

COLLABORATION IN THE ART MARKET:

the CONDO network

Ana Sofia Almeida | 531710

Master Thesis

June 2020

Supervisor: Professor Isidoro Mazza

Second Reader: Liesbeth De Strooper, MA

M.A. Cultural Economics and Entrepreneurship

Academic Year 2019-2020

Erasmus School of History, Culture and Communication

Erasmus University Rotterdam

Abstract

Art fairs play an essential role in today's contemporary art market. However, the dominant art fair model in place and the pace of art-fair participation posits several challenges for galleries, particularly those which do not belong in the top-tier end of the market. These challenges include facing a structure of fair which replicates the 'winner-take-all' characteristic of the art market, incurring massive financial and logistic costs, as well as maintaining artistic reputation while focusing on commercial success. Small and mid-sized galleries are facing these challenges by coming up with alternative solutions via collaboration models. Gallery-share initiatives are a particular form of collaboration in the art market, in which galleries share resources and create a platform to show and sell the work of their artists. These alternatives to established art fairs enable galleries to develop partnerships and expand their network, while advancing both their commercial and artistic purposes. This study focuses on Condo, a gallery-share initiative launched in London in 2016 which has grown to expand globally. The Condo network is analyzed, using Social Network Analysis (SNA), in order to determine whether network building and collaboration can be termed as success factors.

Keywords: art fairs – art galleries – collaboration – contemporary art market – network analysis

Acknowledgements

To my parents, who taught me to believe in myself. I would not have been able to get to where I am today without their unconditional support.

To José Pedro Sousa, whose friendship gives me the strength that comes from knowing I will never walk alone in life. To Inês Moreira, for bearing with my incoherences and showing me that life is best lived when I am not thinking about it. To Nuno Madureira, for never telling me “you’ve changed” like it’s a bad thing.

To the Professors who inspired me throughout the year to pursue knowledge for its own sake, and never take things for granted.

To the friends and colleagues with whom I was lucky enough to share ideas, laughs, frustrations, coffees at SPAR, and study tables at Polak. Anna Junkere, Francesca Manfredini, Mariana Saúde, Sophia Schmelz: thank you.

To my supervisor, Professor Isidoro Mazza, for guiding me in the right direction and challenging me to enjoy the process of research.

I would also like to thank myself.

Table of Contents

Abstract	2
Acknowledgements.....	3
Chapter 1: Introduction.....	5
Chapter 2: Literature review on art fairs	9
2.1. Elements and interactions	9
2.2. Roles of art fairs in the primary market for contemporary art	10
2.2.1. Gatekeeping.....	10
2.2.2. Network building	13
2.3. Risks of the established contemporary art fair model.....	16
2.3.1 Superstar effect and winner-take-all market	17
2.3.2 The costs of fairs.....	18
2.3.3 Commercial ethic vs artistic values.....	20
2.4. The gallery system.....	22
2.5. Collaboration, not competition.....	24
Chapter 3: Condo, an innovative gallery-share initiative	27
3.1. Condo's operating model	27
3.2. Condo's grassroots collaborative purpose.....	27
3.3. Advantages of Condo compared to art fairs	28
3.4. Condo's expansion: from London to the world.....	29
3.5. Interviews with Condo participants	30
3.6. Other gallery-share initiatives and fair alternatives	33
3.7. Cooperation during times of Covid-19	35
3.8. Concluding remarks.....	36
Chapter 4: Empirical analysis and data.....	38
4.1. Introduction to research method.....	38
4.1.1. The power of the network (and why study networks).....	38
4.1.2. Research method: Social Network Analysis.....	39
4.2. Data collection	40
4.3. Data analysis	41
Chapter 5: Results	43
5.1. London (2016).....	43
5.2. Expansion to New York (2017)	51
5.3. Expansion to Mexico City and Shanghai (2018)	55
5.4. Condo Unit: São Paulo and Athens.....	61
5.5. Condo network: a macro perspective	67
5.5.1. Frequency of participation	70
5.5.2. Eigenvector centrality: who is influential in the network?	73
Chapter 6: Conclusion	76
References	80
Web Articles.....	86
Appendix.....	88
A. Interview guide.....	88
B. Overview of interview subjects.....	89

Chapter 1: Introduction

From a merely economic perspective, an art fair is a marketplace where demand and supply meet. From a sociological perspective, however, it is more than that: it is a social event, where contacts are activated, trends advanced, and collaborations settled. The success of an art fair is often judged by the amount of attention it gathers among the art community and the media coverage it receives. Lanham (2006) argues that, in the art world, the main challenge faced by a seller is to get the buyer's attention. Art fairs are the stage where this attention generating process unfolds since they give galleries (the sellers) a temporary platform where to direct attention to what they are selling (artworks) in order to sway the buyers (collectors). Therefore, art fairs can be described as the most important attention structures of the art market.¹

But why is the attention generating ability of art fairs relevant? In the art world, reputation (and ultimately, success) is related to attention. By promoting the artists that they represent, art galleries follow a strategy (concept, branding, pricing) that defines the kind and amount of attention an artist receives. Marcel Duchamp is an artist whose reputation was highly influenced by the amount of attention he managed to generate around his work. Duchamp's career consisted of "fabricating a series of attention games with the art-loving public" (Lanham, 2006, p.43), of which his famous work "Fountain" (1917), a porcelain urinal, is the ultimate illustration. According to Lanham, the disproportion between Duchamp's oeuvre (rather sparse) and his reputation (quite big) can be explained by his ability to catalyze attention in an exceptionally efficient manner.

Art fairs provide the attention that art galleries need in order to survive in the contemporary art market. They have an important role as gatekeepers, mediating between galleries (representing artists) and collectors. In a market characterized by quality uncertainty and information asymmetries, collectors of contemporary art rely heavily on gatekeepers to certify the quality of an artwork. Quality depends, among other things, on the reputation of the artist, the gallery, and the fair where it is shown. As gatekeepers, art fairs serve this 'certifier' role by selecting certain galleries to

¹ Some comments in this thesis are present in an essay submitted as a requirement for the International Art Markets course, as part of the Master's program.

participate – the largest contemporary art fairs, such as Art Basel, accept only a few galleries from a long list of applicants. Galleries accepted to participate in reputable fairs become automatically ‘legitimized’ in the art world (Jyrämä & Äyväri, 2006). Art fairs then lend their own ‘brand’ to participating galleries and serve as a platform where they can build a reputation for themselves and their artists.

Moreover, art fairs have an essential role as network builders – they are ‘field-configuring events’ (Lampel & Meyer, 2008) that create exceptional opportunities for networking among participants. Given that the art world operates under a system of relationships (Becker, 1982) where reliance on social ties helps to reduce information asymmetries (Curioni, Forti, & Leone, 2015), network building skills among dealers are exceptionally relevant for commercial success in the art market. Art fairs are a platform where dealers can meet collectors and create a market for their artists, as well as connecting with other dealers and the broader art-loving crowd. The social network enabled by the art fair enables knowledge to flow among actors in the art world, which leads to the formation of partnerships and collaborations, the emergence of trends within the market, and the collective production of value in the art world.

Globalization has dictated certain changes in buying behavior, and collectors now dedicate less time to the buying process. Thus, attending fairs provides an opportunity to save time by seeing many galleries at once. The number of art fairs held annually around the world has reached overwhelming numbers, which makes it hard for dealers to keep up in terms of participation. At the same time, the shift away from gallery spaces does not necessarily benefit the dealers (or the market) as much as it does the collectors. Some dealers may even argue that art fairs have become a sort of necessary evil of the art market.

Despite the vital character of art fairs, the current dominating art fair model comes with some serious downsides. Speaking of the challenges of art fairs requires mentioning the structure of the art market – after all, art fairs are but a “metaphor of the art world” (Morel, 2013, p.353). The main challenges discussed in this study regarding the established contemporary art fair model include the winner-take-all characteristic of the cultural industries, which we see at play at art fairs; the massive

financial and logistic costs of fairs; and the tension between creative values and commercial ethic implicit in art-fair participation.

In order to face these challenges, galleries have relied on collaboration to circumvent the established fair system and ensure a financially viable alternative to the current pace of art-fair participation. There has recently been a rising number of alternatives to art fairs popping up in the art market, often in the form of collaboration initiatives among galleries. These initiatives operate under a different structure and offer a value proposition focused on the needs of galleries, and not just on the efficiency of the buying experience for the collector. Gallery-share initiatives usually imply sharing existing resources in order to cut costs, as well as achieving network gains.

This study explores the case of Condo, a particular example of collaboration in the art market. Condo is a gallery-share initiative first held in London in 2016, which has since expanded to five other cities across the globe – New York, Mexico City, Shanghai, São Paulo, and Athens. The focus of this study is on the value of network building and collaboration among galleries in the Condo network. The goal is to understand if the network building and collaboration aspects of Condo are success factors of this gallery-share initiative. Hence, the research question guiding this study is defined as follows: *has Condo contributed to network building and collaboration among participating galleries?*

Two research objectives are defined to answer this question. The first objective is to map the interactions between galleries in the Condo network, through Social Network Analysis (SNA). The second objective is to describe and possibly explain Condo's growth by analyzing the evolution of collaboration among the galleries that form its network.

This study is structured in the following manner: Chapter 2 reviews relevant academic literature in order to frame the topic of discussion. Since Condo is an event that focuses on the primary market and mainly on contemporary art, this chapter discusses aspects such as information asymmetry, quality uncertainty, and reputation

building, which are more prevalent in this sector of the market². Chapter 3 presents the case of Condo – clarifying its purpose, and explaining its operating model and expansion –, as well as insights from interviews conducted with participating galleries that contribute to a more in-depth approach. In Chapter 4, the choice of methodology for this study is explained, and the processes of data collection and analysis are made explicit. In Chapter 5, the results of the conducted analysis are shown and discussed in view of the research question. Chapter 6 concludes this study with a brief discussion of the results and the limitations of this research.

² Art fairs specialized on contemporary art may nonetheless sometimes have sections for Modern Art and even Great Masters.

Chapter 2: Literature review on art fairs

2.1. Elements and interactions

Art fairs are among the most important events of the globalized art market. They are a meeting point for the art world, where gallerists, collectors, artists, and art lovers gather. These actors benefit from art fair participation in different ways.

Galleries get to promote their artists and make a substantial number of sales – in 2017, galleries made, on average, 46% of their yearly sales during art fairs (McAndrew, 2018). Art fairs are also an important venue for dealers to meet new collectors that they would otherwise never have the chance to encounter.

Buyers and collectors economize on search and information costs (Velthuis, 2011b) – they can see a greater number of artworks in a shorter amount of time at fairs when compared to gallery visits, which provides an efficient buying experience.

For artists, fairs are an opportunity to build a reputation and sell their work. The reputation-building aspect is exceptionally relevant for young artists, who may be shown in a special section at the fair for emerging talents.

For the art-loving public, fairs are a chance to engage with the art world, become aware of the latest trends and enjoy an array of events that are typically part of the fair's program, such as talks, lectures, and workshops with curators and artists, by which the 'experience economy' character of the fair is evident (Velthuis, 2011b).

In a market where relationships play a big part, art fairs have an important role as gatekeepers, as well as in keeping the gallery network alive. Therefore, art fairs play different roles in the art market. In the following section, two roles of the art fair that are particularly relevant to this research are highlighted: (1) gatekeeping and (2) network building.

2.2. Roles of art fairs in the primary market for contemporary art

2.2.1. Gatekeeping

Art fairs are one in a long list of gatekeepers in the art market, which also includes galleries, dealers, critics, and cultural institutions such as museums and museum curators. The relevance given to art fairs as quality certifiers in the art market is a direct consequence of an important characteristic of that market: asymmetric information, which results in quality uncertainty. Quality uncertainty in the art market makes the process of value determination quite complex, and thus dependent on the role of gatekeepers.³

In a market where asymmetric information occurs, the market activates signaling mechanisms to convey information about product quality (Kirmani & Rao, 2000). That is the case of the art market, in which collectors are “quality-sensitive buyers who are unsure about the true quality of the seller’s product” (Kirmani & Rao, 2000, p.67). There are several factors that explain this, for instance, the lack of objective criteria of evaluation, and the difficult assessment of market needs (Boari & Corrado, 2007). Uncertainty is especially flagrant in contemporary art, given that artists entering the market are unknown, and the products they manufacture require more explanation and evaluation (Prinz, Piening, & Ehrmann, 2015).

Due to quality uncertainty, it is very difficult to foresee which artworks will be declared successful (Salganik, Dodds, & Watts, 2006). Faced with this uncertainty, collectors of contemporary art rely heavily on ‘certifiers’, and cues/signals that may give them information regarding the quality of an artwork. Thus, in a market strongly characterized by asymmetric information and quality uncertainty, forms, and instruments of certification become vital. Knowing the artist, the gallery, and the fair provides key information on the quality of the artwork. By choosing works shown by

³ The art market is a market for credence goods. Therefore, value cannot be objectively determined and relies heavily “on the credibility of the experts involved in the collective evaluation processes that take place within art worlds” (Velthuis, 2011b, p.37).

notable and respected art galleries in equally renowned art fairs, collectors minimize their search costs (Prinz et al., 2015).

The credibility generation process intrinsic to the art market places great importance on the role of gatekeepers such as art fairs. Foster, Borgatti, and Jones (2011) compare gatekeepers to brokers, whose job is to mediate between artists and audiences. In this sense, art fairs can be understood as gatekeepers who mediate between galleries (representing artists) and collectors.

Art fairs are particularly active in the selection function (Foster et al., 2011) of gatekeeping, by selecting the galleries (and artists) that are allowed to participate. Therefore, international art fairs are a place for the consecration of the status of artists (Curioni, Forti, & Leone, 2015), and for the legitimation of galleries (Jyrämä & Äyväri, 2006). Galleries accepted to participate in reputable fairs become automatically 'legitimized' in the art world – “as the board only accepts certain galleries and through its choices defines what a gallery is and what kind of criteria a gallery needs to fulfill (e.g. proper treatment of artists or the presentation of art considered as good art), it creates a more or less formalized process for legitimization for galleries” (Jyrämä & Äyväri, 2006, p.10).

Velthuis (2011b) claims that the certifying component of the most prestigious fairs (such as Art Basel, Art Basel Miami Beach, London Frieze, and Maastricht TEFAF) is expressed in their ability to attract (many) more applications from galleries than they can actually exhibit. Velthuis (2014) highlights this dynamic at Art Basel: “Because of the prestige of the fair, the large numbers of dealers who apply but are turned down and the strong reputational effects of being accepted as an exhibitor at Art Basel, the members of the selection committee are considered one of the art market’s most important gatekeepers” (p.94).

The taste-making function of gatekeeping, by which gatekeepers focus on specific cultural products and promote them to audiences (Foster et al., 2011), is implicit in art fairs, given that they focus on the galleries and artists displayed (representing only a fraction of the market). Art fairs engage in what Lee and Lee (2016) refer to as “cultural branding”, a process of meaning transmission from art producers (artists) to consumers

(collectors) that frames the value and interpretation of art. The more relevant the status of the fairs within the market, the higher the degree of contribution to establishing the meaning of artworks (Lee & Lee, 2016), and the more effective they are in establishing the reputation of participating galleries and artists.

Baia Curioni (2012) argues that the way art is displayed at an art fair is in itself a way of curating. Curators have become increasingly involved with art fairs, and the role of 'art fair curator' has gained relevance. Barragán (2008) sees curatorial practices (or giving fairs a 'curatorial purpose') as a tool that art fairs can use to differentiate themselves among the increasingly saturated fair market. But does a curatorial direction necessarily bring artistic innovation to the commercial context of an art fair? While the 'art fair curator' may be capable of embodying the taste-making role of the art fair, it still comes down to defining an overarching theme or direction. This may be more towards promotion of innovation through prioritizing artistic value over commercial value, but it is nevertheless giving the fair a certain label and creating expectations around it – in other words, building an image/reputation for the fair and the type of works that will be shown there.

In a market characterized by asymmetric information, reputation plays a significant role. As Velthuis (2011b) points out, economic interaction on the art market is anything but anonymous – instead, “participants develop long-term trust relationships that reduce the incentives for mutual deceit” (p.37). Reputation is considered to be a relevant factor in the art market by several scholars in the cultural economics literature (Di Caro, Di Gaetano, & Mazza, 2020; Ertug, Yogev, Lee, & Hedström, 2016; Prinz et al., 2015; Schönfeld & Reinstaller, 2007). Reputation sends a signal about the gallery's ability to choose successful artists, which decreases the buyer's risk to buy low quality art (Schönfeld & Reinstaller, 2007). In the words of Di Caro et al. (2020), reputation reinforces the gallery's role as “information suppliers, and contributes to determine prominence of a gallery in the art market” (p.4). The higher the reputation of a gallery, the more it can predict and influence trends in the market (Prinz et al., 2015). Galleries also promote the reputation of their works and artists (Prinz

et al., 2015), which in turn increases their value to the gallery (and therefore, the reputation of the gallery itself).

Reputation can be considered on an actor-level, but also on an audience-level – “reputation can yield differential effects depending on the nature of the audiences with which reputation holders interact” (Ertug et al., 2016, p.4). In the context of art fairs, we can see galleries as the actors whose reputation depends on the audience – the people who attend the fair. This means that showing up at an art fair gives the galleries the opportunity to decide how they want to show themselves to the art world (their chosen profile) and to whom they want to show themselves. The art fair is the perfect public platform for the promotion of such a profile since it gathers all relevant players in the art market under one roof (Morgner, 2014).

Therefore, gallery reputation forms according to the ability of each gallery to mobilize a meaningful network within the art fair itself. These networks then extend outside the art fair, providing long-lasting benefits.

2.2.2. Network building

The importance of the network has been highlighted by several scholars, most notably Becker (1982), Cattani and Ferriani (2008), Foster et al. (2011), Morgner (2014), Potts, Cunningham, Hartley, and Ormerod (2008), Yogev and Grund (2012) and more recently Curioni et al. (2015). The cultural industries rely heavily on “word of mouth, taste, cultures, and popularity” (Potts et al., 2008, p.169) to assess quality. This means that individual choices rely on collective notions of good/bad, rather than objective criteria, such as price. Therefore, “the ‘economics’ of creative industries is [...] an economics of networks” (Potts et al., 2008, p.171).

The value of the network in the creative industries is the starting point in both investigations by Cattani and Ferriani (2008) and Foster et al. (2011). While the first tested the connection between the structural position of Hollywood actors and their creative performance, in regards to awards and nominations, the latter explored the importance of individual and intra-organizational networks in a market for local rock

bands. Foster et al. (2011) argue that “art is collectively produced through networks of cooperating and competing individuals and organizations” (p.249).

More recently, Curioni et al. (2015) conducted research on the galleries present at Art Basel. In this study, the galleries are connected through the artists they show in the booth. Curioni et al. (2015) build on “the role of social ties to explain the consensus-making process that bridges the informational asymmetries between the intentions and the practice of the artists (as cultural producers) and the understanding of final users (buyers or viewers)” (p.3).

Similarly, Lampel and Meyer (2008) highlight the importance of social ties, defining fairs as a type of ‘field-configuring-events’ (FCEs): temporary social organizations “in which networks are constructed, business cards are exchanged, reputations are advanced, deals are struck, news is shared, accomplishments are recognized, standards are set and dominant design are selected” (p.1026). Thus, we can consider art fairs as events that allow for “collective sense making” (Lampel & Meyer, 2008, p.1027) to occur.

Art fairs can also be considered temporary clusters, described by Maskell, Bathelt, and Malmberg (2006) as “temporary hubs that stimulate processes of knowledge creation and dissemination”, which enable competitors in a given market to “compare their products and investigate competing innovation trajectories while monitoring customer reactions” (p.1004). These temporary clusters are particularly relevant in globalized businesses (which is the case of the contemporary art market) since they provide rare opportunities to gather actors who are usually separated by significant geographic distance. They also allow ‘face-to-face’ interaction to occur, which is particularly valuable for establishing trust in social relationships.

Becker (1982) defines the art world as a network, where different players engage in a system of relationships that support the making of art. Therefore, when dealers choose to participate at an art fair, other than considering how good the reputation of the fair is, or how many artworks they will be able to sell, they consider the extent to which the fair can provide them with a valuable network. Social networking skills are much more important for art dealers than in retail markets of ordinary consumer

products (Shubik, 2003). In this sense, art fairs are a valuable opportunity for dealers to strengthen their network. But how exactly does network building impact the success of dealers?

Firstly, social networks help cultural production by reducing uncertainty in the selection of partners (Foster et al., 2011). Following “recommendations” by trustworthy social connections are a typical form of enabling one’s network in order to reduce uncertainty in the art market (Yogev, 2010). For example, a dealer may give priority to an artist because someone in their social network has already vouched for the artist’s quality. In the dealer’s perspective, this makes the investment in this artist less risky than in just any other artist out there.

Secondly, art dealers mobilize their network in order to create demand among collectors and to promote the artists’ work among cultural experts (Velthuis, 2011a). The art fair is a platform where dealers can meet collectors and create a market for their artists. Given the low substitutability in the art market, the artwork’s value depends on “the capacity of dealers to convince the collector of the work’s lasting artistic and economic value and on their ability to influence and shape the collector’s taste” (Velthuis, 2011a, p.35). An example of this is the investigation by Bystryn (1978) on the role of art galleries in sponsoring abstract expressionist painters in New York in the 1940s and 1950s. The artists in Bystryn’s study often ended up being represented by certain dealers because they were introduced to them by critics or other players in the market, and the market for abstract expressionist paintings was largely created by dealers and art critics.

