



Art Industry Trends 2023

Five key insights for galleries today.

ARTSY

Art Industry Trends 2023

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Welcome to The Art Industry Trends Report 2023, Artsy’s new research-driven report on the key issues impacting art galleries today. This year, we surveyed gallery professionals and dealers from 85 countries to ascertain the major factors affecting the art industry in 2023, from the art driving the most sales to the ways that art professionals are meeting new collectors.

Last year was marked by the full return of the physical art world, as COVID-19 restrictions across the globe mostly ended for good. Despite the return of in-person fairs and events, the online sales practices that flourished during the pandemic remain an important source of revenue for galleries today. Plus, our survey’s respondents intend for online sales to be a primary source of growing sales in the future.

This increasingly hybrid art world, where in-person relationship-building goes hand in hand with online sales mechanisms, is a theme that recurred across our survey. It became clear that a balance between the physical and digital is key. For example, when asked to select any number of their most important marketing channels, more than 60% of respondents chose email newsletters, followed closely by gallery websites (58%), in-person events (57%), social media (43%), online art platforms (42%), and in-person fairs (39%).

Another central theme of last year—and one that continues to persist into this year—is global economic and political uncertainty, from which the art world is not insulated. Most respondents to our survey said that they have raised prices for artworks this year, with inflation viewed as the primary contributing factor, followed by other macro issues such as taxes/duties and geopolitical considerations.

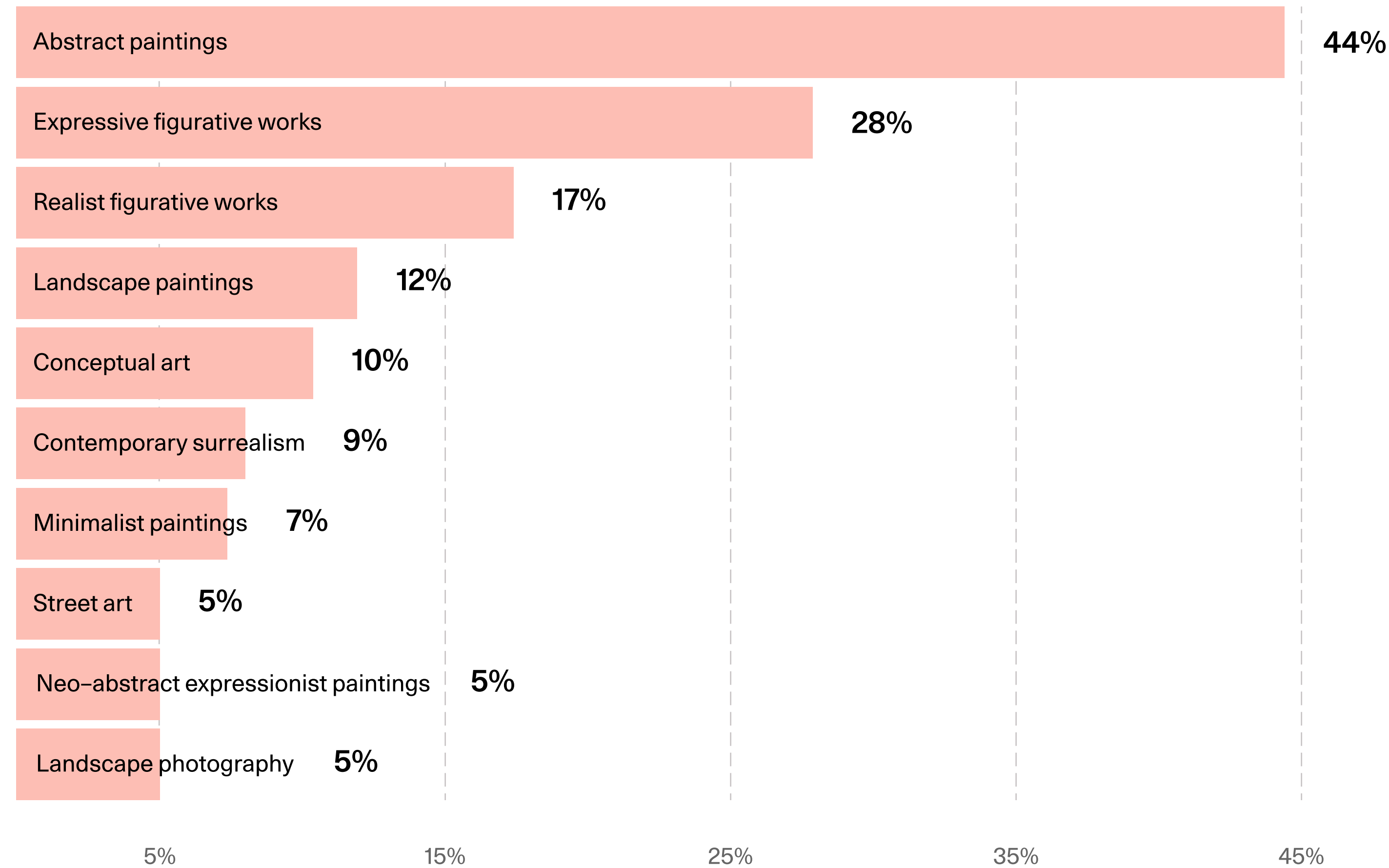
Secondary-market demand ranked second among those reasons for artwork price changes, reflecting collectors’ appetite for the limited supply of artworks by a finite number of trendy artists. Most respondents, our survey finds, view mid-career and ultra-contemporary artists (born on or after 1975) as most important to future sales, which chimes with a year of record- and estimate-smashing sales for these categories at auction. Abstract art—a genre that has made strides in the secondary market for prices realized last year—is also viewed by a majority of respondents as most important to sales.

