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## **Space for seduction: the redefining of auction houses' role in the art market**

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# **Space for seduction: the redefining of auction houses' role in the art market**

## **ABSTRACT**

Technological and socio-economic changes have forced organizations in the art sector to redefine their function in the market, to strengthen their relationships with consumers and to appeal to a more heterogeneous consumer audience. The physical space of art organizations constitutes a major tool for them to attract and communicate with customers. Based on a multiple case studies approach, this article explores how art auction houses have rearranged their physical space in order to create an intended customer experience based on seduction. Our study contributes to Consumer Culture Theory research by illustrating how both the tangible and intangible features of the spatial setting are orchestrated by managers to facilitate an intended consumer experience. Space is organized in such a way that a heterogeneous customer base can co-participate in the game of seduction, and the artwork maintains its role as a catalyst of the experience.

Keywords: space; intended experience; communication; seduction; auction houses; art market.

## **Introduction**

In recent decades, various organizations in the art market (galleries, auction houses, art fairs and cultural institutions) have undergone important changes, both in their relationship with consumers, and in the way in which they operate. Art galleries, for example, work actively on the development of artists' careers, often managing their artistic production. Likewise, art fairs were initially established as commercial spaces, whereas today they play a central role as

network facilitators for the art market's various actors (dealers, artists, curators, and collectors) (Vecco, Chang, and Zanola 2021).

Auction houses have recently redefined their function in the market becoming more customer oriented. From being places of trading, they have become places where the function of artworks as status symbols is legitimized (Velthuis 2005). These organizations have developed new strategies to re-assert their relevance to customers within the value chain, introducing a process of re-intermediation, as a response to the digital shift that has downsized their role in the value chain (Piancatelli, Massi, and Harrison 2020). The strategy of investing in prestigious headquarters also constitutes a move in this direction. Indeed, despite the growing importance of online sales in the art market - estimated at \$12.4 billion in 2021, and accounting for 25% of global sales in the art market by value (McAndrew 2022) - art auction houses continue to invest in their physical settings. Prestigious and centrally-located headquarters in the most important locations of the global art market (e.g. New York, London or Hong Kong) have been established to develop their brand and legitimize their new role in the consumer's eyes. This suggests how, despite the digital shift, auction houses still consider the physical setting in which the narrative of the artwork takes place to be of prime importance.

This relationship between organizations' physical setting and consumers has received increasing attention in recent years, particularly in the spheres of marketing and in Consumer Culture Theory (CCT) (see Castilhos, Dolbec, and Veresiu 2017; Castilhos and Dolbec 2018; Rosenbaum et al. 2020). However, while much of this research specifically addresses service businesses operating in the leisure sector - such as entertainment and sport (Kozinets et al. 2004; Skandalis, Banister, and Byrom 2016), or retail stores (Borghini et al. 2009) - organizations in the art market have not received the same academic scrutiny. Studies have been conducted on art galleries and museums (e.g. Velthuis 2005; Komarova and Velthuis 2018), but auction houses have been almost ignored, despite the major role that they play in the art market. In 2020

alone, global sales conducted by auction companies were estimated to have reached \$20.8 billion (McAndrew 2022). Furthermore, the case of auction houses is particularly interesting for the marketing literature. Indeed, unlike other organizations in the art market (e.g., art galleries, art fairs), they do not exclusively exhibit and sell works of art; rather, they also deal with many other categories of products (e.g., wines, cars, books, prints, photographs, and objects of design). This feature makes auction houses much more similar to commercial stores than other organizations in the art sector.

In this paper, we seek to address this gap in the literature. Specifically, we investigate how auction houses create their ‘intended experience’ (Ponsignon, Durrieu, and Bouzdine-Chameeva 2017; Voss, Roth, and Chase 2008), an experience that is planned and designed to be offered to target consumers, and one which comprises the design characteristics of the spatial setting that are adopted and implemented by the organization. From this perspective, managers can be regarded as orchestrators and conductors as well as composers, because their role is multi-faceted: they not only have to coordinate and synchronize, but also to create the consumer experience.

In this study, therefore, we pose the following research question: *How do auction houses organize and orchestrate the tangible and intangible features of their spatial setting to attract and communicate with their customers?* We address this question by exploring the spatial setting of three art auction houses located in Milan, Italy. Based on a multiple case studies approach, this paper proposes a typology of seduction pursued by organizations’ careful orchestration of their space. This typology includes three different ways of seduction: (1) seducing through prestige; (2) seducing by encouraging customer engagement and (3) seducing by emphasizing the sharing of experiences between fellow customers.

With this study, we contribute to the stream of literature that explores physical space using a marketing approach (see Castilhos, Dolbec, and Veresiu 2017; Castilhos and Dolbec 2018).

We show how, by organizing and orchestrating the tangible and intangible features of their spatial setting, auction houses enact a process of seduction that facilitates the consumer's active participation and interaction with the organization, as well as with other consumers and the exhibited object. The latter maintains its central fascinating role as a catalyst of experience.

