

Art and branding



by Virginie Puertolas-Syn, Art Consultant, The Art Syn

DESPITE THE CURRENT economic climate, the auction sales end of June in London both at Sotheby's and Christies were unexpectedly successful. Sotheby's evening sale on the 25th of June sold 37 lots for £25.54 million with only a 7.5% failure rate. Christie's evening sale on the 30th of June, despite a weaker selection, sold 35 lots for £19.06 million with a failure rate of 12%.

What those two sales had in common was a strong selection of key artists. In times of crisis, bidders look for artists who enjoy considerable renown and publicity. For example, Jean Dubuffet's "Paris, Paris III", a gouache on paper, sold for £325,250, Monet's "Route de Giverny", sold for £3.84 millions, and Jeff Koons' "Moustache" sold for £1.1 million.

As Souren Melikian remarked, "These disparate works did have one common denominator, but it had nothing to do with art. All were created by artists who enjoyed considerable publicity in their time and continue to be much talked about". The brand has become a response to the insecurity faced by buyers. In the art market, which is one of the least transparent and the least regulated trade, brand offers assurance. The branded artist, the branded gallery, the branded auction, the branded museum provide confidence and security.

The price of an emerging artist will depend significantly on whether he is part of a famous, well-established gallery or not. Being sold by a major gallery such as Gagosian, White Cube, Lisson, Victoria Miro or by a mid-range gallery has a direct impact on the pricing of the artwork.

On the other hand, an art work sold at an evening sale, at one of the two prestigious auction houses is likely to fetch 20 percent more on average than in a less prestigious auction house day sale. When bidding at an auction, you bid for class and for a validation of your taste. Notoriety and publicity play an important role in defining the price of an artwork.

Certain artists themselves are considered brandnames:



Damien Hirst, "Skull"

Picasso, Warhol, Dali... Damien Hirst who at 40 is claimed to be worth £100 million, declared "becoming a brand name is an important part of life. It's the world we live in". Being a brand is not the logical outcome of success for artists but it is becoming an objective in itself. The strategy of "logofication" - the practice of displaying logos and symbols very prominently on the brand's products - which has been a major driver of the luxury brand has been applied by artists. Damien Hirst's spots paintings, Subodh Gupta's steel utensils and Yue Minjun's laughing figures are the visual equivalent of logos.

In the luxury goods industry, branding has always been the cornerstone of success. The indirect consequence of art branding is that boundaries between art and luxury goods are vanishing. Art has become the ultimate luxury good. Art buyers, at least a high proportion of them, are



Takashi Murakami

luxury goods clients as well. In terms of economic theory, art and luxury goods have the same characteristics. They are defined as Veblen's goods: "people's preference for buying them increases as a direct function of their price, instead of decreasing, according to the law of demand and supply". It is the "snob effect". I buy it because it is expensive and it gives me status and visibility. In terms of value, art and luxury goods have common ground: creativity, innovation, quality, aesthetics...

Not surprisingly, luxury brands are getting more and more involved in the art world. LVMH has its foundation just like Prada, Cartier... artists are involved in luxury goods design such as the famous LVMH monogram which has been redesigned by the Japanese artist Takashi Murakami or even the American Richard Prince. Both the Victoria and Albert Museum and the Guggenheim have shown Vuitton handbags as design or art.

There are two ways of looking at it. The cynical would say that art is losing its soul and becoming a pure business. The optimists will put the current trend in perspective with the opportunities it provides to support creation and young artists - not only the well established ones - and hope that luxury brand will more and more act as the new mecenes. ■

This article makes references to examples and analyses which can be found in Don Thompson's The \$12 million stuffed shark, 2008
1 - IHT 4-5 July 2009 Souren Melikian "Snatching big names, aesthetics aside"
2 - The Veblen effect is named after the economist Thorstein Veblen, who first pointed out the concepts of conspicuous consumption and status-seeking



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