

The Impact of COVID-19 on the Gallery Business

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Abstract

This study aims to assess the impact of the COVID-19 pandemic on the strategies and outcomes of art galleries in Belgium, Italy and the Netherlands. The business areas studied are demand, digitalisation and online art fairs. The objective is also to assess what changes will remain as a definitive deconfinement begins, driven by vaccination. The data collection was done through an email survey sent to 420 galleries with 60 valid responses. The questionnaire was structured to assess galleries' outcomes and strategies in 2019, during the first 12 months of the pandemic, and for the 12 months following June 2020 (when the survey was sent). In addition, a fourth type of question focused on the subjective counterfactual outcome, i.e. what would have happened if the pandemic had not occurred. This recently introduced method allows for a subjective assessment of the causality of the health crisis on the art gallery business. The results unsurprisingly showed a widespread impact on all the factors studied. Nevertheless, the business areas related to demand (share of sales to regular collectors, share of new artists sold, profit and sales revenue) were only ephemerally affected and are heading towards a return to the pre-crisis situation for deconfinement. The same conclusion applies to labour costs. For the factors related to digitalisation (share of sales facilitated by digital tools, prioritisation of digital instruments and online price transparency), the impact was sustained and extends into the next twelve months. The only exception is the digital art fairs which although somewhat successful during confinement, are likely to leave room for the return of in-person fairs.

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1 Introduction

In addition to the health concerns, the COVID-19 pandemic has had a significant impact on the global economy. This is mainly due to the distancing measures that have disrupted the established relationships between economic agents. Commercial art galleries have been particularly affected as their business relies on human contacts and in person events. Creating and maintaining long-term relationships with collectors is an essential feature of success for art dealers. This trust is built over time through face-to-face meetings and conversations principally taking place at art market events such as exhibitions, vernissages and in particular art fairs. Moreover, as explained by Chen (2009) two modes of consuming art coexist, either by purchasing or by viewing a work that one does not necessarily own; if the former was still possible during the pandemic latter has been very limited. However, viewing and buying are linked in the market, primarily because art is occasionally used as a decorative object which customers prefer to see in person before purchasing. In addition, the utility of the purchase often includes participation in art events that give collectors the satisfaction of meeting other buyers as well as the various market stakeholders (Velthuis, 2011b).

Beyond that, participation in art market events also allows galleries to approach and try to make a good impression on important gatekeepers such as art critics, large galleries or museum curators whose recognition can have a huge impact on their reputation and, therefore, on the success of their business. Although the reputation of the gallery serves the career of an artist, the increase in demand for their work also depends on its exhibition in public and private institutions (Di Caro & Mazza, 2020). It allows the artist to make themselves known to a wider public and gives a positive signal about the quality of the works exhibited. The health crisis, with the subsequent cancellations of shows in institutional and commercial venues, has reduced the opportunities for the galleries to support their represented artists as well as to start new artistic collaborations or to introduce new talents to the art world.

Unsurprisingly, revenues have declined with the global market contracting by 22%, from 64.1 billion in 2019 to 50.1 billion in 2020 (McAndrew, 2021). Nevertheless, costs are likely to have decreased as well due to lockdowns. In fact, the share of costs related to art fairs and business trips decreased from 26% to 16% and from 7% to 4% respectively (Mc Andrew, 2021). Not having to hire staff to man an exhibition space or a booth also reduce labour costs. Overall, we have an ambiguous effect on profits that has to be tested.

Faced with the rules of social distancing, gallerists have started implementing new commercial strategies. It is likely that the ability to approach buyers has diminished; therefore,

this may have led them to capitalise on the gallery's regular collectors and established artists in order to make sales. Besides these "emergency measures", the crisis has also influenced the use of online means as figures show a doubling of digital sales between 2019 and 2020 (McAndrew, 2021). In practice, this can also be seen in the increasing adoption of modern digital tools (social media, third party platform, digital fair, online viewing room), in addition to those already well established (the website, the newsletter or email). The online strategy, at the time of COVID-19, also means a change of sale strategy regarding price transparency. Recently the major art fairs have, for example, requested that exhibitors give the price of works or at least a range (Cohen, 2020). The reason is probably that, on the one hand, being transparent about the cost of a product is more part of the digital culture; on the other hand, the strategy of not giving the price to provoke an interaction with an interested buyer (Mazza & Ginsburg, 2021) becomes less effective when the transaction is done through interconnected computer screens. Indeed, the ability of the seller in explaining the quality of the work and persuading the buyer is obviously curtailed.

If it is generally acknowledged that there will be a before and after to COVID-19 for the gallery business, it is appropriate to ask which of the strategies implemented will endure and which will disappear for a return to normality. For example, the share of sales made through online art fairs by art dealers increased from 1 to 9% between 2019 and 2020, an alternative which also has the advantage of being less expensive than the equivalent offline events. Nevertheless, the persistence of online fairs is questionable considering the return of in-person fairs that, in turn, have also been considered an unsustainable model (McAndrew, 2018). In a return-to-normal scenario, offline fairs may have a competitive advantage over online ones for the primarily reasons explained above, namely the possibility of face-to-face meetings with market gatekeepers and the presence of collectors who enjoy attending such events. In this respect, "68% of HNW [high net worth] collectors" said they "would be happy to attend a fair by the end of Q3 2021, and over 80% into Q4" (McAndrew, 2021, p. 203).

In this paper the following research questions is explored:

How has the COVID-19 pandemic affected the business outcome and strategies of commercial art galleries?

More specifically: *To what extent can we expect that the COVID-19 pandemic will determine a lasting impact on the business strategies of commercial art galleries?*

Given the lack of published data on the private sales transaction of the art market, these questions can be answered only through a survey, as we did by submitting a questionnaire in June 2020, which is designed around a recently developed method of counterfactual outcomes (Aucejo et al., 2020). Six surveys have already been conducted between March and October 2020 (ADAA, 2020; BVDG, 2020; Carrigan & Tchackara, 2020; McAndrew, 2021; Michalska & Pownall 2020; Moureau & Mouate, 2021). All these were run in a situation quite different from the current one. First, there was higher uncertainty about the outcome of scientific research (vaccines were not ready yet); second, art fairs in presence were not possible; third, art galleries had coped with the pandemic for just few months. It seems then appropriate to conduct a new empirical research that considers the reaction of the art world after more than a year of global pandemic, during which the strategies of galleries had the time to establish. Moreover, the analysis of a rather long time allows to make a reasonable comparison with the outcome of the year before. Finally, the countries of the galleries included in the survey – Belgium, Italy and the Netherlands – are gradually experimenting with an end to social distancing measures. It is therefore an opportune moment to assess the prevailing sentiment regarding the future, in particular the commercial strategies that should prevail in the coming months.

Based on face-to-face relationships, it is interesting to see how galleries have adapted to the social distancing measures imposed by the health crisis; and to what extent their *modus operandi* has been modified and for what length of time. Furthermore, they are often small firms in fragile financial situations, making this study an opportunity to see the strategies they have put in place to survive the economic shock caused by the arrival of the virus as well as the disruptions to the rules for doing business. Ultimately, the results of this work could be used by gallerists to better understand how their industry has responded to the COVID-19 pandemic in order to provide them with relevant information for the management of their own gallery strategy. For its timing and the counterfactual methodology used in the questionnaire this study is different from former surveys and aims to contribute to our knowledge of the evolution of the art market during the COVID-19 health crisis.

This research is structured as follows. Chapter 2 includes a literature review on the stakeholders in art market, with a special focus on art dealers. Chapter 3 describes the definition of hypotheses concerning the impact of COVID-19 on the business of commercial art galleries, which refer to three issues: (1) demand shift, (2) digitalisation, (3) art fairs. Chapter 4 is dedicated to the description of methodology. Section 4.1 deals with sample selection, data collection and response rate. explaining the choice of the sample, the method of counterfactual opportunities and its operationalisation in the questionnaire as well as the statistical model that

will be used to analyse the data. Section 4.2 explains how the counterfactual outcome method shaped the construction of the questions and how the questionnaire is structured according to the topics and the type of response expected. Chapter 5 presents the results and discussion. Section 5.1 describes both the profile of the responding galleries and the staff member who responded to the questionnaire. Section 5.2 gives the overall results of the survey and explains how to read the tables. Section 5.3 interprets the data obtained in the light of the research question and the seven hypotheses. The conclusion in Chapter 6 looks back at the results obtained and reflects on the contributions and limitations of the research, as well as making suggestions for future surveys.

2 Economics of the art market

2.1 An introductory overview

The art market is the platform for the exchange of cultural objects between suppliers and buyers. It includes a variety of objects such as paintings, drawings, photographs, sculptures, installations and antiques. An important way to segment it is between primary and secondary markets: the former represents the selling of works of art that have never been sold before, while the latter refers to the resale of works that have already been traded before. In the primary market, works are generally sold either directly by the artists or by art galleries, more rarely by auction houses. The galleries play an important promotional role given the lack of expert consensus due to the novelty of the products. With a few exceptions, exchanges take place through private transactions. Uncertainty characterises this segment, given the difficulty of assessing the value of artworks and the evolution of their prices. The secondary market includes mainly productions by deceased creators and some early works by still active artists. Transactions are made either by private sales or by auctions, suppliers have different profiles such as collectors, public or private institutions, companies with a collection or investors.

Data on the art market is limited as most transactions are made through private sales, on which there is very little information. The vast majority of empirical research is therefore conducted on auction results (Ashenfelter & Graddy 2003, 2006; Ginsburgh et al. 2006; Mandel 2009; Mei & Moses 2002; Goetzmann et al. 2011; Renneboog & Spaenjers 2013) which would only represent about a half of the sales on the secondary market (McAndrew, 2021). Given the heterogeneity of the artworks, the two methods used to study prices are either the repeat-sales-regression, which limits the sample to works sold several times at auctions, or the hedonic regression which studies how common specifics (such as size, technique, material, colour, etc.) among unique works can influence their price or value. Nevertheless, research regarding private sales (i.e. not through auctions) has gained momentum in recent years (Candela et al. 2012; Etro & Pagani 2012; Prinz et al. 2015). As transactions are not made public, the survey is the most common method to gather data, for example *The Art Market Report*, directed by Clare McAndrew, which provides an annual survey in collaboration with Art Basel and UBS or the *Hiscox online art trade report* published by the insurance company of the same name, which follows the evolution of digital sales.

In 2019, the global art market turnover was estimated at \$64.1 billion, almost \$25 billion more than in 2009, with 42% of sales being made in auction houses and 58% by dealers (McAndrew, 2020). Contemporary art occupies an important part in both private and auction

sales. Referring to the Mc Andrew's (2020) sample, 55% of dealers in 2019 worked exclusively in the primary market, 8% exclusively in the secondary market and 37% in both – these figures excluding the sale of antiques and decorative art. Regarding auctions, 53% were post-war and contemporary works and 25% were modern art (McAndrew, 2020). Among these numbers, a growing share is occupied by digital sales (Sidorova, 2019), increasing from 1.507 billion to 4.819 billion between 2013 and 2019 (Hiscox, 2020). Three countries account for most of the sales, namely United States (44%), United Kingdom (18%) and China (18%), while France comes fourth with 7% (McAndrew, 2020). In the EU market in 2019 – excluding the UK –, the share by value is distributed in the following order: France (55%), Germany (13%), Spain (7%), Italy (6%), Austria (5%), Sweden (3%), Netherlands (4%) and Belgium (3%) (McAndrew, 2020).

2.2 The asymmetry of information

One major characteristic of goods on the art market is the difficulty of assessing their quality. This lack of transparency leads to situations of information asymmetries where one agent has an advantage over another, usually the seller over the buyer as in the Akerlof lemon market (1970), the most extreme case being the concealment of forgeries. A similar situation may, nonetheless, happen if the buyer has more information than the seller, e.g. identifying that a work was painted by Leonardo da Vinci himself and not by his school. In this case the buyer can acquire the painting at a lower price than the resale price after authentication, generating a considerable profit margin. Some services have emerged in recent times to improve transparency somewhat, such as online platforms that list auction prices or companies that provide information on artists' careers, both of which are generally considered to be significant variables of quality (Velthuis, 2011b). However, this has only partially reduced the lack of transparency. The safest way to guard against agency problems caused by information asymmetry remains probably, historic research on the artefact and its provenance, the development of long-term trust relationships between market participants.

Another way of approaching art is to see it as a credence good whose "value cannot be objectively and individually determined, but relies to a large extent on the credibility of the experts involved in the collective evaluation processes that take place within art worlds" (Velthuis, 2011b, p. 37). In this, art differs from research and experience goods whose quality can be determined respectively before and after purchase (Di Caro & Mazza, 2020). In the art market (Becker, 1982), as in other creative industries (Potts et al., 2008), a network of gatekeepers is needed to determine the value of the product. The list includes stakeholders from

the art world with a certain reputation, who may be artists, critics, members of the selection committee of art fairs, dealers, collectors or curators of public or private institutions. One might then ask whether the value judgements of these experts can influence the price of a work. While some authors consider the subject rather complex (Di Caro & Mazza, 2020), others have established that cultural and economic judgements are correlated (Frey & Pommerehne, 1989; Galenson, 2000). This could be due to different reasons: collectors may derive utility from the purchase of works approved by experts/gatekeepers or their tastes may be influenced by the latter considered to have higher information and cultural capital useful to distinguish true talent (Di Gaetano et al., 2019).

Gatekeepers also make the market more efficient by reducing search and information costs, particularly in the primary art market where “there are more individuals willing or able to sell products of their artistic labour than there are individuals interested in acquiring these works” (Gérard-Varet, 1995, p. 511). Some simultaneously act as intermediaries, such as galleries and auction houses whose role and activities are explained in points 2.4 and 2.5. Both are generally used by collectors to buy works, apart from exemptions concerning the low and high ends of the market, e.g. a landscape painter who sells their sketches directly on the beach or Damian Hirst who bypasses the galleries at will.

2.3 Buyers

The profiles and motivations of buyers are varied. Steenbergen (2002) differentiates between incidental and frequent buyers. The former buy art as an occasional activity while the latter on a regular basis, driven by an incentive to build a collection and invest significant resources. Plattner (1998) establishes a dichotomy based on knowledge, differentiating art buyers with little knowledge from connoisseurs who have acquired expertise through the accumulation of information over time. The latter are specialists whose preferences act as a signal of quality evaluation of an artist. As a result, they are privileged interlocutors for suppliers who favour them in terms of price or access to certain works.

Besides aesthetic quality, Throsby (1995) identifies financial service as a second feature that drives the buyers' utility function. Studies using the hammer price of lots generally conclude that art underperforms other assets (Ginsburgh, 2003; 1993; Renneboog & Van Houtte, 2002). However, the low correlation of art with other financial assets is generally suggested as a reason for investment, in order to diversify a portfolio. If some studies confirm the low or negative correlation of art with other financial markets (Campbell, 2008; Mei & Moses, 2002; Atukeren & Seçkin, 2019), Goetzmann (1993) claims that art, on the contrary,

does follow traditional assets but in a lagged manner. The author's hypothesis is that favourable economic situations increase the wealth of collectors, who then afford to buy art. Additionally, certain aspects of the art market make investment relatively inconvenient. Firstly, a significant commission for the buyer is charged by some intermediaries such as auction houses which add up to 25% to the hammer price, without counting the sale commission (around 10%) if you want to resell the work. Secondly, art is an illiquid asset as it can take several months before a sale can be made. Thirdly, art is not divisible like shares or currencies. Moreover, the market suffers from a great lack of transparency, as explained in the previous point.

In addition to quality and investment, Velthuis (2011b) argues that the social aspect of art also plays a role in the buyer's utility. Although this is a research area more related to sociology than to economics, it is still essential for understanding the art market. First of all, art is useful for increasing one's social capital, for example by conferring the prestige of access to a closed circle of individuals. It can be a social marker for the emerging middle class, while for large companies building a collection is a way to enhance their image (Velthuis, 2011b). Secondly, the art market is linked to a number of events from which buyers derive utility by participating. Vernissages, exhibitions, art fairs and biennials are many of the artistic and social events that collectors like to attend to meet other buyers as well as the various market stakeholders.

Art also differs from other cultural goods since it can "be copied but not reproduced" (Throsby, 1994): in short there is only one exemplar owned by a single owner. The market is typical of monopolistic competition (Velthuis, 2011b, p. 35; from Moulin, 1967). This is different from music, films or shows where the copyright is concentrated but the product is open to the widest possible consumption. Of course, it can be argued that a visitor to a museum pays to admire a painting and thus commits an act of consumption. In this regard, Chen (2009) differentiates the act of consumption – which consists of experiencing an artwork of art – from the two different modes of consumption either through purchase or through a public, temporal and circumstantial approach, i.e. viewing a collection that one does not own. We refer here to consumption by ownership since the backdrop of the thesis is the art market, i.e. the place where works are sold and bought.

2.4 Auction houses

In the twentieth century, participants in auctions were mainly art dealers; only recently collectors have begun to acquire works of art in this way (Velthuis, 2011b). Sotheby's and Christie's are the two auction houses that dominate the global market, with some authors

referring to them as a duopoly (Ashenfelter & Graddy, 2011). An auction house acts as an intermediary between the seller and the buyer, making a profit by charging a commission to both. In addition to the auction service, they have teams of experts whose task is to evaluate the work of art for the seller. The most common sale procedure is the English auction where the price rises as bets are placed, although there are alternatives such as the Dutch auction where the price is reduced until a buyer is found. The seller's commission is a portion of the hammer price that goes to the auction house, usually around 10% – although this can vary depending on the negotiating power of the client. The buyer's premium is a percentage of the auction result that the buyer must pay to the auction house in addition to the hammer price. This is usually between 12 and 25% and is less negotiable, unless the buyer has purchased a significant number of items in the same auction (Ashenfelter & Graddy, 2003). Prior to the sale, the lots offered are published in a catalogue containing various information about their attributes, price evaluation and sometimes their previous owners. There is a reserve price secretly agreed between the auctioneer and the seller below which bets are not taken. It should be noted that under many laws, the reserve price cannot exceed the lowest estimate in order not to mislead the buyer. Depending on the situation, a guarantee price may be offered to the seller for which the auction house will buy the work if the amount is not reached. As the sale is public, the results are published after the event.

As with the rest of the art market, trust is important at auctions. Indeed, a buyer has no guarantee that the auctioneer will not generate false bids (*chandelier bids*) or recruit fake bidders in order to start the sale or raise the selling price. Therefore, reputation is a barrier for anyone wishing to enter the auction house business (Orley Ashenfelter & Kathryn Graddy). At Christie's and Sotheby's, the regular change of incentives with clients being once a seller, once a buyer reduces the risk of fictitious bidding. Nevertheless, the collusion scandal between the two major institutions in the 1990s tarnished the reputation of these long-established auction houses.