Moreover, the present study answers the call for more empirical attention to be paid to the production of cultural experiences (Rokka 2021). While much of the literature has investigated the experience from the consumer's perspective (Rokka 2021), this research extends the understanding of the use of space to shape experiences by focusing on the experience as intended and enacted by the auction house through the use a set of design characteristics in order to create 'experience-centric services' (Ponsignon, Durrieu, and Bouzdine-Chameeva 2017; Voss, Roth, and Chase 2008).

Finally, the present work contributes to the debate on how art organizations are adapting to an increasingly segmented market, featuring consumers with increasingly heterogeneous cultural capital and tastes (Colbert and St-James 2014). Our study reveals how this process of spatial seduction seeks to involve and legitimize the participation of consumers from different backgrounds and with different cultural capital, which constitute the auction house's new customer base. Therefore, the study provides a frame for businesses from different sectors - from entertainment to personal care, from educational services to transport - to react to market changes by working on their physical environment as a way of strengthening their relationship with more heterogeneous consumers.

### **Physical Space and the Consumer's Experience**

Organizations have always tried to design their commercial setting in a way to convey certain messages to their customers (Castilhos and Dolbec 2018; Rosenbaum and Massiah 2011).

Physical space is not merely a setting in which commercial activities are performed; rather,

through its materiality and artefacts, physical space materializes meanings, promotes attachment to its elements and frames market actors' experiences (Castilhos, Dolbec, and Veresiu 2017).

Space, by materializing elements of the market system (Castilhos, Dolbec, and Veresiu 2017), allows the legitimation of industries and the communication of ideologies related to the brand (Borghini et al. 2009). What is more, space allows the creation of bonds among actors, for example through socializing and the sharing of experiences (Kozinets et al. 2004; De Molli, Mengis, and van Marrewijk 2020) and memories (Borghini et al. 2009) with other customers or business actors (Price and Arnould 1999). Many consumers patronize business spaces not only for their own functional needs, but also for the social and therapeutic benefits from the human interaction with employees and other customers. In business spaces, consumers can escape from solitude, reduce stress and achieve well-being (Rosenbaum et al. 2020). Moreover, they create bonds with the space itself, which is manifested through attachment to a place (Debenedetti, Oppewal, and Arsel 2014; Skandalis, Banister, and Byrom 2016). Organizations may arrange spaces to communicate certain meanings, influence consumers' behaviours and interactions (Borghini et al. 2009), and create a specific experience for customers (Ponsignon, Durrieu, and Bouzdine-Chameeva 2017). Such goals are achieved by the careful arrangement of stimuli, such as through the use of technology, as well as 'the less observable furnishing of comfort, layout and accessibility' (Rosenbaum and Massiah 2011, 474), such as ambient scent, light or music. Stimuli can be used to capture the customer's attention in a way that makes them feel immersed in the reality constructed by the organization (Kozinets et al. 2004), while remaining detached from external stimuli (Rosenbaum and Massiah 2011). In other cases, spaces are designed to evoke a sense of projection for the objects that are placed in the environment (Borghini et al. 2009). Pleasant aesthetic stimuli and the careful display of objects (e.g. one at a time) in the business's space can encourage exploration and sense-making

(Rosenbaum and Massiah 2011), as well as a desire to be physically in contact with such objects (Borghini et al. 2009). In doing this, space possesses the power to subtly seduce actors.

Seduction (from Latin *'se-ducere'*: to take aside, to divert from one's path') is a subtle and sophisticated practice that transforms the subject's interests and desires. In marketing, seduction refers to the 'interactions between marketer and consumer that transform the consumer's initial resistance to a course of action into willing, even avid, compliance' (Deighton and Grayson 1995, 660). It is a process punctuated by temptation and enticements (Deighton and Grayson 1995) that induces the individual to make a choice thanks to the reward offered. Step by step, consumers develop desires and trust in relation to the organization, and may change their beliefs and behaviours, 'enjoy things they did not intend to enjoy' (Deighton and Grayson 1995, 660), and develop attachment with the place and loyalty towards the organization (Laroche, Steyer, and Théron 2019).

Seduction is a process in which both actors - the organization and the consumer - play an active role. The organization makes use of symbolic resources, such as advertisements or design details, in order to orchestrate the seduction process and thereby prevent the emergence of doubts (Laroche, Steyer, and Théron 2019; Wilner and Ghassan 2017). In addition, the appeal of 'secrecy' and 'exclusivity', or elements that evoke mystique, elusiveness and romanticism, contribute to the maintaining of desire (Laroche, Steyer, and Théron 2019). Symbolic elements are used by the organization to signal value to consumers (Deighton and Grayson 1995) in contexts where the value of the transaction is ambiguous, and open to multiple interpretations. Simultaneously, the consumer too collaborates in the process. Seduction is a game based on complicity (Deighton and Grayson 1995), where the consumer is not a mere passive victim of a marketer's manoeuvres - but is free to participate in, or withdraw from, the game.

Notably, seduction occurs in a specific time and space frame (Deighton and Grayson 1995), and spaces contribute to the elicitation of seduction and desire (Lichrou, O'Malley, and



Patterson 2014). Seduction can take place thanks to the physical sensations elicited by architectural stimuli and aesthetic elements. For example, in their analysis of Starbucks' stores, Biehl-Missal and Saren (2012) emphasize how the judicious use of lights, smells and architecture enable consumers to feel relaxed and to experience pleasure. In this sense, seduction is intrinsically a meaning-making process that takes place between the organization that orchestrates the spatial setting to transmit both physical sensations and messages to customers, and the customers who, by receiving and interpreting these messages and symbols of space, are also involved in a process of seduction.

