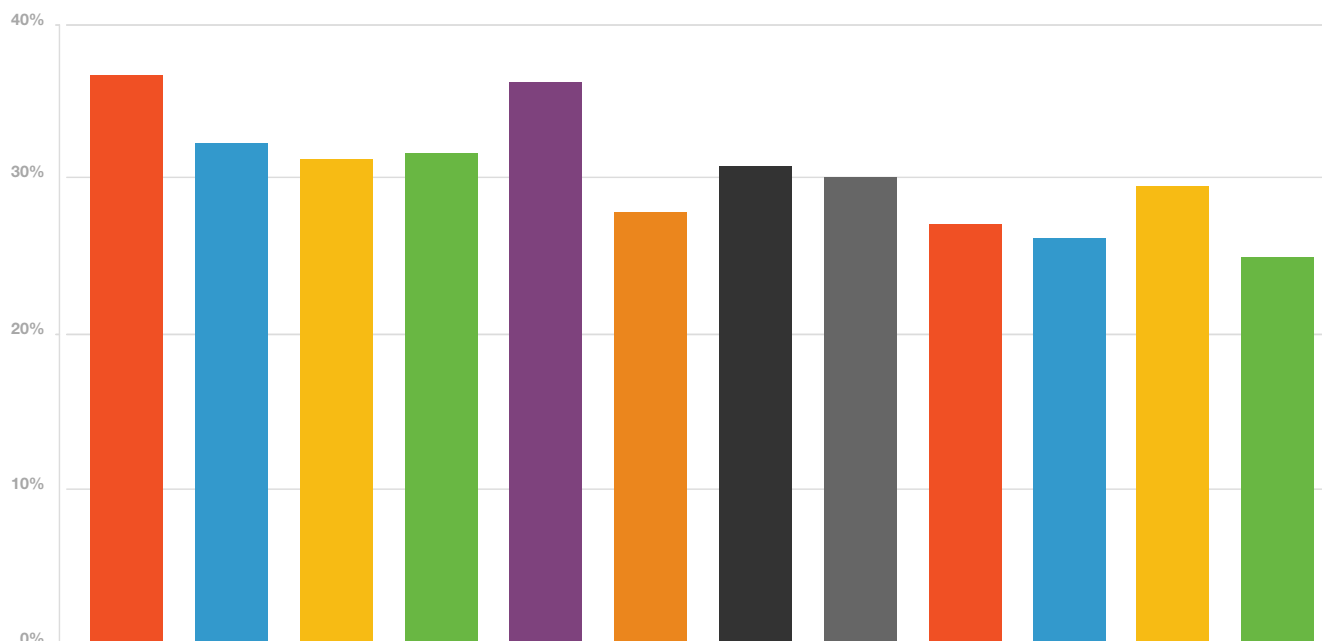
- **30.0% To build a collection**

Many of our respondents view their purchases in the aggregate, and wish to amass a diverse array of cultural objects. These collections could center on a specific theme or consist of diverse, unrelated works.

Other motivations include the desire to purchase art to express their personality (29.7%), as an investment (28.7%), for a status symbol (28.5%), to build a sense of community (27%), and to create a legacy or have an heirloom to pass down (24.5%).



► What motivates you to buy art?



