

## Marketing Strategies

### ***Art Auctions: Win-Win or Artist Beware?***

Free publicity. Expand your collector list. Help a great cause. What's not to like about giving art to a charitable event?

Artists are routinely asked to donate work to a broad range of fundraisers. There's an upside, a downside, and a lot of grey area in between. Make sure your experience will be a win-win, not one that hurts your reputation, your wallet, your ongoing market value, or your relationship with your collectors.

#### **Types of auctions**

Fundraising auctions come in a variety of types. Their purpose is to raise money for organizations that may include secondary schools, universities, hospitals, museums, research centers, community programs, and many other fine causes. Types of auctions may include, but are not limited to:

- Generalized auctions where a variety of items and services are offered
- Art-specific auctions with a variety of visual works
- An informal event or a gala.

The bidding process may be live (with auctioneer), silent (with bid sheets by each item), or a combination of both.

#### **Roles and goals**

Whatever the auction type, consider three perspectives:

- The organization and event
- The audience
- The artist (that's you).

There are two more constituencies not directly involved, but with a strong interest – your gallery or agent representative(s), and your existing market or collectors.

#### **The organization**

Auction representatives have one primary goal: produce a *successful event that meets or exceeds targeted auction results*. They will try to persuade you to donate 100% of the proceeds of your work, or propose a scenario whereby you take 10% - 30% of the sale price. Think about it – that's less than your typical gallery-artist split of 50-50.

## The audience

The audience is there to have fun, and *to get a great deal*. At a charitable event, those in attendance usually support the organization's work, and consequently they are amenable to spending either at-market, or over-market for art. But don't count on it. It will only be the case if event planners have attracted the right people, orchestrated a high quality affair in the right season, engaged an effective auctioneer, and provided advantageous display of artwork to enhance enthusiastic bidding.

## You – the artist

The artist is last on this list, because in most instances you're likely to finish last. Why?

- You may know what you expect from participation, but *you have little control over the outcome*.
- Your "cut" will be nothing (yes, possibly a tax deduction), or typically a maximum of 30% of the proceeds.
- Your work may sell under market, or not sell at all.
- Promises of publicity or audience don't always pan out.
- Auctioneers may not be as skilled as they should be.
- Your work may not be displayed to its best advantage.
- Artist catalogues or other information about you and your work may not be available as promised.
- You may actually incur costs.
- Work may be at risk for theft or damage.

**Your galleries, agents, and existing collectors** are also part of the equation. They stand to be pleased, or (more often) irritated at the outcome of your participation in an auction.

If your work sells below usual retail, you hurt your reputation with existing patrons and your gallery. After all, why should a collector pay full price if it's possible to wait for an auction and pay less? As a gallery owner, why promote, show, and support an artist for 50% of the sale if the artist frequently gives work product away?

## So what is the upside?

Potentially, an auction venue can provide publicity, expand your audience, and serve a good cause.

Some art auctions select participants for inclusion, purposely keeping the number of artworks limited. Participation in these venues brings a certain cachet, and the quality of the auction is likely to be professional and art-focused.

In other instances, even a generalized auction is well-attended, well-publicized, and the selection of art and other items is judicious. Professional auctioneers know how to work the crowd and bring strong prices.

These are examples of the win-win that everyone hopes for. Your work sells at a fair price (or better), it's well received, the event and art are properly publicized, your reputation is enhanced, and you feel good about your donation.

## What is the downside?

Auctions are structured to enhance their reputation, and to maximize the funds raised. It's their purpose. Any promotional assistance to you is far down the list of priorities. Organizers are likely to promise much, in good faith, but can't always deliver. This includes publicity and a buying audience that matches the kind of artwork you create. The organization is also motivated to push for a low minimum bid, while assuring you the

work will go for more. They will lobby for full donation of the proceeds, or at best, your retention of a small percentage.

Ask yourself - are you in a position to give away your livelihood? Are the intangible rewards of publicity a good risk in this particular case?

In some instances, you may incur costs to participate. You may have to provide your own easels for display, pay to produce your own literature, or even purchase tickets to attend the event. In light of this, you need to ask questions, assess the responses, and evaluate whether participation makes sense.

### **Evaluating the opportunity**

Here are some questions and considerations as you evaluate each auction venue.

- Is it specifically an art auction, or generalized?
- Is your work compatible with other art donated?
- How many artists are participating?
- What is the price range of other art donated?
- Check out the work, career stage, prices, and quality of other participants.
- What is the nature of the charitable organization?
- If the event deals in the arts, it is more likely to properly value and show your work. That is not, however, guaranteed.
- How will the work be displayed, lit, hung, and in what setting?
- If work is displayed on tables, what protection (against damage) is provided or must you provide it (e.g. archival sleeves for works on paper)?
- What insurance and security are provided against theft and damage?
- Are past examples of marketing materials, mailers, ads, catalogues, or auction programs available so you may assess the quality?
- Is a catalogue or program planned? With artists listed? Biographical material?
- If not, do you provide bio materials? Timeframe and cost?
- Will the event planners coordinate artist information to assure that it is consistent, high quality, and properly disseminated at the auction?
- What are the "fine print costs" you may incur? (shipping, framing, artist information, display items, tickets if you plan to attend, insurance, etc.)
- Consider the event itself – is it a gala? What is the ticket price and does it include refreshments, a full dinner, entertainment? The more upscale the event, the more it will attract those likely to spend on fine art.
- What press is promised, before and after the event?
- What is the auction history, and what do former participants say about it?
- Who are some of the sponsors? Are sponsorship opportunities available to you, and with what advantages?
- Does the minimum bid reflect your market value?
- Will your reputation be affected if the work goes for a low bid or doesn't sell at all?
- Galleries typically take 50% - do you really want to accept only 10%, 20% or 30% of the proceeds, even if it is tax-deductible?

