

Kiana Malekzadeh, Private Art Dealer and Art Educator:
Establishing a Contemporary Fine Art Resource for
Young Art Collectors in New York City

“Man will choose or create his own material environment”

-Piet Mondrian

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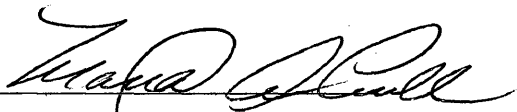
Kiana Malekzadeh

in partial fulfillment of the requirements for the degree

of

Master of Arts



THESIS ADVISOR

THESIS COMMITTEE

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I would like to sincerely thank all those who guided me through this process and made this business plan possible including Karen Amiel, Dr. Katherine Michaelson, Dean Maria Ann Conelli, Avra Goldstone, and John Lee.

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Executive Summary

Kiana Malekzadeh Private Art Dealer (KM) will be a private art dealing company in New York City; its mission will be to acquire and serve young art collectors as clients. The growth in recent years of organizations catering to the young collector, including museum clubs, auction houses, Internet sites, art fairs, and galleries, demonstrates that there is a rise in young collectors entering the art market.

Research conducted for this thesis shows that there is a demand for a partnership between young collectors and young private art dealers in New York City. In a sense, the art world has become a “youthscape,” a trend KM plans to capitalize on by assisting young collectors.

The following thesis will explain the steps that KM will take in order to become a successful business. Through an examination and overview of the contemporary art market, a marketing and communications strategy, as well as financial data, this thesis will prove that KM’s focus on the young collector will fill an unmet need and be a successful business.

PART ONE: OVERVIEW OF THE CONTEMPORARY ART MARKET

Contemporary Art – Blue Chip and Emerging Artists

The contemporary art market is a continually expanding, and extremely competitive field, filled with works of varying price, availability and popularity. Contemporary art is created in a variety of media, including painting, drawing, photography, sculpture, ceramics, textile, installation, and video.

There are two primary categories of contemporary art. The first, “blue chip art,” was defined by writer and curator Dana Altman, as “art produced by artists that are on the verge of their major breakthrough, ready to be chosen by the auction houses or museums for major exhibitions, creating a buzz of a new Rauschenberg or Warhol.”¹ The second category is “emerging artists,” who may or may not have gallery representation, who are new to the art world and are in the process of being discovered by dealers, collectors and the art knowledgeable.

¹ Altman, Dana. (2003). “A Beginner’s Guide to the New York Art Market.” (Electronic version). *Art Photo*. Retrieved from <http://www.artphoto.ro/src/eceu/newyork/beginner.html>.

Primary Purchasing Channels - How and Where do Collectors Purchase Art?

There are six primary purchasing channels for buying and selling contemporary art: auction houses, the Internet, art galleries, art fairs, art consultants/advisors and private art dealers. A review of each of these channels follows.

Auction Houses

According to the Art Dealers Association of America (ADAA) guide book, “auctions have become big business in the last twenty years, and the major auction houses play an important part in the lives of a great many collectors and dealers.”² Auction houses such as Sotheby’s and Christie’s sell blue chip art, generally well above their estimates. They will rarely sell the work of unknown or emerging artists. The contemporary blue chip sales attract high-end bidders with mainly high priced lots, although occasionally works will appear in the \$2,000 to \$5,000 range.

The following charts show how revenues for the auction houses have increased in recent years. At Sotheby’s, prices increased steadily from 2001 to 2003 in all contemporary sales. At Christie’s, from 2001 to 2003, the total amount of sales also increased, although there was a setback in 2002. Within these sales, there were 12 lots in the price range of \$2,000 to \$5,000.

After the Christie’s contemporary fall sale in 2003, Carol Vogel wrote in *The New York Times*, “The evening, the first in two weeks of back-to back auctions, heralded a return to confidence among both buyers and sellers. Many art dealers were beaming last night. It was as though the market had regained its appetite.”³ The chart below confirms the total amount in

² _____. The Art Dealers Association of America Collectors Guide (New York: Art Dealers Association of America, 2003). p. 17.

³ Vogel, Carol. “Auction Season Opens with Three Records.” The New York Times, October, 2003. p. 6A.

sales, in U.S. dollars, of the fall contemporary sales at Sotheby's and Christie's in New York City from 2001 to 2003.

Sotheby's	2001	2002	2003
Contemporary Sale (Evening):	\$24,057,000	\$44,762,775	\$74,564,400
Contemporary Sale (Day) Session One:	\$5,869,375	\$12,130,254	\$14,933,400
Session Two:	\$2,435,450	\$3,977,701	\$8,649,800

Christie's	2001	2002	2003
Post War and Contemporary Morning Sale	\$6,304,912	\$66,921,785	\$14,512,917
Post War and Contemporary Evening Sale	\$25,154,500	\$11,178,380	\$61,960,300

Internet

The Internet has significantly changed the traditional world of buying art. *The Art Newspaper Supplement* states that, "The Internet connection is now an integral part of every auction house and art dealer. Information is more readily available. The ability to transmit information at low cost and lightening speed to previously inaccessible global markets is now commonplace within the art trade."⁴ The Internet is used by people in the art world to research new artists, as well as to check prices, provenance, thefts, art market trends, reviews, and events. A list of popular art websites is included in the Appendix on Page 54.

There are two primary methods for buying art on the Internet: retail sales and online auctions. Many retail art dealers and galleries have their own websites, which expose works for sale to potential customers all over the world. This method is most appropriate when the buyer is already aware of the gallery, the artist(s) and their reputations, so he/she feels comfortable purchasing a work without seeing it.

⁴ _____. Web Tools to Buying Art. *The Art Newspaper Supplement*, Worldwide, Second Edition, 2003.

Online auctions, when they were first introduced, were considered a virtually effortless way to buy art, saving bidders the trouble of traveling to a live auction house, and making auctions available to buyers worldwide. However, buyers reacted poorly to the idea, especially for purchasing blue chip art. Unable to inspect the condition of the work in person, an Internet buyer is unable to detect flaws such as foxing, stains, rippling and scratches. The authenticity of the work could also be suspect, although most sites employ highly trained professionals to examine their wares.

In addition, an image on the Internet cannot produce the exhilaration of experiencing a work's physical presence, nor can it inspire the uncontrollable impulse to buy. It is also difficult for a buyer to form a personal relationship with a dealer through the Internet. Due to these problems, many blue chip art auction sites did not succeed. Artnet.com, which sold high-end material, did not produce the prices it should have for its online auctions and closed in 1999. Sotheby's online auctions closed in 2000, and Christie's were never even launched.

Though online auctions failed to sell blue chip art, they became a suitable place to buy art by emerging artists, as well as prints. A 2003 article on *artelino.com* states, "The Internet has made art print sales more accessible for everyone."⁵ Less apprehension surrounds these purchases, as less money is being spent.

Art Galleries

Jack Shainman who owns a gallery in Chelsea, New York, specializing in contemporary art, says that his gallery is exhibiting younger and mid-career artists, who have recently been in great demand and he has testified to being pleased with recent sales.

⁵ _____. "Buying Art Prints II – Where to Buy." (2003). *Artelino.com*. Retrieved from http://artelino.com/articles/art_print_sales.asp.

“Last time, the Gulf War contributed to the recession. It seemed to be the catalyst for the end of boom times. This is a very different world from before the last recession.

Back then, at the high end, prices were vastly over-inflated.

Also, there was a lot more speculation and people were borrowing to buy. If there was a good side to the last recession, it was this: after 1991-1992 collectors started looking at new things, at younger emerging artists, in reaction.

This time around, I feel confident about where my gallery is.

The way we deal with the coming crisis, assuming there is one, is to keep the level of quality the highest it can be: keep doing what we do.”⁶

Galleries usually cater to the likes and dislikes of a core set of clients and will offer their best works to these people first. As Alan Baumberger wrote in a 2003 article in *Art Business*, “In order to build customer loyalty, galleries show preferential treatment to their best clients.”⁷ Even if dealers do not have a specific buyer in mind, they might offer the work to other dealers, who they believe may have a client for the work.

Gallery owners and employees are often biased against those they sense to be unsophisticated. Inexperienced buyers will often find themselves ignored by gallery personnel, or taken advantage of and given a price that is higher than the retail value. Inexperienced buyers might be unaware that when an exhibition is hung for an upcoming show, the majority of works have already been sold to the gallery’s best clients.

⁶ Shainman, Jack. (2002). “The R Word: Is It or Isn’t It Around the Corner.” *The Art Newspaper*. Retrieved from <http://www.theartnewspaper.com/news/article.asp?idart=5952>.

⁷ Bamberger, Alan. (2003). “Best Way to Get the Best Art: Know the Dealers.” *Art Business*. Retrieved from <http://www.artbusiness.com/firstcome.html>.

Art Fairs

Art fairs offer unique opportunities to view art from all over the world. Galleries set up booths and bring significant works that may not be on view in their gallery spaces. Many art fairs are vetted shows, meaning that every work included is closely examined and inspected by professionals to insure its authenticity. The competition to participate is fierce, and art fairs have been booming in recent years. “The boom is in the collecting trend,” says David Kusin, who heads up a Dallas, Texas economics research firm specializing in the art market. “Last year alone, an estimated \$1 billion was spent at art fairs globally. Even the shadow of war and the sputtering economy barely made a dent in sales this year.”⁸

The mission of the Affordable Art Fair is to make contemporary art available to everyone; the friendly atmosphere appeals to both first-time buyers and established collectors. The fair helps make the process of buying original works of art more accessible through reasonable prices.⁹ Works at the 2003 Affordable Art Fair in New York City were priced between \$300 and \$5000. The fair’s organizer, Will Ramsey, a thirty-four-year-old former art dealer, explained “as no one was reaching out to young collectors, I saw a need and developed a fair to address their particular interests.”¹⁰

The 2003 fair was a great success, with more than 120 galleries exhibiting thousands of international contemporary artists in a wide range of media, including drawing, painting, photography and sculpture. It has since expanded to London and Bath, England.

⁸ _____. The International Guide to Art Fairs and Antiques Show, Edition no. 2 (New York: Artmediaco Inc., 2003). p. 17.

