



COLLECTING IN THE DIGITAL AGE

International Collectors Survey
by AXA ART

INTRODUCTION

For more than fifty years, AXA ART has been insuring works of art and other objects of value. Over the decades, we have accompanied collectors from around the world. We have learnt about their attitudes towards collecting, and we strive to be aware of their interests and concerns. All in all, we felt at home within the collectors' community – until the Internet started to change their habits.

We became curious and conducted several dozen long, face-to-face interviews with collectors. The issues which emerged from these dialogues – whilst still hypothetical – were used as the basis for a worldwide online survey. In terms of participation and results, the responses are remarkable; they have been compiled in this publication.

Due to the chosen online approach, there is a certain bias in the results, as all communication took place via the Internet. It became evident that the worldwide community of collectors is changing, and that such change is partly driven by the Internet.

We hope you find the results as interesting as we did and that you can also benefit from understanding these changing behaviours.



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CEO AXA ART Group



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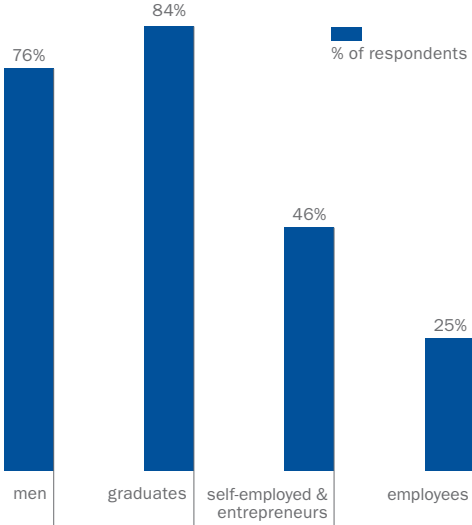
Cologne, March 2014



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ART COLLECTORS: WHO COLLECTS WHAT, HOW, WHY AND WHERE?

Employment status and gender



1. Who: The sample profile

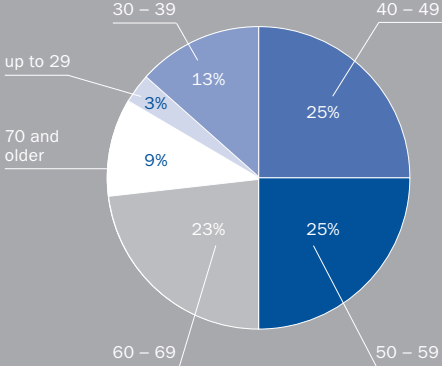
Visitors to galleries and art fairs are fairly mixed – women and men, older and younger people stroll through the halls and exhibition spaces. Female museum directors, artists and critics play a major role in the art world. In that context, the first result of the Collectors Survey by AXA ART is somewhat surprising: the typical collector and Internet user is still a man.

More than three quarters of the international collectors in our sample are male. The shares of graduates and persons who are self-employed or entrepreneurs are also remarkably high – four out of five collectors have a college or university degree, and close to half are self-employed or entrepreneurs, whereas only 25% are employees.

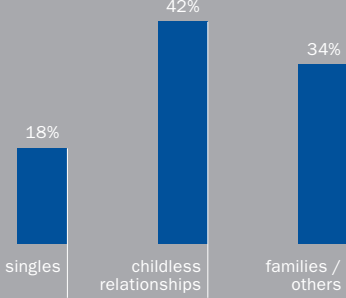
Further results indicated that:

- **Respondents are middle-aged:** a disproportionately large group is 40 to 69 years old – close to three quarters of participants fall into this age group. Young people under 30, in contrast, have a below-average tendency to collect art.
- **Art collectors often live in childless relationships:** among the respondents in our sample, two-person-households without children are the most common way of life. Singles and families, in contrast, account for smaller percentages of collectors.

