

The Art of Online Art Marketing

Consumer dynamics in online art purchasing: A South African 'gallerist'
perspective

Dissertation submitted in fulfilment for the Master of Arts in Creative Brand
Leadership

KARLE MARCELL BESTER

The IIE Vega School of Brand Leadership

January 2015

Supervisors: Dr Franci Cronje and Dr Carla Enslin

Plagiarism Declaration

Plagiarism is using the work or ideas of another and claiming that they are one's own.

1. I know what plagiarism refers to, and I know and understand that plagiarism is wrong.
2. I have made use of the Harvard Referencing Style in this document to acknowledge original sources and list their bibliographic details in the List of References.
3. Each significant contribution to, and quotation in this dissertation from the work, or works of other people, has been attributed, cited and referenced accordingly.
4. This dissertation is my own work.
5. I have not allowed, and will not allow, anyone else to copy my work with the intention of using it as his or her own work for assessment purposes.
6. I acknowledge that copying someone else's assignment or essay, or parts of it, is wrong, and declare that this dissertation is my own work.
7. I know that there will be consequences if plagiarism is detected in my work, and that the related document will or cannot be assessed or moderated, and that I run the risk of being expelled.
8. I hereby declare that the dissertation submitted for the Masters degree to The IIE is my own work and has not previously been submitted to another University or Higher Education Institution for a degree.

Name in print: _____

Student number: _____

Signature: _____

Date: _____

Acknowledgements

- Mr Portchie Viljoen – Owner of The Red Teapot Gallery
- Mr Jason Children – Owner of Invest Art Gallery
- Mrs Alice Pitzer – Owner of Alice Art Gallery
- Mrs Lynette van Schalkwijk – Owner of The Art Window Gallery
- Mrs Marze Botha – Owner of Marze Botha Gallery
- Dr Philipp Bode – Owner of Pablo and Paul Online
- Dr Carla Enslin – Study Supervisor
- Dr Franci Cronje – Mentor and Study Supervisor

Table of Contents

Title page	
Declaration.....	ii
Acknowledgements.....	iii
Table of Contents.....	iv
Abstract.....	ix
Chapter 1: Introduction and background	
1.1 Introduction	1
1.2 Research problem	2
1.2.1 Significance of this research	4
1.3 Aim of this research study	4
1.4 Research questions and objectives.....	4
1.4.1 Research questions	5
1.4.1.1 Primary question	5
1.4.1.2 Secondary questions.....	5
1.4.2 Research objectives.....	5
1.4.2.1 Primary objective and implications of the research	5
1.4.2.2. Secondary objectives	6
1.5 Rationale	6
1.6 Research paradigm	7
1.7 Research Design and Methodology	8
1.8 Conceptual framework	10
1.9 Limitations of the study.....	12
1.10 Delimitations of the study	13
1.11 Assumptions.....	13

1.12 Value of the study and proposed dissemination of results	14
1.13 Outline of the dissertation.....	14

Chapter 2: Literature review

2.1 Introduction	16
2.2 The arts debate.....	16
2.2.1 Commercial art defined	16
2.2.2 Fine art defined	17
2.2.3 The concept of 'commercial fine art'	18
2.3 The online arts environment	19
2.3.1 Impact of the digital age	20
2.4 Consumer behaviour	23
2.4.1 Consumer dynamics	23
2.4.2 High-value, high-involvement products	24
2.4.3 Levels of involvement.....	25
2.5 Risk in decision-making	26
2.6 Purchase process models	27
2.7 Consumer motivation.....	29
2.7.1 Model of motivation	31
2.7.2 Cognitive buyer motivation.....	33
2.7.3 Learned buyer motivation.....	34
2.8 Dimensions for building e-commerce websites.....	34
2.8.1.1 Information	35
2.8.1.2 Interactivity (entertainment, enjoyment and experience).....	36
2.8.1.3 Functionality (ease of use, secure, fast, transaction capabilities)	37
2.8.1.4 Design aesthetics (fascinating, creative).....	37
2.8.1.5 Brand trust and reputation.....	38
2.8.1.6 Customer service	38
2.8.2 Electronic commerce.....	39

2.8.3 Barriers to Internet shopping.....	40
2.9 Conclusion.....	41

Chapter 3: Research design and methodology

3.1 Introduction.....	43
3.2 Research design.....	43
3.3 Methodology	44
3.3.1 Data analysis	46
3.3.2 Data interpretation	47
3.4 Pilot study	48
3.5 The research process	50
3.6 Data collection process.....	51
3.6.1 Sample selection.....	51
3.6.2 Sample experience and background from interviews.....	54
3.6.2.1 In-depth interviews	54
Jason Children: Invest Art Gallery	54
Marze Botha: Marze Botha Gallery.....	55
3.6.2.2 Focus group	55
Introduction of focus group participants	55
3.6.2.3 Telephone interview	56
Philipp Bode: Pablo and Paul Online	56
3.6.3 Website dimensions	56
3.7 Validity and reliability	57
3.8 Ethical issues.....	58
3.9 Conclusion.....	59

Chapter 4: Data analysis and findings

4.1 Introduction	60
4.2 Findings and themes that emerged.....	60

4.2.1 Establishment of a website	60
4.2.2 Dimensions for success	61
4.2.3 Future plans	66
4.2.4 Barriers	67
4.2.5 Sales, marketing and budget	71
4.2.6 Consumers and purchase processes.....	73
4.2.7 Purchase motivations.....	76
4.2.8 Future of the online art market	78
4.2.9 Online versus offline.....	80
4.2.10 Response to the findings from the owners of a physical gallery.....	80
4.3 Conclusion	81

Chapter 5: Conclusion and recommendations

5.1 Introduction	83
5.1.1 Primary Question	83
5.1.2 Secondary Questions.....	83
5.2 Initial research problem	84
5.3 Reconciliation of research design and problem.....	85
5.4 The online art landscape	85
5.5 Consumer dynamics online	86
5.6 Purchase process and steps	89
5.6.1 Consumers identified from research	90
5.6.2. Other elements	95
5.7 Motivations	96
5.8 Website dimensions	98
5.8.1 Crucial dimensions.....	99
5.8.2 Suggestions informed by this research	102
5.9 Research contributions and recommendations	103
5.10 Conclusion	105

Appendices and supplements

Appendix A: In-depth personal interview and focus group guideline	115
Appendix B: Telephone interview guideline with Bode.....	117
Appendix C: Letters of consent for research conducted	119
Supplements: (Available on request)	120

Abstract

The Art of Online Art Marketing: Consumer dynamics in online art purchasing from a South African gallerist perspective

K.M. Bester

Masters Dissertation, Vega School of Brand Leadership, Cape Town, Western Cape.

This research project developed from the researcher's experience and interest in the field of art, specifically online art sales to satisfy a need and investigate the ever-changing online landscape and to ascertain the dynamics of the South African online art market from a gallerist (gallery owner) perspective and thus help art dealers to build successful online art brands and businesses for the future. The secondary objectives are clearly stated from the research problem and address various dimensions such as consumer motivations, purchase processes and steps. Website dimensions that are critical to the study are evaluated in literature and research. The literature review defines commercial fine art, elaborates on dimensions used and dimensions applicable to the study. The findings reveal that the South African gallery owner is hesitant to invest in the online space of selling art online. The gallery owner still prefers personal interaction with the prospective buyer, however this is not necessarily the case for the art consumer. For the respective sites to survive in the future the websites will need some adaptations and changes made to stay up to date and be pioneers in the field. There is significant room for the use of new technological platforms that some galleries are already making use of to make the online art industry more creative and most importantly interactive on a whole different level. The physical gallery thus can become the ultimate online gallery or one stop shopping place for art purchases.

Keywords

Commercial fine art, online art platforms, South African art market, website dimensions, consumer dynamics, purchase processes and steps, cognitive and learned motivations.

January 2015

Chapter 1: Introduction and background

1.1 Introduction

This dissertation reports on research that was undertaken to explore the online consumer dynamics of the South African public from a 'gallerist' (gallery owner) perspective, specifically their behaviour in online purchases and steps followed when buying art online. The motivations (cognitive and learned) of consumers in purchasing art online were considered, and the most important website dimensions were identified for facilitating online transactions.

The research is necessary because: "The sale of artworks online has become an irreversible aspect of the modern art market and the sums involved have already reached seven-digit amounts. The art market is naturally heading towards channels that are the fastest, the least expensive, the most liquid, the most convenient, and where price can be obtained instantly. The attractiveness of this channel will encourage a situation where more than half the world's commerce in art may be conducted online in the very near future" (Art Market Trends 2011: online).

The article states that everything is 'going online', including the market for original artworks. The article is from Art Price, the world leader in art prices and indices databases with over 450 000 visual artists and more than 27 million indices and auction results. Art Price daily enriches and updates its databases with art market information collected from 4 500 auction houses and auctioneers worldwide and also produces a constant flow of art market trends and statistics for the main news agencies and 6 300 international written media.

The trend quoted above shows that the online consumer is important and needs to be analysed constantly in order to determine the dynamics of their online behaviour, not only at present, but also in terms of future developments for the industry. Recent studies that are elaborated on in the literature review, have produced various models and findings on the topic, but there is a lack of research on the art industry as such, particularly the high involvement of consumers, buying high value products. This study elaborates on research done by Shiffman and Kanuk (2004) as well as Hawkins, Best and Coney (2004), who analyse consumer dynamics by studying general consumer behavioural theories such as learned experiences (past and present) and cognitive (ways of thinking) motivations.

"The commercial fine art market has steadily grown into a 17 billion dollar industry, yet only recently have art dealers and art buyers discovered the Internet as a viable marketing tool. Hence, as art galleries begin to move online, a fundamental question arises: To what extent

are the major stakeholders, in this case the consumers, willing to use this non-traditional means to buy and sell art?" (Clarke & Flaherty, 2006:146-160). Due to growth of the online environment the assumption is that it is now closer to a 38 billion dollar industry and the online environment is much more established than in 2006.

This study elaborates on specific dimensions of consumer behaviour from the gallerist perspective and what owners deem most important to their consumers, considering motivations, website dimensions, as well as approaches to buying art online.

This research is unique in that it explores the opportunities and possibilities for the current commercial fine art gallery owner in South Africa. Investigating consumer dynamics in buying art online will assist art businesses and gallery owners to be successful and grow the online area of their business or art gallery as a whole. It will contribute to extending strong and established brands, and guide scope for increased online presence for art galleries in the future. The findings will be valuable to leading art galleries, artists and auction houses, such as Stephan Welz and Co, Sotheby's, Crouse Art Dealers, The Goodman Gallery, Fine Art Portfolio Gallery and Strauss and Co, all of whom are already exploring online avenues.

The following section discusses the research problem, the research questions and objectives, and briefly presents the research methodology and assumptions. The chapter further describes the limitations and ethical considerations of the study.

1.2 Research problem

As previously mentioned, trends in the art market are heading towards sales being increasingly popular online ? (Art Market Trends, 2011) and there is a need to understand this phenomenon.

When a person purchases a work of art, it is generally considered to be an asset – an investment that will increase in value over time (Understanding buyer behaviour, 2012). Thus art products are considered to be 'high value' goods. One might expect that purchasing a high-value product would require high involvement, such as physically seeing the art object, touching it, or experiencing it at first hand. The increasing demand for buying art online, without the physical experience of handling it, is thus surprising. Why would consumers abandon the in-store gallery experience for an online experience, which could potentially be more risky in some respects, and what are the consumer dynamics in making such a decision if and when they do so?

According to a case study about buying cars online through a website and not through an e-commerce 'shopping basket' system (Molesworth and Suortfi, 2002:155) providing good quality product information on car websites is an especially difficult task, as cars generally fall into the high-involvement product category. However, companies are doing their best to provide as much information as possible in order to facilitate sales, mostly indirectly by means of enquiries to a sales person in the store. Consumers want to know every detail regarding the vehicle and what it can do; they also want to make comparisons with other cars before making the purchase decision. In the near future it should be possible to sell cars online without any difficulties or hesitation to buy; similarly the question arises about selling original artworks online.

Consider the following three statements about making substantial purchases such as cars, in the traditional way (Hawkins et al., 2004:501):

- "Part of the enjoyment of it (bargaining) is winning the game. Part of the enjoyment is the pleasure it gives... there is a thrill in victory";
- "My attitude toward buying a car is more like a fight... A one-price policy would mean that I automatically lose the fight";
- "I was able to play 'big man daddy' in front of my daughters, and they were impressed – in a way I was putting on a show".

These examples indicate some of the non-economic value that consumers may obtain from the bargaining process, which they continue to value. In other words, these online consumers still see value in the physical bargaining process and meeting the salesperson and asking the relevant questions regarding the purchase. This in turn will be a challenge for the high involvement purchasing industries to overcome and similarly for the art industry. Consumers value different types of interactions that are common in store-based shopping, but are not easily duplicated on the Internet (Hawkins et al., 2004). From the statements above and the literature, there is a link between high involvement purchasing and art sales.

An artist can be thought of as a brand with a reputation, just as other high involvement brands with reputations, and price is closely related to reputation; thus online car or any other luxury high involvement purchases are a good case study for comparison.

1.2.1 Significance of this research

This research is relevant because it follows up on research findings that the web is an important factor, along with various other dimensions, in explaining online consumer dynamics. The perceived quality of a retailer's website includes customer perceptions of the website and reactions to attributes such as information, entertainment, enjoyment, usability, transaction capabilities, and design aesthetics (Hyejeong and Niehm, 2009:221-233). All the factors mentioned are important in facilitating economic transactions online, implying that good quality websites lead to increased sales.

In essence, there is no real understanding why consumers are increasingly buying art online, and what motivates them to do so, as opposed to a physical in-store gallery experience. The findings of this study will help explain consumer thinking and learned experiences in buying high value, high involvement products online, particularly works of art. Although art is a rather unique product, this research could prove valuable to other fields such as the car sales and real estate markets.

1.3 Aim of this research study

The aim of this research study is to explore online consumer dynamics in depth from the gallerist perspective, by investigating the behaviour of art consumers in purchasing art online; the experience of gallery owners regarding consumer motivations for buying art online; and finally website dimensions that are crucial for facilitating economic transactions in buying art online. Hence, the study considers why and how, from a gallery owner perspective, consumers choose the online channel above other channels when purchasing art.

The study explores specific dimensions in the literature, such as behaviour and thinking processes, cognitive and learned motivations for buying online, as well as quality website dimensions to facilitate economic transactions specifically in the field of art. It investigates various dimensions such as website characteristics, experiences, security, trust, privacy and levels of involvement in purchases.

1.4 Research questions and objectives

This section outlines the research questions that transform into the objectives that were pursued in the study. The study focused on answering these questions and elaborating on the important dimensions relevant to the aim of the study.

1.4.1 Research questions

The primary and secondary research questions are outlined below.

1.4.1.1 Primary question

The primary question that was investigated is:

- What are the dynamics regarding consumers purchasing commercial fine art online, from the South African gallerist perspective?

1.4.1.2 Secondary questions

In the context of commercial fine art consumers, the following three secondary questions were investigated:

From the gallerist perspective,

1. How do consumers behave online regarding the purchasing process and steps in buying art?
2. What are cognitive and learned consumer motivations to buy art online?
3. What website dimensions are important to facilitate online economic transactions for art?

1.4.2 Research objectives

In this section the research questions are translated into objectives to guide the study to completion.

1.4.2.1 Primary objective and implications of the research

‘The Art of Online Art Marketing’ is an exploratory investigation from the South African gallery owner’s perspective, into the consumer dynamics of art consumers, in particular their behaviour and motivations in the purchasing process, as well as website dimensions to facilitate online economic transactions for purchasing commercial fine art online.

The objective of the study is to satisfy a need to investigate the ever-changing online landscape and to ascertain the dynamics of the South African online art market from a gallery owner perspective and thus help art dealers to build a successful online art brand and business for the future.

1.4.2.2. Secondary objectives

In the context of commercial fine art consumers, the following three secondary objectives apply:

From the South African gallerist perspective,

- Determine consumer behaviour in the purchasing process and steps followed in online art purchases;
- Analyse the art consumer's cognitive and learned motivations for buying art online, from;
- Consider what website dimensions are critical for commercial fine art galleries in order to facilitate online economic transactions for artworks.

1.5 Rationale

This study came about from personal experience in the art industry over seven years and having an inquisitive mind relating to consumer behavioural principles in building a successful business and brand. The Alice Art Gallery has recently launched a very basic e-commerce online component (www.aliceart.co.za) to complement their physical art gallery. They are currently one of the largest and most reputable physical galleries in South Africa. The owner, Alice Pitzer, encouraged this research study to analyse the motivations and dynamics of art consumers, their concerns regarding safety aspects, their levels of involvement in purchases, as well as their reasons for buying art online versus the actual gallery experience. There is a need to investigate branding principles in terms of building brand value. These concepts can be analysed and improved by investigating theories of motivation, learned experiences, online behaviour and purchasing processes – the factors that shape consumer behaviour when purchasing online.

The rationale of this study is to address the need to find out what motivates the South African art consumer to purchase high-involvement, high-value art products online. Would the consumer, for example, add a R100 000 art purchase to their online shopping cart, check out and enter their credit card details to complete the transaction? What are his or her purchase processes and steps for making such purchases, what website dimensions are important, and what motivates online purchase behaviour? The customer may also want to consider specific factors such as safety in terms of reputation and transaction risks, credibility of the gallery, who the artist is, and whether the gallery is an accredited or endorsed brand. All these factors

are considered throughout the study in order to answer the research questions and present the findings.

There is a need to understand the reasons and what motivates the consumer to choose an online marketplace above any other purchasing channel, such as an actual in-store gallery experience. Galleries, auction houses, agents and other stakeholders will then be able to build successful online art brands and businesses around consumer motivations for purchasing art online.

Gilon Miller (2012) identifies eight reasons for purchasing products online and stresses that businesses must cater for their consumers accordingly. The eight reasons are convenience; better prices; variety; fewer expenses; comparison of prices; crowds; compulsive shopping; discreet purchases. Miller states that websites should be custom designed around the reasons why consumers purchase online; in this case it should be reflected on art purchases.

The dimensions outlined above are merely some of the reasons why consumers tend to buy online. The primary goal of an e-commerce website is not only to provide information, but also to facilitate economic actions (Nsairi & Khadraoui, 2013:77-92). Gallery owners are interested mainly in sales, rather than simply educating consumers or providing information about artworks, artists or the gallery *per se*; nevertheless, all these factors are important in considering the facilitation or promotion of online art sales.

It is of the utmost importance for gallery owners and artists to benefit and grow in their business and brand knowledge about the industry, and to be able to predict future trends in order to be more successful in terms of online art sales. The feedback obtained from interviews and focus groups conducted for this study may assist and guide the gallery owners to become pioneers in their field.

1.6 Research paradigm

The study adopts an interpretivist stance as it includes opinions and understandings of the world from individual perspectives. In interpretivist research, “the researcher studies people (in this study, the gallery owners) and collects data that can be used for positive social change” – to understand consumer dynamics for purchasing art online (Burrell & Morgan, 2013). This study analysed and interpreted the interviewed gallery owners’ opinions according to their experiences of consumer behaviour. The research results are presented in chapter four.

“Theorists in the interpretivist paradigm are concerned mainly with investigating social constraints that limit human potential. They see the current dominant ideologies as separating

people from their 'true selves' and use the radical humanist paradigm to justify desire for revolutionary change" (Burrell & Morgan, 2013). As revealed in this study, the gallery owners desire change in the online space in order to release the online potential of their businesses. They want to stay up to date with movements and developments in the online field, in order to increase sales and grow their businesses.

There is an anti-positivist element in the study as it emphasises that social reality is viewed and interpreted by the individual researcher, according to the ideological position of the interviewee (in this case, the gallery owners) (Cohen, Manion & Morrison et al., 2000). Therefore, knowledge is personally experienced rather than acquired or imposed from the outside. According to the same authors, anti-positivists believe that reality is multi-layered and complex and a single opinion may have multiple interpretations. They emphasise the view that a phenomenon can be verified when the level of understanding about it is such that its various unexplored dimensions can be probed, rather than establishing specific relationship among the components, as happens in the case of positivism (Cohen et al., 2000).

1.7 Research Design and Methodology

This section presents a brief outline of the research approach adopted in the study, together with the research design and methodology.

The study follows a qualitative methods approach since a qualitative study can derive deep and meaningful insights into the phenomenon under investigation. Qualitative methods can help in gaining an understanding of attitudinal factors that affect a complex decision-making process, particularly when considering the stakeholders in this research study, such as gallery owners and curators who desire to facilitate economic transactions online.

Semi-structured, in-depth interviews were conducted with gallery owners and curators in order to frame answers to the research questions under investigation. The gallery owners were asked about their experience and interaction with consumers, and about consumers' behaviour, and steps when purchasing art online. Due to their experience in the industry, the gallery owners were able to offer deep insights into their consumers' buying patterns and motivations.

Maignan and Lukas (1997) conducted an empirical study to explore the value of innovation attributes in providing insight into how and why consumers use the web to purchase high-value, high-involvement goods. Their research indicates that qualitative methods are useful in revealing the perceived complexity of the Internet by its users, and to gain a rich understanding of Internet users themselves. This study thus conducted empirical research with gallery

owners in order to determine deeper meanings regarding their opinions of dimensions that are crucial in website functionality to facilitate economic transactions.

It is important to note that a pilot study was executed before any concrete decisions were taken in selecting the research sample. The pilot study helped to ensure that a valid sample was selected in order to answer the research questions and ensure sufficient scope for the study.

The sample was selected from owners of physical, commercial, fine art galleries in the Cape Town and Johannesburg areas; two cities in South Africa which are major art hubs. Johannesburg and Cape Town were chosen because “Johannesburg is the most densely populated and urbanised city in South Africa. Johannesburg is the capital of South Africa’s smallest and richest province, called Gauteng, a Sesotho name meaning ‘Place of Gold’” (Joburg.org, 2014: online). There are several major art galleries in both these areas, and Cape Town was chosen as the artists’ hub and an organisation such as ‘Cape Town Partnership’ that work together to make it a more creative city. The CEO of Cape Town partnership, Bulelwa Makalima-Ngewana described Cape Town in the Cape Times as a “city of boundless possibility and creative energy – a place that has rhythm and balance, and plenty of room for the unexpected” (Cape Times, 2014: online) For this reason Cape Town was chosen as a great art hub to research gallery owners in the area.

The opinions of experienced and well-known gallery owners in the art industry were sought in terms of recent developments in online art sales. In order to ensure credible interview data, the gallery owners were selected on the basis of demonstrable experience of operating in the commercial fine art space, and having been in business for ten years or more. Their gallery now needs to have some online presence; be it a website, e-mail communications, or social media platforms, that shows them as being somewhat ‘technology savvy’ and interested in online approaches to selling art.

The data was interpreted using content analysis, after which emerging trends and patterns were identified that correlate with the relevant literature and contribute to providing answers to the research questions in this study.

The following four research topics were considered during the interviews and the focus group: consumer dynamics, purchasing process and steps, cognitive and learned motivations, and website dimensions.

Interviews were conducted with the owners of six commercial fine art gallery owners, using an interview schedule (see Appendix A) to facilitate easy conversation and keep the questions

on topic, so as to provide answers to the research questions. Two gallery owners agreed to contribute to the study in the form of a personal one-hour interview. The two gallery owners were interviewed individually to ensure unbiased results where they could not influence each other and give their own meanings and opinions on basic topics regarding online sales. The remaining three gallery owners were interviewed in a focus group session of approximately two hours. The focus group allowed for the gallery owners to brainstorm, agree and disagree on certain dimensions outlined in the interview schedule. There was a concern that the three gallery owners will influence each other, however this was not the case as every owner gave his or her own opinions and even argued with each other. This allowed for deeper, meaningful and rich data that could be interpreted in the findings section.

The reason for conducting interviews with the commercial fine art gallery owners is because they currently have physical galleries where they sell art successfully. However, all but one of them do not have a substantial online presence; they might have a website which addresses a few basic online requirements, but none of their websites has an e-commerce 'shopping basket' component to enable online sales. Interviews were conducted with them to find out why they are not trying to achieve pure online sales and what their thinking might be in this regard.

The sixth interview with Philipp Bode, the owner of Pablo and Paul art gallery, was conducted telephonically due to a distance constraint. A separate interview schedule was used (see Appendix B). Bode was a relevant and useful participant as he currently already operates in a purely online space and is contemplating the idea of opening a physical gallery as well. For this reason, he could provide valuable information on the online aspects of the industry, since he has already gained experience and established an online channel for art sales. He contributed valuable insights to the study's conclusions, in that comparisons could be made with the responses from the chosen sample of physical gallery owner.

The gallery owner experts were able to offer valuable opinions and experiences on consumers' behaviour and approaches to buying online. They agreed to allow the use of their opinions in this dissertation.

1.8 Conceptual framework

The study is located in the domain of the art market, the online art market, art consumers and gallery owners. Figure 1.1 shows the full consumer behavioural perspective model that is used as a guideline for the study and the art market as a whole, and reflects the focus of this study, namely the consumer's intent to purchase artworks online.

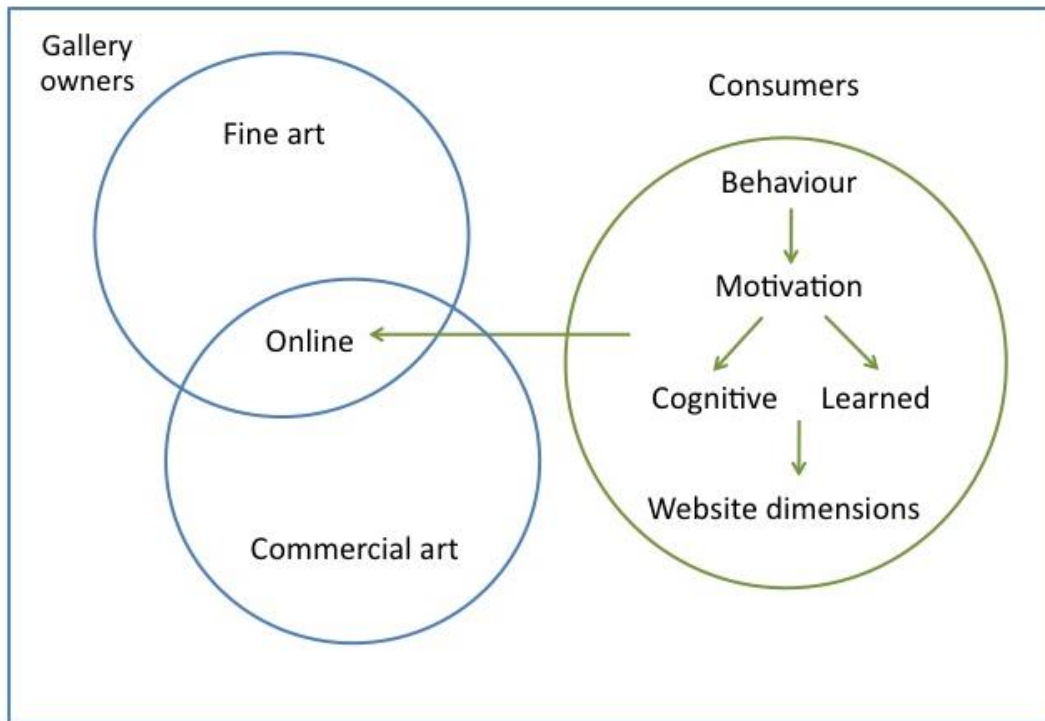


Figure 1.1: 'Conceptual framework' for the study (Adapted from Fresen, 2014)

As illustrated in Figure 1.1, for the purposes of this study, art is divided into fine art and commercial art and these domains overlap in the online space, as the study considers only the implications of purchasing commercial fine art in the online space. Consumers impact the online space by their purchasing behaviour (processes and steps, models adopted) and purchasing motivations. Motivation is split into cognitive and learned purchasing motivations that are deemed to be crucial factors in understanding consumer dynamics with regard to purchasing commercial fine arts online. In the online space there are also certain dimensions that are important for websites that facilitate online sales and economic transactions. For practical purposes they are not listed here, but merely stated as website dimensions.

