

How "The Gallery System" Is Failing Photography

by

Brooks Jensen

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Before I even begin this article I need to make sure it is quite clear what this article is about. I am about to launch into a serious review of *the gallery system*. I am not, however — and I cannot stress this enough — attacking *gallery owners*. They are as powerless to change the system as photographers are, and should be recognized as such. I respect what galleries do and have done for photography too much to criticize them for what they do well.

Now, having said that, let me state that the system of gallery sales of photographic artwork that we currently have makes very little sense — with the exception of a very few photographers and collectors. I say this simply because — as I'll show in this article — it is failing most consumers, failing almost all photographic artists, and even failing many of the gallery owners themselves (witness how many of them disappear as business failures). Let me state again, *there is no one to blame* — it's just the inheritance of a system that was originally designed for other art media and other technological times. The disservice that is perpetuated with this outmoded gallery system is hurting photography, hurting new photographers, limiting the availability of new and exciting work, and serving only a very small and extremely elite group of lucky artists and elite-positioned entrepreneurs.

Cash Flow and the Gallery

For those of you who are not aware of how the gallery system works, perhaps I should describe it in some detail, from a business perspective, so as to lay down the foundation for the ideas in this article.

To start with, someone decides to open a gallery specializing in photographic artwork. Naiveté is so blissful. They invest the family fortune, rob the pension plan, or borrow for everything they're worth so as to capitalize their new business.

Next, the new gallery entrepreneur signs, typically, a five year lease for space, which immediately obligates them to a debt of somewhere between \$60,000 and \$300,000, depending upon location, location, and location. Let's see, if they sell photographic artwork for \$600 apiece, that means, in the course of the next five years they will have to sell somewhere between 100 to 500 prints — assuming all the money goes to pay the rent — which, of course, it doesn't.

Next, we have to figure in some operating expenses — heat, lights, power, telephone, insurance, fax machine, office supplies, postage, Federal Express, a little travel and entertainment. Oh yeah, and I forgot to mention wages for the staff as well as the owner. Did I mention the upstart leasehold improvement expenses? — things like carpeting, track lights, paint, fixtures, and such? Well, I should have. Oops, I also forgot taxes.

And then there's the 40% to 50% that goes back to the photographer.

Very quickly the realities set in — the life of a gallery owner is more difficult than it first appears and they must sell several hundred photographs each year just to survive. This is

why so many galleries supplement their income with other goods and services — e.g., framing services, or selling non-photographic (read higher priced) artwork.

Cash Flow and the Photographer

Now, if this were any other kind of business it would be fairly obvious that I have not yet mentioned the single largest capital expenditure to open a retail storefront — namely, inventory. In the case of galleries, however, the inventory is usually funded by the unsuspecting artist. Here's how that works.

The artist — by definition a person with a fragile ego — is dying to get represented by a gallery — any gallery, anywhere — just so they can get their name out there and maybe sell some work. After all, lenses, paper and chemistry are quite expensive; a little income would help. The gallery then asks the artist to prepare, say, fifty photographs for an exhibition and / or for basic inventory. The photographer prints and mats the inventory and pays the freight to deliver them undamaged to the gallery. The financial arrangement between the gallery and the artist is that (almost without exception) the artist is not paid for this inventory until the prints sell. Therefore, the artist's cash is tied-up pending the print sales. Fairly typically, when a print does sell, the gallery keeps about half of the money and the artist gets the other half. (There are some variations in this division, but this one is the most common.) Some time later, perhaps a year or so, the gallery and the photographer assess the success of the inventory and often find that far less than half of it has sold. The remaining, say 2/3 of the inventory, is now getting somewhat long in the tooth — maybe even a bit dog-eared or shopworn — and the gallery owner requests a fresh batch of prints. "Can I have another fifty new ones?"

A quick accounting of the photographer's Profit & Loss statement will show a rather bleak result. For each of the original 50 prints that were given to the gallery, the photographer has a hard cost (that is to say, cash out) of, say, \$75 each including the cost of printing, matting, shrink-wrap — and let's not forget test-strips, unacceptable prints, film — and we haven't even talked about camera equipment and the investment in the darkroom set-up. Nonetheless, let's stick with the figure of \$75 per print — a hard cash outlay of about \$3,750. Let's say the photographer wants to sell their work for a respectable \$600 per print. It looks like there's a lot of profit to be made. But wait. Look again.

At a 50% take, when the gallery sells a print, they get \$300 and the photographer gets \$300. But, during the course of the year the gallery may have only sold 1/3 of the work! Therefore, when it's all said and done, the photographer made \$225 on each of 17 prints only — a whopping gross income of \$3,825 for the year. And now the gallery wants another 50 prints! This means a new investment of 50 times \$75 (\$3,750 total) — leaving the photographer with \$75 in his pocket and a pile of prints that may not be sellable. With these kinds of returns on investment it's easy to see why so many photographers have a dental practice or sell real estate on the side.