Age groups

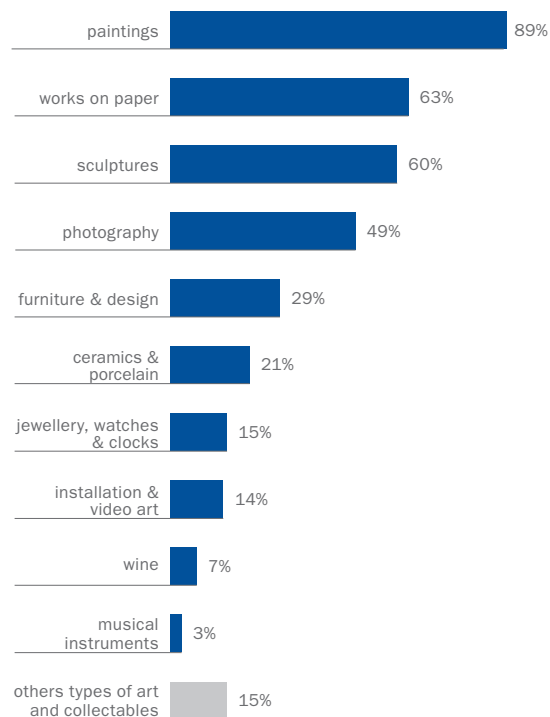


Household types



Paintings are at the top of the popularity list of collectables

Types of art or collectable items (multiple answers were permitted)

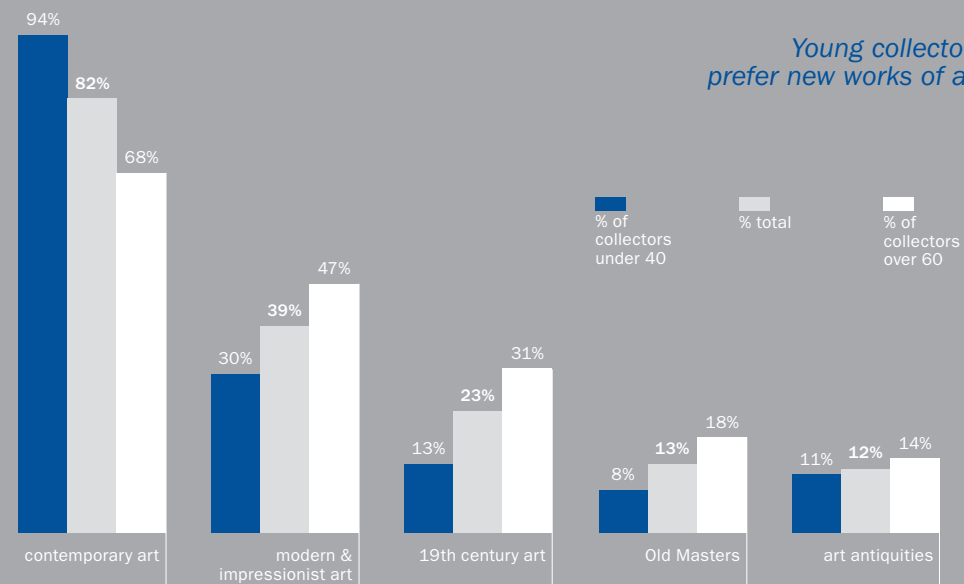


2. What: The nature of collections

Most collectables hang on walls: paintings and works on paper are at the top of the popularity list of collectable items; nine out of ten respondents in the Collectors Survey by AXA ART collect paintings. Sculptures rank third with 60%, and nearly half the respondents collect photography.

Classic types of collectable objects such as furniture and design, ceramics and porcelain or watches, clocks and jewellery prove less popular. The same is true for contemporary installation and video art – only 14% of respondents say they collect these forms of art.