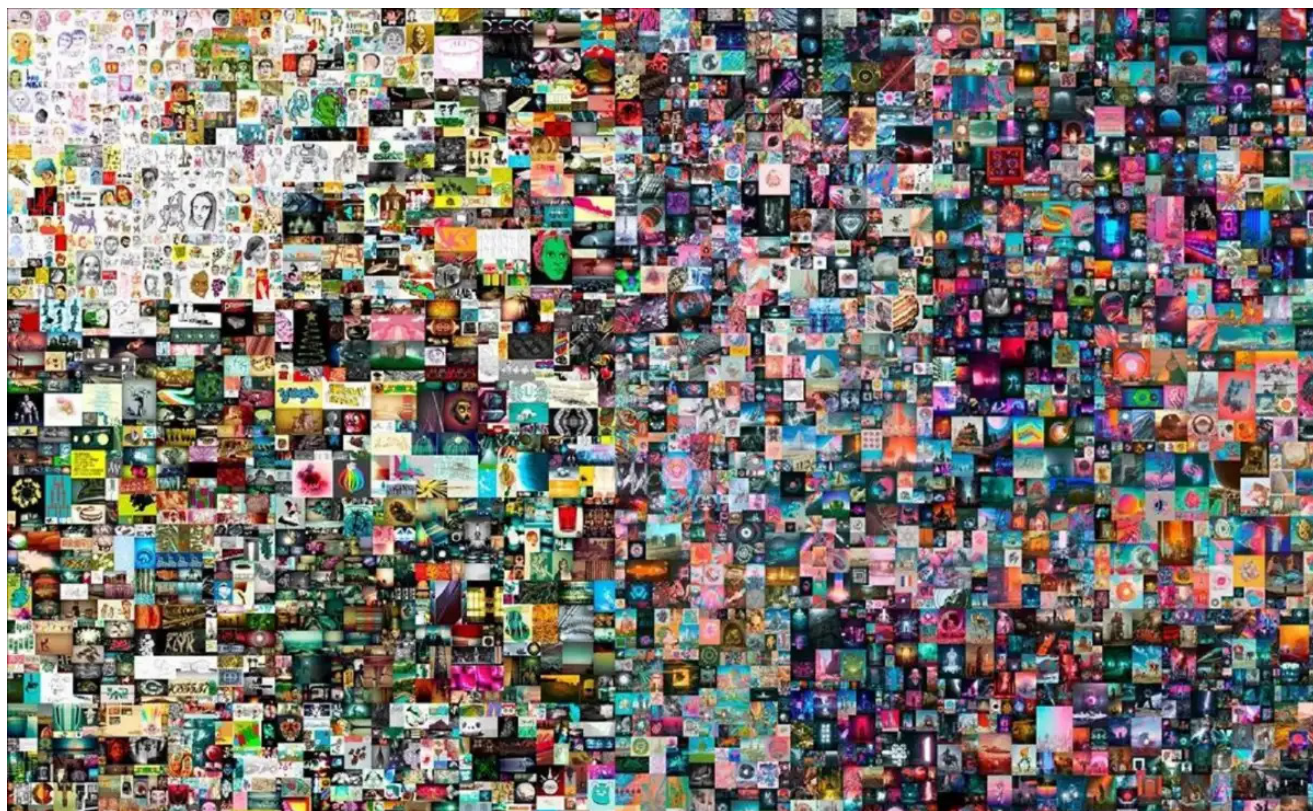
● Decoration / beautify my home	36.7%
● Conversation piece	30.9%
● To make a political statement / express my political views	30.5%
● To celebrate or commemorate a milestone	30.6%
● Love of art / inspiration	35.8%
● Investment	28.6%
● To support artists	30.3%
● To build a collection	29.9%
● Status symbol	28.4%
● Sense of community	26.9%
● Express my personality	29.6%
● Create a legacy / have an heirloom to pass down	24.5%

NFTs and the Future of Digital Art

PART #4



One of the biggest innovations of the last decade to drastically alter the art world are NFTs. Through selling their work as NFTs, artists are able to reach new audiences and develop new income streams, offer proof of provenance for their art, and collect royalties on secondary sales, among a number of other revolutionary benefits. But are art collectors ready to purchase digital work and embrace these new technologies?



32% understand how a work of digital art could be worth \$69 million

In March 2021, the artist Beeple sold a piece of digital art titled *Everydays* for \$69 million through Christie's auction house. As collectors themselves, we wanted to know what our respondents thought about that sale — and they were essentially split on their responses.

The largest segment of respondents (32.4%) said that they understand how digital art could be worth this much, and weren't particularly fazed by the high price tag of a work of digital art.

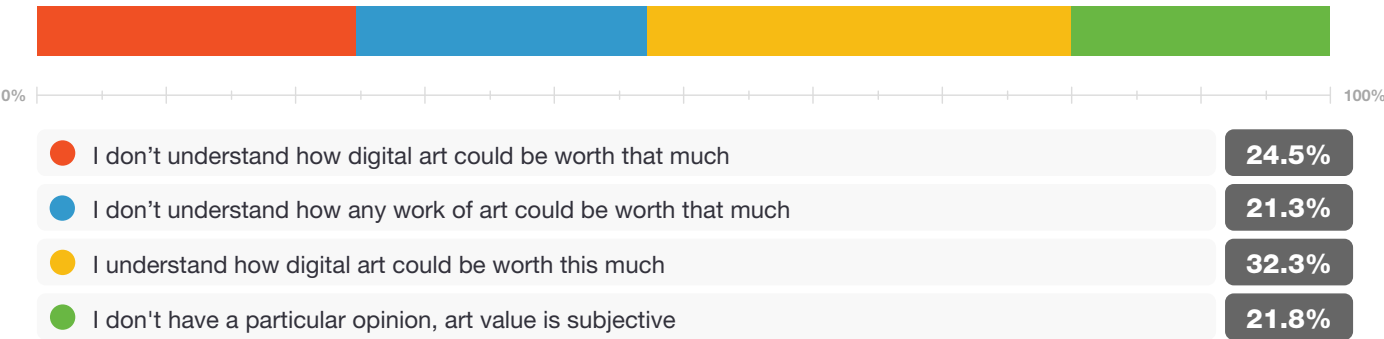
However, 24.5% replied that they don't understand how digital art could be worth that much.

21.8% said they don't have a particular opinion, stating that "art value is subjective." In other words, if a work of art has a value of \$69 million to a collector, who are they to argue?

Finally, 21.3% replied that they don't understand how any work of art could be worth that much, and seem skeptical of both digital and physical art being valued at this unattainable price point.



► Early last year, the artist Beeple sold this piece of digital art for \$69 million. What best describes how you feel about this sale?