Within the art and cultural sectors, this approach to space design, aimed at seducing the consumer, began to characterize museums and, little by little, embraced other art organizations.

### **Art Auction Houses: Undergoing a Redefining of their Function in the Market**

Auction houses are central focal points of the art market structure that have, for years, functioned as the best places to promote artworks and increase their economic value. However, they were originally conceived of as places of trade and exchange. In the 18<sup>th</sup> century, auction houses were known as salerooms which dealt with a niche market with a functional objective: to purchase artworks at a low cost for the sole purpose of reselling at a higher price. This function persisted through the 20<sup>th</sup> century, and it was only after the 1970s that auction houses started to become important intermediaries in the art market, as they became central stakeholders, thereby impacting the contemporary art market.

Over time, they became places to legitimize the function of artworks as status symbols. As Velthuis (2005) argues, auctions are 'tournaments of value' or 'status contests'. During art auctions, an economic transaction takes place. However, simultaneously, a dual process of value creation takes place: on the one side, the artist's ranking is defined and, on the other, the status and notoriety of the collectors who can buy the artworks is validated.

Auction houses have also experienced other changes. First, they have become increasingly customer-oriented as an answer to the fiercer competition, as well as the request of more transparency from a new customer base interested in art and antiquities.

Second, as the digital shift has facilitated a disintermediation process in the art market (e.g., artists self-promoting via social media), organizations have been obliged to develop new approaches and strategies to re-assert their relevance to customers within the value chain. The strategy of investing in prestigious headquarters, where experts are on hand to offer art-related services and to assist customers in the delicate process of buying or selling art, and where the perceived value of the ‘singularities’ (Karpik 2010) is traded, is not only preserved but also augmented, and is in line with this direction. This accounts for not only why auction houses have maintained their physical headquarters, but also why they have chosen to invest in their physical spaces by renovating or expanding them. Phillips, for example, has just expanded its headquarters, centrally located in New York, into a new and stylish 55,000 square foot space.

Moreover, auction houses, as market spaces, possess features that require that consumers obey the implicit symbolic norms and discourse-based rules established by the person who conceived the space (Castilhos and Dolbec 2018). Hence, an analysis of how these organizations devise their spatial setting in order to seduce their customers can provide important insights, facilitating a better understanding of how they react to the complex changes they are undergoing.

## **Methodology**

This study uses qualitative methods to analyse how art auction houses try to design and orchestrate their tangible and intangible spatial settings in order to attract and communicate with their customers. We focus predominantly on the intended experience, as we need to contextualize the phenomenon of the design and orchestration of these special settings, and to

identify their main features. This ‘structuring’ work can subsequently be used to explore how consumers perceive and experience such spaces.

This research has an exploratory nature. Therefore, the selection of art auction houses was informed by a maximal variation sampling strategy. Diversity between art auction houses was actively sought in terms of spatial characteristics (prestigious and historical building or industrial architecture or repurposed building) and location (city-centre or out-of-town office). The auction houses selected are based in Milan: the city with the highest turnover for auction houses for the Italian market, which is one of Europe’s largest art marketplaces. Figure 1 shows the geographical location of the three auction houses in Milan; the continuous light blue line delimits the city centre, while the broken line marks the outer ring road of the city. The three auction houses selected for this study are those that are the longest established in Milan: Il Ponte, Finarte and Sotheby’s, established in 1947, 1959 and 1973, respectively. The Appendix provides a description of the three auction houses selected.

[Figure 1 about here]

### ***Data Collection***

This research is based on two sources of data: semi-structured interviews and observations. Secondary data, such as auction reports, catalogues, brochures, auction houses’ websites and online auctions pages have also been taken into consideration to contextualize the case studies. Data collection was performed from September 2019 to April 2020, first physically and then, because of the COVID-19 pandemic, via online interviews.

We interviewed the directors of four departments of the selected auction houses, and an assistant manager, making a total of 11 interviews. The selection of the respondents followed

considerations of convenience and theoretical sampling. Table 1 summarizes the details of the interviews.

[Table 1 about here]

We also collected data through non-participatory observations (20 hours in total) of the headquarters of the selected cases.

### ***Data Analysis***

Data analysis was carried out through the following stages. First, two authors conducted a first reading of the transcripts of the interviews, the documents, and the field notes independently, openly coding data by assigning descriptive labels to sentences in which information on the spatial setting emerged. Then, we worked together, combining these descriptive codes into first-order categories to start to identify conceptual connections among these categories (Corbin and Strauss 1990). Next, two authors from the team jointly analysed the data to achieve a consensus of interpretations, and a third author analysed the text separately to ensure the reliability of the interpretations. In this way, various themes emerged (e.g., prestige, power, elitism, and accessibility). We then explored the environmental stimuli in subsequent interviews and observations, asking the interviewees to provide their own descriptions and interpretations of these environmental stimuli. This helped us to develop an accurate and detailed understanding of the way art auction houses manipulate their spatial settings to communicate with their customers.

