

# The Global Art Gallery Report

2016

MAGNUS  
RESCH

PHAIDON

The Global Art Gallery Report is the first and the most wide-ranging report on today's worldwide commercial art galleries. It draws on the largest survey ever done on art galleries, with data from 8,000 gallery owners in the US, UK and Germany. The report answers questions such as: how many art galleries exist worldwide? How much revenue do they make? How much profit do they generate? How many annual exhibitions do they organize? How many employees work in art galleries? What are the most profitable sectors? And what role do art fairs play for international galleries? This is the first insight of its kind, presenting a detailed and comprehensive portrait of today's gallery scene. It is a practical tool for professionals to learn more about their market, as well as for readers interested in a general market overview.

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**For my father**

# Foreword

We love art galleries. We love the anticipation of opening nights at exhibitions. We love the unspoken but visionary ambition that finds and develops new artists, and the entrepreneurial mindset that cultivates new locations. Art galleries are simultaneously the epicentre of a multi-billion dollar market and the creative heart of a city's cultural life.

However, the seductive image of running an art gallery can bear about as much similarity to reality as an artist's garret to a luxury penthouse. The art world is tough, the rules are mysterious to the uninitiated, and only a lucky few make money. Life in the art market is torn between culture and commerce, nowhere better illustrated than in art galleries. They are the institutional gatekeepers to the art world and its paradoxes, yet despite their position at the intersection of culture and commerce, we know next to nothing about their finances. How many employees work in a gallery? How large are galleries? How much revenue and profit do they generate?

This report brings new insight into an industry that has so far kept its market economics discreetly obscured. It summarizes the status quo of galleries in the world's largest art markets, the us, uk and Germany, and their art hubs in New York, Berlin and London. As well as being the first of its type, this is also the largest art gallery study ever conducted. I would like to thank all 8,000 art galleries around the world who participated in this survey, with particular thanks to Max Bossier and Alexander Asbrand Eickhoff for their help in preparing the data.

Owning a gallery is undoubtedly a tough commercial enterprise. Knowing the numbers will not make any gallery profitable, but it can help to increase research, strip away some of the myths, and get a better appreciation of the work gallerists do every day. So let's talk about some numbers.

*Magnus Resch  
New York City, November 2016*

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A large, white, stylized number '1' is centered on the page. The number has a thick vertical stem and a wide, slightly slanted top bar. The text 'Principal Findings' is overlaid on the stem of the number.

# **Principal Findings**

## LOCATION



Europe and the USA are home to

**83%**

of all galleries worldwide.

China — 1%  
Japan — 2%  
France — 6%

UK — 10%

Germany — 12%

GLOBAL GEOGRAPHICAL DISTRIBUTION

**34%  
USA**

35% — Rest of the world

## TOP 10 RANKING GALLERY CITIES

**NYC 6%**



There are roughly

**19,000**

galleries in

**124**

countries in

**3,533**

cities worldwide.

**LON 5%**

**BER 4%**



**4 3%**  
Paris

**5 3%**  
Los Angeles

**6 2%**  
Chicago

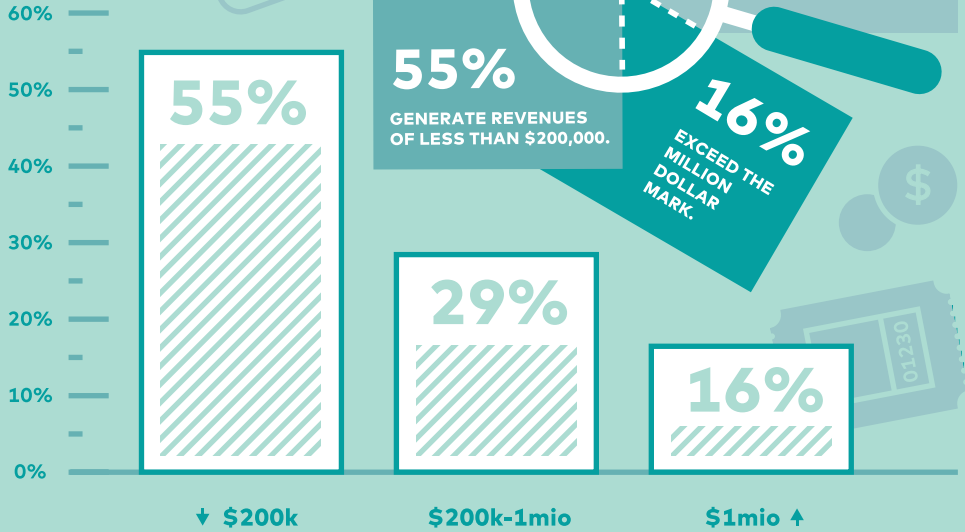
**7 2%**  
San Francisco

**8 1%**  
Tokyo

**9 1%**  
Milan

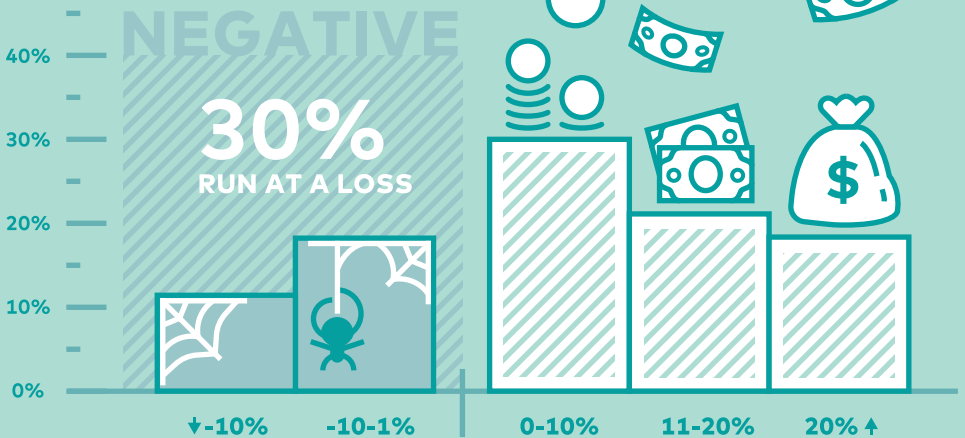
**10 1%**  
Amsterdam

## REVENUE



## PROFIT

### AVERAGE PROFIT MARGIN



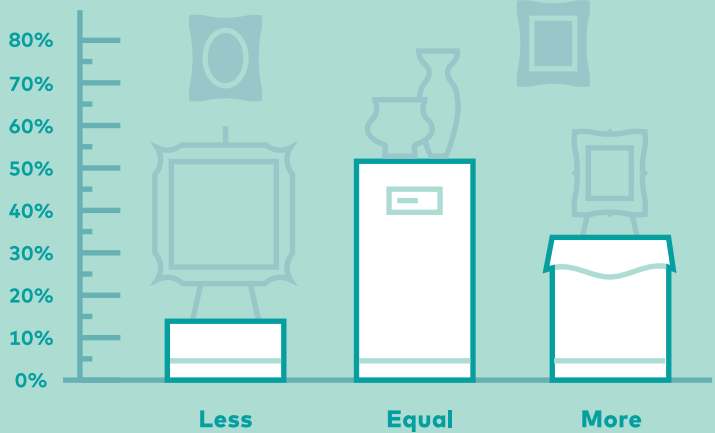


## ART FAIRS

**50%** PARTICIPATE IN AT LEAST ONE ART FAIR PER YEAR.

### PARTICIPATION IN THE FUTURE

One in four generates 20% or more of its yearly revenue at art fairs.



## EMPLOYEES

### NUMBER OF EMPLOYEES

**40%**

HAVE NO FULL TIME EMPLOYEES.



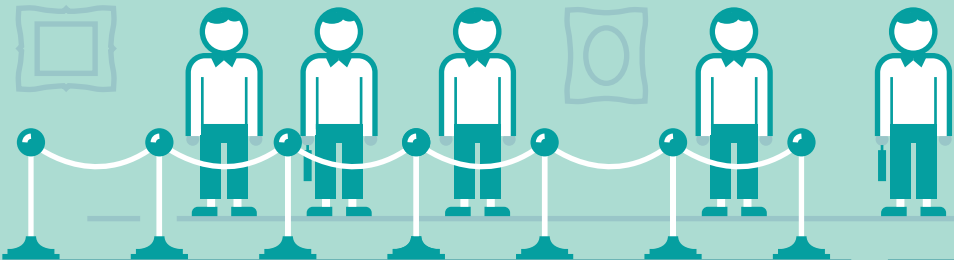
0 11%

1-4

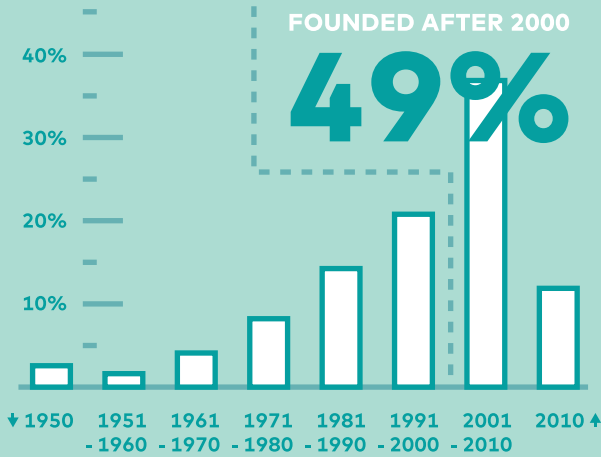
63%

4+ ↑

25%



## FOUNDATION YEAR



Only 7% have been established for more than 35 years.

**7%**

## SIZE

**65%**

**18%**

**17%**

90% of all galleries have no subsidiary.



0-300m<sup>2</sup>  
(0-3200ft<sup>2</sup>)



300-600m<sup>2</sup>  
(3200-6500ft<sup>2</sup>)



600m<sup>2</sup> ↑  
(6500ft<sup>2</sup> ↑)



# The Global Art Gallery Market – An Overview

(1)

There are roughly 19,000 galleries across 124 countries in 3,533 cities worldwide.

(2)

The US, UK and Germany have the most active art gallery scenes. They account for more than 50% of all existent galleries.

(3)

New York, London and Berlin are the three cities with the highest number of galleries worldwide.

(4)

Emerging countries have yet to play a role in this market; Europe and the USA are home to 83% of all galleries worldwide.

## Revenue and Profit

(1)

Galleries are poor revenue centers. Overall, 55% of all galleries generate revenues of less than two hundred thousand dollars a year. Only 16% exceed the million dollar mark.

(2)

Of all art galleries, 30% run at a loss. Only 18% make a profit margin over 20%.

(3)

Location matters. 22% of all galleries in the US and UK produce revenue over a million dollars, compared to only 7% in Germany. Their profit numbers are also much stronger: only 29% in the USA and 23% in the UK show a deficit, compared to 34% in Germany.

(4)

London wins. It has the highest number of galleries generating over \$5 million in revenue, and the highest profit margins. Berlin is the weakest.

(5)

Of all galleries, 93% deal in contemporary art; only 5% deal in modern art; 78% deal in nothing other than contemporary art.

(6)

Galleries that deal in Old Masters show the highest profitability, galleries dealing in contemporary art the lowest.

(7)

Gallerists fear artists as competitors. They rank them in third position.

(8)

Galleries are short-lived. They cannot replicate the historical sustainability of auction houses. Nearly half of all galleries were founded after 2000, and only 7% have been established for more than 35 years. Berlin has the most recently opened galleries, while New York has those that have been in operation for the longest time.

## Customers and Exhibitions

(1)

The most frequent visitors to a gallery are Art Enthusiasts, who come to see the works of art, or the Opening Crowd, who attend a new exhibition for social reasons. Neither group buys.

(2)

The most frequent buyer is the Art Lover, who has a passion for art rather than seeing it as an investment. The next most valuable client is the One-Time Buyer, who buys with a decorative purpose in mind. The Investor/Speculator, who flips art as an investment, is significant to the London market. The role of the Corporate Collector is comparatively negligible.

## Cost Structure

(1)

The biggest expenditures for galleries are rent, salaries and art fairs.

