

Erasmus University Rotterdam

School of History, Culture and Communication

Master in Arts and Culture Studies

Specialization Cultural Economics And Entrepreneurship

DE GUSTIBUS NON EST DISPUTANDUM?

Factors Related to Cultural Consumption Patterns

Thesis for honour of Master of Arts

Author: Eugenijus Kaminskis

Student number: 368599

Supervisor: dr. Claartje Rasterhoff

Co-reader: MFA Diane Ragsdale

Rotterdam, 2014

Table Of Contents

TABLE OF CONTENTS	2
INTRODUCTION	5
1. LITERATURE REVIEW	9
1.1 THEORETICAL FRAMEWORK	10
1.2 THE NATURE OF CULTURAL CONSUMPTION	11
1.3 MECHANISMS BEHIND CULTURAL CONSUMPTION	12
1.4 CULTURAL CONSUMPTION IN PRACTICE: VISUAL ART MARKETS	20
1.5 VISUAL ARTS MARKET IN LITHUANIA	21
1.6 CONCLUSIONS	24
2. MEASUREMENTS	26
2.1 RESEARCH AIM, METHOD AND QUESTIONS	27
2.2 ADVANTAGES AND DISADVANTAGES OF SELECTED METHOD	28
2.3 EXPLORATORY ANALYSIS OF CULTURAL CONSUMPTION RATES AND GENERAL ECONOMIC CONTEXT	29
2.4 CULTURAL CONSUMERS SURVEY ANALYSIS	30
2.5 COMPLEMENTARY ANALYSIS: EXPERTS INTERVIEWS	37
3. CONSUMPTION OF VISUAL ARTS IN LITHUANIA	40
3.1 THE PRIMARY VISUAL ARTS MARKET	41
3.2 THE SECONDARY VISUAL ARTS MARKET	44
3.3 CONCLUSIONS	46
4. GENERAL ECONOMIC BACKGROUND OF LITHUANIA	47
5. VISUAL ARTS CONSUMERS SURVEY	53
5.1 PILOT STUDY	54
5.2 STATISTICAL ANALYSIS	54
5.3 RESULTS	57
5.4 CONCLUSIONS	64

6. EXPERTS INTERVIEWS ANALYSIS	67
6.1 ECONOMICS	68
6.2 LACK OF TRADITION	69
6.3 LACK OF MEDIA ATTENTION	70
6.4 CULTURAL CONSUMPTION AS A TREND	70
6.5 EDUCATING A CULTURAL CONSUMER	71
6.6 CONCLUSIONS	72
7. DISCUSSION	73
7.1 EXPLORATORY ANALYSIS OF CULTURAL CONSUMPTION RATES AND GENERAL ECONOMIC CONTEXT	74
7.2 CULTURAL CONSUMERS SURVEY ANALYSIS	76
7.3 COMPLEMENTARY ANALYSIS: EXPERTS INTERVIEWS	78
7.4 CONCLUSIONS AND LIMITATIONS	79
8. RECOMMENDATIONS	80
8.1 UNDERSTAND YOUR ROLE IN THE ART MARKET	81
8.2 EDUCATE YOUR AUDIENCE	82
8.3 MAKE CULTURE MORE ATTRACTIVE	83
8.4 CONSIDER THE DUALITY OF CULTURAL CONSUMPTION	84
BIBLIOGRAPHY	85
APPENDICES	92
APPENDIX A: INTERVIEW GUIDE	93
APPENDIX B: DATA FROM ARTVILNIUS '09, '11, '12	93
APPENDIX C: DATA VILNIUS AUCTION HOUSE (2007 - 2013)	94
APPENDIX D: GENERAL ECONOMIC CONDITIONS IN LITHUANIA	96
APPENDIX E: THE SURVEY: CULTURAL CONSUMPTION PATTERNS IN LITHUANIA	99
APPENDIX F: TRANSCRIPTS OF INTERVIEWS WITH EXPERTS (ENGLISH TRANSLATION)	104
APPENDIX G: TABLE OF INTERVIEWS (ENGLISH TRANSLATION)	114

DE GUSTIBUS NON EST DISPUTANDUM?

Factors Related to Cultural Consumption Patterns

Abstract

The thesis researches a nature of cultural consumption and how economic, social and cultural factors are related to its patterns. A case study of Lithuanian visual arts market shows that existence of the essential economic environment does not imply higher cultural consumption rates. Further investigation tests the hypothesis whether social and cultural factors can predict cultural consumption patterns better than economic factors alone. The quantitative data analysis of a consumer survey accompanied by qualitative analysis of experts' interviews confirms the hypothesis. It suggests that holistic approach incorporating not only economic, but also social and cultural perspectives must be applied when analysing cultural consumers' behaviour.

Key words: *Cultural consumption, social capital, cultural capital, economic capital, taste patterns, social stratification, visual arts market, Lithuania.*

Introduction

Consuming art is the same thing as falling in love

- *Nohra Haime*

Consumption of culture differs from the consumption of other goods. It takes the consumer from everyday life and gives a shelter from practical intercourse with the world. On the other hand, culture is still being consumed as any other commodity, and its lexicon and ways of functioning have to obey to laws of the market. Here, the duality of cultural consumption emerges. Though it is an expression of human creativity, spirituality and transcendence, it still remains confined to the material form. Two conflicting sides reside in the world of culture: tangible and intangible, market and artistic. Maybe this duality represents the paradoxical nature of human beings, where material and spiritual sides encounter.

Neo-classical economy reduces cultural consumption from a vast sphere of human emotions and complex interrelations into a simple scheme of production, cost and transaction. Changes in cultural consumption are explained by reducing it to the price, because the price is thought to be a perfect representation of the value. The rational perspective describes cultural goods as manufactured products, which can be bought and sold. This definition works while describing arts market and transactions in it, but it does not sufficiently explain why people consume or do not consume culture. It fails to recognize the duality of cultural consumption, together with values and motivations that do not fall under the rational market's logic. It holds the position that demand is sensitive to measurable characteristics of the supply side, and *de gustibus non est disputandum*¹. One of the biggest challenges of cultural economics is to disturb this fictitious stability of cultural consumption patterns and expose the complexity and irrationality behind its motives.

The aim of this research is to understand what shapes cultural consumption patterns. I will go after this big question by transforming it into a quantifiable research of 'What are the main predictors related to consumption patterns of visual arts in Lithuania?' A field of visual arts is chosen because it retains the duality of cultural consumption. In particular, the authenticity of original artwork is very important, and no reproduction can replace this experience. Next to it, visual artworks are tangible

¹ English: "There is no accounting for taste". A Latin maxim famously quoted by character Mitya in Dostoyevsky's "The Brothers Karamazov"

commodities and they can be exchanged and owned. So both, artistic and market qualities of visual arts can be quantified and studied. While the case study of Lithuania is chosen from the personal interest. Lithuanian visual arts market is in a very interesting stage of emergence, and all developments are only starting there. The topic of Lithuanian visual arts market did not get much attention neither from academia, not from the business side. In fact, there are many countries as Lithuania in the world with the similar situation in their art markets. They have a potential demand for culture but for some reasons it is not realized yet. Investigating how economic, social and cultural factors are related to visual arts consumption patterns in Lithuania could help formulating suggestions for Lithuanian and similar markets in order to increase cultural consumption. Until now, the stagnation in visual arts market is usually explained by poor economic situation and lack of purchasing power. This research will go beyond the investigation of economic conditions alone.

I have always been interested in irrational methods of explaining reality. My thesis for honor of BA in Philosophy was analyzing fundamental role of irrationality in human experience of the world. Surprisingly, when I started a Master program in Cultural Economics and Entrepreneurship, I have noticed many overlapping themes in several courses. I started searching for ways of how my previous knowledge could be broadened and applied in the field of cultural economics. Simultaneously, I approached all the assignments from the philosophical perspective and started building up a foundation for this research. The approach emphasizing irrationality of organizational and consumer behavior in cultural economics gave a unifying theme for the whole Master studies and an interdisciplinary quality for my assignments.

Researching such a complex topic and multidimensional set of factors requires taking different perspectives, adopting mixed methodology and interdisciplinary approach. The quantitative analysis of statistics will explore measurable properties of sources from primary and secondary visual arts markets, together with indicators of general economic conditions in Lithuania. While qualitative part in a form of cultural experts' interviews analysis will explain how these properties come about and what the relations between them are. The application of holistic method should expose its strengths and weaknesses, which may be useful for future studies of cultural consumption.

Synthesizing available statistical data, surveying a demand side, and interviewing the experts will be beneficial for understanding the situation in

Lithuanian visual arts market and what influences cultural consumption patterns in general. It is interesting to see where the market is going and what can be done to steer it to the right direction. Results are expected to help formulating general recommendations towards improving the situation in the market. Findings of this research can be used in the future either for further academic research, arts marketing or cultural policies.

1. Literature Review

In this chapter I will position the research in a theoretical framework, introduce philosophical assumptions supporting it, analyse most influential academic contributions to the topic of cultural consumption, go into a more detailed analysis of sub-topics of taste patterns, cultural products, mechanisms behind cultural consumption, characteristics of cultural consumers, social capital, and cultural capital. In the end, I will introduce how cultural consumption functions in a real life example of visual arts market in Lithuania. The aim of this chapter is to introduce the main concepts and theories, which will be tested in the forthcoming chapters.

1.1 Theoretical Framework

1) Two Paradigms: Freedom of Choice and Social Determinism

First attempts to explore the area of cultural consumption date from the 1980s (Holbrook & Hirschman, 1982). Since then researchers position themselves between two academic traditions, emphasizing different mechanisms. The first tradition assumes that consumption preferences are created in the interaction of the consumer's personal characteristics and the social environment (Katz-Gerro, 2002). From this perspective people can choose their consumption preferences (Tomlinson, 2003). In this paradigm, individual personality traits, psychological and cognitive characteristics are thought to be most important in the decision making process. It emphasizes freedom to choose cultural consumption patterns and highlights the significance of personal preference.

The second approach states that cultural consumers are very much influenced by their social surroundings. The theoretical framework suggests that consumers are not independent actors (Bourdieu, 1984; Erickson, 1996; Shrum, 1991; Throsby, 1994; K. Van Eijck, 2000). This approach emphasises unconscious behaviour, which is implemented in early socialisation practices. This perspective originates from the structural social science. It emphasises the dependency of consumption patterns on factors that are not in the control of a consumer. From this point of view a consumer is more or less bound to follow consumption patterns that are predetermined by complex elements that stratify the society.

2) Research Positioning Statement

This research positions in second paradigm of social determinism, and assumes that cultural consumption is embedded in social characteristics and interaction rather than being carried out by atomised actors. Determinism is a term usually used pejoratively to describe an argument or methodology that simplistically reduces causality to a single set of factors acting more or less directly to produce outcomes². In social research of cultural consumption this position puts a strong emphasis on a relationship between social, cultural and economic factors and behaviour of consumers. This approach “generally pursues better understanding of the consumer as a whole person, and attempts to measure numerous aspects of the way he or she lives, <...> the things that interest the consumer most, and his or her opinion on various topics” (Edris & Meidan, 2006). It is an effort to quantify a consumers’ psychological dimension while analysing a complex process of cultural consumption. But first, in order to analyse the consumer behaviour, it is crucial to understand the nature of cultural consumption.

1.2 The Nature of Cultural Consumption

Cultural consumption is “a social, cultural, and economic process of choosing goods” (Colbert, 2003). Elements of this process relate to cultural consumption patterns and consumers’ behaviour. It must also be noted that “consumption of cultural goods is not really consumption” (Klamer, 2002). It is more like experience, passing time, aesthetics, intellectual challenge or activity (Klamer, *ibid*). It is a "form of fruition of material and non-material goods that results both in momentary enjoyment and in the accumulation of a cultural experience" (Scandizzo, 1993). Cultural consumption does not end with transaction alone, and ranges from trivial hedonic pleasure to deep transcending states of consciousness. In this experience “individuals collect past meanings, negotiate future meanings, and assemble present meanings of cultural constructs such as family, religion, gender, age, and tradition through their participation in particular consumption behaviours” (Venkatesh & Meamber, 2006). While researching cultural consumption it is essential to keep this duality in mind.

² Patton, M. Q. (2013). Encyclopedia of Social Science Research Methods. *SAGE Publications*.

The economic value of a cultural product is rooted in its marginal utility. It is the price a consumer is willing to pay for it. Meanwhile, cultural and social values of the product are connected to an emotional side of consumer. Throsby (1994) explains how this psychological aspect of cultural consumption develops: “Every unit of cultural output is different from others. Cultural products are an extreme case of a heterogeneous commodity. They can be copied but not reproduced, in the sense that ultimately there is only one unique original of every work of art” (Throsby, 1994). This heterogeneity adds not only economic but also a symbolic value. The value of a cultural good is negotiated and established socially, i.e. it is socially instituted, and consumers’ behaviour is a part of complex set of causes and consequences (Bourdieu, 1993).

In addition to symbolic and emotional aspects, cultural consumption also has other characteristics that cannot be explained in economic terms. Cultural consumption is also a tool for the cultivation of the self, quintessential part of one’s intellectual, spiritual and aesthetic development (Bermingham, 1995; Lovell, 1995); together with enjoyment, pleasure or escape (Stokmans, 1999). It can be an instrument for social inclusion, community development and regeneration (Kerrigan, O’Reilly, & Lehn, 2009); strengthening national and collective identity, and improving the general culture in society (Tucakov, 2012). At the same time, it may set social boundaries and preserve current social status (Bourdieu, 1984).

People express who they are via cultural consumption. As an experience it is embedded in the society, and it is impossible to see cultural consumption as an isolated object. The heuristic and theoretical separation of culture, creator, consumer and society is not possible in life (Alexander, 2003).

1.3 Mechanisms Behind Cultural Consumption

The experience of desired outputs from cultural consumption requires certain inputs from a consumer. According to Swartz (1997), cultural consumption contrasts greatly with material consumption, where goods can be consumed without greater knowledge or apprehension of their meaning. It is not just a mere receiving. Symbolic dimension requires an active cognitive engagement. In order to consume “one needs to take action into one’s own hands, whereas in order to receive one can passively open all

one's senses, and wait for content to be sent one's way" (A. Sullivan, 2001). Thus, it is not static but a very interactive exchange with specific mechanisms behind it.

Several studies tried to explain the interrelation between education, gender, age, income, and cultural consumption patterns (Swanson, Davis, & Zhao, 2007). Researchers have looked at various criteria, such as demographic characteristics, signifiers of economic, social and cultural capital. Defining these criteria in relation with cultural consumption may help to improve the understanding of what drives the decision making of cultural consumers.

1) Taste Patterns and Habitus

"Consumption of creative goods, like all other goods, depends on 'tastes', but for creative goods those tastes emerge from distinctive processes. People invest in developing and refining their tastes for creative goods. They consume them in social contexts" (Caves, 2000). Taste is the essential part of cultural consumption. It is "the faculty of perceiving flavours" and "the capacity to discern aesthetic values", which are directly "linked to a sense of the social structure." (Bourdieu, 1984). The easiest way to empirically analyse tastes is in the form of patterns. Taste patterns are seen as a set of items having a general, constant character even though the actual items within the pattern may change over time (Peterson, 1983). They are "regularities in consumer behaviours, operationalized as the consumption of particular categories of leisure activities" (Holt, 1997). Differences between various taste patterns could be a good indicator of differences in society. Van Eijck (2000) suggests that researchers should focus on how distinct patterns describe various categories of society and to what extent these categories differ from each other.

Bourdieu (1979) investigated why patterns of cultural consumption vary significantly between different social groups. In cultural preferences, lifestyles and tastes are class-dependent. Individuals who come from different social environment acquire different kind of psychological, emotional, cognitive, conceptual, normative and language structures that dispose them towards a preference for certain types of tastes and lifestyles and restrain them from access to others (Bourdieu, 1984). Developed way of consuming culture or *habitus* becomes a mean to keep or improve the current social position or a barrier to change it.

According to Bourdieu (1984), people with a different *habitus* simply do not have the same opportunities, despite the fact that they have equal formal and judicial

rights as citizens. In the top positions of this hierarchy usually are individuals from business industries with high economic capital, and professional academics or artists with high cultural capital. Altogether they form a social, cultural and economic *elite*, which has the power to define what is ‘good’ or ‘bad’ taste in cultural matters and lifestyles (Bourdieu, 1984). Below the top level audiences, there is a middle class public, which is constituted from individuals who possess “the good cultural will” to move upwards the social ranking by following the patterns dictated by the upper class (Bourdieu, 1984). This kind of social movement is possible by exchanging cultural capital to social or economic capital. At the same time, by adopting the cultural practices of the class below, the middle-class can lose current social status and move down the social ladder. On the bottom of social hierarchy Bourdieu pictures individuals who have restricted access to economic and cultural resources. It is mostly labourers and unskilled workers who follow the patterns dictated from above.

In order to better understand cultural consumption, it is critical to look into the interests of those with restricted access to economic and cultural resources or non-consumers (Chan & Goldthorpe, 2007, 2010; López & García, 2002, 2004; Swanson et al., 2007). The two questions of utmost interest are why do people consume or not consume the arts and, among those who do not, what can be learned about differences in motivations (Colbert, 2003). Necessary determinants for cultural consumption may also become barriers for it.

2) Socio-demographic Characteristics

Description of the audience is a necessary first step when researching cultural consumption. Many researchers acquired marketing orientation, in terms of following a simple description of cultural consumptions and behavior related to it. Demographic characteristics of the consumers are studied in connection with demand elasticity. This type of research is quite popular because of its advantage of measurability. This allows for an appearance of snowball effect, as the main variables can be found in practically all studies, and thus, be easily combined and compared. It also allows comparison with public statistical data. Variables such as income, place of residence, education and occupation have been taken as indicators of stratification in the society. They are expected to determine any lifestyle behavior including patterns of cultural consumption (Chan & Goldthorpe, 2007). Different researches highlight distinctive factors.

First of all, many studies emphasize the relationship between consumers' financial capacities and patterns of cultural consumption (Böröcz & Southworth, 1996; Katz-Gerro, 2011; McCarthy, Ondaatje, Szántó, & Brooks, 2005; O'Hagan, 1996; Throsby, 1994; Uusitalo, 1987; Uusitalo & Jyrämä, 1992; Virtanen, 2007). It is believed that countries with larger, more stable art flows exhibit stronger correlations with permanent income (Mandel, Ginsburgh, & Throsby, 2010).

Secondly, in some studies place of residence is found to have impact on cultural consumption patterns (Bihagen & Katz-Gerro, 2000; Chan & Goldthorpe, 2007; Katz-Gerro, 1999, 2011). Particularly, residents of capital and larger cities seem to participate in cultural consumption more actively.

Next to it, there is an assumption widely shared in the social stratification literature that occupation indicates dependence to a particular social class and status, and plays a major role in social placement (Alderson, Junisbai, & Heacock, 2007; Peterson, 1992; Uusitalo, 1987). It is thought that individual's values and tastes form in connection with one's work. Accordingly, status order forms particular patterns of cultural consumption. In the end, education is by far the most important predictor of cultural consumption patterns indicated in the literature (Bryson, 1997; Chan & Goldthorpe, 2007; Colbert, 2003; Erickson, 1996; Katz-Gerro, 1999; Lizardo & Skiles, 2008; McCarthy et al., 2005; O'Hagan, 1996; Simmel, 1922; Uusitalo, 1987). School socialisation as an extension of parental upbringing has a major effect on individual's ability to decode culture. It enhances "individual psychological attributes, such as information processing capacity that can independently exert an influence on cultural consumption" (Chan & Goldthorpe, 2010). As information processing capacity increases, cultural competencies grow accordingly. Individuals must learn to "read" an artwork just as they must learn to read the written word. Indeed, a work of art only exists as such for a person who has the means to appropriate it, or in other words, to decipher it (Dimaggio & Useem, 1978). Education provides an individual with the means to interpret, understand and appreciate culture. This appreciation is related to the context in which culture is presented, and the context is generally more familiar to the educated part of society. Thus, consumers with higher educational levels are more likely to find pleasure or challenges in processing complex information, such as the fine arts or other forms of high culture, because similar skills were needed in schooling (Erickson, 1996).

3) Social Capital

The demand for art cannot be adequately estimated without also considering 'lifestyle' variables or non-standard socioeconomic factors (Seaman, 2006). Bourdieu (1990) suggests that different patterns of cultural consumption are based on social hierarchy rather than demographic characteristics. Since Loury (1977) introduced the concept of social capital into social sciences, and Coleman's (1988) seminal study placed it at the forefront of research in sociology, it has been used in the social science literature to understand individual and group differences (Durlauf & Fafchamps, 2004; Katz-Gerro, 1999; Warde & Tampubolon, 2002). Generally perceived as referring to the social relationships that affect personality, social capital is also used to explain cultural consumption. The concept of social capital is widely explored in both the theoretical and applied social science literature. However, a lot still remains uncertain. Considerations of the measurements inevitably reflect the conceptual debates about social capital itself. Location in the social hierarchy depends on many aspects, such as networking activities, community involvement, charity work, and political activities (Grootaert, Narayan, Jones, & Woolcock, 2003). The indicators of social capital mostly used in the literature will be presented in the upcoming paragraphs.