2.5 Commercial art galleries

Commercial galleries, operated by art dealers, are another player mediating between supply and demand in the art market (both primary and secondary). Unlike auction houses, the gallery business remains very opaque as they do not have to publish their sales and results – except in South Korea to some extent (Van Miegroet et al., 2019). With the exception of some large players at the top end of the market, these are mostly small companies with a few employees and an owner who also acts as chief executive (Velthuis, 2011a). After salaries, the most

important costs are respectively the rental of exhibition and inventory spaces, the various fees for participation in art fairs and business travel expenditure (McAndrew, 2021). The barriers to entry are low as no particular degree is required to open a business and start-up costs are accessible (Velthuis, 2011a). Nevertheless, the market is very competitive and success rate for newcomers is not high, as four out of five galleries are reputed to close within five years of opening (Resch, 2011).

The activity and functioning of art galleries differ greatly between the primary and secondary market. There are two business models in the secondary market. The first is when a dealer is charged with finding a buyer for an institution or collector, taking between 5 and 25% commission on the sale (Velthuis, 2011a). Another option is that they buy the work themselves in order to resell it at a higher price and make a profit. The dealer's margin in the secondary market therefore depends on a combination between the asymmetry of information about the quality of the work, the collector's willingness to pay and the customers' need to sell their collection (Velthuis, 2011a).

In the primary market, commercial galleries generally operate in contemporary art. In addition to being dealers, their role is to develop a market for the artists they represent – usually between 10 and 30 (Velthuis, 2011a). The income generated by established artists is used to cross-subsidise the careers of new and emerging creators that are not yet profitable. Generally, the works are consigned to the gallery which takes a commission on sales, usually 50% for new talent. As an artist gains recognition, their bargaining power increases and the dealer is usually compelled to reduce their share on the sale price. Compared to the payment of a salary or the purchase of works, consignment has the advantage of reducing the agency problem: the artist has incentives to provide quality work if they want the dealer to sell it (Caves, 2000). It can be based on a contract, but most of the time only trust binds the two agents. On the other hand, it would be difficult to control or force the other party to fulfil its commitment, i.e. sell well for the gallerist and paint well for the artist. The absence of capital investment in stocks also allows galleries to expand and renew their offer. Another practice called 'the French system' consists of dealers buying contemporary works by speculating on the rise of the artist's value (Velthuis, 2011a). Although this practice has fallen into disuse, some large galleries will sometimes buy the work of established contemporary artists directly.

In both the primary and secondary markets, a dealer's success depends on their ability to induce demand from collectors. Indeed, having in-depth knowledge of the type of art one is selling is as important as having access to an extensive network of collectors. Vernissages,

exhibitions or museum visits are all essential events to communicate on the quality of the works with potential buyers as well as to push them to make a purchase (Velthuis, 2011a).

Upstream, the role of the contemporary art dealer is also that of a gatekeeper who selects from the many artists available those whose works are of sufficient quality to enter the gallery and find buyers on the market. New talents are often found at final year art school exhibitions or through advice from collectors or other artists. The dealer then assumes the role of promoter, who has to raise the artist's rating by organising openings and advocating the inclusion of their work in institutional exhibitions, for which the gallerist has to gain the approval of other gatekeepers in the market, such as museum curators, critics or important collectors.

Di Caro et al. (2020) consider that intermediation helps to solve the problem of asymmetric information as it enables to overcome the uncertainty about the quality of the goods on the market. Indeed, buyers often do not have sufficient information to evaluate a work. If they wanted to reduce this information gap, they should have to spend a considerable amount of resources to build up expertise and cover research and transaction costs. Moreover, most contemporary artists are unknown to collectors, especially young talents who cannot yet exploit quality signals like exhibitions or media coverage. Thus, the intermediary role played by the galleries makes the market more efficient by increasing the welfare of both. One might ask what incentives there are for galleries to share information about the quality of works rather than take advantage of the asymmetric situation. The answer is that reputation is essential for any dealer who wants to last in the market. The number of regular buyers in the market is relatively limited and they often attend the same fairs; therefore, the word of mouth can spread quickly, and some galleries can acquire a reputation for being more able to find and propose high quality artists (see Prinz et al., 2015).

2.6 The art market with the pandemic

2.6.1 A change in the way things work

It is more than likely that the COVID-19 pandemic has had a significant impact on the art market. The following figures are from McAndrew (2021) for the year 2020, compared to 2019. While the market contracted by 22%, from 64.1 billion in 2019 to 50.1 billion, the three main hubs remained the same with the US (-24%) and UK (-22%) experiencing a greater decline than China (-12%). Another consequence is the doubling of online sales to \$12.4 billion. Although the earnings of the majority (54%) of dealers decreased compared to the previous year, a significant proportion made similar (18%) or better (28%) profits. One explanation could be

the cancellation of expensive events due to social distancing measures: the share of the budget dedicated to art fairs fell from 26% to 16% and from 7% to 4% for business trips.

On reflection, the cancellation of events and the closure of shops has disrupted the primary market on several levels, with the main consequence being a drop in sales. While the purchase of artworks was still possible during the pandemic, the viewing was very limited. However, both modes of consuming arts (Chen, 2009) are linked in the market, primarily because customers prefer to see in person and to have a direct presentation of the work by the gallery staff before purchasing. This is particularly true of artists whose quality has not been certified by participation in exhibitions or positive reviews in the media. In their case, face-to-face explanations from the art dealer are crucial to induce an acquisition of their works: an interaction that cannot be substituted by a digital or telephone contact.

Art venue also serve as meeting places. As mentioned by Velthuis (2011a), buyers derive utility from participating in social events such as art fairs or openings. Consequently, the benefit of buying a work includes both the value of the painting and the utility generated during the buying process (meeting the dealer, comparing with other works, discussing over a drink with other collectors, etc.). Collectors may therefore have less incentive to buy art, as the social experience cannot be substituted.

Finally, the art market is based on trust that is built through face-to-face meetings. Art fairs, for example, are a strategic place for galleries to approach new collectors but also to make a good impression on gatekeepers such as large galleries or museum curators. For this reason, the COVID-19 pandemic has undoubtedly generated a crisis of confidence in the market, fewer relationships have been established or consolidated, often resulting in fewer sales.

2.6.2 Reports commissioned by professional art gallery associations

In order to investigate the new perspectives in the art market caused by the pandemic, several surveys were conducted. In addition to Clare McAndrew's (2021) report, five others were commissioned in 2020 to study the impact of the pandemic on art galleries. Broadly speaking, the results are consistent, with 2020 unsurprisingly registering a decline in revenues and employment among art dealers. Difficulties in paying the costs associated with exhibition space (rent, mortgage, etc.) and the increased risk of bankruptcy also characterise the overall results, despite the fact that a majority of the galleries surveyed in the six reports stated that they received state aid. However, this is not unexpected given that the business is already precarious in normal times with high closure rates, especially for the newcomers: on average, four out of five galleries close within five years of opening, and ten percent of those established for more

than five years close each year (Resch, 2011; Thompson, 2008). Following is a short description of the main features and results of each survey.

The *Art Market Report 2021*, edited by Clare McAndrew and sponsored by Art Basel and UBS, includes a section dedicated to art dealers around the world. The sample size is the largest of the 6 studies with 1795 participants. Respondents came from 55 markets around the world distributed across the following continents: Europe (54%), North America (20%), Asia (15%), South America (6%), Africa (3%) and Oceania (2%). The dealers surveyed operate either in the primary market (57%), in the secondary market (5%) or in both (38%). A first data collection took place in July 2020 leading to the publication of a preliminary report in September, more responses were then collected and issued in the final version of March 2021 (McAndrew, 2021). The research is extensive, measuring a large number of variables relating to various aspects of the art dealer business. The main finding is that despite a 20% drop in dealers' overall sales in 2020, 46% of them were able to maintain their profitability due to the fact that the health crisis led to a reduction in important costs related to, for example, art fairs and travel.

The Art Dealers Association of America (ADAA) conducted a survey between April 15 and May 4, 2020, with the help of Gallery Association Los Angeles (GALA), Houston Art Gallery Association (HAGA), New Art Dealers Alliance (NADA), San Francisco Art Dealers Association (SFADA), and Portland Art Dealers Association (PADA). Among the 168 responding galleries, 51% are from the Northeast, 37% are from the West Coast, 6% are from the Midwest and 6% are from the South, representing 2,421 living artists and 340 artists' estates; the majority (64%) is mostly active in the primary market. The results show that the health crisis is not only responsible for a decrease in the turnover and employment of galleries, but also for a negative impact on the finances of artists and creative professionals working with them.

In cooperation with the Institute for Strategy Development (IFSE), the Bundesverband Deutscher Galerien und Kunsthaendler e.V. (BVDG) – translatable a "The Federal Association of German Galleries and Art Dealers" – conducted a survey¹ in which 230 German galleries participated (out of 450 invited). One third of the respondents were situated in Berlin, almost a quarter in North Rhine-Westphalia, principally in Cologne and Düsseldorf. Other important locations are Munich, Hamburg, Frankfurt am Main, and Stuttgart. The primary market is the major focus of attention for the respondents (73%). The results show that the pandemic has

¹ As we do not speak German, this point was therefore written from an article written in English by Hergen Wöbken (2020), CEO of the IFSE (see bibliography).

accelerated the digitalisation of the business and caused a change in practices, with galleries spending more time on art mediation, telephone contact with collectors and developing cooperation with other market players.

In France, the Comité professionnel des galeries d'art (CPGA) –translatable as "The Professional Committee of Art Galleries"– collected data twice, in March and November 2020. The report was written by Nathalie Moureau, professor of economics at the Paul Valéry University in Montpellier; the statistical processing was carried out by Olivier Mouate at the University of Angers. They issued a preliminary report a preliminary report on 4 April 2020, before the final version was published in January 2021. The March and November samples include 122 and 168 galleries respectively out of a total of 279 CPGA members. Overall, 88,5% of respondents are located in the Ile de France region and 11.5% in the rest of the country. They are mainly active in the primary art market, with 63.5% declaring no or little involvement in the secondary market. The results show that after a drop in turnover in 2020, galleries are eager to revive commercial activity in 2021, notably through participation in art fairs.

Rachel Pownall, professor of Finance and Economics at Maastricht University, conducted a survey for *The Art Newspaper*. It was sponsored by the Confédération Internationale des Négociants (CINOA) – in English "International Confederation of Art and Antique Dealers' Associations". Responses to the questionnaire were collected between 10 and 20 April 2020 and the results were published in the journal on 27 April (Michalska & Pownall, 2020). The sample consists of 236 international art and antiques dealers and galleries. Although it is not specified, the participants probably operate mainly in the secondary market given the sponsorship of CINIOA and the fact that this is Pownall's area of study. As the results are only available in the press article, it lacks information about the method used and the questions asked to the participants. The findings show that following a significant decrease in revenues in 2020 (-72%), a significant portion of the galleries surveyed (33.9%) do not expect to survive the crisis.

The Art Newspaper's second survey consists of an article mixing the results of the survey with testimonials from gallery owners outside the research. The study was conducted in mid-October and published on 30 October (Carrigan & Tchackara, 2020). The sample consisted of 40 small and medium-sized US galleries. The results show that 75% of galleries expected to be in serious financial difficulty or even to close their doors in 2021 if they did not receive additional aid. Gender and ethnicity being aggravating factors with 85% of minority and women-owned businesses not expecting to make it through the year.

3 Framework

The aim of our research is firstly to evaluate whether and how galleries changed their business practice because of and *during* the health crisis. Secondly, to predict whether these changes are sustainable and could become permanent after the pandemic. Our general hypothesis is that the crisis is temporary and should not disrupt the primary market, mainly because the business model put in place since the COVID-19 outbreak is not a good substitute for normal activity. In particular, we believe that the system of interactions among the stakeholders will be generally restored, after the health emergency, although the use of digital tools, boosted by the pandemic, may permanently become more widespread than before. The framework is divided into three parts concerning demand, digitalisation and art fairs, each containing the hypotheses explored in the empirical research. Although employment figured prominently in previous reports, this was not considered important given the diversity in size of the galleries surveyed, many of which being managed only by the owner and some limited but essential staff.

3.1 Shifts in the demand

Art is often referred to as a (meta-)credence good, as opposed to a search and experience good, meaning that its quality is difficult to assess for the buyer both before and after purchase (Di Caro & Mazza, 2020; Ekelund et al. 2020). As a result, galleries act as intermediaries between artists and collectors in order to prevent the agency problems of a direct transaction with the artist (Di Caro et al., 2020). Galleries are gatekeepers who, thanks to their expertise, select artists from the huge offer on the market, with access to resources to assess product quality. Although information asymmetry persists between galleries and their customers, this intermediation reduces the risk of adverse selection as they care about their reputation (Di Caro & Mazza, 2020). Indeed, the success of a gallery is determined by its ability to create and maintain good, long-term relationships with its collectors. This trust is built over time through face-to-face meetings and conversations that digital technology cannot replace. In addition, these relationships are forged at art market events such as exhibitions, vernissages and in particular art fairs, all of which have been cancelled since the beginning of 2020 due to social distancing measures. Hence,

H1. For art galleries, during the pandemic, the relative share of sales to regular collectors with respect to the total sales has increased.

McAndrew (2020; 2021) reports that 34% of contemporary art-only dealer sales in 2020 were with new collectors compared to 24% in 2019. However, the author does not provide

differentiated figures for the primary and secondary markets. Therefore, this number may be inflated by the resale of contemporary works, whose higher value could have been prized by new collectors also in terms of investment. It will therefore be relevant to use the results of our survey to test this claim – the questionnaire distinguishing between primary and secondary market respondents.

Although the reputation of the gallery serves the career of an artist, the increase in demand for their work also depends on its exhibition in public and private institutions (Di Caro & Mazza, 2020). Firstly, these events allow the artist to make themselves known to a wider public. Secondly, as curators are important gatekeepers to the market, this gives a positive signal about the quality of the works exhibited. For new and emerging artists, the opportunities to build a reputation have therefore been reduced as a result of the COVID-19 pandemic. As Adler (1985) explains, the main causes of a small number of players dominating the market is the excessive cost of acquiring knowledge about other art products. With the cancellation of live events, new artists have lost places to make themselves known, which may have prompted buyers to turn to safe values. Hence,

H2. The pandemic has reduced the experimentation of art galleries, reducing the occasions to present new or emerging artists.

McAndrew (2021) reports in 2020 an increase (up 4% on 2019) in the share of emerging artists, a decrease in mid-career artists (down 4% year-on-year), and a stagnation for established artists in the primary market. However, these figures relate to the first months of the pandemic, so it is relevant to reassess the same variables with more recent data.

Global demand has also been affected by the pandemic as sales of art and antiques fell by 22% between 2019 and 2020 (McAndrew, 2021). In the BVDG (2020) and Michalska & Pownall (2020) surveys, galleries expected to lose 40% and 78% of their annual revenues in 2020 respectively. Members of ADDA (2020) expected a 31% decline in the second quarter of 2020 compared to projections. This trend was confirmed in the retrospective reports published in early 2021: overall, dealers surveyed by McAndrew (2021) reported a 23% decline for the year 2020, while 78% of CGPA respondents indicated a decline in turnover (Moureau & Mouate, 2020). This may be attributable to the cancellation of art market events but also to the economic crisis that resulted from the health crisis. This has most likely had an impact on the revenues of art galleries, the majority of which have little reserve funds. However, the cancellation of live events did also reduce costs between 2019 and 2020: the budget spent on

art fairs fell from 26% to 16%, while the cost for travels was reduced from 7% to 4% (McAndrew, 2021). Hence,

H3. The pandemic led to a reduction of demand for art gallery artworks, reducing revenue but having an ambiguous effect on profits.

The opposite effect, i.e. a sales boom, could take place with the reorganisation of physical events. This so-called "pent-up demand" effect is characterised by the tendency of consumers to postpone the purchase and consumption of products and services in times of crisis and uncertainty (Sheth, 2020).

3.2 Digitalisation

3.2.1 Galleries as hybrid businesses

Digitalisation characterises the increasing adoption of digital technology by a social domain as a sector, an industry or a market while *digitisation* refers to the transformation of analogue data into digital format (Brennen & Kreiss, 2014). Since the early 1990s, the primary and secondary markets have undergone a digital transformation that has accelerated over the last 10 years. This results in digital sellers, buyers and intermediaries now transacting online as in an offline market. "Internet has turned from an art-marketing instrument to an apart-standing art market segment with its unique features and development patterns" (Sidorova, 2019, p. 1). From a survey of online sales platforms, Hiscox estimates that global art sales grew from 1.507 to 4.819 billion between 2013 and 2019. McAndrew (2021) identifies a similar trend from 2013 and also estimates that online sales have doubled between 2019 and 2020 as a result of the global pandemic. Furthermore, dealers report an increase in the share of online sales from 13% to 39% between 2019 and 2020 (McAndrew, 2021). However, the claim that online art sales indeed constitute an "apart-standing art market segment" must be qualified as 31% of the purchases on the internet were between collectors and galleries already in touch (McAndrew, 2021). Moreover, there was a drop between 2019 and 2020 in the number of online buyers with no prior contact with the dealer, from 57% to 31% (McAndrew, 2021). This is probably the result of an increase in the share of collectors familiar with the gallery buying online because of social distancing measures. In short, selling online could be as much about entering a new market as digitising already existing offline networks. Hence,

H4. For art galleries, the COVID-19 pandemic has accelerated the use of digital technology to sell artworks.

New businesses resulting from digitisation rubs shoulders with those existing before, as a result current online companies can be divided in two types: hybrid and pure (Sidorova, 2019). The former refers generally to traditional institutions offering online services similar to those available in their brick and mortar business – mainly ordinary sales or auctions. The latter includes firms that are exclusively present on the internet: online auction that allow the customer to bid on works of art virtually; online galleries which function exactly like a gallery except that they have no exhibition space; and third-party platforms acting as intermediaries between buyers and either artists, dealers, collectors, auction houses or galleries. The boundaries of the third grouping are vague as it encompasses a plethora of business models. However, new media skills and a web presence are now essential for selling art. In an empirical research among art galleries in Amsterdam, van der Schaaf's (2017) observes the almost systematic use of three digital tools: (1) the in-house website and the newsletter, (2) the accounts on third person platforms and (3) the pages on social media. To these, one could now add (4) the online art fairs that have emerged as a result of the COVID-19 pandemic. The usefulness of these tools in the sales process is often joint. For example, a buyer may learn about an artist on a gallery's Instagram page and then decide to purchase one of their works on Artsy or during an online fair referenced on the in-house website.

A gallery's **in-house website** serves organisational, educational and marketing purposes (Vermeulen & Arora, 2013a). All events organised and attended are listed there (vernissages; participation to art fairs, etc.), as well as the basic information about the business (address, opening hours, emails and phone numbers of the contact persons, etc.). In the same way, the **newsletter** is used to inform the contacts of the mailing list about the agenda and the news of the gallery. Education and marketing purposes of the website are often intertwined, description of the artists, their trajectory and their works serve to describe as well as to promote the products. Prices are rarely disclosed in the online catalogue, but next to the artwork's image there is most always an option to express interest and contact the dealer. Some galleries even have a live chat system available during office hours. In addition to the public part accessible via the web, a personal space for collectors is sometimes provided, only available with login and password. This system allows the gallery owner to maintain a special relationship with their privileged buyers, for example by giving them access to sensitive information or by showing them the prices or works pre-selected according to their interest. Sometimes there is a shop with prints, books or merchandise that can be bought directly online. In recent years, multimedia technological innovations have appeared on the galleries' websites. In 2017, David Zwirner proposed the first online viewing room (OVR), followed by Gargosian in 2018 (Hiscox, 2019).

