



Simon Denny

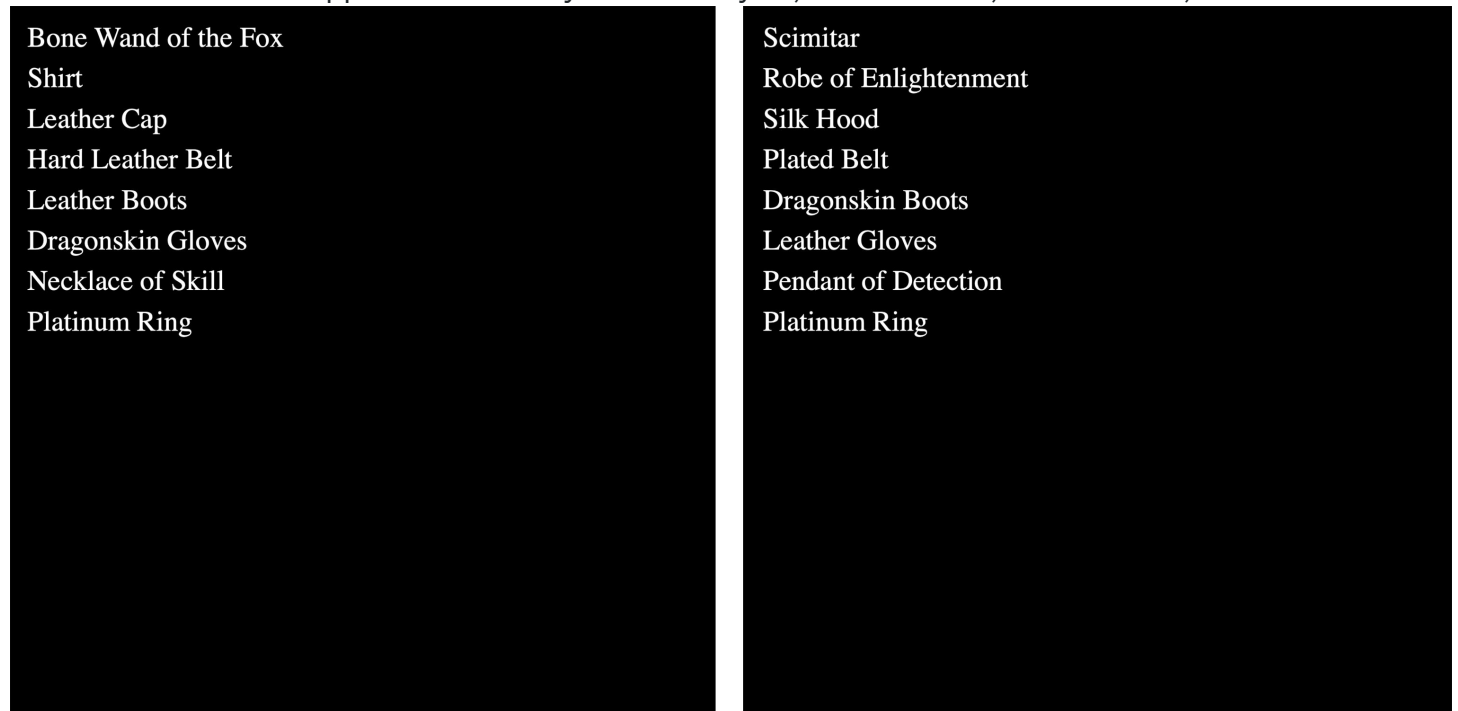
NFTs: an artist's perspective

Simon Denny examines how the blockchain has expanded artists' opportunities to make and distribute new kinds of art

NFTs and crypto art have exploded in 2020 and 2021 as a new context with a significant market for artists to use. This new array of formats has matured into a dynamic space for artists to participate (and adapt to) with qualities that include the ability to trade assets anywhere, often and at a high volume; the privileging of memetic qualities of both images and narratives; and the challenge to creatively and efficiently program for new technical and network constraints, including tight blockchain storage possibilities.

