Over the past couple of years museums have been subject to growing criticism of their increasingly commercial stance. A related trend, the contours of which are only now becoming apparent, concerns the shift in the behavior of commercial galleries and auction houses, which are becoming decidedly more "museum-like".

One manifestation of what the Financial Times recently described, in an article on auctioneer, dealer and art fund manager Simon de Pury, as "the blur of the new art world" is the gallery building boom. The super-galleries are super-sizing, and, as with countless museums around the world, using architecture to signal their power and brand. This "new species of mega-gallery," as the New York Sun has called it, is monumental, pristine, and shrine-like, a league apart from the standard Chelsea or Bond Street digs and a far cry from the funky, scrappy little spaces of the 1980’s East Village. The recent gallery building--boom in New York and London is impressive. In London, trendy Hauser & Wirth has added two spaces this year alone. Larry Gagosian has opened two spaces in two years—a 12,900 sq ft space near King’s Cross and a smaller West End space. Not to be outdone, Jay Jopling’s new 12,500 sq ft White Cube gallery cost $20 million. Described as “a little Whitney Museum,” Jopling himself admits the new space “was intended to be more of an institution.”

In New York, David Zwirner has tripled his space this past year to 30,000 sq ft. For context, that is more than three times as large as The Drawing Center (9,800 sq ft); as big as the old New Museum
(29,040 sq ft), the new American Folk Art Museum (30,000 sq ft), and London’s Design Museum (30,666 sq ft); and larger than the pre-Piano Morgan Library (23,600 sq ft) or the Contemporary Art Museum, Houston (21,200 sq ft). In addition to a 6,000 sq ft gallery, Marianne Boesky’s new building includes, a private apartment for visiting artists with whom she plans to do artist residencies – traditionally the purview of the not-for-profit sector. Boesky says that the rationale for all of this expansion is the fact that galleries are feeling pressured to keep up with museums.

Galleries are doing more exhibitions, often of a historical nature, in which no works are for sale. They are often accompanied by big-budget catalogues, the type previously associated with museums, put together with the help of in-house art historians and researchers. They lend scholarly and intellectual credibility to the gallery, imbuing it with a gravitas that enhances the brand. As dealing is increasingly conducted at the fairs, for which artists now produce pieces to order and dealers now reserve their best works, galleries have taken on a new role. Like Madison Avenue boutiques, where merchandise is minimal and sales transactions deliberately few, they are showcases that shore up the brand, establish authority, and point the way toward the place of exchange—the booth at the fair. It is not uncommon to find that the conventional gallery price list contains no prices, leaving it vague as to whether the works are for sale, have sold out or were pre-sold, or indeed if they ever were for sale. The little red dot, that iconic marker that signifies a piece has been sold (and, by extension, that it was recently available) appears to be going the way of the dodo. The trend of exchange-less galleries will likely continue as long as art fairs remain popular – and there is little evidence to suggest their appeal is waning.

Auction houses are also getting into the business of exhibition, interpretation and scholarship. Christie’s made news last spring when it mounted a pre-sale exhibition of 35 works by Donald Judd slated to be auctioned on behalf of the Judd Foundation. The exhibition, complete with door-stopper catalogue and an Acoustiguide, received seriously glowing reviews, including in the New York Times, where Roberta Smith referred to the show (which, Christie’s reminded viewers, was the largest exhibition of Judd in the U.S. since 1988) as “…the most beautiful survey of Judd’s work ever seen in New York.” Smith goes on to note that auction houses may be “mov[ing] in on museums” because in this case, in putting “art before architecture” Christie’s “has indeed behaved like a museum—or at least in a way more museums should act.”
Meanwhile, Sotheby’s now features online “private views” to provide educational context—and, certainly, to stoke desire—for the works to be auctioned. The preview of the November 14, 2006 contemporary art sale featured Tobias Meyer, glamorous art world “it” boy and Sotheby’s worldwide head of contemporary art and principal auctioneer. He gave a mellifluous, seductive, and thoroughly intelligent tour through selected pieces included in the sale. The length and quality of the video, downloadable to your iPod, was impressive, and as insightful and illuminating as the best museum docent tour.