(2)

The majority of galleries are centrally located within a major city. The results of the survey, however, suggest that location has no impact on profitability.

(3)

Gallery size varies by country: in Germany and the UK, galleries prefer to stay below 300 sq. metres (3,200 sq. ft). In the USA, galleries are more generously sized. Again, the survey suggests that size has only a limited effect on profitability.

(4)

Almost 90% of all galleries have no subsidiary.

(5)

Art fairs are vital. More than a quarter of all galleries generate 20% or more of their yearly revenue at art fairs. Hence, every second gallery participates in at least one fair a year.

(6)

Art fairs will continue to stay strong. 86% want to participate in at least the same number or more fairs in future.

(7)

Galleries generally run on a very limited labour force. Only 25% have more than four employees. When they do employ, they favour part-timers.

(8)

German gallerists pay their staff the lowest salaries. This is counter-productive: the more galleries invest in salaries, the higher their profit margin.



**The Global  
Art Gallery  
Market –  
An  
Overview**

**Everything about the elite end of the art market is enormously attractive.**

**We read about millions of dollars pouring into the market, the dizzying levels reached at auction battles, and the rich and beautiful at opening events.**

# 2.1 Introduction

The seductive image of running an art gallery can sometimes bear about as much similarity to reality as an artist's garret has to a luxury penthouse. The art world is tough, the rules are a complete mystery to the uninitiated, and only the lucky few make money. Life in the art market means being constantly torn between culture and commerce, and nowhere is this more effectively illustrated than in art galleries. They are the institutional gatekeepers to the art world and all its paradoxes.

Art galleries are part of an exclusive social calendar, with exhibition openings hosting a select and sophisticated crowd. They are also a big part of the cultural life of a city. They support young artists, helping them to develop, they arrange exhibitions that attract collectors, and they manage collections when artists die. They are, in short, the most significant intermediaries in the art market.

Given the importance of art galleries, surprisingly little is known about their economics, with art and business remaining reluctant bedfellows and money talk kept to the back room. What we do know is

## The art world is tough.

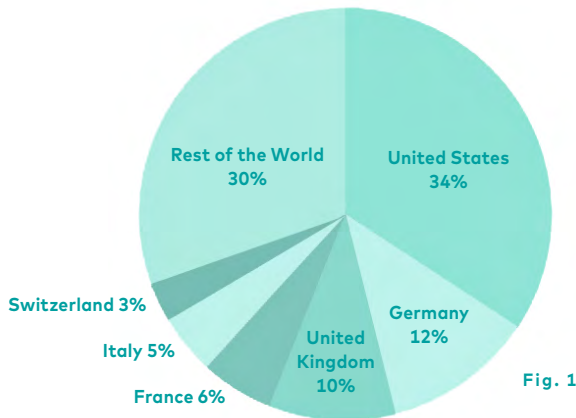
that, unlike art museums, art galleries do not receive state subsidies – they are a business, as much a commercial entity as any small retail shop, with a clear business focus and a revenue model that lives or dies with sales. And, of course, they are subject to all the same market fluctuations, limitations, and opportunities as other entrepreneurs.

This report gives some insight into the structure and economics of the art gallery market. The focus of this first edition lies with the three most important countries from an art market perspective: the United States, Germany and the United Kingdom. Their national art hubs of New York City, Berlin and London are also analyzed.



# Geographical Distribution

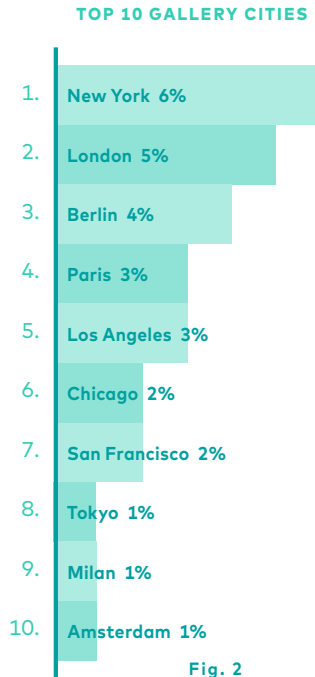
GLOBAL GEOGRAPHICAL DISTRIBUTION



The international art gallery market for Fine Art<sup>1</sup> comprises roughly 19,000 galleries<sup>2</sup> across 124 countries and 3,533 cities (September 2015). The predominant markets by number of galleries are the us (34%), Germany (12%) and the UK (10%). Combined, they account for more than 50% of the total market. France (6%) and Italy (5%) follow in fourth and fifth places. Surprisingly, Switzerland occupies sixth place (3%). In the Asian market, Japan leads the pack (2%), followed by China (1%). On a continental level, Europe and the US are by far the most relevant continents to the art market, with 83% of all galleries worldwide. Asia is still relatively minor with 9% of all galleries, although its importance should not be underestimated. South America has only 1% of the world's galleries.

<sup>1</sup> Fine Art can be divided into Old Masters, Nineteenth-century art, Modern art, post-War art and contemporary art.

<sup>2</sup> Art galleries here are defined as permanent exhibition spaces that organize regularly exhibitions with varying artists and follow commercial interest by selling the art they exhibit.



By city, there is no real deviation from country data in terms of geographical significance. New York tops the table with 6% of total gallery distribution, followed by London with 5% and Berlin with 4%, thus accounting for 15% of total art gallery distribution. The remaining enterprises are distributed among the remaining 3,530 other cities, the most significant of which are Paris (4%), Los Angeles (3%), Chicago (2%), and San Francisco (2%). Emerging markets lag behind: Tokyo sits in a strong eighth position, but Beijing, as the second most significant Asian hub, comes only nineteenth. Mumbai appears at a weak thirty-seventh place, while Delhi sits at 2,061. São Paulo is the leader in South America, ranking at seventy-two.

It is interesting to see that the primary market's geographical distribution is not consistent with the secondary market. In fact, it produces a different map altogether. The us continues to lead, with a market share of 40% in the fine art auction trade, but the uk drops to third with 19%.<sup>2</sup> China, a country with relatively few art galleries, presents a challenge to the us for the dominant role in the auction market, ranking at number two with a 26% market share – still some percentage points behind the us but in advance of the uk. Germany, ranking second when it comes to number of art galleries, is in fifth

position, with a share of only 2% of the auction world. It seems that the number of galleries in a country does not correlate to the country's relevance in the secondary market.

The wider reasons for China's strength in the secondary, or auction, market, and its weaknesses in the primary, or art gallery, market are a matter of speculation; however, they almost certainly include the changes in business model enacted by auction houses, which have moved to circumvent art galleries and take a more active role in the private dealer market. Furthermore, although the Chinese gallery market has shown a rapid rise in the last fifteen years, China simply does not have the Western tradition of art galleries. The focus, and value, diverts to the auction market.

The us, uk and Germany built their reputation in the gallery market over centuries, as a look at the history of art trade in these countries shows. In the eighteenth and nineteenth centuries, Europe, particularly London, was the centre of the art trade. The us then quickly caught up, and from 1900 wealthy American buyers – supported by liberal trading regulations – amassed huge collections. Europe may have had plenty of art, but the usa had the money. Soon, the us started to produce its own artists, who thrived under the emergence of new galleries and auction houses. This supported the increasingly dominant role of the us in the art world and produced New York

as its key national player – a role both country and city continue to play today. Europe's art scene continued to flourish, albeit on a smaller and more diversified level. While Germany showed a highly diversified, active art scene, it was London that secured a position as Europe's premier art centre. Berlin was diverted by political

»Europe may have had plenty of art, but America had the money.«

and social turbulence throughout the first half of the twentieth century, and it consequently lost some ground in the race to secure a leading position in the international art market. Despite that, in recent years Berlin has come forward as the creative hub of Europe, with artists and galleries settling there in the nineties. While the art market is in London or New York, the art scene is in Berlin. Nonetheless, Germany is still highly economically significant, and the financial power and huge number of art institutions in these three countries make them the world's most important art gallery centres.

These three markets, therefore, are the best suited to in-depth examination. Emails were dispatched to 7,778 galleries, asking them to complete an anonymous online survey. The response amounted to an aggregated 16%.<sup>3</sup>

<sup>3</sup> Please refer to the last chapter to learn more about the methodology used in this report.

# 3 Revenue and Profit

**Galleries were asked to provide information on their revenue, profit margin (profit as a percentage of revenue) and other factors that might have an impact on the revenue, such as specialism, foundation year or number of exhibitions.**

# 3.1 Revenue

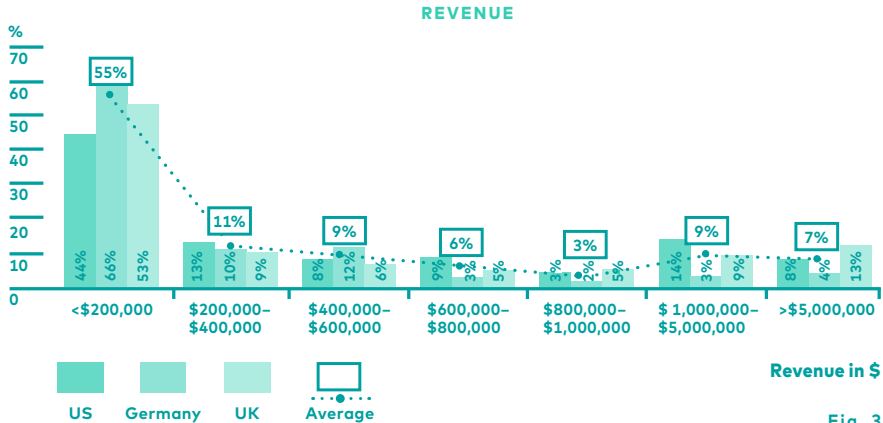


Fig. 3

Revenue in the art gallery market in the us, UK, and Germany is low, with 55% of all galleries producing revenues below \$200,000 a year. Revenue figures, moreover, are quoted inclusive of the artist's share; when the usual fifty-fifty commission split is applied, only 50% remains with the gallery, with the remainder going to the artist.

At the top end, 16% achieve revenues of more than \$1 million, and 7% exceed \$5 million. Clearly, then, a few galleries do make money.

A breakdown by country shows noticeable regional differences. The us and UK are more active at the top end, with 22% of American and British galleries clearing over \$1 million in revenue. The UK seems to produce the highest revenues: 13% of galleries make more than \$5 million, compared to only 4% in Germany. At the other end of the scale, 66% of German galleries fail to make \$200,000 in annual revenue, compared to approximately half the gallery population in both the us and UK.

As all three countries have major art city hubs in New York, Berlin and London, these were also part of the analysis. Revenue numbers vary little from the country analysis. In Berlin, 54% of galleries generate under \$200,000, compared to around 40% in New York and London. New York and London clearly drive the strong performance among galleries in the

country data. Around 25% are making more than \$1 million, an accomplishment achieved by only 12% of Berlin galleries.

Can this poor performance be explained by general market conditions? The clear answer is no. Taking auction results as an indicator, the economic context for these numbers is strong; auction sales reached \$31 billion, up 5% year-on-year and only slightly below the 2007 peak of \$33 billion. There was seemingly little turbulence, and no particularly severe market conditions that might have caused low revenues. The high number of struggling – or even failing – galleries therefore seems to be a structural or industry-specific problem, rather than the product of a sluggish or volatile economy.

The differences between the countries are, admittedly, surprising. The us and uk outperform Germany by some distance. In theory, Germany should be fertile ground for those who want to make a career in art dealing. The country is justifiably proud of its art scene, part of a major landscape of important museums, galleries and collectors. In economic terms, a huge supply should symbolize a huge demand. In reality, however, demand is much

»The US and UK outperform Germany by some distance.«

weaker in Germany than in the two other countries. Collectors do not buy in German galleries, and Berlin galleries in particular are suffering from the weak demand. These figures

align with results from the global auction market, while the us and uk account for 34% and 17% of global auction sales, in Germany this falls to just 2%.