⁹ The Affordable Art Fair, New York City. (2003). Retrieved from <http://www.affordableartfair.com/>.

¹⁰ _____. The International Guide to Art Fairs and Antiques Show, Edition no. 2 (New York: Artmediaco Inc., 2003). p. 13.

Art Consultants/Advisors

In a 2003 article in *Connoisseur World*, Anthony Barzilay Freund defines an art advisor as someone “who is dedicated to the formation and maintenance of their clients’ personal collection.”¹¹ In other words, he or she will send the client in the right direction for a specific medium or gallery that specializes in an area of interest, or even accompany a client to an auction, art fair or gallery.

Art consulting is a growing field. Allan Schwartzman, a New York based art advisor, told Barzilay Freund in *Connoisseur World*, “The base of people who now collect art, as opposed to 20 years ago, is much greater, and therefore the competition has also increased among the advisors. Ex-curators, auction house specialists and people with knowledge of the art market are becoming art advisors in order to make some money.”¹²

An art consultant/advisor should not be confused with an art dealer. Unlike a dealer, an art consultant will reveal his or her sources and advise clients on where to purchase works. Since advisors do not receive commissions, and are often paid strictly on a fee basis, they do not actually purchase works for their clients. They also do not have inventories, and do not typically sell works of art themselves.

Private Art Dealers

According to the Art Dealers Association of American (ADAA) guidebook, there are four types of art dealers. The first is a primary dealer, who seeks out new, emerging artists who

¹¹ Freund, Anthony Barzilay. “Take My Advice Please.” *Connoisseur World*, May 2003, p. 91.

¹² Freund, Anthony Barzilay. “Take My Advice Please.” *Connoisseur World*, May 2003, p. 91.

do not have gallery representation. He/she will develop relationships with the artists and help them establish their careers by exclusively selling their work.¹³

A secondary dealer handles work that is brought to the market for resale on behalf of a collector, institution and/or estate. According the ADAA guidebook, “These dealers often specialize in particular periods or artists, developing a considerable and unique fund of knowledge.”¹⁴ Secondary dealers are valued by curators, scholars, auctioneers and consultants for their expertise in a particular field.

A public art dealer, the third category, owns or works in a gallery.¹⁵ Although these dealers cater to their clients, they are also looking out for the best interest of their companies. Private art dealers, the fourth and last category, do not work for galleries, do not have any inventory, and work by appointment only.¹⁶ After getting to know his/her client, a private dealer will assist in every step of the collecting process, from buying and selling to restoration, framing, and storage. Because private dealers work on commission, they do not reveal their sources to clients. In addition, these dealers often write for museum catalogues, scholarly journals and commercial publications, collaborate with museums on donations, and conduct appraisals.

¹³ _____. The Art Dealers Association of America Collectors Guide (New York: Art Dealers Association of America, 2003). p.

¹⁴ Ibid. p. 20.

¹⁵ Ibid. p. 20.

¹⁶ Ibid. p. 20.

PART TWO: EMERGENCE OF THE YOUNG BUYER

A 2002 article from *Forbes* magazine, “Four Reasons Why the Art Market Could be Heading for a Bust...Or Not,” discusses how art is increasingly seen as an alternate form of investment by young professionals. Young professionals, uncomfortable with investing in stocks due to shaky economic conditions, are being lured by the art market’s relative stability. The article states that the number of new buyers in the art market has increased over the last ten years, while supply is shrinking.¹⁷ Because of this influx of new collectors entering the art market in recent years, there has been an increase in organizations, galleries, and auction sales catering to young collectors.

Auction houses have recently created sales catering to the young collector. An article by Dorothy S. Gelatt, titled “Courting Young Collectors,” from the *Maine Antique Digest*, states, “Christie's, Sotheby's and Doyle's all run special events, social gatherings, and many educational programs for the collector from beginner to advanced levels. They all run sales priced to appeal to the young shopper. Sotheby's Arcade sales, Christie's East sales, and Doyle's Monday Treasure sales are geared to the younger collector. The significance of all these sales are the same: the auction world is for young people too.”¹⁸

Though auction houses are excellent resources for buying blue chip art, they can be intimidating to young collectors unfamiliar with the ins and outs of the auction process.

¹⁷ Sproule, James and Georgina Adams. (2002). “Four Reasons Why The Art Market Could be Heading for A Bust.....Or Not.” (Electronic version). *Forbes*. Retrieved from <http://www.forbes.com/2002/09/04/0904hot.html>.

¹⁸ Gelatt, Dorothy S. (1997). “Courting Young Collectors.” (Electronic version). *Maine Antique Digest*. Retrieved from <http://www.maineantiquedigest.com/articles/yng0497.html>.

Traditional art galleries can be just as off-putting as auction houses for young collectors. However, in recent years, many galleries catering to young collectors have emerged in New York City. Mixed Greens, located at 601 West 26th Street, has a stated mission of helping “ordinary folks buy art.”¹⁹ They stock hundreds of works with prices starting at \$80. This venue even provides an aide, Judy Schulich, who acts as an advisor, assisting buyers with the purchasing process. Other galleries that cater to the young collector include John Connelly, The Rivington Arms, The Drawing Center, Clementine Gallery, Editions Fawbush, A Clean Well-Lighted Space, White Columns and GAle Gates.

Art fairs have also recognized the boom in young collectors. The Affordable Art Fair has begun to offer a lecture series for beginners. The first lecture, “An Introduction to Collecting Contemporary Art,” included a panel discussion that focused on all aspects of collecting art. Topics addressed included how to recognize works of quality, how to decide what to collect, the shipping and handling of works, art restoration, conservation and art insurance.

The Scope Art Fair, headed by Manhattan art dealers Alexis Hubshman, Robert Curcio, and Peter Surace, was created in order to display the work of young emerging artists, an area Scope’s founders felt was being neglected by other fairs. Scope was a success, and held its second fair in February 2004.²⁰

New York City’s Outsider Art Fair drew large, steady and predominately young crowds in 2002. The *Maine Antiques Digest* suggested that “this is a group of young collectors in the art and antiques market, drawn by intellectual controversy, the challenge of defining an emerging

¹⁹ Stivers, Valerie. “Get the Hang of it.” *Time Out New York*, March 13-20 p. 51.

²⁰ _____. *The International Guide to Art Fairs and Antiques Show*, Edition no. 2 (New York: Artmediaco Inc., 2003). p. 21.

field and the thrill of taking risks in purchasing affordable works, that have in some cases grown a hundred times in value over the past decade.”²¹

As these illustrations demonstrate, the young collector represents a vibrant and growing part of the art market. But while there is a growing recognition of this potentially lucrative group by institutions and event planners, there is no one specific resource that has emerged on behalf of young collectors, which both understands and caters to a wide range of buying and selling needs specific to their age, education and cultural preferences.

²¹ Landsmark, Ted. (2001). “Young Collectors Vital to Success of Outsider Art Fair.” (Electronic version). *Maine Antique Digest*. Retrieved from <http://www.maineantiquedigest.com/articles/outs0401.html>.

PART THREE: THE BUSINESS

How a Private Art Dealer Can Help a Young Collector Purchase Art through any Channel

A private dealer can be a comprehensive resource for the young collector, no matter which channel they prefer for buying art; a private dealer focused on young collectors' needs can also direct the inexperienced collector to the appropriate channel to meet their needs, while acting as a guide throughout the buying process. The following discusses the potential role of a private art dealer working with the young collector in each of the channels described above.

Auctions. A young collector is most likely not knowledgeable with the functions of an auction house and may be intimidated by purchasing a work of art through these means, even though there are sales with prices that are geared to the young collector. The atmosphere can be daunting and require extensive knowledge of the artist, the art market and the general functions of an auction house.

In order to overcome the potential anxiety of purchasing a work of art from an auction house, a collector could hire a private art dealer to bid in the auction for him/her. Together, the collector and dealer would discuss the auction lots they wish to purchase and the price the buyer is willing to reach and the dealer will bid for them. The private art dealer would inform the buyer of every step and guide them through the process. This allows the auction house to then become a suitable place for a young collector to purchase art.

Internet. Since the Internet is a suitable place to purchase works by emerging artists and works of lower cost, it is advantageous to the young collector to buy art on the Internet. But with the Internet comes many unanswered questions that can still make it unsuitable for the young

collector such as the return policy, insurance for transportation, damage or loss, additional costs such as shipping or framing, condition, authenticity, signage, print edition and provenance.

Working with a private art dealer to purchase works online will solve this dilemma.

The websites below offer art by emerging artists with prices suited for the young collector.

They are continuing successfully and are a great place for a young professional to begin collecting art with the help of a private art dealer.

Artlink	www.artlink.com
Barewalls	www.barewalls.com
Ebay	www.ebay.com
Eyestorm	www.eyestorm.com
Mixedgreens	www.mixedgreens.com
NuMasters	www.numasters.com
PicassoMio	www.picassoMio.com

Galleries. Despite the rise of galleries and exhibitions catering to the young collector, the gallery remains an intimidating and daunting venue for an inexperienced young collector to begin his/her collection. A reasonable method for a young collector to purchase art at a gallery, whether it is geared toward the young collector or not, is with the assistance and experience of a private art dealer. They will facilitate the process efficiently and quickly. They will do everything they can to ensure the collector is purchasing the work of art that they desire at the right price.

A private art dealer will be able to address the necessary issues for a young collector when purchasing a work of art from a gallery. The dealer will identify which galleries specialize in specific types of art, they will be familiar with the artist and gallery, they will ask which works have previously been sold and if there is anything else in storage and what the prices of the works are, in order to make sure that the client is not taken advantage of.

The dealer will have the means to conduct price research on that artist's work before going to the gallery for a viewing, and will do his/her very best to ensure that they are getting the right price for their client.

Art Fairs. Although the art fairs offer works with prices that appeal to the young collector, similar problems occur as when purchasing a work from a gallery. The dealer will again know the reputation of the gallery that hosts the booth and the artists in consideration. The dealers will be able to address any issues and help the young collector secure art they wish to purchase and the best possible price they can obtain for that work of art.

