

# Defining the Art Market

**Day 19:** Today is Saturday, January 21st. For your final contribution, reflect on the past three weeks and rewrite your original definition of the Art Market (see your definition posted on Day 1).

## Individual Contributions

### Charles Saunders

I think this has been a really interesting class, and I have learned a lot of about the art market, and I certainly have a much broader knowledge base than I did prior to the course. If I had to define the art market, attempting to be as concise and clear as possible, it might be as follows:

The modern art market is a rapidly evolving and modernizing industry that has produced a transformation from an insular, relationship-based market with little regulation and transparency and few major players into a global, thriving world with limited barriers to entry and ever-changing rules of discourse. Demand has skyrocketed as art has proven to be adept at sustaining its prices and interest, and supply has risen commensurately to meet the new entrants. Consumers of all socioeconomic strata have found a place in both the public auction market and the private dealer market, and generally accepted rules of discourse and ethical commerce have come at a slow, but steady pace. Prices are still subjective and subject to considerable drivers of public perception and susceptible to a degree of market manipulation, but as journalistic coverage has increase and the market has higher public visibility, historical data will accumulate, comparative examples will accrue, and valuation methodology will become more widespread and trustworthy. Art has transcended its status as a luxury good into a financial asset and addition to portfolio theory, as well as retaining its aesthetic, decorative quality. Artists still have a general derision towards defining art as a commodity, but as demand increases and art obtains a larger place in the worldwide cultural environment, artists will realize the value in the rampant spread of art and welcome the increase of the market. The market is growing faster than its old model can sustain it, but as government recognizes the industry and imposes regulations to protect the interests of unsophisticated consumers, and as conflicts of interest are eliminated and aligned with sellers and buyers, the art market has the potential to become a worldwide industry that is very much at the forefront of public discourse, and usher in an era of art that enjoys a prominence not seen since the Renaissance and that plays a vital role in international culture and social life.

### Christina Chaplin

In my original definition of the art market, I highlighted the economic aspects of the market's reliance on supply and demand. While I salvaged my response's narrow view with a discussion about the ability of fame to change demand, I definitely underestimated the importance of cultural value on economic pricing. In this course I have learned to appreciate how the market responds to cultural and symbolic value in a positive correlation. I have also gained a better grip on how one can achieve such symbolic capital. Art seems to grow in cultural significance when it is exclusive, when it is held in conjunction with other good works in a valued collection, when it is shown by a museum or other culturally important institution, or when there is some sort of intrigue in its history (such as a robbery or a scandal). I have a new respect for the role that relationships between dealers, collectors, auction houses, and artists play in the estimated value of art. In this new light, I would define the art market as more of a place where cultural speculation gets translated into monetary terms, to its best ability, based on the interactions and interrelations of the human sector of the market.

### Dalanda Jalloh

The past three weeks in this course have been very insightful. Being from an engineering background, I was not familiar with fine arts but this course was more than an adequate introduction to the art market. I have really enjoyed the topics covered and learning about the players in the art market. I especially really enjoyed Day 6 about Albert Barnes. The struggle that Barnes went through and the subsequent heads of the company was a story that really resonated with me. I truly appreciated the overlap in the key players of the art market. It was very interesting to see the relationships between artists, dealers, galleries, auction and the trends that take place across the art world. Artists like Jeff Koons, Basquiat, Andy Warhol, and Damien Hirst, were very interesting to learn about and I enjoyed trying to understand the motivation and methods behind their works.

After taking this course, I can define the art market similarly as my first day definition, with minor differences. The art market can be described as the arena in which artists, buyers, curators, sellers, and the art-interested community, interact with one another. The dealers, and sellers seem to be the players with the most power, despite the fact that the commodity being distributed—the artwork—is produced and doesn't exist, without the artist. In the art market, the artist's life seems to be marked by a constant struggle and need for self-preservation. Initially, the artist struggles to develop a name for his or herself. He or she must define who they are, what type of art they are known for, and then must promote their brand to the community. This can be self-promotion and/or the promotion from the media, which the artist must ensure, will attract his or her desired audience. This media portrayal, if negative, acts as another point of struggle in the artist's life. The drive for self-preservation forces the artist to connect his or herself with famous people in the art market, as a means of earning money and creating the opportunity to interact with more people who can help satisfy his or her need to survive. Powerful and well-known dealers can be the major difference between international and local success for an artist. Dealers like Larry Gagosian, have known to increase the price value of works by artists under their guidance exponentially. Through these interactions in the art market, the artist survives. He or she earns a living such that they are housed, fed, and have the ability to make more art so the artist can repeat this cycle. The cycle seems to continue until the artist has had enough of his or her art, or if the art-interested community has had enough of the artist.