Sales and circulation tendencies in these dynamic zones have spurred ad hoc community formation both as project discussion forums (on platforms like Twitter and Discord) and as new kinds of quasi-institutional collecting and canon-building conglomerates (in the form of DAOs). This environment has prompted a wide range of actors from both the legacy artworld and 'creators' who come from other contexts like digital marketing, illustration, platform design, music, law, and decentralized finance to produce huge range of innovative and sometimes very profitable artistic projects, forming new hierarchies of attention, stand-out figures, and different metrics for success. Projects like *Loot*, by Dom Hofmann (the former founder of the video platform Vine, which launched with a minimal, elegantly coded series of textual prompts but spawned a vast series of artistic collections beyond its original creator which is in and of itself thousands of assets and millions of dollars in value deep), sit alongside huge valuations of almost 'vintage' (2017/2018) profile picture (PFP) collections like *CryptoPunks*, and

newly prominent artworld figures (often coming from 'media art' or 'net art' communities) with increased levels of support and visibility like Reah Myers, Mitchell Chan, Kevin Abosch, and others.



Left and right: Dom Hofmann, *Loot*, 2021. Screenshots from OpenSea.

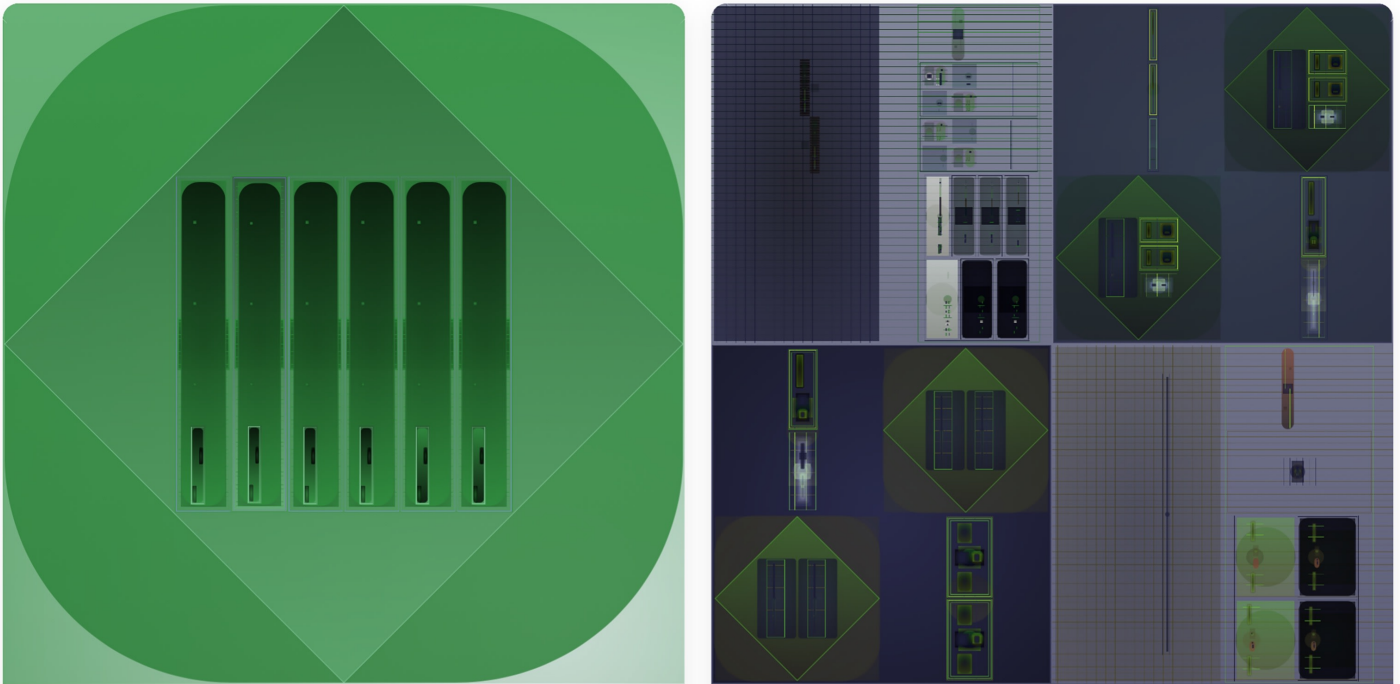
Common formats range from single digital assets sold as single unique works (one-of-ones), perhaps most visibly in practices like Bleep, sold at both auction houses like Christie's and Sotheby's, and on prominent platforms like Foundation, Rarible, SuperRare, Nifty Gateway, and a proliferating set of more recently founded alternatives, and more numerous series of 'generative' artworks, which often launch from a custom website when first 'minted' and are then traded on secondary market platforms like OpenSea or Zora. Artists like Harm van den Dorpel, also a founder of an early gallery for crypto art called left.gallery, collaborate with other platforms like the more independent, boutique-style folia.app. These platforms feature projects like his *Mutant Garden* that skillfully play with the constraints and expectations of the ERC-721 medium (an Ethereum blockchain standard NFT format), with assets that generate their imagery directly from code that morphs and changes – thus changing the asset's visual appearance and playing with the expectations of the medium to be one of digital permanence. With projects like these by van den Dorpel, and others such as *Loot*, it is hard to imagine either a market or network environment which would have supported and valued these kinds of projects in past iterations even of net.art, let alone museums, galleries, biennales, and art fair forums – providing a genuinely new context that has expanded both artists' opportunities to make new kinds of art, but also for other kinds of artwork to be valued in different ways by existing and new communities of art-interested people.





