

The Interview Edition

The Armory Show Week 2007

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Interview with Katelijne De Backer

Interview with Katelijne De Backer, director of the Armory Show in New York. Interview: Marek Claassen, Artfacts.Net. A cooperation between Artfacts.Net and VernissageTV. Transcript by Artfacts.Net.

Video of the interview available at http://vernissage.tv/blog/2007/03/01/interview-with-katelijne-de-backer-the-armory-show/ --

AFN/VernissageTV: This is the 7th time you organise the Armory Show. In numerology, the seven is a special number. In the Bible, there is a saying about the seven good and seven bad years. If you look back and forth, what do you think: are the good years still to come?

De Backer: In the past seven years, I have seen the fair grow in attendance, sale figures, importance, and I think we will just continue that trend.

AFN/VernissageTV: So this old Bible saying doesn't mean anything to you? It is just an approach tendency?

De Backer: I think so. Yes.

AFN/VernissageTV: In a recent article, the New York Times regretted the absence of Colin de Land, one of the founder of the Armory Show. They said that a certain consciousness - they labelled it "underground" - went with him. Reading that, I immediately thought of the music business that you are familiar with. You worked for MTV Europe and did some quite famous alternative shows. By the way, are they still on?

De Backer: "Alternative nation" is still on. "120 minutes" - I don't think that it's still on.

AFN/VernissageTV: How this market, the music business, developed and concentrated during the last decades, do you see similar trends like the loss of underground in favour of a highly professional management for the contemporary art market?

De Backer: Well, first of all, I think at the end of the article in the New York Times, it is also said that Colin de Land would approve. Colin was the one who hired me, and with the Gramercy, there was some kind of bohemian, alternative style, but he was the force of making that in a more professional, organized way, and that's why he hired me. So that's what I did. And I think that spirit is still here.

AFN/VernissageTV: So the old Rock'n'Roll-spirit is still there...

De Backer: ...but maybe in a more organized way.

AFN/VernissageTV: When we go back to the music business, there is a high concentration in this market. Do you see that in the art market as well? I mean I looked at some figures and noticed that 50 % of the galleries attending this fair have been at the Frieze or in Basel or Miami or at all three of these fairs.

De Backer: Last year after the fair, we sat together with our selection committee, and they said: "You know with all these art fairs, we always see the same galleries. So let's stir things up, and let's accept more new galleries." In previous years, we had about 20 % new galleries; this year, we have 25 %. So when they had two galleries that they considered equally strong, they preferably picked the new one, and I think that's also in the spirit of Colin de Land. He would have done the same.

AFN/VernissageTV: Alright, that's interesting! But to come back to the question: You don't think that it's a loss for the art world - I mean concentration, management skills, etc.?

De Backer: When something grows - and that's the same for the music industry - you just try to become a little bit more professional, but at the same time, to keep the spirit of the original idea. That's what we are trying to do when we are having an artist doing all the art for the fair each year. This year, it is Pipilotti Rist. We could just go with a standard logo, and just have a designer work on the Armory Show. No, each year, we reinvent our logo, and we work together with the artist.

AFN/VernissageTV: So the underground spirit is still there, and professionalism is just for organizational purposes.

De Backer: Yes, because people also wanted to be easier although Gramercy had its charm. All these people in one elevator, and the elevator breaks down, that's fun. But if you do that again and again to people, they will say "No, we want it smooth", and it needs to be organized.

AFN/VernissageTV: We now come to another quotation in an interview with the magazine ARTE AL DIA. You have been asked about your personal taste in art, and you have refused to answer because of your profession. On the one hand, you do not stop to mention the buzz-word "quality". Can you tell us the difference between "personal taste" and "quality in art"?

De Backer: That's a difficult question. When I don't want to talk about my personal preferences, it's because I don't think that it would be very appropriate in my position. If I said "this is my favorite painting", then another

gallery would ask "why didn't you pick a painting from our selection?". Galleries are still my clients, so I can't do that.

AFN/VernissageTV: On the one hand, you have a personal view on things, and you don't want to disturb the professional atmosphere at the fair, but on the other hand, you say that the Armory Show is a fair where you see high-quality art, the highest quality...

De Backer: Yes, well, first of all, I am not an art critic. So I am not going to give an opinion; I just completely go by personal taste. I leave the quality issue to our selection committee. They do the selection of the galleries, and they look at what is quality. We all know that art is something very subjective, but I think that our selection committee is qualified enough to make that judgement.

AFN/VernissageTV: Ok, the judgement comes from qualified persons who have a long history of experience, and they have seen a lot of things. So it's the viewing experience and the market experience of the professionals - that's what you mean when you talk about quality.

De Backer: Yes, that's correct.

AFN/VernissageTV: So the meaning of quality is also the excellence of an object, and therefore this object has a certain value to some persons. If you - for instance - imagined a fire fighter or some other state employee who wants to spend all his savings from his

lifelong work in the Armory Show, for contemporary art, and if you got to know this, would you stop him?

De Backer: If he had the choice to buy an SUV or a work of art, I would encourage him to buy the work of art.

AFN/VernissageTV: Ok, but if he otherwise needs the money, would it be a good investment?

De Backer: That's up to him. I'm not going to make a decision for him on how he has to spend his money. If he had decided to spend that amount of money, I would say yes. If you want to spend it on something, then rather come here than buy a SUV or a yacht or a holiday trip to the Bahamas... Now I'm going to have the tourist board of the Bahamas against me...