Categories of collectables (multiple answers were permitted)



Young collectors prefer new works of art

With regard to the categories of objects collected, the Collectors Survey by AXA ART shows two clear tendencies:

- **The newer, the more popular.** The vast majority of collectors in our sample – 82% – collect contemporary art, at least amongst other things. Modern and impressionist art ranks second by a large margin, with 39% of collectors. Only a small minority collects older art objects such as 19th century art, Old Masters or art antiquities.
- **Tastes strongly depend on age.** Collectors under 40 have a marked preference for contemporary artworks, whereas older collectors over 60 more often buy works from earlier periods. It should be noted, however, that older collectors' favourite category of collectables is also contemporary art.

Contemporary is more popular than antique

1 in 10 collections is worth more than \$1m

3. How: Approaches to collecting

How do the interviewees collect – low-key or on a grand scale? By instinct or systematically? Continuously or at intervals? The Collectors Survey by AXA ART yielded interesting answers to these questions:

1. Those who collect do so on a rather grand scale: only a minority of respondents own small collections with less than 25 objects (15%) or a value of less than 100,000 US \$ (22%). 11% of collectors estimate the value of their collection at more than one million US \$. And one third of respondents prefer to keep silent as to the size and value of their collections.

2. Many collectors rely on their instincts when it comes to purchasing art objects: two thirds of respondents agree with the statement "I am not a systematic collector but rather collect what I like based

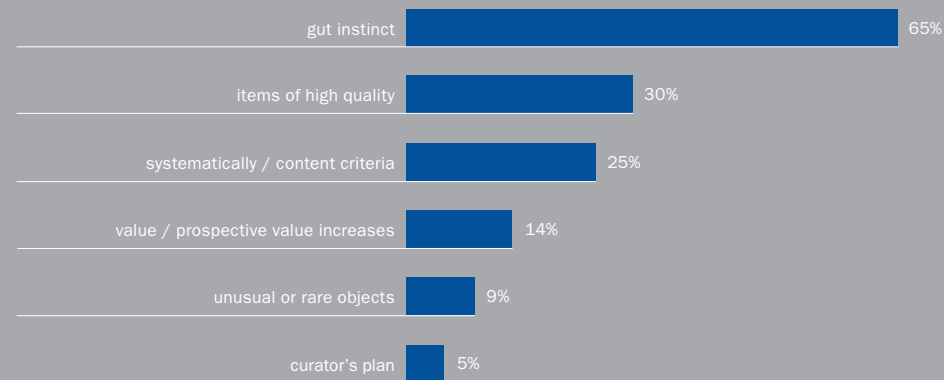
completely on gut instinct". Other aspects such as the quality of objects, content criteria, value and prospective value increases or unusual and rare objects play a secondary role. For example, just one quarter of respondents build their collection "systematically in accordance with certain content criteria". And only a 5% minority of respondents base their collections on a curator's plan.

3. The way people collect also depends on their stage within a collector's life cycle:

- **Young collectors:** 8% of the collectors in our sample have "just started collecting recently".
- **Active collectors:** only 45% of respondents state that they "have been collecting continuously and for a while".
- **Sporadic collectors:** 18% buy collectables "every now and again in phases, with long intervals in between".

Collecting strategies

(multiple answers were permitted)



Main criterion:
gut instinct

- **Mature collectors:** 16% are already beyond the peak of their collecting activities – they "have been collecting for a while, but not as intensively as before".
- **"Non-collectors":** A noteworthy minority, 11% of respondents, say they "would not regard themselves as collectors".

4. Why: Motivation for collecting

Most collectors' core motive is an emotional one: the joy of collecting and a passion for art. When asked about their motivation, a vast majority of collectors agree with the following statements:

- "I love to own beautiful things and to surround myself with them" (80%)
- "I enjoy occupying myself with art and developing a comprehensive knowledge of art" (79%)
- "Collecting is a passion of mine" (72%)

Core motive:
the joy of collecting

Most important source of information: art fairs

5. Where: Purchasing patterns

First get informed, then acquire – this is even more true with regard to art than for other purchases. Three out of four collectors in our sample find it "important" or "very important" to exchange information on art with others, but only 4% "not important at all".

