

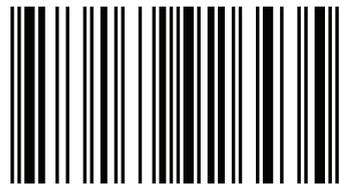


Contemporary Indonesian Artists

The issues surrounding brand images are not only applied to organization and products, but also towards individuals. Indonesian contemporary artists are demanded to do their own business and management strategies to excel in their artistic fields. The lack of understanding towards the art business scenes has suppressed the growth of the business. The purpose of this study is to see the relationship between brand images towards market acceptance and how it affects market opportunity for the artists as well seeing the opportunity for art business within Indonesia. This research is conducted with questionnaires for contemporary artists and potential consumers as well as interviews with respective art business people in Indonesia. This study finds how brand images may not have significant relationship towards market acceptance while the market acceptance has significant relationship in influencing market opportunity for Indonesian Contemporary arts business scene. The conclusion that comes is higher market acceptance, appreciation and knowledge about art translates to a bigger market opportunity.



She holds a bachelor degree in International Business. She has involved with several firms in Indonesia and Germany; PT. Tokopix Indonesia Utama, Koolwitz Internet, GmbH, International Language Program, and PT. Schenker Petrolog Utama. She is now a content marketer, media, and technology enthusiast and an artist living in Jakarta, Indonesia.



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Samuel P. D. Anantadjaya  
Irma M. Nawangwulan (Ed.)

# Contemporary Indonesian Artists

Brand Images, Market Acceptance & Market Opportunity

 **LAMBERT**  
Academic Publishing

**Irma M. Nawangwulan (Ed.)  
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**CONTEMPORARY INDONESIAN ARTISTS:  
BRAND IMAGES, MARKET ACCEPTANCE &  
MARKET OPPORTUNITY**

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## **CONTEMPORARY INDONESIAN ARTISTS: BRAND IMAGES, MARKET ACCEPTANCE & MARKET OPPORTUNITY**

### **ABSTRACT**

*The issues surround brand images are not only applied to organization and products, but also towards individual. Indonesian contemporary artists are demanded to do their own business and management strategies to excel in their artistic fields. The lack of understanding towards the art business scenes has suppressed the growth of the business. The purpose of this study is to see the relationship between brand images towards market acceptance and how it affects market opportunity for the artists as well seeing the opportunity for art business within Indonesia. This research is conducted with questionnaires for contemporary artists and potential consumers as well as interviews with respective art business people in Indonesia. This study finds how brand images may not have significant relationship towards market acceptance while the market acceptance has significant relationship in influencing market opportunity for Indonesian Contemporary arts business scene. The conclusion that comes is higher market acceptance, appreciation and knowledge about art translates to a bigger market opportunity.*

*Keywords: brand image, market acceptance, market opportunity, contemporary arts, artists*

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## CHAPTER 1 - INTRODUCTION

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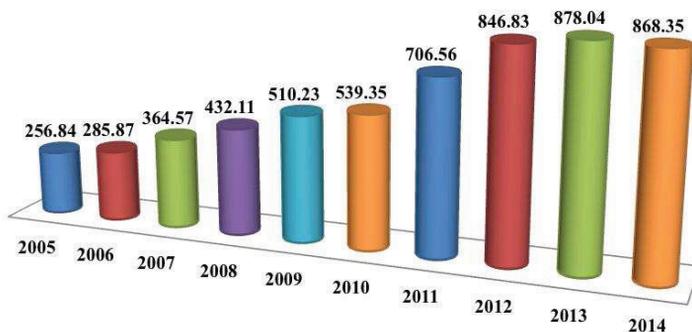
### 1.1. BACKGROUND

Art is a part of everyone's lives. Regardless if music or design, whether noticed or not, art has touched everyone. The wonder of art is that it is in everything. Art, as defined in Merriam Webster Dictionary, is *something that is created with imagination and skill and that is beautiful or that expresses important ideas or feelings*.

The Indonesian artistic world has developed over a very long time. The mixture of culture and backgrounds of each zone and islands has led to unique and diverse characteristic of the nation's artistic creation. With that in hand, artists from all around the globe see Indonesia as a creative conservatory (Brownell, 2013). Indonesia has been exposed to the world of art for centuries. Artwork in a cave located in Indonesia was made 40,000 years ago taking it to be one of the oldest artwork ever created in the history of humankind. Some scientists even consider the theory where they believe that Indonesia is the first place where the technique of cave painting and artistic comprehensive of humankind were developed for the first time (Cyranoski, 2014).

As mentioned by Dr. Mari Pangestu, the Indonesian Ministry of Tourism and Creative Economy, Indonesian creative industries include restaurants, fashion, music, performing arts, spas, and design in any industry, as well as arts and craft. Taking South Korea's emerging success in getting their pop culture and digital entertainment into a massive export commodity as a model, Dr. Mari Pangestu is optimistic on setting the goal of boosting Indonesia's creative industry's contribution towards GDP by 11% within the next 10 years (Soong, 2012). The government started realizing the big impact of the industry toward citizen's welfare. Creative industries are expected not only to contribute towards the country's GDP but also increase people's wellbeing and provide jobs. The biggest contributor towards the success of the increasing GDP contribution from the creative industry is held by fashion, crafts, design, and music. Even so, with the government beginning to invest more into the industry, the growth of other sectors such as arts is also supported (Abdussalam, 2010).

Art has played an important role within the nation. The year 2009 was devoted as the "Year of Creative Industries" by Indonesia's Ministry of Trade. The increasing achievement made within this industry has been very significantly shown in the country's GDP. The year 2009 was the peak of the success, which lead the Government of Indonesia to give more devotion toward this particular industry (The Jakarta Post, 2012). In addition, Dr. Susilo Bambang Yudhoyono, who is now the former President of Indonesia, launched Presidential Instruction No. 6/2009, which requires 24 governmental organizations to build and organized programs aimed at developing the creative sector. Following those steps, most state banks are then encourage to grant more loans for business owners who are moving in creative sectors. (Global Business Guide Indonesia, 2012)

**Figure 1: Indonesia GDP Growth**

Source: (Trading Economics, 2014)

The creative industry has contributed good deeds into the international reputation of Indonesia. Despite being under the domestic radar, contemporary artists of Indonesia have put their names in the same list with multinational artists in multiple international art exhibitions. In February 2013, Arin Dwihartanto Sunaryo and Reza Afisina both featured in “No Country: Contemporary Art for South and Southeast Asia” held by The New York City’s Guggenheim Museum. (The Jakarta Post, 2012). Another Indonesian contemporary artist was also featured in Harper’s Bazaar list of Artist to Watch in the same year. Melati Suryodarmo, contemporary artist who was born in Surakarta, Indonesia. She was put in the number 3 of the list after Ryan Mitchell and Amanda Coogen, both known very well in international contemporary art world for their stunning art pieces (Abramovic, 2013).

The market of art can determine the value of the art pieces. Artistic pieces are not only graded based on their techniques and the inspiration behind them, but also how much appreciation it gets from the market itself. The more an artwork is valued the bigger importance are given to the artist, both economically and also artistically (Sasaki, 2012). The idea of putting an economic value into artworks does not always go into a mutual agreement between artists. In a perspective, art is an intellectual property. By means, the transaction of exchange a tangible art piece does not detached the work from the artist themselves. And then, putting the value of an artwork based on its’ monetary transaction seems improper (Sasaki, 2012).

Numerous studies conducted by Galenson for instance, have been done in order to understand the path of artistic career and their affect toward the artistic life cycles. In terms of the art market, it is understood that there are always different approaches toward artistic pieces, which then may lead into completely opposite styles and view. Experts believe there are two different approaches in visual arts: techniques and creative ideas and innovation (Moureau & Sagot-Duvauroux, 2012). Seeing from the angle of the approach, contemporary art falls under innovation and creative ideas.

Contemporary art by quick definition lies in arts that are made between 1960s or 1970s till this very moment. Current issues such as politics, social, gender and humanities are

usually what inspire contemporary arts. Contemporary artists, viewed from their pieces, speak more about what they feel and focus on delivering their personal ideas and ideology (Esaak, 2014). Indonesian contemporary arts speak a lot about the political and social worries of the artist in their early days. Under the regime, contemporary arts in Indonesia exploded with deep irony and sarcasm provocatively toward the government. Artists were more than ever, trying to deliver a fragment of their opinion in matters of religion, economics, ethics and cultural identity with their works, which lead to what defines contemporary arts of Indonesia today (Kendzulak, 2013).

As time goes by, contemporary arts were driven away from being the voice of the artists into commercialized idea. Lack of private and government sponsorship has pushed the artists to seek funding to other sources. Most of them then demanded to create 'art product' that would appeal international collectors. The demand mostly requires them to create organic paintings, in large size with a mix of vibrant colors (Esaak, 2014). However, the Indonesian art market has always more appealing for the international market. The similarities that Indonesian art has with authentic Chinese ones put extra plus point into attractiveness of Indonesian art pieces. Most international collectors find them beyond the reason of personal collection, but also as an investment. Buying from the right artist may lead into a bigger selling price in the future. For that same reason, many of these transactions are based on monetary reasons, which then do not give a helpful hand towards the improvement and development of Indonesian contemporary arts (OHD Museum, 2012).

Despite the lack of infrastructure, the market for Indonesian arts remains attractive domestically. Through economic angle, Indonesia is predicted to be the seventh biggest economy in the world surpassing UK by 2030. Alongside with the rapid economic growth, it will also increase the number of members within a consuming class within the nation (Oberman, Dobbs, Budiman, Thompson, & Rosse, 2012). By keeping that in mind, the prospect of an art market within Indonesia has become mutually appealing. The increasing number of people in consuming class means there will be an influence where people are fonder into the idea of showing off their wealth and taste through collecting or purchasing artwork. The increasing demand for these pieces will create a nurturing environment for numerous arts auction sites and museums to emerge. This might be the next step for the contemporary artists to express more, create more and gain more (Genocchio, 2013).

## **1.2. RESEARCH PROBLEM**

There are two aspects of the research problems with this research, which are as follow:

1. To understand the influence of Indonesian contemporary artists' brand images toward the level of acceptance in the Indonesian market.
2. To understand the relationship between Indonesian market acceptance and market opportunity for local contemporary artists.

## **1.3. RESEARCH QUESTION**

Question #1: How do the brand images of Indonesian contemporary artists affect the market acceptance of the artistic products within Indonesian market?

Question #2: How does Indonesian market acceptance affects the market opportunity of the artistic products within Indonesian market?

## 1.4. RESEARCH OBJECTIVES

1. To identify the relationship between brand images of Indonesian local contemporary artists.
2. To identify the relationship between Indonesian market acceptance and market opportunity for local contemporary artists.

## 1.5. RESEARCH PURPOSE/SIGNIFICANCE OF STUDY

This study is conducted for the purpose:

1. Examining the significance of the relationship between Indonesian artists' brand images towards market acceptance.
2. Examining the significance of the relationship between Indonesian market acceptance and market opportunity for local contemporary artists.

## 1.6. SCOPE AND LIMITATION

This study focuses on:

1. Analyzing the local market of Indonesia's contemporary art world computerized based designs, handmade designs, and the combination thereof. Selected computerized artworks are as follow:

**Figure 2: Ega Prass, Nebula**



2. The sample is limited to local Indonesian artists working in arts both in terms of design and contemporary arts that are devoted to their artistic works as their main occupation.
3. The analysis of the global customer perception is limited to local residents with Indonesian citizenship who lived in Indonesia alongside with both devoted local art businesspersons who live in Indonesia.

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## CHAPTER 2 – LITERATURE REVIEW

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### 2.1. ART BUSINESS

The business of art has now amassed to staggering sales. In 2012, the world witnessed the art world hits US\$ 500 million, equivalent to roughly Rp. 6.6 billion (Bank Indonesia, 2015) worth of paintings sold internationally. The world of art is, for sure, a potentially rich international industry with its own market difficulties and complexity. On the other side, some people find the act of putting economic value on art is despicable. Artistic work is often seen as a gift and more of a psychological venture of seeing and being 'touched' by a sort of beauty (Robertson & Chong, 2008).

Most people that are normally involved in the business of art are the artist themselves, collectors, dealers, and museum curators. Despite the beneficial economic fact, the world of art market is not flawless. Most of the time, there are no regulations made in the art market to protect both the buyer and artists from any scams including authenticity and undervalued artistic works. This fact raises another speculation of art as an investment, with the increasing value of the art pieces as time moves on (Robertson & Chong, 2008).

The art market has the nature of being unregulated. In his book *The Art Business*, Robertson quoted Sotheby stating that it is impossible to measure the art market, as there is never a clear report on how much an auction or a gallery may have gained in terms of profit (Robertson & Chong, 2008).

Art is a very different kind of commodity. Works of arts are only intriguing for the people who have interest in them. For these specific people, a work of art may turn to have more value than gold since it not only satisfies, their desires, but has their psychological, almost spiritual quality (Robertson & Chong, 2008).

The art economy is centered in the presence of the galleries. Aside from the existence of private collectors and institutions, galleries work as a medium for artists to display their products and get them to the eyes of potential buyers. Galleries usually put a price on artworks based on the level of difficulty and time it takes for the artist to create the piece. A number of art transactions may also occur outside the galleries. At large, galleries are divided into three types: point-of-sales, promotion, and springboard (Moureau & Sagot-Duvaurox, 2012).

A point-of-sales gallery is a type of gallery that has the main role of conducting exhibitions and openings that show case multiple artists at once. At the same time, an artist can be represented in multiple point-of-sales galleries at once. This type of gallery usually gains their information from respective clients, through a direct observation towards the artist and also critical review. Once the artist agree to be represented, they usually sign a contract of exclusivity to make sure that the gallery will be the only gallery that sells the artist's works within a scope of territorial limitation. By the time the artwork is sold, the artist and the gallery will usually split the profit down the middle. The artist may gain a bigger profit for artworks that have a larger production cost (Moureau & Sagot-Duvaurox, 2012).

Promotion galleries are quite famous in France. Specific educated individuals usually run promotion galleries, mostly with experience in the business of art or the art world itself. Promotion galleries work both in domestic and international levels, numerous galleries, art institutions, regional culture and communication ministries and exhibitions. Promotion galleries make catalogues and help fund the production cost of the artists. The weakness of this kind of gallery is that they are prone to economic pressure of having to provide profits all the time. Most artists also might not be as loyal and find a bigger gallery that can fund them with bigger production support. These kinds of galleries struggle for they usually promote new and fresh artist that not many have recognized yet in the market. Despite the difficulties, promotion galleries usually encourage the growth and improvement of the artist around them by providing the option of production cost sponsorship (Moureau & Sagot-Duvauroux, 2012).

A springboard gallery is the most different of all. A springboard gallery is usually established as a non-profit establishment, sustained by the voluntary funds from the collectives. Art students, or art teachers, or holders of art degrees usually own springboard galleries. In most cases, springboard galleries are unified into an institutional network. Springboard galleries are usually the first step art graduates take to building a career in the visual arts world (Moureau & Sagot-Duvauroux, 2012).

The promotions of artworks does not stop only in the stages of galleries but continues into many different channel such as displays in public venues such as restaurants and also the artist's personal studio itself. In some cases, artists can have their own art agents that will help them do the art transaction for them as well as looking for a respective and interested individual art buyers (Moureau & Sagot-Duvauroux, 2012).

The definition of the art galleries cannot be boarded by a simple listing. In some other region, art galleries are integrated with coffee shops and other functions such as restaurants and hotels (Holsworth, 2010).

## 2.2. BUSINESS MODEL

By definition, a business model is a plan made by a company in order to manage their operation and obtain profits. Business model goes way back in business world, as it is one way for someone to understand how a business may generate revenues (Investopia, 2014). Different business models are required in order to succeed in different level of business and level. Type of business model falls under:

1. Manufacturer

Manufacturer made and assembly their own products. At the end, manufacturer can choose whether to sell their own products by their own or use a retailer to distribute the products.

2. Distributor

Distributors are the ones who took the products from the manufacturer and sell them directly to the customers.

3. Retailer

Retailers usually have physical store where they can sell the products they get from wholesalers and also distributors.

4. Franchise

Franchise could be a manufacturer, a distributor or even a retailer. It is all depends on what kind of franchise it has (Job, 2013).

There are some distinct differences between a business model and a strategy. Below are the differences (QuickMBA, 2010):

1. A business model works as a creator of value, how a firm might establish a value that later will be transfer out to the customer. On the other hand, strategy is a set of plan to capture the existing value that a firm might already have and continues to build a more sustaining one.
2. A business model works as the basic foundation in the process of changing an innovation into an economic business value. A business model does not focus on elaborating the business point of view to shareholders like a strategy might be able to do.
3. A business model may be constructed with a narrow environment comprehension while a strategy requires a more complex and wider knowledge.

The business model for art at large can be defined through the use of techniques required within the art pieces. The most common are between traditional and innovative arts (Moureau & Sagot-Duvaouroux, 2012). There is a belief held by many that the business model for most visual arts is found to be frail and defenseless toward fluctuation of funding. The correlation between both high quality arts and a great business model can help the success of the artist and may also lead to better known artist (Royce, 2011).

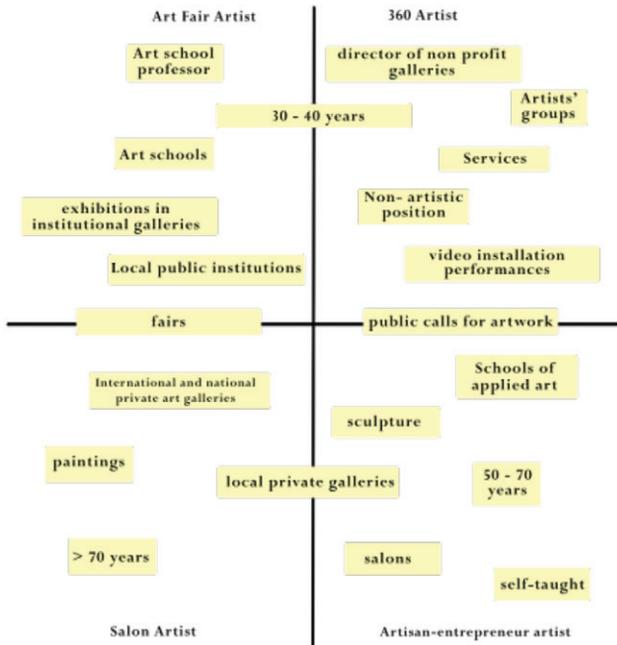
Different kinds of artists will require a different kind of business model. As the artist will act as their own 'establishment', they will have to adjust their business plan with their works and art pieces. At large, the business model within the art world can be pulled from two main lines of business model; innovation versus techniques and artworks versus projects. With these lines, it leads to four business models that equate to four different kinds of artist types: salon, artisan-entrepreneur, 360-degree artist and art fair artist (Moureau & Sagot-Duvaouroux, 2012).

The illustration summarizes the indicators and outputs of the types of artists and their effects toward the business model of the art business. The business model combines the indicators that differ one artist from another; education level or training, distribution places, ways of improving the value, balancing activities, community roles, and also the involvement of other organizations such as dealers and institutions (Moureau & Sagot-Duvaouroux, 2012).

Salon artists are self-taught or trained artists that specialize in traditional art techniques, in most cases paintings or sculptures. This kind of artist usually gains their recognition from commercial use of the pieces while gains their value from exhibitions, public

placement and point-of-sales galleries. The artist’s career is basically based on their ability to be able to sell their products in the market and how much they sell. The transaction between the salon artist and the buyer are usually based on commercial aspects, the opportunity to get their artworks in public eyes. Most salon artist has his or her own signature looks and style that distinguish them from another salon artist (Moureau & Sagot-Duvauroux, 2012).

**Figure 3: Artist Profiles**



**Source: (Moureau & Sagot-Duvauroux, 2012)**

The artisan-entrepreneur artist has similar characteristics with the salon artist. Most sculptors are identified within this profile. Usually, they are looking for a source of funding before they start any of their art projects. Their artworks are usually very relatable such as landscape and nature, which then put photographers within this profile as well. They usually come in a set of team and work for particular projects and sponsors. The revenue gained from the payment of orders and the commercialized sales of the art pieces (Moureau & Sagot-Duvauroux, 2012).

In case on doing commission, there are also 360-degree artists. This kind of artist usually do commission and projects yet it does not limited to visual artworks but also performances, installation and many other forms of artistic works. 360-degree artists included innovations into their artworks while using the techniques that they learned in specific artistic training. They may also be included in other artistic projects such as

designing, exhibition management and other artistic activities (Moureau & Sagot-Duvauroux, 2012).

The last one is the art fair artist. The art fair artists are primarily a well art educated individuals that do both innovative and traditional artworks. They are usually represented internationally as well as domestically in various exhibition and galleries. The artist success are all based in the sales they are able to established and their value are basically can only be divined by the institutions and how many exhibition they manage to be featured at. Yet, their revenue does not limit to the sales it, but also from the funding they may get from various donators (Moureau & Sagot-Duvauroux, 2012).

This classification may not cover all the approaches and classification of the artist and their works. Throughout times, there will be new approaches and strategies that may appear in terms of building the artist’s career (Moureau & Sagot-Duvauroux, 2012).

### 2.3. CONSUMER BEHAVIOR

Every day, consumers choose what to buy or not to buy in the market. With that knowledge, marketers are constantly trying to analyze how consumers are behaving in order to make better selling products in the market. The main question of all marketers is ‘How consumers are behaving toward all the marketing efforts that are made for the products?’ In that matter, multiple aspects can be investigate in order to figure out the reasoning behind the consumer’s ways of making a purchasing decision (Kotler & Armstrong, 2012).



Source: (Kotler & Armstrong, 2012)

On the other hand, this graph does not definitely show the main reason behind the buying behavior of a consumer. In some cases, consumers are more drawn by specific brands or products for their long time, good performance. This behavior is called brand royalty. Yet, in some other cases where the product is more based on daily use and fast turnover, consumers often show psychological and cultural behaviors behind their purchase (Ebert & Griffin, 2011).

Culture may be elaborated as one basis in one’s behavior. Cultures may portray someone’s point of view towards a certain occasion, how they interact with other

individuals and their reaction towards common situation. These responses are nurtured to an individual gradually since birth which then lead into culture being one of 'learned behavior' for it took time for someone to understand and obtain the information of what their culture looks for them. Cultures are different all over the world. Every country as well as region has different cultural preference. At large, most individuals have the same needs such as shelter, food and job. What differentiates them from one to another is how they choose to accomplish these tasks and that may vary through different cultures. In that matter, culture clearly affects individual's decisions and their future actions (Johansson, 2006).

Culture is one of the most important aspects in a marketplace. The influence of culture within a marketplace lies in the importance an individual puts on cultural based decisions. In order to succeed in both domestic and international markets, cultural influences should be taken into great consideration in order to understand the ways a market may make a decision of buying a certain product (Kotabe & Helsen, 2011).

Social classes are defined as groups within a society that has similarities, whether the same values, interests, or behavior. Social classes are not determined by only one subject, but vary. The studies on social classes are found to be useful for the tendency of members within a social class to have the same purchasing decision, where one member can influence others and vice versa. Most social classes show more radical decision-making in secondary products, such as leisure activities, clothing, furnishing, and transportation (Kotler & Armstrong, 2012).

In the theory of personal factors, an individual's decisions are influenced by their personal characteristics such as age and life cycle, occupations, economic situation, lifestyle, personality, and self-conceptions. The way an individual decides to buy a product may be due to how old these individuals are at the time of their decisions. Most young people will rather save for a motorcycle, for instance, than pay for their life insurance. Throughout each individual's life cycle stages, people's behavior toward a product may also change. For those that have already been through the hassle of moving out to a new apartment, may consider purchasing the help of a relocation service compared to those who have never had the experience of moving before (Kotler & Armstrong, 2012).

The last aspects affecting the consumer behavior are the psychological factors that are divided into motivation, perception, learning, beliefs and attitudes. As stated by Sigmund Freud, people at large mostly do not realize the effects of their psychological situations towards their decisions and behaviors. The needs of every person are often uncountable for having too many variables. The motive is usually the kind of needs that based on a straight-up wants of a person for satisfaction. Most people do not realize why they want something and why they are doing what they are doing (Kotler & Armstrong, 2012).

Customer behaviors are created through the culture hold by the certain environment. As culture translated into a complex beliefs, roles, behavior, values, traditions and customs that are held by human. To identify the customer behavior, the knowledge of culture is very much needed. And for that, the customer behaviors can help define the culture of a certain society or country (Yakup, MÜcahit, & Reyhan, 2011).

## 2.4. PERSONAL MARKETING

The number of sales can also increase with the help of personal marketing. Personal marketing includes every act of making, preserving, or turn an attitude or behavior of certain individuals. Certain product to boost their sales through endorsements from popular figures usually uses personal marketing. For example, the appearance of Nike represented by athletes of various sports ranging from tennis to basketball with famous figures such as Kobe Bryant and Serena Williams (Kotler & Armstrong, 2012).

In order to have successful career path in the world of art, personal marketing and branding are important. The variety of aspects that are constructing the demand of today's market contains impulsive economy, highly aggressive and narrow markets, and the shift of demographic as well as sturdy leadership skills in all stages (Cole, 2012; Business Dictionary, 2014a).

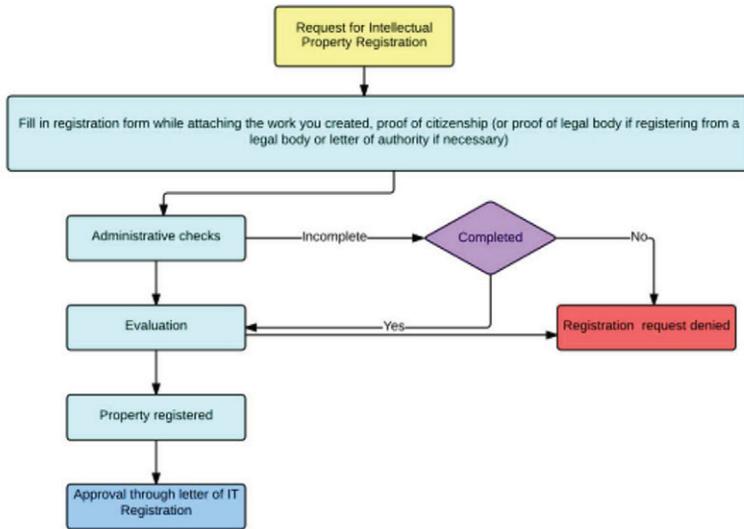
Each artist is his or her own personal 'company'. As being an artist does not mean that you are exclusively represented by a certain brand or company, it is important for them to understand the importance of self-branding. In terms of branding, the most important part is to define what makes you different from the others. In branding, the most essential part is to have a distinct uniqueness that makes the brand stands out above the rest. The next thing to come into a consideration is to find out what an individual wants to be famous for, in the case of artist, to find out their signature look and 'feel' that portrayed within each of their pieces (Peters, 2012).

In advertising world, the company's name is their brand and they do create the image around it. Art is nothing different. As in art world, personal marketing is through the action of showing more artworks and keep making more to show. Personal marketing in art world is about showing more of the existence of the artists and create a perception within people's mind that they are a well-known and the artworks they made are respective and acknowledged. For an artist, their 'brand' is their name and their 'image' is their artworks (Bamberger, 2012). Art is a personal thing to purchase. For a buyer to know and get in touch with the artist might help the buyer to come to a decision to buy. Some artists who volunteer to work in the gallery can sell better as they are there in person and so the gallery visitors can actually see them and talk to them about their arts (McNee, 2015).

## 2.5. INTELLECTUAL PROPERTY REGULATION

Intellectual property is defined as everything that is invented or created in an individual's mind, which includes literature, artistic works and design as well as names and images that are commercially used. Law under copyrights, trademarks and patents protects intellectual properties are made to ensure financial gains and recognition of the creator of their creation. Intellectual property regulations are made in order to nurture the creative environment and encourage more creation and innovation (World Intellectual Property Organization, 2014).

**Figure 5: Steps of Registering Intellectual Property in Indonesia**



**Source: (Direktorat Jenderal Hak Kekayaan Intelektual Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia, 2014)**

Intellectual property law and protection are necessary especially in the creative industries. Most creations obtained through long hours, great scarification from the artist and also in the financial investment of who created the piece. The duplication and imitation of the creation may leads to lower financial returns of the artist, as well as less recognition from the artist who deserve it (Kotabe & Helsen, 2011).

“The Trade Related Aspect of Intellectual Property Rights and Counterfeit Goods” was signed by Indonesia in 1994. By signing the agreement, Indonesia agreed to protect intellectual properties as well as build the regulation of intellectual property that, back then, did not yet. In 2006, the success of the implementation of the regulation showed a very good measurement, yet it did not free Indonesia from the struggle of maintaining the intellectual properties registration process and the citizen’s education and acceptance levels toward the new stricter intellectual properties regulations (Tukan, 2006).

