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Fine Artists' Entrepreneurial Business Environment

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FINE ARTISTS' ENTREPRENEURIAL BUSINESS ENVIRONMENT

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Abstract

This paper aims to illustrate the working and business environment of professional fine artists and to identify the factors to successfully make a living in the arts as both market challenges and success factors have not yet been clearly identified in literature. The identification of artists' business environment and success factors could be particularly beneficial for practising fine artists, prospective fine art students, and higher education institutions (HEIs) in order to provide them with a deeper market insight and knowledge for an effective professional education and preparation. In order to achieve this aim, the paper is first focused on the literature to identify working fine artists' business environment including the different art market segments, entry barriers, and challenges. In a second step, interviews with professional fine artists were conducted as well as surveys distributed to lecturers and students in Fine Art at HEIs and to galleries to determine the challenges and success factors in the art market from their professional experience. The literature and survey findings clearly show that the art market is characterised by different segments of varying market attention and visibility, whose access is controlled by informal market barriers consisting of powerful networks. The vast majority of fine artists are practising in segments excluded from buyers' awareness.

Keywords: fine artists, success factors, business environment, art market segments, market barriers

JEL Classifications: A220, A230

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Introduction

Research Aim

This paper aims to illustrate the working and business environment of professional fine artists and to identify the factors to successfully make a living in the arts as both market challenges and success factors have not yet been clearly identified in literature. The identification of artists' business environment and success factors could be particularly beneficial for practising fine artists, prospective fine art students, and higher education institutions (HEIs) in order to provide them with a deeper market insight and knowledge for an effective professional education and preparation. In order to achieve this aim, the paper is first focused on the literature to identify working fine artists' business environment including the different art market segments, entry barriers, and challenges. In a second step, interviews with professional fine artists were conducted as well as surveys distributed to lecturers and students in Fine Art at HEIs and to galleries to determine the challenges and success factors in the art market from their professional experience. The surveys were conducted in two countries for the purpose of identifying differences in business environments and success factors between the UK as a worldwide leading art market and Germany as a representative of considerably smaller art markets in Europe.

Research Background

The term 'art market' is often understood as encompassing all fine and decorative art and antiques, ranging from classical and medieval artefacts to contemporary art (British Art Market Federation (BAMF), 2011). In the context of this study, the term *art market* is used specifically in relation to the art disciplines and sectors of contemporary fine art including paintings, drawings, sculpture, collages, and photographs.

The art market has been subject to a large body of studies in the recent past. However, they differ in their focus. Some of them present market figures (TEFAF, 2015; artnet.News, 2016); others, such as Boll (2011), concentrate on markets' key players; still others present success stories of famous artists and collectors (for example, Lindemann, 2006, 2010; Currid, 2007; Anderson et al., 2011; Art:Das Kunstmagazin, 2012); while others explain the economies of arts (for example, Towse, 2011; Tawadros and Martin, 2014), the reasons for artworks' increasing market prices and importance for investments (for example, Dossi, 2007; Adamowska, 2008; Malik, 2008; Thompson, 2008; Maneker, 2009; Deloitte and ArtTactic, 2014; Botha et al., 2015; Vosilov, 2015), and advise how to become successful in the arts (for example, Abbing, 2002; de Monthoux, 2004; Weinhold, 2005; Cobb et al., 2011) or how to collect and value art (Leyer-Pritzkow and Sebastian, 2005). The detailed description of an art market's structure including the identification of market barriers and success factors for artists has been, however, barely studied.

Research Design and Methodology

To achieve the research aim of identifying fine artists' business environment as well as barriers to and factors for professional success, the literature and secondary data were reviewed with a global focus on fine art market structures and hierarchy, market participants, artists' economic living, challenges, opportunities, needs, and entrepreneurial success factors. This review was combined with various qualitative research methods including structured interviews with practising fine artists as well as surveys by questionnaire of fine art lecturers, undergraduates, and commercial and contemporary fine art galleries. The surveys by questionnaire were conducted in two countries for the purpose of identifying differences in business environments and success factors between the UK as a worldwide leading art market and Germany as a representative of considerably smaller art markets in Europe. The variance of research methods arose, on the one hand, as the result of different analytical levels and

according to the, in part, strongly varying opportunities to gain access to the subject of investigation and, on the other hand, for the sake of evaluating and triangulating the findings from different angles.

Structured interviews with 9 practising artists, who were not represented by commercial galleries or other supportive networks, were conducted to gather informative data as well as emotional aspects and perceptions of practising artists relating to their professional expectations and needs. The artists were randomly selected. Additionally, larger and anonymised surveys of up to 210 lecturers, all of whom were practising artists, as well as of 47 fine art undergraduates were chosen in order to broaden and deepen the knowledge of educational aspects regarding artists' actual status of vocational preparation for the market.

Finally, the market perspective of artists' business environment and market requirements was provided by 117 commercial and contemporary galleries in their role as "gatekeepers" to the market by leveraging the chances of commercial success of selected artists they serve. Due to their function, commercial galleries provide valuable insights into the market segment that is relevant for this study's research aim. These methods were expected to show artists' real needs, demands, and concerns. Capturing emotions and individual perceptions with regard to the professional expectations were better captured and compared by the structured interviews.

Literature Review

Structure of the Contemporary Fine Art Market

In the current epoch of the World Wide Web, the contemporary fine art "market has become internationalised up to the point to becoming a worldwide market" (Codignola, 2003, p. 87). However, precise and complete data of the international contemporary fine art market is not available due to its highly fragmented nature, ranging from small local markets to worldwide auction markets with a great variety and number of art-buying and -selling institutions, such as galleries, art dealers, private and institutional collectors, occasional art buyers, and artists (Codignola, 2003). Recent market data of TEFAF Art Market Report, cited in artnet.News (2016), shows that the international contemporary fine art market is huge, measured in sales figures. The global art market, as publically presented, achieved total sales of 63.8 billion US Dollars in 2015 with a total of 38.1 million transactions and was dominated by the three major art markets of the US (39%), China (22%) and the UK (22%). The market share of the European Union by value was dominated by the UK with 64% (at 13.5 billion US Dollars), followed by France with a market share of 19% and Germany with 5% (artnet.News, 2016). Yet these figures only represent published transactions, such as auction trades, which is a specific segment of the art market. Other market segments are rarely highlighted.

The structure of the contemporary fine art market is characterised by its different segments and trading levels of primary (first sale of artworks), secondary (reselling of artworks), and tertiary (auctions) markets (for example, Singer and Lynch, 1994; Throsby, 1994; Robertson, 2005; Thompson, 2008; Resch, 2011). Thurnhofer (2014, p. 9) claims in this context that "it does not exist the one unified art market, but many art markets and the permeability is infinitesimally between the markets". He provides a detailed overview of the structure of the contemporary art market that can be classified in his opinion as strictly hierarchically structured like a pyramid with explicit barriers between them (Figure 1). The five different levels or market segments mainly differ in their degrees of visibility and market organisation including matching of supply and demand.

