

# **The Improving Management and Marketing in Contemporary Art Market System in Liaoning Province**

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## **Abstract**

This study aims to explore the management and marketing status of the contemporary art market in Liaoning Province. Identify existing issues and provide improvement suggestions. The research adopts a combination of literature review, questionnaire survey, and in-depth interviews. The system analyzed the viewpoints and experiences of market participants. Firstly, the literature review provides a theoretical foundation for the research, involving market management theory, marketing theory, and art market theory. Secondly, quantitative data will be collected through questionnaire surveys to describe the current situation of market management, marketing strategies, information transparency, and conduct relevant analysis. Finally, in-depth interviews were conducted to understand the needs and suggestions of different roles such as market managers, artists, and gallery managers. Based on this, research has proposed improvement measures such as improving regulations and policies, strengthening market supervision, innovating marketing strategies, and enhancing cultural promotion. This study provides scientific basis and practical suggestions for the healthy development of the contemporary art market in Liaoning Province. It is of great significance to improve market management and marketing level.

**Keywords:** The Improving Management; Marketing Contemporary; Art Market System; Liaoning Province

## **Introduction**

Liaoning Province is an important province in Northeast China. Having rich historical and cultural heritage as well as artistic resources. At the same time, it also faces the challenge of transformational development. In recent years, with the rise of the cultural industry and the gradual opening of the cultural market. The contemporary art market in Liaoning Province has shown a thriving development trend. But at the same time, it also exposes a series of management and marketing issues and challenges. Liaoning Province is influenced by factors such as national policy support and industrial transformation. The cultural and artistic market in Liaoning Province is thriving. This has laid a solid practical foundation for the research of art market management theory and the development of marketing strategies. Among them, the art market has received special attention for drawing on the theoretical system of modern management. Becoming a focus of research in art market management. This provides a basis for the policy-making and management practices of the art market in Liaoning Province.

(WangYiGang, 2014)

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(LuYuJuan, 2018) For the art market. Scientific and rational strategic management is the key to achieving its market management and marketing goals. The scientific implementation of strategic management often relies on precise grasp of market information during the market segmentation process. However, so far, the research on the management theory of Liaoning art market has not truly begun. Most scholars often directly adopt traditional market management theories. Not considering the difference between the art market and the general market. Recognizing the uniqueness of the art market is the foundation for conducting art marketing management. The goal is that consumer behavior in the market is the starting point for achieving sustainable development in the art market. Market research on how to achieve sustainable management models in the art market in Liaoning region. Analyze the factors that affect marketing strategies. Furthermore, establish a standard system for the management and marketing of contemporary art market in Liaoning region.

Firstly, the scale of the contemporary art market in Liaoning Province is relatively small. Mainly engaged in painting, sculpture, and public art creation. The daily exhibition schedule and periodicity are relatively short. The market operation is not mature enough and lacks unified market rules and standards. Causing market disorder and unstable trading environment., This has constrained the healthy development of the market.

Secondly, contemporary artworks in Liaoning Province have relatively low popularity and influence both domestically and internationally, lacking brand effect and market competitiveness. Difficult to compete with art markets in other regions. Furthermore, due to the lack of specialized management and marketing methods. Many art institutions and practitioners face many difficulties in market operation, such as insufficient curatorial ability, outdated marketing methods, and insufficient market promotion.

