

The Art of Relationships

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Abstract

The Australian Arts industry is a vibrant and dynamic sector of the economy. It encompasses both visual and performing arts. This paper is part of a wider study into marketing communications, branding and relationships in this industry. It is unique in that it reports the findings of a research study into relationships in the Australian Arts industry.

The study is a qualitative study, focussing on a number of visual arts organisations in Sydney, Australia, selected to provide a varied cross-section of organisations. In carrying out this research, data from various sources was utilised. The prime source of data was personal interviews with key marketing personnel from the art galleries and performing arts organisations. Additional data was gathered through examination of annual reports, Subscription Brochures, Programmes and the website of the companies, as well as information from reports and websites from relevant Government organisations.

The results presented in this paper consist of a summary of the case studies conducted, which highlight the importance and complexity of relationships in this industry especially in relation to building brand equity. Issues addressed include motivation, loyalty and image, cooperation as well as power and dependency, additionally information was obtained on evaluation of the relationships discussed. This paper, as a result of these findings, makes an interesting contribution to theory in that it shows the importance of relationships in helping these organisation increase brand equity while allowing them to remain competitive in a challenging industry.

Key Words: Relationships, Arts, Dependency, Cooperation, Brand Equity

Introduction

This paper examines business relationships of arts organisations, namely art galleries, and their importance on building brand equity. The nature and importance of the relationships as well as the factors that contribute to their success are highlighted.

This paper provides a brief discussion of central concepts in business-to-business and specifically IMP theory. Secondly, we look at the nature of the arts and arts organisations with a brief description of the importance of building brand equity. Thirdly, we will examine the literature available on the role of relationships in the arts industry with respect to our research questions, which will discuss the nature and importance of these relationships as well as the factors that contribute to their success, and the impact of these relationships on building brand equity. These research questions will form the theoretical underpinnings of our analysis of the case studies. Following our methodology, we will present the findings of our case studies. Given that this is a work in progress paper, one gallery of each category has been chosen as a case study to demonstrate the relationship between the galleries and associated parties. The conclusions and future research proposition will form the last part of this paper.

The focus of this paper is on relationships in arts organisations dealing with cultural and artistic outputs as visual arts, and their impact on building brand equity. Therefore, this paper will examine the literature on cultural organisations and branding/brand equity.

Background

Defining Relationships

The importance of relationships in business markets has been well established in the literature (Anderson et al 1987; Spekman 1988; Dabholkar, Johnston & Cathey 1994, Ford 1997). While the nature and role of these relationships has been discussed in many different contexts and industries. The nature of the relationship is dependent on the environment in which the interaction takes place (Hallen and Sandstrom 1991; Ford 1997). To date the nature and role of relationships in the arts industry has not gained much attention, in order to overcome this deficit our aim is to ascertain if general business-to-business relationship theory can be applied in this context.

While it is difficult in the literature to find an explicit definition of relationships in business, Mattsson (1995) notes that exchange is central to the concept of marketing and that an exchange relationship implies that there is a "specific individual dependency" between the buyer and the seller. He states that the exchange relationship is characterised by mutual dependency and interaction over time between the two parties.

Hakansson and Snehota (1995) concurred with Mattsson, and have tentatively tried to define a relationship as mutually orientated interaction between two reciprocally committed parties that are long term in nature. There is also an understanding that they contribute significantly to both parties in terms of value and ultimately profitability (McDowell & Ford 2001). This long-term view leads to closeness between the parties. These relationships also tend to involve a complex pattern of interaction between the parties resulting in the fact that the focus of the parties becomes, as much an issue of relationship management rather than purely transaction management.

When defining relationships the interaction is central and this interaction leads us to the concept of relationship atmosphere (Hallen and Sandstrom 1991; Roehrich and Spencer 2001; Sutton-Brady 2001). Business-to-business relationships are assumed to include various dimensions including among others trust, commitment, cooperation, power dependency and adaptations. The IMP project (1982) put forward five atmosphere dimensions; these were power/dependence, trust/opportunism closeness/distance, cooperation /conflict and expectations. It has been shown in research over the years that these dimensions can exist to a greater or lesser extent in different dyadic relationships (Sutton-Brady 2002). Some definitions will be put forward at this point to allow the analysis which is to follow.

