

THE BUSINESS OF ART:

HOW CAPITALIST BUSINESSES CAN DO
MORE TO SUPPORT CONTEMPORARY
VISUAL ARTISTS

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Land Acknowledgement

This learning journey began, and continues, on the traditional lands of the Mississaugas of the Credit, the Haudenosaunee, the Anishinaabe, the Huron-Wendat, Cree, Blackfoot, Métis, Nakota Sioux, Iroquois, Dene, Ojibway/Saulteaux/Anishinaabe, Inuit, and many others. As a Treaty person, I acknowledge the continued impacts of colonialism and the need to work towards decolonizing our work and practices. I commit to listening and learning from Indigenous Peoples and working to incorporate their knowledge and outlooks into my work.

Abstract

Art can serve as a catalyst for introspection, dialogue, and solace amid turbulent times. In today's world, art's role is pivotal. However, the supply of art remains constrained, as aspiring artists face hurdles to creating impactful art. Career success in art largely hinges on a select few businesses within the Contemporary Art ecosystem, acting as gatekeepers. These entities, rooted in capitalist values, shape the ecosystem. While capitalism does not inherently stifle artists, the relative power of these actors within the ecosystem impedes many artists in growing their careers. Given art's societal benefits, the control these businesses exert warrants public scrutiny. This report researches the historical underpinnings of the most prominent businesses operating in today's ecosystem, provides an overview of each business' underlying business model, and puts forward a series of new business models that aim to serve contemporary visual artists in new, or unaddressed, ways. The ultimate purpose of this report is to provide a foundation of knowledge, insight, and ideas for entrepreneurs or businesses interested in serving emerging, contemporary visual artists.

Thanks

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Table of Contents

COPYRIGHT NOTICE:	1
LAND ACKNOWLEDGEMENT	2
ABSTRACT	3
THANKS	4
TABLE OF CONTENTS	5
LIST OF FIGURES	7
LIST OF TABLES	8
GLOSSARY OF TERMS	9
INTRODUCTION:	10
RESEARCH OVERVIEW.....	10
<i>4 Main Purposes of This Project:</i>	10
<i>Research Questions (RQ)</i>	10
<i>Methodology</i>	11
CULMINATION OF RESEARCH	12
ART AND CAPITALIST BUSINESS MODELS	12
CAPITALISM’S HISTORICAL INFLUENCE ON ARTISTS AND ART-RELATED BUSINESSES	12
WHAT IS A BUSINESS MODEL?	13
OVERVIEW OF THE MOST PROMINENT BUSINESS MODELS OPERATING IN THE CONTEMPORARY ART ECOSYSTEM TODAY	15
MIDDLE AGES TO THE RENAISSANCE: DIRECT SALES, COMMISSIONED ART, AND THE PATRONAGE SYSTEM	15
<i>Contemporary Business Models Influenced:</i>	17
THE RENAISSANCE TO EARLY MODERNITY: THE EMERGENCE OF ART FAIRS, ART DEALERS, AND ART MARKETS.....	19
<i>Contemporary Business Models Influenced:</i>	21
EARLY TO LATER MODERNITY: THE SALON, GALLERIES, IMPRESSIONISM, AND THE RISE OF ARTIST COLLECTIVES.....	24
<i>Contemporary Business Models Influenced:</i>	26
LATER MODERNITY TO THE PRESENT: CONTEMPORARY ART, SECONDARY MARKETS, AND THE FINCIALIZATION OF ART	29
<i>Contemporary Business Models Influenced:</i>	31
GRADED EXAMINATION OF PROMINENT BUSINESS MODELS	34
EXAMINATION OF THE ART ECOSYSTEM TODAY:	36
THE PRIMARY ACTORS IN TODAY’S CONTEMPORARY ART ECOSYSTEM.....	37
SYSTEM DYNAMICS AND GATEKEEPERS	38
FACTORS FOR SUCCESS	39
NETWORKING AND COMMUNITY ENGAGEMENT:	40
<i>Building Awareness and Fostering Engagement:</i>	40

<i>Marketing and Online Presence:</i>	41
MAXIMIZING PROFITS.....	41
<i>Business Acumen:</i>	41
<i>Skill and Innovation:</i>	41
<i>Exhibition and Curation:</i>	42
ACTING ETHICALLY AND RESPONSIBLY:.....	42
<i>Professionalism:</i>	42
<i>Resilience and Adaptability:</i>	42
WHAT PREVENTS EMERGING ARTISTS FROM USING THESE STRATEGIES?	42
PRIMARY RESEARCH WITH CONTEMPORARY VISUAL ARTISTS	43
METHODODOLOGICAL OVERVIEW.....	43
DESCRIPTION OF THOSE INTERVIEWED	43
FINDINGS AND QUALITATIVE THEMES.....	44
<i>The challenge of balancing the need to develop your own artistic voice/narrative, while meeting short-term financial needs</i>	<i>44</i>
<i>Identifying the right fit with galleries and spaces to grow their career</i>	<i>45</i>
<i>Building a network, community, and meaningful relationships</i>	<i>46</i>
<i>The importance of learning from example—working for a full-time artist or creative practice</i>	<i>46</i>
BUSINESSES THAT DO MORE FOR ARTISTS.....	47
ALTERNATIVE BUSINESS MODELS.....	48
<i>Growing Network and Community Engagement</i>	<i>48</i>
<i>Finding Artist-Gallery-Market fit</i>	<i>50</i>
<i>Learning Through Role Models and Apprenticeship</i>	<i>52</i>
GRADED EXAMINATION OF ALTERNATIVE BUSINESS MODELS	54
CONCLUSION:	55
RECOMMENDATIONS ON FURTHER STEPS.....	55
LIMITATIONS:	56
LESSONS LEARNED:	56
BIBLIOGRAPHY	57
APPENDIX	60

List of Figures

Figure 1 - "Double Diamond" Research Method For This Report.....	11
Figure 2 - A Business Model Canvas (BMC) from Strategyzer	13
Figure 3 - Direct Sales Business Model Canvas.....	17
Figure 4 - Art Fair Business Model Canvas	21
Figure 5 - Art Dealer Business Model Canvas	23
Figure 6 - Gallery Business Model Canvas	26
Figure 7 - Artist Collective Business Model Canvas	28
Figure 8 - Auction House Business Model Canvas	31
Figure 9 - Art Investment Fund Business Model Canvas.....	33
Figure 10 - Actors Map of Contemporary Art Ecosystem	37
Figure 11 - Success to the Successful System Archetype	39
Figure 12 - Growing Network and Community Engagement Business Model	48
Figure 13 - Finding Artist-Gallery-Market Fit Business Model Canvas	50
Figure 14 - Learning Through Role Models and Apprenticeship Business Model Canvas	52

List of Tables

Table 1 - Graded Comparison of Prominent Business Models Discussed	34
Table 2 - Graded Examination of Alternative Business Models Proposed	54

Glossary of Terms

- **Capitalism:** An economic system characterized by private ownership of the means of production and distribution of goods and services, driven by the pursuit of profit. It operates through free markets where supply and demand determine prices and the allocation of resources (Smith, 2003).
- **Business:** A usually commercial or mercantile activity engaged in as a means of livelihood (*Merriam-Webster, 2023*).
- **Business Model:** The rationale of how an organization creates, delivers, and captures value (Osterwalder & Pigneur, 2010, p. 14).
- **Contemporary Art:** Art produced in the present time, reflecting current societal, cultural, and technological contexts. It often challenges traditional notions of art and encompasses various mediums and forms (Stallabrass, 2006, p. 2).
- **Visual Artist:** An individual who creates art primarily using visual mediums like painting, drawing, sculpture, photography, or multimedia. They express ideas, emotions, or concepts through visual forms (*Chapter 1 of Ways of Seeing by John Berger, n.d.*).

Introduction:

Research Overview

Artists provide a vital service to our society: their creative output provides a means for us to confront, question, and discuss a variety of issues often central to our times. However, it does not take more than a single conversation with an aspiring or emerging artist to understand that becoming a full-time artist—i.e., a productive source of this vital creative output—poses a significant challenge. Many artists, for this reason, are prevented from entering full-time creative practice. Instead, required to work only part-time at their craft, and part-time in other roles to make ends meet. Furthermore, for those who do manage to become full-time practicing artists, achieving the level of career success they originally envisioned for themselves remains elusive. Given that we live in a capitalist society where businesses, such as galleries, auction houses, and museums, represent the primary means through which the public engages with art, we must examine how artists and capitalist businesses intersect. Therefore, this research project was conducted to understand why artists face this struggle, and what we might do to address this.

4 Main Purposes of This Project:

1. To provide an overview of the most prominent, present-day, Capitalist business models operating in today's Contemporary Art ecosystem, and the bearing they have on the careers of contemporary visual artists.
2. To gain an understanding of the current art ecosystem and how artists achieve career success (or why they fail to do so).
3. Explore some of the most significant obstacles and/or needs of contemporary visual artists from first-hand accounts.
4. Put forward a selection of 3 business models that take into account findings from both primary and secondary research, intended for use by entrepreneurs or businesses to adopt or adapt, as they see fit.

Research Questions (RQ)

Primary RQ:

- How might we design a business that fosters, rather than limits, artists' careers, and better addresses the unique and evolving needs of emerging, contemporary visual artists, in particular?

Secondary RQs:

- How might new (or recombinant), business models be designed to address the unique needs of contemporary visual artists in 2024?
- What are the predominant business models found in today's Contemporary Art space?
- What are the most significant barriers or problems that aspiring contemporary artists face when beginning or growing their careers as visual artists?

Methodology

This project incorporated both primary and secondary research methods. The two forms of research were performed following a double diamond approach, representing a process of divergence followed by convergence, repeated twice (see Figure 1). The central portion of

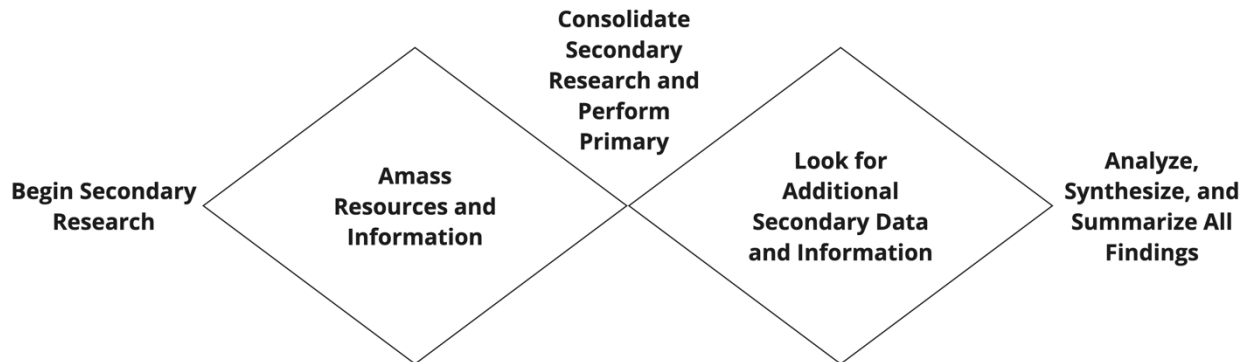


Figure 1 - "Double Diamond" Research Method For This Report

convergence was the stage at which a question set addressing 9 topics of conversation was created, which was then used in the primary research portion of this project. Primary research included in-depth interviews with 2 currently practicing visual artists. Once interviews were conducted with these artists, findings from each interview were used as inputs into topics that required further secondary research, including a final examination of trends and drivers of future change in the Contemporary Art industry.

Throughout the process, both primary and secondary findings were regularly compared and, eventually, synthesized to create alternative business models (presented at the end of the report). As a result, references to findings from both secondary and primary methods can be found in most sections of this report, including those that focus specifically on information collected exclusively through either means (e.g., literature review or in-depth interviews). For secondary research, a comprehensive literature review was conducted with the intent of uncovering resources and information that shed light on the historical background, and context for common business models in operation today, as well as to gain an initial

understanding of the challenges faced by aspiring, contemporary visual artists. This work also informed the list of questions posed to contemporary artists during in-depth interviews (i.e., primary research). Applying such a methodology provided a better sense of historical context, as well as the current conditions contemporary artists face.

Primary research was also undertaken to understand the needs of contemporary visual artists practicing today. In-depth interviews were conducted with 2 contemporary visual artists practicing in Canada, each at different stages in their careers. During each interview, a series of 9 questions were asked (see, Appendix 1). After combining the answers to each of these questions from each artist interviewed, thematic analysis was performed to identify common and divergent needs. The information gathered during both primary and secondary research highlights the uniqueness of some challenges faced by aspiring artists today; however, it also reveals similarities, demonstrating the persistence of problems faced by visual artists both today, and those creating art for, roughly, the last 750 years.

Culmination of Research

Using the Business Model Canvas developed by Osterwalder, et al., information and insights from both secondary and primary research were then used to develop hypothetical business models, intended to address the challenges and findings from both forms of research. In its conclusion, this report proposes a series of 3 alternative business models, each meant to address different needs uncovered during primary research, and, through a ranking system based on 6 criteria, shown to confer one or more advantages over the more prominent business models discussed in earlier sections. The final section of this report summarizes research efforts and outlines recommended next steps: for entrepreneurs or businesses interested in designing their own product, service, or business to validate this work, and, ultimately, foster the careers of contemporary visual artists.

Art and Capitalist Business Models

Capitalism's Historical Influence on Artists and Art-Related Businesses

Throughout human history, art has occupied a position of great significance for civilizations around the globe. For many of these civilizations, images, sculpture, and costume—all forms of visual art—have served purposes much greater than simply providing viewers with a pleasurable experience; they represent a form of power and influence, shaping cultures, belief systems, and, in some cases, the fate of individuals (Gombrich, 2023). The importance of art in societies since 10,000 BCE cannot, therefore, be overstated. However, within the last 750 years, with the emergence of the economic and social systems we now consider the essence of

capitalism, art's purpose, use, and value in Western societies has changed dramatically. The growth of global trade, rapid expansion of the merchant and middle classes, as well as the commodification of goods and services have all played a large part in this shift.

Along with the emergence of capitalism came capitalist businesses, which were predicated on using private property (of all forms) to create, deliver, and capture value through markets of buyers and sellers. During this time, art became widely seen as a means to accomplish these goals; increasingly talked about and utilized as a commodity for trade and profit. The use of art in this way served to reflect the economic, ideological, and physical changes that the growth of



capitalism precipitated, which has continued, unabated, to this day. Given the relatively short

Figure 2 - A Business Model Canvas (BMC) from Strategyzer

period of time (i.e., ~500 years vs. 10,000), it is relatively easy to observe historical examples of the most prominent businesses operating in today's Contemporary Art industry. However, before delving deeper into the topic, it is necessary to establish a clear definition of what a business model is and how it can be used to frame our understanding of art and capitalism.