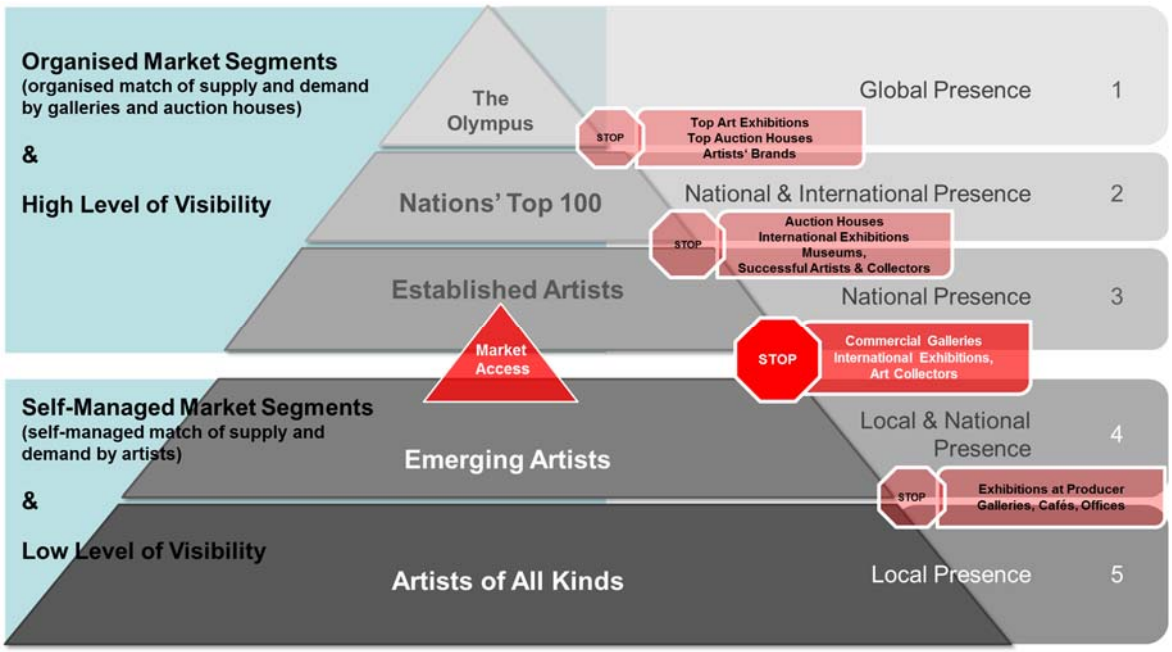

Figure 1: The Art Market Pyramid and Barriers
Source: Adapted from Thurnhofer (2014, p. 11)

While briefly describing the specifications of every single segment, the particular study focus is on emerging artists and their opportunities to enter the more organised and visible market segments to increase their chances to make a living in the arts. The relevant art market segments are represented from the level of established artists upwards where market transparency is higher than in the lower levels and where art collectors and art buyers define the demand side.

1. ***Segment: The Olympus***

According to Thurnhofer (2014), the Olympus includes more or less the top 100 artists worldwide, globally known by the vast majority of the people. Representatives of this top level were and still are artists the likes of Andy Warhol, Pablo Picasso, Damien Hirst, Jeff Koons, Jean-Michel Basquiat, or Gerhard Richter. The prices achieved at auctions for artworks by these artists regularly achieve up to several tens of millions of US Dollars. This market segment is highly organised by top auction houses and the top galleries. They match the current supply of art in this segment with the demand of wealthy art collectors and institutional investors.

2. ***Segment: The Nations' Top 100***

On the second level of the art market pyramid are the Nations' Top 100 artists. According to Thurnhofer (2014), it can be assumed that approximately 100 artists in each country enjoy considerably more publicity than the rest of the artists. The reason for this is explained by means of the phenomenon of people's cognitive and perceptual limitations. The media is focused on a manageable number of artists and reports mainly on those personalities who are already known and people are interested in. Like the Olympus, the match of supply and demand in this segment is also managed by the big galleries and auction houses. The latter, however, represent the access barrier to art market's highest level (Thurnhofer, 2014).

3. ***Segment: Established Artists***

Thurnhofer (2014, p. 13) considers artists to be established "when represented by commercial galleries". In this context, commercial fine art galleries are considered experts and gatekeepers (van Overdam, 2011) in terms of being the key barrier between the organised

market segment of the third level and the self-managed levels from the fourth level of the pyramid downwards. Commercial galleries are the key organisers of the third segment of established artists by matching supply and demand and providing pricing information. This role requires specialised market knowledge that therefore provides them with a high level of market power (Byrnes, 2009; Thurnhofer, 2014).

According to Thurnhofer (2014) and the international art index of Artprice.com (2016), the leading provider of art news, the number of established artists is estimated at approximately 500,000 to 600,000 worldwide. This number means that on average 2,500 to 3,000 artists are practising on this level per country. The permeability from the third to the second level is considered lower than from the third to the fourth level. In other words, established artists on the third level of the pyramid could relatively easy fall back onto the fourth level. Their visibility, gallery status, and access to art collectors and buyers are highly dependent on their own quality and success as well as the visibility and reputation of their galleries.

4. Segment: Emerging Artists and Hidden Champions

Emerging artists are normally Fine Art graduates and not yet represented by commercial galleries. They usually manage their professional career unassisted as one-person businesses. To promote their artworks, they sometimes run or work with producer galleries. By these means, they are able to gain access to the local public and sometimes also to the wider market. So-called *hidden champions* are both graduates and career changers possessing the ability to overcome market barriers by finding and attracting either a successful gallery or art collectors through self-managed exhibitions and promotional activities. Thurnhofer (2014) estimates the number of emerging artists on level four of the pyramid at several million worldwide. They all compete in attracting (successful) galleries to gain market access. Assuming that only a relatively minor number of galleries are able to represent their artists successfully, as will be shown later, the permeability from level four to three is considered relatively low.

5. Segment: Artists of All Kinds

The fifth level of the pyramid encompasses, in Thurnhofer's (2014) classification, the artists of all kinds who make art mainly for themselves, e.g. hobby painters or wood carvers. The number of artists of all kinds is assumed to be countless since this market level is open to everyone.

Jyrämä (2002), Jyrämä and Äyväri (2010), and Niklasson (2014) analyse in this context the different roles and relationships of various key actors in the contemporary art market. In their view, the contemporary art market is considered a "network structure consisting of different networks" (Jyrämä and Äyväri, 2006, p. 5), while the power and relationships between existing networks permanently change (Velthuis, 2012). Artists are usually the producer and provider of works of art and therefore considered "the heart of the activities" (Jyrämä and Äyväri, 2006, p. 5). Galleries are considered intermediaries or brokers between the two poles of producing artists and buying customers. They further engage in developing artists' careers and creating legitimisation for them by building relationships with other galleries and institutional actors, such as art collectors, museums directors, and art critics. Additionally, galleries have the task of presenting and opening art to society and "participat[ing] in the dialogue to advance contemporary art" (Jyrämä and Äyväri, 2006, p. 6).

To briefly conclude at this point, the market segmentation of Thurnhofer (2014) and Thompson (2008) as well as the analysis of market actors' roles by Jyrämä and Äyväri (2006, 2010) help to gain a deeper understanding of markets' hierarchical structures, the relationships between them, and the roles of key actors in art markets. Evidence illustrates

that neither the international nor national and local art markets are homogeneous in structure; they are in contrast horizontally and vertically highly heterogeneous with different networks of key actors and roles, requirements, obstacles, and opportunities. Due to their main tasks and roles, as defined by Jyrämä and Äyväri (2006, 2010), (commercial) galleries are considered crucial for an artist's market access, visibility on the market, and professional career development including the artistic and economic success. Nonetheless, the vast majority – approximately 80% of fine artists – are relegated to the fourth and fifth levels (Thompson, 2008; Thurnhofer, 2014) and therefore out of reach of the market.

