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# The Art Market, Global Economy and Information Transparency

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## Abstract

*The economic role of art is sustained by complex marketing processes, which tend to modify the aims and conditions of artistic enterprise.*

*The great dynamism which characterises the global markets in which businesses move nowadays also affects artistic enterprises and hence the artist-cum-entrepreneur.*

*In the global art market, therefore, information flow between demand, supply and distribution, risks being asymmetrical. With globalisation, the art market has recorded considerable changes.*

*The market has become internationalised up to the point of becoming a worldwide market. On the whole, globalisation of the art market appears to have favoured an increase in supply and its revitalization, too. Demand has undergone a remarkable growth, probably due also to its fragmentation and diversification.*

Keywords: Art Market; Art Marketing; Art Distribution; Auction Houses; Art Market Information; Information Transparency; Global Economy

## 1. Works of Art and Consumer Fruition

An analysis of the art market involves some basic difficulties linked, in particular, to the uncertainty and asymmetry of sector information which often proves to be incomplete and not shared by or accessible to one and all equally<sup>1</sup>. Art, within our society, tends to have a dual purpose, aesthetic and supraaesthetic. The economic role of art, in particular, is sustained by complex marketing processes, which tend to modify the aims and conditions of artistic enterprise. Presuming however that the fundamental requisite for an artistic product is its value intended here as research, uniqueness and creativity, it might prove interesting from a corporate-economic viewpoint to put forward a few observations about aspects of its production and marketing. In actual fact, the value of artwork may not be linked exclusively to the personality or commitment of the artist, but also to the process of recognition of the usefulness of the artistic product in its fulfilment of others. From a corporate-economic viewpoint however there is

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always a minimum of uncertainty involved in the scientific approach to this sector and in particular to the type of artist-cum-entrepreneur. This, most probably, because of a number of difficulties involved in succeeding in linking the figure of artist to that of producer-entrepreneur. On the other hand, the opportunity to identify artistic productions as tending towards a (certain) market, and hence aimed at realizing an exchange, would allow us to analyse the artist as a business-entrepreneur for the purposes of the current interpretation of business, in as far as he or she being an entity producing something for exchange<sup>2</sup>. The production of an artistic object has a specific intrinsic technical-financial function within the ambit of which, the artist-cum-entrepreneur responds in the face of a particular type of demand with his/her own product range, using technical specifications for price formation, via particular distribution channels and through specific meeting places for consumers and producers. Putting forward the hypothesis of works of art<sup>3</sup> as goods to be exchanged (products) can easily be attempted through a broader specification of the product-work of art, determined above all thanks to the dualism of capital goods-consumer goods. In actual fact, a work of art is not a capital good, as capital or indirect goods are those in turn used for the production of direct consumer goods<sup>4</sup>. Therefore it would be natural to classify a work of art, with all the consequent critical issues arising, as a consumer good with particular features, distinguished by a value which tends to increase over time and an unlimited duration. Notwithstanding criticism of this extreme tendency to pay excessive attention to the financial issues and technicalities of art, it must then be observed that many aspects of the artistic sector, amongst which the determination of the sale price of a good, are not solely linked to cultural factors. The judgement put forward here of a work of art as a consumer good allows us, among other things, to introduce the idea of mass enjoyment of that good and of making art more popular. Technological development, for instance, has made it possible to perfectly mass-reproduce famous works of art: ones that are similar to the original from an aesthetic viewpoint, but very different from a financial, material and cultural point of view. Great interest in art has already been observed in the past by large publishing groups, who, with tools such as video cassettes, illustrated fact sheets and posters, introduced works of art into the field of consumer goods in their own right<sup>5</sup>. Subsequently the same result was achieved and extended thanks to the Internet, which has been used by auction houses, museums and private galleries.

□ *Likewise, exhibitions held in big cities (for example the Venice Biennale, and specialist exhibitions in Rome, Milan and Florence) draw hundreds of thousands of spectators-visitors towards culture, thus contributing to the mass consumption, if only occasionally, of works of art<sup>6</sup>.*

In this sense then, a work of art is no longer a single unique good, but one of general consumption, the enjoyment of which is allowed to throngs of people. Thus by considering a work of art as a consumer good with its own features, it is, as such, subject to classification. The typical criteria used for this subdivision would appear to be identifiable in the date of execution (for instance of a painting); this being a tool which permits an elementary distinction between contemporary,

modern and old works of art. The latter are typical of the vast antiques market, which, to a great extent, is separate from that of contemporary art and is characterized by different types of acquisition-distribution of the marketed product, and different factors which influence final prices. Another element of great importance for the purposes of clear identification and recognizability of the asset is the specific artistic trend. This is most especially true of modern and old works of art (suffice to think of the artist-school combination), whilst it is not equally incisive for contemporary works where original and new positions (those which do not fit into any precise tradition) may be indicated with a 'new trend' formula<sup>7</sup>. In an everyday working context however, there are some rather generic attempts to classify contemporary works, along the lines of abstract, informal, figurative, etc. The presence of these distinctions could be justified with a very simple reason: in the high level market a classification based on the artistic attributes of the works has no sense, so the artist is identified with his/her product and a distinction between works is linked directly to the artist's name. The market at the lower end of the scale is a different matter where the signature has still not risen to being the dominant feature and where there are a large number of consumers with limited knowledge at whom only elementary classifications may be aimed<sup>8</sup>.

## 2. Art Market Specificity

The art market has a far-reaching base of fruition as art in itself is a kind of consumption-investment, with a highly diversified product range due to the multiple collection requirements within the demand market. Moreover, this market appears to be highly flexible: indeed, supply and demand are structured around a controllable group of collectors, investors and museums, whose interest or disinterest are often determined by the economic climate distinguishing a particular historical period. For instance, many people consider the art market to be the mirror of the general economic trend and a thermometer of current and evolutive trends<sup>9</sup>. If we take paintings as an illustrative point of reference, the first thing that becomes apparent when assessing the main characteristics of the art market is the great heterogeneity of works present. Another typical characteristic of the market under analysis is to be found in the anonymity of many transactions; an anonymity which gives rise to the phenomenon of a clandestine market, which actually exists outside the typical product distribution circuit. If we then also accept the theory that a work of art, being a durable good, is not subject to consumption deterioration and will potentially be the object of several exchanges<sup>10</sup>, then further distinctive features emerge. In the first place, with reference to an individual artist and under the postulate of the irreplaceability of his/her work with that of another artist, it may be affirmed that from a production viewpoint we are faced with a limited supply market. This then would lead us to consider a work of art as an asset, the price of which tends to increase in the presence of a market (for example, the contemporary art market), which would create fierce competition amongst potential buyers.

