Abstract

Purpose
Creative and cultural producers, like social enterprises, operate in a complex business environment where the value proposition is difficult to define, and the organisational motivations are not always financially driven. In the case of Australian visual artists, low incomes and limited access to government funding magnify the importance of developing sustainable business models. This paper presents the Creative Business Model Canvas, a reinterpretation of Osterwalder and Pigneur’s Business Model Canvas (2010), for the benefit of visual artist’s business planning.

Design/Methodology/Approach
This qualitative study uses data from semi-structured interviews to analyse and evaluate the effectiveness of the Osterwalder and Pigneur’s Business Model Canvas (2010) for use by creative artists in order to understand the value of their work beyond traditional profit-driven business models. A modified canvas is presented to capture a clearer snapshot of creative arts practice with a focus on value propositions that possess dimensions of symbolic value.

Findings
This study found that the symbolic value of an artist’s practice is difficult to capture using Osterwalder and Pigneur’s Business Model Canvas (2010). An artist value proposition is composed of the artefact, artistic services and the artist's identity. The Creative Business Model Canvas, as a modified Business Model Canvas, captures aspects of the artistic identity such as professional achievements, personal life and the artist's authenticity.

Originality/Value
This study builds on Osterwalder and Pigneur’s Business Model Canvas and reimagines it for use by visual artists and Art-based Social Enterprise organisations (ASEs) where the notion of value can be challenging to articulate.

Keywords
Business Model Canvas, Business model design, artistic identity, value proposition, symbolic value, creative business model canvas.

Paper type
Research Paper
Introduction

Traditional approaches for visual artists to reach audiences have relied upon a model whereby artists create and supply works to an intermediary such as an art gallery (Becker, 2008). This model made it difficult for artists to find channels to reach audiences; however, once established, the model proved to be capable of developing an artist’s career and generating income (Caves, 2000). Recent disruption to the art market, especially in relation to digital technologies, has dismantled traditional barriers to entry for new artists and created opportunities for artists to reach audiences in new ways. Despite this, however, the majority of Australian artists lack the necessary business skills to create adequate and sustainable revenue streams (Throsby and Zednik, 2010:10) mainly due to the fact that they are untrained in creating profitable business models from their art practice, something that was traditionally the responsibility of the intermediaries who specialised in sales and marketing (Caves, 2000). In response to this, many art schools now incorporate business, marketing and entrepreneurship studies within their undergraduate courses. In order for artists to identify potential opportunities and address these issues, they must rethink their current business strategies and resultant business model. Situated within the broader field of business strategy design, business model innovation uses design thinking to ideate, prototype, test and evaluate potential business models.

A business model is an abstract representation of what value a business provides in order to generate revenue and is a field of knowledge that has recently increased in popularity amongst academics and business managers (Massa and Tucci, 2013). One of the most popular business modelling tools is Osterwalder and Pigneur’s Business Models Canvas (BMC), which provides a generic framework and set of guiding principles for developing and redeveloping a business model (2010). Used in conjunction with other business innovation tools, such as the Sibbett’s Context Canvas (Pijl, Solomon and Lokit, 2016) and the Value Proposition Canvas (Osterwalder, Pigneur, Bernarda and Smith, 2014), the BMC has the potential to assist artists in the redesign of their business model. The generic nature of the BMC enables its deployment across a wide range of markets and its one-page visual approach to business modelling makes it accessible to a wide range of people. However, it does require some business knowledge to effectively apply the BMC to a specific market, such as the art market.

Even for business experts, the art market can be challenging to understand and define. As French sociologist Raymonde Moulin describes, the art market is “the place whereby, by some secret alchemy, the cultural good becomes a commodity” (Moulin [1967] in Robertson and Chong, 2008:1). This “secret alchemy” of the art market amplifies the need for artists to have supporting tools for developing business models. In addition to this, low incomes, limited access to Australian Government funding for the arts

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1 There tends to be no standard approach, Universities may incorporate business, marketing and entrepreneurship studies directly into the core program or use other mechanisms such as electives, double degrees or master classes to provide these as options to interested students.
(Throsby and Petetskaya, 2017) and the precarity of work within the creative industries (Bridgstock et al, 2015), makes it essential for self-employed visual artists to develop a sustainable business model for their practice. Furthermore, differently from other professionals, time does not always imply career advancement or better economic rewards (Abreu et al. 2012). Consequently, self-employed artists may benefit from engaging in the business design process as business model innovation is critical to long term success (Sosna, Trevinyo-Rodriguez and Velamuri, 2010:384).

A business modelling tool that is specific to an artist’s creative field and readily applied could both initiate and enable business model innovation for visual artists. More broadly, a business modelling tool contextualised for visual artists may prove significant to Arts-based Social Enterprises (ASEs) that aim to assist artists struggling to raise their incomes above the poverty line. An ASE is a ‘social enterprise focused on offering education and employment pathways in creative practice to marginalised young people.’ (Speirs, 2019, para 1). With this in mind, this paper responds to the needs of Australian Visual Artists to modify and contextualise Osterwalder and Pigneur’s Business Model Canvas.