Many gallery websites now include sections on the gallery’s history and what read uncannily like museum mission statements. Marian Goodman’s front page reads: “Since 1977, the Marian Goodman Gallery has played an important role in introducing European artists to American audiences and helping to establish a vital dialogue among artists and institutions working internationally.” A section on history traces the origins of the gallery back to 1965. Andrea Rosen Gallery, on the occasion of its tenth anniversary, shares with us its “ideals” and “responsibility,” which include making the gallery “an accessible public space.”

David Zwirner now issues a seasonal newsletter that opens “Dear Friend” and informs patrons about recent and upcoming happenings at the gallery —exhibitions and acquisitions, special events, where to find the booth in Miami or Basel, and so on. Signed by Zwirner, the letters seem to be a way to build loyalty or affinity with clients, past and potential. As a former development officer, I recognize this type of letter, and, weirdly, instead of being put off by it I found it rather engaging. For a moment it made me wonder how long it will be before galleries start charging entrance fees and establishing members programs —until I remembered that Zwirner doesn’t need the marginal earned income.

Trawling through Chelsea recently underscored the unsettling paradox: as museums continue to commercialize, galleries are institutionalizing, and it could be argued that the best of them are becoming better spaces for the serious viewing of art. Notwithstanding the mission statements, they are in the business of selling art, yet this reality is suppressed beautifully and effectively in service to the works on view. The lack of knee-deep crowds (in contrast to a toe-crunching experience seeing the Velasquez show at the National Gallery on a recent Saturday), sponsor clutter, named spaces, tschatshkes, and tuna salads is refreshing. And so is the simple, white box architecture that doesn’t detract and distract.

Both the mega-galleries and the auction houses will no doubt continue to push deeper into traditional mission-critical, non-revenue-generating museum activities such as curation, education, scholarship, and artists’ commissions and residencies. As for why, it may be a genuine and logical expansion of their role or a savvy marketing strategy. But whatever else, in this strange new market that sees Christie’s move half a billion dollars worth of art in one night, it is because they are the only ones who can afford to.

Hey say youth culture is not what it used to be. Technology and virtual online networks provide young people with new means to create and access a global culture that has supplanted face-to-face social contact, replaced local cultural forms and given birth to an entirely new set of values and behaviors. What emerges as a result is a cultural world that is of an entirely different order than what came before.

In its recent report Whose Culture is it? Trans-generational approaches to Culture independent policy think-tank the Cultural Information and Research Centres Liaison in Europe (CIRCLE), has taken this assertion up as a research hypothesis and explored its implications for national cultural policy in Europe and Canada. In preparation for a conference on the topic, CIRCLE asked people from 16 countries in Western and Eastern Europe and Canada to write a brief report about youth culture in their countries and, in particular, about how young people use technology and virtual networks, such as the internet and mobile phones. They found that “network culture” has certainly become a part of the way that youth...
relate across Europe and Canada, though not necessarily as much or in the way that policy makers and trend spotters think. Some cross-cultural similarities among the responses are illuminating.

“Glocalisation”

The existence of technology that facilitates global communication does not mean the eradication of local culture. The survey revealed that, despite expanded access to global culture through the internet and other technology networks, traditional family and social structures still provide the foundation of young people’s lives, and their values still tend to reflect the values of their local community. Rather than discarding local traditions or values in favor of new technologies and global products, today’s youth are applying technology to enhance their lifestyles within the boundaries of family and traditional social structures. While new technologies provide the possibility for global connection and exchange, in practice many young people primarily use them in highly local ways, such as SMSing or instant messaging with school friends. This phenomenon has been called “glocalisation.”

Wealth, Location, Education

The degree of network technology usage is more a function of economic conditions, location and education than of age. The factors that influence network technology usage were found by the study to be not only, or in some cases even primarily, generational. Young people from poor backgrounds or countries where the economy is less robust often find themselves without the financial resources and/or leisure time to use this technology, unless they are in a professional field which requires and provides it. Language will be a barrier to the emergence of a truly “global” network culture while the majority of the content on the internet is still in English. The study found that in Poland, for example, a major impediment to internet usage is the lack of Polish content. Surprisingly, geography is still a determinant of access, with high activity reported in large cities and little to no activity in rural areas. Educational attainment is another dividing line for access; the UK report identified a “technical underclass” of children who have limited literacy (internet or otherwise) and access to the internet.