Where does this exchange take place? Quite simply – at the fair. 95% of collectors visit art fairs. Two thirds of respondents regard fairs and exhibitions as "important" or "very important" sources of information, although they rank only fourth as a place of purchase for art objects. More than half the collectors rely on the Internet, and most draw on several information sources:

- **trade fairs, exhibitions, events, presentations (64%)**
- **galleries (62%)**

- **printed media, trade journals, newspapers, books (58%)**
- **discussions with artists (56%)**
- **personal contacts (52%)**
- **online media, websites, internet forums, social networks (51%)**

Art consultants (21%) or radio and television (8%) were only secondary sources of information on the topic of art.

But what kind of information are we talking about? Trends on the art market? Upcoming events? The value of specific art objects? Questions concerning the handling of art? Less than half the respondents consider these topics relevant – 77% of the collectors in our sample are primarily interested in one thing: information on individual artists.

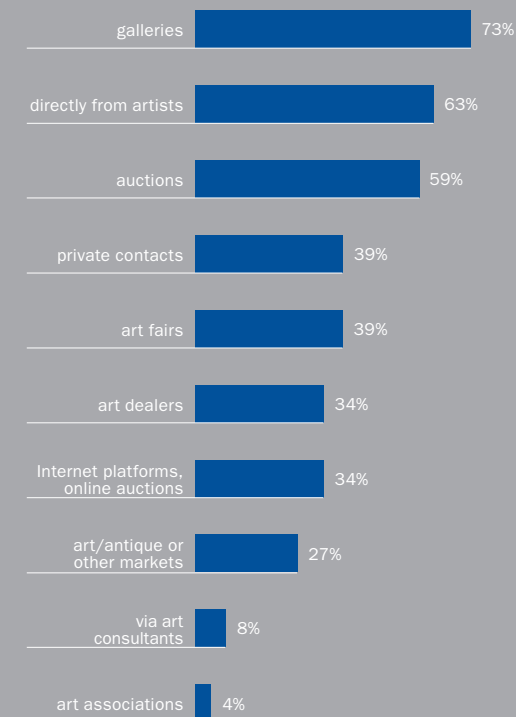
In spite of online auctions, art fairs and Open Studios, the traditional art gallery is still the preferred location for purchasing

art. When asked "Where and how do you buy your works of art or collectable items?", 73% of collectors named galleries. More than half also purchased artworks directly from artists or via auctions.

The Internet, in contrast, still seems to play a secondary role as an art marketplace. Almost all collectors – 95% of respondents – utilize the web as a means of information and communication. Primarily, they employ it for researching specific art objects and for the initial approach before a purchase. 34% of respondents have already bought artworks via online platforms as well. But 42% of the collectors in our sample refuse such online purchases as a matter of principle; they "could not see themselves doing this".

The Internet: rather research medium than art market

Places of purchase
(multiple answers were permitted)



A TYPOLOGY OF COLLECTORS



The three types overlap in various ways

Our survey shows:

Art collectors are a very special, relatively homogeneous subgroup within the general population – usually male, middle-aged and rather well-educated.

Within the collectors' subgroup, however, there are distinct types. By means of a multivariate data analysis, three different kinds of collectors could be identified from our sample. They diverge in many aspects, collecting with different emphases, for different reasons and in different ways.

- **Type I: the art aficionados.** Immersing themselves in art and collecting is their passion, as a balance to everyday life.

- **Type II: the traditionalists.** By collecting, they continue a family tradition.

These two types might be called "classic" collectors – for centuries, collectors with

an aristocratic, clerical or bourgeois background have been cultivating these two attitudes. The results of our survey, however, reveal a new and different type of collector who has only recently emerged:

- **Type III: the investors.** They regard their collection as one part of their asset portfolio and place their primary emphasis on value maintenance and value increases.