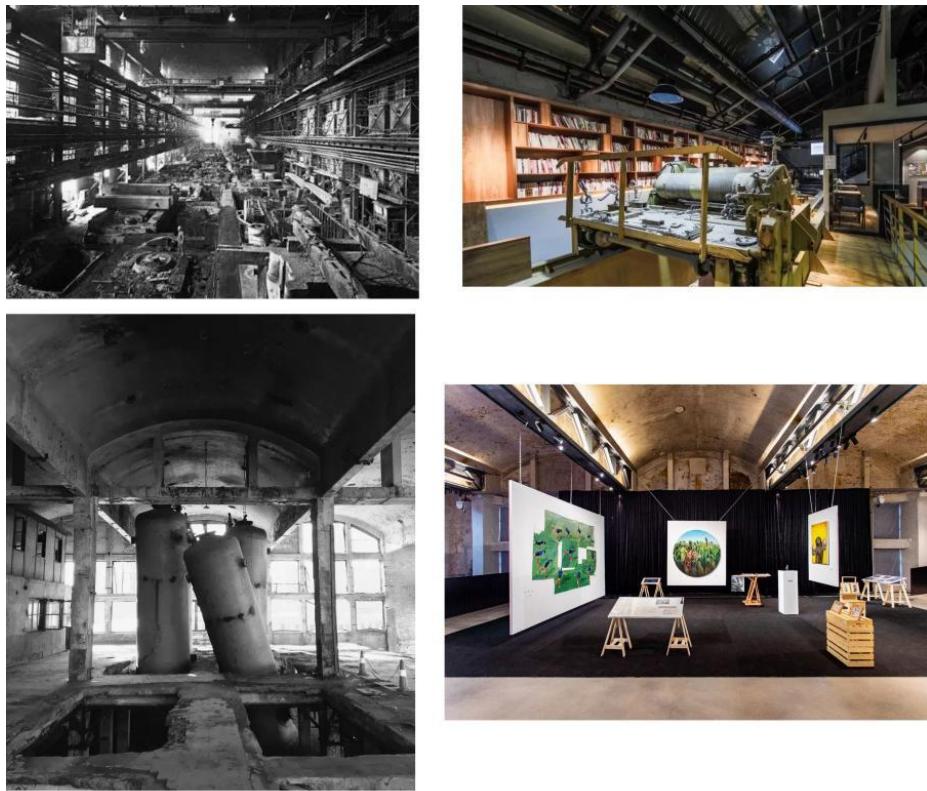
Finally, in this context. Conduct in-depth research on improving management and marketing issues in the contemporary art market in Liaoning Province. To promote the transformation and upgrading of the cultural industry in Liaoning Province. Promoting the prosperity and development of cultural and artistic undertakings is of great significance. Proposing practical and feasible management and marketing strategies can help regulate market order. Enhance the brand image and market competitiveness of artworks. Promote the healthy and stable development of the art market. Therefore, in-depth research should be conducted on the management and marketing of the contemporary art market in Liaoning Province. It has important theoretical and practical significance.

## **The Significance of Contemporary Art Market in Liaoning Province**

The contemporary art market in Liaoning Province is currently in its early stages. The contemporary art market in Liaoning Province has its own unique characteristics, despite the former glory of the ancient art market with a long and profound history. However, due to a period of time when Liaoning Province mainly relied on heavy industry development, the development of art and culture was relatively weak. At that time, China mainly relied on the export of heavy industry capacity from Liaoning to improve the country's economic transformation. Completely rejecting the "commodification" of artworks in terms of art and culture. Therefore, when the Chinese art market encountered the opportunity of reform and opening up, the contemporary art market in Liaoning Province quietly followed behind its

development. On the one hand, it is in a "low starting point state" that is disconnected from history. It has no direct inheritance relationship with the traditional Chinese ancient art market. On the other hand, compared with the highly sound and perfect art market system in the West, there is a gap in mastering the laws of value, operating mechanisms, operational links, and competitive order. Liaoning began to form an art district at the end of 2007, mainly focused on painting and sculpture art creation. It mainly includes the Xiashen Art District, the 11th Academy Art District, and the "ART-7212" Art District. The common feature of these three art districts is that the main members of the art districts come from Lu Xun Academy of Fine Arts, either teachers or students. In short, they all have a deep connection with Lu Mei. The "123" Cultural and Creative Industry Park was established in 2009. This is the first officially recognized national level cultural and creative industry park in Northeast China, located in Liaoning Province. In the same year, the "053" art district emerged around Shenyang Jianzhu University. This art district focuses on art design and is the first "LOFT" style art district in Shenyang. (FengChao, 2013)

(Shenyang Municipal Bureau of Culture and Tourism, 2020) The art district planned by the government in 2009 includes the "Hongmei" Cultural and Creative Industry Park, the "1905" Cultural and Creative Park in Tiexi, and the Creative Industry Base of the Foundry Museum. The total investment completed from 2012 to 2019 was nearly one billion yuan. The original buildings in the park are still arranged in a staggered and orderly manner. Showcasing the mottled industrial imprints of history. Bookstores, fashion shows, and art galleries have successively entered the modern cultural atmosphere. The park blends old industrial spaces with modern architectural language, incorporating various cultural consumption formats such as creative design, fashionable catering, art exhibitions, music creation incubation, creative markets, and night economy. Becoming a benchmark for the upgrading and transformation of Liaoning Tiexi Old Industrial Park into a modern international cultural and creative park, and a popular destination for trendy culture among citizens.