Market Barriers and Gatekeepers

Fundamentally, there are no formal requirements such as diplomas needed "to practice art or to call oneself an artist" (Abbing, 2002, p. 278). The barriers for entering the art market at its lowest level are therefore quite low. From an artistic point of view, the open market access is necessary in order to protect the arts' "autonomous imago" (Abbing, 2002, p. 278). In this context, Thurnhofer (2014, p. 22) describes the base of the fifth level as "sandy". Failed artists would land relatively softly. The institutions or networks providing access to the local public include local cafés, school buildings, bank branches, medical practices, public libraries, and the streets themselves. Potential buyers are neighbours, relatives, friends as well as guests and passers-by. The network structures on this market level are normally small in size and less powerful. This market segment experiences a relatively low level of structural and organisational process of matching current supply and demand. Artists of all kinds are able to enter the fourth market segment by having acknowledged and outstanding success on the fifth level, for example, through attracting attention and demand on fairgrounds or Christmas markets that trend in social media. This attention leads to the market barriers to level four of the art market pyramid and they are, though, relatively high for artists with limited resources, small and powerless networks, and unappealing artwork (Thurnhofer, 2014).

The network structures of commercial galleries and art dealers are considered gatekeepers (Velthuis, 2003; Currid, 2007, Byrnes, 2009; Foster et al., 2011; van Overdam, 2011; Siltala, 2012) to the third level of the art market pyramid and form a relatively high market barrier for emerging artists. The market power of these gatekeepers highly depends on their ability to control the information required for potential buyers to assess the quality of a particular work of art (Foster et al., 2011; van Overdam, 2011; Siltala, 2012).

According to Thurnhofer (2014) and the Institut für Strategieentwicklung (IFSE, 2013, p. 37), the business relation between commercial galleries and their most relevant clients, the art collectors, "ranges from partnership to financial dependence". Some commercial galleries are mainly financed by and financially dependent on art collectors. Consequently, some gallery networks are considered intense and powerful, depending on their financiers' reputation and financial wealth. Considering this, artists who want to establish themselves sustainably on the third level of the art market pyramid are required to become part of those powerful but restricted networks.

One way for artists to achieve this could be regular attendance at local, national, and international exhibitions to show presence and product quality. However, every art exhibition is an individual market barrier for both galleries and artists, since each exhibition has its own standing in the art world and thus access requirements. The costs for attending middle class exhibitions are within a middle four-digit US Dollar range including standing costs, shipping, insurance, and accommodation (Thurnhofer, 2014). Yet there are several hundred international art exhibitions, 200 of which enjoy high market reputation, while art fairs like Art Basel or ARCO Madrid are considered the world's most famous art exhibitions,

according to ArtVista (2016), an information provider specialised in art exhibition. The higher the standing of art exhibitions in the international art world, the higher the access barriers for galleries and artists. For established artists, this consequently means that their own reputation mainly depends on their galleries' reputation and access to quality exhibitions. To enter the second level of the art market pyramid, established artists need to become part of a highly reputable and very powerful network of galleries with high financial resources, one's own outstanding brand, network contacts to a wide range of important and successful market participants, and art collectors that are able to set them up for highly reputable exhibitions that cost up to one hundred thousand US Dollars. These informal barriers are very steep and only very few artists are able to overcome them.

To enter the Olympus of the international art market, the top artists of level two need not only to attract high prices at the international auctions organised by the two leading auction houses of Sotheby's and Christie's in New York (Thurnhofer, 2014). Both these auction houses control the tertiary trading level and share almost 90% of the market between them (Boll, 2011). A further significant market barrier for entering the Olympus is also the leading museums for contemporary art, for example, the Museum of Modern Art, Metropolitan Museum of Art, and Solomon R. Guggenheim Museum, all in New York, the Tate Gallery, Saatchi Gallery, and Whitechapel Gallery in London, Musée d'Orsay in Paris, and Neue Nationalgalerie in Berlin. Every exhibition in an international museum bolsters artists' awareness and attractiveness in minds of the public and collectors. Curators of museums do not want to run any risk by exhibiting unknown artists, so they select only the best of the best in order to attract as many visitors as possible (Thurnhofer, 2014). An exhibition at the Guggenheim is in his opinion considered the greatest event among artists. Although that does not mean the entrance to the Olympus, it is at least the way into its atrium. The exhibiting artists have then the guarantee to belong to the top 100 artists of their country with the assurance not to fall back to the lower levels (Thurnhofer, 2014). Consequently, successful and famous artists with their powerful networks are also considered market barriers for their peer artists (Abbing, 2002).

Rivalry and Market Power

According to Menger (2001), Abbing (2002), and Benhamou (2011), the art market with its five different segments is characterised by an oversupply of artworks which is why it could be classified as a buyer's market despite the fact that every individual artist holds a monopolistic position owing to their uniqueness, limited output, and low substitutability (Schumann, 1992). Schumann claims therefore that there is weak competition among artists on the artistic level. However, if only the artistic level is considered, his conclusion may be correct.

However, due to an existing oversupply in total artworks, every artist competes strongly with all others for a buyers' attention. Therefore, it can be concluded that business rivalry among artists regarding buyers' attention is relatively high. It is Throsby (1994) who delves into more detail on this situation. According to his statements, the level of rivalry varies between the career phases of artists. At the beginning of their career, the rivalry among artists is said to be strong because their numbers are much higher than the number of potential buyers. At the starting level of their career, artists lack reputation, history, and brand and are hardly able "to exert any supply-side power in this market" (Throsby, 1994, p. 7). Without history and brand, unknown artists' quality cannot be evaluated and proved by people (Boll, 2011), which is why the prices for their works normally are and remain low (Abbing, 2002). Prendergast (2014) as well as Ardizzone and Zorloni (2014) stress that relatively unknown artists are required to produce a critical mass of artworks or collections in order to be able to provide information about themselves to networks of art collectors and galleries. In this

context, Prendergast claims that "an artist's career tends to take off when a critical mass of such collectors talk about that artist's work" (Prendergast, 2014, p. 32). Collectors and galleries would therefore become aware of unknown artists when their works become regularly present, debated, advocated, and finally endorsed by people (Wang, 2009; Ardizzone and Zorloni, 2014; Prendergast, 2014). McIntyre (2004, p. 5) and Buck (2004, p. 14) call collectors a vital element of this "art eco-system".

With further progression up the career ladder, Throsby (1994) claims that artists develop more market power with the help of their own brand and history. However, when considering Thurnhofer's art market pyramid, the market power of commercial galleries, art collectors, and auction houses as gatekeepers to higher market segments with significant buyers' attention also rises. In particular, the progressive digitalisation of the art market may shift market power from galleries and museums to art collectors (Velthuis, 2012). Big galleries, art collectors, and museums hold a market share with oligarchic tendencies depending on their own market reputation. These gatekeeping institutions are then deliberately controlling the market access and supply in order to control the price development and thus their own financial profit.

Only artists in the Olympus may have significantly stronger market power than gatekeepers and collectors. International star artist Damien Hirst has shown, for the first time in art history, that an artist is able to organise and conduct his own auction at Sotheby's in September 2008 without any galleries. He produced more than 200 artworks for this specific auction and directly sold them all to collectors. He also showed great market power years later when the Tate Gallery gave him the setting for his own exhibition in 2012 where he deliberately decided to forego the services of both galleries and curators (ZeitOnline, 2015).

