GALERIEN MORGEN:
   ein Geschäftsmodell im Spannungsfeld von Digitalisierung, Gesetzgebung, Globalisierung
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STARTING SITUATION
FOR GALLERIES IN EUROPE
TAKE AWAYS

- Primary market sales still remain a profit stream

- Middle-market galleries face serious financial competition in the global art market, from the small, alternative pop-up spaces to blue chip, mega galleries

- Dealers are searching for alternative ways to reach new collector bases and utilize their art and finance expertise by participating in more art fairs and marketing their available works online

- The rise of art fairs and online sales poses a question if dealers still need an actual gallery space

- Tax system in Europe also creates the bad climate for the gallery business


<table>
<thead>
<tr>
<th>City</th>
<th>Galleries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berlin</td>
<td>more than 350</td>
</tr>
<tr>
<td>London</td>
<td>more than 450</td>
</tr>
<tr>
<td>Paris</td>
<td>around 200</td>
</tr>
<tr>
<td>Munich</td>
<td>around 75</td>
</tr>
<tr>
<td>Cologne</td>
<td>more than 100</td>
</tr>
<tr>
<td>Copenhagen</td>
<td>more than 100</td>
</tr>
<tr>
<td>Helsinki</td>
<td>more than 70</td>
</tr>
<tr>
<td>Oslo</td>
<td>more than 150</td>
</tr>
<tr>
<td>Brussels</td>
<td>more than 60</td>
</tr>
<tr>
<td>Madrid</td>
<td>around 70</td>
</tr>
<tr>
<td>Lisbon</td>
<td>around 50</td>
</tr>
<tr>
<td>Bratislava, Slovakia</td>
<td>around 20</td>
</tr>
<tr>
<td>Bucharest, Romania</td>
<td>around 20</td>
</tr>
<tr>
<td>Budapest, Hungary</td>
<td>around 30</td>
</tr>
<tr>
<td>Ljubljana, Slovenia</td>
<td>around 20</td>
</tr>
<tr>
<td>Prague, Czech Rep.</td>
<td>around 30</td>
</tr>
<tr>
<td>Vienna, Austria</td>
<td>more than 60</td>
</tr>
<tr>
<td>Warsaw, Poland</td>
<td>more than 40</td>
</tr>
<tr>
<td>Zagreb, Croatia</td>
<td>around 20</td>
</tr>
</tbody>
</table>
SALES STATISTICS

Global art sales, €bn

- Auctions
- Art fairs
- Private sales

Source: The European Fine Art Foundation
## SALES STATISTICS

<table>
<thead>
<tr>
<th>Anteil des von Berliner Galerien erzielten Umsatzes durch/auf... (In Prozent des Umsatzes; N = 40)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Verkäufe an private Sammler</td>
</tr>
<tr>
<td>Kunden, mit denen bereits seit über fünf Jahren eine Geschäftsbeziehung besteht</td>
</tr>
<tr>
<td>Kunstmessen</td>
</tr>
<tr>
<td>Gelegenheitskäufe</td>
</tr>
<tr>
<td>Verkäufe an Unternehmen</td>
</tr>
<tr>
<td>Verkäufe an öffentliche Institutionen</td>
</tr>
<tr>
<td>Verkäufe im Internet</td>
</tr>
</tbody>
</table>
RUNNING A GALLERY

Magnus Resch study on the gallery management:
- **55%** of the galleries stated that their revenue was **less than $200,000 per year**
- 30% of the respondents actually lost money

**Reasons:**
- high rent
- artists get much
- gallery staff make little
- everyone is selling the same thing
- bad marketing and branding
- collector base needs expanding
- not enough innovation in business models
<table>
<thead>
<tr>
<th>Cost Category</th>
<th>US</th>
<th>Germany</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent (Gallery + Warehouse)</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Salaries</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Art Fairs (Without Transportation)</td>
<td>4</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Transport</td>
<td>3</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Insurance</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Advertising</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>IT</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Lawyer, Consultant, Craftsman</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
</tbody>
</table>
TAXATION

- The EU trend towards an ultimately higher VAT on the sale for the galleries
- VAT may be set at multiple rates – a more favorable regime for the independent artist
- VAT rates vary widely, calculated under the standard, reduced rate, on the margin

