

The **Online** Art Market

And its Accelerating Potential

BY MIGUEL BERMUDEZ



700,000
▶ 750,000
800,000

ONLINE

NEW YORK

LONDON



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The art market's current situation as it stands in mid-2020 has been described as experiencing cardiac arrest by Anders Petterson in his Art Market Confidence Report. All art fairs having been canceled or postponed and those that have opened have done so under challenging constraints. Thus, the art-market that existed before the pandemic is at a global standstill.

There is, however, one sector of the art market that is flourishing. Online sales (like much of retail in general) has picked up the pace and changing positively with the times.

As the pandemic crisis persists, art collectors, (as well as just about everyone) have been spending increasing amounts of time browsing online for all sorts of information, entertainment, and yes, acquisitions.

While it is too early for real data on online art transactions, news that auction houses have been experiencing successful online sales is encouraging.

"We don't see this as a departure," says Brooke Lampley, vice chairman of Sotheby's fine art division, noting that the auction house has sold works online since 2016. Yet, the circumstances of the pandemic have ***"really allowed us to accelerate a program that was already in place, that we already were exploring."*** (1)

Christie's Matthew Rubinger, deputy chief marketing officer, recalls recently seeing a cartoon that asked: ***"Who is driving digital innovation in your company? The CMO, CTO, CEO, or Covid-19."*** The obvious answer: Covid-19. (1)

Left Page:
LOT 20
Manolo Valdes (b. 1942)
Retrato I
Estimate: USD 120,000 - USD
180,000
Price Realised: USD 375,000

signed, titled and dated
'Manolo Valdes Retrato I 2018'
(on the reverse)
oil, mirror and fabric collage on
burlap
56 x 37 in. (142 x 94 cm.)
Executed in 2018.

Christie's. SALE 19575
Virtue
Online | 29 May - 12 June 2020



LOT 5
 THE COLLECTION OF RICHARD L. WEISMAN
 Andy Warhol (1928-1987)
 Chris Evert [Sixteen Works]
 Estimate: USD 300,000 - USD 500,000
 Price Realised: USD 735,000

overall: 40 x 40 in. (101.6 x 101.6 cm.)
 Painted in 1977.

Christie's. SALE 19575
 Virtue
 Online | 29 May - 12 June 2020

each: acrylic and silkscreen ink on canvas
 each: 10 x 10 in. (25.4 x 25.4 cm.)

Covid-19 has made it an absolute necessity for auction houses, art fairs, galleries, and artists to invest heavily and rapidly on all existing digital technologies such as virtual rooms, augmented reality, direct communications with curators, experts, artists, discussion panels and all available strategies that have the potential to keeping the art market alive and hopefully thriving.

Not only have all major auction houses increased the number of online auction sales, but they have also connected with new buyers. The forced stay at home preventive measures observed for many weeks or months has also provided more time for the public, in general, to explore shopping in categories that they normally would not pay attention to.

Online-only global sales at **Sotheby's** across all its categories have totaled the US \$80 million year-to-date in nearly 50 sales, compared with US \$20 million in 30 sales compared with last year. While Christie's doesn't provide total dollar figures available for its online sales this year, Matthew Rubinger, Christie's Chief Marketing Officer expects the firm to offer more than 80 online auctions in the first half of the year through July, compared with 48 in the same period last year. **Phillips** didn't have figures immediately available but said that its new accounts are up 127% this year over last, reflecting a phenomenon that officials at all the auction houses have reported. More than half the buyers at Phillips' Desktop online auction that closed April 24—featuring the £125,000 (US \$154,300) sale of Eddie Martinez' Bay City—were new, says Charlotte Gibbs, head of online sales. (1)

To the surprise and relief of the major auction houses, their clients, and the art market in general, Sotheby's reported that sales at their Contemporary Art Day Auction Online totaled \$13.7 million on May 14, 2020. By the middle of May 2020, Sotheby's had surpassed \$100 million total online global sales, nearly 5 times the total