Finally, social networks allow information, knowledge, and resources to be shared, which enables collaboration and cooperation. Due to their social event character, fairs encourage networking among participants. Besides fruitful commercial interactions with collectors, fairs are also likely to generate opportunities for collaboration among galleries. For example, dealers might have interactions with other dealers that translate into access to new markets (countries), or the representation of new artists.

2.3. Risks of the established contemporary art fair model

Trends of globalization have shaped the contemporary art market over the past decades (Harris, 2011; Quemin, 2013; Van Hest & Vermeyleen, 2015; Velthuis, 2014; Velthuis & Curioni, 2015; Vermeyleen, 2015). One of the consequences of this globalization is the proliferation of international art fairs around the globe. The fair scene has thrived in the art world because of what Velthuis (2014) terms an 'event culture', which is particularly welcoming of social happenings. The art market functions as a network and is fueled by social interactions. Therefore, events such as art fairs are well received because, besides a market place, they also provide opportunities for the actors in the network to interact with each other, exchange ideas and knowledge, observe and define trends, build a reputation, and ultimately participate in the market's collective value creation process.

However, the relationship between globalization and art fairs is ambiguous. The proliferation of art fairs in new locations directs attention to new art markets and allows new countries to have representation in the international art market (examples of growing fairs in alternative markets are Zona Maco in Mexico City, SP-Arte in São Paulo, and the India Art Fair in New Delhi). The fairs are not just a manifestation of this process of globalization, they are also its driving force. Fairs encourage foreign galleries and artists to participate and follow marketing strategies to promote themselves among an international audience of collectors (Vermeyleen, 2015). Given that dealers and collectors are usually active across countries – galleries represent and collectors buy art from international artists – an international marketplace seems to accommodate both sides of the market.

Nevertheless, some authors argue that international art fairs do not necessarily promote international actors equally, and there is still a predominance of the West as the dominant region in the art world (Buchholz & Wuggenig, 2005; Harris, 2011; Van Hest & Vermeyleen, 2015; Vermeyleen, 2015). Additionally, the top fairs globally are still mostly located in Europe and North and Central America, according to the International Fair Report 2016 (The Art Newspaper, 2016).

The abundance of fairs has also altered the structure of the market, by shifting the sales activities from the gallery space to the art fair. Although there is no evidence

in the academic literature that fairs are a direct substitute for gallery visits, collectors have clear efficiency gains in attending fairs, where they can see many galleries at once. Therefore, there is a time-saving incentive for collectors to substitute gallery visits by fair attendance. However, the shift away from the gallery space does not necessarily benefit the dealers as much as it does the collectors. The uncertainty in sales that comes with fair participation must be weighed against the exposure that a gallery may be able to generate for their artists, and the costs they will incur in participating.

Art fairs are key temporary clusters of the art market that provide an important framework for interaction (Maskell et. al, 2006) and facilitate sales. However, it is undeniable that art fairs pose significant challenges, not just because of their frequency, but also because of the structure and setting in which they occur. This study argues that there are three main challenges regarding the established contemporary art fair model: (1) the superstar effect, a characteristic familiar to the cultural industries, which we see at play at art fairs; (2) the costs of fairs, financial and logistic; (3) the tension between creative values and the commercial ethic of fairs.

2.3.1 Superstar effect and winner-take-all market

Prendergast (2014) describes the winner-take-all structural feature of the contemporary art market, where a large fraction of expenditures on art are concentrated on a small number of artists (or 'superstars') – "as collectors associate an artist's authorship with quality, (...) purchases are concentrated on particular artists (and galleries)" (p.1).

The superstardom phenomenon, in which "relatively small numbers of people earn enormous amounts of money and dominate the activities in which they engage" (Rosen, 1981, p. 845) results in the concentration of income and/or attention on a small minority of producers, leaving a large quantity of less popular producers and their works unnoticed. This has two implications for the art market, in which 'artists' are the producers. On the gallery level, galleries get most of their earnings from a small percentage of artists, resulting in a form of "cross-subsidization" in which dealers rely on the profit made by selling the work of its most commercially successful artists to invest in the careers of the other artists they represent (Velthuis, 2011a). On the market

level, a few mega galleries representing ‘superstar’ artists dominate the market, while a long tail of small and mid-sized galleries struggle to survive.

Morel (2013) described the art fair as a “metaphor of the art world” (p.353), by which the practices and values of the field are reproduced at fairs. The winner-take-all model is visible at fairs as well. Firstly, the distinction between established (or leading) galleries and newcomers is clear in the floor plans of most major art fairs. Since big galleries are more likely to afford the bigger (more expensive) stands, they are able to gather more attention around their booth and their artists and are therefore more likely to generate sales. Although small galleries often get a chance to benefit from ‘newcomers discounts’ in participation, this is only available during the first years after a gallery enters the market. Thus, the greater risks of fair participation (the most uncertainty in sales) are likely to be for small and mid-sized galleries.

Secondly, there may be a dominance of superstar artists at fairs: popular artists may be represented by various galleries, which multiplies their presence at fairs and takes up space that could be used to present a different artist. Anyone who has ever set foot in an art fair before has also noticed the problem of visually crowded spaces – “the mass of visitors and the density and sequences of the displayed artworks” which result in “a severe challenge to the critical capabilities of viewers” (Baia Curioni, 2012, pp.127-128). When given a fixed amount of time to go through a very large number of booths, buyers may be tempted to focus on the artists they already know, instead of taking time to discover new ones. This contributes to relatively lower visibility given to newcomer galleries and artists and reinforces the superstar effect.

All the aforementioned arguments imply that the display of a commercial art fair may influence the possibility (either by multiplying it or limiting it) of certain galleries/artists to be seen and thus become included in the art world.

2.3.2 The costs of fairs

The current gallery system does not allow small galleries to stay in business for long, especially if they must spend huge amounts of money with art fairs. Galleries are usually small businesses that employ just a few people. With the rising numbers of fairs and

biennales happening annually, it is easy for a gallery to get lost in participations, trying to attend as many fairs and possible, and compromising its financial sustainability in riding the fair rollercoaster.

The biggest problem that galleries face when they participate in an art fair is the high costs. Participation fees (or booth rental fees) can be as high as tens of thousands of dollars. Other costs include accommodations, transportation, shipping, and insurance for moving the staff and the artworks to a different place. For a gallery with a small team, additional costs include those of hiring additional temporary staff to support the participation at the fair and/or the opportunity cost of closing the gallery in its original location. Galleries participating at Art Basel in Basel have reported spending between \$50,000 and \$400,000, considering all expenses during the event (Freeman, 2018).

Another issue is related to the fact that costs are a much heavier burden for small and medium-sized galleries than for big galleries. Velthuis (2014) claims that attending art fairs may have fewer risks for established art dealers than for newcomers, since “it is very hard to predict if (and how much) revenue will be generated” (p.92). The financial risk of fair-participation is much less of a burden to big galleries than it is for small and medium-sized galleries for two reasons: firstly, blue-chip galleries representing famous names can more easily predict their sales, or make a great profit from fewer sales; secondly, even if revenue were as predictable for newcomers as it is for established galleries, mega dealers are more likely to have the financial liquidity to incur the pre-fair costs, and to continue in the market after the event even if it does not go well in terms of sales. Smaller galleries find themselves in a more fragile position, where they may worry more about issues of liquidity and have a risk-averse attitude towards fair participation. Winkleman (2015) argues that, for mid-sized galleries, art fair participation can lead to a vicious cycle, illustrated by the following scheme:



Figure 1: The vicious cycle of art-fair participation for mid-level galleries (Winkleman, 2015)

Art fairs have managed to become a vital source of income for galleries, largely due to the fact that they gather many collectors in the same place, who would not necessarily travel to the gallery, thus creating more selling opportunities. Therefore, the high costs incurred up-front by galleries to participate in art fairs put pressure on the selling activities, to make the fair financially ‘worth it’. This leads to the tension between commercial ethic and artistic values discussed in the next section.

2.3.3 Commercial ethic vs artistic values

According to Lampel and Meyer (2008), field configuring events (FCEs) “are both the products and the drivers of field evolution” (p.1028). In the fair setting, relevant art players assemble “to announce new products, develop industry standards, construct social networks, recognize accomplishments, share and interpret information, and

transact business” (Lampel & Meyer, 2008, p.1026). As FCEs, art fairs have the power to define new trends within the art market. Therefore, there is an innovative purpose intrinsic to fairs that pushes the art world forward.

The problem occurs when this innovative purpose is compromised by the commercial character of the fair. The commercial character of fairs may cause the quality of the art presented to be compromised for the sake of easier sales. Galleries are reliant on the revenues they obtain from selling artworks; therefore, when a dealer decides which artists to showcase at a fair, they might choose the artists that will have the highest chances of selling⁴. In this case, commercially ‘safe’ artists would be chosen over more controversial ones - which once again would enhance the superstar effect.

Art fairs make a dual contribution to the art world: on a commercial level, as a marketplace to sell artworks, and on an artistic level, as quality certifiers and platforms for the consecration of artists (Lee & Lee, 2016). As these commercial and artistic values do not always meet, tension is bound to exist. This tension is also recognized by Yogev (2010) on a broader scale: in the art market, value is created by combining two contradictory logics, economic (commerce) and cultural (art). Prioritizing a commercial logic at fairs may contribute to a constrictive environment for galleries, regarding artworks showcased as well as ways of displaying.

It is undeniable that art fairs have the power to create and shift trends, and make change happen in the art world – that is part of their role as gatekeepers. However, art fairs seem to be disconnected to the reality and needs of contemporary art galleries. But what makes art fairs so attractive to galleries that they still look at their participation in them as implicitly mandatory, despite their challenges? The answer lies in how the current gallery system operates. This is where the concepts of reputation and quality certification come back. In a similar line as Jyrämä and Äyväri (2006), Quemin (2013) argues that the participation of galleries in major international art fairs is largely related to the ability of these to legitimize the “contemporary nature of the participating galleries as well as to the artists and works exhibited” (p.167). Besides, art-fairs are part

⁴ However, there is an array of other elements that can be equally important (such as defining a program interesting enough to be accepted, experience with previous sales, co-existence of collateral events involving artists of the galleries, price range of works, etc.).

of the experience economy (Velthuis, 2011b); it is not just about the art itself, but the social character of the fair, which enables connections to be made that would otherwise simply not take place, and networks to expand. In the next section, the gallery system is discussed to further understand why the current art-fair model does not fit its needs.

2.4. The gallery system

In order to understand how the gallery system works, we must consider the concepts of competition and gallery hierarchy. Galleries operate in a highly competitive market in which new players pop up quite often, given that there are not structural factors that obstruct entry to the market (Prendergast, 2014), and starting costs are relatively low Velthuis (2011a).

Although entry is rather easy, however, reaching the top is surprisingly hard. Following the winner-take-all structure discussed earlier, revenue distribution is skewed towards the top end of the market: while 55% of all galleries in the USA, UK, and Germany produce revenues below \$200,000 a year, a small percentage (7%) of galleries manages to surpass the \$5 million mark per year (Resch, 2016). Staying in the market requires financial effort, but even that is not enough. In order to run a successful business, a gallerist needs a strong network in the art world to spot promising artists and valuable artworks, and collectors who may want to buy them (Velthuis 2011a).

In order to survive, galleries must secure both sides of the market: the demand (collectors) and the supply (artists). That means that in the gallery market, there are two scarce resources – artists and access to top collectors (Prendergast, 2014). Gallerists are constantly competing for these two resources, and they must sustain both sides of the market in order to keep their gallery running. Thus, the gallery system operates in a way that puts extreme pressure on the ability of the dealer to mobilize a valuable social network within the art world; therefore, it comes as no surprise that the dealer/collector and the dealer/artist relationship are treasured resources. It is also made clear, once again, why art fairs are such important events in the art market – they provide great opportunities for dealers to develop their network, a much-needed asset.

Collectors are a somewhat less mobile resource than artists, and they usually stick to their galleries of choice. It follows that the dealer/collector relationship is largely based on loyalty and trust, and extends beyond the selling/buying experience. Sometimes, collectors are also ‘backers’ who provide dealers with capital to invest in the renovation or inventory of their business (Velthuis, 2011a). Additionally, collectors may help bring new artists to the gallery by giving the dealer recommendations (Bystryn, 1978; Velthuis, 2011a; Yogev, 2010). In order to return the favor, dealers privilege certain collectors in their selling activities. Therefore, in the gallery business, dealers do not necessarily sell to the buyers with the highest willingness to pay; rather, they may privilege loyal collectors that they already know and trust (Velthuis, 2011b).

Artists can be more mobile resources and easily migrate to bigger blue-chip galleries when demand for their work rises (Prendergast, 2014). However, the dealer/artist relationship is built on the same principles of trust and loyalty. Dealers select the artists they want to represent, indicating to the art market that they recognize quality in the artist’s work. Dealers also actively promote their artists’ works by giving them exhibitions and showing their work in the media; these promotional activities “enhance the economic value of the art sold in the gallery” (Velthuis, 2011a, p.31) and strengthen the loyalty bond with the artist. In doing so, dealers expect their efforts to pay off by increasing success for the artist (which also means success for the gallery). Ultimately, artists are the resources dealers invest in, and the commercial success of the gallery is dependent on the quality of its artists (Resch, 2016).

In strengthening their relationships with collectors and artists, dealers (particularly those managing small and medium-sized galleries) hope to prevent their artists from moving to a more established gallery that may be able to provide the artists with a greater network of clients and accelerate their career development (Velthuis, 2011a). Since contracts are not the norm in the primary art market, this situation is likely to occur (Resch, 2016). However, moving to a bigger gallery is not necessarily the best decision for an emerging artist. On the one hand, they might be able to exploit a larger network and reach a higher sales price for their work; on the other hand, they face the competition of other important artists represented by the prominent gallery, which

might mean less attention (fewer shows and less visibility) directed to them than in the smaller gallery where they were relatively more important.

Due to this high mobility of resources and the uncertainty that characterizes the art market, income is not usually a steady and predictable flow for (most) galleries, who often face problems of liquidity. The costs of art-fair participation put an additional financial burden on businesses that are not used to having high liquidity, except for the mega-galleries which make up less than 10% of the market (Resch, 2016). Thus, the prevailing art-fair model does not serve most players in the market.

Naturally, the question arises: how can small and medium-sized galleries establish their legitimacy, gain trust from collectors and other players in the market, and expand their network? How can they circumvent the established art fair system and ensure a financially viable alternative to the current pace of art-fair participation?

2.5. Collaboration, not competition

One answer may be to raise collaboration among the gallery network. This leads us to look into the phenomena of gallery-share initiatives that have been popping up in the art market in the last few years. These initiatives highlight collaboration as a means to give a platform to small and medium-sized galleries, and offer a more sustainable alternative to the traditional art fair model.

Becker (1982) remarks that “the arts we know, like all the human activities we know, involve the cooperation of others” (p.7). However, cooperation is not enough to revolutionize traditional industry practices, such as the growing dominance of art fairs in the art world. Cooperation must be taken one step forward and give way to collaboration. While cooperation essentially means sharing knowledge and resources in order to help one another, collaboration requires working together towards shared goals. In the gallery world, this means that dealers are cooperating when they, for example, share their contacts or exhibition spaces; when dealers work together to host an event like Condo, which also requires sharing contacts and exhibitions spaces, with a common goal of advancing the gallery network and strengthening their connections, they are collaborating.

Although there is little research done on collaboration in the creative industries, some references can be found. The power of collaboration in the creative industries has been identified by Daskalaki (2010): collaborations “challenge set network practices and identities, invite diversity and push the creative boundaries of the teams” (p.1658). However, Daskalaki (2010) identifies a paradox that may render collaboration more difficult than one may assume.

On the one hand, the creative industries are characterized by the interdependence of tasks – “director of photography with film director, for example” (Daskalaki, 2010, p.1656) or we could think of the relationship dealer/artist applied the art market – which results in stable links over time that minimize risk and affirm the creative identity of an individual or group. The dealer/artist and even the dealer/collector long-term relationships characterized by trust resonate with this. On the other hand, however, there is a “need for novelty, creativity and innovativeness” in the creative fields that require “fluid and flexible identity structures that embrace diversity, openness and change and hence more heterogeneous and flexible network relations” (Daskalaki, 2010, p.1656).

Cattani and Ferriani (2008) highlight a situation in which collaboration may be beneficial to individuals both in the core and the periphery of a network. In the contemporary art market, the core/periphery characteristic of the network is confirmed by the ‘winner-take-all’ structure discussed earlier, where a large fraction of expenditures on art are concentrated on a small number of artists (or ‘superstars’). These superstars are at the core of the market, while all the others remain at the periphery. Cattani and Ferriani (2008) explain that breaking the core/periphery boundaries through collaboration can positively enhance individuals’ creative performances, whether they are closer to the core or to the fringe of the network. In the art market, dealers closer to the periphery can build on their established colleagues’ social status to gain legitimacy and attention around their gallery and artists. For dealers closer to the core, who are less likely to be exposed to unusual sources of inspiration and fresh ideas, they too can gain from the peripheral partner’s perspective to stay in touch with what is alternative and unconventional in the market.

Collaboration can take many forms and offer several advantages. The main advantages of collaboration among galleries include (1) the expansion of their network, (2) lower operating costs, and (3) relatively stronger market power. Forms of collaboration include shared exhibition spaces, group shows, and joint representation of artists. Lower operating costs may be obtained if, for example, dealers share the costs of an exhibition space with another partner or the costs of marketing and promotion by means of joint representation of artists. Given that galleries often represent international artists, it may be beneficial to strengthen strategic collaborations that enhance the reputation of their artists on an international level or in a specific country/market. By partnering up, galleries also shift the power structures in the art market and become relatively stronger together.

Chapter 3: Condo, an innovative gallery-share initiative

Condo defines itself as a “large-scale collaborative exhibition of international galleries” (“CONDO”, n.d.). Also termed “gallery-share event” (Rea & Pes, 2018) and “something between a gallery residency program and a decentralized art fair” (Abrams, 2020), there is one word common to all Condo references: innovation.

Vanessa Carlos founded Condo in London in 2016 with the following goal: “to do something that would lead young galleries to work together and support each other” (“In Profile: Condo,” 2016). Carlos runs a gallery of her own, Carlos/Ishikawa, in London with another partner. As a dealer herself, Carlos identified several aspects of the gallery business over the years that she thought could be improved.

3.1. Condo’s operating model

In Condo’s model, a group of galleries in a certain city hosts galleries from other cities and/or countries. Host galleries share their exhibition space with visiting (guest) galleries, “either by co-curating an exhibition together, or dividing their galleries and allocating spaces” (“CONDO,” n.d.). Participating galleries are a diversified group, from established names to emerging projects.

3.2. Condo’s grassroots collaborative purpose

Condo was built around the idea of collaboration, as it relies on “pooling resources and acting communally” (“CONDO,” n.d.). Condo’s collaboration happens on several fronts: dealers join forces in terms of audience, promoting each other’s shows, and sharing contacts and space. Condo was created as a response to the structures currently in place in the art market, namely art fairs. It is Carlos’ belief that dealers should be critical towards these prevailing structures and dare to seek more sustainable business models. In line with the risks of art fairs explored in the previous chapter, three main factors explain why the market can benefit from an alternative like Condo: (1) the ‘survival of the fittest’ structure of the market, from which only the most powerful benefit, (2) the

costs of art fairs, which make it very hard to exhibit artworks abroad, and (3) the need of a slower speed for seeing and connecting with art (Rea & Pes, 2018).

3.3. Advantages of Condo compared to art fairs

When compared to traditional art fairs, Condo presents significant advantages, the first and most immediate of which is financial. Condo is aware that the costs of participating in several fairs per year put a financial strain on smaller galleries that they are relatively less able to handle, as they do not have rosters of blue-chip artists and many international bases (Lesser, 2017). Therefore, as a platform designed for young galleries, participating in Condo comes at a fraction of the cost of art fairs. Condo does not impose any commission or rental fees on the guests, with visiting galleries paying no more than \$750 to cover marketing and design costs, in addition to the cost of traveling to the city hosting Condo. Sometimes, if the gallery cannot physically travel to the city of the event, it can send its works to the hosting gallery without actually going there. Nevertheless, the representatives of the guest gallery do not normally stay for more than a few days. During the rest of the Condo event, the promotion and exhibition activities are delegated to the hosting gallery.

In the globalized art world, with most galleries representing artists from different countries, international reach is essential for any dealer in the market. Condo's model fulfills galleries' need for exposure beyond their home market, giving dealers a chance to expand and strengthen their reach, meet new clients, and show their artists without the high-stakes and high-stress environment of an international art fair (Gerlis, 2020; Lesser, 2017). In fact, Condo is more about building meaningful long-term relationships between gallerists, collectors, and visitors than it is about sales (Rea, 2020).

This form of mobilizing existing resources (the gallery space) to show works contributes to reviving gallery-going culture by enhancing audience engagement with gallery spaces. Fairs usually last for only a couple of days, maybe a long weekend, thereby creating an urgency to sell (and buy). The longer time interval of Condo (usually a month-long) allows dealers to interact with collectors in a more meaningful way (Lesser, 2017) and encourages a slower pace. Condo's focus on the gallery space also

allows for more freedom to experiment, both in terms of content and display, when compared to art fairs. In the gallery, it is possible to promote artists and make exhibitions that would not be possible in the setting of a big fair (Rea & Pes, 2018). At the same time, by posing less of a financial burden, Condo encourages greater curatorial freedom (Lesser, 2017) and more experimental exhibitions (Anand, 2018).

