

ART LENDING:
THE INFLUENCE OF ART RENTAL COMPANIES ON CONSUMPTION BEHAVIOUR
OF PRIVATE CONSUMERS IN THE NETHERLANDS

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ABSTRACT

This thesis is focussed on the influence that art lending companies have on the consumption behaviour of private consumers in the Netherlands. This was examined through a mixed methods research. In a qualitative interview representatives of art lending companies were asked about their expertise on their customers, this sample also provided numbers on their company for a market research. Besides the interviews, a quantitative survey was distributed amongst the customers of one of the examined companies. The main research question: ‘To what extent do contemporary art lending companies impact the consumption behaviour of private art consumers in the Netherlands?’ is looked at from four different angles. Firstly, the structure of the art market was examined. It turned out that art lending companies identify themselves most through accessibility and exchangeability. They act as intermediaries by determining which art their customers can lend. Secondly, the main motivations to lend art were researched. Customers decided to lend in order to find art that fits with their taste and their style. Another important reason is that customers can swap their art, which grants them the opportunity to test the art before they would eventually purchase it. Thirdly, the motivations to purchase art were looked at, customers decided to purchase art when they either have a deep connection with the work, which can be related to an aesthetic connection, or they have a financial motivation to purchase, due to the credit model of lending companies. Fourthly the influence of art lending on ownership were studied, art lending companies give their customer the experience to feel psychological ownership without having the actual property rights. From this research it can be concluded that the influence that art lending companies have on private consumption is mostly found within the flexibility and accessibility that they offer. The companies have a low entrance barrier, while at the same time offering the opportunity to lenders to educate themselves. Art lending creates a way to lower search costs through consuming while learning. Therefore, art lending creates an easy way for art lovers to enter the art market.

KEYWORDS: Art lending, Consumption behaviour, Demand, Purchasing, Ownership

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1. Introduction

The art market is known for its primary and secondary market, which are dominantly associated with the purchase of art. However, there are other forms to consume art privately besides buying the good, such as art lending. Art lending is a niche within the art market that has been around for more than a century already. In the first half of the nineteenth century, it was a common practice among Parisian art dealers to not only sell contemporary art, but also rent it out to their customer. (Chagnon-Burke, 2012). But why was this practice so loved by consumers at that time? In early- and mid-nineteenth century Paris, consuming as many luxury goods as possible was a means of showing off one's wealth. Social status derived from being able to showcase art within your home which was more important than having ownership over it, which is one of the factors that empowered the renting business in the first place (Green, 1989). However, renting art quickly fell out of fashion, and by the late nineteenth century purchasing contemporary art was the new mode of showing wealth and buying paintings became a type of investment (Chagnon-Burke, 2012).

Almost a century later, art lending companies were introduced in the Netherlands. In 1969 the first art lending company was opened in Amsterdam, where individuals and businesses could loan contemporary art. Launching this new platform where people could consume art was partly motivated by an oversupply in art made by professional artists, which was the result of the BKR scheme (Beeldende Kuntenaars Regeling). The BKR scheme was a Dutch government support system for artists that existed from 1969 till 1987, and had as its purpose to grant artists a vast income in exchange for their art. Municipalities gained ownership over the artists' work and payed them in return. A part of this scheme created an (over)supply which was one of the reasons why artotheques came into existence, to show art that would otherwise be stored (Borghuis, 2014). Not all art was stored by municipalities, some works were donated to museums or given back to artists and their families. However, a large portion of the art remained in ownership of the municipalities. Contemporary art rental companies became less known and only from the 2000's onward they started making a slow revival. Nowadays, almost every big city has an art lending company and there are also online opportunities to lend art, some of these companies deliver all over the Netherlands.

When approaching lending art from a theoretical viewpoint an important concept is ownership. The traditional idea of ownership, implying the exchange between property rights, has gained different connotations over time. One of these consumption hybrids is

‘transuming’, which means that customers rent their products rather than purchasing it. In the case of luxury goods like design and fashion items, some consumers prefer non-ownership. This can be due to multiple reasons such as the continuity it gives customers to move with current fashion trends or to avoid the risks of ownership (Lawson, 2011). Furthermore, lending creates a bond of psychological ownership with a good without the actual property rights (Bagga, Bendle & Cotte, 2018). ‘Non-ownership’ is also applicable to the contemporary art market, where art lending companies made this possible within the market. The art market originally has gallerist as its traditional intermediary, these gallerists supply their stock according to what they find ‘good’ (Towse, 2010; Jyrämä, 2002). It needs to be researched if art lending companies have the role of intermediary within the art market as well. It is interesting to approach them as intermediaries in order to see how much influence they have on consumption. If art lending companies have a significant role as intermediaries, they could potentially help with the uncertainty that is linked to the economic properties of art as explained by Caves (2010). Art lending companies reduce the search costs for customers, since they help with the development of taste and expose their customers to more art than a gallery does. It has been proven that customers lend luxury goods, because they want to reduce their risks and want to make certain that they want the property rights of a product (Lawson, 2011). Therefore, it is interesting to see if this is also parallel to the art lending market.

The purpose of this research is to figure out what the role of contemporary art rental companies is in the Dutch primary art market and then specifically on the consuming behaviour of art enthusiasts. Therefore, the research question is: to what extent do contemporary art lending companies impact the consumption behaviour of private art consumers in the Netherlands?

Scientific and social relevance

There is a gap in the academic literature on contemporary art lending companies from the nineties onwards. The research that has been performed on art lending was mostly focussed on the effect of art lending in relation to art collecting. In those studies, the emphasis is on the consumers that purchase art and do, or do not, rent at the same time; meaning that the study sees lending as a side subject instead of the main topic (Motivaction, 2007; 2010; 2014; 2017). Research has been executed on consumer behaviour in the arts (Chen, 2009; Zorloni, 2013) in relation to the addictive property, collecting art, and on the economic properties of

the visual art market (Caves, 2000; Throsby, 1994; Towse, 2010). However, this evidence has not been applied to understand the role rental companies on buyers or the economic properties of the visual art market. Furthermore, plenty of research has been executed on ownership and decision-making (Lawson, 2011; Durgee & O'Connor 1995), but this has not been connected to art lending, since these studies focus on other luxury goods.

We live in a fast society, with many events and little time, 'fear of missing out' is present within different generations but mostly the younger ones. Art lending companies have customers that are mostly 50+, however they want to focus on younger target groups. This study can inform these younger target groups (aged 25-40) about the benefits of art lending, which in turn helps art lending companies in reaching their targets. The results of this thesis can inform also inform art lending companies and artists; about why people decide to lend art and purchase art. Policy makers, in addition, may want to consider the results of this research to stimulate the primary market. Lending firms include young and upcoming artists within their collection and policy makers can use these structures to promote the primary art market. Furthermore, the lending model can be seen as a source of inspiration to make the art market more inclusive. By focussing on exchangeability and search costs (Stigler, 1961) and how art lending companies focus on these concepts, other art companies might learn ways to lower their entrance barrier.

Research design

This thesis is a mixed methods research in which qualitative interviews and a quantitative survey are combined to understand the influence of art lending companies. For the qualitative section, representatives from five art lending companies are interviewed on their expertise about their customers and the market they are active in. Next to the interviews the interviewees are asked to share details on the art lending company they represent. These questions are about the number of lenders they have, the number of artworks in their collection, the number of loaned artworks, and the number of sold artworks. These results are used in combination with the survey and interview results to give a full overview of the lending market and the influence that art lending has on consumption behaviour.

The survey was distributed amongst art lenders from one of the interviewed art lending companies. Within this case study the sample is representative for art lenders in the Netherlands in general, because of the respondent demographics. The sample exists out of different age groups, levels of education, levels of cultural participation, and genders. The

respondents of the survey are asked about their experience with art lending and what motivates them to lend and purchase art. Both research methods are used to answer the following sub questions:

1. How is the contemporary art lending market in the Netherlands structured?
2. What are the motivations for private consumers to rent art?
3. To what extent does ownership influence consumer behaviour?
4. To what extent does art lending change the perspective on consumption?

These questions are used to answer the main research question: to what extent do contemporary art lending companies impact the consumption behaviour of private consumers in the Netherlands?

Thesis outline

The next chapter is the theoretical framework, where an overview is provided of previous researches on topics that are important for this study, i.e. information on art lending in the Netherlands, different costs of art such as search costs, intermediaries in the primary art market, uncertainty, property rights, theories on consumption and buying, motivations to purchase art, and the motivations to lend luxury products. Chapter three gives an overview of the research methods and elaborates on the research method, the sample, operationalization, and the potential ethical issues involved with this study. Chapter four gives an overview of the results from the interviews, survey, and the market research. Chapter five combines the results and studies theories to start a discussion on the role of art lending on consumption behaviour. The discussion chapter is structured according to the sub questions. Therefore, a deeper insight is given on the lending market in general, the motivations to lend and purchase art, and how consumption is changed by lending art. Finally, chapter six concludes the research by providing an answer to the main research question.

2. Theoretical framework

Throughout this section the definitions of the main theoretical concepts for the research subject will be examined. These concepts are used to support in answering the main question and the sub questions. The main concepts are used later to determine what motivates art lenders to lend or eventually purchase art, and what the influence of lending is on the idea of consumption. First, previous research on art lending companies in the Netherlands is discussed. Next, an analysis of literature on intermediaries is given, and how the position of art lending companies in the art market can be understood. Next, the costs related to art and lending will be examined. This is followed by an analysis of uncertainty in the art and how art lending companies with this uncertainty. Furthermore, motivations that customers have to consume art are discussed, followed by the different motivations for renting luxury goods. The section ends with an explanation on property rights and what possible motivations there are to purchase art.

2.1 Research on art lending in the Netherlands

In this section a specific choice is made to focus on art lending within the Netherlands, because it helps in figuring out how the current art lending market is structured. It is important to explain the current market, because research on art lending in the Netherlands is mostly not specifically focused on art lending itself. The focus is mostly on art collectors that occasionally lend art as well, while at the same time the existing articles are quite outdated. An example is the aforementioned article by Belder (1987) on art lending companies from 1955-1987. The first art lending company already came into existence in 1955 in Amsterdam, and was set up by a group of artists. The main purpose was to earn a living for the artists, while also showcasing their art to a broad and diversified audience. In 1972 the Dutch government set up the BKR scheme was set up. Artists would receive funding if they delivered works of art to the municipality. The municipalities would buy the artworks from them. However, there was a negative side-effect because of this scheme, since many artists used this arrangement an oversupply of art was created. The excess of art would be stored without it being available for society since it would be in the storage of the municipality. A collaboration between municipalities and art lending companies came into existence, where art lending companies would gain the rights over the works of the municipalities. However, in most cases the municipalities still owned the art. The BKR arrangement ceased to exist in

1987 (Belder, 1987). The new arrangement shifted the right to distribute subsidies away from the municipalities to the central government. The municipalities that could still distribute money towards the arts, decided to do this towards different forms of institutions, such as museums, instead of art lending companies. This in turn forced these companies to become either foundations or commercial businesses, since the business otherwise could not remain viable. Not all art lending companies survived this transition, therefore some lending companies ceased to exist after the abolishment of the BKR in 1987 (Borghuis, 2014).

As mentioned, there is not much information on art rental companies in the Netherlands today, nor on the people making use of their services. The most recent report that includes art lending as a practice was published by the Dutch Gallery Association (NGA) in 2017, but this report focusses on art collectors that might lend some art as well. It is the most recent report in a series, presenting the results of a research that has been executed repeatedly in 2007, 2010, 2014, and 2017. Even though these reports are not focussed on the art lending customer, they are an important source to consider, since they have questioned people about their motivations to purchase art, and what holds them back in going to a gallery. The reports have shown that only a small part of their sample, consisting of art collectors, also lend art. In the 2017 report it became clear that out of the 307 respondents (N=307) only around 9 art collectors also loaned art. It can be argued that art collectors are a big target group for art lending companies or that art lending companies are momentarily not reaching this group of art consumers. What is most striking within the reports is that art collectors have mentioned that they would purchase more art if they had a bigger budget and have more space.

Furthermore, the art collectors were asked what a gallery could do to make it easier for them to purchase art. Art collectors mentioned that they would like lower prices for the art in galleries. They also agreed that they want better price indications online. It has been mentioned by Velthuis (2007) that galleries mostly keep their prices to themselves and their clientele, because this is important for their reputation and identity. The art collectors also mentioned that there is a high entrance barrier in art galleries (Motivation, 2007; 2010; 2014; 2017). This barrier is created by the identity most galleries have: they are high-class and because of their vast network and intimacy to the artists within their collection (Velthuis, 2007). All these features are what distinguishes art lending companies from galleries. First of all, art lending companies give customers the opportunity to exchange their loaned works. This gives customers the opportunity to follow trends and to create a different experience within

their home. Art lending companies aim to have a lower entrance barrier, since they want to approach a broad audience. Furthermore, art lending companies are very transparent about their pricing. The prices can vary according to different systems, some lending companies decide the price according to a percentage of the worth of a painting. However, there are also companies that have one price to lend art or those that have different price categories under which some pieces are allocated. It is interesting to see if art lending companies attract customers, because of these different features.

2.2 Intermediaries in the art market

Another important aspect of this study is to understand the context in which contemporary art lending companies are operating. As explained by Towse (2010), the art market for contemporary visual art is primarily a primary market. Jyrämä (2002) has executed a study on the structure of art markets and its actors in four different European countries. Her study describes how galleries are seen as important actors in the distribution of art. Artists that already have a renowned reputation have less search costs, since people already know the reputation. Art that has a lesser reputation takes longer to seek out, since there is a large variety to choose from and customers do not know how to value it. Gallerists determine the standards that they want to convey to their buyers, they act as gatekeepers. According to Currid (2007) experience goods need the evaluation of a gatekeeper to help customers in their decision making. Gatekeepers convey symbolic value and know how to price art accordingly. After the gatekeeper has selected which artworks they will offer to their customer can choose what to buy agreeing to their taste.