Characteristics of Commercial Art Galleries as Key Market Barriers to Emerging Artists

As the most powerful key intermediaries in the art market and the dominating players on the primary trading market, commercial galleries are considered the key market barrier for emerging artists to enter higher market segments. They are basically expected to provide an organised market structure that includes required resources and services for promising artists, such as contacts with collectors and other market participants as well as access to quality exhibitions and support in promotion activities, target audience, brand building, and the match of supply and demand. Two analyses of commercial galleries highlight their current economic situations and power as market barrier (Resch, 2011; IFSE, 2013). However, both analyses are geographically focused on the German-speaking art markets in Germany (Resch, 2011; IFSE, 2013), Austria, and Switzerland (Resch, 2011).

Resch (2011) analysed 378 commercial galleries in 2008, of which 317 were located in Germany, 25 in Austria, and 36 in Switzerland. They were asked, among others, about their business hours, type of art sold, gallery location, gallery size, number of employees, number of their own exhibitions, cost structure, buyers' structure, annual revenues, and profit margins.

Resch (2011) shows that a relatively large proportion of galleries were young businesses, founded a few years before his study in 2008. His investigations were also able to reveal that a very large proportion of galleries in Germany (39%) and Austria (64%) operated at deficit with annual revenues below 500,000 Euros. Key reasons for the economically tense situation are low sales activities of mainly one-person managed galleries with low market presence and weak access to audiences associated with a structure of high fixed cost, particularly for renting gallery spaces in city centres. The IFSE study (2013), including 178 galleries in Germany, confirms most of Resch's findings. It particularly stresses that approximately 60% of commercial galleries in Germany generated revenues of less than 200,000 Euros annually,

and altogether less than 6% of the total turnover on the German market. The average revenue within this revenue class was 64,000 Euros per year (IFSE, 2013). The next 25% of galleries had a market proportion of 13% on the total market revenue with average revenue of 335,000 Euros per gallery and year. That means that 85% of all surveyed galleries were responsible for less than 20% of market revenue. Their market standing and network quality assume a relatively weak competitive market power on the German gallery market. In this context, the IFSE study proves that galleries had shown a low willingness to cooperate with other (German) galleries and institutions in the art market in order to increase their own market presence and ability to access new buyer groups. They simply failed to increase the quality and power of their network structures. The cooperativeness with international galleries in the context of international fairs was slightly higher than with national partners, yet still relatively low. In contrast, 15% of the most successful galleries generated almost 81% of the total turnover of German galleries. The average revenue within this revenue segment was 3.5 million Euros per year (IFSE, 2013). These big galleries are expected to have high market power, attracting and equally being "dependent on the relevant art collectors" (IFSE, 2013, p. 37). The study found that almost 70% of the revenues were generated with internationally operating collectors and regularly buying customers with long-lasting business relationships. This intense relationship and networking might be one key reason that big galleries have shown a considerably higher willingness to enter into international cooperations with other international galleries, art institutions as well as with private and institutional art collections (IFSE, 2013). Consequently, as part of highly powerful networks these large galleries are assumed to be artists' most powerful market barrier to entering higher art market segments and having access to the market. In this context, the IFSE study calculated that on average 16 artists were represented by each gallery, separated into emerging artists (55%) and established artists (45%) (IFSE, 2013).

In conclusion, the business models of most commercial galleries are apparently not sustainable enough because both survey findings unequivocally illustrate that a significant proportion of them suffer from economic weakness obviously due to structural and strategic failures including the lack of quality networks or weak access to art buyers expressed in small revenues and profit margins. Many galleries are relatively young businesses, probably not already established on the market, either nationally or internationally. This image very much resembles most of the artists that they represent. Many gallerists are lateral entrants, often lacking the required business and art market knowledge (IFSE, 2013), considered "the only way to really learn the 'proper manners'" (Jyrämä and Äyväri, 2006, p. 1).

Considering this, it is reasonable to question commercial galleries' positive impact on artists' development towards a successfully professional career. Although commercial galleries serve the important task of contributing to the cultural life of a city or region (Robertson, 2008; Thompson, 2008) by presenting and distributing art to society, it is seriously doubtful whether small and economically weak galleries are actually capable and able to successfully pull promising artists over the threshold into the market. Galleries are required to be flexible and more visible on the international markets in order to acquire new wealthy audiences. As Heidenreich (2013) claims, the buyer groups have recently changed. He stresses that the middle class of buyers has left the gallery market, more and more looking instead for smaller formats and lower-priced works of talented yet still unknown (emerging) artists. The critical questioning of business models of smaller and mid-sized galleries is also based on the market's increasing globalisation through the Internet. People interested in the arts are able to acquaint themselves with artists and their works online. Although most galleries already have their own websites, these are mainly limited to informational and expositional purposes (IFSE, 2013).

Heidenreich (2013) considers this situation seriously harmful especially for smaller and mid-sized galleries. They may face a prospective loss of importance. As a consequence, the gallery market will change dramatically in Heidenreich's view as only a few large and successful galleries will then serve a few selected powerful collectors.

For emerging artists, that could only mean that the barrier for entering the art market and higher market segments is expected to become much higher than it already has been owing to a growing shortfall of economically healthy galleries. Therefore, artists now more than ever urgently need to develop the crucial 'five plus two' entrepreneurial skills needed and required to successfully self-manage their careers and to substitute some of the galleries' services, like promotional activities, funding or organising exhibitions (Thom, (2016).

Market Liquidity, Supply, and Demand

Markets follow the rules of supply and demand, to put it bluntly. However, the art market has its own characteristics. While the demand side for established high quality art is publicly visible in the media and has increased in last decades since new buyers from emerging economies are appearing on the market due to a digital globalisation (Athineos, 1996; Heilbrun and Gray, 2001; Arts Economics, 2011; Artprice.com, 2015; TEFAF, 2015), the demand for artworks of unestablished emerging artists, positioned on Thurnhofer's (2014) fourth and fifth level of the art market pyramid, cannot be specified exactly due to a missing pricing history and a lack of transparency in information provision in these market segments. However, it is to be assumed that a high demand for art of unestablished artists exists, but it is difficult for artists and demanding art buyers to find and come together due to the lack of market visibility and transparency from a customer and buyer point of view or, to put it in other words, due to a lack of an organised market. Considering this, a calculable equilibrium price as a quality indicator is missing (Baumol, 1986; Thurnhofer, 2014). There are hardly any reference points to value the artworks of unestablished artists in the lower unorganised market segments, besides size, technique, theme, and material. This clearly shows that the pricing on the art market is mainly driven by subjective criteria. The transparency in pricing of artworks is assumed to be higher on the secondary and tertiary trading levels due to a given and published pricing history. However, it is only a pseudo-transparency since auctions at Christie's and Sotherby's regularly show that huge amounts of investment capital lead to overpriced records (Thurnhofer, 2014; Artprice.com, 2015; Sotheby's, 2015; ZeitOnline, 2015). The market demand is only focused on a few artists of the first two segments of the market pyramid. For example, according to Artprice.com (2015, p. 9), "68% of global auction revenue from contemporary art (totaling 1.2 billion US dollars) is generated by 100 artists and 35% by just ten artists", while 18% of global auction turnover was generated by three artists. Due to these developments at such auctions, the international contemporary art market is dominated by a few cities where the leading auction houses Sotheby's and Christie's run offices, such as New York City, London, and Shanghai (Buck, 2004; Artprice.com, 2015). This phenomenon shows a key characteristic of the international art markets, where "consumer spending ends up in the pockets of a small number of producers, while the majority of the producers earn little or nothing" (Abbing, 2002, p. 107). Those markets are considered winner-takes-all markets (Frank and Cook, 1995; Ardizzone and Zorloni, 2014). They lack the equal distribution of demand and rewards among artists of all market segments.

