

ARTSY

2017 Gallery Survey Roundup

INSIGHTS ON THE STATE OF THE ONLINE ART MARKET

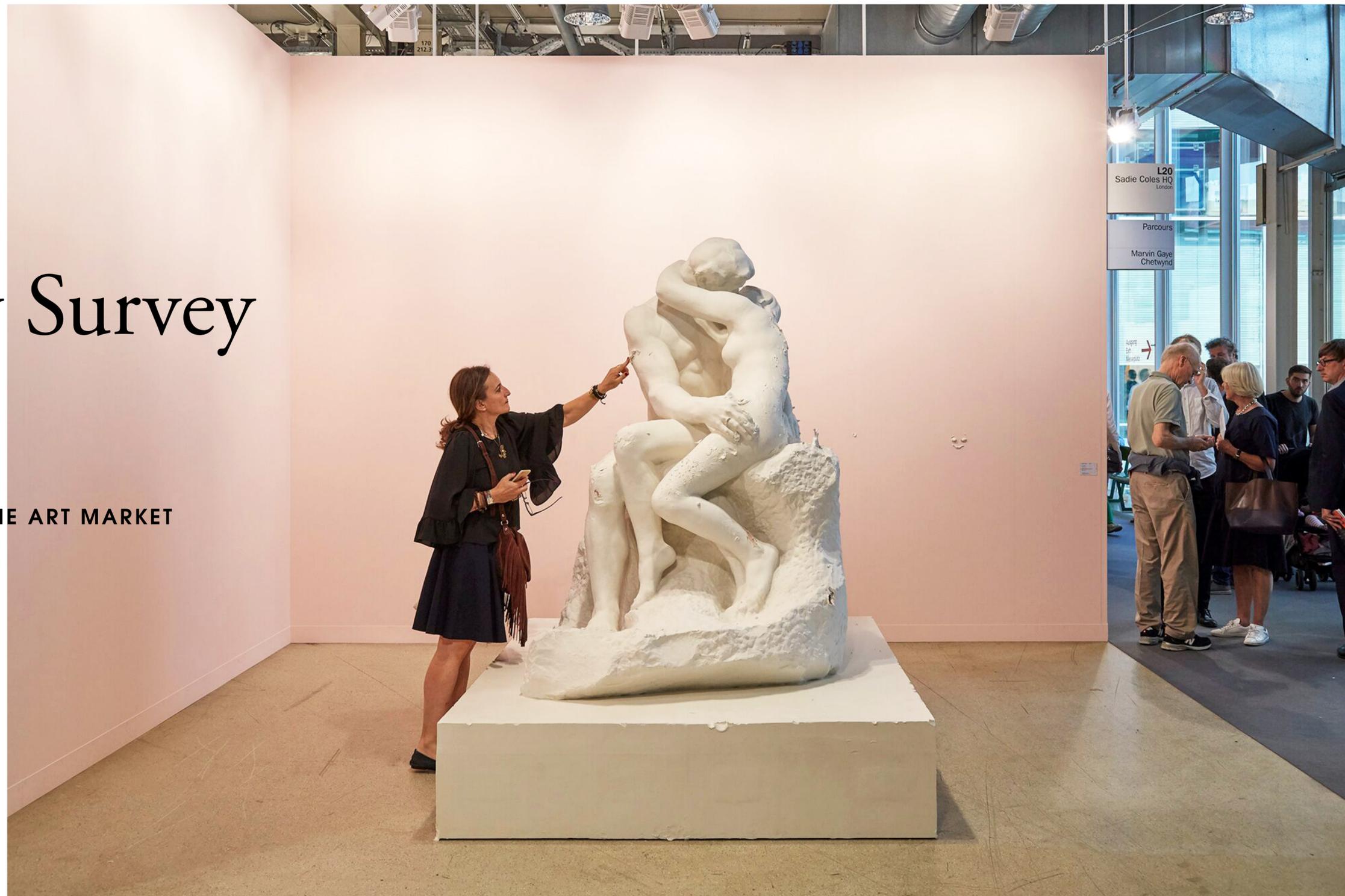


Photo by Benjamin Westoby for Artsy.

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Forward

If there is any one theme that stands out for us in 2017, it is uncertainty. As technology continues to evolve consumer experiences, as businesses weigh the costs of online and offline, and as social and political discord unfolds on a global scale—what will be the impact on the art world?

To answer this question, we asked gallerists from around the world to share their perspectives. The insights gained shed light on the people and practices behind gallery businesses, a driving force in the art market.