Youth is another thread that runs throughout our report. We see a marked difference in the interests and strategies deployed by younger galleries (those in business for less than three years), which are connecting with younger collectors and artists to a higher degree than their more established peers. Older collectors, meanwhile, are viewed by respondents as a whole to be less important to future sales: Only 10% ranked collectors aged 55+ as most important to the future growth of their business.

1.

Abstract paintings
are most important
to gallery sales.

Which genres or themes of contemporary art are most important to your business?



For 59% of respondents, non-figurative paintings (which includes abstract painting, as well as associated genres such as minimalist painting, spiritual abstraction, and neo-abstract expressionism) were selected by a majority as most important to their business now. In contrast, 45% of galleries ranked figurative painting highest.

Interestingly, responses change when galleries look to the future: Only 46% chose the aforementioned abstract categories as being most important for future sales. This diminishing confidence also applies to other types of painting: Figurative and landscape paintings are all expected to be less significant to future sales than they are to their current market offering. Given that painting is the medium that currently sells the most for 76% of galleries surveyed, this could reveal a change in the types of works we can expect to see the most of at galleries and fairs in the coming years.

Areas that are currently less important for gallery sales, but are expected to become marginally more important in the future, include queer art, video art, and Afrofuturism (all of which, galleries said, were doubly important for future sales than current sales).