Cultural consumption is a ritual focused on social relationships (Gainer, 1995). It fills social needs of socialisation, community involvement and networking. Networking describes personality of an individual, and his or her ability to accumulate social capital. This is the category that is most commonly associated with social capital. It is indicated in literature that there is a strong empirical basis for the notion that social capital emanates from the networks that individuals are embedded in (Baum & Ziersch, 2003; Brown & Ferris, 2004; Grootaert et al., 2003; Warde & Tampubolon, 2002). In other words, consumers' friends, colleagues and neighbors influence their patterns of consumption.

Other proxy of social involvement is political activities, such as voting. From the *bourdieuan* perspective voting is a group-based collective action. It is a social responsibility that includes cooperating in activities that affect group wellbeing. Thus, it is a sign of social responsibility, and overall levels of social capital (Grenier & Wright, 2003; Grootaert et al., 2003). It is found that people who are more active politically are also more active in cultural consumption.

The other indicator of social capital is voluntary or charity work. It refers to activities in which people donate their time and effort for an altruistic cause. It is observed that consumers who ever gave voluntary or charity work do also score higher in cultural consumption, because it has an impact on ability to accumulate social capital (Baum & Ziersch, 2003; Grenier & Wright, 2003).

4) Cultural Capital

Social capital may reflect cultural preferences and provide easier access to cultural capital. Accordingly, cultural capital can serve as a instrument of transmission of social status (Georg, 2004). They are closely interrelated because cultural capital is an important mechanism of social reproduction, and may help to move in the social hierarchy. It can be exchanged into the social capital, and in turn be used to gain economic capital. Being closely related to social background, cultural capital involves being able to move beyond a 'naive gaze' to an informed understanding of cultural artefacts and practices (Bryan, Turner, & Edmunds, 2002).

Cultural capital may exist in two forms, tangible and intangible (Throsby, 2003). Tangible cultural capital is objects of art, heritage or culture. While social scientists understand cultural capital in a different way (Alderson et al., 2007; Bourdieu, 1984; Colbert, 2003; Dimaggio & Useem, 1978; Dobbs, 1979; Gill, 1987; Köster & Arroyo, 2000; McCarthy et al., 2005; O'Hagan, 1996; Uusitalo, 1987; K. Van Eijck, 2000). Intangible cultural capital may consist of traditions, values, beliefs and knowledge, specific to particular individual or group. Following the Bourdieu's notion of cultural capital, it refers to individual abilities of appreciating culture (Bourdieu, 1984). Thus, cultural capital can be defined as an asset, which embodies, stores or gives rise to cultural value in addition to whatever economic value it may possess. It is an effort to recognise the distinctive features of cultural goods (Throsby, 2003). Cultural capital involves knowledge about culture, a high degree of sophistication, and know-how (Holt, 1998). Distinctively from social capital, cultural capital is the one, which the individual is able to control (Becker, 1996). The problem of measurement of cultural capital is the main limitation in any research. The main measurable indicators of cultural capital found in the literature are command of foreign languages, engagement in creating any type of art, television viewing, book reading, and cultural attendance in childhood.

To begin with, language is probably the most direct manifestation of an individual's cultural capital. It is closely related to education and is an important indicator of ability to accumulate cultural capital. A positive connection between command of foreign languages and cultural participation is observed (De Graaf, De Graaf, & Kraaykamp, 2000; A. Sullivan, 2002).

Some researchers study relationships between engagement in creation of art and cultural consumption. According to Colbert (2003), practising an art form as an amateur is one of the factors that affect adults' cultural preferences. In cultural consumption there is no clear demarcation line between consuming and producing. Amateur creators build up or create material or nonmaterial cultural products, either for an audience or for a private pleasure or aim, either in organized or in not organized context. Since very similar experiences are involved either producing, either consuming art, usually a positive relation is detected (Colbert, 2003; Morrone, 2006; Uusitalo, 1987).

Next to it, television can affect consumer behaviour by associating certain symbols with particular social groups (Köster & Arroyo, 2000; Kraaykamp, Van Eijck, Ultee, & Van Rees, 2007; Morrone, 2006). It can emphasize certain versions of social reality forming opinions and attitudes of its viewers, and thus influencing patterns of cultural consumption. Attitude is a settled way of thinking about something, typically one that is reflected in a person's behaviour. In realm of culture, attitude is "a learned and relatively enduring evaluative system of affective predispositions held toward art referents" (Morris & Stuckhardt, 1977). Though people tend to hold on the previously acquired attitudes, it can also be changed. New attitudes can be obtained, and previously held attitudes can be strengthened, or transformed. Attitudes are affective in nature, and have strong association with emotions, which motivate behaviour as a response, and forms particular behavioural patterns. In a modern society television and media in general are very important agents influencing attitudes of the consumers.

It is also believed that book reading can reflect consumer preferences (Kraaykamp et al., 2007; Morrone, 2006; A. Sullivan, 2002) (Lovell, 1995; Stokmans, 1999). It is observed that individuals who read more books on their leisure time incline to consume more culture in general. Book reading develops analytic and cognitive skills. It is also usually available for everyone. While at universities others largely dictate information, reading allows a free choice. It is a personal developing

cognitive skill, which can reflect true preferences of a consumer including his/her cultural consumption patterns.

In the end, family upbringing is indicated as being extremely influential on the ability to understand cultural contexts. Cultural competences and interests partly develop in the home environment and tend to accumulate later on. Due to addictive character of cultural consumption, past consumption influences the future behaviour (Alderson et al., 2007; Bourdieu, 1984; Colbert, 2003; Dimaggio & Useem, 1978; Dobbs, 1979; Gill, 1987; Köster & Arroyo, 2000; McCarthy et al., 2005; O'Hagan, 1996; Uusitalo, 1987; K. Van Eijck, 2000). This accumulation is reflected in consumption behaviour, both in quantity and quality. An early exposure to culture influences the taste in adulthood. In general, tastes and preferences are believed to be set before the age of twenty (Kolb, 2001). Therefore many researchers stress the importance of family upbringing and early exposure to culture in relation with cultural consumption patterns. The ability to appreciate culture is inherited, and "rather than a gift of nature, it is the product of upbringing"(Alderson et al., 2007). There is a significant intergenerational continuity in patterns of cultural consumption. Individuals lacking suitable family upbringing may be unable to appreciate culture throughout their lives. Family is not only a base for the social reproduction of class and status but of an assurance of taste inheritance between generations (Bourdieu, 1984; Dimaggio & Useem, 1978). A family institution ensures that specific sets of values, knowledge and skills are transferred to a next generation (Alexander, 2003). Culturally educated families put conscious effort to pass their cultural knowledge to further generations. Therefore, children from higher social status families tend to have more sophisticated taste for culture and accumulate cultural capital easier (Erickson, 1996). Van Eijck (2000) sees earlier experience in cultural consumption as potentially more important than a later education in life. According to O'Hagan (1996), people with similar educational attainment, but different early exposure to culture, will have different consumption patterns in the future.

On the other hand, some scholars disagree with the central importance of family upbringing. They think that it is not enough just to be born in a culturally educated family. According to Peterson (1983, 1992, 2004), sometimes it may be impossible to decide where an inclination for culture is learned. When social mobility is easier than ever, individuals possessing high social status came from the families of lower status. Van Rees, Van Eijck & Knulst (2004) note that some young and well-

educated individuals do not develop high-level taste for culture as they are expected to. The early influence of family is just one factor among others and is not so influential. These differences, even if they could be demonstrated, are likely to be slight when compared to the differences by education.

5) Lack of Consensus

In the end, there is no consensus on which factor dominates in stimulating or preventing cultural consumption. Different authors single out different demographic, social and cultural features that stratify cultural consumption patterns within the society. There is a strong interrelation, and a strict separation between factors is impossible in real life. However, in theory they all help to describe different characteristics of cultural consumers, which can be studied in relation with cultural consumption. The categorization and overview of the ones that are most frequently found in the literature will help to operationalize and empirically test them in case of visual arts market in Lithuania.

1.4 Cultural Consumption in Practice: Visual Art Markets

The art market is a place where cultural consumption comes to practice. In a broad sense, it is a platform where producers, distributors and consumers come together for exchanging artworks and money. The art market is made of interrelated members, such as galleries, auction houses, different types of consumers, media, critics, academics, artists, and governmental institutions. All of its members are interrelated and forms a networked structure. The final outcome of this network and the main object of cultural consumption – cultural product – is possible only by their interaction. A global art market can be seen as a series of closely related markets, characterized by geographical, chronological, ethnographical and other dimensions. All of them have similar patterns of lifecycle: establishment, emergence and development, and structure: primary, secondary and international. In the primary art market original artworks are sold for the first time. It covers unorganized individual creations supply by artists to galleries, art fairs, collective exhibitions, small dealers, and private buyers (Jurevičienė, Savičenko, & Miečinskienė, 2012). The price here is not a result of supply and demand but more a negotiating process. Sales in the primary market are forming tendencies in the secondary market. Conversely, in the

secondary art market artworks that already been traded in primary art market are resold. There artists, dealers, public and private collectors present such creations that overcome the barrier of primary market (Jurevičienė et al., 2012). Information about prices and authors here is more transparent and the exchange is safer, since economic, historical and social value is established before in the primary market. The main places of trade in the secondary market are New York, London, Paris, and Tokyo. However, recently this dominance in the global art market weakened. Globalization and the economic growth resulted in emergence of even more visual arts markets.

I chose to investigate a case of a specific market of visual arts. This will allow adapting abstract study of cultural consumption into measurable research of specific art market. A field of visual arts is chosen because it retains the duality of cultural consumption. In particular, the authenticity of original artwork is very important, and no reproduction can replace this experience. Next to it, visual art works are tangible commodities and they can be exchanged and owned. “Consumption in the visual arts can take the form of either buying and collecting or viewing the art object” (McCarthy et al., 2005). There are two main forms of cultural consumption in visual arts market are possession of original artworks (McCarthy et al., 2005; Uusitalo, 1987) and attendance of art museums, fairs and galleries (López & García, 2002; Morrone, 2006; Uusitalo, 1987; Koen Van Eijck & Van Oosterhout, 2005). These two indicators are the fundamentals of consumption of visual arts. Using them artistic and market qualities of visual arts can be quantified and researched.

Three main reasons are distinguished behind the motivation for consuming virtual arts: aesthetic, financial or social. People either find art aesthetically pleasing, either they see it as an investment”, or as a ticket to a social circle (Velthuis, 2011). Accordingly, this distinction supposes that different kinds of capital are required to achieve desired results: cultural, to be able to recognize aesthetic qualities of an artwork, financial, to be able to purchase and recognize profitable investments, and social, in order to participate in social circles of art consumers. These three main forms of capital can also serve evaluating the ability to consume art.

1.5 Visual Arts Market in Lithuania

Lithuanian visual arts market is a good example of the emerging market in a very early stage. Due to the infancy and small scope it is still an unexplored area. Though

there is an informal discussion in the society, cultural media and circles of art critics and artists, there is no specific academic research. Lithuanian visual arts market is in a very interesting emerging stage, and all developments there are only starting. In fact, there are many countries as Lithuania in the world with similar situation in their art markets. They have a potential demand for culture but for some reasons it is not realized yet. Investigating how economic, social and cultural factors are related to visual arts consumption patterns in Lithuania may help to answer the big question of what factors shape cultural consumption patterns in general.

In Lithuania essential changes took place in the end of the 20th century, and in the first decade of the 21st century. After Lithuania restored the independence from USSR, new institutions were established, the number of exhibitions has expanded, and artists became more active (Jurevičienė et al., 2012).. The new transitional period is still uncertain, and there are a lot of old habits inherited from the past.

1) Production

Probably the main component of cultural consumption is the artist. Without the independent, creative, original, experimental artists any arts market would be impossible. To compare, in 2009 in the EU were 1.48 million creative workers (journalists, sculptors, painters, composers, musicians, choreographers, dancers, and actors). It accounted 0.7% of all employees. In Lithuania there are 7,000 creative workers, accounting for 0.5%³. Although particular statistics for visual arts does not exist, it is evident that there should be a substantial number of artists to provide the market with artworks.

Prices of Lithuanian artists are constantly growing. Price increase was influenced by increased demand of artworks (which leads to the existing art market law of supply and demand), and lack of high quality artworks (Jurevičienė & Savičenko, 2011). However, if compared to the European levels, prices in Lithuanian market are moderately low. This situation is very favorable for consumers of visual arts today, as there is a very high chance that the prices of Lithuanian authors works will raise in the future. Though purchases of art in Lithuania are not very popular, the prices of artworks in 1990- 2007 period increased 25 times (compared to the base year of 1990) (Zigmantienė & Raškinis, 2008). While it is very hard for foreign

³Source: <http://www.euro.lt/> (2012)

authors to achieve recognition, Lithuanians, supported by a attractive image of the small country and a distinctive art style, are quite well accepted abroad (Kutkaitytė, 2008)

2) Distribution

Though artists are the providers of the cultural products, cultural consumption cannot function normally without its distributors. The role of distributors is very problematic in Lithuania because artworks are usually bought privately. This prevents the formation of visual arts market, which guarantees the liquidity of purchased works (Jurevičienė & Savičenko, 2011). However, positive dynamics towards more transparent market could be seen, and it seems that Lithuanian society is prepared to accept a normally functioning visual arts market (Jurevičienė et al., 2012). Visual arts market of Lithuania did not emerge as one unit but as the structure of different interrelated members, each of them having specific interests, role and influence on overall functioning and development.

The key member of primary visual arts market in Lithuania is ArtVilnius art fair. It is the place where artists, galleries and mass audience come together. It is the only art fair of such extent in Lithuania. It is the central event for the fine arts in Lithuania, where significant segment of visual art production is presented. It is receiving extensive media coverage and public's attention. Moreover, it is one of the premier art showcases in the region for up-and-coming artists. According to its director, "it is an important cultural industry for Lithuania that would contribute to the creation of big added value in future, development of art market in the Baltic region and increase in flows of foreign tourists and visitors" (Stomienė, 2012). As a meeting point for more than 50 galleries (out of total 78 established art galleries in Lithuania⁴), its owners, artists, collectors, and public; ArtVilnius is a representative indicator of the situation in primary visual arts market in Lithuania. Since data on the primary market barely exist, this section of the visual arts has been largely ignored in cultural economics. Instead, most studies focus on auction sales on the secondary market (Velthuis, 2011). This research will take this extra step of gathering the data from both, primary and secondary art markets.

⁴ Source: Jurevičienė and Savičenko (2011)

Visual Lithuania Art Market Agency (Vilnius auction house) is the major player of the secondary visual arts market in Lithuania. The first and only auction house in Lithuania is working on a regular basis and presenting quarterly auctions of fine and applied arts, books and antiques. Since its establishment in 2007⁵, 24 different auctions were conducted, which were devoted to themes, such as fine art, applied art, photography, antique books, manuscripts and maps. Since artworks in Lithuania are usually bought not through the museums or galleries, but privately, the establishment of Vilnius Auction House gave a stimulus to trade art in secondary visual arts market (Jurevičienė et al., 2012). By publishing official auction results, it is ensuring transparent and reliable trade of artworks. The auction house is also providing services concerning the monetary value and authenticity of the artworks, mediating the trade, purchases and sales, consulting services regarding the creation of collections, and evaluation of the investment in visual arts.

3) Consumption

Consumption of visual arts is not widely spread in public of Lithuania. Only a very small part of the population consumes visual arts (Jurevičienė et al., 2012). Financial restraints are considered as the most serious in fulfillment of cultural needs of the Lithuanian population; whereas lack of attractive cultural events is on the second place. Also the least satisfied cultural needs are found among population under 40 (Alperytė, 2006). Next to it, there are no independent, licensed art experts in Lithuania. Therefore, it is very difficult to estimate challenges and risks for the potential cultural consumer. However, more and more people show their interest. In the end, cultural consumption is no longer considered as special domain of closed group of intellectuals and the country's ruling *elite*. A gradual shift is observed since people stopped worrying about inflation, safety and paying their bills, and this allowed them to discover other things, including visual arts.

1.6 Conclusions

The analysis of literature showed that the nature of cultural consumption differs from the consumption of other goods. Two conflicting sides reside there: tangible and

⁵ To compare, the worlds oldest auction houses “Sotheby’s” and “Christie’s” were established in the middle of the eighteenth century

intangible, market and artistic. Cultural consumption brings these different areas together, and therefore it is inadequate to analyse cultural consumption from economic perspective only. This duality affects how people consume culture and what motivates them. Alternative standpoint must be employed incorporating symbolic, psychological, social, and cultural, together with economic contexts and tools of analysis. It is possible to explain cultural consumption patterns only by understanding it as a whole.

The visual arts market is a representation cultural consumption in practice. It will direct a study of cultural consumption towards the quantifiable research, and will help to test how factors indicated in the literature actually work in real life. Lithuanian visual arts market is a case where a potential demand it is not realized yet. The stagnation in the market is typically explained by poor economic situation and lack of purchasing power. However, the literature review showed that there are different socio-demographic, social and cultural factors that may be connected with cultural consumption patterns. Lithuanian visual arts market could be a suitable environment to test how the theory works in practice. In particular, using operationalized factors from the literature will help to answer the question “How economic, social and cultural factors are related to visual arts consumption patterns in Lithuania?” and explain the big question of “What shapes cultural consumption patterns?”

2. Measurements

The purpose of this chapter is to formulate the central goal of this study, present the procedures of how I am going to achieve it, and what the tools of measurement will be.

2.1 Research Aim, Method and Questions

The chosen theoretical framework implies that cultural consumption patterns are not in the full control of a consumer. From this point of view consumer is more or less bound to unconsciously follow consumption patterns that are predetermined by the complex elements that stratify the society. The general aim of this research is to understand what shapes patterns of cultural consumption as clearly and as comprehensively as possible. Due to the complexity of the topic it is necessary to modulate it into specific research question:

What are the main predictors related to cultural consumption patterns in visual arts market of Lithuania?

Answering this question will help to understand what are the main predictors of cultural consumption in general. Together it requires dividing the question into even more specific tasks and applying specific methods:

1. First of all, I will conduct an exploratory analysis of cultural consumption rates and a general economic context, using a case study of visual arts market in Lithuania. The quantitative analysis will seek patterns and characteristics that can describe the general situation in Lithuanian visual arts market. It will explore measurable properties, such as prices, number of visits, sales data and general economic characteristics. It will answer these questions:

A. What is the current situation of visual arts consumption in Lithuania?

B. Is there a favourable economic climate for cultural consumption in Lithuania?

2. Nevertheless, the topic of cultural consumption requires a wider focus. Thus, a method of survey will accompany the analysis of statistics. I will go deeper into

researching the demand side and investigate how different demographic, economic, social and cultural characteristics of cultural consumers relate to their cultural consumption patterns. In this part I will answer the question:

C. To what extent factors different from economic (demographic, social, cultural) influence visual arts consumption patterns in Lithuania?

3. Finally, I will use a method of interview. A complementary analysis of experts' opinions from the cultural field will follow. I will not only focus on what describes the consumers but rather why, in experts' opinion, they consume or not consume culture. In the interpretation of interviews I will use all the knowledge gained through the research process and answer the question:

D. What are the main predictors related to visual arts consumption patterns in Lithuania according to experts?

2.2 Advantages and Disadvantages of Selected Method

This research will investigate cultural consumption patterns and motives behind them in several ways. It will simultaneously test the ideas from the literature and interpret the findings. Though the majority of methodology is quantitative, the findings are presented from the vantage point of qualitative research. The added value and the main strength of this research design are the holistic approach towards different data sets, and ability to capture various contradicting qualities of cultural consumption.

It must be said that any research method is not only a way to collect data, but already a certain commitment to epistemological and ontological positions. Therefore, it may be argued that a multi-strategy is inherently incompatible and should not be used. However, this research is studying different layers of the same phenomenon – cultural consumption. The 'micro' level of cultural consumption patterns will be analysed with quantitative tools. While analysis of the 'macro' level of how these patterns come about will be qualitative (Bryman, 2012).

In the end, the multi-strategy approach was chosen to echo the dual character of the main research object – cultural consumption.

2.3 Exploratory Analysis of Cultural Consumption Rates and General Economic Context

The design of exploratory research is used when the problem and the scope of problem has not been clearly defined yet. It allows exploring the context, and generating a hypothesis that can be tested later on. After this stage, a more conclusive study can be performed. This research design could also be called cross-sectional or *nomothetic* because it is concerned with generating statements that apply regardless of time and place (Bryman, 2012).

In case of visual arts consumption in Lithuania, it can be said that either lack of economic capital, lack of social capital or lack of cultural capital is behind low cultural consumption levels. Literature suggests that motivations behind cultural consumption could not be deducted to economic conditions alone. (Chan & Goldthorpe, 2007; Dimaggio & Useem, 1978; Katz-Gerro, 1999; Mandel et al., 2010; Scitovsky, 1972). I have noticed a conflict between this idea and general opinion in Lithuania. To be specific, Lithuanian society tends to justify poor cultural consumption levels with bad economic situation and lack of purchasing power.

1) Exploring Evidence From Visual Arts Market Of Lithuania

What is the current situation of visual arts consumption in Lithuania?

Since the situation in Lithuanian visual arts market is unclear, first of all I will explore its consumption rates. I will gather and examine the results from primary and secondary visual arts markets. However, even in developed markets it is extremely hard to get the sales data from galleries and auction houses. In Lithuania there are no official data about consumption rates and patterns of visual arts. The Lithuanian Bureau of Statistics does not provide records on visual arts sector, and attributes it to the broad notion of cultural activities. Therefore, two attainable sources of ArtVinius art fair and Vilnius Auction House will function as proxies for consumption rates of primary and secondary visual arts market.