3.4. Condo's expansion: from London to the world

Condo has expanded relatively quickly over recent years. What started out as a small-scale initiative in London in 2016, now has editions in New York since 2017, and in Mexico City, São Paulo, Shanghai, and Athens since 2018. The initiative has grown organically, in cities where dealers have shown interest in having such an initiative. London and New York may have been obvious choices since they are well-established art market capitals. Still, one could argue that those cities are already saturated with fairs and related events. In these cases, Condo's lower participating costs are a significant incentive, since New York and London are very expensive cities. In the other cities, although the costs may be less of an issue, there was already a network in place interested in collaborating. In the cases of São Paulo and Athens, Condo started as "Condo Unit", a single exhibition of a small number of galleries under just one or two roofs. This functioned like a tester edition, to assess whether there was interest from the market. Once that interest was confirmed, Condo evolved into a bigger event (which was the case of São Paulo).

The founder, Vanessa Carlos, still oversees the project as a whole but has delegated responsibilities to other gallery directors in each city. Each of them runs their local Condo since, as locals, they are best positioned to mobilize and manage resources and the local network of dealers. Although Condo has grown, it is still a somewhat small-scale operation, and Carlos tries to keep a limit on the number of participants. As it expanded geographically, Condo has also welcomed more established dealers including Pilar Corrias, Maureen Paley, Sadie Coles, and Johann König – all regular participants to top international fairs – which indicates Condo's growing role in the art ecosystem (Rea & Pes, 2018). This suggests that big players in the market also understand what they can

gain from younger galleries. More established dealers are less likely to be exposed to new sources of inspiration and have the interest to be in touch with younger dealers, in order to get a sense of what are the new trends in the market. This is in line with the theory by Cattani and Ferriani (2008) on how individuals in a network may benefit from core/periphery collaboration.

3.5. Interviews with Condo participants

In order to come to a better understanding of the experience of the participating galleries at Condo, a few informal interviews were conducted with dealers from an international background (Berlin, Brussels, Lisbon, London, Tokyo), and questions were asked about their experience at Condo, as well as how they compared it to experiences at other art fairs (see Appendix A and B).

The network is the strongest motivator

When it comes to motivations for participating in Condo, all dealers mention building relationships as a key motive – in particular, strengthening their local network. Because Condo uses local resources (it relies on local galleries to lend their spaces to visiting galleries), it maintains a community feeling. Condo's smaller and more intimate setting also makes it easier to have conversations, get to know people, and the local scene.

However, that does not mean that sales are not important. One dealer remarked that, as a commercial gallery, selling is always an end-goal; the difference is in the selling experience at Condo when compared to a traditional fair.

Another dealer noted that motivations to participate differ from young to established galleries; for established galleries, Condo is appealing also because they like being a part of something new that is growing, it gives them a better sense of the market and helps them to (re)position themselves if they wish. As for younger galleries, the low participation fee may be one of Condo's most attractive points.

Room to collaborate

Dealers are encouraged to collaborate with their hosts in exhibitions, not just by sharing their gallery space, but by curating their exhibitions together, as long as they feel that their visions align. However, when I asked about cooperation that happened directly as a consequence of their participation at Condo, most dealers did not have a specific example to refer to. The majority said that collaboration happens on an informal level, and it does not necessarily translate into something immediate; most of the time, dealers simply gain contacts to whom they can turn to, should they need anything in the future. There is a strengthening of relationships for the long-term.

Dealers are often paired by the organizers with an unknown host, which gives them a good opportunity to get to know new colleagues during the event. Sometimes, however, it can also happen that collaboration is already in place before the event, and Condo is a good opportunity to extend it.

A few dealers reported that they had established collaborations with another gallery prior to the event, and had the initiative to take that proposal to Condo's organization themselves. One dealer mentioned an example of this, in which both galleries participating represented the same artist, so they thought Condo would be a good setting for a collaborative exhibition of that artist. They agreed to share everything, from production and promotion costs to sales revenues.

Freedom to experiment

Regarding the matter of whether the setting of Condo allows for more experimentation when it comes to ways of displaying and artists displayed, answers differed substantially. While some dealers were quick to acknowledge Condo's curatorial freedom as one of its strengths, others felt that there was a clear commercial intention involved. Dealers who experienced greater freedom indicated that Condo's more relaxed environment – closer to an exhibition than to a fair display – puts less pressure on selling, which allows them to focus on the curatorial purpose of their exhibitions more. One dealer directly related the lower costs of Condo with a lower pressure to sell and a higher likelihood to show younger artists, as opposed to the fair context, in which sales have to “make it

worth their while". Interestingly enough, another dealer felt that the lower costs of Condo worked in the opposite way; according to them, the lower cost functions as an incentive to sell more, since revenues will likely cover costs in a way that they would never expect at a fair, therefore making Condo a promising opportunity for a higher profit. According to them, though Condo may seem less commercially-oriented at first, it is nonetheless approached by galleries with a selling strategy.

Condo vs other fairs

All the dealers that I interviewed reported attending an average of 5-10 international fairs and gallery-share initiatives each year. Two of them revealed that they overdid it at some point, attending more fairs than they found to be comfortable, and were forced to step back the following year. One dealer stated that even though the fast fair-going pace paid off financially, they still decided to go to fewer fairs because of the fair-related fatigue.

When asked to compare their experience at Condo with their experience at other fairs, the answer was clear: the two are not comparable. All dealers declared to approach Condo and fairs differently, and that one does not substitute the other. While Condo is important to strengthen the gallery network and get to know a local scene, traditional fairs still seem to win in terms of the encounters they provide with collectors. One dealer mentioned that the main reason they attend fairs is that there are many collectors that they would otherwise never meet since most of them never go to the gallery.

The selling experience at fairs is very different than at Condo. At fairs, dealers recognize there is an 'urgency' to sell (a fair usually takes place for the duration of a weekend or a few days) that does not exist at a month-long event like Condo. The perspective of dealers on how they perceive the 'urgency' of fairs differs. Some dealers do not enjoy the pressure to sell and feel more comfortable in the setting of Condo; others, however, affirm that, without a clear intention to sell, Condo may pose an even bigger risk than a fair. One dealer mentioned that the straight-forward mechanism operating at fairs works because "there is an urgency to sell as much as there is an

urgency to buy”. From a sales point of view, a fair is a lot more predictable than Condo to them.

Summarizing the answers to our survey, most interviewees agreed that Condo’s added value lies in the strengthening of the gallery network, not in the commercial profit from sales. Condo is an alternative to fairs, rather than a substitute – and it feels more like an exhibition than a sale. Regarding costs, dealers take one of two different perspectives: either the lower cost is seen as something positive – an opportunity to take more risks on a curatorial level, as well as a chance for a higher profit, should sales take place – or as an indication of a highly uncertain event (when compared to fairs) where sales are not necessarily bound to happen.

3.6. Other gallery-share initiatives and fair alternatives

Although seen as ground-breaking in its promotion of collaboration, the innovative nature of Condo relies on “making explicit an already existing community” (Stead, 2018), that is, giving a new platform for the collaboration among galleries to occur, rather than creating the collaboration itself. Other forms of collaboration among galleries occur on a regular basis, for instance to “structure prices” and “secure institutional exhibitions for their shared artists” (Stead, 2018) In fact, other instances of self-organized international space swaps may be found in the primary contemporary art market.

Gallery Weekend (Berlin)

Before Condo came to existence, dealers in Berlin were already acting against the growing dominance of art fairs. Dealers noticed that the art fair model posed a risk to their operations, since it shifted the selling activities away from the gallery (an existing and paid-for resource), putting dealers in a position where they had to pay for their presence somewhere else in order to show and sell their artists to collectors.

Ever since Berlin’s Gallery Weekend launched in 2005, its success led several cities around the world to replicate the model, with Gallery Weekends now happening in Amsterdam, Beijing, Buenos Aires, Brussels, Kuala Lumpur, Lisbon, Mexico City, Milan, Mumbai, and São Paulo, among others.

Friend-of-a-friend (Warsaw)

Friend of a Friend (FOAF) is a gallery-share initiative launched in 2018 in Warsaw, which has expanded to Berlin and Prague. Similar to Condo, FOAF involves galleries sharing their exhibition spaces with international gallery guests, as well as the local network of collectors and art world participants. The purpose of the project is stated as follows: “to create a different model for the presentation of contemporary art, to establish new networks [...] and to enable local audiences to interact with the works of international artists” (“FOAF”, n.d.).⁵

Granpalazzo (Italy)

Granpalazzo was an exhibition-event of three editions held from 2015 to 2017 in the small Italian towns of Zagarolo (2015-2016) and Ariccia (2017). Set in imposing palaces, the program had a duration of two days (a weekend) and invited collectors to see a selection of contemporary art by Italian and international artists. The goals were (1) to encourage audience engagement with the artwork in a more intimate environment, and (2) to facilitate new connections between art-world professionals. With no more than 18 artists participating, the event aimed to encourage ‘slow art’ in a less distracting setting than typical art fairs (Gregory, 2015).

Felix LA (Los Angeles)

Felix LA is a contemporary art fair held at the Hollywood Roosevelt Hotel in Los Angeles, with editions in 2019 and 2020. Felix LA’s goals echo those of other gallery-share initiatives such as Condo: to challenge the homogeneity of fairs and to lessen the financial burden that they inflict on galleries (Zara, 2019). Instead of the high prices charged for booths at other fairs, Felix participating galleries got hotel rooms and suites ranging for fees ranging from \$4,000 to \$10,000. The hotel setting allowed the event’s environment to feel more intimate, and visitors to grow comfortable around the art (Zara, 2019).

⁵ Similar initiatives include ‘Okey Dokey’ in Cologne (see <http://okey-dokey.show/>) and ‘Various Others’ in Munich (see <https://www.variousothers.com/>), both championing collaboration values among institutions and exhibiting contemporary art in multiple venues.

3.7. Cooperation during times of Covid-19

The instability brought about by the Covid-19 pandemic has caused actors in the art market to move their businesses online. Many galleries have moved their exhibitions from the physical realm to virtual viewing rooms on their websites, and art fairs have shown and sold artworks online. Auction houses have been holding online auctions instead of live ones.

Amidst the climate of crisis, a few collaboration instances have appeared. “Platform: New York”⁶ and “Platform: London”⁷, an initiative by the David Zwirner gallery, are online viewing rooms that show New York and London-based galleries on David Zwirner’s website. The purpose is to give a platform to some of the smaller galleries in the industry, which may be hit the hardest by the economic consequences of the Covid-19 global health crisis. Each gallery will show an artist on the online viewing room for the duration of one month.

Another recent online initiative is “GalleryPlatform.LA”⁸. Similar to David Zwirner’s initiative, this platform features online viewing rooms for 60 LA galleries in a jointly shared online space. 12 galleries will be shown each week on a rotating basis. The initiative has both selling and editorial purposes, and two main goals: to generate sales for the galleries shown and to strengthen the network of Los Angeles’ art world by building connections and a stronger community.

Sotheby’s has launched the “Sotheby’s Gallery Network”⁹, an online sales platform for contemporary art galleries to sell artworks. Since auction houses and galleries usually do not cooperate often, rather the opposite (they are usually competitors in the art market), the partnership has a truly innovative character. This digital marketplace alternative is meant to give galleries an opportunity to close sales, given that the mediums usually used for this purpose (art fairs and exhibitions) have been either canceled or made impossible due to the global Covid-19 pandemic. Galleries get to use Sotheby’s platform and customer network, as well as its ‘quality stamp’ in

⁶ See <https://www.davidzwirner.com/viewing-room/platform-new-york>

⁷ See <https://www.davidzwirner.com/viewing-room/platform-london>

⁸ See <https://galleryplatform.la/>

⁹ See <https://www.sothebys.com/gallerynetwork>

transactions of this nature. In return, Sotheby's will take a flat commission based on sales from the galleries.

The New Art Dealers Alliance (NADA) has launched "Fair"¹⁰, an entirely online art fair which operates under a 'cooperative sales model': 20% of all sales go into a cooperative pool to be shared evenly among all galleries, and another 20% goes into an additional pool to be shared evenly among all artists. Instead of charging a flat participation fee, galleries will simply pay 10% of their sales to compensate NADA for its organizing efforts. Galleries get to keep the remaining 50% of their sales (to be split between artist/gallery). NADA has also imposed a rule of not allowing any discounts to be given to collectors, which significantly increases price transparency and maintains competitive fairness. This collaborative model contributes to mutual support among galleries and aims at providing some relief to the galleries which closed during the pandemic and thus have not been able to make sales.

3.8. Concluding remarks

The value of Condo and other gallery-sharing initiatives lies in their ability to provide opportunities for network building and collaboration among galleries in the contemporary art market. It has been argued that network building is an essential part of any art fair. However, while traditional art fairs allow networking to happen by gathering dealers under the same roof, gallery-share initiatives take the importance given to the network further.

While the model of the traditional art fair is somewhat passive in its approach to network building among galleries (a dealer can be present at an art fair without necessarily interacting with a number of other dealers), gallery-share events rely on collaboration among galleries in a given network. Gallery-share events work with a collaborative model from the start, as they depend on the ability of galleries to share their resources (exhibition spaces, contacts, strategies) in order to make the event happen. Additionally, while traditional art fairs impose a rather individualistic approach

¹⁰ See <https://thisisfair.org/>

to the gallery space, gallery-share initiatives endorse links between galleries by encouraging them to curate their exhibitions together. During the gallery-sharing events, collaboration is also stimulated, as dealers visit each other's spaces, rather than staying in their individual white cubes as they would at a traditional fair.

Thus, this study will focus on the value of network building and collaboration among galleries in the gallery-sharing initiative Condo. The Condo network, which consists of the galleries linked by their collaborations at Condo, will be analyzed from its first edition until today in its locations around the globe. The goal is to understand if the network building and collaboration aspects of Condo are the reasons why this gallery-share initiative has been successfully expanding so far.

The choice of Condo among all gallery-share initiatives mentioned has to do with two factors: firstly, the Condo initiative has been around for long enough to be able to provide a first analysis of the evolution of the network over a considerable number of years (2016-2020); secondly, there is transparent information available regarding participating galleries.

Chapter 4: Empirical analysis and data

4.1. Introduction to research method

This chapter illustrates the data used and the research method adopted for the empirical analysis of this research. The focus of this study is on the value of network building and collaboration among galleries in the Condo initiative. Taking into consideration the aspects analyzed until here, the research question guiding this study can be formulated as follows: *has Condo contributed to network building and collaboration among participating galleries?* This question is divided into two research objectives:

1. To map the interactions between galleries in the Condo network (through social network analysis);
2. To describe and possibly explain Condo's growth by analyzing the evolution of collaboration among the galleries that form its network.

4.1.1. The power of the network (and why study networks)

Economists have been gradually dropping traditional ideas from classical economic theory that human interaction is centralized and anonymous, and that prices are the main driver of behavior among economic agents. More and more, economists have been recognizing the link between social relations and economic behavior (Goyal, 2014).

The rising field of behavioral economics has done away with the ancient idea that humans are rational beings only. In highlighting the effects of psychological, cognitive, emotional, cultural, and social factors on the process of decision making of individuals, it has proven that economic interaction is about a lot more than prices.

In fact, humans are social beings above all else, from which it follows that any human interaction must be looked at in terms of the social system. The identification of network effects shows the power of social networks; for example, in the job market, where personal contacts are often used in hiring and job search (Goyal, 2014). Social structure and economic system are thus intertwined.

Potts et al. (2008) argue that the creative industries (CIs), unlike other sectors of the economy, develop in markets in which fashion is imperative – that is, “markets in which the decisions of others can affect directly the choices made by an individual” (p.181) – and where social influences are the rule, rather than the exception. Therefore, social networks are the main factor determining value in the CIs. Potts et al. (2008) go beyond the market-failure and social welfare arguments for culture and propose a social network market perspective to analyze how socio-cultural and economic systems evolve together.

4.1.2. Research method: Social Network Analysis

In order to address the research objectives, Social Network Analysis (SNA) will be conducted. SNA is a research technique that allows analyzing relations among actors, with the objective of informing on how the system in which those actors operate functions. Simply put, SNA is “the analysis of systems of social relationships represented by networks” (Carrington & Scott, 2011, p.7).

SNA is a specific application of a branch of mathematics called graph theory. SNA generates graphs in which social actors (individuals, groups, organizations) are represented by the points (also called ‘nodes’) and their social relations are represented by the lines (also known as ‘ties’ or ‘edges’) (Carrington & Scott, 2011). These graphs are simply systems represented by networks, and they allow for patterns in those systems to be mapped (or visualized), measured, and analyzed.

Most real-world phenomena can be modeled and analyzed in terms of complex social networks. Therefore, research on social networks has been developing significantly over the last decades, and SNA has proven to be a useful research technique with applications in various disciplines. Some of the fields where SNA has been used by researchers include economics, finance, and health, but also more creative arenas such as culture, design, and tourism.

Interesting applications of SNA include Andre et al. (2007) study, where researchers apply SNA visualizations and metrics to characterize outbreaks of contagious diseases (e.g. tuberculosis), aptly termed “Transmission Network Analysis”;

an investigation by Krebs (2014) that examines the networks involved in the Subprime Mortgage Crisis of 2007-2010, in which nodes are people, organizations and financial instruments, and links ('edges') are the financial transactions between them. Thus, SNA is applied across disciplines, which highlights the importance of the social dimension in all kinds of phenomena.

There are some studies applying SNA as a research technique for empirical investigations within the creative industries. Joel (2009) uses SNA to analyze the design sector and builds on Potts et al. (2008) social network model of the CIs. Lee (2015) adopts SNA in order to visualize the flow of knowledge in a network of entrepreneurs participating in an event, producing strong evidence for the importance of stimulating networking activities in the CIs. Foster et al. (2011) investigate how gatekeepers ('talent buyers') use their social networks to develop search and selection strategies in a market for local rock bands. Kelman et al. (2016) investigate a case-study applying SNA to understand the influence of spatial characteristics on the links between tourism businesses in isolated communities.

In the art market, research using SNA has been conducted by Curioni, Forti, and Leone (2015) on the Art Basel contemporary art fair's network, in which galleries are connected through the artists they show at their booth. Researchers analyze the demographic characteristics of artists and galleries in the network, distinguishing between those who are at the core of the network (high centrality) and those who lie at the periphery (low centrality). Additionally, researchers look at the geographic distribution of artists and galleries.

4.2. Data collection

This section explains how and which data was collected in order to meet the research goals of this study. In order to analyze the Condo network, an original dataset was built with data on all the participating galleries from all editions of Condo, across years (2016-2020) and locations (London, New York, Mexico City, Shanghai, São Paulo, Athens). The data was collected from the information made available online on Condo's website, as well as other online sources, such as the participating galleries' websites.

The dataset includes seven different subsets: one for each location (for microanalysis) and one with merged data from all locations (for a macro analysis). Each data subset includes the galleries which participated in Condo in a given location and year. Galleries were identified as either a 'host gallery' or a 'guest gallery', depending on their role at the event. Each subset also includes information on the location (city) of guest galleries and on the artists that were shown by both hosts and guests.

In total, data were collected for 235 galleries, which make up the global Condo network (London: 105 galleries; New York: 87 galleries; Mexico City: 61 galleries; Shanghai: 37 galleries; São Paulo: 29 galleries; Athens: 17 galleries). Some galleries are present at Condo events in more than one location, which is why the global total is less than the sum of the totals for each location.

4.3. Data analysis

This section explains how the collected data was analyzed. In this study, the galleries represent the nodes, and an edge is made whenever two galleries are connected through their participation at Condo (one either hosted or was hosted by the other at a given Condo event). For example, there is an edge between gallery A and gallery B if gallery A hosted gallery B at Condo São Paulo 2018. Each participation translates into at least one edge for a given gallery; it could be more than one if that gallery was a host (or guest) of multiple galleries at once.

Once the edges between the nodes were established for each subset, the analysis was conducted in two steps. In the first step, data were analyzed descriptively, in order to give a broad context of the growth and characteristics of each local network. Graphs with descriptive statistics were used for this introductory analysis. In the second step, the collected data were analyzed using Social Network Analysis (SNA), specifically the open-source software Gephi (Bastian, Heymann, & Jacomy, 2009). Network graphs were generated on Gephi, in order to visualize the networks (the nodes and their edges) and generate the metrics (statistics) for their analysis.

For the visualization and analysis of the local network in each city (six networks in total), dynamic network analysis was used. Dynamic network analysis uses a time

variable to identify the exact times when a node or edge exists, thus allowing networks to be analyzed from a longitudinal perspective (i.e., over a certain period of time). This was crucial to visualize the evolution of each network and its statistics. After dynamic graphs were generated for each location, metrics were collected for each year of the network's existence. This information is presented in Chapter 6 using graphs (for the network) and tables (for the metrics).

For the visualization and analysis of the macro network, the most complete versions of each network – that is, the accumulated nodes and edges until the last year available – were included. The macro network visualization was therefore achieved by merging the information of all micro-networks as they were last analyzed – 2020 for London and São Paulo, and 2019 for the other locations. Dynamic analysis was not used for this last subset, as the focus was not on how the macro network evolved (the evolution of each location had already been separately analyzed), but on what the network looks like once it is visualized in its entirety (a kind of 'screenshot'), without being split into geographies.

Metrics tables include information on the number of nodes and edges for each year, as well as the network's yearly scores for the following metrics: average degree centrality, graph density, modularity, average cluster coefficient, and average path length. The different metrics and respective interpretations will be further explained as they are analyzed in the following chapter. Finally, in the macro analysis, the eigenvector centrality metric is used to determine which nodes are most influential within the network.

Chapter 5: Results

This chapter presents and interprets the results from the data analysis, in order to answer the research question.

