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What The Gamification Of Money Tells Us About Young Asian Art Collectors



Still image, Boss Logic, Miles High, 2021, non-fungible token (ERC-721), edition of 69.

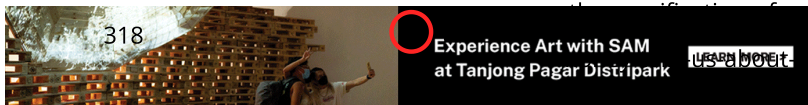
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Since the art market experienced soaring sales in 2021, much has been made about the rise of the young Asian art collector. The increasingly predominant attitude towards money as a hobby reveals quite a bit about this fascinating demographic.

TEXT: Reena Devi

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83
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Even as 10 million jobs were lost

(<https://www.theguardian.com/culture/2022/feb/08/unesco-warns-of-crisis-in-creative-sector-with-10m-jobs-lost-due-to-pandemic>) across creative industries worldwide since the pandemic, the art market, like most luxury sectors in 2021, experienced a boom year.

There were ludicrously high sales at global auction houses Christie's and Sotheby's, totalling US\$7.1 billion and \$7.3 billion

(<https://www.bloomberg.com/news/articles/2022-01-10/asia-s-art-collectors-are-still-eager-to-buy-but-only-if-it-s-the-best>) respectively.

Meanwhile, many galleries and art fairs in dynamic art hubs—even those facing financial struggles—reported strong sales and interest.

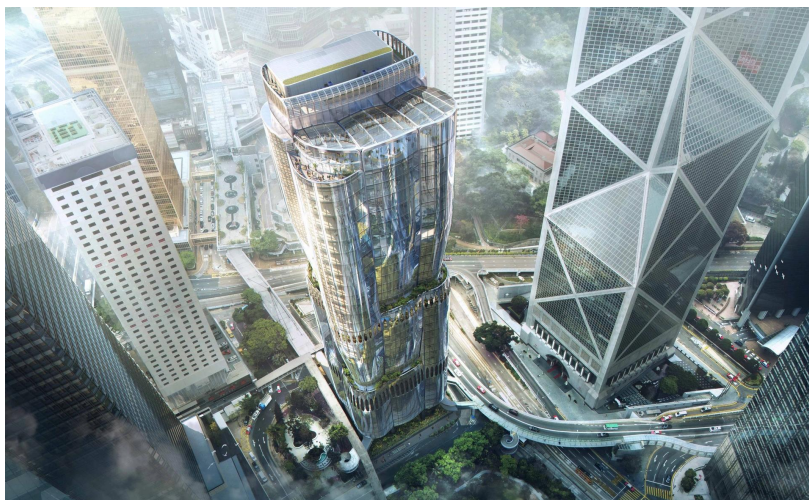
Notably, the surging Asian art market was an influential factor in last year's strong performance. In 2021, Asian art buyers made up 31%

(<https://www.bloomberg.com/news/articles/2022-01-10/asia-s-art-collectors-are-still-eager-to-buy-but-only-if-it-s-the-best>) of Christie's sales globally and 46% (<https://www.bloomberg.com/news/articles/2022-01-10/asia-s-art-collectors-are-still-eager-to-buy-but-only-if-it-s-the-best>) of total lots sold for more than US\$5 million at Sotheby's. Asian art dealers

also had a good first half of the year, from an average increase of 18%

(<https://www.theartnewspaper.com/2021/09/20/young-monied-and-keen-to-gamble-on-art-the-super-power-of-asian-collectors>) in sales over 12 months to a rise of 6%

(<https://www.theartnewspaper.com/2021/09/20/young-monied-and-keen-to-gamble-on-art-the-super-power-of-asian-collectors>) in sales in Greater China. Moreover, the biggest NFT whales who broke records last year were from Asia.