Representatives of art lending companies can be seen as gatekeepers as well. Some art consumers choose to lend art and instead of going to the traditional intermediaries such as galleries. This is similar to what happened in Paris in the 19th century. In her research on art in 19th century Paris Chagnon-Burke (2012) found that art consumers could rent art in the early half of the century. Mainly because it was popular at the time to follow the fast-changing trends, instead of accumulating goods to show of your wealth. In the late 19th century this system shifted to what we know as the traditional gallery system. Showing wealth by building a collection of luxuries became the new trend, instead of adapting to fast-changing fashion (Green, 1989). Chagnon-Burke (2012) shows that when art was only perceived as a luxury good it was common to rent it. Within the 19th century many goods were seen as luxury goods which created the fast change in trends, therefore it was not valuable to own art. Furthermore,

since the trend was to follow which ever new fad over time the lending galleries were the intermediaries into showing what was new and luxurious. Over a century later art was not only a way to show wealth, it also became a way of distributing social values and education. Art is used as a way to show one's beliefs, these can be political, cultural, religious, sociological, etc. Art functions as a means to transfer these beliefs to consumers. As mentioned by Belder (1987) art lending companies came into existence to distribute affordable art to society. The purpose was to make art more accessible than in the traditional formats such as art galleries. It has been shown that art lending companies already became well-known distributors of art in the 19th century, where art was seen as fashion, and during the time of the BKR. It is relevant to research if art lending companies can be seen as intermediaries in the current art market. Mainly, because this can give an insight on why art consumers decide to become a member of an art lending company.

2.3 Costs of art

One of the most discussed issues regarding the market for art is pricing. According to Fourcade (2011) pricing art is linked to the social relations that have been present for decades. This means that the price of art shows not just the monetary worth of a piece but also social value. This is supported by Velthuis (2007) who examined price determinations in contemporary art galleries. He found that the reputation of an artist is important for the determination of price, hence not only characteristics such as quality and size were important but also how known an artist is. It is interesting to see what lending art does to the understanding of art and the traditional gallery model. Especially, because the traditional economic idea of value is the price that customers pay for a good. Whereas, art lending grants customers the opportunity to lend art without being the owner of the good. This creates a different form of willingness to pay, since the customers are not paying for the rights of the art works but only for the value of having it in their house. Traditional collectors bestow value on an artwork by buying the piece, so their willingness to pay shows the price they attach to their valuation. According to Fourcade (2011) prices influence the motivation of consumers to purchase a good, the more time and effort people put into a good the more they expect in terms of value. Of course, this is harder to determine for art since it is an experience good. First art needs to be experienced in order to know its value to the customer. However, since art lending customers lend art instead of buying it (immediately) it makes one wonder how much customers value pricing.

Since art is an experience good it has high search costs. These high search costs are explained by Klein (1998), he mentions that it is harder to find information on experience goods since it is harder to figure out for a customer if they will like the product. For regular goods a search based on the main attributes of the good will give enough information for a consumer to know if they would like to buy it. However, art as an experience good is something the customer first needs to experience, which is more costly. Besides, the larger the market is the higher the search costs are for buyers, because there are a lot of sources available where customers can try to seek out information (Stigler, 1961). Art can be consumed in many different places, some examples are: museums, galleries, art fairs, online galleries, and art lending companies. Thus, there are many different places where people consumers can go in order to figure out their tastes. Art lending companies can potentially lower search costs for those that want to acquire art. Mainly, because art lending companies offer the opportunity for customers to lend different types of art, this gives customers the opportunity to see many forms of art within one place. Furthermore, lending companies give their members the opportunity to exchange their art multiple times a year. This might give customers the opportunity to learn more about their taste and about art in general, since they can educate themselves and see what fits with their style. Therefore, it is important to research if the different forms of art and the possibility to swap are important factors for consumers to lend art.

2.4 The potential impact of renting on uncertainty

Uncertainty is one of the economic properties of the creative industries as has been stated by e.g. Caves (2000). In his research he discusses that there are seven economic properties that have an influence on how the industry is organized. For the contemporary visual art market two of these properties are important, namely *the nobody knows* and *the A/B list*. For consumers there is no certainty about the quality of a good. The *A/B list* property means that within the visual art market there is a differentiation between the quality of works. If a work is made by a famous artist, they have a higher probability to sell it for a high price, whereas an artist that could create the same work but has a lesser reputation would sell for far less. Because of these quality differences there are plenty of choices to be made in regard to which artwork a consumer can buy. Especially if the customer has no previous education in art it is hard to determine what type of art they want. According to Beckert and Rössel (2013) one of the reasons of uncertainty about the quality of a product is a lack of knowledge. When a

consumer has no previous knowledge on the properties that belong to the particular artwork they can get uncertain about the good.

This lack of information is a common issue within the art market, especially since it is hard for the buyer and seller to have the same amount of information. This is related to *Nobody knows*, this means that there is an information problem in relation to the good, which can exist both on the demand side and the supply side. Suppliers cannot know precisely how many customers to expect for an experience good. On the other hand, consumers from the demand side do not know how they will value the good, since they first need to experience it. What is characterising for the art market are information asymmetries, which means that one of the parties knows more than the other. Normally, it is the supply side who knows more than the demand side (Throsby, 1994; Velthuis, 2011). Beckert and Rössel (2013) specify that uncertainty can be reduced when there is confidence in the judgement of the intermediary, this tends to make customers feel more secure in their purchase decision. Another aspect that influences uncertainty is the reputation of the artist and then in particular how scarce their works are. Customers perceive scarce and well-known artists as indicators of good quality.

Art lending companies can help with the indication of value, by giving customers the chance to test art. According to Rexfelt and Hiort af Ornäs (2009), in their research on customer acceptance of product-service systems, renting and leasing have proven to reduce product uncertainty. By giving customers the chance to first test a product before buying it, they feel that they can make a more balanced decision. Testing a product can help customers in deciding their motivations to purchase the good or not to buy it at all. This has further been researched by Edbring, Lehner and Mont (2016), in their research on customer motivations for renting they found that customers like the possibility to test their products. By doing this they can gain knowledge on if they really want to purchase the product or not. Since these theories were tested on other luxury goods than art, it is interesting to see what the experience is of art consumers with lending. Especially, since an incentive for customers to rent a product is the ability to test the product. This could be an important factor why art consumers decide to lend art.

2.5 Buying and consuming art

Buying behaviour is another important aspect to take into consideration for this research. According to Chen (2009), there are two main forms of art consumption: purchasing art and consumption through viewing experience. Collectors are driven by a strong sense of self-

identification and they want an intimate relationship with their art. Visitors rather share the experience of consuming art with others. Visitors rather have continuity whereas collectors appreciate seeing specific works for a longer period of time. If a consumer has strong desires for having an intimate relationship with the work their desire to purchase it is higher (Towse, 2010). It needs to be noted that since the article of Chen (2009) is focussed on museum and gallery participation, whereas art lending companies create the opportunity to consume art privately but to also exchange it again. A possible outcome of this difference is that consumers become transumers. According to Lawson (2011) consumers have the possibility to consume goods while not being the actual owners, this is called a 'non-ownership lifestyle' (p. 6). These consumers that partake in renting without being owning property rights are named transumers.

Transumers can use renting to test a good, however it is interesting to see this within the art market. Art has addictive properties, as stated by Throsby (1994) once someone consumes art this will increase their future consumption. The more art a customer consumes the more human capital they obtain, so the costs of a painting become lower in comparison to the effects that art conveys. This is supported by Zorloni (2013) who analyses patterns of consumptions, she mentions that building an intimate relationship with people or unhealthy products is similar to consuming art. The more time you spent with an addictive good the more you crave to get it. For consuming art this means that the more time you with it higher your appreciation for it will be. The time you need to appreciate and acknowledge the meaning of art is reduced by consuming it. So, the more knowledge and experience a consumer has, the higher the marginal utility they will derive from consumption. Since the increase of marginal utility heightens with every consumption art can be seen as an addictive good. It is interesting to see if transumers have a tendency to purchase art or lend more art based on how much they consume.

Art being an addictive good also has to do with herd behaviour. When people socialize and consume art through others, they get incentivised to consume art individually. For herd behaviour it is not important to have prior knowledge since you follow the trends in society (Bikchandani, Hirshleifer & Welch, 1992). Within visual art, where personal taste is highly important, it can be assumed that customers will not just follow the preferences of others. However, customers might choose for art lending companies while still following the trend of having art. It is possible that art lenders want to lend art because of the social status it gives them within their network. For this research it is necessary to look at the demographic

characteristics of the sample, because there are differences in their educational background and for how long they have been members of the lending company. From these characteristics it is possible to find out if there are differences in the lending experience of groups of customers. Furthermore, it can be investigated whether or not social influences are important for art lenders, since they might lend to uphold their social status.

2.6 Motivations for renting (luxury) products

There are multiple core motivations to rent instead of purchase goods. According to Lawson (2011) her research on luxury lending, there are six motivations why customers decide to rent. The first mentioned reason is that through renting customers are lessening the consequences that are linked to ownership. Being the owner of a good means that every issue with the good needs to be fixed by the owner, renting takes away these consequences since the rental company needs to make sure the rented good is in a decent condition. Secondly, consumers also started renting because they felt that the renting costs outweighed the buying costs. Customers prefer having the good immediately without waiting till they have saved the money to purchase it. Thirdly, customers also wanted to express their taste and sense for fashion by renting, especially since renting creates the possibility to swap quickly. Fourthly, luxury goods are also rented to uphold or increase social status. Keeping up with the trends shows that you like the same things as those in your network. Fifthly, the environment is also one of the reasons why goods are rented instead of purchased. Lastly, renting offers customers to avoid risks by testing the product first. A similar study has been conducted by Edbring, Lehner and Mont (2015) on consumer reactions to different forms of consumption, including renting. As an addition to other motivations, flexibility was mentioned. The option to rent gives consumers a feeling of freedom to only own necessary products. Renting can then be used to 'possess' luxury goods, this also gives customers the freedom to swap their rented product when they deem it unnecessary. Lehner and Mont (2015) in accordance with Laswon (2011) mention that financial reasons and the temporariness of the goods are important motivations. Customers first like to test a good instead of purchasing it and eventually not using it (Durgee & O'Connor, 1995; Edbring et al., 2015). Besides flexible, renting is also deemed as an easy form of consumption. Consumers that seek convenience can easily gain new products by renting, which saves them in search costs (Moeller and Wittkowski, 2010).

The main reasons that have been mentioned in the literature are: flexibility, convenience, risk aversion, social value, following trends, the environment, and financial

motivations. It is expected that flexibility is an important aspect for art lenders, because one of the main features of art lending is that customers exchange their art after a set period. Furthermore, art lending is an affordable option to those who cannot afford to purchase art immediately or at all. However, this needs to be researched, therefore it is interesting to see if there are similarities and differences between the motivations to lend art and other luxury goods.

2.7 Property rights

In the regular gallery model, gallery owners are intermediaries who help consumers with their decision to buy an artwork. When an artwork is bought the property rights of that particular work are transferred from the seller (this can be the artist, the gallery, or a third party) to the buyer, making him or her the sole owner of the piece (Velthuis, 2003). Art lending companies have created a different form of intermediation. Rental companies offer customers the opportunity to rent/lease art. There is a difference between renting and leasing a work of art. When a consumer rents a work, they obtain temporary ownership of the work which they lose after their rental period has ended. With leasing a customer can become the owner of the work by acquiring the property rights after the loan period (Khangeldieva, 2015). Art lending companies can choose whether they want to lease or rent out art, or provide both services to their customers. They offer different lending methods to their customers; this differs per company. In some lending models the customer already saves credit at the lending company, this is then incorporated in the monthly fee for the painting. Eventually they can use this credit to purchase art or another good from the art lending company. If the customer does not have enough credit, they can pay the rest immediately or by monthly instalments without interest. This is different from the classic gallery model, since there you buy the property rights immediately. Rental companies offer more availability to their customers, while also giving them the opportunity to swap their art, since you are not the immediate owner of the art (Khangeldieva, 2015).

Besides actual property rights it is also important to consider what renting does to psychological ownership. The research of Bagga, Bendle and Cotte (2018) is used to examine the influence of property rights on how customers value a good. They researched rented, borrowed and non-ownership goods and examined how customers value these products. One of the most important concepts from their study is psychological ownership, this refers to the connection that a consumer feels with a good that is not (yet) owned, it feels as if the product

is theirs. It was found that psychological ownership is clearer when people rent objects instead of just borrow them. This feeling might even be stronger than when someone just purchases a good. By renting a good first customers get an emotional attachment to the good. Brining this to the visual arts market we can say that galleries immediately transfer their property rights to the buyers, whereas art lending companies first grant customers the ability to form a bond. Therefore, it is interesting to see if how art lending customers value ownership, and what reasons they have to lend art instead of immediately buying it.

