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The Future of Art Fairs: Digital Innovations and Market Dynamics

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INTRODUCTION

Art fairs have recently emerged at the center of the dynamics of the global art market. Alongside the fluctuating prices of postwar and contemporary artworks and the rise of international art biennials, art fairs have become one of the most fruitful subjects of inquiry regarding the international art market and its role for galleries, artists, institutions, collectors, and corporate patrons. However, despite their growing importance and their elaboration of many layers of meaning in the art world, art fairs can hardly escape criticism. Questions arise regarding what art fairs really do and what their contribution is to the constellations of contemporary artists and artworks. Despite the massive shifts in the context of the contemporary art world since the 1990s, there is a remarkable continuity in the way art fairs are evaluated and judged. The 2011 art fair of Art Basel Miami Beach is used to explore how oft-repeated concerns and criticisms reflect the interests and positions of four types of factions in the art world: 'Super Deals,' pro-art-fair voices; 'Stuck,' galleries suffering (de)valuation; 'Under Israel,' smaller galleries hoping greater chances; and 'The Hopeless,' other players [1, 2].

In the constant fluctuations of the contemporary art world and the passages of each phase, recurring concerns continuously arise, alongside or alternatively to the economic issues that emerge and evolve as well. The commodification, 'trivialization,' and the loss of the 'serious' status of contemporary art are points of contention that resonate throughout the decades of rapid expansion of the market. This development has led some to argue that there exists a growing distance or disjunction between contemporary art and the art market. Art fairs are put to the forefront in this 'drama,' as the most blatant arenas of this disjunction. However, it seems rather that art fairs embody the most recent image of the contemporary art world and the contemporary art market in constant transformation in this struggling time. Thus, art fairs are crucial arenas to scrutinize the glaring contradictions of this contemporary art world and its multifarious conceptions [3, 4].

Historical Evolution of Art Fairs

The question "What do art fairs do?" remains untouched, unprovoked and "naively" accepted by the artworld. Despite the flourishing of art fairs in the last decades the academic investigation of art fairs has not yet happened. A historical timeline has been created, focusing on the evolution of the art fairs during the last century, underlining the connection with the historical and sociopolitical evolution of the region where the art fair is hosted. A timeline of significant art fairs from 1920 until today reveals the important historical precedents of fairness. This timeline helps us understand this growth and the conscious decisions that shaped the exhibition's design. This thorough historical axis offers, together with the case study, the tools and the groundwork to study other art fairs exhibiting in different contexts [5, 6].

Understanding history in general is essential to comprehend the now, to interpret things correctly and ultimately to foresee the future. In this regard, art fairs are no exception. This examination of the art fairs over time will clarify the reasons behind the growing dispersion of the art fairs within the art world and the particular notions contribute to their presence and place, thus facilitating the understanding of the discussions about relevance and significance of art fairs today [7, 8].

At its simplest definition, an art fair is a convening of galleries showing work to be sold. Within that definition exists a spectrum of diverging practice, conditions, and outcomes. Over the course of the years,

art fairs have evolved from annual events that nurtured local markets to international blockbusters curating enormous amounts of work and participants from all over the globe [9, 10].

Digital Transformation in the Art Market

The art market is in the midst of a digital transformation. Even before the worldwide pandemic accelerated a shift to online, smartphone-based platforms, there was intense investment in new technologies for buying, selling, and showcasing art. Since 2009, there has been a 255% increase in online sales by value. The trailblazing Art Basel Hong Kong fair—a fair that starts online, but whose success has been predicated on its physical face-to-face events—was in its first fully virtual fair in the spring of 2020 and it sold almost USD 270 million of artworks. Art Basel Hong Kong has become Asia's high-stakes marketplace for the global contemporary art market run by International Blue-Chip Galleries, but whether the fair's sales result in the acquisition of artworks by Asian collectors with long-term collecting plans remains to be seen. Physical art fairs will be back, but technology will now play a powerful role in the way artworks buy and sell [11, 12].

In the nascent field of blockchain technology, there are nascent efforts to create decentralized peer-to-peer systems for the fractionalized sale of artworks, tokenization, and digital provenance. Some think of blockchain as a transformational "Internet of Trust" for processing transactions on a global scale. The artwork may still be in the physical realm, but it is viewed, shared, and traded online. Auction houses, galleries, and fair organizers experimented with online sales, but these remained niche revenue streams. Zoom used to bring together the live auctioneer and a handful of phone bidders in the room. The art world is no stranger to innovations, yet art remained one of the last industries to embrace digitization more broadly. In 1999, the online auction house eBay famously predicted that the traditional gallery business would be dead in a decade, but twenty years later the art world is still largely intact [13, 14].

