

**Monet's, *Nymphs*... \$11 Million; Rothko's, *White*... \$73
Million; My Youngest Son's, *The Burial of Our Dog Rover*...
Priceless!: Consumer Behaviour in the Fine Art Market**

by

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Dissertation Submitted in Partial Fulfillment
of the Requirements for the Degree of
Doctor of Philosophy

in the

Segal Graduate School of Business
Beedie School of Business Faculty

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SIMON FRASER UNIVERSITY

Summer 2012

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Abstract

Today's international fine art market annually accounts for billions of dollars in revenue, millions of jobs, and boasts consumers who are among the world's wealthiest and most influential individuals. Outside of the financial impact of the industry, the fine art market is unique in that it provides value for consumers on multiple levels: social, financial, and aesthetic. Despite the complexity and enormity of the fine art market, limited research has been conducted related to consumer behaviour within it. What motivates individuals to buy fine art? How do affect tags embedded in paintings influence buyer behaviour? And how do consumers evaluate art once purchased? Two essays are presented around consumer behaviour in the fine art market. These papers build theory and extend the literature about consumer motivations in the purchase and sale of fine art, how negative affect tags influence buyer behaviour, and how intimacy can be created between consumers of fine art and the creators of it.

In essay one, twenty-seven interviews were conducted with art consumers and dealers from around the globe. These interviews were analyzed inductively and coded for themes and patterns. From these interviews themes of consumer-creator connectedness, generational gifting, consumer-product connectedness, and self-concepts emerged.

Stereotypes of downtrodden, even depressed artists are pervasive in society. Much of behavioural research has focused on an individual's desire to avoid negativity, and yet there exists a paradox whereby individuals seem to seek out art laden with negative tags (such as depression of an artist, or the sadness of the subject matter). Consumers even seem to appraise artwork with negative tags as more valuable. This paradox is examined in essay two, which proposes a theory that negative affect tags (versus positive) increase consumer evaluation of fine art and that this relationship is mediated by the intimacy the consumer feels with the creator of the painting. Three experiments and one field study were conducted to examine these phenomena.

Keywords: Consumer Behaviour; Fine Art Market; Intimacy; Affect; Buyer Behaviour; Art collectors

Dedication

This dissertation is dedicated in loving memory of my grandfather, Gopal Ramchandra Bal, who wrote the constitution of a nation and let me cheat at chess.

Acknowledgements

The most beautiful experience we can have is the mysterious. It is the fundamental emotion that stands at the cradle of true art and true science. Whoever does not know it and can no longer wonder, is as good as dead. -- Albert Einstein

Above all else, I would like to thank my academic father and mentor, Dr. Leyland Pitt, for helping me realize my dreams – without you none of this would be possible. Thank you for making me a part of your academic family, feeding me, and changing my life!

I would like to recognize Michael Parent and Darren Dahl for their endless patience and perseverance in dealing with my ever “out-of-the-box” brain, and for teaching me to channel my ideas into something concrete. I thank: Jay Handelman for acting as my external examiner; Juliet Zhu for opening my eyes to the wondrous world of CB; Dave Thomas and Danny Shapiro for giving me a spot at SFU; Ian McCarthy, Lise Pitt, Karen Sirna, Pierre Berthon, Vicky Crittenden, for your humor and support; and Tom Lawrence for your annoying intelligence and constant quest to make us all better. To Joanne Kim, my secret friend, thanks for making my life at SFU full of friendship, mirth and laughter.

To Julia “Dools” Watson, a heartfelt thank you for being the finest writer, editor and friend I could have asked for—I love you! A big thank you to all my friends from Tucson, UCSD, RSM, SFU, UBC and life for making me laugh and never allowing me to take myself too seriously. In particular to: Millie, Conwell 2, Amanda, Melinda, Johnny, Unni, Piercarlo, Renata, Dan (DC), Bigi, Colin, Joyce, Echo, Jenn, Todd, Kirk, Adam, Anthony, Lily, Michael, Frank and Nicholas for your friendship and love through the years.

To my family (the Bals and Naiks), without whom nothing is possible and with whom anything is: Mazza tumchaya var khoop prem ahai. Special thanks to: Tai, Saroj Maushi, Prabakhar Kaka, D Kaka, Mukum, Vij, Tony & Joan Vuturo, Swati, and Renee for inspiring me every day. To Mom, Dad, Gita, David, Baxter and Suniti, thanks for putting up with my creative storytelling, my silliness, my temper, my emotions and, most of all, my suffocating love for 34 years—I love you all more than Wildcat basketball and orange Gatorade combined. To Conwell, thanks for making my life magical every single day!

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List of Acronyms

DV	Dependent Variable
IV	Independent Variable

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1. Introduction

The powerfully-rendered, blood-red sky presents the viewer with the reality of Munch's experience at the moment he is gripped by anxiety in the hills above Oslo... Munch's desire was to paint a new form of reality rooted in psychological experience, rather than visual. It is this projection of Munch's mental state that was so artistically innovative – a landscape of the mind, whose impact is still felt in the art of today. (Sotheby's, 2012)

A tormented man stands in the forefront, clasp his head with a look of pure shock and horror on his face. In the background, the angry swirl of red, yellow and orange portends some unseen, looming terror. Shadows linger all around as he cries out into to the abyss. This iconic, chilling masterpiece is undoubtedly one of the most recognizable cultural images in history; experts estimate that it is second only to the *Mona Lisa* in terms of recognition and cultural importance (Kelly, 2012; Sotheby's, 2012). The image of this lonely, anguished man has been reproduced countless times and has adorned the walls of millions of dormitory bedrooms. On May 2, 2012, Edvard Munch's *Der Schrei der Natur* (popularly referred to as *The Scream*), sold for a record \$119,900,000 at auction (Adams, 2012). This sale was nearly \$40,000,000 over the Sotheby's estimated value of just \$80,000,000 (Adams, 2012; Sotheby's, 2012). But what makes this menacing painting so popular? What is it that motivates an individual to pay upwards of a hundred million dollars for a 79 cm by 59 cm piece of cardboard with pastel? This thesis addresses consumer behaviour in the fine art market. The aim of the following two essays is to build theory and gain understanding of consumer motivations in the investment and purchase of fine art, as well as understand how affect (specifically negative affect tags) and intimacy can influence consumer willingness to pay for art products.

The purchase and consumption of fine art has been popular for centuries (Mei and Moses, 2002) and as of 2011 the art market grew into an astounding \$60.8 billion industry, approximately one-twelfth the size of the US military budget (Corbett, 2012). Further, this figure only incorporates artwork bought and sold in the auction houses or in

the commercial galleries; private sales are not included. An estimated 36.8 million unique transactions were made in the art market in 2011 and an estimated 2.4 million people are employed globally in direct and ancillary art trade positions (Corbett, 2012). Despite the financial enormity and sheer volume of movement within the international fine art market, limited research has been conducted related to consumer behaviour within it. The study of consumptive behaviour in the fine art market has proven difficult for two main reasons: the first is that the majority of sales within the market are done privately, which makes art buyers difficult to locate. The second reason arises out of the heterogeneity of products within the fine art category (Mei and Moses, 2002). Paintings, statues and even prints are all unique and, as such, financially evaluating art is difficult. Beyond issues in finding true economic value, the value of art is unique to each consumer and can be different for every audience member. The heterogeneity in valuation comes from the fact that art has unique qualities and provides value in multiple ways: financial, aesthetic, affective and social (Chanel, 1995; Goguen, 2000; Ramachandran and Hirshstein, 1999), lending to the heterogeneity of the product category.

What is art? Though on the surface the question seems simple, this debate has raged on for centuries between artists, historians, anthropologists and even economists. Though there is no universally accepted definition of art, there are numerous used definitions. One commonly held belief is that art is what the audience deems art to be (Bourdieu and Darbel, 1997; Dewey, 1989; Hagdtfeld and Patrick, 2008); in other words art is in the eye of the beholder. Other theorists have defined art using biology by showing neurological response to certain stimuli (Ramachandran and Hirshstein, 1999). Heidegger once famously said, “art is the becoming and happening of truth” (1960). Still others argue in economic terms, stating that art is any good or service that has aesthetic, affective, social and financial value and can be bought, sold or traded (Chanel, 1995). To have financial value, it is stated, consumers must be willing to engage in trade for ownership or usage of the art. To have aesthetic value, the good or service must invoke an aesthetic experience for the viewer. The aesthetic experience is a mental state that is induced through the contemplation of a visual object (Kuboyev, 2000). Art and aesthetics cannot be separated by virtue of the experiential interaction consumers have with a piece of art. Finally, to be considered art the product must provide social value. Social capital is the value an individual receives in the form of recognition from

others (Bearden and Etzel, 1982; Berthon, Pitt, and Parent, 2009; Bourdieu, 1985). The mere ownership of certain iconic pieces of art or, in fact, owning art in general (Belk, 1988), can provide social capital for an individual (Bearden and Etzel, 1982; Berthon, Pitt, and Parent, 2009; Bourdieu, 1985). For the purpose of this dissertation, art is defined as any good or service that a consumer identifies as such (Hagdtfeld and Patrick, 2008), and which provides value in some way to the consumer (Chanel, 1995).

To date, the majority of behavioural research in the fine art market has focused on fine art as an investment tool (c.f. Agnellow, 2002; Goetzmann, 1993; Mei and Moses, 2002; Mok, Ko, Woo, and Kwok, 1993; Pesado, 1993, Pesado, and Shum, 1999; Worthington, and Higgs, 2004), ignoring the motivations of investors beyond financial gain. Further, most studies of art investors utilized secondary data from the two major auction houses, Sotheby's and Christie's. In 2011 Christie's and Sotheby's only accounted for only \$11.4 billion of the \$60.8 billion market or about 18% of the total art market for the year. The aim of essay 1 is to build theory and gain understanding of consumer motivations in the investment and purchase of fine art. Moreover, consumers were asked to evaluate the perceived value of their own artwork. Finally, consumers gave insight into generational giving, sales and donation practices.

The popularity and cultural significance of *The Scream* is puzzling given its central tormented image. Much of behavioural research has focused on an individual's desire to avoid negativity (Isen, 1984; Larsen, 2000; Levav and McGraw, 2009; Maio and Olsen, 2000; Russell, 2003) and yet, there exists a paradox whereby individuals seem to seek out art laden with negative affect tags (Andrade and Cohen, 2007; Kelly, 2012). Experts believe the popularity of *The Scream* is due in part to the absolute anguish that Munch was able to portray (Kelly, 2012; Sotheby's, 2012). Popular music, movies, and paintings all indicate a correlation between negative imagery and popular success in the art market (Kelly, 2012). Preliminary research has been conducted showing a correlation between seeking out negative affect and art (Andrade and Cohen 2007). Dr. David Jackson (Leeds University) argues that the negative image portrayed in *The Scream*, and artwork like it, become popular because it portrays feelings that we can all relate to (Kelly, 2012).

Paper 2 examines how affect tags influences consumer evaluation of art. Products, services and even money can be imbued with positive or negative affect tags. These tags act in two ways: first, affect tags can be used by individuals to garner information about the product in question (Schwarz and Clore, 1996). Second, affect tags elicit affective responses and change consumption behaviour (Levav and McGraw, 2009). Cognitive experiences such as fear, surprise or boredom also inform individuals and can elicit affective responses (Andrade and Cohen, 2007; Schwarz and Clore, 1996). Affect is the feeling and emotional dimension of the human response system (Belch, Belch, and Guolla, 2008) and is often categorized by valence—either positive or negative (Schwarz and Clore, 1996; Watson, Clark, and Tellegen, 1984). Affect is frequently used as an umbrella term to encapsulate feelings, mood and emotion (Schwarz and Clore, 1996). Affect tags are a means of conveying affective information to an individual.

Affect-tags and art are inextricably linked (Akinola and Mendes, 2008). Art is often emotionally tagged either because consumers know the stories of the artists (Akinola and Mendes, 2008), or because the art itself exudes emotion (Kelly, 2012). Even further, stereotypes of artists as being downtrodden, and even depressed are pervasive in popular culture (Akinola and Mendes, 2008). The purpose of Paper 2 is to better understand how these affect tags influence consumer evaluation of art—specifically paintings. It is proposed that negative affect tags increase consumer evaluation of the paintings as measured in financial expectation of price. Further it is proposed that art imbued with negative affect tags triggers feelings of intimacy or connectedness from the consumer to the artist—and that this in turn increases consumer evaluation of the art.

The purpose of this dissertation is to offer a deeper, more nuanced understanding of how art is consumed, in such a manner that has heretofore not been considered in the field. To this end, two essays have been composed. The purpose of essay one is to create mid-level theory related to consumptive behaviour in the fine art market. A qualitative study and an extensive literature review were conducted related to fine art as an investment tool, aesthetics and cultural capital. The purpose of Paper 2 is to examine how affect tags influence consumer evaluation of paintings, as well as expected price. Three experiments were conducted to examine the proposed mediating

role of consumer-felt intimacy between negative affect tags (versus positive) and increased consumer evaluation of paintings.

The thesis is laid out as follows: both essays are listed in order and are self-contained with literature reviews, methodologies, hypotheses and results separated by individual papers. Following both essays is a compiled reference list section as well as all appendices associated with this dissertation.

2. Essay 1:

A Qualitative Investigation into Consumer Behaviour in the Fine Art Market

2.1. Introduction

This essay forms greater understanding of consumer behaviour in the fine art market and arrives at a series of propositions as to how collectors make purchase and sales decisions with regard to fine art. In my exploration of consumer motivations in the fine art market, I begin with a review of research related to fine art purchasing and continue to look at different potential value streams: cultural, financial and emotional. While the purchase and consumption of fine art has been popular for centuries (Mei and Moses, 2002), the majority of behavioural research has focused on fine art as an investment tool (cf. Agnello 2002; Goetzmann, 1993; Mei and Moses, 2002; Mok et al., 1993; Pesado, 1993; Pesado and Shum, 1999; Worthington and Higgs, 2004), ignoring the motivations of investors beyond financial gain. For the purpose of the paper, the analysis is isolated to art that can be involved in trade and is tangible. Specifically, participants included in the study needed to first identify that they collected art and that art had to be tangible.

The essay will proceed as follows: first, there is an extensive literature review of fine art as an investment tool. Building on the literature review of financial value, a review of literature extending to social value and luxury products is included. From this, a series of seven research questions were generated. Finally, a description of the methodology, design and results are included.

2.2. Literature Review and Development of Research Questions

2.2.1. *Fine Art as an Investment Tool*

Fine art provides financial, aesthetic and social value (Bourdieu, 1985; Chanel, 1995; Goguen, 2000; Ramachandran and Hirshstein, 1999). While social and aesthetic value cannot be quantified in real dollars (Chanel 1995), economists have rigorously studied the financial valuation of art and financial appreciation over time (cf. Agnello, 2002; Goetzmann, 1993; Mei and Moses, 2002; Mok et al., 1993; Pesado, 1993; Pesado and Shum, 1999; Worthington and Higgs, 2004). In order to generate reasoned research questions, a literature review of all three types of consumer value follows.

Economists have focused primarily on the financial return on fine art as an investment tool compared to benchmarks such as the S&P and US Treasury Bonds (Baumol, 1986). Findings have been mixed as to the profitability of fine art as an investment when only considering financial appreciation (Goetzman, 1993; Mei and Moses, 2002; Pesado, 1993). In one study, Pesado (1993) looked at identical prints sold at two different auction houses, Sotheby's and Christie's, from 1977-1992. Christie's and Sotheby's are the two biggest auction houses for fine arts in the world. Modern prints are identical and produced in batches of between 50-100 (Pesado, 1993; Mei and Moses 2002). Pesado found that art consistently underperformed traditional financial assets such as stocks and US Treasury Bonds between 1977 and 1992 (1993). Further, the prints showed higher levels of risk and volatility compared to US Treasury Bonds and the stock market (Pesado, 1993). Worthington and Higgs (2004) constructed an efficiency frontier comparing risk and return of art relative to more traditional financial instruments and found that art underperformed US Government debt, corporate debt and equities for return on investment.

Goetzmann (1993) addressed the financial appreciation of paintings that sold more than once over a period of 271 years (from 1715-1986), and charted purchase and sale prices for works of art over time. These data were used to construct an art index in an attempt to chart economic return on investment. Using historical pricing information, he found that art appreciated at a higher rate than stocks and bonds. Specifically, art appreciated at an annualized rate of 6.2% compared to stocks that appreciated at an

annualized rate of 2.6%. While the appreciation rate of art was significant, the volatility of the art market was significantly higher than that of stocks or bonds (Goetzmann, 1993).

Mei and Moses (2002) followed a similar method of data collection to Goetzmann (1993) by looking at repeat purchases within the art market, and used data collected over a period of 125 years (1875-2000). They found that the fine art market provided a higher return than most bond markets and a lower rate of return than the stock market. Further, they found that there was less volatility in the art market than earlier reported by Goetzmann (1996) and Pesado (1993). While there is no agreed upon index for the appreciation of art in general, numerous scholars have attempted to understand the appreciation of specific genres of art.

There are numerous genres in the art market: Contemporary Masters, French Impressionists, Modern European, 19th Century European, Old Masters, Surrealists, 20th Century English and Modern US paintings to name a few (Worthington and Higgs, 2004). Further, specific artists such as Picasso, Monet, Van Gogh and Warhol have demand that could be separate from the major art market. There are numerous urban legends about profitability in the arts market. One is that masters, or known artists, provide the highest level of return on investment (Mei and Moses, 2002). It extends that art investors are regularly told that they should invest in expensive paintings from known artists in order to increase their return and lower volatility. In response to this belief economists have looked at art investments for specific artists like Picasso, (Pesado, 1993; Pesado and Shum, 1999) and genres such as American Masters (Mei and Moses, 2002), Contemporary Masters, French Impressionists, Modern European, 19th Century European, Old Masters, Surrealists, 20th Century English and Modern US paintings (Worthington and Higgs, 2004). Across numerous studies, findings suggest that art is not a financially efficient investment. In two studies, masterpieces actually underperformed not only the stock market (Pesado, 1993) but also the art market itself (Mei and Moses, 2002). Within the art market the Surrealists showed the highest level of volatility and the lowest level of return (Worthington and Higgs, 2004). Finally, none of the specified art markets were able to outperform stocks or bonds on an efficiency frontier (Worthington and Higgs, 2004).

Significant evidence has been found that in the fine art market between 1977-1992 the economic “law of one price” was being violated (Pesado, 1993). The “law of one price” states that in an efficient market, all identical goods should have one price (Mei and Moses, 2002). Specifically, Pesado found that identical prints were selling for different prices at Christie’s and Sotheby’s. Ashenfelter (1989) studied auctions in both the wine and art market and found a similar violation in the wine market. This finding was partially supported by Mei and Moses (2002), who found evidence that there was a significant difference in the prices garnered at minor auction houses versus Sotheby’s and Christie’s. This implies that paintings are not only heterogeneous in terms of product, but that the experience of purchase also influences the ultimate price. Consumers may impose value on a piece of art because of the act of purchasing, indicating that it is not merely the product but also the experience that creates value for the consumer (Pine and Gilmore, 1999).