Using United States as a comparison, the registration system for intellectual properties in Indonesia is much more unmanageable and may cost a fortune. When in USA, the registration processes is much better integrated with technology and paperless systems. In Indonesia, a lot of registration is still paper based and requires complicated steps. Seeing the difficulties and the cost it may take, it is very unlikely for a person to sign up for intellectual property rights in Indonesia (Tukan, 2006).

## 2.6. BRAND IMAGES

Brand image is translated as the way a customer and/or consumer look at a brand. Brand image is the perception of the brand within the mind of customers and consumers. An idea of the brand that the customer has in their mind affects the brand image of the particular brand. It is important for the brand to understand what they really have to say about themselves in order to deliver the right perspective toward the customers and consumers (Management Study Guide, 2013). There are different components that affect the wellness of a brand. A brand does not relate only to one aspect but a set of them. In some cases, a brand is more easily memorized for the little details the brand owner includes (Geller, 2012).

Product attributes are defined as everything related to the product, which makes them unique, and stand out from the others on the market. (Business Dictionary, 2014d). The attributes of a product may affect the behavior of the buyer, which then results in the sales of the product itself. Product attributes may consist of tangible and/or intangible aspects. Tangible aspects of a product attributes such as the color, the taste, the textures and everything are related to the product that can be touched, smelled, seen, heard or tasted. On the other hand, the intangible aspects of a product attributes are such as the service, warranty and also the quality of the product. In certain circumstances, customers or consumers buy a product solemnly due to their intangible benefit, defined as the prestige of the brand or the product (Education Portal, 2014a).

A benefit is something that a customer or a consumer gains from a product. By means, a product may bring a certain special use for every person. A company will try to portray what it would like to deliver to the customer by adding benefits to the item. In the world of art, these benefits are translated into the artwork itself: the color, the look into the signature of the painter or the creator of the artwork (Resch, 2011).

Organizational associations, in more than a few cases, can support the sales. By being related to a respectable organization, the perspectives toward the product will also dramatically change (Resch, 2011).

Brand customer relationship is a continuous contact between the brand and the customer that creates reflected relation patterns among the people who use the brand. This relation may take shape into love, connection, respect, and independence. For instance, many customers of Apple will never think of buying the same product from a different brand (Mogilner, 2014).

From a user perspective, certain brand may provide the customer with a feeling of accomplishment. This feeling may come from having certain type of product, in this case, artwork. Having the artwork provides the owner with a sense of accomplishment, pride and also a sense of higher self-esteem, as if the owner of this artwork is superior from other (Resch, 2011).

## 2.7. MARKET ACCEPTANCE

Market acceptance, cited from The Law Dictionary, is *continued or increased production and availability warranted by this state of satisfying a sufficiently large*

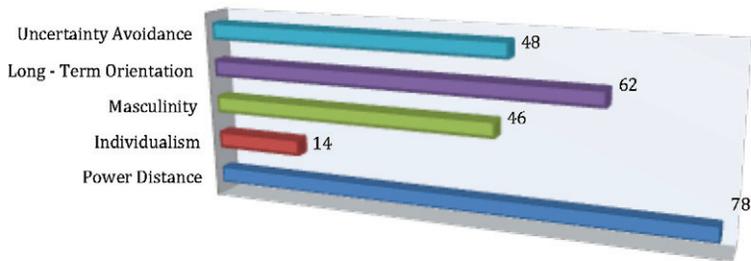
customer base with a good or service. Many cultural aspects have influenced market acceptance.

Power distance could be one of the most mentioned cultural value differences. Power distance occurs when there are differences of power value within different cultural backgrounds. For instance, where the culture is preserved as a high power distance, the people who lived under this culture will work better and with ease when a very strong superior commands them. The opposite happens in a culture with low power distance (McShane & Glinow, 2010).

With uncertainty avoidance, it is the matter of how much people can cope with vogue issues, or things that are not always interpreted explicitly. In this matter, people with higher uncertainty avoidance levels cannot handle implicit meanings or commands (McShane & Glinow, 2010).

Individualism, as quoted from McShane & Glinow (2010), is defined as *a cross-cultural value describing the degree to which people in a culture emphasize independence and personal uniqueness*. In a culture that has a higher index on individualism, the trend turns more to self-sufficient individuals. People from this cultural background tend to be able to value the significance of freedom and have their own control over their decisions and lives, the opposite happens in a culture where the individualism index is lower (McShane & Glinow, 2010).

**Figure 6: Indonesian Hofstede Chart**



**Source: (The Hofstede Centre, 2014)**

Masculinity is defined as a cultural measurement in which when recorded as high, means that the certain culture will have the tendency to be more materialistic, heroic, and driven by success. Masculinity can also be viewed as 'tough' (The Hofstede Centre, 2014).

There are certain ways that a culture will affect how people deal with life. This fact then translated into the index of long-term orientation. In a culture where the index scored high, people who live with this culture tend to be more thoughtful of the effects of the

now for the future. In term of buying behavior, customers that live by this cultural aspect will have the approach of investment strategies toward products. The more the customer can see the benefit of the product in the future, the more they will tend to decide to purchase the good (The Hofstede Centre, 2014).

## 2.8. MARKET OPPORTUNITY

Market, by current standards, is more complex than just a meeting place of people who are willing to buy or sell things. Event though, the idea remains the same (Bowie & Buttle, 2013). Market opportunity translates as a fresh or never explored before market that has specific needs that not yet explored by any other firms or suppliers (Business Dictionary, 2014c). The art market certainly has a significant opportunity for being potential investment goods instead of just luxury or secondary products.

Purchase intention or intention to buy is defined as one's future plan on purchasing and gaining a certain kind of product (Business Dictionary, 2015). Many different aspects can affect market's buying intention. Nobel (2014) argued that when the price of a good is being introduced before the good is presented. The main thing the buyer thinks about before making the decision to buy it is if *'it worth the price'*.

Later on through further investigation, Nobel (2014) observed that price did not seem to be the most influential factor towards the decision of buying a good. People buy things that appeal to them demographically. They seem to decide their purchases based on how appealing the product is for them, and the decision and intention to buy comes from the attractiveness of the product itself. Many studies wrote about what triggers consumer intention to purchase. According to 'The Theory of Planned Behavior', attitude, behavioral intention and behavior are all correlated in influencing one's intention on purchase a product (Triandewi & Tjiptono, 2013). In terms of the art business in Indonesia, the intention to buy is quite high for most Indonesian people who are interested for the reason of investment. The intention to buy investment goods comes most from the knowledge and involvement of the product itself (Sidharta, 2015).

Consumer willingness to pay is also related to the existing demand for goods. Demand correlate each product to the market's wants of a product and how much a consumer is willing to pay for a certain product. In more than one case, demands change through different aspects. Those are individual utility, purchasing power and ability to decide. Research on consumer market showed that the market willingness to pay lies more in their personal characteristic backgrounds, specifically age and gender (Boundless Economics, 2015).

Because the main reason behind the purchase is investment, the willingness to pay for a certain art piece is also high. In an auction room, the more people seem to be interested in a piece, the higher their willingness to pay for it for the more it looks to be appealing and looks to be a higher opportunity on a return investment (Sidharta, 2015).

Art market certainly has a significant opportunity. In order to evaluate more about it, the evaluation of the marketing control may provide a hand. Marketing control intends to assist the use of the marketing strategies as well as evaluating goals within the marketing functions. Marketing control consist four types of control: annual plan, profitability, efficiency and strategic (ICMR IBS Center for Management Research,

2012). However, this research will focus more into annual plan combined with profitability to measure the market demand.

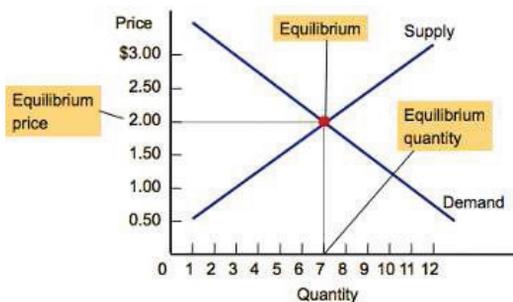
Annual Plan Control engages the usage of yearly target as a standard for the performance. Some of the most used standards are the predicted sales volume, market share and profit (ICMR IBS Center for Management Research, 2012). Profitability Control, put into an overview, is step of assessing sales ability of providing profits as well as evaluating what the products need in the future to gain even more profit (Tatum, 2014).

## 2.9. SUPPLY AND DEMAND

Quantity demanded is the quantity of goods that a buyer wants and can buy. The basic law of demand is that, other things equal, the demand will rise when the price goes down and while the price goes up the demand will fall (Mankiw, Quah, & Wilson, 2008). Price affects directly to the demand for a certain good. Intention to buy and willingness to pay are used in this research to measure the demand of the market for contemporary arts.

Quantity supplied is the quantity of goods that a seller wants and has to buy. The basic law of supply is that, other things equal, the supply will rise as the price goes up and the same goes when the supply goes down, the price also goes down. That's because when a supplier produce less, the price will goes up to close the less profitable business. And as the business becomes more profitable, the supplier can produce more and gain more profit and then, the price of the goods can be lowered (Mankiw, Quah, & Wilson, 2008). Since the productivity of a supplier may affect the supply of goods sold as well as the price, annual plan and profitability which translated into the data of artwork target, achieved artwork target and income are used to measure the supply in this research.

Figure 7: Equilibrium Supply and Demand Curve



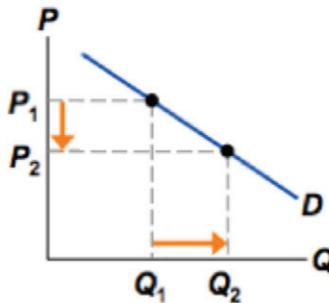
Source: (Mankiw, Quah, & Wilson, 2008)

When the quantity demanded meets the quantity supplied, that's called market equilibrium. The price of where the demand and supply intersect is called equilibrium price while the quantity is called the equilibrium quantity. At this point, the buyers' wants and ability to buy goods matched the sellers' ability to produce and sell them.

Equilibrium can sometimes be called the ‘market-clearing price’ for this is when everyone within the market is being satisfied.

When the demand and the supply curve reacted towards the changes in price, it’s the curve’s elasticity. Elasticity is different between different products. The more the products are becoming a necessities for the market, the more inelastic the prices is for it is no longer affected by the price as people will still buy the products (Heakal, 2015). There are various products that are inelastic towards price, one of them in luxury goods. For example, diamonds. Any cuts towards the price will not affect the demand of the goods since diamonds are the ultimate luxury item that only has a few exact alternatives (Pettinger, 2014). The same theory goes with artworks.

**Figure 8: Price Elasticity of Demand**



**Source: (Mankiw, Quah, & Wilson, 2008)**

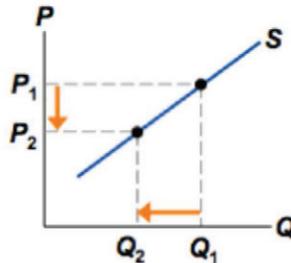
Elasticity is divided into two types: demand elasticity and supply elasticity. Price elasticity of demands translated as the measurement of when the demand responded positively towards the changes of price for those goods. In order to find out about a good’s price elasticity towards demand, the equation below is used (Mankiw, Quah, & Wilson, 2008):

**Equation 1: Price Elasticity of Demand**

$$\text{Price elasticity of demand} = \frac{\text{Percentage change in quantity demanded}}{\text{Percentage change in price}}$$

**Source: (Mankiw, Quah, & Wilson, 2008)**

When the result scores positive, it means that the price has a direct positive impact towards the demand. For example, if the equation turns into the result of 2 as the elasticity, which means that the quantity demanded, will affect proportionately twice as much as the changes of price. As the score may get into a negative point, then the score will represent the decrease of the demand reflected to the increase of price (Mankiw, Quah, & Wilson, 2008).

**Figure 9: Price Elasticity of Supply**

Source: (Mankiw, Quah, & Wilson, 2008)

Price elasticity of supply works almost identically. Price elasticity of supply translated towards the way supply shifted towards the changes of price. In order to find put about a good's price elasticity towards supply, the equation below is used (Mankiw, Quah, & Wilson, 2008):

**Equation 2: Price Elasticity of Supply**

$$\text{Price elasticity of supply} = \frac{\text{Percentage change in quantity supplied}}{\text{Percentage change in price}}$$

Source: (Mankiw, Quah, & Wilson, 2008)

The same rule goes for the supply as it is on demand. When the equation produces a positive number, for example 2, that means the supply is proportionally twice as much as the price. When the equation produced number lower than 1, this means that the product is inelastic. By means, the changes of price will not affect the demand or the supply very much (Mankiw, Quah, & Wilson, 2008).

## 2.10. ENTREPRENEURSHIP

Within an economy that is having a crisis, the emerging of entrepreneurship may help boost the growth of economy back. Entrepreneurship diffuses innovation and create path of motion and development for the economy (Uzunidis, Boutillier, & Laperche, 2014). Entrepreneur in definition is define as the person who is doing business and receive both the risks and the opportunities that involved in making and operating a new business (Ebert & Griffin, 2011).

There are for basic features that usually cited the success of an entrepreneur. Those are (Ebert & Griffin, 2011):

1. Hard work, drive and dedication  
An entrepreneur must be committed and want to make things happen with hard work and being driven.
2. The market demand of the particular goods are being fulfilled

The research of what the market needs and wants is crucial in order to gain success. With a very carefully done assessment, the market condition can be interpreted to useful information on what to do or what to sell in order to maximize the opportunity.

3. Competence of management

Some entrepreneur might get their management skills through training or being inside of an organization where they can observe it. A good management system of the business that the entrepreneur will run might support the success level.

4. Luck

After all, the factor of luck should also be considered. Luck plays an important role on a success on someone who is innovating, like entrepreneurship.

As entrepreneur is a name for someone who does business within a risk, for that reason artists may also be considered as an entrepreneur. Artists can now be considered as a creative entrepreneur instead. As art became institutionalized, so do the artists. The genius known as the artists now became a professional (Deresiewicz, 2015). Even so, creative entrepreneurs are different from other business entrepreneurs. The unique situation elaborates into (Conner, 2015):

1. Uncertain demand

Most artists work to fulfill their creative and artistic vision instead of meeting the needs of the market. But then, the demand lies on the market. All then relies on the ability of the artists to create their own audiences to attract market while remaining to stay to their creative roots.

2. Care towards the products

Creative workers care so much about their product that their objectives towards the plans of advancing their business and selling factors of the artworks.

3. Diverse skills that might be needed

Some form of artworks requires a unique ability or/and energy that translated as individual talents of the artist alone. Yet, the more unique and different the goods are, the harder the production of the goods will be.

4. Differentiated products

More than any other industries, the products offered by artists are usually very much differs from one another which can be an advantages and disadvantages of the artists. They will have to work on working and growing their audiences and market in order to communicate their offers.

5. Vertically differentiated skills

The skills that were owned by the artist might be very unique and challenging to be found or learn, which differs the products vertically as well.

6. Essences of time

Time management is important to run a successful business. But for artists, that might come in such a limited and precious quantity.

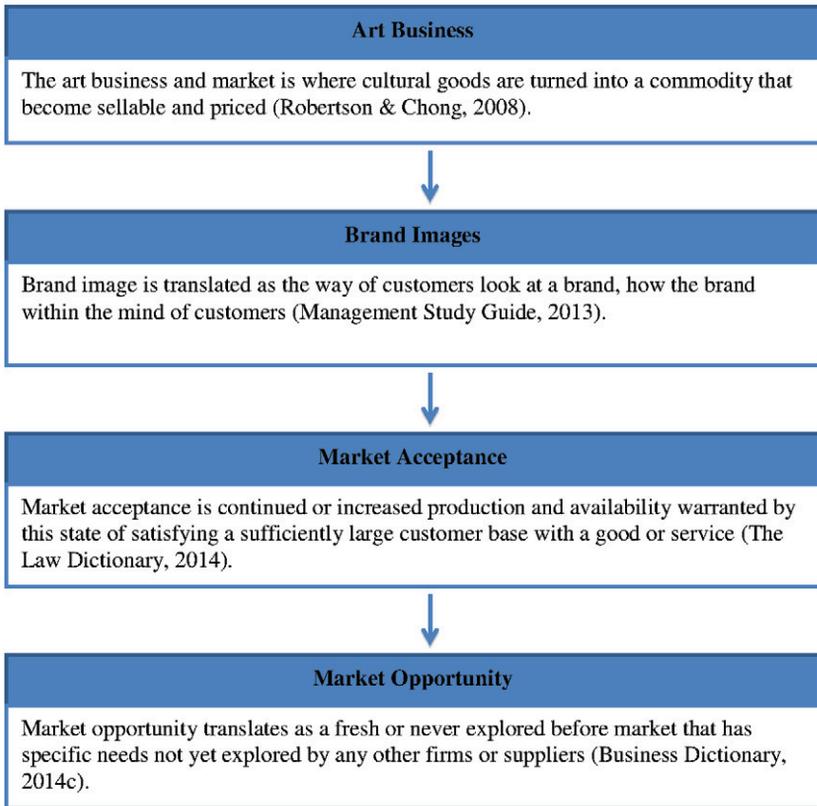
7. Durable products and rents

The process of production and storage for artists in general usually requires space. This factor should be considered as one of their business planning and creation.

## 2.11. FRAMEWORK OF THINKING

This study incorporates the following framework of thinking to approximate the variable used, as previously mentioned.

**Figure 6: Framework of Thinking**



## 2.12. PREVIOUS STUDIES

**Table 1: Previous Studies**

No	Titles and Authors	Variables	Indicator	Findings
1	Four Business Models in	Business Model	<ul style="list-style-type: none"> <li>• Innovative Arts</li> <li>• Traditional Arts</li> </ul>	Different artists require different

No	Titles and Authors	Variables	Indicator	Findings
	Contemporary Art (Moureau & Sagot-Duvaouroux, 2012)	Artists Profile	<ul style="list-style-type: none"> <li>• Artworks</li> <li>• Projects</li> <li>• Salon Artists</li> <li>• Artisan – Entrepreneur Artists</li> <li>• 360° Artists</li> <li>• Art fair artists</li> </ul>	business models that then will affect their success in both financial and career aspects.
2	Business Model in Visual arts: an investigation of organizational business models for the Turning Point Network and Arts Council England (Royce, 2011)	Business Model  Development of Business Model	<ul style="list-style-type: none"> <li>• Sustainability</li> <li>• Business Strategies</li> <li>• Audience focus</li> <li>• Business Skill Development</li> <li>• Support Operation</li> <li>• Financial Strategies</li> </ul>	Doing business in the art world is not different from any other kind of business. The importance of a well-thought business plan is crucial and not as simple as it may seem.
3	The Art Business (Robertson & Chong, 2008)	Art Market	<ul style="list-style-type: none"> <li>• Technic and Structure</li> <li>• Culture and Management</li> <li>• Regulation, Legal and Ethics</li> </ul>	The art business has whole aspects that affect the success and the growth of the business itself.
4	Management of Art Galleries – Business Model (Resch, 2011)	Business Model Building Blocks	<ul style="list-style-type: none"> <li>• Product (Value Proposition)</li> <li>• Marketing Activities (Customer and Communication)</li> <li>• Finance (revenue)</li> <li>• Internal Management (Organizational form, cooperation, network, coordination and competence)</li> </ul>	Art galleries are defined as small enterprises. The current business model of an art gallery of contemporary art that was found is divided in two, which is the primary market galleries and primary to secondary market galleries.
5	The Archipelago Economy: Unleashing Indonesia's Potential (Oberman, Dobbs, Budiman, Thompson, &	Indonesian Economy Growth	<ul style="list-style-type: none"> <li>• Annual GDP</li> <li>• Forecasted GDP</li> </ul>	Indonesia has been a part of the most impressively performed country in terms of economy. Seeing that,

No	Titles and Authors	Variables	Indicator	Findings
	Rosse, 2012)			Indonesia has enormous potentials and promises for the business within the country as well as foreign business that are looking forward to be involved within Indonesian market.
6	The Dynamics of Competitiveness in Creative and Manufacturing Industries in the Indonesia Stock Exchange (IDX) of Pre and Post Crisis (Naomi, 2012)	Business Opportunity	<ul style="list-style-type: none"> <li>• Customer Services</li> <li>• Agriculture and Fisheries</li> <li>• Resources</li> <li>• Human Capital</li> </ul>	There is a similar level of competitiveness within the creative and manufacturing industries, and yet creative industries are way ahead more competitive than manufacturing industries. It is also provided within the study that the economic situation affects the competitiveness of the creative market, positively in terms of making it even bigger and tenser.
		Economic Crisis	<ul style="list-style-type: none"> <li>• Financial report</li> <li>• ROE</li> </ul>	
7	Growth of Indonesian Art Market – Art for Art’s Sake (Sasaki, 2012)	Competitive Behavior	<ul style="list-style-type: none"> <li>• Market Structure</li> <li>• Market power</li> </ul>	The art market in Indonesia seems to be a little redundant and repetitive in

No	Titles and Authors	Variables	Indicator	Findings
		Indonesian Art Market	<ul style="list-style-type: none"> <li>• Auctions</li> <li>• Galleries</li> <li>• Collectors</li> <li>• Artists</li> </ul>	regards to the lack of originality and motivation of the artists. The scene has shown that the support of the government towards the market has been little to non-visible. It seems that the art market within Indonesia is only visible for the appearance of buyers and sellers who see the potential of art as an economic commodity.
8	The Effect of Order of Prices on Customers' Confidence Levels (Karani, Fraccastoro, & Shelton, 2013)	Pricing Effects	<ul style="list-style-type: none"> <li>• Information Overload</li> <li>• Consumer Confusion</li> <li>• Consumer Confidence</li> <li>• Over Choice</li> </ul>	This study finds that the more information about the price are given, the more the customer has the lack of confidence on buying the right one for the belief that they might end up finding a lower price later on.
9	Consumer Intention to Buy Original Brands versus Counterfeits (Triandewi & Tjiptono, 2013)	Purchase Intention of Counterfeits	<ul style="list-style-type: none"> <li>• Past Purchases of Counterfeits</li> <li>• Attitudes towards the Economic Benefits of Counterfeit Purchase</li> <li>• Attitudes towards the Hedonic Benefits of</li> </ul>	The consumer behavior of buying counterfeits goods rather than the original ones.

No	Titles and Authors	Variables	Indicator	Findings
			<ul style="list-style-type: none"> <li>Counterfeits Purchases</li> <li>Materialism</li> <li>Purchase Intention of Originals</li> </ul>	
		Purchase Intention of Originals	<ul style="list-style-type: none"> <li>Past Purchase of Originals</li> <li>Attitude Towards the Hedonic Benefits of Counterfeits Purchase</li> <li>Materialism</li> <li>Perceived Future Social Status</li> <li>Self-image</li> <li>Purchase Intention of Counterfeits</li> </ul>	
10	The Entrepreneur's 'Resource Potential' and The Organic Square of Entrepreneurship: Definition and Application to the French Case (Uzunidis, Boutillier, & Laperche, 2014)	Entrepreneur's Resource Potential	<ul style="list-style-type: none"> <li>Knowledge</li> <li>Financial Resources</li> <li>Relations</li> </ul>	Entrepreneurship is one of the important factors that might help the growth of economy. Entrepreneurial functional relies truly to the resource potential.
		Public Policies	<ul style="list-style-type: none"> <li>Direct support</li> <li>Indirect Support</li> </ul>	
		Economic Organization	<ul style="list-style-type: none"> <li>Regulation</li> <li>Financial System</li> <li>Place of large enterprises</li> <li>Level of technical and knowledge development</li> </ul>	
11	The Impact of Culture on Creativity: How Cultural Tightness and Cultural Distance Affect Global Innovation Crowdsourcing Work (Chua, Roth, & Lemoine, 2015)	Market	<ul style="list-style-type: none"> <li>Supply</li> <li>Demand</li> </ul>	Cultural tightness in a certain condition may affect a bigger and promote more creativity success. The study implies that some degree of convergent thinking can be beneficial for the creativity and challenging the view of the
		Culture	<ul style="list-style-type: none"> <li>Cultural Tightness</li> <li>Cultural Distance (Local and Foreign)</li> </ul>	

No	Titles and Authors	Variables	Indicator	Findings
				creative performance.
12	Simultaneous Effects of Supply and Demand Elasticity with Market Types on Tax Incidence (Graphical Analysis of Perfect Competition, Monopoly and Oligopoly Markets) (Onner, 2013)	Creativity	<ul style="list-style-type: none"> <li>Engagement</li> <li>Success Level</li> <li>Control</li> <li>Strategies</li> </ul>	This study finds how high the effects of the supply and demand elasticity give towards tax incidence in all market types.
		Tax Incidence	<ul style="list-style-type: none"> <li>Supply Elasticity</li> <li>Demand Elasticity</li> </ul>	
13	The Impact of Cultural Factors on the Consumer Buying Behaviors Examined through An Imperial Study (Yakup, MÜcahit, & Reyhan, 2011)	Consumer Behavior	<ul style="list-style-type: none"> <li>Culture</li> <li>Sub-Cultures</li> <li>Social Class</li> </ul>	The study finds that most of the respondent enjoy to shop and by increasing the level of satisfaction may also increase the opportunity for the business to grow. As customers nowadays are more into finding a place where they can be satisfied from all aspects.

### 2.13. DIFFERENCES OF STUDIES

Considering the intended use of variables in this study, literature research on the same and similar variables, which may have been used previously, becomes crucial as to note the possible differences.

**Table 2: Differences of Studies**

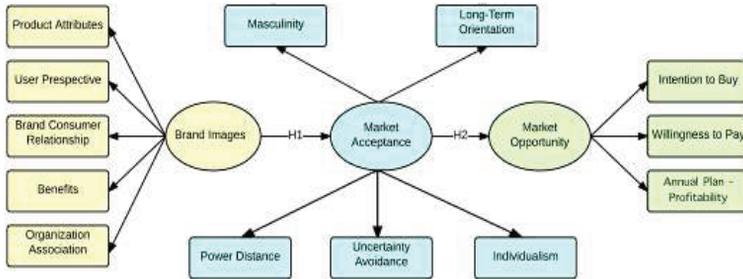
No	Previous Studies	Current Studies
1	Main discussion is about the differences of business models that are made for different kinds of contemporary art styles and techniques	Discuss the business model that might be suitable for the market of Indonesian contemporary art.

No	Previous Studies	Current Studies
	while comparing them against each other (Moureau & Sagot-Duvaurox, 2012).	
2	Mainly discuss about the importance of having a sustainable business model for an art organization in the business of art (Royce, 2011).	Discuss the importance of art organization as one of the facilities to help the growth of contemporary art world in Indonesia.
3	Discuss the growth of the art market from time to time and observe the prospect of the market in the future. Also discuss the effects of different styles and techniques in the world of art selling as well as observing the different aspects that support the art market (Robertson & Chong, 2008).	Discuss the slow growth of contemporary art world within Indonesia while comparing it to the growth of Indonesian contemporary arts in international market. It is also discussing the opportunities the art market might have in the domestic market as well as the suggested steps that might need to be done in order to increase the sale of the art in the domestic market.
4	Discuss about the configuration of a proper business model to the existing art market to enhance the potential of the market opportunity for a greater impact of profit for people who are involved in art market (Resch, 2011).	Discuss if there is an existing business model that are used in the existing art business and rather the use of a business model may help the improvement of the business part within contemporary art market.
5	Discuss about Indonesia's economic potential in all sectors and provide suggestions on which sectors that will develop even further in the future (Oberman, Dobbs, Budiman, Thompson, & Rosse, 2012).	Discuss mainly on the creative industry especially on the world of contemporary art market and the potential of domestic market.
6	Discuss on the effects of economic changes to the competitiveness of the market and comparing the competitiveness level of creative industries and manufacturing industries (Naomi, 2012).	Discuss rather the different economic background and purpose affects the market willingness on purchasing art pieces from contemporary art market and rather the economic purposes may affect the decision on the purchased selection that resulted to the quality and motivation of the artist themselves on creating the art pieces.
7	Discuss about the art market of Indonesia through cultural background of Indonesian people. This study also discuss about Indonesia art market potential and how it may have been seen through international market (Sasaki, 2012).	Discuss the cultural background that may cause the lack of market acceptance and tight market opportunity towards the contemporary art market.
8	Discuss the correlation of the present of different pricing from different companies on one product causes an	Discuss further on which things triggers the prospective market to buy art pieces and ways on how to increase

No	Previous Studies	Current Studies
	information overload as well as customers' confusion and doubt on purchasing the goods offered (Karani, Fraccastoro, & Shelton, 2013)	the intention to buy art pieces for a further suggestion on how to increase the sales of legal and authorized art pieces and suggestions to develop the art business and market in Indonesia.
9	Discuss the reasons behind consumer intention on buying counterfeits products rather than purchasing the original brand. The study focuses on the phenomena of the large and improving market of counterfeits brands and products (Triandewi & Tjiptono, 2013)	Discuss mainly on the reason behind the lack of intention on purchasing and owning an authentic art pieces of Indonesian artists.
10	Discuss the functions that might affect the entrepreneur success as called the resource potential. The study focuses on aspect that affect the success of entrepreneur as well as examining the internal and external environment that might or not support the growth of entrepreneurship (Uzunidis, Boutillier, & Laperche, 2014)	Discuss mainly on the fact that Indonesian contemporary artists can be recalled as an entrepreneur. In that sense, Indonesian artists are in need of information of the market opportunity and acceptance that will be discussed within this study.
11	Discuss how people that surrounded by different cultural tightness affected their creativity and the growth of them. This study also finds that for people that work on their own culture, they seem to be able to promote their creativity success (Chua, Roth, & Lemoine, 2015).	Discuss mainly on how to more promote the works and the creativity of the Indonesian artists to a wider market within Indonesia for a better and more productive creativity process for the artists themselves.
12	Discuss how price elasticity in different markets affects towards the ease of tax incidences (Onner, 2013)	Discuss mainly about the correlation between supply and demand that is counted through intention to buy and willingness to pay as a way to count the demand and annual plan and profitability to count demand to see the market opportunity for the art business and market. Above that also calculate the price elasticity of the artworks both from demand and supply.
13	Discuss on the cultural aspect that is owned by the consumers in Turkey and how they are behaving based on their culture affects their wants and need as a customer (Yakup, MÜcahit, & Reyhan, 2011).	Discuss how culture affects the market in Indonesia to purchase and appreciate the contemporary art business in order to help support the growth of the business.