Consumer behaviour is a model that was considered for the study as it elaborates on the consumer and how they behave in purchasing art online. The information obtained from the gallerists would then be able to guide the direction for future development in online spaces in order to be successful and meet consumer needs and demands as the gallery owners outline or perceive it. The consumer behaviour component elaborated further into the processes and steps consumers typically follow in making purchase decisions both online and offline and tied in well with motivation because there was an initial need and the consumer was then motivated to fulfil that need.

Motivation was a model that was investigated in depth. Again this was from the gallery owner perspective and what they deem as motivators for consumers to buy art online. Motivations are split into two components as the literature indicated namely cognitive which is how consumers think when they make these online purchases, and also learned motivations which are developed over time and are also used as a basis for making decisions to buy art online.

The website dimensions were identified from various authors in literature. The website dimensions were each analysed and defined to explain why they are important to consumers when purchasing art. The gallery owners could then give their opinions and from experience argue whether they agree or disagree that these dimensions are important.

1.9 Limitations of the study

There are a few limitations in the study that need to be considered, due to the broad extent of the field of art.

A limitation of the study was the time constraint that the research has a deadline and an expiry date due to the ever-changing online landscape and the need for new applications. There was a time and economic constraint that prevented the study to be duplicated with international gallery owners for international results.

The scope of the study was therefore also limited to interviews and focus groups that were conducted with six participants, of which two participants were from the Cape Town region and four participants from Johannesburg, which is another limitation as the study could still include more gallery owners or websites that could be researched through various other techniques such as surveys and scaling questions for website dimensions that are important to gallery owners.

The scope was also limited in that the research was only conducted with gallery owners and their perspectives. Opinions and suggestions did not include any consumers views for the study. The study was limited to only include commercial fine art sales from the gallery owner's perspectives.

The study did not have access to possible web analytics that could prove valuable, as gallery owners or agencies may be hesitant to share this information due to confidentiality and privacy reasons.

Another limitation was that the respondents in the study might embellish the truth, as their responses may be framed to put themselves in a good light, given that their actual names are used in the study.

The website dimensions and criteria outlined in the literature for evaluating e-commerce websites include some, but not all the factors to consider in evaluating a website on the basis of an e-commerce experience; furthermore, not all the factors apply to every e-commerce website.

1.10 Delimitations of the study

This study is bound by the following delimitations:

- The study considers commercial fine art only, and does not focus on museum, conceptual, or patrons of the arts.
- The study does not include artists, consumers, or auction house experts as research participants. These participants could be investigated or be a potential avenue for future research.
- No consumer behaviour was investigated, as the study is focused on the perceptions of and assumptions made by South African gallery owners.
- The study considers gallery owners in the Johannesburg and Cape Town areas of South Africa only.
- The study is based on South African gallery owners or curators with expert opinions about matters relating to online art purchases and dynamics of the field; it does not consider other opinions or attitudes.
- Gallery owners were asked about their successes and failures in their personal capacity and in their own experience.

The data collected in this research study was used to monitor trends in consumer behaviour in the area of online art retailing. Within the outlined delimitations, the study enables a clearer understanding of the consumer who decides to buy art online.

1.11 Assumptions

The study rests on certain pre-conceived expectations (or assumptions) that need to be stated from the outset. Assumptions of the study are outlined below.

- There is a possibility for online art sales to grow and there are already some gallery owners who are having success in this domain, but not to the extent that they might hope for.
-

- Consumers tend to buy art online when they have as much information as possible, particularly about the artist, gallery or artwork they seek.
- Consumers are more motivated to buy art online when they use the website of a reputable, accredited art gallery.
- Consumers have security issues and privacy concerns when buying art online with a credit card, due to the high value, high involvement nature of art works.
- Consumers buy art for various reasons and in various ways. Each consumer is different depending on various situations.

The research results that were recorded represent the South African gallery owners opinions and perspectives and who they target their marketing to.

1.12 Value of the study and proposed dissemination of results

There are a number of opportunities in the art market that can be exploited more effectively using online strategies. Various new online sales techniques and endorsers are available to promote websites and promote e-commerce. Although this study focuses on the South African commercial fine art market, some of the findings may also apply to the international market. These findings are presented in Chapter 5.

This study investigated the behaviour of art buyers from a gallerist perspective, as well as motivational factors affecting the online art buying process that need to be considered as possible obstacles or opportunities for success. Knowing more about online art consumers will ensure that the right market is targeted in the right way.

There is value in the study for art dealers and galleries, auction houses, artists, art buyers and investors. The study will be most beneficial to gallery owners with a business perspective and the goal of creating more sales or profit, and it will help them build their brands.

The journal *Art South Africa* is a possible channel for publication of the study's findings. *Art South Africa* is a reputable art magazine with a large readership of art lovers, art appreciators, gallery owners, artists, auction houses and other experts, particularly in South Africa.

1.13 Outline of the dissertation

This dissertation is divided into five chapters. The first chapter describes the research problem and provides an overview of the research design and what can be expected in the remaining chapters. Chapter two presents a comprehensive literature review of research already done

on the topic, which guided the rest of the study. Chapter three presents the research methodology and elaborates in detail on the approaches and methods used to collect data from various sources. Chapter four sorts, arranges, orders and analyses the data and presents the findings of the research. Finally, the fifth and last chapter offers conclusions and recommendations that emerged from the study and suggests possible areas for future research.

Chapter 2: Literature review

2.1 Introduction

The literature review initially describes the commercial fine art market and terminology relating to the study. It investigates the online market, opportunities therein, and the kinds of products available online, particularly what can be described as high-involvement, high-value products. The review then describes the online environment, with particular reference to buying art online, models used and processes typically followed by online consumers, which is one of the main research questions of the study. In particular, the literature is reviewed with regard to cognitive and learned buyer motivation that leads to making the decision to purchase art online.

2.2 The arts debate

Since the study approaches the research problem from the gallerist perspective, it is of the utmost importance to clarify what type of gallery owners and the particular art field considered for the purposes of the study. There are various debates regarding the definitions of commercial fine art and related terms that are the focus of this study. Some definitions are investigated in this section.

Hatcher (1999) states that defining 'art' can be difficult; thus it is important to define exactly what space this study focuses on in the art field. The widest definition of 'art' is simply a skill or craft; however in the modern sense of the word, "art is commonly understood to be a skill used to produce an aesthetic result" (Davies, 1991:19-34). Defining art today is almost impossible; many books and journal articles describe art only in its most basic form, as being something different, depending on various perspectives, situations or the background of an author on a particular topic or art field (Davies, 1991).

This study is guided by two concepts namely fine art and commercial art, and thus investigates the domain of commercial fine art. There are several debates and arguments as to which definition is the correct or most acceptable one, as Hatcher (1999) and Davies (1991) suggest. For the purposes of this study the following definitions for these two terms are presented in the following sub-sections.

2.2.1 Commercial art defined

Commercial art is contemporary (keeping up to date with trends) and is usually created for the purpose of making a profit (Novitz, 1996).

When art skills are used for commercial purposes such as advertising or commissioned illustration, the work might be considered to be 'design' instead of art. Thus, some experts in the arts space tend to think that the biggest difference between fine art and commercial art has more to do with value judgments made from the perspective of opinion leaders, rather than a pure definitional difference (Novitz, 1996).

Commercial art can be decorative, or collectable, or both. Decorative art is usually intended for display in a room or house, whereas collectable art is an investment, which is expected to maintain or increase its value. It is important to note that a piece of artwork is usually not purely decorative; accordingly, no-one can be sure that a piece of art would be purchased purely for decorative purposes (Osnat Fine Art, 2014).

Collecting and decorating often go hand in hand and are the result of very personal choices by the consumer. Interior decorators tend to buy artworks for decorating purposes, whereas collectors' reasons include how collectable a piece is, or even how the artwork may 'talk' to them on an emotional level. Emotion is often involved in financial decisions when purchasing art as the artwork can create feelings of excitement, peace and calm, or various other emotions or feelings. When a consumer experiences the benefits of feeling good, collectability or purchase price may have little meaning. Thus, it is advantageous for the consumer, if artworks elicit emotion, and promise a potential increase in value (Osnat Fine Art, 2014).

Thus art connoisseurs may purchase art for emotional reasons as well as for investment or collectable reasons; it may even be to simply match the decor in the space the consumer has available (Osnat Fine Art, 2014).

2.2.2 Fine art defined

Artist Lawrence Weiner defines his own art in the fine art category in the following way: "People buying my stuff can take it wherever they go and can rebuild it if they choose. If they keep it in their heads, that's fine too. They do not have to buy it to have it – they can just have it by knowing about it" (The Art Story, 2014: online). This definition is interesting in that it combines commercial, aesthetic and financial aspects of selling or buying the artwork. The artist claims that whether the consumer buys it or not is not the most important thing; rather how the person feels and how they choose to perceive it are what matter the most.

Artists in the fine art space claim that the crafting or designing of a creative idea demands that it becomes a work of art, whether it demonstrates aesthetics, expression, or simply put skill. These are important standards that define a piece of work as fine art.

The online dictionary (Dictionary.com, 2014: online) defines fine art as “visual art considered to have been created primarily for aesthetic purposes and judged for its beauty and meaningfulness”. This definition is especially relevant to fine art media, including graphics, architecture, and more relevant to this study, painting, sculpture and drawing. The definition is very focused and closely related to the study at hand. It places emphasis on all the art forms considered by various commercial fine art galleries that operate in the South African commercial fine art space and were investigated in this study.

A more recent meaning of the terms ‘creative arts’ or ‘fine arts’ refers to them as a channel for artists to display their skill and creative flair as well as to appeal to the aesthetic senses of the relevant audience (Novitz, 1996). From Novitz’s analysis, it is clear that creative and fine arts are closely related to each other, and artists typically struggle to identify the differences between these domains.

2.2.3 The concept of ‘commercial fine art’

As discussed earlier, there can be various definitions if you consider fine art and commercial art individually (O’Donnell, 2012), and hence, for the purposes of this study consider the combination of fine art and commercial art to be the medium of art sold by the various galleries under investigation. The galleries under investigation are clearly defined by the medium and type of artworks they sell. The following paragraphs consider the combination of commercial and fine art as a concept.

Various diverse and talented fine artists accept commercial projects - specific work which they are contracted or commissioned to perform, as requested by the consumer. This allows the artist to derive benefits in the form of an additional source of income, not only from gallery consumers, but also from design agencies or other commissioning bodies. Artists who take on commissioned art projects were not excluded from this study, as they are still considered commercial fine artists, selling fine creative arts for the purposes of income generation and personal growth. O’Donnell (2012: online) describes the commercial fine artist as someone who “meets the requirement outlined by the client and is guaranteed a sale in the form of a fee or commission”.

Commercial fine art is typically displayed in spaces where there is a multitude of people (such as large office blocks) or in public spaces. Beyond such spaces, the gallery owner may also commission the artist to produce various artworks on demand for resale in the gallery. In these instances, the creative artist is expected to produce works with specific requirements for the respective client or gallery owner, while remaining true to his own personal style. Including

personal style elements in commissioned works combines the emotional aspect of the artwork that is created and sold. It means the work is created not only for communication or commercial purposes, but also to connect with the consumer on an emotional level, whether this is aesthetic or they simply 'fall in love' with the piece.

O'Donnell (2012) agrees that commercial fine art is created and intended primarily for aesthetic purposes, and is measured against standards of beauty and meaningfulness. Beauty can be regarded under the decorative or aesthetic aspect of the piece, and meaningfulness is connected to the value obtained from making the purchase, whether it was for emotional satisfaction or financial gain.

In conclusion, the driving force behind commercial art efforts is primarily communication and market appeal, and in fine art this is often an expression of deeper meaning and value. Thus, the combination of commercial and fine arts enables a correlation between creating effective works of art that are beautiful and will ultimately sell.

2.3 The online arts environment

To start considering the bigger online environment and the recent developments and demand for moving businesses online, it is important to consider the size and scope of the market, the radical growth of online industries and businesses, and how it all began.

The number of Internet users worldwide continues to rise, according to the United Nations telecommunications agency, which says there will be almost three billion users by the end of 2014 (Internet Live Stats, 2014). Of course there is still a large population who are not online, but they are not considered as potential consumers in this study. Art market trends (2011) concludes from their research that the art industry is moving online and that physical galleries are being replaced, or will become somewhat obsolete in the near future.

Studies by Hoffman, Novak and Chatterjee (1995); Murphy, Forrest, Wotring and Brymer (1996), Smith and McLaughlin (1996), however, indicate some indifference on the topic and state that online businesses are growing slowly and are still in their infancy, according to where one might expect them to be. This is due to various factors, such as the lack of obvious criteria to evaluate the effectiveness and growth of commercial websites. These sources are from 1996 and compared to more modern sources below this is very contradicting.

The growth of e-commerce has made it clear that customer's behaviour in electronic commerce market has changed; and analysis of this behaviour is a key aspect for the success of electronic business (Ahmed, 2011).

Online luxury sales are growing twice as fast as the overall market, according to a new report from McKinsey. Last year, online shopping "directly generated more than 13% of offline luxury sales and influenced another 28% of sales." Consumers typically purchase high-value items in-person, leading many luxury retailers to overlook e-commerce as a potential channel for sales (Dauriz, Michetti, Sandri & Zocchi, 2014). However, it's increasingly clear that luxury shoppers are very digitally connected, making use of smartphones and tablets while they shop. These consumers are likely conducting a great deal of research, too. Luxury retailers should therefore view their websites and apps as resources that can inform a consumer, provide information about products, and directions to the nearest stores.

2.3.1 Impact of the digital age

The digital age has had a substantial impact on the modern-day consumer. In order to understand the continuing demand for online business and trade, it is important to consider contributing factors and to elaborate on the impact that is evident in online art sales in South Africa.

The digital revolution started several years ago and today almost every business is moving towards having some form of online presence as well as mechanisms to facilitate economic transactions online. Consumers browsing or shopping online now have more power than ever before, as they can easily 'shop around' and access all the possible competitors or brands that are available online. There is "more information than ever before that is readily accessible and available" (Shiffman, Bednall, O'Cass, Paladino, Ward & Kanuk, 2008a).

Due to the increased product and service offerings, marketers can offer more value and advanced promotional packages for consumers. Marketers can immerse themselves in the online market without physically going to the marketplace to work out strategies and plans. Both businesses and customers are becoming increasingly interactive, using new technologies that facilitate online relationship building that is also now instantaneous (Shiffman et al., 2008a).

Finally, online marketers can gather unlimited amounts of information about their consumers, as information is so much easier and quicker to come by. The impact of these new online strategies goes far beyond merely having a computer with an Internet connection. Online marketing strategies impact the way consumers shop and the way they adopt these new approaches to making online purchases (Shiffman, Lazar & Hansen, 2008b).

The online world referred to in this study is particular relevant and popular among the youth, who are referred to as 'Generation Y' consumers (Cant, Brink & Brijball, 2006:106).

Gibson (2012) defines and explains 'Generation Y' as follows: "They have been raised within a time period where they have constant access to technology. Computers, mobile phones, the Internet were all accessible and part of their youth". Given this, companies and specifically the art industry have had to adapt and revise their strategy, company and overall business ethos in order to attract this generation. 'Generation Y' are attracted by companies who embrace technological advancements that have led to changes in business across the globe (Gibson, 2012).

The same author suggests that the "young people who 'live' online are building an entire new set of values regarding what constitutes a community and what their social and political responsibilities are". The online community is active and relevant twenty-four hours a day, seven days a week, which means that shop fronts never really close and business can continue throughout the night. This eliminates physical boundaries and allows local businesses to seek international clients. There are great opportunities to target Generation Y consumers as they become more mature and ultimately will tend to shop online to a greater extent than they currently do, especially for luxury products such as art.

Books and appliances are very different to artworks, in that artworks are unique and high value. According to the Art Dealers Association of America (2012), the art consumer is unlikely to add high value items to his or her online 'shopping cart' and/or proceed to 'checkout'. After the consumer has located a work or artist that creates interest, he or she might call or e-mail the dealer and ask questions about provenance, whether the dealer perhaps has other works by the same artist, or would possibly obtain a description of the condition of the item and a good photograph. They may also wish to see the piece in person before making a final commitment. This opinion expressed by the Art Dealers Association of America (2012) seems somewhat contradictory in the light of the predicted global success of online art sales suggested by Art market trends (2011), as mentioned earlier.

In the online marketplace, the elements of the marketing mix are not detached from each other as they are in the physical setting. The online customer jointly experiences various elements, which are heavily interrelated. Constantinides (2002:57-76) identifies the following marketing mix perspectives that are prevalent in the online marketplace, followed by Ciotti's (2013) more recent interpretation of the 4 P's for the online marketplace.

- Product: in the online marketplace the website itself presents itself as the primary product and brand image of the business;

- Price: the website can have many functions, but one of the more important ones is to be a place to compare prices of various products, or artworks in this case;
- Promotion: the website has the ability to be a promotional medium as well as providing content; it can elaborate on upcoming events, sales and so forth;
- Place: the website is simultaneously the helpdesk, display counter and sales outlet where the actual economic transaction takes place to satisfy the customer's need.

Recently though, the growing influence of the Web has made these classic principles look a bit archaic in light of the new relationship that businesses have with customers. The new focus now is on the following: (Ciotti, 2013).

- Focus on solution instead of product: Customers don't care about product features or usability if a product fails to solve their problem. Solve the consumer's problem better and they will end up with a product they can't be without.
- Focus on access instead of place: In an age where many businesses operate around always-on, high speed Internet access, "place" is irrelevant. When you can dip into almost the entirety of the world's knowledge from the phone in your pocket, you're always able to research, buy and advocate. It is about access and what the brand can give the consumer at this precise moment that they want or need it.
- Focus on value instead of price: Consumers focus on price, and often they are sure that they can find a similar service on the web for free or more affordable. Price is not just a number; it's a strong connotation of brand value. Increasing value is vital in directing the drive toward improving a product without competing against others price only.
- Focus on education instead of promotion: One of the old truths of marketing is the "law of 7". Someone needs to see or interact with your brand for 7 times until they eventually sign up or buy what you have to offer. It is important to bring that number down with quality content simply because providing someone with free, and useful information, creates a much stronger bond and connection than any banner advertisement or a press article could.

In short, the consumer of today has far more influence in the business-customer relationship, and businesses need to embrace new frameworks that care more about what the customer wants.

Kaplon (2013) investigated the online art industry as a whole. He suggests that the Internet is a brand-new business area for most galleries, and a large proportion of Internet business continues to be based strictly on price. However, price is no longer the differentiating factor that sets a business apart from its competitors. The top priority, even for an online business, is to develop a good relationship and enable the client to actually speak with a knowledgeable person. Internet clients can spend large sums of money on paintings, even if they have never met the salesperson. The consumer may read about the credentials of the gallery and perhaps see a photo of the artwork; but the most important element is building a relationship with them, whether it is on the phone or via e-mail.

The new marketplaces pose various challenges for sellers or businesses in the online space, but more specifically for high-value, high-involvement products such as cars, property and original art in this instance.

2.4 Consumer behaviour

For the purposes of this study, various definitions and dynamics of consumer behaviour are considered; later in the chapter it is funnelled down to a more specific study of consumer motivation and related psychological issues, for example cognitive and learned motivations. These dynamics are important to discuss since they relate directly to the study at hand.

2.4.1 Consumer dynamics

When investigating consumer dynamics, a good place to start is to define and analyse consumer behaviour, and then to build on the concept. Consumer behaviour can be defined as “the study of individuals, groups or organisations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts these processes have on the consumer and society” (Hawkins et al., 2004:39).

In the past, traditional views of consumer behaviour were narrow, but today it has become a much broader and rather saturated topic (Hawkins et al., 2004). Modern-day views of consumer behaviour place a more holistic emphasis on the buyer and the processes they use to interact, think, experience and execute reactions in the purchasing process. The modern view allows for deeper examination of the influences and buying decisions of buyers and sellers, compared to the traditional view of consumer behaviour (Hawkins et al., 2004).

An alternative but very similar definition is that of Cant et al. (2006:106) who refer to “the behaviour that customers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs”. This definition

places more emphasis on the physical behaviour displayed and involves an element of observation that should be taken into account when conducting research on consumer behaviour.

2.4.2 High-value, high-involvement products

The field of commercial fine arts involves high-value, high-involvement products and it is important to consider how consumers behave and think when purchasing such items. This section elaborates on the purchasing process for art consumers.

When a person purchases a work of art, it is generally considered to be an asset – an investment that will increase in value over time. Thus art products are considered to be ‘high-value’ goods. Buying high-value goods such as art works and other comparable products such as cars, property, furniture and fashion accessories involves high levels of risk-taking and concerted effort, compared to buying convenience goods which involve minimal thinking and risk. Therefore high-value goods also tend to be referred to as ‘high-involvement’ products. The higher the value in currency, the higher the risk in the purchase, and thus there are increased levels of involvement for the consumer in the decision process. High-value, high-involvement decisions are important to the buyer because they are closely tied to self-image and carry an inherent risk (Understanding buyer behaviour, 2012). The item may be a fraud or a copy, the future value of the artwork may depreciate depending on market trends, or the artists that was a promising investment simply did not grow into what he or she could of become by deciding not to be an artists anymore or following a different career path.

Brown (2008), an expert in the field of risks in decision making, suggests that when the following two factors are evident in the purchase process, there are typically more risks for the consumer. The first factor to consider is when the consumer exerts a lot of effort (high involvement) in finding information about products they are interested in. The second factor is when the purchase involves large amounts of financial spend (high-value), such as art, cars, homes, computers and education. The product may be somewhat unfamiliar, expensive and/or infrequently bought. Brown's (2008) further explains that every purchase decision involves some level of risk, for example, economic, performance or psychological risks. The consumer tries to avoid undesirable consequences of any risks that are inherent in their purchasing decisions.

Jensen and Hansen (2006) differentiate between levels of low and high-involvement products on the following basis. They argue that repeat purchasing of high-involvement products represents more loyal customers, whereas repeat purchasing of low-involvement products

simply represents habitual, frequent purchase behaviour. In the case of art, it is rarely considered to be a habitual purchase according to the differentiation by Jensen and Hansen (2006). From this research by Jensen and Hansen the following assumption can then be derived: Art consumers are typically more brand loyal to the galleries they buy from, due to the complex decision-making and thinking processes the consumer undertakes when purchasing high-involvement products.

2.4.3 Levels of involvement

The *level of involvement* refers to the perceived personal importance and interest evoked in the consumer in a purchase situation. The definition explores the fact that consumers make decisions about products based on their environment and information available to them. Involvement is closely linked to the motivation felt by the consumer when organising information in order to make a purchase decision (Solomon, Bamossy & Askegaard, 1999:99).

In the case of art then, there are usually high levels of involvement, importance and interest in the purchase decision and these constructs complement each other in facilitating art sales. The level of involvement is the consumer's drive and motivation to do research and find out all the relevant information about the artwork they wish to purchase, while almost ignoring the work of other artists. Art purchases involve not only high involvement, but also extensive and complex decision-making processes.

Bruwer and Buller (2013:23-58) found that the level of product involvement indirectly influences consumers' commitment to a brand. They concluded that the level of loyalty of the consumer may increase when the consumer is highly involved in the decision process within a product category such as, for example, original South African fine arts. Thus brand loyalty is closely coupled with high-involvement, high-value purchases, and in order to facilitate economic sales, a 'first purchase positive experience' is essential in order to encourage them to buy again.

There are various types of involvement and several debates as to what it means, depending on the type of consumer. Involvement also varies across product categories, for example, a low cost, habitual purchase has very low involvement, compared to a high-value car or artwork purchase, where the consumer demands to know about every aspect of the product (Solomon et al., 1999:100).

This section explores three types of involvement that are relevant to making high-involvement purchase decisions in the field of art.

- “Product involvement refers to a consumer’s level of interest in making a particular purchase” (Solomon et al. 1999:101).

The art consumer displays significant interest in the artwork, which may even be emotional involvement, or past experience, both of which play a role in making the purchase decision.

- “Message-response involvement is related to the consumer’s interest in processing marketing and communication messages” (Solomon et al. 1999:101).

Consumer responses to advertising and promotions may not be successful, as art consumers typically buy for personal reasons or feelings; however strategies that emphasise reputation and credibility, and possibly status, may influence the consumer’s decision to buy.

- “Ego-involvement refers to the importance of a product to a consumer’s self-concept” (Solomon et al. 1999:101).

This type of involvement in art purchase decisions is a very important factor to consider. Here, the consumer takes the risk to purchase, which may affect their status positively, or shame them if they make a wrong decision.

2.5 Risk in decision-making

Brown (2008), Kaplon (2013), and Schiffman and Kanuk (2004) have done extensive research on the risks that are inherent in decision-making. This section discusses these risks in more detail and how they relate to art purchases.

There are often personal risks involved that the consumer may want to minimise before making the decision to purchase. Personal risks can be related to learning where consumers’ involvements are influenced over time and by surrounding stimulus factors. It is of great value for the gallerist to consider consumer’s egos and self-esteem in these situations. Another risk is social risks where emotions can influence consumer decisions, and the consumer constantly evaluates what their friends and relatives are doing in purchase situations. In consumer behaviour, social or ego characteristics are related to cognition, the process whereby the consumer makes judgments, perceives things, and orders their thoughts accordingly (Bayton, 1958).

Shiffman, Lazar and Hansen (2008b) are of the opinion that perceived risk varies, depending on the situation in which the consumer finds him/herself. For example, if the consumer is purchasing in-store, the risks are very different to when they are purchasing online. There is a need for more research to be conducted on perceived risks in purchasing situations,

particularly how they relate to elements of online shopping. This is due to the newness of online shopping situations and the various kinds of product offerings available online. Schiffman et al. (2008b) propose that high levels of perceived risk is one of the most important reasons why consumers may prefer to buy in-store rather than online. However, in today's modern evolved technological society, there is no reason why online sales for high-involvement, high-value purchases should not become increasingly common.

2.6 Purchase process models

Consumer dynamics are closely tied to buyer decision processes and steps followed, which are discussed later in this section. The study now consider a definition of buyer behaviour that focuses on the decision process and actions taken by consumers when using and disposing of brands or products (Brown, 2008). Brown (2008) identifies three questions that are useful in determining consumers' buying behaviour and the process they follow:

- "Why do consumers make the purchases that they make?"
- What factors influence consumer purchases?
- What are the effects of changing factors in our society?" (Brown, 2008: Notes).