This survey roundup reflects topics that were top of mind for gallerists in 2017: the evolution of the traditional gallery model, the online art world, the growth of digital marketing, and more. Many respondents noted the impact of current events on their business while others commented on the increasing shift towards transparency in the art world. Inherent in all of this was careful consideration of a gallery's business, brand, and program.

As we share these takeaways and continue the conversation in 2018, I want to extend a sincere thank you to the gallerists who participated in the survey and shared candid reflections on the past year.



JESSICA BACKUS

Director of Gallery and Art Fair Relations, Artsy

Methodology

This end-of-year report is based on 581 survey responses from art and design gallerists around the world. Of the respondents, 44% of gallerists are known Artsy gallery partners.

Within this report, we have included snippets of long-form responses submitted from the 581 respondents. These quotes serve to highlight repeated feedback and comments—all information is anonymous and presented in aggregate.

How many full-time employees work in your gallery?



Key Takeaways

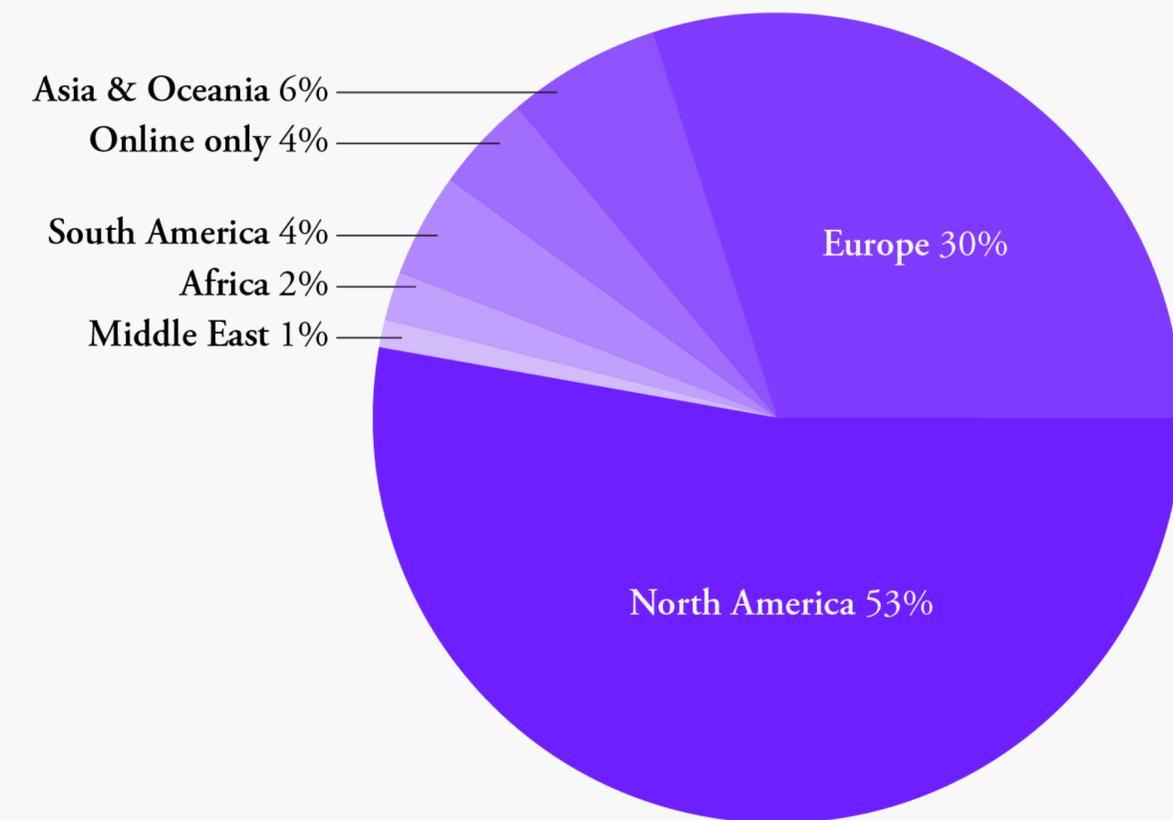
THE ONLINE ART WORLD IS HERE TO STAY

Gallery responses confirmed that there is no longer a question about if online will play a pivotal role in the art world, but rather how. It's clear that in 2017 many galleries expanded beyond the basics (like a gallery website) to invest more in a variety of online platforms to support their businesses. Over the past year, 46% of gallerists reported a redesign of their website, and 21% said they hired a dedicated person to manage their online presence.