## 2.14. RESEARCH MODEL

Figure 10: Research Model



## 2.15. RESEARCH QUESTION AND HYPOTHESES

Table 3: Questions and Hypotheses

Questions		Hypotheses	
1	How strong do the brand images of Indonesian contemporary artists affect the market acceptance of the artistic products within Indonesian market?	1	The brand images of Indonesia contemporary artists strongly affect the market acceptance of the artistic products within Indonesian market.
2	How strong does Indonesian market acceptance affect the market opportunity for the artistic products within Indonesian market?	2	The level of market acceptance strongly affects the market opportunity for the artistic products within Indonesian market.

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## CHAPTER 3 – RESEARCH METHOD

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### 3.1. TYPE OF RESEARCH

The type of research that is conducted for this study is the exploratory and causal research. Exploratory research is where the researcher has deficiency of problems ideas that might occur within the study (Cooper & Schindler, 2014). In this study, researcher tries to explain more about the world of art business from the view of both the respective buyer as well as the people whom work within the market. The research tries to elaborate more of the aspects related within the business of art and their movement in Indonesia as well as the differences that maybe visible from the international market of arts and the national ones.

The causal research defines as a type of research that is conducted to obtain a certain view on how one thing is correlated to another (Business Dictionary, 2014b; Business Dictionary, 2014c). The causal research in this study focuses on observing the effects of the low acceptance levels of the market and how they affect the sales of the art products. This study also tries to elaborate a new angle of viewing the market of art and how they are more internationally known compared to what they have within their own country.

### 3.2. TYPE OF DATA

Data that is used in order to evaluate the research comes from primary and secondary data. Primary data is gained from interviews and questionnaire as well as personal observation of the galleries and art auctions that may take place. The interview with curators as well as auctioneer provides information of the trend that is emerging within the market. Interviews are also conducted with art businessperson, people who involved directly in the trade of arts and also the market.

Questionnaire is also conducted to gain more insight on the prospective market. The questionnaire includes questions to view the overall market understanding of contemporary arts. The data extracted from the questionnaire can give a deeper view on how prospective the large market can be or not and also provide information on how the acceptance level of the artists within the country has seems to be very low.

### 3.3. DATA GATHERING

The data needed in this research is divided into two types of data: primary and secondary data. Primary data is gathered with two methods: questionnaire and interview. The questionnaire is distributed to two different sections, artists and potential consumers. This step aims to gain review from both perspectives in the art business market. These questionnaires are also aiming to help find out the correlation of the market opportunity to the level of acceptance for the success of Indonesian art market. The questionnaire is done electronically with Google Survey. While the interview provides a better insight into the market and the obstacles it may have in the future from growing even bigger. Alongside from that, the other theoretical data as well as demographic data stated are gained from online researches and also previous related journals.

**Table 4: Operational Variable Table**

Variables & Definitions	Indicators	Questionnaire Questions	Scales
Brand Images: A way of the customer look at a brand (Management Study Guide, 2013)	Product Attributes (Business Dictionary, 2014d)	I only sell my original pieces in premium prices.	Likert: 1 to 5 (Disagree to Agree)
		Most of the artwork that I do take a long time to be made.	
		I make art in all different mediums.	
	Benefits (Resch, 2011)	The materials that I used to make my artwork are always in the highest quality.	
		I make sure that my artwork will always look at their best even after selling them.	
		I have my own special signature and technique that differs my artwork from anything else.	
	Organizational Associations (Resch, 2011)	I am a part of an artistic (art related) organization / community within the next 3 months.	
		I would like to join an art community but I haven't.	
		I am never interested in joining an art community in any form.	
	Brand Consumer Relationship (Mogilner, 2014)	Most of the people that enjoy my artworks usually return to buy another one.	
		I know personally the people who buy my artworks.	
		The people who enjoy my works are usually intrigued by the style not by the fact it was made by me.	
	User Perspective (Resch, 2011)	My artworks are not always available for purchases.	
I only do work based on order most of the time.			

Variables & Definitions	Indicators	Questionnaire Questions	Scales
		I don't do much commercial work, just artworks.	
Acceptance: Increasing production and sales by satisfied customers (The Law Dictionary, 2014)	Power Distance (McShane & Glinow, 2010)	I usually seek for advice from an older or a person who I look up to in many different situations.	Likert: 1 to 5 (Disagree to Agree)
		I do ask for advises, but it does not necessarily means from an older person.	
		I do not take advises.	
	Uncertainty Avoidance (McShane & Glinow, 2010)	I love surprises.	
		I would like to know everything about anything, especially if I put my own money on it.	
		I would like to know more about the things I buy but I like them, it doesn't really matter.	
	Individualism (McShane & Glinow, 2010)	I believe in my own taste and what I like to see and have.	
		I do look at the trends and also what people are currently wearing and having as well as buying and because of that, I am interested of having the same things as everyone has.	
		I do have specific preferences on anything. I just like it and I don't know why.	
	Masculinity (The Hofstede Centre, 2014)	I believe the more things I have, the better I look than anyone else.	
		The things that I buy and have are the things that I buy because I wanted them for personal reason, not a proof of my success.	
		I have no intention of looking or showing how much better I am than anyone else.	
	Long-Term Orientation (The Hofstede Centre, 2014)	I am more interested on buying something that will cause more in the future.	
		I usually just buy the things I want to buy. I never think	

Variables & Definitions	Indicators	Questionnaire Questions	Scales	
		about the money or any other reason that may stop me from buying the things I want. I buy things right at that moment I saw it. I prefer to invest.		
Market Opportunity: A market that never been explored (Business Dictionary, 2014c)	Intention to buy (Business Dictionary, 2015)	I usually save for the things I want to buy for quite sometimes. I buy things when I see it.	Likert: 1 to 5 (Disagree to Agree)	
		The more it costs, the more I don't want to buy it.		
	Willingness to pay (Boundless Economics, 2015)	I am willing to pay as much as it will cost for something I really like. I am not really into buying things that is expensive in any kind. I will determine how much I am willing to pay for it once I see the item.		
		Annual Plan & Profitability		Do you have a target for how many artworks you will accomplish in a month? How many artworks from the target that you made that you successfully accomplished? Compared to the cost you spend for the making of your artworks, how big is the percentage of your income that you get from those artworks?
				Range: (0 – 5, 6 – 10, 11 – 15, 16 – 20, and ≥ 21)
(20 – 40%, 40 – 60%, 60 – 80%, 80 – 100%, > 100%)				

**Table 5: Questions for Interviews**

Variables	Indicators	Question
Brand Images	Product Attributes	Is there any other thing that may add value to the artwork?
	User Perspective	Do most artists made things because they want to make them or based on orders of the customers they have?
	Brand Consumers Relationship	Do artists usually sold their arts to the same customer again?
	Benefits	How does the artwork can be useful for the one who purchase it?
	Organization Association	Do usually artists will do better and sell better if they are in an association or organization?

Variables	Indicators	Question
Market Acceptance	Power Distance	Are people usually compared what they want to buy with someone who's older in the market?
	Uncertainty Avoidance	Do people usually afraid on buying arts for not knowing about the value of it?
	Individualism	Is buying art usually only based on personal preferences?
	Masculinity	Will someone be more prestige or appreciated if they have an artwork?
	Long-Term Orientation	What is the expectation of people when they buy arts?
Market Opportunity	Intention to Buy	What can support people on buying arts?
	Willingness to Pay	How much are people willing to spend on arts?
	Annual Plan & Profitability	Do artists have a target on how much they should accomplished in terms of artwork?

### 3.4. POPULATIONS AND SAMPLE

Within this research, there are two different population samples, which are artists and potential consumers. This research focuses on domestic visual arts, including the contemporary arts movement. The samples are taken from respective potential consumers, art curators, and artists from Indonesia.

The reason behind the chosen population is to have artists that work in art professionally. Being so, the data that gained from the research process may provide more valid information and in-depth situation of the national art market compared to the one held internationally. Second, the respective potential consumers may portray the market at large and provide information about a set of mindset that are owned by people who understand little of the art market, that also helps evaluate the opportunity for the market itself. The potential consumers have an age range of 20 to 75 years old and have a job or/and stable monthly income. This decision is taken from examining the results of all interviews that have been done considering the art market opportunity with respective art auctioneer.

To find how many sample required, Microsoft Excel Plugin PHStat4 is used to perform the calculation. Below is the step on doing the calculation:

1. Click on the PHStat plugin menu
2. Select "Sample Size" and click on "Determination for the Proportion"
3. Put the value of 0.5 for the "Estimate of True Proportion"
4. Put the value of 0.1 for the "Sampling Error"
5. Set the "Confidence Level" at 95%
6. Click "OK"

Once the steps are completed, PHStat generates the table below. Based on the calculation done by PHStat, the minimum sample size required in this research is 97 respondents. Since we are using two different sample pools, artists and potential consumers, each of the sample pool then has to reach the minimum of 97 respondents. By doing so, the data can be combined to then be tested again together.

**Table 6: Sample Size**

Data	
Estimate of True Proportion	0.5
Sampling Error	0.1
Confidence Level	95%

Intermediate Calculations	
Z Value	-1.95996398
Calculated Sample Size	96.03647052

Result	
Sample Size Needed	97

Source: (PHStat, 2015)

### 3.5. RESEARCH INSTRUMENTS

Research instruments are the measuring tool used to size the variables, characters, and interest (Arvin, 2013). This study uses questionnaire and interviews to do the measurement. The questionnaire is divided into two categories: artists' questionnaire and potential consumer questionnaire. The questionnaire for potential consumers is entirely a mix of positive and negative statement where the respondent is expected to choose one option within the scale. The scale used is the Likert scale except for demographic questions. The Likert scale has 5 criteria: (1) Strongly Disagree, (2) Disagree, (3) Neutral, (4) Agree, and (5) Strongly Agree. While in the survey for artists, the questions are divided in three sections: demographic, positive and negative statements and questions with range-based answers.

### 3.6. VALIDITY AND RELIABILITY

The data that was gained through surveys then must be tested through for their validity and reliability. This test is conducted through the use of SPSS. Validity helps us to develop the measuring area of the test that we would like scale. There are two major factors within validity which branches out to external and internal validity. External validity application to a research is the research overview of the persons, settings and times (Cooper & Schindler, 2014). Validity then helps determining rather the data gain are proper or not to be used to further the research.

This study uses 200 respondents in total, 100 for the artist respondents and 100 for potential consumer respondents. The questionnaire then spread to pre-test respondents. The pre-test stage is done to help test the validity of the statement given in the questionnaire. The validity is tested with the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy (Fields, 2009). KMO can be tested with SPSS. With SPSS, KMO testing phase will be:

1. Click "Analyze"
2. Select "Dimension Reduction" and click "Factor"
3. Insert relevant items

4. Click “Descriptive...”
5. Check “KMO and Bartlett’s test of sphericity”
6. Click “Continue” and OK.

The test provides a result in which go from 0 – 1. Score close to or a 0 means that the factor analysis is inadequate, while the score close to or 1 means the opposite. The bigger the score is, the better. Nevertheless, the minimum score that is considered is bigger than or 0.5. SPSS comes up with the table close to the sample below (Anantadjaya, Nawangwulan, Kusumah, Setio, & Koswara, 2015):

**Table 7: KMO and Barlett's Test Example**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.713
Bartlett’s Test of Sphericity	Approx. Chi-Square	1365.277
	df	45
	Sig.	.00

Source: (Anantadjaya, Finardi, & Nawangwulan, 2011)

Reliability elaborates the level of accuracy of the measurement process. Reliability provides measurement on how correct the result of a test is. The reliability of a test has a correlation toward the validity of it. The measurement of reliability is necessary to be done to find out how much errors the test has (Cooper & Schindler, 2014). In this study, the reliability is tested through a split-half reliability test, Cronbach’s Alpha. Through this method, Cronbach’s Alpha equally splits the data and within every split, calculates the coefficient correlation (Fields, 2009). Alpha is calculated through these steps;

1. Click “Analyze”
2. Select “Scale” and click “Reliability Analysis”
3. Insert relevant items
4. Select “Alpha” in the “Model” drop down list
5. Click Statistics
6. check “scale if item is deleted”
7. Click “Continue” and OK.

The common rule states that the score of 0.6 or bigger defined as appropriate where the score lower than that will be considered unreliable. SPSS will produce a table similar with the following;

**Table 8: Cronbach's Alpha Test Example**

Reliability Statistics		
Cronbach’s Alpha	Cronbach’s Alpha Based on Standardized Items	N of Items
0.26	.673	16

Source: (Anantadjaya, Finardi, & Nawangwulan, 2011)

### 3.7. DATA ANALYSIS

This study aims to find the relationship between the dependent and independent variables used in this study. To accomplish this task, a structural equation modeling (SEM) names path analysis is used. Structural Equation Modeling (SEM) is a multipurpose and adaptable statistic modeling tool (Lei & Qiong, 2007). Using SEM,

the research model is tested to see rather the data collected is reliable or not. The evaluation of the data is done by examining the consistency using a *model-fit* as shown below;

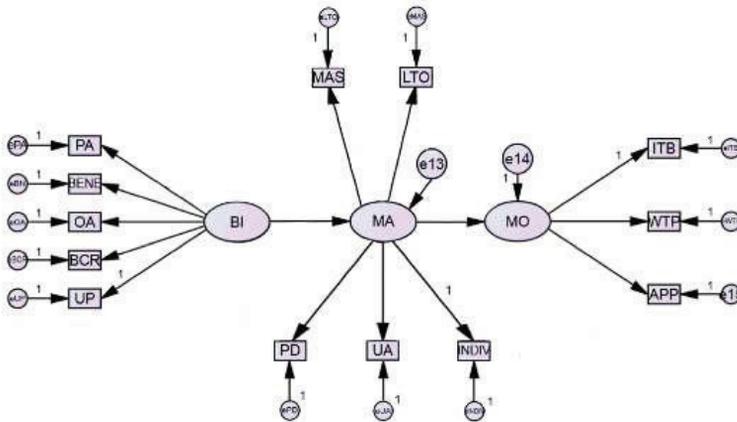
**Table 9: Goodness of Fit Criteria**

Criterion and Definition	Recommended Standard Value	
	According to Schumacher & Lomax (2004); Wijaya (2009)	According to Ghozali (2012); Santoso (2009)
$\chi^2$ - Likelihood ratio chi square statistic (tool that test the overall fitness)	Smaller $\chi^2$ value from a model = better	Smaller $\chi^2$ value from a model = better
p-value	p-value $\geq 0.05$ is better	Bigger p-value is the better
CMIN / df – normed chi squared	CMIN/df $\leq 2$ = better	CMIN/df $\leq 5$ = better
RMSEA – root mean square error of approximation	RMSEA $\leq 0.08$ = better	RMSEA $\leq 5$ = better
GFI – goodness of fit index	GFI closer to 1 = better	GFI closer to 1 = better
AGFI – adjusted goodness of fit index	AGFI closer to 0.90 = better	AGFI closer 0.90 = better
TLI – Tucker Lewis Index	TLI value closer to 1 is better	TLI value closer to 0.90 is better
CFI – comparative fit index	CFI value closer to 1 = better	CFI value closer to 1 = better
NFI – parsimonious normal fit index	-	NFI $\geq 0.90$ is better
PNFI – parsimonious goodness of fit index	-	Higher PGFI value is better
RFI – Relative Fit Index	RFI closer to 1 is better	RFI closer to 1 is better
IFI – Incremental Fit Index	IFI closer to 1 is better	IFI closer to 1 is better
PCFI – Parsimony Comparative Fit Index	PCFI $\geq 0.50$ is better	PCFI $\geq 0.50$ is better

**Source: (Schumacker & Lomax, 2004; Wijaya, 2009; Ghozali, 2012; Santoso, 2009; Budiman, Anantadjaya, & Prasetyawati, 2014; Alverina, 2014)**

Once the data is gathered, series of analysis will be done from the validity, reliability through path analysis. Path analysis renders from the result of path diagram that is developed by AMOS with SEM model. It shows the relationship between indicator, dependent variables and independent variables (Santoso, 2014). The initial model of this research is presented in the following illustration

Figure 11: SEM Model



Source: (IBM AMOS, 2015)

Notes;

BI	: Brand Images	UA	: Uncertainty Avoidance
PA	: Product Attributes	INDIV	: Individualism
BENE	: Benefits	MAS	: Masculinity
OA	: Organizational Association	LTO	: Long-Term Orientation
BCR	: Brand Consumers Relationship	MO	: Market Opportunity
UP	: User Perspectives	ITB	: Intention to Buy
MA	: Market Acceptance	WTP	: Willingness to Pay
PD	: Power Distance	APP	: Annual Plan & Profitability

### 3.8. TYPE OF RESEARCH

#### 3.8.1. Causal

This study uses the causal research analysis method. Causal defines as a type of research that is used in order to find out the correlation between two different things and finding out their significant toward the other one. To pursue a research with this method, a researcher must provide one variable that consider have a significant effects toward the other variable (Bains, 2010).

This study tries to figure the correlation between brand images, acceptance level, and the market opportunity toward the success of art market and business in Indonesia. The correlation is viewed from the nosiness side of the market, seeing deeper into the market and how is the selling point for the artworks within the market. This study tries to correlate the effect of low acceptance to the low market opportunity.

### **3.8.2. Exploratory**

Exploratory research implies as a research that seek to elaborate and look deeper into a certain topic. In explanatory research, the researcher tries to find a different angle or topic to discuss and learn more into the dilemma that might be faced (Cooper & Schindler, 2014).

This study tries to explain more about the Indonesia art market and its opportunity within the local market. The study also tries to view the market from the perspectives of the artist, the art businesspersons, and also the potential market in order to provide more in-depth information on the market situation and potential.

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## CHAPTER 4 – DATA ANALYSIS

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### 4.1. OVERVIEW

The art business in Indonesia has not been commonly known by wide market. The art business has always been viewed as a market of specific community. But now, with the emerging of the new and young artist, the art market seems to turn into a wearable and affordable commodity.

On the other hand, artistic commodity has turn into a form of investments. Like any other, the value may increase or decrease throughout time, depending on the market trend that can be created by a certain group of interest within the community. This group usually oriented on the profit of the investment. The artistic part of this market has turn into economic purposes, where it is only about the investment rather than paying more attention into the art and the artists' continuous growth and benefits.

There are certain rules and things to do (or not) when it come to the artist who are interested in joining the art market. Their success may fully depend on the fact that they have to be able to be very productive in order to gain more. In this case, the art market is just like any market.

The reputation of the artists has always been important since they are a brand on their own. The name of the artist may affect the value of the artwork. Yet, in the perspective of the potential consumers, the sense of Indonesian made goods seems not to be enough to guarantee them for the purchase. Indonesian are lacking on artistic education, which also caused by the culture of not appreciating arts.

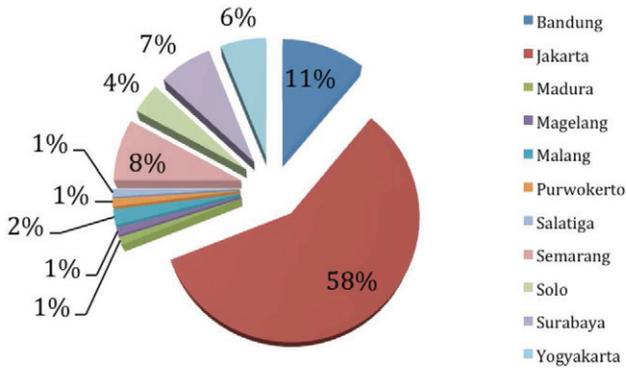
### 4.2. ARTISTS' RESPONDENTS PROFILE

Collecting data from contemporary artists that are working professionally in art is the most crucial and hardest thing to do within this study. These artists have such a limited time. Most of them are young fresh graduate or still in college and do a lot of freelance and commissions aside from their main job or studies. During the pretesting stage, it takes quite a long time to establish 30 samples. From 60 emails that were sent out, only less than half that returned. However, they are very helpful and try to fill in the survey as quickly as possible. The questionnaire gains back overall 100 artists' responses in which then evaluated.

#### 4.2.1. Artists' Respondents Residential

Below is the illustration of the artists' residential areas. All of the respondents are based in Java and 58% of the artists are based in Jakarta. The smallest part of the chart with 1% each is for Purwokerto, Madura, Magelang and Salatiga.

**Figure 12: Artists' Respondents Residential**

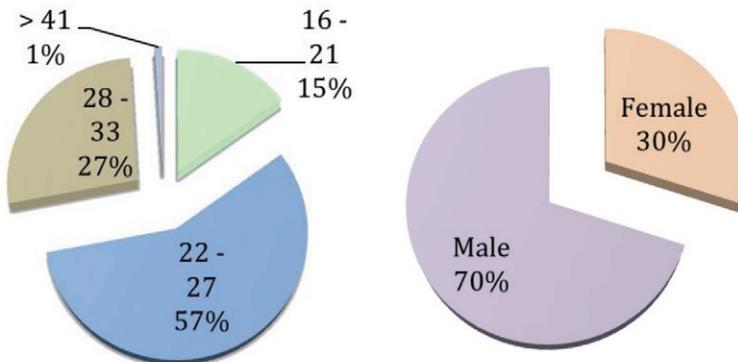


Source: (Questionnaire, 2015)

#### 4.2.2. Artists' Respondents Age and Gender

The distribution of age range and gender within artists' respondents are elaborate through the pie charts as below:

**Figure 13: Artists Respondents' Age and Gender**



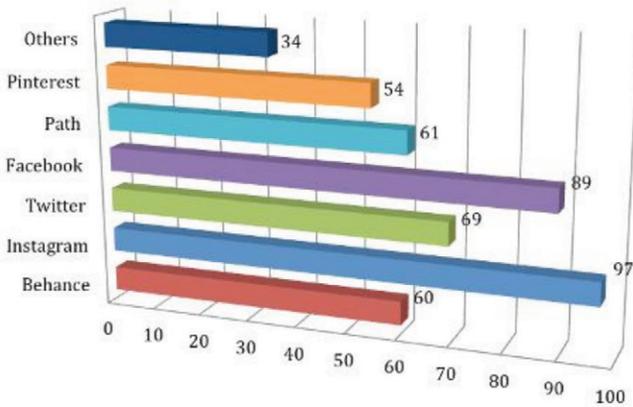
Source: (Questionnaire, 2015)

The chart on the left shows the majority of the artists' respondent is young, which is between 22 to 27 years old, showed in the graph as 57% while the smallest percentage goes to > 41 with only 1 %. While the chart on the right illustrates 70% of the artist is male while only 30% female.

**4.2.3. Artists' Respondents Social Media**

Social media are important for these artists to publicize their work, established their online portfolios and sell their artworks. The graph illustrates the social media used by the artists as below:

**Figure 14: Artists' Respondents Social Media**



Source: (Questionnaire, 2015)

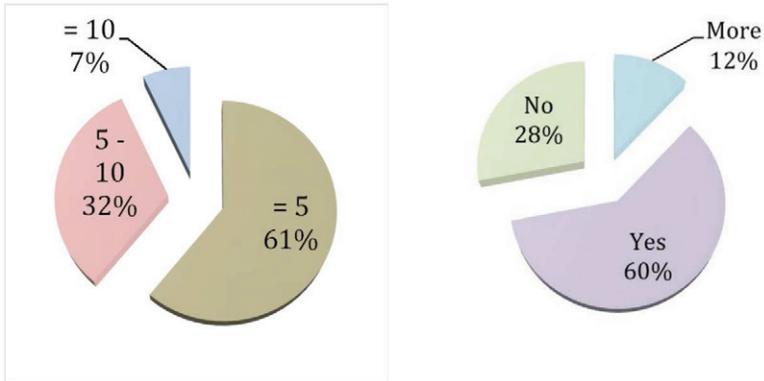
Most artists have multiple social media to publish their artworks. Started from the highest score of social media that was owned by the artists' respondents is Instagram, which are 97 out of 100 artists' respondents. 60 out of 100 artists' respondents have Behance, which is an online design and artworks portfolio.

**4.2.4. Artists' Respondents Productivity**

Productivity of the artist in creating artworks will affect their exposure and sales. Below is the graph of how many artworks the artist can make in a week:

The left chart illustrates the artists' productivity. The numbers within the chart represent the quantity of artworks created. 61% of the artists' respondents can create less than 5 artworks every month and only 7% of them whom are able to create more than 10 artworks. The right chart illustrates how many artists actually achieve their artworks production, how many who didn't and how many who made more than the target. As portray on the graph, 60% of the artists are able to accomplish their monthly target while 12% of them are able to accomplish more than they targeted.

**Figure 15: Artists' Respondents Productivity and Target Achieved**

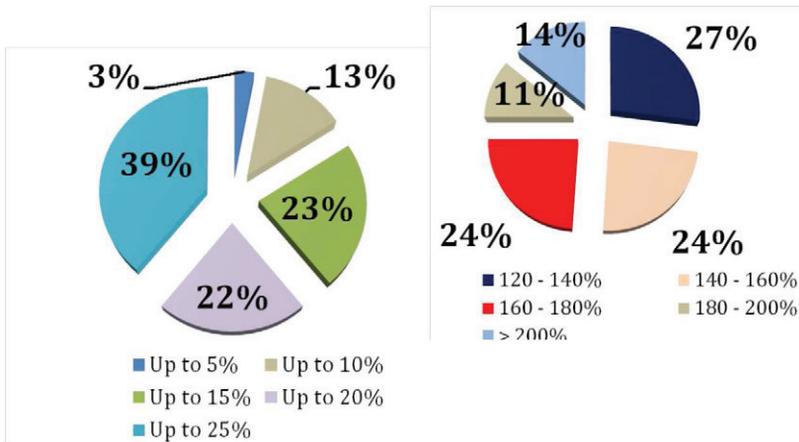


Source: (Questionnaire, 2015)

#### 4.2.5. Artists' Respondents Time Allocation and Profit

The pie charts below illustrated the percentage of hours within the days that the artists' use to create and make art and the percentage of profit that the artists' gain from the artworks they make.

**Figure 16: Artists' Respondents Time Allocation and Profit**



Source: (Questionnaire, 2015)

The chart on the left shows the artists' respondents time allocation. About 39% of the artists utilizes up to 25% of their each day to create arts. About 23% of the artists spends up to 15% and 22% of the artists use up to 20% of their day for art related works. The smallest percentage represents the 3% of the artists who are using only up to 5% of their day for their artwork. The chart on the right shows the profit artists' respondent gain from the artworks they are making in percentage. The biggest percentage goes to 120 –

140% profit with 27% of the artists' respondents. The 11% of the artists' respondents goes to artists' who gain 180 – 200% profit.

