Social Exchange and Valuations in the Market for Contemporary Art

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Abstract

The first essay draws on 18 months of ethnographic fieldwork to examine the puzzle of why galleries discipline collectors – who provide much-needed financial capital – for appearing too motivated by profit. Whilst art worlds have strong norms that enjoin artists to avoid the naked pursuit of profit and instead affect an air of "disinterestedness" (that is, a concern only for universal virtues and aesthetic qualities such as truth and beauty), why might art *dealers* demand that *collectors* similarly conform to such norms? This study addresses how (and why) galleries enforce conformity to the art-world norm of disinterestedness among collectors as part of an array of tactics they deploy to "protect" their artists from price volatility that could depress demand for the artist's work. The findings suggests a paradoxical resolution. Although galleries framed such discipline as a moral imperative, a key implication of this study is that enforcing a norm that disavows extrinsic rewards such as fortune and fame ultimately supports a profitable business and investment strategy. The second essay (coauthored with Ezra W. Zuckerman Sivan) also draws on an 18-month ethnographic investigation examining the rise and proliferation of International Art Fairs (IAFs) in the global art market. This study contributes to our understanding of how the construction and extension of market platforms shapes market dynamics. On the surface, the explosive growth of IAFs in the contemporary art market reflects the greater efficiency that market platforms typically offer, both for facilitating exchange and for expanding access. But past research on market construction does not prepare us for either of the two main findings of this paper. The first is that market participants (and especially the mid-size galleries that dominate the fairs) are deeply ambivalent about the fairs' value relative to the cost of participation. The second main finding—that galleries (and others) believe they *must participate* in order to be visible in the market—affords insight into how markets vary in their visibility and opacity; how such variation shapes status competition; and how markets that are designed to increase efficiency may have the unintended consequence of exposing and thereby cementing hierarchy.

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CHAPTER 1

Disciplining Audiences: The Demand for Disinterestedness in the Market for Contemporary Art

Introduction

> "*You need to be careful… If I put them up for auction, in say a year, the gallerists probably wouldn't sell to me again. I burned that bridge, and everything in the art world is about relationships, everybody knows everybody… So if you're a collector, known for buying and then flipping, you're not going to step foot in a gallery*." (Art Advisor)
>
> "*If someone says, 'we will put you on the waiting list,' you will never get that art because what they are really saying is, 'actually, we don't want to sell it to you because we don't know you. You might be an evil flipper*." (Collector)

The global market for contemporary art is beset by contradictions. On one hand, the market is characterized by lively economic activity. The media regularly report headlines of auction houses' record-breaking sales, with prices paid in the hundreds of millions of dollars. International art fairs have proliferated, with hundreds of events held annually around the globe, and some reporting over a billion dollars in sales at the close of a long weekend. Perhaps ironically, in 2008, the same day that the investment bank Lehman Brothers filed for bankruptcy, precipitating the collapse of financial markets and a global economic recession, a superstar-artist broke auction sales' records by selling $200 million of art in just 24 hours (Freeman 2018). Almost a decade later, in 2017, the global art market broke another record, reporting over $60 billion in annual total sales (McAndrew 2017). On the other hand, in spite of headlines of record-breaking auction results and growth in global market sales, art-market participants (that is, artists and their audiences — gallerists, critics and curators, and collectors) typically claim to be indifferent to market outcomes, asserting concern only for universal virtues and aesthetic qualities such as truth and beauty. Yet this set of actors, claiming to be unmotivated by extrinsic rewards and blind to economic considerations, drives a booming global market for contemporary art.

Past research has shown that artistic disinterestedness (Bourdieu 1993) is a distinctive attribute among publicly recognized and applauded artists (Bourdieu 1984) and is especially prized by arts audiences (Fine 2003; Grazian 2003; c.f. Hahl, Zuckerman, and Kim 2017). Attributions of disinterestedness among artists supposedly signifies the artists' intrinsic motivations for producing art. The demand for "authentic" art, or art produced by intrinsically motivated artists, is sufficiently widespread that it essentially disciplines cultural producers (Grazian 2003) to appear unmotivated by extrinsic rewards. Arts audiences discipline artists in this way to obtain social distinctions for themselves through association with the artist's authenticity (Bourdieu 1984; Hahl et al. 2017). To be sure, artists and arts audiences are generally aware that artistic success can lead to fame and fortune. The narrative of artistic disinterestedness, however, functions as a "surface agreement" (Goffman 1959; Winship 2004) that allows these actors to ignore the elephant in the room—that there are extrinsic incentives for making, selling, and buying art. The image of the artist as an eccentric, reclusive, monk-like figure eschewing careerist or financial rewards (Wohl 2015) is a useful fiction or "veneer" (Goffman 1959; Winship 2004) that serves everyone's interests. The suppression of extrinsic motives allows artists to perform their authenticity, and arts audiences to earn status by appreciating authentic art, insofar as it is socially validated. But if the logic by which arts audiences discipline artists to perform disinterestedness is clear and persuasive, the central findings presented below are puzzling: Why might *gallerists* – who earn their living selling contemporary art – also face norms of disinterestedness? And why might they impose these norms on *collectors*?

The pair of statements in the epigraph illustrates how gallerists discipline collectors. Unlike other market settings, where customers are free to do as they wish with what they have purchased, including selling it for a profit if its value appreciates, galleries will sell to collectors only to the degree that they seem willing to forgo their usual property rights to profit from re-selling their recent purchases. Galleries may actually refuse to sell to potential buyers who view art as an investment because they fear these actors are prone to speculation (referred to as "flipping" work) at auctions. This is surprising because "investment" plays two important roles in the market for contemporary art (Horowitz 2011). First, collectors in effect provide risk capital for emerging and mid-career artists and their galleries; in this way, collectors are similar to venture capitalists who fund entrepreneurial ventures. Venture capitalists would obviously not invest in entrepreneurs' start-ups unless they could expect a profitable "exit" in the future. One would expect that for art collectors, any attempt to limit the resale of art would make "investing" in new art a less attractive activity. Secondly, re-selling art at auction — what is derided as speculation or "flipping" — is nonetheless key to establishing the value and liquidity of an artist's oeuvre. Alongside museum purchases, auctions are public venues that provide social validation of the artist's status, of the gallery's "eye" for talent, and of the collectors' tastes for "authentic" artists. But if speculation is so important to the functioning of the market for contemporary art, why do galleries demand that collectors avoid speculation by conforming to the norm of disinterestedness? Here the actors who provide much-needed capital, the art collectors themselves, are not only denied the usual freedom that accompanies risk capital investments, but are also required to enact a form of artistic disinterestedness. Why?

In this present study of the market for contemporary art, I inductively develop a paradoxical answer to this question. I show that galleries deploy disciplining tactics to enforce conformity to the art-world norm of disinterestedness among key members of the audience – the art collectors – to enable coordination and control in the market for contemporary art. This paper documents how and why such disciplining ultimately serves artists,' galleries,' and collectors' financial goals. Such tactics include vetting potential buyers, selectively placing artists' work using status-based waiting lists, queues, price discounts, first-right-of-refusal, and rejection (or refusal to sell), in addition to galleries' relational strategies that embed exchange in exclusive social networks.

Theoretical Background

Disinterestedness and the Social Valuation of Art

The concept of artistic disinterestedness can be traced back to Kant's and Schopenhauer's theories of aesthetic judgment and the formation of taste. Kant argued that an underlying condition for a thing to be defined as a work of art is that it must be intentionally produced, but for no specific purpose (Kant 2001, p. 173; Baxley 2005). A key normative implication is that artists *ought* to be motivated by an unmediated innate desire to express themselves, and not for any functional utility or rewards such as social recognition or remuneration. Accordingly, an artist's work should represent "pure, will-less contemplation" (Schopenhauer 1966, p. 208; Stolintz 1961). This formulation of artistic disinterestedness also lies at the base of aesthetic judgment, requiring the external audience to discern the artist's intrinsic motivations for art making. Given the salience of extrinsic rewards of fame and fortune as well as historical legacy within art markets, however, this theory of artistic disinterestedness is arguably an incomplete conceptualization of the social valuation of art.

Bourdieu's (1993) theory of symbolic capital challenges the narrative of artistic disinterestedness, arguing that socialization into an artistic field habituates the producer to appear intrinsically rather than extrinsically motivated. That is, not all recognized artists are averse to extrinsic rewards; indeed they cannot be if they are to sustain a life-long career as an artist. But many working artists are socialized to enact disinterestedness because an ostensible appearance of autonomy from market-driven incentives distinguishes artistic production as a special class of labor. This conceptualization of symbolic capital suggests that artists privilege aesthetic tastes and erudition as a source of distinction, which advantages them within status hierarchies (Bourdieu 1984) with delimited social boundaries (Lamont and Lareau 1988; Lamont and Molnar 2002). According to this theory of cultural production, artists tend to produce work in a way that it garners the attention of audiences who have developed a taste for disinterestedness, but without bringing attention to the intentionality of gaining extrinsic rewards in exchange for their work. There are, however, two modes of socialization: one early in an artist's development (e.g., through education), and another that is situational and ongoing in the present through audiences' evaluations of the artists (see Wrong 1961 for a classic treatment of the distinction).

Artists' tendency to appear intrinsically motivated is shaped by situational cues from arts audiences who evaluate their works. Scholars of cultural production demonstrate that artists enact artistic disinterestedness to meet the market demand of arts audiences who prize "authentic" art (Fine 2003; Peterson 1997; Grazian 2005) in what has been referred as the audience's more general "search for authenticity" (Grazian 2005). Arts audiences also criticize cultural producers who violate the norm of disinterestedness (Hahl 2016; Hahl et al. 2017). Thus, market demand both rewards *and* penalizes producers, and in this way, *disciplines* artists to reproduce the narrative of artistic disinterestedness, helping maintain a virtual fiction (Fine 2003; Peterson 1997; Phillips and Kim 2009; Sauder and Espeland 2009). Numerous studies across contexts, ranging from local artisans (Wherry 2006; Raganathan 2017), ethnic cuisine (Carroll and Wheaton 2009; Kovács, Carroll, and Lehman 2014), and country, blues, and jazz musicians (Peterson 1997; Bryson 1996; Grazian 2005; Phillips and Kim 2009), to self-taught ("outsiders") and contemporary artists (Fine 2003; Velthuis 2003; Wohl 2015), provide examples of the centrality of market demand for authenticity in shaping artists' tendencies to enact disinterestedness.

Although past work documents why artists might disavow the financial aspects of art markets, the literature does not account for the demand for such disinterestedness among intermediaries (e.g., galleries) and audiences (e.g., collectors). The lack of empirical research on this feature of the art market represents an opening to generate theory inductively with direct observations of the value construction processes that sustain the exchange for and social valuations of contemporary artistic productions. Thus, whereas past work focused on the role of audiences' demand for disinterestedness, I clarify an additional mechanism that enables intermediaries to enforce such norms among the audience, providing evidence for what represents a case of supply-side discipline.

I will provide evidence below that galleries deploy disciplining tactics to manage the challenges presented by speculation, especially among collectors who view art as an investment and re-sell multiple pieces too soon or too often at auction houses. Galleries use such measures to screen and sort potential buyers and existing clients based on their observed willingness to conform to the norm of disinterestedness. Specifically, galleries demand that collectors commonly enact disinterestedness, conspicuously appearing as if the marketplace for art is defiling, and that speculation is antithetical to decisions to buy and sell art; and collectors signal their commitment to galleries' normative expectations to secure privileged access to artists' works. This enables market participants to coordinate their exchanges and control price volatility that could depress demand for the artist's work. Thus, enforcing and enacting disinterestedness is ultimately a profitable business strategy, within this context.

Research Method

This paper draws on an 18-month ethnographic study of the primary market for contemporary art. The fieldwork and interviews began in November of 2016 and continued through April of 2018. Fieldwork included attendance at a range of types of events including gallery openings, art fairs (organized social venues, marketing, and sales events), auction house openings and a live auction, as well as nonprofit events such as biennales, museum exhibitions, and associated social gatherings. During these events, I met, observed, shadowed, and interviewed informants who worked in various roles and participated in the art market. Formal interviews were conducted with 73 art-market participants over the course of the fieldwork, and followed a purposeful sampling strategy to maximize variation (Trost 1986).

I began observing interactions among gallerists, curators, collectors, and artists by attending as many different types of events as was feasible, and then began focusing on more specific individual activities within the settings for the purposes of my study (Spradley 1980). As I became more acquainted with the market setting and its participants over time, I began to recognize the specific actors and learned of their various professional roles and work life. I supplemented my observations with 73 formal interviews lasting an hour on average with emerging and established artists (8), gallerists (25), collectors (13) and their advisors (4), critics (6), curators (10) and museum directors (2), and directors of arts funding non-profits (3), as well as directors of evening and day sales for premier auction houses (2). The semi-structured interviews followed an interview protocol with a set of broad questions I developed that were relevant to informants' particular roles (e.g., artist, collector, gallerist, curator). I also initiated informal conversations with informants. I had hundreds of these informal, perhaps 5-20 minute conversations, or repeatedly for multiple hours, during various art-related events and social gatherings I attended. As my fieldwork progressed, I sought out market actors in roles I had yet to interview to ensure maximal variation (Emerson, Fretz, and Shaw 2001).

I followed the protocols for generating grounded theory (Glaser and Strauss 1967; Charmaz 2014), identifying emerging themes and then developing larger categories to organize the data upon which I base subsequent findings. The primary data analyzed for this paper include more than 3,000 pages of field notes and interview transcripts. I first developed a codebook based on generic social categories (e.g., gender and race), and on concepts taken from relevant sociological literature (e.g., identity, status, authenticity). However, I also inductively generated codes that emerged from observation notes and transcribed interviews. As I coded the text, I would probe the data to identify patterns in the activities, interactions, behavior, and verbal recollections and accounts of my subjects. For example, I began my preliminary analysis by comparing accounts from informants who occupied various roles, and were in varying phases, and levels, of their careers (e.g., a curatorial assistant and gallery intern to museum directors and senior directors of large established galleries, and collectors that had only recently purchased art as well as museum board members that had donated entire collections). On certain topics, their rationales and jargon converged along similar lines across the variations in roles and career stages; for other topics, accounts varied by sub-samples.

I had conducted over 30 interviews with my subjects when I recognized the patterns of similarity and difference in descriptions of their varied roles, tasks, and positions, as well as the challenges and opportunities in their shared environments. Once I had conducted my fiftieth interview, I realized I could delineate the social structure and dynamics of the market. I continued to interview informants to test whether I could anticipate their responses to question prompts. When I could confidently anticipate their responses to common questions in my interview protocol, I decided that I had a sufficient number of cases to begin in-depth qualitative analysis (Small 2009).

Disinterestedness – an emergent theme

I heard informants share variations of a set of similar narratives used to describe good and bad actors, and appropriate and unacceptable behavior in the social world that underlays the contemporary art market. Market participants often spoke in terms of patronage and supporting the arts out of a feeling of moral and affective obligation. Making decisions to purchase art as an investment was described as misguided. Market participants regularly disavowed any concern for potential asset appreciation. Apparently, decisions to buy and sell art were motivated by the sincere desire to preserve "art for art's sake." It was only by probing the discrepancy between accounts of stewardship and patronage with the lively economic activity around exchanging art for significant sums of money, however, that I began to see how eschewing profit seeking joined with fiduciary decision-making among gallerists and collectors alike. Continuing fieldwork and interviews corroborated the centrality of disavowing (Bourdieu 1984; 1993) the profit motive as a coordinating principle (Becker 1982), within this empirical context.

Research Setting

Cultural Institutions and Global Markets

Contemporary art is a term used to name artistic productions created in the late-twentieth century and currently by living artists. Although art historians debate which artists to include or exclude, contemporary art is distinguishable from other Western art movements, such as Impressionism, Cubism, Dada- and Surrealism, Abstract Expressionism, or other Modern art. Such categorical groupings of art are usually defined by the medium, genre, or historical period and geographic boundary in which they were produced. Contemporary art, though, is a broad category, capturing art produced by artists from around the globe, ranging from painting and sculpture to conceptual and performance pieces, as well as video and digital productions. Within this category, there are thus multitudes of mediums, genres, and diverse cultural representations.

The categorization of art movements is largely defined through discourse among art historians, theorists, and curators; their writings simultaneously document and constitute this discourse, which eventually contributes an established Western art-historical canon. These actors are often embedded in cultural institutions, which serve as the physical depositories and archival warehouses of successive waves of artists who join the ongoing discourse and canon. The inclusion of an artist's work into an institution's permanent collection entails selection and validation by institutional gatekeepers. By setting apart selected artists as culturally significant, these gatekeepers consecrate categories of art and artists.

Such institutional gatekeepers do not operate separately from the marketplace because such curatorial consecration necessarily bolsters an artist's status (Moulin 1986; Bunzl 2014), which can be leveraged by market intermediaries to generate demand—that is, as an artist's status increases, their work also tends to become more widely collected. Market growth in turn increases the likelihood of the art being "loaned," "promised," or "gifted" to museums by collectors who are nested within these institutions as board members of museums. In this way, curatorial consecration and market sales serve as reciprocal sources of social validation, which influences subsequent valuations of art.

The market for contemporary art is a global network of individuals, organizations, and larger cultural institutions that occupy distinct roles, as shown in Table 1. These actors each have recognizable sets of activities, patterned relationships, and available resources, which they leverage during their exchanges. There is no central or single regulatory body or authoritative accounting of the global art market, but there are annual financial reports published by large investment banks in conjunction with consultants and commercial arts organizations that are publicly available online.[1]

[INSERT – **Table 1. The Social Structure of the Market for Contemporary Art** – HERE.]