Art provides value in three ways: financial (as analyzed above), aesthetic and social (Chanel, 1994). The aesthetic experience is a mental state that is induced through the contemplation of a visual object (Kuboyev, 2000). Art and aesthetics cannot be separated by virtue of the experiential interaction consumers have with a piece of art. Art is ephemeral and experiential (Venkatesh and Meamber, 2006). In other words, the value of art extends past the physical object to the experience induced by the art (Reber, Schwartz, and Winkielman, 2004). While the value of the painting extends beyond the physical painting, the painting still embodies certain aspects of aesthetics such as beauty (Reber et al., 2004). The words beauty and aesthetics are often incorrectly used interchangeably. Beauty is an aspect of aesthetics—intrinsic, immediate and pleasurable (Reber et al., 2004). Philosophers such as Thomas of Aquinas and Santayana reasoned that beauty provided pleasure separate from reason—an immediate reaction (Reber et al., 2004). Conversely, aesthetics is a mental state that is accomplished in response to an object, one that encapsulates both immediate and reasoned reflection (Kuboyev, 2000). It extends that art can have aesthetic value without being beautiful (Reber et al., 2004); a painting perceived as being ugly can have aesthetic value. The ability of a painting to elicit consumer emotion lends to the aesthetic value of the painting overall, and so it extends that a very offensive painting can have a great deal of aesthetic value because it has the capacity to elicit strong emotions while still remaining

offensive to the viewer. This increased aesthetic value can in turn increase the price a consumer is willing to pay for a piece of art.

Beyond beauty, the aesthetic experience is also affected by a viewer's processing fluency (Reber et al., 2004). Processing fluency is the ease with which an individual can mentally process certain information (Alter and Oppenheimer, 2009; Reber et al., 2004). Affect is one mediator of processing fluency (Reber et al., 2004). Winkielman and Cacioppo (2001) demonstrated that fluent stimuli impacted participant affective states (brain activity was heightened in parts of the brain associated with smiling faces, frowning faces in accordance with the prime's fluency), indicating that affect mediates the relationship of processing fluency and ultimate evaluation (Reber et al., 2004). Affect is a valenced response, positive or negative, to stimuli. Pham, Cohen, Pracejus, and Hughes (2001) stated that consumer evaluation was based on both affect and reason and the salience of one versus the other was determined by the situation. These studies indicate that the ease with which a consumer can understand a message contained in a piece of art, or the ease with which they can relate to the art may increase their evaluation of that art. Aesthetics, in part, are connected to the understanding the viewer has of a visual object.

Fine art provides financial, aesthetic and social value (Chanel, 1995; Goguen, 2000; Ramachandran and Hirshstein, 1999). While there is extensive evidence that art does not provide significant financial incentives for investment, it is still a very popular mode of investment. The aesthetic and social benefits of fine art also provide immense value to a consumer though neither can be tracked or quantified in financial terms, nor do they compare favourably to traditional financial vehicles such as stocks and bonds. The social benefits of art are detailed in the following section related to consumer behaviour and luxury goods. Out of the literature review for financial and aesthetic value the following research questions were generated:

- Research Question 1:
Why do collectors choose to invest in art versus traditional financial vehicles?
- Research Question 2:
To what extent do aesthetics influence investment decisions in the fine art market?

- Research Question 3:
To what extent is a gut reaction to a piece of art important for collectors' purchasing decisions?
- Research Question 4:
How do aesthetic and experiential value translate into financial value for consumers?

2.2.2. Social Value: Cultural Capital and Luxury Products

Fine art provides financial, aesthetic and social value (Chanel, 1995). Social value is the value a product or service provides for an individual on a cultural level. One way of understanding social value is through cultural capital. Cultural capital can exist in three forms: the embodied state, the objectified state and the institutionalized state (Bourdieu, 1985). The embodied state is "in the form of long-lasting dispositions of the mind and body" (p. 47). Embodied capital is an internalized mental state. It is embedded into the core being of a person and cannot be transferred, as could physical assets such as money or property. The objectified state refers to cultural capital as a physical good, such as pictures, books, paintings, etc. There is a strong connection between the objectified form and the embodied form. Capital in the objectified form can be transferred much as you would transfer traditional assets such as property and cash; however, the value of the cultural good goes beyond the monetary price tag. Consumption of a painting includes not only the purchase or sale of the asset, but also the interaction between the consumer and the object. The interaction or value placed on the object can take the cultural capital to the embodied state (Bourdieu, 1985) or can be seen as an aesthetic (Joy and Sherry, 2003). Further, the value of ownership of cultural capital in an objectified state can lend to one's idea of self; the mere ownership of cultural capital can lead to identification for individuals (Belk, 1988). The institutional value of art is well documented through galleries and books (Bourdieu, 1985; Joy and Sherry, 2003).

Capital comes in many forms, financial, cultural and social to name a few (Bourdieu, 1985). Cultural capital is a good that embodies cultural value (Throsby, 1999). The social capital of artwork can be seen in two ways: first, any luxury good can be seen as a status symbol and the ownership of fine art can be seen as an amplification within or admission into a certain high status group (Bourdieu, 1985; Portes, 1998). Art, by virtue of institutionalized cultural value is regularly viewed as a luxury good. Second, artwork can also be seen as a form of cultural capital in an

objectified state (Bourdieu, 1985). The objectified state is one where the cultural capital has a physical presence. As demonstrated in the previous pages, art, similarly, has financial capital as well. Art can be traded, or exchanged for other goods or for money.

There exist numerous definitions of luxury goods, and in marketing there is no commonly accepted definition. The economic definition of a luxury product is a product where the income elasticity of demand is greater than one. In other words, as the income of an individual household increases, so too does the demand for a luxury product (Kemp, 1998). Paintings and prints, historically, have shown increased demand as the household income increases (Goetzmann, 1993; Mei and Moses, 2002). Similarly, the popularity of artwork as an investment tool has historically increased in periods of economic boom (Worthington and Higgs, 2004). While the purchase of fine art fulfills the economic definition of a luxury good, so to do a number of goods which would not be considered luxury goods. Others definitions of luxury goods are even more basic, stating that a luxury good is any good that is a consumer want versus a need (Kemp, 1998). While these definitions are a good starting point for understanding luxury products, they do not provide a conceptual understanding of luxury goods to help distinguish motivations and consumer behaviour in the luxury goods market.

Berthon, Pitt and Parent (2009) adapted Popper's three-world hypothesis to define luxury brands in multiple dimensions. Popper (1978, 1979) presented a pluralist view of the world stating that the universe consists of three worlds. The first, World 1, is the dimension of physical objects. The second, World 2, is the sphere of subjective experiences such as thoughts and emotions. The third, World 3, incorporates products of the human mind such as stories, music, cultural knowledge, symbols and shared experiences. Fine art satisfies all Three Worlds as defined by Popper (1978, 1979). Specifically, paintings, statues and prints all have a material structure, or an objectified state (World 1) (Bourdieu, 1985), have the ability to elicit an emotional response (World 2) (Akinola and Mendes, 2008), and are products of the human mind (World 3).

Berthon et al. (2009) stated that in order to be a luxury product, a product had to have components of each world: objective (material), subjective (individual) and collective (social). Berthon et al. (2009) developed a typology to understand luxury brands charting luxury in two different axioms, ontological by aesthetic. In the two-by-

two, aesthetic value is differentiated between deep product meanings versus surface product meaning. Ontological meaning is differentiated by transience versus endurance. Products that are transient are constantly in flux, whereas products that have endurance embody a sense of permanence. This two-by-two combines to form four typologies of luxury: Postmodern (in flux and surface), Modern (permanent and surface), Wabi Sabi (in flux and deep) and Classical (permanent and deep). Traditional art collectors engage in the exchange of luxury goods that fall into the classical category, that is, the product has a level of both permanence and depth. Connections consumers feel towards their artwork is very strong and there is limited desire to sell their artwork after purchase.

Art collectors are engaged in the trade of luxury goods. The symbolic nature of luxury encompasses cultural capital that can be experienced in two ways, social and internal (Berthon et al., 2009). Luxury goods provide cultural capital in the form of recognition from others (Bearden and Etzel, 1982; Berthon et al., 2009; Bourdieu, 1985) or towards the concept of self (Belk, 2008; Berthon et al., 2009). Were collectors to want to exploit the social meaning of a product, they would want to display the artwork differently than if they were receiving intrinsic value or meaning. Similarly, their purchase/sale behaviour could be different on the basis of intrinsic versus social value.

The advertising and promotions markets have often incorporated fine art into consumer communication (Hagtvedt and Patrick, 2008). By incorporating art into product communication, the cultural value of the brand or product increases. Hagtvedt and Patrick (2008) conducted a series of studies to better understand the value of art infusion into non-artistic products. Specifically, they placed known paintings on soap containers and boxes to see if consumers' perception of value or luxury increased. In both situations the presence of a known painting increased the consumer evaluation of product luxury. These findings indicate that there is a shared knowledge embedded in art which transfers to other objects, supporting the idea that art is both a physical creation and creation of the mind. Hagtvedt and Patrick (2008) further studied whether this embedded affect had impact on evaluation of luxury. Specifically, they tested to see if positive affect would lead to positive evaluation and found there was no significant correlation between positive affect and evaluation.

Economic behavioural anomalies are common in the art collectors market (Frey and Eichenberger, 1995). Numerous art collectors are not financial-profit oriented (Frey and Eichenberger, 1995). Instead, art investment is often vulnerable to the endowment effect, that is: valuing one's possessions as higher than the actual market value merely because they are owned by an individual (Thaler, 1980; Kahneman, Knetsch, and Thaler, 1991). Behavioural anomalies inherent in the art market may increase the social and aesthetic value of a painting. This endowment of additional value can also be associated with the social capital or the aesthetic value the consumer associated with the artwork, which cannot be financially accounted for.

Consumption time, the time during which a consumer will consume a product, has impact on the financial, embodied and social value of artwork. Numerous studies have shown that for artwork to have financial value, consumers need to own the art over an extended period of time to see any financial gain (Mei and Moses, 2002; Worthington and Higgs, 2004). Fine art tends to appreciate over time rather than depreciating like many assets. Ownership in itself increases the value of products for the consumers (Thaler, 1980; Kahneman et al., 1991). The longer a person owns something, the stronger the owner's connection to the product increases the value to that owner. The above literature review of social value generated the following research questions:

- Research Question 5: How do collectors express the social meaning of a painting versus the internalized meaning of a painting?
- Research Question 6: How do collectors gain social recognition through the purchase of fine art?
- Research Question 7: How does the permanence of the art affect collectors' purchase decisions?

2.2.3. Gifting

One way in which art can provide social value is through the giving and receiving of art as a gift (Dolfsma, van der Eijk, and Jolink, 2008; Geisler, 2006). Sherry (1983) argued that the gifting system could be seen as a social system, and the gift as a social reality that influences political, religious and economic spheres. Individuals engaging in gifting behaviour have the ability to increase social status within the group or certainly increase the cultural status of the group within the greater society. Gifting plays a vital role in the creation and maintenance of social networks (Dolfsma et al., 2008; Geisler,

2006). Within social networks, the act of gifting can be used as a means of increasing cohesion (Geisler, 2008), exhibiting intimacy between individuals within a group (Sherry, 1983), or an indication that a relationship has changed.

The gifting system can be viewed as a community where members of the community, such as a family, are expected to give gifts, receive gifts, and reciprocate the act of giving to those in the community who included them in their gifting (Dolfsma et al., 2008). Community member power differences can often be seen in the act of giving and receiving; high ranking members of a community can be expected to give gifts to subordinate members as a means of extending the social relationship between the parties (Sherry, 1983). Acceptance of a gift can be seen as an acceptance of the relationship between the giver and the receiver (Dolfsma et al., 2008)—so, social ties are reinforced through the giving and receiving of gifts (Sherry, 1993). The gift, as an object, is often viewed by the giver and the recipient as a vessel indicating their own relationship to one another; the object reifies the strong ties between the members of the social network (Dolfsma et al., 2008; Sherry, 1983). Reciprocity is also a very important aspect of the social exchange; through reciprocity, the social bond between individuals can be strengthened or even severed. Subordinate members of society such as children are often not expected to reciprocate gifting behaviour from superiors (Sherry, 1983). Through the preceding review, the following research questions were generated:

- Research Question 8: How do art collectors use gifting to gain cultural capital?
- Research Question 9: How do art givers view the gifts they have given and those they have received?

2.3. Methodology

Because of the exploratory nature of the research questions, the exclusivity of the consumer pool, and the lack of existing theory about the subject matter, a qualitative method of investigation was employed (Creswell, 2009). The purpose of this essay is to develop substantive (Neuman, 2000) or mid-range theory about consumer behaviour in the fine art market (Gregor, 2006; Merton, 1968). Substantive theory development is not concerned with highly abstracted or generalizable theory development (Gregor, 2006), rather the purpose of mid-range theory development is to provide theory related to a

very specific group of individuals (Gregor, 2006), and is often useful in areas with practical application (Merton, 1968). Mid-range theory development is good at addressing the behaviour specific group, such as art collectors. As such, an inductive, emergent qualitative investigation using depth interviews with art collectors was used. (Creswell, 2009; Marshall and Rossman, 2006).

2.3.1. Informant Selection

A purposive (theoretical) sample was compiled for this study. A purposive sample is one where researchers choose participants who exhibit certain characteristics that are not held by the general public or belong to a niche market (Barbour, 2000; Neyman, 1934; Strauss and Corbin, 1998). A purposive sampling technique is often employed when researchers are attempting to better understand a very specific portion of the population (Barbour, 2000; Neyman, 1934; Strauss and Corbin, 1998). The aim of a purposive sample is to add trustworthiness and depth to the data collection method, not generalizability (Kemper, Stringfield, and Teddlie, 2003). Because of the specificity of micro-level theory, generalizability is not a goal of this paper. The sample for this paper is very specific; the focus of the paper is on the motivations of art collectors and as such all participants must be active participants in the art market. Art collectors are defined as individuals who purposely and regularly engage in the acquisition and exchange of art. Moreover, all informants self-identified as art collectors and in the process of the interview gave their definition of art. Many informants were non-traditional art collectors in terms of what art they considered art. Further a number of informants are either artists themselves or art dealers.

A list of art collectors known to researchers was compiled and individuals were asked to participate in the interviews (also known as a convenience sampling) (Kemper et al., 2003). After initial informants were contacted and interviewed, a snowball approach was taken to contact additional informants (also known as an opportunistic sampling method) (Kemper et al., 2003). A snowball method entails researchers asking participants if they know other people who belong to a specific group who would be willing to participate in an interview—in this case, art collectors. Snowball sampling is known to increase the sample size, and in situations where a very specific target is needed for research, it is an efficient method of garnering enough participants (Kemper

et al., 2003). Twenty-seven informants were interviewed in connection with this paper; a table summarizing informant demographics is included (Appendix A). In some situations informants chose not to disclose information such as age or annual income, and these circumstances were listed in the table.

2.3.2. Interview Protocol

Interviews pertaining to collector behaviour and their collections were conducted by phone, and when possible in person. The interviews lasted an average of 37 minutes (minimum 15 minutes, maximum 60 minutes). All interviews were conducted by the author. A semi-structured interview guide was developed by the author and used in all interviews (Appendix B). All 27 interviews were then transcribed by the author and two research assistants. Interviews were conducted until theoretical saturation was met.

Interviews began with general questions as to how long informants had been collecting art and what areas of art they were most interested in; this was done as a means of creating rapport between the interviewer and informants. The interview then turned to learn more about behaviour, consumer evaluation, giving and receiving, influencers and, finally, dreams/aspirations.

Accepted protocols for interviewing were employed during the study (Strauss and Corbin, 1998). Recordings of each interview were transcribed for analysis. In addition, the author wrote notes containing a summary and their initial assessments within 24 hours of interview completion (Strauss and Corbin, 1998). Interview transcripts and interviewer field notes formed the study's data set.

2.3.3. Data Analysis

A grounded theory approach was employed throughout data analysis (Strauss and Corbin, 1998). The first stage of analysis consisted of open coding for the first eight interviews. Transcriptions were read through line by line by the author and respondents were randomly asked to confirm researcher interpretation. (Strauss and Corbin, 1998). When general themes and patterns emerged, the author communicated with supervisors about findings. The author coded the data and extracted higher-level concepts out of the primary codes. Following category creation, axial coding began. In the axial coding

phase, all the data was recoded in accordance with identified categories. Ultimately, relationships between categories were explored (Strauss and Corbin, 1998). In the final stage of data analysis the author interpreted the results of the investigation. Final analysis relied carefully on analysis of the dimensions and relationships unearthed during axial coding as well as theory from relevant literature.

2.4. Findings

Analysis of the data unearthed a variety of fascinating points about consumer behaviour in the fine art market. These findings have been broken down into four major headings: Collector Connectedness and Self-Concept, Consumer Evaluation, Consumer Placement, and Consumer Gifting/Receiving. Additionally, a series of propositions were generated out of the analyses that are included by section.

2.4.1. *Collector Connectedness and Self-Concept*

2.4.1.1. Self Concept

Collectors indicated that the purchase and ownership of art contributed greatly to individual concepts of self. Interestingly, the collectors interviewed came from a myriad of backgrounds, socio-economic status groups, age groups, and religions and yet almost all of them indicated that a large part of their identities are associated with their art. Further, family identities were associated with art—most collectors either indicated they adopted their love for art from a family member or hoped to pass it on to the next generation. When asked how she began purchasing art, Heather, Respondent 19, said:

Heather: Well, I think that probably came naturally. My parents always collected art. And always were very um, (pause), they went to the art museum, they collected some, and my husband kind of had the same interest...they were not, I would classify them as a pretty much middle class to lower middle class so when they bought something you know they put a lot of thought into it.

In the above passage Heather indicates that her parents were the primary influence in her interest in the arts. Though she indicates that her parents had limited means, they made the effort to purchase art and educate her about it. Jim, Respondent 2, said the following of where he got his interest in art:

Jim: I come from a strong extended family and um and um, I had a very early intellectual influence from um my paternal grandmother who was born in a poor house in Montrose, Scotland. So, um she came from literally nothing to becoming a nursing sister in the um London hospital during WW1, where she nursed, and married an invalid, my grandfather and she was a strong proponent of Scottish liberalism and um interdisciplinarity in the family... My mother was also a professor of fine arts at UBC. So I come from a mother who was a first generation academic of fine arts, and my father was an interdisciplinary thinker, um, a professor of medicine at UBC. Um, so, um I am sort-of an academic brat, I grew up in a house where my arts mother and my science father had a lot of discussion about science and arts and the importance of arts and science to society. My um father praised the arts and my mother taught the arts so... I come from a family that collected art, that talked about art, that um, had pals that were artists, that understood the importance of aesthetic and design issues in life... from an early age we had art that my parents had purchased from artists whenever we could afford to buy it...