The term OVR covers many possibilities. It is usually an aesthetically pleasing arrangement of photos and videos of artworks in their exhibition space, accompanied by commentary, often by the artist or critics. It gives a more pleasurable experience than a simple digitised inventory. Price, or at least a slot, is generally available until the work is sold. The interface also facilitates interaction with the seller. Because of the pandemic, these improvements have exploded. Recently, virtual reality has been introduced, allowing visitors to walk through a 3D exhibition space as if they were on an offline tour.

The first **third-party platforms** were launched in the 1990s before disappearing during the dot-com bust of 2000 (Adam, 2014; Sidorova, 2019). For example, nextMoney.com, launched in 1999, which sold the work of young artists, had to lurch down market in 2001 by merging with the online poster seller Visualize until the venture finally went bankrupt in 2003 (Adam, 2001). Adam (2014) suggests that collectors were not ready to make the digital transition yet. A second generation of start-ups emerged around 2010 and have been gaining market share over the past decade. The services offered are very varied but mainly revolve around sales, auctions, advertising and networking. These platforms make their profits either from commissions on the seller's price (20-30%) or from membership fees paid by sellers to enter the network – which is a major cost. For example, on Artsy in 2017, standard, preferred and premium member fees were respectively 400, 600 and 1400 dollars per month (Winkleman, 2017). A platform may also generate money from advertising revenue or from buyers' subscriptions to access auctions histories, but this last point is more relevant to the secondary market. On the platforms allowing private sales, two types of transaction exist (Winkleman, 2017): if price is not indicated, the *inquire to buy* option puts the seller and the potential buyer in contact to discuss the amount requested and share other info. When price is indicated, the *buy now* option allows the buyer to directly purchase online, and it is often associated with a *make an offer* button that enables bargaining.

A presence on **social media** has become essential not only for marketing and branding but also for selling art, even ranked by dealers as the second most helpful online strategy in 2020 and 2021 (McAndrew, 2021). Instagram has established itself as the leading platform in the field, gradually supplanting Facebook over the past five years (Hiscox, 2020). Although Instagram launched a beta version of an online payment service in January 2020, transactions normally take place outside of social media, usually after a contact via private message or using a link provided on the gallery's social media page. Moreover, the crowd wisdom governing the social media differ with the gatekeepers' exclusiveness of the art market (Vermeulen & Arora,

2013b). As a result, galleries are forced to develop new communicative skills to express themselves on Instagram or Facebook.

The VIP Art Fair in January 2011 was the first **online art fair** to be organised. Initially marginalised, this type of event boomed with the arrival of the COVID-19 pandemic. Like offline art fair, it is held for a limited time and bring together a select number of galleries. Instead of booths, exhibitors pay for an online viewing room where their work is presented, with the possibility to cyber interact with interested buyers. Point three of the frameworks on art fairs looks at this phenomenon in more detail.

In van der Schaaf (2017), websites and email remained the most important tool for the galleries surveyed, ahead of social media, while 20% of the galleries surveyed did not use third-party platforms. The difficulty of conducting in-person exhibitions and sales during the pandemic may have caused gallery owners to rethink their digital strategy. In addition to the so-called "classic" tools, i.e. those adopted since the digital revolution of the 1990s (the website, the newsletter or email), the pandemic may have increased the use of more modern instruments (social media, third party platform, digital fair, online viewing room). Hence,

H5. The pandemic has changed the order of priorities in the use of digital instruments by art galleries in favour of more recent tools.

3.2.2 Price transparency

While some authors have linked digitalisation to a more symmetrical distribution of information in the art market (Velthuis, 2014; Vermeulen & Arora, 2013a), the evidence is that the "lack of transparency is not resolved when a gallery assumes partial or total online activity" (Van Miegroet et al., 2019, p.6). Indeed, the innerworkings of the business, such as selection, curation, pricing and transaction facilitation, remain undisclosed. Apart from databases (Artprice, Artnet, Artvalue, etc.) making auction results easily accessible, the rest of the market remains very opaque. In the primary market, most of the content related to artworks is published by the seller themselves (gallery, dealer or artist), hence there is no evidence that information is not withheld or biased towards commercial interests (Van Miegroet et al., 2019), although the interest of the gallerist for reputation could represent a strong constraint against such practices. Whether sold online or offline, art is always a difficult-to-value good, for this reason the reputation of the seller remains essential to induce trust in the buyer. As Winkleman (2017) explains, while online sales start-ups initially hoped to bypass traditional institutions to connect artists and buyers directly, they soon changed their model to collaborate with galleries, understanding the essential gatekeeper role played by the latter. Internet is just one more

intermediary that does not transform the way art is privately transacted (Van Migroet et al., 2019).

Nevertheless, there is reason to believe that the pandemic has prompted more gallery owners to display the price of works online. Normally galleries are reluctant to publish their prices for commercial reasons (Mazza & Ginsburg, 2021). If the artist's price is higher on the primary market than on the secondary market, this may send a negative signal regarding the value of their artworks. Whereas price results in auctions higher than gallery prices can push speculator to buy the artist's work to resell it directly, which leads to high volatility and ultimately to the bursting of the bubble – something dealers want to avoid. More simply, not stating the price is a way to engage interested collectors in conversation to convince them to buy the artwork. In addition, some artists require – for various reasons – not to make the price of their artworks public (Art Basel, 2020).

With the pandemic, the situation has evolved towards more price transparency, mainly due to the digitalisation of sales (Cohen, 2020). The major online art fairs had a role to play in this by obliging or strongly recommending participants to indicate the value of the artworks or, if not, a price range. Marc Spiegler, global director of Art Basel, has taken this decision in order to satisfy the collectors' demand for greater transparency as well as to remove an obstacle to the acquisition process, thus also benefiting the exhibitors (Cohen, 2020). This trend can also be seen on the third-party platforms or the galleries' websites. Some gallery owners consider that indicating prices is more in line with the codes of online sales (Cohen, 2020). Moreover, the sales technique of not putting a price tag on in order to start a conversation makes less sense when it is impossible to have a face-to-face meeting. However, price transparency and digital sales are not intrinsically linked and as Sam Orlofsky, a director at Gagosian, explains: “People may be willing to test this out. But if the market is in such a stark state, they may wrongly conclude it’s a failed experiment. There may be a backdraft” (Cohen, 2020). Hence,

H6. Since the COVID-19 outbreak, galleries are going to be more inclined to indicate the price of works online.

3.3 Art fairs

Art fairs act as intermediaries between galleries and buyers making the market more efficient. They allow dealers to reach more potential buyers than in their own exhibition space, including an international audience travelling to these events; on the other hand, collectors or simple buyers can save on informational and research costs (Velthuis, 2020). They appeared only recently in the history of the art market with the first event held in Cologne in 1967. In recent

years, art fairs have become inevitable, accounting for an average of 46% of galleries' sales in 2019, compared to an anecdotal proportion in the 1990s (McAndrew, 2019).

Art fairs also play the role of “gatekeeping other traditional gatekeepers” (Lee & Lee, 2016, p. 20). The selection committees of the most prestigious fairs have become among the most powerful gatekeepers in the art market, receiving significantly more applications than available exhibition spaces (Velthuis, 2014). Simply taking part in Art Basel or TEFAF Maastricht is now a strong signal in terms of quality and reputation (Zorloni, 2013). Lee & Lee (2016) showed the important role Frieze London plays in the recognition of young and emerging artists: after the stage of discovery by galleries, the fair acts as a selector, introducer and even instructor of new talent to the art world. These venues play a significant role in defining who is in and who is out.

However, art fairs can be a burden for small and medium-sized galleries because of the budget required to participate. It is estimated that the price of a booth at Art Basel is between \$50,000 and \$400,000 (Freeman, 2018). Besides that, participants must pay for the transport and accommodation of the staff, the shipping and insurance of the artworks and the marketing in general; added to this is the recruitment of additional staff and/or the opportunity cost of closing the gallery (Almeida, 2020). The investment is less risky for large galleries, which are more certain to be profitable given their reputation and that of their artists, even by selling a small quantity of very expensive paintings, as opposed to small galleries that have to sell a larger number of works that are less in demand and therefore less expensive (Almeida, 2020). The fair-squeeze was cited by European and US galleries from the lower and middle segment as one of the main causes of closure (McAndrew, 2018).

So why do these galleries continue to participate in these events that do not even benefit them financially? In fact, Art fairs are a place to get to be known, build a reputation and make good impression on important actors of the market. Value, supply and demand in the creative industries are characterised and determined by complex social networks (Potts et al., 2008). In the art market, a whole network of actors is playing a role in the production of what art is (Becker, 1982). In this manner, fairs play a decisive role in building and maintaining networks by physically bringing together artists and the various gatekeepers of the industry such as galleries, critics, museums, media, auction houses and collectors (Baia Curioni et al., 2015). Quality uncertainty in the product also make these meetings important for gallerists to share information and see what sells (Vermeulen, 2015). Finally, galleries participate in art fairs because – even if they sell little during the event – they can still hope to initiate lasting

relationships with some collectors. The latter are present in number as they gain utility not only from buying art but also from attending a social and cultural event.

By preventing such events from taking place, the pandemic has also reduced expenses of galleries: between 2019 and 2020, the share of the budget spent on art fairs fell from 26% to 16%, while the cost for travels was reduced from 7% to 4% (McAndrew, 2021). Another consequence has been the booming of online art fairs as evidenced by the increase in the share of sales conducted through this medium between 2019 and 2020, rising from 1% to 9%. (McAndrew, 2021). These digital events bring together a defined number of galleries, each one disposing of an online viewing room accessible 24 hours a day during a determined number of days. The costs are much lower for the galleries than for a normal fair, firstly because the price of a booth is reduced and secondly because all the additional costs (transport, accommodation, staff, insurance, etc.) disappear. In addition, art fairs allow participants to use the organiser's online showroom, saving the internal development costs needed to achieve the same result on their website.

Despite their rapid expansion and reduced price compared to their offline counterparts, there is every reason to believe that online art fairs will vanish with the return of physical events. Although the pandemic has changed the rules of the market, a return to business as usual is highly likely. The point is that participants in offline fairs will have a competitive advantage over online ones for the reasons explained above, namely the possibility of face-to-face meetings with market gatekeepers and the presence of collectors who enjoy attending such events. When asked, “68% of HNW [high net worth] collectors” said they “would be happy to attend a fair by the end of Q3 2021, and over 80% into Q4” (McAndrew, 2021, p. 203). Moreover, participation to most important fairs is a certification of quality in addition to being a potentially important source of revenue: in 2019, 30% of dealers' sales were concluded at international art fairs (McAndrew, 2020). Nonetheless, galleries often complain about the excessive number of fairs and the very high cost of participation. This situation is similar to a “prisoner dilemma” game, where participating to some prominent fairs is a dominant strategy for the galleries but then the large participation of galleries and the proliferation of fairs lead to an inefficient outcome that could be avoided if the galleries would coordinate on their participation. Hence,

H7. The increase in online art fairs as a substitute for in-person events is solely due to the COVID-19 pandemic and is not expected to continue after it.

4 Methodology

4.1 The sample

In order to test our hypotheses, we collect data from Belgian, Italian and Dutch galleries. To determine the impact of COVID-19 pandemic on gallery operations, a quantitative survey was conducted through an emailed self-completion questionnaire that provided the research with some general insights into the strategies and their sustainability. The sample selected are the member galleries of the national associations of each country, respectively the Belgian Modern and Contemporary Art Galleries (BUP), the Associazione Nazionale Gallerie d'Arte Moderna e Contemporanea (ANGAMC) and the Nederlandse Galerie Associatie (NGA). The list was extended with the Belgian and Dutch participants of the 2021 editions of Art Rotterdam and Art Brussels not being members of the two associations. The same selection was used for the Italian galleries participating in the Miart (Milan) and Artissima (Turin) fairs. In this way, the study intends to complement the previous reports of the German and French associations to give a more complete picture of the situation of the gallery business in Europe.

The BUP has 61 members, the ANGAMC 191 members and the NGA 32 members, by adding the 37 Italian, 37 Belgian and 64 Dutch galleries from the four fairs mentioned, the total number of questionnaires sent is 420. As galleries consider their personal data to be very sensitive (Resch, 2011), the survey is anonymous. The galleries were contacted by e-mail, in English for the Belgian and Dutch galleries and in Italian for the Italian ones (Appendix 1 and 2). As an incentive, two boxes of champagne were promised to two respondents to be drawn randomly. In addition, the results will be provided to the respondents who are interested. The questionnaires were sent out from 10 June 2020. An English version was written for the Belgian and Dutch galleries (see Appendix 3) and an Italian version (see Appendix 4) for those in Italy. Of the 420 galleries that received the questionnaire, 60 completed it in full, for a response rate of 14.29%. This is well below the rate of nearly 20% observed in other surveys of the same type (Smith, Discenza & Baker, 2006; Eyck, 2011) The reason is probably that the time of data collection coincides with the resumption of art gallery activity, while social distancing measures are gradually being lifted. In addition, the questionnaire is quite long to answer with 54 questions, which takes at least 12 minutes.

Throughout the data collection process, we have taken care to comply with the EUR Scientific Integrity Complaints Procedure and the Netherlands Code of Conduct for Research Integrity. In concrete terms this meant first of all giving the contacted gallerists all the information about the purpose of the research and the use made of the data (see Appendix 1 and

3). Then they were explicitly asked for their consent to participate in the survey. Explicitly asking for consent to participate in the survey was the second imperative step. Finally, once the data had been collected, it was our responsibility to anonymise it and ensure that it was not disseminated.

4.2 The questionnaire

4.2.1 Counterfactual outcome method

The questionnaire (see Appendix 3) is constructed in such a way as to be able to establish causality by means of the counterfactual outcome method (Aucejo et al., 2020). Considering that $O_i(\text{COVID} - 19)$ is the potential outcome of a gallery i affected by the COVID-19 pandemic. We are interested in the effect of the pandemic on gallery businesses:

$$\Delta_i(O) = O_i(\text{COVID} - 19 = 1) - O_i(\text{COVID} - 19 = 0)$$

where the first term on the right-hand side is the result of gallery i in the state of the world with COVID-19, and the second term is the result of gallery i in the state of the world without COVID-19. Assessing the Δ means comparing the results with and without COVID-19 and thus obtaining the impact of the health crisis on the primary market. Observing just individuals subject to the event is inherently limiting because it reports on only one state of the world. A common method would be to compare the treated sample with a control group. However, the COVID-19 crisis is a global pandemic that has affected the entire world, and therefore also all art galleries. We therefore chose to use the method of Aucejo et al. (2020) of asking respondents directly about their expectations in the two world states. For example, regarding price transparency, the questionnaire asks the galleries: “From the starting of the COVID-19 pandemic (March 2020) until April 2021, how frequently did your gallery give the prices of artworks online?” – which corresponds to the first term on the right-hand side of the equation. The counterfactual question is: “Were it not for the COVID-19 pandemic, in the same period of (March 2020-April 2021), how frequently would your gallery have given the price of artworks online?” The difference between the two responses gives us the Δ , which is the individual subjective treatment effect.

The questionnaire also takes into account the situation before COVID, in 2019 and the expectations in the future year with the following type of question: “Before the COVID-19 outbreak, during 2019, how frequently did your gallery give the prices of artworks online?” and “In the next twelve months, what is the probability for your gallery to give the price of artworks online?”. Regarding future expectations, some questions are asked a second time after providing positive or negative information about the discussed topic. The original aim was to

check whether if optimist react to positive information more than to negative one and vice versa. The pessimists and optimists are determined by question 51 regarding the expected time of return to normalcy.

4.2.2 The different sections

The questionnaire is divided into four sections, each characterised by different types of questions. The first asks for frequencies and probabilities in relation to past and future events respectively. The second contains questions addressing the percentage change from one period to the next. For these first two sections, exercise questions are included at the beginning to check that the respondent has understood the instructions. The third section asks for ranking and multiple-choice questions. Finally, the fourth section is designed to establish the statistical profile of the participants.

Frequencies and probabilities are demanded in the first section concerning the topics about sales to regular collectors, from new artist, facilitated by digital tools and with the online price. In each topic a sales frequency (or online price) is requested for the period before COVID-19, the period from March 2020 to April 2021 and the same period if the pandemic had not occurred. The probability is used to assess expectations for the next 12 months. Two rounds of questions about the number of online and offline fairs attended are also found in this block, operating on the same principle.

Percentage changes concerning sales revenue, profits and labour costs are demanded in the second block. Each of the three topics includes at least three questions: the first on the percentage change between 2019 and 2020, the second on the expectations that existed over the same period before the arrival of COVID-19 and the third on the expectations for 2021. Percentage change is used for revenue, profit and labour because the galleries would probably not have been willing to give us the actual figures on these three sensitive topics.

The third blocks included three rank order questions about the digital tools used, based on the same principle: before COVID, during the pandemic and in the next 12 months. There are also two multiple-choice questions to assess the government's support for the pandemic in the country and specifically for the gallery business, with the three possible answers being sufficient, insufficient or very good.

Finally, the fourth block builds the statistical profile by asking questions about the person completing the survey (position in the gallery, gender and age) and the gallery (location, number of artists represented, year of foundation, number of exhibition spaces, expectation of a return to normality). Respondents are also asked about their expectations for a return to

normalcy. At the very end of the questionnaire, the participant has the possibility to give their email in order to be drawn to receive a box of champagne.

5 Results and discussion

5.1 Profile of the responding galleries and staff

Unsurprisingly, Italian galleries predominate in the sample (61.7%), as they are a larger population to which more questionnaires were therefore sent. An almost identical number of individuals (11 and 12) represent, respectively, Belgium and the Netherlands. Among the 60 respondents, 15 are galleries from Milan and 10 from Amsterdam, while Brussels, in third place, appears only 5 times, followed by Rome – 4 times. The overwhelming majority of dealers operate in the primary market (88.3%), a few in both (8.3%) and a small proportion in the secondary market (3.3%). These are mainly well-established businesses: 20% have been in existence for more than 20 years, 35% for 11 to 20 years, 26.7% for 5 to 10 years and only 8.3% for less than 5 years; 2002 is the average foundation year. In their own country, the majority (78.5%) have only one exhibition space, 16.7% two and 5% more than two. They are mainly one-country companies: only 4 have an exhibition space abroad and 1 operates in at least three countries. All these data are available in detail in Table 1 (p. 31).