According to one well-cited annual report, there are an estimated 6,500 galleries concentrated in major cities around the globe (McAndrew 2017). The report also estimates that auction houses contribute to 50 percent of total annual sales, with contemporary art comprising the largest single sales sector for auction houses (nearly 50 percent). Galleries and auction houses, though, represent two distinct market channels. The "primary" market is the market channel for galleries selling work that has come directly from their artists' studios (although galleries also re-sell previously-owned work on behalf of individual collectors who bring work back to the gallery rather than go to auction houses). The "secondary" market is the market channel for re-selling previously owned work that is shared with auction houses, which dominate such re-selling of works during live auction sales. The distinctions between the two market channels are shown in Figure 1. For the purpose of this study, I review the roles of several main players because each are key to the functioning of the art market.

[INSERT – **Figure 1. Primary and Secondary Market Channels** – HERE.]

[1] https://sia.libguides.com/artbusiness/reports

Galleries, Collectors, and Auction Houses

Galleries select, represent, and promote their artists by organizing exhibits and inviting arts audiences into their spaces and to art fairs to view their artists' works. Galleries also promote their artists to a wider audience online, sharing information on their websites and through email. They regularly send out updates about articles in art magazines, upcoming exhibitions, recent museum acquisitions, public commissions, or international art events (e.g., biennales). The typical gallery organizes the work of marketing artists through a small staff of interns, assistants, associates, directors, and the founding owners.

Collectors are the primary source of financial support for galleries. Collectors purchase art for various reasons such as developing their cultural capital or building a reputation, which may reflect both their financial prowess and cultural sophistication. Some collectors also use their private collections as tax shelters, based on philanthropic donations to museums and, more recently, by founding private museums that exhibit their private collections. In contrast, some collectors may view art as an investment, profiting from its value appreciation by re-selling it eventually.

Auction houses are the main venue for secondary market sales. Auctions for contemporary art are held on a biannual basis. They are staffed by auctioneers with diverse areas of expertise, trained in both art history and market analysis. Auctioneers solicit collectors to re-sell works from their collections, making assurances (or promissory, profit-sharing deals known as "guarantees") that they will obtain higher prices at auction. Two large auction houses account for almost 50 percent of global market sales (McAndrew 2017).

In the next section, I present the ethnographic data describing how market participants, particularly galleries and collectors, suppress the salience of extrinsic rewards for buying and selling art; that is, how they enact their own versions of artistic disinterestedness while effectively driving a dynamic multibillion market. I also describe how galleries leverage the recognition of institutional gatekeepers (e.g., curators) to generate demand and stimulate potential market growth without undermining their disinterestedness. I then show how and why galleries use the norm of disinterestedness to manage the challenges presented by collectors who view art as an investment and the risks associated with speculation at auctions. Finally, I provide examples of the disciplining tactics galleries deploy to enforce collectors' conformity to disinterestedness.

SUSTAINING EXCHANGE AND VALUATIONS OF CONTEMPORARY ART

Enacting Disinterestedness among Galleries

Galleries and collectors wrestle with how to buy and sell contemporary art without bringing attention to the extrinsic rewards that flow from their exchanges. Without "surface agreements" (Goffman 1959; Winship 2004) that sublimate this tension, the narratives that underlie social valuations of "authentic" art (i.e. art produced by artists who are ostensibly unmotivated by extrinsic rewards; Hahl et al. 2017) would be largely untenable. Typically, galleries and collectors suppress the presence of extrinsic rewards by enacting disinterestedness in three particular ways: 1) they talk of their love for the arts and dedicate their social lives to their work and art collecting; 2) they characterize their involvement in the art market in terms of stewardship and patronage; and 3) relatedly, they represent and collect artists whose work is culturally significant, but who do not have an active market.

First, gallerists claim that potentially high sales commissions or a glamorous lifestyle did not motivate their decision to become an art dealer or to continue in their chosen occupation. Many gallerists, for instance, compared their career choice to more lucrative alternatives, "*If I were in it for the money, I would have gone into investment banking*" (italicized texts are direct quotations from research subjects). Rather, gallerists shared what they thought primarily motivated their involvement in art dealing. As many expressed this, "*You have to love art to work in the industry*" and "*Most of the people who go into it, it's because they love it*." Gallerists' used the word "*love*" to describe a deep and inexplicable, perhaps innate, desire to work with artists; and to explain that their career choice was not specially informed by wages and potential future earnings. In fact, gallerists consistently claimed that their time, energy, and emotional investment in artists could never be commensurate with their pay. Nonetheless, despite occasional personal economic hardships, they felt compelled to remain in their role as art dealers. Gallerists also referenced their intense involvement in the social world of their arts community, pointing out how they were constantly traveling and attending arts-related events. As one gallerist explained, "*I mean this is your life… it's my job, it's my passion… that sounds like some branding bullshit, but it really is a lifestyle… we all spend our summers going to biennials, and art fairs, and things like that… it's your life*." Many gallerists professed that they were driven by a desire to immerse themselves in art, and not necessarily because it was potentially profitable to be a socially adept art dealer easily able to make connections with curators and collectors at diverse art-related social gatherings.

Second, gallerists often frame their role as stewards who cultivate artists. Representing an artist not only demands buffering artists from the defiling effects of the market (Zelizer 2005; Velthuis 2005, 2011), but also requires counseling artists through personal difficulties so that the artist might realize his or her creative potential. Gallerists claimed that this also meant prioritizing artists' longevity over the gallery's own immediate commercial interests. For example, a gallery might refrain from aggressively marketing the artist until the artist was "ready" to manage the pressure from producing work for a future exhibit. Gallerists might financially support an artist through long periods between shows so that the artist could sustain themselves while focusing on producing their work. As one gallerist who worked at a mid-sized gallery in Chelsea, New York, for example, claimed, "*We have a responsibility to support and defend the artist… it takes a lot of time and nurturing to present these artists."* Gallerists frequently framed as stewardship what were essentially investments in developing an artists' discipline so that the artist could produce work for the market. Guiding artists through their personal lives, as well as their studio practices, was one normative dictate of gallerists' occupation, which they described as a disinterested concern for sustaining artists, and art making, more broadly.

Finally, galleries often represent and support artists whose work has been recognized as culturally significant but were nonetheless "*hard to sell*" (e.g., conceptual, performance, or video art pieces). Gallerists claimed that their commitment to the less marketable, but still culturally significant, artists was an extension of their own commitment to promoting the arts and artists' art-historical contributions. By continuing to represent artists who were not commercially successful, gallerists ostensibly disavow strictly market-based considerations and outwardly prioritize art-for-art's-sake.

In sum, galleries consistently suppress the presence of extrinsic rewards that flow from selling contemporary art. That owning a gallery in New York, London, or Los Angeles, for instance, might be profitable and prestigious was rarely mentioned. Rather gallerists emphasized that their work was emotionally difficult and draining, physically and mentally grueling, and financially precarious; and in light of this, their decisions to work as art dealers were driven by a "*love*" of working with artists and art. But if it is perhaps not entirely surprising that gallerists – as agents of artists – would enact disinterestedness, it is quite puzzling why collectors similarly enact disinterestedness.

Enacting Disinterestedness among Collectors

Collectors' varied in their aesthetic tastes, idiosyncratic interests, and financial capacity. They also varied in their depth and range of involvement, and their professed objectives for what they ultimately planned to do with their art collections. Yet, regardless of the prices, medium, thematic focus, or their various private agendas, collectors consistently claimed that they were principally driven by a desire to surround themselves with art; and that they consumed art that they believed was personally appealing. Although some simply wanted to decorate their homes, collectors rarely spoke openly about their art collecting in terms of investment, and never as a means to increase their social status. Collectors more often claimed that their involvement in the arts enriched their lives culturally. Because they were "*fortunate enough*" to collect art, they felt compelled to "*support*" artists, especially those for whom they felt affection or a personal affinity. Many consciously built dedicated collections (focused on a specific art movement, genre, subject matter, or social category of artist) that they believed were, or would one day be, culturally significant. Some collected one artist, almost exclusively. Such collectors periodically opened their private residences to invited guests to view recent additions; some founded their own non-profit museums to house their collections for future generations.

Using language that echoed gallerists, collectors also highlighted how they often purchased "difficult" art, which was not easy to transport or display. Such art required much more of a commitment to own and care for it because it was also more difficult to re-sell (unlike paintings, which can be easily shipped and stored). This is also true for work by emerging artists who did not yet have a market. Nonetheless, some collectors claimed that they had purchased work from lesser-known artist repeatedly over decades. They mentioned the number of "*worthless*" pieces they owned by such artists, referring to the lower market value of these works compared to established artists whose prices had increased over the same period. Collectors referred to such artists and pieces in their collections as evidence of their own disinterestedness. The implication is that if they viewed art as an investment, then they would not have purchased such art.

Collectors often referenced their embedded relationship with the gallerists who represent the artists they collect as a key factor in their decisions not to re-sell work, and that such restraint was a testament to the type of collector, if not person, they considered themselves to be. Many collectors claim to have never re-sold, and never intend to re-sell, art works from their private collections (McAndrew 2017). As one collector, a museum board member in the Northeast, explained, "*Someone said to me – they said, 'You want to sell it? Why don't you give it to me to put it to auction?' I said, 'I'm going to offer it to the dealer first.' He said, 'I'll get you more money.' I said, 'That's really not the point.' That's not the point. Relationships are worth having*." Another prominent collector attributed such decisions not only to their commitment to art-for-art's-sake, but also to their personal values, saying:

> *I mean when they asked me to be on that panel I said, 'Why would you include me in a panel about the art market when we never sell anything?'' We just buy stuff. We never sell anything, because for young artists it's bad for their career, and their market too. It hurts them, and so why would we do that?... Good collector, bad collector. We didn't study up to be 'good' collectors. We happened to have values that galleries like.*

She then continued:

> *We don't sell, we are not speculators… We support the gallery system. We almost never buy anything at auction. I actually try to explain to people, 'We are not really building a collection' because to me that's really like a pompous thing… we aren't doing it for that reason. We are just buying things we like, to support the art world, the gallery system, artists. We love doing it. It's a huge part of our lives.*

Collectors frequently claimed, as this collector does so clearly, that they purchase art directly from galleries that work directly with artists as market intermediaries as part of a commitment to their membership, through this relationship, in the broader arts community.

Thus, collectors characterized their involvement in the art market as a form of arts patronage. A collector who had recently gifted a significant portion of their collection to a museum (an amount that could potentially lead to opening a new wing in a major museum) claimed that if he were to re-sell pieces it would most probably or only be to support important charitable causes. He added that in the few instances where he had privately re-sold works, he immediately turned around and plowed the profit back into buying more art, and thus cultivating more artists.

Furthermore, collectors "*bring work back*" to the gallery when they are considering re-selling an artist's work. This allowed the gallery to redistribute the work themselves, which meant they could continue to protect the artist from potential buyers who might view the art simply as an investment. For example, one prominent collector explained, "*If you really want to sell something, and care where it goes, give it back to the gallery that you bought it from. If that's the gallery that represents the artist, who really cares about that artist's reputation, then have them sell it for you*." Bringing work back signaled that the collector, like the gallery, also prioritizes the artist's career and longevity, which is supposedly driven by the collector's intrinsic motivations to support the arts.

In sum, collectors also suppress the presence of extrinsic rewards that flow from buying contemporary art. They seldom mentioned being the patron of artists who had become famous or were now worth significant amounts of money as a factor in their decisions to purchase the piece originally. Collectors also were driven by their "*love*" for the person or the artist or art they collected. In fact, they referenced price increases only as evidence of their "eye" – a natural or educated sensibility – for talent, but never as the result of an investment strategy (Velthuis 2003, 2005).

Resolving the puzzle of disinterestedness among galleries and collectors

It hardly seems a coincidence that both gallerists and collectors – key players in driving the global market for contemporary art – disavow the profit motive and present themselves as motivated by innate desires or a love of art. Rather, enacting disinterestedness is key to how gallerists and collectors coordinate their exchange relationships with each other and with artists and others. The question is why this happens even in the presence of strong extrinsic rewards and even though they are not artists (who are socialized to enact disinterestedness (Bourdieu 1993) because they are often sanctioned when they seem driven by fortune or fame (Hahl et al. 2017)). The next three sections present the key findings that address this question. I first describe how galleries leverage curatorial recognition, a non-market source of social validation, into making a market for their artists. Next, I show how speculation by collectors challenges this market-making strategy. Finally, I discuss how galleries address this challenge by screening potential and buyers and then administering rewards and penalties to vetted collectors during their exchanges. The upshot is that gallerists and collectors enact disinterestedness as a way to signal that they are committed to their exchange partners' and to making a market for the artists.

Making a Market through Institutional and Curatorial Consecration

Modern museums regularly host curated exhibitions to present art as worthy of arts audiences' special consideration, distinguishing individual artists from the multitudes of others. By displaying an artists' work adjacent to previously recognized artists, such exhibitions validate the art as culturally significant, which then legitimizes and confers status unto the artists themselves (Danto 1964; Dickie 1974). The recognition of ostensibly disinterested third parties (e.g. curators) embedded in non-market institutions (e.g. museums) represents an important source of social validation. Thus, a central feature of galleries' market strategies for generating demand, justifying price increases, and controlling the distribution of an artist's works involves facilitating institutional and curatorial recognition (Moulin 1986). Furthermore, the curatorial consecration embodied in museum exhibitions and acquisitions enables galleries to enact a concern for preserving "art for art's sake" while stimulating potential market growth.

By including a particular piece of an artist within a museum's permanent collection, curators help establish an artist in the art history canon. Importantly, curators articulate the evaluative criteria for their selections and as such lend a degree of intersubjective coherency to what is arguably entirely a matter of subjective taste and preference. Their evaluative criteria for determining what constitutes exceptional artistic ability is by all accounts unbiased; specifically their selections are purportedly impartial to artist's financial success and celebrity, transcending the vagaries of fashion trends. As "autonomous gatekeepers" (Hirsch 1972), curators provide collectors who reference these scholarly appraisals to validate their own selections with a semblance of order, commensurability, and permanency, in a setting that is characteristically inundated with "untested" art and artists.

Since collectors reference curators' evaluations of artists to refine their own private collections, galleries work to increase the likelihood that these "autonomous gatekeepers" (Hirsch 1972) might select their artists for exhibitions and acquisitions which is the highest form of curatorial consecration. For example, to facilitate institutional acquisitions, galleries might subsidize the production of museums' upcoming exhibition catalogues, marketing materials, and cover logistical costs such as shipping to the museum. A placard fixed directly next to a large piece shown in a major metropolitan museum in London, for instance, detailed such work:

> *In 1972 [a gallery owner] arranged for [a museum director] then Director of [a major museum], to view three paintings by [an emerging artist], but none of them was acquired… In the late 1990s, [the same gallery owner] visited the site of the future [museum wing dedicated to contemporary art]… he decided to offer an [the artist] as a gift. [The museum] selected [a painting] and decided to purchase [another painting by the same artist], which [the gallery owner] sold at a reduced price. [The gallery owner] wrote to [the new museum director], Director of [the same, but newly expanded museum], expressing his enthusiasm for the choice… 'in my opinion one of the best things the artist ever did… should amaze, startle, and inspire the [museum's] audience.'*

As this example illustrates, galleries might have to work over an extended period, hold or source their artist's "best" works, and might even donate or sell work at a discount to ensure the inclusion of their artists' works in a museum's permanent collection.

Due to the benefits from curatorial recognition, galleries prioritize sales to museums over individual collectors. As one gallery owner admitted, *"There's no better* *advertising in the world than the permanent collection at [a major museum]. Nothing. There's no better thing to do, and there's nothing more satisfying to me than to put [an artist's] work in a permanent collection… We put that show on the website, we send it out to collectors."* The reputational bump and status signal of institutional placements usually outweighs the benefits from immediate sales to a single collector. In retelling art-world lore, a gallery director of a large, established gallery in New York explained this logic of privileging institutions over individuals:

> *There's a famous story about [a dealer], that he used to charge different prices for the same quality of work to different people, and it was a scandal at the time. But he defended it. He said, 'Of course!' He said, 'You have to be very naive to think that if one is going to the most famous museum in the world and the other one is going to some guy with no reputation, you're crazy to think that the value of the exchanges are identical."*

From this gallery director's perspective, institutional placements were an extension of his role as market intermediary.

