

The impact of non-fungible tokens on collectors and artists

Bachelor Thesis for Obtaining the Degree

Bachelor of Science in

International Management

Submitted to Horst Treiblmaier, PhD

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Affidavit

I hereby affirm that this Bachelor's Thesis represents my own written work and that I have used no sources and aids other than those indicated. All passages quoted from publications or paraphrased from these sources are properly cited and attributed.

The thesis was not submitted in the same or in a substantially similar version, not even partially, to another examination board and was not published elsewhere.

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Abstract

In recent years the fast development of blockchain technology and non-fungible tokens (NFTs) has sparked significant interest in various industries. This technology allows the storing of a unique and encrypted digital asset on a distributed blockchain system. The corresponding code functions as a certificate of authenticity and protects against theft. Lately, the art market has been subjected to considerable shifts due to the rising popularity of digitizing works of art and disruptive distribution channels created along the way to sell these artworks at auction on non-traditional platforms. These newly created distribution channels, together with avid investors looking for new asset classes, and the deployment of non-fungible tokens (NFTs) and blockchain technology are expected to trigger a seismic shift in the art world.

The following academic study will serve to investigate the relevance of NFTs for the art industry, building on top of the participation and opinions of various stakeholders. Furthermore, the study will explore the possible advantages and problems caused by blockchain technology. The research paper will offer valuable insights into the current state of the art market as well as the potential disruption posed by blockchain technology. Moreover, the paper will offer a better understanding of the stakeholders, artists, and art collectors in the context of NFTs and will set out to answer the central question of “what added value does this technology offer for these two expert groups.” For this purpose, the existing literature will provide the first layer on my digital, white, docx canvas. At the same time, the expert interviews with artists and art collectors will help to add the details and depth needed for an authentic piece of art.

Key words: NFTs, Artists, Art Collectors, Blockchain, Cryptocurrencies

Table of Contents

Affidavit.....	2
Abstract.....	3
Table of Contents.....	4
List of Tables.....	8
1 Introduction.....	9
1.1 Background Information.....	9
1.2 Goals of the Thesis.....	11
2 Literature Review.....	12
2.1 Blockchain Network.....	12
2.1.1 Blockchain & NFT.....	13
2.1.2 Origins of Blockchain, Cryptocurrencies & NFTs.....	13
2.1.3 Smart Contracts.....	16
2.1.4 Location & Exchange.....	17
2.1.5 Coding Information.....	17
2.2 NFTs for Holders.....	17
2.2.1 Transparency.....	20
2.2.2 Art Market NFT Investing.....	22
2.2.3 NFT Trading Issues.....	23
2.3 NFTs for Artists.....	24
2.3.1 NFTs for Artists and the Art Market.....	24
2.3.2 Benefits of NFTs for Artists.....	27

2.3.3	Fractionalizing Artwork with NFTs and Smart Contracts	28
2.3.4	The NFT Markets	29
2.3.5	The Collections	30
3	Methodology	31
3.1	Research Design.....	31
3.2	In-Depth Interviews	32
3.3	Sampling Method.....	34
3.4	Data Collection	36
3.5	Themes & Coding	40
4	Findings	42
4.1	Entry into the Art World of Artists	43
4.2	Entry into the Art World of Art Collectors	45
4.2.1	Length of Involvement in Art and Art Collecting	46
4.2.2	Motivations for starting to collect Art	46
4.2.3	Experiences with Art and Art Collecting	48
4.3	What the Artists want to convey with their Art	49
4.4	Extract from the Collection of Art Collectors.....	52
4.5	Distribution Channels and Market of Artists	53
4.6	Perception of the Art Market	56
4.6.1	Openness and increased Representation	57
4.6.2	Current Innovations	57
4.6.3	Increased Attention to diverse Cultures	59
4.6.4	Economic Impact.....	60
4.6.5	Current Innovations	60

4.7	Perception of NFTs of Artists	61
4.7.1	Artistic and Aesthetic Values (Interviewee A).....	61
4.7.2	Commercial Potential (Interviewee A, C).....	62
4.7.3	Innovation and Change (Interviewee B, C)	62
4.7.4	Unfamiliarity and Uncertainty (Interviewee B, C, D)	63
4.7.5	Relationship with Cryptocurrencies (Interviewee A, B, C, D).....	63
4.8	Perception of NFTs of Art Collectors	64
4.8.1	Values in the Arts and Aesthetics (Interviewee G, I).....	64
4.8.2	Commercial Potential (Interviewee H, I, J).....	65
4.8.3	Risk and Speculation (Interviewee G, J)	65
4.8.4	Change and Innovation (Interviewee J)	66
4.8.5	Lack of Knowledge and Uncertainty (Interviewee K, L)	66
4.8.6	Connection to Cryptocurrencies (Interviewee G, I, J)	67
4.9	NFTs as a Source of Income and Marketing for Artists	68
4.9.1	Artistic and Creative Vision (Interviewee A, B, D, F)	68
4.9.2	Additional Income Opportunities (Interviewee B, C, F)	69
4.9.3	Use of NFTs for Marketing (Interviewee A, B, C)	69
4.9.4	Uncertainty and Ignorance (Interviewee E, F)	70
4.10	Volatility of the NFT Market and other Asset Classes	70
4.10.1	Preference for other Asset Classes (Interviewee G, H, I, J, K, L)	70
4.10.2	NFT Market Volatility (Interviewee G, I, J, K)	71
4.10.3	Approach as a Collector (Interviewee I).....	71

4.10.4	Lack of Knowledge (Interviewee H, L).....	71
4.11	Acceptance to Purchase, Create or Sell NFTs of the two Interview Groups 72	
4.11.1	Reluctance to Sell or Market as NFT (Interviewee A, B, D, F).....	72
4.11.2	Concerns regarding Exploitation Rights and Visibility of the Work (Interviewee F).....	73
4.11.3	Lack of knowledge (Interviewee K, L)	73
4.12	Future prospects of NFTs.....	74
4.12.1	Skepticism and hesitation concerning NFTs (Interviewee A, D, F).....	74
4.12.2	Optimism regarding the Function of NFTs (Interviewee B, C)	74
4.12.3	Environmental Considerations and the Decline of Digital Works (Interviewee F).....	74
4.12.4	Uncertainty regarding the Impact of NFTs on the Art Market (Interviewee G, H, I, J, K, L)	74
5	Discussion.....	76
6	Conclusion.....	78
7	Limitations.....	79
	Bibliography	80
	List of Figures	89
	Appendices.....	91
	Interviews	91

List of Tables

Table 1: Interviewee Profiles Artists

Table 2: Interviewee Profiles Art Collectors

1 Introduction

1.1 Background Information

Blockchain technology and non-fungible tokens (NFTs) are getting attention in art, suggesting potential for adoption in various settings (Batchu et al., 2022). The original version of the token, a digital asset representing a collection of entitlement, was created in 2015 (Treiblmaier, 2023). It consists of an encrypted code that serves as a one-of-a-kind certificate of authenticity for a specific item (Karim et al., 2015). This category might include everything from written works to artwork to MP3 files and even messages. Storing and encrypting this code on a blockchain, a decentralized storage system, has propelled the excitement around this issue in 2020. In other words, the year 2020 was the year of Blockchain. This is because it offers the owner of the corresponding code an exceptionally high degree of security against theft.

Due to the most recent events, the art market has also been subject to several essential shifts. The process of digitizing works of art produced by either still living or deceased artists and making them available for auction on the internet in NFT marketplaces is already underway. Looking at the global art market from this new technologically forward angle is changing the art scene's conventional elements, leading to the creation of new channels in the art world. Therefore, Tokens that cannot be exchanged for other currencies are posed to assume a far more significant role in the future. As a result of the many use cases that may be found for non-fungible tokens (NFTs) in combination with the implementation of blockchain technology, the art scene is likely to evolve in a new manner that is different from its traditional representation. Investors are hungry for new asset classes since the conventional

ones have either reached their maximum capacity, sold out or are under growing regulatory scrutiny (primarily oil and gas).

Existing research on the one hand shows, how artists, whether they are already well-known or just starting out, connect to non-fungible tokens as well as the possibilities, challenges, and hazards involved with the production of value (Batchu et al., 2022). Nevertheless, the extra value generated by developing and selling NFTs must be examined and investigated in more depth. On the other hand, an in-depth discussion needs to take place, addressing the topic of the protection of one's creative power and the unauthorized sharing of that power. For example, when two separate artists make the same protected item and sell it in various marketplaces, the value of the protected good is significantly different in each market. This is something that Baumol (1986) already pointed out. In addition, art dealers and collectors will need to gain in-depth knowledge of asset investment, value preservation, and commodity trading.

Immutability, decentralization, verifiability, and privacy are the four guiding concepts that have been at the core of the creation of blockchain technology (Shrivastava et al., 2020). More research will be conducted regarding blockchain technology, which is widely regarded as the beating heart sitting at the core of NFT networks. This research will focus on privacy, security, and the long-term sustainability of the applications that blockchain technology enables. Blockchain is a fascinating technology, yet at the same time, it is the technology that is the least understood while also being the technology that is generating the most significant upheaval in the world today (Shrivastava et al., 2020). In the following paragraphs, the author will attempt to illustrate how Blockchain technology may be applied within the framework of NFTs.

This article will provide the reader with a comprehensive overview of the historical context that led to the invention of blockchain technology in the 20th century, as well as the potential dangers and benefits that this innovation will bring in the years to come.

1.2 Goals of the Thesis

One of the goals of this work is to explore the added value of creating NFTs for artists. Some work to-date explores the technical aspects and investment decisions for these products. However, there is very little literature on how artists benefit and whether this has a sustainable impact on marketing and ultimately their income. It is, therefore, vital to explore what added value NFTs provide to existing and new artists to understand how they impact these groups of people. The author will use the existing literature to provide an overview of current research on NFTs concerning artists and, using the research tool of qualitative interviews, add to this existing research to provide valuable insights.

Research Question: What added value does the creation and sale of NFTs provide for artists?

Another goal of this thesis is to explore the added value for art collectors. It explores the ambitions of art collectors in collecting art and the extent to which NFTs have changed the art market. Most of the literature on this topic focuses on investment decisions and the profitability of NFTs. It is, therefore, essential to explore how NFTs provide value to art collectors to better understand how they affect buyer side of the art market. In doing so, the author will draw on the existing literature to provide an overview of what has already been researched on NFTs concerning art collectors and, together with the qualitative interviews, attempt to add to these connections.

Research Question: What added value do digital NFTs create for holders?

This thesis is divided into three significant sections. Part one, the introduction and literature review, focus on collecting and summarizing the background information necessary to understand the extend of currently available research on this topic and the added value from this thesis. In addition, the relevance and timeliness of the topic will be illustrated by a series of outlined events and the actors will be identified and introduced to set the scene.

After this short introduction to the topic, the second part, namely the methodology section will explain the research methodology used for this thesis and explain its accuracy in the context. Furthermore, this section aims to explain the development of the interview guidelines, and the questions which the interviewees were asked, as well as describe the target groups and the author's approach to successfully reach out to suitable candidates.

The third and last part of this thesis is the analysis of the Expert Interviews. This section intends to show how different interviewees responded to questions, compare their responses, and showcase valuable insight from the data collected. The discussion section consists of discussing the results of the interview evaluation. The final section will also serve to highlight the limitations of this research and conclude the paper.

2 Literature Review

2.1 Blockchain Network

In the following paragraphs, we will discuss the more technical aspects of the NFT network. These components are the foundation for a fully functional NFT system.

2.1.1 Blockchain & NFTs

Blockchain technology employs different ways to achieve consensus on transaction data within a decentralized network, as is exemplified by Bitcoin's Proof-of-Work (Buterin, 2013). The technology solves the age-old issue of the Byzantine generals' problem on the Internet, a consensus reached by an extensive network of players who could not be trusted (Treiblmaier, 2019). The Blockchain is a distributed, attached-only database maintained by a network of computers, which stores a collection of data entries that are connected and secured via cryptographic algorithms. Blockchain-based intelligent contracts record ownership of digital art or any other unique digital property, which may be symbolized by non-fungible tokens (NFTs) (Pinto-Gutierrez et al., 2022; Treiblmaier, 2021; Treiblmaier and Petrozhitskaya, 2023).

After most dispersed nodes validate the data shared on the Blockchain, it becomes immutable, as any changes to the stored data would render all subsequent data invalid (Bamakan et al., 2021; Treiblmaier, 2022). Since Ethereum offers a secure environment for executing smart agreements and remains the most widely adopted blockchain technology, it stands out as the prevailing blockchain platform within NFT initiatives. (Wang et al., 2021).

Furthermore, several solutions have done away with their individual blockchain platforms or chain engines to serve particular applications better. These solutions include Flow, EOS, Hyperledger, and Fast Box (Wang et al., 2021).

2.1.2 Origins of Blockchain, Cryptocurrencies & NFTs

Since the early 1990s, people have been mulling over the concept of blockchains and various significant enhancements (Buterin, 2013). However, the movement took off

when Satoshi Nakamoto proposed a framework for a shared electronic currency that considered cryptographic evidence. This framework replaced the need for a trusted third party to confirm each transaction (Buterin, 2013). The introduction of Bitcoin in 2009 was the spark that ignited widespread interest in alternative cryptographic forms of currency as well as other applications of blockchain technology. By a significant margin, Bitcoin is the most critical and actively traded form of cryptographic currency. However, due to the limitations imposed by its design, the Bitcoin blockchain can only be used for transactions involving cash (Sriman et al., 2020). As a result, Buterin introduced Ethereum in 2013, an upgraded version of the Blockchain that enables more complex and specialized applications instead of serving only as a platform for digital currencies (Buterin, 2013; Kim et al., 2018).

2015 marked the year that Ethereum was released to the public and the same year that its native digital currency, known as Ether or ETH, was created. As of today (June 6th 2023), Ethereum has the second-largest market capitalization of all digital currencies.

The evolution of new technologies, such as blockchain, has led to significant disruptions and developments within the economic ecosystem. However, introducing digital forms of money such as Bitcoin, Ethereum, and Tether has caused traditional financial businesses to be disrupted in many different ways.

According to Potts (2014), innovation significantly impacted how social goods were stored and utilized. Blockchain is not a particular case (Alam et al., 2021). In the first decade of the new millennium, innovations emerged, laying the groundwork for various kinds of digital currency (Shrivastava et al., 2020). As a result, blockchain can

be understood as a website that carries a significant amount of value (Batchu et al., 2022).

A blockchain is a distributed ledger that stores information cryptographically and securely and is explicitly organized within a network (Shrivastava et al., 2020). As a result, the blockchain continues to expand reliably. Additionally, no third parties are involved in the transactions between the two groups (Batchu et al., 2022).

According to Alam et al. (2021), innovation provides five primary drivers, including enabling innovative transactions, designing a simple P2P exchange, a fixed framework that promotes dynamic and competent evaluation, and the ability to enable personalization. As a result, the most significant benefits of blockchain innovation are its ease of use, anonymity, enduring quality, quickness of exchange, and safety (Clohessy et al., 2020). Unfortunately, however, the craft industry's current state gives the impression that these guarantees are costly. Because of this, it should not surprise that another kind of computing vehicle, known as the cryptographic craft, or craft secured with a non-fungible token, has followed this pattern (NFT).

The sustainability of the application of blockchain technology is one factor that unquestionably puts a cap on the benefits offered by this technology. According to Giungato (2017), the costs associated with using this application are continuously rising, which is to be expected given that the operation of these decentralized servers requires a significant amount of electricity. The fact that the prices for electricity are going up, not only in individual households but also in the economy as a whole, has a detrimental effect on the Blockchain systems already in place.

2.1.3 Smart Contracts

Szabo initially developed intelligent contracts to accelerate, verify, or negotiate digitally. The development of smart contracts on the blockchain was pushed further along by Ethereum (Wang et al., 2021).

Using Turing-complete scripting languages, smart contracts based on blockchain technology can create complex features and conduct exhaustive state transition replication utilizing consensus methods to ensure ultimate consistency. In addition to providing a standardized structure for the development of applications in a wide range of industries, smart contracts make it possible for untrusted parties and decentralized players to engage in fair transactions without the intervention of a third party that can be trusted. Techniques of state transition are utilized by the applications that run on top of smart contracts (Wang et al., 2021).