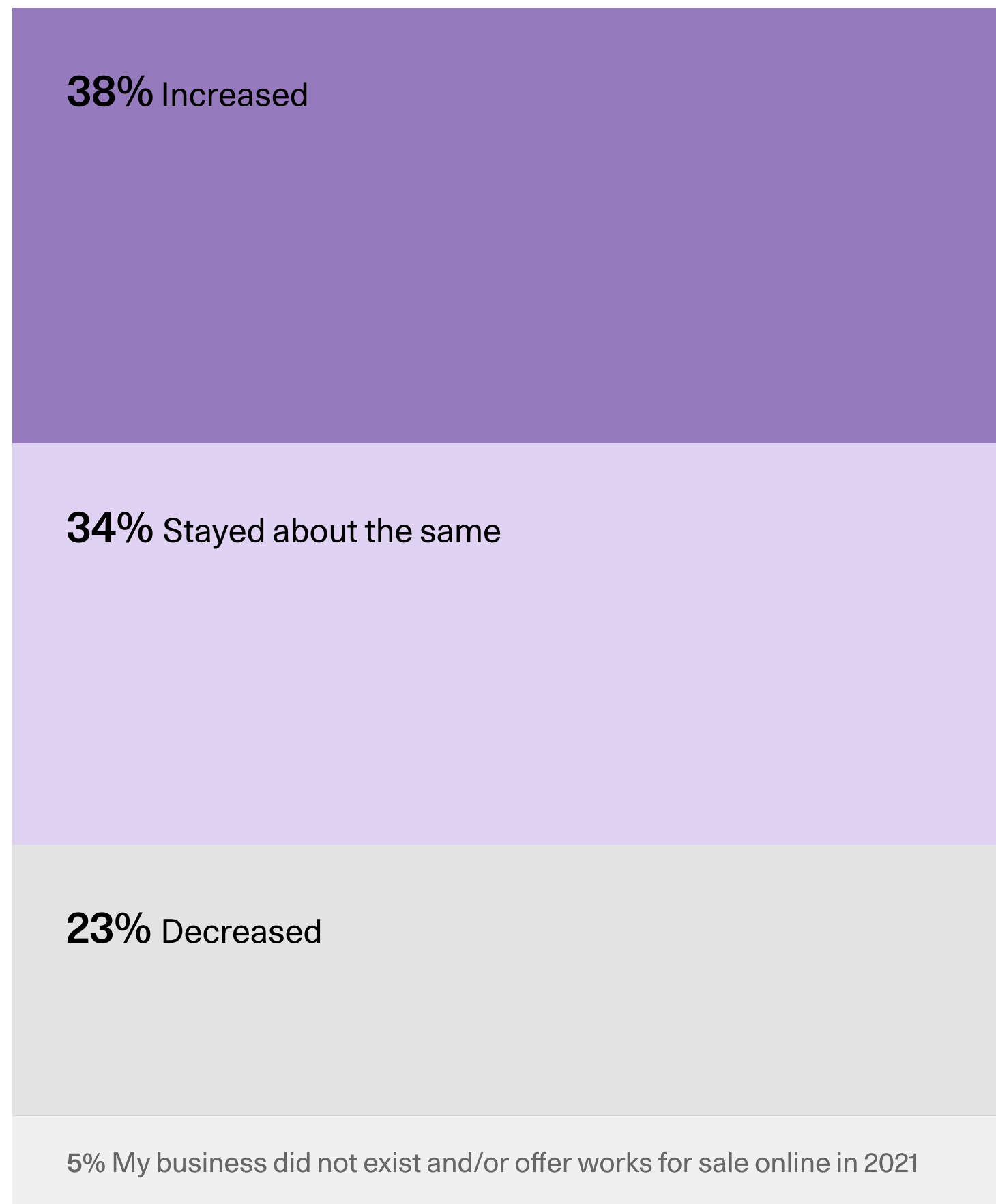
Figurative painting, meanwhile, is selling well online: Of the galleries surveyed that don't have a physical space, the most common category for the growth of their business was expressive figurative painting, while most galleries with a physical space selected abstract paintings as the most important.

1. Abstract paintings are most important to gallery sales.

2.

Online sales are a key revenue driver for primary- and secondary-market galleries.

How did the volume of your online sales in 2022 compare to that of 2021?



During the COVID-19 pandemic, galleries were forced to reevaluate their marketing strategies and sales channels. According to Artsy’s 2021 Gallery Insights Report, an increasing number of galleries reported operating without a physical location in 2020, and in the following year’s report, most galleries (64%) noted an increase in online artwork sales volume.

Although the physical art world has largely returned to its pre-pandemic state—more than 300 art fairs took place in 2022, and international travel is largely unrestricted now—our survey of galleries this year shows that online sales are still growing or stable. This year, when asked about the volume of online sales in 2022 compared to 2021, the largest group of respondents (38%) said that their sales volume increased, while another 34% said it remained consistent.