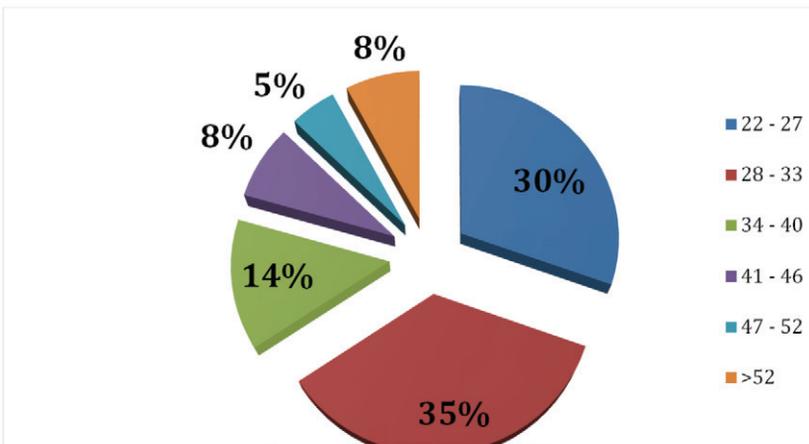
### 4.3. POTENTIAL CONSUMERS RESPONDENT PROFILE

Potential consumers here define as people that are able to purchase a work of art seeing from the maturity of age and also a stable income level.

#### 4.3.1. Potential Consumers Respondents Age

Below is the age range of the consumers' respondents:

Figure 17: Potential Consumers Respondents Age



Source: (Questionnaire, 2015)

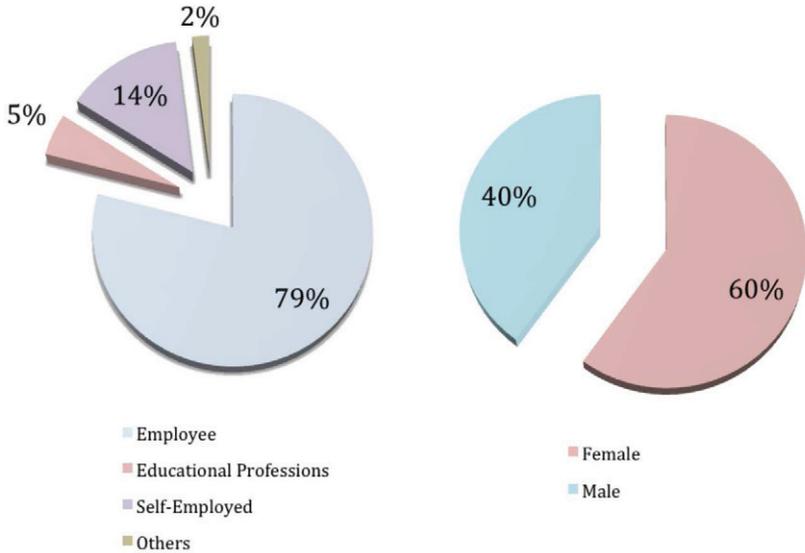
As shown, there are 35% of the potential consumers respondents are 28 to 33 years old. There are only 5% of them who are 47 to 52 years old.

#### 4.3.2. Potential Consumers Respondents Occupation and Gender

The composition of gender and occupation among the potential consumer respondents gender are illustrated in the charts below.

The chart on the left illustrates the occupations of the respondents. The biggest percentage is 79%, which represented that most of the potential respondents, is employee. The smallest goes to 2%, which fall in 'others'. The charts on the right illustrates that 60% of the potential consumer respondents gender is female and the rest 40% is male

**Figure 18: Potential Consumers Respondents Occupation and Gender**

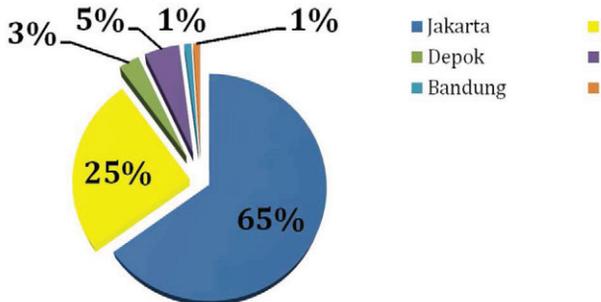


Source: (Questionnaire, 2015)

**4.3.3. Potential Consumers Respondents Residential**

Below is the illustration of the potential respondents:

**Figure 19: Potential Consumers Respondents Residential**



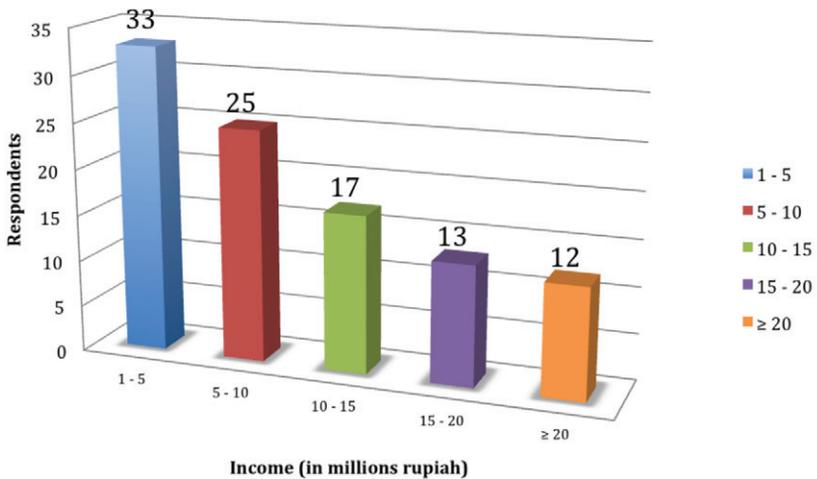
Source: (Questionnaire, 2015)

As illustrated, 65% of the potential respondents residential lived in Jakarta. The smallest part of the chart that falls on “Others, please state” in the questionnaire are, for 1% each, Malang and Bandung.

#### 4.3.4. Potential Consumer Respondents Income Level

Below is the illustration of the income level for the potential consumer respondents.

**Figure 20: Potential Consumers Respondents Income Level**



Source: (Questionnaire, 2015)

Out of 100 people, 33 of them gained Rp.1 million – Rp.5 million every month, equivalent with roughly US\$ 75 – 374 (Bank Indonesia, 2015). 12 out of 100 potential customers gain above Rp.20 million every month, which equivalent with roughly US\$ 1,497 (Bank Indonesia, 2015).

### 4.4. STATISTICAL ANALYSIS

Within the first step of the data analysis, the collected data is processed through IBM SPSS to find the descriptive statistics. The output is shown below:

**Table 10: Descriptive Statistics**

	N	Min	Max	Mean	Dev	Var	Skew	Kurtosis
	Stat	Stat	Stat	Stat	Stat	Stat	Stat	Stat
PA1	100	1	5	3.03	0.989	0.979	-0.19	-0.11
PA2	100	1	5	3.09	0.933	0.871	-0.03	-0.55
PA3	100	1	5	3.25	1.132	1.28	-0.08	-0.73

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	N	Min	Max	Mean	Dev	Var	Skew	Kurtosis
	Stat	Stat	Stat	Stat	Stat	Stat	Stat	Stat
BENE1	100	1	5	3.55	1.158	1.341	-0.52	-0.65
BENE2	100	1	5	4.03	0.979	0.959	-1.05	0.81
BENE3	100	1	5	3.83	0.975	0.951	-0.72	0.19
OA1	100	1	5	3.09	1.443	2.083	-0.18	-1.28
OA2	100	1	5	2.69	1.331	1.772	0.17	-1.17
OA3	100	1	4	1.65	0.88	0.775	1.12	0.17
BCR1	100	1	5	3.35	0.957	0.917	-0.19	0.09
BCR 2	100	1	5	3.32	0.909	0.826	0.13	-0.33
BCR 3	100	1	5	3.04	0.963	0.928	-0.2	-0.21
UP1	100	1	5	2.55	1.14	1.301	-0.33	-0.69
UP2	100	1	5	3.35	1.226	1.503	0.1	-1
UP3	100	1	5	2.7	1.202	1.444	0.33	-0.72
PD1	100	1	5	2.68	0.909	0.826	0.11	-0.22
PD2	100	1	5	3.19	0.929	0.863	-0.24	-0.49
PD3	100	1	4	2.25	1.132	1.28	0.39	-1.24
UA1	100	1	5	3.3	1.275	1.626	-0.32	-0.84
UA2	100	1	5	3.75	1.104	1.22	-0.73	0.19
UA3	100	1	5	3.06	0.874	0.764	0.16	0.21
INDIV1	100	1	5	3.47	1.01	1.019	-0.64	0.34
INDIV2	100	1	4	2.56	0.868	0.754	-0.14	-0.61
INDIV3	100	1	5	3.09	1.026	1.052	-0.58	0.3
MAS1	100	1	4	2.58	1.191	1.418	-0.16	-1.5
MAS2	100	1	5	3.83	0.842	0.708	-1.22	2.57
MAS3	100	1	5	3.64	1.03	1.061	-0.3	-0.34
LTO1	100	1	5	3.47	1.132	1.282	-0.37	-0.49
LTO2	100	1	4	2.06	0.93	0.865	0.73	-0.19
LTO3	100	1	5	3.73	1.254	1.573	-0.6	-0.72
ITB1	100	1	5	3.24	1.016	1.033	-0.09	0.02
ITB2	100	1	5	2.66	1.085	1.176	0.04	-0.64
ITB3	100	1	5	2.9	1.087	1.182	-0.14	-0.54
WTP1	100	1	5	3.03	1.039	1.08	-0.06	-0.12
WTP2	100	1	5	2.75	0.869	0.755	-0.24	-0.13
WTP3	100	1	5	3.19	0.929	0.863	-0.39	0.33
AP-P1	100	1	5	2	1.206	1.455	1.34	1.05
AP-P2	100	1	5	2.02	1.326	1.757	1.18	0.19
AP-P3	100	1	5	2.61	1.363	1.856	0.42	-0.97

Source: (IBM SPSS, 2015a)

The following table elaborates the initial used in the table above.

**Table 11: Initials Table**

Initial	Name	Initial	Name
BI	Brand Images	UA	Uncertainty Avoidance
PA	Product Attributes	INDIV	Individualism
BENE	Benefits	MAS	Masculinity
OA	Organizational Association	LTO	Long-Term Orientation
BCR	Brand Consumers Relationship	MO	Market Opportunity
UP	User Perspectives	ITB	Intention to Buy
MA	Market Acceptance	WTP	Willingness to Pay
PD	Power Distance	APP	Annual Plan & Profitability

## 4.5. PRE-TESTING

For the pretesting, there are two tests: reliability and validity test. The tests are conducted with 60 samples, 30 from the artists and 30 from the potential consumers that.

### 4.5.1. Reliability Test

The pretesting is conducted with Cronbach's Alpha in which, the rules is the data is considered valid if the value is or more than 0.6. The pretest Cronbach's Alpha value is 0.725. That means the value is considered reliable. The value of Cronbach's Alpha sometimes decreases when the sample size gets bigger.

**Table 12: Reliability Pre-Testing Result**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,695	,725	39

Source: (IBM SPSS, 2015d)

### 4.5.2. Validity Test

The validity pretest is held with KMO Measure of Sampling Adequacy. The data should be equal or be more than 0.5 to be called valid. The result of the KMO pretest is 0.502, which is equal to 0.5. The score usually goes up when a bigger sample size is used.

**Table 13: Validity Pre-Testing Result**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,502
Bartlett's Test of Sphericity	Approx. Chi-Square	136,674
	df	66
	Sig.	,000

Source: (IBM SPSS, 2015e)

## 4.6. POST-TESTING RESULTS

The post-test is divided into two tests as well: reliability and validity test. The post-test then continues to obtain 140 more respondents, 70 respondents each for artists and potential consumers, making the total of 200 respondents in total accumulative from both artists and potential consumers.

**4.6.1. Reliability Test**

With the additional respondents, the Cronbach’s Alpha value has decreased from 0.728 to 0.701. This indicates that the additional respondents have decreased the data reliability. Even so, the figure is still above 0.6, which means the figure is still reliable.

**Table 14: Reliability Post-Testing Test**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,688	,701	39

Source: (IBM SPSS, 2015b)

**4.6.2. Validity Test**

In reverse, the KMO value actually increases from 0.502 to 0.598. By means, the data becomes more valid. The value closer to one is considered the most desired, yet 0.598 is enough and quite satisfactory.

**Table 15: Validity Post-Testing Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,598
Bartlett's Test of Sphericity	Approx. Chi-Square	1990,672
	Df	741
	Sig.	,000

Source: (IBM SPSS, 2015c)

**4.7. STRUCTURAL EQUATION MODELING**

This research is using SEM that is carried by IBM AMOS. There are 12 observed variables that have the data from the respondents and 3 unobserved variables.

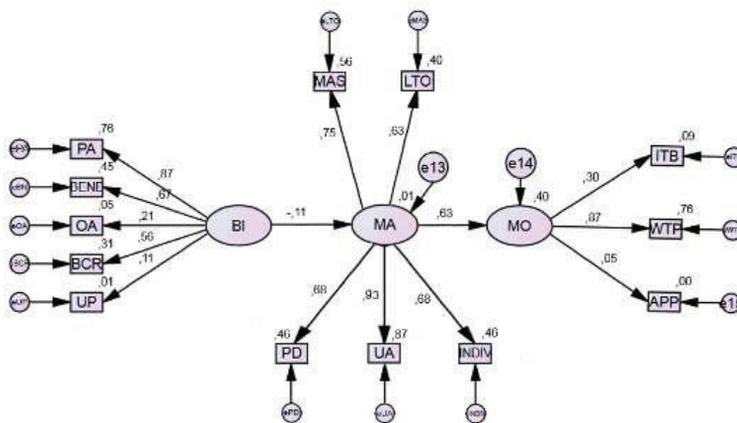
As seen on the figure, the following is the elaboration of the relationship between variable to variable:

1. Brand image has a negative 11% explanatory power towards market acceptance. The brand images of the artists may not affect the market acceptance towards the artistic products. In Indonesia, being an artist not always considered as a ‘real’ job. Many parents much prefer their children to have, what they called, a ‘stable’ job like bankers, accountants or people who are working 9 – 5 (Nuarta, 2014). Most times in auction, the market accepts artworks that are based on the market trends, regardless who made them (Sidharta, 2015). The reputation of an artist should not fully rely on their name and who they are, but also to the commercial value that it has in the market (Sasaki, 2012). The market acceptance towards the artistic culture itself is already very low. In order to understand the artists, it has to start from appreciating and understanding the arts scene beforehand (Arsyad, 2015).

Most artists’ works are based on their emotion, thoughts and style. They are focusing more into creating a good art rather than caring about their personal name and branding (Arsyad, 2015; Nuarta, 2014; Sidharta, 2015). Artists may not always care promoting themselves but the market needs to know about the artists. The market could feel the eager to know the artists’ story to be able to relate to the

artworks (McNee, 2015). This contradicting point of view that has been happening in the market affected the way the market accept contemporary art scene and the artists behind it.

Figure 21: Structural Equation Modeling



Source: (IBM AMOS, 2015)

2. Market acceptance has 63% explanatory power towards market opportunity. Culture guides the behavior of the society who held it (Chua, Roth, & Lemoine, 2015). The background of one’s desire and/or determination is usually the culture they hold (Yakup, MÜcahit, & Reyhan, 2011). The culture held by Indonesian society affects the market opportunity for contemporary art scene. Without the culture accepting, understanding and purchasing art, the opportunity for this market may not grow as well. Unfortunately, the lack of understanding and appreciation towards art has been a culture in Indonesia (Nuarta, 2014; Sidharta, 2015; Arsyad, 2015).

Since quite a lot of time and their personal thoughts involved within the making of the artworks, artists have grown to have an emotional bound towards their artworks. This will resulted on them being less consumer oriented (Conner, 2015). Some people in the art market may appreciate the original thoughts of the artists, but some others may not (Sidharta, 2015). The market opportunity could not affect the price of the artwork, but the variety of market acceptance among the market leads to sections of market opportunity. Artists may have to be more commercialized by adjusting to the market demands rather than putting a foreign artistic idea that will be hard to understand (Sasaki, 2012; Sidharta, 2015).

In term of the relationship between the indicators to the variable, below is the elaboration:

1. Brand Images

- Product attributes has 87% explanatory power towards brand images. Product attributes contributes the most toward the brand image of the artists. Since the artworks made by the every artist are considered unique and one of a kind, the artist may have to provide and promote another additional value, rather tangible or intangible, to the artworks to help differs themselves among other artists (Conner, 2015). The form of the product attributes may be a form of service such as being present during the exhibition to give more insight of the artworks and the story behind them (McNee, 2015; Sidharta, 2015). Another form of intangible thing that may add value towards the artwork is the specific style that only the artist has (Arsyad, 2015). Placement may also add value to the artworks. A big wall is needed to support the display of the artwork (Nuarta, 2014). An artwork placement affects the business of it. This is where different kinds of galleries may come in hand to help (Moureau & Sagot-Duvauroux, 2012).
- Benefit has 67% explanatory power towards brand images. An artwork is an intellectual property of the artists (Sasaki, 2012). Benefit of an artwork is the artwork itself. The consumers' personal satisfaction comes from owning unique artworks with colors and signature style that the artists have (Resch, 2011; Arsyad, 2015). The biggest benefit for the art buyer will also come as a form of investment (Robertson & Chong, 2008). The opportunity of investment and how much they may increase in price, may also add another benefit of buying artworks or art pieces (Sidharta, 2015; Nuarta, 2014). In some cases, art buyers are people who are paying close attention to Indonesian art scene. Some of them buy arts from a new artist as part of their support for the artist. Being able to support the art scene is one of the benefits they gain from the art purchase (Nuarta, 2014).
- Organization association has 21% explanatory power towards brand images. For an artist to be affiliated to an organization may not affect the brand images of the artists. Artists' performance is graded based on their own willingness to produce and create more arts (Bamberger, 2012). Being affiliated to a gallery might help the artists to get in touch with the potential consumers (Sidharta, 2015; Arsyad, 2015). For the artist to be in an organization may also help them to know similar artists that are working on same things and help each other to move further into the business. Yet, being affiliated to an organization may not always fulfill the artists' expectation of full support and sponsorship for exhibitions and solo shows (Nuarta, 2014). For that reason, organization associations for the artists could be unnecessary.
- Brand consumer relation has 56% explanatory power towards brand image. This says that brand consumer relation may have a huge influence towards the brand images of the artists. Most consumers who buy artworks have a certain relationship or feelings towards the artists. This may translate as the love for the artworks, or the techniques use on artworks may fascinate the consumers and encourage sense of respects. Most art buyers come back to the same artist to get more of their artworks (Arsyad, 2015). Buying art is a personal thing. Art can be spiritual and a form of expression both for the artists and the art buyer (Robertson & Chong, 2008). It is important for the buyer to understand the story and the meaning behind the artwork to relate to it. The artists' relation to the

potential art buyer in this scene shall increase the connection of the buyer towards the artwork. The more the potential art buyer understands the artworks, the bigger potential is for art transaction (McNee, 2015; Nuarta, 2014; Sidharta, 2015)

- User perspectives have 11% of explanatory power towards brand images. In that sense, the user perspective may not affect the brand images of the artists. There is a feeling of accomplishment to be able to own a certain artwork (Resch, 2011). The feelings of accomplishment that the consumer gain from owning the artworks may affect the brand images of the artists but only a certain group of people understands the value behind and in the artwork (Sidharta, 2015; Arsyad, 2015). From the art buyers' eyes, what is purchased when one buys art is the intellectual property of the artist that is one of a kind (Sasaki, 2012). On the other hand, artwork is a way of the artists' to share their thoughts and feelings. Because of that, they may forget to be more consumers oriented and ended up creating artworks that are hard to be accepted by large market (McNee, 2015).

## 2. Market Acceptance

- Power distance has 68% explanatory power towards market acceptance. The power distance score of Indonesia is considered high. This means most of the potential consumers do have the tendency to seek for a stronger and/or older superior for advises and directions, even when it comes to buying and getting things of their wants or needs (The Hofstede Centre, 2014). Older people do have mature business and artistic sense. Most of them also have experience in the art business and investment, which make them trustworthy to get advices from (Sidharta, 2015). Yet, this shall not always be the case. As different person is educated differently, some of them might get an early exposure towards arts. This gives them a sense of art that is different from anyone else. Once they do, they may less likely to seek for advises toward anyone else for their artistic purchases (Nuarta, 2014; Arsyad, 2015). Indonesia has tendency to be oriented around titles and position. The market may not accept artists they consider younger than them. Also, being an artist as a job are underappreciated, and most people may look at artist as a lower title or position compared to them who might have a more common job title with higher income (Nuarta, 2014). This affects the way the market accepts the artworks the artists try to showcase.
- Uncertainty avoidance has 93% explanatory power towards market acceptance. Indonesia is high in the uncertainty avoidance. This shows that most Indonesian may likely to avoid uncertainty of any kind (The Hofstede Centre, 2014). Even when variety of price is given, the tendency of the buyer is to seek for more prices below the price given to make sure that they are having the lowest price there is. Before the purchases, most potential buyers may do a wide information search to reduce their uncertainty (Karani, Fraccastoro, & Shelton, 2013). The art market trends could be unpredicted and change drastically (Arsyad, 2015; Nuarta, 2014). This causes uncertainty, which may suppress the buyer intention to purchase and invest (Sidharta, 2015).
- Individualism has 68% of explanatory power towards market acceptance. Indonesia has low score in individualism, which translated as not being independent and more likely to go in-group and become group-oriented (The

Hofstede Centre, 2014). Indonesian appreciates the value of togetherness. Artworks could be divided into two basic functions, investment or decoration. In terms of decoration, the individualism is high. Most people will not seek for advises. Purchases of arts are usually personal and most of the time, elaborates the taste and the personality of the specific individual (McNee, 2015; Arsyad, 2015; Nuarta, 2014). On the other hand, art investment is usually done in a group. It is most common found in an auction. Art buyers may form a group to help each other win the bid for their favorite art pieces. Within this group of people, they may also consult to each other on which artwork to invest in (Sidharta, 2015).

- Masculinity has 75% explanatory power towards market acceptance. Indonesia is high on masculinity. Indonesian culture may have the tendency to acknowledge physical achievement and driven by success (The Hofstede Centre, 2014). The culture portrays that achievement should be visible physically for everyone to see. Art purchases require economic maturity, which only a certain groups within the society have (Nuarta, 2014). Even so, the value of artworks may not be visible in sight. Art pieces' values may only be visible to certain sets of eyes (Sidharta, 2015). Because of that reason, some people would rather spend more in expensive fashion brand that people recognize. Most of these items' values are recognizable and therefore, give more pride towards the one who wear them. This easy-to-recognize feature of expensive brands may make them more attractive to purchase rather than artworks (Arsyad, 2015).
  - Long-term orientation has 63% of explanatory power towards market acceptance. Indonesian culture scored high in this category (The Hofstede Centre, 2014). The potential customers for contemporary art pieces in Indonesia care about what the artworks or the products may bring them in the future. In Indonesia, most art purchases are intended to be a part of investment (Arsyad, 2015; Sidharta, 2015). Investing in art is a gamble. The values of the artworks are never the same. The value and prices of the artworks are determined by the market trends, which are unpredicted (Sidharta, 2015). The uncertainty of the investment could affect how the market may not accept the idea of art investment. Other intention of the art purchases, even though not always common, is to help and observe the productivity of an artist (Nuarta, 2014; Sasaki, 2012).
3. Market Opportunity
- Intention to buy has 30% explanatory power towards market opportunity. This shows the potential consumers' intention to buy artworks may not affect the market opportunity for the artists. Most potential consumers buy things that appeal to them based on the attractiveness of the goods (Nobel, 2014). Based on the similar notes, the correlation of intention to buy to art collections scored the highest amongst others. This shows that based on the interview, 52% correlate intention to buy to art collections. Most of art buyers see art based on their personal taste. Art buyers usually like the artists' style and the images or illustrations the artist made, which may suits their personal art collections (Arsyad, 2015; NVivo, 2015).

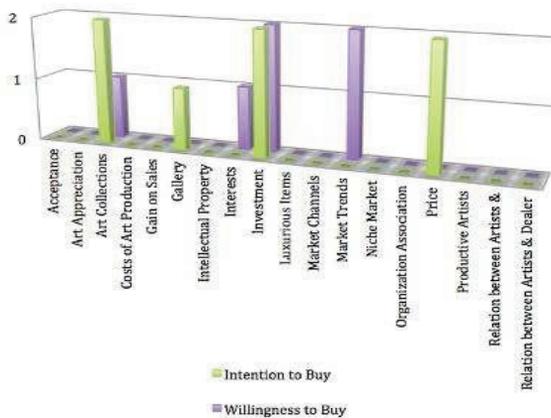
**Table 16: Nvivo Table of Nodes Intention to Buy Clustered by Word Similarities**

Node A	Node B	Pearson Correlation Coefficient
Nodes\\intention to buy	Nodes\\gain on sales	0.126686
Nodes\\intention to buy	Nodes\\art appreciation	0.174968
Nodes\\intention to buy	Nodes\\intellectual property	0.180838
Nodes\\intention to buy	Nodes\\cost of art production	0.198378
Nodes\\intention to buy	Nodes\\acceptance	0.21144
Nodes\\intention to buy	Nodes\\gallery	0.385107
Nodes\\intention to buy	Nodes\\art collections	0.524602

Source: (NVivo, 2015)

Art pieces could also be a form of investment. The interviews show a high frequency of the word ‘investment’ when the subject of intention to buy is brought up (NVivo, 2015). The high frequency of the word portrays the importance of it for the participants of the interview (Turumen, 2013). In Indonesia, the intention to buy artworks comes mostly from seeing the prospects of investment returns over the years. The intention to buy could grow when a guarantee and quantity of investment profit is given (Sidharta, 2015). There is a belief of art pieces’ values may always increase, but that’s not always true (Nuarta, 2014; Sasaki, 2012). The uncertainty of investment returns could affect to a narrower opportunity. Other keywords that have high frequency of appearing in the subject of intention to buy are the word gallery and price (NVivo, 2015).

**Figure 22: NVivo Matrix Coding Query of The Interviews**



Source: (NVivo, 2015)

- Willingness to pay has 87% explanatory power towards market opportunity. This indicates that the willingness to pay could affect the market opportunity. Since the price of an artwork may not be considered cheap, the willingness to pay at a certain high amount may directly the opportunity for the artists and could encourage artists to make more artworks (Sasaki, 2012; Nuarta, 2014).

**Table 17: NVivo Table of Nodes Willingness to Buy Clustered by Word Similarities**

Node A	Node B	Pearson Correlation Coefficient
Nodes\\willingness to pay	Nodes\\market trends	0.738588
Nodes\\willingness to pay	Nodes\\art collections	0.703802
Nodes\\willingness to pay	Nodes\\interests	0.626233
Nodes\\willingness to pay	Nodes\\intention to buy	0.592526
Nodes\\willingness to pay	Nodes\\investment	0.467452
Nodes\\willingness to pay	Nodes\\price	0.435615
Nodes\\willingness to pay	Nodes\\gallery	0.351345
Nodes\\willingness to pay	Nodes\\relationship between artists & dealer	0.303973
Nodes\\willingness to pay	Nodes\\relationship between artists & community	0.278421
Nodes\\willingness to pay	Nodes\\market channels	0.253591
Nodes\\willingness to pay	Nodes\\cost of art production	0.248272
Nodes\\willingness to pay	Nodes\\productive artists	0.212689
Nodes\\willingness to pay	Nodes\\intellectual property	0.179472
Nodes\\willingness to pay	Nodes\\art appreciation	0.174324
Nodes\\willingness to pay	Nodes\\niche market	0.158761
Nodes\\willingness to pay	Nodes\\acceptance	0.154652
Nodes\\willingness to pay	Nodes\\organization association	0.134437
Nodes\\willingness to pay	Nodes\\gain on sales	0.090381
Nodes\\willingness to pay	Nodes\\luxurious items	0.069247

**Source: (NVivo, 2015)**

The willingness to pay for artworks could get higher when the consumers' intention is to invest on the artworks. The interviews show a high frequency on the usage of market trends phrase, which related closely to the success of art investment (NVivo, 2015). Based on the similar notes, the correlation of willingness to pay to market trends scored the highest amongst others. This shows that based on the interview, 73% correlate willingness to pay to market trends. The market trends tend to affect how big the market is willing to pay for an artwork. The closer the artworks to the current market trends may ensure a good art investment (Sidharta, 2015; NVivo, 2015). There are also art buyers who buy art because they love the artworks (Resch, 2011). Art can have spiritual and emotional aspects, which the potential buyer could bond to (Robertson & Chong, 2008). People could spend as much as it requires to have the artworks they love and bonded to (Arsyad, 2015). Other keywords that have quite a high

frequency of being mentioned on the subject willingness to pay are art collections and interest. These keywords are quite similar with the ones mention on the subject willingness to pay (NVivo, 2015).

As demand translates to quantity of goods that a buyer wants and can buy, intention to buy and willingness to pay are also used to measure the demand (Mankiw, Quah, & Wilson, 2008). Calculations are counted to count the elasticity of artworks.