I will obtain data from ArtVilnius by contacting the organisers and getting permission for access. I am particularly interested in the information about the

number of visitors and the total sales. Afterwards, I will collect sales data from the Vilnius Auction House online catalogue. I will also systemise it and convert prices from Lithuanian currency Litas (Lt) to Euro (€).

The analysis is expected to give a background and directions for a more detailed study. After observing the current state of Lithuanian visual arts market and its consumption patterns, this research will take a new course towards analysing the factors influencing the present condition. I will begin with exploration of general economic conditions affecting the demand side.

2) Exploring General Economic Conditions in Lithuania

Is there a favourable economic climate for cultural consumption in Lithuania?

One of the most important components influencing every member of a society, and dictating not only patterns of cultural but any consumption is economic conditions in the country. The next chapter will explore general economic conditions in Lithuania. I will collect numerical data, and introduce an overview of economic factors that will give general economic background for cultural consumption in Lithuania.

Particularly, figures of nominal gross domestic product (GDP), EU structural assistance, average monthly earnings, average consumption expenditure per capita and household savings will be investigated.

2.4 Cultural Consumers Survey Analysis

To what extent factors different from economic (demographic, social, cultural) influence visual arts consumption patterns in Lithuania?

In the next chapter, the research will go deeper into investigating the demand side. The confirmatory part will empirically test a hypothesis drawn from the findings of exploratory analysis:

Social and cultural factors can predict cultural consumption patterns better than the economic factors.

1) Units of Analysis

Research of the demand side is conducted in a form of online survey. The survey will measure consumers' demographic, economic, social and cultural characteristics together with cultural consumption patterns expressed in owning original artworks and attending visual arts exhibitions. In this research cultural consumption patterns are dependent variable, whose variation it seeks to explain. Analysis of survey results will group cultural consumers to sets according to characteristics assessed by the questionnaire. It will show what the main visual arts consumption patterns are, and if demographic, social and cultural factors can predict them better than the economic factors.

2) Dependent Variable: Visual Arts Consumption Patterns

Consumption of visual arts differs from consumption of other forms of art. "Consumption in the visual arts can take the form of either buying and collecting or viewing the art object" (McCarthy et al., 2005). The authenticity of original artwork is very important, and no reproduction can replace this experience. Next to it, visual artworks are tangible objects and they can be owned and collected. Therefore, the survey will measure **possession of original artworks** (McCarthy et al., 2005; Uusitalo, 1987) and **attendance of art museums, fairs and galleries per year** (López & García, 2002; Morrone, 2006; Uusitalo, 1987; Koen Van Eijck & Van Oosterhout, 2005). These two indicators are the fundamentals of consumption of visual arts, and can be measured by sales data from institutions.

They also differ from each other. In particular, "the primary purpose of ownership is display as a means of asserting social status" (O. Sullivan & Gershuny, 2004). While visiting art museums, fairs or galleries is "the most typical form of public involvement with the visual arts" (McCarthy et al., 2005). Accordingly, different market players focus either to attendance or sales. This distinction may help to identify and research specific types of consumers, and apply the findings better.

3) Control Variables: Socio-Demographic Characteristics

Variables such as income, place of residence, education and occupation have been taken as indicators of stratification in the society. Literature suggests that they may

determine any lifestyle behavior (Chan & Goldthorpe, 2007). I use these variables in order to find out whether the relationship between them and cultural consumption patterns will be significant. It will also allow me to include the independent variables later on and see if the relationship would stay the same. The control variables include:

3.1 Income:

Many studies explored the relationship between financial capacities and cultural consumption (Böröcz & Southworth, 1996; Katz-Gerro, 2011; McCarthy et al., 2005; O'Hagan, 1996; Throsby, 1994; Uusitalo, 1987; Uusitalo & Jyrämä, 1992; Virtanen, 2007). In this research income is the main control factor in accessing economic situation of cultural consumers. Though income is typically obtained by individuals, it is often shared within households. Therefore, I will investigate income at a household level.

It is believed that countries with larger, more stable art flows exhibit stronger correlations with permanent income (Mandel et al., 2010). Since Lithuanian visual arts market is not yet developed, and the literature suggests that income should not be the main determinant in cultural consumption, I expect that whatever the household income is going to be, it is not going to influence patterns of cultural consumption. In order to capture differences in financial capacities household income is classified by earning up to €1500 and more than €1500 per month.

3.2 Place of residence:

Many studies show that place of residence have impact on cultural consumption patterns (Bihagen & Katz-Gerro, 2000; Chan & Goldthorpe, 2007; Katz-Gerro, 1999, 2011). I expect that residents of the capital will be more inclined to consume culture because of convenient access to cultural activities and dynamic cultural life. The values of place of residence are: capital, cities outside the capital and abroad.

3.3 Education:

It is by far the most important predictor of cultural consumption patterns indicated in the literature (Bryson, 1997; Chan & Goldthorpe, 2007; Colbert, 2003; Erickson, 1996; Katz-Gerro, 1999; Lizardo & Skiles, 2008; McCarthy et al., 2005; O'Hagan, 1996; Simmel, 1922; Uusitalo, 1987). It is closely related to development of cultural capital, and enables not only to accumulate it but increases competence of aesthetic

appreciation. I expect that individuals with higher levels of education would consume more culture. Educational attainments are measured by highest achieved level of education from high school or equivalent, to bachelor degree and master, doctoral or equivalent.

3.4 Occupation:

There is an assumption widely shared in the social stratification literature that occupation indicates dependence to a particular social class and status, and plays a major role in social placement (Alderson et al., 2007; Peterson, 1992; Uusitalo, 1987). It is thought that individual's values and tastes form in connection with one's work. Accordingly, status order forms particular patterns of cultural consumption. In case of Lithuania, I follow Bourdieu's assumptions (Bourdieu, 1984). Therefore, I expect that respondents from higher positions will demonstrate more active cultural consumption than skilled labourers, students or unemployed individuals. Respondents were asked to indicate their profession.

4) The Independent Variable: Social Capital

Since "arts demand cannot adequately be estimated without also considering 'life-style' variables or non-standard socioeconomic factors" (Seaman, 2006), this research will advance to a study of social capital and cultural capital. I will introduce independent variables in order to see if they can predict cultural consumption patterns better than the control variables alone. The principal question is whether social or cultural background relates to low levels of consumption of visual arts.

In this research specific set of empirical tools for measuring social capital is chosen. I based my survey on *the Integrated Questionnaire for the Measurement of Social Capital (SC-IQ)—with a focus on applications in developing countries* (Grootaert et al., 2003). Since cultural consumption is a social act, I expect that respondents scoring higher on indicators of social capital would also score high on cultural consumption. However, since traditions of public activities and social responsibility are very young in Lithuania, I assume that respondents will not score high in this category. In the survey these predictors are chosen as a representation of social capital:

4.1 Belonging to a network outside studies or work:

Networking describes personality of an individual, and his or her ability to accumulate social capital. This is the category most commonly associated with social capital. The questions here consider the nature and extent of a household member's participation in various types of social organizations and informal networks. It is indicated in literature that there is a strong empirical basis for the notion that social capital emanates from the networks that individuals are embedded in (Baum & Ziersch, 2003; Brown & Ferris, 2004; Grootaert et al., 2003; Warde & Tampubolon, 2002). Consumers' friends, colleagues and neighbors influence their patterns of consumption. I expect that respondents who belong to a network outside their work or studies would score higher in cultural consumption. Networking is measured by belonging to any organisation, network or community, which is not directly related to work or studies.

4.2 Community involvement:

It is also an indicator of ability to participate in social activities (Baum & Ziersch, 2003; Grootaert et al., 2003). This category explores whether and how participants have worked with others in their community. I expect that people who are more involved in community's activities would consume more culture. It is measured by participation in any social or community activities over the past year.

4.3 Voluntary work and charity:

It refers to activities in which people donate their time and effort for an altruistic cause. I expect that respondents who ever gave voluntary or charity work would also score higher in cultural consumption, because it has important impact on ability to accumulate social capital (Baum & Ziersch, 2003; Grenier & Wright, 2003). Respondents are asked whether they ever performed voluntary work or gave charity.

4.4 Voting:

It describes respondents' involvement in political activities. From the *bourdieuan* perspective voting is a group-based collective action. It is a social responsibility that includes cooperating in activities that affect group wellbeing. Thus, it is a sign of social responsibility, and overall levels of social capital (Grenier & Wright, 2003; Grootaert et al., 2003). I expect that people who are more active politically would also

be more active in cultural consumption. It is measured by asking whether respondent voted in the last Parliamentary elections.

5) The Independent Variable: Cultural Capital

After determining social capital I measure cultural capital. Measuring it requires various indicators, with different forms of research and specific questions. The problem of measurement of cultural capital, as well as social capital, is the main limitation in any research. I used the indicators of cultural capital selected from the theoretical and applied social science literature:

5.1 Command of foreign languages:

Language is probably the most direct manifestation of an individual's cultural capital. It is closely related to education and is an important indicator of ability to accumulate cultural capital (De Graaf et al., 2000; A. Sullivan, 2002). Lithuania is a small country with a very authentic language. For Lithuanians it is normal to command two or even more foreign languages. Those who are born in USSR usually know Russian. English nowadays is thought from early days in school. I expect that only respondents who are able to command more than three languages would also be better at accumulating cultural capital. Investigated numbers ranged from none to more than three.

5.2 Cultural attendance in childhood:

Family upbringing is extremely influential on ability to understand cultural context. Cultural competences and interests partly develop in the home environment and tend to accumulate later on. Due to addictive character of cultural consumption, past consumption influences the future behaviour (Alderson et al., 2007; Bourdieu, 1984; Colbert, 2003; Dimaggio & Useem, 1978; Dobbs, 1979; Gill, 1987; Köster & Arroyo, 2000; McCarthy et al., 2005; O'Hagan, 1996; Uusitalo, 1987; K. Van Eijck, 2000). I included this factor in order to test if cultural exposure in childhood is connected with cultural consumption in later life. Since most of the respondents are expected to be born and raised during the times of USSR, where agriculture was a bigger concern than culture, I expect that they will not score high in this category. I measured a frequency of visits to art museums, fairs or galleries per year when being a child from none to more than four.

5.3 Television viewing:

Television can affect consumer behaviour by associating certain symbols with particular social groups (Köster & Arroyo, 2000; Kraaykamp et al., 2007; Morrone, 2006). It can emphasize certain versions of social reality forming specific cultural consumption patterns. Since there is a lack of cultural programs in Lithuania, I expect that television viewing will have negative relationship with cultural consumption. Respondents are asked how many hours a day (on average) they spend watching television, ranging from zero to more than five.

5.4 Book reading:

It is a personal developing cognitive skill, which can reflect true preferences of a consumer's consumption patterns (Kraaykamp et al., 2007; Morrone, 2006; A. Sullivan, 2002) (Lovell, 1995; Stokmans, 1999). I expect that people who read more books on their leisure time would incline to consume more culture in general. Respondents are asked how many books, besides the ones needed for work or studies, they read per year.

5.5 Engagement in creating any type of art:

I wanted to see whether producing arts are related to general cultural consumption (Colbert, 2003; Morrone, 2006; Uusitalo, 1987). Amateur creators build up or create material or nonmaterial cultural products, either for an audience or for a private pleasure or aim, either in organized or in not organized context. I expect that it will show a positive relationship with cultural consumption. Participants are asked to give 'yes' or 'no' answer to the question if they are creating any type of art.

6) Data Analysis: a Multiple Regression

Consumer behavior is a complex and therefore difficult to predict variable. It is likely to be influenced by combination of several factors. Multiple regression allows testing theories about precisely which set of variables is influencing particular behavior. It is a statistical technique predicting an outcome on one factor according to values of the others.

The data collected from the survey will allow seeing which of variables taken from the literature can give the best prediction of cultural consumption patterns. It will tell how much of the variance of cultural consumption patterns could be

accounted for by knowing a person's demographic, cultural and social characteristics. In my sample group, a multiple regression is run to predict relationship between:

- 1. Possession of original artworks and economic, social and cultural factors.**
- 2. Attendance of art museums, art fairs and galleries and economic, social and cultural factors.**

To increase a chance of getting unbiased and efficient results, certain assumptions with regard to the used data will be met (Tabachnick & Fidell, 2001):

- The shape of the distribution of the continuous variables corresponds to a normal distribution. There are no variables with extreme skewness or kurtosis.
- The dependent variable is a linear function of the independent variables and random disturbance or error. The variables in the analysis are related in a linear manner.
- The independent variables are unrelated to the random disturbance of error. The error term is not correlated with any of the independent variables.
- The dependent variable has an equal level of variability for each of the values of the independent variables (homoscedasticity).
- Disturbances of one case are uncorrelated with those of another case.
- The error terms are normally distributed. The shape of the distribution of the disturbance term is a normal distribution.
- Lack of collinearity or of multicollinearity among the independent variables.
- There is a lack of outliers

After performing a multiple regression, I will be able to understand the unique contribution of each variable to variation in cultural consumption. The nominal predictor variables are changed into dichotomous or so called dummy variables, thus there are no more than two categories.

2.5 Complementary Analysis: Experts Interviews

What are the main predictors related to visual arts consumption patterns in Lithuania according to experts?

1) Selection Sampling

While manually collecting data from primary and secondary visual arts markets in Lithuania I met people who work inside the market and could be called experts in the field of visual arts in Lithuania. We had many interesting conversations about the situation in visual arts markets in Lithuania, and cultural consumption in general. Therefore, I decided to perform semi-structured qualitative interviews with them, and include it in the research. As the purpose of the interviews was to complement the quantitative data, I selected the interviewees according to their practical insiders' perspective, which could help interpret the findings in a more comprehensive way. The goal was to select interviewees with wide cultural background but different professional orientation. I interviewed Diana Stomienė, biggest art fair in Lithuania ArtVilnius organizer, gallerist for almost twenty years, and a president of Lithuanian art gallery owners association. Together with Vytautas Michelkevičius, a theorist, activist, curator, and lecturer in Vilnius Academy of Arts, artistic director of Nida Art Colony, and editor of Internet journal on media culture Balsas.cc. I also interviewed Ernestas Parulskis, an art critic, museum curator, writer, blogger, constantly writing essays and comments in Lithuanian media, based in London and Vilnius.

2) Type of Interview

Qualitative interviewing tends to be more flexible, responding to the direction in which interviewees take it (Bryman, 2012). In particular, I had an interview guide with specific questions ([appendix A](#)) but allowed a slight variation to their sequence and timing. The questions were more general, encouraging expressing interviewees' own perspective according to the field of expertness. This allowed the experts to answer the questions in their own terms, demonstrating different aspects of the same phenomenon – consumption of visual arts in Lithuania. Since the purpose of this part of research is to complement the quantitative data, I left some space to pursue topics of particular interest of the experts. However, it also created a problem of coding the answers and finding patterns related to the research questions and hypothesis. In order to solve this issue I will translate the interviews into English, summarize the main statements according to research questions and group the main statements in a table.

3) Media

All of the interviews were conducted remotely, most of them by recording Skype conversations and one by email. The remoteness removed the potential source of bias to a significant extent. The absence of physical presence of the interviewer may offset the likelihood of respondents' answers being affected. The disadvantage of this interview design is that it impedes the direct observation (Bryman, 2012). The media of email clearly structured the interview and prevented misinterpretation. At the same time, it obstructed probing the interviewee and developing the dialogue.

4) Purpose

The quantitative method in this research will catalogue cultural consumption into properties: what are the consumption rates, how many people buy or attend visual arts, what are the demographic, social, cultural and economic characteristics, and what relations are statistically significant. All of them are the right questions that can be answered with numbers, but each of them has a qualitative side that is also interesting. "The greatest weakness of the quantitative approach is that it decontextualizes human behaviour, removing an event from its real-world setting and ignoring the effects of variables not included in the model" (Madsbjerg & Rasmussen, 2014). Therefore, this research is not only confined to quantitative description of the current situation. The qualitative analysis of the experts' opinions will be a complementary tool of the research. The insights of experts on current situation and possible development could shed a new light on the whole research, explaining how patterns from primary statistical data and survey come about.

3. Consumption of Visual Arts in Lithuania

The purpose of this chapter is to present the background information about the situation in visual arts market in Lithuania. Here I will mainly concentrate on market players that function as distributors of visual arts. The main target is to analyse and present the data from ArtVilnius art fair and Vilnius Auction House. This analysis will estimate an overall projected turnover of visual arts market in Lithuania.

What is the current situation of visual arts consumption in Lithuania?

3.1 The Primary Visual Arts Market

Data from the Art Fairs ArtVilnius '09,'11,'12

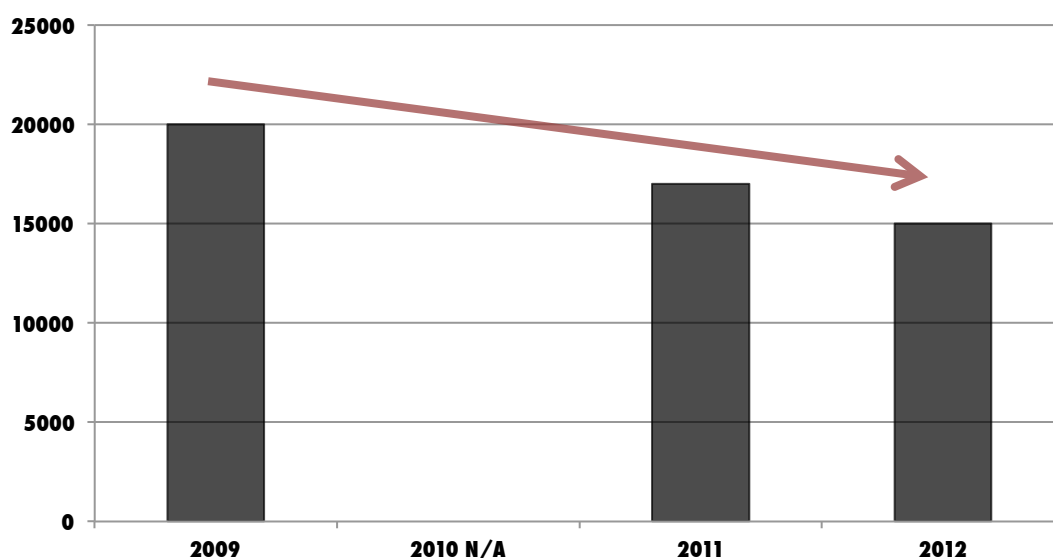
In the primary art market original artworks are sold for the first time. The price here is not a result of supply and demand but more a negotiating process between art dealers and purchasers. Its main players are: art studios, art dealers, galleries, showrooms and art fairs. In case of Lithuania, there are 78 established art galleries (Jurevičienė and Savičenko, 2011). Usually they cooperate and promote a particular group of artists. Also, galleries have the role of recognizing potentially perspective artists, and establishing their name and reputation, therefore becoming agents who represent them. Sales through the galleries are forming the tendencies in the secondary market. Leading galleries are often involved in selling works of the living artists, and the identification, establishment and promotion of the new and emerging talents through various communication channels. At the same time, using their networks and competence, they can influence the demand, shape tastes of public and introduce new values.

The place where galleries and art consumers come together is art fair. The only art fair of such extent in Lithuania is ArtVilnius. It is the central event for the visual arts in Lithuania, where significant segment of visual art production is presented. It is receiving extensive media coverage and public's attention. Moreover, it is one of the premier art showcases in the region for up-and-coming artists. According to its director, "it is an important cultural industry for Lithuania that would contribute to the creation of big added value in future, development of art market in the Baltic region and increase in flows of foreign tourists and visitors" (Stomienė,

2012). As a meeting point for more than 50 galleries, its owners, artists, collectors, and public; ArtVilnius is a representative indicator in the field of visual arts. To get the perspective of current condition in primary market of visual arts, I obtained results from art fairs in Lithuania Artvilnius'09, '11, '12⁶ ([appendix B](#)).

Examination of the sales and attendance data from ArtVilnius'09,'11'12 reveals peculiar tendencies. To demonstrate, the number of visitors in ArtVilnius is decreasing (*Figure 1*), while the sales are increasing (*Figure 2*). To point out, from 20,000 people in 2009, the audience decreased to 17'000 people in 2011, and 15'000 people in 2012. In contrast, sales of artworks increased from €60'000 in 2009, to €72,500 in 2011, and even €116'000 in 2012. As can be seen, the less attendance art fair received, the better were the sales. While normal pattern of growth would encourage expecting stable increase in both attendance and sales.