Again, Jim indicates here that his parents influenced him in his love for art and that the love for art was stressed in his household. Milo, Respondent 25, came from a family where art was also valued. When asked how he became interested in purchasing he said:

Milo: My brother, he is on the board of MOCA uh here in Los Angeles. He is one of the younger members on the board for MOCA. Learning through him and through my parents, I decided to sort of takes steps into it, and learn more... My aunt and uncle were big collectors.

In all three of the examples above the family involvement led to the interest of the collector in the arts. Milo not only attributes his interest in the arts to his brother, he also identifies his brother as a member of the board of MOCA and defines his aunt and uncle as collectors.

Proposition 1: Collector interest in the arts often forms through the family.

Collector identities are expressed through the ownership and purchase of art. Almost all of the respondents indicated that they feel that the ownership and display of art is an extension of self. Lisa, Respondent 14, stated that she didn't believe she would ever sell any of her art. When asked why she said:

Lisa: Somehow or another I would be letting go of that part of me, and that, what that represents of who I am and that painting is part of who I am.

Here Lisa indicates her feeling that the painting is an extension of her self-concept; to let go of the painting would be to let go of who she is. Respondent 20, Stella said of her artwork:

Stella: I mean I also really like what it says, what what it adds to my apartment, a sort of personal touch for my apartment. I have a lot laying out on display and I just think that it's a way of having my personality up on the wall... I mean you have your own way of displaying and that is part of me.

Stella states that the art and the way she displays it is a part of her, it is her 'personality' on the wall. Lisa and Stella both indicate that the artwork they display and own is imbued with parts of themselves.

Proposition 2: Art can act as a physical manifestation of a person's self-concept.

A part of collector identity was associated with the relationship they shared with the artists they collected. Collectors seemed to take pride in the idea they were supporting artists in the creation of art. Jim said directly:

Jim: ..I think that there [is] a duty and the people in society that could afford to support artists, that are not artists, have a duty to buy from artists so that they can live. It is not the duty of government to support artists, it is the duty of civilians, of citizens in civil society to support the arts... So, the beauty of great art is that it grows with you aesthetically and as an investment. So, and its is a wonderful relationship with the artist.

Jim states that he feels a duty to buy from artists and support the arts. He indicates that the relationship between the artist and the consumer (in this case Jim) is a wonderful one. Further, Jim alludes to the enjoyment he gets from the art aesthetically. Jennifer, Respondent 18, said of a piece she purchased:

Jennifer: You know and it enhances your surroundings and you know the big art, the big piece that I have, I supported this guy. He built a studio with the money that he got from the sale to me.

Like Jim, Jennifer states that the art is enhancing her life. Jennifer exhibited a certain level of happiness at the knowledge that her purchase of the art helped the artist to build a studio. Further, collectors indicate that the relationships they share with artists enhance the extent to which they value financially supporting artists.

Proposition 3: Collectors believe that they are helping artists through the purchase of art and this value to help artists is a part of their self-concept.

2.4.1.2. Connectedness

Collectors indicated that they felt strong connectedness to their artwork. This connectedness was expressed through love for art that collectors felt represented intimacy they felt to situation, relationships, time, travel, and subject matter. When asked if he would ever part with a painting gifted by a friend, Jose (Respondent 1), said:

Jose: I mean, if we are talking like, millions in dollars, then like, obviously, I would think about it but, I don't think. I mean, I mean, I don't think, see now, you are putting me on the spot. Because, I mean, I do have a bond, and I (pause), I remember the girl who gave it to me and the whole circumstance that she gave it to me... But, I mean, if someone knocked on my door and said "hey, two million dollars." I'd have to think about it, but I probably wouldn't.

The painting Jose is describing is a gift from a friend bought at a flea market and yet he indicates he would likely not sell the painting for two million dollars. Jose's bond to the painting is tied up in his relationship with his friend, and the situation in which she gave it to him. Jose associates the value of the painting with the relationship he has with his friend and the situation in which he was gifted the painting.

Respondent 23, Aishwarya, listed a Diego Rivera poster amongst her favourite pieces of art over numerous original paintings with significantly higher financial value. When asked what it was that made the painting's importance lasting for Aishwarya she said:

Aishwarya: Hmm, I think, well I like the image but I think it just reminds me of past studies and past travels and part of the world that I feel connected to, that I want to feel connected to. And so, it always has a nice place in my heart in that respect.

Aishwarya not only feels connected to Mexico, she extends that it is important for her to remain connected to that part of the world. Diego Rivera's piece represents that connection in a physical form. Lisa, like Aishwarya, indicated that her artwork had the power to connect her to different places. Lisa extended that she felt a connection to the subject matter of the painting itself, saying:

Lisa: That particular piece struck me. The colors in it struck me. But it reminded me of places that I like to run. And I am someone who is, who is very connected kinaesthetically, ah, to my environment and I, ah, movement is really important to me and so somehow or the other it captured me and I found myself moving in that painting.

Lisa states that she is so connected to the subject of the painting that she feels it actually captures her running in it. The subject of the painting reminds her of places she has run and to which she is connected.

Proposition 4: Art acts as a vessel to hold feelings of intimacy felt to places and people by consumers.

The relationship between artists and collectors goes well beyond the desire to financially support them. Collectors regularly indicated that they felt connections towards the artists themselves. Collectors regularly stated that they felt more connected to artists when they were watching art being made. When Jose was asked what he liked about a small piece of art made at an outdoor market, he said:

Jose: ...so, when I see thing like this, this lady, her name is Doris Oswald, she is a thick German accented lady, Hollywood market, and she was actually not done with this...she only had the ah, head finished or painted. And so, she was painting it and I told her I liked it, and she said, "well, okay I will finish it and then I will give it to you." And then, so she finished it, autographed it...So, I don't know if she made it big or she is successful but, I really like the fact that um, she was kind of there working on it. And, I guess I saw the process of it rather than the end result. And it was reasonable. It was like fifty bucks...

Another collector, Ryan, Respondent 13, said that he bought a painting in Thailand after watching it being made. He expanded on the experience:

Ryan: I bought from this um, I don't know if he is homeless or not, but he was um, just painting on the street. So I actually watched him painting and then I bought two paintings from him. And that was in Bangkok. Yeah, they are just pictures of, ah, I guess a tree with no leaves on it.

Neither of these collectors were willing to part with these paintings. Ryan indicated that he paid a total of five dollars for both paintings and yet was not willing to resell them. Their connection to the paintings was increased because they saw the artists actually producing them.

Proposition 5: Watching the creation of the art can increase the connection the collectors feel to the art.

In instances where collectors could not meet the artists, there was still a desire to create a connection to the artist. While most collectors indicated that the artist didn't matter before the purchase, almost all collectors indicated that they tried to learn more about, or connect to the artist after the purchase. When asked if the artist mattered in purchase, Heather stated:

Heather: I would suspect for some. I always like to get a biography of whoever I like but it doesn't necessarily influence me. I mean the Leroy Neimans and the Peter Maxes and some of those, yes, you knew all about them. Um, so it was um, neat to have one of their pieces. But, on the whole you know not very much, I mean I always ask for a biography of a person but, just so we find out a little bit about them, but it doesn't really influence it no.

Researcher: But you do try to find out about the artist after you purchase something?

Heather: Yeah! Exactly, yeah, like, um, we bought a piece from a gentleman in, well, we bought it in the United States, but he was from France, but he was someone we had never heard of. We loved the piece, we bought the piece and then we read all about him and he had a relatively interesting background...

While Heather indicated that the artist didn't matter for her purchase, she attempted to learn as much as possible about the artist after the fact. Lisa has a strong preference for art made in her geographic area. When asked why she said:

Heather: (pause)...I like that the artist has seen the things I see, I like that I am seeing the place that the artist has painted and I like that. Because I feel connected to the work they did.

Lisa indicates that she likes that she and the artist are seeing the same things. The connection to the artist extends to the work they did.

Proposition 6: Collectors form connections to artist by learning about the artists either before or after purchase.

2.4.2. Consumer Evaluation

Analysis of consumer evaluation has been broken down into three categories: Financial, Cultural and Aesthetic.

2.4.2.1. Financial

While extant research on behaviour in the fine art market is concerned with art as a financial vehicle, very few collectors seemed concerned about the potential financial return art could provide them. In most situations when respondents were asked to financially evaluate their artwork, they either couldn't do so or became agitated at the question. There emerged two distinct types of consumer reaction to art they owned: 1) consumers who viewed art as a traditional financial investment that could be bought, sold and traded, and 2) consumers who viewed their collections as too valuable to ever resell. Certain collectors had pieces in their collections that fell into each category. The clear distinguishing quality not shared between the two categories of art is the emotional connection felt towards item. Collectors who had a strong emotional connection to the art were unwilling to part with it. Additionally, some investors stated art was not something to be sold. Stella said the following at the prospect of selling a piece of art:

Stella: I just don't know why you would spend the money on it. And then you have something that beautiful in your hands and then you let it go... So I just don't see it as something you could buy and sell for profit. That is not what art is about.

Stella indicates in this passage that she doesn't see art as an instrument to buy and sell. Interestingly, earlier in the interview, Stella indicated that she saw her collection as a financial investment but continued that she didn't believe she would ever sell anything she bought for a profit. Bhupal, Respondent 9, drew the distinction between what he was willing to sell and that which he wasn't on the basis of whether he considered himself the creator of the art or the consumer of it:

Bhupal: Only the paintings I don't want to resell, because it's not my art, it is somebody else's art that I happen to appreciate...I am just a collector, I am not an originator of that art. I draw the distinction between an artist, and I am not the artist in those paintings, I'm a collector of those paintings. I think I originate art in other things like the living spaces that I spoke about. Those are for selling. Those are for moving art, doing other things...

Bhupal believes there are types of art that are for sale but they are not those that others created. He draws a distinction between being a collector of art and being the creator of art. Bhupal believes he doesn't have the right to sell; for him, this right only exists when he himself has created the art. This is an interesting belief given that Bhupal is the rightful owner of the art.

Devin, Respondent 21, also saw art in his own collection as either being acceptable to sell or not. Devin viewed art to which he had a connection as being above sale and that which he didn't as a traditional financial asset. Of one piece of art to which he had no emotional connection at the prospect of selling, he said:

Devin: Um, I would probably do my research on it. Because I have to, haven't looked at that specific one but over seven thousand dollars for sure. I would wait a little bit longer because I don't think it has fully peaked in its value.

Here Devin gives an exact price of the value of his artwork. Similarly, he has a rational plan for parting with it based on economic value. At the prospect of selling a photograph he connected to he said:

Devin: I don't know, I don't know. I mean I have had it so long now; I have had it for 24 years. I mean if my family were in dire straights and I needed the money, of course I would sell it...I would say 10 grand because no one would pay it.

When asked what the fair market price for the piece would be, Devin indicated it would sell for \$500-700. While Devin indicates he would sell the art in order to save his family, he would mark up the price on the art by over one thousand percent. While in the first example, Devin assessed the actual price of the piece on market and would offer it at that price. When asked why he valued the photograph as so much more expensive Devin indicated that he felt a strong connection to the photo and as such would need a serious incentive to sell it.

Proposition 7A: Collectors identify certain artwork as traditional forms of investment and other artwork as being above trade.

Proposal 7B: If collectors feel a strong connection to the art, they are unlikely to sell it at any cost.

When speaking to respondents about their process in purchasing art, an aesthetic connection (i.e. if a painting 'spoke to them' or not) was consistently ranked in the top three qualities collectors looked for. Many collectors said they had a gut reaction to the art and if it fit their budget, they would buy it on the spot. Interestingly, regardless of the socio-economic status, every collector indicated that price was one consideration when making a purchase. While the threshold, or absolute price varied on the basis of how much disposable income the respondent had, price was always an indicator of ultimate purchase. While most collectors buy within a financial band, if they were to go

above their budget it would be for pieces they really loved rather than pieces that were critically acclaimed. Jennifer said of art with the potential to give big financial gain:

Jennifer: I mean, I think most art that is bought for resale or that is resold, I think is hideous. I mean Damien Hirst or a photographer here, Jeff Wall—I don't want any of those pictures and those sell for thousands and hundreds of thousands of dollars.

Jennifer had earlier stated that she bought another painting for \$35,000 with no real idea of getting a return on the investment. The painting fit what she was looking for and though it was a high-ticket price, she was willing to buy it because she liked it, regardless of any potential return.

2.4.2.2. Cultural

In evaluating their artwork in a cultural sense, collectors expressed the cultural value of their art in a number of ways. The predominant method of conveying the cultural value of artwork was by explaining the institutionalized value of specific paintings.

Bhupal said of one of his most valuable paintings:

Bhupal: I think the most valuable piece of art that I have is probably the painting we have in one of our bedrooms. It is a painting by Jerry Dawavondewa. Jerry is a Native American Tohono O'Odham and he is um, he actually, one of the Mars things, the U of A asked him to put something of a, you know, Native American feel and he did a small leather carving, and they actually, whenever somebody lands on Mars and they open up this thing that um, you know is delivered there they will find this little thing that Jerry did. Jerry actually spent sometime at the Smithsonian and so on... I think that would be the [most valuable].

Here Bhupal indicates that Dawavondewa's painting is the most valuable he owns because of the importance his work has received from the Smithsonian and the University of Arizona. At no point does Bhupal indicate that the value of the painting comes from the price he paid for it, the price it would sell for on the market, nor the aesthetic appeal the painting may have.

Brand was another indicator of cultural value. Many of the bigger collectors associated value with owning big name artists. Jim, Respondent 2, took a great deal of pride in owning numerous pieces from the Canadian Group of Seven. Jim owns one piece by A.Y. Jackson, a member of the Group of Seven, and a prolific Canadian artist. At the time of the interview, Jim was contemplating selling it because:

Jim: I now know more about A.Y. Jackson than I did at the time and um, and my daughter is a discerning eye and she said, 'You know Dad I think you bought that because its an A.Y. Jackson' (laughing).

While Jim was contemplating the sale of his A.Y. Jackson piece, he admitted that in some ways he purchased the piece because he was sold by the brand of the artist. Jim has an extensive collection of Canadian art and felt his collection would not be complete without including pieces by Jackson. Heather and her husband have an extensive collection of American artists including original pieces by Norman Rockwell, Leroy Neiman, and Peter Max. When asked what her most valuable pieces were, she indicated original works by these three artists and said:

Heather: We have some Leroy Neimans. I am not too fond of them, but I would suspect they are somewhat valuable. And we also have some Peter Max pieces that are valuable...I am not too fond of the Leroy Neiman piece, I don't mind the Peter Max and I do like the Rockwells very much.

While the Neiman piece is not one that Heather enjoys, she still lists it as potentially one of the most valuable pieces she owns. Here the brand value of the Neiman increases the market value for the painting. Interestingly, Heather has no intention of selling the Neiman even though she isn't fond of it. All of these artists have a great deal of institutional value amongst American artists.

Proposition 8: Collectors who own work with high levels of institutional importance gain cultural capital through the act of ownership.

2.4.2.3. Aesthetic

A few interesting trends emerged when speaking with collectors about aesthetic value. Simplicity and tranquility were repeatedly indicated as two things that collectors looked for in new artwork. Before he buys art, Respondent 3, Larry first must sense harmony and simplicity in the piece. When asked how he would define simplicity he said:

Larry: It was really the overall feeling. It was the sense of harmony and balance, through uh, uh such simple designs and that really appealed to me. There's nothing ornate or anything that is overdone in it. The simplicity of it is what appealed to me.

Harmony in terms of subject matter was a theme that was repeated regularly. Aishwarya, Respondent 23, described her favourite piece as follows:

Aishwarya: It's an image of a woman that is very brightly coloured and yet she looks yet she looks very serene...But it's a very peaceful looking woman...

Bright, colourful artwork seemed to be preferred by collectors. Red, orange, yellow and blue were most often indicated as the colors in favourite paintings of collectors. Similarly contrasting colors seem to appeal to collectors a great deal.

Probably the most striking aesthetic appeal for art was the fluency of the art. More than half of respondents said that they valued their artwork because they could understand and relate to the subject matter. Rajkumari said of her favourite painting:

Rajkumari: And this is just two women on the beach at sunset. And it is just very beautiful and the colors and the movements in it...It sort of like, brings back memories of places and things and sunsets. Yeah, it's just kind of, it is colors that are pulled from actual, from life in a sense and it really does kind of capture the look of the beach at sunset or sunrise and so, it kind of just holds memories. Because, you know everyone has seen a nice sunset but if you know a place or you are very fond of the beach, you know you have your own memories.

Rajkumari can relate to the image in the painting; it is fluid to her. Being from Hawaii, Rajkumari has spent a great deal of time on the beach and the emotions the artist is trying to convey are easy to follow and understand. The aesthetic valuation of artwork by collectors seemed to be mostly concerned with color, fluency and serenity. While these themes repeated regularly, additional research is needed to make propositions as to why these themes were important to consumers.

2.4.3. Consumer Display

The consumption experience only begins at the purchase of the artwork. The majority of respondents stated that they kept their art for years and, in most cases, had no intention of parting with artwork once purchased. Consumption, therefore, happens almost entirely when the art is displayed by collectors. Understanding the long-term motivations for the art was therefore important. Respondents were all asked how they chose to display their art in the house in order to better understand how consumption continued after purchase. One response collectors regularly gave was that art was purchased with the intent of decorating their homes. The use of art for decoration was not equivocal; numerous respondents indicated that they never purchased artwork for

the purpose of display, but rather for their love of the piece. The majority of respondents seemed to categorize their purchases into one of two categories: for decoration, and for love. Consumer behaviour was changed on the basis of the purpose of the art. Still, numerous respondents indicated the primary reason they began purchasing art was for decoration. Respondent 11, Devi, was asked why she began purchasing art and said:

Devi: I think I wanted my house to look nice, so that is how I started to buy art.

Devi indicated that she purchased art with the express intent of it being consumed in the home. She went on to say that she makes two types of purchases, those for love and those for display. When asked how much emotion played a role in her decision-making for purchasing artwork, Devi told researchers when she is buying art for love it is almost entirely emotion that dictates the decision-making; conversely, of when Devi was buying art for display, she said:

Devi: I, um, that is a very calculated decision, so I would say ah, not more than about 35-40%.

Numerous respondents indicated that their purchasing behaviour changed when they were purchasing with the intent of decorating. Jennifer, Respondent 18, indicated that in general when she is making an art purchase, the decision is made 'instantaneously,' in one instance, when trying to fill a particular area in her house, she observed:

Jennifer: Oh, that took forever!