Six Primary Considerations before Purchasing a Work of Art

Young collectors are less likely to be educated in the finer points of buying art: what to look for, what to look out for. A private art dealer who understands the needs and language of young collectors will be able to provide a great service by pointing out the key issues in any potential purchase. According to an article by Marc Snyder and Stephanie Greene from emoma.org in agreement with the ADAA guide book, the six primary factors to consider when purchasing a work of art through any outlet are: authenticity, quality, rarity, condition, provenance and value.²²

The first important factor is the authenticity of the work. Dealers have resources to contact if the authenticity of the work is in question, or have the ability themselves to ensure that it is in fact by the alleged artist. A young collector may be unaware that even auction houses will

²² _____. The Art Dealers Association of America Collectors Guide (New York: Art Dealers Association of America, 2003). p. 18.

sometimes on rare occasion put forth for sale a work with questionable authenticity. These works may be titled in the catalogue as “attributed to” an artist.

The second factor is the quality of the work. Dealers will advise a collector to buy the best work they can afford. The young collector should never settle for a lower quality work because it falls into a lower price range, but instead should consider buying something else. The most effective way to distinguish good from bad art is by looking at it repeatedly which dealers do everyday. An art dealer will tell the collector not to settle for something just because that is all he/she can afford, but advise their client to seek the best example that their budget will allow. According to the ADAA guidebook, “The most effective way to develop an eye for quality is to look at art, and no one looks at more art than a good dealer.”²³

The third factor is rarity. The rarity can be determined by how many other similar works the artist has created, or whether or not it has come up for auction or a private sale before. According to the ADAA guidebook, “Rarity tends to enhance value. The rarity of a given work is determined by how many similar examples exist and how frequently such works become available for purchase.”²⁴ When purchasing prints, the edition number and size of the edition can greatly affect the price of a work. Factors such as these can make a work rare and the dealer will have the means to determine this information.

The fourth factor is the condition of the work. Condition can greatly affect the value of a work. If a work is damaged or there are restoration issues, the dealer will be able to determine how the damage affects the work of art, or if the purchase should be made or not. A dealer, presumably having seen other works by the artist and other condition problems, will be able to

²³ _____. The Art Dealers Association of America Collectors Guide (New York: Art Dealers Association of America, 2003). p. 18.

²⁴ _____. The Art Dealers Association of America Collectors Guide (New York: Art Dealers Association of America, 2003). p. 19.

determine what condition the work is in, which is usually rated as excellent, good, fair, and poor. A collector must not assume the work of art is in excellent condition, purely based on the reputation of the artist or the sales channel. Auction houses and galleries, if asked by an interested party, are required to give detailed condition reports, however this still does not ensure a good condition. A work of art could be damaged after the condition report was issued. The next step would be to ask a reputable art dealer to examine the work closely before the auction with a black light, a loupe and other necessary tools. An inexperienced collector may be unaware that he/she is encouraged to go and view the work of art before the auction.

The fifth factor is provenance. Provenance can be extremely important especially if the work of art is coming from a very distinguished place such as a rare collection, celebrity or the artist themselves and it can raise the price of a work of art significantly. A dealer can research the provenance of the work and will also tell the collector that the absence of a complete provenance is not a reason to not purchase the work of art, especially if the other five factors have been taken into consideration.

Lastly, the sixth factor is value. A dealer will tell the collector not to purchase a work of art solely for investment purposes, ethical reasons can not guarantee whether the work of art will be a sound investment. Art should never be chosen based on its price alone because market conditions and trends can change the value of the work of art. A dealer will be able to tell the collector if a work of art is of value.²⁵

A young collector may be misled by the estimates printed in the auction catalogues. Estimates are not necessarily the absolute measure for the price of the work. The reserve price on the work may be considerably lower than the low estimate, however this is not revealed to the

²⁵ _____. The Art Dealers Association of America Collectors Guide (New York: Art Dealers Association of America, 2003). p. 20.

public. According to the ADAA guidebook, “An art dealer can evaluate pre-sale estimates and suggest a correct price to pay for a given work in the light of the current market factors.”²⁶

A young collector may also be unaware of the faults with a work marketed as a bargain. These works usually have a reason for their low estimate, sometimes below the fair market value. Just because a work of art sells below its estimate, does not mean that it is a good purchase. The work could be damaged or have a questionable provenance or authenticity.

A young collector may be prone to overpaying for a work of art in an auction. Anxiety and panic can drive up the price of a work. Bidding on a work too soon can cause the auction house to bid against the bidder and unnecessarily drive up the price of the work. A young collector may also be unaware that if the work of art did not meet its reserve, the auction house will sometimes go to the highest bidder after the sale and offer the work as a private sale. The best solution is to set a price limit with a dealer before entering the auction.

Lastly and most importantly, according to Marc Snyder and Stephanie Greene, a collector must like the work of art. They must not purchase a work just because someone tells them it’s a good purchase - instead they must trust their instinct.²⁷

Business Description: Kiana Malekzadeh Private Art Dealer

Kiana Malekzadeh Private Art Dealer (KM) will operate as a sole proprietorship, private art dealing company, which will provide an intermediary to buying and selling contemporary art for young collectors. New York City is the heart of the art market, with the most access to contemporary art and artists, and it is where KM will be located. The key to KM’s success will

²⁶ _____. The Art Dealers Association of America Collectors Guide (New York: Art Dealers Association of America, 2003). p. 15.

²⁷ Snyder, Marc and Stephanie Greene. (2003) “Art Buying 101.” *Museum of Modern Art*. Retrieved from <http://www.emoma.org/faq/101.html>.

be the business' exclusive concentration on young collectors. The works of art will be purchased from auction houses, the Internet, galleries, art fairs and other private art dealers. KM will offer the expertise needed to purchase art through these means. The majority of the business and clients will be based in New York City.

Certainly there is no shortage of art dealers in New York City. According to the *Art in America* annual guide, 2003 there are 207 private art dealers in New York City, however none of them are listed as catering to young collectors. This demonstrates that there is a need for more private art dealers in New York City who will cater to buying and selling contemporary art for young collectors.

A 2004 article in the *New York Times*, written by Benjamin Genocchio discusses the recent rise in young art dealers. He states, "There is a group of enterprising young dealers who are shaking up a corner of the New York Art scene. Roughly in the age of mid-20's to mid-30's, they have come to the forefront in the last few years and are committed to showing new work by emerging artists."²⁸

This group of young dealers has also formed their own organization known as the New Art Dealers Alliance (NADA). It is headed by Zach Feuer, a 25 year old dealer and owner of LFL Gallery in Chelsea, Sheri L. Pasquarella, a 27 year old dealer who works at Gorney Bravin + Lee gallery in Chelsea and Zach Miner, also a former employee of a gallery in Chelsea. This group now has 50 members with many social activities such as cocktail parties. KM will become a part of this organization and shares their interest of reaching a younger audience. KM will cater to these young collectors because of the recent interest amongst younger generations to

²⁸ Genocchia, Benjamin. (2004). "How an Art Scene Became a Youthscape." (Electronic version). *The New York Times*. Retrieved from <http://www.nytimes.com/2004/01/23/arts/design/23DEAL.html>.

purchase art and the need for younger art dealers to provide a service for these potential young collectors.

Target Groups

The core target for KM is current and potential art buyers, ages 23 to 40, living in New York City. Within this core are three distinct segments for KM: current young art collectors/buyers, young professionals who inherit art works and new collectors/buyers. Within this third segment, are two sub-categories, which are explained below.

Current Young Art Collectors/Buyers

Current young art collectors will likely have the most knowledge of the art world. These collectors may already be seeking assistance elsewhere for their purchases and unaware of the benefits of using a private art dealer. They may be seeking the aid of an auction house, a website, or a gallery, which is not always the best method because these providers are not solely looking out for the client's best interest.

There are also young collectors who purchase work on their own without any assistance. These current collectors may also be unaware of the benefits of a private art dealer. An article titled "Fresh Faces" in *Art & Antiques Magazine* of October 2003, discusses six young collectors and how they came to be bitten by the "collector bug," and the assistance methods that they use.²⁹

An example of the first target segment is Marianna Stark, a 32-year-old merchandiser for Gap, Inc. She started to collect when studying art history in college and began visiting museums and galleries in San Francisco. She collects works by artists from the California School such as

²⁹ Brady, Sallie. "Fresh Faces." *Art and Antiques Magazine*, October, 2003. p 54.

Charles Forrester, Taliah Lempert and Kevin Moore. Most of these works were purchased from a gallery called Hang, which predominantly sells work under \$1,000. She felt that she needed further assistance and since then has joined the board of ArtPoint, a young collectors club at the Fine Arts Museum in San Francisco.

ArtPoint is a membership and volunteer organization whose primary purpose is to encourage young professionals to become active members and support the San Francisco museum. They offer social and educational events and dedicate themselves to promoting awareness.³⁰ This is an example of a young collector who looked to outside advice for collecting art. Purchasing from a gallery on her own left her without the necessary advice she needed. Stark could benefit from the assistance of a young private art dealer since ArtPoint is a museum organization that may encourage her to collect art and teach her about art, but will not lend her a hand in actually purchasing a work of art.

Young Professionals who Inherit Art

Jeff Klein is a 33-year-old owner of a club in Manhattan called City Club. He grew up on Park Avenue with parents who were avid collectors of important American furniture and art. Because of his parents' influence, he has inherited a few works of 18th century Russian and French furniture and paintings, including contemporary collages by Richard Giglo and Bill Anastasie. He has taken this art and mixed it with his own personal taste. First, he purchased a pencil drawing by Mario Villa, and then began looking in flea markets and galleries in East Hampton and Soho.³¹

³⁰ ArtPoint. (2004) Retrieved from <http://www.artpoint.org/about.html>.

³¹ Brady, Sallie. "Fresh Faces." *Art and Antiques Magazine*, October, 2003. p 60.

Jeff now wishes to sell the works that he inherited. He may be unaware of the best route to take and the advantages of using a private art dealer who could assist him in purchasing art that may enhance his parent's furniture collection, suit his own tastes as well as sell works which he does not want to keep. He is someone who could benefit from the assistance of a young private art dealer.