The only way to succeed in this game is to raise prices (\$600 to \$1,500+ for a "mid-career artist") or to sell a higher percentage of the prints you produce. This is, in fact, the way most galleries and photographic artists try to succeed. But, as you will see in the next few paragraphs, this tends to be a self-frustrating system because of the realities of a price sensitive public.

Print Prices and the Consumer

So, this system is bad for the gallery owner, and bad for the photographer. What about the *consumer*? Well, after attending a gallery opening they find an interesting piece of

photographic work they lust after and would like to own. Obviously, there are a number of people who can cough up \$600 to \$2,500 for a photographic print because a number of them do. But for the vast majority of people who would love to own a photograph, even \$300 is a tough nut to crack, in light of mortgage payments, car loans, food, the kid's dental braces, and cable TV. Having to pay \$600 to \$2,500 for a photograph is simply out of the question.

The consumer gets aced-out because the *prices* are too high. The gallery gets aced-out because *expenses* are too high. The photographer gets aced-out because the return is so *low*. So why does this system even exist?

Simply put, the reason photographers and gallery owners play this difficult game — and as far as that goes, most consumers, too — is because they're all gambling in *the photographic lottery*. Everybody wants to buy the next "future superstar's" photograph for \$600, and watch it escalate to \$10,000 at a Sotheby's auction. In other words, you're not supposed to buy this photographer's work because you like it, want to own it and hang it on your wall to enjoy it; you're supposed to buy it because it's a better investment than soy beans or pork futures.

The only intelligent way to play this gallery game is to try to become one of those very rarefied photographers whose work sells for \$5,000 or more per print. Then, and only then, will you and the gallery owner make a living off the sale of artwork. Good luck.

How to Play the Game to Win, Sort of

Which brings me to the stupidest part of this game of all. Without a doubt, the best thing you can do to enhance your status as a photographer worthy of investment, whose career is truly on solid financial grounds, is to die. Barring that, a press release that you're not feeling very well is the next best thing.

What this means in the practical world of art sales is simply this: Galleries are most likely to be interested in you if you're: (1) already famous, (2) already collectible, (3) already dead, or (4) preferably all three of the above. New artists, mid-career artists, people with a vision, and people of anonymity need not apply. So they don't.

There is one way to break in to the system: You can buy your way in. If you have enough money to self-publish a couple of books, this can help a great deal. See (1) above. If you can produce work that is so controversial as to receive unbelievable amounts of press, you can break in. See (1) above. If you can be anointed by a particularly powerful museum director, gallery owner, or recalcitrant conservative Senator you might also stand some small chance. See (2) above. Other than these methods your best bet is dying. See (3) above.

I can't help but finalize this train of thought with a difficult conclusion. The system doesn't need to be scrapped, because it has served so well the people it was intended to serve — the master photographers, the investor/collector, and the gallery owner who serves these two. **There's nothing wrong with the system**; it's just not the right system for the consumer with a budget, established photographers who want to reach the widest possible audience, the new and mid-career artist / photographer who want to develop an audience, or the publisher or gallery owner who wants to stick their financial neck out to support the work of merit of a relatively unknown or only regionally-known photographer. And from that point of view, the gallery system is failing most photographers *and* their artwork.

An Alternative to The Gallery System

by

Brooks Jensen

(Originally published in LensWork #23, November 1998)

That the masters of photography have become collectible is wonderful for photography. But, in order for photography to be vital and alive, beginning and mid-career artists who are producing stunning work also need to be seen, appreciated and collected and established photographers need a way to make their work accessible to everyone.

Here at LensWork, we believe that photography is not a pursuit limited to dead masters, or restricted to recognized images only. Nor should it be restricted to consumers who can afford the prices required in the purchase of artist-made originals. We believe there is room for both kinds of photographs in the market.

Ever since I wrote the article *How "The Gallery System" Is Failing Photography* I've been bothered by it and the conclusions I came to. I've been bothered by it not because I think I was *wrong*, but because I ended the article without offering any solutions, any alternatives, any direction. I was forced to do so because I literally didn't have any solutions to offer.

Now, I do.

The Evolution of a Technology

When I started publishing *LensWork Quarterly* in 1993, my involvement with the computer escalated dramatically. I learned Adobe Photoshop and the printing world, and slowly saw the possibility of a totally new way of making stunning photographic prints in the darkroom.

In 1996 I began experimenting in my personal photographic work with digitally created photographic negatives that could be contact-printed on regular gelatin silver, black & white photographic papers. My objective was to preserve the final look and feel of a fine art silver photograph. I love the deep black densities that are possible with silver, and impossible with ink. I love the marvelous continuous tonalities of grays, and bright whites, found in original silver photographs. And, of course, no photographic material is more archival than gelatin silver.

