

# **The Art Gallery and the Market in a Digital Age**

**How does the primary contemporary art market of Amsterdam change under the influence of digitization and how do different types of galleries embed digital tools and media in their activities?**

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## ABSTRACT

Digitization influences all part of society, from social interaction to commerce. While certain parts of the cultural field have already altered drastically under the influence of digitization (e.g., the music industry), the art market seems to be lagging behind. So, this thesis examines how, from a perspective of cultural production (Peterson & Anand, 2004), *technology* changes the art *market*. Specifically, it analyzes how the primary contemporary art market of Amsterdam changes under the influence of digitization and how different types of galleries embed digital tools and media in their activities. Four types of contemporary art galleries are identified: *established commercial galleries*, *established avant-garde galleries*, *young avant-garde galleries*, and *young commercial galleries*, to be able to specify how and why different types of galleries utilize digital tools and media. Semi-structured interviews were done with ten gallery owners in Amsterdam. The interviews were then analyzed and coded. From the perspective of cultural production (Peterson & Anand, 2004), technology has, to some extent, changed the primary art market in Amsterdam. In terms of communications, promotions, discovery of art, consumer engagement, and public reach, all interviewed art galleries have largely digitized their practices. However, information asymmetry and the sales aspect of the art market were found to be more complicated areas of the primary art market to change. As has become clear, the sharing of information is largely related the commercial attitude of galleries, who share this information because it assists their business strategy. Avant-garde galleries are more traditional in this sense, emphasizing the importance of social relations and face-to-face contact, as argument against sharing information. In terms of online sales, commercial galleries, both established and young, were found to be utilizing the possibilities of the digital environment, while avant-garde galleries, both established and young, seemed less willing to exploit the options of online sales to the fullest. The primary market of Amsterdam appears to have the possibility to change under the influence of digitization, however, this does not apply to all aspects of the galleries' practices, i.e., information asymmetry and online sales, at this point.

**Keywords:** digitization, digital media, primary art market, contemporary art galleries, perspective of cultural production

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# 1. Introduction

## 1.1 *The topic:*

Digitization is a widespread phenomenon in all parts of daily life, as well as among all sectors of economy, since the emerging of the first commercially used websites in the 1990s (Ozler & Thomas, 2012). However, digitization seems to be slower in the art market for visual art compared to the other sectors of the creative industries, e.g., the music industry, which has developed a market for downloadable songs and online streaming (Arora and Vermeulen, 2013). In this thesis, when talking about art, it is meant the visual arts, as is expressed in paintings, prints, drawings, photography, sculptures and the like, which are sold on the art market.

In the art market, the physical spaces (i.e., a gallery or an art fair) still seem to be the preference of purchasing the art-work, as the most buyers see the online art market as “an alternative channel rather than a substitute” (Hiscox, 2016). Often this comes from the need to see and experience the work before buying (Horowitz, 2012), as well as social interaction and face-to-face contact with an art expert or dealer, or an artist himself (Arora and Vermeylen, 2013). Furthermore, research from Hiscox (2016) revealed that art dealers are struggling with the challenges of online sales and that the relationship between the traditional gallery model and the click-and-buy concept is still troubled.

Nonetheless, research shows that buying art online seems to gain acceptance, specifically among younger consumers. Research for the Dutch online platform ‘We Like Art’ found that of people between ages 18 and 35 years, 44% had bought art online, compared to 30% of those over 56 years old or older (We Like Art, 2015). Furthermore, the authors argued that online buying and browsing lowers the barriers for young buyers and new collectors. The often high threshold of stepping into a gallery and asking for information on, for example, prices, which is a very non-transparent system, is lower in an online system where all information can be gathered without external pressures.

Correspondingly, Cachet and Kroesemeijer (2014) found that, even though the gallery is still the most commonly used place to buy art in the Netherlands, online buying and gathering of information is growing. In 2014, 33% of respondents said they had an artwork bought online and 54% said they browsed online before making a physical purchase at a gallery. In 2010 the number of respondent who bought art online was 13%, compared to 9% in 2006 (Chachet and Kroesemeijer, 2014). Research done by international (art) insurance company Hiscox (2016) found similar trend.

Thus, the online market is growing and gaining acceptance, and, specifically from a (young) consumer's perspective, the interest into online art market is increasing. So, how do galleries respond to the changes in the art market? How does the practice of galleries in the primary art market change? Considering the traditional idea that art has to be appreciated in a physical relationship between the viewer and the artwork, what does it mean for a gallery to implement digital tools, and why would it? And how can a gallery, a type of enterprise that is known for its informal relationships and opaque nature, use a medium that is all about transparency and 'open-access' and at the same time very anonymous in character? In this Master's Thesis the research question will therefore be: how does the primary contemporary art market of Amsterdam change under the influence of digitization and how do different types of galleries embed digital tools and media in their activities?

### *1.2 The research:*

The research on digitization and its influences is wide spread within academia and corporate practice. However, the research on digitization in the art market has a considerable gap. Previous research has often focused on the consuming side of the digital art markets (We Like Art, 2015; Cachet & Kroesemeijer, 2014) or investigated its economic value and growth (Deloitte, 2014; Hiscox, 2015; Hiscox 2016). Others have analyzed the impact of digitization on the globalization of the market, and how a localized art market is influenced by worldwide trade induced by digital possibilities (Khaire, 2015), or how digitization influences the way in which art is traded and consumed (Arora and Vermeulen, 2013). Still, in-depth research on the influence of the digital age on the workings of galleries and their daily practices is missing. Even though much research has been done on the workings of the art market and its galleries, most influential studies have either been done before the onset of the digital era (e.g., White and White, 1965; Moulin, 1987; Plattner, 1996) or do not touch upon the subject of digitization. A few exceptions are the works of Horowitz (2012), Arora and Vermeulen (2013), Velthuis (2014), and Khaire (2015). Each of these works touches upon a specific aspect of digitization within the art market. However, none of them answer the question what digitization means for galleries in the primary art market.

With this Master's Thesis I will attempt to fill in some of the blanks regarding this subject and thereby find new insights into the workings of the primary art market, the gallery and the application of digital tools. Thus, this research will contribute to the academic research on primary art market concerning digitization, giving an overview and

providing new insights on how change occurs in the market due to digitization processes. Furthermore, this thesis will provide information for several stakeholders of the art market. Firstly, it will give an academic overview of the different practice of galleries concerning digitization and therefore contributing to the knowledge of gallery owners by giving insights into digital practices in the art market. Possibly, it will provide them with ideas on future strategies, concerning how to apply digital tools and media in their gallery practices. Second, for artists represented by these galleries, this study will provide an understanding of the workings of the gallery and the use of digital tools, and how the contemporary art market is changing under the influence of digitization. This information could be beneficial for artists in choosing a career strategy. Third, this thesis will also contribute to the buyer's and collector's knowledge of the market, and the workings of a contemporary art gallery concerning digitization and the changes in the market. It could be beneficial for the buyers' in terms of their search for art pieces, discovery of the new pieces in an online environment, and information about how to connect with a gallery in a digital space. Finally, for all stakeholders of the primary art market, be it a gallery, an artists, or a collector, it shows how the contemporary art market is developing and the cultural field is changing. It provides any party involved in the market, i.e., a curator, an art journalist, or a museum, with insights into how their role in the market and their role in the process of value creation within the art world might be changing.

In this thesis, the primary art market has been studied in Amsterdam, as Amsterdam is the centre of the art market of the Netherlands. The Dutch art market is considered to be a peripheral market in the international context, but nonetheless with a high density of galleries. Information for this study has been obtained through in-depth interviews with gallery owners, with a focus on the way digitization influences their daily practice compared or in relation to their traditional (physical) gallery practice. Digital tools, like websites with click-and-buy options and social media are widely available for economic and marketing use. But how do galleries use them? How do they fit within the physical bricks-and-mortar gallery environment? And what are the challenges galleries meet in their daily practices when it comes to digital tools and online platforms?

In wider perspective, this thesis has examined how the primary contemporary art market in Amsterdam is changing under the influence of the digital age. How this change has manifested itself so far, and what changes can be found in relation to the traditional processes of the market and the art gallery. And also, how this process of change is influencing relations among the different actors within the cultural field? With more players



in the field, e.g., digital (sale) platforms and digital intermediaries, trying to pitch in on the market, how are the dynamics of the market changing?

## 2. Theory and Previous Research

In order to answer the research question of this thesis, the question has to be embedded in the theory and literature on the subject has to be examined. Firstly, a broader look at the theory on art worlds will be discussed to locate the subject in a broader context. The theory of production of culture perspective (Peterson & Anand, 2004) will be discussed to show how change in an art world can be caused by systems it is embedded in and changes in the art market caused by the digitization will be examined. Second, the main subject, the art market, will be placed in a broader context of distributing art into the world. Such an examination allows for the workings of the art market and its galleries to be discussed, and the differences between art markets, primary and secondary, to be considered. Third, this analysis of the market will be used to discuss the differences between galleries, and, based on the literature, different types and characteristics will be identified. Fourth, limitations of this study will be discussed, amongst which the geographical location of Amsterdam, the Netherlands, will be emphasized. For that reason, the art market in Amsterdam will be briefly described based on studies that focused on this location (e.g., Rengers & Velthuis, 2002; Velthuis, 2005).

Finally, digitization will be examined. First, in a broader context of meaning and definition of the phenomenon, and second, a more closer look will be taken at what digitization means for the art world, based on existing research of other parts of the cultural sector. To analyze what influence it has had on the cultural field so far, cases from other areas of the cultural sector will be discussed (e.g., the music industry). From there on, the limited research on digitization and the art market will be discussed, to identify the gap in the literature and determine where this research fits into the bigger picture and what gap it aims to fill.

### *2.1 Art Theory: the Production of Culture Perspective*

Art worlds exist in different sizes and shapes and different stages of development (Albrecht & Barnett, 1970; Peterson, 1976; Becker 1982). An Art World comprises of different activities, collective activities, that all together enable the existence of an artwork (Becker, 1974; Becker, 1982). This makes it the outcome of cooperative effort, rather than an individual act (Peterson & Anand, 2004). For the artwork to appear in its final stage in the public sphere, not only do artists need to be able to make the work, but a whole system of distribution and consumption revolves around its existence. The primary art market in Amsterdam, the geographical focus of this research, can be considered as a part

of such an art world, because a market is a system of distribution and consumption. An art market is the place where galleries present artworks (distribution), the audience can see artworks, and collectors buy artworks (consumption).

Similarly, the production of culture perspective theorizes how the system of a culture, or art world, shapes its different symbolic elements (Peterson & Anand, 2004). The production of culture perspective focuses on how art and culture are shaped by the internal and external systems in which they are created, distributed, evaluated, taught, and preserved (Peterson, 1976; Peterson & Anand, 2004). Such a perspective is useful to examine how an art world, like the Amsterdam art market, works. It gives an insight into the systems that influence the market and how this affects the different actors within this market, i.e., galleries and their owners.

The emergence of the production of culture perspective in the 1970s meant that the till-then-dominant idea of culture and social structures mirroring each other was challenged (Peterson & Anand, 2004). Hence, within the production perspective, culture and social structures are considered elements of the same, ever-changing patchwork (Peterson 1979). This means, all aspects of the surrounding environment are crucial in changing culture or an art world. Often this happens at a slow pace. However, sometimes rapid change can be initiated, as shown in the study of White and White's *Canvasses and Career* (1965), which analyzed the transformation of the 19th century French art market and the rise of impressionist art. This study was an inspiration for the production of culture perspective, as it looked at all the different factors that initiate and influence change in the art world and made the rapid change in the French market possible. Change in an art world, as was the case in the French art market, but also in different case studies of the last decades (see Peterson & Anand (2004) for an overview of different studies), show which elements a system or field of production is made of. Peterson and Anand (2004) call this "the six-facet model of production nexus" of which the six facets are "law and regulation, technology, industrial structure, organizational structure, occupational careers, and the consumer market" (p. 313). These facets are all interconnected and together change and shape a cultural field. A change in one of them is enough to destabilize the entire production nexus, and thus the structure of a cultural field. The most relevant aspects of the production perspective for this thesis are technology and market, because this thesis focuses on the contemporary art market of Amsterdam and how this market is influenced by digitization, which is considered to be a part of technology.

*Technology* is described as the tools "with which people and institutions augment their abilities to communicate", and changes in technology "profoundly destabilize and

create new opportunities in art and culture” (Peterson & Anand, 2004, p. 314). A classic example depicts the process of invention of the printing press, which brought about change in literature, and also the change from the Middle Ages to Renaissance (Eisenstein, 1979). Another, art related example is the invention of the camera, which made artists move from a depiction of reality in their work to an “exploration of the medium itself” (Joy & Sherry, 2003, p. 159). *The market* entails a construct of producers, who, by interacting with each other and observing the complex mixture of consumers’ tastes, try to satisfy the consumers’ demands and create a comprehensible market (White, 1981).

So, from the perspective of cultural production, the primary contemporary art market of Amsterdam can be seen as a system in which artworks are created, distributed, and evaluated (Peterson, 1976; Peterson & Anand, 2004). Such a perspective is relevant because it shows how the art market is shaped by its production processes and how its expressive symbols come about (Peterson & Anand, 2004; DiMaggio, 2000). The production of culture perspective identifies how change in the cultural field can be triggered by one of the facets, and as such destabilizes the whole field. In this research digitization, as being a part of the technology facet, is researched to analyze how digitization (technology) may bring about change in the art market.

### *2.2.1 Distribution of Art: the Market System*

An artist’s work needs to be distributed in order to find appreciation and reach its audience (Becker, 1982). This is often done in a way of gallery representation, where a gallery owner represents an artist and tries to sell his work (Giuffre, 1999). This system of distribution is the “public-sale system” (Becker, 1982, p. 107), or, the gallery and the primary art market. The art market is an ecosystem of artists, gallerists, museums, critics, and curators, as well as buyers, which tend to be geographically and institutionally localized, because of the social and physical nature of consuming art (Khaire, 2015). This localized exchange in the art market means buyers want to engage with the ecosystem in a direct way (Caves, 2000; Khaire, 2015). However, considering the digital possibilities of today, the geographical location and the direct interaction might be less explicit. In light of the ability to connect with anyone or anything over the world at any time, through the worldwide-web, social interactions between gallery and public might be changing. In the section on digitization, as well as in the findings of this thesis this subject will be further unpacked.

The art market, as we have known it for the last decades, with its system of galleries and dealers representing artists, originated in France in the late 1800s (White &

White, 1965). This system emerged after the change in the institutional organization of the art world, from an 'Academic system' to a 'Dealer-and-Critic system' (White & White, 1965). The 'Academic system' was a system where the painter's guild, stemming from medieval times, and the Royal Academy had a monopoly on the presentation, distribution and consumption of 'good art'. The 'Dealer-and-Critic system' can be defined as the system we know now, a system where dealers and critics are gatekeepers to the market, and artists' careers have become a focus point (White & White, 1965). The distinguishing characteristic of the current primary art market, compared to previous forms, is that the modern art dealer focuses on representing a limited number of artists and establishing their careers, instead of selling individual works of art (Velthuis, 2005).

Additionally, the art of the past always had some form market or trade in their own time (Joy & Sherry, 2003). Hence, every historical period has its own system of commercial art trade. Amsterdam, for example, was the centre of art commerce in the 17th century (White & White, 1965). The art market, therefore, is also a market in a monetary sense; it is a market where prices are set and deals are struck (Raymonde & Vale, 1995). As Becker (1982) formulates it: "Dealers integrate artists into the society's economy by transforming aesthetic value into economic value, thus making it possible for artists to live by their artwork" (p. 109). However, the economy of the arts is an exceptional one, different from other sectors of trade (Klamer, 1996; Abbing, 2002). According to Abbing (2002), the exceptionality comes from the idea that art is sacred, and therefore has to be surrounded by mystery. Even though, half of the income of the art world as whole comes from commercial exchange on the market, the economy of the arts is one of denial. Galleries often do not show price tags on the wall, avoid the 'talk of money', and deny the relationship between artistic value and market value. Specifically for art dealers, denial of the economy is a favored strategy: "it is commercial to be anti-commercial" (Abbing, 2002, p. 12). Bourdieu (1993) called this attitude the "denegation of economy", meaning actors within the art market deny the existence of commercial interest or avoid to talk about money. By denying any commercial values, dealers enhance the idea that art is a *gift sphere*, surrounded by mystique (Abbing, 2002; Velthuis, 2005). A common belief within the art world, specifically among dealers, is that when art is expressed in monetary value or as commercial good, it is 'contaminated' or corrupted (Velthuis, 2005).

Therefore, the art market is often not considered as *quid pro quo* market, like other economical markets, but a market based on a gift exchange of cultural goods (Klamer, 1996), where the value of the product is based upon artistic quality and symbolic value. This creation of value happens in interaction with the ecosystem the art market is

embedded in. An ecosystem, or art world, consists of artists, art critics, curators, collectors, gallerists, and art dealers (Jyrämä, 2002; Joy & Sherry, 2003), who provide “aesthetic judgement and social recognition” (Raymonde & Vale, 1995, p. 34) which creates the artistic value of the artwork. Karpik (2010) calls this “an expert-opinion regime” which relies on the choices and selections made by those entrusted with the label of expert (p.101). In other words, those who have authority within the art world, or are considered an expert, determine what the artistic value is (Abbing, 2002).

In light of digitization, this market system, as it was established in the 19th century, might be subject to change. As mentioned above, the social interaction within the market could be subject to change, considering the workings of the worldwide-web. The same could apply to the process of value creation, in a sense that digitization could create a new form of “judging” art, because through social media, websites, and blogs, anyone could write about art. Next to this, it could also mean that the role a gallery has, as a representative of an artist, but also as a gatekeeper to the art market, is subjected to change, and manifests itself differently under the influence of digitization.