In any business relationship the balance of power and the degree of dependence or interdependence will help shape the atmosphere of the exchange processes that lead to the evolution of relationships (Hallen, Johansson & Seyed-Mohammed 1991; Emerson, 1962 as cited in Gaski (1984). Power can be regarded as the ability of one party to influence the actions of the other Gaski (1984). The perceived balance of power is what is important, since it is not the use/exercise of the power within the relationship but the knowledge that it exists, which can change the actions of the parties.

In simple terms cooperation is the willingness by both parties to work towards common benefits, or as put forward by Hallen and Sandstrom (1991) "an attitude towards work in common", this work in common they see as "tit-for-tat" which inevitably gives benefit to both parties (at some stage). Competition on the other hand implies "a lack of will to cooperate towards joint goals" (Hallen and Sandstrom 1991). Competition is not necessarily a negative influence on the relationship; however it may cause conflict in certain cases, which is counter-productive in the development of the relationship.

Understanding, in the context of business relationships, is defined by Hallen and Sandstrom (1991), as the willingness to grasp the situation and conditions of the other party. One requirement for understanding to emerge in a relationship is that each party must have the desire to gain as much knowledge about the other as is possible. The information required concerns all aspects of doing business with the party and may even include other parties and the demands they place on the way business is carried out. Blakenburg-Holm and Johansson (1994) refer to mutual understanding as a willingness of the exchange partners to recognise each other's goals and condition. The idea of mutual understanding is enhanced by the notion of support. Parties supporting each other are seen to build trust and create a common perspective that facilitates a sense of understanding (Anderson & Weitz 1989).

Commitment manifests itself in the investment and adaptations the parties make to each other and also in the perceptions each has of the other's degree of commitment to the future of the relationship. Ford (1980) states that the development of a relationship is dependent on the perceptions of commitment held by each party. Commitment may be shown by investment of time or money in the relationship or it may also be just a willingness to make changes and work towards mutual goals and benefits. Commitment in business-to-business marketing is considered an essential ingredient for successful long-term relationships: it is described as a kind of lasting intention to build and maintain a long-term relationship (Walter, Mueller and Helfert 2000).

Trust is considered to be one of the basic concepts in the social exchange framework (Blankenburg-Holm & Johanson 1994). Often valued as being inversely related to opportunism, Williamson (1992) believes that trust, in a relationship, is only warranted when the expected gain from placing oneself at risk to another is positive. In the literature the concept of trust has been explored, in recent times, quite extensively (Dwyer, Schurr and Oh 1987; Young 1992; Morgan and Hunt 1994). Moorman, Deshpade & Zaltman (1993) define trust as a willingness to rely on the behaviour of an exchange partner in whom one has confidence. Trust in a relationship is considered to be built up over time as a result of previous behaviour and future expectations (Schurr & Ozane 1985; Dwyer Schurr and Oh 1987; Anderson and Weitz 1987; Anderson and Narus 1990; Young 1991; Morgan & Hunt 1994; Doney & Cannon 1997; Blois 1999); and therefore, close and continuing relationships are seen as being vital in generating trust (Young 1991). It is seen as a crucial factor in the shift from discrete market transactions to continuous exchange relationships (Dwyer Schurr and Oh 1987). Trust is also considered to have a central role in the development of relationship marketing, that is, in the sum total of all activities that are intended to establish, develop and maintain exchange relationships with clients (Morgan and Hunt 1994).

In light of this literature this paper will explore the existence of relationships in this industry, and attempt to determine if relationships have relevance for arts organizations especially in terms of building brand equity.

Arts and Culture

The concept of culture is central focus in anthropology and behavioural sciences. It can be described as "the integrated sum total of learned behavioural traits that are manifest and shared by members of a society", and "plus the manifestation of these behavioural traits, such as institutions and artifacts" Wadia (1965). Tylor (1891) described culture as a complex sum total including knowledge, belief, art,

morals, law, customs and any other traits that are acquired by humans as part of society. "The arts" traditionally includes elements such as music, literature, poetry, dance, drama, and visual art, film-making, story-telling, festivals, journalism, publishing, television, radio, and some aspects of design. Cultural products often have some public good and merit good characteristics (Evans 2000). Hence, government assistance is often provided to cultural organisations to ensure their survival as they are perceived as important to the public. Cultural products by definition are "creative" and not mass produced. In fact, it is an intrinsic element of a creative product is that it must be different from other creative products. A visual arts product starts off with a creative idea, which is expressed through means such as painting or sculpture by the artist. The artwork is usually presented to the general audience through art galleries, exhibitions and auctions.

