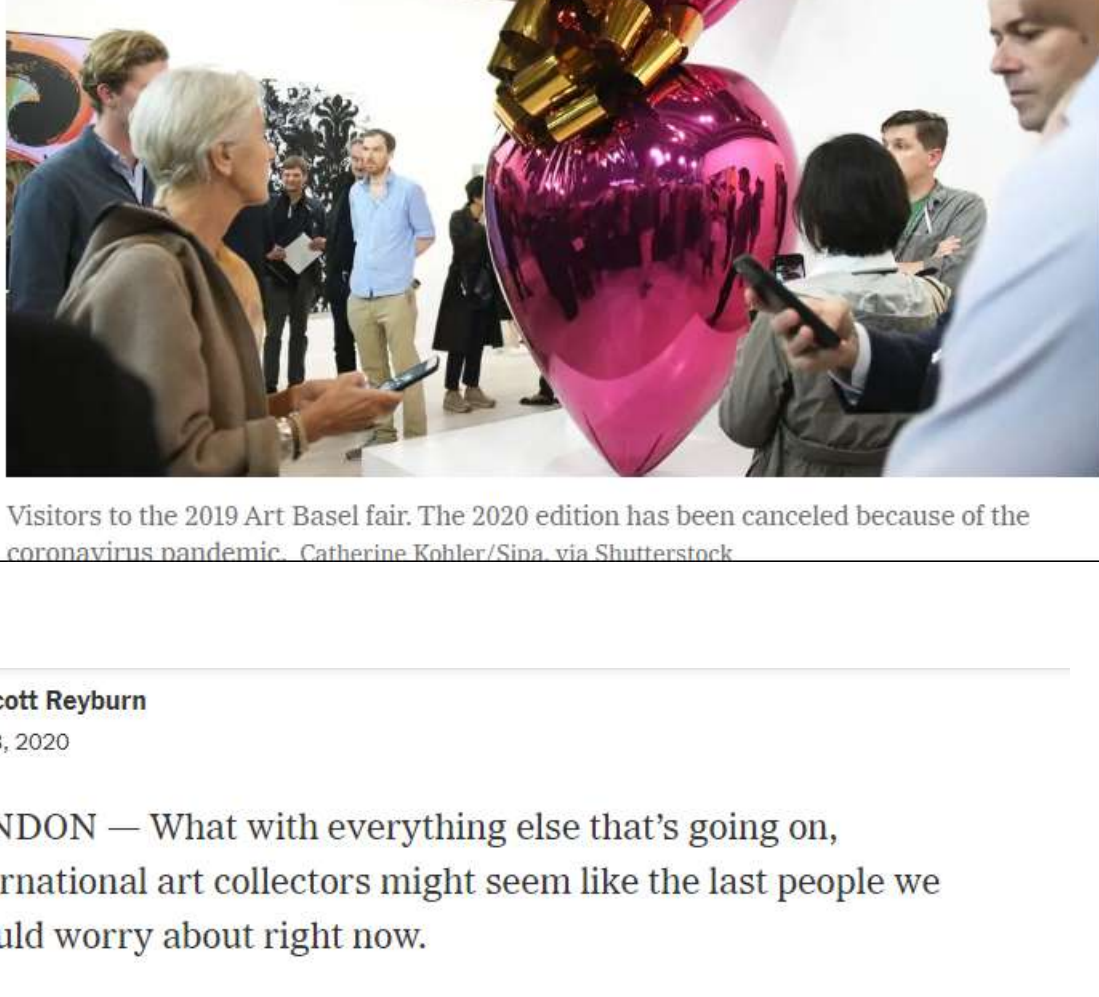


As the Art World Goes Online, a Generation Gap Opens

Young collectors are still viewing and buying pieces, but they're spending far less time and money than their older counterparts once did. That's a problem for the industry.

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Visitors to the 2019 Art Basel fair. The 2020 edition has been canceled because of the coronavirus pandemic. Catherine Kohler/Sina via Shutterstock

By Scott Reyburn
June 8, 2020

LONDON — What with everything else that's going on, international art collectors might seem like the last people we should worry about right now.