**Average Value-Added Tax Rate by Region, 2015**

<table>
<thead>
<tr>
<th>Country</th>
<th>Standard Rate</th>
<th>Sample Reduced Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hungary</td>
<td>27.0%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Denmark</td>
<td>25.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Sweden</td>
<td>25.0%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Norway</td>
<td>25.0%</td>
<td>15.0%</td>
</tr>
<tr>
<td>Finland</td>
<td>24.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Greece</td>
<td>23.0%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Ireland</td>
<td>23.0%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Poland</td>
<td>23.0%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Portugal</td>
<td>23.0%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Italy</td>
<td>22.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Belgium</td>
<td>21.0%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>21.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Spain</td>
<td>21.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Latvia</td>
<td>21.0%</td>
<td>12.0%</td>
</tr>
<tr>
<td>Lithuania</td>
<td>21.0%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>21.0%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>20.0%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Estonia</td>
<td>20.0%</td>
<td>9.0%</td>
</tr>
<tr>
<td>France</td>
<td>20.0%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Austria</td>
<td>20.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>UK</td>
<td>20.0%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Germany</td>
<td>19.0%</td>
<td>7.0%</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>17.0%</td>
<td>8.0%</td>
</tr>
</tbody>
</table>

[EC, 2015]
TAXATION / GERMANY

- VAT 19%, effective January 1, 2014

- 30% of the purchase price to artwork priced under 500 Euros, and a few other categories

- Meanwhile, artists selling out of their studios remain subject to the 7% rate

- It does not bode well for those artists who are represented by galleries
INTERNATIONAL CONTEXT
TAKE AWAYS

- Contemporary art market continues to grow after one year of contraction
- USA and UK still strong, China’s art market is reorganizing
- Auctions have found a way from the crisis focusing on middle-market sales
- Curated private sales at auctions attract collectors, some galleries feel threatened
- Online sales at auctions are comprising at least 10% of sales
GLOBAL ART MARKET TRENDS

The demand for contemporary art has essentially grown in response to the globalization and online buying

- much **easier access** to reliable art market information
- **dematerialisation of sales**
- **increase in the number of art buyers**
- **geographical extension** of the market
- **museum industry** growth
GLOBAL & EU ART MARKET SHARE BY VALUE 2015

Global Art Market Share by Value in 2015:
- US: 43%
- Other: 21%
- France: 6%
- Germany: 5%
- Switzerland: 5%
- Italy: 2%
- Spain: 2%
- The Netherlands: 1%
- Sweden: 1%
- Austria: 2%
- Others: 3%

UK: 64%
France: 19%
Germany: 5%
The contemporary art market maintains the vitality it acquired in the early 2000s.

Turnover growth of +1.370% in 16 years.

After one year of contraction, 2016 showed +15% recovery.
GEOGRAPHIC DISTRIBUTION OF CONTEMPORARY ART SALES

- United States: $582.4 million
- United Kingdom: $399.4 million
- China: $361.7 million
- France: $41.4 million
- Belgium: $5.1 million
- Germany: $17.6 million
- Austria: $7.4 million
- Turkey: $6.9 million
- Sweden: $4.1 million
- Italy: $8.5 million
- South Korea: $5.6 million
- United Arab Emirates: $4.4 million
- Philippines: $5.2 million
- Singapore: $3.2 million
- Japan: $6.5 million
- South Africa: $2.7 million
- Australia: $8.6 million

Legend:
- Down
- Steady
- Up
## CONTEMPORARY ART MARKET ANALYSIS

| US & UK | - 65% of global contemporary art auction turnover  
- Dense offer, a quasi-monopoly of the ultra-high end of the market, capacity to attract powerful buyers  
- The USA: strongest marketplace: $582 million and 38% of the global market  
- The UK: a quarter of global contemporary art auction turnover, $399 million |
|--------|---------------------------------------------------------------------------------------------------------------|
| EU     | - Slight increases in contemporary art turnover: the market’s “hesitation” has mainly impacted high-end prestige sales and this is not a sector of EU  
- Germany’s total was however down 19% to $17.6 million: the sharpest worrying contraction in Europe  
- Germany has 31 artists in the Top 500 including 10 in the Top 100: generally sold in London and New York |
| China  | - Profound reorganisation: collectors refocused their attention on “historic” artworks  
- Today the world’s strongest art marketplace, but third in the contemporary art in 2015  
- However the contraction, contemporary art market is still strong. In H1 2016 again the leader of the global art market with a +18% increase |
TOP 10 AUCTION HOUSES IN THE WORLD