### *2.2.2 Distribution of Art: Primary and Secondary Market*

The market for visual arts exists of two different market systems: the primary market and the secondary market. On the primary market, art is sold for the first time. The secondary market, however, is one of resale also including auction houses (Velthuis, 2011a), whose core business is reselling, or auctioning, art and antiquities. Taking into consideration that most living artist’s works never make it to the secondary market (Velthuis, 2011a), a split in contemporary and historic art can also be considered: the gallery’s style of business varies according to the specialization in historic or contemporary art (Becker, 1982). The market for historical pieces is where pieces are sold from the great artists of the past, who are a part of our (art) historical legacy (Moulin, 1978). Raymonde and Vale (1995) describe the secondary market as being “characterized by its artistic excellence and residual rarity” (p. 36). Therefore, dealing in historic works of art makes for an often assured value and legitimacy, in cultural and economic sense (Becker, 1982). Here the value and status of the work is determined by the place and importance of the work or artist in the history of art. This history, however, is not permanently set and chances may occur over time as art historians (re)discover art pieces. Nevertheless, the supply of historic artworks is limited, because most often the artist is already dead (Becker, 1982).

On the contrary, the dealing in contemporary artworks is more of a risk (Becker, 1982), because the primary art market is an uncertain market. In the primary market,

artists' careers depend on the aesthetic judgements and social recognition from experts in the cultural field. Therefore, the assessment of artistic value, and with that the price and demand for a work of contemporary art, is heavily subjected to change (Raymonde & Vale, 1995). Furthermore, the supply is potentially an indefinite one, as more artists create work than can ever be shown (Bystryn, 1978; Raymonde & Vale 1995). Therefore, a contemporary art dealer takes a chance on a new work of art or a new artist, and has to create a market for the work. Its objective is to give the work or artist a public existence. The value of an artist or work is uncertain until the art world has determined its value, through the actions of critics, peers, curators, and the likes, who place their aesthetic judgment. Dealers influence this judgment actively through their galleries, because it increases the price of the work or of the artists' oeuvre (Becker, 1982).

The fact that the primary and secondary market are considerably different from one another, makes it hard to analyze both parts of the market regarding the influence of digitization on the market. The secondary market, specifically, auction houses like Christie's and Sotheby's, has already adopted online sales and auctions to a large extent and new platforms for art auctions keep arising (Deloitte, 2016). For the primary market, considering its high levels of uncertainty and the difficulty to determine value and price, it could possibly be more difficult to use online tools and digital formats. There is a higher level of information asymmetry making it harder for potential clients to buy works online from galleries or artists who lack a certain brand value or legitimacy (Velthuis, 2014). Therefore, this research will focus on those galleries selling within the primary market; the section of the market where art is sold for the first time (Velthuis, 2013), and thus focusing on contemporary art.

### *2.2.3 Distribution of Art: the Gallery*

Contemporary art galleries representing an artist show artworks in exhibitions and aim to place the work in prominent collections, either private or public (museum) (Crane, 1987; Joy & Sherry, 2003). Within these exhibitions a dealer presents the work to the public and tries to sell the work (Velthuis, 2005). Additionally, these activities function as means to gather recognition for the artwork and critical reviews that advance an artist's reputation and career (Joy & Sherry, 2003). As mentioned above, the appraisal and reviews, amongst other things, give an artwork and artist legitimacy and value. Representation is often done on a basis of exclusivity: the gallery represents the artist in an exclusive relationship, and, in this sense, galleries engage in monopolistic competition (Velthuis, 2005; Velthuis, 2011a; Velthuis, 2011b). Sometimes an artist is represented by several

galleries, though, this often stays outside a predefined geographical scope (Velthuis, 2011a).

The gallery space also has a public role. The exhibition space functions as an open space, where the public can experience new art without being charged. In this sense, the gallery is a locus where social ties are constructed between gallerists, the artists, and the public, as well as critics and collectors, creating a community around the artists and the works they present (Yogev, 2010; Velthuis, 2014). These communities are strengthened by the social events surrounding the gallery space, such as the openings of exhibitions. These social interactions add value to the acquisition of an artwork and the (social) status of the buyer (Velthuis, 2014). Attending social events at a certain gallery or buying work there could be considered as buying “oneself a ticket to a social circle” (Velthuis, 2011, p. 34). The art world where one moves around in grants the person a membership to a social circle and provides a social status. Bourdieu (1993) referred to this phenomenon as the acquisition of cultural capital. In an age of digital and social media, these social events can also be promoted online as public (Facebook) events, inviting people to attend. The interaction, therefore, becomes partly digital and the status or cultural capital can be acquired in a digital environment. Interesting to see is how galleries make use of such media, as means to attract people to the gallery, create interest for the artists they represent, and as means to promote the work.

However, galleries need more than just visitors appreciating the artwork: they need people who buy their work, i.e., collectors. From all the people who frequently visit galleries, only a small portion has the wealth and willingness to buy art. Therefore, gallerists try to train gallery visitors in becoming collectors by “adding to the appreciation of the work such elements as pride and confidence in displaying one’s taste” (Becker, 1982, p. 113). Nevertheless, a gallery often has a steady group of buyers who frequently purchase artworks, as well as a group of critics who write or evaluate the works and, in doing so, create interest in the gallery’s artists and create a market for it (Becker, 1982; Velthuis, 2011a). Interestingly, most galleries and art dealers running them say they like to avoid selling work to collectors who see art as an investment, instead trying to sell to those who have a genuine love for the work or the artists (Velthuis, 2002). This corresponds to the different motives for buying art outlined by Moulin (1967): from cultural snobbery or pure investment, to the sheer love of art for art’s sake. In relation to digitization, the interaction between collectors and galleries might take new forms. As communications become more and more digital, it is generally considered that communications are also



becoming less personal. So, how do galleries maintain the relationship with their collectors, or public at large, when they make use of digital space?

Within the art market, galleries are also the mediators between artist and consumer. They are also considered to be the art market's gatekeepers (Bystryn, 1978). As galleries are the ones who bring new artists to the market, they make the selection of what is new and what is relevant. Inherent to this notion is the fact that there is a greater amount of supply, or artists who want their work to be exhibited, than there is room for artists to be represented. Consequently, galleries engage in a process of selection, filtering "the overflow of information and materials intended for the consumer" (Bystryn, 1978, p. 390). This means that the power shifts to the side of the art dealer (Plattner, 1996), illustrating an information asymmetry. Information asymmetry is the imbalance between consumer and producer when it comes to inside information (Raymonde & Vale, 1995). Information about a new work, an upcoming artist, or the price or value of a work is a big advantage, similar to the stock market, where possessing information about a new share is crucial (Becker, 1985). Especially art dealers, whose business is based precisely on this privileged information giving them their competitive advantage, prefer not to share this knowledge too much (Horowitz, 2012). Combined with the gallery's non-commercial narrative, price tags are hardly ever displayed next to a work of art in a physical space (Velthuis, 2005). The digital environment, however, is one based on information streams and access to information. So, considering the use of digital media and tools used for selling artworks, this information might be shared online in order to make purchasing more accessible. In addition, when digital media are used to promote or communicate art, information about the artwork can be made available for buyers and collectors. But do galleries share privileged information, such as prices of artworks, more willingly in the worldwide-web, a medium perceived for its democratizing effects, open-access, and information sharing, or do they stick to their traditional practice?

### *2.3 Inside the Gallery: Gallery Types and Characteristics*

Galleries often operate as family businesses or small scale enterprises: everything from selecting the art and making an exhibition to accounting and communication between collector and artists is done by the dealer, and, occasionally, one or two staff members (Moulin, 1965; Velthuis, 2005). The gallery represents a number of artists, often referred as a 'stable' in the art world (Becker, 1982; Plattner, 1996), and usually has at least one exhibition space where work is shown to the public (Becker, 1982). However, this is only

one, most well known but general, form of practice, with others depending on the types of galleries with specific characteristics, business practice, and strategy.

Different authors have come up with ideal types of galleries in the art market. Bystryn (1978) distinguishes between galleries that function like cultural institutions and galleries who have business-like strategy, Joy and Sherry (2003) between a parallel and a commercial gallery, Velthuis (2005) between an avant-garde and a traditional gallery, and Jyrämä (2002) between a young and an established gallery. These different types of galleries will further be briefly discussed and, concerning the research question, the different types of galleries and their dealers will be related to the process of digitization.

Commercial galleries, or galleries with a business-like strategy, often represent promising artists with a higher potential on the market, and engage in successful marketing and promotion (Bystryn, 1978). This gallery type generally has close ties with the prestigious art institutions and the market (Bystryn, 1978). Velthuis (2005) calls this a traditional, or commercial, gallery and argues these galleries often aim for economic success in the short term and are often more profitable in terms of revenue. This means the commercial galleries usually represent well known artists, often selling their work for relatively high prices (Joy and sherry, 2003). In terms of digitization, traditional or commercial galleries might be more willing to invest time, energy, and financial means into digital tools and media either because it is a profitable strategy for marketing and promotions, or because it opens up a wider network of consumers. Also, commercial galleries with business-like strategy might be more attracted to the business opportunities the internet has to offer in terms of online sales.

Galleries that function as cultural institutions, or are considered parallel or avant-garde, foster creativity and the creative potential of the artists they represent. "This includes the interchange of ideas on questions of aesthetics and a dialogue over works in progress" (Bystryn, 1978, p. 393). These types of galleries often take chances with new and unknown artists, of which a large portion do not make it to a successful career as an artist. Furthermore, such galleries have a close relationship with the artist communities and functions as a platform (Bystryn, 1978). In the same line, Joy and Sherry (2003) argue that parallel galleries are often run by artists, or would-be artists, and function as a center of new developments in arts. For these galleries the relationship with and recognition from the art world is very important (Velthuis, 2005). In terms of business strategy, avant-garde galleries often aim for long term success of their artists, helping them build a career step by step (Velthuis, 2005). However, those who do become established artists generally move on to the business-like or commercial galleries, because those can be of greater

assistants at advanced stages of the artists' career (Bystryn, 1978). Considering digitization, for an avant-garde gallery selling artworks online might be harder, because they often represent new artists, who are less known to a wider public and therefore less established commercially. However, because avant-garde galleries have more focus on bringing in new art and gathering recognition, it will be interesting to consider how they use digital tools and media to connect with and find new artist or promote the artists they represent.

In terms of established or young galleries, they differ in terms of development as a gallery, and the recognition they get from the art world. Being a young gallery is a criterium that has much to do with the age of the gallery, how far it has developed, and whether it has made a name within the art world. Whether a gallery is established is therefore based on the reputation and status it has in the art market. An established gallery is considered to be the one that has gained acceptance and recognition from the field, and, therefore, is an object of admiration (Jyrämä, 2002). The two types of galleries often exist in a relation of mutual respect and understanding, and young galleries often imitate established galleries in terms of practice and organization as they are considered to be an example. The two galleries are often not in a real competition, because of the different taste in artwork of their clientele. While young galleries represent artists with lesser market value, to start with, and build up a career of artists by means of promotion, established galleries often represent artists who are already somewhat consecrated and have an established market (Bystryn, 1978).

In relation to the process of digitization, representing well-known artists and having an established reputation as a gallery could also mean that it is easier to promote and sell online, because people are familiar with the artists and their work, and the gallery has a brand image. Therefore, there could be a higher level of trust in what is offered online. However, with a younger gallery, without established brand image and representing unknown artists, this could prove to be more difficult, because the consumer does not know what is the quality of the offered art. In the same line, Velthuis (2014) argues that galleries function like brands. A high-end gallery with a good name, or brand, is likely better able to exploit online sales, because it is considered safe or reliable to buy from such a consecrated gallery. For other galleries, not so consecrated and with a less famous name, it is probably harder to exploit the online option. Either because buyers are not able to find their website, or "given information asymmetries in the art market, potential clients face the risk of buying a work of inferior quality, which makes them even more cautious about buying works online from galleries who lack brand value" (Velthuis, 2014, p. 88).

So, the differentiation can be generally based on two characteristics: the attitude towards business and arts, either commercially focused or focused on the development of art, and the status of the gallery in terms of recognition from the art world, either established or young. However, in practice, the divisions might not be so black and white and certain galleries might be in between or a bit of both. Other typologies are also imaginable, e.g., a typology on the art medium. Nonetheless, for the sake of clarity within the research, the following definitions will be used as extracted from the literature above: “established commercial”, galleries that are focused on sales and represent established or well-known artist for high prices; “established avant-garde”, galleries who represent less established artists, possibly in combination with better known names, but have an established name as a gallery in the field; “young avant-garde”, galleries who have a less established name as a gallery and represent new and young artists, forming a platform for the development of art; and, “young commercial”, galleries who are relatively new but have started their practice from a commercial point of view and choose to represent young artists with a high commercial value. These four types allow specifying the research question of this thesis, about how different types of galleries embed digital tools and media into their activities and daily practice.

#### *2.4 Amsterdam Art Market:*

Art markets are structured in such a way that they have a centre and a periphery (Plattner, 1996). The centre of the market is where “demand is concentrated, reputations are built, and the density of social networks is highest” (Rengers & Velthuis, 2002). Different authors have identified similar patterns in art markets, for example, Moulin (1987) identifies Paris as the centre of the French art market and Giuffre (1999) identifies New York as the centre of the art market in the United States. The Dutch market is structured in the same way, with Amsterdam as its centre (Rengers & Velthuis, 2002). According to research on the Dutch art market by Brouwer and Meulenbeek (2000), about 56 percent of all sales in the Netherlands are made through galleries; the other 44 percent are made by artists directly from their studios (30 percent) or through other intermediaries (14 percent), i.e., arts consultants or salesmen.

This means that Amsterdam, where most galleries of the Netherlands are located, is the place where most art market trade takes place. The density of the amount of galleries in Amsterdam is also remarkably high, with the ratio of galleries per 100.000 inhabitants considerably higher compared to the art market in New York (Velthuis, 2005). Although, Velthuis (2005) used a wider definition of the art market, the study reported 6.7

galleries per 100.000 inhabitants in New York, against 22.5 galleries per 100.000 inhabitants in Amsterdam, measuring a total of 536 and 165 galleries respectively.

Even though the Dutch market is structured similar to other markets, with one centre in a larger network, the Amsterdam market in international context is considered a peripheral market. Compared to other European countries surrounding the Netherlands, like Germany and the United Kingdom, the role the Dutch market plays on the international art market scene is small (Velthuis, 2005). No real explanations have been found so far for either the density of the gallery network in Amsterdam, or the peripheral place of the market.

The peripheral role the Amsterdam market place in the international art trade also has implications for this research. It suggests that the findings will be only applicable to the situation of galleries in Amsterdam. However, Amsterdam is a peripheral market, therefore this research might also be relevant for other peripheral markets. Moreover, considering the marginal role of the market as a whole, individual galleries might find a way into the international market and be able to connect with the international public or collectors, through the world-wide-web. Considering the online communications and promotions of the gallery can be seen from anywhere in the world via the international digital platforms, such as Artsy, an international reach despite the peripheral location of the Amsterdam art market seems possible.

### *2.5 Digitization:*

According to Brennen and Kreiss (2016), digitization is the “technical process of converting streams of analog information into digital bits of 1s and 0s with discrete and discontinuous values” (p. 1). This makes it a material process: a photograph becomes a stream of digits and the digitized artwork becomes virtual (Enhuber, 2015). Digitalization, a term remarkably similar but with a different meaning, is often used interchangeable. However, digitalization, according to Brennen and Kreiss (2016), means the “way many domains of social life are restructured around digital communication and media infrastructures” (p. 1). With these definitions they highlight the importance of a clear distinction between the two terms: *digitization* is the process of making something digital, while *digitalization* includes the larger changes in society happening due to the process of digitization.

While the distinction posed by Brennen and Kreiss (2016) aims to clarify the ambiguity and highlight the two sides of the issue, it is rather black and white, and makes digitization a purely technical process of creating bits and digits. Sassen (2002) argues,

however, that electronic space or digital networks are also embedded in the material world; very literally in the sense that *software* needs *hardware*, or, the digital information needs to be stored somewhere to be able to exist. Simultaneously, the digital space is embedded in the actual social structure and power dynamics of society. “There is no purely digital economy and no completely virtual corporation or community. This means that power, contestation, inequality, hierarchy, inscribe electronic space and shape the production of software” (Sassen, 2002, p. 366). In the same line, the freedom, or open-access, of the internet, according to Sassen (2002), often ascribed by utopian readings of its potential, is not an inherent feature of it, but shaped by intervening mechanisms that are not always technological in nature. The web is written in algorithms, created by humans, who decide what to keep and what to eliminate (Brennen & Kreiss, 2016).

Moreover, like the before mentioned printing press invention, the innovations of the Web could bring about a revolutionary change; a ‘Digital Revolution’, also referred to as the ‘Information Revolution’ (Robinson & Halle, 2002). Enhuber (2015) points out that, in just a few decades, from the sales of the first commercially used computers in the 1980s until now, internet and web technology has spread throughout every form of human space. She claims the impact of this revolution on our postmodern society is enormous, and the speed at which this third human revolution unfolds is higher than others before it.<sup>1</sup> From the introduction of the worldwide web in the early 1990s, within roughly 25 years, almost half of the world’s population now uses the internet (Miniwatts Marketing Group, 2017).<sup>2</sup> The society emerging from this digital revolution has been described as an “Information Superhighway” (Negroponte, 1995), “Network Society” (Castells, 1996), “Global Village” (McLuhan, 1962) and “Knowledge Economy” (Drucker, 1969), but nevertheless it is considered a work in progress.

However, the place of the art world within the digital world remains unclear and in flux (Peacock, 2008). According to Drucker (1999), we are only at the beginning of this revolution. Similar to other revolutions, such as the Industrial Revolution, the impact of it can only be seen decades after its invention (Drucker, 1999). Robinson and Halle (2002) argue in a same line, that “the full, revolutionary experience of online art in a digitized world has not yet occurred” (p. 369). What we know so far is that digitization, and all its possibilities of virtual space, networking, co-creation, and user-generated content, possibly threaten the foundations of the art world; the constructs of authenticity, materiality,

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<sup>1</sup> The first revolution being the agrarian revolution, in ancient times; the second revolution being the industrial revolution from the eighteen century onwards (Schoenherr, 2004).

<sup>2</sup> <http://www.internetworldstats.com/stats.htm> 49,2% of the world population (up-dated March 5, 2017)

ownership, authority, and traditional audiences (Peacock, 2008). For the art market specifically, these aspects can prove to be a challenge. Cases where works of art were offered online, for example on eBay, have proven to be susceptible to fraud (see; Robinson & Halle, 2002; who discuss the eBay Diebenkorn scandal).