Of the gallery staff who took on the task of responding to the survey, 56.7% identifies as female, 40% as male and 3.3% as non-binary. The average age is 34, 8.3% are under 30, 58.3% between 30 and 50 and 33.3% over 50. A large majority (73.3%) of the respondents are owners/founders of the gallery, 15% are managers and 11.7% are employees. These proportions suggest that the responses are relevant because the questionnaire was, certainly for the most part, completed by knowledgeable people within the galleries. The judgement of the general intervention of the government is balanced, on the one hand 41.7% considers it insufficient while for 51.7% it is sufficient and for 6.7% very good. Opinions are less divided regarding the ranking of government support for galleries, with 76.7% of respondents finding it insufficient versus 20% considering it sufficient and 3.3% very good. The individuals interviewed envisage a return to normalcy in the more or less medium term: 7.4% think that the health crisis will still last less than 1 year while 6.7% expects it to continue for more than 5 years. Hence, 18.4% anticipate a return to normal within 1 to 2 years, 42.4% within 2 to 3 years and 23.3% within 3 to 5 years. All these data are available in detail in Table 2 (p. 32).

Table 1
Characteristics of the participating galleries

Variable	<i>n</i> = 60	%
Country		
Belgium	11	18.3
Italy	37	61.7
the Netherlands	12	20
City		
Amsterdam	10	16.7
Antwerp	3	5
Bologna	2	3.3
Brussels	5	8.3
Milan	15	25
Rome	4	6.7
Trento	2	3.3
Turin	3	5
Sum of single-occurrence cities	16	26,7
Market segment		
Primary	53	88.3
Secondary	2	3.3
Both	5	8.3
Years in business (average age of foundation: 2002)		
5 >	5	8.3
5-10	16	26.7
11-20	21	35
20 <	18	30
Number of artists represented		
11 >	19	31.7
10-20	35	58.3
21-30	5	8.3
30 <	1	1.7
Number of exhibition spaces in the country		
1	47	78.5
2	10	16.7
2 <	3	5
Number of exhibition spaces abroad		
0	55	91.7
1	4	6.7
1 <	1	1.7

Table 2
Sociodemographic characteristics of respondents

Variable	<i>n</i> = 60	%
Gender		
Female	34	56.7
Male	24	40
Non-binary	2	3.3
Age (mean: 34 years old)		
> 30	5	8.3
30-50	35	58.3
50 <	20	33.3
Position in the gallery		
Employee	7	11.7
Manager	9	15
Owner/founder	44	73.3
Overall government intervention ranking		
Insufficient	25	41.7
Sufficient	31	51.7
Very good	4	6.7
Ranking of government support to galleries		
Insufficient	46	76.7
Sufficient	12	20
Very good	2	3.3
Expectation of a return to normalcy (in year)		
>1	5	7.4
[1→2[11	18.4
[2→3[26	42.4
[3→5[14	23.3
5 <	4	6.7

5.2 Presentation of the data collected

This section briefly introduces the different results tables (p. 33-35) that were built up from the answers to questions 1 to 36. Given the length and number of questions, it has been necessary to paraphrase them in a shorter form so that they can be compiled into tables and graphs: the abbreviations are listed in Table 3 (p. 33). Table 4 (p. 34) shows the average results obtained for each response, providing the minimum (Min) and maximum (Max) figures obtained, the mean (μ), standard deviation (σ) and variance (σ^2). The questions are classified according to the following topics: Sales to regular collector (T1), Sales of artist never presented (T2), Sales facilitated by digital tools (T3); Price transparency online (T4); Digital fair participation (T5); In person fair participation (T6); Sales revenue (T7); Profit (T8); The cost of labour (T9). T1 to 4 present results in frequency and probability, for responses concerning either the past or the future. In T5 and 6 a number of fairs (digital or in person) is indicated. For T7 to 9, the answers

are percentages change. Normal distributions of the answers to the 36 questions are available in Appendix 5 to 13, grouped by topic.

Table 5 (p. 35) shows the difference (Δ) between the situation before COVID-19 (in 2019) and during the first 12 months of the health crisis (Mar. 2020 – Apr. 2021). This enables to measure the changes in the art gallery business following the arrival of the pandemic: a positive Δ means a decrease and a negative an increase. For example, 9.65 in the first line indicates that sales to regular collectors decreased by 9.65% between 2019 and Mar. 2020 – Apr. 2021. Proceeding in the same way, Table 6 (p. 35) gives the difference between the actual and counterfactual outcomes, allowing to measure the subjective causality of COVID-19 on the business. Table 7 (p. 35) also follows the same approach, giving the difference between the outcome of the pandemic and the forecast for the next 12 months. This provides an indication of whether the strategies and results achieved during the pandemic are likely to follow the same trend or if the prospect of deconfinement is giving gallerists new expectations. All these results are analysed and interpreted in the light of our seven hypotheses in the following section.

Table 3
Lists of abbreviations

<p> Δ = difference & = and % change = percentage change b/w = between exp. = expectation Mar. – Apr. = from March to April Max = maximum response given Min = minimum response given n° = number neg. info = negative information NTM = next twelve months pos. info = positive information prob. = probability Q.= question T. = topic w/ = with w/o = without μ = mean σ = standard deviation σ^2 = variance </p>

Table 4
 Responses to questions 1 to 36 (frequency, probability, number of fairs and percentage change)

Questions	Min	Max	μ	σ	σ^2
T1. Sales to regular collector					
Q1. Before COVID-19	10	100	57.93	20.25	409.96
Q2. Mar. 2020 - Apr. 2021	0	100	48.28	28.07	788.10
Q3. Mar. 2020 - Apr. 2021 w/o COVID-19	10	100	58.75	20.98	440.22
Q4. NTM exp.	5	98	56.98	21.27	452.46
Q5. NTM exp. w/ pos. info	5	98	56.57	20.61	424.86
T2. Sales of artist never presented					
Q6. Before COVID-19	0	90	34.5	23.57	555.78
Q7. Mar. 2020 - Apr. 2021	0	85	28.78	25.01	625.66
Q8. Mar. 2020 - Apr. 2021 w/o COVID-19	0	90	37.83	22.99	528.48
Q9. NTM exp.	0	94	40.65	25.74	662.33
T3. Sales facilitated by digital tools					
Q10. Before COVID-19	0	80	20.98	19.76	390.36
Q11. Mar. 2020 - Apr. 2021	0	100	37.83	27.51	756.62
Q12. Mar. 2020 - Apr. 2021 w/o COVID-19	0	70	25.47	19.95	397.85
Q13. NTM exp.	0	100	35.75	24.37	594.01
Q14. NTM exp. w/ pos. info	0	98	37.03	23.87	569.59
T4. Price transparency online					
Q15. Before COVID-19	0	100	24.58	28.50	812.45
Q16. Mar. 2020 - Apr. 2021	0	100	30.07	32.64	1064.84
Q17. Mar. 2020 - Apr. 2021 w/o COVID-19	0	100	26.37	28.70	823.73
Q18. NTM exp.	0	100	33.17	30.35	921.33
Q19. NTM exp. w/ neg. info	0	100	36.23	31.69	1004.45
T5. Digital fair participation					
Q20. Before COVID-19	0	7	0.4	1.28	1.63
Q21. Mar. 2020 - Apr. 2021	0	10	2.18	2.08	4.32
Q22. NTM exp.	0	10	1.05	2.09	4.39
T6. In person fair participation					
Q23. Before COVID-19	0	31	4.33	4.21	17.75
Q24. NTM exp.	0	20	3.93	3.26	10.6
Q25. NTM exp. w/ neg. info	0	20	3.13	3.06	9.34
T7. Sales revenue					
Q26. B/w 2019 & 2020	-85	85	-2.9	42.21	1781.92
Q27. B/w 2019 & 2020 w/o COVID-19	-75	84	18.08	25.8	665.74
Q28. Exp. b/w 2020 & 2021	-50	200	35.07	36.59	1338.91
Q29. Exp. b/w 2020 & 2021 w/ pos. info	-30	200	36.95	36.95	1365.34
T8. Profit					
Q30. B/w 2019 & 2020	-91	74	0.63	37.93	1438.88
Q31. B/w 2019 & 2020 w/o COVID-19	-50	73	20.4	18.57	344.85
Q32. Exp. b/w 2020 & 2021	-70	200	27.17	36.32	1318.9
Q33. Exp. b/w 2020 & 2021 w/ neg. info	-70	200	23.68	34.62	1198.9
T9. The cost of labour					
Q34. B/w 2019 & 2020	-60	57	2.07	19.73	389.45
Q35. B/w 2019 & 2020 w/o COVID-19	-10	53	6.88	13.5	182.4
Q36. Exp. b/w 2020 & 2021	-40	79	11.07	19.94	397.45

Table 5
Difference between before and during COVID-19

Topic	In 2019	Mar. 2020 - Apr. 2021	Δ
Sales to regular collector	57.93	48.28	9.65
Sales of artists never presented	34.5	28.78	5.72
Sales facilitated by digital tools	20.98	37.83	-16.85
Price transparency online	24.58	30.07	-5.49
Digital fair participation	0.4	2.18	-1.78

Table 6
Difference between actual and counterfactual pandemic outcomes

Topic	Mar. 2019 - Apr. 2021	Mar. 2020 - Apr. 2021 w/o COVID-19	Δ
Sales to regular collector	48.28	58.75	-10.47
Sales of artists never presented	28.78	37.83	-9.05
Sales facilitated by digital tools	37.83	25.47	12.36
Price transparency online	30.07	26.37	3.7
	B/w 2019 & 2020	B/w 2019 & 2020 w/o COVID-19	
Sales revenue	-2.9	18.08	-20.98
Profit	0.63	20.4	-19.77
<i>Δ Sales revenue – Profit</i>	-3.53	- 2.32	-1.21
The cost of labour	2.07	6.88	-4.81

Table 7
Difference between the outcome of the pandemic and the forecast for the next 12 months

Topic	Mar. 2019 - Apr. 2021	NTM exp.	Δ
Sales to regular collector	48.28	56.98	-8.7
Sales of artists never presented	28.78	40.65	-11.87
Sales facilitated by digital tools	37.83	35.75	2.08
Price transparency online	30.07	33.17	-3.1
Digital fair participation	2.18	1.05	1.13
	B/w 2019 & 2020	Exp. b/w 2020 & 2021	
Sales revenue	-2.9	35.07	-37.97
Profit	0.63	27.17	-26.54
<i>Δ Sales revenue – Profit</i>	-3.53	7.9	-11.43
The cost of labour	2.07	11.07	-9

5.3 Response to the hypotheses and interpretation of the results

This section explains the tables in the previous section in the light of the research questions, namely how COVID-19 has influenced the outcomes and strategies of the galleries and is this impact likely to be lasting.

H1. For art galleries, during the pandemic, the relative share of sales to regular collectors with respect to the total sales has increased.

We had assumed that the health crisis would have a positive impact on the share of sales to collectors familiar with the gallery. Our empirical data do not support this conclusion. Not only did sales to regular collectors drop by almost 10% in the first 12 months of the pandemic, but gallerists estimate that without COVID-19 they would have been 10.47% higher in the same period. Moreover, it is expected that this type of sale will re-emerge (up 8.7%) in the coming months of deconfinement. These results are in line with McAndrew (2020; 2021) who found a 10% decrease in the share of sales from contemporary art dealers to regular collectors between 2019 and 2020. In the framework we hypothesised that McAndrew's data could be influenced by his secondary market respondents, but our results show that this phenomenon is valid for primary market dealers, as they represent 88.3% of our sample.

With the information we have it is impossible to explain the reasons why the health crisis has reduced the share of sales to regular collectors. Nevertheless, it can be presumed that, as the lockdown forced buyers to inquire about art almost exclusively through the internet, they might have been more easily pushed to take an interest in new artists and sellers. Indeed, the algorithms of websites and social networks have the capacity to present the user with more and more content that might appeal to them based on their previous searches. This assumption would correspond to the positive results of our survey concerning sales facilitated by digital tools and which we will discuss below with the review of Hypothesis 4.

H2. The pandemic has reduced the experimentation of art galleries, reducing the occasions to present new or emerging artists.

We had assumed that the health crisis would have a negative impact on the share of sales of artists never presented by gallery. Our empirical data support this conclusion. Between 2019 and the first twelve months of the pandemic there was a 5.72% drop in sales of these artists. The counterfactual outcome reveals that gallery owners would normally have expected an increase of 9.05% over the same period. Consistently, the coming months of deconfinement are associated with a re-increase (up 8.7%) in sales of artists never presented before. We support the explanation already given in the framework that the quality uncertainty characteristic of

new and emerging artists requires pledges obtained at in-person events. This can be the participation itself in a prestigious exhibition or a face-to-face discussion with the gallery owner.

Our results contrast with McAndrew (2021) who found in 2020 an increase (up 4% on 2019) in the share of emerging artists, a decrease in mid-career artists (down 4% year-on-year), and a stagnation for established artists in the primary market. This may be due to the fact that McAndrew's data collection precedes ours by 6 to 12 months. It is possible that newer artists sold better at the beginning of the health crisis as last events in person were not so far back in time. Gallerists could therefore still capitalise on recent exhibitions or encounters to sell them.

H3. The pandemic led to a reduction of demand for art gallery artworks, reducing revenue but having an ambiguous effect on profits

We hypothesised that the pandemic would have caused a drop in revenue that would have been less felt in terms of profit. Our data cannot support entirely this conclusion. Firstly, while it is true that there is on average a decline (down 2.9%) in sales revenue between 2019 and 2020, the proximity to 0 and high variance (1782.92) suggest that the sample is polarised between galleries that have expanded and retracted their turnover. These figures suggest that, overall, the economic situation of the profession is less bad than in the reports from surveys conducted at the beginning of the pandemic. As a reminder, over the same period, McAndrew (2021) reported a 22% decline in art and antiques sales while Michalska & Pownall (2020) expected a 40-78% decline. Moureau & Mouate (2020) highlighted a negative turnover for 78% of CGPA members and ADDA (2020) expected a 31% decline in the second quarter of 2020 compared to projections. It is likely that the emotion generated by the first few months of the pandemic caused some gallerists to exaggerate their economic distress in responding the surveys. It may also be that our sample is composed of well-established galleries (average foundation year: 2002) that may have more resources and clientele to deal with the crisis.

However, looking at the counterfactual outcomes, we see that without the pandemic the galleries would have achieved significantly higher sales ($\Delta = 20.98\%$) and profit ($\Delta = 19.77\%$) – see Figure 1 and 2 (p 38). These data are, moreover, notably more homogeneous: the variances of the counterfactual responses being 665.74 (sales) and 344.85 (profit) against 1781.92 and 1438.88 for the actual outcomes. In addition, these hypothetical outcomes are consistent with the sales (up 35.07%) and profit (up 27.17%) outlook for the recovery of activity in 2021. Therefore, data confirms the hypothesis that the pandemic has prevented the galleries from achieving a healthy economic growth (which they plan to make up this year).

Figure 1

The normal distribution of responses to the topic 7: sales revenue

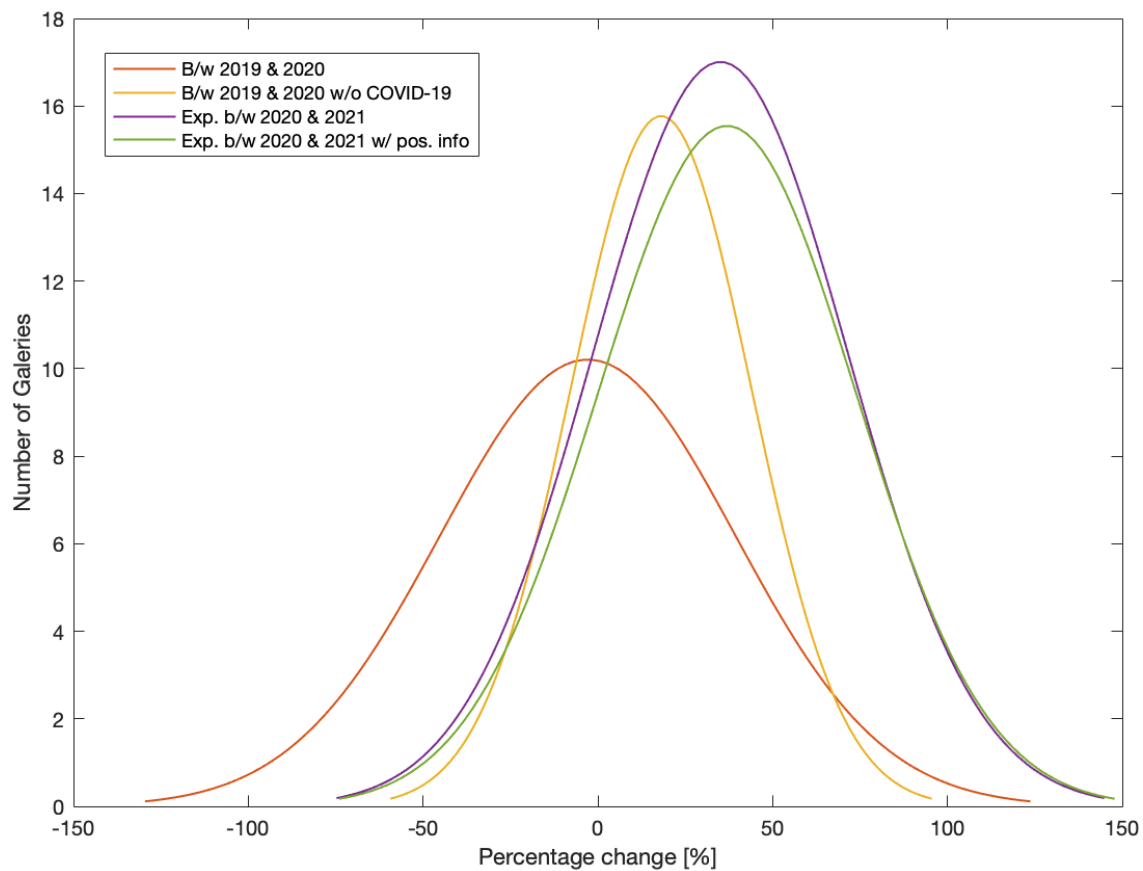
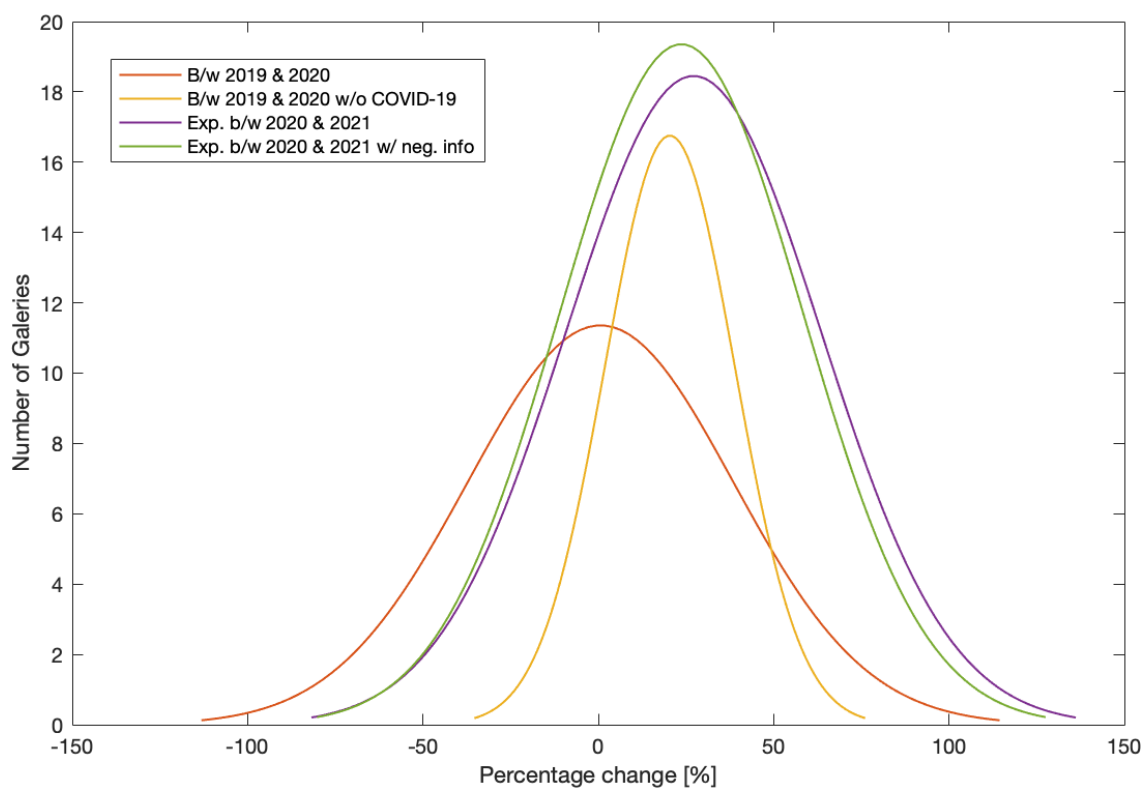


Figure 2

The normal distribution of responses to the topic 8: profit



According to our results, the second part of Hypothesis 3, namely “the ambiguous effect” of the health crisis on profit compared to sales, can be refuted. Indeed, the difference in the differences (DID) between the actual and counterfactual outcomes for revenues (Δ -20.98%) and profits (Δ -19.77%) is marginal (DID = -1.21%). This means that, pandemic or not, the interval between these two percentages change would have remained similar. Still, there is a slight reduction in labour costs (Δ = -4.81%) compared to a hypothetical year 2020 without a pandemic. It can therefore be conjectured that although some costs decreased as a result of the COVID-19 pandemic, others did not.