In order to calculate the price elasticity towards demand, the price that is used within the equation is the price ranges of Sidharta’s Artfodorable Auction, which was held in April 25<sup>th</sup> 2015. The price range is Rp.2 million to Rp.36 million, equivalent with roughly US\$ 150 – 2,695 (Bank Indonesia, 2015). To see the changes of demand, the average quantity of artworks targeted from the artists’ each month is used. The average artworks quantity targeted by the artists’ is 11.4. The average score then deducted by the highest score within the range selection from the questionnaire, where an average score come from. In the questionnaire, one of the ranges in the selection goes from 11 – 15. So, the average score of 11.4 is deducted with 15. The equation for the price elasticity of demand is as followed:

**Equation 3: Artworks' Price Elasticity of Demand**

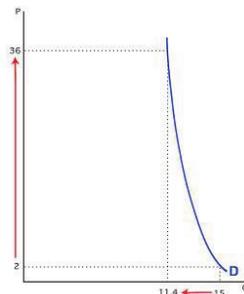
$$= \frac{\text{Percentage change in quantity demanded}}{\text{Percentage change in price}}$$

$$= \frac{\frac{(15 - 11.4)}{15}}{\frac{(36 - 2)}{36}} = \frac{0.24}{0.944} = 0.25$$

Source: (Mankiw, Quah, & Wilson, 2008)

The calculation for the price elasticity of demand result is 0.25. This shows inelasticity. The changes in percentage of quantity demanded (24) are less than then changes in price (94.4) (Mankiw, Quah, & Wilson, 2008).

**Figure 23: Price Elasticity of Artworks Demand**



Source: (Mankiw, Quah, & Wilson, 2008)

- Annual plan & profitability has 5% explanatory power towards market opportunity. Periodic target, achievement and profit may not affect the market opportunity as the artists predicted. The quantity and price of the artworks within the market may not affect the artists' opportunity to sell their artworks. Artists tend to have a limited number of artworks with them. The supply of the artworks does not follow the regular rules of any other products in the market (Resch, 2011). Artworks are inelastic goods. The demand and supply could not catch up with the price increase. Artists shall also use their time wisely and could only create a small limited quantity of artworks at once (Conner, 2015; Mankiw, Quah, & Wilson, 2008). Having a target is important for the artists themselves to catch up with exhibition or auctions. But the quantity of artworks available could not affect the market opportunity (Arsyad, 2015; Nuarta, 2014; Sidharta, 2015).

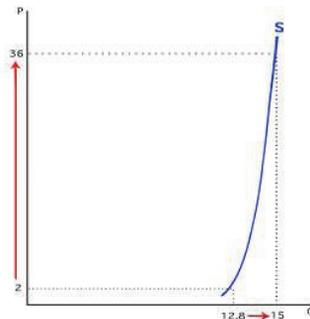
Supply translated as the quantity of goods that the sellers are willing and able to sell (Mankiw, Quah, & Wilson, 2008). The data from annual plan & profitability is used to calculate the price inelasticity of supply. The price range used is the same with the previous inelasticity of demand equation. The price range is Rp.2 million to Rp.36 million, equivalent with roughly US\$ 150 – 2,695 (Bank Indonesia, 2015). In this equation, the supply is the quantity of artworks accomplished by the artists in a month. With the average of artworks accomplished 12.8, it is still within the range of 11 – 15 within the questionnaire. The calculation is as follow:

**Equation 4: Artworks' Price Elasticity of Supply**

$$\begin{aligned}
 &= \frac{\text{Percentage change in quantity supplied}}{\text{Percentage change in price}} \\
 &= \frac{(15 - 12.8)}{15} = \frac{0.146}{0.944} = \mathbf{0.11}
 \end{aligned}$$

Source: (Mankiw, Quah, & Wilson, 2008)

**Figure 24: Price Elasticity of Artworks Supply**



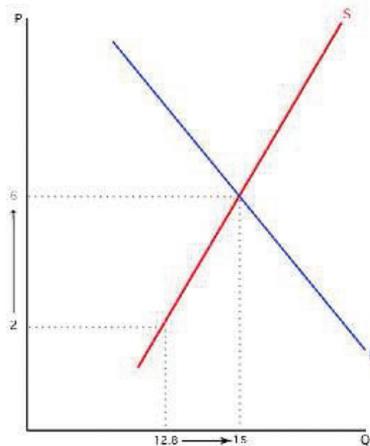
Source: (Mankiw, Quah, & Wilson, 2008)

The price elasticity of supply result is 0.11. This also shows inelasticity. The changes in percentage of quantity supplied (14.6) are less than then changes in price (94.4) (Mankiw, Quah, & Wilson, 2008).

Seeing from the elasticity, the demand and supply of the artworks are considered inelastic. Based on economic principles, elasticity usually happens with luxury goods such as diamonds (Mankiw, Quah, & Wilson, 2008). Luxury goods or specialty goods are also used in marketing to define products with unique characteristics that potential group of buyer may be willing to make a special effort to buy or get (Kotler & Armstrong, 2012). Because of that, the calculations above confirm that artworks are inelastic and fit the criteria of specialty or luxury goods.

The supply towards artworks does not follow the regular rules. It does not rely on the quantity of the existing artworks within the market or demanded, but all depends on the motivation and willingness of the artists to make more artworks (Resch, 2011). The price and the demand of the artworks are usually more affected by the market trends that are created within the auction or the selling environment of the artworks (Sidharta, 2015).

**Figure 25: Supply and Demand Inelasticity Curve**



**Source: (Mankiw, Quah, & Wilson, 2008)**

Art is a different kind of commodity, which cannot be measured the same way as any other products within the market. Art has a spiritual quality that not everyone can attach and reacted too. In this states, price does not matter. Because of that, the demand will come from the same group and when they do attached to it, they are willing to give as much as it requires to meet its' price (Robertson & Chong, 2008; Arsyad, 2015).

### 4.7.1. Model Fit Summary

The table below provides the criteria of goodness fit and the results compared to the recommended standard value.

To further analyzing the output model, the model of goodness of fit values should be compared with the recommended ones. The purpose of this action is to evaluate how fit the model correlates to its observations. Based on the results shown, the model fulfills most of the criteria listed. Therefore, it is safe to say the hypothesis testing can be further analyzed.

**Table 18: Goodness Fit Criteria**

Criterion and Definition	Recommended Standard Value		Model Value	Goodness Fit Criteria
	According to Schumacher & Lomax (2004); Wijaya (2009)	According to Ghozali (2012); Santoso (2009)		
p-value	p-value $\geq 0.05$ is better	Bigger p-value is the better	0.142	OK
CMIN / df – normed chi squared	CMIN/df $\leq 2$ = better	CMIN/df $\leq 5$ = better	1.192	OK
RMSEA – root mean square error of approximation	RMSEA $\leq 0.08$ = better	RMSEA $\leq 5$ = better	0.046	OK
AGFI – adjusted goodness of fit index	AGFI closer to 0.90 = better	AGFI closer 0.90 = better	0.712	OK
TLI – Tucker Lewis Index	TLI value closer to 1 is better	TLI value closer to 0.90 is better	0.947	OK
CFI – comparative fit index	CFI value closer to 1 = better	CFI value closer to 1 = better	0.965	OK
NFI – parsimonious normal fit index	-	NFI $\geq 0.90$ is better	0.839	Marginal
PNFI – parsimonious goodness of fit index	-	Higher PNFI value is better	0.559	Marginal
RFI – Relative Fit Index	RFI closer to 1 is better	RFI closer to 1 is better	0.759	Marginal
IFI – Incremental Fit Index	IFI closer to 1 is better	IFI closer to 1 is better	0.967	OK
PCFI – Parsimony Comparative Fit Index	PCFI $\geq 0.50$ is better	PCFI $\geq 0.50$ is better	0.643	OK

Source: (Schumacker & Lomax, 2004; Wijaya, 2009; Ghozali, 2012; Santoso, 2009; Alverina, 2014; Budiman, Anantadjaya, & Prasetyawati, 2014)

## 4.8. RESULT ON HYPOTHESIS TEST

Hypothesis testing is a process of looking into the regression weight, represented in p-value and standardized regression weight that is presented within the SEM model to see the influences, which described as coefficient correlation (r).

**Table 19: Regression Weight**

			Estimate	S.E.	C.R.	P	Estimate (Standardized)
MA	<---	BI	-,635	,920	-,690	,490	-,114
MO	<---	MA	,267	,147	1,814	,007	,631
UP	<---	BI	1,000				,111
BCR	<---	BI	4,639	4,772	,972	,331	,561
OA	<---	BI	1,692	1,953	,866	,386	,215
BENE	<---	BI	7,118	7,200	,989	,323	,668
PA	<---	BI	7,802	8,175	,954	,340	,869
LTO	<---	MA	1,000				,629
MAS	<---	MA	1,291	,210	6,157	***	,748
INDIV	<---	MA	,820	,142	5,786	***	,680
UA	<---	MA	1,852	,270	6,871	***	,932
PD	<---	MA	,617	,107	5,789	***	,680
ITB	<---	MO	1,000				,302
WTP	<---	MO	3,000	1,593	1,884	,060	,869
APP	<---	MO	,261	,589	,443	,658	,051

Source: (IBM AMOS, 2015)

According to the terms and condition of SEM output, a relationship is considered significant if the p-value is less than 0.05 (Ghozali, 2012). The symbol of \*\*\* indicated that the amount of p-value falls below 0,001 and it is considered very significant (Santoso, 2014). Highlighted above are the significance of all correlations. The p-value of the correlations between MA (market acceptance) towards MAS (masculinity), INDIV (individuality), UA (Uncertainty Avoidance), and PD (Power Distance) are displayed as \*\*\*\*. This implies that MA (market acceptance) is the most significant variable than the other two variables, which are the market acceptance and the brand images.

Table 19 defines the strength of the correlation between every indicator and the variables in the presented diagram. The elaboration from the combined result of both correlation strength and the p-value will then be discussed further within the hypothesis test.

### 4.8.1. Influence of Brand Images to Market Acceptance

The relationship of brand images to market acceptance is considered not significant with the p-value of 0,490. Because of that, hypothesis 1 is rejected. The table is presented below.

**Table 20: Hypothesis 1 Test Summary**

Hypothesis	Criteria Value	Result		Conclusion
<b>H<sub>1</sub>:</b> The brand images of Indonesia contemporary artists strongly affect the market acceptance of the artistic products within Indonesian market.	p-value $\leq 0.05$ is better	0,490	Is not significant	H <sub>1</sub> is rejected
	Regression weight value closer to 1 indicate positive relationship	-,114	Weak influence	

The negative relationship suggests that the artists as a brand image could not affect the level of market acceptance for the artworks. This is logical because most of Indonesian artists are not famous by their name but by their artworks. Most of them are focusing more into their artworks, rather than publishing their own name (McNee, 2015). Artists are usually famous only within their artistic group or cycle (Sidharta, 2015; Arsyad, 2015). Artists could prefer their artworks to be known, rather than for them to be known. Therefore, it is important to have a special signature style and skill that may show through the artworks (Conner, 2015). There is a lack of validity that the artwork and the artists receive, which leads to artists refer to each other and reflect upon their own selves for improvement. This puts the artists inside the cycle where the market could not reach (Resch, 2011).

From the market perspectives, it is important to know who the artists are (McNee, 2015). The market of Indonesia could accept the art better when they have an overall view of every element within the art scene. As the art pieces may be hard to understand, knowing the artists could help the market to grow their acceptance in the art market (Nuarta, 2014). The contradicting opinion in the market may contribute to the market acceptance for contemporary art scene.

#### 4.8.2. Influence of Market Acceptance to Market Opportunity

The relationship of brand images to market acceptance is considered significant. For that reason, hypothesis 2 is accepted. The table is presented below.

**Table 21: Hypothesis 2 Test Summary**

Hypothesis	Criteria Value	Result		Conclusion
<b>H<sub>2</sub>:</b> The level of market acceptance strongly affects the market opportunity for the artistic products within Indonesian market.	p-value $\leq 0.05$ is better	0,007	Significant	H <sub>2</sub> accepted
	Regression weight value closer to 1 indicate positive relationship	0,631	Positive influence	

The market acceptance may affect the market opportunity of the artworks. The way people understand art could affect how much they are willing to pay for the artworks. The understanding towards arts is the basic knowledge requires before buying or investing on any artworks (Sidharta, 2015; Nuarta, 2014). Understanding the contemporary art scene could encourage interest and appreciation and help the growth

of the art business opportunity. Art is an intellectual property. It may take different sets of knowledge for potential buyers understand that. The market should accept the idea of the trade in intellectual property and the price is only a symbolic of the transaction (Sasaki, 2012).

## 4.9. NON-HYPOTHETICAL ANALYSIS & MANAGERIAL IMPLICATIONS

### 4.9.1. Interview Result

The interview features 3 persons: Ms. Tasya Nuarta, Mr. Amir Sidharta and Ms. Indah Arsyad. Ms. Tasya Nuarta is the daughter of Mr. Nyoman Nuarta, one of the respective sculptors and art consultant in Indonesia. She is working at NuARTa Gallery and Sculpture Park in Bandung as Business Development and Design Conceptor.

The second person that was interviewed for the studies is Mr. Amir Sidharta. He is the director of Sidharta Auctioneer, an art auction held periodically in Indonesia specializing in Indonesian arts.

The last, is Ms. Indah Arsyad. Ms. Indah Arsyad is a painter and sculptor based in Jakarta. She has been moving in the contemporary arts for more than 15 years. She usually creates abstract paintings and sculptures. Ms. Indah Arsyad graduated as an architect and started to be an artist. Her works has been exhibited in Seoul and also Jakarta.

Each interviewed separately. There are 12 main questions that are asked throughout the interview session. The interview then process through NVivo to gain deeper understanding. The results from NVivo data analysis are combined above in hypothesis testing and the rest of the data are attached in appendix. The answers from interview in summary are listed below:

**Table 22: Answers from Interview**

	<b>Statements</b>
Product Attributes	<ul style="list-style-type: none"> <li>• Placement</li> <li>• Origin story of the artworks, but not always delivered</li> <li>• Style of work</li> </ul>
User Perspective	<ul style="list-style-type: none"> <li>• It's about the artists' emotion</li> <li>• More like the artists' thoughts nowadays</li> <li>• Can be thoughts and style but there is also commission work</li> </ul>
Brand Consumers Relationship	<ul style="list-style-type: none"> <li>• Usually the customer will like the other works of the same artists</li> <li>• Seeing from the trend, they come back to the auction where they sold their art</li> <li>• Yes, often they do come back for more artworks</li> </ul>
Benefits	<ul style="list-style-type: none"> <li>• People who understand arts buy them so the artist can grow and make more to increase the value of the artwork</li> <li>• It is more into another kind of investment</li> <li>• Investment and personal satisfaction</li> </ul>
Organization	<ul style="list-style-type: none"> <li>• There are some art institutions or foundation that might</li> </ul>

	<b>Statements</b>
Association	help <ul style="list-style-type: none"> <li>• Yes, especially if they are represented by a gallery</li> <li>• No because sales is not always important</li> </ul>
Power Distance	<ul style="list-style-type: none"> <li>• Sometimes, people do seek advice for art purchases</li> <li>• Possibly for mature audiences, they have a more mature taste and ideas on how to do business</li> <li>• They may seek for advises, but not sure</li> </ul>
Uncertainty Avoidance	<ul style="list-style-type: none"> <li>• It is such a small group who understands</li> <li>• Artworks are always uncertain</li> <li>• Depends on the artists if it's in terms of investment</li> </ul>
Individualism	<ul style="list-style-type: none"> <li>• Yes, still on the stage of thinking that the pieces is interesting and what to have it in her house</li> <li>• Indonesian are still developing their taste and judgment when it comes to art bidding</li> <li>• Yes, but different in every collectors</li> </ul>
Masculinity	<ul style="list-style-type: none"> <li>• The ones who are interested in arts are usually the ones that have extra money</li> <li>• A certain community may appreciate the artwork ownership more, but not always</li> <li>• Yes, in certain community</li> </ul>
Long-Term Orientation	<ul style="list-style-type: none"> <li>• Good and promising investment</li> <li>• Investment</li> <li>• Style of work and having an artwork from her</li> </ul>
Intention to Buy	<ul style="list-style-type: none"> <li>• Arts' value always goes up</li> <li>• What much bigger will they gain in the future</li> <li>• Personal preferences most of the time</li> </ul>
Willingness to Pay	<ul style="list-style-type: none"> <li>• They may be willing to pay more if the investment will return</li> <li>• Quite high but depends on the art market trend</li> <li>• High once they really want it</li> </ul>
Annual Plan & Profitability	<ul style="list-style-type: none"> <li>• Yes, selling more things is more important than selling expensively</li> <li>• Artists with more artworks will most likely priced higher</li> <li>• It is important but does not mean everyone always have one</li> </ul>

**Source: (Arsyad, 2015; Nuarta, 2014; Sidharta, 2015)**

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## CHAPTER 5 – CONCLUSION AND RECOMMENDATION

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### 5.1. CONCLUSION

The purpose of this research is to understand the relationship between brand images towards market acceptance and the market opportunity. Each of them was analyzed to provide an insight on the contemporary art business scene in Indonesia. As mentioned, 200 respondents are participating in two different questionnaires that are combined to examine the relationship among the potential market and the artists. The data collected then assess through IBM SPSS to find the validity and the reliability, followed with IBM AMOS to test the hypotheses. The interviews were done to get more information on the market through different roles in the art business.

1. Question 1 of the research is ‘How strong do the brand images of Indonesian contemporary artists affect the market acceptance of the artistic products within Indonesian market?’ The relationship between the brand images and the market acceptance within this research has an insignificant relationship and weak influences. This indicates that the artists’ names may not always be enough to gain wider market acceptance. Based on the questionnaire, such weak relationship and influences indicated that brand images of the artists might not help advance and develop the market acceptance. Supported by the interview, the most important information in terms of art trading and bidding is the market trends, which have become the biggest factor that is affecting the sales of the arts (Sidharta, 2015). Sasaki (2012) also mentioned on her study about the stereotypical artists where some artists may not always remain on their personal image if that does not ensure them a possible income in the future. While some other artists might try to explore more styles and things they can do, some artists maintain a certain style that might not fully portray who they are to gain the profit they need. It is what makes the brand images of the artists are not always remaining the same and show who they really are as an artist.

On top of that, most artists may much prefer for their artworks to be known, rather than who they are as the artists. Artists usually pour their heart and soul to the artworks. It is more important for them for the artworks to be seen, so they may not care much about their look. Even so, Indonesian market is a market of interaction. The potential market needs to see and understand the artwork as a whole to be able to accept it. While the artists remain hiding behind the artwork, it is hard for the market to relate to the product.

2. Question 2 of the research is ‘How strong does Indonesian market acceptance affect the market opportunity for the artistic products within Indonesian market?’. The relationship between market acceptance and market opportunity has a slightly significant correlation of 0,007 with a positive influence. Based on the questionnaire, the significant relationship between the two variables indicates that market acceptance has a direct influence on how big the opportunity for the art business and artists’. Based on the interview, the market acceptance towards the art business and market are quite low for there is not enough education and government support on supporting the art and making it part of the culture. (Nuarta, 2014; Arsyad, 2015; Sidharta, 2015; Bains, 2010). A research by Sasaki (2012),

also mentioned that there is a lack of support from the state or the government in the growth of the contemporary art world. Even so, the contemporary art scene in Indonesia is still developing independently. The contemporary art scene in Indonesia is very liberal and open for almost anyone to join and participate within the scene. This provides the contemporary art scene enough power to develop by themselves.

## 5.2. RECOMMENDATION

In refers to the research findings, increasing the market opportunity for the contemporary art business in Indonesia could be done through increasing the market acceptance towards the contemporary art scene. Some recommendation may be taken into considerations, as follow:

1. To increase the market acceptance, the education on contemporary art scene should also be increased. Art organizations that already exist within the art community could open more exhibitions with workshops at the sides to help educate the market more on contemporary arts. Through this step, the market may find it easier to understand the beauty and esthetics that lies within arts. Groups of artists may also consider being around museums and galleries that already exist in Indonesia to try talking to the people who already are interested in arts. These steps may increase the relationship and help people to understand more about the artworks and spread the words of contemporary arts to their community. Opening more galleries that fuses artistically with cafes may also help to educate a market that might not like art before. This may place people into an environment where they can casually enjoy art and start putting more interest towards art market and business.
2. The main reason of the art market existence is for the existence of the buyer and the seller who sees the economic potential of arts. In order to maintain and help this community to grow, both art buyers and sellers should be protected throughout their transaction. The trade between the art buyer and seller may need to have a more vivid regulation to manage the terms and condition of the investment, the purchases and ensure the benefit for both of the artists and the buyer or investors.

### 5.2.1. Recommendations for Future Research

1. The findings on this study could be used as the foundation to further elaborate the art business scene in Indonesia and the growth of the contemporary artists. This research finds the relatively low correlation and significant between the brand images and the market acceptance. This low correlation could be re-analyzed to look more into the idea of local brand images or artists' profile impact on market acceptance and market opportunity for the artists. The other variables with a higher correlation and significant which are market acceptance and market opportunity may be used to further assess more indicators that could be used to increase the significant of the relationship and provide wider sight on the things that affects the market for the Indonesian contemporary arts.
2. There are 3 different art trade channels, auction, personal selling, galleries and online platforms. According to the interviews and questionnaires, all of them have different challenges, external environment and slightly different market target. This

research generalized all art trade channels and therefore, might lose details in findings.

## GLOSSARY

Auction	: A public sale in which goods or property are sold to the highest bidder.
Auctioneer	: A person who conducts auctions by accepting bids and declaring goods sold.
Brand Images	: The impression of a product held by real or potential consumers.
Contemporary Arts	: The art of today, produced by artist living in twenty-first century.
Creative Industry	: A term denotes a business entity or a group of business entities whose main activities are among the 14 subsectors: advertising; architecture; arts and antiques; craft; design; fashion; video, film, and photography; interactive games; music; performing arts; publishing and printing; computer services and software; television and radio, and research and development.
Cronbach's Alpha	: A measure that determines internal consistency of a set of data
Hypothesis	: A proposed assumption about the expected output of a research
IBM AMOS	: A statistical tool or program to specify, estimate, assess, and present a hypothesized model in computer.
IBM SPSS	: A statistical tool or program that provides statistical analysis of data for testing and estimating causal relations.
Market Acceptance	: Condition in which a good or service satisfies the needs of a sufficiently large number of customers to continue or increase its production or availability.
Market Opportunity	: Newly identified need, want, or demand trend that a firm can exploit because the competitors are not addressing it.
NVivo	: Qualitative data analysis (QDA) computer software package produced by QSR International designed to work with rich text-based and/or multimedia information, where deep levels of analysis on small or large volumes of data are required.
P - Value	: The probability of rejecting a null hypothesis of a study question when the hypothesis is true
Structural Equation Modeling	: A path analysis that measures a model with causal relationships, using a quantitative data.

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## APPENDIX 1 – ARTISTS QUESTIONNAIRE

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### Brand Images and Market Opportunity: Contemporary Artists Point of View toward Indonesian Art Market Potential (Survey)

Hello there, artists! My name is Aninditya Kusumah. I am a student under Swiss German University, pursuing my degree on International Business. First of all, thank you for helping me. I am doing my thesis on Indonesian Contemporary arts and I will need your help to fill in this survey. The data that will be used will be combined and mixed with others, so your confidentiality towards this survey will be guarded. Do kindly answer as you pleased. No matter you are artists just because you like to make art, or you make art professionally, all of the phrase 'artworks' means whatever you make in terms of art. Please contact me if you have any question. I would love to talk more to you about anything. Thank you and have a very nice day ahead, artist!

**Name:**

**Gender:**

A. Female

B. Male

**Residence:**

A. Jakarta

B. Bandung

C. Surabaya

D. Yogyakarta

E. Others (Please stated: \_\_\_\_\_)

**Age:**

A. 16 – 21

B. 22 – 27

C. 28 -33

D. 34 – 40

E.  $\geq$  41

**Social media used (you may choose more than one):**

A. Behance

B. Instagram

C. Twitter

D. Facebook

E. Path

F. Pinterest

E. Others

**How many artworks that you make in average every week?**

A. Less than 5 artworks

B. 5 – 10 artworks

C. More than 10 artworks

**Please tick the one you find best fits you**

1: Disagree, 2: Slightly Disagree, 3: Neutral, 4: Slightly Agree, 5: Agree

Variable: Brand Images		1	2	3	4	5
<b>Indicators</b>						
<b><u>Product Attributes</u></b>						
1	I only sell my original pieces in premium prices.					
2	Most of the artwork that I do take a long of time to be made.					
3	I make art in all different mediums.					
<b><u>Benefits</u></b>						
4	The things that I used to make my artwork are always in the highest quality.					
5	I make sure that my artwork will always look at their best even after selling them.					
6	I have my own special signature and technique that differs my artwork from anything else.					
<b><u>Organizational Association</u></b>						
7	I am a part of an artistic (art related) organization / community.					
8	I would like to join an art community but I haven't.					
9	I am never interested in joining an art community in any form.					
<b><u>Brand Consumer Relationship</u></b>						
10	Most of the people that enjoy my artworks usually return to buy another one.					
11	I know personally the people who buy my artworks.					
12	The people who enjoy my works are usually intrigued by the style not by the fact it was made by me.					
<b><u>User Perspective</u></b>						
13	My artworks are not always available for purchases.					
14	I only do work based on order most of the time.					
15	I don't do much commercial work, just artworks.					

**Indicator:**  
**Market Opportunity**  
**Annual Plan & Profitability**

**Please choose which you find match you best:**

Do you have a target for how many artworks you will accomplish in a month?

- A. 0 – 5
- B. 6 – 10
- C. 11 – 15
- D. 16 – 20
- E.  $\geq 21$

How many artworks from the target that you made that you successfully accomplished?

- A. 0 – 5
- B. 6 – 10
- C. 11 – 15
- D. 16 – 20
- E.  $\geq 21$

Compared to the cost you spend for the making of your artworks, how big is the percentage of your income that you get from those artworks?

- A. 120 – 140%
- B. 140 – 160%
- C. 160 – 180%
- D. 180 – 200%
- E.  $\geq 200\%$

## APPENDIX 2 – ARTISTS QUESTIONNAIRE RESULT

Gender	Female		Male				
	70%		30%				
Residence	Jakarta	Bandung	Surabaya	Yogyakarta	Other		
	58%	11%	7%	6%	18.00%		
Age	16 - 21	22 - 27	28 - 33	34 - 40	> 41		
	15%	57%	27%	0%	1%		
Social media used (you may choose more than one):	Behance	Instagram	Twitter	Facebook	Path	Pinterest	Others
	60%	97%	69%	89%	61%	54%	34%
How many artworks that you make in average every week?	< 5 artworks		5 - 10 artworks		> 10 artworks		
	61%		32%		7%		

Variable: Brand Images		1	2	3	4	5
Indicators						
<b>Product Attributes</b>						
1	I only sell my original pieces in premium prices.	8%	17%	45%	24%	6%
2	Most of the artwork that I do take a long of time to be made.	3%	25%	37%	30%	5%
3	I make art in all different mediums.	6%	20%	33%	25%	16%
<b>Benefits</b>						
4	The things that I used to make my artwork are always in the highest quality.	5%	17%	18%	38%	22%
5	I make sure that my artwork will always look at their best even after selling them.	2%	7%	13%	42%	36%
6	I have my own special signature and technique that differs my artwork from anything else.	2%	8%	21%	43%	26%
<b>Organizational Association</b>						
7	I am a part of an artistic (art related) organization / community.	22%	12%	22%	23%	21%
8	I would like to join an art community but I haven't.	26%	20%	23%	21%	10%

Contemporary Indonesian Artists: Brand Images, Market Acceptance & Market Opportunity

Variable: Brand Images		1	2	3	4	5
Indicators						
9	I am never interested in joining an art community in any form.	58%	23%	15%	4%	0%
Brand Consumer Relationship						
10	Most of the people that enjoy my artworks usually return to buy another one.	3%	12%	44%	32%	9%
11	I know personally the people who buy my artworks.	4%	25%	41%	23%	7%
12	The people who enjoy my works are usually intrigued by the style not by the fact it was made by me.	3%	14%	39%	33%	11%
User Perspective						
13	My artworks are not always available for purchases.	10%	12%	32%	25%	21%
14	I only do work based on order most of the time.	20%	25%	26%	23%	6%
15	I don't do much commercial work, just artworks.	20%	32%	26%	17%	5%

**Annual Plan & Profitability**

Do you have a target for how many artworks you will accomplish in a month?	0 - 5	6 - 10	11 - 15	16 - 20	≥ 21
	43%	34%	12%	2%	9%
How many artworks from the target that you made that you successfully accomplished?	0 - 5	6 - 10	11 - 15	16 - 20	≥ 21
	50%	24%	10%	6%	10%
Compared to the cost you spend for the making of your artworks, how big is the percentage of your income that you get from those artworks?	120 - 140%	140 - 160%	160 - 180%	180 - 200%	≥ 200%
	27%	24%	24%	11%	14%



**Please tick the one you find best fits you**

1: Disagree, 2: Slightly Disagree, 3: Neutral, 4: Slightly Agree, 5: Agree

Variable: Market Acceptance		1	2	3	4	5
<b><u>Indicators</u></b>						
<b><u>Power Distance</u></b>						
1	I usually seek for advice from an older or a person who I look up to in many different situations.					
2	I do ask for advises, but it does not necessarily means from an older person.					
3	I do not take advises.					
<b><u>Uncertainty Avoidance</u></b>						
4	I love surprises.					
5	I would like to know everything about anything, especially if I put my own money on it.					
6	I would like to know more about the things I buy but I like them, it doesn't really matter.					
<b><u>Individualism</u></b>						
7	I believe in my own taste and what I like to see and have.					
8	I do look at the trends and also what people are currently wearing and having as well as buying and because of that, I am interested of having the same things as everyone has.					
9	I do have specific preferences on anything. I just like it and I don't know why.					
<b><u>Masculinity</u></b>						
10	I believe the more things I have, the better I look than anyone else.					
11	The things that I buy and have are the things that I buy because I wanted them for personal reason, not a proof of my success.					
12	I have no intention of looking or showing how much better I am than anyone else.					
<b><u>Long - Term Orientation</u></b>						
17	I am more interested on buying something that will cause more in the future.					
18	I usually just buy the things I want to buy. I never think about the money or any other reason that may stop me from buying the things I want. I buy things right at that moment I saw it.					
19	I prefer to invest.					