Yet, in some parts of the cultural industry, digitization has already had quite some influence. For example, the music industry has altered drastically under the influence of the digital age (Curien & Moreau, 2009). Not only did the digital revolution make the storage of music in mp3 possible, the emergence of the Internet also enabled the option of online peer-to-peer file sharing. Illegal sharing of music files provoked many actors within the music industry and instigated several legal battles (see for example; Robinson & Halle, 2002; Waelbroeck, 2013). This drove the music industry into the model we know now, with platforms and online stores, e.g., Spotify, iTunes, and etc., facilitating and mediating music in its digital shape. This has changed the music industry forever, replacing bricks-and-mortar record stores with online shops, platforms, and networks, and shifting promotions and marketing from record labels exclusively to a set of different actors within the industry (Waelbroeck, 2013). But, most importantly, it has completely changed the way music is consumed. Formats for listening to music have changed to a multitude of options, of which online streaming, online purchasing, and (illegal) downloading are just a few, whereas before one would either buy a record or hear it on TV or radio (Waelbroeck, 2013). But the most substantial change for the consumer is in the discovery of new music. Where before there was a record store with limited shelf space, and a radio with limited air time, there is now an entire worldwide-web filled with music, in different digital formats, and an abundance of social networks, platforms, and communities offering new ways to explore and share music and get personal recommendations (Waelbroeck, 2013). The digital music industry, with its online sharing and piracy, has altered the way music is distributed and promoted (Moreau, 2013), changed the revenue model of the industry (Curien & Moreau, 2009), and its economy of scale (Burke, 2011), and revealed the urgency to adjust laws and regulations concerning copyright. These technological innovations within the music industry are still ongoing (Burke, 2011), but “the interactive quality of digital formats has a unique characteristic that makes it different from other media advances”, like the introduction of the radio, before it (Robinson & Halle, 2002, p. 382).

The effects digitization can have on the cultural field are apparent in this example and can be found in several other parts of the cultural industry, for example, the film industry (see; Stepan, 2011) and TV-broadcasting (see; Tadayoni & Henten, 2011). To what extent will these changes in the art market be similar, and to what extent are they

different, is then an important question to ask. With the product being so different, a singularity instead of an endlessly reproducible multiple, what comparisons can be made? The selling of a singularity, a unique art piece, with a high price is harder than selling a musical number for a few cents in an online shop. This difference in product, singularity versus multiple, and price, a few hundreds to a few thousands compared to a few cents, makes the comparisons, in terms of online sales, harder to make.

However, most important similarities can probably be found in communications and promotions. For the arts in general, communication and promotions are an important way to reach a public, with this being applicable for the music industry and the visual art market. The public needs to be informed in order to enjoy the product and, in this day and age, when people are spending more and more time online, the online environment seems to be the right place. For galleries this could mean using the digital media their targeted audience is using, for example, social media like Facebook and Instagram, to promote their gallery and the art. This also constitutes a change in economy of scale for the gallery practice, with specifically social media and digital mailings in mind, and with free or low cost marketing tools widely available in contrast to the often high cost print and paper advertisements and mailings. Furthermore, the music industry and the art market are both overcrowded with creative products. Navigating this supply of art or music can be hard. For the music industry, the discovery process has become more consumer focused after the introduction of digital platforms, websites, tools, social media, and more. For the art market, a similar revolution in consumer empowered can be expected, because, similar to the music industry, the Internet has the potential of opening up the access to art overcoming the gatekeepers in the art market. In terms of the galleries' practice, this could mean the use of their websites to showcase the artists they represent, or the art they sell, or use of other forms of digital media, like online platforms, art databases, or social media, to present the artworks, so buyers and collectors can browse through the art. However, this also means, that there are new players in the market, similar to the new intermediaries established in the music industry (e.g., iTunes and Spotify), who demand a positions as a gatekeeper and thereby challenge the position and power of the gallery.

Making a comparison with the music industry is not easy, because of the differences in the offered product. However, both industries represent sectors that combine sales with a love of art, both sell a product that is in its own way unique and different from what the other sells. As Arora and Vermeylen (2013) put it, as similar "with other sectors of the creative economy, the art world and market is undergoing significant changes as a result of the digital revolution" (p. 322). As in-depth research on the effects



of digitization on the primary art market is largely missing, this research aims to be a first step in finding out how digitization is changing the art market and the galleries that operate within that market.

### 2.6 A Changing Art World and its Market:

The possibility of digital delivery has not only altered some of the expressions of visual art, as for example Internet Art, multi- and mixed-media art, and digital manipulation of images, it has also affected the way we evaluate, consume, and trade art (Arora & Vermeulen, 2013). There are various ways the effect of the digital era on evaluation, consumption, and trade of art is being expressed. An example of this is the Google Arts Project<sup>3</sup>, which is a way of consuming and learning about the art collection of museums world wide. Art that is out of reach on the other side of the world can be viewed from a simple computer screen anywhere where there is access to the internet.

However, purists tend to hold on to the idea that art has to be experienced in the flesh, and no internet can replace that experience (Horowitz, 2012). Critical cultural theorists like Walter Benjamin, fundamentally opposed the reproduction of the artistic work, even before the digital age altered this possibility dramatically. In his critical work, *The Work of Art in the Age of Mechanical Reproduction*<sup>4</sup> (Benjamin, [1936] 2008), he argues that the reproduction of a work of art destroys the 'aura' and thereby devalues the work. He claims the "sphere of authenticity is outside the technical", so the reproduction of the artwork changes its context and thereby the original work is independent of the copy (Benjamin, [1936] 2008, p. 18). His work was focussed on earlier forms of reproduction, like photography and printing, and we can only image what his response to a digital reproduction would be, let alone online selling of art.

Nonetheless, with a growing number of online art galleries, platforms, search engines, and auction houses, and a growing number of investments in the online market, it seems to be increasing with confidence (see; Deloitte, Art and Finance Report, 2016, for an overview on new online art market start-ups and the investments). How this affects the primary art market galleries, with their traditional bricks-and-mortar art space, remains to be seen. In Deloitte's 2016 Art and Finance Report, only one-fourth of the surveyed collectors and professionals consider the online art market as a replacement of the traditional gallery model. The majority regards the online market as an addition, not as

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<sup>3</sup> <https://www.google.com/culturalinstitute/beta/>

<sup>4</sup> Benjamin's original work, published 1936 is titled: *Das Kunstwerk im Zeitalter seiner technischen Reproduzierbarkeit*

competition, and believe on- and offline galleries and platforms can co-exist. Furthermore, the report found that most collectors and art professionals believe that the true potential of online art businesses is in information and education (Deloitte, 2016).

On the other hand, if we consider the internet as an information highway, a serious challenge could arise for the art market. Internet, as an open-access and democratic percept, should be in line with artists who desire to have an equal voice, to find new audiences, reach more people and have their work out there (Horowitz, 2012). However, contemporary art galleries tend to show only practical information and artists' profiles on their websites, and shy away from sharing delicate information, like exact prices, or estimated value, or whether a work is in high demand (Khaire, 2015). Their business is based on this privileged information, because it gives them their competitive advantage (Horowitz, 2012). Considering the information asymmetry in the art market, there is in general a reluctance to share too much information online (Velthuis, 2005; Horowitz, 2012). For that reason galleries might be skeptical about the benefits the online sharing of information and open access, certainly if it comes to sharing privileged information, such as prices.

Nonetheless, most actors within the cultural field, be it museums, galleries, or artists themselves, make use of some form of website or social media page. In the Netherlands, for example, 90 percent of galleries had their own website in 2014 (Panteia, 2014). So far, digitization in the art world has manifested itself in the form of websites and databases, containing an abundance of information, like pricing, provenance, previous sales, type of art, and other characteristics, and millions of images of digitized art, available to all who wish to know (Khaire, 2015). This empowers consumers, similarly to the discovery of new music mentioned above, to gather information on artists, prices, and dealers, thereby lowering the search costs. Furthermore, it offers ways to connect consumer, or collector, with the gallery in a more efficient way (Arora & Vermeylen, 2013). This also applies to the secondary market, where artworks and artist have a more extensive history and information can be the key in determining prices and finding a dealer. This applies, to some extent, also to the primary market. However, in the primary market galleries have a bigger challenge, because here one deals with largely unknown works of art and artists, and privileged information is only valuable when there is an interest in this information. So, this research aims to analyze how galleries in the primary market handle privileged information in a digital space. What information do they share and why? And how do they connect with potential consumers to lower search cost? How do they use digital media to communicate or promote?

Social media, specifically, could play a key role in this sense, because social media offers an unparalleled opportunity for community building within the society (Castells, 2010). The last decade has seen an increase in a demand for different leisure activities, which has made embracing social media in order to reach the public a necessity for the cultural field (Loran, 2005). Social media and other online media and platforms offer a multitude of promotional and communication options. “They have become a major factor in influencing various aspects of consumer behavior including awareness, information acquisition, opinions, attitudes, purchase behavior, and post-purchase communication and evaluation” (Mangold & Faulds, 2009, p. 358). In the same line, social media and online platforms allow for an enhanced engagement with the consumer, in terms of direct communications, with the organization or other consumers, and in ways of giving feedback, critique, or expressing appreciations (Mangold & Faulds, 2009). Digital tools and media seem to have become extremely important in promoting art and artists, and finding new clients all over the world (Velthuis, 2014). However, digital platforms like social media, have a somewhat anonymous character which also poses a challenge for the art gallery. The traditional culture of the galleries, which is based on informal relationship, face-to-face contact, and has an opaque character (Arora & Vermeylen, 2013), which might refute the use of social media. Therefore, this research examines how the galleries in Amsterdam make use of this online medium. Do they engage with their buyers and collectors in an online environment? How do they promote the gallery and their artists to the public at large through social media?

Furthermore, the development and acceptance of e-commerce, the selling and buying of goods online, has challenged local and physical markets of all types. This can be seen in, for example, the retail industry, where online shop (e.g., Amazon) threatens the existence of real physical retail stores. It is also believed that the potential power of the digital medium can change the art market in a similar way (Khaire, 2015), as it has done for other parts of the cultural industries (e.g., music, film). This research will analyze whether e-commerce has changed the practices within the primary market in Amsterdam. Do primary art market galleries make use of such online media, like a website or web-shop with a direct click-and-buy? Although online sales could be facilitated by the gallery itself, there is also a wide range of intermediaries, or platforms, that facilitate these sales, like Artsy (USA), We Like Art (NL), or Fraemd (NL). The goal of such platforms is to connect the collector with the dealer or facilitate a direct purchase. Similar to the music industry, the search for art is made comprehensible by a number of algorithms that filter out taste and preference, and are thus able to steer consumers towards comparable works of art

they would otherwise not discover (Arora & Vermeylen, 2013). However, again given the emphasis on face-to-face contact and direct communication within the gallery world, galleries might not fully embraced the potential of the online sales (Arora & Vermeylen, 2013). So, do galleries in the primary market make use of these platforms and why or why not? What is their attitude towards these platforms? Do they see it as an addition to the market, something they can cooperate with, like Deloitte's 2016 Art and Finance Report suggested? Or do they consider them as competition, taking up a part of an already crowded art market?

All together, this shows there is already a considerable amount of knowledge about the effects of digitization on the art world, and, to some extent, on the art market in general. Specific research about how contemporary art galleries in the primary art market are influenced by digitization is however missing. This research aims to answer that question, at least for the primary market in Amsterdam.

Considering the perspective of cultural production (Peterson & Anand, 2004), technology has the potential to change the market. So, what does digitization mean for the market, in terms of information asymmetry, power relations between different actors of the market, or the gatekeepers' role of galleries? Does digitization make the market more transparent, considering the internet as an open-access, information highway? And does the worldwide-web, accessible from anywhere in the world, make the Amsterdam market, as a peripheral market, more accessible to an international public?

Furthermore, in terms of gallery practices, how does digitization impact these galleries? How do they use the multitude of options the online environment offers? How do they use social media? How do they engage online with their buyers and collectors? How do they communicate and use information on a daily basis? Do they sell their works of art online, or with the help of digital platforms? These, are all questions that arise from the examined theory and literature, and will be further discussed in the next section on questions, sub-questions and expectations.

### 3. Research question, sub-questions and expectations

#### 3.1 Questions:

The digital age has changed many things within society, also in the art world: museums have digitized entire collections of art pieces now available worldwide for anyone to see and enjoy, while the music industry has drastically changed due to online streaming and downloading. Whole art disciplines have changed because of the endless possibilities created by digital tools, like digital manipulation and altering of images. So, how does this affect the buying and selling of contemporary art in the primary art market? The research question of this thesis, *how does the primary contemporary art market of Amsterdam change under the influence of digitization and how do different types of galleries embed digital tools and media in their activities*, tries to answer that.

The production of culture perspective of Peterson and Anand (2004), as discussed in the theory section of this thesis, is built on the premise that a change in one of the six facets of the cultural production nexus can cause an entire art world to change. Technology and market are two of those facets. This thesis examines the market of an art world, the primary market to be specific, and how digitization (technology) has manifested itself within this market. These are the facets of the art world, which are analyzed to determine the degree of change within the market, and to see how this change manifested itself in the day-to-day practice of contemporary art galleries in the primary market.

To understand how digital media and tools are incorporated within galleries and how this changes their practices, it should be understood how the different types of galleries operate. In the interviews conducted in this study, questions about how the galleries operate on a daily basis have been asked to establish their type and their way of operating (for interview guide, see: Appendix A, p. X). Combined with the literature on gallery types, this gives an overview of the operations and characteristics of the different types of contemporary art galleries in the primary market in Amsterdam. In addition, putting the gallery in a larger perspective, that of the relationship between the gallery, the collector, and other actors within the cultural field, offers a wider view on the social relations within the primary art market. In the Findings section, this data is analyzed to relate it to different attitudes towards and practices concerning digitization.

This thesis examines how art galleries with a traditional bricks-and-mortars space have incorporated digital tools in their practice of running a gallery. Do these galleries have a website, social media account, and perhaps even an online shop with click-and-buy options? And how do they use these digital media? Additionally, with new tools and media

widely available for marketing and promotions (e.g., social media, websites, digital platforms and digital media/press), how do galleries, whose core business is representing and promoting art, exploit the advantages of digital media? And how does digitization influence social relations within the art world, such as relations between the gallery and the collector or other actors within the art world, like art press or museums?

According to the literature, the gallery is often a space where face-to-face contact and informal relations are the *modus operandi*. In the interviews, several questions will deal with the *how* and *why* of these relationships. However, the premise of the internet is more widespread and more fleeting, somewhat anonymous, interaction. So, how are communications, interactions, and relationships maintained in a digital environment? And with social media being an important part of today's social interactions, what role does social media play in this part of the operations?

In the same line, the reviewed literature describes the gallery's operations as opaque and based on information asymmetry. But the internet is an online environment where democratization of information and open-access are fundamental. So, how do galleries navigate this space? What information do they share, on their websites, on their social media, or a digital platform, concerning works of art, prices, and sales? Another interesting question to pose is how the interaction between galleries and online platforms and online intermediaries establishes itself. How do these parties reinforce each other, complement each other's activities, or possibly compete with each other on certain parts of the contemporary art market? Furthermore, the characteristics of a gallery in relation to an attitude towards digitization and the use of digital tools and media will be examined. The following definitions of gallery types will be used in this research, as has been defined on the basis of the examined literature: established commercial galleries, established avant-garde galleries, young avant-garde galleries and young commercial galleries.

### 3.2 Expectations:

Following the theory, it is expected that digitization, as the technology facet from the perspective of cultural production (Peterson & Anand, 2004), has changed the art market to a certain extent. Peterson and Anand (2004) theorized in their production of culture perspective, that one of the six facets of a production nexus has the potential to disrupt the cultural field. Considering some parts of the cultural field have already changed under the influence of digitization, as described above by the example of the music industry, a similar change is expected to be possible in the art market. This research examines how far this

change has already manifested itself within the art market and art galleries, and how the galleries view the potential of digital tools and media for the future of their practice.

It is expected that promotions and communications are already done largely online. Digital and social media are cost efficient way of promoting art, communicating with customers, engaging the public, and connect to collectors and buyers in an online environment. In addition, digital and social media have a potential of a large and international reach. Finally, making online sales is expected to be more of challenge for galleries. Considering the idea that art must be seen in real life for it to be appreciated, the possible unfamiliarity with the gallery, the artwork and the artist, and the high risk regarding prices, selling artworks online might be harder then it is for other parts of the cultural sector, e.g., the music industry. However, this might vary among the different types of galleries. Considering the four gallery types, the expectation have been summarized in a table (see: Appendix B, p. X).

## 4. Method and Data

### 4.1 Method of Data Collection and Analysis

The research question of this thesis, *how does the primary contemporary art market of Amsterdam change under the influence of digitization and how do different types of galleries embed digital tools and media in their activities*, implies a qualitative study, because it looks to investigate *how* something is happening or changing. Qualitative research focuses on “the understanding of the social world through an examination of the interpretation of that world by its participants” (Bryman, 2008, p. 366). This research aims to do exactly that, examining the understanding of the primary contemporary art market at the scope of digitization through the interpretation by the gallery owners in the primary market in Amsterdam, and analyzing how they interpret the effects of digitization on their daily practice and how they incorporate it in their activities and (business) strategies.

The interview method was chosen for data collection of this thesis. Kvale (1983) described the qualitative research interview as “an interview, whose purpose is to gather descriptions of the life-world of the interviewee with respect to interpretation of the meaning of the described phenomena” (p.174). The interview method allows for a range of open-ended questions with which information about the interviewees’ feelings, motivations, attitudes, and opinions concerning certain subjects is obtained. Concerning it was only possible to speak to an interviewee on one occasion and the timetable of this research did not allow for a follow-up interview, the semi-structured interview type was selected (Bernard, 1988). The semi-structured interview is a method that allows the usage of an interview guide with topics that need to be covered (see Appendix A, p. X), but also gives the ability to follow certain topics or trajectories initiated by the interviewees that are interesting to elaborate on when it is relevant and appropriate (Cohen & Crabtree, 2006).

