

“ALL art is immoral,” said Oscar Wilde. He might have added that all art is emotional, including the buying and selling of it. It has become fashionable among economists to study the motivations of art collectors. Now Barclays Bank has generated data that proves that the art market is highly psychological and social.

In a new report entitled “Profit or Pleasure? Exploring the Motivations behind Treasure Trends”, only a tenth of those questioned said they bought art purely as an investment, whereas 75% cited enjoyment as the key. The study is based on interviews with 2,000 rich people in 17 countries.

Art Basel, a Swiss art fair that is a regular stop for many collectors in June, is certainly about having fun. More than 300 high-end international galleries gather in the otherwise discreet Swiss town for a festive six-day get-together. Collectors, dealers and curators, many of whom look forward to the annual reunion, greet each other with excitement. The sociability of the fair contributes to the aversion that collectors have to going home empty-handed. Jay Smith, an investment advisor at CIBC-Wood Gundy and an important donor of art to museums, admits, “When I don't buy anything, the fair feels dull. Buying makes you feel connected to what is going on.”

Buying art doesn't just offer a sense of community, it engenders feelings of victory, cultural superiority and social distinction. Some say that it even fills a spiritual void. The term most commonly used by collectors, however, is that buying art gives them a “high”. George Economou, a self-made shipping tycoon whose art collection in Athens is open to the public, bought several works at Basel this year, including a wooden sculpture from 1924 by Hermann Scherer for over €1m. He distinguishes between buying at auction, which he says feels “more exciting, more vibrant, more alive”, and buying at an art fair, which may have a longer-lasting thrill. At an auction, a lot is won or lost in a matter of minutes, whereas at a fair, a dealer might give a celebrated collector until the end of the day to commit.

Buying expensive art is very competitive, which for a successful purchaser adds to the sense of conquest at acquisition. “Some collectors always want what other collectors want,” explains Andrew Kreps, a New York dealer. “‘Thou shalt not covet thy neighbour's wife’ is the commandment that most confuses collectors.” At Art Basel dealers with a trophy work on their stands will quietly compile a list of people interested in the work and then offer it to the collector they think offers the best home for the work. Other collectors in the queue will torture themselves, worrying about who is considered more worthy. To ease their feelings, dealers will often say that a museum has reserved the piece. “You suspect it's not true,” one collector explains, “but the defeat is less humiliating if you think your opponent is a major institution like MOMA.”

If buying is generally pleasurable, selling is mostly not. Few collectors are as lucky as Joel Mallin, a New York collector, who sat at the back of a Sotheby's auction in London five years ago, watching two

telephone-bidders scrap over his Damien Hirst pill cabinet, "Lullaby Spring". It fetched a record £9.6m (\$19.2m) in June 2007. He had paid well less than \$1m for the wall sculpture, which dates from 2002. Speaking at a seminar during Art Basel, Mr Mallin admitted that he doesn't expect ever to repeat the jubilant experience.

Many sellers suffer a measure of remorse when they sell an artwork. They feel "conflicted" and even "guilty". Selling is so uncomfortable, particularly among collectors who socialise with artists and shop with the "primary dealers" (who represent artists and sell work fresh out of the studio), that they prefer to speak of "de-accessioning" rather than selling.

Several factors fuel the sense of regret. First, selling art has a long association with debt, death and divorce. No one wants to look like they need the money. Second, collectors are exceedingly hesitant about selling works before they have realised their full value, so much so that they often don't end up selling them at all. Finally, a strong "keeper" etiquette prevails in the art world. Often if a collector acquires a reputation as a seller, particularly one who "flips" works quickly at auction, dealers (who want to control the trade in work by the artists they represent) will refuse to sell him or her more art. Charles Saatchi, for example, has acquired such a status. Rumour even has it that certain British artists such as Peter Doig and Chris Ofili once forbid their galleries to sell their work to him.

Art Basel has a delicate ecology. It thrives on a balance of elitism and camaraderie, business and pleasure. Get it right and the result can be hugely increased sales. Get it wrong and the subtle interplay between dealers and collectors is easily upset. This year the organisers took the seemingly innocuous decision to allow VIPs, with the coveted jet-black passes, to enter at 11am; lesser VIPs, who had purple passes, were held back until 3pm. For the top-tier VIPs this brought considerable advantages: less competition, less pressure to make a quick decision. But it left a bad odour with the second-class VIPs, many of whom were embarrassed by their demotion.

Remarkably, the calm that resulted from the staggered entry was the number one topic of conversation at the fair. Marc Spiegler, co-director of Art Basel, argues that the lack of a "front-loaded frenzy" allowed collectors to "explore the fair and discover new galleries and artists." But many participating dealers thought that it led to lethargy and deferred decision-making. It may even have sapped energy out of collectors' coveted purchasing "highs". Given that Art Basel doesn't publish any systematic surveys or hard data, one is left only with anecdotal evidence. Suffice it to say that the emotional nature of the art market will remain murky.