

# To sell or not to sell? Pricing strategies of newly-graduated artists

## Abstract

The paper investigates the pricing strategies of newly-graduated artists and identifies innovative strategies more suited to achieving sustainable practice. Our work is novel in investigating the drivers of discrepancies between artists' willingness-to-accept (WTA) and potential customers' willingness-to-pay (WTP). Using mixed-methods, we explore the viewpoints of the 'public', by survey, and of 'newly-graduated artists' and 'intermediaries', by interviews, and interrogate price lists and sales records. Newly-graduated artists find pricing challenging, leading to 'underpricing' or 'over-pricing'. Few artists make sales, reflecting discrepancies between WTA and WTP. Our work has theoretical and practical implications. Pricing reflects the 'endowment effect' (Thaler, 1980) and Bourdieu's 'avant-garde' circuit. Our results imply a need for educational institutions and other intermediaries to offer more advice to newly-graduated artists who might benefit from adopting forms of personalized or participative pricing such as 'Pay What You Want' and, given the emergence of digital markets, contemporary techniques such as 'action rules'.

## Highlights

- Newly-graduated artists lack confidence in their ability to price their artworks
- Artists' pricing decisions are made with little regard for market considerations
- Price discrepancies between WTP and WTA exist in the primary market due to information asymmetries
- Artists' pricing decisions reflect the 'endowment effect' and the 'avant-garde' circuit
- Newly-graduated artists should consider more innovative pricing strategies

**Keywords:** Pricing; Contemporary art; Newly-graduated artists; Endowment effect

## **1. Introduction**

The objective of this paper is to examine the pricing strategies of newly-graduated artists and identify innovative strategies more suited to achieving sustainable practice while exploring the perceptions of the public and intermediaries as to these strategies and intermediaries' roles in guiding and facilitating artists. Contemporary art is a vibrant sector with a global market of 50 billion U.S. dollars attracting approximately 31 million transactions in 2020 (Statista, 2021). The emergence of digital markets and the rise of innovative dynamic, personalized, and participative pricing strategies (Abrate et al., 2012; Reisman et al., 2019) have made traditional pricing strategies redundant in many settings. The primary art market in which the work of emerging or unknown artists is sold for the first time presents particular pricing challenges, however, involving significant uncertainty and requiring buyers to accept a high level of risk (Plattner, 1998), with traditional strategies being viewed as inappropriate or difficult to implement. There is, therefore, a need to explore the applicability of the 'new' innovative strategies to the primary market given that the pricing difficulties experienced by newly-graduated artists, in particular, often co-exist with financial vulnerability (Stohs, 1992; Gill, 2007), making it imperative that they price their work as judiciously as possible.

Many artists, regardless of their career stage, exhibit financial vulnerability as they are poorly remunerated and often struggle to develop sustainable careers (Abbing, 2002; Alper & Wassall, 2006; Lee et al., 2018). 'Unknown' artists are particularly vulnerable in terms of career progression, due to investor and collector disinterest and a concomitant lack of income. In studying artists' experiences within the context of the product life cycle model, Lehman and Wickham (2014) find that about 90-95% of fine arts graduates never go on to practice art. They state that 'unknown' artists (earlier career stage rather than 'emerging', 'established' or 'famous' artists) who do not enjoy artistic reputations, often produce artworks which are uninfluenced by market preferences and unmarketable (Throsby & Zednik, 2010). While non-

monetary rewards, often described as ‘psychic income’ (see e.g., Menger, 2006), may be crucial for artists, Stohs (1989; 1992) finds that the number who survive as self-employed artists decreases dramatically post-graduation. Artists might advantageously adopt more strategic approaches to pricing in order to professionalize their practices (Lee et al., 2018; Throsby & Petetskaya, 2017) and make them more sustainable.

The present paper contributes to the art pricing literature. First, our focus is on the primary market. While prior work exists on both the relationship of artwork prices to value(s) and on pricing artworks (e.g., Velthuis, 2003; 2005; Baumol, 1986), most focuses on the secondary market and auction data (Heilbrun & Gray, 1993; Ashenfelter & Graddy, 2003; Ginsburgh et al., 2006; Pesando & Shum, 2008) and the investment and diversification potential of artworks (Pesando, 1993; Goetzmann, 1993; Ginsburgh & Jeanfils, 1995; Mei & Moses, 2002; Lee & Veld-Merkoulova, 2011), or on either specific art movements or the nationalities or gender of artists (Renneboog & Spaenjers, 2013; Edwards, 2004; Agnello & Pierce, 1996). However, only a miniscule proportion of contemporary art ever appears on the secondary market. According to Sagot-Duvaurox (2003), only 25% of art sales are made at auctions, with the remaining 75% occurring privately. Newly-graduated artists’ work is, almost by definition, sold on the primary market. In this, significant information asymmetries exist as, opposed to the secondary market which deals with resold works, artists have little or no previous selling experience, and other market participants are likely to possess little information about artists (Velthuis, 2011, p.38). Thus, our study extends the literature on the primary market which has received little attention previously despite its importance.

Second, although pricing is critical to newly-graduated artists’ professional survival, there is no extant research on their pricing strategies due to a lack of available empirical data. The pricing of contemporary artworks is particularly difficult with heterogeneous market valuations and high levels of uncertainty and information asymmetry. While pricing artworks

is challenging for even established artists, it is especially so for the newly-graduated. Prices may be set by dealers and galleries who might be expected to understand market demands more than do artists. For newly-graduated artists who do not enjoy established relationships with these gatekeepers, pricing is likely to constitute a major challenge (Caplin, 1989; Sagot-Duvaurox, 2003).

Third, our work is original in comparing the public's maximum 'willingness-to-pay (WTP)' with newly-graduated artists' minimum 'willingness-to-accept (WTA)' and in investigating the drivers behind discrepancies. Our approach enables us to derive theoretical implications grounded in behavioral economics. We also consider whether the adoption of more innovative pricing strategies, such as participative or personalized pricing, might be advantageous and alleviate the challenges faced by artists as well as better addressing market demand thus reducing discrepancies between WTA and WTP. In this paper, we address this hiatus by investigating how newly-graduated artists price their work and deal with their initial market exposure (Gill, 2007). We also explore the perceptions of intermediaries as to newly-graduated artists' pricing strategies. It is particularly opportune to consider these pricing strategies given recent developments in the field (Powell et al., 2021; Niemand et al., 2019; Lee, 2019).

