

# **The Art Machine: Dynamics of a value-generating mechanism for contemporary art.**

## **Introduction: Creating value for contemporary art**

The raw materials – canvas, paint, brushes, the artist’s talent and hard work – are not costly. Existing art and business studies investigate how this kind of input may at times result in contemporary masterpieces valued in the millions. This article introduces a new way of looking at how this works and expresses it in the clear and comprehensive new terminology of the *art machine*. Essential to this concept are, first and foremost, the correct components (the *cogs* in the machine) and then, vitally, the capacity of the artist and other involved agents to operate the machine for optimum results. This study describes progressively the processes by which lesser value becomes higher value, i.e., ideally, by which the unknown art student’s paintings attain museum status. Machines come with a warranty. The *art machine*, however, does not guarantee success. Much depends on the artist’s initial input and the various agents’ operating skills. Fluid factors – financial, social, political, geographical – as well as unpredictables such as taste-variations, chance and faults and frictions within the *machine*, affect its efficiency.

Lacking the aura of worthiness that age gives Old Masters, contemporary artists must somehow validate their work to reassure potential consumers of their credibility in the present and their sustainability for the future. Symbolic and financial validation for those few contemporary artists who manage to achieve success relies on the efficient workings of what is pioneered in this paper as the *art machine*. Here, the mechanical nature of the established art market is presented as a network of dependencies between discerning artists, art professionals and art supporters, who ideally should work in unison to generate symbolic and financial value for art. It is a co-branding initiative that is indispensable for success.

Deconstructing this complex system of affiliation assesses how each participant aims to benefit from the market and also contribute to the creation of value and reputation within the wider spectrum of the contemporary art scene. This collaborative approach to the creation of value within the art market is further supported by the overlapping nature of many art professionals and institutions. Inspection of the *art*

*machine* as a comprehensive and interlocking network will be of practical use for art schools, researchers and especially for upcoming artists to show what career path they should aim to follow in order to be successful in today's competitive market place.

A Five Phase Model of the Migration of Art from Studio to Museum to Market demonstrates how new markets can be created for Old Masters; Drummond's (2006) phases include:

- Creation – or the period covered by the artist's creative production
- Quotation - when other artists start to imitate the now deceased artist's style and technique
- Interpretation – the assessment of the deceased artist in critical and academic writing
- Recontextualisation - when the deceased artist's signature style is translated into other media
- Consumption – when individuals pay money to experience the artists, whether by purchase, museum visits or buying reproductions and merchandise.

Drummond acknowledges that his model does not apply well to 20<sup>th</sup> century artists such as Andy Warhol (1928-1987) or Roy Lichtenstein (1923-1997), whose work had already migrated from studio to marketplace during their initial creativity phase thanks to the artists' own entrepreneurial branding and marketing. Artists like Warhol exceptionally achieved marketability and mass consumption within their lifetimes, but their work also continued to progress through Drummond's phases (quotation, interpretation and recontextualisation) increasing in credibility, dissemination, consumption and financial standing. Following Drummond's model, however, most living artists do not progress beyond Phase One of the validation process. Where artists are comparable to brands, "subject to market forces, career management issues, substitution effects, and product life cycles" (Schroeder, 2010: 18), if they are to attain stardom without the aura of antiquity while surviving the perils of the "market forces", they must rely on the seven key interlocking components of the *art machine* to achieve cultural, symbolic and economic self-validation.

### **Key components of the *art machine***

Economists and art theoreticians have variously identified the key component parts of an art network (Becker, 1982; Stallabrass, 2004; Thompson, 2008; Thornton, 2009; Robertson, 2005; Robertson and Chong, 2008; Velthuis, 2005), though none of these studies has acknowledged the importance of the entire interactive organism to reveal how these different components may effectively collaborate to ensure the validation of contemporary art. Reactive to their uncertain economic climates, the art-specific contextual “artworlds” (Danto, 1964) spring up and die organically as conditions fluctuate. Subsequently, Becker’s (1982) own sociological approach to “art worlds”, or, in Thornton’s terminology (2009), “insiders”, include: creative artists, curators, dealers, galleries, critics and theoreticians, auction houses, commercial art fairs and non-commercial international arts events such as Biennials and Triennials, collectors and investors (individual and corporate) and their advisors, together with museums.

These “artworlds” must be examined further. This can be done by presenting the art market as a mechanical network (or *art machine*) made up of art professionals and institutions that purposely benefit from both the symbolic and financial value created by the interlocking mechanisms, or *cogs*, which tie the different elements together. Each of Thornton’s “insiders” plays an essential and at times overlapping role within the workings of the *art machine*: arts managers use business tactics to bring art and audiences together; critics and aestheticians, who justify the artwork within its current cultural and social context, vitally condition a consumer public to respond to the work emotionally; whilst government, business and philanthropy provide essential funding and a platform for wider dissemination. At the same time, other painters act as key initiators and practitioners creating the backdrop against which current artists’ work makes sense. Moreover, the *art machine* may generate wealth (both symbolic and monetary) for these various components, and also, potentially, via tourism and cultural development, for the host locations such as Venice, São Paulo, Kassel, Miami, London and Basel of international arts events (Schroeder, 2005; Chong, 2010; Rodner, Omar and Thomson, 2011).