New Art Collectors/Buyers

The last target segment is potential young art collectors who have not yet considered entering the art market. This segment has two sub-categories. First, there are those who are interested in art and have some knowledge of the contemporary art world, visit museums frequently, can afford to purchase a work of art and have entertained the thought of collecting. Second, there are those who know very little about art, and have never entertained the thought of becoming a contemporary art collector. Both groups may still be purchasing high quality posters for their walls, not realizing that they could in fact own a work of art. Either because they are too intimidated by the art world, or have no resource to help them make an educated purchase, they have not yet purchased a work of art.

An example of the first sub-category is Avra Goldstone, a 27-year-old public relations executive for a major firm. Avra is art knowledgeable, reads many articles and books, visits museums and galleries and attends gallery openings. She has never purchased a work of art perhaps because the thought had not occurred to her, or she did not have the time, or she thought she could not afford to purchase a work of art. She has the means and the income to support a purchase, however she does not have time or extended knowledge to make a purchase. A private

art dealer could work with Avra, inform her of her options and assist her in making her first purchase and subsequently help her to grow the collection.³²

An example of the second sub-category is Anthony Zingarelli, a twenty-eight year old graduate of New York University Business School. Since graduation he has opened 3 bars/restaurants in Manhattan. He has an income of over \$100,000 annually and wishes to make the transition from buying posters to buying art for the Tribeca loft he has just purchased. He always enjoys looking at art and will occasionally go to a museum, but he does not know much about art and has never entertained the thought of purchasing a work of art for himself.

Once KM explained to him the advantages of owning a work of art, and the benefits of using a private art dealer for that purchase, he wished to purchase a work of art. He is an example of someone who does not have the knowledge or the time to make a purchase. He claims, “when Kiana mentioned the idea to me, I couldn’t believe I hadn’t thought of it before. I now would like to hire her to buy art for the restaurants and my home.”³³

Each of these target segments may be more comfortable working with a peer and using a trained younger professional with a master’s degree in Gallery Retail and Art Administration, rather than an older, established art dealer who deals with much higher priced works, and who may not be interested in taking the time to educate them and can be intimidating. A young collector may not want to purchase works of a higher price, since they are just beginning to collect art. KM will provide the young collector with the opportunity to understand the art market with a knowledgeable guide and make purchases based on educated insight into contemporary art.

³² Goldstone, Avra. Executive Assistant for Ogilvy & Mather Public Relations, New York. Telephone conversation conducted with Kiana Malekzadeh, 10, August, 2003.

³³ Zingarelli, Anthony. CEO of 203 Lounge, New York. Telephone conversation conducted with Kiana Malekzadeh, 12, August, 2003.

Demographic Criteria

The demographic criteria for KM's clients are the following:

- **Age:** 23-40
- **Income Level:** \$50,000 +
- **Family Life Cycle:** Single / living with a partner or recently married
- **Children:** None
- **Geographic:** Urban Dwelling in 5 boroughs of New York City
- **Race or Ethnic Group:** Any
- **Household personal property info:** Renters of apartments in New York city or recently purchased a property in Manhattan
- **Education level:** College graduate, and Masters degree or higher
- **Occupation:** Professional / Executive / Managerial Position / Banker / Lawyer / PR Advertising / Media / Business Owner / Academic / Art and Culture Profession / Interior designer / Architect
- **Hobbies / Lifestyle:** Attended cultural performances in the past year (includes: theatre, opera, dance/ballet and music performances)
 - visited a museum in the last year such as: Metropolitan Museum of Art, Museum of Modern Art, Whitney Museum of American Art, Guggenheim Museum, Dia Foundation, The New Museum of Contemporary Art, Asia Society, Brooklyn Museum of Art
 - Have access to the Internet and use daily
 - Travel for business and pleasure
 - May have a time-share or house for the weekends in areas such as the Hamptons, Long Beach Island, Jersey Shore, Martha's Vineyard, Nantucket, or ski resort town in Vermont
 - Frequently dine outside the home: 2 times a week and frequent bars, lounges, clubs and cigar bars
 - Food: Typically buy their groceries from, Zabar's, Fairway, Citarella, Gourmet Garage, Butterfield's, Dean and DeLuca, Fresh Direct, Balducci's and Garden of Eden
 - Shopping: Boutiques in Soho or stores such as: Intermix, Scoop, Saks Fifth Avenue, Bloomingdale's, Takishimaya, Barney's, Bergdorf's and Henri Bendel's
 - Character: Image conscious, trendsetters, innovative, adventurous, open minded, committed to dressing well and interested in art and design.
- **Reading:** *The New York Times, The New York Post, The New Yorker, Time Out New York, New York Magazine, Vanity Fair, InStyle, Vogue, GQ, W, Lucky, Art Forum, ArtNews, Art in America, Art in Auction, Art and Antiques, Architectural Digest, Elle Décor, Wired and Nest*

Competition/Alliances

KM's competitors will also function as alliances. Galleries and organizations catering to young collectors are both places where young collectors may be currently purchasing art and also provide ways for KM to network and gain clients. By attending events such as auction house sales, gallery openings, museum viewings / galas and art fairs, substantial connections can be made with people wishing to purchase art. The competitors are listed under Appendices, page 55.

Services and Products

The services Kiana Malekzadeh will offer:

- Initial Consultation

Initial consultation will include getting to know the client in order to find out the types of art they are looking for, the area they wish to display the art in, their price range and their taste in art and design.

- Education

Younger collectors may wish to be informed about the art they could buy. This service may include acting as a docent and accompanying the client to a museum or gallery, or spending time speaking about an artist, medium or the art market.

- Research

A certain amount of research will need to be conducted in order to find what the client is looking for. This may include finding images of the artist's works, the artist's full biography, including museum and public collections, the provenance of a work of art, finding a book written

on that artist or a particular work, or simply finding the work of art the collector may be interested in.

- Framing, Restoration, Shipping and Installation

As part of a full-service company, KM will handle these arrangements upon the client's request. The advantage to the client is that certain framers, restorers, art shippers and handlers will usually offer a discount to art dealers who they know will use them time and time again. If the client wishes to purchase a work of art but does not have the time to handle the shipping, framing and installation, they might feel more inclined to buy the work if they know that KM will handle all of the arrangements.

- Purchasing a Work of Art

KM will conduct the necessary research in finding a work of art for the young collector and then purchase that work of art from an auction house, Internet, gallery, art fair or other private art dealer. First KM will provide the client with a transparency, slide, photograph, color printout, or a Jpg file of works chosen that the client may wish to purchase. When the decision has been made to purchase a work(s), KM will purchase the work(s) for the client and then the client will pay KM, plus the commission after an invoice has been issued. The client will have 30 days from the date of the invoice to pay the fee and title will not be passed to the owner until the work has been paid for in full.

The client may also wish to see the work(s) in person before the purchase. In this case, KM will take the work out on consignment and show the client either in their home or the office of KM and then the decision can be made. KM will pay and arrange for delivery to the client.

- Selling a Work of Art

KM will find a buyer for a work of art owned by a client. Once the buyer has agreed to purchase the work of art, they will pay KM and she will pay the client the price that was previously agreed upon.

The products Kiana Malekzadeh will offer are primarily works of contemporary art by emerging artists in the price range of \$300 to \$25,000, purchased from an auction house, Internet, gallery, art fair or other private art dealer. These will be primarily in the media following:

Prints:

- Etching
- Linocut
- Lithograph
- Silkscreen
- Vintage poster
- Woodcut

Works on paper:

- Crayon
- Ink
- Pastel
- Pencil
- Watercolor

Paintings

- Oil/acrylic on board
- Oil/acrylic on canvas
- Oil/acrylic on panel
- Oil/acrylic on masonite

Sculpture

- Alabaster
- All metals
- Glass
- Marble
- Mixed media
- Paper

Practical Application

KM will be conducting her business from a ground floor apartment on the Upper West side of Manhattan. The Address is 580 West End Avenue #1D, New York City, New York 10024. This location is ideal since it is a convenient bus or subway ride to auction houses, galleries, art fairs and museums. The atmosphere is warm, inviting, comfortable and inspiring due to the art displayed on the walls. The apartment is legally live / work, and the entrance is located on 88th Street between Broadway and West End Avenue. There will be a sign outside of the front door at street level, which will state:

Kiana Malekzadeh

Private Art Dealer

By Appointment Only

The office in the apartment, where all business appointments and research will be handled, is 500 square feet. Since the majority of the business will be conducted at the client's home or an outside location, such as a gallery, the space is ample for research and other needs. There are no renovations necessary, since the apartment was completely renovated in 2002.

Fees and Commissions

The fees listed below outline the services that KM will be providing.

Fees

1) Initial Consultation.....	\$150
2) Education.....	\$100 per hour
3) Research.....	\$100 per hour
3) Framing, Shipping, Restoration, Installation.....	\$100 per hour

Commission

The commission will vary between 5% and 20 %, which is average for New York City private art dealers, according to Karen Amiel, a modern and contemporary private art dealer.³⁴

This commission fee varies depending on what venue the art is being purchased from and whom the work is being sold to.

For example, when purchasing a work of art from a gallery, the seller will usually provide KM with a dealer's net price, and then the client will pay KM the retail price for the work of art. The difference in these two amounts results in the commission. If a client prefers a consistent level of commission based on the price of the work, the chart below will be used.

The commission when purchasing a work of art from an auction house will be between 5% and 10 % of the final hammer price, not including the 8.625% tax. This is because the client will also have to pay the commission fee for the auction house whether they are a seller or buyer.

The fees listed below will also be utilized when purchasing or selling a work of art for the client from the Internet, art fair or other private art dealers. These commission costs are based on Christie's auction house commission fees with slight modifications to suit the younger clientele

³⁴ Amiel, Karen. CEO of Karen Amiel Modern and Contemporary Art, New York. Telephone conversation conducted with Kiana Malekzadeh, 15 August, 2004.

of KM. The modified commission structure is lower than Christie's commissions, in order to reflect the lower prices of the work KM represents.

Commission

1. Less than \$2,000.....	20%
2. \$2,000-\$10,000.....	15%
3. \$10,000-\$50,000.....	10%
4. \$50,000-\$100,000.....	5%

PART THREE: MARKETING AND COMMUNICATIONS PLAN

Objective

The marketing and communications objective for KM at the beginning stage is to acquire potential young art collectors as clients from the three target segments mentioned earlier.