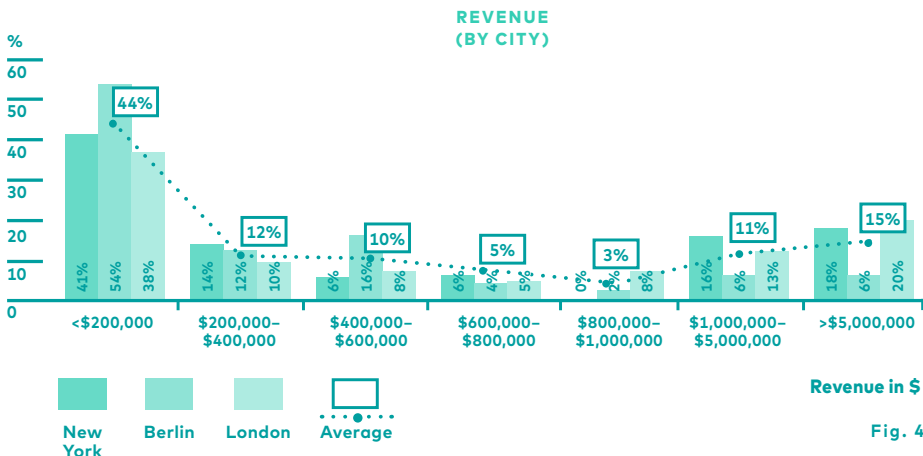
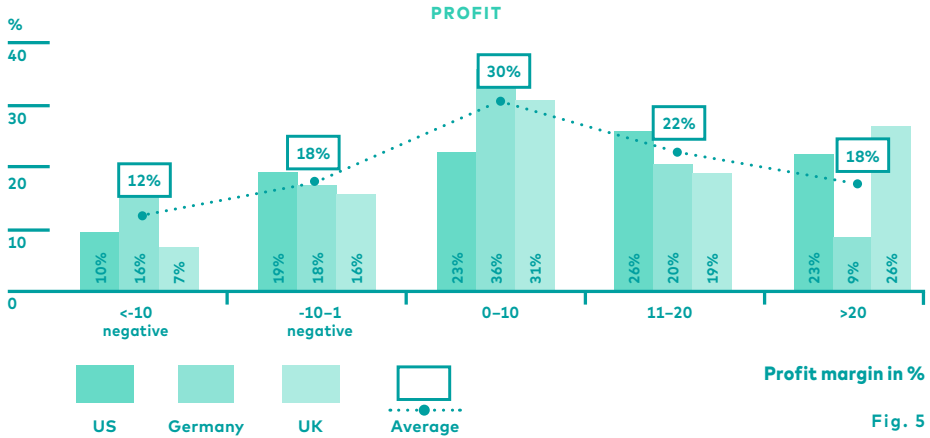


Fig. 4

# 3.2 Profit



Low revenue doesn't necessarily mean slender profit, but in the gallery world, all too often, it does: 30% of all galleries operate in the red, and only 18% make a healthy profit margin of over 20%.<sup>4</sup> In other words, at the top end, a few galleries have worked out how to run a highly lucrative gallery space. At the lower end, however, there is a sea of galleries that produce little profit, or none at all. Germany's gallery distribution is particularly weighted towards poorer performers, with 34% running at a loss, compared to 29% in the US and 23% in the UK. At the more profitable end, meanwhile, only 9% of Germany's galleries have high profit margins above 20%, whereas in the UK, one-quarter show attractive margins.

<sup>4</sup> Profit margin is the net income divided by revenues. It measures how much out of every dollar of revenue a company actually keeps in earnings. Profit margin is very useful when comparing companies in a similar industry. Profit margin is displayed as a percentage; a 20% profit margin, for example, means the company has a net income of \$0.20 for each dollar of sales.



REVENUE AND PROFIT

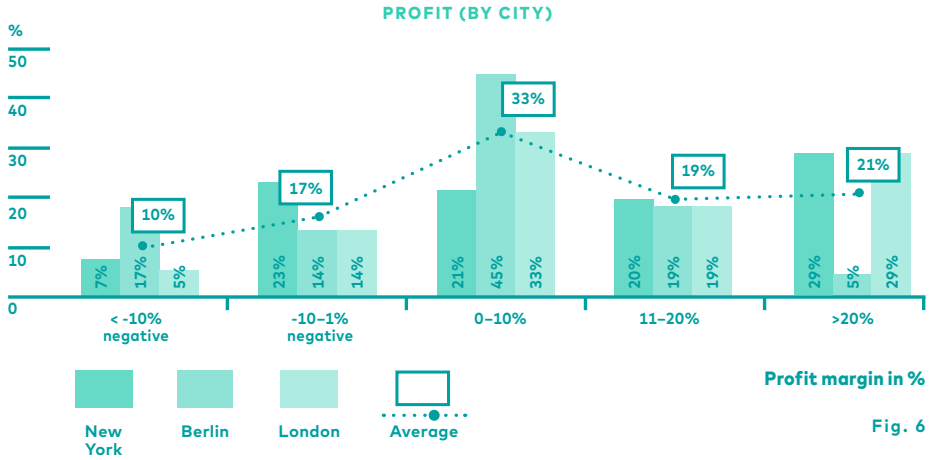


Fig. 6

Figures for the three principal cities are roughly consistent with country data. Berlin is the poor cousin of the three art hubs: 31% record a deficit, and only 5% exceed 20% profitability. London shows the most impressive results. With a comparatively low 19% of galleries losing money, and 30% producing over 20% profitability, London looks a considerably more attractive prospect for a new gallery than Berlin.

### 3.2.1 Revenue vs Profit Margin

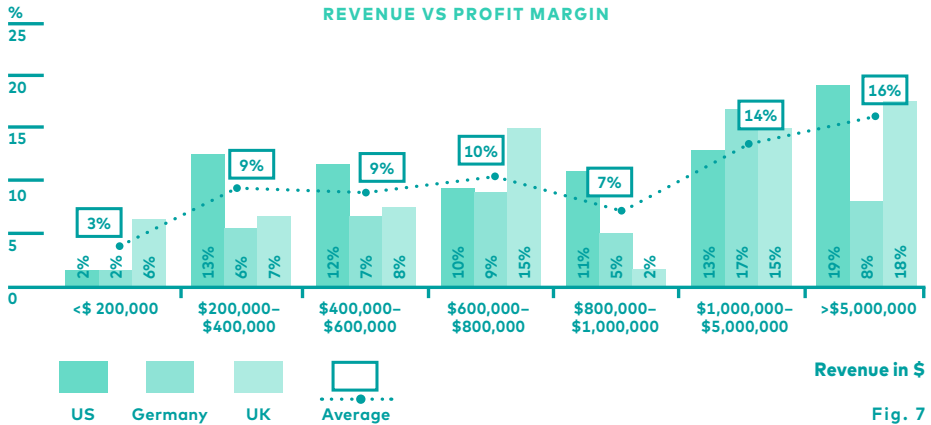


Fig. 7

The relationship between revenue and profit (the profit margin or profitability) is a good indication of how efficiently galleries are working; it also reveals something about the cost structure. Graphically analyzed, this can take the form of a bell curve, with a revenue point at the top after which profitability goes down. Alternatively, the profitability graph can grow exponentially in relation to revenue, so the more revenue, the higher the profitability. In order to create this graph, the data was regrouped to show profit margins in the revenue clusters.

Germany, again, is weakest in almost all revenue groups. However, the important discovery is that profit margin does not remain constant with revenue but improves as revenue increases; in other words, galleries with higher revenue show a larger profit margin. Those with revenue above \$1 million show profit margins of 14% or more, while galleries with revenue under \$200,000 generate a much lower profit margin of 3%. It seems that the cost structure of galleries is reasonably fixed and does not increase in line with revenue. In practical terms, this means that galleries profit from a better use of their resources. Operational expenditure stays the same whether one or three works are sold at an opening; if costs remain stable and revenue goes up, profitability increases.

# 3.3 Focus

## GALLERY FOCUS

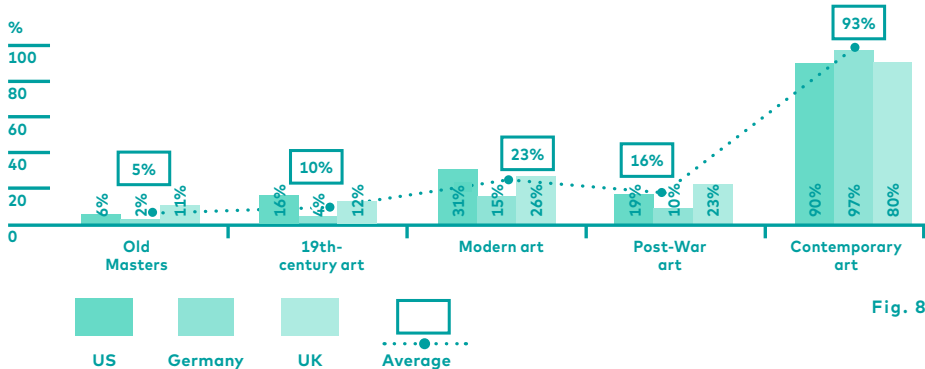


Fig. 8

Galleries were asked for their focus sector or, as students of marketing would say, their product mix. We included only galleries that sell fine art. Fine art is the dominant cluster in the art market, leaving decorative art and antiques far behind. Galleries were then asked to describe their product split among five different fine art categories:

### CONTEMPORARY ART:

Artists born after 1960

### POST-WAR ART:

Artists born after 1910

### MODERN ART:

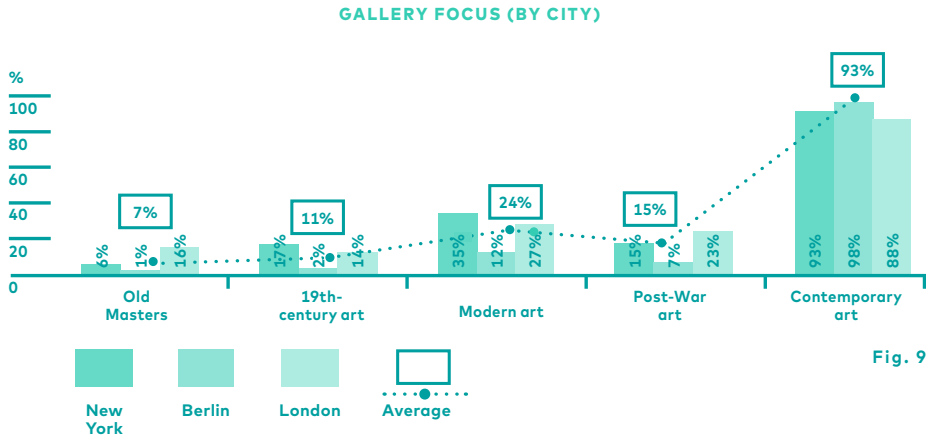
Artists born between 1875 and 1910

### NINETEENTH-CENTURY ART:

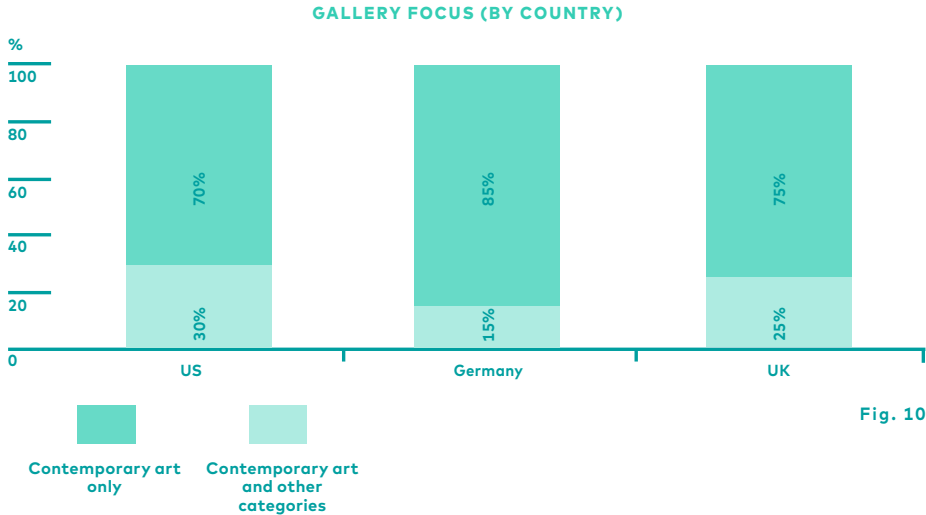
Artists born between 1821 and 1874

### OLD MASTERS:

Artists born before 1821



Unsurprisingly, the US, UK and Germany primarily deal in contemporary art. An overwhelming 93% of all galleries in the survey sell contemporary art; 23% also trade in modern art, and 16% in post-War art. Nineteenth-century art is sold by 10%, and only a small remainder of 5% deal in Old Masters.