Recording of the interviews was chosen for this study to make transcription in the program *F5 Transcription*<sup>5</sup> possible. The *F4 Analyze*<sup>6</sup> program was then used to analyze and code the interviews. In the first round of coding Initial Coding was used to analyze the data with an open approach and to reflect on the content, meaning, and nuances of the data (Saldaña, 2012). On the basis of the conceptual phrases that emerged, and in relation to the theory and the research question, a second round of Structural Coding was

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<sup>5</sup> F5 is the equivalent of F4 for Mac. <https://www.audiotranskription.de/english/f4.htm>

<sup>6</sup> <https://www.audiotranskription.de/english/f4-analyse>



applied. Structural Coding is question-based and therefore well suited for analyzing interview data (Saldaña, 2012). The structural code “acts as a labeling and indexing device, allowing researcher to quickly access data likely to be relevant to a particular analysis”, allowing to link the different answers from the interview to the different concepts and questions that arose from the theory (Namey, Guest, Thairu, & Johnson, 2008, p. 141). In the second round of coding, the data with the same code was collected and analyzed in detail, dividing larger concepts into smaller pieces, to find nuances and differences between gallery types. Where in the first round of coding the data was analyzed more on a level of the general concepts based on the theory, in a second round this was broken down in the different attitudes towards the subjects, different arguments, and different practices.

#### *4.2 Data:*

The location of the galleries was limited to Amsterdam, the Netherlands. The choice for Amsterdam is one of a practical nature, as well as it being the centre of the art market in the Netherlands and, therefore, the most relevant place to conduct this type of research (see for example: Rengers and Velthuis, 2002; Velthuis, 2005). The units of analysis for this thesis are contemporary art galleries in the primary art market of Amsterdam. Information on galleries in Amsterdam is currently not available in one organized database. Therefore, to identify the population of galleries, information has been obtained through different sources, to know: Mondriaan Fund’s subsidy scheme ‘Kunstkoop’, online art calendar ‘Kunstinzicht’, and several participants’ lists of art fairs that took place in Amsterdam 2016, i.e., ‘Kunst RAI’, ‘Amsterdam Art Fair’, ‘Affordable Art Fair’, ‘Unseen’, and ‘Amsterdam Drawing’.

Firstly, the galleries in Amsterdam were identified using the subsidy scheme of the Dutch Mondriaan Fund. The Mondriaan Fund stimulates sales in the primary contemporary art market in the form of a loan construction for buyers, called ‘KunstKoop’<sup>7</sup>, to which at this point a total of 63 galleries in Amsterdam are participating. ‘KunstKoop’ was chosen because of the clear criteria for participation in the construct for the galleries. However, given the possibility some galleries might not participate or be excluded from the scheme due to the strict selection criteria, i.e. the maximum amount of 7.5000 EUR loan per artwork per buyer, as well as limitation of subsidizing only artworks made after 1945 by still living artist, or stricter criteria to limited edition artworks (e.g. photography or graphic art),

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<sup>7</sup> <https://www.mondriaanfonds.nl/activiteit/kunstkoop/> / <https://www.kunstkoop.nl>

the alternative sources to identify the population of contemporary art galleries in Amsterdam were also examined.

The art calendar website 'Kunstinzicht'<sup>8</sup>, being an alternative source, has a directory of galleries in Amsterdam, of which only the contemporary art galleries in the primary market have been identified (66 in total). On average, there was an overlap between the 'Kunstinzicht' and 'KunstKoop' source, of 22 galleries. These two directories together created a population of 107 contemporary art galleries in Amsterdam.

Next to that, the participating galleries from 2016 of the following art fairs have been compared to complete the data: Kunst RAI<sup>9</sup> (19 galleries), Amsterdam Art Fair<sup>10</sup> (31 galleries), Affordable Art Fair<sup>11</sup> (13 galleries), Unseen (15 galleries), and Amsterdam Drawing (16 galleries). The different art fairs were chosen for their location (Amsterdam), size and how well they are known to the public, taking into consideration the different themes of and art disciplines present at these fairs, to ensure all four gallery types are included in the sample. However, the different participants' lists of the art fairs, only yielded 11 new galleries, making the total population 118 contemporary art galleries. Nonetheless, the art fair sources reassured the diversity of the population, and shows the thoroughness in terms of including all contemporary art galleries in Amsterdam.

Initially, a random sampling was conducted, as it was unknown which type the galleries belonged to. Bryman (2008) describes random sampling as "sampling whereby the inclusion of a unit of a population occurs entirely by chance" (p. 698). Bryman (2008) describes random sampling as "sampling whereby the inclusion of a unit of a population occurs entirely by chance" (p. 698). Random sampling ensured a representative selection of the population. Although such method allows for a variety of galleries with different characteristics to be part of the sample, in order to analyze the attitudes the different galleries might have towards digitization, it poses a limitation that the findings can only be generalized to the population of which the sample was taken from (Bryman, 2008), and the four types of galleries might not be equally represented. Therefore, purposeful sampling was considered as a second round of sampling to increase the number of galleries in the under-represented gallery types. Finally, the snowballing method (Bryman, 2008), asking for advice from the galleries interviewed and using their personal connections to find more participants, was considered in case of the insufficient sample.

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<sup>8</sup> <http://www.kunstinzicht.nl/art/plaats/amsterdam/galleries.html>

<sup>9</sup> <http://www.kunstrai.nl/deelnemer/>

<sup>10</sup> <http://www.amsterdamartfair.nl>

<sup>11</sup> <https://affordableartfair.com/fairs/amsterdam/exhibitors>

In the first round 20 galleries were randomly sampled and contacted. The response rate was 35%, which means the first round of sampling yielded seven interviews. The first seven interviews included two established commercial galleries and five avant-garde galleries, three of them established, two of them young. Following this, the galleries' types were identified on the basis of information available online (e.g., their website), as well as online news articles and reviews. This collecting of additional information was necessary to get an idea of the distribution of diversity in the sample. The ascribed gallery types prior to the interview were revised following the collection of the information obtained in the interview.

The last three galleries were purposefully sampled. From the gallery types that were less represented in the first round of sampling (young and/or commercial), several galleries from the population were chosen on the basis of these characteristics, either being a young gallery, or an established commercial gallery, in order to try to make the most comprehensive and diverse sample. The second round of sample, however, only produced one new interview appointment, with a young commercial gallery. The snowballing method yielded two more interviews, with an established avant-garde gallery, and another young commercial gallery.

**Table 1**

Gallery	Year	Type of gallery model*	Type of Artists**	Art Discipline**
1.	1988	Established avant-garde	Established and young artists	Mixed disciplines
2.	1968	Established commercial	Established artists	Contemporary Realism/Painting
3.	2003	Established avant-garde	Established and young artists	Mixed disciplines
4.	2011	Young avant-garde	Young artist	Graphic art
5.	2009	Young avant-garde	Young artist	Mixed disciplines
6.	2007	Established commercial	Established and young artists	Mixed disciplines
7.	2012	Young commercial	Young artist	Photography
8.	2008	Established avant-garde	Established and young artists	Mixed disciplines
9.	2014	Young commercial	Young artist	Graphic art and Street Art
10.	2011	Established avant-garde	Established artists	Mixed disciplines
* as theorized from the literature, described in the theory section				
** as described in the interviews by the galleries and/or described on their websites				

The gallery sample can be found in *table 1*, including the characteristic of the gallery. In total, ten galleries were interviewed. This yielded enough hours of interview, and enough distribution of diversity to have a saturated sample. In total the sample includes 2 established commercial galleries, 4 established avant-garde galleries, 2 young avant-garde galleries, and 2 young commercial galleries. Gallery's names have been removed, as to maintain the anonymity of the galleries. The galleries are numbered in order of the interview dates, not in order of respective sampling rounds. The gallery types have been ascribed on the basis of collecting additional information online, combined with the information obtained in the interviews.

In three cases this meant the initial type ascribed, was changed after the interview was taken, because the interpretation of collected information was wrong. First, one young gallery ascribed type was changed from avant-garde to commercial, because from the interview data it was clear this gallery has a commercial style of business, while from the information obtained beforehand a more avant-garde style was assumed. Second, one commercial gallery from established to young, because from the initial information obtained online it was not clear how far the gallery had developed, and an established gallery was assumed. From the interview data, however, it was clear that this gallery works with new artists, and has only been around for five years, and therefore the ascribed type changed from established to young. And third, one avant-garde gallery was changed from established to young, because from the interview data it was clear this gallery functions as a platform for young talent, and works with relatively young and unknown artists.

#### *4.3 Data collection:*

The interviews were conducted between January and April 2017. All galleries were initially contacted by mail, explaining the purpose of the interview. In several cases follow-up phone calls were made, to explain more about the purpose of the research and to make an appointment. All but one of the interviews took place in the gallery space of the respective galleries. One interview took place in a restaurant, because of the practical matters. Nine out of ten interviews were done in Dutch, and one was conducted in English. Before start of the interviews, the interviewees were asked whether they consented with doing the interview, assured of their anonymity, and asked for permission to record the interview. The interviews lasted somewhere between 50 minutes and 2 hours, making the total amount of interview time 10 hours and 20 minutes.

Generally, the galleries were willing to talk about their practices. The interviews were pleasant conversations and gallery owners shared their experiences and opinions in

an informal manner. The research per gallery done beforehand allowed for several tailored questions, about specific things I found in their online activities (e.g., on their website, social media, or digital platforms like Artsy). In addition, in a few of the interviews new information arose from free association with the topics and questions of the interview, allowed by the semi-structured interview method. In some of the interviews, probing questions were necessary to obtain further or more detailed information. This was often the case when the question was not understood properly or the answer the interviewee gave seemed incomplete or incoherent, and a further explanation was necessary.

## 5. Findings

Ten galleries have been interviewed, by means of semi-structured interviews with the help of an interview guide (see Appendix A, p. X, for the interview guide). Afterwards, the interviews have been coded (see Appendix C, p. X, for the coding scheme) and the data has been analyzed. What follows is a description of the found data, an analysis of its relation to the reviewed literature and conclusions concerning the research question and sub-questions that have been posed.

The data has been split in two major themes: how do the galleries operate in general and how does digitization influence the galleries and the market. The first theme is based on the idea that the galleries have a certain set of characteristics. This determines their type, as they were described in the theory section, but also relates to the how and why they use digital media and tools. The second theme is an analysis on the data that involve digitization: how, what and why the galleries use digital tools and media, but more importantly how it relates to their general operations and their gallery type. This relates to the second part of the research question: *How do different types of galleries embed digital tools and media in their activities?*

Finally, the overall change of the art market will be examined in relation to the perspective of cultural production (Peterson & Anand, 2004) and the theory discussed in the second chapter. As Peterson and Anand (2004) theorized, technology (digitization) has the potential to change the art market as we know it. Thus, in the last section of this chapter it will be discussed to what extent and where this change has already occurred in the art market. This relates to the first part of the research question: *How does the primary contemporary art market of Amsterdam change under the influence of digitization?*

### *5.1 Inside the Gallery: Characteristics of the Amsterdam Galleries*

In the theory section, different gallery types have been discussed. In order to make a comprehensive set, four gallery types have been defined for this research: established commercial galleries, established avant-garde galleries, young avant-garde galleries, and young commercial galleries. The galleries have been ascribed a type based on information collected before the interviews took place, combined with the data obtained during the interviews. The latter confirmed the expected type or adjustments were made were necessary. In three cases, this has led to a change in the ascribed type. In this section, the different types of the interviewed galleries are analyzed in relation to their practices, to be able to relate this to the different attitudes towards digitization in the following section. The practices that are discussed are those where change, due to digitization, might occur, or digitization might be a challenge for the specific galleries. These include representation and promotion of the artists and the artworks, and relations between the gallery and other actors in the art market, e.g., press, collectors, and other galleries.

#### *5.1.1 Attitudes: Commercial or Avant-garde*

From the interviews, it seems clear that all avant-garde galleries represent artists based on their own personal taste. They have to like it and be interested in the work, in order to be able to represent the artist and sell the artworks, and do not think about marketability in the process of selection. In the theory, this attitude has been described as “denial” or “denegation” of economy, or an anti-commercial attitude (Bourdieu, 1993; Abbing, 2002; Velthuis, 2005). All avant-garde galleries, at least at the surface, seem to have this attitude. As one established avant-garde gallery owner put it:

“I don’t make compromise commercially. I exhibit what I’m convinced that is good art, so I never... look at [sic] art... thinking about what type of commercial, or money wise return it has [sic].”

(I 10 - established avant-garde)<sup>12</sup>

This enforces the avant-garde type of gallery practice, looking solely at the art for arts sake, which enhances the idea of art being sacred (Abbing, 2002). In comparison, an established commercial gallery owner mentioned, though based on her own preferences, she aims to represent artists that already have an established name in the art world and has a wishlist of the established names she would like to add to her gallery (I 6 - established commercial). This shows a more commercial strategy, and a different ambition

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<sup>12</sup> Original quote, interview 10 was done in English.

than the 'arts for arts sake' attitude, generally present among avant-garde galleries. In the same line, another established commercial gallery owner mentioned the commission for the works he sells. More importantly, he indicates what he believes to be his core business: "I do, for the percentage, 50 procent... I do as much as possible... to make them rich and famous... that's my task (...) but that's my primary task" (I 2 - established commercial)<sup>13</sup>.

However, the esthetics as criteria for representing an artist, are present among all gallery types. Moreover, almost every gallery indicated that the concept or story behind each work is very important in selection of the artist they represent: "Just a pretty picture isn't going to cut it" (I 7 - young commercial)<sup>14</sup>, is how one gallery put it. Others described it with words as "being triggered by" or "being drawn into" the piece or something that "really excites" the viewer. This reinforces the idea of an expert-regime (Abbing, 2002; Karpik, 2010), as most galleries trust their own opinion to be that of an expert in the art world.

Furthermore, a significant number of the galleries demonstrated their own taste with examples of the artists they represent, in order to demonstrate how this allows them to represent a balanced group of artists. One of the galleries described his search of selecting new artists to work with:

"So actually we bring the artists we find interesting, what we would buy ourselves, that's what we select... and then of course you look at whether... that sort of creates a balanced whole (...) so that you not only have painters or not just digital artists, so there is also an interesting mix can be formed."

(I 3 - established avant-garde)<sup>15</sup>

And another:

"(...) an artists has to be innovative and fresh, for me it has.... yes, what I haven't found in other artists for example, so also a beautiful addition to the gallery and sort of a good balance in representation."

(I 9 - young commercial)<sup>16</sup>

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<sup>13</sup> "ik doe, voor dat percentage, 50 procent... doe ik zoveel mogelijk... hen rijk en beroemd te maken... en dat is mijn taak (...) maar dit is mijn primaire taak" (I 2 - established commercial)

<sup>14</sup> "Alleen het mooie plaatje gaat 'em niet doen." (I 7 - young commercial)

<sup>15</sup> "Dus eigenlijk brengen we gewoon wat we zelf interessant vinden, wat we zelf zouden kopen, dat is waarop we selecteren... en natuurlijk kijk je der dan naar... dat er een soort afgewogen geheel ontstaan (...) dus dat je niet alleen maar schilders hebt of niet alleen maar digitale kunstenaars, dus dat daar ook een interessante mix in ontstaat" (I 3 - established avant-garde)

<sup>16</sup> "(...) in een kunstenaar moet echt dat vernieuwends hebben of fris, wat voor mij (...). ja, dat, die ik nog niet vind in een bijvoorbeeld een andere kunstenaar, dus ook, ook een mooie samenvoeging is in, in de galerie en dat je een soort van (...) mooie balans (...) in je vertegenwoordiging" (I 9 - young commercial)



Here the established avant-garde gallery emphasizes the personal taste and interest, but, similar to the young commercial gallery, thinks about what diversity to bring in terms of artists they represent. They consider what this group of artists show to the outside world, how the different artists the gallery represents form a whole, and therefore gives the gallery a certain profile. As one young commercial gallery owner argued that, because of the fact that each gallery has their own “taste pattern”, people know where to go for which type of art (I 7 - young commercial). This complies with Velthuis (2014) arguing galleries function like brands, each of them having their own unique profile or brand image.

Therefore, from analyzing the interview data, consensus among all galleries seems to exist on two things: there has to be some degree of diversity in the artists they represent, but there also has to be a line, or balance, that binds them together and gives the gallery a clear image for the outside world. In the same line, the majority of the galleries represent a mix of different art disciplines, to reinforce the diversity in artists. On the other hand, four galleries have a specific focus on a discipline or medium of art, giving them a clear profile in terms of what art disciplines they represent (see also *Table 1*, p. X). This reputation, or brand image, is relevant in relation to how they make use of digital media and tools, to communicate this image to the public. As was described in the expectations (see Appendix B, p. X), this image might be important in the implementation and effectiveness of digital media usage.

### *5.1.2 Reputation: Established or Young*

Defined in the theory section, a gallery can have an established reputation, or be a young and new gallery. Established galleries often represent established names, while young galleries often work with new and young artists. In terms of representing new and young or established artists, the interview data also shows this difference in the gallery types. Four out of the ten galleries represent solely young and new artists. One of the young avant-garde galleries explained its choice for young artists:

“When we started in 2009 we thought, we actually have to start with young artists, because my partner [*sic*] and I have a history in the art scene, so we thought if we start with more established names people are going to think: ‘oh, they are going to do this or that’, so that’s why we started with younger artists.”

(I 5 - young avant-garde)<sup>17</sup>

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<sup>17</sup> “Toen wij in 2009 begonnen dachten we, we moeten eigenlijk beginnen met jongere kunstenaars, omdat zowel mijn partner als ik natuurlijk een geschiedenis in de kunstwereld hebben, en we dachten dat als we beginnen met meer established namen dan denken mensen: “oh ze gaan dit doen of dat doen”, dus dat is de reden dat we eigenlijk met wat jongere kunstenaars zijn begonnen” (I 5 - young avant-garde)

Here the gallery owner explains that, considering her history and that of her partner, who she runs the gallery with, she wanted to bring new art and be part of a new development in the art world, instead of the art that was already related to her earlier work. This gallery represents young in the sense of the age of the artist, but more importantly young in the sense of early in their career development and not established yet. This makes this gallery and three more, the galleries that fit the type of *young*, in terms of the artists they represent, and the less established name of the gallery. The galleries being young, in combination with representing new and young artists, is were a challenge might arise in relations to digitization. The unfamiliarity with the artists and the gallery, or the lack of brand value, could possibly make it more difficult for these types of galleries to represent or promote the artists online.