The nuanced art market
Potts et al. (2008) describe the the creative industries as a social network market, that is a market where value (both economic and symbolic) is not determined entirely by the producer. The art market is a “social-economic network” where art and business based activities take place (Fillis, 2014:52). The social network of the art market involves the producers (artists), sellers (art dealers, gallery owners or directors and agents, collectively known as “intermediaries”) and buyers (audience or collectors). The relationship between artists and intermediaries is complicated, and many artists work alongside the intermediary doing similar tasks. The duties of the intermediary are flexible too: art dealers, art gallery owners and agents often work across these roles with the primary objective of displaying and selling artworks (Fillis, 2014:55). Preece, Kerrigan and O’Reilly extend this idea, suggesting the interplay of the artist, intermediaries, critics and audiences assign the symbolic value of an artwork (2016).

The unique attributes of art products complicate the concept of value in the art market. Artworks often have little value in the materials used to create the work, yet achieve a much higher retail value. Many factors influence the value of an artwork; according to Marshall and Forrest (2011), these factors include the artist’s reputation and authenticity, technical aspects of the work, the intermediary’s marketing endeavours and the audience’s demand for the work. Preece, Kerrigan and O’Reilly’s more recent research built on Marshall and Forrest’s 2011 work providing a framework for visual arts value that defines the process of value creation and identifies the elements involved in this process (2016). Their framework places the artist (or the artists persona) at the centre of a complex arrangement of actors whose interactions create value for the work. Understanding value and the process of its creation in the art market is essential to those who wish to sell artworks and conduct business in the art market (Preece,
The Creative Business Model Canvas.

2014). Value is central to the adoption of Osterwalder and Pigner’s (2010) BMC, as the ultimate purpose of the canvas is to illustrate how the business creates value for its clients. While the BMC focusses on value for the customer, the art market and both aesthetic and ideological creativity builds upon multiple marketing orientations.

**Aesthetic producers**

Elizabeth Hirschman’s 1983 seminal paper, exposes the traditional marketing concept based on customer satisfaction as being inappropriate for certain types of producers such as those engaged in the production of aesthetic and ideological creativity. Hirschman asserts that the problem with the marketing concept is the “personal values” and “social norms” of the artists (and ideologists) are often at odds with the customer-centric perspective of the marketing concept (1983:46). Pursuing this further, when the values of the artist conflict with those of the public, the marketing concept cannot be applied. According to Hirschman (1983), there are three audiences for which artists create work: self, peers and the general public. Artists may not be able to satisfy all audiences at once and, therefore, must prioritise the needs of those for whom they are making the work.

The priority they place on their audiences’ needs is a point of differentiation for aesthetic producers. It is a widely held belief that the primary motivation for artists when creating work is the artist’s sense of creative satisfaction (Hirschman, 1983; Meyer and Even, 1998) this idea can be extended further to encompass the notion that the artist is the first consumer of their work (Hirschman, 1983:49); that is, the artist makes the work to satisfy him- or herself first, before presenting the work to other audiences for approval. Hirschman labels this “self-oriented creativity” and draws its comparison to traditional product-centred marketing where products are created and pushed to consumers (1983:49). Other commentators in the field have drawn similar comparisons, suggesting that artists engaged in self-oriented creativity are entrepreneurial (Fillis, 2010) because they use their brand strength to “drive consumer desire” for their product (Rodner and Kerrigan, 2014:104). In contrast to self-oriented creativity, artists may seek alternate values for their work through the creation of work with the needs of specific audiences prioritised over their own.

Peer-oriented producers are those artists who produce artworks for their audience of peers and the arts industry at large. Artists undertaking this type of production aim to build their reputation through peer “recognition” and “acclaim” (Hirschman, 1983:49). In this case, artists prioritise the needs of their peers and intermediaries over their values when creating work. As Rodner and Kerrigan suggest, the resultant peer and professional recognition may translate into a symbolic, cultural or economic reward for the artist (2014).

CommerciaLly motivated outputs in which artists create works that satisfy the needs of the broader population closely aligns with the traditional marketing concept. This type of production aims at
generating revenue and, when successful, can sometimes result in a lowered level of peer recognition and self-fulfilment (Hirschman, 1983; Preece, 2014:347). Scholars amplify this perception, such as Cowen and Tabarrok, who believe that commercialised creative output focused on the consumer is of lower artistic quality than self-oriented creative production (2000). To achieve commercial success and maintain peer recognition, artists must ensure they have developed enough symbolic capital for their work (Bourdieu quoted in Rodner and Kerrigan, 2014:108). According to Rodner and Kerrigan, commercially successful artists such as Damien Hirst and Andy Warhol are examples of artists with substantial symbolic capital (2014).