AFN/VernissageTV: [laughs] No, I'm sure that they like art, too... The name of the fair "the Armory Show" refers to the international exhibition of modern art that opened in New York City's 69th regiment Armory on February 17 in 1913, almost 100 years ago. About the show, President Theodore Roosevelt said "That's not art!", and I think he meant the nudist descending the staircase by Duchamp, and nowadays, Mayor Michael Bloomberg opens this show and points out the numbers serving this city, produced by the Armory Show. What would you say, why is there such a great acceptance of contemporary art?

De Backer: I don't know why, but I think it's a great thing. Yesterday, we had queues like three, four blocks outside. We can really be happy that so many people are interested in contemporary art or in art in general. It's very positive that creativity is applauded by the public.

AFN/VernissageTV: Yes, but it was so different before, like in the 60s or so. We don't have scandals anymore.

De Backer: People are still trying, I think. But I don't think that there is a work here that people will consider as a scandal.

AFN/VernissageTV: Because creativity is appreciated, like you said.

De Backer: Yes, that's what it is. And it's a good thing.

AFN/VernissageTV: This acceptance leads us to another point: the market and the competition. In the primary art market, the gallery market, the art fairs established in the last 30 years a new and very powerful platform to distribute art. Due to the globalization, we now face a new type of vendor: the art fair. We could extract three major strategies of gaining sustainable success for art fairs: Strategy A) is the city marketing which means playing out the card of the location - to name Basel, London, Berlin; with their piggyback fairs and those sort of things; and B) the range of articles on sale which means offering related

collectibles around the contemporary art - to name TEFAF in Maastricht where you can buy armory, modern art, old art, diamonds, so any kind of collectibles -; or C) both - to name FIAC in Paris and Art Basel in Miami where they show contemporary art, design and modern art. So when you look at these three strategies, which one do you prefer?

De Backer: What we have is New York City. It's a combination of the three, I think. New York City is still the Capital of art: We have the best art institutions, many collectors who live here, 500 or even more galleries are here, artists live here... What we try to do with the fair is just to bring them all together and work together with them. So when a collector decides to come to the Armory Show, it's not just coming to the fair, looking at the art, it's also seeing all the other components that make the fair what it is. So the city does play a big role, but the other components as well.

AFN/VernissageTV: But when I look at the other fairs, you coordinate the opening with the RDA, the Art Show...

De Backer: I think it's good as long as the other fairs exist for a certain reason, that they have their own niche. I love DIVA because it's digital and video art, so it's not just "let's do another fair and accept all the galleries that were not accepted in the Armory Show". But for example, the LA-Art Fair is a good idea, because again they offer something extra for the people who come to town or who live here.

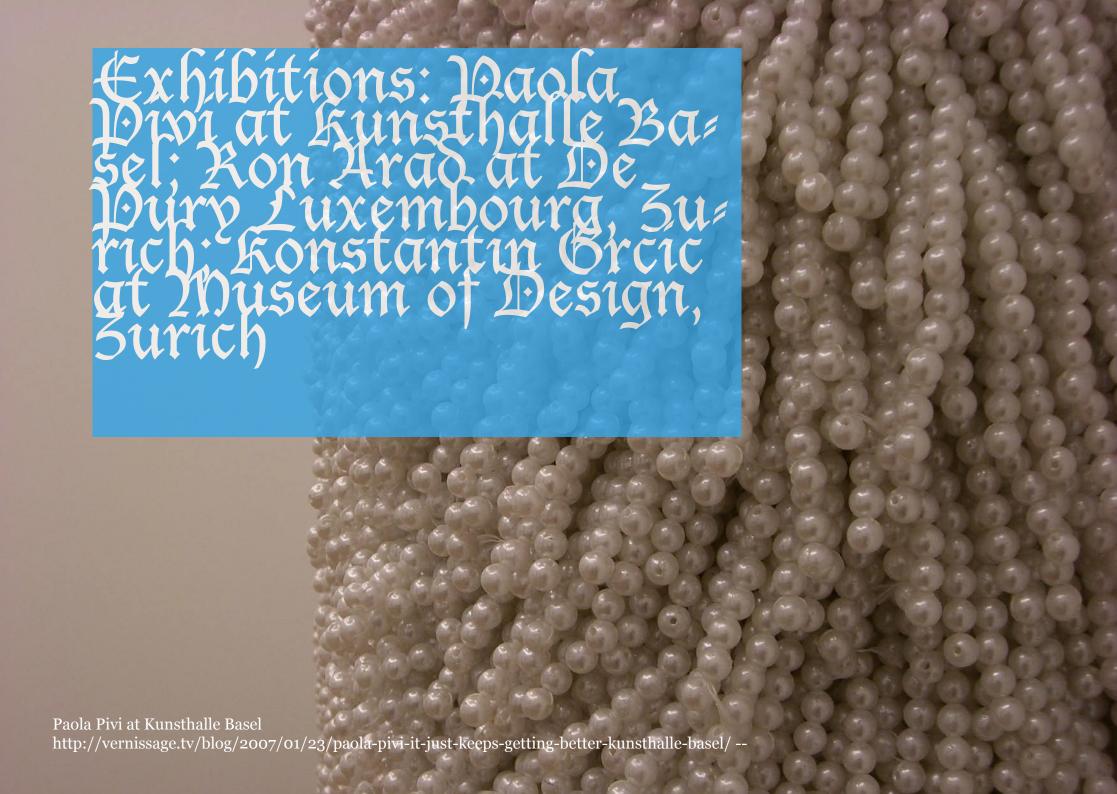
AFN/VernissageTV: I heard that all in all, there are 300 openings here, and we have around 350 or 400 galleries in all the fairs. It can compete with Miami where there are around 700 galleries.