<table>
<thead>
<tr>
<th>Auction House</th>
<th>Auction Revenue</th>
<th>Sold Lots</th>
<th>Best result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Christie's</td>
<td>36%</td>
<td>5%</td>
<td>$57,285,000</td>
</tr>
<tr>
<td>Sotheby's</td>
<td>25%</td>
<td>4%</td>
<td>$13,914,000</td>
</tr>
<tr>
<td>Phillips</td>
<td>11%</td>
<td>3%</td>
<td>$5,775,437</td>
</tr>
<tr>
<td>Poly International</td>
<td>4%</td>
<td>2%</td>
<td>$2,627,635</td>
</tr>
<tr>
<td>China Guardian</td>
<td>3%</td>
<td>1%</td>
<td>$5,954,355</td>
</tr>
<tr>
<td>Beijing Council</td>
<td>1%</td>
<td>0%</td>
<td>$728,899</td>
</tr>
<tr>
<td>Xiling Yinshe</td>
<td>1%</td>
<td>0%</td>
<td>$1,209,754</td>
</tr>
<tr>
<td>Holly International</td>
<td>1%</td>
<td>0%</td>
<td>$1,367,925</td>
</tr>
<tr>
<td>Bonhams</td>
<td>1%</td>
<td>1%</td>
<td>$758,924</td>
</tr>
<tr>
<td>Arcurial</td>
<td>1%</td>
<td>1%</td>
<td>$398,790</td>
</tr>
</tbody>
</table>

July 2015 – June 2016 / © artpiece.com

- Christie’s: leader with $545 million (although 19% fall in sales)
- Sotheby’s: less affected, small contraction of -2%
- Still these two generated 61% of global contemporary art auction turnover
Another approach, restructuring the sales

Auctions focus their offer on the **lower end of the high-end spectrum and the “middle market”**

Above $50,000 - 6% of the lots sold
CONTEMPORARY ART WORKS SOLD ABOVE THE $1 MLN LINE
AUCTION PRIVATE / CURATED SALES

- Major auction houses keep increasing their focus on private sales through curated exhibitions

- **2013 was a boom** year for private sales: up to 30% from 2012; both houses broke $1 billion barrier

- Results have **since fallen back.** Despite the drop, these are still considerable sums

- **2015:** Sotheby’s $673 million, Christie’s dropped 43% from 2014 to $851.2 million
The phenomena is seen both as
- a confusion and a mix-up of the responsibilities
- a positive increased diversification and cross-pollination among the art players
- a way to create more competition that makes a market and a scene thrive
- part of a wider trend – the need to offer the buyers every possible service to keep them

The format is becoming **increasingly popular** among collectors

Threatening for galleries is that the **global reach of auction houses can't be rivalled**

Auction houses are still **unsuccessful with representing artists** directly

The **galleries have the edge with a more personal service**, as supporters, educators
ONLINE SALES AT ART AUCTIONS

How sales at some of Christie’s spring 2013 New York auctions were conducted

<table>
<thead>
<tr>
<th></th>
<th>American Paintings</th>
<th>Post-War &amp; Contemporary Art</th>
<th>Old Master Paintings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online</td>
<td>21.91%</td>
<td>10.58%</td>
<td>16.86%</td>
</tr>
<tr>
<td>Absentee</td>
<td>8.21%</td>
<td>10.75%</td>
<td>16.86%</td>
</tr>
<tr>
<td>In Room</td>
<td>28.31%</td>
<td>19.87%</td>
<td>29.51%</td>
</tr>
<tr>
<td>Phone</td>
<td></td>
<td></td>
<td>36.74%</td>
</tr>
</tbody>
</table>

- **American Paintings**
  - Total Sales: $50,848,750
  - Online: 41.55%
  - Absentee: 8.21%
  - In Room: 28.31%
  - Phone: 21.91%

- **Post-War & Contemporary Art**
  - Total Sales: $64,364,125
  - Online: 58.78%
  - Absentee: 10.75%
  - In Room: 19.87%
  - Phone: 10.58%

- **Old Master Paintings**
  - Total Sales: $6,736,375
  - Online: 29.51%
  - Absentee: 16.86%
  - In Room: 36.74%

Source: Christie’s

The Wall Street Journal
INTERNET OPPORTUNITIES FOR GALLERIES
TAKE AWAYS

- What is important online:
  - your website
  - your Social Media
  - third party websites

- Make sure you are visible online, study SEO rules

- Facebook and Instagram are powerful contemporary instruments

- Online platforms help your promotion and sales

- Future in online galleries?
ARE COLLECTORS FINDING YOU ON GOOGLE?