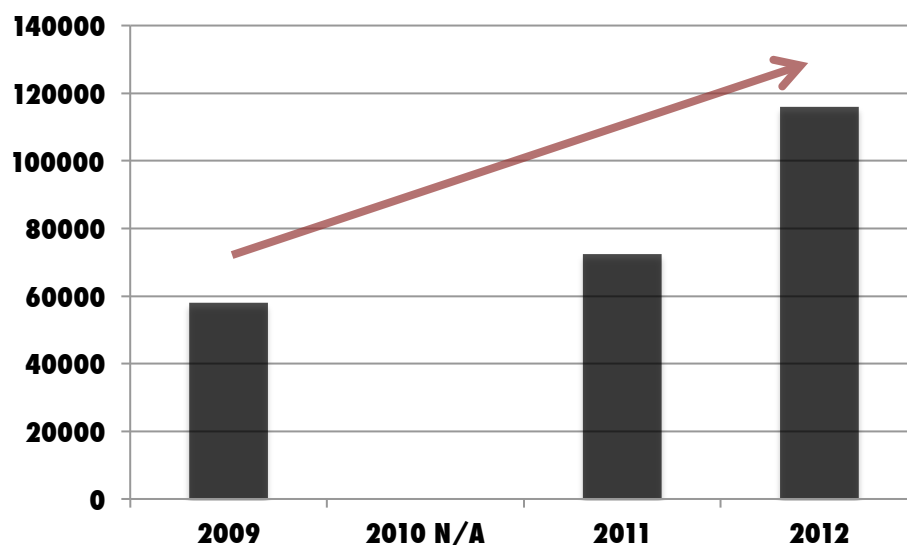
Figure 1. Number of visitors in ArtVilnius'09,'11,'12



Source: Lithuanian Art Galleries Association and Lithuanian Art Market Agency (2012), manual data collection and calculations.

⁶ Because ArtVilnius does not have an approved partial funding from the government, they had difficulties in organizing an art fair in 2010. While Vilnius was the European Capital of Culture in 2009, all the money was spent in this year and in 2010 Lithuania had 'the cultural hangover'. However, after considerable effort ArtVilnius succeeded again in 2011. It had very good reviews from foreign expertise and managed to renew again (Stomienė, 2012).

Figure 2. Sales at ArtVilnius'09,'11,'12 (€)



Source: Lithuanian Art Galleries Association and Lithuanian Art Market Agency (2012), manual data collection and calculations

Having these numbers the expected turnover of primary visual arts market in Lithuania could be calculated. The world's practice shows that dealers make 31% of their sales at art fairs (Corbett, 2012). It suggests that the average turnover in the primary visual arts market would be around €275'000 per year. Predictions of Parulskis are also close to this estimate. According to him, publicly visible turnovers of visual arts in Lithuania are extremely modest in size: about 1mm – 1.5mm Litass (€290'000 - €435'000) per year. It also demonstrates that the market is in a stage of formation. According to Parulskis, it can be said that overall turnover of primary and secondary, public and non-public, visual arts market is only 4mm – 5mm Litass (€1.2mm – €1.5mm) per year. The size of the market indirectly demonstrates the deficiency of the main art buyers in local markets - the middle class (E. Parulskis, personal communication, July 30, 2013).

The analysis of primary visual arts market revealed that only the specialized public or *elite* is visiting the art fair with clear intention to buy and not just to look around. The term *elite* here is used not in a sense of social class but rather to indicate the exceptionality of the narrow circle of art purchasers. "The *elite* market is connected with the prevailing aesthetic dialogue, in which the art world's validators - critics, curators, and certain dealers and collectors - play a role. It is *elite* insofar as it

is much narrower than the general arts market.” (McCarthy et al., 2005) While, “the main factor in the art market are not only experienced collectors, art dealers and gallery owners, critics and museum workers, but the broadest range of ordinary art lovers, passionate experts, whether work of art is seen only for its artistic importance or for its material value. They actually provide the driving force for the entire art system. These small owners, their presence and participation are almost crucial for the maintenance of this sensitive organism <...> So, the key question not only the development of the art market <...>, but for the system of visual arts in general, is - How to enlarge the circle and number of ordinary art lovers as regular visitors of exhibitions and as the widest circle of art collectors?” (Tucakov, 2012). Due to the extremely small number of art connoisseurs and shared disinterest in visual arts by general public, it is impossible to sustain consumption equivalent to potential consumption rates in Lithuania.

3.2 The Secondary Visual Arts Market

Data from the Vilnius Auction House '07 - '13

Vilnius Auction House (Lithuanian Art Market Agency) is the major player of the secondary visual arts market in Lithuania. I will examine results from 24 auctions of Vilnius Auction House, which will reflect the situation in secondary visual arts market ([appendix C](#))

Differently from ArtVilnius fair, sales at the auction house are relatively high and stable. The turnover of Vilnius Auction House for 2007 – 2012 is €686’382, with average turnover of €137’276 per year⁷. The analysis of sales data tells a lot about who are the buyers in the secondary visual arts market. I observed two interesting patterns (*Figure 3*).

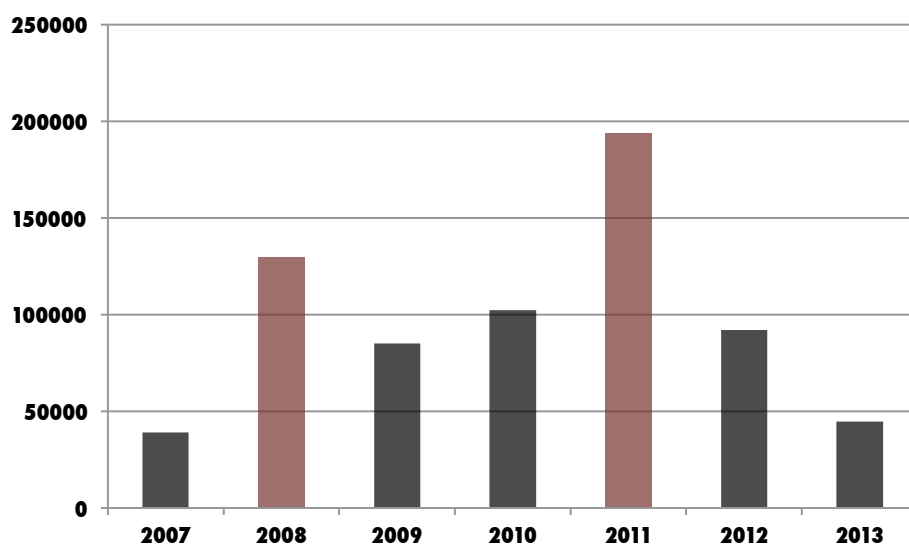
First of all, in the year 2008 when the financial recession was peaking and overall consumption was slowing down, the sales of artworks were extremely high and reached almost €130’000. As Baron Rothschild said: “The best time to buy is when there is blood in the streets” (Paxman, 2012). Accordingly, the best time to

⁷ To compare, overall EU actions sales in 2011 achieved aggregate sales of €15.6 billion, representing 34% of the global art market (McAndrew, 2011)

invest in art is at the depth of a crisis when demand is lowest and other investors' anxiety is at the highest peak.

Secondly, the highest sales reaching more than €190'000, with a most expensive artwork ever sold in history of the auction of €19'430 (while average price of artwork is €772) was the XIX auction in 2011. This was the auction where a collection of famous diplomat and writer Ignas Šeinius (1889-1959) was presented for public for the first time. The collection consisted of ten paintings from the beginning of XXth century not known for the art researchers until 2011⁸. This was a unique opportunity to buy the property rights of these paintings for the first time, which may be a very profitable investment for the future.

Figure 3. Sales at Vilnius Auction in 2007-2012 (€)



Source: Lithuanian Art Market Agency (2012), manual data collection

Peaking sales in the times of financial crises and when relatively expensive but potentially profitable collection was presented signal the ability of auction participants to see opportunities in the time of crisis, and demonstrate the professional attitude towards purchasing art. It suggests that so-called *elite* art investors, collectors or other kind of professionals are main consumers in the secondary visual arts market of Lithuania. It is a rather small group of people who have more sophisticated relationship with visual arts than general public.

⁸ Source: Press Release of 19th Vilnius Auction (http://www.menorinka.lt/images/File/PR_19_web.pdf)

3.3 Conclusions

The data from visual arts market shows that Lithuania is in a transitional period of an emerging market in a very early stage heading towards a more stable situation. The appearance of secondary market administrator Vilnius Auction House and the trend maker in the primary market ArtVilnius art fair demonstrates this stability. Turnover, starting from the date of establishment, of both market players is consistently growing.

However, estimates from the sales data show that overall turnover of the market is still very small. It also suggests that only consumers with professional attitude towards visual arts and not general public are participating in the market. Due to a relatively small number of so-called *elite* consumers, it is impossible to sustain higher consumption rates.

Further research will take a direction towards analysing the general economic situation in Lithuania, in search of obstructs general public from consuming visual arts in Lithuania.

4. General Economic Background of Lithuania

In this chapter I will investigate what might obstruct general public, which should be the main cultural consumers, from participating in the market of visual arts. The basic assumption of this research is that cultural consumer is not in a full control of his/her cultural consumption patterns. Keeping this in mind, one of the most important components influencing all society is general economic climate. It is the general setting for cultural consumption, because “wealth increases demand, and <...> artistic and economic growth go hand in hand” (Towse, 2011). Therefore, I am going to evaluate economic factors that may affect consumer behaviour in consumption of visual arts in Lithuania. The overview of general economic conditions in Lithuania from the last two decades will give a context for a question ‘Is there a favourable financial climate for cultural consumption in Lithuania?’ Afterwards, the connection between economic factors and cultural consumption patterns will be empirically tested in the survey.

Is there a favourable economic climate for cultural consumption in Lithuania?

In the last two decades political and economic situation in Lithuania has undergone serious changes, which had a strong impact on all aspects of everyday life. First of all, after the restoration of Lithuania's independence from USSR in 1990's, country's government took decisive steps for modernizing and updating development of the markets. Lithuania attempted to reach equilibrium with the other countries in Europe and the world according to a new ideological situation. New market economy, together with economic and political structures was created. The country's economy has shifted from a command-planned economic system to a market economy, and reoriented economic and political relations from East to West.

4.1 Stable Growth of Gross Domestic Product (GDP)

Though the period of restructuration, privatization and industry reorientation was hard and was followed by the recession, the economy of Lithuania started to recover in 1994, and since then slow but continuous growth is observed. In 2003 Lithuania's economic growth was the fastest in Eastern Europe – GDP per capita amounted to € 4'711 ([appendix D](#), *Figure 4*). The GDP per capita is one of the primary indicators used to measure a country's economic condition. It represents the total monetary value of all goods and services produced over a year divided by the number of people in the

country, and describes the size of the economy. Economic production and growth, represented by GDP, has a great effect on nearly everything within the economy including cultural consumption. It is a representative indicator of the standard of living as it reflects total production, income and consumption. Accordingly, the national cultural budget in Lithuania grew steadily with some fluctuations during the recession. The total cultural expenditure as a proportion of GDP in Lithuania also shows constant increase (Ratzenböck, Okulski, & Kopf, 2012).

4.2 Advantages of the Membership in the EU

The membership in the European Union in 2004 attracted new funds and opened new ways for a cooperation. After becoming part of the EU, Lithuania started to participate in the program “Culture 2007” and received substantial financing for the cultural sector. The total EU support for Lithuania was €7.8 billion for 2007 – 2013, while the whole support intended for Lithuania is approximately €11 billion⁹. One of the priorities of the National Long-term Development Strategy is the knowledge society, which includes the directions of science, education, and culture. This encouraged new projects and initiatives, such as Vilnius European Capital of Culture and the reconstruction of the Palace of the Grand Dukes of Lithuania.

4.3 Controlled Inflation

Inflation is an indicator of the fluctuations of prices, as over time, as the cost of goods and services increase, the value of money is going down. It is important to note that reasonable growth of inflation is considered normal and in its relationship with unemployment, some inflation is even desirable. However, uncontrolled inflation may have many negative consequences to the country’s economy. The most immediate effect of inflation is decreased purchasing power. Furthermore, it can cause consumers and investors to change their spending habits. In particular, when the inflation occurs, people tend to spend less.

In case of Lithuania, after a hyperinflation in connection with introduction of national currency Litas and liberalization of prices in 1993, followed steady years of minor deviations, and in 2003 there was a deflation. Still, in the peak of financial crisis in 2008 inflation reached 10.9% but was successfully stabilized in following

⁹ To compare, €6.3 billion was planned for Lithuania’s state budget expenses for 2007.

years, and scored as lowest in the Baltic region (([appendix D, Figure 5](#)). This resulted in reasonably stable income and purchasing power, and eliminated the uncertainty about the future of the savings.

4.4 Increased Savings

Controlled growth of inflation, constant rise of wealth and relative certainty about the future influenced that accumulated money people kept as savings in financial assets ([appendix D, Figure 6](#)). Many Lithuanians hold a big part of their wealth in the form of financial assets. In fact, Lithuania is the only of the three Baltic States where households' savings balance is positive, i.e. savings exceeds financial obligations. It reflects the tendency to save, and not to spend. It means that more money is being held in saving accounts and invested than spent in the market, including the market of cultural goods.

4.5 Average Consumption Expenditure

Households become smaller with increasing per capita living area¹⁰, more luxurious, and with more home appliances. As daily needs grew with the income, more and more resources were required to satisfy them. After the transitional decline in 1996 the household expenditure for basic needs such as food and drink made up the biggest share, amounting to more than half of the total household expenditure. The total expenditure for housing, which included expenditures for water, electricity, gas and other fuel, furnishings, household equipment and routine maintenance of the house, was amounting to a sixth part of total household expenditure. The expenditure for recreation and culture together with expenditure for hotels, restaurants and cafes were amounting only to 7% (Dagiliūtė & Liobikienė, 2008). Increase in incomes of household led to increased percentage of expenditure on housing, transport and miscellaneous goods and services ([appendix D, Figure 7](#)). However, it resulted in relatively small increase in expenditure on leisure and culture. In particular, cultural expenditure per household in Lithuania between 1999 and 2005 did not change significantly (from 2.7% in 1999 to 2.8% in 2005) (Ratzenböck et al., 2012).

¹⁰ Starting from 2010, an average household in Lithuania consists of 2.38 persons. **Source:** 29th LFMI survey of the Lithuanian economy

4.6 Average Monthly Earnings and the New Middle Class

After a hard period of reforms in political, economic and social life, the consumption patterns of households in Lithuania changed significantly. Market liberalization, multiple-choice possibilities, growing incomes had a positive impact on average household consumption expenditure. This growth appears to have been largely driven by a rising incomes of the majority of the population ([appendix D, Figure 8](#)). The change in economic climate resulted in continuous improvement of living standards for a large part of society. A new class established in the society– the middle-class. Symbols of it were mostly ownership status and income. It mainly consisted of managers, lawyers, businessman and other professionals, usually excluding the intellectuals because of their low income while working in public sector. Since it was a new phenomenon, behavior of its members was determinant by a chase of status and new ways of entertainment. This new class in Lithuania control two-thirds of the spending flows that pour into total domestic product and their spending habits shapes the patters of consumption of whole society.

4.7 Conclusions

The analysis of the economic situation showed that all the necessary economic preconditions for consumption of visual arts by general public are there. It can be said that GDP and monthly earnings per capita in Lithuania were growing more rapidly than inflation. Continuous improvement of living standards transformed the structure of society and its spending habits. While the average expenditure rose moderately but not significantly, and expenditure on culture has not increased considerably. Reasonably stable purchasing power eliminated the uncertainty, and encouraged people to keep their wealth in the form of savings.

A positive dynamic is observed since a big part of the society stopped worrying about inflation, financial safety and paying their bills. People should start discovering other things, including cultural consumption. However, in reality the existence of the essential economic environment does not imply higher rates of cultural consumption.

From all what is observed in the exploratory analysis, a hypothesis emerges that **social and cultural factors can predict cultural consumption patterns better**

than the economic factors. In the next chapters I will test this hypothesis performing analysis of the demand side.

5. Visual Arts Consumers

Survey

In the next chapter, research will go deeper into investigating the demand side. Here the theory about demographic, economic, cultural and social factors in connection with cultural consumption will be empirically tested in a form of a survey. The main purpose of the survey is to find out to what extent factors different from economic (demographic, social, cultural) influence visual arts consumption patterns in Lithuania. I expect that statistical analysis will reveal if and how examined theory fits the specific case of Lithuania, and confirm or deny whether demographic, social and cultural characteristics can predict cultural consumption patterns better than the economic characteristics.

To what extent factors different from economic (demographic, social, cultural) influence visual arts consumption patterns in Lithuania?

5.1 Pilot Study

Purpose. To begin with, I designed and executed a pilot study. The purpose of the pilot study was to examine possible problems connected with answering survey questions and analysing the data.

Participants. The sample of pilot study consisted of 22 respondents from my network.

Procedure. The pilot study was performed by online survey platform (in Lithuanian): https://qtrial.qualtrics.com/SE/?SID=SV_82PCnXML9px2BRb. After completing the survey respondents were asked to give their feedback.

Changes. Findings suggested changing the survey design, structure, together with adding additional questions. After the pilot study I decided to measure levels of consumption by looking at both, owning original artworks and attending exhibitions. New questions measuring levels of consumption of visual arts in connection with demographic, economic and sociocultural factors were introduced. Accordingly, future problems with the data analysis were taken into consideration.

5.2 Statistical Analysis

An updated survey was distributed online (https://qtrial.qualtrics.com/SE/?SID=SV_6S8NbNWPZ9Cf4TH). Lithuanian language was chosen in order to avoid misinterpretations. I encouraged members of

my professional, family and acquaintances network to fill in and spread the online survey around. In the end, the survey received 142 responses. However, 131 (92%) were valid or complete. There also were too few responses in some of the subpopulations. Therefore, some subpopulations were merged into wider blocks. I combined managerial positions with administrative because they both represent middle or upper middle class subpopulation, with expected similar consumer behaviour (Uusitalo, 1987). After that, because there were only 5% of unemployed respondents they were grouped with students, who are also unemployed, and stands in similar position of social hierarchy. Accordingly primary and professional education was merged with high school or equivalent, because they all account for 12 years of schooling. Finally, household income was divided into two groups below and above €1500, structuring households into two groups with low or high income. This division was made in order to see if there is a real difference between consumption patterns of households with very high or low financial capacities.

1) Population¹¹

Age: The median age of respondents is 26 years (ranging from 18 to 40 years old).

Gender: 58% of respondents are female.

Marital status: 66% of respondents are single.

Household income: 75% of respondents' households earn up to €1500.

Education: 26% of respondents have graduated from high school or equivalent; 57% hold bachelor degree; and 18% have master, doctoral or equivalent degree.

Occupation: 51% of respondents have administrative or managerial positions; 28% define themselves as skilled labourers; 21% are students or unemployed.

Cultural attendance in childhood: 76% of respondents have attended museums, art fairs or galleries when they were children.

Engagement in creating any type of art: 48% of respondents stated that they are engaged in creation of art.

Possession of original artworks: 28% of respondents do not own any original artworks; 41% own from one to three; 9% own from three to six; and 22% own more than six.

¹¹ Only the most important factors are presented here. All variables and survey results can be found in the [appendix E](#).

Attendance of art museums, art fairs and galleries: 10% of respondents do not attend any art exhibitions; 60% do it up to four times per year; and 31% attend it more than four times per year.

2) Bias and Limitations

After analysing the survey results I saw that the survey sample does not accurately represent the whole Lithuanian population. It must be addressed that the survey population consists mostly of people in their twenties¹², with no children, earning average income, having higher level of education, and engaged in cultural life. Therefore, I cannot talk about all cultural consumers, and some limitations must be added within the research and its implications. The first selection bias resulted from undercoverage of the survey. To start with, I used my personal, academic and professional networks. I suppose that most of the members in those networks resemble me: they are young, without children, educated, currently residing abroad and with inclination towards culture. The second selection bias occurred by a voluntary response. In other words, people with some interest in culture are more willing to fill in the survey about cultural consumption, than those who are not interested in culture at all. All things considered, it is very likely that the proportion of Lithuanians participating in visual arts market is much smaller than in the population. This would mean that the findings of this part of the research could be generalized only for consumers who are already taking part in consuming visual arts, and not to the non-consumers.

On the other hand, I see this bias having some positive effect on my research. It allowed focusing on this group and drawing more robust and specific conclusions. Most of the sample group is the last generation before the independence of Lithuania. They are born in USSR, grew up in transitional time and had to adapt to the new world order. Therefore, you can still see influences of both value systems. As notes Parulskis, the most important factor still shaping Lithuanian art market is the country's history (E. Parulskis, personal communication, July 30, 2013). Michelkevičius adds to it, that now we are in a very peculiar period of time, as if there is some kind of socialist attitude of the Soviet times merging with a capitalist one (E. Michelkevičius, personal communication, July 30, 2013). Keeping in mind the

¹² To compare young people in the age group of 14 – 29 constituted 24% of all population, 65% of them were 20 – 29 years old. **Source:** Lithuanian employment office (2010)

intergenerational transition of values observed in the literature (Erickson, 1996), researching consumer behaviour of this specific group is also important for predicting consumption patterns of their children who will be the future cultural consumers in Lithuania.

5.3 Results

In this section I will present the significance of the survey results. The discussion chapter connecting them to the hypothesis and whole research will follow after.

Two multiple linear regression analysis were used to develop models for predicting dependence of

1. **Possession of original artworks** and
2. **Attendance of art museums, art fairs and galleries** from

- **Control variables:** place of residence, education, income;
- **Variables, representing social capital:** occupation, belonging to a network, community involvement, voluntary work and charity, and voting; and
- **Variables, representing cultural capital:** command of foreign languages, cultural exposure in childhood, television viewing, and engagement production of art.

Using the ‘Enter’ method¹³, two significant models emerged ($p < .05$). In other words, there is 5% chance that there really is no relationship between independent and dependent variables. Basic descriptive statistics and regression coefficients are shown in *Table 1*.