H4. For art galleries, the COVID-19 pandemic has accelerated the use of digital technology to sell artworks.

We had assumed that the health crisis would have a positive impact on the share of sales facilitated by digital technology. Our empirical data support this conclusion. The period March 2020 to April 2021 has experienced an increase of 16.85% in the share of sales assisted by digital tools compared to 2019. Calculating the difference between the actual and counterfactual outcomes, we find that if the pandemic had not occurred, the share of sales using the same tools would have been 12.36% lower. These results are consistent with trends identified in reports by Hiscox (2020) and McAndrew (2021). The former estimated that sales of online platforms – representing one of the many digital tools of galleries – have been increasing since 2013. The latter gave a figure of 26% for the increase in online sales by dealers between 2019 and 2020 (primary and secondary market combined). Even more interesting is the fact that estimates for the next 12 months show only a 2.08% drop in sales share using digital technologies (in comparison to the first 12 months of the pandemic). This suggests that the health crisis has had a lasting impact in this respect, embedding the use of digital technologies in the profession on a sustainable basis.

H5. The pandemic has changed the order of priorities in the use of digital instruments by art galleries in favour of more recent tools.

We had assumed that the health crisis would have an impact on the prioritization in the use of digital tools for gallerists. Our empirical data support this conclusion (see table 8, p. 40). In the framework, we distinguished between the so-called “classic tools”, i.e. those adopted since the digital revolution of the 1990s (the website, the newsletter or email) and the “modern instruments” (social media, third party platform, digital fair, online viewing room) not yet fully adopted by the galleries. The results confirm this typology as in 2019 three of the top four places in the ranking are occupied by classic tools while the last four are taken by modern instruments

As expected, the arrival of the pandemic has shifted the order of priorities, placing two modern instruments in the top three with third-party platforms (3PP) and online viewing rooms (OVR). Note the significant takeover of OVR, which moved from last to first position between the two periods. Conversely, emails move from first to fourth place. As with Hypothesis 4 on digital sales, this trend seems to be sustainable as it continues and even increases in the expectations of the next 12 months. Indeed, for the coming period the top 3 galleries are exclusively composed of modern instruments (social media, OVR and 3PP). The use of the social media to communicate about events could explain their return to the top spot, as deconfinement will see a return of exhibitions, fairs and vernissages. It is intriguing to see the gallery websites move from second to sixth place from column 2 to 3. Moureau & Mouate (2020) explains that more than one in four CGPA galleries undertook a website redesign during 2020. This could explain the sudden change in ranking: gallerists who put resources into updating their websites during the first twelve months of the pandemic now have other priorities. It should also be noted that online art fairs do not generate much interest among respondents, appearing in the last position in all three columns. As we will see, this is consistent with the results for hypothesis 7 below.

Among the (only) four digital tools viewed as relevant in her thesis on Amsterdam galleries, van der Schaaf (2017) placed websites and emails ahead of social media, while 3PPs were used by only 20% of her sample. Four years and a global pandemic later, the digitalization of the art gallery business is well underway, with new technologies increasingly being adopted.

Table 8

T10. Digital tools ranking: responses to questions 37 to 39

Digital tools	Q37. 2019 rank (μ)	Q38. Mar. 2020 - Apr. 2021 rank (μ)	Q39. NTM exp. rank (μ)
Personal/individual email	1 (1.78)	4 (3.36)	5 (4.22)
Social media	2 (3.31)	5 (4.6)	1 (1.78)
Gallery's classical website	3 (3.33)	2 (2.7)	6 (5.22)
Newsletter	4 (3.36)	6 (5.22)	4 (3.63)
Third-party platform	5 (4.6)	3 (3.33)	3 (3.36)
In-house OVR	6 (5.8)	1 (2.36)	2 (2.73)
Online art fair(s)	6 (5.8)	7 (5.48)	7 (6.12)

H6. Since the COVID-19 outbreak, galleries are going to be more inclined to indicate the price of works online.

We hypothesised that the pandemic would cause more transparency regarding the price of works online. Our data cannot support this conclusion. The reason is that although all the figures agree with our hypotheses, their value is too marginal to draw a strong conclusion. The frequency of online price indication increased from 24.58% to 30.07% with the pandemic (up 5.49%). The counterfactual situation also indicates a lower figure if the pandemic had not occurred ($\Delta = -3.7\%$). This trend seems likely to strengthen in the next 12 months with a frequency of 33.17%, i.e. 3.1% more than in the first 12 months of the health crisis. Cohen (2020) is therefore not wrong to postulate an evolution towards greater market transparency, but the indicators are still too weak for these observations to be scientifically relevant.

H7. The increase in online art fairs as a substitute for in-person events is solely due to the COVID-19 pandemic and is not expected to continue after it.

We had assumed that the emergence of digital fairs would be a temporary event linked to the particular context of the health crisis. Our empirical data support this conclusion. We note that while galleries participated in almost no online fairs (0.4) before the pandemic, the phenomenon emerged between March 2020 and April 2021 with an average participation in 2.1 events of this type. However, the trend does not appear to be sustainable as the gallerists surveyed expect to participate in an average of 1.05 online fairs over the next year, more than 50% less than in the previous period. A return to normalcy should simultaneously be observed for in-person fairs, with participation averaging 3.93 events during the next twelve months, almost as high as the pre-pandemic figure (4.33 in 2019). In some ways these results show that galleries are responding to the demand evidenced by McAndrew (2021) for collectors to return to in-person fairs.

6 Conclusion

The purpose of this thesis was to assess to which extent did the COVID-19 crisis impacted the strategy and outcomes of art galleries. Also, whether these consequences were sustainable or only temporary. To assess this, we defined in the framework three main areas of the gallery business potentially affected by the pandemic: demand, digitalisation and art fairs. In order to achieve this research, we elaborated a questionnaire which focused on four specific periods: during 2019, during the first twelve months of the pandemic, during the same period if COVID-19 had not existed and during the next twelve months. The survey was inspired by a recently developed counterfactual outcomes method. Our results were obtained by using the quantitative method. We collected the data via an online survey from 60 galleries in Belgium, Italy and the Netherlands. The sample was mainly composed of Italian galleries, operating in the primary market and with only one exhibition space in their country.

6.1 Key findings

On the demand side, our results showed a short-lived impact of the COVID-19 pandemic on the share of sales to regular collectors, the share of new artists sold, profit and sales revenue. Labour costs show a similar trend. All of these aspects of the galleries' demand decrease with the pandemic to then increase with the prospect of deconfinement, furthermore the counterfactual outcome indicates that had there not been a health crisis their revenue growth would have been sustained. However, these conclusions must be qualified with regard to profits and revenues, which do not present homogeneous results. In fact, we noticed a significant divide in our sample between galleries that made sales and profits during the crisis and those that made losses.

The pandemic seems to have had a lasting impact on the digitalisation of the gallery business. Firstly, the sales facilitated by digital tools surged by more than 17% during the March 2020 – April 2021 period and are expected to remain at similar levels for the coming months. In addition, the use of modern digital instruments (online viewing room, third-party platform, social media) has become increasingly important during the confinement and is expected to continue increasing in the coming months. The pandemic has had a more measured effect on online price transparency, although there has been a small increase in the share of artworks costed by gallery owners on their websites, social media or third-party platforms. The counterfactual outcome shows that this new pricing policy seems to be related to the health crisis.

Online art fairs were the only modern digital instrument that is not at all on the priority list of gallerists either before, during or after the crisis. Nevertheless, it should be noted that from almost no participation in 2019, galleries attended an average of just above 2 such events during the first 12 months of the pandemic. But this figure already drops to 1 fair for the expectations of the next twelve months. In addition, gallerists expect to return to the fairs in person in the following year, with almost the same participation as before the crisis.

6.2 Reflection on the research

The strength of our approach is to have collected responses at the boundary between the strict confinement period and the beginning of deconfinement. Aucejo et al (2020) had developed their counterfactual outcomes method in spring 2020, with little prospect of the crisis resolving as vaccines were not well developed. It is therefore interesting in our investigation to have been able to add the period of the possible future without COVID-19 to the three periods already investigated by Aucejo et al. (2020), namely 2019, during the pandemic and if the pandemic had not existed. In addition, we can expect to have obtained more accurate counterfactual outcome responses, as the emotion and stress of the first moments of the COVID-19 crisis were significantly reduced.

The contribution of our research has also been to develop a survey of art galleries within the scientific environment of the university. As mentioned in section 2.6.2, all of the surveys on the impact of COVID-19 on galleries were commissioned either by a mainstream newspaper, gallery associations, an insurance company or by a private statistics organisation linked to Art Basel and UBS. The value of the peer review is of course to provide an additional check on the relevance of the questions asked, the conduct of the research and the accuracy of the results; in addition, the entire methodology is made public, allowing others to build on it. Scientific survey on art galleries is rather rare and we can only hope that it will gain in importance as has been the case for studies on private sales which have recently grown in popularity, no longer leaving the monopoly to those on auction results.

The major limitation of the research is the reduced size of our sample. Preventing relevant statistical regressions between the gallery profiles studied, particularly between the three different countries due to the over-representation of Italians. While the period (between confinement and deconfinement) was of great interest to study, it was also a time when galleries were less willing to respond as activity resumed. If a similar type of research was to be conducted in the future, we would recommend finding a more efficient way to contact galleries in order to achieve a higher response rate. One solution could be to go directly to the art fairs

to have the questionnaires to be filled in at the various booths. This should preferably on the last day of the fair, when the gallerists tend to be the least busy. Nevertheless, we hope that our results will be useful to gallerists who have expressed the wish to receive them. They certainly will be beneficial to gain further understanding the strategies adopted by the profession, particularly in terms of digital priorities.

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qeFBhAsEiwA2G7NI_Wt8KKwDhqXPl_6bI7pTS56xPvVqySf3vFTYIaVAhdWx3n1WcUa
hxoCvHEQAvD_BwE](https://www.artbasel.com/about/initiatives/the-art-market?gclid=CjwKCAjw-
qeFBhAsEiwA2G7NI_Wt8KKwDhqXPl_6bI7pTS56xPvVqySf3vFTYIaVAhdWx3n1WcUa
hxoCvHEQAvD_BwE)

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qeFBhAsEiwA2G7NI_Wt8KKwDhqXPl_6bI7pTS56xPvVqySf3vFTYIaVAhdWx3n1WcUa
hxoCvHEQAvD_BwE](https://www.artbasel.com/about/initiatives/the-art-market?gclid=CjwKCAjw-
qeFBhAsEiwA2G7NI_Wt8KKwDhqXPl_6bI7pTS56xPvVqySf3vFTYIaVAhdWx3n1WcUa
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8 Appendix

1. Email in English

Rotterdam University survey on the impact of the health crisis on art galleries.

Dear gallerist,

We are aware that your time is limited. Please take 10 minutes to complete this questionnaire.

The Erasmus University in Rotterdam is conducting a survey among Belgian, Italian and Dutch art galleries to assess the impact of the health crisis on the sector.

To motivate you and as a token of our gratitude, we will raffle off two boxes of champagne (each with a retail price higher than 120 euros), among two of those who choose to participate – registration for the raffle will be completed anonymously at the end of the questionnaire.

Please complete the following survey. All data is anonymous. We are not able to track your results and link them to your gallery.

We thank you very much for your trust and support.

Isidoro Mazza

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2. Email in Italian

Sondaggio dell'Università di Rotterdam sull'impatto della crisi sanitaria sulle gallerie d'arte

Cara/o Gallerista,

Siamo consci del poco tempo che ha a disposizione. Speriamo, tuttavia, che possa dedicarci 10 minuti per completare il nostro questionario.

L'Università Erasmus di Rotterdam, sta conducendo un'indagine tra le gallerie belghe, italiane e olandesi per valutare l'impatto della crisi sanitaria sul settore.

Come segno di gratitudine, sono in palio due casse di champagne (ognuna avente un prezzo al dettaglio superiore a 150 euro), da spediti a due partecipanti sorteggiati tra quelli che avranno completato il questionario.

I dati sono raccolti in maniera anonima così come la sua adesione alla lotteria che sarà richiesta alla fine del questionario. Teniamo a precisare che non ci sarà possibile tracciare i dati e ricondurli alle singole gallerie.

Grazie infinite per la sua fiducia e per il suo supporto.

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3. Questionnaire in English

Galleries_Survey

Start of Block: Block 1

Q0 Dear Gallerist,

Thank you for accepting to answer the survey.

Professor Isidoro Mazza and MA student Adrien Delescaille are conducting a research project to investigate the impact of COVID-19 on the art gallery business. You will be asked questions about different aspects of your firm, lasting approximately 10 minutes. Your participation and the data provided are anonymous and used exclusively for research purposes.

You will be informed of the results of the research by the end of the summer. In addition, two of the participants will be drawn to receive each a box of champagne (retail price higher than 120 euros). Registration for the raffle will be completed anonymously at the end of the questionnaire.

Please take your time to answer the questions as accurately as possible. By clicking on the blue arrow you agree to participate in the survey.

End of Block: Block 1

Start of Block: Block 2

QA ul.numbers li::after { content:"%"; } In this first block of questions you will be asked about the **frequency** or the **probability** of an event. **Frequency** is a percentage of occurrence of a **past event**, you will therefore be asked to evaluate past results. It must be a ratio between 0% and 100%. For example, if you are asked "what was the frequency of sales of photos by your gallery in 2019", and your answer is "20%", this means that for every 100 works you sold in 2019, 20 were photos. To practice, we ask you to answer the following questions: If your gallery sold 40 photos last month, out of a total of 100 sales, what was the frequency of sales of photos?

0 10 20 30 40 50 60 70 80 90 100

Frequency (in %): ()	
----------------------	--

QB Probability is the percentage chance of a future event, you will therefore be asked to forecast **future results**.

Like the frequency, it must be a ratio between 0% and 100%.

For example, if you are asked "what is the probability that your gallery will sell a photo in 2022", and you answer "20%", this means that for every 100 works you will sell in 2022, 20

are expected to be photos.

To practice we ask you to answer the following question :

If your gallery expects to sell 30 photos next month out of a total of 100 sales, what is the probability of selling a photo next month?

0 10 20 30 40 50 60 70 80 90 100

Probability (in %): ()	
------------------------	--

End of Block: Block 2

Start of Block: Block 3

Q1 The answers to the exercise questions on the previous page were **40%** for the frequency and **30%** for the probability.

The following is the real survey:

Sales to regular collector **Before the COVID-19 outbreak, during 2019**, what was the frequency of sales to regular collectors by your gallery? (regular collector = someone who has bought from your gallery more than once)

0 10 20 30 40 50 60 70 80 90 100

Frequency (in %): ()	
----------------------	--

Q2 **In the period from the starting of the COVID-19 pandemic (March 2020) until April 2021**, what was the frequency of sales to regular collectors by your gallery? (regular collector = someone who has bought from your gallery more than once)

0 10 20 30 40 50 60 70 80 90 100

Frequency (in %): ()	
----------------------	--

Q3 **Were it not for the COVID-19 pandemic, in the same period of (March 2020-April 2021)** what would have been the frequency of sales to regular collectors by your gallery?

0 10 20 30 40 50 60 70 80 90 100

Frequency (in %): ()	
----------------------	--

Q4 **In the next twelve months**, what will be the probability of sales to regular collectors by your gallery?

0 10 20 30 40 50 60 70 80 90 100



Q5

The Art Newspaper reports that gallery weekends seem set to grow and flourish **Knowing this information – in the next twelve months**, what will be the probability of sales to regular collectors by your gallery?

0 10 20 30 40 50 60 70 80 90 100



End of Block: Block 3

Start of Block: Block 4

Q6 ul.numbers li::after { content:"%"; } Sales of artists never presented in your gallery **Before the COVID-19 outbreak, during 2019**, what was the frequency of sales of artworks of ‘new’ artists, namely never presented by your gallery before?

0 10 20 30 40 50 60 70 80 90 100



Q7 **In the period from the starting of the COVID-19 pandemic (March 2020) until April 2021**, what was the frequency of sales of artworks of ‘new’ artists, namely never presented by your gallery before?

0 10 20 30 40 50 60 70 80 90 100



Q8 Were it not for the COVID-19 pandemic, in the same period (March 2020-April 2021) what would have been the frequency of sales of artworks of ‘new’ artists, namely never presented by your gallery before?

0 10 20 30 40 50 60 70 80 90 100



Q9 In the next twelve months, what will be the probability of sales regarding artists not shown in your gallery before?

0 10 20 30 40 50 60 70 80 90 100



End of Block: Block 4

Start of Block: Block 5

Q10 Before the COVID-19 outbreak, during 2019, what was the frequency of sales being facilitated by digital tools in your gallery? (digital tools = website, online viewing rooms, digital platforms, social media etc.)

0 10 20 30 40 50 60 70 80 90 100



Q11 In the period from the starting of the COVID-19 pandemic (March 2020) until April 2021, what was the frequency of sales being facilitated by digital tools in your gallery? (digital tools = website, online viewing rooms, digital platforms, social media etc.)