What is a Business Model?

The term, "business model" gets mentioned a lot, but is not often accompanied by a clear explanation of what such a term refers to. Similar to the general concept of a model (for instance, a model train or model car), a business model can be thought of as a representation of a larger, or in this case, intangible concept. Given the somewhat ambiguous notion of a

business model, it is helpful to begin with a formal definition. Strategyzer, a leading authority on business models and business design, have put forward the following definition of a business model: “The rationale of how an organization creates, delivers, and captures value,” (Osterwalder & Pigneur, 2010, p. 14).

When it comes to emerging visual artists succeeding in their careers, business models may not seem like an immediately important topic. However, this is untrue: understanding how business models function and how an emerging artist may design their own business model, is critically important to achieving career success. For instance, as will be discussed in greater detail later in this report, galleries play a central role in the Contemporary Art ecosystem. The business model galleries employ often forces artists to occupy a position of much lower power relative to the gallery, itself. Although many artists may reap mutual benefit from a model such as this, for many emerging artists who do not have a history of representation by other galleries or art dealers, this position of low power creates an insurmountable barrier to access; consequently, hindering the development of their career as a professional artist.

However, emerging artists who take the time to study and understand the typical business model of a gallery may be equipped to navigate, and ultimately overcome, this barrier. For artists who, either willingly or out of necessity, strive to build their artistic careers without following a more traditional route (e.g., through gallery representation), designing their own business model may provide a viable means to do so. From the many artists following this alternative path have emerged numerous business models for consideration. These include licensing the reproduction of original art work (created by the artist), renting or leasing their work, accepting barter as a means for payment, offering creative services (such as logo or brand design), and hosting workshops or lessons for those interested in developing artistic skills (Grant, 2022, pp. 69–94). Each of these examples represents a potentially viable pathway to career success. However, none of these business models play as prominent a role in today’s Contemporary Art ecosystem than do an array of more common business models. The following section of this report provides a detailed look at the historical underpinnings and function of these more prominent, or prolific, business models active in today’s Contemporary Art ecosystem.

To help make business models more easily understandable, the team at Strategyzer have also created a visual framework, called the Business Model Canvas (BMC), which is widely used by businesses and innovators across the world to strategically plan out critical components of a business. Therefore, this report makes repeated use of the BMC to outline the underlying design, function, and drivers of each business model discussed. By using this tool, it is hoped

that the clarity it offers will provide entrepreneurs and businesses the insights necessary to find new, innovative, or redesigned business models that serve artists; and, by doing so, ultimately, help a greater number of artists achieve career success.

Overview of the Most Prominent Business Models Operating in the Contemporary Art Ecosystem Today

To fully understand each of the business models about to be discussed, this section begins by exploring the historical context, in chronological order, of the most prominent business models observable in today's Contemporary Art ecosystem. Doing so not only provides insight into the structure and function of each business model, but also highlights the broader, historical factors that led to their development. After each historical overview, the contemporary business models that originated during that period of time are mapped onto a BMC, and then explained in greater detail. Of note, although time is spent describing the historical origins of these business models, the BMC and explanation of each business model reflects their contemporary state. Additionally, the advantages and disadvantages these business models entails—relative to contemporary artists—are also listed. In the final portion of the section, each business model discussed is listed on a table, where is graded based on 6 criteria pertinent to how they affect artists. What will emerge are the ways in which these businesses underserve the majority of artists, thereby highlighting how alternative business models may be designed.

Middle Ages to the Renaissance: Direct Sales, Commissioned Art, and the Patronage System

Emerging as early as the 10th and 11th centuries, direct sales and commissioned art remain two of the most common business models operating in today's Contemporary Art ecosystem (Adams, n.d.). Although these business models originated at a time that predates capitalism, they remain highly prominent in our contemporary, capitalist era. Both business models are predicated on artists selling their work directly to collectors (including, individuals and institutions) without the involvement of an intermediary. The key difference between the two being when the sale of an artwork takes place: an artist who is commissioned to create a piece of art will have, essentially, already sold that work prior to its creation; whereas for direct sales more generally, an artist will create a piece of work without the guarantee of a sale or interested buyer. Therefore, in today's context, commissioned art can best be thought of as a variation of direct sales. However, out of the two business models, commissioned art is more

easily recognizable in the historical movement that gave rise to both direct sales, and commissioned art: the Patronage System.

Most commonly associated with the Renaissance in the 15th and 16th centuries, the patronage system involved a patron, or sponsor—at that time, predominantly the Catholic Church, and subsequently, wealthy European merchants—who regularly commissioned an artist to create a work of art in the style, location, or topic of the patron’s choosing (Adams, n.d.; Hebron, 2018; *Patronage in the Renaissance*, 1981). Although typically considered only relevant as a historical concept, patronage (in the form of commissioned projects) remains an important means for contemporary artists practicing today to not only earn money, but also gain reputability and grow a network of collectors. In fact, as defined by The European Fine Art Foundation (TEFAF), a range of patronage models can be seen operating today, bounded by two extremes: the “purist” model—giving to the arts from a place of altruism—to the other end of the spectrum, the “venture philanthropy model”—giving to the arts with the expectation of recouping both social and commercial benefits (*TEFAF Art Market Report 2020*, n.d.). However, unlike when the patronage system was first rising to prominence—where the Catholic Church was the most prominent patron of art throughout the Middle Ages and Dark Ages (Hebron, 2018)—today’s patrons are very different, and include both individuals, institutions, and even purely financial investors (more on this final topic later).

Despite these differences, contemporary visual artists who accept commissions from today’s patrons face a similar dilemma to their historical counterparts: how to balance creative expression while accepting the limitations and requirements typically imposed on an artist when accepting commissioned work. This struggle surfaced by both contemporary artists interviewed for this report, who expressed a general awareness and acceptance of this form of business model, but shared differing experiences and outlooks on how open they were to accept commissioned work, in the future (discussed later). With the advent of the Gig Economy and platforms such as Fiverr, which connect freelance artists with mass market customers looking to commission one-off, creative work, the patronage system can be said to be alive and well—albeit, in a considerably different state than it existed earlier in history.

Contemporary Business Models Influenced: Direct Sales

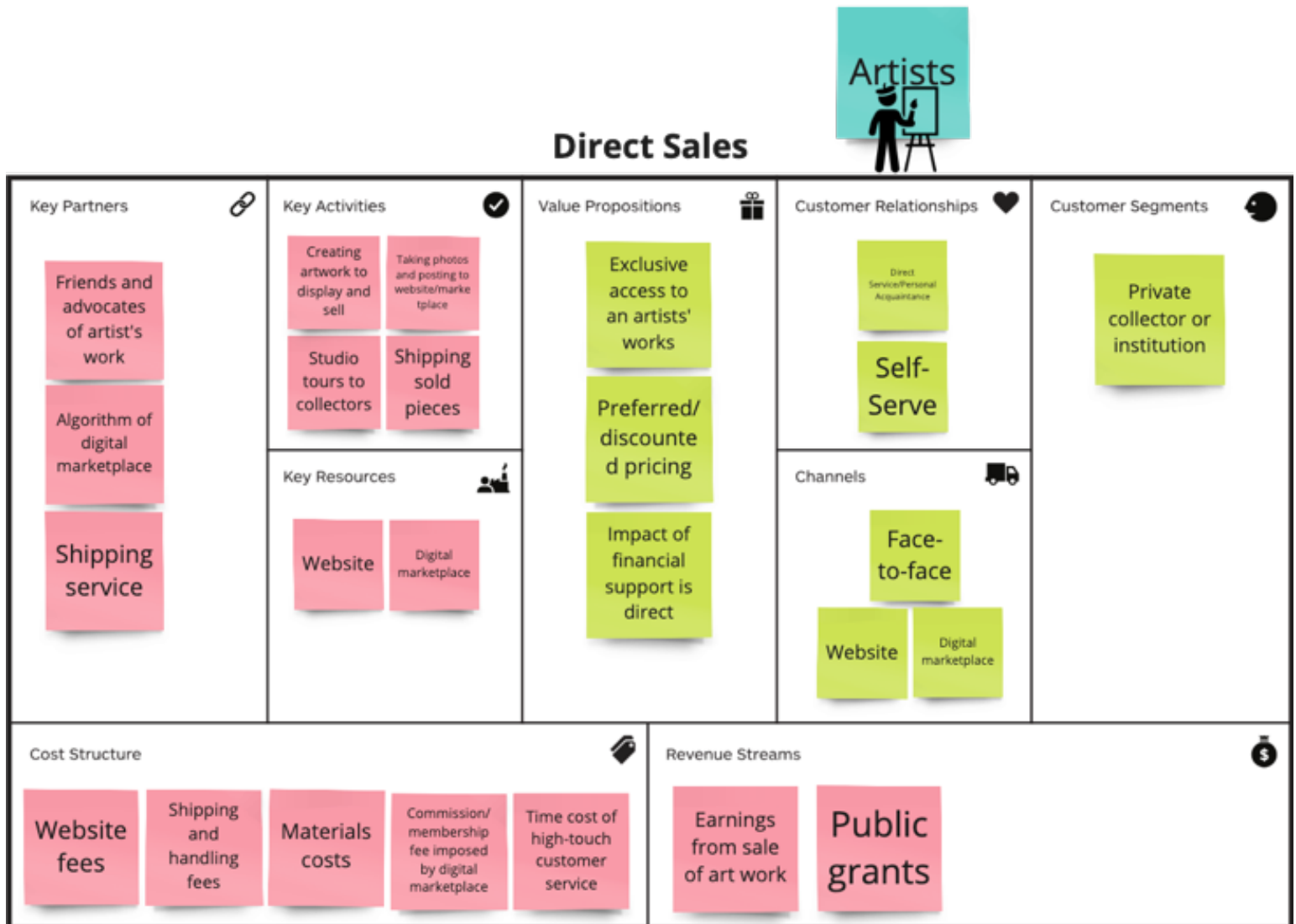


Figure 3 - Direct Sales Business Model Canvas

Explanation:

The business model of direct sales involves the artist, him, her, or themselves, selling directly to a private collector or institution. This business model is often the most simplistic, and intuitive, way for artists to begin generating income from their artistic practice. For this reason, it is often the first means by which artists in the early stages of their careers begin to establish themselves. Indeed, this was how both artists interviewed for this project reported making most of their income. However, this business model can be impractical for many artists as they begin to establish a reputation and grow the number of interested collectors; answering collectors' inquiries, handling the administrative aspect of sales, and coordinating shipping

logistics can become overburdening. Modern, digital platforms, however, can help facilitate some of this work, and have made this business model a feasible option for many early to mid-stage artists. It is, therefore, a viable option for most artists who do not have the financial resources to invest in additional supports, or who prefer to retain a higher portion of the revenue earned through sales—as opposed to gallery sales (discussed shortly).

Variation: Commissioned Art

Collectors and institutions sometimes prefer to purchase artwork that matches a particular aesthetic or set of specifications. Many artists are open to creating works that match these specifications, and, therefore, will happily take on this commission. Within the direct sales business model, the artist handles all the same tasks and responsibilities; however, with the added constraints imposed by the buyer or collector. The key advantage, in this variation, is that the artist will often know in advance that he/she/they will earn revenue from time spent creating the piece—unlike all other work, which they create with the hope that a buyer will come across their work and decide to purchase. In speaking with Contemporary artists, the most notable disadvantage of accepting commissioned work is the degree of constraints that can be imposed on an artist. In extreme cases, this can make the art entirely commercial, making it unrepresentative of the artist commissioned to create it.

Advantages:

- Artist maintains a high degree of control over the sale and distribution of their work
- All (or most) revenue earned from sale of artwork is retained by the artist
- Overhead costs are relatively low
- Allows artists to communicate directly with buyers and to gain an understanding of whom their work appeals to (and for what reasons)
- A popular way for most early to mid-stage artists to grow through careers, and garner the interest of a community of collectors
- Digital marketplaces/platforms have made this an even more accessible business model and expanded artists' ability to reach a larger market than they may otherwise

Disadvantages:

- Burden of administrative and logistics work falls entirely on the artist
- Unlike a gallery or sponsorship by an art advisor, the artist is entirely responsible for advocacy and growing market awareness for their work. This can be a slower means for growth
- Time cost of handling backend work this business model requires can be significant, consequently reducing artistic output

The Renaissance to Early Modernity: The Emergence of Art Fairs, Art Dealers, and Art Markets

Another group of commonly seen business models in today's Contemporary Art ecosystem, art fairs and art dealers, also have historical underpinnings stretching back to as early as the 11th century. Born out of the religious pilgrimages common during the 11th-14th centuries, today's art fairs, and the art dealers who drove the growth of such marketplaces, continue to play a significant role in the world of Contemporary Art (Martin, 2020). Borne out of religious pilgrimages, which brought together large groups of people in predetermined locations, art fairs emerged when vendors seized the opportunity such events offered to showcase their rarest and most valuable objects—artwork often being one such object.

As the popularity of these events rose, infrastructure, such as booths and private spaces, as well as amenities, including food, shelter, and security, were introduced (Martin, 2020). Similarly, vendors also began advertising themselves in ways that they hoped would attract more customers, including both eye-catching displays, and the quality of the assortment of art or goods they sold (Martin, 2020). With this image of early art fairs in mind, a visit to an art fair today would reveal how little has changed: large crowds of people converging semiregularly in population centres around the world, including elaborate infrastructure and offering all the amenities one could hope for.

Over the course of the next couple centuries, leading up to the Renaissance in the 15th and 16th centuries, art fairs shifted away from assemblage for religious purposes towards being organized solely for facilitating commercial exchange. This shift, along with their general success in attracting buyers, led to a dramatic increase in the size of these fairs (Martin, 2020). In parallel with this growth in size, so too did the magnitude of opportunity grow for an emerging class of specialized merchants, known as art dealers. This new type of merchant boasted not only the assortment of art on offer, but also their educated approach to curation, and ability to broker transactions between buyers, creditors, and sellers of art. Prior to this time, guilds—officially sanctioned groups of artists and craftsman—largely controlled the sale and distribution of art (De Marchi & Van Miegroet, 2006). However, as art dealers grew in number and popularity, guilds could no longer claim such control, and in their place stepped art dealers.