De Backer: But the thing is that we don't have to bring anything to New York City. It's all already here, the galleries, the collectors who live here are here... So we just have to pick up the phone, call them and make sure that we are in sync, that they do something during this week; and that's all we have to do. We don't have to "fabricate" something, it's here. And I think we only scratch the surface, there is even more that we can work with...

AFN/VernissageTV: So besides all these tough questions, we see hundreds of people queuing. That's a great achievement. With your work you catapulted the Armory Show right next the other world-famous fairs, even by reducing the number of galleries. "Less is more" is a great motto in architecture, design, art and music. So what are your plans for 2008?

De Backer: 2008 is going to be our 10th anniversary as the Armory Show and our 15th anniversary if you add the Gramercy with it. That's the big thing. I don't know yet what we are going to do but it will be something special.

AFN/VernissageTV: I can't wait. So we'll see again next year! Katelijne De Backer, thank you for the interview.











Interview with Thierry Ehrmann

Interview with Thierry Ehrmann, founder and CEO of www.artprice.com. Interview: Marek Claassen, Artfacts.Net. A cooperation between Artfacts.Net and VernissageTV. Transcript by Artfacts.Net.

Video of the interview available at http://vernissage.tv/blog/2007/02/15/artpricecom-interview-with-thierry-ehrmann-part-14/ --

AFN/VernissageTV: This is an Artfacts.Net and VernissageTV interview with Thierry Ehrmann, founder and CEO of www.artprice. com Hello Mr. Ehrmann.

It is said that you received your IT merits by providing services for "minitel", the successful french videotex system, and then moved on to operate databases for juridical and art market information. As far as we know you studied law and theology, how is the connection to IT?

Thierry Ehrmann: First of all, I think that the Internet is a unique adventure in the history of mankind. You were talking about theology: the

Internet could be understood as a metaphor of the divine; if not even as the divine itself. We are pioneers of the Internet; we started in 1987, when we were only 50,000 in the world. This was at the very beginning of the Internet; the World Wide Web did not yet exist. I think that the Internet is both an economic and a spiritual adventure. It also links to juridical knowledge, because it draws new borders, and redefines the global village of McLuhan.

So, there is this reflection on the one hand, and on the other, it is an ensemble that organizes the knowledge of mankind; we are industrialists of knowledge, we organise knowledge, and the Internet allows us to penetrate the deep layers and to pass on this knowledge. It is a bit as if the myth of Alexandria's Great Library was reborn.

AFN/VernissageTV: So there is a spiritual dimension as well... But what is the connection to the Minitel?

Thierry Ehrmann: Minitel is the ancestor of the Internet, it was a vision we had in Europe about a central server and millions of small terminals - much simpler than PCs - allowing to access knowledge in a very simple way. It was exactly the same path. And often our American friends tell us "it is extraordinary: you foretold the story of the Internet, 20 years in advance".

AFN/VernissageTV: www.artprice.com was founded 1997 and is, in comparison to the other known auction price databases, relatively young. Can you tell us, why you decided to enter this competitive market?

Thierry Ehrmann: The question is simple. The Server Group, of all time, has been looking for global markets, and we got very quickly interested in the art market. The Internet is global, and the art market is the oldest market in the world. And this specific market needed information, a certain transparency.

Artprice is a great adventure. We acquired around thirty documentary-collections companies from all around the world. We wanted to embrace the whole time period from the 17th century to these days, and it was really an exhausting work we had to do: looking at these hundreds of thousands of manuscripts and catalogues, we normalized, standardized the art market. We had to manage almost one million biographies, around ten million art works and to extract from the documents the meaning, the story, of each of them. This is the reason why we went to buy knowledge in the United States, in France, in Switzerland, in Germany, etc. And the purchase of these great documentary collections - among other things, collection inventories - made it possible to constitute the greatest database in the world. We travelled the world for six years in order to collect this old knowledge of several

centuries. About 40 to 50 million had to be invested in this mission.

AFN/VernissageTV: www.artprice.com is said to be the greatest auction database with the most comprehensive econometrical tools, but it is also mentioned in reviews that it lacks images. We've heard that this is due to copyright restrictions in France. First of all we would like to know if you think this is a problem and, if yes, did you ever thought of leaving the country to operate more freely?

Thierry Ehrmann: First of all, the picture problem. I teach copyright law in France, so I know the problem very well. By the way, it is not only a French problem, but also a European one and an American one. Copyright issues in the US are very similar to those we face here. It is now clear that the American legislator, just like the European, is thinking about a change of copyright laws in regard to the Internet. We would have the capacity - if necessary - to move to the United States or to another European country if there was a favorable legislation regarding the use of pictures. But these days, no North-American or European country agrees to the use of pictures without preliminary copyright agreement.

Copyright enables all the beneficiaries in the world to survive; no gallerist, no artist would agree to give away his copyright for free. The problem is almost the same everywhere in the world. This is why the art world should get together in order to define new global rules of copyright with regard to the Internet.

AFN/VernissageTV: But do you try to tackle this issue by contending with the European Union, which is said to be so strict in comparison to the United States?

Thierry Ehrmann: The Server Group is present in the whole world, and there would be no problem to change the location if necessary. But the copyright problem is not fundamentally different anywhere else.

I think that the European community is, among others, looking into this issue, and this year, we might even be positively surprised.

