

# Shaping the practices – role of different actors within the context of contemporary art market

**A. Annukka I. Jyrämä**  
Helsinki School of Economics  
P.O. Box 1210, 00101 Helsinki  
Finland  
[annukka.jyrama@hse.fi](mailto:annukka.jyrama@hse.fi)

**Anne M. Äyväri**  
Helia & Laurea  
[anne.ayvari@helia.fi](mailto:anne.ayvari@helia.fi)

## Abstract

The purpose of the study is to analyze different practices and the roles of various actors, business and institutional, in the contemporary art market. The focus is to understand the roles that various actors play in the shaping of the practices and discover how the changes in the practices may occur. The theoretical framework builds mainly on institutional and industrial network theory. The sociological concepts of field or art world will also be used in the analysis.

The study contributes to an understanding of the art market, the analysis of the key actors and their relationships gives highly important information for the practitioners as well. The data was collected from European markets, namely from Finland, Sweden, France, and Great Britain. Altogether 80 interviews were conducted. The international comparison on four European countries contributes to the understanding of the common aspects of international art markets compared to national characteristics.

The contemporary art market can be seen as a network structure consisting both business (galleries, customers/collectors) and institutional actors (e.g. museums, art critics, art schools) who actively participate in the creation and change of the shared practices. The practices were learned by imitations and through the isomorphic forces (DiMaggio and Powell 1983). Most galleries emphasized the importance of participating in the field's activity before opening a gallery. This is the only way to really learn the "proper manners", as written contracts or documents are rarely used. Learning these shared practices is used as a means to create stability for the market –and as means to legitimization.

The changes in practices seem to be rather gradual in nature rather than a development of a struggle as proposed by Bourdieu (1984, 1985). The influence of the elite, or the actors perceived as successful, needs to be highly emphasised, as they seem to be the major route to establish proper manners. However changes often also occur through fringe players who then move into the elite. Combining institutional, sociological field and industrial network approaches gives a more comprehensive analysis. The institutional approach focuses on the values and norms underlying the practices, i.e. the context. The industrial network approach emphasizes the relationship interaction between the various actors creating and changing shared practices. And, the sociological field approach enables identifying distinctions on the hierarchical structure and brings forth the role of individuals, capable of breaking the norms, capable of changing the social context.

**Keywords:** practices, contemporary art market, industrial networks, institutional approach, field

## Introduction

The purpose of the study is to analyze the different practices and the roles of various actors, business and institutional, in the contemporary art market. More specifically, the study reveals the different types of practices used to conduct business. The focus is to understand the roles that various actors play in the shaping of the practices and discover how the changes in the practices may occur. The research questions are: How are the shared practices for managing galleries within the contemporary visual art markets created? How do these “ways of conducting business” change and differ, and what are the roles of different actors in creating the change?

The art market’s characteristics, the immaterial value of products created by actors’ interaction, the emphasis on information and knowledge, in addition to the key role of relationships and networks make the contemporary art market an interesting and stimulating scene to observe and study.

This study contributes to an understanding of the contemporary art market, its special nature and characteristics. The analysis of the key actors and their relationships gives highly important information for the practitioners as well. Moreover, the research’s contribution relies on the elaboration of the field and market concepts by combining aspects from the institutional approach (e.g. DiMaggio and Powell 1991; Scott 1987), the field approach in sociology (Becker 1982; Bourdieu 1984) and from the industrial networks approach (Easton and Araujo 1994; Håkansson and Snehota 1995). The international comparison on four European countries contributes to the understanding of the common aspects of international art markets compared to the national characteristics.

The theoretical framework builds on discussion in institutional and network theories. In institutional theories organizations (actors) are perceived to share practices within worlds and fields, the actors share similar values, beliefs and norms (DiMaggio and Powell 1983, 1991; Mayer and Rowan 1983; Scott 1987). It is close to the sociological field and world concepts used e.g. to study the arts (Becker 1982; Bourdieu 1984). Moreover markets can be conceived as networks. Here the approach, which emphasizes the relationships within a network and their embeddedness in a social context, will be elaborated and discussed. (e.g. Araujo 2003, 2004; Easton and Araujo 1994; Håkansson and Snehota 1995; Salmi 1995). The concepts of field, world, and network are used as a theoretical context in which the questions of changing practices are elaborated.

The study aims to discover the art market’s structures and practices through re-description and analysis (Sayer 1992; Tsoukas 1989). The data was collected from European markets, namely from Finland, Sweden, France, and Great Britain. Altogether 80 interviews were conducted.

We will now proceed to discuss the theoretical frame of the study. Then research method and data is introduced. The results of the study are described and finally we conclude by discussing some of the key findings of the study and possible lines for further research.

## Theoretical framework

The starting point in this study is to view the art market or field as a social phenomenon as a result of human experience (see e.g. Scott 1987). Thus, human experience is not studied as separate of social context. It is assumed that the structure and individual activity are intertwined, influencing one another, and hence studied as a whole. The notion of industry, sector, or market has been a major building block in economic studies. However, more discussion is needed on these concepts, as there are various streams and schools of defining them (Araujo 2004; Eriksson et al. 1996). In this paper we will discuss the market mainly through institutional, sociological field and industrial network approaches.