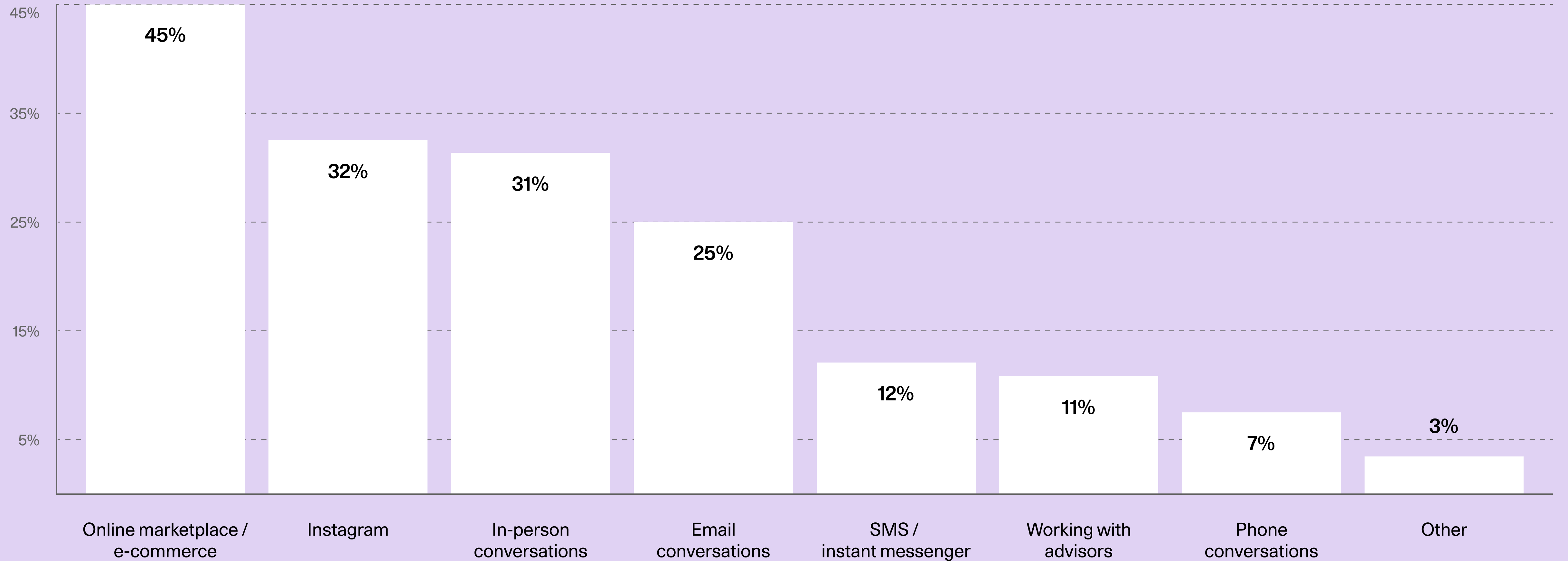
Selling artwork online also continues to be a useful way for respondents to connect with new collectors. More than half of the galleries surveyed (51%) described their online buyers as mostly new to their business, while only a small percentage (12%) said that their online buyers were mostly known to their business.

As a result, online marketplaces were selected more than any other category (45%) by respondents as a growing source of artwork sales, even more so than in-person conversations (31%), email conversations (25%), and working with an advisor (11%). This trend was consistent across galleries of all sizes: Some 56% of galleries with more than 10 full-time employees and 45% of those with fewer than 10 employees selected online marketplaces as a growing source of artwork sales—more than all other categories.

Interestingly, respondents that display artwork pricing reported better sales performance online. Those who displayed prices for all available works or some available works online reported an increase in online sales, while those who did not list prices online and only shared prices by request reported that their online sales volume mostly stayed the same.

2. Online sales are a key revenue driver for primary- and secondary-market galleries.

What methods are a growing source of artwork sales for your business?



2. Online sales are a key revenue driver for primary- and secondary-market galleries.

3.

Inflation has unexpectedly led galleries to increase artwork prices.

Inflation has become a dominant theme in the global economy, as evidenced by the International Monetary Fund's report of an 8% inflation rate for the world economy in 2022, more than double the rate of 3.4% in 2021 and 1.9% in 2020. This surge in inflation has had a significant impact on the art market, with artwork prices increasing significantly, particularly in the primary market.

According to our survey, 66% of gallerists who sell a majority of primary-market works reported a rise in prices, either significantly or slightly, while only 25% indicated no change. For galleries that sell a majority of secondary-market works, 46% have seen price increases, while 29% have seen no change.