□ *For instance, in the matter of the rarity of works of art - unlike a market such as that for antiquities where the rarity of works is real and*

*effective - in the case of the contemporary art market this rarity is regulated by specific strategies of the artistic system (centred on the choice of the most highly listed artists and monopolistic or oligopolistic control of their production)<sup>11</sup>.*

Another peculiarity of this market is discernible in the personalization of its operators. Producers are mainly individual firms and the marked personification of the operators changes the perspective of some strategic issues that concern every business. Generally speaking, it is the dealer who decides on the type of communication, distribution and price, whilst the artist is responsible above all for the quality of the product. As far as image-brand relationship is concerned, the brand tends to be configured in the artist's signature, whilst the distributor essentially deals with brand awareness, managing its image qualitatively and its renown<sup>12</sup> quantitatively. Last but not least, the art market is characterized by buyer stratification, displaying all the traits of a hierarchy of levels and manners of acquisition and consumption.

## **2.1 Art Supply**

If we observe the development process of a product-work of art, it becomes apparent that the artist is not the only craftsman involved, but merely one of the agents operating within the production process of this particular cultural offering, with his/her role often being subordinate in actual fact to that of the dealers, critics and financiers. From this viewpoint, one can then understand the difference between the two roles distinguishing an artist's business: first there is the creative role, relating to the proposal of new ideas or new artistic values, and secondly the production stage of the actual artworks, which are objects identified as goods to be placed on the market. The second role is the one that comes closest to actual production activity, to the identification of the artist as a producer and business characterised not by a complex productive system, but one of an elementary type (procurement, technical means, preparation, execution, completion and sale)<sup>13</sup>. An artist is however very much a single-handed production system and this consequently determines the fact that addressing energy to sales means subtracting it from production; so even in the most liberal of productions the intervention of a broker would appear to be necessary, giving rise to a split business; on the one hand production carried out by the artist, on the other sales carried out by a dealer. An artist's production determines his/her renown and success (which is measured by his/her contractual power towards the markets, the frequency and importance of exhibitions, etc.) On a more complex level, however, an artist's affirmation seems to be linked to his/her cultural contribution. So we could conclude that an artist's professional success depends not on the immediate monetary value of his/her works but on the dialectic relationship that the artist builds with the market system. Furthermore, from these facts it is perhaps possible to even pinpoint different types of artistic careers, distinguished by a variable intensity of contact with the market and fashion. One thing which is solidly connected to an artist's popularity is the concept of quality of an artistic good, a concept which is without doubt difficult to determine within the ambit of this particular productive activity. The idea of quality from the viewpoint of supply may for instance concern the difference

between an original and a copy; from the point of view of demand quality is, however, very different and takes on a much simpler significance. Quality is linked to the idea of possessing, at a precise historical moment, the works of highly ranked and well-appreciated artists. Thus the qualitative factor is identified in the value compared directly against fashion and marketing phenomena over which, for instance, the media and specialized critics have a great deal of influence. The critic's role might be considered to be that of a mediator between the artistic circle and demand for the product. His/her task is in fact also an operational one: carrying out a selective, organizational, promotional role, participating in the definition and production of the works and thus influencing the concept of quality. A demonstration of the critics' strong impact on quality can be grasped by analysing one of their typical fields of activity: publications. Reviews, essays, monographs, all are determining factors in an artist's success, and the quality of his/her products are, however, often an expression solicited, requested or even paid for by dealers. The issue of price determination in the art market is very complex. Generally negotiations between several parties for the same type of product determine market price. With regard to goods which are not indispensable, such as works of art, considering the great influence played by specific variables of a very subjective nature, it would only be approximate to find objective factors which influence prices, *'unless we want to identify the price with the value of a work of art, that is to say, the estimate or quotation with the actual price. A mistaken idea as the estimate also aims at considering those values which are in actual fact within the work itself and which only emerge with time'*<sup>14</sup>. Moreover, literature also agrees with this by advising of the presence of some objective factors typical to each work, which have an effect on its price: year of production, size, artistic trend and the technique employed in its execution. These are, however, factors which contribute in a secondary way to determining price, but which are incapable of determining it alone. Without doubt, the most important factor – and one that therefore plays a big role in price determination - is the artist's renown.

□ Indeed, *'it is commonly stated that a certain level of renown for the artist constitutes a guarantee for the consumer. The greatest form of safeguard for the consumer though is when the dealer guarantees the repurchase of the work sold at a certain price at a figure that will not be lower'*<sup>15</sup>.

The term 'renown' applied to artists is to be taken in its broadest sense, as it implies the judgement of value by the public, a concept which appears to correspond to the corporate judgement of brand awareness in its qualitative-quantitative dimensions of image and renown<sup>16</sup>. This notion of 'artist's image' could be distinguished for instance in the areas of perception such as recognizability, familiarity, reputation, etc.

## 2.2 Art Demand

The most visible aspect of development in demand in the art market is its quantitative expansion, contributed to greatly by the growing proliferation of information, new technologies and – as a result - new means of communication, all



of which being phenomena typical of globalisation. Thanks to this potential, we can even propose the idea of such a particular consumer good as the one in this market. And finally, let us not forget the population increase and progressive improvement in the financial conditions of potential users. The new tendencies in the demand for artistic goods can, however, be identified above all in a higher-level market, if referring to a preference for a certain type of product, in as much as this is a more competent cultural sector. If we wish to illustrate some significant steps in the development of demand from a qualitative viewpoint, we should observe the consumer's development by turning our attention to his/her aptitude, attitude and behaviour. For the purchaser of works of art, aptitude would appear to be linked to passion for art and cultural background, not to mention having the financial means. Attitude on the other hand might relate to changing tastes, loyalty to purchases, and ease of being influenced by outside factors. Finally, behaviour might refer to frequency of purchase, destination of purchases, and the amount of research and intention in the actual purchases made.