### Daniel Chazen

What a difference three weeks can make! At this point, I almost think it would be easier to write about what does *not* define the art market, as opposed to what does define it. That being said, the readings, the wiki pages and the comments by the class throughout this course, have drastically changed my definition of the art market from a struggle for money and power to something much more complicated.

The art market involves aspects of many different subjects: Psychology - in that perception, which is a part of any art sale, is also a major part of human behavior. Sociology- in that attendance at an auction house's preview is a powerful means of socialization. Anthropology - as a painting such as Warhol's Campbell's Soup Can, is a piece of culture. Economics - because despite all the variables in setting the price for a piece of art, basic supply and demand is still very much in play. Marketing – as shown by the power of promotion that was a part of Damien Hirst and his Beautiful auction. And good luck - such as when Basquiat was able to make contact with Warhol by being in the right place at the right time. It is a market that despite a history of fakes, price fixing, and lack of regulation, transacts almost \$80 billion a year. The goods sold in the market are often unusual, like a stuffed shark, and to some extent, hard to value. Money, fame, connections, being branded, and location, all go a long way in how well you do in the market. It is a market with so many different and complex dynamics, that is sometimes hard, if not impossible, to explain. All this, and much more, is what I think defines the art market.

### Elena Cestero

The last three weeks have been an incredibly enlightening experience. Despite some previous art history knowledge, I had never considered the art market or how it functioned. In addition to expanding my knowledge of art, I have also gained a lot of useful information about market economics that is applicable not only to art but other markets as well. After having completed the class I would define the art market as follows:

The current art market is based on the commoditization of art through its purchase, sale, and use as a form of investment. There are many factors involved in determining the nature of the art market and the value of art at a given time. These factors include current art trends/tastes; relationships between artists, dealers/galleries, and patrons; the development of identifiable brands; and competition or demand. The various players involved frequently manipulate or exploit one or many of these factors which results in the unpredictable nature of this market.

### H. Hunt Bradley, III

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### June Shin

On the first day of class, I had very limited knowledge about the art market. However, from the video clips about Basquiat and Warhol, I had gotten an impression that the art market is different from other markets out there because of the subjective nature of art, a speculation that came out to be true. The art market, as I understand it, is a very dynamic yet unregulated sphere in which artists, dealers, collectors/buyers, and auction houses are main players. In this game, collectors provide demand and artists, supply. Dealers are both gatekeepers and businessmen. Auction houses are bigger dealers with more interest in the business side of art than dealers. It seems that, although artists are the actual producers of art, the role of the dealers is of the utmost importance for the market to work in the way it has been to this day. The art market dynamics, to some people's dismay, largely operates on exclusivity and celebrity culture that is prone to control prices in rather irrational manners. However, prices for works of art have generally been rising, sometimes exponentially, over time, and the industry continues to grow even during times of economic difficulties that hit other markets. This is because consistently rising price of art has led people to see it as another avenue of investment; an increasing number of people with disposable income have been entering this "new" market that it's as if art investing has become a trend among the wealthy. There are, as in any field, many strategies that all actors employ, like branding and keeping wait lists, that may play out rather unfairly for some of the people involved. On the first day of class, I had said that the legend of John Henry told by Basquiat's friend in one of the video clips might be a metaphor to the significance of the market in today's art market. I still hold the same belief, only with added emphasis. It seems that those who fail to adapt to the fast-changing conditions of the market are bound to fade without accomplishing their goals. To many, this is a shame, for it interferes with the purity of art. However, if anyone in the art world is to survive, the market needs to be sustained, and it remains that all actors in the art world need each other to keep the market going. Despite the many qualms I faced along the way, as the course comes to an end, I'm convinced that all actors in the art market have a symbiotic relationship with each other.

Thank you, everyone, for making this class so valuable for me! I learned a lot not only from the readings but also from all of you. I wish you another great semester!!

### Kelly Zona

My definition of the art market from day one has evolved, but still holds to some of its basic ideas.

I think that the art market is primarily centered about the creation and exchange of value through art.

In order to have a market, art must have some value, and because this value is assigned rather than intrinsic, there must be some strategy that goes into its creation. Whether this value is a result of aesthetics, artists reputation or any other factor, the value of a work must be categorized in some way so that it can be assigned value relative to the rest of the market.

The art market is supported complex network of social relationships centered around the exchange of value. And this value is not necessarily monetary, value can be symbolic, cultural, historical or otherwise. Some social interactions, such as the use of a wait list, may not make sense on a purely economic level, but helps to ensure the value of a work, and builds relationships for the future.