Arts organisations have to balance between achieving creative missions and satisfying audience needs in order to survive (Rentschler 1999). Hence, arts organisations in Australia have become more marketing oriented, developed marketing strategies, especially positioning strategies, and more focused marketing communications strategies. A crucial objective is to build brand equity through marketing communications. Brand equity can be described as brand awareness (recall & recognition) brand image (favourability, uniqueness and strengths of brand associations, attributes, benefits and attitudes) of a brand (Keller 2003). The underlying determinants of consumer perceived brand equity are that brands provide benefits to consumers such as to differentiate products, and because they facilitate the processing and retrieval of information (Hoyer and Brown 1990). Most brand elements in the arts are of a somewhat transient nature. This is largely because the key brand and product elements of an arts organisation are likely to change, either in an evolving manner, or even quite radically, as artists, and the their work change and evolve. A visual arts product consists of a multitude of entities with their respective brands and levels of brand equity. The entities considered include for the visual arts - the artist, the gallery and the sponsor. The bringing together of such a diverse set of entities, each with its own brand and brand equity, involves a huge responsibility on the part of the presenting art gallery to effectively direct such a multifarious relationship marketing exercise. Hence, relationships between art organisations such as galleries and artists, business customers, sponsors and government bodies have a huge impact on the brand equity, especially the awareness level and image of all parties.

Relationships in the Arts Industry

In the context of the Arts Industry it has been almost impossible to find any researchers who have examined the industry from a business relationship perspective. There is a significant body of research on relationships with customers, specifically with regard to loyalty, image and the importance of retaining customers, (Slater 2004; Webber 2004, Paswan and Troy 2004; Webber 2004). Fillis (2002) states that marketing within the arts industry must not be viewed as transaction based but "viewed as a longer-term relationship building philosophy". Heaney and Heaney (2003) discuss the need for a loyal core of customers to maintain profitability; their focus is very much on the economic impact of long term relationships. They stress that to build loyalty in this industry there is a need for consistently high-quality products. Although it is clear that within the arts industry the importance and criticality of relationships with customers has been recognised, very little if any attention within the literature has been placed on business relationships. There is clearly an understanding that there are benefits in "developing close and longer-term relationships between artist, gallery and audience as customer" (Fillis 2002). Although this realisation exists, little research has investigated the issue. It may appear obvious that a close relationship with the artist should be beneficial to both parties especially in terms of providing good quality product and other factors which may as previously stated impact on the loyalty of customers and therefore overall profitability. According to brand equity theory, loyalty can be achieved through increased brand awareness, favourable, unique, and strong image associations (Keller 2003).

The research questions which stem from the examination of the available literature are

1. What is the nature of the relationships that do exist in arts organisations?
2. How important are business relationships in the arts industry?
3. Which factors contribute to their success?
4. What is the impact of the relationships on building brand equity in visual arts organisations?

Research Methodology

Given the research questions it was considered that an exploratory approach was most appropriate in this study. This research strategy utilised a case study approach in that “it attempted to examine a contemporary phenomenon in its real life context” (Yin 1981). In carrying out this research, data from various sources was utilised. The prime source of data was in-depth interviews with art gallery operators. Additional data was gathered through extensive internet and database searches of the various arts organisations and relevant government bodies. This research strategy is aligned with a case study approach in that “it attempts to examine a contemporary phenomenon in its real life context” (Yin 1981). Eisenhart (1989) reaffirms that this is the best approach and is well suited to areas for which existing theories seem inadequate, as we have pointed out this is the case for the arts industry and is supported by Fillis (2002) who posits that there is no “established and accepted construct of arts marketing”.

This qualitative study, focussed on a number of visual arts organisations in Sydney, Australia, selected to provide a varied cross-section of galleries. The organisations range from those well-established galleries with later career artists to galleries supporting younger/emerging artists and a number of non-profit galleries. In-depth interviews were carried out with key personnel within the art gallery. To aid the interview process a questionnaire was prepared as a guide. As McCracken (1988) points out the use of a questionnaire is sometimes regarded as discretionary in qualitative research interviews but in the context of a “long interview it is indispensable”. Its function is to guide the interviewer and make sure all issues are covered. It is however just a guide and clearly allows the scope of the interview to be ever-expanding. (McCracken 1988)

Once the interviews were completed data was transcribed to allow for a detailed analysis of the emerging themes and issues. For the purposes of this work-in-progress paper we will present three case studies from the overall project. The three cases presented are chosen to cover the three categories of gallery as outlined above and to allow for comparison within the discussion section of the paper.