Researcher: How long is forever?

Jennifer: Well, I don't remember, but this painting I bought for \$35,000, you know I was at art galleries, I had people bring things in, put them on the wall, see what things look like. I mean, it was a whole thing. It was, you know, it was an exhausting process to find something that really fit in the space and looked great.

The original purpose of the art purchase seems to change the behaviour of the buyer. Devi indicated that she didn't allow emotion to dictate her art purchases when she was buying a piece with the idea of decoration, whereas it was the primary deciding factor when she was buying art without a specific location in mind. Similarly, Jennifer

indicated that when making a purchase with a specific area in mind, she took much longer to decide. Out of the above analysis, the following proposition was generated:

Proposition 9: Emotion plays a lesser role in consumers' decision-making when collectors are purchasing art for the purpose of display in a certain area versus art that is purchased without the idea of display.

The emotional connection that collectors had towards their art seemed to in part dictate its placement in the home. One interesting pattern that emerged is that many collectors place the first piece they remember buying in a significant location, where they can see the artwork regularly. Most respondents still owned the first piece of art they had ever purchased. Interestingly, and almost exclusively, respondents indicated that their first piece of art was not the most expensive in their collection. In most instances, respondents purchased their first piece of artwork in situations where they did not have a great deal of income; despite this, most respondents place this art in significant locations because of the emotional value of the artwork. Henry, Respondent 12, was asked about the first significant piece he remembered purchasing and responded:

Henry: I had been away from the Canada for about twelve years traveling the world, and I came back and firstly got a job...I was saving up to buy a car, and I had saved up about twenty-seven, twenty-eight hundred dollars at that point. I was gonna buy—now this is way back in the mid seventies—I was going to buy myself a second-hand car and I made this mistake of walking into a gallery and seeing uh, a very important abstract painting, painted by a Canadian abstract artist, and nobody really knows who he is unless you were really into it at the time. He was a fellow named Bertram Brooker who was uh, one of Canada's first abstract painters. He ended up painting in the vein of some of the Cubists of the time. This painting was from 1929, and I still own it, and I took twenty-seven hundred dollars and put it down, and it cost me thirty-one hundred dollars. I remember having to pay off the four hundred dollars over a period of time.

Researcher: Did you buy a car?

Henry: No. Well you know there's public transit.

Researcher: Where are you displaying that painting now?

Henry: Yeah. It's on uh, a small little table in our living room...

Henry has displayed this painting for over forty years. The meaning of the painting is embedded in the story of how he bought it. Henry reflects its value to him by placing it in a significant place in his home. Devi was asked about the first piece of art she ever bought:

Devi: The statue I have of a dancer. It is made of brass. Well, I bought it after I got married, before I joined my husband in Toronto. I went looking for some art stuff in India. So, I went and bought that piece. And believe it or not, in those days it was like um, probably five dollars I paid for it. And it is full brass.

Researcher: How did you decide on that piece versus others?

Devi: Two things. One, the statue was made very well. The face and everything was very well-made and I had to carry it in my hand, so weight was a, this thing, issue. And third was the price and it fitted my budget at that time. So that is why I picked that one.

Researcher: So your budget then-

Devi: -was much smaller. Yes. Yeah, yeah yeah, much much much smaller, hardly any...

Researcher: And where do you display that piece?

Devi: ...It's in the hallway, in the entrance hallway and it's sitting in an alcove...

Researcher: Which one of the paintings would you say guests see most?

Devi: Um, there are two of them. The nude would be one and then the statue of the dancer.

When asked about the first piece of art he ever bought, Jim, Respondent 2, vividly described the act of purchasing a Skaagi print by Bill Reid when he was still a law student. Though the print has increased tremendously in value, at the time of purchase it was inexpensive relative to artwork he has bought since. Jim was still a student and couldn't afford much more. He indicated that the first piece that someone would see entering his home is this Skaagi print. When asked why he chose to place the painting in the entrance, Jim said:

Jim: Because it's as um, old as our marriage as um, it has grown with us through that period of um, 35 years and because it is just a stunning piece of art. It grows with you in every way. It is as fresh and as vibrant to us today as it was when I bought it...So it has been a piece of beauty that has also been an investment piece and, and it is just a gorgeous piece of art.

Jim, Henry and Devi all told vivid stories of buying their first pieces of art. In all three instances the respondents bought their artwork at a time when they had limited resources. Despite the price paid for the artwork, the emotional attachment to the artwork inflated the importance of the piece. Jim, Devi and Henry all chose to display this particular artwork in prominent locations where it would be seen regularly. The meaning

of the artwork for the individual transcends the actual dollar value for the painting. Though the painting Henry described was more expensive than the statue described by Devi, it is important to note that relative to the collectors, both of these pieces of art would be less expensive than others in their respective collections.

Proposition 10: Artwork with high emotional and sentimental value is displayed in locations that the collector will see regularly.

Numerous collectors indicated that they were gifted artwork created by friends and family members. The pieces were similarly placed in places of high significance. While the first pieces of art were placed in locations where they would get high visibility from the collectors themselves, artwork made by friends and family were placed in locations where they would be seen by people outside of the family. Rajkumari, Respondent 7, was gifted a great deal of artwork by her best friend, a designer. When asked how she displays that artwork she said:

Rajkumari: At work I um, put it somewhere that um, I could see it because, it brightened up my desk and you know, made me smile and like seeing this bright sketch that my best friend drew...At work it is just easier to put it somewhere you can see it and show to other people too. I like when other people came to my desk and like say things like 'you know that's really great, where is it from' and I can say, 'you know, my best friend actually did it.' So it's nice. I kind of give a treat to me and to everyone else in the office and I mean anyone who is passing by.

Devi received a painting from her brother-in-law that he had painted for her, and chose to display it in her family room. She indicated that they entertain a lot and so people are regularly in their family room for events. When asked why she keeps the painting there Devi said that it just fit the wall and that it is seen by everyone. She was then asked how people responded to the painting and she said:

Devi: First of all, they are amazed at the painting; they think it is a professional who has done it. And then secondly, they are surprised that I let my husband display a nude in the family room. Um, so they think that is a very sexist thing. And all the men love it but the women usually wonder why I let him do it. So that would cause a little bit of stir.

Both Devi and Rajkumari display their paintings in locations that will be viewed by others. Both indicate that they enjoy others' comment on the paintings. In the case of

Rajkumari, she indicates that she believes looking at her best friend's painting is a treat for her and her coworkers. Devi indicated that she placed the painting with the idea of it being seen; that it causes a bit of controversy given its subject matter is not a concern, but rather, Devi seems to enjoy that the painting incites discussion. Out of the above analysis the following proposition was created:

Proposition 11: Collectors place paintings created by loved ones in places of prominence where they will be noticed and discussed by others.

Collectors seem to exhibit their maturity in the display of their artwork. Many collectors interviewed had numerous pieces and limited space to display art. As such, almost all collectors had artwork that was not being displayed. When asked how she displayed her artwork, Stella, Respondent 20, said of her collection:

Stella: Most recently, I just moved into a new apartment in July and I spent a lot of time looking for specific posters and like paying the money to get them properly, professionally framed and matted and um, that was like kind of my step towards being an adult with like what I was hanging up on the walls. And so I would say that was like the first time I made the investment and time to put together my work into my, to my apartment.

Stella indicated that she had a collection of European postcards that she had made a collage out of in her parents' house. Stella indicated that this collage represented art to her, but that she had chosen not to bring it with her to her new place. When asked why, she responded:

Stella:...I also don't know that I would like, hang them up as I move forward. I think they are likely to be kept in a box in my basement forever...I think what it just shows me is that my um, interests and my likes are very similar from when I was 16 to what I am now. But I don't think I get a very strong emotional connection to it.

While Stella recognizes her postcards as a part of her artistic identity, she no longer has an emotional attachment to the art. Stella has since invested in making her collection reflective of her transition into adulthood. Interestingly, though Stella indicates that she will never display her postcards again, she similarly will keep them forever. The emotional bond she has towards the postcards is weak, and as such those pieces have not survived for display. Rajkumari, Respondent 7, was asked about which pieces she no longer displays and said:

Rajkumari: There are some things that I have had in the past that I wouldn't necessarily hang up anymore, or like keep around. Like things I have had in college that belonged in my apartment that I wouldn't like in my apartment now...Um, not because I don't like them, but because I feel like they don't fit with the ambiance of my apartment, and like I really liked prints from um, classic films so like, I really liked Audrey Hepburn. I mean like, I still do like her but um, I wouldn't necessarily want my walls coated in pictures of like, movie stars anymore...I think that I just don't enjoy having pictures up of a person on my wall like that anymore. I mean like, I have pictures of friends and family around, but I feel like the artwork I have doesn't really portray anyone known, in a sense. Like I have um, like the painting my parents gave me obviously portrays two women, but it's strange, like I wouldn't want a big glaring picture on my wall, no. I guess it also seems like, like I have outgrown that in some way. Like I feel like that is a high school or a college thing, like you have these movie posters everywhere...I mean I do have an um, Andy Warhol of Marilyn Monroe, but I feel like that is a little different.

Here Rajkumari indicated that while she herself may still like Audrey Hepburn, the act of displaying posters is an immature act. Rajkumari still displays a painting of Marilyn Monroe but as it is a Warhol, she doesn't consider it an immature choice to do so. Interestingly, Rajkumari still considers her posters as art but not art worthy of display for someone of her age.

Proposition 12: Collectors display their art as a sign of personal maturity and growth.

Display, therefore, is another means of extending the self into the artwork. The display of art in the above example is a representation of the stage of life at which the collector finds him or herself. It extends that the true value of art is exhibited not only in the choice to display it, but also in the manner in which collectors choose to display it. The consumption experience only begins at the purchase of the artwork; the means by which collectors choose to display artwork gives a great deal of insight into their motivations and beliefs. Moreover, for collectors, art consumption occurs almost entirely through display.

2.4.4. Consumer Gifting/Receiving

All twenty-seven of the respondents engaged in some form of gifting, either as a giver or as a receiver of artistic goods. While there were numerous themes that emerged, probably the most striking was the emotional connectedness that both the

giver and the receiver expressed not only towards the relationship but also to the object of art given. Giving a piece of art was seen as a very personal action and in almost all instances, respondents expressed that the gift increased the intimacy felt between the two parties involved with the gifting. Givers often indicated that the art they gave to the receivers was a physical manifestation of his/herself or experiences that the individuals had. When asked if he had ever given a gift to someone, Respondent 13, Ryan said:

Ryan: Yes, for my sister's wedding, ah, I gave her three or four Hokusai prints. And, yeah, they are you know, wood block prints. And she still has them, even though she is not married anymore (laughing). Um, (pause), at the time I didn't have a lot of financial resources but I wanted to give her something more personal than like, you know a silverware set or something like that...But, ah, I, where did, oh I bought it at this tiny little store in Tokyo, just the prints and then I bought frames in Japan...and then I brought them over and gave them to her as a wedding present. And she still has them. Actually, I think it is one of her only art pieces.

All respondents were asked if they would be offended if the art they gave as gifts was sold, regifted or donated. In most situations givers stated that they would feel unhappy, hurt, or offended should the receiver get rid of the gift. Ryan said the following at the prospect:

Researcher: Now would you be offended if you found out that either your mom sold the fans that you gave her or your sister sold or gave away the prints you gave her?

Ryan: Ah, maybe (laughing).

Researcher: You would be offended?

Ryan: Yeah.

Researcher: Why?

Ryan: I don't know 'cause it's, it's a, ah, ah. Even though, you know, my sister and her ex-husband aren't together anymore, it was really a gift for her. And I think she knows that. And ah, yeah. I, and same with my mum. Because it is sort of part of my experience in Japan. Ah, especially my sister—she never came to visit me. It is, ah (pause), ah, sort of my way of telling her, um, my way of sharing that experience with her.

Ryan lived in Japan for four years and in previous parts of the interview indicated that he had a strong connection with the country. The exchange above indicates two things: first, that Ryan would not be comfortable with the idea of his sister getting rid of the prints he bought her. Second, Ryan indicates that the prints he gave his sister are a

manifestation of his time in Japan. Further, the act of sharing something personal about his life was a means of sharing a part of himself with his sister. Objects can be imbued with value because they may lend to a person's self-concept (Wallendorf and Arnould, 1988). Individuals express their self-concept through the possession of certain objects (Wallendorf and Arnould, 1988). The loss of certain objects implies the loss of self, as these objects are representations of the self in object form (Belk, 1988). Here Ryan has physically transferred an object that represents his self-concept (having lived in Japan) to a loved one.

Recipients also had a very intimate connection to the art that they were given. Leigh, Respondent 22, said her favourite and most valuable piece was one that her cousin made and gave her:

Leigh: I actually would consider this really beautiful painting that my, that my cousin made for me one of my, probably my most valuable because it was personalized and there is no other one like it and she is a really good painter. So I would definitely consider that the most valuable because it is a really great painting and because of the personal significance.

Leigh was asked if she would be willing to sell that painting at any price and responded:

Leigh: (Laughing) I am sure everybody has a price, right? But no...It is too sentimental.

In the above passage Leigh indicates that not only does the gift have a great deal of personal significance but that she thinks it has value because of the sentimentality that she feels towards the painting. The value of an object can be increased by imposing personal meaning on that object (Richins, 1994). Here Leigh indicates that the personal meaning of the painting increases the value of the mere object because of the connection she has to her cousin, and because her cousin painted for her. In fact, Leigh indicates that it is probably the most valuable piece she has because it was given as a gift. Out of the above analysis, the following propositions were generated:

Proposition 13: The act of giving art is a personal one for both the giver and the receiver.

Proposition 14: The act of giving increases the perceived value of the art to both giver and receiver because parties involved in the gifting impose personal meaning to the gift.

In numerous interviews, respondents indicated that they didn't feel they wholly owned art given them as gifts. For some collectors, pieces that they had given still belonged, at least in part, to the giver of the art. Milo, Respondent 25, was asked why he wouldn't sell a painting his uncle gave him and he responded:

Milo: ...because it's really not one hundred percent mine to sell. I mean it is, but it isn't.

Researcher: What do you mean by that?

Milo: Well, on one hand I own it completely; on the other hand, emotionally, they have emotional attachments to this painting as well. So I would ask my family how would they feel about it, and if they objected I wouldn't sell it.

Milo indicates here that while he may legally own the piece, this ownership is not absolute because the giver of the painting has an emotional attachment to it. Milo believes that because of the attachment the giver feels to the art, he or she has the right, in part, to determine the fate of the piece.

Other respondents felt that only the artist his/herself had the right to sell artwork. Devin, Respondent 21, was given a beautiful photograph by a professional photographer and at the prospect of selling it, said:

Devin: Um, no I wouldn't sell it. The only way I would sell it is if, say, my friend who took it needed money. In my mind it is rightfully his picture so if he wanted to sell it then I would give it to him so he could sell it.

Here Devin indicates that the artist himself is the rightful owner of the photograph. In both of the above examples, the respondents grant at least partial ownership to someone who is not the legal owner of the art. Possessions cannot only be seen as a means of reifying the self-concept but, also, an extension of the self to the outside world (Belk, 1988). In the above two passages, respondents indicate that they can never fully possess the art objects because the art is an extension of the people who gifted it. In the first passage, Milo associates partial ownership of the painting to his uncle who gifted it to him. Milo's uncle has imprinted himself onto the painting by owning

it previously. Further, Milo's uncle's ownership of the piece is reinforced by the emotional connection Milo has to the piece. In the case of Devin, the photograph was given to him by the photographer. Again, Devin is the legal owner of the photograph and yet he believes that the artist has the right to sell it. Devin indicates that not only would he not like to sell the photograph, but that the only situation in which he would consider selling it is if the creator of the photograph needed money. Devin contends that the photograph is 'rightfully' the artist's, not his. Out of the above analysis the following proposition was generated:

Proposition 15: Recipients of art gifts may not see themselves as the absolute owner of the gift. The giver of the art can be seen as partial owner of the art forever.

Numerous receivers of art felt that they would inform the giver before selling gifted art; this reinforces the idea that gifted art is not completely owned by the legal owner. Rajkumari, Respondent 7, said:

Researcher: What about the painting your parents gave you? Is there a price you would sell that at?

Rajkumari: Umm, (pause), it's funny because I don't really think of selling my stuff because like once you know when things are gifted to you, you have an intention of keeping them...

Researcher: And would you communicate with either your best friend or your parents if you were going to sell something that they gave you before you sold it?

Rajkumari: Um, absolutely! ...for sure if I was ever selling one of her pieces!

Here, the mere idea of selling a gift is foreign to Rajkumari. At the same time, if she were starving and forced to sell a gift she would first communicate with the giver. Again, the relationship between the giver and the receiver is very strong and the receiver indicates that in some way the giver has the right to know about the potential sale in advance.

The givers themselves felt that they had the right to be consulted before their gifts had been disposed of. Baxter, Respondent 17, gave a showpiece Ducati to a friend in California. When asked if he believed his friend would ever sell the Ducati, Baxter said:

Baxter: If he did he said he would give it back to me.

Researcher: How do you know that?

Baxter: Well that was kind of like the law. I get first right of refusal if he ever decided he were to sell it. Cause the reason I didn't sell it was that I felt it too valuable.

Here Baxter indicates his belief that if his friend were to get rid of the Ducati, he would immediately give it back to Baxter. Baxter stated that it was 'kind of the law,' that he has the right to take the bike back. He further indicates that he didn't sell the bike because it was too valuable to sell. Devi, Respondent 11, gave a very expensive piece of glass art as a wedding gift to her niece. When asked if she would be upset if she learned her niece had sold the piece she said:

Devi: Yes, [I] would, because then she should have given me the first dibs to get it back. I really liked it and it was way beyond my budget, but I bought it thinking she had just gotten married and she should have something nice to display. That is something that normally when you get married, you normally don't go and splurge on such an expensive gift.

Devi indicates that she would have liked to have first been offered the piece before it was given away. Similar to Charlie, Devi indicates that the piece was very valuable and as such, was gifted. Out of the above analysis, the following proposition was generated:

Proposition 16: Receivers of gifts would consult givers before disposing of art in any way.

Over fifty percent of respondents indicated that their families had been involved in, or planned to involve themselves in generational gifting. The most eminent pattern was people giving gifts to family members. There were two major reasons expressed as to why art pieces should be passed down versus sold for financial gain: the first was that pieces were emotionally tied to the family. This emotional tie to the family was worth more to the family than the financial value on the market. When asked what her long-term intentions were for a painting gifted her by her parents, Heather, Respondent 19, said:

Heather: I would not sell it. Um, and no matter what somebody asked, you know I just wouldn't do that. I hope someday that um, my children will take it and um, put it in their home.