Buyers of works of art appear to constitute a fairly heterogeneous public in many ways. Frequency of purchase is one aspect which allows us to single out an initial group of consumers: occasional buyers. Destination of purchase, which presages the very motive for purchase, would on the other hand appear to allow a delimitation of the most important theoretical sectors of consumption, which can be identified in the following groupings: collectors, speculators, brokers, and the final group: purchases destined for the furnishings sector. A further sector in terms of destination is defined by collective consumer groups (public, museums, authorities or associations, the church). These subdivisions relating to the main user areas for a product-work of art, cannot however be considered exhaustive, as they disregard some distinguishing attributes, which otherwise emerge when we consider current cases or real sectors of consumption. Thus the need arises for further future research, and this is the starting point for a more in-depth analysis of the behaviour patterns and attitudes of the demand group itself by, for example, combining the complex variables of attitude and behaviour. From a financial viewpoint, collector objects in their broadest sense are simply consumer goods<sup>17</sup>, in as much as they are not tools to produce other goods or services. It is however extremely difficult to classify art works in the durable or non-durable consumer goods categories. According to some theories they are not to be considered durables as they are goods subject to obsolescence through use<sup>18</sup>, whilst according to others<sup>19</sup> they are durables as, in a strict economic sense, they perform their function several times over and their lifetime is prolonged for many years. They do definitely come into one particular category: that of investment goods, where the investor accepts the risk linked to the fluctuations in financial value. Investment goods characterized by two different types of results: income originating from paying visits to private collections of works of art (collecting), and the difference between purchase price and resale price of the asset (speculation)<sup>20</sup>. The two factors thus identified are obviously at the origin of two distinct types of demand: fruition and speculation. The type of demand for art for enjoyment purposes, linked to a decorative role and having the characteristics of a demand for luxury goods, has recently registered a *trend* in steep ascent, thanks to higher standards of well-being and higher cultural levels<sup>21</sup>. Collector demand (the elite part of the fruition demand group) is attracted above all by a desire for knowledge and in-

depth examination of the world of art, with the aim of forming a collection representing the same. Therefore this group will buy under any market conditions and appears to be the demand group, even if qualitatively discerning, with the most solid and stable motivation over time - the group upon which the market can count. The determining factors of the fruition demand group appear to be mainly identifiable in the achievement of a high level of wealth, which is also apparent in the consumption of other types of basic goods (property, insurance policies, financial wealth, etc.) and in the growth of a knowledge and culture of art. These components of demand growth may be influenced by promotional activities carried out by dealers, editors, and art critics - in other words art market operators - who may also influence taste. The fruition demand group is thus also determined by both the evolution of the art market structure, which multiplies and expands its organizational levels (auctions, galleries, trade fairs, etc.) and by the types of works, ranging from a local or domestic level to an international one. The speculative demand group, on the other hand, receives its guarantee from the intrinsic value of the works for which the collectors' market reliably expresses an appraisal and an associated going rate. In fact the speculative demand group typically tends to penetrate a market in expansion, exploiting the rising *trend* in prices and accelerating their ascent. If it were to take over it could, however, totally distort the mechanics of the market into which it has penetrated. In fact, speculative demand might not only anticipate a given trend in fruition demand and, in this event, reap the benefits from precocious intuition of future fruition demand, but also create manipulated results, by detaching itself from the actual market basis and its natural evolution linked to the trends in the variables which determine non speculative demand. Then at the time of achieving the desired return, there might not be a suitable demand for fruition, but only another speculative demand group willing to extend the risk into the future. So the market would be increasingly at risk, the bigger the quotas of speculative supply and demand present. Any market can be solicited by speculative demand and moreover, a market will be that much more vulnerable to such a form of demand the more it deals in rare and scarce goods in respect to the actual demand for fruition (market with excess demand). A market appears to be able to protect itself from excess speculative demand when that same market no longer offers any guarantee back-up, i.e. when there are slow downs or backward moves in prices which invalidate speculator expectations. This sort of demand must therefore take into account, and not on a short-term basis, the variables that determine expansion of the demand for works of art for the purposes of fruition (increase in income, growth in cultural levels, etc.) Finally, the fundamental determining factors in speculative demand seem to be identifiable in the performance of financial products and their return on investment, in the availability of liquidity, and in the presence of market structures which aggregate supply and demand, such as auction houses<sup>22</sup>. If we observe the act of speculation with reference to the current period more closely, it could be said that speculation for a contemporary work of art (which still has no stable historic or artistic critical positioning) should be short term in order not to be too much of a risk. A purchase should be concluded while the *trend* in price is rising and the work should be resold in proximity to the maximum forecast. In other words, it must be resold before the market perceives that the price is too high: the rapidity of the rise can be a sign that the peak is not too far off in time, and this will be followed by a sudden fall<sup>23</sup>. Therefore, we are faced with a 'status' lifecycle characterized by a

phase of very rapid growth followed by an equally rapid fall. Typical speculative demand in the contemporary art sector is therefore short term, as it tends thus to reduce the risk of lack of market growth, an indispensable premise to selling on the rise and achieving expected returns. In conclusion, we could say that collecting creates the market and collectors are the final recipients of the market. Schematically, the market originates from collectors (collecting/fruition/actual demand), it develops thanks to speculators (speculative demand) and, finally, it accrues by turning to the help of the fruition demand group. The only point in common between these demand groups, which are so different to one another, is doubtless to be found in the vast financial funds available. In fact, the financial aspect is by no means marginal, even for collectors, if for no other reason than that the finding and collecting of objects has always required significant investment. Collectors always risk their own capital and must know, down to the finest detail, how to administer the desired object. The economics of art collections, on the other hand, involve various costs and returns, which a collector must consider very carefully: a return linked to the possibility of having people make paid visits to the collection has to be weighed up against the cost of acquisition and costs for custody and maintenance. In fact the costs associated with the services which a collection requires cannot be overlooked: insurance services; restoration services; *expertise* services; *leasing* services, etc. By examining the degree of influence exercised by the different classes of potential customers on the level of prices for works of art by any given artist, it is plausible to suppose that occasional buyers do not actually really influence market price. This is both because of attenuation, generally speaking, in specific interest for single works, and because of the lesser pulling power they have on distributors. From this point of view therefore, a painting would appear to be an asset with a given price, corresponding to the level fixed by the distributing parties or estimated by the experts. Whereas, on the other hand, investors seem to be able to influence final prices for works of art. However, this is most likely an influence with an essentially temporary impact. For investors, price is but a mere parameter of convenience to operate while price remains below the estimate of the current or future value of the work in question. Basically, an investor speculates on a function of temporal and spatial adaptation, trusting in positive changes in the level or number of artist's customers<sup>24</sup>. Thus the normal relationship between speculators and price is that of contributing to an early increase in price, with speculators actually 'harbingers' of demand (demand for fruition/collection purposes). Art lovers' and collectors' motives for purchase can on the other hand determine a higher intensity of demand, given the high specific interest that may become apparent with reference to even just one single work of art. Therefore, in the absence of true competition in purchasing, collectors tend to maintain the price of works of art in keeping with the estimated value in terms of artistic validity. When, on the other hand, there is fierce competition within another market segment, then the conditions are created for a rapid rise in price, even beyond the intrinsic quality of the actual asset itself.

