National Association of Independent Artists

A STUDY ABOUT THE EXHIBITOR AND THE MARKETPLACE

Presented by
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Richard Carner and Sarah Rishel

*“Posterity may know we have not loosely through silence permitted things to pass away as in a dream.”*

Richard Hooker 1554-1600

**Introduction**

For several years now, people who make a living by exhibiting their work at art and craft shows have expressed concerns about the market place. Preeminent in any discussion are declining sales and rising costs. Over the years other problems with the shows have been identified. The National Association of Independent Artists (NAIA) has addressed many of these issues through the development of a series of Advocacies – a sort of Bill of Rights – and distributed these Advocacies to hundreds of shows throughout the country. These advocacies deal with everything from cancellation and refund policies, to proxies, rule enforcement, and security. Many of these shows have now adopted some or all of these Advocacies.

However, problems do not simply vanish because a coalition of exhibitors insists on being treated in a certain way and some shows begin to comply. Many exhibitors express the uneasy feeling that the art show marketplace is in a state of disarray. On any given weekend conversations pop up between exhibitors at the shows, on internet forums dedicated to artist/craftspeople, and in trade publications that provide information about the shows. There is a perception amongst exhibitors that all shows, whether they are considered to be so-called top ranked events or those that fall into the middle of some ranking scheme, are not performing like they used to. Robust sales and a decent profit margin appear to be increasingly problematic. Another concern frequently heard is that profit margins are being squeezed by rising costs. As well, with increasing frequency complaints are expressed not only about the vagaries of the art/craft show market place, but about uncertainties related to getting accepted into shows. Some exhibitors are concerned that they are ending up on the sidelines due to the influx of buy-sell and/or highly derivative work, which is produced in other parts of the world.

## Research Methodology

The National Association of Independent Artists resolved that it was time to move beyond 'talk on the street' and conduct a systematic study of exhibitor's attitudes with respect to "trends and the marketplace". In 2007 the NAIA Survey Committee constructed a comprehensive survey titled: "Trends Among Artists: The Changing Landscape" comprised of 67 questions dedicated to gathering the following information from exhibitors:

- Demographic (including Educational)
- Economic
- Health
- Perceptions about the Show Marketplace
- Future Plans

The Survey Committee utilized a description research design as outlined by Issac and Michaels in the *Handbook in Research and Evaluation*, who state that a survey type approach can be used in order to:

1. Collect detailed factual information that describes existing phenomena.
2. Make comparisons and evaluations.
3. Identify problems or justify current conditions and practices.
4. Determine what others are doing with similar problems or situations.
5. Benefit from their experience in making future plans and decisions.

## Distribution

An announcement about this online survey was made in several trade publications, in a newspaper put out by the NAIA that was distributed at dozens of shows throughout the country, through mass e-mail, and on the NAIA forum. The committee responsible for this assignment settled on an online survey-type approach to gathering the data. Membership in the NAIA was not a stipulation for participation in this survey. Participants were not required to provide their names. It was thought that anonymity would lead to more forthright responses, particularly in the areas which had to do with health issues and finances.

Interest in this survey was reflected in the fact that nearly 550 people participated in it. This represented a 365% increase in the number of respondents over any other survey that the NAIA has conducted.

This report represents an extended and much more thorough analysis of the data that was presented to over 50 show directors at the 2007 Director's Conference which was held in Lancaster, Pennsylvania. That report was titled, "Exhibitors, Art, & the Changing Landscape".

**Trends that Emerged from the Data**

In examining the data the following three major trends were seen to emerge:

1. Vanishing Resource #1: The Artist/Craftsperson
2. Vanishing Resource #2: The Customer Interest in American Art & Craft
3. A Trend Back to Exhibiting in Local Shows

Here is a brief analysis of the data that supports these trend observations.

1. **Vanishing Resource #1: The Artist/Craftsperson**

This survey found that art show exhibitors are an aging population. Of all respondents, 82% are over the age of 46 while 14% are over the age of 62. No one filled out this survey that was under the age of 25, and only 4% of the responses came from people who were between the age of 26 & 35. Age as an issue is clearly demonstrated in the fact that 77% of the respondents no longer have dependent children.

2. **Vanishing Resource #2: The Customer Interest in American Art & Craft**

The perception that the customer is no longer attending art/craft shows in the numbers of yesteryear had an impact on the way exhibitors responded to questions related to economics, debt load, and future plans.