Selecting a marketing concept is not easy for artists and tensions continue to exist as artists deal with the conflict between creative and commercial outcomes (Major, 2014). For some artists, adopting a market-orientation, that is, prioritising the customer in the creative process, causes little artistic conflict and contributes to their financial success. For others, however, market orientation is at odds with the “behaviour and philosophy of the artist” (Hirschman quoted in Fillis, 2010:34). In contrast, a product orientation situates the artist and their work at the core of product development and production. A product orientation provides essential creative satisfaction for artists; however, it requires an entrepreneurial skillset to create the consumer demand to sell their products (Fillis, 2010:35). In Hirschman’s view, these orientations are not mutually exclusive: artists may create multiple products to fulfil the different needs of their audience segments. For example, an artist may create a commercial product line to sell to the broader market for financial returns while simultaneously creating a peer-oriented product line in order to earn peer respect. Others (Baines and Wheelock, 2003; Comunian, 2009) also highlight the challenging balance between economic survival and creative expression. Cowen and Tabarrok (2000) challenge this view, stating that artists must decide between the two opposing sides in order to establish either commercial or artistic value.

Arts marketing academic Ian Fillis argues that many artists have successfully implemented product-centred production throughout history (2006). Fillis draws upon Hirschman’s 1983 paper to discuss the benefits and issues arising from self-oriented creativity. Since the publication of Hirschman’s paper, the marketing concept has been broadened to include non-profit ventures with non-economic goals (Fillis, 2006). However, the traditional marketing concept is still applied when looking at the art market. Using the traditional marketing concept in the context of the arts creates a tension between the self and market orientation of artists as producers. Fillis articulates this debate as “art for art’s sake versus art for business sake” (2006:35). Like Hirschman, Fillis agrees that these opposing philosophies should not be problematic for artists; instead, they are an opportunity for artists to use their entrepreneurial skills in creating market demand for their product. This debate can be extended further to art organisations as they endeavour to create economic value through art. Programs such as the “#morethanart” campaign
challenge artists to embrace their entrepreneurial skills to create work with a financial return on investment.

Visual artists acting as owners of their own “micro businesses” (Fillis, 2004:121) and managers of work they produce (Schroder, 2010), build the symbolic and economic capital for their brands “by moulding their symbolic worth into capital gain” in much the same way that a mainstream brand operates (Rodner and Kerrigan, 2014:107). Rodner and Kerrigan provide several examples of artists who have become brand managers: Murakami, Andy Warhol and Damien Hirst, to name a few (2014). These artists have successfully developed various forms of capital; however, as Rodner and Kerrigan warn, economic success can threaten an artist’s symbolic capital (2014). The challenge for artists who wish to succeed in the art world is to simultaneously balance symbolic and economic capital to avoid accusations of “playing to the tastes of the market” or being labelled a “sell-out” (Rodner and Kerrigan, 2014:114). Rodner and Kerrigan suggest that success for artists can be achieved through building networks with intermediaries, controlling the supply of their product, manipulating their product prices and managing their brand name (2014).

As with the application of the marketing concept to artistic producers, there are difficulties associated with the treatment of aesthetic and ideological products in the traditional marketing context. Art products are different from generic consumer products as they possess characteristics that differ significantly from generic products. Creative (and ideological) products have little tangible value, minimal useful function, and are an abstraction of what they represent. To further complicate this, each product is unique and experienced emotionally by the individual audience members (Hirschman, 1983). These characteristics differ from those of generic products as a “greater portion of their meaning and interpretability is bound up in these characteristics” (Polanyi and Prosch in Hirschman, 1983:50). Others in the field (Marshall and Forrest, 2011; Preece, Kerrigan and O’Reilly, 2016; Moulard et al. 2014) have recognised similar characteristics about art products and maintain that in combination with other factors, these characteristics form part of the value system of the art world.

**Business Design, Strategy and Innovation**

The relationship between business design, strategy and innovation in the business field are necessarily linked. That is, business modelling as a business design process is a strategic activity that promotes innovation within an overarching business strategy. Business design, according to Pijl, Solomon & Lokitz, is “an intentional set of practices to unlock new, sustainable value from change and uncertainty” (2016:3). This definition echoes that of Porter’s 1996 definition of business strategy “Strategy is the creation of a unique and valuable position, involving a different set of activities” (1996:1). The linking of design and strategy in the business domain has the potential to increase growth and make use of opportunities as they arise (Pijl, Solomon & Lokitz, 2016). Frazer agrees, adding that business design
The Creative Business Model Canvas.

has the potential to unlock innovation within a business, and leads to the creation of value (2012). In order to achieve sustained success in the current global environment, businesses must not only innovate but also support their innovation pursuits with appropriate strategies to realise their opportunity (Frazer, 2012). Innovation, too, has evolved beyond the traditional forms of innovation, such as product and process innovation to include business model innovation. Innovations to business models are critical drivers of success, and “are among the most sustainable forms of innovation” (Sozna Trevinyo-Rodríguez & Velamuri, 2010:384). A strategy should support innovation based on decisions regarding the firm's product, market, infrastructure and finances, as Casadesus-Masanell and Ricart, states, “A strategy is a contingent plan of action as to what business model to use.” (Casadesus-Masanell & Ricart 2010:204). Thus, in line with the existing research, business strategy design can be defined as a set of decisions and actions to remain competitive and create value within a business. Furthermore, the process of business model design and implementation can result in a sound business strategy.

