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# THE COMMERCIALIZATION OF ART

## ANALYZING MARKET TRENDS IN THE CONTEMPORARY ART INDUSTRY

DR.K.K.DEVI[1], DR. L.V.R MANOJ KUMAR[2], DR. S. VIJAYALAKSHMI[3], DR. R. BABYPRIYA[4], DR SUNDARAPANDIYAN NATARAJAN[5] , DR. D. PAUL DHINAKARAN[6]
[1]HOD, BACHELOR OF COMMERCE IN ACCOUNTING AND FINANCE JAYAGOVIND HARIGOPAL AGARWAL AGARSEN COLLEGE (AFFILIATED TO UNIVERSITY OF MADRAS) MADHAVARAM, CHENNAI, TAMILNADU-600060, KKDEVISERAN@GMAIL.COM
[2]ASSOCIATE PROFESSOR, MANAGEMENT DEPARTMENT, WERABE UNIVERSITY, WERABE ETHIOPIA
[3]ASSISTANT PROFESSOR (AIDED) PG AND RESEARCH DEPARTMENT OF COMMERE ARUMUGAM PILLAI SEETHAI AMMAL COLLEGE, TIRUPATTUR, SIVAGANGAI-630211 VIJIBALASRIDHAR@GMAIL.COM
[4]ASSISTANT PROFESSOR, DEPARTMENT OF COMMERCE DHARMAPURAM GNANAMBIKAI GOVT.ARTS COLLEGE FOR WOMEN (AUTONOMOUS ) MAYILADUTHURAI. RPRIYASANKARAN@GMAIL.COM
[5]PROFESSOR AND HEAD, ADITHYA SCHOOL OF BUSINESS MANAGEMENT ADITHYA INSTITUTE OF TECHNOLOGY, COIMBATORE, ORCID ID: 0000-0002-1303-2947 NT_SUNDAR@YAHOO.COM
[6]ASSISTANT PROFESSOR, DEPARTMENT OF COMMERCE JAYAGOVIND HARIGOPAL AGARWAL AGARSEN COLLEGE (AFFILIATED TO UNIVERSITY OF MADRAS) MADHAVARAM, CHENNAI, TAMILNADU- 600060, PAULDHINAKARANBOSS@GAMIL.COM

## Abstract

The contemporary art industry has undergone a marked transformation as artistic production increasingly intersects with commercial logic, digital marketplaces, and investment-driven collecting behavior. This study examines how commercialization forces including online auction platforms, art-as-asset investment trends, and social media-driven visibility shape market trends, pricing structures, and buyer decision-making in the contemporary art sector. Using a quantitative, cross-sectional research design, primary data were collected from 410 respondents comprising collectors, gallerists, independent artists, and art investors across primary and secondary art markets. Data were analyzed using descriptive statistics, Pearson correlation, multiple regression, and one-way ANOVA in SPSS v.28, supplemented by Partial Least Squares Structural Equation Modeling (PLS-SEM) in Smart PLS 4 to test the hypothesized relationships. Findings indicate that digital market accessibility ($\beta = 0.34$, $p < .001$) and perceived investment value ($\beta = 0.29$, $p < .001$) are the strongest predictors of purchase intention, while artistic/cultural value shows a comparatively weaker but still significant effect ($\beta = 0.17$, $p < .01$). The study further finds a statistically significant difference in commercialization perception across respondent categories ($F(3, 406) = 8.62$, $p < .001$), with independent artists reporting the highest concern over commodification. The paper contributes to art-market literature by empirically validating the shift from connoisseurship-based valuation toward asset-based valuation, and offers practical implications for galleries, platforms, and policymakers seeking to balance commercial growth with artistic integrity.