### **2.3 Distribution as the Active Agent between Art Supply and Demand**

The choice on the part of an artist of a specific form of distribution for his/her own works, as in any entrepreneurial system, concerns *'the connection between the business and the final outlet market and involves both the organization of the sales*



*activity (sales forces) and reliance on systems external to the business itself (distribution network)*,<sup>25</sup>. In the case of an artist, however, this will be a sale and not a distribution process, in the sense of continuous and continued placement. The various types of distribution, considered in their broadest sense, often actually appear to be acquired through an almost casual and involuntary process, linked to personal factors - the artist's own social-cultural background, his/her pre-existing acquaintances - rather than any real putting in place of any sort of distribution policy. More specifically, the main choice of a distribution channel appears to be irrelevant. Even when there is no obligatory condition at the outset, the artist might actually choose a broker in the first place and then it will be the broker who finds any other subsequent forms of distribution. If anything, there might be a problem for the artist in exceeding possible distribution capacity limits when faced with his/her own growing renown, authority and success. In any case, the forms of distribution to be used will be set up on the basis of the placement of the artist's work in consideration of spatial and temporal variables.

Looking more closely at the different types of art brokers (for example in the sale of paintings) one difficulty immediately springs to light: there does not actually appear to be a correct expression to globally refer to this group of individuals. Therefore the preference is to talk of distribution structures, even if the roles performed reach well beyond distribution alone. On the other hand, these organizations define the market in as far as they strongly influence its features. In this market, amongst other things, they perform the role both of seller and buyer and they control almost the entire supply and price system. From a summary analysis of the parties operating in art distribution we can identify at least three main groups of players. The first group includes operators who take on a restricted role, avoiding direct investments in works (of art) and restricting the size of their permanent organization through which they carry out their business activity. This sector also includes individuals who often deal in works of art as a secondary line to other forms of business. In certain cases this avoids the need to have a specific organization, for instance, when the main business is connected to some form of artistic production (printing firms, picture framers, etc.) Otherwise galleries of local interest are created which primarily rent their available space to artists. Then there are also organizers of sales, who use the service in terms of available space for exhibitions offered not only by the (art) galleries of local interest, but also by associations or institutions which are occasionally willing to welcome shows or other forms of points of sale. The second group of operators are those who have a stable organization for systematic dealing in works of art, which constitutes their main or exclusive business activity. The real art galleries come into this category, as do the greater number of those individuals who are currently defined as art dealers. There is also a third group which includes the auction houses; where risk is limited to the operating costs of a permanent organization and to performing consultancy, advertising and promotional activities (with exhibitions open to the public, the drawing up of announcements and notices or the compilation of catalogues), as well as sales in the strict sense of the word. The great difference between these last two groups consists in the fact that the auction houses essentially take on the role of sales agents for their own suppliers, whilst the dealers also assume the role of purchasing agents. An examination of the parties present in the distribution (system) underlines the fact that their most important

feature is that they are sector based. In actual fact, it is possible to identify different categories within the very same form of distribution, each one with their own demand group: which means that each group of distributors has its own policy. Finally, one very last category of sellers can perhaps be identified, comprising the collectors themselves. An individual collector actually has little relevance compared to the total traded volume, but the category of collectors considered as a whole, combines to create a large slice of this market and related functions. The sales organizations for art products seem to be characterised by the fulfilling of specific functions which can be defined in three main areas: the primary roles which concern real sales activity (finding works of art, adaptation to the requirements of demand groups and 'adding-value' to works through the use of advertising and communications designed to raise awareness, recognition and familiarity; auxiliary and complimentary roles with external parties with whom supply or sales relationships are developed (support, consultancy, financing); and, finally, business development (number of artists dealt with, geographical spread of markets and presence in complementary sectors). Some peculiarities of sales relating to this market relate to: direct sales, mail order sales, and 'door to door' sales. Direct sales seem to be the most widespread, meaning sales in art galleries or, in any case, which involve a personal relationship between the seller and the customer. This form of sale seems to be particularly congenial to this sector, as it may be perfected over a time span that is usually longer than other types of sale (such as auctions), allowing an immediate and direct valuation of the quality of works of art (contrary to what happens, for instance, in case of sales by mail order or television). Mail order sales in the art market appear to be of interest above all to sellers, as they allow potential customers, who are far away distance-wise, yet financially sound and with little time available, to be contacted at limited cost. A delicate situation might arise with this type of sale however, in the event of requests focussing on a single advertised work of art. It is for this reason, it would seem, that there is often a tendency to advertise works of art which, due to the particular subject matter or high value will not easily attract many requests; or otherwise works which appear easily interchangeable, giving the catalogue upon request a greater completeness in the number and list of works. As far as 'door to door' sales are concerned, on the other hand, it has been observed that these exist thanks to a specific demand segment which *'due to geographical location and cultural attitude is not inclined to go to art galleries or even less to auction houses, where they would have to deal with an environment with which they are not familiar in order to buy an unusual product.'*<sup>26</sup>

A more recent sales technique, deriving directly from the auction houses' structure, is identifiable in television sales. This is a type of auction carried out by private independent stations and carried out at a slower rhythm than a direct auction (incoming telephone calls have to be followed by other confirmatory ones from the auction organization). This form of sale is however clearly linked to the popularity of the broadcasting station, the validity of the works and careful verification of the authenticity and legitimacy of the origins of the works of art on offer.

Last but not least, let us mention the most recent form of sales, in absolute, which arose thanks to Internet technology and has turned this and many other aspects of the art market upside down. With the arrival of *online* auctioning, the traditional

auction houses seem to have come up against some pretty fierce competition from the *online* auction houses. Internet has increased the number of participants (buyers and dealers), the number of art works for sale, the total number of sales, changing somewhat radically the habits and rules of sale at traditional auctions. As far as product policy is concerned, the marketing centres for works of art seem essentially to develop the choice of products-artists to be promoted. As such, the distribution 'core' tends to be distinguished on the grounds of the renown of the artists marketed, the degree of specialisation (i.e. the breadth of the range dealt with in terms of artistic trends) and the multiplicity of the artists for each individual artistic trend.

It is useful to note that the greater the renown of the artists, the lesser the distribution capacity and strength in relation to the various policies adopted. For this reason and, above all, to guarantee the operator the availability of new products or the premises to be able to enlarge his/her own business, it does not appear unusual to launch new artists, who are as yet unknown or famous only in lesser markets, alongside the marketing of already famous artists. Among those factors dependant on the artist which most influence the distribution of works of art, are the production rate, the range of works available, the trend in development and evolution, and any absorption limits of the market itself. In actual fact, the greater an artist's turnout appears to be, the greater the requirement for continuity of distribution of his/her work and for a widespread presence in the different markets. The production range of an artist may, however, indicate the opportunity to reach different markets at different times. With regard to any indication as to an approaching artistic development on the part of the artist, this could induce a slow down in the rhythm of distribution or an acceleration, in line with the effect of adherence to current market demand and requirements, and the necessity for a market or price change. Finally, market absorption limits may impact on proliferation or diffusion policies, stimulating the artist to reduce or increase production intensity or make some form of change to qualitative features. Basically, activities performed by a merchant broker are qualified not only through the size and image of the organization, but also its ability to pursue a correct distribution policy and not just the simple sale of one artist's work.