All participants have access to the states containing the instructions and the parameters, guaranteeing that the instructions will be carried out openly and honestly. Furthermore, the locations between states have to be the same across all dispersed nodes, as this is an essential requirement for its consistency. Most non-fungible token systems rely on blockchain platforms based on smart contracts to ensure order-sensitive executions (Wang et al., 2021).

In addition to this, Gunay and Kaskaloglu (2022) state that the Ethereum blockchain platform is used by the vast majority of NFTs these days in order to make smart contracts possible.

2.1.4 Location & Exchange

Blockchain addresses and transactions are the cornerstones of the cryptocurrency system. For example, a bank account lets collectors spend money at a bank, similarly a blockchain address allows users to transfer and receive assets. It uses a set of public and private keys and is composed of a certain number of alphanumeric characters. Tokens that cannot be freely exchanged between users need an authorized digital signature and proof of ownership of the corresponding private key. An ERC-777-compliant transaction, which may include smart contracts, is sent via a cryptocurrency wallet to complete this task (Wang et al., 2021).

2.1.5 Coding Information

Data is encoded when it is transformed from one format to another. Standard practice involves encoding multiple files into effective, compacted forms to reduce storage needs or unfiltered forms to maintain original quality and resolution. Hexadecimal values express data in Bitcoin and Ethereum transactions, including function names, parameters, and return values. Because of this, specific standards must be met by the raw NFT data. Claims of ownership of NFT-based intellectual property amount to claims of ownership of the author's original signed hex values. The raw data may be copied without restriction, but others cannot lay claim to it. This suggests that, like the core processing approach of intelligent contracts (Wang et al., 2021), NFT-related actions (such as buy/sell/trade/auction) must be processed in these four steps.

2.2 NFTs for Holders

Over the last decades, various monetary instruments, like stocks, securities, fates, or choices, have been created to fulfill the requirements for raising money, ventures, supporting, theorizing, and risk-sharing. In the meantime, the development of

individual abundance prompts the blast in elective resource markets for craftsmanship, wine, stamps, or different collectibles (Goetzmann, 1993; Dimson & Spaenjers, 2011; Goetzmann et al., 2011; Dimson et al., 2015; Korteweg et al., 2015). A few financial backers treat the elective resource class as a speculation or a portfolio diversifier. A few assets are even made to take special care of this rising interest (Renneboog & Spaenjers, 2013; Kräussl et al., 2017; Lovo & Spaenjers, 2018).

A broad assortment of exploration has been dedicated to understanding how these elective resources are different from conventional speculation vessels. Dissimilar to monetary resources, the attributes of novel resources take time to recognize and measure regarding monetary units. For example, stock costs might be anticipated by or connected with monetary markers, while the costs of works of art might show a distinctive way of behavior. As Baumol (1986) proposes that the stock of a specific stock comprises an enormous number of homogeneous protections, they are altogether ideal substitutes for each other. Going against the norm, the worth of two indistinguishable works of art could shift enormously, assuming they are made by various craftsmen or, on the other hand, sold in various markets. Thus, elective resource classes are otherwise called heterogeneous products or poor substitutes (Stein, 1977).

Existing investigations have endeavored to quantify elective resource speculation execution and contrast it with a few monetary instruments. Observational proof shows that interesting resource classes fail to meet expectations of stocks regarding returns yet outflank bonds often (Mei & Moses, 2002; Mandel, 2009; Dimson et al., 2015). In any case, the profits on extraordinary resources are generally accompanied by higher risks estimated by their volatilities, making them less appealing to financial backers. One strand of hypothetical writing recommends that extraordinary resources

give the proprietors nonfinancial utility. Specifically, Mandel (2009) suggests that artistry has a dual nature as a speculation vehicle and an apparent utilization. Subsequently, the return can deteriorate into the utility from the proprietorship and capital additions from the resales.

However, NFTs demonstrate that personal appreciation of the artwork is a determining factor. There are also exhibition examples that demonstrate the worth of this digital art. For example "Everydays: The First 5000 Days" created by Mike Winkelmann was auctioned off by Christie's in March 2021 for \$69 million. The artwork was made available for purchase as a NFT, or non-fungible symbol - a digital record representing an image that solely exists within the digital realm and attracted significant attention (Kaczynski, 2021).

Since then, NFTs have become a cultural phenomenon in many ways. They have been made fun of on Saturday Night Live, and celebrities like musician Snoop Dogg and NBA superstar Stephen Curry have created their own. Every week, NFTs valued at hundreds of millions of dollars are traded on public platforms such as Foundation, OpenSea, and Nifty Gateway, alongside specialized platforms like NBA Top Shot and VeVe. Simultaneously, numerous individuals ponder the economic relevance of tokens in the online realm, particularly as they represent "ownership" of a digital image or video that can be freely downloaded (Kaczynski, 2021).

Lovo and Spaenjers (2018) further develop that, in closeout advertisements, every bidder's valuation of a given work is a component of the regular stream of "passionate profits" until resale and the average resale incomes. The idea of enthusiastic profits is proposed as extraordinary resources (e.g., works of art or gems) create no income

during the holding time frame. However, proprietors can use these resources to signal their societal position or acquire social acknowledgment (Bagwell & Bernheim, 1996).

For example, a few products and goods from recognized brands or personal trademarks of famous people with recognition value and high social standing permit buyers to relate and separate themselves from various gatherings of shoppers (Han et al., 2010). This unique element stands out forcefully from the plan of existing monetary instruments and assists with making sense of why financial backers will acknowledge lower monetary returns produced from elective resources. Thus, customary resource estimating models probably will have little bearing on the valuation of such resources.

We broaden this examination line by investigating on-blockchain one-of-a-kind resources, NFTs, and analyze whether their gamble return attributes look like those of existing works of art and collectibles. They consider that NFTs have developed decisively and become unneglectable concerning their market capitalization and broad applications. NFTs, without a doubt, merit more scholarly consideration. Notwithstanding, it is vital to know how much a financial backer first paid for remarkable resources in the essential deal to dissect the venture returns on these resources thoroughly, as Whitaker and Kräussl (2020) propose.

2.2.1 Transparency

One of art's most debated issues is the market's need for more transparency. According to Charlin and Cifuentes's 2020 research, auction houses generated around \$37 billion of the total \$67 billion transacted on the art market in 2018. According to Prieto-Rodriguez and Vecco (2021), the price tags on works of art are prone to inconsistency, and it is very doubtful that the great majority of buyers will be able to

understand them. Regarding paintings created by highly sought-after artists, auction houses usually guarantee the consigner (the industry word for seller) a minimum price to be fulfilled at the upcoming auction because the valuations placed on works of art are often vague. If the item sells for less than the guaranteed amount, the successful bidder is responsible for paying the difference in price and the fee charged by the auction house. The administration of the guarantee placed on the artwork that is now up for sale is within the purview of the auction house.

According to the outcomes of the investigation carried out by Charlin and Cifuentes (2020), there is a connection of 1:3 between the pre-sale estimate and the final hammer price that art practitioners who work for auction houses have seen. This is the circumstance, even though the hammer price was much more than the estimate before the sale.

This not only brings up the issue of who genuinely stands to benefit from this framework, but it also brings up the ethical conundrum created by the availability of pricing information. According to Charlin and Cifuentes's 2020 research, participation is restricted to exceedingly well-off individuals with access to confidential data about artwork prices and sales history. The value of an item on the art market, similar to the value of an item on the NFT market, is decided by supply and demand as well as the particular taste of collectors. Both markets deal in unique and uncommon objects. Because only a limited amount of data is currently accessible to the general public, it may be difficult for the general public to appreciate and understand the limits in determining art prices at auctions and galleries that align with market demand (Prieto-Rodriguez & Vecco, 2021).

As a direct consequence, many people need to be made aware that investing in art is a risky and unreliable endeavor. Jacob Pabst, the 18-year-old CEO of Artnet, identified this problem with the art market's openness. So he set out to create a website that with all of the available auction data exposes the growing values of artists' artworks. In addition, the algorithm of a website may be able to anticipate the future value growth of an artist's work by taking into account the total sales made by the artist at auction houses, the number of solo and group displays the artist has participated in, as well as their involvement in art festivals and biennials (Color, 2016).

Disclosure of previous prices would promote market openness, boosting customer trust and interest in buying and selling (Coslor, 2016). In contrast to the conventional art market, the blockchain of NFTs immediately records this information regarding prior prices at which items were sold. In addition, because the blockchain is decentralized, it is not feasible to create a fake version of it (Bourron, 2021).

2.2.2 Art Market NFT Investing

NFT market risk and return must also be considered when discussing NFTs as investments. Kong and Lin (2021) found that NFT trading yields 6.10% to 44.11% monthly returns. Like Aharon and Demir (2021), the authors also found that NFT price growth boosted demand for alternative investments. Considering that such investments have one of the most significant standard deviations, 44.35% to 74.57% (Kong & Lin, 2021). Hence, NFT trading platforms are crucial. When discussing NFTs as an investment, it is important to note their potential drawbacks.

2.2.3 NFT Trading Issues

This investigation's findings showed several challenges associated with investing in NFTs. First, Wilson et al. (2021) addresses the effects of the manufacture, distribution, and use of NFTs on the surrounding environment. Because a blockchain must verify the underlying peer-to-peer network, a cost is associated with producing, selling, and acquiring non-fungible tokens (NFTs). Like Bitcoin transactions, this process calls for the collaboration of several processors and the use of a significant amount of energy. For example, the artist Joanie Lemercier abandoned his approach to producing NFTs after learning how much energy is necessary to manufacture a single NFT (Lemercier, 2021).

According to Wilson et al.'s research from 2021, many projects have been started to lessen the influence of NFTs on the environment by improving blockchain technology and speeding up the validation process. Following that, Chalmers and colleagues (2022) investigated NFT knockoffs. Even if the NFT author legitimately owns the material and is allowed to sell it, the buyer may be in for a rough awakening if they decide to do so. Chalmers et al. (2022) consider selling works of art or music as NFTs dishonest and fraudulent without obtaining the necessary permits. However, if the creators own the copyright, they can lawfully sell NFTs. Following the completion of the transaction, the buyer is granted full ownership rights to the NFT. The NFT is comparable to a piece of artwork in that the owner of the NFT does not have the legal right to exhibit or reproduce the document without prior authorization (Mendis, 2021).

In the same way that washes trading was identified as an alternate strategy for investing in cryptocurrencies by Pennec et al. (2021) (Chalmers et al., 2022), 21 NFTs

might also be invested in using this approach. The practice of two linked parties trading an asset more often, such as an NFT, to enhance the item's price and demand is referred to as "wash trading." Convincing the other party to participate in the transaction is the goal of this endeavor. On the NFT market, several cases of wash trading are taking place. For example, one CryptoPunk was sent from an Ethereum address in October 2021 and after that, the address transacted the sale of CryptoPunk for a total of 124,457 Ether for \$532,000,000.

The vendor's and CryptoPunk's reimbursement was assisted by three different financiers, one of whom was Compound. After suffering a loss of \$532 million on its first sale, the seller of a specific NFT unsuccessfully sought to resell it for more than \$1 billion (Baker, 2022; Chalmers et al., 2022). An alternative asset that cannot be converted into cash and defies traditional monetary appraisal and description is a non-fungible token. Consequently, investors may need more clarification about NFTs since their values are just as subjective as those of other pieces in the art market (Kong & Lin, 2021).

2.3 NFTs for Artists

2.3.1 NFTs for Artists and the Art Market

The determinants behind the development of cryptographic tricks founded the idea of craft dematerialization and the rejection of traditional elements and regulations in craft retail (Franceschet et al., 2020). Retelling cryptographic tricks must be represented as "token-encrypted computerized limited diffusion transactions on a blockchain" (Franceschet et al., 2020). NFTs (non-fungible tokens) are blockchain-based information units that act as unambiguous certifications of creation (Karim et al., 2022).

As a consequence, NFTs function as an unparalleled declaration of possession for a digital item. Tokens can additionally be exchanged without the involvement of intermediaries. For the trade of cryptocurrencies, several trading centers have sprung up. These internet-based platforms, such as OpenSea, SuperRare, or Solanart, provide a primary and secondary market. Sellers, issuers, and professional traders can all benefit from the platforms.

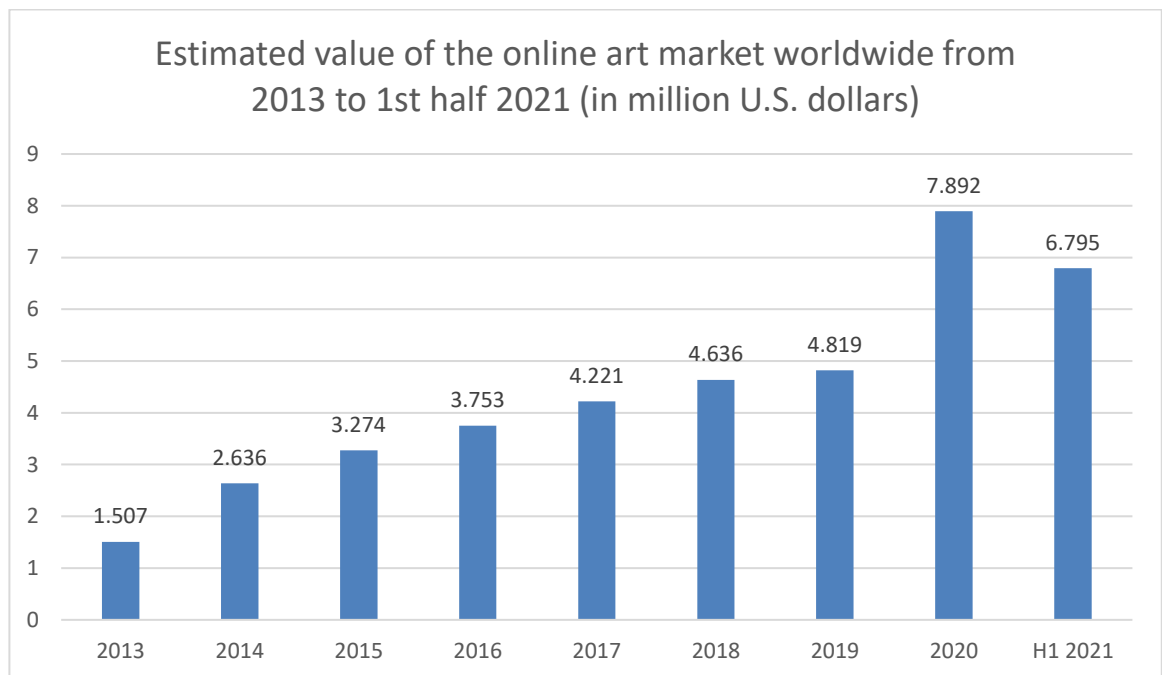


Figure 1: Estimated value of the online art market worldwide from 2013 to first half 2021 (in million U.S. dollars) (Statista (2021)).

According to Statista (2021), the global online art market in the first half of 2021 was worth about 6,795 million U.S. dollars. From 2013 to the first half of 2021, there was an increase of 5.288 million U.S. dollars.