Over half believe digital art should hold as much monetary value as physical art

We found that a little over half (56.1%) of respondents believe that digital art can and should hold as much monetary value as physical art. However, nearly just as many (43.9% of respondents) disagree.

Drilling in a bit more, those who believe in the value of digital art typically spend equal amounts each year on artwork online and from physical galleries, and are more likely to discover new artists through online marketplaces or online galleries. They have also typically been collecting for four to six years. This suggests a correlation between comfort with using the internet to collect art and viewing digital art as a legitimate art form.

It's then no surprise that those who don't believe in the value of digital art typically spend more at physical galleries than online ones, and likewise are generally discovering artists IRL. These people have also been collecting art longer (at least 7 years). In other words, those who don't believe digital art should be valued as highly as physical works are mostly conducting their collecting through more traditional, in-person methods and spaces and have been doing it for longer.

► Do you believe digital art should hold as much monetary value as art that you can physically see and touch?



57% are likely to buy digital art in the next year

We already know that digital art and paintings were the mediums of choice for our collectors in the last year. But it's looking as if one could outpace the other in the future: 56.5% of respondents said they are likely to purchase digital art over the next twelve months.

► Are you likely to buy digital art in the next 12 months?





61% of collectors have heard of art NFTs

NFTs have been making headlines for over a year, but only 61.3% of respondents were familiar with the tech innovation. 38.8% said they have not heard of NFTs in the context of art or otherwise.

► Have you heard of NFTs?



63% have purchased art NFTs in the past year

Of those who have heard of NFTs, nearly two-thirds (62.8%) say they have purchased at least one in the past year. 37.2% have not.

► If yes, Have you bought any art NFTs in the past 12 months?



64% of collectors are likely to buy an art NFT in the next 12 months

Of those who are familiar with NFTs, nearly two-thirds (64.4%) said that they are interested in purchasing one in the coming year. However, 35.6% said it's unlikely they will.

► Are you likely to buy any art NFTs in the next 12 months?



Advice for Collectors Looking to Collect Art NFTs

NFTs are an innovative, blockchain-based approach to art creation and collecting. If you're looking to make your first art NFT purchase, here are some recommendations to make the process smoother and more enjoyable.

• Make Your First Art NFT Purchase with the Help of an Established Online Gallery

The NFT market is a new and intimidating space for many art collectors. You may find that the quality of art is uneven, curation is spotty, and that there are some technological barriers for newcomers when making a first purchase.

However, working with a respected and welcoming online gallery or marketplace can help onboard you into the world of NFTs and make the process easier and more transparent. Art advisors and curators can provide guidance when it comes to assessing the worth and



quality of NFTs. They can also provide educational guides to lead you through the technical side of things, as well as introduce you to a larger community of like-minded collectors who share an interest in NFTs.

- **Buy What You Love — Not What You Think Will Increase in Value**

While the NFT market has exploded in popularity, it's still an evolving space, meaning that there are some risks to entry, including volatility, illiquidity, and fraud. You'll be more protected, though, if you're collecting NFTs for the love of art, and to get involved in the communities that are rising up around many of these projects.

Purchase NFTs from projects you are interested in or intrigued by, rather than attempting to speculate on which ones will be a good investment. Do you love the project concept? Have you discovered a new artist that excites you? Perhaps there is a single NFT that you just keep thinking about. Let these considerations motivate you. NFTs can also be meaningful vehicles for discovery, expression, and community participation.

- **Immerse Yourself in the NFT Community**

Community is a large aspect of NFT ownership. Be active in the larger community by having a Twitter account or by joining Discord, and start liking, commenting, and following. Get to know artists and other collectors through these social media channels, and discover the trends and new initiatives going on in the space. The world of NFTs is constantly evolving and the conversation moves fast, so the more you immerse yourself, the more comfortable and knowledgeable you'll feel as a collector.

- **Consider NFT Utility and Benefits**

Many NFT projects include special benefits for collectors that work to forge a long-lasting community around projects. While many collectors purchase art NFTs for the sake of the art, many others are interested in those with built-in utilities. This could be having an NFT attached to something physical, such as a sculpture; an experience; a reward or membership; or another unique value-add.

These benefits make NFT ownership like being part of a club that is constantly growing and offering new means of interaction and engagement. Participating in these project communities can also give you a connection to something larger than yourself, and to a vast community of people who share similar interests. It's a unique aspect of NFT ownership that differs greatly from traditional art collecting.

47% express excitement over the present and future of NFTs

For those who are familiar with NFTs, we wanted to know more about their views — positive or negative — regarding the space. The largest segment of respondents (23.9%) said that they see NFTs as interesting and that they're excited about their future. An additional 22.9% believe that NFTs will help to legitimize digital art, and that prospect gets them excited as well.



However, for 17.1% of respondents, NFTs seem interesting but incomprehensible. 19.2% believe that they are a trend that will go away. Finally, 16.9% believe they are absurdly overpriced.