Variable: Market Opportunity		1	2	3	4	5
<b>Indicators</b>						
<b><u>Intention to Buy</u></b>						
1	I usually save for the things I want to buy for quite sometimes.					
2	I buy things when I see it.					
3	The more it costs, the more I don't want to buy it.					
<b><u>Willingness to Pay</u></b>						
4	I am willing to pay as much as it will cost for something I really like.					
5	I am not really into buying things that is expensive in any kind.					
6	I will determine how much I am willing to pay for it once I see the item.					

## APPENDIX 4 –POTENTIAL CONSUMERS QUESTIONNAIRE RESULT

Gender	Female			Male		
	60%			40%		
Age	22 - 27	28 - 33	34 - 40	41 - 46	47 - 52	> 52
	30%	35%	14%	8%	5%	8%
Residence	Jakarta	Tangerang	Depok	Bekasi	Other	
	65%	25%	3%	5%	2.00%	
Occupation	Employee	Educational Professions		Self-Employed		Others
	79%	5%		14%		2%
Income/month (in average)	Rp. 1,000,000	Rp. 5,000,000	Rp. 10,000,000-	Rp. 15,000,000	> Rp. 20,000,000	
	- Rp. 5,000,000	- Rp. 10,000,000	Rp. 15,000,000	- Rp. 20,000,000		
	33%	25%	17%	13%	12%	

Variable: Market Acceptance		1	2	3	4	5
Indicators						
<b>Power Distance</b>						
1	I usually seek for advice from an older or a person who I look up to in many different situations.	9%	33%	41%	15%	2%
2	I do ask for advises, but it does not necessarily means from an older person.	3%	21%	35%	36%	5%
3	I do not take advises.	33%	30%	16%	21%	0%
<b>Uncertainty Avoidance</b>						
4	I love surprises.	12%	13%	29%	25%	21%
5	I would like to know everything about anything, especially if I put my own money on it.	6%	3%	31%	30%	30%
6	I would like to know more about the things I buy but I like them, it doesn't really matter.	3%	20%	51%	20%	6%

Contemporary Indonesian Artists: Brand Images, Market Acceptance & Market Opportunity

Variable: Market Acceptance		1	2	3	4	5
Indicators						
<b>Individualism</b>						
7	I believe in my own taste and what I like to see and have.	6%	7%	34%	40%	13%
8	I do look at the trends and also what people are currently wearing and having as well as buying and because of that, I am interested of having the same things as everyone has.	12%	33%	42%	13%	0%
9	I do have specific preferences on anything. I just like it and I don't know why.	13%	3%	52%	26%	6%
<b>Masculinity</b>						
10	I believe the more things I have, the better I look than anyone else.	28%	16%	26%	30%	0%
11	The things that I buy and have are the things that I buy because I wanted them for personal reason, not a proof of my success.	3%	3%	18%	60%	16%
12	I have no intention of looking or showing how much better I am than anyone else.	3%	7%	38%	27%	25%
<b>Long - Term Orientation</b>						
17	I am more interested on buying something that will cause more in the future.	6%	12%	32%	29%	21%
18	I usually just buy the things I want to buy. I never think about the money or any other reason that may stop me from buying the things I want. I buy things right at that moment I saw it.	29%	47%	13%	11%	0%

Contemporary Indonesian Artists: Brand Images, Market Acceptance & Market Opportunity

Variable: Market Acceptance		1	2	3	4	5
Indicators						
19	I prefer to invest.	6%	12%	23%	21%	38%

Variable: Market Opportunity		1	2	3	4	5
Indicators						
<b><u>Intention to Buy</u></b>						
1	I usually save for the things I want to buy for quite sometimes.	6%	11%	49%	21%	13%
2	I buy things when I see it.	18%	23%	38%	17%	4%
3	The more it costs, the more I don't want to buy it.	13%	19%	39%	23%	6%
<b><u>Willingness to Pay</u></b>						
4	I am willing to pay as much as it will cost for something I really like.	9%	16%	47%	19%	9%
5	I am not really into buying things that is expensive in any kind.	9%	25%	49%	16%	1%
6	I will determine how much I am willing to pay for it once I see the item.	6%	11%	47%	30%	6%

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## APPENDIX 5 – SPSS OUTPUT

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Communalities		
	Initial	Extraction
PA1	1.000	.430
PA2	1.000	.417
PA3	1.000	.235
BENE1	1.000	.447
BENE2	1.000	.655
BENE3	1.000	.442
OA1	1.000	.204
OA2	1.000	.035
OA3	1.000	.059
BCR1	1.000	.344
BCR2	1.000	.187
BCR3	1.000	.233
UP1	1.000	.185
UP2	1.000	.006
UP3	1.000	.025
PD1	1.000	.520
PD2	1.000	.484
PD3	1.000	.331
UA1	1.000	.369
UA2	1.000	.790
UA3	1.000	.532
INDIV1	1.000	.678
INDIV2	1.000	.259
INDIV3	1.000	.338
MAS1	1.000	.112
MAS2	1.000	.606
MAS3	1.000	.457
LTO1	1.000	.625
LTO2	1.000	.383
LTO3	1.000	.701
ITB1	1.000	.405
ITB2	1.000	.129
ITB3	1.000	.082
WTP1	1.000	.268
WTP2	1.000	.179
WTP3	1.000	.347
AP-P1	1.000	.162
AP-P2	1.000	.232
AP-P3	1.000	.131
Extraction Method: Principal Component Analysis.		

Contemporary Indonesian Artists: Brand Images, Market Acceptance & Market Opportunity

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.031	18.028	18.028	7.031	18.028	18.028
2	3.678	9.431	27.459	3.678	9.431	27.459
3	2.315	5.935	33.393	2.315	5.935	33.393
4	2.221	5.695	39.089			
5	2.000	5.129	44.218			
6	1.822	4.671	48.889			
7	1.665	4.269	53.159			
8	1.463	3.751	56.909			
9	1.388	3.559	60.468			
10	1.273	3.264	63.732			
11	1.238	3.174	66.907			
12	1.217	3.120	70.027			
13	1.110	2.846	72.873			
14	.994	2.549	75.422			
15	.917	2.350	77.772			
16	.827	2.120	79.892			
17	.748	1.918	81.810			
18	.720	1.845	83.655			
19	.669	1.716	85.371			
20	.662	1.697	87.068			
21	.545	1.398	88.466			
22	.533	1.367	89.833			
23	.481	1.234	91.067			
24	.438	1.122	92.189			
25	.414	1.062	93.251			
26	.367	.942	94.193			
27	.330	.847	95.040			
28	.326	.835	95.876			
29	.292	.748	96.624			
30	.241	.619	97.242			
31	.215	.552	97.794			
32	.186	.478	98.272			
33	.142	.365	98.637			
34	.132	.337	98.975			
35	.118	.302	99.276			
36	.110	.282	99.558			
37	.073	.187	99.746			
38	.064	.164	99.910			
39	.035	.090	100.000			

Extraction Method: Principal Component Analysis.

<b>Component Matrix<sup>a</sup></b>			
	Component		
	1	2	3
PA1	-.237	.508	.341
PA2	-.137	.623	-.100
PA3	-.062	.472	.091
BENE1	-.156	.646	.072
BENE2	-.160	.792	-.034
BENE3	-.076	.645	-.143
OA1	-.147	.345	-.251
OA2	.132	-.046	.126
OA3	-.101	-.212	.066
BCR1	-.023	.582	-.070
BCR2	-.195	.368	-.116
BCR3	.044	.376	.300
UP1	-.157	.313	-.250
UP2	.049	.027	-.051
UP3	.104	-.093	.072
PD1	.604	-.044	.391
PD2	.685	-.073	.097
PD3	-.369	.234	-.374
UA1	.597	.076	-.077
UA2	.840	.113	-.269
UA3	.725	-.033	-.075
INDIV1	.819	.045	-.072
INDIV2	-.208	.110	.452
INDIV3	.434	.075	-.380
MAS1	.334	.006	-.007
MAS2	.762	.155	.030
MAS3	.643	.126	.169
LTO1	.759	.086	-.203
LTO2	-.560	-.239	-.113
LTO3	.815	.046	-.188
ITB1	.372	.193	.479
ITB2	-.085	-.260	-.233
ITB3	-.050	-.052	-.276
WTP1	.368	-.066	.359
WTP2	.244	.245	-.245
WTP3	.545	.173	-.142
AP-P1	.076	.002	.395
AP-P2	.066	.186	.439
AP-P3	-.025	.122	.341
Extraction Method: Principal Component Analysis.			
a. 3 components extracted.			

Contemporary Indonesian Artists: Brand Images, Market Acceptance & Market Opportunity

Item-Total Statistics					
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
PA1	114.55	135.301	.060	.544	.690
PA2	114.49	131.505	.247	.589	.679
PA3	114.33	129.779	.256	.457	.678
BENE1	114.03	131.524	.181	.498	.683
BENE2	113.55	129.806	.309	.735	.675
BENE3	113.75	130.937	.259	.564	.678
OA1	114.49	137.424	-.055	.529	.703
OA2	114.89	134.826	.034	.406	.695
OA3	115.93	139.541	-.128	.356	.699
BCR1	114.26	132.457	.209	.580	.681
BCR2	114.54	136.998	-.012	.474	.694
BCR3	114.23	132.179	.207	.488	.681
UP1	114.23	134.704	.051	.453	.692
UP2	114.88	134.733	.053	.277	.692
UP3	115.03	134.837	.057	.567	.691
PD1	114.90	130.293	.315	.798	.676
PD2	114.39	129.675	.337	.804	.674
PD3	115.33	139.698	-.124	.796	.703
UA1	114.28	123.921	.427	.777	.664
UA2	113.83	122.951	.551	.913	.658
UA3	114.52	129.606	.366	.856	.673
INDIV1	114.11	125.291	.502	.795	.663
INDIV2	115.02	136.484	.021	.706	.691
INDIV3	114.49	131.182	.231	.687	.680
MAS1	115.00	126.848	.350	.733	.671
MAS2	113.75	127.604	.492	.888	.667
MAS3	113.94	128.400	.351	.853	.672
LTO1	114.11	123.028	.532	.895	.659
LTO2	115.52	144.676	-.352	.719	.711
LTO3	113.85	123.280	.460	.883	.662
ITB1	114.34	129.499	.308	.592	.675
ITB2	114.92	137.771	-.051	.518	.697
ITB3	114.68	134.846	.065	.494	.690
WTP1	114.55	131.523	.212	.559	.681
WTP2	114.83	130.971	.298	.561	.677
WTP3	114.39	127.331	.452	.661	.668
AP-P1	115.58	133.196	.108	.652	.688
AP-P2	115.56	132.188	.122	.442	.688
AP-P3	114.97	132.009	.121	.639	.688

Intraclass Correlation Coefficient							
	Intraclass Correlation <sup>b</sup>	95% Confidence Interval		F Test with True Value 0			
		Lower Bound	Upper Bound	Value	df1	df2	Sig
Single Measures	,053 <sup>a</sup>	.036	.079	3.204	99	3762	0.000
Average Measures	,688 <sup>c</sup>	.593	.769	3.204	99	3762	0.000
Two-way mixed effects model where people effects are random and measures effects are fixed.							
a. The estimator is the same, whether the interaction effect is present or not.							
b. Type C intraclass correlation coefficients using a consistency definition-the between-measure							
c. This estimate is computed assuming the interaction effect is absent, because it is not estimable							

## APPENDIX 6 – AMOS OUTPUT

Computation of degrees of freedom (Default model)

Number of distinct sample moments: 104  
 Number of distinct parameters to be estimated: 41  
 Degrees of freedom (104 - 41): 63

Result (Default model)

Minimum was achieved  
 Chi-square = 75,069  
 Degrees of freedom = 63  
 Probability level = ,142

Regression Weights: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
MA <--- BI	-,635	,920	-,690	,490	par_10
MO <--- MA	,267	,147	1,814	,007	par_11
UP <--- BI	1,000				
BCR <--- BI	4,639	4,772	,972	,331	par_1
OA <--- BI	1,692	1,953	,866	,386	par_2
BENE <--- BI	7,118	7,200	,989	,323	par_3
PA <--- BI	7,802	8,175	,954	,340	par_4
LTO <--- MA	1,000				
MAS <--- MA	1,291	,210	6,157	***	par_5
INDIV <--- MA	,820	,142	5,786	***	par_6
UA <--- MA	1,852	,270	6,871	***	par_7
PD <--- MA	,617	,107	5,789	***	par_8
ITB <--- MO	1,000				
WTP <--- MO	3,000	1,593	1,884	,060	par_9
APP <--- MO	,261	,589	,443	,658	par_12

Standardized Regression Weights: (Group number 1 - Default model)

	Estimate
MA <--- BI	-,114
MO <--- MA	,631
UP <--- BI	,111
BCR <--- BI	,561
OA <--- BI	,215
BENE <--- BI	,668
PA <--- BI	,869
LTO <--- MA	,629
MAS <--- MA	,748
INDIV <--- MA	,680
UA <--- MA	,932
PD <--- MA	,680
ITB <--- MO	,302

	Estimate
WTP <--- MO	,869
APP <--- MO	,051

**Model fit summary**

**CMIN**

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	38	63,169	52	,138	1,215
Saturated model	90	,000	0		
Independence model	12	392,782	78	,000	5,036

**Baseline Comparisons**

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	,839	,759	,967	,947	,965
Saturated model	1,000		1,000		1,000
Independence model	,000	,000	,000	,000	,000

**Parsimony-Adjusted Measures**

Model	PRATIO	PNFI	PCFI
Default model	,667	,559	,643
Saturated model	,000	,000	,000
Independence model	1,000	,000	,000

**NCP**

Model	NCP	LO 90	HI 90
Default model	11,169	,000	35,400
Saturated model	,000	,000	,000
Independence model	314,782	256,624	380,467

**FMIN**

Model	FMIN	F0	LO 90	HI 90
Default model	,625	,111	,000	,350
Saturated model	,000	,000	,000	,000
Independence model	3,889	3,117	2,541	3,767

**RMSEA**

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	,046	,000	,082	,538
Independence model	,200	,180	,220	,000

**AIC**

Model	AIC	BCC	BIC	CAIC
Default model	139,169	150,397		
Saturated model	180,000	206,591		
Independence model	416,782	420,328		

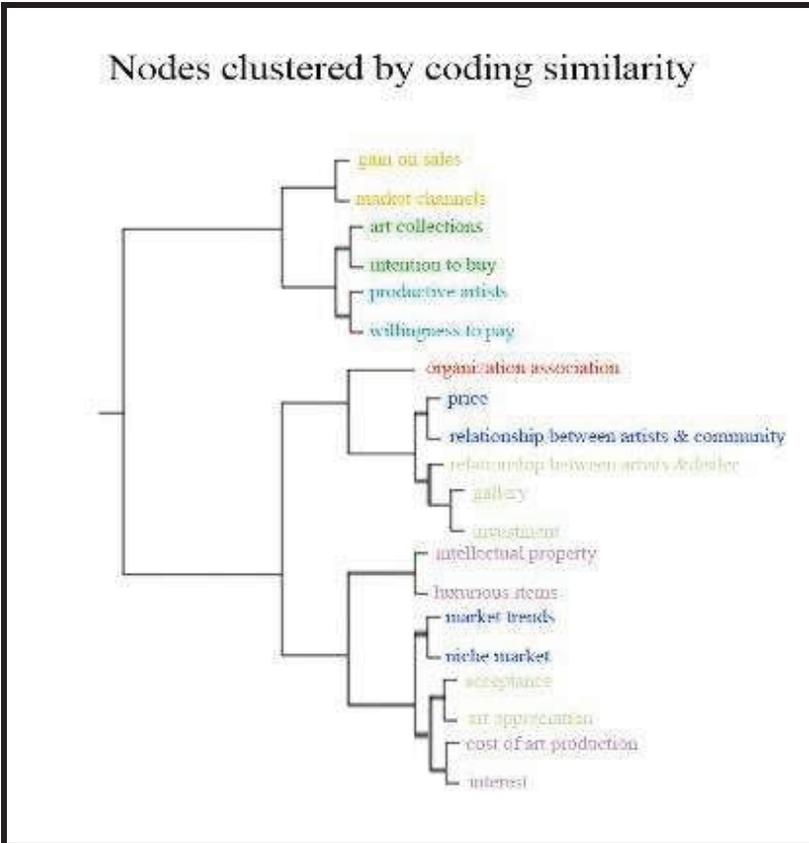
**ECVI**

Model	ECVI	LO 90	HI 90	MECVI
Default model	1,378	1,267	1,618	1,489
Saturated model	1,782	1,782	1,782	2,045
Independence model	4,127	3,551	4,777	4,162

**HOELTER**

Model	HOELTER	HOELTER
	.05	.01
Default model	112	126
Independence model	26	29

## APPENDIX 7 – NVIVO OUTPUT



**NODES CLUSTERED BY CODING SIMILARITIES - BASED ON SPECIFIED NODES**

Node A	Node B	Jaccard's Coefficient
Nodes\art appreciation	Nodes\acceptance	1
Nodes\cost of art production	Nodes\acceptance	1
Nodes\cost of art production	Nodes\art appreciation	1
Nodes\intention to buy	Nodes\art collections	1
Nodes\interests	Nodes\acceptance	1
Nodes\interests	Nodes\art appreciation	1
Nodes\interests	Nodes\cost of art production	1
Nodes\investment	Nodes\gallery	1
Nodes\luxurious items	Nodes\intellectual property	1

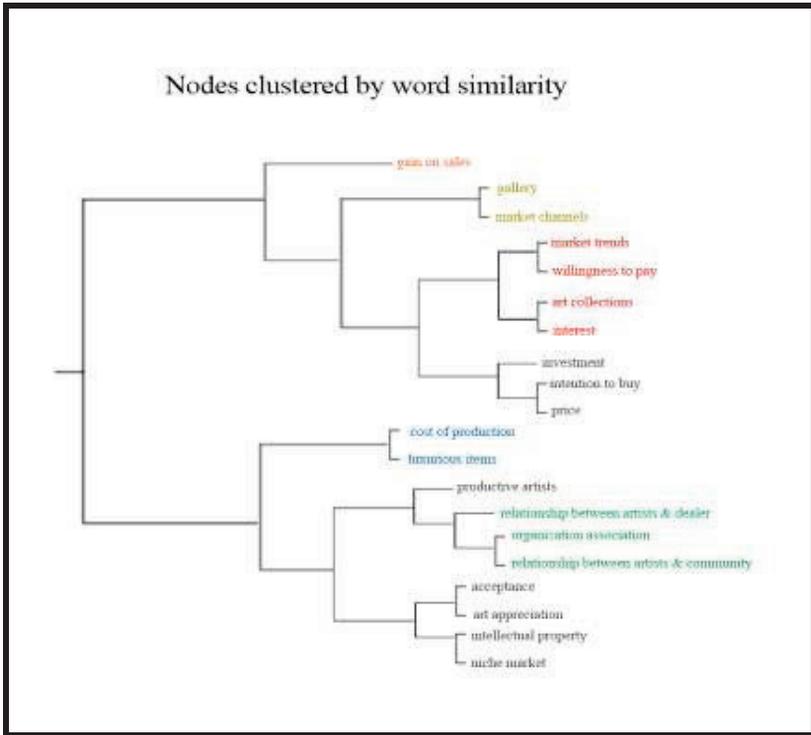
<b>NODES CLUSTERED BY CODING SIMILARITIES - BASED ON SPECIFIED NODES</b>		
<b>Node A</b>	<b>Node B</b>	<b>Jaccard's Coefficient</b>
Nodes\\market channels	Nodes\\gain on sales	1
Nodes\\market trends	Nodes\\acceptance	1
Nodes\\market trends	Nodes\\art appreciation	1
Nodes\\market trends	Nodes\\cost of art production	1
Nodes\\market trends	Nodes\\interests	1
Nodes\\niche market	Nodes\\acceptance	1
Nodes\\niche market	Nodes\\art appreciation	1
Nodes\\niche market	Nodes\\cost of art production	1
Nodes\\niche market	Nodes\\interests	1
Nodes\\niche market	Nodes\\market trends	1
Nodes\\price	Nodes\\gallery	1
Nodes\\price	Nodes\\investment	1
Nodes\\productive artists	Nodes\\art collections	1
Nodes\\productive artists	Nodes\\intention to buy	1
Nodes\\relationship between artists & community	Nodes\\gallery	1
Nodes\\relationship between artists & community	Nodes\\investment	1
Nodes\\relationship between artists & community	Nodes\\price	1
Nodes\\relationship between artists & dealer	Nodes\\gallery	1
Nodes\\relationship between artists & dealer	Nodes\\investment	1
Nodes\\relationship between artists & dealer	Nodes\\price	1
Nodes\\relationship between artists & dealer	Nodes\\relationship between artists & community	1
Nodes\\willingness to pay	Nodes\\art collections	1
Nodes\\willingness to pay	Nodes\\intention to buy	1
Nodes\\willingness to pay	Nodes\\productive artists	1
Nodes\\gallery	Nodes\\acceptance	0.666667
Nodes\\gallery	Nodes\\art appreciation	0.666667
Nodes\\gallery	Nodes\\art collections	0.666667
Nodes\\gallery	Nodes\\cost of art production	0.666667
Nodes\\intention to buy	Nodes\\gallery	0.666667
Nodes\\interests	Nodes\\gallery	0.666667
Nodes\\investment	Nodes\\acceptance	0.666667
Nodes\\investment	Nodes\\art appreciation	0.666667
Nodes\\investment	Nodes\\art collections	0.666667
Nodes\\investment	Nodes\\cost of art production	0.666667
Nodes\\investment	Nodes\\intention to buy	0.666667
Nodes\\investment	Nodes\\interests	0.666667
Nodes\\market trends	Nodes\\gallery	0.666667
Nodes\\market trends	Nodes\\investment	0.666667

<b>NODES CLUSTERED BY CODING SIMILARITIES - BASED ON SPECIFIED NODES</b>		
<b>Node A</b>	<b>Node B</b>	<b>Jaccard's Coefficient</b>
Nodes\\niche market	Nodes\\gallery	0.666667
Nodes\\niche market	Nodes\\investment	0.666667
Nodes\\organization association	Nodes\\gallery	0.666667
Nodes\\organization association	Nodes\\investment	0.666667
Nodes\\price	Nodes\\acceptance	0.666667
Nodes\\price	Nodes\\art appreciation	0.666667
Nodes\\price	Nodes\\art collections	0.666667
Nodes\\price	Nodes\\cost of art production	0.666667
Nodes\\price	Nodes\\intention to buy	0.666667
Nodes\\price	Nodes\\interests	0.666667
Nodes\\price	Nodes\\market trends	0.666667
Nodes\\price	Nodes\\niche market	0.666667
Nodes\\price	Nodes\\organization association	0.666667
Nodes\\productive artists	Nodes\\gallery	0.666667
Nodes\\productive artists	Nodes\\investment	0.666667
Nodes\\productive artists	Nodes\\price	0.666667
Nodes\\relationship between artists & community	Nodes\\acceptance	0.666667
Nodes\\relationship between artists & community	Nodes\\art appreciation	0.666667
Nodes\\relationship between artists & community	Nodes\\art collections	0.666667
Nodes\\relationship between artists & community	Nodes\\cost of art production	0.666667
Nodes\\relationship between artists & community	Nodes\\intention to buy	0.666667
Nodes\\relationship between artists & community	Nodes\\interests	0.666667
Nodes\\relationship between artists & community	Nodes\\market trends	0.666667
Nodes\\relationship between artists & community	Nodes\\niche market	0.666667
Nodes\\relationship between artists & community	Nodes\\organization association	0.666667
Nodes\\relationship between artists & community	Nodes\\productive artists	0.666667
Nodes\\relationship between artists & dealer	Nodes\\acceptance	0.666667
Nodes\\relationship between artists & dealer	Nodes\\art appreciation	0.666667
Nodes\\relationship between artists & dealer	Nodes\\art collections	0.666667
Nodes\\relationship between artists & dealer	Nodes\\cost of art production	0.666667
Nodes\\relationship between artists & dealer	Nodes\\intention to buy	0.666667

<b>NODES CLUSTERED BY CODING SIMILARITIES - BASED ON SPECIFIED NODES</b>		
<b>Node A</b>	<b>Node B</b>	<b>Jaccard's Coefficient</b>
artists & dealer		
Nodes\\relationship between artists & dealer	Nodes\\interests	0.666667
Nodes\\relationship between artists & dealer	Nodes\\market trends	0.666667
Nodes\\relationship between artists & dealer	Nodes\\niche market	0.666667
Nodes\\relationship between artists & dealer	Nodes\\organization association	0.666667
Nodes\\relationship between artists & dealer	Nodes\\productive artists	0.666667
Nodes\\willingness to pay	Nodes\\gallery	0.666667
Nodes\\willingness to pay	Nodes\\investment	0.666667
Nodes\\willingness to pay	Nodes\\price	0.666667
Nodes\\willingness to pay	Nodes\\relationship between artists & community	0.666667
Nodes\\willingness to pay	Nodes\\relationship between artists & dealer	0.666667
Nodes\\gain on sales	Nodes\\acceptance	0.5
Nodes\\gain on sales	Nodes\\art appreciation	0.5
Nodes\\gain on sales	Nodes\\art collections	0.5
Nodes\\gain on sales	Nodes\\cost of art production	0.5
Nodes\\intellectual property	Nodes\\acceptance	0.5
Nodes\\intellectual property	Nodes\\art appreciation	0.5
Nodes\\intellectual property	Nodes\\cost of art production	0.5
Nodes\\intention to buy	Nodes\\gain on sales	0.5
Nodes\\interests	Nodes\\gain on sales	0.5
Nodes\\interests	Nodes\\intellectual property	0.5
Nodes\\luxurious items	Nodes\\acceptance	0.5
Nodes\\luxurious items	Nodes\\art appreciation	0.5
Nodes\\luxurious items	Nodes\\cost of art production	0.5
Nodes\\luxurious items	Nodes\\interests	0.5
Nodes\\market channels	Nodes\\acceptance	0.5
Nodes\\market channels	Nodes\\art appreciation	0.5
Nodes\\market channels	Nodes\\art collections	0.5
Nodes\\market channels	Nodes\\cost of art production	0.5
Nodes\\market channels	Nodes\\intention to buy	0.5
Nodes\\market channels	Nodes\\interests	0.5
Nodes\\market trends	Nodes\\gain on sales	0.5
Nodes\\market trends	Nodes\\intellectual property	0.5
Nodes\\market trends	Nodes\\luxurious items	0.5
Nodes\\market trends	Nodes\\market channels	0.5
Nodes\\niche market	Nodes\\gain on sales	0.5
Nodes\\niche market	Nodes\\intellectual property	0.5
Nodes\\niche market	Nodes\\luxurious items	0.5