### **Three Ways of Seducing Customers through Space Design**

The findings reveal three different ways through which auction houses orchestrate their space to seduce their consumers. In the following sections, we will illustrate each of these strategies and their own specific features, also summarized in Table 2.

[Table 2 about here]

### ***Seducing Through Prestige***

The first way in which art auction houses seduce their customers is through prestige. With this strategy, art auction houses use their prestigious and centrally-located headquarters to convey messages of elegance, exclusivity and credibility to their customers.

We have observed that this strategy is enacted by two of the auction houses analysed: Sotheby's and Il Ponte in its central location. The spatial setting of these auction houses is orchestrated in order to legitimize the business and to materialize meanings (Castilhos, Dolbec, and Veresiu 2017) of excellence, credibility, social status and elitism related to the brand. The entrance to Sotheby's is sober and intimidating; it is an impressive wooden door located on the main street of the city centre. From the outside, no flags or signs indicate the presence of the auction house; therefore, only those who have already been there, or have the exact address, know that the auction house's offices and salesroom are located here. This is exemplified by the following quote: 'We do not display a banner outside "Please enter". People should know us (in order) to come in. This kind of setting can be intimidating' (Interview 9, April 2020). This entrance of the auction house is designed to give consumers the idea that they are about to enter a place for the few; an elitist setting, where they can show and enact their identities and social status (Castilhos and Dolbec 2018), by showing others, through their attendance, that they are part of the elite of wealthy art collectors. This resonates with the literature on seduction,

in which exclusivity and appeals of secrecy play an important role in the seduction game (Laroche, Steyer, and Théron 2019).

The decision to place the headquarters in such a central position is not only dictated by the fact that ‘the headquarters of the auction houses are like flagship stores, just like with fashion stores’ (Interview 8, April 2020), but also by the need to offer their customers ‘a centrally-located place, where they can attend the exclusive events organized by the auction house’ (Interview 8, April 2020). These events are essential moments for the auction house (Interview 5, January 2020), as not only do they demonstrate the prestige of the organization to its audience, but they also allow customers to strengthen their status and visibility within the restricted and select circle of people whom they meet at the event. Moreover, such events allow the auction house to strengthen their bond with customers, a process which occurs through regular attendance at events and through place attachment (Debenedetti, Oppewal, and Arsel 2014). Indeed, these spaces, which are sophisticated, elitist and accessible to only a select few, provide those who enter legitimacy to their status, and the opportunity to act in accordance with their privileged identity (Borghini et al. 2009; Joy and Sherry 2004)(Borghini et al. 2009; Joy and Sherry 2004), thereby helping the organization to develop a relationship with customers.

The intended experience orchestrated for the customer, therefore, is at the core of the space design, one which is meant to involve visitors in a highly sophisticated and exclusive atmosphere, and cannot leave them feeling indifferent, as one of our interviewees from Sotheby's explains:

Our architects have restructured the space, making the venue very beautiful. Even our colleagues from New York and Paris, who also have really prestigious offices, when they come here to Palazzo Serbelloni and see this space, the internal courtyard, these exhibition halls with these friezes, the marble floors [...] they are impressed. (Interview 8, April 2020)

The interiors are sober, spacious, and elegant. The floors are made of polished marble chips, and from the large windows, one can also see, in the case of Sotheby's, an internal garden (a prize possession in such a highly-urbanized city as Milan). 'We are fortunate to have this wonderful garden' says one respondent, 'it gives us the opportunity to further enhance the sale-preview experience by hosting nice receptions' (Interview 8, April 2020).

The use of space to seduce visitors is also mentioned by several respondents from Il Ponte, who are aware of the influence of their location in impressing their visitors, as one responded stated: 'The strength of Il Ponte is this place! It is a wonderful building, with a beautiful garden; it is clear that when a customer comes here, they are impressed!' (Interview 3, October 2019). Finally, these spaces are also used to emphasize the importance of the artworks exhibited and to signal their value to consumers (Deighton and Grayson 1995), as affirmed by one respondent:

The customers are delighted when we invite them to see an object [they are interested in] in our headquarters. The prestige [of this place] helps a lot to give it importance and to transmit value. (Interview 4, January 2020)

In addition, the colours of the walls, the lighting (a mix between natural and artificial light, orchestrated to valorise the exhibited works), and all these ambient conditions and spatial layout are specially orchestrated to enhance the customer's perception of the value of the artworks:

It is important to present the works of art here, rather than to show them in the warehouse. Of course, the work speaks for itself, but seeing it well hung on a wall, with a certain presentation... for those who already have a good intention to buy, it can be crucial to see the work presented here. (Interview 8, April 2020)

These characteristics mark the strategy enacted by the auction houses that use their spaces to seduce their customers through the prestige of their locations. Conversely, another auction house in our sample prefers to engage, rather to overawe, its customers, through a use of space that facilitates discovery and engagement, as described in the following section.