0 10 20 30 40 50 60 70 80 90 100



Q12 Were it not for the COVID-19 pandemic, in the same period of (March 2020-April 2021), what would have been the frequency of sales being facilitated by digital tools in your gallery?

0 10 20 30 40 50 60 70 80 90 100



Q13 In the next twelve months, what will be the probability of sales being facilitated by digital tools in your gallery?

0 10 20 30 40 50 60 70 80 90 100



Q14

According to several experts the use of online communication tools will have a positive lasting impact because it lowers the barriers to participation for gallerists, collectors, artists, and curators. **Knowing this information – in the next twelve months, what will be the probability of sales being facilitated by digital tools in your gallery?**

0 10 20 30 40 50 60 70 80 90 100



End of Block: Block 5

Start of Block: Block 6

Q15 Price transparency online

Before the COVID-19 outbreak, during 2019, how frequently did your gallery give the prices of artworks online? (on the website, platforms like Artsy, or online viewing rooms)

0 10 20 30 40 50 60 70 80 90 100



Q16 From the starting of the COVID-19 pandemic (March 2020) until April 2021, how frequently did your gallery give the prices of artworks online? (on the website, platforms like Artsy, or online viewing rooms)

0 10 20 30 40 50 60 70 80 90 100



Q17 Were it not for the COVID-19 pandemic, in the same period of (March 2020-April 2021), how frequently would your gallery have given the price of artworks online?

0 10 20 30 40 50 60 70 80 90 100



Q18 In the next twelve months, what is the probability for your gallery to give the price of artworks online?

0 10 20 30 40 50 60 70 80 90 100



Q19

According to the Global Director of Art Basel, collectors appreciate the new approach of making prices available online. While artistic director of the Americas at Frieze Art Fair, argues that “indicating the price makes it easier to engage an audience that is ready to buy”. **Knowing this information – in the next twelve months**, what is the probability for your gallery to give the price of artworks online? (on the website or platforms like Artsy)

0 10 20 30 40 50 60 70 80 90 100



End of Block: Block 6

Start of Block: Block 7

Q20 Digital fair participation **Before the COVID-19 outbreak, during 2019**, how many **digital** art fairs did your gallery participate to? (if none answer 0)

0 10 20 30 40



Q21 **From the starting of the COVID-19 pandemic (March 2020) until April 2021**, how many **digital** art fairs did your gallery participate to?

0 10 20 30 40



Q22 **In the next twelve months**, how many **digital** art fairs does your gallery plan to participate to?

0 10 20 30 40



End of Block: Block 7

Start of Block: Block 8

Q23 Participation to art fairs in person **Before the COVID-19 outbreak, during 2019**, how many art fairs **in person** did your gallery participate to?

0 10 20 30 40



Q24 **In the next twelve months**, how many art fairs **in person** does your gallery expect to participate to?

0 10 20 30 40

Number of art fair in person: ()



Q25

The president of the French scientific council, expects a “new important circulation of the virus in autumn”.

Knowing this information – in the next twelve months, to how many art fairs in person does your gallery expect to participate?

0 10 20 30 40

Number of art fairs in person: ()



End of Block: Block 8

Start of Block: Block 9

QC `ul.numbers li::after { content:"%"; }` **Block 2: percentage change**

In this second block of questions you will be asked about the **percentage change**.

The percentage change is generally used to estimate the **change between two quantities over time**. For example: - +25%, +50%, +75% indicate an increase of one quarter, one half or three quarters over the original quantity; - -25%, -50% and -75% indicate decreases of one quarter, one half or three quarters over the original quantity. - +100%, +200% or + 500% indicate that the results have been increased by one, two or five times the original quantity.

To practice, we ask you to answer the following question: Considering that your gallery sold 100 photos in 2019 and 50 in 2020, what is the percentage change in sales of photo in 2020 compared to 2019?

-100 -50 0 50 100 150 200

Percentage change (in %): ()



End of Block: Block 9

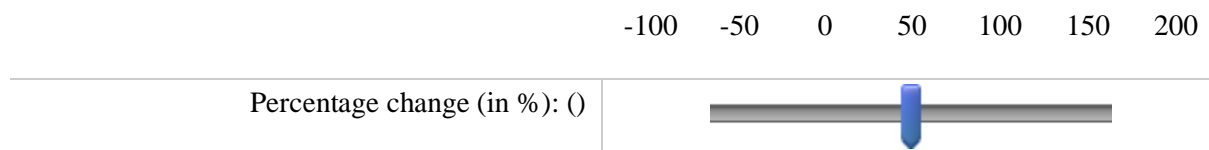
Start of Block: Block 10

Q26 `ul.numbers li::after { content:"%"; }`

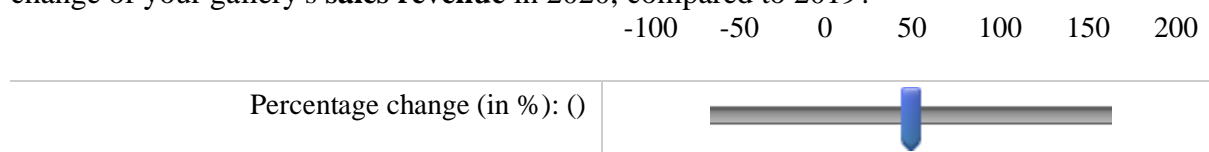
The answer to the exercise questions on the previous page was **-50 %** The following is the end of the survey:

Sales revenue

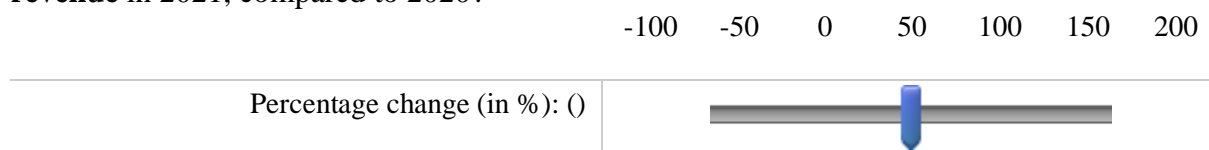
How do you assess the percentage change of your gallery's **sales revenue** in 2020, compared to 2019?



Q27 Before the COVID-19 outbreak, what was your expectation regarding the percentage change of your gallery's **sales revenue** in 2020, compared to 2019?



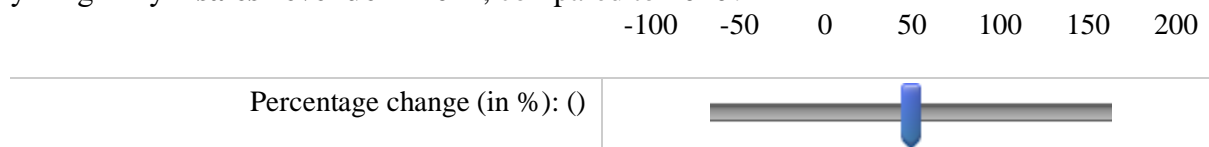
Q28 What is your expectation regarding the percentage change of your gallery's **sales revenue** in 2021, compared to 2020?



Q29

According to *The Art Market Report*, the majority of art dealers (58%) expect sales to improve in 2021.

Knowing this information – what is your expectation regarding the percentage change of your gallery's **sales revenue** in 2021, compared to 2020?



End of Block: Block 10

Start of Block: Block 11

Q30 **Profit** How do you assess the percentage change of your gallery's **profit** in 2020, compared to 2019? (profit = sales revenue - costs)

-100 -50 0 50 100 150 200



Q31 **Before the COVID-19 outbreak**, what was your expectation regarding the percentage change of your gallery's **profit** in 2020, compared to 2019? (profit = sales revenue - costs)

-100 -50 0 50 100 150 200



Q32 What is your expectation regarding the percentage change of your gallery's **profit** in 2021, compared to 2020?

-100 -50 0 50 100 150 200



Q33

In the *Art Market Report*, we learn that, in 2020, the share of galleries' budgets spent on art fairs and travel costs have fallen by 40%. The return of in-person events will most likely be accompanied by a rebound in these costs.

Knowing this information – what is your expectation regarding the percentage change of your gallery's **sales profit** in 2021, compared to 2020?

-100 -50 0 50 100 150 200



End of Block: Block 11

Start of Block: Block 12

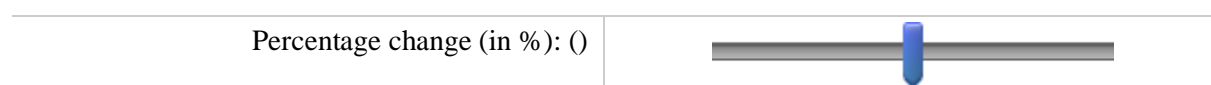
Q34 The cost of labour How do you assess the percentage change of your gallery's expenditure for **labour costs** in 2020, compared to 2019?

-100 -50 0 50 100 150 200



Q35 **Before the COVID-19 outbreak**, what was your expectation regarding the percentage change of your gallery's expenditure for **labour costs** in 2020, compared to 2019?

-100 -50 0 50 100 150 200



Q36 What is your expectation regarding the percentage change of your gallery's expenditure for **labour costs** in 2021, compared to 2020?

-100 -50 0 50 100 150 200



End of Block: Block 12

Start of Block: Block 13

Q37 Rank the following digital tools according to their usefulness in facilitating art sales **before the COVID-19 outbreak, during 2019** (click and drag in the appropriate order):

- _____ Social media (1)
- _____ Third-party platform(s) (like Artsy, or collective platforms) (4)
- _____ Personal/individual email (5)
- _____ Gallery's classical website (6)
- _____ In-house online viewing room (7)
- _____ Newsletter (8)
- _____ Online art fair(s) (9)

Q38 Rank the following digital tools according to their usefulness in facilitating art sales **during the COVID-19 pandemic (March 2020-April 2021):**

- _____ Social media (1)
 - _____ Third-party platform(s) (like Artsy, or collective platforms) (4)
 - _____ Personal/individual email (5)
 - _____ Gallery's classical website (6)
 - _____ In-house online viewing room (7)
 - _____ Newsletter (8)
 - _____ Online art fair(s) (9)
-

Q39 **In the next twelve months**, rank the following digital tools according to **what you expect** to be their usefulness in facilitating art sales:

- _____ Social media (1)
 - _____ Third-party platform(s) (like Artsy, or collective platforms) (4)
 - _____ Personal/individual email (5)
 - _____ Gallery's classical website (6)
 - _____ In-house online viewing room (7)
 - _____ Newsletter (8)
 - _____ Online art fair(s) (9)
-

Q40 Do you rank the **overall** government intervention in the country where your gallery is located:

- Insufficient (1)
 - Sufficient (4)
 - Very good (5)
-

Q41 Do you rank the government **support to art galleries** like yours, in the country where your gallery is located:

- Insufficient (1)
 - Sufficient (4)
 - Very good (5)
-

Q42 In which city are you situated?

End of Block: Block 13

Start of Block: Block 14

Q43 **Block 4: Statistic profile** What is the position of the person responding to the survey?

- Owner/founder (1)
- Manager (4)
- Employee (5)

Q44 What is your gender?

- Male (1)
- Female (4)
- Non-binary (5)
- Prefer to self-describe, below (6)

Q45 What is your age?

Q46 In which market segment does your gallery mainly work?

- Mostly the primary market (1)
- Mostly the secondary market (4)
- Equal combination of both (5)

Q47 What is the number of artists represented by the gallery?

- 10 or less (1)
- Between 11 and 20 (4)
- Between 21 and 30 (5)
- More than 30 (6)
-

Q48 Since when your gallery has been active? (give a year, ex: "1996")

Q49 How many exhibition spaces has your gallery in the country where you are based?

- 1 (1)
- 2 (4)
- More than 2 (5)
-

Q50 How many additional exhibition spaces has your gallery abroad?

- 0 (1)
- 1 (4)
- More than 1 (5)
-

Q51 Regarding the health crisis, how many years do you think we need to return to normality?

More than 5 years

0 1 2 3 4 5

Number of years ()



Q52 The survey is anonymous. If you would like to win one of the two champagne cases (retail price: 120 euros) and wish to be informed of the results, please note your Email address here. The winners will be contacted via Email

For your information: the email address will not be linked to your data. Hence, we will not be able to trace our data to your email address

End of Block: Block 14

5. Questionnaire in Italian

Q0 Presentazione

Gent.ma/o Gallerista

il mio nome è Adrien Delescaille e sono uno studente del Master in Economia e Impresa della Cultura (*Cultural Economics and Entrepreneurship*) presso la Erasmus University di Rotterdam. Desidero ringraziarla per il tempo che vorrà dedicarmi nel rispondere al questionario che le sottopongo.

Lo scopo di questa ricerca è esaminare l'impatto dell'emergenza sanitaria per la pandemia di COVID-19 sull'attività delle gallerie d'arte. Il tempo necessario per rispondere al questionario è pari a circa 10 minuti. Le risposte saranno trattate in maniera anonima e usate esclusivamente per scopi di ricerca.

Sarà mia cura informarla dei risultati della ricerca alla fine dell'estate. Come ringraziamento per la partecipazione, due partecipanti che avranno completato il questionario saranno estratti a sorte per ricevere una confezione di sei bottiglie di Champagne.

Per favore, provi a rispondere al questionario in maniera accurata. Scegliendo il tasto "Sì acconsento" accetta di partecipare a questo sondaggio

Sì acconsento

No non acconsento

Informazione di base

In questo primo gruppo di domande, le sarà chiesto in merito alla frequenza e alla probabilità di un evento.

QA La frequenza è la percentuale di volte in cui si è verificato un evento **passato** e, quindi, sarà chiesta valutare risultati passati.

Deve essere una percentuale compresa tra 0% e 100%.

Per esempio, se le viene chiesto "quale è stata la frequenza di vendita di fotografie nella sua galleria, nel 2019?", e la sua risposta è "20%", questo significa che per ogni 100 opere vendute nel 2019, 20 erano fotografie.

A scopo di pratica, le chiediamo di rispondere alla seguente domanda:

Se la sua galleria ha venduto 40 fotografie lo scorso anno, su un totale di 100 opere vendute, quale è stata la frequenza di vendita di fotografie nello scorso anno?



QB La probabilità è la percentuale di casi in cui un evento **futuro** si ritiene che si avvererà e, quindi sarà chiesta per prevedere risultati futuri.

Come la frequenza, è necessariamente una percentuale compresa tra 0% e 100%.

Per esempio, se le viene chiesto “quale è la probabilità che la sua galleria venderà una foto nel 2022?”, e la sua risposta è "20%", questo significa che per ogni 100 opere che venderà nel 2022 si aspetta che 20 saranno fotografie.

A scopo di pratica, le chiediamo di rispondere alla domanda seguente:

Se prevede che la sua galleria venderà 30 fotografie su un totale di 100 lavori il prossimo anno, quale è la probabilità di vendere una foto nel prossimo anno?



Vendita a collezionisti abituali

Q1 Prima dell'emergenza sanitaria COVID-19, durante il 2019, quale è stata la frequenza di vendite a collezionisti abituali della sua galleria? (collezionista abituale = qualcuno che ha comprato dalla sua galleria più di una volta)



Q2 Nel periodo dall'inizio della pandemia COVID-19 (Marzo 2020) fino ad Aprile 2021, quale è stata la frequenza di vendite a collezionisti abituali della sua galleria? (collezionista abituale = qualcuno che ha comprato dalla sua galleria più di una volta)



Q3 Se non ci fosse stata la pandemia COVID-19, nello stesso periodo (Marzo 2020-Aprile 2021) quale sarebbe stata la frequenza di vendita a collezionisti abituali della sua galleria?



Q4 Nei prossimi dodici mesi, quale ritiene che sarà la probabilità di realizzare vendite a collezionisti abituali della sua galleria?



The Art Newspaper riporta che i *gallery weekend* sembrano avere un crescente successo

Q5 Avendo questa informazione - nei prossimi dodici mesi, quale ritiene che sarà la probabilità di realizzare vendite a collezionisti abituali della sua galleria?



Blocco 2

Vendita di lavori di artisti mai presentati prima nella sua galleria

Q6 Prima della pandemia COVID-19, durante il 2019, quale è stata la frequenza di vendite di lavori di artisti ‘nuovi’, cioè mai presentati negli anni precedenti al 2019 dalla sua galleria?



Q7 Nel periodo dall’inizio della pandemia COVID-19 (Marzo 2020) fino ad Aprile 2021, quale è stata la frequenza di vendite di lavori di artisti ‘nuovi’, cioè mai presentati negli anni precedenti a questo periodo dalla sua galleria?



Q8 Se non ci fosse stata la pandemia COVID-19, nello stesso periodo (Marzo 2020-Aprile 2021), quale sarebbe stata la frequenza di vendite di lavori di artisti ‘nuovi’?



Q9 Nei prossimi dodici mesi, quale ritiene che sarà la probabilità di vendite di lavori di artisti ‘nuovi’?



Strumenti digitali

Q10 Prima della pandemia COVID-19, durante il 2019, quale è stata la frequenza di vendite della sua galleria agevolate dall’utilizzo di strumenti digitali? (strumenti digitali = sito web, online viewing rooms, piattaforme digitali, social media...)



Q11 Nel periodo dall'inizio della pandemia COVID-19 (Marzo 2020) fino ad Aprile 2021, quale è stata la frequenza di vendite della sua galleria agevolate dall'utilizzo di strumenti digitali? (strumenti digitali = sito web, online viewing rooms, piattaforme digitali, social media ...)



Q12 Se non ci fosse stata la pandemia COVID-19, nello stesso periodo (Marzo 2020-Aprile 2021), quale sarebbe stata la frequenza di vendite della sua galleria agevolate dall'utilizzo di strumenti digitali?



Q13 Nei prossimi dodici mesi, quale ritiene che sarà la probabilità di vendite della sua galleria agevolate dall'utilizzo di strumenti digitali?

Secondo diversi esperti, l'utilizzo di strumenti di comunicazione online avrà un impatto positivo duraturo perché riduce le barriere alla partecipazione per galleristi, collezionisti, artisti e curatori

Q14 Avendo questa informazione - nei prossimi dodici mesi, quale ritiene che sarà la probabilità di vendite della sua galleria che saranno agevolate dall'utilizzo di mezzi digitali?

Trasparenza dei prezzi online

Q15 Prima della pandemia COVID-19, durante il 2019, quale è stata la frequenza di vendite di lavori per i quali la sua galleria aveva indicato il prezzo online? (sul sito web, su piattaforme come Artsy, oppure in online viewing rooms)



Q16 Nel periodo dall'inizio della pandemia COVID-19 (Marzo 2020) fino ad Aprile 2021, quale è stata la frequenza di vendite di lavori per i quali la sua galleria aveva indicato il prezzo online? (sul sito web, su piattaforme come Artsy, oppure in online viewing rooms)



Q17 Se non ci fosse stata la pandemia COVID-19, nello stesso periodo (Marzo 2020-Aprile 2021), quale sarebbe stata la frequenza di vendite di lavori per i quali avrebbe indicato il prezzo online? (sul sito web, su piattaforme come Artsy, oppure in online viewing rooms)



Q18 Nei prossimi dodici mesi, quale ritiene che sarà la probabilità di vendite di lavori per i quali la sua galleria avrà indicato il prezzo online?