SOCIAL MEDIA IS FOR MORE THAN JUST NETWORKING

One of the most noteworthy trends in 2017 is the evolution of galleries' relationships with social media platforms. In the past, Instagram and Facebook served merely as digital photo albums and simple networking tools. However, with paid social ad placements and interactive photo and video features, gallerists are now investing in social media more heavily as marketing and sales tools. This year, 54% of gallerists reported experimenting with video (e.g. Instagram Stories, Facebook Live) and 47% said they communicated with collectors directly on social media.

Where is your primary gallery location?



Key Takeaways

SHIFTING TOWARDS TRANSPARENCY

Collectors are increasingly seeking information about provenance, pricing, condition, and more while browsing artworks online. To meet this digital demand, gallerists are beginning to adopt more transparent sales strategies and present artwork details upfront. For example, some gallerists are listing prices on social media, and 29% of gallerists using online platforms reported listing prices publicly. This trend suggests that the standards of transparency online could seriously influence the art market in the coming years.

DIGITAL MARKETING MEANS MORE QUALIFIED LEADS

Many gallerists shared candidly their thoughts on the evolution of the traditional gallery model—as this model continues to develop, traditional marketing methods are changing in tandem. 55% of gallerists asked about advertising channels reported investing in print ads in 2017. However, 65% of all respondents reported print ads as the least helpful marketing channel. While print ads often signal an investment in brand presentation and visibility, digital marketing tools are increasingly targeted and customizable, enabling gallerists to reach a custom audience of qualified collectors, press, and art enthusiasts.

A CHALLENGING YEAR WITH GLOBAL POLITICS TOP-OF-MIND

As numerous gallerists pointed out, 2017 was a year of unforeseen challenges that set a tone of unease for individual businesses and the art market at large. Citing the aftermath of the 2016 U.S. election, political shifts in Europe, natural disasters, and terrorist attacks, gallerists across the globe reported slower foot traffic and a need to adjust their sales strategy in these changing times. It is worth noting that the survey did not directly ask gallerists about these world events or the impact on their businesses. Rather, when asked to share additional insights about 2017 and expectations for 2018, an overwhelming number of gallerists wrote about the economic and emotional impact of current global events.

Read on for a more in-depth look into survey results.

The Fundamentals Haven't Changed

While online is growing rapidly in popularity, it is not entirely replacing traditional methods of operation. 44% of gallerists reported that in-person networking was their most helpful marketing channel in 2017. Similarly, 40% of gallerists listed walk-ins to be their greatest source of artwork sales in 2017.

It is also worth noting that some gallerists expressed reservations about the perceived impersonalization that comes with online. One comment highlighted the importance of delivering “personal and professional service” as the art world develops digitally because for collectors, “being remembered and feeling valued...is what is craved the most.”

GALLERISTS ARE STILL INVESTING IN PRINT

Despite the global decline of print publishing, 55% of gallerists asked about advertising channels reported purchasing print ads in 2017—a percentage equal to the number of gallerists that purchased Facebook ads in 2017.

One key takeaway from gallery advertising behavior today is the interest in digital advertising. While print advertising has been around for decades, the equal investment in Facebook and print ads by gallerists that partner with Artsy indicates a notable change is occurring in the art world. In the past, collectors may have primarily consulted magazines and newspapers to discover new shows—but, if we can take away anything from gallerists purchasing Facebook ads, it's that gallerists are increasingly open to digital advertising channels.

LINGERING RESERVATIONS ABOUT ONLINE

Inquiry quality ranked highest among gallerists' reservations about the online art world. This makes sense given the scale of art audiences online—in the case of Artsy, over 2 million visitors monthly—and ease of experience for collectors to browse and inquire.

Interestingly, survey respondents ranked the cost of joining an online platform as their second highest reservation. This is somewhat surprising given the percentage of gallerists who reported redesigning a website (46%) or purchasing print ads (55%)—investments which cost a multitude more than online platforms. We understand these cost allocations to be driven largely by brand presentation and awareness, with websites and print ads perceived as a first-wave marketing effort.

The Online Art World Continues to Grow

Galleries today are diversifying their online presence. 90% of survey respondents said they use Facebook, 87% use Instagram, and 53% use an online art platform. As each of these channels becomes increasingly transactional—for example, click-to-buy art on Instagram—we expect more galleries to engage online, even if only to increase brand or programming visibility.

