ADDITIONAL EDUCATION IN THE CONTEXT OF MODERN ART MARKET DEVELOPMENT AND THE FORMATION OF STRONG CULTURAL BRANDS

EDUCACIÓN ADICIONAL EN EL CONTEXTO DEL DESARROLLO DEL MERCADO DEL ARTE MODERNO Y LA FORMACIÓN DE MARCAS CULTURALES FUERTES

EDUCAÇÃO ADICIONAL NO CONTEXTO DO DESENVOLVIMENTO DO MERCADO DE ARTE MODERNA E NA FORMAÇÃO DE MARCAS CULTURAIS

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Abstract: This article is devoted to the issue of promoting strong local cultural brands in the art market by means of additional education programs. Globalization, increased competition in the global market, high economic and political risks, and development and implementation of strong cultural brands strategy provide opportunities to improve global competitiveness of local destinations. However, the art market in Russia is underdeveloped. Thus, it requires additional education programs. Social marketing education programs, aimed at the promotion and development of the Russian art market, are in fact being implemented. According to foreign examples, the development of the art market (in terms of image) is worthwhile for the state. However, the lack of information and understanding about the transactions in the art market contribute to a low economic level of investment in this area in Russia. Therefore, we cannot significantly influence the cultural brand of the territory. The authors offer a model for positioning additional education programs to break through in the art market, which can help to identify effective promotion strategies and significantly improve the effect of state support for such programs. This model can help local decisionmakers avoid the high risks that come with implementing additional education programs. The authors of the work studied the positioning of additional education programs in the framework of the art market based on a modified Cagan-Vogel matrix. In addition, typical examples of programs from various areas are...
examined to identify the advantages of these programs that successfully influence the development of the art market and how they strengthen the cultural brand of their territory.

**Keywords:** art market, place brand, cultural brand, additional education program, Cagan-Vogel model.

**Resumen:** Este artículo está dedicado al tema de promover marcas culturales locales fuertes en el mercado del arte mediante programas educativos adicionales. La globalización, el aumento de la competencia en el mercado global, los altos riesgos económicos y políticos, y el desarrollo y la implementación de una fuerte estrategia de marcas culturales brindan oportunidades para mejorar la competitividad global de los destinos locales. Sin embargo, el mercado del arte en Rusia está subdesarrollado. Por lo tanto, requiere programas de educación adicionales. De hecho, se están implementando programas de educación en mercadeo social, dirigidos a la promoción y desarrollo del mercado del arte ruso. Según ejemplos extranjeros, el desarrollo del mercado del arte (en términos de imagen) vale la pena para el estado. Sin embargo, la falta de información y comprensión sobre las transacciones en el mercado del arte contribuyen a un bajo nivel económico de inversión en esta área en Rusia. Por lo tanto, no podemos influir significativamente en la marca cultural del territorio. Los autores ofrecen un modelo para posicionar programas de educación adicionales para abrirse paso en el mercado del arte, lo que puede ayudar a identificar estrategias de promoción efectivas y mejorar significativamente el efecto del apoyo estatal a dichos programas. Este modelo puede ayudar a los tomadores de decisiones locales a evitar los altos riesgos que conlleva la implementación de programas educativos adicionales. Los autores del trabajo estudian el posicionamiento de programas educativos adicionales en el marco del mercado del arte basado en una matriz Cagan-Vogel modificada. Además, se examinan ejemplos típicos de programas de diversas áreas para identificar las ventajas de estos programas que influyen con éxito en el desarrollo del mercado del arte y cómo fortalecen la marca cultural de su territorio.

**Palabras clave:** mercado del arte, marca de lugar, marca cultural, programa de educación adicional, modelo Cagan-Vogel.