5.1. London (2016)

Condo was first held in London in 2016. The success of the gallery-share initiative is evident from its growth (see Figure 1). What began as a small collaboration of only 24 galleries, more than doubled its size in three years. Condo London had 52 participating galleries in 2019, only to scale back to 36 in 2020. Participating galleries include *host* galleries (local partners who lend their gallery spaces as exhibition venues) and *guest* galleries (galleries from abroad, which are invited to take part in the event).

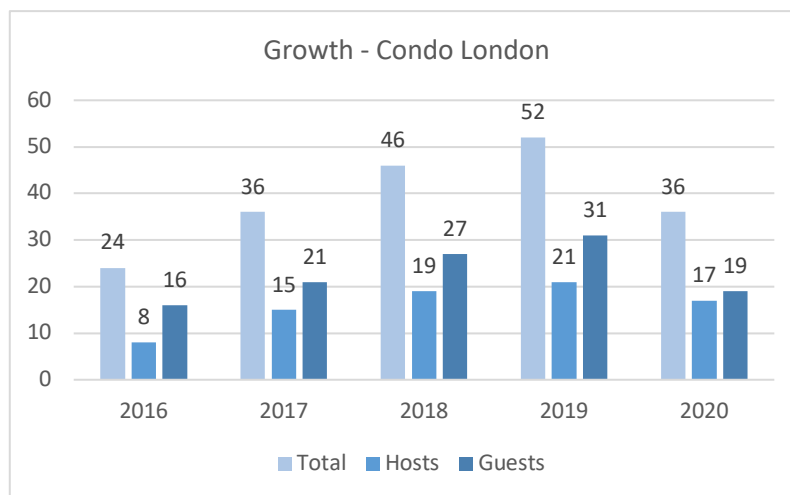


Figure 2: Evolution of the number of participating galleries at Condo London

One of the founder's goals for Condo was to make it a viable option (an alternative) for small and mid-sized galleries to exhibit their works abroad without having to incur the massive expenses imposed by participation in traditional international art fairs. Therefore, the evolution of Condo's internationality (measured by the number of countries represented among guest galleries) was analyzed, in order to attest whether that was accomplished. Internationality does increase over time, but not by much, and certainly not at the same rate as the number of participants.

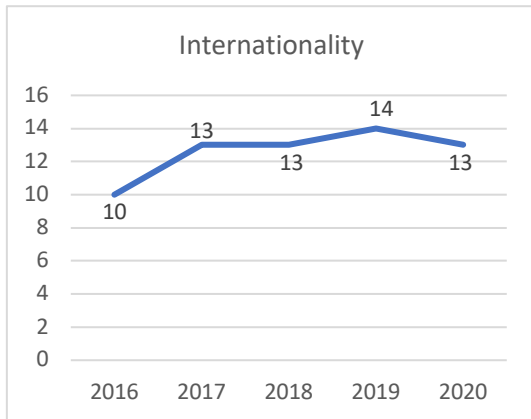


Figure 3: Evolution of the number of countries represented among guest galleries at Condo London

Interestingly enough, Condo managed to keep nearly the same level of internationality even after scaling back in the number of participating galleries.

The 2020 scale down is interesting because it is the first change in the growth trend showcased during the first four years of Condo. However, internationality remains high, which suggests that it was a conscious scale back – perhaps a renegotiation

between quality and quantity. Although Condo had focused on small and mid-sized galleries, a few more established players began entering the network (for example, Sadie Coles HQ and Maureen Paley in 2017, and Pilar Corrias in 2018). This is a natural consequence of Condo’s fast growth, and it may have motivated the seemingly intentional restructuring that happened in 2020. It may also have been caused by the expansion of Condo to other locations – whereas in 2016 galleries could only participate in Condo London, by 2020 they have other Condo events they can attend in multiple locations worldwide, and some galleries may have opted to participate in other editions instead (for example, due to geographic factors).

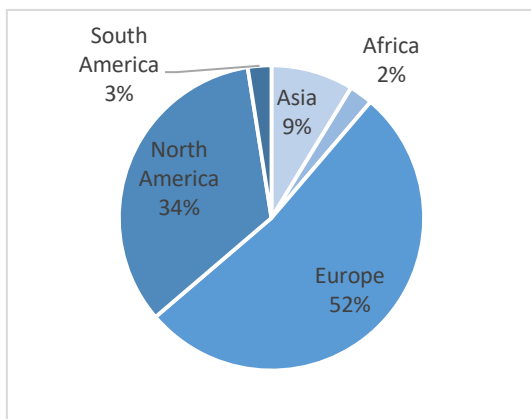


Figure 4: Composition of guests at Condo London, by region of origin (all years)

When it comes to regionality, guest galleries participating in Condo London originate mostly from Europe (52%) and North America (34%), the two main contemporary art market locations globally. Other regions such as Asia (9%), South America (3%) and Africa (2%) are less represented, and Oceania is not represented at all.

Looking at the participation evolution of host galleries – whether those are returners, newcomers, or dropouts in relation to the previous year – may confirm the hypothesis of the occurrence of organic growth from 2016 to 2019, followed by a conscious re-structuring in 2020. A ‘returner’ is a gallery that participated in the previous year; a ‘newcomer’ is a gallery that did not participate in the previous year (it is either participating for the first time or coming back after having dropped out); a ‘dropout’ is a gallery that participated in a given year, but did not return for the following year¹¹. For example, in 2017, among the 15 galleries that participated as hosts (see Figure 2), 7 were ‘returners’ and 8 were ‘newcomers’. From 2016 to 2017, 1 host gallery dropped out, meaning that it was a host gallery in 2016, yet it did not host again in 2017.

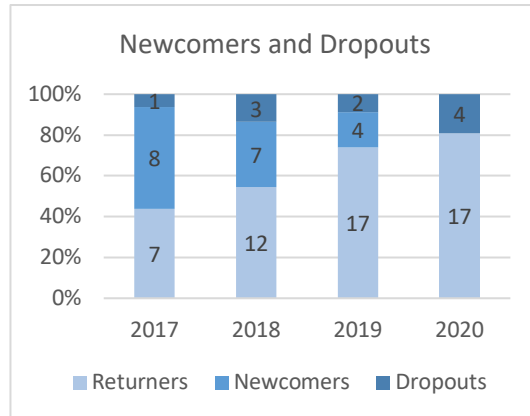


Figure 5: Participation evolution of hosts at Condo London

As the number of hosts grows between 2016 and 2019, the percentage of newcomers among them lowers, while the percentage of returners rises. In 2020, although the number of participants drops significantly, the number of returners stabilizes. This pattern is consistent with what would be expected of a successfully growing initiative: several galleries give it a try, and many return each year, while a small percentage quits (becoming ‘dropouts’). This happens until there is a more or less established percentage of returners, with increasingly fewer newcomers, and a varying, yet minor, number of dropouts (less than 20% each year).

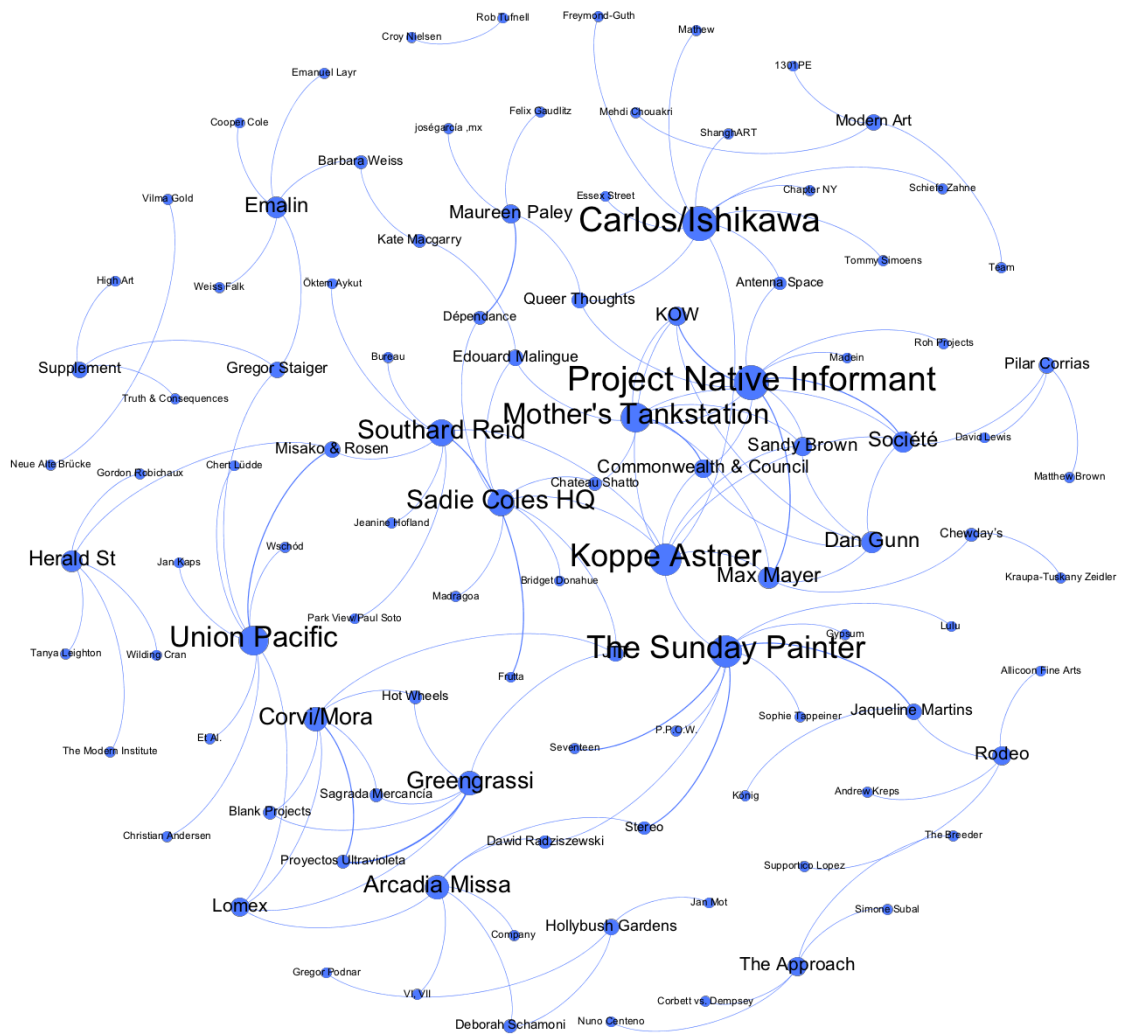
The growth of Condo London is evident through the analysis of these statistics, both in number and country-diversity of participants. But can Condo’s growth be linked to network building and collaboration among participating galleries? In order to determine that, the results of the dynamic Social Network Analysis (SNA) will be analyzed.

¹¹ It should be noted that some hosts ‘miss’ a year and end up returning later on; these galleries are then taken as newcomers, and not returners. However, that is not the case for most hosts, meaning that after having dropped out, a gallery usually does not return.

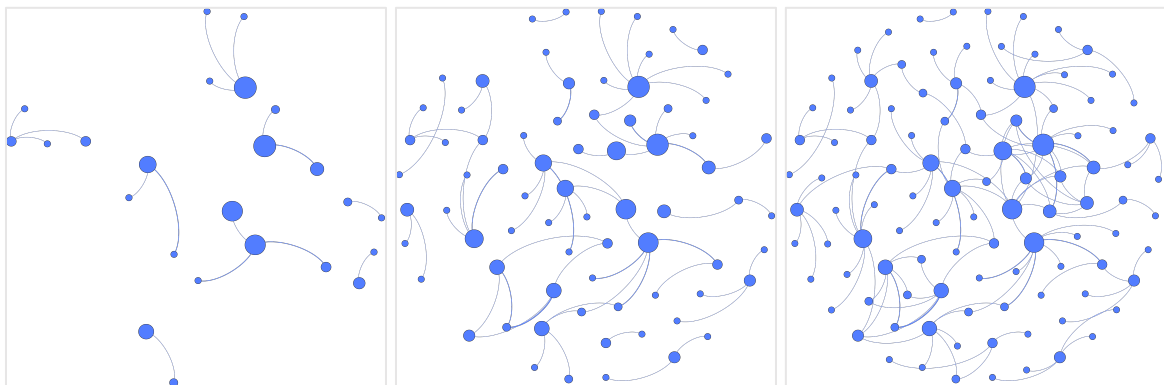
Below it is presented the Condo London network evolution over the years (Graph 1;1a;1b;1c). The network grew from 24 nodes and 16 edges in 2016 (Graph 1a) to 105 nodes and 127 edges in 2020 (Graph 1c). In these graphs, the galleries which are represented as the largest nodes are considered the most popular ones, which have a varied range of connections with others in the network.

A first observation warrants a few inferences. Firstly, the highest-scoring nodes regarding centrality degree are likely to be returning hosts, as they get a chance to connect with new guest galleries each year. Most of them have been part of the network from the beginning, suggesting that the earlier a node joins the network, the more likely that node is to become central.

Secondly, some lines (representing the edges) are thicker than others, meaning that those nodes collaborated more than once, that is, a collaboration between the same galleries happened in more than one year. At Condo, collaboration usually happens between one host and one guest. However, collaborations between more than one host and/or guest also happen sporadically – for example, two host galleries that ‘team up’ and receive their guests in a shared space, or a group of host galleries which receive a group of hosts in a shared space. Galleries that take part in “group collaborations” therefore create more connections than they would from participating in a normal one-on-one collaboration.



Graph 1: The Condo London network with labels (2020). Node size is proportional to the node's centrality degree (the larger the node, the more central it is within the network).



Graphs 1a, 1b, 1c: The Condo London network over the years (2016, 2018, 2020). Node size is proportional to the node's centrality degree (the larger the node, the more central it is within the network).

However, looking only at the graphs above does not give us much information about the network dynamic over the years. How exactly did the Condo London network expand? In order to analyze that, we must look into the metrics collected for each year (Table 1). The network is analyzed cumulatively and not separately for each year, meaning that the metrics of, for example, the year 2018 are the metrics of the network that has grown from 2016 to 2018, and include the nodes and edges from that time interval.

Metrics	2016	2017	2018	2019	2020
Nodes	24	49	73	94	105
Edges	16	35	63	107	127
Average Degree Centrality	1,33	1,43	1,73	2,28	2,42
Graph Density	0,06	0,03	0,02	0,02	0,02
Modularity	0,84	0,89	0,86	0,78	0,75
Average Clustering Coefficient	0	0	0	0,03	0,02
Average Path Length	1,41	1,81	2,89	5,40	4,80

Table 1: The SNA metrics of the Condo London network over the years

The degree centrality score for a given node indicates the number of connections that node has with other nodes; the average degree centrality (c) is an indicator of how many connections a node has, on average, with other nodes within the network. Looking at the evolution of this metric, we observe that value has risen from $c(2016) = 1,33$ to $c(2020) = 2,42$. Therefore, a node in this network in 2016 is connected, on average, to 1,33 other nodes; by 2020, the average node is now connected to 2,42 other nodes. The larger the network, the higher the average degree centrality score.

This may lead to a false intuition that all nodes have become more central; actually, the graphs show the opposite. We observe that only a few nodes are bigger (highly central), with most nodes being rather small (with low scores of degree centrality). Thus, we must go beyond this metric to analyze the evolution of nodes and edges within the network.

The graph density (d) measures how close the network is to complete. Graph density scores are the ratio of the number of edges and the number of possible edges. A complete graph has all possible edges (meaning that all nodes are connected with

each other) and density equal to 1 ($d = 1$). Thus, the closer this score is to 1, the closer the graph is to complete, and the more connected the nodes are with each other.

The scores indicate that the London network is progressively less close to complete. In 2016, the density score of this network was $d(2016) = 0,06$, meaning that 6% of the nodes in this network were directly connected to one another. From 2018 on, the density score was $d(2018;2019;2020) = 0,02$, meaning that only 2% of the nodes were directly connected to one another. The larger the network, the lower the graph density score.

The average path length (p) complements the interpretation of the density metric. The average path length is the average graph-distance between all pairs of nodes (i.e., the average number of edges that separate them). Connected nodes have a graph distance of $p = 1$, the shortest graph distance possible; if $p = 1$, the average graph-distance between all pairs of nodes is one edge, meaning they are all connected. The higher the average path length in a network, the more distant nodes are from each other, on average. Logically, as graph density lowers, the average path length rises.

Indeed, average path length rises from $p(2016) = 1,41$ to $p(2019) = 5,4$. In four years, the average graph-distance between all pairs of nodes becomes nearly four times greater. From 2019 to 2020, however, this indicator slightly lowers to $p(2020) = 4,8$. This is explained by the reduction in the number of nodes that occurred during the same time interval (see Figure 1). Fewer nodes result in a lower graph-distance between all pairs of nodes; especially given that most nodes are returners (see Figure 5), which means they had more chances to connect with the rest of the network before.

Naturally, as the networks grow, incorporating more nodes, the average graph distance (p) rises. Since each gallery only gets one chance to connect to another gallery per year (as described above, collaborations of more than two galleries do happen at Condo, but they are not the rule), and new galleries are added to the network each year, it is impossible for the network to grow *and* become closer/more connected at the same time. This may indicate a paradox of growth.

Another interesting metric to look at is modularity (m). Modularity measures how well a network decomposes into modules (also called clusters, communities, or

groups). In other words, it detects compartmentalization within the network. The closer the score is to 1, the higher the network modularity. Looking at the evolution of the modularity scores, we observe the network demonstrates a score greater than $m = 0,8$ in the first three years, which slightly reduces after 2018, nonetheless remaining quite high throughout the whole period (never under $m = 0,7$).

High modularity indicates high compartmentalization. The modularity scores reveal an important characteristic of the London network: it has a modular structure, which means that it is characterized by the formation of 'modules' (or groups of nodes) that are likely to be linked to (i.e. collaborate with) one another more than to other nodes. A high modularity score, combined with a low-density score, suggests that the network is less collaborative as a whole, and collaboration happens more within each module (group of nodes). This could mean that certain nodes are more likely to repeat collaboration among themselves, rather than reaching out to collaborate with nodes from outside their 'cluster'.

Evidence that a certain clustering tendency within the network starts to emerge is supported by the average clustering coefficient (r) score. In order to understand this metric, it is important to understand the concept of the neighborhood of a node. The neighborhood of a node, y , is the set of nodes that are connected to y . If every node in the neighborhood of y is connected to every other node in the neighborhood of y , then the neighborhood of y is complete and has a clustering coefficient of $r = 1$. Although the average clustering coefficient scores are not that significant – $r(2019) = 0,03$ and $r(2020) = 0,02$, with other years scoring zero –, they do start to show. A score of $r = 0,03$ means that, on average, 3% of the nodes in the neighborhood of a given node are connected.

Let us now look into the expansions of Condo to other cities in order to analyze and compare the evolution of the networks there.

5.2. Expansion to New York (2017)

Condo expanded to New York in 2017, just one year after its first edition in London. Condo New York (Condo NY) started with 36 participants, growing in 2018 and scaling back to 38 galleries in 2019. This evolution echoes that of Condo London in a kind of compressed manner: a fast-immediate growth, followed by a cautious downsize to a more conscious number of participants. Although this decline in the number of

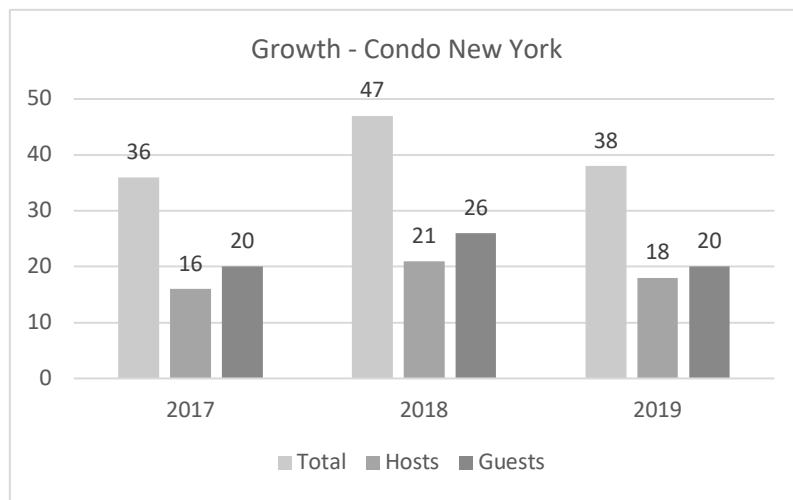


Figure 6: Evolution of the number of participating galleries at Condo NY

participating galleries only occurred in the fifth London edition, New York reached it by its third. It is hard to predict whether Condo NY will register a future decline, given that only three editions have taken place at the time of our analysis.

When it comes to internationality, Condo NY reveals a number of country-diversity among invited galleries similar to those of Condo London. The year 2018 registers an exceptional peak of 17 different countries represented, making it the most international Condo edition in all locations, so far. This may be justified by New York's distinct international character when compared to the other locations. The 2018 Condo NY edition welcomed galleries from

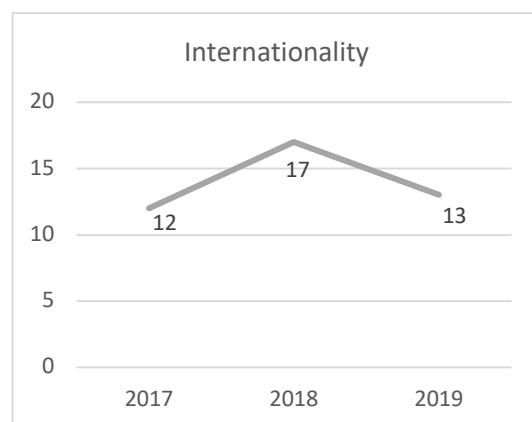


Figure 7: Evolution of the number of countries represented among guest galleries at Condo NY

locations as diverse as Auckland (New Zealand), Cairo (Egypt), Dubai (United Arab Emirates), Kolkata (India), and Pristina (Kosovo), countries that had never been represented in Condo before.