AFN/VernissageTV: www.artprice.com is one of the most visible web sites for art information, it is indexed in google.news; lots of www.artprice.com charts are printed in newspapers and journals; www.artprice. com is the only auction price database that offers an affiliate program and in the end has a very competitive pricing. What role does marketing play for you to professionally conduct business?

Thierry Ehrmann: Marketing is essential. Until now, the art market was made up of initiates, of "insiders" and their victims. Nowadays, anybody can enter a gallery with a www. artprice.com-subscription and benefit from a sum of information that we did not have at all 20 years ago. There is a real revolution going on in the history of art: people who do not nec-

essarily possess a big fortune, but who want to start [collecting], can now enter a gallery with an incredible sum of information at their disposal.

The pricing of subscriptions is very important for us. Furthermore, in the competition, we also use Google with whom we are partners in order to be mentioned in both Google News and Google. We have permanently between four and five million indexations, and this is very important. We have machine rooms which are exclusively dedicated to Google.

AFN/VernissageTV: So the subscription pricing is very important in order to guarantee the access to the art market and of its opening.

Thierry Ehrmann: Absolutely, it is very important.

AFN/VernissageTV: And marketing is the tool to make this service known to the largest number?

Thierry Ehrmann: We have to take into consideration that the art market has gone through a revolution. In the post-war years, there were 500,000 collectors, and now we are dealing with 50 million nascent hard-consumer. So the art market - in opposition to what could be expected - is not experiencing a time of speculation. But there is a growing number of buyers. From 1990 to date, the number of buyers in the whole world was multiplied by twelve.

With this in mind, we needed to "conjoin" with our market; and the technique is all about slowly lowering the prices so that everybody, even the simplest people, can access the information we offer about the art market.

AFN/VernissageTV: The pricing and the marketing thus contribute to the democratization and the opening of the market.

But talking about marketing: Most of your competitors actively try to be physically present at art events throughout the world. Mostly to seek advertising partners among the galleries at art fairs. In the last year you've introduced a shop system for dealers where they can advertise their stock. Why do you restrict your marketing purely to media presence? Why don't you try to find clients on the fairs?

Thierry Ehrmann: There are two aspects. First of all, indeed, we want to be closer to our clients. We will be present at the great international meetings. We'd rather go to biennials for example; rather than contemporary art fairs. These days, we prefer to be the patron of biennials because of the absence of commerce and because of their original vision.

It is true that on the other hand, we have a very powerful marketing on the Internet, but we are going to orientate more and more in the direction of fairs and salons which still represent another vision of the art market. It is a natural evolution. In the course of the last five years, there has been an explosion in the number of fairs and exhibitions in the world.

We will follow this movement, but we will not forget that the world is big; and that in the last year, www.artprice.com had 18 billion requests on its "artists" databank; so if you are already in the Internet, you will need a presence in all the search engines. And we have teams for this, engineers who, day and night, ensure our presence so that everybody has access to the latest information in every second, no matter where he finds himself on this planet.

AFN/VernissageTV: The classic business model for auction databases is to sell access. Lately we've seen web sites providing access to auction results free of charge. This is due to the auction houses' aggressive marketing policy to publish sales announcements and results online and offering third parties free access to their digital data. How do you cope with this development and do you see a future for subscription-based content?

Thierry Ehrmann: We work with more than 2,900 auction houses, auctioneers. We know-and have known for practically 200 years - that the difficulty for auction houses consists in the fact that they never managed to work together. There are very few associations of auctioneers; each of these has a lot of personality and does not manage to fusion with another. We have a global consolidation of information where we add layers of intelligence, of research and of

historians dealing with this information.

The fact that Christie's or Sotheby's put their results online does not cause us any problems. If someone is looking for an artist, for economic, scientific or historic information about this artist, it is not their sale results that will cause us problems. They can go on. I really do not imagine the 2,900 auction houses working together at one unique database. This is how it's been historically. We are lucky that the auction houses have so much character and temperament, so that they do not manage to form an association.

AFN/VernissageTV: The sale of organized data and econometric analysis etc remains consequently your domain.

Thierry Ehrmann: Yes. And the value we add [compared to the raw data of the individual auction houses] is a thorough coverage of the market, organized and presented in a useful way for the collectors.

AFN/VernissageTV: By implementing an interactive store system for art dealers and collectors you transformed www.artprice.com from an information platform into a market place. Do you have future plans to enhance the possibilities of transaction for market participants?

Thierry Ehrmann: Yes, absolutely. According to the figures of the French government, www. artprice.com has realized a turnover of one billion three hundred thousand Euro in 2005. For 2006, we probably went up to a billion seven hundred thousand Euro. It is obvious that, since we have a market platform with such volumes, the intelligence and the perspective of economic thinking leads - one way or another - to a situation where deals are closed at www. artprice.com. Will we be the platform for the greatest auctioneers in the world tomorrow? Why not? But the adventure continues: there will be a second phase of Artprice.

This will depend a bit on the European Community, on the directive Bolkestein. But tomorrow, Artprice is going to be at the heart of the market. It is the normal development. We have normalized the art market, and thanks to this normalization, the biggest market place in terms of volume was born. Tomorrow, we will accompany the auctioneers and the galleries even further. Because this is the future. Today's art market is dematerializing itself in order to enter the Internet. In the 80s, it was common practice to make phone calls to the auction rooms. So the act of buying art from a distance existed already at that time, and we are accompanying this movement. For example, and it depends on the legislation to come, but we are considering online-auctions.

AFN/VernissageTV: But the concept of online-auctions failed several times. Sotheby's and Artnet tried it, even eBay, but...