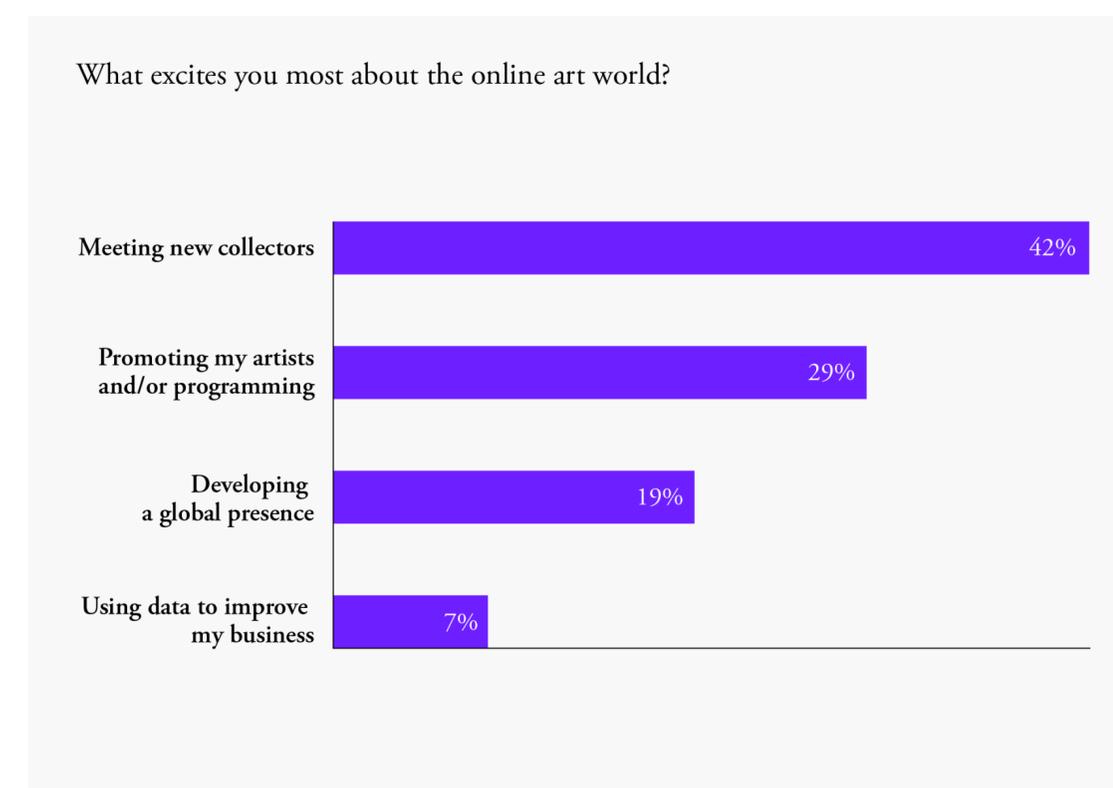
Survey results indicated that there is a trend among galleries to invest more in their brand perception online. As stated previously, in 2017 nearly half (46%) of gallerists redesigned their websites. Notably, for art world audiences, redesigning a website is often not cheap.

Additionally, we asked gallerists who identified as Artsy partners to rank their key considerations when choosing an online platform to work with—these gallerists ranked “visual aesthetic” as the second most important feature (shortly following “audience size”).

Finally, many gallerists viewed the online art world in 2017 as a market ripe with opportunity for both networking and publicity. When asked what most excited them about the online art world, 42% of gallerists said “meeting new collectors,” 29% said “promoting my artists and programming and,” 19% said “developing a global presence.”

WHO IS THE ONLINE COLLECTOR?

The majority of gallerists (52%) reported the average age of its collecting audience to be between 45-54. It is worth noting, however, that a younger audience is also looking online to discover art. 24% of gallerists listed their collecting audience to be between 35-44 and 3% said their collecting audience was 25-34. As Generation Y gains career traction and begins to earn disposable income, we expect to see a shift in the average buying age, especially as art online becomes increasingly accessible.