**Resumo:** Este artigo é dedicado à questão da promoção de marcas culturais locais fortes no mercado de arte por meio de programas educacionais adicionais. A globalização, o aumento da concorrência no mercado global, os altos riscos econômicos e políticos e o desenvolvimento e implementação de uma forte estratégia de marcas culturais oferecem oportunidades para melhorar a competitividade global dos destinos locais. No entanto, o mercado de arte na Rússia é subdesenvolvido. Assim, requer programas educacionais adicionais. Programas de educação em marketing social, destinados à promoção e desenvolvimento do mercado de arte russo, estão de fato sendo implementados. Segundo exemplos estrangeiros, o desenvolvimento do mercado de arte (em termos de imagem) vale a pena para o estado. No entanto, a falta de informações e entendimento sobre as transações no mercado de arte contribui para um baixo nível econômico de investimento nessa área na Rússia. Portanto, não podemos influenciar significativamente a marca cultural do território. Os autores oferecem um modelo para posicionar programas educacionais adicionais para inovar no mercado de arte, o que pode ajudar a identificar estratégias eficazes de promoção e melhorar significativamente o efeito do apoio estatal a esses programas. Esse modelo pode ajudar os tomadores de decisão locais a evitar os altos riscos decorrentes da implementação de programas educacionais adicionais. Os autores do trabalho estudaram o posicionamento de programas educacionais adicionais no âmbito do mercado de arte, com base em uma matriz Cagan-Vogel modificada. Além disso, exemplos típicos de programas de várias áreas são examinados para identificar as vantagens desses programas que influenciam com sucesso o desenvolvimento do mercado de arte e como eles fortalecem a marca cultural de seu território.

**Palavras-chave:** mercado de arte, marca local, marca cultural, programa educacional adicional, modelo Cagan-Vogel.
1 INTRODUCTION

Currently, in the sphere of intangible assets, special attention is paid to the development of competitive advantages, including the “exotic” ones, such as the promotion of local regions. Interest in place brands arose at the end of the 20th century. It led to classic works development, introduced by the following authors: Philip Kotler, Christer Asplund, Irving Rayne and Donald Haider, Simon Anholt, Evan Potter, Robert Govers, Miguel Kavaratzis, and Ari-Vecco Anttiroiko (Haider & Rein, 1993; Anholt, 2016; Potter, 2009; Govers & Go, 2016; Kavaratzis, 2017; Anttiroiko, 2014). In these works the authors did not only examine and summarize various cases, but also tried to create a consistent theoretical concept of place branding. However, despite the large number of publications and rich practical experience, the research in this area is still insufficient. Eric Braun and Sebastian Zenker studied different perceptions of place brands by different target groups, which lead to the need for the development of a more complex brand strategy (Zenker & Braun, 2017). In their work, Sebastian Zenker and Susanna Beckmann noted that practical implementation of the place brand concept also has some deficiencies (Zenker & Beckmann, 2013). Miguelis Kavaratzis and Mary Jo Hatch highlighted the ambiguity of spatial brand identity (Kavaratzis & Hatch, 2013). As a result, huge amounts of money spent on branding are wasted, especially when there is a discrepancy between the target audience and the brand identity. As a result, the competitive positioning of the region may decrease.

The promotion of a locality requires a strong brand that stands out amongst the competitors and speaks to the various needs of the target audience. Therefore, it is necessary to develop the brand based on some additional “messages” that allow it to reach the target audience more successfully and increase brand loyalty. As a result of branding, the interest in the object can be increased. The object itself can be unusual, such as: “slum branding” as the branding of the famous *favella* of Rio de Janeiro or the concept of love in the place brand (Jones & Kubacki, 2014; Swanson, 2015). At the same time, in their recent work, Giuseppe Pedeliento and Miguel Kavaratzis pointed out that successful brand development requires cultural sphere opportunities. Strong cultural brands utilize the correlation between culture, identity and image (Pedeliento & Kavaratzis, 2019). Marinda Scaramanga emphasized the significant role of culture in the development of a unique place brand supported by stakeholders (Kalandides, A., Kavaratzis et al., 2012).

A logical state cultural policy would contribute to the development of a strong cultural brand and regional promotion (Pashkus et al., 2016; Silva et al., 2016).
It is worth highlighting that cultural brand development is not only based on museums and theaters. Objects in the art market are also of great interest (Bogomazov & Davidova, 2017). The role of branding in the art market is essential. The creators of art works tend to create their own personal brands. Galleries and auction houses strive to become recognized by world experts in the sphere of attribution and art evaluation (Sjöholm & Pasquinelli, 2014; Koltsova Anna & Starobinskaya Nadegda, 2018). The level of trust in expert opinions and recommendations increases almost undeniably when it comes from that of a branded art dealer or a leading auction house with a global brand.

