

CONTEXTS OF EXCHANGE AND THE PRICING OF ART

by

Kathleen Marie O'Neil

---

Copyright © Kathleen Marie O'Neil 2005

A Dissertation Submitted to the Faculty of the

DEPARTMENT OF SOCIOLOGY

In Partial Fulfillment of the Requirements  
for the Degree of

DOCTOR OF PHILOSOPHY

In the Graduate College

THE UNIVERSITY OF ARIZONA

2005

THE UNIVERSITY OF ARIZONA  
GRADUATE COLLEGE

As members of the Dissertation Committee, we certify that we have read the dissertation prepared by Kathleen Marie O'Neil entitled Contexts of Exchange and the Pricing of Art and recommend that it be accepted as fulfilling the dissertation requirement for the Degree of Doctor of Philosophy

\_\_\_\_\_  
Ronald Breiger Date: August 26, 2005<sub>2</sub>

\_\_\_\_\_  
Joseph Galaskiewicz Date: August 26, 2005

\_\_\_\_\_  
Kieran Healy Date: August 26, 2005

\_\_\_\_\_  
Charles Ragin Date: August 26, 2005

Final approval and acceptance of this dissertation is contingent upon the candidate's submission of the final copies of the dissertation to the Graduate College.

I hereby certify that I have read this dissertation prepared under my direction and recommend that it be accepted as fulfilling the dissertation requirement.

\_\_\_\_\_  
Dissertation Director: Ronald Breiger Date: August 26, 2005

### STATEMENT BY THE AUTHOR

This dissertation has been submitted in partial fulfillment of requirements for an advanced degree at the University of Arizona and is deposited in the University Library to be made available to borrowers under rules of the library.

Brief quotations from this dissertation are allowable without special permission, provided that accurate acknowledgement of source is made. Requests for permission for extended quotation from or reproduction of this manuscript in whole or in part may be granted by the copyright holder.

Signed: Kathleen Marie O'Neil

## ACKNOWLEDGEMENTS

I owe special thanks to Ron Breiger, my dissertation committee chair, for encouragement, advice, and feedback throughout this project. Joe Galaskiewicz, Kieran Healy and Charles Ragin provided helpful comments, as well as suggestions about the future applications of this research.

In addition to my committee many people at Arizona have provided valuable feedback at different stages of the project. These include the Culture Research Group (Jessica Collett, Omar Lizardo, Bill Tsitsos, Nancy Martin, Laura Stephens, James Roebuck, and John Sonnett), members of the Social Organization Seminar, and Joe Galaskiewicz and all the students in the organizations research class held in the spring of 2004. I am appreciative of the many people who helped me make contacts in the field, especially Mary Nell Trautner who was always willing to discuss the joys and anxieties associated with qualitative data collection. I am grateful to John Sonnett for advice regarding the use of relational and configurational methods of data analysis.

Partial funding for this research was provided through two separate grants from the Social and Behavioral Science Research Institute at the University of Arizona. Olvinn Lumpkins, Brett Bernstein, and Emily Williams assisted with transcribing.

My friends and family have been a tremendous source of support throughout my graduate studies and the completion of this project. My mother, Pat Phillips, encouraged my intellectual pursuits from the start. John Sonnett has been a source of support on every level.

Finally, I'd like to thank Marcia Davis, Theresa Roebuck, Acacia Alder, and Barbie Sonnett for inspiring me to study the experiences of artists. I am extremely appreciative of all the artists and gallery representatives who shared their stories with me.

## TABLE OF CONTENTS

	<i>Page</i>
LIST OF TABLES.....	8
LIST OF FIGURES.....	9
ABSTRACT.....	10
 CHAPTER 1: INTRODUCTION.....	 11
The Pricing of Art.....	14
The Meaning of Exchange.....	17
The Structure of Exchange.....	19
Overview of the Chapters.....	20
 CHAPTER 2: ASKING ABOUT PRICES.....	 22
The Setting.....	22
Data Collection.....	25
Description of the Artists.....	27
Description of the Galleries.....	29
Methods of Analysis.....	31
 CHAPTER 3: THE DIVERSITY OF PRICING STYLES.....	 33
Pricing Literature.....	33
The Pricing of Art.....	39
Elements of Pricing Decisions.....	42
<i>Size</i> .....	44
<i>Expenses</i> .....	46
<i>Market</i> .....	49
<i>Status</i> .....	50
<i>Value to Artist</i> .....	53
Configurations of Pricing Elements.....	55
<i>Types of Pricing Styles</i> .....	56
<i>Status and Market Factors</i> .....	64
<i>Market Factors and Expenses</i> .....	65
<i>Value to Artist</i> .....	67
Less Common Factors Included in Pricing Decisions.....	69
Conclusion.....	72
 CHAPTER 4: EXCHANGE CONTEXTS AND THE PRICING OF ART..	 75
Contexts of Exchange: Meaning and Structure.....	77
<i>Meaning: The Basis of Action</i> .....	78
<i>Structure: The Social Relationship between</i> <i>Exchange Partners</i> .....	79
Pricing within Contexts of Exchange.....	82
<i>Instrumental Rationality and Universalistic Relations</i> .....	82

## TABLE OF CONTENTS - Continued

<i>Substantive Rationality and Universalistic Relations</i> .....	88
<i>Instrumental Rationality and Particularistic Relations</i> .....	93
<i>Substantive Rationality and Particularistic Relations</i> .....	101
<i>Discussion</i> .....	105
Exchange Contexts in Fields of Cultural Production.....	107
<i>Art for Art's Sake (Field of Restricted Production)</i> .....	110
<i>The Bourgeois Market</i> .....	118
<i>Production for a Mass Audience</i> .....	121
<i>Discussion</i> .....	127
Conclusion.....	129
 CHAPTER 5: THE DYNAMICS OF EXCHANGE CONTEXTS.....	 132
Participation in Multiple Contexts of Exchange:	
Meaning and Structure.....	133
<i>Conflicts between Contexts of Exchange</i> .....	137
<i>Conflicts between Contexts of Exchange:</i> <i>Instrumental versus Substantive Rationality</i> <i>in Embedded Exchanges</i> .....	138
<i>Conflicts between Contexts of Exchange:</i> <i>Instrumental versus Substantive Rationality</i> <i>in Arms-length Exchanges</i> .....	142
<i>Conflicts between Contexts of Exchange:</i> <i>Universalistic versus Particularistic Exchange</i> .....	146
<i>Theoretical Propositions:</i> <i>Conflicts between Exchange Contexts</i> .....	148
Movement between Field Positions.....	149
<i>Orientation toward Multiple Positions</i> .....	150
<i>Different Positions at Different Career Stages</i> .....	151
<i>Different Positions At the Same Time</i> .....	152
<i>Different Approaches to the Same General Field Position..</i>	154
<i>Boundary Work and Position Taking</i> .....	157
<i>Boundary Work within an Artist's Body(ies) of Art</i> .....	159
<i>The Blurring of Field Positions</i> .....	160
<i>Theoretical Proposition: Artists and Field Positions</i> .....	162
Is This a Field? (Is This Field-like?) .....	163
Conclusion.....	166
 CHAPTER 6: CONCLUSION.....	 169
Prices as Meanings.....	169
Implications for the Study of Fields and Position Taking Within Fields.....	172
<i>A Partially Institutionalized Field</i> .....	172

## TABLE OF CONTENTS - Continued

<i>Stars and the Construction of Fields</i> .....	174
Careers, Exchange Contexts, and Craft vs. Art.....	175
APPENDICES: INTERVIEW QUESTIONS.....	178
Appendix A: Artist Interview.....	178
Appendix B: Gallery Interview.....	181
REFERENCES.....	184

**LIST OF TABLES**

<i>Title</i>	<i>Page</i>
Table 3.1: Common Elements Contained in Pricing Decisions.....	43
Table 3.2: Pricing Styles as Configurations of Decision Elements.....	57
Table 3.3: Pricing Styles as Configurations: Most Common Configurations.....	58
Table 5.1: Number of Cases in Types of Exchange Contexts.....	134
Table 5.2: Combinations of Exchange Contexts.....	135
Table 5.3: Combinations of Field Positions.....	150

**LIST OF FIGURES**

<i>Title</i>	<i>Page</i>
Figure 3.1: The Structure of Pricing Decisions.....	61
Figure 3.2: Pricing Styles in Relationship to Pricing Elements.....	62
Figure 4.1: Contexts of Exchange.....	83
Figure 4.2: Pricing Styles in Contexts.....	109

## ABSTRACT

This dissertation examines the pricing of visual art, the social process through which people arrive at a price for a work of art. The emerging literature on pricing suggests that a diversity of approaches to pricing exist even within the same firm or industry. Through interviews and field observation with artists and gallery owners in a local art market, I discover that this is also true of the pricing of visual art. In addition, individual artists often take more than one approach to pricing decisions, either at different stages of their career or coterminously. I examine the diversity of pricing decisions for visual art by investigating the exchange contexts within which art is sold. Exchange contexts are examined both in terms of the meanings associated with exchange and the structure and content of the social relationship between exchange partners. I demonstrate that exchange contexts provide frameworks within which pricing styles take on particular forms. More generally this project contributes to the sociological understanding of economic life by infusing cultural and relational sociology into the study of rational decision-making and markets.

## CHAPTER 1: INTRODUCTION

The value of contemporary artwork is highly uncertain. Evaluation is often subjective, and buyers frequently rely on the expertise of critics and artists themselves when evaluating art. There are few objective criteria for determining value. Given a high level of uncertainty, how are prices arrived at for particular works of art? This dissertation examines the pricing of art, the social process through which people arrive at a price for a work of art.

At the outset an important distinction must be made between the study of price and the study of pricing. Prices are the numerical values that indicate the amount of money to be exchanged in order to obtain a particular good or service. Theories of price predict the determinants of those numerical values. In contrast, pricing describes the behavior and decision-making of individuals as they decide, within specifiable contexts, what to charge for a particular good or service that they provide (Eichner 1987). This project is concerned primarily with pricing, not price.

The examination of pricing is based on original interviews conducted with 53 visual artists working in one city. The interviews with artists are supplemented by interviews with the owners or other representatives of twelve art galleries, as well as field observations over the course of a twelve-month period<sup>1</sup>. The focus on pricing from the

---

<sup>1</sup> In chapter two I discuss the city studied and the research methods employed in greater detail.

perspective of artists enables pricing to be analyzed in terms of the variety of social contexts in which art is sold.

Central to this research is the investigation of the contexts in which art is bought and sold and the influence of the context on the pricing decision. Art is sold in a variety of settings: galleries, on sidewalks, at fairs, through exhibition in restaurants and coffee shops, through friends and other acquaintances, and sometimes on the internet.

Individual artists may sell their work in multiple settings. Across these settings, the relationship that an artist has to his or her exchange partners also varies. For instance, an artist may sell to a customer of a gallery indirectly through a gallery representative, or an artist may sell directly to a person inside his or her social network or directly to a stranger. Additionally, art work is not always exchanged for money; sometimes art is traded for other art, for a service, or for some other good.

In this dissertation I take an artist centered approach which enables pricing decisions to be compared across different settings and across types of exchange relationships. The examination of context is not limited to the setting and the relationship between the buyer and seller. I also examine exchange contexts analytically in terms of the meanings associated with the economic activity and the content and structure of the social relationship between exchange partners. I demonstrate that exchange contexts are the frameworks within which pricing styles take on particular forms.

Previous sociological research has focused on the pricing decisions made within art galleries in elite art markets (Velthuis 2003) or how price is involved in the social construction of value at auctions (Smith 1989). This project fills in some of the gaps in

understanding how prices are obtained by focusing on artists' own involvements in the pricing and selling of their own work. In the lower-priced, non-elite part of contemporary art markets, many sales are made directly between artists and customers, not in galleries or at auctions. Artists who are located in lower-priced markets are also more likely to be new or struggling artists. Therefore they are likely to employ a wide variety of pricing strategies. Unlike artists working in established elite markets, clear norms have not developed regarding pricing.

Focusing on the decision-making of artists themselves also provides an opportunity to more generally understand how entrepreneurs price innovative products, a process thought by business scholars to be "more an art than a science" (Dean 1969). Within business firms many approaches to pricing decisions have been documented (Zbaracki 2003, Diamantopolous and Matthews 1995, Eccles and White 1988). This is no less true for the pricing of art.

In addition to discovering and describing the ways in which artists go about pricing their work, this project draws on and seeks to contribute to three contemporary theoretical approaches in economic sociology and the sociology of culture: the call by Zelizer (2002) to incorporate meaning into the study of all aspects of economic life, the social embeddedness of economic transactions (Granovetter 1985, Uzzi 1997, DiMaggio and Louch 1998), and relational approaches to the investigation of cultural fields (Becker 1982, Bourdieu 1989, White 1993). For the purposes of this study these empirical approaches are organized around two broad themes: the meaning of exchange and the structure of social relationships between exchange partners.

In the remainder of this introduction I place this dissertation project in relationship to the existing literature on the pricing of art, as well as the broader literatures just referenced. At the end, I give a brief description of the chapters that follow.

### **The Pricing of Art**

What is known about the pricing of art? One hypothesis regarding how artists price their work is that they add up the cost of the materials used, factor in overhead like rent, and consider the amount of labor used: price is the sum of these expenditures with some allowance for profit or what business scholars refer to as “cost-plus” pricing. However, scholars investigating the sale of art in the contemporary period suggest that the price of art is rarely determined by the cost of production and that pricing may depend in part on the segment of the market in which it occurs (Moulin 1987).

Most of the literature on the sale of art has focused on the determinants of price, not pricing. A study of the French art market found that for paintings sold on sidewalks, in souvenir shops, or otherwise sold outside the world of galleries, price level is fixed by what buyers are willing to pay. Thus in this segment of the market a key determinant of price is the affluence of the neighborhood in which the work is sold (Moulin 1987).

Other research has found that prices obtained by art dealers, as through sales in catalogs and galleries, are more stable than prices obtained through art auctions (Candela and Scorcu 2001). Examining Dutch art galleries in the mid-1990s, Rengers and Velthuis (2002) found that size and materials help explain differences in price within the body of

work of one artist. However, characteristics of the work do not explain differences between artists. The same scholars found that age and gender of an artist is related to price (older and male artists obtain higher prices), the number of works an artist has sold has a positive influence on price (at least up until a certain threshold after which number of works no longer has an effect). At the gallery level, older galleries and galleries in the major city obtain slightly higher prices (Rengers and Velthuis 2002).

Previous research also indicates that artists seldom have complete control in the pricing decision. For example, the price of art sold in galleries is typically determined by gallery owners or their representatives (Velthuis 2003). Reputations of certain artists evolve over years and are path dependent. Once a gallery owner has invested in an artist they are reluctant to break that relationship, in part because the public has to acquire an understanding of new artists' work, making older artists a safer bet (Bonus and Ronte 1997). Therefore artists can struggle just to gain gallery representation. However, as Ridgeway (1989) and Greenfeld (1988) suggest, once represented by a gallery artists may exercise some influence on the decisions of gallery owners. This is the first study that investigates the extent to which artists influence pricing decisions, both inside and outside the gallery system.

Like much of the scholarship on the sale of art, research on the pricing of art has focused on pricing decisions of gallery owners. Velthuis (2003) in a study of the pricing decisions made within New York and Amsterdam contemporary art galleries finds that dealers make decisions based on pricing scripts which serve to simplify the pricing decision by applying a set of rules. When dealing with a new artist, the typical script is to

set prices low and to compare the work with similar works. For more established artists the script involves setting the current price level based on the past price level; thus prices tend to be path-dependent. Gallery owners tend to increase prices when demand is high, such as when the artist's last show sold out; periodically such as every year; or based on reputations, such as when artist receives favorable reviews by critics. Velthuis finds that the pricing scripts employed by gallery owners are supplemented with reference values that provide numerical values for certain kinds of decisions, such as conventional minimum prices for certain kinds of media and certain sizes of works.

Due to the newness of the pricing of art as a topic of inquiry, many questions remain unanswered by the existing literature. This project makes several empirical contributions. I find that among artists a diversity of approaches to pricing exists. Economists, management scholars, and sociologists have found this to be true of other industries (Hall and Hitch 1939, Dorwood 1987), and to be especially true of the pricing of innovative products (Dean 1969). Just as studies of business firms have found that even within the same firm pricing decisions are made in a variety of ways (Zbaracki 2003, Diamantopolous and Matthews 1995, Eccles and White 1988), I also find that artists make pricing decisions differently in different contexts. My case of a non-elite art market and my focus on artists themselves allows me to investigate the extent to which artists are involved in the pricing of art within galleries. I find that in the type of market studied, artists frequently make their own pricing decisions even when working with a dealer in a gallery.

### **The Meaning of Exchange**

In a recent handbook chapter on culture and consumption Zelizer (2002) argues that there is a tendency by scholars to split economic processes into two spheres. On the one hand, processes related to production and distribution tend to be analyzed in terms of markets and rationality. On the other hand, consumption and related processes are thought of as expressive and theorized in terms of sentimentality and meaning. Zelizer argues that often the main alternatives to this splitting are reductionisms, which tend to examine economic processes as phenomena of only one type, i.e. economic processes are only about rationality and efficiency, or only about culture, or only about power. Heeding Zelizer's call, in this project I examine how the process of pricing art is connected to meaning-laden social relations.

Drawing on the literature on the social meanings of exchange (Davis 1992, Zelizer 1994, Folbre and Nelson 2000, Biggart and Delbridge 2004), I demonstrate that artists' own understanding of what it means to sell their work influences their pricing decisions. Art is often thought of as above commerce. Creating art for many people is a deeply personal activity. To then put a price on it, sell it to someone who may be a stranger, and likely never see the piece again, may be a difficult process. For many artists selling their work is also a satisfying validation of their worth and skill. Furthermore many artists may be oriented in multiple ways to the selling of their work-- simultaneously feeling ambivalent about putting a price tag on an object they created and being thrilled that someone is willing to give them money for their work. I examine the

ways in which an artist's orientation to the commodification of their own work influences their approach to pricing.

I also look at meaning in terms of sources of legitimacy within fields of cultural production (Bourdieu 1993). Bourdieu (1989) argues that people who occupy similar positions in relation to resources (economic, social, cultural, and symbolic) are likely to develop similar dispositions and interests. In turn people in similar positions are likely to engage in similar practices. White (1993), another prominent relational thinker, makes a similar claim in a discussion of the networks that link artists, patrons, and other members of art worlds. White (1993, 115) argues that "the common desire for some agency arises from the structural equivalence of your position in networks, not from your closeness." According to White, agency is shaped by structural equivalence. Thus these relational thinkers also have something to say about the meanings associated with action.

To examine the meanings associated with the sale of art, I draw on Weber's (1947, Biggart and Delbridge 2004) distinction among the types of orientation that economic actors may take toward their economic activity. Action may be based primarily on instrumental goal maximization, or action may be guided primarily by values that suggest the appropriate method of pursuing goals. While useful in its own right, this distinction alone does not fully account for the diversity of goals that may motivate economic activity. While in some contexts the desire for economic gain may be the primary goal, in other situations the end goal may be to increase status. To take these differences into account, I also examine the meaning associated with exchange in terms of Bourdieu's (1993) distinction between competing sources of legitimacy within fields

of cultural production. Depending on an artist's particular position within a field of cultural production, legitimacy may be based primarily on making money (economic capital) or increasing reputation within the art world (cultural capital).

### **The Structure of Exchange**

Within the subdiscipline of economic sociology the social embeddedness of economic transactions is an important theme. This approach challenges the neoclassical economic assumption that exchange partners always have arms-length ties and that the choice of business partners is based primarily on price. In his agenda-setting article Granovetter (1985) argues that purposive action is embedded in ongoing, concrete systems of social relations. Uzzi (1997) finds that many exchanges are embedded in existing social relationships (either existing prior to exchange or created and maintained after becoming exchange partners). Often in these relationships people satisfice, rather than maximize on price. A common goal is to cultivate long-term cooperative ties, which promote trust, the transfer of information, and joint problem solving. DiMaggio and Louch (1998) investigate the assumption that market exchange involves impersonal transactions among strangers. Examining the sale of consumer goods, they found that substantial proportions of transactions occur between people who know each other. It has also been found that female entrepreneurs are even more likely than their male counterparts to integrate business relationships with family and personal relationships (Brush 1992), and in the case of direct selling the use of existing networks of social relations is common (Biggart 1989). Within art worlds, established artists often purchase

the work of younger artists, in part as a way of helping newcomers (Becker 1982). I find that exchange relationships involving the sale of art are often embedded in ongoing social relationships. I investigate the ways in which the character of the exchange relationship influences the formation of price.

Economic sociologists have also suggested that many transactions are repeated between the same economic actors (Granovetter 1985, Uzzi 1997); and research on galleries has shown that art collectors, who purchase on a regular basis from the same gallery, receive discounts (Bonus and Ronte 1997). Research on art worlds suggests that the production of art itself is often a network phenomenon (Becker 1982, 1989); therefore, it is likely that the sale of art is also related to social networks. It takes many people in cooperation to produce all the activities involved in conceiving an idea, making the necessary physical artifacts, creating a language of expression, training artistic personnel, and finding and educating audiences (Becker 1982). White (1993) describes a similar phenomenon: artists may be linked to multiple art worlds, to other artists, patrons, organizations, and communities. The agency of artists is shaped within these networks. Therefore, I also investigate the ways in which pricing decisions are shaped within ongoing social relationships.

### **Overview of the Chapters**

In this introduction I have attempted to provide a general overview of the empirical and theoretical literatures to which this dissertation draws and seeks to contribute. Rather than having a chapter devoted to reviewing the literature, each of the

remaining chapters has a section discussing the theoretical arguments and existing research relevant to the particular section of the dissertation. The chapters are organized as follows: In Chapter Two I describe both the setting in which the dissertation study was conducted and the research methods employed in data collection and analysis. In Chapter Three I describe the diversity of approaches to pricing employed by the artists interviewed. I use the formal techniques of Correspondence Analysis and Qualitative Comparative Analysis to identify types of pricing styles. In Chapter Four I examine how pricing decisions take on particular forms within exchange contexts. The analysis of exchange contexts focuses on the meanings associated with economic activity and the structure of the social relationship between exchange partners. Chapter Five expands on a key finding in the first two empirical chapters: the same economic actors often engage in multiple contexts of exchange, either at different stages of their career or during the same period. I examine the dynamics of exchange contexts and develop several theoretical propositions suitable for investigation in future research. Chapter Six concludes the dissertation by outlining the key implications of the study as well as suggesting directions for future research.

## CHAPTER 2: ASKING ABOUT PRICING

In this chapter I describe both the empirical setting and the research methods used in data collection and analysis. In the first section I describe the setting in which the study was conducted and give justification for the selection. This discussion is followed by a description of the methods of data collection. I then provide a description of the artists and galleries included in the study. In the final section I discuss the methods of analysis used in the empirical chapters that follow.

### **The Setting**

The research was conducted in a local art market in the southwestern United States. I refer to the city as Pueblo. The name has been changed, as have all the names of people, places, and events, unless otherwise noted. The noted exceptions include reference to the world's most elite art markets, including New York and Paris, as well as major art museums, such as the Museum of Modern Art (MOMA) in New York City<sup>2</sup>.

The metropolitan area of Pueblo had a population exceeding 800,000 people in 2000 as measured by the United States Census. For a city of its size, Pueblo has a vibrant visual arts scene. Identified in the late 1980s as an up-and-coming arts community (Cox 1986), it attracts artists and arts organizations largely because of the beauty of the natural landscape, good quality light, and low rents. However, compared to other cities, per

---

<sup>2</sup> None of the artists interviewed are currently exhibiting in the most elite art markets, nor have any shown at the museums mentioned by name. These places did come up in some interviews as a point of comparison.

capita spending on the arts is extremely low, and it is not recognized as a national visual arts center (TPAC 2003). The fact that art is present in Pueblo, while the city is not a major art market, makes it a research site that allows for the study of typical, in a sense generic, artists (Platt 1992). Consequently this is a study of artists who are average or typical in terms of their accomplishments and experiences, rather than of the exceptional artists working in and represented by galleries in major art markets such as New York or Paris.

As an art market, Pueblo is not extremely expensive. It is possible to walk into a gallery and see original art being sold for a couple hundred dollars. Several of the gallery owners interviewed indicated that \$20,000 was the ceiling for art prices in Pueblo, but I never encountered prices approaching that figure on work in galleries. Depending on the gallery more typical prices range from \$200 to \$5000. While there are some people who visit or reside in Pueblo who may purchase art at prices that exceed \$20,000, they would likely go to a more elite art market if looking for art in that price range.

Since it is a non-elite, lower-priced market, many Pueblo artists are new and struggling. Consequently they are varied in terms of experience selling their work; even among artists who show primarily in galleries many also show or have shown in the recent past in alternative venues such as coffee shops and street fairs. Given the exploratory nature of this project, this variation is ideal for investigating the variety of ways art may be priced. Since individual artists in Pueblo tend to sell their work in multiple exchange contexts, either contemporaneously or at different stages of their

careers, it is possible to learn about a variety of exchange experiences by interviewing individual artists.

Pueblo is within a region of the country known for art in the realism tradition, especially landscape painting, wildlife painting, and cowboy art including both painting and sculpture. While these genres of art are popular in Pueblo, many varieties of visual art can be found. Recognizing Pueblo as an affordable place to live, art school graduates and other artists from the East and West Coast as well as the upper Midwest have relocated to the city. In terms of style of art there appears to be a lot of variation.

Almost all of the artists I met said that they believe Pueblo is a great place to be an artist, but not necessarily a great place to sell art. Artists located on the edges of the city tended to remark on the natural beauty around them which provides needed inspiration for creating art. Artists located in the downtown and nearby warehouse district tended to remark on how offbeat and laid back the city is. Relative to other cities that have experienced more urban renewal, the city center offers low-cost work spaces some of which have been taken over by artists.

The following description of downtown Pueblo told to me by an artist, hits on some of the uniqueness of Pueblo, but also its similarity to larger cities at early time periods before extensive urban renewal of their downtown areas:

I mean I think this is the best art community, there is in the country as far as I know...It's funky. There's a situation here. There's way more aggressive artist communities. There's art communities with people way more famous...but that's not [what the] world needs. What the world needs now is not another slick artist. The world needs a place for artists to come up with new ideas and new ways to look at things. And Pueblo seems to work, barely,

because...it's ridiculous here. It's insane politically how screwed up the place is...and because of it it's like a free for all, or a reef for all...It's like nobody knows what's going on. If this, if this city had it's shit together...according to like my father, if he were still alive...or a business person...we'd all be mowed over or something...They would have a football stadium here, you know?...It's the wild west.

### **Data Collection**

Artists recruited for the study are visual artists working in Pueblo and who have sold their art. Artists were identified using a theoretically informed sample with multiple points of entry. I began interviewing artists I already knew and artists referred to me by my university colleagues. I also made contact with artists previously unknown to me at multiple art events, and I contacted other artists after seeing their websites or work on display. When selecting events to attend with the aim of meeting artists, I attempted to find a variety of events: in addition to art openings at a variety of galleries, I made contacts at a wildlife festival, an art festival hosted by a local art museum, and organized open studio events.

Surprisingly only four artists I asked to interview declined to be interviewed. I contacted two different professors of art at a local university. Both failed to respond to my letter and phone calls. Two other artists not connected to the university initially agreed, but one failed to return my phone calls and the other changed her mind stating that she did not have the time. No one affiliated with a gallery declined to be interviewed after being approached.

Employing the logic of theoretical sampling (Glaser and Strauss 1967), after each interview I asked artists to recommend other local artists who in their opinion were at a different stage in their career or approached marketing and pricing differently from themselves. I then sought interviews with those recommended. Through this process I attempted to maximize variation within a small sample.

I conducted interviews with 53 local artists. Several of these artists were directors or owners of art galleries. I spoke with them in their capacity as artists and about their gallery. Consequently I spoke with representatives of 12 local galleries. In just two cases the owners I spoke with were not artists themselves. In addition, I interviewed 3 key informants: two local art enthusiasts who had formerly owned a local contemporary art gallery and the director of a non-profit organization dedicated to local economic development through the arts. I conducted a total of 58 interviews.

The interviews were semi-structured and ranged from 45 minutes to 2 hours in length, with most lasting an hour and 15 minutes. I began with a particular set of questions, but I also asked people to tell me about any factors not raised by my questions, which they perceived as important for understanding how artists sell their work. The interview schedule is contained in Appendixes A and B. Most interviews were tape-recorded allowing for a complete transcript to be produced. In instances in which the interviews were not tape-recorded at the request of the person being interviewed, I typed notes on the interview immediately after its completion. Seven of the interviews were not taped at the request of the person being interviewed. During all of the interviews brief notes were also taken on the interview schedule.

In addition to the interview data, this paper is informed by 16 months of field work in the local art world from November 2003 through April 2005. The field work included visiting commercial and cooperative galleries and attending visual art events such as tours of artists' studios, art talks, art festivals, and art auctions for charity. In particular from the fieldwork I have included in this analysis the experiences of eight additional artists who were panelists at two different marketing workshop hosted by the local arts council in May 2004 and the comments of the instructor and artist participants in a class on marketing art sponsored by the local community college in early September 2004. Analysis of these artists' experiences is based on the panelists' statements during the workshop and class, as well as their written biographical statements, which were handed out to the participants.

### **Description of the Artists**

I sought variation and succeeded in finding it. Among the artists interviewed, 32 are women and 21 are men. Their ages ranged from 22 to 90 years of age, and I interviewed artists in every age decade in between. Most are white Anglos. I noted when artists identified their ethnic identity, either in the interview or in publicly available artist statements. Seven identify as Latino/a or Chicano/a and two as Native American.