Contemporary art is clearly the runaway sector of choice. Galleries tend to focus only on this sector, eliminating the idea of a product mix by offering one product only. Germany is particularly mono-focused. An incredible 85% deal solely in contemporary art. In the UK and US, the chances of seeing something other than contemporary art are better. Around one-third of all galleries in these countries are, to some extent, diversified – figures that are mirrored in the hubs of New York and London.

The appeal of contemporary art might derive from the auction market. Here, a combination of post-War and contemporary art accounts for nearly half the fine art auction market (46%). Contemporary art certainly has the most exciting reputation – the majority of the eighty lots that sold for over \$10 million in 2013 were from this sector – so it is not surprising that gallerists expect this sector to attract the greatest number of collectors and show greatest profitability numbers.

3.3.1

**Sector vs. Profit Margin**

FOCUS VS PROFIT MARGIN

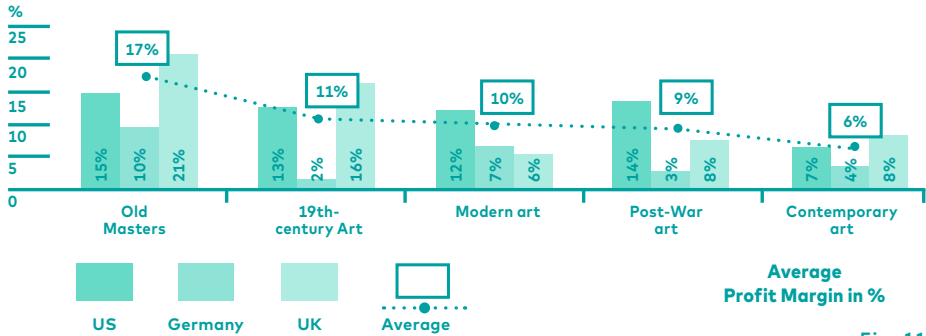


Fig. 11

The reality, however, is not quite so. To illustrate this, the graphic above maps sectors against profit margin. Since so many galleries focus only on contemporary art, it was interesting to see if the product mix (i.e. selling across at least two categories) had a positive impact on the profit margin. Or, to put it differently, how do galleries that also offer Old Masters perform in contrast to those that sell only contemporary art? The results are surprising: contemporary art is the least profitable sector, with an average profit margin of only 6%. Old Masters galleries (those that sell Old Masters but could potentially also sell contemporary art) show the highest profit margin (17%), followed by nineteenth-century art (11%) and modern art (10%). UK galleries achieve the best results in the Old Masters and nineteenth-century art sectors (21% and 16% respectively), and American galleries lead the post-War category. It is perhaps no coincidence that a stronger country position tends to be achieved in sectors that have deep historical roots there.

An explanation for the weak profit margins yielded by contemporary art is not immediately obvious. Possible explanations might be that the market for contemporary art is highly deceptive: while the value of this segment is immense, it is concentrated in a minuscule group of key names, hyped up by the rare pieces that make stunning prices. In other words, the volume – the

number of artworks – is fairly high, but the value is created by a tiny number of dominant artists, while the remainder jostle for space in a crowded market. The vast majority of galleries, selling artists from outside the magic circle of big names that sell for big money, face steep competition; hence, their labours are less profitable; no other segment has as many competitors as contemporary art.

# 3.4 Competitors

## RANKING OF COMPETITORS

	US	GERMANY	UK
<u>OTHER GALLERIES</u>	1	1	1
<u>DEALERS</u>	2	2	2
<u>ARTISTS</u>	3	3	3
<u>AUCTION HOUSES</u>	4	4	4
<u>ONLINE PLATFORMS</u>	5	5	5

Fig. 12

Competition is a critical factor in any market where supply exceeds demand, and competitors to art galleries come from every corner. There are direct competitors (other galleries); their suppliers (artists); their business partners (dealers); and other market players that have been around for varying periods of time, but who are now entering the competitive landscape in force (auction houses and online platforms).

Galleries were asked to rank these key competitors. Since most galleries offer primarily not just art but specifically contemporary art, they rank other galleries as their primary competitor, followed by dealers. It was initially a

surprise to see artists ranked in third place, but many artists sell some of their output privately through their studios, cutting out the gallerist's margin. Placing them above auction houses is suggestive of the frustration among gallery owners that they have not found a way of preventing artists from cannibalizing gallery trade. Auction houses rank fourth, and finally online platforms are the fifth most serious – or the least serious – competitor.

**It is surprising that galleries are not beginning to see online platforms as a serious threat.**

In a time of frequent new art start-ups, it is surprising that galleries are not beginning to see online platforms as a serious threat. However, most online platforms currently partner with galleries on a commission basis to display a selection of the gallery's portfolio and are therefore seen as partners. Other online platforms that cut out the gallery as intermediary between artist and buyer (for example Saatchi-art.com) usually serve a separate, often lowerend client base, so are not regarded as competitors for the same clients.

By city, interestingly, London and New York gallerists see auction houses as a bigger rival than artists. Many auction houses are increasingly diversifying into private selling, which accounts for 15% of premier-tier auction house revenue; for smaller houses, the number is 11%.<sup>5</sup> Gallerists in New York and London, where the leading auction houses are located, perhaps feel a heightened awareness of the threat they present because of their physical proximity; they rank them third in the list of competitors.

RANKING OF COMPETITORS (BY CITY)

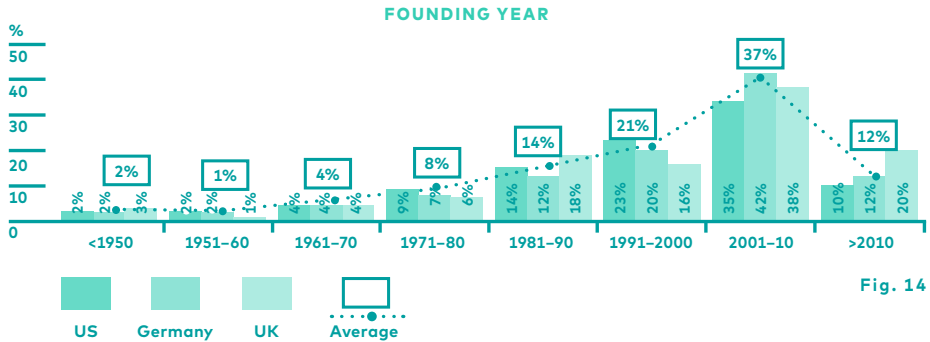
	NEW YORK	BERLIN	LONDON
<u>OTHER GALLERIES</u>	1	1	1
<u>DEALERS</u>	2	2	2
<u>ARTISTS</u>	4	3	4
<u>ACTION HOUSES</u>	3	4	3
<u>ONLINE PLATFORMS</u>	5	5	5

Fig. 13

<sup>5</sup> TEFAF Art Market Report.



# 3.5 Founding Year



Given the tough market conditions, a high failure rate among galleries is not unexpected. In general, galleries do not have long histories. Almost half were founded after 2000 (12% since 2010) and more than 40% were founded in the last three decades of the twentieth century. Only a small fraction, 7%, has been operating for more than forty-five years. Galleries simply cannot replicate the historical sustainability of auction houses. Even powerhouses like Gagosian have no clear succession plan.

The last fifty years have seen a great deal of new gallery development in London, New York and Berlin, with each city in turn experiencing a decade of local growth. London saw a massive rise in the number of art galleries in the 1980s: 18% of London's current gallery population set up shop during this boom period. A corresponding 11% of New York's galleries opened during the 1980s, but 28% of their current gallery population dates back to the 1990s, when New York took over from London as the leading art gallery hub. Only 15% of London's current galleries were founded during the 1990s, suggesting that this decade saw a slowdown there. Gallery growth filtered through to Berlin in the first decade of the twenty-first century; 52% of Berlin's current galleries started trading during this expansion, while 37% of New York's galleries were founded during this decade. Still, over the last four years, London has seen the highest number of new entrants.

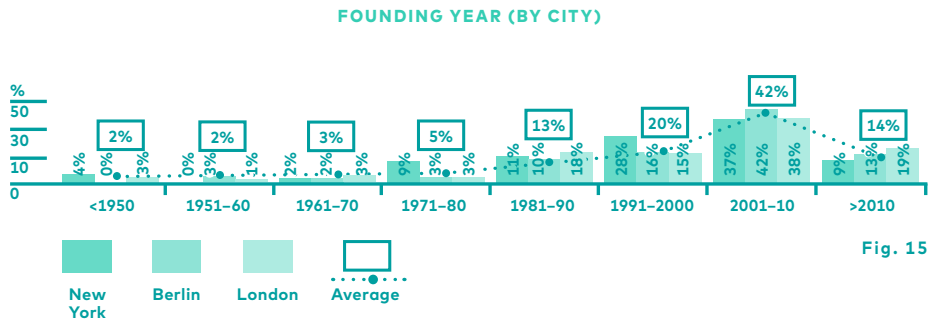


Fig. 15

3.5.1

**Founding Year vs Profit Margin**

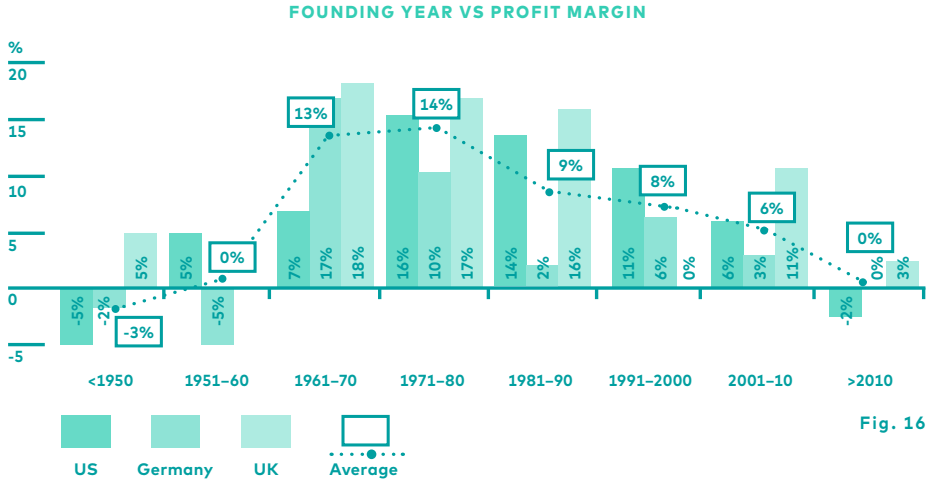


Fig. 16

There is a common belief that galleries need to survive for seven years to become profitable, inviting an investigation of any relationship between profitability and foundation year.

The seven-year theory remains a hypothesis to be proven; in fact, the figures suggest that galleries need to run for between twenty-five and fifty-five years to make money, as the most profitable galleries were founded between 1960 and 1990. Those founded after 2010 show only a fraction of the profit margin of their older peers, although the UK is currently showing the most robust challenge to this trend, outperforming the profitability of newer galleries in both Germany and the US.

Interestingly, the worst average profit margin is seen among galleries founded before 1950, suggesting that while newer galleries may have problems getting established, very old galleries seem to have problems adapting to modern market conditions.