When considering these profiles, it should be remembered that all three share one central characteristic – they are art lovers who find pleasure in collecting. And of course, they overlap in many ways: art aficionados also consider financial matters, and a family tradition could develop into an intensely personal passion. Some investors might happily watch while their children and grandchildren, having lived among art assets, become collectors as well.

The shares of the three groups amongst the respondents – 37% art aficionados, 16% traditionalists, 24% investors – therefore encompass mixed types as well. 23% of interviewees won't fit into any of the above categories:

- **Type IV: the hybrid collectors.** Their motives are so diverse that they cannot be defined as belonging to one of the three groups.

"Newcomer" among collectors: the investor

TYPE I: ART AFICIONADOS – COLLECTING OUT OF PASSION

As early as in the Renaissance, art lovers were collectors

For many centuries, passionate art lovers have been collectors. Pope Julius II. commissioned works by Raphael and Michelangelo and his collection of antique statues became the foundation of the Vatican Museums. King Augustus the Strong, like many fellow rulers, collected masses of art treasures and kept them in his vault "Grünes Gewölbe" in Dresden.

These days, important collectors don't necessarily belong to the clergy or the aristocracy any longer. Most of them have a bourgeois background, such as Eli and Edythe Broad from Los Angeles, fashion designer Miuccia Prada or Peter and Irene Ludwig from Aachen, who have all won international recognition as collectors and founders of art museums.

Who are the art aficionados?

Art aficionados typify the character of a collector: collecting is their passion, they are enthusiastic about art and spend a great deal of time on art-related activities, even if they work in a completely different field.

This type of collector's main motivation is summarized by the following statement from our survey:

"For me, collecting is an emotional or creative counterbalance"

A particularly high share of art aficionados agreed with this statement.



Additionally, these collectors often name the following motives for collecting:

- **collecting out of passion**
- **opportunity to express part of one's own personality**
- **new contacts or friendships through art**

Briefly, the art aficionado loves everything connected with art and art-related activities and regards collecting as an enrichment of human life.

What do they collect?

Collectors of this type are primarily interested in contemporary art. 86% of art aficionados collect contemporary works – mainly paintings, but also, more frequently than the average collector, sculptures, photography, works on paper and, even more unusual, collectables such as installation and video art. Two thirds of art aficionados rate themselves as "knowledgeable" or "very knowledgeable".

One third builds their collection systematically in accordance with certain content criteria. And 30% of the collectors in this group have already loaned works from their collection to exhibitions or museums.

Art aficionados are competent collectors of contemporary art

Main interest: individual artists rather than value or performance

Where and how do art aficionados collect?

Art aficionados are the most important customers of art galleries: 79% buy artworks there. In our survey, these collectors also declare the greatest interest in visiting art fairs and their supporting programmes; they are regular visitors – and customers – of the important international fairs for contemporary art.

However, they also visit artists in their studios and have discussions with artists as a "very important" source of information. Two thirds of art aficionados have purchased objects in their collection directly from artists' studios, and as many as 60% have already bought collectables online.

This group also declares a particularly vivid interest in exchanging information about art with others – four out of five art aficionados rate this as "important" or

"very important". Primarily, they are interested in information on individual artists; 80% find this topic relevant. Only one in four art aficionados is interested in questions regarding the value and estimated performance of art objects. This group's preferred source of information is the classic art gallery; art fairs and printed media only follow second and third.

TYPE II: TRADITIONALISTS – COLLECTING OVER GENERATIONS



Many families have a tradition of collecting. Aristocratic or bourgeois dynasties have often collected for a very long time – successive generations refine the family collection or start their own. The American industrialist family Guggenheim has produced even two world famous collectors: Solomon Guggenheim, founder of the Guggenheim Museum in New York, and his niece Peggy Guggenheim, whose collection is on display in Venice.

