**FUTURE DIRECTIONS**

Measures of substitution (similarity) across art pieces is an enormous difficult problem from both an economic and an artistic point of view. Even in our interviews, we received sometimes divergent opinions on the relative importance of certain hedonic characteristics. Hence, there are a myriad of directions for future work.

First, the exact mechanism by which past price can bias current price is still a black box. The mere observation of this sufficed for our definition of anchoring, but it would be worthwhile to dig deeper into this regard in order to understand how financial capital flows between auction sales. To better understand how past price biases current price, it may be useful to conduct further interviews with buyers, auctioneers, and sellers to qualitatively understand where their price signals come from. Some theoretic work could also be formulated to account for such price signals.

Second, one could further develop measures of similarity between art pieces. While in this research we have optimized for breadth and generality, one should examine the art market more closely to understand how similarity is defined for different styles, artists, and price points. It is well-known that many artists pass through multiple artistic phases during their careers, and their styles can often change dramatically. Hence, future research may wish to take a complementary approach to our general survey by focusing on several artists in depth, and studying how anchoring cross-effects between them change based on different points in their careers.

Third, one could examine other applications of anchoring. While we have only focused on the impact of anchoring on sales (hammer) price, Beggs & Graddy (2009) also discuss how it can impact auctioneer presale estimates for a piece, as well as the probability of even selling the work. As in their paper, our regression model can easily be adapted for these by changing the dependent variable or applying a probit transformation. One could also test for asymmetric anchoring cross-effects between similar pieces, i.e. if gains in the price of a substitute affects a good’s sale price differently than losses do. Beggs & Graddy (2005) examined this for resale and found no significant evidence of asymmetry.