Interested buyers increasingly turned to these dealers for both the supply of art they offered, and for their advice on which artists, pieces of art, and styles were worth spending money on. Such services were particularly valuable to the growing class of wealthy merchants, the Renaissance is known for. Along with this merchant class, a growing middle class also began to

emerge (Oldstone-Moore, 2018). European cultural habits around the display of art—in the Netherlands and Italy, for instance, where it was common to display between 30-50 pieces of art per room (Resch, 2021, p. 46)—dramatically increased the size of the European art market. Such an increase in demand spurred greater investment in the supply and creation of art, leading to new methods for mass producing art, thereby dramatically decreasing the cost of art, making it accessible to many who previously could not afford it, creating a virtuous capitalist cycle, growing the market even more (De Marchi & Van Miegroet, 2006; Masterworks, 2022).

The growth of this market continues today and has been a driving force in helping more and more artists establish a full-time creative practice. For some, the opportunity for exposure and growth of reputation through both art dealers and art fairs has even contributed to extraordinary career success.

Contemporary Business Models Influenced: Art Fairs

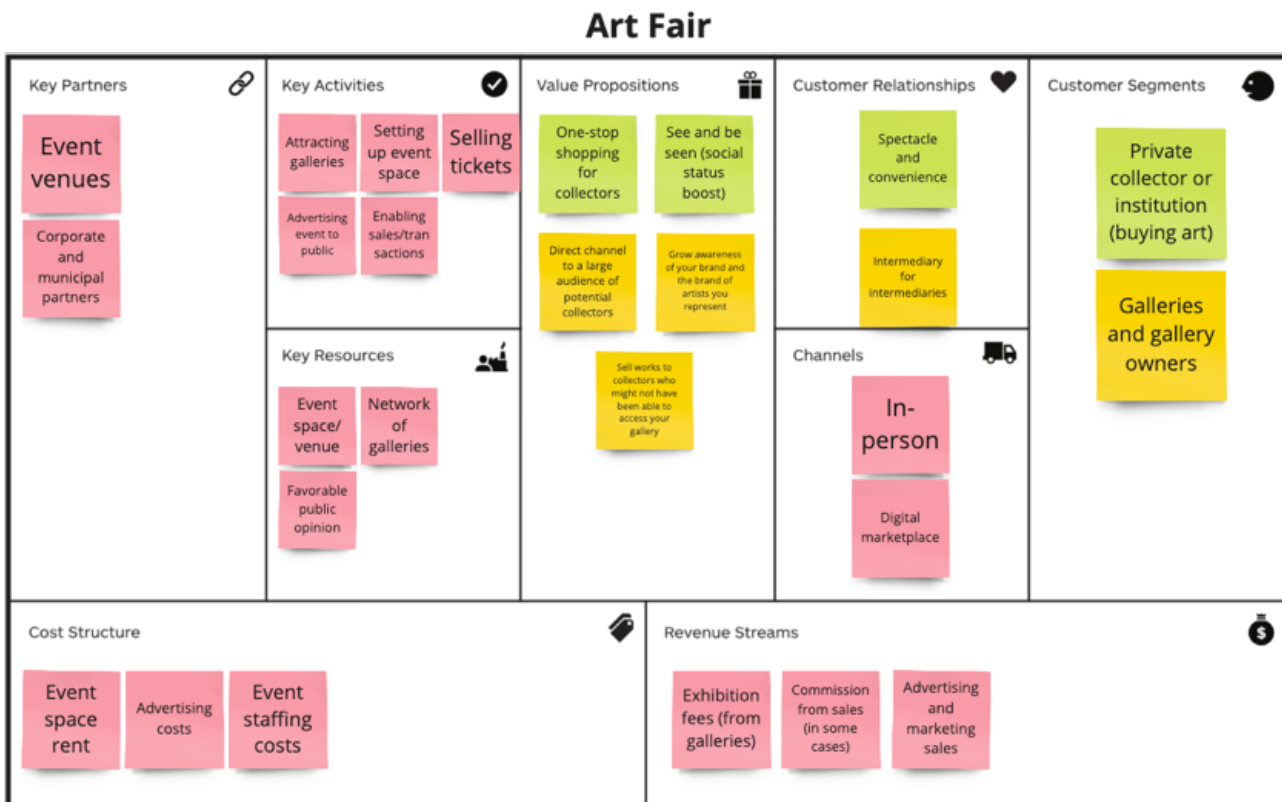


Figure 4 - Art Fair Business Model Canvas

Explanation:

Much like large trade shows, art fairs provide galleries and art dealers from all over the world the opportunity to showcase their assortment of artwork and attract potential buyers. Similar to how art fairs first began, these vendors typically set up booths in a single location for a limited period—typically in a convention centre or other large venue space. Members of the public are then invited to attend the event, browse each gallery or dealer’s booth, and purchase pieces of art while on-site.

Although the origins of events like this is several hundred years old, as explained above, art fairs have recently drawn a lot of criticism by some in the art world due to their highly commercial nature. In other words, art fairs, which are organized with sole intention of eliciting sales from attendees, makes this type of business model, according to some, too transactional. Moreover, the lack of artist representation and ability for an artist to dictate which of their works get displayed—gallerists and dealers typically make all decisions related to the works they will advertise—add to the controversy. Despite this, since their inception and continuing today, art fairs continue to grow in ubiquity, prominence, and size.

Variation: Digital Marketplaces/Platforms

Digital marketplaces/platforms are emerging as a new, potentially disruptive, business model. For all intents and purposes, they are essentially a variation of a physical marketplace—e.g., an art fair. However, the contemporary relevancy of digital spaces, coupled with the relative advantages a digital, rather than physical, marketplace confers on artists means that this business model warrants inclusion here. However, the underlying design of this business model is essentially identical to that of an art fair: vendors (more often than not, galleries and art dealers) create booths (or virtual stores), which they use to attract potential collectors. Vendors choose which pieces to display, how to advertise their assortment, and can even offer credit/financing plans.

When a sale is made, these vendors receive a commission. Unlike a physical art fair, however, which typically requires vendors to pay up-front for a booth at the venue, these digital platforms often claim their own commission for each sale made on through their platform. Possibly the most important distinction, though, between digital and physical platforms, such as art fairs, is that digital marketplaces represent a much easier option for artists to set up their own virtual store front and enable a direct sales business model, making these marketplaces capable of facilitating activity in either primary or secondary art markets. Additionally, access to digital marketplaces is not restricted to only those who can physically attend (such as at a physical venue), but anyone with an internet connection and means to pay with a credit card. Nor is a digital platform time-limited, in that, they are open and accessible 24-hours a day, 365 days per-year. Although these platforms have not yet seen significant adoption, they are posed to potentially grow considerably in popularity as the entire Contemporary Art ecosystem evolves with society's general shift towards digitalization.

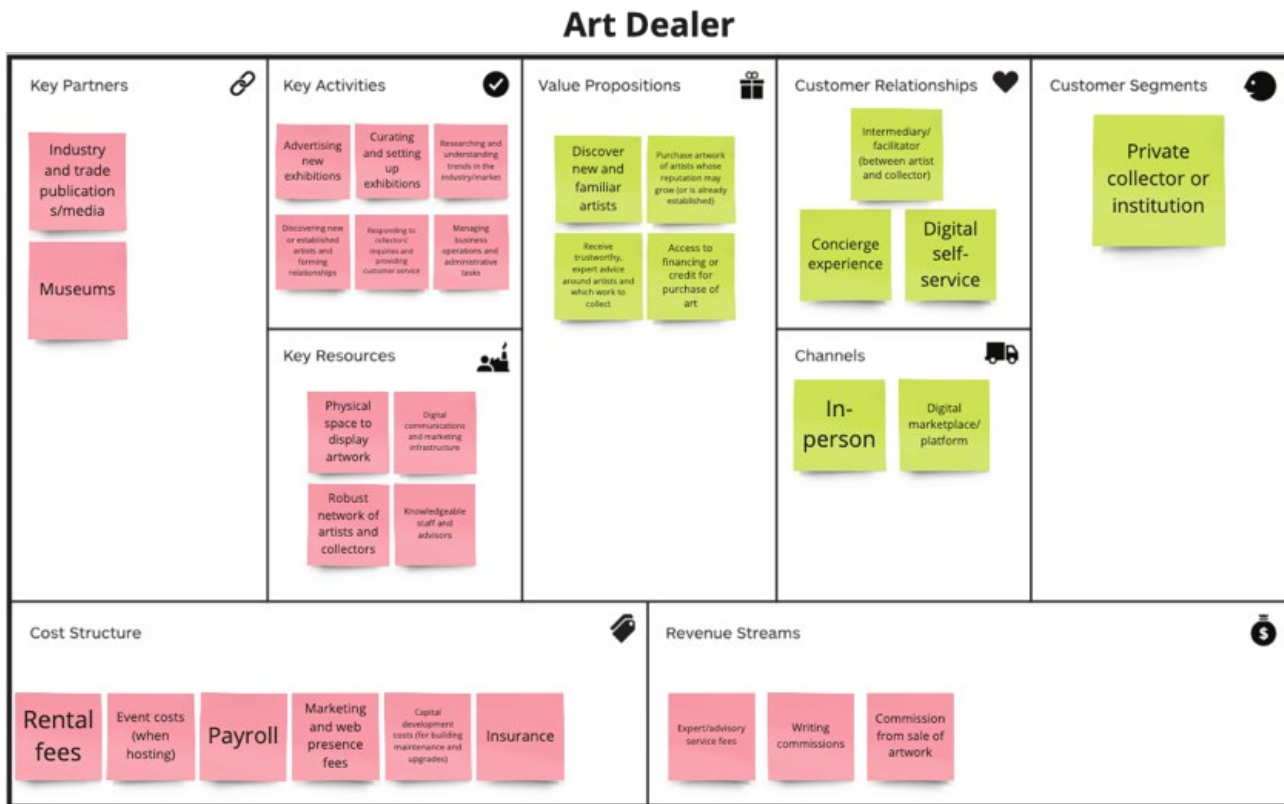
Advantages:

- If represented by a gallery, can increase the chances of a sale by exhibiting to a large volume of potential buyers
- Can meaningfully help grow reputation among buyers/collectors
- May have a better chance of being brought to the attention of institutional collectors (e.g., museum curators)
- Can unlock new markets for local artists (esp. in the case of digital marketplaces)
- Reduces the barrier of finding a gallery to exhibit work
- May provide a means for more direct feedback from buyers/collectors
- For digital marketplaces:
 - Relatively low costs to join and create a profile

- Provides a free, easy-to-use, digital portfolio

Disadvantages:

- Artists have relatively little control over whether galleries choose to exhibit their work at the fair, and how
- Negative reputation of art fairs among some circles of collectors/art “insiders” can negatively affect artists’ reputation
- Many of these businesses take a large percentage commission on sale of art
- Can lead to superficial or toxic connections that distract or detract from artistic output
- May encourage artist to focus on vanity metrics that do not reflect long-term goals for immediate term feedback
- All profiles and images on the platform are controlled by the platform itself, and can be taken away any time



Art Dealers

Figure 5 - Art Dealer Business Model Canvas

Explanation:

Today, both demand and supply of art is exponentially greater than they were during the Renaissance. The number of different artistic styles and movements is also significantly

greater now than it was during the Renaissance, when this business model first rose to prominence. Therefore, advisors, experts, and consultants have seized on the opportunity to monetize their specialized knowledge of a corner of the art ecosystem by offering a variety of services for interested collectors and investors. Such specialists and dealers provide expert opinions on particular areas within the art ecosystem, advise collectors on how they should consider building their collection, and offer a curated assortment of art for collectors to purchase.

Advantages:

- Can be a means for artists to build their reputation among otherwise closed circles of collectors, galleries, and institutions
- A potential sales channel (similar to galleries) for artists to earn money for their work
- May be a source of commissioned sales, providing artists with money up-front

Disadvantages:

- Artists are primarily a partner in this business model, leaving them, potentially, disempowered in how their work is represented and distributed
- As with other intermediaries, the commission on sold work that art dealers claim is deducted from the artist's earnings
- By virtue of their ability to build an artist's reputation, art dealers may also negatively impact an artist's reputation and career, if they so choose

Early to Later Modernity: The Salon, Galleries, Impressionism, and the Rise of Artist Collectives

As the prominence of both art markets and art dealers grew throughout the 15th to 17th centuries, the business model of what we now regard as galleries developed. Throughout that time, and continuing into the 18th and 20th centuries, increasing levels of international trade among European powers, the Americas, and Asia exponentially grew the size of the art market—such expansion of trade led to an increase in both supply and demand for art. What was previously a centrally located market based in the Netherlands, now shifted more towards the heart of Europe, to Paris, Brussels, London, and Amsterdam (Resch, 2021, p. 47).

Over this time, the Salon emerged as the dominant means by which artists' work was exhibited and brought the attention of collectors (Samu, 2004). The Salon imposed itself as the arbiter of what made for acceptable and praise-worthy art. Consequently, artists who produced art that did not adhere to more traditional styles, or critiqued aspects society the Salon disagreed with,

often found themselves rejected when trying to get their work displayed. The Salon, therefore, effectively functioned as a gatekeeper to the public's attention.

By the latter half of the 19th century, a group of artists in Paris broke with tradition and staged their own, independent exhibition. In doing so, these artists, which included Claude Monet, and Edgar Degas, among others, formed what is now considered the Impressionist movement (Samu, 2004). This early instance of an artist collective represents a significant break with the existing business model of the Salon, which, at the time, served as the arbiter of which artists and works would be exhibited to the public.

Displeased by the control the Salon held over their lives and careers as artists, the Impressionists bypassed the Salon, consequently creating an entirely new business model, the artists' collective, which allowed artists themselves to exhibit work, garner public interest, and grow a market of interested buyers and collectors. Rejection of the status quo also presented itself in the work of the group itself. Their style of painting bucked with traditional approaches to painting and incorporated new technology and themes. However, such a novel approach also earned them significant rebuke from many art critics at the time, who described their work as "unfinished [and] sketchlike," (Samu, 2004).

Today, the Impressionist's work is largely considered the earliest example of modern art, giving rise to many of the styles, themes, and motifs modern artists later built upon (Samu, 2004). Indeed, even the subject matter depicted in many Impressionist paintings features scenes of modernity: cityscapes, bustling streets, and scenes of modern life. In many ways, the artists' collective/group exhibition business model that this movement gave rise to also serves as a foundation for contemporary artists, where it remains, for many, a fundamental steppingstone for getting their own careers started. However, despite the actions of groups such as the Impressionists, who are attributed with the development of this type of business model—one notable for the fact that it allowed artists to largely reclaim control over their careers—alternative business models have emerged dominant today, which continue to challenge artists' ability to manage their own success.