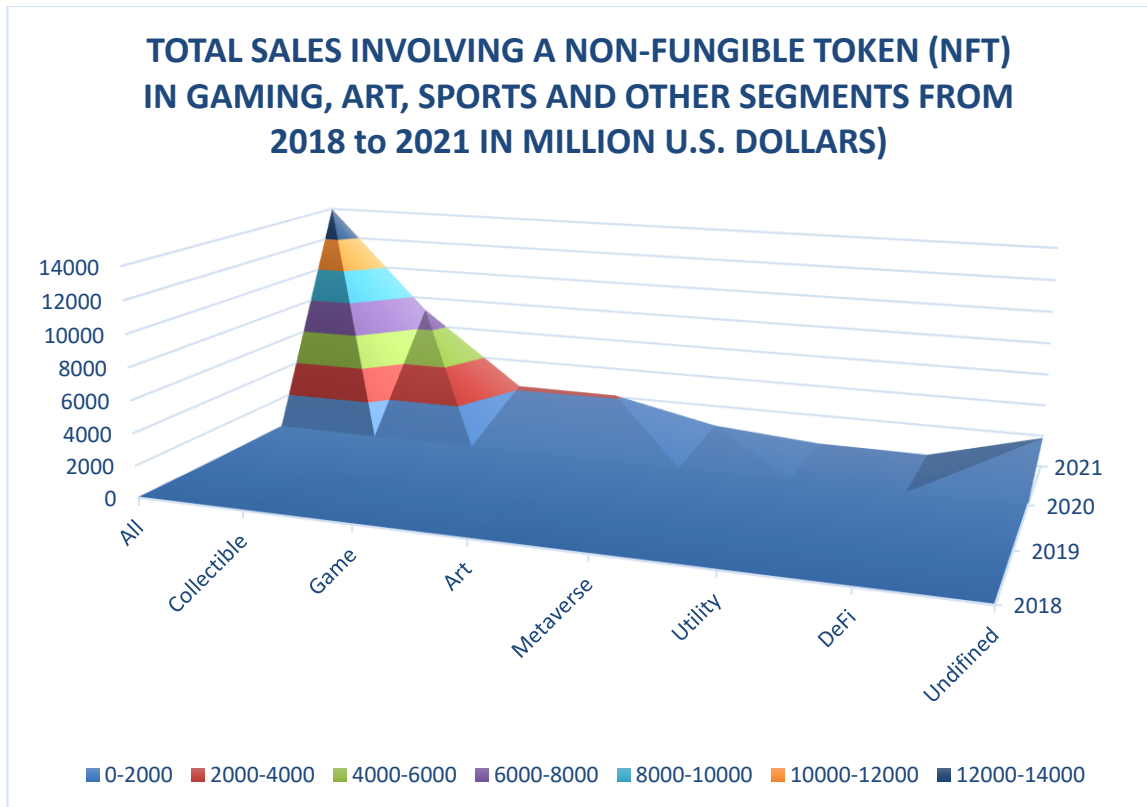


Figure 2: Market size of NFT in different segments worldwide 2018–2021 (in million U.S. dollars) Statista (2022a).

The total number of sales involving a non-fungible token amounted to 13,981.9 million U.S. dollars in 2022, according to Statista (2022a).

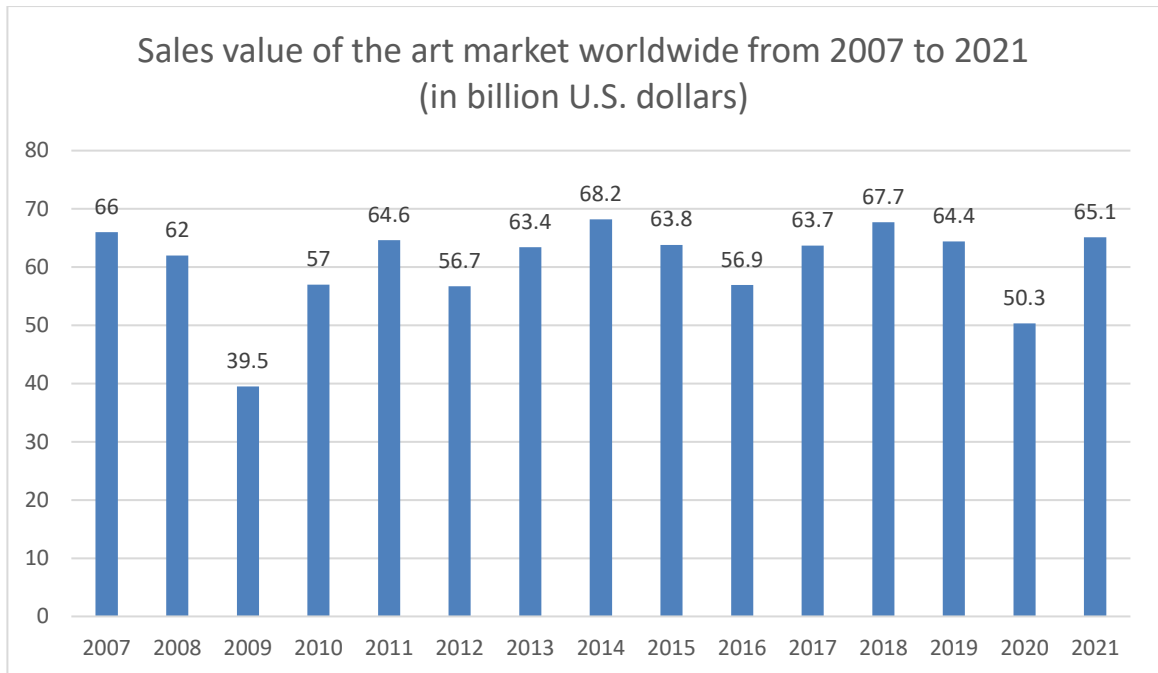


Figure 3: Sales value of the art market worldwide from 2007 to 2021 (in billion U.S. dollars) Statista (2022b)

According to Statista (2022b), the sales value of the art market worldwide in 2021 was 65.1 billion U.S. dollars. In general, the value of the global art market remained relatively constant between 2007 and 2021, peaking in 2014 at 68.2 billion U.S. dollars and falling to a low of 39.5 billion U.S. dollars in 2009.

2.3.2 Benefits of NFTs for Artists

The consensus on the pros and cons of crypto craft in school practice needs to be revised. On the one hand, a high degree of straightforwardness is underscored, close to the insurance of protected innovation, conceivable new plans of action for artisans, and (computerized) frameworks for their remuneration (Batchu et al., 2022)—

otherwise, the market elements and organizational climate need to be clarified considering the curiosity about innovation. Examination of the latter option is also complicated by its ongoing evolution (Clohessy et al., 2020).

Creators of non-fungible tokens can keep ownership of their efforts. In other words, the developer of a non-fungible token (NFT) may make a minuscule profit from each transaction using his NFT if the NFT is part of a system that imposes minimal resale costs (Whitaker, 2019; Bourron, 2021); (Bourron, 2021); As a result, the author has a chance of making a profit off of the first transaction as well as any later sales. This is now a workable alternative thanks to smart contracts, a cutting-edge use case for blockchain technology. The smart contract that details how an NFT was produced, who has it, and how it was later sold is stored on the blockchain (Bourron, 2021).

2.3.3 Fractionalizing Artwork with NFTs and Smart Contracts

The smart contract will be implemented immediately, and the author will get their proportional part of the transaction price. This significantly differentiates these websites from secondhand art enterprises operating for a long time. The second main benefit of digital distribution for artists is that, compared to conventional distribution, there are fewer limits placed on how their work may be shared when it is distributed digitally. Finally, the fact that these non-traditional markets (NFTs) make it easier for their producers to sell their digital items regardless of location is a significant benefit compared to the market for genuine artwork. Most of the time, the high prices of original works of art are caused by the high expenses of shipping and delivery and the cost of insurance to cover any damage that may occur. On the other hand, those responsible for creating NFTs do not need to be concerned with transportation

expenses or any other challenges related to getting their goods to the client (Bourron, 2021).

Additionally, blockchain technology makes it feasible to "fractionalize" a single piece of artwork, which opens up the possibility of its ownership to more than one person or organization (Whitaker, 2019). For example, in 2018, the locally owned and operated art shop Maecenas used blockchain technology in the art market, they divided up artworks into smaller portions represented by certificates (Lotti, 2019; Whitaker, 2019).

After purchasing the piece "14 Tiny Electric Chairs" by the well-known pop artist Andy Warhol, Maecenas gifted it to two people in their own right. In addition, the gallery used these things to create money, which it then marketed as art tokens. By selling 17 ART tokens at Warhol's initial price of USD 5.6 million, the firm generated revenue of USD 1.7 million, equal to 31.5% of USD 5.6 million (Franceschet, 2021).

ART token holders are entitled to a percentage of any gain in value of the artwork that the tokens reflect, just like conventional proprietors are. This is because art tokens represent an ownership stake in the artwork.

2.3.4 The NFT Markets

Anyone can manufacture, acquire, and trade NFTs on secondary market platforms such as OpenSea.io or Foundation (Kugler, 2019). These platforms support a variety of cryptocurrencies. The formation of NFTs is made much less complicated by these technologies. First, when a piece of material is uploaded by its author, a digital asset is created. Second, the header, the body, the meta tags, the pricing, and the media are all related in some way. Third, the non-fungible token (NFT) may be sold or

auctioned off after paying a gas charge on the Ethereum blockchain (OpenSea, n.d.).
Finally, NFTs may be obtained using mintable. App and Rarible to make purchases.

2.3.5 The Collections

According to Nadini et al. (2021), the sale of NFT sets may be found on several secondary market websites. Therefore, to acquire insight into the non-fungible token (NFT) traders and effective accumulation, Nadini et al. (2021) evaluated data from more than 6.1 million transactions.

According to the results, there is a diverse range of NFTs among the 22 influential collections, all visually indistinguishable. There is much interest in the NFT collections Crypto, Chubbie, and Wrapped Punks. Pixels and restricted color palettes help the designs seem more straightforward. These collections are separated into six different categories, according to Nadini et al. (2021), which include art, collectibles, gaming, the metaverse, utilitarian, and NFTs that cannot be classified. Before 2018, it was rumored that art-related NFTs, most notably "CryptoKitties," controlled the majority of the market for NFTs (Nadini et al.; Whitaker, 2019).

These plans were developed by Dabber Labs in the year 2017. Whitaker (2019) states that access to two different CryptoKitties is required to create a digital copy of a third CryptoKitties. After 2018, several other NFT variants became available (Nadini et al., 2021). The subjects of most new non-fungible tokens issued in 2019 and 2020 were the arts, video games, and the metaverse. According to Nadini et al. (2021), art-related non-fungible tokens accounted for around 71% of the total volume traded on the NFT market up to the middle of July 2020. After that, games and collectibles surpassed them.

3 Methodology

This chapter provides an overview of the study design selected for the research topic in addition to the sampling technique, data collecting, coding, and analytic criteria used to ensure reliable findings.

3.1 Research Design

For this research study, a qualitative method is employed to better understand the role that blockchain technology plays in this environment and the influence that NFTs have on both the artists who produce them and the collectors who hold them. Exploring the many realities of respondents, examining their motives, feelings, and beliefs, and making use of theme analysis to analyze the gathered data are all components of this method.

Comparisons are made between the two interview groups, and conclusions are drawn from those comparisons to develop a holistic link between blockchain technology, the production and selling of NFTs, and the investment potential for buyers. This thesis aims to explain the function of blockchain technology within the context of non-fungible tokens (NFTs) and fully explain NFTs' influence on artists and collectors.

Exhaustive data was collected from the previously published academic literature before we conducted interviews with subject matter experts. After specifying the research goals, a theory, and individual hypotheses are developed using an inductive methodology. This technique is exceptionally well suited to investigate or uncover the diverse realities of the respondents, which is vital for gaining a more nuanced understanding of NFTs' effect.

An in-depth and nuanced comprehension of NFTs' effect on artists and collectors and the part that blockchain technology plays in this setting may be attained via a qualitative research design in conjunction with theme analysis.

3.2 In-Depth Interviews

In the context of qualitative research, in-depth interviews are a method for eliciting the perspectives of one or a few participants on a specific topic, location, or concept for the study. In addition to their other beneficial uses, in-depth interviews are advantageous for locating and investigating novel concepts and issues in greater depth (Rutledge & Hogg, 2020). This is a one-time engagement with a single individual or perhaps a small group, and the typical schedule for such interviews is between thirty minutes and one hour (Hassan, 2023).

The primary advantage of undertaking in-depth interviews to be part of one's research is that they accumulate a large amount of comprehensive data. Furthermore, in-depth interviews bring value to the researcher because, compared to other interviewing techniques, such as focus groups, the atmosphere of in-depth interviews is more comfortable and personal. However, while in-depth interviews offer the interviewer many benefits, it is essential to recognize the process's limits and the potential drawbacks associated with them.

Many distinct forms of prejudice may occur due to many different causes. These require the interviewer to be aware of the possibility of bias and to try to obtain data as impartially as is reasonably practicable. In addition to the possibility of interviewee bias, they conduct the interviews and the data transcription and review of this extensive material, which may be time-consuming (Rutledge & Hogg, 2020). The interviewer is responsible for ensuring the environment is pleasant so that as much

information as possible about the respondents' behaviors and attitudes may be gleaned. To ensure that the information gathered is of high quality, the interviewer must keep the effect of their personal opinion, body language and linguistic in mind when conducting the interview. In order to not influence the interviewees answers in any way the interview needs to be conducted as objective with as little input from the interviewer as possible (Rutledge & Hogg, 2020).

For this thesis a semi-structured method will be used for the research subject at hand. According to Mason (2018), the semi-structured interview may be distinguished from other interview formats by the presence of the following fundamental features:

- A two-way communication process between the interviewer and the interviewee (Mason, 2018).
- A relaxed atmosphere throughout the interviewing process instead of focusing only on providing answers to questions (Mason, 2018).
- The interviewers have produced topics and inquiries they intend to use as the focal point, and those planned anchors can initiate a discussion with the interviewee. (Mason, 2018). Even though the interviewers might have planned a significant set of questions, it is not necessary for there to be a comprehensive strategy with defined questions. (Mason, 2018).

It is essential to maintain a degree of adaptability when performing qualitative interviews that are semi-structured in order to ensure a continuous flow of communication. This exposes the door to the potential of obtaining information in unanticipated ways. (Mason, 2018).

- These qualitative interviews provide the foundation for gaining meaning and understanding, resulting from the interviewer and respondent establishing a dialogue. (Mason, 2018).

In-depth interviews were conducted with six artists and six art collectors. The purpose of these interviews was to acquire a better understanding of the research topic. In addition, they offer qualitative information on their current perspectives on the issue's status. It has been decided that the interviews would occur online or at the interviewees' places of business.

3.3 Sampling Method

Sampling plays a vital role in research since researching a whole population is neither feasible nor cost-effective. Quantitative sampling methods seek to select many people from a representative population to provide generalizability for the population in question. In contrast, qualitative sampling methods consider additional factors, including the accessibility of respondents or the researcher's opinion regarding the criteria respondents must meet to be considered. (Farrugia, 2019; Koro-Ljungberg et al., 2008).

The researcher has made a non-random selection of 12 participants who meet the criteria using a purposeful sample method to ensure that the study conducted for this article is of exceptional quality. This kind of sampling, also known as judgment sampling, involves carefully selecting prospective participants based on their qualities.

It is optional to have preliminary hypotheses or a predetermined number of participants to use this form of non-random sampling. (Farrugia, 2019; Koro-Ljungberg et al., 2008). This thesis will use the methodology of expert sampling, which falls

within the purview of the concept of purposive sampling. This approach involves interacting with recognized experts in the field of study.

As subject matter specialists, this study area calls for artists and art collectors. This strategy is helpful for research fields in which there is a limited amount of previous knowledge. Thanks to this, the researcher will then have access to competent volunteers who can contribute to the undiscovered research subject at hand.

The author gets expert insight into the art world's current state through artists and art collectors who may or may not have experience with NFTs. This helps the author gain a deeper understanding of how artists and art collectors perceive NFTs in terms of value, social creation, and personal perception.

As the market around NFTs rapidly evolves, these expert groups can provide sound insights into where NFTs might be headed in the future. The central focus will be on the future of NFTs and what risks and opportunities they will create for these groups of people. The diversity of the interview group members brings various viewpoints and opinions. Thus, different benefits, drawbacks, and challenges in this context will be collected for a more comprehensive picture.

The two central questions answered in the upcoming paragraphs are as followed: What is the added value of NFTs for artists, and what is the added value of NFTs for art collectors?

The expectation of the author in regard to the artist interviews is to find out whether NFTs as an additional source of income and marketing are a sustainable way to diversify and broaden the art market in the long run. Special attention is paid to the obstacles and advantages that represent the key parameters in these artist interviews.

The interviews with the art collectors on the other hand will help the author to draw conclusions on whether NFTs have established themselves as an asset class and whether these people are willing to position add to their investment portfolio by diversify their art investments with the inclusion of these new asset type. Likewise, personal opinions on obstacles and advantages are the central focus to get a holistic picture.

3.4 Data Collection

It is essential to develop a personal connection with interviewees at the outset of the process to gather open and honest opinions and thoughts. (Bourgeault et al., 2010). All interviews included in this scientific work were conducted between February 1, 2023, and May 1, 2023. All of the interviews either took place in Vienna, Linz, or online using Microsoft Teams. The interview location was chosen according to the interviewee's preferences, to create an informal atmosphere necessary to get the best available information. As noted, before, a semi-structured guideline was established to direct the discussion to the primary question about this issue before conducting the interviews. If the high-profile interviewees weren't able to find the time to participate in a synchronous, face-to-face (in-person or online) interview, but still insisted on providing their views and opinions they were given the opportunity of completing an asynchronous questionnaire sent to them via e-mail.