### ***Seducing by Encouraging Customer Engagement***

The second way in which art auction houses seduce their customers is by designing spatial settings that encourage customer engagement. In this strategy, the spatial setting is designed to be accessible, to foster engagement and discovery to attract the customer's attention and to intrigue them – paramount elements of the seduction game.

This strategy is pursued by Il Ponte in their out-of-town venue (called 'Via Pitteri 8'), located in the suburbs of Milan. Il Ponte, on the one hand, aims to increase the loyalty of its customers, and it does so by inviting them to visit their headquarters (Interview 11, April 2020). On the other hand, it aims to expand its clientele, attracting customers who are new to auctions, and who do not have the economic means to afford to buy artworks at the main location, or have a different cultural capital and taste (Colbert and St-James 2014) from those of regular customers. This was 'a desire of the founder of the auction house, and for which the Via Pitteri 8 label was coined, to attract hundreds of visitors, especially over the weekends' (Interview 11, April 2020). For this purpose, the auction house uses its out-of-town venue that, through space design, communicates (Borghini et al. 2009) messages of accessibility, openness, inclusion and democratization (values that frequently emerged during the interviews), to current and potential customers, as emphasized by one respondent:

Via Pitteri is more accessible... the approach with the auction for the customer here is easier, while in via Pontaccio a high level of preparation is required, with greater competence. In via



Pitteri, instead, the customer is welcomed and is introduced to the auction world. (Interview 10, April 2020)

The spatial setting of Via Pitteri 8 is a large, undecorated, industrial space, where visitors are welcomed without feeling intimidated:

[Compared to the central location] here it is quite another thing. [...] We want to create an empathy with the environment that makes one feels at ease and [that makes] one return here. (Interview 9, April 2020)

The way the space is organized invites customers to create bonds with the space itself, and to develop place attachment (Skandalis, Banister, and Byrom 2016; Debenedetti, Oppewal, and Arsel 2014), as confirmed by one respondent:

Via Pitteri is an immense space which offers the public truly everything, of any quality, of any kind - a vast collection. People can come here to look for something special, or simply to spend their time looking around. (Interview 10, April 2020).

The way the spatial setting in Via Pitteri 8 is designed facilitates customers' engagement not only with the objects for sale, but also with the auction house itself which, through its space, conveys messages of accessibility, engagement, and discovery. Interiors, moreover, are carefully organized in such a way as to 'create a path for the visitors' (Interview 11, April 2020) that brings them into contact with objects of different styles and processes, making them all appear accessible and 'at hand' (Interview 11, April 2020), as described by one respondent:

It is not a simple presentation. [...] Before each exhibition I study the exhibition areas, considering the customer access points and the paths inside the exhibition space. Objects are then displayed with the aim of visually captivating and seducing the visitor. Nothing is randomly arranged in the space. (Interview 11, April 2020)

Seduction through customer engagement is enacted by the auction house through a use of space that attracts consumers by offering them the opportunity to approach the art market - which is usually very closed and elitist - in an informal and very accessible way. The customer engagement, reinforced by a personalized experience in which customers can learn about art while developing relationships with the staff, is highly important, as emphasized by the Il Ponte's Director:

The personal relationship, characterized by empathy, is the main value we tried to bring to the customer. Our customer will never be a number, an abstract entity. [...] We want to create a human relationship with them. There is a memory, an emotional involvement, inside a customer who sells or buys. He has to be guided, recommended. This for me is one of the fundamental, founding values of our organization. It is not a standard communication, made up of slogans, but it is a communication designed to get to the customer's heart. (Interview 10, April 2020)

### ***Seducing by Emphasizing the Sharing of Experiences between Fellow Customers***

The third way in which the art auction houses use their space to seduce their customers is by encouraging them to share the auction experience with fellow customers, which is the strategy pursued by Finarte. The strategy of the art auction house is to develop or increase customers' trust by promoting itself as a dynamic, modern auction house that is transparent and reliable, through a location that legitimizes its activity in the market and communicates the values of reliability, transparency, and openness. 'Our main value is transparency. Because Finarte went

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bankrupt in 2012, we must be as clear as possible when bringing out the data and results [of the auctions]’ (Interview 7, April 2020). To transmit these values to customers, Finarte utilizes its venue, which is characterized by a fluid space, with no barriers, and simply uses glass and other transparent materials. This is further emphasized by the following quote:

The venue has been modernized, set up in a very minimal way to reflect this new projection towards openness and the future of Finarte [...] Seeing this beautiful venue gives also more confidence in the organization itself. But, above all, it also gives us a greater credibility. (Interview 6, April 2020)

The new location is designed to seduce and foster trust in the organization (Laroche, Steyer, and Théron 2019). From the outside, the auction venue appears accessible, and not at all intimidating. Having passed through the door, the visitor enters a large, bright, and spacious open area. The floor and surfaces of this space are white and shiny. Physical stimuli are used here to welcome visitors (Kozinets et al. 2004; Borghini et al. 2009), while they remain detached from external stimuli (Rosenbaum and Massiah 2011). The Finarte venue is designed to be a place, ‘where customers can go with friends’ (Interview 7, April 2020), to socialize, assemble, and share experiences (Rokka 2021). The airy, bright and spacious venue, therefore, is also used by Finarte as a tool to improve customer relationships by giving customers the opportunity for social interaction and to share experiences (Kozinets et al. 2004) with other customers. Indeed, the auction house organizes numerous events such as *vernissages*, speeches, pre-sales guided tours with experts, as well as lectures (Interview 6, April 2020).