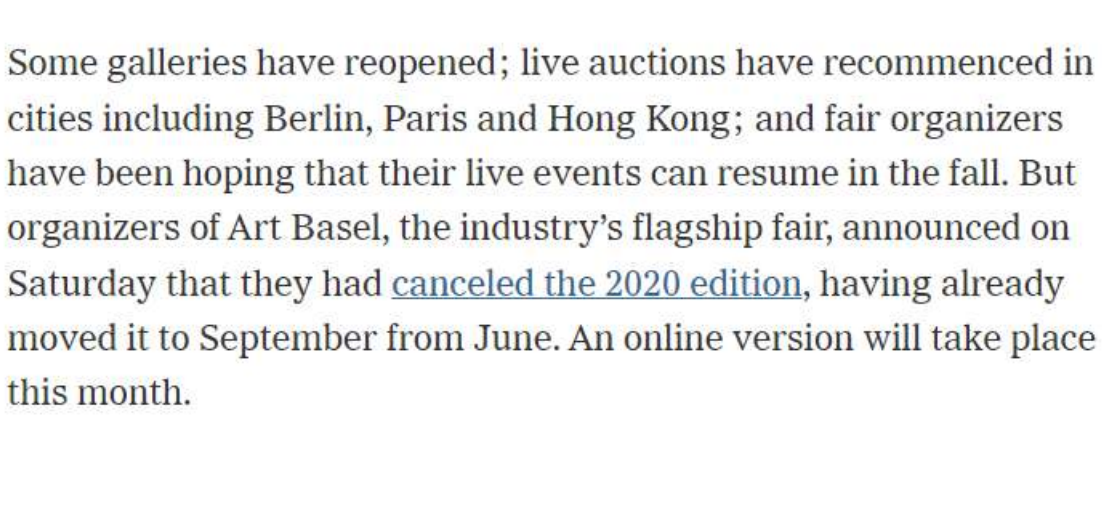
Yet this small group of wealthy individuals is the customer base that supports a \$60 billion global industry, with an estimated 310,000 businesses employing about three million people, according to a report published this year by Art Basel and UBS. And that industry, like so many others, is hurting.

The coronavirus pandemic caused a near total shutdown of the art world as we know it in April and May. Auctions and art fairs were either postponed or converted into online-only events. Sales plummeted. Commercial galleries tried to do some business through so-called virtual viewing rooms, but revenue has declined sharply: Many are cutting jobs and facing closure.

Unlike the music industry and other retail sectors, the centuries-old art market has been slow to adapt to the digital era. The uniqueness of original works has made collectors nervous of buying from websites sight unseen, especially at higher price levels. But now the industry is trying to persuade collectors to spend thousands — even millions — online.

Younger, digitally minded collectors are predictably more receptive to online purchases, albeit at relatively low price levels. By contrast, more experienced collectors, conscious of possible condition and provenance issues, remain wary — and it is their spending that makes the art world go around.

Like sport, tourism and hospitality, the international art trade relies heavily on clients' ability to travel and congregate. The Art Basel and UBS report estimated that collectors with at least \$1 million in liquid assets attended last year on average seven art fairs and about the same number of dealer exhibitions. What had become a frequent-flying lifestyle has been grounded, along with the billions of dollars of spending that went with it.



"The Bay of Naples," a 1878 work by Ivan Aivazovsky, set an auction record, but the \$2.8 million it fetched pales in comparison to some live sale prices. via Sotheby's

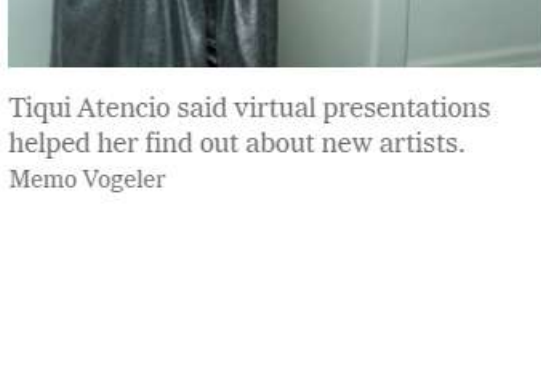
Some galleries have reopened; live auctions have recommenced in cities including Berlin, Paris and Hong Kong; and fair organizers have been hoping that their live events can resume in the fall. But organizers of Art Basel, the industry's flagship fair, announced on Saturday that they had canceled the 2020 edition, having already moved it to September from June. An online version will take place this month.

With so many virus-related restrictions still in place, digital approximations of the events that keep the industry moving are the only way to stay in business. But online-only transactions represented just 9 percent of the global market's estimated \$64.1 billion sales last year, according to Art Basel and UBS.

"The art trade will be fully online for the foreseeable future," said Saloni Doshi, a 40-year-old collector based in Mumbai. "And that's not necessarily a bad thing."

"It is cost effective, visually efficient, less time consuming and can be used democratically," Ms. Doshi added, referring to the way online platforms remove what can be an intimidating aura of exclusivity. "It's a matter of time before the older collectors get used to it."

Ms. Doshi said that she had bought works online during the lockdown by South Asian contemporary artists in the \$10,000 to \$35,000 range.



Tiqui Atencio said virtual presentations helped her find out about new artists. Memo Vogeler



Saloni Doshi said she had bought art online during the lockdown. Shilpa Mukerji

The generation gap in collectors' buying habits may take some time to close. The 2019 Hiscox Online Art Trade Report found that 29 percent of surveyed collectors younger than 35 said they preferred the online buying experience, just 1 percent less than buying in a physical space. By contrast, 10 percent of those older than 60 said they preferred buying art online.

"The resistance from older collectors is still there," said Anders Petterson, founder of the London-based analytics company ArtTactic, which prepared the survey. (The 2020 edition is set to be published this month.)