The questions outlined above can be adjusted to be applicable to online behaviour, thus providing useful tools when conducting research with the gallery owners and determining how their consumers behave online; what steps they follow when they make purchases; and what process they prefer that eliminates external effects, when considering buying art online, for example.

Kotler and Keller (2011) explain and elaborate on the stages that a consumer goes through when making complex purchasing decisions. The actual purchase of the product is only one phase in the complex decision-making process. Even the decision to buy the product is not guaranteed to result in a sale. Kotler and Keller (2011) further advises that the six steps listed below are not a concrete formula, and some of them may be excluded altogether when making decisions in the buying process. The purchase decision is influenced by the consumer's need to be satisfied, what finances are available, as well as the consumers' complex nature and reasons for making these specific art purchases. Traditionally, the process tended to be more rational (cognitive), in the sense that the consumer was always trying to solve problems, but it is also important to consider the consumer's emotional views in the stages listed below.

According to Kotler and Keller (2011), the six consumer buying stages are:

1. *Problem recognition*: In this stage, the consumer identifies a problem or need that he or she would like to satisfy. The consumer is aware of their need and investigates various approaches to obtain a more desirable state or condition.
2. *Information search*: The consumer has now identified a definite need and starts an investigation into information that is available to obtain the desired value from the purchase. The search for information may be internal (using past experiences and knowledge), or it can be an external search if there is a high personal or social risk, such as when the product is expensive, or little information is available about the product, such as for original art. External sources include friends, word of mouth and any available public sources.
3. *Evaluation of alternatives*: The third step in the decision process for buying a product is evaluating the possible alternatives. This can be in terms of brands, products, or stores, and the buyer sets certain criteria in place when evaluating all the options.
4. *Purchase decision*: This step usually leads to action and in some cases, first-time call to buy opportunities. The consumer has made a decision to buy the product and considered all options related to the product.
5. *Making the Purchase*: The consumer buys more than just the product, since added value and benefits usually result from making the purchase decision. Value can be added according to three decisions, namely: “from whom to buy (terms of sale, past experience buying from the seller, return policy); when to buy (store atmosphere, time pressure, a sale, pleasantness of the shopping experience)” (Kotler and Keller, 2011: Notes).
6. *Post-purchase evaluation*: The consumer has gone through the buying process and is evaluating the outcome of his/her decision to buy the product. The consumer considers whether it was a positive or negative experience, and whether their desired state has been met. If a desired state is not met the buyer will feel cognitive dissonance, which refers to an “uncomfortable mental state”.

Figure 2.1 shows another model or process to illustrate consumer purchasing behaviour.

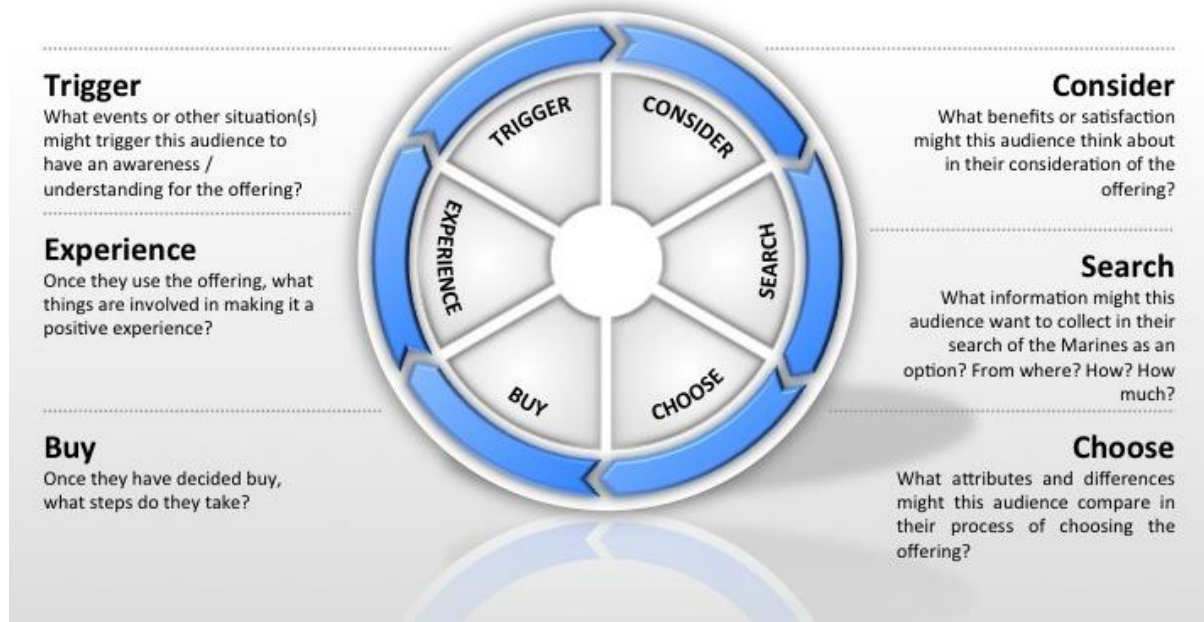


Figure 2.1: Consumer behaviour model (Source: <http://www.marketingproblueprints.com/the-buyer-behavior-model-in-demand-creation-planning/>)

The above model was developed by an institute of *VP Marketing on Demand*, which describes their practical process. There are also similarities to Kotler and Keller (2011) model explained earlier in the chapter. The consumer might start anywhere on the model, but the most likely starting point would be the 'trigger', which awakens a need in the consumer. The consumer then 'considers' alternatives and starts to search for the desired product to fulfil their need. He or she makes a choice based on various attributes of the product and then makes the decision to buy it. After making the purchase, they can reflect on what made the experience positive or otherwise as Brown (2008) and Kotler & Keller (2011) proposes.

In concluding this section three models were discussed (Brown, 2008, Kotler and Keller, 2011, and VP Marketing on Demand, 2013) for consumer buying behaviour, and the steps that consumers might follow in thinking about and considering alternatives before deciding to buy a product. Consumers evaluate alternatives and do a thorough information search before they buy something, in order to eliminate as many risks as possible and avoid the disappointment of an erroneous buy.

2.7 Consumer motivation

The study has discussed the buying process and models that reflect it. Most models illustrate that for a consumer to buy anything, there must be a need or problem that they want to address. In this section the study explores motivational elements related to consumer

preferences or choices to buy online. In essence, why do consumers shop online, and how do their cognitive thinking and learned experiences influence their decisions?

It is safe to assume that consumers shop for different reasons and that it is a very complicated task to pinpoint the reasons as to exactly why they buy. Tauber (1972) – an influential researcher in the field – explains that there are two main reasons why consumers shop: personal motives and social motives. The same author adds two further types of motives: rational motives and emotional motives. Rational motives are more obvious and logical, versus emotional motives are to do with feelings the consumer experiences and their emotional involvement in the buying process.

It is important to understand the various dimensions of the term *motivation* as defined below: (Cant et al., 2006).

- Motives: Motives guide human behaviour and create feelings that energise, activate, move or direct consumer behaviour toward satisfying a need.
- Motivating: This is the actual driver that the consumer engages in to satisfy their need.
- Motivation: This impels the consumer to action, such as taking the final decision to do something.

A good example of motivation sparking action, would be that in society, consumers have a need (e.g. security), which transforms into a drive, that leads to action (buy and fit security doors), with the ultimate goal of satisfying the need (in this example, to feel safe).

Thus, motivation is what ‘moves’ people, and is the driving force behind all human behaviour. Motivation occurs when a customer wants to satisfy a need that has arisen. Needs refer to something physical or psychological that the body must have in order to function and develop (Cant et al., 2006). Note that there is a difference between ‘needs’ and ‘wants’ e.g. buying a product (particularly an artwork) is very often to satisfy a ‘want’ rather than a ‘need’.

Schiffman et al., (2008b:87) define motivation as “the driving force within individuals that impels them to action”. This means there is an unfulfilled need or desired state that the consumer experiences. Tension develops and the consumer becomes more motivated, either consciously or subconsciously, to satisfy the unfulfilled need. The consumer can become obsessed with the drive to fulfil this need, and may not rest or be content until he or she has done so. Ultimately, the approaches and activities that consumers execute to meet their needs

is a result of cognitive thinking and learned experiences, which are discussed in more detail in the following sub-sections.

High-involvement products in particular, include the dimension of high price or high value to the consumer. In terms of consumer behaviour, this characteristic of high value can be considered as part of a sequence of events that influence consumer motivation.

Maslow's (1943) hierarchy of needs illustrates that needs can be classified according to levels and once the most basic need has been met, the focus moves to the next need in the hierarchy. According to this hierarchy, the order of needs from lowest to highest is as follows: physiological needs (necessary for survival), safety needs (physical wellbeing, employment), social needs (love, status, prestige), esteem needs (self-esteem, confidence, respect) and self-actualisation needs (self-fulfilment). The motivation for buying art then would typically fall into the categories of social and esteem needs, as it is a product that offers prestige, status, value, and it also demands respect. Therefore the motivation for purchasing art ties in well with consumers hierarchy of needs and are motivated as such to satisfy the needs they have regarding these high-value, high involvement purchases for art.

2.7.1 Model of motivation

Schiffman et al. (2008b:89) produced a visual representation of a "model of motivation", showing the elements of the definition and their inter-relationship (see Figure 2.2). The model illustrates motivation as a system where there is tension that motivates the individual to behave in a way that will satisfy their unfulfilled need. The consumer makes a decision based on cognitive thinking and learned experiences from past purchases. Once the need is fulfilled, the previous tension will be reduced. The individual may, however, still be unsatisfied if they find that they made the wrong decision.

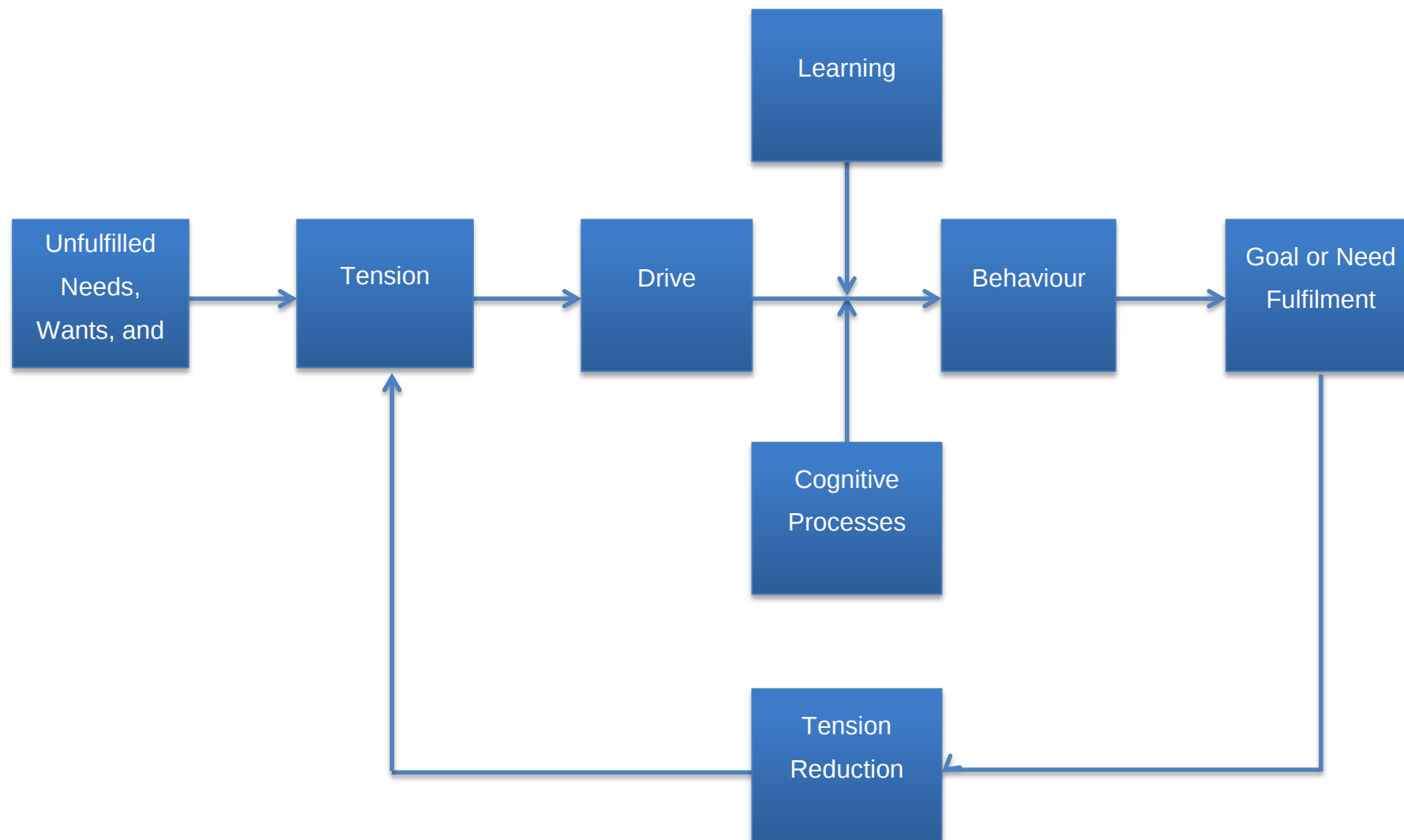


Figure 2.2: Model of the motivation process (Source: Shiffman et al., 2008b:89)

The model explains individuals have specific goals that they pursue, and the route to action that they undertake to achieve these goals or satisfy their needs is the result of two things. The first is individual thinking patterns (cognitive thinking), and the second is what they have learnt from past and present experiences (Shiffman et al., 2008b:87-89). Therefore, “marketers must view motivation as the force that induces consumption and, through consumption experiences, the process of consumer learning” (Shiffman et al., 2008b: 87-89).

The following two sections explore the psychological aspects of consumer motivation in more detail and the factors consumers consider consciously or subconsciously in purchase decisions. As discussed in the literature, the two components that impact largely on buyer purchase decisions are cognitive motivation and learned experiences.

2.7.2 Cognitive buyer motivation

The first element of consumer motivation to be analysed under consumer dynamics for purchasing is cognitive thinking, typically defined as knowledge, memory, judgments or perceptions that the consumer has accumulated about the world and surroundings they find themselves in. Knowledge is the familiarity with the product and expertise (Brown, 2008). Such cognitive or mental information processing is usually the kind of reaction the consumer will display when solving a problem or need that has arisen (Schiffman et al., 2008b). The desire to solve the problem results from the tension an individual may feel due to a need that is unfulfilled as explained in the model in figure 2.2.

Solomon et al. (1999:69) argue that the consumer’s way of thinking cognitively is a result of mental processes. Behavioural studies indicate that an individual is naturally a problem solver and will employ as much effort as is needed to solve a problem. Shiffman et al. (2008a:196) agree, stating that the individual collects information to make decisions typically from their general surroundings or local environment.

When marketing brands, products and services, marketing agencies build their strategies on the assumption that consumers preserve information about a particular product or service for when they need to make similar decisions in the future. In the thought patterns of a potential consumer, internal and external memory merges and stores all the information collected, such as packaging, history, alternatives and even advertising (Solomon et al., 1999:76).

Perception is another aspect to consider in cognitive thinking as it influences the way every individual thinks about something. Perception is the way in which consumers make meaning of something, how they receive, organise and interpret information in their minds, and select

what they want to pay attention to, or not. In other words, the individual uses his senses such as sight, taste and hearing, as well as logic, to make practical decisions (Brown, 2008).

2.7.3 Learned buyer motivation

The second element of consumer motivation to be analysed under consumer dynamics for purchasing is learned motivation. From the psychological perspective, learning is a permanent opinion that develops from previous or current experiences (Solomon et al., 1999:65). Inexperience buyers often use prices as an indicator of quality more than those who have knowledge of a product, because they assume that the greater price indicates greater quality. Marketing agencies build strategies based on knowledge and experience that consumers demand, in order to duplicate the purchase situation in the future (Schiffman et al., 2008:185).

Consumers have a capacity to learn and there is a need to understand their learning behaviour. Learning usually results in a permanent change as a result of past and previous behaviour, information obtained, and the individual's experiences (Brown, 2008). Before they make decisions, consumers assimilate the information that is available, and also use knowledge and familiarity aspects about the product they are interested in. They obtain this knowledge from various suppliers and retailers. Experience is another important indicator when consumers make purchasing decisions. Buyers who are less knowledgeable and experienced in purchasing decisions tend to view price as the ultimate quality guideline.

Therefore, a gallery owner will need to provide as much information on the product as possible, in order to develop and educate the consumer about the artwork and to build on the consumer's previous experience with the gallery or similar sellers.

2.8 Dimensions for building e-commerce websites

In this section the study investigate and elaborate upon various factors or criteria to identify the most important dimensions when developing an e-commerce website to facilitate economic transactions. These e-commerce dimensions are influential in impacting on consumer behavioural dimensions such as purchase intentions, cognitive and learned motivations as well as purchase processes and steps. These are factors that consumers experience and information was collected to make the purchase decision easier and therefore needs to be integrated together with web dimensions that are deemed important.

Hence, figure 2.3 below illustrates a broad summary of the website dimensions evaluated and considered by various authors in the literature review.

process simpler and quicker. It ensures the consistency and accuracy of information through sharing of information and use of electronic forms for doing business. Companies should use the web as a supplement to traditional marketing, delivering additional benefits to customers and building relationships with them. These dimensions will build on the consumers' cognitive thinking motivations, which will facilitate the economic transaction online. More benefits of good information include giving the company an instant global presence and opening a new communication channel allowing a company to develop further relationships with customers (Wen, Chen & Hwang, 2001).

2.8.1.2 Interactivity (entertainment, enjoyment and experience)

Loiacono, Jones and Kim (2010:627-637) determined that interactivity is one of the most important dimensions for consumers and that high interactivity on a website closely correlates with high levels of involvement and enjoyment when shopping online. Consumer dynamics has changed significantly and as a result, consumers have a desire for more positive perceptions and experiences of a website. Lin (2007) agrees that enjoyment links directly to the amount of time a consumer stays on the website; and the longer a consumer is on the website, the more likely it is that he or she is finding what they are looking for, and will ultimately make an online purchase. Thus the consumers purchase intention can be improved and facilitated accordingly for online purchases.

This dimension is sometimes referred to as the 'stickiness' of the site – that is, anything that creates a user desire to stay on the website longer. The stickiness of a website can be enhanced by making the site entertaining and enjoyable, which indirectly leads to more loyal customers and repeat purchases over time (Soltani & Gharbi, 2008). These researchers found that interactivity, entertainment and enjoyment are becoming increasingly influential in motivating online purchases.

Experience is related to a customer's previous e-commerce usage and behaviour. This links directly with consumers learned motivations to purchasing art online. The online experience refers to a customer's total impression about the company resulting from their exposure to a combination of virtual marketing tools. A customer's online experience embraces elements like searching, browsing, finding, selecting, comparing and evaluating information, as well as interacting and transacting with the company online (Constantinides, 2004). A customer's online experience can influence their future purchasing intentions, their attitude toward e-commerce and their satisfaction with the channel.

2.8.1.3 Functionality (ease of use, secure, fast, transaction capabilities)

Ease of use is defined by how easy it is for customers to use the website. Functionality of a website should be designed for customers' ease of use, including searching, navigating, transacting, security, privacy and practical use (Soltani & Gharbi, 2008). This will facilitate online purchase processes to be simplified and motivate consumers to buy more frequently online. Another necessary dimension for a website, as explained by Loiacono et al. (2010:627-637), is that it must be functional and practical space for a business to conduct basic deals, economic transactions, or any other activities related to a typical store. This means that the website must be fast, easy to navigate, easy to search for information, and must offer a high level of customer service. It is also important that all the information on the website is relevant and useful to the consumer browsing online (Loiacono et al., 2010:627-637). These are some of the most basic principles in website functionality that will also reduce risks in making decisions to purchase artworks online.

The ability to enhance a company's overall sales is a significant decision factor to establish a website. Although there are still some hidden obstacles (e.g. transaction security), it seems that most companies are likely to benefit directly from marketing on the web, especially for small and medium-sized enterprises (Wen, Chen & Hwang, 2001).

The benefits of using the web to use a 'virtual business' provide a larger or more specialised selection of products than competitors can offer. They provide higher quality and higher quantities of information, more economic benefits, and more convenience. These are all things consumers' value when making a decision to buy artworks online for example. Lastly the e-commerce systems provide a sense of community for their consumers (Wen, Chen & Hwang, 2001) where they can share their purchases and fill a need of self-fulfilment.

2.8.1.4 Design aesthetics (fascinating, creative)

In the virtual environment of e-service, websites are the main point of access for customers to online organisations and to a successful purchase process or decision. The website is the starting point for customers to gain confidence as they move towards a purchase decision. Any deficiencies of website design can result in a negative impression for the customer, who may then exit the purchase process. Website design can influence a customer's perceived image of a company, and attract them to making a purchase online. (Wang et al., 2010:935-947).

Design aesthetics, which refers to the 'look and feel' of a website, is another dimension that influences customers' perceptions of the website. The design includes the beauty and ease

of use of the website, as well as how easy it is to navigate and understand. Wang, Hernandez and Minor (2010:935-947) describe aesthetic appeal as the degree to which the website is perceived to be fascinating and creative. This can ultimately influence the customer's experience and satisfaction during an encounter with the retailer or gallery owner's website.

However, a website needs to be much more than merely attractive, creative and aesthetically appealing; it must also enhance brand reputation and trust that ultimately build the image of the online shop owner. The products and in this case artworks should be displayed in a way that is consistent with the actual in-store displays, and be a fit for the brand, both online and offline. Design is often responsible for visually communicating the company's image through the computer screen.

2.8.1.5 Brand trust and reputation

In the context of the Internet, the level of trust engendered by online companies is often regarded as a key factor of e-commerce growth, online success and competitiveness (Gounaris, Dimitriadis & Stathakopoulos, 2005). Trust in e-service is related to the buying and payment process, the reliability of the website, privacy and security issues, order fulfilment, service delivery, after-sales service and the reputation of the company. Customers' trust in online companies is critical for success in the online marketplace and to build relationships online that will facilitate online sales.

Reputation relates strongly to the reliability of a website, which refers to consistency of performance and dependability of the company (Parasuraman, Zeithaml & Malhotra, 2005). Reliability is the most important dimension of e-service quality. In the virtual environment, it is vital to build customer trust that the company will perform according to its promises (Parasuraman et al., 2005). Reliability can encourage customers to recognise the consistency and credibility of the company that result in repeat purchasing through online channels.

2.8.1.6 Customer service

Even though there is no direct human interaction in the virtual e-commerce process, some human contact is involved in e-service, for example: e-mail communication; providing customers with individual attention; and showing an understanding of customer needs. In the virtual environment, empathy is important in contributing to customers' perceptions of the e-service quality, without the benefit of a face-to-face encounter. There is a responsiveness component to consider which refers to effective handling of problems and returns via the Internet. In e-service, a company's prompt service to customers can make them feel more

comfortable about the purchasing process and allow them to continue purchasing without interruption (Loiacono et al., 2010:627-637).

Ultimately, the reason why we investigate various dimensions that are important in building an effective website that facilitates online economic transactions (or e-commerce), is so that the website may encourage favourable perceptions among consumers. Studies have shown that a website which does so is more likely to facilitate or increase sales (Loiacono et al., 2010:627-637). More favourable perceptions may also lead to increased credibility, trust and larger motivations for the retailer to invest in online sales approaches.

A good case study example according to Koenig and Wigand (2004:197-227) is the car sales market, which is in a high-involvement category, and car sellers have invested large sums of money on the Internet and building commercial websites. The online car sales market is therefore of interest in trying to understand why consumers may be slow to purchase high-value, high-involvement products online, even when all the relevant information is available and a lot of money and effort has gone into building and marketing online sites. It is definitely not a complete failure, since all this investment can lead indirectly to sales, but the extent of sales that can be directly related to online e-commerce is unclear (Koenig & Wigand, 2004:197-227). The car sales case study increases the need to understand the art market, which could then be used as a case study to enable other industries to adapt to changes and evaluate which dimensions are truly important to facilitate e-commerce in a complex modern society.

2.8.2 Electronic commerce

In order to understand online sales and business, it is important to define the term *e-commerce* (electronic commerce) and what it entails. Understanding and investigating e-commerce in more detail will provide assistance and guidance about website dimensions that are crucial to facilitate economic sales and why this is important.

E-commerce refers to online marketing and sales transactions – essentially the ‘front-end’, with which customers commonly interact (Cant et al., 2006). One of the more accurate definitions is proposed by the Gartner group in a case study by Cant et al., (2006), which states that e-commerce is a “dynamic set of technologies, applications, and management systems that enables and manages relationships between an enterprise, its functions and processes and those of its customers, suppliers, value chain, community and/or industry”. This comprehensive definition clearly describes not only the term, but also the process of online

business. In short, e-commerce includes the online space in which a business operates (such as a website), as well as the transaction component in order to facilitate sales online.

In the new millennium, organisations are entering an era of customer-centred service and value creation in order to remain competitive. Indeed, customer care is no longer a differentiator, but a minimum requirement. There is a distinct move to online customer-centred organisations and customer relationship management that is being accelerated by e-commerce technologies, since it is now possible to facilitate and automate customer interaction and two-way communication at any place and time. E-commerce systems are able to track customers and their preferences, habits and buying patterns, and to remember them when they return. This means that organisations can proactively react to the behaviour of customers by personalising their online experiences (Cant et al., 2006). These are some of the basic opportunities or advantages for gallery owners to consider moving their business online and start transacting in an online space.

Because online shopping and e-commerce are recent developments, it is of utmost importance to consider every factor for every industry, as the target market buys different products in various ways online, and their thinking and buying processes may change over time. Hence, it is important to stay up to date with trends, and to adopt or reject innovations quickly in this rapidly evolving online space. It is important to understand the Internet and the buying process, and how factors that encourage the tendency to buy online play a role in today's complex markets (Molesworth & Suortfi, 2002:155).

Moe (2003) conducted interesting research and found that frequent in-store consumers also tend to buy online more frequently. The challenge is to investigate what motivates these consumers to do their first online transaction, and what keeps them buying online.

2.8.3 Barriers to Internet shopping

Various researchers have explored and researched in depth the barriers or limitations to online purchases or shopping over recent years, since the rise of e-commerce. Consumers and suppliers, in this case galleries, artists, or auction houses, have learned about the barriers to Internet shopping and important factors to consider when determining website dimensions that facilitate economic transactions online. Some of the barriers to online purchasing are outlined clearly by Shiffman et al. (2008b) and Voloper Creations (2008).

- “No Internet access
- Lack of trust in ordering online
- Lack of touch or feeling of products.

- Not being able to see what they want or a confusing checkout process
- Having to wait for delivery
- Too expensive or poor design of the website
- Privacy concerns and lack of one-on-one communication
- Possibility of being bombarded with advertisements
- Possibility of being robbed or security concerns
- Someone will steal the consumer's identity" (Shiffman et al., 2008b:491 and Voloper Creations, 2008).

The factors listed above are all important considerations that prevent consumers from going online and making purchases. In theory, galleries should reduce or eliminate these concerns as much as possible when developing a website or online gallery to facilitate sales.