Galleries also promote upcoming museum exhibitions and acquisitions to highlight that a third-party expert (e.g. curators) recognized and selected their artist's work. Such recognition enhances perceptions of the quality and status of the artist, which in turn helps galleries generate demand for the artist's works. As the director of media relations at a large, established gallery in New York, explained, "*There are ways to build momentum… you fabricate it with biennales and museum shows.*" Curators were not naïve of course about how galleries might use their essays and exhibits to drive demand or influence subsequent valuations among collectors. They also acknowledged that galleries efforts did indeed help to stimulate market growth. A curator at an academic museum in the Northeast, explained, "*Sometimes you're going out on a limb – you're going* *to acquire something that's newer, that's a little untested, the artist isn't well known. And we understand it's inevitable that that value bump is going to happen by us acquiring it.*"

In addition, institutional placements helped galleries maintain control over the ultimate distribution of their artists' works. Because museums are terminal destinations, the art will never be resold, which restricts the supply of an artist's work. A director of a mid-sized, established gallery in New York explained, "*The museum is never going to sell the work. We will always be in their collection. It still gets to live and be seen –it gets to live in the collection.*" Similarly, a senior curator of a museum in the Northeast rationalized the process, saying, "*In the art market, which we don't participate in because we don't sell art, yes, museums do have priority, but for very good reasons, we don't deaccession* [re-sell] *art. If we buy it, we have it, and we are committed to taking care of it for a long time.*" A director of an academic program and independent curator agreed with this aspect of galleries' market strategies, exclaiming, "*You have to make sure it doesn't all go to private collectors. Yes, it's controlling their market because museums don't flip work.*"

In sum, galleries work to prioritize institutional and curatorial sources of social validation, framed by these market intermediaries as a part of their role as stewards for artists' longevity and to preserve art for posterity. Nonetheless, galleries' coordination with curators helps galleries generate demand, especially among collectors who look to these curators' evaluations to validate their selections for their private collections. This value-construction process thus requires that all parties suppress any mention of the potential financial returns from such exchanges.

We can now see more clearly that to sustain their exchanges, galleries and curators must conform to the norm of disinterestedness. But why do art *collectors* – who are further removed from the artists than gallerists and curators and are the source of much-needed financial capital – similarly conform to this norm? To resolve this puzzle, we must also examine the increasingly important role that auctions play in the global art market and how they affect galleries' strategies.

The Problem of Speculation by Collectors at Auction Houses

Unlike galleries and museums, auctions are exclusively a market-based source of social validation for contemporary art. They provide collectors a public venue to vet their own aesthetic judgements. If museum exhibitions and acquisitions serve as non-market source of institutional legitimacy and historical longevity, auctions help to establish benchmarks and the market's liquidity for socially recognized artist's works. As an art advisor explained, "*The auction houses create checks and balances because we need the public records, because otherwise we're all just guessing… You need the auction houses to validate those prices [*unpublished prices set by the galleries*].*" An owner of a mid-sized, established gallery in Los Angeles offered a scenario in which she might reference auction results: "*It's a tool [*referencing auction houses' indices*] for setting prices for when we have secondary-market art works. A lot of collectors don't want to put a piece in auctions. So, they'll come to a gallery who at one point represented a certain artist, and say, 'I have this art work, can you find another person to buy it?' So, if I'm ever selling a piece like that. [I say] 'Let's look at the auction results.'* Prices obtained at auctions serve collectors, advisors, and independent dealers who might be interested in re-selling or purchasing certain artists' works. Thus, for a global audience of collectors, auctions are an attractive venue for several reasons.

First, since galleries are reluctant to sell work to collectors with whom they are unfamiliar, auctions represent an opportunity for collectors who do not have the social capital, reputation, or existing relationships with galleries to directly purchase highly sought-after art. Second, the spectacle and reported headlines of record-breaking results of auction houses' live sales not only attract potential buyers, but create a high-profile setting in which collectors who do attend auctions to display their financial resources and cultural capital. Third, auctions afford these collectors an opportunity to buy pieces by recognized artists at a price that they can feel assured represents the fair market value. Fourth, for collectors, auction houses' appraisals and estimates (and often the auction's results) are usually higher than what the galleries would be able to re-sale the work for if they brought the work back to the gallery. Essentially, auction houses use high estimates to entice collectors to consider re-selling certain pieces they own through this market channel, and then match the pieces with buyers who have the highest willingness to pay and are unconstrained by the norms of disinterestedness. Finally, auctions also provide collectors with a venue to validate their previous selections, affirm their tastes, and demonstrate their cultural sophistication and financial prowess. Thus, in concert with auction houses, many collectors increasingly view art not strictly as an object of cultural appreciation and patronage as many galleries urge, but as an opportunity to make a profit or gain status.

Yet despite the fact that auctions are attractive to many collectors, and arguably an indispensable market mechanism for establishing liquidity for contemporary art, one of the most frequently raised issues among almost all market participants with whom I spoke was the increase in collectors' tendency to re-sell art at auctions. Gallerists frequently referenced the increase in their artists' works being "flipped" (reselling multiple pieces at auctions too often or too soon after it was bought), which they claimed was historically aberrant, as evidence that the art market was becoming more and more transactional. They also attributed high turnover of multiple pieces by single artists to collectors who held a transactional view of the value of art — collectors who actively (or obviously) work to amass an inventory of an artist's works with the intention to re-sell their work at auctions to earn a profit. These collectors are regarded disparagingly as "speculators" based on this investment strategy. Explicating the logic for such disparagement is key to explaining why collectors are also governed by norms of disinterestedness.

Some collectors became known for purchases large quantities of an artist's works, and as demand for their work increases (due to the galleries' market-making efforts) turning around and re-selling several pieces at auctions. These collectors usually approach smaller galleries that represent emerging artists, for instance, and that need the sales more desperately than larger more established galleries. If they were able to purchase a significant amount of the work, and if the artist's works is relatively limited in supply, then speculating collectors can drive prices for the art higher than the gallery would otherwise (making the artist unaffordable to a swath of potential buyers). At this point, the gallery is at a disadvantage, especially if they lack the capital to buy back pieces at auctions themselves. Since galleries' prices usually lag behind auction houses' estimates (see Velthuis 2005, 2011), and if other collectors' bids exceeds estimates, the speculator stands to make a profit. The speculator may continue to hoard pieces in their inventory that are now potentially worth more than they were prior to the auctions. As one gallery director of a mid-sized, established gallery on the Upper East Side of New York explained:

> *There are people who will flip the work. They will buy it and they will flip it, and they are buying in large quantities because they want to control the market… they buy them cheap, they don't even hold on to the work long enough, and then all of a sudden it's being flipped, and that's a huge problem in the art world*.

Yet, if positive auction results can lead to greater social valuations, why exactly are speculating collectors widely disparaged, and often rejected, by both small and large galleries?

Auctions represent a source of volatility that threaten galleries' long-term strategies. Market participants (other than auction houses and the collectors who relied on auctions) shared the view that auctions can be problematic because of the questions that speculation raises. Speculation can generate suspicions among more vigilant and cautious collectors: Is the artist's market over-hyped, and over-valued, implying that the work itself contrived and inauthentic? Has the spike in auction sales inadvertently contaminated the art, its commodification making it profane and emptied of cultural significance? Speculation raises questions that undermines galleries' own market-making efforts — that is, establishing the value of their artists' works through non-market sources of social validation such as museums, which imbues the art with cultural capital that attracts collectors (Velthuis 2011).

Gallerists also frequently attributed market crashes for artists' works to poor auction results. For example, a director of a mid-sized, established gallery in New York explained: "*The reason why galleries do not like the secondary market* [auctions] *is that it can affect the artist negatively – especially if the secondary market channel is the auctions. If it* [the artist's work] *doesn't do well it's a huge risk, because it really shifts the market of the artist big time*." A studio manager for an established, successful artist further explained the risks associated with auctions, particularly speculation by collectors:

> *If you sell to the wrong people they'll flip your work really fast, they won't keep it, and they'll just want to make money on it… If you start to have a lot of turnover with your work really quickly, auction results alter your [primary] prices… because they got sold at auction really quickly. And if the auction prices were low, then no 'good' collectors will be interested… So it has a completely adverse effect on pricing… All of these things you don't want to happen.*

Another independent curator described just how such attrition at auctions negatively affects artists' market, exclaiming:

> *There was [an artwork] that had been resold seven times… It's what they call "burnt." It's been put up for sale too many times…. It gets to a point where you are damaging their market. Another example of damaging an artist's market is when you flip. If you flip at auction, and none of them sell… [then] you just crushed that market because anyone who is looking at auction results is going to go online and see not sold, not sold, not sold, not sold. You just crushed their market. So that's why gallerists get frustrated with auction houses because it compromises the [primary] market that they have developed for their artist.*

The owner of an emerging gallery in Los Angeles expressed her reservations for selling to suspect collectors, saying, "*There are certain collectors you don't want to have the work. They've damaged my relationship with them; they send work to auction too soon… they are* *untrustworthy*." The risks associated with speculation at auctions, and how flipping damages exchange relationships, were also apparent to collectors who were familiar with and embedded in the "*gallery system*." A collector shared his perspective on how galleries might avoid speculation by collectors, saying:

> *I think that their* [galleries] *biggest guarantee, in terms of not having this deflation in an artist's market, is by being able to know who the buyers are, and hopefully those buyers are afraid of the secondary market, aren't going to go the short-term way and decide, "okay, I bought this thing, and I'm going to flip it over at [an auction house]." I think that would be a very good way of becoming a non-client.*

Thus, while galleries work to make a (primary) market – through curatorial consecration – they also actively try to prevent the overt commodification of their artist's work, which they believe could lead to a short-lived boom-and-bust cycle.

To combat risks associated with flipping, gallerists circulate stories about artists who had promising careers, but suddenly experienced a series of unsuccessful auctions. For instance, gallerists and collectors regularly shared the same story about a young artist who had graduated with an MFA from Yale, had gallery representation, and exhibitions that had garnered positive reviews. The naïve artist, however, had sold a number of his paintings out of his studio to a speculating collector, who then turned around a few years later and began flipping the work at auctions. At first, prices skyrocketed, but after this initial spike questions about the artist's lasting power, and whether there was actually any substance beyond the high prices, or enough of a track record to justify such prices, began to tarnish his reputation. Was the artists himself just in for the money? If not, why would he have sold so many pieces to this notorious collector? At that point, based on such suspicions, prices plummeted, which set off a deflation in demand, and ultimately, the gallery dropped him. (He was eventually taken in by a large gallery with the means to recover and better protect his market). The speculating collector who set off the chain of events leading to the downward spiral plays the role of the culprit in the circulating narrative. Two lessons are communicated: the pitfalls of viewing art as an investment and the volatility introduced by flipping. Normative narrating alone, however, is not a sufficient means to deter speculation, and galleries must also deploy informal measures to discourage collectors from

In sum, flipping at auctions is particularly problematic for galleries because such speculation undermines their efforts manage their artists career and develop their markets. By stigmatizing flipping, galleries both maintain a veneer of art-for-art's-sake and sustain long-term demand for their artists. In the next section, I explain how – in an effort to combat the threat posed by auctions – galleries screen and govern their exchange partners through an array of both preventative and punitive measures to assess their willingness to conform to the norm of disinterestedness. Collectors' themselves adopt and enact this governing norm in order to maintain their relationship and privileged access to the art itself. In this way, galleries discipline collectors to refrain from overt profit seeking, embodied in flipping works at auctions.

Disciplining Tactics for Governing Collectors' Market Behavior

To resolve the puzzle of why collectors enact disinterestedness, I now examine how galleries combat the threats of auctions to their own market strategies. In short, galleries use an array of measures interchangeably to enforce conformity to disinterestedness among collectors, which is an indirect way to accomplish a single objective — for the gallery to maintain control of their artists' markets. These measures are observably distinct tactics that galleries actively deploy to exclude potential buyers who view art as an investment, or to penalize existing clients who flip work at auctions, which is the embodied antithesis of disinterestedness. Thus, a central feature of the market for contemporary art is that galleries sanction prospective and current collectors who do not explicitly disavows extrinsic motives for buying or selling contemporary art.

In screening potential buyers, galleries must distinguish between three potentially problematic, but distinct candidates: a) collectors with whom they are unfamiliar; and b) who might be prone to speculation; and c) those collectors who have a reputation for flipping work at auctions. Galleries also must often distinguish between an existing client who only re-sold work on one occasion and needs to punished, or "educated," for their aberrant behavior from those who are deviant and have proven to be speculators because they repeatedly flip work.

This is why enacting disinterestedness is so important to both gallerists and collectors; it is how galleries determine what type of collector they are dealing with, and how collectors signal their dispositions (not to flip work) and gain or maintain access to the galleries' "*program*" or roster of artists. Galleries couch condemnation of flipping in terms of honoring the art-world norm of disinterestedness rather than explicitly or contractually holding collectors accountable for the potential downside of such speculation. Thus, within this context, disinterestedness is a veneer (Goffman 1959; Winship 2004) that enables market participants to sustain their exchanges without undermining galleries' time-tested strategies. Ultimately, collectors enact disinterestedness because galleries demand such performances from them, which galleries enforce through disciplining tactics during their exchanges.

The rewards for enacting disinterestedness and the penalties for violating this norm by flipping

<u>Exclusivity.</u> The contemporary art market is essentially a semi-private social club that screen new entrants to determine whether they are qualified for membership. On one hand, museum exhibitions, gallery openings, and other art-related events (e.g. art fairs and international biennales) are open to the public, enabling a wider arts audience to participate. Yet, on the other hand, high-profile art-related events are always preceded (and followed) by "invitation-only" VIP preview periods. During these "*vernissage*" periods, market participants view the art in person and socialize among an exclusive set of actors (e.g. critics, curators, collectors, advisors). As the events close, it is customary for an even smaller group of guests – the artist and those who previously exhibited or purchased a piece – to attend a formal dinner organized by the gallery. Invitations to such exclusive events provide attendees with an opportunity to enact their cultural capital and develop their social capital. Thus, invitations are important status markers.

By not extending invitations, however, the galleries can send a potent message to the uninvited — that their access to the social world that underlies the art market has been denied. Accordingly, galleries grant or deny access to private openings, dinners, and after parties to entice, reward, or censure their exchange partners. Exclusivity, though, was just one out of an array of social measures used to vet and educate market participants, especially potential buyers and existing clients; and typically, galleries deploy several other such tactics.

Informal Agreements. Galleries also give and take away preferential access to collectors who demonstrate a willingness to agree to their informal agreements. If collectors violate galleries' conditions not to re-sell work at auction too soon after their purchase or too often, then they might be noticeably penalized, such as being bumped down a waiting list, or placed on a "black list." A critic, a writer for a glossy art magazine, claimed, "*There are reputations for flippers, and who not to sell to.*" The critic continued, "*Galleries can choose not to sell to a guy who is going to flip it the next week, or they can choose to sell it to a museum for less. So they control the situation.*" Another gallerist confirmed this stating, "*We know who they are. So there is such a thing as a black list because we know what's going to happen when they flip the work.*"

Before closing a deal, galleries commonly place conditions on the purchase to constrain what the collector will subsequently do with the art. One gallerist at a mid-sized, established gallery in Chelsea, New York claimed:

> *Every business wants to sell. And we certainly want to sell. Maybe there are some things that we will be less particular about, but not much. I mean if some sleazy businessman wanted to come in and buy all of the art by one of our artists that hasn't sold anything in five or 10 years, and we had serious doubts about what they were going to do with it. I think we would still probably have some real hesitations about selling it.*

A director of an arts administration program, and independent curator, further explained:

> *First of all, they* [galleries] *will not sell to anyone without an understanding that you can't put it to auction, you have to give first-right-of-refusal, if you are going to sell it again… Some you can't sell again, like [an established artist]. The way they control her market, to buy a painting – there in the million-dollar range now – you have to also buy one for a museum. They* [the gallery] *is managing the craze for the work by putting* [conditions] *on it.*

Waiting Lists and Discounts. Galleries also vet and educate potential buyers by placing them into a queue for a particular artist's work. Gallerists rarely close deals with a potential buyer on the same day as they sales inquiry. Rather a collector may be initially placed on a waiting list for a particular artist, but while he or she waits the collector will be offered other lesser-known artists that the gallery represent, or smaller more obscure works by the artist they actually want to collect. Over time, as collectors purchase these "less important" (or less recognizable) pieces from the gallery's roster of artists, they move up the gallery's "*waiting list*." Nevertheless, before moving up this list, collectors must also demonstrate that they can refrain from re-selling previously purchased art at auctions just as soon as prices increased for the artist's works. Collectors are inclined to agree to this for fear of being knocked down, or off, the list as a consequence of violating informal agreements not to re-sell the art. One gallerist explained exactly how they used queues to determine whether a collector was committed to their artists, and to the gallery, before finally selling them any art:

> *There are some artists that that we have in our gallery that are more desirable than others, for whatever reason. If we know that we have an artist who is super desirable, and we can barely keep that artist's works in, we are not just going to sell it to anybody. Preference will go to clients of the gallery who supported other artists to show that they're not just in it for this one thing and then are going to*

> *disappear. We want them to have a sustainable relationship with the gallery, if we can help it… You just never know. That's the risk.*

As collectors move up such waiting lists, galleries also reward "good" collectors by offering unpublicized discounts for artists' works, even for artists who are in high demand. Market participants claimed that discounts were once strictly for museum acquisitions because of their oft-cited budget constraints. Now gallerists issue discounts to private collectors in exchange for good behavior. The standard discounts are between 15-20%, depending on the individual's status and their current relationship with the gallery. Galleries do of course offer discounts to collectors as a way to acknowledge the collector's reputation or status. More importantly, though, they offer discounts to collectors for continuing to honoring informal agreements placed on their previous purchases. Discounts thus signal the current standing of their ongoing exchange partnership (Kollock, 1994; Yogev, 2010). If collectors want to keep their privileged access, and perhaps tell other collectors about their discounts, then these collectors must conform to galleries' demands — disavow overt profit seeking at auctions, and thus enact disinterestedness.