The internationality level of Condo NY extends to all regions of the world, as shown in Figure 7. Condo NY is more balanced than Condo London when it comes

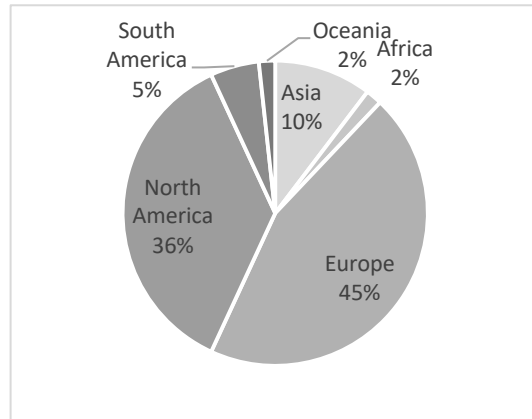


Figure 8: Composition of guests at Condo NY, by region of origin (all years)

to the region of origin of guest galleries. Although Europe (45%) is still the main region represented, Asia (10%) and South America (5%) have a higher representation in this network. Oceania is also represented, making up 2% of the total guests.

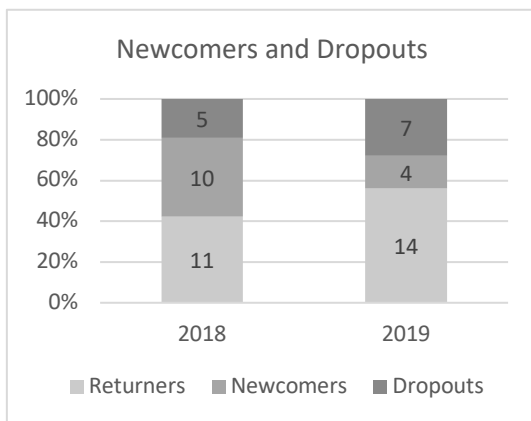
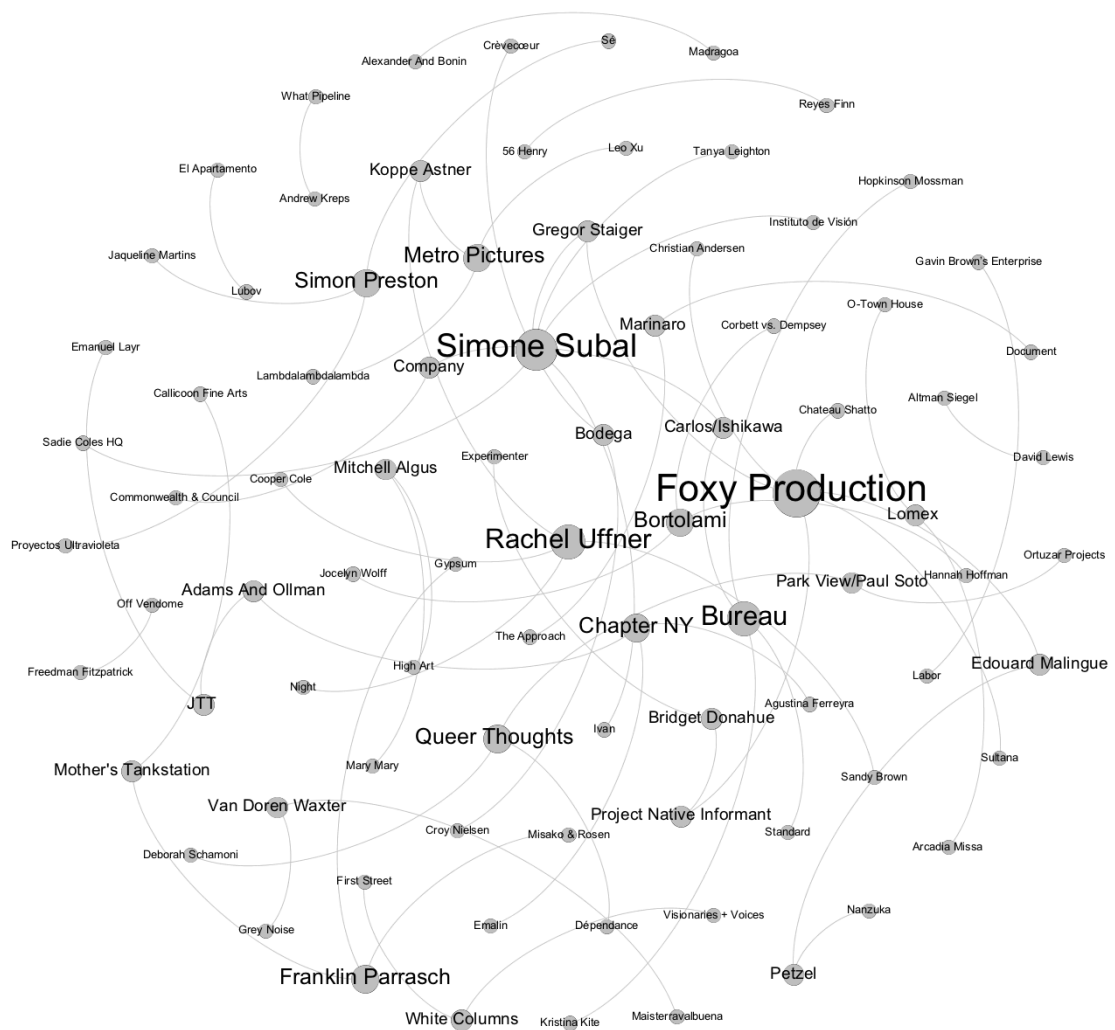


Figure 9: Participation evolution of hosts at Condo NY

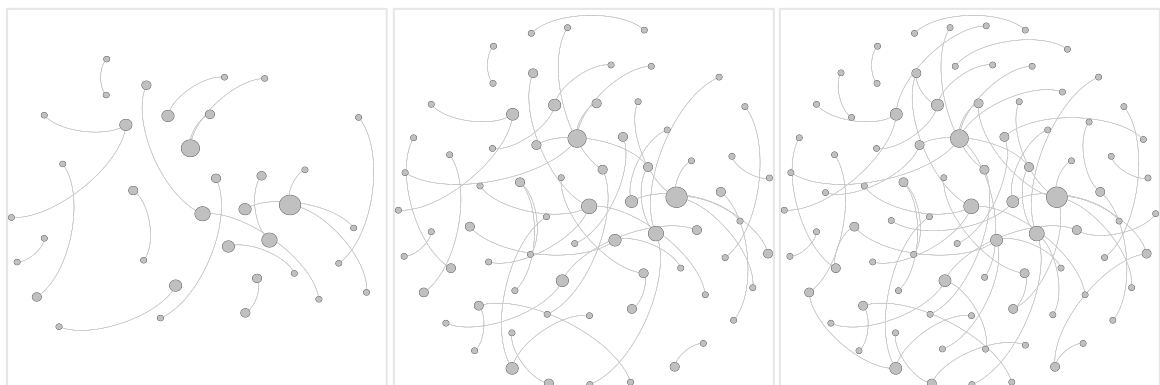
in 2018 to 38 in 2019. By 2019, more than 50% of galleries were returners, and this number is expected to continue rising, as the Condo NY network becomes more established.

When it comes to newcomers and dropouts, we find a similar trend as we did for Condo London: as time passes, the percentage of returners increases, while the percentage of newcomers declines. The smaller percentage of newcomers, when compared to dropouts in 2019, may be explained by the significant drop in the number of participants, which went from 47

Below is presented the Condo NY network evolution over the years (Graph 2;2a;2b;2c). The network grew from 36 nodes and 20 edges in 2017 (Graph 2a) to 87 nodes and 66 edges in 2019 (Graph 2c).



Graph 2: The Condo NY network with labels (2019). Node size is proportional to the node's centrality degree (the larger the node, the more central it is within the network).



Graphs 2a,2b,2c: The Condo NY network over the years (2017, 2018, 2019). Node size is proportional to the node's centrality degree (the larger the node, the more central it is within the network).

In this network, highly central nodes (nodes with high degree centrality scores) are not as predominant as in the London network, and there are more nodes scoring lower centrality degrees. The edges are equally thick, meaning that there are no ‘repeated’ collaborations. This is not surprising, given that the New York network, when compared to the London network, has had a higher percentage of ‘dropouts’ and a lower percentage of ‘returners’ in a shorter time interval. The New York network has been rotating participants more, which makes it less likely for the same nodes to collaborate more than once.

Below are the metrics collected for each year for the Condo NY network (Table 2). As expected, this network follows a similar trend as London’s, with low density scores, and very high scores of modularity, though it reveals no tendency for the formation of clusters, with $r(2017;2018;2019) = 0$. The scores for modularity are even higher than London’s, yet the average clustering coefficient scores show that there are no clusters forming; this suggests the network is divided into many small communities of only a few nodes (not significant enough to become ‘clusters’).

Metrics	2017	2018	2019
Nodes	36	71	87
Edges	20	46	66
Average Degree Centrality	1,11	1,30	1,52
Graph Density	0,03	0,02	0,02
Modularity	0,93	0,95	0,90
Average Clustering Coefficient	0	0	0
Average Path Length	1,17	1,43	2,54

Table 2: The SNA metrics of the Condo NY network over the years

The New York network shows declining density scores, from $d(2017) = 0,03$ to $d(2019) = 0,02$, consistent with the progressively higher average path length scores, from $p(2017) = 1,17$ to $p(2019) = 2,54$. From 2017 to 2019, the network seems to have become less dense, and the nodes are more distant from each other, on average. Overall, a very similar evolution to the London network.

5.3. Expansion to Mexico City and Shanghai (2018)

Condo's biggest expansion happened in 2018. In just one year, Condo launched editions in four new cities on three different continents, becoming a truly globalized network. Mexico City and Shanghai got their own editions, while small-scale 'trial' events happened in São Paulo and Athens, under the designation 'Condo Unit'. In this section, the focus is on the expansion of Condo to Mexico City and Shanghai.

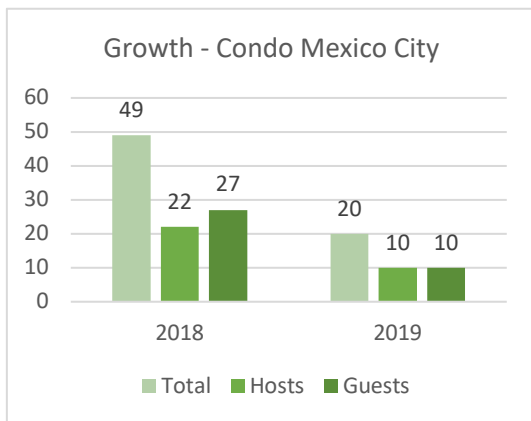


Figure 10: Evolution of the number of participating galleries at Condo Mexico City

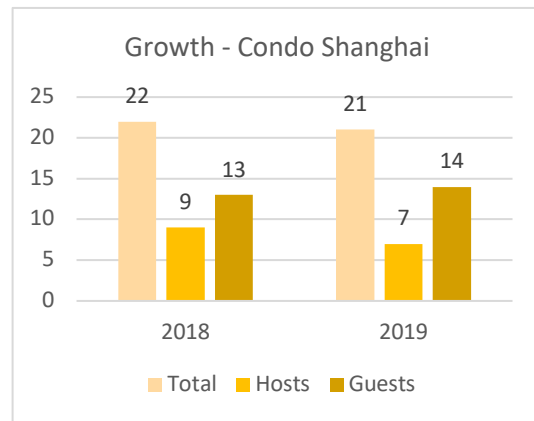


Figure 11: Evolution of the number of participating galleries at Condo Shanghai

Condo Mexico City started off with an impressive 49 galleries in its first edition, compared to a modest 22 for Condo Shanghai. However, in its second year, while Condo Shanghai was able to keep up, Condo Mexico City declined by more than half in the number of participants. This is a rather surprising development if we consider one factor, namely the number of hosts in these new cities which had participated as guests in previous editions of Condo (London or New York). Before 2018, only two galleries from Mexico City featured as guests (both at the 2017 edition of Condo NY), while four galleries from Shanghai featured as guests, both in London and New York.

Given this participation history, one would assume that the first edition at Condo Shanghai would gather more participants than the same event in Mexico City. However, that was not the case. This could be explained by a stronger local scene in Mexico City, and a more international one in Shanghai. Regardless, Mexico City quickly scaled down to levels similar to those of its Shanghai counterpart. By 2019, the two new locations of

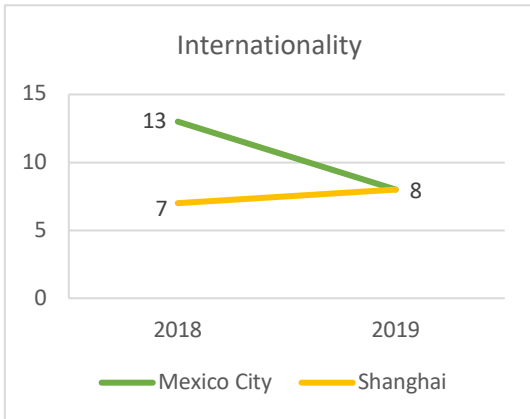


Figure 12: Evolution of the number of countries represented among guest galleries at Condo Mexico City and Condo Shanghai

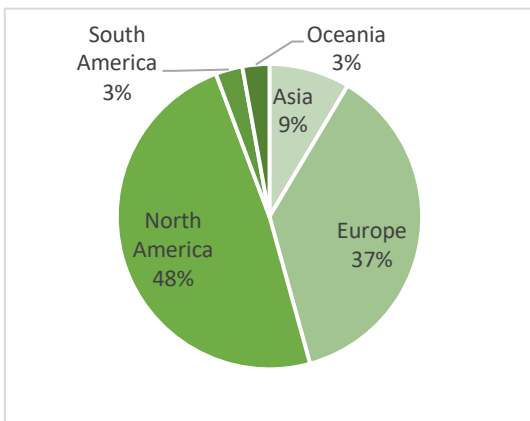


Figure 13: Composition of guests at Condo Mexico City, by region of origin (all years)

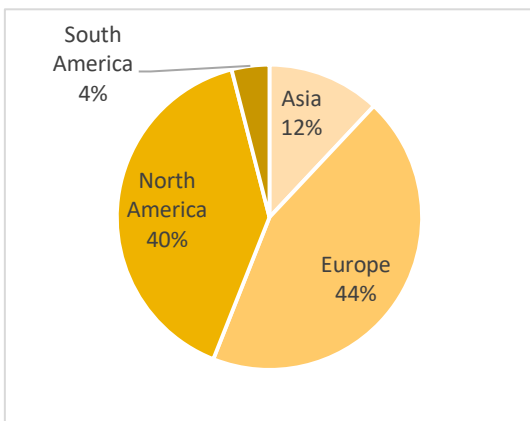


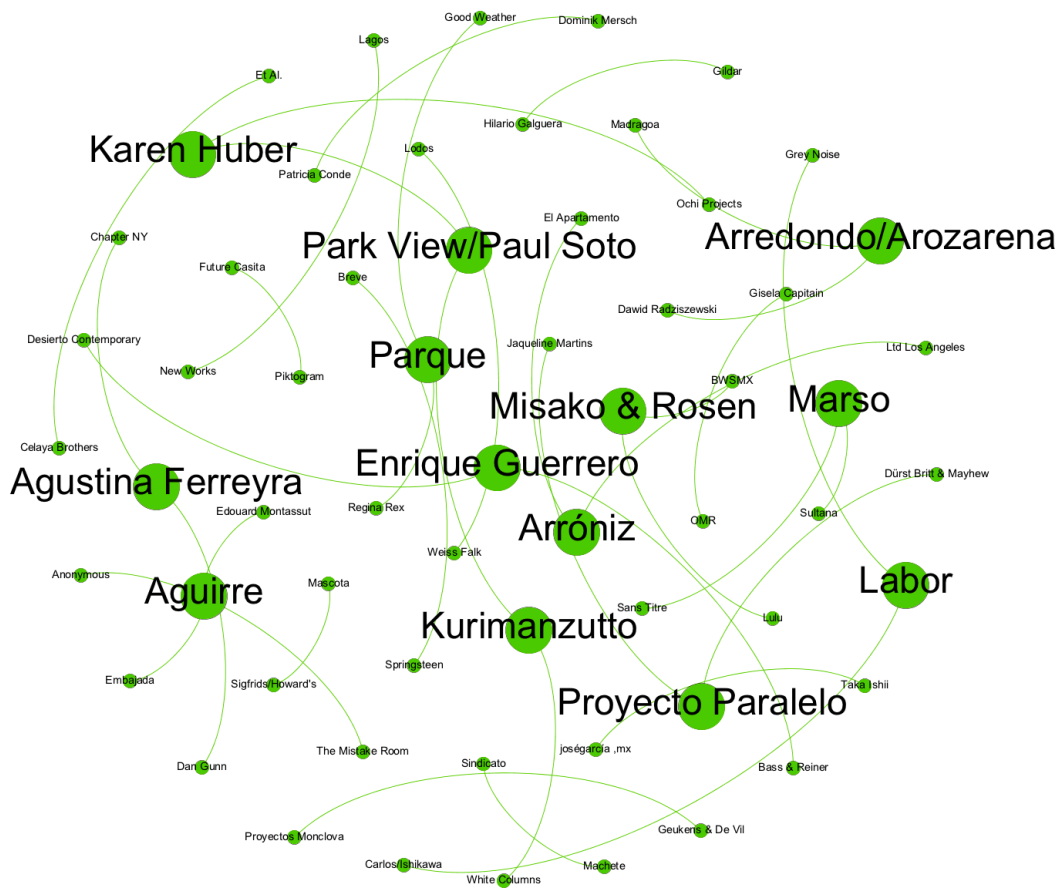
Figure 14: Composition of guests at Condo Shanghai, by region of origin (all years)

Condo were of much smaller scale than the previously established ones (London and NY). Interestingly, from the group of galleries with former participations at Condo, 5 out of 6 became hosts in their respective locations, which reflects the network effect at play in Condo.

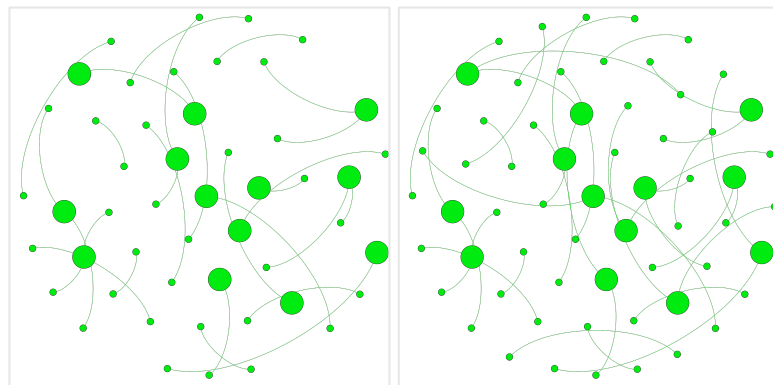
Regarding internationality, both editions had a low country diversity by 2019, though that would be expected as a consequence of their small-scale. In fact, both show a similar result (8) to the first-ever Condo edition in London (10), with an equivalent number of participants. The first edition of Condo Mexico City attracted galleries from new locations as well, such as San Juan (Puerto Rico) and Santo Domingo (Dominican Republic), closer in geographic proximity, and even Sydney (Australia). Guest galleries originate mostly from North America (48%), followed by Europe (37%). The first edition of Condo Shanghai welcomed guests from locations already familiar to the Condo network and mostly European; however, in its second edition, it welcomed guests from Jakarta (Indonesia), Lima (Peru), and Seoul (South Korea). Guest galleries originate mostly from Europe (44%), followed by North America (40%).

Below is presented the Condo Mexico City network evolution from 2018 to 2019 (Graph 3;3a;3b). The network grew from 49 nodes and 27 edges in 2018 to 61 nodes and 37 edges in 2019. In this network, we observe 13 highly central nodes and many nodes with low centrality degrees. The more central nodes have two connections each with other nodes, which means that they either participated in both editions (2018 and 2019) or hosted more than one guest at once. The majority of nodes have one single connection each with another node.