2.8 Motivations for acquiring art

Within the visual art market there are multiple motivations for consumers to purchase or rent art. According to Zorloni (2013), art is collected because of reasons like prestige, cultural capital, as an investment, aestheticism, and passion. This is in accordance with the results of Kossenjans and Buttle (2016), in their research about what motivates collectors to buy art, they found that there are four main reasons. Firstly, collectors feel that art is a positive addition to their lives, they find a meaning in art. Secondly, the recognition collectors get from the social group around them is important. This can be brought in relation to art lending as well. Having art within your house can be seen as a means to distinguish yourself from your circle, it can create a social status, which might be an important reason for consumers to lend art. Thirdly, collectors feel that art grants a timeless recognition, even after death the collection will be valued. However, it seems unlikely that someone who wants to reach timeless recognition would lend art, because lending art does not give permanent ownership which is necessary to build a collection. Lastly, collectors want to distinguish themselves through their artworks from other famous collections. This is likely not a reason for customers to lend art, because distinguishing themselves from other art lenders is hard when you can lend from the same pool of art.

Besides the already mentioned reasons, there are also important social motivations to acquire art, such as communication and the perceived creative experience. As explained by Zausner (2007) looking at art is a social activity, in which the consumer looks at what the artist has created and responds to that message. When the intention of the artist is communicated to the audience the aesthetic process is completed. This communication of aesthetic worth is possibly one of the reasons why people decide to lend art, since this gives them the opportunity to experience more kinds of art and different messages. Therefore, it is researched if people desire the continuity of art in the lending scheme.

According to Zorloni (2013) there are two types of art collectors. These types of collectors are the avant-garde collector and the traditional collector. Traditional collectors are more prone to make safe investments whereas the avant-garde collector likes to give opportunities to new and novel upcoming artists. Within art lending companies, renowned artists but also young and upcoming artists are represented, since the companies want to cater to all possible tastes of their target groups. Another reasons why people potentially first lend art instead could be because of how high-risk art is as an investment. According to Renneboog and Spaenjers (2013) the return on art is less appealing than stock investments. When potential collectors can lend art first, they could possibly do this to see if an upcoming artist is getting more acknowledgement on the art market. By spending more time with an artwork, while taking the time to figure out its worth and potential growth, art lending can be used as a means to make safer investments.

3. Method

This thesis is a mixed methods research which combines data from interviews with representatives from five art lending companies (N=5) and data from a survey amongst the customers of one lending company has been executed (N=109). Furthermore, a market study is performed to understand more about the art lending companies and their lenders. The following sections discuss: the research method, the sample, how this research is operationalised and the potential ethical issues that can come up with this research.

3.1 Research method

The aim of this research is to answer the question: to what extent do contemporary art lending companies impact the consumption behaviour of private art consumers in the Netherlands?

The research will be executed through mixing a qualitative and quantitative research design.

The methods are used to create a convergent parallel design in which the results of the survey and interviews are combined to form a conclusion (Bryman, 2012). The outcomes from both analyses will help in determining what the potential influence of art lending companies on consumer behaviour might be. By choosing to do both a quantitative and qualitative research the study becomes more encompassing. The quantitative survey focusses on the demand side by asking customers of art lending companies about their experiences with art lending. The qualitative interviews are focussed on the knowledge of the supply side – representatives of the art lending companies themselves by asking about their customers and about their stakeholder management. By combining both the results from both research methods the answer to the research question will be more complete since it gives a broad overview of consumer behaviour. The main question will be answered by looking at the following sub questions:

1. How is the contemporary art lending market in the Netherlands structured?
2. What are the motivations for private consumers to rent art?
3. To what extent does ownership influence consumer behaviour?
4. To what extent does art lending change the perspective on consumption?

Since the research is focussed on consumer behaviour it is important to concentrate on particular details in the interviews and surveys, such as: family background, education, history with art, affinity with art, purchases, and values. With values is meant what people

value in their daily life in relation to consuming, this can be: the environment, fashion, the ability to change, etc. The art lending representatives are asked about customers' preferences and what they have learned from interacting with their different target groups. This target group is also examined in the survey, where age, level of education, and cultural participation are asked as one of the first questions. This is relevant, because this background knowledge could provide an indication for why consumers have certain values or affinities in relation to art. Furthermore, by using both the survey and interview results it can be checked if the sample is representative according to the other art lending representatives as well. The results of the both the interviews and survey will be divided into four different categories: art lending market, motivations to lend art, motivations to acquire art, and lending in relation to art consumption. These categories are in turn used to give a structured overview for the results section.

Besides asking the interviewees about their customers it is also important to learn more about their niche market, since there is a lack of data on this market segment in the Netherlands. The representatives of the five different art lending companies were asked to provide information on the number of customers each of them have, the number of artworks in their collection, how many works of art are loaned per year, how many artworks were sold, how the companies interact with their customers, and what different types of loans they offer. By using these data as a basis for the qualitative and quantitative studies, a well-rounded conclusion can be made when it comes to the influence of art lending companies on the consumer behaviour of private art consumers in the Netherlands.

3.2 Sample

In this research the focus lies on the market in which art lending companies operate, with specific attention on private consumers. Therefore, it is interesting to see if the consumption behaviour of individuals has changed due to their lending experience or why consumers decided to loan art. The sample exists out of contemporary art lending companies (N=5) and private individuals (N=109) who are customers of one of the art rental companies. The five art lending companies are also the sample that will be used for the market analysis, because the interview questions are linked to this part of the research as can be seen in Appendix B.

The art lending companies are selected via criterion sampling; this means that the sample is required to fit a certain criterion (Bryman, 2012). In this case the criterion is that the art lending company has been operating for more than five years, to ensure that they have a

customer database and that they know their demographic. It also increases the chance that the companies performed a research on their own market segment, which is helpful for the market study in this thesis. Three of the companies that the interviewed representatives work at have been in existence before the abolishment of the BKR. From the other two companies, one was started because of the abolishment of the BKR, the other one was founded later. Another requirement was that the business should be based in the Netherlands. Thirty companies that complied to the requirements have been emailed to partake in the interview. Those who responded positively have then been interviewed. An anonymized overview of the art lending companies can be found in Appendix A.

For the survey it is important to have a sample that represents the customers of art lending companies, in order to make valid conclusions about art lenders in the Netherlands in general. Therefore, the sample should exist only out of those people who have loaned art at least once, since this makes them part of the customer base of lending companies. The respondents are collected through convenience sampling. An online survey was dispersed via one of the interviewed companies' email/newsletter and through the company Facebook page. To ensure that that the people have been a customer of the art lending company it is asked in the survey if they have ever loaned art. When it turned out that the respondent did not lend art before they were redirected to the end of the survey. This case study is representative for the whole of art lenders because it exemplifies what the different types of customers within an art lending organisation are (Bryman, 2012, p. 62). The art lending company that was used has different options on what their customers can spend their credit on. Furthermore, they target multiple target groups and they have the opportunity to lend art with and without credit. Besides, the business uses surveys a lot to see what their customers find important or when they want to change their lending policy, they have an active members base which was useful for the thesis. The company has members from different educational backgrounds and there are differences between cultural participation as can be seen in chapter 4. The sample is representative especially because the differences between customer segments.

By including a market research and the data from the interviewees, the data from the survey was compared and placed into structured categories. These categories can then easily be compared to one another, which makes the research internally reliable, meaning that the results should be consistent and should capture all the concepts that are of importance (Bryman, 2012). Furthermore, the research can be replicated by others. This research gives an overview of the demand for art lending in this time of age. By conducting the same research

in the future there might be some differences due to market changes, but these can then be explained through the interviews and obtained data from the lending companies.

Since the survey uses three (semi-)open questions it ensures that respondents can fill in what they perceive to be the right answer to the questions that can be broadly interpreted. This relates to measure validity, because these semi-open spaces give people the freedom to respond to the asked concepts and give a broader view on the possibilities that were accounted for. As this research uses two types of methods, while also looking at the market, triangulation is used to make sure that the thesis is internally valid. This means that all the results and conclusions are used to make valid comparisons (Bryman, 2012). The results of this research can also be used beyond the field of arts and culture. Consumer behaviour is relevant in different field as well, such as psychology and sociology. For the thesis, consumer behaviour has been brought in relation to art, but the motivation for people to loan art or the reason behind wanting to consume goods through lending can be used on a wider base. More can be learned about lending behaviour in general, so not solely focussed on art, because of the results of the survey.

3.3 Operationalization

In order to answer the sub-questions and eventually the main question it is important to first structure the results of the two research methods separately, to then bring them together to triangulate. The different sub-questions are used to place an emphasis on the most important aspects of the research, since consumption, ownership and motivations of lending are supposedly all important to figure out what the (potential) influence of art rental companies might be on consumption behaviour. It is important to explain how the quantitative and qualitative research are operationalized in order to understand how they were compared.

The interview is structured in line with some of the central topics of the literature review: the art market, consumption of art, motivation for collecting, and ownership. After the data collection, the interviews were transcribed and subsequently coded in Atlas.ti. To ensure that all the interpretations of the answer were accounted for the interview segments were double coded if needed (Bryman, 2012). After categorizing the answers, a code tree (Appendix C) was made to give a clear overview of all the answers before putting them into a coding schedule.

The survey exists out of four different categories, the questions of these categories can be seen in Appendix D. These categories are also linked to the theoretical framework,

especially in relation to the different motivations given for wanting to rent luxury goods. The first category exists out of five close-ended questions about the customer demographic: gender, age, level of education and cultural participation. Within this section it is also asked whether the respondents have previously loaned art. The second category is focussed on their experience with their art lending company, to see what they find important about being a member. The third category is focussed on the motivations to lend art. Lastly, the motivations to buying art and the consequences of ownership were researched. The closed-ended questions were entered into SPSS and analysed. The questions that are (semi-)open could have multiple interpretations, therefore were coded in Atlas.ti, since these results can differ as they are more personal. The results from the semi-open questions were double-coded if this proved to be necessary, the results are mentioned in chapter 4.

Finally, the third set of data exists out of data from the interviewed art lending companies. The companies were asked to share further information and numbers, if possible, via email to make an even more elaborate report. All respondents agreed to give me information on the number of lenders they have, the number of works in their collection, the total of loaned artworks, and the total of sold artworks. The results can be seen in Chapter 4, section 4.3 named market results. Due to the promised confidentiality the results could not be mentioned separately per art lending company.

3.4 Ethical issues

In order to ensure that the research is ethical it is important to question if any harm is done to the participants, if their privacy is invaded and if the participants are not deceived (Bryman, 2012). This research refrained from hurting participants in any way; all the interviewees had the option to omit questions when they consider these too personal. The privacy of the interviewees was ensured through oral consent, they agreed to be interviewed under the promise that they would remain anonymous. In order to not deceive the interviewees, they got a clear and truthful explanation about the purpose of the research without giving them leading words that could affect the outcome of the results.

At the start of the survey the content and purpose of the research were stated to ensure that respondents knew what they were participating in. The participants of the survey were notified that they would remain anonymous as well and that they could always withdraw themselves from the research.

4. Results

In this section, the results of the executed studies are presented. The discussion in the chapter 5 will include a mixture of the market, interviews and case study results to answer the sub questions. This chapter solely focusses on giving a clear overview of the results of each separate method of data collection.

4.1 Interview results

For the purpose of this research different representatives from five art lending companies dispersed across the Netherlands were interviewed (N=5). The interviews were transcribed and coded according to their intended meanings. The coding was done carefully by looking at which questions the interviewees addressed with their responses, furthermore sections that were clear and not loosely interpretable were only considered. The codes themselves were created in accordance to the terms used in the theoretical framework. Table 4.1 shows the code groups that were used in the transcription and when they were used. The coding scheme can be found in Appendix C.

Table 4.1.

Qualitative coding groups and explanations of context

| Code | Meaning |
|----------------|--|
| Consuming | One of the ways consuming was coded was by seeing if the company representatives mentioned consumption behaviour like <i>collecting art</i> . Besides collecting, <i>transumers</i> were taken into account. This was coded when companies mentioned consumers preferred lending over purchasing for various reasons. Furthermore, <i>experience</i> with art consumption was coded as well. |
| Intermediaries | The role of art lending companies was coded by looking at <i>advice</i> , when a company speaks about their role as advisor. Also, how the company <i>selects their art</i> , selects their <i>artists</i> , and follows <i>trends</i> within the art market based on their <i>target groups</i> . |
| Lending market | This code group is based on the aspects that are important for the company identity, including whether a company is <i>commercial</i> or <i>non-commercial</i> . This also includes their types of <i>membership</i> , the art that |

| | |
|-------------------------------|---|
| | <p>they have for <i>rent</i>, the <i>artists</i> they represent, and the <i>selection process</i> of art. The code group is also answers related to the <i>history</i> of the company, current information on the business (<i>company information</i> and <i>company costs</i>), and other general information on the market in which they operate (<i>market research</i>). Recurring themes like <i>broad audience</i> and <i>accessibility</i> were mentioned as recurring important themes within the interviews. The concept <i>target group</i> was double coded, since this is also important for the market. Lastly, the <i>influence</i> that art lending can have on the art market according to the companies was used as a code in this segment.</p> |
| Costs of art | <p>The <i>costs</i> of art were coded according to the costs of art itself, if the customers were to eventually purchase the work they rented. Besides vast costs, search costs were also taken into account. When a company mentioned art lending as a means for customers to <i>learn about art</i> or as a means to <i>discover their taste</i>, these were coded.</p> |
| Motivations for renting | <p>The art lending companies mentioned multiple reasons for customers to rent that were linked to their company model, including: the <i>ability to test</i> and <i>exchangeability</i>. Multiple recurring themes were found linked to transumers; these were <i>financial motivations</i>, <i>freedom</i> and <i>fashion</i>. Fashion in this sense is used when the interviewees mentioned that art needed to conform to specific characteristics in a customers' house.</p> |
| Motivations for acquiring art | <p>This code group is based on what art lending companies think are the reasons for customers to purchase art. When words like 'love' were used this was interpreted as <i>relationship with art</i>. Similar strategies were used for <i>taste</i> and <i>aesthetic reasons</i>.</p> |
| Uncertainty | <p>In the interviews not many aspects related to uncertainty were mentioned explicitly. What was found is that most art lending companies have a profound interest in educating their customers and learning more about their preferences. The codes that were formed for this code group are: <i>education</i> and <i>highbrow/lowbrow</i>. Furthermore, search costs (<i>learn about art</i> and <i>discover their taste</i>), were coded here as well, since they are closely intertwined with uncertainty.</p> |

| | |
|-----------------|---|
| Property rights | This code group is based on the <i>loan systems</i> of companies and the <i>credit</i> system they maintain. Besides the company model, the focus was also on if the interviewees mentioned words such as <i>ownership</i> or insinuated the change from being an art lender to an art owner. |
|-----------------|---|

In order to give an impression of the interview results Table 4.1 is used to show the codes and how they are brought in relation to the code groups. However, the answers from the respondents are shown and used in the discussion of chapter 5. The respondents' exact answers are discussed by linking them to either the survey or the market results.