<u>Rejection (Refuse to Sell).</u> In some cases, galleries outright refuse to sell (Wherry, 2006) certain art to potential buyer with an expressed high willingness to pay. They often claimed the work was "on hold" (referring to the waiting list) for a museum. Refusing to sell to collectors was one way galleries avoid the risk they associate with speculation by suspect collectors. An artist and writer for a prominent, critical art-review magazine described such a scenario:

> *You'll go to a gallery… and you asked about a painting. They wouldn't sell it to you, as they don't know who you are. In many cases, the work has already been sold before the show is even put up because they cater to their [*existing*] collectors. Let's say an artist is having a show, they [*existing collectors*] get to go to the studio, or they get to come to the gallery early, before [*the gallery*] lets the common people in, the common-rich people in. I can almost guarantee that if you went to one of the shows in New York and wanted to pay $500,000 for a piece of art they wouldn't even sell it to you, that's because selling it to you, you're an unknown quantity*.

This statement illustrates a key implication of the paper — the fact that the potential buyer offered an amount that was more than the asking price (which is implied by such a large figure) is actually a red flag for the gallery. This tells the gallerist that the buyer considers the exchange primarily market-driven, or that the buyer views the art as an ordinary commodity (or investment), and more generally that the buyer is not yet socialized to the etiquette of exchange for contemporary art, which is shaped by the art-world norm that obliged market participants to enact disinterestedness. In this case, refusing to sell to the buyer was a clear message that they had failed the galleries' vetting process. One collector explained, "*It would be hard to walk in off the street and get the benefit of the doubt, and buy a work of art.*" In response, collectors learn that they must conform to galleries' demands for the opportunity to join the queue for an artist's work. The critic considered this extraordinary, exclaiming, "*I can't imagine another place where you can be willing to pay – you'll be willing to pay double – but they can still tell you, 'No!'*"

To be sure, some collectors deride practices such as waiting lists as an elitist ruse that discriminates against and manipulates well-meaning collectors. During a panel discussion at an international art fair, one collector made his position publicly known saying, "*This imaginary waiting list just doesn't exist… It's bullshit. They just don't like the* *way you look… There's no other industry that would deny selling you something.*" In response, a gallerist on the panel agreed that everyone should have access to buy artworks, but that he was more inclined to sell work to someone who "*understands it,*" it being the art. He then suggested that this has more to do with "*educating*" collectors about the artist than being exclusive or elitist. The gallerist acknowledged that the cultural capital that is derived from owning art, if not the very value of art, is anchored in the transference of esoteric knowledge (Bourdieu 1984). He also made clear that vetting collectors whom you are selling to is an effort to help check speculation at auctions. A gallerist explained how galleries initially vet potential buyers to determine whether or not they might be prone to such speculation, saying: *"The key is asking questions, getting to know who the buyer is, what artists they have been looking at, and what they're interested in. If we don't know them, who are they looking at? Who have they already bought? How did they learn about the artist? What they already own tells you how serious they are in terms of whether or not they are feigning interest, but aren't really."*

To recall, galleries ostensibly prioritize their artists' inclusion in the art-historical discourse over their own immediate financial gains. For example, waiting lists for stockpiled inventory that was in low demand, or discounts for work that was in short supply and high demand, or gifting work to public institutions instead of selling it to an individual private collector all signal galleries' own conformity to the norm of disinterestedness. In fact, they are less likely to sell to potential buyers who approach the exchange in such manner that communicates that they view art as ordinary object or regarded as a commodity. Rather, galleries discourage this view of the value of art, and typically disavow (Bourdieu 1984; 1993) that art is an ordinary object invested in and traded like any other commodity. Ultimately, these tactics themselves align with how gallerists enact their disinterestedness, but also enforce this norm among collectors who are expected to enact their own disinterestedness, which is embodied in refraining from re-selling work at auctions.

Because of the important role galleries play in "stewarding" their artists' careers and developing their markets, collectors come to value their exchange partnerships with galleries. Collectors respond to galleries' demands by honoring informal agreements and refraining from flipping artist's work. The well-disciplined collector understands that if the gallery coordinates with curators, and other good collectors, then both parties will benefit in the long-run (Moulin 1986; Bourdieu 1993; Bunzl 2014). Thus, with these tactics, gallerists police boundaries around the inner circles of this art world.

However, might a collector ever auction off work, and profit from their previous selections, but *not* be penalized? We can better appreciate the effectiveness of disciplining tactics on collectors, by considering a case of a well-disciplined collector who auctioned a sizable portion of her family's private collection. In this final section, I clarify what distinguishes collectors who are venerated for their arts patronage from "deviant" speculating collectors, particularly when both actors essentially take the same action that galleries publicly repudiate.

A Well-Disciplined Collector Who Re-Sells Work at Auction?

During a formal interview conducted in the home of a collector, I observed the collector monitoring an auction in which a portion of her family's collection was being sold. The family had retained an art advisor to help catalogue and arrange the secondary-market sale. She did not physically attend the auction, but had the advisor call regularly to update her on the hammer prices, and more importantly, as she later explained, to whom the work had possibly been sold.

This collector is a board member of an arts non-profit. She had studied art history, had once had an art studio practice herself, and is married to a working artist, a painter. She is personal friends with established artists and their works were displayed on the walls of her home. She regularly attends art-related events such as openings, biennales, and art fairs. I had previously observed her engaging with numerous gallerists during the VIP preview periods of international art fairs, at gallery openings speaking with museum directors, and at dinners hosted by galleries and after parties during art fairs. Based on my observations, this collector is not seen nor treated as a speculator, but as an art-world insider.

As we discussed the ongoing auction, she showed me a catalogue of the collection of art works being sold, which had been produced in conjunction with the auction house as a compendium of what was up for sale. Although the catalogue was essentially marketing material targeted at other collectors, she emphasized the amount of work that went into its production, and the care that was taken to show each artist in a positive light, and the art-historical contributions of each artist as an influential member of an art movement. She pointed out that her father, who had begun collecting these artists in the 1960's, had personally chosen literary quotes and poems to accompany each of the artists' sections in the catalogue. The family had hired the advisor to assist in what she emphasized was an academic and meticulous process.

In a later interview, the art advisor to this collector explained to me that the collection that was recently auctioned was just the "*tip of the iceberg*." He claimed that the family was only testing the waters, and that the current auction was to lead up to larger, subsequent secondary-market sales. However, the advisor also stressed that this approach was evidence of the family's restraint from profit seeking, and their commitment to the artists and gallerists.

Collectors risk their reputations of being willing to forgo profit by re-selling works through auction houses. However, collectors can maintain good standing as insiders by a) coordinating their actions with galleries, b) sequencing the sale of their collection, and c) paying particular attention to how the work is presented publicly. Importantly, the timing of auction sales (not too soon — that is, just after the art was originally purchased or just as prices begin to rise) is critical to demonstrate whether they resold the works at auction because of market-driven incentives. A lack of attention to these details could be misconstrued as being overtly market-driven. Good collectors go to lengths (e.g., gifts to museums, bringing work back, producing curatorial catalogues) to demonstrate their willingness to eschew market considerations over the course of their exchange partnership with galleries. In this case, the collector also wanted to know who had purchased specific pieces. The advisor claimed the collector's concern was because she cared about the art and the artists, saying:

> *[The collector] wants to make sure that her paintings are going to [another] good collector, because for the most part she wants to make sure that they are going to people who respect the artist, and are going to nurture their markets. The worst thing for her [the collector] would be that within a year's time, they came back to the auction world. That would be terrible.*

In sum, collectors do profit from secondary-market sales at auctions, and are capable of doing so without becoming "*non-clients*." Yet, they must do so in manner that clearly demonstrates their restraint, by maintaining the artist's public image and accounting for the subsequent distribution of the art works; by involving specialists in the process and not appearing too overly involved; and, most importantly, by communicating with their gallerists about the timing of the auction sale. In other words, they package the auction of their collection along the lines prescribed by the art-world norm of disinterestedness, which eschews speculation. The vignette suggests that market participants can manage relationships so that primary- and secondary-market sales are mutually constitutive, which is conditional on whether their behavior beyond the initial point of sale aligns with the normative expectations (e.g. the supply-side discipline from galleries) of their primary-market trading partners (e.g. galleries). This analysis suggests that although artists are primarily the focus of art-world norms, especially the norm that requires that they enact disinterestedness, where, when, how, and why galleries might demand that collectors uphold surface agreements to suppress the salience of extrinsic rewards by conforming to the norm of disinterestedness is an additional distinctive feature of contemporary art markets.

Discussion and Conclusion

Past research depicts the art-world norm of disinterestedness as a product of early socialization (e.g. formal education) (Bourdieu 1993) and audiences' evaluations (Peterson 1997; Fine 2003; Grazian 2005; Carroll and Wheaton 2009). Some of this work has also suggested that artists and gallerists maintain symbolic boundaries between artistic production and commerce to obtain social distinctions for themselves. Whereas previous studies argue that disinterestedness is a means to accrue social and cultural capital (Bourdieu 1984, 1993; Velthuis 2005), which heretofore attached primarily to artists, I suggest that in addition disinterestedness is a normative mechanism that enables market coordination and control. This paper provides direct empirical observations as evidence of the demand for disinterestedness not only among artists, and their agents, but also among the patrons who consume their cultural products.

To be sure, galleries could possibly use contracts to specify that a collector must refrain from re-selling works at auctions within a given time period. They could, under such contracts, sell works to collectors at a discount to compensate for the short-term illiquidity. Such costs, however, could also be passed onto artists, or by collectors onto auction houses (and, eventually, to future buyers). Arguably, formal contracting theoretically could be a viable alternative to enforcing a seemingly archaic norm.

A second viable alternative to the norm enforcement described in this paper is vertical integration. Consider how contracts are used in other creative industries, such as music recording labels and Hollywood film studios (See Caves 2000). Galleries could attempt to control the supply of the art itself by signing artists to long-term employment contracts. Indeed, there is a semblance of such integration in the variable extent to which galleries offer financial support to artists before the production and sale of artworks, helping to sustain and exclusively represent some artists. Galleries could also pursue forward integration by contracting with auction houses. Of course, this would require galleries to relinquish their quasi-monopolistic positon in the market niche they created for the artists they represent.

Given these potentially viable alternatives, one wonders then about the relative absence of formal contracts and vertical integration. This is productive to consider because it helps to illuminate exactly why normative mechanisms (e.g., socially ostracizing defectors) can be just as, or possibly more effective than formal practices rooted in law and economics (i.e., contracts and monetary incentives). Based on the extensive fieldwork, observations, and interviews that inform this study, and support the argument developed here, there are at least three inter-related reasons.

First, the market as well as aesthetic value of "authentic" art is rooted in a culturally dominant "art-for-art's-sake" narrative (Bourdieu 1984, 1993; Caves 2000; Fine 2003; Velthuis 2005; Wohl 2015). This narrative depicts cultural production as an unfettered form of individual self-expression, and not an extrinsically motivated endeavor to get rich and gain status. This is key to how artists and galleries differentiate and distinguish themselves from other forms of labor and marketing. This is, paradoxically, also central to how galleries construct the economic value for emerging and established artists (who are prized for their authenticity and untainted creativity). Accordingly, contractually constraining artists, through both types of control and integration, are in effect antithetical to the art-for-art-sake narrative, and risk diminishing the value of the art. Field-specific taboos around overt profit seeking make such approaches less attractive than in other contexts.

Second, art collectors do not so much seek discounts for illiquidity as much as they seek assurances that the value of their previous purchases will not be diminished by actions taken by artists (i.e., overproduction) or unscrupulous gallerists (i.e., dumping). Galleries do attempt to provide such assurances to collectors. Yet, rather than contract their artists to constrain their art making, they pro-actively control the supply and distribution of the art itself by *restricting access* to individual pieces of art. This important aspect of their market making strategies – controlling the supply and distribution of the art itself – is not readily addressed by formal contractual mechanisms.

Third, even the galleries with the resources to subsidize their artists while they produce new works typically frame such arrangements as a testament of their beneficence as stewards of their artists' careers. This again is also largely due to a sensitivity among market participants that employment contracts call into question an artist's freedom of self-expression, or their intrinsic motivations, and, consequently, their claims to authentic creativity. Relatedly, backward and forward integration would be credibly viable only for the largest galleries, which have an established reputation, administrative scale and, importantly, the physical inventory to attract and leverage such arrangements.

It is worth noting that normatively endowed mechanisms are distinct from purely instrumental, formal contractual mechanisms in at least two ways: a) norms are an informal means through which to set expectations, exert influence, and obtain a desired action in response; and b) contracts make the rationale of an agreement explicit. Whereas contracts manifestly define protocols for redressing violations of an agreement, norms require actors to first identify and then familiarize themselves with a varying set of implicit understandings that evolve in meaning over time. Thus, norms are also more malleable. One advantage of deploying normative mechanisms instead of formal contracts is precisely because they are *not* formal, and can be adapted and deployed (or not) depending on the specific challenges and opportunities facing exchange partners.

Scholars of law and organizations have showed such effectiveness of informal, social control mechanisms (i.e., disciplining tactics)—businesses that have contractual relations nonetheless do not invoke the contract terms to manage disputes and problems in the relationship (Macaulay 1963). This is in part because the continuing exchange relationship is more important than the available legal remedies under the contract. These insights are particularly relevant here because access to emerging and established artists' works involves managing continuing exchange relations with the galleries that represent. More recently, Zev Eigen (2012) has also shown that when there are contractual breaches – broken promises – the most successful means of restoring the promised course action is through moral suasion (that is, the desired action is the right thing to do) rather than through loss of reward, legal sanction or even social pressure to behave like others, not being an outlier. Furthermore, scholars in organizational economics offer support for these observations by suggesting that "relational contracts," which reduce the costs associated with contracting business dealings, are also a source of competitive advantage (Gibbons and Henderson 2012).

We can better appreciate the role of informal, normatively endowed practices such as disciplining tactics by recognizing similar dynamics found in market settings such as private equity, the issuance of IPOs, and early-stage venture-capital investment. Typically, IPOs have formal "lock-up" periods that prevent early investors from selling their shares too soon and unwittingly raising questions about initial asset and income valuations. In fact, fund managers will contractually limit investors' discretion on exiting, and often penalize clients for selling just after an IPO's lock-up period by denying future allocation of shares to actors who violate such stipulations. This form of supply-side discipline is similar to what I observed in the market for contemporary art. There is a key distinction, however. In art markets, such disciplining is not typically contractual, but managed by cultivating exchange relationships over an extended period and through this ongoing relationship extracting a commitment to shared norms. This would not be as effective in financial markets, of course, because there is no such norm of disinterestedness—the profit motive is the socially recognized, legitimating, and basic coordinating principle, which is the exact opposite in the market for contemporary art.

Conclusion

Here references to the art-world norm of disinterestedness was one of the main coordinating principles market participants used to sustain their exchanges. A common understanding of this norm was demonstrated through these actors' habitual disavowals of extrinsic rewards. Over time, gallerists are able to discern whether collectors are actually willing to conform to their normative expectations; thus, the vetting of well-disciplined audience members is a critical factor for sustaining exchange. Specifically, galleries demand disinterestedness from collectors through a form of supply-side discipline. To the degree that a potential buyer signals that they view art as an investment, they are typically excluded from the lists the gallery uses to vet suspect collectors, and ultimately to whom a gallery is willing to sell. In this way, galleries manage access to their artists' works, preferentially placing art with well-disciplined collectors. Galleries use rewards and penalties (e.g., VIP access, discounts, and black lists) to nudge collectors' market behavior to align with the galleries' own ongoing market-making efforts. Collectors can maintain privileged access by honoring informal arrangements (e.g., first-right-of-refusal) not to re-sell work too soon or too often, or without prior consent; and because the greatest asset appreciation is enjoyed by collectors who purchased an artist's works at an early stage, collectors can be sufficiently motivated to meet the gallery's demands.

Within the context of the market for contemporary art, vertical integration and formal contracting would remove the veneer that helps mask the more instrumental aspects of exchange between artists, galleries, and collectors. Accordingly, this is tantamount to the overt commodification of art, which, then, would undermine the existing value-construction process as well as galleries' long-term strategies. As these findings suggest, for instance, galleries framed their disciplining of collectors as a moral imperative, but they also had strong financial incentives to enforce the norm of disinterestedness. The necessity of making sales while maintaining the authentic appeal of cultural producers, though, requires that market participants, including arts audiences, also enact disinterestedness. This is a paradoxical resolution. By clarifying the important role of disciplining tactics as a factor in galleries' market-making strategies, this paper helps account for how (and why) market intermediaries and arts audiences enact, develop, and leverage normative mechanisms, and why more formal mechanisms (e.g., contracts and integration) might fail to emerge as alternative, or dominant, mechanisms of such governance.

Lastly, I argue that galleries deploy disciplining tactics in part to combat collectors' speculation at auctions, and thus to control the supply and distribution of their artists' works beyond the initial point of sale. The findings thus suggest that in the absence of formal or contractual mechanisms, social actors might develop informal, normative mechanisms to enable market coordination and control. In sum, this paper provides an explanation for the prevalence of market participants' performances of disinterestedness, and in particular, the existence of well-disciplined art collectors.