The other six galleries work with more or less established artists, in a sense of career development and recognition from the art world. One established avant-garde gallery tried to explain what it means to be an established artists either commercially or artistically:

“That for me an established artist is [sic], in this time, in this historical period... that [sic] basically everybody (...) sees [sic] the artist, only if they make a lot of money. So, being established with their own language... alone is not enough, (...) because this kind of judgment... (...) like he fetch this or that [sic]... at the auction, you know, he’s been around different museums (...). My relationship with the artist that I exhibit... it [sic] is much more about the passion and the love of the language they develop”

(I 10 - established avant-garde)

Here the owner focuses on the reputation of the artist, in a commercial sense of what price the works of the artists were sold for, but also in an artistic sense in having their own artistic language. Moreover, he points to the importance of esthetic judgment (Raymonde & Vale, 1995) in this example, specifically, the expert opinion of museum curators who have included an artist in an exhibition. This recognition, and status of the gallery as an established name, might transfer more easily to a digital environment, than it is the case with younger and lesser known galleries.

### 5.1.3 Representing and Promoting the Artist

In terms of promoting the artist and developing a career for them, most galleries indicated they have or want an exclusive relation with their artists. Velthuis (2005) calls this

exclusivity a form of monopolistic competition. One of the avant-garde gallery explained this relation with a metaphor of a love relationship, explaining that when an artist has an exclusive relation with one gallery, there is more time and attention for the development of artist and the work. The owner described:

“(...) if I can work with an artist and they work with me, in a serious way, we have much more opportunity and possibility to influence something... but if somebody is working here and then is working with another little gallery in another place, and doing is something and not meaningful [sic], you know, instead working together we can do meaningful [sic] exhibitions”

(I 10 - established avant-garde)

One commercial gallery owner explained his wish for exclusiveness, in terms of his relation with the artists he represents, in a slightly different way. He described it as “take it or leave it”:

“I don’t sign a contract, while on the other hand I do demand a lot, I want them exclusively... but then I say ‘take it or leave it’... so, if they do it they have to want it, if they don’t want it then don’t do it (...) Although there is a lot of disappointment, because there are artists [sic] who halfway believe that they are better off somewhere else (...) which is obviously very annoying because that means I worked for nothing all those years, but yes, that’s how it goes.”

(I 2 - established commercial)<sup>18</sup>

Notice the difference in attitude towards the relationship: the established avant-garde gallery considers the relationship to be a development, doing meaningful things, while the commercial gallery has a more commercial attitude, thinking of the relationship as a business strategy, in a sense that the gallery knows it’s worth. However, in general, signing contracts or agreements does not seem to be a common practice among the interviewed galleries. Only one commercial gallery revealed that they had everything laid out in contracts and agreements (I 6 - established commercial). Other galleries mentioned the business side of their relationship with the artists, and that it is important to set boundaries and rules, but also indicated that it is often too much effort to make formal contracts, cost wise or because it is too difficult to hold the artist to a formal agreement.

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<sup>18</sup> “ik sluit geen contracten af, terwijl ik eigenlijk anderzijds heel veel eis, ik wil ze exclusief... maar daar zeg ik dan bij ‘graag of niet’... dus, als je het doet moet je het zelf willen, als je het niet wilt moet je het niet doen.(...) Weliswaar komen daar hele grote teleurstelling uit voort, want er zijn er bij die halverwege vinden dat ze het ergens anders beter hebben (...) dat is natuurlijk heel vervelend want dan heb ik jaren langs voor niets gewerkt, maar ja, het zij zo” (I 2 - established commercial)

Therefore, several galleries remarked that their relationships are built on mutual trust or partnership, and their arrangements are usually orally agreed upon.

#### *5.1.4 External relations: press, collectors, and the art market*

Among the interviewed galleries, it is a common practice to work with a press list and a customer database, sometimes with the help of Customer Relationship Management (CRM) system, a trend that will be further discussed in the section that follows. Not surprising, the size of these lists differ among the galleries, ranging from a few hundred to a few thousand addresses. In terms of press, most galleries aim for free publicity, in the sense that invite their press relations and aim for the recognition and reviews with journalists from the established newspapers and magazines. This is done in order to gain aesthetic judgment and social recognition (Raymonde & Vale, 1995).

However, two galleries, a young avant-garde and an established commercial gallery, mentioned that they purposefully buy advertising space in certain magazines and newspapers their clients read, in order to reach the targeted public (I 4 - young avant-garde; and I 6 - established commercial). However, as both indicated the costs for these advertising are relatively high, the budgets of the galleries only allow a limited amount of advertisements per exhibition or per year. In the same line, several galleries mentioned they stopped sending out paper mailings or invitations cards, because of the high costs, specifically when compared with digital mailings, something that will be elaborated on in the next section. Only three out of the ten galleries still used some form of paper mailings or invitations, all three of them commercial galleries. In light of the process of digitization, it might be that most promotions take the shape of a digital format. However, some commercial galleries are using paper formats. In the next section, it will be discussed how digital formats are used for promotions and communications.

Furthermore, in terms of relation with the collectors and the general public, almost every single gallery stresses the importance of personal contact and personal network. This enforces the idea that the gallery space is one where face-to-face interaction plays a key role (Arora & Vermeylen, 2013). One of the young avant-garde galleries explained, that in order to have an established relationship with a collector, personal contact is very important:

“(…) but in the end it is of course... you see these people... you invite them to special events, or sometimes after an opening we organize a diner, or we have a

screening with speakers, or... and you invite people specifically for that and then there is always that personal contact.”

(I 5 - young avant-garde)<sup>19</sup>

Here the gallery stresses the importance of personal approach and social, face-to-face contact with collectors. Another established avant-garde gallery also stresses the importance of a personal approach, and explained how this approach should be tailored to the specific needs of each collector:

“(...) so, taking care that they get the attention they deserve... and they consider pleasant of course, so some people they like to receive a call or an e-mail every month or every week, or... an invite for this or that and some people you know that you have to approach them very specifically, only if you have exactly the right work for them and that they want otherwise you just have to leave them alone, so it is very much finding the approach that some deems pleasant and if you do that the right way, then you build up a good relationship.”

(I 3 - established avant-garde)<sup>20</sup>

Effectively, in general, all galleries stressed the importance of social events, openings of exhibitions, special occasions, and the importance of art fairs in maintaining or expanding the network of the gallery. On the other hand, several galleries mentioned how hard it is to get people to the physical gallery on a regular day. One gallery even called this a general trend of the last years (I 5 - young avant-garde). Another mentioned the amount of competition there is, in terms of social activities:

“Five years ago at an opening... I have the feeling that there were more people, you know, as a sort of outing, or... to meet someone maybe or social, let's say social something... but I think that there is a lot... of course Amsterdam is very spoiled... there are [sic] many, many... festivals, and this and that and so fort...”

(I 8 - established avant-garde)<sup>21</sup>

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<sup>19</sup> “(...) maar uiteindelijk is 't natuurlijk, zie je die mensen ook... of die nodig je uit voor een speciaal event... of soms doen we ook wel na een opening dat we, dat we een etentje organiseren, of we hebben een screening met sprekers, of... en daar nodig je mensen dan specifiek voor uit en dan is toch altijd gewoon persoonlijk contact...” (I 5 - young avant-garde)

<sup>20</sup> “(...) , dus, zorgen dat ze de aandacht krijgen die ze die ze verdienen... en die ze prettig vinden ook natuurlijk, dus sommige mensen die vinden het heel prettig om vrijwel elke maand of elke week een belletje of een mailtje te krijgen of... een uitnodiging voor het een of ander en sommige mensen weet je gewoon dat je héél specifiek alleen maar, als je echt precies het juiste werk voor ze hebt, ze benaderd willen worden en dat ze verder gewoon met rust willen, gelaten willen worden, dat is gewoon heel erg aftasten van wat iemand prettig vindt en als je dat dan op de goede manier doet, dan bouw je echt een goede relatie op.” (I 3 - established avant-garde)

<sup>21</sup> “Vijf jaar geleden was een opening... heb ik het gevoel dat meer mensen der kwamen, weet je ook als, ja als een soort uitje of zo, of... om iemand te ontmoeten misschien of, sociaal, of ja zeg maar ook sociaal

Loran (2005) mentioned this as well, that the last decade has seen an immense increase in leisure activities, which makes social media communication all the more important to reach people with the social events and attract them to the physical gallery. The subject of social engagement in an online environment might be one of the most important ways to reach a general audience for the cultural sector. This will be further explored later on, when the effects of digitization are discussed.

Generally, the galleries indicated a difficulty in finding buyers and collectors for their art. Some galleries point to the historical background of the Netherlands, to the lack of patronage or a role for the “maecenas” throughout history but also among the present day collectors (I 8 - established avant-garde; and I 10 - established avant-garde). Others believe the Dutch are generally hesitant to spend high amounts on something such as art (I 9 - young commercial), or consider there is a lack of truly rich people with the buying power and the proper context to buy big and buy a lot (I 10 - established avant-garde). All this seems consistent with the market of Amsterdam being a peripheral market in relation to the global art market (Velthuis, 2005).

The market of Amsterdam is, nonetheless, considered the centre of the market in the Netherlands, but as most galleries indicated, this market is crowded, with too many galleries compared to the amount of buyers and collectors. One gallery mentioned there are “too little collectors and too many galleries, so (...) everybody acts very convulsively” (I 8 - established avant-garde)<sup>22</sup>. Another gallery mentioned the gallery world consists of “closed circles because the cake is too small” and there is “a lot of infighting” (I 10 - established avant-garde), aiming at the amount of competition there is among the galleries.

This also affects the collaboration between galleries. From the data, it appeared that only a two out of ten have had some collaboration with other galleries in the form of projects or exhibits done together. A young avant-garde gallery mentioned, when asked about working together with other galleries:

“Among the gallery owners, we noticed that the other galleries had to get used to the idea [of collaborating in projects], and even with the last project, that of course the bottom line is... you have to keep *yourself* afloat.” [emphasis added]

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iets... maar ik denk dat er best wel veel... Amsterdam is natuurlijk best wel verwend... dat heel veel... festivals en dit en dat enzo...” (I 8 - established avant-garde)

<sup>22</sup> “(...) veelte weinig verzamelaars zijn en veelte veel galeriës, dus (...) iedereen doet heel krampachtig” (I 8 - established avant-garde)

(I 5 - young avant-garde)<sup>23</sup>

All together, the market in Amsterdam is cramped and very competitive. For some galleries it therefore is more profitable to find buyers and collectors outside of the Netherlands. Especially the commercial galleries, established as well as young, mentioned how a large portion of their buyers comes from abroad. When considering the international reach of the Internet, digitization might play a key role in the international reach of a gallery.

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<sup>23</sup> “Onder de galerie-eigenaren, merkte we dat de andere galleries daar eigenlijk nog aan moesten wennen, en dat was ook zo nog met dat laatste project zelfs, dat de bottom line natuurlijk toch is dat... je hoofd boven water moet houden” (I 5 - young avant-garde)

## 5.2 The Gallery in a Digital Age

In this section, it will be analyzed how galleries implement digital tools and media into their practice. Table 2 shows an overview of the different social media used by the interviewed galleries, what information they provide online, and which digital (sale) platforms they use. Per gallery type, it will be examined how the galleries utilize digital and social media tools and what is the usability of it for their day-to-day business. Moreover, the aspects of information sharing and information collecting will be analyzed, to see how these aspects of the digital environment fit into the gallery practice. Lastly, online sales and the use of digital sale platforms and digital intermediaries will be discussed. The approach per gallery type, allows for an analysis of the different attitudes towards these practices among the galleries.

**Table 2**

Galleries:	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
Type:	EAG	EC	EAG	YAG	YAG	EC	YC	EAG	YC	EAG
<i>Social media:</i>										
Facebook	X	X	X	X	X	X	X	X	X	X
Instagram	X		X	X	X	X	X	X	X	X
Twitter		X				X				
YouTube		X								
<i>Information:</i>										
Website	X	X	X	X	X	X	X	X	X	X
Works of art	X	X	X	X	X	X	X	X	X	X
Prices*	X	X				X			X	X
<i>Digital platforms:</i>										
Artsy	X					X	X		X	
We Like Art	X		X		X		X			
Fraemd									X	X
(EAG = Established Avant-garde, EC = Established Commercial, YAG = Young Avant-garde, YC = Young Commercial)										
* With "Prices" it is meant whether galleries display price information on their own website.										



### 5.2.1 Established Commercial Galleries

#### *Online Promotions and Communications:*

Both established commercial galleries have a website and generally believe that buyers and collectors, or the general public, browse their website or social media before getting in touch with them or visiting the physical gallery. They also stressed the importance of having a website as a way of showcasing the artists they represent. Furthermore, one of the established commercial galleries mentioned the gallery's website functions as an archive of his gallery (I 2 - established commercial). This visibility of the gallery in an online environment underlines the importance of the brand image, Velthuis (2005; 2014) talks about.

Social media is widely adopted among all the galleries, and both established commercial make use of it. They both use Facebook, however, they seem to consider it as an ineffective tool in terms of sales. They mentioned it is an "old fashioned" medium (I 6 - established commercial) and called it a "shot in the dark" (I 2 - established commercial). In order to have a wide reach among its users, paid advertising is the only way, as one of the established galleries mentioned (I 2 - established commercial). The cost for this service, however, is quite high. Therefore, the medium Facebook seems to be considered as a less focused way of promotion. These galleries use the medium, but are not fully convinced of its effectiveness, and neither does seem to 'raise' their sales. In that sense, Facebook does not seem to connect the buyers and collectors to the gallery in an effective way, as was described in the theory section (Mangold and Faulds, 2009; Arora and Vermeulen, 2013), at least not in terms of sales.

One of the two established commercial galleries uses Instagram. However, the second one has the intention of using it in the near future. Instagram was in a majority of the interviews preferred above Facebook. It is a visual medium, well suitable for showcasing visual art, as one established commercial gallery put it: "we sell images... and we don't sell texts" (I 6 - established commercial)<sup>24</sup>. This gallery believes the strong visual character of the medium makes it a perfect fit for the arts. Furthermore, the owner uses it to give more meaning to the art she sells. This gallery owner explained how she likes to show people what it is like "to live with art". She mentioned how she often posts about works from the gallery at their buyers homes:

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<sup>24</sup> "wij verkopen beelden... en wij verkopen geen tekst" (I 6 - established commercial)

“So I often come at clients homes and then I hang the work [sic], or its already hanging, and then I ask if they want to send a picture... for me it is about... look how awesome this is also in your own life.”

(I 6 - established commercial)<sup>25</sup>

This is consistent with the idea that digital and social media allow for an enhanced engagement with consumers (Mangold & Faulds, 2009), enabling a look into what is beyond physical gallery space and the interactions that take place there. It also goes beyond the mere sharing of information and promotions, as it allows for a look behind the scenes of the world of art. The same can be considered for the second established commercial gallery, in the way it uses Youtube. The gallery posts videos about artworks, in which it “zooms in” on the work, in order to engage and educate the public about the work and artists it represents (I 2 - established commercial). In addition, both galleries have a Twitter account, but did not seem to be very active in terms of promotions on this specific medium.

Next to the use of social media and having a website, these established commercial galleries make use of digital mailing, as a low cost and efficient marketing tool. However, within these galleries paper mailings and advertising are still common. It was described as a more exclusive way to reach a more selective crowd of collectors. In order to send mailings, galleries make use of a customer database. Today, digital systems and programs to maintain such a database are widely available. One established commercial gallery uses an expensive system from America, and the owner explained how she is able to deal with customer relations within this program:

“In the program [sic] I can keep up activities... so, Ms Jansen is in... and she is here, or we meet her at the art fair, she is interested in, and then you can tick all the boxes and then she will get a message... and then we have it all mapped out.”

(I 6 - established commercial)<sup>26</sup>

Thus, the gallery owner uses this digital tool to make her business more efficient, in terms of client relations, but also more professional. The commercial gallery quoted above has a high level of efficiency, in this sense. While the other established commercial gallery

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<sup>25</sup> “Dus ik kom bij heel veel klanten thuis en dan boor ik het werk [sic] in, of dan hangt het er, en dan vraag ik of ze fotootje willen sturen... bij mij gaat het vooral over... kijk eens hoe gaaf dit is ook in je eigen leven.” (I 6 - established commercial)

<sup>26</sup> “Daarin kan je ook activiteiten bij... dus m-, mevrouw Jansen gaat erin... die hier is, of die ontmoeten we op de beurs, die heeft interesse in, en dat kan je dan allemaal aanklikken en dan krijgen ze berichten... en dat hebben we wel allemaal in kaart gebracht” (I 6 - established commercial)

(I 2 - established commercial) mentioned how it is still struggling to get its customer database properly organized. The costs of these types of programs are generally high, so the difference in practice here could be cost related.

In line of the expectations as formulated (see Appendix B, p. X), the established commercial galleries seem to be well able to present their gallery online. They both have an established name as a gallery, and seem to be translating this well into a digital environment. However, both indicated that, in terms of sales, they are unsure of the contribution social media has to this part of their business. Nonetheless, they seem to be convinced of capability of social media to connect with collectors and the public at large. Furthermore, the digital tools these galleries use (e.g., digital mailing, CRM systems), enable them to be more efficient and effective in terms of marketing and customer relations.

### *Information Sharing and Information Collection*

In the theory section, it was described how the traditional gallery practice is based on information asymmetry (Velthuis, 2005; Horowitz, 2012). Generally, galleries shy away from sharing privileged information, because it gives them their competitive advantage (Horowitz, 2012; Khaire, 2015). However, both established commercial galleries do show their prices on their websites. Only one established commercial gallery discloses all price information, that is the exact price of every piece and, when applicable, the price for which something was sold (I 2 - established). The owner's argument for doing so is based on the idea that it lowers the threshold for consumers to contact him about an artwork. The other gallery (I 6 - established commercial) displays a selection of works, with their prices, on its website. This part of its website is specifically intended to raise sales, something that will be further explored later on.