I interviewed both 2-dimensional and 3-dimensional artists. A majority, 30, are painters, including watercolor, oil, and acrylic. Ten do work best described as mixed media, some of whom work with found or recycled objects. Four focus on glass art and three in ceramics. Six are primarily sculptors.

While all of the people interviewed define themselves as artists, they varied in terms of whether they are making a living at their art. Thirteen are occupied full-time as artists and are supporting themselves with their art. Fourteen are supporting themselves through a combination of their art and through other arts related endeavors. These artists included people working as owners and directors of galleries, art teachers, a decorative house painter<sup>3</sup>, a make-up artist, graphic and web designers, an art therapist, a performance artist, and workers in a foundry where sculptures are cast. Another five of the artists I interviewed hold day jobs, not directly related to art for example working in construction or clerical positions. An additional two are primarily focused on raising young children with a spouse employed outside the home. The remaining 19 artists are mainly occupied with art, but had additional sources of income including Social Security and retirement funds, disability benefits, support from a spouse or parent, or other sources of income. Ten of the artists with other sources of income were retired from other occupations. Many explained that they were not retired, even though they were past or near retirement age. An artist nearing retirement age told me that artists do not get to retire:

For an artist, there's no such thing as retirement... I'm supposed to be getting better after all these year. I should finally get it and do better at it. And there will be more and more people after my art. They know me. And you just don't [retire]...I only know of a couple of artists who have thrown their hands up and quit. And, they just left. I don't know where they went. They're gone.

---

<sup>3</sup> Decorative house painting may include painting murals, decorative borders, and textured painting, such as making a wall appear to have a leather-like texture, in addition to conventional house painting.

The artists I interviewed sell their work at a variety of price ranges. I asked artists about the highest prices for their main body of original art. A little more than a fourth have high prices that are less than \$500. Eight of the artists have high prices between \$500 and \$1000, another ten have high prices between \$1000 and \$2000. An additional ten artists have highest prices between \$2,000 and \$5,000. Three of the artists interviewed have highest prices significantly higher than the others at \$10,000 or higher. However these three more routinely sell work that is priced under \$10,000. For example one of the three, a sculptor, sells work at a wide range of prices, from under \$100 for sculptures in an unlimited edition to over \$20,000 for large sculptures that are one of a kind and will not be reproduced. Several of the artists interviewed have done large works for institutions, such as universities or libraries, or public art project, with much higher prices. One of the artists interviewed had done a high profile public art project in Pueblo with a price tag exceeding 1,000,000. Much of the price involved in engineering and construction expenses. This artist personally received \$25,000 for his work on the project.

### **Description of the Galleries**

I interviewed representatives of twelve local art galleries. The galleries range in age from 6 months at the time of the interview to 28 years. Two of the galleries were informally organized. One of these was not in a commercially zoned space, but rather an artist's studio. The artist refers to his studio as a gallery and hosts events at which other artists exhibit their work. The other informal gallery was a brief lived endeavor that

lasted one summer during the time of my field work. Several artists worked with the owner of a vacant downtown storefront to allow artists to show their work in the space and to host live musical performances.

Among the galleries that are more formally organized I interviewed representatives of three non-profit galleries with educational missions. Each has exhibition space. I also interviewed seven galleries that are organized as for-profit businesses. One of these is an artist owned cooperative gallery. Organized as a for profit business, the member artists are the co-owners. This gallery shows the work of members, as well as other artists on consignment, always in large group shows. Another gallery that is organized as an art emporium also showcases the work of many artists at one time. It is owned by two people, both artists. The work shown at both the cooperative and emporium galleries ranges from decorative and functional art to paintings and sculpture to jewelry and art postcards. Another of the for profit galleries is a gallery that mainly shows the work of one artist who is also the owner of the gallery. From her own gallery she sells original art, as well as prints and art products, such as note cards and calendars.

Four of the galleries are more traditional in the sense of having both group and individual shows. These galleries also have alcoves or separate rooms providing gallery space for work not contained in exclusive shows, so that potential customers can view a variety of art work. Two of these galleries have been in existence for over 20 years, one for 25 years and the other for 28 years. Both of these were mentioned as respected galleries by artists I met through my fieldwork. The other two more traditional galleries have been in business for much less time. One had been open six months at the time that

I did the interview. The other had been open in Pueblo for two years at the time of the interview. This gallery relocated from a small town in the same state, and has been in business for a total of four and a half years.

In terms of the location of the galleries studied, nine were in or near the city center, located either in downtown or one of the warehouse areas adjacent to downtown. Among the other three galleries, two were in the foothills to the north of the city center. This is one of the most affluent parts of the city. One was located on the east side of the city in a middle class area.

The galleries studied underrepresented the number of galleries outside of the downtown area. This is in part a function of focusing on art created by local artists. Some of the galleries in other parts of Pueblo show work by European artists or American artists now deceased. Others show mainly Western art made by artists working in other cities or states. I also did not focus on galleries specializing in traditional Native American art or exclusively on Western art. These galleries tend to be focused outside the downtown area. However, I did interview artists who show some of their work at galleries focused on Western style painting. The Native American artists I interviewed consider themselves contemporary, as opposed to traditional, artists.

### **Methods of Analysis**

From the start of the interviewing process, it was clear that the artists studied approach pricing in a variety of ways. It was apparent that I was not going to identify just one or even a couple of common approaches. To make sense of the diversity, I took

an inductive approach to identifying and categorizing the different approaches to pricing. Reading through transcripts I wrote down elements necessary to characterize a style, and later grouped these elements based on substantive knowledge (Bourdieu and Wocquant 1992). Through this process I identified the most common elements discussed in Chapter 3. I also employed two types of formal analysis, Qualitative Comparative Analysis and Correspondence Analysis, to assist in describing the pricing decisions of the artists studied. These distinct approaches to data analysis have features that can usefully complement each other (Breiger 2004).

Qualitative Comparative Analysis techniques (Ragin 1987, 2000) were used to uncover empirical typologies. One way to make sense of diversity is to construct empirical types (Ragin 1987, 149). A type consists of a combination of variables, in this case elements of pricing decisions. Typologies, according to Ragin (1987) allow researchers to pinpoint the locations in a multidimensional attribute space in which cases cluster. Empirical typologies allow the identification of attributes that tend to appear together within cases. For the purposes of this research, styles of pricing decisions can be analyzed as configurations of pricing elements.

Correspondence Analysis (Weller and Romney 1990) was also used to analyze the relationship between styles of pricing decisions. Correspondence Analysis enables two or more kinds of entities to be portrayed in the same space (Breiger 2000). For this research elements of pricing decisions can be seen in relationship to each other and to the cases (the artists) who embody these elements.

### **CHAPTER 3: THE DIVERSITY OF PRICING STYLES**

Few empirical studies have been conducted on pricing in any industry. However, a key finding of the existing literature is that even within the same firm a diversity of strategies may be employed (Uzzi and Lancaster 2004, Velthuis 2003, Zbaracki 2003, Eccles and White 1988). This is no less true of the pricing of visual art. Through field observation and interviews with artists and gallery owners, I have discovered a wide variety of pricing styles.

In this chapter I first overview the existing literature on pricing, including the emerging literature on the pricing of art. Then, based on interview data in one city, I describe the most common factors that artists consider when making pricing decision. In my conception pricing styles are configurations of the various factors involved in pricing. I examine the existing configurations of common factors, and I construct empirical “types” of pricing practices using the method of QCA. I also investigate the relationship among these types using Correspondence Analysis. Finally, I discuss a few additional pricing considerations shared by only a few of the artists studied, but nevertheless informative for appreciating the diversity of ways in which artists arrive at prices for their work.

#### **Pricing Literature**

In the now classic pricing study, Hall and Hitch (1939) studied the ways in which business people decide what prices to charge for their products. Neoclassical economic theory asserts that an entrepreneur expands production to the point where marginal

revenue and marginal costs are equal. In the economists' view, in situations of pure competition, marginal revenue is equal to price, and marginal costs are equal to the cost of the additional factors needed to expand output by one unit. Through interviews with entrepreneurs regarding their pricing policies, Hall and Hitch find that firms do not attempt to maximize profits by the equation of marginal revenue and marginal costs. Rather they tend to apply a "rule of thumb" policy. The majority of entrepreneurs they interviewed thought that price should be based on full average cost including an allowance for profit (either by starting with full cost and adding on a profit or starting with a price thought to be acceptable to consumers and adjusting quality).

Hall and Hitch (1939) also investigated the reasons entrepreneurs give for their adherence to a full cost rule of thumb. Many simply believe it is the fair way to allocate price. Other reasons included not knowing the response of consumers or competitors to a change in price and that changes in prices are a nuisance for merchants and sales personnel. Moreover they found that when in an economic slump, most entrepreneurs are willing to charge a price below full cost in order to follow a competitor's price or to stimulate sales.

In a more recent discussion of pricing decisions, Dorwood (1987) highlights the complexity of actual pricing decisions. Pricing decisions involve multiple dimensions and often vary across different firms. Management's ability to set a price is constrained by a number of factors: the company's own pricing objectives, market competition, relationships to other organizations, and pressures within the company. Some further complications to understanding pricing decisions according to Dorwood (1987) are that

price is only one part of marketing and therefore the pricing decision interacts with other decisions related to advertising and sales promotion; prices mean different things in different situations (such as the difference between a price tag at the grocery store and a price tag at a car dealership); and current prices have implications for the future of a business.

Dorwood (1987) argues that it is fair to assume that business people are interested in goal optimization (although not necessarily price maximization). However to optimize a decision maker needs complete information. In reality people deal with incomplete information and uncertainty. In fact it takes resources such as time and money to gain more information; therefore information itself can be a scarce resource. Consequently, business people satisfice. The typical management response to a situation of uncertainty is to set minimum performance targets based on rules of thumb. Like Hall and Hitch, Dorwood suggests that the most common rule of thumb is a version of full cost pricing, in which a target gross profit margin is added to the unit cost of a good or service. Other rules of thumb include matching the prices of competitors and pricing to earn a target rate of return.

Diamantopoulos and Matthews (1995) conducted a case study of pricing within one manufacturing firm. Taking contingency theory as their theoretical framework, their research demonstrates that even within a single firm multiple methods of pricing decisions are used. They argue that rarely does a simple mark-up on costs suffice. Environmental factors such as demand and competition and legal constraints are related to pricing. The method preferred often depends upon the situation. The most significant

price determinants found in their case are competitors' prices, the uniqueness of the product, the cost of the product, and past profit performance. Research on price in transactions within multidivisional firms highlights how selling decisions are often made before price is determined. Price is later negotiated by the involved actors. Additional research has also found that a variety of pricing arrangements exist (Uzzi and Lancaster 2004, Velthuis 2003, Zbaracki 2003, Eccles and White 1988).

Other scholars interested in price have examined psychological constraints on the profit seeking of entrepreneurs. Kahneman et al. (1986) surveyed households to determine rules of fairness related to pricing. Most of their respondents believed that it is fair for a firm that is threatened with a loss of profit below its reference level (that to which it is accustomed) to raise prices. A majority of respondents also believed it fair for a seller to make a higher profit by reducing the costs of production (rather than lowering the cost to the consumer). However, respondents tended to think exploitation of a shortage was not fair and that taking advantage of a monopoly by raising prices was not fair. Therefore Kahneman et al. conclude that the lay public does not agree with conventional economic analysis that would suggest that excess demand gives suppliers an opportunity to raise prices.

The anthropologist Davis (1992) argues that just because some sets of exchanges can be called markets does not mean that those exchanges are governed by a market principal (of the sort theorized by economists). For instance among the Zuwaya of Libya, people participating in market exchange do not really know if they are making a profit. They tend to sell their goods for a little more than they paid for them, but do not

necessarily calculate costs of acquiring goods, time spent talking with potential buyers, transportation costs, and so forth. Davis further argues that markets in New York and London do not work quite like neoclassical theory predicts either. People do not understand their own exchanges purely in terms of maximizing profits. Davis goes on to highlight that people give meaning to exchanges. Exchange can be about welcoming, joking, creating group solidarity, etc. Other scholars suggest ways of thinking about the meaning people infuse into their exchange activities. Zelizer (1994) discusses the meanings that people give to money. Her analysis highlights the process of earmarking; people reserve certain monies for certain uses, such as setting aside “death money” for one’s own burial or considering a married woman’s earnings as “pin money.” This is what Thaler (1999) calls mental accounting and argues that mental accounting allows people to economize on time and thinking and to deal with self-control problems. Money also can be earmarked based on the type of exchange through which it is acquired (Zelizer 1994). Particular exchanges provide money for other types of exchanges. Folbre and Nelson (2000) in their discussion of caring work, one type of market exchange, suggest that people may engage in such work for both love and money. Exchange is not simply a matter of obtaining an optimal price.

In a comprehensive study of the auctions, Smith (1989) argues that economists are mistaken in thinking that value always determines price. In the context of auctions, price, which is produced by the auction community, determines value. A fixed price system is likely to be rejected when the value of items, such as art, is uncertain. In such situations an auction provides a negotiation system. Smith notes that it is important for

auctions to have a community sense, whether through repeated interactions by participants or through participants being made to feel like part of a group, because it is the auction world that gives substance to prices. It is through the sense of a shared experience that the belief that prices have something to do with value is reinforced.

A particularly difficult pricing decision is the pricing of new or innovative products (Diamantopoulos and Matthews 1985). According to Dean (1969) new product pricing is monopoly pricing; the determining aspect is what the product is worth to the buyer. Therefore it is important to look at the new product through the eyes of potential buyers (and possibly to try out the product on test markets). Dean notes that new product prices are restricted by indirect alternatives (other products) and are ephemeral in the sense that they are subject to erosion by imitation. Two dominant strategies are suggested. The first, skimming pricing, involves starting with high prices and then lowering them. This strategy is advocated when price is less sensitive before competitors enter the market and when it is uncertain how much costs can be reduced with increased volume making it wise to start high. The second strategy, penetration pricing, involves starting with a low price in order to get into the mass market early. This is a particularly good strategy if the volume of sales is likely to be sensitive to the initial price, when there is no elite market for the good, when economies are achieved by operating at a high volume, or when threats of competition are likely to begin early. However ultimately Dean concludes that pricing new products is an art. In the next section I discuss the emerging body of research on the pricing of some of the most innovative products of all, visual art.

### **The Pricing of Art**

Research on the pricing of art has emerged very recently. Moulin (1987) in a study of the French art market argues that price is rarely determined by production costs. She examines the pricing of paintings in various segments of the market. For what is termed “junk” painting (that which is sold on sidewalks, in department stores, and souvenir shops) price level is fixed by what buyers are willing to pay. Thus in this segment of the market a key determinant of price is the type of neighborhood in which the work is sold. Rich people pay more than other people for junk. In contrast, established painting, that which is painted by established artists who are typically deceased (often referred to as “old masters”) is thought of as an investment. Factors such as limited supply and prestige of the artist influence the price of old masters. Auctions are a primary means of selling established painting, therefore final price depends on the amount one person is willing to pay in order to win out over his or her rival bidder.

According to Moulin (1987) the contemporary art segment of the market is distinct from either the junk or established painting segments. In contrast to the market for established painting, the supply of contemporary painting is unlimited since the artists are alive and still creating new art. Demand is largely created based on the judgment of critics and the purchasing choices of key art collectors and museums. Contemporary art is typically sold by dealers within art galleries. In contrast to the private sale of junk and the auctioning of established painting, contemporary art dealers must consider the production costs when setting prices. These costs include the cost of acquiring works, fixed costs such as rent of gallery space, and variable costs such as advertising. Many

buyers of contemporary art are like buyers of junk painting in that they purchase what they like based on the prices they can afford. However some behave like buyers of established painting and are looking for paintings that are high in aesthetic value and will be a good investment. These buyers tend to look to the dealer's competence and reputation, as well as price as an indicator of quality. Price in this segment is used to signal quality to buyers. Thus unlike the case with some other products, dealers are very resistant to lowering prices, since buyers associate price with aesthetic worth. Moulin concludes that since taste is subjective there is no objective basis for art prices.

Velthuis (2003) in an innovative study of the pricing decisions made by gallery owners in the New York and Amsterdam contemporary art markets finds that dealers make decisions based on what he calls pricing scripts which serve to simplify the pricing decision by applying a set of rules. When dealing with a new artist the typical script is to set prices low and to compare the work with similar works. For more established artists the script involves setting the current price level based on the past price level. Gallery owners tend to increase prices when demand is high, such as when the artist's last show sold out; periodically such as every year; or based on reputations, such as when the artist receives favorable reviews by critics. Velthuis finds that the pricing scripts employed by gallery owners are supplemented with reference values that provide numerical values for certain kinds of decisions, such as conventional minimum prices for certain kinds of media and certain sizes of works.

Actual prices of art are difficult to obtain, therefore only a few scholars have examined art prices systematically. Candela and Scorcu (2001) examine the relationship

between prices for prints and drawings sold in auctions and those sold by a major European dealer. They find that over time there is more price volatility in the auction market than the dealer market. They also find that the price index for the dealer market is influenced by the auction price index. Rengers and Velthuis (2002) examine the determinants of price in the Dutch art galleries in the mid-1990s. They examine determinants of price at various levels of analysis using hierarchical models. Rengers and Velthuis find that size and the type of materials used help explain differences in the price within the body of work of an individual artist. However characteristics of the artwork do not explain differences between artists. They find that older artists receive higher prices than younger artists and that females receive lower prices than males. The effect of number of works sold is positive until a threshold is reached after which increased sales do not influence price. They also found that artists living abroad receive higher prices than artists residing in the Netherlands. In terms of the characteristics of the gallery in which the art is shown, Rengers and Velthuis found that older galleries obtain slightly higher prices than newer galleries, as do galleries located in Amsterdam, the major city.

From both the general business literature on pricing, as well as the emerging literature on the pricing of art, two important conclusions can be made. First, there is a diversity of ways in which people make pricing decisions. Second, despite the diversity of possible pricing strategies, people seem to rely on certain conventions (scripts or rules of thumb) for setting prices.

### **Elements of Pricing Decisions**

While research on major art markets has found that art dealers make the pricing decisions within galleries (Velthuis 2003), the artists in the smaller market I studied all indicated that they make the decisions about price, even when showing work in a commercial gallery. However sometimes that decision is made in consultation with the gallery owner or other gallery representatives.

As an artist who has been making a living through art for 18 years put it, “pricing is more of an art form than the art itself.” As with visual art itself, I have discovered that pricing decisions come in a variety of styles. The analysis that follows is based on answers to open-ended questions asked of visual artists about the last time they priced a work and how they generally think about pricing today. In deciding what to charge for a particular work, artists use a variety of criteria. I coded the interview transcripts to determine the factors that each artist mentioned as part of their pricing decision. From these codes I grouped the particular answers into five commonly used decision elements.

All of the artists I interviewed base their pricing decision on at least one of the following elements: the size of the work; expenses related to the creation or sale of the work; market factors, such as demand; status factors, usually in terms of the artist’s reputation; and the value of the work as estimated by the artist (see Table 3.1). These five elements do not exhaust all of the factors considered in pricing decision. For instance some artists price their work based on the desire for their art to be accessible to certain groups of people. Others include where the work was created or what the work depicts in the price. Still others indicated that legal definitions of art influence their

Table 3.1: Common Elements Contained in Pricing Decisions

<u>Decision Element</u>	<u>Examples</u>	<u>Number of Cases</u>
Size	pricing by the square inch higher prices for larger works	37
Expenses	time/labor materials framing costs	38
Market	“what the market will bear” increases based on demand	40
Status	increases based on reputation pricing by perceived value of media	31
Value to Artist	“pizzazz” how good the work is according to the artist and/or her close associates	32

pricing. These factors are discussed in a later section of the chapter, but first I will describe the more common elements of pricing designs among the artists studied.

### *Size*

The size of the work is a common factor in pricing decisions. Among the 53 artists, 37 indicated that size was a factor. Pricing by size seems to always involve pricing larger works higher than smaller works. No one who mentioned size as a factor indicated that they priced small works higher than large works. Most talked about size as the most straightforward pricing criteria. As an oil painter explained:

Actually size is probably the major factor in deciding the price range of things. It's just sort of an easy thing to go by, and people understand it. And I understand it. The larger paintings take a lot more work and a lot more material expense, and so it kind of makes sense.

Others critiqued the convention even though they use it. A painter now in her 90s who has been selling her work since the 1960s explained:

The American public, small buyers, relate what they are willing to spend by the size of the picture, which is utterly ridiculous. But you do price a small painting much less than a larger painting.

Size is something that potential buyers understand. In major art markets it has also been found that size is an important determinant of price, at least within a particular artist's body of work (Rengers and Velthuis 2002, Velthuis 2003), suggesting that it is conventional to consider size when pricing art.

While most follow the general rule of thumb that larger works should be more expensive, some artist's use the square inch method to take size into account. I attended

a four week community class on the business of being an artist; in this class, pricing by the square inch was taught as an effective pricing strategy. One dollar a square inch was recommended for a beginning artist. In a class session participants brought in several of their works of art and a tape measure. With the formula they priced the work. For instance a painting that is 24 by 30 inches would be priced at 720 dollars. Several participants thought that a dollar a square inch was too high, as they had priced their work lower in the past. The instructor assured them that their work was worth it. I interviewed the instructor of a similar community class; she also advocated pricing by the square inch.

Some who had tried the square inch method feared that the resulting prices were too high. I interviewed a painter who tried it, but ended up changing her prices. Having heard of the square inch method, she took a new painting that had recently sold and determined what price per square inch had been obtained. She then priced each of the paintings for her next show, a solo show in which she had more than 10 paintings, based on the square inch price. However when she went to the gallery to hang her work, she worried that the prices were too high. A representative of the gallery suggested that keeping prices under \$1000 might stimulate sales. So she ended up changing her prices at the last minute. She set the largest painting just below \$1000, and lowered the prices on the other painting from that benchmark based on size.

Some artists indicated that pricing by size is not acceptable to them, usually because they have found that small works take as much time as larger works. Some mentioned that they deal with this by having a higher square inch price for smaller works.

Others choose not to price based on size, which either means occasionally explaining to customers why they are not following the size convention or, as in the case of an artist who creates functional works out of wood, they avoid small works all together:

It's hard for me to work in small because it takes me just as long to build a smaller piece as it does to build something of greater size. I put as much detail into the smaller pieces, and so therefore the prices have to be higher, because the time is there. The materials aren't there, but it's not the materials so much as...the labor...So that's one of the reasons I don't build small very much.

While this artist does not follow the convention of pricing smaller works less than larger works, she implicitly takes size into account by avoiding small works all together.

### ***Expenses***

Thirty-eight artists indicated expenses as a factor in their pricing decisions. The particular expenses factored in to the price vary. Some include material costs such as the cost of canvas and paint. In the case of mixed media art, material expenses can be high, for instance the cost of various plastics, stainless steel, and some glass. Others calculate the costs of their own labor. Production costs were frequently mentioned, especially in terms of framing costs for paintings. Sculptors who have their work cast in bronze pay high foundry costs, perhaps \$400 to cast a medium sized sculpture. When art is shown in galleries in other cities, shipping costs are another expense that some consider. Some artists also consider a combination of expenses when pricing, such as materials and labor.

While most artists consider some of their expenses, a few base their prices solely on their expenses. The following quotes are from an interview with a painter who

believes strongly in basing the price on materials and labor. Here she describes her calculations:

Well, what I do is I keep a book of my work where I write all my thoughts in my head and that kind of thing during the course of working on one of these. And I have a price range. And the price range for my work goes from 150 to 1500 [dollars]. It depends upon what it is and how long it's going to take, a lot of factors go into that. I come up with a base price that I want myself...If it gets juried into a show, you already have to add the commission that is required. Then I just tack that on to that. So the price of the piece can vary a bit.

It might not look like it, but it's really time consuming to do stuff like that...Plus I do drawings first. I don't just start by sketching on watercolor paper. I do a whole pencil drawing, and then I transfer it onto the paper. But the time of doing that part, I don't figure that in. I figure from doing the color work, because it just gets crazy. If I do a contract for somebody, I have to figure in research time. You can't not do that. It has to be factored in somehow, because it can be very time consuming. Of course now that we've got the Internet, it cuts way down on my research time. I don't have to spend several days in the library or something.

This artist also factors the cost of the frame into the price. If her husband builds the frame she considers the material costs, but, if she uses a professional frame shop, she includes the entire framing charge which includes materials and labor. For commissioned works if the client requests that special glass be used in the framing, such as glare resistant glass, that is an extra charge included in the price. Although she does not compensate her husband for his time building frames and she self-exploits by not including time spent sketching in her labor costs, all of her prices reflect actual expenses incurred in the creation of the art. She suggested that not only is this the way she prices, but she believes that is the right way to do it. She explains:

I know some people have the philosophy put the highest price on it, and if somebody buys it great, and if they don't, well. I don't think that's fair. I don't think that's right.

While only a few artists indicated that they price exclusively based on expenses, many consider it one of several factors. In particular many artists indicated they price with the hope of regaining their expenditure on supplies. Consequently experimenting with expensive materials may influence the price, as a mixed-media artist explains:

Often it's dictated by material costs as well. So like last year when I showed at Andrews [an established local gallery] the pieces that I made were large, and they involved giant photographic transparencies on aluminum. This year they would be cost prohibitive for me to make, you know, because I don't have the same cash flow. But last year was a good year, because I'd been given a grant, an award. So I spent it on materials, experimenting. But I tried to recoup the cost of production, so I probably charged more than I would ordinarily...Usually your labor goes for nothing, but you try not to lose money on materials. I mean that's a sad state of affairs, but unless you are a successful New York<sup>4</sup>...artist, in a place like Pueblo you are struggling to make a living. So you just don't want to lose money.

While expenses are a common factor, some artists explicitly stated that expenses should not be a consideration when pricing. This was especially true among artists focused heavily on reputation and accomplishment as the primary pricing criteria. A painter of abstract art, who also is a partner in an art gallery, made a distinction between perceived value and factual value:

Well I think that our work is priced solely on perceived value and trust and there is no real factual product value. You can't say, "This took me five hours and fifteen dollars to make, so I'm going to charge X dollars and get a proper

---

<sup>4</sup> This name has not been changed.

return.” Art work really doesn’t work that way. If you spent ten years painting a painting, but in the final result it looks like you’ve spent five minutes, it’s still a five minute painting.

While acknowledging that other products may be priced based on materials and labor, in his view this should not be the case for art. Instead he suggests art ought to be priced based on a status and market factors, which I discuss next.

### *Market*

Market factors were mentioned by 40 artists. A well-known local painter, who owned a marketing firm prior to dedicating herself to art full-time, told me that pricing involves determining “what the market can bear.” Not all artists used such economic language, but many referred to raising prices based on demand, as when a show sells out or when their gallery suggests prices should go up because the work is selling well. Others also suggested that the trick is figuring out how much money people will pay for the work. A young sculptor described pricing in this way:

It’s crazy. Basically what it really comes down to, you may try to make all these formulas to fit and all that kind of stuff, but you just look at it and go, “I think I can sell this for that.”...A lot of times I’ll just go into galleries and I’ll look at what they have for pricing and I’ll be like, “Well, mine’s about the same size bronze. and it’s a figurative piece. I’ll sell it for about that.”

As the above quote suggests, artists often look at the prices of comparable work to get a sense of acceptable prices. Many indicated that they look especially at the prices of art that has sold. When looking at the prices of other artists’ work when in shows and

galleries, many try to price within the range they observe, attempting to be in line with the artists they consider peers.

While many indicated that market factors might lead them to increase prices, most do not lower prices based on factors such as lack of demand. This has also been found in elite art markets (Velthuis 2003). Prices typically are not lowered because for many the price is a signal of the value of visual art. However a few artists indicated that they will discount prices and offer work at a “sale price.” A watercolorist who sells mainly at art fairs does this with her older work:

I put a really high price on my biggest newest ones, but on the ones that are older that I’m really trying to get rid of I’m starting to lower the prices. And I’m under pressure from my husband all the time. He says you have to get rid of some of this stuff. If you sell them for 25 cents, at least you’ll get something.”

Among those artists who have “sales” involving price cuts, few mentioned the next factor, status, in their pricing. If they did it was based on the status of the media, not a consideration of their own reputation or visibility as an artist.

### *Status*

Within the art community there are recognized accomplishments that confer status on an artist and his or her work. Aspects of status were mentioned by a majority of the artists interviewed, 31 out of 53. These include having earned an art degree, presenting work in a professional manner (such as using archival quality materials in framing and having a written artist’s statement or biography), having a show in a gallery that focuses on your work (a one-person show as opposed to a group show), having work purchased

by a respected art collector, having work in a museum or university collection, and getting a favorable review in a publication such as a newspaper or art journal. In the following quote an artist and gallery owner indicated some of the status factors recognized as adding value to a work of art:

Is the hanging materials on the back professional or is it speaker wire tied to two dry wall screws? That changes perceived value. What location is it displayed in? Artist's studio versus a gallery in Pueblo versus a gallery in New York versus MOMA<sup>5</sup>. All gonna change perceived value. Can the artist communicate, discuss their work? Is the art work figurative versus abstract? Figurative work tends to...for many clients have a higher perceived value because they have this idea that concept was involved. So, if two artists spend the same amount of time, same material, same quality, same location, same everything else that you could possibly make the same, and you made one an interesting figurative story and the other one a truly abstract piece, the generic story would generally have a higher perceived value than the abstract piece. So, this brings up all kinds of issues. A lot of times artists think, well, so-and-so famous artist painted on cardboard and sold them for twenty thousand dollars. So I can paint on cardboard and sell it for twenty thousand dollars, but they forget to realize that famous artists, had a famous gallery in New York showing it. They had credibility. They had their name, which adds perceived value. They had publication. They have all kinds of things that add perceived value...