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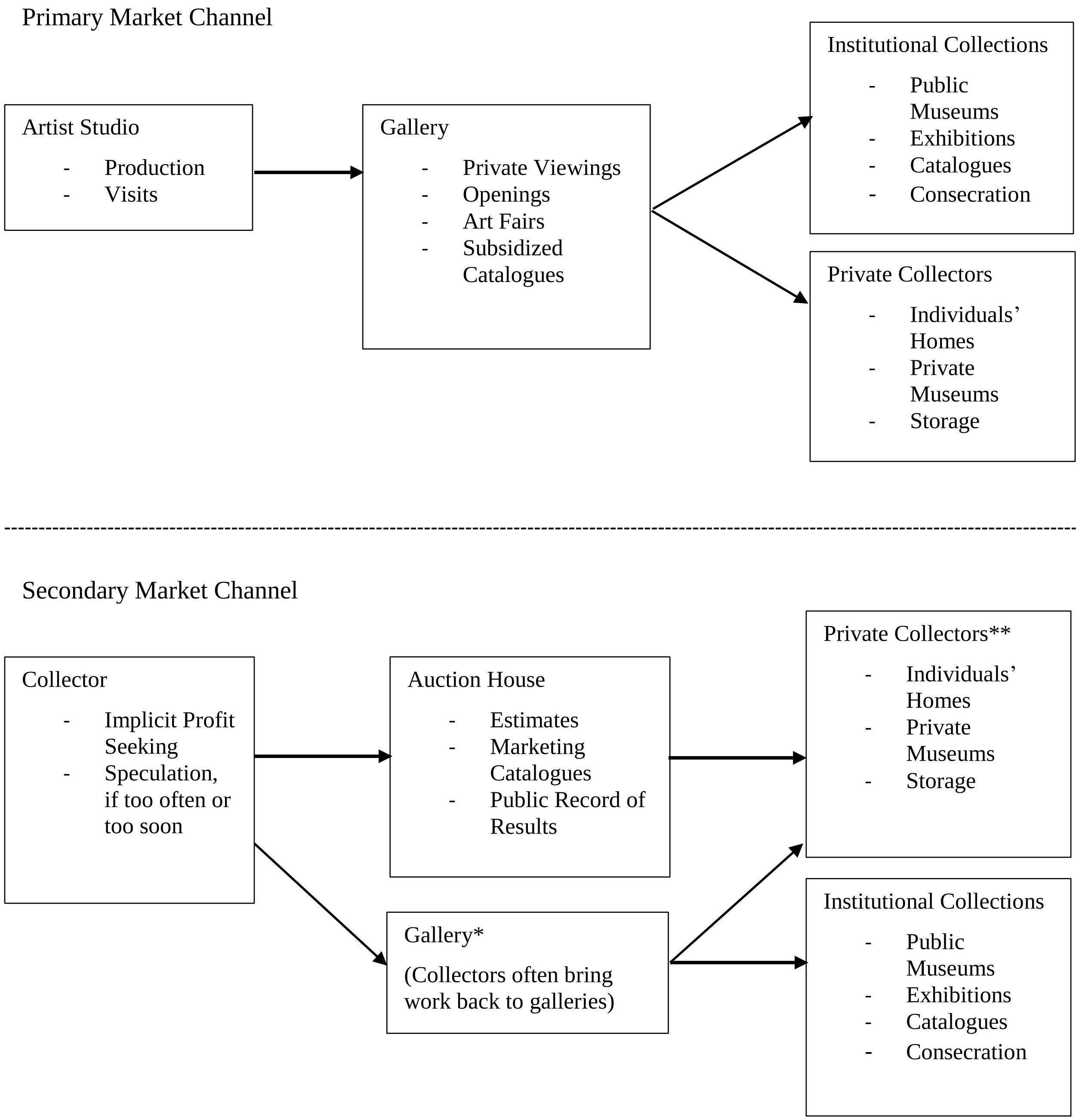
Figure 1. Primary and Secondary Market Channels



Note:
*Larger galleries might bid on, and buy back works themselves at auctions, to maintain control of their artists' market.
**Museums follow auctions, and consult for collectors who are board members, but rarely bid due to limited budgets.

Table 1. The Social Structure of the Market for Contemporary Art*

Actors	Roles and Actions	Exchange Partners	Resources
Artists	Conceive and produce original art works	Gallerists, Critics, Curators, Collectors, Cultural Institutions	Labor (Monopoly Production), Relationships, Status
Curators	Organize exhibitions and write art-historical essays for archival catalogues	Artists, Gallerists, Collectors, Art Fairs, Cultural Institutions	Voice, Platform, Relationships, Reputation, Status, Legitimacy
Critics	Report on art-world (events and interviews) for art magazines and press	Artists, Gallerists, Art Fairs, Auction Houses, Cultural Institutions	Voice, Access, Platform, Reputation
Gallerists	Select, represent, promote, and sell artists' work	Artists, Critics, Curators, Collectors, Advisors, Art Fairs, Cultural Institutions	Clientele, Space, Relationships, Reputation, Financial Capital
Collectors[1]	Select (purchase) artists' work and support cultural institutions	Artists, Gallerists, Critics, Curators, Advisors, Art Fairs, Auction Houses, Cultural Institutions	Financial Capital, Relationships, Reputation, Status, (Board Membership)
Advisors	Select artists' work on behalf of collectors	Gallerists, Collectors, Art Fairs, Auction Houses	Clientele, Access, Relationships, Reputation, Financial Capital
Art Schools	Educate and train aspiring artists on the history, theory, and practice of art making	Artists, Collectors, Cultural Institutions	Space, Platform, Reputation, Status, Legitimacy
Cultural Institutions[2]	Support the production preservation of art works for posterity	Artists, Gallerists, Critics, Curators, Collectors, Art Fairs, Auction Houses	Space, Platform, Status, Legitimacy
Art Fairs[3]	Organize spot market for primary- and secondary-market sales from galleries	Gallerists, Critics, Curators, Collectors, Cultural Institutions	Space, Platform, Status, Financial Capital
Auction Houses[4]	Market and facilitate secondary-market sales from private collections	Collectors, Advisors, Critics, Cultural Institutions	Clientele, Platform, Finances

Art Publishers	Produce high-end archival art catalogues	Galleries, Curators, Collectors, Art Fairs, Cultural Institutions	Platform, Status, Legitimacy

*Based on fieldwork and formal interviews (N=73)
1. I distinguish between individual private collectors from institutional collectors such as museums
2. Non-profits include museums, biennales, alternative spaces, artist residencies, and grant-making foundations.
3. Organizations that organize marketing and sales events for multiple galleries to exhibit art works.
4. Organizations that organize live sales and employ in-house advisors, appraisers, auctioneers, etc.

CHAPTER 2

A Bazaar Affair: Market Platforms for Contemporary Art Promise Efficiency but Reveal and Reinforce Hierarchy (coauthored with Ezra W. Zuckerman Sivan)

Introduction

> *You can imagine all kinds of future exchanges that would make art fairs kinda seem weird. Really? We're all going to fly to this one place? Everybody in New York flying over to this one place? ... I mean it's an odd event structure because they're asking everybody to move their merchandise from where they live to this other place you're going to visit; but you actually know of the art from where you live. It's a very odd thing when you think about it. (Art Historian)*

What do markets do? In particular, what are the advantages and disadvantages of building institutions that facilitate economic exchange among a wider array of individuals and firms than would otherwise be possible in the absence of such institutions? This question has acquired greater salience in recent years given the prevalence of various media, marketing, and online trading platforms, which tend to be promoted with a ready answer for this question: platforms promise more efficient matching among a wider array of producers, consumers, and potential investors. Thus, markets in the first instance are attractive as sources of efficiency and accessibility. Put differently, we should expect a set of parties playing one role in a market (buyers or sellers) to respond positively if they are afforded greater and more efficient access to the other side of the market.

With this implication in mind, however, one of the two main findings from this study of international art fairs (IAF) is surprising. As hinted at by the epigraphical quotation, gallerists (who are the main sellers in this market) and other attendees routinely question the value of participating in a platform that has become central to integrating and growing the global (contemporary) art market. In spite of the increasing importance of IAFs to their businesses, gallerists often claimed that the financial returns from joining IAFs rarely justified the investments required to participate. In addition, collectors, curators, and critics agreed with gallerists that IAFs are suboptimal settings to exhibit and view art; they also criticize IAFs for potentially harming artistic innovation because artists are under increasing pressure to supply a pipeline of work for an unrelenting circuit of fairs. Finally, beyond the significant financial and opportunity costs noted by participants, they also voiced a distinctive anxiety rooted in worries about whether they will gain access to key spaces and events. This leads to the natural question of why these actors continue to participate.

The short answer that emerged from this study is that they *must attend in order to remain visible*. In providing theoretical context in the next section, we observe that an under-recognized thread in the sociology of markets is that markets vary in the degree to which the status hierarchy among sellers is visible or opaque. An important implication is that a shift in the institutions that are meant to either create markets (e.g., Fligstein 2001) or provide information about them (e.g., [Espeland and Sauder 2016]) can have a transformative effect on the visibility of the market status hierarchy and thereby alter the nature of competition. In particular, whereas IAFs (like market platforms generally) did make it newly possible for peripheral galleries to reach customers who would otherwise be inaccessible, the more general impact (felt most keenly by the mid-tier galleries) was to increase barriers for mobility to the top tier of the market.

After providing theoretical context, we then describe methods – an 18-month ethnographic study of the market for contemporary art – that form the empirical basis for this paper. Then, after an overview of the historical context for the rise of IAFs, we detail the first of the two main findings that emerged—the complaints that gallerists and other market participants expressed about participation. Next, we discuss these actors' explanations for why they participate despite their misgivings: the need to be visible. Key to this theme is an account of how IAFs managed status tensions in terms of allocating access to their platform (that is, the space itself and key events). We also discuss how the experience of visibility varies depending on the relative status of the galleries, which in turn illuminates the variation in the costs and benefits of participating. We conclude by noting the general implications of these findings, including the main implication that markets platforms can at once increase efficiency and access while reinforcing status hierarchy.

Theoretical Context

Market platforms & efficiency. In textbook neoclassical economics, the market is an abstract mechanism that expresses the terms and dynamics by which sellers and buyers meet. And even foundational work in economic sociology (White 1981) has depicted markets in abstract terms. But a key contribution of more recent economic sociology is to recognize that markets are constructed through acts of "institutional entrepreneurship" (Fligstein 2001) by private or public "platform" builders and that market dynamics can vary greatly depending on the institutional configuration – the rules, standards, norms, and social, technological, and physical infrastructure – that constitutes the platform. This framing of the matter shifts our attention to the goals of the platform builders as well as the participants —the buyers and sellers, as well as third parties— whose participation is necessary for the market to emerge and to thrive.

In short, we can expect platform builders to seek as many participants as possible and to try to attract a greater share of trade on their platform relative to other platforms. Correspondingly, we can expect the main pitch to potential buyers and sellers to be that the market will be more efficient at effecting the matches they are seeking. For example, the chief rationale for building a European common market was that it would facilitate trade (which would in turn have political and social benefits) that would otherwise not occur (Fligstein and Mara-Drita 1996). Similarly, Aspers and Darr's (2011) analysis of technology trade shows discusses how they are founded in the expectation that buyers and sellers will find each other more easily at the shows. And Brailly (2016) provides evidence that long-term relationships that facilitate trade emerge from television programing trade shows. The rationale of increased efficiency is also central to the design of online market platforms, where it has spurred a large economic literature focused on how to design markets so that they effect the most useful matches (Loertscher et al., 2015). Finally, a large literature in financial economics focuses on how markets should be designed to maximize liquidity and efficient price-discovery (e.g., Zhu 2013).

Efficiency and participation. If the goal of the platform entrepreneur is to make markets as efficient as possible at facilitating trade, it would seem that buyers and sellers have a complementary goal when considering whether to participate: does indeed this particular market offer access to the other side of the market more efficiently than other ways of reaching it? And yet a highly efficient market platform has at least one potential downside to potential market participants, which flows from the fact that the platform-builder/owner seeks to profit from it (by taxing participation in some way that covers costs with some margin). In particular, a challenge for any platform participant is that they may become so dependent on the platform for reaching the other side, that it limits their profitability. This is not a great threat if participants can easily and costlessly switch between markets. But if indeed the platform is the most efficient way for sellers and buyers to meet, then it will increase their dependence on the platform. As such, there is fundamental tension between the avowed, and often achieved goal, of platform entrepreneurs—efficiency—and the goals of participants—efficient and *profitable* access to the other side of the market. This tension is useful for appreciating the main finding of this paper, as outlined above and elaborated upon below—i.e., that gallerists are ambivalent about the value of IAFs. Such ambivalence is not surprising. But the nature of their complaints described below will be notable. In particular, not only are the gallerists dubious about the efficiency gains from IAFS, but given that most galleries are able to find buyers without attending fairs and given that there are hundreds of fairs, one would not expect them to rely too heavily on any given fair.

Status visibility and markets. The second main finding of this paper must be considered in context of an under-recognized theme that has not been brought into dialogue with the literature on the institutional foundations of markets. In particular, that IAF participants frame their decision to participate in terms of the *visibility* that these fairs provide for their businesses. This is notable for various reasons we will discuss below, but for now it is important to consider how markets may vary in the degree to which the relative positioning of the sellers in a market (their size, offerings, etc.) relative to one another, and how this may be captured in a public status structure. Just as canonical models of markets have treated the market as an abstract mechanism, they have sometimes supposed that the relative positioning of sellers is fully visible (White 1981). But while this may be the case in the modern mass consumer-goods markets that formed the examples for such models, it is not the case for many markets. Accordingly, Zuckerman and Sgourev (2006) show that sellers in local service markets will often seek out peers from other markets because they have difficulty seeing and learning about how to improve their performance from their local peers. Consistent with this is a substantial body of research showing that third-party entrepreneurs can often transform the competitive dynamics in an industry when they publicize rankings of the players (Espeland and Sauder 2016); this transformative effect would not occur if it were the case that the players' relative positioning was visible simply by dint of participating in a market. It is notable as well that Podolny's (1993; 2005) pioneering analyses of market status dynamics obtained its empirical footing due to the emergence of institutions (such as "tombstone" advertisements in the investment banking industry;

see Eccles and Crane 1988, chapter 5) that publicize status orderings derived from public positioning among competing firms. What seems clear then is that just as markets are a product of institutional entrepreneurship, so is market status visibility. As such, the degree of status visibility in a market will vary depending on how a market platform is built.

Market platforms & Inequality. A key implication of the foregoing is that market platform construction logically will entail implications both for the relative efficiency of a market and for the status dynamics of the participants. Moreover, just as the introduction of public rankings can create heighten anxiety and pressure to conform (see Elsbach and Kramer 1996; Espeland and Sauder 2012), the introduction of markets that publicize a market status hierarchy can have similar effects. This entails that the platform builder must manage such tensions. As discussed below, a great amount of effort in IAFs is devoted to allocating resources that signal relative status to the various participants: the relative size of booths, location relative to one another on the floor plan, and access to events of greater and lesser exclusivity. In short, while market platforms may or may not increase efficiency of a market, they are also necessarily in the business of managing status. In addition, this gives a particular tenor to the question of dependence on a given platform: why participate unless you are going to gain (or at least not lose) status?

Research Methods

This paper draws on an 18-month ethnographic study of the market for contemporary art. The fieldwork and interviews (conducted by the lead author)began in November of 2016 and continued through April of 2018. Fieldwork included attendance at multiple international art fairs. I attended 23 such art fairs of varying ages, sizes, and statuses held in Los Angeles, London, New York City, Paris, Basel, and Miami.

During these events, I observed, met, interviewed, and shadowed informants in their various roles as market participants. As I became familiar to my informants, I was invited to social gatherings after gallery openings, museum exhibitions, and IAFs with the artists, gallerists, collectors, critics and curators. Over the course of my fieldwork, I learned of and gained admittance to "VIP preview periods", which are exclusive to art-market professionals and collectors and precede the public opening of these events. I sat in on panel discussions organized during IAFs, as well as gallery and art-school public programming.

I began observing interactions among gallerists, curators, and collectors, as well as artists by attending as many different types of events as was feasible, and then began focusing on more specific individual activities within the settings for the purposes of my study (Spradley, 1980). These observations included hundreds of interactions with artists, gallerists, curators, and collectors which were observable during the course of the private and public viewing periods of openings, exhibitions, and IAFs. For example, observing gallerists respond to the inquiries of attendees at IAFs was a part of my fieldwork from the outset, but it was during my own attempts at asking questions about art works on display that I realized their responses varied depending on their familiarity with the person asking about the art. So my focus shifted to focusing on the instances when gallerists gave more in-depth information about an artist's background, the conceptual aspects of the work, and the availability and price of a certain art work to various individuals that showed interest in a piece that was being displayed.

In addition to IAFs, I attended multiple international non-profit events (i.e. "art biennales") organized to exhibit work by artists who have been selected by a jury of curators for public admissions. These events are held on a bi-annual basis, as well as other such event organized every three and five years, in the US and Europe in Spring, Summer, and Fall. I attended two biennales, one triennial, and one quinquennial (which was held in two different cities in Europe). I attended three auction house openings during which the public is allowed to view the art ahead of the auction; and one live auction sale (held during the evening) in London. I also visited the campus of an MFA program to meet with the director and tour graduate students' studios.

I wrote notes based on my observations and conversations throughout my fieldwork (Emerson, Fretz, and Shaw, 2001). At the end of each day, I would type up the notes and read over what I had observed each day looking for repeated and rare instances. I created a list questions that I planned to ask in subsequent meetings during formal interviews I would schedule with informants I met at these events.