The growth of online retailing has facilitated the emergence of innovative strategies, such as personalized pricing (Richards et al., 2016; Steinberg, 2020), which tailors pricing to individual buyer profiles, or participative pricing which allows buyers to determine final prices (Chandran & Morwitz, 2005; Roy et al., 2021). Thus, we also consider whether the adoption of more innovative pricing strategies by newly-graduated artists' might be advantageous to them and alleviate the challenges which they face.

Our research is positioned within a Scottish setting where newly-graduated artists face the same challenges in building sustainable careers as elsewhere (Blanche, 2015). We use the

term ‘newly-graduated artist’ to describe those who have graduated within the last five years. We employ a mixed-method approach to explore newly-graduated artists’ pricing strategies and other stakeholders’ perceptions. Our research is based on the price list and sales records provided by a major contemporary art exhibition, 37 interviews with newly-graduated artists and art market intermediaries and 675 completed public surveys. The unique context of an exhibition, which serves as a primary market for newly-graduated artists’ work, provides a convenient research setting.

We observe considerable discrepancies between newly-graduated artists’ minimum WTA and the public’s maximum WTP. Our findings suggest that newly-graduated artists may not always price their work optimally and this is confirmed by observing that only very few appear to sell their work. Newly-graduated artists struggle to price their artworks with traditional pricing strategies being viewed as inappropriate or difficult to implement. Due to a lack of advice from both educational institutions and galleries, they often under or overprice their works. Most newly-graduated artists who applied cost or value-based pricing ended up overpricing their artworks. Newly-graduated artists often rely on their perceptions of their works’ ‘emotional’ values, thus reflecting the ‘endowment effect’ (Kahneman et al., 1991) and ‘loss aversion’ (Courty & Nasiry, 2018), well-known phenomena in behavioral economics. Perhaps the most practical, and ‘sensible’, pricing technique identified was competition-based pricing, with the use of other comparable, or more-established, artists as reference points for pricing decisions.

However, many newly-graduated artists appear not to expect immediate economic success, or to make this a priority, when pricing their work. The distinction drawn by Bourdieu (1992; 1993) between ‘traditional’ and ‘avant-garde’ circuits is relevant for newly-graduated artists’ work. With its emphasis, *inter alia*, on the conceptual rather than on immediate

commercial appeal, much of the recent work emanating from art colleges appears naturally positioned within the ‘avant-garde’ circuit.

In investigating the pricing challenges faced by newly-graduated artists and the motives which drive their pricing decisions, our study contributes theoretically by identifying the behavioral reasons for WTP-WTA pricing discrepancies and their implications for artist survival. These discrepancies indicate a need to explore the applicability of ‘new’ innovative strategies to the primary art market. While profit maximization may not be the main objective of newly-graduated artists with their pricing decisions reflecting bounded rationality and non-financial motives (Simon, 1992), they might nevertheless usefully consider more innovative pricing approaches incorporating a more active role for buyers. Newly-graduated artists might consider adopting a form of personalized pricing perhaps involving, for example, online dialogue with potential customers, e.g., via social media (Zhang, 2011). Other forms of innovative pricing such as Pay-What-You-Want (PWYW), Name-Your-Own-Price (NYOP), online auctions (Roy et al., 2021), or the use of ‘action rules’ (Powell et al., 2021), also merit consideration.

The following three sections, in turn, review relevant literature, explain our research methods and discuss our results while the final section provides conclusions and recommendations.

## **2. Literature review**

### *The Primary Market for Contemporary Artworks*

Table 1 presents some key literature on pricing in the primary market over the last 20 years. Since Rengers and Velthuis’ (2002) seminal paper, several scholars have modelled price formation mechanisms quantitatively while testing for the effect of product differentiation and information asymmetry (Schönfeld & Reinstaller, 2007; Angelini & Castellani, 2018; 2022). A few studies have compared the primary and secondary markets looking at both auction price

and gallery/dealer datasets (Hutter et al., 2007; Beckert & Rössel, 2013). Qualitative studies such as Velthuis (2003) and O’Neil (2008) have used interviews with established artists and dealers to explore their pricing norms and perspectives while a few recent studies have explored the implications of discounts (Komarova, 2015) and digitalization (Hegner, 2020) qualitatively. The recent work by Powell et al. (2021) investigates how ‘action rules’ which manipulate the ‘flexible’ attributes (e.g., artist biographies, artwork descriptions and the quality of artists’ social media presences) of artworks and their online marketing, might be used to enhance selling prices. While Powell et al. (2021) suggest that confidence in the predicted positive effects may be low, so are the costs of applying such action rules.

The existing literature neglects the pricing strategies of young and emerging artists and their interactions, particularly with the public. There is therefore a major gap in the research literature. The present paper addresses this by investigating newly-graduated artists’ pricing strategies and market intermediaries’ and the public’s perceptions of these strategies.

[Table 1 here]

One way by which primary market dynamics may be distinguished from those of the secondary market is the substantially greater influence of artists as compared with buyers. Although prices may be much lower than in the secondary market, pricing is challenging because of the information asymmetries impacting on both buyers and sellers; for instance, the absence of market price data (Schönfeld & Reinstaller, 2007). These are especially significant for newly-graduated artists who do not enjoy established reputations and make it challenging for potential buyers to assess quality. Nevertheless, Zorloni (2005) argues that the primary market offers the most scope for innovation.

Newly-graduated artists face entry barriers with their experiences very different to those of established artists benefitting from the ‘celebrity effect’ boosting demand for their works (Zorloni, 2013, p.97). Established artists also benefit from auction houses acting as

intermediaries (Zorloni, 2013, p.58). Value emerges within the visual arts market and is co-constructed, negotiated and circulated collaboratively by different actors (Preece et al., 2016). The characteristics of the contemporary art market are similar to those for luxury and collectible goods (Plattner, 1998); most artists, however, will never be commercially successful, with identity and peer recognition being equally if not more important.

In developing their careers, artists have to deal with many issues beyond creating 'niche market' demand for their works and are required to demonstrate interpersonal skills in negotiating with intermediaries such as galleries and arts communities (Lehman & Wickham, 2014). For artists to create and share value throughout their careers, relationship-building with stakeholder groups, including other artists, galleries, institutions, art schools, critics, auction houses, dealers, collectors and consumers, is crucial (Rodner & Thomson, 2013). Effective collaboration between these actors helps determine successful artist careers (Jyrämä, 2002). Newly-graduated artists, however, do not enjoy either established reputations or working relationships with dealers and have no track records of past sales which can act as reference points (Rengers & Velthuis, 2002; Velthuis, 2003).