Who’s Shaping Whom?

While both commercial and “high art” cultural distributors often see young people as a market to be exploited, youth are skeptical, savvy consumers with a legitimate cultural life of their own. The survey found that young people are heavily skeptical of marketing and advertising. Although they consume brand name products and follow global trends, they are not as impressionable as marketers might believe or hope. For example, young people often attach a high value to authenticity. What may seem at first glance to be a blind adoption of mass market trends is revealed upon closer look to be a novel appropriation, or even subtle subversion, of dominant culture. Young people are agents of culture as well as consumers of it, and marketers spend as much time trying to follow youth culture as they do in trying to shape it. Survey respondents note the failure of national cultural ministries to recognize the legitimacy of youth culture, instead seeing young people as either a problem to be solved or as a potential or missed audience for what they are accustomed to promoting.

So how does the hypothesis test out? The conclusion seems to be that youth culture is both consistent and changing at the same time. Young people (and others) are using network technology to relate to one another differently, but they are also using technologies to relate in “old-fashioned” ways. There is not a unified “global youth culture,” but there are many similarities in the way that young people in different countries relate to each other and the world through technology. Young people are a consumer market but not a passive one—they are constantly appropriating and adapting cultural products for their own purposes. Finally, there is still a divide between those who have access to network technologies and those who do not, but this divide cuts not along generational lines, but rather along lines of affluence, location and education.

CIRCLE concludes its report by suggesting that research–based knowledge about youth culture should factor more heavily into cultural policy decisions in Europe. Currently perceptions of youth culture by policy makers and traditional cultural organizations are clouded by myth and misunderstandings which render it difficult to make decisions about how to appeal to young people as a constituency and serve their needs. In America youth culture may be even farther from the minds of public policy makers, but the conclusions of this report may be useful for cultural organizations and others who are eager to appeal to the young market segment.
The continuous rise in museum attendance over the last three decades counts as one of the great success stories of the late 20th century—one which museums rightly put high on their list of achievements and which funders use to measure the return on public and philanthropic investment. There are few other areas of public life which have seen live participation increase to such an extent, and yet the self-confidence of the museum sector seems at a low ebb. This may reflect, in part, a sense of unease about the future as the implications of sustaining (let alone topping) current attendance levels become ever more apparent.

What fueled the museum visitor boom in the first place? In this case, a pretty powerful cocktail of mutually reinforcing socio-economic forces. Museums in Europe have reaped the benefits of two generations of peace and prosperity since WW2. Nation building across the Western world post–1945 put unprecedented emphasis on mass education based on a strong framework of common cultural references. This, along with increased leisure time, longer retirements and higher disposable incomes, resulted in a ready audience for public institutions representing the European cultural tradition. Combined with a long period of high birth rates, the effect of these trends proved dramatic—and continues to this day. This increase in audience spurred the advent of the blockbuster exhibition in the early part of the 1970s and a wave of new museums, which led to more than a doubling of institutions within two decades or so.

Another contributing factor to the attendance boom was the neo-liberal economic policy of the 1980’s which challenged the welfare state paradigm and the previously accepted allocation of roles and resources between the private and public sphere. The growing market for cultural consumption led economists and politicians to question the subsidy-based model of funding and push museums to generate more earned income, most of which was dependent on visitor footfall. The other, and perhaps more significant, shift was to see museums as agents of economic, social and urban regeneration. This underpinned the argument for the largest capital spending bonanza on culture—and museums in particular—since the late 19th century. Public and philanthropic sources invested heavily in major institutional facelifts and spectacular new museums in large metropolitan centres and the outer provinces. These bigger, better buildings, with shopping and dining facilities and more spaces for temporary exhibitions, were geared to woo consumers away from the high street, and they pulled in the crowds.