Robertson’s (2005a: 29) diagram plots the progress of the artist from art school to stardom, passing through about half a dozen levels of validation including curator shows, arts fairs, galleries, regional and national shows, international biennales and art fairs, branded museums and national galleries. Robertson further stratifies these levels

of validation into three distinct tiers: gamma, beta and alpha. Artists who achieve gamma exposure remain stagnant, receiving only local coverage and selling to local audiences at regional art fairs and low-level galleries. At the other end of the spectrum, alpha artists benefit from global dissemination and financial success thanks to the seal of approval bestowed upon their work by prestigious art institutions (see Appendix I). Although these alpha institutions may appear to be timeless authorities of taste, they too depend on the co-operation of other elements within the art network: in their groundbreaking examination of the French art market, White and White (1965) revealed how even Meccas of taste (such as the Académie des Beaux Arts for 19<sup>th</sup> century France) can lose authority and control over the market if they fail to evolve and collaborate with other forces within the art network.

As cited by Chong (2010: 197-198), the arts consultancy firm of Morris Hargreaves McIntyre produced an art “Eco-System” flow scheme of network relationships from art school to public art museum, reinterpreting Robertson’s stages as follows:

1. (Graduate) artists attract the recognition of peers;
2. Exhibition and representation by small gallery;
3. Critical attention;
4. Attracts attention of dealer;
5. Attracts private collector;
6. Dealer sales and art fair exposure enhance artist’s reputation;
7. Dealer promotes critical attention via smaller gallery exposure;
8. Major gallery exposure;
9. Legitimization adds value, status and profit for dealer and artist;
10. Collector lends to public gallery/museum;
11. Collector’s choice is endorsed by being invited to join gallery/museum boards;
12. Collector bequests collection to museum.

These schemes provide a starting point for any serious understanding of the mechanisms involved in the commercialisation and validation of contemporary art. Instead of visualising the key components of either scheme, be it Robertson’s diagram or Morris Hargreaves McIntyre’s list of participants, as separate and unrelated, the

newly termed *art machine* expands on and explores the contribution made to the cultural and economic validation of an artist and his work by a wide variety of interlocking and at times overlapping components. Starting with the creative artist's education and training at art school, this structure follows his work's acceptance at dealer and gallery primary market level, validated by critical exposure; market penetration via art fairs, auction houses, collector participation and international arts events, leading the star artist to museum acceptance, the pinnacle of symbolic success.

**Stage I: Educating artists: art schools.**

Californian conceptual artist John Baldessari jokes that artists should adopt a military-style uniform to show their rank by portraying their achievements or status on their sleeves, like stripes (Thornton, 2009). The first of these ranks would have to be the art school, which acts as the foundation for most artists' careers as illustrated in Robertson's route to stardom (2005a). Even with an innate creative talent, the upcoming artist must acquire the technical expertise that allows him to create at a professional level, not to mention the initial validation that attending an art school confers. Emerging artists feel that this first step into the legitimation process is an important one, since "a good art school provides a sense of being somewhere that matters with an audience that matters" (Thornton, 2009: 72). Hughes (1984) objects, however, that despite investing time and money in art school training, very few graduates reach stardom status and the majority of contemporary artists fail to disseminate their work successfully and brand themselves in the market. An additional objection is that standardised art school syllabuses may produce creative uniformity, especially if *art machine* diffusing components and consumer taste tend to err on the safe side. In this context, it is only the boldest and most confident artists who, "at odds with peer and mass market consumer values ... create to communicate a personal vision", possibly in the belief that "by creating something that vividly expresses their values and emotions, the audience will be moved to accept their perspective" (Fillis, 2006: 32).

Nevertheless, this passport to legitimation acts as a platform for further interest from other components of the *art machine* such as awards, residencies, gallery or dealer representation as well as criticism or interpretation by art journals and scholars, making art schooling an essential *cog* in the structure of value creating process.

## **Stage II: Penetrating the market - art dealers and galleries**

Talented and now trained, the graduate artist makes his debut on the primary market (perhaps via an art school exhibition or local fair or gallery), where the consumer takes a risk investing in an artist who is as yet unvalidated by the art world (Heilbrun and Gray, 2001) but is compensated by the satisfaction of buying from the new artist and thus participating in the creation of culture (Barrere and Santagata, 1999).