Contemporary Business Models Influenced: Galleries

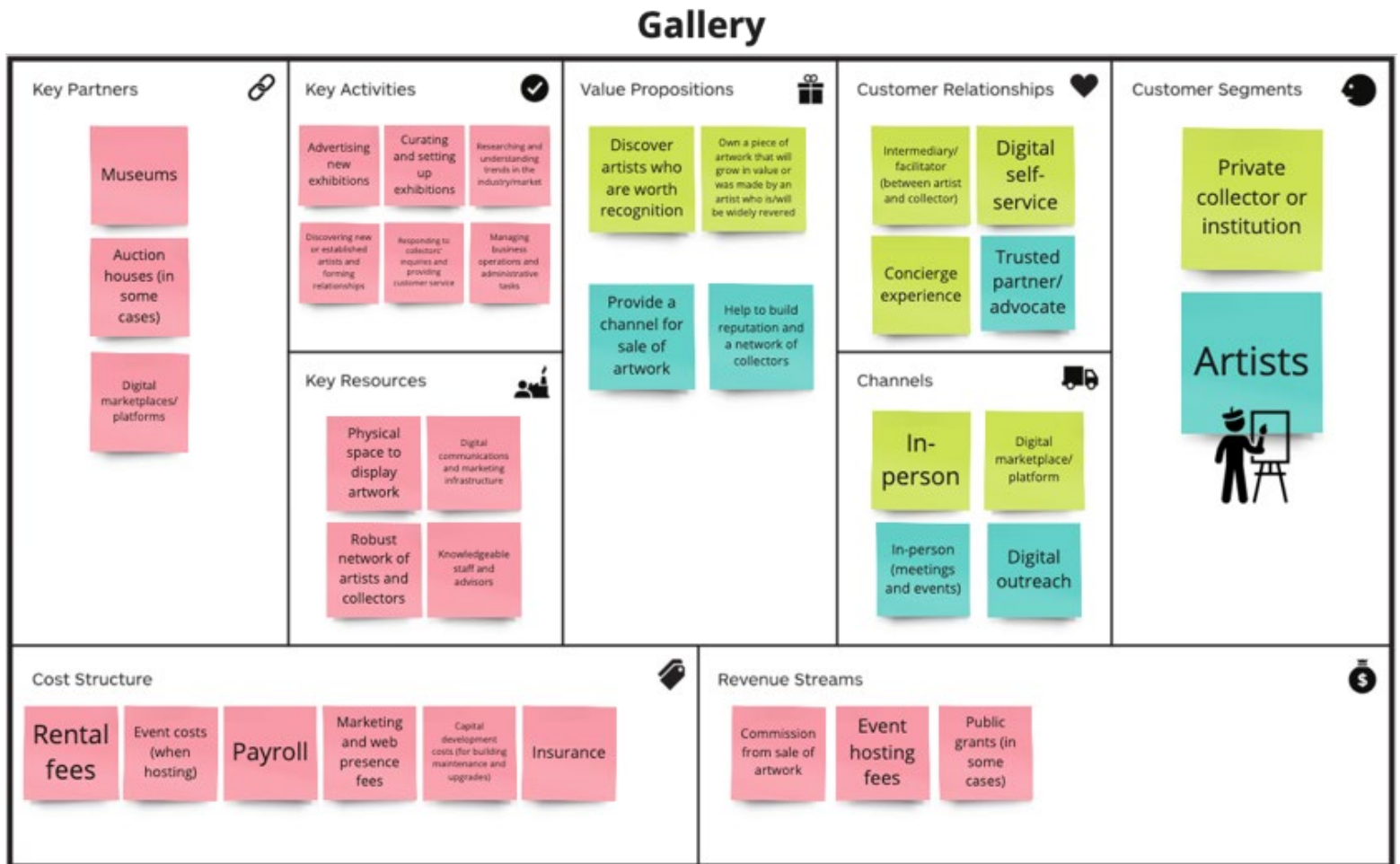


Figure 6 - Gallery Business Model Canvas

Explanation:

Galleries are largely seen as being at the heart of the Contemporary art ecosystem, with other business models complementary or secondary to galleries (Moureau & Sagot-Duvaouroux, 2012). This statement is largely justified, given the role galleries have played throughout the period of time previously discussed, as well as the fact that they remain central to the art world today. Prior to the emergence of digital marketplaces and social media (discussed later), galleries have represented the primary means artists have had to exhibit their work to potential buyers or investors. However, as the case of the Impressionists and their dismissal of the Parisian Salon—arguably, a prototypical example of a gallery—this form of gatekeeping can be oppressive to artists whose work may not adhere to cultural norms or match the tastes of the ruling class. Therefore, galleries can play a significant role in either further, or suppressing, the careers of emerging artists. As the arbiter between artists and viewers,

galleries often serve as a linchpin in helping artists build their reputation and financial success, providing the interface between an artist and interested buyers.

When speaking to two contemporary artists interviewed for this project (discussed later), the centrality of galleries was a topic mentioned frequently. However, it was not only the importance of galleries in helping to build their careers as artists, but the difficulty of finding a gallery willing to represent them as an artist, which was of greatest concern. Galleries, like artists, can be unique in their approach to art and style of expression that they prefer. Consequently, galleries can be wide-ranging in terms of the artists whose work they choose to display, and in terms of the audience they attract. Finding a gallery that was not only interested in this artist's creative style, but one that felt like it would attract the right kind of viewer/customer was, therefore, a key consideration mentioned during one of the artists interviewed. Indeed, these are important considerations for artists beginning their careers, given the power that galleries hold over artists (see the Actor's Map below—Figure 1). In today's Contemporary Art ecosystem, galleries remain a central actor in the system, making them highly influential in the growth of artists' careers.

Advantages:

- Aligned incentive between gallery and artist to sell pieces of art
- Symbiotic relationship for growing artist's reputation (i.e., both benefit from an artist growing a positive reputation)
- Can be a powerful force in building the financial and reputational success of artists
- Attracts a market of buyers through marketing and advertising that the artist would not necessarily have access to otherwise
- Gallery representation seen by many collectors as a seal of reputational trustworthiness

Disadvantages:

- Only a small portion of very high-profile galleries confer significant reputational benefit
- Gatekeeper status of galleries, and small number of high-profile galleries, can severely limit artists' control over the growth of their careers
- Galleries can reject artists if they are not interested in the artist or their work
- A mismatch between gallery and artist can lead to frustrating partnership and distract from the creative development of the artist

Artist Collectives:

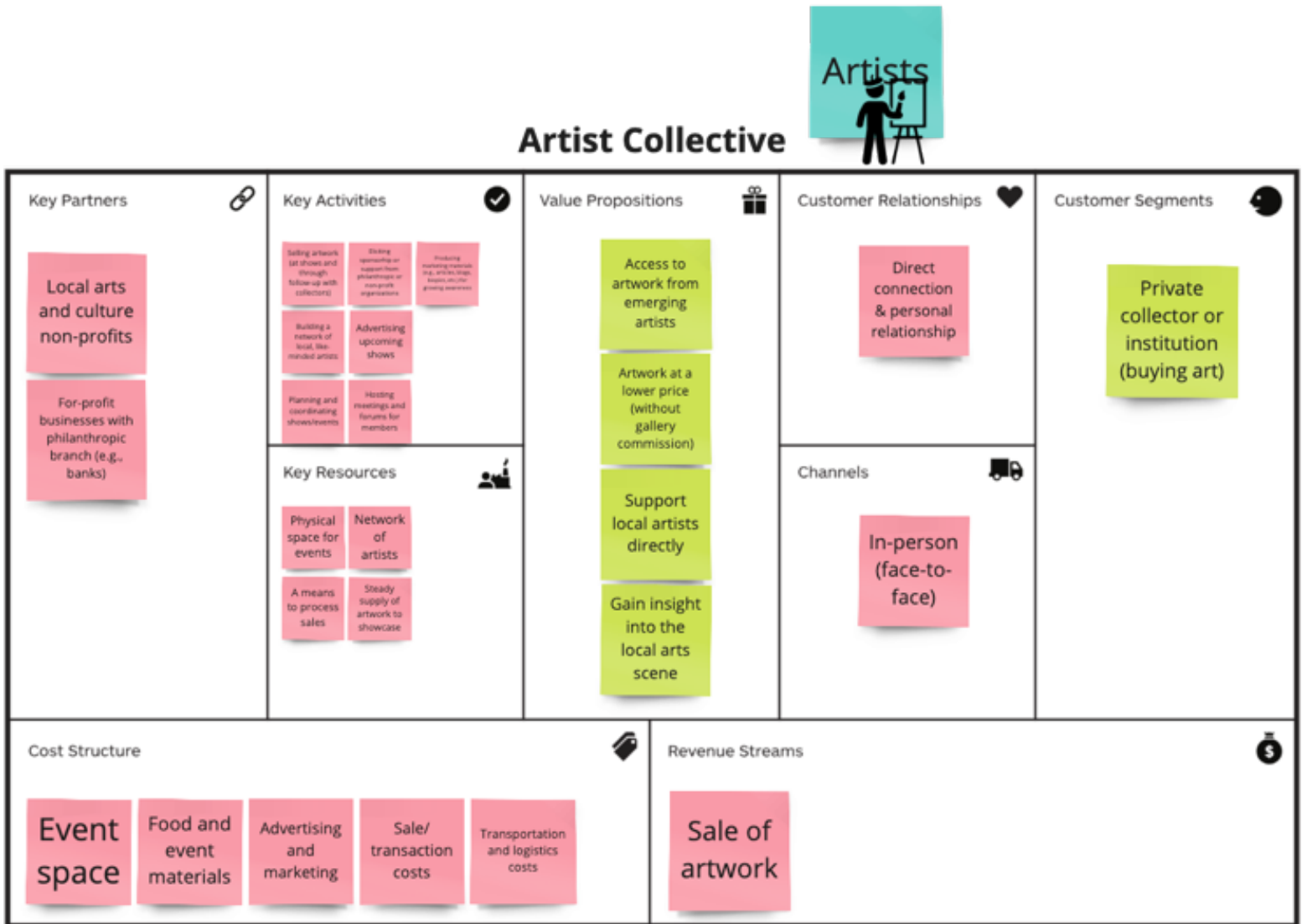


Figure 7 - Artist Collective Business Model Canvas

Explanation:

Although many artists choose to distribute and exhibit their work solely through galleries, both historical and contemporary art markets have been created by artists taking these functions into their own hands. For instance, the French Impressionists staged their own, independent exhibitions of their work during the 1870s and 1880s in Paris, where they were frequently successful in attracting wealthy American collectors to come view their work and purchase pieces directly from the artist (Grant, 2022). By bypassing more traditional channels (e.g., the Salon, galleries, and art dealers), Contemporary artists can find like-minded artists and communities with whom to showcase their work.

In today's Contemporary Art scene, typically facilitated by non-profit businesses that lend artists space to stage artist-curated shows. Doing so serves the function of allowing artists with similar artistic interests and motivations to collectively promote themselves and sell directly to interested collectors or amateur buyers.

Advantages:

- Controlled by artists directly
- Can be an opportunity for community building
- Artists can pool resources, overcoming financial or feasibility barriers
- Context provided by similar or dissimilar forms of art exhibited can create a pleasing experience for viewers
- Reputation and work of artists included in the collective can be positively affected by association

Disadvantages:

- Reputation and work of artists included in the collective can be negatively affected by association
- Decisions often made by the will of the majority, which can suppress minority/individual opinions
- In extreme instances, can lead to artists feeling ostracized or excluded from a community

Later Modernity to the Present: Contemporary Art, Secondary Markets, and the Financialization of Art

European traders and businesses that emerged around the start of the 17th century, were the driving force that initially laid the foundation for today's global art market (Hackforth-Jones & Robertson, 2016, p. 30). So too did large, nation state-sponsored companies, such as the Dutch United East India Company, and the English Honourable East India Company, which are well-known for the financial innovation they introduced (e.g., offering joint stock options for wealthy investors), facilitated investment in trade and global markets (Hackforth-Jones & Robertson, 2016; Masterworks, 2022). This represented an important shift for several reasons. First, because the opportunity to sell goods attracted a growing class of wealthy merchants, who were busy laying the foundations for global trading networks; second, the increased level and concentration of trade in these marketplaces sparked the creation of centralized system of financial credit, access to which became a key service that vendors and art merchants began offering; and, finally, such concentration of commercial trade (especially in regions such as Italy and Antwerp) created geographic centres for art markets, the importance of which will be discussed later.

The decades after World War Two bore witness to considerable changes in how art was seen and valued. In response to a growing group of wealthy elites in America and the decline of wealth among European aristocrats, art dealers, such as Paul Durand-Ruel and Joseph Duveen, began importing Impressionist art from Paris and London to New York City (Resch, 2021, p. 47). In doing so, the geographic centre of the global art market shifted from Europe to New York. Along with this geographic shift, so too did a shift in business models follow.

Beginning in the latter half of the 18th century, the secondary market (i.e., art being resold by collectors or institutions who had previously purchased the artwork from the artist or gallery) began to rise in prominence, giving rise to the formation of auction houses, such as Sotheby's and Christie's—currently, the two largest auction houses in the world. Today, many members of the public are familiar with these businesses due to the astronomical figures that the sale of certain works of art fetch at the numerous auctions both Sotheby's and Christie's host throughout the year. However, the factors that have allowed these businesses' rise to prominence took place gradually, with each earning their current reputation over the past 50 years.

Starting with sale price, it was not until the early 1970s that pieces of art began fetching prices even close to those seen today. At this time, America's centrality as both the financial and art capital of the world began to merge, with investors becoming interested in art as an alternative asset ("5 Decades, 5 Major Moments in Art Market History," n.d.; Horowitz, 2011, p. 50). This relatively new interest spurred auction houses and galleries to begin to raise prices on works of art, as the market of buyers with deeper pockets (increasingly now, balance sheets) began to expand. The view of art as an investment, rather than just decoration, was an opinion held by investors outside of just the U.S. In the 1980s, Russian and Japanese collectors set record-high prices that decade for pieces of art created by the Impressionist being sold at auction ("5 Decades, 5 Major Moments in Art Market History," n.d.).

Today, the global art market continues to grow, with enhanced interest from high-net worth individuals from Silicon Valley, the Middle East, and China. The advent of digital art sales platforms, such as Artsy and MasterWorks, signify not only the continued growth of the art market, but enable even further growth, by connecting greater numbers of everyday collectors and aspiring artists. Despite these more recent digital marketplaces for art, auction houses, globally recognized galleries, and traditional financial institutions continue to dominate the Contemporary Art ecosystem. For better or worse, artists who manage to achieve some level of career success are likely to have to interact with, or have their work handled by, one of these

types of businesses. Therefore, it is important for aspiring artists to think strategically about how and when they will handle working with ecosystem actors, such as these.