**Picture 1:** An art museum transformed from a heavy industry factory

## The Development of Contemporary Art Market in Liaoning Province

The development of the contemporary art market in Liaoning Province is based on the concept of constructing a development mechanism with sustainable strategic goals. Promote the sustainable development strategy of the contemporary art market in Liaoning Province based on its geographical, political, economic, social, and technological environment. The current development is mainly focused on management and marketing. The universality of theoretical support for the development of contemporary art market in Liaoning Province. Due to the lack of sustainable development models with market diversity. The economic benefits of the contemporary art market in Liaoning Province have gradually and slowly increased with regional development. To enhance the long-term strategic goals of the contemporary art market in Liaoning Province by improving the management of sustainable development.

Research and formulate the theory of art market in Liaoning Province, as follows:;

### 1. Supply and Demand Theory in the Art Market

Artworks and the art market are interdependent and interact with each other, and there is no market without artworks. There is no art without a market. In a perfectly competitive market, the price of art is a true reflection of the supply and demand of art. The law of value spontaneously regulates the supply and demand relationship by acting on the deviation between price and value. When supply exceeds demand, prices fall; When demand exceeds supply, prices rise and eventually reach a balance between supply and demand.

## 2. The "Halo" Theory of the Art Market

As early as the first half of the 20th century, Benjamin proposed the theory of "halo". As an important feature of traditional art or original works, the "halo" is beyond the reach of any replication technology or ability.

## 3. Art Market Theory

The market is an organizational form or institutional arrangement that determines the price and quantity of goods traded, leading to the marketization of art. The trend in the market where art is traded through negotiation, bargaining, and other means between art creators and collectors.

## 4. Art Market Confidence Theory

Nobel laureate in economics Krugman believes that significant fluctuations in the stock market do not truly reflect institutions and activities. The true barometer that reflects the operation of the economy is the confidence of investors. Since 2012, the complex international economic situation has been filled with factors such as instability and uncertainty, leading to increased investment risks. Investors' confidence is easily influenced by the investment environment.

## 5. Art Pricing Theory

The price of art is the core issue in the art market. Because it is the focus of attention for almost all art creators, collectors, investors, operators, and critics. Every time a new art market event occurs, it affects the price of art through the birth of new "sky high prices".

## **Art Market Management and Art Marketing Theory in Liaoning Province**

The core of art market management lies in consumers. Insight into the essential needs of art consumers is an important factor for art organizations in determining their own activity content, benefit goals, and management methods. Only by understanding the actual needs of consumers and mastering their consumption patterns. Only then can we target the target consumer group of art organizations. Effectively utilizing the limited resources of organizational structures to achieve economic benefits. At the same time, it enables the audience to obtain spiritual satisfaction from artistic consumption activities. Maximizing the cultural value of artistic products. The theory of art market segmentation can effectively assist art organizations in large markets with similar but different demands. Find the target group that can carry out effective management activities. This is crucial for the success of art market management and even art management. At the same time, it can provide guidance for art institutions to offer cultural products that meet the actual needs of the public. (DongZeKui, 2020)

(DongFeng, 2010) logically distinguishes management behaviors in the fields of art projects, art markets, art organizations, etc. Form a complete process from start to finish. This process must be composed of many links. This process can be summarized from various art categories such as art exhibitions, music performances, and film and television production. It roughly includes art creativity and planning, art production and production, art fundraising and fundraising, art promotion and marketing, art evaluation and feedback, etc. The regulation of the art market: The art market generally consists of a primary market, a secondary market, and art fairs. The primary market includes galleries, art shops, art brokers, etc. The secondary market mainly refers to auction companies. At present, there is a large trading volume in the global art secondary market. Among them, auction houses account for nearly half of the