Ideally, the artist finds a gallery or dealer, who will exhibit, promote and sell on his behalf in return for a commission or a percentage of the sale price with or without a contractual relationship. Santander (1999) differentiates the dealer or *merchant* from a gallery owner in that a dealer is an art connoisseur who promotes and sells works of art through limited channels: without a permanent gallery space, the dealer cannot host solo or group shows, publish catalogues or advertise in the media. Restricted in his sales points, the dealer aims to seduce the collector at the earliest stages of the sale, allowing him little time to search the market or value the artist through other means. The sales price for a neophyte artist is generally calculated based on the artist's curriculum or the dealer's his own expertise; pricing may be no more than a "wild guess", "a game of perception" or "a mystery" (Velthuis, 2005: 123). Art dealers become a "chief source of business" (Meyer and Even, 1998: 282) and influential tastemakers throughout an artist's career:

... art dealers actively stimulate critical acclaim for their artists by inserting their work into the art world's taste-making machinery: they induce critics to write about the shows, they try to interest museum curators in exhibiting the artist's work, and they ask influential collectors to recommend the artist's work to others (Velthuis, 2005: 41).

Dealers and gallerists are, importantly, tastemakers: proactive, not reactive, where "merely offering the public what it wants is an abdication of responsibility ... [they] should be in the business of helping to shape taste" (Chong, 2010: 19). They combine the qualities of scholar, aesthete, connoisseur, publicist, diplomat and organisational leader with the "skills of persuasion and articulation" (Chong, 2010: 11). Dealers and gallery owners stand as cultural "gatekeepers" (Becker, 1982; Velthuis, 2005; Schroeder, 2006), who open the portals of the opaque art world to a more general public: "The gallery owner therefore assumes the part of interpreter and mediator in the

process of turning art into a product” (Meyer and Even, 1998: 271; Chong, 2005). The gatekeepers (or artistic directors or curators) have amassed sufficient authority to qualify a work as *art* simply by treating it as such (Moody, 2005). Wealthy arts consumers may be culturally ignorant, relying on the credibility of their branded consultant, be it advisor, dealer or gallery proprietor (Whitney Museum of American Art, 2007), whose taste credentials are validated by the *art machine*, which entitles them to stamp emergent art with the seal of good taste that is guaranteed by their own reputation.

Dealers and galleries are thus the mechanism integrating the artist “into the society’s economy by transforming aesthetic value into economic value, making it possible for artists to live by their art work” (Becker, 1982: 109) and turning the artist’s visual statement into a commercial success. Although the artist may not initially create work with a commercial public in mind, he and the dealer/gallerist grow mutually dependent in the course of the entrepreneurial venture (Hirschman, 1983; Meyer and Even, 1998; Fillis, 2006). At the same time, if all works well, the artist’s heightened reputation will enhance the image of the dealer in a co-branding effect. Dealers and gallerists enjoy a multi-faceted function in the creation of value within the art world: tastemakers and gatekeepers, they interpret and diffuse the artist’s cultural significance whilst analysing the art market to strategically place their new artist within this commercial food chain (Santander, 1999). As an essentially profit-making enterprise, the commercial gallery needs further symbolic validation from perhaps less financially oriented gatekeepers within the *art machine*: the word of the art critics.

### **Stage III: The power of words - art critics.**

Writing about art is important. By evaluating specific art and artists within a relevant context, critics “serve as a communications link between artists and the public” (Goodwin, 2008: 7). Since the artist’s creativity is not readily understood by the viewer, audience compliance must be molded by the “fluent, florid artspeak” of qualified members of the *art machine*, such as curators and critics (Gill, 2009), who establish meaning and marketability of the artist’s output. Overlapping functions within the art worlds make critics hard to define separately from arts professionals in general. The required qualifications are vague: “while the authority of the doctor or plumber is never questioned, everyone deems himself a good judge and adequate arbiter of what a work of art should be and how it should be done” (Rothko, 2004: 2). Art critics deal in

reputations: their credibility depends on their own reputation to make the right value-judgments, which, in turn, encourages others to follow their lead, be it culturally or financially. Unburdened by the commercial commitments of a gallery, independent art critics are free to “equate desirability with originality or vision” (Thompson, 2008: 229), making and breaking reputations, acquiring friends and enemies along the way.

Critics of the art critics maintain that their influence has declined. Saatchi (2009: 97) claims that “the day when critics could create an art movement by declaring the birth of Abstract Expressionism ... is firmly over”, whilst Thornton (2009: 155) writes that, where art critics once led dealers, who in turn led consumers, now “the collector leads the dealer, the dealer leads the critic”. As trends in contemporary art flourish and fade, so art criticism may also lose immediacy as concerns its subject matter or its focus.