Complex relationships exist between artists, consumers and intermediaries who interact through the interplay of art-centered and market-led priorities (Fillis, 2006). Intermediaries play a mediating role in the contemporary art market by discovering, introducing, instructing, and selecting artists (Becker, 1982; Lee & Lee, 2016; 2018; Preece & Kerrigan, 2015; Kerrigan et al., 2011). Intermediaries conduct a process of legitimization through which the meaning and value of artworks are refined, negotiated, and co-created by the interactions of 'inner members' (Lehman et al., 2018; Preece et al., 2016; Preece & Kerrigan, 2015). While relationships with intermediaries are therefore critical, few emerging artists enjoy such relationships. As a result, they may overprice their works and overestimate their abilities (Abbing, 2002). Velthuis (2003) highlights the 'pastoral' role which galleries



may exercise towards inexperienced artists by moderating downwards unrealistically high prices. Intermediaries such as art fairs (see e.g., Lee & Lee, 2016; Fillis et al., 2015), may serve a similar function.

### *Price and Value*

Price may serve functions beyond those normally described to it in economic theory. Velthuis (2003) builds on Stiglitz's (1987) argument that artists find ways of communicating non-economic values via the economic medium of price (Hutter & Throsby, 2008). This signaling behavior may involve artists repositioning themselves relative to each other (Lee & Lee, 2018). Schönfeld and Reinstaller (2007) investigate the prices charged by galleries in the primary market and suggest that prices are correlated positively with artists' reputations. Artists' reputations may signal the perceived quality of their work, thus translating into market value. Candela and Scorcu (1997) argue that artwork prices reflect 'social' valuations. Artwork prices are therefore strictly determined not by financial considerations, but by the subjective evaluations of experts, critics, and other institutions with the authority to determine reputations (Beckert & Rössel, 2013). Art has been described as a 'Veblen good' for which high price approximates high elite value and for which price and appreciation by the socio-economically privileged are positively correlated (Veblen, 1899).

Hirschman (1983) posits that the art market is distinctive due to artists' ideologies; these often result in the rejection of 'marketing' and the notion of the 'customer'. By working 'for the sake of art' rather than money, artists accumulate symbolic capital by establishing brand names or reputations (Martin, 2007). Velthuis (2005) distinguishes two competing perspectives on the pricing of artworks: 'Nothing But' and 'Hostile Worlds' (p.24). Grampp (1989) exemplifies the 'Nothing But' perspective, arguing that all aspects of the value of art, including the aesthetic, can be reduced to the economic (pp.20-21). While the correlation between selling prices and aesthetic value is imperfect, 'the value which the market places on works of art is

consistent with their aesthetic quality' (Gramp, 1989, p.37). Others argue that market prices are incapable of capturing all dimensions of value (Heilbrun & Gray, 1993; Myers et al., 2002; Rengers & Velthuis, 2002).

The 'Hostile Worlds' perspective (Velthuis, 2005) highlights an almost total disconnect between capitalist and artist (p.24). Velthuis (2005) rejects both 'Hostile Worlds' and 'Nothing But' arguments as deficient. Price and value are not dichotomous, as asserted by 'Hostile World' proponents. Nor, however, can all dimensions of price be reduced to the economic. Velthuis argues, following Bourdieu (1992), that artwork prices are influenced by culture and have symbolic as well as economic meanings and values. Bourdieu (1983; 1993) argues that the logic of the art market is different to those of the markets for commodities or consumer goods. According to Bourdieu, the art market only *appears* to reject the money economy. This apparent disavowal is 'neither a simple ideological mask nor a complete repudiation of economic interest' (Bourdieu, 1993, p.76). While those in the art world may seek to enhance their cultural or symbolic capital, they are ultimately economically and financially driven. Bourdieu argues that 'with a few illustrious exceptions, painters and writers are deeply self-interested, calculating, obsess with money and ready to do anything to succeed' (Bourdieu, 1993, p.79). Bourdieu's theory, therefore, may be viewed as a more nuanced version of 'Nothing But'.

Bourdieu argues for two 'circuits' within the arts economy; the 'traditional' and the 'avant-garde'. The 'traditional' operates by seeking to optimize 'short-run' economic success. The 'avant-garde' takes a longer-term view reflecting its focus on production for fellow artists and other 'insiders'. The 'avant-garde' circuit of 'contemporary' and 'cutting-edge' character is, therefore, much smaller than the 'traditional'. Bourdieu does not argue that artists reject economic success but distinguishes between those taking a relatively shorter (the 'traditional' circuit) or longer (the 'avant-garde' circuit) term view of it.

### *Pricing Contemporary Artworks*

The unique character of artworks endows sellers with some degree of market-power; allowing the pursuit of specific pricing strategies (Velthuis, 2005, p.117; Eichner, 1987, p.1558; Hall & Hitch, 1939) and price differentiation (Davicik & Sharma, 2015). Ingenbleek and van der Lans (2013) discuss different pricing strategies, ‘cost’, ‘value’, and ‘competition’ (Ingenbleek et al., 2003). Cost-informed pricing sets prices with reference to costs (Bonoma et al., 1988). Value-informed pricing is based on customers’ maximum WTP and applies mainly to premium products (Grewal et al., 1998; Zeithaml, 1988). Competition-informed pricing tracks changes in competitor prices and uses these as reference points. Cost, value, and competition-based information may be highly useful to primary market artists but also incomplete due to information asymmetries.

Lacking a realistic appreciation of market conditions and equating their personal assessment with an artwork’s worth, newly-graduated artists may price their work regardless of consumer demand thus causing significant differences between WTP and WTA. Shogren et al. (1994) find that while WTP and WTA may converge for goods with close substitutes, differences between them often persist when there are no close substitutes. Contrary to Shogren et al. (1994), however, Morrison (1997) finds that the ‘endowment effect’ is one possible reason for persistent differences between WTP and WTA. Thaler (1980) describes the ‘endowment effect’ as the phenomenon whereby people often demand much more to give up an object than they would be willing to pay to acquire it. According to the endowment effect (Kahneman et al., 1991), ‘objects’ will be owned by those subjects who most value them. Kahneman et al. (1991) point out that the endowment effect, along with ‘status quo’ bias (Samuelson & Zechauser, 1988), is closely related to the loss aversion concept (Kahneman & Tversky, 1979) which conceptualizes how the disutility of relinquishing an object is greater than the utility associated with its acquisition. ‘Loss aversion’, in the sense of artists avoiding

sales at prices which are lower than their own subjective valuations, is likely to feature in such cases. Graddy et al. (2014) find that loss aversion is magnified with the length of time for which paintings are held.