The institutional approach is a way of analysing industries or organisations as a result of the cultures and the institutionalised structures in which the industry or organisation exists. The culture(s) and structures are the result of the interactions of the actors participating in the activity. The market in institutional approach is perceived as a field consisting of interacting actors that may include both individuals, firms or organizations. The interaction is based on shared values, norms and beliefs that enable and constrain the joint activity (DiMaggio and Powell 1983, 1991; Meyer and Rowan 1983; Mezas 1990; Scott 1987).

Also, the sociological concepts of field or (art) world used by Bourdieu (1984) and Becker (1982) are built on the notion of shared activities and relationships. For example, the art world is identified through the shared activity, producing works of art. The activity is based on conventions, such as what is art or how art is presented. These conventions make it possible for the actors to act collectively: to share similar language and to understand what the others are doing (Becker 1982). Bourdieu (1984) describes further that different fields attribute varying degrees of significance to, for example, various habits, dogmatic beliefs, or education. These different factors are combined in a distinct way specific to a field. Consequently, the institutional approach can be seen as a bridge to some sociological studies (Scott 1987).

In the industrial networks approach market consists of a network of actors, who are related to each other by exchange relationships. These relationships within a network are not dyadic but create a "net", including several actors. In the industrial networks approach the exchange relationships' embeddedness in social arena is acknowledged. Networks are created through individuals in companies and these actors are constrained in their choices by rules and norms, as in the institutional approach (e.g. Easton and Araujo 1994; Håkansson and Snehota 1995; Salmi 1995).

Hence, these understandings on the nature of market share interest on the role of the social context, the values, norms and beliefs behind the shared practices. However, they emphasize different aspects that complement each others. The way an actor is perceived differs. In sociological studies, they are mainly individuals. Bourdieu (1985) defines the actors as "one of us". The industrial networks approach views actors often as firms, although in recent studies the individuals are taken more into consideration, hence actors can be individuals and different collective actors to as well as firms. In institutional studies, actors have been considered as organizations, government agencies or groups of people (DiMaggio and Powell 1983, 1991; Eriksson et al. 1996; Håkansson and Snehota 1995; Salmi 1995).

The institutional, sociological field and industrial network approaches share also the notion of shared practices. In industrial network approach the practices are created and changed within actor relationships bringing into focus the relationship. The practices relate to the patterns and ways in which the exchange relationships are maintained or changed. Whereas, the institutional approach emphasize the context, the shared rules and norms, and the shared "proper manners" as practices. (e.g. Araujo 2003; DiMaggio and Powell 1991; Håkansson and Snehota 1995; Jyrämä 1999, 2002; Spender 1989). The practice concept remains rather open and undefined in all of the approaches. This might be a conscious choice leaving room for the definition through empirical research (see also Araujo 2003).

In industrial network studies the relationships and networks are perceived as dynamic and subject to change. Håkansson and Snehota (1995) describe the network activities, the ways how networks are maintained or changed, as subject to routinisation and constrained by institutional rules. The institutional rules and the business ways created by routinisation are often seen as the legitimate and "the best" way to run business, the proper manners. These ways of conducting business can be perceived as similar to industry recipes: the accepted ways of doing business in a given industry or market. The recipe is based on knowing the underlying beliefs and conventions and having the right connections for receiving information (Grinyer and Spender 1979; Spender 1989). The changes are enabled and constraint by the market/field's structure and existing practices. The way practices change, depends also on external factors such as economic perspectives. In sociological studies, on the other hand, it is assumed that a change in the activities of one whole field might result from competition between various subfields or occurring from the creation of new subfields (Becker 1982; Bourdieu 1985).

Fields are said to be created and changed through isomorphic forces. There are three types of forces that can be identified: coercive isomorphism, mimetic process, and the normative pressure. However, the isomorphic forces are overlapping and cannot clearly be distinguished from each other. (DiMaggio and Powell 1983, 1991; Jyrämä 1999). Yet, the types of change and the principle of change occurring in structure or practices within the approaches follow somewhat similar lines. For example, the entrepreneurial change may be interpreted as a change resulting from different subfields, or the adaptation of values may reflect the change in economic situations (see for examples, Bourdieu 1985; Crane 1987; DiMaggio and Powell 1991; Jyrämä 1999; Leblebici et al. 1991).

To combine the industrial network, institutional and sociological approach gives us an interesting frame to study the creation and change within the market and its practices (see table 1). The institutional approach contributes to the understanding of the context. It emphasizes the values and norms underlying the practice. It enables us to analyze and perceive the context and its affect on the practices and the changes in it. However, the role of the individual capable of breaking the norms and values is often forgotten. Also, the research in industrial networks has mainly concentrated on firms although the role of individuals has been acknowledged. The sociological field approach brings into focus the individual and the field's inner hierarchy that affects the practices. Moreover, the institutional approach emphasise existing shared practices so that the actors do not even see any alternatives. Here, the networks approach gives us a more dynamic approach giving light to the relationships between the actors, the interaction where the practices and their changes are created. Yet, sometimes forgetting the constraining norms and values; the social context of this interaction. Thus, these three approaches share similar understandings on the social nature of the market (field) and at the same emphasize different aspects – complementing each others.