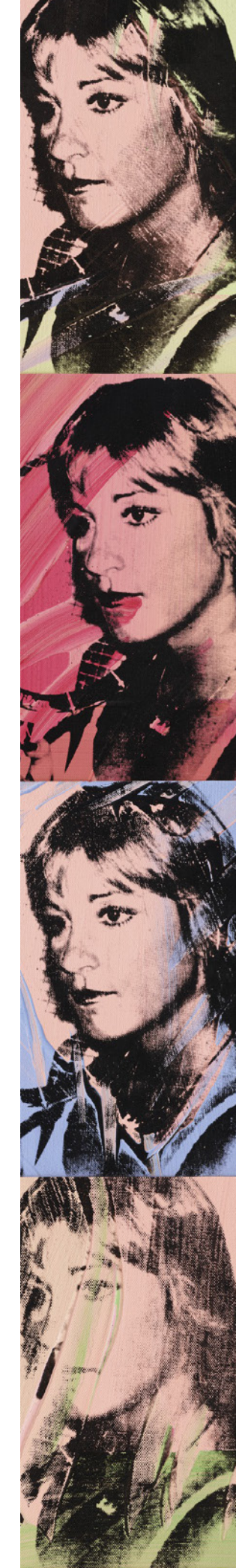
for online sales during the same period in 2019. The auction (of May 14, 2020) saw competitive bidding, with international bidding across 35 countries and 29% of all buyers new to Sotheby's. (2)

In our article about **TEFAF (The European Fine Art Fair and Globalization)** published by Art Market Magazine in February of 2016, we discussed the many enriching possibilities that the entire art market had experienced by embracing technology and noted that while information via the Internet can be disruptive, it provides a great opportunity to educate and stimulate the "old" art categories (meaning the old master paintings sector specifically). These benefits are now multiplying greatly during these challenging times.

It was also noted that the importance of galleries was going to increase as the educational benefits for all new collectors were going to be of paramount importance once again.

New buyers on Sotheby's online sale of this past May increased by 29% and demonstrates this phenomenon. Not only are auction houses, art fairs, art galleries, and museums experiencing new online visits, but this will also enable them to gather data on all new and existing participants. The identification of tastes, interests, and degree of engagement, will enable more refined and targeted marketing and the satisfaction of a thirst for information.

In our article "The Online Art Market – An Analysis" published by Art tMarket magazine in November 2016, we reported that online sales for dealers generated by new buyers had increased 6% from 2015-2016, based on the **TEFAF 2016** art market report. It was also reported that 73% of the dealers saw attracting new buyers as their biggest challenge. Given the low percentage of growth reported on attracting new buyers via the worldwide web in 2016, frustration and reluctance of most dealers to heavily invest in technology were exhibited.





LOT 152
AN ENQUIRING EYE: PROPERTY FROM
A DISTINGUISHED PRIVATE COLLECTOR

A GREEK BRONZE CORINTHIAN HELMET
ARCHAIC PERIOD, CIRCA 525-475 B.C.
Estimate: USD 300,000 - USD 500,000
Price Realised: USD 855,000

111/2 in. (29.2 cm.) high
Christie's, SALE 18699
Antiquities
Online | 2 - 16 June 2020



LOT 22
Richard Prince (b. 1949)
Untitled (de Kooning)
Estimate: USD 600,000 - USD
800,000
Price Realised: USD 795,000
Richard Prince (b. 1949)
Untitled (de Kooning)
acrylic and inkjet on canvas
86 1/4 x 118 in. (219.1 x 299.7
cm.)
Painted in 2007.
Christie's, SALE 19575
Virtue
Online | 29 May - 12 June
2020

This has now completely changed as the numbers reported by the online sales conducted by the major auction houses demonstrate.

