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crowdfunding
culture

Art Basel Crowdfunding Initiative



Name of platform	Art Basel Crowdfunding Initiative
Geographical focus	Basel (Switzerland), Miami Beach, Hong Kong
Active since	2014
Crowdfunding model	Reward-based
Type of crowdfunding	All or nothing
Cultural sector partner	Art Basel
Platform partner	Kickstarter
Platform website	<u>https://www.artbasel.com/</u>



Executive summary

Art Basel Crowdfunding Initiative was launched in partnership with the US platform Kickstarter in order to catalyse much needed support for outstanding non-commercial art projects.

Project creators from non-commercial arts organisation worldwide prepare crowdfunding campaigns – in line with the admission criteria of Kickstarter – and submit the application to Art Basel to be included in the Art Basel curated page on Kickstarter. If the Art Basel jury takes a positive decision, the project is promoted by Art Basel on Art Basel's curated page, during art fairs (e. g. the crowdfunding lab) and other media channels (articles, social media).

The initiative generates added value for project holders in non-commercial arts by an enhanced global visibility for the arts endeavours as well as a wide support by offering a range of services in order to professionalise the crowdfunding campaigns and reach out to additional funds raised from the crowd.

Art Basel benefits also from the initiative in the sense of Corporate Social Responsibility by branding itself as a non-commercial art supporter. Supporting the entire art world ecology, furthermore sustains the art market in the long term. It is expected that Art Basel can also provide its audience a year-round engagement with exciting projects happening around the world.

During the first two years of implementation, the crowdfunding campaigns on Kickstarter having benefit of the Art Basel label have reached almost US \$ 1.4 million (€ 1.3 million).



Supporting crowdfunding for non-commercial art projects

Art Basel Crowdfunding Initiative aims at catalysing much needed support for outstanding non-commercial art projects. It was launched in 2014 in partnership with Kickstarter. Project holders create their campaign on Kickstarter and submit then their proposal to the jury of the Art Basel Crowdfunding Initiative. Art Basel recruits potential project creators for crowdfunding campaigns from their own networks, and receives applications online. If selected, the campaign is then promoted on the special sub-site of Art Basel Crowdfunding Initiative on the Kickstarter Crowdfunding platform. Art Basel makes no financial contribution to the projects. The projects are fully financed from the support of the crowd.

The all or nothing model is applied. The Art Basel Crowdfunding Manager states: "If the project doesn't achieve its goal (the amount determined to make the project happen) then the project can't happen and the backers don't see tangible results." In addition, the non-profit organizations involved in the Art Basel Crowdfunding Initiative require sufficient financial support to be able to fully engage with the project as some of the projects are also presented during Art Basel shows.

Rationale for the partnership

Art Basel's main activities are in the art market. For more than 40 years Art Basel aims at connecting highest-quality galleries to collectors, institutions, and art lovers in their three annual fairs in Basel, Hong Kong and Miami Beach. It has also a strong curatorial perspective.

The Art Basel cooperation with Kickstarter reflects the wish to support non-profit arts organisations – as an important part of the art market ecosystem. It was expected that partnering with Kickstarter will allow a deeper engagement with non-profit arts organizations and allow Art Basel to connect its audience of people interested in art to non-commercial art projects around the world on an ongoing basis outside of the three annual shows. The Art Basel Crowdfunding manager highlights the main expectations as follows: "Cooperating with a crowdfunding platform like Kickstarter enhances also the visibility of the art projects to a wider audience and provides – if the campaign is successful – the required financial support from backers."

The Art Basel Crowdfunding Initiative can be well-illustrated with the example of the project “More is More”: The Wolfsonian, a museum in Miami Beach, partnered with Art Basel Crowdfunding Initiative and Kickstarter to crowdfund the project “More is More” – a contemporary textile and batik-inspired installation of the Dutch artist Christie van der Haak at the museum’s façade during Art Basel Miami Beach/Miami Art Week 2016. The project holder is a museum part of the Florida International University Miami Beach. Art Basel invited the Wolfsonian to participate in the Art Basel Crowdfunding Initiative. Based on a previous cooperation, the director of the Wolfsonian agreed to launch a crowdfunding campaign. The crowdfunding project manager of the Wolfsonian highlights the services of the partners involved: “The services provided from Kickstarter were perfect, including conference calls whenever needed. A team of Kickstarter came also to the opening of the “More is More” installation. The marketing support from Art Basel was good, but for a first crowdfunding campaign the help of the platform was more crucial.” According to the director, the all or nothing model helped the Wolfsonian to make pressure on the backers when the deadline of the crowdfunding campaign approached. The project was initiated in the context of an exhibition on Dutch design in the Wolfsonian. The crowdfunding campaign started in autumn 2016 and ran for five weeks and fundraising was successfully finished in December 2016 during Art Basel Miami Beach.