Original artworks are unique; price personalization in the sense of an identical product which is offered to different customers at different prices is therefore inapplicable. The extensive market analysis often required to operationalize personalized pricing (see e.g., Sonnier, 2014; Steinberg, 2020) may appear to make it unsuitable for consideration by artists; certainly, those newly-graduated. This is also the case with dynamic pricing strategies whereby product prices continuously adjust, in real-time, in response to supply and demand (Wittman & Belllobaba, 2019; Chen & Gallego, 2019). Nevertheless, it is worth considering whether newly-graduated artists subject to loss aversion or endowment effects might benefit from price personalization strategies which ‘reach out’ to potential customers with prices tailored to individual customer profiles (Richards et al., 2016).

In this study we investigate the strategies presently used by newly-graduated artists to price their works and additionally consider how they might take advantage of contemporary strategies such as personalized and participative pricing. We also consider the behavioral reasons for WTP-WTA discrepancies between artists’ and the publics’ valuations as well as the role of intermediaries, particularly in advising and mentoring artists. The following section describes our research methods.

### **3. Method**

#### *Research Setting*

We adopted a purposive approach to sampling (Cavana et al., 2001) in terms of the selection of the research setting. It is representative of other high level exhibition spaces in developed western countries. The exhibition is intended to be a ‘level playing field’ as the only platform available to newly-graduated artists in Scotland other than their own degree shows, where

attention is given to the promotion of their work as an aid to career development and where recognition of a range of stakeholder interests is acknowledged. The research site was the 6<sup>th</sup> contemporary art exhibition hosted annually by an independent, privately-funded gallery led by leading Scottish artists and architects. The exhibition showcased the work of 64 selected (approximately 1 in 7) newly-graduated artists from five Scottish art and architectural colleges. The exhibition presented 334 artworks including painting, sculpture, printmaking, and performance art. Over 7,000 individuals visited the exhibition over its four-week duration.

### *Data Collection*

We collected data in two phases and from multiple sources in order to provide as wide a spectrum of differing stakeholder perspectives as possible regarding the pricing of the exhibited artworks. We approached the data through the lens of standpoint theory (Adler & Jermier, 2005) which assumes that individual viewpoints are shaped by experience and social position and acknowledges that all standpoints have limitations reflecting the partial nature of knowledge (Adler & Jermier, 2005, p.943).

For the first phase of the study, we obtained the list of artwork prices and sales records directly from the gallery. We acknowledge that not all artwork is produced 'for sale'. In order to investigate the public's perceptions as to the prices of the artworks, we undertook an onsite survey based on purposive sampling. The authors spent around 5 hours each day over the last 12 days of the exhibition collecting completed surveys directly from visitors. An online survey was also made available for those who preferred to participate at a time of their choosing with accessibility restricted to exhibition visitors. Our survey included a range of questions covering visitors' general interests in the arts, demographical background, and whether (1) they were aware that most artworks were available to purchase; (2) they had actually purchased one or more artworks; and (3) if they had made or were considering making a purchase, the amount they had paid or were considering paying. We also elicited (4) information on their main

reason(s) for purchasing; and (5) their views on the relationship between the prices and values of contemporary artworks. An initial pilot survey indicated an expected time for visitors to complete the survey of about 10 minutes and 675 surveys were completed, including those with missing values for some questions.

For the second phase of the study, we contacted the exhibiting artists for interviews with the help of the gallery. An invitation email was sent to 64 exhibiting artists and 15 responded. We also interviewed an additional five artists who were invited to exhibit in earlier years and had graduated from art college within the previous five years. Thirty-seven interviews were conducted including 17 with gallery staff, artistic directors, academicians, sponsors, collectors, and exhibition visitors. All interviews were semi-structured based on a broad agenda tailored to each stakeholder group and were recorded digitally. All interviews were conducted by at least two of the authors and on average each interview lasted about 45 minutes. We use pseudonyms or job roles for artists and other study participants in order to preserve their anonymity.

We asked each stakeholder group, a number of pricing-related questions based on our literature review. In the case of newly-graduated artists, we explored their experiences at the exhibition, how they reached pricing decisions and whether they had sold work at the exhibition. We also asked about their engagement in the art market, the importance to them of selling their artworks and their perceptions as to both the ‘price’ and ‘value’ of their own and other exhibited artworks. In the case of other stakeholders, we explored their involvement in the art market and the role they played, if at all, in facilitating pricing decisions made by the exhibiting artists. Their own perceptions of the ‘price’ and ‘value’ of the exhibiting newly-graduated artists’ artworks were also discussed.

### *Data Analysis*

Quantitative data collected in the first phase (i.e., artwork price list, exhibition sales records and public surveys) were evaluated and descriptive statistics were compared using the statistical software, SPSS. The transcribed interviews from the second phase were coded for analysis using the NVivo 12 software package for interrogating qualitative data. Although coding was undertaken individually by the researchers, differences in opinion were reconciled.

From a thematic analysis of the interviews (Boyatzis, 1998), we analyzed (1) the pricing strategies undertaken by the exhibiting artists and the motives and rationale which informed these strategies and (2) intermediaries' engagement with the newly-graduated artists both in terms of price-setting and more generally. Following Strauss and Corbin (1990), three levels of coding were undertaken: at the open coding level, categories based on identified similarities and differences which emerged from the data; at the axial coding level, sub-categories were identified; and at the selective coding level, categories relating to the core themes of our study were derived. Data from multiple sources were triangulated to generate broader conclusions.

## **4. Findings**

### *Price Discrepancies between WTP and WTA*

We first present our findings from quantitative data based on the list of artwork prices, the gallery sales records, and the public survey. In Table 2, we present responses from 675 visitors together with their demographic backgrounds; a 'not available' category was incorporated to retain observations for those who did not answer certain questions.

[Table 2 here]

Our visitor sample is gender balanced and consists of a relatively young demographic. Many of them are either art college students or art practitioners with an undergraduate (36.4%) or postgraduate degree (19.7%); there is a relatively low-income threshold as 21.3% reported gross annual household income of less than £10,000. Most respondents had an intense interest

in visual arts as 74.5% responded above point 3 on a 5-point Likert scale (1-No real interest and 5 -Very intense). Most participants (87.3%) were aware that the artworks were available to purchase, although only a very small percentage considered (12.6%) or actually made a purchase (1.6%). We asked those who purchased or considered purchasing artworks as to the maximum amount they would spend (i.e., WTP). The average price indicated (79 responses) was £667 (median £300, standard deviation £1,284) and the maximum was £10,000.