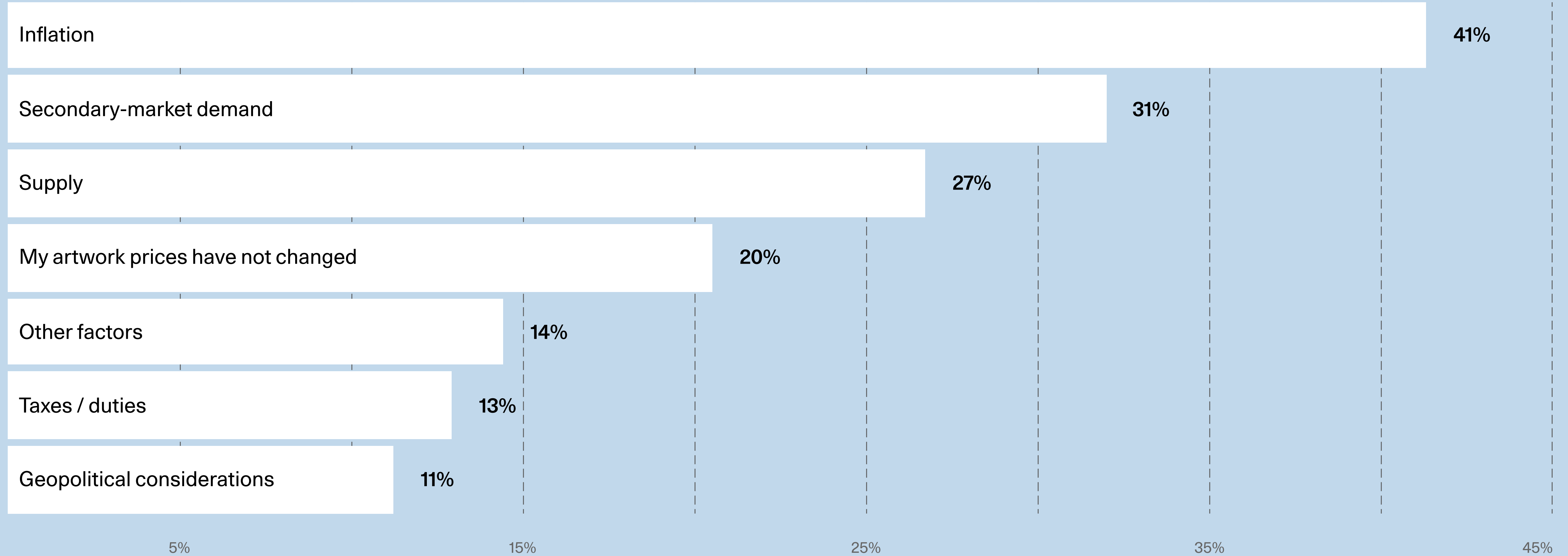
Inflation was chosen as the most influential factor in setting art prices by 41% of respondents. This is not surprising, given that many businesses across industries have had to adjust their pricing strategies accordingly. However, many gallerists did not expect for inflation to directly impact artwork prices: In Artsy's 2022 Gallery Insights Report, 44% of respondents stated that they did not intend to increase their artwork prices due to inflation.

The next most influential factor affecting artwork prices was secondary-market demand, selected by 32% of respondents, followed by supply, which was chosen by 27%. These two factors may be linked, as the art market has seen a continuing rise in prices for works by in-demand artists, particularly in the ultra-contemporary segment. This high demand is compounded by a shortage of supply for works on the primary market, which means that works by younger and trendy artists are selling for many multiples more than their estimates at auction houses.

Some 14% of respondents selected the "Other" category and listed other reasons for rising prices, including artists asking for higher prices, and a number of added, extraneous costs, such as shipping, commercial fees, and exchange rates, several of which are linked to inflation.

On the flip side, some galleries also noted that collectors are insisting on discounts and negotiating for cheaper prices. This may well reflect the broader economic uncertainty, where some collectors have become more cautious with their spending.

What factors are influencing the prices you set for artworks?