Lastly, there is no one singular, permanent art market. While there may be large centralized institutions that help to define a general, international art market, such as auction houses and international fairs, the art market simultaneously operates on a small-scale, face to face level. All agents involved, from artists, dealers, buyers, to the audience, are continuously working to define their roles, and will continue to redefine the art market in years to come.

### Khristyne Wilson

I came into this course not knowing anything about art, and I believe I now have a good handle on the subject, and the ever-changing market.

The art market is a complex, ever-changing mechanism that is changed by time period, artists, dealers, and most importantly through the reception by the audience. Before, the art market was driven solely for academic and elite purposes, to signify a financial status. Now, the purpose of art has become much more complex, and thus the art market has altered. Art can now be not only thought of as a manner to demonstrate economic stability, but it also holds a very important cultural impact. Art is now available to all through street art, and new exhibitions at events such as the Basel, and also serves for a simply aesthetic quality. The market is now driven by supply and demand, and dealers, auction houses and gallery owners realize the marketing potential of a specific popular type or art, or artist. This has ushered in a new era of branding, wherein specific dealers and gallery owners are sought out as experts, who ensure that art pieces are quality. However, with new forms of public art breaking into popularity, as well as government restrictions on auction houses and art sellers, we seem on the cusp of a new era of the art market, one that promises to protect new buyers, as well as continue to serve seasoned veterans. The new era may be the best to come.

### Kwame Nana-Ato

As an artist I have always wanted to not just do art for the sake of it like most people do, I wanted to sell my art. Time and again, I hear peoples work being sold for millions, and I always thought why would someone buy a art for such a price, and who are the people who buy them. I honestly always thought of just going to a gallery or museum and coax them into exhibiting my work. But all these ideas and question have been changed and for the most part answered.

The art market is a world on its own that has its own governance and political plight. It is a world that involves people in high places and low places. In as much as it tries to appreciate art for all of its purpose, the art market is also a financial powerhouse that wants art for other reasons such as sustainability, prestige and power. Artists are just a minute part of the art market, even though they are the people whose actions have created this world, they tend to be in the bottom of the game for the most part. The audience are not to be forgotten when we talk about the art market, probably they are the driving force behind all of this. Without them there will be no creation of art, because art was made to be viewed, and the ideas, shared.

With all that I have learned in this class the most important conclusion I have come to is that it is a game and one need to play it hard but patiently to be recognized. There are many bleeding areas that need to be fixed and with the right "art" attitude, it will be fixed.

### Lipei Yu

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### McKenzie Sullivan

This course has taught me a lot of useful information about the art market. I feel I understand the mechanisms of the market and how it has evolved. I have learned that the market is ever changing and has undergone many transformations. Demand has skyrocketed, as art has become an investment. Supply has risen to meet increasing interests of new money and new buyers. Perhaps the largest evolution in the market is the fact that art has transcended its status as a mere luxury into a financial asset. I have learned that the escalation of pricing in the art market revolves heavily around the supply and demand of works over time. Marketing hype by dealers as well as pre-sale estimates set by auction houses aid in defining the pricing structure of current art transactions. I have come to understand the necessity of the art dealer in the art market as the value of art becomes defined by current tastes and buyer's preferences. It is crucial for dealers to play a role in influencing those tastes to sell art and make the market cycle go round. The dealers rely on personal relationships, rigorous marketing and branding to be successful.

In addition to being a valid commodity art has great aesthetic value as well as commercial worth. Art now also offers cultural and celebrity status rewards. This course has taught me that the modern art market has grown to play a crucial role in the culture, politics and social life.

### Nicholas Krislov

I came into this course not knowing much about the art market. I knew that prices were a little subjective. However, I had no idea how much control dealers, galleries, museums, and private collectors have on the market. In one respect the art market just refers to the place where art is sold. People derive a lot of meaning from art and many view the art market as a place to acquire culture, feeling and emotion. However there is another aspect to the art market. Purely driven by investment, there are collectors who take a systematic view of art as assets which can appreciate. There are also issues of status. The art market not only sets the price for one piece, but gives the relative value for others. It is not a perfect market and many of the players in the game use their power to force prices and profits up. I had no clue the difference between a dealer, gallery and auction house. I can say with confidence that each uses their own techniques to influence buyers. From how the floor is set up, to how the people are packed into a room, the auction houses and galleries know exactly how to please the customer, yet never give off the consumerist vibe. My definition of the art market has changed substantially. I believe the market is a place which art can be bought and sold at will, subject to market forces, status appeal, and dealer, gallery, auction house and collectors' influence. I absolutely enjoyed learning about the behind the scenes of the art market and am looking forward to learning more about the topic after the class.

### Tadd Phillips

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