**Table 1. Three approaches and their key concepts**

	<b>Institutional</b>	<b>Industrial Network</b>	<b>Sociological</b>
<b>Market</b>	<i>Field</i> of actors constrained by values, norms and rules	<i>Networks</i> of actors	Market not in the focus, field/world of any <i>human activity</i>
<b>Actor</b>	Institutional, <i>organizations</i> , group, individuals	<i>Firms</i> , organizations, individuals	<i>Individuals</i> , groups, organizations
<b>Activity or activities</b>	The structure and individual activity are intertwined, studied as a whole	Activity: a sequence of acts directed towards a purpose; activity links between actors	The structure and individual activity are intertwined, studied as a whole
<b>Practices</b>	The shared rules and norms, the shared proper manners	Not defined; refers mainly to the patterns and ways the exchange relationships are maintained	The shared rules, norms, and conventions
<b>Key concepts relating to the shaping of practices</b>	Values and norms of the context; isomorphic forces	Routinisation of activities constrained by institutional rules; learning in relationships and nets	Individuals capable of creating change; inner hierarchies between fields; competition between subfields or creation of new subfields

Hence, all the approaches bring different ways to analyze and perceive the shaping of practices; institutional the emphasis on values and norms and the role of isomorphic forces, industrial network the relationships and nets as learning context for the practices, and the sociological, the hierarchies and the role of individual. In the industrial networks framework, resources - both tangible and intangible resources like capabilities - are the third building block in addition to actors and activities. Relationships themselves are considered and used as assets. Interestingly, neither institutional nor sociological field approaches discuss resources at all.

## Research method

The study aims to discover how the shared practices are created and changed within the contemporary art market through re-description and analysis. The idiographic approach is well suited for this study (Sayer 1992; Tsoukas 1989) as the art market is a different research field from a business perspective, a descriptive research approach is selected to capture its unique essence.

Since the art market is small in size and all the relevant actors can be easily identified, the whole market can be studied on an international scale.

The data was collected from European markets, namely from Finland, Sweden, France, and Great Britain. Altogether 80 interviews were conducted. The research questions were employed to focus the data gathering and to develop an interview guide. Through the use of previous theories when creating guiding research questions, we try to improve the internal validity (content validity). The validity of the research was also strengthened by triangulation. This means that multiple sources of data or multiple theoretical approaches are used to research the same phenomenon and to examine the same dimension of the research object (Patton 1990). In this study, the data gathered included interviews of key informants, artists and art managers as well as articles in journals. The art organisations' operations were also observed during the interviews and in visits to exhibitions and openings (vernissage). Art reviews and articles on art market were used to complement the data. The data gathering process of this study was done in four different sets: The Finnish market, the Swedish market, the French market, and the English market. 24 interviews were carried out in Finland, 17 interviews were conducted in Sweden, 19 in France, and 16 interviews and one group discussion in United Kingdom.

The interviews of key informants focused on the overall picture of the art market, giving insights into art world. The key informants were chosen amongst persons working within the art world. The gallery owners interviewed were all from the capital cities, Helsinki, Stockholm, Paris, and London. The main topics in interviews were the gallery owners' perceptions on their own strategies and ways of conducting business. The interview guide was modified during the interviews to include themes that arose and to exclude themes already understood. The researcher was responsive to emerging themes and topics of importance for the interviewees. Also topics from previous interviews were used. It was realised that the point of view of artists was needed to complement the picture given by gallerists. Thus artists with some experience with gallery system were interviewed. These interviews were guided by topics arisen during the research process.

The analysis of data is first carried out along the research questions. Then the similarities and differences between Finland, Sweden, France and United Kingdom are searched. The external validity, the ability to generalise the findings or the correlation of the researcher's findings with other similar studies, was ameliorated by comparisons to existing art market studies when possible. However, generally the findings in qualitative research are generalisable to theoretical propositions and not to populations or universes (Yin 1989). The quotations are translated from Finnish or French by the researcher. The interviews in Sweden and United Kingdom were conducted in English and the interviews in France in French.