When asked what age bracket their work sells to, 31% say the 33 to 45 year old bracket, while 63% report that the 46 to 59 year old bracket buys their work. Only 4% of respondents said that their work was appealing to people over the age of 60.

The obvious conclusion is that if a preponderance of the crowd is over the age of 60, sales will suffer accordingly.

Regarding the buying habits of those in the age brackets listed above, 58% 'see' a change in the crowd attending art/craft shows, while 42% see no change. Of those who believe the crowd has 'changed', 76% report that they saw it coming on 5 years ago, while 24% recognized it going back at least 10 years. There is a significant relationship (74%) between those who are convinced that the population attending art/craft shows has changed and sales. This group believes that sales have been negatively impacted.

When asked to describe this change in greater detail, 46% say that the number one motivation for people coming to the shows is for every reason except that of purchasing artwork. Other very strong response indicators were that the crowd is older and/or the crowd does not seem to be as interested in 'American art and craft'.

Whether or not exhibitors agree that a change has occurred in the crowd that attends art/craft shows, or that any change that has occurred has negatively impacted sales: 52% of all respondents state that net income in the past 3 years has declined. 26% report an increase, while net income for 21% has remained about the same.

Of those who affirmed that shows are in a state of decline, the opinions varied. However, several reasons stood out from the pack. The number one reason given was that there are simply too many shows. Second on the list was the belief that many show directors either do not understand or care enough to understand how to market and promote authentic American art & craft.

Several other issues which ranked high were the infusion of buy/sell products into the art shows market place and the decline in 'public interest' in genuine American Art and Craft. Another line of concern had to do with the disappearing pool of purported collectors. The varied responses to this question suggest that pinning down the reasons for problems in the market place remains a moving target.

## 3. **A Trend Back to Exhibiting in Local Shows**

There seems to be a 'sea change' with respect to decisions about how and where exhibitors will market their work. How was this trend extracted from the data?

41% of all shows attended by exhibitors are less than 60 miles from home base. 16% of all shows are between 60 – 280 miles from home, while only 15% of all shows are more than 280 miles away from home.

It appears that many shows are on a short tether in as much as only 26% of respondents are committed to doing shows that were once reliable but in the past several years have been on the decline. Very few exhibitors (14%) do shows primarily because they enjoy traveling and sight seeing. 43% state that they can no longer afford to apply to shows which are not profitable either because of disappointing sales and/or rising costs. A scant 17% report that they are comfortable returning to a show ‘that varies in profitability from year to year’. In aggregate, these responses suggest that loyalty to and constancy with specific shows is weakening.

Other more subjective reasons reflect on the uncertainly exhibitors have regarding future travel plans. Only 20% of respondents state that they are more optimistic about making a living doing art shows then they were three years ago while 50% are less optimistic.

In addition, 29% of all exhibitors’ state that in the last 3 years health issues are an important factor with respect to how many shows one does and how far one is willing to travel in order to do a show. Significantly, 40% of <u>all</u> respondents are moving toward doing fewer shows annually.

**Conclusions**

The results of this survey based on the perceptions of nearly 550 artists/craftspeople indicate that the art show industry is in a state of flux and that ‘problems’ began to appear at least five years ago and perhaps were first observed in the mid 1990’s. What the data revealed was:

1. **Age, Health, & Physical Issues**

What is it that can be said about this community of arts show artists with any degree of certainty? It is an aging population.

It should be no surprise that a significant percentage of this group (90%) state that participating in art shows is becoming an increasingly physical challenge. Revealing as well is the fact that 53% still have to do shows by themselves.

This is a population in which a good percentage feels that they have reached a point in life where a shift is occurring from seeing the future in terms of one's potential and beginning to see it in terms of one's limitations.

### 2. **Income and Expenses**

Total income derived from art shows is one key to understanding some of the problems artists have been encountering in recent years. 40% of people who responded to this survey stated that art & craft shows represent 75% of total domestic income. An additional 17% declared that between 50% – 75% of total domestic income was derived from art shows.

The remaining 42% of respondents rely as much if not more on other sources of revenue in order to make ends meet. 81% of <u>all</u> exhibitors depend on other revenue streams beyond sales from art shows. Sales from galleries and spousal support ranked highest in contributing to household income.

38% of all exhibitors claim that *gross sales* were less than $25,000 in 2006. And an additional 25% made between $26,000 and $50,000.

In the last 3 years 52% of respondents participating in art shows report that their net income has decreased. 21% say it is about the same, while 26% claim that sales have gone up.