In terms of collecting information, there are several ways the galleries can collect all sorts of information. Both established commercial galleries mentioned collecting information online, either through websites or blogs. They mentioned how they keep themselves informed about what is going on in the art market, through websites such as Artnet<sup>27</sup>, Artprice<sup>28</sup>, Artsy, and similar platforms. Furthermore, one of the established commercial galleries mentioned collecting statistical information from its website's visitors. From the website, the gallery can see what things get clicked on most, what items people read, and more specifics about the website's visitors (I 2 - established commercial). This

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<sup>27</sup> <http://www.artnet.com>

<sup>28</sup> <https://www.artprice.com>

form of information collection allows for an optimization of the marketing and promotions' efforts, in terms of how this gallery organizes its website.

In the expectation, it was formulated that due to the commercial strategy of these galleries, they might be more willing to share privileged information (e.g., prices) online, because it offers opportunities in terms of sales. Both galleries share at least a part of their privileged information online, both motivated this as an attempt to raise more sales or make sales more easily. Therefore, this meets the formulated expectation. The same is true for the expectation formulated about the information collection, as both galleries are active in gathering information online that assist in their gallery's practices.

### *Online Sales and Digital Intermediaries*

In the theory section, it was discussed how certain parts of the cultural industry sales have already moved online. The music industry was described, but others can be imaged to film and TV, as well as books. However, all of these are multiples, while contemporary (visual) art is often a singularity, a unique piece with a high price. So, selling art online could prove to be more complicated. Of the two established commercial galleries, only one makes use of online sales options.

The gallery (I 6 - established commercial) making sales online has a section on its website where the works of art are sold, which has a direct option for buying the artwork as is common within e-commerce, in, for example, the retail industry. This is often referred to as a click-and-buy option. This gallery also mentioned how it invests time and money in online sales platform Artsy, which, as the owner mentioned, costs ten thousands of euro's per year. Nonetheless, she seemed to make confident that this way of selling is profitable for her gallery.

Furthermore, she explained how Artsy opens up the international art market, as most of her sales online are international. She demonstrated this by explaining how she had, just a week before the interview, sold 6 artworks to a collector abroad, who had previously bought from her online as well. The way this gallery uses its website and Artsy platform to sell artworks shows how the worldwide-web enables the gallery to connect to new collectors and buyers worldwide. It underlines what was discussed in the theory section, that digital tools and media are becoming increasingly important to reach an international clientele (Velthuis, 2014).

The other gallery (I 2 - established commercial), does not use any form of online sales. Most prominently present is the argument for this is that people have to see the art

before buying it. Art is considered something you have to experience and feel, the gallery mentioned:

“Real online sales that... (...) look people want to see the painting anyway, (...) it costs a lot and above all if you are trained visitor (...) of art (...) or see art on the Internet, then you know that is much a question whether the image corresponds with the original, and you won't decide on something that costs like 5.000 euro based on just the picture.”

(I 2 - established commercial)<sup>29</sup>

This is in line with the ideas discussed in the theory chapter, that no internet, or other form of reproduction, can replace the experience of art in real life (Benjamin, [1936] 2008; Horowitz, 2012). In the same line, two other arguments are mentioned: the risk that related to the digital reproduction and the high price. The gallery mentioned how he believed technology has not advanced enough to give a true representation of an artwork on a digital screen, but that might be possible in the future.

Furthermore, the owner mentioned that the joy and pleasure people get from buying art cannot be replaced by an online environment. He explained: “(...) in the end the buying of an artwork is something extremely personal... look, people feel that buying an artwork is a party, they see it as something really exciting” (I 2 - established commercial)<sup>30</sup>. This is consistent with Arora and Vermeylen (2013) arguing that the traditional practice of the gallery in terms of focus on social relations and personal contact means art galleries are not fully capable to utilize the possibilities of online sale.

The expectations in terms of online sales and the use of digital intermediaries and online sales platforms can only be partly fulfilled. Only one of the established commercial galleries fully met the expectations and seemed to be able to capitalize on the options available for online sales. The other however, argued against the online sale of art. This could possibly be related to the age of the gallery, this being one of only two galleries pre-digital age. It could be argued, therefore, that this gallery wants to hold on to the ways he has always dealt with art.

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<sup>29</sup> “Echt online verkopen dat... (...) kijk mensen willen het schilderij toch zien, hè het kost te veel en bovendien als je een beetje geroutineerd bezoeker bent (...) van kunst (...) of kunst op internet ziet, dan weet je of het zeer de vraag is of de afbeelding overeen komt met het origineel, en je gaat dus niet iets van 5.000 euro dan besluiten uitsluitend op grond van die afbeelding” (I 2 - established commercial)

<sup>30</sup> “(...) uiteindelijk is het kopen van een kunstwerk iets aller persoonlijkst is, kijk mensen vinden kunstwerk kopen een feest, dat zien ze als iets heel spannends, als ze het doen zijn ze blij, dan lopen ze hand-in-hand weg en daar gaan ze een glaasje op drinken” (I 2 - established commercial)

## 5.2.2 Established Avant-garde Galleries

### *Online Promotions and Communications:*

From the analyzed data, it seems clear that established avant-garde galleries all consider it important to have a website, because it shows their identity and functions as an information and branding tool (I 10 - established avant-garde). In this sense, they do not differ much from the established commercial galleries, in terms of the brand image (Velthuis, 2005; 2014), and visibility of this image in an online environment. Also similar to the commercial galleries, Facebook and Instagram are most used among established avant-garde galleries. The established avant-garde galleries mentioned using the medium frequently to keep people posted and informed about activities of the gallery. As one gallery explained, when asked about the usability of the medium: "It is essential because in this way you are (...) also capable to, in a non-intrusive way... maintain your network and constantly provide them with news about your artists" (I 3 - established avant-garde)<sup>31</sup>. This offers ways of communications with (potential) consumers (Mangold & Faulds, 2009) all of these galleries seem to be applying. Often this comes in the form of information supply, filling Facebook with news about exhibitions, artists, the gallery, and social events and aiming for some form of interaction, in the digital environment or rather in the gallery itself. All established avant-garde galleries mentioned they use Facebook to promote social events such as the opening of exhibition or special programs, and invite people to come to their physical gallery, which implies the galleries aim to engage their consumers via the digital environment and engage in community building (Mangold & Faulds, 2009; Castells, 2010).

Instagram is also helpful in this process, in terms of promotions as well as communications, and community building. Instagram is referred to positively by all four established avant-garde galleries and is often used to show more about the artworks than can be shown in the physical gallery. Three out of four established avant-garde galleries use Instagram to post about the work progress of artists, and other behind the scene looks. Only one gallery owner (I 10 - established avant-garde) mentioned he does not want to post any works that are not finished, because he wants to protect the artists' work process and protect it from people trying to copy the work. However, no other gallery shared this opinion.

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<sup>31</sup> "Het is heel essentieel omdat je op die manier (...) ook in staat bent om op een niet opdringerige manier... je netwerk te onderhouden en constant te blijven voorzien van nieuws over je kunstenaars" (I 3 - established avant-garde)

The use of Instagram and Facebook to spread images of and information about artworks and artists, illustrates how the digital environment can assist in new ways of discovery for consumers, as it did for the music industry (Waelbroeck, 2013). As several established avant-garde galleries pointed out, it allows people to find things they would not otherwise be stumbled upon. Furthermore, it also encourages the interested public to find more information. One of the galleries (I 1 - established avant-garde) explained how social media allows for the general audience to stumble upon the gallery's social media page, from where interested people can click on a link to the website, where there is a possibility to inscribe on a mailing list.

The majority of the established avant-garde galleries mentioned using MailChimp for sending mailings, a low cost and efficient marketing tool widely used around the world by commercial enterprises. The information shared with mailings is practically similar to what the galleries share on social media: information about artists, exhibitions and special programs, as well as invites for openings or gatherings in the physical gallery. There is one specific difference that was mentioned by all established avant-garde galleries, but also by other types of galleries: mailings have to be dosed properly. The chance of information overload was mentioned as one of the main problems of digital mailings. Contrary to social media, which is used very frequently, the galleries mentioned they use mailings more nuanced, to prevent people from getting annoyed by the amount mails they get.

In general, the established avant-garde galleries, similar to established commercial galleries, are well able to transfer their promotion efforts to an online environment. Furthermore, social media and digital tools enable these galleries to connect to collectors and the public in a more efficient way. However, against expectations, established galleries do not seem too willing or able to connect with other actors within the cultural field, other than buyers in an online environment. This could possibly be explained by the fact that the Amsterdam market is extremely cramped and quite competitive, and therefore galleries keep these relations to a more personal and private level.

#### *Information Sharing and Collecting:*

In the theory section, and above, information asymmetry and the way galleries deal with privileged information, was discussed. Similar to the commercial established galleries, two of the four established avant-garde post prices of their artworks online, however, these are only for works in editions or lower priced works. One of the gallery owners mentioned he is only doing this with a small selection of works, to see whether it actually creates more sales, but so far it has proven unsuccessful (I 10 - established avant-garde). The other

gallery owner indicated that he only post prices of works in limited editions, because the risk is lower for the consumer, aiming at whether or not somebody would buy an artwork online (I 1 - established avant-garde).

The two established avant-garde galleries who do not share any of their prices, both argued in a similar way (I 3 - established avant-garde; I 8 - established avant-garde). Because they do not show the prices on their website, people need to approach the gallery in order to get more information, and then direct contact can be established. Both galleries pressed on this matter: the importance of having personal contact with the buyer. This relates the face-to-face contact and informal relations, as mentioned in the theory section (Arora & Vermeulen, 2013). These galleries argued that they prefer it this way because it allows for a personal approach, a tailored service towards the customer, and certain amount of control over the sale. One gallery owner also mentioned how he believes it to be unprofessional to post prices online, according to him “no serious gallery posts prices” (I 3 - established avant-garde). This is in line with what was described in the theory section as an attitude of denial or “denegation” of economy (Bourdieu, 1993; Abbing, 2002; Velthuis, 2005), because the galleries do not want to show their commercial activities, in terms of prices and sales, on their website and keep talk of prices and sales to personal and face-to-face contact.

In terms of collecting information, there are several ways the established avant-garde galleries collect information. All four galleries mentioned collecting information on artists and exhibitions online, either through websites and blogs, or by following artists or galleries on social media. This is similar to the way established commercial galleries collect information. Furthermore, this meets the expectation on information collection as formulated for established avant-garde galleries.

In terms of the information sharing, the established avant-garde galleries were expected to be less willing to share privileged information online. However, two of the four galleries do share some of this information online. Nonetheless, this information is limited compared to what both established commercial galleries share in terms of information. The expectation is, therefore, largely met and established avant-garde galleries seem to protect their non-commercial attitude.

### *Online Sales and Digital Intermediaries*

In the theory chapter, developments in e-commerce within the cultural industry were discussed. Among the established avant-garde galleries, online sales are less developed than the established commercial gallery discussed above (I 6 - established commercial).



Nonetheless, one established avant-garde gallery invests time and money in the sales platform of Artsy (I 1 - established avant-garde). However, this gallery does not seem to use Artsy in such active way as the established commercial gallery described above. During the interview, the gallery owner mentioned their page was not up-to-date and that they do not show prices on the Artsy site, in contrast to others who do. Furthermore, Artsy is a costly medium, money wise, as the three galleries who not use it mentioned.

We Like Art, the Dutch equivalent of Artsy, than seems a better option cost wise. Two out of four established avant-garde galleries mentioned they sometimes collaborate with the platform, but nothing on a structural basis (I 1 - established avant-garde; I 3 - established avant-garde). Collaboration often takes place around special events or exhibits, or is connected to an art fair. Another Dutch sales platform that was mentioned during the interviews is Fraemd. Only one established avant-garde gallery makes use of this platform. However, the gallery owner indicated during the interview that it does not seem to yield much sales at this point. He also thinks that it does not really work for the artists and works of art he represents, but argued that it works better for galleries who sell art in limited editions:

“I’m sure they sell something, they will sell edition... in fact they push all the time the editions... 150 euro... so that’s easy, you know... and they build also the way that you can see the, the picture on the wall”

(I 10 - established avant-garde).

One thing this gallery was enthusiastic about in terms of the user functions of platform Fraemd, is its option to view the works they sell in a virtual living room setting. In this way the platform Fraemd tries to establish a form of physicality in an online environment. The gallery owner praised this feature for its ability to make art more accessible for buyers this way (I 10 - established avant-garde).

One of the established avant-garde galleries does not use any form of online or digital sales options, and the other three, who do, are not too convinced of the usability. From the analyzed data, four general arguments are presented by these galleries. Most prominently present is the argument that people have to see the art before buying it. Art is considered something you have to experience and feel: “It has something that you want to see, I think, that you... want to take it in” (I 8 - established avant-garde).<sup>32</sup> This is in line

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<sup>32</sup> “Het heeft toch wel iets dat je het wel zien, denk ik, dat je het... op wil nemen” (I 8 - established avant-garde)

with the ideas discussed in the theory chapter, that the digital environment, cannot replace the experience of art in real life (Benjamin, [1936] 2008; Horowitz, 2012).

Furthermore, two other essential arguments are mentioned: the risk that is related to the digital reproduction and the generally high prices of the artworks. Some galleries argued that it is hard to have an accurate idea of what an art piece looks like, from just the digital image. On top of that, if something has a high price, buyers often don't take that risk according to these galleries. One established avant-garde gallery explained: "On average, if you talk about a minimum of a few thousand euros... there a very little people who would out of the blue think: 'well yes, let's see what it is'" (I 3 - established avant-garde)<sup>33</sup>. Moreover, another established avant-garde gallery owner mentioned how for him it seems impossible to sell his younger and lesser-known artists online, because of the unfamiliarity with the artist (I 8 - established avant-garde). Finally, all established avant-garde galleries, including the ones that do make online sales, stressed the importance of their relations with collectors and buyers. The same as with the sharing of price information, direct and personal contact in terms of social relations are very important to the galleries.

This is consistent with Arora and Vermeulen (2013) arguing that the traditional practice of the gallery in terms of focus on social relations and personal contact means art galleries are not fully capable to utilize the possibilities of online sale. However, three of the four galleries indicated that sometimes they sell a piece of work 'of a pixel'; meaning people bought the work after only seeing a picture of it. Nonetheless, they indicated that these occasions are relatively rare, and only occur when the buyer is already familiar with the gallery and the artist (I 3 - established avant-garde; I 10 - established avant-garde).

In the expectation it was formulated that established avant-garde galleries should be able to exploit the options of online sales and digital intermediaries and platforms. However, the efforts in terms of online sales are minimal. Arguments against the use of online sales were mostly based on the idea that art has to be experienced in real life and on the fact that social and personal relations cannot be established online. Furthermore, several galleries argued the risk is often too high when buyers are not familiar with the artist's work, as was also formulated in the expectations.

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<sup>33</sup> "Over het algemeen, als je het over minimaal een paar duizend euro hebt... der zijn weinig mensen die dat dan zo maar out of the blue denken van: 'nou ja, maar kijken wat het is'" (I 3 - established avant-garde)

### 5.2.3 Young Avant-garde Galleries

#### *Online Promotions and Communications:*

Similar to the established commercial and established avant-garde galleries, young avant-garde galleries underline the importance of having a website. Both young avant-garde galleries also mentioned how their website is a work in progress and are both in a process of redesigning their website. In addition, in terms of social media usage, but also mailings, young avant-garde galleries are similar to established avant-garde galleries.

Moreover, one of the young avant-garde gallery owners mentioned how she feels social media works in a circular way, always reaching people in a certain “group” or “network” (I 4 - young avant-garde). She explained it as being caught in a certain circle, stressing the importance of finding other ways to communicate in order to reach a new public: “I have to take care that once in a while... I have new... ways, that you don’t... keep within the same social media group” (I 4 - young avant-garde)<sup>34</sup>. In social media, which is based on network of friends this makes sense. Nonetheless, under the right circumstance the medium can have a ripple effect, spreading through a network from one entry point. So, in the same line, the other young avant-garde gallery interpreted the same effect in a different way:

“(...) it is [sic] really good that if you post something, and an artist shares it, and that, you know, you get that entire web (...) of reactions... it is very nice because people will sometimes be pointed to something they would otherwise never be pointed to, because for example they are not in our customer database or... so it works absolutely yes.”

(I 5 - young avant-garde)<sup>35</sup>

The gallery illustrates here how discovery of art can be facilitated by the networks of social media. Furthermore, both young established galleries mentioned how they also use social media to follow developments of their own artists, find and ‘follow’ other artists and galleries, and sometimes also connect with new artists. This illustrates how new ways of discovery of art, similar as for the music industry (Waelbroeck, 2013), also assists the galleries.

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<sup>34</sup> “Ik moet ook wel zorgen dat je af en toe weer nieuwe... ingangen hebt, dat je niet zo in je... social media groepje blijft hangen.” (I 4 - young avant-garde)

<sup>35</sup> “(...) het is [sic] heel erg goed is als jij iets post, en een kunstenaar die deelt dat weer, en dat je, weet je wel, dat hele web krijgt (...) van reacties... het is heel leuk want mensen komen soms ook, worden geattendeerd op iets waar ze anders niet op geattendeerd zouden worden, omdat ze bijvoorbeeld niet in ons adressenbestand zitten of... dus het werkt absoluut wel ja.” (I 5 - young avant-garde)

In the expectations it was formulated that young avant-garde galleries, in terms of online promotions and communications, would focus more on establishing the gallery, connecting with new audiences and artists, and following new developments in arts. Both galleries seem to be in line with these expectations. Though there are slight reservations about the functionality of social media, in terms of reaching a new audience, overall they seem well aware of its usability for their galleries.

#### *Information Sharing and Collecting:*

In terms of information sharing, the two young avant-garde galleries are similar to the established avant-garde galleries that do not share privileged information on their website. Prices are not shared on the website of either of the young avant-garde gallery, and neither are current stocks or available works. Both galleries show works of the artists they represent or work with, but not in a manner of available works. However, both indicated, as mentioned, they are working on updating their website, and being more up-to-date in terms of available works is one of the reasons for that. Much alike the established avant-garde galleries, the face-to-face contact and informal relations with collectors (Arora & Vermeylen, 2013), are an important argument for the not sharing price information.