- People search Google over 3 billion times every day

- Why do certain websites show up near the top?

- How many collectors would find you if your website showed up on page 1?
WHAT IS SEO?

Wikipedia defines Search Engine Optimization (SEO) as: “the process of affecting the visibility of a website or a web page in a search engine’s unpaid results—often referred to as “natural,” “organic,” or “earned” results. In general, the earlier (or higher ranked on the search results page), and more frequently a site appears in the search results list, the more visitors it will receive from the search engine’s users.”

In short, SEO includes anything you can do to get your website content to show up higher, and more frequently, on search engines like Google. Employing a few strategies and best practices can help your website earn more traffic through organic searches—and more traffic means more leads for your gallery.
WHAT ARE THE MOST IMPORTANT FACTORS OF SEO?

Google’s main ranking algorithm analyzes over 200 factors, here are the most important ones:

On-site SEO — Perhaps the easiest to influence, on-site SEO covers anything within your control on your website. Generally speaking, this includes content—the text, images, videos, and links that make up your site.

Off-site SEO — One of the most important areas of SEO, off-site SEO refers to anything outside of your direct control, off of your website. In essence, off-site SEO is about understanding how (and which) other websites are linking to your content, and how to influence those inbound links.

Technical SEO — Another area that greatly affects rankings on Google, technical SEO relates to the way your site is structured. This includes factors such as your site’s URLs, how fast the pages load, the site’s mobile experience, and more.
SO, HOW DOES SEO WORK?

Google, Yahoo, and Bing each have “robots,” which are programs that continuously browse (or “crawl”) the web, attempting to index as much of it as possible. Usually, this is done by following links from one page to another. These search engine robots (or “bots”) make copies of the pages they find (the “cache”), creating a library of billions of pages on the internet.

Each search engine attempts to have the most up-to-date “snapshot” of the internet, so that when someone inputs a search (typically called a “keyword” or “query”), it can quickly return the most relevant result based on the information in its cache. When you search for something online, you’re not actually searching the live internet—you’re searching the search engine’s index of it.

The higher your content appears on the search engine results page (SERP), the more often people will click on it. In fact, approximately 30% of all clicks go to the first result on the first page. This placement is also known as rank 1, or position 1. If “Andy Warhol” is searched 100 times, and your site receives 20 of those clicks, it has a 20% click-through rate (CTR) for that search. The graph below shows the average CTR for each position on Google.
SO, HOW DOES SEO WORK?

Understanding and improving the main SEO factors ultimately helps your website show up more often and higher up in the results, leading to a higher CTR and more visits to your site. This is the main objective of SEO—getting your website in front of more people, leading to more site traffic and more collector inquiries and business.
PAID SEARCH VS. ORGANIC SEARCH

If you’ve ever searched Google, you’ve likely seen both organic and paid search results. “Organic” simply refers to natural, unpaid results, which are the drivers of SEO. “Paid” refers to the results that might look natural, but are in fact ads; these are the drivers of Google’s revenue. You can usually distinguish ads by the small Ad indicator.

Did you know that ~90% of Google’s revenue comes from advertising? One of the largest components of its ad revenue is Google AdWords, a self-service ad platform that lets anyone pay to display their ads alongside organic results. This practice is known as paid search or search engine marketing (SEM). While not the focus of this course, below is some information about SEM in case you’d like to explore this option.

Using SEM, companies can pay to show up at the top of the search engine results page (SERP). Depending on which search terms and keywords you target, SEM can become a very expensive option. Bidding on competitive and commercial searches—such as “buy Andy Warhol prints”—can cost upwards of $2.00 per click. While SEM can be a helpful supplement for a successful SEO program, a key difference with SEO is that your upfront investment will continue to pay off over a longer time frame than with SEM. With paid search, when you stop paying, your visibility disappears.
PAID SEARCH VS. ORGANIC SEARCH

Google search for "buy groceries online" showing a mix of paid and organic search results.
WHAT ARE THE TOP SEARCHES YOU’D LIKE TO RANK FOR

- List the top 5 keywords or search terms you would like to rank on page 1 for

- *Hint: Your gallery name and top artists are probably most important*

- Search Google for each of these keywords

- Each week, note which position you are currently in
Social platforms are digital extensions of your gallery that both affect brand awareness and directly connect you with curators, collectors, and art-world influencers.