Consequently, the art market is not liquid, according to Sotheby's (2015). Many artworks never change owners and a lot will be destroyed over time, which is certainly true for artworks with low emotional or subjective value and market prices for the owner. In the best case scenario, they will then be resold on eBay when galleries show no interest in placing them on the secondary market. Additionally, the secondary and tertiary markets are only open

and liquid for artworks with an (potential) investment value in considerable price ranges. One further reason for the art market's illiquidity is, according to Frey and Pommerehne (1988), selling artists and demanding buyers are often distant in terms of space and time. Particularly, the time lag between the decision to sell an artwork and the actual execution could take several months, which means in terms of liquidity that buyers and selling artists are not always available for each other.

Market Efficacy

According to Abbing (2002, p. 47), "the value system in the arts is two-faced and asymmetrical. Although in general the market is oriented towards money and profit, the arts cannot openly reveal this kind of orientation when they operate in the market. This approach would certainly harm artistic careers and therefore, long-term incomes as well".

Abbing (2002, p. 47) adds that money and "profit motives are not absent, they are merely veiled, and publicly the economic aspect of art is denied".

This statement clearly indicates the dilemma of the art market: its creative freedom and independence while being equally dependent on monetary resources. This 'inner conflict' associated with the aforementioned difficulties of a winner-takes-all market in determining fair value and market prices of artworks as well as in distributing the market demand among all market segments demonstrates the art market's inefficacy. According to its definition (Investopedia.com, 2016), "market efficiency is the degree to which stock prices reflect all available, relevant information". Transfered to the art market that means market efficacy is given when all relevant information relating to market, supply, demand, artists, and artwork are available for all market participants. Due to its structure with different market segments and high market power of gatekeeping intermediaries and networks, the information on the market is highly asymmetric and inefficient (Louargand, 1991; Wilke, 1999; Abbing, 2002; Codignola, 2003; Czotscher, 2006; Maneker, 2009; Nikodijević, 2010; van Overdam, 2011; Arora and Vermeylen, 2013; David et al., 2013; Schrager, 2013; Baur, 2014; Day, 2014; Prendergast, 2014; Turnhofer, 2014; Alpagu, 2015; Aye et al., 2016).

Supplying artists frequently have no deeper information of their (potential) buyers and target audience. The gatekeeping intermediaries have built their business models around this asymmetric information flow and implicitly justify their existence with it. Wilke (1999) and Czotscher (2006) stress in this context that not even experts on the market have all the relevant information because no central point has ever existed where all market data could come together and be visible for all market participants.

In comparison to the international stock market where the stock and trading prices are public information and therefore documented and visible to all market participants, the prices for artworks are normally known only by those who are involved in the transactions. The art market is too fragmented with countless numbers of operating participants. Transactions of art dealers, galleries, collectors, and other art buyers are usually not public or available. Public price information is only limited to public auctions.

Furthermore, the art market is significantly less regulated in comparison to the stock market where manipulating price activities, such as insider trading, is strictly forbidden. On the art market, asymmetric information is mainly welcome as a foundation for trading activities of commercial galleries, collectors, and art dealers as their main source for profit (Herchenröder, 2003). At auctions, these participants aim to push the prices in order to establish higher price levels for their works in coming auctions.

Another market inefficacy remains its embodied customer relations (Krepler, 2007; Resch, 2011; Thurnhofer, 2014). In particular, Krepler (2007) was able to identify galleries' differences in pricing with reference to their clients. He found that famous art collectors pay lower prices than normal buyers or less reputable collectors. Another key characteristic of an

inefficient market could be art markets' high transactions costs, caused by commission and transaction fees charged by commercial galleries and auctions houses, insurance, shipping, and storage costs.

To sum up, the literature findings clearly show that the international art market is highly inefficient due to an asymmetric and less regulated information flow that is assumed to be deliberately created by gatekeeping intermediaries with high market power in order to maximise profits and social relations to attract customers and business partners. However, the Internet and continuous digitisation of the art market could bring market participants closer by providing information more effectively and lead to a much higher level of transparency and significantly lower transaction costs (Codignola, 2003; Arora and Vermeylen, 2013).

Artists' Labour Market and Income

Recent labour market statistics and studies demonstrate that up to 90% of practising fine artists are self-employed or freelancers, mostly organised as one-person businesses (Towse, 1996, 2006; Karhunen, 1998; Blackwell and Harvey, 1999; Baines and Robson, 2001; Menger, 2001; Abbing, 2002; Rengers, 2002; Hill Strategies Research, 2004; Storey et al., 2005; European Parliament, 2006; Schelepa et al. 2008; Statistisches Bundesamt, 2010; Arts Council England (ACE), 2009, 2011; Throsby and Zednik, 2010; Artists Interaction and Representation (AIR), 2011; Bundesverband Bildender Künstlerinnen und Künstler, 2011; Casacuberta and Gandelman, 2012; Centre for Economics and Business Research, 2013), of which up to 95% fail to make a living in the arts (Skalski, 2011; Ulloa, 2014). There are hardly any full-time, permanent employment opportunities for fine artists in the arts and only opportunities to pursue work on a freelance and self-employed basis (Bundesverband Bildender Künstlerinnen und Künstler, 2011).

The average earnings of professional fine artists in the arts are consistently less than other professionals with similar educational backgrounds (Towse, 1996; Hill Strategies Research, 2004; Bridgstock, 2007), while their rates of unemployment and underemployment are much higher (Towse, 1996; Caves, 2000; Throsby and Hollister, 2003; National Endowment for the Arts (NEA), 2011; Australian Bureau of Statistics, 2012, 2016). According to Alper and Wassall (2006) and Office for National Statistics (ONS, 2015), professional artists face limitations in earnings of up to 50% compared to the earnings of other professions with similar educational backgrounds. More precisely, artists' low income means living on the edge of poverty. Official statistics in Germany, the UK, and other countries worldwide, reveal an annual average income before tax of approximately 15,000 Euros per professional artist (Alper et al., 1996; Robinson and Montgomery, 2000; Hill Strategies Research, 2004; Deutscher Kulturrat, Rheinische Friedrich-Wilhelms-University Bonn, Vereinigte Dienstleistungsgewerkschaft ver.di, 2006; AIR, 2011; Bundesverband Bildender Künstlerinnen und Künstler, 2011; Institut für Mittelstandsforschung Bonn, 2011; Söndermann, 2012; Künstlersozialkasse, 2015; ONS, 2015). To diversify their income risk, artists therefore choose multiple job holdings (for example, Alper et al., 1996; Karhunen, 1998; Blackwell and Harvey, 1999; Menger, 1999, 2006; Robinson and Montgomery, 2000; Karhunen and Rensujeff, 2003; Urban Institute, 2003; Söndermann, 2004; Bridgstock, 2005; Haack, 2005; Eickhof and Haunschild, 2006; European Parliament, 2006; Bille, 2008; Oakley et al., 2008; Barnett, 2010; Cunningham and Higgs, 2010; Bille et al., 2012; Bleichert, 2012; Casacuberta and Gandelman, 2012; Steiner and Schneider, 2012; White, 2013), but prefer arts-related jobs in which they are close to their original passion of making art, such as teaching (Abbing, 2002). In this context, Oakley et al. (2008) present evidence based on a survey of over 500 fine art graduates from the University of the Arts London conducted since the 1950s. The data indicates that almost 40% hold a second job, of which 60% are outside

arts-related industries. These figures have recently been confirmed by Higgs et al. (2008). By the same token, according to Skillset (2009) and Carey (2015), it is important to highlight that labour market situations among various art disciplines significantly differ. For example, almost 80% of the people working in the publishing sector are employeed, and only 17% self-employed.