NFTs and Disintermediation

The narrative around the disintermediation of sales and distribution of art with NFTs is potentially overstated. Yes, there are ways that artists can present and sell works with different kinds of gatekeeping mechanisms than the world of established galleries, dealers, and advisors. However, that does not mean that there are not similar figures playing these roles on NFT platforms. The possibility of onboarding to prominent one-of-one auction platforms like SuperRare or Foundation are selected by mysterious mechanisms, teams, or individuals within the platforms, with the possibility for those who are well-connected to use the usual nepotistic ways around them. Also, when an artist has onboarded to such platforms (or listed or minted using open platforms like OpenSea), a successful project or artist still needs to attract attention from the kind of buyer interested in collecting or trading NFTs, which often involves extensive work inserting themselves into online discussions or groups on Twitter, telegram, WhatsApp, or Discord, or aligning their interests with those who have. Specialized discourses, networks, and arenas have quickly emerged and it is much more challenging to find success or any degree of visibility without the explicit support, or at least an understanding of where these discourses sit so that the output being produced matches the expectations of the communities that move markets. Context is still as important in the emergent NFT market as it is in other artworlds, and elite groups have formed fast and hazing rituals, and specialized community rituals and terminology already exist.



Left and right: Harm van den Dorpel, *Mutant Garden Seeder*, 2021. Screenshots from OpenSea.

Also, NFT platforms do take a cut of sales, although it tends to be in the order of under 20% of sales rather than 50% like many galleries. So, fees are still paid by artists for access to markets even on the most open platforms. The artist also pays 'gas' on Ethereum, or equivalent network transaction fees if they do the minting themselves. (Although, there are also clever ways to set up minting costs as part of the initial sales prices if an artist sets up contracts that mint from websites and port to a secondary platform like OpenSea after the initial mint is covered by the buyer). While art fairs and exhibitions do seem much less relevant or important to the core business of sales and distribution of NFTs, moments like those happening at specialized events like NFT NYC in November, or those running in parallel to Art Basel in Miami Beach, clearly are becoming more important places of gathering and exchange.