### **Assessing the answers**

Consider the responses you receive when gathering information. For example:

- Generalized (non arts-specific) auctions usually bring generalized audiences with less knowledge and appreciation for artwork.
- If the organization hasn't carefully planned display, security, or other logistics, then be wary.
- If pre-event and post-event media seems insufficient or off-target, think twice.

- Targeting art-specific media (periodicals, journals, web sites), corporate sponsors, and other high-end communication methods means greater likelihood of appropriate attendance.
- Targeting the right groups at the right time is equally essential. Competition for benefits is fierce at certain times of the year. Is this a new group with the same audience as a tried and true event, scheduled for the same week? If so, they're less likely to draw the crowd they hope to reach.
- Look at sponsorship, target marketing, and timing of an auction event as an indicator of financial backing and the likelihood that those who can afford your work will be informed, attend, and spend.

### What else should you think about?

Make sure you belong in this auction. Should your \$5,000 abstract sit between a \$150 hospitality basket and a \$200 gift certificate to the local day spa? Similarly, if you paint small-scale landscapes that sell for \$300, do you belong at the same auction as \$5,000 abstractions?

Jewelry, fiber arts, abstract oils, commission portraits, fine *giclées*, metal sculptures – these all have appeal, value, and markets, but they are different, and only mix at the same auction table if many factors are just right, and in the hands of truly skilled event planners and auctioneers.

Consider where you are in your career. A professional artist of 15 years has different needs and expectations than the newly-minted art school graduate looking to test the waters.

As in a group show, the venue and the company you keep are critical to whether or not you will draw the right crowd, sell your work for a fair price, interest new buyers, or get good press.

### Making it work for you

Is it possible to make an auction work in your favor? Certainly. Here are some examples.

- You're just starting out, and the exposure may be helpful. Nonetheless, insist on reasonable minimum bids, and be sure your work is safe from theft or damage.
- Money is not an issue and you want to support a particular cause. Be sure it's a quality event, set a reasonable minimum bid that does not undercut your retail price, settle on your portion of the proceeds, let your gallery know your plans, and participate.
- You're an established artist looking for greater publicity. You may join forces with an organization to which you already donate time. The organization may agree to feature you in a select group of artists of equal quality, and, with a skilled live auctioneer and motivated audience, both you and the organization will be pleased with results.

These are special circumstances, and there are others, but happy experiences for the artist are often the exception.

### Summing up for success

To increase the likelihood of a successful experience:

- Know what you want to accomplish.
- Make sure the auction fits your objectives.
- Know the company you'll be keeping.
- Don't use your best piece; don't use your worst piece.
- *Do* use something that is representative of current work.

- Verify the credibility, reputation, and past history of the organization and their auction track record. A terrific organization can excel at many things, but not excel at auctioning art.
- Verify the auctioneer's skills if possible.
- If a silent auction, have a clear picture of where and how your work will be displayed, lit, and your literature accessible.
- Ask your gallery or representative to help in your assessment.
- Ask other artists who've participated previously.
- Make sure the timeframe for delivering work is feasible.
- Negotiate for a fair amount of the proceeds.
- *Do* nail down details concerning insurance, security, display area, easels, lighting, etc., and see for yourself if possible.
- Keep in mind that things get stolen – flat works on paper, small pieces of sculpture, glass, jewelry, even canvases.
- *Do* get everything in writing, including minimum bids, percentage, security arrangements, insurance in case of theft or damage, shipping or other costs (including return of work if it doesn't sell), who pays what and when, and so on.

### Yes, no, maybe

Still not sure? Here are some final thoughts. *The scales always tilt in favor of the auctioning organization*, which will do everything possible to meet its goals. Even if the fundraiser is spectacularly successful, you, your gallery, and your established market all stand to be disappointed unless you have realistic expectations and have done your homework. Why is that?

- Even fine organizations will accept low bids to meet their objectives.
- Last minute artwork substitutions of lesser quality may be accepted to fill walls or tables.
- A poor auctioneer, or one without sufficient information on your background and work, may not get the result you anticipate.
- Even the most reputable venues – universities, small art museums, local chapters of established charities – can't predict how publicity will help you, or how your work will sell.

To determine if you should participate, use past auction performance as an indicator, the experience of those you trust, and common sense.

### Create the future

Are you part of an artist collective or professional organization? Is it time to start putting together your own checklists for members considering donation of their work? Ideally, the artistic community will begin to set standards for auctioning art in order to make the process fair, secure, and distribute the benefits more evenly among all involved. At the very least, go into the process with your eyes open, for yourself and those who already purchase and appreciate your work.

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