Case Studies

Case Study 1 (Well-established Gallery)

Alan is the director of a well-known reputable established in 1991, situated in an affluent trendy suburb in Sydney with a large gay population. The gallery is very stylish and contemporary, situated in a historic building, which used to be bohemian hang-out in the 60s and 70's. The gallery employs two full time staff, and four casuals.

The overall objective is to be the premier leading contemporary at the upper end of the market art gallery in Sydney representing artists at their mid-career stage moving to the next level of their career. The gallery's focus is on image, and ultimately profit. Alan follows a niche marketing strategy with target groups including interior designers, and the gay and lesbian community living in the Eastern and lower shore suburbs of Sydney. They are the sole representatives for 13 well-known artists selling their artwork between AU\$ 10,000 and AU\$ 90,000. They have about 12 solo exhibitions per year, turning over around AU\$1.2 million in 2003-2004. The gallery promotes itself using the owner's name because his prestige and standing in the art world.

With regard to relationships, the gallery has no direct relationships with government bodies since they receive no funding. Alan has used ad-hoc sponsors in the past; however, it doesn't work in their favour, as they want to keep the focus on the art work, and not on wine etc., so no long-term relationships exist with sponsors. Alan is also not concerned about relationships with non-arts companies. They do however have some involvement with community art galleries and groups. They also support the education system, e.g. prizes for schools. A future aim is to build a group “Friends” of the gallery.

Relationships in the main are built through the staff establishing the bridge between the artists and the market. The relationships with artists are long-term, and they are solely represented by the gallery. As the gallery only represents a small number of artists, and most exhibitions are solo exhibitions,

there is a high level of trust in the artist's commitment and quality of the art work. The artists contribute 50% to marketing communications cost. The artists partly determine how pro-active they like to be, and how elaborated the marketing campaign is going to be. So, adaptations are made to for each exhibition to suit the individual artist.

The client base includes about 25 major business clients such as architects and interior designers who buy art work for their clients. A strong mutual relationship has been built to satisfy the needs of all parties. Alan keeps in contact mostly through meetings, functions and phone calls with business customers, and artists.

Relationships with other art galleries both private and public are very important. Especially the relationships with state galleries are extremely important to them. For example, there are cooperative arts exhibition with other art galleries like the National Gallery, where they lend art work to them, which is organised from the art collectors. It helps to build the image of the gallery and the artists, which also benefits the gallery.

The owner is the key in the business; he initiates and fosters the relationships with other art galleries, especially the state galleries, as they do not reciprocate. Community groups, art schools etc. are more pro-active, and come to the gallery. The motivation for the relationships is mostly of financial nature, which is achieved through the brand awareness and image of the artists and the gallery. Loyal artists and a loyal customer base is key to success.

The relationships are seen by the gallery at least as mutually beneficial; the artists want to see their work exhibited in a gallery with a good image, good & stable client base, and good relationships. The gallery is interested in good art work that increases awareness, brand image, and allows for building further relationships, which ultimately ensures financial survival. All relationships are seen as equally important and contribute to the overall success of the gallery. The quality of the product is important with respect to the relationship with artists. Though, many of them have to be built up and groomed. Artwork is much about personalities, and they try to fit the different personalities to achieve their financial goal. Personal relationships are lasting, and are carried on even if a person moves to another art gallery.

Case Study 2 (Emerging Artists)

Joe is the director of a small commercially run company established in 1997, and located in a trendy affluent suburb in Sydney. It is a small company with 2 employees specialising in contemporary art supporting emerging artists. Joe organises about 20 exhibitions with 200 to 400 visitors per opening show each year. The average yearly turnover of the gallery comes to about AU\$ 200,000. Joe wants to establish a gallery that supports younger artists, which usually are financially not attractive to established art galleries. He acts as a resource for people interested in emerging art work.