**Keywords:** Art Commercialization, Art Market Trends, Contemporary Art, Digital Art Platforms, Art Investment, Consumer Behavior, PLS-SEM

## 1. Introduction

Art has historically occupied a dual identity as a vehicle of cultural and aesthetic expression, and as an object of economic exchange. Over the past two decades, this duality has tilted increasingly toward the commercial pole. The proliferation of online auction houses, art-focused e-commerce platforms, and social-media-driven artist visibility has restructured how art is

produced, priced, marketed, and consumed. Contemporary art, once governed largely by connoisseurship, critical discourse, and institutional gatekeeping, now operates within a marketplace shaped by branding, speculative investment, and algorithmic discovery.

This shift raises important questions for scholars, practitioners, and policymakers: What factors drive purchasing decisions in a commercialized art market? Does the entry of digital platforms and investment-oriented buyers alter perceptions of artistic value? And do different market participants artists, collectors, gallerists, and investors experience commercialization differently? This study addresses these questions through a quantitative survey of 410 art-market participants, applying inferential statistical techniques to identify the drivers of purchase intention and to compare commercialization perceptions across stakeholder groups.

### 1.1 Problem Statement

While anecdotal and journalistic accounts widely describe the art market as increasingly commercialized, there remains limited empirical, statistically validated research quantifying the relative influence of specific commercial factors digital accessibility, investment value, and marketing/branding on buyer behavior in contemporary art markets. This study addresses that gap using a structured, hypothesis-driven quantitative approach.

### 1.2 Objectives of the Study

- To examine current market trends shaping the commercialization of contemporary art.
- To assess the influence of digital market accessibility, perceived investment value, and artistic/cultural value on art purchase intention.
- To determine whether commercialization perceptions differ significantly across artists, collectors, gallerists, and investors.
- To provide evidence-based recommendations for balancing commercial viability with artistic integrity.

### 1.3 Research Hypotheses

**H1:** Digital market accessibility has a significant positive effect on art purchase intention.

**H2:** Perceived investment value has a significant positive effect on art purchase intention.

**H3:** Artistic/cultural value has a significant positive effect on art purchase intention.

**H4:** Perception of art commercialization differs significantly across respondent categories (artists, collectors, gallerists, investors).

## 2. LITERATURE REVIEW

Prior research on art markets has largely emphasized qualitative and historical analysis of value formation, focusing on the role of institutions, critics, and provenance in establishing artistic worth. More recent scholarship has begun to document the growing financialization of art, wherein artworks are treated as alternative asset classes alongside equities and real estate. Parallel to this, digital transformation literature highlights how e-commerce platforms and NFT marketplaces have lowered entry barriers for both buyers and emerging artists, reshaping traditional gatekeeping structures long held by galleries and auction houses.

A recurring theme across this literature is tension: commercialization expands access and liquidity in the art market, yet it simultaneously raises concerns about commodification, homogenization of style to fit market tastes, and the erosion of art's non-economic cultural value. This study builds on that tension by empirically testing which commercial factors most strongly predict buyer behavior, and whether concern about commodification varies systematically by stakeholder role.

## 3. METHODOLOGY

### *3.1. Research Design*

This study adopts a quantitative, cross-sectional, descriptive-correlational research design, appropriate for testing predictive relationships and group differences using survey data at a single point in time.

### *3.2. Population and Sample*

The target population comprised individuals actively engaged in the contemporary art market, including collectors, independent/professional artists, gallery representatives, and art

investors. A total of 410 valid responses (N = 410) were retained after data cleaning, using a combination of purposive and convenience sampling distributed through art-fair networks, gallery mailing lists, and online art-collector communities. This sample size exceeds the minimum threshold recommended by G*Power analysis (a priori power = 0.95, medium effect size $f^2$ = 0.15, α = .05, predictors = 3), which indicated a minimum requirement of 119 respondents, providing strong statistical power for the regression and ANOVA analyses conducted.

### *3.3. Instrumentation*

Data were collected via a structured, self-administered questionnaire comprising five sections: (1) demographic and role classification, (2) digital market accessibility (6 items), (3) perceived investment value (5 items), (4) artistic/cultural value (5 items), and (5) purchase intention and commercialization perception (7 items). All items were measured on a 5-point Likert scale (1 = strongly disagree, 5 = strongly agree). The instrument was adapted from validated scales in prior consumer-behavior and art-market research and refined through expert review and a pilot test (n = 35, excluded from the final sample).