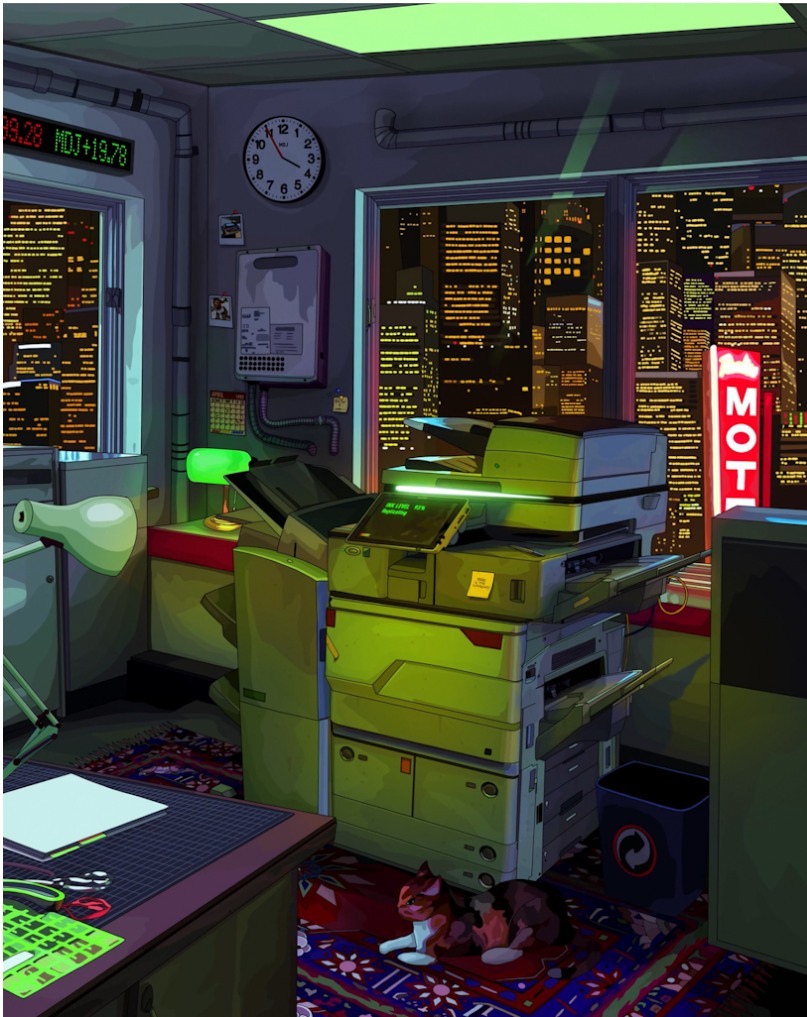
(<https://www.cobosocial.com/wp-content/uploads/2021/12/Christies-new-headquarters-in-Asia-The-Henderson-Hong-Kong-by-Zaha-Hadid-Architects-for-Henderson-Land.jpg>)

Rendered image of Christie's new Hong Kong headquarters designed by Zaha Hadid Architects for Henderson Land, slated for completion in 2024. Image courtesy of Christie's.

Unsurprisingly, 2021 saw the major players of the art world paying close attention to this market shift and responding in kind. Last July, Christie's announced plans to move into its soon-to-be-built, 50,000-square-foot, four-story Asia-Pacific headquarters in Hong Kong. Phillips partnered with Poly Auction, China's state-owned auction house, for its Hong Kong sales and moved into new, expanded premises in the city. Sotheby's sent former London-based Head of Contemporary Art, Alex Branczik, and New York-based specialist focusing on NFTs, Max Moore, to join its Asia team to bolster sales.

International art fairs are also increasing their presence in the region from Art Basel's partnership forays in Singapore and Tokyo to the highly anticipated edition of Frieze Seoul in September 2022. A slew of international galleries opened outposts in Seoul. Several art advisories took up offices in Asia last year, including Art Intelligence Global (AIG) helmed by former auction bigwigs Amy Cappellazzo, Yuki Terase, and Adam Chinn.

While a lot of attention and resources is being directed towards Asian art collectors right now, specifically in terms of dissecting and catering to their appetites for further growth, there is a need to closely examine the larger context surrounding this visible market shift.



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Still image, Mad Dog Jones, Replicator, 2021, non-fungible token (ERC-721), edition of 1. Image courtesy of the artist and Philips.



(<https://www.cobosocial.com/wp-content/uploads/2022/02/shared1.jpg>)

Still image, Beeple, Crossroads, 2021, non-fungible token (ERC-721), edition of 1. Image courtesy of the artist and Nifty Gateway.

By early last year, it was becoming apparent that wealthy people who were bored and stuck at home during the pandemic were entertaining themselves by outbidding one another in online auctions for luxury items such as watches, sports cards, vintage cars, limited edition shoes, and yes, NFTs. In doing so, they were turning any and every luxury acquisition into a "so-called alternative asset class" (<https://www.nytimes.com/2021/03/20/style/spending-rich-people.html?smid=tw-share>).

But that's not all that happened. At the same time, people who were bored, listless and could afford to take a little risk with their stimulus money or savings, found it extraordinarily easy to buy and sell individual stocks, thanks to the rise of stock trading platforms like Robinhood. Let's not forget cryptocurrency and NFTs. Also, SPACs, the most hyped investment term of 2021 (<https://www.vox.com/recode/22303457/spacs-explained-stock-market-ipo-draftkings>), which is essentially a means of listing private companies on the stock market so everyday traders could invest in them.