4.2 Survey results

The survey results were split up into four segments: general participant information, experience with the art lending company, motivations to lend art, and motivations to purchase art. A full overview of all the questions can be found in Appendix B.

4.2.1 General information

Table 4.2.

Overview of respondent characteristics (N=109)

| Respondent characteristics | % |
|-----------------------------------|----------|
| Gender | |
| Male | 46.79 |
| Female | 53.21 |
| Other | 0 |
| Age | |
| 20-29 | 0.91 |
| 30-39 | 2.75 |
| 40-49 | 12.84 |
| 50-59 | 25.69 |
| 60-69 | 36.70 |
| 70-79 | 19.27 |
| 80-89 | 1.83 |

| Highest level of education | | |
|--|---------------------|-------|
| Highschool | (Middelbare school) | 3.67 |
| Vocational | (MBO) | 12.84 |
| Applied sciences | (HBO) | 45.87 |
| University degree | (WO) | 7.34 |
| Master's degree | (WO Master) | 26.61 |
| PhD | | 3.67 |
| Cultural participation in museums and galleries | | |
| Less than once a year | | 3.67 |
| Once a week | | 3.67 |
| Two or three times per month | | 10.09 |
| Once a month | | 11.93 |
| Multiple times in a year | | 62.39 |
| Once a year | | 8.26 |
| Ever loaned art | | |
| Yes | | 97.25 |
| No | | 2.75 |

As shown, there is an almost even distribution between gender in the sample. However, there is a strong difference in age levels ranging from 24 to 81 years old, with an average of 60.15 years ($SD= 10.79$). Another noteworthy result is the level of education, 45.87% finished an education in applied sciences, and 26.61% has a university level master's degree. This creates an average of 3.51 ($M= 3.51$; $SD= 1.22$) on a scale of 1-6, with 1 having completed a high school education and 6 having fulfilled a PhD. The sample has overall experienced a high degree of schooling, since most of the respondents have an applied sciences degree. Furthermore, the highest percentage on cultural participation was 62.39% ($M= 4.50$, $SD= 1.13$). This means that the overall sample attends museums/art galleries multiple times a year. A bivariate analysis (Pearson's r) has been conducted on gender, age, and education level in relation to cultural participation. None of the results showed a significant relation between the used variables. It is noteworthy that the results show that 2.75% of the respondents have never loaned art, this is the reason why the sample is $N=106$ further on.

4.2.2 Experience with art lending company**Table 4.3.***Membership duration (N=106)*

| # | Answer | % | Count |
|---|--------------------|-------|-------|
| 1 | 0-6 months | 0.00 | 0 |
| 2 | 6-12 months | 0.00 | 0 |
| 3 | 1-5 years | 10.38 | 11 |
| 4 | 5-10 years | 10.38 | 11 |
| 5 | More than 10 years | 47.17 | 50 |
| 6 | More than 25 years | 32.08 | 34 |
| | Total | 100 | 106 |

Note. The answers are numbered (#), because this makes the explanation about the mean clearer. If the mean is close to one of the numbers, this answer was most common in the sample. The symbol ‘#’ is used more often and has the same connotation in other tables.

As becomes clear from Table 4.3 it becomes clear that the biggest portion of art lending customers (47.17%) has been part of the art lending company for more than 10 years. This can also be seen in the average which is 5.01 ($M= 5.01$, $SD= 0.92$). It is noteworthy that no new members (0-12 months) responded to the survey.

Table 4.4.*Importance of advice from art lending company (N=106)*

| # | Answer | % | Count |
|---|----------------------|-------|-------|
| 1 | Not important at all | 52.83 | 56 |
| 2 | A bit important | 32.08 | 34 |
| 3 | Fairly important | 13.21 | 14 |
| 4 | Very important | 1.89 | 2 |
| | Total | 100 | 106 |

For the question ‘how important is the advice from art lending company employees for selecting art’ over half of the respondents (52.83%) answered that they do not find it important at all, 32.08% mentioned that the advice is only ‘a bit important’. With an average of 1.64 ($M= 1.64, SD= 0.78$) this means that the respondents do not attach a lot of value to advice of employees. It was measured if this had a relation to the variables ‘cultural participation’ and ‘level of education’, but there appeared to be no significant relationship.

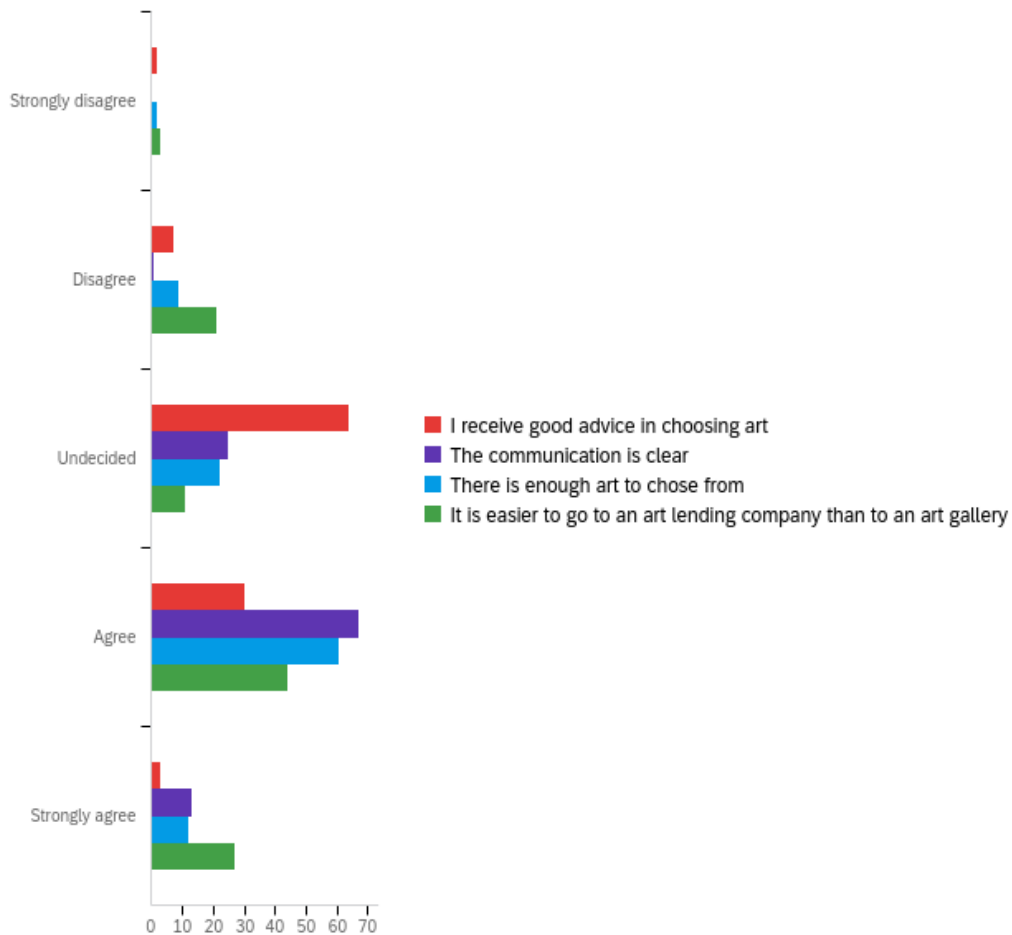


Figure 4.1. Satisfaction with art lending company (N=106)

In order to examine how satisfied customers are with their lending company four different questions were asked. All results came out as significant in a one-sample t-test with $p \leq .05$. An example of this is that for ‘I receive good advice in choosing art’ the mean of the respondents ($M= 3.24, SD= 0.68$) has a 95% certainty that the ‘undecided’ measurement ($\mu=3$) is not leading within the results. Furthermore, the $CI [.10, .37]$ is positive which is in line with the average of 3.24 which leans towards agreement on the statement. Which is

noteworthy, because it has also been proven that the sample does not attach much value to the advice of art lending companies. Therefore, it can be said that although the sample does not attach value to the advice of the art lending company, they do find the quality of the advice good when they receive it. For all results there was a positive difference from $\mu=3$, meaning that all results leaned towards agreement on the satisfaction variables as can also be seen in Figure 4.1.

4.2.3 Lending motivations

Table 4.5.

Number of artworks loaned in the previous year (N=106)

| | Minimum | Maximum | Mean | Std Deviation | Variance | Count |
|---------------------------|---------|---------|------|------------------|----------|-------|
| Number of loaned artworks | 0.00 | 20.00 | 3.05 | 4.80 | 23.01 | 106 |

As shown in Table 4.5 the sample has on average loaned 3.05 artworks over the last year, with minimum of 0 and a maximum of 20 ($M= 3.05$, $SD= 4.80$). There was no significant relation (Pearson's r) between other variables including 'the amount of time a respondent has been a member of the art lending company'.

Table 4.6.

Agreement on the following statements about lending art (N=106)

| # | Field | Minimum | Maximum | Mean | Std Deviation | Variance | Count |
|---|--|---------|---------|------|------------------|----------|-------|
| 1 | Lending art is easier than buying art | 1.00 | 5.00 | 4.02 | 0.80 | 0.64 | 106 |
| 2 | Buying is too big of a step for me (for now) | 1.00 | 5.00 | 3.15 | 0.99 | 0.98 | 106 |
| 3 | I lend because this gives me the opportunity to swap art | 1.00 | 5.00 | 4.07 | 0.66 | 0.44 | 106 |
| 4 | I lend because this gives me the opportunity to swap art | 2.00 | 5.00 | 4.21 | 0.64 | 0.41 | 106 |
| 5 | I often get bored by my chosen artworks | 1.00 | 4.00 | 2.14 | 0.67 | 0.44 | 106 |

| | | | | | | | |
|---|--|------|------|------|------|------|-----|
| 6 | I lend because I want to buy less objects | 1.00 | 5.00 | 2.66 | 0.90 | 0.81 | 106 |
| 7 | Lending shows me which options are out there | 1.00 | 5.00 | 3.83 | 0.69 | 0.48 | 106 |

In order to examine what motivates respondents to loan art, seven different questions were asked as seen in Table 4.6. Six out of the seven results came out as significant in a one-sample t-test with $p \leq .05$. An example of this is that for ‘lending art is easier than buying art’ the mean of the respondents ($M= 4.02$, $SD= 0.80$) has a 95% certainty that the ‘undecided’ measurement ($\mu=3$) is not leading within the results. Furthermore, the $CI [.86, 1.17]$ is positive which is in line with the average of 4.02, on the scale from 1-5, which leans towards agreement on the statement. For all results, except for statement number 2, there was a difference from $\mu=3$. Four out of six results leaned towards agreement whereas two leaned towards disagreement as can also be seen in Table 4.6. The variable ‘buying is too big of a step for me (for now)’ has a *sig.* of $.121 > .05$ making the result insignificant, meaning that the result ‘undecided’ is leading. This is noteworthy, since this shows that lending because its financially more appealing is not a reason for the respondents to lend art.

Besides asking the respondents about their agreement on the statements it was also asked if they could rank them in order of importance (1 being the highest). This resulted in the following order as end result, based on the averages:

1. By lending I can see if an artwork fits into my house first ($M= 2.49$, $SD= 1.38$)
2. Lending art is easier than buying art ($M= 2.62$, $SD= 1.67$)
3. I lend because this gives me the opportunity to swap art ($M= 2.85$, $SD= 1.34$)
4. Lending shows me which options are out there ($M= 3.98$, $SD= 1.80$)
5. Buying is too big of a step for me (for now) ($M= 4.58$, $SD= 1.89$)
6. I lend because I want to buy less objects ($M= 5.60$, $SD= 1.24$)
7. I often get bored by my chosen artworks ($M= 5.88$, $SD= 1.11$)

As shown the respondents found it important that they can test if an artwork fits in their home. The second ranked statement was ‘lending is easier than buying art’, this could be brought in relation to search costs. Therefore, a question was also asked about search costs, on a scale from strongly disagree (1) to strongly agree (5) over half of the respondents (59.43%)

mentioned that they agreed on the statement: ‘through the varied art collection of rental companies I have a better idea about my taste’ ($M= 3.62$, $SD= 0.82$). The result came out as significant in a one-sample t-test with $p \leq .05$. There is a 95% certainty that the ‘undecided’ measurement ($\mu=3$) is not leading within the results. Furthermore, the $CI [.46, .78]$ is positive which is in line with the average of 3.62 which leans towards agreement on the statement.

Besides asking whether the respondents find specific statements important about their lending behaviour, it was also interesting to see what the specific goal is of the respondents to lend art.