According to this artist, a professional presentation of the art increases its value, as does the reputation of the space in which it is shown. Showing at a gallery is higher status than showing work in a studio space. Showing in a gallery in a major art market confers more prestige and showing at an internationally recognized museum like the

---

<sup>5</sup> New York and MOMA are the actual names.

Museum of Modern Art (MOMA) in New York City confers even more prestige<sup>6</sup>. Prices are in part based on the artist's level of fame, such as showing in respected galleries and having work reviewed in art publications.

Some artists also referred to a status hierarchy based on the type of media. Among paintings, oil paintings are generally considered more valuable perhaps because oil on canvas is a traditional medium. Paintings on canvas are generally considered more valuable than paintings on paper. Watercolor in particular is devalued, perhaps because it is a medium used by school children learning to paint. The hierarchy of media sometimes influences pricing decisions. A painter who works in both watercolor and acrylic paint describes the impact of different media on her pricing decisions:

I usually charge more for the acrylics, because in general there's a perceived value that it is higher when it's on canvas than when it is on a piece of paper. There's a perception that watercolors are a more transient medium and that canvas is going to last longer. Now whether that is true or not, time will tell. They have come such a long way in making watercolors permanent. But still it's the medium that's looked down upon.

Another painter, who is a past president of the local watercolor guild, recalled a time when he painted with oil on canvas, in large part because he could ask for higher prices due to public perception regarding oil paint:

There's a feeling in the public that oils are more solid and long lasting. But the reality is that watercolors probably last longer than oils because it doesn't have all of the oils, all those chemicals. It's practically nothing but pure pigment with a binder...and watercolors don't crack with age and yellow with age like oils do. But the public thinks of oils as more of a real painting. And so the time when I

---

<sup>6</sup> I have not changed the name of this museum; none of the artists interviewed have shown in this museum.

switched over to oils for awhile was partly through the encouragement of the gallery...I sold a few, but then there was a bunch that just didn't sell.

The gallery he regularly sold through had encouraged him to paint with oils. After many of the paintings did not sell, he returned to watercolors.

### *Value to Artist*

Thirty-two artists mentioned their own estimation of the value of the particular work as a factor when pricing. Some artists decide that some works are simply better than others, and therefore deserve a higher price. These artists frequently recognize that evaluating their work in this manner is subjective. However as artists they are willing to trust their own aesthetic sensibilities; they believe that they know good work when they see it. Furthermore they know their own capabilities and are able to judge when they have created something that exceeds or falls short of their typical aesthetic accomplishment. The following excerpt from a conversation with a mother and daughter, both artists, about the sale of an original print illustrates how an artist's estimation of the value of the work can be used in pricing:

Mother: I am not known as a printmaker who gets 500 dollars for a print, but I happened to know that this was the best thing I ever did.

Daughter: And she wanted to price accordingly, and there was no question [about the price] when she [the buyer] saw that she zoomed right in and purchased it without question.

Not all artists are as confident in their ability to determine which pieces in their body of work are better than others and deserve a higher price. In some cases artists explained that they evaluated their work through interaction with others close to them, such as

friends, partners, teachers, and fellow artists. Many artists told me that they will set out their work and have someone they trust give opinions about prices. For example a ceramic artist who balks at the size convention in art pricing has his partner tell him which works are the best ones. He prices according to his partner's judgment.

Even some artists who try to be very consistent with regard to size and factoring in the calculation of expenses, sometimes feel that a particular work is worth a little more than the others. A ceramic artist described her current method of pricing like this:

Well I look at how many pieces I made in so many hours, and I say I pretty much need to make approximately this much. And so at that point I have an idea of what the lowest price should be. And then when things come out of the kiln and I'm finished with them I sit them out. I look at them, and I price them by pizzazz. So it's hard to be consistent. So when I make my big wall tiles, I just have a chart that lists a high and low. You know I priced a whole bunch of them. I realized they would sell for that. And then I started measuring them and figuring out square inches, then I had sort of a basis to say, "Well, if it's approximately this size and it's acceptable then it's the low price. And if it's this size and it's magnificent then it's the higher price."

It is also important to note that many other artists indicated that an artist's own estimation of the worth of the work should not be a factor in pricing. Several people explained that beginning artists often think of each piece as "their baby" and therefore priceless. However they must eventually realize that if you want to support yourself as an artist you must sell the work which requires offering it at a reasonable price. Other artists indicated that as they have matured as artists they think of their own work as less valuable than they did as naïve young artists. A painter who has been painting for over a decade explained that when she began she thought her work was very valuable. However

now that she knows more about art, has studied more and seen more art, she realizes that when she began she had an inflated sense of the worth of her art. She now thinks of her paintings as less valuable, despite the fact that she has become a better painter over time.

### **Configurations of Pricing Elements**

As shown in the previous sections, most artists indicate that they use more than one factor when pricing. In fact only four mentioned only one of these elements. Consequently most pricing decisions can be described in terms of combinations or configurations of elements. While 32 ( $2^5$ ) configurations of the five elements are possible, among the artists studied I found 20 existing configurations. These are shown in Table 3.2. When compared to the possible number of configurations, this represents limited diversity. However the presence of 20 different configurations clearly indicates that there is no uniform approach to pricing among artists who work in this market.

Keeping mind that the sampling strategy was designed to maximize diversity among the artists interviewed, I do not wish to over-emphasize the number of cases in each configuration. However five configurations were shared by five or more cases. These configurations are depicted in Table 3.3. The most common configurations all contained three or more elements, suggesting that art pricing often involves multiple criteria.

### *Types of Pricing Styles*

The investigation of pricing styles as configurations of themes highlights the diversity of pricing decisions. One way to make sense of diversity is to construct empirical typologies, in which a type consists of a combination of conditions. Typologies allow researchers to pinpoint the locations in a multidimensional attribute space in which cases tend to cluster (Ragin 1987). In other words the construction of

Table 3.2: Pricing Styles as Configurations of Decision Elements

<u>Size</u>	<u>Expenses</u>	<u>Market</u>	<u>Status</u>	<u>Value to Artist</u>	<u>Number of Cases</u>
1	1	1	0	1	7
1	0	1	1	0	6
1	1	1	1	1	6
0	1	1	1	1	5
1	1	1	0	0	5
1	1	0	0	1	3
1	1	0	1	1	3
0	0	0	1	1	2
0	1	0	0	0	2
1	0	1	1	1	2
1	1	0	1	0	2
1	1	1	1	0	2
0	0	0	0	1	1
0	0	1	0	0	1
0	0	1	1	0	1
0	0	1	1	1	1
0	1	1	0	0	1
0	1	1	0	1	1
0	1	1	1	0	1
1	0	1	0	1	1

Number of Existing Configurations: 20

Number of Cases: 53

Table 3.3: Pricing Styles as Configurations: Most Common Configurations

<u>Size</u>	<u>Expenses</u>	<u>Market</u>	<u>Status</u>	<u>Value to Artist</u>	<u>Number of Cases</u>
0	1	1	1	1	5
1	0	1	1	0	6
1	1	1	0	0	5
1	1	1	0	1	7
1	1	1	1	1	6

Number of Cases Sharing a Configuration  
with at least 3 other cases: 29

empirical typologies allows the identification of conditions that tend to appear together within cases.

I analyzed the configurations shown in Table 3.2 using crisp-set Qualitative Comparative Analysis (QCA). For every case the outcome was coded as 1, since each case is a pricing decision. The elements for each case were coded with a 1 if present or with a 0 if absent<sup>7</sup>. The data table was then imported into the fsQCA program and analyzed using the Quine-McClusky crisp-set algorithm.

The crisp-set solution<sup>8</sup> follows:

EXPENSES\*MARKET+  
 MARKET\*STATUS+  
 size\*MARKET\*artvalue+  
 SIZE\*EXPENSES\*STATUS+  
 SIZE\*EXPENSES\*ARTVALUE+  
 SIZE\*MARKET\*ARTVALUE+  
 size\*EXPENSES\*status\*artvalue+  
 size\*expenses\*market\*ARTVALUE

As described previously, some artists invoke more than one of these elements in their decision. Therefore a particular case can fall within more than one of these types. These types contain significant overlap, but the results suggest that all of the artists employ at least one of these decision types. The results also indicate that there is no one pricing element contained in the pricing decisions of all of the artists. In other words there is no element that operates as a necessary condition to a pricing decision. This evidence suggests that clear norms are not present among the artists studied.

---

<sup>7</sup> Ragin (1987) describes a protocol using dashes instead of zeros, when constructing empirical typologies. Since in this case I was interested in pricing elements not used, as well as those elements used by a particular artist, I used the zeros customary in QCA used in causal analysis.

<sup>8</sup> Based on the Quine-McClusky Algorithm in fsQCA, with minimum frequency for positive cases set at 1. total number of cases: 53. The + sign indicates logical OR and the \* sign indicates logical AND.

Correspondence Analysis provides another way to examine the relationship among elements of pricing decisions. Figure 3.1 shows the results of a correspondence analysis based on a disjunctive coding of the coded interview data employed in the QCA analysis. Figure 3.1 illuminates several relationships among pricing elements.

Expenses and size are both in the bottom left quadrant of the figure. The angle between expenses and size and the origin is small, suggesting that these two elements are correlated. This is not surprising given that larger works require more materials and frequently a greater time investment.

In contrast to the close relationship of expenses and size, other elements are nearly opposite each other or have almost a 180 degrees angle between the pricing elements and the origin. Specifically, art value, which is an artist's own estimation of the value of the work is opposite market factors such as pricing based on demand. The artist's estimation of the value is often based on personal aesthetic criteria and an intimate knowledge of the artist's own ability and competence. In contrast market factors involve pricing criteria that highlight the commodification of the work or art and make it commensurable with other art or even other consumer goods. The correspondence analysis suggests a dimension with a hedonic conception of value (Podolny and Hill-Popper 2004) on one end, in which art is comparable to other art and goods. On the other end is a conception of value that is more transcendent, in which the producer is part of the conception of value. This distinction recently formulated by Podolny and Hill-Popper (2004) is discussed in greater length in the next chapter.

**Figure 3.1: The Structure of Pricing Decisions**

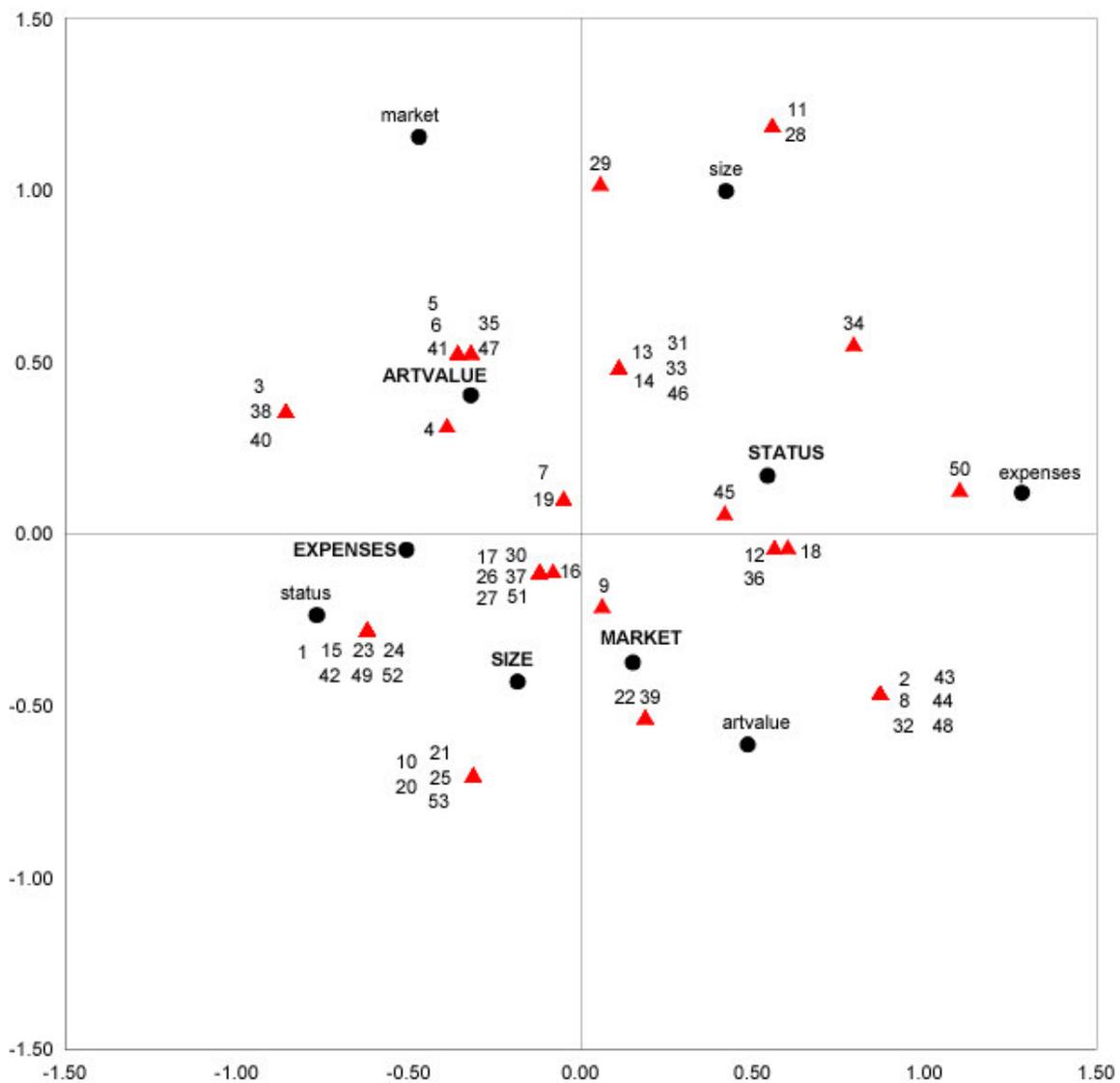
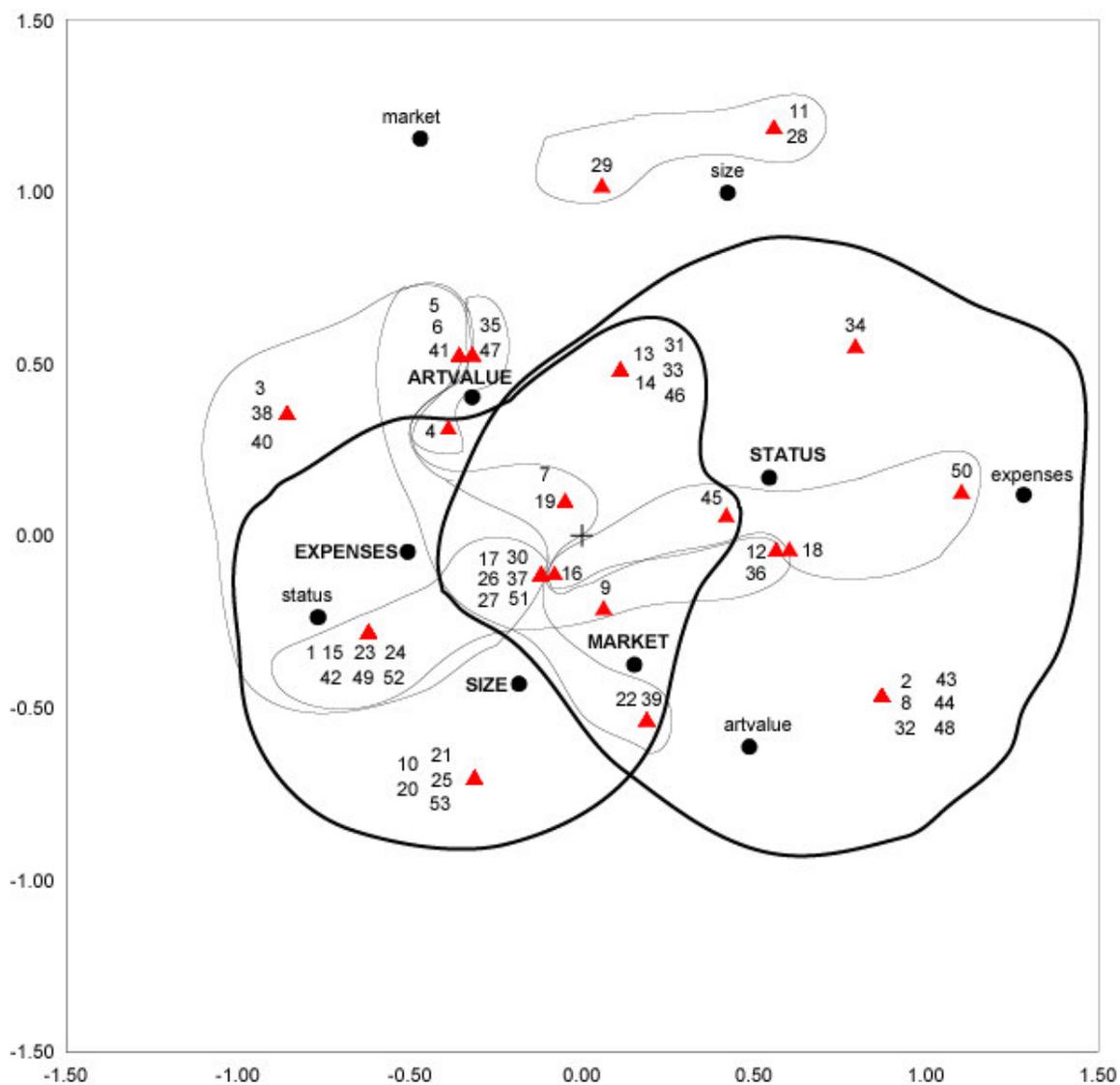


Figure 3.2: Pricing Styles in Relationship to Pricing Elements



Similarly pricing based on status and expenses are nearly opposite each other in the correspondence analysis. This is also true of status and size. Substantively, this makes sense. Pricing based on size and expenses appears to be a more craft-like manner of pricing. In contrast pricing based on status, such as reputation factors including gaining representation in an elite gallery or having work in a museum collection, are pricing factors that are recognized in the art world. The correspondence analysis suggests a dimension that varies from craft-like on one end and art-like on the other.

In Figure 3.2 the types of pricing styles suggested by the QCA analysis are indicated on the same Correspondence Analysis that appears in Figure 3.1. Circles have been drawn around the cases that fall into each of the eight types indicated by the QCA results reported above. The circles overlap because some cases can be described as falling into more than one type of pricing style.

Two circles in Figure 3.2 are drawn with a darker line, because they cover a large proportion of the cases. The first of these two types is STATUS and MARKET. The second of these two types is MARKET and EXPENSES. The remaining cases not included in these two types all include ARTVALUE. Thus mapping the QCA results onto the correspondence analysis suggests three primary types, which is a narrowing down of types from the eight contained in the QCA solution. I will discuss each of these three types in greater detail in the sections that follow.

### *Status and Market Factors*

Status and market factors are some of the main factors used by dealers in pricing art in elite art markets (Velthuis 2003). The QCA results highlight that even in a more typically or generic art market these elements are also found together. The following quotes, both from the same artist, a painter who also does commercial art, illustrate the connections between these two elements:

When I just started out I didn't have a lot of credential. And I was just beginning. And so I didn't feel like I could charge what a lot of more recognized artists were charging...I just feel like it's worth it more now than it was, even though I thought it was great in the past I was still new in the business....I mean in combination with the experience it's um credibility based on accomplishments, you know, and shows and stuff, If you win awards and stuff it helps.

I did sell a piece...for 3 thousand dollars, but it's the market. If you know if the market can bear it. I couldn't have done that several years ago, because I didn't have any kind of reputation and they're like, "Okay, why is that worth it?" But now that I've got a little bit of you know, I'm old, I'm getting older so, that's like I've just had more experience. And with the gallery at Palm Resort and having so many pieces in major cities and all across, I have a little bit more weight when it comes to pricing. But...when I go to shows, I still don't want to be so far out of the mainstream pricing that people won't even take a look at it, you know. So I'm probably just above average.

This artist, in her forties, has been supporting herself and her family on her art for seven years. When she began selling her work seriously she considered the work to be good, but she did not price it as high as she does today because she had not established herself as artist. Now she has her own exhibition space at one of the finest resorts in the

city, a location that attracts wealthy visitors from out of town. She has had accomplishments like winning awards at competitive art shows and having her work purchased by collectors across the country. In fact she associates what “the market can bear” with her reputation as an artist. However even though she is more accomplished than when she began, at art shows she wants to stay within the price range of the work being shown, so as not to price herself out of the market.

### *Market Factors and Expenses*

In contrast to the combination of MARKET and STATUS, which is observable in elite art markets as well as among some Pueblo artists, the combination of MARKET and EXPENSES is a more craft-like approach. Some of the artists interviewed replicate their work. Each piece is made by hand, but they may make the same style of vase or functional art repeatedly. The artists who replicate their work, taking a more craft-like approach, were likely to fall into this type.

The following quote is from an artist who creates decorative and functional art using recycled metal. She sells her work wholesale to shops, some in other states. She also shows frequently on the art fair circuit, setting up a booth with her art. Most of her work sells for less than \$75. Here she discusses consideration of market factors, especially demand with reference to expenses:

[When pricing] Generally what I do is try to go with the lowest amount of money on wholesale to be able to make a little bit of a profit, and then I double that, and that’s what I sell for retail, which is kind of common. But a lot of people give me a hard time saying that it’s too expensive at retail. But if I halve it, I’m not gonna make any money off

of it wholesale. So if that kind of product runs like that then I just liquidate it out. I just won't make them or sell it anymore. It's just not worth it. There is no gain, but this one flower that I've been making, has been wholesaling at eight. And they've been flying out of my stores at sixteen and I took them to the shop... and I was like, "You know, maybe we should do sixteen?" And they were like, "No, twenty four." But I don't know how many they've been selling, so a lot of these places I actually kind of look up to the shop owners who kind of tell me.

Now that much of her art is sold through shops and she is involved less with direct selling, she must rely on the shops that buy her work to gauge demand.

This artist is also concerned with expenses, although not typically the time and effort that a piece created. She is willing to self-exploit learning how to work faster at creating a particular piece. Therefore she does not consider her time to be a factor in the value of an art object she has created, again invoking demand:

Pricing is probably the most difficult...thing. A lot of people, they want to know how much time, effort is in it. And to me that's such a ridiculous thing for someone to ask me because, people care less about the value of piece of art by how much time is put into it, honestly. They could really really care less, but to me it's how much is the person willing to pay for it.

At the same time this artist is concerned about some types of expenses. She keeps in mind the shipping costs when deciding what work to create and sell. Since she sells much of her work wholesale to shops in other cities, she does not create items that are costly to ship. She is also working on a project that will train a group of women in a less developed country to make some of her art products. Her motivations include providing her future employees with a sustainable income. She is also motivated by the desire to

keep her expenses down, by having skilled laborers make some of the art products, enabling her to maintain competitive prices.

### *Value to the Artist*

The other type is the value of the work in the eyes of the artist. This type is often combined with status factors, as indicated by the angle between STATUS and ARTVALUE and the origin. This is the case with the well-known ceramic artist described to me by others as the “art man about town.” He explained to me that he does not rely on size, even though he recognizes that many other artists do. Instead he decides how good he thinks a particular piece is in consultation with his partner:

It’s like, well you can go by size, like 50 dollars an inch, or something like that, and um, I tried that head on for a little bit also. And it’s just like...this doesn’t work. And so...I probably price them according to...how much do I like it...So when customers ask me, “Why is this one? This is a larger one, but it’s priced lower?” It’s because it’s based on how much I like it. And then that’s how I price things.

The same artist indicated that he has raised prices based on his stature within the local art community. He has sat on the boards of a number of non-profit art organizations and has organized several local art events, and this visibility has led him to increase prices on his work:

[What kind of factors led you to increase prices?] Reputation, lots of volunteering, having my name out there quite a bit in whatever capacity. So, it’s just the more people read about it. I had two people this morning at the post office I ran into say, “I saw you in the newspaper.” ...So for me that’s advertising via volunteer work...So it feeds right into my sales at the gallery for instance. [So reputation is the main factor for increasing prices?] Yeah, it’s a big part of it.

This artist is one of the three cases in the configuration circled at the top of Figure 3.2. Interestingly the other two cases are an art student and an artist who was preparing to enroll in art school at the time that I interviewed her.

Having discussed the configurations of pricing elements found among the artists interviewed, it is useful to consider some of the possible configurations that do not exist. Status is an element found in many configurations. It also is a factor used in elite art markets. However none of the artists interviewed rely exclusively on status or combined status with size alone when pricing their work. When status was invoked it was often combined with other elements, especially market factors. It is not surprising given that the two are linked: market factors like demand can be an indication of status. For example when an artist's shows sell out, his or her reputation typically increases.

Several artists suggested that the price itself signals to potential buyers the reputation of the artist and therefore the worth of the art. One sculptor has found that if he raises a price it is more likely to increase interest in the work:

And I don't know what it is, but sometimes people just think it's worth more when you go up and sometimes they go the other way too." [Right, so sometimes raising it can stimulate people to buy it.] Yes, yeah they think it's worth more. Whether it is or not doesn't matter, but they think it's worth more.

Many artists mentioned the possibility of undervaluing work, pricing it so low that potential buyers do not take it seriously or consider it respectable art. A gallery owner described the following scenario:

We've had several cases where people come in, and they look at a painting. And they go, "That's a beautiful

painting! I love the painting! I have just the spot for that painting! It's just the painting I've been looking for!" And they will walk up, look at the tag, and go, "Oh, it's only 2000 dollars. I thought it would be 10,000 dollars." And then they'll walk away and never look at it again. And what that tells me is that that person is... a person with a 10,000 dollar spot on their wall. They are looking for a 10,000 dollar painting, and they are going to go buy a 10,000 dollar painting... There's plenty of people who will just buy a 1000 dollar painting because they know a good thing, but a lot of people don't have that much faith or they don't really know what is good art versus bad art. And if it's 1000 dollars, it must be not that good.

The same gallery owner has observed that price is a stronger signal of value for abstract art as compared to more realistic work:

A lot of people don't necessarily understand abstract work fully, so they take the price tag very seriously when it comes to gauging how good, accomplished, or worthy that art is. Where if it's a beautiful picture that they like, maybe they're willing to spend 10 dollars on it, just because it's a beautiful picture that they like... But if it's an abstract piece or hard to understand, they do not want to spend 10 dollars on it, because they don't really understand it. But if it was 10,000 dollars, and they were looking for a 10,000 dollar piece, then they'd say, "Oh! This is a very respectable piece. It must be really good."

In the next section I will talk about some additional pricing elements that were not as common, but demonstrate the diversity of considerations that can go into pricing art.

### **Less Common Factors Included in Pricing Decisions**

Accessibility is a consideration for several of the artists interviewed. As discussed in the next chapter, some artists exchange their work in certain types of contexts in order to increase accessibility. Some also make reproductions such as

digitally produced prints or note cards. However some artists create and price original art with accessibility as a consideration. For example an artist known for printmaking (original prints made from plates as opposed to digital reproductions of art), indicated that enabling more people to own his work was a factor in his decision to focus on printmaking. He was a tenured faculty member in the art department of a local university, before leaving academia to focus on his art and teach in the community. Making his art accessible seems to have been a factor in his pricing decisions:

I became a print maker in part because I was much more interested in the populist access to art than I was in the mandarin. They call it the mandarin, the small society of extremely wealthy people who buy and sell art as a kind of...aesthetic speculation...So I got into print making because I could make more people originals. So it seemed to me if I was gonna [make a living at art], and I did, I raised four children, put them into college. I was a successful American print maker...I had at one time in my heyday of my career, in my thirties and forties, as many as eight galleries around the nation, a couple here... You know my prices through those times were things that any person with say a reasonably secure middle class job [could buy one]...If it was in today's market, I would say anybody with a 40,000 dollar a year or up [income] and a small family could afford to buy, occasionally, an original print. Today one of my prints sells for maybe five to six hundred dollars would be the high end, and a couple hundred bucks would be the low end. So it's reachable to anybody who loves art.

Another artist indicated that government definitions of art have influenced her pricing. She raised her lowest prices to \$100 after she learned that the IRS does not consider something an art work unless it is sold for \$100 or more. She had been selling some miniature paintings for less, but proceeded to increase the prices so that all of her sales would be considered sales of art by the government.

Some artists use more idiosyncratic criteria in their pricing decisions, such as where the work was created and the difficulty involved in creating the particular piece. A watercolorist who routinely paints on location in countries outside the United States explained:

My husband reminded me, if you do it in a foreign country, you have had to pay for all that transportation to get there. You are not going to go back to the same site for 2 or 3 days like you do in town. So if you get a good one, you have really done a good painting, and it shows you have a lot skills, so, he said you probably ought to add a 100 or a 150 to each original that you did in a foreign country, so I did that for awhile.

Other artists indicated that they sometimes increase a price, because of the inconvenience involved with creating it. An oil painter described a situation in which she added an additional \$800 to a painting of a sunrise. The painting was done on location while watching the sunrise. This meant she had to be working at 4 a.m. for many mornings to complete the painting. Knowing that the subject matter would be popular with buyers and desiring compensation for the inconvenience, she added the extra charge. It sold at the asking price.

Another factor mentioned was the need to sell the art. This was mentioned by several artists who show their work in outdoor art festivals. If getting money is a priority, prices thought to be attractive to buyers will be created on the spot. One artist who sometimes bases his prices on need explained:

If I need \$500 today, I might sell that sculpture for \$500, because that's what I need today, you know... I mean I have set prices but there's no real rhyme or reason to some of it at all, and I don't believe there is for a lot of art.