We compare the descriptive statistics of these public survey results with the price list of the exhibited artworks and the records of realized sales in Table 3. Prices (i.e., WTA) ranged from £4 - £25,000 (average £1,125, median £450, standard deviation £2,421). The distribution is extremely right-skewed, and the substantial dispersion reflects not only the artworks' heterogeneous characteristics, but also the different pricing approaches adopted by artists. Prices incorporated both gallery commission rate of 40%, and value added tax of 20%. About 50% of the artworks were, however, priced at £500 or less, indicating that most artists valued their work relatively modestly regardless of genre and artwork size.

[Table 3 here]

The gallery confirmed that 62 transactions took place during the exhibition. These transactions occurred for only 18 artists (28.13% of those exhibiting); some, however, often printmakers, sold several pieces of work. The highest price realized was £2,000. The average price of the works sold was £372 (median £205, standard deviation of £461). We identify significant discrepancies between the artists' average 'WTA', as indicated by the exhibition price list, and the public's 'WTP'. Such discrepancies, reflecting high levels of risk and information asymmetry, together with modest realized sales figures, highlight scope for improvement in artists' pricing strategies. Based on this finding, we develop our first proposition.

***P1: Newly-graduated artists' pricing strategies result in value dissonance reflecting substantial discrepancies between their WTA and the public's WTP.***



### *Pricing Strategies of Newly-graduated Artists*

In this section, we discuss findings from our qualitative data analysis based on interviews with the newly-graduated artists. Most artists stated that their work was initially offered for sale at the exhibition. Given the possible lack of nurturing relationships and the fact that newly-graduated artists are unfamiliar with the market and with pricing techniques, it is unsurprising that some indicated that they felt 'lost' when the gallery requested artwork selling prices from them. Artists' lack of confidence in pricing their artworks was exacerbated both by the fact that they viewed prices for many of their peers as random and haphazard.

*I think with this exhibition it would have been helpful for them [the gallery] to have maybe given us some support in pricing because... when you looked at the price list, that person's is £100, this person's is £9,000... We were just pricing ourselves and a lot of us don't have much experience in selling work or pricing it at this stage. [Vanessa, Sculptor]*

One artist's perception of the advice received from her academic tutor, however, was that it was ad-hoc and unsystematic.

*He looked at the work I had on the walls and said 'well, I wouldn't sell that for less than so and so, is that an original print one off? Well, you should charge £200 for that'. I said, 'well I've worked out how much it is going to cost me, and I wouldn't sell it for less than £800' and he said, 'that's probably okay.' So that's the advice I've had up until now. [Gwen, Painter]*

This may reflect a lack of suitable advice, and there are clear perceptions of a need for more pro-active advice on pricing on the part of some artists. There was a feeling on the part of some exhibiting artists that the work of some of their peers was underpriced.

*There were beautiful, beautiful architectural models and just amazing sculpturally and they were around £100, which meant the artist would be getting £50 (after the commission) and there is no way you could produce that for that amount of money. [Vanessa, Sculptor]*

Newly-graduated artists adopted a variety of pricing approaches, both reactive and proactive. We find that the newly-graduated artists followed at least one of three, cost, value and competition-based, pricing strategies. Despite a lack of advice on pricing and the consequent bewilderment experienced by many artists, some did attempt to price their work

based on costs. When artists do approach the pricing of their work realistically this is often by referencing their work to that of their peer group or other comparable artists.

*To start off with, I see how much my materials cost and.... how much time it takes...use of facilities, like workshops... I just try to take everything into account and then pay myself a little bit back but not a huge amount... I priced it up and then totally forget that they [the gallery] take 40% and there was VAT on top... so I had to re-adjust my prices. [Vanessa, Sculptor]*

Some artists, however, found cost-based pricing to be challenging and impracticable to implement.

*You don't want to undersell yourself. I find it really hard because a lot of my materials I found myself and are quite cheap to make. I make my paint because it's cheaper than buying it and I like the texture. It's hard for me to say, 'how much did this cost?' but then you have to think about the time... but I find it hard to say it took me hours and I should get £10 an hour or whatever... [Louise, Sculptor]*

For some, cost-based pricing appeared completely unfeasible; for example, because of the excessive time they had spent on the work:

*When I make work, I don't think about that aspect (i.e., financial value). If I put that into my thinking, I don't think my work would be affordable in any way because there are some pieces that I spend three months on... I mean, like, 18 to 24 hours a day for three months! [Leonardo, Printmaker]*

Although most artists were aware of cost-based pricing strategies, they believed that their artworks' values, at least to them, could not be calculated appropriately by basing them on costs and transaction fees. Usually, artists' perceptions of their works' values exceeded costs with some element of price reflecting their own personal or emotional values. One stressed that:

*I wasn't expecting really to sell because the subject matter of the things that I produced was quite personal so there are actual pieces of work that I wouldn't have wanted to sell at a lower price just for some more money. I'm quite happy that I didn't sell in a sense because 'that was the value' (sic). [Gwen, Painter]*

Some artworks appeared to be priced to reflect the artist's own understanding of their value, the artist accepting that this might make the work unsaleable. Thus, exhibiting artists' value-based pricing strategies highlight not only their personal perceptions of their artworks' values but the 'endowment effect'.

*I guess the value [i.e., selling price] reflected what I'd be willing to let it go for really... I needed to benefit financially for me to think that it was worth letting go when I quite wanted it. So, it was either 'I get paid quite well' or 'I get to keep it'. With both outcomes I'm happy! [Eduardo, Sculptor]*

Not all artists are entrepreneurially-minded, and often tend to think intuitively and proceed on the basis of 'gut feeling'. Pricing decisions may be made with little regard for market considerations and some artists' pricing reflects the personal, emotional, or symbolic functions of prices. Artists' emotional attachment to their works may mean they exhibit behavior more commonly attributed to consumers than producers. Some artists were more 'realistic' in recognizing the pitfalls of cost or value-based pricing. In such cases, reference was typically made to other artists' work, reflecting a competition-based pricing strategy.

*I priced [my work] by looking at other people's and just being around Scotland and thinking, 'well I'm a student', and also in terms of where I was showing it taking account of the commissions. [Margaret, Painter]*

One artist mentioned that he had been advised to identify artists similar to himself in terms of professional practice, but who had already established themselves, with a view to comparing their prices to his own.