The Evolution of Sales Online

INCREASED TRANSPARENCY ONLINE

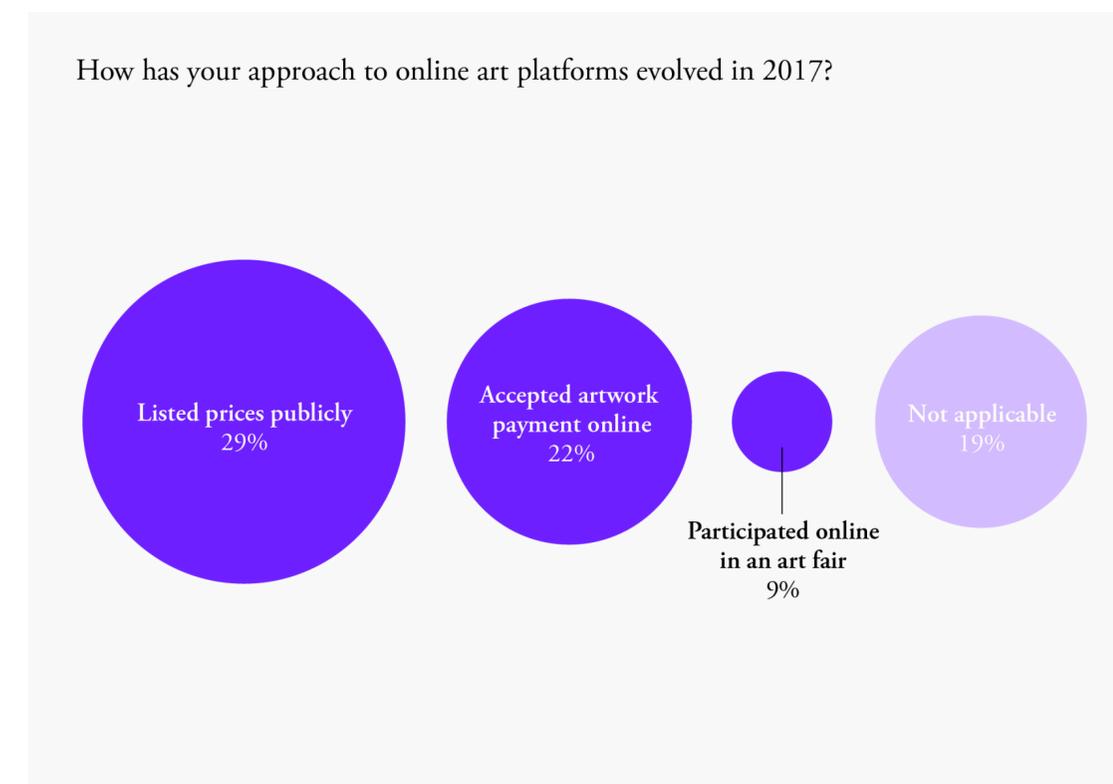
Survey results indicate that a number of gallerists are sharing artwork pricing and availability publicly across multiple platforms.

In 2017, 29% of gallerists who used an online art platform reported listing prices publicly, and 16% included price information on Instagram or Facebook. It seems that the questions surrounding transparent pricing are no longer the “all or nothing” paradigm of just a few years ago but are now more nuanced challenges. For example, gallerists now have to consider factors such as how to negotiate listing prices with consignors, higher price point works or artists for whom they are not the sole dealer, and whether to include taxes and other costs in online listings.

As observed on Artsy, when artwork pricing and availability are included, the quality of inquiries and likelihood of a sale increase. It’s likely that we’ll continue to see an increase in pricing transparency as products evolve and the art world navigates the nuances of public pricing.

SOCIAL MEDIA IS A TOOL FOR EXPERIENTIAL MARKETING

Facebook and Instagram are increasingly popular for gallerists to advertise to a targeted audience and even facilitate sales through direct messaging or e-commerce tools. For example, in March 2017, Instagram launched [Instagram Shopping](#), allowing users to browse and buy apparel, jewelry, and beauty products within Instagram posts. As social media stretches to include integrated purchasing experiences, gallerists have the opportunity to leverage these visually-driven platforms to promote and sell artworks.



Graph is based on multiple selection answers.