Thierry Ehrmann: Too early, much too early. All these attempts were ventured when less than 250 million people had access to the Internet, and when we still had low-speed connections. Furthermore, with respect to eBay, there was a lack of knowledge of the market.

For the success of this operation, we have installed an Intranet on which auctioneers can connect and develop their catalogues. If the art market is supposed to work in the Internet, it will have to be normalized. Let's take a look at eBay for example: you find yourself in front of a color photocopy of Dalí for 15 Dollars, next to a genuine painting by Dalí; just because I type "Dalí". It needs to be normalized. And the art market is, at the same time, very intelligent and very ferocious.

AFN/VernissageTV: It is true that in special the case of eBay, the categorization was not clear, and one could get lost easily. In this regard, fraud is a big problem for the art market, and for eBay for example. Will your system allow anyone to put an art work for sale online?

Thierry Ehrmann: The big difference is that we know each and everyone of our clients, and that we have a security system. eBay acts on the principle "I don't know what happens on my electronic platforms". The difference is that we keep an eye on what is happening, and we assist our clients, both vendors and buyers. eBay acted on the reflection "it's business", [but we go beyond this]. We check the ads, and if there is no certificate of authenticity for example, we have the right to retract the ad.

AFN/VernissageTV: Joseph Schumpeter, a famous Austrian economist popularized the term of "creative destruction" for entrepreneurial behavior to describe the process of industrial transformation that accompanies radical innovation. Throughout your entire personal career you can be seen as such a person. Would you describe yourself as a radical entrepreneur who destroys traditional ways of doing things to achieve something better?

Thierry Ehrmann: In France, Derrida, the philosopher, used the notion "deconstruction", when he was talking about the destruction of principles. That is: going to the core of the system in order to deconstruct it; not to destroy, but to deconstruct. We have returned to the core of the art market, and with the Internet, we are operating a progressive deconstruction and thus lead the art market into the third millennium. Yes, deconstruction is necessary. It is the fracture of a system that enables us to operate from a new perspective, to operate a new form of capitalism and a new view with astuteness.

With the Internet, we are now in the deconstruction of the whole 21st century economy. It is an unmerciful system that is killing all former actors. Only those knowing how to mutate will survive, the mutants will survive.

AFN/VernissageTV: Nowadays, your name is mostly mentioned in connection with your Gesamtkunstwerk the "Mansion of Chaos", where you - again - radically transform your headquarters into an apocalyptic battleground. Can you tell us when and how this ambition evolved in you?

Thierry Ehrmann: The New York Times described "the Adobe of Chaos" as the most important and the most emotional artistic adventure of the 21st century. I think that the radical change of our headquarter and the life here means living with your century. The 21st century was born in a chaotic way, with 9/11 and the ruins of the World Trade Center: the world has changed; the Westerners have lost a lot of their haughtiness. We live in world of total deconstruction. We live the global village of McLuhan, but in a local manner. It's "glocal", global and local at the same time. And in this context, the chaos theory is a way of reviewing all our western principles. "What is the market?", "What is freedom?", "What is democracy?", "What is the history of the world?"

And so there had to be something like a caesura, and as sculptor, I created a monumental work of 12,000 m2 with 2,700 art works. It reflects a permanent view of the world.

AFN/VernissageTV: And it was 9/11 that has provoked this need of expression in you?

Thierry Ehrmann: Yes. Fukuyama, an American historian, talked about "the end of History", in the context of the fall of the Berlin Wall. I say: 9/11 is the big return of History. We live in the 21st century which is tragic, but sumptuous. With all the violence and insolence,

History is free. In every second, History is in progress, and we try to be in the middle of it.

As an artist, I can paint, sculpt, and create this History. It is also important that artists imagine, see and tell their view of the world.

AFN/VernissageTV: For the professionals in the art business it is common to deal with various occupations. Artists for example are often curators and sometimes run galleries. But it is relatively seldom for a manager of a company listed on the stock market to artistically express himself. Why is this so important for you? What inner voice tells you to do it this way?

Thierry Ehrmann: We have almost 30,000 shareholders, and they have all known about this for years. There have been more than 700 reportages on TV and in international media about "the Abode of Chaos", and on the contrary, our shareholders rather think "this man is perhaps a bit crazy, but ingenious, and he goes through with his ideas". If you want to change the face and the history of the art market, when you say "I want - from a historic point of view - the art market to change", you will need to have a lot of madness inside yourself, a lot of chaos, a lot of dementia that only an artist can have. Who else than an artist can speak to galleries?

AFN/VernissageTV: And when have you decided for this lifestyle?

Thierry Ehrmann: It has always been like this, actually. My father came from the top industry; he was a member of Opus Dei and close to the Vatican. I left home at the age of 11 and built my empire all by myself. My life has always been borderline.

I come home, open a door, and it's Artprice; I go out, and it's "Abode of Chaos". I am the CEO of the group and at the same time, have been a sculptor for 25 years. This is an integrated whole. And there are not just two persons, it is a unique history. What determines the force of Artprice, is that we have this open view.

AFN/VernissageTV: Mr Ehrmann, thank you for the interview.

























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http://greenjeansbrooklyn.blogspot.com/2007/03/video-of-art-fairs-on-vernissagetv.html --

LIFEBLOG.anina.net:

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Interview with wans NeuenSorf and Thomas Eller

Interview with Hans Neuendorf and Thomas Eller. Interview: Marek Claassen, Artfacts.Net. A cooperation between Artfacts.Net and VernissageTV. Transcript by Artfacts.Net.