The other key to understanding what many artists are facing also has to do with rising debt load. The two most prevalent reasons debt load has risen in the past 5 years are the cost of doing shows and the commensurate decline in gross sales.

Rising debt load might also be impacting the way people save for the future. With respect to a retirement account, 45% of respondents put money away on a regular basis while 32% do so only sporadically. 24% of exhibitors do not have a retirement account or plan.

## 3. The Future

When asked to describe whether or not there might be a ‘tipping point’ where one will be forced to make a change if sales do not get better, 25% say that a decision is imminent or due to come within the next 3 years. 35% of exhibitors said that ‘Honestly, I do not know what to think. The market place is changing and I am trying to figure out what is going on’.

With respect to the issue of volatility or uncertainty the question was asked, ‘Are you beginning to develop an alternative plan for making a living in the event that you simply are unable to consistently sell your work at art & craft shows’? 32% who answered this question have a specific plan and are in the process of executing it. 30% have ‘several ideas’, but no one plan in particular has been selected. 20% declared that they are either avoiding this ‘issue’ altogether, or do not have a ‘clue’ what they would do if they actually quit doing art & craft shows.

The ‘tipping point’ for some artists is evidently related to other issues besides sales, health, and age. When asked about debt load, 47% of respondents state that in the last five years, their debt load has gone up either substantially or moderately. 16% say that incurred debt has only gone up slightly, while 19% report no change. Only 18% report that they have decreased their debt load.

45% of exhibitors report that over 30% of their income goes toward servicing debt load. 33% of this population must utilize 40% of income in order to satisfy debt obligations. Debt load was defined as any combination of mortgages, credit cards, car payments, medical bills, or other outstanding loans.

The increase in debt load in the past five years was mainly attributed to the combination of the rising costs of doing shows, and the decline in net income. Other, less significant issues reported were an up tick in domestic, medical, and personal expenses.

Regarding debt load, this group reports that over the last five years, their reliance on the credit card in order to pay exhibition fees has gone up 71%. The reasons however, vary. 50% report that it is simply a matter of ‘convenience’ to pay by credit card. The term ‘convenience’ of course is open to interpretation.

Another 30% of all respondents state that it is a necessity to pay by credit card in as much as the funds are not available in a checking account.

At least the American Dream of home ownership has been realized by this group in that 62% state that they are carrying a mortgage; while 28% own their homes outright. To what degree homeowners are reacting to diminishing sales and rising costs by taking out home equity loans was not targeted in this survey and remains an open question.

Regarding savings, 75% of the respondents report that they have some type of retirement account with 46% claiming that this account was established more than 15 years ago. Of the exhibitors who responded to this survey, 85% have health insurance.

What is less sure due to the limitations of the survey is whether or not a retirement account, health insurance, home ownership, even traveling long distances to do shows would have been possible without spousal help or some other revenue stream. For example, 81% of exhibitors said that they rely on additional income beyond art shows while 27% have either a full-time or a part-time job. 41% rely on spousal help. Clearly, without spousal help many exhibitors would either have to curtail their show itinerary or quit altogether.

Finally, the question was asked, ‘If you have expressed an opinion that there is a waning interest in American art/craft what in your view can be done about the situation? By far and away, the most prevalent response had to do with ‘developing a national marketing campaign in order to ‘educate’ the population about American Art & Craft’. Another ‘solution’ had to do with organizing an Art Show Director/Artist-Craftsperson summit.

The reasoning appears to be that collective brainstorming might yield a solution about the slumping market and mediocre sales. 28% of respondents indicated that there is a need to entirely revamp the way art/craft is marketed. While 15% felt that ‘nothing can be done because the issues are too complex.

**Limitations of this Study**

All surveys pose problems with respect to the data. Some surveys attempt to target a single issue in order to isolate and control the questions.

Others, such as this one, applied a modified shotgun approach in order to study the exhibitor population. In the former situation, focusing on single issues can result in conclusions which are short-sighted. Conversely, the problem with taking a ‘shot gun’ style approach to fact gathering is that the questionnaire may become confusing or lose sight of its objectives. There is the risk that conclusions, which are drawn from the study, will fly off in too many directions. A decision had to be made, and since so little is actually known about the attitudes, situations, and future plans of exhibitors, the authors chose the latter approach.