### **3. The Issue of Art Market Information**

Precise data on world art market dimensions are not available. This is due to the uniqueness of the goods, and also because art brokers constitute an excessively fragmented sector, with a great variety and number of brokers, many of whom actually work informally. The extremely fragmentary nature of the art market is underlined by a widespread reticence on the part of art dealers. In other words, the confines of the art market extend from small local markets to renowned world-class auction houses. Nobody, as yet, has put forward a precise estimate as to the overall turnover of the global art market; in its current state, in fact, the reliability of estimates, including those relating to minor geographical areas, would be debatable. The trustworthy circulation of information in these markets could lead to greater transparency and clarity for the various dealers, but it could also be seen as a threat for those who, for various reasons carry on brokerage activities trying to

benefit from the lack of transparency. The difficulties met during analysis of this type of market are diverse, according to the particular market segment under consideration. In actual fact, the lack of valid and consistent information channels, or transparent systems to circulate information about the market structure, its mechanisms and the chronological development in the estimated value of artistic goods, increases the degree of casualness in price formation and consequently the risk of any investment. This drives a number of parties who do not possess the necessary economic-cultural know-how away from the market, despite the fact that they could actually be potential end users of the artistic goods. Nevertheless, it is also very probable that a systematic revelation of the sale prices for works of art is at present only possible with reference to the transactions which take place in auctions, which in any case only cover a part of the overall market transactions (even if in different proportions, in the different segments). Contrary to the auction houses which publish or make available *online* a list of the pieces auctioned and a catalogue of the works put up for auction with the relevant price estimates (as well as a whole series of other information), art dealers and antique dealers generally do not have any system for recording and circulating information linked to their business activities. Presumably, these dealers judge it indiscreet to release information aimed at indicating sales figures linked to trading activities and consider it counterproductive to provide sales prices or estimates of value. In the majority of cases it is even difficult to obtain appropriate information about their turnover. As far as demand is concerned, besides the private collectors, a growing number of businesses (amongst which several banking institutions) are investing increasingly larger amounts in art works. The birth of art investment funds and the multiplication of private collections bear witness to the growing interest in the art market. Last but not least, even public organisations seem to have finally understood the importance of art collections. As of late, museums and public art galleries come forward more and more often as buyers at auctions. In the structural complexity of the art market, the artist, scholar, broker, critic, auction house and art gallery, collector, financial speculator, museum, cultural establishment and public all interact together. On the other hand, brokers, art dealers, antique dealers, auction houses, all act within the market in accordance with very specific terms and the problems of retrieving financial data from the markets or from the abovementioned parties are very diverse.

### **3.1 Information and the Role of Auction Houses**

The activity of auction houses allows us to obtain a reliable and continuous survey of the estimated values and auction prices of works of art, as well as circulating other important financial data on the artistic products exchanged. An important fact but one that practically cannot be surveyed, on the other hand, is the market share held by dealers; antiques dealers and art dealers. However, demand for art assets seems to be increasingly turning to auction sales, where exchanges are more transparent<sup>27</sup>. This attitude in the demand group demonstrates that a purchase is increasingly based on objective variables that can be compared against precise data, rather than the volatile and subjective opinions of dealers and experts. Christie's and Sotheby's, on the grounds of their size, are the top two auctions houses in the world and are often quoted as an example of oligopoly. They share an

unknown slice of a profitable global market and tend to imitate, from time to time, the decisions and movements of their rival. Each one of these brand names has, in any case, a global network of relationships with different players (buyers and sellers, advisors, experts, conservationists, collectors, etc.) intervening strategically in the considered segment<sup>28</sup>. Moreover market globalisation seems to have inverted the strong relationship between dealers and auction houses in favour of the latter. Indeed, many dealers are no longer able to carry on business unless they accept to work with the auction houses under conditions often bordering almost on employment. The strongest, however, seem to opt for a global strategy, multiplying their branch offices abroad<sup>29</sup>. The art market is global and operates internationally through the activity of the biggest auction houses in the most important venues in New York, London and Paris: auction prices in these cities are a benchmark for worldwide prices in works of art<sup>30</sup>. One core feature of the auction houses consists in offering information through the publication of an auction catalogue and estimated prices for the works of art going under the hammer, as well as the circulation of auction price lists which show the sale prices of the assets. Therefore, the catalogue represents an indispensable communications tool, created for anyone wishing to take part in an auction. As well as estimated prices, other unequivocal data is also available (such as the presence of authentic signatures, the year of creation, the degree of purity of precious stones, the material used in the making, etc.), and precise information for instance on the position and importance that the work has within the catalogue itself. Hence, an increasing interest in investments in artistic goods has not been matched with greater attention to the circulation of financial data concerning them. The market valuation for art objects is consequently almost exclusively entrusted to the skill of the seller: investors, collectors and all the other parties interested in buying art objects have only a few tools at their disposal to help them decide autonomously. As far as economic research relating to the art market is concerned, it seems to be focused above all on financial theories relating to price formation for works of art, their profitability and calculation of index numbers in the said market. On the other hand, specialised studies into marketing issues linked to the art market have not been carried out.

□ *The information tools currently available concern some specialised trade magazines (in Italy, Il Giornale dell'Arte, Art and Auction, Flash Art, Art & Dossier, etc.), the auction houses' catalogues and price lists, some specialised sector publications, through to the online databanks.*

Such information tools are aimed at satisfying commercial requirements, and therefore consequently are aimed at the production of financial data, a necessary premise for a scientific approach to the art market.

### **3.2 Internet and the Art Market: a New Marketing Resource**

Supply and demand for art products has recently begun to make use of the Internet as a marketing tool, using it for example for communications with customers, product and service sales, information circulation and the creation of networks<sup>31</sup>. Up to now, the number of dealers working with a virtual medium has



been relatively small<sup>32</sup>. Collectors or art dealers for instance have always requested specific conditions for the exhibition of their art works (lights, sounds, structures, etc.) and often refused to accept the limitations set, at the time, by Internet technology. Recently however, technologies which were once inaccessible have become available at a reasonable cost (digital photography, software for websites, etc.)<sup>33</sup>.

□ *In the beginning, therefore, the art market used the Internet only for some necessary investments, and only later, thanks to technological development, has this virtual tool become more accessible. 'The future is in the Internet ...' said Klebibikov, '...it is a revolution. I think that 90% of art business will move onto the Internet'*<sup>34</sup>.