It literally took me two years of experimenting, but at last I have succeeded. The contact prints made by my digital negatives are indistinguishable from the original prints I made from my camera negatives! The only way to tell the difference is with a powerful magnifying loop, where the digital nature of the contact negative can be seen under magnification. You'll have to see it to believe it.

The Genesis of the Idea

Not long after I started working with the technique in my personal work, I found myself asking a series of very interesting questions:

What if a complex set of dodging and burning, bleaching and spot-toning, fussing and fretting could be reduced to a straight print from a digital negative? Said another way, what if the creative act of the photographer needed to be performed only once on a master print that could be duplicated easily and inexpensively with no compromise in print quality? What if I applied this technique with other photographers to help them produce their images less

expensively? What if photographers were freed from the drudgery of darkroom repetitions and could apply themselves to the creative process of photographing and printing original prints? What would this mean for selling their work? If creative minds had an outlet for their work that provided them cash flow wouldn't they be liberated to concentrate more on the creative aspect of their work rather than the mere darkroom mechanics of reproduction?

This technical success in my personal photography had evolved into the potential for a totally new paradigm for the distribution of photographs. This line of thinking has been expanded and adapted into the *LensWork Special Editions Collection*.

What excites me the most is that this idea provides a practical solution to the problem I originally identified in my earlier criticisms of the gallery system. Applying my digital negative technique to the work of other photographers has allowed us to create a new paradigm for photography that was not even possible just a few years ago.

Fine Art Photographs At Real People Prices

In my original article I wrote about how the cost structure of operating a gallery prevents them from selling work at lower prices, and how the labor and investment the artist makes when they produce original photographs motivates them to increase prices, too. These two factors combine to lock-out more and more people from the purchase of fine art photographs — they simply can't afford it. How does this serve either photography or the photographer?

That the masters of photography have become collectible is wonderful for photography. But, in order for photography to be *vital* and *alive*, beginning and mid-career artists who are producing stunning work also need to be seen, appreciated and collected. Established photographers need a way to make their work accessible to everyone.

Here at LensWork, we believe that photography is not a pursuit limited to dead masters, or restricted to recognized images only. Nor should it be restricted to consumers who can afford the prices required in the purchase of artist-made originals. We believe there is room for both kinds of photographs in the market.

Since I wrote that original article, an entirely new marketing paradigm has developed. The World Wide Web offers us the ability to produce an instantly accessible catalog of available *LensWork Special Editions* that can be updated instantaneously, markets photographic artwork globally, with far less overhead than the traditional gallery.

The direct marketing provided by *LensWork Quarterly*, the *LensWork Multimedia Library* on CD-ROM, and our World Wide Web site, combines with the low-cost silver photographs made from digital negatives, to allow us to define an all-new distribution paradigm for fine art photographs that compliments the gallery system.

Where galleries focus on master photographs, artist-made prints, and investment/collectors, the *LensWork Special Editions* serves the needs of those who love photography, established photographers with artistic reputations as well as new, emerging, and mid-career artists. The philosophy is based on the broadest possible distribution at modest prices rather than on limiting distribution through scarcity and elite pricing. We can offer *LensWork Special Editions Collection* photographs at extremely affordable prices — \$39 to \$99 — for the person who wants to buy, own, and appreciate the look of fine art black and white photographs. These prices are possible because of the combination of LensWork's world-wide audience and the efficiency of printing perfect images easily from digital negatives.

Prior to this new technology and today's global communications such a paradigm was simply not possible.

In short, this new paradigm is good for the photographer's creativity (by giving them more time for making original photographs), good for the photographer (by helping them find the widest possible audience for their artwork), good for the galleries (by developing new, entry level collectors and buyers for photographs), and good for consumers who find they can only afford a modest budget for photographic artwork.

The *LensWork Special Editions Collection*

Most of the photographers included in the *LensWork Special Editions Collection* come from alumni of *LensWork Quarterly* and the *LensWork Multimedia Library*. The *LensWork Special Editions Collection* is comprised of photographs produced in direct cooperation with the photographer and produced to their specifications to match their original artwork. The *LensWork Special Editions* are then signed by the photographer, assuring that each one is produced to their satisfaction. Where the image is limited, each one is also numbered along with the total edition size.

Each photograph selected for the *LensWork Special Editions Collection* is produced in a limited edition — not with the intention of creating a phony market value through forced scarcity — but rather to encourage photographers to produce more work, to encourage people to purchase a broader assortment, and to foster the sense that photography is a growing, changing, living, organic process, both in the production and the marketing of fine art photographs.

Because the edition size is limited and images may sell-out quickly, the most up-to-date catalog of *LensWork Special Editions* will be available at the LensWork Web site (www.lenswork.com). This catalog will be updated regularly to show the images currently available. Because we anticipate the selection and availability to change regularly and rapidly, the paper catalog (printed twice a year) may not list all currently available *Special Editions*.

I cannot tell you how excited I am about this new paradigm for distributing the best photography has to offer.