Amongst the buyers are professionals & industry related people, friends & family of the artists, and arts-interested people. The three segments are targeted separately through distinct communication and customer relationship strategies. The gallery is promoted on its name and not the name of the owner. It is felt that having lots of different artists is their key to success.

No relationships exist with government bodies, as no funding is received, and it is considered not worth the effort. Relationships with other art galleries exist in a cooperative rather than competitive nature, in which artists' work can be shown in or lent to any gallery. In essence, there is not an exclusive arrangement with the artists. Relationships also exist with non-art companies such as a paint company, which is a good way of networking with potential clients and artists.

There are quite a few community art groups like painting societies, who are interested in establishing relationships with art galleries. Initially, they depend on art galleries at an exhibition level, as they are in need of venues of a commercial nature to promote themselves. However, it is also a good way to source new young artists, who may become long-term artists, and a mutually beneficial situation is achieved. Relationships with art schools and universities are very important relationships, where art shows are organised, again this is a good source for young artists.

The gallery has no sponsorships as such apart from the occasional sponsors such as wine companies. Joe considers that it would be too much to ask for considering that every two weeks a new show is opening, and therefore, not a mutually beneficial relationship. There are some one-offs with respect to specific artists or themes.

Joe has been establishing long-term relationships with professionals such as interior designers and architects. Joe has ensured that it is a relationship between the gallery and the customers, and does not depend on one person such as the owner. It is very much a service oriented relationship, where Joe keeps in permanent contact with these customers through constant product updates, and resale strategies. The professional clients' gain is achieved through the changing contemporary art from young artists and associations that have been built.

Having relationships with a variety of artists helps to establish the galleries brand equity especially with respect to the image. The quality of the product is important with respect to the relationship with artists. Though, many of them have to be built up and groomed. Customers associate young contemporary art work with the gallery, which provides them with a great choice of affordable art. Artists contribute to the relationship by adding friends and family members, who bring further potential customers to the art gallery. It is a quite community-focused gallery. Artists and the gallery share the advertising cost, and the decision on how much to spend depends on the artist's requirements. Joe is in control of the marketing activities, e.g. type, layout, etc., but artists contribute to it. Joe tries to keep the relationships balanced and neutral, and avoids power and one-sided dependency situations, as he believes that every party has something to offer. He clearly feels that there is a mutual dependency in most of his relationships. They only achieve a positive outcome if every party pulls their weight; they cooperate and work together due to their different strengths and weaknesses. There is no sole representation right, and artists have the freedom to exhibit their work in other galleries. As Joe supports the emerging artists, helps to improve their skills and manages them, they show a high level of loyalty, and are happy to be represented by his gallery. Artists are equally interested in building a long-term relationship with art galleries. Though, Joe does encourage artists to broaden their horizons, and get exposure with other art galleries, which also improves the image of the gallery.

Joe keeps in contact mostly through meetings with business customers, and artists. The relationships are equally developed by both parties, as the different parties manage to create mutually beneficial relationships, as demonstrated above. Joe promotes his gallery, as being open to relationships. Joe benefits from an awareness and image point of view, and not necessarily from a financial point of view. He clearly focuses on long-term results achieved through increased exposure and awareness contributed through the artists.

Case Study 3 (Non profit Organisation)

This non-profit organisation was established in 1997, and is situated in the heart of the city, close to Universities and Chinatown. It comprises of an art gallery and an art consulting company. Due to its location, thousands of people walk past the gallery every day. It is managed by two full-time managers plus one full-time assistant. Additionally, they have an equivalent of three full-time interns, which is made up of a number of people sourced from universities and private intern placement organisations. The artwork comprises of ideas expressed in art such as paintings, photos, sculptures amongst others.

The operating turnover is about AU\$ 250,000 a year, which is a mixture of federal, state, and local funding. Further funds are generated through the members' fees, the odd sale and financial and non-financial donations. This art gallery relies on grants, which relate to specific projects conducted by the gallery. Further income is generated through the consulting part, which will support the gallery, as the government reduces funding levels.

According to Rod,

"The fundamental mission is to use contemporary art to promote a cross-cultural dialogue and, through that, to support and develop Asian sensibilities in contemporary art. Support and develop young Asian-Australian artists, and then also support and develop influences from Asia being given to the general public in Sydney and Australia"

There is a clear educational focus, where the ideas are discussed, and dialogue is encouraged. The brand image has been repositioned and the current objective is to increase brand awareness for their new focus.