## **Research findings**

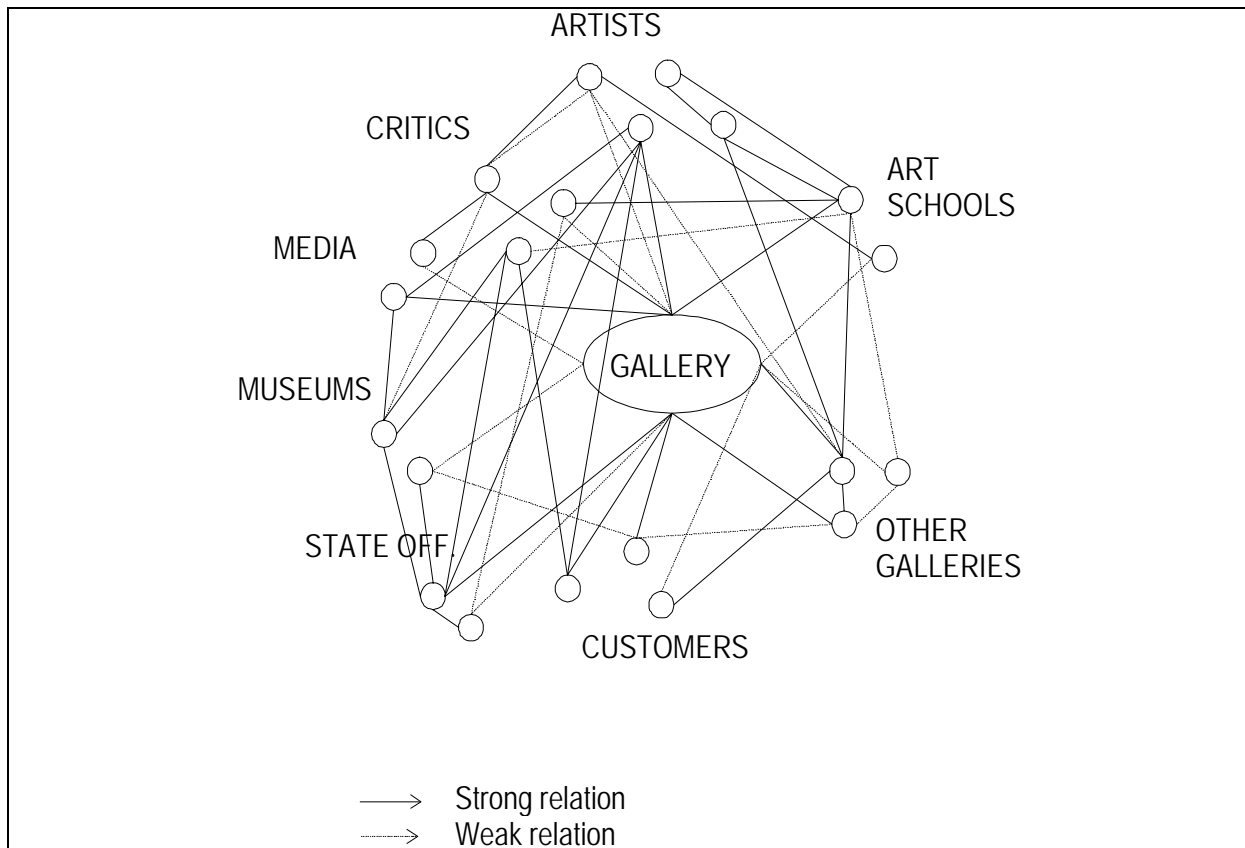
### ***Art markets as networks***

The art markets have a network structure consisting of various networks starting from quite small nets around one gallery and extending to large, looser, international networks. From the perspective of a gallery, the focal net consists of its owner, artists, collectors and certain art critics or other experts interested in its programme (see Figure 1). On the level of the focal net the actors meet regularly and perceive themselves as belonging to a particular gallery. The relationships are not formal but based on social ties and implicit acceptance of "belonging" by other actors from the field. This implicit belonging, loyalty, and emphasis on long relationships might be due to the uncertainty surrounding art products and their distinct nature. Through long relationships, one secures access to a certain artist and his works as well as ensuring for the artist the promotion and development of his/her career and building legitimacy for the works of art. Yet an artist might be trapped in an unwanted gallery where they keep the artist as an asset without really developing his career.

The different actors have differing roles within the network. The artist is the provider of products and in a way the heart of the activities. The gallery manager's main task is to bring together the buyers (collectors) and the artists or artworks. The gallery also engages in creating legitimization for the artist by the relationships with the institutional actors: e.g museums and art critics, and a career through the relationships with other galleries. The role of art schools is e.g. to give "hints" on new talents for the

galleries. The larger network structures with other galleries are usually based on shared taste in art. Through this interaction it is defined what is art, and what is good art. All in all, these networks are created on a very personal level, and then used efficiently to enhance business. (See also Becker 1982; Moulin 1967, 1992; Rouget et al. 1991).

**Figure 1. The focal net**



It is worthwhile pointing out that one individual can act in different roles or perform the tasks of various actor types. An artist can write art criticism, organize exhibitions, or a gallery owner can be involved in organizing an exhibition in a museum:

*"[roles] get mixed more and more, in my case, for example, I wrote exhibition catalogues and other such documents, more than three years ago"* (expert in Sweden).

*"I organise exhibitions, I edit a journal, I am a member of state buying commission"* (critic in France).

The results pointed out that there were differences in the various roles the actors took in relationship as to developing the practices and influencing the markets. The galleries' task was to introduce new talents and participate in the "dialogue to advance contemporary art". They took an active part in introducing new trends. However, their own practices were quite similar and stable – they seem to favour non-changing practices. In Finland and Sweden, the role of institutional actors (museums, art critics) was much more important than in France or United Kingdom. Also, the role of the state differed and the way it influenced the market practices, e.g. in Finland the state influenced the market mainly through artists' subsidies whereas in France the state was a major buyer. The artists were generally perceived as non-active participants in respect of gallery operation modes – even though they influenced the practices in indirect way – how to sell e.g. installation or present conceptual art created new challenges for galleries, but did not change the main concept of operating. Only rarely did the artists engage in their own marketing consciously avoiding the gallery system. This was mainly done

by either very marginal artists or artists who already had gained recognition and markets for their works. In sum, the galleries themselves were the key actors in creating and maintaining the market practices. However, the artists and institutional actors influenced them in indirect ways.

The four national markets, Finland, Sweden, France and Great Britain, were found to be hierarchically structured according to reputation and status, creating such groupings as elite galleries, quality galleries and other galleries. The distinction of belonging to the quality or the elite gallery group or the net is based on being a member of the gallery owners' association<sup>1</sup>, whereas galleries belonging to the group "other" are not members. Qualification for the elite is related to the gallery's reputation, and to being perceived by other actors as "serious", as making a contribution to the advancement of art. Yet the galleries do not have any power over each other. The structure is only hierarchical in the symbolic, reputational sense, but important when analysing how the practices are used and created.