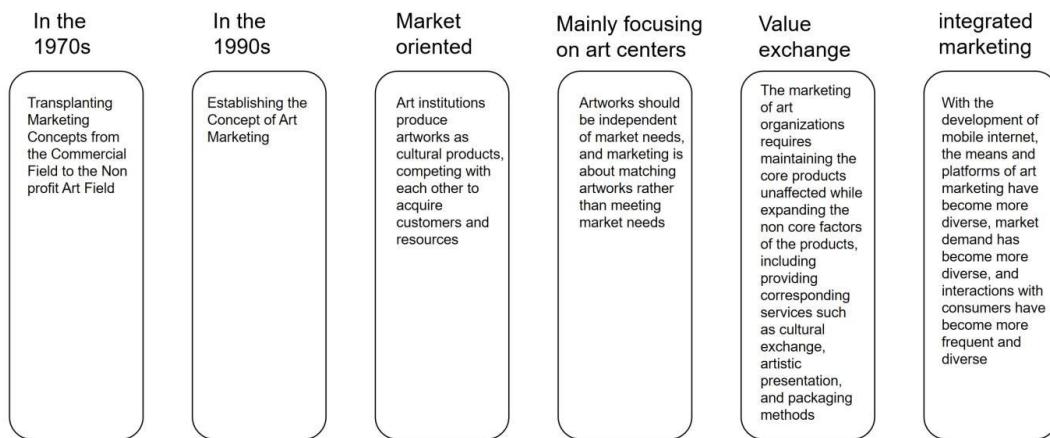
transaction volume. The art fair is a platform between the primary and secondary markets, and is a special and extremely important link in the art market.

Different from some Western countries. China has a long-standing centralized management system and operational model. The state and government have always been dominant management entities. In the current wave of reform. The art system and mechanism will undergo significant reforms and changes. But the state and government will continue to play a leading role. Based on China's national conditions. On the one hand, the management of the Chinese art market will continue to maintain its own characteristics. At the same time, we must strive to adapt to the requirements of the times under the conditions of a market economy. Make timely and proactive improvements. Regarding the management of social and industry organizations. China also has its own characteristics. Part of China is organized by social organizations. Such as the Federation of Literary and Art Circles and Writers' Associations, they themselves have quasi governmental characteristics. How to leverage the role of the Party and government as a bridge and link between cultural and artistic activities and their artists. This will be the focus of improving the management functions of such organizations; There are still a large number of cultural and artistic socialized organizations in China. It has a more loose and social characteristic, while also having the social function of uniting artists and carrying out extensive artistic innovation activities, fully exerting the effectiveness of such organizations under legal norms. Exercise certain functions of art market management. Becoming an important player in the management of the socialized art market. It has also entered the basic scope of theoretical research on art market management. (TianChuanLiu, 2014)

Art marketing can generally be understood as two levels of meaning, one is the artistic transformation of marketing behavior, that is, the integration of artistic concepts into corporate marketing affairs. Another meaning is art marketing. Franco summarized the definition of art marketing as: "Adjusting the commercial variables of a product, such as price, distribution, and promotion, in order to connect the product with a sufficient number of consumers and implement constant goals consistent with cultural enterprise objectives, while also enabling artists' products to reach niche markets that may be interested in these products." Although art marketing and marketing are becoming increasingly closely integrated, we mainly discuss the second layer of meaning here. (Definitions of Marketing, American Marketing Association 2017)

The study of art marketing is not only instrumental. It also attempts to explain the reasons for the formation of cultural consumption. For example, explaining the preferences of different social classes for cultural consumption. However, unlike purely for-profit enterprises, even commercial healthcare, education, and art institutions involve the interests of the entire society. We cannot blindly pursue expanding consumption and pursuing economic benefits. At the same time, the operating logic of art institutions also has its own particularities, such as commercial galleries. The focus of its work is to hold free exhibitions for the public and maintain long-term relationships with customers. The target consumers of certain art industries are not clear and concentrated, and require more exploration and cultivation of audiences than other industries. (WangZiQi, 2021)