#### **Stage IV: A return to the market - auction houses.**

A duopoly of auction houses, Christie’s and Sotheby’s, originally London-based, now rank globally among the most esteemed art sales venues, conferring upon the art they sell the benefit of their own reputations within the branded and branding *art machine*. With the auction house, an artwork already validated at lower levels of the *art machine* reaches the secondary market (Heilbrun and Gray, 2001; Robertson, 2005a). Auction house reputation as a guarantee of quality, the known identity and provenance of the work, auctioneer expertise in the psychology of buying (Thompson, 2008; Thornton, 2009) and as intermediary between consignor and ultimate consumer, together with the ostensible transparency of the auction procedure (as boasted by Goodwin, 2008), target high sales prices to guarantee consumer satisfaction according to the “Veblen” effect (Thompson, 2008; Chong, 2010). Fees are charged by the auction house to the vendor (consignor) of the artwork, whilst buyers pay a premium (20% or negotiable). Catalogues list the artwork’s provenance (where the artwork has been displayed and sold previously) and authentication (that the work is of the author, time and place as listed), highlighting the consignor’s credentials as validation for the work. A reserve price may be set at which, if not met at auction, the auction house itself will purchase the item in return for a guarantee fee payable by the consignor (Thompson, 2008). High sales prices require intense market studies, global financial understanding, risk insurance assessment and an ability to finance top end art dealing.



New York and London are prime arts auction venues, attracting serious buyers and also visitors who enjoy the social distinction (status enhancement) of being seen at a media-featured event. Buyers include museum representatives, corporations or private collectors (Thompson, 2008). Many artworks are consigned according to the four Ds – death, divorce, debt and discretion (re-decoration, collection renewal or investment profit (Thompson, 2008; Goodwin, 2008; Horowitz, 2011). The auction procedure, ostensibly transparent since pre-sale estimates and reserves are published in advance (Carrano, 1999; Velthuis, 2005; Goodwin, 2008; Chong, 2010), includes a high degree of mystification. Reserve prices may be concealed or coded; auctions may be by secret, advance or telephone bids (handled by dealers or auction house employees); fictitious sales may be hammered down to “Mr. Chandelier” for a work for which failure to reach the reserve would stigmatise its future value (Thompson, 2008; Goodwin, 2008); dealers and gallerists may put in interim bids to push up prices on an artist they already handle (Carrano, 1999; Jeffri, 2005). Bewildered by these and other mystifying factors, the bidder/collector’s potential post-purchase regret (Thompson, 2008) that he has irrationally overspent at Christie’s or Sotheby’s is hopefully mitigated by the comfort factor of these institutions’ worth within the validating *art machine*.

**Stage V: Consuming art – collectors.**

The serious art collector fulfils a dual function within the *art machine*: his social and cultural standing is enhanced by his owning high-cost, high-profile artworks; these are in turn enhanced by mere virtue of his adding them to his collection (or even expressing an interest in doing so), provenance being key to the pedigree of Old Masters and also, once a piece has reached a secondary market, of contemporary art as well (Oberto, 1995; Thompson, 2008). A case in point is dealer, gallerist and collector Charles Saatchi’s acquisition of works by young British artists, most notably Damien Hirst. The wealthy, high-profile advertising guru and arts patron financed and commissioned Hirst’s trend-setting shark project, revalued his work by adding it to his collection and, by his interest, made Hirst’s brand-name as prominent and profitable as his own. In the 1980s, Saatchi bought, stored, displayed and catalogued contemporary art in bulk, controlling the supply of art and thereby inflating market price. Heilbrun and Gray (2001) observe how an influential collector, such as Saatchi, can be equally damaging to the artist, in both symbolic and financial terms, if he prominently abandons the artist and sells off his collection. By 1999 Saatchi had strategically unloaded most

of his YBA collection, making a profit for himself financially, but also adversely affecting the prices of some artists who had not been suitably validated by other means (Wu, 2002; Thompson, 2008; Bradshaw, Kerrigan and Holbrook, 2010).

In order to be able to endorse art's value by acquiring it, a collector should be able to choose his art wisely, that is, have *good taste*, or if he has more money than taste, he should be able to choose his arts advisors (dealers, gallerists, auction house representatives, financial advisors) wisely. If he chooses well, then the *tastefulness* of the object he acquires will, in turn, testify to the collector's high standard of taste. The collector's social validation peaks (Morris Hargreaves McIntyre's point 12) when his collection is gifted or bequeathed to a prestigious museum or housed in a new institutions named for the benefactor. A lifetime of conspicuous collecting immortalises the collector's name in his monument (Chong, 2010) and indisputably validates the objects housed in the collection.