<b>NODES CLUSTERED BY CODING SIMILARITIES - BASED ON SPECIFIED NODES</b>		
<b>Node A</b>	<b>Node B</b>	<b>Jaccard's Coefficient</b>
Nodes\\niche market	Nodes\\market channels	0.5
Nodes\\organization association	Nodes\\intellectual property	0.5
Nodes\\organization association	Nodes\\luxurious items	0.5
Nodes\\productive artists	Nodes\\gain on sales	0.5
Nodes\\productive artists	Nodes\\market channels	0.5
Nodes\\willingness to pay	Nodes\\gain on sales	0.5
Nodes\\willingness to pay	Nodes\\market channels	0.5
Nodes\\art collections	Nodes\\acceptance	0.333333
Nodes\\art collections	Nodes\\art appreciation	0.333333
Nodes\\cost of art production	Nodes\\art collections	0.333333
Nodes\\gallery	Nodes\\gain on sales	0.333333
Nodes\\intellectual property	Nodes\\gallery	0.333333
Nodes\\intention to buy	Nodes\\acceptance	0.333333
Nodes\\intention to buy	Nodes\\art appreciation	0.333333
Nodes\\intention to buy	Nodes\\cost of art production	0.333333
Nodes\\interests	Nodes\\art collections	0.333333
Nodes\\interests	Nodes\\intention to buy	0.333333
Nodes\\investment	Nodes\\gain on sales	0.333333
Nodes\\investment	Nodes\\intellectual property	0.333333
Nodes\\luxurious items	Nodes\\gallery	0.333333
Nodes\\luxurious items	Nodes\\investment	0.333333
Nodes\\market channels	Nodes\\gallery	0.333333
Nodes\\market channels	Nodes\\investment	0.333333
Nodes\\market trends	Nodes\\art collections	0.333333
Nodes\\market trends	Nodes\\intention to buy	0.333333
Nodes\\niche market	Nodes\\art collections	0.333333
Nodes\\niche market	Nodes\\intention to buy	0.333333
Nodes\\organization association	Nodes\\acceptance	0.333333
Nodes\\organization association	Nodes\\art appreciation	0.333333
Nodes\\organization association	Nodes\\art collections	0.333333
Nodes\\organization association	Nodes\\cost of art production	0.333333
Nodes\\organization association	Nodes\\intention to buy	0.333333
Nodes\\organization association	Nodes\\interests	0.333333
Nodes\\organization association	Nodes\\market trends	0.333333
Nodes\\organization association	Nodes\\niche market	0.333333
Nodes\\price	Nodes\\gain on sales	0.333333
Nodes\\price	Nodes\\intellectual property	0.333333
Nodes\\price	Nodes\\luxurious items	0.333333
Nodes\\price	Nodes\\market channels	0.333333
Nodes\\productive artists	Nodes\\acceptance	0.333333
Nodes\\productive artists	Nodes\\art appreciation	0.333333
Nodes\\productive artists	Nodes\\cost of art production	0.333333
Nodes\\productive artists	Nodes\\interests	0.333333
Nodes\\productive artists	Nodes\\market trends	0.333333
Nodes\\productive artists	Nodes\\niche market	0.333333

<b>NODES CLUSTERED BY CODING SIMILARITIES - BASED ON SPECIFIED NODES</b>		
<b>Node A</b>	<b>Node B</b>	<b>Jaccard's Coefficient</b>
Nodes\\productive artists	Nodes\\organization association	0.333333
Nodes\\relationship between artists & community	Nodes\\gain on sales	0.333333
Nodes\\relationship between artists & community	Nodes\\intellectual property	0.333333
Nodes\\relationship between artists & community	Nodes\\luxurious items	0.333333
Nodes\\relationship between artists & community	Nodes\\market channels	0.333333
Nodes\\relationship between artists & dealer	Nodes\\gain on sales	0.333333
Nodes\\relationship between artists & dealer	Nodes\\intellectual property	0.333333
Nodes\\relationship between artists & dealer	Nodes\\luxurious items	0.333333
Nodes\\relationship between artists & dealer	Nodes\\market channels	0.333333
Nodes\\willingness to pay	Nodes\\acceptance	0.333333
Nodes\\willingness to pay	Nodes\\art appreciation	0.333333
Nodes\\willingness to pay	Nodes\\cost of art production	0.333333
Nodes\\willingness to pay	Nodes\\interests	0.333333
Nodes\\willingness to pay	Nodes\\market trends	0.333333
Nodes\\willingness to pay	Nodes\\niche market	0.333333
Nodes\\willingness to pay	Nodes\\organization association	0.333333
Nodes\\intellectual property	Nodes\\art collections	0
Nodes\\intellectual property	Nodes\\gain on sales	0
Nodes\\intention to buy	Nodes\\intellectual property	0
Nodes\\luxurious items	Nodes\\art collections	0
Nodes\\luxurious items	Nodes\\gain on sales	0
Nodes\\luxurious items	Nodes\\intention to buy	0
Nodes\\market channels	Nodes\\intellectual property	0
Nodes\\market channels	Nodes\\luxurious items	0
Nodes\\organization association	Nodes\\gain on sales	0
Nodes\\organization association	Nodes\\market channels	0
Nodes\\productive artists	Nodes\\intellectual property	0
Nodes\\productive artists	Nodes\\luxurious items	0
Nodes\\willingness to pay	Nodes\\intellectual property	0
Nodes\\willingness to pay	Nodes\\luxurious items	0



**NODES CLUSTERED BY WORD SIMILARITIES - BASED ON SPECIFIED NODES**

Node A	Node B	Pearson Correlation Coefficient
Nodes\\relationship between artists & community	Nodes\\organization association	0.824592
Nodes\\market channels	Nodes\\gallery	0.750762
Nodes\\willingness to pay	Nodes\\market trends	0.738588
Nodes\\art appreciation	Nodes\\acceptance	0.721532
Nodes\\willingness to pay	Nodes\\art collections	0.703802
Nodes\\interests	Nodes\\art collections	0.699007
Nodes\\market trends	Nodes\\art collections	0.693518
Nodes\\luxurious items	Nodes\\cost of art production	0.691276
Nodes\\relationship between artists & dealer	Nodes\\organization association	0.655937
Nodes\\willingness to pay	Nodes\\interests	0.626233
Nodes\\market trends	Nodes\\interests	0.62454
Nodes\\price	Nodes\\cost of art production	0.603416
Nodes\\willingness to pay	Nodes\\intention to buy	0.592526

<b>NODES CLUSTERED BY WORD SIMILARITIES - BASED ON SPECIFIED NODES</b>		
<b>Node A</b>	<b>Node B</b>	<b>Pearson Correlation Coefficient</b>
Nodes\price	Nodes\market trends	0.578062
Nodes\relationship between artists & dealer	Nodes\relationship between artists & community	0.577017
Nodes\relationship between artists & dealer	Nodes\price	0.562257
Nodes\price	Nodes\intention to buy	0.553546
Nodes\price	Nodes\gallery	0.530152
Nodes\intention to buy	Nodes\art collections	0.524602
Nodes\relationship between artists & dealer	Nodes\cost of art production	0.50983
Nodes\price	Nodes\art collections	0.492802
Nodes\price	Nodes\investment	0.488575
Nodes\investment	Nodes\intention to buy	0.488416
Nodes\relationship between artists & dealer	Nodes\gallery	0.48464
Nodes\productive artists	Nodes\organization association	0.469387
Nodes\willingness to pay	Nodes\investment	0.467452
Nodes\investment	Nodes\interests	0.465723
Nodes\willingness to pay	Nodes\price	0.435615
Nodes\gallery	Nodes\cost of art production	0.419288
Nodes\investment	Nodes\gallery	0.417907
Nodes\market trends	Nodes\investment	0.414759
Nodes\relationship between artists & dealer	Nodes\productive artists	0.393156
Nodes\intention to buy	Nodes\gallery	0.385107
Nodes\relationship between artists & community	Nodes\productive artists	0.384969
Nodes\interests	Nodes\gallery	0.376539
Nodes\relationship between artists & dealer	Nodes\market trends	0.37291
Nodes\market trends	Nodes\intention to buy	0.369111
Nodes\price	Nodes\interests	0.366487
Nodes\investment	Nodes\art collections	0.363463
Nodes\relationship between artists & community	Nodes\interests	0.360999
Nodes\productive artists	Nodes\price	0.355672
Nodes\market trends	Nodes\gallery	0.354303
Nodes\willingness to pay	Nodes\gallery	0.351345
Nodes\price	Nodes\luxurious items	0.346033
Nodes\market channels	Nodes\investment	0.345626
Nodes\interests	Nodes\cost of art production	0.343998
Nodes\market trends	Nodes\acceptance	0.333966
Nodes\gallery	Nodes\art collections	0.321181
Nodes\relationship between	Nodes\price	0.311482

<b>NODES CLUSTERED BY WORD SIMILARITIES - BASED ON SPECIFIED NODES</b>		
<b>Node A</b>	<b>Node B</b>	<b>Pearson Correlation Coefficient</b>
artists & community		
Nodes\\interests	Nodes\\intention to buy	0.311269
Nodes\\willingness to pay	Nodes\\relationship between artists & dealer	0.303973
Nodes\\market channels	Nodes\\interests	0.298912
Nodes\\relationship between artists & community	Nodes\\market trends	0.295238
Nodes\\relationship between artists & dealer	Nodes\\interests	0.289935
Nodes\\relationship between artists & dealer	Nodes\\art collections	0.288927
Nodes\\interests	Nodes\\acceptance	0.288616
Nodes\\willingness to pay	Nodes\\relationship between artists & community	0.278421
Nodes\\price	Nodes\\organization association	0.276109
Nodes\\market trends	Nodes\\cost of art production	0.273014
Nodes\\price	Nodes\\market channels	0.268753
Nodes\\interests	Nodes\\art appreciation	0.266196
Nodes\\relationship between artists & dealer	Nodes\\investment	0.261108
Nodes\\intellectual property	Nodes\\acceptance	0.259973
Nodes\\productive artists	Nodes\\gallery	0.259117
Nodes\\willingness to pay	Nodes\\market channels	0.253591
Nodes\\willingness to pay	Nodes\\cost of art production	0.248272
Nodes\\cost of art production	Nodes\\art collections	0.247713
Nodes\\relationship between artists & community	Nodes\\art collections	0.247606
Nodes\\productive artists	Nodes\\investment	0.237947
Nodes\\price	Nodes\\niche market	0.237366
Nodes\\market trends	Nodes\\art appreciation	0.23724
Nodes\\price	Nodes\\intellectual property	0.23499
Nodes\\relationship between artists & community	Nodes\\investment	0.233042
Nodes\\interests	Nodes\\intellectual property	0.232069
Nodes\\market trends	Nodes\\intellectual property	0.229762
Nodes\\niche market	Nodes\\investment	0.229528
Nodes\\price	Nodes\\acceptance	0.22651
Nodes\\market trends	Nodes\\market channels	0.223278
Nodes\\price	Nodes\\art appreciation	0.217126
Nodes\\investment	Nodes\\cost of art production	0.216166
Nodes\\art collections	Nodes\\acceptance	0.216007
Nodes\\productive artists	Nodes\\market trends	0.213038
Nodes\\willingness to pay	Nodes\\productive artists	0.212689
Nodes\\investment	Nodes\\acceptance	0.212054

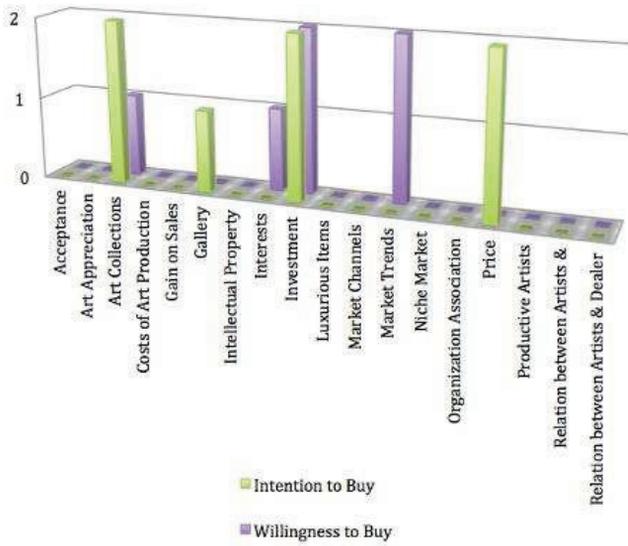
<b>NODES CLUSTERED BY WORD SIMILARITIES - BASED ON SPECIFIED NODES</b>		
<b>Node A</b>	<b>Node B</b>	<b>Pearson Correlation Coefficient</b>
Nodes\\intention to buy	Nodes\\acceptance	0.21144
Nodes\\niche market	Nodes\\interests	0.208166
Nodes\\organization association	Nodes\\investment	0.206594
Nodes\\market channels	Nodes\\art collections	0.205764
Nodes\\investment	Nodes\\art appreciation	0.204115
Nodes\\market channels	Nodes\\cost of art production	0.200824
Nodes\\niche market	Nodes\\acceptance	0.20075
Nodes\\intention to buy	Nodes\\cost of art production	0.198378
Nodes\\relationship between artists & dealer	Nodes\\intention to buy	0.198237
Nodes\\relationship between artists & dealer	Nodes\\acceptance	0.195948
Nodes\\market channels	Nodes\\intention to buy	0.195248
Nodes\\niche market	Nodes\\intellectual property	0.193699
Nodes\\productive artists	Nodes\\market channels	0.186472
Nodes\\organization association	Nodes\\market trends	0.183392
Nodes\\niche market	Nodes\\market trends	0.182364
Nodes\\intention to buy	Nodes\\intellectual property	0.180838
Nodes\\willingness to pay	Nodes\\intellectual property	0.179472
Nodes\\intellectual property	Nodes\\art appreciation	0.178456
Nodes\\art collections	Nodes\\art appreciation	0.17812
Nodes\\intellectual property	Nodes\\art collections	0.17531
Nodes\\niche market	Nodes\\art collections	0.175059
Nodes\\intention to buy	Nodes\\art appreciation	0.174968
Nodes\\willingness to pay	Nodes\\art appreciation	0.174324
Nodes\\relationship between artists & dealer	Nodes\\art appreciation	0.171875
Nodes\\niche market	Nodes\\cost of art production	0.165896
Nodes\\relationship between artists & community	Nodes\\intention to buy	0.162185
Nodes\\relationship between artists & community	Nodes\\gallery	0.161901
Nodes\\investment	Nodes\\gain on sales	0.160689
Nodes\\willingness to pay	Nodes\\niche market	0.158761
Nodes\\investment	Nodes\\intellectual property	0.157341
Nodes\\niche market	Nodes\\gain on sales	0.154714
Nodes\\relationship between artists & community	Nodes\\cost of art production	0.154666
Nodes\\willingness to pay	Nodes\\acceptance	0.154652
Nodes\\niche market	Nodes\\intention to buy	0.154086
Nodes\\relationship between artists & community	Nodes\\market channels	0.154027
Nodes\\relationship between artists & dealer	Nodes\\market channels	0.153126

<b>NODES CLUSTERED BY WORD SIMILARITIES - BASED ON SPECIFIED NODES</b>		
<b>Node A</b>	<b>Node B</b>	<b>Pearson Correlation Coefficient</b>
Nodes\\niche market	Nodes\\art appreciation	0.152938
Nodes\\intellectual property	Nodes\\cost of art production	0.14819
Nodes\\relationship between artists & community	Nodes\\intellectual property	0.14814
Nodes\\gallery	Nodes\\art appreciation	0.146263
Nodes\\productive artists	Nodes\\cost of art production	0.142921
Nodes\\relationship between artists & community	Nodes\\acceptance	0.140072
Nodes\\intellectual property	Nodes\\gallery	0.138518
Nodes\\organization association	Nodes\\acceptance	0.136433
Nodes\\willingness to pay	Nodes\\organization association	0.134437
Nodes\\market trends	Nodes\\gain on sales	0.133461
Nodes\\intention to buy	Nodes\\gain on sales	0.126686
Nodes\\niche market	Nodes\\luxurious items	0.126048
Nodes\\productive artists	Nodes\\intellectual property	0.124436
Nodes\\relationship between artists & dealer	Nodes\\intellectual property	0.123102
Nodes\\productive artists	Nodes\\intention to buy	0.118911
Nodes\\gallery	Nodes\\acceptance	0.118479
Nodes\\organization association	Nodes\\interests	0.117566
Nodes\\organization association	Nodes\\intellectual property	0.111969
Nodes\\relationship between artists & dealer	Nodes\\niche market	0.107644
Nodes\\niche market	Nodes\\gallery	0.104841
Nodes\\price	Nodes\\gain on sales	0.099916
Nodes\\cost of art production	Nodes\\art appreciation	0.099149
Nodes\\organization association	Nodes\\cost of art production	0.098217
Nodes\\relationship between artists & community	Nodes\\art appreciation	0.096257
Nodes\\organization association	Nodes\\gallery	0.094766
Nodes\\productive artists	Nodes\\acceptance	0.09345
Nodes\\productive artists	Nodes\\interests	0.090467
Nodes\\willingness to pay	Nodes\\gain on sales	0.090381
Nodes\\cost of art production	Nodes\\acceptance	0.090103
Nodes\\productive artists	Nodes\\art collections	0.088125
Nodes\\market channels	Nodes\\art appreciation	0.087843
Nodes\\gain on sales	Nodes\\art collections	0.087522
Nodes\\interests	Nodes\\gain on sales	0.085338
Nodes\\relationship between artists & community	Nodes\\niche market	0.08216
Nodes\\productive artists	Nodes\\art appreciation	0.080661
Nodes\\market channels	Nodes\\intellectual property	0.080402
Nodes\\organization association	Nodes\\art collections	0.079551
Nodes\\market channels	Nodes\\gain on sales	0.077253

<b>NODES CLUSTERED BY WORD SIMILARITIES - BASED ON SPECIFIED NODES</b>		
<b>Node A</b>	<b>Node B</b>	<b>Pearson Correlation Coefficient</b>
Nodes\\organization association	Nodes\\art appreciation	0.073116
Nodes\\productive artists	Nodes\\niche market	0.071401
Nodes\\luxurious items	Nodes\\intellectual property	0.069707
Nodes\\willingness to pay	Nodes\\luxurious items	0.069247
Nodes\\organization association	Nodes\\intention to buy	0.068546
Nodes\\organization association	Nodes\\niche market	0.068278
Nodes\\relationship between artists & dealer	Nodes\\luxurious items	0.064838
Nodes\\organization association	Nodes\\market channels	0.063966
Nodes\\market trends	Nodes\\luxurious items	0.058732
Nodes\\gallery	Nodes\\gain on sales	0.058181
Nodes\\relationship between artists & community	Nodes\\luxurious items	0.052744
Nodes\\relationship between artists & community	Nodes\\gain on sales	0.052459
Nodes\\luxurious items	Nodes\\interests	0.047629
Nodes\\luxurious items	Nodes\\art collections	0.047266
Nodes\\gain on sales	Nodes\\cost of art production	0.045238
Nodes\\luxurious items	Nodes\\gallery	0.043066
Nodes\\market channels	Nodes\\luxurious items	0.042724
Nodes\\luxurious items	Nodes\\investment	0.038465
Nodes\\niche market	Nodes\\market channels	0.033822
Nodes\\luxurious items	Nodes\\intention to buy	0.032592
Nodes\\organization association	Nodes\\luxurious items	0.032397
Nodes\\intellectual property	Nodes\\gain on sales	0.032028
Nodes\\market channels	Nodes\\acceptance	0.023853
Nodes\\gain on sales	Nodes\\art appreciation	0.007071
Nodes\\luxurious items	Nodes\\art appreciation	0.006398
Nodes\\productive artists	Nodes\\luxurious items	0.005473
Nodes\\luxurious items	Nodes\\acceptance	0.003885
Nodes\\luxurious items	Nodes\\gain on sales	0.002032
Nodes\\gain on sales	Nodes\\acceptance	-0.005588
Nodes\\relationship between artists & dealer	Nodes\\gain on sales	-0.007055
Nodes\\productive artists	Nodes\\gain on sales	-0.012638
Nodes\\organization association	Nodes\\gain on sales	-0.034231







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## APPENDIX 8 – INTERVIEW TRANSCRIPT (TASYA NUARTA)

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### **What is art to you?**

Art is everything that brings you to live. Everything that you can see, you hear, you touch, you hear. Everything you see on earth, in a way or another has to be related to art.

### **Why do you think so?**

Because everything needs art. For example, when you sit down, you sit on a chair. That chair needs to be designed by somebody, and that's part of art. Everything you see, when we walk even tiles and fan above our heads. Art is discipline. From paintings, photography, sculpture, performing art, down to design and industrial designs, everything a part of art. Even culinary, food and cuisine it has some sort of art in it. The color, the composition. The way they put garnish and everything. It has to have some sort of art in it. To help people enjoy it.

### **Why art interest you?**

Art has been around for a very long time, even during the age of the caveman, they already start painting as part of trying to tell their story. Language is not common at that time, so the way they tell their story is through having their handprint painted to the wall of the cave in order to tell a story about themselves, with whatever they can find. That's amazing how to caveman have a very small brain volume but they have the thought, not only to survive, but also how to convey their story in a very poetic way. Not just about showing that they exist but it is deeper than that.

### **Which kind of art you find yourself most intrigued to?**

If it's about the discipline, I am more into designs. Because fine arts are more about the esthetics, and for me that is very relative. But designs are more into functionality, and the trends and everything so basically I am more intrigued into design. In terms of design, I am personally like product design. That is because, everything that you see now all of them are based on a design. It is actually designs based on the things we dislike. For say, we sit on this chair and some people find it uncomfortable, then they might come up with the same design but makes it more comfortable. That people will sit down longer than the previous design. That's why I like product design.

Yet, in terms of fine arts I do enjoy surrealism in terms of movement, which is Dahli. It is very daydream-y and classic. The ability of the artists to think about things that way is beyond real, that's why it's called surrealism. As for photography, I like black and white very much. Sculpture, I like modern more, in terms of Indonesian art. Indonesian classic arts are more poetic and meaningful. You have to know everything about the Wayang that you try to convey. If you make Pandawa for example, you have to know which chapter in the story that his character came from and it is that deep. So, if you don't have any understanding about the story than you will not have the understanding of the sculpture. The modern one is easier, they have the title next to it and the synopsis about what the sculpture is about so it is easier to understand. Performing arts, I like all of them most probably. You can hear it, see it, and feel it so it's very easy to understand.

Indonesian performing arts are starting to get up more with the latest Laskar Pelangi Musical, before that we can say there's nothing about Indonesian performing arts.

**Why do you think so? Do you think that's because Laskar Pelangi's story is very simple and easy to understand?**

I think it's because people that went to school abroad they came here and try to look for presentable performing arts that are not very classic as Wayang. This one is very light, it is 4 to 3 hours, you can laugh in between, cry in between and it is very light. People in performing arts, they start to pack their products in a more young package for younger audience to get interested to.

**Do you think these contemporary arts nowadays are more about the artist selling their feelings toward the market, the audience?**

I think it is more into breaking through right now. Because back in the days during the Suharto era, a lot of artist are trying to express their feelings because they feel like they don't have voice whatsoever. Even if they have the guts to speak up, they will probably get arrested so back in the days they became really creative in ways they try to express their feelings. But the arts are usually based on daily situations, more about what they see, the trends and everything. The arts is really mocking the trends or mocking the environment. It's like they don't care about the norms. A lot of artists came up with a great cartoon based on the presidents and the former competitors of our presidents now during the election times.

**Do most artists made things because they want to make them or based on orders of the customers they have?**

I think, it's about emotion. Like art itself. That's why artist is popular for being a little bit crazy, because they use their emotion more rather than their logic.

**Do you think the amount of emotion that they use in their arts determine how good they are as an artist?**

Most artists did not use much of their logic unless they are a designer or an architect because you have to use it more. Especially photography because it is more than just capturing the objects in the photo but also the emotion happening surrounds it.

**Do you collect art? If so, why?**

I have some. I am starting it. Because it takes a lot of time. We have to shop carefully to make sure that the artworks that we choose really worth something and can actually worth more in the future, and also to make sure that it is a work of a famous artist or a promising ones. If we are talking about the artist that existing on the market nowadays, it cost a lot. I only have 3 paintings now.

**Is it easier to invest on painting rather than sculpture?**

It is. Painting will sell in any market.

**How much are people willing to spend on arts?**

In terms of investment, people may be willing to spend more. Especially if they know that it will return.

**Is buying art usually only based on personal preferences?**

For me, yes. I am still on the stage where I think this piece is interesting and so I can put it in my house. I am not in the stage where I can prospect the future of an artist and so see their painting as part of investment that I can resell in the future.

**How do you see the worth of a painting? Or you do just believe in the artist?**  
You can see the lines, the emotion. It is different. But in order to do that, you have to see the full set of the artworks. Sometimes in that series the trend is going up in that sense it should be good but then artist sometimes their emotions goes up and down, and in that sense, it may not be that good. Especially a lot of galleries try to approaches young artist to do a solo show on their full set to see rather people like them or not.

**Do artists usually sold their arts to the same customer again?**  
Usually yes, because most of the time the customer will also like his other artworks.

**A solo show for an artist is a big thing to give. How can you be so sure to give these opportunities to such a young artist?**

It is not actually about the sales. When you are handling a lot of painting, you can actually see, the lines, their ability to convey their feelings. You have to have this special ability to see that. You got trained after a while and you start to see how one artist differ from another and how one of them is simply a little bit more promising than the others. So this art world is a very narrow world indeed. It is only for people who really understand the value of it. And that's the job for curator. They see the artists, goes to galleries, see the workplaces, and then bring their work to a gallery. Because sometimes when you put an artwork in different places, you can see different things. If you have a painting that you have in your home for example and bring them to a gallery it might not be that interesting anymore, or maybe they will look better inside a gallery.

**Is there any other thing that may add value to the artwork?**  
Placement. You have to have a big wall.

**Art market in Indonesia is such a narrow market indeed. Isn't it?**  
It is. It is very niche, very narrow and hasn't been going that well for the curator and the artists, the gallery owner. We have addition of one or two collectors every now and then but the young ones only collects one or two at a time while the older one keep coming for more.

**Some of artist in Indonesia are more known abroad and they move abroad and make their art there instead of here. Why do you think this is happening?**  
Because in Indonesia, the majority is Muslim. In this sense, art especially 3D arts aren't really appreciated. Most of government abroad really appreciate and support arts and the artist too. But so much here. Even the way some school has art majors and people thinks that it is for the stupid people. So the smart ones go to science and the social went to social while the stupid ones are into arts and languages. Even the government has differentiated it that way.

**Will someone be more prestige or appreciated if they have an artwork?**  
The ones who are interested in arts are mostly people who have extra money after their basic needs have been fulfilled. They have extra money that then they spend through arts. That's how niche it is.

**Do you believe that this market will grow in the future? What is the expectation of people when they buy arts?**

I do see that. Young investors they start to see how well and promising the investment on arts is. So the young ones start to collect more. Most of them collect painting for the convenient of storing them. Or they buy only small sculptures.

**What can support people on buying arts?**

Arts will never go down, it will always go up. Especially if the artists passed away, their artworks' value will rocket. So the young ones start to collect more. Most of them collect painting for the convenient of storing them. Or they buy only small sculptures.

**Are the people usually compared what they want to buy with someone who's older in the market?**

At times they do. Older people usually have a stronger and mature taste that has been brewing for quite some times.

**Are people usually afraid on buying arts for not knowing about the value of it?**

It is only such a small understanding market that understands the value of it. Nowadays, people can go with the thought of just print the artworks themselves rather than buying an original piece.

**Do you think that mindset will change?**

It is hard. Even in the market abroad, people keep printing the artworks despite on the copyrights it has. But in reality, we can actually teach them on how to get a cheap and legal copy of an artwork. Many people don't understand that, they think that artworks are just something that they can copy because in terms of intellectual property in Indonesia, it is not that tight and the government does not actually support that. Even musicians get problems from people copying their works. It is very hard and almost unstopable in here.

**Do you think the market acceptances towards the artworks are also costing the level of appreciation it gets here?**

I do think so. The support is lacking, that's why the artists are suffering. If the government supports the arts, the artists will likely to survive. We have to pay taxes for the painting and sculpture that exhibited to the publics. A lot of times, we have to pay the taxes.

**What kind of taxes are we talking about here?**

When you have a painting or a structure that being exhibited, you have to pay a tax. And this are view as a luxurious item, the same way when you have a car in a public place you have to pay a tax to exhibit that tax. It doesn't make sense, but it's the law. Even if it's in our own gallery, even if it's free exhibition, the government thinks that it is purpose to the public; we still have to pay the tax. The tax is paid per artwork. This is a lot for some artists that creates a lot and also displays a lot. It is all because arts are consider luxurious items. No matter what happen, even if it doesn't sell, the artists still have to pay for the display. Back in the days, in the times of Bu Mega, we have to pay the taxes for GWK even if it is a public piece. The tax, if I am not mistaken is 60% from the production cost. This is a lot of money. But then Bu Mega went down and the law kind of changed and we are all confused. It is kind of hard since it is the law and what the government says. We can't go against it.