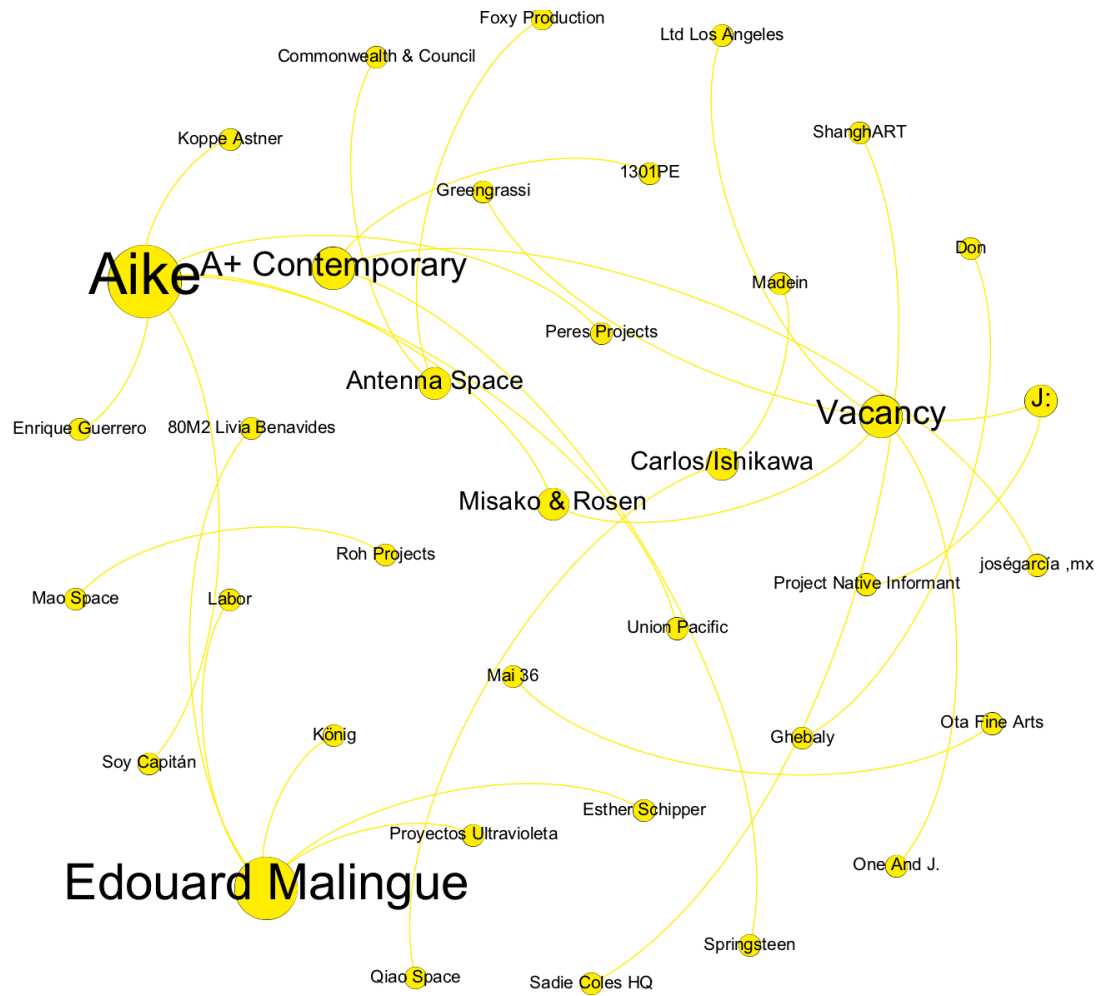
It is also presented the Condo Shanghai network evolution from 2018 to 2019 (Graph 4;4a;4b). The network grew from 22 nodes and 13 edges in 2018 to 37 nodes and 27 edges in 2019. There are only two nodes with visibly more connections than others (with degree centrality scores of 6 and 5), and all other nodes have 3 connections or less. Again, most nodes have only one connection.



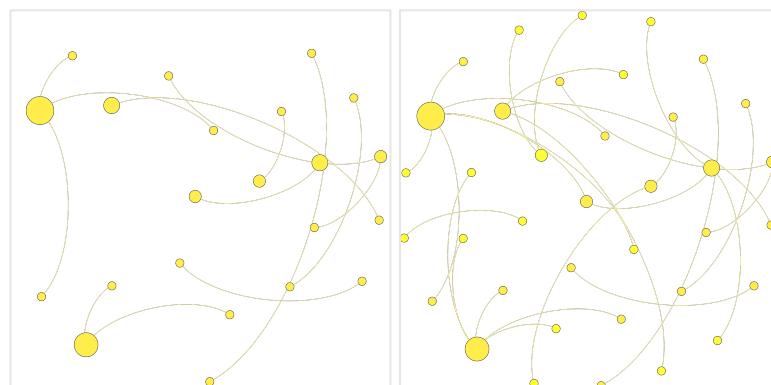
Graph 3: The Condo Mexico City network with labels (2019). Node size is proportional to the node's centrality degree (the larger the node, the more central it is within the network).



Graphs 3a,3b: The Condo Mexico City network over the years (2018-2019). Node size is proportional to the node's centrality degree (the larger the node, the more central it is within the network).



Graph 4: The Condo Shanghai network with labels (2019). Node size is proportional to the node's centrality degree (the larger the node, the more central it is within the network).



Graphs 4a, 4b: The Condo Shanghai network over the years (2018-2019). Node size is proportional to the node's centrality degree (the larger the node, the more central it is within the network).

Metrics	2018		2019	
	MX	SH	MX	SH
Nodes	49	22	61	37
Edges	27	13	37	27
Average Degree Centrality	1,10	1,18	1,21	1,46
Graph Density	0,02	0,06	0,02	0,04
Modularity	0,95	0,86	0,95	0,84
Average Clustering Coefficient	0	0	0	0
Average Path Length	1,16	1,28	1,38	2,00

Table 3: The SNA metrics of the Condo Mexico City (MX) and Condo Shanghai (SH) networks over the years

Let us analyze and compare the evolution of the SNA metrics for Condo Mexico City and Condo Shanghai (Table 3). The smaller scale of the Shanghai network allows for nodes to have higher degree centrality scores, on average. This network is also denser and less compartmentalized.

The density score is higher for Shanghai than Mexico City, which means that in the Shanghai network the nodes are more connected with each other. In 2019, the Shanghai network had a score of $d(2019) = 0,04$, meaning that it had 4% of all possible edges, while the Mexico City network had a score of $d(2019) = 0,02$, meaning that it had only 2% of all possible edges. Fewer nodes are related to a higher network density; thus, it is easier for nodes in the Shanghai network to be connected (and show a higher density score), given its smaller scale when compared to Mexico City.

The Shanghai network registered a decline in density, from $d(2018) = 0,06$ to $d(2019) = 0,04$, with the network becoming 2% sparser. The average path length score rose from $p(2018) = 1,28$ to $p(2019) = 2$, which means that the nodes became more distant from each other, on average. This is likely due to the new nodes that entered the network in 2019. During the same period of time, the Mexico City network maintained its density score, though the average path length slightly rose.

When it comes to modularity, the Shanghai network has lower scores, meaning it is less compartmentalized. Regardless, both networks show very high scores for modularity, just like the London and New York networks. There are no tendencies for the formation of clusters, which is to be expected, given that these networks only have two years of existence, not enough time for the formation of clusters to manifest.

5.4. Condo Unit: São Paulo and Athens

This section is dedicated to the ‘Condo Unit’ events in São Paulo and Athens as special forms of expansion of the Condo network. ‘Condo Unit’ are small-scale events where usually one or two local galleries host no more than ten international guest galleries in their premises. These events are a way to scout whether a new location gathers enough interest to gain its own Condo edition or not – in which case, it is either dropped or kept as a smaller event.

So far, three ‘Condo Unit’ events have been held, two in Athens and one in São Paulo. The first event was held in May 2018 in São Paulo, and the second and third events took place in October 2018 and September 2019 in Athens. In the case of São Paulo, the event escalated to a fully developed Condo edition, becoming Condo São Paulo (Condo SP) and acquiring the structure already in place for other locations, with more host galleries. Condo SP has been succeeding and had its second edition earlier this year. In the case of Athens, there was a second edition of ‘Condo Unit’, meaning it has not yet escalated to a larger event.

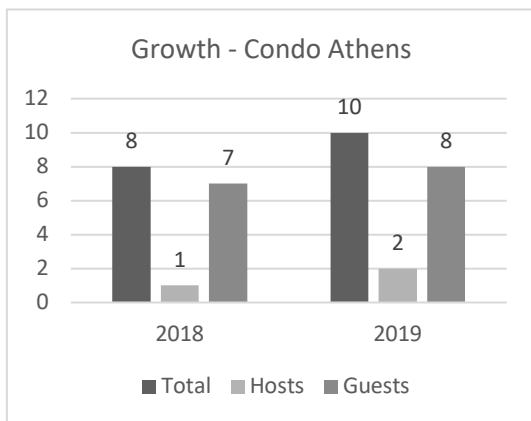


Figure 15: Evolution of the number of participating galleries at Condo Athens (both ‘Condo Unit’ events)

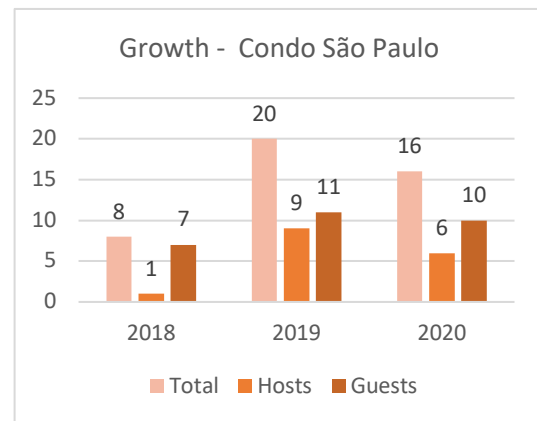


Figure 16: Evolution of the number of participating galleries at Condo São Paulo (in 2018, a ‘Condo Unit’ event)

The 2018 ‘Condo Unit’ events were of equal size in both locations in terms of participants. While the Athens network stabilized, the São Paulo network grew significantly after the ‘Condo Unit’ trial, and now has a participation history of 29

galleries. Condo São Paulo did, however, register a falling-off in the number of participants in 2020¹², particularly due to a decline in the number of hosts.

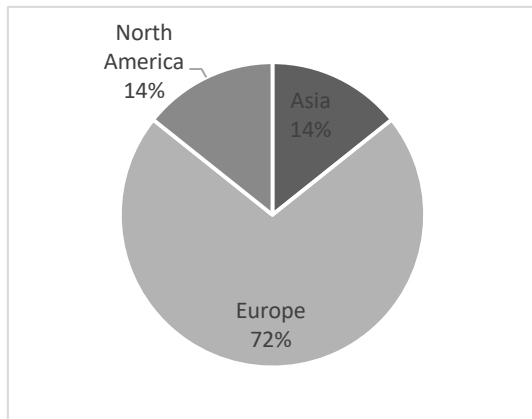


Figure 17: Composition of guests at Condo Athens, by region of origin (all years)

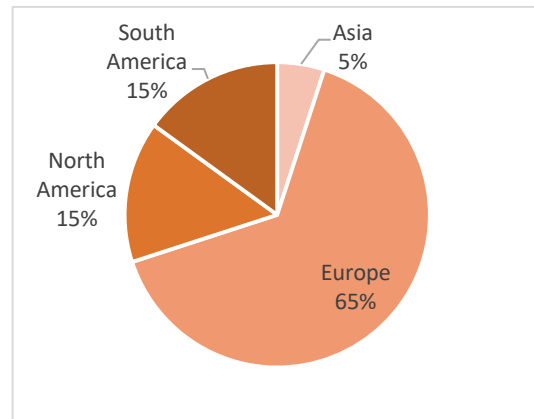


Figure 18: Composition of guests at Condo São Paulo, by region of origin (all years)

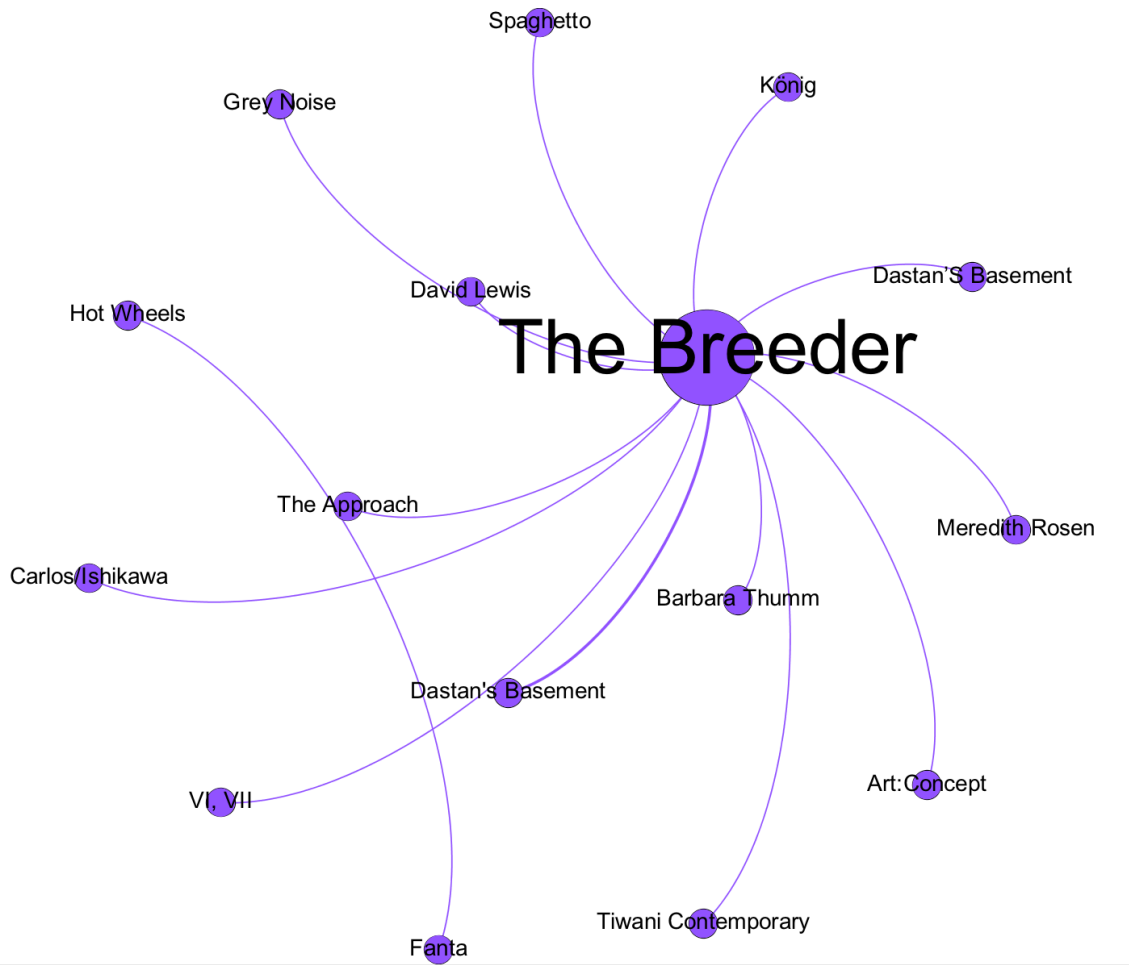
The Athens network is still very regional, with guest galleries originating mostly from Europe (72%). Some galleries also come from North America (14%) and Asia (14%), although no other regions are represented. The São Paulo network has the highest representation of South America (15%).

Below are presented the Condo Athens (Graph 5) and the Condo São Paulo (Graph 6) networks and respective evolutions. In the case of Athens, the network is still very small, given that it has only had two editions with a limited number of participants, and only two host galleries. The most central node is the host gallery present in both ‘Condo Unit’ events which hosted all the galleries in the first year. In the second year, this host was joined by another gallery that hosted just one guest. The main host thus acquired high centrality in this small network; all other participants are equally central to the network.

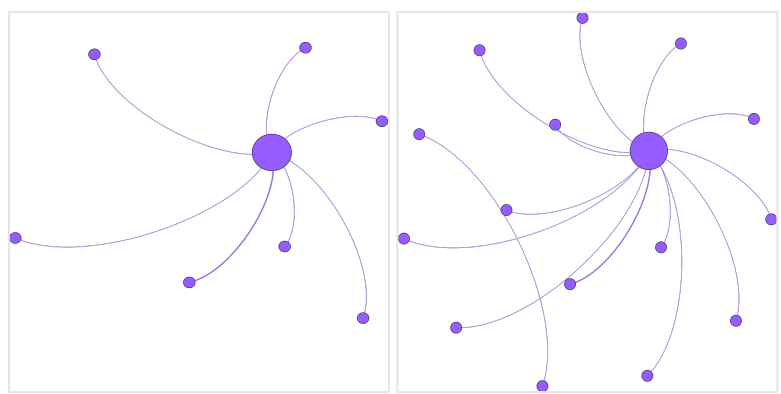
The São Paulo network, already in its third year, is more developed. The network grew from 8 nodes and 7 edges in 2018 (Graph 6a) to 29 nodes and 27 edges in 2020

¹² The 2020 edition of Condo São Paulo took place during the month of February, and is therefore likely to have been affected by the Covid-19 pandemic. The decline in the number of participants (particularly of guest galleries which had to travel in order to be present at Condo) may reflect this. Although travel restrictions were not yet in place, fear around the outbreak may have compelled galleries to cancel their participation.

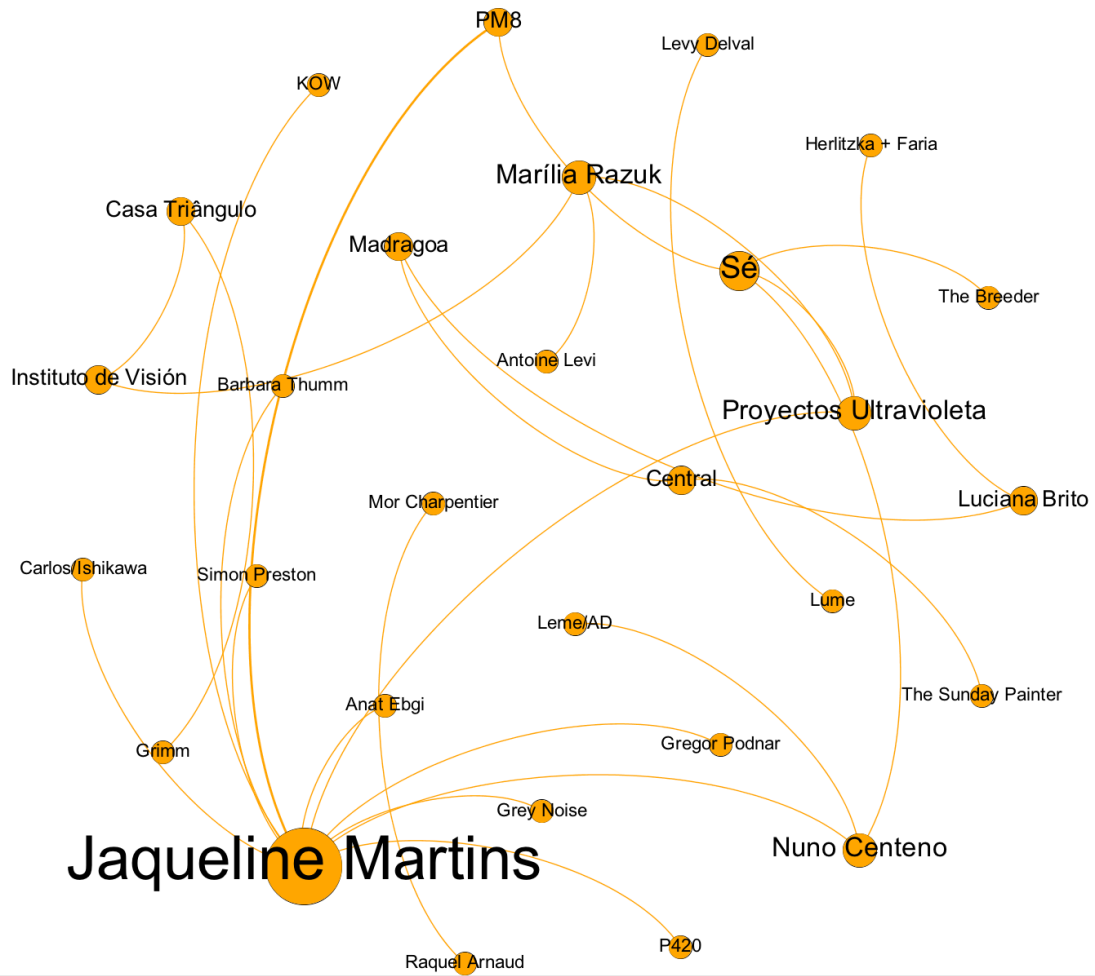
(Graph 6c). Similar to Athens, the most central node is the local host gallery from the first edition, which kept on participating and hosting more guests throughout the years. Some of the remaining nodes are more central than others – possibly given repeated participation in 2018 and 2019.



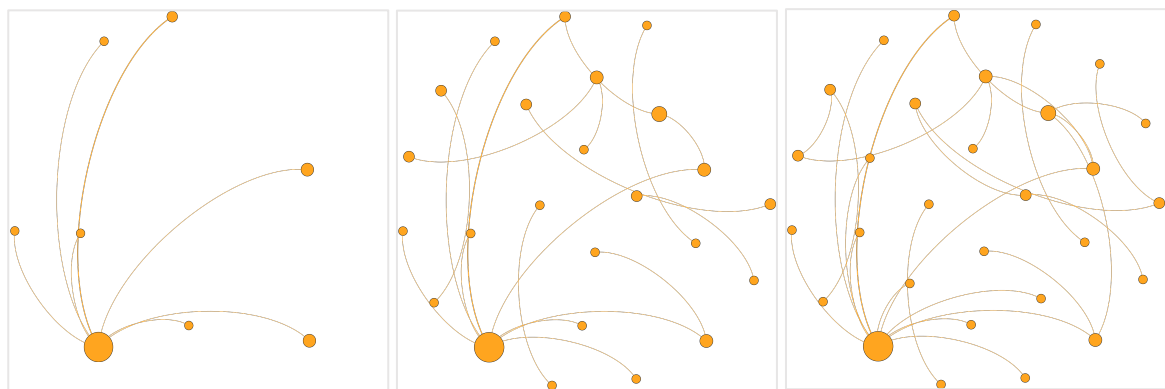
Graph 5: The Condo Athens network with labels (2019). Node size is proportional to the node's centrality degree (the larger the node, the more central it is within the network).



Graphs 5a, 5b: The Condo Athens network over the years (2018-2019). Node size is proportional to the node's centrality degree (the larger the node, the more central it is within the network).