### *3.4. Reliability and Validity*

Internal consistency was assessed using Cronbach's alpha, with all constructs exceeding the 0.70 acceptability threshold (Table 1). Convergent validity was confirmed via Average Variance Extracted (AVE > 0.50) and discriminant validity via the Heterotrait-Monotrait (HTMT) ratio, all below the 0.85 threshold.

**Table 1. Reliability and Validity Statistics (N = 410)**

| Construct | Items | Cronbach's α | Composite Reliability | AVE |
|---|---|---|---|---|
| Digital Market Accessibility (DMA) | 6 | 0.86 | 0.89 | 0.61 |
| Perceived Investment Value (PIV) | 5 | 0.83 | 0.87 | 0.58 |
| Artistic/Cultural Value (ACV) | 5 | 0.81 | 0.86 | 0.56 |
| Purchase Intention (PI) | 4 | 0.88 | 0.91 | 0.64 |
| Commercialization Perception (CP) | 3 | 0.79 | 0.84 | 0.60 |

### *3.5. Data Analysis Tools*

Quantitative data were analyzed using SPSS v.28 for descriptive statistics, Pearson correlation, multiple linear regression, and one-way ANOVA (with Tukey HSD post-hoc comparisons). SmartPLS 4 was used to conduct Partial Least Squares Structural Equation Modeling (PLS-SEM), enabling simultaneous assessment of the measurement model (reliability/validity) and structural model (hypothesis testing) with bootstrapping (5,000 resamples) for significance testing of path coefficients.

## 4. RESULT

### *4.1 Demographic Profile of Respondents*

**Table 2. Demographic Distribution of Respondents (N = 410)**

| Category | Subgroup | Frequency (n) | Percentage (%) |
|---|---|---|---|
| Role | Collectors | 142 | 34.6 |
| | Independent Artists | 118 | 28.8 |
| | Gallerists/Dealers | 84 | 20.5 |
| | Art Investors | 66 | 16.1 |
| Gender | Male | 219 | 53.4 |
| | Female | 184 | 44.9 |
| | Other/Prefer not to say | 7 | 1.7 |
| Age | 18–29 | 97 | 23.7 |
| | 30–44 | 156 | 38.0 |
| | 45–59 | 112 | 27.3 |
| | 60+ | 45 | 11.0 |

### *4.2 Descriptive Statistics*

Mean scores indicated moderately high agreement across constructs: Digital Market Accessibility (M = 3.92, SD = 0.68), Perceived Investment Value (M = 3.77, SD = 0.71), Artistic/Cultural Value (M = 3.85, SD = 0.63), and Purchase Intention (M = 3.81, SD = 0.74), suggesting respondents generally perceive digital and investment-related factors as increasingly central to art purchasing decisions.

### *4.3 Correlation Analysis*

**Table 3. Pearson Correlation Matrix (**p < .01, two-tailed, N = 410)**

| Variable | 1 | 2 | 3 | 4 |
|---|---|---|---|---|
| 1. Digital Market Accessibility | 1.00 | | | |
| 2. Perceived Investment Value | 0.52** | 1.00 | | |
| 3. Artistic/Cultural Value | 0.31** | 0.28** | 1.00 | |
| 4. Purchase Intention | 0.58** | 0.54** | 0.39** | 1.00 |

All predictor variables show significant positive correlations with purchase intention, with digital market accessibility showing the strongest bivariate association (r = .58, p < .001).

### *4.4 Multiple Regression Analysis*

A multiple linear regression was conducted to test H1–H3, with purchase intention as the dependent variable and digital market accessibility, perceived investment value, and artistic/cultural value as predictors. The overall model was statistically significant, $R^2$ = .42, adjusted $R^2$ = .41, F(3, 406) = 97.84, p < .001, indicating that the three predictors jointly explain approximately 42% of the variance in purchase intention.