The Business Model Concept

The popularity of business models as a concept has been increasing with the rise of e-businesses as companies have begun taking advantage of opportunities and innovations such as the Internet (Massa and Tucci 2013: Teece 2010). At its simplest level, a business model is an overview of what a business does; that is, it is a “conceptual rather than financial model of a business” (Teece, 2010:173). A more elaborate definition of a business model provided by Osterwalder and Pigneur states: “A business model describes the rationale of how an organisation creates, delivers and captures value” (2010:14). Business models give a holistic view of a business, its activities, and how it operates with the focus on value creation. This fluid definition of a business model continues to evolve, and the focus of the literature has shifted from articulating what business modelling is to how it can assist organisations in implementing innovative practices (Massa and Tucci, 2013).

Business model design allows new businesses to articulate a holistic view of their organisation clearly. After gaining a clear picture of how the business will operate, development of business and marketing plans for implementation can occur (Cantamessa and Montagna, 2015). After being implemented, a business model can then be reviewed and redesigned. The redesigning process allows the venture to make the necessary changes arising after implementing the business model as Sosna, Trevinyo-Rodriguez and Velamuri explain businesses should “begin with a business model and then - in response to certain triggers (typically external) - plan, design, test and re-test alternative business model variants until they find the one that best suits their objectives.” (2010:384). This process of design and redesign of the business model is a critical factor in business performance and success (Teece, 2010). More recent literature on business model innovation supports this claim, being able to adapt and change business models has the potential to increase growth and resilience within the organisation (Christensen, Bartman and Van Bever, 2016). This increased awareness of business modelling, combined with the
The Creative Business Model Canvas.

rise of e-businesses, has led to the development of many business modelling tools, arguably one of the most popular is the Business Model Canvas (Osterwalder and Pigneur, 2010).

The Business Model Canvas
The Business Model Canvas (Osterwalder and Pigneur, 2010) is a tool that assists the user to identify the smaller elements of a business model and provides a visual map to record such details. When complete, the BMC provides a one-page view of “what” the business does in order to achieve its goals.

In developing the ontology for the canvas, Osterwalder used four areas of business operation (infrastructure management, product, customer interface and financial aspects) as a framework for creating nine smaller blocks to aid more in-depth analysis throughout the business modelling process.

On the left of the canvas the Key Partners, Key Activities and Key Resources building blocks represent the infrastructure management quadrant of the business. On the right side of the canvas, the Customer Relationships, Customer Segments and Channels building blocks make up the customer interface quarter covering the business’s customers and their interactions with them. The Value Proposition building block represents the product component of the business and, finally, at the bottom of the page the Cost Structure and Revenue Streams comprise the financial aspects of the business. The BMC’s popularity has made it the focus of many academic studies (Kajanus et al., 2014; Coes, 2014; Golnam et al., 2014; García Gutiérrez and Martínez Borreguero, 2016; Sparviero, 2019). In each of these studies, the BMC was evaluated and used as the basis for developing new business modelling tools or a reinterpretation of the BMC for specific contexts.

Contemporary literature on the art market expounds the complexity of the art market in which artists operate their businesses. The people of the art market interact to create value for the artists and their art. Works of art as aesthetic products do not fit within traditional marketing theories; despite this, artists attempt to apply these theories to their art business in order to gain exposure for their work (Fillis, 2011). As aesthetic producers, artists are challenged by their values as they balance self-oriented and market-oriented creativity. The challenge for contemporary artists is not with the selection of orientation for their production but, instead, balancing a market orientation with the development of the symbolic, cultural and social value of their work to avoid accusations of “selling out”. As artists develop an identity for themselves within the art market, they develop their personal brand, an essential part of the art market’s value system. Literature on the art market, arts marketing and the value systems operating within it reveal many possible business models for contemporary artists.

Methodology
Semi-structured interviews conducted with seven Australian visual artists provided the data for this study using methods described by Robson (2011:280) to formulate an interview guide with a checklist

2 The BMC can be accessed at www.strategyzer.com/Business-Model/Canvas.
of topics derived from Osterwalder and Pigneur’s (2010) Business Model Canvas (BMC). The use of the BMC in this way provided a structure for categorisation of responses for later analysis. As the central aim of this research was to refine the BMC for visual artists, it was necessary to use a flexible line of questioning and discussion to allow for individual approaches to the artist's practice and enable new ideas or reinterpretations of the BMC to emerge. Figure 1 illustrates the research process below.

<table>
<thead>
<tr>
<th></th>
<th>Sample selection</th>
<th>Data sample selected using purposeful selection of participants.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>Data collection</td>
<td>Semi-structured interviews undertaken using guiding questions based on the nine building blocks of the BMC (Robson, 2011).</td>
</tr>
<tr>
<td>3.</td>
<td>Data analysis</td>
<td>Data coded using themes derived from the BMC, signs identified based on their meaning (Krippendorff, 2013)</td>
</tr>
<tr>
<td>4.</td>
<td>Artists BMC created</td>
<td>Data interpreted and mapped to the BMC for each artist.</td>
</tr>
<tr>
<td>5.</td>
<td>Remaining data analysed</td>
<td>Data remaining that was not included on the BMC was then analysed to form the basis upon which the BMC was modified.</td>
</tr>
</tbody>
</table>

Figure 1: The research process.