The distinction into the "elite" or "top" group of galleries is based on the quality of art exhibited.<sup>2</sup> The positions of different galleries seem to be quite clear to the actors in the network. The actors mentioned the same galleries when asked about the galleries they visited or considered as "serious". The interviewees were quite unanimous in their opinion about which are the "best galleries" in their own countries and few galleries were mentioned also in international scale. The interviewees said:

*"There are those [galleries] that can be taken seriously and those... well let's say there are those which are serious and those which come and go" (gallery owner in Finland).*

*"There are galleries that do show contemporary art...but they are not serious... or, how to say it, [they are] not pushing the avant-garde, nor taking part in the dialogue of contemporary art" (gallery owner in France).*

The underlying hierarchical reputation/status structure can also be distinguished when examining reviews of exhibitions in journals and art magazines. They tend to feature exhibitions presented in the same galleries which were mentioned by the interviewees. Hence, the different actors of the network reinforce the reputations and status hierarchy within the field. The role of institutional actors is thus important is legitimizing the galleries and artist – and creating the market. However, there are also examples of well selling artists and galleries outside this inner hierarchy. Next we will proceed to discuss the role of practices, how they are created and changed and how they are used to enforce the reputation hierarchy of the markets.

### **Creating the practices**

The shared practices are created through the interaction between the actors of the contemporary market, its network. The galleries were all very similar in their manner of operating. The actual ways of conducting business seem to change quite slowly and gradually. The major changes have been the change of art dealers into galleries representing specific artists (late 1880s) and then the change from not paying salaries for artists but rather working on commission.

The practices are passed on by imitation (mimetic isomorphism). For example, the young galleries in Sweden seem very similar in their manner of operating and acting. The ways of operating and running the gallery, of presenting and promoting artists are imitated from each other's galleries, the established galleries, and some galleries from the international art market. Sweden provided an interesting case – as there were several young galleries starting their operations at the time of the data collection. These galleries were quite consciously aiming to the international market – and hence showed a case example of trying to learn the practices as a means to become a "serious gallery".

---

<sup>1</sup> However, one of the "young" elite galleries had not applied for membership, perceiving it as contradictory to having established the Smart Show - a more revolutionary art show.

<sup>2</sup> The quality of a work of art is determined by the actions of the field's participants - the choices made by art schools, government scholarships, galleries, art critics etc. The opinions of experts valued by many actors within a field have a major influence on the perceived quality of a work of art. As the experts change, the perceived quality can also change. In a similar vein, Moulin (1992) also emphasises the social construction of the value of works of art.

The role of the elite in establishing accepted tastes and art movements is perceived to be important (normative isomorphism). The actors within the elite are perceived to be active in bringing in new art forms and keeping up with new trends. The actors within the elite also institutionalized new practices within the contemporary art field. The top galleries were used as examples, for example, in Sweden one well established gallery was quoted as an example, by all the new young galleries. The role of fringe players in creating change could also be identified. For example, in France a group of younger galleries were clearly becoming the core of the contemporary art field and there were several examples of older galleries no longer participating in the setting of art taste. These mid-aged galleries were reviewed by art critics, their artists were bought by museums and they were present in international art fairs. Similarly the avant-garde movement was brought to the core of the field by then fringe galleries (see also Crane 1987). These galleries then moved into the core or the elite. As, one key informant said in Finland:

*"Then one gallery suddenly comes and rises, like xx, suddenly presents daring avant-garde art, not caring whether it is commercial or not... and makes a name for itself."* (expert in Finland).

The role of government and the trade unions in controlling and affecting the field is also perceived as important (coercive isomorphism). Government influence is not only regulatory by nature, but more indirect:

*"The strong scholarship system which we have, so that the artist is supported by society, and society in a way controls artists... as a system, not very healthy"* (gallery owner in Finland).

*"In France the state has a enormous role in the contemporary art market, because it is actually central to the legitimization of artists"* (expert in France).

The interviewees put a strong emphasis on social ties. One gallery owner highlighted the importance of the personal connection of a gallery owner with a gallery:

*"You are very much part of the gallery. That is why I also have my name on the door, my own name. That is kind of standard practice because you always represent your gallery. Then it is good to have your own name... Something happened to me that shows this. There is a gallery in Los Angeles, I think, and it is called 303, and I had just heard quite a lot about the gallery, it has an interesting programme and then I met someone in Basel, at the Basel art fair, and we were like talking, so his name was xxx, ... and a few months later I found out he is from that gallery... it is good to know. I would have said I've seen one of your artists..."* (gallery owner in Sweden).

The identity of the gallery is tightly interwoven with the individual identity of the gallery owner. In general the borders between group actors, organizational actors or individuals seem to be blurred within the network: a gallery is an organization, selling works of art. Cases of individuals capable of changing the practices were mentioned. Some gallery owners were perceived as "stars" and they did bring themselves forth in e.g. media to create a name and reputation for their gallery. However, usually this was more connected to presenting new trends in art rather than changing the way the gallery operated.

All the actors emphasized the importance of following the field and being part of the network. Most of the knowledge is passed on informally between individuals. Hence, the social occasions and discussions and the social relationships created between the various network actors were perceived as being very important in creating the accepted norms, conventions, beliefs and values. As many said:

*"... most information that never becomes public... between people, informal... and there the basic decisions take place, to which the media react."* (expert in Finland).

*"I think things are done mainly through personal conversations"* (gallery owner in France).

Most galleries emphasize the importance of participating in the market's activities before opening a gallery. This is the only way to learn the "proper manners", as written contracts or documents are rarely used. The knowledge of these rules is implicit, learnt through participation. For example, most gallery owners had participated in the art field's activities or worked in a gallery before starting their own operation. The interactions within the networks are the places of learning the practices. Overall, the isomorphic forces are playing their part in creating and passing on the field's ways of conduct.

