

A Discourse on Pricing and Value Placement in Nigerian Art Marketing

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Abstract

The activities and interferences of the colonial masters and missionaries birthed a cocktail of cultural ideologies that affected the Nigerian art marketing. When the global economy had a meltdown in 2008, the art market was isolated due to the scale and position of art on the pyramid of economic sustenance, so suggested sales and patronage in most parts of the world. And by the first quarter of 2009, art markets began to experience sharp falls in sales and marketing activities. In fact, one of the biggest casualties was the contemporary art market. However, the years 2010 and 2011 experienced an influx of artistic ideologies and activities with so much opportunities in the Nigerian art market. Artists began to receive more attention; art turned to a huge economic investment. However, the challenge is that only a few elites in the art made the big sales due to ascribed value from the society. Up-coming artists are expected to practice actively for several years before getting to the summit of money making in art market. Nevertheless, pricing lends itself as a critical and delicate tool that determines the success of an artist and gives push to artistic values both in the Nigerian art market and in the international art market scene. The paper through critical review of literature on art pricing and art valuation, after which a contemporary art market was studied and analysed. Result of the study shows that, Art pricing and art valuation are interchangeable, as knowledge of them are important for any upcoming artists to explore for self-motivation and development in the arts profession. The paper therefore concludes that, appropriate art pricing within the contemporary art market is a very important tool in establishing long-term economic/monetary and cultural value within the art market, both in Nigeria and at the international scene.

Keywords: Art Pricing, Art Valuation, Art Product and Art Marketing

Introduction

There are many variables that may be introduced into the price of an artwork; in scope may include intrinsic and extrinsic factors, on the former, variables to be considered are size or scale, medium or material composition, style and age of the artwork and extrinsic variables such as an artist's reputation and galleries' or collectors' demand level. Yet a factor that is of utmost importance and quite difficult to recognize is the value of the artwork. Price and value are variables that have been used interchangeably in most marketing scopes. It is important to note that the value of a product is not its price instead, value in most marketing praxis is a determinant of price and it is particular to the art audience or patrons. Over the last decade, the contemporary art market has increasingly been seen as a store of value that is able to maintain the purchasing power of one's investments, especially in a period of low economic growth (Zolorni, 2013). This implies the advertent application of scale of preference in

investment in valuable art collections for tomorrow's wealth sustainability. Can this be said of the Nigerian art market? The response is positive, however, not yet 'uhuru', one may quickly interject, nevertheless, the cloud is promising. Price and value are tools used for determining an artist's contribution to knowledge of his society and the larger society.

Price is a reflective tool for an artist's value, in other words, the higher the price of an artist's collections, the higher the artist's value and the much higher the arts of the artist. But this formula is not to be so in a normal product marketing background. However, on the normal market situation, what counts is the demand and supply scenario. But to the arts market, value has always been the determinant of price. Price as a monetary factor is a variable that helps the artist to attain revenue and market return goals. Value, on the other hand, takes a longer view as to a work's aesthetic, or conceptual (political, economic, cultural, social, material) worth, and determining it requires some good investment in the knowledge of art, the artists, history of art and art history. The continuity of an artist in artistic activities such as contemporary art productions, developmental art courses such as exhibitions, residencies, workshops, studio and gallery visits, artists' talk or education and seminars, can also increase an artist's fame and value. Therefore, on the summation, the artist's visibility in the art world counts more for his and his arts value

Value therefore could be said to be a socially fabricated concept. This reflects Cline's (2012) opinion that every successful art exhibition essentially reflects the interest or concerns of the society at a given time or place. Value therefore is a society's reward to an artist for his relevant concepts, contribution to society and continuity in the art business. More so, and truly, original works of art may help to place the artist at the vanguard only when they appeal to the interest of art promoters (gallerists) or marketers who first define the artist's brand and then push for the big sales. Art promoters and collectors are investors who are interested in continuity, hence demands returns for the finances they invested therein. The big sales always come with continuous communication of information across borders of auction houses and galleries, heralded by the media houses which will afterwards impact the value and beyond that brand, the artist. With this background, the artist subsequent enterprise in marketing arena successively reflects on the price of his works. To distance value from its social domain is to devalue the art and the artist, therefore value embraces price for its adequate reflection in the art business. According to Velthuis (2001:347), prices communicate rich and meaningful messages about the value of art to consumers, producers and distributors of art. Too low pricing of an artwork probably in anticipation of making sales devalues the overall artistic output and is often detrimental to long-term value. The records of past sales or the history of sales of the artist are also parameters to justify his current value.