Once on the expansion treadmill there was no stopping—the audience was hooked on an increasingly expensive diet of spectacle and institutions had to compete to outdo each other. Politicians, faced with the need to account for their spending extravaganza, expected increasing visitor numbers and evidence of economic impact through secondary spend (on hotels, restaurants and retail) and job creation. The published headline visitor number became the benchmark against which success or failure of museums came to be measured. The more recent shift towards social outcomes, putting greater emphasis on new audiences and the developmental impact of cultural pursuits, added another layer of exigency without however reducing the pressure on delivering footfall.

The assumption of a “return on (capital) investment” through enhanced net income from visitors rarely came true beyond opening year. Instead, the cost of servicing the visitor in bigger, grander, more sophisticated buildings full of technology on short life cycles, and programmed all-year round with exhibitions and special events, has tended to outweigh the net earned income from tickets, shops, restaurant, event hire and other ancillary businesses. Despite increased investment, the economics of museums have broadly remained the same—they are red ink businesses. The bigger the museum, the more subsidy is required.

In the light of this sober assessment, the current anxiety of the museum profession is understandable. The treadmill on which museums have stepped has propelled them into what increasingly looks like a high risk scenario. Keeping audiences at present levels, let alone increasing them as is still being promised to politicians and funders, implies keeping a very expensive show on the road. At minimum this requires regular re-investment in gallery displays...
and facilities, a grand project to relaunch the institution every 10-15 years, and a programme of high profile “blockbuster” exhibitions to secure repeat visits of loyal cultural audiences. Rising insurance and transport costs, competition for sponsorship money, and the increasingly widespread practice of charging loan fees contributes to the challenge of this situation.

Although a thorough assessment of the net financial impact of this expansion has not yet been conducted, anecdotal evidence suggests that most museums have reached a point where they cannot sustain visitor levels in the long term without additional subsidy. In other words, the sector has become unsustainable—the cost of maintaining current visitor levels is beyond the level of public and philanthropic resources presently available. Most museums operate with a sizeable structural deficit, mostly hidden by a combination of chronic underinvestment in core infrastructure (building maintenance, collections management, staff salaries) and the occasional cash injection from capital and other large projects.10

Compounding the situation is the question as to whether more recent socio-demographic developments will continue to feed the pipeline of cultural audiences as they have in the past. Changing patterns of cultural consumption are increasingly forcing museums to compete and share audiences with a multitude of new and different forms of cultural and leisure activities, which increases the cost of drawing consumers to the door.

Is a soft landing possible? Perhaps, but it would take a radical re-think on the part of both institutions and their funders.

First, the obsession with headline visitor numbers would have to stop. This would be a big leap for both parties alike. Declining visitor numbers would have no longer to be seen as a sign of institutional failure per se. Then, a more sophisticated approach to assess audience profiles and visiting patterns would need to be developed which takes into account how visitors are drawn in by different forms of museum experiences, what it costs to deliver these and what the return on alternative forms of investments in that experience is likely to be. This will require intelligent market research, properly linked into operational and financial planning.

This would form the basis of:

> A redefined museum “product” based on an analysis of the cost/benefit and return on investment of different types of programming. Key areas for review would include the balance between temporary exhibitions programme and the main gallery displays and the events and education programme in relation to the full cost of delivery per attendee.

The combination of these two aspects could form the framework for bringing attendance levels to a more sustainable level through less expensive programming and more targeted marketing/audience development. Each institution would need to find its own equilibrium—but in most cases it is likely to be somewhere below current levels.

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Like many management consultants, I spend a great deal of time traveling. In fact, one of the reasons I chose this line of work was that it gave me the opportunity to visit places I might not normally think of visiting. Unfortunately, the novelty is beginning to wear off, and it’s not because I’ve lost my love for traveling. It’s because it is becoming more and more difficult and frustrating to do so.

Things changed after September 11—and rightfully so. For the most part, travelers understood and appreciated the need for heightened security. We arrived at the airport way too early and gladly took off our shoes and surrendered ourselves to seemingly excessive pat-downs. We even learned to eat rubber meat with plastic utensils.

Then other things began to change that were difficult to relate to national security. Domestic frequent flyers lost lounge privileges, upgrades and standby privileges now came at a cost, and frequent flyer miles became impossible to redeem. Customer service calls routed you through endless touch tone commands that often resulted in a click and a dial tone. If you were lucky, you would end up speaking to a nice woman in India whose decision making ability was limited to the FAQ’s on a script in front of her.