¹³ Multiple regression using the ‘Enter’ method enters all variables into the equation at the beginning.

Table 1: Descriptive statistics and regression coefficients for dependence of possession of original artworks and attendance of art museums, art fairs and galleries from place of residence, education, income; occupation, belonging to a network, community involvement, voluntary work and charity, and voting; command of foreign languages, cultural exposure in childhood, television viewing, and engagement production of art

Model	Type of variable	Variables	Possession of original artworks				Attendance of art museums, fairs and galleries			
			β	<i>t</i>	R ²	Sig. F Change	β	<i>t</i>	R ²	Sig. F Change
1.					.017	.710			.068	.065
	Control variables	Occupation	.075	.780			-.013	-.143		
		Education	-.022	-.246			-.043	-.492		
		Income	.135	1.329			-.139	-1.403		
		Place of residence	-.103	-.975			.290*	2.830		
2.					.225	.002*			.237	.008*
	Control variables	Occupation	-.036	-.371			-.092	-.963		
		Education	-.121	-1.357			-.074	-.838		
		Income	.118	1.237			-.149	-1.576		
		Place of residence	-.002	-.021			.278*	2.516		
	Social factors	Voting	.161**	1.711			-.027	-.294		
		Networking	.155**	1.715			-.014	-.154		
		Community involvement	.024	.257			.085	.923		
		Voluntary	-.037	-.390			.069	.738		

	work				
Cultural factors	Production of art	.184*	2.009	.079	.864
	Art lessons	.026	.302	.062	.715
	Languages	-.041	-.443	-.075	-.830
	Book reading	.179*	2.068	.172*	2.009
	Early exposure to culture	.131	1.495	.220*	2.525
	Television viewing	-.214*	-2.395	-.119	-1.342

* p < .05 (statistically significant results)

** .05 < p < .10 (marginally significant results)

Source: SPSS data.

Survey analysis showed that different types of visual arts consumption are related to different factors. Only one factor of book reading appears to be important for both. This finding proves that the separation of consumption into forms of possession and attendance was valuable.

1) Cronbach's Alpha (α) Test for Indicators of Social Capital and Cultural Capital

Cronbach's alpha is an overall reliability coefficient for a specific set of variables. In this survey different indicators represent social capital and cultural capital. As indicated in the literature, belonging to a network outside studies or work, community involvement, voluntary work and charity, and voting should measure social capital. Accordingly, command of foreign languages, cultural attendance in childhood, television viewing, book reading, and engagement in creating any type of art stand for cultural capital. However, after calculating the Cronbach's alpha for each indicator it appeared that they lack the reliability ($\alpha < .70$). Therefore, there is no firm statistical

evidence in grouping those variables under separate concepts of cultural capital or social capital.

Nevertheless, it is important to note that even in the literature the separation between social and cultural capital is hypothetical (Bourdieu, 1984; Lizardo & Skiles, 2008; A. Sullivan, 2002; Vestheim, 2010). They are very interrelated and affect each other. Cultural capital is an important mechanism of social reproduction, and may help to move in the social hierarchy. At the same time, social capital may reflect cultural preferences and provide easier access to cultural capital. The distinction between social and cultural capital still remains important in this research. Though it is only theoretical, it may help formulating theoretical recommendations.

2) Factors Related to Possession of Original Artworks

On the first step control variables of occupation, education, income and place of residence are entered into the model. These variables in combination do not significantly predict possession of original artworks (Sig. F Change = .710). On the second step all of the remaining predictors are entered simultaneously. In this case, 22.5 % ($R^2 = .225$) of the variation in possession of original artworks is accounted for through the combined linear effects of the predictor variables¹⁴. The F-ratio is used to test whether or not R^2 could have occurred by chance alone. It measures the probability of chance departure from a straight line. The analysis show that overall model is statistically significant (Sig. F Change = .002, $p < .05$, $R^2 = .225$)

Now I will identify which predictors are significant contributors to the 22.5 % of explained variance in possession of artworks and which ones are not. When all of the variables were entered into the regression equation, these correlations possession of original artworks appeared to be statistically significant:

Television viewing received the strongest weight in the model ($\beta = -.214$, $p < .05$). A negative relation between possession of artworks and cultural factor of television viewing is observed in the model. The tendency here is that people who spend more time watching television do not own any original artworks. It suggests that spheres of television (which may be a proxy for entertainment culture) and consumption of visual arts in Lithuania are opposing each other. People who are

¹⁴ R^2 enables to determine the amount of explained variation in possession of artworks from the predictors on a range from 0 - 100%

watching more television are less interested in visual arts. On the other hand, television can also be used as an opportunity to promote cultural consumption, which will be discussed in the recommendations chapter.

Literature review showed that cultural consumption serves to preserve and challenge the social boundaries between individuals with different social positioning. People inform others about their preferences via cultural consumption. From this perspective, the role of the television is to portray group characteristics that encourage identification with specific reference groups. Television can shape consumer behaviour by associating certain symbols with particular social groups. It can emphasize certain versions of social reality forming consumers' attitudes. This is partly because the reference groups in the past were made of consumers from the same social strata. Whereas the nowadays reference groups may be dictated by the media.

Engagement in production of art follows after television viewing ($\beta = .184$, $p < .05$). It is the cultural factor having a positive relation with ownership of art works. People who are engaged in creation of any type of art have more original artworks at their home. Here the explanation could be very simple. Either people who are engaged in creation of art are producing visual arts and keep their creations at home, or they could incline to own more original artworks produced by others. To draw any weighty conclusions the question in the survey needs to be more specific defining the possession of original artworks not created by the respondent.

Book reading also appears to be a statistically significant predictor of owning original art works ($\beta = .179$, $p < .05$). It is the cultural factor having a positive relationship with ownership of art works and cultural attendance: people who read more books that are not connected with their work or studies, own more original artworks and visit more art exhibitions. Both educational attainment and book reading develop analytic and cognitive skills. Although book reading, is a component of high culture, differently from access to higher education, it is widely available for everyone. While at universities others largely dictate information, reading allows a free choice. It is a personal developing cognitive skill, which can reflect true preferences of a consumer including his/her cultural consumption patterns.

Some correlations with possession of original artworks were just marginally significant:

Voting ($\beta = .161, .05 < p < .10$). A positive relationship between the social factor of voting and possession of original artworks is observed. It means that respondents who voted on the last elections have more artworks at their home.

From the *bourdieuan* perspective voting is a group-based collective action. It is a social responsibility that includes cooperating in activities that affect group wellbeing. Thus, it is a sign of a social responsibility, and a component of the social capital. The social capital is accumulated by participating in group activities. It seems plausible that people who own more original artworks are also more active socially and have a stronger feeling of social membership. More evidence about connections of cultural consumption and social capital comes from the next finding about importance of networking.

Networking involvement ($\beta = .155, .05 < p < .10$) A positive relation is also observed between possession of original artworks and the social factor of belonging to a network outside studies or work. In particular, people who own more original artworks tend to belong to some sort of network or organisation. It suggests that people who are interested in acquiring original artworks are also more active socially. It influences the rates of cultural consumption accordingly. People who tend to participate in public and social life more often are also willing to consume more culture.

3) Factors Related to Attendance of Art Museums, Fairs and Galleries

The same procedure is followed performing multiple regression for attendance of art museums, fairs and galleries. On the first step control variables of occupation, education, income and place of residence are entered into the model. Again in combination these variables do not significantly predict attendance of art museums, art fairs and galleries (Sig. F Change = .065). However, the dummy variable of place of residence appeared to be significant ($\beta = .290, p < .05$). On the second step all of the remaining predictors are entered simultaneously. In this model 14,4 % of the variation in cultural attendance is accounted for through the combined linear effects of the predictor variables ($R^2 = .144$). The analysis also shows that overall model is statistically significant (Sig. F Change = .008, $p < .05$). Now I will analyse, which

predictors significantly contribute to the 14.4% of explained variance in cultural attendance and which ones do not, and in what ways do the significant ones help to explain it.

First of all, I will examine correlations with attendance of art museums, art fairs and galleries that are statistically significant when all of the variables are entered into the regression equation:

Early exposure to culture ($\beta = .220, p < .05$) is positively associated with higher cultural attendance in later life. In particular, respondents who visit more visual arts exhibitions in their childhood are tending to show the same pattern as adults. An early exposure to culture is important cultural factor because it is directly connected with the accumulation of cultural capital and later cultural participation rates.

This finding also confirms a *bourdieuan* importance of cultural capital. First of all, the earlier consumers are exposed to culture, the more knowledgeable they are. This gives more satisfaction in cultural consumption and increases participation rates. It implies that if people do not develop an inclination for culture as children it is harder for them to engage in cultural activities in later life.

Place of residence ($\beta = .184, p < .05$) A very unexpected finding is the positive relation between cultural attendance and the demographic dummy variable of place of residence: living abroad. I expected that residents of Vilnius would consume more culture because of better infrastructure and more vibrant environment. I also wanted to see whether the cultural consumption patterns of Lithuanians residing abroad would be different. It appeared that the factor of living in the capital did not have any relation with cultural attendance. However, the factor of living abroad had a strong correlation with attendance of art museums, fairs and galleries. In particular, Lithuanians who are residing abroad are also visiting more visual arts exhibitions than the ones in Lithuania.

My first impression was that it is the consequence of higher income of Lithuanians living abroad. It encouraged me to look at the relation between the variables of household income and place of residence. After performing a chi-square test of independence a very strong relation was observed $\chi^2 (2, N=131)=25.924, p = .000$. It means that more Lithuanians living abroad are in high-income group than it is expected by chance (std. residual=3.4). Of course nothing is surprising about this

fact alone. However, we need to keep in mind that previous statistical analysis showed that income is not related to cultural consumption patterns of population. It suggests that there are other important conditions abroad that make a difference. It can be many different things from better infrastructure of foreign galleries and museums to different distribution of free time of consumers. This could be an interesting point for a further research.

Book reading (β .172, $p < .05$). As mentioned before, book reading is the only factor that is related to both, possession of original artworks and cultural attendance. It is already examined above, and will be inspected in more detail in the discussion chapter.

Social factors of community involvement, voluntary work and charity, command of foreign languages, and cultural factor of childhood exposure were not significant predictors in model of possession of artworks. Next to it, social factors of belonging to a network, community involvement, voluntary work and charity, voting, command of foreign languages, and cultural factors of television viewing, and engagement production of art also did not meet the necessary criteria to significantly impact cultural attendance, so they played no role at this stage of the analysis.

5.4 Conclusions

To sum up, multiple linear regression analysis showed that social and cultural factors could predict visual arts consumption patterns better than socio-demographic factors alone. To be precise, the socio-demographic factors of income, education and occupation showed no relation with consumption of visual arts in the population.

To begin with, no significant relationship between cultural consumption patterns of people with low or high income was observed. However, the absence of relationship may occur because of the bias in the population. Majority of the population were from households with lower income, and it might influence the final outcome. In case of survey population, the assumption from the literature that economic factor of income does not have a relationship with cultural consumption was confirmed. High income alone does not make a cultural consumer, and it also requires other forms of capital. This finding neglects the belief that cultural consumption is directly dependent on economic situation. It contradicts widely spread opinion in Lithuania that stagnation of cultural consumption is due to the small

income of majority of the society. This strong emphasis on the economic factors may obstruct consumers from realization their social and cultural needs. These findings could encourage looking deeper into other problems of cultural consumption instead just blaming bad economic situation alone.

Literature analysis suggested that the education would have a major impact on cultural consumption patterns. It is believed that knowledge and taste are linked and that education structures knowledge and thus tastes. Accordingly lack of art education may give ground to poor cultural orientation and inability to evaluate and consume culture. Educational qualifications should enhance consumers' cultural capabilities and thus increase cultural consumption. It appears that in the population the demographic factor of educational level is not related to consumption patterns of owning the original artworks or attending visual arts exhibitions. Again, it may result from overall high level of educational attainment in the population. Majority of respondents has a university degree or equivalent. Nevertheless, findings reveal that not the level of general education but an early start of cultural education and a focus on self-education is more important. It suggests that the distinction between terms of 'academic ability' and 'cultural capital' should be drawn. 'Academic ability' is a behaviour rewarded educational institutions, and in case of Lithuania, it may differ from individual. Even long years of schooling may fail to develop the taste or to stimulate the interest in culture. The education system itself must be able to convey the knowledge.

Literature also suggested that social class and status are strongly related to individual cultural consumption, and social factor of occupation should play an important role in social placement. It is presumed that individual's values and tastes form in connection with one's work. However, occupation of respondents appeared to be statistically insignificant. I expected that different employment positions would stratify cultural consumption patterns within society. It appeared not to be the case in the survey population. It suggests that society is not stratified according to occupation and that people with different occupations follow the same cultural consumption patterns. Yet again it may be accounted for the lack of variety in the survey population itself.

Finally, the findings of the survey analysis needs to be examined in more detail and requires a separate discussion chapter. It also demands more background

for further investigation. In order to interpret the results more accurately, I will conduct the analysis of experts' interviews.

6. Experts Interviews

Analysis

All the findings from empirical research classified cultural consumption into properties, such as what are the consumption rates, how many people buy or attend visual arts, what are the demographic, social, cultural and economic characteristics, and what relations are statistically significant. However, because of its complexity researching cultural consumption requires a wider focus and a qualitative analysis of these properties. In this chapter I will add a qualitative analysis of experts' opinions on cultural consumption as a complementary tool of the research¹⁵.

What are the main predictors related to visual arts consumption patterns in Lithuania according to experts?

6.1 Economics

Interviewed experts confirm the hypothesis from exploratory analysis that the problem behind the low rates of cultural consumption in Lithuania is not a poor economic situation on the side of consumer: “going to galleries with all the family is an inexpensive way of spending time” (D. Stomienė, personal communication, June 6, 2013) and “admission to the exhibition costs the same as a pint of beer, the problem is not here” (V. Michelkevičius, personal communication, July 9, 2013). According to experts, the main economic issues are complicated funding policies, imbalance between public and private sectors, and lack of tradition of paying to artists.

Another economic matter is the relation between culture and money in Lithuania. Michelkevičius emphasises that in Lithuania it is hard to have a conversation about money in general: “To talk about money in Lithuania is not nice and even rude. Abroad it is common that if you create and exhibit something, you will get royalties, whether it will be sold or not. There is no such a culture in Lithuania” (V. Michelkevičius, personal communication, July 9, 2013). Difficulties to talk about the money in the sphere of culture prevent an open discussion between all members of visual arts market in Lithuania.

¹⁵ Full transcripts of the interviews and a table of key points can be found in [appendix F](#) and [appendix G](#)

6.2 Lack of Tradition

Experts raised another interesting point - absence of traditions. Parulskis gives a short overview of a history of visual arts market in Lithuania and problems connected with it: “The most important factor still shaping Lithuanian art market is the country's history. It determines all the others - the social, cultural, economic - factors. During the interwar period¹⁶ the class of art consumers formed in Lithuania. Though they were able to buy only local art works for a local price. International art works in Lithuania appeared only as serial products - from graphics and sculptures to furniture and interior design. In the post-war and pre-modern era public art market completely disappeared, as the trade from artist workshops. The only active segment of the market was antiques trading, when things began to migrate within the Soviet Union to Vilnius and Kaunas, new things came from Moscow and Leningrad. Finally, in the 60's trading in the artists studios shaped the art market background we see today” (E. Parulskis, personal communication, July 30, 2013).

Another problem, there is no tradition of patronage and collectors in Lithuania. There are very few people who are investing in works of art. This is also a generational problem (D. Stomienė, personal communication, June 6, 2013). Michelkevičius adds that now some kind of socialist attitude of the Soviet times is still merging with capitalist perspective. The lack of cultural consumption traditions in Lithuanian is also a big problem. People interested in art usually belong to a closed circle, and there is a huge gap between the consumers of art and the general public. There are artists and art lovers but there are no tradition of mediation and communication of culture to broader public.

Parulskis notices a positive tendency: a substantial mental break happened during two decades of independence. Art lovers, not all of course, got rid of the myth that all art is valuable, and learned to separate good investments from bad ones. Publications, and the activities of auction house had encouraged this. The attitude that subjective aesthetic judgments can differ from each other, started to develop.

¹⁶ The period between the end of World War I and the beginning of World War II (1919-1938)

6.3 Lack of Media Attention

Experts note that “art is important only for an extremely narrow circle of people, and media does not write about it” (V. Michelkevičius, personal communication, July 9, 2013). Stomienė agrees that media forms opinions of general public. However, it pays very little attention to culture. The everyday things are publicised the most. Both children and adults choose their activities accordingly. There are very few interesting and exciting programs or just the basic information about culture. The headlines are occupied by politics, crime reports or reality shows with a lot of advertising, and sports. Culture is in the last place (D. Stomienė, personal communication, June 6, 2013). Television and media in general may be used for improving the situation. Steps making cultural TV programs more accessible and promoting more culture through television could be implemented. “Conversations about art in the trendy parties and media could make a difference. So far, there are very few of them” (V. Michelkevičius, personal communication, July 9, 2013).

6.4 Cultural Consumption as a Trend

According to Parulskis, in the context of annual growth, the audience's ability to appreciate culture has positive dynamics (E. Parulskis, personal communication, July 30, 2013). However, the lack of conversation about culture results in it not being trendy. According to Michelkevičius, we need to make it some sort of a fashion trend: “Fashion is fun. It is fun not only to buy expensive cars and designer clothes, but also have a fairly good collection of art works at the same time. The reasons behind unpopularity of culture could be that there are no concepts of consumption of arts amongst business companies. There are only a few companies that among their goals and social responsibilities state the support for the arts” (V. Michelkevičius, personal communication, July 9, 2013). Again art culture is excluded from the general public and remains an independent sphere on its own. Parulskis indicates the way invite more people by making art presentation more attractive. However, the process of attraction is hardly feasible, because only local art supply is functioning in Lithuania (E. Parulskis, personal communication, July 30, 2013).

6.5 Educating a Cultural Consumer

Experts also confirm the finding that early exposure is very important to the patterns of future cultural consumption. The situation now in Lithuania is that most of the galleries are free and open to public, but we see a very few children in there (D. Stomienė, personal communication, June 6, 2013). First of all, the problem “starts in the school's programs, where anything is barely spoken about the visual arts. After the schools come universities. It is a very important thing. Consumers of art need to be educated from childhood, so to start at the school. This subject really should get more attention. The school curriculum should include much more educational activities, visits to exhibitions, especially to contemporary art exhibitions. (V. Michelkevičius, personal communication, July 9, 2013). As experts notice, education is a long-term investment. It forms general attitude of public, which plays an important role. Michelkevičius adds that if you start at school or university, then at least ten years must pass before the visible results. Another thing, the Ministry of Culture of Lithuania should regulate some part of the funding for the presentation of cultural products, and not just for production (V. Michelkevičius, personal communication, July 9, 2013).

This problem of cultural consumption in Lithuania could be approached from two perspectives: government and visual arts market players. While government needs to clarify their cultural policies and involve more cultural education from early years, private initiatives are also very rare in Lithuania. According to Michelkevičius, one of the main problems of the market players like galleries, museums, or art centres, is that they do not engage in arts education. In other countries there are special children's corners, educational workshops, live tours, for everyone to use. No one entails these practices in Lithuania (V. Michelkevičius, personal communication, July 9, 2013). Stomienė adds that it might help the museums to open up more, with the larger and more interesting programs. It would attract more young people. If they would constantly visit and be curious, they would be more educated and able to appreciate more. Finally, we must start working with young people since they are the future consumers.

6.6 Conclusions

Experts confirmed the research hypothesis about overestimated importance of economic factors on cultural consumption. However, they noticed that other economic conditions, such as complicated government funding policies, lack of tradition of paying for artists, and problems having an open discussion about money, are important. They also emphasized the complicated history of Lithuania and its visual arts market, and lack of media attention, resulting in cultural consumption not being trendy. Finally, they highlighted the importance of educating cultural consumer, doing it from an early age and on all possible levels. In the next chapter I will overview the key findings from literature review, empirical research and experts interviews, in order to formulate recommendations for increasing cultural consumption.

7. Discussion

In this chapter I will go through my journey of researching cultural consumption. I will summarize and connect the findings from all three parts of the research: exploratory overview of cultural consumption rates and economic background, cultural consumers survey analysis and experts interviews.

7.1 Exploratory Analysis of Cultural Consumption Rates and General Economic Context

What is the current situation of visual arts consumption in Lithuania?

First of all, I chose to investigate a case study of Lithuanian visual arts market. It was interesting to see how things are going in a cultural sphere of my home country. Next to it, Lithuanian visual arts market is in a very interesting emerging stage, and all developments are only starting there. Thus, it was motivating to identify where the market is going and what can be done to steer it to the right direction. Since the range of visual arts consumption was not clear, I began with the exploratory analysis of cultural consumption rates.

I obtained the results from Vilnius art fair, summarized and analysed it. I was looking for figures indicating the rates of cultural consumption and possible reasons behind. A very interesting trend appeared immediately after putting all the numbers into graphical chart. In particular, the number of art fair visitors was declining, while the sales were going up. After consulting with the organizers of ArtVilnius, we reached a conclusion that possibly the audience of art fair is becoming more professional and comes to the event with a clear intension to buy an art work. It would also mean that there are less visitors who come just to walk around, see exhibition, chat with other art lovers, and maybe buy something. In the end, this part of the audience would contribute significantly to the popularity, outreach and even sales in the ArtVilnius. The absence of these visitors obstructs growth of the art fair, and fails to attract and educate possible future consumers.