The Nigerian Visual Arts Market: Valuation and Pricing

Art marketing can simply be described as the systematic or informal process of creating awareness, interest and procure the artists artworks and services through the varieties of avenues existing in the demography; for example, communing with the artists at the primary level, through Patrons, Art Galleries and Museums, Art Collectors and Dealers and the Guilds. The Nigerian visual arts market reflects the ideal freedom the artist exercises, so are the patrons and dealers, especially at the street levels. Though a faulty enterprise that defrauds the Nigerian nation, oblivious and ignorant of government officials, whose responsibility is to coordinate and situate the arts market as a viable economic tool with the aim of obtaining dividends through legitimate taxes. Government's poor attitude to the arts stems from the historical antecedence and the flourishing oil, which beclouded successive governments,

blindfold them on the benefits of the creative arts as partners in stimulating sustainable economic and socio-cultural development. The existing art markets are informal, uncoordinated, lacks government's attention and does not accrue any fund for the government. The markets are free for all comers, have no regulations and does not have any institutional legal backing or frameworks, which limits the artists as well as the Government and the people.

The apex arts' body, Society of Nigerian Artists (SNA) since its inception has been pressing for legal backing from the Nigeria's National Assembly without positive response; these failures of these arms of Nigeria's successive governments simply buttresses the fact about their incompetence in recognizing the value inherent in the creative arts as economic indices. Hence all arts marketing outlets are porous, creates less value and cripple prices for the detriment of the artists and in certain ways defrauds the Nigerian State, of financial resources.

Most of the Nigerian arts markets are informal and are on the streets without governments radar for any economic evaluation or seen as government ascribed Small and Medium Enterprise (SME), with the view of encouraging them for sustainability. Some of these are the unregistered Private Arts Studios and Galleries, statutorily registered public business Galleries and Museums, On-line Arts Market, Arts Collectors and Dealers Sales outlets, Corporations Collection outlets, Government's Galleries Museums Collections outlets, the Auction Houses and Artists' Commissions and Contracts outlets.

What is missing from the list of Art Marketing outlets or moderating bodies is the Art Guild in Nigeria, an important organisation that regulates the activities of members, arts practice, protect members from people taking undue advantage of professional artists, as well as generate value on their works and stimulate valid prices.

Wikimedia (2018) explained that;

“A guild is an association of [artisans](#) or [merchants](#) who oversee the practice of their craft/trade in a particular area. The earliest types of guild formed as a [confraternities](#) of tradesmen. They were organized in a manner something between a [professional association](#), a [trade union](#), a [cartel](#), and a [secret society](#). They often depended on grants of [letters patent](#) from a [monarch](#) or other authority to enforce the flow of trade to their self-employed members, and to retain ownership of tools and the supply of materials. A lasting legacy of traditional guilds are the [guildhalls](#) constructed and used as guild meeting-places. Guild members found guilty of cheating on the public would be fined or banned from the guild.”

Historical antecedents of the guild's practice had resulted to their falls and necessitated arguments from the divides on their pros and cons. Wikimedia (2018) referred to Karl Marx's criticism of its oppressive tendencies and systems devised to deprive qualified artisans of less favour of guild managers, of membership tickets. The media further emphasized that, such practices are still noticed in today's guild practices in many parts of the world. On the other

side of the divide, Epstein and Praks (2008) opine that, the guilds have contributed immensely, true to cost sharing, institution of craft-skill-which is experience-based learning.

At modern times, the guild still exists, especially in Europe as ceremonial organisations, while in other countries they are businesses and regulatory bodies; for example, the American Sculptors' Guild which supervises certification, practice price regulation and exercise professionalism with respect to Contracts and Commissions of art works, especially by Government, Industries and Corporations.

In the overall assessment of art valuation and valid pricing, the absence of such formal institutions backed up by law amounts to serious disadvantage in the Nigerian art marketing regime. From the legislative perspective, it is sufficing to state that, there is lack of political will, fueled by ignorance of the dividends of creative arts to national economy and vested interest. Therefore, the indices to value contemporary art in the country are strewn in the strengthening of these institutions, which are vehicles for driving the visual arts market beyond the frontiers of the Nigerian shores. Hence, here lies the importance of art valuation and pricing.