Online Platforms and Virtual Exhibitions

On the one hand, it offers insight into strategies online platforms need to pursue in order to contribute to art fair development; on the other, it augments the understanding of the growing prevalence of all-virtual art experiences that art fair directors envision. Despite challenges related to equitable access to technology and art world hierarchies being reinforced with the focus on online platforms, the expectations of democratization of the art market and broadening the scope of the international art world entrenched in the fair format import new possibilities to take art fairs beyond normalizations and inclusions operating as a policing mechanism of legitimate access to the art market. Considering the number of online platforms in the strategies of art fair directors aiming to remain competitive in a globalized art market, the increasing prevalence of all-virtual art fakes experiences, to a greater or lesser extent, can be anticipated to affect access to art [15, 16].

Blockchain Technology in Art Transactions

The aim of this paper is to shed light on art in blockchain-based digital environments, exploring how underlying technologies reshape the socio-materialities of art and art transactions. Blockchain is perceived as a distributed digital ledger storing data in a chain of blocks across computer networks. Data may differ across the various blockchains but mainly concerns tokens, including currency units and financial instruments. Each transaction involves a number of assets (NFTs, in this case, non-fungible tokens) that act as reference objects linked to digital material. Each transaction generates a chain of agreements: token authenticity and ownership, contract clauses guaranteeing good behavior on the part of the ones involved, and the legality of the right of transmission. However, the meticulous approach to asset authenticity and ethical sale is jeopardized by some players who oversee art transactions not through tokens guarantee of authenticity and ownership but rather through the art-based historicity of transactions [17].

Art is understood as a practice involving spatial and temporal arrangements of objects, activities, and actors, which vary according to the local articulation of societal protocols and technological affordances. Everyday transactions are central to the maintenance of art socio-materialities, focusing on how transactions tie artworks to everyday socio-material conditions (building a market) and on how the identity of those enrolled in the art world balances political tensions and power struggles. Noting how art transactions crossed traditional and novel practices and how blockchains enforce novel transactional practices, the aim is to move beyond a conceptualization of blockchain as straightforward democratization or elitism [18, 19].

Impact of Digital Innovations on Art Fairs

Digital innovations, such as live streaming, virtual reality, social media, and e-commerce, are having a major influence on the traditional framework and dynamics of art fairs. This paper assesses this influence using a multidimensional approach that centers on three specific aspects related to technological

development: curation, presentation, and the market. Focusing on international contemporary art fairs in Europe and North America, the initially emergent innovations become increasingly widespread, redrawing the stakes and implications of digitization in relation to the traditional dimensions of art fairs. Art fairs' digitization is modelled as a continuous spectrum, ranging from online initiatives that fully contest traditional formats and their market roles, to projects that align with pre-existing configurations. The influence of innovations is further discussed with respect to the changing dynamics of the art market [20, 21].

The digitization of art fairs is analyzed in relation to the affordances and limitations of different digital media formats. As a whole, this analysis sheds light on the implications of digital innovations for the curation, presentation, and commercial stakes of art fairs. The first section focuses on the curation and how it intersects with digitization, scrutinizing projects related to both shared visibility and direct competition among art fairs. Such initiatives not only encourage emerging or lesser-known galleries to join the fair but also allow curators to project another view of the art presented at fairs and its relation to other contemporary art forms. The second section examines how the examination, experience, and commercial presentation of works within different media affect the stakes and outcomes of the digitization of art fairs. This section discusses emerging virtual reality projects that highlight the stakes and limitations of transposing the sensuous-experience qualities of physical spaces into e-spaces, and that contest the currently inscribed roles regarding the work, its author, and the viewer. Finally, the digitization of art fairs is assessed in relationship to the art market, considering the systemic and disruptive effects of e-commerce, and how different digital advocacy positions draw either a distinction or a necessary alliance [22, 23].

Market Dynamics and Trends in the Art Fair Industry

The art fair industry is undergoing significant upheaval. Art fairs now find themselves challenged in their key roles; while presenting artworks in a location conducive to viewing and consideration, they are also platforms for the interchange of ideas and information. Cultural upheaval led by the COVID-19 pandemic in its early stages and social media in more recent years has driven change in audience expectations and behavior. The rising demand for digital engagement in lieu of direct contact has laid out strategic choices for the art fair industry in its post-pandemic transformation. The rising role of established cultural sites, such as museums and foundations, as active assemblers and presenters of contemporary art — a role traditionally performed by art fairs — places crucial questions on the future of art fairs and new market dynamics in the contemporary art world [24].

A number of potential driving forces and pertinent mechanisms that shape contemporary art fairs are explored. Besides unforeseen market shocks, the accelerating integration of technology and the digital revolution have brought shifts in the nature of mass communication and presentation media, altering the configuration of consumer touch points. Non-linear forms of works and their re-mediation on social media have led to the commercialization of social capital and cultural significance tied to attention economies. As attention has turned into the most valuable currency, being the art fair that art patrons gravitate towards, both physically and digitally, becomes a critical concern. Data-driven marketing strategies, algorithm calculations, and industry-consensus understandings of attention play a substantial role as things have become more equalized in art fair consumer preference. Such societal, technological, and cultural changes are transforming the keenly competitively moderated selection process in the art fair industry, shaping a new norm recently witnessed during the pandemic years [25, 26].

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