The collection of information for this type of gallery is more focused on social media. The young avant-garde galleries mostly use information collecting for the discovering new art and new artists through social media channels such as Instagram, or online magazines and platforms, and keeping track of developments in the art world.

In terms of information, whether sharing or collecting, the young avant-garde galleries are much alike the established avant-garde galleries. The expectations for both gallery types were formulated the same. Therefore, expectations for this type of gallery in terms of information are met.

#### *Online Sales and Digital Intermediaries*

Both galleries do not use any form of structural online or digital sales options. The arguments for this are in line with what was described before, for some of the established avant-garde galleries. Specifically, one of young avant-garde gallery owners explained, how she believes certain works, specifically three-dimensional works, do not come out well on photographs (I 5 - young avant-garde). Furthermore, she mentioned how for her it seems impossible to sell their young and unknown artists online, because of the unfamiliarity with the artist. Lastly, she argued that the relations she has with the collectors and buyers, is based on communication and trust, and that such a relation is hard to have

online (I 5 - young avant-garde). However, this gallery owner indicated that she once in while sells an art piece after a collector has only seen a picture of the work. Nonetheless, these occasions are rare, and only occurred when the buyer was already familiar with the work of the artist and the gallery (I 5 - young avant-garde).

The other young avant-garde gallery, does not represent artists in a long-lasting arrangement, but offers artists a stage to exhibition during a shorter period, after which they move on. So, online sales or using digital platform are not currently on the agenda. This means, that at this moment, this gallery does not make use of online sale options in any way.

These young avant-garde galleries represent new and unknown artists, offering them a platform where they can start developing their career, either short term or long term. In the expectations this unfamiliarity was formulated as the challenge concerning online sales and using digital platforms. These expectations hold up for the young avant-garde galleries.

## 5.2.4 Young Commercial Galleries

### *Online Promotions and Communications:*

From the analyzed data, it seems clear that the two young commercial galleries use their website and social media for promotions and communications in a similar way as the other types of galleries. However, these two galleries specifically indicated they use social media specifically because their target group of buyers and collectors makes use of these media. According to these two gallery owners, they represent the type of art young collectors and buyers are pre-eminently interested in. So, these young commercial galleries, relatively accessible to younger buyers, which they themselves put somewhere between 25 and 45 years old, use social media because this is a channel their target group buyer use.

Furthermore, much alike the other types of galleries, social media are used in several ways. From the analyzed data two main themes can be identified: the sharing of information and pictures of artworks and exhibitions, and the sharing of processes such as artists studio's, artists at work, work in progress, building of exhibitions, art in situ, and more, which could be identified as 'activation' or 'engagement' with the public. One young commercial gallery owner explained how she uses Instagram to activate and engage her followers:

“In this way I try to (...) post content that you always... that people are activated to go and do something and not just see things coming by, but that they are directed to the website or (...) that they send me an e-mail, but that there is always some sort of action, (...) they must be activated.

(I 9 - young commercial)<sup>36</sup>

This is similar to what is described above for one the established commercial galleries (I 6 -established commercial) and is consistent with the idea of social media allowing for an enhanced engagement with consumers (Mangold & Faulds, 2009). It gives the public a peek into the workings of the galleries and the artists they represent, thereby deepening the experience of and engagement with the art in the digital environment.

In the expectations, it was described that young commercial galleries are most likely to exploit the marketing tools digital media has to offer, to establish their gallery in the art market. Furthermore, it was formulated that these efforts would possibly be focused on

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<sup>36</sup> “op die manier probeer ik (...) content er op te zetten dat je altijd weer... dat mensen aangezet worden om iets te gaan doen en niet dat ze gewoon maar wat voorbij zien komen, maar dat ze wel of naar website worden verwezen of (...) dat ze een mailtje naar mij moeten sturen, maar dat er altijd wel een soort van daad, (...) ze moeten wel daarna wat gaan doen” (I 9 - young commercial)

connecting with collectors in an online environment. Specifically, the second, connecting with collectors, seems to be accurate, as both young commercial galleries are consciously use social media to reach their target audience.

### *Information Sharing and Information Collection*

As regarding the sharing of information in an online environment, one young commercial gallery owner displays different pricing categories on her gallery's website, indicating in which price range a work falls. She explained that she does so, because she believes that this will make buyers less hesitant to contact her:

“Via my website I try, for example... that for new buyers... it's a small step to approach me and that it's not sort of 'oh yeah, I'm going to approach a gallery' but that this, this threshold is as small as possible and that people (...) feel confident to approach me.”

(I 9 - young commercial)<sup>37</sup>

Her argument is similar to the argument made by one of the established commercial galleries (I 2 - established commercial). It is based on the idea that it lowers the threshold for consumers. The young commercial gallery owner also links this to her target audience, a younger audience that is less familiar with the workings of art galleries and the art market.

The other young commercial gallery owner does not show prices of artworks on her gallery's website, for which she arguments in a similar way as other types of galleries who do not display privileged information online. Nonetheless, she does make use of online sales platforms, were the prices are displayed.

When it comes to collecting information online, the young commercial galleries fall in line with the other types of galleries. Information is collected through websites, blogs, and social media, to keep informed about developments in the market and art world, or scout for new artistic talent. One young commercial gallery owner explained how she uses Artsy to look for galleries with a similar artists' stable as her galleries, so she can compare her business strategy, for example on prices or marketing, to galleries with a similar profile (I 9 - young commercial). This is in line with the formulated expectations that young commercial galleries focus collecting information to assist their business.

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<sup>37</sup> “Via mijn website probeer ik bijvoorbeeld... dat 't voor nieuwe kopers een kleine brug is om mij te benaderen dat het niet een soort van 'oh jee ik ga een galerie benaderen' maar dat die, die brug zo klein mogelijk is en dat mensen (...) vertrouwd voelen om mij te benaderen.” (I 9 - young commercial)

In terms of information sharing, the expectations are not fully met. It was formulated that young commercial galleries would be more willing to share their privileged information online, because it is in line with a commercial strategy, in terms of sale. However, this expectation is only partly met, because one of the galleries does not show privileged information on her website, though, it is available elsewhere on the Internet.

### *Online Sales and Digital Intermediaries*

Both young commercial galleries use some form of online sale, through digital intermediary or online platform, and in one occasion on the gallery's website. Artsy is used by both galleries. One young commercial gallery owner explained how she considered Artsy as the most professional platform, with the widest international reach: "Artsy is just the biggest worldwide platform (...) and it is also the most (...) valued platform, it works excellent, so... then I think something like that I... don't want to go lower than that" (I 9 - young commercial)<sup>38</sup>. Both young commercial galleries mentioned how artsy opens up the international market. These galleries explained, similar to the established commercial gallery using Artsy, that Artsy sales are mostly international sales. Furthermore, these galleries indicated how the exposure on digital platforms such as Artsy, enables them to connect to new collectors and buyers worldwide, which demonstrates how the Internet is becoming increasingly important to reach an international audience (Velthuis, 2014).

Furthermore, one of the young commercial galleries sometimes collaborates with the online platform We Like Art, but nothing on a structural basis, as collaboration often takes place around special events or exhibits (I 7 - young commercial). The other young commercial gallery uses Fraemd, another Dutch platform (I 9 - young commercial). However, this gallery owner mentioned how it does not seem to be as effective in terms of sales as Artsy, or her own website. On her gallery's website, she has a section where she shows all works she has available, including a price indication. This is not a direct click-and-buy, as discussed above (I 6 - established commercial), but has an option for sales request. She has a section on her website where she does use click-and-buy, which is a small web-shop where she sells works that come in limited editions. The young commercial gallery explained that her website is where the majority of her sales come from (I 9 - young commercial). Furthermore, she explained how she sees a relationship between her social media promotions and sales, explaining that often after a post, on Instagram, she gets emails with sale request for the work or artist she just posted about.

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<sup>38</sup> "Artsy is gewoon het grootste wereldwijde platform (...) en het is ook het meest (...) gewaardeerde platform, werkt gewoon uitstekend, dus... dan heb ik ook niet zoiets van dat ik... lager wil gaan zitten." (I 9 - established avant-garde)



In terms of influence of digitization on a gallery's practice, this gallery (I 9 - young commercial) seems to be most advanced in implementing digital media and tools throughout her entire practice. Specifically in terms of sales in an online environment, this gallery is overall further advanced than any of the others. This being a young commercial gallery it seems to be slightly against the expectation. The expectations formulated for this gallery type assume that, because of the less established name of the gallery and representation of unknown artists, digital tools and media could possibly be not fully exploited. However, this gallery seems well capable to capitalize on digital possibilities.

The explanation for this probably comes from the age of the gallery owner. She is by far the youngest gallery owner interviewed, being in her late twenties while most gallery owners are middle aged or older. Her young age makes her probably more prone to the digital tools and media she herself is so used to. As she explained, she started her gallery from the idea that she wanted to provide her generation of artists, collectors and buyers, a gallery that was tailored to their needs and wants, and the digital environment is a logical consequence of that. This means, that apart from the age and development of the gallery, the age of the actual owner of a gallery could possibly be of importance in terms of how digitization influences the practice of art galleries. However, in this research only the one gallery occurred. Further research could focus on how the age of the gallery owner is related to the degree of digitization within a gallery, and how well a gallery owner is able to capitalize on the use of digital tools and media.

### *5.3 The Influence of Digitization on the Primary Market in Amsterdam*

In the theory section, the perspective of cultural production was discussed (Peterson & Anand, 2004). The perspective considers six facets vital in the production nexus of an art world. However, a change in one of them is capable of provoking change in all of them. The contemporary primary art market in Amsterdam is such an art world and the catalyst for change in this research is technology, more specifically digital technology. In this section it will be discussed whether this change is taking place and how it has manifested itself within the galleries' day-to-day practices.

In general, digital tools and media seem to have become extremely important in promoting art and artists (Velthuis, 2014). The engagement with buyers and collectors, as well as the public at large, appear to be the main target of these social media activities (Mangold & Faulds, 2009; Castells, 2010). The traditional practice of the galleries, in the sense that they are based on informal relations and face-to-face contact (Arora & Vermeylen, 2013), does not seem to interfere with the online promotions and communications of the galleries. On the contrary, most galleries are very active on social and digital media and underline the importance and usability of the medium. It illustrates a new way of discovery, as Arora and Vermeylen (2013) mentioned for the art market and compared to the music industry (Waelbroeck, 2013). Lastly, several galleries mentioned the cost efficiency of the digital and social media as compared to 'hard copy' or paper promotions, advertising, and mailing, which implies a change in economy of scale, similar to the music industry (Burke, 2011).

For most galleries social and digital media have now become standard practice, in most cases replacing any form of analogue communications and promotions. This demonstrates that in terms of promotions and communications the gallery practices has already changed. Peterson and Anand (2004) describe technology as the tools that provide institutions with the ability to augment their communications, and creates new opportunities for their practices. Insofar, the distribution system of the market in terms of communication, promotions, and information availability has undergone changes under the influence of digital technology. The art market has shifted quite easily from analogue forms of promotions, to digital forms of promotions, and from a face-to-face interactions, to more digital communications and interactions. For all gallery types some form digital promotions and communications was expected (see Appendix B, p. X), either marketing or sales related, as well as in terms of engaging the public and connecting with artists in an online environment.

Five out of ten galleries display price information on their website. This goes against the idea that the traditional gallery practice is based on information asymmetry (Velthuis, 2005; Horowitz, 2012). Nonetheless, the price information shared by established avant-garde galleries is minimal compared to the commercial galleries, and limited to either works in editions or small number of lower priced works. Two established commercial galleries and one young commercial gallery display either all works available, including (estimated) prices or a large portion of works available. This means the sharing of information is more related to the commercial attitude of these galleries, because they display this information in relations to their sales efforts, which is in line with the formulated expectations for these galleries.

The other five do not display any price information, which is in line with the discussed theory about information asymmetry and not sharing privileged information (Horowitz, 2012; Khaire, 2015). Four of these galleries are avant-garde galleries, two young, two established, and one is a young commercial gallery. The young commercial gallery, though not displaying any price information on the gallery's website, does use digital platforms where price information about works is displayed. Arguments for not showing price information were largely related to the face-to-face contact and informal relations, as mentioned in the theory section (Arora & Vermeylen, 2013). Furthermore, it generally seemed to be an attitude of denial or "denegation" of economy (Bourdieu, 1993; Abbing, 2002; Velthuis, 2005), as these galleries seemed unwilling to openly display commercial activities, in terms of prices and sales, on the gallery's website and keep prices and sales to face-to-face and personal contact. This means that overall, digitization has only partially influenced the communication of privileged information and information asymmetry in the primary art market.

Information collecting, however, is generally accepted among all types of galleries. Technology, as described by Peterson and Anand (2004) as creating new opportunities, has thus created favorable circumstances in terms of online information availability for galleries. Galleries collect information from all different sources, be it art databases such as Artnet or Artprice, or platforms such as Artsy and We Like Art, in order to be informed about developments in the art market and the art world in general. Furthermore, social media, e.g. Facebook and Instagram, were mentioned as platforms to keep informed about artists development, or as a way to find new artists. This illustrates that new processes of discovery (Arora & Vermeylen, 2013; Waelbroeck, 2013) also assist the gallery's practices.

Even though, most galleries are positive towards digital tools and media, several argued that digital tools and media could never replace the experience of art in real life. The physical experience and interaction with art is always going to play a key role in the sales of art (Horowitz, 2012). Especially avant-garde galleries argued that trust and face-to-face communication are the pillars of the relationship they have with their collectors, the digital environment does not yet allow for these relations to be fully established and maintained online, and therefore do not fully embraced the potential of online sales (Arora & Vermeylen, 2013). Furthermore, arguments based on the high risk, high prices, and unfamiliarity with the work were mentioned. In terms of expectations, it was formulated that established avant-garde galleries would be able to exploit the option of online sales, in light of their established reputation and brand value (Velthuis, 2005, 2014). However, generally they seem unwilling to do so. The two established avant-garde galleries, who do sell a minimal amount of art online (e.g., editions, lower priced works), did not seem convinced of the benefit for their galleries' practice.

Only three commercial galleries fully embrace the online art market, and are confident that this part of their practice is going to grow in the coming years. For two young commercial galleries and one an established commercial gallery, online sales are a profitable business strategy. They invest time and money in conducting their sales in an online environment, either through a platform or through their own websites. For these galleries their online activity in terms of sales opens up the international market. As Velthuis (2014) mentioned, online tools are becoming increasingly important to reach new buyers and collectors anywhere in the world.

In the theory chapter it was discussed that digitization has the potential to change the primary art market (Khaire, 2015), in a similar way as it did for the music industry. Concerning the sales part of the market, so far this is only the case for commercial galleries, and not even all of them (three out of four). Thus in terms of online sales, the art market does not seem to be ready to change as much as the music industry did. With the emphasis on physical experience and high uncertainty in the market, selling a singular, unique piece of art for thousands of euros, seems impossible for several of the galleries. This means that the art market, where it comes to sales, has not fully changed under the influence of technology, which means the perspective of cultural production (Peterson & Anand, 2004), and the idea that technology facet disrupts the productions nexus, is not fully applicable in the case of the primary art market in Amsterdam. Nonetheless, the potential for change exists, as a selection of galleries does fully capitalize on the digital possibilities of today.



## 6. Conclusion

This thesis has examined how, from a perspective of cultural production (Peterson & Anand, 2004), *technology* changes the art *market*. Specifically, it has analyzed how the primary contemporary art market of Amsterdam changes under the influence of digitization and how different types of galleries embed digital tools and media in their activities. From the perspective of cultural production (Peterson & Anand, 2004), technology has, to some extent, changed the primary art market in Amsterdam. In terms of communications, promotions, discovery of art, consumer engagement, and public reach, contemporary art galleries have digitized their practices. However, information asymmetry and the sales aspect of the art market were found to be more complicated areas of the market to change. As has become clear, mostly commercial galleries are currently capable of utilizing the possibilities of the digital environment in terms of sale. It was found that the primary market of Amsterdam appears to have the possibility to change under the influence of digitization, but this does not apply to all aspects of the galleries' practices, i.e., information asymmetry and online sales, at this point.

In general, digital communications and promotions of the galleries, their artists, and the art they sell have already gone through a transformation into the digital environment. All four gallery types described in this thesis seem to have made seamless transition. Promotions of the art in an online environment, either marketing or sales related, as well as in terms of engaging the public and connecting with artists in an online environment, was found, as expected, in the practices of all gallery types. This corresponds to previously described usages of the social media by the galleries, including the usage of digital and social media for community building (Castells, 2010), as a way to reach the public (Loran, 2005), and to connect with collectors in a more efficient way (Arora & Vermeylen, 2013). In addition, it was noted that the developments in digital media and digital tools, and the way they are utilized by the galleries, has changed the discovery of art in the art market in Amsterdam, similar to the way the discovery of new music has changed for the music industry (Robinson & Halle, 2002; Waelbroeck, 2013).

Regarding the communication of privileged information and information asymmetry in the primary art market, digitization was found to have only partial influence. Only half of the galleries interviewed in this study are sharing privileged information in an online environment, with the majority (3 out of 5) of them being commercial galleries. The five galleries that argued against sharing privileged information, with the majority of them being avant-garde galleries (4 out of 5), related their arguments to the importance of face-to-face

contact and informal relations (Arora & Vermeylen, 2013). These galleries, similar to the findings of Abbing (2002) and Velthuis (2005), generally seemed to have an anti-commercial attitude regarding the sharing of privileged information, such as prices. The sharing or not sharing of privileged information is, therefore, largely related to the either the commercial or the avant-garde attitude of these galleries. The established or young reputation of the art galleries does not seem to be related to this issue.