One problem with this survey was that several of the questions were perhaps awkwardly phrased and some respondents may have passed over them as a result. For the same reason, several questions offered a confusing array of responses that seem to frustrate a small percentage of the participants and these questions were set aside as well. It is estimated that 7% of the questions fit this description.

An important demographic question, which was overlooked, has to do with where a respondent lived. It would have been very helpful to know what percentages of the responses were coming from the West as opposed to the Midwest or East.

This information in turn could have been cross referenced with questions in other categories and the resulting data would have rested on more solid ground. An example of connecting data points would involve looking at respondents that lived in the Midwest with information such as gross income or price point of objects for sale. In short, there is no practicable way of knowing whether the results of this survey are, say, skewed by a preponderance of the responses coming from exhibitors living in the South, or the South and Midwest.

Another problem with this study is that many of the questions ask for an ‘opinion’ so what is really gathered here are perceptions or opinions about conditions as they are perceived by the respondent. An example of an opinion type question is #53 regarding prospects for making a living doing shows looking forward. 35% of artists who are pessimistic about the marketplace believe that the reason for this is because ‘competition is squeezing them out of the marketplace’. In truth, there is no hard fact to support this perception.

An opportunity also was lost when it came to doing a follow up study. It would have been very helpful if a way had been found to do a follow up study – say in 5 years - in order to see whether or not the attitudes or intentions of the participants had significantly changed. That opportunity was lost because it was thought respondents might be reluctant to answer in depth questions about debt load and health issues if they had to provide their names.

Finally, a truly ‘scientific’ approach would have involved the utilization of a statistical test or tests in order to more accurately determine whether or not there were ‘real’ (mathematical) relationships between various categories that were targeted. The authors had intended originally to use a statistical approach to analyzing the data. The idea was to use something like a Pearson Product Moment Correlation test, however for a number of methodological reasons and time constraints this evaluative approach had to be put aside.

Nevertheless, definite indications do emerge from the data.

**Synopsis of Concerns as Indicated by the Survey**

Here is a brief review of the major issues which are of concern to the group that participated in this survey:

1. The erosion of the interest in what is identified as American Art/Craft in light of other influences.
2. An aging population of prospective buyers and a commensurate loss of dedicated art/craft collectors.
3. The increase in art/craft shows that have other agendas besides bringing a buying pubic together with quality producers of art/craft.
4. The melting pot effect of the introduction of art/craft from other cultural sources.
5. The increasing appearance into the marketplace of buy/sell.
6. The movement toward the contraction of shows, i.e. shows returning to their ‘roots’ as local events as artists begin to change their travel itineraries and stay closer to home.
7. The lack of new younger artist/craftspeople to help reinvigorate the marketplace with new work.
8. The absence of a new younger population of buyers to supplant the aging population of Baby Boomers who no longer are purchasing art/craft.
9. An aging population of artists/craftspeople who are, on one level or another, planning exit strategies out of this business due to physical, lifestyle, and economic reasons.

## Looking into a Crystal Ball

Although the future can never be ‘known’ since, “by definition it cannot be predicted” (Eric Voegelin in *The New Science of Politics*), a few ruminations regarding the disposition of the art/show marketplace looking forward might not be an entirely futile exercise. What follows are the opinions and thoughts by the authors of this study.

1. Assuming that art/craft, which does not fall into the currently recognizable American craft genre is more than a passing fancy, one might expect to see more shows accepting work from other countries or other cultures into their shows. Many participants in this study believe that it is a fait accompli.

2. A concern expressed by some exhibitors is that the introduction of applied and fine art that does not appear to have a direct connection to what is perceived as ‘authentic’ American art/craft will simply end up being another nail in the coffin of artists/craftspeople who are already struggling to make ends meet.

This assumption is not substantiated by fact and seems to be based on unknown fears and other subconscious issues. The problem is that no one identifiable factor can be pointed to when it comes to declining sales in the marketplace

3. The contrary view might be that the introduction of new work, which applies different concepts, materials, and techniques, would actually reshape and reinvigorate a marketplace that is seen by a substantial majority of the respondents to this survey as stagnant if not in full decline.

4. Interest or lack thereof in fine and applied art mediums may be related to the consumer’s fascination with other things such as the electronic gadget industry. For example, PC World magazine was giddy with expectations leading up to the 2008 MacWorld Expo. Descriptions like, “There’s something in the air” anticipated Steve Job’s keynote address introducing the MacBook Air. This initial excitement lost some of its flame when it was found that the MacBook Air was missing most of the peripherals that notebook aficionados are used to having with other machines. Expectation led to joy in some quarters and disappointment in others.