In the era of mobile internet, constantly updated mobile phones, networks, and software are changing people's lives. It has also had a significant impact on marketing strategies. Kotler summarized marketing as the act of individuals and collectives creating and offering for sale. And a social and managerial process of freely exchanging products and values with others to obtain what they need and desire. Kotler decomposes the definition of marketing into the following concepts: needs, desires and needs, products, value, cost and satisfaction, exchange and transactions, relationships and networks, markets, marketers and their customers. In the rapidly changing Internet era, how do enterprises compete in the global market and how do successful enterprises respond to market changes? Kotler proposed a market-oriented strategic plan "to establish and maintain a feasible adaptive management process between organizational goals, skills, resources and its various changing market opportunities." (Philip, 2010)



**Picture 2:** Development Stages of Art Marketing Theory

## The Construction and Promotion of Art Brands in Liaoning Province

The concept of brand originates from marketing studies. (Philip, 1996) Philip Kotler believes that a brand is a name, logo, or design used to identify a seller's product and differentiate it from competitors' products. (Kevin, 2009) Kevin Ryan Keller believes that a brand is a symbol that helps consumers distinguish a product or service from other competitors. Thus, a brand can be understood as a distinctive symbol with recognition.

There are three main ways to promote art brands:

The first is to promote through art exhibitions. Promoting art street products through art exhibitions is currently a common way. During art exhibitions, institutions such as art museums, galleries, etc. will use the audience to promote and advertise art derivatives. However, this promotion method also has some drawbacks. For example, the number of exhibitors is relatively fixed and cannot be promoted on a large scale; Due to limitations in venue and exhibition, the display style of art derivatives is relatively monotonous, and so on. a symbol that helps consumers distinguish a product or service from other competitors. Thus, a brand can be understood as a distinctive symbol with recognition.

The second is to promote through art stores. This method is mainly used to sell and promote art derivatives in major art supermarkets, expos, and art stores. There are many derivative stores like this in Liaoning. For example, Hongmei Art Park, 1905 Cultural and Creative Park, Lu Xun Academy of Fine Arts Cultural and Creative Store, K11 Art Museum

Art Gift Store, Shenyang Palace Museum, and so on. The biggest advantage of an art store is that it brings art closer to consumers, making art no longer unattainable. It has played a certain role in promoting art derivatives. But most art shops are limited by geographical location. Generally, it is only opened in first tier cities and areas with a strong artistic atmosphere. So the scope of promotion has been limited to a certain extent.

The third is to promote through online exhibitions and sales on the Internet. The development of the Internet has made the promotion of art derivatives more possible. Sellers can try using e-commerce platforms to expand their sales network. As of December 2016, the number of online shopping users in China reached 467 million, accounting for 63.8% of the total internet users, an increase of 12.9% from the end of 2015. Among them, the number of mobile online shopping users reached 441 million, accounting for 63.4% of mobile internet users, with an annual growth rate of 29.8%. As of June 2017, the number of internet users in China reached 751 million, with a total of 19.92 million new users added in six months, representing a growth rate of 2.7%. It is not difficult to see through the data. With the continuous development of Internet technology. People have become accustomed to and accepted Internet shopping and online payment. This has made online transactions, a new form of business, increasingly popular among people. The suppliers of art derivatives have also seized this opportunity to vigorously develop online promotion. (BaiYunXiang, 2018)

Exhibition Hall Name	Exhibition content	Sales quantity	Number of Visitors
Hongmei Art Park	The 2022 Ice Breaking Art Program Exhibition - Gathering Core	9	64000
1905 Cultural and Creative Park	INTENTION ET NON-INTENTION II : concrétion	16	58000
The Art Museum of Lu Xun Academy of Fine Arts	2023 Shenyang China Europe Urban Cultural Exchange Exhibition	0	108000
K11 Art Museum	Lobster Creation Art Exhibition	33	170000
Liaoning Provincial Art Museum	The 2nd Liaoning Oil Painting Biennale National Famous Artists Exhibition	0	35000
Liaohe Art Museum	The 23rd Pingyao International Photography Exhibition	0	13000
Shenyang Art Museum	Modality - Exhibition of Young Artists in the 80s and 90s	12	52000