Video of the interview available at http://vernissage.tv/blog/2006/12/19/artnet-interview-with-hans-neuendorf-and-thomas-eller-part-13/ --

AFN/VernissageTV: We are in the headquarters of Artnet.com in Berlin, and this is an interview between Artfacts.Net, VernissageTV and Hans Neuendorf, founder of Artnet.com and Thomas Eller, editor of Artnet Germany. Hello Mr. Neuendorf; Hello Mr. Eller.

Mr. Neuendorf has recently received the Medal of Honor from the National Arts Club in New York, and Artnet.com has just announced an exclusive collaboration with Art Basel. We want to take this as an opportunity to congratulate Mr. Neuendorf for these achievements and to talk about the career of Hans Neuendorf and Thomas Eller, about online services, auction houses, galleries, art fairs and about the current development in

the contemporary art world.

To start with you, Mr. Neuendorf: It is said that you've been one of the first one's importing American pop art to Germany as a gallery owner, that you've been co-founder of the first art fair in the world, and that you've been the first one introducing an online database system with pictures. Can you tell us what is driving you being cutting edge? And where does all that creativity come from?

Hans Neuendorf: I was very frustrated as an art dealer, over many years dealing with the insufficiencies of the art market. There was no price transparency; clients didn't know what to pay. Was the price too high? Was it too low?

Everybody used old auction catalogues and the results, and we kept sometimes large libraries of these in order to find out prices but they're not alphabetical, so it was a very simple thing to introduce an alphabetical online-service for art prices.

AFN/VernissageTV: But even the platform of dealing art in a fair was completely new at that time. Had this something to do with transparency as well?

Hans Neuendorf: Yes, it was the first time that clients, collectors, actually had an overview of what was being offered at the market.

AFN/VernissageTV: And this is, until now, the

main place for galleries to sell art, isn't it?

Hans Neuendorf: Definitely. Art fairs have proliferated all over the world, and Artnet - if you want to look at it that way - is an international art fair online, insofar as it does deliver an overview of the art market and galleries. I mean there are over 1,500 galleries. That's about - I think - five times as many as in the Art Basel.

AFN/VernissageTV: Speaking of Artnet, what is your role in Artnet.com are you still active in daily business?

Hans Neuendorf: Yes, I am. I'm CEO of Artnet.com. I live half in New York, half in Berlin, and I am running the business. All the leading people are reporting to me...

AFN/VernissageTV: So you are still in charge.

Mr. Eller, you've been successful as an artist. I will never forget the little self portraits mounted on board my friends used to collect or these huge bottles in motion, photographs mounted on aluminium. How did it come that you dedicated a major part of your lifetime to Artnet.com?

Thomas Eller: When I first met Hans Neuendorf in New York, where I've lived for eight years, and he offered me to bring Artnet to Germany, I thought it was a great challenge, especially since all the rules in the art world had changed very much over the last 10, 15 years when I was active as an artist. And I saw a good reason in expanding what I already did - mainly thinking about art and trying to figure out why it had proliferated so much, and what different things are in the market by then. So in a way as it is, we kind of share the same problem: The market has grown to an extent that you don't really know how to judge it, mainly from the point of price transparency, but also from a critical point of view. There is virtually no art criticism left, and I think I had some very good suggestions on how to run a magazine, and how to start creating new parameters in order to understand the critical aspect of art much better. So I thought it was a great challenge, and I was also looking forward to coming back to Berlin. It's a good city. After eight years of New York - a city that is only concerned with the market aspect of art - I saw much more creativity in Berlin, and that's why I like to be here, to live in this environment.

AFN/VernissageTV: You recently received an award - the "Käthe Kollwitz Preis". Did your artist career suffer? Did you do like Hans who stopped with his gallery and dedicated his whole life to Artnet.com? Did the same happen to your artistic career or are you still working?

Thomas Eller: It's funny. I mean I am working here more than full-time. This is really not a job that you do on the side.

Hans Neuendorf: He's a full time artist and a

full time operator!

Thomas Eller: It's funny enough that the minute I showed up here people remembered and included me in a couple of things, and - of course - to be awarded a prize is a great thing, and I would not turn something down like that, but this is not something that can be sustained but I am very energetic, and I want to change a couple of things.

AFN/VernissageTV: Speaking about changes: Since the seventies the auction houses aggressively expanded into the core business of the galleries: that is dealing directly with the collector of contemporary art.

Sotheby's and Christies are controlling literally the art market. Mr. Neuendorf, you've been a gallery owner and the majority of your current income is by serving the galleries' needs on-line. What do you think, will it come to a show-down between the galleries presenting themselves in mega fair events and the auction houses engaging more and more in contemporary art?

Hans Neuendorf: Well, that's not a thing of the future. If there's a show-down, it's already there. But I have to say that the large auction houses are far from controlling the art market. They control 15%. The galleries and the aggregate are a much larger component of the market. Furthermore, the galleries have the knowledge. It's the galleries that form the connection between the collector and the artist, and therefore, the galleries are the most important players in the art world. In term of inventories for example; the galleries have a huge inventory of art works, they have a lot of money at risk which auction houses do not have, so I think the galleries are the most important players in the art market. However, we also need the auctions because there is no mechanism that is as successful in determining the level of value for any artwork as a free auction bidding process.

AFN/VernissageTV: ...and it's transparent...

Hans Neuendorf: Exactly, and that's the basis of our art price database because only auction prices are public, and we publish them. Insofar everybody knows what the value is.

AFN/VernissageTV: So where is the show-down then? It sounds more like shaking hands.