### **Change in practices**

In the context of change in practices there is no struggle in the sense presented by Bourdieu (1985). The influence of the elite, or the actors perceived as successful, needs to be highly emphasized, as they seem to be the major route to establish proper manners. However, changes often also occur through fringe players who then move into the elite. The actors observe new successful ways of operating and imitate them. A case in point is "never call a critic" – a norm that is followed in immature markets. In more mature markets the actors, due to more intense competition, have already started to break this rule, and it has gradually become a invalid norm (see for example Crozier and Friedberg 1980; Leblebici et al. 1991).

Also, for example, the galleries in Sweden have started to co-operate and create new ways of selling art; for instance, the so-called evening walks. Or the galleries in France, who have started to hold openings and other activities together, hence gradually creating new "proper manners". It can be pointed out that the change may come from a new subfield or a net, such as the young galleries who try to move towards the core of the field. This dynamic does coincide with the views from previous studies (e.g. Becker 1982; Bourdieu 1985; Crane 1987; Leblebici et al. 1991).

It can also be argued that the stage of a gallery's life cycle affects its ways of conduct and business methods, hence its practices. For example, a young gallery needs to emphasize its innovativeness and exhibition program by continuously creating new relationships. An established gallery can, on the contrary, rely on its reputation and old relationships, and even present artists by appointment only. Moreover, an established gallery's reputation reflects on the reputation of its chosen artist, so it needs to do less to create legitimacy and reputation for a young new artist. Thus a young artist will somewhat automatically gain reputation and fame from being chosen by an established good quality gallery. The art world relies on the already established and accepted taste of the gallery owner, whereas in the case of the young gallery owner, the reputation needs to be made through creating good career paths for their artists.

The changes seem to have occurred mainly for financial reasons. The ways of operating seem to have changed during the decline in art sales after the art boom in the 1980s. Moreover, there was a lot of discussion in France on possible new ways to promote artists, as the galleries were facing economic recession. On the contrary in Britain, which was experiencing a booming market during the interviews, no such discussion could be identified. Also, many of these changes in business conduct seem to occur during periods of recession. Thus, it is proposed that major changes in ways of conducting business originate mainly from financial reasons, where the driving force is to survive economically.

Some changes may occur through innovativeness and technological changes. Within the art field it is important to distinguish artistic innovativeness, creativity that derives from artists and is not a topic of this research. The innovativeness in gallery operations can, however, be closely related to artistic creativity or new art genres. For example, the technological development whereby artists are starting to use new media in their art, such as video art, CD-ROM or internet art has forced the galleries to engage in these new media. The galleries have opened their own internet pages, either presenting their works of art, or presenting internet art (see also Jyrämä and Ylikoski 2000).

### **Practices as means of differentiation and legitimization**

We could identify several values and norms, e.g. importance of artist and valuation of expertise that underlie the practices. Learning these values and norms is perceived important when creating the legitimization for a gallery. (See also Jyrämä 1999, 2002).

The ways of conducting business, the proper manners, are used as a means to distinguish a "serious gallery" from the "non-galleries". Moreover, they help to create the status hierarchy. Only galleries

following these implicit rules can be considered as “true galleries”. (See also Becker 1982 and Bourdieu 1984, on field’s hierarchy). Moreover, the system of art fairs emphasizes the legitimization process of galleries. As the board only accepts certain galleries and through its choices defines what a gallery is and what kind of criteria a gallery needs to fulfil (e.g. proper treatment of artists or the presentation of art considered as good art<sup>3</sup>), it creates a more or less formalized process for legitimization for galleries. Also the Gallery Owners' Association implicitly institutionalises the strict hierarchy within the contemporary art field: only the galleries within the association will be accepted as meriting the name of gallery.

However, once a gallery has gained a reputation and access to the field and if the gallery owner has a strong personality, these sets of rules can be broken without loss of reputation. It thus seems that the values and norms sometimes are more stated than followed. This puts the institutional view on the role of norms and values into another perspective.

Also other cases of breaking the rule and norms were found without sanctions from the field. For example, an artist had exhibited in good galleries even though she knew that they do not pay their artist, just to get the career and reputation benefit of exhibiting there. Also, several other artists did mention knowing problems with payments with good galleries, whereas the galleries were quiet of these problems, only stating the normative view. The only sanction for the galleries could be exclusion from the networks.

## Summary and conclusions

The international comparison between the four national markets, Finland, Sweden, France and Great Britain contributed to the understanding of the national and international contemporary art markets. The table 2 presents the key actors and their roles in each country.

**Table 2. Key actors and their roles in different countries**

<i>Key actors</i>	<b>FINLAND</b>	<b>SWEDEN</b>	<b>FRANCE</b>	<b>GREAT BRITAIN</b>
Artists	- strong position, can act independent of the market	- a great demand for young artists	- tend to have less power in the field	- tend to have less power in the field
Galleries	- operate mainly in national markets	- <i>especially the young galleries actively entering the int. market</i>	- major role in legitimisation and internationalisation of art	- <i>major role, promoting new art trends, a centre of art</i>
Institutional actors (e.g. museums)	- <i>important role in legitimisation and internationalisation of art</i>	- role important in internationalisation of art	- important as purchasers of art	- not emphasised
State	- strong role	- active in supporting art, but not emphasised	- <i>internationally strong role as purchaser of art</i>	- not emphasised

It can be argued that as the market becomes more mature, the role of institutionalised actors diminishes. The market itself takes the role of legitimising its own actors, whereas within less mature markets, legitimisation and reputation is provided through the institutionalised actors, such as museum directors or art critics. To sum up, in less mature markets the role of institutionalised actors is more important in determining what is art, what is good art, and which galleries are worthy of good reputation, whereas in mature fields this occurs through the activities of galleries themselves.