All of these developments are part of the trend known as "gamification of money" (<https://www.vox.com/the-goods/22922511/crypto-nfts-sports-betting-money-hobby>), where the boundaries between what makes up investment and entertainment become increasingly blurred. Essentially, it means there is an increasingly prevalent mindset that money is a hobby.

Most disconcertingly, those who do not necessarily have the fiscal resources to sustain such investment practices are also taking up similar habits. During the first pandemic year in South Korea, a surging stock market and rising real estate prices bolstered borrowing. This in turn, incentivised young adults, who were uninspired by traditional employment, to invest heavily in stocks or cryptocurrencies instead.

There is little doubt that this phenomenon is one of the factors behind the rise of young millennial and Gen Z collectors in Asia. After all, the gamification of money aligns alarmingly well with the ongoing financialisation of the art market.

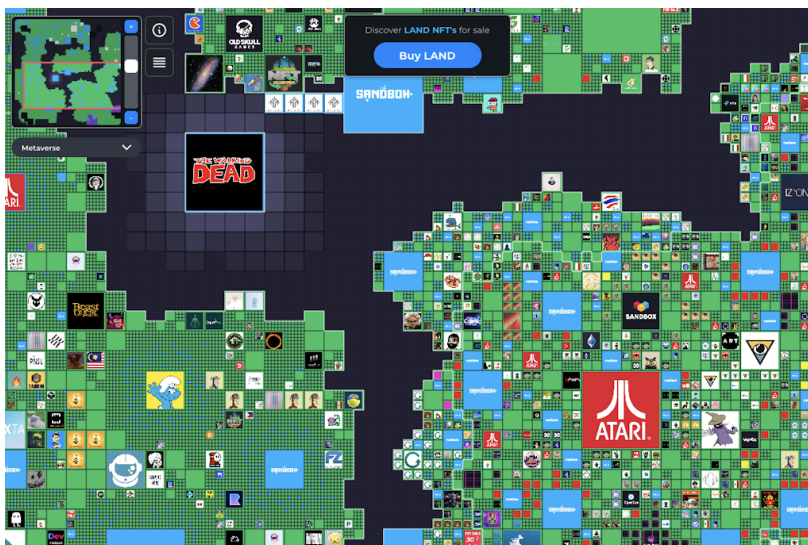
In fact, a specific demographic of young Asian collectors who are in their 20s and 30s, based in mainland China, Hong Kong, and Taiwan, are also very interested in western artists with explosive or ready-to-take-off markets such as Amoako Bofo and Eddie Martinez. Looking to go beyond making millions in shares and Bitcoin, these "art bros

(<https://news.artnet.com/news-pro/art-detective-art-bros-1970970>)" are moving markets for individual artists from their laptops in their bedrooms, without even visiting a gallery.



(https://www.cobosocial.com/wp-content/uploads/2022/02/IMG_1752.jpg)

Teaser image of blockchain game The Sandbox. Image courtesy of The Sandbox.



(https://www.cobosocial.com/wp-content/uploads/2022/02/IMG_1748.jpg)

A map of land sold in The Sandbox. Image courtesy of The Sandbox.

However, treating investing as a type of entertainment has its own myriad issues, from numerous people losing even more than they put in to addiction and deteriorating mental health because of being constantly plugged in.

There's also the very real and pressing issue of rising social inequity. The "merely wealthy (<https://www.bloomberg.com/news/articles/2022-01-10/asia-s-art-collectors-are-still-eager-to-buy-but-only-if-it-s-the-best>)", who contribute to the so-called middle market with art prices from US\$100,000 to \$2 million, will become increasingly impacted by macroeconomic pressures like tax increases and inflation, if not already.

This is a very real problem in countries such as South Korea where the aspirational class and wealthy, ranging from 20 to 40 years old, are notably interested in collecting art. However, the Bank of Korea reported that people in their 30s are the “most heavily leveraged (https://www.latimes.com/world-nation/story/2021-10-16/the-seedy-world-of-private-lending-in-squid-game-is-a-real-temptation-in-todays-south-korea), having borrowed on average more than 260% of their income,” with the country’s household debt jumping to record high levels in the second half of 2021.

While it is certainly heartening when young people with privilege and resources are interested in supporting the arts in an in-depth and sustainable manner, these types of collectors are not the ones making headlines, breaking records and incentivising the financialisation of the art market. The archetype of a young Asian art collector in the 21st century seems to be a different creature altogether.

This type of collectors may be relying on the greatest intergenerational wealth transfer in history or making their millions from equities or keeping up with the Joneses as the aspirational class. But they seem to be buying art without grasping the widening inequality and weak social safety net in their own home and country, as well as the region and beyond.

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