Of those who expressed excitement, it's no surprise that 65.3% also said that they believe digital art should hold as much monetary value as physical art, and 71.5% say they're likely to purchase digital art in the next year. The largest segment in this group (33.7%) has also been collecting for longer than seven years. They also typically spend more on work purchased online than at a physical gallery.

► If yes, what best describes your views toward art NFTs?



Top Reasons They Haven't Purchased an NFT

For those who know about NFTs but haven't yet made a purchase, we wanted to find out why.

• 21.8% Too complicated

The main reason why these collectors haven't purchased an NFT is that they deem the process too complicated. From setting up a wallet and converting fiat currency to crypto, to finding NFTs to purchase and navigating the minting process, they see the space as too unfamiliar and confusing.

• 17.5% I don't know where to buy them

Another barrier keeping collectors from purchasing NFTs is they simply don't know where to purchase them. There are many online galleries and marketplaces offering NFTs that vary in their features, offerings, and currency, making it difficult to know where to begin.

• 15.7% I'm not sure how to enjoy NFT art I might collect, or I wouldn't know what to do with it

Considering that the biggest motivation to collecting art is being able to hang a piece in your home, many collectors are unsure of what to do with an NFT — which are typically digital files — once they purchase them.



- **15.3% I don't believe they will have long-term value**

The main reason why these collectors haven't purchased an NFT is that they deem the process too complicated. From setting up a wallet and converting fiat currency to crypto, to finding NFTs to purchase and navigating the minting process, they see the space as too unfamiliar and confusing.

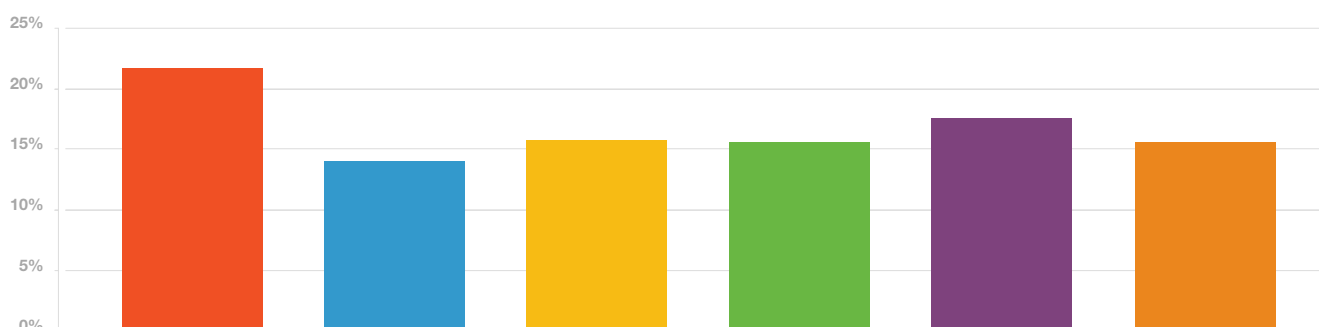
- **15.3% I don't know which ones are worth collecting, or I don't understand the landscape well enough**

Not knowing where to buy NFTs or deeming the process too complicated, many collectors are resistant because they just don't know the landscape well enough to make informed purchasing choices.

- **14.4% Too expensive**

Finally, some collectors see NFTs as just too expensive for their budgets.

► **If no to purchasing, Why haven't you purchased any art NFTs?**



Too complicated

21.8%

Too expensive

14.4%

I'm not sure how to enjoy NFT art I might collect / I wouldn't know what to do with it

15.7%

I don't believe they will have long term value

15.2%

I don't know where to buy them

17.4%

I don't know which ones are worth collecting / I don't understand the landscape well enough

15.2%

An easier, guided process and learning more about NFTs would compel them to purchase

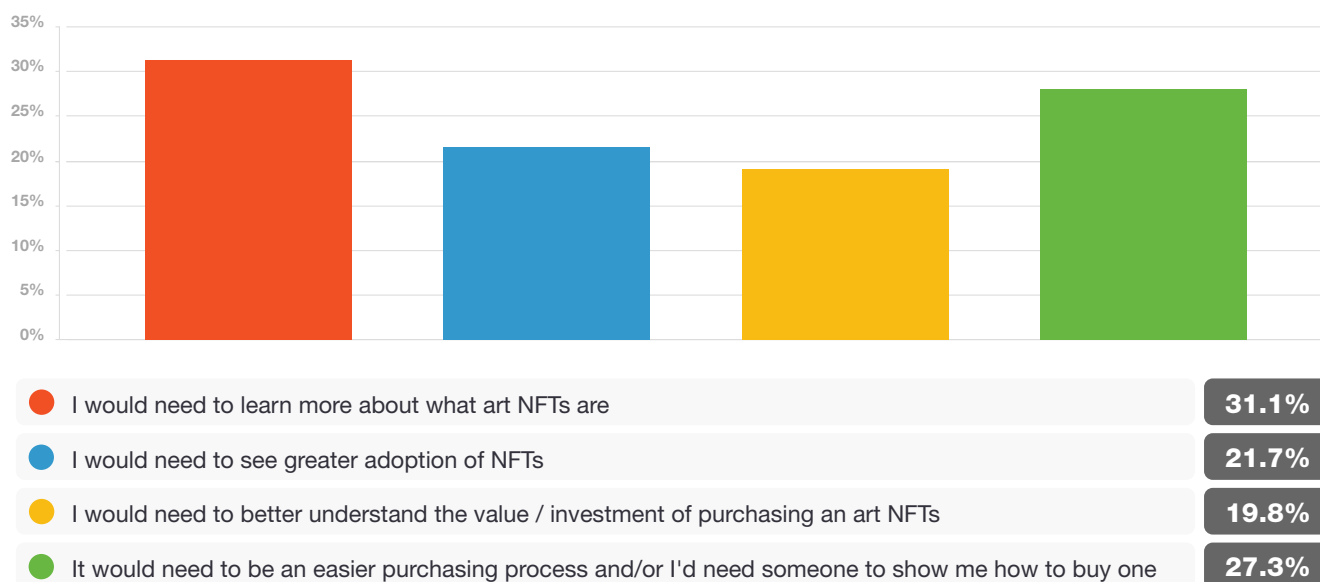
What would need to change for them to consider purchasing an NFT?