The influence of digitization on the market in terms of sales was found to be smaller than the other practices discussed, and a transition into online sales in the art market did not seem to be the case yet. Only three of the ten galleries have fully implemented online sales into their galleries' businesses, all of them being commercial galleries. The seven galleries that do not fully exploit the online sales, six of them being avant-garde galleries, were convinced that the online environment cannot replace the physical experience of art, as described by Horowitz (2012). Furthermore, arguments were based on the high risk involved in high priced artworks (Velthuis, 2005), the limitations of a digital reproduction (Horowitz, 2012), the unfamiliarity with the artists (Velthuis, 2005), and the importance of social relations with collectors (Arora & Vermeylen, 2013). However, for the three commercial galleries these arguments seemed less significant. They were seen to be more focused on the profitability of the medium, the access it provides to the international market of art, and its potential for a larger customer reach (Velthuis, 2014). This might mean that it is more an issue of willingness to change from a traditional practice to a more digital practice, than it is a matter of capability.

Furthermore, the typology based on attitude, commercial versus avant-garde, was more useful in explaining the differences in practice among galleries, than reputation, established or young. Considering the most evident differences in practices concerning digital tools and media were found between commercial and avant-garde galleries, while no exceptional differences were found between established and young galleries. Possible explanation for this is the democratizing effect of the Internet (Sassen, 2002; Horowitz, 2012), with the Internet being an open-access network available for anyone to use, whether an established gallery or a young gallery.

This means, the discussed literature about reputation and development of a gallery (Jyrämä, 2002) seems less applicable in the digital environment. Furthermore, the expected relation between the brand image (Velthuis, 2014) and online sales seemed of no consequences to the commercial galleries, as young commercial galleries were just as capable of implementing online sales into their galleries' business as established commercial galleries. Moreover, in some cases there seemed to be a greater significance

in terms of the age of the gallery's owner and in terms of the target audience of the gallery. Therefore, the relationship between the age of the gallery owner, the relation to the age of the target audience and the extent to which they are able to capitalize on online opportunities needs further research.

In the same line, it was extensively mentioned by the galleries, that sales of artworks in editions seems to be easier, in relation to the medium and the price. Thus, it could be further examined what risk, in relation to price, is perceived by buyers and collectors in an online environment in relation to different art media, whether it is a painting, a sculpture, a photograph or print.

This research has focused on the primary market in Amsterdam. As was discussed, this market is peripheral to the international market. Though digitization seemed to open up the international market more easily for those galleries interviewed in this study who work with online sales, an international perspective is beyond the scope of this research. Therefore, further research could focus on the international perspective of digitization within the primary art market, also in combination with processes of globalization and worldwide access of the Internet.

This research looked at the market from a perspective of the gallery. However, several actors play a role in the art market. This means other perspective could be further developed, like the perspective of the artists or collectors within a digitized market. If a gallery can use an online platform to sell art, so, in theory, could an artist, without the gallery as middle man. Some initiatives are already taking shape<sup>39</sup>, hence, it could be interesting to explore what the role of the gallery will be in the future. In the same line, it could be interesting to examine what the role of the gallery's physical space will be in the near future, hypothesizing the possibility of a more project-based, pop-up space: more fluid and less static.

Finally, this research has contributed to the understanding of the impact digitization has on the primary art market. It has shown how digital technology can influence the practices of art galleries within that market, and already has to a certain extent. Though the market has not undergone a complete change, this thesis has contributed to the academic research on how the perspective of cultural production (Peterson & Anand, 2004) can be applied, specifically on processes of digitization in art markets. As previously emphasized, digitization is an ongoing process. Only afterwards can it be truly understood how the Digital Revolution changes the market. This is by far the biggest limitations of this

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<sup>39</sup> <https://www.saatchiart.com> is such platform, nonetheless owned by a gallery in this case.



study, because we are in the middle of this process, and further research will have to make out whether and how the change is established within the market.





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## Appendix A

Interview Guide		
Concept	Indicators	Questions
<p><b>Gallery Type</b> In order to confirm what gallery type the interviewed gallery has and how the gallery operates, several indicators of the gallery practice have been identified. For each indicator several questions have been formulated. First, the type of art/artist the gallery represents has to be identified and the relationship between the gallery and the artist has to be analyzed. Second, exhibition policies and promotion and pricing strategies have to be discussed, in order to describe how the gallery operates. Third, to put the gallery in a larger perspective of a cultural field, relationships with collectors and other parties outside of the gallery have to be analyzed.</p>	Type of art/artist	<p><i>How would you describe the artists you work with?</i> <i>How is your work with them organized?</i> <i>How do you select new artist?</i></p>
	Relationship with artist	<p><i>Could you describe the relationship with your artists?</i> <i>How do you work together, how do you communicate?</i></p>
	Exhibition policy	<p><i>What is your strategy concerning exhibitions? (how many exhibitions, how long, and: solo-exhibitions, group-exhibitions, themed-exhibitions)</i> <i>How do you develop a new idea for an exhibition?</i></p>
	Promotion and pricing strategies	<p><i>What are your promotion strategies, concerning the artists you work with, the art you sell and your gallery in general?</i> <i>What strategies do you employ to advance their career and thereby the legitimacy and recognition for the artworks/artist/gallery?</i> <i>How does your pricing strategy relate to this?</i></p>
	Relationship with collectors	<p><i>How do you find new collectors, or buyers?</i> <i>How do you maintain a relationship with collectors?</i></p>
	Relationship with other interested parties (museums, others galleries, press, interested public)	<p><i>How is the interaction with other interested parties?</i> <i>Museums, other galleries, press, general public?</i></p>
<p><b>Digitization</b> Digitization has a potential for revolution. So far, it has changed many things, also in the cultural field. The influence it has on the primary art market, specifically galleries in the primary art market, is the main question of this thesis. In order to answer such a question, several indicators of digitization, with regard to galleries, have been identified. Digital tools and online applications form the basis of the use of digital media. Among them: websites, social media, blogs, online stores and online platforms.</p>	Digital tools and online applications (website, social media, blogs, online store/click-and-buy, online paltforms)	<p><i>Do you use digital tools in your daily practice? And which?</i> <i>How do you use these digital tools?</i> <i>Why specific tools and why not others?</i> <i>Has this changed over recents years?</i> <i>What is, according to you, the usability of online applications for your gallery?</i></p>
	Online promotions	<p><i>Do you use online applications (like for example social media) to communicate and promote your artists? Why or why not?</i> <i>Which applications? And why these?</i></p>
	Information sharing (images, information about artists, prices)	<p><i>What information do you share online?</i> <i>What information do you not share?</i> <i>And why/why not?</i></p>

Interview Guide		
Concept	Indicators	Questions
<p>Furthermore, the core business of galleries is promoting the artists and artworks they sell/represent. Therefore, online promotions, information sharing and online sales, are important indicators of digital gallery practice. From there the question arises whether digital intermediaries play a role within the practice of galleries and how this cooperation works. Another important indicator of the gallery practice is the relationship with collectors and other interested parties. Interesting to know is whether this communication happens (partly) online. Lastly, in order to put the influence of the digital age in a broader perspective, it is important to know whether galleries feel their business practice has changed, also in relation to the larger cultural field, and whether it might change more in the future.</p>	Information gathering (auction results, international art databases)	<p><i>Do you use online media to obtain information for your decision making? What kind of information do you look for and where do you get it? How do you use this information? And why?</i></p>
	Online sales	<p><i>Do you sell online via your own website? Why or why not?</i></p>
	Digital intermediaries (e.g., We Like Art, Artsy)	<p><i>Do you sell or promote your artists and their work via digital platforms? Why or why not? If relevant; how is the relationship between online intermediaries and galleries?</i></p>
	Online communications	<p><i>Do you communicate with (potential) buyer or collectors via digital tools? How about with your artists? Has this changed since the emergence of the internet/establishing of your gallery?</i></p>
	Influence of the digital age on the art market	<p><i>Do you feel the art market has changed since the onset of the digital age? If relevant: how has it changed? How has it changed for your gallery?</i></p>
	Influence of the digital age on the cultural field	<p><i>Do you see a change in the cultural field at large? Has the relationship between the different actors within the cultural field changed?</i></p>
	Potential for change	<p><i>How do you see the future of your gallery, and the art market in general, with regard to digital tools and online applications?</i></p>

## Appendix B

<b>Expectations</b>			
	Established Commercial Galleries	Established Avant-garde Galleries	Young Avant-garde Galleries
<p>Digital media (e.g., website, social media)</p> <p>Online Promotions: promoting the gallery, the art and the artists the gallery representation in a digitized way</p>	<p>In general, expectation is that each galleries has at least a website and some social media literature, the use of a website is widespread among art galleries in the Netherlands (Part 2). Digital media, and the Internet in general, can be used for different purposes, e.g., promotions, information collection, online sales, sales through digital platforms/intermediaries. Below type are specified.</p> <p>Established commercial galleries have an established reputation, which means that it is easier to promote their art online, because people are familiar with the gallery and the gallery has a good brand image.</p>	<p>Established avant-garde galleries have an established reputation, which means that it is easier to promote online, because people are familiar with the gallery and the gallery has a good brand image.</p>	<p>Young avant-garde galleries probably focus more on establishing the gallery, the artist, and therefore promoting are probably focussed connecting with a new audience and establishing their reputation in an online environment.</p>
<p>Online Communications: connecting with the different actors within the art world (artists, collectors, press, etc.) in a digital environment</p>	<p>Established commercial galleries are more focussed on selling art, therefore focus might be more on digital communication with for example collectors.</p>	<p>Established avant-garde galleries are more focussed on establishing the artist and bringing in new art, and therefore might be more interested in connecting with other actors in the art world an online environment.</p>	<p>Young avant-garde galleries are more focussed on establishing their gallery, finding new developments in art, and therefore probably more interested finding connecting with artists in an online environment.</p>
<p>Information Sharing: the sharing of (privileged) information in an online environment</p>	<p>Established commercial galleries might be sharing privileged information online more willingly, because it possibly offers opportunities to raise more sales.</p>	<p>Established avant-garde galleries might not be so willing to share privileged information, in order to protect their non-commercial attitude.</p>	<p>Young avant-garde galleries might not be so willing to share privileged information to protect their non-commercial attitude.</p>

## Expectations

	Established Commercial Galleries	Established Avant-garde Galleries	Young Avant-garde Galleries
<p>Information Collection: collecting information online, that could be useful for the galleries practice</p>	<p>Established commercial galleries probably collect information useful for the business side of their practice, information on competitors, price information, market information.</p>	<p>Established avant-garde galleries probably collect information useful to their artistic side, focussing on information about their artists, other galleries/exhibitions, and new art development.</p>	<p>Young avant-garde galleries probably collect information useful to their artistic practice, focussing on information about their artists, other galleries/exhibitions, and art development.</p>
<p>Online Sales: selling art through a digital medium, like for example the gallery's website</p>	<p>Established commercial galleries are probably more attracted to the business opportunities the internet has to offer in terms of online sales. Representing well-known artists and having an established reputation as a gallery, could also mean that it is easier to sell their art online.</p>	<p>Established avant-garde galleries have an established name, therefore there could be more trust in the art offered online. However, selling avant-garde art, from artists who are not established yet, is a risk because of the somewhat unfamiliarity of the artist's work.</p>	<p>Young avant-garde galleries don't have an established reputation and represent unknown artists. Therefore, online sales could be difficult because the buyer does not know what the quality of the offered work is.</p>
<p>Digital platforms/intermediaries: selling art through platforms that facilitate a direct sale, or intermediaries that facilitate a connection between buyer and gallery (e.g., Artsy, We Like Art, Fraemd)</p>	<p>Established commercial galleries might be more willing and able to invest time and energy, and financial means, into the use of digital platforms/intermediaries, because it is a profitable strategy, and it potentially opens up an international network of buyers.</p>	<p>Established avant-garde galleries have an established name, therefore it might be possible for them to use digital (sales) platforms or intermediaries. However, there is still the risk of unfamiliarity with the artist's work.</p>	<p>Young avant-garde galleries don't have an established reputation and represent unknown artists. Therefore, using online (sales) platforms or intermediaries, could be difficult because the buyer does not know what the quality of the offered work is.</p>

# Appendix C: Code Scheme

1. Gallery Practice general/personal
2. Type of Art/Artists
  - 2.1 Nationality of the artist
  - 2.2 Gender of the artist
  - 2.3 Professionalism of the artist
  - 2.4 Power of the gallery
  - 2.5 Personal taste
  - 2.6 Selection process
  - 2.7 Age artists
  - 2.8 Discipline
3. Relationship with the Artists
  - 3.1 Communications
  - 3.2 Economy of the artist
  - 3.3 Trust relation
  - 3.4 Artists development
  - 3.5 Representation
  - 3.6 Contracts/agreement
  - 3.7 Independence of the artist
  - 3.8 Work division
4. Exhibition Policy
  - 4.1 Process
  - 4.2 Type of exhibition
    - 4.2.1 Theme
    - 4.2.2 Group
    - 4.2.3 Solo
  - 4.3 Art Fairs
    - 4.3.1 Costly
    - 4.3.2 International
    - 4.3.3 National
  - 4.4 Amount of exhibition
  - 4.5 Planning
    - 4.5.1 Flexible/No planning
    - 4.5.2 Tight planning
5. Promotion Strategy
  - 5.1 Exhibition Space/Gallery Space
  - 5.2 Free Publicity
  - 5.3 Advertising traditional
    - 5.3.1 Advertising - magazines
  - 5.4 Catalogue
  - 5.5 Time frame
  - 5.6 Cost and return
  - 5.7 Mailings (traditional)
  - 5.8 Legitimacy
  - 5.9 Exhibition Opening
  - 5.10 Costumer database
  - 5.11 Press (traditional)
  - 5.12 Recognition
6. Pricing Strategy
  - 6.1 Discounts
  - 6.2 Financing
  - 6.3 KunstKoop-regeling
  - 6.4 Price as a threshold
  - 6.5 Driving up the price
  - 6.6 Provision
  - 6.7 Consignment
7. Relationship with Collectors
  - 7.1 Personal relation/network
  - 7.2 Word of mouth
  - 7.3 Corporate Collections
  - 7.4 Context of the collectors
  - 7.5 Giving collectors discounts
  - 7.6 Collectives
  - 7.7 Art investors
  - 7.8 New cooperation
  - 7.9 Repeat purchase
  - 7.10 Art Fairs
  - 7.11 Events/social engagement
  - 7.12 Art lovers

- 7.13 Occasional Passers-bys
- 8. Relationship with the cultural field
  - 8.1 Historical context
  - 8.2 Public at large
  - 8.3 Cooperation with businesses
  - 8.4 International market
  - 8.5 Dutch market/cultural field
  - 8.6 Museums & curators
  - 8.7 Academies
  - 8.8 Gallery network
    - 8.8.1 Cooperation
    - 8.8.2 Competitive
  - 8.9 Social relevance
  - 8.10 Press relations
- 9. Digital Tools and Media
  - 9.1 CRM system
  - 9.2 Information tool
  - 9.3 Raise interest
  - 9.4 Third party
  - 9.5 Artists using Social Media
  - 9.6 Usability
    - 9.6.1 Creating interest
    - 9.6.2 Cost (Cheap)
    - 9.6.3 Importance
    - 9.6.4 Target group
  - 9.7 Website
  - 9.8 Social media
    - 9.8.1 Twitter
    - 9.8.2 LinkedIn
    - 9.8.3 Youtube
    - 9.8.4 Circular network
    - 9.8.5 Facebook
      - 9.8.5.1 Paid ads
      - 9.8.5.2 Events
    - 9.8.6 Instagram
- 9.9 Online magazines
- 10. Online Promotions
  - 10.1 International reach
  - 10.2 Reaching an art interested public
  - 10.3 Activate
  - 10.4 Artists specific
  - 10.5 Exhibition specific
  - 10.6 Side information
  - 10.7 Mailings
  - 10.8 Time consuming
  - 10.9 Network
  - 10.10 Raising sales
  - 10.11 Information overload
  - 10.12 Image building
- 11. Information Sharing
  - 11.1 Availability
  - 11.2 Price sharing
    - 11.2.1 Threshold-reducing
    - 11.2.2 Transparency
    - 11.2.3 Direct contact
  - 11.3 Website as archive
- 12. Information Collection
  - 12. 1 Statistics
  - 12.2 Art Price
  - 12.3 Artnet
  - 12.4 Background information
  - 12.5 Following artists
  - 12.6 Blogs/database websites
  - 12.7 Via social media
- 13. Online Sales
  - 13.1 Reluctance of the artist
  - 13.2 Web-shop/online shop
    - 13.2.1 Click-and-buy
  - 13.3 Trust/Image

- 13.4 Buying from a pixel
- 13.5 Sales request
- 13.6 Via Social Media
- 13.7 Network of collectors
- 13.8 Personal experience/ Importance of personal contact
- 13.9 Risk
- 13.10 Editions/Prints
- 13.11 (Un-)familiarity with work/ artist
- 13.12 Technical faults/advances
- 13.13 Secondary market
- 13.14 Price threshold
- 13.15 See before you buy
- 13.16 Browsing before visiting
- 14. Digital intermediaries
  - 14.1 Art Fairs
  - 14.2 Online agenda's
    - 14.2.1 Galleries (NL)
  - 14.3 Competitor
  - 14.4 Saatchi
  - 14.5 Finding new collectors
  - 14.6 Fraemd
    - 14.6.1 Threshold reducing
  - 14.7 We Like Art
    - 14.7.1 Threshold reducing
  - 14.8 Cost/return
  - 14.9 Firstdibs
  - 14.10 Artsy
- 15. Online Communications
  - 15.1 WhatsApp
  - 15.2 Skype
  - 15.3 Mail
  - 15.4 Via Social Media
- 16. Influence of digitization on market/ gallery
  - 16.1 Information society
  - 16.2 Rise of the platforms
  - 16.3 Age of the gallerists
  - 16.4 New generation of buyers
  - 16.5 Online art fair
  - 16.6 Time frame
  - 16.7 Indications of change
  - 16.8 Use of Social Media
  - 16.9 Building a website
- 17. Future of the Gallery
  - 17.1 Digital Art
  - 17.2 Art Fair
  - 17.3 Importance of social interaction
  - 17.4 More online
  - 17.5 Physical space
  - 17.6 Uncertainty
  - 17.7 Art is no commercial good
  - 17.8 Seeing art life
  - 17.9 Slow development
  - 17.10 No Way Back
  - 17.11 Educate/develop