High-end collectors are of necessity rich, but art is often not their best investment. The art market boomed in the 1980s, but taste is fickle and unpredictable (Frisby and Featherstone, 1997 on Simmel; Heilbrun and Gray, 2001). Art may be an alternative asset (to paper or property) for investment purposes (Chong, 2010), or may add to a varied portfolio, be it individual or as part of a shared investment fund. Despite available investment information from professional financial advisors, the art market remains opaque, fluctuating and offers low levels of liquidity. Chong (2010: 171) quotes Baumol's comparison of art investment with "a floating crap game". Buying and selling art is virtually unregulated, leaving the consumer, be he speculator or lover of art, with few legal remedies against potential financial losses (Chong, 2010). Despite these odds, Venezuelan collector and critic Ignacio Oberto (1995) believes collectors should follow both their head (for their art investment) and their heart (for the love of the artwork acquired). If art is a risky financial investment, then rewards for the heart, or aesthetic and psychological reaffirmation, gain importance. Where the value of art is opaque and intangible, its market value depends on these multidimensional (social, political, aesthetic, economic) horizontal relationships between the owners and manipulators of artworks (Barrere and Santagata, 1999).

Art collecting is plagued with contradictions. Collecting inexpensive art is valid within its own ambit of consumer satisfaction but does not contribute to the creation of value for art within the *art machine*. High-end collectors are not guaranteed a return on their investment either. A more solid return may be expected on historical art that has

been validated for centuries, whilst contemporary art may be, as Hughes (1984) suggests, overpriced, over-extended and too prone to fads and fashions to be reliable. Nevertheless, Oberto (1995) suggests collecting young artists for both pleasure and investment, so that the collector and his collections may grow as the young artists progress and flourish. The thrilling novelty of a contemporary art collection increases as the collector feels that he himself is also a trendsetter (like Saatchi was for the YBAs) who may additionally benefit “from a newly discovered artist’s sudden popularity” as well as the economic benefits of his price increases (Horowitz, 2011: 9).

However, only the most successful collectors and collections make the headlines: “High prices command media headlines” (Thornton, 2009: xv). The more humdrum may also be successful to some extent, but will not make headlines, since they stick to conformity for safety’s sake, herding together, following trends rather than making them, or, in Hughes’ picturesque metaphor, moving in great schools like bluefish (Hughes, 1984; Becker, 1982). Bluefish may attract sharks in the water, the less ethical arts professionals, keen to part the collector from his money by playing on his ignorance, cultural snobbery, acquisitiveness or inclination to financial speculation (Becker, 1982). A timid collector may prefer to avoid the shark-infested water of the galleries, dealerships and auction houses in favour of the less aggressively profit-driven art fair or international arts event.

#### **Stage VI: Window shopping - art fairs and international art events.**

The art fair is a more comfortable, less stressful environment for the consumer than the auction house or even the potentially intimidating art gallery or dealership; galleries exhibit at art fairs to capture a wider public but lose some of their aura of distinction in the crowded, shopping mall experience (Thompson, 2008), especially of the lower level art fair. Consumers at local art fairs generally purchase within a limited budget and price range without expectations of resale potential. Itself poorly validated, the small or local art fair offers a low level of *art machine* validation to art and the artist. To avoid stagnation at Robertson’s (2005a) gamma level of dissemination, exhibiting merely at local galleries, fairs and museums, the entrepreneurial artist must behave like a multinational corporation and actively exhibit widely across the globe. International art events, often organised every two or three years (Biennials, Triennials), offer the star-bound artist unbeatable exposure and symbolic validation within the art world: “artists as ‘brand managers’ (Schroeder, 2005) aim to participate in high profile

Biennales such as the Venice Biennale in order to legitimise their work and gain symbolic power (Swartz, 1997). Simply attending such an event is often regarded within the industry as conferring a ‘seal of approval’ on an artist’s work” (Rodner, Omar and Thomson, 2011: 324; Chong, 2005; Robertson, 2005a). Generally hosted by a city that also gains in cultural value as its art fair grows in fame, international art events are an offshoot of the goliath world fairs that promoted nations’ trade to an international public. As a validating experience, being invited to attend an event of this stature “can have a huge impact. It gives a local hero an international platform” (Thornton, 2009: 252). For a deceased artist, exhibition at a major international arts event reinforces his current status, emphasising the (of necessity) limited supply of his product.

### **Stage VII: Exiting the market - museum or mausoleum?**

Acceptance into an international art event such as Venice or Documenta is one ultimate seal of approval within the market, alongside induction into a major art museum (Robertson, 2005a). A “new system of value” for art was born with the New York Museum of Modern Art (established 1929), as museum curators and aestheticians collaborated in the process of “rubber-stamping” the art market by collecting and exhibiting works of already commercial artists (Robertson, 2011: 7). Many arts theoreticians agree: “When a museum shows and purchases a work, it gives it the highest kind of institutional approval available in the contemporary visual arts world” (Becker, 1982: 117); “The idealized repository of art is the museum”, a sign of “highest aesthetic value”, more reliable than validation by possibly self-interested galleries, dealers and auction houses (Chong, 2010: 19; Chong, 2008; Goodwin, 2008). For contemporary artists, this means intense validation for the artist’s reputation and for galleries and dealers handling his present and future output (Thornton, 2009; Chong, 2010).