Table 4.7.

Main goals of art lending according to art lenders (N=106)

| # | Answer | % |
|---|--|-------|
| 1 | I want to brighten up my house | 56.60 |
| 2 | I want to learn more about art | 0.94 |
| 3 | I am searching for the perfect work | 2.83 |
| 4 | I want visitors to see art in my house | 0.94 |
| 5 | I eventually want to purchase art | 28.30 |
| 6 | Other: | 10.38 |
| | Total | 100 |

As seen in Table 4.7 there are two main reasons why respondents are lending art: ‘I want to brighten up my house (56.60%)’ and ‘I eventually want to purchase art (28.30%)’ ($M= 2.73$, $SD= 2.06$). The ‘other’ result was an open-ended question that was coded according to the codes: *aesthetic, pleasure, taste, financial motivation, ownership, and exchangeability*. These results are elaborated upon in the chapter 5, for an overview of how many times these codes were said by the sample please see Table E1 in Appendix E.

4.2.4 Purchase motivations

In order to understand the motivations to purchase art it is necessary to look at what art lenders think of art ownership. In Table 4.8 an overview is given of how important the respondents find ownership in general.

Table 4.8.

Importance of ownership to art lenders (N=106)

| # | Answer | % | Count |
|-------|----------------------|-------|-------|
| 1 | Not important at all | 30.19 | 32 |
| 2 | A bit important | 29.25 | 31 |
| 3 | Fairly important | 33.02 | 35 |
| 4 | Very important | 7.55 | 8 |
| Total | | 100 | 106 |

For the question ‘how important do you find it to be the owner of a bought piece of art’ 33.02% percent mentioned that they find it fairly important; 29.25% mentioned that ownership is only a bit important. With an average of 2.18 ($M= 2.18, SD= 0.95$) on a scale from 1 (not important at all) to 4 (very important), this means that the respondents attach a bit of importance to the ownership of artworks. To see if the importance of ownership has a relationship with the number of artworks the respondents own, a bivariate analysis has been conducted, which is shown in Table 4.9.

Table 4.9.

Relationship between importance of ownership and the number of bought artwork (N=106)

| | | Number of bought art | Importance of ownership |
|-------------------------|---------------------|----------------------|-------------------------|
| Number of bought art | Pearson Correlation | 1 | .311** |
| | Sig. (2-tailed) | | .001 |
| | N | 106 | 106 |
| Importance of ownership | Pearson Correlation | .311** | 1 |
| | Sig. (2-tailed) | .001 | |
| | N | 106 | 106 |

** . Correlation is significant at the 0.01 level (2-tailed)

The respondents in the sample have on average 8.80 purchased artworks in their house, with a minimum of 0 and a maximum of 50 ($M= 8.80$, $SD= 7.97$). These works were not necessarily bought at their art lending company, since this question revolves around ownership in general. It was found in the bivariate analysis (Pearson's r) that there is a significant moderate positive correlation between the two variables ($r = .311$, $p = .001$).

Besides the importance of ownership, the respondents were asked to choose their main motivation to purchase art, the results can be seen in Table 4.10:

Table 4.10.

Motivations to become an art owner (N=106)

| # | Answer | % | Count |
|-------|--|-------|-------|
| 1 | I want to use up my credit | 12.26 | 13 |
| 2 | I want the work to be in my home permanently | 50.00 | 53 |
| 3 | I fell in love with the art | 30.19 | 32 |
| 4 | I want to start my own collection | 0.00 | 0 |
| 5 | I do not want to purchase art | 1.89 | 2 |
| 6 | I want to enlarge my collection | 5.66 | 6 |
| Total | | 100 | 106 |

There are three main reasons why respondents want to become art owners: 'I want the work to be in my home permanently' (50%), 'I fell in love with the art' (30.19%), and 'I want to use up my credit' (12.26%) ($M= 2.46$, $SD= 1.13$). The sample buys art, because they have built a bond with the work while they also feel the financial motivation of the collected credit.

In open-ended questions the respondents were asked what their motivations were to purchase art, 88.68% of the respondents answered they are planning to purchase art from their art lending company or have already purchased art ($N=106$, $M= 1.11$, $SD= 0.32$). The following codes were used to analyse their open-ended answers: *financial motivation*, *aesthetic*, *relationship with art*, *testing*, *collecting*, *fashion*, *ownership*, *pleasure*, *freedom*, *obligational feeling*, and *convenience*. From the sample, 11.32% did not plan on purchasing art. The codes used to analyse their answers were: *testing*, *freedom*, *pleasure*, *relationship*

with art, convenience, and ownership. The results of the open-ended questions are used and explored within chapter 5. See Table E2 and E3 in Appendix E for a broader overview¹.

When asked if respondents would continue lending after buying an artwork 73.58% answered ‘yes’ and 26.42% answered ‘no’ (N=106, $M= 1.26$, $SD= 0.44$). In general, most of the respondents would remain a customer of the art lending company even after purchasing art. The following motivations were coded for the open-ended ‘yes’ answers: *space, exchangeability, pleasure, collecting, learning about art, fashion, testing, freedom, financial motivation, ownership, support, and aesthetic.* These codes were used for analysing the ‘no’ answers: *space, ownership, usage, financial motivation, freedom, collecting, and taste.* Similarly, these results are shown in chapter 5 and can be seen in an overview in Table E4 and E5 in Appendix E.

4.3 Market results

The representatives of the art lending company were asked to share data on their total of lenders, total of art in their collection, total of loaned works, and their total number of sold artworks. Due to privacy reasons these results cannot be shared separately, therefore the overview in Table 4.11 shows the total of all the data. These results will be used in the discussion section (chapter 5).

Table 4.11.

Combined information from interviewed art lending companies over 2019 (N=5)

| Art lending market information | Count |
|---------------------------------------|--------------|
| Total of lenders | 5403 |
| Total art in collection | 19474 |
| Total of loaned works | 6217 |
| Total of sold works | 1268 |

¹ Not all codes are used in the discussion (Chapter 5), because they were not mentioned enough to be deemed as significant. However, they are mentioned in all the tables in Appendix E.

5. Discussion

The focus in this section is on the four sub questions that were introduced in Chapter 3. This is done to eventually give an answer to the main question: to what extent do contemporary art lending companies impact the consumption behaviour of private art consumers in the Netherlands? Firstly, the structure of the art lending market is examined. Secondly, the different motivations to rent are discussed Thirdly, the extent to which ownership influences art lending behaviour is analysed. And lastly, the change in the consumption perspective because of art lending is examined.

5.1 Structure of the art lending market

An important part of the art lending market is the identity of the company. Two out of the five interviewees mentioned how their company was established because of the oversupply created by the BKR scheme. The other three interviewees mentioned that the business started because the director was part of a network of artists who needed a platform for their art. The three companies that started due to their network have all mentioned the BKR scheme in relation to their collection. As mentioned by Belder (1987), the BKR scheme created an oversupply of art in municipalities, which was one of the main reasons that art lending companies were set up, i.e. to enable a broad audience to lend art and to lessen the overflow. After the abolishment of the BKR in 1987 a big portion of the artworks from the municipalities were transferred to art lending companies, all five interviewees mentioned that they have BKR art in their collection. It is noteworthy that all the art lending companies still have BKR art in their collection. However, one of the goals of art lending companies is to reach a broad audience, therefore they all try to create a wide-ranging collection.

Four out of the five interviewees mentioned that they are a foundation. One did not state it, but this company has strong ties with other foundations. This company collaborates with other community and educational projects. Although the businesses are non-commercial in origin four out of the five have mentioned that they do need their renters in order to exist, two even mentioned that they need the sales of art. Municipal subsidised are deemed as important in the survival of art lending companies. Four of the art lending representatives mention that due to subsidy cuts they have changed into the business model they have today. One of the respondents said:

“It did not matter [in the past] if you loaned a tapestry from Claudy Jongstra or some unknown artist or even a picture of Erwin Olaf. It was all rentable for the same price. [...] What we have now is really different, simply because we no longer get subsidies. We now have a system in which different levels of art are loanable, divided into two collection” (Art collection manager, female).²

From this response it becomes clear that due to the lack of subsidies the system of art lending companies has changed. After the abolishment of the BKR the market has been through important changes, especially considering that the art lending companies have large costs associated primarily with art storage, as mentioned by three of the interviewees. Since art lending companies have a circular model in which the art gets brought back to them, they need more storage space than regular galleries. Therefore, the companies need to make commercial choices in order to equal out the costs.

From the interviews it became clear that all five art lending companies value having different forms of art in their collection, such as paintings, gouaches, photographs and statues. Besides the different forms of art, they also have different genres (landscapes, contemporary, etc.), only one of the representatives mentioned that their company is focussed more on ‘understandable’ art. Furthermore, all companies try to support local and young artists, either through buying their works, or by renting out their artworks while they are still owned by the artist. By promoting these artists, the companies show their role as intermediaries in the market. As mentioned by Currid (2007) intermediaries are the ones who convey taste and decide of what the quality of art is. Art lending companies choose the art they represent through various criteria. The first is based on the target audience of the company. Four out of the five interviewees specified that they have two target groups, their already existing client base, and potential new clientele. All five companies have a clientele that is older than 40 on average, and according to the interviewees these people like the more traditional forms of art such as painting. The second target group, which was mentioned by four interviewees, are people between the ages of 25-40 years old, who have just purchased a house and are ready to take a step into the artworld. Furthermore, two of the five art lending companies mentioned

² This quote was translated from Dutch, the original quote is: “Of je een wandkleed van Claudy Jongstra leent of een grafiekje van een kunstenaar die niet zo bekend is of een foto van Erwin Olaf. En dat was allemaal maar één bedrag. (...) En wat we nu hebben, dat is nu dus wel echt anders, en dat is gewoon omdat we nu geen subsidies meer krijgen. Is dus dat andere systemen, die categorieën waarin je zichtbaar afhankelijk van de – we hebben een paar staffels in een soort van uh eigenlijk twee collecties.”

that their audience is highly educated and all of them claimed that there is an interest in art present within the audience. The mentioned target groups are similar to the survey results which showed ages with a min. 24 and max. 80, with an average (M) of 60.15 ($SD= 10.79$). It turned out that within the sample survey 83.47% of the respondents was older than 50 years, which corresponds with what the interviewees said. Furthermore, 83.49% of the survey respondents have an applied sciences degree or higher, which shows that the sample has on average a high educational background ($M= 3.51$, $SD= 1.22$). Three out of the five art lending representatives admitted that they are still trying to reach a younger target group, whereas one already has a vast number of younger people. The art lending companies try to target this younger segment by adapting to their art preferences, they do this by following trends in the art market. Two out of the five art lending companies even lets the attendees of their exhibitions choose what art they like the most, afterwards they will take this piece up into their collection. One of the interviewees said about the younger target group:

“The younger target group of about 30-40, they prefer photography and they want something which is popular like urban next. This is photography of old buildings that are taken over by nature or are partly torn down. They also prefer large works” (Director 1, female).³

Two of the interviewees mention that they purchase art that fits these criteria, so larger art works but also photography. A common strategy among all interviewed art lending companies is to showcase and lend out art that is made by younger and upcoming artists, preferably all with an art academy education. This is a notable result, because it is in line with the study of Jyrämä (2002) who mentions that artists with a reputation are easier to sell, since people already have an idea on their works and know the worth of the works. When art lending companies decide to lend out new art, this art is mostly from artists with an educational background. This is done, because having works from professional artists in their collection conveys that they have a certain status within the art market, besides that it is easier to sell or lend out the pieces when they are from a qualified artist. Furthermore, the art from the BKR period is mostly from artists that have a reputation. Multiple art lending companies

³ This quote was translated from Dutch, the original quote is: “De jongere doelgroep die ik net uh die 30 40, of die willen allemaal fotografie en die willen bijvoorbeeld wat heel erg goed loopt – is urban next. Dat is van die van die fotografie van oude gebouwen, hè die dan overwoekerd zijn, met met uh klimop en zo en ingevallen daken. En dan groot hè, ze willen vaak groot werk.”

have mentioned that they have deaccessioned works that did not meet their contemporary standards anymore in terms of quality or reputation.

Two of the research questions in the survey were focussed on whether art lending companies are important in advising customers with their choices. The results from the survey indicated that art lenders do not attach a high level of value to the advice of employees ($M=1.64$, $SD=0.78$), although they do find that they receive good advice from the employees ($M=3.24$, $SD=0.69$). The intermediary role of art lending companies is thus limited to choosing the art for their collection, and thereby deciding which works they want to present to their clients, but it is less about advising the customers on lending art. From the interviews it became clear that art lending companies do give advice to first time art lenders or non-members about the concept of art lending, but when it comes to deciding which art to lend, this is up to the customers themselves. Art lending companies do find their accessibility an important aspect of their identity, the representatives all used galleries as an example to explain that there are less boundaries in art lending. All interviewees mentioned that they thought art lending is an 'easy' way to get acquainted with art. One of the interviewees said:

“Our space is here as the central meeting point; people can drink coffee here and it is not like a real gallery. (...) I like to keep our accessibility. We are here for the accessibility and I think that we have a lower entrance barrier than a gallery” (Director 2, female).⁴

From the answer of this respondent it becomes clear that she finds that art lending companies are easier to enter than galleries, it is their purpose to provide an accessible way to consume art. This is line with what all other interviewees said, and in accordance with the sample of results of the survey. Within the survey it was asked if customers found it easier to go to an art lending company instead of an art gallery, There was agreement on the statement with an average of 3.67 ($M=3.67$, $DS=1.14$) on a scale of 1-5, 1 being strongly disagree and 5 being strongly agree. All of the interviewees mentioned that it is important for them that art lending companies exist for those who cannot immediately afford art, or for people who find the boundary too high in other art companies, such as galleries.