Contemporary Business Models Influenced: Auction houses

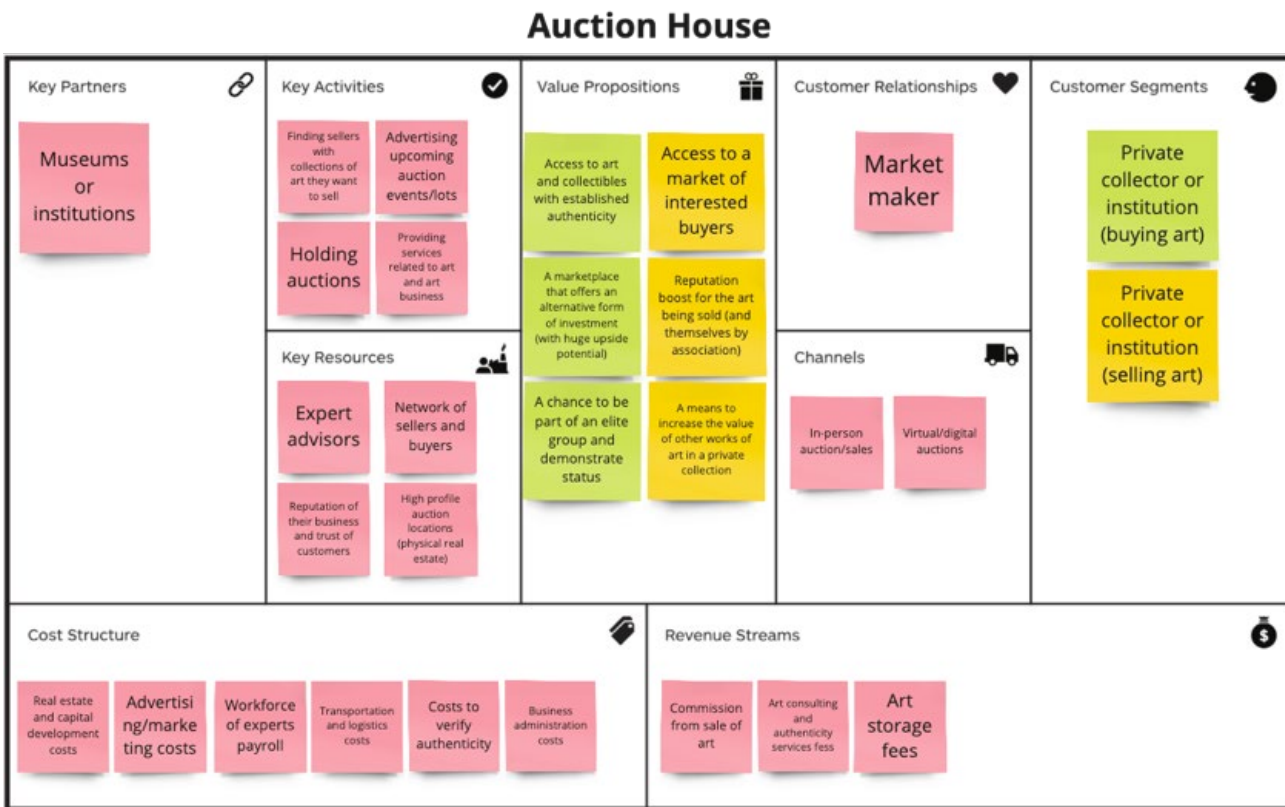


Figure 8 - Auction House Business Model Canvas

Explanation:

Today, the two largest auction houses dominate the market by a significant margin. These two businesses, Sotheby's and Christie's, have become well-established in the collective conscious due to the eye-watering figures that their artwork auctions routinely fetch. In many ways, the headlines that particularly high value auctions give rise to serve as their own form of advertising and brand building. These two businesses got their start around the start of the 18th century in London, initially dealing only in antiquities. However, over the past couple of centuries, they have diversified their offering to include not just antiquities—which they still routinely sell—but artwork by artists that span human history, from ancient to contemporary, as well as luxury goods, real estate, educational programs, and advisory services ("5 Decades, 5 Major Moments in Art Market History," n.d.; Masterworks, 2022). Their reputation as the

world's pre-eminent auction houses, the astronomical figures featured during auctions, and association with luxury goods has earned them a durable competitive advantage.

However, the sale of art through businesses such as these (i.e., the secondary market) is a contentious topic for both artists and gallery owners, who do not feel they reap the benefits of pieces sold through this form of business model—in many instances, artists whose works are sold in this way earn only a small fraction of commission, if anything at all—despite being the ones who created, or first “discovered”, the art in the first place.

Despite the entirely justified complaints by artists and gallery owners against the perceived unfairness of the secondary market, a powerful argument has also been made in favour of how secondary markets impact artists. Originally attributed to the famous art collector, Robert C. Scull, the argument is as follows: an artist's work being sold at auction would establish his/her/their reputation, and a high sale price for any piece of work sold on the secondary market would indirectly raise the value of all the other artwork created by this artist (Resch, 2021, p. 48).

However, despite being front and centre in the minds of the general public, they remain a contentious matter for many artists, and largely irrelevant for early-stage career artists, in that auction houses are only interested in selling works by artists with a pre-existing reputation, which typically requires that artist have first grown their career through primary market sales. For this reason, many contemporary artists seeking to grow in the early stages of their career consider alternative channels and actors who operate on a different business model, such as dealers and galleries, rather than auction houses, as their best bet to become successful artists.

Advantages:

- Can solidify an artist's reputation
- Sales of artwork at auction provides a strong signal to collectors about the “market value” of an artist's work
- Auction sales create an anchor price for artists' work, which can provide a platform for future sales at a high price

Disadvantages:

- Proceeds from the sale are not typically shared with the artist
- Artists have no control over the asking/selling price of their work or whom it is sold to
- Auction houses typically only sell works by artists' whose reputations are already well-established

Art Investment Funds

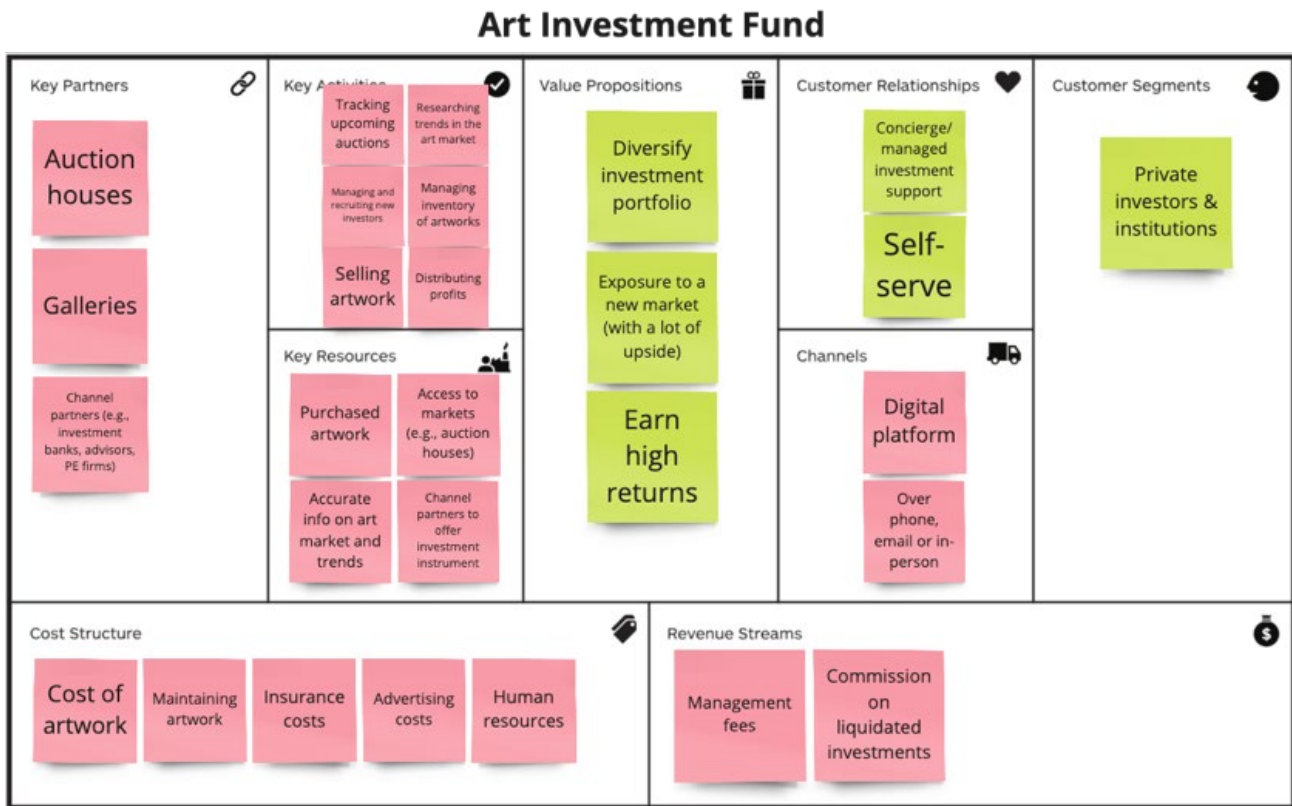


Figure 9 - Art Investment Fund Business Model Canvas

Explanation:

As art has become increasingly commodified, it has also been financialized. Meaning, investors and members of the finance community now recognize art as an alternative investment—something they can purchase with the sole interest of earning a return on, rather than collecting for the sake of display and visual appreciation. In keeping with Modern Portfolio Theory, investment firms and managers who offer art to clients and investors attempt to reduce investment risk by diversification. As an investment fund, this means buying a relatively high number of pieces, each typically with established market value (demonstrated by previous sales at auction or through galleries) and grouping these pieces of art together in a single investment fund, which investors and clients can purchase shares of.

Such a business model gained popularity throughout the 80s and 90s, falling out of vogue in the early 2000s due to poor performance and a turbulent macroeconomic conditions, only to garner significant interest again from investors in the decades after 2010 (*Fine Art Can Be a Fine Investment*, n.d.; *Is Artwork a Wise Investment?*, n.d.; *Masterworks*, n.d.; Hamilton, 2014, p. 103). This business model is also rather controversial, as many in the art world disagree about using art solely as a financial investment, which critics consider an example of how capitalism is

tainting art. Right or wrong, this form of business model continues to grow in popularity today, where we now see fractional ownership models being offered to retail investors (i.e., individual investors and members of the public) through platforms such as Masterworks. The long-term viability of this form of business model has yet to be demonstrated; however, for the time being, this remains a successful business model.

Advantages:

- Can create additional demand and reputational boost for artists among wealthy/high-net worth collectors
- Affiliation with an investment-worthy portfolio or collection can boost the sale price of the artist’s other works

Disadvantages:

- Artists often do not benefit at all financially
- Artists have no control over how their work is discussed, advertised, or handled once purchased by an investment fund
- Seen by some as the ultimate form of commodification of art, which, according to some, undermines the true purpose of art

Graded Examination of Prominent Business Models

Scale: 1 (Very low) – 5 (Very high)

Business Model	Ease of access for emerging artists	Artist involvement	Direct financial benefits (to artist)	Reputational benefits (to artist)	Exposure to network and community	Creative autonomy
Direct Sales	5	5	4	2	2	5
Commissioned Art	3	3	5	3	3	1
Art Fair	2	1	2	4	5	4
Digital Marketplaces/Platforms	5	4	3	2	5	3
Art Dealers	2	3	3	4	4	4
Galleries	1	3	3	3	5	4
Artist Collectives	4	4	4	2	4	4
Auction Houses	1	1	1	5	5	4
Art Investment Funds	1	1	1	2	2	3

Table 1 - Graded Comparison of Prominent Business Models Discussed

As previously discussed, the table above illustrates the ways in which each of the highlighted business models confers both advantages and disadvantages. Of note, apart from direct sales, digital marketplaces/platforms, and artist collectives, emerging artists face extremely high

barriers to access when engaging with all other business models. In this way, the most powerful ecosystem actors/businesses such as galleries, auction houses, art fairs, and art dealers serve as gate keepers to these artists' career success. Therefore, each earns a rating between 1 and 2. Similarly, art investment funds also pose a significant barrier to entry for emerging artists, as investment managers generally only include artwork with established valuations in their portfolios (*Fine Art Can Be a Fine Investment*, n.d.; *How to Invest in Art*, 2021). Moreover, given the extremely low involvement of even successful artists in funds like this, the complete lack of financial benefit to artists, and modest exposure to relevant communities and networks, art investment funds represent the lowest rated business model relative to artists' interests, across the board.

Overcoming the barriers that many of these business models pose, is no small feat. However, it is critical that artists—especially those trying to grow their careers in the way that most successful artists do: through major gallery representation—understand the reason why confronting this often-insurmountable barrier: the significant reputational benefits and exposure to a network or community that galleries, art dealers, and auction houses offer. The strength of these business models is primarily their ability to connect artists with a network of interested buyers, and, in so doing, foster artists' reputations. Consequently, each of these business models earns a rating of 4-5 in these criteria.

A lack of exposure to a network or community is often the key drawback of the direct sales business model, which earns a 2/5 for that category. However, it is important to note that with the advent, and recent growth, of digital marketplaces and social media platforms, dynamics may be shifting; such that, emerging artists selling directly to collectors may find success in growing their network and community through these means. Therefore, this rating may need to be updated as the technology and user base of these platforms (both collectors and artists, alike) grows.

Achieving mediocre scores across the board is commissioned art, with the primary exception being the business model's potential to financially benefit artists. The 5/5 rating commissioned art receives in this category (over and above direct sales) is due to the fact that artists are often paid up-front for their art, or, at least, an installment payment is first made. For an emerging artist, this is a crucial difference—sometimes, the difference between making rent or not. However, this business models most significant drawback is the restriction on creative autonomy it often entails. When commissioned, an artist is typically provided a list of criteria that the collector would like the artwork to adhere to. Although not inherently bad in practice, one of the artists interviewed (discussed shortly), points out that the reliable source of income

commissioned work provided, and the constraint it placed on her artistic practice, ultimately, left her at a disadvantage. This notion will be further explained in a subsequent section; but suffice it to say that many of the world's most successful artists are those who create work in their own artistic style, which takes time, repeated effort, and creative freedom to develop.

By examining each of the previous business models in this way, it provides a more concrete means to understand how they affect artists. Although this table looks at each in isolation, today's world Contemporary Art is more accurately thought of as an ecosystem, where numerous examples and variations of these business models co-exist. By applying a broader lens, such as a system-level analysis, key dynamics can be discovered, many of great importance to emerging visual artists. For this reason, the next section of the report discusses and explores this ecosystem by applying a systems lens to today's Contemporary Art ecosystem.