Anticipation leading up to the introduction of the Apple iPhone last year prompted long lines of eager buyers to brave freezing temperatures and stand outside all night in order to purchase one of these devices. Yet, as it has been born out many times in the past, today’s hot electronic gadget becomes tomorrow’s obsolete piece of junk.

This is not intended to be an ‘indictment’ of a particular company’s products or marketing strategies. However, it is a legitimate question to ask whether or not this impetuous fascination and preoccupation with change and glitter has had a negative effect on the art/craft industry.

5. The very thing that distinguishes art/craft from some of these other venues is its timeless quality and the gratification that can be obtained from viewing hand made creations from different perspectives. A focused marketing campaign directed toward spotlighting these differences might help to infuse the art show marketplace with some of the buzz that is elicited when the latest electronic gadget comes out.

6. How connected to reality is the concern reflected by many in this survey that 'off shore' or 'culturally different' work will end up competing, even crowding out 'American-made' work. Is American-made art/craft a commodity that needs to be protected some way and if so how would one go about doing this?

In an article titled "Twelve Ways to Know the Past" Athanasios Moulakis writes, "A culture is a unique kind of inheritance. It represents a hoard that can be preserved, nurtured, imaginatively enhanced, and sometimes even invented. It can be wasted, neglected, or allowed to fall to ruin, but it cannot be spent." (2008, Winter) *The Wilson Quarterly*.

A cultural legacy is not something that can be taken for granted. It is a living thing, not a fossil. It order to remain alive it needs to be continually scrutinized and interpreted. And what messages and meaning can be extracted depend to a great degree how one looks at it. Because of this, it may be a mistake to claim that American Art/Craft truly has an identifiable center.

7. In truth, the marketplace may already be adjusting to cultural changes in American society. If so, the question necessarily arises: Is this a bad thing? If the item is authentic and the person who had a hand in making it is present at the show, then how important is provenance?

The question remains whether or not the demand for American made things in and of itself is compromised by the introduction of fine or applied art from other cultures. Alternatively, the question has to be asked whether or not American art & craft carries the same weight or relevance that it did say 20 years ago. In truth, the market place ultimately determines all of these issues.

**Final Thoughts**

The purpose of this study was not to come up with solutions to the problems that were revealed in this survey. Anyone who expected that this study would yield specific answers or solutions to, say, problems with a sluggish marketplace will be disappointed. If what over 535 respondents report has a ring of truth to it, then both exhibitors and art shows are going to have to develop alternative methods for re-kindling an interest in American art and craft.

Art Business News (January, 2008) cited a recent statistic (from The Conference Board, www.tcb.org) which is revealing. In 2006 there was over $1.7 trillion available in discretionary income. However, 78% of that money was controlled by households earning over $100,000 annually. How does this bode for art and craft shows?

What is apparent is that art shows need to re-dedicate themselves at least in part to targeting this segment of the population since this is the population with most of the extra cash on hand.

However, the shows and exhibitors do not simply require that the affluent grace the grounds. Lest it be thought that this survey was taken by a bunch of 'elitists' whose work is overpriced and that is why they are not selling, the following facts are revealing. 25% report that the average retail price of their work is less than $100. Another 33% sell work in the $100 to $300 price range. 81% of all respondents to this survey have an average retail price which falls below $750.

It would seem from this that for a majority of exhibitors the buyer does not necessarily have to be affluent in order to afford their work. Rather, the prospective customer 'simply' has to have a modest bit of discretionary money and the desire to own something that does not look like it belongs on the shelf of a Wal-Mart store.

How important is it for the future of the show marketplace, and the prospective customer that what is on display does not appear as if it 'belongs' in some department store? Art and Craft shows need to begin to poll visitors to the shows regarding their perceptions about what is being presented for sale.

It wouldn't hurt to poll exhibitors as well; many are in a unique position to recognize work which is good, mediocre, and work which is flagrantly derivative and/or buy-sell. In other words, it may not simply be for a lack of customers that there is a perception the market place is in a state of decline; it may also be due to a perception by the prospective customer that 'they have seen it all before'.

Although no clear paths emerged from this study that will lead to specific remedies for what is perceived as an unpredictable marketplace and escalating operational costs, the results do open the door to further study of the art-show industry. Several avenues of exploration to the inquisitive are available, which may ultimately help in restoring the vitality of American art and craft as it applies to the art/craft show marketplace.