2.9 Conclusion

In concluding the literature review, there are several debates relating to concepts defined, for example, the definition of commercial fine art, what is motivation, why do consumers actually buy products, how do they buy, and for what reasons? Various researchers have investigated these concepts, and although some authors seem to agree, there is also a considerable difference of opinions.

To contribute and answer the research problem at hand; to understand the phenomenon of online art sales increasing (Art Market Trends, 2011) commercial fine art were defined in detail. In this case art that is selling and used for both investment and decorative purposes. The online arts environment was discussed and found to be a growing field both internationally and locally (Internet Live Stats, 2014) with auction houses and other major art galleries growing in the industry (Ahmed, 2014). The impact of the digital age was also investigated and concluded that the 'Generation Y' is a profitable avenue for these e-commerce businesses to tap into and grow (Gibson, 2012). Another possible reason why the channel may be profitable is due to research conducted by Dauritz et al. (2014) indicating that online luxury sales are increasing which compliments Art Market Trends (2011). It is important to note that there are authors in literature who contradict this growth such as Murphy (1996), Smith (1996) and Hoffman (1995), all of which are almost out-dated considering the modern topic.

This study investigated and elaborated in detail the concepts pertaining to consumer behaviour such as motivation; both cognitive and learned, purchase processes and steps in e-commerce, and dimensions for building effective e-commerce websites in order to answer

the research objectives of the study accurately and concise. All of which are relevant to the study at hand.

The first objective pertaining to consumer behaviour explained that in the case for commercial fine arts they are purchasing high-value, high involvement products and typically consumers prefer to see, touch and experience these kind of purchases first hand, however there are various models by Brown (2008); Kotler and Keller (2011); and VP Marketing on demand (2013) that can be analysed and reflected on when deciding on the most effective route or approach to selling artworks online. This indicates that there is more than one purchase process route for consumers when considering buying art or luxury products online.

Hawkins explained and confirmed the above with a more modern-day view of consumer behaviour saying that marketers need a more holistic emphasis on the buyer and the processes they use to interact, think, experience and execute reactions in the purchasing process. The modern view allows for deeper examination of the influences and buying decisions of buyers and sellers, compared to the traditional view of consumer behaviour (Hawkins et al., 2004).

To answer the second objective of the study the review further elaborates on the model of motivation developed by Shiffman et al. (2008) that describes consumers have two types of motivations namely: Firstly, cognitive motivations that are a way of thinking and knowledge used to make online purchase decisions for example the way a consumer was brought up, or ethnical background that could play a role in the purchase. Secondly, learned motivations that are decisions made based on experience and information collected by the online consumer, due to the bulk of information available on the Internet and a much more educated modern day consumer.

The review ends by examining the final objective with relevant literature on dimensions deemed to be important in developing websites that facilitate online economic transactions, and considers barriers to Internet shopping that should be reduced wherever possible. The six dimensions highlighted from literature are information, interactivity, functionality, design aesthetics, brand trust and reputation, and finally customer service. These dimensions were related to the consumer behavioural concepts and specifically the art industry as such. Various authors highlighted specific factors such as website characteristics, experiences, security, trust and privacy concerns when developing effective websites to facilitate online economic transactions.

Chapter 3: Research methodology

3.1 Introduction

Chapter 3 presents the research design and methodology in detail and defines the step-by-step research methods. The process of data collection, as well as validity and reliability considerations are elaborated on and evaluated to ensure accurate and responsible research methods. The chapter starts by presenting the design, which guided the study, and then follows by describing the methods and instruments used to conduct the research, as well as the process followed and sample selected. Wherever possible, justifications are made to substantiate the use of the specific research approach.

3.2 Research design

This study is qualitative and exploratory in nature. Qualitative research addresses objectives by means of techniques that allow the researcher to provide elaborate subjective interpretations of phenomena (such as the online art market), without depending on numerical measurements; its primary focus is on discovering true inner meanings and gaining new insights on the topic under investigation (Zikmund & Babin, 2007). In this study, the “Art of online Art Marketing”, the researcher sought deeper meaning and insights from gallery owners about their experiences as experts in the industry, on the range of topics under investigation, as described in chapter one in the form of the research questions.

Qualitative research is researcher dependent and subjective, since the researcher must extract meaning from unstructured responses such as those gathered during in-depth interviews and focus groups, that are usually analysed using content analysis (Zikmund & Babin, 2007). Those authors’ reference to researcher dependent and subjective research applies particularly to this study, as the researcher analysed responses from gallery owner experts and interpreted the data in his own way in order to seek meaning and answer the specified research questions.

Content analysis was a good fit for analysing the unstructured responses from gallery experts in this study, as it highlights the most important aspects and points made during the interviews and conversations. In this study, the researcher attempted to be as unbiased as possible, particularly considering the fact that he has a background in the art industry and has opinions and arguments relating to online commercial art sales.

The study is an exploratory study because it identifies and elaborates on options and avenues where consumer dynamics can be used to the business advantage, particularly in the case of online opportunities and what motivates clients to buy art online. An exploratory research

design was found to be most appropriate for this study, in that deeper meanings could be sought and analysed from professionals in the commercial fine art industry.

In this study, there is a strong focus on the opinions of very specific selected stakeholders, in this case, gallery owners in the commercial fine art domain. They were asked open-ended questions during semi structured, in-depth interviews and focus group sessions. Later in the study it was decided to include a final telephone interview as well. This design contributed to obtaining more meaningful data in order to answer the primary and secondary research questions directly. The sample of interviewees (physical and via telephone) and the composition of the focus groups are explained in more detail later, along with the type of questions posed to the experts in the research phase.

Exploratory research is usually conducted to clarify ambiguous situations or discover ideas that may offer potential business opportunities (Zikmund & Babin, 2007), as mentioned before. This approach is appropriate here, since a large part of this study is about recommendations and conclusions to turn identified weaknesses into opportunities to improve the online business aspect for art galleries and understand consumer dynamics.

According to Smith and McLaughlin (1996), the area of online sales is still extremely unexplored and is growing slowly, due to a lack of development of commercial specific websites. This is a reason why gallery owners were asked in this study about their opinions of the industry and what the future holds. In the focus group session they could brainstorm ideas and go beyond what they are accustomed to, shifting mindsets and hearing the opinions of other gallery owners about matters relating to consumer dynamics for online art sales.

3.3 Methodology

In order to derive deeper meanings and insights from key players in the industry, the research methods for this study included semi-structured, in-depth interviews with two gallery owners (Phase 1). A focus group session (Phase 2) was scheduled with three gallery owners who were asked the same questions as the two other interviews that were conducted. The focus group was managed slightly differently, in the sense that the researcher allowed the conversation to flow and sometimes veer off topic, to see what deeper meanings could potentially flow from the discussions. Later in the study it was decided to include one more respondent and he was interviewed via the telephone (Phase 3). The telephone interview also had its own set of questions and guidelines that was different to the guidelines used for the focus groups and in-depth interviews as the researcher wanted to derive comparative insights due to the background of the interviewee coming from the other side of the industry having already operated in a purely online space for over a year.

Hence, in total there were six research respondents. Two were semi-structured, in depth interviews, three were from the focus group conducted, and the last was a telephone interview. All of which were recorded and analysed by the researcher.

The research study considered gallery owners as the primary stakeholders for the research methods used, i.e. interviews and a focus group session. The research problem was considered throughout the process and only relevant questions were posed to respondents, to address the research questions. The study investigated the experiences and opinions of gallery owners using in-depth, semi-structured telephone and physical interviews, as well as a focus group conducted with gallery owners together.

The gallery owners selected for the interviews and the focus group are among contacts built up by the researcher who has been in the art industry for over 10 years. The researcher has established, well-maintained relationships with these gallery owners, due to having experience within the industry, which allows for efficient and focused research to be conducted. The gallery owners agreed to assist the researcher with this study, as they too would like to see the outcome of the study and want to grow the online presence of their galleries and see what the future holds for online arts sales.

Some of the gallery owners are competitors who maintain good relationships with each other. Some are friends in the industry who compete in slightly different spaces, such as a retail environment versus a private gallery in a residential area. The one respondent, (Philipp Bode) as mentioned before operates in a purely online space and has a desire to open a physical gallery soon. The participants are from two locations Johannesburg and Cape Town in South Africa to ensure they do not compete with each other directly.

The sample selected for the research study consists of six gallery owners who operate in the commercial fine art space, as defined in chapter two. All six gallery owners operate in the commercial fine art space as defined in literature as art that is created and intended primarily for aesthetic purposes and is measured against standards of beauty and meaningfulness (O'Donnell, 2012). The galleries sell art from various artists and target a different client base for specific areas and specific artworks. Hence they operate in a different space and are essentially not competitors.

The minimum requirement to qualify for participation in the primary research study was that they had to be a gallery owner for at least the last ten years (with the exception for the telephone interview with Bode) – this was required to ensure expert and credible opinions from people who have been in the business for a while and understand where the industry

may be heading. The six galleries selected for the study, whose owners agreed to participate, are the following: Marze Botha Gallery, Red Teapot Gallery, Alice Art Gallery, Invest Art Gallery, Art Window Gallery and Pablo and Paul online Gallery. These galleries were selected since they are located in close proximity to the researcher and recommendations or leads were made to connect these owners, which allowed easy access to conduct the interviews and focus group session with them.

After the first two gallery owners were interviewed (Phase 1) and completed on 19 May 2014, the researcher realised that he would gain invaluable information from having all three the remaining gallery owners together and hence a focus group session (Phase 2) was conducted on 24 May 2014 in Johannesburg. The three remaining gallery owners who were in the focus group were able to develop ideas and debate on various topics outlined in the questionnaire guideline. As mentioned this guideline was flexible to allow free flow of information during the conversations. The remaining telephone interview (Phase 3) took place much later in the study on 12 September 2014. The telephone interview with Bode was done because he already operates in a purely online space and will give valuable information from the other side of the industry, compared to the physical gallery owners.

3.3.1 Data analysis

Once the research phase was completed the data was analysed using content and conversational analysis, as their definitions proved to be the best fit for the study and the research methods used.

Content analysis is a popular method used in analysis of qualitative information. Key phrases or words are counted and the frequencies analysed. "This is especially useful in allowing the researcher to present a picture of what the concepts are but it does not help in understanding why ideas or interpretations arose in the first place" (Adams, Khan, Raeside & White 2007:161).

In qualitative research, it is likely that you will engage in some form of content analysis as it is frequently used to analyse text, pictorial information, interviews and web pages. In the case for this study it was interviews. "As the name suggests, the purpose of content analysis is to describe the content of your respondents' comments systematically and classify the various meanings expressed in the material you have recorded" (Adams, Khan, Raeside & White 2007:161). It is not the only way in which you would analyse the data you have obtained and you might find yourself presenting information in the form of a connected narrative (in a study

following the case study method, for example), or by means of a series of verbatim quotations taken from the interviews (Adams, Khan, Raeside & White 2007).

As for the case of this study verbatim quotations and a narrative was used to describe the data and explain the findings in Chapter 4. The important points were transcribed and summarised.

Hence, the researcher compiled two interview and focus group guides to keep the conversation on track and to gain consistent results from the various sessions. Each of the conversations, the interviews and the focus group discussion were recorded. Content analysis was used to extract the most important and valuable insights drawn from the interviews and focus group. The content was analysed against the requirements of the study's research questions, to ensure that relevant and accurate interpretations and conclusions could be drawn.

3.3.2 Data interpretation

Indirectly the gallery owners created their own set of dimensions and criteria for selling online, reasons why consumers buy art online, and what might be deemed important to facilitate online art sales. They were asked about four particular topics which address the research questions directly: *consumer dynamics*, the *purchasing process and steps*, *cognitive and learned motivations*, and lastly *website dimensions* that are important in facilitating sales. Each topic is elaborated on below.

The first topic for conversation was *consumer dynamics*, which considered each respective owner's background, where they come from, how long they have been in the industry, what their opinions are regarding online art sales, and what the future holds for online arts from their perspective. The topic also considered trends and technologies available in the industry, as well as the ratio of each gallery's online sales versus in-store sales. The section concluded with whether or not the respective galleries have a marketing budget for their websites and what approaches they have used, or plan to use in order to give the researcher an idea of what the gallery owners currently implement to promote their gallery websites if they do so at all. This can then be used to compare whether the online sales or enquiries of the respective galleries.

The second topic considered the *purchasing process and steps*, in which the gallery owners elaborated on their experiences over the past few years regarding how clients buy art. In particular, they were asked how clients buy different artworks in different situations and through different channels, such as, for example, going to auctions, buying directly from the

artist, buying online, or simply going to a gallery for the complete experience. This section considered gallery-client relationships and how important these are in terms of face-to-face contact, bargaining and negotiations. It concluded by asking the gallery owner how much influence they have in clinching or closing the sale of a piece of art.

The third topic dealt with clients' *cognitive and learned motivations*, which included what consumers think about when buying art, what motivates them to buy art, and how consumers might buy art online versus in a gallery. Cognitive motivations relate to a way of thinking by the consumers and learned motivations to the consumer's past experiences and decisions made accordingly. This section concluded by asking the gallery owners whether their sales approaches could be improved and how they might achieve this, especially in the online space. The section flows and relates to the website dimensions section to follow.

The last topic was *website dimensions* that the gallery owners deemed to be most important to their consumers, in order to ensure or facilitate online art sales more frequently. Questions were asked about whether their website meets their clients' needs and how it might be improved. They were also asked about the possibility of duplicating the gallery-client relationship in the online environment. This section was extended to investigate key dimensions of a website to facilitate the new trend that most businesses are developing online facilities, and whether this should or can be the case for works of art.

Since the primary research data was collected from gallery owners, it was of the utmost importance to maintain good relations with these participants. This was done by keeping them up to date on the progress of the study, and the requirement that the researcher was relying on them in order to complete the research study.

3.4 Pilot study

After the methodology was outlined, it was decided to conduct a pilot study to allow the research approach and methods to be tested before the actual research study was conducted. It ensures that the questions are understandable for the respondents and can be completed according to the planned research design. The questions should be piloted on a similar sample to the one envisaged for the main study. The pilot study can test wording of the questions, sequence and layout of the questions, fieldwork arrangements, and analysis of procedures. After the pilot interview, the interviewee were asked if the questions were unclear, where they might be improved, and if anything should be added (Adams, Khan, Raeside & White, 2007:136). The interviewees responded that they found it to be easily understood and looked forward to seeing the results and opinions from other gallery owners.

In consideration of the importance and value of this research study, it was decided to conduct action research for the pilot study to evaluate the research approach and to ensure that reliable and accurate data and results were obtained from the participating gallery owners and experts. Action research is a specific design that allows the researcher to see what works and what does not work, and then doing the research again on a smaller scale. As the definition implies action research is “a form of investigation designed for use by researchers to attempt to solve problems and improve professional practices in their own studies. It involves systematic observations and data collection, which can be then used by the practitioner-researcher in reflection, decision-making and the development of more effective research strategies” (Parsons and Kimberlee, 2002:1).

In the pilot study the researcher observed the respondents at all times to see if there were any errors or misunderstandings. The pilot process was documented so as to learn from it, and decide what adjustments were required.

The plan for the study initially included a survey to 30 consumers, interviews with five gallery owners, 15 artists, and two industry experts or auction houses, each of whom required a different draft set of guidelines or questions. The instruments originally included e-mail discussions, interviews, Likert scales, and open-ended and closed surveys. It was also suggested that the researcher should complete a website audit based on the dimensions that emerged from the literature review.

The pilot study was conducted on 16 February 2014 with five consumers, two gallery owners, two artists and no industry experts. The pilot study showed that the scope of the project was too large, too comprehensive and too complicated, and it was unnecessary to interview that many people, considering the research questions at hand. The study was then narrowed down to be from a gallerist perspective only – meaning the interviewees were gallery owners and the study is thus based on gallery owners’ expert opinions and experience in the field. It was decided that the comparison of websites and dimensions could be included in the scope of the project, instead of having a separate research approach to determine which websites are successful and which are not, and how and why consumers buy online. The case study audit, which was a framework for evaluating website dimensions most valuable and then scoring them was also eliminated to reduce the scope of the research that needed to be conducted. The website dimensions were then moved to be considered and included in the interviews and focus group with gallery owners, so as to not eliminate the valuable research that could be gained from this.

3.5 The research process

The following section explains the research process in more detail outlining the topics discussed in interviews along with the questions asked. The interview frameworks (see appendix A and B for full list of questions) focused the opinions of the gallery owners on the following questions in terms of consumers' dynamics to purchase art online:

- Do the gallery owners use this non-traditional channel to buy or sell art online?
- What are the benefits and disadvantages to the relevant parties in going online?
- Do consumers want to see, touch, and experience the product before buying?
- Why would consumers abandon the in-store gallery experience?
- Does it build trust when consumers have the opportunity to bargain with or meet the salesperson?
- Can the in-store gallery experience be duplicated on the Internet with innovative approaches?
- What web dimensions are most important in order to have a successful online art website, if they have one?

The topics and questions in the interview frameworks were mostly open ended to allow the researcher to gain deeper meanings and insight into what gallery owners believe and what their perceptions are on consumers thinking (cognitive) when they purchase art online, as well as what their consumption experiences (learning) from buying art online. The gallery owners were also asked about the website dimensions that they believe is the most important, as well as how their clients typically purchase art and the steps they follow. These topics relate to the research questions that need to be answered in order to complete the study.

A focus group session was conducted with three gallery owners who were asked the same set of questions (appendix A) as in the interviews, to see how they influenced each other. The focus group became a brainstorming session to determine success dimensions on how consumers buy and what they deem to be important in the online space. The interviewees were asked about the most important website dimensions and what factors need to be considered that are typically not considered by gallery owners. Appendix B was used as a interview outline for the telephone interview conducted concluding the research phase.

3.6 Data collection process

The data collection process was initiated to seek the opinions of expert gallery owners with reputable commercial fine art galleries, by means of in-depth, semi-structured interviews and a focus group.

3.6.1 Sample selection

The following gallery owners were selected for the reasons given below.

- Alice Pitzer – Alice Art Gallery Johannesburg
- Marze Botha – Marze Botha Art Gallery Stellenbosch
- Portchie Viljoen – The Red Teapot Gallery Stellenbosch
- Jason Children – Invest Art Cape Town
- Lynette van Schalkwyk – The Art Window Johannesburg
- Philipp Bode – Pablo and Paul Art Gallery Online

Pitzer from the Alice Art Gallery in Johannesburg is the owner and curator of one of the largest and most well established contemporary art galleries in South Africa. The Alice Art Gallery is well branded and reputable among its consumers and has a policy of “supplying art for the people by artists whose work is decorative, attractive and, above all, understandable” (Alice Art Gallery, 2014: online). Pitzer has been the owner for over 23 years and believes that the gallery is making a name for itself as one of the most influential galleries in South Africa.

Pitzer was chosen as a gallery owner because of her extensive knowledge and experience in the industry, in the area of commercial fine arts as well as investment art. It was especially interesting to get her perspective on art as a high-value, high-involvement product that is generally considered to be an asset – an investment that is expected to increase in value over time (Understanding buyer behaviour, 2012) – a dimension defined in the literature and important to consider in this study.

Botha of the Marze Botha Gallery in Stellenbosch is a relatively new player in the field, with 10 years of experience as an owner and strong support and backing from various galleries and well-known artists.

Botha was chosen for her younger, vibrant and fresh approach to dealing with clients personally, and selling art that is in the commercial fine art space, with more emphasis on emerging and up-and-coming artists. The gallery focuses on selling to clients who typically prefer to buy for decorative purposes, and rarely consider the investment return thereof. From her experience as a younger owner, she has more expertise in the online space, and alternative approaches to dealing with clients. Hence she has a better understanding of consumer behaviour as defined by Hawkins, Best and Coney (2004:39): “the study of individuals, groups, or organisations and the processes they use to select, secure, use, and dispose of products, services, experiences or ideas to satisfy needs and the impacts these have on consumers and society”. Consumer behaviour is again a major part of the literature review and a central dimension considered in this study.

Viljoen from the Red Teapot Gallery in Stellenbosch is an artist, entrepreneur and curator of an alternative, colourful gallery with one of the biggest success stories in the history of commercial fine arts. He has been the owner of the Red Teapot Gallery for over 21 years; he has also been signing on new artists, while being an artist himself.

Viljoen was chosen, as he is unique in the sense that he is both a gallery owner and an artist himself. He has been in the industry for quite some time, as well as having a background and degree in business and economics from Stellenbosch University, which makes him a unique candidate for the study. In the past, Viljoen expressed some interesting views to the researcher on consumer or client views on buying behaviour, whether their motivations are rational or emotional or both (Tauber, 1972), and why clients typically buy art. This is one reason why these topics are included in this study. Brown (2008) suggests that a model for analysing buyer behaviour focuses on three questions: why do consumers make the purchases they make; what factors influence these purchases; and what are the effects of these factors on a changing society? Hence, Viljoen is invaluable in this respect and in expressing his views on these topics.

Children is a partner in the Invest Art Gallery in Cape Town and curator of investment commercial fine art with some experience in innovative approaches in the online space. Invest Art specialises in South African masters and investment art. They use a network of dealers and collectors to source and provide the best possible artwork for their clients and offer a range of services including buying, selling or giving advice – they believe they have the knowledge to assist their clients.

Children was chosen for his experience in a retail shopping mall and to consider how consumers in a mall may behave or buy differently compared to browsing in select galleries

on physical streets. Children's gallery is one of the most innovative small galleries in Cape Town having created a mobile application for promoting awareness of his gallery among South Africans and the world. He has the minimum required standard requirements for a website compared to the other gallery owners and for this reason, Children is vital in analysing and sharing his insight on dimensions for e-commerce websites that are important in facilitating online sales. Recommended dimensions for e-commerce websites is one of the four topics considered in this study. Various authors such as Loiacono, Jones and Kim (2010), Soltani and Gharbi, (2008), and Wang, Hernandez and Minor (2010) propose website interactivity and design as the most important; while other authors in the literature deem entertainment and enjoyment to be more important dimensions.

Schalkwijk is the owner of the Art Window Gallery in the Clearwater Mall in Johannesburg, which stocks artwork by various South African artists depicting South Africa in its true beauty, style and rhythms through fine art. The Art Window has been in business for more than 20 years and has always shown true quality and excellence in all their service offerings.

Schalkwijk was chosen for similar reasons to Children, since her gallery is located in a retail shopping centre. She is very open to learning and exploring new avenues for selling art online and has a desire to better understand consumer dynamics in purchasing art. Hence, she was willing to share her knowledge and learn as much as possible, in order to streamline and improve her current gallery offering and business.

Bode is the owner and founder of Pablo and Paul - a purely online space for selling commercial fine art. He is a pioneer in the industry and has been operating in an online space for over a year and a half now with success. Pablo and Paul is a young company offering affordable, contemporary art in an innovative online concept. They combine a global online presence with a soon to be local store concept. According to Bode they 'make art in a new and unique way come to life.'

Pablo and Paul places great emphasis on quality and uniqueness. Their portfolio includes unique editions and a number of genres from paintings, drawings, printmaking, photography and mixed media. Pablo and Paul strives to be a long-term and sustainable intermediary between artists and art lovers (Pablo & Paul, 2014: online).

These six gallery owners were asked about their opinions and experiences of recent online developments in the art space and what they think the future holds. They were consulted by means of a semi-structured informal approach, about matters they think are important in the art field, such as the necessity of having a website, whether or not sales or enquiries originate

from their website, if the website is merely good for exposure and advertising, and so forth. The owners were asked whether they have experienced a consumer need for personal interaction in conducting sales of artworks, or other methods of interactivity on websites that might facilitate more online sales. The resulting data can be used to identify opportunities for online art websites; ways in which they can improve their online presence, and what needs their consumers may have in order to facilitate easier and more frequent sales online.

3.6.2 Sample experience and background from interviews

This section presents the background of each participant (gallery owner) and how they became established in the art industry. It is structured according to the various research tools used. Section 2.1 presents the background of the two gallery owners Botha and Children, with whom in-depth interviews were conducted, and highlights their respective themes. Thereafter, the background of the focus group participants is shared according to the various themes that emerged by using the interview schedule (see Appendix A). Lastly, an overview of the telephone interview with Bode is presented, focusing on how he became involved in the online art space. Another interview guideline was used (see Appendix B).

After presenting an introduction and the background of each of the gallery owners, interesting aspects of the findings are highlighted, including the gallery owners' explanations of some of the reasons why they are hesitant to invest in online sales techniques such as e-commerce websites. The participants elaborated on the type of clients who buy art and why they buy art, which surfaced more thought-provoking dimensions of the study. The themes that emerged from each research avenue are then discussed.

3.6.2.1 In-depth interviews

Individual semi-structured, in-depth interviews were conducted with two expert gallery owners, both of whom have over 10 years of experience in the field, which was a minimum requirement for selection. The interviews took about an hour each and the respondents were very helpful and willing to contribute to the study. The interviews were conducted smoothly without any issues; the interviewees were comfortable with the interview being recorded and consented to the information being used in this dissertation (see Appendix C). This section starts with a brief introduction of Children and Botha.

Jason Children: Invest Art Gallery

The interview with Children, the owner of Invest Art Gallery in Cape Town, showed clear evidence of his keen interest to invest in online art sales approaches, as he has done to a

limited extent. He already uses innovative ways of targeting his customers with new technological applications. He understands his typical consumer as being slightly different to the regular commercial fine art consumer, and elaborated on this during the interview. Children was very keen to participate in this study, as he already practises innovative online approaches to selling and marketing his business and brand. He looks forward to learning more from the findings of this study.

Marze Botha: Marze Botha Gallery

A personal interview was conducted with Botha in Stellenbosch, in order to derive meaningful insights and make relevant comparisons with the opinions of other gallery owners. An issue most evident in Botha's interview was her hesitation to invest in online technological approaches. She deals with a particular kind of client due to the location of her gallery in a quiet little street in Stellenbosch. She further alluded to the fact that she and her business are not yet at the stage where she would consider investing more in the website or marketing online art sales; she is content with the current state of her business.

3.6.2.2 Focus group

A focus group discussion was conducted at the Alice Art Gallery with three gallery owners: Alice Pitzer (Alice Art Gallery), Portchie Viljoen (Red Teapot Gallery) and Lynette van Schalkwyk (Art Window Gallery). The discussion was recorded, and the researcher made notes. The audio files are available on request. Similar questions to those posed in the interviews were asked during the focus group session, which allowed each member to participate and share their thoughts.

Introduction of focus group participants

Viljoen reported that he has been in the industry for over 21 years and is an artist himself. He has been a gallery owner for ten years, buying and selling the work of various artists. Viljoen is the only participant who has a degree (B.Com in Economics), although he is now a full-time artist and gallery owner.

Schalkwijk has slightly more experience, being in the industry for over 25 years. She started in 1991, dealing directly with artists; sometimes she buys and sells works from other galleries with which she has well-established relationships. She also offers other value-added services to her customers, such as framing.

Pitzer has similar experience, having been in the industry for over 25 years; she sells art via retail and wholesale markets. She deals with various commercial and contemporary artists, and offers various value-adding services.

All these gallery owners have a background in business and were brought up in a business environment – so they have always had an entrepreneurial flair.