In Germany, Franz Duke of Bavaria has continued the centuries-old family tradition of the Wittelsbach Collection as a dedicated collector of artists including Joseph Beuys, Gerhard Richter and Georg Baselitz.

Who are the traditionalists?

Traditionalists do not necessarily have an affluent or aristocratic family background. Neither do they perceptibly differ from the other two collectors' groups with regard to their age, sex, profession or education level. Their motivation for collecting, however, is very different.

More often than the average of respondents in our survey, they rated the following motive as important:

"Collecting was, or is, a family tradition"

Noble and bourgeois "collectors' families" have a long tradition

Traditionalists collect furniture, porcelain and antiques, too

Art is purchased via galleries and art dealers, not on the Internet

Further important motives for collecting named by this group include:

- **preserving and promoting cultural values**
- **owning beautiful things and surrounding oneself with them**

Briefly: the traditionalist, who has inherited or purchased beautiful artefacts, rejoices in them and preserves them for posterity, conforms to the image of the classic collector. In contrast, financial considerations only play a secondary role – this group rates collecting as an investment as having less importance.

What do they collect?

Like the vast majority of interviewees, the traditionalists favour paintings and contemporary art for their collections. Additionally, however, they show a higher than average interest in traditional types of collectables such as furniture, jewellery, clocks and watches, ceramics and porcelain and wine. As for the artistic eras they choose to collect, their preferences are somewhat less contemporary than amongst art aficionados: they collect 19th century art, Old Masters or art antiques more often than others.

Traditionalists are frequently experienced, and often discreet, collectors: 41% of this group have been collecting for more than 20 years, and almost as many refuse to disclose any information with regard to the value of their collection. Two thirds say they do not collect systematically, but "based on gut instinct".

Where and how do traditionalists collect?

This group of collectors primarily purchases in galleries too, but they also often use private contacts, trade fairs, art dealers and art or antique markets for their purchases. As for the Internet, the traditionalists are not as conservative as one might assume: about half of them have already bought art objects online. Nevertheless, two out of three traditionalists find it important to physically view an item before purchasing it.

Even as a source of information, this group relatively rarely uses the Internet. They rather rely on art fairs, galleries and print media for information on art and collectables. Traditionalists are particularly interested in information on individual artists and in questions concerning the handling of artworks and collectables. Topics such as general market develop-

ments and trends or the value and estimated performance of art objects only interest one-in-three or one-in-four of this group, respectively.

TYPE III: INVESTORS – COLLECTING FOR THE PORTFOLIO

*Art prices are being followed
like stock quotations*

In recent years, a third type has joined the classic types of art aficionados and traditionalists: a rising number of collectors does not only buy art for idealistic reasons, but also as an investment asset.

A wide range of information services is targeted specifically at this group: every year, rankings like the "Kunstkompass" (which fittingly appears in a management, not an art magazine) list "newcomers" and "classics" among contemporary artists like a stock exchange report. Specialized websites publish price curves and "exhibition points" of individual artists like stock quotations. Such information services are targeted at a new type of collector – the "investor".

Who are the "investors"?

Investors wouldn't collect art if they didn't appreciate it – like the other two types of collectors, they love to own beautiful things and give this as one of their most important motives for collecting.

Another core motive, however, clearly differentiates them:

"I would like to protect my assets by diversifying and doing something else with my money rather than investing in property and financial markets."



Three further motives for collecting art are particularly important for the investor type:

- **collecting as an investment opportunity**
- **joy of speculating with artworks and collectable objects**
- **opportunity to express one's own position in society**

Thus, investors regard art, at least to some extent, as a part of their assets and as a status symbol; they judge it according to criteria such as value performance and conservation of value.

What do they collect?

The "investors" have a slightly less marked preference for contemporary art than the other groups. Three quarters collect contemporary art, but a large minority of 43% also purchases modern and impressionist art. As for the type of object, investors have clear preferences: 91% collect paintings, while sculptures and works on paper trail well behind, each attracting 57% of collectors. Only a minority of investors purchase other types of collectables such as photography, watches and jewellery or furniture.