Collectors, at the moment, are all operating mainly online for the benefit of auction houses, dealers, art fairs, galleries, and museums. Auction houses and art fairs, such as **Art Basel**, **London Art Week**, and others have begun offering walkthrough virtual galleries. This technology enables the viewer to see what a piece of art looks like on a wall. Some have also included making the gallery owner, artist, or curator available for conversations while on these walk-through tours. Several digital experiences are being implemented, and many more will come.

The traditional art world environment has been guarded, scholarly and slow moving. It suffered a dramatic transformation with the introduction of the auction room as a place to see and be seen.

The contemporary and modern art market experienced an explosion starting in 1957 with the introduction of advertising agencies into the equation. **“The Endless**

Pursuit of Elitism in the Art Market” published by Art Market Magazine in December 2017, discussed the introduction of sale guarantees to vendors and the involvement of advertising agents that marked the beginning of a transformation from a place of gathering for learned collectors to glamorous, celebrity-filled evening events.

Global Art Fairs introduced the role of large venues not only to show art but also to provide an environment of socializing to a jet-set clientele.

We are now entering a new phase for the art market. Technology is opening the last vestiges of the secretive, scholarly world to millions of people with a wide variety of interests, from browsing images, exploring history, discovering fantastic artisan skills, and to future collectors. It is a moment when people search for entertainment, illustrated content, accessing information at one's convenience, and rapid answers to inquiries. The Art World is going global in all aspects, and demand for that openness will only accelerate once the current pandemic has passed.



And from Sotheby's: "First-ever Contemporary Art Day Auction Online concluded yesterday, totaling \$13.7 million – the highest total ever for an online sale at Sotheby's and more than double the previous record. The sale marks more than \$100 million total in global online sales at Sotheby's in 2020, nearly five times the total for online sales during the same period in 2019. The auction saw competitive bidding, with international bidding across 35 countries and 29% of all buyers new to Sotheby's."

We will inevitably begin to see the collaboration of art galleries in many different countries with established international auction houses and art-selling platforms. The domestic art collecting interests will get a much-needed boost with the participation of the experience, technology, marketing, and prestige of auction houses and new international art-e-commerce platforms. We will see live interactions, online events, interviews, discussions, and yes, discoveries of many hidden treasures throughout the world.

On June 15, Sotheby's announced one of those collaborative online events took place in the UAE (United Arab Emirates). "This Too Shall Pass: Sotheby's Dubai Joins Forces with the UAE's Community of Leading Galleries for a Trailblazing Online Auction. Marking the inaugural online sale by an international auction house in the Middle East, "This Too Shall Pass" brings together sixty works from seven of Dubai's leading art galleries in a project that is the first of its kind."

Stella Kim from Christie's kindly provided us with the following up to date information on that auction house performance:

The reaction of the major auction houses to the online art business is telling. "Christie's has significantly expanded its global calendar of online-only sales for spring and summer to now include Impressionism, Modern, Post-War and Contemporary Art, Prints and Multiples, Photographs and much more. The auction house has also launched a program of special fundraising sales to support vital charities during this time."(3)

Phillips announced its forthcoming 20th Century & Contemporary Art Evening Sale in New York City via live stream to bidders worldwide on July 2, 2020. The sale debuted an enriched digital experience on Phillips.com, including augmented multimedia content, enhanced visuals, and art historical and market analysis that allowed for deep viewer engagement. A dynamic live auction streamed on their online platform brought the live auction experience to collectors and viewers around the world using a virtual international bidding room of Phillips specialists. (4)

Top Left:
KIMSOOJA (B. 1957)
Cities on the Move - 2727km Bottari
Truck (Artist Facing Mountain)
Estimate: GBP 7,000 - GBP 10,000
(USD 8,820 - USD 12,600)
Price Realised: GBP 10,625

Duraclear photographic print in
lightbox
721/2 x 483/8 x 71/2 in.
(184 x 123 x 19 cm.)
Executed in 1997-2001, this work is
number one from an edition of five
plus two artist's proofs

Christie's. SALE 19575
Virtue
Online | 29 May - 12 June 2020

Right Page: RAOUL DU
GARDIER (1871-1952)
Femme de l'île Oualan,
Carolines
Estimate: GBP 8,000 - GBP
12,000
(USD 10,080 - USD 15,120)
Price Realised: GBP 16,250

signed 'R. du Gardier'
(lower left)
oil on canvas
317/8 x 253/4 in. (81 x 65 cm.)