However, the person being interviewed has the right and is encouraged to elaborate on his views in a manner that goes beyond the limits of the primary inquiry since doing so may lead to new, high-quality findings. The researcher's goal is to interview with as few questions as feasible in this specific context to reduce the possibility of the respondent being influenced by prejudice or prompted to take a particular stance. As

methods of investigation, the recording and transcription will be applied, and the result will be a more comprehensive examination of the data. The following is a list of the semi-structured questions:

Interview Guideline Expert Group "Artists"

- How long have you been working in the art scene?
- What kind of art do you deal with exactly?
- How do you distribute your art? How big is the market currently using or buying your art?
- Are you satisfied with your current environment in the art scene? What improvements, if any, would you like to see?
- What innovations are there currently in the art scene?
- Have you ever heard about NFTs or even created one?
- What risks or potentials do you see in NFTs in general? How do you feel about the topic?
- Could you imagine selling or marketing your art as NFTs as well?
- Would you consider an additional source of income in the form of proceeds from NFTs as positive?

Interview Number	Interview Coding	Date of Interview	Interview Group	Type of Artist	Years in Business	Age
1	A	04.04.2023	Artist	Photography	10	28
2	B	04.04.2023	Artist	Paintings	8	21

3	C	17.04.2023	Artist	Music/Sound Engineer	6	26
4	D	19.04.2023	Artist	Architect	40	56
5	E	19.04.2023	Artist	Media Art Installations	23	41
6	F	20.04.2023	Artist	Computer Games	20	51

Table 1: Interviewee Profiles Artists

Interview Guideline Group "Collector"

- How long have you been involved in art? How long have you been collecting art?
- Do you specialize in a particular type of art?
- Can you put your existing art into price categories? Could you give me an excerpt of your collection?
- How do you see the art market at the moment? Are there any innovations?
- Have you ever heard anything about NFTs? If so, what is your general opinion on the subject?
- What risks or potentials do you see in NFTs from an art collector's point of view?
- Could you imagine buying or collecting NFTs and expanding your portfolio?
- Will NFTs revolutionize the art market after all?

Interview Number	Interview Coding	Date of Interview	Interview Group	Type of Art	Years of Collecting	Age
7	G	20.04.2023	Art Collector	Contemporary Art	40	60
8	H	23.04.2023	Art Collector	Photography/Abstract Art/Contemporary Art	7	24
9	I	23.04.2023	Art Collector	Abstract Expressionism	4	24
10	J	26.04.2023	Art Collector	Art Deco/Pop Art/Neo-Expressionism/Contemporary Art	8	39
11	K	29.04.2023	Art Collector	Modern Art	25	56
12	L	29.04.2023	Art Collector	Folk Art/Contemporary Art/Material Art	33	54

Table 2: Interviewee Profiles Art Collectors

3.5 Themes & Coding

Qualitative research uses thematic analysis to find data patterns. This strategy helps academics construct hypotheses and thoroughly grasp a subject. Theme-centered analysis works inductively and deductively. It helps researchers find correlations between ideas and compare them to already collected data to enhance accuracy, complexity, and meaning (Braun & Clarke, 2022).

The grounded theory technique has a fundamental difference: Data collection and analysis coincide. Thus new data is dependent on past analysis. Theme-centered analysis may be employed instead of grounded theory if two data sets are obtained simultaneously (Braun & Clarke, 2022).

Interpretation-focused research should employ Theme-Centered Analysis. It facilitates data analysis by linking topic frequency to content. The procedure may be applied inductively or deductively. In addition, theme-centered analysis helps researchers find correlations between ideas and compare them to duplicated data to enhance accuracy, complexity, and meaning (Braun & Clarke, 2022).

Inductive thematic analysis does not classify data into pre-existing themes, unlike deductive thematic analysis (Braun et al., 2006). This research employed both types of thematic analysis since pre-existing topics were generated before the interviews. The inductive analysis incorporated additional topics to this research if data did not fit into the thematic framework (Braun & Clarke, 2022).

In application to the thematic inductive analysis, the author transcribed the conducted interviews in order to establish superordinate terms for themes immediately. Then, the author identified and noted repeated statements,

contradictions, and patterns through repeated reading. In doing so, he comprehensively understood the interviewees' statements and was able to later draw conclusions of high quality.

The author's open coding included that the statements, contradictions, and patterns were used as chapter headings in the next step to capture similar statements between interviewees. These themes were set in a broad to capture all interviewees with similar statements on themes.

The logical structure of the findings was recorded in the order of the interview questions. On the one hand, the author's interpretation of the interviewees' statements was used to provide an overview of the vital message. On the other hand, quotes from the interview partner were provided below to support this interpretation. In addition, thematic maps were created per chapter heading, and a thematic map as an overall overview of the collected statements was drawn.

4 Findings

Entry into the Art World (Artists)

Figure 12: Overview of Findings

4.1 Entry into the Art World of Artists

The predominant theme found throughout most of the interviewees' responses is their devotion and commitment to the arts. Each has a distinct past, but they share a passion for art. While some of the interviewees prefer to create art, others like to collect it. However each of the interviewees approaches the field, all of their responses highlight their individual, early passion for art, the diverse forms of artistic expression they selected, and the influences that led to their involvement in the arts.

For example, one of the interviews talked about how his family significantly influenced his interest in art creation and has led to his involvement in the arts for decades. After collecting art for a decade, he turned to photography as a means of self-expression.

“Through my family, who has been involved in art for decades, whether collecting, working with art and artists, or even creating. However, finally, after I started to collect art rather, the self-creation appealed, and now I photograph meanwhile they ten years.” – Interviewee A

Interviewee B reveals that painting art has been his favorite activity for as long as he can remember, but he did not fully uncover his passion until he was 14 years old. Animals and humans are his preferred subjects, demonstrating his desire to capture life and express emotion through art.

“Painting has actually always been my favorite thing to do, but I guess when I was 14, I really discovered my passion. Especially animals and people were some of my favorite subjects.” – Interviewee B

Interviewee C defines himself as a musician and sound engineer. His interest in music creation was ignited when he began playing instruments independently and recording

his songs. He artistically conveys himself through his creativity and emotions, influenced by others making music at home.

“Throughout my academic school career, I always enjoyed playing music at home. I started learning guitar on my own back then and recorded my pieces. At some point, I became very interested in recording, editing and sound engineering my music myself. Which is why I would call myself a sound engineer/musician. I was only moved by my desire and mood. However, I am also inspired by Instagram videos of people who make music for themselves at home.” – Interviewee C

Interviewee D reveals that his interest in art stems from his architectural education at the Technical University of Vienna. He was attracted to various forms of artistic expression due to his study plan and the alliances he formed in this field.

“My father's ancestors were master carpenters and builders. So I was born into the cradle of design. Since the time of my studies in architecture at the Technical University of Vienna, I have been involved with art. The pronounced interest has been present since I was about 16 years old. My bachelor's studies have awakened and deepened my interest of the diverse art directions, conditioned by the study plan and the friendships of those people, who move or moved in this circle.” – Interviewee D

Interviewee E, who studied media at the University of the Arts, desired to work with animated images found on websites or in videos. His interest in media and visual creation led him to enter the art world.

“I studied media at the University of Art in the 2000s. I wanted to work with moving images, whether a website or small videos etc.” – Interviewee E

Interviewee F states that he has worked in art for roughly 20 years without elucidating his background or specialty.

“I have been in the art field for about 20 years.” – Interviewee F

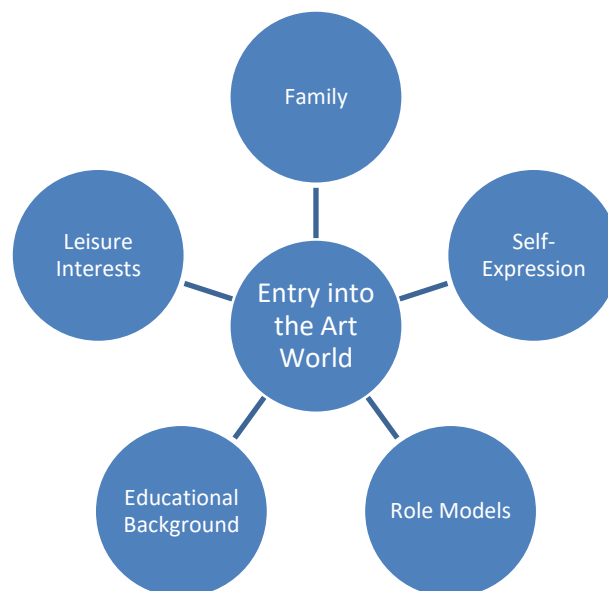


Figure 4: Reasons for the entry into the art world for artists

4.2 Entry into the Art World of Art Collectors

Interviewees G, I, and L have extensive experience with art and art collecting. Their reasons for acquiring art range from familial interest to friendships with renowned artists and art dealers to satisfy their aesthetic requirements. In addition, they have

had a variety of experiences connecting them to the field of art, such as studying art history, attending art events, and visiting art exhibitions.

4.2.1 Length of Involvement in Art and Art Collecting

Interviewees G, I, and L have spent years collecting and appreciating art.

Interviewee G started collecting paintings when he was around 20 back in 1983.

“Since 1983, when I was 20 years old.” – Interviewee G

From museum trips with his grandpa to solo shows, interviewee I has dedicated his life to art.

“I have been involved with art practically all my life. As a young boy, I visited museums with my grandfather, later I explored museums and exhibitions on my own, and from my student days onwards, I spent a lot of time at art openings of artist friends and acquaintances.” – Interviewee I

Interviewee L started collecting paintings in college when her money permitted.

“I have been involved with art since my student days. Even at that time, if the budget allowed it, I acquired some art objects.” - Interviewee L

4.2.2 Motivations for starting to collect Art

Respondents started art collections for various reasons.

Famous painters and traders influenced interviewee G.

“Friendship with three well-known artists from Linz:

i. Paul Fischnaller

ii. Elfriede Lehmann

iii. Robert Oltay

Friendship with well-known art dealers:

i. Soravia Group (Dorotheum)

ii. City Gallery, Johannes Rangl

iii. Paul Fischnaller jun.” – Interviewee G

Interviewee H was motivated by his family's love of art and saw the art sector as a non-judgmental profession that is accepting of all cultures.

“As mentioned before, family interest and I also find art is one of the only industries where the product is primarily traded without prejudice and also because so many different cultures and groups of people are represented, unfortunately, some more and some less.” – Interviewee H

Interviewee I bought individual items and focused on his favorite painters.

“In the beginning, I often impulsively bought art from friends/acquaintances that I liked at the moment or even if I knew someone's rent depended on a sold painting. Today, I am already more on the lookout for that special something, or pieces that I am actively trying to buy.” – Interviewee I

Interviewee L coached classmates on how to buy art.

“Mostly, I was involved in an advisory capacity for the acquisition of art objects for friends.” – Interviewee L

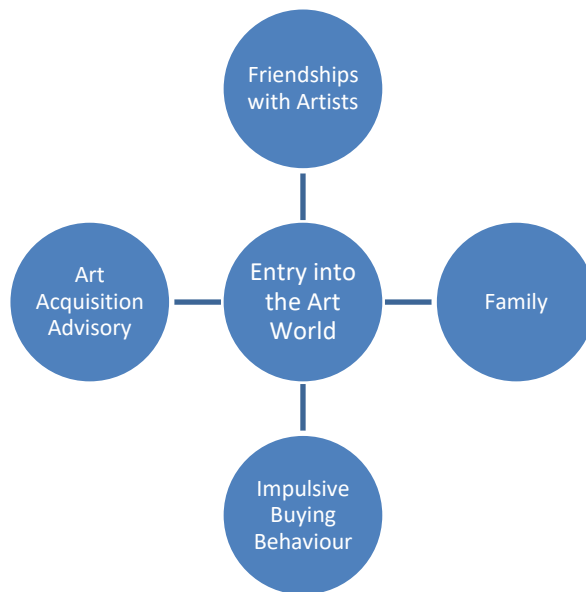


Figure 5: Reasons for entry into the art world for art collectors

4.2.3 Experiences with Art and Art Collecting

The interviewees have varied experiences related to art and art collecting.

Interviewee H studied art history and visited art events.

“I grew up with a high interest in art present in my family and therefore I started being interested in the field in my early childhood. Now I live this interest intellectually through my art history studies and professionally, through my work at art events. I’ve been collecting art, for a few years.” – Interviewee H

Interviewee I attended several artist friends' openings.

Interviewee J frequents galleries.

“Visiting different art exhibitions.” – Interviewee J

Interviewee L counseled on art purchases, considering aesthetics, harmony, perceptual dynamics, and haptics.

“Some exhibits were already available. An existing attraction to the acquisition must be given, although the fame of an artist is never the primary consideration. Art is a way of satisfying needs. Aesthetics, harmony, dynamics of perception, haptics, etc. are given as examples.” – Interviewee L

4.3 What the Artists want to convey with their Art

The interviewed artists in this study convey diverse messages through their art. Others address social, ecological, and scientific concerns. Each artist has their artistic vision and aims to convey emotions and ideas through their works.

The message of Artist A focuses on self-esteem and the variety of female attractiveness. She hopes to boost women's self-esteem and demonstrate that there is more than one beauty standard; each woman is beautiful in her own way.

“Since I prefer to photograph women, I want to give the women I photograph an increased sense of self-worth and also show other women that there is not only one ideal of beauty but every woman is beautiful.” – Interviewee A

Artist B desires to infuse color into our lives, which can sometimes be drab and monotonous. He uses red to depict rage and passion and green to represent harmony—his artwork attempts to evoke various emotions.

“With my art, I want to add color to our sometimes gray and monotonous everyday life. To do this, I particularly like to use the color red which can stand for passion, but also for anger, and green for harmony.” – Interviewee B

Artist C considers himself a liberated spirit and believes that everyone should pursue his or her own emotions and inclinations without regard for the opinions of others. His message is not to be irritated by the preferences and choices of others but rather to concentrate on what makes us joyful.

“In fact, I am a free spirit, and if I had to send a message with my art, I would say that each person should do what they feel like. Thereby one should not be irritated by other people.” – Interviewee C

Artist D emphasizes proportionality and balance while considering the social context. His art seeks to satisfy people's requirements while provoking them. Functionality is not an absolute premise but must be tailored to specific requirements. His work is intended to elicit the proper emotions in clients and business owners.

“Harmonization and the right measure of proportions, always with the background of the social aspect, to meet the needs of people. Provocation, however, is a permitted means and does not exclude one from the other. Functionality is not a premise, however, should find its place depending on the requirements. The work done must evoke the appropriate emotion both client and contractor.” – Interviewee D

Artist E frequently addresses social and ecological concerns in his work. In the guise of feature films, he has also addressed complex scientific topics in his scientific films.

“Often it is social issues, recently ecological, but I have also made science films (for the JKU) where we told and explained very complex issues in a "feature film format.” – Interviewee E

Artist F is predominantly concerned with social issues and game-world fiction. His objective is to produce work that generates interest and engagement, and he is willing to alter his approach if something does not work.

“It is always about social issues or fiction in the game world come together different topics. I do not convey anything. Either it works and has interest in my spaces or productions, or if not, then I have to change something.” Interviewee F

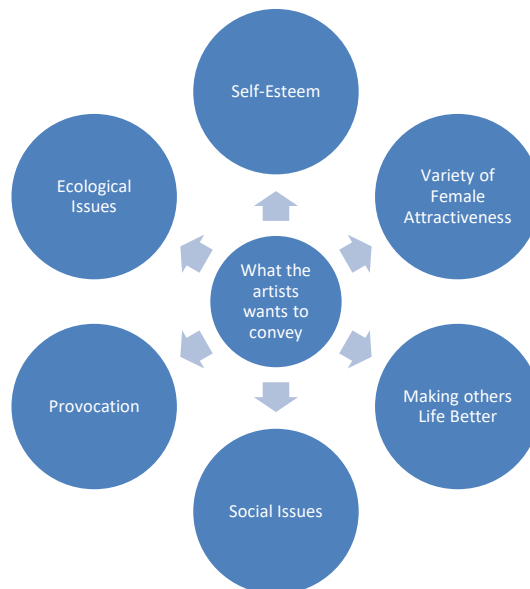


Figure 6: What the artists want to convey with their art

4.4 Extract from the Collection of Art Collectors

The interviewees' collections include works by contemporary Austrian artists, regional artists, international glass artists, and other artists from around the globe. Each individual has distinct taste in art and genres, but they all share a passion for art collecting.