For example, the last sale of the painting “Savior of the World” (“Salvator Mundi”) sold as the previously lost work of Leonardo da Vinci to Russian billionaire Rybolovlev. A few years later a tremendous scandal erupted with allegations of fraud. However, the scandal suddenly stopped after an expert opinion was presented by Christie’s Auction House and the painting went on to be sold for $450 million. The auction lasted only 7 minutes, and the painting passed into the ownership of the Crown Prince of Saudi Arabia. Despite the disagreement among a significant part of the global expert community, the brand of Christie’s Auction House supported the deal and legalized a very dubious art object (Starobinskaya, 2019).

The strong brand of an auction house can influence public opinion and legitimize disputed transactions. In addition, a branded auction house can impact the development of its country’s art market and the attractiveness of its particular place to the global market. A developed cultural place brand attracts cultural and art projects, increases tourist flows, and increases the attractiveness of museums, cultural sites and institutions operating in the branded territory.

Therefore, the state should be interested in improving the image and brand of large art dealers and auction houses as well as developing art activities and brands of places with significant cultural importance. State support will allow the country’s art market to generate substantial income from art activities and ensure the cultural attractiveness of the country’s territories.

Theoretical base

*The necessity to develop a system of additional education in the art sphere for the development of the Russian art market*

Currently, the Russian art market is in the nascent stages. Despite the high potential, it still does not play a significant role in the country’s economy (The Art Market 2019). Serious changes
are taking place in financial markets; frequent global financial fluctuations in art markets contribute to non-typical players participating who seek to preserve their capital through investments in the art industry (Korhonen & Lyakin, 2017; Vodopianova et al., 2018; Mardani & Fallah, 2018). To some extent, this situation correlates with the efficiency of the banking sectors in various countries (Balcerzak et al., 2017). It is possible that the developed art markets of world leaders will decline soon, or their growth will slow down. Therefore, proper government support (including of the banking sector) and effective branding of the most important players may give the Russian art market a chance. So, what is necessary for this?

The development of the Russian art market should be comprehensive. State support should not cover funding for individual players in the art market, but instead measures for changing the institutional structures of the art market and the processes that support development. Global trends in art activities and cultural events support recently tend to gravitate towards the possibilities of digital art sites with information links between all market entities (Alpatov & Yermakov, 2019; Pashkus, 2013; Sulistyaningsih et al., 2019).

First of all, the current insufficient support for art transactions and auction activity is caused by a low awareness in the financial community, as well as the lack of basic knowledge about specific investment tools, such as art objects. There is little education underway about how to economically support the art market in Russia. This approach is approved by art specialists, but art history and cultural experts do not have specialized economic knowledge to organize effectively in support of the art market. On the other hand, the general public associates investments in the art market only with the purchase of famous works of art for private collections and does not consider this as a significant area for business. People do not associate it with competitive opportunities in the global market. As a result, the average person believes that art transactions are made exclusively by oligarchs with which they have nothing to do.

Therefore, to increase interest in the art market and to develop literacy among the population about its economic possibilities, it is necessary not only to carry out educational activities, but also to develop a system of education projects and programs providing the necessary knowledge on this field (Surgikova et al., 2016; Vertakova et al., 2013).

The most promising direction for the art market development is connected to the formation of educational centers and additional education programs (Alpatov & Bortnikova, 2016). The choice of this particular level of education is based on the fact that, on the one hand, there is significant interest in culture and art in this country. It is observed mainly among young and middle-aged
people, though is also true for some older individuals. On the other hand, specialists in this area are not in high demand.

Most art education programs in Russia are implemented by large cultural institutions that have world brands and youth art spaces that are getting popular in the Russian art market. These institutions should provide a system of additional education, capable of forming effective infrastructure in support of the Russian art market. Moreover, it is necessary to develop links between these organizations, their programs and institutions providing training in the field of culture and art, as well as between economic universities that have departments, programs and courses on the economic foundations of the art market functioning, management and marketing. The implementation of such links will compensate for the information asymmetry of the Russian art market and improve the literacy level of the population in the sphere of art investment.

2 METHODOLOGY

The concept of breakthrough positioning as a basis for the determination of strategic priorities of education programs

Currently, a high interest in various forms of art and in art activity in general is being observed. Thus, additional education programs that develop skills in art investing, managing art projects, promoting art objects and art products would be in high demand. Rational implementation of these programs would form a steady interest in the art sphere, increase the number of participants and the frequency of transactions in the art sphere, revive the philanthropy that existed in pre-revolutionary Russia, and intensify projects in the art sphere.