Once museum-displayed, however, most artwork moves no further. Museum status freezes the dynamic evolution of the particular work on display, which will often no longer change hands. Pessimistic commentators equate museum induction with death for the artwork (Ramos, 2007), where museums are “graveyards above the ground” (Harrison and Wood, 2006: 971). Unless sold from museum to museum, the artwork at this stage ironically returns to its starting-point before *art machine* validation: “museums ... make art worthless again. They take the work out of the

market and put it in a place where it becomes part of the common wealth” (Thornton, 2009: xiii). Moreover, should a museum relegate an artwork to storage or deaccession it, selling it on to the market, this strips the work and the artist of validation and market value.

Major museums use conventional business models and marketing methods (advertising, media events, rotating blockbuster exhibitions, celebrity cult) to attract a public (Hughes, 1984) and compete with other museums of similar status (Frey, 1998). But, as hallowed institutions of culture and learning, museums also raise emotional barriers to visits on a massive scale (Chong, 2010). The general public may find large museums intimidating because of their sheer size and monumental architecture (New York’s Metropolitan Museum and the Philadelphia Museum of Art as examples); as symbols of status and power, often displaying relics from the past, major museums may be dismissed as stuffy, elitist and boring (McCracken, 2005). A museum unvisited is a dead museum and their exhibits no more than fossils, so museums with a view to present profitability and future survival may stage witty, attractive shows (such as Guggenheim’s Armani and Harley Davidson shows), where possible supported by a stimulatingly modern architectural setting. New York’s Guggenheim Museum, designed by Frank Lloyd Wright and opened in 1959, is a prime example of this, which may be why the Solomon R. Guggenheim Foundation has so successfully franchised the Guggenheim Museum brand worldwide, notably the Peggy Guggenheim Collection in Venice (since 1951), the Guggenheim Museum Bilbao (1997) and the Abu Dhabi Guggenheim, both designed by Frank Gehry, and the 1997 Deutsche Guggenheim in Berlin. Possible further Guggenheim Museums are planned for Mexico, Brazil, Taiwan and Singapore (Wu, 2002; Thompson, 2008; Frey, 1998).

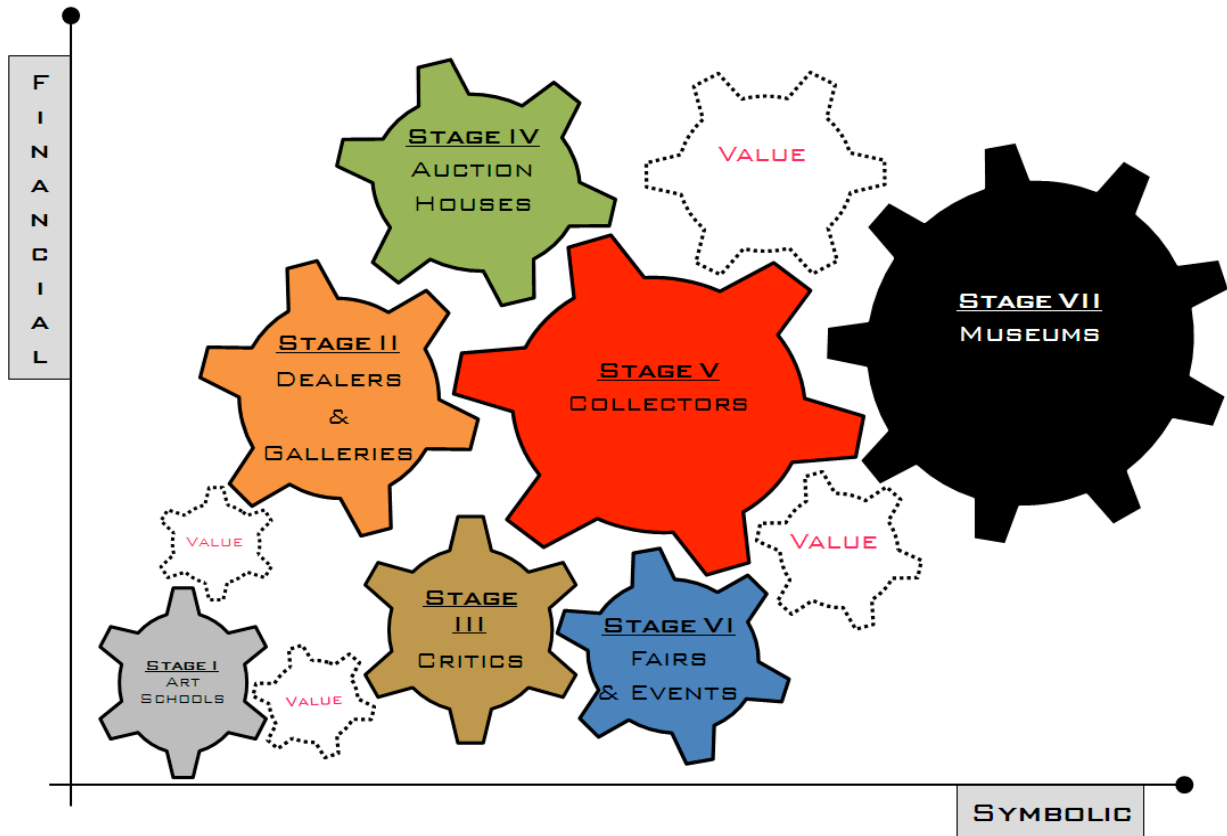
When not government supported, major museums need audiences to provide funds. New audiences require new exhibits, so museums must renew their collections, purchasing “oh-my-god” art (Thompson, 2008: 238) at multi-million prices ratcheted up by new generations of billionaire businessmen, industrialists and speculators. Few museums can afford to keep pace with the global market’s new wealth (Heilbrun and Gray, 2001). The museum’s curator is largely responsible for choosing what new art should be purchased. At these prices, he cannot afford to make a wrong decision. The curator must calculate the artwork’s present value as an enhancement to the current collection and as audience attractor versus its sustainability into the future (Cárdenas, 1999). Thus, the curator’s choice brands the chosen artwork for excellence.