Heather was gifted this painting by her parents at their death. Earlier in the interview she stated that the painting was not one of her most financially valuable paintings and yet carried a great deal of emotional value for her and the family and one of her favourites. Heather states that no matter the amount of money offered she would not be willing to part with the painting and that her intention was for her children to inherit it. Respondent 2, Jim told researchers that he has engaged in the resale of art as well as in the trade of art. He went on to say that not all his art should be seen as potential financial gain as it had more emotional value. Researchers asked him what his intentions were for his favourite paintings and he responded:

Jim: The other pieces, you know Fishing on the Bow, Skaagi and My Mother are, they are big parts of our family. So many family photographs have them in the background. So many events have been held in the rooms where they are hung uh, and um, the kids, our kids are going 'Oh no! You wouldn't sell that!' So they become, they are kind of like part of the family.

Jim associates the paintings as extensions of his family. When asked why he felt these paintings were pieces that should be inherited and why others could be sold, he said:

Jim:...they [the paintings] seem to be a part of their youth. You know they capture a memory and sentiment based on longevity in the house and participation in the room and um, celebration through photography. They are, they are, they are pieces that we have all grown up with. So, I think that the family draw the line and the family draw the line and the family want to own them.

The association of the painting as part of not only the family but the growth of the family indicates a strong emotional tie to the painting. There is no mention of the cultural value of the gift rather that the art carries too much emotional and personal value to transfer it out of the family. Here we see the artwork as a vessel of the family. The above analysis led to the following proposition:

Proposition 17: Pieces with strong emotional ties to the family tend to be gifted to the family rather than sold for financial gain.

The second major reason for gifting art was the belief that art is something to be seen. Collectors with extensive collections seem to value institutional gifting as very important. Collectors indicated that artwork should be appreciated and made available to

those who would appreciate it. Respondent 12, Henry valued his collection at more than half a million dollars and planned the following for his collection:

Henry: ...To this day and I've had it for many, many years and um, I probably one day will bequeath it to somebody who will appreciate it themselves. If not a museum, my wife and I have talked about bequeathing our art collection to a museum.

Many collectors believed that art was something to be viewed and available to members of the public. Michael, Respondent 15, an art academic and owner of a substantial collection of Canadian Aboriginal Art, gifted a photograph to the National Gallery of Canada. He had the following to say of the gift:

Michael: Yeah. The idea is to help; the goal is to help push forward the world of creativity. In that sense I am not a capitalist (laughs)...I would imagine that the photograph is very valuable now.

Researcher: You don't regret having donated it?

Michael: No, not at all. I would assume it's part of a catalogue that's available to students. The National Gallery makes a lot of works available, and you can go in, as long as you are wearing gloves and see the works. Yeah, so I think that's a very important function.

Researcher: So it's important to you that the students have access to it then?

Michael: Absolutely. Any researcher, students or otherwise should have access to those works.

Both these collectors indicate their beliefs that they would like their artwork to be utilized. Henry indicates that he would like his artwork appreciated by the public and has thought of gifting it to a museum so that more people could see it. Michael, an academic himself, believes that people should have access to art. Both collectors made the decision to donate their art to institutions so that more people could have access to the art. This is contrary to those collectors who gifted artwork to family. In the case of family gifting, the art seems to be more personal and not something to be shared widely, whereas in institutional gifting it seems that the goal is for others to appreciate the art, though not in a personal fashion. The above analysis has led to the following proposition:

Proposition 18: Collectors who believe that art is to be viewed and have less of a personal connection to it often engage in institutional gifting.

Gifting was an important aspect of collector behaviour. Gifting art was seen as an incredibly intimate and personal act. Regardless of socio-economic status or age, respondents indicated that art gifting (or receiving) was something they engaged in. The meaning contained in the art was enhanced by the act of giving and this enhancement actually increased the consumer's evaluation of the art itself. Moreover, in numerous circumstances the respondent indicated that he/she saw the art as an extension of the giver and an objectification of the relationship shared by the giver and receiver. The value of the social connection added to the value of the artwork for both the giver and the receiver.

2.5. Discussion

The purchase and consumption of fine art has been popular for centuries (Mei and Moses, 2002). As of 2011, the art market has grown into an astounding \$60.8 billion industry, and yet limited research has been conducted into the motivations of art collectors. Much of the research conducted about behaviour in the fine art market has relied on secondary data that provides little by way of explanation to the psychological benefit that collectors realize when purchasing fine art. While economists have reported mixed results as to the value of investing in fine art, it seems clear that the fine art market is volatile and, at times, unpredictable. As such, numerous questions remain as to why anyone would engage in buying in the art market.

One theme that was repeated in every interview was that collectors have a strong emotional connection to their art. Art was often seen as a vessel to contain emotions or connections to people and places that collectors wanted to stay in contact with. Collectors often stated that specific pieces had increased in financial value because of the emotional value the collector attributed to a painting. Moreover, the idea of financially evaluating a painting to which a collector felt an emotional connection often made consumers agitated and defensive. Numerous consumers stated that specific pieces had so much emotional value that it was impossible to attribute a financial tag to the art and to do so would be demeaning to the art. One consumer went so far as to

count his artwork as a part of the family. The emotional connection was evident not only in the collectors' unwillingness to sell but also in the manner in which they display art and their gifting behaviour. Collectors opted to place artwork with high emotional value in positions of importance within the house over those with high cultural or financial value.

Collectors appeared to value paintings more when they had a connection to the artist. In situations where they knew nothing about the artist, collectors often engaged in research to learn more. Collectors actively researched artists' backgrounds once they purchased art. This was done as a means of connecting with the artist, which in turn increased—for the collectors—the value of the art that had already been purchased. Further, collectors seem to value art more when they felt involved in the act of creating the art. Numerous consumers indicated that they began valuing art more when they saw it being made first-hand. By watching the art being made, the collectors felt they had a part in its the creation. This connection to the artist increased the tie consumers felt to the art and has manifested in their increased financial evaluation of the art.

The act of consuming art gave a great deal of cultural value to the collector of the art. Numerous collectors indicated that they purchased art with high institutional value, such as art created by famous artists or displayed at powerful institutions. One interesting point is that the mere act of consuming art was seen as an act of cultural significance. Numerous consumers indicated that their families were involved in art collection. In most instances, the collectors stated that parents used limited means to get involved with the arts. They went on further to state that their own continued interest in the arts was in part a show of the success of the family's next generation. In many situations, the cultural value of the art was worth more, to the collector, than the financial value. Further, there was a belief that the fact that a collector didn't need to sell art gave them increased status. The generational relationship between art and consumers was also a sign of cultural value. Art pieces maintained in the family for generations were seen as more valuable, not only because of the emotional value but also because of the cultural significance for the family in owning artwork for generations and passing it down.

The purchase and ownership of art contributed greatly to individual collector's concepts of self. Though collectors came from diverse backgrounds almost all of them indicated that a large part of their identities were associated with their art. Their identities

were so tied to art that collectors even said that their artwork incorporated them into it. Here the artwork became an extension of the collectors' own selves; to sell the art or dispose of it would be to give away a part of themselves. This connection went further in that collectors saw the act of giving art as a personal one—so much so that for the recipient to dispose of gifted art would be seen as giving away a part of the giver. Recipients of gifts often stated that they would never dispose of a gift of art because the gift represented not only a loving act but also a connection to the giver. Self-concept was further exhibited in how collectors chose to display their art. Consumers displayed art in a manner expressive of their stage in life. A display of consumers' own maturity and growth was intended in choices made by them about what art to display and how to display it. Finally, consumers used their art as a means of extending personal stories for display. Art representing personal growth, right of passage or emotional growth was often displayed in areas where others would see it. The display of art was a means of bringing the private past into the open and displaying it as a means of self-identification.

Probably the most surprising finding in this essay was collector concept of ownership. Ownership was often stated as not being absolute. In some situations collectors stated that they could not own a piece of art because of the emotional connection others had for the art. Emotional connection, therefore, added not only to the financial value of the painting but also to the consumer's belief in his/her questionable ownership of a piece of art. Numerous times collectors stated that only the artist had the right to sell their art for gain. In one case a collector stated that he was merely the collector of the art but not the outright owner because he didn't create it. In gifting situations, the emotional connection that a giver had to a piece of art not only heightened its importance to the receiver but also complicated or even took away absolute ownership from the receiver of the art. Finally, collectors often attributed ownership of great art to the public. Numerous collectors indicated that great art should not be owned by anyone and should be on display for the public. Here, collectors attributed no absolute ownership to any individual rather to society as a whole.

Existing alongside the idea that art is never owned absolutely was another interesting concept: that art is too valuable to sell. Value was measured in the joy art would bring an individual. Numerous respondents stated that they would never sell any of their art because it had too much value. Consumers indicated that market value for

the items would be significantly less than personal value for the collector. Further, numerous collectors stated that they would never sell artwork because they didn't trust that others would value or love the artwork as much as the collector. Here we see that collectors often anthropomorphize their art to the point where they worry about the well being of the piece. This idea is connected to the collector believing that art is an extension of self, collectors wouldn't trust *just anyone*, to take care of piece that they loved so much. Collectors felt that the art, like a living being needed to be loved and shown respect. This also indicates a strong emotional connection between the collector and the artwork beyond that of normal consumable objects.

Collectors had a strong sense of philanthropic obligation. Collectors felt it was their duty to provide for artists through the purchase of goods. Collectors seemed to take pride in their ability to support artists and allow talented individuals to continue creating. This philanthropy added value to collectors in two ways: 1) the act of giving to artists gave cultural value to collectors, and 2) it contributed to collectors' concept of self. Collectors gained cultural significance in having enough funds to help a struggling artist. The act of giving to artists who were less fortunate indicated that collectors had amassed enough wealth to take care of others. Further, the collectors felt a strong connection to the artists through the act of helping them; they defined themselves not only as collectors but also as supporters of the arts.

While much of research on consumption in the fine art market has looked at macro-level behaviours, there is limited research into consumer behaviour on the micro-level. Probably the most important finding of this research is that merely charting the financial appreciation or depreciation of art misses most of the point of consumption in the fine art market. Very few respondents indicated that they had any interest in the financial appreciation of their art; the value art gave consumers was much more on an emotional and cultural level versus a financial one. Consumer connectedness to their art as well as connectedness to the situation in which the art was bought seems to be the driving factor for most consumers. This essay provides a more nuanced understanding into consumer behaviour in the fine art market beyond financial gain.

2.6. Limitations

One major limitation of this study, and qualitative research in general, is that it is not generalizable. Generalizability is sacrificed in order to get a richer, deeper understanding of a specific phenomenon. The art market is heterogeneous not only in the product type but so too in collectors and as such the behaviour, and certainly the beliefs, may vary in a bigger population. The collectors market is a very specific one, and one that wouldn't be easily reached through other techniques such as survey or experiment, which would certainly lead to more precision in the findings. Further, the author used a convenience sample of collectors known to the author prior to the study. Twenty-six of the twenty-seven informants were either American or Canadian. Six of the twenty-seven informants were of East Indian descent. Finally, responses were made at a specific period of time about specific pieces of art. This art is embedded with cultural value that is made in part by the time we interviewed respondents. Certainly, cultural value and beliefs may change if we spoke with individuals at a different time.

2.7. Contributions and Future Research

While numerous studies have been conducted to chart financial valuation in the fine art market, few studies have been conducted as to consumer behaviour on the individual level in the fine art market. Collectors in the fine art market are often difficult to reach by nature of their exclusivity and privacy issues. Through the analysis of depth interviews the preceding essay provides a series of propositions and theory as to consumer behaviour in the fine art market. Concepts of ownership, gifting and emotional connection surfaced. These propositions provided theoretical contributions to the area of consumer behaviour and fine art. Another contribution of the essay is a better understanding of how connectedness impacts consumer evaluation of art and different means by which consumers connect to art. This extends the literature about luxury products and consumption. Art is seen as a luxury product by most collectors, and when asked why they didn't invest in other luxury goods almost all of them said that the lasting nature of art and the connection they felt to the art made it infinitely more valuable. Dealers within the art market can utilize this information to better serve collectors. Finally, the essay provides interesting insight into the act of generational gifting and

value. Art provided families with emotional, cultural and financial value through gifting. The cultural value of gifting art through the generations was highly important to collectors. Moreover, the emotional bond that art held for collectors to the past was of extraordinary importance to collectors. These findings contribute to the literature related to consumer behaviour and gifting.

Avenues for future research include further investigation into the relationships shared between a collectors and artists. In numerous situations the collectors had never met the artists but they felt a strong connection to them. Numerous artists we spoke with stated that their relationships with their buyers were incredibly intimate. One artist went so far as to equate his relationship with his buyers to that of a family member. Artists may rely on the collectors as a source of income, and yet the relationship goes far beyond that. Additional research into the relationships between artists and collectors would shed more light into collector motivations to buy.

Another interesting point that came out through the paper was that of institutional gifting. Numerous collectors indicated a belief that artwork was meant to be displayed for the public and that no individual had the right to own great works of art. Future research could focus on this idea that art is never absolutely owned by an individual and the idea that great art should be seen.

3. Essay 2: Negative Affect Intimacy

3.1. Introduction

Much of behavioural research has focused on an individual's desire to avoid negative affect (Isen, 1984; Larsen, 2000; Levav and McGraw, 2009; Maio and Olsen, 2000; Russell, 2003) and attempt to preserve positive affect (Maio and Olsen, 2000), yet there exists a paradox whereby individuals seem to seek out art laden with negative affect tags (Andrade and Cohen, 2007; Kelly, 2012). Artwork laden with images of anguish, despair and sadness can often find critical and commercial success (Kelly, 2012; Sotheby's, 2012). Preliminary research has been conducted showing a correlation between popularity in art and certain negative affect (Andrade and Cohen, 2007). Dr. David Jackson (Leeds University) argues that art imbued with negative imagery has the potential to affect consumers deeply and thus gain great popularity—precisely because it portrays complex and difficult feelings to which we can all relate (Kelly, 2012). Paper 2 examines how affect tags influence consumer evaluation of art. We propose that negative affect tags (versus positive affect tags) increase consumer evaluation of fine art and that this relationship is mediated by consumer-felt intimacy towards the creator of the art. We propose that that negative affect tags (versus positive affect tags), increase consumer feelings of connectedness to the artist and in turn increase consumer evaluation of the painting. Figure 1 depicts the proposed relationship between affect tags, intimacy and consumer evaluation. One field study and three experiments were designed to test this proposed relationship; a thorough literature review, methodology, results and discussion are all included in the pages that follow.



Figure 1: Proposed Model

3.2. Literature Review

3.2.1. Consumer Behaviour and Affect Tags

Before analyzing how affect tags influence consumer behaviour, it is important to first understand affect. Affect is the feeling and emotional dimension of the human response system (Belch et al., 2008) and is often categorized by valence—either positive or negative (Schwarz and Clore, 1996; Watson et al., 1984). Affect is often used as an umbrella term to encapsulate feelings, mood and emotion (Schwarz and Clore, 1996). Affective responses can manifest in different levels of intensity and duration. For example, emotions are often associated with intense, short-lived psychological responses (Schwarz and Clore, 1996). Moods on the other hand often come about gradually and last for a longer period of time (Morris, 1989; Schwarz and Clore, 1996). Products, services and even money can be imbued with positive or negative affect tags. These tags act in two ways: first, affective tags can be used as information for individuals (Schwarz and Clore, 1996). Second, affective tags elicit affective responses and change consumption behaviour (Levav and McGraw, 2009). Cognitive experiences such as fear, surprise or boredom also inform individuals and can elicit affective responses (Andrade and Cohen, 2007; Schwarz and Clore, 1996). While there are specific definitions for mood, emotion and feelings, for the purpose of this dissertation, affect is used as an umbrella term, acknowledging that there are specific meanings for emotion, mood and feelings. Further, when using terms such as mood manipulation, this is done simply because these are the terms used by the authors and not in an attempt to make claims about affect versus emotion or mood.

Individuals, on average, estimate the affective value of negative affect higher than that of positive affect (Kermer, Driver-Linn, Wilson, and Gilbert, 2006). The

expected intensity of potential negative affect experiences is what leads to the heightened value assessment of negative affect (Kahneman and Snell, 1992; Kermer et al., 2006; Wilson and Gilbert, 2003). Individuals fear not only the intensity of the feeling but also the amount of time it takes to escape a negative affect experience. Research extends that the desire to avoid potential negative affect is a strong motivator to behaviour (Kahneman and Snell, 1992; Kermer et al., 2006; Wilson and Gilbert, 2003).

The basic human desire to manipulate and regulate affect, known as mood regulation, emotional regulation and affect regulation, is well documented in the literature (Isen, 1984; Larsen, 2000; Levav and McGraw, 2009; Russell, 2003); consumption is one method that individuals employ in affect regulation (Tice, Bratslavsky, and Baumeister, 2001). Affect manipulation, also known as affect regulation, is the human propensity to attempt to diminish negative affect and maintain or attain positive affect (Levav and McGraw, 2009). When objects are imbued with negative affect qualities, individuals often try to cleanse these objects (Levav and McGraw, 2009). This is a form of affect regulation associated with the tag of the product. Individuals do not want the negative affect associated with the product to extend to one's person.

There are numerous ways in which individuals use consumption as a means of affect regulation, and the majority of studies to date focus on consumption as a mode of catharsis in affect regulation. When individuals consume as a means of catharsis, the act of consumption is used to alleviate the negative feelings a person is having. For example, if an individual is feeling negative towards a situation, he might eat fat-rich foods or drink an excess of alcohol because he believes the consumption will lessen negative feeling. In one study related to negative affect and consumption, participants were randomly assigned to one of two conditions: in one condition participants were asked to read 20 words imbued with negative emotions, while in the other condition participants were asked to read 20 words imbued with positive emotions. All participants were then granted the opportunity to consume beer (Zack, Poulos, Fragopoulos, Woodford, MacLeod, 2006). Participants who read words with negative affect tags consumed more beer on average than those who read positive words (Zack et al., 2006). Tice et al. (2001) demonstrated that individuals who believed that eating junk food would make them feel better consumed more than those who believed that the consumption would have no effect on their mood. As is evidenced by the previously

described studies, consumption patterns of individuals are well documented in conditions of negative emotion as a means of mood manipulation/regulation. It extends that the urgency of mood manipulation would increase consumer demand and evaluation, e.g. if a consumer is particularly unhappy he would be willing to pay more for a product that would diminish his negative mood. While consumption as a means of mood regulation is well documented, additional research is needed charting the effects of consumption as a means of negative mood amplification.

