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ADAPTATION OF THE WORLD ART MARKET TO THE CONDITIONS OF THE PANDEMIC WITHIN DIGITAL TECHNOLOGY

Abstract: The authors looked into the aspects of world art market adaptation to the conditions of the pandemic within digital technology, analyzed the main market trends, described changes in the trade mechanisms. The main challenges of the current art market were defined, and the ways to resolve them were outlined.

Key words: art market, world trade of art objects, digitalization, investment in art.

The current media landscape that has occupied all areas of society, significantly transformed the art market as well, and since 1990 the systematical crises have affected its general state and its structure. Furthermore, they have introduced the new terms that are not typical of this market. These are savings, availability of sales, joint ownership of art objects etc. These trends are complicated by the theory of irrational behavior, which is especially characteristic of this type of the market. That is why the issue of the world art market adaptation to the conditions of the pandemic within digital technology is particularly topical and needs further study.

While researching the world art market transformation, we should start with its general dynamics and the crises and processes that have an impact on it. According to the official data the world art market sales were estimated at \$50 billion in 2020. It's around \$14 billion less than it was the previous year due to the influence of the pandemic (COVID-19). The downward dynamic was also observed in the number of sales. It was about 31,4 million transactions in 2020 versus more than 40 million in 2019. It should be noted that a similar market response was observed in 2008 when 43,7 million transactions decreased to 31 million in 2009 [1].

Traditionally, the art market figures lag behind the global economy and the stock market figures, however, they definitely reflect the general state of the economy. The experience of the last three decades speaks for it. The economic recession of 1990-1991, the dotcom bubble of 1995-2001, the financial crisis of 2008-2009 also had an impact on the market. The market reaction is predictable during the COVID-19 (2019-2022).

The market structure has changed significantly. The active implementation of digital technology and the development of remote technology has led to the revitalization of Internet sales channels and communications. The changes in the art

market and its expansion has attracted new buyers (collectors - introverts) due to the digital technology. The classic mechanism of relations between creators, dealers, consultants, gallery owners and collectors keeps working only in that market segment that can be figuratively called "the market of masterpieces". The online sales move from the level of an auxiliary tool to the level of the main one, which leads to the following transformations: globalization of the market and creation of the largest data base of creators and collectors in the history; the path from creator to collector becomes shorter for contemporary art; the market entry is simplified; detail about auction sale and dealers' sales becomes transparent and open to the public; the side market of copies, souvenirs, digital paintings, etc. is created (for wider audience); a variety of new marketing tools becomes available; the payment forms are also expanded (from cash to cryptoassets); the Internet platforms are in active use, the influence of social media is growing etc.

These changes involve a number of threats and challenges. The main ones among them are the chaotic and unpredictable market development, the high risk which is not always recuperated with profitability, massive opportunities for fraud, and as a result there is low credibility to the Internet sales channels not supported by the famous auction houses and galleries.

A number of specified issues may be resolved with further development of digital technology and its adaptation to the new sales management mechanisms. For example, transactions performed online from the moment of evaluation, purchase and delivery of the lot are definitely riskier. But extensive use of blockchain technology can resolve this issue. Furthermore, creating the unified principles of international trade applicable to both internal and international markets will become a prerequisite of market stabilization.

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