Museums and galleries do, in actual fact, appear to be repositioning themselves on the Internet<sup>35</sup> whilst recent *online* initiatives, such as ArtNet, Art Mall, Art.com, Artprice or Sothebys.com, are introducing important transformations thanks to the information exchange on art that consumers are putting in place through these portals. Virtual dealers are seeing visits to their *online* galleries double every two months and, it seems that some receive more virtual visits than physical ones in their real life galleries<sup>36</sup>. Even in this market it should be possible to unite dealers and buyers at the same instant; and the Internet could in fact bring these individuals closer more efficiently. If this were so, an appropriate knowledge of these groups would become imperative for all the dealers wishing to market art through this tool. After a careful analysis of the segments belonging to the art market, virtual sector professionals could introduce further optimisation with a view, for example, to improving exchange between consumer and seller. In this respect it might be interesting to create greater efficiency in the use of the Internet tool in the art market. First and foremost, it is fundamental that the pages load quickly, as the products, i.e. the works of art, are exhibited virtually in the form of images, photographs or 'jpg' files. So *online* pictures should be able to maintain the highest possible image quality whilst keeping the weight of the file to a minimum.

Each party potentially active in the art market should moreover be able to retrieve, through the auction house or gallery catalogue tool, the largest feasible amount of information, and do it as fast as possible. The web sites of galleries, dealers or auction houses could then be organized in such a way as to provide an optimised rapid information search through a vast quantity of research criteria. A dealer, for example, could search for a specific work of art on the basis of some of the criteria provided by his/her client (colours, measurements, design, style, artist, époque, geography, etc.). An efficient form of research of this type would be of the greatest significance because of the resultant benefits both for the client and the dealer.

Given that generally, works of art are unique pieces and not standardised, demand is highly concentrated. So if an art dealer, a speculator or any other buyer wished to purchase an art object he/she would be obliged to minimise sale time so as not to risk losing the work of art. For this reason, the ease or difficulty with which one can broker *online* becomes a critical factor. To this end, for instance, buyers should have a wide variety of payment methods available to them, *privacy*

and safety in their transactions, and written guarantees with regard to delivery. Finally, successful web sites are updated very frequently. A web site proposing the marketing of works of art should also, as well as this, check the quality of the information posted in terms of products offered, prices, orders and organizations.

#### 4. The Art Market from a Global Perspective

The great dynamism which characterises the context in which businesses move nowadays also affects artistic enterprises and hence the artist-cum-entrepreneur. The biggest changes relate to the environmental and competitive context, which organizations must take into account at the time of defining their own strategic path<sup>37</sup>. Competitive analysis, preparatory in the choice of strategic options, allows an investigation to be made into the different levels of competition. These may be broken down into direct, indirect, extended<sup>38</sup>; the multi-dimensionality of which would propose an interpretation, in the dynamic sense, of the important phenomena for the life of the business. No less significant is the technological variable. This represents the most unstable factor in the present state of affairs, taking into account both the speed at which new technologies are developed, and the intensity with which they spread, often even in fields of application which are far removed from the original context. Therefore, information flow between demand, supply and distribution, risks being asymmetrical. That is why we decided here above to focus on the Internet, as it is a contributory cause to globalisation and, at the same time, a tool for the development of information exchange in the art market. With globalisation, the art market has recorded considerable changes. The market has become internationalised up to the point of becoming a worldwide market, leaving behind a juxtaposition of communicating national markets. In relation to this, some phenomena seem particularly significant. Demand has undergone a remarkable growth, probably due also to its fragmentation and diversification. Alongside the figure of the collector, some new players have come onto the scene<sup>39</sup>. Consequently, the private sector demand, like all the art market for that matter, has become globalised, causing buyers and dealers to physically move on the basis of market morphology and the cost of transactions. In recent times, therefore, the art market has no longer been made up of relatively communicating national markets, and has become a worldwide market. Every national artistic space has, in fact, been inserted into a global system of cultural and financial exchange. Circulation of individuals, works of art and information, favours market interconnection. Information on the listings of works of art in auctions is, thanks to the Internet, instantaneous and planetary. The same is true for indexes and classifications relating to the artists on the basis of the turnover achieved in auction sales, with interesting indications about the state of the market and latest popular trends. Market globalisation has probably been stimulated as well by the volatility of financial flows invested in artistic assets. Market dealers, for example, move on the basis of regulations, taxation and fiscal conditions in force in the various countries.

□ *In the Swiss art market, the general purpose of a free port or free zone is to authorize the purchase of an asset abroad, all without having to pay custom duties or VAT. These zones are actually of crucial*

*importance in this type of market; and in fact Switzerland occupies a strategic position at international level*<sup>40</sup>.

Even multinational auction houses organize their auctions in most metropolitan areas and every week a new art fair is opened somewhere in the world. The scattering of points of sale does not however exclude a high degree of market concentration. The American market alone represents almost half the global market and that of the United Kingdom a quarter. Dominant markets include New York, London and Paris.

□ *The art market has the double characteristic of being highly internationalised and concentrated only in some worldwide cities, in line with a network similar to that of the financial markets due to the interdependency of these two universes. In actual fact this spatial configuration plays a greater functional role in establishing interdependency relations between the economic, cultural and political players, as in the speed of gathering and circulation data indispensable for decisions to be taken*<sup>41</sup>.

In order to resist the auction houses' attempts at supremacy, it seems sector professionals use international fairs and exhibitions<sup>42</sup>. The large contemporary art fairs, set up at the end of the sixties, could in fact constitute one of the main tools for the international spread of art. Organized all year round between Madrid, London, New York, Chicago, Basil, Paris, Miami, etc. these fairs represent real places for dealers and collectors alike to compare, exchange, etc. The most important contemporary art fair is in Basil, Switzerland, and it appears to have contributed to the commercial rise of some movements and artists presented at the main exhibitions such as Venice Biennale and Kassel Documenta<sup>43</sup>. These fairs can also play an important role in the secondary market: sales are made from one stand to the other and comparable works of the same artist may be found proposed at different prices. Collectors and those responsible for institutions thus feel they are able to buy both quality and price. Each one of these fairs is therefore a place of intense competition between market operators, but at the same time it constitutes a welcome structure for art dealers, also giving them a vision of the global range of artwork available. Alongside the phenomenon of international fairs, art market globalisation has been widely favoured by *online* auctions. At the end of the nineties, the success of *online* auctions was immense, with both public and investors. Alongside non-specific locations, specialized sites also multiplied, including those focused solely on the sale of art objects, antiques and collector's items. By uniting with some of the auction houses with 'pedigree' pasts, specialized brand names in ecommerce, have given greater credibility to their own sales of art objects and collectors items. Doing so, the Ebay.com brand name, a leader in the emerging *online* private-to-private sales market, bought the brand name Butterfield & Butterfield, the third-largest American auction house. Having made investments to obtain art goods of high quality and managing to build a brand name recognized worldwide and in art markets, Ebay.com was thus able to open the *Great Collections* section of its web site, a section in which art objects originally from professional art dealers or auction houses are regularly put up for auction. So the auction houses appear to have sought, through *online* sales, to