**Conclusion: Working the machine**

Taken together, the *cogs* in the *art machine* testify to the existence of a complex network of agents which, when synchronised correctly, can validate an artist and his work for success. Dealing at once in culture and marketing, disseminating the visual arts via the interlocking mechanisms of the *art machine* remains aesthetically, socially and economically contextual and may fall prey to a variety of unforeseen influences. Less than mechanical, it is a “complex beast that is mutating all the time ... murky and inefficient, social and global” (Thornton, 2009: 256). Faced by uncertainty, the *art machine* works less than scientifically and relying on it becomes a leap of faith, a “belief in value”, when art’s monetary worth is the product of an instrument that has evolved essentially to create something out of nothing (Thornton, 2009: 257; Horowitz, 2011).

However, despite the fluid and uncertain nature of the art market, where trends and tastes are reinterpreted over time, deconstructing the *machine* suggests an orderly and interdependent structure of legitimation: each key component of the *art machine* acts as an essential tastemaker in the cooperative (if not competitive) construction of symbolic and financial value. The strategically positioned *cogs* share an unspoken code of ethics or rules to working the machine, which can lead the ambitious contemporary artist from anonymous youth to established celebrity.

Illustrated below, the *art machine* appears as an interlocking and interdependent mechanism of validation for contemporary art:



**Figure 1.** The Art Machine.

As the contemporary artist maneuvers his way through the various stages within this mechanism, his reputation (symbolic worth) and the price he may demand for his work (financial worth) increase in added value as he progresses along the two axes. With little or no value associated with either his work or his name, the artist commences his journey into the art world at stage I – the art school - where his creative talent is moulded and contextualised by art educators. Once trained, the artist seeks recognition from a wider audience as his work is interpreted by critics (stage III) and made commercially available by galleries or dealers (stage II), each of which acts as a key component in the validation and dissemination process. Subsequently, auction houses (stage IV) add significant monetary value to the work offered to the secondary market by adding their own reputation and seal of approval. Similarly, stage VI (art fairs and events) appears to be two-fold in the overall validation process: art fairs satisfy an ever-growing demand for the commodified artwork, whilst art events, allegedly non-commercial in nature, add symbolic value to the work displayed via the careful selection and judgment made by art critics and curators. Central to these four stages lies the larger, unequivocally indispensable interlocking *cog* of stage V: the art collector. Arts consumption, in financial and symbolic terms, becomes a key driving force within the *art machine*, without which the entire

mechanism would grind to a halt, much like a poorly lubricated engine. The voracious appetite of the enthusiastic collector generates motion between the interconnecting *cogs*, revaluing the artist upwards and onwards on both axes of the graph. In Brown's terms, art lovers "lust over the product [and] the creative frenzy" caused by a desired artist's latest collection (Fillis, 2010:33). The *lustomer's* insatiable desire to own contemporary art acts as a dual value-generating force: a high demand for an artist's work increases his financial worth, whilst the social standing of the keen collector enhances the artist's reputation. At the pinnacle of the value-creating process lies stage VII – the museum - where the ultimate seal of approval is bestowed upon the artwork and artist.