# 4 Customers and Exhibitions

**Galleries stand  
or fall by the  
conversion rate of  
visitors to buyers.  
Visitors may flock  
through the doors  
in their hundreds,  
but buyers, those  
who actually finance  
the gallery,  
comprise only a tiny  
fraction of them.**

# 4.1 Visitors

## RANKING OF VISITORS

	US	GERMANY	UK
<u>ART ENTHUSIASTS</u>	1	2	1
<u>OPENING CROWD</u>	2	1	2
<u>COLLECTORS</u>	3	3	3
<u>WALK-INS</u>	4	4	4
<u>ART PROFESSIONALS</u>	5	5	5

Fig. 17

Visitors are separated into five groups:

**ART ENTHUSIASTS:**

Frequently visit galleries but have no intention of buying

**OPENING CROWD:**

Interested in the event

**COLLECTORS:**

Buy artworks

**WALK-INS:**

Do not set out to go to a gallery, just enter on impulse

**ART PROFESSIONALS:**

Artists, dealers, critics, museum directors etc.

## CUSTOMERS AND EXHIBITIONS

The most frequent visitors to the gallery are the Art Enthusiast and the Opening Crowd. Neither has any interest in buying art, coming either to see the art or socialize. These visitors are certainly part of the life of a gallery that needs to sell, but they have no impact on revenue.

The most valuable group of visitors to a gallery, Collectors with the potential to buy, come third. Ranked fourth are Walk-ins. Given the passing footfall in the central locations where most galleries are found, the persistently low numbers of Walk-ins is remarkable, and it suggests that in the public's mind there are still strong psychological barriers to entering a gallery. Art professionals are the least frequent visitors; as a group they include artists who would like to introduce their work to the gallery.

By city, Berlin appears to be the leading social hub, ranking the Opening Crowd in first position and Collectors only in fourth place. In New York and London, visitors are more serious. The Opening Crowd drops to third, with Collectors in second place.

### RANKING OF VISITORS (BY CITY)

	<u>NEW YORK</u>	<u>BERLIN</u>	<u>LONDON</u>
<u>ART ENTHUSIASTS</u>	1	2	1
<u>OPENING CROWD</u>	3	1	3
<u>COLLECTORS</u>	2	4	2
<u>WALK-INS</u>	4	3	5
<u>ART PROFESSIONALS</u>	5	5	4

Fig. 18

# 4.2 Buyers

Buyers can be divided into six categories, each with different motivations:

**ART LOVERS:**

Buy for the love of art, to extend their collection, or as source of inspiration

**ONE-TIME BUYERS:**

Buy to signal (or to aspire to) social status, or for decorative purposes

**DEALERS/PROFESSIONALS:**

Buy to resell or in the name of a client

**INVESTORS/SPECULATORS:**

Consider art as alternative investment, are art flippers

**MUSEUMS/FOUNDATIONS:**

Public museums and institutions

**CORPORATE COLLECTORS:**

Corporations such as UBS, Deutsche Bank, JP Morgan Chase etc.

The most frequent buyer at an art gallery is the Art Lover, who represents the old-school type of collector. A perfect (and often quoted) example are Herbert and Dorothy Vogel, who spend most of their money on art. Art Lovers are keenly interested in the development of artists and usually have a strong, lasting relationship with the gallery owner. The Art Lover is the cornerstone of any gallery's success. The second group in the list is One-Time Buyers. They usually do not establish a lasting relationship with the gallery, and disappear as quickly as they emerged. However, they are ranked in second place and are a valuable source of revenue. Ranked third are Dealers/Professionals, followed by Investors/Speculators. Naturally, there is a degree of overlap between those who love art and those who see profit in a purchase. The Mugrabi family, for example, are passionate art collectors but also have a strong interest in its business potential. In the us, Investors/Speculators rise to third in importance, explaining the prominent media coverage of 'art flippers' and Wall Street icons who treat art as an asset (and are willing to resell, fast). In all three



CUSTOMERS AND EXHIBITIONS

countries, the remaining institutional buyers occupy fifth and sixth positions: Museums and, finally, Corporate Collectors. Despite their position as the least frequent buyers, the budgets that major firms are now allocating for their art foundations are not without significance. Deutsche Bank, JP Morgan Chase and Bank of America are only some examples of companies with heavyweight art collections.

Cities follow a similar trend, but in Berlin the appetite for speculation seems to be less, particularly by comparison with London: in Berlin, Investors/Speculators rank fifth, compared to London where they are in third place; Museums/Foundations play a more relevant role in Berlin.

**RANKING OF BUYERS**

	<b>US</b>	<b>GERMANY</b>	<b>UK</b>
<u>ART LOVERS</u>	1	1	1
<u>ONE-TIME BUYERS</u>	2	2	2
<u>DEALERS/ PROFESSIONALS</u>	4	3	3
<u>INVESTORS/ SPECULATORS</u>	3	4	4
<u>MUSEUMS/ FOUNDATIONS</u>	5	5	5
<u>CORPORATE COLLECTORS</u>	6	6	6

Fig. 19

The most frequent buyers in art galleries are private individuals, and all market indications suggest that this will not change. Larry's List Art Collector Report shows a strong dominance of collectors in the UK, US and Germany.<sup>6</sup> The country with the highest collector share is the US (25% of all global collectors), followed by Germany (8%) and the UK (7%). Of course, New York and London are the top two collector cities. New York is home to 9% of all collectors; 6% live in London. Berlin's collectors as a body are ranked a more modest seventh.

Economic variables, such as income and the wealth of a country's population, are also worth examination. All three countries showed positive GDP growth. Personal wealth is estimated to have increased worldwide by 5%.<sup>7</sup> Among those classified as wealthy, High Net Worth Individuals (HNWI) are of the strongest interest to the art market. Their number at the end of 2013 was approximately 13.7 million, up almost 70% since the end of 2001, after a period of 14.7% year-on-year growth.

The US saw the greatest growth among its HNWI population, which reached four million. US-based HNWI<sup>8</sup> also allocate the highest percentage, by country, of their so-called investments of passion to art:<sup>9</sup> 19% of their expenditure on investments of passion go on art, compared to 16% in Germany and only 14% in the UK. The outlook is positive, with market consensus that the number of collectors and investments in art will increase as wealthy people seek investments with long-term value.

<sup>6</sup> Larry's List Art Collector Report, 2014.

<sup>7</sup> Forecast from the IMF.

<sup>8</sup> This definition of HNWI is that used in the Capgemini and RBC Wealth Management World Wealth Report, from which these figures are derived. It measures HNWI as those with US \$1 million or more at their disposal for investing and therefore excludes personal assets and property, collectibles and other consumables. These will be referred to as HNWI.

<sup>9</sup> This term is used in the annual World Wealth Reports from Cap Gemini and RBC Wealth Management and refers to investments in art, antiques, collectibles, sports investments, jewellery and gems, and others. Art was the third most popular; the most popular were jewellery and watches, followed by wine and antiques.

# 4.3 Exhibition

## ANNUAL EXHIBITIONS

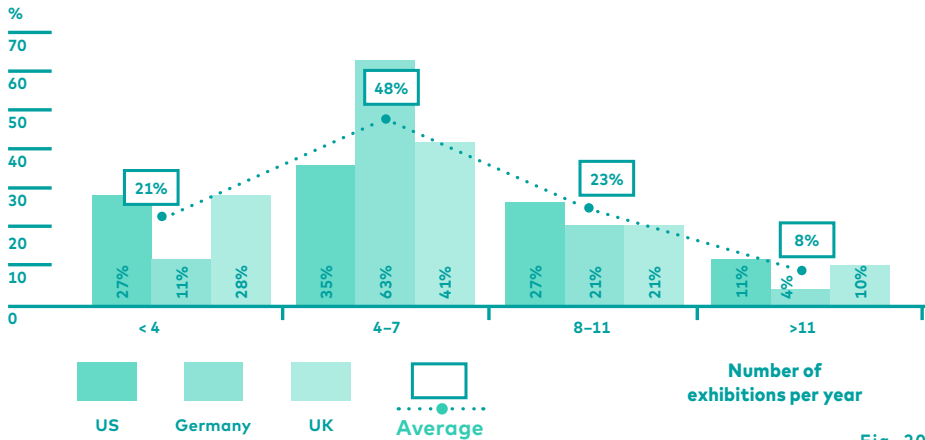


Fig. 20

Demand is always usefully contextualized by supply, which in the art market can be defined among other things by the number of exhibitions held by galleries. The majority of galleries (48%) organize four to seven shows per year. Only a small fraction (8%) organize more than eleven annual exhibitions. The trend is strongest in Germany, with an astonishing 63% holding four to seven exhibitions a year and only 11% holding fewer than four. In the us, only 35% of galleries hold four to seven exhibitions a year, compared to 41% in the uk. On average, a gallery will organize six annual exhibitions. City patterns follow country patterns. Put sarcastically, in Berlin there is much ado about nothing.

CUSTOMERS AND EXHIBITIONS

ANNUAL EXHIBITIONS (BY CITY)

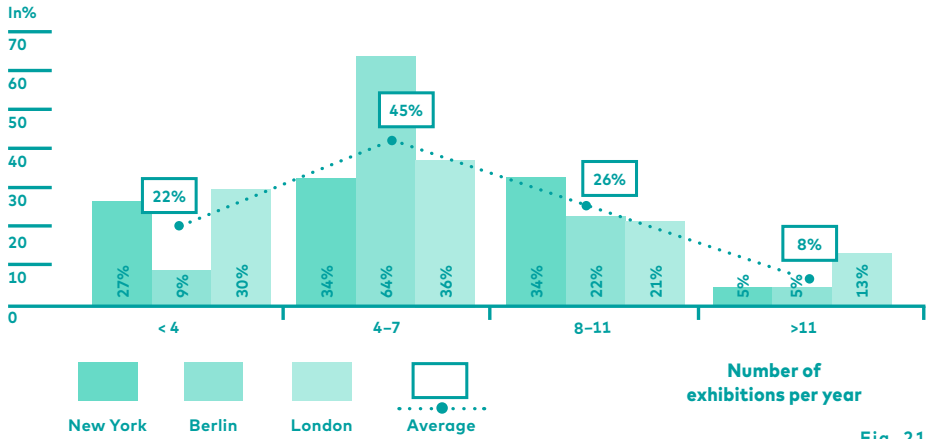


Fig. 21



# **Costs Structure**

**A growing customer base, yet low revenue and a slim profit margin raises several questions about the cost structure of art galleries. Galleries were asked to rank their costs from a given list of items.**

# 5.1 Ranking of Costs

RANKING OF COSTS

	US	GERMANY	UK
<u>RENT</u> (GALLERY + WAREHOUSE)	1	1	2
<u>SALARIES</u>	2	3	1
<u>ART FAIRS</u> (WITHOUT TRANSPORTATION)	4	2	3
<u>TRANSPORTATION</u>	3	4	4
<u>INSURANCE</u>	5	5	5
<u>ADVERTISING</u>	6	6	6
<u>IT</u>	7	7	7
<u>LAWYER,</u> <u>CONSULTANT, CRAFTSPERSON</u>	8	8	8

Fig. 22

On average, rent is generally the highest overhead for galleries, with salaries, fairs and transportation costs falling into second, third and fourth place. A country analysis shows some regional variation in the rank position of these four expenses, but all other costs, including advertising and insurance, are identically ranked in positions five to eight.

Because most galleries are located in premium locations in major cities, rent remains a high cost in a country breakdown, although in the UK payroll is a slightly bigger burden. Salaries in the US are the second highest overhead, and in Germany the third highest. Although salaries may be

COSTS STRUCTURE

pushed into third place in Germany by high expenditure on art fairs, German employees in particular might agree with claims that pay in the sector – at least in some regions – is too low. Art fairs are ranked third in the UK and only fourth in the US.

**RANKING OF COSTS BY CITY**

	<b>NEW YORK</b>	<b>BERLIN</b>	<b>LONDON</b>
<u>RENT</u> (GALLERY + WAREHOUSE)	1	1	2
<u>SALARIES</u>	2	3	1
<u>ART FAIRS</u> (WITHOUT TRANSPORTATION)	3	2	3
<u>TRANSPORTATION</u>	4	4	4
<u>INSURANCE</u>	5	5	5
<u>ADVERTISING</u>	6	6	6
<u>IT</u>	7	7	7
<u>LAWYER, CONSULTANT, CRAFTSPERSON</u>	8	8	8

Fig. 23

Results on a city level are mostly similar to the country statistics. All cities rank rent, salaries and fairs top. Berlin galleries rank rent as a bigger overhead than fairs, which is slightly surprising. Berlin has a reputation for affordable rents, and Berlin gallerists are enthusiastic participants at fairs, as we will discuss below.