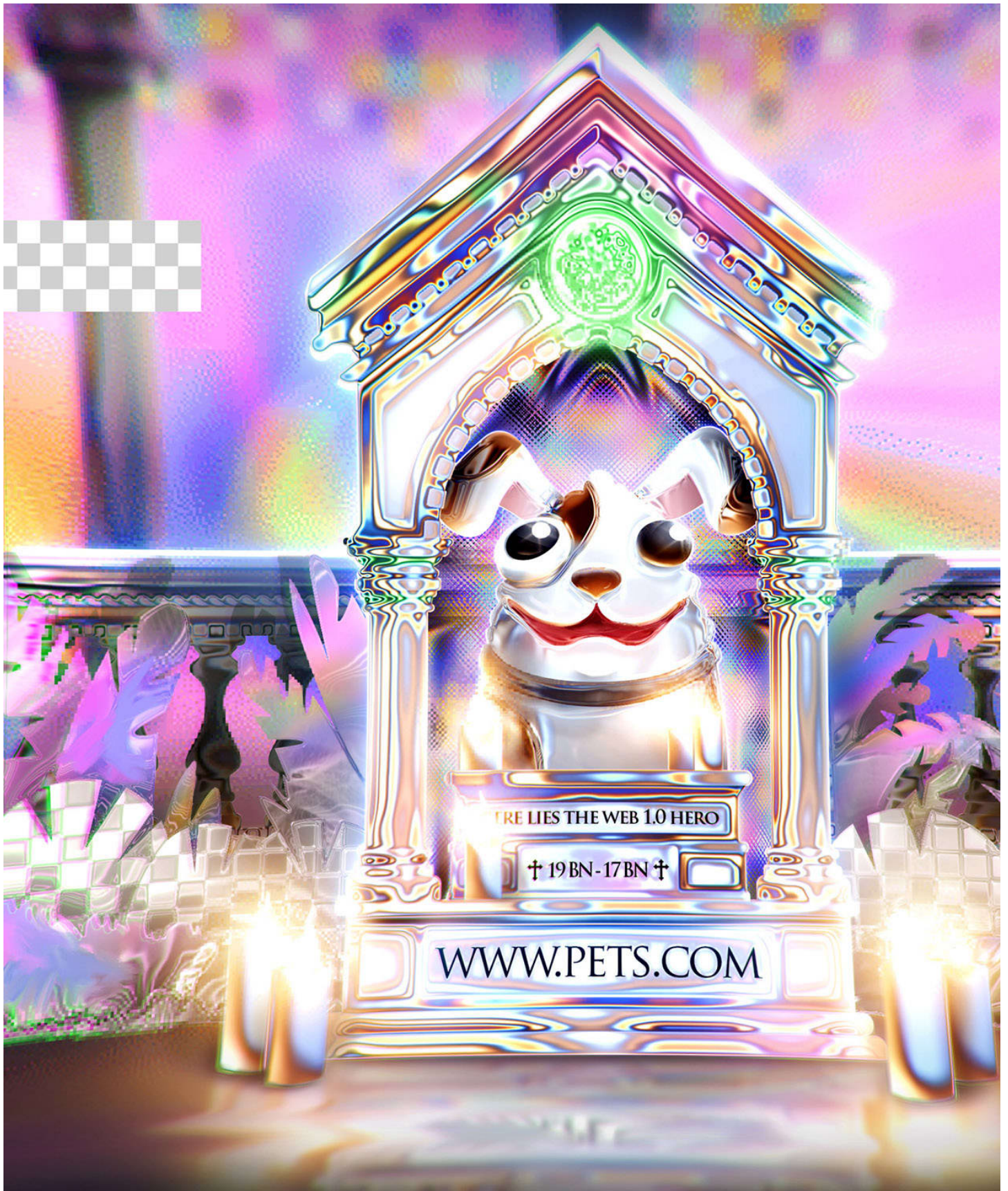
Infrastructure for curating and exhibiting NFTs online, from various virtual galleries and other crypto-acquired properties like those on Decentraland, including some built by auction houses and commercial galleries, are expanding alongside new curatorial protocols like jpg.space and NFT-specific criticism publications like Outland.art founded by Brian Droitcour, formerly of *Art in America*. So far, only a handful of established galleries such as **Pace**, **König**, and **Nagel Draxler** have shown any interest or attempt at foregrounding or launching serious NFT collections, which may change in the coming year. How effective or how much of a competition for the more visible and commercially dominant platforms and auction houses these may become is yet to be seen, but what is clear is that potentially a very different set of skills, networks, and infrastructure is needed at this stage than most galleries have in-house to promote and sell NFT projects for the communities they currently thrive in, or NFT curious legacy collectors.





Regulation is also likely to affect everybody in all sorts of ways yet to be measurable – especially as jurisdictions grapple with tax norms in different ways and with different levels of transparency and user-friendliness. Artists are largely having to navigate these challenges themselves, again reflecting the changing roles of intermediaries. While galleries might have helped artists set up this kind of infrastructure in the past, now most are unlikely to have clear ideas on how to manage these issues, leaving artists to often seek the few accounting minds in their networks that have any idea of how to book these kinds of new currencies and tokens.

Short-term interest or flipping in buying and selling of hot works or series is not entirely new to art, with NFTs, however, it is certainly catered to in the way many successful projects and collections are designed by artists. Again, it could be argued that this speculative behavior is part of the medium, and a challenge which innovative artists are using to make reflexive and creative artworks that encourage or resist these tendencies that are so relevant in other parts of life and markets way beyond crypto and art. Resale royalties, being somewhat standard of course, hugely effect artists' attitudes to this. Fast resales and increasing prices which have significant kick-back for their creators is a very different proposition than a secondary market that artists can barely participate in, like those in the existing art market. Projects are often designed with this in mind, with prices for initial mints low and then increasing rapidly in secondary markets. An ideal project's performance can involve a large amount of initial sales of cheap artworks to a broad selection of collectors (in the hundreds or thousands of individual wallets), a significant portion of which will be resold fast, ideally at a large mark-up, which incentivizes both the initial support of the project and the spread of successful ones to a large number of invested parties – both financially and with their time and attention.