The top two aspects that would need to be addressed both involve becoming more educated about the space. 27.9% said that in order to consider purchasing an NFT, the purchasing process needs to be easier or they'd need someone to show them how to buy one. Another 27.9% said that they would need to learn more about what art NFTs are in order to consider buying one.

22.8% want to better understand the value or investment of purchasing an art NFT. 21.5% want to see greater adoption of NFTs before committing.



► **If No, What would need to change for you to consider purchasing art NFTs?**



What's Holding Art Nfts Back From Mainstream Adoption

While many collectors are eager to explore the new possibilities and offerings of art NFTs, others are reluctant to learn more about what's going on in the space. There are a few major challenges collectors face when approaching art NFTs — but there are also ways that the industry can address these challenges, so that all art collectors feel comfortable, knowledgeable, and eager to purchase their first NFT.

- **Confusing Technology**

One of the biggest hurdles to purchasing NFTs is that the whole process seems confusing for a collector just starting out. Instead of being able to walk into a gallery, buy a work, and take it home, those wanting to purchase an NFT — which is blockchain-based — must first get acclimated to the world of cryptocurrency. This involves setting up a wallet, converting fiat currency to crypto, taking security measures, and other technological considerations before a collector can even start looking for work to purchase.

While there may be a few more steps to the process, confusion can be lessened if the art industry focuses more on education and guidance — and many online galleries are doing just that. More focus on making the process streamlined and simpler, with better UI, will also help ease collector reluctance.

- **FUD (Fear, Uncertainty, and Doubt)**

In addition to confusion, many collectors are being stopped by FUD, or fear, uncertainty, and doubt. With any new technology entering a traditional space — especially one as storied as art collecting — there's bound to be fear that it'll do away with "how things always were,"



uncertainty around its legitimacy, and doubt that it offers anything new or beneficial.

One way to address FUD is to continue to show the value of crypto and NFTs to collectors, which could come in the form of other collectors telling their stories and sharing the value they've found in collecting NFTs. For traditional art collectors, understanding the revolutionary benefits offered by NFTs — like provenance, proof of ownership, and artist royalties — will also help them see the practicality of the technology as it pertains to the enjoyment of art and support of artists.

- **General Misinformation**

Contributing to the confusion and FUD is the general misinformation out there about NFTs, from uninformed tweets to op-eds in major newspapers. How can art collectors learn about NFTs in an accurate and supportive environment?

Look for credible, reliable sources delivering easy to consume information that demystifies crypto and NFTs in a digestible way. These sources are often established online galleries or marketplaces who don't just sell NFTs but who help artists get set up in the space and who advise them on how to incorporate NFTs into their career plans. Look for authoritative voices in the community as well, which will include art curators who make it their priority to understand the NFT space.

Summary

In this section we gained quite a few insights into art collectors' views on the growing world of digital art and NFTs.

Digital Art

Despite the growing acclimation to purchasing art online and using online galleries, marketplaces, art fairs, and social media to discover new artists, our respondents have varied opinions on the place digital art should take in the art world. One-third seemed to have no problem understanding how a piece of digital art could be worth \$69 million, and another 22% believe that value is subjective anyway. However, 25% replied that they don't understand how digital art could be worth that much — suggesting they consider it a less legitimate art form than physical mediums.

Should digital art be valued the same as physical art? Aren't they both artistic creations, just in different forms? Or are they inherently different? Our respondents are split on that idea, with 56% believing that digital art should hold as much monetary value as physical art and 44% saying that, no, digital art should be valued less.

NFTs

Our respondents also told us a bit about their view on NFTs, and whether they're excited or reluctant about the technology's promises. Overall, 61% of collectors have heard of art NFTs. Of that group, 63% have purchased an NFT in the past year, and 64% say they're likely to buy an art NFT in the next year.