The collection of Collector G includes 52 works by notable artists and approximately 50 works by anonymous artists. His collection predominantly consists of works by contemporary Austrian artists, including Rainer, Nitsch, Fuchs, Aigner, Zechyr, Andessner, Hauenschild/Ritter, Helnain, AntonLutz, and Julius Deutschbauer. Additionally, he possesses works by regional artists, including Robert Olay and Elfriede Lehmann. His collection also contains works by international artists such as Juan

Ripolles, Koen Van Mechelen, Erwin Wurm, Irene Rezzonico, Massimo Lunardon, and Zarotti. Lastly, he possesses works by Lorenzo Malfatti and Russian realists.

Interviewee H's collection includes works by Erwin Wurm, Eva Schlegl, Nives Widauer, and Rudolf Polanzsky.

Collector I mentions that he would like to add works by Nitsch and Pollock to his collection, but due to their expensive price tags, this is presently not possible. He owns works by renowned artists such as Norman Bluhm, John Hoyland, and Fred Friedrich.

Collector J lists several artists, including Franz Hagenauer, Josef Lorenzl, Günther Forg, Gerhard Richter, Otto Piene, MissMe, Julian Opie, Danny Gretscher, Roman Kochanski, Thierry Feuz, and Kiki Kogelnik.

Collector K mentions Austrian artists such as Arnulf Rainer, Anzinger, Zechir, Andessner, and Aigner, in addition to glass works by Berengo Studio Murano in Ripolles.

Collector L possesses works by Helmut Gsöllpointner, including paintings and functional objects, and works by Elfriede Trautner, Karl Korab, Ernst Balluf, and Albrecht Dunsendorfer. Additionally, he possesses seventeenth- and eighteenth-century folk art objects such as crates and chests.

4.5 Distribution Channels and Market of Artists

The interviewed artists distribute their work through various channels, including the private market, galleries, Instagram, festivals, and social media. Some artists, such as those specializing in media art, have a limited market, whereas others aim to reach a larger audience. The market size that consumes or purchases their work is not always

specified, but each artist has a unique distribution strategy and seeks out channels that complement their artistic practice and aesthetic.

Artist A distributes his work primarily through a private, familial market and maintains relationships with several galleries. Unfortunately, his response does not specify the magnitude of the market currently consuming or purchasing his work.

“Currently still private and through family, but I am in conversation with several galleries.” – Interviewee A

Artist B predominantly shares his photographs on Instagram. He specifies that most of his clients are colleagues and acquaintances, who also serve as his best form of advertising. Unspecified is the extent of the market that uses or purchases his work.

“More often, I post my pictures on Instagram. However, it is mostly friends and acquaintances who order a picture from me, hang it up, and thus virtually advertise for me.” – Interviewee B

Artist C does not profit from his art or distribute it commercially. Instead, he posts his musical compositions on Instagram and has about 2,300 followers. Consequently, he considers his followers his market, as an average of 1,700 people view his videos.

“I do not distribute my art commercially, that means I do not make money with it. I like to upload my music pieces on Instagram. I have already posted a total of 48 videos where you can see me playing guitar and singing. Because I have 2300 followers, I would say that this is also my market. On average, 1700 different people watch my videos point.” – Interviewee C

Artist D notes that the art market in his profession is minimal. He observes that many architects share the same aesthetic aspirations but must meet commercial demands. His artwork is primarily disseminated through word of mouth. He does not indicate the magnitude of the market that utilizes or purchases his work.

“The market is very limited as far as art is concerned. There are numerous architects who, to my knowledge, have the same ambitions but have to prostitute themselves commercially. Too much is indulged and emulated the publications of various building society newspapers and other print media. It is disturbing if one compares already small Vorarlberg with the remainder of Austria. The focus seems to always be the self-fulfillment, the self-expression of the clients, the confidence in poor taste.” – Interviewee D

Artist E predominantly distributes his work online and at festivals. He observes that the art market for media art is minimal, as galleries and museums are predominantly concerned with two-dimensional objects such as paintings. The extent of the market that uses or purchases his work is not specified.

“My works are only showcased on the internet or at festivals. The art market is very small for media art. The galleries or museums are mainly focused on flatware, i.e., paintings.” – Interviewee E

The majority of artist F's works in the sphere of video games involve sound. He designs game awards in the hopes of generating requests and commissions. He does not have museums or galleries but exhibits his work at media festivals. Unspecified is the extent of the market that uses or purchases his work.

“Well, in the game scene, but they are mostly sound works, or I make again a game prize (so winning a game), then come the requests regarding distribution. There are no museums or galleries with me. They are rather rare. There are media festivals. They do not buy, but you can exhibit and hope that there will be inquiries afterwards, i.e., orders.” Interviewee F

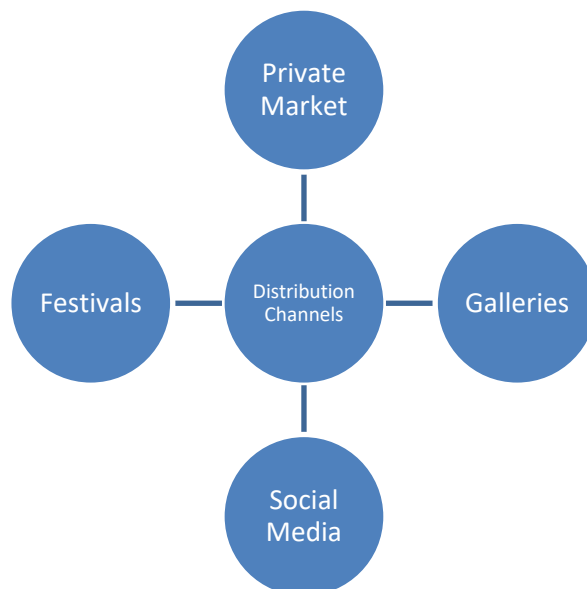


Figure 7: Distribution channels

4.6 Perception of the Art Market

Artists emphasize openness, representation, diversity, and technological advancements such as NFT, AI, and digital art. On the other hand, art collectors emphasize cultural diversity, the economic impact of the art market, and technological advancements.

4.6.1 Openness and increased Representation

Interviewee A mentions that artists are delighted with the expanding accessibility of the art world, particularly for underrepresented artists. Additionally, they value the increased presence of women in the art market. However, they desire greater diversity and equality in art market dialogues, education, and knowledge.

“I am very happy that the art world is more and more open to new things, especially for underrepresented artists there is now a platform. I also find it very nice that more and more women are represented in the art market. A great role model of mine is Elfie Semotan. However, there is still a big piece missing in conversation, education, and knowledge so that the art market becomes even more diverse and equal as I would like it to be.” – Interviewee A

4.6.2 Current Innovations

Interviewee A identifies NFT, AI, and digital performance as current art scene innovations. African women and artisans are also regarded as innovative.

“More African artists, more women, NFTs, AI, digital performance...” – Interviewee A

Interviewee B emphasizes online auctions as a significant innovation that facilitates international sales.

“Well, innovation is, in my opinion, one of the biggest buzzwords of our time. Online auctions come to mind spontaneously. The art market has become increasingly agile. With a mouse click, you can be at an art auction in New

York or anywhere else. Of course, that would not have been possible in the past. So the art market has become much more international.” – Interviewee B

Interviewee C identifies non-fungible tokens, digital art, Instagram, and TikTok as art scene innovations.

“Because we already talked about NFTs at the beginning, I would also describe them as a great innovation in the art scene. For me, as someone who is confused by modernization, Instagram and Tik Tok are still great innovations. Never before has one managed to create such a big digital stage.” – Interviewee C

Interviewee D mentions NFTs and AI as innovative technologies.

“NFT and AI.” – Interviewee D

Interviewee E expresses the need for an interdisciplinary and transdisciplinary art support system, as well as the significance of being able to classify works into various art genres.

“Art is often the forerunner of technical solutions, but it doesn't have the money to make the innovations marketable, but there are numerous examples, especially in media art, where positions were shown at festivals in the 90s that are on the market 20 years later.” Interviewee E

Interviewee F mentions 3D games as an innovative technology with potential industrial applications.

“Well, I can only speak to my field - there are already funny attempts, e.g., 3D games where real space is virtual space and virtual space is also created together with other players. Games where your apartment is scanned immediately and no matter what you attack remains stuck to you, and you can only end in disaster. So games that are completely turned upside down, which is now nothing for the industry, but the innovations, experiments, crazy ideas, etc., are and certainly waiting for the application in the industries would be totally super. There are crazy things that would be great for people with disabilities, but we from the game world do not manage to bring these ideas to industry partners.” – Interviewee F

4.6.3 Increased Attention to diverse Cultures

Interviewee G observes a growing interest in countries and cultures previously underrepresented in the art market.

“Sales are becoming more difficult in Europe. The market is getting tighter due to the economic crisis. Buyers are losing interest in European classics (low to medium segment). The biggest markets are developing in Asia with Asian artists.” – Interviewee G

Interviewee H draws more attention to the expanding influence of various countries and cultures on the art market by highlighting it.

“I think the art market is getting a lot of attention at the moment and is more and more influenced by different countries and cultures that did not get as much attention over the last years.” – Interviewee H

4.6.4 Economic Impact

Interviewee H discusses the disparity between the perception of the economic situation and the actuality of the art market, which is characterized by high prices that are advantageous for investors but difficult for small collectors to endure.

Interviewee I emphasizes that the art market is frequently a reliable indicator of the state of the economy but notes a disconnect between perception and actuality. Small collectors may encounter difficulty with high prices.

“I think the art market is often a very good reference of the economic situation, but at the moment, I think there is a discrepancy between the perception of the economic situation and the actual situation, and so the market continues to grow to the annoyance of many small collectors who are not able to pay higher and higher prices, but certainly to the delight of investors who keep the prices high and profit from these high prices.” – Interviewee I

4.6.5 Current Innovations

Interviewee I identifies non-fungible tokens, digital art, and artificial intelligence as innovations in the art market.

Interviewee J mentions NFTs as a market innovation.

“Yes, there are innovations in the art market → NFTs” – Interviewee J

Interviewee L features digital art, NFTs, and AI as innovative developments.

“Digital Art, NFT, AI.” – Interviewee L

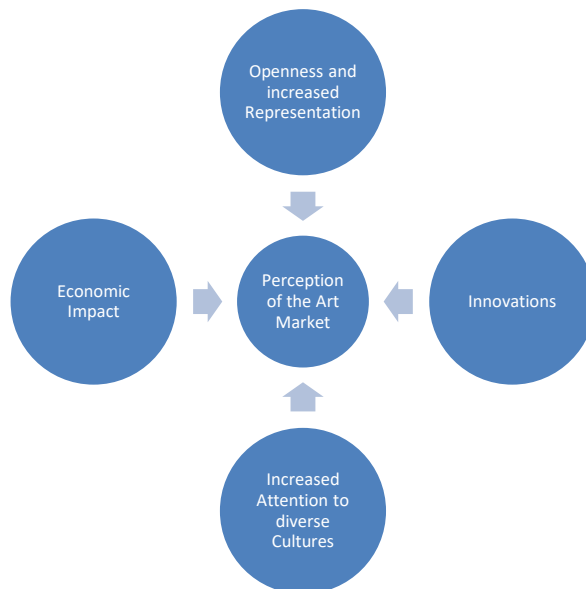


Figure 8: Perception of the art market

4.7 Perception of NFTs of Artists

Each interviewee has a distinct perspective on NFTs, ranging from enthusiasm and interest to mistrust and opposition. Likewise, their experiences and knowledge differ.

4.7.1 Artistic and Aesthetic Values (Interviewee A)

Some interviewees are concerned about the compatibility of NFTs with their art values and note that a work's aesthetic value is diminished when associated with an NFT.

“I think it can add a lot, good and bad, but it takes away a bit from a person's creation, and also, the aesthetic value of a work of art is lost a bit. I do not think many artists will use or allow NFTs.” – Interviewee A

4.7.2 Commercial Potential (Interviewee A, C)

Some interviewees recognize the potential of NFTs in profit, marketing, and merchandising, particularly when it comes to providing supporters with exclusive content.

“Well, you have to say that NFTs have already changed the art industry, even if this change may not be so present at the moment. I think that in the future, especially with music, even more, will be done with NFTs. The reason for this is that you want to offer your listeners exclusive content and maybe reward them for their loyalty and offer them something unique that not everyone has.” – Interviewee C

Some interviewees discuss the dangers of NFTs, such as the artwork's loss of aesthetic and human value. In addition, they are concerned about speculation and insider trading involving cryptocurrencies.

“I have also heard that there is a lot of insider trading going on with NFTs. I find that very unfortunate from a purely artistic point of view and disrespectful to the artists for the works they have created with them. Actually, cryptocurrencies should only be a minor issue in this context.” – Interviewee C

4.7.3 Innovation and Change (Interviewee B, C)

Some interviewees view NFTs as a form of innovation and change in the art world, predicting a greater future involvement. However, they also acknowledge that economic factors may alter the current impact.

“People love change and innovation. I am sure that NFTs will play a bigger role.” – Interviewee B

“However, the headlines on this topic in the newspapers and media have been fuller. I think that we are currently experiencing an economic downturn, which will certainly also affect this innovation, but I think that the topic of NFT will come back stronger than before.” – Interviewee C

4.7.4 Unfamiliarity and Uncertainty (Interviewee B, C, D)

Several interviewees confess to lacking sufficient knowledge of NFTs and the underlying technology. They express doubt and a desire to learn more about the subject.

“The subject is so complex that I do not have the time to deal with it.” – Interviewee D

“I am not sure if you are asking the right questions as I am a very old-fashioned guy.” – Interviewee C

4.7.5 Relationship with Cryptocurrencies (Interviewee A, B, C, D)

Some interviewees recognize the association of NFTs with cryptocurrencies. Some disapprove of this association, while others feel it is inevitable.

“Phew, true, but I still do not know enough about that to refute or confirm it.” – Interviewee A

“I think it is a shame that NFTs are associated with speculation on cryptocurrencies, but ultimately it cannot be avoided.” – Interviewee B

“I have also heard that there is a lot of insider trading going on with NFTs. I find that very unfortunate from a purely artistic point of view and disrespectful to the artists for the works they have created with them. Cryptocurrencies should only be a minor issue in this context.” – Interviewee C

“Crypto art” and cryptocurrency will find each other, both the buyers and the sellers of both “currencies,” even if they are limited at the moment.” – Interviewee D

4.8 Perception of NFTs of Art Collectors

The unique perspectives of the various interviewees on NFTs range from an appreciation for the financial potential to concern for the artistic value and uncertainty about the field's future.

4.8.1 Values in the Arts and Aesthetics (Interviewee G, I)

As interviewees, G and I convey concerns about digital art's aesthetic value and emphasize the refuge value of analog art. They believe that digital art lacks this same value.

“I do not see the sense of it and generally do not understand it. For me, art was one of the last analog refuges.” – Interviewee G

“I see few risks. Owning a painting physically is something completely different than having a digital copy on your laptop. However, I do see the possibility of bringing art to the attention of younger generations.” – Interviewee I

4.8.2 Commercial Potential (Interviewee H, I, J)

Interviewees H and J recognize the investment and financial return potential of NFTs. However, they view NFTs primarily from an investment standpoint instead of an appreciation for the arts.

“Yes, of course, I personally think it is interesting news, but not really for people who really collect art for the love of art and much more for pure capitalistic investments.” – Interviewee H

“Yes, of course, who in recent years has not heard that you can suddenly become the owner of a Klimt, for a mere € 1,800, -. I find the topic basically exciting, and I have also spent some time with it, but unfortunately, I find it too complicated and not tangible for the normal consumer. In addition, you can see how the market has developed. Very many of the Klimt parts sold for € 1,800, - are for sale for less than € 800 now, not to mention that not even 3000 pieces have been sold.” – Interviewee I

4.8.3 Risk and Speculation (Interviewee G, J)

Interviewees G and J mention risks associated with non-fiat currencies, such as speculation, value fluctuations, fraud, larceny risks, and a lack of regulation in this area.