Another sculptor who shows at outdoor festivals, explained that he does not price his work until people inquire about it:

So I just kind of had numbers in my head that I wanted for each thing. Say I work a week on a stone carving...If all the hours added up in that,...it might be like 500 dollars worth of hours. But I would like to make, you know 800. That's an example of one that I sold for 800. It was a smallish stone carving. But, the numbers, I would just spit out numbers. Someone would ask and just without a hesitation I would say yeah, that's 1200 [dollars]. [If somebody asked about a sculpture later in the day, did you give them the same price that you gave someone earlier in the day?] Not on Sunday! [Not on Sunday?] No, I'm just joking.

Although he said that he was joking about lowering the prices on Sunday, at the end of the weekend, later in the interview he said that he has changed prices at the end of the show usually to a lower price. At the end of a show he starting to think about packing the unsold sculptures into a van and driving them home, where he will have to store them until the next show.

### **Conclusion**

In this chapter I described how artists go about pricing their work and the variety of factors they consider in the decision. The most common factors include the size of the work, status including both the artist's own reputation and the level of prestige associated with the media, the value of the work to the artist, market factors especially demand, and the expenses involved in creating the work. I also discovered that most of the artists interviewed consider more than one of these factors when pricing their work. Therefore I

was able to examine styles of pricing decisions as combinations of factors and to examine the relationship among pricing factors based on my interviews with individual artists.

I used Qualitative Comparative Analysis (QCA) to examine the configurations of factors present in the accounts of the artists I interviewed. With this method I inductively constructed empirical types of pricing styles. I also examined the relationship among pricing factors using the relational method of Correspondence Analysis. The results of these formal methods of data analysis indicate that a majority of the artists make decisions that fall into two empirical types: a combination of status and market factors or a combination of market factors and expenses.

The Correspondence Analysis also suggests that status and expenses appear at opposite ends of a dimension that captures artists' orientation to their work. Pricing based on expenses is a more craft-like approach to art. As with many other types of products, expenses and market factors may be considered in pricing decisions. In contrast artists who focus on status tend not to consider expenses as a factor in their decision-making. Pricing based on reputation is advocated by many art galleries and more commonly found among artists oriented toward fine art. At the same time, status factors are frequently combined with market factors. Reputation is in part linked to success in the market: one measure of the prestige of an artist is whether or not her work sells. Fame, at least in an artist's lifetime, and economic success are connected.

In contrast to expenses, size, and status factors, the formal analysis suggests that the value of the work to the artist herself is not correlated with market factors. An artist's own estimation of the value of the work is method of pricing that transcends the

commensuration process of the market. Thus a second dimension describing the relationship among elements of pricing decisions concerns value. At one end of this dimension, value is determined in the market. On the other end, value is based on the subjective evaluation of the person who created the work.

In summary the analysis of the pricing decisions of visual artists suggests several relationships among the factors that inform pricing decisions. First consideration of market factors like demand is not incompatible with consideration of factors related to the artist's reputation and the prestige of the media used. Second some producers of art may be more oriented to the craft end of the market and others to the fine art end. These distinctive orientations may shape pricing decisions. Third, pricing based on the artist's own sense of the worth of the art object and pricing based on market factors tend not to be combined in a pricing decision.

## **CHAPTER 4: EXCHANGE CONTEXTS AND THE PRICING OF ART**

To understand the diversity of styles of pricing employed by artists, it is necessary to understand the contexts in which art is exhibited and sold. In chapter three I described the variety of approaches to pricing taken by visual artists working in Pueblo. I identified particular styles of pricing comprised of configurations of pricing elements. In this chapter I demonstrate that particular exchange contexts provide the framework within which pricing styles take on particular forms. Through examination of the contexts in which pricing decisions are made, I also explore the exceptions artists make to their general method of pricing, such as giving discounts to particular types of buyers and subjecting art to auctions as a means of setting the price.

As described in chapter three, visual artists in Pueblo sell their work in a variety of settings, including art galleries, gift shops, art festivals, and artists' own studios or homes. These settings are one aspect of the context in which artists price their work. In this chapter, I extend the discussion of contexts beyond physical settings. I examine contexts in terms of the meanings associated with the economic activity of selling art. I also examine contexts in terms of the structure of the social relationship between the artist and the art buyer or prospective art buyer. Exchange contexts within which artists price their work vary across both of these dimensions, meaning and relationship structure.

To examine the meanings associated with the sale of art, I draw on Weber's (1947, Biggart and Delbridge 2004) distinction between the types of orientation that economic actors may take toward their economic activity. Action may be based

primarily on instrumental goal maximization, or action may be guided primarily by values that suggest the appropriate method of pursuing goals. While useful in its own right, this distinction alone does not fully account for the diversity of goals that may motivate economic activity. While in some contexts the desire for economic gain may be the primary goal, in other situations the end goal may be to increase status. To take these differences into account, I also examine the meaning associated with exchange in terms of Bourdieu's (1993) distinction between competing sources of legitimacy within fields of cultural production. Depending on an artist's particular position within a field of cultural production, legitimacy may be based primarily on making money (economic capital) or increasing reputation within the art world (cultural capital).

To examine the structure of the relationship between the seller and buyer within particular exchange contexts I draw on core ideas from economic sociology regarding the social embeddedness of economic life (Granovetter 1985, Uzzi 1997, Biggart and Delbridge 2004). While mainstream economic theorizing typically assumes that all exchange partners are held at "arms-length" and that people seek transactions based primarily on price, other sociologists, as well as economic historians and anthropologists, have pointed out that many economic transactions involve people who are involved in ongoing social relationships with each other and the nature of the relationship between exchange partners frequently influences the exchange, including influencing the price.

My findings support the idea that multiple and mixed motivations often underlie economic transactions, an idea rooted in classical theory on economic exchange (Mauss 1967, Weber 1947). My findings also demonstrate that the same individual economic

actors often engage in a variety of forms of exchange, a possibility not fully accounted for in either the typologies of Biggart and Delbridge or Bourdieu. In addition my findings contribute to the literature on variation within capitalism (Biggart 1989, Schneiberg 2002, Berk and Schneiberg forthcoming) by demonstrating that a diversity of forms of exchange may be found even within one industry or market, within one geographic location, and during one period in time.

### **Contexts of Exchange: Meaning and Structure**

Biggart and Delbridge's (2004) classification of systems of exchange provides a starting point for the exploration of the influence of meaning and structure on the pricing decisions of artists. While Biggart and Delbridge developed their typology as a tool to aid comparison of exchange systems cross-culturally or across industries, I apply their typology to producers of visual art in one city and time period, demonstrating that even similar economic actors participate in a variety of types of economic exchange. I then demonstrate that the type of exchange context influences the style of pricing used by artists.

Using concepts from institutional economics (Williamson 1985), network approaches to understanding markets (Granovetter 1985, Burt 1992), and cultural sociology (DiMaggio and Zukin 1990, Zelizer 1994), Biggart and Delbridge (2004) develop a classification scheme of systems of exchange. Motivated by comparative and historical research investigating the different ways that markets can be organized, the typology was developed to classify different types of exchange arrangements. Biggart

and Delbridge (2004) consciously chose the term “systems of exchange,” instead of “markets,” in order to emphasize that the price-based market is only one manner in which goods and services can be exchanged in a society. Types of exchange that differ from the price-based market are not viewed as corruptions or imperfections of “true” market relations, but rather as qualitatively different approaches to economic activity. Identifying the basis of action and the structure of social relations as two fundamental aspects of exchange, they create a two-by-two table illustrating four types of exchange.

***Meaning: The Basis of Action***

Biggart and Delbridge (2004) describe the first dimension of their classification scheme as the basis of action. Exchange systems can either be based on instrumental rationality or substantive rationality. With instrumental rationality action is oriented towards the optimization of ends. Weber (1947) referred to this type of social action as *zweckrational* and described this form of action as involving the accounting and weighing of various means of obtaining an end, but also of weighing the desired end against other possible results of pursuing a particular course of action, and of weighing the relative importance of alternative ends. Therefore, instrumental rationality involves a cost-benefit analysis in which individuals select among different means of optimizing their end goals. The end goal of economic action is typically maximization of profit. However action may be oriented towards other ends, such as increasing one’s status.

In contrast substantive rationality is oriented towards values. This is the form of social action that Weber (1947) referred to as *wert*rational. Typically there are goals in

mind, however the probability of success is not the most critical factor. The means are valued for their own sake. Biggart and Delbridge describe substantive rationality as oriented toward both ends and means, since action is selected on the basis of jointly optimizing values and outcomes. Individuals have end goals in mind, but they do not proceed in the selection of means based on cost-benefit calculation. Instead their moral code based on personal or community values leads them to select particular means for pursuing their goals.

Scholarship on the ways people understand their own economic transactions suggests that people enter exchanges with a variety of goals in mind, not all of which involve maximizing material wealth and employing instrumental rationality. For instance, the literature on female entrepreneurs suggests that women often choose entrepreneurial activity as a way to avoid discrimination in conventional work environments or as a means of mediating conflicts between work and family (Goffee and Scase 1985, Cromie and Hayes 1988). Other research suggests that people often understand their own exchanges in a variety of ways, often simultaneously (Davis 1992, Zelizer 1994, Folbre and Nelson 2000).

***Structure: The Social Relationship between Exchange Partners***

The second dimension identified by Biggart and Delbridge (2004) involves the structure of social relations. Drawing on Parsons (1968 cited in Biggart and Delbridge 2004), social relations may be structured as either universalistic or particularistic. Relations structured as universalistic are subordinated to a suprarrelational standard. All

exchange partners are treated the same, whether the people involved have an ongoing relationship or are strangers. Universalism is one of the chief characteristics in the Indonesian bazaar system described by Geertz (1963), in which fathers and sons or even husbands and wives tend to exchange with each other in the same way they would any other exchange partner. Everyone who buys, sells, and trades is endeavoring to maximize personal gain. Universalistic relations are what Uzzi (1997) calls arms-length ties. In contrast to universalistic relations, particularistic relations are what Granovetter (1985) and Uzzi (1997) refer to as embedded relations. The nature of the party's relationship to each other is taken into account in the exchange.

Within the sub discipline of economic sociology the social embeddedness of economic transactions is a central theme. This approach challenges the neoclassical economic assumption that exchange partners have arms-length ties and the choice of business partners is based primarily on price. Granovetter (1985) argues that purposive action is often embedded in ongoing, concrete systems of social relations. Trust is often generated through networks of relations. People like to know the reputation of another person before selecting him or her as a business partner; it is even better to know someone who has conducted business with that person before; and it is better still to do business with someone with whom you have personally transacted in the past. Uzzi (1997) further explores the embeddedness of economic transaction in an empirical study of entrepreneurial firms in the women's better dress industry of New York. Uzzi finds that many exchanges are embedded in existing social relationships (either existing prior to exchange or created and maintained after becoming exchange partners). Often in these

relationships people satisfice, rather than maximize on price. One goal is often to cultivate long-term cooperative ties, which promote trust, the transfer of information, and joint problem solving. In a study of pricing in law firms Uzzi and Lancaster (2004) find that the character of the client-firm relationship (measured by the time length of the relationships) influences price; lower charges are correlated with on-going relationships. However, embeddedness can also be a liability, such as when an industry is over-embedded and cannot withstand pressure from an external source or when a key actor in the network leaves, causing significant disruption to the local system (Uzzi 1997). Uzzi (1997) proposes that the best situation is to have an integrated network in which some ties are close and others are arms-length.

Scholars interested in gender and entrepreneurship have investigated women's ways of doing business. Findings suggest that women's business relationships tend to be more integrated with family and personal relationships than the business relationships of men (Brush 1992). In a study of direct selling organizations like Mary Kay and Tupperware in which much of the sales force is female, Biggart (1989) notes that the use of existing social relations and networks is encouraged by the organizational culture.

Recent research also demonstrates that it is not uncommon for people to buy or sell consumer goods with people they already know. DiMaggio and Louch (1998) investigate the common assumption that market exchange involves impersonal transactions among strangers. Using GSS data that asked respondents about buying and selling cars, homes, and other consumer goods, they found that substantial amounts of transactions happen between people who know each other.

Having discussed key dimensions of variation between the systems of exchange classified by Biggart and Delbridge, in the next sections I apply these ideas to the sale and pricing of visual art in Pueblo. Rather than using the term “systems,” I prefer the term “contexts” to highlight the fact that I am applying these ideas at the level of individual economic action rather than comparing entire industries or national economies. Figure 1 summarizes the classification of contexts in which art is sold according to the basis of action and the type of relationship between exchange partners. Through interviews with artists I have discovered that even in the same city there are artists participating in each of the contexts of exchange, and in many cases the same artists participate in multiple contexts either at different stages of their career or coterminously. In the next section, I will discuss each of these contexts and identify the style of art pricing prevalent in each. The styles of pricing that I found in each context are also summarized in Figure 4.1.

### **Pricing within Contexts of Exchange**

#### ***Instrumental Rationality and Universalistic Relations***

When action is based on the desire to maximize economic gain or other goals and when all exchange partners are treated in the same manner, exchange is most like the price system of the market as theorized by economists. When artists sell their work in this context, they tend to price their work based on demand. When the art work is selling out and the artist is not able to keep up with the demand, prices are raised. At the same time few artists indicated that they lower prices based on a lack of demand, as would be

**Figure 4.1: Contexts of Exchange**

		<b>Structure of Social Relations</b>	
		Universalistic (Arms-length)	Particularistic (Embedded)
<b>Basis of Action</b>	Instrumental Rationality	<p>"Price System"</p> <p><i>Limited Editions</i> <i>Art Sold in Gift Shops</i></p> <p>Demand Based Price Increases No Discounts</p>	<p>"Associative System"</p> <p><i>Network Selling</i> <i>Home Art Shows</i></p> <p><i>Gallery Openings</i></p> <p>Discounts to Collectors Discounts to Friends</p>
	Substantive Rationality	<p>"Moral System"</p> <p><i>Charity Auctions</i> <i>"Good Energy" Barter</i></p> <p>Prices Subject to Auction List Prices Used in Barter</p>	<p>"Communal System"</p> <p><i>Art to a "Good Home"</i> <i>Barter among Friends</i></p> <p>Discounts for the Appreciative Barter without Prices</p>

Adapted from Biggart, Nicole Woolsey and Rick Delbridge. 2004. "Systems of Exchange." Academy of Management Review. 29(1): 28-49.

expected in a pure price system. Price itself is a strong signal of the quality or value of the art work, therefore many artists try to avoid lowering prices. Consequently artists must be confident that they have experienced an increase in demand before they decide to raise their prices.

Art in Pueblo is frequently exchanged in an instrumental and universalistic context. While some sales of art in galleries involve exchange characterized in this way, this context is more common for art sold in venues such as pottery shops and gift shops. The art itself is often functional, such as vases suitable for cut flowers, ornate boxes that can be used for jewelry or the storage of other small objects, or serving dishes suitable for use at the table but often displayed as decoration. While each piece is handcrafted, the artists who sell in these contexts tend to produce a large quantity of pieces in one style, for example many bowls of roughly the same design and size. Some may consider the work itself to be at the border between craft and art. I interviewed several ceramic artists, as well as artists working in metal or glass, who sell art in this type of context. In the following quote an artist discusses pricing for a style of vase that he sells at several pottery shops in Pueblo, as well as a store in a nearby tourist town. The shopkeepers handle the sales of the item; rarely does he meet the customers who buy his vases.

And it is priced to sell...I make so many of them that I don't consider it a piece of art anymore. It's a bread and butter item. Something that makes money for me. Anybody else who makes these seems to price them at about twice what I do. Because they say, you know, well it takes me a long time to make them. But I've made so many I can just whip them out, nothing. It takes me less than a minute to throw them. [So what do you price one of those at?] That one's selling retail for 15 dollars. I just raised the prices from 12.50 to 15, because I am selling too

many. I wanted to slow the sales down a little bit. If they don't slow down, I'll just make more money!

His decision to raise the price was based on demand. He was having difficulty filling his shops' orders for more vases. He raised prices to slow down sales, but is willing to make more money if the demand continues even with the price increase. This artist also was instrumental in his choice of clay as his medium. In fact, he chose clay as his primary medium because he perceives the market for pottery to be better than the market for oil paintings, the medium in which he had previously worked before becoming a professional artist. While handcrafted, after years of practice he can now make many ceramic items quickly and efficiently.

As is the case with many artists, the type of context discussed above is not the only type of exchange in which this particular artist engages. He sells what he refers to as his fine art vases in several art galleries. However, in the winter tourist season, he tends to focus on making and selling art in the pottery shop context. The high volume of sales help him meet his economic goal of supplementing his retirement income with an average of \$800 a month in income from the sale of his art.

Prices increases based on demand and other market factors are found not only in shops selling functional art. Prices for art sold in galleries are often increases based on demand. Many of the artists showing in galleries and the gallery owners with whom I spoke referred to demand as one of the criteria for increasing prices. This is especially true for art produced in editions, such as prints and some sculptures. Sculptors working in metals like bronze often have editions of a particular work. Bronze sculpture requires the creation of a mold; molten metal is poured into that mold to create the sculpture.

Since the mold can be used more than once, artists will sometimes make more than one sculpture using the same mold. They may make a specified number of sculptures such as a limited edition of 40 sculptures, or they may consider an edition unlimited and continue making the sculpture as long as people continue to buy it. A successful wildlife sculptor explained that he often makes editions of a particular sculpture. In pricing works in a limited edition, he increases prices based on demand. If he sells 5 in the edition he will raise the price, and perhaps raise it again after 10 have sold. Consequently the customer who purchases the first sculpture in the edition pays less than future customers who purchase the same sculpture. With original paintings and sculpture demand can also be a reason for raising prices. If an artist's last show sold out or they are sending paintings to the gallery with wet paint in order to keep up with the requests for more paintings, these are indicators of demand sufficient to increase prices. With higher prices both the artist and the gallery are more likely to see a profit.

Another example of universalistic and instrumental exchange is found among artists who choose not to give price discounts; exceptions to the full price are not made for special types of customers. While most artists reduce prices in some situations, for friends or collectors for example, the following quote was from one of only a few artists who indicated that they never reduce prices for any exchange partner. This particular artist works in ceramic and sells her work both in pottery shops and at art galleries in Pueblo and another Western city. The following is part of her response to the question of pricing for different types of settings, including when people come to her studio to buy work:

I try to be very, very consistent. However, if I'm in a fancy gallery. Perhaps one that's in a fancier part of town or a more expensive community...I take them the very best ones and of course the prices are going to be slightly higher. But if somebody comes to my studio by appointment, I have to get cleaned up. I have to get my studio cleaned up, my bathroom. It takes up my time, and I charge the same as the gallery charges. I don't give people a break if they come to me privately, because that's undercutting my gallery and it devalues my time, and it trains people to try to take advantage of both the gallery and the artist. A lot of galleries will dump your work if they hear you have done that. It's unethical.

Knowing that shops and galleries take up to 50 percent of the price, some potential buyers will come to an artist's studio or contact an artist directly hoping that they can make a deal with an artist. They may offer the artist a price below the gallery price, but above 50 percent of the gallery price. While striving for consistency in pricing, this artist justifies her no-discount policy by indicating the costs involved in showing work privately to potential customers. When pressed she did admit that there were several types of people who could get a discount: her mother, people who have done good things for her mother, and anyone with whom she is currently sleeping. Even an artist with a policy of no discounts makes exceptions.

To summarize the pricing of art in this type of context, when the artist's orientation to their economic action is based on instrumental rationality and when they are in a situation in which exchange partners are held to the same suprarational standard, price increases tend to be based on demand. I have also found that in this type of context, price discounts are rarely made, a situation not observed in the other types of contexts.

### *Substantive Rationality and Universalistic Relations*

Other exchanges of visual art can be characterized as substantive and arms-length. This system of exchange is what Biggart and Delbridge (2004) refer to as the moral system. I found that in this context artists may value a certain method of selling their work for its own sake, even if this means selling the work for a lower price or trading the work for goods or services offered by others with a preference for barter. Pricing in this context may involve letting the price be determined in an auction, which usually results in a lower price. Pricing also may involve trading the work for goods or services offered by an exchange partner who believes in barter, rather than selling the work for money.

Ironically, in the Pueblo art world one example of an exchange context that has characteristics of the moral system is found at auctions. Auctions are often thought of by economists as ideal situations for price-setting (and characterized by instrumental rationality and universalistic social relations like the context previously discussed), but as Smith (1989) has shown many auctions are better characterized as social processes for constructing agreed upon definitions of value and ownership. With contemporary art, it is thought that auctions will lead to lower prices than can be obtained in other venues, because the construction of value is thought to require signals such as where the work is being shown (on a sidewalk versus one of the better galleries in town) as well as the price itself (if potential buyers observes prices they consider low, they may assume the work is not very valuable). Therefore typically only the works of old masters, deceased artists with an established sales record, are sold at auction (Moulin 1989). In Pueblo, and

probably in other U.S. cities, charity auctions are an exception to this general observation that contemporary art is not subjected to auction and auctions occur even though artists and gallery representatives perceive that auctions lead to lower prices than other types of sales.

Charity auctions are held as fundraisers for non-profit organizations, and occasionally to benefit an individual in need. Typically artists are asked to donate a work of art, which is then sold through either a live or silent auction. Sometimes the auction has a theme, and participating artists create a work with the auction theme in mind. In most cases the entire proceeds from the sale go to the charity. In some cases the artist receives a small portion of the sale, such as 12 percent, with the remainder going to the designated charity.

Charity auctions appear to be a common feature of the local art scene in Pueblo. In one four week period of my fieldwork I attended three such auctions. These included a live auction to benefit a non-profit economic development organization, a silent auction to benefit the local arts council, and a silent auction to benefit an individual raising money for sex reassignment surgery. One established artist stated that she is solicited to donate art work to charity auctions every week. Several other artists indicated that they are asked about every month.

The director of a local arts organization that holds its own annual charity auction told me that many artists are reluctant to donate, because they believe that the work sold at auctions frequently sells for less than an artist's prices in galleries. The director was not sure that this is always the case. However she acknowledged that some artists

perceive the sale of their art at charity auctions as a devaluation of their work. In my interviews with artists, more than one person complained that it is unfair to expect struggling artists to bear so much of the burden for charities. The director of a non-profit gallery that hosts benefit auctions has observed that “the auction is a discount in itself, because it [the art sold] usually goes lower than what the art work would go for if just being sold normally.”

An artist who regularly donates, despite his concern that such auctions result in lower prices for his work, explained that he donates because of peer pressure. It is hard for him to refuse when someone he knows in the community asks for a donation, especially if the cause is something he cares about. Various artists mentioned their favorite causes, ranging from support for people living with AIDS to wildlife preservation. When asked to donate to charities benefiting the causes they consider important, many do not refuse.

Charity auctions are universalistic in the sense that the person willing to pay the highest price is the one who purchases the work; it does not matter if that person is a member of the local art community, an art enthusiast from out of town, or a business person looking to support the benefiting charity. However from the artists' point of view participation in auctions is not always instrumental. It is desire to benefit the cause, encouraged by social pressure from peers and community leaders that leads many artists to subject their work to price-setting at an auction.

Other artists indicate that participating in charity auctions is the right thing to do for reasons that go beyond the particular charitable cause. The following quote is from a

young painter who regularly donates, in part because lower prices at auctions allow her work to be accessible to more people:

You like to especially as your prices go up. You get this feeling of sort of like, well my art work is only accessible to rich people. I still want it to be accessible, you know, to friends and compatriots or something. And a lot of stuff that goes for charity auctions tends to be a lot cheaper. I kind of like that. Actually I like that greater availability, and I like getting out there, and I like the idea of giving something to a cause. You know, not just art as luxury item, but art as something that is causally driven. So I've donated.

The lower prices obtained at auction enable her work to be occasionally purchased by people she considers social and political peers, unlike some of the people who can afford her work when sold in galleries.

The director of the arts organization referred to previously in this section encourages artists to donate for instrumental reasons. She tells them that donating is a good form of advertising. People at auctions are exposed to the artists work, which can increase the artist's name recognition and facilitate interest in their work when sold in other contexts. At one charity auction I observed the owner of a local art gallery talking with an artist about how the auctions benefit artists. The artist, a recent immigrant from Latin America, was concerned that the bids seemed low. The gallery owner told him that although the prices obtained typically are not as high as an artist may get in a gallery, the use of the auction is for marketing. Participation helps get the artist's name out to collectors in the community. While some artists may agree, in my interviews with artists none mentioned marketing as a factors when discussing donations to auctions.

Some artists also express ideological reasons for exhibiting their work at all. One artist stated that “the job of the artist is to shake people out of mundaneness.” Some artists’ preferences for particular exhibition spaces reveal a balance between wanting to show art to people who might buy it and wanting to share their art with everyone so that many can take pleasure in it and be affected by it. For example a watercolorist indicated that she likes to show at the downtown library. Located near the courthouse, attorneys and other people with time on their hands view art on display at the library, and such people may be potential customers. At the same time many people with limited resources, including street people, who are unlikely to be welcome in a commercial art gallery or to buy art, view art at the library. While less art is sold from alternative exhibition spaces, like the library, more people can view the work while it is for sale.

Barter is another context in which exchange can involve substantive or value-based rationality combined with arms-length social relations. I asked artists if they have ever traded art for something else. Over half indicated that they have traded or have attempted to trade. A few actively attempt to trade their art for services or goods. For example a painter who regularly trades prints of her paintings explained that there is “a group of people that think trade is really good energy.” She seeks exchanges with these like-minded people, and she has traded for massages, acupuncture services, and spa packages. To facilitate the exchange, she always refers to the prices of her prints which she has listed on her website. If she has a print that is listed on her website for \$50, and she is trading with a massage therapist who charges \$50 an hour, she trades the print for one hour of massage. By using list prices, each trading partner gets the same deal.

I asked this artist why she considers barter to be “good energy” and she responded:

It’s important to remember that not everything is monetary all of the time. It’s like giving gifts to each other. And we all have things to offer each other. And that’s good.

She values exchanges outside the conventional marketplace. Unfortunately not everyone she wants to trade with is willing. This means that she forgoes some desired exchanges, because the other person is not interested in trading with her. However once she finds someone interested in barter, she attempts to treat each exchange partner the same by referencing each of their list prices.

In summary, compromises are made in contexts involving substantive rationality and universalistic social relations. Pricing decisions may involve subjecting prices to situations such as charity auctions that frequently result in lower prices. Pricing decisions may involve exchanging through barter while referencing previously set prices in order to determine the commensurability of the items being exchanged. This may involve trading for a good or service that is not the artist’s first choice, but the belief in barter as a superior form of exchange enables the compromise.

### ***Instrumental Rationality and Particularistic Relations***

Exchanges characterized by instrumental rationality and embedded ties are common in the associative system of exchange that characterizes many Asian economies (Biggart and Delbridge 2004) and in sales made through direct selling organizations in the United States (Biggart 1989). In some situations people use their existing social

networks for marketing and to find customers. In other situations there are economic benefits to cultivating on-going business relationships with the same exchange partner. Both of these forms of particularistic exchange relationships combined with instrumental rationality are found among artists in Pueblo. In this type of context, pricing usually involves giving discounts to particular customers. When art is sold through a gallery, price discounts are given to art collectors, who are often regular customers or people the gallery would like to be regular customers. In situations in which a collector has bought multiple pieces by the same artist, the collector tends to receive a discount. When artists market to their friends and other acquaintances they also tend to discount their work, either by lowering the prices before showing it to people in their social network or offering a discount to friends. Discounts are usually given in contexts involving embedded relationships and instrumental rationality. However occasionally potential buyers may be willing to pay a higher price for art created by someone with whom they are connected, as a way of strengthening the existing relationship.

I anticipated that the first sale of many artists would frequently be embedded transactions. This indeed is sometimes the case. Two artists had experiences in which a parent brokered the sale to a business associate of the parent. Several artists had their first sales through a school event, such as a teacher or board of education member purchasing a work at a high school art show. In other cases an artist's first sales are to a friend of a friend at a private showing. A watercolorist now in her 60s described her first sale as in this way:

“Oh, I sold the first one in high school... Yeah a man saw a picture of a yellow tree that I'd done in one of my art

classes... And this pipe salesman came in my father's office...and this guy said he just loved it, and he kept saying he wanted to buy it. Well, he may have wanted to get into my father's good graces and really have an in there and be his sole supplier...so I didn't want to sell it, 'cause I thought it was so pretty and it was most beautiful thing I had done. But it was this little tiny thing done with not professional grade; they weren't even artist grade; they were student grade paints, so they faded over the years. But I charged him. My mother's friend said, 'Well if you really like it put a really big price on it.' I said, 'Okay, I'm going to say 100 dollars' because I didn't think he'd buy it. And he did!"

To make the sale of the painting worth parting with it, the artist charged her father's associate a price that was high for the time period, and perhaps even high for a high school student today. In turn the salesman may have paid a high price for a teenager's painting, because she was the daughter of his business associate. Both were acting instrumentally.

Beginners are not the only artists who cultivate sales through their existing social networks. A common method of showing work for artists is home art shows, open studios, or even self-organized art openings at a night club. At these events an artist or a group of artists will host a party. They invite everyone they know. Food and drink is served, and guests mingle and talk while looking at the art on display. This approach to marketing is not unlike the approach of many direct-selling organizations like Mary Kay or Tupperware (Biggart 1989). An artist who specializes in mosaics and recently began showing paintings told me that she prefers selling her work at functions held at her home. In her view combining food, conversation, and art facilitates sales. She perceives that people who have had a conversation with her are more likely to buy her work.