They aim for a market that is young (between 20 and 45), sexy and has an Asian notion. They do not tend to deal much with collectors, but rather with people who look for the dialogue and want to be engaged with art. Further, they target specific ethnic groups, e.g. if the artist is Indonesian, the Indonesian newspapers are invited to write about the exhibition. Though the target market is not necessarily Asian, but rather people who have an interest in contemporary Asian-Australian art work. The opening shows attracted between 200 and 300 people, with a peak of 800 people for a large project.

They are supporting young artists, and hence, the work tends to be more experimental. The art work is critical, as it describes the art gallery. They are branding contemporary ideas, which constantly change, and promote the dialogue between people. Price is not critical, as most of the work is only for sale upon request or in their annual fundraising exhibition. The location is not a crucial point, as they also organise exhibition for in other states and countries, though, the central location does help of course.

The substantial mailing list including some 2,300 contacts in Australasian market is used to promote the different shows. There is some word of mouth that promotes the gallery, as a friendly and approachable place. Public relations are a key form to promote the gallery, as funding is tight. Press releases and press packages are prepared to ensure that the press turns up for the shows. Artists are made available for press conferences. Further, the ethnic television channels are invited, and inform people overseas about the shows. Their efforts have paid off, and the gallery was presented in over 200 press releases.

A consulting company has been attached to the gallery, which emerged from their extensive experience in Asian-Australian art work. They consult other art galleries that organise art exhibitions with an Asian focus. In plan are first class art tours for collectors to places in China.

The main relationship instigator is Bing Hui the director of the art gallery, who has been in this industry for many years. Her existing contacts and relationships are heavily based in the Asian region, and given the nature of this gallery her ability to forge relationships is the key to success.

The government relationships are generally based on finding funding opportunities for the gallery. Given the non-profit nature of the gallery, these relationships are seen as vitally important. According to Rod

"The former attitude of the gallery was very much one of a dependency on public funding, and a fear that you had to stay within a certain confine to be able to continue to have that."

This attitude has changed to a more aggressive one with government bodies, where the gallery stands up for their ideas. They still depend on government funding, however, they come from a position of strength now, and are not begging anymore.

Relationships with non-art companies have been mutually established where companies need advice on collections etc. These services are promoted by the gallery at exhibitions. There are close relationships with other similar non-profit art galleries, but given that they have a Western-style focus, they complement each other. There are also close relationships with museums and other art galleries that use their consulting services especially in the organisation of exhibitions.

The gallery has managed to attract some valuable sponsors such as an alcoholic beverage company that contributes spirits and bar/wait staff. They also advertise the shows, and identify themselves as sponsors in glossy magazines. This relationship has developed into a loyal long-term relationship, which was initiated by the beverage company approaching the gallery, as it was interested in cooperation. Rod is constantly looking for new sponsors they can form partnerships with.

There is a close relationship between community groups where there are synergies between the groups. There is a very tight relationship amongst the shops in the shopping mall; they all promote each other to increase awareness and traffic. Schools are actively sought out, as they are part of their

audience education building. Information material is sent to teachers and free classes are conducted. There are some 250 to 300 "Friends" supporting the gallery with their annual fees because they see a value in the work of the gallery. The art gallery has also formed relationships with people involved in arts in general like people who write about visual arts, and want to voice social commentaries.

The gallery supports some 250 artists, who are in their 20's and in their early to mid-career. They are developing their own voice and style. The relationships used to be one-offs, however, for the last two and a half years, the gallery has been building and maintaining strong long-term relationships with the artists. An ongoing dialogue is established in the form of a mutual information exchange and updates. The artists are promoted to other art galleries both nationally and internationally. Though, the artists do not belong to the art gallery, their career is promoted by the gallery through passing on their work to other collections and exhibitions.

In order to get funding and support from the different parties, the gallery has to deliver interesting ideas and concepts that are successful. There has to be a mutually beneficial outcome, e.g. the beverage company is supporting the gallery due to the fit with respect to target market and the galleries marketing strategy.

The relationship with funding bodies are evaluated based on their response, e.g. if they do not respond they are clearly losing interest, and consequently reducing their support. For example, the sponsors are provided with extensive promotional material and follow-up information. Relationships are monitored to ensure that both parties are interested in ongoing commitment. Furthermore, relationships are evaluated with respect to fit, e.g. target group, company image and reputation.