“There are no real rights associated with them, such as property or copyright copyrights - collision problems are preprogrammed. The management is done by others in some blockchains and is not controllable - one makes oneself dependent on third parties. Fraud and abuse.” – Interviewee G

“High fluctuations in value - total loss also possible. Rising real yields have a negative impact on the performance of NFTs. No or low regulation - high risk of fraud through trading in NFTs exists. Danger of future overregulation - e.g., prohibition of cryptocurrencies with which one can buy NFTs or taxation. Low security - theft happens all the time. The wallet can be hacked Private key of the wallet address gets into the wrong hands. If you want to sell an NFT again, it can take a long time until a buyer is found - thus rather illiquid unless you deliver the NFT to an auction in a car dealership.” – Interviewee J

4.8.4 Change and Innovation (Interviewee J)

Interviewee J believes that NFTs have created a new sector in the art market, underscoring their innovative nature and future value potential.

“Due to the high fluctuations in value, NFTs can be acquired cheaply in retrospect at irregularly recurring intervals. Mass suitability will be achieved when the entire buying or selling process becomes easier. Potential for high-value increases in the future exists.” – Interviewee J

4.8.5 Lack of Knowledge and Uncertainty (Interviewee K, L)

Interviewees K and L acknowledge that they are unfamiliar with NFTs and lack sufficient knowledge. They express uncertainty and lack interest in investigating NFTs in greater depth.

“I know too little about it. I am rather put off by it” – Interviewee K

“My knowledge of NFTs is unfortunately very meager for the time being. Only a few contributions to cultural programs have caught my attention. I have not yet had the desire to deal with it more intensively.” – Interviewee L

4.8.6 Connection to Cryptocurrencies (Interviewee G, I, J)

Interviewees G, I, and J mention the connection between NFTs and cryptocurrencies. Some respondents regard this association as advantageous, while others are skeptical or indifferent.

“As I said before, this volatility is what I often try to avoid as an art collector (not a speculator). I do not (always) see paintings as an investment in the classical sense. I do not buy them in the hope of selling them with maximum profit in a short time. Of course, it is my goal that pictures maintain their value, but even a very "cheap" picture can be much more than a bargain.” – Interviewee I

“The volatility does not deter me from investing in this market. However, the volatility causes me to invest only very small amounts in this market.” – Interviewee J



Figure 9: Perception of NFTs of both artists and art collectors

4.9 NFTs as a Source of Income and Marketing for Artists

4.9.1 Artistic and Creative Vision (Interviewee A, B, D, F)

Interviewees A, B, D, and F prefer alternative income sources and marketing strategies for their art. They emphasize the significance of their own artistic vision and presentation preferences.

“Of course, it is never wrong to accept additional sources of revenue. However, as I mentioned before, it does not correspond to my idea and vision for my own paintings. Probably it would help me with marketing. Digitization is, in itself, something fantastic and should definitely continue to be applied in marketing!” – Interviewee B

“Not conceivable at the moment. The subject is so complex that I do not have the time to deal with it. There are certainly no limits to the wealth of ideas on this topic.” – Interviewee D

“I would need to know how NFT is positioned within the digital arts. What could this partner do for me and for themselves? Well, myself, I would rather make art than start a business where I already know it is not safe.” – Interviewee F

4.9.2 Additional Income Opportunities (Interviewee B, C, F)

Interviewees B, C, and F acknowledge the potential for NFTs to generate additional income streams. Nonetheless, some also express concerns regarding safety and the regulations governing this field.

“Hypothetically, everyone would see an additional source of income as positive because, after all, everyone has to be able to make a living.” – Interviewee C

“In principle, yes, but I just know there is no security. What does that look like then? Insurance? or something completely new...something environmentally friendly.” – Interviewee F

4.9.3 Use of NFTs for Marketing (Interviewee A, B, C)

Some interviewees regard using NFTs as a new marketing opportunity for art. In addition, they view NFTs as a novel distribution channel and market that could supplement other forms of advertising.

“Yes, of course, it would be a whole new channel and a whole new market, and they would complement each other well - one would help the other to grow, and the other would help the one to grow.” Interviewee C

“Maybe, but I would rather use other sources.” – Interviewee A

“Digitization is, in itself, something fantastic and should definitely continue to be applied in marketing!” – Interviewee B

4.9.4 Uncertainty and Ignorance (Interviewee E, F)

Interviewees E and F confess to not knowing the laws and regulations surrounding NFTs, which generates uncertainty regarding their use and relevance to their art.

“I do not know the rules and regulations, such as usage rights, exploitation rights, loans, etc...so I cannot say.” – Interviewee E

“I would need to know how NFT is positioned within the digital arts. What could this partner do for me and for themselves? Well, myself, I would rather make art than start a business where I already know it is not safe.” – Interviewee F

4.10 Volatility of the NFT Market and other Asset Classes

4.10.1 Preference for other Asset Classes (Interviewee G, H, I, J, K, L)

Besides NFTs and art, interviewees G, H, I, J, K, and L prefer other asset classes. They discuss real estate, equities, mutual funds, bonds, gold, silver, and platinum.

4.10.2 NFT Market Volatility (Interviewee G, I, J, K)

Some respondents (G, I, J, and K) recognize the volatility of the NFT market. This does not prevent all interviewees from investing, but it may affect the number of their investments or cause them to exercise caution.

“As I said before, this volatility is what I often try to avoid as an art collector (not speculator).” – Interviewee I

“The volatility does not deter me from investing in this market. However, the volatility causes me to invest only very small amounts in this market.” – Interviewee J

4.10.3 Approach as a Collector (Interviewee I)

Interviewee I describes a distinct approach to art collecting compared to other investment forms. He emphasizes that appreciating a work of art's value is not limited to a monetary perspective but can also include aesthetic or sentimental considerations.

“I do not (always) see paintings as an investment in the classical sense. I do not buy them in the hope to sell them with maximum profit in a short time. Of course, it is my goal that pictures maintain their value, but even a very "cheap" picture can be much more than a bargain.” – Interviewee I

4.10.4 Lack of Knowledge (Interviewee H, L)

Interviewees H and L acknowledge their ignorance regarding the volatility of the NFT market and investing in this new art form. This may affect their investment decision or preference for alternative asset classes.

“I know too little about it.” – Interviewee H

“I cannot give any information on this due to the lack of knowledge.” – Interviewee L

4.11 Acceptance to Purchase, Create or Sell NFTs of the two Interview Groups

4.11.1 Reluctance to Sell or Market as NFT (Interviewee A, B, D, F)

Interviewees A, B, D, and F hesitate to sell or market their artwork as NFT. They mention reasons such as a predilection for tangible art, the significance of flaws in applied art, the subject's complexity, and the need for clarification regarding exploitation rights.

“No, I cannot really imagine. My art should be allowed to have corners and edges and also flaws in itself. Selling NFTs would take me one step closer to perfection, and that, in my opinion, is not the point of applied art.” – Interviewee B

“Not conceivable at the moment. The subject is so complex that I do not have the time to deal with it.” – Interviewee D

“In principle, yes, but I just know there is no security. What does that look like then? Insurance? or something completely new...something environmentally friendly.” – Interviewee F

4.11.2 Concerns regarding Exploitation Rights and Visibility of the Work (Interviewee F)

In the context of NFTs, Interviewee F expresses concerns regarding exploitation rights and the visibility of the work. He stresses the importance of elucidating the conditions and regulations surrounding the ownership and exploitation of digital works.

4.11.3 Lack of knowledge (Interviewee K, L)

Interviewees K and L acknowledge their lack of knowledge regarding NFTs and express their exclusion from purchasing and collecting.



Figure 10: Acceptance of NFTs of NFTs of both artists and art collectors

4.12 Future prospects of NFTs

4.12.1 Skepticism and hesitation concerning NFTs (Interviewee A, D, F)

A, D, and F express skepticism and resistance regarding NFTs. They query the aesthetic value of NFT artworks and the number of artists who use or permit this technology.

4.12.2 Optimism regarding the Function of NFTs (Interviewee B, C)

B and C are optimistic regarding the expanding function of NFTs in the art world. After an economic decline, they predict that NFTs will play a more significant role and that the topic will resurface with vigor.

4.12.3 Environmental Considerations and the Decline of Digital Works (Interviewee F)

Environmental concerns related to NFTs are raised by Interviewee F, including energy consumption and environmental impact debates. In addition, he discusses the current decline of digital works and queries their future in the art world.

4.12.4 Uncertainty regarding the Impact of NFTs on the Art Market (Interviewee G, H, I, J, K, L)

Several interviewees (G, H, I, J, K, and L) are uncertain about the ability of NFTs to transform the art market permanently. Some doubt that NFTs will have a substantial effect and believe they will only constitute a minor portion of the art market.

“My opinion is that the NFT market can be a game changer, but I think it depends too much on cryptocurrencies for that (and their volatility) but in my opinion, it is also very foreign for many people of older generations to own a digital snippet of a painting. I can imagine younger people being more

open to such topics, and thus discovering a love of collecting (perhaps physical artworks as well).” – Interviewee I

“In my opinion, they will not revolutionize the market in the long term. They will just add another area to the art market. The NFT sector will continue to grow, in my opinion - but it will still remain only a small part of the overall market in the near future. NFTs are currently still in their infancy. I see the long-term development as positive, even if there can always be severe setbacks in the short to medium term. The further development of WEB 3.0 (Metaverse) will also help NFTs to develop positively over a long-term period.” – Interviewee J

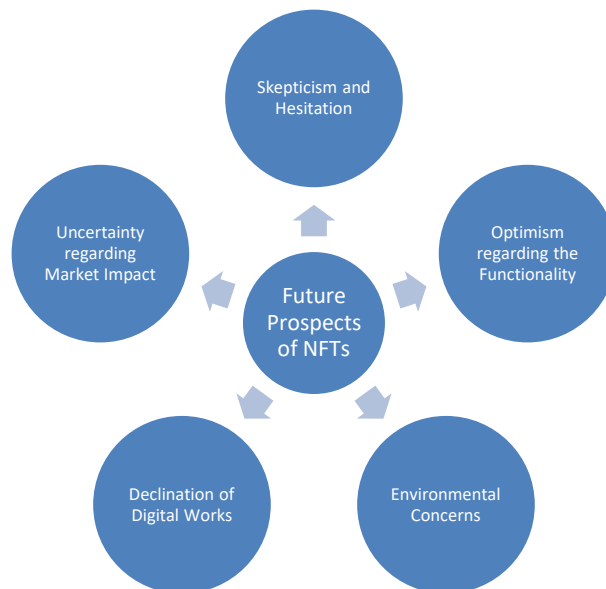


Figure 11: Future prospects of NFTs

5 Discussion

This work aimed to explain the advantages of NFTs for two groups of people, artists, and art collectors, as well as the current attitude towards the topic. In the analysis of the interviews through thematic inductive analysis, both the seller's market in the form of artists and the buyer's market in the form of art collectors were analyzed. In contrast to the advantages of NFTs in the literature, such as transparency and fractionalization, the interviews repeatedly revealed a great deal of uncertainty about NFTs. Above all, it was noticeable that the interview participants lacked confidence in the topic or a connection to it. Stemming from this lack of reference to the matter, the uncertainty is then reflected in speculation about fraud or the safety of NFTs.

Although many interview participants agreed that NFTs are innovative and that something new has been created that has not yet existed in this form, the majority

were reluctant to buy or create NFTs. Even if the arguments like additional income through NFTs and the use for marketing purposes were mentioned, most interview participants stated that they would reject this innovation nevertheless. Reasons for this were, among others, are different legal aspects and uncertainty, as they have not yet dealt with the topic enough.

On the side of the art collectors, it was noticeable that those dealing with digital art for a long time are not averse to buying NFTs. However, these people see NFTs primarily as an investment and hope for positive market development and profitability of NFTs. Nevertheless, art collectors who already own analog artworks tend to not be willing to expand their portfolio to digital art, as many see art as one of the last things that should not be digitized. In addition, all interview participants stated that if they were to invest money other asset classes would come to mind and NFTs wouldn't make the first place on the list of possible investment opportunities for them. Gold, real estate, shares, and funds were mentioned as classic, more desirable asset classes.

The speculation with cryptocurrencies and the market volatility was only considered harmful by those who have not dealt with the topic. Those who are optimistic about NFTs are sure that this phenomenon does not only affect NFTs, but also other asset classes and that one can achieve high profits with NFTs. The interview participants had different attitudes toward the topic of insider trading. Some interviewees stated that they find this circumstance extremely alarming, while others acknowledge that this phenomenon does not only occur in NFTs and therefore tolerate it.

Interview participants were also critical of the prospects of NFTs. Some think that the aesthetics of NFTs as a digital work of art are not given. There is also much skepticism

about how sustainable this form of technology is and to what extent this can be implemented in the future. Some respondents also doubt whether NFTs will continue to establish themselves in the art market.

Others, however, believe that NFTs will play an increasingly important role from an economic point of view, especially after an economic downward trend.

In contrast to the literature on NFTs and their added value for both artists and art collectors, most interviews revealed that NFTs would not become established in the long term, nor will these groups of people want to use, buy or sell them.

6 Conclusion

The author's goal of determining what value NFTs add to art collectors and artists was achieved through existing literature on the topic and qualitative interviews. The author generally assumed that NFTs in the context of artists and art collectors would result in positive sentiment. However, this assumption was largely disproved.

The majority of the interviewees were superficially familiar with the topic and could give a well-founded answer to most of the questions. Above all, it was shown that there is a great deal of skepticism about this topic in Austria and that the existing advantages derived from the literature could not be affirmed. Although the advantages, such as additional income and marketing, were emphasized as positive, NFTs did not find any appeal in connection with the implementation, not even for most art collectors, who did not consider them a potentially valuable addition to their portfolios.

7 Limitations

This study has a limitation in that the number of respondents, twelve, is insufficient to be representative of art collectors and artists. In addition, all the respondents are from Austria and are exceedingly conservative when investigating new technologies and formats in the context of art. Furthermore, the qualitative method necessitates that the researcher interprets the results. In addition, the author may have directly influenced interviewees and their responses while conducting in-depth interviews. This increases the possibility that the information has been misinterpreted. For the future, this work could be followed up by expanding the demographics of the interview participants to include impressions of a wide variety of artists from diverse backgrounds.

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List of Figures

Figure 1:

Statista. (2021, December 10). *Estimated value of the online art market worldwide 2013-H1 2021* [Dataset].

<https://www.statista.com/statistics/284586/global-online-art-market-sales-2013/>.

Figure 2:

Statista. (2022a, January 11). *Market size of NFT in different segments worldwide 2018–2021* [Dataset].

<https://www.statista.com/statistics/1221400/nft-sales-revenue-by-segment/>.

Figure 3:

Statista. (2022b, April 4). *Global art market value 2007–2021* [Dataset].

<https://www.statista.com/statistics/883755/global-art-market-value/>.

Figure 4:

Reasons for the entry into the art world for artists

Figure 5:

Reasons for entry into the art world for art collectors

Figure 6:

What the artists want to convey with their art

Figure 7:

Distribution channels

Figure 8:

Perception of the art market

Figure 9:

Perception of NFTs of both artists and art collectors

Figure 10:

Acceptance of NFTs of NFTs of both artists and art collectors

Figure 11:

Future prospects of NFTs

Figure 12:

Overview of Findings

Appendices

Interviews

Interview 1

Date: 04.04.2023

Interview participants: - Interviewer

P: Paul Laurenz Kapl

A: Interviewee A

P: How long have you been in the art scene? (Tell about your entry into this industry and what drew you to it).

A: Through my family, who has been involved in art for decades, whether collecting, working with art and artists, or even creating. However, I finally after I started to collect art rather the self-creation appealed and now, I photograph meanwhile they 10 years.

P: What kind of art do you deal with exactly?

A: Portrait photography and to collect also contemporary Austrian artists.

P: What message do you want to convey with your art?

A: Since I prefer to photograph women, I want to give the women I photograph an increased sense of self-worth and also show other women that there is not only one ideal of beauty, but every woman is beautiful.

P: How do you distribute your art? (Channels) How big is the market that currently uses or buys your art?

A: Currently still private and through family but I am in conversation with several galleries.

P: Are you satisfied with your current environment in the art scene? What improvements, if any, would you like to see?

A: I am very happy that the art world is more and more open to new things, especially for underrepresented artists there is now a platform. I also find it very nice that more and more women are represented in the art market. A great role model of mine is Elfie Semotan. However, there is still a big piece missing in conversation, education, and knowledge so that the art market becomes even more diverse and equal as I would like it to be.

P: What innovations are there in the art scene right now?

A: More African artists, more women, NFTs, AI, digital performance...

P: Have you ever heard of NFTs or even created some yourself?

A: Yes, for sure, I have heard about it, but I don't think it is compatible with the values of my art.