A painter who markets her own work through regular events at a dance club believes that artists who rely heavily on self-promotion have to be good at getting to know people and cultivating relationships with people who buy their art. She told me the following story about a mistake she made at one of the opening she held to promote her work:

You shouldn't sell art yourself if you are not good with people. Some people don't buy it if they do not like you, and some people buy your work because they like you, especially in the beginning. You have to focus on giving attention to customers at openings. I have a doctor who has been an important client; he has bought several paintings. After an opening he complained, "I'm your biggest client, and you didn't even talk to me at your opening." When I have a big night I have a tendency to get too flippy and I might blow some people off. Openings can stress you out, but you have to talk to your clients.

Her client's comment reminded her that it is necessary to talk to the people interested in her work and maintain those relationships.

Art sold in art galleries is also often sold through existing and cultivated networks. Galleries host openings when they have a new show, which may be a one, two, or three person show or a group show with the work of many artists being shown together. Typically these events are held in the evening and food and drinks are served (often the classic reception fare of wine and cheese). The purpose is both to generate interest in the new show (the local media are often notified), but also to cultivate relationships with potential buyers and especially with clients who purchase art regularly.

In an interview, the owner of a commercial gallery told me that he believes that if an artist can talk about his or her work it increases the perception of the value of the work. When asked why, he offered this explanation:

I think a lot of people really like to know that the artist had an idea, that they believe in it, that they are impassioned by it. If an artist can express a lot of compassion and interest and caring about their work then that rubs off on the clientele. Also, meeting an artist just brings a human aspect to it. And we're all human, so if you like somebody you're more likely to buy from somebody. And if you like an artist, and you like what they have to say, and you like their idea, then you're more likely to buy...Selling human connection almost always increases the ability to sell the artwork...And that's what the power of a reception is: people come, and they meet the artist, and they get to know them. And if the artist is likeable then the chances of selling the work goes way up...So, being an artist I think is probably 70 to 80 percent a social relationships business and maybe a 20 percent, 30 percent quality of art business. If you can go out and build quality relationships in the community, build collectors, get people excited about your work because they like you and they like what your doing and like the way you talk about it, you will sell far more than a more talented artist who closes himself off in a room. He'll find less opportunities for showing. He'll find less opportunities for galleries. He'll command a lower price.

This gallery owner's suggestion that selling art is enhanced when the artist can talk about their work and when the artist is a likeable person points to a particular conception of value. Drawing on Marx, Podolny and Hill-Popper (2004) conceptually distinguish hedonic and transcendent conceptions of value<sup>9</sup>. With a hedonic conception of value "a consumer's perception of the value of an exchange offering is contingent on how that offering directly compares to other exchange offerings on a set of abstracted

---

<sup>9</sup> I owe this connection to Brayden King who suggested I look at Podolny's recent work on value.

dimensions” (Podolny and Hill-Popper 2004, 94). Valuation involves the consumer as a judge, breaking the object into key attributes each of which can be evaluated and summarized. The ideal-typical hedonic valuation is when a consumer magazine rates a product on various dimensions and aggregates the scores into an overall score for the product. Hedonic value involves using a common metric to compare different entities, which is what Espeland and Stevens (1998) refer to as the social process of commensuration.

In contrast to the hedonic conception of value, a transcendent conception of value is found “when the value that the parties derive from the exchange depends on the extent to which each becomes invested in the vantage that the other has regarding the object” (Podolny and Hill-Popper 2004, 94). Value is created through the reduction of social distance between the consumer and the producer. Transcendent valuation tends to be holistic. If art buyers are more likely to buy the art of an artist who they have met and of whom they have developed a favorable opinion, the art work itself is being valued based on a transcendental conception of value.

The gallery owner in the last quote believes so strongly in the importance of an artist connecting with potential customers, that he has stopped representing artists who were unwilling or incapable of talking with clients. He explained:

We have had to let artists go from the gallery that just weren't able to ever generate any kind of buzz like that...When they came to the reception, they didn't mingle...And you know it's really hard to sell artwork that way... Somebody says, “Well, where's the artist?” And you say, “Oh he's like out there [on the sidewalk] smoking a cigarette.” You know? And then he won't talk with them. Then the chances of them saying I'm going to spend

three thousand dollars on a piece of painted wood or painted canvas is pretty slim. Because really all paintings are is a...board, a canvas. So the value is really questionable and is totally based on a trust, a trust relationship.

It is not only the artists who build trusting relationships with the public and potential buyers. Especially when the artist is not present, gallery owners and their staff often tell people about the artist and the inspiration behind particular works. Galleries also have clients who buy from them regularly. Some galleries make an effort to maintain those relationships.

The owner of another commercial gallery explained to me why he rarely hosts public art openings for new shows.

There's this party-like-carnival atmosphere that happens in galleries that some people think is nice. But they [large public openings] really aren't about selling art. There's an impression out there that if the crowd looks nice, has a nice vibe, the artist has invited their peers, but those people don't buy art. The ones [art openings] we have here are people buying art. I can introduce them to the artist, maybe start a conversation. And its very nice. It's a good selling time for us. If we make a 2000 dollar sale, that's a 2000 dollar sale. And a lot of galleries starting out do these senseless, waste of time events, where hangers-on come, and they learn eventually...But we like the exclusivity and to target the market.

In his opinion many of the people who come to public events attend for the free wine, or to see and be seen with the downtown crowd. They do not come because they intend to buy art. Instead of big openings, this gallery hosts small events and they invite collectors and other clients they have sold to in the past. In an intimate setting it is possible for art

buyers to meet the artist. At the same time the gallery is providing an exclusive event for their regular customers.

Getting to know regular customers is part of the business of running a gallery. The owner of another commercial gallery said that with regular customers sometimes “when he walks through the door, we know what he’s going to buy before he knows it.” This enables the gallery staff to steer the customer to the part of the gallery with the works that they know he or she will appreciate. People who buy art regularly often get a discount. Gallery owners told me that a collector’s discount is usually 10 percent. Some artists give discounts to their collectors even when they sell directly to a customer, not through the gallery. A painter described her pricing for her best customer like this:

There’s this one woman who must have 15 paintings of mine. So when she wants a painting I’m like, “How much do you want to pay for it?” [laughs] Because she also like really helps me and is supportive. After people own like two or three pieces I usually do sort of a standard collectors discount, which is 10 percent.

Another gallery owner avoids discounts because he believes it devalues the work to lower the price. However he will offer other incentives that in effect lower the cost to the customer, such as offering to pay the sales tax or to include shipping for free. There may be no difference between a 10 percent discount and free shipping in terms of the amount of money that a person buying the painting has to hand over in order to acquire it. However the cost of shipping and the price of the painting are thought of as two separate types of prices, not unlike Zelizer’s (1989) discussion of the lack of fungibility of money given that people earmark certain funds for particular purposes.

Sometimes gallery owners will give gifts to maintain a strong relationship with a particular client. When asked about repeat customers, a gallery owner told me about one in particular:

We have one man here. He's not a wealthy man, but he has a very, very large collection of one of our artists, a young watercolorist who does a great job. And when we got the first oil painting that the gallery ever had from that young artist we gave it to him [the collector]. We bought it from the artist and gave it to him so that he would have that.

Essentially the price of the new painting was free to this collector because he had purchased so many of the artist's other works. Giving the new work was intended to strengthen the relationship between the collector and the gallery with the hope that the collector will continue to buy the work of this artist. Cultivating these embedded ties involves giving some customers special treatment in terms of price and exclusive viewing of new art. However it is instrumental because it develops the trust sometimes required to sell art and encourages customers to continue doing business with the gallery or the particular artist.

### ***Substantive Rationality and Particularistic Relations***

People employing substantive rationality select actions based on the desire to jointly optimize values and outcomes. While people may have goals in mind, their moral values lead them to select particular means of pursuing those goals. I interviewed several artists in Pueblo who engage in exchanges of this type. Some artists prefer selling to friends because they value selling to people with whom they have a connection. In their view, transacting with friends is a type of exchange that should be engaged in for its own

sake, as well as for pursuing the goal of selling art. Based in these beliefs, they seek exchanges with people they know. Other artists are most comfortable selling their work to people with whom they have created a connection, sometimes around the artwork itself. The result for pricing in this context is that artists are more likely to give price discounts. Potential buyers with whom they have interacted and who appreciate their work tend to be given discounts. When the exchange involves barter, artists in this context are more likely to trade without reference to prices. They are less concerned with commensurability, because of their eagerness to share the work.

I interviewed an artist who markets her work exclusively through her social networks. She explained that this approach fits with the message contained in her art as well as her philosophy of life. Since she markets through her connections, she usually always knows the people she sells to in some way. The “interchange” is part of what she likes about being an artist. She believes that “interconnectedness is innate, but we ignore it.” The art she creates is meant to express connectedness, even when others do not see it. She described a large mosaic she was commissioned to create for a small town in New England. The theme of the work is that humans are “stronger because of their connection.”

Describing a current situation in which she is painting a mural for a client, another artist explained:

I feel like we are speaking the same language. I feel like she's really going to be pleased. She's happy to have an artist in her space. She's want to create energy. She's not real specific about, “oh the cactus has to look like this; it has to be realism.” She's really open...Sometimes with people they are looking for the experience of having an

artist work for them and enhance their space. And it doesn't have to be something really specific. So it seems like people who really enjoy art are open to the artist. And then there are the exceptions of people who really want something specific. And sometimes you just turn those jobs down, because you realize they're looking for a cookie cutter kind of. They'd be better off just going out and buying a wallpaper mural and having someone put it up. They're not looking for the artist's energy to come through.

For this artist it is as important to get to know the people for whom she does commissioned work. Clients are not purchasing just the art, but also the experience of having an artist create a work for them. Several artists indicated that they like their art to go to a "good home" or that the desirability of "good" placement was a belief they held early in their career. A painter who no longer thinks about where her paintings end up told me that when she sold her first piece in college, the buyers sent her photographs of the art in its new home. She was appreciative of this gesture. Other artists who sell regularly at art festivals and other outdoor events indicated that if in conversation they discover that a person really likes their work, they will lower the price because they want the person to have their art.

Frequently artists will lower the prices on their work when selling to friends and relatives. A painter told me that she has a 15 percent "GFD" or "good friend discount." A glass artist who also designs and creates jewelry tends to put lower prices on her work when she sells it at home shows to which she has invited friends, neighbors, and other people she knows. She explained her reason for offering lower prices in this way:

I've even considered that even if the prices in general have gone up, the home shows will be...I wouldn't say a gift, but a nice thing to do for your friends. Where you can get

together, drink a little wine, or whatever, and everyone sells his or her stuff. It's a better way of doing it.

Values regarding the meaning and requirements of friendship influence her pricing decisions. In the view of this artist friends should do nice things for each other, so she keeps prices lower for friends.

When selling art to relatives, most artists give a discount as well. Several artists indicated that when relatives buy their art it may be in part out of a desire to support and encourage the artist. A young sculptor told me has sold multiple works to his fiancée's parents. At the same time that they are supportive of his art, he has given them a break in price since he will soon be joining their family. A mixed-media artist, who also gives discounts to relatives, indicated that his family would be willing to pay more. He said, "You always get a nervous feel[ing], and they're always willing to pay more for it because they're wanting to help you. It's kind of like a help-trade kind of thing." Even when relatives can afford full price, and may even want to pay it because of their desire to help the artist, the belief that work should be discounted for family members guides his pricing decision in this type of context. Sometimes supportive friends or family will even offer a price to a new artist. A painter who has now been selling his work for 20 years recalled that the first painting he sold was to a fellow member in a 12-step recovery program:

She was in a recovery program here...People try to help each other out in the program. And I was still kind of down. I had all of this work. I didn't know how to sell the work. I wanted to sell the work. I didn't know what to do. So she says, "I'm going to pay you \$65 to do my painting to prime the pump."

Wanting to encourage the artist to get started at selling his work, “priming the pump,” she offered him a price for a painting.

While some artists prefer not to barter for art, either because they already have enough art themselves or find it complicated to determine what is a fair trade when works are priced quite differently, others enjoy the experience of trading art for art. In some cases when the artists are friends they do not necessarily know the asking price for a particular work that is traded. A watercolorist who has traded her paintings for the work of other artists said, “I quite often don’t know what a quote would be on the other person’s work. I don’t know what they are selling it for, it’s just everybody comes out happy in the end.” Sharing art among fellow artists, who sometimes appreciate the work more than other people, is sometimes a goal in and of itself. In such situations commensurability is not a factor. In summary it is in the context of substantive rationality and particularistic social relationships that artists are the least concerned about the price of their art. They tend to give discounts to people with whom they connect. This is especially true if they have a sense that the other person appreciates their work. When trading work in this context, artists may not even discuss prices as part of the interaction surrounding the exchange.

### ***Discussion***

Typologies are useful when trying to make sense of the complex social world. They are even more useful when they illuminate social processes as well as enable classification. Examining exchange contexts in terms of the basis of action and the

structure of social relations highlights the exceptions found in the pricing decisions of artists. Embedded exchanges often lead to discounts on art prices. Value based rationality may lead artists to trade their work instead of exchanging it for money. Values may also lead artists to subject their work to auctions, which frequently results in a lower price than when they sell the work in other settings.

While much is explained with this typology, some of the variation in pricing styles explored in chapter four are not fully accounted for by its dimensions. A key limitation for understanding the diversity of styles of pricing art is that the distinction between forms of rationality does not specify the particular ends that a person is pursuing. Whether the basis of action involves profit maximizing or a balance between profit seeking and acting in a manner believed to be appropriate, it is usually assumed that economic gain is the desired goal. The typology allows for the possibility of other goals such as increasing status, and Biggart and Delbridge note this possibility. However the case of selling and pricing visual art suggests that instrumental rationality may be too broad to aid understanding of some of the observed differences in pricing styles. While some artists are motivated to sell their work out of an interest in economic gain, for others the goal is to maintain or increase their status as artists. Pricing styles vary depending on whether the focus is on money or on status. To explore variation along this dimension and its influence on art pricing, in the next section I consider the work of Bourdieu on fields of cultural production.

### **Exchange Contexts in Fields of Cultural Production**

While Weber's distinction between substantive and instrumental rationality as the basis of action is one way to examine the meaning associated with exchange, Bourdieu's (1993) distinctions between sources of legitimacy within fields of cultural production further illuminates how different meanings can be associated with different types of exchange. Bourdieu (1993) discusses three key positions in the field of cultural production based on competing principles of legitimacy. Each of these positions is constituted in relation to the others.

Art for art's sake, which Bourdieu also refers to as the field of restricted production, is the most separate from the wider society. Other artists and experts are the intended audience, or to use Becker's (1982) term, art is produced primarily for consumption within the art world. Competition in this realm is for cultural capital in terms of recognition, reputation, and legitimacy. Economic success is secondary (Anheier, Gerhards, and Romo 1995). In contrast another position in the field is producers of art for bourgeois consumption. By suiting the tastes of the "dominant fraction of the dominant class," economic success is a source of legitimacy in the bourgeois market. Bourdieu also identifies a third position which is producers of art intended for a mass audience or "ordinary consumers." The art may target a particular type of audience, but a wide audience is sought. Since legitimacy is found through having as wide an audience as possible, economic profit may follow as a result of having a large audience base. In Pueblo, I spoke with artists oriented toward each of these

sources of legitimacy. I also found that pricing styles take on particular forms in distinct positions within the cultural field. These observations are summarized in Figure 4.2.

In all three field positions shown in Figure 4.2 there is a tendency to give price discounts to particular customers. With a few exceptions noted previously in this chapter, artists give discounts to close friends and relatives, and some even give gifts of art to friends and relatives. This is true across the positions. However the other types of people who receive preferential treatment with regard to price vary across the positions. Artists oriented to the position of art for art's sake tend to give discounts to art collectors. Artists oriented toward the bourgeois market lower their prices for regular business clients, which may include interior designers or other businesses that buy art work in large quantity. When artists are oriented toward a mass audience, they may sell some of their work at wholesale prices, typically 50% of the retail price, to stores that sell their work.

It is not only the use of discounts that varies across field positions. When artists price for a mass audience, accessibility is a key factor. Artists who sell to the bourgeois market tend to consider market factors, especially demand, when pricing their work. Among artists who look to other members of the art world for recognition, prices are more likely to be influenced by status factors within the art world, especially an artist's reputation as measured by accomplishments held in high esteem. Artists oriented toward art for art's sake are also the least likely to lower prices, apart from discounts for

**Figure 4.2: Pricing Styles in Contexts**

		<b>Structure of Social Relations</b>	
		Universalistic	Particularistic
<b>Field Position</b>	Art for Art's Sake	Start Low Increase based on Art World Criteria Never Lower Prices	Discounts for Collectors
	Bourgeois Market	"What the Market will Bear" Increases based on Demand Price Cuts Possible	Discounts for Clients
	Mass Audience	Art "Merchandise" Pricing for Accessibility Price Cuts Possible	Relational Contracting

collectors or close friends and family. In the next section of the chapter pricing in each of these contexts will be discussed in greater detail.

*Art for Art's Sake (Field of Restricted Production)*

Carlos is an artist whose current approach to showing and selling his work highlights some aspects of the field of restricted production. I asked him why he sells his work, and his reply illustrates the tension between being committed to the art itself and being committed to selling art:

I am a very committed artist to my work, rather than the commercial side of the work. And for the longest time I was engaged in a very...dark side of the human nature, the human spirit. Most of my subjects were related to death, sorrow, and all the things that I didn't like about the world. And therefore they were not very commercially appealing, you know. They were dark color, but I was very convinced that I would have to do what I wanted, rather than if [I] just became a commercial artist and made my living... Many times I had...suggestions by either friends or family members. They say, "What are you doing? Why don't you just do landscape?" or "Why don't you do still-lives?" And I said, "Well, I don't feel like it," you know? And I was just stubborn. And I'm glad that I was, because I guess I have toned it down. My work is not as dark as it was, because I found the way of disseminating the same ideas, but not in such a dark way. I can even make them whimsical, but when you read the story, when you know a little bit about the information about the piece, sometimes the pieces are quite mysterious and dark.

Carlos has resisted painting art that would appeal to a wider audience: landscapes and still-lives. Yet his work has become less dark and more accessible. I asked him if that was a conscious decision on his part. He said:

It's a conscious decision...You can go around the world saying things, but the way you say them is the way you get a response from the people to you,... the way they will interact with you...And I believe it's kind of like being tactful. You can go around the world being tactful and more doors will open... If you're an aggressive person chances are that people are going to reject you...So if I can tell the same story, but I can even laugh at the story because people aren't going to know what I'm telling them, and it's something that's personal and that's mine, but I'm going to tell them anyway. And if they understand than fine, and if they don't than fine too.

He is trying to find a balance between making art that is true to itself, but also will appeal to some people who are interested in buying art. Earlier in his career, he has been showing his work for 20 years, he supported himself through graphic design and other jobs so that he could be true to his art. Currently he is making a living primarily from the sale of his art, but that requires walking the line between commercially viable and art for art's sake. An art dealer in a larger western city has recently become his agent; she promotes his work, shows his work in her gallery, and does the negotiations with the other galleries at which he shows. In return she earns up to 50 percent of his sales (sometimes less than 50 percent if the commission is split between the dealer acting as agent and another gallery). Having someone act as his agent enables him to focus more on the creative process and less on the business side of being an artist.

Even as he is less involved in the business aspects of selling his work, Carlos' attitude toward selling and pricing his work has changed in recent years. He became the director of a non-profit gallery. While he no longer serves in this capacity, the experience changed his perspective. He now believes that an artist cannot think of each work of art as their child. While children are not created to give away, art is meant to be

shared, so it is not appropriate to price based on willingness to part with the work. He explained that as a gallery director he began to appreciate the difference between real and perceived value. By real value he refers to materials, labor, and other measurable factors that go into creating the work. In contrast the perceived value involves many of the criteria for increasing prices that are considered acceptable in the art world:

The perceived value is where have you shown, who represents you, which collection have you worked, either public or private...That is the perceived value, that's what gives you the confidence of how to price your work. And that is what makes a difference from an artist who understands that but an artist that perceives an art work as a masterpiece and is "my baby," and they don't understand that they have to build a career so that they can have a higher perceived value rather than the real value. They say, "oh I spent forty hours on the piece I have to charge ten dollars per hour plus materials." No, not all the pieces take you the same time, some pieces go faster some pieces take longer. But, you, you need to price them equally..., You have to be consistent on your pricing...If I show a piece in a garage, like a friend's [garage], like a prisoner cell...I cannot price it the same way that I was going to price one if I show it at an art museum, because I am building perceived value by showing it in a museum...

Consequently Carlos has stopped showing in coffee shops and restaurants. With regard to pricing, he stated that "my price has to be in proportion to my moment." Now that he has an agent, he leaves more of the pricing up to her. At the same time his agent is seeking recognition for his art, for instance his art was featured in a regional design magazine, a publication opportunity that his agent set up.

Prices in the field of restricted production are not based on the cost of labor and materials. In fact for emerging artists pricing art based on the cost of their labor would typically exceed the amount that customers would likely pay for the work of an unknown

artist. Prices instead are based on status. It is necessary to build a reputation in order to increase prices, since prices must reflect the artist's "moment." Legitimate reasons for price increases include having shown in the right places (such as a one person show in a gallery or showing in an art museum), selling to recognized collectors, selling to a museum, having your work reviewed by a critic. It is also legitimate to increase prices after a show has sold out, indicating demand. However it is expected that at the same time as an artist begins to sell a lot of work, they should also be engaged in other status conferring activities, such as seeking gallery representation in larger art markets. While it takes time for many artists to have one-person shows or gain access to a museum, intermediate criteria for increasing reputation can include being in a group show at a respected gallery or having work mentioned and pictured in an article in a lifestyle or design magazine (even if the artist is not reviewed by a critic).

I interviewed other artists who were similarly focused on status. An artist creating mainly metal collage indicated the he is working for legitimacy and recognition. He has been successful in another artistic career, but now in his mid-50s he is focused on creating fine art. He explained:

Don't confuse what you're seeing with an old man doing a hobby. This is a very, very important time in my life, to get running down that runway and start flapping those wings, you know, because I don't know how much longer [I have] to get some momentum going this way...What I am shooting for, I suppose every artist would be in this category, is legitimacy and recognition, and by that

I mean, yes, I'm in six galleries in this state, but I want to be in the good galleries... I'm trying to get my profile up so eventually I can go up to one of these people and say, "I'd like to do a show for you," maybe two years out and produce, you know, 20, 30 large pieces, because that to me

is more of a legitimate path towards where I'd like to go. It's not to produce thousands of little pieces, but fewer larger pieces that actually make a statement and get me on the map, so to speak.

He is showing his work, which often takes a critical political perspective, at several galleries around the state. However his current galleries are not the most respected galleries; for instance some show a mixture of art and craft. A recent experience left an impression regarding where this artist would like to show his work: he was recently invited to contribute a piece for a group show at one of the "good galleries" in town. The particular piece he submitted was critical of national politics. It was covered by the press, and consequently improved his reputation: "It made a big press statement. It really got me and my profile raise, so I'm going to do more work like that I hope."

Reputation can also be enhanced by other types of honors. I interviewed a painter who had recently been accepted as an artist-in-residence at a program in another country. This was something she applied for and was pleased to get, as she hoped spending time away from the business side of being an artist would provide the inspiration she is seeking to create more intellectually-based work. Other artists mentioned receiving competitive grants to support their work. Grants provide practical benefits, such as allowing an artist the time and money to experiment with a new technique or work with new media. They also confer status and are something artists include on their résumé.

The desired end may also be status and recognition, as revealed in the following excerpt from an interview with a mixed-media artist who participates in invited exhibitions at museums and universities:

Researcher: When you've shown at museums and universities, in your experience, does that ever lead to sales of the work?

Artist: It hasn't led to sales...I think it's very good to have shows at universities and museums, because it's more of a professional validation. They're often likely to be reviewed...Particularly museums are considered a level of stature above the schlock in commercial galleries, because commercial galleries can represent a wide range of taste and ability. So to show in a museum it should, I don't know if it does, but it should indicate a certain level of accomplishment or quality.

Like exhibitions at commercial galleries, exhibitions at museums and universities are attended by many people with whom the artist has no connection, many of whom are unlikely to buy the work. However because such shows are juried by independent art experts and reviewed by critics who are thought to have insider knowledge of what constitutes good art, such exhibitions may increase the status of an artist. Increased status may in turn assist an artist in making sales in commercial galleries. As Podolny (1993) notes status can be a signal of quality. If consumers are uncertain about the quality of the goods that confront them in a market, and they are unwilling or unable to bear the search costs of investigating all the different options, then the regard that other market participants have for a given producer (i.e. status) is used as an indicator of quality.

Price is a signal of value, therefore artists oriented to the field of restricted production are very unlikely to lower prices. At the same time, prices are often downplayed when the work is exhibited in the gallery. A few galleries in Pueblo do not even list prices on the wall with the art. Instead prices are contained on a sheet either in a book placed on a table or on a price list that prospective buyers can take.

Since prices can not be lowered, the convention is to start pricing as low as possible. During an art talk I attended which was open to the public, a gallery owner explained that he encourages beginning artists to price their work as low as they possibly can and still be able to face themselves. Then prices should be increased in slow increments based on the reputation criteria discussed above. Several artists who do not believe in lower prices explained that extreme caution must be taken when raising prices, because the prices can never go back.

The stated prices are rarely reduced. A gallery owner explained how he sometimes finds ways to sweeten a deal, while not discounting the work:

We pay shipping more often in order to close a deal. [We have a] very hard cap on actually discounting our work. We won't discount our work, ten percent to collectors, companies, and designers, but beyond that we won't discount our work. So...sometimes we pay shipping or tax in order to add incentive where we keep the value of the art work...It's really a matter of principle. The painting is retaining value, like you're getting a deal on the other end. So from the dollar perspective, it's really the same thing. But from the principle perspective the art work hasn't been devalued.

By paying the shipping costs or the taxes, he is effectively altering the cost to the buyer of purchasing the work. However he is not changing the price on the actual painting or sculpture.

As the above quote indicates some groups of people do get discounts. Several artists and other galleries indicated that they give a 10 percent discount to collectors. When sold through a gallery the artist and the gallery share the impact of the discount. The gallery owner quoted in the last paragraph gives a 10 percent discount to designers

(professionals who decorate homes and offices), companies that purchase work, and art collectors. Discounts promote an on-going relationship with the gallery, for example designers may use the gallery again when they decorate another house and companies that display art in their lobby or board room may refer people interested in the art to the artist or the gallery that sold it to them. Collectors in particular confer status on the artist and the gallery if sold through a gallery. Having a work purchased by a famous collector is a reason for increasing prices. However, serious collectors are rare in Pueblo; most people buy art to decorate their homes or second homes. One gallery owner estimated that there are only a dozen serious collectors in town, although collectors from other cities may visit Pueblo and look at art. Fortunately, it does not take many serious collectors for a gallery to see benefits. This same gallery owner told me, "There's an old saying in the business if you have three or five good collectors you can run a business. That's probably true." A few calculations show how this is possible. If over the course of a year a gallery sells five works of art to a collector and each work is priced at \$5,000, the gallery will have sold \$25,000 to just one client. If the gallery takes a 50% commission and pays the remainder to the artist, it will bring in \$12,500 from the one client. If the gallery has five collectors who purchase a similar amount of art, the gallery will bring in \$62,500 (or  $\$12,500 * 5$ ) from just five clients. Of course this figure is not sheer profit, since galleries have overhead including rent, utilities, publicity, and human resources (although many Pueblo galleries are staffed entirely by the owners themselves). However, it is possible that a handful of people can account for a large proportion of a

small gallery's sales. There is an incentive to give discounts to the people who are always viewing new art and frequently purchasing it.

To summarize the approach to pricing in the field of restricted production (art for art's sake), artists in this position are the least likely to consider expenses. In particular labor costs are never considered when pricing art. Pricing is based largely on criteria recognized in the art world as an indication of the reputation of the artist. Many factors increase an artist's status and may be legitimate reasons for increasing prices: showing in a gallery; showing in an exclusive show, where a one-person show is higher status than a two or three-person show; selling out in an exclusive show; exhibiting in a museum or university; having work purchased by a known art collector; and having art featured in a publication, especially being reviewed favorably by an art critic. Furthermore beginning artists in this position tend to start by pricing their work as low as possible. Prices are expected to increase over time as the artist's reputation increases, but prices should never be lowered. As price indicates the value of the work, collectors and others who follow art would be concerned if they found that an artist's prices had dropped over time.

### ***The Bourgeois Market***

Some artists in Pueblo produce work mainly for sale to people who have money to spend, but are not necessarily knowledgeable about art. Sylvia, a painter who works in oil and acrylic, is an example of an artist who currently spends a significant amount of her work time producing for this market. She began painting for a designer, who decorates homes, as a favor; she already knew the interior designer and wanted to help

her out. Also she had student loan debt from getting her B.F.A. and M.A. Working as an art teacher she was finding it difficult to make loan payments on a teacher's salary.

Painting for the designer eventually enabled her to give up teaching, giving her more time to paint. Nevertheless it was not an arrangement that she entered easily. Asked if she like the arrangement when she started, she replied:

No, it seared every moral principal I had because I love oil painting... Every artist's dream is to paint what they want, when they want, how they want. And to be given fabric samples and to say I need this painting to match this rug and silverware. And I need it done in acrylic, because I need it done in two weeks. And my definition of dark green is your definition of black... It took a while, especially with themes. Like I am from Pueblo, but I am not naturally a southwest drama painter, but a lot of the walls the designer decorates are for people with the huge new homes that people from the East Coast come and buy. And they want art to fit the environment.

Initially Sylvia was uncomfortable signing her name on the paintings she did for the designer. She "sketchily scrawled" her middle name only. Eventually as they determined the styles of paintings that she was good at, but still fit the designer's needs, she began to sign her full name on the works.