Because this is a new business, the following plan will focus on acquiring new clients and letting the public become aware of KM. The marketing and communications tactics listed below will address these issues.

Challenges for Acquiring New Clients

The following challenges are hurdles that KM may encounter. The marketing and communications strategy below will outline how to overcome these hurdles.

- Young collectors, including all target segments are not currently aware of KM.
- Current collectors / heirs may have a current resource they use to buy and sell art.
- Novice collectors don't know where to begin or that collecting art is an option for them.

Marketing Strategy

KM will address the following strategies in order to overcome the challenges.

- Create a presence among young collectors in their current venues.
- Position KM as a unique resource for young collectors both for the expert and the novice collector.
- Introduce potential collectors to the benefits of collecting art and using KM for this service.

Communications Strategy

KM will pursue the following communications strategy in order to overcome the challenges. This strategy involves four steps to successfully gain clients. This is known as the “AIDA” method, which stands for Awareness, Interest, Desire and Action.

First, potential clients must become aware that KM exists. Second, they must gain further interest in the company and its mission. Third, KM will provide incentives and education to demonstrate the benefits of working with KM, which will invoke desire. Fourth, the service itself will be strong enough to take action and purchase a work of art through KM.

Tactics

In order to implement the AIDA the strategy, KM will implement the following tactics:

- 1) Print Media**
- 2) Networking**
- 3) Direct Mail**
- 4) Follow-Up Email**
- 5) Website**
- 6) Launch Event**

1. Print Media

There are certain publications that have listings that the art world uses frequently. These efficient listings will help a potential client find KM. KM will place a listing in the following publications, which will serve as part of the awareness step of the communications strategy.

- Gallery Guide
- Art in America: Sourcebook to the U.S. Art World Museums, Galleries, and Artists (annual issue)
- Time Out New York
- New York Magazine

The text in the publications above will be variations on the following:

Kiana Malekzadeh Private Art Dealer

Specializing in Purchasing and Selling Contemporary Art for the Young Collector

580 West End Avenue, #1D

New York, NY 10024

Tel: 212-579-1263

Fax: 212-579-1263

Mobile: 917-592-9244

Email: kmalekzadeh@nyc.rr.com

By Appointment Only

2) Networking

Networking is a critical tactic to help potential clients become aware of the company, as well as creating an interest in the company. Therefore this tactic functions as the awareness and interest step in the communications strategy. In order to begin networking, with the result of meeting potential clients, KM will become an active member of the following organizations and attend the following events.

Apollo Circle at the Metropolitan Museum of Art

The Apollo Circle at the MET is a special membership offered to individuals from the ages of 21 to 39. This group participates in a variety of educational and social activities including private tours of the museum's collections and special exhibitions. The fee for this club is \$1,000 annually.³⁴

³⁴ The Metropolitan Museum of Art. (2003) Retrieved from http://www.metmuseum.org/member/me_apollo.html.

Gallery Openings

Attending gallery openings for important artists at prestigious galleries and galleries catering to young collectors is an excellent way to gain potential clients. These functions are generally attended by the art knowledgeable crowd, who may or may not have previously purchased a work of art. KM will attend the opening of galleries from which she might be purchasing works of art.

Gen Art

Gen Art, according to their website is, “the leading arts and entertainment organization dedicated to showcasing the best emerging talent.”³⁵ They host events for film screenings, fashion shows and art exhibitions. They have cultivated a loyal following with 21 to 35 year olds in New York City who are hip city dwellers and want to keep in touch with new developments in all the arts. KM will attend the events for museum openings and art functions. There is a free online membership for this organization that can be found at www.genart.com.

Junior Associates Club (JAC) at the Museum of Modern Art

The JAC at the Museum of Modern Art is a membership group that was created in 1990 for the museum’s younger patrons. This membership provides its members with the opportunity to directly participate in the contemporary art programs. The membership includes, “An opportunity to participate in all of the museum's major black-tie openings, curatorial tours of museum exhibitions with the museum's curatorial staff, invitations to the previews of projects, the museum exhibitions series featuring the work of younger and emerging artists, privileged access to private collections and artists' studios, gallery walking tours of New York's major art

³⁵ Gen Art. (2003). Retrieved from <http://www.genart.com/>.

districts and day trips to art sites both inside and outside New York City.”³⁶ The fee for this club is \$500 annually.

Junior Council of the American Museum of Natural History

The Junior Council of the American Museum of Natural History is a membership group of young New Yorkers in the age range of 22 to 39, that each year participate in four arranged events such as: previews of upcoming exhibitions, private screenings, lectures, and discussions. They offer young professionals with an opportunity to meet with the scientists, museum trustees, and friends of the museum. According the museum’s website, “The Junior Council members go behind-the-scenes at one of the world's greatest museums, meet some of our nation's most distinguished and engaging scientists, and preview the latest, most talked-about exhibitions.”³⁷ The member ship for a Junior Council member is \$275 annually.

New Art Dealers Alliance (NADA)

The mission of NADA is to create an open flow of information, support and collaboration in the arts. They promote dialogue between people in the art industry, from large galleries to small, non-profit and commercial spaces alike. This organization is a great resource for young art dealers to meet potential clients, peers and people in the industry. They host events such as parties, art fairs, panel discussions, lectures and gallery walks. The membership for this organization is currently free.³⁸

³⁶ The Museum of Modern Art. (2003). Retrieved from <http://www.moma.org/juniorassociates/index.html>.

³⁷ American Museum of Natural History. (2003). Retrieved from http://www.amnh.org/join/junior_council/?src=j_jc.

³⁸ The New Art Dealers Alliance. (2003). Retrieved from <http://www.newartdealers.org/>.

The New Group for Young Collectors at The New Museum of Contemporary Art

The New Group at The New Museum of Contemporary Art is newly established and known for bringing together art, fashion and design. This group holds annual events such as silent auctions and parties where all the benefits go to The New Museum. According to their website, “Membership for this group includes: unlimited free admission for two to the museum’s exhibitions, invitations for two to VIP receptions for major exhibitions, free subscription to the New Museum News, 20% discount on New Museum publications; 10% discount on all other museum store merchandise, private tours of exhibitions with the curator, invitations to participate in InsideArt events, activities with artists and curators designed to go behind-the-scenes of what’s on at the New Museum, one complimentary exhibition catalogue, listing in the New Museum News, and a specially planned calendar of events that explores new trends in the contemporary art world.”³⁹ This fee for this club is \$400 annually.

Tuesday Night Talks Sponsored by the Public Art Fund

The Public Art Fund's “Tuesday Night Talks” offer a series of discussions and presentations by influential artists, critics and curators. In the spring of 2003, the lectures were given by three very important artists, Thomas Hirschhorn, Takashi Murakami and Venessa Beecroft. Tickets are \$5 for general admission, \$3 for members of the Public Art Fund and seniors, and free to all students with a valid ID.⁴⁰ These discussions are located at The New School, 66 West 12th Street (between 5th & 6th Avenues) and are a good approach for KM to meet collectors of the artists and the artists themselves.

³⁹ The New Museum of Contemporary Art. (2003). Retrieved from <http://www.newmuseum.org/>.

⁴⁰ The Public Art Fund. (2003). Retrieved from http://www.publicartfund.org/pafweb/tuesdays/tues_index.html.

Young Collectors Council (YCC) at the Guggenheim Museum

The Young Collectors Council at the Guggenheim Museum is an organization for art collectors from the ages of 21 to 45. According to their website, “A membership in the YCC gives members the right to vote on acquisitions for the permanent collection and allows for two people to attend each event, free admission to all Guggenheim museums with up to five guests, a free subscription to the Guggenheim magazine, bypassing all ticket lines, invitations to all parties, private viewings, and book signings, an invitation to each exhibition opening, free admission to various museum programs, and most importantly invitations to monthly art related programs designed exclusively for the Young Collectors Council, such as visits to art studios and private and corporate art collections, panel discussions, and private tours of exhibitions and day trips.”⁴¹ The fee for this organization is \$1,000 annually.

Young Print Collectors (YPC) at the Museum of Modern Art

The YPC at the Museum of Modern Art is coordinated by Starr Hecker and Tony Roth and is designed for young patrons who want to learn about the world of prints and learn how to collect them. According to their website, “This membership includes: hands-on viewings of prints from the museum, meetings with print specialists and major auction houses and galleries, talks with contemporary artists, and discussions and seminars with private collectors in their homes.”⁴² This fee for this club is \$300 annually.

3) Direct Mail

⁴¹ The Guggenheim Museum. (2003). Retrieved from <http://www.guggenheimcollection.org/site/acqcom.html>.

⁴² The Museum of Modern Art. (2003). Retrieved from <http://www.moma.org/juniorassociates/index.html>.

Direct mail will function as a way to advertise KM and let people become aware of the company. Direct mail will be used, firstly, to present KM to publications in order to encourage reporting on the company. These will be publications important to the art community. A second mailing will be sent to galleries and private art dealers in order to create awareness and buzz within the art community. A third mailing will be sent to a list of potential clients, which will be gathered from friends, colleagues and professors, with the purpose of gaining new clients.

The summary of targets for the three mailings include:

- Art publications that are listed on page 35.
- Owners and directors of a selected group of galleries in Chelsea and Soho which house works with prices suited for the young collector.
- 207 private art dealers in New York City.
- Friends that may be potential clients and their extended circle.
- Colleagues and professors from graduate school.

The enclosures in the direct mail will include the following:

- Biography on Kiana Malekzadeh, President (please see appendices, page 63).
- Press Release (please see appendices, page 64).
- Business Card (please see appendices, page 65).

4) Follow-Up Email

Email is an effective and inexpensive way to follow up with the initial direct mail. Two weeks after the direct mail has been sent KM will send the same enclosures via email to the list

with a link to KM's website. This tactic will also satisfy the awareness strategy. The rationale for the email is that a contact may have seen the tangible direct mail and thought it was interesting but tossed it aside. A second reminder of the company may encourage the receivers to contact KM.