⁴ This quote was translated from Dutch, the original quote is: “Die ruimte is ook echt eigenlijk ook echt centrale middelpunt waar mensen koffiedrinken uh van alles en nog wat is dat is niet helemaal een echte galerie. (...) Ik vind het leuker om die te houden en de laagdrempeligheid. Wij zijn natuurlijk heel veel voor het laagdrempelige en ik denk dat de kunstuitleen laagdrempeliger is dan de galerie.”

Similarly, art lending companies lower the barrier to enter the art market by focussing on education. Two out of the five art lending companies have educational school programs, which focus on teaching youth and children about art. By doing this they aim at teaching children that art is not only highbrow, but also something for them. Educating children about art gives them a better understanding on the different genres and types of art there are present in the visual art market. This lowers search costs, since people get a better understanding of art and what types of art are in existence. As Caves (2000) mentioned the art market has a lot of differentiations between levels of art and types of art. By educating children and adults about art they learn early on what their options are.

5.2 Motivations to lend

When the survey respondents were asked to order different motivations to lend art, the first one that came out on top was ‘by lending I can see if an artwork fits into my house first’ ($M=2.49$, $SD=1.67$). Of the respondents, 56.60% of the respondents said that the main goal of art lending is to brighten up their house. This is in line with the theory of Lawson (2011), who mentions that luxury goods are loaned because people want to follow fashion trends. All five art lending companies mention that they have customers that want to lend art, because they have empty spaces on their wall. The customers want something that fits with their interior, art can be seen as a fashion item in that sense. All companies are aware of the fact that their customers prefer works that complement the chosen space and interior. One of the art lending companies even plays with this need for fashion by allowing customers to switch the framework:

“Within this project we give the customers the chance to choose themselves. An aluminium frame for example. By doing that they can form it more according to their taste” (Art collection manager, female).⁵

By focussing on the importance of fashion and trends the art lending companies try to stimulate the consumption of art. This particular company does so by granting their customers the opportunity to give a flair of their own taste to the works by choosing the frame. This

⁵ This quote was translated from Dutch, the original quote is: “En in dit project geven we eigenlijk klanten de kans om zelf te kiezen. Uit een aluminium lijst bijvoorbeeld, zodat ze uh en het meer naar hun eigen smaak is.”

option is also useful for the company, since unframed art takes up less space which cuts the costs of storage.

The art lending professionals consider the fact that customers can exchange the art they lend as one of their main assets. It is noteworthy that none of the art lending companies have a lending period that extends longer than a year. They do this to harbour the continuity of art exchanges, and to make sure that their members have multiple option to chose from. That art lenders attach value to this system can be seen from the results of the survey. On the statement ‘there is enough art to choose from’ participants responded with 57.55% in agreement ($M= 3.68$, $DS= 0.85$), the average of 3.68 was formed on a scale from 1-5, 1 being strongly disagree and 5 strongly agree This means that the sample agrees that their lending company has enough options available when they want to exchange their art. It is also shown that art lending customers prefer to change their art multiple times throughout the year:

Table 5.1.

Number of lenders and art loans in 2019 from 5 art lending companies (N=5)

| Art lending market information | Count |
|---------------------------------------|--------------|
| Total of lenders | 5403 |
| Total of loaned works | 6217 |

Table 5.1 shows that from the total of 5403 art lenders from the five art lending companies have loaned 6217 art works in a year. This means that 15.07% of the art lenders have at least exchanged their art once in the year 2019. When focussing on the survey results it is also shown that not every customer has loaned art within the year 2019, whereas some have exchanged their works 20 times (min. 0, max. 20). With an average of 3.05, it can be said that art lenders prefer to at least exchange their art once a year. Especially because the sample agreed on the statement ‘I lend because this gives me the opportunity to swap art’ ($M= 4.07$, $SD= 0.66$), this shows that people start to lend art because they want this possibility to change their art. Noteworthy is that within the results of the survey it became clear that people do not swap art because they get bored by it; the average on this statement was 2.14 on a scale from 1-5, 1 being strongly disagree and 5 strongly agree ($M= 2.14$, $SD= 0.67$). Therefore, it can be said that customers prefer that they have the freedom to exchange their art pieces, but their motivations to swap is not formed out of disliking. All interviewees mentioned that when the lending period is over their customers come to return the work or purchase it. It can be said

that customers that only swap their art when their lending period is over do so because the company has asked them to do so. That exchangeability is an important motivation to lend art is in line with the results of Laswon (2011) and Edbring, Lehner and Monet (2015). They have argued that the possibility to not have the ownership over a good, thus by renting, grants consumers freedom. The ability to swap a luxury good whenever the consumer wants gives them a sense of freedom, which is important to art lenders as well.

Another important motivation to lend art turned out to be the ability to test ‘the product’, before a possible purchase. The survey respondents ranked this the most important motivation ($M= 2.49$, $SD= 1.38$). Four out of the five interviewees mentioned that most consumers are not sure yet about what art they would like within their house. One of the art lending companies mentioned:

“Often they do not know what they want on their walls yet. With us you can exchange your art an unlimited number of times. So, you can just try what you like to see ‘hey what fits me’ and by doing that it creates a nice entry way to having art on your walls” (Art project leader, female).⁶

She expresses that often consumers first need to test art in order to see what really fits with their taste. This is also in line with the research of Durgee & O’Connor (1995) and Edbring et al. (2015) who mention that consumers first like to test a good before they decide to really purchase a good. The sample was in agreement that lending is a way to figure out what options are available ($M= 3.83$, $SD= 0.69$). Testing is an important factor that helps customers in determining their taste. The respondents were also asked if they have the idea that they know what their taste is through the art lending company, 59.43% of the customers responded that they agreed with this statement ($M= 3.62$, $SD= 0.82$) on a scale form 1-5. Therefore, it can be said that testing is an important factor for art lenders because of multiple reasons. Testing can be used to determine what the taste of the lender is, but it can also be used in order to figure out if the art fits with their interior. As discussed by Klein (1998) and Stigler (1961) art is an experience good, which means that it is harder for consumers to figure out if they will like the product. Art lending companies give customers the opportunity to figure out

⁶ This quote was translated from Dutch, the original quote is: “Ja vaak weet, nog niet helemaal zeker zijn van wat ze aan de muur willen. Je mag bij ons ook onbepikt wisselen. Hè dus, dan kun je ook gewoon uitproberen van ‘nou wat past bij mij, wat staat mooi’ en op die manier is dat is dat een mooie instap, uh zeg maar om kunst aan de muur te hebben”.

what art they appreciate and what their taste is, which is also a way to diminish the search costs for the consumer.

Lastly, it was also mentioned by the art lending companies that lending art has a financial motivation. One of the art lending representatives explicitly mentions this as a purpose of the company:

“There is a background (in opening the art lending company), we want people who have relatively little money to get the opportunity to have art on their walls” (Administration volunteer, male).⁷

Customers of art lending companies can already lend art for a relatively small price. The exact amount differs for each company, but all interviewees have affordable options. This can be done through a one-monthly fee or by a percentage per work. Customers can already lend art for around 7 euros per month or for approximately 2% of the worth of the artwork. This monthly payment can be much higher, but these are the average starting costs per month. Since, purchasing art is a high investment it is hard to buy while not knowing how it would like in your home or if you would get a connection to the work. By lending the art at first people can determine the worth. It is noteworthy that within the survey financial motivations in relation to why customers lend art was only once mentioned by a customer. Art lenders do not view art lending as a means to examine the worth of good and if it could be a solid investment. Yet, financial motivations are important in other aspects such as purchasing behaviour. Customers use their credit as a reason to purchase art, this is elaborated upon in the next section.

5.3 Ownership and consumer behaviour

It is interesting to see how an eventual purchase, or the idea of searching for a work that the customers wants in their home permanently, is important to them. Especially, when seeking out the role of art companies within the process of buying art. Firstly, it is interesting to see how many purchases were made within the art lending companies.

⁷ This quote was translated from Dutch, the original quote is: “Maar er is natuurlijk een achtergrond en dat is natuurlijk ook dat mensen met relatief weinig geld wel kunnen uh iets aan de muur kunnen krijgen”.

Table 5.2.

Number of art purchases in 2019 from 5 art lending companies (N=5)

| Art lending market information | Count |
|---------------------------------------|--------------|
| Number of lenders | 5403 |
| Number of sold works | 1268 |

As is shown in Table 5.2, in 2019 there were 5403 lenders across the five art lending companies considered in this research, and 1263 sold works were sold. This means 23.37% of the total lenders have purchased an artwork, if all customers only bought one art piece in the year 2019, this can of course be less if multiple buyers purchased more than one artwork. This also means that over 75% of the lenders has not purchased art within the last year, whereas they are active lenders. Therefore, it is interesting to see what motivates art lenders to purchase art and if they would purchase art if they would get the chance. From the results three main motivations for art lenders to purchase art were found:

1. The customers have formed a bond with the artwork, making them reluctant to swap their work.
2. The built-up credit at the art lending company motivates consumers to purchase art.
3. The customers get attached to the aesthetic value art creates, they find the work beautiful and decide to purchase it.

According to the interviewees, why their clients decide to purchase their art is that they have built a relationship with the piece. Four out of the five interviewees give customers the opportunity to purchase art as part of their business model. It needs to be noted that one of the art lending companies does not sell art anymore, because they sold an extensive amount of paintings in the previous last years. Only as an exception will they sell an artwork. This company is working on a new lending scheme where they act as a broker between other artists and lenders. The art of the artists gets loaned through the company, but the property rights still belong to the maker. The plans for the new model are taken into account for the rest of the results, since they already have the plan ready it just needs to be set in motion after the COVID-19 measurements. All interviewees stated that customers decided to purchase their art when they have a certain connection with it, making them not wanting to swap it anymore. When the survey respondents were asked if they were planning on purchasing art or had

already purchased art from the art lending company in the past, 88.68% responded with ‘yes’ ($n=106$, $M= 1.11$, $SD= 0.32$). From the coded results of the open-ended question (see Tables E2 and E3 in Appendix E), it turned out that 16.04% of the customers decided to purchase art because they did not want to part ways with a work, as illustrated by the following statements:

“It was exactly the piece that I wanted to have, and every time I still see new things within the painting” (Anonymous art lender).⁸

“After some time, I just NEEDED to have the work” (Anonymous art lender).⁹

Both these responses show that there is an intrinsic need to wanting the work to remain in their house. Furthermore, 50% of the respondents mentioned that they want to become an art owner because they ‘want the work to be in my home permanently’. This refers to the customers not wanting to exchange the art anymore. Out of the respondents 30.19% also mentioned that they fell in love with the art, which was their main reason to purchase art. Both these results show that an important reason to purchase art is because of an emotional connection. This finding is in line with the conclusions of Zorloni (2013), who mentions that passion is one of the motivations to acquire art.

The second mentioned motivation that returned frequently are financial incentives to purchase art. Four out of the five art lending companies have a credit system, this means that members can lend art with an extra monthly fee that they save up to use on purchases. The survey respondents admitted that they wanted to spend their art credit to purchase art, 35.85% of the survey respondents that answered ‘yes’ to purchasing art ($N=94$) use ‘financial motivation’ as their main reason. Therefore, it can be argued that the lending companies that offer a credit system incentivise their customers to purchase art. Striking is that four out of the five art lending companies admitted that they prefer lenders over purchasers. They acknowledge that normally a percentage of the lenders will quit their membership after purchasing art. One of the interviewees mentioned:

“Eventually it is nice when they purchase something. It means more revenue. But at the same time well, it is not that everyone immediately stops with lending art. I think it is around fifty-

⁸ This quote was translated from Dutch, the original quote is: “het precies het stuk was wat ik wilde hebben en er steeds weer nieuwe dingen in ontdek (schilderij)”.

⁹ This quote was translated from Dutch, the original quote is: “ik na verloop van tijd het geleende werk MOEST hebben”.

fifty, maybe a bit at the expense lending. So, when you have a buyer you will often lose them, I would say more than once every two times, as a customer.” (Art collection manager, female)¹⁰

This link between purchasing art and a decrease in membership can also be seen in the survey results. Out of the survey respondents 73.58% would remain an art lender after purchasing, whereas 26.42% would unsubscribe their membership ($M= 1.26$, $SD= 0.44$); this is a loss of approximately $1/4^{\text{th}}$. This is not in line with the 50% mentioned by the art lending representative, however it does show a loss of clients. It can be said that ownership influences if a customer will continue in lending. In comparison to the theories about acquiring art, customers do not purchase art as an investment, so art lending is not used as a means to gain more insight on investments.

The third motivation to purchase art is the aesthetic value it generates. All interviewees mention that art gets chosen based on if it is beautiful, this is brought in connection to customers that purchase and lend art. From the open-ended question about art purchasing 18.87% of the respondents ($N=94$) mentioned aestheticism as their main reason to acquire art. Twenty of the notions of aestheticism were linked to the word ‘beauty’. It has to be noted that the respondents rarely explain what they found so beautiful about the art. What a customer finds beautiful has to do with their taste in art. Zausner (2013) uses the ‘aesthetic’ as a form of communication between the artist and the customer, by perceiving the beauty of the work the message of the artists gets transferred to the consumer. The respondents and the interviewees have not explicitly mentioned this connection, but the survey respondents did feel a connection with the artist and therefore they want to buy his or her work.