Conclusions and Derived Challenges for Emerging Artists

According to the literature relating to the art market's structure and key characteristics, the following ten key findings should be emphasised:

1. **Different market segments:** The international art market is not a unified market; it encompasses different markets with different permeabilities between them.
2. **Gatekeepers are informal market barriers:** The access to market segments is informally controlled by powerful gatekeeping institutions and networks of institutions and individuals, such as commercial galleries, art collectors, art dealers, successful and reputable artists as well as top art exhibition providers and auction houses.
3. **Tense economic situation of most commercial galleries:** A large proportion, 60 to 80%, of commercial galleries suffers from relatively low sales activities, high fixed cost, negative to marginal profit margins, low market presence, and weak access to art buyers. These galleries are assumed to be hardly able to provide required business assistance services, access to human and financial resources, and build up targeted audiences in order to facilitate their artists' professional careers.
4. **High rivalry:** The art market can be classified as as a buyer's market with an oversupply of artworks. Every artist competes intensely with all others for a buyer's attention; hence, artists' business rivalry is relatively high.
5. **Winner-takes-all characteristic:** The market demand is focused on famous artists controlled by a few commercial galleries, art collectors, and auction houses.
6. **Asymmetric information:** The average artist is normally ill informed about market demand, target audience, and prices.
7. **Market inefficacy:** The relevant information relating to market, supply, demand, artists, and artwork is definitely not available for all market participants. Due to its structure with different market segments and high market power of gatekeeping intermediaries, the information on the market is highly asymmetric.
8. **Low liquidity:** Producing artists and demanding buyers are often isolated from one another in terms of space and time. Additionally, buyers and selling artists are not always available to be contacted. Lower market segments show lower liquidity than top market segments.
9. **High transaction costs:** Transactions costs are high in the art market due to commission fees charged by commercial galleries and auction houses, insurance, shipping, and storage costs.
10. **Low income:** Emerging artists hardly make a living which is why multiple job holdings in both arts-related and non-arts segments are often necessary.

These key findings describe a very challenging and entrepreneurial business environment for working fine artists that Abbing (2002, p. 280) calls an "exceptional" and "cruel economy". The exceptional issue of the art market is that it hardly shows any occupational and formal regulation. No diplomas or other formal requirements are needed to practice art or to call oneself an artist. The art market enables a free enjoyment of creative life by expressing identity and emotions for everyone. However, the art market is equally controlled by strict structures and the existence of a lot of "informal" market barriers (Abbing, 2002, p. 259) that

are difficult to ascertain and ultimately reduce the market's openness. These informal barriers are controlled or represented by gatekeepers.

The following Table 1 illustrates in this context some recommendations or options for actions for emerging fine artists to meet these market challenges.

Table 1: Art Market's Key Challenges and Recommendations for Emerging Fine Artists
Source: Author

Literature Findings: Key market challenges for emerging artists	Recommendations to overcome market challenges
different art market segments	developing deep **market knowledge** including key players / institutions and barriers to professional progress
gatekeepers / market barriers	attracting attention and **visibility** as well as building **network contacts**.
tense economic situation of most commercial galleries	**self-management** is necessary when market barrier "commercial gallery" is too strong or failing due to economically weak position.
high rivalry among (emerging) artists / winner-takes-all characteristic	necessary to **excel and outstand segment competition** / market rivalry for attention - *personality traits* : **resilience, ambition, self-reflection and -efficacy** - *entrepreneurial mindset and skills* : **proactive and open-minded thinking, attitude, behaviour, and entrepreneurial skills**
market inefficacy (low transparency / asymmetric information)	due to missing data from transactions and asymmetric information about artists' and buyers' expertise, artists are recommended to build **direct and transparent business contacts** to (potential) art buyers and audiences.
low liquidity	buyers and artists are usually distant in terms of space and time and therfore not always available. Artists could increase their availability, market liquidity, and (potential) buyers' benefits by **being regularly visible**, either online or physically or both.
high transaction costs	due to given market inefficacy, powerful intermediaries cause high transaction costs (e.g. gallery and auction fees). Artists could contribute to lower transaction costs by **building audiences and increasing transparency**.
low income / multiple job holdings	to make a living **employability and entrepreneurial skills** are required

Source: Author's own illustration

NESTA (2008, p. 3) claims that "an awareness of business and of the wider value of their cognitive skills would give art students more self-confidence […] and better prepare them for the labour market". However, NESTA (2008, p. 3) also equally stresses that art education "must respect the motivations and aspirations of art students", so that they will not all be taught to become business people. Likewise, Bridgstock (2011, p. 2) and Thom (2016) stress that the development of graduates should go "beyond the traditional 'key' employability

skills" in relation to student development in the creative industries including the fine arts. It is definitely not desirable to transform fine art students into business people; rather, they should become entrepreneurs (Thom, 2016). Both claims reasonably raise the question about the different factors crucial for the professional success of fine artists in this challenging business environment.

Analysis, Findings and Discussion

The analysis included structured interviews with 9 practising fine artists as well as surveys by questionnaire of up to 210 fine art lecturers, 47 fine art undergraduates, and finally 117 commercial and contemporary fine art galleries. The surveys were conducted to explicitly identify the market challenges and success factors of fine artists, including the crucial skills to successfully meet market challenges from different angles. The UK and Germany were chosen for the purpose of identifying differences in business environments and success factors between the UK as a worldwide leading art market and Germany as representative of the considerably smaller art markets in Europe.

Identification of Market Challenges

The surveyed art lecturers, all of whom were practising artists, fine art students, and commercial fine art galleries identified the market challenges, more precisely, the major barriers to and factors for the professional success of fine artists, as highlighted in red boxes in Table 2.

Table 2: Barriers to and Factors for Professional Success of Fine Artists

Market Barriers	Commercial Galleries		Fine Art Lecturers		Fine Art Students	
	UK (n_{UK}=40)	Germany (n_{GER}=77)	UK (n_{UK}=133)	Germany (n_{GER}=65)	UK (n_{UK}=17)	Germany (n_{GER}=30)
	Number of mentions (multiple mentions possible)		Number of mentions (multiple mentions possible)		Number of mentions (multiple mentions possible)	
lack of …						
… market access	-	-	102	46	3	10
… visibility (public and audience perception)	4	12	89	37	5	11
… reputation/brand (marketing/promotional activities)	-	-	84	33	1	6
… network contacts	-	4	67	28	-	1
… skills and preparation (openness for business and commerce)	21	9	39	24	5	7
… outstanding art (quality)	32	66	37	18	2	-
… personality	16	34	-	-	-	-
… professional attitude/work ethic	2	11	31	9	-	-
… faith in gallery	7	12	-	-	-	-
market specifications (structure, gatekeepers)	-	-	-	-	5	7
oversupply of art	-	-	32	13	-	-
other reasons; I do not know	-	3	37	14	5	18 *

* 11 out of 30 German fine art students (none in the UK) mentioned the need for a secured basic income as key market barrier; visibility suffers from multiple job holdings

Success Factors	Commercial Galleries		Fine Art Lecturers		Fine Art Students	
	UK (n_{UK}=40)	Germany (n_{GER}=77)	UK (n_{UK}=135)	Germany (n_{GER}=67)	UK (n_{UK}=17)	Germany (n_{GER}=30)
	Number of mentions (multiple mentions possible)		Number of mentions (multiple mentions possible)		Number of mentions (multiple mentions possible)	
oustanding art	32	72	87	37	5	6
personality (fresh, inspiring, individual, marketable)	15	37	-	-	-	-
marketing/promotional activities	1	-	81	37	2	6
network contacts	-	2	79	32	7	11
market access	-	-	68	21	-	1
visibility (exhibitions)	1	9	-	-	-	-
skills (openness for business and commerce)	1	5	63	28	6	8
work ethic (determination to succeed; endurance and persistence)	3	19	58	26	6	13
luck	-	-	19	3	3	5
other reasons; I do not know	4	7	34	14	2	8

Source: Author's own calculation

The following criteria were identified by the surveyed groups as barriers to and factors for professional success:

- quality,
- personality,
- market access,
- visibility (marketing and promotional activities),
- reputation/brand,
- network contacts,
- skills (openness for business and commerce), and
- work ethic (professional attitude).