New Marketing Channels Emerge

DIGITAL STRATEGY INFLUENCES GALLERY SUCCESS

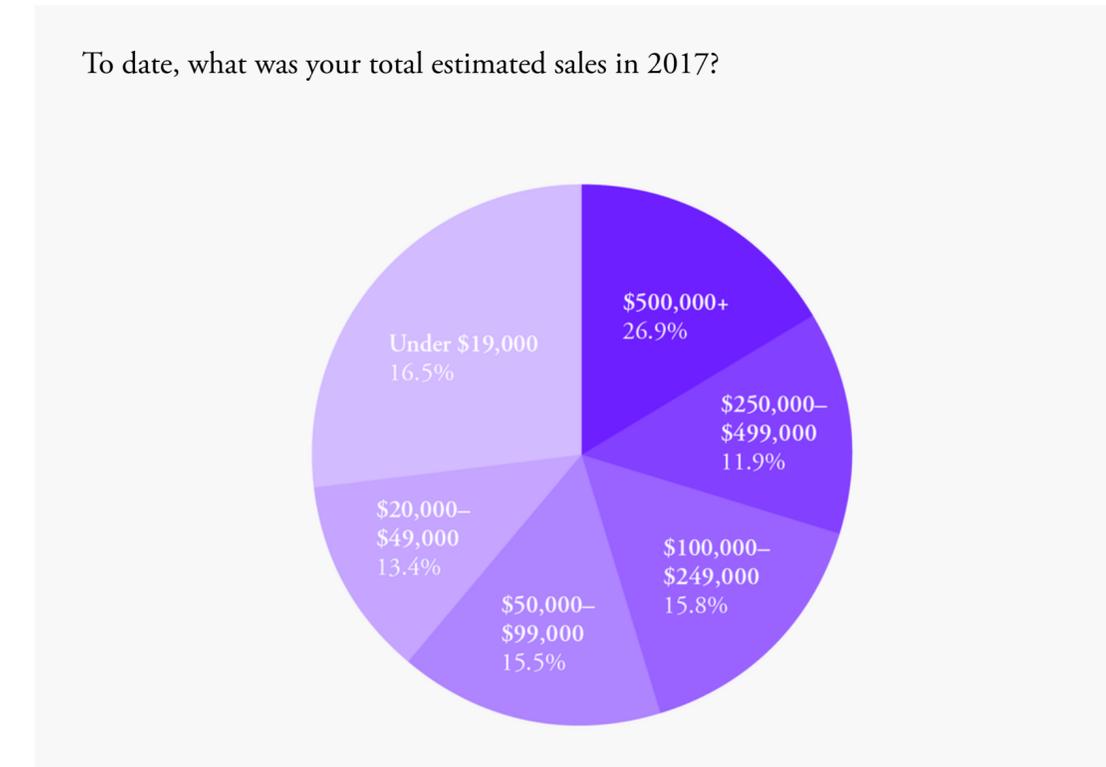
53% of gallerists reported using an online platform in 2017, and 21% of gallerists reported using more than one online platform.¹ Although there is no correlation between sales volume and using an online platform, on average, those gallerists with an online platform reported higher estimated total sales in 2017 than those who did not have an online platform.

Additionally, it's worth noting that a number of gallerists wrote in that online sales had increased over the past year. For example, one gallerist added that as a result of the “shift from gallery walk-ins to online sales,” they’ll be “refocusing [their] online presence” in 2018.

¹ *These findings indicate growth since 2016. In the [2017 Hiscox Online Art Trade Report](#), 27% of surveyed gallerists reported partnering with a third-party platform. It is important to note we do not know the extent of overlap between the gallery respondents for this survey and the Hiscox report.*

ONLINE-ONLY CAN BE COST EFFICIENT

Despite the largely positive shift in attitude towards online art platforms, reservations about their cost and effectiveness still linger among gallerists. As mentioned previously, 31% of gallerists listed the cost of joining an online art platform as their biggest reservation about the online art world. Yet with gallerists noting, “rents are increasing at an alarming rate,” investing in online platforms can be a cost-effective way to lower overhead costs like brick-and-mortar spaces and increase profitable returns.



New Marketing Channels Emerge

A MARKETING TOOL TO REACH A GLOBAL AUDIENCE

The accessibility and reach of the online art world has set a new precedent for international relationships and connections.