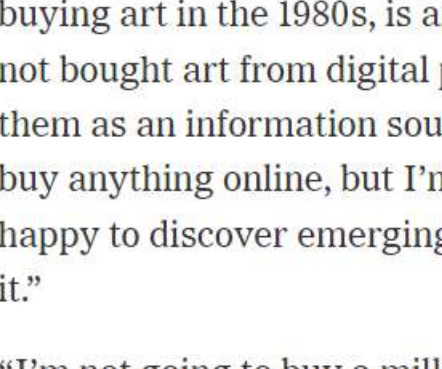
"When there is no physical art world, how do you substitute that experience?" he added. "Younger people are a lot quicker to adapt."

Andre Gordts, 69, a contemporary art collector based in Brussels, is among those who value up-close connoisseurship.

"Online initiatives are not going to replace live fairs, auctions and exhibitions," Mr. Gordts said. "They are OK for information, but nothing more."

"I have not bought work online," he added. "One needs physical contact with an artwork to grasp it. Removing the analog element will kill collecting."

Howard Rachofsky, 76, who owns a museum-quality collection of postwar and contemporary art in Dallas, said he was not sure he would ever want to visit an international art fair again. "The most active and voracious collectors that I know are aged between their 50s and 80s," he said. "That's the demographic that's most vulnerable in the current health crisis."



The Texan collector Howard Rachofsky said he was not sure he would want to visit international art fairs again. Kevin Todora

"I will not go to a mass preview. I don't want to run the risk of getting sick," Mr. Rachofsky said.

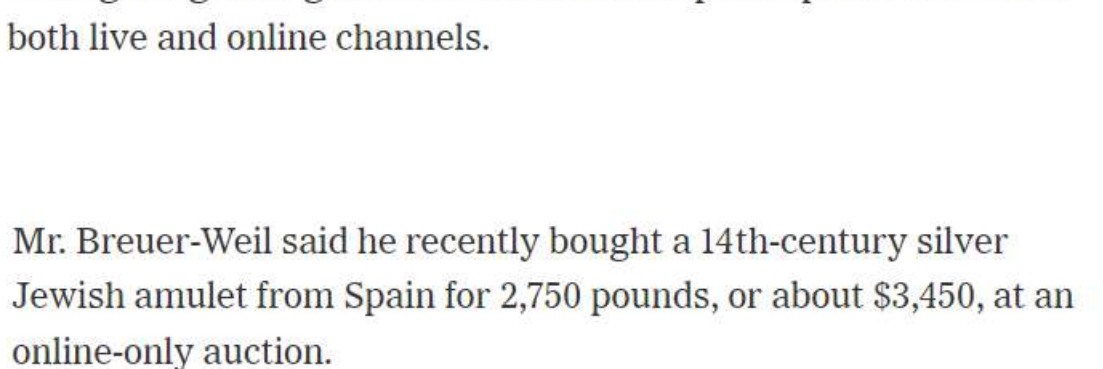
But even still, he has not bought works online during the lockdown. "I'm more likely to go to a gallery and have a one-to-one social interaction," he said. "It's a little old fashioned, like it was years ago."

Tiqui Atencio, a Venezuelan collector based in Monaco who began buying art in the 1980s, is another seasoned participant who has not bought art from digital platforms. She said she appreciated them as an information source. "I told myself I'm never going to buy anything online, but I'm getting used to it," she said. "I'm happy to discover emerging artists. I'm looking and thinking about it."

"I'm not going to buy a million-dollar painting" in an online viewing room, said Ms. Atencio, who in 2013 sold a Jean-Michel Basquiat at Christie's for \$48.8 million. She added that she would not sell a painting online, either. "If I had an artwork worth millions and millions of dollars, I would sit on it."

Collectors' reluctance to offer exceptional works online, much less buy them, has resulted in a dramatic reduction in high-value art sales during the pandemic. In April, Sotheby's, Christie's and Phillips's sale calendars consisted solely of online auctions for the first time. The aggregate revenue of \$44 million was 92 percent lower than the equivalent sales last April, according to data provided by Pi-Ex, an art analytics company based in London.

But with online channels currently the only way for collectors to buy, higher prices are being achieved, though the threshold is far below that of live auctions and fairs. On June 2, Sotheby's sold a landscape by the 19th-century Russian artist Ivan Aivazovsky for \$2.8 million, a record for a painting at an online-only auction. But that's a long way from \$48.8 million.



David Breuer-Weil, who is an artist as well as a collector, with his sculpture "Emergence" in London. Sam Roberts

"I do think many young people in their 20s, 30s and 40s are happier to bid online than the more experienced collectors, but I have always been happy to buy from catalogs and online," said David Breuer-Weil, 54, a London-based artist and collector who is among the growing number of art market participants who value both live and online channels.

Mr. Breuer-Weil said he recently bought a 14th-century silver Jewish amulet from Spain for 2,750 pounds, or about \$3,450, at an online-only auction.

"Lockdown has given many collectors time to search for pieces they might have missed before," he said. "I would have missed this if I hadn't spent hours searching online. I do think collecting will go online more and more."

But many older buyers have yet to be won over. Lockdown sales have exposed a generation gap in the culture of collecting. Until it is bridged, the art trade looks as though it is going to suffer a serious gap in its sales figures.