*Investors primarily buy paintings –
contemporary, modern and impressionist*

Hunting for bargains on auctions and the Internet

A relatively large proportion of this group has been collecting for five years or less, and they are cautious when it comes to judging their own expertise on the subject of art – one in five admits to having “little” or “hardly any” expertise in this area.

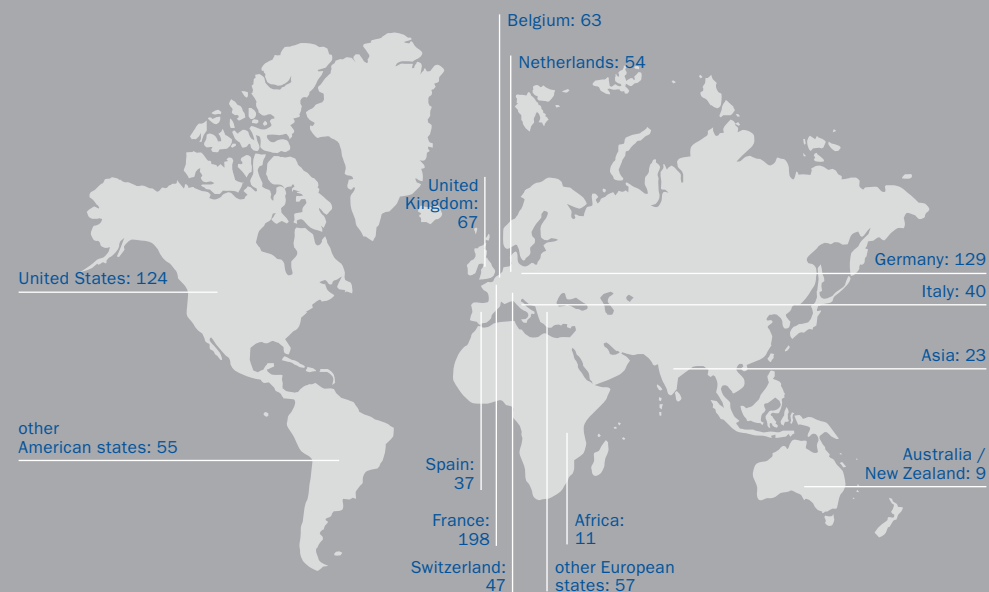
Therefore, they rely less on content-based strategies when building their collection. They rather collect unusual or rare objects that are valuable and very likely to increase in value – and they follow their gut instinct.

Where and how do investors collect?

For investors, in contrast to other collectors, auctions as a source for purchases are nearly as important as galleries. As this group regards personal contacts and the exchange with others as rather less important, they relatively rarely visit art fairs or artists’ studios. Instead, investors buy art on the Internet more often than the average collector – two thirds of this group buy artworks “in isolated instances, many times or (almost) always” online.

Also, they relatively often seek the advice of specialized art consultants, and they extensively use online media as sources of information. Their primary interest, of course, is information on individual artists, general market developments and new trends, as well as the value and estimated performance of specific art objects and collectables.

METHODOLOGY OF THE COLLECTORS SURVEY BY AXA ART



Market research institute:

infas Institut für angewandte Sozialwissenschaft GmbH

Type of survey:

International, multilingual online survey. Please note that the survey was conducted online and therefore represents a specific subset of art collectors. The geographical focus was on the principal markets of AXA ART (United States, Germany, France, United Kingdom and Switzerland).

Field period:

January 28 to February 25, 2013

Sample size:

n=972

IMPRINT

Published by:
AXA ART Versicherung AG
Colonia-Allee 10-20
51067 Cologne
Germany
www.axa-art.com

Production (v.i.S.d.P.): Silke Kastien
Editor: Sofia Blind
Layout: www.twoculture.eu