Findings

Each gallery is unique; this uniqueness is achieved through the artists they represent, the focus, location, and relationships. Hence, most galleries do not see themselves competing with other art galleries, as they have very specific target groups in their opinions. However, they admit that they are competing for the consumer dollar, and that they have to become smarter and increase their brand equity.

There is a high level of trust between well-established galleries and artists, as the galleries rely on the artist's commitment and quality of work; and the artists rely on adequate support and representation. These galleries usually have a large percentage of loyal business customers who trust that the gallery will have artwork that they can buy from every show. If disappointed frequently, they are likely to establish relationships with other galleries. Non-profit organisations and other galleries are under less pressure as most exhibitions show multiple artists, and customers' expectations are less demanding. These galleries are more patient, and recognise that their artists have to be supported and groomed. Hence, the commitment level is much higher within relationships with well-established galleries, as there is more at stake.

The level of cooperation is mainly related to advertising activities, and expenses are usually shared, except for non-profit organisations where there is no funding for marketing communication efforts. The non-profit galleries and those promoting young talents usually establish themes, and support the artists to create related art pieces. Well-established art galleries often leave the choice up to the artists, and make adaptations to fit the work and theme. A total systems approach is inevitable for all galleries in order to convey a sound brand image.

Non-profit organisations have a high level of dependence in their relationships with government organisations as they still rely heavily on government funding. However, there has been a change in attitude towards government bodies and other funding sources. These galleries have gained a huge amount of confidence, and are learning the business skills necessary to eventually survive through entrepreneurial sources such as consulting services. They are voicing their opinions, and repositioning themselves in the market place. They are aware of their dependency, however, they do not beg for funding any longer. The other types of art galleries enjoy neutral and mutually beneficial relationships, and they acknowledge that they somehow depend on each other. The well-established galleries still show some level of arrogance, and feel that they are in a power position due to their history, tradition and image. These galleries promote their owners, and awareness and image is

reflected in that person. While young emerging artists seem to rely heavily on art galleries, as they often do not have the resources, expertise and connections, galleries supporting these artists often strive for neutral and often social relationships with artists.

Well-established galleries are very image orientated, and mainly initiate relationships with state and national galleries, as well as business customers. They welcome other types of relationships, but channel their resources to financially viable relationships. Art galleries representing young contemporary artists are quite engaged within their community, and are hands-on in initiating relationships of all sorts. The non profit-organisations are the most pro-active, and seek relationships with all relevant parties.

All parties seem to acknowledge that long-term and loyal relationships are the key for their survival. Art galleries have made a name in the industry with respect to their artists, the kind of artwork, the ambience and location, which their customers appreciate and reward. Business customers have specific needs regarding the artwork, while most other customers also frequent art galleries for emotional motives such as social gathering, atmosphere and entertainment value. A certain brand familiarity and brand image has been established, which is important to be maintained and reinforced.

Recommendations

The findings of the case studies have shown that long-term relationships are prevailing in the art industry due to their mutual dependencies, and the nature of the industry. These relationships are crucial for success and survival, especially as new galleries compete for customer dollars, and customer needs have become more specific and sophisticated. From a managerial viewpoint galleries need to understand the importance and role of relationships in building brand loyalty. It is clear that the successful well-established gallery recognises this and cultivates relationships with both artists and business customers. The newer galleries probably need a more systematic approach to relationship development and would need to recognise which relationships are going to be crucial to their success.

In terms of the actual relationship and the impact on brand if a party does not pull their weight in the same direction, mixed messages are sent, which confuse customers and damage the brand image. The brand image has been found to be the key for their success, as customers predominately buy and sell a transient product. Most galleries have not fully recognised the importance of their relationships and the level of cooperation that is needed to achieve their objectives.

Future Research

The arts industry has not extensively been researched, and endless research opportunities exist as how to build and manage relationships, which are mostly based on intuitive actions to date. Further research should examine the factors required in this industry to build successful relationships, and increase the competitive advantage of art galleries. Opportunities also exist for cross-cultural comparisons; the authors plan to extend the research into other countries to see if similarities exist. This research is extremely interesting and makes a valuable contribution as a result of the specificity of the industry.

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