While affect regulation is the attempt by individuals to mitigate negative affect, affect amplification is the opposite; in consumer behaviour amplifications exist when consumers attempt to augment emotions through consumption. Negative affect amplification is the intensification of negative moods through rumination by individuals (Blagden and Craske, 1996). Negative affect amplifications are situations where individuals excessively ruminate on negative feelings, thus inducing inward focus and amplifying existent negative feelings (Blagden and Craske, 1996). Rumination is associated with heightened anxiety (Blagden and Craske, 1996; Harrington and Bankenship, 2002), indicating heightened arousal. Mood amplification is seen in consumer consumption of music and other art (Bruner, 1990). Music has been shown to have a significant impact on consumer behaviour (Gorn, 1982; Bruner, 1990) and affect (Mayer, Allen and Beauregard, 1995; Alpert and Alpert, 1990). Negatively tagged music can amplify inward focus and augment feelings of sadness and despair (Mayer et al., 1995; Alpert and Alpert, 1990). Consumers who choose to listen to music imbued with negative affect as a means of soliciting amplified negative emotion or to dull feelings of happiness are using the consumption of music to realize negative affect. It extends that when consumers would like to increase negative feelings, one mechanism to do so is the consumption of music as a mood amplifier. This creates a paradox because while, on average, individuals will use consumption as a means of mood regulation (as the study of beer consumption demonstrates), there exist numerous other instances where individuals will consume as a means of mood amplification (as we see with music consumption).

Affect amplification has also been documented in the consumption of movies. The popularity of the horror film genre has exploded in recent history (Andrade and Cohen, 2007). These authors studied the effects of negative affect on horror movie

viewers and their findings supported the idea of using art as a means of mood amplification. Specifically, Andrade and Cohen found that consumers sought out horror films as a means of increased psychological arousal. Their research extended the idea of psychological amplification to include consumption behaviour where individuals are actually seeking out negative affect rather than avoiding it.

Affect regulation can be triggered by internal and external factors. Internal factors would include emotions felt by the individual that are separate from any external product. Affect regulation has been most studied in situations where the negative emotion is internalized. Consumers interact with external products embedded with affect every day. These external emotional triggers have the power to indicate or elicit certain feelings in consumers and even change behaviour (Levav and McGraw, 2009). Negative affect tags are indicators to consumers that a product, service or money is imbued with negative emotion. An example of a negative affect tag is inheritance money received after the death of a friend or family member (Levav and McGraw, 2009). The inheritance is not viewed strictly as an economic gain because it is the outcome of the loss of a loved one. External negative affect tags still trigger mood manipulation (Levav and McGraw, 2009). Levav and McGraw (2009) showed that consumers tried to emotionally cleanse funds received with negative affect tags in order to regulate feelings associated with the money. An external tag, in this example, triggered the negative emotion; participants were given a prime indicating that the money had come from the death of a family member (Levav and McGraw, 2009). In this study, participants indicated that they would purchase utilitarian goods versus hedonic goods when the funds came with a negative affect tag as a means of laundering the money; participants used consumption to manipulate the negative tag associated with the money (Levav and McGraw, 2009). Though negative affect tags are external, they still have the power to elicit affect regulation behaviour in consumers.

While extensive research has charted that consumption can act as a mode of affect regulation and amplification, there is limited research as to the influence of negative affect tags on consumer evaluation of products. Past research has suggested that when participants are confronted with negative affect tags, consumer evaluation of stimuli decreases (Winkielman and Cacioppo, 2001). However, in other situations, such as with horror films, negative affect tags can increase consumer evaluation (Andrade

and Cohen, 2007). By virtue of the increased arousal caused by negative affect in relation to art, it is proposed that fine art imbued with negative affect tags will lead to increased consumer evaluation.

3.2.2. *Negative Affect Intimacy*

By virtue of the hand made, heterogeneous nature of paintings, it is proposed that consumers experience a level of connectedness or intimacy with the artists who produce them. The perceived intimacy between consumer and artist heightens the arousal felt to the affective tag. The purpose of this section is to generate hypotheses based specifically on the mediating role of intimacy between negative affect tags and consumer evaluation of fine art. A review of literature related to negative affect and intimacy follows.

One form of negative affect is sadness. Sadness has been extensively studied throughout the literature and can shed some light on the relationship between negative affect and intimacy. One important aspect of aversive (or negative) affective states is that they are feared and to be avoided (Taylor and Rachman, 2002). Sadness is the state of experiencing or feeling sorrow and unhappiness. Sadness is made up of three components: biochemical, experiential and expressive (Taylor and Rachman, 1991). Experiential sadness encompasses feelings such as depression, negative mood, loneliness and gloom (Taylor and Rachman, 1991). Expressive sadness encompasses behavioural components such as speech patterns, facial expressions and posture (Taylor and Rachman, 1991). Sadness can be a sustained or temporary condition—that is, people experience sadness in different levels and for different periods of time. Different levels can be attributed to difference in connection to the source of the sadness, differences of intensity and differences in the biochemistry of an individual.

Beyond the biochemical and physical manifestations of sadness, studies have shown that the processing strategies in a state of sadness are actually different than those in a state of happiness (Bodenhausen, Sheppard and Kramer, 1994). Sadness triggers more detail-oriented processing (Bodenhausen et al., 1994) and problem-solving ability (Schwarz, 1990; Schwarz, 2000; Schwarz and Clore, 1996), whereas happiness triggers more abstract processing and outward focus. Further, positive affective states are associated with more heuristic processing while negative affect

states are associated with more inward thinking (Schwarz and Clore, 1996; Schwarz, 2000). Increased problem-solving ability is associated with an individual's increased thoughtful, systematic processing when in a sad state (Bodenhausen et al., 1994). Increased problem solving ability is often associated with negative affect because of the systematized processing that occurs when individuals are inwardly focused (Bodenhausen et al., 1994). The inward focus of sadness triggers feelings of vulnerability and negative mood amplification (Mayer et al., 1995). It is the vulnerability and inward focus that sadness produces which allows for the creation of intimacy between parties who share moments of sadness.

Intimacy is a perceived connectedness or understanding between individuals—a very deep level connection. Cordova and Scott (2001) proposed that intimacy is an exposed vulnerability between two people. They introduce the idea that intimacy not only occurs between two individuals but that perceived vulnerability of one or both individuals is a necessary condition to feelings of intimacy. Negative affect, in many cases, causes inward thoughtful reflection (Bodenhausen et al., 1994). This inward focus exposes vulnerability in many people. Prager (1995) reported that when asked to disclose examples of intimacy, the most common responses dealt with self-disclosure, feelings and private thoughts. This further supports the idea that when individuals share internalized private emotions intimacy is increased. Because sadness and negative affect result in heightened levels of vulnerability, the act of sharing these emotions increases feelings of intimacy towards those who share such feelings.

Cordova and Scott (2001) further defined intimacy, adding that it occurs when the vulnerable behaviour makes a person open to interpersonal punishment, where interpersonal refers to interaction between individuals. They extend that that sadness, love, hurt and pain all expose people to interpersonal vulnerability. Punishment refers to believed exposure to censure or punishment. For individuals to fear potential punishing behaviour one of these four conditions must exist: 1) they must engage in behaviour that is known to them to lead to punishment (Cordova and Scott, 2001), 2) witness another being punished for the behaviour (Masia and Chase, 1997), 3) be informed that the behaviour will result in their own punishment (Hayes, 1989) or 4) experience/witness punishment for related behaviour (Barnes and Roche, 1997). Sharing feelings of sadness, contemplation and negative affect are all behaviours that could qualify as

punishable (Cordova and Scott, 2001). Given the Cordova and Scott (2001), investigation into intimacy, negative affect tags seemingly could lead to feelings of intimacy. The following hypotheses were therefore generated:

Hypothesis 1 (H1):

Negative affect tags will increase consumer evaluation of the painting versus positive affect tags.

Hypothesis 2 (H2): Negative Affect tags will increase consumer feelings of intimacy to the painting and the artist.

Hypothesis 3 (H3): The relationship between affective tags and consumer evaluation is mediated by perceived intimacy.

Hypothesis 4 (H4): Intimacy will increase consumer evaluation of paintings.

Three experiments and a field study were run to test each of the four hypotheses and are included in the section that follows.

3.3. Field Study 1

3.3.1. Method

An explorative field study was run as a means of better understanding how negative affect tags influence consumer behaviour in an actual live market. Sotheby's is one of the most influential and profitable auction houses in the world. Sotheby's has a public database charting thousands of sales over decades. All transactions that have occurred in Sotheby's since the early 20th century are available online. Transaction information includes the price at which art sold, the recommended price by Sotheby's experts, information about the collection being sold and ample information about the artists. For the purpose of the field study, publically available information through the Sotheby's website was used to better understand how affect tags influence sales in a live market.

3.3.2. Design

The most commonly viewed negative affect tag in art sales is the death of an artist. All artwork sold through reputable dealers, such as Sotheby's, will contain information about the artist including the years of birth and death. For the purpose of the

field study, five artists' sales were charted and compiled from the Sotheby's online database. We looked at artwork sold between January 1, 2000 and September 1, 2011. The artists analyzed were: Monet, Rothko, Picasso, Klimpt, and Van Gogh. All artists analyzed had passed away prior to the dates analyzed. There were 42 paintings analyzed by Monet, 1144 by Picasso, 5 by Van Gogh, 87 by Klimpt, and 13 paintings by Rothko.

3.3.3. Procedure

Information related to paintings' sale dates, time elapsed between painting creation and the death of the artist, and sale price in comparison (above or below) to the expected price were all charted. For example, if a painting was created 40 years prior to the death of an artist, it was listed as a 40. Auction houses such as Sotheby's publish information about paintings including the expected price that a painting will sell for. After sales are made, they also include the sold price. We analyzed the data by charting the percent difference between the median expectation for the value of a piece of art (as stipulated by Sotheby's experts), and the price at which it was ultimately sold.

The decision was made to keep all five artists separate in the analysis. The reason for this was twofold: first, the artists' products are sufficiently different that they cannot be viewed as equivalent goods. And second, Picasso was a prolific artist who produced significantly more product than did all the other artists analyzed combined. Were we to lump all of the artists into one single analysis, their artwork would be rendered insignificant relative to the over 1000 paintings of Picasso that were analyzed. In the end, the paintings were coded and input into a spreadsheet, and regressions of the number of years from the death of the artist to the percent over or under the Sotheby's expected price were run. Scatterplots can be seen in Appendix C. As there were so few paintings done by Van Gogh no scatter-plot is included for his paintings.

3.3.4. Independent Variable (IV)

The independent variable (IV) in the field experiment was the years from the death of the artist that the painting was created.

3.3.5. *Dependent Variable (DV)*

The dependent variable (DV) was the percent over or under the expected price, at which a painting sold as set by Sotheby's.

3.3.6. *Results*

This field study provided mixed results. Five regressions were run keeping each artist separate for the reasons previously stated. In the case of Monet there was a significant relationship between the percent over the expected price at which a painting sold and the number of years between its creation and the death of its painter. Paintings created closer to the death of Monet, on average, sold at a higher rate above the recommended price than those paintings that were made closer to his birth ($F(1,41)=4.24$, $p<0.05$, $R^2=0.094$). For Rothko, there was no significant relationship between the years from the death of the artist to the creation of the painting relative to the percent over or under the recommended price from Sotheby's ($F(1,12)=0.502$, $p>0.05$, $R^2=0.04$). In the case of Picasso's paintings, there was also a significant relationship between the year paintings were created relative to the year of the artist's death, and the amount of the percent over or under the recommended price ($F(1,1143)=4.054$, $p<0.05$, $R^2=0.004$). For Picasso; earlier works were valued over the recommended price more often than those paintings that were created closer to his death. Though there were so few paintings sold in the prescribed time of Van Gogh, the regression was run and, expectedly there were no significant results ($F(1,4)=0.55$, $p>0.05$, $R^2=0.155$). Finally, in the case of Klimpt, there was no significant relationship for years from the death of the artist to the creation of the painting as a predictor of price above or below expected price by Sotheby's ($F(1,86)=0.204$, $p>0.05$, $B=0.486$, $\beta=0.049$, $R^2=0.002$). The inconsistent findings, mixed with the low R^2 with all artists, indicates that the years from the death of the artist that the painting was created in not a reliable predictor of sales price over or under Sotheby's estimates. One possible reason that Picasso's earlier work sold on average at a higher rate over estimates versus later work is that his Blue Period took place 1901-1904, and his Rose Period from 1904-1906. These two artistic periods are considered historically significant for Picasso. Similarly, Monet's most famous works, his *Water Lilies* were created towards the end of his life, which may account for the significant relationship as indicated above. These mixed results indicate that there is not a universal rule to apply for all artists.

3.4. Experiment 1

3.4.1. Method and Hypothesis 1

In order to further test the role of affect tags in consumer evaluation of fine art, three experiments were designed. Experimentation is a favoured method where control and internal validity are desired (Kirk, 1995). The natures of all four hypotheses are exact and as such, to better test them, methodological control is important. Further, as the focus of the paper is on psychological and behavioural constructs, experimentation is the ideal methodology to amplify internal validity (Kirk, 1995). Out of the literature review above, the following hypothesis as to the relationship between affective tags and consumer evaluation was generated:

H1: Negative affect tags will increase consumer evaluation of the painting relative to positive affect tags.

3.4.2. Design

In order to test H1 a three-level (positive/negative/neutral) between-participants experiment was designed (Creswell, 2009; Campbell & Stanley, 1963; Kirk, 1995) to determine the role of affective tags on consumer evaluation of expected price. A convenience sample comprising of 75 MBA students from a large business school in the Pacific Northwest was employed. Participants were paid \$2.00 to complete a short survey related to their evaluation of a painting.

3.4.3. Stimulus and Procedure

Participants were shown a painting with a brief description of the artist, including his education and his motivations for creating the painting. Participants were randomly assigned to one of three conditions: negative affect tag, positive affect tag or neutral tag. Participants were either told the painting was created at the death of the artist's son (negative tag), the birth of the artist's son (positive tag), or no information was given related to the motivation of the artist (neutral) (Appendix D). Included in the survey were PANAS (Positive and Negative Affect Scale, Watson et al., 1988) and happiness scales (the Lyubomirsk and Lepper (1999) measure of subjective happiness). Happiness and PANAS scales were included for two reasons; 1) to control for consumer-felt emotions

prior to the experiment and 2) to gauge if the stimuli changed consumer emotion. Participants were asked to first read the description of the artist's motivation while looking at the painting, and then to answer questions about the artwork. Included in the assessment were questions related to the financial value of the painting. Specifically, participants were asked what they expected: the painting to sell for today, the painting to sell for in 10 years, and if the painting seemed expensive or not.

3.4.4. *Independent Variable*

The independent variable in the experiment was the affect tag associated with the painting that participants were asked to evaluate. Participants were randomly assigned to one of three conditions: death of the son (negative affect tag), birth of a son (positive affect tag), or no information about the motivation of the painting (neutral affect tag). The painting, and the survey remained the same in all three conditions.

3.4.5. *Dependent Variable*

The dependent variable (DV) for the first experiment was the participants' financial evaluation of the painting. The DV was tested in three different ways: 1) expected price today, 2) expected price in ten years and 3) perceptions of how expensive the painting was (7-point likert scale Inexpensive (1) – Expensive (7)).

3.4.6. *Results*

A one-way ANOVA with price today, price in ten years and perceptions of how expensive the painting was as dependent variable and affect tag as independent variable, supported a significant main effect in all three measures: 1) expected value today ($F(2, 72) = 4.354, p < .05$); 2) expected value in ten years ($F(2, 72) = 5.692, p < .01$); and 3) perceptions of how expensive the painting was ($F(2, 72) = 4.167, p < .05$). Please see Appendix E. These results show strong support for the main effect affect tag as a predictor of consumer evaluation.

3.5. Experiment 2

3.5.1. Method and Hypotheses 2 and 3

Study 1 supported H1 and the main effect. Specifically, Study 1 provided evidence that negative affect tags can increase the perceived financial value of a painting versus positive affect tags. The purpose of Study 2 is to examine the proposed mediating role of intimacy. After uncovering a main effect, (the relationship between affect tags and consumer evaluation), examining a mediating effect identifies mechanisms (intimacy) that influence the relationship between the dependent variable (consumer evaluation) and the independent variable (affect tag) (MacKinnon, Krull, Lockwood, 2000). In order to further test the proposed mediating role of intimacy between affect tags and consumer evaluation, Experiment 2 was designed. Once again precision was the goal, and as such an experiment was chosen (Kirk, 1995). Out of the literature review, the following hypotheses as to the mediating role of intimacy were proposed:

H2: Negative Affect tags will increase consumer feelings of intimacy to the painting and the artist.

H3: The relationship between affective tags and consumer evaluation is mediated by perceived intimacy.

3.5.2. Design

In order to test H2 and H3, a three-level (positive/negative/neutral) between-participants experiment was designed (Creswell, 2009; Campbell & Stanley, 1963; Kirk, 1995) to gauge the mediating role of intimacy between affective tags on consumer evaluation of expected price. In the analysis that follows, we compare negative affect tags to positive affect tags. A convenience sample comprising of 87 students from a large business school in the Pacific Northwest was employed. Participants were paid \$2.00 to complete a short survey related to their evaluation of a painting. Seven students were excluded from the analysis because they failed the manipulation check, didn't complete more than 5 questions and self-reported their English language skills at a 1 or 2 on a 5-point Likert scale.

3.5.3. Stimulus and Procedure

Participants were shown a painting with a brief description of the artist including his education and his motivations for creating the painting. Participants were randomly assigned to one of two conditions: negative or positive. Participants were either told the painting was created at the death of the artist's son (negative tag), or the birth of the artist's son (positive tag) (See Appendix D). Participants were also asked to answer questions related to perceived connection to the artist. Questions indicating intimacy were on a 7-point Likert scale: 1) The artist shares something difficult to share in this painting; 2) I know something about the artist after seeing this painting; 3) The artists vulnerability is evident in this painting; 4) I feel a connection to the artist; 5) I feel for the artist after viewing the painting. The scale items were analyzed and deemed to be a part of the same measure (Cronbach's Alpha = 0.856).

3.5.4. Independent Variable

The independent variable in the experiment was the affect tag associated with the painting that participants were asked to evaluate. Participants were randomly assigned to one of two conditions: death of a son (negative affect tag) or birth of a son (positive affect tag). The painting remained the same in both conditions (Appendix D).

3.5.5. Dependent Variables

The dependent variables (DV) for the second experiment were the participant financial evaluation of the painting and the intimacy scale described previously.

