

Rethinking Galleries: Key Aspects of the Gallery Sector Today

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Over the course of very few years, the situation of the art market has shifted significantly, largely as a consequence of 3 main aspects:

- the 2008-09 **big financial crisis**,
- **globalisation** and **democratization** of the art market at different levels,
- the emergence and consolidation of the **Internet**

...but

The gallery as a business model for promoting artists and selling works of art hasn't changed in almost 150 years

Key Aspects of the Gallery Sector Today

Where Are We Now

- **Facts on the global art market**

(Source: “The Art Market 2019 Art Basel & UBS Report” Clare McAndrew, Arts Economics)

- The market **remains robust and rising**: with an increase of 6% over the previous year (67,4000 million dollars)
- However, **sales are increasingly concentrated in 3 countries**—USA, UK and China—, accounting for the 84% of total sales
- **A market divided into two**: 54% dealers sector vs 46% auction houses

But is the market that global, focused on just 3 countries of the globe?
And is it that stable, given current political and economic conflicts?

The Global Art Market in 2018

1. Sales in the global art market in 2018 reached \$67.4 billion, up 6% year-on-year. This second year of positive growth brought the market to its second-highest level in 10 years, and has advanced sales values 9% over the decade from 2008 to 2018.
2. The number of transactions reached its highest level since 2008, increasing 2% year-on-year to an estimated 39.8 million transactions.
3. The auction sector (including both public and private sales) made up 46% of the market, down 1% year-on-year, while the dealer sector (including dealer, gallery, and online-only retail sales) accounted for 54%.
4. Sales in the three largest markets – the US, the UK, and China – accounted for 84% of the global market's total value in 2018.

“The Art Market 2019 Art Basel & UBS Report” by Clare McAndrew, Arts Economics

Key Aspects of the Gallery Sector Today

Where Are We Now

- **Increasing polarisation of the market:**

- **Big players** (mega-galleries) vs **Small players** (mid-sized and small galleries)
- **The galleries world is shrinking to a few big players** who work with super established artists (same goes for auctions houses > they make money with masterpieces)

“It is all about hierarchies. I see them everywhere: in the different types of galleries, among fairs, among collectors...” (Ursula Krinzinger, speaker 2018)

- **Poaching of artists:** the unregulated dynamics of artists moving from small to bigger galleries: the smaller and mid-sized galleries do a lot of the work in terms of nurturing emerging artists but...

Key Aspects of the Gallery Sector Today

Where Are We Now

- **The so-called “gallery crisis”**
 - Closing of regional galleries all over the world
 - Rising rents vs the need to travel to art fairs
 - The decline of foot traffic: number of visitors keep decreasing
 - Financing, cash flow problems
 - The disappearance of the mid-level buyer
 - The brick-and-mortar gallery model at stake

“The number of gallery closures was diminishing, but more worryingly, the number of openings had diminish” (Clare McAndrew, speaker 2018)

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Where Are We Now

- **Fairs: part of the solution or part of the problem?**

The fact: In 2000 there were some 55 art fairs around the world; now there are more than 260 (Art Basel and UBS Art Market report)

Pros:

- Most of sales made by a gallery take place at fairs
- Internationalization and promotion of their programmes

Cons:

- The need to participate put too much pressure
- *“Fairs take away time and money”* (Marc Spiegler, keynote speaker 2015)
- “Fairfatigue”: both for galleries and for collectors
- Fair booth vs gallery space: the proper context to experience art

Key Aspects of the Gallery Sector Today

Where Are We Now

- **“Revolving Doors”**: new blurriness between roles in the marketplace
 - Curators moving to galleries, former gallery owners moving to auction houses, and auction experts opening their galleries
 - The expansion of the auction houses’ role—now offering curated private sales
 - Traditional divide between primary and secondary markets is ceasing
 - Auction houses vs galleries: competition, conflicts of interest or a chance for collaboration?
 - Galleries managing artists’ estates
 - Curated gallery programmes: the curatorial within the gallery space

Key Aspects of the Gallery Sector Today

Where Are We Now

- **The irruption of digital technology and ICTs**
 - Auction houses as the first to lead the way (+ resources, + diversified market) vs. galleries much slower
 - New channels for buying and selling → rise of third-party trade platforms/ services (Arsy, artnet, Artspace...)
 - New and diverse means to reach out new audiences
 - **The online art market: 9% of value of global sales**
 - Though increasing, the reaction is slow, the market hasn't fully developed
 - **The true revolution in the art business sector is yet to come**
 - But, has a great potential and big galleries have started to *play this game*