P: How do you think NFTs will develop in the art world?

A: I think it can do a lot, good and bad, but it takes away a bit from a person's creation and also the aesthetic value of a work of art is lost a bit. I don't think many artists will use or allow NFTs.

P: Max Hollein, the director of the Metropolitan Museum in New York, said in an interview that NFT deals are "mainly propaganda for speculation with cryptocurrencies". What do you say to that?

A: Phew true, but I still don't know enough about that to refute or confirm it.

P: What risks or potential do you see in NFTs in general? What are your thoughts on the subject?

A: Risks: aesthetic and human value of the artwork is lost.

Potentials: more profit, more commercialization, marketing, ...

P: Could you imagine selling or marketing your art also as NFTs?

A: no

P: Would you consider an additional source of income in the form of revenue from NFTs as a positive?

A: Yes but will not do so.

P: Would it help you to use NFTs as a marketing source for your art?

A: Maybe, but I would rather use other sources.

Interview 2

Date: 04.04.2023

Interview participants:

P: Paul Laurenz Kapl - Interviewer

B: Interviewee B

P: How long have you been in the art scene? (Tell about your entry into this industry and what got you started).

B: Painting has actually always been my favorite thing to do, but I guess when I was 14, I really discovered my passion. Especially animals and people were some of my favorite subjects.

P: What kind of art do you deal with exactly?

B: I deal most with oil painting, but I also like sketching with lead and charcoal. Now and then I also devote myself to a mixed technique of oil, watercolor and acrylic paints. For 3 years I prefer to deal with nude painting in strong, feminine colors.

P: What message do you want to convey with your art?

B: With my art I want to mix color in our, sometimes gray and monotonous everyday life. To do this, I particularly like to use the color red which can stand for passion, but also for anger, and green for harmony.

You see, my art is meant to represent a tangle of different emotions.

P: How do you distribute your art? (Channels) How big is the market that currently uses or buys your art?

B: More often I post my pictures on Instagram. However, it is mostly friends and acquaintances who order a picture from me, hang it up and thus virtually advertise for me.

P: Are you satisfied with your current environment in the art scene? What improvements, if any, would you like to see?

B: For the fact that I am just starting to get commissions and interest in my art, I am very satisfied. On the side, I work at a contemporary art auction house, which has definitely shaped me and also contributed a lot to my art marketing knowledge.

P: What innovations are there in the art scene at the moment?

B: I'm sure you know a lot more about that. (Laughs)

Well, innovation is, in my opinion, one of the biggest buzzwords of our time. Online auctions come to mind spontaneously. The art market has become increasingly agile. With a click of the mouse, you can be at an art auction in New York or anywhere else. Of course, that would not have been possible in the past. So, the art market has become much more international.

P: Have you ever heard of NFTs or even created any yourself?

B: No, I'm hearing about them for the first time today.

P: How do you think NFTs will develop in the art world?

B: Certainly not bad. People love change and innovation. I am sure that NFTs will play a bigger role.

P: Max Hollein, the director of the Metropolitan Museum in New York, said in an interview that NFT deals are "mainly propaganda for speculation with cryptocurrencies." What do you say to that?

B: I think it's a shame that NFTs are associated for speculation with cryptocurrencies but ultimately it can't be avoided.

P: What risks or potential do you see in NFTs in general? What are your thoughts on the topic?

B: So, for me personally, NFTs pose the risk from cyber-attacks.

P: Could you imagine selling or marketing your art as NFTs as well?

B: No, I can't really imagine. My art should be allowed to have corners and edges and also flaws in itself. Selling NFTs would take me one step closer to perfection and that, in my opinion, is not the point of applied art.

P: Would you consider an additional source of income in the form of revenue from NFTs as positive?

B: Of course, it is never wrong to accept additional sources of revenue. However, as I mentioned before, it does not correspond to my idea and vision of my own paintings.

P: Would it help you to use NFTs as a source of marketing your art?

B: Probably it would actually help me with marketing. Digitization is in itself, something fantastic and should definitely continue to be applied in marketing!

Interview 3

Date: 17.04.2023

Interview participants:

P: Paul Laurenz Kapl - Interviewer

C: Interviewee C

P: How long have you been in the art scene? (Tell us about your entry into this industry and what brought you to it).

C: I am now in my fourth semester studying at the SAE Institute in Vienna. Throughout my academic school career, I always enjoyed playing music at home. I started learning guitar on my own back then and recorded my pieces. At some point I became very interested in cutting this music myself. Which is why I would call myself a sound engineer/musician. Actually, I was only moved by my desire and mood. Above all, however, I am also inspired by Instagram videos of people who made music for themselves at home.

P: What kind of art do you deal with exactly?

C: I do with a variety of art. besides playing the guitar and the music itself to cut I also like to paint myself with oil on canvas. I do that exclusively as a hobby.

P: What message do you want to convey with your art?

C: In fact, I am a free spirit and if I had to send a message with, then I would say that each person should do and would like to what he feels like. thereby one should not be irritated by other people.

P: How do you distribute your art? (Channels) How big is the market that currently uses or buys your art?

C: I don't distribute my art commercially, that means I don't make money with it. I like to upload my music pieces on Instagram. There I already have 48 videos where you can see me playing guitar and singing. Because I have 2300 followers, I would say that this is also my market. On average 1700 different people watch my videos point.

P: Are you satisfied with your current environment in the art scene? What improvements, if any, would you like to see?

C: I would honestly say that I don't really move in a scene. Since I only do this purely recreationally and am mainly busy with sound engineering. But I have to say that especially in Vienna the art scene is very big and especially young musicians are offered a big stage. If there's one thing I'd like to see, it's more state funding for the younger generation in this area.

P: What innovations are there in the art scene at the moment?

C: Because we already talked about NFTs at the beginning, I would also describe them as a great innovation in the art scene. For me, as someone who is confused by modernization, Instagram and Tik Tok are still great innovations. Never before has one managed to create such a big digital stage. Not even Youtube could do that quasi hundreds of years ago.

P: Have you ever heard of NFTs or even created any yourself?

C: Of course, who hasn't heard of NFTs. I have never created one though. I don't even understand the technology behind it. But I can imagine, if I have more time besides

my job and my studies that I take the time and create one. that would be a fun change to Instagram and Tik Tok. Whereas I would give my NFTs away as I don't intend to make money from them.

P: How do you think NFTs will evolve in the art world?

C: I am not sure if you are asking the right questions as I am a very old-fashioned guy. However, the headlines on this topic in the newspapers and media have been fuller. I think that we are currently experiencing an economic downturn, which will certainly also affect this new innovation, but I think that the topic of NFTs will come back stronger than before.

P: Max Hollein, the director of the Metropolitan Museum in New York, said in an interview that NFT deals are "mainly propaganda for speculation with cryptocurrencies". What do you say to that?

C: think I know what Hollein means by that. I've also heard that there's a lot of insider trading going on with NFTs. i find that very unfortunate from a purely artistic point of view and disrespectful to the artists for the works they've created with them. actually, cryptocurrencies should only be a minor issue in this context.

P: What risks or potential do you see in NFTs in general? How do you think about the topic?

C: Well, you have to say that NFTs have already changed the art industry even if this change may not be so present at the moment, I think that in the future especially with music even more will be done with NFTs. The reason for this is that you want to offer

your listeners exclusive content and maybe reward them for their loyalty and offer them something unique that not everyone has.

P: Could you imagine selling or marketing your art as NFTs as well?

C: I thankfully have the luxury of not having to sell or market my music, however, in the broadest sense, you could say that I do this with Instagram. I've also never thought about advertising on Instagram. I think I have too few followers for that. However, of course if I ever get into the music industry myself as an artist I can imagine selling and marketing to NFTs myself as well.

P: Would you consider an additional source of income in the form of revenue from NFTs as positive?

C: Hypothetically, everyone would see an additional source of income as positive because, after all, everyone has to be able to make a living.

P: Would it help you to use NFTs as a marketing source for your art?

C: Yes, of course it would be a whole new channel and a whole new market, and they would complement each other well - one would help the other to grow and the other would help the one to grow.

Interview 4

Date: 19.04.2023

Interview participants:

P: Paul Laurenz Kapl - Interviewer

D: Interviewee D

P: How long have you been in the art scene? (Tell us about your entry into this industry and what brought you to it).

D: My father's ancestors were master carpenters and builders. So, I was born into the cradle of design. Since the time of my studies, architecture at the Technical University of Vienna, I have been involved with art. The pronounced interest is present in about since my 16-ten year of life. The study has awakened and strengthened the attention of the diverse art directions, conditioned by the study plan and the friendships of those persons, who move or moved in this circle.

P: What kind of art do you deal with exactly?

D: At first it was classical architecture with the construction of single-family houses, and apartment buildings, I turned to garden art. Out of interest, however, I am still devoted to painting and practice it rarely, but occasionally. One could understand my drafts of the architecture, as painting, since I belong evenly to the classical architects, which still "handicraft" their occupation learned.

P: What message do you want to convey with your art?

D: Harmonization and the right measure of proportions, always with the background of the social aspect, to meet the needs of people. Provocation, however, is a permitted means and does not exclude one from the other. Functionality is not a premise, however, should find its place depending on the requirements. The work done must evoke the appropriate emotion both client and contractor.

P: How do you distribute your art? (channels)

D: Only by word of mouth.

P: How big is the market that currently uses or buys your art?

D: The market is very limited as far as art is concerned. There are numerous architects who, to my knowledge, have the same ambitions but have to prostitute themselves commercially. Too much is indulged and emulated the publications of various building society newspapers and other print media. It is disturbing if one compares already alone Vorarlberg with the remainder of Austria.

Too much the self-fulfillment, the self-expression of the clients stands in the foreground, the confidence in poor.

P: Are you satisfied with your current environment in the art scene? What improvements, if any, would you like to see?

D: There are as many exhibitions as never before. There are more architects than ever before.

But there are hardly any means to encourage interest from childhood. Perhaps the supply is too great, the quality insufficient. What child today still owns a paint box? Who of the adults can pass on creativity. Kindergarten, school etc. are certainly endeavored, but is the offer of the leisure activity, the time, after the meager offer in the schools etc. too large. An interactive art app for children, for example, would be a means.

P: What are the current innovations in the art scene?

NFT and AI

D: Have you ever heard of NFTs or even created any yourself?

First read about it in a print medium: Klimt-NFT.

For outsiders this article was disturbing. Haven't created an NFT myself yet.

P: How do you think NFTs will develop in the art world?

D: Like many others, I am drawn to classical art. Art has to express emotions. I can't imagine that with this form.

P: Max Hollein, the director of the Metropolitan Museum in New York, said in an interview that NFT deals are "mainly propaganda for speculation in cryptocurrencies." What do you say to that?

D: "Crypto art" and cryptocurrency will find each other, both the buyers and the sellers of both "currencies", even if they are limited at the moment.

P: Could you imagine selling or marketing your art as NFTs as well?

D: Not conceivable at the moment. The subject is so complex that I don't have the time to deal with it.

P: Would it help you to use NFTs as a marketing source for your art?

D: There are certainly no limits to the wealth of ideas on this topic.

Interview 5

Date: 19.04.2023

Interview participants:

P: Paul Laurenz Kapl - Interviewer

E: Interviewee E

P: How long have you been in the art scene? (Tell about your entry into this industry and what brought you to it).

E: I studied media at the University of Art in the 2000s. I wanted to work with moving images, whether website or small videos etc.

P: What kind of art do you deal with exactly?

E: Media art installations

P: What message do you want to convey with your art?

E: Often it is social issues, recently ecological, but I have also made science films (for the JKU) where we told and explained very complex issues in a "feature film format".

P: How do you distribute your art? (Channels) How big is the market that currently uses or buys your art?

E: My works are on the net, or at festivals the art market is very small for media art. The galleries or museums are mainly focused on flatware i.e., paintings.

P: Are you satisfied with your current environment in the art scene? What improvements, if any, would you like to see?

E: My art needs a support system because nobody puts a video installation in their living room. I would like to see an inter- and transdisciplinary support system, because often my works cannot be assigned to one art genre.

P: What innovations are there in the art scene at the moment?

E: Well, we have to clarify which art scene is meant. For example, does design belong to it?

Art is often the forerunner of technical solutions, but it doesn't have the money to make the innovations marketable, but there are numerous examples, especially in media art, where positions were shown at festivals in the 90s that are on the market 20 years later.

P: Have you ever heard of NFTs or even created some yourself?

E: Yes, I have heard of them, and I think the director of the Landesmuseum Linz, Weidinger, has made exhibitions on the subject.

P: How do you think NFTs will develop in the art world?

E: Well, the art market has its own rules, speculation money investments etc...

P: Max Hollein, the director of the Metropolitan Museum in New York, said in an interview that NFT deals are "mainly propaganda for speculation with cryptocurrencies." What do you say?

E: Is also already an old gentleman and wants to play the museum by his rules with his promoter. Often, yes, the promoters set the tone. If one wanted a change, there one must put to the promotion and supporting places the lever.

P: What risks or potential do you see in NFTs in general? What are your thoughts on the subject?

E: I would have to know about that, ask me in a few months and I will work on it.

P: Could you imagine selling or marketing your art as NFTs as well?

E: Why not? Artists don't have such a big market choice and if it gives you the opportunities to continue working and developing it doesn't have to be a gallery or museum (you can't make a living from those as well as so).

P: Would you consider an additional source of revenue in the form of income from NFTs as positive?

E: I don't know the rules and regulations, such as usage rights, exploitation rights, loans, etc....so I can't say.

P: Would it help you to use NFTs as a marketing source for your art?

E: As I said I do not know the rules

Interview 6

Date: 20.04.2023

Interview participants:

P: Paul Laurenz Kapl - Interviewer

F: Interviewee F

P: How long have you been in the art scene? (Tell us about your entry into this industry and what brought you to it)

F: I have been in the art field for about 20 years.

P: What kind of art do you deal with exactly?

F: I am in computer art, so I create game worlds and I do a lot of sound design mostly for computer games.

P: What message do you want to convey with your art?

F: It's always about social issues, or fiction in the game world come together different topics. I do not convey anything, either it works and has interest in my spaces or productions or if not then I have to change something.

P: How do you distribute your art? (Channels) How big is the market that currently uses or buys your art?

F: Well in the game scene but there mostly sound works or I make again a game prize (so winning game) then come the requests regarding distribution. There are no museums or galleries with me there are rather rarely. There are media festivals. They don't buy but you can exhibit and hope that there will be inquiries afterwards, i.e., orders.

P: Are you satisfied with your current environment in the art scene? What improvements, if any, would you like to see?

F: It's a very small, specialized field, especially in Austria, there are countries like Canada where it's more of a hustle and bustle. I would welcome it if the art scene

would address it more, not only from the cultural sciences - when they need something again, but in general. But that has to do with education

P: What innovations are there in the art scene at the moment?

F: Well, I can only speak of my field - there are already funny attempts, e.g., 3D games where real space is virtual space and virtual space is also created together with other players. Games where your apartment is scanned immediately and no matter what you attack remains stuck to you and you can only end in disaster. So, games that are completely turned upside down, which is now nothing for the industry, but the innovations experiment crazy ideas etc. are and certainly waiting for the application in the industries would be totally super.

There are crazy things that would be great for people with disabilities, but we from the game world do not manage to bring these ideas to industry partners.

P: Have you ever heard of NFTs or even created some yourself?

F: Yes, I have, well we have played with tools, tried to create confusion in the scene, but also out of a play instinct. It did not become criminal...

P: How do you think NFTs will develop in the art world?

F: I don't know, the art world would always have to be digital works, and at the moment digital media works are on the decline. Everyone wants to work analog, whether photography, graphic artists, draftsmen without a drawing pad...analog film completely disconnected from electricity, etc...

Environmentally, the things are very questioned, because of cooling, etc. you know the debates. Question if this has a future?

P: Max Hollein, the director of the Metropolitan Museum in New York, said in an interview that NFT deals are "primarily propaganda for speculation in cryptocurrencies." What do you say to that?

F: Well, what is not propaganda if it comes to the market and should exist? The pretends if he has only clean business - Haha and that at the art market.

P: What risks or potential do you see in NFTs in general? How do you think about the topic?

F: Well, I am at home in the net - the dangers are always the same SAFETY. Nobody can guarantee that. The best unis have just been hacked again too. What has not been hacked yet, please, and the louder the so-called security called written, and God knows what ... the game begins who creates it and that is not at all the question but in which TIME!