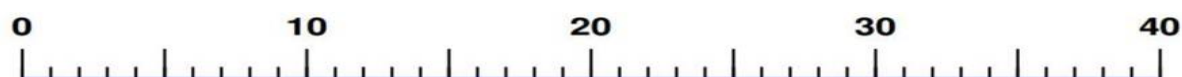


Secondo il Global Director di Art Basel, i collezionisti gradiscono il nuovo approccio di indicare i prezzi online. Per il direttore artistico di Americas at Frieze Art Fair, l'indicazione del prezzo aiuta ad attrarre un pubblico pronto all'acquisto.

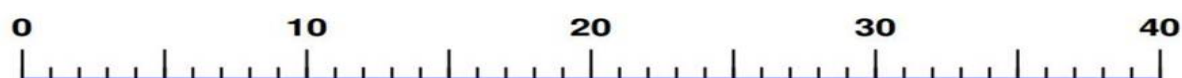
Q19 Avendo questa informazione - nei prossimi dodici mesi, quale ritiene che sarà la probabilità di vendite di lavori per i quali la sua galleria avrà indicato il prezzo online?

Partecipazione a fiere digitali

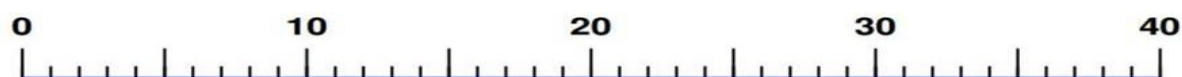
Q20 Prima della pandemia COVID-19, durante il 2019, a quante fiere digitali ha partecipato? (se non ha partecipato a nessuna per favore risponda 0)



Q21 Nel periodo dall'inizio della pandemia COVID-19 (Marzo 2020) fino ad Aprile 2021, a quante fiere digitali ha partecipato la sua galleria?

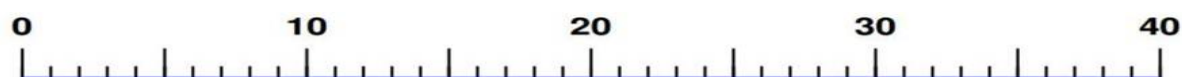


Q22 Nei prossimi dodici mesi, a quante fiere digitali ritiene che la sua galleria parteciperà?

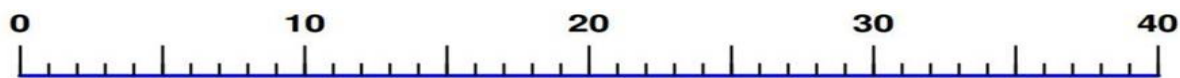


Partecipazione a fiere in presenza

Q23 Prima della pandemia COVID-19, durante il 2019, a quante fiere in presenza ha partecipato la sua galleria?



Q24 **Nei prossimi dodici mesi**, a quante fiere **in presenza** ritiene che la sua galleria parteciperà?



Il presidente del consiglio scientifico francese si aspetta una nuova importante circolazione del virus in autunno.

Q25 **Avendo questa informazione - nei prossimi dodici mesi**, a quante fiere **in presenza** ritiene che la sua galleria parteciperà?

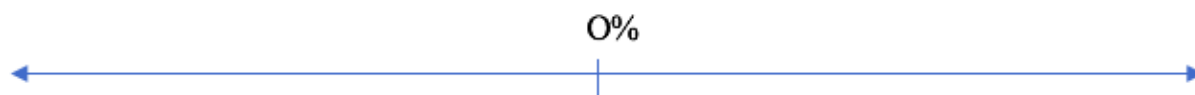
Blocco 2: Variazione percentuale

In questo secondo gruppo di domande le sarà chiesto in merito a **variazioni percentuali**. La variazione percentuale è di solito usata per stimare **la variazione tra due quantità nel tempo**. Può essere positiva, negativa o uguale a zero. Per esempio

- +25%, +50%, +75% indicano rispettivamente un incremento di un quarto, di metà e di tre quarti rispetto alla quantità originale;
- -25%, -50% and -75% indicano rispettivamente una riduzione di un quarto, di metà e di tre quarti rispetto alla quantità originaria;
- +100%, +200% or + 500% indicano rispettivamente che una quantità è cresciuta di una, due o cinque volte rispetto alla quantità originaria.

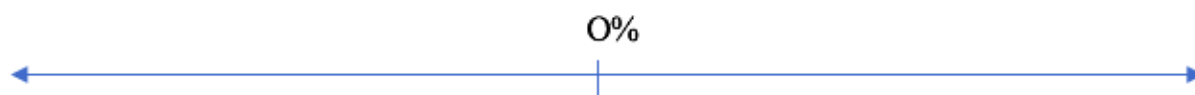
A scopo di pratica, le chiedo di rispondere alla seguente domanda:

Se la sua galleria ha venduto 100 fotografie nel 2019, e 50 nel 2020, quale è la variazione percentuale di vendite di foto nel 2020 rispetto al 2019?

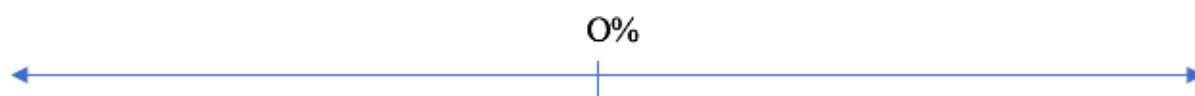


Ricavi dalle vendite

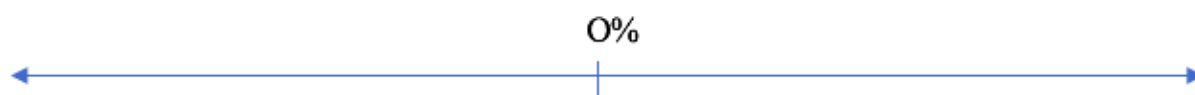
Q26 Come sono variati in percentuale i **ricavi** (cioè le **entrate**) dalle vendite nel 2020 rispetto al 2019?



Q27 **Prima della pandemia COVID-19, durante il 2019**, quale era la sua aspettativa di variazione percentuale dei **ricavi** (cioè le **entrate**) dalle vendite nel 2020, rispetto al 2019?



Q28 Quale è **ora** la sua aspettativa di variazione percentuale dei **ricavi** dalle vendite nel 2021, rispetto al 2020?

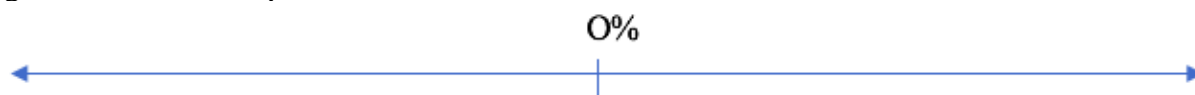


Per *The Art Market Report*, la maggioranza delle gallerie d'arte (58%) si attende un miglioramento delle vendite nel 2021.

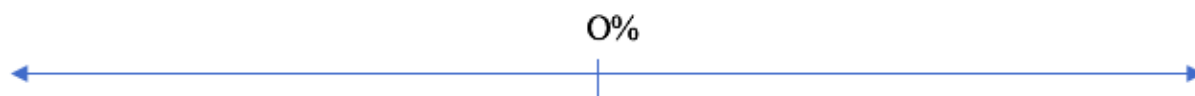
Q29 **Avendo questa informazione**, quale è la sua aspettativa di variazione percentuale dei **ricavi** dalle vendite nel 2021, rispetto al 2020?

Profitti

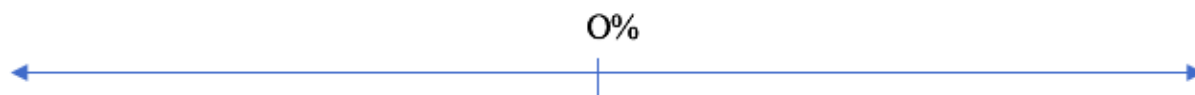
Q30 Come sono variati in percentuale i **profitti** (pari alle entrate meno i costi) della sua galleria nel 2020, rispetto al 2019?



Q31 **Prima della pandemia COVID-19, durante il 2019**, quali erano le sue aspettative di variazione percentuale dei **profitti** (entrate meno costi) della galleria nel 2020, rispetto al 2019?



Q32 Quale è **ora** la sua aspettativa di variazione percentuale dei **profitti** della galleria nel 2021, rispetto al 2020?

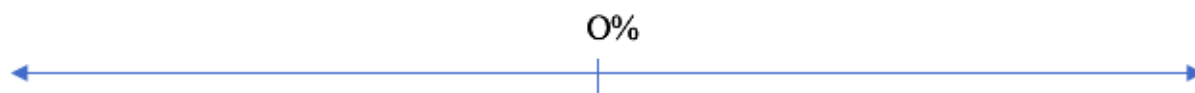


In *The Art Market Report*, si indica che, nel 2020, la percentuale di budget delle gallerie speso per la partecipazione a fiere e i costi di trasporto si sono ridotti del 40%. Di contro, il ritorno a eventi con partecipazione di persona sarà probabilmente accompagnato da un rimbalzo in questi costi.

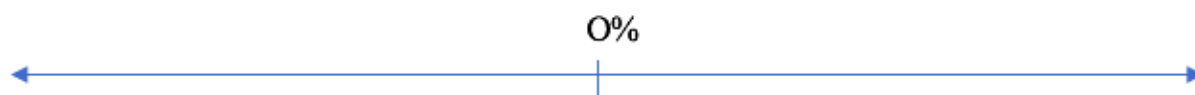
Q33 Avendo questa informazione - quale è la sua aspettativa di variazione percentuale dei **profitti** della galleria nel 2021, rispetto al 2020?

Costo del personale nell'azienda

Q34 Di quanto è variata in percentuale la spesa della sua galleria per la retribuzione degli impiegati nel 2020, rispetto al 2019?



Q35 Prima della pandemia COVID-19, durante il 2019, quali erano le sue aspettative di variazione percentuale delle spese per il personale della galleria per il 2020, rispetto al 2019?



Q36 Quale è **ora** la sua aspettativa di variazione percentuale delle spese per il personale della galleria nel 2021, rispetto al 2020?

Q37 Per favore, ordina (trascinandoli con il cursore) i seguenti strumenti digitali sulla base della loro utilità nel facilitare le vendite della galleria **prima della pandemia COVID-19, durante il 2019:**

Social media

Piattaforme digitali (come Artsy, o altre piattaforme collettive);

Email personale o della galleria

Sito web della galleria

Online viewing room della sua galleria

Newsletter

Fiere d'arte online

Q38 Per favore, ordina (trascinandoli con il cursore) i seguenti strumenti digitali sulla base della loro utilità nel facilitare le vendite della galleria **nel periodo dall'inizio della pandemia COVID-19 (Marzo 2020) fino ad Aprile 2021:**

Social media

Piattaforme digitali (come Artsy, o altre piattaforme collettive);

Email personale o della galleria

Sito web della galleria

Online viewing room della sua galleria

Newsletter

Fiere d'arte online

Q39 Per favore, ordina (trascinandoli con il cursore) i seguenti strumenti digitali sulla base della loro utilità **attesa** nel facilitare le vendite della galleria **nei prossimi dodici mesi**:

Social media

Piattaforme digitali (come Artsy, o altre piattaforme collettive);

Email personale o della galleria

Sito web della galleria

Online viewing room della sua galleria

Newsletter

Fiere d'arte online

Q40 **In generale**, dall'inizio della pandemia a oggi, valuta l'intervento del governo italiano:

Insufficiente

Sufficiente

Ottimo

Q41 **Relativamente alle gallerie d'arte** come la sua, valuta l'intervento del governo italiano:

Insufficiente

Sufficiente

Ottimo

Q42 In quale Comune si trova la sua galleria? (se sono più di una, consideri quella principale)

Q43 Blocco 4: profilo statistico.

Quale è il suo ruolo nella galleria?

Proprietario/fondatore

Manager

Impiegato

Q44 Il suo genere è:

Femminile

Maschile

Non-binario

Preferisco descriverlo, sotto:

.....

Q45 Quale è la sua età?

...

Q46 In quale segmento del mercato opera la sua galleria?

Principalmente mercato primario

Principalmente mercato secondario

Pressoché eguale combinazione dei due mercati sopra indicati.

Q47 Quanti sono gli artisti che la sua galleria rappresenta?

10 o meno

Tra 11 e 20

Tra 21 e 30

Più di 30.

Q48 Da quale anno la sua galleria è operativa? (indicare un anno, per esempio 1996)

Q49 Quanti spazi espositivi ha la sua galleria in Italia?

1

2

Più di 2

Q50 Quanti ulteriori spazi espositivi ha la sua galleria all'estero?

0

1

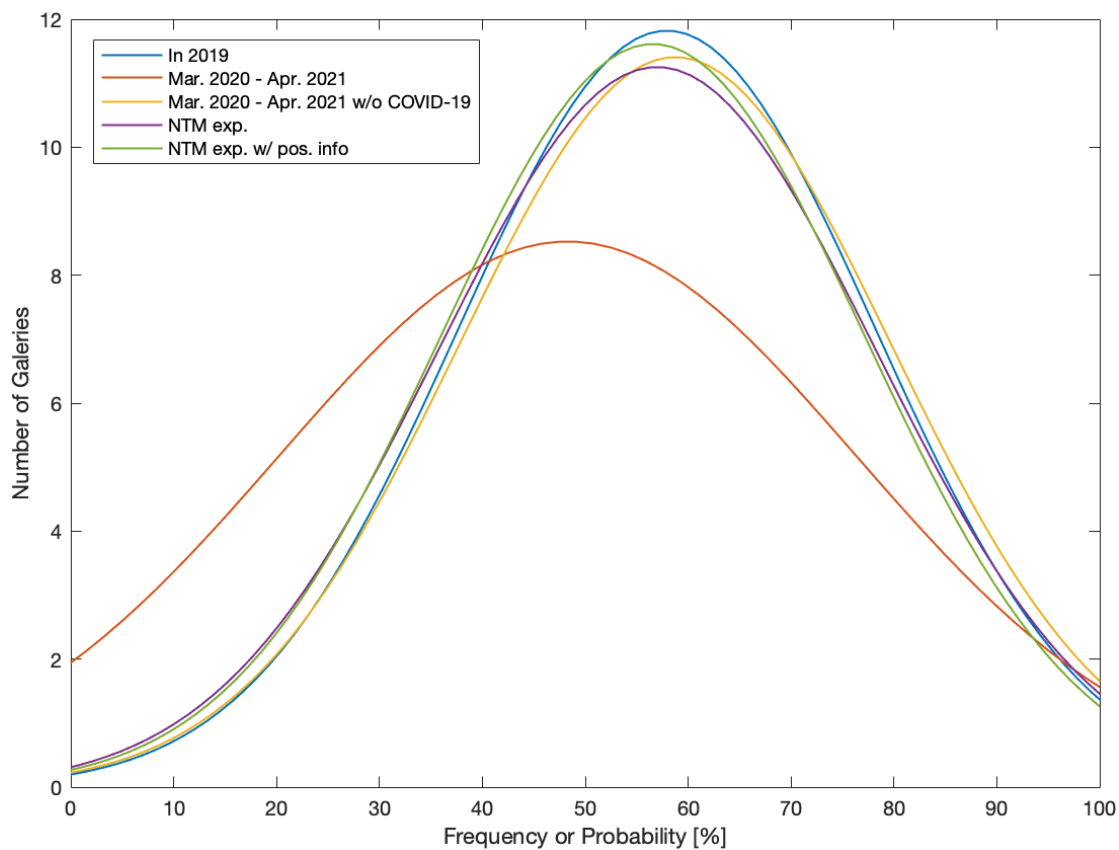
Più di 1.

Q51 Relativamente all'emergenza sanitaria, quanti anni pensa che ci vorranno prima di tornare alla normalità?

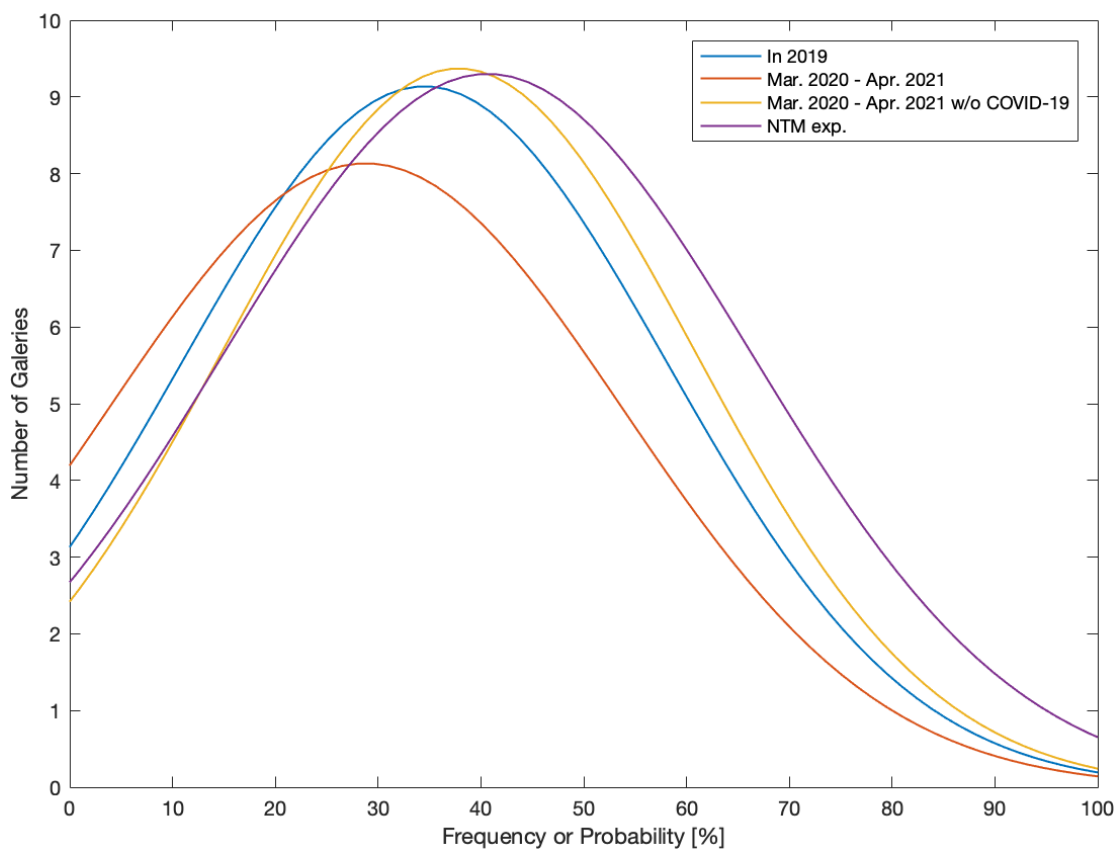
Q52 Il sondaggio è anonimo. Se volesse tentare la sorte e vincere una delle due casse di champagne (prezzo al dettaglio: 150 euro), e desiderasse essere informato dei risultati, la preghiamo di indicare qui i dettagli di contatto. I vincitori saranno informati via e-mail.