*If someone went to an art fair...they could pick up a piece of work by someone like Francis Alÿs, say... I looked at the prices in the galleries that represent him and they [investors] can pick up something by him that's definitely got an established institutionalized monetary value...so why are they going to pay £600 for one of my photos if they are not paying that for Francis Alÿs? [Francis, Mixed Media Artist]*

We find that newly-graduated artists rely mainly on traditional pricing strategies although perceiving them as difficult to implement, inappropriate, and ineffective. This is particularly the case for conceptual or performance art for which traditional costing is unsuitable. Thus, there is scope for enhancing newly-graduated artists' pricing techniques. Based on this finding, we develop the following proposition.

***P2: Traditional pricing strategies are inappropriate for newly-graduated artists and there appears to be a clear need for these to be replaced by innovative pricing mechanisms better addressing customer demands in the primary art market.***

### *Role of Intermediaries in Price Setting*

Intermediaries' views differed as to how realistic newly-graduated artists were in their pricing. The importance of 'realistic' pricing was recognized by various intermediaries who generally had much more relevant experience than the artists. A former full-time art academic and established artist who enjoys close connections with the gallery suggested that, based on his perceptions of the exhibition, artists were becoming more commercially aware:

*There seems to be an idea of market value. Whether they're getting sharper at that or whether they're getting advice from tutors or a bit of both I thought that nobody was selling themselves short just for a few quid... which would be my worry. Selling something for a hundred quid which has taken them for months is just foolish. [Academician]*

At the same time, he acknowledged that contemporary market conditions made it difficult for newly-graduated artists to price artwork in ways which reflected their investment in materials and time.

*I see the prices as being absolutely the lowest you can charge in order to get something back for the effort you put in not to mention the cost [of materials]; think art making generally speaking is very time-consuming; you put in far more hours than people realize... [Academician]*

This comment resonates with the views of those artists who recognized that cost-based pricing was often impractical. In our interviews with senior gallery staff, its policy of not providing proactive pricing advice was reiterated although artists' lack of realism and commercialism was emphasized.

*Some of the artists are pricing themselves out of the market... We've had discussion with some artists who really have been putting crazy prices on their work as to whether or not they should rethink [their prices]; some of them take that kindly, some of them don't. So, if they come to us and ask us individually, we will talk to them about pricing, but we won't do a 'blanket'; it's not something that is for everyone. Some people aren't selling their work and are never going to sell their work into collections. [The Artistic Director]*

Another senior individual, involved with both the gallery and the academic world, suggested that artists sometimes had unreasonable expectations of what they could currently expect to earn, being conscious of, for example, the time spent in creating artworks, but ignoring the time needed in order to become expert in essential skills.

*The most common problem that my students had would be to see any print they made as a unique object... I remember one girl who was doing printmaking and she said, "I'd like some advice on pricing" and I said "Well, let's start off with what price you would put on it" ... and this was a black and white etching. "I think about £300". I said "Well, do you know John Bellany?" "Oh yes". "Well, a John Bellany etching that size costs £150 and he's in every major collection in the world". "Oh, but I couldn't possibly sell it for that, it took me ages to do". I said "Yes, but it took you ages to do because you'd never done it before, and you were learning how to do it from scratch... in six months' time you'll be able to do these things in a couple of hours and that's how you price it". You can't price for incompetence, in the nicest possible way. [President of the Gallery]*

This senior figure believed that artists sometimes suffered from what he called a 'crisis of confidence' in pricing on the basis of an over-inflated sense of their works' value based on loss aversion or the endowment effect.

*They [i.e., the artists] think "I can't sell this unless it's for a huge amount of money because I might never make one this good again" ... of course they will... [President of the Gallery]*

The gallery staff member linked these two potentially opposing influences, artists' perceptions of their works' value and unrealistic expectations:

*An artist had fantastic paintings up on the wall; they were big, they were 1.5 meters square. He had priced them at something like £12,000 and £13,000 each. Nobody could quite fathom why he had priced them that high. That would be about 10 times the price of what someone might probably expect to pay for a painting that size from an artist in that stage in their career. I think you're not necessarily going to flummox somebody into spending about £10,000 more than they maybe should be spending. I think that was a bit optimistic, maybe a bit naïve... [The Gallery Sales Manager]*

The same individual highlighted the importance of commercial realism. Gallery senior staff opined that often prices reflected artists' 'emotional' perceptions of worth rather than what works might sell for.

*...the price of the work on the wall from an artist doesn't necessarily represent what they think they will be able to get for it. It can quite often represent more than that, because of the emotional aspect... I mean this is their creation; this is their 'baby'. You know this is something on which they have toiled... in some cases they might not even be keen to sell it! [The Gallery Sales Manager]*

The interviews with intermediaries confirmed that in many, although not all, cases, exhibited artworks were priced at levels which were unreasonably high. Prices may signal 'quality', and this may partially account for some artists' tendency to set prices which, in the

view of experienced mentors, may be unjustified. Intermediaries' views largely underlined the apparent lack of market-facing realism by which many artists approach pricing. More 'realistic' pricing might have been avoided deliberately and there are several alternative explanations for artists pricing their work at unrealistic levels. We suggest that this may not only impact negatively on sales but may contribute to discrepancies between 'WTA' and 'WTP'. These discrepancies again emphasize a need to enhance artists' pricing strategies. We highlight the role played by intermediaries in the pricing process given that most newly-graduated artists lack suitable nurturing relationships. Thus, our proposition P3 is as follows.

***P3: Newly-graduated artists require constructive interventions and advice from market intermediaries in order for them to formulate market-focused pricing strategies.***

## **5. Discussion and Conclusions**

### *Discussion of results*

Recognizing that market conditions faced by newly-graduated artists are often adverse, we explore their pricing strategies. In accordance with standpoint theory (Adler & Jermier, 2005), our analysis explores the viewpoints of the 'public', based on a public survey, and 'newly-graduated artists' and 'intermediaries', based on interviews, in addition to the price list and sales records of the exhibition. As we expected, our first proposition (P1) confirms substantial discrepancies between newly-graduated artists' WTA and the public's WTP. We were surprised by the magnitude of the identified discrepancies and that there were very few realized sales. Our second proposition (P2) indicates that newly-graduated artists find traditional pricing strategies inappropriate as they do not engage with market demand. Artists tend to follow long-established 'cost', 'value', or 'competition' based pricing strategies (Ingenbleek et al., 2003). Some artists merely cover production costs (Bonoma et al., 1988) while others add premiums to incorporate the 'self-perceived' element of their artworks' 'quality' (Grewal et al., 1998; Zeithaml, 1988). More experienced artists collect price data of artists perceived as similar to themselves at art fairs (Dutta et al., 2003). Apparently unrealistically high prices may reflect a

‘signaling’ function (Stiglitz, 1987). Some artists suggest that prices serve to reinforce artists’ sense of self-esteem. Sometimes there may be unrealistic expectations of recovering all costs in the short run. From an entrepreneurial perspective, many artists’ pricing strategies are inappropriate, resulting in discrepancies between their WTA and the public’s WTP; artists’ pricing strategies would benefit from more proactive interventions from intermediaries. These findings demonstrate a clear need for existing pricing policies to be superseded, or at least moderated, by innovative strategies better addressing market realities.