WHICH SOCIAL MEDIA TO CHOOSE
WHICH SOCIAL MEDIA TO CHOOSE

Be intentional. No social media strategy is complete without a concept of what success looks like for you. Anything is possible, but only if you prioritize getting to know your followers, what they respond to, and what they don’t. Learning to mold your idea of the gallery’s brand to what performs well will ultimately determine your success.

Be involved. The best way to get in the mind of the consumer is to consume social media yourself. Follow other galleries to see what they’re up to, and influencers to see what they like. Being aware of trends on social media will keep you relevant. Have your artists, staff, friends, etc. collaborate with you and/or promote your content to get your gallery in front of new audiences.

Be inclusive. Content posted for a limited audience will get limited engagement. When formatting content that targets a broad audience, don’t pander. Conversely, when formatting more specialized content, be approachable so it will also appeal to a broader audience. Social is about creative storytelling.

Be patient. There is no strict formula for social media. The process is experimental and involves a great deal of trial and error. Try something for two weeks then reflect on what worked and what didn’t. Don’t give up if you don’t see immediate results and know that consistency is key both in post quality and frequency.
WHY FACEBOOK

- More than a billion people use Facebook to connect with friends, family and things that matter to them

- Facebook is one of the largest sites in the world where we are not only allowed, but encouraged to connect with everyone

- Facebook is a low-cost marketing strategy

- Facebook allows you to run targeted ads with real-time results

- Facebook allows you to increase website traffic and search ranking

- On Facebook you can easily find out what your competitors are doing
FACEBOOK

With over 1 billion monthly users, Facebook continues to be the dominant social media platform for most of the world. Facebook’s ever-changing algorithm can make organic visibility challenging, but the platform rewards content that performs well by serving it to more and more people. Facebook is a platform on which you can also pay to play, so set aside a small budget to experiment with ads.

Facebook is an effective way to promote a wide variety of content types. You can certainly post links to your site, but try posting images without any links as well. Facebook gives preference to posts that keep users within the platform so you may see higher engagement by not linking out. You should create Facebook events for your openings or programs, especially if you hope to attract a larger and more diverse audience.

Aim to post frequently and experiment to find the ideal time of day to post. As with other platforms, consider any international following you may have and post at times that have the potential to reach all relevant timezones at peak hours. Your followers’ engagement with your content largely determines its visibility, so find a balance between promoting the content you want to drive engagement to and playing to your followers’ interests.
The upcoming events are displayed on top of your page. Make sure to have correct info about opening hours and the address.
3 WAYS TO MAKE YOUR POSTS MORE VISIBLE ON FACEBOOK

1: **Build an Ad** Avoid just “boosting” posts on Facebook. It will serve the post to more people, but for the exact same price, you can create an ad that more carefully controls the exact audience you wish to reach. Start by building ads for as low as 5-10 EUR to get a feel for it. Monitor ads closely while they are running, as you are able to edit the ad if you notice certain aspects are affecting its performance.

2: **Have your team share it** Facebook wants you to be able to keep up with your friends so it gives preference to their posts over brand posts. Take advantage of your team’s circles and have them either share your post to their walls or create a personal version of your post.

3: **Format close to Facebook’s native format** Facebook gives greater visibility to posts that are formatted in the style that you would format them within the platform.
WHY INSTAGRAM

- Passionate Community - Instagram is a highly engaged global community with more than 400M active accounts

- Creative Context - People come to Instagram for visual inspiration and the simple design allows captivating visuals to take center stage

- According to a recent survey of collectors on Instagram, an incredible 51.5% have purchased works from artists they originally discovered through Instagram*

<table>
<thead>
<tr>
<th>Monthly Actives</th>
<th>Outside US</th>
<th>Photos Shared</th>
<th>Likes Daily</th>
<th>Photos Per Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>400M⁺</td>
<td>75%⁺</td>
<td>40B⁺</td>
<td>3.5B</td>
<td>80M⁺</td>
</tr>
</tbody>
</table>
INSTAGRAM

As a hypervisual platform with over 300 million monthly users, Instagram has quickly proven powerful for building community and developing brand in the art world.