The next step was downloading and systemizing auction results from the Vilnius Auction House website. While examining the sales data I was also looking for

signals of trends in the Vilnius art auction. Again, after visualising the numbers, two interesting figures appeared. First of all, the sales in 2008, when the financial crisis in Lithuania was peaking, were higher than in previous or next year. Secondly, sales were extremely high in 2011, when a very important collection was presented for the first time. Both occurrences indicate that buyers were not purchasing art for their own pleasure, but rather as an investment. Only a buyer with professional attitude would spend relatively high sums in the time of crisis, and only a buyer with sophisticated cultural knowledge and long term perspective of financial returns, would buy works for more than €10'000, which is relatively high amount of money in Lithuania.

These observations led to conclusion that the main segment in consumption of visual arts in Lithuania is art connoisseurs or so called *elite* consumers. Though they are spending quite impressive sums on art works, and participate in major art events in Lithuania, they are unable to sustain the growth of overall consumption of visual arts. General public or at least more members from the middle class should get involved in the market. However, something seemed to obstruct them from cultural consumption. Therefore, the next step in my research was to investigate general economic background in Lithuania, and see if favourable financial conditions for cultural consumption exist.

Is there a favourable economic climate for cultural consumption in Lithuania?

Further research took a direction towards analysing the general economic situation in Lithuania. The investigation of main indicators of wealth and economic stability allowed inferring that all necessary economic prerequisites exist. General public should be able to spend part of their household's income for culture, including visual arts. However, as found out in the previous chapter, the reality was different. Evidence from visual art market of Lithuania led to hypothesis that **social and cultural factors can predict cultural consumption patterns better than the economic factors**. I decided to test this hypothesis in the next chapter conducting cultural consumers survey analysis.

7.2 Cultural Consumers Survey Analysis

To what extent factors different from economic (demographic, social, cultural) influence visual arts consumption patterns in Lithuania?

In the next stage of the research I decided to investigate the demand side in more detail. I designed a survey measuring respondents' demographic, economic, social and cultural characteristics, together with cultural consumption patterns in a form of attendance or ownership. I used demographic characteristics and income as control variables, together with social and cultural factors as independent variables, and cultural consumption patterns as dependent variables. It tested whether independent variables can predict cultural consumption patterns better than control variables alone.

The multiple regression analysis showed that cultural factors of television viewing, engagement in production of art and book reading, together with social factors of voting and networking involvement were connected with possession of original artworks. Cultural factors of early exposure to culture and book reading, together with demographic factor of place of residency appeared to have a relationship with attendance of art museums, fairs and galleries. All these indicators are signifiers of cultural and social capital. I discussed all the significant relationships in the previous paragraph. Here I will investigate the most important findings giving a ground for recommendations.

First of all, multiple regression analysis confirmed the hypothesis that social and cultural factors can predict cultural consumption patterns better than the economic factors. The finding of irrelevance of economic factor contradicts widely spread opinion in Lithuania that stagnation of cultural consumption is due to financial incapacity of the majority of society. The strong emphasis on the economic factors obstructs consumers from the realization of their social and cultural needs. This finding could encourage looking deeper into other problems of cultural consumption instead just blaming bad economic situation alone.

Secondly, there are no indicators of social capital connected with cultural attendance, and two connected with ownership. Survey results showed that people who have more art works are also more active socially and have a stronger feeling of social membership. It implies that cultural consumption in a form of purchase, rather

than a visit, has more social context. In other words, there is a stronger need for social recognition behind the act of purchasing art, rather than visiting art event. Literature review also suggests that ownership of original artworks is a form of social status affirmation. The same could be said about various networking activities and even voting. People seek to approve or elevate their social positioning by owning art and attending various social events. This finding fits the *bourdieuan* perspective that the real value of any artwork is negotiated and established socially, i.e. it is socially instituted.

The third important finding is the significance of book reading. It is the only factor that is related to both, possession of original artworks and attendance of art museums, fairs and galleries. It is important keeping in mind that differences in standard education did not have any relation nor with possession of original artworks neither with cultural attendance. It seems plausible that standard education in Lithuania do not develop cultural knowledge that is necessary for cultural consumption. While book reading allows consumers to understand and enjoy cultural stimuli, therefore making cultural participation more likely. It suggests that academic education may lack cultural dimension, and that individual curiosity and self-education play a more important role in cultural consumption.

Finally, early exposure to culture strongly correlates with cultural attendance in later life. It connects with the observation above about importance of self-education and curiosity. This relationship suggests that educating the young consumer is the first step towards improving cultural consumption rates. If children will be exposed to culture, they will visit art events in later life, and only then art purchases can happen. It is crucial to realize the importance of this first step of early exposure and employ it in cultural policies, museum and gallery activities, education curriculum and media focus.

The empirical research showed that in consumption of visual arts social and cultural factors are more important than economic. In addition, social factors have a greater influence on possession of artworks. It also suggests that the key in developing social and cultural capital is not the institutional schooling but self-education. And the most important thing is to start as early as possible. Having all these findings I wanted to see what do the experts think about it.

7.3 Complementary Analysis: Experts Interviews

What are the main predictors related to visual arts consumption patterns in Lithuania according to experts?

All the above stated findings classified cultural consumption into properties, such as what are the consumption rates, how many people buy or attend visual arts, what are the demographic, social, cultural and economic characteristics, and what relations are statistically significant. All of them are important and can be described with numbers, but each of them has a qualitative side that is also informative. In the end, I added a qualitative analysis of experts' opinions as a complementary tool of the research. I will overlook how the main insights from experts correspond to the findings of the empirical research.

Experts' observations on culture not being trendy or fashionable in Lithuania and lack of media attention reflect the finding of significance of social recognition. It is important for consumers that cultural consumption would signal their social positioning and benefit for their social image. People follow consumption patterns of members from upper levels of social hierarchy. Also media forms opinions of general public. If there is no conversation about cultural consumption in media and higher social strata, it would not spread to the rest of society. In order to achieve that, first of all it is crucial to recognise the importance of social capital and social context of cultural consumption.

Interviewed experts also emphasize the importance of educating a cultural consumer. It connects to the findings from the survey about significance of self-education (book reading) and childhood experiences with culture (early exposure). It also complements and explains why educational attainments do not have a significant relationship with cultural consumption patterns. Some experts indicate that the subject of culture just does not get enough attention in school's curriculum. Therefore, educational system produces individuals who may have very sophisticated academic or technical knowledge but no cultural competencies.

In the end, analysis of experts' interviews confirmed the main hypothesis that social and cultural factors can predict cultural consumption patterns better than the

economic factors. Finally, a firm conclusion can be made that economic capital is not a sufficient prerequisite for cultural consumption.

7.4 Conclusions and Limitations

Going through the process of researching cultural consumption I learned a lot about how cultural and market spheres come together and what differences between them must be taken into account. Challenging task of combining different methodologies taught to analyse data from different angles while seeing the bigger aim of the whole research. Application of a theory to the specific case of the Lithuanian visual arts market gave a more practical insight of how to use academic knowledge in real life circumstances. The analysis of visual arts market of Lithuania showed that disregarding favourable economic conditions general public is not involved in consumption of visual arts. It also helped to develop the hypothesis that social and cultural factors can predict cultural consumption patterns better than the economic factors, then test, and finally confirm it. Then factors related to cultural consumption patterns were drawn from the literature, and used as a tool for investigating differences in visual arts consumption patterns in Lithuania. In the end, multiple regression and experts' interviews analysis confirmed the hypothesis.

A chosen form of research investigating distinctive and sometimes paradoxical aspects of cultural consumption and consumers' behavior has its own limitations. The mixed model of the methodology, created a problem of how to interpret complex data from statistics, surveys and interviews. While specialization allows only narrow perspective, holistic approach has its own disadvantages. Since, the problematic of cultural consumption stretches through very different disciplines, such as philosophy, anthropology, economics, sociology, and psychology, a researcher can get easily lost in between these themes. While criticizing the scientific specialization it cannot be forgotten that only specialization allows precise measurements. In addition, the problem of immeasurability remains. The intangible nature of cultural consumption obstructs creating consistent and testable theory. Whenever we are trying to reduce the complex structure of motivation into apprehensible units, some part of this intangible concept is always lost.

8. Recommendations

The usual way to increase cultural consumption is oriented towards improving the supply side. This research showed that development of the audience is also very important, and that consumer preferences are influenced by complex set of factors. In the end, *de gustibus est disputandum*. Thus, more emphasis must be placed on strategies designed to build the demand, and expand the audience. In this chapter I will present suggestions and recommendations for governmental, business and cultural organisations, looking for methods increasing cultural consumption in the future. Four action steps will be presented based on the main findings from visual arts market, consumer surveys and experts interviews analysis.

8.1 Understand Your Role in the Art Market

The analysis of consumption rates showed that current state of visual arts market in Lithuania is in transitional phase. The essential infrastructure for the cultural consumption already exists: there are artists, national museum, galleries, cultural media, auction house and audience. However, each member does not meet requirements for the market to function as a system. There is a lot of uncertainty and the members are still pursuing their role and function in the market. The first directly observed drawback was the overlapping functions and unclear roles in the sphere of production and distribution of visual arts.

According to the literature the functions of galleries and auction houses should be differentiated and complement each other. Galleries should orientate towards common consumer, while auction houses should specialize in the field of professional investors and collectors. However, Vilnius art fair is not entirely orientated towards the general public, and Vilnius auction house - towards art connoisseurs. Recognizing the target consumer groups would help establishing particular relationships and better targeting. The research showed that forms of capital for attending visual arts events and purchasing art works are different. In general, cultural factors are more related to the attendance, and social factors – to purchases. Distributors of visual arts could implement these findings. In particular, since early exposure to culture is closely connected to attendance in later life, museums, art fairs and galleries should orientate more to attracting young consumers. Accordingly, social character of purchasing art suggests that action houses should emphasize social prestige and exclusivity of participating in their activities.

According to experts, galleries have also not yet realized their role. They should develop marketing strategies to start selling artworks, and not just present artists, get subsidies from the government, and continue functioning like exhibition halls. The old habits of command-planned economy are still observed here. This dependence on government is usually convenient for galleries because it does not require much effort and takes away responsibilities and dangers connected with free market economy. The other side of this dependence is inability to pursue their own vision and being commanded from above. In a long-term perspective, galleries should focus not only on artistic side of their activities but on the market side also.

Correspondingly, the artists should realize that money is a natural part of their creation, and that there is nothing incorrect in expressing your value in monetary terms, as well as artistic. They need to look for galleries (and not *vice versa*), and find where to sell their works at a better price. Next to it, artists should be the first ones in changing a traditional practice from the past of withdrawing from the legal market, and avoiding the usual sales through market distributors. In the end, it results in the continuing decline of overall sales.

8.2 Educate Your Audience

When all the members of visual arts market understand and fulfil their functions, it is time to look back to a cultural consumer. Though the theory suggests that there should be a connection between cultural consumption patterns and educational attainments, the research did not confirm it. However, the factors of self-development and early exposure appeared to be important. This finding suggests that academic education in Lithuania lacks cultural background. A curriculum that develops capacities necessary for consuming culture must be developed.

Educational system dictates the general approach to culture. Unfortunately, the humanities still remain in the background of general education. According to the number of hours, hard sciences are the top priority in schools and it is a good representation of prevailing approach. By demoting culture to a minimal role we abandon foremost areas of human growth and creativity. With such a hierarchical model young people graduate from high schools or universities, acquiring an excellent academic education, but the perception of culture remains very poor and limited. Cultural programs that exist in today's educational system are usually one-

dimensional and orientated to the production side. Aesthetic and consumerist competencies are left to develop outside the school. This consumer component should be integrated with other consumer-oriented activities from the early days. Teaching should orientate to educating the whole person, including one's aesthetic sensitivity, inclination for self-development, social responsibility, and cultural appreciation. These are the foundations of cultural consumerism.

The research showed that early exposure to culture plays a significant and enduring role in later participation, regardless the levels of formal schooling. In the long run, it may be the most effective way in boosting cultural consumption. Cultural consumers need to be reached from their childhood. They need to experience as much memorable moments with culture as possible. Not only parents but also teachers should be taught about the importance of conveying value of culture. Involving the audience requires carefully coordinated activities. And the next step is making culture more attractive.

8.3 Make Culture More Attractive

According to the data from primary and secondary visual arts markets only a small number of *elite* with professional attitude is consuming visual arts in Lithuania. However, the amateurs and not the professionals are the main segment of any art market. To draw the amateur art consumers who are not yet inclined to consume, it is very important to make the presentation of culture more attractive. Poor cooperation and poorly established relations with the audience result in elitist cultural consumption. Presenting culture in a more attractive way should broaden the audience and contribute to the audience development.

Art museums, fairs and galleries should respond to these challenges by paying more attention to their marketing, trying to get more block-buster exhibitions, upgrading their commercial activities, such as catering and merchandise, becoming centres of not only cultural but also social and general entertainment activities, together with introducing more special attractions. The finding of social importance of cultural consumption indicates that there should be more activities including social networking, virtual and real circles and communities, involving more members from various layers of society and reaching broader audiences. Attractive ways, such as social media, virtual galleries, newsletters, forums, chat evenings, workshops, must be

chosen accordingly. Because of the addictive character of cultural consumption this would pay off in a form of more returning customers, donors, and profits. However, distributors can contribute to an attitude change, but they cannot do it alone.

Consumer's attitudes towards culture are formed not only by family, educational system, government policies but also by the media. Media is the most influential communicative agent in the market. Without being able to make sensible decisions, consumers are especially receptive to it. While fostering the image of culture the media may shape the positive image of cultural consumption more efficiently and on a greater scale. The research showed that value of artwork is established socially and that social characteristics play a big role in the cultural consumption. Media should be the main agent in creating this social background for cultural consumption. It needs not only convey essential information but also shape the image of cultural consumption and be an intermediary between the consumer and culture distributors.

8.4 Consider the Duality of Cultural Consumption

To conclude, the main finding of this research was that cultural consumption could not be deducted to just economic, social or cultural terms. It is a complex structure and holistic approach, embracing as many aspects as possible should be employed. The artistic side of cultural consumption is governed by irrational scheme of motives. Accordingly, cultural goods are still functioning in the market as commodities. It is important to explore how the emotional dimension of motivation can be reached and addressed. At the same time, in order to survive economically, income levels and rates of return should not be forgotten. In the end it is a balancing act.

While researching cultural consumption I have noticed how easy it is to start paying attention just to one side. We often forget not only cultural and social aspects but economic, too. It is essential to keep in mind the duality of cultural consumption and understand that the cultural model is interrelated to the commercial one. Therefore, tangible notions of profits and monetary incentives must always be combined with intangible – social and cultural values.

Bibliography

- Alderson, A. S., Junisbai, A., & Heacock, I. (2007). Social status and cultural consumption in the United States. *Poetics*, 35(2), 191-212.
- Alexander, V. D. (2003). *Sociology of the arts: exploring fine and popular forms* (Vol. 23): Oxford: Blackwell.
- Alperytė, I. (2006). Cultural Needs of Lithuanian Inhabitants in the Context of Global Consumer Culture. *Transformations in Business & Economics*, 5(2), 10.
- Baum, F. E., & Ziersch, A. M. (2003). Social capital. *Epidemiol Community Health*, 57, 320–323.
- Becker, G. S. (1996). *Accounting for tastes*: Harvard University Press.
- Bermingham, A. (1995). Introduction. the consumption of culture: image, object, text. *The Consumption of Culture*, 1–20.
- Bihagen, E., & Katz-Gerro, T. (2000). Culture consumption in Sweden: The stability of gender differences. *Poetics*, 27(5), 327-349.
- Bourdieu, P. (1984). The market of symbolic goods. *The Field of Cultural Production: Essays on Art and Literature*, 1-34.
- Böröcz, J., & Southworth, C. (1996). Decomposing the intellectuals' class power: Conversion of cultural capital to income, Hungary, 1986. *Social Forces*, 74(3), 797-821.
- Bourdieu, P. (1984). Distinction: A Social Critique of the Judgement of Taste.
- Bourdieu, P. (1993). The field of cultural production. *Essays on Art and Literature*., 29-41.
- Brown, E., & Ferris, J. M. (2004). Social Capital and Philanthropy. Retrieved from
- Bryan, S., Turner, B., & Edmunds, J. (2002). The distaste of taste: Bourdieu, cultural capital and the Australian postwar elite. *Journal of Consumer Culture*, 2(2), 219–240
- Bryman, A. (2012). *Social research methods*: Oxford university press.
- Bryson, B. (1997). What about the univores? Musical dislikes and group-based identity construction among Americans with low levels of education. *Poetics*, 25(2), 141-156.
- Caves, R. (2000). *Creative Industries: Contracts Between Art and Commerce*: Cambridge: Harvard.
- Chan, T. W., & Goldthorpe, J. H. (2007). Social stratification and cultural consumption: the visual arts in England. *Poetics*, 35, 168-190. doi: doi:10.1016/j.poetic.2007.05.002

- Chan, T. W., & Goldthorpe, J. H. (2010). Social status and cultural consumption. *Cambridge University Press*.
- Colbert, F. (2003). Entrepreneurship and leadership in marketing the arts. *Marketing*, 1009(5), 6 - 25.
- Corbett, R. (2012). Art Market Watch: How big is the global art market? (Vol. 1, pp. 199).
- Dagiliūtė, R., & Liobikienė, G. (2008). Sustainable household consumption: the state and perspectives in Lithuania. *Sustainable Consumption: Academic Conference Proceedings*, 50-61.
- De Graaf, N. D., De Graaf, P. M., & Kraaykamp, G. (2000). Parental cultural capital and educational attainment in the Netherlands: A refinement of the cultural capital perspective. *Sociology of education*, 92-111.
- Dimaggio, P., & Useem, M. (1978). Social class and arts consumption: the origins and consequences of class differences in exposure to the arts in America. *Theory and Society*, 5(2), 141-161. Retrieved from <http://www.jstor.org/stable/656694>
- Dobbs, S. M. (1979). Educating tomorrow's culture consumers. *NASSP Bulletin*, 63(430), 44-47.
- Durlauf, S. N., & Fafchamps, M. (2004). Social Capital. *National Bureau Of Economic Research*. Retrieved from <http://www.nber.org/papers/w10485>
- Edris, T. A., & Meidan, A. (2006). On the reliability of psychographic research: encouraging. *European Journal of Marketing*, 24(3), 23-41. doi: <http://dx.doi.org/10.1108/EUM0000000000601>
- Erickson, B. H. (1996). Culture, class and connection. *The American Journal of Sociology*, 102(1), 217-251.
- Gainer, B. (1995). Ritual and relationships: interpersonal influences on shared consumption. *Journal of Business Research*, 32(3), 253-260.
- Georg, W. (2004). Cultural capital and social inequality in the life course. *European Sociological Review*, 20(4), 333-344.
- Gill, P. (1987). Identifying factors related to guidance counselors' attitudes toward visual arts programs in public schools. *Marilyn Zurmuehlen Working Papers in Art Education*, 6(1), 28-33.
- Grenier, P., & Wright, K. (2003). Social capital in Britain: an update and critique of Hall's analysis. *CCS International Working Paper*, 14.

- Grootaert, C., Narayan, D., Jones, V. N., & Woolcock, M. (2003). Measuring social capital: an integrated questionnaire. *World Bank Working Paper*, 18.
- Holbrook, M. B., & Hirschman, E. C. (1982). The experiential aspects of consumption: consumer fantasies, feelings, and fun. *Journal of consumer research*, 132-140.
- Holt, D. B. (1997). Distinction in America? Recovering Bourdieu's theory of tastes from its critics. *Poetics*, 25(2-3), 93-120.
- Holt, D. B. (1998). Does cultural capital structure American consumption? *Journal of Consumer Research*, 25(1), 1-25. Retrieved from <http://www.jstor.org/stable/10.1086/209523> .
- Jurevičienė, D., & Savičenko, J. (2011). Trends of investment in art. *Economics and Management*, 16, 12 - 23.
- Jurevičienė, D., Savičenko, J., & Miečinskienė, J. (2012). Art investments for portfolio diversification. *Intelektinė ekonomika*, 6(2), 41 - 56.
- Katz-Gerro, T. (1999). Cultural consumption and social stratification: leisure activities, musical tastes, and social location. *Sociological Perspectives*, 42(4), 627-646. Retrieved from <http://www.jstor.org/stable/1389577>
- Katz-Gerro, T. (2002). Highbrow cultural consumption and class distinction in Italy, Israel, West Germany, Sweden and United States. *Social Forces*, 81(1), 207–229.
- Katz-Gerro, T. (2011). Cross-national cultural consumption research: inspirations and disillusion. *Kölner Zeitschrift für Soziologie und Sozialpsychologie*, 51, 339-360.
- Kerrigan, F., O'Reilly, D., & Lehn, D. V. (2009). Producing and consuming arts: a marketing perspective. *Consumption Markets & Culture*, 12(3), 203-207. doi: <http://dx.doi.org/10.1080/10253860903063212>
- Klamer, A. (2002). Accounting for social and cultural values. *De Economist*, 150(4), 453-473.
- Kolb, B. M. (2001). A study of the philharmonia orchestra audience. *International Journal of Arts Management*, 3(2), 51-59.
- Köster, P. R., & Arroyo, S. C. (2000). *Preferences And Cultural Consumption*.
- Kraaykamp, G., Van Eijck, K., Ultee, W., & Van Rees, K. (2007). Status and media use in the Netherlands: Do partners affect media tastes? *Poetics*, 35(2), 132–151.