# 5.2 Location

LOCATION OF ART GALLERIES

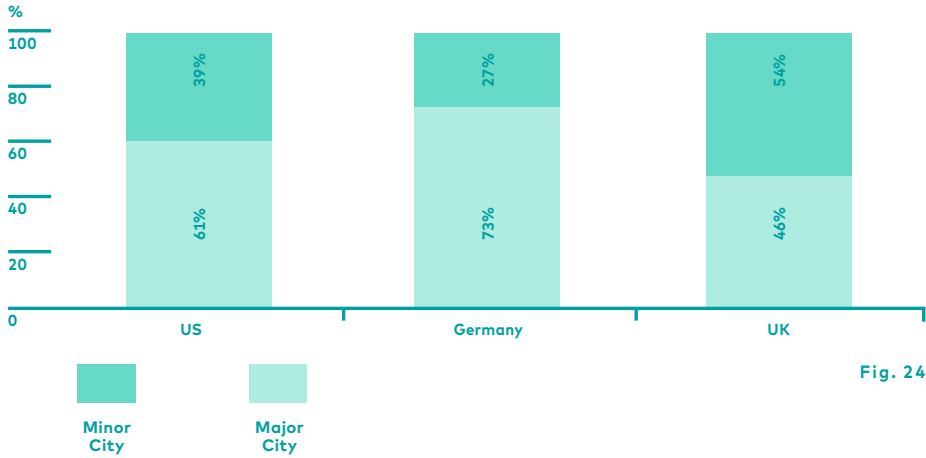


Fig. 24

CITY CENTRALITY

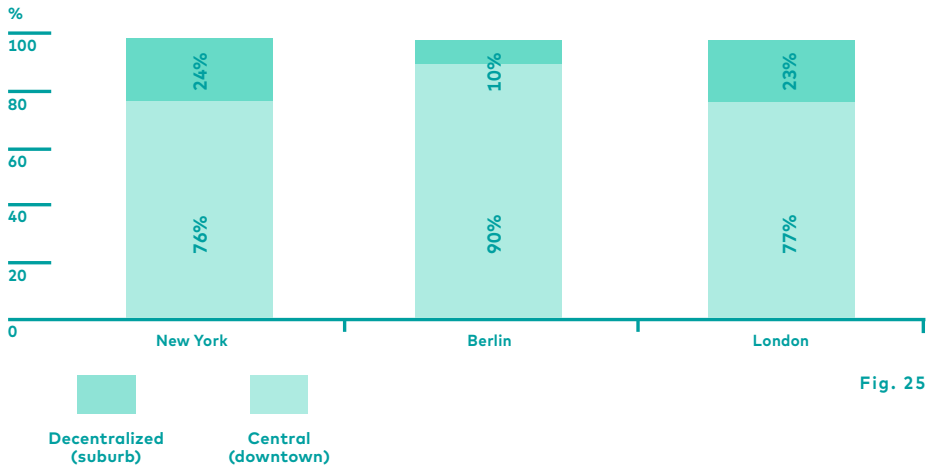


Fig. 25

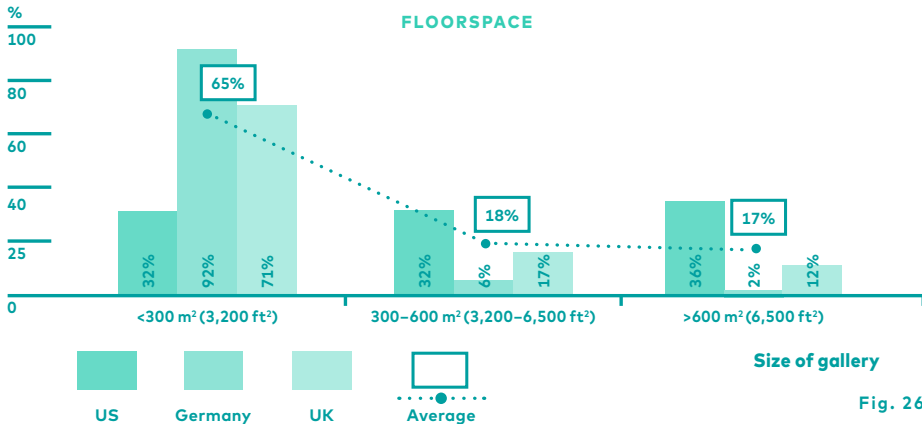
Gallerists cling passionately to the belief that they must set up shop in a central location in a major city – in other words, where rent is highest.<sup>10</sup> Unsurprisingly, rent is one of the top two overheads in all cuts of the data.

By country, this trend is at its most visible in Germany. More than 70% of all German and 61% of us galleries are in major cities, compared to only 46% in the UK – explaining why rent is not the highest overhead in the UK.

The data is even more illuminating when looking at city centre addresses. In Berlin, 90% of galleries are located centrally, compared to 77% in London and 76% in New York. On a national level these numbers are only marginally lower.

It is difficult to establish the motivation of gallerists to locate in costly, central premises. A gallery in a decentralized location can be as successful as one in the busiest street. The almost unanimous, unquestioned conviction that central premises in a major city are essential cannot be justified economically. To some extent, it can be explained as tribe mentality, but it also reflects concerns about reputation, visibility and brand-building.

# 5.3



<sup>10</sup> Major cities in the UK and Germany are cities of over 500,000 inhabitants; in the US, cities of over one million. Central location means city centre, decentralized locations everywhere else.

## COSTS STRUCTURE

Rental costs are, of course, affected by the size of the space. Even by the standards of art industry market intelligence, very little was on record about gallery space. The survey revealed that 65% of all galleries are smaller than 300 square metres (3,200 sq. ft). In fact, 30% of all galleries are under 100 square metres (1,100 sq. ft). Gallerists almost unanimously trade space for a central location in a major city. Only 18% are medium-sized galleries with an area between 300 and 600 square metres (6,500 square feet), while 17% exceed 600 square metres.

By country, it is clear where space is an expensive commodity: galleries in the us are much more generously sized than in Germany or the uk. 68% are over 300 square metres, compared to 29% in the uk and only 8% in Germany. Only one-third are under 300 square metres, compared to 92% in Germany and 71% in the uk.

City hubs show similar characteristics. Despite the high rental prices, New York-based gallerists prefer large spaces. More than 60% prefer to show their works in spaces larger than 300 square metres, compared to only 3% in Berlin. There is far less uniformity across the size of London galleries, where the assortment of the large, the medium-sized and the small may explain why London's gallerists do not cite rent as their highest cost.

## FLOORSPACE BY CITY

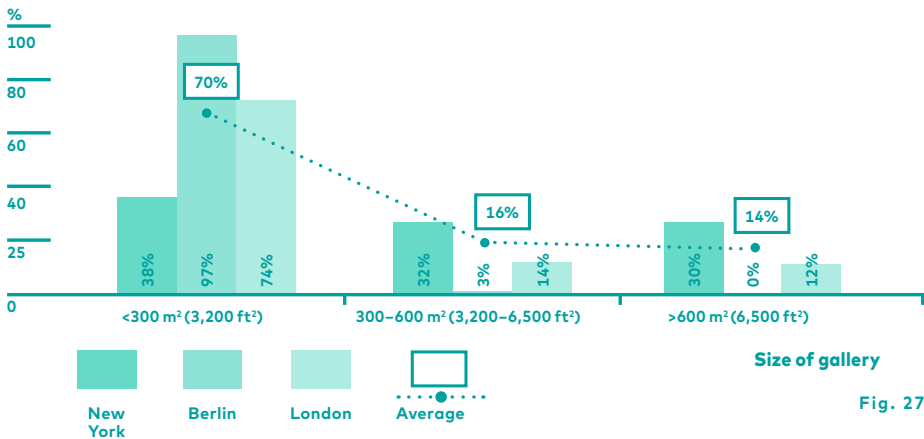


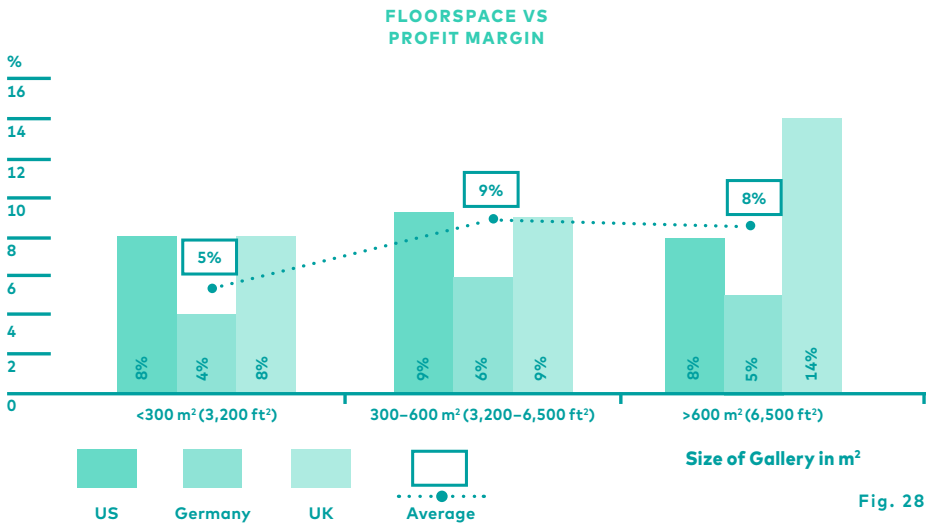
Fig. 27

5.3.1

Size vs. Profit Margin

The important point about gallery size is that there is no concrete correlation with profitability. Smaller galleries (below 300 square metres) have a profit margin of 5%. Larger galleries (above 300 square metres) have a profit margin of 9%, which drops as the space increases. Generally, it seems that 300–600 square metres is the most successful size for a gallery in the us and Germany. In the UK, there is a surge in profitability over 600 square meters; these stand out with an average profit margin of 14%.

However, without doubt, size does matter for the top-end galleries. Museum-like locations seem to become the standard – both to give artists more space to exhibit but also for investment reasons. Some gallerists have understood that their industry is linked to the real estate business. For example, gallerists who bought a space in Chelsea or the Lower East Side early on, benefit from property price increases today. Others, who rented, have had to move out.



# 5.4 Subsidiaries

SUBSIDIARIES

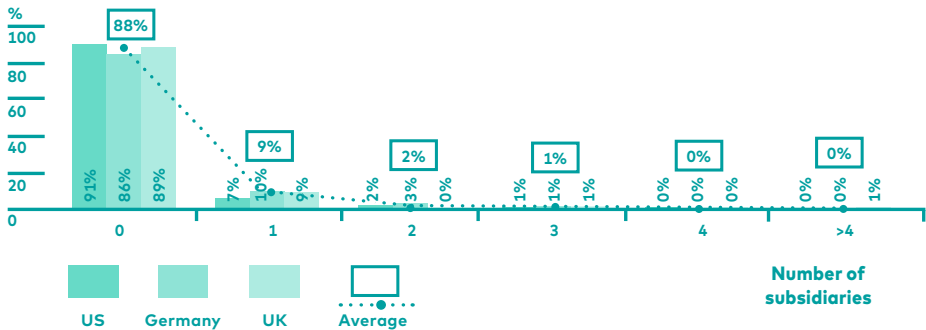


Fig. 29

Rental costs are driven by three factors: cost per square metre or square foot, size and, obviously, the number of locations. Given the international nature of the art market, one could expect galleries, like the fashion industry, to have subsidiaries around the world, using an international presence to exhibit their artists in more than one city, reaching a broader audience and enlarging their customer base. Other luxury brands have managed to establish worldwide brands and open branches in cities around the world.

However, galleries almost exclusively operate from just one location. Only 9% have a subsidiary, and 3% have two or more branches. The only gallery worldwide that is comparable to a global luxury brand is Gagosian Gallery. Larry Gagosian has fourteen locations around the world and is a truly global brand. Galleries are partly resistant to opening subsidiaries because every new location means building up a new collector base and, of course, increases costs. A further reason is that participation in art fairs reduces the need to have more than one permanent space.