3. Inflation has unexpectedly led galleries to increase artwork prices.

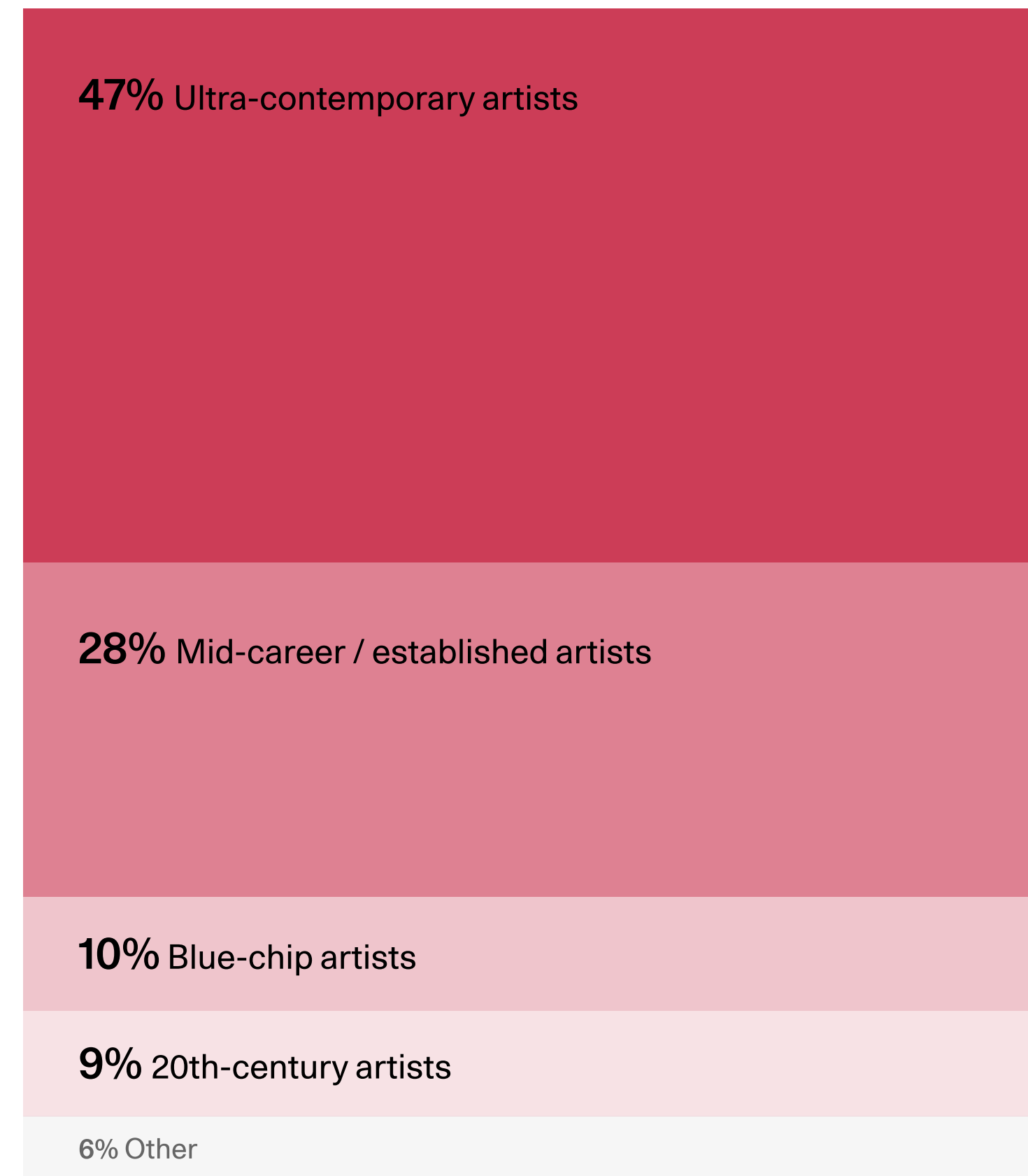
The background is a complex abstract painting. It features a dense network of dark, thin lines that crisscross the entire frame, creating a web-like structure. The color palette is rich and varied, including deep reds, vibrant oranges, bright yellows, and bold blues. There are also patches of green and purple. The overall effect is one of dynamic energy and visual complexity.

4.

Younger, social media-savvy galleries are charting their own path.

Which group of artists is most important to your business's future?

Respondents in business for less than three years



Compared to their more established counterparts, galleries that have been in business for less than three years are selling a higher share of art to younger collectors, and reaching these collectors in different ways.

The collector group driving the most artwork sales for younger galleries is the 35–55 age segment, which 59% of respondents ranked as their highest spenders. Just 19% of these galleries selected the 55+ age group. For older galleries, the 35–55 group was most important for 46% of respondents and the 55+ group for 41% of respondents. When it comes to the 18–34 age segment, 6% of younger galleries report them as being their highest spenders, compared to 2% for more established galleries.

Both older and younger galleries report that the most sales occur through existing gallery clients and new shows at their physical gallery spaces. When asked to rate the significance of different revenue sources, existing gallery clients ranked the most important for older galleries, followed by new shows at their physical spaces. For younger galleries, the order is swapped, with new shows at their physical spaces ranking first, followed by existing clients.