**Is it why most young artists rethink about joining the market here? Because it is complicated?**

The young artists need income. Being an artist here means that you can't have income every month, in which abroad you can get some sort of allowance when you are unemployed. In San Francisco, it's about 300 dollars a month, enough for food and shelter.

**This is the difference between foreign market and domestic market?**

Yes, you can see the inability of artists here to see what's already on the foreign art market. It is like we are on a shell. Indonesian tends to copy things. Most think that if something is successful, they should copy it, in order to gain money. It's no longer about a way to portray their feelings. So that's where you have to draw the line that abroad people try to express their feelings, because no matter what they are gaining something. International market is more open. We can see some exhibition in the malls, but that doesn't flatter the painting. The display makes the painting looks like it cannot be that much money to own it.

**We do need places where we can actually properly view arts. Do you think so too?**

Yes, we do. Even the museums that the government has are not well maintained because it has a high operational cost. Most of artists that want to have exhibition there they have to look for their own sponsor to help them fund their shows. Each artist has their own preferences than they want in order to display their artworks. For the gallery, it's hard to alter to all the artists need. If they are going to create an exhibition, they will invite the big ones so when one of the painting go sold, they will get a percentage from the sales.

**Do usually artists will do better and sell better if they are in an association?**

There are some art institutions or foundation that might help in terms of giving sponsor. But most of the time, it is our own money. So, it is like an investment. It might return or not return. You just have to believe in what you have.

For example, the next thing that is coming is Pasar Seni ITB. We have to see the market. Pasar Seni is open for everyone, so we have to sell sculptures that cost about Rp.15 million each, equivalent to roughly US\$ 1,113 (Bank Indonesia, 2015) which is considered cheap. And after that event, in a month of two we can sell it for like 20 or so.

**Then why artists stay in Indonesia? Like Mr. Nuartha?**

Basically because we still love the country Indonesia is, and for the reason to educate more Indonesian on arts. We open a park with sculptures display and even though it is free, not so many people come in. We even got people from Islamic group who came and ask whether the owner of the park is Islam because it is haram to have sculpture. And there are many regulations and laws that we have to follow just because we are open for public, even though we are opening our own place. They like money better than arts. I think it is stupid in a way. Even though it is ours, or even if we put the images inside we have to still pay for the recreation taxes because we are opening for public visit. That's why it's hard to be an artist in Indonesia because we have to fight a lot of battle.

**And people doesn't seem to understand doing art as a job here in Indonesia. They are assuming conventional job as a job more even though making arts is also a form of job.**

Exactly. The good thing is I was born in the family that is art oriented so they can accept if someday one day I want to be an artist. Even though I am a designer, if one day I ended up doing arts, I will have their full support. Other families aren't that open. Some people are very talented but their family forces them to do something else completely.

**Why do you think Indonesian arts are interesting for international market?**

We have a very unique heritage it is something that always is force put into some artist's artwork. We have a background for highly respecting our family and then we have a story about Malin Kundang and the artists will try to put in something from that story into their artwork. If you see the title of an art pieces they will be related to our heritage for some reason. For international market, they are interested into the story behind it, and wrapped into the artworks that makes it cost even more. There are more thoughts put into it. That's why it is interesting.

Nowadays arts become more about feeling. The graphic behind DAMN I LOVE INDONESIA, they still have Garuda and Indonesian aspects on them, which is traditional but matched with modern and catchy phrases. They have a deep understanding on their history and cultural background. For example, Garuda is not just one of our nationality symbols but it goes way back to the story of 'Wayans'. Most artists, they actually learn that history and try to portray that into their artworks.

**Do they learn them because they are proud of it or because they think it will sell?**

A lot of the young artist doesn't think about selling. In Indonesia, most of the young artists are still living with their parents, so they support them. They don't have the necessity to support for themselves yet. So for them, selling is okay. But if not, that's fine too. So for young artists they are actually better here than the one internationally. Because they still have this safety net.

**So we are selling because international market likes the idea of Indonesia and the culture. But what about people in Indonesia in Indonesia, they are not actually appreciate that. They do take them for granted. Do you have any suggestions for artists who are staying in Indonesia?**

Just stay there. Keep your faith on. Spread your wings; meet people from here and there, inside and outside of the country. Because if you meet a lot of people you get a lot of input and then you can be invited to many exhibition and that can start you up to enlarge your name.

Starting up is hard because nobody understand you yet. Like any other job, networking is important. If you want to start, you have to hang with the artists. To see who are you in the market with, where to market your products, where to start, how to start, how to manage your pieces, how to calculate your selling, how to set the prices. These are some of the things that you can get from hanging out with fellow artists.

**How to actually put a price to the artwork? Some seems to be so expensive and outrageous seeing that people who are actually quite famous doesn't make them.**

Some artists are really confident about their artworks. Someday one day they will know that it's about the prestige not only about the prices.

**Do artists have a target on how much they should accomplished in terms of artwork?**

Yes, because if you can sell more rather than selling one expensively, that's actually better. It's what makes designers and artists different, artist can put whatever prices they want for the pieces. While designing is commercial arts, you have to ask your client on what they want and their budget for how much they want to spend. So it is really about matching. It is really about the artist. It may get crazy. It may also affect to who made the arts.

**Is it more into skill or more into experiences?**

Skill grows from experiences. You can't really have skill without practicing it. You have to keep on using it to get it better. So it is important for them to just keep doing their art so they can be better and better.

**How does the artwork can be useful for the one who purchase it?**

People who understand arts buy arts so they can grow. It is going to both ways. When a collector buys an art they expect the artist to make more and they will become better and in the future the price will become higher. They have the freedom to make whatever they want, and price them whatever they want. And they buy can buy whatever they want from whichever artists they want.

Normally it takes a lot to start trying to sell. Indonesian has a lot of talents but also there are already these big names that are already on the market, it hard to compete with the big names. It too cramps and it's hard to make an appearance. It is like lining up to the top until the big ones are gone. There are a lot of young artist who are like that. Tita Ruby for example, she is very unique and very patience, She got her work got seen by many people and successfully emerge in the market.

Some arts are becoming digital, now with that more people can see their artworks. The easiest way to sell their work now is through design. For example the painters now are trying to make lampshades, pillowcases and things like that because it is easier to sell. Many artists emerge because they are so different. You have to be different to be seen. They can be whatever they want. It a bigger acceptance now, that's why you can use many different ways to exhibit their products. You have to make sure you are seen. It is hard in Indonesia because they are coping most of people here. Some of these people just emerge because they go against that stream.

There is a stereotypical of coping is the best way to being the best. Our education system even portrays that. While abroad, you are taken as far as you are from the reality because they know every eye and every hand are different. It is okay being different. It is how you see things. You have different brain, so it is for sure different. We are trying to educate people to come to our places and try to make differences. We take them around to see the process so they will appreciate them more. It is not actually as easy. The easiest art to understand is photorealistic, even that some people don't believe that it is an artwork because it is too real.

**This market is random then. Some really understand what it is, and some other has no idea at all.**

Yes, nobody in the middle. That's why it's hard to grow. It's hard to change that. Even educationally and culturally we are not actually trained to see that. It takes people more to understand arts, because we need to involve our feelings into art. Even to solemnly understand and enjoy art.

It has grown, although I still see the same people coming to different exhibition. It will take sometimes; a lot of people can do better in paintings and sculptures. It's skill-related. Some of the material we have to import some materials to make them. In our weather, some paintings and sculptures don't last as long. So it is harder. Some young people now wants to have small house bit design them well and there is where arts can come in. Photography is also very easy now with social media and the technology.

There is a generation gap. We usually see painting in our grandparent's house but then our father doesn't necessarily collect them because it is expensive. And then there are printed artworks now, which is cheaper and also easy that's why we are starting to collect them again. IKEA also have some printed ones, legal and very easy to buy. Someday people will start to understand the different between real original one and reprinted one.

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## APPENDIX 9 – INTERVIEW TRANSCRIPT (AMIR SIDHARTA)

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### **What is art for you?**

In term of visual art, art for me is expression or thoughts that are made into a visual form.

### **So everything that we see, can be art?**

Well yes. Anything can be art if it was made with feeling and was made in a state of emotion. Without any of that, it won't be art. But on the other hand, one can define what art is. People can find something that they happen to like or attracts their attention. With that sense, for that person, that one thing is art but who is the artist? Maybe it is that person who found it, because they are the one who saw it as beautiful.

### **Do most artists made things because they want to make them or based on orders of the customers they have?**

Based on what they feel like. Nowadays it is more into thoughts though.

### **In that sense, selling it will be hard then? What is the expectation of people when they buy arts?**

Selling is a different thing. Here in Indonesia, art sales are made in purpose of investment.

### **How much are they willing to spend on arts?**

The willingness to pay for each of the artworks is normally quite high. It is all depends on the market trend as well.

### **How to determine a market trend?**

Well, from what is selling right now on the market. Here, the bases of art collecting are based on the trends, which is not entirely a good foundation. A specific people or a certain group of interest can make trend. For instance, there are these 10 people who like this particular artist. He/she is very productive and very promising for this group of people will gain a lot of value to their works in the future. So then, 10 out of 100 artworks that this particular people made in a year, will be held by this group of interest will the rest 90 will be spread to galleries and auctions or even this group will buy all these 90 paintings at a relatively lower or at the same market price deducted with the commission for galleries and also the agent. That commission can reach up to 50% from the price of the artwork. Further, they will put some of this artist greatest work into auctions and rise up the price. They can do this by saying that they like this artist's works if a collector asks about the painting. While that's happening, another member of the auction, which is also a part of this group of interest will also say that they have a piece from this artist. By doing so, a collector will be interested to have this artwork for the popularity of it and the fact that the price itself is quite high to start with. This particular collector will be willing to pay as high as it gets and to have the painting in their auction as well. Even though this trend itself is actually create by this group of interest.

When the auction comes, they will bid for the artworks in order to raise it up to a certain price they want. For instance, when a gallery gives up an artist artwork, they can say

that it was before purchased for over Rp.50 million, equivalent with roughly US\$ 3,743 (Bank Indonesia, 2015), when actually they bought them from the artist for Rp.25 million, equivalent with roughly US\$ 1,871 (Bank Indonesia, 2015). In auction, the artwork will be priced within the range of Rp.40 million to Rp.60 million, equivalent with roughly US\$ 2,994 to 4,491. This artwork was intended to be priced over Rp.100 million, equivalent with roughly US\$ 7,485 (Bank Indonesia, 2015). A couple of bidders, who are actually friends, will be bidding against each other to boost up the price of these artworks into their desire. Through this proses also, other people can see that this artwork is wanted and looking forward to bid on artworks made by the same artist.

**Is buying art based on personal preferences?**

Indonesia does have a strange behavior of wanting for someone else to start bidding before they start themselves. They don't trust their own judgment and taste towards the artworks that they view as good. Once other people bid on the same thing, they will feel justified and then start bidding afterwards. Indonesian people haven't developed their own personal taste and judgment towards an art pieces. For them, this is only a commodity, not art. Most of them are interested more into the gain and investment factors of the artworks rather than the art itself.

**What can support people on buying arts?**

The most frequent question asked is that which of these artworks that will give bigger gain in the future? This will be one of the most significant aspects that can assure them to buy. They believe the view of other people than to believe in their own judgment. They will like to know if other people will buy the things that they want to buy.

For example, one artwork can be so good and nice visually but then the things that are used in the painting are hard to understand and accepted by most people, like murder or bloody scenes. Instead people like scenery more, they will most likely buy the scenery one instead of the murder one despite that they like the murder one visually better.

**So, mostly people who are in the business are actually people that already are in the community for a very long time, isn't it?**

Mostly yes, but there are also some new ones. These new ones, who are usually, think more about the possibility of gain from the reselling of the artwork in the future.

**Do artists usually sold their arts to the same customer again?**

Well yes, seeing from the trend. They do come back to our auction.

**Could you please walk me through the process of an auction?**

From our side, we have several channels, from individual artist or gallery. Some of the galleries already cooperate with us, which then will lead them to bring the artworks of the artists that they have to us to put on the auction. We also have individual artists that were not represented by any gallery and were not displayed at any gallery. We also have dealers, which are the same with galleries and also collectors. Sometimes, we also see some artworks that we find in various galleries, which then we put into the auction after contacting the gallery or the artist. But then for some reason, artworks that are represented by a gallery are bestselling for the galleries already have an obvious market and also because their artworks are obviously good. After that, we filter the artworks again.

**How does the artwork can be useful for the one who purchase it?**

For Indonesian now, it is more into another kind of investment.

**Do usually artists will do better and sell better if they are in an association or organization?**

Yes, especially if they are a part of a gallery or represented by the gallery.

**Will someone be more prestige or appreciated if they have an artwork?**

In certain community who understand arts, that may happen but not always.

**How to determine the price for the artworks that comes from an artist directly, that wasn't represented by a gallery?**

We already have our own prediction for the prices. For instance, we have 150 artworks from galleries, artists, dealers, and collectors. All of them contribute equal amount of artworks to the collection for the auction. We will also compare the artworks with the artworks of the same artist that we already have before. That's true that there's a possibility of having a fake artworks. These imposters are really good nowadays.

**Is letter of authorization affecting the price of the artworks?**

Not exactly, but it does help the buyer to be more certain about buying the products.

**How about the visitors?**

It's a mix of new and old people.

**Does that mean that there are already many people who are interested in this kind of investment?**

Well, it's also a mix. There are old ones as well as the new ones. But the growth is not actually significant. Most of them are expatriate, the thing with them is that most of them will go back to their country in a year or two and new ones will be coming.

**So, it is true that that's the differences between Indonesian people and foreign people? We did not appreciate art as much?**

We are not fully loving and understanding art. We don't have enough good museums. Maybe if we have some we will be able to appreciate it more. The appreciation toward museums comes in layers. The first layer is where we are now, superficial appreciation. Until we get to the third level then we will understand the art better.

**What is a good art for you?**

Art is very relative. It's all based on who sees it. As someone who sees it, art is good if it's something that can create a thought. For instance, when somebody saw a painting, out of nowhere they will come up with a thought. Regardless on is it because of the colors or the subject in the painting, people that sees it becomes fond toward the painting.

**Is it based on the skill of the artist or based on the people themselves?**

It is actually a mix of both. It is different in many people. People can like artworks for the artist who is crazy enough to make such a thing. But from the perspective of the artist, they are good if they can portray what they are feeling with their art. Even better

if they can expand those feelings and expression. Sometimes, on artwork can make different suggestions and thoughts throughout people who see it, that even better.

In an auction, the artworks that are on sale are very niche. Mostly organic artwork like paintings and sculptures. In the market, maybe only few those are interested and would like to join the market in this kind of investment.

**What do you think the market is for people like me, which is in a young age? For us who just about to get into the investment and wanting to know whether our investment will be good or not. Is the value of an artwork will go down like any other investment?**

Yes, that can happen. For instance, there is this artist who is very famous and always priced very high, like Rp.20 million, equivalent to roughly US\$ 1,497 (Bank Indonesia, 2015), which is actually pretty expensive for an artwork. But now, it is only Rp.10 million to Rp.15 million, equivalent to roughly US\$ 748 to 1,123 (Bank Indonesia, 2015), which is way lower than what it used to be. Especially in Indonesia, that did not actually have a solid price bases for an artwork. In Europe, the price of an artwork is usually pretty stable. The price itself got down in response to the market trend. It's just that the trend doesn't go that way anymore. Even though the artist themselves is no longer alive, it will not affect the price of the artwork.

**Do artists have a target on how much they should accomplished in terms of artwork?**

Well yes. Artists with more artworks will most likely priced higher, because there are enough artworks of theirs that can go around and they can get more exposure and then priced higher. Art commodity is weird and different. An artist productivity is important to be able to create a turn and circling of artworks that will help their promotion and exposure. In order to do so, they have to have at least 100 artworks, they who are productive and produce about 10 a month may start doing their business in a year or least.

**So, there is a minimal quantity of artwork to join in the market?**

The basic equation of it, I don't know for sure. But overall, that is the concept. Every dealer and speculator has their own criteria of investing their money on one collection.

**Is this group of interest legal? Since they are actually affecting the price of the market?**

We can't say any either. It is not good for sure. For instant, there is this artist who is represented by this one dealer. One day, this artist got some critics and this artist offended the dealer. At the end of the day, their artwork price can go from hundreds of millions dollars to only a few millions. If you are an artist and I represent you, I will make sure that your artworks will cost a lot. I will do that by voluntarily bid on your artwork. I will even put people in the auction to make sure that you will end up in a very high price. If you and I don't have a healthy relation, I will not do any of that which then leads to you not having a high price. The relationship between artist and dealer is important.

**Is there any written agreement between the dealer and the artist themselves about this relationship?**

Yes, there is but these misunderstanding and conflicts are not written in it. Maybe it is

different now, maybe more artists know about this. But the base of it, most agreement does not mention these misfortunates' events.

**So, there is an unconfident behavior from these artist that feel the need to be related to a certain dealer in order to help them as they go into the market, because if they don't do that it will be very hard for them. Is that so?**

Yes, it is hard and not at all easy. To get into the art world, you have to do both creating and looking for exposure at the same time. The competition and the game within the sales can be good with a certain obvious limit and also boundaries of course. If you happen to be making artworks that are hard to be understood, maybe it is better for you take a distance for a while.

**What about the age range? For people who are bidding as well as joining the auction?**

There used to be a very young kid, about 15 years old who was brought by their parents. Maybe he is 20 something now. They sometimes follow the auction and bid but never ended up paying up for it. They then ended up getting black listed.

**How to be a part of this art market?**

In terms of investing, maybe it's better to see and observe first. To start, they should look up what it is on the market and what happens within the auction at least three times, so they can see and observe other auctioneer. But it is tough though, to divers whether they are really collectors or dealers.

**Why do you think for people in a younger generation, they are more interested in different kind of investment like property or gold rather than art investment even though they are capable of investing in arts?**

Property and also gold have solid base of standards. There are references on prices and they are very easy to compare while, as artworks are harder. The ability of the gain for the artworks is also very tentative. It can go higher or lower. All of them are depends on the market itself, it is unpredictable and always different. It is more uncertain than the sectioning of area for property listing in Jakarta, for instance. We can start buying property for a very cheap price nowadays; in the future will be much different if the location does not change because geographic location does not change.

**Are people usually afraid on buying arts for not knowing about the value of it?**

It can be. With artworks, it is more uncertain. The market always change, there can be a new artists coming up. It must start with understanding and also have the ability for it. They have an intention to pay, but maybe afterward they thought about it and then realized that they are buying the wrong thing. They only want to be seen in the market, without knowing anything on the background.

**What gets you into art?**

Just because I like it.

**Why you establish this auction in Indonesia?**

Because only few people that actually like going to museums, more people go into auctions. I was thinking that if we make an auction with lots of educational aspects, the maybe more people would be interested in art as well as the knowledge behind it too. This is now also a very promising type of business.

**What do you think about the art market nowadays?**

I think we should not be so much in a rush. I believe we can establish a better understanding and appreciation through auction. Later on, the knowledge that people can get from the auction can be spread out from them, which then will encourage the growth of art within Indonesia.

**What about in the future? What do you think is the prospect for art business?**

Looking pretty good actually. I believe one day we will have a good museum because it will be a necessity. When we have one good museum, the bases of knowledge will grow and the appreciations of art will also becoming more solid. For now, we are lacking for things here and there. The value of Indonesian art now has gone pretty high from Rp.1 million to Rp.10 million equivalent to US\$ 75 to 750 (Bank Indonesia, 2015), until now hundreds of millions even billion. That also why we should appreciate Indonesian art.

**How about placement and the location of the display?**

Yes, that is very influential. Maybe because we are not given stories aside from that to support the display of the artwork. The environment gives up a lot of influence towards the decision of buying and also enjoying the art.

**Is there a list of the sales and tracks of the previous owners of the artwork?**

We do have the list.

**Is there any other thing that may add value to the artwork?**

The previous collectors' names might influence the price but not always. If this one painting was owned by one of a very famous collector, that can lift up the price. Most of the time in auction, they announce from which collection this artwork came from. With this information it can support people's intention to buy the artwork as well as influencing the price of the artwork. The origin story of artworks can add value to the artwork. But this information was sometimes not delivered, for reasons such as the collector does not want to be known for selling up their collection. The stigma of auction in Indonesia is still very negative. Auction is identic with the image of selling up your belongings means that you really need money or even bankrupt. In foreign countries, most people participate in auction just because they want to sell the artwork. Indonesian stigma on auction in general is very negative.

**Is it the same, the point of view of this collector and the group of interest towards artworks in general?**

There is a similarity. Most of the best artworks in auction indeed became a stock for a certain people. For instance, in our auction, there are few artworks that are very popular among collectors. For some reason, out of these 150 artworks that we put in auction, there are these 5 artworks that are very popular among these collectors. They just bid right away. Maybe there are influences from the sales person of the artist that announce that this artwork is good. Most of them also have an agreement in times of bidding, so they can end up buying the things they like.

**So, relationships amongst the member are important?**

Yes, sometimes there is also a certain hierarchy. If this group of interest happens to have a 'leader', they have to respect this person in general. Sometimes they also put

more people to help them bid, so the relationship between the members of this group will remain protected even though they want the same artwork.

**Are the people usually compared what they want to buy with someone who's older in the market?**

Possibly. Some more mature audiences, they have an idea of doing business and also more mature sense of taste. Maybe it is like when we are younger; we buy things and like many different things and then when we are older, the groups of things that we like become narrower.

**You also collect artworks?**

Yes, I do have some because I like them. But for auction, I can't participate in bidding within the auction that we made.

**What happen if the artwork does not sell?**

We give it all back directly, without any fees. If they are sold, there will be fee for the gallery that represent them as well as for auction and also for the artist.

**Is there an age range in between the participant of the auction?**

There are some 20s and also 70s to 80s.

**Do you have any suggestions for people who are interested in doing this kind of investment?**

In my opinion, start learning. In the future, artists that will be acknowledged by the world in term of knowledge will be the ones who have a solid ground in this market. Learn more about the art, the artists behind it and everything around that. This kind of investment is clearly better with a good base of knowledge.

**In terms of financial aspects, does it require a lot of money to start investing?**

It can start with only Rp.15 million to Rp.20 million, equivalent to roughly US\$ 1,123 to US\$ 1,497 (Bank Indonesia, 2015). Just buy 2 or 3 artworks that priced below Rp.10 million, equivalent to US\$ 748 (Bank Indonesia, 2015), 1 or 2 every month. Later on, try putting it in your house. From there, start collecting the same amount of money and buy more. Through the next year, choose which you still like and which you turn to dislike. You can also put budget on the prices of individual artworks based on your capability. It is better to keep a pretty long time distance between the time of purchase and also reselling. Even if you lose, it will not be much at all. Just about the same as the gain. The idea is to let people forget about the artwork and the price of it before reselling it; so then you can put the artwork in a higher price. Artworks are visual display and really easy to remember.

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## APPENDIX 10 – INTERVIEW TRANSCRIPT (INDAH ARSYAD)

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**Is there any other thing that may add value to the artwork?**

Most of the time, it is because of my style of work. Most artwork is also in purpose of investment. But if it is a commission, they want to make it in a certain size or some other request, as long as it is still in my style of work.

**Do most artists made things because they want to make them or based on orders of the customers they have?**

There is something called a commission. This is when they can request me to make something, as long as it is still goes with my style and way of work. For exhibition is all of my thoughts and style. Other than that, I have to say no and sorry for I am not doing that kind of work.

**What do you usually create?**

Usually paintings, and sometimes sculptors. My style of work is abstract with figurative shapes as well.

**Do artists usually sold their arts to the same customer again?**

Yes, sometimes someone buy one of my paintings and then come back again for other paintings for another rooms of theirs. There also some of them that finds me through an exhibition and then come back again after several months to buy another one. There are also some people who want me to make them something, which will take me a long time to make it, but one day I can see them again and they will ask me for that one thing that they ask me to make months ago.

**How does the artwork can be useful for the one who purchase it?**

Artworks usually are for investment, other than to hang as a part of decoration as well as their wants. Most of the collectors do invest, but then it also depends on the track records of the artists. It has to be clear and strong.

**Do usually artists will do better and sell better if they are in an association or organization?**

Me personally, I am not into any association. I do what I love and I do not care that much about the sales too. I do have to pay attention to always exist in the market. I have to have how many exhibitions in a year and how many should I made. I manage that myself and grow the career as an artist. Just like any career you have to grow.

**Have you ever gone into auction?**

No, never before. I do not see it important. I usually have my own customer also.

**Are people usually compared what they want to buy with someone who's older in the market?**

I don't actually know what's happening outside of me after the selling. Usually they do see me on an exhibition and contact me afterwards. They also do come to my next exhibition and the contact me and buy my works after looking more into my tracks and artworks.

**Do you know if your artworks are being sold again or not?**

I actually do not know. Once my artwork got sold, I do not know to whom it was sold. Maybe it is because of the prices, or something else. So, I will just wait for the money that is my part from the sales. When an artwork got sold, I will be informed, I made the certificate and then sign it and there comes my part of the sales. Just like that. There are some cases where the gallery hands my phone number to the potential buyer, and then the buyers will contact me themselves. I got the money, while other business from shipping to packaging is all on the gallery.

**Do people usually afraid on buying arts for not knowing about the value of it?**

Artworks are usually for personal needs. It's hard to be afraid in that sense. In terms of the investment, it is also depends on the artists themselves. If they can stay in the business, keep making things, the price of the arts usually either stable or goes higher. But if they go and disappear that's when the prices usually go down. The track of an artist's career is really important for the price of the artworks.

**Is buying art usually only based on personal preferences?**

Yes, but again it goes back to the collectors themselves on what's the purpose of the purchase.

**What about installation?**

That is not usually for sale. It is actually just for expression.

**Will someone be more prestige or appreciated if they have an artwork?**

Yes, for a certain group of people. Some people are much prefers to buy like Rp.50 million bags, equivalent to roughly US\$ 3,742 rather than Rp.10 million artwork, equivalent to roughly US\$ 748 (Bank Indonesia, 2015). Even among my friends, it's hard to ask them to go and see my exhibition. I think it is almost the education that we have in Indonesia about art is lacking.

**What is the expectation of people when they buy arts?**

Mostly it is because they expect my style of work and that I am the painter.

**What can support people on buying arts?**

Mostly it is their personal wants that they want these particular artworks that I deal with most of the time.

**How much are people willing to spend on arts?**

I sold a 2 meters bronze statue for Rp.400 million, equivalent to roughly US\$ 29,940 (Bank Indonesia, 2015) which is a commission. Once they like something, they are willing to pay much for it.

**Do artists have a target on how much they should accomplished in terms of artwork?**

I personally do not have any. I have targets for exhibition and things around that. But in general it is important to have a target for the artist.

**How to be a part of these exhibitions?**

Usually it is from the gallery or the museum that asked for us to have an exhibition. In other time, we can also make our own proposal and then ask for slot.

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## APPENDIX 11 – PHOTOS OF CATALYST ART MARKET

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Catalyst Art Market Environment

Catalyst Art Market Artist's Display



Catalyst Art Market Art Display

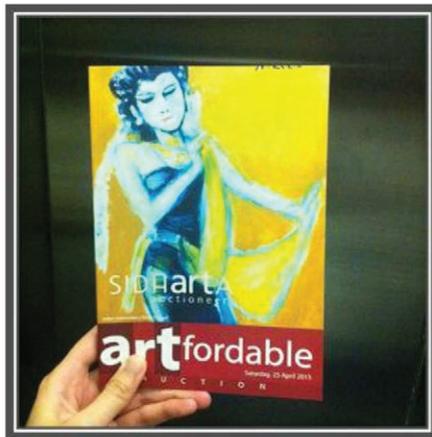
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## APPENDIX 12 – PHOTOS OF SIDHARTA AUCTION

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**Sidharta Art Auction Environment**



**Sidharta Art Catalogue Book**

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## APPENDIX 13 – PHOTOS OF PASAR SENI ITB

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**Sculpture Installation at  
Pasar Seni ITB 2015**



**Visitors of  
Pasar Seni ITB 2015**



**Environment of  
Pasar Seni ITB 2015**

## APPENDIX 14 – PLAGIARISM CHECK

The image shows a screenshot of a plagiarism detection website. At the top, it says "Plagiarism detect" and "online service to detect plagiarism in documents, text or websites". Below this, there are social media icons and a search bar. On the left side, there are statistics: "words in text 3597" and "sentences 379". There are also buttons for "NEW CHECK", "SAVE", "PRINT", and "HIDE". The main content area shows three search results, each with a URL and a "plagiarised from source: >1%" label. To the right, a box says "plagiarism detected 0%". At the bottom, there is a section for "Original work" with "Originality: 100%" and a message: "No sign of plagiarism was found. That's what we like to see!". Below this, there is a paragraph explaining that a low originality percentage is indicative of plagiarized papers. At the very bottom, there is a blue button that says "Get Report".



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