<sup>3</sup> Yet in art fairs the established taste and the young taste do meet. However, often the established galleries and the young galleries are presented in different sections within the same art fair.

The analysis showed that there were distinct practices adopted by the art galleries. Various practices that created the reputation hierarchies and legitimizations of the galleries could be identified. Some of the practices were quite easy to learn and identify, such as the “look of a gallery” as a white box, in Sweden even the coffee machines of the young galleries were exactly the same, or the right location, e.g. in London and Paris galleries were categorized into subfields along their location in the city. Some of the practices can be learned only by participating in the fields activity, e.g. to recognize talent and new trends in art, to know and be known in the networks, or the business practices, e.g. what are the right percentages for artist and gallery in specific situations.

In terms of the industrial networks approach, some of the practices could also be identified as resources – not only activities, i.e. the ways and patterns the relationships are maintained (see table 1). Examples of these practices are mentioned above: a place of business, visual characteristics of the gallery, furniture and appliances. This kind of an understanding of the concept practice contradicts the view according to which the concept of practice connotes doing; doing in a historical and social context that gives meaning to what we do. Practice as expertise, as thorough knowledge of the proper manners, could also be interpreted as a resource.

The practices were learned by imitations and through the isomorphic forces (see e.g. DiMaggio and Powell 1991). The changes in practices seem to be rather gradual in nature rather than a development of a struggle as proposed by Bourdieu (1984). The influence of the elite, or the actors perceived as successful, needs to be highly emphasized, as they seem to be the major route to establish proper manners. However changes often also occur through fringe players who then move into the elite. The new practices are passed down through imitation and shared activities (see for example Crozier and Friedberg 1980; Jyrämä 1999, 2002; Leblebici et al. 1991). Moreover, many of these changes in business conduct seem to occur during periods of recession. Thus, it is proposed that major changes in ways of conducting business originate mainly from financial reasons, where the driving force is to survive economically. Of course the changes can always be from multiple reasons and forces.

**Table 3. How practices are acquired and modified in different countries**

<i>Practices</i>	<b>FINLAND</b>	<b>SWEDEN</b>	<b>FRANCE</b>	<b>GREAT BRITAIN</b>
How acquired	- imitated from international markets	- actively imitated from international markets	- imitated, changes from new subfields, young galleries	- imitated, changes from new subfields, young galleries
Examples of changes and the forces behind	- creation of the gallery association initiated from coercive isomorphism (state, change in tax legislation)	- emergence of new galleries and aiming to int. markets, mimetic isomorphism (example of a successful gallery)	- search for new ways to operate due to economic reasons (discussions, newspaper writings on the topic)	- contemporary art became trendy due to London becoming the centre of economic wealth and media industry (e.g. openings as trendy parties led to creation of separate openings for trendy and collectors)
Role of rules	- made explicit	- emphasised, and <i>actively learned from each other</i>	- <i>taken as granted</i>	- <i>taken as granted</i>

The key result is the striking similarity of these markets. The practices used by galleries to operate were quite similar. Moreover, it is evident that the market structure and the practices are passed along through isomorphic forces and by imitation on an international scale as well. It can thus be proposed that there is an international contemporary art field or market that shares similar activities, values and beliefs. Some relationship structures, i.e. networks, seem even stronger in an international context than they are locally. For example, the relationship ties within a specific genre of art in international scale were stronger than the relationships with contemporary art galleries in the local scene. (see also

Jyrämä 1999, 2002). The effects of the technological changes could also provide an interesting topic for further research (see also Jyrämä and Ylikoski 2000).

The stability of the shared practices was surprising. This might be a way the galleries deal with continuous change in the products they sell, new trends and even new ways of perceiving what is art. By stable practices in their own practices, the way galleries operate, they have the time and competences devoted to deal with looking for new trends in art. The shared practices were also used as a means to build and maintain the inner hierarchy of the market. It could be an interesting avenue to compare these results with other markets, where trends and reputation hierarchies play a key role, e.g. fashion and design.

The major contribution of combining the various aspects from several theoretical approaches is a more comprehensive analysis and description and hence understanding of the phenomenon studied. The institutional approach contributed to the understanding of the field's practices, the influence and importance of the shared values and beliefs in the ways of conducting business. Moreover, these characteristics and underlying values affect the structure and the actor roles. The network approach emphasizes the interactions between the various actors identified and how their interaction created and changed the shared practices. The sociological field concept enables identifying distinctions on the hierarchical structure of the contemporary art market. Moreover, it brought into focus the role of individuals, capable of breaking the norms, capable of changing the social context. This conclusion supports the previous critic towards the institutional approach (Crozier and Friedberg 1989; Eriksson et al. 1996). Consequently, the role of individuals is found to be especially important in the context of the contemporary art field.