Today, all of the paintings she does for the designer are 4 feet by 5 feet in order to fit the scale of the newly constructed "McMansions" in the foothills of Pueblo. The decorator gives the painter swatches of sofa fabric and carpet samples, so that the art can be matched to the décor. Initially she was paid \$400 per painting regardless of size. Sylvia describes the current arrangement now that all the paintings are a uniform large size:

So she [the interior designer] upped my price to \$500 dollars

a painting. And some of them were pretty detailed, and some of them were splashers. That is what we call them [abstract paintings] just to go with the colors of the house.... She would give me a theme and color samples...then I would just paint. So some would take me not very long at all, and some that had a lot of detail [would take] a lot of time... Then my next pay raise was \$500 per painting, but \$600 if it was a person. So that is my current “model home special wholesale price.”

Figures, particularly people, are Sylvia’s specialty, however it takes more time to paint a person. Consequently she negotiated for a higher price if the painting includes a person. She evaluates these relatively low standard prices as fair for a couple of reasons. For one thing the designer brings her regular work. Also some of the abstract paintings take very little time, which balances out the paintings that take days to create. The paintings bought by the designer also lead to commissioned paintings. Someone may see one of her paintings and then ask the designer if they could have a painting custom made. For example a person may want a landscape painting based on photographs of a vacation destination or their childhood home. The price on commissioned works is \$2500, which is split 50-50 between Sylvia and the designer. Again this price was set by her client the designer.

Another artist who has mainly sold prints of his paintings entered into a client relationship with an art dealer after he had a painting shown in a museum show. The dealer contacted him about selling his prints. He had already been selling prints priced at \$250. The art dealer offered him \$100 per print, less than half of his original price. The dealer then sold them at a profit. Since she bought them outright, rather than taking the

prints on a commission basis, and she bought prints regularly, he was willing to offer them at a discount.

Some galleries and art shows cater to an upper middle class clientele, looking to decorate their homes with original art. In such settings pricing decisions are based primarily on demand. As one artist who previously owned a marketing firm explained, pricing is not as hard as most people assume; in her view prices are based on “what the market will be bear.” Artists oriented towards this position also indicated that they sometimes lower prices. On older work that has not sold they may offer sales of 25% off the original price. As a watercolorist explained, “It’s better to get something than nothing.”

### ***Production for a Mass Audience***

Other artists are oriented to a mass audience. For example, Heather describes her art as “recycled metal art.” It is decorative art ranging in price from a few dollars to \$70. At the time of the interview she had just celebrated the 6<sup>th</sup> year anniversary of her “business,” the term she uses to describe her artistic enterprise. She also refers to her art work as “products,” which include art for the wall as well as candleholders, patio lights, and other functional art. Some are engraved with what she refers to as affirmations, words expressing positive messages. She is currently making a living exclusively through selling her art, and she has been doing so off and on over the past six years.

When I interviewed Heather she had just finished a three day art show the past weekend and was getting ready for a two day show the coming weekend. Both of these

shows were local, but she frequently travels to other cities and regularly sells at shows in other states. Besides selling directly through art shows, she also sells her work to stores, including museum gift shops and shops that sell a variety of functional art and crafts. Usually the stores with which she contracts buy her work wholesale. In some cases the shop consigns her work; she earns a percentage of the retail price when the work sells. She does business with about 10 shops currently and has had more shops in the past. Four of the shops she mentioned are out-of-state in regions including the West, Midwest, and East Coast. She estimates that 70 percent of her work time is spent on the business side of being an artist: marketing, selling, shipping, and advertising her work. She devotes 30 percent of her work time to creating the art.

Currently Heather designs and creates all of the work she sells. Although she repeats a design many times, she crafts each piece herself. This may not be the case for long as she is in the process of starting a project with a group of women in a Mexican border town. She is hoping to train the women to make some of her staple items. She will provide the materials and arrange shipping. She hopes that this project will free up some of her time to make other products, while providing the women with whom she will be contracting a sustainable income.

Heather's designs are influenced by her sense of what people might like to purchase. When asked if she considers prospective buyers when deciding what to create she replied:

Oh, absolutely. As much as I wish I didn't think that way, I think you kind of have to, which definitely takes the enjoyment of art out of it, but it's a business. It's

work...There's pieces that I absolutely hate to make, and I have to make them.

She describes some of these pieces as her “bread and butter” items. Although a variety of people are attracted to her art, she identifies her current clientele as including people who are interested in recycling, gardeners, yoga enthusiasts, and voters for Kerry in the 2004 presidential election. While she has identified a particular niche, her retail prices do not limit her customer base to wealthy buyers.

Since Heather regularly sells her work through shops and at art fairs, she talks easily about retail and wholesale prices. In terms of the common pricing elements described in the previous chapter, Heather considers market factors, her expenses, and size when deciding on prices. Below she described her pricing strategy in relationship to a particular design that has been selling well.

I've been wholesaling it for eight dollars. And generally what I do is try to go the lowest amount of money on wholesale to be able to make a little bit of a profit, and then I double that and that's what I sell for retail, which is kind of common. But a lot of people give me a hard time saying that it's too expensive at retail, but if I halve it I'm not going to make any money off of it wholesale...[If a] product runs like that then I just liquidate it out. I just won't make them or sell it anymore. It's just not worth it; there is no gain. But this one flower that I've been making has been wholesaling at eight [dollars]. And they've been flying out of my stores at 16 [dollars]. And I took them to a new shop and I was like, “You know, maybe we should do 16.” And they were like, “No, 24 [dollars].” But, I don't know how many they've been selling, so a lot of these places [I] actually kind of look up to the shop owners, who kind of tell me [what the price ought to be].

Her basic way of pricing is similar to the cost-plus approach favored by many entrepreneurs outside of art; she estimates what it cost her to make the art and then adds

a little bit more to ensure some profit. That is the wholesale price offered to shop buyers and others purchasing in quantity. When she sells the art herself from a booth at an art show, she sells at the retail price and potentially earns more profit from the sale. However art shows and street fairs typically have a booth fee, which may be as low as \$50, but can be as high as \$500. When the show has an expensive fee, a large amount of art must be sold in order to see a profit.

With so much of her work being sold in shops, Heather relies on the store buyers and owners for information about demand. When she discovers that a shop believes a higher retail price can be obtained, she rethinks her wholesale price in order to maintain it at 50% of the retail price. When it seems like potential customers are rejecting the retail price, she discontinues that particular design, unless she can figure out how to decrease the expenses associated with it. She has also lowered prices due to changes in expenses. For example with experience, a particular design became easier and faster to make. She lowered the price to see if that would stimulate sales. She has also raised prices based on demand, but also based on a reconsideration of the expense involved, for example realizing how much time it took to fill a large order for a particular product led her to raise the price.

Other artists create art products. An emerging artist who had recently quit his day job explained that he is criticized by other artists for creating merchandise based on his art. His original paintings and drawings, which he characterizes as “low-brow but sophisticated” are sold in galleries in Pueblo, and especially in a larger art market on the West Coast. His larger paintings are currently priced near \$6000. But for his younger

fans who love his work he believes that creating merchandise is important, because it enables some art to be priced accessibly. On his own website he sells products with images of his art, including T-shirts (\$20), a book of his drawings (\$35), and a box of 12 postcards (\$20). He explained:

I represent a new mentality of creating one's own merchandise. The rules are breaking. Why be a poor, starving artist?...I consider that a cop out. Images of art are already on t-shirts, but the artist is dead and can't benefit from that. By creating my own merchandise I have control. It is great...A t-shirt is more accessible to my young fans than a painting.

This same artist is considering selling images of his art to an ice cream company that wants to use his images in a carton design. He was leaning towards doing this when I spoke to him, although he thought it would have to be a chocolate flavor, since his art is dark. Several other artists I interviewed have made note cards or coffee mugs with images of their paintings on them, which they then sell to gift shops, including museum shops. In some instances special relationships with shop owners develop, which can include lower wholesale prices for the preferred buyer.

A watercolorist who has made and sold cards said that people are often appreciative of the cards, especially when they can not afford an original painting or even a print. He has observed: "One of the cute things about the cards, so many people say I bought your card, but I can't think of who to send it to because I'd rather keep it....Or they'll buy a card and they'll frame it." He is interested in pricing the cards in an accessible

manner, which means waiting for sales at a local print shop so that he can price the cards at \$2 a piece but still make a profit.

Another artist, a sculptor also wants some of his work to be more accessible. Although he sells some larger bronze sculptures for \$3000 to \$4000, he keeps some unlimited editions of small sculptures priced around \$100. He explained:

Then there are some things that even if I make a little less money I prefer to keep the prices at a certain place, so I haven't raised the prices. But those have always been the cases that I call unlimited editions of pieces that I'm just going to keep making until either I get tired of making them or they're just no longer economically feasible...Those are all the much smaller price pieces, and I... even talked galleries into lowering their percent of commission...we just want to be as available to anyone wanting to purchase something as much as possible.

Since art produced for a mass audience is thought of more like a product, it is possible for artists to lower the price of their reproduced work. Some artists indicated that they will have a "sale" on mass-produced prints of their original art work or on the cards that they have made. This was especially true of artists who show at outdoor festivals. Bins of mass produced prints or other reproduced items marked 10 percent or 25 percent off can be seen at some artists booths at art festivals, street fairs, and similar events.

With original art and reproductions produced for a mass audience, accessibility is a common factor in pricing. Sometimes this means finding ways to decrease the cost of mass producing work in order to keep the

prices down. For example artists producing cards based on their art may digitize their images and print cards on their own laser printer or wait for sales at the local print shop. The work must be at a price such that a large number of people can afford it. When images are older or not selling at a suitable rate, price cuts are possible, since price is not as strongly tied to the artist's status as in the field of restricted production. Artists may have wholesale prices for stores and other buyers who purchase art products in a large quantity.

### *Discussion*

Competing sources of legitimacy are associated with each of the positions within the field of cultural consumption. Cultural capital is dominant in the field of restricted production and economic capital in the bourgeois market. With art produced for a mass audience, economic capital is important as Bourdieu suggests, as higher revenue may be generated when a wide audience can be tapped. However among the artists I interviewed, recognition in the form of getting their art out into the world is also an important consideration. For several decades in the United States it has been possible to buy the art of famous artists (Monet, Picasso, and Matisse being some favorites among Americans) reproduced on t-shirts, coffee mugs, greeting cards, and other products. As museums have shifted to a marketplace model of operation (Alexander 1996), museum gift shops even sell these kinds of items, providing "art merchandise" a certain amount of respectability. This may be another example of the interest of Americans in multicultural

capital (Bryson 1997) by mixing images from high-brow culture such as oil paintings with low-brow culture such as decorative coffee mugs and other products.

While field positions are associated with different sources of legitimacy, the focus on the sale and especially the pricing of art enables examination beyond the stage of cultural production into the next stage, the distribution of culture. Even when artists produce art for the sake of art, once they decide to sell the work, they are involved in the economic side of art. Even among the artists most oriented to the field of restricted production there is an underlying belief that the economic value of art is determined by the amount of money someone is willing to pay for it. The focus on status, rather than demand, may be a way of shifting the emphasis away from an explicitly market logic toward a logic where prices can be related to an artist's accomplishments, reputation, recognition in the "moment."

In a discussion of markets in general (not art markets), Podolny (1993) conceptualizes all markets as a status order. He argues that high status producers tend to earn more. This may be because higher status producers command higher prices or because they enjoy a larger market share. Furthermore status lowers the costs associated with doing business. High status producers require less advertising. People tend to trust them more than other producers, therefore transaction costs tend to be less. In a study of pricing in banking, Podolny (1993) actually found a negative relationship between price and status. He concludes that high status banks can underbid their competitors, because they enjoy lower costs of doing business. In comparison, a negative relationship between status and price in visual art is not possible. With art, the price is such a strong indicator

of quality that among artists concerned primarily with status, lowering prices is not considered acceptable.

The emphasis on status places limits on individual artists. Podolny (1993) also argues that rank in the status hierarchy limits the action of producers. High status firms can not increase market share too much without hurting their status, since high status is in part achieved by serving elite customers or clients. I encountered some artists who consciously limit their involvement with the more status oriented parts of the art market, especially the gallery system. The reason given is that there is more freedom when selling the work outside of galleries. A young painter explained that she likes to have control over prices. When showing in galleries, prices have to stay consistent and be associated with specific accomplishments. For this artist being able to adjust prices is “freedom,” therefore she has never shown exclusively with galleries.

### **Conclusion**

Position in the field of cultural production is an important part of the context in which art is exchanged. As described in the previous sections, I interviewed artists in Pueblo oriented toward each of the field positions. I also found that variation in pricing style is related to these contexts of exchange. This supports Bourdieu’s (1989) argument that people who occupy similar positions in relation to resources (economic, social, cultural, and symbolic) are likely to develop similar dispositions and interests. In turn people in similar positions are likely to engage in similar practices. It also resonates with White’s (1993) claim that for artists’ connections to particular types of patrons, collectors

and arts organizations shape their choices and actions. White (1993, 115) states that “the common desire for some agency arises from the structural equivalence of your position in networks, not from your closeness.” Yet these ideas have been developed under the assumption that artists are typically located in just one position. In fact artists may participate in multiple field positions or have been oriented to different audiences at different points in their careers. Through interviews I found that this is indeed the case.

Nearly all of the artists I interviewed are oriented to more than one of the audiences identified by Bourdieu. For instance, some artists describe producing two bodies of work, as the following quote illustrates:

I kind of think of my work in terms of almost having two bodies of work...They're both sort of intellectually challenging and they both have elements of...the odd and offbeat, and a little bit of the surreal elements to them, psychological elements. But one line of work, I'm more interested in...the sense of craft and the sense of beauty and the aesthetic of it and making pieces that people can find sort of more acceptable, something that they want to have. And I use that line of work to support the other line of work, which tends to be stuff that sometimes is more shocking and to me is more conceptually and intellectually based and in that way a little more satisfying to make, but I know that it's not going to support me as much.

The more accessible and therefore commercially viable work helps support the more conceptual work that is appreciated primarily by fellow artists. Another artist who is currently oriented toward the field of restricted production described periods of producing other styles of art to make a living. Years ago he made faux Mexican folk art, which he sold out of state using a Latino pseudonym, although he is Anglo. He explained

that such behavior was “selling out,” and that it possibly lacked integrity, but at the time it was worth it because it gave him the freedom to devote more time to his art.

Others have noted that participants in a field of cultural production may have more than one identity within the field. Oakes, Townley and Cooper (1998) having studied the logics used in museum administration, argue that field positions can be thought of as ideal types. Among the same participants, they observed back and forth between competing sources of legitimacy, between cultural capital (museums as responsible for preservation, education, and research) and economic capital (museums as revenue generators competing for the entertainment dollars of consumers). In the next chapter I examine the boundary work of artists, positioning themselves in relationship to other artists doing different kinds of work. However because the same artist may produce art for more than one kind of audience, I examine how artists go back and forth between different types of legitimacy. I also explore how artists engage in boundary work to distinguish their “real work” from the work they use to support themselves.

## CHAPTER 5: THE DYNAMICS OF EXCHANGE CONTEXTS

In the previous chapter I drew on Biggart and Delbridge's (2004) typology of exchange systems. Their typology was developed to describe varieties of exchange at the societal or industry level. It was intended to aid comparative analysis of macro-economic processes. For instance comparing types of systems helps us understand how people in Japan and the United States tend to conduct business differently. Biggart and Delbridge's typology was also intended to aid understanding of the social organization of particular industries. For instance their typology can help us compare the organization of the building construction industry with other industries. My application demonstrates that the typology can also be applied at the individual level of economic action. Shifting the level of analysis uncovers the observation that the same economic actors often engage in multiple types of exchange.

In this chapter I examine how visual artists participate in more than one exchange context. Recognition of diversity in the exchange experiences of individuals aids our understanding of what Schneiberg (2002) refers to as variation within capitalism. By emphasizing "within" capitalism, Schneiberg distinguishes this project from the related project of comparing different forms of capitalism, such as comparative cross-national research on the economies of different countries. Through historical analysis, Schneiberg demonstrates that within a specific industry in a particular country a variety of forms of economic organization have existed. For example in the early 20<sup>th</sup> Century the United States fire insurance industry included insurance mutuals, a comparatively decentralized

and cooperative way of organizing the industry. In contrast to Schneiberg and other historical studies of organizations, I examine only one point in time. Even at one point in time, I still find a variety of ways of doing business. I find that within one capitalist society (the United States), one industry (visual art), and one local art market a diversity of exchange contexts may be found.

In the last chapter, I also considered the contexts in which art is exchanged in terms of positions within fields of cultural production. One general finding is that the artists in Pueblo are frequently oriented toward more than one field position. In this chapter I describe the evidence that artists participate in more than one field position in greater detail. I also draw out implications of this observation for the general understanding of the organization of cultural fields.

### **Participation in Multiple Contexts of Exchange: Meaning and Structure**

As discussed in the previous chapter, I analytically distinguish exchange contexts by the meanings associated with action (based in instrumental or substantive rationality) and the structure of social relationships (universalistic or particularistic relationships). I coded the interview transcripts with artists to get a sense of how common it is for artists to participate in more than one context. Table 5.1 shows the number of artists who fall into each exchange context.

The market-like context of instrumental rationalist and universalistic relations is the most common. However both types of embedded contexts are also contexts in which many artists have exchanged. The artists studied in Pueblo frequently sell through their

social networks, whether through their existing networks of friends and family or the networks they construct within the art world. The least common context is that combining substantive rationality and universalistic relations. Given that the interviews primarily involved open-ended questions in which I asked general questions about artists' experiences in selling their work, if anything these counts underestimate artists participation in particular contexts.

**Table 5.1: Number of Cases in Types of Exchange Contexts**

		Structure of Social Relations	
		Universalistic (Arms-length)	Particularistic (Embedded)
Basis of Action	Instrumental Rationality	48	40
	Substantive Rationality	24	40

Adapted from Biggart, Nicole Woolsey and Rick Delbridge. 2004. "Systems of Exchange." *Academy of Management Review*. 29(1): 28-49.

Table 5.1 shows the number of artists who participated in each context of exchange. The artists I studied typically participate in more than one type of exchange context. In fact a majority of the artists I interviewed participate in more than one of these contexts. Only two artists described exchanges with characteristics that fall into

only one of the four possible contexts. Table 5.2 summarizes the combinations of contexts in which individual artists participated.

**Table 5.2: Combinations of Exchange Contexts**

<u>Instrumental</u> <u>Universalistic</u>	<u>Instrumental</u> <u>Particularistic</u>	<u>Substantive</u> <u>Universalistic</u>	<u>Substantive</u> <u>Particularistic</u>	<u>Number</u> <u>of Cases</u>
0	0	1	0	1
0	0	1	1	2
0	1	0	1	1
0	1	1	1	1
1	0	0	0	1
1	0	0	1	7
1	0	1	0	1
1	0	1	1	1
1	1	0	0	2
1	1	0	1	18
1	1	1	0	8
1	1	1	1	<u>10</u>
Total Number of Cases:				53

It is typical for artists to sell their art in multiple types of contexts. Thirteen of the artists described exchanges fitting into two of the contexts. Twenty-eight had exchanges that fit into three contexts. Nearly a fifth, 10 out of 53, described exchanges falling into all four analytical exchange contexts. Summarized another way, over 70% of the artists have exchanged in three or more contexts.

Given how common it is for artists to exchange in multiple contexts, questions are raised about the artists who described experiences that seemed to fall into only one. The

two artists describing only one context were both new to marketing their artwork. One was a young art student just getting started; he had only engaged in I/U (instrumental and universalistic) exchange having only just begun showing in galleries. The other was exhibiting visual art as one part of a larger artistic and political project and had only engaged in S/U (substantive and universalistic) exchange.

Among the artists who described selling their work in just two of the contexts, a majority (7 out of 13) have exchanged in both I/U and S/P. This set of artists are all artists who had little contact with the commercial gallery system, either because they have shown their work primarily in non-profit galleries or they typically sell their art directly through art fairs and through their friends. As a result they may not have had experiences in which they were asked to provide discounts to collectors or interior decorators, a common practice in commercial galleries and a practice characterized as I/P. Two artists engaged in just the contexts of S/U and S/P. Both artists are somewhat reluctant to sell their work. One is an artist who mainly creates art for herself, and has ended up selling work when others saw it and enthusiastically pursued acquisition. The other is an artist who describes himself as a visionary artist. The American Visionary Art Museum defines visionary art as “art produced by self-taught individuals, usually without formal training, whose works arise from an innate personal vision that revels foremost in the creative act itself” (<http://www.avam.org>). Artists identified with visionary art tend to work outside most artistic conventions. This artist’s artistic mission and personal philosophy do not enable him to market and exchange in ways that closely resembles instrumental action. Other artists engaged in only two types of exchange have shown and

sold in both types of instrumental contexts, I/U and I/P. Both of these artists have beliefs that art should never be undervalued. Apart from the convention of small discounts for collectors and similar clients, they do not participate in exchanges where the price may be reduced because of particular values, such as believing that the values associated with friendship require lowering the price of art for friends.

The most common set of contexts participated in by artists is the three contexts: I/U, I/P, and S/P. Eighteen artists described exchanges with these characteristics. The second most common set was the set including all four analytically distinguished contexts. As previously stated, 10 artists engage in all four types.

### ***Conflicts between Contexts of Exchange***

Typologies are useful when trying to make sense of the complex social world. They are even more useful when they illuminate social processes as well as enable classification. My analysis of the variety of contexts in which art is exchanged uncovers the potential for conflict as individuals switch between contexts of exchange.

Mische and White (1998) identify the phenomenon of “situations.” They define situations as problematic social interactions that cause those involved to question the prescribed roles and trajectories. Recognizing that people may have multiple types of ties to each other, such as friend and exchange partner, Mische and White suggest that situations emerge through the intersection of multiple social network domains (like friendship ties and business ties). When there is a switching between the type of tie being invoked there is the potential for conflict. An example might be colleagues discussing

their research over drinks, but during the course of the interaction there is a switch to a more flirtatious interaction style. Suddenly the tie or connection being invoked is potential romantic partner rather than colleague. Such an interaction could potentially become quite uncomfortable, as the prescribed roles are questioned. If only one party is invoking the different type of tie, the result could be disastrous.

When artists switch between contexts of exchange they may also be switching network domains. For instance, when an artist sells to her grandmother there may be a switch from kinship tie to business tie. If the artist's grandmother eagerly makes the switch, but the artist is reluctant to treat her grandmother as a partner in a business exchange (or vice versa), the interaction may not go smoothly. Many artists told me of these types of situations.

I use the term conflict in a general sense to refer to both situations in which artists and their exchange partners openly disagree, as well as to situations in which an artist was unhappy with the transaction even if he or she did not voice discomfort.

***Conflicts between Contexts of Exchange: Instrumental versus Substantive Rationality in Embedded Exchanges***

Conflicts may arise when exchange partners are not operating based on the same rational orientation to action. This may be especially true for embedded exchanges. A problem for artists seeking sales through their social networks is that close associates often believe that the nature of their relationship to the artist makes them deserving of special

treatment, including considerable discounts. A conflict may result when one person is interacting as if the embedded exchange is based on instrumental rationality and the other as if it is based on substantive rationality. The following quotes contain responses of a painter to the question of what it is like to sell to friends:

Oh that is the most traumatic, the worst.... They had bought 2 of my originals, and I give people discounts. But they have always gotten such a discount that it makes me almost mad. She [the friend] called up when I was at a little gallery...and said 'Joyce told me that I could have a discount', but they [the gallery] were taking 40%, which is less than most people, but then she [the friend] also wanted a 50% discount, and she wanted it for the price with no frame... and I tried to explain to her later that if I want to be in a gallery, I have to let the gallery make a living. And if I get into galleries my friends have to understand that I'm trying to get into galleries instead of selling like a street vendor selling spoons at a market.

When I sell to people I know, I feel really bad, and yet I don't want to make them pay full price. Because they are friends, they deserve a discount, and yet one of my husband's cousins was married to an artist for years in New York City. And she said, "Oh, family always pays full price. We know. We know." But friends ought to know that too. That I'm not making any money at all. Every year, at the end of the year...when I count up the income, my expenses have equaled my income.

In these cases, the friends of the artist appear to be desiring an exchange based on the substantive value of friendship. Friends often give things to each other, and some believe that friends should not make a profit off of each other. The artist who is hoping to make a living, believes that friends should pay a fair price defined as the price listed at the

gallery or market price. The artist is hoping to use her social networks for instrumental exchange.

The conflict just described is a situation in the Mische and White (1998) sense. In the first quote, the artist and her art-buying friend are connected in multiple ways, but a situation has arisen because each is invoking a role associated with one type of tie. The second quote illustrates a recognition of multiple ties with distinct roles associated with each. The artist does not want to ask friends to pay full price, but on the other hand she wants to make some money from her art sales. In the same quote the artist refers to someone connected through family ties, but who is also connected as a fellow artist. This person understand the artist's perspective and does not request special prices.

It was more common for artists to say that they like to sell to friends. However for those seeking gallery representation or a large quantity of sales, it may be necessary to go beyond selling to friends. A painter who has been making his living through his art for several years, indicated that he still would like to sell in contexts characterized by substantive values and embedded relations, but he must also cultivate the more instrumental relationships he has with galleries. When asked about selling to friends he replied:

Well I like to know what happens to my painting. I like to sell to people that I know when I can, but to some degree in order to succeed in this business you have to establish a relationship with galleries. So they're almost more important than your friends, because your friends can only buy one painting. A gallery can establish you. That's the relationship that's important. They should get your best work. They should be a priority, because you want to make them happy. You want them to consistently sell your work, and they have the capacity to actually give you a living

doing this, so I tend to give them a higher priority than the personal friends.

He may want to see his best paintings go to people he knows and recognizes as “good homes” for the art. However, because he is trying to maintain good relationships with his galleries he needs to give them his really good work to sell.

The artist just described routinely attends national and regional art shows, where he meets other painters. In these settings he sees the work of many of his fellow artists and they have a chance to view his. Sometimes he would like to trade art with artists he admires, but the pressure to please galleries interferes. On the subject of trade he explained:

It's always a little uncomfortable with other artists. Frequently I'll see a painting, and I'll wish I could trade for it with another painter. And that's something artists will do on occasion, they'll say well yeah, I admire your work, you admire mine, let's trade. But it's hard to establish that kind of mutual understanding about how much you respect. You don't want to get feeling hurt....Yeah you say I'll trade you this painting for this painting and the guy says, “Well, no.” Basically you just have to buy the painting if you like it and the artist...Their best work is usually the work you want to buy, but they want to give it to their dealer, give it to their gallery owner, because that helps establish their relationship [with the gallery]. [If] You want the best painting from that artist that you are good friends with, you still have to pay full price for it.

The problem with trade is not a matter of commensurability; it is not that one artist does not want to trade because their work is priced higher than the other artist. Even artists who are friends and hold each other's work in high esteem, regardless of price, may be pushed into engaging in more instrumental exchanges. It may be desirable to trade with

a another artist in a context characterized by embedded relations and substantive values.

However, an artists galleries expect the best work to go to them.

***Conflicts between Contexts of Exchange: Instrumental versus Substantive Rationality in Arms-length Exchanges***

I have also observed conflicts between forms of rationality in arms-length exchange contexts. One case is charity auctions, which in the previous chapter I described as substantive and universalistic. While some artists enjoy donating their work to charity, others express mixed-feelings about the practice, because it interferes with some of their instrumental goals. In the following quote a mixed-media artist discusses his experience with charity auctions:

Artist: “The reality is that you sell a piece at auction and you sell it for 50 dollars...and then people say to you, ‘I have a piece of yours.’ And you go, ‘really?’ ‘Yeah I got it at the auction, 50 dollars.’ And then you think, hmm. No wonder when they come to my shows at a professional gallery they don’t buy anything, because they’re just waiting until next year when they can get it at auction for 50 dollars. There’s so many auctions and so many causes and there’s always the promise of exposure.”

Researcher: “So your experience is that your art has always been undervalued at auction?”

Artist: “At auctions, sure.”

Researcher: “Why do you keep donating?”

Artist: “It’s just because of peer pressure. I’m very vulnerable to peer pressure. I mean social pressure, and they’re good causes.”

This artist is concerned about the undervaluing of his work. He also would like to sell more work through his gallery exhibition and has found that auctions sometimes interfere with this goal. Nevertheless, he finds himself donating with some regularity. In fact the

day I interviewed him he was finishing a work for an auction that week. He feels social pressure to engage in a particular form of exchange that may lead to lower prices.

Charity auction organizers sometimes appeal to the self-interest of artists by suggesting that the auction will provide good exposure for their work, which potentially could generate future sales, while simultaneously appealing to artists' social values by arguing that auction will benefit a worthy cause. Most of the artists I interviewed who donate, said that they do not consider these types of donations as a form of promotion. Instead the artists believe in the cause or actually want some of their work to be available at more affordable prices.

The same artist quoted previously on art auctions, told me about a recent experience following such as auction. He created a large sculpture of an animal for a charity auction, in which animals were the theme. At this particular auction he received a small percentage of the selling price. The majority of the proceeds from the sale were split between two different charities. Months after the auction took place, he had this interaction regarding his sculpture:

It sold at auction, you know. And then last week I get a phone call from this management company saying "We have your animal here and you need to fix it." And I say, "excuse me?!" "Well it's being auctioned off next week." And I said, "huh?" "Oh the person who bought it is re-donating it to this other organization...It's been damaged so you need to come and fix it." [So are you responsible for it at that point?] So it's like, hello! You think it comes with a lifetime warranty...And I found out that...they had left it outside for 6 months. And I told them explicitly that...they could not leave it outside. And they left it outside, and there's all these broken thorns and mesquite leaves and dirt....I went to see and I was like, "Oh my God! This will take me a week to fix." So I called them up, and I

said, “You know I can’t do this for nothing. My time is worth some money. And actually I really don’t have any time now, because I’m preparing this show, so I’m going to have to pay an assistant to fix it.” They said, “Never mind. We’ll sell it as is.” So okay, whatever, but it’s another example of how they just assume the artist is going to jump to, jump to. Come fix your work...And you’ve been paid and everything, but [they assume] it’s like it’s your baby, so you’re going to want to. And part of me does want to. Like I’m embarrassed that it’s on display right now and it’s damaged with my name on it, but what am I going to do. It’s unfair to put the burden on me.