# 5.5 Art Fairs

## ART FAIR PARTICIPATION

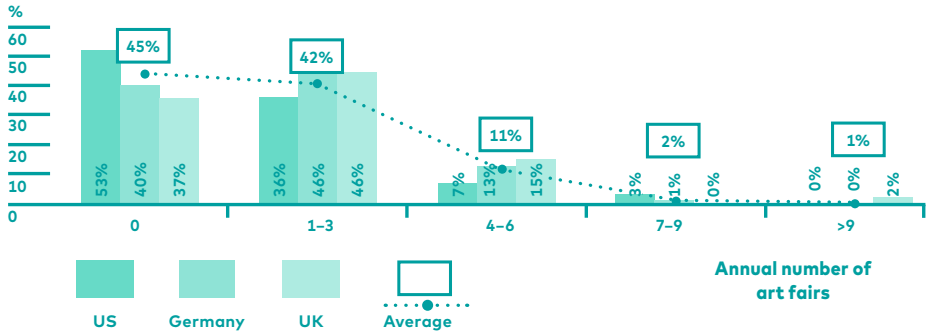


Fig. 30

For galleries, art fairs are the equivalent of an international presence, giving gallerists a window of a few days to court collectors from around the world.

The number of art fairs has shot up over the last decade, mostly as a consequence of the increasing attempts among galleries to enlarge their customer base and show artists internationally. Today, there are nearly three hundred art fairs around the world.

Fair attendance is very popular. Every second gallery participates in at least one fair. The majority of those that go to fairs participate in one to three per year, with 14% attending four or more fairs.

us galleries seem to put less faith in fair participation than their European counterparts: 53% avoid fairs altogether, compared to 40% in Germany and 37% in the UK.

Galleries from the art hubs go to more fairs than those in the remainder of the country, possibly because all three of the cities host their own fairs every year. Lower us activity can perhaps be traced back to New York galleries: 42% do not attend fairs, compared to only 29% in Berlin and 24% in London. London and Berlin galleries are the most active fair participants: more than one-fifth go to four to six art fairs per year. Slightly over half this proportion (12%) go in New York. It seems that New York galleries fear the

high costs that are involved in a fair participation – or maybe a strong domestic collector base does not require them to go abroad.

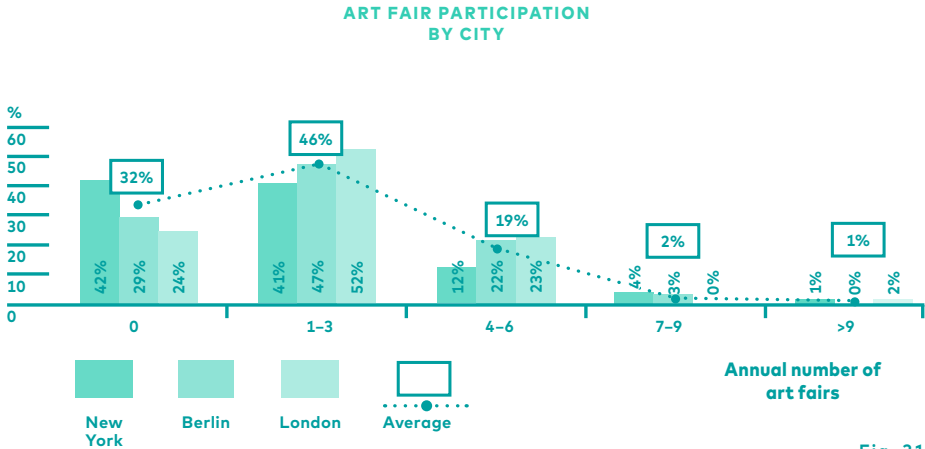


Fig. 31

**5.5.1**

**Percentage of Revenue Made at Art Fairs**



Fig. 32

There is a clear rationale for strong fair participation: for many galleries, a large proportion of their total yearly revenue comes from fairs. More than one-quarter of all galleries generate 20% or more of their revenue at art fairs. Comparing the three countries, it is the us that makes the least revenue at fairs.

Given the reluctance among us gallerists to attend fairs, Berlin and London predictably show much higher fair participation than New York and are financially rewarded for doing so. A breakdown of gallery revenue by city illustrates that 12% of Berlin galleries and nearly 10% of London galleries earn more than half of their revenue at art fairs.

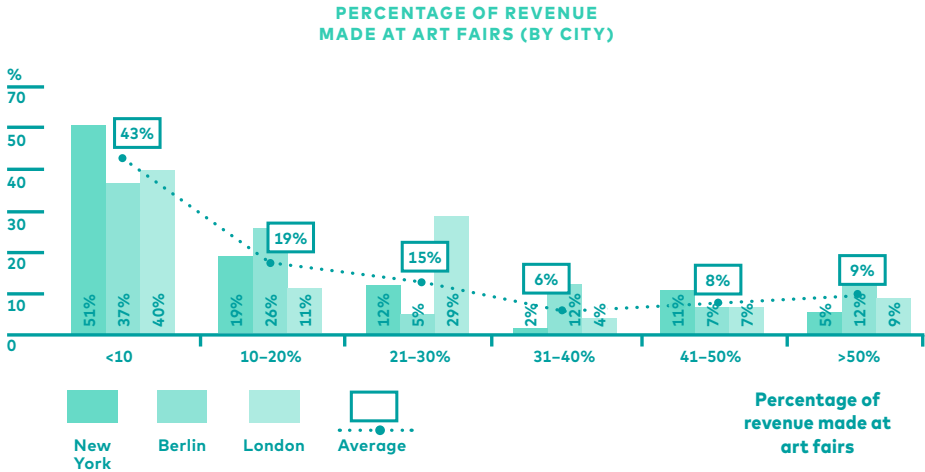


Fig. 33



### 5.5.2 Art Fair Participation vs Profit Margin

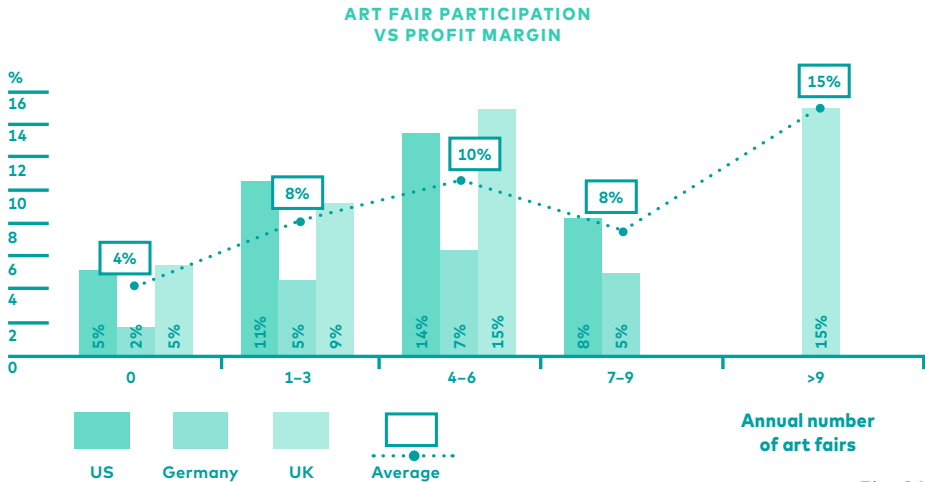


Fig. 34

The graph above illustrates the effect of art fairs on revenue. How does it impact the profit margin?

The survey suggests that galleries that attend art fairs are financially more successful than other galleries. While galleries that do not participate in art fairs at all realize a profit margin of only 4%, galleries attending one to three fairs are twice as profitable. Galleries participating in more than nine fairs stand out with an average profit margin of 15%. Considering the low number of galleries that participate at nine fairs, this number should not be over-interpreted. Interestingly, although German and UK galleries show similar participation numbers at art fairs, UK galleries perform much better, with a profit margin twice that of German galleries.

5.5.3

Art Fair Participation in the Future

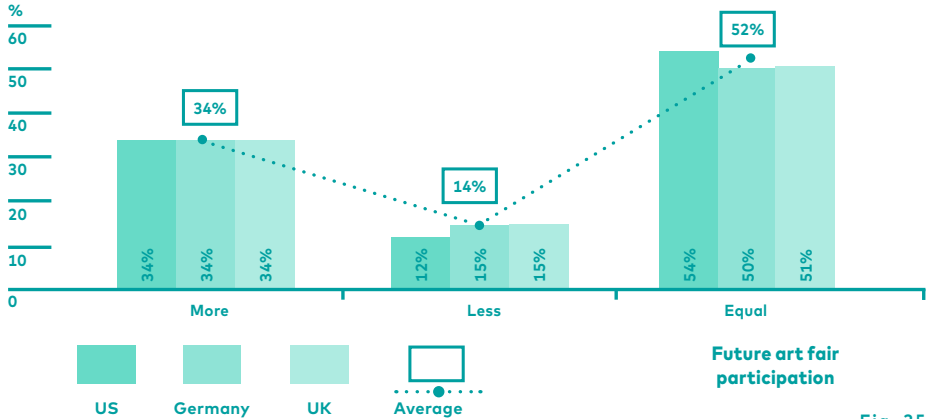


Fig. 35

Galleries are well aware of the value of art fairs. While 14% want to participate in fewer fairs, 52% want to continue their current level of participation, and a further one-third want to participate in more fairs – testimony to the increasing power of art fairs, and a number that will delight fair directors across the world.

# 5.6 Employees

So far, we have been talking about the structural data of art galleries. But who is actually doing the work? This section deals with the gallery's employees. Salaries are a leading expense, according to this survey. In a business environment where there is little opportunity to turn to automation or outsourcing, running a gallery is always going to require a great deal of personal input, and might therefore be expected to bear a heavy payroll burden.

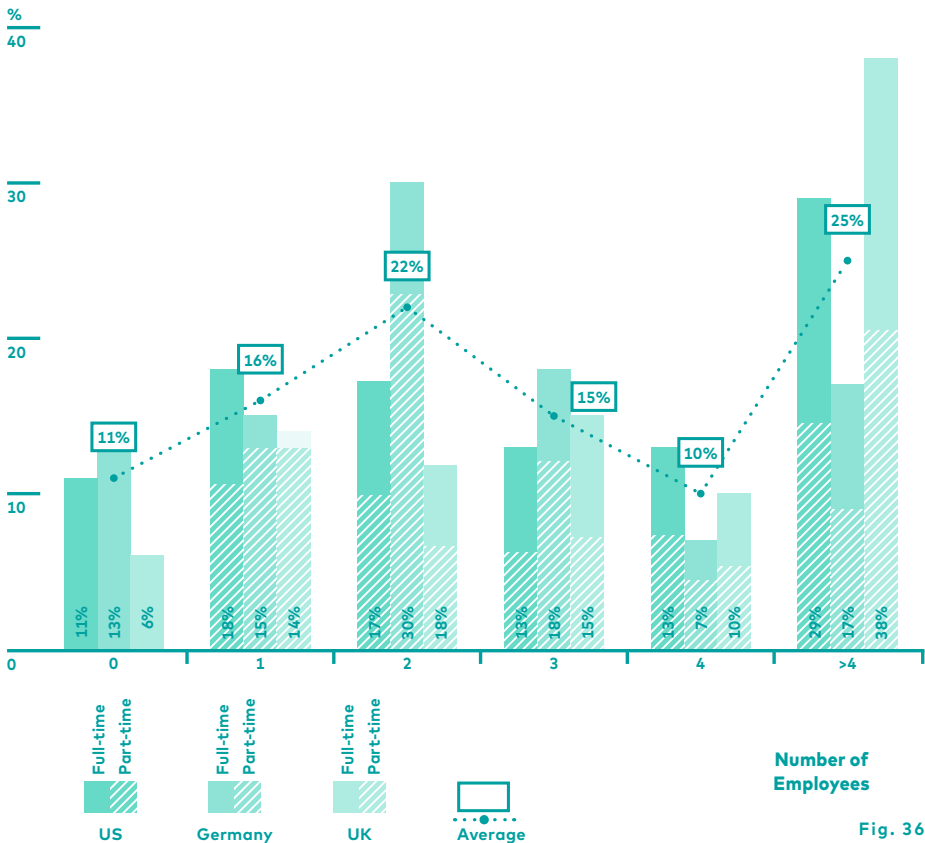


Fig. 36

In practice, however, art galleries are small enterprises in terms of employment numbers. A companionless 11% of gallerists run their business with no assistance, and only 25% employ more than four people.