Artist’s verbal responses were transcribed, coded (using the BMC as a coding matrix) and then visually mapped onto the canvas to make sense of what Richards (2015:38) describes as "messy" data. The seven resulting BMCs were then collated and analysed using each BMC building block as a topic. The collated results provided a clear view of responses organised by building block, which enabled efficient cross-referencing and comparative analysis of the data. This process revealed the data that did not fit easily into the generic BMC. Finally, a close analysis of the surplus data and the data from each of the BMC segments provided the rationale for the modifications to Osterwalder and Pigneur’s BMC.

**Participants**

The scope of this research project limited the sample to seven individual cases. Each of the participants were professional visual artist’s practicing painting in Australia in the years from 2010–2015. Throsby and Zednik’s (2010) three criteria were used to ascertain if the participants were considered to be “professional” artists. Throsby and Zednik explain that in order to be considered a professional, an artist must be formally educated, experienced in their practice and accepted by peers and intermediaries (2010:14). To narrow the sample even further, artists who shared similar career goals were selected;
that is, all participants intended to earn an income from their practice. However, earning an income was often connected with broader social agendas such as helping other artists (such as founding an Artist run initiative), contributing to communities via community-based art work.

The similarity in career goal assisted with the comparison of the data. A brief summary of the artist’s career is shown in the figure 2 below.

<table>
<thead>
<tr>
<th>Artist</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Artist 1</td>
<td>Artist 1 possesses formal qualifications in visual arts and has been engaged in creating and selling work since 2008. Although considered by Throsby and Zednik to be an early career artist (2010), this artist has sole representation through a commercial gallery located in South East Queensland. Art making is their primary occupation which is combined with other types of short-term employment.</td>
</tr>
<tr>
<td>Artist 2</td>
<td>Artist 2 is an art educator and practising artist. His practice commenced after the completion of his formal art qualification. This artist has been heavily involved in the arts since then and has a large professional network. Throughout his career, this artist has participated in a range of artistic activities such as arts writing, curating, teaching and cofounding an Artist Run Initiative (ARI).</td>
</tr>
<tr>
<td>Artist 3</td>
<td>Artist 3 does not possess any formal art qualification however, with 20 years of experience in the art community, this artist has achieved recognition as a professional. This artist has exhibited in high profile, public art galleries and has participated in many community based arts projects throughout their career.</td>
</tr>
<tr>
<td>Artist 4</td>
<td>Artist 4 has been a practising artist for the past 20 years with representation by several commercial galleries throughout this time. The artist is currently participating in multiple ARI’s to further develop her career and increase her education to PHD level.</td>
</tr>
<tr>
<td>Artist 5</td>
<td>Artist 5 Returned to arts practice after a 9-year career break. For this artist, selling work is the primary source of income. This artist is heavily involved in undertaking commissioned work and sells much of her work via word of mouth.</td>
</tr>
<tr>
<td>Artist 6</td>
<td>Artist 6 is a full-time artist whose practice is the ‘youngest’ in the sample. This artist has been selling art since 2010 after owning a fashion label for 6 years prior. Artist 6 owns and manages two gallery spaces and employs several staff to assist her in running the galleries. Her income is solely derived from her practice.</td>
</tr>
</tbody>
</table>
The Creative Business Model Canvas.

Artist 7 completed the Bachelor of Arts before taking on the role of professional visual artist and gallery owner. This artist is self-represented in Australia and has international gallery representation.

Figure 2: Summary of participant’s careers.

Although small, the sample is what Patton (2002) would describe as information-rich, enabling comparison between several business models that can be considered reasonably standardised examples of an otherwise complex and possibly limitless range of variations.

Findings

The artist's value proposition

The value proposition block of the BMC describes both the products created by the artists and the value that these products provide to their clients. As the focus of this study was on painters, the data showed that paintings were the main products produced by the artists; however, the data also revealed that some artists produced secondary product lines in other mediums such as ceramics and textiles.

Additionally, two of the artists had worked for commercial clients creating designs for commercial applications such as packaging design and advertising. Artist 3 had licensing income from collaborations with a local fashion label for textile designs. Artist 6 had done many commercial designs that continue to provide an income via a licensing arrangement. The varying forms of production were easily defined; however, the notion of value for the client and why the client purchased their work was harder to articulate.

The artist’s responses indicate that the purchase of art for most clients was a personal experience that satisfied the individual needs of each client. Some artists indicated that clients bought their art because they had an emotional connection with the artist’s “story” while others said clients wanted to “own” some of the artist’s philosophy. The value of the brand associated with the artist formed the basis for the value proposition in these sales. In some cases, the value proposition for the client was the esteemed status that came with the purchase of the artifact. As a subjective value, the client derives status from their perceived investment value and the authentic, handmade value of the artefact.

Opinions on commissioned works were divided, with 3 out of 7 artists choosing not to engage in this work. The discussions around commissions brought to light the artist’s motivations for pursuing a career in art. One artist questioned her purpose when making art:

Whenever I get too heavily bogged down in finding jobs and commissions, there’s a real feeling of like, “What the hell am I doing?” I’m supposed to be an artist who dictates what I want to do and I’m the
one who sets what the trend of the next body of work is, rather than being told what colour they want their flamingo in or whatever (interview with Artist 3).