Added value of the initiative

Visibility: The initiative offers additional visibility and support for a wide range of projects including artists’ residencies, educational programs, publications, public art projects—selected by an independent jury. The main goals of the Art Basel Crowdfunding Initiative are to support these organizations by sharing their stories, generating contributions, and reaching out to new audiences.

Art Basel Crowdfunding Initiative specifically targets projects from mid-high end non-profit organisations in the field of visual arts from around the world. In addition, less established arts initiatives are considered if they are very compelling and represent a local community.

Supporting services: Services for project creators are important for the Art Basel Crowdfunding Initiative and include support on how to best run crowdfunding campaigns, networking and exchange between peers (e. g. during Art Basel exhibitions) as well as coaching from the Art Basel crowdfunding manager and from the Kickstarter experts. Access to public grants or the stock market is not provided by the initiative.

The Crowdfunding lab was a format implemented during Art Basel shows to bring the digital initiative to life for Art Basel’s audience. Project holders of ongoing and successfully completed crowdfunding campaigns were invited to gather for exchange of experience and for networking. These events allowed also for personal access to potential backers.

Partnership model

Partnership set-up

The partnership was set-up in 2014, when Art Basel and Kickstarter mutually defined the initiative's parameters and process. The initiative was motivated to generate a win-win framework: The non-profit organizations could benefit from wider promotion by the large networks of Art Basel and Kickstarter. The crowdfunding platform Kickstarter has – with this cooperation – the potential to outreach to new organisations with high-quality art background. Kickstarter also benefits from their campaigns being endorsed by Art Basel, thereby giving the individual campaigns and the platform itself a better chance for success.

Also Art Basel benefits from the initiative in the sense of Corporate Social Responsibility by branding itself as a non-commercial art supporter. Supporting the entire art world ecology, furthermore sustains the art market in the long term. It is expected that Art Basel can also provide its audience a year-round engagement with exciting projects happening around the world. The related investments are mainly own resources like the crowdfunding manager or promotional activities for the non-profit arts organisations in the programme.

Art Basel decided to cooperate with Kickstarter due to the considerable (global) outreach of this crowdfunding platform. In addition, its reward-based system focuses on creative projects with a strong emphasis on community building and sharing content. "Many other platforms are more charity- or investors-oriented which is not in line with the strategic objectives of the Art Basel Crowdfunding Initiative to further high-quality arts initiatives in the non-profit field", states the Art Basel Crowdfunding Manager.

Partnership organisation

The partnership involves Art Basel and Kickstarter. Art Basel is owned by a public company in Switzerland called MCH. Kickstarter is an American public-benefit corporation based in Brooklyn, New York (United States). Their roles and activities in the partnership can be described as follows:



- Art Basel ensures that high-quality art projects from non-profit arts organisation are selected for Art Basel's curated page on Kickstarter (www.kickstarter.com/Pages/artbase1). For that purpose, a jury of three members decides on the online applications received by Art Basel. In addition, an Art Basel crowdfunding manager encourages interesting art organisations to take part in the Art Basel Crowdfunding Initiative, supports project creators with general information on the initiative, coaches project creators selected by the jury, and implements promotional activities.
- Kickstarter provides the crowdfunding platform. Services from the crowdfunding platform for project creators include coaching and training material.

In order to make the cooperation work, project creators from non-commercial arts organisation worldwide prepare crowdfunding campaigns – in line with the admission criteria of Kickstarter – and submit the application to Art Basel to be included in the Art Basel curated page on Kickstarter. Kickstarter is an open platform and any project creator can launch a campaign on Kickstarter. But if the jury takes a positive decision, the project is promoted by Art Basel on Art Basel's curated page, during art fairs (e. g. the crowdfunding lab) and other media channels (articles, social media).

The partnership between Art Basel and Kickstarter is based on contracts. These were adapted in the course of the cooperation based on the requirements of both partners involved during the partnership duration (since 2014). Neither Art Basel nor Kickstarter provide funding to the non-commercial arts organisations taking part in the initiative. The financial support is solely provided by the private backers in the crowdfunding campaign. Art Basel invests in the promotion and in the coaching of the project creators (Art Basel crowdfunding manager), but provides no financial contribution. Project holders must pay the 5% fee to Kickstarter, as all successful campaigns on this crowdfunding platform. No fees need to be paid to Art Basel. The criteria for participation of non-commercial arts organisations remained unchanged during the implementation time.