### *Theoretical implications*

Our paper is innovative in investigating the drivers of discrepancies between artists’ WTA and potential customers’ WTP in the primary market as well as in contributing to the literature of the role of information asymmetries in price formation (Angelini & Castellani, 2022). As predicted, the market inexperience of participating actors results in discrepancies between WTA and WTP (Schönfeld & Reinstaller, 2007). Artists do not simply overprice their works irrationally, overestimating their own abilities (Abbing, 2002). Apparent over-pricing appears to reflect the endowment effect (Thaler, 1980; Kahneman et al., 1991). Thus, our results provide a cogent explanation for the already identified discrepancies between WTA and WTP by the application of fundamental concepts of behavioral economics. Such anomalies may disappear when participants are exposed to market environments with ample learning opportunities (Coursey et al., 1987; Knetsch & Sinden, 1984; Knez et al., 1985), thus highlighting the importance of intermediaries and the proactive adoption of innovative pricing strategies.

The market for emerging artists supports the view that the price mechanism is not just allocative but also symbolic (Velthuis, 2005, p.4) and artists’ opinions reflect Velthuis’ view that ‘prices have a constructive rather than just a destructive effect’ (Velthuis, 2005, p.184). Our findings are consistent with Velthuis (2003) in that we demonstrate that pricing by newly-

graduated artists is a symbolic act signifying a range of cognitive and cultural meanings. The artists in our study appear to reflect many of the characteristics of Bourdieu's 'avant-garde' circuit within the art market (1983; 1993) by adopting longer-term perspectives on economic success and with concern for 'insiders' rather than for a broader and more diverse constituency. As discussed by Lehman and Wickham (2014), for artists, peer recognition may ultimately be more rewarding than making short-term financial returns.

### *Practical Implications*

Our practical recommendations align with the earlier identification of the need for newly-graduated artists to adopt more strategic approaches to price setting. This underlines the artist's heightened professionalization status (Lee et al., 2018; Throsby & Petetskaya, 2017). Undoubtedly, intrinsically focused elements in artwork creation will always influence price-setting but, as artists acquire more market experience, pricing decisions are also influenced by market conditions. Although artwork sales may not be the sole income source for newly-graduated artists, more commercially astute pricing is critical to the success of their entrepreneurial endeavors. We suggest that it may be beneficial for newly-graduated artists to adopt more innovative pricing strategies which feature greater buyer involvement.

As discussed in our third proposition (P3), newly-graduated artists' pricing strategies would also benefit from more proactive interventions from intermediaries. Although the role of intermediaries has been highlighted both in the primary and secondary market literatures, the limited role played by intermediaries in newly-graduated artists' pricing strategies. In any event, there is a need for more advice on pricing and cognate subjects generally to be provided to newly-graduated artists. In the context of their financial fragility, we believe that not only educational institutions but also galleries and appropriate cultural policies have significant roles to play. Larger galleries and other institutions concerned with the primary market and with newly-graduated artists, in particular, might usefully consider innovative pricing mechanisms,



e.g., whether pricing might incorporate some element of PWYW or whether simple ‘action rules’ might be used to enhance marketability and selling prices. Clearly, education on such approaches would be needed. Guidance to artists in these areas might then be provided as appropriate. Consequently, our fourth proposition is as follows

***P4: Galleries engaging with the primary market should adopt more flexible and innovative pricing strategies for newly-graduated artists’ work for potentially greater returns.***

There are, then, a variety of ways by which to enhance the effectiveness of artists’ pricing strategies via social media and online platforms which may help artists to engage potential customers directly and become economically self-sufficient. There may be scope for the adoption of personalized pricing strategies by primary-market artists based on online dialogue with potential customers via forms of innovative participative pricing such as PWYW, NYOP or online auctions (Chen et al., 2017; Wang et al., 2021; Roy et al., 2021). Viglia et al. (2019) investigate PWYW in different restaurant settings and find that PWYW ‘post-consumption’ may increase profitability. Similarly, there may be scope for ‘post-consumption’ PWYW pricing with the artist offering her works ‘on approval’ before prices are negotiated. Thus, our fifth proposition is as follows:

***P5: Both social media and contemporary IT capabilities may provide appropriate platforms for operationalizing contemporary techniques such as PWYW or ‘action rules’ within artists’ pricing strategies.***

The application of ‘action-rules’, as commended by Powell et al. (2021), may offer a possible way for newly-graduated artists to optimize their online and social media presences with a view to enhancing selling prices. This would require access to both suitable artist databases and the necessary data-mining and other software. Such an initiative might be overseen, either individually or collectively, by institutions concerned with the education of young artists and might perhaps be considered for inclusion in college curricula. The manipulation of an artwork’s ‘fixed’ characteristics might be used to demonstrate to students the likely marketability of different artistic genres.

### *Limitations and future research*

Our research is subject to limitations. Our focus was solely on newly-graduated artists. There is the need, therefore, for further research which examines the perspectives of experienced established artists. In terms of future research, comparative studies of the pricing perspectives of more experienced artists would enable insights to be generated into the pricing issues encountered as artists develop their careers. This research was carried out in one location. Similar research in other locations, nationally and internationally, would help construct a clearer picture of new contemporary artwork pricing.

### *Overall Conclusion*

Our investigation of the pricing strategies pursued in one particular setting revealed these to be inappropriate in many cases, particularly from a more entrepreneurial perspective; there is an obvious opportunity for educational institutions and other intermediaries to engage more with newly-graduated artists' pricing strategies and to provide guidance and mentoring as appropriate. Galleries which feature the work of newly-graduated artists might usefully consider the extent to which more flexible or personalized pricing might be practicable. There is scope for exploring more extensively how newly-graduated artists might usefully adopt some elements or versions of contemporary strategies such as 'PWYW' or 'action rules' better addressing market demand.