3.5.6. Results

For the purpose of the testing the mediation the neutral condition was excluded from the analysis. The purpose of the analysis was to see if negative affect tags increased perceived intimacy versus positive affect tags. The neutral condition didn't contain an affect tag at all and as such the analysis for mediation was run only for the negative and positive conditions. The Baron and Kenny (1986) method of testing for mediation was employed (Lance and Vandenberg, 2009). A regression was conducted with evaluation of price in 10 years as dependent variable, and affect tag as independent variable. A significant main effect was identified ($F(1,55)=6.430$, $p=0.014$); the main

effect was thus supported. Participants in the negative affect tag condition evaluated the painting as more expensive (5.40 on a 7-point likert scale) versus positive affect tag condition (3.67 on a 7-point likert scale); this supports Step 1 of the Baron and Kenny mediation test. For Step 2 of the mediation test, a regression with intimacy as a dependent variable and affect tag as an independent variable was conducted and showed a significant effect ($F(1,56)=14.490, p<0.001$). Thus Step 2 of the Baron and Kenny test for mediation was satisfied. Step 3 for the test was similarly satisfied, a regression was conducted with price in 10 years as a dependent variable and intimacy as an independent variable ($F(1,55)=4.72, p<0.05$). Finally, in Step 4, a regression was conducted price in 10 years as a dependent variable and affect tag as an independent variable controlling for intimacy, this relationship was not significant indicating full mediation ($p>0.05$). According to the Baron and Kenny (1986) method of testing for mediation, these results indicate a fully mediated relationship. Results from this experiment showed support for the model proposed (see figure 1).

3.6. Experiment 3

3.6.1. Method and Hypotheses 4

Study 2 supported the theory that the relationship between negative affect tags and consumer price evaluation is mediated by consumer-felt intimacy towards the creator of the art. Because this relationship was supported, the final experiment was utilized as a means of manipulating the intimacy or connectedness the consumer feels towards the art. Specifically in this final experiment, we manipulated the feelings of intimacy consumers were feeling prior to looking at the painting or evaluating it. We then manipulated the affect tag and charted the changes in consumer evaluation. Here we specifically tested H4:

H4: Intimacy will increase consumer evaluation of paintings.

3.6.2. Design

In order to test H4, a two (positive affect tag versus negative affect tag) by two (close versus far) experiment was designed (Creswell, 2009; Campbell & Stanley, 1963; Kirk, 1995). An online sample comprising of 160 individuals was employed. Participants

were paid \$2.00 to complete a short survey related to their evaluation of a painting. Nine participants were excluded because they failed to complete over 50% of the questions.

3.6.3. *Stimulus and Procedure*

Participants were randomly assigned to one of four groups: Distance Word Jumble, Positive Affect Tag; Distance Word Jumble, Negative Affect Tag; Connected Word Jumble, Positive Affect Tag; Connected Word Jumble, Negative Affect Tag. Participants were first asked to complete a series of word jumbles. They were asked to unscramble the words to the best of their abilities. Participants either received word scrambles with words indicating connectedness and intimacy such as: near, love and connected; or words indicating distance such as: far, distance or uncaring. After they unscrambled the words, participants were shown a painting with a brief description of the artist, including his education and his motivations for creating the painting. Participants were either told the painting was created at the death of the artist's son (negative tag), or the birth of the artist's son (positive tag). Participants were also asked to answer questions related to perceived connection to the artist and price expectation similar to experiment 2. The same intimacy scale was used to assess connectedness in this experiment as in Experiment 2.

3.6.4. *Independent Variables*

The independent variables in the experiment were the affect tags associated with the painting that participants were asked to evaluate and the word jumble. Participants were randomly assigned to one of four groups: Distance Word Jumble, Positive Affect Tag; Distance Word Jumble, Negative Affect Tag; Connected Word Jumble, Positive Affect Tag; Connected Word Jumble, Negative Affect Tag. The painting remained the same in all four conditions.

3.6.5. *Dependent Variables*

The dependent variables (DV) was the financial evaluation of the painting.

3.6.6. Results

A 2(Near or Far Word Prime) by 2(Negative or Positive Affect Tag) ANOVA using expected price of the painting in ten years as a dependent variable showed no significant interaction ($F(1, 148)=0.017, p>0.05$). There was no significant main effect for negative versus positive affect tag ($F(1,148)=1.604, p>0.05$). And no difference was found between the near versus far primes ($F(1, 148)=1.898, p>0.05$). A 2(Near or Far Word Prime) by 2(Negative or Positive Affect Tag) ANOVA using intimacy felt towards the artist as a dependent variable found no significant interaction ($F(1,148)=0.000, p>0.05$). A significant main effect for affect tag was found ($F(1,148)=9.563, p<0.005$). And no difference was found with near versus far word primes ($F(1,148)=0.000, p>0.05$). A t-test uncovered a significant difference in expected price in ten years when comparing participants in the Near Word Prime, Negative Tag Condition versus those in the Far Word Prime, Positive Tag Condition ($t=2.056, df=71.523, p(\text{two-tail})= 0.043$). A regression was run with price in 10 years as a dependent variable and Intimacy as an independent variable and found a significant relationship ($F(1,150)=15.48, p<0.005$). This finding supports H4, that consumer felt intimacy increases price evaluation of the painting. Priming the participants with the word jumbles erased the main effect found in the first two experiments. Interestingly, when looking at the two extremes, and Near, Negative Condition versus Far, Positive Condition there is still a significant difference in the means. Further, Intimacy was still a strong predictor of price evaluation. (See Appendix F)

3.7. Discussion

In this essay we proposed a model depicting four significant relationships. The first relationship proposed was that negative affect tags increase consumer evaluation of fine art. Put simply, we proposed that art laden with negative affect tags is more financially valuable to consumers than art laden with positive affect tags. This relationship is one that we have seen throughout popular culture (Kelly, 2012). Images of depressed, downtrodden even suicidal artists prevail in society. Some of the most famous artists, such as Van Gogh and Rothko, are spoken about almost as much for their madness and states of depression as for their considerable talent. The data from

these experiments supported this idea that consumers actually attribute a quantifiable difference between art with negative affect tags to that with positive affect tags. Consumers consistently evaluated the exact same painting as more expensive when they were told it was produced at the death of an artist's child versus the birth of the artist's child.

We propose the reason that consumers actually valued the painting with a negative affect tag as more expensive is that they felt a connection to the artist. We proposed, and supported the idea that negative affect tags (versus positive) actually increased consumer-felt intimacy towards the painting. This relationship exists because the artist, in sharing his or her vulnerable (the sadness), with another person (the audience). Intimacy is an exposed vulnerability between two people (Cordova and Scott, 2001). Negative affect, in many cases, causes inward thoughtful reflection (Bodenhausen et al., 1994). This inward focus exposes vulnerability in many people. Further, individuals evaluate the emotional intensity of negative affect as much higher than positive affect (Kahneman et al., 1991). Negative affect is something that individuals believe is to be protected against and avoided. Prager (1995) reported that when asked to disclose examples of intimacy, the most common responses dealt with self-disclosure, feelings and private thoughts. This further supports the idea that when individuals share internalized private emotions intimacy is increased. The data in Experiment 2 support the idea that consumers see artwork as an extension of the artist. Because the artist is sharing—through the painting—something that makes him vulnerable, consumers extended feelings of intimacy towards the painting and the painter. Interestingly, the consumers have no interaction with the painter and they extend feelings of intimacy to the painter solely on the basis of the physical object.

Feelings of intimacy are well documented in consumer behaviour literature as being a means of increasing consumer evaluations, loyalty and even spending behaviour (Sheth and Parvatiyar, 1995). The relationship between consumer-felt intimacy and price evaluation has not been tested in the art market. As expected, this relationship was still a powerful one when looking at fine art. Consumers who felt intimacy towards the painting translated those feelings into increased financial evaluations of the painting. Participants who felt intimacy towards the painting evaluated the price of the painting as higher than those who felt no intimacy towards the painting.

Interestingly, when we manipulated consumer-felt intimacy prior to looking at the painting, the effect of the affect tag was erased and so too was the connection between the affect tag and the expected price of the painting.

The final relationship examined was the relationship of all three variables together. Evidence from Experiment 2 indicated that the relationship between affect tag and consumer price evaluation is fully mediated by consumer-felt intimacy. Additional research is needed to see if this relationship extends outside of the art market. The connection that consumers felt towards artists was strong when they felt artists were sharing their vulnerability. The meaning of the painting was similarly enhanced when consumers thought the painting was made at the death of an artist's son. This implies that the emotional value of the painting translated into financial value for the artist.

3.8. Limitations

The limitations of the field study are twofold: first, there were a limited number of paintings to be analyzed and, as such, in the case of two artists there were simply not enough data entries to draw convincing generalizations. Because artists are so different and the cultural significance of each artist, their methods and their talents are so unique, we could not pool sales information of all the artist into one single, large data set. Sales were not equivalent; that is to say, the sale of a Monet painting is not the same as a Rothko painting. Further, the sheer number of Picasso paintings bought and sold through Sotheby's in the prescribed time dwarfed those of all four of the other artists combined. Were we to combine the artists here, the sales of Picasso paintings would dominate the data and provide an inaccurate picture of the market. Finally, while field research allows us to see how tags impact sales on a macro level, we have no connection to the buyer to understand why they paid what they did for the artwork. The nature of the study was exploratory and there are numerous explanations as to why a consumer would value certain pieces as more expensive versus others.

Limitations of Experiments 1-3 are commensurate with limitations of experimental data collection in general. Experimental design limits generalizability because of the controlled nature of the laboratory (Creswell, 2009). Moreover, the sample utilized does not necessarily represent consumers in the fine art market. The sample for the first two

experiments was made up of students and the prices associated with the paintings may have been significantly out of the budget of most students in the pool.

3.9. Future Research and Contributions

The preceding essay contributes to consumer research in three ways. First, the essay contributes to literature around consumer behaviour and fine art evaluation. While some research has been conducted looking at how fine art can enhance consumer evaluation of other products, limited research has been conducted as to how affect tags can influence consumer evaluation of the artwork itself. We proposed and supported the idea that consumers evaluate art with negative affect tags as more expensive (versus positive affect tags), and that one reason for this is the mediating role of intimacy felt by consumers towards painters. Secondly, this essay contributes to the literature on consumer created intimacy. Specifically, the studies provide evidence that negative affect tags can actually increase consumer-felt connection to a product. The research supports the idea that certain vulnerability exposed by the creator of products can actually increase consumer evaluation of that product. Finally, the model proposed and supported is one that can be tested in different markets. Though the model presents an interesting relationship between negative affect tags and intimacy, we believe it is by no way unique to the art market. Extensions of this finding might be made to non-profit organizations, and other services where consumers feel high levels of connection with the purveyors of services/products.

Future research related to the creation of intimacy in negative affect conditions is needed. Manipulations of the feelings of the consumer at the time of the consumption of art, though beyond of the current study, are the next progression to this essay. The studies that precede were concerned with how a tag itself could create intimacy. In future studies affect amplification and regulation could be tested. Further, studies related to different areas other than art are needed to see whether intimacy can be created in other markets by attaching negative affect tags to products. Finally, we looked at one affect tag, death versus birth, whereas there are numerous affect tags such as sickness and health, and success and failure that have yet to be tested.

4. Conclusion

The financial and cultural significance of the art market is enormous (Corbett, 2012) and yet limited research has been conducted on consumer behaviour within it. In the past, the study of consumptive behaviour in the fine art market has proven difficult because of the exclusivity of buyers within it and the heterogeneity of the product (Mei and Moses, 2002). Paintings, statues and even prints are all unique. The value of art is unique to each consumer and can change because of the life situation of a collector. The heterogeneity in valuation comes from the fact that art has unique qualities and provides value in multiple ways: financial, aesthetic, affective and social (Chanel, 1995; Goguen, 2000; Ramachandran and Hirshstein, 1999), lending to the heterogeneity of the product category. This dissertation addresses numerous questions related to consumer behaviour in the fine art market such as: What motivates individuals to buy fine art? How do affect tags embedded in art influence behaviour? And how do consumers evaluate art once purchased?

To date, the majority of behavioural research in the fine art market has focused on fine art as an investment tool (cf. Agnellow, 2002; Goetzmann, 1993; Mei and Moses, 2002; Mok, et al., 1993; Pesado, 1993; Pesado, and Shum, 1999; Worthington and Higgs, 2004), and yet we find that the financial appreciation of art had limited influence over a collector's decision to buy. We find that the strongest motivators to purchase and keep art are: 1) feelings of connectedness to the art, and 2) the emotions that the art elicited for collectors. Collectors identified numerous ways in which they felt connected to their art; one way identified was by seeing the art as an extension of self. Collectors that identified their art as an extension of themselves were highly protective of their art, and hesitant to trust others with the protection and maintenance of their art. This manifested in collectors becoming agitated and unwilling to contemplate the idea of parting with pieces. Numerous collectors saw art as a vessel to connect with places that they loved and "wanted to be connected with." Many collectors engaged in art purchase as a means of tying them to specific places. Another important connection for art

collectors to their art was to family members and loved ones. Similar to an extension of self, numerous collectors saw artwork as an extension of loved ones or situations that they wanted to maintain. Finally, the connection that collectors felt to artists themselves was of significant importance. The handmade nature of art increased feelings of connection between artist and collector.

The social significance of art was similarly of great importance to collectors. Collectors regularly attached financial value to pieces that had great social value. For example, gifted art has significant value because of the connection the receiver feels to the giver and the personalized act of giving art increases intimacy between the giver and the receiver. Further, the emotional significance of a piece was often associated with the social connectedness; collectors who saw pieces being made or knew the creator of the art had strong emotional connections to the art and, in part, to the social relationship they shared with the creator. Cultural significance was also a strong motivator for collectors. Numerous collectors valued artwork with institutional value as very important and not for resale.

This dissertation opened by evoking the image of one of the world's most famous pieces of art, *The Scream* by Edvard Munch, and the belief of experts that the negative imagery portrayed in artwork becomes popular because it portrays feelings that we can all relate to (Kelly, 2012). Essay 2 examined how affect tags influence consumer evaluation of art. Affect tags and art are inextricably linked (Akinola and Mendes, 2008). Art is often emotionally tagged either because consumers know the stories of the artists (Akinola and Mendes, 2008), or because the art itself exudes emotion (Kelly, 2012). Paper 2 provided empirical evidence that consumers evaluate art imbued with negative affect tags as more expensive (versus positive affect tags), and that this relationship is mediated by intimacy felt towards the art and the artist. Further, in experiment 3 we manipulated feelings of intimacy and the main effect was erased, intimacy was still a strong predictor of price evaluation. This finding indicates that artists can create intimacy and connectedness with consumers through negative affect tags and that intimacy is a strong motivator to consumer evaluation. This finding goes against conventional wisdom that consumer-product intimacy is enhanced through positive affect. Collectors indicated that connectedness was one of the most important factors in the purchase and

maintenance of art, as such, that affect tags can increase feelings of intimacy is important to understand behaviour.

This dissertation offers a deeper, more nuanced understanding of how art is consumed. To this end, two essays were composed. The purpose of Paper 1 was to create mid-level theory related to consumptive behaviour in the fine art market. A qualitative study and an extensive literature review were conducted related to fine art as an investment tool, aesthetics and cultural capital. The purpose of Paper 2 was to examine how affect tags influence consumer evaluation of paintings, as well as expected price. Three experiments were conducted to examine the proposed mediating role of consumer-felt intimacy between negative affect tags (versus positive) and increased consumer evaluation of paintings.

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Appendices

Appendix A: Table of Informants

Table 1: Informants

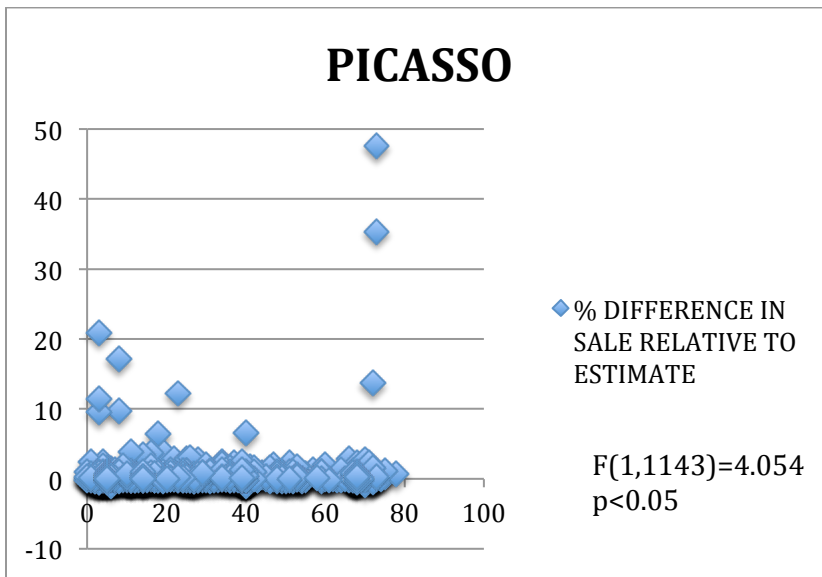
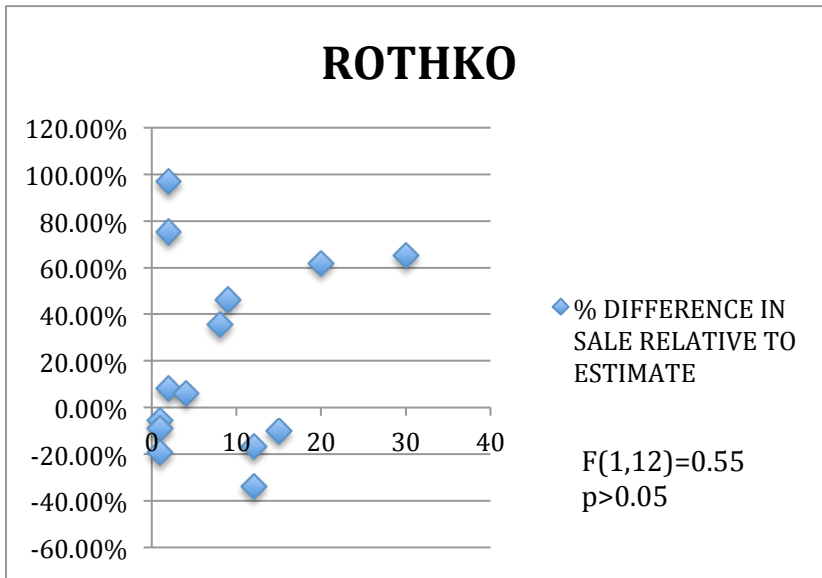
Name	Gender	Earnings	Age	Nationality	Time	Word Count
Jose	M	\$35,000+	35	American	32min 41sec	4488
Jim	M	Well Off	n/a	Canadian	58min 51sec	8279
Larry	M	\$250,000+	60	American	48min 13sec	4184
Matt	M	\$120,000+	33	American	22min 04sec	2648
Priya	F	\$210,000+	34	American	60min 15sec	8958
Neal	M	\$250,000+	39	American	19min 03sec	2658
Rajkumari	F	\$55,000+	27	American	46min 16sec	6381
Steve	M	n/a	n/a	American	43min 23sec	4230
Bhupal	M	\$250,000+	67	American	55min 28sec	5428
Doris	F	n/a	n/a	American	21min 58sec	1845
Devi	F	Well Off	65	American	51min 06sec	5574
Henry	M	Well Off	n/a	Canadian	46min 22sec	5920
Ryan	M	\$50,000	31	Candian	31min 38sec	3088
Lisa	F	\$250,000+	47	Candian	38min 48sec	5238
Michael	M	\$250,000	n/a	Candian	49min 38sec	4503
Aarti	F	\$200,000+	59	American	28min 38sec	3764
Baxter	M	\$60,000	56	American	45min 00sec	6055
Jennifer	F	\$150,000+	60	Candian	22min 58sec	3393
Heather	F	1,000,000+	63	American	32min 33sec	4519
Stella	F	\$60,000+	26	American	29min 03sec	2963
Devin	M	\$220,000+	33	American	54min 09sec	5903
Leigh	F	\$45,000+	27	American	39min 01sec	4349
Aishwarya	F	\$600,000+	35	American	30min 41sec	3816
Robert	M	\$30,000+	41	Australian	15min 21sec	1997
Milo	M	well off	40	American	27min 57sec	2678
Margaret	F	\$150,000+	59	American	15min 48sec	1827
Elizabeth	F	\$100,000+	26	American	17min 20sec	1833