From the point of view of a project holder – the Wolfsonian crowdfunding manager – the financial context was experienced as follows: The funding surpassed the target of the crowdfunding project partly due to the fact that the Wolfsonian decided for a careful first approach and a rather low funding target, state the project holder. Additional support was not expected from Art Basel and is also not foreseen in the Art Basel Crowdfunding Initiative. However, potential additional funds from Art Basel or any other institutions would per se be positive for a non-profit arts organization like the Wolfsonian.

Related to a potential financial contribution of Art Basel to the projects promoted by the Art Basel Crowdfunding Initiative on Kickstarter, the Financial Times raised already in 2014 the question, why Art Basel did not just give the money directly to the non-profits? Marc Spiegler, director of Art Basel, justified this approach as follows: "We are not picking the winners. We are putting projects on the broader art world's radar," he insists. "While Art Basel has donated in the past (...), we have never given as much money as was raised in these first two months of the campaign." The issue of financing non-profit arts and culture projects in combination with crowdfunding requires a broader discussion for all initiatives aiming at partnering with private promoters or public authorities. How to ensure that for example available means for sponsoring from private organisations or public cultural budgets are not replaced with the support of the crowd?

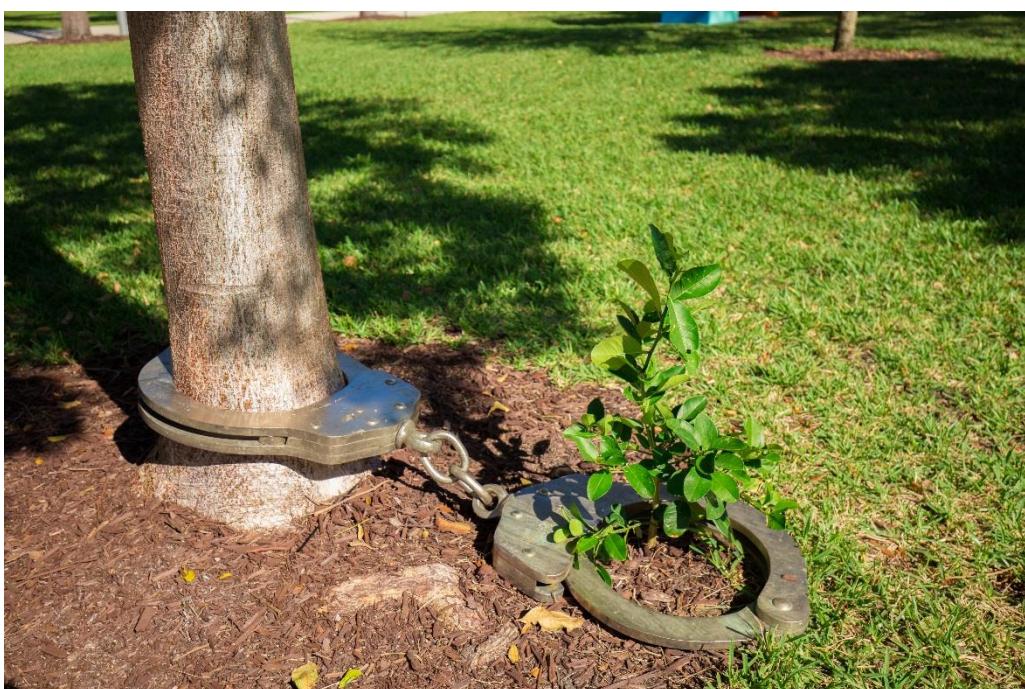


Finetuning the partnership over time

Since the start of the initiative, the partners needed to overcome several difficulties to make the initiative successful:

- From the perspective of the selection and promotion of good and relevant creative arts projects, Art Basel and Kickstarter began their cooperation from different point of views. Art Basel's definitions of an appropriate project were very broad at the beginning including literally all kinds of visual arts projects. Kickstarter had a more narrow vision of "ideal" projects with promising perspectives to run a successful campaign on their platform.
- The mobilization of non-profit-arts-organisations turned out to be more difficult than expected. "In addition, also those organisations participating do not always have the required project management capacities and skills", observed the Art Basel Crowdfunding manager. This statement is confirmed by the Wolfsonian crowdfunding campaign for the "More is More" project. They made the experience that running a first crowdfunding campaign is very hard work. The promotion material was revised several times and the video was shot twice. They state, that the timing was challenging due to the fact that the project should run during Art Basel Miami Beach.