Christie's. SALE 19617
Joie de Vivre: Modern Art
and the Riviera
Online | 30 June - 17 July
2020





Left: LOT 12
 GEORG BASELITZ (B. 1938)
 War einmal (Once upon a time)
 Estimate: GBP 500,000 - GBP 700,000
 (USD 630,000 - USD 882,000)
 Price Realised: GBP 491,250

signed, titled twice and dated 'war einmal' 'war einmal' G. Baselitz 16 IV 92 +6 IX 92' (on the reverse)
 oil on canvas
 9838 x 7834in. (250 x 200cm.)
 Painted in 1992
 Christie's. SALE 19638
 The World Is A Sphere: Art from the Faurischou Foundation
 Online | 3 - 16 July 2020



LOT 15
 AI WEIWEI (B. 1957)
 Kui hua zi (Sunflower seeds)
 Estimate: GBP 120,000 - GBP 180,000
 (USD 151,200 - USD 226,800)
 Price Realised: GBP 125,000

100 kilograms of handmade porcelain sunflower seeds
 dimensions variable
 Executed in 2010, this work is number ten from an edition of ten unique variants
 Christie's. SALE 19638
 The World Is A Sphere: Art from the Faurischou Foundation
 Online | 3 - 16 July 2020



CHRISTIE'S ONLINE-ONLY CHANNEL STATISTICS
 (as of June 26, 2020)

SINCE LOCKDOWN:

- Registrants from 83 countries have participated in our sales
- 29% of total buyers are first time online buyers and existing clients are now engaging in our online channel
- 34% of Buyers are new to Christie's

YTD COMPARISONS BETWEEN 2019/2020:

- 20 more sales YTD vs. previous year
- Client numbers (registrants, bidders, buyers) all up year over year
- New buyers up 19% YTD – with year over year growth from Americas/EMEA
- First time online buyers up 101% year over year

From this data, we can see that both new and established collectors are embracing online sales, and this trend will continue to grow. Once the current pandemic has passed, we will see an equal sharing of the market between direct, traditional in-person participation, and e-commerce. This almost complete dependence on online access for all aspects of the art market will have a profound and long-lasting effect that revolutionizes and expands the journeys of discovery that the public will enjoy through art.

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- (1) Barron's PENTA. Auction Houses Report Success in Online Shift. Abby Shultz. May 10, 2020.
- (2) Sotheby's Press Release.
- (3) Christie's Press Release.
- (4) Philip's Press Release.

MEB3
 Absorbing Art
 By Miguel Bermudez



“ I have attended most major art and antiques shows in the United States and Europe including The New York Winter Show at the Armory, The Chelsea Show in London, Le Biennale de Paris, The European Fine Art Fair (TEFAF) in Maastricht and antiques shows in Zurich, Vienna, Munich, Prague, Milan, Geneva and Basel.

I frequently participate in auctions in London, Amsterdam, Vienna, Copenhagen, New York, San Francisco, Paris, Munich, Berlin and Milan and have published academic articles and contributed research to The Orders & Medals Research Society of Great Britain, The Vatican Secret Archives, The Chancellery of the Order of the Thistle in Scotland, Sotheby's Orders and Medals, The Chancellery of the Orders of Knighthood of the Kingdom of the Netherlands and many others.

My experience providing research, acquisition and sales of important Italian and Spanish eighteenth century antiques to galleries in the United States has given me the opportunity to develop direct contact experience with collectors, interior designers, architects, fine art galleries and museums. I bring my international business experience to the Fine Art world.

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