Graph 6: The Condo São Paulo network with labels (2020). Node size is proportional to the node's centrality degree (the larger the node, the more central it is within the network).



Graphs 6a, 6b, 6c: The Condo São Paulo network over the years (2018-2020). Node size is proportional to the node's centrality degree (the larger the node, the more central it is within the network).

Below are the SNA metrics collected for each year for the Athens and São Paulo networks (Table 4). Although they start with the exact same scores – those for the first ‘Condo Unit’ events in 2018 –, the two networks evolve very differently.

Metrics	2018		2019		2020
	ATH	SP	ATH	SP	SP
Nodes	8	8	16	24	29
Edges	7	7	14	18	27
Average Degree Centrality	1,75	1,75	1,75	1,5	1,86
Graph Density	0,25	0,25	0,12	0,07	0,07
Modularity	0	0	0,12	0,61	0,59
Average Clustering Coefficient	0	0	0	0	0
Average Path Length	1,75	1,75	1,85	1,95	2,91

Table 4: The SNA metrics of the Condo Athens (ATH) and Condo São Paulo (SP) networks over the years

Naturally, given Condo Athens’s small size and the fact that it followed the structure of ‘Condo Unit’, its scores did not change significantly. In 2019, after a few new nodes joined the network, graph density declined and average path length rose slightly, meaning that the nodes became less connected and a bit more distant from each other. Although average degree centrality scores remained the same, $c(2018) = c(2019) = 1,75$ – meaning that a node has, on average, 1,75 connections with other nodes –, graphs 5a and 5b inform that there is only one highly central node (the main host gallery), to which all other nodes are connected except for two.

The São Paulo network, which escalated to a typically structured Condo event, shows the expected signs of such growth, much like other Condos before: progressively lower density scores, as the network grows, going from $d(2018) = 0,25$ to $d(2020) = 0,07$, or from 25% to only 7% of all possible edges. The increasingly lower density scores are trailed by rising average path length scores, $p(2018) = 1,75$ to $p(2020) = 2,91$, as the distance between nodes extends. Modularity scores rise to $m(2020) = 0,59$, as the network becomes more compartmentalized – although it does not show any signs of ‘clustering’.

5.5. Condo network: a macro perspective

So far, this study has analyzed the expansion of the Condo network from London to five new cities – New York, Mexico City, Shanghai, São Paulo, and Athens – in the period from 2016 to 2020. A chronological logic has been followed, highlighting the take-off in London (2016), the expansion to New York (2017), then to Mexico City and Shanghai (2018), and finally, through the ‘Condo Unit’ format, to São Paulo and Athens (2018).

Each local network evolved over time (although some had more time to develop than others), which is reflected in the computed SNA metrics. The networks are analyzed cumulatively and not separately for each year, meaning that the metrics for a given year include the nodes and edges from the first year and up to that year. Therefore, each network’s last available year contains all the information and accumulated growth from the network over the years.

For the macro analysis in this section, the most complete versions of each network (that is, the information for the last year available) have been included. Below is a comparison table with the latest results for the different locations (Table 5), a ‘screenshot’ of the networks as they were last analyzed – 2020 for London and São Paulo, and 2019 for the other locations.

Metrics	London	New York	Mexico City	Shanghai	São Paulo	Athens
Nodes	105	87	61	37	29	16
Edges	127	66	37	27	27	14
Average Degree Centrality	2,42	1,52	1,21	1,46	1,86	1,75
Graph Density	0,02	0,02	0,02	0,04	0,07	0,12
Modularity	0,75	0,90	0,95	0,84	0,59	0,12
Average Clustering Coefficient	0,02	0	0	0	0	0
Average Path Length	4,80	2,54	1,38	2,00	2,91	1,85

Table 5: Comparison of the SNA metrics of the six Condo networks (results are from the last available year for each network)

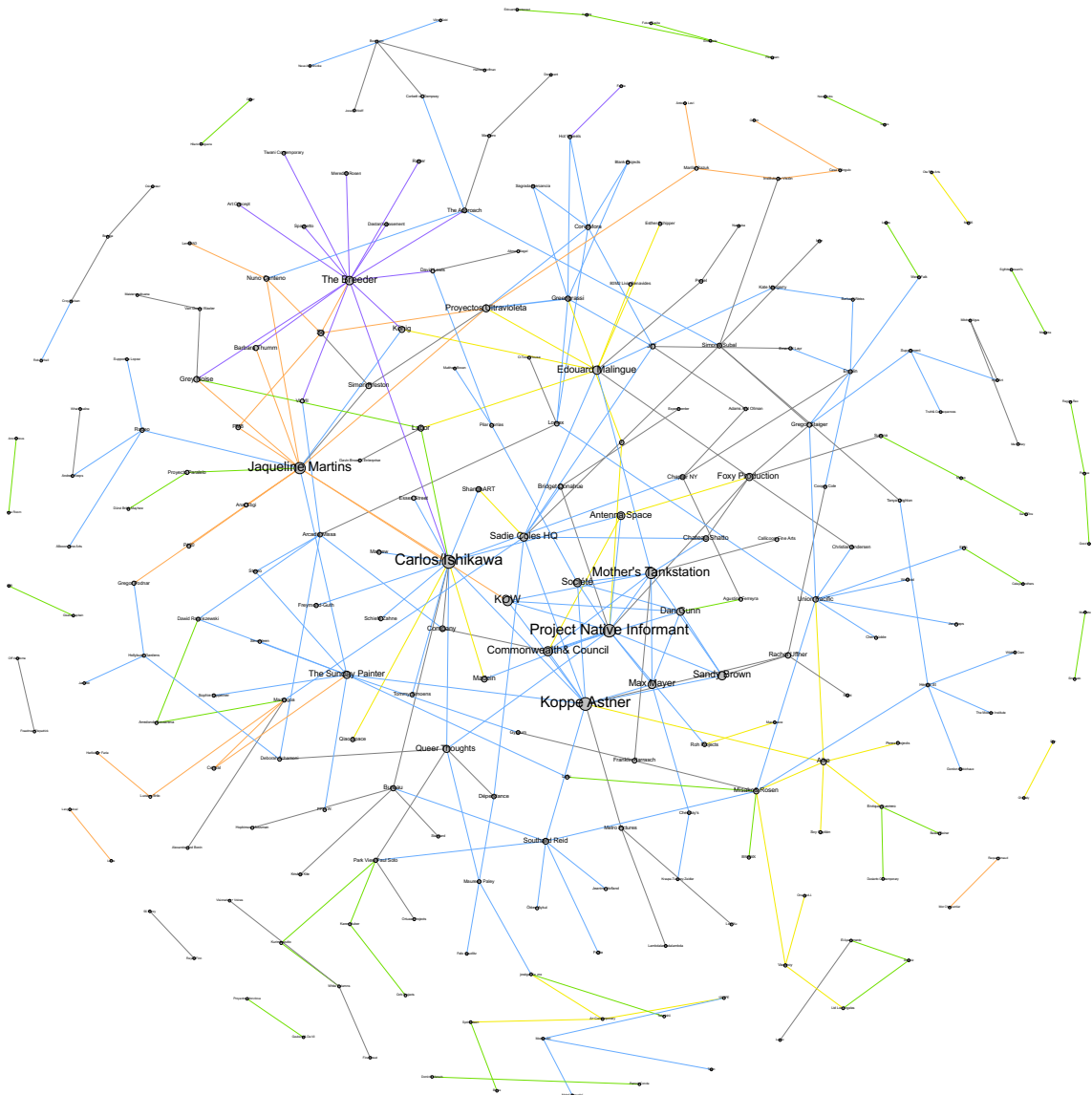
The London network is the most developed (with the highest number of nodes), and the only one that shows evidence of ‘clustering’, with $r(\text{London}) = 0,02$. The larger dimension of this network (105 nodes) is reflected in its metric scores. The London network shows moderately high scores of modularity, $m(\text{London}) = 0,75$, and very low

scores of graph density, $d(\text{London}) = 0,02$. Nodes are the most distant in the London network, with $p(\text{London}) = 4,8$, meaning that a node has, on average, 4,8 edges that separate it from other nodes.

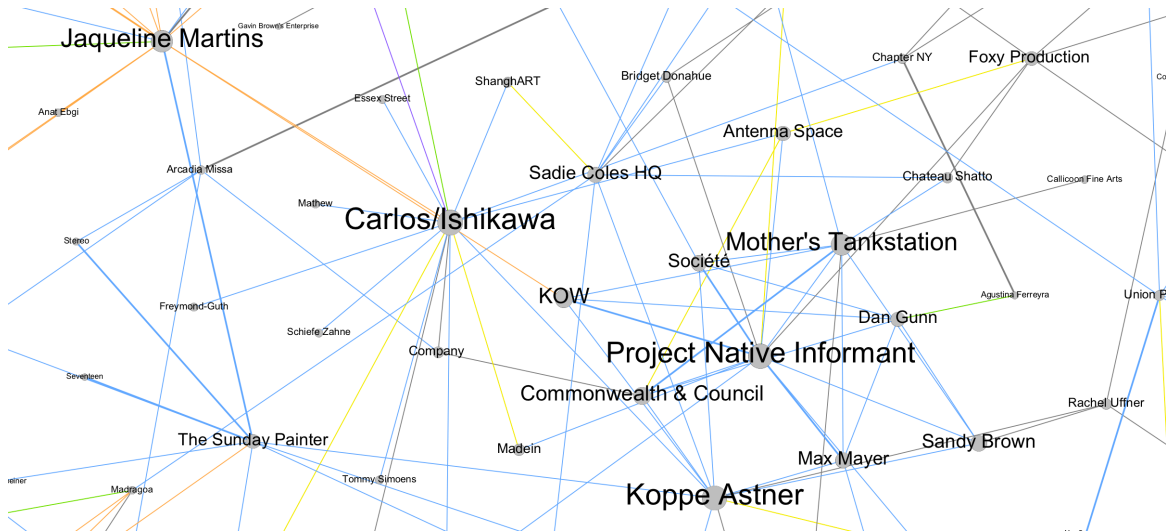
The dimension of the Athens network, the smallest of networks, is also reflected in its metrics scores. Because it is such a small network, with only 16 nodes, it is the densest and least modular. In this network, the nodes are the most connected with each other ($d(\text{Athens}) = 0,12$) and the least compartmentalized ($m(\text{Athens}) = 0,12$).

The three largest networks (London, New York, Mexico City) are the least dense, with $d(\text{London}) = d(\text{New York}) = d(\text{Mexico City}) = 0,02$. Two of the three largest networks (New York, Mexico City) are the most modular, with $m(\text{New York}) = 0,9$ and $m(\text{Mexico City}) = 0,95$. We can then conclude that, in the Condo networks, (a) the larger the network is, the less dense it is, which means that the less close to complete it is, and the less connected the nodes are with each other; (b) larger networks tend to be more modular, which means that introducing more nodes to the network tends to contribute to its compartmentalization (the formation of 'clusters', communities, or groups inside the network).

Below is presented the global Condo network (Graph 7;7a). The complete network has a total of 235 nodes and 294 edges. In this graph, the largest nodes are the galleries with the highest eigenvector scores, which have a varied range of connections with other influential nodes in the network. The edges are color-coded according to events' location, meaning that each color represents an edge formed in a different Condo location (London: blue; New York; dark grey; Mexico City: green; Shanghai: yellow; São Paulo: orange; Athens: purple). The eigenvector centrality scores of nodes will be analyzed in section 5.5.2.



Graph 7: The Condo network. Edges are color-coded. Node size is proportional to Eigenvector Centrality.



Graph 7a: Zoom-in on the Condo network.

5.5.1. Frequency of participation

In terms of participation frequency, out of 273 galleries¹³, 169 participate as guests and 104 participate as hosts. In Figure 19, we see that, from all participants, 109 guests and 48 hosts participate only once – that makes up 64,5% of all guests and 46% of all hosts. From the 60 remaining guests (those who participate more than once), 37 participate twice, and only 5 participate more than five times.

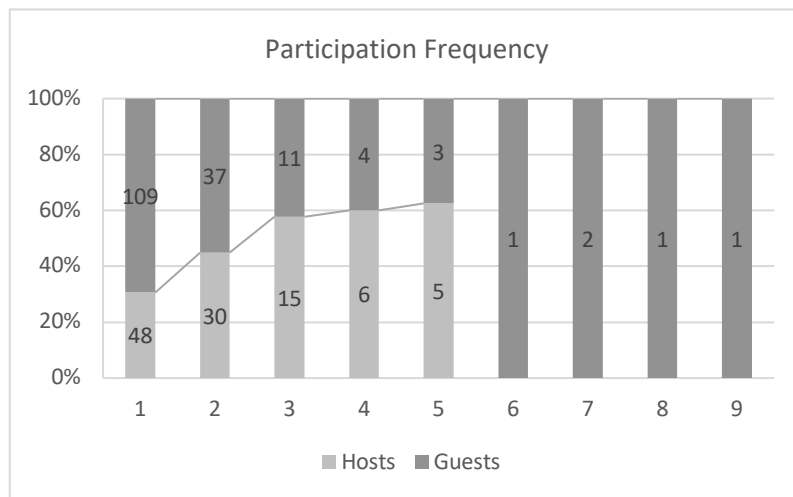


Figure 19: Participation frequency of hosts and guests at Condo (2016-2020)

The participation frequency of host galleries is limited to the number of Condo events in their given location – for example, host galleries from London can only participate up to a maximum of 5 times (2016-2020). Table 6 shows the hosts with the highest participation rates, all of which were present in all Condo London events (2016-2020).

Gallery	City	Participation Frequency
Arcadia Missa	London	5
Carlos/Ishikawa		
Project Native Informant		
Southard Reid		
The Sunday Painter		

Table 6: Top 5 most frequent host galleries at Condo (all locations)

¹³ This sum (273) is greater than the number of galleries in the dataset (255) because some galleries (18) are both hosts and guests, depending on the location. Therefore, they were counted ‘twice’.

Guest galleries could participate up to a maximum of 17 times if they had been present in all Condo events worldwide. Although no guest has reached this number, 5 guests show participation records above five times, with the top participant being present in nine editions of Condo. The guests with the highest participation rates are also more likely to have more international participation (i.e. participate in Condo events in various locations).

Gallery	City	Participation Frequency
Carlos/Ishikawa	London	7
Jaqueline Martins	São Paulo	6
Koppe Astner	Glasgow	7
Misako & Rosen	Tokyo	9
Proyectos Ultravioleta	Guatemala City	8

Table 7: Top 5 most frequent guest galleries at Condo (all locations)

From Table 7, we see that the top 5 most frequent guests include Carlos/Ishikawa (London), from dealer Vanessa Carlos, the founder of CONDO, and Jaqueline Martins (São Paulo), from Jaqueline Martins, the local responsible for Condo São Paulo, which also participate as hosts in their respective locations each year. The other three top guests are from cities outside the Condo locations: Koppe Astner (Glasgow), Misako & Rosen (Tokyo), and Proyectos Ultravioleta (Guatemala City). These hosts have international participation, and all participate in at least three different Condo locations.

Let us now compare the two most popular locations of Condo in terms of participants (London and New York). Condo London has had a total of 105 participating galleries, 80 guests and 25 hosts over a period of five years. Figure 20 shows that, from all participants, 60 guests and 5 hosts participate only once. In London, it is most common to have 4 (out of 5) participations as a host; there are also more hosts participating four or three times than just once.

Condo New York has a total of 87 participating galleries, 58 guests and 29 hosts over a period of three years. Figure 21 shows that, from all participants, 50 guests and 10 hosts participate only once. Therefore, it is most common for both guests and hosts

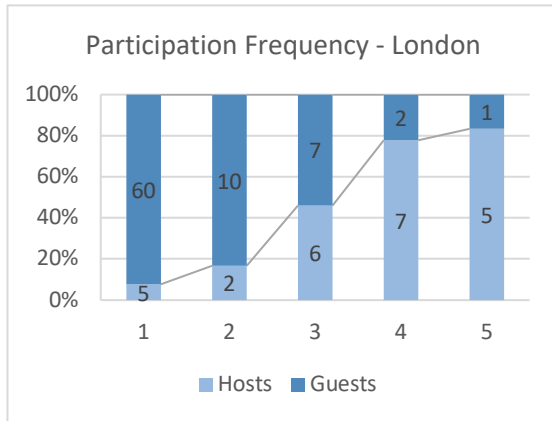


Figure 20: Participation frequency of hosts and guests at Condo London (2016-2020)

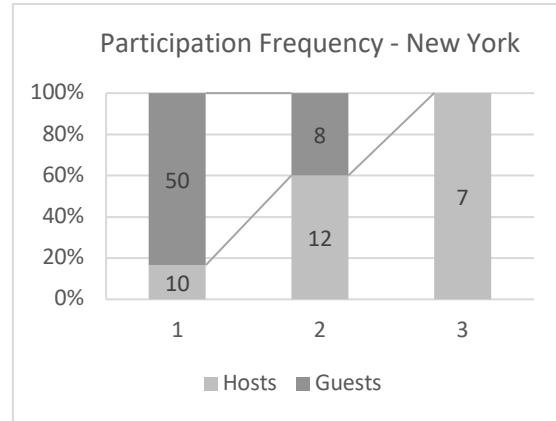


Figure 21: Participation frequency of hosts and guests at Condo NY (2017-2019)

to return to London than to New York after their first participation. London has already two years of an advantage when compared to New York, so it is normal that it is more established and has more returning participants.

At the same time, Condo New York has had a total of 29 hosts over three years, superior to Condo London's 25 hosts over five years. This may have different interpretations. On the one hand, Condo London may be a more appealing location for host galleries, since they are more likely to stay after the first participation. However, it could also be that there are simply more host galleries interested in participating in Condo New York, so the galleries rotate more to allow for different participants to take part.

5.5.2. Eigenvector centrality: who is influential in the network?

In order to determine who is influential in the Condo network, eigenvector centrality scores were generated for every gallery. Eigenvector centrality is a measure of node importance (influence) in a network based on a node's connections. Relative scores are assigned to all nodes in the network based on the notion that connections to high-scoring nodes contribute more to the score of any given node than equal connections to low-scoring nodes.

While a high degree centrality score implies that a node has a varied range of connections with others in the network, a high eigenvector centrality degree score indicates that a node is connected to many other nodes who themselves have high scores. In a way, eigenvector centrality measures the *quality*, rather than the *quantity*, of connections.

After determining the top 30 most influential galleries in the network, we look at their location and size (small/mid-sized or big). The aim is to observe the characteristics of nodes with higher eigenvector centralities, to conclude if Condo created a network for its initial target – the small and mid-sized galleries –, that is, if it gave them influence in the network. The level of internationality of the top most influential galleries is also assessed, in order to detect any regionality patterns.

After listing the highest-scoring galleries, a criterion was used to determine whether they are small/medium or big players, using the top two brands of art fairs: if a gallery has participated in both Art Basel (Basel, Miami Beach, Hong Kong) and Frieze (London, Los Angeles, New York) in the last two years (2018-2019), it is considered 'big'; otherwise, it is considered 'small' or 'mid-sized'. This measure does not refer to revenues (which are unknown) or the number of represented artists. It is more an indication of the 'artistic' prominence of the gallery in the art world, as certified by participation in highly selective (and expensive) fairs.

From the top 30 most influential galleries in the network, 12 are big players, and 18 are small or mid-sized galleries. Therefore, it can be said that Condo accomplished to some extent its goal of giving a platform to small and mid-sized galleries. It is also confirmed that Condo is an alternative, rather than a substitute of other fairs, given that

those big galleries that are present in the Art Basel and Frieze circuits also see a benefit in participating in Condo. It seems that big galleries, as well as small/mid-sized can be influential in the network and benefit from participation in this gallery-share initiative.

Gallery	Eigenvector Score	City	Classification
Carlos/Ishikawa	1	London	Big
Koppe Astner	0,977	Glasgow	Small/mid-sized
Project Native Informant	0,957	London	Big
Jaqueline Martins	0,831	São Paulo	Big
Mother's Tankstation	0,802	Dublin, London	Small/mid-sized
KOW	0,649	Berlin	Small/mid-sized
Commonwealth & Council	0,636	Los Angeles	Big
The Breeder	0,575	Athens	Small/mid-sized
Sandy Brown	0,553	Berlin	Small/mid-sized
Edouard Malingue	0,552	Hong Kong, Shanghai	Big
Société	0,530	Berlin	Big
Sadie Coles HQ	0,526	London	Big
Max Mayer	0,525	Dusseldorf	Small/mid-sized
Antenna Space	0,491	Shanghai	Big
Dan Gunn	0,474	Berlin	Small/mid-sized
The Sunday Painter	0,460	London	Small/mid-sized
Foxy Production	0,452	New York	Small/mid-sized
Proyectos Ultravioleta	0,441	Guatemala City	Small/mid-sized
Queer Thoughts	0,430	New York	Small/mid-sized
König	0,335	Berlin, London, Tokyo	Big
Southard Reid	0,324	London	Small/mid-sized
Labor	0,323	Mexico City	Small/mid-sized
Madein	0,316	Shanghai	Small/mid-sized
Grey Noise	0,309	Dubai	Small/mid-sized
Aike	0,302	Shanghai	Big
Sé	0,301	São Paulo	Small/mid-sized
Company	0,301	New York	Big
Chateau Shatto	0,292	Los Angeles	Big
Misako & Rosen	0,275	Tokyo	Small/mid-sized
Simon Preston	0,270	New York	Small/mid-sized

Table 8: Top 30 most influential galleries in the Condo network (all locations)

Regarding the region of origin of the top 30 most influential galleries in the Condo network, the results show that Europe is the dominant region (46%), followed by North America (27%) and Asia (20%). South America holds a very small percentage (7%), and Africa and Oceania are not represented.