At the same time, organizations implementing additional education programs in the sphere of art and the art market rarely promote their programs. Moreover, even if there is an interest in such programs, people do not know where exactly they can obtain the knowledge they need. On the other hand, the organizations themselves do not know where they can get specialists to implement their programs. Thus, additional education programs in the art sector are experiencing a shortage of personnel, especially those who are familiar with the economic support of the art market.

Organizations, providing additional education services in the sphere of art, are often developed around art history and cultural studies. As a result, they do not have the necessary skills for their own promotion in the market. For example, the State Hermitage Museum implements free
youth center programs for students of all universities in St. Petersburg, who tend to get to know the art sphere, trends and approaches in the art world. However, most students in the city are not aware of the availability of such programs. A similar situation is characteristic of other educational centers that implement various programs of additional education in the sphere of art. Even free programs for different segments of the population are not always filled due to the lack of quality promotion and activity information distribution.

However, there are positive examples of additional education in the art sphere, which would be useful for scaling implementation of a widespread practice. The necessity to indicate strategic priorities around the positioning of additional education programs in the art market and their consideration for state support contributed to the analysis of the concept of breakthrough positioning (Cagan et al., 2002). In this context, all additional education programs in the art market can be classified in accordance with the level of development of technological (innovative) support of programs and their stylistic qualities (Figure 1).

The category of generic programs includes mostly classical art programs presented as lecture courses or thematic classes, and some of these programs are available for free on open platforms, namely, YouTube channels. Most of these programs are quite interesting and in demand, but rarely promoted and almost never economically advantageous. These are mostly social projects, events that unite the audience interested in the specific topic and one or more lecturers in love with it.
Often, such additional education programs are carried out as part of a regional or district social policy and are organized on the basis of youth clubs, regional clubs and culture and leisure centers.

Innovative programs are targeted to a narrow group of professionals or interested consumers who are involved in the specific study of the scope. As a rule, such programs are implemented by large educational, museum and cultural institutions with their own powerful research base and technological experience in the art market. Such programs include both free and rather expensive programs that form highly specialized skills in the sphere of art and operations in the art market. These programs are not usually promoted, but not because of a lack of skills or the realization of its necessity, but because they already have a loyal audience to target.

The category of Kitsch includes additional education programs, where organization and promotion are based on style. Some of these events started as breakthrough projects, but then were placed in the category of mass entertainment events. The technological component of such programs may seem fundamental to the consumer. However, all the technological support of the program is used to attract the consumer.

Breakthrough additional education programs combine innovative ideas, technologies and stylistic features. The consumers are deeply involved in the art sphere. Skills that are important for participating in the art market are introduced in a bright and attractive form. The program is considered to be a breakthrough if it closes the SET-gap (satisfies the social trend, introduces new technologies, and is economically advantageous). It is worth highlighting that such programs have higher than average returns. What happens when these types of programs are being implemented?

3 RESULTS

The authors studied the detailed results of the programs’ implementation using the modified Cagan - Vogel positioning map. Thus, the following features of the programs’ implementation have been identified.

Generic programs are characterized by insufficient presence in media. Sometimes, they are not promoted at all. Most listeners get to know about such events through “word of mouth.” It means that most of the participants, who join these events, will tell friends and acquaintances about their positive impression. Most of these programs do not have any formal results, namely, diplomas and certificates. Often this category includes the additional programs of art schools and universities of culture and art, which are actively offered and relatively in demand. First of all, they involve
employees of social and cultural institutions and are regarded as supplementing compulsive programs.

The generic programs are not bad. However, they do not provide the opportunity for a specialist to create a personal brand or for a cultural or educational institution to stand out in the market. Despite the fact that such additional education programs are necessary for carrying out educational activities in the art sphere and facilitate leisure activities for various consumer groups, they cannot be regarded as “pushes and messages” for active inclusion in the art market. Besides, such programs rarely develop any practical skills.

Innovative programs of additional education include, for example, an effort of the Hermitage Youth Center, which annually holds a lot of themed lectures, workshop sessions, and concentrated courses on art, culture and the art market for students of St. Petersburg. They invite all who are interested, finishing the course with a group of the most dedicated students. Many students return to these programs several times.