Examination of the Art Ecosystem Today:

The business models described above have evolved over the past, roughly, 700 years. They have each been shaped and, in some cases, made possible, by changes in the broader systems. For instance, as discussed in an earlier section of this report, many of these business models (apart from the Patronage system and direct sales, which pre-date capitalism's emergence) reflect capitalism's broader, historical human and societal values. Moreover, the system-level changes and innovations that developed over this time served to influence and shape each business model. This is no less true today: capitalism, human society, and many other systems, continue to influence each of these business models and their contemporary manifestation. Recognition of this fact is highly pertinent to the focus of this report: Artists and their relationship with capitalist businesses. Therefore, to gain a complete understanding of how new business models should be designed that are more aligned with serving the needs of artists, we must first take a closer look at today's Contemporary Art ecosystem and the broader forces affecting contemporary visual artists.

The Primary Actors in Today's Contemporary Art Ecosystem



Figure 10 - Actors Map of Contemporary Art Ecosystem

- Artists
- Collectors
- Galleries
- Museums
- Auction houses
- Investors
- Asset managers
- Art dealers
- Art journalists/media

Figure 10 depicts the relative power and knowledge of the most influential actors in today's Contemporary Art ecosystem. A quick review of this map demonstrates that a relatively small

portion of actors wield a disproportionately high degree of power and influence—especially in comparison to artists, who occupy a position of relatively low power, but very high knowledge. Among these actors, galleries, auction houses, and museums, as well as art journalists and media, represent the most powerful actors in the ecosystem. Notably, each of these actors can be classified as intermediaries, serving as the middle-party between artists and collectors. However, despite the fact that these actors do not produce or collect art themselves, as intermediaries, these actors play a considerable role in shaping the career and financial success of artists. This they accomplish through their ability to grow or undermine an artist's reputation as tastemakers and agents of promotion or detraction, as well as their direct influence on the market price of an artist's work through their role as sales brokers.

It is important to note that the business models of these dominant actors do not focus directly on empowering artists. Rather, they capitalize on the artist's output (i.e., the work he/she/they produce), which are then used as critical inputs to drive the economic engine of their business model (i.e., how these businesses earn revenue). Although many include artists as a customer segment to whom the business may partially cater, the overall power resides with the business, not the artist. Consequently, artists remain in a position of relatively lower power, as compared to many of the businesses for which these artists provide the necessary means to generate revenue and remain viable. This relative lack of power, despite the central importance of their creative output, is at the crux of what makes today's capitalism-shaped Contemporary Art ecosystem in need of business model evolution and innovation.

System Dynamics and Gatekeepers

Among the many artists who strive to achieve considerable financial and career success through full-time artistic practice—i.e., most active, visual artists today—only an exceptionally small portion of these artists succeed. As can be seen in many other aspects of life and business, this concentration of success follows a power law, whereby a disproportionately high portion of total financial success accrues to a small portion of practicing, contemporary artists. Moreover, of those who achieve such levels of career success, their success begets more success, in that they can generally rely on the work they create to sell quickly and at a high valuation, while also reaping the benefits of reputational progression as their overall body of work grows. As this cycle repeats, it draws resources (financial investment from buyers), and attention towards the most successful artists and institutions with whom these artists are

affiliated. Such systemic behaviour, therefore, adheres to the archetype, *Success to the Successful* (see, Figure 11).

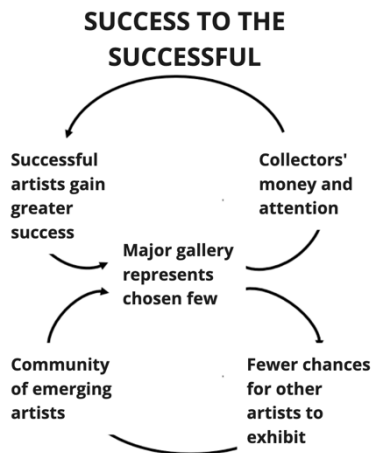


Figure 11 - Success to the Successful System Archetype

However, this is not a self-perpetuating cycle. As illustrated above, the centrally driving force of this system archetype are a group of especially influential and powerful galleries. Galleries, in fact, rely on occupying this central role to enable the value proposition they offer collectors: the opportunity to purchase artwork that is made by a highly successful artist (or one whose reputation will soon grow considerably). By controlling which artists to represent and centrally influencing the flow of collectors' money and attention, galleries, art dealers, and, to a lesser degree, auction houses all serve as gatekeepers to artists' career success.

Despite the power and influence these gatekeepers of today's Contemporary Art ecosystem hold, those artists whom these gatekeepers choose to represent do not achieve this feat by pure luck. As interviews with highly successful visual artists demonstrates, a remarkable degree of admirable work, time, and thought has often preceded these artists' successful entry into the world of gatekeepers (*The 13 Must-Read Artist Interviews of 2019*, n.d.). The question, therefore, remains: How is it that those few artists who do achieve a significant level of career and financial success manage to do so? And, particularly pertinent to this report, how might more artists achieve even a modicum of this level of success?

Factors For Success

The former question has been explored in-depth by many experts, researchers, artists, and journalists. Magnus Resch, for instance, an art market expert who has built a highly successful career as broker and advisor in New York over the past 3 decades, and author of the book, *How To Become A Successful Artist*, provides a concise and useful, overarching explanation for how

artists can create a successful career: “A successful artist earns the approval of their reference group, while maximizing their financial profit on the basis of ethical business practices,” (Resch, 2021, p. 13). Put another way, Resch is advocating that successful artists are those who achieve recognition for their artistic prowess and make as much money as they can through win-win arrangements. Although somewhat vague, this definition is predicated on three distinct categories or factors for achieving success: networking to build community/industry recognition, maximizing profits (e.g., marketing, selling, and growing the value of your work through skill development and artistic practice), and always acting ethically and responsibly. The multifactor nature of Resch’s explanation is important not only for the specific insights it offers, but also for the fact that it highlights how no single factor can be said to determine an artist’s career success. Although each factor for success could likely warrant its own report, a brief exploration of each, and the subcategories of Resch’s overarching framework, follows.

Networking and Community Engagement:

Building Awareness and Fostering Engagement:

Again, according to Resch, building a successful career as an artist is determined not solely by the artist themselves, but by the connections that an artist fosters or maintains: “Success as an artist is based on the network you are in,” (Resch, 2021, p. 28). Indeed, as espoused by Resch, other art experts, and artists themselves, building connections within the art community, networking with peers, curators, gallerists, and collectors can significantly impact an artist's career trajectory (Bhandari & Melber, 2017, p. 32). For instance, over the course of their career, many artists establish time-bound agreements with galleries to exhibit and sell their work exclusively. This is agreed to by both parties because, as a central member of an artist’s network, the gallery will work to expand the artist’s network by exposing and marketing the artist’s work to industry participants and collectors.

As discussed above, artist collectives also serve as an excellent means for artists to grow their network and build community engagement. Often, these collectives will stage temporary or pop-up shows to exhibit their work to members of the public. When successful, these shows can attract an audience and build awareness among potential collectors. Generating awareness through this form of show may be especially effective when an artist is early in their career or finding it difficult, at any point, to obtain suitable gallery representation. In addition to pop-up shows, members of such a collective—or co-op—can similarly build their network by hosting open studio events, inviting members of the public to tour and view their studio space. By opening the doors to the space in which they create, artists are welcoming potential collectors to take a glimpse into their artistic process and, in many ways, personal space. This

may be a particularly effective way to garner connection and relationships since openness and vulnerability may serve to foster an authentic connection between visitors and the artist. However, these are just a few of the means artists may consider as they work to build their network and engage a community.

Marketing and Online Presence:

With the growth of online and digital marketplaces, having a strong online presence has become crucial for artists—especially those at the beginning of their careers. For instance, effective use of social media, a website that showcases their work and practice, or an online gallery/sales platform like Artsy can be pivotal in growing awareness and building a network of potential buyers. These platforms are an especially important and useful tool for contemporary artists today thanks to the possibility of global reach that these platforms offer.

Maximizing profits

Business Acumen:

Earning revenue from artistic output is both necessary and, according to some artists, controversial. Regardless of one's opinion, earning enough money through creative practice (e.g., producing art) is essential for anyone striving to work as an artist full-time. However, to be able to earn a sustainable living, an artist must understand some basics around the business of art, such as typical contracts they will need to negotiate (e.g., agreements pertaining to gallery representation), who their primary customer segment is (i.e., to which collectors their work most appeals), how to market their work (as discussed above), and how to value each piece intelligently. Learning how to do all this is critical for an artist who strives to maximize profits (albeit, while doing so ethically) (Battenfield, 2009).

Skill and Innovation:

Maximizing profits requires an artist to understand the value of one's art. Monetary value is typically based on subjective measures of quality, which is often based on the clarity and consistency of a unique artistic style, the refinement of artistic skills evident in the work, and a perceived ability to innovate within the artist's chosen medium (Alper & Wassall, 2006, p. 23). This takes time and practice to achieve. Doing so increases the value of their work in the eyes of collectors and other actors active in the Contemporary Art ecosystem. Ultimately, it is through the sale of their work, the reputation they garner in the ecosystem, and their ability to continue to innovate that provides the greatest indication how they should monetarily value their work (Grant, 2022).

Exhibition and Curation:

In addition to the network and community growing benefits, staging shows and exhibiting work (through either a collective or, more often, a gallery) serves as one of the primary ways artists can find collectors, display their innovative prowess, and earn revenue. By regularly participating in exhibitions, artists can increase their visibility and credibility among collectors, and their broader network. An additional nuance for every artist to consider has to do with curation. It is crucial that when selecting which pieces of work to exhibit, an artist must think critically about how the combination of pieces reflect on their artistic style and abilities as an artist. Consistency in style, as previously mentioned, can be an important signal of value, as can a piece that demonstrates clear mastery of a particular artistic style or technique. Although not an exhaustive list of factors to consider, considering these and other nuances of how a potential collector will view the works an artist chooses to exhibit is critical for artist to sell his/her/their work and maximize profits from their creative practice (Michels, 2001).

Acting Ethically and Responsibly:

Professionalism:

Returning to Resch: “Artists are part of an industry that runs on trust and personal interaction—with gallerists, customers, and colleagues,” (Resch, 2021, p. 12). It is, therefore, imperative that artists conduct business and act in ways that earns this trust. Adhering to a code of ethics and attitude of professionalism is one of the best ways an artist can do so. This includes being open and honest with collectors and galleries about their work and artistic practice; but also, not shying away from being direct and clear regarding their hopes and expectations—particularly when it comes to the topic of gallery representation. Conducting oneself this way will provide members of an artist’s network with transparency and a reason to trust the artist (Battenfield, 2009).

Resilience and Adaptability:

As is the case with anyone working to build a business or brand, competition, unpredictability, and rejection are inevitable. Therefore, the ability to remain resilient in the face of rejection, adapt to changes in markets, and continuously evolve one's artistic practice are all essential. In this way, it may be useful to consider applying the same ethical approach to an artist’s own well-being (Grant, 2022; Michels, 2001).

What Prevents Emerging Artists From Using These Strategies?

Given the fact that many of these factors are not particularly novel or require particular skill to implement, what prevents all artists who leverage these strategies from achieving a similar

level of success? Although an obvious answer to this question is, again, the bottleneck to success that major galleries and art dealers create as gatekeepers, it is necessary to also hear directly from artists, themselves. The following section, therefore, provides an overview of primary research efforts undertaken, a thematic analysis of the challenges faced, and strategies implemented, by real, contemporary visual artists to grow their careers and achieve their sought-after level of career success.

Primary Research with Contemporary Visual Artists

As useful as analysis from secondary research can be for capturing and recommending the full breadth of strategies artists may employ to achieve career success, it is also crucial to understand the experience and struggles of artists by speaking to them directly. The following section attempts to elucidate barriers to success that emerging, contemporary artists currently face.

Methodological Overview

For the primary research component of this report, 30-minute, in-depth interviews were conducted with Contemporary visual artists who responded to a request to speak. The questions covered during each interview (see, Appendix A) were intended to elicit discussion regarding what steps they had taken to build their careers, the obstacles they faced along the way, and how they worked to overcome those obstacles.

Description of Those Interviewed

In total, 2 contemporary visual artists agreed to be interviewed, each was actively working to establish their artistic careers, and, although each had slightly different backgrounds—one in photography and painting, the other purely in painting—they both cited paint as their primary artistic medium. Moreover, both reported the start of their careers as artists as beginning once they had obtained an undergraduate degree from OCAD U in fine arts. Many similarities existed between the two artists; however, each artist interviewed was at a different stage in his/her/their career.

The first, more senior artist, split time between working as a commercial photographer and time spent building a career as an independent artist. Initially, this artist had begun their career by serving as an assistant to other artists. Over time, they were able to begin their own artistic practice, while supporting themselves financially with freelance, commercial photography.

The second artist had begun their career focused primarily on creating commissioned works. However, after receiving encouragement from a fellow artist, began focusing heavily on

developing their own creative practice, while also taking on work as a teacher to establish financial stability. When interviewed, this artist remained heavily focused on finding their own artistic voice, and the development of technique to enable their voice to come through creative projects.

Findings and Qualitative Themes

Out of the interviews conducted with each of these artists, 4 key, qualitative themes emerged, which describe obstacles or challenges that contemporary visual artists face today while building their careers. Interestingly, many of these themes reflected the factors of success discussed above, thereby validating their relevancy and applicability in business design today.

The challenge of balancing the need to develop your own artistic voice/narrative, while meeting short-term financial needs

Developing an artistic voice or style has long been considered the defining characteristic of an artist. By developing their unique voice or style, artists can begin to build what is known as an oeuvre, also known as a body of work, attributed to that artist. This is critical for building a career as an artist. However, when artists face short-term financial pressures (e.g., grocery bills, rent, etc.), the work of building one's artistic style cannot always precede. Finding the time and striking a balance between honing your artistic style with earning enough money to support yourself (i.e., long-term investment in artistic practice vs. short-term needs)

“I need to spend time on the art that I create, but the time invested does not guarantee a return on investment.” – Artist 1

As difficult as it may be to invest time in developing their artistic style, doing so is critical for other reasons. In particular, to establish a fruitful relationship with a gallery, which is often an important step in most artists' careers. One of the artists interviewed explained, “[Galleries] don't want to invest into someone exploring. They want someone who's done exploring and has a voice, so they're looking for a kind of a finish on a particular artist...[If I had found] that voice earlier...I think I could have put more hours into it and really approached galleries, represented myself better, had a better narrative that I could package and deliver.”

“Galleries want that kind of cohesive identity.” – Artist 2

To do so, an artist must work at their creative practice, which takes time and effort. Often, this means time spent doing unpaid work in the interest of longer-term success. According to those interviewed, it can take years before a creative practice starts to yield any financial payoff: “It wasn't till about four or five years after graduating that [my creative practice] started having a bit of its own momentum—started doing some shows, started having some sales, etcetera; and that's where I'm at now.”