- According to a recent survey of collectors on Instagram, an incredible 51.5% have purchased works from artists they originally discovered through Instagram. (Artsy)

- More importantly, this discovery led to an average of 5 purchased works by artists originally found on the app! Although respondents are all active on Instagram, and nearly half have collections of 100+ works, these are significant findings. (Artsy)
INSTAGRAM BASICS

How should I format my bio? The best bios include a line about the gallery, your address and/or cities, the official gallery hashtag, relevant staff handles, and your website. Format your bio in the notes app on your phone and copy/paste it into Instagram if you want to include line breaks.

What are best practices for regramming? Avoid using third-party apps that include a watermark or banner in your regrams. Screenshot the post you want to regram, crop it down to the image, and credit the source account in the caption and by tagging it in the image.

What are best practices for using a hashtag? Prioritize the usefulness of hashtags. Include the most relevant hashtags in the caption (e.g. artist names, campaign hashtags, etc.) and save less relevant hashtags for the first comment (e.g. #contemporaryart). The first comment will not be that visible, leaving your caption cleaner and your post still discoverable.

What are best practices for tagging other accounts? Try to only tag accounts in the caption if it is relevant to the copy, and only tag accounts in the image if the image depicts them. If you want to call attention to a certain account otherwise, call them out in a comment. Also avoid tagging accounts too frequently, as anything that seems overeager can turn off influencers.
INSTAGRAM POST

**GEOTAG**

Make sure you consistently use the right geotag (a tag indicating the geographical location the image is referencing).

**PRO TIP:** Your gallery’s Instagram geotag is connected to your Facebook page. If you are having issues with your geotag showing up, update the address linked to the gallery’s Facebook page and wait a few days for the geotag to fix itself.

**WHITEN YOUR WALLS**

Make sure walls are white by brightening and desaturating them while processing.

**PRO TIP:** The selective adjust tool in the Snapseed app is your best friend. Use it to selectively adjust the brightness, contrast, and saturation of a specific area of any image. You can then use apps like VSCO Cam and Faded to give images a slightly filtered look.

**HASHTAGS**

Include relevant hashtags in your caption, and not all at the end.

**PRO TIP:** If you want to experiment with more than just a few hashtags, add them in a comment immediately after you post. This will keep your caption more succinct but still make your image discoverable. Also experiment with upstyling your hashtags to make them more legible (e.g. #DeWainValentine vs. #dewainvalentine).

**ADD A FIGURE**

A person in the image both gives the work dimension and keeps the shot from looking too sterile.

**PRO TIP:** Experiment with posing figures in your photos. You might be able to capture a visitor as we did, but also consider using your team to “play visitor” and help stage your shot.

**TAG STAKEHOLDERS**

Be sure to tag all relevant stakeholders excluding yourself in your caption to give your followers more opportunities to explore.

**PRO TIP:** Tag artists in the caption and also hashtag their name at the end of the caption. This gives your followers an opportunity to both follow your artists and explore more of their work hashtagged on Instagram.
INSTAGRAM STORIES

Stories—a new feature that allows users to post photos and videos that disappear after 24 hours. While many social media posts are seen through a glossy, editorialized lens, these stories offer raw, unfiltered content.

Instagram has entered the battle for the present moment with Snapchat, Periscope, and Facebook Live, and with that comes a new strategy for your social media team.
UPLOAD INVITES AND ANNOUNCEMENTS

You can easily create photos and videos in the app, but you can also seamlessly upload content from your camera roll. Swipe down, and you’ll have access to everything in your camera roll that was taken in the last 24 hours. For example, post a snapshot of your upcoming exhibition announcement to easily remind your followers to drop by your next opening. Don’t forget to take advantage of overlay options and add personality with emojis, doodles, and text to make your content more engaging.

Tip: You can upload older photos by re-saving them to your phone or taking a screenshot, and resetting the timestamp for that image.
Collectors love to go behind the scenes and Stories is perfect for showcasing your gallery in an intimate and informal way, in focused narratives. Take your audience along next time a show is being installed, your back room is rehung, or when you visit one of your artists’ studios. Keep it to a maximum of 10 segments per story and make sure to vary photo and video content.
ARTNET.COM

- Launched in: 2008
- Based in: Berlin
- 2014 sales: $16.6m
- 2014 top lot: Joe Bradley’s Untitled (2012) sold for $330,000
- Average value of work sold in 2014: $11,000
- Ownership: a subsidiary of Artnet AG, listed on the Frankfurt Stock Exchange

- **Member site to highlight artists and inventory, promote exhibitions and programming, and build a follower base of users, who receive targeted emails whenever new works and shows are added**

- The Gallery Network on artnet is an **interactive sales platform** that effectively **promotes galleries online**. Buyers who are actively looking for artworks in online search engines and on artnet are automatically directed to the gallery offerings.