Nearly half expressed some kind of excitement over the future of NFTs, whether it be simply because they're an interesting concept, or because of the fact that they'll serve to legitimize digital art.

However, the rest weren't as positive, believing NFTs are either a fleeting trend (19%) or overpriced (17%). The remaining 17% say NFTs seem interesting, but they're generally confused about them.

This confusion and general lack of knowledge over what NFTs are and how they work is driving the reasons why those who have heard of NFTs haven't yet purchased one: NFTs are too complicated, they don't know where to buy them, they're not sure how to display or enjoy them, and so on.

Yet more education, guidance, and awareness is what these respondents say would change their mind about purchasing an NFT. They want an easier process for purchasing NFTs, possibly with someone guiding them through it, and desire more education about NFTs in general. If they knew more about them, they would consider adding art NFTs to their collection.

Future Plans for Collecting Art

PART #5





Those who enjoy collecting art aren't likely to stop tomorrow — you wouldn't expect a reader to stop buying books or a vinyl lover to stop buying records. Yet with a rollercoaster economy, rising inflation, consumers' increasing in-person spending post-COVID, and the rise in digital art and NFTs, how might collectors' purchase habits shift in the near future?

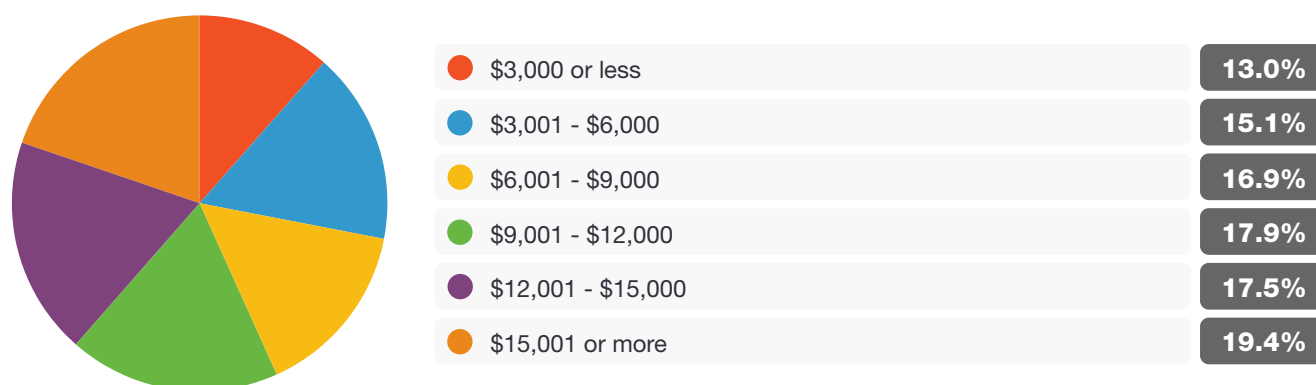
The largest group of respondents plans to spend more than \$15,000 on art in the next year

In asking how much our respondents intend to spend on art in 2022 we see that they're planning to spend much more than last year.

The largest segment of respondents (19.4%) plans on spending more than \$15,000 on art in the next year. Meanwhile, 13.1% plan to spend \$3,000 or less, 15.1% plan to spend between \$3,001 and \$6,000, 16.9% plan to spend between \$6,001 and \$9,000, 17.9% plan to spend between \$9,001 and \$12,000, and 17.5% plan to spend between \$12,001 and \$15,000.

Overall, 71.7% plan to spend more than \$6,000 on art over the next year.

► How much do you plan on spending on any type of art in the next 12 months?



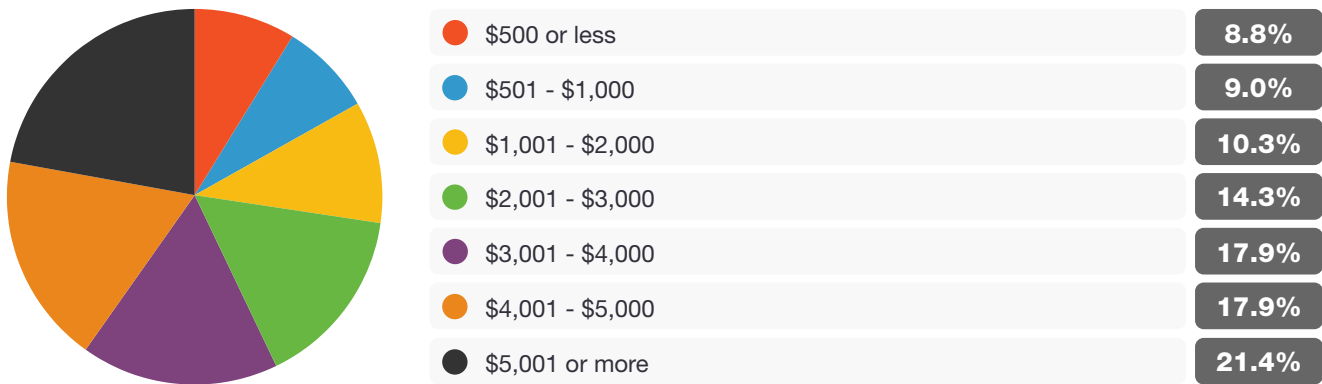
22% plan to spend more than \$5,000 on art NFTs in the next year