5) KM Website

A website is another relatively inexpensive way to reach potential clients. It may also function as an easy tool for a prospect to quickly find the company. Dreamhost.com offers a domain name and a website for \$10 a month. The website has easy to follow instructions which guide you through the process of creating your own website. This website will include general information on how to locate KM, the mission of the company and how KM can assist the novice and experienced young collector. This tactic again functions as a way for the public to become aware of KM and provides a gateway for connecting with new prospects.

6) Launch Event

Hosting a launch event will be the approach used for fulfilling the interest and desire tactic in the communications strategy. This event will be held prior to the opening of the company. It will take place in the evening, for cocktails at 203 Lounge on Spring Street in New York City. This swanky environment is a bar/restaurant by night, but functions as a gallery during the day. The art remains on the walls during the evening and is an excellent segue to start up a conversation with a potential client. The owner of 203, mentioned earlier, Anthony Zingarelli, will allow KM to curate its own exhibition at 203 during the launch event.

Having a cocktail hour, with appetizers and allowing the guests to become part of an elite environment may lead to potential clients, especially if they are interested by the art exhibited. The estimated cost for this event is \$2,000 and will be the most expensive tactic that KM will use.

Post Launch Marketing Objective

Once KM has obtained a client, the objective will be to create a lasting relationship. The strategy KM intends to implement is to “coddle the customer.” This is the best strategy for any small or new business to keep their clients pleased and returning as a repeat client. According to the Business Planning Guide, “If used effectively, it will differentiate the company from a competitor who may not use this tactic. Most businesses are run for the sake of the owner and employees, not the customer.”⁴³ Catering to the customer by providing resources for framing, shipping, restoration and installation, as well as art education, will ensure the client’s satisfaction, and help make them repeat clients.

Launch Plan

The launch for KM will be built around the activity calendar of the Chelsea galleries, in New York City. Since most galleries close for the summer months and re-open in September, this will be the ideal time for KM to Launch. The business will open in September of 2004.

Preparation for launch:

June - August, 2004

- Meet with a lawyer: to determine the company status, establish sole proprietor and decide whether to become, Inc. or LLC.

⁴³ Bangs, David H. The Business Planning Guide (New York: Dearborn Publishing, Inc., 2002. p. 67.

- Invest in the office equipment, supplies and organizations list on page 44.
- Obtain tax ID number.
- Open a business checking account.
- Send direct mail to private art dealers, galleries, and potential clients in New York City.
- Build website.
- Host launch event.
- Enter company into listings, listed on page 35.
- Purchase memberships to the Apollo Circle at the Metropolitan Museum of Art, Junior Associates Club (JAC) at the Museum of Modern Art, Junior Council of the American Museum of Natural History, The New Museum's New Group for Young Collectors, Young Collectors Council (YCC) at the Guggenheim Museum, and the Young Print Collectors (YPC) at the Museum of Modern Art.

PART FIVE: FINANCIAL DATA

Start-Up Costs

The start-up costs below outline the equipment and tools KM must purchase and the organizations KM will become a part of in order to launch the company. There is no mortgage or maintenance fee included in the monthly expenses since the 580 West End Avenue is paid for in full and the maintenance fee will be paid for by a relative for the first three years of the company.

Start Up Costs		
1	Art Systems Database	\$0.00
2	Artnet.com Database (annual fee)	\$1,000.00
3	Black Light	\$30.00
4	Business Cards	\$250.00
5	Clothing/Apparel	\$800.00
6	Computer	\$0.00 (already purchased)
7	Designer for Business Cards	\$75.00
8	Digital Camera	\$0.00 (already purchased)
9	Filing Cabinet	\$200.00
10	Initial Mailing	\$592.00
11	Launch Party	\$2,000.00
12	Letterhead Stationary and Envelopes	\$575.00
13	Loupe	\$25.00
14	Magazines/Books	\$100.00
15	Miscellaneous	\$200.00
16	Printer/All in one	\$0.00 (already purchased)
17	Purchase of lists for Initial Mailing	\$2,000.00
18	Registration of Company Including Attorney Fees	\$1,000.00
19	Scanner	\$0.00 (already purchased)
20	Apollo Circle at the Metropolitan Museum of Art	\$1,000.00
21	Junior Associates Club at the MOMA	\$500.00
22	Junior Council of the American Museum of Natural History	\$275.00
23	Young Collectors Council at the MOMA	\$1,000.00
24	Young-Print-Collectors (YPC) at the Museum of Modern Art	\$350.00
25	The New Museum New Group for Young Collectors	\$400.00
26	Website (Initial Set-Up)	\$200.00
27	TOTAL	\$12,572.00

Cash Flow Projections

The cash flow projection for the first year of the company will be viewed by month from September 2004 to August 2005. The cash flow for the second and third year will be viewed quarterly. According to *The Business Plans for Dummies*, “The cash-flow statements keep track of the cash that comes in and the cash that goes out of the company, as well as where the money ends up.”⁴⁴

KM’s cash flow for the first year of business outlines the following:

Inflow:

Initial capital given by a relative.....	\$30,000
Commission based on average of 15% of total artwork bought.....	\$13,200
Cash based on estimated fees and commissions.....	\$10,800
TOTAL.....	\$54,000

Outflow:

Start-up costs.....	\$12,572
Total artwork bought.....	\$88,000
Monthly Expenses for one year at \$1,939.95 per month.....	\$23,279.40
TOTAL.....	\$123,851.40

At the end of year in operation (August 2005), KM will have had a total income of \$12,148.60. This is expected with a new small business: break-even is projected for year four. Note: The \$30,000 initial capital borrowed from a relative is not incorporated into the monthly expenses because loan payments do not start till year four. Please see the detailed cash flow for year one on the following page.

⁴⁴ Tiffany, Paul and Steven D. Peterson. Business Plans for Dummies (New York: Wiley Publishing Inc., 1997). p. 32.

Cash Flow Projection - Year One

	September	October	November	December	January	February	March
CASH INFLOW							
Initial Capital (Loan from parent)	30,000.00						
Balance from previous month		15,488.05	\$10,098.10	8,858.15	6,268.20	6,678.25	7,288.30
Commission Income on sales	\$0.00	\$750.00	\$900.00	\$1,350.00	\$1,350.00	\$1,350.00	\$1,500.00
Income from Consultation and fees	\$0.00	\$800.00	\$800.00	\$1,000.00	\$1,000.00	\$1,200.00	\$1,200.00
Total Revenue	\$0.00	\$1,550.00	\$1,700.00	\$2,350.00	\$2,350.00	\$2,550.00	\$2,700.00
Artwork reimbursement	\$0.00	\$0.00	\$5,000.00	\$6,000.00	\$9,000.00	\$9,000.00	\$9,000.00
TOTAL CASH ON HAND	\$30,000.00	\$17,038.05	\$16,798.10	\$17,208.15	\$17,618.20	\$18,228.25	\$18,988.30
EXPENSES							
Start Up Costs (see detailed summary in appendices on)	\$12,572.00						
Total Artwork Bought	0.00	5,000.00	6,000.00	9,000.00	9,000.00	9,000.00	10,000.00
MONTHLY EXPENSES (AVERAGE)							
Stationary	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
Internet Service	\$49.95	\$49.95	\$49.95	\$49.95	\$49.95	\$49.95	\$49.95
Bank Charges	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00
Transparencies	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00
Slides	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
Photographs	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
Business Phone	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Museum Entrance Fees	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00
Postage	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
Miscellaneous supplies	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
Books/Catalogues	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Website	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
ink Cartridges	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00
Entertainment including lunch/Dinner	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00
Metocard	\$120.00	\$120.00	\$120.00	\$120.00	\$120.00	\$120.00	\$120.00
Maps	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
Hotel	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
Tolls	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
Framing/Shipping/Trucking	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00
SUBTOTAL - Monthly Exp	\$1,939.95	\$1,939.95	\$1,939.95	\$1,939.95	\$1,939.95	\$1,939.95	\$1,939.95
TOTAL ALL EXP	\$14,511.95	\$6,939.95	\$7,939.95	\$10,939.95	\$10,939.95	\$10,939.95	\$11,939.95
Net Income	-\$14,511.95	-\$5,389.95	-\$6,239.95	-\$8,589.95	-\$8,589.95	-\$8,389.95	-\$9,239.95
NET cash on hand	\$15,488.05	\$10,098.10	\$8,858.15	\$6,268.20	\$6,678.25	\$7,288.30	\$7,048.35

April	May	June	July	August	TOTAL
048.35	7,808.40	9,218.45	10,478.50	11,388.55	
1,500.00	\$1,350.00	\$1,200.00	\$1,050.00	\$900.00	13,200.00
1,200.00	\$1,000.00	\$1,000.00	\$800.00	\$800.00	10,800.00
2,700.00	\$2,350.00	\$2,200.00	\$1,850.00	\$1,700.00	\$24,000.00
10,000.00	\$10,000.00	\$9,000.00	\$8,000.00	\$7,000.00	
19,748.35	\$20,158.40	\$20,418.45	\$20,328.50	\$20,088.55	
0,000.00	9,000.00	8,000.00	7,000.00	6,000.00	88,000.00
50.00	\$50.00	\$50.00	\$50.00	\$50.00	600.00
49.95	\$49.95	\$49.95	\$49.95	\$49.95	599.40
30.00	\$30.00	\$30.00	\$30.00	\$30.00	360.00
200.00	\$200.00	\$200.00	\$200.00	\$200.00	2,400.00
25.00	\$25.00	\$25.00	\$25.00	\$25.00	300.00
25.00	\$25.00	\$25.00	\$25.00	\$25.00	300.00
100.00	\$100.00	\$100.00	\$100.00	\$100.00	1,200.00
30.00	\$30.00	\$30.00	\$30.00	\$30.00	360.00
25.00	\$25.00	\$25.00	\$25.00	\$25.00	300.00
50.00	\$50.00	\$50.00	\$50.00	\$50.00	600.00
100.00	\$100.00	\$100.00	\$100.00	\$100.00	1,200.00
25.00	\$25.00	\$25.00	\$25.00	\$25.00	300.00
60.00	\$60.00	\$60.00	\$60.00	\$60.00	720.00
300.00	\$300.00	\$300.00	\$300.00	\$300.00	3,600.00
120.00	\$120.00	\$120.00	\$120.00	\$120.00	1,440.00
50.00	\$50.00	\$50.00	\$50.00	\$50.00	600.00
50.00	\$50.00	\$50.00	\$50.00	\$50.00	600.00
50.00	\$50.00	\$50.00	\$50.00	\$50.00	600.00
600.00	\$600.00	\$600.00	\$600.00	\$600.00	7,200.00
1,939.95	\$1,939.95	\$1,939.95	\$1,939.95	\$1,939.95	23,279.40
11,939.95	\$10,939.95	\$9,939.95	\$8,939.95	\$7,939.95	123,851.40
9,239.95	-\$20,179.90	-\$7,739.95	-\$7,089.95	-\$6,239.95	
7,808.40	\$9,218.45	\$10,478.50	\$11,388.55	\$12,148.60	

Cash Flow Projections Year Two and Three

The following charts show the quarterly cash flow for years two and three. At the end of year two KM will have a projected profit of \$27,369.20 and at the end of year three KM will have a projected profit of \$49,889.80.