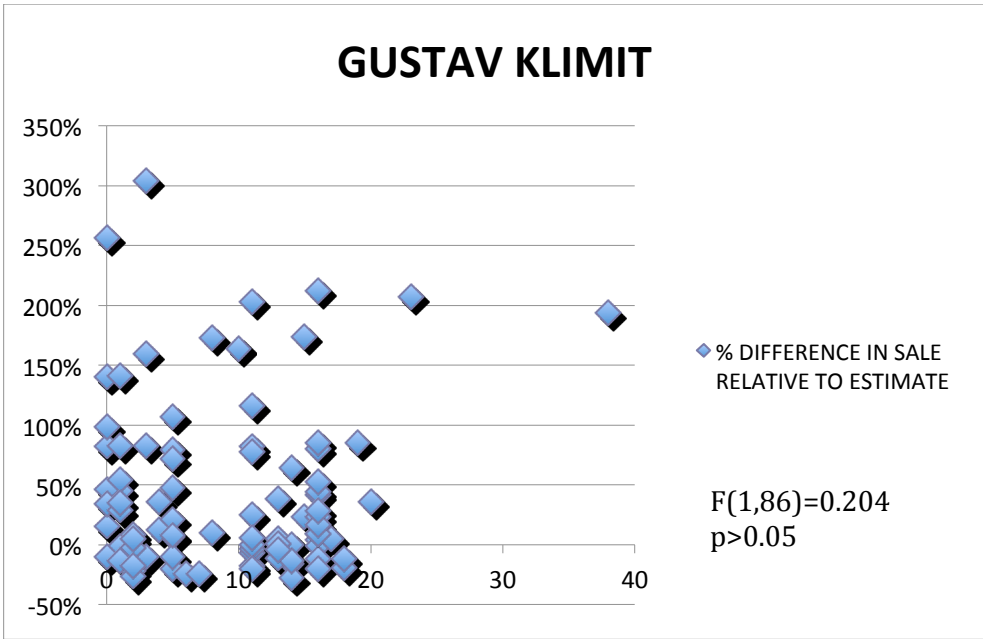
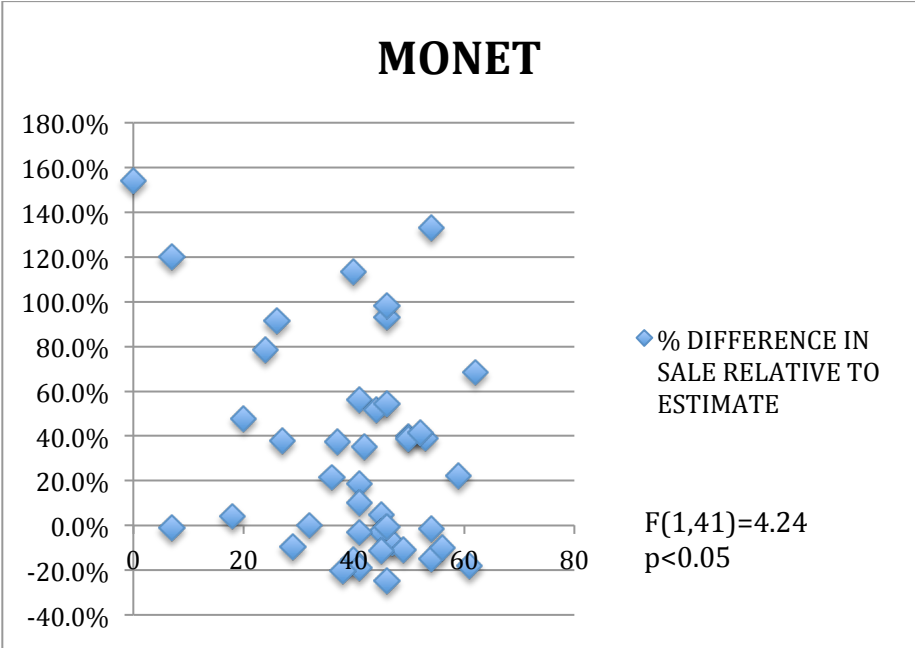
Note. All names have been changes to protect confidentiality of informants.

Appendix B: Interview Guideline: Semi-Structured Interview

- 1) How long have you been collecting art for? Is there a particular area of fine art that you invest in?
- 2) How did you begin investing in art? What is your favourite piece that you currently own?
- 3) What is your most valuable piece of art that you currently own? What makes it valuable?
- 4) In general, how do you decide on art purchases you make? How much does your emotion play a role in your decision-making? How much does what you know about the artist play a role in your decision-making? Has anyone guided you as you began to invest in artwork?
- 5) Taking you back to the first painting/statue/... you purchased, tell me about the piece? How did you decide to ultimately purchase? How did it feel purchasing the painting? Where is it now? If you still own the painting, how much would you sell it for?
- 6) Do you display the art work you own? If so, where?
- 7) Do you see your collection as a financial investment? Why or why not? Have you ever sold a painting you invested in?
- 8) Have you ever purchased a painting to commemorate a certain event?
- 9) Have you ever bought a painting you think is ugly or offensive? If so, what motivated you to purchase the painting?
- 10) Are there any paintings you chose not to buy that you now regret passing up? Or paintings you bought that you wish you hadn't?
- 11) Why do you invest in art as opposed to other goods?
- 12) Have you ever gotten a painting as a gift? If so, how much would you sell the painting for?
- 13) Have you ever given a painting as a gift? Do you know what the receiver did with the gift you gave?
- 14) If money wasn't an issue and there were no logistical restrictions, what painting would you buy for resale? To keep forever? Why?

Appendix C: Scatterplots Field Study





Appendix D: Prime in Three Conditions

Positive Affect Tag:

Stephan 1998
Martin Gehrhart

Stephan, (Oil on Canvass), was painted in 1998. The artist, Martin Gehrhart, was born in 1969. Martin is a painter and director. Gehrhart created Stephan after the birth of his son – Stephan Gehrhart. Gehrhart was influenced by the impressionist school and studied in Italy, France and Germany.

Negative Affect Tag:

Stephan 1998
Martin Gehrhart

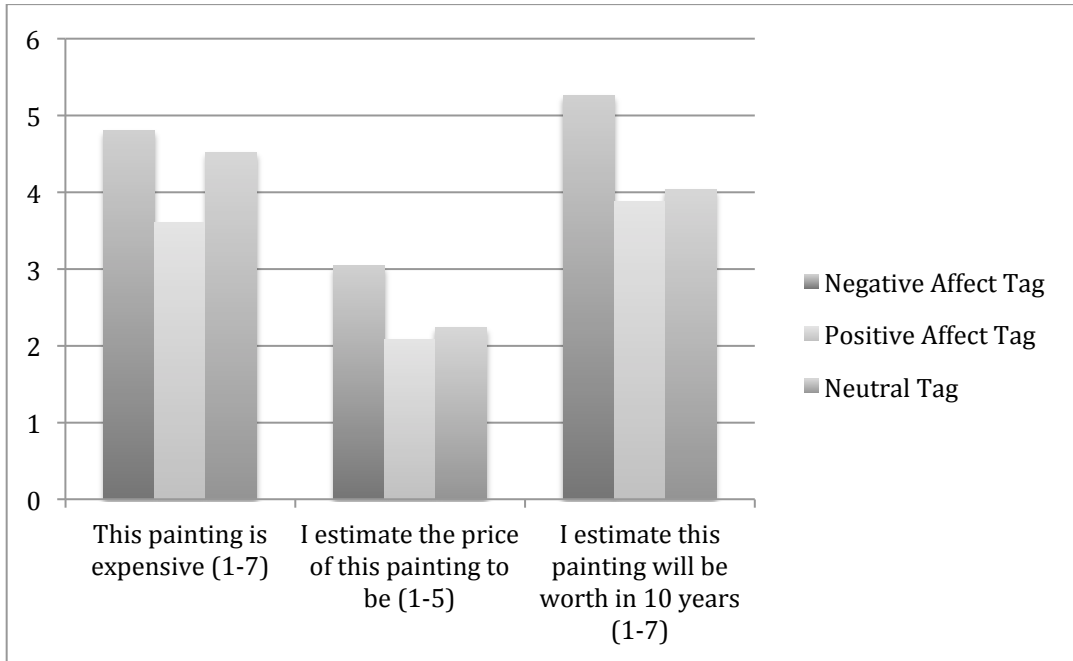
Stephan, (Oil on Canvass), was painted in 1998. The artist, Martin Gehrhart, was born in 1969. Martin is a painter and director. Gehrhart created Stephan after the death of his son – Stephan Gehrhart. Gehrhart was influenced by the impressionist school and studied in Italy, France and Germany.

Neutral Condition (No Tag):

Stephan 1998
Martin Gehrhart

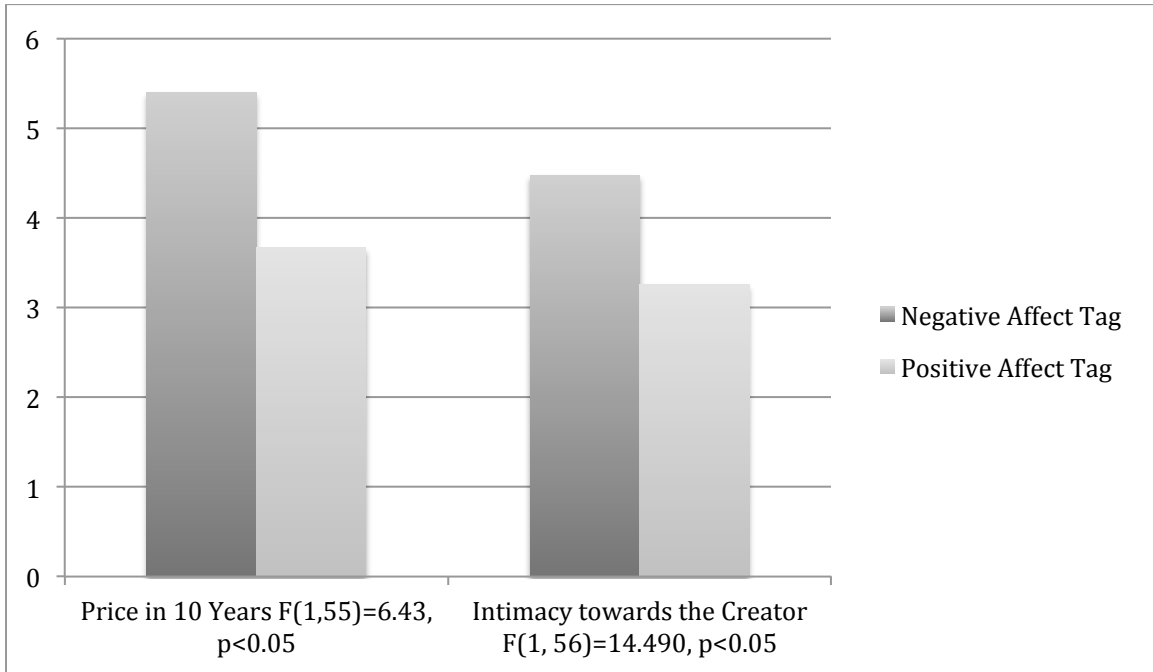
Stephan, (Oil on Canvass), was painted in 1998. The artist, Martin Gehrhart, was born in 1969. Martin is a painter and director. Gehrhart was influenced by the impressionist school and studied in Italy, France and Germany.

Appendix E: Experiment 1 Main Effect



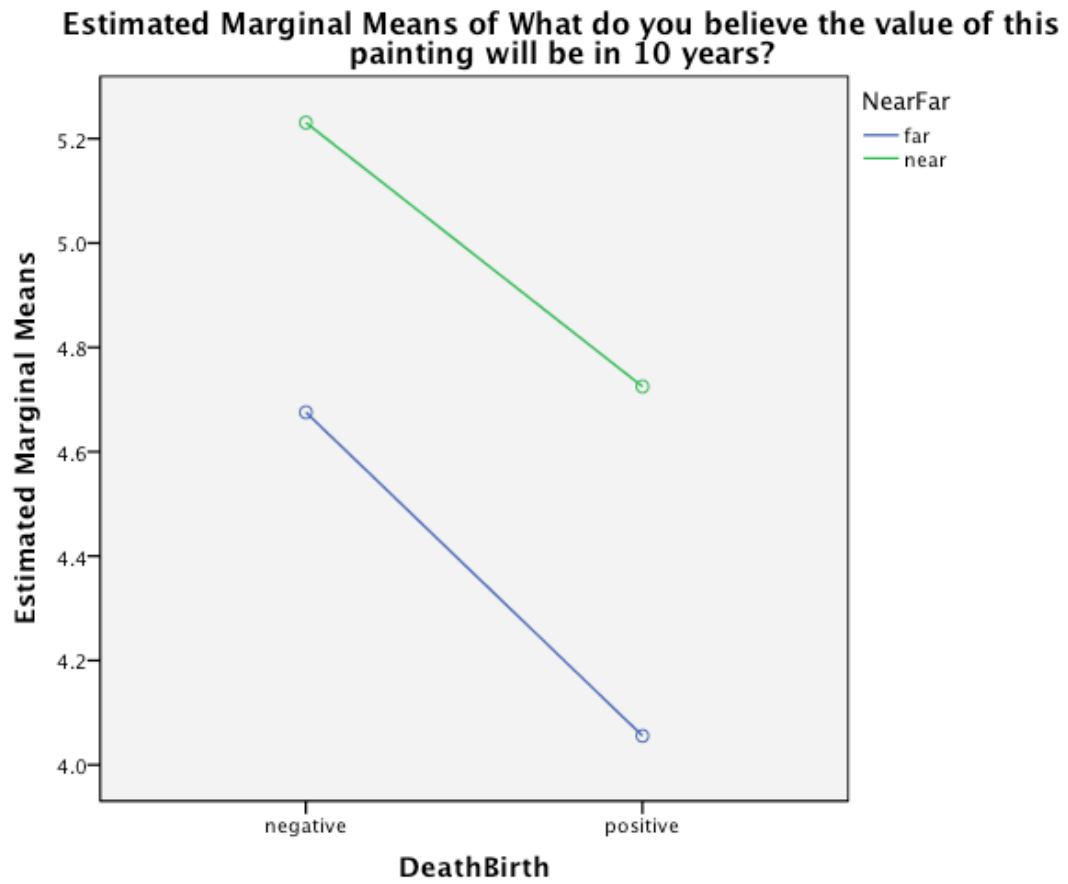
Variable	F Statistic	P value	df
This painting is expensive	4.167	0.019	(2,72)
I estimate the price of this painting to be	4.354	0.016	(2,72)
I estimate this painting will be worth in 10 years	5.692	0.005	(2,72)

Appendix F: Experiment 2

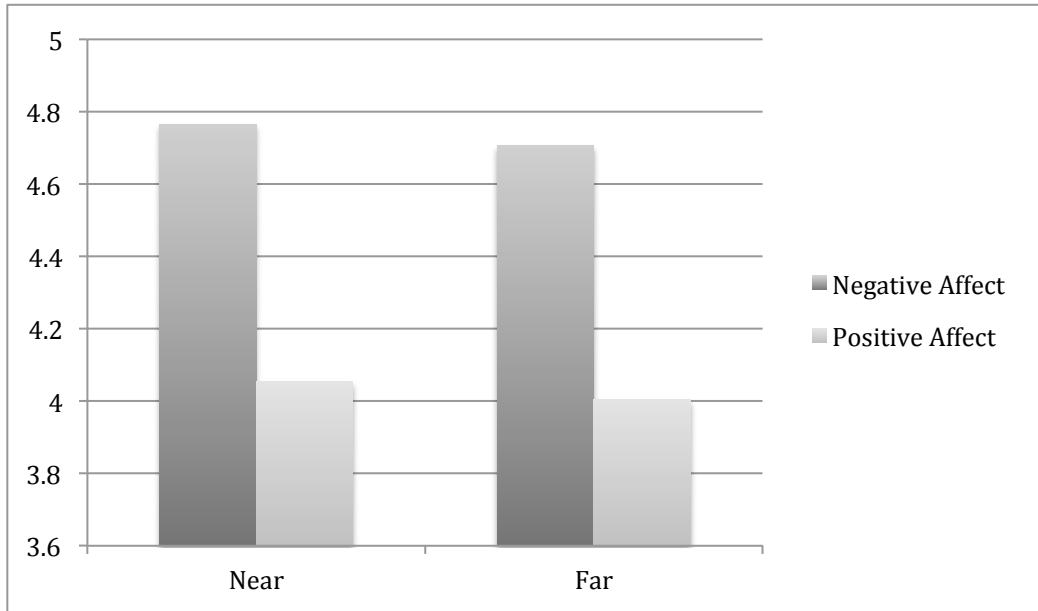


Baron and Kenny (1986)	F Stat	Significance	Support for Step yes or no
Step 1: $x \rightarrow y$	F(1,55)=6.43	p=0.014	Yes
Step 2: $x \rightarrow m$	F(1, 56)=14.490	p<0.001	Yes
Step 3: $m \rightarrow y$	F(1,55)=4.72	p<0.05	Yes
Step 4: $x \rightarrow m \rightarrow y$	When controlling for intimacy	p>0.05	Yes

Appendix G: Experiment 3



DV Intimacy Towards the Artist (1-7)



Dependent Variable	Interaction	Near/Far Word Prime	Death/Birth Affect Tag
Price in 10 Years	$F(1,148)=0.017, p>0.05$	$F(1,148)=1.898, p>0.05$	$F(1,148)=1.604, p>0.05$
Intimacy towards the artist	$F(1,148)=0.000, p>0.05$	$F(1,148)=0.053, p>0.05$	$F(1,148)=9.563, p<0.005$
Intimacy as a predictor of Price in 10 Years	Regression: $F(1,150)=15.48, p<0.005$		