The social aspect related to our auctions and events is very important to us and our customers.

Our customers often come to auctions with friends, sometimes they meet people here with whom they later become friends. For example, I know some clients who met at the jewelry auctions and

now they always come together; they try on the jewels, they ask each other's opinions and attend the auctions together. (Interview 7, April 2020)

This resonates with previous studies that show how organizational spaces foster relationships by providing opportunities to meet friends at the events organized by the auction house, as well as to create bonds that strengthen the relationship between consumers, or to establish new relationships (Price and Arnould 1999). Customers can participate in sales and events and share the art experience at auctions. The attendance is regarded as a social event (e.g. 'our customers say that they like to come here instead of going to a museum' Interview 7, April 2020), and as a particular experience which can be enjoyed and repeated with others at such auctions; they have become a social and networking event (Interviews 6 and 7, April 2020). By creating a suitable setting for socializing and sharing experiences with fellow customers (Kozinets et al. 2004), this auction house seduces consumers who, by attending the auction house space, can develop place attachment (Debenedetti, Oppewal, and Arsel 2014), and to accept the new narratives (Wilner and Ghassan 2017) of transparency and trust provided by the auction house.

## **Discussion**

This study proposes some novel insights into experience design and provides theoretical implications for CCT research. To begin with, it fills the gap in the literature by focusing on the cultural sector through the analysis of art auction houses, an area thus far neglected, and which possess unique features in the art market: they offer multiple products (from artworks to collector's items), for which the aesthetic experience must be magnified (Colbert and St-James 2014). Moreover, our study answers the call for more research that investigates how managers orchestrate the consumer's experience (Rokka 2021) through space. This study, indeed, explores the intended experience (Roth and Menor 2003; Ponsignon, Durrieu, and Bouzdine-

Chameeva 2017) from the manager's perspective, rather than that of the lived consumer experience.

Our qualitative investigation identifies various seduction strategies developed through the design and spatial characteristics, and further contributes to the extant literature by showing how space is used for enhancing customer participation through the process of seduction. We add to the current conceptualization of the role of space in framing experiences (Castilhos, Dolbec, and Veresiu 2017), by further proposing that spaces can be conceived of and organized in such a way as to seduce customers. Given that seduction is a sophisticated practice that entails the orchestration of symbolic resources and interactions between the organization and the customer (Deighton and Grayson 1995), our study shows that space can be a privileged tool of seduction. Space, indeed, can be used to involve and engage customers as co-creators of the experience (Kozinets et al. 2004) in the process of seduction orchestrated by the organizations. The intended experience planned by the auction houses, achieved through seduction, therefore seeks firstly to ensure customer participation, and secondly to facilitate interaction with the objects displayed, which maintain their fascinating role.

In line with the current theorizing of space as an element that allows consumers to escape and to be fascinated (Rosenbaum and Massiah 2011), our findings illustrate that managers carefully select locations and materials, and organize rooms in a way that seeks to facilitate the consumer's participation and interaction with both the objects on sale and with other consumers. Space, therefore, is organized in such a way as to seduce the consumer by means of a 'service experience', which enables a further magnification of the 'aesthetic experience' offered by the objects displayed. The aesthetic experience is made possible by a range of spatial solutions, such as the recreation of a museal aura, or the use of raw and industrial materials, or minimalist furniture.

The intended seductive experience also functions as a means of transforming and rejuvenating the relationship that customers have with auction houses. As is the case in many other sectors (see Kozinets et al. 2002), auction houses are aware that customers patronize business spaces not only to satisfy functional needs, but also to entertain themselves and meet other people (Karababa and Ger 2011; Kozinets et al. 2004) in a social context that affects their ‘assembling of experiences’ (Rokka 2021). In this vein, auction houses aim to develop their interactions with the customers by facilitating visits by the customers, who can patronize the headquarters not only to buy artworks, but also to spend time in their spaces. In this way, some auction houses strive to build a relationship with the customers that is less formal, and which is characterized by more frequent interactions.

This study further contributes to CCT research on space by shedding light on how space can be orchestrated to interact with a more heterogeneous and changing audience of consumers, with different cultural capital and tastes. This article provides an understanding of how organizations employ space in order to attract different audiences to their market (Castilhos and Dolbec 2018). Specifically, the findings show that the more an auction house aims to enlarge its clientele and involve a broader audience, the more probable it is that its space will be designed as ‘inclusive’ (airy, modern, bright, white, and large). Conversely, the more the auction house is interested in developing and strengthening its relationships with existing customers, the more probable it is that its space will be designed as ‘elitist’ (namely prestigious, possibly historic, and richly decorated). This latter case recalls Baudrillard’s (1990) conceptualization of consumption as a way to differentiate oneself socially: in *Seduction through Prestige*, the space becomes a new tool for socially differentiating experiences.