Striking this balance and investing in long-term versus short-term payoffs remains a central challenge for contemporary artists.

“You don't really know what your style is going to be unless you put in the time to paint, and then you'll start to notice the things you gravitate towards...I think that's just through time and exploration.” – Artist 2

Identifying the right fit with galleries and spaces to grow their career

Once an artist does successfully establish their artistic “voice,” the struggle to find gallery representation is not over. Given the centrality of galleries in the current, Contemporary Art ecosystem, most artists are keen to establish a relationship with local or international galleries. However, not all galleries are equally well-suited for growing an artist’s career. In fact, as varied and unique as individual artists can be, galleries can be equally varied and distinct.

As a result, for artists pursuing gallery representation, it is critical that they find a gallery that not only understands their artistic style but can also maximize the impact that a properly matched gallery-artist relationship can have, by emphasizing the artist’s unique approach and style. For instance, does not represent too many artists who present a similar style.

“I find that galleries represent a certain sector of [artists] and appeal to a certain audience. [For instance,] there are galleries who only represent abstract artists... There are people who do more portraits, so they all have their own niche and they all have their specific audiences that they're targeting.” – Artist 2

Being represented by a gallery with an artist that is too similar to your artist they feel matches their artistic style and attracts customers who appreciate this style. However, knowing which galleries to approach can be a daunting challenge, an endeavor that can take significant time and effort on the part of the artist. As one artist explained, knowing how to evaluate and select galleries for best fit was not a concept they had known at the start of their career. However, “[knowing] this would have been very helpful. That way, I would also know which venues I should be approaching, instead of approaching a multitude of galleries hoping I could get in...I think that would have really narrowed the field for me and stop me from spinning my wheels like tirelessly.”

Despite knowing this now, though, when asked how they currently figure out which galleries meet their needs, they described a manual process for researching and exploring to find the right gallery: “I essentially go into the galleries page and then look at all the artists that they represent and see if my style is similar or different enough that there will be interested.” Performing this process was, however, time-consuming and distracted from the time the artist could spend doing more meaningful work, such as honing their artistic skills and further developing their style.

Building a network, community, and meaningful relationships

Connecting with fellow artists, prospective collectors, and institutions or businesses interested in the work produced by the artist was seen as a key driver of future success. Establishing these connections not only served to build reputation among colleagues and collectors, but also increased the likelihood of referral and collaboration—both seen as having significant indirect benefits.

When asked how they went about building a network, one artist explained, “it’s a bit of Instagram with a bit of being in a network of other artists and other community members, you know, like you may end up meeting a person because of your proximity to another artist or, you know, being at gallery shows.” Despite the obvious benefits, successfully establishing a community and building relationships in the pursuit of doing so can be a significant challenge. For instance, as one artist explained, not every relationship is worth pursuing: “I think it’s genuine relationships that get you the best [results...whether it’s an introduction, whether it’s an equal, all be very indirect and not staged in the sense of like we are meeting here because there’s a potential job for you or you know it’s not clinical and cold.” Given the findings of other experts, discussed in the above sections of this report, there is no doubt that building these relationships, network, and connections is critical to an artist’s success. Therefore, means for artists to establish meaningful, authentic connections with fellow artists, buyers, and institutions remains an important challenge for contemporary artists to contend with.

The importance of learning from example—working for a full-time artist or creative practice

Although waiting years to start earning income from your artistic practice can pose a significant obstacle for many emerging artists, spending time doing unpaid work to develop your artistic style, build a community and reputation is critical. Finding the proper balance is, therefore, necessary. According to one artist interviewed, achieving this balance is sometimes easier to achieve when you have a role model, or someone who exemplifies how to do this:

“[By working for another artist], seeing that they have to...find a balance for studio time, whether that’s on a weekly basis or a daily basis and having a long-term plan when it comes to projects or submissions, and the slow burn of it all, where it’s not supposed to be this instantaneous success and you’re supposed to have reached X price point and X recognition.” – Artist 1

Moreover, working for an artist who is further along in their career, often working in full-time creative practice, can be an important means for a young artist to understand more about what they are striving to achieve. “I think just being realistic about what an art or artist career looks like

and having a more realistic idea of what the everyday [looks like]...getting to see what the working artist is and is not." However, finding positions working for full-time artists is not common. The artist interviewed who managed to find work for a full-time artist was only able to do so through networking and advocating for themselves. Many artists who would otherwise be interested in working for another artist struggle to do so due to a lack of advertised positions or opportunities.

Businesses That Do More for Artists

With the exception of direct sales, or an artist collective, artists are at best indirect beneficiaries of most of the business models operating in today's Contemporary Art industry. As illustrated on the BMCs of the business models previously outlined, artists remain predominantly as partners, or entirely excluded from most business models in the Contemporary Art ecosystem. Instead, most businesses simply use artist's artistic output (e.g., the work they produce), rather than involve the artist directly. Moreover, many of these businesses rely on their gatekeeper status as a means to reduce the risk of representing artists, thereby serving the interests of their own business model to a greater degree than the community of artists whom they profit from.

Given the issues and struggles raised in interviews with contemporary artists, coupled with the factors for success discussed above, an opportunity exists for new businesses to be designed that place the interests of artists as a community at the centre of their business models, rather than picking and choosing who succeeds. Below are 3 potential business models that attempt to achieve this aim. In the section's conclusion, each business model is included on a table where they are ranked according to the same 6 criteria used previously. Based on these rankings, how, and to what degree, each fosters the success of contemporary visual artists in similar, but also distinct, ways is made clear.

Alternative Business Models

Growing Network and Community Engagement

Growing Network and Community Engagement

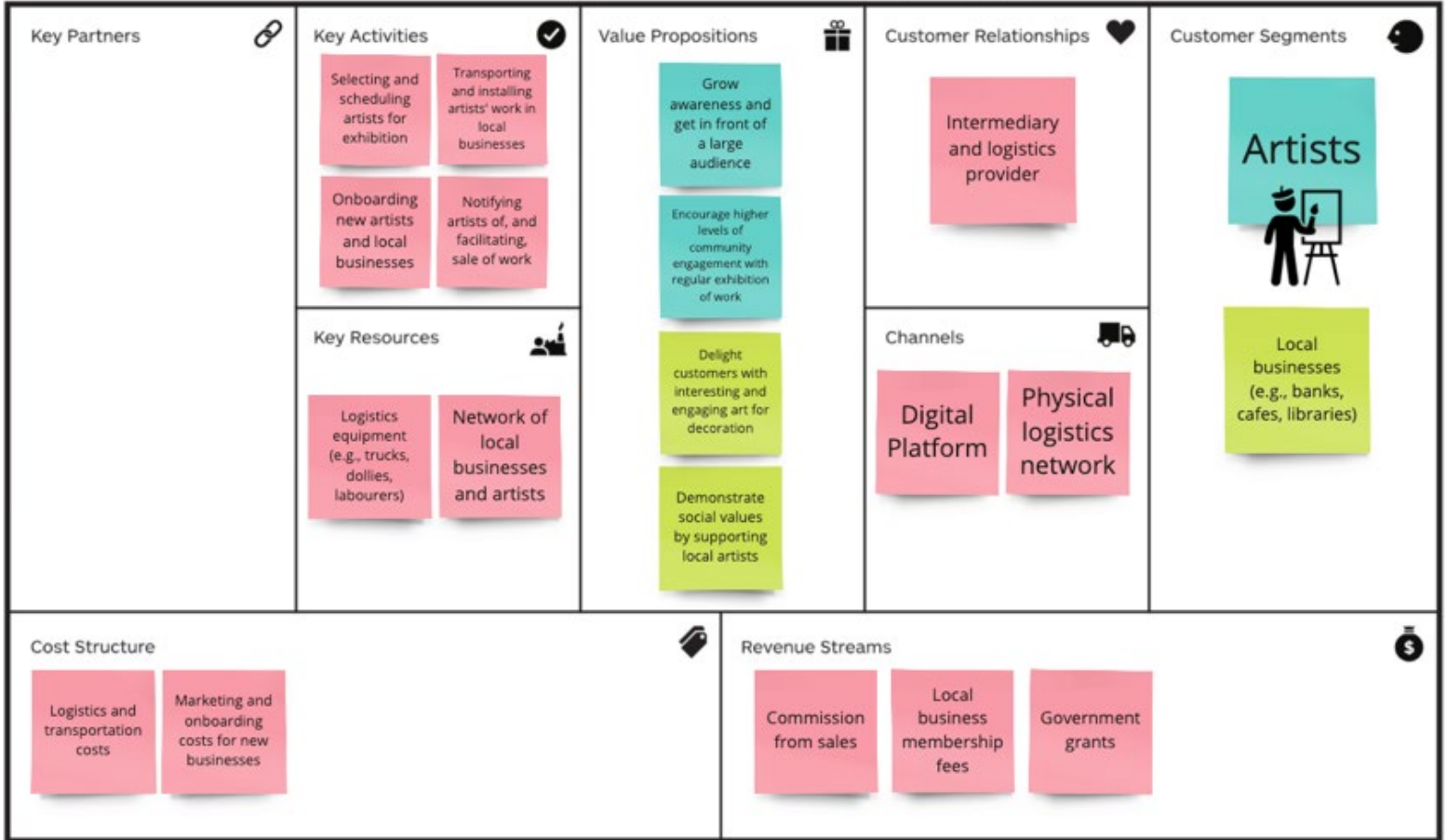


Figure 12 - Growing Network and Community Engagement Business Model

Explanation:

Exhibiting one's work is often the most effective means for artists to grow their network and establish meaningful relationships. Not only does an artist's work convey an immediate sense who this artist is, how they express themselves through their chosen medium, and the messages they feel moved to express, but it is the best way to attract potential buyers. Early in an artist's career, however, it is unclear which type of collector will be most attracted to their work; nor, where their "ideal" collector will be most likely to encounter an artist's work.

Therefore, a business that circulates artists' works around various public spaces (e.g., hospitals, libraries, collective exhibitions, real estate offices, banks, cafes and restaurants) increases the likelihood that their work will be in front of collectors with whom the artist's work resonates.

Such a business would focus on the transport, circulation, and exhibition of an artist's work, freeing up the artist to focus on producing more work or connecting with interested buyers. In this way, such a business would help artists grow their network and build community engagement.

Strengths:

- Enables artists to get their work in front a large audience
- May increase the chance that an artist will find collectors with whom their work strongly resonates
- Creates a win-win situation for both artists and business who agree to participate

Weaknesses:

- Selecting which artists can participate or for how long can lead to difficult decisions and possible, unintended, exclusion of some artists
- Logistics costs (e.g., gas, transport, etc.) are variable, making it hard to always predict operating expenses
- As a multi-sided business model, appeasing both customer segments can be difficult

Opportunities:

- The market of artists is growing and so too is the range of work they produce
- Businesses are increasingly interested in demonstrating their social values, and displaying the work of local artists is a great way to do so
- As an intermediary, this business may find emergent opportunities to mutually support artists and local businesses with the insight and information they gather serving both customer segments

Threats:

- Cost of operations may threaten the viability of this kind of startup
- Having to choose only certain artists' work to circulate may lead to criticism and social shunning, if handled improperly

Finding Artist-Gallery-Market fit

Finding Artist-Gallery-Market Fit

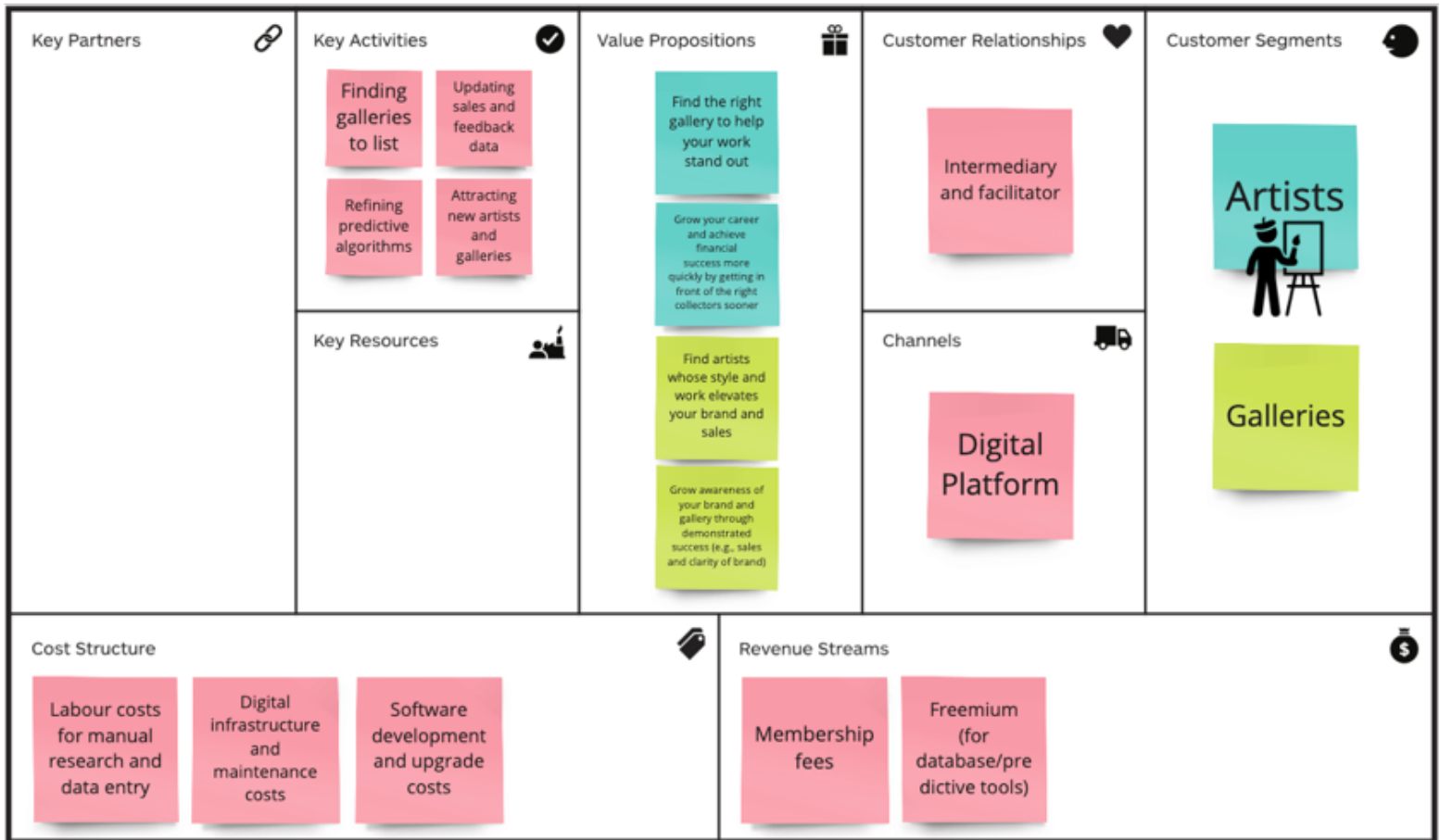


Figure 13 - Finding Artist-Gallery-Market Fit Business Model Canvas

Explanation:

Finding a gallery that matches an artist’s style, does not introduce artists with significantly overlapping styles, and attracts a segment of collectors to whom the artist’s work appeals was found to be critical. As explained by one of the authors referenced through secondary research, “Exhibiting artwork and eliciting reactions is how artists begin and, over time, refine the process of marketing. First and foremost, artists want to know if people understand and like what they are doing. A negative reaction may indicate that the wrong people are looking at one’s work, or it may mean that the art still needs improvement and isn’t ready for general exhibitions and sales” (Grant 3). However, the manual process described by one of the artists interviewed to discover galleries of potential fit, an opportunity exists to streamline this research process.