Besides the motivations to purchase art, it is interesting to see how important art lenders find ownership in itself. In the question ‘how important do you find it to be the owner of a bought piece of art?’ 33.02% of the respondents answered fairly important. Whereas, 29.25% answered a bit important¹¹. This creates an average of 2.18, where 1 is not important at all and 4 is very important ($M= 2.18$, $SD= 0.95$). It can be said that on average the sample

¹⁰ This quote was translated from Dutch, the original quote is: “Uiteindelijk is het eh ja, uiteindelijk is het wel fijn als ze ook iets kopen. Dat is natuurlijk ook weer omzet. Tegelijkertijd uh nou, het is ook niet zo dat altijd als je iets koopt dat ze dan stoppen met lenen. Ik denk dat dat ongeveer nou misschien wel fifty-fifty is, misschien iets ten nadele van het blijven lenen. Dus als je een koper hebt verlies je wel vaker, dus iets meer dan één of twee keer denk ik een klant”.

¹¹ In this question the respondents were directed to answer by filling in this scale: not important at all, a bit important, fairly important, very important. This can be seen in chapter 5.

attributes value to ownership, since they find it quite important. It was also found that there is a significant relationship between the number of pieces someone has bought and how important they find ownership. The significance level was moderately positive ($r = .311$, $p = .001$). This means that the more importance someone attaches to ownership the more pieces they have bought in their life, which is a logical consequence. It can thus be stated that ownership has an influence on the behaviour of art lenders. However, collecting in itself has not been seen as a main drive when it comes to purchasing art. Only 5.66% of the respondents ($N=106$) mentioned that they wanted to enlarge their collection ($M= 2.46$, $SD= 1.13$). Therefore, art lenders do attach value to ownership, but they do not lend art to establish a collection.

5.4 Art lending and consumption

To see the influence that art lending companies have on the consumption behaviour of private art consumers, it is interesting to look at the effect art lending has on the perspective of private consumers. According to Chen (2009), art is consumed through viewing and through collecting, however it has been established that lending art can be seen as a middle way. As demonstrated, art lending companies grant the opportunity to first experience art and then purchase it. Art is purchased by the customers once they have built a relationship with the art, there is aesthetic value, or it becomes financially attractive. Not all art lenders decided to purchase art, within the survey sample 11.32% ($N=106$) mentioned that they rather not purchase art, mainly because they have not found a piece that they would like to keep in their house forever. This could also indicate that the customers have not perceived a strong emotional bond with the loaned art yet, once the customers reach a feeling of psychological ownership as mentioned by Bagga et al. (2018) they could become willing to purchase art.

To understand what the effects are of art lending on consumer behaviour the respondents were also asked in an semi-open question if they would remain a customer of the art lending company and for what reason, 73.58% of the sample ($N=106$) would continue to be a member of their art lending company (see Table E4 in Appendix E). The main argument was that there is still room left within the house, 25.32% ($N=78$) of the respondents said for example:

“As long as I have space I will continue to rent” (Anonymous art lender).¹²

¹² This quote was translated from Dutch, the original quote is: “zolang er plek is blijf ik huren”.

“There is enough space for more art in my home” (Anonymous art lender).¹³

The respondents argue that as long as they have space left for art, they would like to continue their membership at the art lending company. Another important mentioned reason is exchangeability. As was revealed earlier, art lending companies identify themselves strongly with the flexibility they offer. This is also one of the main reasons why the respondents would stay after purchasing, 20.25% of the respondents (N=78) said that they prefer the variation that they can get from the art lending company. This is also linked to the notion of search costs as mentioned by Stigler (1961), art lending shows consumers a variation of art which helps them in selecting their preferences. Besides exchangeability, pleasure was also stated by 16.46% of the customers (N=78) as a reason to continue art lending after purchasing art. This is exemplified by the following statements:

“I find it pleasant to have art in my home” (Anonymous art lender).¹⁴

“Art enriches our house and our life, new art as well” (Anonymous art lender).¹⁵

The respondents get pleasure out of having art around them, it gives them a feeling of enrichment and makes them happy. This is in agreement with the study of Zorloni (2013) who mentions that the more time you spend on consuming art the higher your appreciation will be.

Furthermore, by lending art customers enjoy the freedom to exchange art and it gives them an opportunity to express their taste. It has been found that the respondents do not rent for the environment or for their status. The respondents (N=106) ranked ‘I lend because I want to buy less objects’ as second last when asked what their motivation was to lend ($M=5.60$, $SD=1.24$). And when asked if they lend art because they want visitors to see art in their house, only 0.94% (N=106, $M=2.73$, $SD=2.06$) said that this was their main motivation. However, the environment and social status have been mentioned as reasons to rent luxury goods (Edbring, Lehner and Mont, 2015; Durgee and O’Connor, 1995; Lawson, 2011). So, opposite to renting other luxury goods, art is not loaned because of status or environmental reasons. Two of the five interviewees also mention that especially the younger target group prefer loaning art over purchasing, one of them mentioned:

¹³ This quote was translated from Dutch, the original quote is: “Genoeg plek in huis voor meer kunst”.

¹⁴ This quote was translated from Dutch, the original quote is: “ik kunst in huis plezierig vind”.

¹⁵ This quote was translated from Dutch, the original quote is: “kunst on huis en eigenlijk ook ons leven verrijkt, ook nieuwe kunst”.

“And I think within these current times, where especially for the younger generation its not all about property anymore, to own stuff, so then art lending is uh well a great entry for them into the art world” (Art project leader, female).¹⁶

This art lending representative mentions that art lending can be seen as an entryway to the art world. Ownership is not important for the enjoyment of art, as has been proven, since customers remain to be customers even after purchasing an artwork. So similar to transumers, as explained by Lawson (2011), art lenders can be seen as transumers as well because they do not need to own the art to be content.

¹⁶This quote was translated from Dutch, the original quote is: “En ik denk dat het in in in de huidige tijd, waarbij het zeker bij de jongeren waar het niet allemaal meer gaat, meer om bezit en om eh, hè om eigendom van dingen dat juist kunstuitlenen een hele mooie eh. Nou ja, mooie instap is in de kunstwereld”

6. Conclusion

In times of increased environmental awareness, of people being concerned with consumerism, and of unlimited choices, art lending companies offer the possibility to still enjoy art without needing to purchase it. By lending art consumers can figure out what they like without needing to make immediate decisions. Art lending companies offer a perfect service in this fast-changing time; therefore, it is interesting to see what the influence of art lending companies is on private art consuming. Through interviews and a survey several sub-questions were answered to answer the main research question: to what extent do contemporary art lending companies impact the consumption behaviour of private art consumers in the Netherlands? The interviews held with representatives of five different art lending companies in order to understand more about their market and their insights as professionals about their customers. The survey was distributed among art lenders from one of the interviewed companies and aimed at understanding the motivations that art lenders have to lend and purchase art, and how art lending affects the disposition of consuming from their perspective.

The influence of art lending companies on the demand side is mainly focussed on providing low entry barriers and giving art lovers the opportunity to exchange art. By giving the option to swap art, search costs, as mentioned by Stigler (1961), are diminished since art lenders get to learn more about their taste and the available options. Art lending companies try to cater to the needs of their customers by giving them multiple options, such as different genres and different types of art. This ranges from BKR art to recent art school graduates, and all different forms of art like paintings, gouaches, statues and more. In accordance to Belder (1987), Currid (2007), and Jyrämä (2002) it can be concluded that art lending companies are also intermediaries within the art market. Firstly, because they act as a broker between the demand and supply; and they have an influence on what art is offered to the customers. Secondly, because some of the companies take on an educative role towards youngsters and adults, they help the customer in finding their preferences in art. Although advice from the companies is not highly valued by art lenders, the option to development their taste by exchanging their art is important to them.

Furthermore, the motivations of art lenders needed to be researched in order to know what influence art lending companies have on their art consumption. It turned out that there are three main motivations to lend art. The first one was finding art that would fit into their

house and their taste. The second motivation was linked to the opportunity to exchange art within the art lending company, customers gain a sense of freedom when they can swap their art, it gives them pleasure. The third motivation is the ability to test art, most art lenders are not sure about what art they want. Therefore, customers lend art to test if it fits to their taste; this result fits with the findings of Moeller et al. (2010) on testing as a motivation. These findings are also supported by Khangeldieva (2015) who mentioned that renting can be seen as a replacement of economic properties, because you do not take on the role of owner. Interesting within these results is that the motivations to lend art are similar to that of other luxury products as explained by Lawson (2011) and Edbring et al. (2015), but it turns out that art consumers are not concerned with the environmental implications of purchasing unlike other transumers.

Besides lending motivations, it was important to understand consumption behaviour and the effect art lending has on this concept. The perception of ownership of an art piece has proven to be quite important to art lenders, especially to those who purchase artworks. Yet, lending art has not been proven to be done by those that want to start a collection. A steady number of art lenders decided to purchase art because they feel a connection to the artwork. This connection can be formed with the work itself or because of a deeper relationship with the message of the artist, as is also described by Zorloni (2013). This connection also has to do with psychological ownership as mentioned by Bagga et al. (2018). Art lenders have the feeling that the art belongs to them, which results in them not wanting to part with it anymore. This means that they already feel the attachment of owning the piece, which results in them buying it eventually. The most common motivation to purchase art is linked to the business model of the art lending companies. When customers lend art with credit, they feel incentivised to eventually purchase it, since they otherwise paid an extra amount of money without using it. Lastly, aesthetic value is one of the motivations that was used by multiple art lenders. Customers desire a piece because of its beauty and how it connects with their taste. As mentioned by Zausner (2013) it can be argued that what makes art 'beautiful' is a deeper connection. However, this remains a suspicion for now since that needs to be researched further.

Art lending can be seen as a middle way in the consumption model of Chen (2009) where without the property rights customers still enjoy the art privately. The theory of Zorloni (2013) that art has addictive properties is supported, since art lenders that continue with their membership after purchasing art remain motivated to lend. Having left over space was the

first mentioned motivation. Secondly, art remains to give the customers pleasure. Thirdly, the customer like the variation the art lending company offers them, therefore they remain a member. These concepts all have in common that customers value art in their home. As long as people have space left for art they will continue to lend, because it gives them pleasure to be surrounded by art. Furthermore, because they get to have the flexibility to exchange their art customers get to switch up their decoration and evolve their taste. Interestingly, there was almost no social incentive for people to consume art via an art lending company. Whereas it was expected based on literature by Bikchandani et al. (1992) and Kossejans et al. (2016) that social value would be an incentive to consume art, this however was proven not to be the case.

In conclusion, we can state that art lending companies influence the consumption of private art consumers within the Netherlands by the flexibility that they offer to the art market. Art lending companies grant their customers the opportunity to reduce their search costs by experiencing art while still figuring out their taste. By ensuring continuity through the system where art lenders need to return their loaned works, if they do not decide to buy it, the art lenders are pushed to learn more about the types of art that are available within the art market and learn more about trends. Art lending companies are easily accessible for a wide variety of consumers, this accessibility is an important feature to their role on the art market. The customers of art lending companies value that they can test a good before deciding to purchase it. On the art market in general there are plenty of consumers that prefer the traditional gallery model and want to start a collection. Though, for the researched segment it can be said that ownership is only slightly important and that it has been proven that lending is not seen solely as a start to collecting art. Furthermore, over half of the art lenders decide to remain a member of the art lending company after purchasing which makes them more similar to transusers than traditional art collectors. Art lenders prefer to test their art, to see if it adheres to their taste and fashion sense, and they like the continuity that is granted to them. Therefore, art lending companies offer a middle way as intermediaries, especially for art consumers that are just getting to know the art market.

This study has implications for the or the concept of lending art as a consumption model in the art market. By using the art lending model within different segments of the art market, the market in itself might lower its entrance barrier. Lowering the threshold for art consumers can be done by focussing more on education or helping customers to gain more experience on art, as is done in art lending companies. Therefore, this research can be of

interest for cultural policy makers to make the art market more inclusive. This research also shows art lending companies what the main motivations of their customers are to lend art, they can decide to focus more on certain aspects with campaigns or maybe lower some of their attention points in priority. This study also has implications for the art lenders themselves. Consumers can get a better insight on the processes that are happening within art lending companies. By lending they can gain more information on art and get a chance to distinguish their taste. Foremost, I hope that this research shows the value of art lending as a means to understand art. Art lending companies are a great alternative for the starting art consumer who is hesitant to step into a gallery.

However, this study also has its limitations. Since all survey participants were from the same art lending company the sample was quite confined. It would have been better to get a more distributed set of respondents. However, due to the COVID-19 pandemic it was already a relief that enough respondents were found. Especially because the art lending companies were restricted to help me in distributing the survey due to the virus, therefore the survey became a case study. Under other circumstances it would have been better to execute a broader study instead of a case study. Similarly, due to COVID-19 it was quite hard to find enough interviewees, luckily there were more respondents on the survey than anticipated which made sure there was still ample of data to base the results on. Furthermore, the lack of contemporary data on the art lending market proved to be a limitation. Within the research one of the sub questions was to focus on the structure of the art market. However, this could have been an entire thesis in itself. As a consequence, the results on the lending market became more of a general overview with a focus on the identity of the companies.

Lastly, there are some recommendations to be made for future research. As mentioned already, it would be nice to expand the study in order to make even more general statements. It would be better to execute a study similar to that of Motivaction (2017), but then focussed on art lenders and art buyers. This would allow for a deeper insight on similarities between the traditional gallery system with collectors and art lenders. Furthermore, it would be interesting to focus more on transacting within the art market. By researching this on a broader basis, the opportunity will be created to make better comparisons between the art market and other luxury lending markets. A broader research would create a better insight on the influence of lending in general.