The implementation of different seduction strategies can be viewed through the lens of the changing composition of the customer base. As recalled by many respondents (e.g., Interviews 9 and 10, April 2020), in the past, art auction houses customers were essentially dealers who

bought artworks to resell in their own businesses, whereas now the majority of customers are represented by collectors and new individuals who may be curious to enter this new world, to encounter new experiences and to enrich their knowledge. Clearly, the new customer base requires new strategies for attracting and retaining the audience, and our findings illustrate how space plays a crucial role in approaching this more heterogeneous audience.

In this respect, the place where the auction house is located in terms of the urban context has important implications for the consumer's approach to art, as well as for the process of the democratization of art. Our typology shows that the decision whether to establish offices in a more or less central position is not only dictated by costs and logistical decisions, but also by the aim of approaching a clientele with different cultural capital and tastes (Colbert and St-James 2014), by creating a specific seduction experience for customers. Art auction houses may be often perceived as the perfect example of market spaces, described by Castilhos and Dolbec (2018) as 'exclusionary, available to those who can afford to be there or who have the proper cultural capital to participate adequately' (158). This is the case of the central locations, where an attempt is made to convey socialization (Karababa and Ger 2011) and a rather elitist sharing of experiences (Kozinets et al. 2004), through which customers can legitimize their social status as experts and wealthy collectors (as illustrated with the Sotheby's case). The locations in more out-of-town positions, by contrast, have a more experimental nature, with the customer invited to participate in a more informal experience of discovery and entertainment, aimed at bringing them closer to the business and developing a functional bond with them (Price and Arnould 1999). By seducing through customer engagement, these more out of town spaces can expose new consumers to the world of the arts, encouraging debates, encounters and shaping tastes (Skandalis, Banister, and Byrom 2016), all of which are crucial in the art world. Business can also play an important role in the redevelopment of neglected industrial areas, as the case of Il Ponte Via Pitteri demonstrates to a good extent. Art can be used to beautifying and vitalizing

spaces, fostering a sense of place and community, and cleaning places from negative associations (Visconti et al. 2010; Castilhos and Dolbec 2018).

Notably, this study shows how auction houses use space in ways that differ from those implemented by other cultural organizations. Museums currently design their spaces to provide an engaging and entertaining experience to the visitor (Tzortzi 2017), while art galleries, through the organization of their space into a 'front office' and 'back office', introduce a clear distinction between the moment in which the customers are involved in an aesthetic and cultural experience, and the moment when the deal is finalized (Velthuis 2005). Auction houses represent a step further along this process, as they combine the logics of the museum (engaging and joyful experience) with the merchandise rational that characterizes art galleries. Notably, how they orchestrate and develop an intended experience, characterized by seduction and the logics of play, is not observable in the relationship established by art galleries with their customers.

### **Limitations and Future Research**

This study is subject to limitations, arising from the case research methodology and the associated sampling strategy, which invite further research. First, we mainly focus on the intended experience, as we need to contextualize the phenomenon and identify its main features. Further research could usefully explore the differences between intended and realized experiences, the latter being how customers actually 'live' the space (Lemke, Clark, and Wilson 2011), by focusing on the spatial setting of auction houses. This comparison may contribute to identifying the design characteristics that produce the desired effects on customers in terms of loyalty and customization (Ponsignon, Durrieu, and Bouzdine-Chameeva 2017). Moreover, as seduction is an interactive process in which the consumer plays an active role, examining how the consumer perceives, interprets, and co-creates the experience, and then actively participates



in the seduction at the art auction houses, may advance our understanding of seduction through spaces. The authors, indeed, hope to stimulate and contribute to further research that will further investigate the seduction process, and to jointly consider both perspectives of the experience in order to propose a comprehensive understanding of customer experience design across different cultural service contexts. The proposed framework may be applied to a variety of service contexts, such as entertainment services, hospitality, and restaurant services, among others, in which the customer physically experiences the spatial setting.

Second, we limited our investigation to three auction houses. Further research is needed to verify some isomorphic behaviours that are reported to characterize key players in the art market, which comprises numerous, diverse and heterogeneous organizations such as museums, art galleries, cultural centres, etc. (Camarero and Garrido 2012).

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**Table 1.** Details of interviews

Number	Job position	Department	Auction house	Place of work	Date of the interview	Location of interview	Interview length
1	Director, Head of Department	Department of Photography	Finarte	Finarte Milan	September 2019	Finarte, via Paolo Sarpi Milan	33 min
2	Department Assistant, Specialist	Department of Photography	Finarte	Finarte Milan	September 2019	Finarte, via Paolo Sarpi Milan	35 min
3	Director, Head of Department	Department of Photography	Il Ponte	Il Ponte, via Pontaccio, Milan	October 2019	Il Ponte, via Pontaccio, Milan	35 min
4	Director, Head of Department	Department of Clocks and Mechanical Instruments	Il Ponte	Il Ponte, via Pontaccio, Milan	January 2020	Il Ponte, via Pontaccio, Milan	41 min
5	Director, Head of Press Office	Communication Office	Sotheby's	Sotheby's Milan	January 2020	Sotheby's, Corso Venezia, Milan	22 min
6	Department Assistant	Department of Photography	Finarte	Finarte Milan	April 2020	Skype (Covid-19 time)	25 min
7	Director, Head of Department	Marketing and Communication	Finarte	Finarte Milan	April 2020	Skype (Covid-19 time)	30 min
8	Deputy Director, Head of Sale	Department of Modern and Contemporary Art	Sotheby's	Sotheby's Milan	April 2020	Skype (Covid-19 time)	40 min
9	Director, Head of Department	Department of Books and Manuscripts	Il Ponte	Il Ponte, via Pitteri, Milan	April 2020	Skype (Covid-19 time)	64 min
10	General Director		Il Ponte	Il Ponte, via Pontaccio, Milan	April 2020	Skype (Covid-19 time)	30 min
11	Director, Head of Department	Decorative Arts of the 20th Century and Design	Il Ponte	Il Ponte, via Pontaccio, Milan	April 2020	Skype (Covid-19 time)	90 min