Importance of Price in Art Marketing in Nigeria

Pushing art into the country's larger economy may require the involvement of the stock market (Sowole, 2017). Nigerian based author and art critic, Jess Castellotte says that tracking the Nigerian art market as contributing index into the mainstream economy may be incomplete without considering sales in the diaspora. From London sales at Bonhams, twice a year, to the Sotheby's debut auction in 2017, in the same city for African artists, it is complex to establish the value or importance to the local economy of participated artists. Similarly, U.S.-based Njideka Akunyili Crosby, whose auction records have risen, surprisingly to the million-dollar mark in just a few years, does not have any spot in the Nigerian art market. Her gallery representative, Victoria Miro, is in London, just as her works at both primary and secondary markets have no link to the Nigerian art economy. Given the aggregate from Arthouse sales, the primary market and perhaps Sogal auction, the value of Nigerian art market should be close to half a billion naira or little more for 2017. In fact, if the value of Art-X Lagos – both art sales and branding – is included, the worth of the Nigerian art market in 2017 could be higher than half a billion naira. Sowole (2017) reports that as at press time, figures from Art-X Lagos were not available.

According to Amaweh's report on 2016 successful sales at Arthouse Contemporary, "in November 2016 auction, Enwonwu's Obitun Dancers, an oil on canvas from 1990, sold for N52,900,000. El Anatsui was also a major icon in the art sales. His wood panel, Reflekisi, sold for NGN 16,675,000 at the May 2017 auction, and his work Zata, a wood panel from 2015 was sold also for N15,400,000. The report says that Yusuf Cameron Grillo is another modern master, that has enjoyed consistent records for his works.

Most recently, his work "Threatened Innocence", oil on board, was sold for N18,400,000. Other top sales include Bruce Onobrakpeya's "Greater Nigeria", which sold for N10,120,000, Demas Nwoko's "The Wise Man", which sold for N9,900,000, Ben Osawe's "Untitled B", which sold for N6,380,000, and Uche Okeke's "Virgin Mary & Baby Jesus", which sold for N5,225,000". The distinguishing string attached to the above-mentioned artists is longevity of practicing years and originality of concepts. The names so mentioned are like the tune in the collection of Nigerian art history and they have amassed fame in the art over a period of long

years through active exhibitions and many forms of artistic activities experienced and collected by the society overtime. Today, they remain at the apex in the art market, command the big digits and are revered for their values. Value in terms of money and value in terms of professionalism and influence across the globe

Functions of Price in Art

Price affects the value of the collections of art of an artist. With every successful exhibition or sales year at auction houses or through collectors, the value of the artist increases. The more an artist's works are shown at galleries or collected by international or foreign buyers, the more value is placed on the artist and the more expensive his art will sell in the future. Practical examples abound in the Nigerian arts exhibition sales. For instance, Disseye Tantua's rise to fame and riches was nevertheless a dint of hard work, but most importantly, the natural application of the arts market forces and his continuous appearances. To price an artwork within the scope of the established art market, and to show the artwork in more exhibitions or venues and in public venues is the best way to gradually increase the market value of an artistic work. Artists who have been practicing and are actively involved in art marketing cycle for a longer period of time are valued higher by art promoters (collectors, historians, gallerists) and audience; on the other hand, some emerging or upcoming artist's may not be valued exceptionally or equally high. However, it may not be out of place for new rising stars to attain high level price ranking; this has been known to contradict this notion very often.

Price, Value and the Survival of artists in Nigeria

Price is important to both the survival of the artist and the art. Many artists have amassed wealth posthumously and some were the continuation of their fame and fortune while they yet lived, while some were realized at death. Museums, auction houses, art historians and galleries as art marketers and promoters set the pace to the popularity and valuation of artists which in turn affects their art. An artist who is constantly talked about or whose work is constantly showcased by the art marketers is often valued more and priced higher than those they do not promote or exhibit. According to Velthuis (2001:348), high prices may also serve the purpose of enhancing the preservation of the artwork. How so? He explained that, it is important to look at the fact that the artworks become expensive, when the artists are alive because, the more expensive they are, the greater chances that they will survive. The safest and most reliable place to preserve artworks is the museum and collectors stand as the middlemen between the artists and the museum. They may be confronted with the principle of high price as informed by value when donating artworks to a museum, but it is not always a defect, high prices at this level informs the value and survival of the art through adequate preservative measures because of the high monetary value.