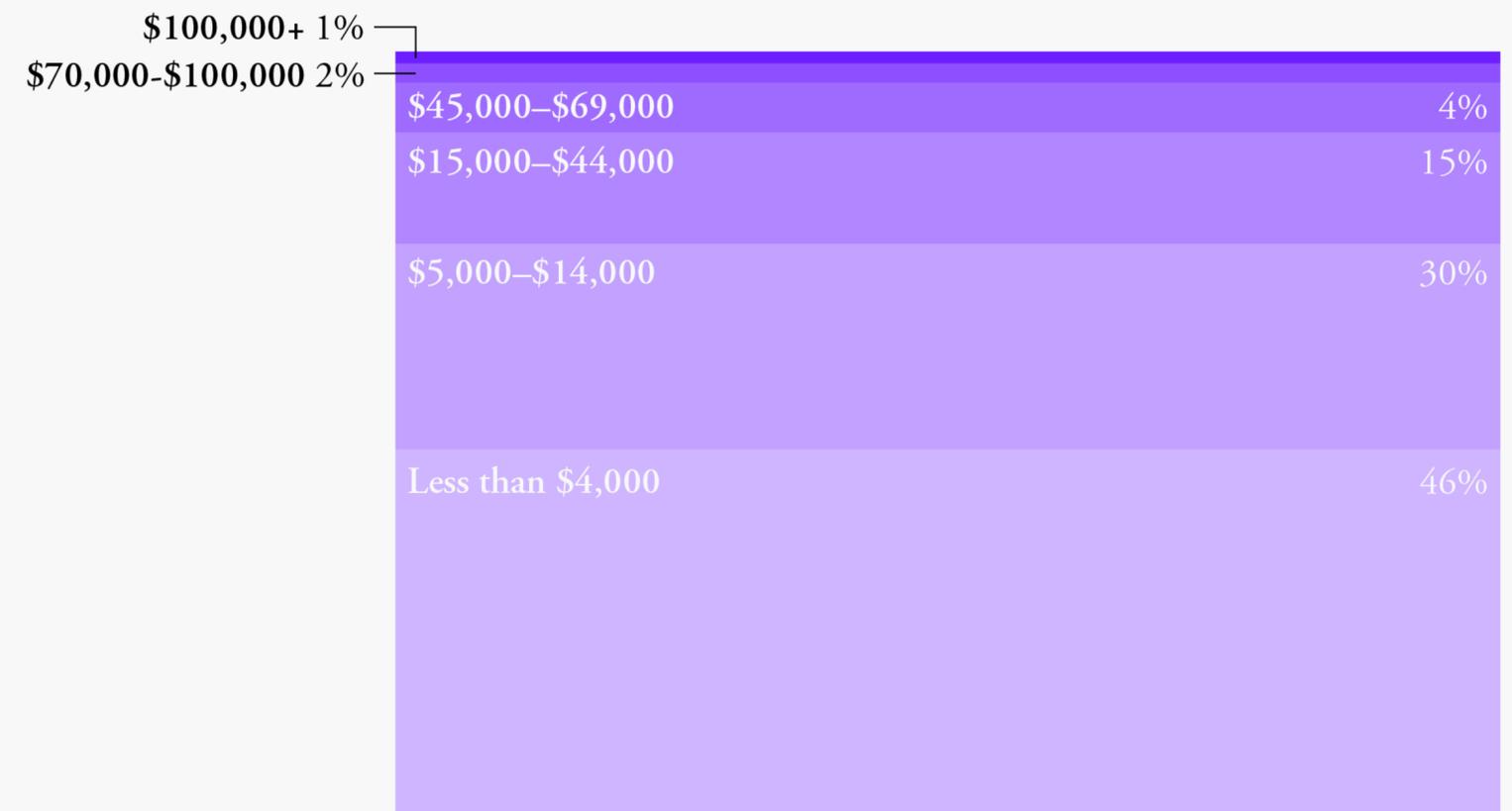
This year, only 14% of gallerists ranked fair attendance as the most helpful marketing channel. One key takeaway from this is that while fairs used to serve as the primary networking forum for collectors and gallerists from around the world to meet, the accessibility and reach of the online art world is opening up new channels for communication and connection. This sentiment is reflected in one gallerist's write-in which stated, "joining an art platform that can help you meet new collectors is equally important as doing art fairs."

As online art platforms continue to grow in popularity, we can only expect the art world to become increasingly global in its scale and scope.

SOCIAL MEDIA IS AN INVALUABLE TOOL

Over the past year, galleries invested time and resources into developing their brand presence through social media. 54% of gallerists reported experimenting with video tools like Instagram Stories and Facebook Live, while 47% said they communicated with collectors directly through social media.

What was your approximate marketing budget in 2017?