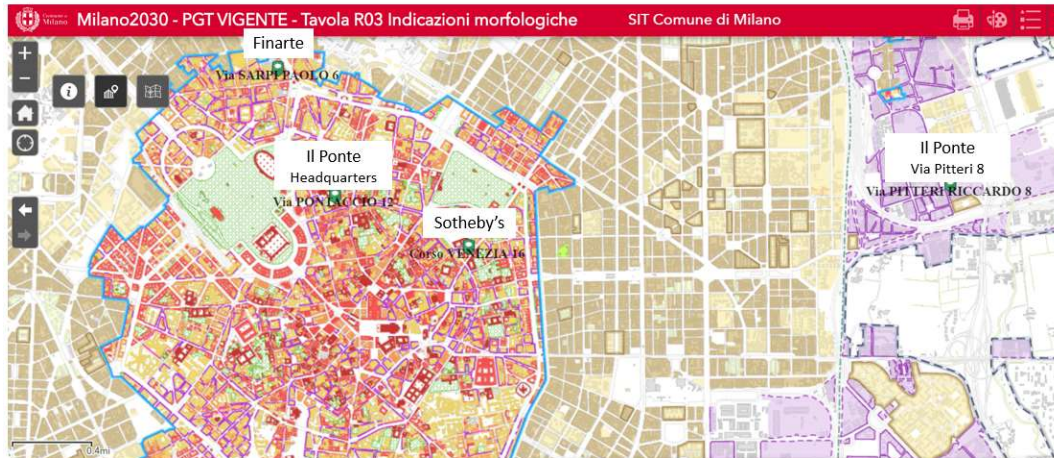
Source: authors' elaboration.

**Table 2.** Proposed typology of seduction through space design.

	Seducing through prestige	Seducing by encouraging customer engagement	Seducing by supporting the sharing of experience
<i>Market value environment</i>			
Values	Excellence; Credibility; Social status; Power; Elitism.	Accessibility; Engagement; Fun; Discovery.	Reliability; Transparency; Social experience; Openness.
Strategic goal	Increase customer loyalty	Attract prospects, enlarge customer-base	Develop customer trust
Relational focus	Reinforcing relationships with customers.	Creation of bonds with the space by developing place attachment	Encouraging social rituals and entertainment.
Brand scope	Legitimization of the business and communication of excellence, credibility, social status, and elitism related to the brand.	Communication of accessibility ideologies related to the brand.	Legitimization of the business and communication of ideologies of reliability, openness and transparency related to the brand.
<i>Physical environment</i>			
Space design/ Interior architecture	Historic building. Spacious rooms with polished marble grit floors. Sober and elegant decorations.	Industrial architecture. Industrial floors, reinforced concrete pillars, block masonry walls, large iron windows.	Repurposed building. White, large and bright spaces. Essential forms. Practical and contemporary materials.
Style	Prestigious, elegant, classic.	Industrial, eclectic.	Minimal, sober, contemporary.
Location	Central	Peripheric	Emerging district
Atmosphere	Sophisticated and exclusive atmosphere.	Casual, accessible and inclusive atmosphere.	Minimal, cozy, welcoming and inclusive atmosphere.
<i>Intended customer experience</i>			
Frame	Allowing customers to show and enact their identities and social status.	Facilitation of customers' engagement with the objects for sale, and with the auction house.	Encouraging socializing and sharing experiences with other customers.
Social Interactions	Interactions staff – customers	Interactions staff – customers; Interactions amongst customers	Interactions staff – customers; Interactions amongst customers
Intended consumer's reaction	Cognitive engagement, overawing	Surprise of the discovery, emotional involvement	Sociability, good balance of cognitive emotional engagement
Cases	Sotheby's; Il Ponte (Central location)	Il Ponte (Peripheral location)	Finarte

Source: authors' elaboration.

Figure 1. Geographical location of the selected auction houses



Source: Comune di Milano – PGT.

Plate 1. Sotheby's Milan



Palazzo Serbelloni, Corso Venezia 16, Milan, view from the outside

Interiors, exhibition space and sales room

Source: Photo taken by the author. December 2019

Plate 2. Il Ponte Headquarters



Source: Photos courtesy of Il Ponte Casa D'Aste

Plate 3. Il Ponte venue Via Pitteri 8



Source: Photos courtesy of Il Ponte Casa D'Aste