- Each time you add an artwork to your membersite, the artist and artwork can be found through our advanced search and specialty marketplaces. Collectors can search for your artists by category, movement, region, price, and medium, in addition to keywords and artist names.

- The **Gold membership** offers one artnet homepage promotion per year, three guaranteed social media posts per year, and one artist banner for two months, with a 10% price reduction on additional advertising. The **Platinum membership** offers three artnet homepage promotions per year, six guaranteed social media posts per year, and two artist banners for two months, with a 15% price reduction on additional advertising.
10 million page views per month

25 million annual users today

178k fans on Facebook

1.2 million followers on Twitter

243k followers on Instagram
ARTSPACE.COM

- Founded in: 2010 (website)
- Launched in: 2011
- Based in: New York
- 2014 top lot: around $150,000
- Notable investors: the company went through two rounds of investment financing prior to August 2014, when the company was acquired by Debra and Leon Black, the owners of Phaidon Press

- Prices are visible for all artworks for registered users

- **Direct sales** (The user can buy an artwork without contacting the gallery, just like in any online shop)

- There is no ‘pay-to-play’ on Artspace, they curate the selection of galleries and museums that they invite to the platform

- For every sale Artspace keeps a commission
75k fans on Facebook

158k followers on Twitter

136k followers on Instagram
ARTSY.NET

- Founded in: 2009 (website)
- Launched in: 2012
- Based in: New York
- 2014 sales: $10.8m
- Notable investors: Wendi Deng, Larry Gagosian, Peter Thiel and the Rockefeller family

Artsy offers a **centralized online platform to promote the program of the gallery** globally, expanding your client base, and support gallery operations.

Artsy partners are provided with a **personalized gallery profile page** to list artists and inventory, promote exhibitions and programming, and build a follower base of Artsy users who receive targeted emails when you add new works and shows.

In addition to public promotion, Artsy partners have access to their **cloud-based Content Management System** (CMS) to directly update your artwork listings and gallery profile page in real time.

Artsy Folio syncs seamlessly with your CMS to provide a **beautiful presentation tool** for client meetings, art fairs, and gallery walkthroughs. Folio allows you to easily browse artists, works, and shows, as well as send emails complete with artwork images, supplemental information, and personalized content.
since 2012 12 million visitors in 190+ countries

214k fans on Facebook

243k followers on Twitter

364k followers on Instagram
GALLERY ONLINE SALES

- The value of the online market reached $3.27 billion in 2015
- Based on its current **24% annual growth rate**, will hit $9.58 billion by 2020
- Online galleries are able to **reach an audience of art buyer** who has never felt welcome walking into a brick-and-mortar gallery. Nurture young interest and wait a few years.

**Clients:**
- 40-60 years old or older
- Purchases more often on desktop than mobile devices, however, the tech-savvy Bay Area is most likely to purchase on a mobile device
- Spends on average 1,250 on a piece of artwork
ONLINE SALES

Figure 42. Do you think that the traditional operators in the art market could be replaced by new ventures

Art professionals

2016
25% Yes
14% Do not know
61% No

2014
23% Yes
13% Do not know
65% No

Art collectors

2016
26% Yes
14% Do not know
61% No

2014
15% Yes
15% Do not know
70% No


Figure 43. Is the current boom in online art ventures/businesses sustainable in your view?

Art professionals

2016
51% Yes
20% No
29% Do not know

2014
47% Yes
23% No
29% Do not know

Art collectors

2016
53% Yes
23% No
24% Do not know

2014
44% Yes
38% No
18% Do not know

Figure 44. Art professionals and collectors: How important do you believe online art businesses and new technology will be in the following factors?

- Broadening the investor/collector base for art: 73% Collectors 2016, 78% Art professionals 2016
- Leading to a more regulated market: 42% Collectors 2016, 36% Art professionals 2016
- Reduce transaction costs: 58% Collectors 2016, 55% Art professionals 2016
- Increasing demand for art investments: 45% Collectors 2016, 33% Art professionals 2016
- Information and educating: 82% Collectors 2016, 52% Art professionals 2016
- Improving valuation: 54% Collectors 2016, 51% Art professionals 2016
- Creating more transparency: 65% Collectors 2016, 49% Art professionals 2016
- Creating more market liquidity: 57% Collectors 2016, 63% Art professionals 2016

ONLINE SALES

Figure 45. Which online business models do you believe will succeed in the future?