New Marketing Channels Emerge

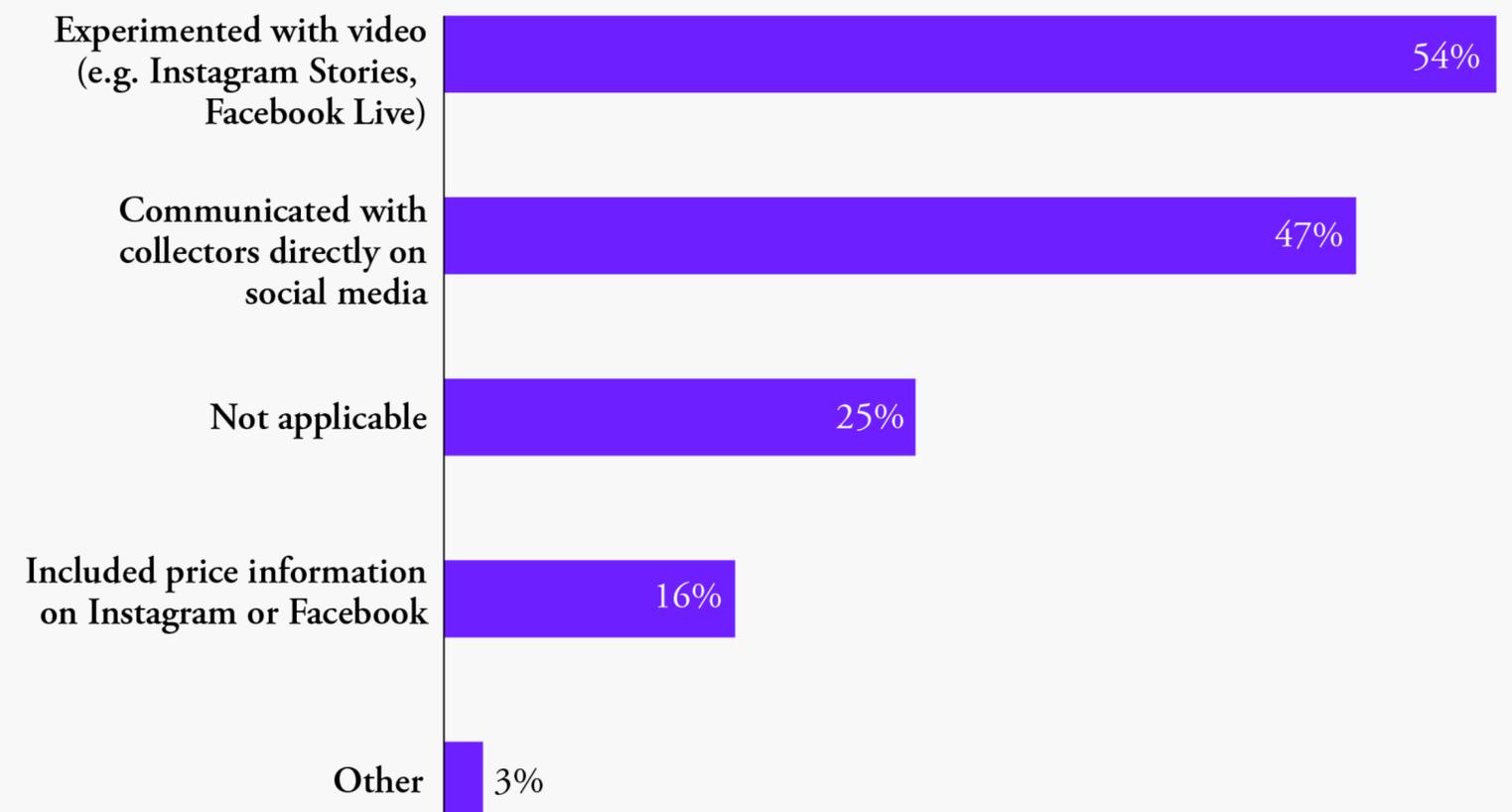
WHAT DOES THIS MEAN FOR 2018?

Social media is one way for gallerists to differentiate their artists and offerings from others. In 2018, gallerists will likely begin (if not continue) to create marketing content exclusively for social media in order to connect with collectors. Examples of this marketing content could include photographs and video series developed for features like Instagram Stories or Facebook Live, such as behind the scenes gallery walkthroughs and studio talks with artists.

And with online creating the opportunity for more businesses to develop with different resources, brand perception holds more weight than ever before. With the myriad of galleries that have come online, it's important that galleries craft and establish a unique brand identity so as to differentiate themselves and capture the attention of collectors. One gallerist that wrote in mirrored this sentiment, claiming that in 2018, "we plan to refine our online presentations to give a more personal feel."

Lastly, like galleries that now identify as online-only, we could see more galleries emerge that have no storefront but operate exclusively through social media, taking advantage of the community and instantaneity the platforms offer.

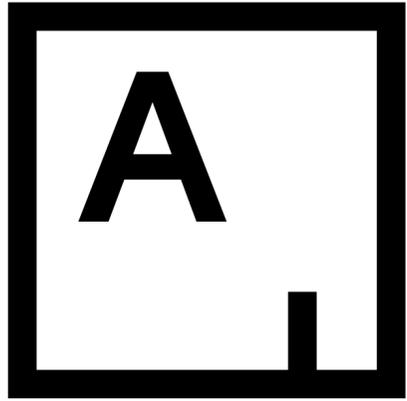
How has your social media strategy evolved in 2017?



Conclusion

There is no doubt that in 2017 gallerists reached more people than ever before. From in-person activities like exhibition openings and art fair attendance to online investments like social media and third-party platforms, there are more ways than ever for art lovers and collectors to explore, discover, inquire, and collect works from around the world.

Despite this past year's global challenges, many gallerists expressed optimism and determination when asked about their outlook for 2018. As the art ecosystem continues to grow—and the world around it continues to change—it is increasingly important for gallerists to be able to reach the right audience, ensuring these increased entryways to art are no less valuable. At Artsy, we look forward to continuing to support galleries around the world and provide the necessary audience and tools to connect with new and seasoned collectors.



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