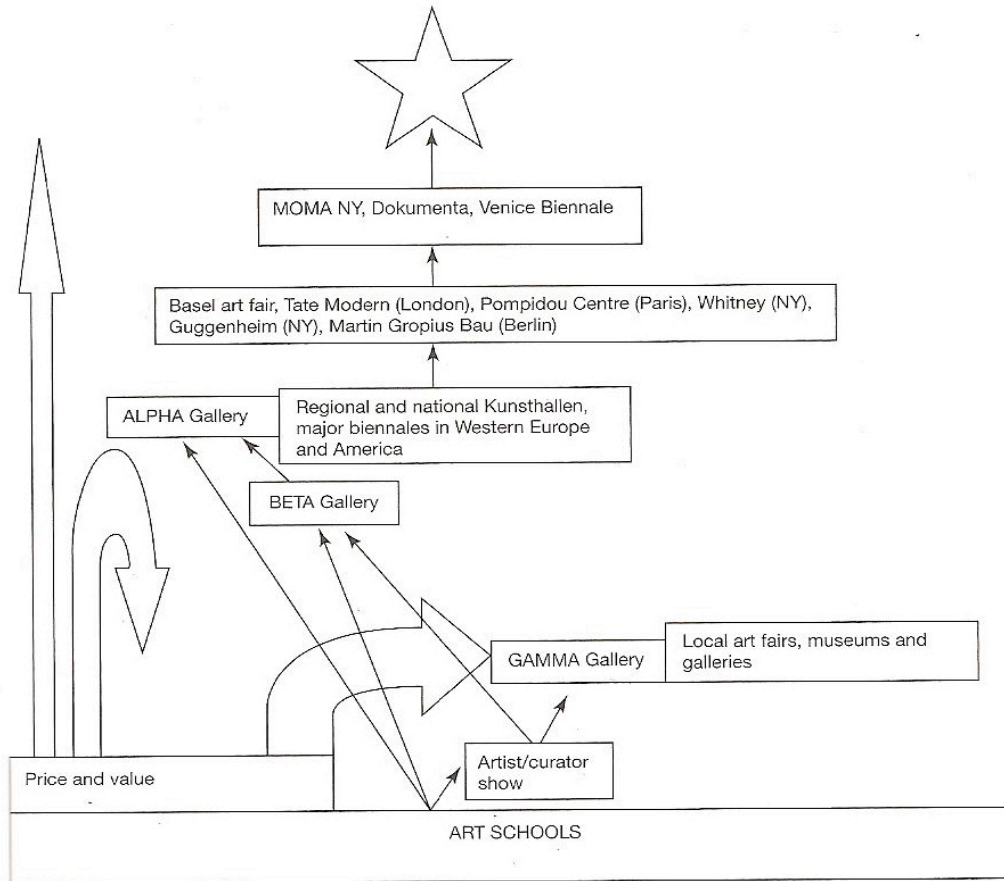
Unlike previous conceptualisations of the market, the *art machine* envisions an interdependent branding mechanism, each of whose different component parts necessitates the other in the successful and sustainable creation of symbolic and financial value for contemporary art. Robertson's (2005a) rise to stardom chart (see Appendix) illustrates increases in financial (price) and symbolic (reputation) worth as vertical arrows that lead the ambitious artist in his pursuit of stardom: at gamma level, the arrow skews to the right as the artist remains stagnant yet consistent at local exposure and sales venues; at beta level, the arrow makes a dramatic drop after climaxing at regional exposure, revealing a substantial decrease in value in both financial and symbolic terms; and at alpha level, the arrow shoots up triumphantly, obtaining maximum exposure and record prices for the few artists that reach stardom. Consequently, there appears to be no distinction as to what sort of value (price or reputation) the various "insiders" (galleries, art fairs, museums, biennales and curators) add to the artist and his work. The *art machine*, however, envisions added value very differently, where each *cog* within the mechanism plays an essential role in generating symbolic or financial worth for the art market: critics and international art events enhance the artist's reputation in the field; whereas commercial galleries and auction houses demand higher prices and manipulate sales. The collector, as consumer of art, adds value on both axes of the chart, whilst the museum seals an artist's global reputation.

Despite their frequently overlapping roles and the competitive drive in the pursuit of economic and cultural wealth, each *cog* within this network requires the other in the overall validating process. This paper deconstructs the inner workings of a global *art machine*, dominated by American and European art markets and arts marketing literature. Since each art market is socially, culturally and even historically contextual, *cogs* may vary in size, importance and even positioning within local *art machines*. Nevertheless, this



paper maintains that a cohesive and discernible mechanism exists, in which the seven key interlocking and taste-making *cogs* dynamically cooperate with one another in the value-generating process of sustainably and successfully branding contemporary art and artists.

Appendix I



*Progress of the artist from art school to stardom in “The international art market” (Robertson, 2005a, p.29) in Robertson (2005) (Ed.) Understanding international art markets and management.*

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