Online information, data, research and analysis: 94% (2016), 89% (2014), 89% (2012)

Online auctions: 74% (2016), 74% (2014), 73% (2012)

Online education: 78% (2016), 68% (2014), 65% (2012)

Online communities/social media/forums: 78% (2016), 54% (2014), 65% (2012)

Online dealer-to-dealer execution platforms (B-2-B network): 55% (2016), 52% (2014), 52% (2012)


Online art investment exchanges/stock markets for art: 33% (2016), 34% (2014), 34% (2012)

Online art fairs: 31% (2016), 17% (2014), 17% (2012)

Online consumer-to-consumer execution platforms (C-2-C network): 47% (2016), 37% (2014), 30% (2012)

CLIENTS
TAKE AWAYS

- Where do you find your collector?
- Emotional value of an artwork is still most important for collectors
- Collectors have deep relationships with galleries, trust must be built
- New potential collectors are different, you need to look for new approaches to them
THE GLOBAL ART COLLECTOR SCENE

- Europe 38% collectors
- North America 28%
- Asia 18%
Herkunft der Kunden mit dem größten Beitrag zum Umsatz (In Prozent; N = 55)

- Aus der Region: 51%
- Andere Teile Deutschlands: 22%
- Andere Teile Europas: 15%
- USA und Kanada: 11%
- Lateinamerika: 2%
COLLECTORS BUDGETS / TYPES

Collection size by number of items owned:

- fewer than 50 - 37%
- 50-100 - 23%
- 100-200 - 19%
- over 200 - 21%

Average annual budget for collecting:

- less than € 2k - 10%
- € 2-5k - 20%
- € 5-10k - 19%
- € 20-20k - 21%
- € 20-25k - 14%

Maximum amount spent on purchasing a single work:

- less than € 5k - 25%
- € 5-10k - 21%
- € 10-50k - 35%
- € 50-100k - 12%
- over € 100k - 8%
HNWI

- UNHW population **continues to grow** in the next decade
- The total number is predicted to rise 41% to 263,500 by 2025
WHY TO BUY ART

Figure 27. Emotion versus investment: why do you buy art? (art collectors)

2016: 6% Investment purpose, 22% Collecting purpose, 72% Collecting purpose but with an investment view
2014: 3% Investment purpose, 21% Collecting purpose, 76% Collecting purpose but with an investment view
2012: 7% Investment purpose, 40% Collecting purpose, 53% Collecting purpose but with an investment view


Figure 30. Art collectors: which of the following motivations are most important in buying art?

- Emotional value: 71% (2016), 78% (2014), 61% (2012), 83% (2011)
- Social value: 28% (2016), 61% (2014), 61% (2012), 60% (2011)
- Luxury good: 44% (2016), 51% (2014), 48% (2012), 40% (2011)
- Portfolio diversification: 44% (2016), 51% (2014), 40% (2012), 39% (2011)
- Investment returns: 64% (2016), 47% (2014), 40% (2012), 49% (2011)
- Safe haven: 32% (2016), 33% (2014), 28% (2012), 27% (2011)
- Inflation hedge: 32% (2016), 34% (2014), 35% (2012), 35% (2011)

WHY TO BUY ART

% WHO BELIEVE TO BE TRUE ABOUT ART COLLECTING
AMONG ART COLLECTORS BY AGE

The real value of fine art is its intrinsic value, not the monetary value

- Millennials: 35%
- Gen X: 44%
- Baby Boomers: 66%
- Mature: 76%

The value of fine art will continue to increase long term

- Millennials: 40%
- Gen X: 49%
- Baby Boomers: 47%
- Mature: 43%

Collecting art is a way to build significant wealth

- Millennials: 29%
- Gen X: 36%
- Baby Boomers: 10%
- Mature: 19%
COLLECTORS RELATIONSHIPS WITH GALLERIES

The frequentation of purchase places:

- Most collectors follow the work of just a few galleries:
  39% keep up with < 5 galleries; 32% between 5-10

- Galleries are the main supply source for collectors:
  74% of collectors consider advice from gallery owners to be important
MILLENIUM COLLECTORS: FUTURE TRENDS

- Less time for buying art
- Different mentality of the "new wealthy" people
- Less connaisseur collectors
- Globalization
- Reach people move in packs
- Equally buy offline and online
- Use social media to stay in touch with artists and galleries