Employing full-timers is evidently not common practice at art galleries. Overall, 40% of art galleries do not have a full-time employee – a strategy that is particularly evident in Germany – and only a small minority of 8% have more than four full-time employed staff members. Cities reflect country patterns.

The weighting towards part-time employees is particularly visible in Germany and the UK, where 90% of solo gallery employees are part-time, and most likely freelancers or interns. In galleries with more employees, the ratio of part-timers to full-timers shifts more into balance, but a preference for part-timers persists. Freelancers may work for a set number of hours per month for the gallery, and interns – who mostly work at very low rates – are extensively used. Only 21% of all galleries have no freelancers on their payroll. Of those that employ part-timers, most employ two or more.

In the UK, 84% of galleries employ part-timers, a level all but matched in Germany (83%), compared to 73% in the US. In Germany, however, galleries fight shy of too many hires; only 8% employ four or more part-timers. US and UK galleries are more likely to recruit extra hands, with 17% of US galleries and 22% in the UK employing four or more part-timers.

5.6.1

**Number of Employees vs. Profit Margin**

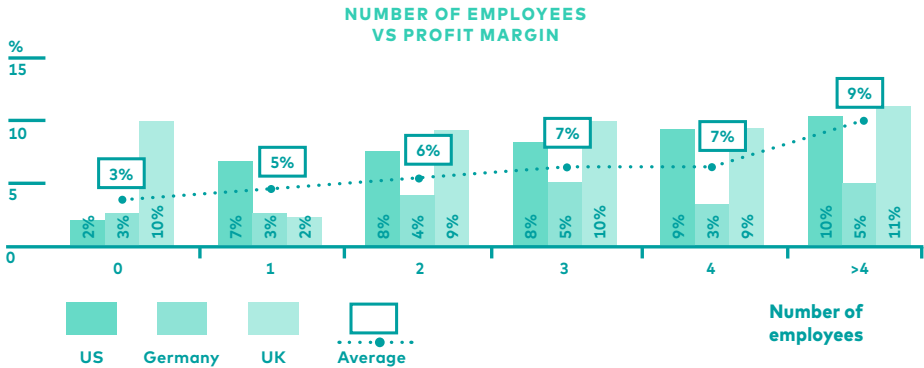


Fig. 37

In general, galleries are reluctant to employ a large number of employees and pay them well. It would appear that salaries, already seen as a high overhead for galleries, introduce a significant fear factor. Keeping salary costs low seems to be the number-one rule in the gallery employment market.

However, galleries should rethink this paradigm. The results from the survey suggest that profit margins grow exponentially with the number of employees. While galleries running without assistance typically show an average profit margin of 3%, galleries with one employee typically yield twice this result. Galleries with four employees can even triple this rate and bring it to a profitability margin of 9%.

5.6.2

**Percentage of Revenue Spent on Salaries vs Profit Margin**



Fig. 38

Profitability versus percentage of revenue devoted to salaries illustrates a similar result. Put simply, galleries spending a large amount of revenue on salaries achieve higher profit margins than those who do not. While spending less than 10% of revenue on salaries produces a 5% margin, those galleries that spend more on salaries show higher profitability (10% margin when 30% of revenue is spend on salaries).



**A Note  
on Data  
Sources  
and  
Metho-  
dology**

**This report is part of a larger research project that was undertaken to generate a more detailed insight into art galleries. The results of the project, together with this report, are published in the book *Management of Art Galleries*.**



Both book and report are based on a thorough and highly time-intensive research approach, with the gallery market under both theoretical and practical observation for a total of ten years. This research is based on a specific research quadrant: (1) a large survey on art galleries; (2) extensive talks with leading international experts from the art scene; (3) case studies with art galleries; and (4) the use of secondary sources.

**RESEARCH METHODS FOR  
THE IMPLICATION PART**

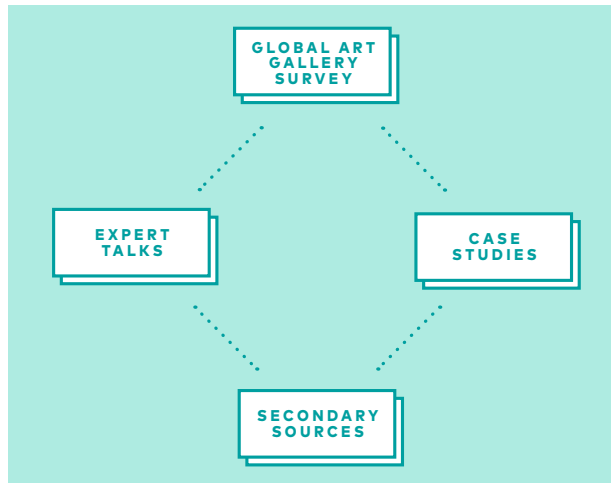


Fig. 39

**GLOBAL ART GALLERY SURVEY**

The main basis for the analysis in this report are the results generated in the survey of approximately 8000 art galleries, conducted in 2014. Such surveys usually suffer from a broad reluctance to participate, but the respondent rate for this survey reached an impressive 16%. This was partly achieved by individual attention and hard labour over more than four months, diligently reviewing and editing existing gallery lists from the web or by manual web search. As an incentive, respondents were entered in a raffle for two iPhone 6s. The two winners were informed

in spring 2015. In the process, personalized emails were then sent to all gallery owners, rather than to general email addresses. A few weeks after the initial email, a reminder was sent. Galleries were sent an online questionnaire and asked to provide some structural data, as well as a set of managerial questions. The results were then analyzed in relation to profit margins via regression analysis, a statistical tool frequently used by economic researchers for analyzing large data sheets.

#### EXPERT TALKS

Expert talks with various industry specialists helped to ensure that findings are widely relevant, and applicable in the art world and beyond. Interviews were conducted with commercial art mediators, including gallery dealers, private art dealers, auction houses and ancillary art business providers; conceptual art mediators, including critics and museum staff; collectors, including art connoisseurs, art lovers, collector-dealers, investors, and representatives of corporate or institutional collectors; artists; art market researchers; and, finally, experts from unrelated fields.

#### CASE STUDIES

Case studies with art galleries were conducted to see if numbers from the survey could withstand a sanity check and to derive implications for the book *Management of Art Galleries*. Case studies included young and upcoming galleries such as Carlos/Ishikawa or Rod Barton, as well as established players such as Sprüth Magers or Salon 94.

#### SECONDARY SOURCES

A large number of secondary sources were used (all cited in the report). These deliver the latest findings on the art market, as well as guide the reader to other trusted sources where needed. Some key sources used in this report included:

(1)

The IMF World Economic Outlook (database)

(2)

Larry's List Art Collector Report 2014

(3)

Capgemini and RBC Wealth Management World Wealth Reports  
(various years)

(4)

Credit Suisse Global Wealth Databook (various years)

(5)

TEFAF Art Market Report (various years)

(6)

Wealth-x and UBS 2013 World Ultra Wealth Report.



# Resources

# Resources

Below is a list of resources to help navigate the jungle of websites on the art world. This list is not exhaustive, and other helpful publications may be found in print or online.

## Art market coverage

### **artforum.com**

Art journal, focus on critical reviews

### **artinamericamagazine.com**

Artist information, columns, news, focus on American art

### **artmarketmonitor.com**

Art market news site, includes analysis of chart prices, weekly newsletter

### **ARTnews.com**

Features, art market news, gallery openings

### **artdaily.org**

Art news website, updated daily

### **artreview.com**

Art journal, focus on reviewing exhibitions

### **baerfax.com**

Pay-to-view market newsletter by adviser Josh Baer

### **bloomberg.com/pursuits/**

#### **art-design**

Art section of Bloomberg news

### **blouinartinfo.com**

Art news website

### **contemporaryartdaily.com**

Blog featuring images of important gallery and museum shows

### **frieze.com**

Art magazine with features, columns and reviews; organizes Frieze London and Frieze New York

### **news.artnet.com**

Art news website with daily newsletter on actors of the art market, great for gossip

### **observer.com/art/**

Art news website, focus on New York

### **theartnewspaper.com**

Newspaper dedicated to art news

### **textezurkunst.de**

German art journal (English and German) publishing texts about specific art topics (and constantly avoiding me)

## German-language only

### **qrt-magazin.de**

Art journal, published monthly

### **artberlin.de**

Blog on Berlin's art scene; some articles in English

### **kunstzeitung**

Free monthly newspaper available in every German, Swiss, Austrian art location

### **monopol-magazin.de**

Art journal with monthly topics; includes art market section

## Art prices and evaluation

### **artfacts.net**

Information on artists, exhibitions, galleries

### **artnet.com**

Price database

### **artprice.com**

Price database

### **Artron.nea**

Price database for Chinese market

### **artsalesindex.artinfo.com**

Free price database, part of Blouin Artinfo

### **actualart.com**

Price database and art valuation service

## Art e-commerce websites

### **amazon.com/art**

Online shop for art

### **artshare.com**

Online art gallery, focus on Asian art

### **artspace.com**

Selling site for primary market galleries

### **artsy.net**

Online art gallery partnering with leading galleries worldwide

### **auctionata.com**

Online auction house

### **barnebys.com**

Online search service for art works of art

### **christies.com/onlineonly**

Online auction platform of Christie's

### **ebay.com/art**

Online auction house with art section, recently in partnership with Sotheby's

### **invaluable.com**

Browse hundreds of auctions from around the world

### **ocula.com**

Selling site for primary market galleries

### **paddle8.com**

Online auction house; many charity auctions

### **Saatchiart.com**

Buying and selling modestly priced works of art

### **saffronart.com**

*Online auction house for Indian art and collectibles*

## **Art gallery services**

### **artBinder.com**

*Inventory management and database software for gallerists*

### **artbutler.com**

*CRM system for art galleries*

### **artlogic.com**

*CRM system and website builder*

### **arttactic.com**

*Art market analysis and podcasts with figures from the art world*

### **collectrium.com**

*Inventory management and database software for gallerists (recently bought by Christie's)*

### **larryslist.com**

*Sells profiles of art collectors; includes interviews with art collectors*

### **theartstack.com**

*App with which users can share and explore works of art*

## **Art gallery directories**

### **artfacts.net**

*Lists around 30,000 art institutions worldwide*

### **artforum.com/guide**

*Art gallery directory with calendar*

### **artnet.com/galleries**

*List of around 18,000 art galleries worldwide*

### **artslant.com**

*Art gallery directory with calendar*

### **chelseagallerymap.com**

*Dynamic website that lists galleries in Chelsea, New York*

### **index-berlin.de**

*Curated list of Berlin art galleries*

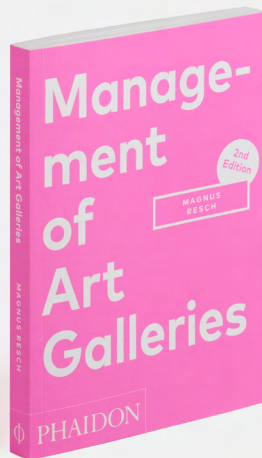
### **nyartbeat.com**

*Lists events, reviews and locations for New York*

# The bestseller, now in its second edition.

Understand how galleries work. In this essential reference book, Magnus Resch analyzes the inner life of art galleries, supported by case studies including Gagosian, Sprueth Magers, James Fuentes, Stefan Simchowitz and Per Skarstedt, and with a foreword by Jeffrey Deitch.

Order  
the book  
here!



**'This book caused a furor'**

Bloomberg

**'Magnus Resch is the  
world's most controversial art  
economist'**

Artsy

**'Entertaining,  
necessary, in short:  
brilliant!'**

Huffington Post

**'The data is impressive!'**

The Art Newspaper

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