Many respondents are anticipating purchasing NFTs, but how much do they plan on spending on them in the next year? The largest segment of respondents (21.5%) plan to spend more than \$5,000. The remaining are a bit less aggressive: 8.8% plan to spend \$500 or less; 9.1% plan to spend between \$501 and \$1,000; 10.4% plan to spend between \$1,001 and \$2,000; 14.4% plan to spend between \$2,001 and \$3,000; 17.9% plan to spend between \$3,001 and \$4,000; and 17.9% plan to spend between \$4,001 and \$5,000.

Overall, 71.7% plan to spend more than \$2,000 on NFTs in the coming year.

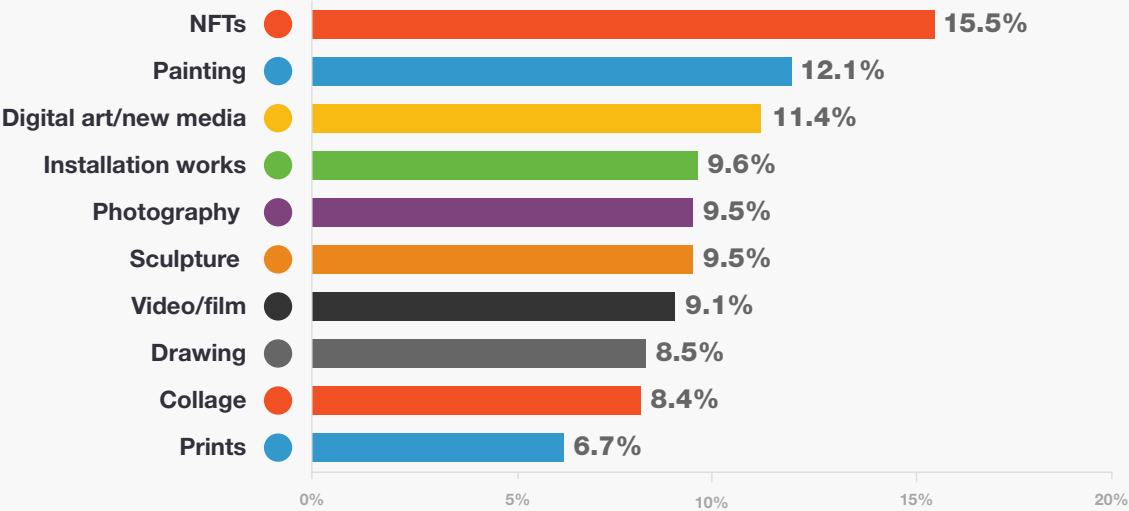


► How much do you plan to spend on art NFTs in the next 12 months?

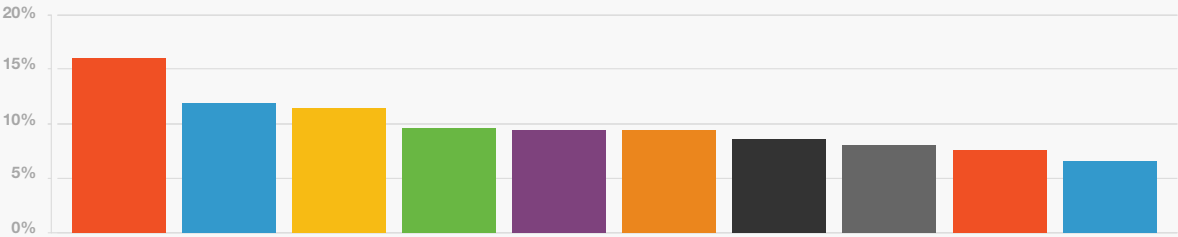


They plan to spend the most on art NFTs, followed by paintings and digital art

We found that last year our respondents spent the most on paintings and digital art (with NFTs much lower on the list at sixth most-collected medium). In 2022, sentiments have shifted greatly and our respondents expect to spend the largest chunk of their art budget on NFTs. Here's how the various media rank now:



► What type of art will you spend the most on in the next 12 months?





60% believe that in five years, digital art will overshadow traditional art

Over half (59.5%) believe that in five years’ time, the digital art world will grow to be larger than the traditional or physical art world. Only 40.5% believe it won’t.

The profiles of these respondents differ drastically. Those who believe digital art will be bigger tend to feel more bullish about NFTs, already purchase digital art, be more savvy when it comes to discovering artists online, and are generally acclimated to the digital art ecosystem. Those who don’t believe digital art will surpass the traditional categories believe NFTs are more likely to be a trend, and tend to favor buying art at physical galleries rather than online.