I supplemented my observations with 73 formal interviews lasting an hour on average with emerging and established artists (8), gallerists (25), collectors (13) and their advisors (4), critics (6), and curators (10) and museum directors (2), and directors of arts funding non-profits (3), as well as directors of evening and day sales for premier auction houses (2). I also initiated informal conversations with informants at the various art-related events I attended. I had hundreds of these informal, perhaps 5-20 minute conversations, or repeatedly for multiple hours over dinner and at social gatherings. During events, I would physically approach gallerists, and whomever I had seen them speak with, and introduce myself, giving an account of my research project. I would follow up via email to inquire about their availability for a formal interview. It usually took multiple physical introductions and follow up emails to schedule an in-person meeting.

Initially, I followed a purposeful sampling strategy, seeking to maximize variation among participants (Trost, 1986). I aimed to meet with individuals who were willing to voluntarily participate in my study. As I became more acquainted with the market setting and its participants over time, I began to recognize the various actors and learned of their various professional roles in their work life. As my fieldwork progressed, I sought out market actors in roles I had yet to interview to ensure maximal variation. I began this process of finding research subjects at art fairs and biennales. Over the course of the study, key informants invited me to attend and shadow them at various exclusive social and art-related events, enabling access to VIP preview periods, dinners, and after parties.

The semi-structured interviews followed an interview protocol with a set of broad questions I developed that were relevant to the particular role (e.g. artist, collector, gallerist, curator) as well as any transaction I had observed. I also used a standard set of questions about their careers, occupations, and making a livelihood in the arts. The questions I asked each participants were organized under topics such as professional background and career history or networks and relationships. As part of the research design, the questions were also prompted by existing literature on the production of culture as well as the sociology of arts.

I recorded and transcribed accounts from all informants. Observation notes and transcribed interviews were uploaded to the qualitative data analysis software, ATLAS.ti. I first developed a codebook based on generic social categories (i.e. gender and race), and on concepts taken from relevant sociological literature (i.e. identity, status, authenticity). However, I also inductively generated codes that emerged from observation notes and transcribed interviews. As I coded the text, I would probe the data to identify patterns in the activities, interactions, behavior, and verbal recollections and accounts of my subjects. I compared these instances and focused on practices I heard accounts of and directly observed. Thus, I developed dozens of codes, which were initially drawn from relevant literature in the sociology of art and production of culture (i.e. disinterestedness and authenticity) and later emerged from the data collected during the fieldwork.

As I wrote memos, I reflexively integrated my observations notes and interviews transcripts with concepts from an ongoing literature review. I sought to corroborate my own observations of subjects' behavior against their own verbal accounts during interviews to help substantiate my interpretive inferences. I followed the protocols for generating grounded theory (Glaser and Strauss, 1967; Charmaz, 2014) – identifying emerging themes and then developing larger categories to organize the data upon which I base subsequent findings. Ultimately, the primary data analyzed for this paper include more than 3,000 pages of field notes and interview transcripts.

I began my preliminary analysis by comparing accounts from informants that occupied similar and different roles, across these roles, and actors at varying phases and levels of their careers—e.g. a curatorial assistant and gallery intern to museum directors and senior directors of large established galleries, and collectors that had only recently purchased art as well as museum board members that had donated entire collections. On certain topics, their rationales and jargon converged along similar lines across the variations in roles and career stages, others accounts varied by sub-samples. I had conducted over 30 interviews with my subjects when I recognized the patterns of similarity and difference in descriptions of their roles, positions, and varied tasks. Once I had conducted my fiftieth interview, I realized I could delineate the social structure of the market. I continued to interview informants to test whether I could anticipate their responses to question prompts. When I could confidently anticipate their responses to common questions in my interview protocol, I decided that I had a sufficient number of cases to begin in-depth qualitative analysis (Small, 2009).

During informal conversations and formal interviews, gallerists shared various practices and organizational processes they developed to manage challenges and exploit opportunities that might materialize. Although specific practices and process varied, there were similar strategies and tactics that informed their market behaviors.

This suggested that gallerists shared a substantive, and common, understanding of the interdependences and contingences within their social and competitive landscape. Specifically, IAFs emerged as a collectively recognized strategic site for these actors, both as an increasingly dominant sales channel and an important social venue.

An Emerging Theme – IAFs as sub-optimal settings

A central theme that emerged from the fieldwork was market participants' account of the proliferation IAFs as potentially problematic because of the exorbitant costs and wearisome demands of attending these events. The complaints about costs and extravagance were interesting on the surface because it contradicted these actors persistent participation despite such censure. They appeared mired in a state of affairs that none found wholly beneficial.

Several of the downsides they readily complained about became more palpable over the course of the study. The complaints I heard underlined the financial and opportunity costs, the demands placed on gallery staff who worked these events, and the potentially negative effects that an endless circuit of IAFs had on the quality of the art itself and its display during these events.

The main problem among many gallerists was the increasingly high costs of participating in IAFs. According to one survey, galleries reported spending an estimated 4.8 billion dollars participating in IAFs in 2018, which represents a 5 percent increase year-over-year in the costs of participation (McAndrew 2018). Gallerists often complained that because of IAFs collectors no longer came to openings in their permanent gallery spaces. They also complained that participating in IAFs created the risk of having to shutter their spaces, especially because some galleries rarely turned a profit at IAFs, and aimed only to break even during the event.

A second issue gallerists raised was the wearing effect of IAFs on them physically, psychologically, and in terms of opportunity costs. Over the course of a week, gallery owners, directors, and assistants worked their booths for a minimum of 12 hours each day of the event. This required standing and speaking with potential buyers, but also fielding general questions from the public. The staff often complained that they missed lunches and did not take toilet breaks for fear of missing a sale because a collector had happened to pass by and they had missed them—claiming that due to the high costs of participating they could not afford to miss a potential sale. On several occasions, at the closing of several IAFs, just after a voice came over the loud speakers announcing that everyone must exit the building because the event was officially over, a collective applause among gallerists would roar across booths throughout the event space. The applause was a mutual acknowledgement of each other's time and suffering, and renewed freedom (as well as their relative successes).

A third issue that gallerists complained about was that the application process required by IAF organizers was tedious and exacting. The application was an additional cost in terms of the time and effort it took gallerists to produce proposals for exhibition booths and the actual fees attached to their submissions, which could range into the thousands of dollars. Because application underwent peer review by other galleries who sat on selection committees on behalf of IAFs, gallerists also claimed it was perhaps problematic that their competitors influenced whether or not to extend an invitation to them to participate.

A fourth issue that was raised, particularly among the audience of curators, critics, and collectors, was about the potential adverse effects on the quality of art and artistic innovation—that is, that artist were increasingly pressured to create a pipeline of work that could be exhibited during IAFs, and that this could cause the work to become hurried and monotonous. They also criticized IAFs for being overcrowded and superficial, which distracted from an engaged viewing of the art on display. During the first site visit, for instance, after interviewing and shadowing a museum director, I was encouraged to leave one prominent IAF and visit other smaller more "curatorial" events. Both gallerists and art experts claimed that the hundreds of booths lined one-after-the-other and the thousands of people milling about was ultimately overstimulating, and thus a sub-optimal setting to view art.

A Second Emerging Theme – IAFs as Premier Social Venues

By probing the discrepancy between IAF participants' purported criticisms and then their professed reasons for continued participation, however, another central theme emerged. Despite their shared criticisms, gallerists commonly justified the costs, the demands, and the lack of substantive engagement with the art during these events by riposting that IAFs were the gallery system's premier social venues. In short, as social venues, IAFs enabled participants and attendees to "*see*" each other in one place at one time. These actors could observe each other in the aisles and booths, and during exclusive opening hours and dinners and parties held afterwards. As they watched and listened to each other, they shared compliments or commentary on recent exhibitions, acquisitions, and other art-related news and events. They shared their itineraries for the evening, the weekend, and the upcoming year—plotting their course across the art world. Continuing fieldwork and interviews corroborated that such social visibility was not solely a marketing strategy to increase immediate sales either; but was also how these actors established and revealed their standing in the market, which then enabled them to leverage their ranked placements among their audiences.

It is worth noting, many actors in industries that have a high cost of doing business commonly complain about those costs even when such expenditures are actually investments in erecting barriers to entry. Thus, the censure from galleries who complained about the downsides of participating in IAFs should be viewed more as an indication of the fact that they could imagine a world—one without global competition—where they would not have to absorb significant capital outlays.

In the following section, we provide background on the origins and functioning of IAFs as business entities in an increasingly global art market. We then describe the variation among IAFs and the galleries that participate in these events, as well as the distinguishing features across IAF in term of the actual physical settings and exhibition quality.

Research Setting

In the late 1960s and early 1970s there were few major IAFs, and those that existed were primarily located in Europe and the United States. In 2018, there were more than 200 IAFs organized in major cities around the globe, including Dubai, Hong Kong, and Mexico City (McAndrew 2017). IAFs are held throughout the year, on an annual, semiannual, or seasonal basis; traveling from one major city to another—e.g., moving from London to New York, or New York to Miami, or Miami to Hong Kong. Multiple IAFs occur in the same city during the same week. Over the course of that week, hundreds of galleries, out of the thousands from around the world, co-locate (in convention centers or large white tents erected to house the event) to exhibit and sell original works of art.

The first IAFs were born from the cooperative efforts among a handful of galleries to spur market growth. IAFs were a way that these galleries sought to overcome a major strategic constraint; namely, the costs and risks of acquiring new clients. Historically, galleries were small operations that leveraged their strong ties to the collectors that they interacted and socialized with on a regular basis. Repeated social interactions are still critical to closing deals (Riley 2020), and physical and social proximity remains key to business. In addition, such close knit relationships were necessary because the art market was, and largely still is, a very opaque and nebulous setting, particularly around prices and quality (Velthuis 2003, Riley 2020). Furthermore, in the 1970's, though, the costs of travel and shipping were such that few galleries could have a substantial presence in multiple cities. Because of such cost constraints, galleries were generally consigned to local or regional art markets. For example, a gallerists in London, New York, or Paris would serve a collectors who lived in or visited their cities. But IAFs enabled galleries to pool their resources and share an enlarged collector base. Over the ensuing five decades since the first IAFs were organized, these events became attractive social and cultural scenes of their own, which have continued to help galleries maintain and build relationships with both existing and potential collectors, particularly with collectors from further afield.

Today, the organizations behind IAFs are independent business entities. They operate as platform organizations that promise to improve access to a wider array of galleries and potential buyers. They promote their capacity to organize events that attract high net worth individuals and art experts and facilitate networking opportunities among galleries, collectors, and art experts and institutions from around the world to help facilitate selection of potential exchange partners. They aggregate and maintain databases of attendees, particularly up-to-date lists of prominent collectors, and then target this demographic as patrons of their organized events.

They divvy out special access to exclusive openings, private viewings, or “vernissage” periods. This is a coveted period before the fair opens to the public when market participants can meet with and socialize with other individuals who have been listed as VIP by one or more of the galleries. These VIP attendees are then further divided into staggered tiers of VIP statuses. The highest tiers enable the individual cardholders to enter earliest, and then the next rung and the next rung, over the course of two days. There is even a separate program of events that lists the various exclusive activities and amenities available to the various tiers as well.

IAFs do not directly participate in sales, but generate income from exhibition-booth rental fees, merchandising, and sponsorship from luxury brands (i.e. champagne, cigar, watch, and automakers, as well as wealth-advisory services) that market their products during these events. IAFs also collect admission fees (approximately 20-50 dollars) from the public, who pay to enter and walk through the aisles and into booths to view the art on display; tens of thousands of attendees flood these events.

Increasing Market Efficiency?

Typically, galleries begin contacting their collector base weeks and months ahead of the actual opening of the event. In many cases, the art that is shipped and exhibited to an IAF has already been purchased by or promised to an existing client. Several such collectors might “express interest” and only after the IAF will they actually buy the piece. In addition, galleries usually only generate sales leads during these events, and will possibly close deals days or months later—perhaps after repeated interactions across several such events. This prolonged sales pipeline is in part due to risks associated with selling to the “wrong” collector – that is, one who views art as an investment. Immediate sales are a significant risk for galleries in that this can cost the gallery both in terms of their reputation, but also financially, as such collectors might “flip” works at auction and overheat the artist’s market (Riley 2020). From this perspective, IAFs are predominantly a channel to *generate* sales leads, and to some extent deliver art to collectors who have already purchased the work (or who might have otherwise purchased it in the gallery).

Yet, the financial costs of participating in IAFs are substantial for most galleries. The price a gallery pays to rent a booth is determined by its area (in square feet or meters), and varies depending on the location of the booth on the floor plan. The more central, or proximity to main entrances and VIP entrances, the booth is located, the more expensive the rental rates. Depending on the IAF, and the size and location of the booth, the total rentals fees may range from $5,000 to $60,000 or $80,000 or more. The IAF also charge fees for any physical changes to the design of the booth, such as building additional walls or painting them a color other than white, hanging additional lighting trusses, or installing plush carpeting.

These fees do not include logistical costs galleries must absorb such as crating and shipping fees, which are nontrivial for larger pieces with irregular dimensions, or paying art handlers for the installation of such pieces. The gallery must also cover their employees' travel and hotels expenses (which spike during the week of the event). In addition, galleries typically host lavish dinners or parties for their artists and collectors. Thus, the financial costs of participating in IAFs represent a substantial investment for many galleries.

Of course, from the collector's perspective, however, IAFs provide a way to view, compare, and access more offerings more easily. Rather than traversing an entire city or traveling from city to city to meet with gallerists by appointment (which is a common practice), collectors fly in and attend an event that brings multiple galleries together in one place at one time. For collectors, this might save time and money, but more importantly, this enables collectors to conduct side-by-side comparisons across galleries.

Yet, as mentioned above, collectors still face barriers to purchasing art from galleries who view themselves as the "defenders" of an artist's market, which means controlling the supply and distribution of their art that is in circulation (Riley 2020). Without having a relationships, or reputation, it can be difficult for collectors to access work that is in high demand. Because of this feature of the art market, IAFs do not necessarily give collectors immediate access to artists. These events do offer collectors a setting in which to enact their knowledge of art-world norms (i.e., not openly discussing art as an investment) (Riley 2020), which can improve the collector's chances of being offered a choice piece by the gallery of a given artist over time. Still the time and investments that go into this extended matching process challenge some of the efficiency that IAFs once promised.

In partnership with financial institutions and economists, IAFs have recently begun sponsoring annual reports that survey, estimate, and report global market trends. According to one such report (McAndrew 2018), the IAFs' total annual sales figures for participating galleries reached 16.5 billion dollars worldwide in 2018. IAFs reportedly represent 46 percent of galleries' business. Although the survey respondents reported participating in an average of four IAFs, more than 25 percent of galleries reported participating in 10 or more fairs in 2018. The same report also claims that a majority of collectors have purchased art from IAFs during the reporting period. This report suggests that IAFs are increasingly important to galleries' business models and to an extent have come to represent an expansion of the art market.

The sales reports of galleries, however, reflect the increasingly segmented structure of the global art market. According to McAndrew (2018), mid-sized galleries comprise the majority of galleries that participate in IAFs. They also represent the majority of sales at these events—which are in the $5,0000 to $50,0000 price range. Galleries with revenues over 10 million- to 50 million dollars reported the largest increase in sales (17 percent on average). In contrast, galleries with revenues under 500,000 dollars reported a 10 percent decrease in sales, and even smaller galleries with revenues under 250,000 reported the steepest decline (18 percent on average). Although 28 percent of respondents reported an increase, almost 60 percent of the surveys respondent report depressed sales.

Variation among Galleries who Participate in IAFs?

IAFs themselves did vary in terms of their age, thematic focus, and level of prestige. Although the larger IAFs are the most prominent, the size of an IAF does not necessarily determine its prestige. The status of an IAF is also determined by its age, and whether it is "curatorial"—that is, attentive to the aesthetic qualities and thematic arrangement of the art (and booths). Smaller IAFs might be prestigious because they are older or curatorial, but also because they are very selective of who is invited to participate. Although some IAFs invite galleries directly (i.e., based strictly on referrals), these IAFs are viewed as less prestigious among market participants. Some IAFs have none of these attributes, with participation secured only by booth rental fees. Such IAFs, though, are disparaged for being purely commercial, and thus are the least prestigious (see Riley 2020). An IAF's exclusivity is therefore a critical source of its prestige.

The most prestigious IAFs have an application process for galleries that require the gallery to submit a proposal of what they plan to exhibit during the event. Galleries must first pay an application fee and then undergo a peer-review process before being invited to participate. Typically, mid-sized galleries sit on IAFs' selection committees, volunteering to review other galleries' applications, assessing the potential contributions each gallery will make to the overall presentation of art exhibited during the IAF. IAFs selection committees screen galleries based on the number of years a gallery has been in operation, and their ability to garner press and critical reviews for their artists over that period. Based on successful proposal, IAFs then "invite" galleries to participate, at which point they then must pay upfront rental fees for their booths.

Interestingly, IAFs often invite emerging galleries who might not otherwise have the wherewithal to participate. Arguably, IAFs were a promising avenue for the smaller and younger galleries. For these galleries, and galleries from less developed markets (i.e. Sao Paolo, Guadalajara, Beirut, or Kosovo), it is especially difficult to participate in the most prestigious IAFs. They may represent talented young artists, but are disadvantaged because they often cannot cover the costs of applying, booth rental fees, shipping, and travel to and from the event.