International travel was even more fun. The allowable size of carry-on luggage began to differ from country to country. Cancelled flights were rebooked on discount carriers, for which you could have purchased tickets online the week before for half the price. For non-US citizens, each US Customs and Immigration employee had a different idea of what paperwork was required to get back into the country.

So, what does this rant have to do with the cultural sector? The answer is, a lot. The recent changes could ultimately have a major impact on both cultural tourism and international cultural exchange.

Spurred on by the “Bilbao effect,” cities worldwide are banking on the idea that iconic buildings and festivals will increase the number of annual tourist visits, but the hassle of traveling may become one of the major barriers to the “if you build it they will come” theory. These days, weekend excursions are often marred by delayed flights and lost baggage.

In addition, new carry-on policies that restrict liquids, gels and pastes (and therefore most toiletries) force people to check baggage which adds both time and hassle to short-haul travel.12

In North America, things are about to get even more interesting. The Western Hemisphere Travel Initiative (WHTI), which took effect on January 23, 2007, requires “all travelers to and from the Americas, including the United States, Canada and Mexico, the Caribbean, and Bermuda, Central and South America to carry a passport to enter or re-enter the United States.” Border cities in Canada and Mexico that have long benefited from a constant flow of American tourists and day-trippers are bracing themselves for a steep decline in visitors.13

According to a 2005 study conducted by the Canadian Tourism Commission, the WHTI will result in 7.7 million less US visits to Canada between 2005 and 2008, representing a loss of $1.8 billion in Canadian tourism revenue. Over the same period, Canadian outbound visits to the US are projected to drop by 3.5 million, representing a loss of $785 million in US tourism revenue. The impact this new initiative will have on total attendance to Detroit cultural institutions like the Henry Ford Museum and Detroit Institute of Art (both of which get a fair share of Southern Ontario day-trippers) and summer theater mainstays like the Stratford and the Shaw Festivals is likely to be significant.

Cultural tourists aren’t the only ones affected by travel complications. More and more barriers are popping up for artists traveling to and from the US. This past August, The Orchestra of St. Luke’s had to cancel a high profile tour to Europe where it was scheduled to
perform at the Edinburgh International Festival and the BBC Proms due to heightened travel restrictions around carry-on baggage and the reluctance of its musicians to check their instruments. Over the last decade, the length of time required to secure an artist visa to work in the US has increased significantly, in some cases taking up to six months.\(^\text{14}\) In order to circumvent this process, many cultural organizations end up paying "premium processing fees," which adds significant cost.\(^\text{15}\) In some cases, prominent international artists are denied entry all together.\(^\text{16}\)

How will cultural institutions respond to this new environment? While it would be sad to watch the presentation and experience of international artists fall off at a time when cross-cultural dialogue is critical, there is a real question as to whether organizations have the time or the money to continue doing so. In a recent conversation, an expert on the sector suggested that cultural tourism as we know it has peaked and that we are moving towards a more localized cultural sector which will focus on regional artists and audiences as opposed to national and international ones. While this view may be overly dramatic, it is not inconceivable. And if this is the case, it is a rocky road ahead for the cultural sector.


This report can be found at http://www.circle-network.jaaz.pl/index.php?module=articles&action=view&id=231

The CIRCLE report notes that terms such as “youth”, “culture” and “global culture” are without standard definitions, making robust research on these topics challenging.

Although the research included only Europe and Canada, many of the conclusions are likely to hold true with youth elsewhere.

The North American funding model based on private philanthropy produced similar results in terms of boardroom demands and expectations.

US institutions have by and large been wiser in confronting this issue by raising endowments as part of their capital campaigns — although that was by no means always the case.

Inevitably this argument requires generalisations which do not take into account the specific situation of different types of institutions — art vs. non-art museums; large metropolitan vs. small/medium sized regionally based institutions — but it is true by and large.

Assessing the marginal cost of attracting different audience segments is a discipline which all museums would do well to perform.