enlarge potential demand both geographically and socially, reduce internal costs by diversifying commercial circuits and loyalize a customer base of dealers. Whilst Christie's auction house has been prudent in its approach to the Internet, in 1999 - and with a considerable investment - Sotheby's launched an audacious *online* sales policy. However it seems to be paying the price for this: since May 2003 the brand has closed its *online* sales business on its own Internet site, passing the task on to Ebay.com - the number one *online* sales site worldwide - where it has been hosted now for over a year. In the present state of the art market, however, it appears that sales growth on the Internet above all relates to medium or low quality goods or multiple objects<sup>44</sup>. Moreover, dealers insist on the absence of any real and proper selection of the objects put forward for sale and on insufficient guarantees in relation to their authenticity and financial value<sup>45</sup>. It is also likewise important to observe the globalisation of the artistic scene, which seems to follow in the steps of market place globalisation. In fact, during the nineties, a multicultural extension of the supply was apparent. Artistic movements from Central and Eastern Europe, Latin America, Africa, Australia and the far Eastern countries were all exported and became famous. A Chinese presence dominated the Venice Biennale in 1999; on June 24, 2000, Sotheby's organized the first public sale exclusively for contemporary African art, thus contributing to creating a real *trend* as a result (suffice to think of the itinerant exhibition to all major European capitals entitled 'Africa remix' that year, and the recent creation of specialized magazines, etc.). In connection, an institutional network dedicated to present-day works of art has been developed. In actual fact, worldwide over the last three decades, some of the museums that best represent architectural masterpieces of the twentieth century have been created in San Francisco, Los Angeles, Santa Monica, Barcelona, Balboa and London. The Guggenheim Foundation for example, seems to be going ahead in the development of a brand strategy through the umpteenth museum project conceived, in this case in partnership with the municipality of Rio de Janeiro. The phenomenon of biennales has also increased over the last ten years or so, and as a result there are currently about thirty of them, while even some important shows organized in areas once considered outlying fringe areas seem to be growing in importance. Exhibitions dedicated to global contemporary art, that is integrating the artistic productions of many different cultures, are also held more and more frequently. These events and new collaborative dynamics among artists of different origins have led to the creation of international networks constituting real international artistic breeding grounds<sup>46</sup>. On the whole, globalisation of the art market appears to have favoured an increase in supply and its revitalization, too. From the viewpoint of globalisation, and especially in developed societies, the organization and circulation of information have, however, been put forward as new conditions for effective market operations. The importance of this information, due to the size of the art market, and the choice of how to organize production and distribution, could therefore stimulate a debate on the organization of the art market, in a move both towards a truly global dimension, and also towards greater effectiveness.

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## Notes

<sup>1</sup> On this matter please refer to: R.B Coffman, 'Art Investment and Asymmetrical Information', in *Journal of Cultural Economics*, 15, 2, 1991; B.S. Frey e R. Eichenberger, 'On the Rate of Return in the Art Market: Survey and Evaluation', in *European Economic Review*, 39, 1995.

<sup>2</sup> Cf. G. M. Golinelli, *L'approccio sistemico al governo dell'impresa*, Cedam, Padova, 2002; M. Gatti, *Approccio Sistemico e Governo dell'Impresa*, Centro Studi di Tecniche Aziendali, Università degli Studi di Salerno, Salerno, 1999; Gastone Ceccanti, *Gli scambi d'impresa*, Colombo Corsi, Pisa, 1962.

<sup>3</sup> It was decided to use the term 'work of art' with reference to the distinction made by Tamburini, so that by this term reference is made exclusively to the objects belonging to the visual/figurative arts: '...speaking of markets for artistic assets, the objects of same could be defined, similarly to that done for example for industrial goods, as the product of an artistic activity, but this would not help, as in this case a consolidated definition to which to refer to does not come to our aid, as it does in industry'. In actual fact '...there are impressionistic recalls to a vast and open debate on the subject, which can only strengthen the idea of the practical need to turn to a definition of what can be included under the expression 'art markets' and therefore 'works of art'. Conventionally, the artistic sector can be divided into performing arts and visual arts; this latter category in turn can then be split into historical-cultural assets – the existing stock – (cultural heritage) and fine arts which can be translated into everything else'. The art markets refer to partitions of these latter two categories and they are markets in the sense that there is an exchange of goods commonly deemed 'art', whether these be derived from the cultural heritage (artistic stock) or obtained as products year by year'. See Gualtiero Tamburini, in: a cura di Guido Candela e Monica Benini, *Produzione e circolazione dell'informazione nel mercato dell'arte*, Clueb, Bologna 1997, pp.15-17.

<sup>4</sup> Cf. S. M. Brondoni, *Politiche di mercato dei beni industriali*, Giuffrè, Milano, 1983; J.J.Lambin, *Marketing strategico e operativo*, McGraw-Hill Italia, Milano, 2000; P. Onida, *Economia d'azienda*, Utet, Torino, 1965.

<sup>5</sup> Cf. A. Raspi, *Arte e mercato. Aspetti del mercato dell'arte contemporanea. Il caso del quadro*, Artemide, Roma, 1997.

<sup>6</sup> Exhibitions are quoted here as they are containers for these goods and optimum tools for their distribution.

<sup>7</sup> See A. Raspi, *Arte e mercato. Aspetti del mercato dell'arte contemporanea. Il caso del quadro*, cit., pg.17.

<sup>8</sup> Cf. C. Vallini, *Il mercato dei quadri degli autori contemporanei: aspetti tecnico-economici*, Tipografia Coppini, Florence, 1983.

<sup>9</sup> Cf. J. Mei e M. Moses, 'Art as an Investment and the Underperformance of Masterpieces', in *Working Paper*, Stern School of Business, NYU, 2001; E. J. Pesando, 'Art as Investment: the Market for Modern Prints', in *American Economic Review*, 83, 1993; G. Reitlinger, *The Economics of Taste*, Barrie and Rockliff, London, 1971.

<sup>10</sup> Cf. G. Tamburini, in, a cura di Guido Candela e Monica Benini, *Produzione e circolazione dell'informazione nel mercato dell'arte*, cit.