In this case, the artist exhibits a conflicted view of being a product-led or market-led practitioner. Another artist explained that they did not do commissions as they were not creatively satisfying: “It just hasn’t like left me satisfied, it’s like a pain, no fun”. One artist explained that commissioned work was becoming too frequent. While this work provided a steady income, the time spent producing the work led to less time being available for developing new work that evolved the artist and their practice. Artistic motivation appeared to remain relevant to them. Furthermore, the decision of whether or not to undertake commissioned work was not an easy one for the artists who regularly undertook such work.

Customer relationships
Responses from the group indicate that there is no consistent or standardised method used by the artists for nurturing their customer relationships. The ability to reach new audiences motivated participation in exhibitions, personal networking and collaboration with other artists. Retention of existing customers involved traditional communication methods, such as email, phone and meeting in person. Furthermore, the most common method for communicating with the artist’s existing audience involved web-based channels, such as websites, blogs and social media platforms.

Customer segments
Three client categories emerged from the artist responses; professional clients, personal network clients and commercial clients. Further refinement of customer segmentation is possible; however, these three categories function sufficiently for business modelling within the scope of this paper. The nature of the relationship the artist had with their client group defined the categories. Buyers who are not known personally to the artist are professional clients. These clients have come to the artist through an intermediary or other people known to the artist professionally. The second group of clients are the buyers who are known personally to the artists, typically friends and family. This group is known as personal network clients. The third and final group of clients are commercial clients. Commercial clients engage with artists to purchase or license intellectual property for commercial applications and outcomes. Not all of the artists engaged with each segment; five of the seven artists had engaged with both professional network and personal network clients while only two of the artists worked with commercial clients.

Channels
Artists developed specific methods of bringing their product to their audience and often recruited the services of others (such as gallerists) to increase the number of channels they provide. All the participants had exhibited and sold their work through a “partner channel” (art gallery) at some stage.
in their career. A popular channel for selling work for this group of artists was through their studio. Five of the seven artists directly sold work to their audience this way.

**Costs**
For the cost structure building block of the BMC, cost categories are defined by the type of activity, which included production, marketing and administration activities. All of the artists identified the costs associated with the production of artworks such as paints and canvas. The process of exhibiting artworks incurs the most marketing costs with artists noting intermediaries often charge rent for gallery space, administration fees, and also opening night event fees. While the artists interviewed were able to identify the costs involved in creating work, articulating the cost of administrative tasks (such as responding to enquiries, planning exhibitions, completing competition entries), was difficult. Due to the nature of these activities, the majority of the artists conducted these activities themselves and, therefore, did not incur high costs.

**Revenue**
Although the range of revenue streams is prevalent, they generally fall within two categories: primary income and secondary income. For artists in this study, revenue came from a combination of several primary and secondary revenue streams. The primary income included the sale of work, artist-run workshops, philanthropic donations, prize money, commercial product sales, licensing and leasing of artworks. Secondary income supplements the artist's primary income; these included teaching wages, non-artistic income, partner income, income from arts employment, passive income from investments and subletting workshop space. All but one of the artists received some form of secondary income. The artists with secondary income increased and decreased their time spent earning this income in response to the level of primary income received.

**Key partners**
In the artists’ businesses, key partners are those people in both the artists’ professional and personal networks. Four categories based on the artist’s motivation for engaging with each partner emerged: gallerists, professional network partners, commercial partners and personal network partners. For example, artists partnered with gallerists to exhibit and sell their work and to take advantage of the marketing activities conducted by the gallery.

**Key activities**
The key activities that artists engaged in throughout their practice were the production of artworks (creating a product), marketing activities (adding value to the product) and administrative activities (maintaining professional relationships). Artists were aware of the diverse activities they undertook an expressed concern over balancing each type of task. Artist 5 explains “That’s the hard thing. Getting in there and painting”, referring to marketing activities drawing her away from production in the studio.
The Creative Business Model Canvas.

Artist 6’s time priority was focused on being in the studio, “I just found the best way to do my business is to just be in my studio as much as possible”, it should be noted that this artist employs an assistant to take on the other tasks.

**Key resources**

This study divided key resources required by the artists into Osterwalder and Pigneur’s (2010:35) four groups: physical, human, intellectual and financial. The artists’ physical resources included art materials required for making the artworks, studio space or warehouse, vehicles for transportation of artworks and gallery space. Human resources used by the artists included paid and unpaid assistance. In most cases, family and friends assisted with activities, such as transportation of art and supplies, and other tasks such as bookkeeping. Intellectual resources consist of the artist’s brand, social media audience, mailing lists, commercial partnerships and intellectual property.3

The collected data were rich with details of the artists’ business models and revealed many complex aspects of arts practice and the art market. Artists have unique products that are difficult to value. Artists have diverse customer segments that include friends and family and non-profit customers, networks of people who support their practice and a range of revenue sources that contribute to the artist’s income. Collating the data with the BMC framework allowed for a better understanding of how the BMC related to an artist’s practice. Comparisons of each artist’s discussions of individual BMC blocks induced common themes presented above. In addition to the identification of themes relevant to the artists’ BMCs, the business model canvas was then assessed to ascertain its effectiveness in capturing the full meaning of each theme.