In this context, notable differences between the UK and Germany were not identified. That suggests that barriers to and factors for professional success of fine artists are quite similar in both of these mature markets, despite their differences in size (volume and transactions) and international reputation.

The findings indicate the tension between the two poles of art-producing fine artists with limited resources and art-demanding commercial galleries in their role as powerful gatekeepers and market barriers for emerging artists. As mentioned earlier in the context of the literature review, galleries are mostly profit-oriented and thus driven by the market demand of art collectors on which they are often financially dependent. Due to this, galleries represent the market perspective by showing a clear focus only on searching for and selecting quality for their clients, including saleability and marketable artworks and personalities. Basically, fine artists and art students as prospective artists have the option of trying to meet galleries' requirements to increase their chances at being discovered or to create, pursue, and develop their career all alone and mostly the hard way. Some surveyed lecturers considered marketing more for professional success than artistic talent, particularly since different, subjective understandings of quality between galleries and artists exist. According to the survey findings, commercial galleries frequently defined quality by means of the criteria of saleability and marketability of artworks and personalities. In any case, fine artists need

visibility and market access for their professional success. Their particular claim to market access and need of self-promotion, skills, and network contacts along with quality, as shown above in Table 2, could be understood in that context.

It is also notable that the relatively high expectation of fine art students that persistence and a positive attitude towards hard work, which was summarised as work ethic in Table 2, were also important for professional success. This aspect had, however, a much lower relevance for practising artists/lecturers and galleries. That could mean that in practice inexperienced students were more idealistically driven by the belief that hard work would lead to success. However, the given answers of commercial galleries and fine artists/lecturers clearly show that hard work alone does not lead to success because other criteria were expected to have a higher impact.

Art Graduates' Preparation to Overcome Market Barriers

Considering these facts, the surveyed fine art lecturers and students were further asked whether they expected their students or themselves to be prepared to successfully overcome the aforementioned barriers after graduation. The expectations of lecturers are illustrated in Figure 2.

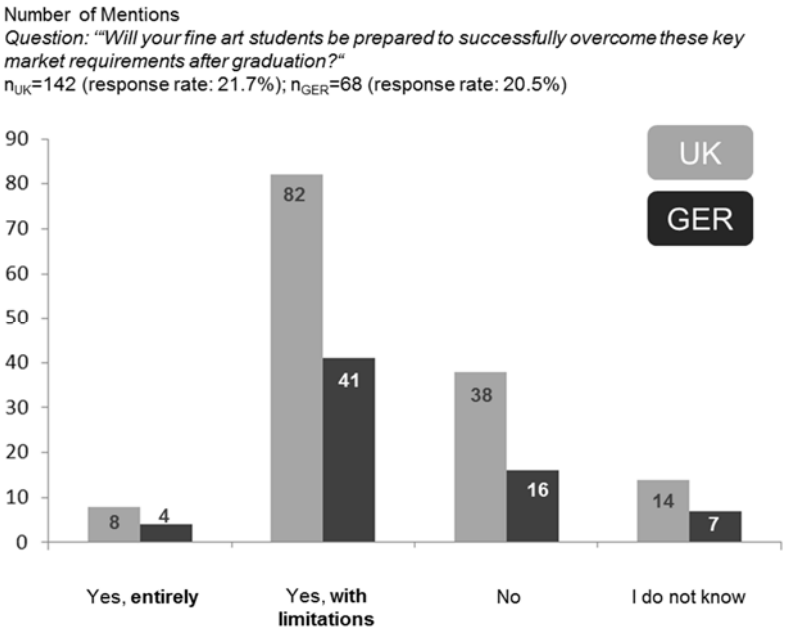

Figure 2: Lecturer Survey: Graduates' Expected Preparation for Market Challenges; Findings in UK and Germany
Source: Author's own illustration

The vast majority of 177 out of 210 participating lectures as well as of 30 out of 47 students showed considerable concerns by highlighting in particular three reasons, as some given answers exemplarily illustrate in Table 3.

Table 3: Reasons for Concern Regarding Graduates' Professional Preparation

Reasons for Concern	Lecturers in Fine Art	Fine Art Students
Lack of entrepreneurial skills and real-life teaching	▪ "Stronger focus on entrepreneurship is needed, otherwise students will shine and die in beauty and poverty", ▪ "The limitations exist due to lack of experience as practitioners and dealing with new situations and concepts through trial and error and 'on the professional hoof', so to speak. […] I believe that enterprise and entrepreneurship education should absolutely be embedded into the curriculum over all three years […]", ▪ "Students are taught to produce high quality work. However, they are not taught to promote themselves and their work".	▪ "Students need to be clearly informed about what they could expect as practising artists. Almost all do not know what to look for when being self-employed and facing a gallery contract", ▪ "Better preparation for real life", ▪ "Seminars and trainings are needed to prepare us students for the time after graduation, for being a working artist".
Lack in students' personality traits and abilities	▪ "Quite often, students demonstrate a negative and unprofessional attitude towards their future profession and career. They really do not have the faintest idea how difficult it is to make a living as an artist.", ▪ "Students need a better (more realistic) understanding of their abilities", ▪ "[…] Students need to understand the meaning of being an artist", ▪ "We support our students in considering their futures through work experience, seminars, and practical information, but the decision as to being commercial and how commercial is for the student and not the college to make".	
Society	▪ "Arts education is wonderful and remarkable and should be maintained. College is known as the last refuge of art. The marketplace, institutions, art dealers, and collectors should be changed". ▪ "The adjustments are exterior to the educational institutes, which already do a very good job in preparing students to become good artists; the problem lies with the reception of the art in the marketplace". ▪ "Investors show no willingness to offer and pay decent prices for the work of not-yet established artists."	

Source: Author's own illustration

The dominant concern regarding graduates' professional preparation was considered by lecturers in graduates' **lack of entrepreneurial skills** due to the missing market orientation in the regular curriculum. This concern was primarily shared by 30 out of 47 students who emphasised the need to be more entrepreneurially taught about real life tasks and challenges. This finding allows one to assume that fine art students simply accept the fact that they need to learn business and entrepreneurial skills and competencies to be prepared for the market challenges that lie ahead.

The second reason for concern mentioned only by lecturers was considered in the **lack of students' personality traits and abilities**. Some lecturers questioned students' professional attitude and understanding of being a professional artist. This concern seems reasonable in light of the fact that a professional attitude (work ethic) was earlier mentioned as a factor for professional success.