3.6.2.3 Telephone interview

The telephone interview discussion was conducted from Cape Town with Bode – an online art gallery owner from Pablo and Paul Online. The discussion was recorded, and the researcher made notes. An interview schedule (see Appendix B) was used as the call progressed, and was adapted as required. The audio files are available on request (see Supplements). Similar questions to those posed in the in-depth interviews were asked during the telephone interview, which allowed for similar and consistent thoughts and topics to be shared.

Philipp Bode: Pablo and Paul Online

The telephone interview with Dr. Philipp Bode was a very productive and meaningful conversation and gave a completely different perspective, as he comes from a purely online side of the business, and has only recently launched a physical space. His online gallery has been running for over 18 months and is called 'Pablo and Paul Online'.

Bode's background is in management consulting as opposed to the field of art *per se*. He has a great team of experts who do have an art background, and they manage the website and business effectively. They are responsible for sourcing artists and artworks and managing the content on the website.

3.6.3 Website dimensions

Although the literature elaborates on website dimensions extensively, there is a need to establish evaluation criteria for e-commerce websites, due to the increase in e-service adoption, and changing nature of e-service quality. The literature chapter identifies the following six website dimensions to be important in facilitating online sales: ***information, interactivity, functionality, design aesthetics, brand trust and reputation, customer service***

These dimensions are considered and compared with the responses by gallery owners in chapter five, as to find out what they deem to be the most important website dimensions for their galleries. Findings about the level of importance to the e-consumer and their involvement in the purchasing process will be analysed.

The website dimensions were used as a foundation to guide the data collection process and investigate whether dimensions listed in the literature are in fact the most valuable in the purchasing process to facilitate online sales, and in this case, specifically for original South African art.

Appendix A provides the interview framework that facilitated the conversations during the two interviews and the focus group with three gallery owners. Appendix B provides the interview framework used for the telephone interview conducted in order to stay on topic and answer the research questions. Appendix C includes the letters of consent from the respective gallery owners interviewed to use their names and the information in the dissertation. In short, the conversations with the gallery owners focused on the topic under study in order to gain deeper meaning about current trends and changes in online art purchases and consumer behaviour. The results of the interviews and focus group sessions are discussed under interpretations and findings in chapter four.

3.7 Validity and reliability

Validity is defined as attempting to test whether the meaning and interpretation of an event is sound, and whether a particular measure is an accurate reflection of what you intend to find out. Reliability is about the consistency of a measure, score or rating. Since the world of research with human subjects is not perfect, researchers have developed a number of techniques to estimate reliability, that is, the degree of 'error' in measurement (Vithal & Jansen, 2010).

Reliability and validity are dealt with in the study and considers qualitative research measures. In order to ensure valid and reliable results in this study, a set of questions and an interview framework or guideline was established for the responses of the gallery owners to ensure a fair analysis of each research dimension and research approach i.e. the interviews and the focus group held. This also contributed to reducing bias or opinions on the part of the researcher.

The two in-depth, semi-structured interviews conducted with gallery owners, as well as the focus group session used the same set of questions from the framework to ensure credibility and consistency among the results. Notes and recordings were taken during the personal,

telephone, and focus group interview sessions. The gallery owner experts mentioned other gallery names and articles, which allowed the researcher to collect further valuable information to contribute to the study. The interviews in this study provided rich and thick descriptions of business methodologies used by all interviewees.

Permission was sought from the interviewees to record the interviews. Topics discussed include views of online art websites, possible motivations for online art purchases, ways of thinking in the purchasing process, lessons learned, and experiences of online art purchases from the gallery owners perspective.

Thus, the three interviews and the one focus group session were conducted to enhance reliability and validity by using more than one research technique. The participants who were approached are relevant to the study, in that their place within the art community is stable and constant and has been so for over 10 years, with the exception of Bode who has been in the online space for 18 months now. They formed the sample to enable the researcher to draw accurate conclusions, which are presented in chapter five.

3.8 Ethical issues

Several ethical issues were taken into consideration during this study. Gallery owners or curators may be hesitant about sharing their financial art spend or income figures verbally, or in conversation, as financial information is personal and usually confidential. Another factor to consider is the validity of their answers, as they may choose to inflate or deflate their figures for various reasons.

Art dealers or owners may feel insecure about sharing details of how they sell art, or disclosing information about how their consumers buy art and what their investment approach is. Consumers buy art for different reasons, in different ways, and certain owners may feel that their approach is 'wrong' or not the norm.

As a result of such concerns, confidentiality (privacy of the respondents) is an important ethical requirement. The respondents in this study were assured of confidentiality and privacy of the data collected. The researcher undertook to protect the data from any third parties that may be interested in the information, in order to mitigate the concerns of the gallery owners.

There is a lack of anonymity for the gallery owners and for this reason the interviewees were issued a letter of consent that were signed and included in Appendix C where they agree to the information they shared and their respective names to be used in the dissertation.

3.9 Conclusion

In conclusion the chapter described the qualitative nature of this research study that focuses on the opinions and experiences of art gallery owners. Their answers to the guideline questions were analysed in order to answer the research questions specified for investigation.

A pilot study was conducted to ensure that the research approach suits the study and would in fact derive meaningful answers. The findings from the pilot study enabled some changes to be made to the research instruments, and the final research was then initiated.

In-depth interviews and a focus group were used as research methods to collect raw data from gallery owners in the art industry. The interview questions emphasised web dimensions that gallery owners deem to be important for successful e-commerce and the facilitation of online art sales. The interview topics covered consumer dynamics, purchase processes and steps, as well as the motivations of art consumers from the gallerist perspective, as well as the perspective of one online art seller.

The chapter presents the limitations of the study, along with reliability and validity aspects, and ethical issues that were considered.

Chapter 4: Data analysis and findings

4.1 Introduction

The data analysis elaborates on the findings of the study. The findings are of utmost interest, in that some gallery owners expressed very strong opinions regarding the online art industry and what they think the future holds. Various tools and methods were used to collect and capture the data in this study: in-depth interviews, a focus group session, and a telephone interview with various gallery owners were conducted, all of which were recorded and transcribed (see Supplements).

The following sections present and elaborate on distinct emerging patterns and themes that were identified and analysed to determine their meanings and how the findings answer the research questions of the study. Themes covered and discussed regarding the online purchasing behaviour of consumers include their motivations for making online purchases, the dimensions they deem to be most important, and the steps they typically follow in purchasing art. The conversations with participants are reported and analysed in order to derive deeper meanings, draw conclusions and make recommendations in chapter five.

4.2 Findings and themes that emerged

This section presents a synthesis of the most important aspects, themes and concepts identified from the interviews and focus group session.

4.2.1 Establishment of a website

On the commencement of their businesses, all the gallery owners almost immediately started a website to facilitate promoting their gallery brand, but not necessarily with the facility for direct online art sales. The reason for the delay or hesitation in an e-commerce (direct sales online) component is that their clients typically prefer the personal touch, building a relationship, and seeing the physical artwork to check its condition before buying it online. The websites of the gallery owners are currently managed and kept up to date in-house.

The only expense the gallery owners have had to date relating to their website and its marketing, was the initial spend when the website was developed and launched. The website continues to operate and be maintained, offering merely basic functionality and no e-commerce component. Some owners have started exploring new avenues for development, which are discussed later in this section.

Pitzer's website has been in place for more than 20 years, and has undergone changes four to five times over this period. The website has changed drastically, as technology has offered new possibilities; even so, it requires further updating and is still not what Pitzer would ideally like it to be. She stated: "the future is to go online with the business". Hence she has made some financial investment into her website over the years and is keen to update it in order to stay relevant.

Schalkwijk has had a website for 10 years, showing at least 40 paintings, and it does attract some sales. However, every gallery has a website these days, and it has become very competitive, particularly in terms of price and the variety of artworks available. Having a website to display artworks and contact details is not enough.

Viljoen has a very out-dated gallery website that was developed when he first opened his gallery. Although he thinks it is good to have a website to display what the gallery has to offer, he feels it is much better to see the works in reality, and for this reason he demonstrates significant hesitation about updating his website. He feels that seeing the work in the gallery gives the client a completely different experience compared to merely seeing an image on the Internet. On a flat screen one cannot see the grain of the paint, the shading, or the light that falls on it.

Bode basically summed it all up by saying that having run an online space exclusively for 18 months, he realises that he has nothing to lose by opening a physical space for exhibits as well. He believes the two outlets complement each other well. A physical gallery allows clients who are hesitant to buy online to come and see the artworks in person. The physical space also adds credibility to the gallery brand from the point of view of security – the client knows where to find the gallery if something goes wrong with the order, and could potentially be more prone to buying online after seeing the physical gallery and building that confidence.

The owners of physical galleries concluded that they need to expend more effort on developing their websites, and that their online sales could definitely improve should they update and manage their websites more effectively; however they feel more comfortable tackling this project step by step, as time and budget may allow.

4.2.2 Dimensions for success

This section reports on dimensions for success highlighted by the gallery owners; in other words factors that they believe could lead to more effective online art sales directly from their respective websites.

educating online consumers in a more personal way e.g. by providing videos – a dimension that could also improve success in online sales.

Relationships are very important and the atmosphere created online should be ‘comfortable’; this in turn would allow for online sales to a different kind of target market – a market that is more technology savvy and enjoys the online shopping experience. “If you were to go completely online, you would still need to keep it personal in some way, and make the client feel welcomed”, Children said. He also commented on the importance of reputability: “Reputation is vitally important as clients come to see me, Children, who they have relationship with – it’s a very personalised industry”.

As a minimum, the website should offer good quality images and good speed of access. It could provide videos to educate clients, including some with voice-overs describing artworks in stock in the gallery. Children reported in the interview: “Galleries need to start focusing on the longevity of the industry, and all the galleries need to start educating clients. More and more people are beginning to be involved in technology every day. It is becoming more popular with payments being made via mobiles, FNB and ABSA, which all have new ways in the market to make payments easier”. Thus, there is a massive need to ‘go online’ and sellers in the art market should be encouraged to do so, in order to facilitate sales online.

Another dimension of utmost importance is to make the price visible, with all the necessary information, such as the dimensions, medium, artist’s portfolio and the gallery’s contact details, in order to encourage a sale. Further, available artworks must be kept up-to-date in order for clients to browse and make a purchase. The website should allow for sorting or filters to enable quick and easy searches of artworks and prices.

The website should be simple, easily accessible, intuitive, with clear descriptions and navigation tabs; these are the essential elements for a commercial website. Botha said the simplicity of her website works for her and her clients, in that it provides sufficient and necessary information about who she is, what her gallery stands for, and what type of art is available in the gallery. It promotes sales both in the gallery and through online enquiries. At a minimum, Botha concluded: “It must always be simple and easy for the client to choose something and to buy the artwork, and the process must be as streamlined as possible”.

A basic requirement of a website is to provide relevant information such as the gallery’s overall service offering. This gives clients a reason to browse online, as not all the artworks in stock are always displayed on the gallery walls. Another important dimension is that it must be very easy to check out, for example, providing a one-click checkout facility, since clients would

rarely buy more than one piece. Bode said: “Try not to re-invent the wheel too much”. Basic features of an e-commerce website must be in place and they must be located in the right position, such as the shopping cart, with easy checkout procedures in order for the consumer not to abandon the purchase altogether.

The online purchasing process must work and be compatible with all technological applications and formats. It must be easy for clients to find what they are looking for. Artworks should be ‘tagged’ to simplify the search process for the potential consumer. Education is another key factor that the owners want to integrate into their websites, for example, videos of the artists and sharing information about the artist and the artwork. There could be a way of experiencing the artist online (talking, communicating and interacting), but this would take a lot of effort and time. The participants said that it would be beneficial to provide space for negotiating with clients online, but this is not possible due to current limited interaction facilities.

Social media links such as Facebook, Twitter and blogs are becoming a more integrated and vital part of the business, and creating a more conversational community. In particular, such interaction works well among specific client bases where artwork purchases are emotionally driven for decorative purposes that communicate to clients’ hearts; such clients love to share their thoughts about beautiful things. Social media links, blogs, and online magazines also contribute to building trust, hype and a community in which consumers can share and discuss artworks they like.

A website needs to remain clean and fresh, and new technology must be integrated continuously; however this is not always as easy as it sounds, since one needs to find the perfect agency or person to develop the website the way you want it, and to implement your ideas. It is interesting to note that according to Pitzer: “The ideal would be if I could develop it myself”.

The look and feel (design) of the website is another important factor that must be considered a priority in developing an online e-commerce gallery. It must be pleasing to look at and the consumer must want to be on the website and browse until they find something they really like, and then buy it without hesitation.

Viljoen is of the opinion that there is room for both a physical gallery and a website, and that they should complement each other. This viewpoint is in line with a statement made by Bode during his interview. Viljoen admitted that there is definitely room for improvement to align his

website with latest trends, including up-to-date online sales facilities, which has become a minimum standard for almost any business.

Viljoen has another private website where he sells other products such as his prints, printed bedsheets, magnets, bread boards and so forth. He sells these products mainly to overseas clients and to date has sold over 700 000 prints online. For this reason, Viljoen is convinced that it is of utmost importance to have a shopping basket and checkout system on a commercial website.

Because clients often want to know when new works have been added to the catalogue, the gallery owners all have a client database so that they can e-mail clients when new artworks have been uploaded to the website. Pitzer commented that she even has a facility on her website which shows all the latest works at the top of each page.

Pitzer has received feedback saying that her website is user friendly, but the older generation sometimes struggles to use it, or doesn't understand how to navigate it. Younger people want to buy quickly and leave, and sometimes the purchasing process takes too long. The website should be a resource that can be used to clinch a sale more easily. The increasingly younger generation of buyers who like to buy and browse online, are active users of mobile applications. Thus a mobile application for clients to browse the gallery website would be a great advantage. However, this could also be a disadvantage in that such consumers would phone, send SMS messages and use the Whatsapp 'app' even more excessively, which is already an issue in terms of time and attention required for responding to them.

The owners mentioned that they are concerned about how the youth are using technology; even in Schalkwijk's gallery, prospective clients use their iPads to compare prices of artworks in other galleries. This will happen, and all that gallery owners can do is to make sure their prices are up-to-date, growing as the artist grows, and that the information provided is accurate. If the client really prefers something somewhere else, they should be encouraged to buy it from that source.

Some owners reported that they often lose sales due to losing track of stock; for example, clients request or order an item and either they can't find it, or the website is not up-to-date if the item has recently been sold. In other words, an effective stock keeping system is essential.

Authenticity and verification are two important factors that Bode highlighted for success in the online space. This is especially important to new consumers who have not yet purchased from a gallery, via any means. The physical gallery and the online space need to work together to build on authenticity and verification of the gallery brand. The brand needs to be built, both in

the online space and the physical space, to increase effective marketing and targeted advertising to reach the right groups of consumers according to demographics and various other categories.

A further dimension is that gallery owners need to consider various price points and channels for marketing artworks with low value that will sell reasonably easily, compared to a high value artwork that requires every possible dimension of the website to be effective and build trust in executing the sale. The marketing channels and age groups targeted in advertising should be appropriate if the gallery owner aims to sell artworks online.

4.2.3 Future plans

This section highlights innovative approaches and plans that the respective gallery owners would like to implement in the near future. Due to their entrepreneurial flair, they all have a passion and motivation for new things and for things to work well and effectively, particularly to increase sales for their businesses. They all agreed that there is room for improvement and they want to start by making their website more interactive and shopper friendly, but this is difficult to do, without the necessary budget or capabilities.

There are various innovative platforms such as 'The Sales Room' (www.the-saleroom.com) which provides an online auction facility where clients can buy a variety of artworks in real time. So, galleries could register and use such platforms to promote online art sales. Another innovation highlighted by Bode to be successful or more creative, is to duplicate the online shop in the physical gallery on a screen, where clients can browse the website in the actual physical gallery and even make purchases online, as not all the works are always available for viewing in the gallery.

Children would like to provide videos to promote trust and educate clients on why and how they should invest in art. "Education and the benefits of art are key and need to be explained to potential buyers clearly, to get them 'hooked' and buy more frequently", he said. Some of the owners concluded that there are challenges in replicating a personal experience online, and they are not yet at a stage where their websites are developed sufficiently to permit this kind of relationship in an online space. It would, however, be ideal to have a virtual gallery where works can be seen in real time, but this would be time consuming and expensive to develop. Pitzer suggested that she would love to interact with clients online in real time, either by means of Skype or an online chat function.

4.2.4 Barriers

This section highlights the barriers that gallery owners experience in promoting more art sales online, which was a dominant theme across all the interviews. The barriers discussed by the gallery owners are synthesised or merged in this section, and accompanied with suggestions to overcome these barriers, to some extent. Figure 2.2 illustrates the barriers and some methods to overcome these barriers gallery owners have for entering the online art market.

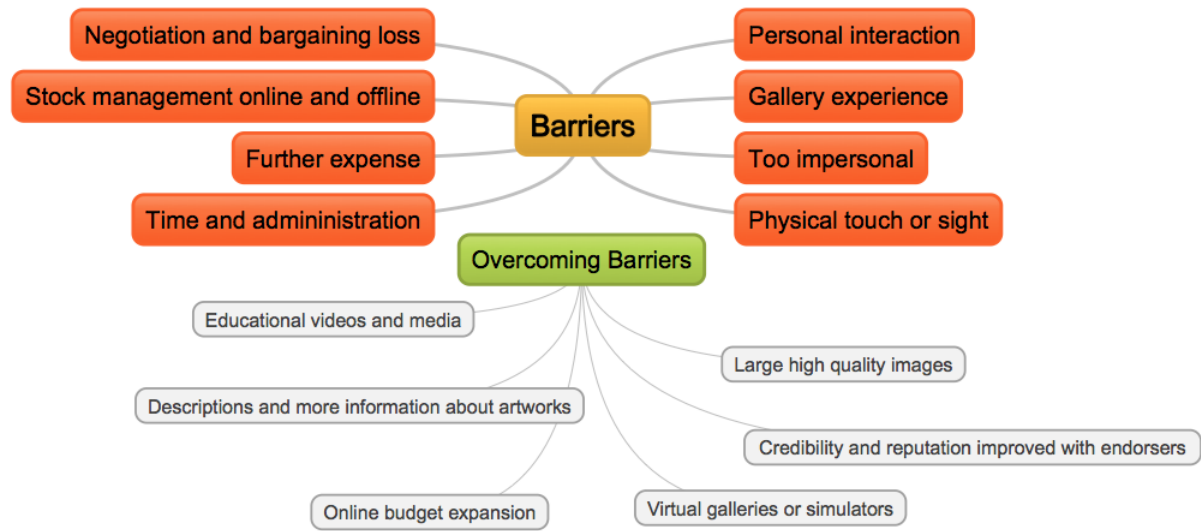


Figure 4.2: 'Mind-map of barriers and how to overcome barriers' developed by the researcher.

The gallery owners reported that some clients still demand to see the artwork and refuse to go the online route for art shopping. This leads to the exclusion of wonderful pieces of art in other physical locations, should they not be available to browse online. One of the biggest challenges of selling art online, as Bode stated, is that an artwork cannot be physically touched or handled. In order to overcome this obstacle, it is important to have the following in place for an effective website: Authenticity, credibility, reputation, large high quality images, and an explanation of artworks with videos or other educational media examples can include videos and endorsements by reputable companies.

Since clients are often emotionally driven, many of them prefer to buy art through the physical gallery. They like the experience of walking into the gallery and seeing the artworks, which 'speak' to them before they decide to buy a piece. There are also practical aspects to a purchase, and financial considerations. The visit is accompanied by a 'feel good' moment for the consumer, especially when they feel that they have obtained a piece for a good price. Artists often sit in the gallery and paint there, and clients who express a desire to meet the artist can then do so.

Schalkwijk stated that being in the physical gallery will always beat the experience in the online setting, because it is easier to determine aspects of the artwork, such as the size, the frame, its nature, and what it will look like in the client's home. She hopes that the art industry does not become "too online", with the transaction becoming impersonal, replacing the practice of artists coming to paint in the gallery, exhibiting their work, and sharing the entire experience. She feels very strongly that purchasing art needs to be a personal experience, and should not become like purchasing staple products. She prefers and enjoys the personal interaction and experience that the client undergoes in their decision to buy an artwork. She further said that closing a deal is a 'feel good' moment that is lacking in online sales. The client also feels more appreciated and can build trust, thus becoming a loyal client of the gallery.

The majority of the owners found that their biggest issue currently is with artworks on their websites that have been sold, but have not been removed from the website, due to lack of time or motivation to do so. Appointing someone to manage the website in this way would entail an additional expense. What makes it difficult is the fact that there is only one original artwork; in other words that painting could sell in the gallery in the same instant that someone might be purchasing it online. Hence the website needs to be updated every minute; they also hold stock in various other galleries and exhibitions, which further complicates the matter.

The owners agreed that they have the experience to sell to a client in person and even convince them to buy more than they had originally planned. Schalkwijk concluded this part of the session by saying: "If the client is on the website, it is the painting that meets him, versus the client walking into the gallery and you as the owner meet him, and convince him to buy something – it's a completely different experience. My experience draws him in and eventually leads to the sale actually taking place. Art does not sell itself".

Botha feels that over time, the trust relationship could be duplicated in an online space. She agreed that, as the owner and an experienced salesperson, she has a large influence on persuading the buyer to buy the artwork; the two dimensions that basically clinch a sale are that the client likes the artwork and they appreciate the information she can provide about it. Botha elaborated by saying that it is clear that local consumers prefer a close, face-to-face relationship with the owner or salesperson when purchasing art. She stated: "Currently, my relationship with clients is solely responsible for survival in the industry – that trusting relationship and the vital follow-up service that we offer".

Personal relationships are important; in particular, clients want to deal with the owners directly and not with their assistants or curators. The gallery owners stated and believe that they have a massive influence on clients in convincing them to make the purchase, and this will be hard

to duplicate online; however modern technology can enable it to some extent. The gallery owners further said that clients value the opinions of the gallery owner or sales person, and very often make decisions based on the owner's expertise, influence and suggestions.

Clients still desire communication and contact, especially when spending significant amounts of money. According to Children, it will take a long time for clients to be comfortable spending such amounts of money online and to trust the systems with their personal details and good service delivery. Children described: "I would dig to get a much more virtual setup of the gallery – that would be awesome, that you could update and pretend like you are walking in the gallery". But there is no point in spending a significant amount of money on such a virtual website if people don't use it or don't have the capability to do so. Furthermore, it would take an excessive amount of administration to manage it and keep it updated, which was one of the problems he experienced with the mobile application he implemented. The cost was just not worth the potential returns.

The gallery owners are of the opinion that using more affordable web developers to design and develop a basic website has given them what they have, and it currently works for their gallery; even though there is severe room for improvement and increased sales. Using more expensive professional companies carries a constant higher expense, in that the site would need to be regularly updated. The question, according to Pitzer, is whether a sophisticated R100 000 website would actually yield the expected returns.

Another issue with developing the website is the fact that every artwork requires sufficient descriptions and tags to promote effective online sales. The stock changes so fast that it would not be worth updating the website regularly with excessive details on each artwork. The owners feel that they do not have the time to do it themselves; they would need to consider employing a skilled web developer or assistant, which would incur additional expense.

The majority of the owners do not want to allocate a reasonable amount of budget to building new, up-to-date and advanced websites, because there have not yet been significant online sales. The gallery owners are already paying high rental expenses for the location of their galleries in the street or shopping mall; their physical premises attract lots of customers, which lead to increased sales in the physical gallery. Viljoen continued and concluded that on the Internet the client sees one piece that he or she likes, compared to going to the gallery, seeing perhaps three pieces they like, meeting the owner, and then immediately feeling different about the purchase. The gallery owner can convince the client to make the purchase much more easily than in the online space, and can then negotiate prices and payment terms.

The client is more likely to have a good experience in the gallery and be inclined to buy something again. Viljoen has clients who purchased from him 20 years ago and are still doing so. The owner can build trust and offer after-sales service, should the client need to sell the artwork at a later stage. Some gallery owners even offer to go to the clients' homes and hang various pieces to give them the experience of what the artwork would look like in their homes. This kind of owner-client relationship is almost impossible to duplicate on the Internet.

Pitzer reported that she also enjoys personal contact with clients who become long-term customers that build the gallery brand and business and keep it going. Pitzer gets to know the client and can almost predict what their next purchase will be. She is convinced that the best experience comes from visiting a physical gallery; for example going to the launch of a new gallery, having a glass of wine, meeting the owner, and seeing what it is all about – the ambiance and personal touch are difficult to match.

The next part of the discussion elaborated on each of the owners' websites and whether there is room for improvement, to which all of them responded together and immediately; this contradicts some of their previous statements somewhat, because they have no budget and a hesitation to trust the online channel for sales. Schalkwijk responded, "Yes, yes, yes"; Viljoen said, "Definitely, but it comes at a cost". Schalkwijk agreed: "Yes, a time cost and a financial cost". Children stated he does not have the desire or need to invest the time and energy to re-engineer the website at present.

Schalkwijk, Children and Viljoen agreed that the investment and effort is *not* worth any possible returns. They are prepared to go without an e-commerce website, as they are currently doing well enough. Viljoen further elaborated that if he were to spend R100 000 on a website, he would need to sell R600 000 worth of artworks, after tax and costs. He would still need employees to manage and update the website, which is another monthly expense. Viljoen and Schalkwijk feel that they would rather invest that time in seeing clients at their homes or in the gallery, or even just to have some time for themselves.

Schalkwijk further explained that although the technology is there and consumers expect you to have an advanced and up-to-date website, it is not a priority for her. Viljoen, Children and Schalkwijk concluded that in fact, they only have a website because it is expected in today's electronic age. Their top priority is the gallery experience and they use the website to provide their contact details and to share valuable information.

4.2.5 Sales, marketing and budget

This section reports on the gallery owners' discussion of their percentage of sales online, whether through an e-commerce component or merely an enquiry relating to an online sale. They reported on marketing and approaches they have used thus far to create sales, and whether there is any budget for developing the website to market online sales.

Children stated that currently sales from his website constitute about 30% of his total sales. Not only does his gallery (Invest Art) receive many hits and enquiries through the website, they also gain many new clients by means of this platform. Children has 3300 clients on his monthly mailing list, which enables potential clients to show an interest in artworks for sale. This is one of his most effective platforms for art sales, and it includes new clients whom he has not previously dealt with. He said that these clients sometimes require a background check or referral to make sure the gallery brand is legitimate, but thereafter the client makes the payment and the artwork is shipped to the relevant address.

Invest Art Gallery does not have a marketing budget, and Children has implemented search engine optimisation on his website (www.investart.co.za). He stated that his website will appear as the first page when a potential client searches for 'South African Investment Art'. He designed the website himself using 'Wi Wi' which might have contributed or helped him to set up the website correctly; alternatively the top hit might be because the name of his gallery contains the actual words 'investment art'. There are tags on every page in the site and on every artwork in order to promote top-of-page results when clients search for specific pieces of art.

Children agreed that if he put additional effort into his website he could easily reach the 50% level for online sales. However, he does not enjoy administration of the website, and does not feel the need to appoint someone to manage it. Children concluded by saying: "I currently have really good existing client relationships and a good database, and because of that I could possibly soon not even need the gallery and be able to operate entirely online. I would then also have more budget to invest in the website due to the rent expense falling away".