In such cases, however, IAF organizers (and the selection committee) make accommodations as a matter of policy to include these galleries. IAFs usually offset upfront costs such as waiving applications fees and offering booths at reduced rental rates. If invited, these galleries are clustered in demarcated areas organized into special thematic sections, with markers on their booths and on the map of the floor plan (usually a color-coded system) that signify their status as an emerging gallery from a peripheral locale.

There were also special thematic sections for mid-sized galleries. These sections required the elected galleries to dedicate the entire booth to exhibiting a single artist. The booth rental rates for the more established galleries, however, are not subsidized or discounted. These dedicated booths, nonetheless, are billed as more focused and thoughtful. A jury of guest curators sometimes evaluated these sections so that the IAF could then allocate prizes for the best presentation of an artists' work.

Variation in Physical Layouts across IAFs

The most prominent IAFs are usually large scale, held in convention centers or in air and naval hangars. There are medium-sized "satellite" IAFs, which are held in large white tent structures designed specifically for such events. Typically, the booths configurations are contiguous, the aisles between booths are wide, and thus sightlines and movement from one to the next is unobstructed. The freestanding walls, flooring, and lighting for each booth are custom-designed to specification. The walls are painted in smooth coats of flat white (or some other dark satin color that has been pre-approved by the organizers); the slabs of drywall are seamless; and the electrical wiring is concealed. The overall presentation across booths is polished. There are smaller high-end IAFs that have a similar standard of physical presentation, but scale down their footprint, and promote their exclusivity instead of physical grandeur.

By contrast, IAFs are also often held in vacant spaces such as warehouses and various empty buildings. These smaller IAFs re-purpose such spaces and set up exhibition-booths along the walls and in separate rooms throughout the building. In these cases, the organizers face more constraints in terms of layout, and must often arrange the booths on multiple floors. The booths are usually smaller, the aisles narrower, and sightlines and movement are broken up and obstructed by the support structures such as columns or doorway thresholds. This requires navigating around corners and through hallways. The walls are painted with a thin coat of flat white paint, but the screw indentations, and crevices between the slabs of drywall are apparent. The flooring is usually exposed concrete, the carpeting having been ripped out. The electrical wiring is often left unmasked. The overall presentation of the fair is more austere, makeshift, and ephemeral. This *does not*, however, necessarily communicate that the galleries themselves are low-budget *per se*; such minimalism might be interpreted as simply less pretentious and more focused on exploration of "the art itself." In fact, many galleries participate in austere curatorial IAFs because they have their own raw, charismatic appeal.

Variation across the Exhibition Booths at IAFs

Galleries set up exhibition booths to resemble the interiors of their permanent gallery spaces. The design of most booths resembles the proverbial "white cube" associated with contemporary gallery spaces. Although the art works varied, the presentation of the art was similar across booths—i.e. paintings hung on walls, or small sculptures sat on pedestals. Most galleries did bring a mixed array of works, in terms of the number of artists, styles, and sizes, to maximize their appeal and the likelihood of sales. The mix of pieces usually included paintings and sculptures by various artists flanking several large centerpiece objects placed in the middle of the booth. In some booths there might be a small bookshelf filled with published catalogues with images and essays that document their artists' oeuvres.

The large and established galleries usually clustered close to each other; typically, they co-located in the center of the space or front-and-center near main entrances. As the age and size of the gallery diminishes, concentric rings formed around the larger galleries, lined the walls, and clustered in the far wings of the event space. This clustering of booths corresponded to the price ranges and scale of the art on display, which reflected the galleries' financial resources.

The size of the booths, as well as the scale of artistic installations, did often reflect the resources galleries had invested in an exhibition booth. For example, larger and established mid-sized galleries displayed their financial capacity by investing in impressive artistic installations. They usually installed ostentatious exhibits of art works by their most recognized artists (i.e. massive gilded sculptures that were expensive to produce, and probably took cranes and a dedicated team of art handlers to install). Such installations take substantial amounts of planning and preparation. The resultant display is meant to visually excite and impress art audiences—both the collectors who purchase such work, and the public who gather around these art installations to take photographs of themselves posing in front of it.

Having provided some background on IAFs, how they emerged and their role is in the global art market, we now turn to the observational and interview data that support the paper's argument.

International Art Fairs as Market Platforms

The Costs of Participating in IAFs?

> *[IAFs] can cost a gallery over a $100,000 to rent that small little space for however many days*. (Journalist, Art Market Reporter)

Gallerists typically complained about costs as a major factor in their decisions to participate in IAFs. An owner of a small emerging gallery in the Northeast added up the costs he absorbed, for example:

> *It's hard paying $25,000 for a booth... if you think about it, to break even, I have to sell $50,000 worth of art… And this is not talking about shipping, not talking about hotels, not talking about dinners, food, staff – the costs add up.*

Another gallery director of a small but established gallery in Los Angeles echoed:

> *Our booth for [a major IAF, 1] was $67,000. That's not shipping, that's not flights, that's not hotels, that's not meals, that's not the art-handler guy that we've got to hire, that's not take down, that's not – that's nothing, that's literally just to get there.*

Although at different stages of development, and with different ability to pay a given price point, both of these gallerists volunteered that the capital outlays for participating in IAFs are nontrivial sums, and that they believed that this was the case for most galleries.

Although galleries planned on this being a potential outcome, they referenced such costs as a significant issue because they typically did *not* cover their costs during the actual event itself. For example, a co-owner of a small established gallery in Los Angeles, claimed, "*So we've done [a major IAF, 1] for a decade maybe more… We never really did well, because it's so expansive… last year it was $75,000 at the end of the day. I sold $30,000 worth of art; and I only get half of that*." Another owner of a mid-sized established gallery in Los Angeles claimed, "*It can be hit or miss, and it is a lot work. Even in years where the return is huge – on paper it's still super hard to make it look good from fair to fair, and from year to year. You just don't know what it's going to be*." For some galleries, particularly for the small-to-medium sized, covering the expenses might mean the difference between continuing their operations or having to close their permanent spaces. For instance, one gallerist explained, "*We've got to make x amount of money or we're not going to keep our doors open*… [and] s*ometimes we do really poorly… the amount of business that we actually do at the fair is unreliable—I mean, unpredictable*." This same gallerist almost echoed his counterpart verbatim, continuing, "*The sales themselves on the premises are very hit or miss*." The costs of participating in IAFs seemed to not only represent a significant sum for these gallerists, but introduced a certain unpredictability than they might otherwise have to deal with if they chose not to participate. Yet, these gallerists, nonetheless, continue to participate in IAFs year-on-year despite such immediate financial strain that was caused from doing so.

For most gallerists, IAFs were not only financially costly, but also physically, mentally, and emotionally taxing. They worked the floor of the booths standing under bright lamps next to the art displayed in their booths, meeting with existing clients and screening potential buyers, as well as fielding questions about the art from the public.

They might spend more than 12 hours each day in the booth, swarmed by thousands of attendees, scanning for familiar faces, and sizing up whether a buyer is serious about purchasing a particular work of art. They also worked additional hours emailing buyers who visited their booth that day with follow-up information (i.e. recent museum acquisitions or auction results) or with updates on the availability of a piece (especially if the one on display is already reserved by another collector or institution).

During their interactions with potential buyers, gallerists uniformly collected business cards, stapled the cards it into a small notebook, and wrote down brief notes to follow up on (such as which artists the buyer was interested in, or who they were referred by). The contacts would later be added to the galleries' email databases and distribution lists. These lists are one of the most valuable outcomes because many sales were in fact initiated well ahead of the IAFs itself, and based on multiple interactions at previous such events.

Gallerists regularly described their demanding work schedules and intensity of social interactions with clients during IAFs as fatiguing. One gallerists, who worked at a large established gallery in Chelsea, New York, described her obligations, "*We are all working nonstop to make this a space that you want to come and visit, to admire our artists, and then come see our shows. That's a tough balance*." Another gallerist, the director of a mid-sized established gallery in Los Angeles, also described his "*nonstop*" schedule, saying:

> "*I get there an hour before it starts… then there's the [social] events… you've already been on for 10 or 11 hours, and worked from the computer in the morning from the hotel, so it's a very long day*" [and] "*I'm out of town for eight days. I go Sunday to Monday. That's a long stretch*."

Speaking to the same gallerist later at their permanent space, he said, "*I only just caught up from being stressed out and sleep deprived.*" As an owner of a small, emerging gallery in Los Angeles explained, "*It was like every 6 weeks I did an art fair, fucking brutal*." One gallery owner of a small emerging gallery in the UK similarly expressed his exasperation, saying, "*It feels like we're always applying to an art fair.*" Further fieldwork substantiated these claims. The demanding work schedules during IAFs, regardless of the size and age of the galley, were commonplace, representing a shared experience among gallerists. "*It's the water cooler conversation at fairs.*"

Gallerists did often rationalize the taxing work schedules from participating in IAFs. For example, a young gallerist, working at a mid-sized gallery in Los Angeles, shared her perspective, saying, "*I think people on the outside don't get that this is not a nine-to-five. It's a very alternative environment, socializing and parties are part of the job. You just have to accept the absurdity of it*." Similarly, an older gallerist, working at a large established gallery in New York, expanded on this rationale:

> *We all live and breathe the art. And it's day and night. It doesn't stop. There are no weekends. There are no holidays… So it's the universe in which you live. Our lives are absolutely and completely bonkers, insane, and people from other worlds look at us and they tell us that we're all totally crazy. But that's the way it works.*

Nevertheless, the non-stop work life of gallerists absorbed by a passion for selling art was only as glamorous as it was time consuming and demanding.

Additional Adverse Effects of IAFs?

> *These Goddamn fairs, people are sick of them. There are diminishing returns with these fairs now… there's too many of them, there's a certain amount of fatigue about them*. (Gallery Owner)

According to the various actors who regularly participated in (e.g. galleries) as well as the expert audiences who attended (i.e. collectors, curators, and critics) IAFs, these events were sub-optimal settings to both exhibit and view art for several interrelated reasons. First, the seemingly endless circuit of IAFs was often also slated for its potentially negative consequences on artistic production. Many claimed that the quality of artists' work was at risk of being compromised due to the sheer amount of work that was needed to supply such events, and because this meant that artists have less time to focus on and develop new works. As one curator explained, "*Artist just can't create that much work. So you have a huge problem with all of the art fairs because the gallery is having to feed the market… it's a problem*." Secondly, and for these same reasons, curators frequently complained that many artists have become less innovative. Another curator, for instance, further lamented, "*It's so much about fashion and timing… it's just so uninspiring… a lot of it is just decorative*." These comments were not simply meant pejoratively, but to express an assessment of the negative effect of IAFs on art production and consumption patterns. In addition, a third related concern was that art collectors' private collections would reflect any such decline in quality and artistic innovation. Another curator claimed, "*I think one of the biggest problems could be that collectors only come to art fairs, and build their collections around that, and those collections will be less serious – less thoughtful*." Accordingly, IAFs were also often criticized for their potentially negative effects on the quality of art production that would then be in circulation.

IAFs also were equally criticized for being overwhelming experiences for art audiences. One curator made this clear, explaining, "*There are too many for sure… [and] when you're trying to see ten fairs, you're not going to remember anything, nothing sinks in*" [because] *it's just too much stimulation*." The curator declared, "*They are not always the best way to see art*." Curators also voiced their physical and mental exasperation, as one claimed, "*As much as I love good connections and relationships, they're [IAFs] exhausting*." Another curator echoed this sentiment, "*I feel a bit burnt up by it,*" and then admitted, "*people are fatigued.*" Even collectors who patronized these events criticized IAFs for being sub-optimal settings to view art. One prominent collector, for example, claimed to loathe IAFs, saying, "*I hate art fairs, but the whole art world has just sort of moved to fairs*."

In sum, participants and attendees alike regularly faulted IAFs for their negative effects on artistic production and presentation.

Nonetheless, these same gallerists, curators, and collectors correspondingly expressed being compelled to participate. A gallery owner of a small, emerging gallery in the Lower East Side of New York claimed, "*There are more and more galleries in New York that are doing fairs. They have to do it*." A director of an established mid-sized gallery in New York, further specified why galleries "*have to do it*", explaining, "*You have to do it because you have to be there… and if you're not there [pause] – you are not there*." Thus, a fear of what might be inferred by peers and audiences from one's absence seemed to compel these actors to submit to these events. One shared that he experienced a similar pressure to participate, saying, "*There is a feeling like you have to be there, or you are missing out on something*." But if IAFs were so problematic that market participants readily volunteered their complaints, then what compelled them to continue to pay the fees and suffer the crowds? In the following section, we show how the need for visibility in this market was a major driver of continued involvement.

Social Visibility as the Basis for Participation in IAFs

> *The art world is so large and fast moving now… we have so many more players… it's like the number of stalls in the bazaar has increased a hundred fold*. (Established Artist; and Art School Faculty)
>
> *It's a great opportunity for major collectors to see a wide range of things from all over the world, in one place at one time.* (Journalist, Art Market Reporter)

As market participants walk down aisles of IAFs, they observe the physical layout of exhibition booths; they can immediately register the booths size, the number and scale of pieces on display, and importantly, the physical placement of one booth relative to other booths – i.e., across the aisle from a large or small booth. Market participants hone their "*eye*," not only for the quality of individual works, but also for one another's social placements as reflected in the physical arrangement of booths; and they learn to do this effectively by collectively doing this. Over time, the organization and arrangement of the physical environments, and the repeated situated interactions that occur in these event spaces, becomes a medium through which to present one's own, and ascertain others' social station.

IAFs publicize market participants' position as recognizable members of the field in a market and social setting that is historically opaque and exclusive. For example, one gallerist, an owner of a small emerging gallery in the Northeast, explained, "*The thing about the fair is – you're there… [and] if I have a big booth… I can see everyone and they know I'm there*." Such visibility is about marketing and increasing sales, of course, but it is also, if not even more, about making visible one's (newfound or established) social placement among their rivals and peers. The same gallerist continued, "*A lot of times, you already know half of the people that are there*." This brings to mind a corresponding question about why galleries would continue to participate at great cost to themselves, and under suboptimal conditions, if they already have ties to many of the attendees?

One answer to why market participants attend is that IAFs are simply networking opportunities. A senior curator at an art institute in the Northeast claimed that "*it is a good way to discover people*," but he then highlighted the role of visibility, saying, "*it's [IAFs] a social and professional networking thing because you see everybody*." A second senior curator, also of a major art museum in the Northeast, agreed, but expressly emphasized IAFs value in terms of visibility, saying, "*At these fairs, we see each other; we're all going to the same things*." In fact, it would be difficult to overstate the value of visibly signaling one's place in the field both socially and *physically*. One gallerist, a director of a large established gallery in London, made the importance of such visibility patently clear, stating, "*I'm working in a world where visibility matters; in the sense that visibility will give you fame, or not – it increases your social capital. And others will make you better offers as a result*." The gallerist explained specifically what she meant by "*social capital*," saying, "*When they start trusting you, they'll open doors for you; they'll invite you to their house, and show you their collections*." These statements suggest that such social visibility (made concrete through one's physical presence at IAFs) is critical to establishing relationships, maintaining one's membership in the field, and leveraging one's position in the network.

The organizers of IAFs were aware of, and consciously leveraged, participants' anxieties over such visibility. Because "*visibility matters*" for participants, IAF organizers consider providing greater visibility as central to their "platform's" value proposition. For example, a director of a prominent IAF spoke to complaints he heard from gallerists about prohibitive costs and defended his organization's model, stating:

> *"I think, for us, one of the challenges that we have in our halls is we get a lot of pushback from clients* [galleries] *that say, 'Hey, you know, the price for square foot is the same for us [mid-sized established galleries] as it is for [a large established gallery]. That is insane relative to what our turnover is.' But the problem is, if you then try to find the solution whereby maybe you bid, or maybe you create some other economic strategy for shifting that a little bit, you would run into all these different potential conflicts that would take an imperfect solution, which is what we have now, and make it a hell of a lot more imperfect. Because essentially this would mean that we would have to take in an 'opera' gallery client (or some completely shitty, uninteresting, commercial gallery) that's willing to pay through the nose to be here, but that doesn't serve any of the other brand, context, or social signaling in the right way."*

This statement illustrates several of the paper's key findings. While the director acknowledges gallerists concerns over high costs, he suggests that within this setting– that is, markets that are characterized by their opacity – strategic gains are not solely the province of controlling costs. Rather, the director argues that managing impressions in regards to one's position in the market relative to others is also of paramount concern, because it is critical to how actors make determinations of quality and value. In other words, if IAF did ration access according to a price mechanism alone, which is an efficient way to allocate this scarce resource, the value-adding proposition of IAFs as platforms would be undercut. Ultimately, IAFs have become central to the contemporary art market largely because they enable market participants to gain visibility and signal their relative status rankings, during these events.

In the final data section, we describe how IAFs allocate access through a peer-review system, as opposed to price, and how this screening conveys status unto participants. We then turn to how visibility and such sorting helps account for why market actors are seemingly compelled to join these organized events.

Recognized Membership in a Stratified Order

As noted, status is a salient feature in the market for contemporary art. Market participants often spoke in terms of reputations and status as an important consideration when making decisions about whom to buy from, sell to, or whether to attend certain institutional settings. For example, a senior curator and director of an art institute in Los Angeles, explained, "*The thing is, there are different kinds of galleries, and galleries have different reputations… How big is it, where is it? Those kinds of things*."