► 5 years from now, do you believe digital art will become larger than the traditional / physical art world?



Summary

2022 looks to be a big year for art collecting, as nearly three-quarters of our respondents plan to spend over \$6,000 on art, with 19% looking to spend more than \$15,000. It looks to also be a significant year for NFT collecting in particular, as our respondents plan to spend more on them than other mediums. In fact, 22% plan to spend more than \$5,000 on art NFTs in the next year.

Where is this all leading to? Possibly a more digitally-focused future for the art world, as 60% of respondents believe that in five years, digital art will overshadow traditional and physical art collecting, and become the predominant medium in the art world.

Predictions for the **Art NFT Market**

PART #6



As this report shows, we're seeing a significant shift among consumers when it comes to using online spaces and digital channels to participate in the art market. Collectors are exploring online marketplaces and galleries to discover new artists. They're also using social media to learn more about creators and their work, follow the newest trends, and interact with the larger art community. Many collectors are not only appreciating the value of digital art, but have purchased it before. Many have also purchased NFTs, and are excited about the future possibilities they offer to both artists and collectors.

This digital shift will alter the art world in countless ways. These are the most significant positive changes we anticipate.



- **More Access and Democratization of the Art World**

The digitization of art means that art can be distributed over the internet. It may seem like a simple concept, but it has radical implications. Being able to access art online means that the logistics of exhibiting art are no longer an issue. Anyone anywhere on the planet can have access to experience art, as long as they can turn on a computer or use a smartphone.

Accessing art online doesn't just mean passively scrolling through an artist's website, either. It can be visiting a museum in the metaverse, experiencing AR art installations throughout a city, or virtually touring a collector's holdings halfway across the world. Access to world-class art won't just be limited to those with the privilege of living in, or being able to travel to, major global art hubs.

More access means more widespread adoption, and we're likely to see a world where art collecting will be as mainstream for younger generations as collecting comic books, Pokémon cards, or action figures were for kids in the past. This generational shift might come to life in the form of culturally relevant brand collaborations with artists, or gamifying aspects of the art experience to appeal to a younger audience.

- **Increased Diversity and Representation**

Increased access also means reaching more communities not traditionally involved with, or represented, in art spaces — meaning that the key players and influencers of the mainstream art world will begin to look radically different. They will be representative of what our diverse world actually looks like, and will expand the art world much further beyond the typically Western-centric — and predominantly white and male — tradition that has been upheld until recently.

However, those working to expand art spaces across digital realms need to focus on ensuring that they are elevating diverse voices within this space, including helping to onboard and provide crypto education opportunities for underserved creators and communities, so that they may successfully leverage the power of this new technology.

Art is an incredible tool for learning and gaining insight into others' perspectives, and being exposed to new ideas, cultures, and experiences. The increased digitization of the art market — and artwork itself — has the potential to transform how we relate to one another in the world.

- **Fractionalization of the Artist**

NFTs offer a number of new benefits that have previously been mostly unattainable within the old structures of the art world, including proof of ownership, the ability to earn royalties on future sales, and even directly transacting with an audience. As a result of this, we're going to see patronage and support of artists change.



Thanks to NFTs, fans can become “partial owners,” sharing in the future earnings of artists and their works. We’ll also see the resurgence of the patron/artist relationship, but on a many-to-many model where fans can directly invest in their favorite creators and share in their successes. We’re already seeing this happen with music, professional sports, and in Hollywood, where some new shows are written based on the input of the community of token holders. It’s not just a new way of collecting — it’s a new way of thinking about what collecting means and looks like.

- **Experimentation with New Media**

As more builders and creators enter the space, blockchain technology will continue to advance in the features and benefits it can offer to artists and collectors. Naturally, this means there will be more artists experimenting and working with these new technologies. Art will no longer just be something to be looked at on a wall, or phone screen, or in a gallery, but rather something that users will be able to participate in and interact with on a daily basis. And it could take on many new forms — from wearables and immersive experiences, to games and whatever else the imagination can conjure. Art collections will “come off the wall” and be integrated into the home, or may only exist virtually.

- **More Freedom and Independence**

Because blockchain technology and NFTs allow for artists to interact and transact in new ways with their audiences, artists will experience greater freedom and independence in their careers. NFTs offer a way for artists to no longer have to be beholden to corporate patrons or rely on big brands for financial backing. They’ll no longer have to compromise their artistic vision in order to fit a brand’s guidelines. More independent, self-supporting artists will inherently lead to an explosion in creativity — a digital Renaissance.

The Near and Far Future of Art Collecting

While this report may have given us some insights into a segment of art collectors, those findings point more broadly to several significant paradigmatic shifts happening right now in the art world. Online marketplaces and galleries have become the primary place to discover new artists, and more collectors are purchasing digital art than ever before. NFTs are becoming a new draw for many, and 2022 is poised to be a big year for spending on art across a number of different types of mediums. It's clear that web3 will continue to reshape how we discover, buy, and consume art and culture.

2022 REPORT

State of Art Collecting

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