**Discussion and Analysis**

The BMC has become a popular tool for business design as it provides a holistic, one-page view of a business’s concept; however, some have criticised it for its simplicity (Kraaijenbrink, 2012). While the elements of the BMC are intentionally broad, when applying the BMC to an artist’s practice, it fails to capture the full depth of their practice within its existing building blocks. As a result, the artist’s business model canvas becomes disjointed and somewhat incomplete. This result was not surprising, directly applying generic business theories to the arts is known to be problematic as scholars such as Hirschman (1983) and Fillis (2006) have previously shown. While most of the issues with mapping the data can be overcome with minor changes to the contextual questions, the dominant issue with mapping the artist’s business model is the value proposition block. Being “at the heart of a business model” (Cantamessa and Montagna, 2015:119), the complexity of the artist’s value proposition became the

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3 There were no direct questions in the interview regarding the financial resources of each artist’s practice as this is beyond the scope of this research. Instead, artists were encouraged to broadly discuss all the resources they required to conduct their practice.
catalyst for the breakdown of the artist’s BMC. Significant changes were made to Osterwalder and Pigneur’s value proposition block to accommodate this information. The result, the Creative BMC is shown in figure 3 below is an 11-block canvas designed in response to the needs of contemporary Australian artists.

Figure 3: The Creative Business Model Canvas

The Creative BMC retains Osterwalder’s ontology for the BMC as a framework for which the smaller blocks were added. The quadrants for business operation are denoted by the use of colour. Infrastructure management is shown in purple, product is shown in light green, customer interface is dark green and financial aspects are shown in orange. There is no predefined starting block on the Creative BMC; however, artists may find it useful to start with the Art Products block as, during the interviews, artists often felt most comfortable discussing their art products first. There are three blocks that make up the product quadrant of the Creative BMC: artistic identity, art products and artistic services. These three blocks work together to describe the artist’s value proposition in both tangible and intangible forms.

**Art Products**

The art products block is designed for artists to list the tangible products they provide for sale. Artists should develop this list of products while being cognisant of their market or product orientation. Once established, the artist can align their product with an existing audience segment or endeavour to discover
The Creative Business Model Canvas.

or develop a market for their work (Fillis, 2014). Art products include the original artifact and subsequent reproduction lines (for example, art prints) that the artist may develop. A detailed description of the product range should include physical attributes such as the medium used and the size of the artifact. Additional elements, such as the genre, style and subject matter of the work, should also be described in this block.

**Art Services**
The purpose of the art services block of the Creative BMC is to record the artistic services that the artist provides, for example, the licensing of art designs or the sharing of skills and knowledge through artist-led workshops. Artistic services provide supplementary product ranges that may impact the artist’s artistic identity. The decision to engage in such activities should not be taken lightly, if an artist’s work appears on commercial products, then this may imply a commercial motivation and subsequently impact the artist’s symbolic value (Hirschman, 1983; Rodner and Thompson, 2013). Alternatively, if an artist provides services to a not for profit organisation a non-commercial motivation may be assumed. A clear concept of the artist’s artistic identity is required to avoid such conflicts of motivations.

**Artistic Identity**
The artistic identity block defines the underlying motivation for the artist’s practice and guides their creative and business decisions. This block provides a more detailed and appropriate description of the intangible dimension of an artist’s value proposition as it captures information that adds meaning to the work. An artwork is a complex commodity; thus, the artist’s life story, authenticity and dimensions of the artist’s work become references for consumers when judging the quality and value of an artwork (Marshall and Forrest, 2011). The artistic identity-building block captures the details that depict the artist’s life, work and motivation for creating art. It describes the immaterial qualities that form the artist’s artistic identity and the value that it creates for the audience.

Three dimensions define an artist’s artistic identity: the artist’s personal story, their artistic work and their authenticity. In other words, artistic identity is the who, what and why of the artist’s practice. Defining who is creating the work and what they are creating is straightforward; however, defining what it means to be authentic is more complicated. Moulard et al. (2014) identify three aspects of the term “authenticity” as it relates to this study: (1) authenticity refers to the original, handmade element of the artwork (i.e. the artist made it); (2) authenticity is the expectation that the work looks the way it should, for example, fitting within and looking like a particular style; and (3) most appropriately for this study, authenticity refers to the intention of the artist when creating the work, for example, the artist’s intrinsic motivations. Moulard et al. go on to suggest that the pertinent question determining authenticity is whether the artist is true to oneself (Dutton in Moulard et al., 2014), which indicates that an artist’s work should align with both their personal and professional motivations. It is important to note that both personal and professional motivations may be broader than financial success alone. The
communication of personal values, community development and other non-financial motivations for the creation of artworks can be articulated in this section of the canvas.