Social and Cultural Purposes of Art Prices and Valuation

Most Art works produced are symbols of the culture; they are some aspects of the reliable means of documenting, interpreting and sharing peculiar cultural affairs with foreigners as well as indigenous peoples and generations to come. The price of an art with social and cultural concept affects its life span and position them in a cultural environment, however, some would say, cultural arts are priceless. This paper however distinguishes cultural arts from cooperate ownership of the society, which is domiciled in the national museums or Galleries that reflect happenings of national importance and art works reflecting the culture owned by individuals. For the former, they are guided and secured by legislations and decrees, which mandate their existence and the peoples' property and inheritance, while the latter are

arts commodities that easily attract financial value. It is on this premise, the statement holds sway, too often communicate high prices and impose value.

Value and Valuing of Artistic Products

There is the popular notion that artistic products are priceless, which has often times fertilized the argument of what value should be placed on what type of art and by which artist from which location to attain what price. Art value as observed by Bowman, Malik and Philips (2015), (editors of the PARSE journal) is a conglomeration of economic and historically-shaped symbolic factors, and these factors promote and prolong the global circulation of artefacts and at the same time profoundly shape the lives and working methods of those who participate in art—dealers, auction houses, galleries, museums, educators, curators and their often unrecognised assistants, philanthropists, and not least of all, artists themselves. Frey and Pommerehne (1989) shared the assumption that artistic quality can be expressed in market terms, but they observed that artist's reputations valuations of artworks are remarkably stable. Grampp (1989) sharpened the argument by underlining the factors that make up aesthetic judgments. He envisioned aesthetic value as being simply as expressible as economic value. However, he claimed that “the value which the market places on works of art is consistent with the judgment which is made of their aesthetic quality” (Grampp, 1989:37); prices, therefore become reliable indicators of priceless values.

On the flip side, Throsby (2001) crystallized the dichotomy between economic and cultural value, and stated that, economic value being measurable by methods of economic analysis and expressible in monetary terms, while cultural value maintains multidimensional being derived from a broadly cultural discourse and having no standard unit of account or measurement. He proposed a deconstruction of cultural value into its elements, including aesthetic, symbolic, social, and other components. Newell (2015) in his submission on the discourse, asserts that due to this blurring between culture and capital, art and work, the question of what the arts are “worth” to the state is predominately articulated in terms of economic risk and return, a risk that seems far, far greater in a time of bust. Economics and aesthetics values are often intertwined. The economics of art consists in both theoretical and applied contributions, stemming from the history of economic thought and from studies by art expert (Zorloni, 2013). Resourceful exhibition history can increase the value of an art work, which in turn can affect its possible collection and therefore economic and monetary value.

Artists, arts organisations and collectors may be quite distinct and even antagonistic in how they envision and implement their role as facilitators, supporters and makers of art work, but the need to articulate that value, to defend and support that activity, is very much a shared endeavour (Newell, 2015). Big name is equivalent to big numbers, and that has always been the state-of-the-art business but the big numbers preceded the big names. The big name has been possible by influences from galleries, art critics and collectors in defining a brand for the artist. Works made by brand names such as Ben Enwonwu, Bruce Onobrakpeya, Uche Okeke and recently Peju Alatise will always have elite price tags in the art business.

Conclusion

It is thrilling to observe that the Nigerian art scene is beginning to attract the world's focus and attention, there has been increased interest in modern and contemporary African art on a global scale, and Nigerian artists rank highly within it. Many of the artists who are becoming leading names in global art circles reside in Nigeria or of Nigerian origin. At auctions, Nigerian artists consistently fetch high prices as the second biggest market outside of South

Africa. Some newly rising Nigerian artists like Diseye Tantua Chinedu Ogakwu, Uche Joel Chima and so on are beginning to be represented by major international art galleries. However, still counting; nonetheless, to fully attain such height demands hard work, sustenance, education and knowledge and application of the art market indices.

Recommendations

1. Appropriate art pricing within the contemporary art market is a very important step in establishing long-term economic/monetary and cultural value within the art market, hence, there is need for institutional framework for art valuation and pricing
2. To avoid devaluation of artists and artistic careers, artists must avoid offering big discounts, avoid pricing similar works at different prices, or fluctuating prices through drastic increase or decrease in prices at any time.
3. There is need for appropriate legislation to regulate arts practice.
4. Nigerian arts guilds should be set up, backed by laws to oversee the contract and commissions of artworks.

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