Such programs are implemented by large auction houses, training specialists for their units in different countries. All programs are rather expensive. Their relevance is associated not so much with the desire to join the leading brands in the art market, but with the uniqueness of the program itself and the possibilities to obtain unique professional experience in the art market. Moreover, these programs provide the opportunity to receive an exclusive diploma that gives one the right to work in the art sphere in Russia (and often in foreign branches of the auction house).

Innovative programs provide systemic knowledge and skills in the art market and can be considered good tools for building a base of system-forming knowledge and skills in the art sphere. Such programs should be aimed at correcting the information asymmetry of art market players. On the other hand, these programs cannot support mass involvement in the art market.

The kitsch programs include a lot of fashion programs and workshops in the art sphere, starting from workshops in drawing to fashion shows of modern art objects that include interactive and educational elements. This category includes a significant proportion of children’s programs in the art sphere, which are often quite distant from the art market and any constructive messages.

These have thematic balls of reenactors, “live” paintings, stove- makers, or artist Malevich’s lectures. Such kitsch programs help to reach a mass consumer audience and generate interest in the art sphere and art market. It is important that such programs deliver a unified message and develop the attributes of perception necessary to activate the art market.
Breakthrough programs are implemented, for example, by the Erarta Museum of Contemporary Art. It does not only display new collections and carry out exhibition activities, but also runs a lot of thematic programs with different levels of inclusion and complexity for various categories of consumers.

Another breakthrough project among the additional education programs is a cycle of full-day classes for students during the school holidays. They are conducted by the State Hermitage Museum, the Russian Museum, the Tretyakov Gallery and several other major cultural institutions. This program presupposes a complete immersion in the world of art, forming long-term links with the art market and the cultural sphere. Such programs develop specific practical skills in art activities and lay the foundations for an understanding of the structure of the art market and its functioning. The classes are held in a bright, memorable and highly emotional form, which remains in the memory of children for a long time and forms their future attitude towards the art sphere. Programs are highly rated by both children and parents, making them commercially successful.

4 DISCUSSION

(trends analysis)

In general, additional education programs should increase the educational level of Russians, contribute to the development of the art market in the narrow sense, and the cultural sphere in the larger sense. This especially concerns the breakthrough programs of additional education in the sphere of art. They have additional value for the consumer, which allows the institutions implementing them to set high prices without fear of losing the interest of the target audience. These programs are best able to increase future interest in the art market and groom potential market players. The social need for such programs is very high, and the interest in them from different sectors of the population is constantly growing. Successful breakthrough programs combine a set of so-called SET-factors comprising social need, economic opportunities and prospects, and a technological or innovative form of providing additional education in the art sphere. However, as the research results show, there are a number of problems and controversial issues in the implementation of the additional education programs.

Firstly, it is an interdisciplinary problem. As we can see, such programs are implemented mainly by cultural institutions or specialized universities, but not by classical universities. This does not allow us to obtain the full range of high-class programs (often only programs regarded as generic
and kitsch). Powerful universities are not interested in such programs as they do not help to achieve global competitiveness or ratings (Belov et al., 2018; Zaboev & Meleshkin, 2015).

Secondly, it is a classification problem. The Cagan-Vogel concept shows this with quality indicators.

The attempt to introduce quantitative indicators causes obvious methodological problems (Starobinskaya, 2019). It is not clear yet how to overcome them.

Thirdly, leading museums often use the additional education programs to promote their brand, rather than the art market itself (Pashkus, 2016; Pusa & Uusitalo, 2014). Since government policy in the art market in Russia is in its infancy, no coordination mechanisms have yet been developed.

5 CONCLUSION

The analysis of the market of additional education within the art sphere contributes to the understanding that the implementation of such programs is an extremely important component of the development and improvement of the Russian art market. It is important that more art programs are implemented, starting from kitsch programs to more innovative and breakthrough ones. This will improve the role of additional education within the art sphere and will therefore motivate people to participate in the art market. It is also important to develop system-forming links between the further education and the real needs of the art market programs in accordance with the profile of art, the art market, and its main development goals. For this purpose, the development of such programs should be supported significantly and the selection of the most promising programs of additional education in the art sphere should be carried out.

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