A recent NBC news report stated that “since the TSA announced strict carry-on rules in August, checked luggage at all airlines has surged 20 percent. And that’s led to more reports of delayed, damaged or pilfered luggage — nearly 383,000 complaints in September alone — up 90 percent in one year”. During a recent business trip to New Orleans, I spent more time in my hotel room on the phone with Delta customer service agents trying to locate my luggage than I did seeing (and spending money in) the city.

According to the State Department, only about 27% of Americans hold valid passports.

In a recent policy brief, Americans for the Arts requested that Congress enact legislation that would reduce visa processing time to a maximum of 45 days.

The current standard filing fee for O and P Visas is $190. The premium processing fee is an additional $1000.

The most famous example of this occurred in 2004, when 77 year old musician Ibrahim Ferrer and four other Cuban musicians were denied visas to attend the Grammy Awards, where they had been nominated for best tropical latin album. No reasons were given by the U.S. Citizenship and Immigration Services (USCIS) other than that the US had the right to deny access to individuals who were deemed “detrimental to the interest of the United States.”

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MySpace for the Visual Art World

Your Gallery is a website where artists can post their work and connect directly with peers, audiences and buyers worldwide. As the creation of voracious contemporary art buyer Charles Saatchi, it is the most high profile website of its kind. The site provides a visible platform for artists worldwide and cuts out the art market middleman, eliminating the costs as well as the critical judgments associated with that role. Significantly, it is popular as well as democratic, claiming 3 million hits a day. Currently the site does not track transactions, but if it functions at all like MySpace does for musicians we could see the dawning of a new age for the art market which empowers artists and consumers and offers a challenge to the traditional operating model. [http://www.saatchi-gallery.co.uk/yourgallery/](http://www.saatchi-gallery.co.uk/yourgallery/)

Steve Jobs calls for Revolution

Steve Jobs, guru of Apple, has posted an open letter calling for the music industry to abandon Digital Rights Management. He argues that this technology does not fulfill its intent, to prevent piracy and encourage people to buy music legally, because it is so frustrating to consumers that they are actually more likely to download music illegally. His letter is widely seen to be a response to European criticism of Apple’s iTunes not being readable by all music players. Although the first response to Jobs from the “Big Four” record companies was defensive, it seems that accepting the failure of DRM is simply a matter of getting off a sinking ship. The lingering question is posed but remains unanswered by Job’s letter: what is the new business model for the music industry, and how can creators, producers and distributors capture value from digital content? [http://www.apple.com/hotnews/thoughtsonmusic/](http://www.apple.com/hotnews/thoughtsonmusic/)

The Hooves Keep Thundering

Another international urban center has recently thrown its hat into the race to become a preeminent “festival city.” On February 12, the full line-up for the Luminato Festival in Toronto was announced. Billed as Toronto’s “Festival of Arts and Creativity,” the inaugural Festival will feature a wide range of visual and performing arts events, including the opening of the Daniel Libeskind addition at the Royal Ontario Museum and the world premieres of work by Phillip Glass, Eric Idle and Atom Egoyan. For more on “festivalization” as a trend see AEA’s report for the Scottish Arts Council. [http://www.scottisharts.org.uk/1/information/publications/1003373.aspx](http://www.scottisharts.org.uk/1/information/publications/1003373.aspx)

Linerider

Prompted by The Long Tail, The Kids are Alright and other inquiries into gaming and popular culture, we have been preoccupied with the way in which technology is providing a stimulus to “pro–am” creative participation, such as the dozens of amateur guitarists from Wisconsin to Baku up-loading their versions of Nick Drake songs to Youtube, comparing their attempts at this complex tuning and pick style. We have also been wasting time on Linerider, an addictive and amusing graphics package. See [www.linerider.org](http://www.linerider.org) and [www.iridethelines.com/feature_files/lr_a_dawgs_song.php](http://www.iridethelines.com/feature_files/lr_a_dawgs_song.php) for the level of sophistication these efforts can reach. To understand what the ingenuity that has been applied to these drawings, you need to try Linerider yourself.

And if you haven’t had enough of us...

Adrian Ellis has been penning a monthly article for the Art Newspaper. You can find them at [http://www.aeaconsulting.com/site/articleindex.html](http://www.aeaconsulting.com/site/articleindex.html).