Hans Neuendorf: Absolutely. They are all in each other's pocket. They work together, and it's a very beautiful cooperation. We need both elements in the market.

AFN/VernissageTV: Mr. Eller, you as an experienced artist, and Mr. Neuendorf, you as an experienced gallery owner, are representing the primary market. Both of you are also representing an on-line network whose subject is transparency. Can you explain to us what transparency means for both of you? And why does transparency help the galleries?

Hans Neuendorf: Well, transparency - first of all - is not the only goal we have. What we are striving for is the efficiency of the market; that means not only price transparency, but also a market overview which we are giving to the galleries' network, and also a transaction platform which makes it possible to sell art works at short notice and at low commissions. This is something that we have not achieved yet, and that's why we are introducing auctions on our own platform, online-auctions for art. In other words, efficiency of the market is a possibility for collectors and dealers and the auction houses to work more effectively together, and to have a low transaction cost.

Thomas Eller: One cannot really underscore enough the vision that you had when you first started Artnet at a time when the technology was not even there to present all those things online. The market was much smaller, and at the beginning, I guess, Artnet was facing a lot of resistance by the galleries and by the auctions houses because they all thought, if there's too much knowledge, it's becoming problematic for them. The opposite is true...

Hans Neuendorf: It's true for every market in the world. I mean, why should perfectly normal standard rules and use of information in any market - be it real estate or be it the stock exchange or be it manufacturing - why should that not apply for the art market?

Thomas Eller: Effectively everybody found out that the market actually had grown, and there are a lot of people who attribute that to the advent of Artnet. Since we are providing this information, everybody had a better basis for negotiations meaning: Artnet builds trust in a community where information was scarce. So the more people build this trust, the more people enter the market, and that's pretty much what we've seen in the last ten years.

AFN/VernissageTV: Wasn't there a saying in the art world that in muddy water you catch the biggest fish?

[Everybody is laughing.]

Hans Neuendorf: Some dealers still think that that's their business. Buy for too little money from a little old lady and sell it for too much to a stock broker. I don't think that's a business. I think that's luck. Occasionally, it happens, but I think an efficient market is bringing high turnover and low margins.

Thomas Eller: It also makes room for a lot more artists. A lot more artists can enter the market and become active and still make ends meet and proliferate in that kind of environment. So it's not only about the big fish. I mean that's what everybody is talking about, the big prices that are being realized, but there a lot more people in there now who don't have those record prices but there's a market for them now, and that's also something that has been achieved.

AFN/VernissageTV: If you would picture the

subject of transparency, or efficiency, in the primary art market as a road from A to B. Where do we stand? And what lies ahead of us?

Hans Neuendorf: We haven't even reached the half point. We have done a lot with the market transparency, with price transparency and market overview, but we have not achieved everything. Still dealers do not relinquish their prices to be published before the fair, so that's a big minus because I think the market would improve enormously, and dealers would profit enormously if that was the case. So we're working on that. And we have not achieved yet either to bring more artists into the market. We must not forget that - among all the talk about very successful artists and very high prices - there is a very large number of artists who have no access to the market, and many galleries cannot afford to bring them access to the market because their rents are too high, their costs are too high, so they have to have a minimal level of price in order to even start. And all that stops the market... I think that is where online can help a lot because it doesn't cost us very much to publish these artists. Which is why we are now publishing artists' works catalogues, we are publishing monographs, also on artists who are not very famous.

AFN/VernissageTV: I see... What do you think, then: how many artists are there worldwide?

Hans Neuendorf: I don't know, but I know

that - in the US alone - there are over 40,000 artists coming from art schools every year. So I think there are hundreds of thousands of artists. In any case: a much larger number than there are galleries.

Thomas Eller: I'm always saying that there are more artists alive right now than ever existed before in history.

AFN/VernissageTV: To come to the online business. Artnet.com announced its second attempt in conducting online auctions. Besides the huge problems with fraud, online sales seem to be tempting. With its "eBay live auctions", eBay tries since several years to get a foot into the market. Artprice.com rocked last years with the launch of its Classified Ads System. In July, Christie's launched Christie's LIVE making on-line bidding possible.

Artnet is a gallery network and now wants to run auctions that seem as a contradiction. Can you explain us how you want to enhance gallery business on the one hand and being an auctioneer on the other hand?

Hans Neuendorf: Well, I can easily explain that. The auction business failed several times with several people: eBay failed in 1999, Artnet failed because we ran out of money, Sotheby's failed - and certainly lost some of the highest amount of money into this business - but I think we all made mistakes. Particularly Sotheby's made one mistake by charging the same amount as commission as they do in the

regular auctions. And that is the big problem. I think online auctions can be helpful because we do not have to charge as a high commission as regular auction houses. I mean some auction houses charge up to 50%! So if you have an art work that's worth 5,000 Euros, if you want to sell it at an auction, 2,500 go the auction house, and that's all costs! They're not even very profitable doing that. I think if we are charging 10%, and we can do that compatibly when we do online auctions, it's a huge improvement of liquidity in the market. And the main culprit of a non-functioning art market is liquidity. So we are creating liquidity. That is the advantage for the galleries. The galleries are sitting on large inventories...

Thomas Eller: ...and it's faster, too. The turn-around time is faster.

Hans Neuendorf: Yes, much faster.

AFN/VernissageTV: It is also said that when the auction houses, in the seventies, jumped into the contemporary art market, they did it with evening sales, and we know how evening sales are: it's an event. But where is the event online? Or isn't this necessary?