- Kutkaitytė, M. (2008). Investicijos į meną: tik malonu, ar ir saugu?[online][retrieved on 19 November 2011]. Available from the Internet: < <http://www.vtv.lt/naujienos/ekonomika/investicijos-i-mena-tik-malonu-ar-ir-saugu.html>.
- Lizardo, O., & Skiles, S. (2008). Cultural consumption in the fine and popular arts realms. *Sociology Compass*, 2(2), 485-502.
- López, J. S., & García, E. A. I. (2002). Omnivores show up again. The segmentation of cultural consumers in Spanish social space. *European Sociological Review*, 18(3), 353–368.
- López, J. S., & García, E. A. I. (2004). Omnivore versus univore consumption and its symbolic properties: evidence from Spaniards' performing arts attendance. *Poetics*, 32(6), 463-483.
- Lovell, T. (1995). Subjective powers? Consumption, the reading public, and domestic woman in early eighteenth-century England. *The consumption of culture, 1600-1800: image, object, text*, 6, 23–41.
- Madsbjerg, C., & Rasmussen, M. (2014). *The Moment of Clarity: Using the Human Sciences to Solve Your Toughest Business Problems*: Harvard Business Review Press.
- Mandel, B. R., Ginsburgh, V., & Throsby, D. (2010). Investment in the visual arts: Evidence from international transactions. *Unpublished working paper, Federal Reserve System*.
- McAndrew, C. (2011). The international art market in 2011: Observations on the art trade over 25 years (pp. 199): The European Fine Art Foundation.
- McCarthy, K. F., Ondaatje, E. H., Szántó, A. s., & Brooks, A. (2005). *A Portrait of the Visual Arts Meeting the Challenges of a New Era*: RAND Corporation.
- Morris, J. W., & Stuckhardt, M. H. (1977). Art attitude: conceptualization and implication. *Studies in Art Education*, 19(1), 21-28. Retrieved from
- Morrone, A. (2006). Guidelines for measuring cultural participation. *UNESCO Institute for Statistics*.
- O'Hagan, J. W. (1996). Access to and participation in the arts: the case of those with low incomes/educational attainment. *Journal of Cultural Economics*, 20, 269-282.
- Paxman, A. (2012). “When blood is running in the streets”: William Jenkins, Property Speculation, and Predatory Lending, 1913-1935. *LASA*, 1.

- Peterson, R. A. (1983). Patterns of cultural choice. *American Behavioral Scientist*, 26(4), 422-438.
- Peterson, R. A. (1992). Understanding audience segmentation: from elite and mass to omnivore and univore. *Poetics*, 21(4), 243– 258.
- Ratzenböck, V., Okulski, K., & Kopf, X. (2012). Cultural policy landscapes. A guide to eighteen Central and South East European countries. In A. Huemer (Ed.), (pp. 116). Viena.
- Scandizzo, P. L. (1993). Cultural consumption, growth and chaos. *Simulation Practice and Theory*, 1, 5-16.
- Scitovsky, T. (1972). What's wrong with the arts is what's wrong with society. *The American Economic Review*, 62(1/2), 62-69. Retrieved from
- Seaman, B. A. (2006). Empirical studies of demand for the performing arts. *Handbook of the Economics of Art and Culture*, 1, 12-34. doi: 10.1016/S1574-0676(06)01014-3
- Shrum, W. (1991). Critics and publics: cultural mediation in highbrow and popular performing arts. *American Journal of Sociology*, 97(2), 347-375.
- Simmel, G. (1922). *Zur Philosophie der Kunst*: Рипол Классик.
- Stokmans, M. J. W. (1999). Reading attitude and its effects on leisure time reading. *Poetics*, 26(4), 245–261.
- Stomienė, D. (2012). Art Fair ARTVILNIUS' 12. *Lithuanian Art Gallerists' Association*. doi: <http://www.artvilnius.com>
- Sullivan, A. (2001). Cultural capital and educational attainment. *Sociology*, 35(4), 893-912. doi: DOI: 10.1177/0038038501035004006
- Sullivan, A. (2002). Bourdieu and education: how useful is Bourdieu's theory for researchers? *Netherlands Journal of Social Sciences*, 38(2), 144-166.
- Sullivan, O., & Gershuny, J. (2004). Inconspicuous consumption work-rich, time-poor in the liberal market economy. *Journal of Consumer Culture*, 4(1), 79-100.
- Swanson, R., Davis, J. C., & Zhao, Y. (2007). Art for art's sake? An examination of motives for arts performance attendance. *Nonprofit and Voluntary Sector Quarterly*, 37(300).
- Tabachnick, B. G., & Fidell, L. S. (2001). Using multivariate statistics.
- Throsby, D. (1994). The production and consumption of the arts: a view of cultural economics. *Journal of Economic Literature*, 32(1), 1-29. Retrieved from

- Throsby, D. (2003). Cultural capital. In R. Towse (Ed.), *A Handbook of Cultural Economics* (pp. 166-170). Cheltenham: Edward Elgar Publishing Limited.
- Tomlinson, M. (2003). Lifestyle and social class. *European Sociological Review*, 97–111(19), 1.
- Towse, R. (2011). *A handbook of cultural economics*: Edward Elgar Publishing.
- Tucakov, A. (2012). Price of art in Serbia. System infrastructure for art market sevelopment in Serbia: key problems and potentials. *Western Balkans: Regional Art Market, and Not a Fiction?*, 1(2), 70-97.
- Uusitalo, L. (1987). On the consumption of pictorial art. *Artists and Cultural Consumers*, 2(6), 155-167.
- Uusitalo, L., & Jyrämä, A. (1992). Economic trends and changes in the art markets. *Museum and visual art markets*, 4(2), 57-68.
- Van Eijck, K. (2000). Culture of consumption. *Poetics*, 28(2-3), 207–224.
- Van Eijck, K., & Van Oosterhout, R. (2005). Combining material and cultural consumption: Fading boundaries or increasing antagonism? *Poetics*, 33(5), 283-298.
- Velthuis, O. (2011). Art markets. In R. Towse (Ed.), *A Handbook of Cultural Economics* (pp. 33-40): Edward Elgar Publishing.
- Venkatesh, A., & Meamber, L. A. (2006). Arts and aesthetics: marketing and cultural production. *Marketing Theory*, 6(1), 11-30. doi: 10.1177/1470593106061261
- Vestheim, G. (2010). Pierre Bourdieu, La Distinction: Critique Sociale Du Jugement. *International Journal of Cultural Policy*, 16(1), 89-91. Retrieved from doi: <http://dx.doi.org/10.1080/10286630902989050>
- Virtanen, T. (2007). *Across and beyond the bounds of taste. On cultural consumption patterns in the European Union*. Tampere: Esa Print.
- Warde, A., & Tampubolon, G. (2002). Social capital, networks and leisure consumption. *The Editorial Board of The Sociological Review*, 155-180.
- Zigmantienė, S., & Raškinis, D. (2008). Meno kūrybių, kaip potencialios investicinio portfelio diversifikavimo priemonės, vertinimas. *Taikomoji ekonomika: Sisteminiai tyrimai*(2/2), 115-134.

Appendices

Appendix A: Interview Guide

Dear Respondent, please answer the following questions:

1. How would you evaluate the situation in visual arts market in Lithuania and what are the main reasons behind it?
2. Is general public of Lithuania able to appreciate visual arts?
3. What (social, cultural, economic) factors are most important for the demand of visual arts in Lithuania?
4. What should be the role of governmental institutions of Lithuania in forming public opinion on visual arts?
5. What could possibly attract people who are indifferent to visual arts to become more interested?
6. Is there enough of art education in nowadays Lithuania?
7. How art and money are related in Lithuanian's mind, and what affects this attitude?
8. How would you evaluate role of Lithuanian galleries and museums in promoting their activities and visual art in general?

Appendix B: Data from ArtVilnius '09, '11, '12

	2009	2011	2012
Artworks sold	53	100	118
Participating galleries	100	65	53
Most expensive artwork (€)	10005	12606	6380
Total sales (€)	58000	72500	116000

Appendix C: Data Vilnius Auction House (2007 - 2013)¹⁷

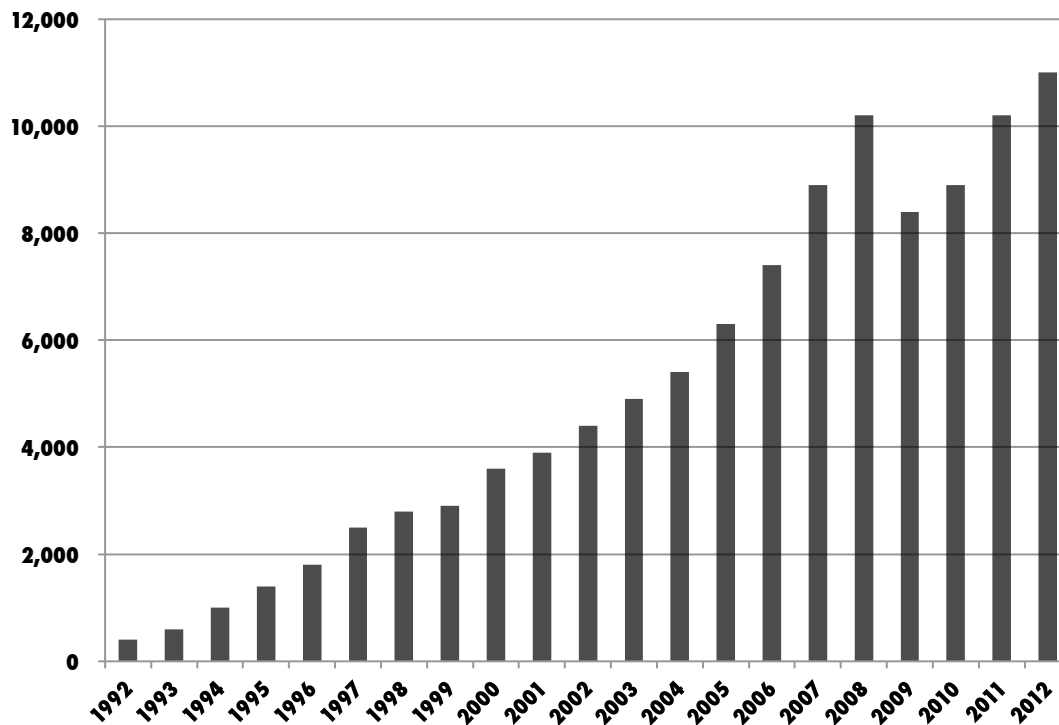
	2007-09-14 - I Vilnius Auction	2007-12-19 - II Vilnius Auction	2008-04-16 - III Vilnius Auction	2008-09-17 - IV Vilnius Auction
Total sales (Lt)	28,200	106,250	154,500	154,800
Total sales (€)	8,178	30,813	44,805	44,892
Most expensive	17,500	12,250	13,750	16,500
Total art works sold	3	19	39	49
	2008-11-12 - V Vilnius Auction	2008-12-17 - VI Vilnius Auction	2009-03-20 - VII Vilnius Auction	2009-05-16 - VIII Vilnius Auction
Total sales (Lt)	37,955	99,290	92,400	31,650
Total sales (€)	11,007	28,794	26,796	9,179
Most expensive	5,700	12,750	14,400	9,800
Total art works sold	66	28	27	12
	2009-09-26 - IX Vilnius Auction	2009-10-23 - X Vilnius Auction	2009-12-18 - XI Vilnius Auction	2010-03-26 - XII Vilnius Auction
Total sales (Lt)	31,245	58,150	80,070	350
Total sales (€)	9,061	16,864	23,220	102
Most expensive	4,100	8,600	39,000	350
Total art works sold	74	27	30	1
	2010-05-29 - XIII Vilnius Auction	2010-08-20 - XIV Vilnius Auction	2010-09-25 - XV Vilnius Auction	2010-10-22 - XVI Vilnius Auction
Total sales (Lt)	100,430	47,400	25,465	85,060
Total sales (€)	29,125	13,746	7,385	24,667
Most expensive	15,000	5,700	4,000	13,150
Total art works sold	39	36	88	39
	2010-12-17 - XVII Vilnius Auction	2011-03-25 - XVIII Vilnius Auction	2011-05-27 - XIX Vilnius Auction	2011-09-16 - XX Vilnius Auction
Total sales (Lt)	94,300	101,590	326,850	127,350
Total sales (€)	27,347	29,461	94,787	36,932

¹⁷ With links to full sale results in www.menorinka.lt

Most expensive	11,850	17,000	67,000	33,000
Total art works sold	39	30	40	31
	2011-12-16 - XXI Vilnius Auction	2012-03-23 - XXII Vilnius Auction	2012-04-05 - XXIII Vilnius Auction	2012-06-01 - XXIV Vilnius Auction
Total sales (Lt)	112,000	30,150	77,400	164,600
Total sales (€)	32,480	8,744	22,446	47,734
Most expensive	21,000	2,300	23,800	30,000
Total art works sold	24	43	18	35
	2012-09-28 - XXV Vilnius Auction	2012-12-14 - XXVI Vilnius Auction		
Total sales (Lt)	45,480	153,900		
Total sales (€)	13,189	44,631		
Most expensive	7,000	25,000		
Total art works sold	20	32		

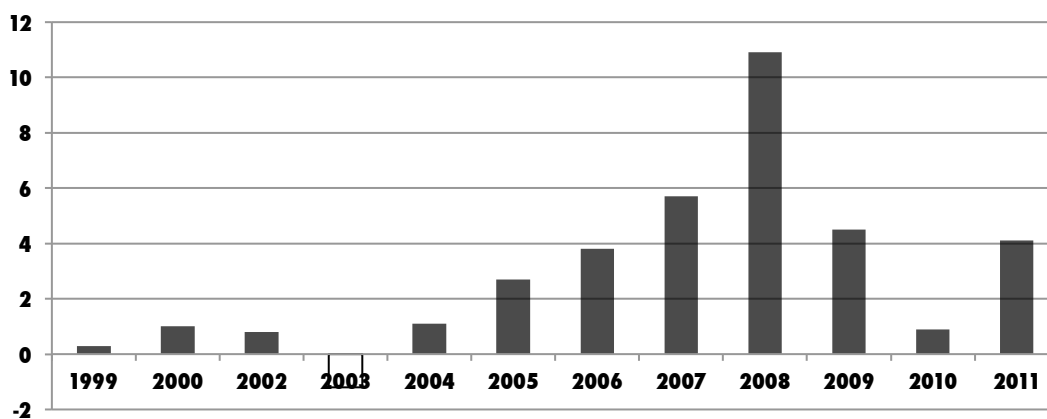
Appendix D: General Economic Conditions in Lithuania

Figure 4. Nominal GDP Annual Per Capita in Lithuania (€)



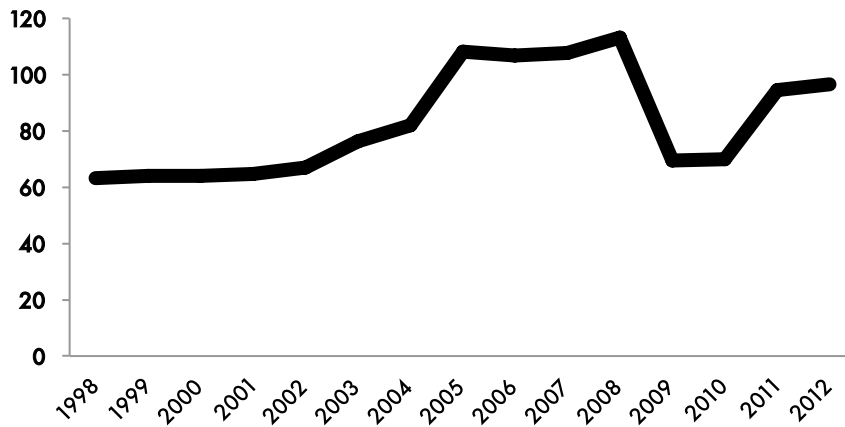
Source: <http://dbl.stat.gov.lt/> (2013)

Figure 5. Inflation Rate in Lithuania (%)



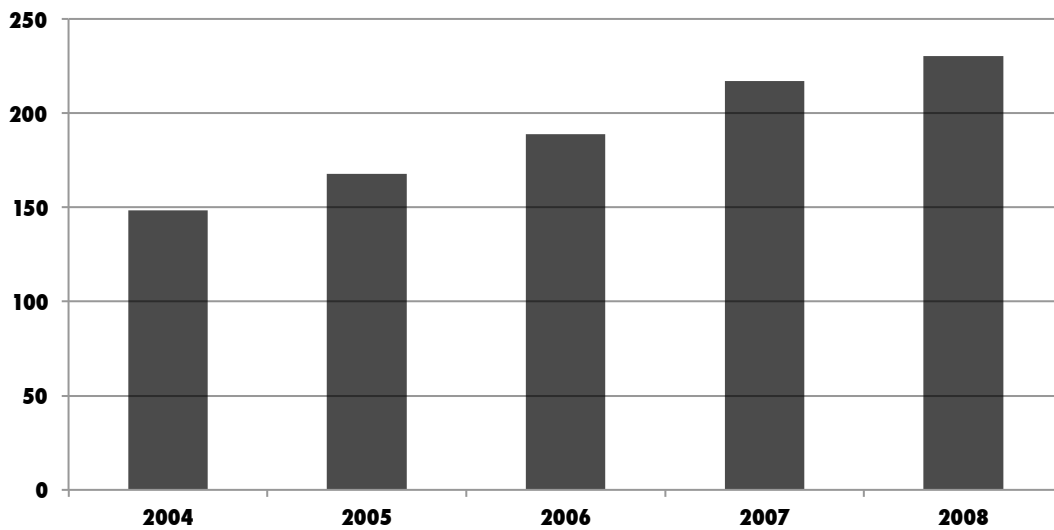
Source: <http://dbl.stat.gov.lt/> (2013)

Figure 6. Household Savings, (€ per month)



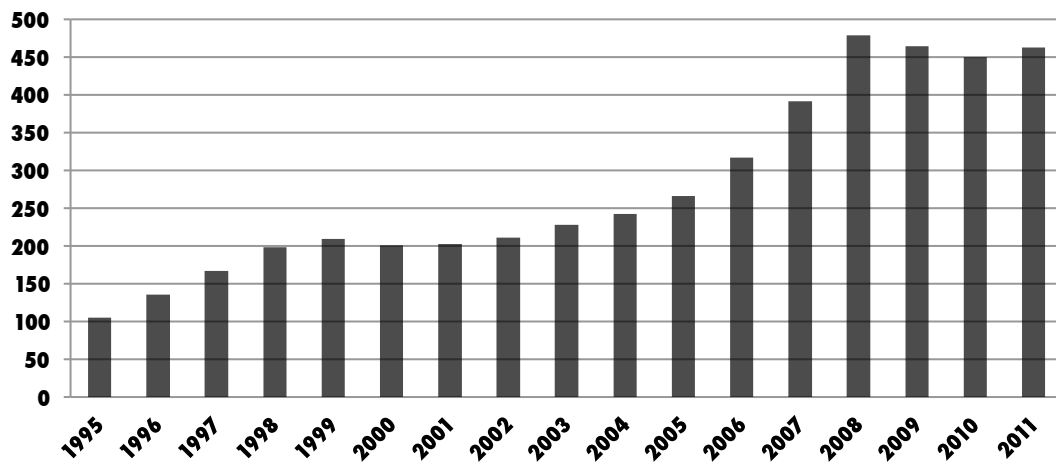
Source: <http://dbl.stat.gov.lt/> (2013)

Figure 7. Average Consumption Expenditure per Capita per Month in Lithuania (€)



Source: <http://dbl.stat.gov.lt/> (2013)

Figure 8. Average Household Nominal Net Monthly Earnings in Lithuania (€)



Source: <http://dbl.stat.gov.lt/> (2013)

Appendix E: The Survey: Cultural Consumption Patterns in Lithuania

1. How old are you? (Please specify)		
Text Response	Text Response	Text Response
26	27	23
25	29	33
26	27	26
26	23	30
31	18	24
27	21	30
26	29	25
26	27	26
26	29	25
26	26	26
26	26	25
29	23	26
25	25	26
26	29	24
25	25	26
25	26	28
30	26	31
28	26	26
26	25	25
27	27	25
24	40	34
25	26	26
25	25	27
29	26	26
25	25	24
21	21	26
25	26	28
22	21	25
22	22	29
25	35	25

2. What is your gender?

#	Answer	Response	%
1	Male	55	42%
2	Female	76	58%
	Total	131	100%

3. What is your marital status?

#	Answer	Response	%
1	Married	15	11%
2	Single	87	66%
3	Cohabiting	29	22%
	Total	131	100%

4. Where are you currently living?

#	Answer	Response	%
1	Capital Vilnius	51	39%
2	One of the big cities (Kaunas, Klaipėda, Šiauliai, Panevėžys)	27	21%
3	Small town or village	4	3%
4	Abroad	48	37%
	Total	130	100%

5. What is your household income? (Household is only you and your family / cohabitants. Neighbors are not members of your household)