**Table 4. Multiple Regression Results — Dependent Variable: Purchase Intention (N = 410)**

| Predictor | B | SE | β | t | p |
|---|---|---|---|---|---|
| (Constant) | 0.61 | 0.14 | — | 4.36 | < .001 |
| Digital Market Accessibility | 0.37 | 0.05 | 0.34 | 7.40 | < .001 |
| Perceived Investment Value | 0.30 | 0.05 | 0.29 | 6.00 | < .001 |
| Artistic/Cultural Value | 0.19 | 0.06 | 0.17 | 3.17 | .002 |

These results support H1, H2, and H3: digital market accessibility, perceived investment value, and artistic/cultural value each significantly and positively predict purchase intention, with digital accessibility emerging as the strongest predictor.

### *4.5 One-Way ANOVA: Commercialization Perception by Respondent Role*

A one-way ANOVA compared commercialization-concern scores across the four respondent categories. Results revealed a statistically significant difference, F (3, 406) = 8.62, p < .001, $\eta^2$ = .06. Tukey HSD post-hoc tests indicated that independent artists (M = 4.05, SD = 0.61) reported significantly higher commercialization concern than collectors (M = 3.48, SD = 0.69, p < .001) and art investors (M = 3.31, SD = 0.72, p < .001), while no significant difference emerged between gallerists and collectors (p = .21). This supports H4.

### *4.6 PLS-SEM Structural Model Results*

Bootstrapped PLS-SEM analysis (5,000 resamples) confirmed the significance of all hypothesized paths: DMA → PI (β = 0.35, t = 7.21, p < .001), PIV → PI (β = 0.28, t = 5.84, p < .001), and ACV → PI (β = 0.18, t = 3.02, p < .01). The model demonstrated acceptable predictive relevance ($Q^2$ = 0.29) and explanatory power ($R^2$ = .43), consistent with the regression findings above.

## 5. Discussion

The findings collectively indicate that the contemporary art market has shifted toward a commercialized paradigm in which digital accessibility and investment potential outweigh purely aesthetic or cultural considerations in shaping purchase behavior though artistic/cultural value retains an independent, statistically significant influence. This suggests a hybrid valuation logic in which buyers do not entirely abandon cultural appreciation but increasingly weigh it

alongside market liquidity and platform convenience.

The significant difference in commercialization perception across roles is particularly notable: independent artists who are most directly affected by pressure to produce marketable, platform-friendly work express the greatest concern about commodification, while investors, whose engagement is primarily financial, express the least. This divergence highlights a structural tension between the market's commercial stakeholders and its creative producers, echoing long-standing debates in cultural economics about the compatibility of artistic autonomy and market logic.

## 6. Conclusion and Recommendations

This study provides quantitative evidence that digital market accessibility and perceived investment value are the dominant drivers of contemporary art purchase intention, while artistic/cultural value, though still significant, plays a comparatively smaller role. Commercialization concern varies meaningfully by market role, with artists most affected. Based on these findings, the study recommends that: (1) galleries and platforms invest in digital accessibility features (virtual viewing rooms, provenance verification, fractional ownership tools) to capture the strongest driver of purchase intent; (2) industry bodies develop transparency standards for investment-marketed art to protect both buyers and artists; and (3) policymakers and arts councils consider support mechanisms that shield independent artists from purely market-driven production pressures, preserving space for non-commercial artistic experimentation.

### *6.1 Limitations and Future Research*

This study is limited by its cross-sectional design, which precludes causal inference, and its reliance on self-reported purchase intention rather than observed purchasing behavior. The non-probability sampling method may also limit generalizability. Future research should employ longitudinal designs, incorporate actual transaction data from art marketplaces, and extend the model to include emerging variables such as NFT/blockchain provenance and AI-generated art acceptance.

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