The new owners assumed that the artist considered himself responsible for his sculpture, even after it had been purchased. The artist knew he was no longer responsible and did not end up fixing the piece. Yet, he still went to see how bad the damage was.

His story demonstrates a conflict between the belief that the art object is an expression of the artist and treating the exchange like the exchange of many other commodities in which the producer is not responsible for damage caused by the buyers’ negligence.

Conflict may also arise when artists feel pressure to participate in a particular context by other members of the art world itself. Artists feel pressured to sell through galleries, in part because gallery representation is considered a marker of status. Sale of art through galleries mainly involve instrumental exchanges with a mix of arms-length and embedded ties. This can conflict with an artist’s own values about how art should be distributed.

Only one of the artists I interviewed has shown in a major international art market (although several have shown in cities much larger than Pueblo and others were seeking shows in the international art markets at the time that I interviewed them). This artist, Sam, a kinetic sculptor, found that the method of exchange in the major art market

gallery system was in conflict with his values regarding how art should be created and distributed. After having a one-person show in a respected gallery in the 1980s, he decided to return to Pueblo, where he felt he could create according to his ideals.

Discussing elite art markets Sam explained:

The mechanisms for distributing those things [art] like in a major art market are archaic...It's like that's great. Now you're forcing me to be a cave man. You're forcing me to be behind the times...And then everybody thinks it's great because you have money...You eventually have to sell it [your art] to people who don't have any soul...I mean it's not the people who need it...So it's all about this mechanism, so if you can avoid the mechanism...I will prevail, you know, at some point, because I'm connecting to what people aren't able to get, because they're forced to deal with a mechanism. And people keep not doing...things like I do, because they go to that [conventional way of making and selling art], because they know they can make money. They're told to do that.

Sam felt he needed to get away from the way of doing business that dominates in the major art market. He could not see himself selling to people he believes “don't have any soul.” By not trying to conform to the “mechanism” or standard ways of creating and showing art, he is able to create art that is true to his own vision. In fact he has created his own alternative arts space in Pueblo, combining public art, sculpture, performance art, and music. His participation in exchange contexts guided by substantive values involves trade-offs, however. When Sam had his one-person show in a major art market in the 1980s, three pieces were purchased by an art collector, but when the collector heard he was moving to Pueblo, the collector became less interested in the work. He was not interested in buying more work from an artist no longer working in the major market. Sam may have more freedom to create according to his own artistic vision in Pueblo; the

trade-off is that collectors tend to only trust artists working in the major markets. Failing to conform to the standard way of doing things puts an artist at risk of not being understood (Becker 1989).

*Conflicts between Contexts of Exchange: Universalistic versus Particularistic*

*Exchange*

Each context of exchange is not equally supported. Another source of conflict between contexts of exchange occurs when individual economic actors feel pressure to engage in a particular form of exchange. In the United States laws encourage economic actors to engage in arms-length and instrumental exchange. At the same time community norms in the art world sometimes encourage other forms of exchange such as barter, which is often characterized by substantive values and particularistic social relations. While some artists regularly trade art with other artists, or trade their art for material goods (a used car) or services (dental care, medical expenses incurred at the birth of a child), others avoid this practice. The following quote is from a clay artist on the practice of exchange with other artists:

Usually other artists prefer to trade work. And I try to discourage that. The IRS frowns on that. So yes, when another artist buys my work I'm just flattered all to heck.

Because of the wider legal and regulatory environment, the artist just quoted prefers to sell work for cash. She explained in the same interview that even if she pays a friend who helps her prepare for a show with art, for legal reasons she will arrange to write that person a check for the price of the art and have them in turn return the money

to her for the art. Through this process, the art has been technically sold rather than traded. This appears to be a case of coercive isomorphism (DiMaggio and Powell 1983) since she perceives that it is the correct method in the eyes of the law. However since she has found other artists to be interested in trade, she feels normative pressure to exchange art in ways not sanctioned by the IRS.

As discussed in the previous chapter, some artists and gallery owners have strong opinions against lowering art prices. Some believe that it is devaluing the art to decrease the price. With regards to price they believe that different customers should be treated based on a universal standard: everyone pays the same price. Nevertheless they may want to strengthen certain relationships, knowing the benefits of having some embedded ties. Therefore they will keep a universal price on the art itself, but offer other incentives to good customers or clients, such as paying the shipping costs, offering to frame the art at no cost, or giving gifts of art to customers who have purchased many other pieces of art from them.

Sometimes artists disagree about whether exchanges should be universal or particularistic. I interviewed a painter who discussed a situation in which her mother, also a visual artist, changed a price on a painting. Her mother's close friend had seen the painting at an open house and wanted to purchase it. The painting was already priced at \$600, however her mother could not ask that much of a friend and lowered the price. The daughter disagreed strongly with the decision. The daughter explained to me:

I was mortified when [she] did that. That was such an awful thing. She [the friend] wanted to buy it for the price that was listed in the book. It was on the painting. And she had made the decision she wanted it...To me if somebody

has made the decision that they want something and they know that it is worth that to them, then it's an ugly thing to change your mind and to show embarrassment. It needs to be graciously accepted...This is something that's very personal. If somebody says that they love whatever it is that you have, and they've made the personal decision to buy it at that \$600 price, then you graciously accept. You say, "I'm honored." That's my personal feeling.

The mother had been embarrassed to ask her friend to pay full price, but the daughter was in fact embarrassed that the mother would not accept the full price from a friend. The daughter explained that in her view lowering a price when a friend is willing and able to pay it says, "I'm not as worthy you think I am."

### ***Theoretical Propositions: Conflicts between Exchange Contexts***

Based on the above analysis, I have developed several propositions regarding conflicts that may arise as the result of artists' participation in multiple exchange contexts. I use the term conflict in a general sense to refer to both situations in which artists and their exchange partners openly disagree, as well as to situation in which artists were unhappy with the transaction even if they did not voice their opinion. Although based on the study of the entrepreneurial activities of artists, the propositions are stated generally. Future empirical work could examine the general applicability. The propositions follow:

**Proposition 1A: Conflicts may arise when exchange partners are not operating based on the same orientation to action.**

If one partner is seeking to maximize their goals and the other is acting based on a particular set of beliefs or values, conflict may result. This proposition also has a corollary:

**Proposition 1B: Conflicts arise when exchange partners invoke different types of relationship ties.**

Some types of network ties may be more strongly associated with instrumental action, and others may be more often associated with substantive rationality. Consequently when parties in an exchange invoke different relationship ties, conflict may result.

**Proposition 2. Conflicts may arise when actors and organizations within the relevant field support or discourage participation in particular contexts of exchange.**

Some contexts of exchanged are held in higher esteem than others. Economic actors who choose to participate in a context that is not supported may experience conflicts.

### **Movement between Field Positions**

In the previous chapter I considered position within the field of cultural production (Bourdieu 1993) as an important aspect of the context in which artists sell and price their work. Field positions relate to the meaning that artists associate with the exchange of their art, by distinguishing between competing sources of legitimacy associated with different positions. Depending on an artist's position within a field of cultural production, legitimacy may be based primarily on making money (economic capital) or increasing reputation within the art world (cultural capital). This analysis leads to several general observations, each of which are discussed in depth in the sections that follow. Specifically, I have observed that artists often find themselves in different

positions at different stages of their careers. Artists also may be oriented toward more than one position coterminously. This may involve seeking different audiences for different types of art. In some cases artists may purposefully produce different types of art for different audiences.

### ***Orientation toward Multiple Positions***

Among the 53 artists interviewed, 38 are oriented toward art for art's sake, 36 toward the bourgeois market, and 32 toward a mass audience. As the sum of these numbers suggest, many of the artists interviewed are oriented toward more than one position, either currently or over the course of their career. Table 5.3 depicts the combinations of field positions among the artists interviewed. None of the artists has been oriented entirely toward the field of restricted production, and only a few have been oriented toward only a bourgeois audience or a mass audience. It appears more common for artists to be oriented toward two or even three positions.

**Table 5.3: Combinations of Field Positions**

<u>Art for Art's Sake</u>	<u>Bourgeois Market</u>	<u>Mass Audience</u>	<u>Number of Cases</u>
0	0	1	6
0	1	0	2
0	1	1	7
1	0	0	4
1	0	1	7
1	1	0	15
1	1	1	<u>12</u>

Total Number of Cases: 53

Table 5.3 illustrates that most artists are oriented toward more than one kind of audience. In some cases this has occurred at different stages of the artist's career. In other cases occupying multiple positions occur at the same time. The next sections provide examples of each of these possibilities.

### *Different Positions at Different Career Stages*

Several artists I interviewed became focused on creating fine art after they had been working in commercial art. For example, an artist who has been painting professionally for the past 25 years started out his professional life in graphic design and then advertising. He described advertising as a "cut-throat" industry with long hours that were incompatible with being involved with his family. When he felt he could no longer work in that industry, he began focusing on fine art. He shifted away from a focus on a mass audience in commercial art to selling his paintings and prints through several galleries in Western states. Another artist, who is currently involved in creating metal collage from found objects, had previously been the art director for several different newspapers. Several other artists, who are now focused on producing art that gains the respect of their fellow artists and sometimes also selling to a bourgeois audience, told me that they had done graphic design or other forms of commercial art previously. For some artists it is necessary to make some money through commercial art in order to later have the ability to pursue fine art.

More than one artist described a different kind of transition: from producing for a mass audience to focusing more on art for art's sake or a bourgeois market. For example a painter started out designing and creating jewelry. Another artist currently focused on mosaic as well as painting, began her artistic career selling original crafts through a gift shop as a teenager.

### *Different Positions at the Same Time*

Other artists are oriented toward more than one field position at the same point in time. A young painter described in the last chapter who described his art as “low-brow but sophisticated” currently sells oil painting for nearly \$6000 in galleries in major cities, and his buyers are often other artists in the music or movie industries. At the same time he sells t-shirts, postcards and other merchandise with images of his art from his website; he has also created art to appear on an album cover for a rock band. He acknowledges that some artists are critical of his choices, and consider commercial ventures to be “selling out.” However he identifies with an artistic movement that seeks to blur the boundaries between fine art, illustration, and design. His work has been featured in an art journal associated with this movement.

Another young artist seeks a variety of audiences for ideological reasons. She shows in both galleries frequented by fellow artists and public places, such as community centers. In the quote that follows she explains why she likes to show in non-traditional exhibition spaces:

I prefer showing in public spaces. More people see the work. I care more about people seeing the work. Public

spaces are more real. It can be intimidating for customers at galleries. People feel uncomfortable going into a gallery, because they are afraid they have to know about art...I also like showing at the community athletic center. It's a real community of different people there, all interested in fitness. It's a non-intimidating way for people to see my art. They come to the club regularly and walk by it, and eventually they have a good look.

In addition to showing and selling paintings and drawing, she also has had postcards created with images from her original art. She is pleased when people who can not afford a painting are able to buy a postcard:

Postcards are great for accessibility. People will buy the post cards and frame them. I'm like great! It gets my images out there.

Another typical way that many Pueblo artists combine producing art for a restricted audience or a wealthy audience is to create public art. The city has sponsored several small scale public art projects in the past several years, as well as some high profile ones. Although some artists focus exclusively on public art projects, none of the artists I interviewed do so exclusively. However several have received public or private funds to create murals or sculptures for a public audience. Public art funding can enable an artist to experiment with new materials or a new style of art. It also is a way to gain community recognition.

Gallerists also may sell art oriented to a variety of audiences. I interviewed a gallery director who creates websites on the side and a gallery owner who does design work. Another gallery, respected by artists as a fine contemporary art gallery, is also involved in contract wall décor. The owners estimated that 35 to 40 percent of their business is from wall décor. They contract with interior decorators or architects to

provide art ranging from posters to original art for offices and other buildings. The owner I interviewed attributed their success at staying in business to the fact that the gallery does not rely exclusively on sales of original art through the gallery.

### *Different Approaches to the Same General Field Position*

Considering the orientation of artists to different positions within the field of cultural production, made it obvious that there are different ways to be oriented to a general position. A majority of the artists studied create their work with other artists as an intended audience. Yet, only a small proportion are engaged in the highly conceptual or abstract contemporary art often associated with the field of restricted production. A successful realist painter described how there are different kinds of art worlds:

You know there are different art worlds out there...There is what I would call the naturalist/realist painters. That's the tradition in which I paint... And the market for this kind of art is growing in the major cities as well, but generally it's been known that if you want to be a realist painter it's good to work in the Southwest, because there is a tradition, a gallery tradition, a collecting tradition, and it includes everything from plein air painters<sup>10</sup>, outdoor painters..., cowboy artists, and just realists in general. And there's incredibly good stuff, well done stuff, and there's absolute garbage, and it incorporates everything, but it is realism and it's a tradition. So that's one of the reasons I decided to move out here and pursue painting here, because I knew that if I did good work, there was a collector base that would appreciate it and support me and what I did.

---

<sup>10</sup> Plein air painting refers to painting that is done outdoors in natural light.

This artist competes in plein air and oil painting shows on a regular basis, and sketches or paints with other realist painters often on a weekly basis. The emphasis for the artists he associates with is on perfecting traditional techniques rather than inventing new forms of visual art. As he described to me his experience as an artist in a large Midwestern city, he distinguished the realist art world from other art worlds:

My experience there was there was no collector base for realism painting. There weren't shows you could enter and get an award. You'd be competing against, there'd be some realism, but there'd be fiber art, and collage and everything else, which is fine. But the standard by which you'd be judged might not be the standard you yourself are pursuing. Within this world its easier to gain a reputation and succeed, but artists who are working outside of the realist tradition...they're working in a different realm. The kind of galleries that they are trying to get into, the kind of shows that they're trying to compete in are going to be a little different than what I am doing. And to some degree I'm limited in how successful I can be. A major contemporary art museum in New York City is not going to put on a retrospective of my work, because I'm not trying to be on the cutting edge. But artists who are [trying to be on the cutting edge] generally have a harder time succeeding, because there is a much more limited audience for that kind of cutting edge painting. And the tastemakers are in New York City and the major [art markets], so it's a completely different world.

I also found that some local arts organizations facilitate interaction working in a variety of styles of visual art. The local arts council is one. A number of the artists I interviewed have also been involved with a particular local non-profit with an educational mission. This organization hosts workshops, studios with live models in which artists share a model and pool the costs, as well as gallery space. I interviewed one of the

founders of the organization. He explained that the mission was to give artists a place to interact with each other about the work itself:

We are not an alternative to the formal art schools, but certainly a co-relative. Because artists, unlike performers and musicians and people who are in the arts and who work with each other, [visual artists] after they're finished with their school years they generally go solo. Not only is that stupid, because learning doesn't stop...but it's unproductive in a lot of the psychological senses...I have always felt...that having a community of artists who I can relate to them [is beneficial]. And they flow through the studio and look at my work, tell me what they don't like, tell me what they like, and I'm doing the same with them. So we're constantly interacting with our shared passion for visual arts.

For artists working in a specific style there are art guilds. Many of the artists who work with traditional media and techniques are members of such guilds. I interviewed several watercolorists who belong to local and regional watercolor guilds, as well as oil painters who are members of oil painting organizations. Art guilds have activities that include hosting juried shows in which artists compete for prizes and recognition, hosting workshops, and having a system through which artists can become signature members based on peer evaluations of the quality of their art. Signature members have the privilege of signing their paintings with the name of their guild, in addition to their own name. Some artists do this and perceive that it signals high status to some potential buyers. It is through guild events that individual artists interact with and share their work with other artists. Participating artists may be creating traditional styles of art, but they are often oriented towards other artists doing the same. It is not only avant-garde artists who are oriented toward art for art's sake.

I have also observed different ways that artists may be oriented toward a mass audience. One way is to produce art products (note cards, coffee mugs, and so forth) for sale at inexpensive prices. One reason for doing this is to diversify a “product line,” which may be economically beneficial; a watercolorist who extensively markets her art products indicated that it was the sale of note cards, calendars, and other inexpensive items that enables her to weather the slump in sales of original art following 9/11 and the start of the U.S. war with Iraq. However, as previously discussed, another reason for creating merchandise is to increase the accessibility of art by widening the potential base of people who can purchase it. The same emphasis on accessibility is also a reason given for producing another kind of art for a mass audience: public art projects. Such projects, whether funded by the government, through private donations, or with the artist’s own resources, are often undertaken to make art accessible. Art created for a general public may also have a political motivation, as is the case with a muralist I interviewed who has created murals as a form of participation in the Chicano movement. Creating art for display in a park, on a retainer wall along the highway, or on the side of building on a city street, ensures that a lot of people will view the work.

### ***Boundary Work and Position Taking***

Lamont (1992) defines symbolic boundaries as the lines that people draw when they put themselves and other people into categories. These distinctions may be moral, symbolic, or cultural. Boundary work is a way that people defining their self; self

identity is constructed in relationship to other people. Boundary work is also a way to maintain order within communities and develop a sense of group membership.

When artists asked me questions about the extent of my project, several seemed surprised that I was seeking interviews with visual artists working in a variety of styles. When I mentioned artists who paint animals and landscapes, one painter, a young contemporary artist working and showing in the downtown area, said that she likes to “pretend those artists do not exist.” Yet it was clear that she knew such styles of art exist in her own city. Her comment implied that she is not interested in some styles of art, not that she is unaware of those styles.

Several artists were critical of a prominent local artist who markets her work heavily and as a result has been very successful financially at selling her art. A gallery director described this artist as “a marketing guru” and believes that the emphasis on intense and creative marketing is “really the only reason her art is anywhere.” The same gallery director clearly distinguished the art that she shows in her gallery from the art of the prominent painter:

She’s the marketing guru. I’m a little bit more, in the way of “art for art’s sake,” you know?...I just think, innately it’s in my blood. I think there’s just a lot of art people in my family, and I just love it. I don’t really think she has any understanding of that to a degree, because she just kind of picked up a paint brush one day and saw that she could paint, and she’s great... Actually she’s probably learned a ton about art and the art world and art history and everything, and probably has a huge, huge respect for it. You know, I really don’t know anything about her so I can’t pass judgment, but I think she’s fantastic. I don’t like anything she sells, and I would never buy any of it in a million, billion years. Or even associated myself working in a gallery like that, but I think she’s got something going.

The gallery director also indicated that she is under pressure to conform to certain ideas about how a gallery should look. A few months after her gallery opened she added a couple of cases exhibiting jewelry for sale in one corner of the gallery. Some perceived that this detracted from the gallery as a space for showing fine art:

I definitely have a lot of artists and a lot of people judging who were about to throw-up when I put that jewelry in here. They were disgusted with me and very upset. So yeah, I have a lot more boundaries and a lot more things that are sacred in this art world that I could never cash in on. I'm not allowed to. And the more pristine this gallery is, the emptier it is, the better. You know, if I junked it up with boxes with shrink wrapped posters and stuff like that, I would lose a lot of respect.

In contrast to this director's gallery the "marketing guru's" galleries include bins of unframed prints, racks with greeting cards, and other products along with original art displayed on the walls.

### ***Boundary Work Within an Artist's Body(ies) of Art***

While I certainly observed other examples of relational positioning and boundary work, because so many artists are oriented toward multiple field positions, I also found that some artists engage in boundary work when discussing their own work. In a previous chapter I quoted a painter who describes her work as having two bodies. One is more commercially viable, and in this work she focuses more on the craft and aesthetics of painting. The other body of work is more shocking and conceptual. By appealing to a wider audience her more aesthetically pleasing work supports her other body of work. This artist attempts to link the two bodies. She considers both to be "true" to herself as

an artist, even though she finds the more conceptual paintings to be more interesting. With the work she considers less interesting, she emphasizes its other virtues including the focus on the craft of painting. She emphasizes that the work is related to her other work and of excellent quality, even though it is easier to sell.

Other artists also make distinctions between their various bodies of work, but tend to distinguish the real work from the work that pays the bills. The artist discussed in the last chapter who sells almost exclusively to an interior designer is also building up two other bodies of work. She would like to transition into showing her paintings in contemporary art galleries and has interviewed several gallery owners to learn about the process. She had thought she should focus on Western themes, which are common in her work for the designer, because she thought they would sell readily in the local context. She was encouraged by one gallery owner in particular who told her to paint what she wants to paint. Now she is working on two bodies of work not related to her contract work, the work that supports her. Once she gets together a large enough group of paintings, she plans to seek gallery representation. This is the work she cares about and she described it passionately, in contrast to the paintings she is currently selling.

### *The Blurring of Field Positions*

While I found that artists distinguish their work from that of other artists or distinguish among their own artistic projects, I also found that the boundaries between positions are often blurred. Given that artists are frequently oriented to multiple types of audiences, this is not surprising. This may be partly explained through selection bias: I

mainly spoke with artists who are in some way marketing, selling, and pricing their work. I did not speak to artists who do not want to sell their work. Consequently most of the artists I spoke with are at least partially motivated by the desire to make some money with their art. Nevertheless few artists are exclusively focused on selling to wealthy people. Most are involved in creating art in large part because of the art itself.

As a result of the need to make money by at least occasionally selling art, many artists can not afford to be exclusively focused on art for art's sake. For example a gallery owner, who is also an artist, expressed very strong opinions about how art should be created and displayed when talking with an audience at an art event. He explained that he believes art should not be framed behind glass. In his view people should be able to connect with art. Looking at art through a glass frame, in his opinion, is like window shopping or looking at an object trapped behind the barrier of a window. He also prefers not to show art created on pre-made canvases purchased in standard sizes. He prefers artists to stretch their own canvases, because he does not want the art to be constrained by the conventional sizes of materials sold in art shops. Despite his strong opinions about the proper experience of art, when I interviewed this artist/gallery owner about his gallery business, he told me that he gives small discounts to interior decorators. Decorators may be buying art to match a couch or wallpaper, rather than to be properly experienced. Nevertheless he needs to cultivate relationships with people who buy art, regardless of their tastes and reasons.

Pricing itself may blur the boundaries between positions in a field of cultural production. As Espeland and Stevens (1998) note, associating a numeric value with an

object enables it to be compared to other objects. Pricing as a form of commensuration enables comparisons of all types of art, at least on the basis of price. To adapt a common metaphor, apples and oranges can be compared once they are priced. Whether art is created for art's sake, with bourgeois or mass tastes in mind, when it enters a market as a commodity to be bought and sold, distinction into pure positions may break down. Very expensive art is very expensive, regardless of the intended audience. If wealthy people are willing to buy art, the purity of the artist as on the cutting edge is questioned. This is precisely why artists oriented toward the field of restricted production run the risk of being labeled "sell outs" when their work sells for large sums of money.

Another reason for the apparent blurring between field positions may be due to American setting, and especially a setting that is an American city and not an international art market. Lamont (1992) has argued that Americans are less concerned with signals of high cultural status than the French. Americans also have been observed to emphasize materialism, including purchasing culture, for instance purchasing a painting may be associated with high social status (Lamont 1992). Perhaps owning (or creating) original art in the view of many Americans is enough to be considered cultured. The art does not have to be of a particular genre to show distance from common tastes.

***Theoretical Proposition: Artists and Field Positions***

From the above analysis, I have developed an additional proposition regarding positions within fields of cultural production. Although based on the study of the

entrepreneurial activities of visual artists in one art market, the proposition is stated generally. The general applicability could be examined through future research.

**Proposition 3: Artists frequently are oriented toward more than one type of audience and source of legitimacy for their artistic work.**

Sources of legitimacy, economic or cultural capital, may be competing, but there is often back and forth between sources of legitimacy on the part of individuals. Field positions can be thought of as ideal-types, and individuals or organizations may be oriented toward one type of position in some settings and another type of position under other circumstances (Oakes, Townley and Cooper 1998). Movement between positions is observable not only by following an individual's trajectory over time, as movement between positions may happen on a daily basis as an individual attempts to negotiate a career.

**Is This a Field? (Is this Field-like?)**

The analysis of the entrepreneurial behavior of artists in relationship to field positions raises the question of whether or not the artists studied in Pueblo are part of a field<sup>11</sup>. From the perspective of new institutionalism theory in organizational analysis, a field encompasses all the organizations that together “constitute a recognized area of institutional life: key suppliers, resources and consumers, regulatory agencies, and other organizations that produce similar services or products” (DiMaggio and Powell 1983, 64-

---

<sup>11</sup> Both Ronald Breiger and Joseph Galaskiewicz have raised this as an important question regarding my research.

5). New institutionalists argue that coherent norms often develop among the organizations or actors within a field.

The artists studied are individuals, not organizations, but they are engaged in entrepreneurial activity producing similar products. However, at least with regards to pricing, strong shared norms are not apparent. Chapter 4 on pricing styles demonstrated that there is a high level of diversity regarding the approaches to pricing of art among the artists in Pueblo. Pricing is not an institutionalized practice among the artists studied.

In contrast to new institutionalism, Bourdieu's conception of a field is less focused on shared norms (Oakes, Townley and Cooper 1998). Bourdieu's conception of fields emphasizes the kinds of capital, especially cultural and economic in fields of cultural production, and the role that capital plays as a source of legitimacy. Artists are more field-like in the Bourdieu sense; as demonstrated in chapter 5, pricing styles take on specific forms based on particular intended audiences and sources of legitimacy. For instance artists focused on the gallery system, in which cultural capital and status maximizing are primary, artists tend not to lower prices. When discounts are made they tend to be small, and made for buyers such as collectors who confer status on an artist and a gallery by buying the art.

There is additional evidence that Pueblo has some field-like qualities. First, many of the artists interviewed are members of the same arts organizations. In some cases organizations connect artists working in very different styles and at different stages of their careers. Even the artists who told me that they are not members of any arts organizations, tended to know of such organizations. Some felt they do not have the time

to be more active in the arts community, because of work (particularly “day” jobs) or family commitments. And others explained that they consciously do not join such organizations, because they prefer to work in relative isolation or fear that the time and energy spent would detract from their time spent creating. Not participating appears to be as conscious as participating.

A second factor suggesting that the setting studied has a field-like quality is that I found particular local artists were mentioned repeatedly in the interviews. Ten people interviewed mentioned one artist in particular, the one previously described as a marketing guru<sup>12</sup>. Some of the artists studied have met this local star and even taken advice from her. Others have never met her, but have followed her success. Some spoke fondly of her; others think her art is mediocre at best, but all are impressed with the rapidity and extent of her success. Having a star in a field implies a constellation of others positioning themselves in relationship to that star. To some extent a setting can be considered a field when someone (or some people) have notoriety. Others may love or hate them, or be genuinely ambivalent, but they feel forced to have an opinion.<sup>13</sup>

The key difference between my analysis and Bourdieu’s theorization of fields is that I have found artists to be oriented toward multiple positions in a field. Sometimes this is to sustain an artistic career, by supporting the “real art” with other artistic jobs that help pay the bills. Other times it is for ideological reasons, such as wanting to share art with as wide an audience as possible. While empirically true in the case studied here, this

---

<sup>12</sup> In six interviews other interviews artists mentioned another prominent local painter, now deceased. These artists were equally ambivalent to this painter who achieved national success in the 1970s.

<sup>13</sup> I am grateful to Ronald Breiger for making this observation.

possibility is not well accounted for in Bourdieu's discussion of fields of cultural production.

### **Conclusion**

Visual artists typically sell their work in more than one exchange context. They also are frequently oriented toward more than one type of audience and source of legitimacy. In this chapter I have discussed the implications of moving between contexts and positions within a field of cultural production for economic actors, in this case the implications for visual artists selling their work.

A key finding of this chapter is that conflicts are sometimes experienced by sellers as a result of the dynamics of exchange contexts. Sometimes buyers and sellers are acting based on different assumptions, as when one person is basing their decisions and actions on personal or community based values and the other person is attempting to maximize on profit. Buyers and sellers also frequently have multiple ties to each other, as when they are friends as well as partners in economic exchange. As a consequence, in the same interaction the people involved may be invoking different types of connections between them. As demonstrated in this chapter, overlapping ties occasionally lead to misunderstandings and contentious interactions.

The conflicts discussed in this chapter highlight the fact that economic activities do not take place in a world apart from all the other aspects of a person's life. Scholars often assume a strong boundary between realms of social life. For instance production and distribution are examined in terms of rationality and efficiency; household consumption is analyzed in terms of sentiment and meaning (Zelizer 2002). Many

individuals negotiating professional lives within work organizations also experience a strong division between their public and private life. There is an expectation that private life is left behind when a person enters the realms of work and economic exchange. Yet, the economic sphere and the spheres of home, family, friendship, and community are not entirely separate. The findings presented in this chapter support the argument that economic life involves sentiment and emotion, aspects not commonly associated with production and distribution. The findings also demonstrate that economic activity can involve meaningful and multifaceted relationships capable of both facilitating and hindering economic exchange.

Examining the dynamics of exchange demonstrates that movement between field positions not only occurs over the course of a career, as is implied by Bourdieu's (1993) notion of trajectories. Movement between positions also happens coterminously in the process of managing an artistic career. While I found that some artists orient themselves to different audiences at different points in their career, many of the visual artists I interviewed are oriented to multiple audiences and sources of legitimacy at the same career stage. Movement between field positions is something that is negotiated in everyday life for many artists.