**Picture 3:** Statistical Chart of Major Art Museums in Liaoning Province

## **The difficulties and challenges faced by the sustainable development of contemporary art market in Liaoning Province**

Since the 2008 financial crisis, the global art market has also suffered a heavy blow. At the same time, the survival conditions of the contemporary art market in Liaoning Province are also precarious. The development of the art market in Liaoning Province is facing various difficulties and challenges. There are significant difficulties in exploring and researching technologies and methods, content, and diversity in the sustainable development of the art market. At the current research stage. Provided the introduction and model of scientific methods, equipment improvement, advanced technological methods and concepts, and strategic management. It has formed a multi-level and multi-dimensional research development and promotion. In recent years, there have been many achievements in the research of the contemporary art market in Shenyang, Liaoning Province. But overall, their position in the development of art markets in China, such as Beijing, Shanghai, and Guangzhou, is not commensurate. The 2012-2013 Liaoning Art Development Report fills a gap in the process of literary and artistic development in Liaoning. An important step has been taken to consolidate "memory". On the day of the report's release, a theoretical seminar on "Realizing the Chinese Dream and Liaoning Literary and Art Innovation" was held simultaneously. More than 30 cultural and artistic figures from the province, including Li Chunxiao, Lin Jianyu, Hong Zhaohui, Jin Fang, Sun Hao, Zhao Huiping, Bai Wei, Fan Zheming, Yang Zhengcai, Yao Yongquan, and Gao Xiang, attended. And a series of topics were discussed in depth, including the current development trend, problems and challenges of Liaoning's literature and art, as well as the value and significance of the 2012-2013 Liaoning Art Development Report. Li Chunxiao stated that the 2012-2013 Liaoning Art Development Report guides artistic production. Thus promoting the healthy development of the art industry. An objective evaluation was conducted on the comprehensive strength and status of Liaoning's literature and art in the current national context; A comparative analysis was conducted on the overall situation of Liaoning literature and art between the past two years and the previous period; Focused on the development of Liaoning's main melody literature and art in the past two years; Showcased the significant innovative achievements of Liaoning's literature and art in terms of genre, theme, form, means, concepts, content, and schools; Analyzed the important phenomena and major trends in Liaoning's literature and art; Recommended and commented on literary and artistic works with significant value and influence; Introduced important works of representative writers and artists from various categories; Sorted out and summarized the creative situation and achievements among grassroots people. Of particular note is that the 2012-2013 Liaoning Art Development Report has sorted out, analyzed, and commented on the key issues that have emerged in the creative production, dissemination and promotion, talent cultivation, and theoretical development of Liaoning literature and art over the past two years; Provide hints and comments on the emergence of early signs and tendencies in the literary and artistic circles of Liaoning. We have estimated and predicted the future direction and trend, and put forward some specific suggestions to promote literary and artistic work, guide creative production, and lead public appreciation. It can be seen from this. Its content has the characteristics of comprehensiveness, objectivity, theoretical and scientific nature, demonstrating a high level of cultural consciousness and confidence in the literary and artistic circles of Liaoning. (Liaoning Daily, 2014)

## Conclusion

A detailed background introduction and analysis were conducted on the management and marketing issues in the contemporary art market in Liaoning Province. By sorting out the market size, participant situation, current market operation status, and existing problems and challenges, we can clearly see that the contemporary art market in Liaoning Province faces many challenges in its development process, and there are a series of problems in management and marketing. The relatively small market size, low visibility, and lack of professional management methods have constrained the healthy development of the market.

However, as pointed out in this chapter. Although facing challenges, the contemporary art market in Liaoning Province also holds enormous potential and opportunities for development. Through scientific and rational management and marketing strategies. We are expected to regulate market order, enhance the brand image and market competitiveness of artworks. Promote the healthy and stable development of the art market. At the same time. The prosperous development of the art market will also promote the transformation and upgrading of the local cultural industry. Promote sustainable development of the economy and society.

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