The institutional, sociological field and network approaches all include the notion of social context and relationships and the importance on shared practices. It would be interesting to include also the concept of community of practice -concept into the theoretical frame in order to better understand the changes within the practices of a market or field (e.g. Brown and Duguid 1991, 2001; Lave and Wenger 1991; Wenger 1998, see also Araujo 2003).

## References

- Araujo, L. (2003), "Technological Practices, Firms, Communities and Networks," Paper at IMP 2003 Conference, University of Lugano.
- (2004), "Markets, Market Making and Marketing," Paper at 20<sup>th</sup> IMP Conference, Copenhagen.
- Becker, H. S. (1982), *Art Worlds*. Berkeley, Los Angeles, London: University of California Press.
- Bourdieu, P. (1984), *Distinction - A Social Critic of the Judgement of Taste*. Cambridge, Mass.: Harvard University Press.
- Brown J. S. and Duguid, P. (1991), "Organizational learning and communities of practice: Toward a unified view of working, learning, and innovation," *Organization Science*, 2 (1), 40-57.
- and ---- (2001), "Knowledge and Organization: A Social-Practice Perspective," *Organization Science*, 12 (2), 198-213.
- Crane, D. (1987), *The Transformation of Avant-Garde: The New York Art World 1940-85*. Chicago: University of Chicago Press.
- Crozier, M. and Friedberg, E. (1980), *Actors and Systems. The Politics of Collective Action*. Chicago: University of Chicago Press.
- DiMaggio, P.J. and Powell, W.W. (1983), "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields," *American Sociological Review*, 48 (April), 147-160.
- and ---- (eds.) (1991), *The New Institutionalism in Organizational Analysis*. Chicago: University of Chicago Press.

Easton, G. and Araujo, L. (1994), "Market Exchange, Social Structures and Time," *European Journal of Marketing*, 28 (3), 72-84.

Eriksson, P., Flower, C, Whipp, R. and Räsänen, K. (1996), "Business Communities in the European Confectionery Sector: a UK - Finland Comparison," *Scandinavian Journal of Management*, 12 (4), 359-387.

Grinyer, P.H. and Spender, J.-C. (1979), "Recipes, Crises and Adoption in Mature Businesses," *International Studies of Management and Organization*, 9 (3), 113-133.

Håkansson, H. and Snehota, I. (eds.) (1995), *Developing Relationships in Business Networks*. London: Routledge.

Jyrämä, A. (1995), *Visual Art Markets: Structure and Strategies*. Helsinki: Helsinki School of Economics, B-154.

---- (1999), *Contemporary Art Markets: Structure and Practices. A Study on Art Galleries in Finland, Sweden, France, and Great Britain*. Helsinki School of Economics and Business Administration, Acta Universitatis Oeconomicae Helsingiensis, A-160, PhD dissertation, Helsinki.

---- and Ylikoski, T (2000), "Use of Internet in Maintaining Networks in Small Businesses – A Study in European Art Markets," in *Proceedings of the 16<sup>th</sup> Annual IMP Conference*, Jointly hosted by the School of Management, University of Bath and Birmingham Business School, University of Birmingham, 7-9 September 2002 Bath, UK.

---- (2002), "Contemporary Art Markets: Structure and Actors. A Study on Art Galleries in Finland, Sweden, France, and Great Britain," *International Journal of Arts Markets*. 4 (2).

Lave, J. and Wenger, E. (1991), *Situated learning. Legitimate peripheral participation*. USA: Cambridge University Press.

Leblebici, H., Salancik, G.R. Copay, A. and King, T. (1991), "Institutional Change and the Transformation of Interorganizational Fields: an Organizational History of the U.S. Radio Broadcasting Industry," *Administrative Science Quarterly*, 36, 333-363.

Meyer, J.W. and Rowan, B. (1983), "Institutionalised Organisations: Formal Structure as Myth and Ceremony," in *Organisational Environments - Ritual and Rationality*, J. W Meyer and W. R. Scott, eds.. USA: Sage.

Mezias, S.J. (1990), "An Institutional Model of Organisational Practice: Financial Reporting at the Fortune 200," *Administrative Science Quarterly*, 35, 431-457.

Moulin, R. (1967), *Le marché de la peinture en France*. Paris : Les Editions de Minuit.

---- (1992), *L'artiste, l'institution et le marché*. Paris: Flammarion.

Patton, M. (1990), *Qualitative Evaluation and Research Methods*. Newbury Park: Sage.

Rouget, B., Sagot-Duvaouroux, D. and Pflieger, S. (1991), *Le marché de l'art contemporain en France*. Paris: La Documentation Francaise.

Salmi, A. (1995), *Institutionally Changing Business Networks – an analysis of a Finnish Company's Operations in Exporting to the Soviet Union, Russia and the Baltic States*. Helsinki: Helsinki School of Economics, A-106.

Sayer, A. (1992), *Method in Social Science – A realist approach*. London/New York: Routledge.

Scott, W.R. (1987), "The Adolescence of Institutional Theory," *Administrative Science Quarterly*, 32, 493-511.

Spender, J.-C. (1989), *Industry Recipes - An Enquiry into the Nature and Sources of Managerial Judgement*. Oxford, UK: Basil Blackwell Inc.

Tsoukas, H. (1989), "The Validity of Idiographic Research Explanations," *Academy of Management Review*, 4, p. 551-561.

Wenger, E. (1998), *Communities of practice. Learning, meaning, and identity*. USA: Cambridge University Press.

Yin, R. (1989), *Case Study Research, Design and Methods*. Sage Publications Inc.