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**Table 1. Pricing in the Primary Market: Key Literature 2002-2022**

<b>Study</b>	<b>Procedure</b>	<b>Key findings</b>	<b>Contribution</b>
Rengers and Velthuis (2002)	Model determinants of contemporary art prices using multilevel regressions based on characteristics of artwork, artist and gallery.	Size and material of artworks, and age and place of residence of artist are strong predictors of price.	The seminal study focusing on the primary rather than the secondary market; identifies that artist characteristics are more influential on prices than those of galleries.
Velthuis (2003)	Undertakes interviews with art dealers and addresses two pricing norms; reluctance of dealers to decrease prices and pricing according to size.	Argues that price setting is not just an economic but also a symbolic act signifying a range of cognitive and cultural meanings.	Highlights the role of price mechanisms in the social construction of aesthetic, artistic, or cultural value.
Schönfeld and Reinstaller (2007)	Uses a discrete version of the linear city model of product differentiation to investigate the determinants of pricing using quantitative data.	Prices are positively correlated with artist's reputation and negatively with gallery's reputation.	Advances a decision theoretical foundation for pricing scripts in the primary market and highlights importance of artists' reputations.
Hutter et al. (2007)	Compares quoted dealer and auction prices from 1970 to 2004 for 100 leading visual artists based on regression and time series analysis.	Significant discrepancies between primary and secondary market prices with respect to artist age and artwork quality.	Provides evidence for an alternative strategy to raise market value by changing consumer preferences through a tailored communication strategy.
O'Neil (2008)	Examines the pricing of visual art from the perspective of artists themselves based on in-depth interviews with 53 visual artists from 22 to 90 years of age.	Identifies common factors involved in pricing decisions: size, expenses, status, market factors, and artist's own perception of value.	Contributes to sociological literature on pricing and to the increasing recognition that there is more than one way of organizing economic practices within the same field of production and distribution.
Beckert and Rössel (2013)	Undertakes multivariate analysis of the determinants of price formation against auction price and gallery datasets to compare the effect of reputation in the secondary and the primary markets.	Demonstrates institutional differences between primary and secondary markets with different pricing determinants, e.g., career length, price homogeneity for each artist.	Establishes important differences between price formation in primary and secondary markets based on statistical data analysis.
Komarova (2015)	Drawing on qualitative interviews with artists and art dealers from New Delhi	Distinguishes internationally-oriented circuit with its explicitly negative	Pays attention to different socioeconomic contexts affecting pricing and discount

	and Mumbai, investigates how art market actors understand the functions of discounts.	discourse on discounts from locally-oriented circuit which approves of discounts as a legitimate marketing tool.	strategies, highlighting diversity of market cultures within and across countries.
Angelini and Castellani (2018)	Investigates price-formation mechanisms by modelling private markets when new artworks are sold for the first time.	Identifies artists' preferred market channel in model with five different types of agents using bargaining game approach.	Provides framework to test public interventions, such as Artist Re-sale Rights, aimed at supporting one or more agents in the art market.
Hegner (2020)	Examines the impact of digitalization on primary art market based on semi-structured interviews with five gallery executives.	Galleries launch editions for online distribution at lower price points adapting their business to changing environmental conditions.	Provides new insights into changing market dynamics and suggests incorporation of digital tools and media into marketing.
Powell et al. (2021)	Interrogates artwork profiles on the Artfinder database; flexible attributes are manipulated using LISP-Miner in order to generate action rules aimed at increasing selling prices.	Several artwork profile attributes, e.g., artists' biographies, artwork descriptions, artists' social media presence, may be manipulated in order to increase prices.	Emphasizes the potential for low cost and easily implemented action rules to increase selling prices.
Angelini and Castellani (2022)	Develops a market signaling model accounting for agents' strategic interactions in presence of asymmetric information, i.e., artwork quality and buyer knowledge.	Seller uncertainty does not advantage outsider collectors in equilibria; low-quality artworks and outsider collectors tend to exit the market.	Contributes to literature on the role of information asymmetries in price formation; considers how new uncertainties can shape the pricing strategies of private art dealers.
Present study	Investigates the pricing strategies of newly-graduated artists and explores perceptions of the public and intermediaries using exhibition pricelist, survey, and interviews.	Identifies significant discrepancies between 'willingness-to-accept' and 'willingness-to-pay', underlying psychological 'endowment effect' and limited effect of intermediaries on pricing.	Proposes supportive interventions for newly-graduated artists and innovative pricing strategies better able to address market demand and enable sustainable practice.

**Table 2. Demographical Background of Survey Participants and Responses**

In the table below, we present the demographical background and responses by 675 survey participants.

<b>Gender</b>	<b>N</b>	<b>%</b>	<b>Gross household income</b>	<b>N</b>	<b>%</b>
Male	308	45.6	Less than £10,000	144	21.3
Female	301	44.6	£10,000 to £30,000	162	24.0
Not Available	66	9.8	£31,000 to £60,000	146	21.6
<b>Age</b>	<b>N</b>	<b>%</b>	More than £60,000	86	12.7
18-24	180	26.7	Not Available	137	20.3
25-44	226	33.5	<b>Interest in the visual arts</b>	<b>N</b>	<b>%</b>
45-64	162	24.0	1 – No real interest	5	0.7
65 and older	50	7.4	2	35	5.2
Not Available	57	8.4	3	132	19.6
<b>Education</b>	<b>N</b>	<b>%</b>	4	280	41.5
Secondary school	151	22.4	5 – Very intense interest	223	33.0
University degree	246	36.4	Not Available	5	0.7
Postgraduate degree	133	19.7	<b>Awareness of the sales</b>	<b>N</b>	<b>%</b>
Professional qualification	80	11.9	Yes	589	87.3
Not Available	65	9.6	No	60	8.9
<b>Occupation</b>	<b>N</b>	<b>%</b>	Not Available	26	3.9
Students	205	30.4	<b>Purchase of the artwork</b>	<b>N</b>	<b>%</b>
Arts practitioners	178	26.4	Purchase made	11	1.6
Professional	177	26.2	Considering purchase	85	12.6
Retired and others	59	8.7	Not considering purchase	544	80.6
Not Available	56	8.3	Not available	35	5.2

**Table 3. Price discrepancies between WTP and WTA**

In the table below, we compare the descriptive statistics for 1) the ‘willingness-to-accept’ amounts of the artists based on the exhibition price list; 2) the ‘willingness-to-pay’ amounts of the public for the exhibited artworks based on the survey responses; and 3) the records of realized sales from the gallery sales records.

	<b>(1) Willingness-to-Accept</b>	<b>(2) Willingness-to-Pay</b>	<b>(3) Realized sales</b>
Average	£1,125	£667	£372
Median	£450	£300	£205
Minimum	£4	£0	£10
Maximum	£25,000	£10,000	£2,000
Stan. Dev	£2,421	£1,284	£461
Sample Size	297	79	62