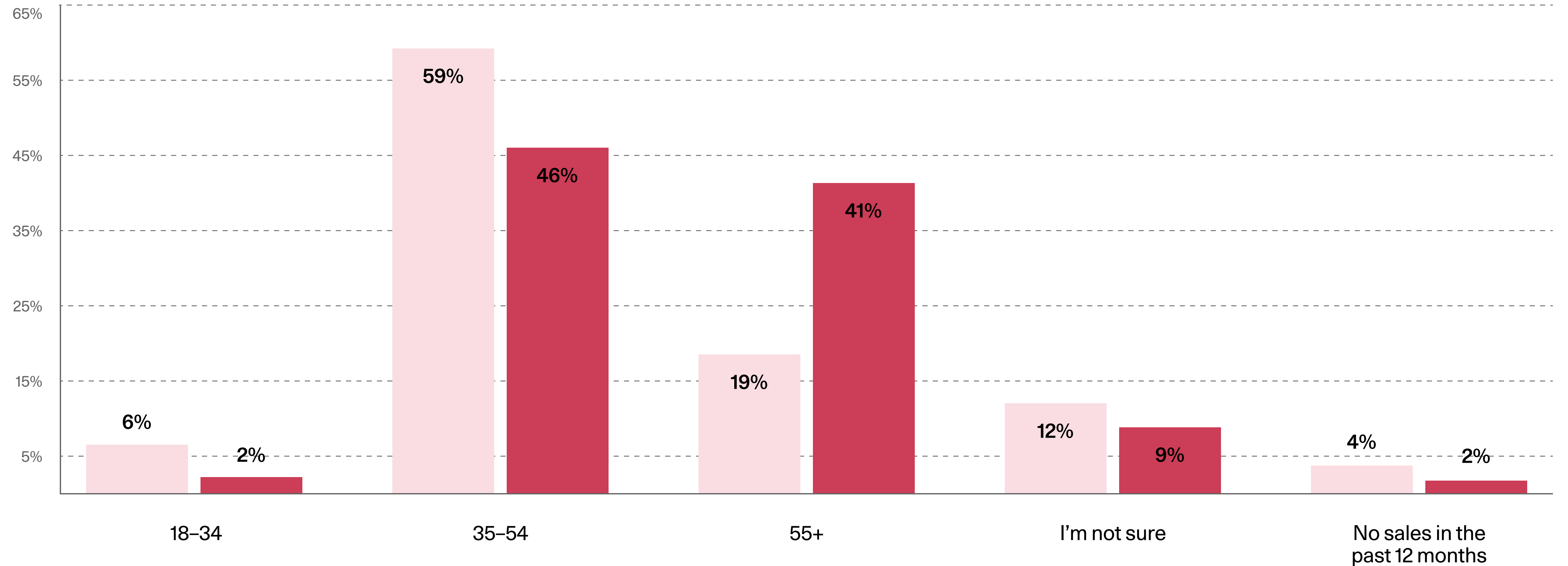
However, a marked difference emerges between younger and older galleries when it comes to Instagram: When it comes to the methods used to sell the most artworks, almost twice as many younger gallerists than older gallerists selected the social media app (24% of younger galleries vs. 13% of older galleries).

Perhaps unsurprisingly, these younger galleries also place more emphasis on ultra-contemporary artists when compared to their older peers. These artists are viewed as most important to their current program (60% for younger galleries vs. 42% for older galleries), business sales (59% for younger galleries vs. 38% for older galleries), and future sales (47% for younger galleries vs. 32% for older galleries).

4. Younger, social media-savvy galleries are charting their own path.

Which age group of your collectors had the highest spending in the past 12 months?

● Galleries in business for **less** than three years
● Galleries in business for **more** than three years