Simon Denny (with Guile Twardowski and Cosmographia), Dotcom Seance: pets.com (1998-2000) reimaginec



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What effect this kind of sales pattern has on long-term value for artists is unclear. At this stage, it feels like a successful initial launch and primary sale of work is not necessarily an indication of longer-term value, and there are many examples of projects that sell out very quickly and are a week or month later being resold or listed below the primary sales price. However, it is one relevant data point. There are other projects that launch without much fanfare or success that are revisited later and then gain a

lot of value. Examples of these include terraO's 2018 *Flowertokens* project, or Mitchell F Chan's 2017 *Digital Zones of Immaterial Pictorial Sensibility* – both quiet and small at launch but have become both critical and commercial success stories years later that have held their high regard for a comparatively long period. There are some parallels to the 'zombie formalism' reception given to a number of recent painters who, when the work was initially presented, were sold and resold quickly for rising prices. Some of those artists have held their value broadly, even established artists such as Oscar Murillo, despite much of the discourse at the beginning of his visibility being centered on price and linked to other practices that are much less visible and valuable now. It could be argued that an early high valuation in this case facilitated some of Murillo's long-term success. It seems most likely that the volume of sales and prices at the beginning was then affirmed by other kinds of broader support along the way – which was not true with other practices that behaved similarly at the time he gained recognition – but that might not have been visible at all without a short-term focus on a particular type of work at a particular moment.

This article was first published in the Art Market 2022 – download the full report [here](#).

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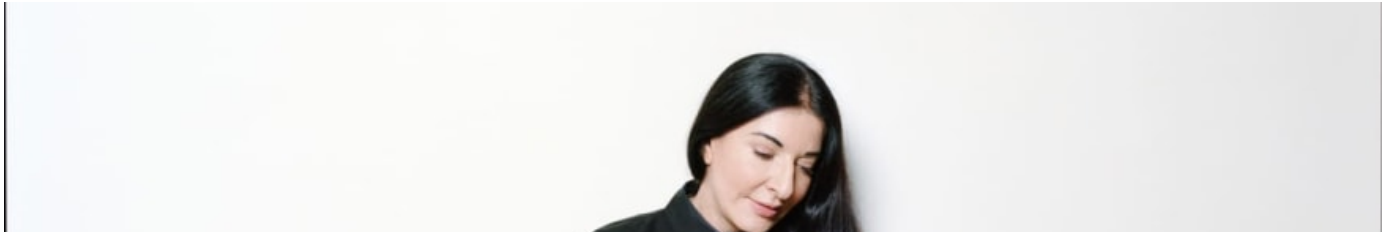