I dettagli di contatto personali non possono essere collegati ai dati forniti. Pertanto, non saremo in grado di risalire al vostro indirizzo e-mail da i dati raccolti con il questionario.

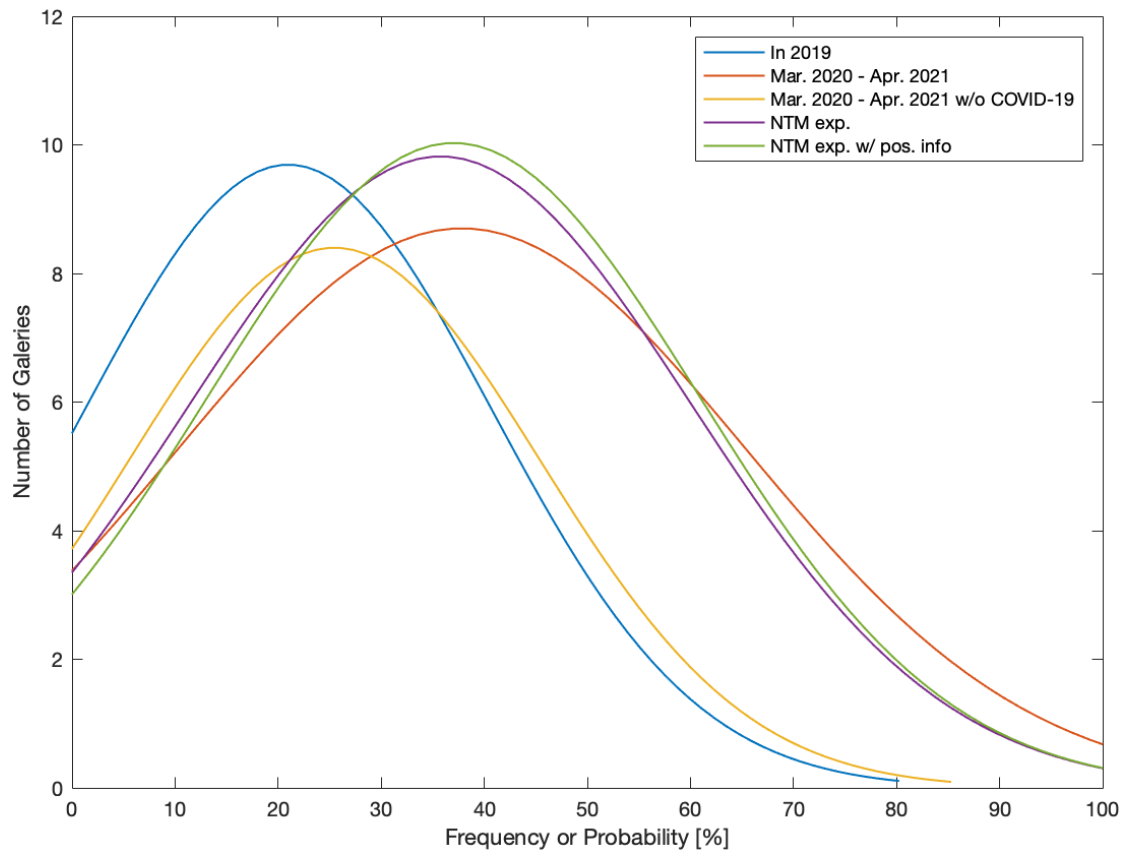
5. The normal distribution of responses to the topic 1: sales to regular collectors



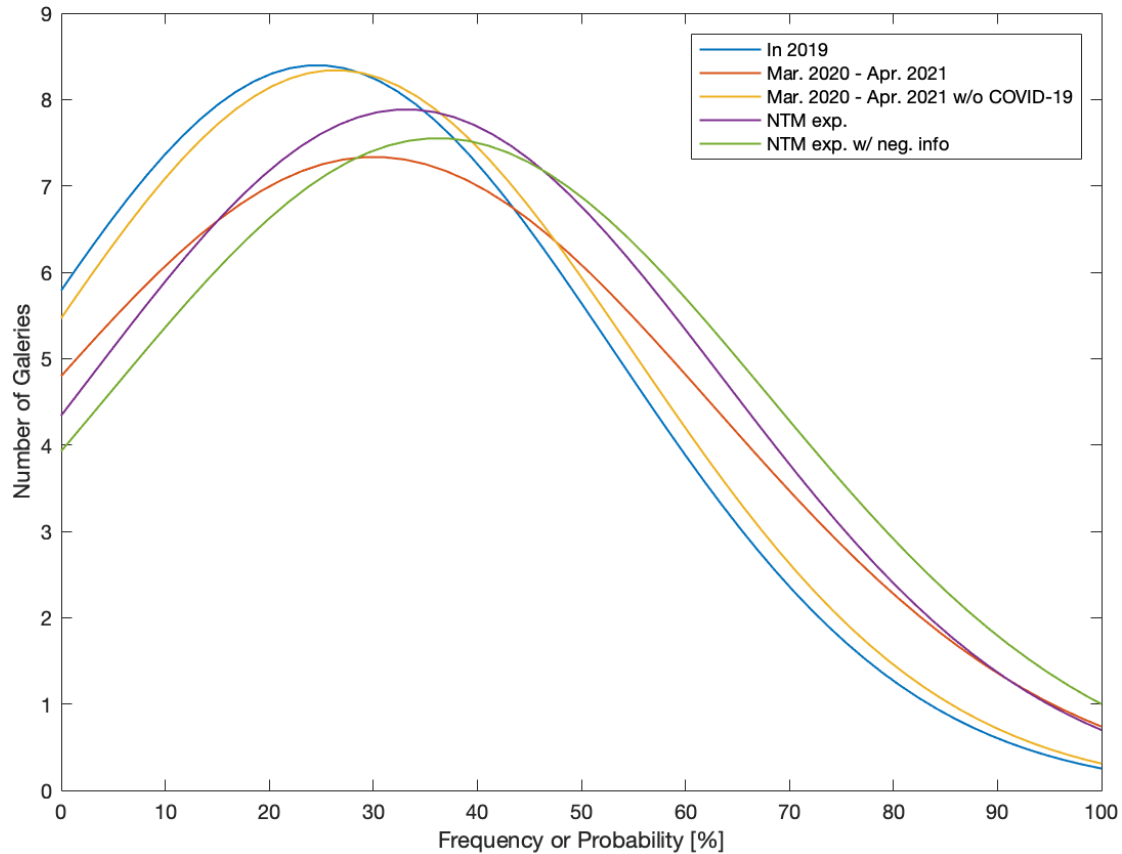
6. The normal distribution of responses to the topic 2: sales of artist never presented



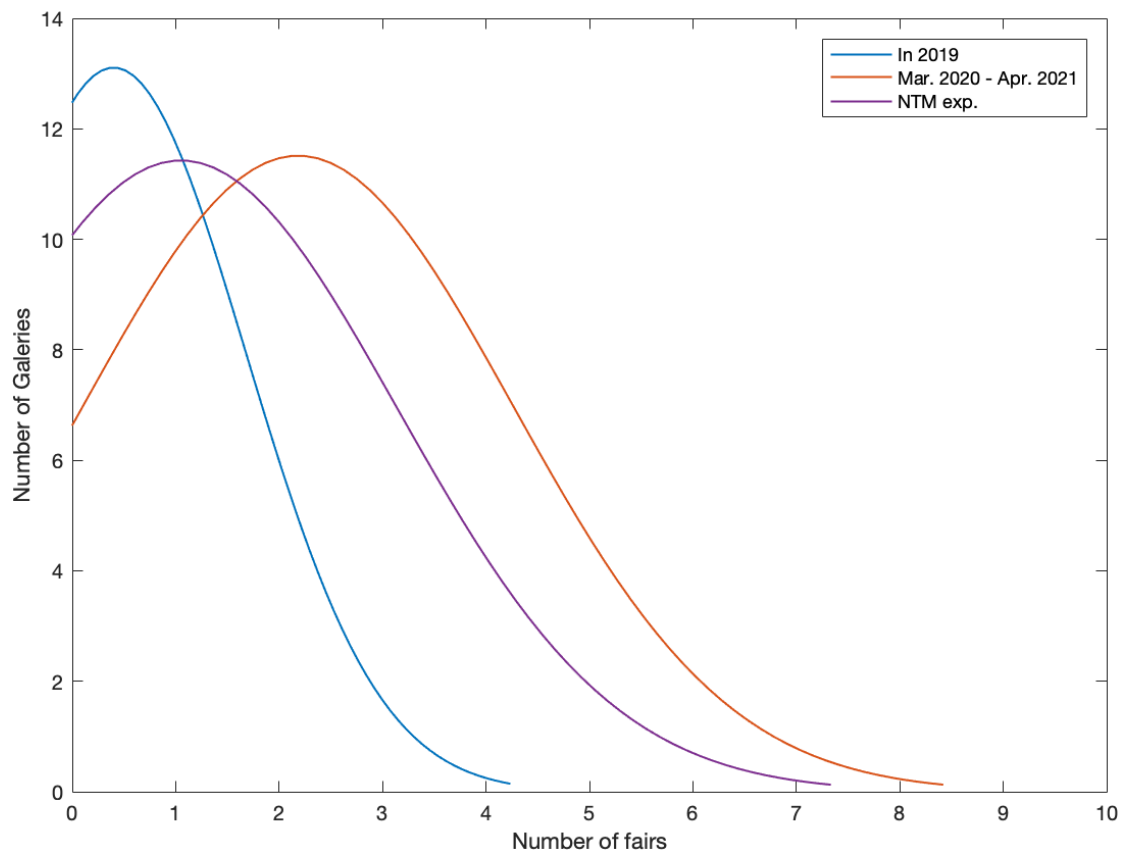
7. The normal distribution of responses to the topic 3: sales facilitated by digital tools



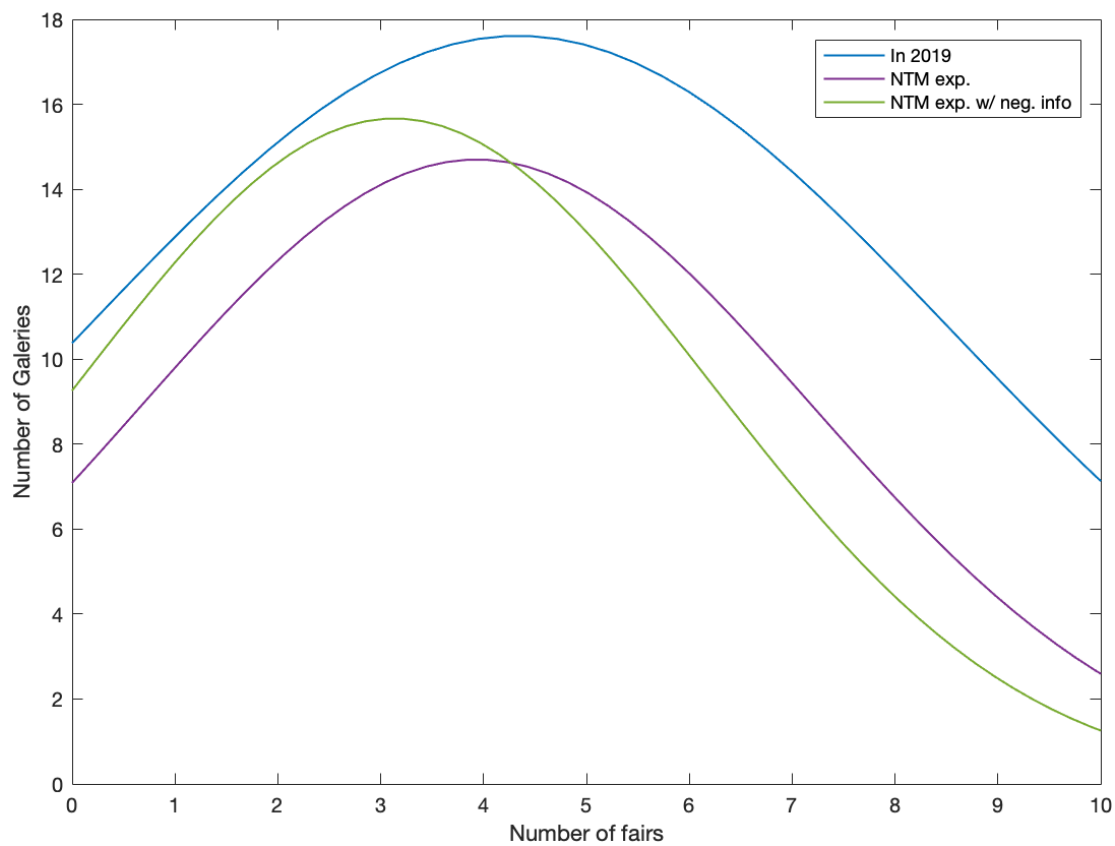
8. The normal distribution of responses to the topic 4: price transparency online



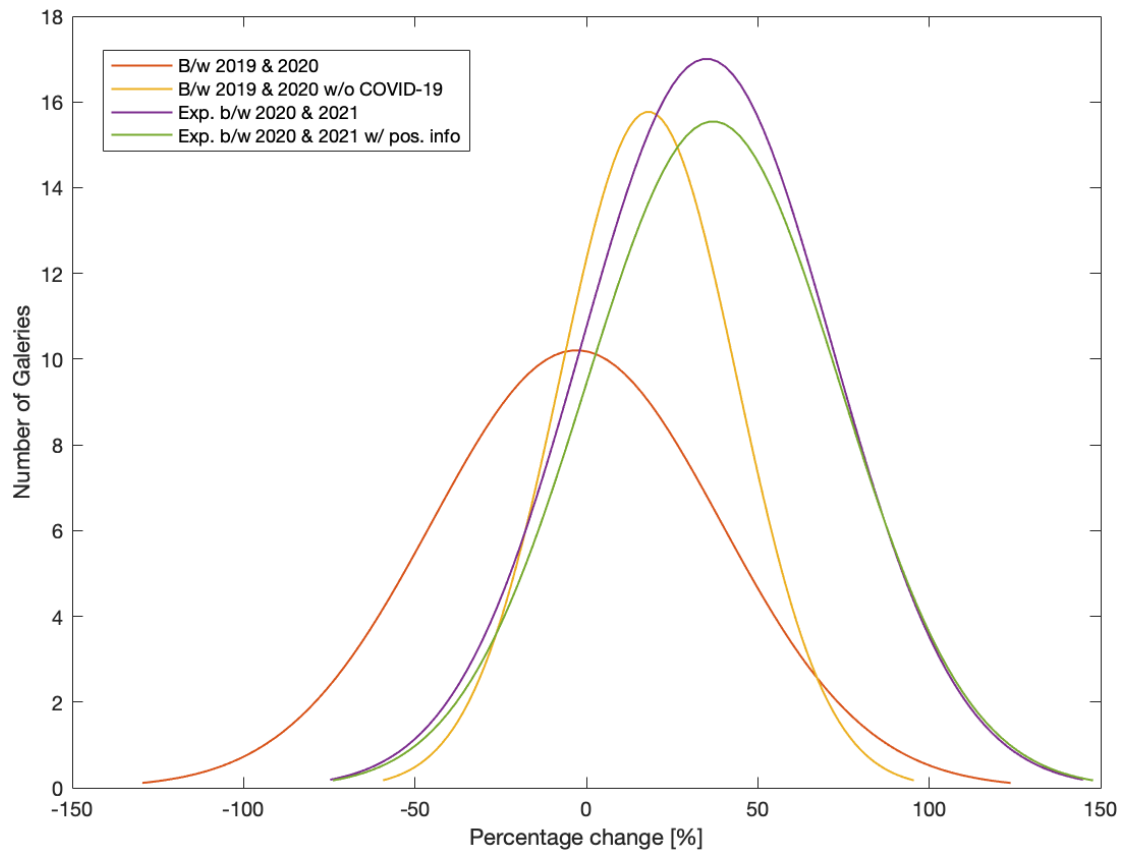
9. The normal distribution of responses to the topic 5: digital fair participation



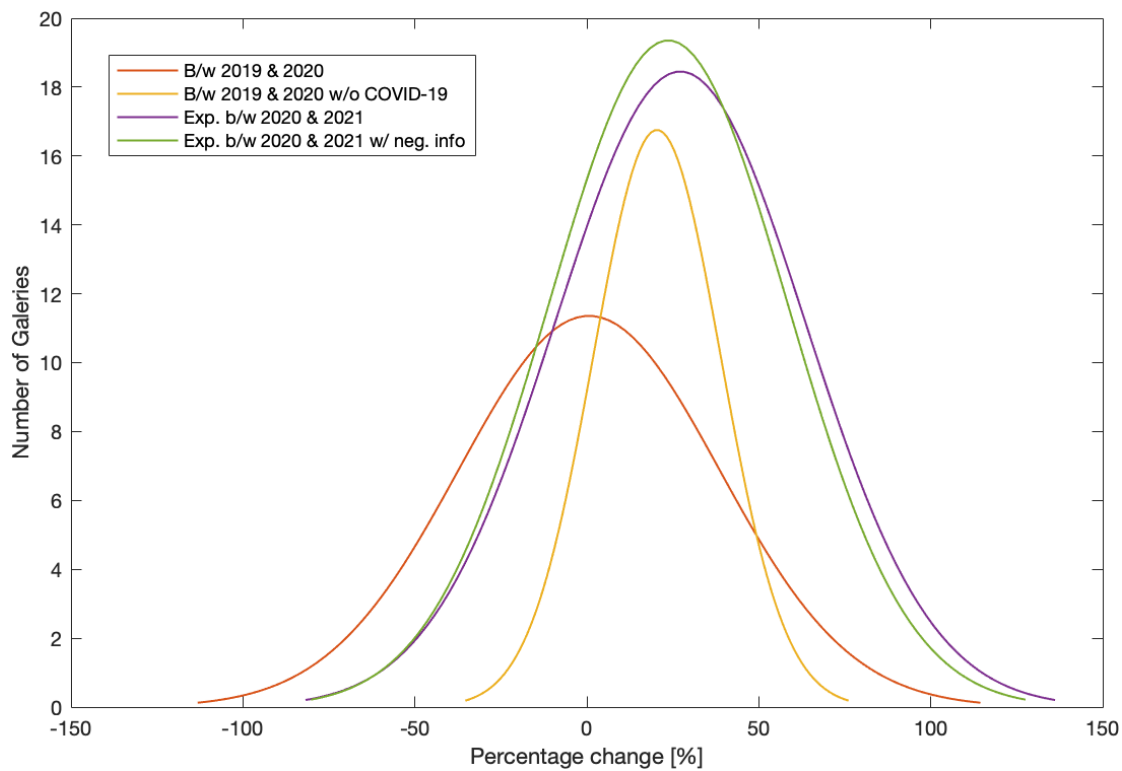
10. The normal distribution of responses to the topic 5: art fairs in person



11. The normal distribution of responses to the topic 7: sales revenue



12. The normal distribution of responses to the topic 8: profit



13. The normal distribution of responses to the topic 9: cost of labour