Pitzer's website does have an e-commerce component where clients can shop online and check out their purchases, and this constitutes about 10% of her total sales. Alice's Art Gallery markets the business through various advertising channels such as magazines, SMS and e-mail marketing, business cards, and cinema advertising that promote the gallery as well as the website. They also invest in Google Adwords and search engine optimisation, and Pitzer questioned whether there is really anything more one can do to market the business via the

website. She agreed with Schalkwijk's statement that clients currently still prefer to come to the gallery; however this may change in the near future.

The following pie chart (Figure 2.3) illustrates the percentage of current online sales displayed by the respective gallery owners, versus the room for growth or potential online sales possible. The chart indicates significant room for growth and a large market to expand into online. The open or large space in the diagram basically represents potential future sales.

The same diagram is true when comparing current online sales versus actual gallery sales, when you replace potential sales with gallery sales, which correlates with the reason why gallery owners are content in their business, and missing out on a much bigger online market. This data was captured during interviews with the respective gallery owners and reported on their sales percentages online and offline (supplements available).

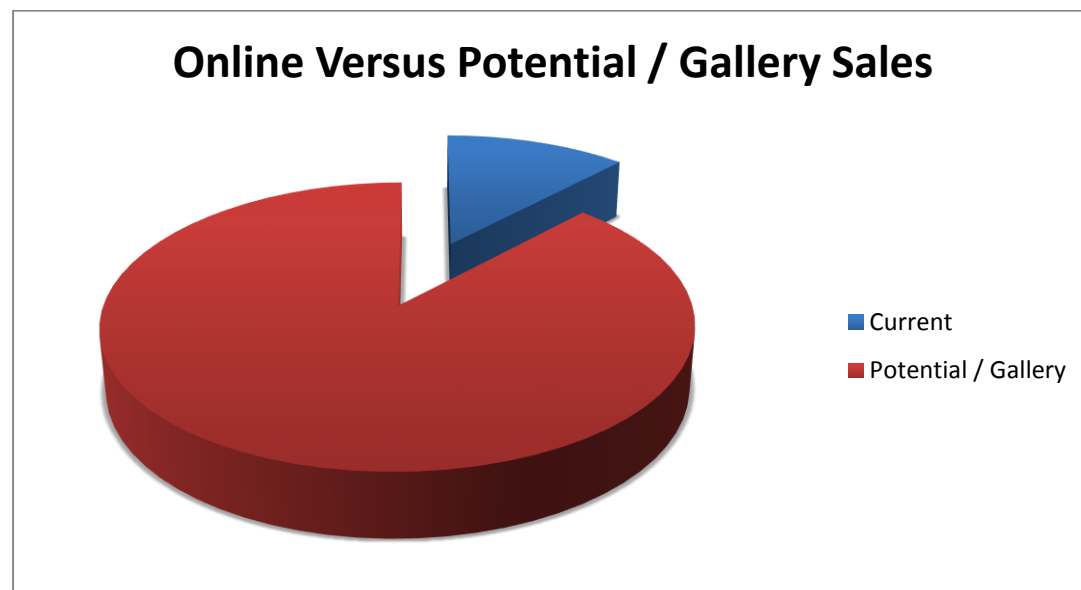


Figure 4.3: 'Current online sales versus the potential market' developed by the researcher.

Pitzer further stated that she recently had two indirect sales through the website. In one case, the client saw the artwork online and followed other ways of finally making the purchase; and in another case a client made contact via the telephone, asked questions and had some interaction with a salesperson; thereafter they paid without seeing the artwork and have still not come to collect the artwork. This was a younger customer who easily buys online and trusts the technology; they are not necessarily used to going to a gallery and making a purchase there.

Schalkwijk said it would be ideal to add a shopping cart and checkout component to her website, as she is still a bit behind in that respect. Her contact details are provided on the

website, which leads people to make contact with her and she can then possibly clinch a sale. She is quite surprised that her online sales in this way comprise approximately 7% of her entire business.

Botha said that she has had some online sales, but it is a fairly insignificant part of her business. She further mentioned that she has no real budget for maintaining or expanding the website. Regarding online sales, these used to be fairly frequent a few years ago, especially artworks which were couriered overseas to foreign clients; however such sales have declined and Botha cannot explain why. She thinks it may be because the website does not have an e-commerce component, where clients can add artworks to a shopping basket and check out with their credit card details. Hence, she feels she has fallen behind and is not up-to-date with new web technologies.

Viljoen's mindset regarding a marketing budget is that every business needs to minimise marketing costs and other expenses, with the aim of maximising sales. He conceded that nothing can guarantee successful marketing channels that lead to sales, so there must be an initial investment in order to realise the returns and build a successful business. Hence, the risk must be taken to see whether an e-commerce channel can create profitable returns.

4.2.6 Consumers and purchase processes

The gallery owners suggested that their consumers do not have a set way or process they follow when considering art purchases. They buy in different ways and follow various channels. The owners described the various consumers that typically walk into their gallery and what they as owners experience from their consumers and their approaches when buying art.

The gallery owners feel that clients buy through various channels and are not necessarily set in their ways in terms of buying from an auction house, artist or gallery. They further noted that when a consumer starts to search, they search according to categories of art media such as print, mixed media, oils and acrylic artworks. This seems to be the most important filter from the business point of view; thus they target their advertising to the correct consumer groups according to these categories. The galleries offer recommendations and an art consulting service (advice and design), which gives their consumers peace of mind in making purchases and ensures that the client is satisfied with their purchase.

Fortunately for Bode, having an online space means that clients usually go online, add to their shopping cart and check out without asking too many questions. He said this is possibly

because he offers a good returns policy or resale service and a hotline where he can be contacted immediately; however very few consumers actually use these services.

The gallery owners identified different kinds of consumer types. A synthesis of the descriptions made by gallery owners produced the following key groupings and profiles. The mind map below figure 2.4 illustrates a brief summary of these consumers and who they are and what they constitute of.

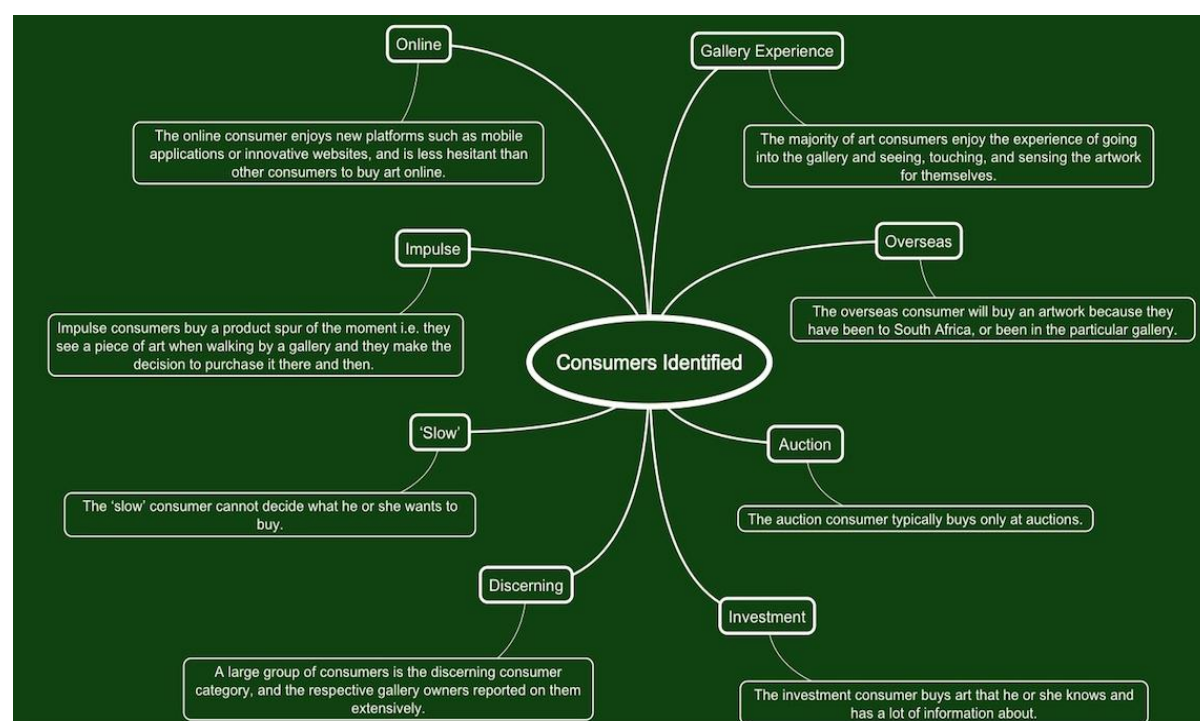


Figure 4.4 'Summary of consumers identified by gallery owners' developed by researcher.

Some consumers, identified from research, are shoppers who simply walk in and out of a gallery and enjoy 'looking' at pieces; these people are largely 'addicted' to auctions, so even if they like a piece of art in the gallery and the price is right, they resist buying it. This is a completely unique type of customer.

The second group of consumers are those who typically go to auctions, but they never buy at an auction; there is an online platform called 'Art Price' which tracks prices, and these consumers believe that the pieces at some auctions are over-exposed and often over-priced.

The third group of consumers are those who want to come and see the owner and have the complete gallery experience. They usually demand to see the artwork, or ask the owner to keep it aside for them; and after they have seen it in person or met with the owner, they finally

make the decision and swipe their credit card. Some consumers prefer to pay for artworks in instalments over a certain time period, usually around four months.

Some consumers are impulse buyers, but this happens rarely; it would depend on the location of the gallery, for example, in a shopping mall to enable people to view pieces while standing in a queue for other purchases. Another group of consumers are those who are much slower in making a purchase; in most cases these clients want to think about it for a day or two and then decide to buy the piece, especially after some motivation or convincing from a salesperson.

There is a very small, almost insignificant group of tourist consumers, particularly in Cape Town, due to the tourist attractions in the city and surrounding areas. These consumers build relationships quickly in the gallery; they typically walk in, see something they like, and then the owner arranges for delivery overseas.

The investment consumer seeks artworks that increase in value over time, usually by a specific investment artist – he or she would typically search for the artist on the website, see what the gallery has in stock, and then decide whether or not to buy a piece.

Along with the other gallery owners, Pitzer remarked that there is a group of consumers who tend to go directly online to make purchases. They browse while they are at the office, and follow galleries habitually to see what new works have been uploaded. They buy online from a gallery because they are comfortable with its name and good reputation, even if they have never met the owner. The fact that the gallery has a presence both physically and online affords the gallery more credibility. Pitzer further said that there is a good chance that these clients get enough of the gallery experience online, and it is most convenient for them to make purchases in this way.

The owners all agreed that there are different consumers, for example, young first-time consumers who have a desire to be educated and to start spending money on art; or a more sophisticated consumer looking for a long-term investment; or someone who simply likes art and purchases for decorative purposes. Pitzer's favourite consumer is someone who takes a chance on a commercial artist today, and a piece that could possibly become an investment or masterpiece in the future.

Viljoen identified a different kind of consumer – one who purchases original artworks because they were raised by their parents or some family member who was a collector, and thus they have some appreciation of art. Their upbringing has an impact on their visual behaviour – wherever they go, for example, in friends' houses or other spaces, they look at art in a different

way, in more detail, and they ask questions about it. Such a consumer looks at the grain of the canvas, the artist's ability and skill, all of which influence their desire to purchase art to enhance the aesthetic value of their home.

The last group of consumers identified from the research is the abstract consumer. They usually want something more abstract and different, and the gallery owner can provide suggestions and direct them as to where to look and what to buy. In short, the gallery owner almost always provides their clients with guidance as to where to go and what to purchase – but ultimately the consumers make the decision themselves.

4.2.7 Purchase motivations

The various owners highlighted the motivations generally displayed by consumers when purchasing commercial fine art. Each gallery owner stated different reasons why consumers purchase art and these are elaborated on in this section.

Children said that consumers typically purchase art because it relaxes them in the light of their high profile jobs. His most regular clients are doctors and lawyers who buy art because they like the artist, they like the artwork, they enjoy the experience, it's their hobby, or they buy for investment purposes. Occasionally someone buys art from Children purely for decorative purposes.

Botha's consumers typically enjoy artworks purely for their beauty and for decorative purposes; if it looks good, they want it and then they buy it. In her experience, people buy art in order to add aesthetic value to the living spaces in their homes. The secondary reason for buying art is the possibility that over time the piece may become worth something in terms of investment; but in general, that is not the primary concern or reason for her typical consumers in buying the artwork.

Schalkwijk said that her consumers are educated and 'do their homework' before making a purchase. They start by going to her website, they find or search for an artist, look at what is available and then use Google to compare the artworks and prices with those at other galleries. After they have decided on the artist, they consider size, medium and price. Unfortunately there is a bit of a 'price war' and therefore Schalkwijk has to deal with the dilemma that she doesn't want to display a discounted price on her website, but if she displays a higher price, she might lose the client. Thus she prefers not to display prices on her website at all, but she is of the opinion that she may need to change this soon. Due to the information available on the Internet, Schalkwijk finds that she now deals with an informed client who

knows what he or she wants, and enjoys negotiating with the gallery owner, which is good for the industry.

Schalkwijk commented that the reasons why people buy art depend on their particular values, or even ethnic backgrounds; for example, in South Africa in general, people like to decorate their homes, and buy something they can enjoy. Some consumers also buy art with a view to its investment value. Schalkwijk also stated that consumers typically enjoy meeting the artist, which adds to their motivation in making a purchase. There are also some consumers who have a perception that art is more affordable at auctions, which is why they may prefer to buy through those channels. She further commented that unfortunately auction houses do not provide the necessary education to potential consumers, so buyers at auctions are often uneducated in terms of the prices and value of artworks.

With respect to motivations for purchasing artworks online, consumers appreciate convenience and simplicity as the most important factors. They want to see that new works have been loaded onto the website and they appreciate being notified about new additions. They demand to see details of the various artists, the size, and the price of artworks. If the website meets these minimum requirements, her consumers will be motivated to return to it; they also need to feel that they get the best quality information from the website. Schalkwijk added that for some consumers, it has become a hobby and a 'fun thing' to browse and shop for art online, and they spend hours on the websites of various galleries.

Viljoen feels that most of the time the consumer has an idea of what he or she is looking for. They may already have some similar pieces, they might have seen what they want somewhere else, and have now decided to go and look for it and actually make a purchase. So they would start with an artist in mind, find out which galleries stock their work, and then begin the search. He feels that if the consumer knows the artist and his works well, then there is a far greater chance that the client will buy the artwork through an online platform.

Pitzer said that word of mouth is still the most important aspect in getting people to visit a website – in other words, the consumer hears about the gallery or its website from a friend. She added that sometimes the consumer might walk into the gallery and then decide to go and consult the website; alternatively he or she may be looking for a specific artist and Alice Art Gallery came up on the Google search results – this may lead to new clients coming in to the gallery for the first time.

In Pitzer's experience, some online clients make continuous and excessive inquiries via Whatsapp and the telephone, before they actually make the purchase; whereas if the client

came into the gallery it would be much easier to close the sale and he or she might possibly have spent more money. Pitzer's concluding remark was that: "Consumers do need motivation and convincing to buy something; they don't like or prefer to buy online but do want to come into the gallery". Viljoen stated something similar, in that clients are motivated to buy when they are looking for something specific, and they start browsing to see which website might have such a piece on offer.

In conclusion, every purchaser has his or her own agenda. For example, if price is the most important consideration for the consumer, they should be introduced to a selection of artists whose works are growing as investments, and then they can choose colours, size, or the medium according to their preference.

4.2.8 Future of the online art market

This research led the gallery owners to share their opinions and thoughts on the future of the online market and what opportunities or disadvantages the channel may present. The following impromptu question emerged while the research was being conducted: "In 10 years' time what will the art market look like and what could be different?" This section describes the gallery owners' feelings towards online art sales and where the industry is heading.

Schalkwijk still has some hesitation and lacks confidence in the online sales channel. She said that should the online sales of original artworks gain momentum, they will have to change, adapt and innovate, but in the meantime, she will wait until that happens.

Pitzer said she would prefer to have less interaction with her online consumers – she would appoint people to manage that and her entire business could possibly be online in the near future, or within the next 10 years; however she doubts that this will happen and she expects to always provide a hands-on, personal experience for her consumers.

Viljoen made an interesting comment saying that competition for people's time and attention in terms of e-mail or on a website is the biggest factor that determines success in the online space for sales. Clients tend to trash many of their e-mail messages, and don't want to be online or browse for too long.

Schalkwijk and Viljoen added that they are privileged to have sufficient sales in their physical galleries; they have an established database with which they work and build up the business, and therefore going online is not such a priority for them at the moment, or even in the near future.

As a young entrepreneur, Botha has the sense that the potential for online art sales is growing and becoming not only a possibility, but in fact, a reality. However, it is not a priority for her at this stage. She explained that currently websites are very useful for providing and sharing information about artists, artworks and galleries. According to Botha, this is one aspect in which gallery owners and the industry in general are performing well for the market and their clients.

Children has a lot more confidence in the online channel and believes there is a huge market for online art sales; however his target customers are typically over the age of 40 years, very set in their ways, and using the technology available to buy online is not necessarily their top priority or best skill set. Children indicated that he will soon be launching a new business, called the 'Art Market' (www.artmarket.co.za) – an online auction facility with a 'Buy now' portal to facilitate immediate sales. He believes there is huge scope for consumers and businesses in South Africa to invest more in online shopping experiences and development, especially for art, as the online environment broadens the spectrum for searching and finding what the client wants.

Botha agreed that there is a tendency for everything to 'go online', and that if a website enables it, then clients will start opting to buy through online channels more frequently. Ideally the gallery experience needs to be duplicated online, in some way.

The gallery owners agreed that personal interaction is needed for a sale to be effectively concluded, because art is a special kind of product. Pitzer, for example, enjoys the satisfaction her clients describe when they have made a purely online purchase, i.e. they browsed the website, ordered an item, checked out online, and arranged for delivery to their address. She said: "miracles do happen" and that she is "blown away" every time a consumer purchases something without seeing it or initiating any interaction. However, it is difficult to tell if it is an experienced buyer who knows exactly what they are buying, or an inexperienced buyer merely buying a piece because it 'looks good'. Pitzer expressed her viewpoint, saying "I think it is merely the future that clients will start to buy art online more frequently".

Pitzer remarked that clients could potentially get better prices if they were to buy direct from an artist; however there would be no after-sales service such as framing, a hanging service, or re-sale opportunities should they want to sell the artwork at a later stage. It is becoming difficult to compete with artists' direct-sales websites and some clients do prefer to deal directly with the artist; however there is still a group of clients who prefer to deal with an art gallery.

As more young people start investing in art, which is happening already, the market for online technologies will change. As a gallery owner, one needs to have the technology in place to service the requirements and demands of these clients, once they convert their practices to online purchasing. This market wants mobile applications and to be able to browse and shop anywhere, at any time.

4.2.9 Online versus offline

This section is an outcome purely from the telephone interview conducted with Bode. Due to his experience in the online space, it was possible to derive a different set of opinions and results from his answers and the different themes unearthed.

“It’s not enough to just have an online shop” were words used by Bode during the telephone interview. Clients want to see the artwork, they want to hear the story about it, and this is difficult to do with only an online space. Bode has several other approaches that he uses on his website to address these client needs. He provides real-time online chat sessions and discussions, and ensures that he responds to e-mail as quickly as possible. He remarked that to date not many people have used these facilities. He added that a much more virtual experience to the website would be good, for example, by re-creating the room in which the artwork will hang, having a scale that gives the consumer an idea of the size of the artwork, and finally choosing a frame that will work with the piece.

Sales in the online space have been good according to Bode, but a physical space would definitely contribute to more sales. Bode said it’s difficult to say, but he is hoping that the majority of sales will still be online. There is likelihood that when clients have been in the physical gallery, they will be more prone to buy art through the online platform.

4.2.10 Response to the findings from the owners of a physical gallery

Bode expressed his argument and opinion about ‘going online’ and why the other gallery owners should consider having an online shop as a profitable avenue for success. In particular, he responded to some of the specific dimensions the physical gallery owners felt strongly about.

Regarding the high costs involved in building an online e-commerce gallery, Bode said it is difficult to put a figure on this as there are just so many things one can do, depending on the functions that the gallery owner wants to implement on his or her website. There are some cheaper agencies that can set up e-commerce websites that any owner should be able to afford. However if one requires a high-tech complex website with sophisticated functionality,

this can become quite expensive as the agency will need to have specialised experience and skills to develop such a website. With respect to management of the website, this applies to every website – it needs to be managed and kept up-to-date. Furthermore, marketing budgets and processes should be in place to build the gallery brand as well as to increase traffic and sales.

Bode expressed his opinion about the general negative impression and feeling about an online art gallery and shop, and the distrust of the online channel. The online marketplace is clearly growing and thriving, and has increased significantly, even in South Africa. Clients are paying for artworks in advance, without seeing them, which shows a significant amount of trust in the channel from the point of view of consumers. Gallery owners can include verifications such as safe payment systems and secure online sites protected by the necessary software.

The gallery owners feel that their consumers prefer the actual gallery experience by being able to visit a physical gallery and meet the owner. Bode agreed that this is true, and that gallery owners already have an advantage in this respect – in fact, for these reasons, he plans to establish a physical gallery as well. However, one cannot deny the fact that the online channel is growing and thriving and the gallery owner will be able to tap into a much bigger market with an effective online e-commerce gallery.

4.3 Conclusion

The chapter presented the data that was collected, recorded and analysed for the study, and outlined the findings. The interviews revealed how two gallery owners and one online gallery owner view and perceive their consumers' motivations for buying art, the steps they follow, and what the owners deem to be the most important website dimensions in order to facilitate online sales. The focus group discussion revealed slightly different results, although many similarities emerged. This method was helpful in deriving deeper meanings about the online art industry and where it may be heading in the future.

The focus group conversations concluded with a general discussion in which the owners agreed that they do not have the capital to invest in promoting e-commerce, and they are not willing to take risks with online art sales. Their clients know them and it is easy to facilitate sales in person; building those relationships is more important than investing time and effort in building their online presence. They have no doubt that the technology is available to do a whole lot more than simply a regular website with lower-than-desired sales figures; however they do not want to invest in such technologies just yet, and are not sure when the right time might be.

From these analyses it is safe to say that website dimensions cannot possibly cover the full spectrum of reasons as to why and how clients select their online art dealer. There are far more immeasurable factors that need to be considered, depending on the type of consumer and the type of relationship a gallery owner might want to create online. The conclusion is that, based on their assumption that consumers are not yet ready to make large art purchases online, gallery owners are reluctant to invest in online sales techniques or to redevelop their respective websites for e-commerce transactions.

The findings of this qualitative research study was based on data collected from interviews with two gallery owners, a telephone interview with one online gallery owner, and a focus group discussion with three gallery owners. The data was analysed by means of content analysis. The following chapter is the final and concluding chapter that answers the research questions directly and presents recommendations and conclusions emerging from the study.

Chapter 5: Conclusion and recommendations

5.1 Introduction

The final chapter presents important conclusions and recommendations that emerge from the study. The chapter addresses the initial research problem: How do South African gallerists perceive consumer dynamics in terms of online art purchases? The research process prompted some changes to the initial framing of the question. The pilot study indicated that the scope should be reduced to include only relevant elements required in order to address the problem directly. It then analyses and interprets the research participants' feedback to answer the research questions:

5.1.1 Primary Question

- What are the dynamics regarding consumers purchasing commercial fine art online, from the South African gallerist perspective?

5.1.2 Secondary Questions

- How do consumers behave online regarding the purchasing process and steps in buying art, from the South African gallerist perspective?
- What are cognitive and learned consumer motivations to buy art online, from the South African gallerist perspective?
- What website dimensions are important to facilitate online economic transactions for art, from the South African gallerist perspective?

The findings show that in general, different consumers buy art for various reasons, whether they buy online or offline or via any other channels. Consumers have their own preferences and approaches; however there are certain factors that they deem very important and they will not buy any art without these factors being in place. The major trend from the findings proved that the gallery owners showed a tendency to hesitate in investing in building their online channels.

This research study contributes to the academic field and addresses the stated problem. It concludes by presenting the conclusions that can be drawn from this study, and suggests possible avenues for further research.

5.2 Initial research problem

The initial research problem was guided by trends in the art market, where online sales are becoming increasingly popular (Art Market Trends, 2011); and the need to understand the consumer dynamics of this phenomenon from a gallerist perspective. The situation raised a debate as to the reasons for this development, which prompted this study. One of the issues uncovered during the study was the need to determine the opinions of South African gallery owners regarding online art sales, specifically in the field of commercial fine art. It was interesting to note their different perspectives in this regard, compared to international galleries and auction houses which are convinced about the necessity for online sales, and have no hesitation in moving into the online arena. For example, an article in the New York Times reports that Sotheby's is going online again after past failures (Vogel & Isaac, 2014), and Strauss and Co hold online auctions quarterly (Strauss Online, 2014). Bode from Pablo and Paul online is another example of a gallerist who has been operating in a purely online space successfully for 18 months and contributed valuable insights to the study.

One might expect that purchasing a high-value product would require high involvement, such as physically seeing the art object, touching it, experiencing it at first hand, and possibly meeting the salesperson or seeing the physical gallery. Thus the increasing demand for buying art online, without the physical experience of handling it, is surprising. Why would consumers abandon the in-store gallery experience for an online experience, which could potentially be more risky in some respects, and what are the consumer dynamics in making such a decision, if and when they do so? There was a need to ascertain why and how consumers make these large, high-value purchase decisions online, and what criteria are important in order to facilitate such sales.

This need led to the primary and main objective of this study, namely to conduct an exploratory investigation, from the South African gallery owner's perspective, into the consumer dynamics of art consumers, in particular their behaviour in the purchasing process, their cognitive and learned motivations, as well as website dimensions to facilitate economic transactions for purchasing commercial fine art online.

The aim of the study is to understand the ever-changing online landscape and to ascertain the dynamics of the online art market from a gallery owner's perspective, and thus help art dealers to build a successful online art brand and business for the future.

5.3 Reconciliation of research design and problem

The research plan initially included too many research participants and tools. The pilot study indicated that the scope of the research should be downsized substantially, as the researcher realised he was answering more than the study asked. Hence, it was decided to include very specific research participants (gallery owners only), and to keep the research concise and to the point in order to answer the research questions at hand. After this it was decided that it would be a good idea to have a telephone interview with one more gallery owner that operates in a purely online space and hear what their thoughts were on going on a business venture that is only selling art online. Following on from the pilot study and action research conducted beforehand, the resulting research design and methodology proved to be effective in investigating the problem from the gallerist perspective. The in-depth interviews and focus group methods proved to be very useful for deriving deeper meanings and hearing the expert opinions of gallery owners about where the industry is heading in the near future, and answering the research questions directly from their perspective.

5.4 The online art landscape

As indicated by most of the gallery owners in this study, the South African gallerist perspective highlights a trend in that they do desire to take their brands and businesses online and increase online art sales; however there are also strong motives for not doing so just yet. Some of the gallery owners are already adopting innovative approaches to selling online; they have an e-commerce component for online sales, and an effective website that builds their brand and promotes their business, even if it is limited in its selling functionality. All the gallery owners agreed that there is room for improvement and their website is not what it might be, or is not functioning as effectively as it could do. In other words, significant improvement in their online capabilities is required in order to meet the needs that they perceive. However, there was also a sense of contentment among the gallery owners who are relatively satisfied with website sales as they currently are, which is a bit contradictory. Their business provides sufficient and satisfactory profits, and so there is little drive or motivation for them to invest more resources in online sale possibilities.