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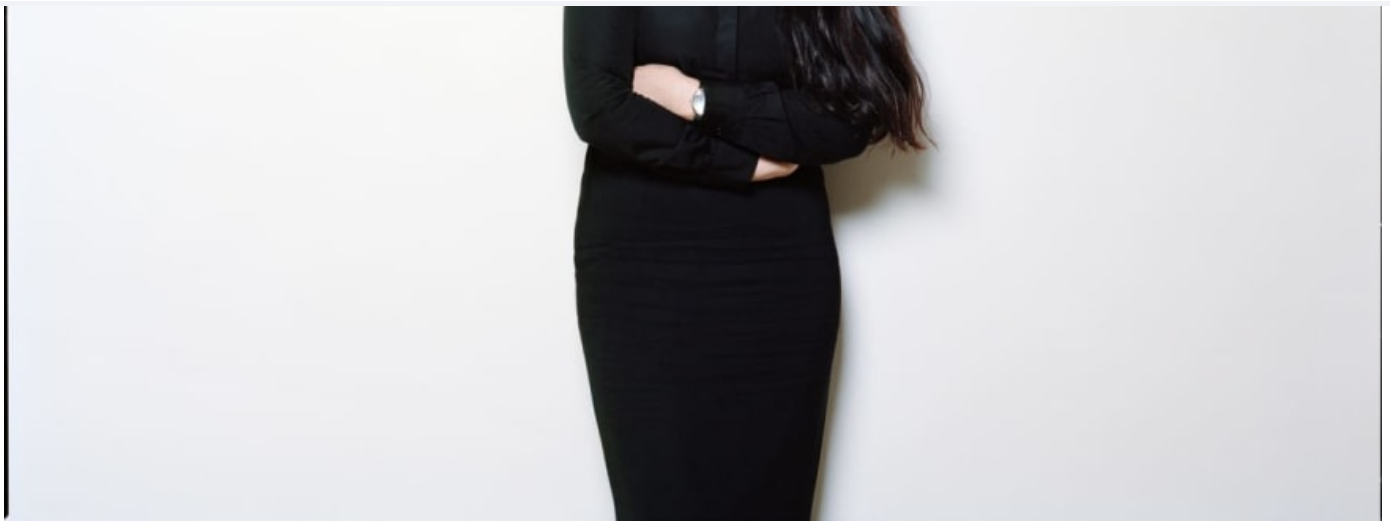
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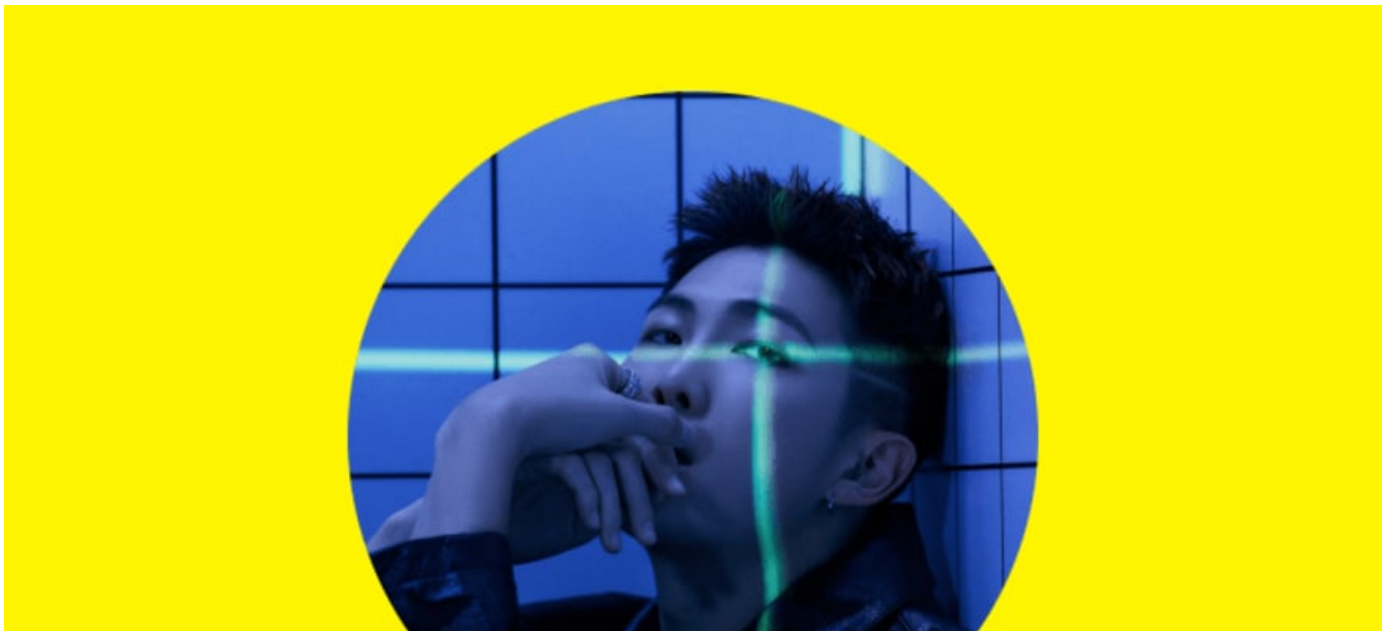


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Captions for full-bleed images, from top to bottom: 1. Harm van den Dorpel, *Mutant Garden Seeder*, 2021. 2. Larva Labs, *CryptoPunks*, 2017. 3. terra0, *Flowertokens*, 2018. All photos: screenshots from OpenSea.

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