Artists operate within a complex marketplace, whereby multiple processes create value with the assistance of several intermediaries (Rodner and Kerrigan, 2014). Artists in this study were aware of this, and their artistic identity and the development of value in their arts practice were firmly linked. In response to this, the artistic identity block aims to:

- Establish a balance between the symbolic and commercial value of the artist’s work (Rodner and Kerrigan, 2014).
- Define the artist’s motivation for creating work and thereby develop the artist’s authenticity (Moulard et al., 2014).
- Identify the market orientation of the artist to define the extent to which the artist will consider the needs of the market when creating work.

Each of these dimensions of the artist’s artistic identity is critical to their value proposition and overall business model. With a clear outline of their artistic identity, the artist can develop an appropriate plan for its communication, which is the purpose of the communication block of the Creative BMC.

**Communication**

The artists in this study spent much of their time engaging in activities that communicated their artistic identity to their audience, primarily via web 2.0 technologies. The communication block captures this information to provide a clear picture of the methods by which the artist communicates with their audience and also how the artist reaches new audiences.

**Your Audience**

This block records the artist’s audience members and segments them to understand each group’s needs and role with the artist’s business model. What became apparent across the study was that an artist’s customers included a group of people who did not necessarily purchase work from the artist. The term “audience” was used in the interviews and throughout this study to refer to all persons interested and engaged with the artist’s work. Conceptualising the artist’s customers as an audience is a critical step in understanding the role of the audience in the artist’s business model. In order to design a useful business model, artists need to understand their audience irrespective of desire for a commercial outcome. The identification of audience segments aligns with the communication, artistic product and artistic services blocks.
Channels
Central to the channels block is how the audience can connect with and purchase the artist’s work. This includes identifying the virtual and physical spaces in which the audience can engage with the work and outlining the sales process that the artist uses when conducting a sale. Decisions on which sales channels to use and who will conduct the sales process can impact the artist’s symbolic value; therefore, the artist’s artistic identity requires consideration here.

Key Partners
The artist’s key partners include their professional network of colleagues, business associates (for example, picture framers) and the intermediaries of what Rodner and Thompson (2013) call the “art machine”. As such, the key partnership block plays a critical role in raising the value of the artist’s work. Artists need to record the details of their partnerships so they can then assess their effectiveness and impact on other sections of the canvas.

Key Activities
As the name suggests, the artist records their key activities in the “key activities” block. The block has three dimensions: (1) the artist is to look at the activities regarding products and product development; (2) the artist lists the administrative duties that are required; and (3) the artist lists the activities they are engaged in that help to develop their artistic identity.

Key Resources
The key resources block identifies all of the equipment required to operate the artist’s art business, including resources that are not owned by the artists but are required to carry out their business. Identifying the activities, resources and key partners in the artist’s business is an essential step in accurately identifying the costs and revenues in the financial quadrant.

Cost Structure
The cost structure block identifies the activities and resources that incur a cost to the artist while also recording the actives and resources that the artist receives at no cost, for example, the delivery of artworks to customers dispatched by the artist’s friends and family.

Revenue Streams
The revenue streams block takes a holistic view of the artist’s career and includes revenue generated from the artist’s practice and revenue generated outside the artist’s practice, such as salaried work. The full spectrum of income is essential to consider when designing a creative business model as Throsby and Petetskaya observed that on average, artists derive only 38% of their income from their practice (2017). To accurately record the revenues earned in an artist’s business model, the inclusion of creative and non-creative income is required.
Conclusion

The Creative BMC, like art marketing itself, links the artist to the art world and provides a clear picture of how the artist’s practice can fit into the social network of the art market, regardless of the artist’s underlying motivations. In evaluating the BMC in the context of visual arts practice, the value proposition block was significantly modified to encapsulate the artists’ artistic identity as a central component of the value proposition. The Creative BMC uses business strategy design theory to address the nuances of arts practice and is relevant to other businesses where artistic identity adds value to the business and where financial returns are not central to the businesses aim.

In the traditional business context, the value proposition is “the heart of a business model” (Cantamessa and Montagna, 2015:119). In the visual arts, the artist’s artistic identity is central to their business model as it defines both the personal and professional dimensions of the artist and, most importantly, defines the artist’s motivation for creating work. The artist’s artistic identity is an essential part of the value system in the art market.

It is the artist’s professional achievements, personal values and the perception of their authenticity that create value. Artists make art for specific audiences for specific reasons; therefore, they must understand for whom they are creating work and why in order to remain authentic. The Creative BMC prompts artists to articulate these aspects of their identity and their motivations. Once established, their artistic identity becomes a brand to communicate to their audience in methods appropriate to each audience segment and consistent with the artist’s motivation.

Like the generic BMC, the Creative BMC can be used to evaluate existing business models, take advantage of new opportunities and as a tool for business model innovation. With a clear outline of their current business model, artists can then innovate, using the business model design process to align their business strategy with their goals. This management of their career can assist artists with both commercial and non-commercial goals and is an essential capability required for career sustainability (Bridgstock, 2013) The development of formal business plans for their arts practice can progress. Herein lies the implication of this research to Art-based Social Enterprises that aim to assist the artist in developing sustainable arts-based business practices. Working with artists, an ASE can use the Creative BMC as a starting point to develop business strategies that provide a sustainable income for the artist while retaining artistic authenticity.
The Creative Business Model Canvas.

References


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