Although predictable, given the previously analyzed internationality and regionality levels of Condo events, these results suggest that Condo still has a challenge of diversification when it comes to the galleries to which it gives the most platform to gain influential connections.

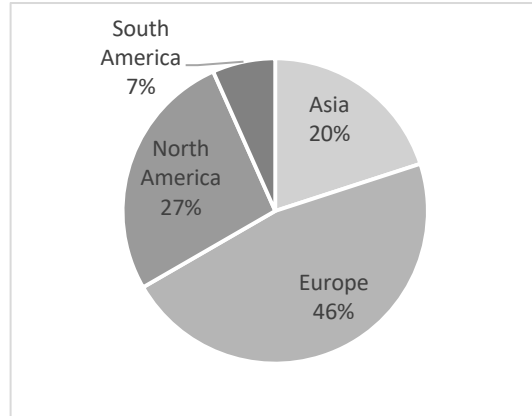


Figure 22: Composition of the top 30 most influential galleries in the Condo network, by region of origin (all locations)

Chapter 6: Conclusion

This study set out to investigate alternatives to the traditional contemporary art fair model that focus on network building and collaboration in order to respond to the needs of small and mid-sized galleries. The empirical analysis of this study focused on Condo, a gallery-share initiative launched in London in 2016 which has grown exponentially and expanded to various locations around the world. Gallery-share initiatives are a particular form of collaboration in the art market, in which galleries share resources and create a platform to show and sell the work of their artists. These alternatives to established art fairs enable galleries to develop partnerships and expand their network while advancing both their commercial and artistic purposes. The research question guiding this study was: *has Condo contributed to network building and collaboration among participating galleries?*

The Condo network was analyzed, using Social Network Analysis (SNA), in order to determine the forms and evolution of network building and collaboration among the galleries in the Condo network (i.e., the participants in Condo events). An original dataset was built with data on all the participating galleries from all editions of Condo, across years (2016-2020) and locations (London, New York, Mexico City, Shanghai, São Paulo, Athens). In order to frame and complement the network analysis, informal interviews were conducted with dealers who participated in Condo, and questions were asked about their experience at the event(s), as well as how they compared to experiences at other art fairs (see Appendix A and B). This allowed for a more complete understanding of the experience of participating galleries at Condo, as well as the role of participation in gallery-share initiatives in the commercial strategy of galleries.

In Chapter 3, two main goals of Condo were outlined: (1) to give small and mid-sized galleries a chance to collaborate and (2) to grant them the opportunity to exhibit their artists abroad with fewer costs. The results confirm that these goals have been attained to some extent. As observed in the analysis of the eigenvector centrality scores of galleries, the top most influential galleries in the Condo network are mostly small or mid-sized galleries (18/30). However, we can also find big galleries (12/30). As it evolved, Condo may have broadened its gallery-type target to accommodate other types of

participants to join the network. As Condo grew, a few more established players began entering the network (for example, Sadie Coles HQ and Maureen Paley in 2017, and Pilar Corrias in 2018). This may indicate that Condo is after all an alternative, rather than a substitute of conventional art fairs, given that those big galleries that are present in the Art Basel and Frieze circuits also see a benefit in participating. The analysis of the internationality (number of countries represented among guest galleries) and regionality (composition of guests by region of origin) levels of Condo suggest that it still faces a challenge to diversify its participants. The regions of South America, Africa, and Oceania, which are not yet integrated into the circuit of the main international art fairs, are less represented among guest galleries at Condo, when compared to the dominant art market regions (Europe, North America, and Asia).

The interpretation of the results presented in Chapter 5 provides a few conclusions. Firstly, the successful growth of Condo through network building is confirmed. Although Condo has developed in different ways depending on the location – ‘Condo Unit’ is a particular form of expansion –, there is an observable growth in the number of participants common to nearly all editions (with the exception of the year 2020, which may have been affected by the Covid-19 pandemic). As Condo grows, the more opportunities it creates for galleries to engage in its network. Each year brings new Condo events and novel opportunities for galleries to feature in Condo as either hosts or guests. Our analysis of the evolution of the Condo networks permits the following general conclusions: (a) the larger the network is, the less dense it is, and the less connected the galleries are with each other; (b) larger networks tend to be more modular, which means that introducing more galleries to the network tends to contribute to its compartmentalization (the formation of ‘clusters’, communities, or groups inside the network). Thus, there seems to be a paradox of growth intrinsic to the development of the network: as Condo adds more galleries to its network, it provides more opportunities for collaboration; at the same time, the more it grows, the more it loses its ‘small-scale’ characteristic, which may lead to a loss of ability to create meaningful connections.

We also identified different types of collaboration within the Condo network. Collaboration usually happens one-on-one – between one host and one guest. However, collaborations between more than one host and/or guest also happen sporadically – for example, two host galleries that ‘team up’ and receive their guests in a shared space, or a group of host galleries receives a group of hosts in a shared space. Galleries that take part in “group collaborations” therefore multiply their opportunities for connections and network building. During interviews, some dealers reported having initiated a connection with another gallery themselves and bringing that collaboration suggestion to Condo. Others reported having been matched with their host/guest by the Condo board, in which case it is not clear which criteria were followed to create the match. In the first case, a collaboration between galleries exists prior to Condo, and the events are a place where the galleries can affirm and maintain their relationship. In the second case, Condo is active in initiating collaboration among galleries who may not have known each other before (or engaged in any previous meaningful connection).

This research has some implications for theory. Firstly, it confirms the hypothesis advanced by Cattani and Ferriani (2008) that collaboration between individuals closer to the core with others closer to the fringe of a network benefit both types. The results show that the Condo initiative has grown to become popular among both established (closer to the core) and emerging (closer to the fringe) dealers in the contemporary art market. Emerging dealers can build on their colleagues’ social status to gain the legitimacy and attention that they do not yet have, while established dealers, who are less likely to be exposed to unusual sources of inspiration and fresh ideas, can gain from the young partner’s perspective to stay in touch with what is alternative and unconventional in the market. Secondly, it contributes to the vacuum in the literature related to collaboration in the art market. Although there is extensive literature regarding the phenomenon of the proliferation of art fairs and its implications, research with a focus on alternatives to art fairs and/or collaboration initiatives is still uncommon. Hopefully, this study will be a first step in recognizing the potential of collaboration in the art market and studying its various forms.

Finally, it should be noted that this research has its limitations. Firstly, the empirical method used (social network analysis) does not show causality between variables; it is merely descriptive of the existing network and its evolution. Secondly, only the physical collaboration of galleries was analyzed, meaning that galleries are connected through their participation at Condo (one either hosted or was hosted by the other). However, collaboration is a complex variable to assess, given that it can be decomposed in several sub-variables (there are many ways for galleries to collaborate). It would be interesting to develop this research further, in order to prove other levels of collaboration, that is, to find a relationship of causality between participation at Condo and future collaborations (non-related to Condo) among galleries. This could mean, for example, determining whether the connections enabled by the host/guest match at Condo created further opportunities for collaboration (for example, joint representation of artists, collective exhibitions, and shared booths at art fairs).

References

Andre, M., Ijaz, K., Tillinghast, J. D., Krebs, V. E., Diem, L. A., Metchock, B., ... & McElroy, P. D. (2007). Transmission network analysis to complement routine tuberculosis contact investigations. *American Journal of Public Health, 97*(3), 470-477.

Baia Curioni, S. (2012). A fairy tale: the art system, globalization and the fair movement. In O. Velthuis & M. Lind (Eds.), *Contemporary art and its commercial markets. A report on current conditions and future scenarios* (pp. 115-151). Berlin, Germany: Sternberg.

Barragán, P. (2008). *The art fair age*. Milan, Italy: Charta.

Bastian, M., Heymann, S., & Jacomy, M. (2009, March). *Gephi: an open source software for exploring and manipulating networks*. Paper presented at the Third International AAAI Conference on Weblogs and Social Media, San Jose, CA. Retrieved from <https://www.aaai.org/ocs/index.php/ICWSM/09/paper/view/154/1009>

Becker, H. S. (1982). *Art Worlds*. Berkeley, CA: University of California Press.

Boari, C., & Corrado, R. (2007, June). *Network and egocentric uncertainty: relationships among art galleries in the contemporary art system*. Paper presented at the 23rd Egos Colloquium, Vienna, Austria. Retrieved from <http://dx.doi.org/10.2139/ssrn.1013270>

Buchholz, L., & Wuggenig, U. (2005). Cultural Globalization Between Myth and Reality: The Case of the Contemporary Visual Arts. *Artefact 4 ('Glocalogue')*, (4). Retrieved from http://artefact.mi2.hr/_a04/lang_en/theory_buchholz_en.htm

Bystryn, M. (1978). Art galleries as gatekeepers: The case of the abstract expressionists. *Social Research, 45*(2), 390-408.

Carrington, P. & Scott, J. (2011). Introduction. In J. Scott & P. J. Carrington (Eds.), *The SAGE handbook of social network analysis* (pp. 1-8). London, England: SAGE publications.

Cattani, G., & Ferriani, S. (2008). A core/periphery perspective on individual creative performance: Social networks and cinematic achievements in the Hollywood film industry. *Organization science*, *19*(6), 824-844.

Curioni, S. B., Forti, L., & Leone, L. (2015). Making visible: Artists and galleries in the global art system. In O. Velthuis & S. B. Curioni (Eds.), *Cosmopolitan canvases: the globalization of markets for contemporary art* (pp. 55-77). New York, NY: Oxford University Press.

Daskalaki, M. (2010). Building 'bonds' and 'bridges': Linking tie evolution and network identity in the creative industries. *Organization Studies*, *31*(12), 1649-1666.

Di Caro, P., Di Gaetano, L., & Mazza, I. (2020). Intermediaries. In R. Towse & T. N. Hernández (Eds.), *Handbook of Cultural Economics* (pp. 304-310). Cheltenham, England: Edward Elgar Publishing.

Ertug, G., Yogev, T., Lee, Y. G., & Hedström, P. (2016). The art of representation: How audience-specific reputations affect success in the contemporary art field. *Academy of Management Journal*, *59*(1), 113-134.

Foster, P., Borgatti, S. P., & Jones, C. (2011). Gatekeeper search and selection strategies: Relational and network governance in a cultural market. *Poetics*, *39*(4), 247-265.

Goyal, S. (2014). Social networks in economics. In J. Scott & P. J. Carrington (Eds.), *The SAGE handbook of social network analysis* (pp. 67-79). London, England: SAGE publications.

Harris, J. (Ed.). (2011). *Globalization and contemporary art*. West Sussex, UK: John Wiley & Sons Ltd.

Joel, S. (2009). A social network analysis approach to a social model of the creative industries: the design sub-sector. *Creative Industries Journal*, 2(2), 191-201.

Jyrämä, A. A. I., & Äyväri, A. M. (2006, September). *Shaping the practices – role of different actors within the context of contemporary art market*. Paper presented at the 22nd IMP Annual Conference, Milan, Italy. Retrieved from <https://www.impgroup.org/uploads/papers/5617.pdf>

Kelman, I., Luthe, T., Wyss, R., Tørnblad, S. H., Evers, Y., Curran, M. M., ... & Berlow, E. L. (2016). Social network analysis and qualitative interviews for assessing geographic characteristics of tourism business networks. *PLoS ONE*, 11(6), e0156028. <https://doi.org/10.1371/journal.pone.0156028>

Kirmani, A., & Rao, A. R. (2000). No pain, no gain: A critical review of the literature on signaling unobservable product quality. *Journal of marketing*, 64(2), 66-79.

Krebs, V. (2014, September). From Main Street to Wall Street: A Network Analysis of the 2008 Mortgage Crisis. Paper presented at the Financial Risk and Network Theory Conference, Cambridge, England. Retrieved from <https://doi.org/10.13140/RG.2.1.4167.1206>

Lampel, J., & Meyer, A. D. (2008). Field-Configuring Events as Structuring Mechanisms: How Conferences, Ceremonies, and Trade Shows Constitute New Technologies, Industries, and Markets. Guest Editors Introduction. *Journal of Management Studies*, 45(6), 1025-1035.

Lanham, R. A. (2006). *The economics of attention: Style and substance in the age of information*. Chicago, IL: University of Chicago Press.

Lee, M. (2015). Fostering connectivity: a social network analysis of entrepreneurs in creative industries. *International Journal of Cultural Policy*, 21(2), 139-152.

Lee, S. H., & Lee, J. W. (2016). Art fairs as a medium for branding young and emerging artists: The case of frieze London. *The Journal of Arts Management, Law, and Society*, 46(3), 95-106.

Maskell, P., Bathelt, H., & Malmberg, A. (2006). Building global knowledge pipelines: The role of temporary clusters. *European planning studies*, 14(8), 997-1013.

McAndrew, C. (2018). *The Art Market 2018: an Art Basel and UBS Report*. Retrieved from the Art Basel website: <https://www.artbasel.com/about/initiatives/the-art-market>

Morel, C. (2013). The art fair as a metaphor of the art world. In D. O'Reilly, R. Rentschler & T. A. Kirchner (Eds.), *The Routledge Companion to Arts Marketing* (pp. 385-395). London, England: Routledge.

Morgner, C. (2014). The art fair as network. *The Journal of Arts Management, Law, and Society*, 44(1), 33-46.

Prendergast, C. (2014). *The market for contemporary art*. Retrieved from <https://faculty.chicagobooth.edu/canice.prendergast/research/MarketContemporaryArt.pdf>

Prinz, A., Piening, J., & Ehrmann, T. (2015). The success of art galleries: A dynamic model with competition and information effects. *Journal of Cultural Economics*, 39(2), 153-176.

Potts, J., Cunningham, S., Hartley, J., & Ormerod, P. (2008). Social network markets: a new definition of the creative industries. *Journal of cultural economics*, 32(3), 167-185.

Quemin, A. (2013). International contemporary art fairs in a 'globalized' art market. *European Societies*, 15(2), 162-177.

Resch, M. (2016). *Management of art galleries*. London, England: Phaidon Press Limited.

Rosen, S. (1981). The economics of superstars. *The American economic review*, 71(5), 845-858.

Salganik, M. J., Dodds, P. S., & Watts, D. J. (2006). Experimental study of inequality and unpredictability in an artificial cultural market. *science*, 311(5762), 854-856.

Schönfeld, S., & Reinstaller, A. (2007). The effects of gallery and artist reputation on prices in the primary market for art: A note. *Journal of Cultural Economics*, 31(2), 143-153.

Shubik, M. (2003). Dealers in art. In R. Towse (Ed.), *A Handbook of Cultural Economics* (pp. 194-200). Cheltenham, England: Edward Elgar Publishing.

The Art Newspaper. (2016). *International Art Fair Report 2016*. Retrieved from the Momart website: <https://www.momart.com/downloads/art-fair-report-2016>

Throsby, D. (1994). The production and consumption of the arts: A view of cultural economics. *Journal of economic literature*, 32(1), 1-29.

Van Hest, F., & Vermeulen, F. (2015). Has the art market become truly global? Evidence from China and India. In W. De Been, P. Arora & M. Hildebrandt (Eds.), *Crossroads in New Media, Identity and Law* (pp. 177-196). London, England: Palgrave Macmillan.

Velthuis, O. (2011a). Art dealers. In R. Towse (Ed.), *A Handbook of Cultural Economics* (pp. 28-32). Cheltenham, England: Edward Elgar Publishing.

Velthuis, O. (2011b). Art markets. In R. Towse (Ed.), *A Handbook of Cultural Economics* (pp. 33-42). Cheltenham, England: Edward Elgar Publishing.

Velthuis, O. (2014). The impact of globalization on the contemporary art market: The traditional gallery model at risk. In A. M. Dempster (Ed.), *Risk and uncertainty in the art world* (pp. 87-108). London, England: Bloomsbury.

Velthuis, O., & Curioni, S. B. (Eds.). (2015). *Cosmopolitan canvases: the globalization of markets for contemporary art*. New York, NY: Oxford University Press.

Vermeulen, F. (2015). The India Art Fair and the market for visual arts in the Global South. In O. Velthuis & S. B. Curioni (Eds.), *Cosmopolitan canvases: the globalization of markets for contemporary art* (pp. 31-54). New York, NY: Oxford University Press.

Winkleman, E. (2015). *Selling contemporary art: How to navigate the evolving market*. New York, NY: Allworth Press.

Yogev, T. (2010). The social construction of quality: status dynamics in the market for contemporary art. *Socio-Economic Review*, 8(3), 511-536.

Yogev, T., & Grund, T. (2012). Network dynamics and market structure: The case of art fairs. *Sociological Focus*, 45(1), 23-40.

Web Articles and Websites

Abrams, A. (2020, February 24). This International Series of Pop-Up Exhibitions Is Helping Art Dealers Work Together. Retrieved from <https://www.artsy.net/article/amah-rose-mcknight-abrams-international-series-pop-up-exhibitions-helping-art-dealers-work>

Anand, K. (2018, August 21). Interview: Gallerist Vanessa Carlos Talks Founding CONDO And Artists To Watch. Retrieved from <https://somethingcurated.com/2018/08/21/interview-gallerist-vanessa-carlos-talks-founding-condo-artists-to-watch/>

CONDO. (n.d.). Retrieved from <http://www.condocomplex.org/>

Freeman, N. (2018, June 15). What It Costs Galleries to Go to Art Basel. Retrieved from <https://www.artsy.net/article/artsy-editorial-costs-galleries-art-basel>

Gerlis, M. (2020, February 4). Condo's grassroots collaborative spirit is infectious. Retrieved from <https://www.theartnewspaper.com/comment/condo-s-grassroots-collaborative-spirit-is-infectious>

Gregory, H. (2015, May 27). Could GRANPALAZZO Be an Antidote to Fast-Paced Art Fairs?. Retrieved from <https://www.artsy.net/article/artsy-editorial-could-granpalazzo-be-an-antidote-to-fast-paced>

In Profile: Condo. (2016, January 15). Retrieved from <https://frieze.com/article/profile-condo>

Lesser, C. (2017, June 22). As Young Galleries Seek Alternatives to Art Fairs, a Promising Solution Has Emerged. Retrieved from <https://www.artsy.net/article/artsy-editorial-young-galleries-seek-alternatives-art-fairs-promising-solution-emerged>

Rea, N. (2020, March 16). Condo Founder Vanessa Carlos Thought Collaboration Could Save Small Galleries. It Hasn't Been That Simple. Retrieved from https://news.artnet.com/art-world/vanessa-carlos-condo-interview-1803369?utm_content=from_&utm_source=Sailthru&utm_medium=email&utm_campaign=EU%20March%2017%20AM&utm_term=New%20Euro%20%20%20Newsletter%20List

Rea, N., & Pes, J. (2018, February 15). More Than an Alternative Art Fair, Condo Wants to Revive Gallery-Going Worldwide. Is It Working?. Retrieved from <https://news.artnet.com/market/condo-more-than-art-fair-alternative-1221998>

Stead, C. (2018, January 17). Condo 2018. Retrieved from <http://spikeartmagazine.com/articles/condo-2018>

Zara, J. (2019, February 15). 'Everything Feels More Intimate': Felix LA Brings New Life to Art-Fair Circuit. Retrieved from <https://www.artnews.com/art-news/market/everything-feels-intimate-felix-la-brings-new-life-art-fair-circuit-11921/>

Appendix

A. Interview guide

1. Experience at Condo

- 1.1. Has your participation at Condo allowed you to expand your professional network?
- 1.2. Has your participation at Condo allowed you to establish new cooperation with other galleries? What kind of cooperation (e.g., a shared booth, collaborative exhibitions, joint representation of artists)?
- 1.3. Do you think the setting of Condo allows for more experimentation when it comes to ways of displaying and art/artists displayed? Have you taken more risks regarding the works you chose to display there?

2. Condo vs other fairs

- 2.1. How many international art fairs do you participate in each year, on average?
- 2.2. How do you compare your experience at Condo with your experience at other art fairs, in terms of sales and reputation?
- 2.3. Do you think traditional fairs represent a sustainable model? Can initiatives like Condo be an alternative?

B. Overview of interview subjects

Name	Gallery	Condo participation history	Date of interview	Duration of interview
Ayelet Yanai	Dépendance (Brussels)	Guest at: Queer Thoughts at Condo NY 2019; Maureen Paley at Condo LDN 2017, 2018; Sadie Coles HQ at Condo LDN 2020	10-05-2020	13'
Jeffrey Rosen	Misako & Rosen (Tokyo)	Guest at: Herald St at Condo LDN 2020; Southard Reid at Condo LDN 2019; Union Pacific at Condo LDN 2018; Union Pacific at Condo LDN 2017; Franklin Parrasch at Condo NY 2018; Lulu at Condo MX 2019; BWSMX at Condo MX 2018; Aike at Condo SH 2019; Gallery Vacancy at Condo SH 2018	08-04-2020	60'
Matteo Consonni	Madrageo (Lisbon)	Guest at: Galeria Luciana Brito at Condo SP 2019; Sadie Coles HQ at Condo LDN 2018; Arredondo/Arozarena at Condo MX 2018; Central Galeria at Condo SP 2020; Alexander and Bonin in Condo NY 2018	26-03-2020	30'
Raphael Oberhuber	KOW (Berlin)	Guest at: Galeria Jaqueline Martins at Condo Unit SP 2018; Project Native Informant at Condo LDN 2018; Koppe Astner, Project Native Informant, Mother's Tankstation, and Dan Gunn at Condo LDN 2019	25-03-2020	26'
Will Jarvis	The Sunday Painter (London)	Host at Condo LDN 2016-2020; guest at Central Galeria at Condo SP 2019	16-03-2020	29'