A third and quite interesting reason for concern, once again only mentioned by lecturers, was **society**. Based on the given answers, two aspects were identified in this context: first, the lack of social acceptance of art and, second, the lack in educational resources. This first lack was related to the difficulty in finding acceptance for unknown art and artists in the

marketplace. Art institutions, investors, and dealers revealed – in the opinions of the lecturers – a low level of interest for unknown work and artists, as the answers in Table 3 above illustrate. The second lack in society was related to insufficient educational resources. Lecturers complained that there were only a few teaching jobs available in the arts.

As these findings impressively show, lecturers in Fine Art as well as students expected their students or themselves to suffer mostly from a lack of developed entrepreneurial skills due to a missing educational focus on arts entrepreneurship education in HEI curriculum.

How Emerging Fine Artists Recognise Their Business Environment

Structured interviews with nine practising artists, who were randomly selected and not represented by commercial galleries or other supportive networks and therefore to be called emerging fine artists according to Thurnhofer (2014), were conducted to gather emotions and perceptions as well as further informative data on their business environment, challenges, and expectations towards their professional career.

With regard to their business environment, the interviewed fine artists provided the following insights into their professional working life:

- **Not being able to make a living**: All nine interviewees stated that they were not able to make a living in the arts. Seven of them also mentioned not even being able to cover the cost of materials and exhibitions. That means that every exhibition would be a loss-making business for them.
- **Personal meaning to make a living**: Consequently, the artists were additionally asked for the personal meaning of being able to make a living as a working artist. Once again, the answers of all nine interviewees were unambiguous because they stated that this would be "very important" (3 mentions), "*great*" (2 mentions), the "aim" of being an artist (3 mentions), or "a dream" (1 mention). One interviewee stated in this context the necessity to earn at least a decent income in order to cover the daily cost of making art as well as to contribute to the economic situation of the family.
- **As a means to increase income in the arts**: All nine interviewees clearly stated a higher level of visibility as key to increasing their own chances at earning a living. Higher visibility is to be achieved, from their point of view, by effectively addressing art buyers, collectors, and gallerists (6 mentions), by attending "more exhibitions" (4 mentions), or by "more self-promotion" and "marketing activities", and events (5 mentions).
- **Reasons for not being visible**: All nine interviewed artists explicitly mentioned a lack of required resources, particularly in time, money, and access to exhibitions in order to become visible. One interviewee, "in order to improve visibility and market attention the required time, funds, and contacts are missing". Another interviewee, who was more focused on an online presence, added that "online presence in the marketplace depends strongly on website position on Google. All this is very time-consuming; particularly marketing and networking activities suffer from less time spaces". A further interviewee claimed the need for "more funds to realise more exhibitions". And another interviewee stressed the need for presenting at more quality exhibitions in order to attract awareness and visibility. The following statement could be typical for this group of respondents: "In order to increase the visibility of works they need to be promoted at more and qualitative better exhibitions; the better the quality of an exhibition the more esteemed is the artist's work quality and the better the audience's quality".

- **Further reasons for attending exhibitions**: Besides showing and promoting artwork to audiences at exhibitions, the interviewees additionally mentioned the opportunities for networking (7 mentions) and explaining their artworks to other artists to get feedback for their further improvement (5 mentions).

Noteworthy but not surprising in this context is that those artists that look for feedback particularly want it from peers rather than gallerists or art buyers in order to improve themselves artistically and professionally. This motive indicates that artists regard their peers as a "core" source of artistic competence and quality assessment. The interviewed artists were therefore additionally asked about their access and motives to address galleries.

- **Motives to address galleries**: The key motives to be represented by a gallery were twofold: one group (5 mentions) wanted a gallery for covering the costs of marketing, promotional activities, and exhibitions. For example, one interviewee was clear in this by stressing to have a "lack of sufficient funds for marketing and exhibitions", while another interviewee highlighted "time, cost coverage, and contacts" as key reasons for wanting a gallerist. The other group (4 mentions) emphasised the need of a gallerist's competence in knowing and approaching artists' target audiences. One interviewee stated in this context that a gallerist was needed to "promote my art to the right art buyers", while another interviewee considered the value of a gallery by supporting "an adequate pricing depending on the target group".
- **Current access to galleries**: Since all nine interviewees were not represented by galleries, they were asked about their assessment of attracting them. While one artist was focused on online sales and therefore not interested in attracting galleries, all other eight artists agreed in their assessment that galleries are very difficult to attract. One interviewee could be representative for the other eight artists by saying that "it is difficult to get their time and attract them with your work if you do not have a history or pushy recommendations from collectors". Another interviewee spoke of a "mystery" and added in this context that "the process of being discovered or found is hardly understood as gallerists want and expect you to be present and visible at specific events or exhibitions or to work with reputable institutions and organisations. That seems to be an interchanged reality". Two mentions were related to the requirement of having to be "mainstream" in order to attract a gallerist. An "art style that is definitely not mainstream is not wanted" stated one interviewee. While these two artists seemed to consider their own potential input to a business relationship with galleries, two other fine artists were more externally focused on galleries' potential input for a mutual business relationship, as they stated that "the gallerist has to have contacts to my target buyers, otherwise I do not need one" and "it is difficult to find a good gallerist who has the money, the important contacts, and finally the access to the relevant exhibitions".

The findings related to artists' motives to address galleries show that newcomer or emerging artists do not have high expectations of establishing business relations to galleries. Commercial galleries are mainly needed to cover cost for marketing and exhibitions and to build contacts to target audiences. If galleries cannot provide these added value services, they seem to become less important in artists' view as stepping stones in their professional development.

Conclusion and Further Research

Conclusion

The literature and survey findings clearly show that the art market is characterised by different segments of varying market attention and visibility, whose access is controlled by informal market barriers consisting of powerful networks of commercial galleries, art collectors, and successful artists. These networks and market structures nurture a high level of market inefficiency driven by a deliberately asymmetric information distribution system mainly managed by said gatekeeping networks and resulting in a considerable lack of market transparency and liquidity. The vast majority of fine artists are practising in segments excluded from buyers' awareness which explains why most of them fail to make a living in the arts. Among these artists there is thus a high rivalry over the attention of art-demanding commercial galleries, art buyers, and collectors. These fine artists particularly face the professional challenge of self-managing their own career and of being more entrepreneurial. In this context, artists are requested, among artistic skills, to develop an entrepreneurial mindset, the crucial "five plus two" entrepreneurial skills (Thom, 2016), and the personality and quality to increase their chances of being able to become visible, to attract awareness, to have access to the market, and to make a living in the arts.

Further Research

Suggestions for further research include, on one hand, a survey of the art-demanding side of the equation, e.g. by interviewing art collectors and occasional art buyers. Their knowledge of specific buying factors and trends should have a positive impact on increasing fine art graduates' and practising artists' awareness of buyers' needs and demands. On the other hand, further research must include other disciplines in the arts, such as acting, dancing, or music, and it should be extended to other non-business subjects with a high level of graduate self-employment, e.g. journalism, physical therapy, or gastronomy.

The requirements of a professional and entrepreneurial career of fine artists are still under-examined fields in the literature. Therefore, further research is recommended in order to establish a deeper and broader understanding in this field. Longitudinal studies would be indispensable. A comprehensive analysis of cause and effect relationships in entrepreneurial education at HEIs and market preparation could provide deeper insights into the educational processes and institutional structures to reveal opportunities for sustainable adjustments in the future. Important questions are still unanswered, for example, "which skills are really important to teach to professionally prepare art graduates for the market?," "How should they be taught and to what extent?" These and many other questions need to be answered to gain a deeper understanding of the relevant issues for effectively preparing fine art students for market requirements.

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