The business model for a business that addresses this problem would mimic a platform business model pattern, or marketplace. Galleries could create their own profiles to attract

artists, or the platform could create a listing of local galleries themselves, adding details around which artists and styles each gallery is known for (i.e., performing the manual process that the artist interviewed described), thereby alleviating the artist of the need to do this him/her/themselves. Details around the type of collector the gallery attracts and predictions around which type of art (e.g., style, medium, format, themes, etc.) could be outlined for each gallery. Artists interested in gallery representation could then use this platform to select and initiate conversations with galleries they feel are a suitable match.

Once enough artists successfully find representation through this platform, feedback and sales data at their chosen gallery could then be collected to create more informed predictive measures, thereby improving the platform's accuracy and utility for artists. This data could also be further extrapolated to help artists understand which type of collector their art appeals to most strongly. In this way, both artist and platform would benefit from the data and feedback collected."

Strengths:

- Streamlines a process that artists are currently having to perform manually
- Creates a win-win for artists and galleries
- Low-overhead costs as a digital platform, and highly scalable
- Facilitates artists' need to discover galleries that match their unique style and needs

Weaknesses:

- Initial information gather process would likely be quite labor-intensive
- May not offer significant value until a critical threshold of users and data are accumulated
- Requires self-entry of feedback data to be truly scalable (which many artists and/or galleries) probably would not be willing to do

Opportunities:

- Data and information collected may lead to useful insights for artists and galleries
- Obvious use-case for emerging technologies, like artificial intelligence

Threats:

- Finding a model for scalable data collection and feedback may be very challenging
- Galleries may not want to share sales data or remain more hidden than what this platform might need for it to be useful
- This may perpetuate a "success to the successful" or power law dynamic in the local art ecosystem

Learning Through Role Models and Apprenticeship

Learning Through Role Models and Apprenticeship

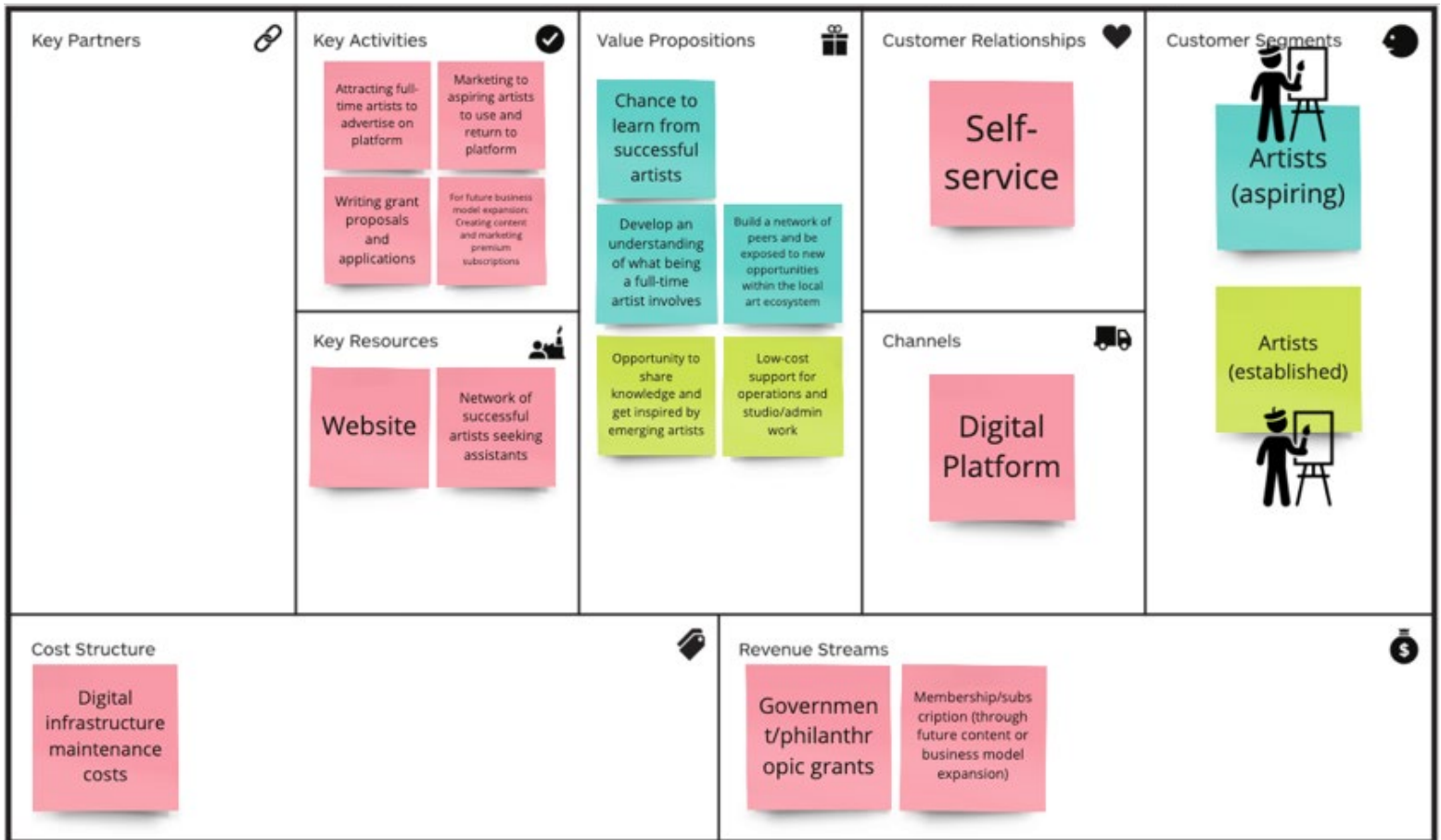


Figure 14 - Learning Through Role Models and Apprenticeship Business Model Canvas

Explanation:

For many artists, the idea of working full-time in creative practice is inherently the goal. Without a proper role model or an opportunity to see what being a full-time artist involves, many aspiring artists lack an understanding of what they will need to be prepared to do on a daily basis once they achieve this goal. One of the interviewed explained the value they had derived from the opportunity to work for a full-time artist early in their career. However, this was only possible thanks to networking and working hard to advocate for this opportunity. Moreover, a quick Google search reveals very few (if any) advertised apprenticeships or opportunities to work in an artist's studio. Therefore, a platform that matches early-career artists to a full-time artist seeking apprentices or assistants could address this gap.

Strengths:

- Facilitates peer-to-peer learning, which can be critical for early artists developing their careers
- Provides a simplified means for aspiring artists to find opportunities that help them understand and clarify their career goals
- Offers full-time artists with the chance to give back through teaching and learning from emerging artists
- As a digital platform, relatively low operating costs
- Highly scalable
- Probably requires relatively low maintenance

Weaknesses:

- The total number of apprenticeship or assistantship opportunities may be somewhat limited
- There may be much greater demand than supply for these positions
- Revenue streams may be hard to establish due to the very specific nature of this platform, which likely means relatively low active-daily users

Opportunities:

- Could expand into educational content, interviews, and more of a community-based platform
- Remaining focused on visual arts would be a way to remain distinct from other job boards/platforms

Threats:

- Relatively low supply of opportunities could decrease likelihood that users would return or recommend to a peer
- Would likely rely on grants and philanthropic funding for revenue, which is often unreliable and varies in terms of value

Graded Examination of Alternative Business Models

Scale: 1 (Very low) – 5 (Very high)

Business Model	Ease of access for emerging artists	Artist involvement	Direct financial benefits (to artist)	Reputational benefits (to artist)	Exposure to network and community	Creative autonomy
Growing Network and Community Engagement	5	4	4	5	5	5
Finding Artist-Gallery-Market Fit	5	4	2	3	3	5
Learning Through Role Models and Apprenticeship	5	5	3	4	5	5

Table 2 - Graded Examination of Alternative Business Models Proposed

Of particular note, each of the alternative business models proposed rank 5/5 for ease of access. This addresses the primary drawback of more common, contemporary business models discussed: their role as gatekeepers. Moreover, none of the alternative business models restrict creative autonomy or prevent artists from spending time developing their artistic style—in fact, doing so is likely necessary for artists to find true value when interacting with businesses that might institute any of these business models. The true weakness of 2 out of the 3 alternative business models proposed is their low ranking in providing direct financial benefit to artists. However, that may not pose an issue, as their primary purpose is to foster the development of artists through insight and foundational experience. In other words, they are intended to be a means to achieving subsequent, or longer term, financial gain.

Regardless of the relative strengths and weaknesses of each of the 3 business models above, they represent an extremely small sample of potential business models that one could design, based on the volume of information covered in this report. However, the small number of alternative business models put forward is intentional, since, as stated in the introduction, the purpose of this report is to provide a foundation of knowledge, insight, and inspiration for any aspiring entrepreneurs or businesses who may be motivated to serve contemporary visual artists. Therefore, in conclusion, this report explains next steps and how either an entrepreneur or intrapreneur (in the case of an employee of an established business) might best utilize this report’s contents.

Conclusion:

Recommendations On Further Steps

For any entrepreneur or business who is motivated to build upon this research, the first recommended next step is to speak directly to more artists to gain greater understanding of current barriers and opportunities. By collecting additional perspectives, entrepreneurs will gain greater insight and clarity around the specific opportunities open to them to innovate around. Once more research of this nature has been conducted, it is then recommended that the entrepreneur spend time refining and fleshing out the business models put forward in this report. More importantly, time must be spent explicitly mapping out assumptions underlying how the business model will operate.

The obvious next step should then be to commence experiments or activities that validate these assumptions. For instance, in the case of the first alternative business model, it is assumed that artists would be willing to submit artwork for rotating display. To validate this assumption, an entrepreneur could create a website with a signup page and run some inexpensive web ads to advertise the new business. If the response was considerable (e.g., 25 or more artists sign up to participate), this would validate the assumption that this business model may be both desirable and possibly viable.

While conducting these validation activities, incremental investment and development of prototypes is highly recommended to gradually increase the fidelity of both prototype and feedback from potential customers. Once a minimum viable product can be deployed, that is when revenue should also begin to be collected. Asking for payment at this stage (i.e., at the MVP stage) is recommended because the viability of each of these proposed business models is entirely unproven.

Additionally, once experimentation with prototypes of high enough fidelity begin to be tested and/or a minimum viable product is introduced to the customers, entrepreneurs should be certain to track key performance indicators reflective of the specific advantages or benefits conferred by their chosen business model. For instance, in the case of the "Growing Network and Community Engagement" model, a survey could be administered to artists to track the number of times they had a potential buyer reach out to them, or any positive changes to engagement on their social media channels. However, more than anything, entrepreneurs should tackle these further steps with a spirit of curiosity and a desire to continue to learn, rather than simply prove prior assumptions correct.

Limitations:

The most significant limitation of this report is the relatively low number of contemporary artists, and the lack of business owners interviewed. It is likely necessary that these additional perspectives should be collected prior to any business or entrepreneur invest in building any of the businesses suggested. Additionally, in keeping with Lean Startup methodology (a widely accepted approach to entrepreneurship), assumptions underlying these business models also need to be validated through additional interviews and experiments with customers before any significant degree of investment should be made. No attempts to validate the business models put forward, beyond the initial in-depth interviews detailed, have been performed. This significantly limits the reliability of the findings.

Lessons Learned:

Contemporary Art and the ecosystem surrounding it is complex. This report only aimed to understand a small portion of the larger system. However, in doing so, numerous nuances and entire business models have been left out. Given the research conducted for this report, it was remarkable to learn just how much one would have to consider to truly grasp the broader systems at play. Although fascinated by this ecosystem, it was also daunting to explore, let alone build a business within. That being said, the struggle of artists interviewed really drove home the need for additional supports. Artists deserve equal opportunity to build a successful career, and the distribution of success among artists feels very unfair. Moreover, not all artists are hoping to become millionaires through their art; just to make a reasonable living and practice full-time. This feels like a reasonable ambition—one worthy of an ambitious entrepreneur's time, talent, and efforts.

END

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Appendix

- Appendix A: Interview Questions for In-Depth Interviews
 1. Please describe your current status as an artist (e.g., in-study, planning to start a business, actively starting a business, or maintaining and growing an existing business).
 2. Please describe the steps you've taken up to this point, in regard to your career and aspirations as a visual artist.
 3. Can you give me a brief overview of your creative process?
 4. What have you found to be the biggest obstacles faced as you go through this process?
 5. How have you tried to overcome, or solve, those obstacles and the problems they pose?
 6. Have you worked with any organizations or other businesses to achieve goals related to your visual arts career?
 7. Many artists feel strongly that they could make art their full-time career if just one or two things changed. If this resonates with you, what would those one or two things be?
 8. Given a magic wand to change, eliminate or improve something related to your career as an artist, how would you use that magic wand (feasibility aside)?

- Appendix B: Complete table of graded business models discussed

Business Model	Ease of access for emerging artists	Artist involvement	Direct financial benefits (to artist)	Reputational benefits (to artist)	Exposure to network and community	Creative autonomy
Direct Sales	5	5	5	2	2	5
Commissioned Art	2	3	4	3	3	1
Art Fair	2	1	2	4	5	4
Digital Marketplaces/Platforms	5	4	3	2	5	3
Art Dealers	2	3	3	3	4	4
Galleries	1	3	3	3	5	4
Artist Collectives	4	4	4	2	4	4
Auction Houses	1	1	1	5	4	4
Art Investment Funds	1	1	1	2	1	3
Growing Network and Community Engagement	5	4	4	5	5	5
Finding Artist-Gallery-Market Fit	5	4	2	3	3	5
Learning Through Role Models and Apprenticeship	5	5	3	4	5	5