Cash Flow Projection - Year Two					
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	TOTAL
CASH INFLOW					
Balance from Previous Quarter	\$12,148.60	\$15,578.75	\$9,008.90	\$14,189.05	
Commission Income on Sales	\$5,250.00	\$5,250.00	\$6,000.00	\$6,000.00	\$22,500.00
Income from Consultation and Fees	\$4,000.00	\$4,000.00	\$5,000.00	\$13,000.00	\$13,000.00
Gross Revenue	\$9,250.00	\$9,250.00	\$11,000.00	\$19,000.00	\$48,500.00
Artwork Reimbursement from Previous Quarter	\$30,000.00	\$30,000.00	\$40,000.00	\$40,000.00	\$140,000.00
TOTAL CASH ON HAND	\$51,398.60	\$54,828.75	\$60,008.90	\$73,189.05	
EXPENSES					
Total Artwork Bought	\$30,000.00	\$40,000.00	\$40,000.00	\$40,000.00	\$120,000.00
Monthly Expenses (Average)	\$5,819.85	\$5,819.85	\$5,819.85	\$5,819.85	\$23,279.40
TOTAL: ALL EXPENSES	\$35,819.85	\$45,819.85	\$45,819.85	\$45,819.85	\$137,459.55
NET Income	-\$26,569.85	-\$36,569.85	-\$34,819.85	-\$26,819.85	
NET cash on hand	\$15,578.75	\$9,008.90	\$14,189.05	\$27,369.20	

Cash Flow Projection - Year Three					
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	TOTAL
CASH INFLOW					
Balance from Previous Quarter	\$27,369.20	\$31,549.35	\$29,729.50	\$35,809.65	
Commission Income on Sales	\$6,000.00	\$6,000.00	\$6,900.00	\$6,900.00	\$25,800.00
Income from Consultation and Fees	\$4,000.00	\$4,000.00	\$5,000.00	\$13,000.00	\$13,000.00
Gross Revenue	\$10,000.00	\$10,000.00	\$11,900.00	\$19,900.00	\$51,800.00
Artwork Reimbursement from Previous Quarter	\$40,000.00	\$40,000.00	\$46,000.00	\$46,000.00	\$172,000.00
TOTAL CASH ON HAND	\$77,369.20	\$81,549.35	\$87,629.50	\$101,709.65	
EXPENSES					
Total Artwork Bought	\$40,000.00	\$46,000.00	\$46,000.00	\$46,000.00	\$178,000.00
Monthly Expenses (Average)	\$5,819.85	\$5,819.85	\$5,819.85	\$5,819.85	\$23,279.40
TOTAL: ALL EXPENSES	\$45,819.85	\$51,819.85	\$51,819.85	\$51,819.85	
NET Income	-\$35,819.85	-\$41,819.85	-\$39,919.85	-\$31,919.85	
NET cash on hand	\$31,549.35	\$29,729.50	\$35,809.65	\$49,889.80	

Balance Sheet

According to *Business Plans for Dummies*, “The balance sheet addresses what your company owns, what it owes, and what it’s worth at a given moment.”⁴⁵ Since KM is a new business and will require no inventory, the balance sheet is uncomplicated. The assets which KM currently has are: \$30,000, a loan from a parent, \$4,000 in office equipment including computer, scanner, and digital camera and \$4,000 in art history books and catalogues which are for the company. Since the apartment is also legally live/work, 1/3 will be used for business, which is worth \$103,279.40

The liabilities which will cover all debts and obligations in order to run the company, are \$88,000 required to purchase the artwork and \$23,279.40, which is the total monthly expenses. The long-term liability, which will not have to be paid back till year 4, is \$30,000. The total assets and liabilities both equal \$141,279.40.

1	Balance Sheet				
2					
3	Current Assets			Current Liabilities	
4	Cash	\$30,000.00		Accounts Payable	88,000.00
5	Equipment	\$4,000.00		Annual Expenses	23,279.40
6	Books	\$4,000.00			
7					
8	Fixed Assets			Long Term Liabilities	
9	1/3 of Apartment	\$103,279.40		Loan From Parent	30,000.00
10					
11	Total Assets	\$141,279.40		Total Liabilities	141,279.40

⁴⁵ Tiffany, Paul and Steven D. Peterson. *Business Plans for Dummies*. (New York: Wiley Publishing Inc., 1997). p. 72.

Income Projections for Year One, Two and Three

According to the *Business Plans for Dummies*, “An income statement presents the bottom line. By adding all the revenue that you receive from selling goods or services and then subtracting the total cost of operating your company, the income statement shows the net profit.”⁴⁶ According to KM’s cash flow, the income statement for the first three years of the company is as follows:

Income Projections For Year One, Two and Three			
	Year One	Year Two	Year Three
Cash at Start of Year	12,148.60	27,369.20	49,889.80
Gross Revenue on Sales	24,000.00	48,500.00	51,800.00
Yearly Expenses	23,279.40	23,279.40	23,279.40
Gross Profit	12,869.20	52,589.80	78,410.40

⁴⁶ Tiffany, Paul and Steven D. Peterson. Business Plans for Dummies (New York: Wiley Publishing Inc., 1997). p. 78.

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PART SEVEN: APPENDICES

1. Popular Art Websites

Art and Auction	www.artandauction.com
AskART	www.askart.com
Art Business	www.artbusiness.com
Art Daily	www.artdaily.com
Artifact	www.artfact.com
Artlink	www.artlink.com
Artelino	www.artelino.com
Art Market Research	www.artmarketresearch.com
Artnet Worldwide	www.artnet.com
Artprice	www.artprice.com
Art Sales Index	www.art-sales-index.com
Baerfacts	www.baerfacts.com
Christies Auction House	www.christies.com
Gabrius	www.gabrius.com
Guide Mayer	www.guidemayer.com
Invaluable	www.invaluable.com
Maine Antique Digest	www.maineantiquedigest.com
Museum Security Network	www.museum-security.org
New York Foundation for the Arts	www.artswire.com
Phillip's Auction House	www.phillips-auctions.com
Sotheby's Auction House	www.sothebys.com
The Arts Journal	www.artsjournal.com
The Art Loss Registry	www.artloss.com
The Art Newspaper	www.theartnewspaper.com
The New York Times	www.nytimes.com

2. Competition/Alliances

Affordable Art Fair

Location: Pier 92, 216 West 18th Street, New York, NY.

This fair consists of contemporary art by US and International emerging, mid-career and established artists all available under \$5,000. It is a vetted show of 130 booths and in 2003 had an attendance of 10,500. This art fair is geared toward the young collector and even holds viewings and lectures on how to collect art.⁴⁷

Art of the 20th Century

Location: 7 Regiment Armory, 643 Park Avenue, New York, NY.

This art fair, although not vetted is another great place for a young collector to begin their collection. There are works that fit into the budget of a young collector. The number of exhibitors in 2003 was 62 and approximately 9,000 people attended.⁴⁸

Barewalls.com

Location: <http://www.barewalls.com>.

“Created in 1996, Barewalls.com was the first company to capitalize on the tremendous potential of selling art prints and posters online.” This website is the leading print and poster retailer online with more than 150,000 selections. This website will even professionally frame

⁴⁷ _____. The International Guide to Art Fairs and Antiques Show, Edition no. 2 (New York: Artmediaco Inc., 2003). p. 51.

⁴⁸ Ibid. p. 71.

and mount the works for their clients. They market themselves as the easiest and most affordable way to decorate at home or in the workplace.⁴⁹

BuyCollectibles.com

Location: <http://collectibles.goantiques.com/>.

This Internet site was founded in 1997 by Antique Networking who realized that young collectors needed a place to buy affordable art and collectibles. This site has become a successful destination for young collectors and seasoned collectors that will buy anything from good lithographs to Barbie's.⁵⁰

Ebay.com

Location: <http://ebay.com/>.

"eBay's mission is to provide a global trading platform where practically anyone can trade practically anything." This website offers more than 16 million items listed across 27,000 categories. Members from all over the world use eBay to buy and sell items across multiple categories, including antiques and art. Buyers have the option to purchase items in auction-style format or items can be purchased at fixed price through a feature called "Buy-It-Now."⁵¹

Editions Fawbush:

Location: www.fawbush.com/.

⁴⁹ Barewalls. (2003) Retrieved from http://www.barewalls.com/pr/PR_Section_About_Barewalls.html.

⁵⁰ Buy Collectibles (2003). Retrieved from <http://collectibles.goantiques.com/>.

⁵¹ Ebay (2003) Retrieved from <http://pages.ebay.com/community/aboutebay/overview/index.html>.

“Since 1997 Editions Fawbush has published prints and sculptural work with a growing list of established artists.” Many of these younger emerging artists work in the style of Conceptual or Minimal Art. This website is devoted to well known artists such as Kiki Smith and Andreas Serrano, however they offer well known prints with big editions in order to keep the cost of the work down.⁵²

Eyestorm

Location: <http://www.eyestorm.com/>.

“Eyestorm is the premier retailer for limited-edition artworks by the world's greatest contemporary artists and photographers.” This company works with more than one hundred artists including Damien Hirst, Jeff Koons and Helmut Newton. Eyestorm's commissioned artworks, including screenprints, photographic prints and objects, and all are in full collaboration with the artists and hand-signed. The works can be browsed on line or by visiting their New York office and working with a representative.⁵³

Mixed Greens

Location: 601 West 26th Street, New York, NY.