The reasons that artists seek multiple audiences vary. The need to make money is an important consideration that leads some to produce distinct bodies of work at the same stage of their career. One body of work is more commercially viable, while the other is produced with fellow artists in mind. However economic need is only one of the reasons artists orient themselves to multiple audiences. The beliefs that art should be accessible

to a wide audience and that art should be shared motivate some artists to find a variety of venues for their work. In addition, orientation toward a variety of audiences has been facilitated by recent technological developments. Digital cameras and color laser printers enable mass production of art images both quickly and relatively cheaply. With the Internet, artists are able to sell art merchandise directly to customers using their own website or using web-based sales outlets such as E-bay. Orientation to more than one audience may be increasing as a result of changing technology.

The findings presented in this chapter suggest several possible extensions for future research on fields of cultural production. First, future research could investigate the extent to which the same artists occupy multiple positions within a field. Second, the role of technology in creating the opportunity to be oriented to multiple sources of legitimacy could be investigated. Finally, research could examine the consequences of the same artists occupying multiple positions for the overall structure of fields of cultural production.

## CHAPTER 6: CONCLUSION

### Prices as Meanings

In this dissertation project I set out to understand the social process through which artists price their work. From the start I assumed that the meanings artists associate with creating and selling their art vary. I also assumed that those meanings influence artists' pricing decisions. I found that this is indeed the case. However, through interviews with artists and art gallery representatives and observations at art events, I discovered that prices themselves are meanings.

An art price is the numerical value that indicates the amount of money to be exchanged in order to purchase the particular work of art. This is the economic meaning of a price. However prices have other meanings. Prices are signals of the quality or the value of the art. Art prices indicate an artist's position within a status order. Prices are mechanisms of exclusion and inclusion and are used to maintain moral and cultural boundaries.

Potential buyers of art are sometimes uncertain of how to evaluate the art that they view. Prices can be a signal to potential buyers of the quality of the work. Gallery owners indicated that this is especially true of abstract art, which may be more difficult for non-experts to evaluate, but the perception that price signals quality is a factor that cuts across genres. Many artists indicated that they have successfully raised prices to stimulate sales. Others indicated that pricing art too low can be detrimental, recognizing that some people perceive that a work of art that is priced lower than they expect must

not be very good. An art buyer looking for a 10,000 dollar painting may not buy a painting that they love if it is priced at only 1,500 dollars.

When artists use their own estimation of the worth of a particular piece in their pricing, they are literally using the price to distinguish between the works they consider to be their best from their more typical accomplishments. Many artists and galleries will not lower the price on a work once the price is set. Lowering prices is viewed as undervaluing the work. It is more common for artists and gallery owners to indicate that they give a discount to particular people than to say that they reduce the price. Offers of free shipping or the inclusion of a gift, such as a small original piece or a print, are made to make the purchase a better deal without lowering the actual price on the work, therefore maintaining the value of the art.

Prices position artists within a status hierarchy of fellow artists. Some artists believe that their prices should reflect their “moment” in terms of recognition and accomplishments. Number of works sold is only one indicator of the level of accomplishment of an artist. When deciding which work is comparable to their own, artists look at skill level. However, they also look at how many years the artist has been working professionally, the types of galleries or shows in which the artist’s work has been displayed, and the amount of recognition the artist has garnered: all measures of status. There is an expectation that prices will rise over the course of an artist’s career, with increased status. Consequently new artists often start by pricing their work relatively low to ensure the possibility of price increases. For painting and sculpture, prices are rarely lowered over time out of a sense of fairness to previous buyers who

expect that the value of the art that they have purchased will increase or at least not decrease with the passing years.

When discounts are given, they tend to be given to particular kinds of people. The discounted price reflects a special relationship status. Thus discounted prices are a way of classifying people as included within a social group. A discount to a good friend indicates that the buyer is within the artist's social circle. Discounts to art collectors and to models who pose for artists indicate that the buyer is part of the art world.

Besides indicating that a person is included within a group, prices are also used in the construction and maintenance of other types of boundaries. Some artists price for accessibility, either all of the time or for certain works. Artists who price in a way that enables their compatriots to purchase their work are constructing a moral boundary with their prices. Artists whose prices are shaped by the belief that art should be within the reach of the middle class or the belief that their art should be accessible to members of their own ethnic community are also making a moral distinction with their prices.

Prices are also used to maintain cultural boundaries. A gallery owner who will not "junk up" her gallery with shrink wrapped posters and prints is distinguishing her gallery from gift shops. The gallery owner who purposefully combines less pricey functional art and art cards with more expensive paintings and sculpture in an attempt to draw in a broad clientele, some of whom may be intimidated by upscale galleries, is also making a cultural distinction. While few artists have sales with price reductions, some do. The choice to have a sale and lower prices on original art or reproductions is a choice

to associate art with other commodities sold in retail establishments. Clearly, the economic meaning of a price is only one of many possible meanings.

### **Implications for the Study of Fields and Position Taking within Fields**

#### ***A Partially Institutionalized Field***

I found a variety of approaches to the pricing of art. The lack of clear norms regarding pricing suggests that as a field<sup>14</sup> the art market within the city I studied is only partially institutionalized. In major art markets, such as New York, there are stronger norms or rules of thumb regarding pricing, although even in such markets variation in pricing styles has been observed (Velthuis 2003). A major goal of this dissertation has been to discover the variety of ways that artists price their work. In pursuit of this goal, I interviewed a diverse set of artists and galleries.

The artists I interviewed vary in terms of the media in which they work, the stage of their career, and the types of settings in which they show their art. Some are beginners who have recently started selling their work. Others have been selling their work for decades, and some are making a living with their art. The galleries vary in age and the extent to which they focus on one style of art or present a variety of styles; some are commercial and others are non-profit. At the same time all of the artists and galleries included in this study are located in the same medium-sized city. Many of the artists are involved in the same arts organizations. As a result many hear about the same funding and exhibition opportunities and are familiar with the same local galleries and art events.

---

<sup>14</sup> A field in the sense of new institutionalist theory (DiMaggio and Powell 1993).

The galleries are aware of each other, and in some cases are members of the same gallery associations. Even among a diverse sample of artists and galleries, I found that most people are aware of others in the local art world.

An advantage of studying a partially institutionalized field is that I was able to see how individuals figure out how to make an important decision in the absence of clear norms. As discussed in Chapter Three, it was common for artists to tell me that pricing is a difficult decision, or even the hardest part of selling their art. In a partially institutionalized field, the practices of organizations and individuals are not similar as the result of imitation in the pursuit of legitimacy, shared norms, coercion by more powerful organizations, or even efficiency concerns leading to the adoption of similar structures and practices<sup>15</sup>. In fields characterized by variety instead of sameness, it is possible to see practices as position taking within the field. The adoption of a particular pricing style distinguishes artists from each other. When practices are varied, different styles of decision-making and action become an observable manifestation of the struggle of position taking that constitutes a field in Bourdieu's (1993) sense of the term.

I did observe imitation in pricing styles. Some artists have attended community classes on marketing art or read books on the topic; others have sought advice from fellow artists. However, a variety of models of pricing are available. A majority of the artists I interviewed have tried more than one method of pricing. They have found that some approaches do not suit their art, or the settings in which they show their art, or even

---

<sup>15</sup> See DiMaggio and Powell (1983) for a discussion of types of institutional and competitive isomorphism.

their own beliefs about selling art. For artists, figuring out how to price their work is part of the process of defining themselves as a particular type of artist.

In the analysis presented in this dissertation I focused primarily on artists' current approach to pricing. In the interviews I also asked artists about their pricing decision when they first sold a work of art and how their approach to pricing has changed over time. A future extension of this work will be to examine artists' pathways to their current style of pricing. Examining artists' accounts of their change in approach to a particular practice over time may be a way to observe the process of identity construction and position taking within a field of cultural production.

### *Stars and the Construction of Fields*

One of the reasons I knew that I was studying a group of people and organizations that in some sense constitute a field is that many of the artists and gallery representatives I interviewed referred to the same notable artists. In particular many mentioned an artist, referred to in previous chapters as "the marketing guru," who has been very successful economically. Several also referred to a deceased local artist who enjoyed international recognition. Like the marketing guru this artist became well known in part through the use of his art on mass produced items, including greeting cards and coffee mugs, and also through his political protests. These artists are stars in the sense of being notable and how they are noted is key to understanding cultural fields. Some people admire and respect the stars; others are very critical; and some seem to be simultaneously repulsed

and intrigued. Whether the stars are famous or infamous, others feel forced to have an opinion about them.

Participation in the struggle of distinction and position taking is a criterion for establishing that an artist is part of a field (Bourdieu 1993). Bourdieu stresses that distinctions are often unconscious, but my observations regarding the role of stars suggest that sometimes they are quite conscious. Having a bright star in a field implies a constellation of others positioning themselves in relationship to that star. It is possible to see how a field is constructed by observing how people differentiate and align themselves with the most notable members. For scholars interested in understanding fields of cultural production, discovering the stars and learning how people talk about, interact with, and differentiate themselves from the stars may be a useful strategy for understanding the construction and maintenance of fields.

### **Careers, Exchange Contexts, and Craft vs. Art**

In this dissertation, contexts of exchange conceptualized in terms of the relationship between buyer and seller and the meaning associated with exchange were used as the main dimension of variation for understanding how visual artists market and price their work. Selling in different contexts is just one way that artists differ. Artists also follow a variety of career paths, and at a particular point in time individual artists are at a various points in their career. Some artists are involved in artistic pursuits that are more craft-like, such as pottery, jewelry, and some types of glass mosaic. Others create work that is more clearly thought of as “high art,” such as painting and sculpture. An

extension of this research would be to examine pricing and selling across artists' careers, across additional dimensions of exchange contexts, and to examine differences between artists focused on craft and artists focused on high art.

In terms of careers, a key dimension of variation to explore is the differences between artists who attended art school and those who did not. While few art schools offer courses on the marketing of art, formal training in art may influence artists' orientation to showing and pricing their art. Obtaining an art degree is an experience that is likely to influence a person's identity as an artist, and may have an important influence on his or her practices regarding pricing. Career stage is also likely to influence an artist's pricing practices. Beginners are in the process gathering information about pricing from others and through their own trial and error. It is likely that a wider variety of pricing styles can be found when looking at beginners than when examining more experienced artists. Beginners are also in the process of positioning themselves in relationship to other artists as they find and define their artistic identity. In contrast artists who have more experience are likely to have settled into a position as an artist. Their choices concerning exhibiting and pricing their work may reflect the struggle to maintain a particular identity as an artist while the artistic field continues to change around them.

I have focused on contexts in terms of the meaning associated with exchange and the relationship between the buyer and the seller. Another key difference in contexts is the type organization in which the art is shown. Artists sell their work through non-profit organizations, including art shows sponsored by museums and educational institutions as

well as non-profit galleries. Art is also sold through for-profit organizations. The most common for profit organizations involved in the sale of art are commercial galleries. However, increasingly art is being sold through commercial sites on the Internet, boutiques and other small shops selling a variety of merchandise, and through commercial services including interior decorators. The influence of the organizational context on pricing decisions could be examined more fully in future research.

The formal analysis of the relationship between the elements of pricing decisions contained in Chapter Three uncovered two common types of pricing styles. Both types include market factors in the pricing decision. One combines market factors with a consideration of expenses; the other combines market factors with a consideration of the status of the artist and the media. I suggested that the style that includes attention to expenses is a more craft oriented approach, while the style that includes status is an approach advocated by fine art galleries. These findings raise additional questions. An extension of this work could examine the influence of the art form itself on the pricing process. It could also be fruitful to examine how pricing decisions are constrained by an artist's position as an artistic craftsperson or as an artist working in either classical or avant garde traditions. Future research could explore the extent to which norms regarding pricing are more apparent within the distinct genres of a field of cultural production.

## APPENDICES: INTERVIEW QUESTIONS

### Appendix A: Artist Interview

How long have you been an artist? When did you begin defining yourself as an artist?  
Are you currently making a living as an artist?

Have you had formal education in art?

What mediums do you currently work in? Have you worked in other mediums over the years?

When did you start selling your art? How long ago?

Do you recall your decision to begin selling your work? What were your reasons? Do these continue to be your reasons? Or why do you sell your work today?

Do you remember the first time you sold a work? How did that come about? Did you already know the person who bought the work? Did you decide on the price? How did you decide what price to charge?

Where have you exhibited your work? (Festivals? Fairs? Any galleries? Any restaurants?) How did you gain access to those places? (Where you solicited to show your work? Did you inquire yourself?) Did those exhibitions result in a sale? Where do you currently exhibit your work? Why aren't you exhibiting at the places you used to?

Do you have a website? Have you sold art through your website? Do you see the web as a valuable tool for marketing? for selling?

Do you do commissions? Why not? Or what is that process like? Do you like doing commissions?

How do you decide on a price?

Did you decide on a price in similar ways in each of the settings mentioned above?

When was the last time you sold a piece of art? Did you decide on the price? Did you have input from anyone else when deciding on price? How did you decide on the price? Was that transaction typical of the other times you have sold your work?

Have you always priced similarly to how you do it today? (Your pricing decisions seem to have evolved from how you priced at the beginning. Do you think this is true? Why?)

Do you consider other people's art when deciding on a price? How do you find out information about the prices of comparable art? do you talk with other artists about pricing? Have you gone to anyone for advice about pricing?

Have you ever lowered a price? Have you ever raised a price? Why? What were the circumstances?

Have you ever chosen subject matter based on whether or not you thought it would sell?

Have you ever sold art work to someone you already knew? What was your relationship to that person? Describe the transaction.

Is it different selling art to people you already know versus someone you have not previously met?

Have you ever sold work to other artists? Was that different than other customers?

Have you ever traded art for something other than money? Why not? or how did that come about?

Is it ever difficult exhibiting your work?

Is it ever difficult selling your work? Why? Is it ever rewarding? Why?

Have you taken a course on marketing or the business side of being an artist? Have you read books or articles on the topic?

Are you involved with any arts organizations?

Are there other artists you know who it might be good for me to interview? Especially artists whose career is at a different stage or who approach selling their work differently from you?

## **Appendix B: Gallery Interview**

How long have you had this gallery? How old is this gallery?

Did you have experience in the art business before opening your gallery? Have you had formal education in art? in business? Are you an artist?

Why did you decide to run a gallery? Why did you continue to run a gallery today?

You have a website. Have you sold art through your website? Do you see the web as a valuable tool for marketing? for selling?

Do you usually decide on the price for art that you show? Does the artist decide on the price?

How do you decide on a price?

Do you think artists typically know how to price their work?

When was the last time you sold a piece of art? Did you decide on the price? Did you the artist decide on the price? How did you decide on the price? Was that transaction typical of the other times you have sold your work?

Have you always priced similarly to how you do it today?

Do you consider other art when deciding on a price? How do you find out information about the prices of comparable art? Do you visit other galleries?

Have you ever lowered a price? Have you ever raised a price? Why? What were the circumstances? Do you ever give discounts?

Have you ever sold art work to someone you already knew? What was your relationship to that person? Describe the transaction.

Do you have regular customers/collectors?

Is it different selling art to people you already know versus someone you have not previously met?

Of the art you have sold in the past year- what was the price of the most expensive work? the least expensive work? What is a typical range of prices for the work that is sold from your gallery?

Are you involved with any arts organizations?

Are there Tucson artists you know who it might be good for me to interview?  
Are there galleries I should interview, especially galleries that are different from your own?

## REFERENCES

- Aldrich, Howard E. 1999. Organizations Evolving. London: Sage.
- Aldrich, Howard E. and Roger Waldinger. 1990. "Ethnicity and Entrepreneurship." Annual Review of Sociology. 16:111-135.
- Alexander, Victoria D. 1996. "Pictures at an Exhibition: Conflicting Pressures in Museums and the Display of Art." American Journal of Sociology. 101(4):797-839.
- Angel, William D., Jr. 1980. "Zenith Revisited: Urban Entrepreneurship and the sunbelt Frontier." Social Science Quarterly. 61:434-445.
- Anheier, Helmut K., Jurgen Gerhards, and Frank P. Romo. 1995. "Forms of Capital and Social Structure in Cultural Fields: Examining Bourdieu's Social Topography." American Journal of Sociology. 100(4):859-903.
- Banks, Mark, Andy Lovatt, Justin O'Connor, and Carlos Raffo. 2000. "Risk and Trust in the Cultural Industries." Geoforum. 31:453-464.
- Baker, Thomas H. 1994. "First Movers and the Growth of Small Industry in Northeastern Italy." Comparative Studies in Society and History. 36(4):621-648.
- Bates, Timothy. 1994. "Social Resources Generated by Group Support Networks May Not Be Beneficial to Asian Immigrant-Owned Small Businesses." Social Forces. 72(3):671-689.
- Becker, Howard S. 1989 (1974). "Art as Collective Action." pp. 41-54 in eds. Arnold W. Forster and Judith R. Blau. Art and Society. Albany: State University of New York Press.
- Becker, Howard S. 1982. Art Worlds. Berkeley, CA: University of California Press.
- Becker, Stanley W. and Gerald Gordon. 1966. "An Entrepreneurial Theory of Formal Organizations Part I: Patterns of Formal Organizations." Administrative Science Quarterly. 11(3):315-344.
- Beckford, John L. W. 1993. "A Process for the Entrepreneurial Decision?" Entrepreneurship, Innovation, and Change. 2(2):117-128.
- Biggart, Nicole Woolsey. 1989. Charismatic Capitalism: Direct Selling Organizations in America. Chicago: University of Chicago Press.

- Biggart, Nicole Woolsey and Rick Delbridge. 2004. "Systems of Exchange." Academy of Management Review. 29(1): 28-49.
- Bonus, Holger and Dieter Ronte. 1997. "Credibility and Economic Value in the Visual Arts." Journal of Cultural Economics. 21:103-118.
- Bourdieu, Pierre. 1989. "Social Space and Symbolic Power." Sociological Theory. 7:14-25.
- Bourdieu, Pierre. 1993. The Field of Cultural Production. New York: Columbia University Press.
- Bourdieu, Pierre and Loic Wacquant. 1992. An Invitation to Reflexive Sociology. Chicago: University of Chicago Press.
- Breiger, Ronald L. 2004. "QCA and Barycentric Correspondence Analysis." Unpublished memo.
- Breiger, Ronald L. 2000. "A Toolkit for Practice Theory." Poetics. 27:91-115.
- Brush, C. G. 1992. "Research on Women Business Owners: Past Trends, a New Perspective and Future Directions." Entrepreneurship Theory and Practice. 16(4):5-30.
- Bryson, Bethany. 1997. "What about the Univores? Musical Dislikes and Group-Based Identity Construction among Americans with Low Levels of Education." Poetics. 25(2-3):141-156.
- Burt, Ronald S. 1992. Structural Holes: the Social Structure of Competition. Cambridge, MA: Harvard University Press.
- Candela, Guido and Antonello E. Scorcu. 2001. "In Search of Stylized Facts on Art Market Prices: Evidence from the Secondary Market for Prints and Drawings in Italy." Journal of Cultural Economics. 25:219-231.
- Cox, Meg. 1986. "Regional Renaissance." The Wall Street Journal. (April 21, section 4):22.
- Cromie, Stanley and John Hayes. 1988. "Towards a Typology of Female Entrepreneurs." The Sociological Review. 36(1):87-113.
- Davis, John. 1992. Exchange. Minneapolis: University of Minnesota Press.

- Davis, Stanley M. 1968. "Entrepreneurial Succession." Administrative Science Quarterly. 13(3):402-416.
- Dean, Joel. 1969. "Pricing Pioneering Products." Journal of Industrial Economics. 17(3):165-179.
- Diamantopolous, Adamantios and Brian Matthews. 1995. London: Chapman and Hall.
- DiMaggio, Paul and Hugh Louch. 1998. "Socially Embedded Consumer Transactions: For What Kinds of Purchases Do People Most Often Use Networks." American Sociological Review. 63:619-637.
- DiMaggio, Paul J. and Walter W. Powell. 1983. "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields." American Sociological Review 48(April):147-160.
- DiMaggio, Paul and Sharon Zukin. 1990. Structures of Capital. New York: Cambridge University Press.
- Dorwood, Neil. 1987. The Pricing Decision: Economic Theory and Business Practice. London: Harper and Row.
- Eccles, Robert G. and Harrison C. White. 1988. "Price and Authority in Inter-Profit Center Transactions." American Journal of Sociology. 94:S17-S51.
- Eichner, Alfred S. 1987. "Prices and Pricing." Journal of Economic Issues. 21(4):1555-1584.
- Elkjaer, Joergen R. 1991. "The Entrepreneur in Economic Theory: an Example of the Development and Influence of a Concept." History of European Ideas. 13(6):805-815.
- Espeland, Wendy Nelson and Mitchell L. Stevens. 1998. "Commensuration as a Social Process." Annual Review of Sociology. 24:313-343.
- Faulkner, Robert R. 1983. Music on Demand: Composers and Careers in the Hollywood Film Industry. New Brunswick: Transaction Books.
- Finney, Henry C. 1997. "Art Production and Artists' Careers: the Transition from 'Outside to Inside'" pp. 73-84 in eds. Vera L. Zolberg and Joni Maya Cherbo. Outsider Art. Cambridge: Cambridge University Press.

- Folbre, Nancy and Julie A. Nelson. 2000. "For Love or Money or Both?" Journal of Economic Perspectives. 14:123-140.
- Geertz, Clifford. 1963. Peddlers and Princes. Chicago: University of Chicago Press.
- Giuffre, Katherine A. 1999. "Sandpiles of Opportunity: success in the Art World." Social Forces. 77(3):832-
- Glasser, Barney G. and Strauss, Anselm L. 1967. The Discovery of Grounded Theory. New York: Aldine de Gruyter.
- Goffee, R. and R. Scase. 1985. Women in Charge: the Experience of Female Entrepreneurs. London: George Allen & Unwin.
- Granovetter, Mark. 1985. "Economic Action and Social Structure: the Problem of Embeddedness." American Journal of Sociology. 91(3):481-510.
- Greenfeld, Liah. 1988. "Professional Ideologies and Patterns of 'Gatekeeping': Evaluation and Judgment Within Two Art Worlds." Social Forces. 66(4): 903-925.
- Gunning, J. Patrick. 1992. "The New Subjectivist Elucidation of Entrepreneurship." Entrepreneurship, Innovation, and Change. 1(3):281-301.
- Hall, R. C. and C. J. Hitch. 1939. "Price Theory and Business Behavior." Oxford Economic Papers. 0(2):12-45.
- Hirsch, Paul. 1972. "Processing Fads and Fashions: An Organization-Set Analysis of Cultural Industry Systems." American Journal of Sociology. 77(4):639-659.
- Kahneman, Daniel, Jack Knetch, and Richard Thaler. 1986. "Fairness as Constraint on Profit Seeking: entitlements in the Market." American Economic Review. 76:728-741.
- Kanter, Rosabeth Moss. 1977. Men and Women of the Corporation. Basic Books.
- Lamont, Michele. 1992. Money, Morals, and Manners. Chicago: University of Chicago Press.
- Macrea, Norman. 1980. "The New Entrepreneurial Revolution." Policy Review. 12:79-88.

- Marger, Martin N. and Constance A. Hoffman. 1992. "Ethnic Enterprise in Ontario: Immigration Participation in the Small Business Sector." International Migration Review. 26(3):968-981.
- Marx, Karl. 1976 (1867). "The Fetishism of the Commodity and Its Secret." Capital, Vol I. Vintage Books.
- Mauss, Marcel. 1967. The Gift. translated by Ian Cunnison. New York: W.W. Norton and Co.
- McDaniel, Bruce A. 2000. "A Survey on Entrepreneurship and Innovation." The Social Science Journal. 37(2):277-284.
- Menger, Pierre-Michael. 2001. "Artists as Workers: Theoretical and Methodological Challenges." Poetics. 28:241-254.
- Michandani, Kiran. 1999. "Feminist Insights on Gendered Work: New Directions in Research on Women and Entrepreneurship." Gender, Work, and Organization. 6(4):224-235.
- Mische, Ann and Harrison White. 1998. "Between Conversation and Switching: Public Switching across Network Domains." Social Research. 65(3): 696-724.
- Moulin, Raymonde. 1987. The French Art Market: A Sociological View. trans. by Arthur Goldhammer. New Brunswick: Rutgers University Press.
- Oakes, Leslie S., Barbara Townley, and David J. Cooper. 1998. "Business Planning as Pedagogy: Language and Control in a Changing Institutional Field." Administrative Science Quarterly. 43(2):257-292.
- Peterson, Karin. 1997. "The Distribution and Dynamics of Uncertainty in Art Galleries: A Case Study of New Dealerships in the Parisian Art Market, 1985-1990." Poetics. 25:241-263.
- Peterson, Richard A. and David G. Berger. 1971. "Entrepreneurship in Organizations: Evidence from the Popular Music Industry." Administrative Science Quarterly. 16(1):97-107.
- Peterson, Richard A. and Howard G. White. 1989. "The Simplex Located in Art Worlds." pp. 243-259 in eds. Arnold W. Forster and Judith R. Blau. Art and Society. Albany: State University of New York Press.
- Platt, Jennifer. 1992. "Cases of Cases...of Cases." in Charles C. Ragin and Howard S. Becker (eds.) What is a Case? Cambridge: Cambridge University Press.

- Podolny, Joel M. 1993. "A Status-based Model of Market Competition." American Journal of Sociology. 98(4): 829-72.
- Podolny, Joel M. and Marya Hill-Popper. 2004. "Hedonic and Transcendent Conceptions of Value." Industrial and Corporate Change. 13(1):91-116.
- Powell, Walter W. 1990. "Neither Market Nor Hierarchy: Network Forms of Organization." Research in Organizational Behavior. 12:295-336.
- Powell, Walter W. and Laurel Smith-Doerr. 1994. "Networks and Economic Life." in Smelser and Swedberg, eds. Handbook of Economic Sociology. Russell Sage.
- Ragin, Charles C. 2000. Fuzzy-Set Social Science. Chicago: University of Chicago Press.
- Ragin, Charles C. 1987. The Comparative Method. Berkeley, CA: University of California Press.
- Rengers, Merijn and Olav Velthuis. 2002. "Determinants of Price for Contemporary Art in Dutch Galleries, 1992-1998." Journal of Cultural Economics. 26:1-28.
- Ridgeway, Sally. 1989. "Artists Groups: Patrons and Gate-Keepers." pp. 205-220 in eds. Arnold W. Forster and Judith R. Blau. Art and Society. Albany: State University of New York Press.
- Robson, Deidre A. 1995. Prestige, Profit and Pleasure: The Market for Modern Art in New York in the 1940s and 1950s. New York: Garland Publishing, Inc.
- Saxenian, Annalee. 1994. Regional Advantage: Culture and Competition in Silicon Valley and Route 128. Cambridge: Harvard University Press.
- Schneiberg, Marc. 2002. "Organizational Heterogeneity and the Production of New Forms: Politics, Social Movements and Mutual Companies in American Fire Insurance, 1900-1930." Social Structure and Organizations Revisited. 19: 39-89.
- Sewell, William H. 1992. "A theory of Structure: Duality, Agency, and Transformation." American Journal of Sociology. 98:1-29.
- Stebbins, Robert A. 1989. "Music among Friends: the Social Networks of Amateur Musicians." pp. 227-242 in eds. Arnold w. Forster and Judith r. Blau. Art and Society. Albany: State University of New York Press.

- Smith, Charles W. 1989. Auctions: the Social Construction of Value. Berkeley: University of California Press.
- Thaler, Richard H. 1999. "Mental Accounting Matters." Journal of Behavioral Decision Making. 12:183-206.
- Uzzi, Brian. 1997. "Social Structure and Competition in Interfirm Networks: the Paradox of Embeddedness." ASQ. 42(1997):35-67.
- Uzzi, Brian and Ryon Lancaster. 2004. "Embeddedness and the Price of Legal Services in the Big Large Firm Market." American Sociological Review. 69(3): 319-344.
- Velthuis, Olav. 2002. "The Art of Pricing: Price Formation on the Contemporary Art Market in Amsterdam and New York." unpublished paper.
- Velthuis, Olav. 2003. "Pricing Scripts: Determining the Economic Value of Contemporary Art in Amsterdam and New York Galleries." paper presented at the American Sociological Association meetings. Atlanta, Georgia
- Wasserman, Stanley and Katherine Foust. 1994. Social Network Analysis: Methods and Applications. Cambridge: Cambridge University Press.
- Weber, Max. 1947. The Theory of Social and Economic Organization. edited by Talcott Parsons. New York: Free Press.
- Weller, Susan C. and A. Kimball Romney. 1990. Metric Scaling: Correspondence Analysis. Newbury Park, CA: Sage.
- White, Harrison C. 1993. Careers and Creativity: Social Forces in the Arts. Boulder, CO: Westview Press.
- White, Harrison C., Boorman, and Breiger. 1976. "Social Structure From Multiple Networks I: Blockmodels of Roles and Positions," American Journal of Sociology. 81(4):730-780.
- Williamson, Oliver E. 1985. The Economic Institutions of Capitalism. New York: Free Press.
- Winslow, Erik K. and George T. Solomon. 1987. "Entrepreneurs Are More than Non-Conformists: They Are Mildly Sociopathic." Journal of Creative Behavior. 21(3):202-213.
- Zbaracki, Mark J. 2003. "Pricing Structure and Structuring Price." unpublished manuscript. The Wharton School of the University of Pennsylvania.

Zelizer, Viviana, 2002. "Culture and Consumption." chapter for revised edition of The Handbook of Economic Sociology, edited by Neil Smelser and Richard Swedberg.

Zelizer, Viviana. 1994. The Social Meaning of Money. New York: Basic Books.