Key Aspects of the Gallery Sector Today

Where Are We Now

- **An opaque (and unregulated) market**

“The art market is the most opaque business in the world. It is the last uncontrolled market space” (Nanne Dekking, Artory, speaker 2018)

“Right now, the art world is worse than the financial markets in terms of lack of ethics and competition. It is the law of the jungle.” (Alain Servais, collector, speaker 2018)

- A market based mostly on trust
- Price invisibility: how good or how bad to the market
- The gallery sector’s refusal to adopt a standardized set of best practices

Key Aspects of the Gallery Sector Today

Where Are We Now

- **The new agenda: starting to look at key societal issues of these times**
 - Gender policy: key debate on **women artists** in the art market
 - Clare MA's statistics from 2018:
 - Women artists get priced about 50% less than male artists in the auction sector
 - Primary market galleries in: 36% of their artists were female, generating about 33% of sales.
 - Emerging artists show a slightly more positive numbers—43% of artists in galleries were female
 - Race representation
 - Geography representation

Key Aspects of the Gallery Sector Today

The Challenges

- Strengthen the **mid-level sector**: the strengths and benefits of the mid-sized gallery
- The **online environment**: *the* challenge of the moment (Blockchain and other technologies)
- **The potential of Social Media**: in search for new audiences
- Understanding **new generations of buyers**: millennials and after
- New ways of **cultural consumption** (or the growing importance of "experiences")
- **Regulation & transparency**: how to promote best practices
- The **emerging markets**, or the expansion of the art market (eg. Africa's growing market / Will there be a 'MoMA effect'?)
- **Gender balance** in gallery representation

Key Aspects of the Gallery Sector Today

The Way Forward...

- **“Collaboration, collaboration, collaboration”**
(initiatives like Condo, Gallery Weekends...)
- **Professionalisation** of the gallery’s practices
(eg. proper balanced contract between galleries and artists...)
- **Looking out of the box**
(other industries, transfer fee model in professional sports...)
- **Embracing new channels**
(Social media, Instagram, third-party platforms...)
- **“Grow or Go”**

Who are taking on board these concerns?

- Magazines and specialized media
- (Some) fairs and their talks programmes
- **Talking Galleries**

“Talking Galleries is an international think tank dedicated to generating debate and knowledge in the field of art galleries and the art market”

About Talking Galleries

A brief history

- As a response to the lack of both a **global space for dialogue** and **specific professional training**
- **It started in 2011, as a two-day professional meeting, the “Barcelona Symposium”**, w/+200 participants, hosted by MACBA museum → the 8th edition will take place next January 2020
- What started as a conference and meeting moment in Barcelona, **has grown in scope, developing new areas and formats, and geographically, expanding internationally** → **The THINK TANK for galleries**

About Talking Galleries Programmes & activities

- **Barcelona Symposium**, at the core of our work, our flagship event
- **Talking Galleries Abroad**, our international programme, in collaboration with key art events in the global art scene:
 - Talking Galleries Paris (at Paris Gallery Weekend – 2017-2018)
 - Talking Galleries Seoul (at Gallery Weekend Korea – 2016-2018)
 - Talking Galleries Berlin (abc art berlin contemporary, 2015)
 - And talks at ARCOmadrid, The Armory Show, and other places
- **TG Education**, our new educational initiative → the seed for the Art Gallery Academy
 - **TG London Course**, one-day course, April 2019, Delfina Foundation
 - **Others to come**: in partnership w/ Sotheby's Institute of Art (London) and more...

- **Professional Meetings:** small group gatherings, held privately, as working sessions
- **Publication series “TG Notebooks”:** the permanent record of content discussed during each Barcelona Symposium
- **Video Channel:** the online archive that shares the full recordings of our events, available to anyone for free
- **Research project: “The Future of the Art Market and the role of galleries”**, a collaborative project that compiles the views of leading art professionals through a questionnaire

About Talking Galleries

Our aims

- To be the **leading project** that address all of the biggest and most pressing challenges and main concerns confronting the gallery sector today
- To **create of momentum** of thought and knowledge on gallery practices and the art market at large
- To **bring together** a relevant, active and dynamic community that had not been granted this kind of attention in the past
- To **provide ideal environment** for sharing experiences, raise concerns, and promote networking amongst professionals
- To **encourage the implementation** of a professional code of best practices
- To **emphasise the importance** of gallery management and to promote its development

VIDEO
TALKING GALLERIES
BARCELONA SYMPOSIUM 2019

Thank you!

See you in

Talking Galleries 8th Barcelona Symposium

20-21 January 2020

Museu d'Art Contemporani de Barcelona-MACBA

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