- Being part of a university complicates in addition all external cooperation including crowdfunding campaigns. Statements of the financial and legal department were needed. This requires additional time and effort. The overall work load was very heavy and required fully engaged staff from the project holder. Potential backers needed to be contacted several times. The Wolfsonian crowdfunding manager states that "This was a full time job during the period when the campaign was open!"
 - From the potential backer side, Art Basel experienced that special marketing efforts were needed to reach out to the Art Basel audience who are used to digital interaction but not necessarily comfortable with digital engagement of this kind. The Art Basel Crowdfunding Initiative was the first digital initiative outside the physical shows.
- Several adaptations were needed in the course of the partnership implementation:
- The partnership had to be adapted in the field of coaching. The approach to have separate strands of Art Basel Crowdfunding coaching and a Kickstarter support team revealed to be too complex. Currently, coaching activities are organized in a manner to provide common and coordinated support from Art Basel and Kickstarter together to project creators.
 - Separate outreach activities from Kickstarter on the one hand and Art Basel on the other hand didn't generate the desired results. Kickstarter is much broader involving all kinds of creative and arts projects. The requirements of Art Basel are different. In order to avoid confusion, recruiting of potential projects is now organized together in a coherent manner.



Impact

Impact on the uptake of crowdfunding

Art Basel cannot provide detailed impact information as the promoted project creators remain fully independent regarding their communication, rewards or implementation and as no evaluation of the initiative has been commissioned so far.

The crowdfunding campaigns on Kickstarter having benefit of the Art Basel label have reached a total of US \$ 1.39 million (€ 1.31 million) by 2016. The budget of the campaigns is very different. Smaller campaigns start with a target of e. g. US \$ 5.000 (€ 4.700), larger ones reach up to US \$ 80.000 (€ 75.600). The project "More is More" from the Wolfsonian in Miami Beach for example had a funding target of \$ 7.500 (€ 7.055). By the end of the campaign a total of \$ 8.726 (€ 8.208) was raised. 93 backers contributed with an average amount of \$ 93 (€ 87).

The geographical coverage of the Art Basel Crowdfunding Initiative is worldwide. Many campaigns from the US and from Asia were successful to date. The success in the United States can be explained by the fact that a lot of non-profit organisations in the visual

arts with sufficient capacities (staff, public and private support as well as appropriate time to spend on crowdfunding campaigns) are based in the US or in New York. The geographical reach of the initiative reflects also the current situation in the art market as well as countries in which Art Basel is very well represented.

In addition, the institution Art Basel itself became very familiar with crowdfunding by means of this initiative.

Impact on the project holders

The Art Basel Crowdfunding Initiative strongly supports the communication efforts of the crowdfunding campaigns it endorses. It is expected that the Art Basel endorsement is a good touch point in the communication schedule and outreach of a campaign, whether in traditional media or social media. Art Basel mobilizes also their own VIP network to promote campaigns. It can be assumed that there is potential for a then wider reach to networks of arts focused people.

The crowdfunding manager of the Wolfsonian confirms that the promotion of Kickstarter and Art Basel were most helpful. The project holder reached out to artist audiences, social media and existing networks. The Kickstarter team was excited by the “More is More” project which further helped the promotion. “The quality label of Art Basel Crowdfunding initiative had certainly a leverage effect”, he states.

Impact on the backers

The project creators – the non-commercial arts organisations – remain the owners of the campaigns. Art Basel has therefore no information on the profile and the behavior of the backers except for the overall total dollars pledged and how many backers backed the project.

As one example case, the crowdfunding campaign of the the Wolfsonian reached out to the following backers: The main backers were in the category “family, friends, colleagues”. The project manager expects that 80% of the 93 backers were from that category or motivated to support the campaign by a personal email of the director of the Wolfsonian. It is also expected that for most of them, the campaign for the “More is More” project was their first experience with crowdfunding and with Kickstarter.

By this means, the crowdfunding project of the Wolfsonian generated interesting synergies with potential for sustainable effects (e. g. first time backers could return to Kickstarter to support also other campaigns), hopes the crowdfunding manager. Arts investors did not participate in this crowdfunding campaign.

Impact on the partners

Impact on platforms

No information has been provided to this question.

Impact on other types of financiers

There is no cooperation with other types of financiers.



Key considerations

Success factors of the partnership

The Art Basel Crowdfunding manager states the following main success factors: "The involved partners must be willing to cooperate, to compromise and to work professionally together. Important is the definition of common goals and Key Performance Indicators (KPIs) from the beginning of a partnership."

Lessons learned for project creators

For the crowdfunding manager of the campaign for the project "More is More" from the Wolfsonian, the most important lesson learnt is that a crowdfunding campaign needs full commitment, sufficient time and considerable engagement of the staff (time-wise, motivation). The project manager hopes that a second campaign might be easier after this first experience. If a new crowdfunding campaign would be launched then probably for a large-scale public project for which a lot of people might get enthusiastic. Currently no new crowdfunding campaign is planned by the Wolfsonian team.



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Do you have questions after reading this case study?

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