Gallery owners reported a trend that consumers remain hesitant to buy art online. They do not necessarily trust online systems and continue to prefer face-to-face contact, such as walking into a physical gallery and having a personal experience with the salesperson or owner of the gallery. Reluctance to buy online could be due to trust, reputability, or credibility issues that may concern consumers. Nevertheless, it is clear that there are different types of consumers in different life stages, some of whom are more prone to buy art online than others. Pablo and Paul who has been operating the online sales space for over 18 months disagreed and said

that he has been successful and consumers are buying art online frequently, however he is in the process of opening a physical gallery as well to compliment his online gallery.

The five gallery owners (excluding Pablo and Paul online who only has online sales so far) reported an average online sales percentage of 9.4%, although two of the galleries have 0% online sales. Children mentioned that 30% of his sales are online, and Pitzer has approximately 10% online sales, which is not insignificant, considering their general hesitation and lack of confidence in online sales approaches or the channel per se. So there is evidence that art consumers are purchasing commercial fine art online, and this channel should not be excluded as an avenue for further profit and business expansion or even to tap into a much greater market. The two owners who reported no online sales, continue to hesitate to invest in promoting online sales approaches; their sites do not provide a 'shopping cart' component and they do not have any significant interest in developing this avenue for brand building and business.

The findings showed for galleries to be effective, they must constantly change to meet their customer demands – where consumers desire interactivity and new experiences, as some of the gallery owners suggested. Pablo and Paul currently has all their sales online as they simply only operate from an online space which proves other valuable insights for the study and to gallery owners who are still hesitant to sell online.

As with any other business, gallery owners establish a website with the primary purpose of managing and promoting their brand. All the galleries have a website, however only two of them have an e-commerce (direct) sales component for example a 'shopping basket' component, and one has sales by 'enquiries' that they implemented some time ago. They did this in order to meet stated minimum requirements, where "e-business has become a standard operating procedure for the vast majority of companies and nearly every major retailer has an online shopping component" (iThemes, 2014:online).

The following section elaborates on the recommendations and interpretations from the findings of the research regarding the gallery owners' opinions on selling art online, and how consumers typically behave with respect to art purchases. These were compared to Pablo and Paul online and analysed accordingly.

5.5 Consumer dynamics online

The higher the financial value of an artwork, the higher the risk inherent in the purchase, which leads to increased levels of involvement for the consumer in the decision-making process. High-value, high-involvement decisions are important to the buyer because they are closely

tied to self-image and carry an inherent risk (Understanding buyer behaviour, 2012). The research confirmed this aspect and showed that gallery owners are of the opinion that art is a very personal product and consumers need – almost demand – to see the work, check the condition, touch it, meet with the owner or negotiate, in order to minimise these inherent risks. Nevertheless, they agree that times are changing and it will be possible to encourage more online sales, although the market is not yet ready for it. This attitude could be due to the relatively low online sales volumes they are currently experiencing due to a lack of investment in the development of their current websites.

The gallery owners stated that it is easy for consumers to find their websites or specific artists, due to the ‘tags’ that are in place and the marketing of their websites, which is mostly organic marketing, or from accurate searches on Google. A benefit for consumers who buy, search or browse art online is the wide variety of artworks they can choose from; they have the opportunity to source special pieces due to the capability of the Internet to offer a wide range of works and comparative gallery prices. The research has shown that consumers who go online ‘do their homework’ when making art purchases and make accurate comparisons regarding what to buy and why. They find artworks that appeal to them, and explore all the options in choosing a piece that meets their needs. The South African market is adopting ecommerce at a rapid pace, with more and more consumers becoming comfortable with using online platforms to make purchases. This presents opportunities for businesses and brands especially as reported by Statistics South Africa (Central Statistical Service South Africa, 2014).

As a result, galleries and business need to keep up to date with their clients’ needs and offer new technological applications and systems that consumers demand. Clients want to search and find what they need with as little effort and time as possible; alternatively they simply give up on searching and abandon the website or shopping experience completely. Later in the section to follow there will be more elaboration on what consumers are demanding.

Another aspect of online consumer behaviour that the gallerists reported is that the older generation is typically more hesitant to buy goods over the Internet, specifically high-value products. They are often not as well informed or competent in working on advanced electronic platforms. The gallerists reported that the ‘young guys’ are starting to buy art, or if they have always done so, they are pioneers in going the online route, as they understand the environment and how it works.

Hawkins et al. (2004) approach modern-day consumer behaviour through a holistic analysis of buyers and the processes they use to interact, think, experience and execute reactions in

the purchasing process. The younger generation goes out of their way and explore every avenue in order to ensure optimal interaction with a website, experiencing the options and making purchases.

“The physical world is coming online as objects, devices, and machines acquire more digital intelligence. What’s emerging is more than just an ‘Internet of Things’; it is a new layer of connected intelligence that augments the actions of individuals, automates processes, and incorporates digitally empowered machines into our lives, increasing consumer insights into and control over the tangible world. Consumers become better informed and better equipped to influence the ways they experience everything around them” (Accenture Technology Vision, 2014:13). The modern-day consumer has thus developed a new skill set in working on online channels in order to find what they are looking for very quickly. As a result, gallery websites need to be responsive and up-to-date, otherwise younger buyers will perceive that the gallery has a bad reputation or poor legitimacy. Thus gallery owners need to cater for the younger generation by providing mobile applications, and advanced virtual galleries, for example.

The *level of involvement* refers to the perceived personal importance and interest evoked in the consumer in a purchase situation. This definition explores the fact that consumers make decisions about products based on their environment and the information available to them. (Solomon, Bamossy & Askegaard, 1999:99). Consumers like to follow or subscribe to new or existing gallery websites or e-mail databases and build a relationship with galleries in this way. Due to their keen interest in the industry, they can be kept informed about exciting events and obtain additional information on artists and the gallery, by means of blogs, newsletters and articles, besides simply a website. These are useful tools for gallery owners to use in building relationships with their clients and gathering potential new clients.

To summarise, consumers attribute a different value to a gallery that stays up-to-date and changes as technology or the industry change. Consumers can use the entire Internet to find what they are looking for, and are becoming much more educated than before. For this reason, gallery owners need to offer the best services and online tools. It is impossible to say that the gallery experience will be replaced entirely by the online experience, even if there are some businesses, including art businesses such as www.ugallery.com and www.pabloundpaul.de, which operate purely online. However, these galleries sell different, more affordable art internationally and have various innovative approaches to facilitate sales. Later in the chapter it will become clear that these online approaches are complex for a gallery to duplicate, which may be a reason why South African gallery owners are hesitant to invest in online sales approaches.

5.6 Purchase process and steps

Every consumer has a different approach to purchasing art; they buy in different ways and through various channels online and offline, as shown by the results from this research study. This section elaborates on the interpretations and recommendations drawn from the primary research and highlights key elements regarding the different kinds of consumers and the approaches they typically use when transacting online.

The gallery owners explained that they have a large database of customers who follow them habitually and subscribe to their mailing lists in order to stay up to date and keep informed about events at the respective galleries. From this information, it is clear that weekly or monthly newsletters are a useful tool in building relationships and trust, while keeping consumers informed about events. One could almost say that due to the relationship that can be built using this marketing element; it might even be possible to have an online gallery only. This is what some gallery owners such as Pablo and Paul and U-gallery are already doing. The clients who receive these electronic newsletters are already somewhat technologically competent, as they can read e-mails and follow links to find out more about the gallery and its events.

When studying the purchase process models identified in the literature review, the study considered Brown's (2008) model describing: 1.) Why do consumers make the purchases they make? 2.) What factors influence consumer purchases? and 3.) What are the effects of changing factors in our society? Kotler and Keller (2011) explains and elaborates on the stages that a consumer goes through when making complex purchasing decisions, such as in the case of commercial fine art. He identifies six stages, namely problem recognition, information search, evaluation of alternatives, purchase decision, making the purchase, and finally post purchase evaluation.

Similar to Kotler and Keller (2011), the VP 'Marketing on demand' model (2013) explains that the consumer might start the purchase hunt at any time, but is most likely to be prompted by a 'trigger', i.e. the awakening in the consumer of an initial need. The consumer then considers alternatives and starts to search for the desired product to fulfil their need. He or she makes a choice based on various attributes of the product, and then makes the decision to buy it. After making the purchase, they reflect on what made the experience positive (or otherwise).

The following sections elaborate on all three models and describe specific situations in which they are applied in the purchase process of actual consumers identified from the research, bearing in mind the particular gallery owners' perspectives.

5.6.1 Consumers identified from research

During the interviews with the respective gallery owners, various groups of consumers were identified and discussed. Typical consumer archetypes identified from the research included eight categories; the auction, online, impulse, discerning, gallery experience, overseas, 'slow', and investment consumer. It was interesting to note how the gallery owners clearly identified these different types of buyers during the interviews and elaborated on each one's behaviour and approach to buying commercial fine art.

The figure below (Figure 5.1) illustrates the proportion of various consumers identified from the gallerists perspective. Thus it highlights the various consumers identified and displays them according to gallerists perception of their presence in the market place..



Figure 5.1 'Consumers identified proportionally' developed by the researcher.

This section is some of the most valuable contributions to the field that was highlighted from the research carried out. The table (Table 5.1) below highlights each consumer identified and the issues to consider for each type.

Consumer identified:	Issues to consider:
Auction Consumer	The <i>auction</i> consumer typically buys only at auctions. They have an idea of what they want and will not consider an alternative, as they are intent on finding a bargain. They do not consider buying at a gallery directly, as they enjoy the 'rush' they get

	from auctions, as well as the actual auction event experience. This consumer will also follow online auctions and bid online to make sure they do not miss out on possible bargains. They are educated consumers who know what they are buying, and what it is worth. The financial risk is minimised as auction houses provide a certificate of originality and they are accredited due to the monopoly that they hold. There are only two big auction houses in South Africa, namely Stephan Welz and Co, and Strauss and Co.
Online Consumer	The <i>online</i> consumer enjoys new platforms such as mobile applications or innovative websites, and is less hesitant than other consumers to buy art online. These consumers build relationships and confidence in the gallery brand by following newsletters, social media such as Facebook, advertisements, magazines and so forth, to determine the gallery's reputability and credibility. The consumer may purposefully choose to buy through an online channel as they prefer less face-to-face contact and have all the information they need to make the purchase without incurring too much risk. They possibly are a more educated art consumer who know what they are buying,

	or it may simply be a low-value, low-risk purchase.
Impulse Consumer	The small group of <i>impulse</i> consumers who buy a product spur of the moment i.e. they see a piece of art when walking by a gallery, or they spot it online, and they make the decision to purchase it there and then. This type of consumer will buy the product even though they have limited information and interaction with the salesperson, but have decided that they want it, no matter what the implications are. This type of consumer is very rare.
Discerning Consumer	A large group of consumers is the <i>discerning</i> consumer category, and the respective gallery owners reported on them extensively. These consumers buy art when they know what they want. They start by finding out which gallery stocks the specific artist they like, they walk into the gallery or its online store to browse specific works by the artist, and then select an item to buy relatively easily. This consumer enjoys interaction and a personal relationship with respective gallery owners.. They appreciate receiving additional information from the owner or salesperson when they make the purchase, and the fact

	that they already like the item is an added advantage.
Gallery Experience Consumer	The majority of art consumers enjoy the <i>experience</i> of going into the gallery and seeing, touching, and sensing the artwork for themselves. They go to every new gallery launch, and subscribe to every possible blog or marketing channel in order to keep informed about new events or exhibitions. They might find a gallery that they are comfortable with and trust, and start to follow only this gallery and build a long-term relationship with the gallery and the owner. The consumer tends to become so loyal that he or she will insist on dealing only with the owner, as they believe this will elicit the best prices and service.
Overseas Consumer	The <i>overseas</i> consumer will buy an artwork because they have been to South Africa, or been in the particular gallery. There was an initial relationship established at the time and they will buy another piece of art from the same gallery online or from a distance. A smaller group of consumers will also buy online, even though they have never met the owner, but feel that they can trust the gallery and take a chance on the purchase. These purchases are typically of lower value, and

	may grow in value as trust is built with the gallery brand.
'Slow' Consumer	The '<i>slow</i>' consumer cannot decide what he or she wants to buy. These consumers are very slow at making decisions and usually want to think about the purchase for two or three days. They may even request the artwork on loan to hang in their home for a while before they make the decision to buy. The consumer is very cautious in their purchase decisions. They are unlikely to consider online purchases, unless there is a guarantee that they can return the artwork, or if the online facility allows the work to be delivered with payment following later after the purchase decision has been made.
Investment Consumer	The <i>investment</i> consumer buys art that he or she knows and has a lot of information about. They only buy from a reputable gallery or auction house, as their primary concern is to eliminate the risk of buying a fraudulent or fake artwork. This was a dominant theme across the board, in terms of how consumers buy investment art. This category buys for investment purposes, which means these artworks often have a

	high value and are expected to grow in value over time. This consumer has a high level of confidence in buying online and will take the risk of the purchase considering the reputation, legitimacy and credibility of the relevant seller, due to the desire to own the piece and make a return on the investment. In South Africa, art is still the only commodity where capital gains tax is not applicable, and therefore it is a lucrative purchase for investors (Invest Art, 2014:online).
--	--

Table 5.1 ‘Consumers identified and issues to consider’ developed by the researcher.

5.6.2. Other elements

There are also non-tangible elements that are important to consumers when making a purchase that are not covered in the above sections. The gallery owners reported that consumers and themselves sometimes have an inherent need for bargaining, negotiation, personal touch, and influences to make comparisons of other artworks and galleries. The consumer often makes comparisons online or offline to ensure they are making the right decision in their art purchase. They may also ask various gallery owners or experts about the purchase, in order to gather as much information as possible and to be certain about the purchase. This proves that there are sizeable amounts of thinking and comparisons made before an actual purchase is made online and offline.

The gallery owners reported that they have a massive influence in persuading and influencing a consumer to buy a piece of art. They have persuasion skills and desire interaction and the personal touch with their clients, in order to clinch a sale or even stretch their client’s budget to buy more than they originally planned. This would be very difficult to duplicate online, due to the non-tangible aspects mentioned above. The gallery owners were careful to clarify that even if they guide the consumer throughout the purchase process, the consumer ultimately makes the purchase decision him or herself.

Both the gallery owner and the consumer desire these non-tangible elements of personal interaction, as much as possible, and as often as possible. By cultivating this personal relationship, the owner has more influence on the budget and can influence what the consumer originally planned to buy. They can also build on the trust relationship to facilitate online sales in future, without much intervention from the owner or salesperson. Personal contact builds trust and loyalty like no other channel can. Once a sale has taken place, the client's details can be stored in a system so that he can be mailed if similar artworks become available. By cultivating a personal relationship and conversation, the gallery owners get to know their customers and their needs, and can almost predict what their next purchase might be especially for the online consumers who can be 'tracked' in their browsing and shopping behaviours.

The negotiation element, in which the owner offers a discount, often leads to a sale immediately. Again, both the consumer and the gallery owner enjoy the negotiation process, but this is difficult to duplicate online. The experience could be replicated online by having a sale and allowing, for example, 10% off certain artworks, or by having an online exhibition. However, building such functionality on the website will require expert design, programming and development, with associated costs.

Consumers enjoy events and exhibitions held by galleries, which forms part of the experience that encourages them to go to galleries and buy art there, instead of purely online. If one could create a similar ambiance or 'hype' online, clients could potentially start desiring these online experiences more than the physical gallery events. This could be achieved by offering online sales or auctions, different interactive online experiences such as virtual showrooms, as well as coupon codes or vouchers that would facilitate bargaining, negotiation, discounts, or feelings of added value.

The online experience is not the same as the physical in-gallery experience and therefore this section has elaborated on possible ways and recommendations on how to replicate the physical relationship to some degree online, and meet consumer demands by analysing their purchase processes.

5.7 Motivations

Pitzer from Alice Art Gallery said during the data collection phase: "Clients need motivation and convincing before they make a decision to buy a piece of art". Motivation is what 'moves' people, and is the driving force behind all human behaviour (Cant et al., 2006). Motivation occurs when a customer wants to satisfy a need that has arisen. This section elaborates on the motivations, both cognitive and learned, that consumers deem to be important, from the

perspective of the gallery owners, i.e. What factors will motivate art purchases and why do consumers buy art in general?

It is safe to assume that consumers shop for different reasons and that it is a very complicated task to pinpoint the reasons as to exactly why they buy artworks. Tauber (1972) claims that two main reasons drive consumers to shop, namely personal motives and social motives. The gallery owners' opinions regarding art purchases reflect this statement, in that consumers do in fact require some motivation when buying a piece of art. For example, it may be social motivation where the salesperson or gallery owner plays a role, or it may be a personal motive where other external factors such as ego, economy and peer pressure play a role in the sale. Social motives tend to be less prevalent than personal motives – as the study explains in the following examples.

Shiffman et al. (2008a) state that individuals collect information typically from their general surroundings or local environment, in order to make decisions. The findings in this study confirm Shiffman et al.'s (2008a) opinion, as the gallery owners reported that clients demand a pleasant atmosphere and ambiance, whether online or offline – they want to feel welcomed and be able to relax. Most consumers don't want to feel pressure to buy, as they enjoy the experience, which includes feelings of relaxation, enjoyment, amusement and excitement. These are all personal and social motivation factors as outlined by Tauber (1972).

Consumers can look at and browse artworks for hours online or in a gallery, trying to find something they like. Sometimes they simply like to look at beautiful artworks. The events and exhibitions hosted by a gallery create excitement for consumers, as they get the opportunity to meet new people and possibly even the artists who created the works they are interested in. Collecting and buying art becomes a hobby for such consumers. Consumers hence have a big need both personally and socially to browse online and satisfy needs of relaxation, enjoyment and amusement as outlined before.

Financial investment is often a strong motivator for buying art. The potential growth in value of a specific artwork drives the consumer to purchase it, with a view to gaining a financial return over the long term. Consumers can also be motivated by the decorative or aesthetic value that a piece of art can contribute to their home or workplace. Therefore the beauty of an artwork could motivate an art purchase, as can practical considerations such as space on walls, aesthetic nature of the work, suitability for the desired purpose etc.

The emotional aspect of buying art cannot be excluded as a motivator. There can be a special connection when a piece of art 'talks' to the consumer and evokes an intense desire to own it.

The consumer learns to develop their opinions from previous or current experiences (Solomon et al., 1999:65). They experience a 'feel good moment' that adds to his or her personal value when a good art purchase is made. The motivator may simply be a desire to own a piece of art that they just 'know' they need to have. It is often very difficult to duplicate these feelings or emotions in an online sale and for this reason the physical gallery compliments the sale and there is definitely still room for physical galleries to operate and have beautiful exhibitions and spaces.

Solomon et al. (1999) argue that the consumer's way of thinking cognitively is a result of their mental processes. Individuals are natural problem solvers and will employ as much effort as needed to solve a problem. Factors such as convenience, simplicity, and information contribute to a consumer's motivation for buying a piece of art, whether online or offline, as the gallery owners discussed. The more information, convenience and ease are prevalent in making the purchase, the more the consumer will be motivated to do so confidently and with little effort. If these factors are met, the consumer will be prone to make repeat purchases, and may even consider buying art online, as they will have all the information they need and will feel more competent in making an effective purchasing decision.

Viljoen (the owner of the Red Teapot gallery in Stellenbosch) highlighted a research finding of Solomon et al. (1999) that consumers may have different values and backgrounds in terms of art purchases, and may (or may not) have learnt during their upbringing about the value of art and why art is a good buy or investment. For example, if their family has invested in art, the chances are they may know something about the industry and have an appreciation for art, and thus be motivated to buy art more frequently themselves.

A significant motivator for consumers is to buy from a reputable gallery that offers after-sales service. The better the after-sales services the gallery can provide, the more likely the buyer will be to make the purchase. Consumers need after-sales services that include the following: a resale service for investments or artworks purchased, framing of artworks, hanging pieces in their house, doing valuations, educating consumers about art purchases, and assisting with any other issues or needs the consumer may have.

5.8 Website dimensions

Online art sales have the potential to increase, should the gallery owners consider enhancing their websites to better meet the needs of consumers. It is clear that the gallery owners desire change, but at the same time they realise that this comes at a cost: time and financial costs, which they are not sure are worth the possible return on investment. From the research findings we can conclude that the gallery owners are aware of certain basic demands in

respect of their websites that their consumers deem important. These website dimensions are discussed in this section.

5.8.1 Crucial dimensions

This section elaborates upon various minimum requirements from the gallerist perspective regarding crucial dimensions to improve their websites. Currently their websites are not up-to-date, or competitive on an international standard. The websites lack full descriptions of the artworks and 'tags' that will allow for effective searching to enable the consumer to easily find what they are looking for. It is clear that gallery owners need to appoint a website manager or administrator to maintain and update the website, but again, they are not sure that the monthly expense would justify the potential return on this investment.

The gallery owners mentioned that the stock in their galleries change fast and often works are sold online when they have already been sold in the gallery. This creates a 'duplicate sale' problem, as the website was not updated accordingly when the artwork was sold in the gallery. It is clear that there is a need for an integrated system where stock can be checked out or invoiced, and then be automatically removed from the website. Again, costs would be involved in developing and implementing such a system.

"Some art is more suitable for online selling" Viljoen stated in the focus group session held. He further explained that this is good for low-cost items, such as smaller artworks or the work of less popular artists. This highlights the opportunity for e-commerce in the art market. Developing an e-commerce platform can be done relatively easily, and the cost would not be prohibitive. Even if e-commerce transactions are available only for small, low-cost sales, it should prove a worthwhile investment.

The issue with *high-value, high-involvement* (Brown, 2008) artworks is that consumers typically desire face-to-face contact or a personal touch that builds on the trust relationship with the gallery. This is very difficult to duplicate online; however some suggestions to build on this can be made. A gallery's website could provide references and reviews from past credible buyers, whether they are organisations or individual clients, to build the reputation of the gallery. The website could also have endorsements from Stephan Welz – one of the largest auction house experts for South African fine art and Gordon Froud – a knowledgeable artists and academic in the art space, to build confidence in the website for the consumer. It would then be possible to evaluate a gallery's legitimacy and reputability by checking that the gallery is following current trends and the website is up-to-date to ensure satisfied consumers.

Providing quick and responsive service builds a positive image in the mind of the consumer; and he or she is then more likely to purchase artworks.

One problem identified by the gallery owners was credibility and how the consumer knows it is reputable and safe to purchase artworks online. In order to address this problem and duplicate the physical experience, the owner could include photos of the physical gallery and its address details, to show that it actually has a physical presence. This is one small factor that could build confidence and motivate the consumer to make high-value purchases online. The added services and benefits to the consumer that the gallery provides should be described on the website, such as hanging services, framing, education and additional information. All these dimensions will contribute to building trust and credibility.

The website further needs to offer security in the service they deliver, such as guarantees that give the consumer some peace of mind regarding delivery of the artwork. The gallery can offer insurance, and a good return or refund policy should the artwork arrive at the consumer's home and they find it is not exactly what they wanted. As always, service should be prompt and professional to meet the consumer needs in purchasing the artwork, as he or she is making a high-value purchase.

Further dimensions outlined by gallery owners that consumers demand as a minimum requirement for websites are high definition quality images of artworks, all the relevant information such as medium, size, availability, price, and a biography of the artist. The website should have sufficient capacity to load high-quality images and not 'hang' while the consumer is browsing, as this will lead to them abandoning the website or purchase process immediately. The gallery owners who participated in this research study still need to implement such features in their gallery websites.

Educating consumers is a significant feature that gallery owners want to implement on their websites. They suggested seminars on purchasing art, stories about artists as well as their biographies, and video tutorials on why and how to buy art. They could also educate the consumer regarding how to decide on a gallery to support and buy from. For example, it is important to buy from a reputable gallery brand that has been in business for a number of years; this will minimise risks should the consumer need to re-sell his or her investment artworks one day. The actual seller could effortlessly manage re-sales on an online channel without much intervention from the gallery.

The following dimensions are evident in the literature, although the gallery owners used slightly different terms. They insisted that a successful website should be enjoyable to use,

user friendly, easily accessible, self-intuitive, provide clear descriptions and information, and be easy to navigate and find what you are looking for using search filters. In other words, the online searching and buying process should be as streamlined as possible. This echoes the opinion of authors' Loiacono, Jones and Kim (2010), Soltani and Gharbi (2008), and Wang et al. (2010), who agree that these minimum website dimensions are important for success in the online sphere.

Loiacono, Jones and Kim (2010), and Lin (2007) also deem innovation and interactivity to be important dimensions for effective websites. Websites need to be innovative, creative and up-to-date with current trends and technology in order to draw in consumers and gain their attention from the beginning of their purchasing search.

Consumers' time is valuable and the most important commodity in modern-day life. Therefore they need to be engaged online and browsing different artworks should be easy and enjoyable, as if the gallery owner is spending time with them in the actual gallery. Consumers who visit the same webpages frequently want to have an option to see new artworks appearing first and the prices should be displayed alongside the pieces.

Because consumers' time is valuable it is important not to re-invent the wheel completely. There are certain standards accepted in e-commerce websites that should not be changed or altered for example the 'shopping basket' must be in the top right corner and the check-out process as simplified and uniform as possible.

The website can be interactive to some extent by having an online discussion or live chat with the owner or salesperson in the gallery, who could assist in the sale of the artwork online. Consumers desire the expertise and opinions of the gallery owner who has a large influence on purchases; thus online interaction with them could promote online sales significantly, especially of high-value artworks. Social media links and blogs will contribute to innovation and interaction, as a community can be created with followers having conversations about buying art and consumers growing in their education in the field.

The website should simply be another resource where a sale can be clinched in a simpler way than before, and without the consumer having to go out to the gallery. This does not mean, however, that business management and ownership become less intensive for the gallery owner, because any online e-commerce website is like running a regular business and requires time and effort to be successful. The owner will still need to exert hands-on effort and time to support and promote the online component of the business or gallery.

Another most important element that needs to be considered, as authors Gounaris, Dimitriadis and Stathakopoulos (2005) explain, is the security, trust and privacy concerns consumers have when purchasing art online, whether it is low or high-value artworks. Therefore it is of utmost importance for the e-commerce component to work well, and the endorser of the website to be worthy and identifiable. Once the purchaser has decided what they want, it should be easy to check out and make the payment. New technology allows for a one-click checkout system once the details of the consumer have been loaded. The checkout process is the most important section of the website and is a point of contact where trust can be broken completely if anything goes wrong.

The consumer desires the opportunity to bargain and negotiate, which is almost impossible in the online space; however suggestions can be made to allow more flexible payment terms, or sales or discount coupon codes can be offered in the checkout process. Another alternative would be an online auction system where the consumer could pick up a bargain and have a completely different experience to the physical gallery experience.

5.8.2 Suggestions informed by this research

This section presents some suggestions for a successful e-commerce art gallery website. It starts by highlighting the downside for gallery owners according to their opinions, and then follows with possible solutions as sourced from primary research that could be implemented.