<sup>11</sup> See F. Poli, *Il sistema dell'arte contemporanea*, Laterza, Bari, 1999, p.47.

<sup>12</sup> Cf. S. M. Brondoni, 'Patrimonio di marca e gestione d'impresa', in *Brand Equity, Symphonya, Emerging Issues in Management*, Issue 1, 2000-2001, pp.11-32.

<sup>13</sup> Cf. C. Vallini, *Il mercato dei quadri degli autori contemporanei: aspetti tecnico-economici*, cit.

<sup>14</sup> See A. Nocentini, 'Caratteri ed elementi di base per la stima delle opere d'arte', *Atti dell' VIII Incontro del Centro Studi di Estimo*, Florence, 1978, pg.12.

<sup>15</sup> See C. Vallini, *Il mercato dei quadri degli autori contemporanei: aspetti tecnico-economici*, cit., pg.61.

<sup>16</sup> Cf. S. M. Brondoni, *Brand Policy and Brand Equity*, cit.

<sup>17</sup> Cf. L. Solima, *La gestione imprenditoriale dei musei*, Cedam, Padua, 1998.

<sup>18</sup> Cf. A. Raspi, *Arte e mercato. Aspetti del mercato dell'arte contemporanea. Il caso del quadro*, cit.

<sup>19</sup> Cf. G. Tamburini, in, a cura di G. Candela e M. Benini, *Produzione e circolazione dell'informazione nel mercato dell'arte*, cit.

<sup>20</sup> Cf. N. Gavioli,, 'L'arte dell'incanto rende bene', in *Mondo Economico*, n.6, 1982.

<sup>21</sup> Cf. S. Botti, 'What Role for Marketing in the Arts? An Analysis of Arts Consumption and Artistic Value', in *International Journal of Arts Management*, V.2, n.3, 2000.

<sup>22</sup> Cf. H. Bellet, *Le marché de l'art s'écroule demain à 18h30*, Nil, Paris, 2001; G. Stern, 'Making Art Buying More Accessible', in *Link Up*, May-June, 1996; S. Veneziani, 'E' finito anche il boom dell'arte', in *Espansione*, n.78, 2000.

<sup>23</sup> Cf. S. Ricossa, (a cura di), *I mercati dell'arte. Aspetti pubblici e privati*, Allemanni, Turin, 1991.

<sup>24</sup> Cf. F. Bordieri, 'Intervista al direttore della Sotheby's Italia', in *L'Europeo*, December 13 2002.

<sup>25</sup> See S. Sciarelli, *Il sistema dell'impresa*, CEDAM, Padua 1988, pg.78.

<sup>26</sup> See A. Villani, *L'economia dell'arte. Mercato e piano*, Vita e Pensiero, Milan, pg.104.

<sup>27</sup> Cf. N. Gavioli, L'arte dell'incanto rende bene, in *Mondo Economico*, n.6, 1982.

<sup>28</sup> Cf. M. Fase, Purchase of Art: Consumption and Investment, in *The Economist*, Vol.144, n.4, 1996.

<sup>29</sup> Cf. J. D. Stanford, Optimal Marketing and Pricing Strategies in Contemporary Visual Arts for Artists and Dealers, in *Première Conférence Internationale sur la Gestion des Arts*, HEC, Montréal, Canada, Août 1991.

<sup>30</sup> Cf. D. Throsby, The Production and Consumption of the Arts: A View of Cultural Economics, in *Journal of Economic Literature*, Vol. XXXII, n. 1, 1994.

<sup>31</sup> Cf. P. Gillard, Shaping Audiences Online: Principles of Audience Development for Cultural Institutions, in *Media Information Australia incorporating Culture and Policy*, n. 94, February, 2000; C. S. Hofacker, *Internet Marketing*, John Wiley & Sons, New York, 2001; D. Hoffman e T. Novak, 'Marketing in Hypermedia Computer-Mediated Environments: Conceptual Foundations', in *Journal of Marketing*, July, n. 60, 1996; D. Plotnikoff, *Buying Fine Art on the Web Is a Work in the Making*, [www.freep.com](http://www.freep.com), August 2003; P. Sealey, How E-Commerce will Trump Brand

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<sup>32</sup> Cf. A. Bamberger, *Art Websites that Works*, [www.artbusiness.com](http://www.artbusiness.com), October 2003.

<sup>33</sup> Cf. R. Vadon, Strengthening Cultural Links, in *Communications International*, June 1995.

<sup>34</sup> Cf. P. Klebinikov, Art's Big Bang, in *Forbes*, August 2003.

<sup>35</sup> Cf. J. Taylor, Museums and Galleries on the Internet, in *Internet Research: Electronic Networking Applications and Policy*, Vol.25, n. 1, 1995.

<sup>36</sup> Cf. R. Vadon, Strengthening Cultural Links, cit.

<sup>37</sup> Cf. C. Pepe, Il doppio sistema distretto/canale nei percorsi internazionali delle piccole imprese, in Gaetano Esposito (a cura di), *La globalizzazione dei piccoli. Fattori di competitività e promozione dell'internazionalizzazione delle pmi*, Franco Angeli, Milan, 2003; C. Pepe, Connotati organizzativi dell'impresa per il mercato globale, in *Sinergie*, n.60, CUEIM, Padua, 2003.

<sup>38</sup> Cf. M. Porter, *Competitive Advantage*, The Free Press, New York, 1982.

<sup>39</sup> Cf. H. Mercillon, Le marché de l'art contemporain, in *Commentaire*, n.79, 1997.

<sup>40</sup> Cf. S. Guex, Le marché suisse de l'art (1886-2000), in *Traverse*, Zurich, Chronos Verlag, n. 1, 2002.

<sup>41</sup> Cf. P. Menger, L'hégémonie parisienne. Économie et politique de la gravitation artistique, in *Annales ESC*, nov./déc., 1993.

<sup>42</sup> Cf. W. Grampp, *Pricing the Priceless: Art, Artists and Economics*, New York, Basics Books, 1989.

<sup>43</sup> Cf. V. Noce, *Descente aux enchères. Les coulisses du marché de l'art*, Paris, Lattes, 2002.

<sup>44</sup> Cf. M. Sullivan, Will the web emancipate artists from their bondage to dealers? in *Forbes*, May 22, 2000.

<sup>45</sup> Cf. L. Enos, Report: B2B Still Driving e-commerce, in *E-Commerce Times*, February, 2003, ([www.ecommercetimes.com](http://www.ecommercetimes.com)).

<sup>46</sup> Cf. A. Quemini, *La dimension territoriale de l'art contemporain*, in *Pratiques*, n.1, 2002.