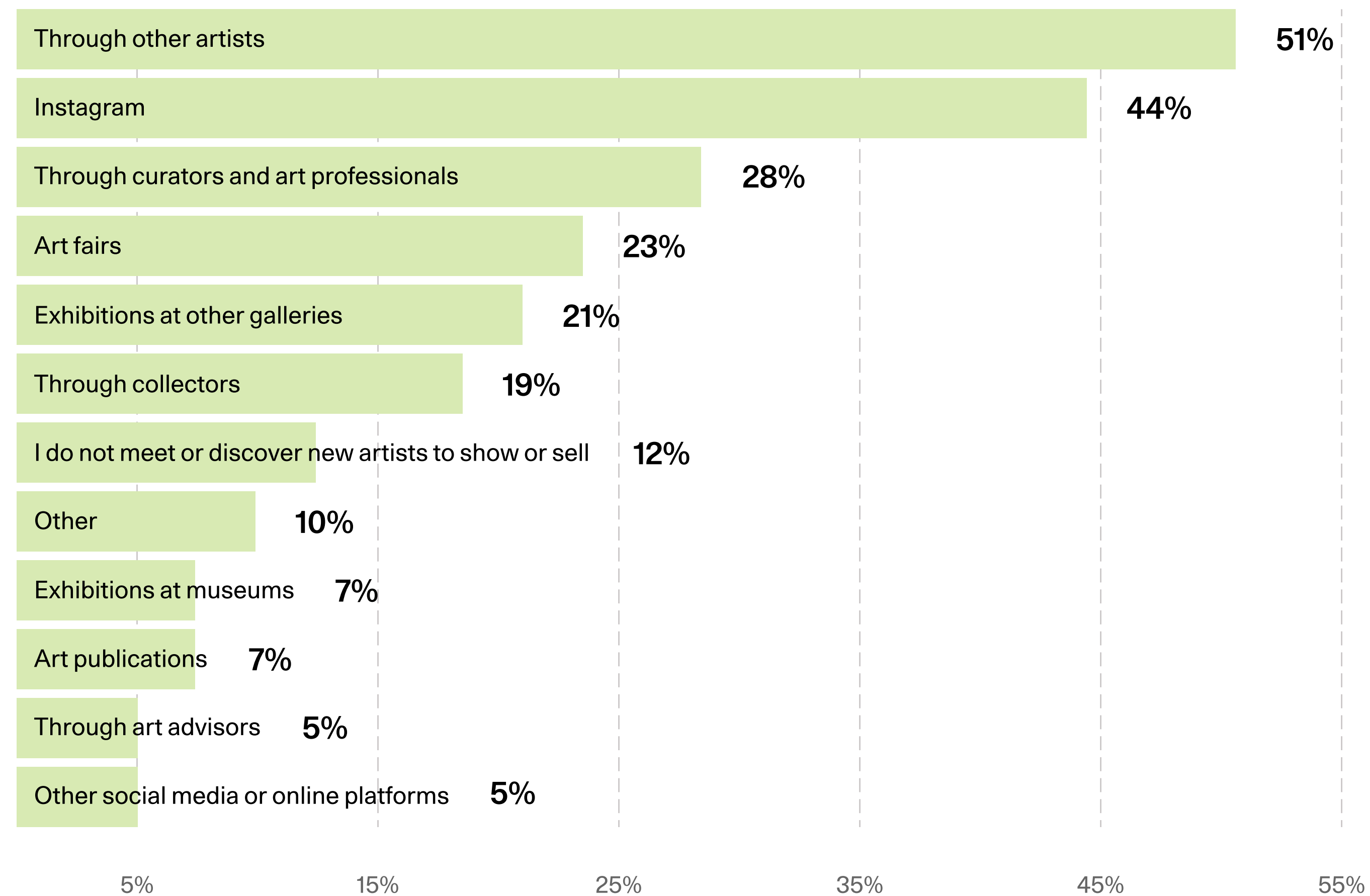
4. Younger, social media-savvy galleries are charting their own path.

5.

Most galleries are
discovering new artists
through other artists.



How does your gallery meet or discover the new artists whose works you show and sell?



For artists and gallerists, networking pays off: More than half (51%) of respondents discover the artists they go on to work with through other artists.

This is closely followed by Instagram, where 44% of respondents meet the artists they show and sell. That number is higher among younger galleries: More than 61% of galleries less than three years old say they discover new artists via Instagram.

Respondents also report interest in artists with a range of career experience: For galleries that sell mostly secondary-market works, blue-chip (34%) and 20th-century artists (29%) rank highest, but for galleries that sell mostly primary-market works, mid-career/established (36%) and ultra-contemporary (35%) artists take top spot.

5. Most galleries are discovering new artists through other artists.

Methodology

The Art Industry Trends Report was developed through an online survey that ran from March 2023 to April 2023, with responses from 886 gallery professionals and dealers that are both partners and non-partners of Artsy.

The majority of participants (41%) are based in the U.S., followed by the U.K. (7%). Some 20% have been in business for less than three years, 38% have been in business for between three and 15 years, and 42% have been in business for more than 15 years. Some 70% of respondents have a permanent, physical location.

Thank you

This survey would not have been possible without the gallerists, art dealers, and other art world professionals who took the time to share their thoughts in our survey.

We would like to express our gratitude, and hope that this report serves you well.

Credits

Damien Hirst, *Beautiful, Galactic, Exploding*, 2001. Alex Katz, *Harbor*, 2010. Josef Albers, *Tenayuca I*, 1942. Larry Bell, *SF 6.21.12B*, 2012. Damien Hirst, *beautiful, all round, lovely day, big toys for big kids, Frank and Lorna, when we are no longer children we are already dead, painting*, 1998. Frank Stella, *Estoril Five II*, 1982.

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