Thomas Eller: I think there are different kinds of logics behind different markets. If you go back to art fairs for example: Art fairs are also events but we have the largest gallery network online. You know, some people need the event, and then, if there are different ways of also proliferating art works, people are looking for

different channels and also for different types of art works. I mean, in the evening sales you try to drive the market to new record heights but as we said, the market is much wider. It is not only steep. There are lots of art works that are being turned down by the auction houses because they can't make that profitable for them. So there is no place for those art works right now to enter the market. We are adding an additional slot for that, so that art works by artists that are not fashionable right now, can also find their market. We actually create many more markets for them.

AFN/VernissageTV: But how do you prevent fraud? It's such a huge problem for eBay.

Hans Neuendorf: The main advantage that Artnet is offering, and this is a difference from the time when we tried auctions before. We are offering all the information that a buyer would need with each lot. So, first, we offer a comparison of the price with the price database, we are offering information about the price development - so, charts and graphs showing how the price for that particular artist developed over time. We are also offering the market overview: with just one click you get to the gallery network and you see which other artworks are currently available in 1,500 galleries worldwide. And we are offering artists works catalogues and all other type of information that one could possibly need. So if you are bidding on the network you do not need to know anything. You can still comfortably buy something online; plus when you bought it and receive it, if you don't like it you can still give it back.

AFN/VernissageTV: Who is the seller? Anybody?

Hans Neuendorf: Yes. We decided to have, originally, only galleries and enable them to sell their inventory online, which is a big advantage because many galleries have inventories with items that is not what they would like to represent and they would like to get rid of it. So we are offering a quick service for liquidity. So that's very good, but there is also a large number of collectors who want to sell something and who have been hesitant to give it to auctions because it's going to cost them thirty to forty percents. So I think we are servicing both constituencies.

AFN/VernissageTV: You said that you are giving all the information on the relevant bid so that one knows that it is an artwork within a larger "oeuvre", but don't you lose clients with you auction system? I suppose this is free information that you would otherwise be selling, isn't it?

Hans Neuendorf: Yes, the information is for free, but I don't think that it will damage our other business. Why should it? It is actually advertising our other services. This information is not only useful when you take part in an auction, but you also need it when you research prices, etc. You need it all the time. I think the availability of information, of broad

information, about the market, creates trust. And trust creates business.

AFN/VernissageTV: Speaking about your business and the gallery business, this year you've started transporting an art fair into cyberspace by implementing an interactive floor plan equipped with photo and basic information of each booth. Next year you want to create an equivalent for the Art Basel. It is obvious that you can not put every art fair into cyberspace. But why exclusively Art Basel? And how does this go with transparency?

Thomas Eller: No, I mean, at one point I started talking to Sam Keller of Art Basel and it became very clear that he was the person with enough vision to make this deal happen. We were happy that it is exclusive, because that really enables us to place this as something of importance. So it was in his interest and actually also in our interest to say this is a strong union between two market leaders, basically, and we agreed on doing that. And I think we agree that this is going to become a very strong tool that equips galleries to... Basically, we extend the duration of the fair, so that two more months after the fair so that this tool enables them to have a better connection to the dealers and give them a link to re-visit the art work. Collectors that remember an art work. but do not know what the name of the gallery was, can navigate the floor plan. You always remember exactly where, in which neighbourhood you found that artwork and you can go back there, click, and you have a photo of the actual booth in the fair and then you can go deeper into the inventory of the gallery. I think it is a great service

AFN/VernissageTV: So if this succeeds, you will do it and offer it for other fairs as well?

Thomas Eller: Right now we have a deal and I think it is very good for both partners. We will see what the future brings.

AFN/VernissageTV: We've had a short insight into gallery versus auction business but left the producer aside. Yesterday I had a short talk with a gallery owner asking him about an artist that was mentally not very well, not in a good condition. I asked him if I should talk to the artist trying to bring him back on track. The gallery owner than said: "Don't bother, there's enough creativity around".

In the light of a recovering art market, do you think that there is a cornucopia of talented artist and that the market can grow limitlessly? What's the future like?

Hans Neuendorf: I think it is a wonderful time for artists. There is a lot of money around; there is the ambition and the willingness on the part of collectors to spend money on art. It is in some ways the ultimate luxury and many people can participate now. So in other words, it is a good time for artists.

AFN/VernissageTV: So they should not have mental problems? They should be happy

about what's happening?

(laughs)

Hans Neuendorf: If we look at the artists as a group, they are not participating as much as the other groups. I think there are many, many artists who have no connection to the market and Artnet is opening the spectrum of artists who have access. This is one of our goals. Artists also have the highest existential risk of the groups because they cannot switch from one merchandise to the next. As the dealers, they have to stick to their own thing. So I think we have to take care of artists.

Thomas Eller: That bothers me a little, what you said about this artist. That obviously the gallery is obviously not really committed to the artist. But, you know, most galleries actually are. They try to drive their artists' careers. Only if they do that can a gallery be successful too.

Hans Neuendorf: That is very true. One forgets, among all the talk about money and particularly in the press about record prices, that galleries are really idealists. These people don't do it for the money. There are easier ways to make money than open a gallery! These people are idealists and they have their ideas, they fight for the art they believe in, for the artists. And I think that it is a great achievement. They play a very important role in the market.

AFN/VernissageTV: The artists or the gal-

lery?

Hans Neuendorf: The gallery. But the artist as well, without the artist...

AFN/VernissageTV: ...nothing would happen! Yes. Even we would have no subject to talk about!

Dear Mr. Neuendorf and Mr. Eller, it was an honour talking to you. Thank you.

Imprint

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