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Appendix A - Interview respondents overview (anonymized)

| | Number of interviewees | Nationality | Occupation | Gender | Centrality of company (in the Netherlands) |
|---|-------------------------------|--------------------|--------------------------------|---------------|---|
| 1 | 1 | Dutch | Art project leader | Female | North |
| 2 | 1 | Dutch | Art collection manager | Female | Middle |
| 3 | 1 | Dutch | Director (1) | Female | North |
| 4 | 1 | Dutch | Director (2) | Female | West |
| 5 | 2 | Dutch | Administration & Art selection | Male & Female | East |

Appendix B - Interview guide

General:

- For how many years has the art lending company been in existence?
- Why did you choose to open an art lending company?
- Why did you choose to start an art lending company instead of a gallery?
- Could you explain why you choose for your lending system?
- What is your maximum loan period per work?
 - Why did you choose for this period?
- Do you have a standard form for customers to fill in?
 - If so, what do you ask for?
- How many customers do you have?
- How many works do you lend out on a yearly basis?
- What kind of art genres are most popular for lending?
- Which price classes are loaned the most?

Lenders:

- Have you done researched your target group before? And in which way?
 - What did you learn about your target group from this research?
 - How do you reach this target group?
- What is the background profile of your customers? (Male/female, age, income, etc.)
- Do you notice that certain target groups have a preference for specific genres?
- Do you notice that certain target groups have a preference for specific price classes?
- How do you help customers with choosing their art?
- Is it possible to test art at their homes?
 - If so, how exactly?

Motivations:

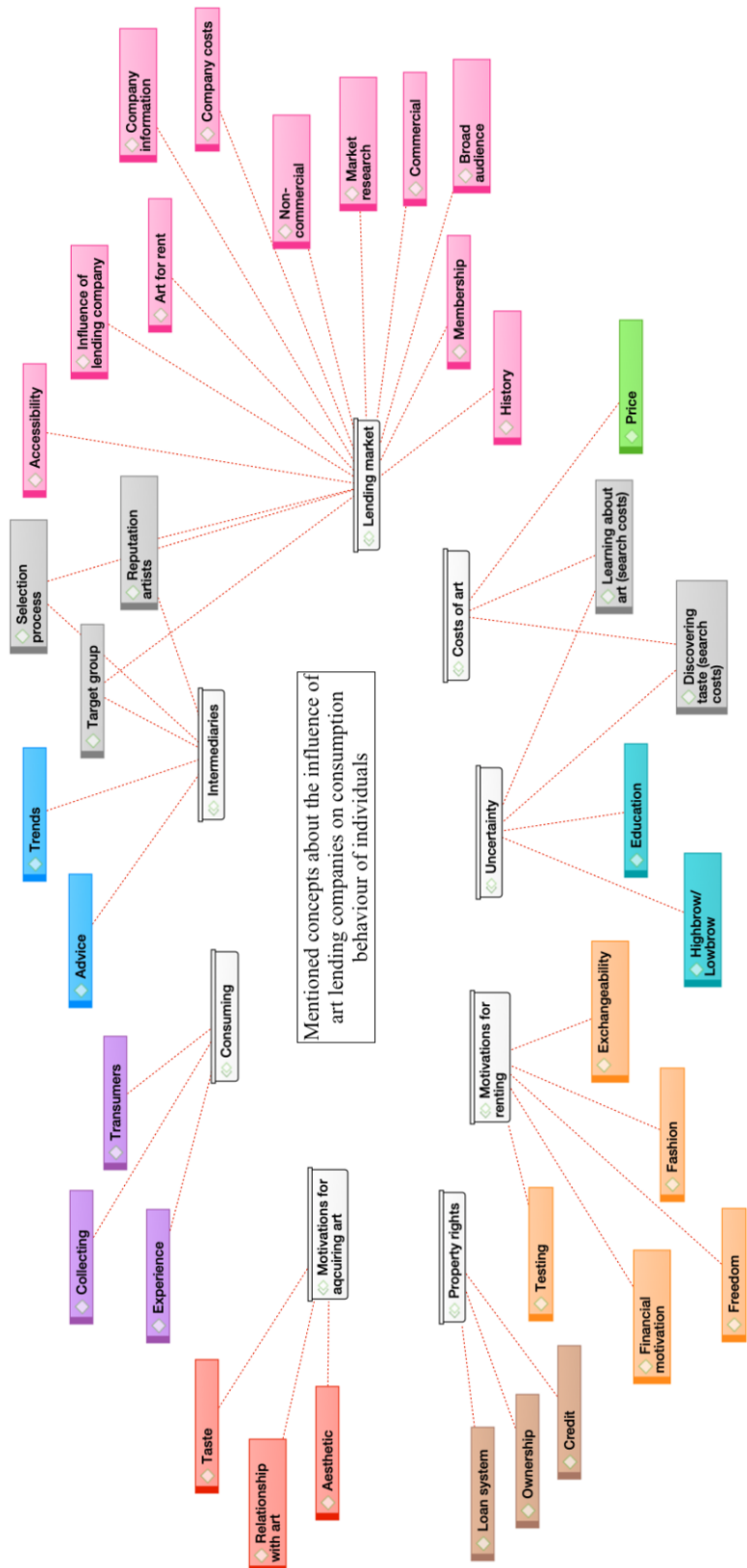
- Which motivation do you hear when people want to lend art?
 - What are the most common motivations?
- What criteria are important for people when choosing art?

- Which reasons do you get from customers when they bring the art back earlier than the maximum lending period?
 - What are the most common reasons?

Ownership:

- Is it your intention to get customers to purchase art?
 - If so, how exactly?
- If a lender decides to purchase art which reasons are given for this?
- Do you notice a difference in lending behaviour after a customer has purchased art?
 - If so, could you please explain this difference?
- What is the influence of art lending companies on the consumption of art by people who want art in their house for the first time?
- How do you think your art lending company influences the way that people consume art?
 - Do you see a difference between those who are experienced and inexperienced with art?

Appendix C - Interview coding tree



Appendix D - Survey questionnaire

Q1 What do you identify yourself with?

- Male (1)
 - Female (2)
 - X (3)
-

Q2 How old are you?

Q3 What is your highest level of education?

- Highschool (1)
 - Vocational (2)
 - Applied sciences (3)
 - University degree (4)
 - Master's degree (5)
 - PhD (8)
-

Q4 How often do you visit a museums or art gallery?

- Less than once a year (1)
 - Once a week (2)
 - Two or three times per month (3)
 - Once a month (4)
 - Multiple times in a year (5)
 - Once a year (6)
-

Q5 Have you ever loaned art at an art rental company?

- Yes (1)
- No (2)

Skip To: End of Survey If Have you ever loaned art at an art rental company? = No

End of Block: General information

Start of Block: Lending company

Q6 At what company do you lend art? (you can also mention the city)

Q7 For how long have you been a member at this art lending company?

- 0-6 months (1)
 - 6-12 months (2)
 - 1-5 years (3)
 - 5-10 years (4)
 - More than 10 years (5)
 - More than 25 years (6)
-

Q8 What type of loan system are you using?

- Lending with credit (1)
 - Lending without credit (2)
 - Lending is only possible with credit (3)
-

Q9 How important is the advice of art lending company employees for selecting art?

- Not important at all (1)
- A bit important (2)
- Fairly important (3)
- Very important (4)

Q10 To what extent do you agree with the following statements about your art lending company?

| | Strongly disagree (1) | Disagree (2) | Undecided (3) | Agree (4) | Strongly agree (5) |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| I receive good advice in choosing art | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| The communication is clear | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| There is enough art to choose from | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| It is easier to go to an art lending company than to an art gallery | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

End of Block: Lending company

Start of Block: Lending art

Q11 How many artworks have you loaned in the previous year?

0 5 10 15 20



Q12 To what extent do you agree with the following statements?

| | Strongly disagree (1) | Disagree (2) | Undecided (3) | Agree (4) | Strongly agree (5) |
|--|--------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Lending art is easier than buying art | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Buying is too big of a step for me (for now) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I lend because this gives me the opportunity to swap art | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| By lending I can see if an artwork fits | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

| | | | | | |
|---------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| into my | | | | | |
| house first | | | | | |
| I often get | | | | | |
| bored by my | | | | | |
| chosen | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| artworks | | | | | |
| I lend | | | | | |
| because I | | | | | |
| want to buy | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| less objects | | | | | |
| Lending | | | | | |
| shows me | | | | | |
| which options | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| are out there | | | | | |

Q13 Can you put the following statements in order of most to least important? (You can drag the statements from place 1 to 7)

- _____ Lending is easier than buying art (1)
 - _____ Buying is too big of a step for me (for now) (2)
 - _____ I lend because this gives me the opportunity to swap art (3)
 - _____ By lending I can see if an artwork fits into my house first (4)
 - _____ I often get bored by my chosen artworks (5)
 - _____ I lend because I want to buy less objects (6)
 - _____ Lending shows me which options are out there (7)
-

Q14 Statement: through the varied art collection of rental companies I have a better idea about my taste.

- Strongly disagree (1)
 - Disagree (2)
 - Undecided (3)
 - Agree (4)
 - Strongly agree (5)
-

Q15 What is your main goal when lending art?

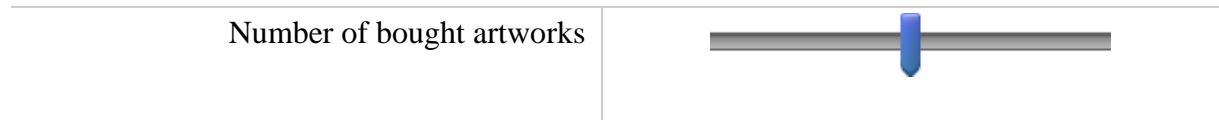
- I want to brighten up my house
- I want to learn more about art
- I am searching for the perfect work
- I want visitors to see art in my house
- I eventually want to purchase art
- Other: _____

End of Block: Lending

Start of Block: Buying art

Q16 How many purchased artworks do you own? (Think of: paintings, photography, statues, drawings, etc.)

0 10 20 30 40 50



Q17 Are you planning on purchasing art at your lending company? (If you have purchased art at your lending company before then please state the reason for doing so)

- Yes, because: (1) _____
- No, because: (2) _____

Q18 Will you continue lending art after buying an artwork?

- Yes, because: (1) _____
- No, because: (2) _____

Q19 How important do you find it to be the owner of a bought piece of art?

- Not important at all (1)
 - A bit important (2)
 - Fairly important (3)
 - Very important (4)
-

Q20 Last question: What is your main reason to become an art owner?

- I want to use up my credit (1)
- I want the work to be in my home permanently (2)
- I fell in love with the art (3)
- I want to start my own collection (4)
- I do not want to purchase art (5)
- I want to enlarge my collection (6)

End of Block: Buying art

Appendix E - Overview of frequency and answers on open-ended survey questions**Table E1.***Coding scheme of 'other' answers on main goal of art lending (question 15)*

| Codes | Frequency | % |
|----------------------|------------------|------------|
| Aesthetic | 4 | 36.36 |
| Pleasure | 3 | 27.27 |
| Taste | 1 | 9.09 |
| Financial motivation | 1 | 9.09 |
| Ownership | 1 | 9.09 |
| Exchangeability | 1 | 9.09 |
| Total | 11 | 100 |

Table E2.*Coding scheme of 'yes' answers on why respondents plan to purchase art (question 17)*

| Codes | Frequency | % |
|-----------------------|------------------|------------|
| Financial motivation | 38 | 35.85 |
| Aesthetic | 20 | 18.87 |
| Relationship with art | 17 | 16.04 |
| Testing | 8 | 7.55 |
| Collecting | 6 | 5.66 |
| Fashion | 5 | 4.72 |
| Ownership | 4 | 3.77 |
| Pleasure | 3 | 2.83 |
| Freedom | 3 | 2.83 |
| Obligational feeling | 1 | 0.94 |
| Convenience | 1 | 0.94 |
| Total | 106 | 100 |

Table E3.*Coding scheme of 'no' answers on why respondents plan to purchase art (question 17)*

| Codes | Frequency | % |
|-----------------------|------------------|------------|
| Testing | 3 | 30 |
| Freedom | 2 | 20 |
| Pleasure | 2 | 20 |
| Relationship with art | 1 | 10 |
| Convenience | 1 | 10 |
| Ownership | 1 | 10 |
| Total | 10 | 100 |

Table E4.*Coding scheme of 'yes' answers on continuation of lending after purchasing (question 18)*

| Codes | Frequency | % |
|----------------------|------------------|------------|
| Space | 20 | 25.32 |
| Exchangeability | 16 | 20.25 |
| Pleasure | 13 | 16.46 |
| Collecting | 4 | 5.06 |
| Learning about art | 4 | 5.06 |
| Fashion | 3 | 3.80 |
| Testing | 3 | 3.80 |
| Freedom | 3 | 3.80 |
| Financial motivation | 3 | 3.80 |
| Ownership | 3 | 3.80 |
| Support | 2 | 2.53 |
| Aesthetic | 2 | 2.53 |
| Taste | 2 | 2.53 |
| Convenience | 1 | 1,27 |
| Total | 79 | 100 |

Table E5.*Coding scheme of 'no' answers on continuation of lending after purchasing (question 18)*

| Codes | Frequency | % |
|----------------------|------------------|------------|
| Space | 11 | 37.93 |
| Ownership | 6 | 20.69 |
| Usage | 5 | 17.24 |
| Financial motivation | 3 | 10.34 |
| Freedom | 2 | 6.90 |
| Collecting | 1 | 3.45 |
| Taste | 1 | 3.45 |
| Total | 29 | 100 |