#	Answer	Response	%
1	Less than 1500 Lt	22	17%
2	1500 - 5000 Lt	76	58%
3	5000 - 8000 Lt	18	14%
4	More than	15	11%

	8000 Lt			
	Total		131	100%

6. Which of the following best describes your occupation?

#	Answer		Response	%
1	Upper managerial		18	14%
2	Administrative		49	37%
3	Skilled laborer		37	28%
4	Student		20	15%
5	Unemployed		7	5%
	Total		131	100%

7. What is your highest level of education?

#	Answer		Response	%
1	Primary		2	2%
2	High school		25	19%
3	Professional		7	5%
4	Bachelor		74	56%
5	Master, doctoral or equivalent		23	18%
	Total		131	100%

8. Are you engaged in creation of any type of arts, such as literature, visual arts, theatre?

#	Answer		Response	%
1	No		68	52%
2	Yes		63	48%
	Total		131	100%

9. Did you attend additional classes related to the arts in school or in your university years?

#	Answer		Response	%
1	No		32	24%
2	Yes		99	76%
	Total		131	100%

10. Did you visit art museums, fairs and galleries as a child?

#	Answer		Response	%
1	No		32	24%
2	Yes, 1-4 times per year		61	47%
3	Yes, more than 4 times per year		38	29%
	Total		131	100%

11. Do you visit art museums, fairs and galleries?

#	Answer		Response	%
1	No		13	11%
2	Yes, 1-4 times per year		78	60%
3	Yes, more than 4 times per year		40	29%
	Total		131	100%

12. How many books, besides the ones needed for work or studies, you read per year?

#	Answer		Response	%
1	0		17	13%
2	1-4		57	44%
3	More than 4		56	43%
	Total		130	100%

13. Do you belong to any organization, network or community, which is not directly related to your work or studies?

#	Answer		Response	%
1	No		84	64%
2	Yes		47	36%
	Total		131	100%

14. How many original works of art, such as sculpture, art photography or paintings, do you have at home?

#	Answer	Response	%
1	0	36	27%
2	1-3	54	41%
3	3-6	12	9%
4	More than 6	29	22%
	Total	131	100%

15. How many hours a day on average, you spend watching TV?

#	Answer	Response	%
1	0	80	61%
2	Less than 2	35	27%
3	2-5	14	11%
4	More than 5	2	2%
	Total	131	100%

16. Have you participated in any social or community activities over the past 12 months?

#	Answer	Response	%
1	No	62	47%
2	Yes	69	53%
	Total	131	100%

17. Have you ever given charity or performed voluntary work?

#	Answer	Response	%
1	No	35	27%
2	Yes	96	73%
	Total	131	100%

18. How many foreign languages can you speak?

#	Answer	Response	%
1	0	1	1%
2	1-2	91	69%
3	>3	39	30%
	Total	131	100%

19. Have you voted in parliamentary elections of 2012?

#	Answer	Response	%
---	--------	----------	---

1	No		67	51%
2	Yes		64	49%
	Total		131	100%

Appendix F: Transcripts of interviews with experts (English translation)

1) INTERVIEW NO. 1

Correspondent: Eugenijus Kaminskis
 Respondent: **Diana Stomienė**
 Occupation of respondent: Gallerist, director of art fair ArtVilnius
 Date of interview: 6th June, 2013
 Media: Skype

1. E. K. How would you evaluate the situation in visual arts market in Lithuania and what are the main reasons behind it?

D. S. The situation has started to improve before the recession. Until 2008, the market was becoming more and more active as works of art were bought and sold in galleries. But the crisis came and the art market fell into the pit. We have organized the first art fair in 2009. Purchases took place, but only in the third fair we feel that the situation is beginning to really improve. The market slowed, as part of the galleries closed during the crisis, and the artists were looking for new opportunities to sell their work.

Visual arts market in Lithuania is not only the internal market, but also the market of exports. However, there is no such a thing as policy for the export of art in Lithuania. There are only some occasional exhibitions or events. In normal practices, major sales occur in foreign art fairs. In Lithuania, other areas such as design, or book fairs and film festivals are a part of a cultural policy. These events are funded on a highest level. For visual arts a funding is quite complicated, due to certain regulations that obstructs it. All of what is going on is only individual initiatives. Therefore, it is very difficult not only to present but also to try to sell the artworks.

During the recession sales at the galleries stopped. Buyers started to try to avoid the galleries and purchase directly from the artists.

2. E. K. So you think that the main factors influencing the situation in today's visual arts market of Lithuania are economic?

D. S. Not only. We do not have the tradition of patronage and collectors in Lithuania. There are very few people who are investing in works of art. All the more invested in real estate, while investment in the visual arts was much more successful...

3. E. K. But is the art *elite* as patrons and collectors are the main driving force behind the consumption of visual arts? Is there any potential in the general public?

D. S. There is a big problem with general public in Lithuania. Consumers of art need to be educated from childhood, so to start at the school. This subject really should get more attention. Most galleries are free and open to public, but we see a very few children there. I think that the school curriculum should include much more educational activities, visits to exhibitions, especially to contemporary art exhibitions. However, people are more interested in the popular things. We feel this gap, and I think that the Ministry of Education and Culture should think more about the educational programs. Without it the circle of consumers will stay adequately narrow. It might help to museums to open up more, with the larger and more interesting programs. It would attract more young people. If they would constantly visit, they would be able to appreciate culture more. Now there is a huge gap between the consumers of art and general public.

4. E. K. You identify the gap and the lack of education as one that causes it. Though it is all interrelated, would you say that education would play a more important role than the economic factors in the preferences for art of ordinary Lithuanian?

D. S. I think that it is not economic factors. To go to galleries with all the family often does not cost anything. Usually it is an inexpensive way of spending time. There are a lot of good exhibitions and activities. I think that the media forms general public

opinions. The media pays very little attention to culture. The everyday things are publicized the most. Both children and adults choose their activities accordingly. There are very few interesting and exciting programs or just the basic information about culture. The headlines are occupied by politics, crime reports or reality shows with a lot of advertising, and of course, sports. Culture is in the last place.

There is still a lot of work to do. We must work with the media, because without them we are nothing. We are trying to attract the media. However, the major sponsors always prefer concerts, the Philharmonic, the Theatre of Opera and Ballet, and getting the sponsorship for our events is quite difficult. We are seen skeptically, but the situation is changing with time. Since we are working in the same direction every year, our previous sponsors continue to support us. The process is ongoing and we are thinking about all kinds of art projects to attract more attention of media and general public.

According to last year's monitoring data ArtVilnius received more reports in the press than any other cultural event in Lithuania. It's already good, and awareness is still growing. We need to reach more people. After thirteen years Vilnius Book Fair received a wide number of constant visitors. We are on the same way introducing new works and educational programs.

For example, the children who came and tried our educational programs brought their parents for the next day. So, there is still a lot of work to do. Though the numbers are small, funding is unstable, and we have some problems, we must start working with young people since they are the future consumers.

5. E.K. What else could be done to attract more people? You mentioned the media, educational programs...

D. S. We need an approved partial funding. It still does not exist. While Vilnius was the European Capital of Culture, there was the priority to develop sustainable projects... Answering the question, why did ArtVilnius' 10 did not happen - all the money was spent, and in 2010 Lithuania had 'the cultural hangover'. There were no money left and we could not do anything about it. But after considerable effort we succeeded again in 2011. Since we had very good reviews from foreign expertise, we

managed to renew ourselves. Now participants already pay a membership fee, and if we would obtain the partial funding from the autumn, our program could do much more to attract the general public.

There are a lot of good artists, but there is a lack of something special. If we would bring D. Hirst next year, probably there would be queuing outside. But we need sponsors to pay a superstar. Next to a big star other artists would be also noticed. You cannot be a prophet in your homeland.

New opportunities and better conditions to develop are opening. There are a lot of creators in our visual arts market: around 3000 artists, and a couple hundred of photographers. It's a big community, with only one event stimulating the market for them. Everything else is exhibitions. The government states cultural industries a priority, however it is understood as design or fashion, and ArtVilnius was incorporated just recently. We, like each and every small business, need some start-up funding to attract our own revenues. The art fair itself must be self-sustaining in the future.

Another factor is that the museums in Lithuania absolutely do not buy any art works from galleries. There is no such a thing. Previously, the Ministry of Culture used to buy some collections. Galleries are becoming exhibition halls for showing art, rather than selling. Buying in Lithuania in general has fallen considerably since only the old art is purchased. That is also a generational problem.

6. E. K. How would you explain the fact that the number of visitors in ArtVilnius is decreasing and sales are increasing at the same time?

D. S. Here comes the audience, who are very busy and usually do not visit galleries. They know that there are no unintended art works here. Everything is selected because it is the art fair based on competition. There is a selection committee consisting of critics, organizers and artists. A group of five people, who selects galleries, which correspond to the level this art fair. This is why people trust us and can buy. It is not some sort of potluck event. This is an event with the overall concept, both of the fair, and the exposition. The whole event is organized and controlled by a professional team.

E. K. Thank you very much for an interesting conversation.

2) INTERVIEW NO. 2

Correspondent: Eugenijus Kaminskis
Respondent: **Vytautas Michelkevičius**
Occupation of respondent: Gallerist, lecturer, director of Nida Art Colony
Date of interview: 9th July, 2013
Media: Skype

1. E. K. How would you evaluate the situation in visual arts market in Lithuania and what are the main reasons behind it?

V. M. In Lithuania the situation is very interesting. Many say that the market does not exist at all. When seen in terms of sales and purchases, a market is extremely small. But I think that art market is a broader concept. If an artist exhibits in prestigious institution like the Contemporary Art Center, his/her value immediately goes up. Then it does not matter if you sell something or not. You become visible, and the financial returns can come elsewhere.

There are actors and factors that shape the market, but it is very homogeneous. There are only a few players who shape it, and the rest is left for some transitional period. As if there is some kind of socialist attitude of the Soviet times merging with a capitalist one. But there is no clear situation. When you compare this with the West, everything there is fixed, and there is a balance between public and private sectors in the market. Meanwhile, in Ukraine or Russia, public sector does not participate in market activities, and there are only a few private museums (if we are talking about contemporary art). There are mostly public sector activities in Lithuania, public museums and the like.

2. E. K. You name the transitional period and the non-existence of the market. Is such a situation arises from the fact that our arts market is very young?

V. M. Well, yes and no. Also because of the situation with the funding policy. Since there is quite substantial support from the government, this creates a quite comfortable situation on the one hand. On the other hand, there are no concepts of consumption of arts amongst business companies. There are only a few companies that amongst their goals and social responsibilities state the support for the arts. In addition, a big part of the money goes only to the support of traditional culture.

3. E.K. And again the question is: why?

V.M. Education and general attitude of public plays an important role here.

4. E.K. And if we are talking about how to change the situation, who should do it? Is it art galleries, museums, artists?..

V.M. It seems to me that there is no one predominant determinant here. Everyone must play their role. Starting from the school's programs, where anything is barely spoken about the visual arts. If film and literature get some attention, then visual arts do not get any. After the schools come universities. It is a very important thing. Another thing is to make it some sort of a fashion trend. Fashion is fun. It is fun not only to buy expensive cars and designer clothes, but also have a fairly good collection of art works at the same time. This is a matter of private initiatives. If a businessman or some sort of pop star has its own collection of art, it immediately increases the image of consumption of visual arts.

5. E. K. Lets talk about the media. Is there enough of media attention for culture?

V. M. The question is why the media should do it if they do not see it as a relevant topic. Since in Lithuania it is important only for an extremely narrow circle of people, the media does not write about it. This is a very good reflection of the situation. One of the main problems of the market players like galleries, museums, or art centers, is that they do not engage in arts education. They make quite good exhibitions, invite interesting artists, but it all stays between those who come to the openings. There are

artists and art lovers but there are no mediation and communication of art to broader public.

5. E. K. And what about the cultural media?

V. M. Everything is OK with it. Only one or two thousand people follow it. However, more or less it fulfils its role.

6. E. K. But then again, it does not come out of the closed circle...

V.M. Yes. But then again it comes back to school or education from galleries. I am surprised that in Lithuania it is possible to get funding for such a long time and be not accountable for it. In other countries there are special children's corners, educational workshops, live tours, for everyone to use. No one entails these practices in Lithuania. Just the ones who want to do it, does it. Sometimes the National Art Gallery, but it's more of an exception. The Ministry of Culture should regulate some part of the funding for the presentation of cultural product, and not just for production.

7. E. K. What about the economic side of the consumers? Are Lithuanians financially able to consume art?

V. M. Yes, of course. Admission to the exhibition costs the same as a pint of beer. So, the problem is not here. Art purchases are also possible. But there is only a few percent that buys young artists. For €100 or € 300 you purchase a pair of jeans or an art work of young artist, which can then cost five to ten times higher in the future.

8. E. K. How art and money are related from the perspective of Lithuanian artists, galleries and museums? Is it two different poles? Why this is such a sensitive topic?

V. M. To talk about money in Lithuania is not nice and even rude. This is simply because there is no money. Abroad it is common that if you create and exhibit something, you will get royalties, whether it will be sold or not. There is no such a culture in Lithuania. Everyone creates and presents their works on their own initiative.

Therefore, money is a sensitive topic. Of course, everyone would love to get money for what they do, but at the same time, everyone understands that there is no money. Therefore, it is even painful to talk about it. Everyone then starts to talk about commerce, and argues that they create for the idea and not for the money. But the main problem is that the cash flows in the art system are too low, the competition is very high, and there is no tradition of paying to artists.

9. E. K. What should be the first step toward a more transparent market, more open conversation about art and money, expansion of the circle of consumers?

V. M. It is difficult to single out one factor, but I see education as a long-term investment. If you start at school or university, then at least ten years must pass before the visible results.

10. E. K. Ten years in the market is not a lot...

V. M. But it is a lot in Lithuania, where everything is changing so rapidly. It is unclear what will happen in ten years. If you work only with a single factor, this will not solve the problem. I think education; conversations about art in the trendy parties and media could make a difference. So far, there are very few of them.

E. K. And are there any visible generational conflicts between consumers of art? Is there a difference between the approaches of the young and elderly consumers of art?

V. M. It's hard to say... I think it all depends on the individual. Of course before art was mostly for free, and it should somehow reflect in the consciousness of previous generation.

E. K. I think that we touched upon all the essential issues. Thank you for the interview and good luck with your work.

3) INTERVIEW NO. 3

Correspondent: Eugenijus Kaminskis
Respondent: **Ernestas Parulskis**
Occupation of respondent: Art critic, museum curator and culture blogger
Date of interview: 30th July, 2013
Media: Email

1. E. K. How would you evaluate the situation in visual arts market in Lithuania and what are the main reasons behind it?

E.P. Today Lithuanian art market is in a transitional period between a small country emerging art market and a market in a stable state. The appearance of secondary market administrator Vilnius Auction House and the trend maker in the primary market ArtVilnius art fair demonstrates this stability. Turnover, starting from the date of establishment, of both market players is consistently growing. Thus, it could be speculated that there is a stable growth of intermediate agents, such as galleries or artists' workshops. These publicly visible turnovers are extremely modest in size - about 1mm – 1.5mm litas (€290'000 - €435'000) a year. It also demonstrates that the market is in a stage of formation. Using the usual formula, it can be said that all, public and non-public, turnover of art market is only 4mm – 5mm litas (€1.2mm – €1.5mm) a year. The size of the market indirectly demonstrates the deficiency of the main art buyers in local markets - the middle class.

2. E. K. Is general public able to appreciate visual arts?

E. P. Does the term "appreciate" means a willingness to buy art? Than in the context of annual growth, the audience's ability to " appreciate " has positive dynamics.

3. E. K. How do you think, what are the main factors (social, cultural, economic) affecting consumption of visual arts in Lithuania?

E. P. The most important factor still shaping Lithuanian art market is the country's history. It determines all the others - the social, cultural, economic - factors. Our

country even in the times of Grand Duchy of Lithuania was not rich and this state continues to this day. During the interwar period the class of art consumers formed in Lithuania. Though they were able to buy only local art works for a local price. International art works in Lithuania appeared only as serial products - from graphics and sculptures to furniture and interior design. In the post-war and pre-modern era public art market completely disappeared, as the trade from artist workshops. The only active segment of the market was antiques trading, when things began to migrate within the Soviet Union to Vilnius and Kaunas, new things came from Moscow and Leningrad. The trade in galleries and shops revive only in 70's. Of course, it was a quasi gallery trade - potential buyers could only view art works selected and confirmed by the Arts Council. Finally, in the 60's trading in the artists studios shaped the art market background we see today.

4. E. K. What should be the role of Lithuanian State institutions in shaping public opinion about the visual arts?

E. P. If we were talking about the art market, then I would orientate towards the improvement of symbolic capital of State.

5. E. K. What can be done to attract people who had no interest in visual arts before?

E. P. The only way that was chosen (and successfully) by the great museums is making art presentation more attractive. However, the process of attraction is hardly feasible, because only local art supply is functioning in Lithuania.

6. E. K. Is there enough of artistic education in society?

E. P. I cannot answer this question - I do not know.

7. E. K. How are art and money are related in the mind of Lithuanian?

E. P. A substantial mental break happened during two decades of independence. Art lovers, not all of course, got rid of the myth that all art is valuable. Publications, and

the activities of auction house had an impact on it. The attitude that subjective aesthetic judgments can differ from each other, started to develop

8. E. K. How could you assess activities of Lithuanian galleries and museums?

E. P. Statistics shows that museum attendance in Lithuania is fully aligned with similar institutions in other countries where only local art, is presented; for example, Denmark. Keeping in mind that the museums are the conservative part of art market, this fact sounds optimistic. Given more effort the figures could become even better.

Appendix G: Table of interviews (English translation)

Economic factors	Social factors	Cultural factors
<p>The market slowed, as part of the galleries closed during the crisis, and the artists were looking for new opportunities to sell their work. During the recession sales at the galleries stopped. Buyers started to try to avoid the galleries and purchase directly from the artists.</p>	<p>There is some kind of socialist attitude of the Soviet times merging with a capitalist one.</p>	<p>In other countries there are special children's corners, educational workshops, live tours, for everyone to use. No one entails these practices in Lithuania.</p>
<p>For visual arts funding is quite complicated, due to certain regulations that obstructs it. All of what is going on is only individual initiatives.</p>	<p>Also because of the situation with the funding policy. Since there is quite substantial support from the government, this creates a quite comfortable</p>	<p>There is a big problem with general public in Lithuania. Consumers of art need to be educated from childhood, so to start at the school. This subject</p>

	<p>situation on the one hand</p> <p>On the other hand, there are no concepts of consumption of arts amongst business companies. There are only a few companies that among their goals and social responsibilities state the support for the arts.</p>	<p>really should get more attention. Most galleries are free and open to public, but we see a very few children. I think that the school curriculum should include much more educational activities, visits to exhibitions, especially to contemporary art exhibitions. However, people are more interested in the popular things.</p>
<p>It is not economic factors. Going to galleries with all the family often does not cost anything.</p> <p>Usually it is an inexpensive way of spending time.</p>	<p>We do not have the tradition of patronage and collectors in Lithuania. There are very few people who are investing in works of art.</p>	<p>It might help to museums to open up more, with the larger and more interesting programs. It would attract more young people. If they would constantly visit and be curious, they would be more educated and able to appreciate more. Now there is a huge gap between the consumers of art and the general public</p>
<p>But the main problem is that the cash flows in the art system are too low, the competition is very high, and there is no tradition of paying to artists.</p>	<p>Buying in Lithuania in general has fallen considerably since only the old art is purchased. That is also a generational problem.</p>	<p>One of the main problems of the market players like galleries, museums, or art centers, is that they do not engage in arts education.</p>

<p>When you compare this with the West, everything there is fixed, and there is a balance between the public and private sectors in the market. There are mostly public sector activities in Lithuania. Public museums and the like.</p>	<p>Another thing is to make it some sort of a fashion trend. Fashion is fun. It is fun not only to buy expensive cars and designer clothes, but also have a fairly good collection of art works at the same time.</p>	<p>Though the numbers are small, funding is unstable, and we have some problems, we must start working with young people since they are the future consumers.</p>
<p>A big part of the money goes only to the support of traditional culture.</p>	<p>There are artists and art lovers but there are no mediation and communication of art to broader public.</p>	<p>Education, conversations about art in the trendy parties and media could make a difference. So far, there are very few of them.</p>
<p>The Ministry of Culture should regulate some part of the funding for the presentation of cultural product, and not just for production.</p>	<p>Media forms opinions of general public.. However, it pays very little attention to culture. The everyday things are publicized the most. Both children and adults choose their activities accordingly.</p>	<p>Education and general attitude of public plays an important role.</p>
<p>Admission to the exhibition costs the same as a pint of beer. So, the problem is not here. Art purchases are also possible</p>	<p>Since in Lithuania art is important only for an extremely narrow circle of people, the media does not write about it. This is a very good reflection of the situation.</p>	<p>Starting from the school's programs, where anything is barely spoken about the visual arts. After the schools come universities. It is a very important thing.</p>

<p>To talk about money in Lithuania is not nice and even rude. This is simply because there is no money. Abroad it is common that if you create and exhibit something, you will get royalties, whether it will be sold or not. There is no such a culture in Lithuania.</p>		<p>I see education as a long-term investment. If you start at school or university, then at least ten years must pass before the visible results.</p>
<p>The size of the market indirectly demonstrates the deficiency of the main art buyers in local markets - the middle class</p>		