P: Could you imagine selling or market your art also as NFTs?

F: I can't say so. What are the rules, what are the conditions. Can the works still be shown (i.e., on the net) or will only the "buyers" see them or the work? Well then not, because what should be the interest of an artist who makes his work invisible with the purchase? How do exploitation rights / copyrights look like.

So, it should be clear how the ownership and exploitation rights look like. Can I as an artist continue to work on my digital work? An important issue for example, I create a

space that can be sold as a work of art, but I also sell it as a VR space, for example, for online meetings. And also, the music, there is the question when is a work completed?

P: Could you consider an additional source of revenue in the form of income from NFTs as positive?

F: In principle yes, but just I know there is no security what does that look like then? Insurance? or something completely new...something environmentally friendly.

P: Would it help you to use NFTs as a marketing source for your art?

F: I would need to know how NFT is positioned within the digital arts. What could this partner do for me and for themselves? Well, myself, I'd rather make art than start a business where I already know it's not safe.

Interview 7

Date: 20.04.2023

Interview participants:

P: Paul Laurenz Kapl - Interviewer

G: Interviewee G

P: How long have you been involved in art? How long have you been collecting art?

G: Since 1983, when I was 20 years old.

P: What made you start collecting art?

G: Friendship with three well-known Linz artists:

Paul Fischnaller

Elfriede Lehmann

Robert Oltay

Friendship with well-known art dealers:

Soravia Group (Dorotheum)

City Gallery, Johannes Rangl

Paul Fischnaller jun.

P: Do you specialize in a particular type of art?

G: Mainly contemporary:

Austrian classics

Rainer x1

Nitsch x3

Fuchs x3

Aigner-x3

Zechyr x1

Andessner x4

Hauenschild/Ritter x2

Helnwein x3

Anton Lutz x1

Julius Deutschbauer x1

Regional artists:

Robert Oltay x8

Elfriede Lehmann x6

Glass art by international artists:

Juan Ripolles x3

Koen Van Mechelen x3

Erwin Wurm x1

Irene Rezzonico x1

Massimo Lunardon x4

Zarotti x1

Various international:

Lorenzo Malfatti x1

Russian realists x2

P: Can you give me an extract from your collection?

G: See above - a total of 52 works by important artists + about 50 unknown artists

P: How do you see the art market at the moment? Are there any innovations?

G: Sales are becoming more difficult in Europe. Market is getting tighter due to economic crisis. European classics (low to medium segment) are losing interest. The biggest markets are developing in Asia with Asian artists.

P: Have you ever heard anything about NFTs? If so, what is your opinion on the subject?

G: Yes, a good friend (DI Heinz Langwiesser) deals mainly with the subject - did the digitization of Klimt's "Kiss".

I don't see the sense of it and generally don't understand it. For me, art was one of the last analog refuges.

P: From the point of view of an art collector, what risks or potential do you see in

NFTs?

G: There are no real rights associated with them, such as property or copyright copyrights - collision problems are preprogrammed. The management is done by others in some blockchain and is not controllable - one makes oneself dependent on third parties.

Fraud and abuse.

P: Could you imagine buying or collecting NFTs and expanding your portfolio? If yes, which ones and on which platforms?

G: No, never!

P: Do you like the fact that the market is visibly volatile, or does this fact deter you from investing in this new form of art?

G: The latter

P: What other asset classes besides NFTs and art are you interested in?

G: Real estate

Traditional securities trading

P: In your opinion, will NFTs revolutionize the art market in the long term?

G: No

P: Other comments (final words, topics which were not covered by the questions).

G: None

Interview 8

Date: 23.04.2023

Interview participants:

P: Paul Laurenz Kapl - Interviewer

H: Interviewee H

P: How long have you been involved in art? How long have you been collecting art?

H: I grew up with a high interest in art in the family and therefore interested since childhood and now through my art history studies and professionally, through my work at art events and collecting art, for a few years.

P: What made you start collecting art?

H: As mentioned before, family interest and I also find art is one of the only industries where the product is primarily traded without prejudice and also because so many different cultures and groups of people are represented, unfortunately some more and some less and everyone.

P: Do you specialize in a particular type of art?

H: Photography and abstract art and especially contemporary art.

P: Can you give me an excerpt from your collection?

H: Erwin Wurm, Eva Schlegl, Nives Widauer, Rudolf Polanzsky...

P: How do you see the art market at the moment? Are there any innovations?

H: I think the art market is getting a lot of attention at the moment and is more and more influenced by different countries and cultures that didn't get so much attention the last years.

P: Have you ever heard anything about NFTs? If so, what is your opinion on the subject?

H: Yes of course, I personally think it is interesting news, but not really for people who really collect art for the love of art and much more for pure investment.

P: What risks or potentials do you see in NFTs from an art collector's point of view?

H: That more emphasis is placed on the pure investment of a work and less on the actual work and talent and history of a work.

P: Could you imagine buying or collecting NFTs and expanding your portfolio? If yes, which ones and on which platforms?

H: No, not at the moment.

P: Do you like the fact that the market is visibly volatile, or does this fact deter you from investing in this new form of art?

H: I haven't thought about it yet and I don't know enough about it.

P: What other asset classes besides NFTs and art are interesting for you?

H: Stocks, funds, real estate, fashion...

P: Will NFTs revolutionize the art market in the long run in your opinion?

H: No

P: Other comments (closing words, topics not covered by the questions)

H: None

Interview 9

Date: 23.04.2023

Interview participants:

P: Paul Laurenz Kapl - Interviewer

I: Interviewee I

P: How long have you been involved in art? How long have you been collecting art?

I: I have been involved with art practically all my life, as a young boy I visited museums with my grandfather, later I explored museums and exhibitions on my own, and from my student days onwards I spent a lot of time at art openings of artist friends and acquaintances.

During this time, I also began to collect art, but not yet very specifically, rather individual pieces that I could afford, meanwhile there are also rarely already some targeted purchases of artists that I have been following for a long time.

P: What motivated you to collect art?

I: In the beginning I often impulsively bought art from friends/acquaintances that I liked at the moment or even if I knew someone's rent depended on a sold painting. Today, I'm already more on the lookout for that special something, or pieces that I'm actively trying to buy.

P: Do you specialize in a certain type of art?

I: I am a big fan of abstract expressionism, I like the arbitrary, the supposed simplicity, but which leaves so much room for interpretation. Often the paintings seem like there is no plan or goal, but there can be so much more to it. But mainly the section "Drip-Painting" often does not let me get out of the amazement. But I also find abstract "shake paintings" such as those by Herman Nietsch very inspiring.

P: Can you give me an excerpt from your collection?

I: As one might already suspect, a Nitsch or a Pollock would fit perfectly into my collection, but one can only dream of it, especially of the second one, at the currently achieved prices.

I currently own some works by Norman Bluhm, John Hoyland and Fred Friedrich, to name a few well-known artists.

P: How do you see the art market at the moment? Are there any innovations?

I: I think the art market is often a very good reference of the economic situation, but at the moment I think there is a gap between the perception of the economic situation and the actual situation, and so the market continues to grow, to the annoyance of many small collectors who are not able to pay higher and higher prices, but certainly to the delight of investors who keep the prices high and profit from these high prices.

P: Have you ever heard anything about NFTs? If so, what is your opinion on the subject?

I: Yes of course, who has not heard in recent years that you can suddenly become the owner of a Klimt, and that for a paltry € 1,800, -. I find the topic basically exciting, and I have also spent some time with it, but unfortunately, I find it too complicated and not tangible for the normal consumer. In addition, you can see how the market has developed, very many of the Klimt parts sold for € 1,800, - are for sale for less than € 800, - not to mention that not even 3000 pieces have been sold.

P: What risks or potentials do you see in NFTs from an art collector's point of view?

I: I see few risks, owning a painting physically is something completely different than having a digital copy in your laptop. However, I do see the possibility of bringing art to the attention of younger generations.

P: Could you imagine buying or collecting NFTs and expanding your portfolio? If so, which ones and on which platforms?

I: I can already imagine buying NFT's, but then probably more as a "gag", I would have little hope for an investment and would also not want with this attitude maybe rather buy something to be symbolically a part of it. Maybe I come so times to the dream of a Pollock's. I think I would inform myself before more exactly about which platforms are trustworthy, but I think "OpenSea" appears to me at first sight as quite confidence inspiring.

P: Do you like the fact that the market is visibly volatile, or does this fact deter you from investing in this new form of art?

I: As I said before, this volatility is what I often try to avoid as an art collector (not speculator). I do not (always) see paintings as an investment in the classical sense, I

do not buy them in the hope to sell them with maximum profit in a short time. Of course, it is my goal that pictures maintain their value, but even a very "cheap" picture can be much more than a bargain.

P: What other asset classes besides NFTs and art are interesting for you?

I: I see stocks, funds and bonds as asset classes that appeal to me. I don't buy them because I like them, but because I hope to increase my wealth. I have a completely different approach, and I don't have any fear of separation as I do with some of the artworks in my collection.

P: Do you think NFTs will revolutionize the art market in the long term?

I: My opinion is that the NFT market can be a game changer, but I think it depends too much on cryptocurrencies for that (and their volatility) but in my opinion it is also very foreign for many people of older generations to own a digital snippet of a painting. I can imagine younger people being more open to such topics, and thus discovering a love of collecting (perhaps physical artworks as well).

Interview 10

Date: 26.04.2023

Interview participants:

P: Paul Laurenz Kapl - Interviewer

J: Interviewee J

P: How long have you been involved in art? How long have you been collecting art?

J: About 8 years.

P: What made you start collecting art?

J: Visiting different art exhibitions.

P: Do you specialize in a particular type of art?

J: Art Deco, Pop Art, Neo Expressionism - Contemporary Art

P: Can you give me an excerpt from your collection?

J: Franz Hagenauer, Josef Lorenzi, Günther Förg, Gerhard Richter, Otto Piene, MissMe, Julian Opie, Danny Gretsch, Roman Kochanski, Thierry Feuz, Kiki Kogelnik

P: How do you see the art market at the moment? Are there any innovations?

J: Yes, there are innovations in the art market → NFTs

P: Have you ever heard anything about NFTs? If yes, what is your opinion about this topic?

J: Now it is possible to own digital art through NFTs. A new area in the art market has been created.

P: From an art collector's point of view, what risks or potential do you see in NFTs?

J: Risks:

High fluctuations in value - total loss also possible. Rising real yields have a negative impact on the performance of NFTs. No or low regulation - high risk of fraud through

trading in NFTs exists. Danger of future overregulation - e.g., prohibition of crypto currencies with which one can buy NFTs or taxation. Low security - theft happens all the time. Wallet can be hacked Private key of the wallet address gets into the wrong hands. If you want to sell a NFT again, it can take a long time until a buyer is found - thus rather illiquid, unless you deliver the NFT to an auction in a car dealership.

Potential:

Due to the high fluctuations in value, NFTs can be acquired cheaply in retrospect at irregularly recurring intervals. Mass suitability will be achieved when the entire buying or selling process becomes easier. Potential for high value increases in the future exists.

P: Could you imagine buying or collecting NFTs and expanding your portfolio? If yes, which ones and on which platforms?

J: Yes, I can imagine expanding my portfolio by buying NFTs in the future. Through an art exhibition in Linz, I became aware of the following NFTs:

CryptoWiener: Most leiwand collectibles since 2019

CryptoWieners are 32x32 pixel art images, all hand drawn and unique.

Chain: Ethereum.

Created: 2019 Items: 200.

CryptoWieners are tradable on the opensea.io platform.

The rarity rank of individual NFTs will probably become even more important in the future. There are already various platforms on the Internet that can evaluate the rarity rank of individual NFTs. The Rarity Rank plays an important role for the price determination of individual NFTs.

P: Do you like the fact that the market is visibly volatile, or does this fact deter you from investing in this new form of art?

J: The volatility does not deter me from investing in this market.

However, the volatility causes me to invest only very small amounts in this market.

P: Which other asset classes besides NFTs and art are interesting for you?

J: Stocks, bonds, gold, silver, platinum.

P: Will NFTs revolutionize the art market in the long term in your opinion?

J: In my opinion, they will not revolutionize the market in the long term. They will just add another area to the art market. The NFT sector will continue to grow in my opinion - but it will still remain only a small part of the overall market in the near future.

P: Other remarks (final words, topics which were not covered by the questions)

J: NFTs are currently still in their infancy. I see the long-term development as positive, even if there can always be severe setbacks in the short to medium term. The further development of WEB 3.0 (Metaverse) will also help NFTs to develop positively over a long-term period.

Interview 11

Date: 29.04.2023

Interview participants:

P: Paul Laurenz Kapl - Interviewer

K: Interviewee K

P: How long have you been involved in art? How long have you been collecting art?

K: Approx. for 25 years.

P: What made you start collecting art?

K: Together with my husband.

P: Do you specialize in a particular type of art?

K: Modern art.

P: Can you give me an extract from your collection?

K: Austria - Arnulf Rainer, Anzinger, Zechir, Andessner, Aigner,

Glass art - Berengo Studio Murano, - Rippoles.

P: How do you see the art market at the moment? Are there any innovations?

K: I am not up to date.

P: Have you ever heard anything about NFTs? If so, what is your opinion on the subject?

K: Unfortunately, I hear of it for the first time.

P: What risks or potentials do you see in NFTs from an art collector's point of view?

K: How can the uniqueness be controlled here.

P: Could you imagine buying or collecting NFTs and expanding your portfolio? If so, which ones and on which platforms?

K: I know too little about it.

P: Do you like the fact that the market is visibly volatile, or does this fact deter you from investing in this new form of art?

K: I am rather put off by it.

P: Which other asset classes besides NFTs and art are interesting for you?

K: Real estate and gold.

P: Do you think NFTs will revolutionize the art market in the long term?

K: I do not know.

Interview 12

Date: 29.04.2023

Interview participants:

P: Paul Laurenz Kapl - Interviewer

L: Interviewee L

P: How long have you been involved in art? How long have you been collecting art?

L: I have been involved with art since my student days. Even at that time, if the budget allowed it, I acquired some art objects. Mostly I was involved in an advisory capacity for the acquisition of art objects for friends.

P: What motivated you to collect art?

L: Some exhibits were already available. An existing attraction to the acquisition must be given, although the fame of an artist is never the primary consideration. Art is a way of satisfying needs. Aesthetics, harmony, dynamics of perception, haptics, etc. are given as examples.

P: Do you specialize in a particular type of art?

L: It ranges from folk art, contemporary art, from paintings to sculptures and furniture. In summary: "material art".

P: Can you give me an excerpt from your collection?

L: Paintings and functional objects by Helmut Gsöllpointner, paintings by Elfriede Trautner, Karl Korab, Ernst Balluf, Albrecht Dunzendorfer.

The folk art are boxes and chests from the 17th and 18th century.

P: How do you see the art market at the moment? Are there any innovations?

L: Digital art, NFT, AI.

The art market seems a bit restrained at the moment. appeal to me more at the moment.

P: Have you ever heard anything about NFTs? If so, what is your opinion on the subject?

L: My knowledge of NFTs is unfortunately very meager for the time being. Only a few contributions in cultural programs have caught my attention. The desire to deal with it more intensively is not yet there.

P: What risks or potentials do you see in NFTs from the point of view of an art collector?

L: I do not yet know what the legal background is. The digital form has a very simple advantage. It is easy to "transport".

P: Could you imagine buying or collecting NFTs and expanding your portfolio? If so, which ones and on which platforms?

L: As there is no exact background knowledge at the moment, I exclude purchases and collecting at the moment. It is also not possible to satisfy the previously mentioned needs.

P: Do you like the fact that the market is visibly volatile, or does this circumstance deter you from investing in this new form of art?

L: I cannot give any information on this due to the lack of knowledge.

P: Which other asset classes besides NFTs and art are interesting for you?

L: Real estate is a priority due to family background. I currently prefer funds and shares to NFTs.

P: In your opinion, will NFTs revolutionize the art market in the long term?

L: Not conceivable at the moment. I see it as just another form of investment. The type of speculation will be interesting for some. I doubt whether the classic art collector will like it. For speculators certainly interesting.

P: Other remarks (final words, topics which were not covered by the questions)

L: The knowledge about the diversity of the application of NFTs is as mentioned not available.

I close my remarks with the words of Christoph Schlingensief:

"Art only becomes interesting when we stand in front of something that we cannot completely explain right away."