An IAF's prestigiousness both denotes the status of and conveys status unto participants. A gallerist who worked in a mid-sized established gallery in New York explained how this mattered, saying, "*certain fairs have more clout than others, and certain curators or certain collectors who have a certain capacity to buy, or to look or whatever, are going to go to only those fairs*." The same gallerist spoke to the importance of, and the downsides associated with, this aspect of the art market, claiming:

> [A major IAF, 1*] is going to attract to certain type of collector, and you want your gallery to be associated with that collector. You want your artist to be associated with a certain type of collector. And it's such a small world, the art world, that if you don't go to [a major IAF, 1]… it's going to get around that 'oh*

> *this gallery didn't do [*that major IAF, 1*], this year. They weren't there… maybe something's happened?' It's a problem.* (Gallerist)

Of course, IAFs varied in terms of their prestige. This gallerist offered a breakdown of how IAFs (at least a set of those held in New York) were themselves ranked:

> *So in the hierarchy, [a small major IAF, 3] is at the top, then comes [a large major IAF, 2], then comes [a medium-sized curatorial IAF, 5] and then [another medium-sized curatorial IAF, 6]. [An artist-run alternative IAF, 7] is a different thing because it's structured differently, and [a small commercial minor IAF, 8] and [a medium-sized commercial IAF, 9] are at the bottom.*

These statements illustrates that market participants were indeed sensitive to and mapped the market, and in particular IAFs, in terms of a status order, but also how such rankings could influence perceptions of, and about, those who did or did not attend such events.

Gallerists often referred to the most prestigious IAFs as "*curatorial*." This refers to the informed and deliberate effort to arrange the art, and the galleries themselves, in a way that gave a sense of direction, consistency, and coherency across exhibition booths. Such an approach to organizing an IAF was viewed as a way to ensure a given level of quality among the participants. An owner of a mid-sized gallery in Los Angeles insisted, "*good art fairs are curated.*" Another owner of a small emerging gallery in the Lower East Side of New York said that she applied to "*curated*" IAFs because they were "*more thoughtful*," which also meant they were "*smaller*" and "*more exclusive*." He also highlighted that the benefits from participation derive in part from being recognized as a member of a selective group of peers who have achieved a given status themselves.

He argued that while a larger IAF might be potentially more profitable, participating in smaller curatorial IAFs could be potentially just as beneficial in the long term.

Thus, to an extent an IAFs' prestige was an extension of it curatorial approach, which was in part dependent on the rigor of its application process. One gallerist made this explicit, "*[A major IAF, 3] has a really nice reputation, because you have to submit a very specific curatorial proposal for your booth.*" She also claimed to appreciate the more curatorial approach, and rigorous application process, because it ensured a visually coherent presentation of art across booths. She compared such an approach to IAFs that did not have an application process, and more specifically selection committees, to IAFs that only require financial payments, saying:

> "*The fairs that you have to apply for, there is more of a cohesive nature to the artwork represented. You may have galleries who consider themselves competitors deciding... but still. Whereas art fairs where you pretty much just pay for your booth, you will get a huge range of art represented.*"

Such cohesion, of course, did not mean homogeneity in terms of the art exhibited, or the age and size of galleries invited to participate. One gallery owner claimed IAFs have an expressed mandate to include galleries of varying sizes and ages, stating, "*The fair sees everything; and the committee and the fair organizers have to decide, but they also have to include everyone… they have to curate the booths.*" Gallerists appeared to share an understanding that a well curated IAF could not be accomplished solely through elitist exclusivity because then it would not be as authentic to or as forceful of a representation of the combined gallery system's market offerings. The same gallerist, for instance, further explained why he believed that such curatorial stewardship required bringing together galleries from across the social stratum, saying, "*It's important… [because] it keeps the fair interesting… otherwise it will be stuffy.*"

Nonetheless, although the application process, and the existence of a selection committee, was criticized at times for its costliness it was actually influential in gallerists' motivations to apply to IAFs. A gallery director explained the appeal of the peer-reviewed process that was instituted by the more prominent IAFs, "*It's just being in that selective group of colleagues*" and participating in "*something more curated*." He explained that the selection committees were interested in "*quality control*" and that they helped "*keep it a solid fair*." In highlighting just how important such screening and sorting was to galleries' motivations and prospects, a director of a mid-sized established gallery in New York, remarked, "*It's an interesting industry because your peers can kind of make or break your success*."

Thus, the IAFs that instituted selection committees (which were usually made up of mid-sized established galleries) to review applications were themselves viewed as sources of social validation. Such recognition helped to establish one's standing among their rivals and peers; particularly, among those who were not invited, but also among those who were invited to participate. The rationale behind the founding of peer-review panels that would evaluate other galleries' proposals was similar to peer-review system in academic publishing. A senior director of a large established gallery in Chelsea, New York, who sat on a prominent IAFs selection committee, explained that "*people who are involved in the field are the best equipped to make judgments about others in the field.*" She then continued:

> *The idea is that you bring all these people together who have different points of view, they have different expertise, and they are collectively knowledgeable. Bringing them together will enable them to choose the right galleries… It's very efficient for the audience as well… That's the logic.*

A second gallery director echoed this "logic," and acknowledged this view of selection committees as legitimate cultural arbiters of artistic quality. He shared his perspective, claiming, "*[The gallery owner] is on the committee for [a major IAF, 2]. I've been in on one of those meetings. I know that you can't bring your B game, you have to bring your A game every time. And it's hard.*" The senior director from Chelsea confirmed this stating, "*I'm on the selection committee at [a major IAF, 1]… there are 200 something galleries in the fair; so we have maybe 3 times that number who apply, which means that a lot of a people get letters saying, 'sorry you weren't accepted.'*" Selection committees serve as gatekeepers who determine the potential contributions of their peers to an IAF, and thus recognize certain galleries as ranking members of their field. In this way, selection committees helped ration access to the market, and allocated IAFs' prestige unto those who they invited to participate.

During IAFs, the organizers continuously evaluate galleries' exhibition booths to confirm that they have honored their particular proposals. For example, a director of a mid-sized established gallery in Los Angeles claimed, "*We are constantly evaluated. So you hand in your application, you have gotten in, then they are constantly monitoring you like, 'Do you mind if we look at the booth?' just to see how it looks, and everything.*" Another gallerist explained that this meant galleries had to deliver exactly what they proposed in the detailed descriptions of their applications, "*With [a major IAF, 3] you have to be very specific and you can't really deviate from what you propose.*" Similarly, an owner of a small emerging gallery in the Northeast took such monitoring in earnest, explaining, "*What you apply with is what you have to show… they'll come by your booth and say, 'This is not what you proposed.' You might not get invited back.*" The threat of not being "*invited back*" did appear credible given that galleries took dis-invitation quite seriously. The gallery director from Los Angeles, who's boss serves on the selection committee of a major IAF in New York, warned, "*There is no guarantee; just because you did the fair before it's not a guarantee—no fair is a guarantee*."

In sum, IAFs' selection committees were originally instituted to operate as checks on quality control. Gallerists admitted that this was a motivational factor for returning and undergoing the application process. They did nonetheless criticize this as a barriers to entry, but it was also precisely for this reason that it was equally an attractive feature of the setting. This raises the question, though, of how such sorting and ranking benefited market participants. We now turn to the variation among galleries to explain why such status ordering mechanisms –that is, being invited to participate in IAFs as a social placement among rivals and peers – might compel actors who prize visibility to absorb prohibitive costs and become mired in suboptimal practices.

The Benefits of Social Ordering and the Risks from Non-participation?

The relative benefits from participating in IAFs varied depending on the age, size, and geographic location of galleries (as did the complaints about the downsides of IAFs). As noted, young and small galleries (especially those from cities outside the US and Europe) often faced the biggest obstacles when trying to access the global art market due to high costs and a lack of visibility upon which they must attempt to build their social capital. Whereas mid-sized and large established galleries had a clear advantage due to their proximity to larger markets, deeper financial resources, and existing relationships with critics, curators, and prominent collectors. Because of such differences, the visibility and ordering effects of IAFs present the varied actors with distinct sets of motivations and payoffs.

For peripheral actors, IAFs were an avenue through which to gain access to the global art market. Importantly, these galleries benefited not only because IAFs expanded their opportunities to make sales during the event itself, but also from establishing themselves as chosen members of their field. Gaining such recognition was how they distinguished themselves from the pool of galleries who had not secured invitations. This had an ordering effect that revealed and hardened these newcomers' social placements and status ranking in the market, which implicitly assured audiences of their offerings' quality. To be sure, this suggests that they had compelling economic reasons for participating in IAFs. Recall that for many, though, the decisions to participate in IAFs could not be justified by immediate sales. The benefits from increasing one's visibility, and the resultant status signaling, was viewed as key to eventually closing deals in the future, of course. The risks of not returning, and more specifically not being invited back, were as salient, but perhaps least consequential for smaller galleries.

Larger galleries were in an advantageous position because of their financial capacity and the scale at which they could produce exhibitions. The various ways in which they displayed the means at their disposals were conspicuous enough to distance themselves from others with fewer resources. These galleries typically displayed their artists' largest and most recognizable pieces in large exhibition booths at the center of IAFs. They installed custom flooring, additional walls, and built small back offices to take private meetings and store even more pieces during the openings. Their exhibition booths were a way of embodying their artists' ambitions and their ability to absorb nominally prohibitive costs. They not only set themselves apart in the hierarchy, but created barriers because small and mid-sized galleries could not emulate exhibitions at such scale. Indeed, their practices were in part a defensive gesture, which helped these actors manage threats posed by status leakage. Interestingly, though, because of the high visibility from such obvious status displays, which was meant to assert their primacy in the market, the negative signals – e.g., the questions that might be raised among their more vigilant audiences about their current capacity and the legitimacy of their standing – associated with non-participation were still a particularly salient concern for these larger galleries.

The majority of galleries who attended IAFs, however, were mid-sized galleries. Over decades, these galleries managed to establish themselves as mainstays in the gallery system. They might *not* be large operations, but their names and reputations were well known. They were, however, viewed as the "*backbone of the industry*" because they represented the majority, both numerically and in term of sales in the art market. Their capacity to stage exhibitions in their permanent gallery spaces that had received positive critical reception helped them distinguish themselves. They also distanced themselves physically and socially from younger emerging galleries at IAFs, clustering with their rivals and peers along the flanks of the larger galleries. Their roles and institutional positions (e.g., volunteering on selection committees) also enabled mid-sized galleries to signal their centrality to the expansion and functioning of the global art market. The costs nonetheless represented a significant investment for these actors. They did not have the scale that the largest galleries had to absorb costs that came with mounting elaborate installations. Thus, they regularly bemoaned the ratcheting effect of keeping up with their rivals' efforts to set themselves apart with increasingly ostentatious installations. Although the visibility and sorting IAFs enabled was a medium through which they had initially secured a relatively higher status ranking, due to their adjacency to lesser-status actors the risks of not participating remained particularly salient for middling actors precisely because of this feature of these platform settings.

Discussion and Conclusion

The global expansion of the art market is reflected in the rise and proliferation of IAFs, with more opportunities for increased sales to a growing audience (and appetite) of art collectors. An additional feature of this expansion is that IAFs have become an important social venue. Yet, the nonstop circuit of such events were frequently criticized by market participants for reshaping the art market in ways that were sub-optimal. Nonetheless, IAFs brought actors, who might have otherwise remain disconnected, into a shared physical setting, enabling them to network and to directly *observe* each other on a continuing basis.

Galleries participated in IAFs to gain such social visibility among a growing audience of art- enthusiasts and rival market participants. Arts audiences attended IAFs to discover new artists, observe market trends, and form social ties amongst themselves. Yet, beyond networking opportunities, IAFs functioned as sources of social validation. The visibility that IAFs provided market participants reified their social placements and enabled these actors to approximate each other's status rankings, which, then, served to influence perceptions of quality. Although galleries regularly criticize IAFs, they participate in these events precisely because the costs and exacting demands made visible, and legitimized, an ordering that demonstrated their competencies and recognized membership within their field.

To recall, the epigraph in the introduction above implies that there are reasons to question the value of participating in IAFs. Perhaps IAFs are an *"odd event structure"* because of the prohibitive costs and inconvenience of having to transport and travel to these events. The art historian's statement, however, unwittingly highlights the underlying value of IAFs to market participants. The latent function of IAFs are to reveal and reinforce the status hierarchy within this context.

Due the expansion of the global art market, and thus increased competitive pressures and higher levels of uncertainty, status orderings as products of platforms are important as signals of quality and competencies. Specifically, galleries leveraged participation in IAFs to communicate their social placements, which was a salient social cue for arts audiences—helping to delimit who is and who is not worthy of their considerations. This is a product in part of the need to demonstrate one's ability (and willingness) to meet the exacting demands imposed by their rivals and peers.

Whereas one might think that the main reason for involvement in IAFs comes from providing greater depth, breadth, and efficiency of access, the motivation to join these events despite the exorbitant expenses and widespread censure for many was due to a wariness among market participants. This stemmed in part from threats to perceptions of their relative statuses rather than the opportunity to boost immediate sales. Such conditions emerged from the art market's history of exclusivity and opacity. But, then, those actors who were selected into the discernible order that IAFs facilitated and promoted could no longer afford *not* to be seen, within this context. This implies that market platforms, as with other institutional sorting mechanism, not only make rankings more readily available, but that such visibility also tends to harden status hierarchies, thus becoming a basis for such market coordination.

Markets may vary in terms of how salient status is to audiences' evaluations and how useful such social cues are as signals of quality. Indeed, the case of IAFs are perhaps an extreme example due to the salience of status often observed in cultural markets. This is, however, what makes the findings even more surprising: that there was apparently a deficit of status information prior to the emergence of IAFs. A likely reason for this might be the success of many established high-end galleries that traded on the allure of their artists' mystique and their own exclusivity. Yet, this is why it remains unclear whether IAFs are wholly beneficial for most galleries. On the one hand, both small and large galleries gain access to a wider market. They can leverage their increased visibility to reinforce their standing in that market because lower-tiered participants are induced to publicly acknowledge their own inferior status in descending order. Yet, on the other hand, such social recognition means that the winners of IAF invitations are increasingly subject to meeting their peers' expectations and competing based on the same standards of quality. Indeed, this is similar to the introduction of industry rankings of US colleges and law schools (Espeland and Sauder 2007) and the "tombstone" advertisement in the financial industry (Podolny 1993, 2005).

Furthermore, the emphasis on visibility among participants is key to accounting for the effect of publicizing status orders on market coordination. Neoclassical models and influential economic sociology theory (White 1981) assume that market settings are transparent in the first instance to market participants. Yet markets may vary in how visible their offerings, practices, evaluative schema, and participants themselves are to those who might value such information, including their peers (cf., Zuckerman and Sgourev 2006) and potential investors. In financial markets, for instance, such transparency is critical to their functioning, but in that setting price is the coordinating principle rather than an actor's position in a status ranking.

To be sure, the contemporary art market is a functional market as any other, and in the absence of platform organizations such as IAFs participants would buy and sell art accordingly price, quantity, and their marginal utility (or preferences). A main takeaway from this paper's findings, though, is that the introduction of IAFs' ordering efforts shifts actors' focus unto this type of market platform's latent function, that is, the reification of a socially validated status hierarchy.

IAFs, of course, do enlarge, integrate, and deepen the market for contemporary art. But given the market's opaqueness, and the levels of uncertainty, greater visibility has had the effect of promoting and hardening the hierarchy, which might have otherwise remained less important as a coordinating principle. Thus, a key observation here is that markets vary in the extent to which there exists a publicized ordering, and in the extent to which third-party experts (e.g., curatorial approaches by peer-reviewers who sit on selection committees) ostensibly legitimize the ordering. This supports the common observation that the introduction of ranking and rating system can transform a market by generating a credible order by which to infer quality and value. (Phillips and Podolny 1999; Podolny 1993, 2005; Espeland and Sauder 2007).

Conclusion

IAFs enabled participants to readily delimit each other's relative status rankings based on which IAFs they attended and who else attended alongside of them. The general lack of transparency within this market setting created demand for increased access to space, information, and social exchange. This hypersensitivity to status and the visibility that IAFs offer, however, helped create the conditions that motivated galleries' continued participation, despite the gripes about costs and viewer engagement. Of course, the costs and benefits varied according to the size, age, and reputations of the galleries who were invited to participate.

The above findings suggest that although the costs were not always justified by the immediate financial returns from direct sales during these events, IAFs do provide greater visibility among market participants. Their peer selection process, whereby peers invite each other into the status order, coopts lower-status (and perhaps charismatic) newcomers. By instituting selection committees' to act as a peer-review panels, and thus as legitimizing gatekeepers, IAFs helped higher-status actors reduce the risks associated with market disruption from peripheral players who threaten to usurp the existing evaluative criteria. Although IAFs are potentially problematic for galleries, and some audiences, they are nevertheless valuable precisely because their taxing activities and exacting demands enabled participants and attendees to demonstrate their membership to the field and coordinate according to their subsequent social placements.

This study has two main implications. First, we provide direct empirical observations to extend theory, clarifying an additional condition that might give rise to public displays of status rankings and a lack of status mobility. The interview data suggests that physically demonstrating one's social placement in such orderings is critical to enhanced evaluations among peers and arts audiences. Second, these findings also provide evidence that institutional mechanisms such as rationing access and allocating social capital through peer selection, and not price, helped structure (and constrain) market opportunities according to existing status distributions. The study's main takeaways complement prior work that attempts to account for market stratification to better understand how and why actors develop and deploy social cues to manage challenges and exploit opportunities within their social and competitive landscapes.

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