“This resource has the most varied selection of high quality, low priced contemporary work, who's stated purpose it helping ordinary folk buy art.” This organizations stocks hundreds of work which all range in the price from 80\$ to \$3,000. Judy Schulich has also been hired by

⁵² Editions Fawbush Gallery.(2003) Retrieved from <http://www.fawbush.com/ef/about/index.html>.

⁵³ Eyestorm. (2003) Retrieved from <http://www.eyestorm.com/help/press.aspx>.

Mixed Greens to “aid those who are uncertain about their art buying skills.”⁵⁴

Monday Treasure Sales and Young Collectors Evenings at Doyle’s

Location: 175 East 87th Street New York, NY.

In this sale, the prices range from \$300 to \$3,000 again catering to young collectors and their limited budgets. The message that Doyle’s tries to reiterate is that the buys are just as good compared to retail and a good way to begin your collection. Doyle’s also holds Young Collectors Evenings. This past Fall, they hosted a series of three evening receptions for young collectors to preview upcoming auctions. These evenings will include a wine tasting and gallery walk with the auction specialist centered on a specific sale or collecting category.⁵⁵

NuMasters

Location: <http://numaster.com>.

“NuMasters.com creates a link between art collector and artist by providing instant access to a selection of 227 artists and over 2000 artworks.” Most of the works are prints and posters and under \$2,000. The convenient navigational system of the website offers easy access by searching for artist, subject, color and size.⁵⁶

PicassoMio

Location: <http://picassomio.com>.

⁵⁴ Stivers, Valerie. “Get the Hang of it.” *Time Out New York*, March 13-20 p. 51.

⁵⁵ Doyle’s New York. Young Collectors Evenings. (2003). Retrieved from <http://www.doylenewyork.com/>.

⁵⁶ NuMasters. (2003) Retrieved from <http://www.numasters.com/index.asp?sid=inactive>.

“PicassoMio is independently rated as the world’s most popular destination to discover and buy contemporary art.” Their selection of thousands of limited edition prints, unique works, photographs and sculptures, is sourced from over a thousand artists and art dealers, across America and Europe. PicassoMio even has professional advisors with backgrounds in art, the Internet, media and business to help their clients in purchasing a work of art.⁵⁷

Scope Art Fair

Location: Dylan Hotel, New York, NY.

The mission of the Scope Art Fair is to encourage dialogue through the arts. This fair is usually held in hip hotels, such as the Dylan hotel, which provides a unique environment that may appeal to the young collector. “Scope brings together up-and-coming dealers, curators and artists who exhibit cutting-edge art in the relaxed atmosphere of hotel rooms. Scope has made itself an invaluable resource for established collectors, museums, corporate curators and the general public.” To cater to the young collector, Scope also holds educational discussions, videos, films and screenings that touch on such relevant topics as building unique collections and the economy.⁵⁸

Sotheby’s.com

Location: <http://www.sothebys.com>.

Sotheby’s.com, in association with Artlink Inc., offers an online auction of International Young Art featuring the art work of young emerging contemporary artists from all over the world. In keeping with the original concept of Artlink’s International Young Art Program, this

⁵⁷ PicassoMio. (2003) Retrieved from <http://www.picassomio.com/about-us/company/en/>.

⁵⁸ Scope. (2003) Retrieved from <http://www.scope-art.com/concept/>.

sale gives young artists and collectors the chance for exposure and making their art accessible and affordable to first-time collectors. The works are on view in a special exhibition in New York at the Elizabeth Foundation for the Arts and attract an increasing number of young collectors every year.⁵⁹

Sotheby's Arcade Sales

Location: 1334 York Avenue, New York, NY.

According to an article written in the *Main Antique Digest* by Jennifer Roth, "The Sotheby's Arcade Sale was launched as a new initiative to cultivate and educate a new generation of collectors emerging in the marketplace. Sotheby's goal is to create an interesting forum for young collectors to explore various areas of collecting through panel discussions, lectures, trips, and viewing Sotheby's numerous exhibitions throughout the year. Young people might not realize the silver bargains you can get in an Arcade sale." She also claims that Sotheby's has found that young people's weekend brunches are even more popular than evening cocktail receptions. They like to attend an event where they can learn something and educate themselves on what they are interested in buying.⁶⁰

The IFPDA Print Fair

Location: 7 Regiment Armory, 643 Park Avenue, New York, NY.

This fair has been established since 1991 and features works from old masters to contemporary art in the US, Europe and Asia. All the works are prints, which tend to be less

⁵⁹ Sotheby's. (2003) Retrieved from <http://www.shareholder.com/bid/news/20030501-108074.cfm>.

⁶⁰ Landsmark, Ted. (2001). "Young Collectors Vital to Success of Outsider Art Fair." (Electronic version). *Maine Antique Digest*. Retrieved from <http://www.maineantiquedigest.com/articles/outs0401.html>.

expensive and fit in the budget of a young collector. This fair is not vetted with 90 exhibitors and 7,000 in attendance in 2002.⁶¹

The Rivington Arms

Locations: 102 Rivington Street, New York, NY.

Rivington Arms is a gallery that only carries works from \$600 to a few thousand dollars. Currently owned by acclaimed artist Brice Marden's daughter, this gallery caters to the budget of a young collector.⁶²

White Columns

Location: 320 West 13th Street, New York.

White Columns is a not-for profit organization that holds exhibitions and sales of young emerging artists with prices as low as \$200. They hold galas and benefit auctions for young collectors from around the city to benefit their space and program.⁶³

Young Collectors Evening for the New York's Winter Antique Show

Location: 7 Regiment Armory, 643 Park Avenue, New York, NY.

This organization throws "young collector" parties, where they auction off anything they can, to attract a young clientele. They hold single events at Tony Park Avenue homes and hold

⁶¹ _____. The International Guide to Art Fairs and Antiques Show, Edition no. 2 (New York: Artmediaco Inc., 2003). p. 70.

⁶² Stivers, Valerie. "Get the Hang of it." *Time Out New York*, March 13-20 p. 53.

⁶³ White Columns. (2003). Retrieved from, <http://www.whitecolumns.org/info.html>.

lectures with dealers as the star guests. Steve Ketchum, co-chair of the event, has seen the shows ticket sales increase by 30% over the last year.⁶⁴

Young Collectors Programs at Christie's East, New York

Location: 20 Rockefeller Plaza New York, NY.

In the last few years Christie's has made an effort to cater to young collectors. This auction house runs special events, social gatherings, and all kinds of educational programs for young collectors such as workshops on how to successfully collect art or collectibles such as wine, photographs, prints, cars, watches and jewelry. Specifically, they run sales priced to appeal to the young shopper.⁶⁵

⁶⁴ Winter Antiques Show. (2003). Young Collectors Evening. Retrieved from http://www.winterantiquesshow.com/young_collectors_night.html.

⁶⁵ Gelatt, Dorothy S. (1997). "Courting Young Collectors." (Electronic version). *Maine Antique Digest*. Retrieved from <http://www.maineantiquedigest.com/articles/yng0497.html>.

3. Biography of Kiana Malekzadeh, President

During her childhood, Kiana Malekzadeh's visited the great cultural institutions of Philadelphia including: The Philadelphia Museum of Art, The Rodin Museum, The Barnes Foundation, The Contemporary Art Center, and the University of Pennsylvania's museums and galleries. She was enchanted by the art world and began working at age 18 in a gallery in Philadelphia.

After working for Sherry French Gallery, David and Constance Yates (18th century French private art dealers), Karen Amiel Modern and Contemporary Art (a modern and contemporary private art dealer), and artnet.com for two years as the Assistant to the Vice President of Development and Promotions, Kiana yearned to learn more about the business side of the arts. She looked for a graduate program that incorporated modern and contemporary art history with the business world of art that would strengthen and expand her knowledge. Luckily, she found such a program at the Fashion Institute of Technology, which provided her most practical and hands-on experience for the purpose of becoming a private art dealer in New York City. Upon graduating with a Masters in Gallery Retail and Art Administration in December of 2003, Kiana Malekzadeh has begun her own business. Kiana Malekzadeh Private Art Dealer located in New York City, specializes in working with young art collectors.

Kiana Malekzadeh is certified by the Appraisers Association of America in the Uniform Standards of Professional Appraisal Practice and is a member of the Young Collectors Council (YCC) at the Guggenheim Museum, Junior Associates Club (JAC) at the Museum of Modern Art, The New Group for Young Collectors at The New Museum and the Young Print Collectors (YPC) at the Museum of Modern Art.

4. Press Release

FOR IMMEDIATE RELEASE, New York, New York, August 15, 2004

Kiana Malekzadeh, Private Art Dealer Opens, Specializing in Serving the Young Collector.

Kiana Malekzadeh Private Art Dealer aims to bring new and young collectors into the art world.

Kiana Malekzadeh Private Art Dealer (KM) announces the opening of a new business on the Upper West Side operating as a sole proprietorship, private art dealing company, specializing in buying and selling contemporary art for potential young collectors.

“The art world can be intimidating to new collectors,” says Malekzadeh who holds a Masters’ degree in Gallery Retail and Art Administration from the Fashion Institute of Technology. KM introduces young collectors to the art market and can expertly advise and assist the novice or educated young collector through the process of buying a work of art.

KM specializes in introducing younger art buyers and collectors to contemporary art from emerging artists. The key to KM’s success will be its concentration on assisting young collectors in buying art and creating a collection. The works of art will be purchased from auction houses, the Internet, galleries, art fairs and other private art dealers. KM will offer the expertise needed to purchase art through these means.

KM will succeed because of the recent interest amongst younger generations to purchase art and the need for younger art dealers to provide a service for these potential young collectors. Kiana Malekzadeh offers a unique perspective of a peer and an art professional. She hopes to cultivate a new generation of young art collectors who seek the advice of a private art dealer.

KM is by appointment only. For more information visit, www.KMPrivateartdealer.com.

Kiana Malekzadeh Private Art Dealer

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By Appointment Only

5. Business Card



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BY APPOINTMENT ONLY