The biggest challenge highlighted by the gallery owners is the excessive management and extra administration that would be required to keep the website up-to-date and running according to dimensions that are deemed important by their consumers. The second hurdle is the large financial and time costs associated with developing and maintaining a website at a high standard to meet consumers' minimum demands and to facilitate online sales. There is the initial fairly high cost of developing an e-commerce website to meet the required standards for selling high-value artworks online. The gallery would also need to employ someone with web development experience to manage, maintain and update the website. The third issue is that gallery owners have a misconception that it is easier to sell online than to have actual contact with a salesperson in the physical gallery. However, this is not the case as the owner needs to be just as involved and hands on in the online business – consumers still desire personal contact, a relationship with an expert, and they need to be convinced before they make a purchase.

An innovative suggestion to overcome the challenge of lack of contact could be a real-time auction to increase excitement and allow for bargaining. A virtual gallery is another possibility

to make the online experience more real and build trust among consumers – they could move through a 3D visual gallery in a game-like scenario under their own control. The consumer could create a virtual room where they can compare the artwork in their own space with furnishings, wall colours, windows and lighting next to a scale of a human to be able to gauge the size of the artwork. Skype conversations would also facilitate better online relationships and allow communication to flow. Providing online information and other educational resources is another key factor to address the challenges. Gallery owners need to see evidence of drastic change and momentum before they will consider investing large amounts of time and funding in such online approaches.

One cannot simply ignore the costs involved with respect to finance and time; however this study shows that the market for online art sales is gaining momentum and large international companies like Sotheby's and Strauss and Co are pursuing the online route again, as per an article in the New York Times entitled: 'Art makes a move online' (New York Times, 2014). Furthermore, these South African galleries already have 10% of their sales online; hence extra time and money invested in the website should yield benefits, either now or in the very near future. The attitudes of gallery owners need to change from simply having a website because they 'must', to actually wanting to have one in order to meet the needs of their consumers, build their brand reputation and grow business in the online space.

An individual uses their senses such as sight, taste and hearing, as well as logic, to make practical decisions. This affects the way consumers make meaning of something, how they receive, organise and interpret information in their minds, and select what they want to pay attention to, or not (Brown, 2008). Therefore consumers want to experience artworks with their senses before they make a purchasing decision. However, this research has shown that going online is not a priority for the selected gallery owners. They are satisfied with merely displaying their contact details and some artworks for sale on their website; as Pitzer concluded: *"it is an absolute miracle when clients do buy artworks online without seeing it or asking questions at all"*. She acknowledged that pure online sales do happen, which means that the market is changing and consumers are beginning to build confidence in online channels for purchasing art. A rather contradictory point of view; however she is in the process of developing a new and improved website that will soon be launched.

5.9 Research contributions and recommendations

This research has contributed insights into the growing online art industry. Due to new developments and businesses going online at a pace, the industry is now offering significant potential since its last attempts about 15 years ago, when Sotheby's entered the online market

and left shortly thereafter. Today's consumers seem to be more technologically competent and put more trust in new online developments than they did previously. It is now a matter of finding a way to meet the needs of these consumers and offer them the best online art purchasing experience. Owners of art galleries need to consider the obstacles they have identified and find ways to overcome them in order to meet the needs of today's consumers and exceed their expectations.

This research is relevant because it follows up on other research findings that the Internet is an important factor, along with various other dimensions, in explaining online consumer dynamics. The dimensions of a website include a gallery owner's perceptions of the website and consumer reactions to attributes such as information, entertainment, enjoyment, usability, transaction capabilities, and design aesthetics (Hyejeong & Niehm, 2009). Those authors deem all the factors mentioned to be important in facilitating economic transactions online, implying that good quality websites lead to increased sales. This study compared what the literature deems to be important in terms of website dimensions and what the gallery owners view as important, and suggestions have been made about how to overcome challenges in moving online.

A Sotheby's article, '*Art makes a move online*' (Rayburn, 2014) and Art Market trends (2011) state that there is an increase in online art sales and platforms being developed to facilitate them. Hence, there is a need to really understand why consumers are increasingly buying art or considering art purchases through online channels, and what motivates them to do so, as opposed to a physical in-store gallery experience. The findings of this study help to explain consumer thinking and learned experiences in buying high-value, high-involvement products online (Bruwer & Buller, 2013), particularly works of art. Although art is a rather unique product, this research could prove valuable to other fields such as the car sales and real estate markets.

Another contradiction to the phenomenon of increased online art sales is that there are many barriers to online sales or e-commerce platforms, such as lack of Internet access, not trusting online ordering, lack of a personal touch, having to wait for deliveries of products, risks, and privacy concerns (Shiffman et al., 2008b). Gallery owners in this study tend to agree with the prevalence of these barriers, and feel that there are still too many challenges to overcome before it would be fruitful to invest in the online channel.

Online channels provide a very easy to use and convenient way of trading, but seem to have neglected the client's personal, hidden, or intrinsic needs. Since the gallery owner does not want to lose this personal touch and relationship, they need to create different elements of

trust and credibility, such as having their sites endorsed by well-known experts, and building personal relationships in the online space.

This research has thus made a contribution by identifying a number of new needs of consumers and obstacles that need to be met by gallery owners. The website dimensions and results from the study provide guidelines for gallery owners and make suggestions for the future. Various website dimensions have been modified several times by theorists and researchers and they are still not sufficient; such dimensions need to be integrated with other online customer experience factors, which are not easily measured.

This study focused only on the perceptions of a small sample of gallery owners due to scope, economic and time constraints. The insights emerging from this study suggest avenues for future research that have not been considered here. Consumers of commercial fine art could be included as research participants to investigate their perspectives and opinions on the reasons for buying art online, how they buy, and important factors they consider when selecting a particular gallery brand and buying high-value original artworks online. Consumers could be asked to give their opinions on specific experiences with the gallery websites and recommendations they may have for the gallery owners. Organisation and industry experts such as Gordon Froud, Liza Essers and Linda Goodman, as well as experts from Stephan Welz and Co or Strauss and Co would all be valuable contributors to future research studies.

It is recommended that the study should be replicated in different nations to gain insight from the international arena and a broader sample of gallery owners. The study can also be replicated for different art forms, art niches, and art markets.

This section has acknowledged the limitations of this study and suggested directions for future research in the online art market and opportunities for brand and business development. Adopting a variety of different data collection and analysis methods over a broader sample, particularly including consumers will result in additional findings about how consumers perceive and analyse websites, and elucidate their thinking and behaviour in making art purchase decisions. It will be of utmost value to compare the findings of this study with others that may be conducted in the near future, in terms of what gallery owners deem important and think about the industry compared to the opinions of art consumers.

5.10 Conclusion

It can be concluded that the online art industry is in a process of transformation as the marketplace evolves. Gallery owners need to adapt and become pioneers in their field by tapping into these new possibilities and avenues for further profit. If gallery owners do not

change their online sales approaches soon, they will fall behind and lose a specific and large market segment, which could generate significant amounts of revenue for the gallery. It is of utmost importance for them to invest in developing their online spaces, in order to capitalise on the opportunities available currently to sell art online.

Even though there are several consumers who are comfortable with buying art online, there is still a large group who prefer to buy artworks in the physical gallery and have the 'full' experience. These consumers want personal interaction and a relationship with the gallery, as opposed to online consumers who have the confidence, ability and knowledge to make their own decisions about buying art online without much intervention from the gallery. They have done the needed research and eliminated possible risks to make the purchase.

Consumers have a capacity to learn and there is a need to understand their learning behaviour. Learning usually results in a permanent change in behaviour, as a result of previous experiences, past behaviour, and information obtained (Brown, 2008). For this reason, education is still a key element in the process of facilitating an online sale; consumers desire education and information, and therefore training videos, seminars and other platforms are essential for consumers to make wise decisions and accumulate the knowledge they need to buy online. The gallery will also benefit from training and educating their consumers about art purchases and in doing so, build trust, credibility and a positive reputation that they are leaders in the field.

The gallery owners feel that the art industry, specifically in the field of commercial fine art, is not yet ready to go online completely with advanced and sophisticated applications that will facilitate more sales. Furthermore, they feel the effort and the cost, including their time, in developing these possible fruitful profit avenues, will not be worth the possible return on investment.

Even though all the selected gallery owners have a high level of entrepreneurial flair and have an online brand presence to some degree, they all showed hesitation in investing in the online space – online sales are currently low and thus it has not been a priority. They sense that the online art sales industry needs to gain some momentum and provide more evidence before it can be considered a viable avenue for investment.

Another aspect that the owners all agreed with is that their clients still like to come into the physical galleries and meet them to experience the personal touch, relationship and trust that come from meeting the owner and seeing the artwork physically. The consumer prefers to see what they are actually buying and they enjoy a personal buying experience.

From the gallerist perspective, there are three misconceptions around consumer dynamics in the online space for commercial fine arts. These misconceptions are: the investment in building an e-commerce website brand is not worth the return; the channel is not trustworthy or credible; and the market segment who buys online is not yet ready for these kinds of purchases. This situation is clearly changing as Sotheby's and Strauss and Co plan to enter the online sales market, along with other pioneers such as Stephan Welz and Co who have also entered the market recently and have already had significant sales through their online platforms.

Marketing agencies build strategies based on their knowledge and the experiences that consumers demand, in order to duplicate the purchase situation in the online space (Schiffman et al., 2008a). So, art gallery owners need to move quickly, in order not to miss the chance to profit from a large pool of opportunity as the market grows and consumers become more educated and better equipped to make online purchasing decisions. In order to capture the potential of this attractive new market, art galleries must rapidly develop the skills and interactive online technologies required to serve the market with a completely collaborative, interactive and unique approach. Their approaches need to be ahead of competitors and still more innovative than what existing purely online galleries are doing to prove their brand credibility and seriousness about the online sales approach.

In conclusion, there is room for improvement for galleries and their brands to be more successful and drive online sales more effectively. The consumer dynamics for art purchasing online is much more complex and the criteria outlined present a set of guidelines that will assist in building effective online gallery brands.

Consumers' motivations and purchase processes and steps were also identified to analyse further what galleries can do to be innovative and meet different consumer profile needs in making a commercial fine art purchase.

References

Accenture Technology Vision. 2014. *Every business is a digital business: From digital disrupted to digitally disrupter*. [online] Available at: <http://www.accenture.com/microsite/it-technology-trends->

2014/Documents/TechVision/Downloads/Accenture_Technology_Vision_2014.pdf, p13
[Retrieved on 11 August 2014].

Ahmed, T., 2011, An empirical-based model for examining e-purchasing intention in electronic commerce at developing countries. *International Journal Of Academic Research*, 3, 3, pp. 683-688, Academic Search Premier, EBSCOhost, viewed 26 September 2014.

Alice Art Gallery. 2014. Home page. [online] Available at: <http://www.aliceart.co.za> [Retrieved on 16 May 2014].

Art Dealers Association of America (ADAA). 2012. *Collectors guide to working with art dealers*. New York: McCall Associates.

Adams, J., Khan, H.T.A., Raeside, R. & White, D. 2007:155-173. *Research methods for graduate business and social science students*. London: Sage.

Art Market Trends. 2011. *Mont-d'Or: Abode of chaos*. [online] Available at: http://imgpublic.artprice.com/pdf/trends2011_en.pdf [Retrieved on 24 April 2013].

Bayton, J. 1958. Motivation, cognition, learning: Basic factors in consumer behavior. *Journal of Marketing*, 22(3):282-289, American Marketing Association.

Brown, A. 2008. *What is consumer behavior?* Chapter 6 Class notes, Unpublished, University of Delaware. [online] Available at: <http://www.udel.edu/alex/chapt6.html> [Retrieved on 16 December, 2014: notes].

Bruwer, J. & Buller, C. 2013. Product involvement, brand loyalty, and country-of-origin brand preferences of Japanese wine consumers. *Journal of Wine Research*, 24(1):38-58. Academic Search Premier, EBSCOhost, viewed 6 October 2013.

Burrell, G. & Morgan, G. 2013. *Sociological paradigms and organizational analysis*. London: Heinemann. Ashgate Publishing Limited.

Cant, M., Brink, A. & Brijball, S. 2006. *Consumer behaviour*. International Edition, 1(1):106. Cape Town: Juta & Co. Ltd.

Cape Times. 2014. *Cape Town Partnership*. My Urban Heart - City of childhood dreams. [online] Available at: <http://www.capetownpartnership.co.za/2014/02/my-urban-heart-city-of-my-childhood-dreams/>. [Retrieved on 6 July 2014].

Central Statistical Service (2014). *Ecommerce*: The ecommerce boom is here and growing. Pretoria: Central Statistical Service.

Ciotti, G., 2013. Help Scout: The new 4Ps of marketing. [online] Available at: <http://www.helpscout.net/blog/new-4ps-of-marketing/> [Retrieved on 22 September 2014].

Clarke, I. & Flaherty, T. 2006. Marketing fine art on the Internet: issues and ideas. *International Journal of Non-profit and Voluntary Sector Marketing*, 7(2):146-160.

Cohen, L., Manion, L. & Morrison, K. 2000. *Research methods in education*. 5th ed. London. Routledge.

Dauriz, L., Michetti, A., Sandri, N., Zocchi, A. 2014. *Digital Luxury Experience: Keeping up with changing customers*. McKinsey & Company Inc. Italy.

Dictionary. 2014. "Post-purchase Evaluation", in Collinsdictionary.com. [online] Available at: <http://www.collinsdictionary.com/spellcheck/english/Post%2Bpurchase%2Bevaluation> [Retrieved on 18 June 2014].

Constantinides, E. 2004. Influencing the online consumer's behaviour: The web experience. *Internet Research*, 14(2):111-126.

Constantinides, E. 2002. The web-marketing mix model, e-commerce research and applications. *Elsevier Science*, 1(1):57-76.

Davies, S. 1991. Definitions of art. Ithaca: First art and Arts definitions. *Southern Journal of Philosophy*, 35:19-34. Cornell University Press.

Dictionary.com. 2014. "fine art", in Dictionary.com, unabridged. [online] Available at: <http://dictionary.reference.com> [Retrieved on 19 June 2014].

Fresen, J.W. 2014. Conceptual framework. [email] (Personal communication, 2 January 2014).

Gibson, R. 2012. *Generation Y: What aspect of 'Generation Y' interests you?* [online] Available at: <http://www.generationy.com/ryan-gibson/> [Retrieved on 22 September 2014].

Gounaris, S., Dimitriadis, S., & Stathakopoulos, V. 2005. Antecedents of perceived quality in the context of Internet retail stores. *Journal of Marketing Management*, 21(7):669-682.

Hatcher, E. ed. 1999. Art as Culture: An Introduction to the Anthropology of Art. *Journal of Anthropological research*, 56(3): 390-392. University of New Mexico.

Hawkins, D., Best, R. & Coney, K. 2004. *Consumer behaviour: Building marketing strategy*. New York: McGraw Hill-Irwin.

Hoffman, D.L., Novak, T.P. & Chatterjee, P. 1995. Commercial scenarios for the Web: opportunities and challenges. *Journal of Computer-Mediated Communication*, 1(3). [online] Available: <http://shum.huji.ac.il/jcmc/vol1/issue3/vol1no3.html> [Retrieved on 16 July, 2014].

Hyejeong, K. & Niehm, L. 2009. The impact of website quality on information quality, value, and loyalty intentions in apparel retailing. *Journal of Interactive Marketing*, 23(3):221-233. Business Source Premier, EBSCOhost, viewed 6 October 2013.

Internet Live Stats. 2014. Internet users: Internet users in the world. [online]. Available at: <http://www.internetlivestats.com/internet-users/> [Retrieved on 24 September 2014].

Invest Art. 2014. Home: Why art as an investment? [online]. Available at: <http://www.investart.co.za> [Retrieved on 15 May 2014].

iThemes. 2014. The e-commerce opportunity: How freelance developers can build e-commerce websites with Wordpress. [online]. Available at: http://ithemes.com/wp-content/uploads/downloads/2014/02/The_Ecommerce_Opportunity_eBook.pdf. [Retrieved on 12 August 2014].

Jensen, J. & Hansen, T. 2006. An empirical examination of brand loyalty. *Journal of Product and Brand Management*, 15(7):442-449. Business Source Premier, EBSCOhost, viewed 6 October 2013.

Joburg.org. 2014. *Travel: Gateway to Africa*. [online] Available at: http://www.joburg.org.za/index.php?option=com_content&task=view&id=392&Itemid=188 [Retrieved on 18 July, 2014].

Kaplon, M. 2013. The corporate route. *Art Business News*, pp. 56-58. Business Source Complete, EBSCOhost, viewed 11 March 2014.

Koenig, W. & Wigand, R. 2004. Globalization and E-commerce: Diffusion and impacts of the Internet and E-commerce in Germany. *I-Ways*, 27(3/4):197-227. Business Source Premier, EBSCOhost, viewed 6 October 2013.

Kotler, P., Keller, K., 2011. *Marketing management*. The 14th edition, New Delhi: Prentice-Hall of India Private Limited.

Lin, J. C. 2007. Online stickiness: Its antecedents and effect on purchasing intention. *Behaviour and Information Technology* 26(6):507-516. Business Source Premier. Web. 6 Oct. 2013.

Loiacono, C., Jones, S. & Kim, N. 2010. Online apparel shopping intention. *International Journal of Consumer Studies* 34:627–637.

Maignan, I. & Lukas, B. 1997. The nature and social uses of the Internet: A qualitative approach. *Journal of Consumer Affairs*, 31(2):346. Academic Search Premier, EBSCOhost, viewed 6 October 2013.

Maslow, A. H. 1943. A theory of human motivation, *Psychological Review*, 50(4):370-96. [online] Available at: <http://psychclassics.yorku.ca/Maslow/motivation.htm> [Retrieved on 12 June 2014].

Miller, G. 2012. *Upstream Commerce – The retail intelligence company*. Eight reasons consumers shop online. [online] Available at: <http://upstreamcommerce.com/blog/2012/02/14/8-reasons-consumer-likes-shop-online> [Retrieved on 22 September 2014].

Moe, W. W. 2003. Buying, searching, or browsing: Differentiating between online shoppers using in-store navigational clickstream. *Journal of Consumer*, 13(1/2):29. Academic Search Premier, EBSCOhost, viewed 6 October 2013.

Molesworth, M. & Suortfi, J. 2002. Buying cars online: The adoption of the Web for high-involvement, high-cost purchases. *Journal of Consumer Behaviour*, 2(2):155. Business Source Premier, EBSCOhost, viewed 30 July 2013.

Murphy, J., Forrest, E., Wotring, C.E., & Brymer, R. 1996. Hotel management and marketing on the Internet: An analysis of sites and features, *Cornell Hotel and Restaurants Administration Quarterly*, 37(3):70-82.

Novitz, D. 1996. Disputes about art. *Journal of Aesthetics and Art Criticism* 54(2):96.

Nsairi, Z. & Khadraoui, M. 2013. Website satisfaction: Determinants and consequences on website loyalty. *International Business Research*, 6(9):77-92. Business Source Premier, EBSCOhost, viewed 6 October 2013.

O'Donnell, B. 2012. *Living with art: Contemporary art vs modern art*. [online] Available at: <http://www.artisticallyconnected.com/contemporary-art-vs-modern-art-whats-the-difference/> [Retrieved on 16 December 2013].

Osnat Fine Art. 2014. *Original paintings and abstract art: Decorative art*. [online] Available at: <http://www.osnatfineart.com/articles/decorative-art.php> [Retrieved on 10 June 2104].

Pablo & Paul. 2014. Home Page. [online] Available at: <http://www.pabloundpaul.de> [Retrieved on 15 September 2014].

Parasuraman, A., Zeithaml, V. & Malhotra, A. 2005. E-S-Qual: A multiple-item scale for assessing electronic service quality. *Journal of Service Research*, 7(3):213-233.

Parsons, R. D., & Kimberlee, S. B. 2002. *Teacher as reflective practitioner and action researcher*. Belmont. Calif: Wadsworth/Thomson Learning.

Reyburn, S. 2014. *International Arts: Art makes a move online*. [online]. Available at: http://www.nytimes.com/2014/05/19/arts/international/Art-Makes-a-Move-Online.html?_r=1&referrer= [Retrieved on 21 May 2014].

Schiffman, L. & Kanuk, L. 2004. *Consumer behaviour*. 8th ed. New Jersey: Pearson Prentice Hall.

Schiffman, L., Bednall, D., O'Cass, A., Paladino, A., Ward, S. & Kanuk, L. 2008a. *Consumer behavior*. 4th ed. Pearson Education Australia, 196, 664 p.

Schiffman, L., Lazar, L., Hansen, H. 2008b. *Consumer behaviour: A European outlook*. 1st ed. Harlow, UK: Pearson Education Limited.

Smith, C.B. & McLaughlin, M.L. 1996. *Art for sale: Commercial art galleries on the World Wide Web*. Paper presented at the International Communication Association, Chicago, IL, 16 May 1996, 3(1).

Solomon, M., Bamossy, G. & Askegaard, S. 1999. *Consumer behaviour: A European perspective*. 4th ed. New Jersey: Prentice Hall Inc., 589 p.

Soltani, I. & Gharbi, J. 2008. Determinants and consequences of the website perceived value. *Journal of Internet Banking & Commerce*, 13(1):1-13. Business Source Premier, EBSCOhost, viewed 6 October 2013.

Strauss Online. 2014. *Fine art auctioneers and consultants*. [online] Available at: <http://www.straussart.co.za/straussonline/> [Retrieved on 9 August 2014].

Tauber, E. M. 1972. Why do people shop? *Journal of Marketing*, 36:46-49.

The Art Story. 2014. *Your guide to modern art: Synopsis*. [online] Available at: <http://www.theartstory.org/movement-conceptual-art.htm> [Retrieved on 10 June 2014].

Understanding buyer behaviour. 2012. [online] Chapter 4. Available at: http://www.saylor.org/site/wp-content/uploads/2012/12/BUS203-3.2_Understanding-buyer-behaviour.pdf [Retrieved on 16 December 2013].

Vogel, C. & Isaac, M. 2014. *A Warhol with your moose head? Sotheby's teams with e-bay*, New York Times, 14 July 2014, [online] Available at: http://www.nytimes.com/2014/07/14/arts/design/with-ebay-partnership-sothebys-extends-potential-reach-by-145-million.html?_r=1 [Retrieved on 8 August 2014].

Copyright 2008 Voloper Creations Inc. E-commerce white paper: 10 Barriers to e-commerce and their solutions. Ontagio. Canada. [online]. Available at: http://www.voloper.com/documents/white-papers/ecommerce_white_paper.pdf [Retrieved on 16 September 2014].

Vithal, R. & Jansen, J. 2010. Designing your first research proposal: A manual for researchers in education and the social sciences. Cape Town: Juta.

VP Marketing on demand. 2013. *The essentials of marketing: Buyer behaviour model*. [online] Available at: <http://www.marketingproblueprints.com/the-buyer-behaviour-model-in-demand-creation-planning/> [Retrieved on 16 December 2013].

Wang, Y., Hernandez, M. & Minor, M. 2010. Web aesthetics effects on perceived online service quality and satisfaction in an e-tail environment: The moderating role of the purchase task. *Journal of Business Research*, 63(9/10):935-942. Business Source Premier, EBSCOhost, viewed 6 October 2013.

Wen, J. W., Chen, H., & Hwang, H., 2001. E-commerce website design: Strategies and models. *Information management and computer security*, (9/1):5-12.

Zikmund, W.G. & Babin, B.J. 2007. *Exploring Marketing Research*. International Edition. USA: Mason OH. Thomson Southern Western Cengage Learning Marketing Association.

Appendices and supplements

Appendix A:

Interview guideline for focus group and in-depth interviews with gallery owners.

Appendix B:

Interview guideline for telephone interview with Philipp Bode.

Appendix C:

Letters of consent signed by each respondent to use their names and data in the dissertation.

Supplements:

Collection of audio data recorded during interviews. (Available on request)

Scribe notes of important things said during interviews and focus group. (Available on request)

Appendix A: In-depth personal interview and focus group guideline

Introduction

- Who am I and why the study is being done?
- Explain why is the respondent is a good fit to complete the study?

Consumer dynamics

- Background, how long, a little bit about yourself and the gallery, experience?
- Do you have a gallery website or any online presence or activity?
- Is there a need for e-commerce components to gallery websites in general?
- When did you start online presence?
- Is there marketing budget and how do you promote for the online activities?
- What are the current trends and technologies online for the art industry?
Opinions on the current online art environment? What does the future hold esp for SA and sales for art online?
- Average gallery vs online sales in rand value approximately?

Purchase process and steps

- How would you describe the approach or process your clients use to buy art online typically?
- Do they have different approaches for if they were to buy online to offline, explain? Does different consumers buy different ways?
- How important is relationship, face to face contact, bargaining, negotiation and interaction to you or the client in clinching a sale VS a relatively impersonal sale online? Can this relationship be duplicated in some ways on the Internet, any suggestions?
- How much influence do you as a owner or salesman have on the consumers decision to buy a piece of art they showed some interest in? Can you influence online?

Cognitive and Learned motivations

- What motivates the consumer to buy from your gallery either online vs offline? Why?
- What is the consumer thinking about or considering when buying art online vs offline? Replication?
- Why do consumers purchase artworks generally online vs offline?
- What channels do consumers prefer to buy through generally; artist, auctions, galleries? Loyalty?
- Is there room for improvement in your online sales desires or approaches?
- Why and how would you suggest this is possible?

Website dimensions

- What is your experience and opinions regarding consumers interacting with your website?
- What do they think of your website and does it meet all their needs, why?
- Would they easily switch to buying art through your website versus the gallery experience?
- How can you make the online buying and interaction experience better, to lead to more sales and build your gallery brand both online and offline?
- What would you suggest is the most important dimension for an online art website to be effective and to create or facilitate sales? Explain as far as possible?

Appendix B: Telephone interview guideline with Bode

Introduction

- Who am I and why the study is being done?
- Explain why is the respondent is a good fit to complete the study? Due to his experience in the online space and managing a platform for over a year now – coming from the opposite side and planning on opening a physical gallery space soon.

Questions

- What is your experience and background into the art industry? How did it all start and where did the idea come from?
- Typically, what kind or type of art do you sell online most frequently? Would you be comfortable by sharing the financial average of value in sales per month?
- What are typical responses you get from clients who buy online, do they buy easily, do they ask questions, what factors do they consider? Are there sales without any intervention or communication from your side?
- Would you say you get different types of buyers as well, or is it a purely online buyer who follows the same steps with every transaction? What steps or processes do your buyers follow in their online purchases? Where do they start?
- What have you done to make your website as user friendly and navigable to meet your clients needs and to facilitate these online sales more frequently?

Argument from findings

The SA gallery owners had a lot of 'yes, buts' in that they agreed online is the future, so basically why or what are the reasons that galleries are not online in full swing e-commerce websites?

Bode what would you say about these comments? How would you agree or disagree with these:

- They had a large hesitation to invest in online developments. It is a large capital outlay to get the website working properly and on top of that to keep stock updated with the actual gallery.
- Almost all of them had negative comments and distrust towards the online platform.
- Their market is not yet ready to buy original art online.

The consumers prefer the in store gallery experience to see and know what they are buying.

Appendix C: Letters of consent for research conducted

Supplements and letters of consent: (Available on request)