

## Online art auction takes off in India.

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For Vasudevarao Umesh, a small-time art-shop owner in Bangalore from where he sells paintings and other art objects, earning money as a medical transcriptionist from his shop's computer was just a way of cashing in on India's famous outsourcing boom. Until he realized that technology also offers him another way of earning extra bucks.

Being an IT-enabled outsourcing worker that required him to be online 24 hours a day gave him the idea of listing his art wares in an auction Web site. Clearly for the small art seller eBay was the only choice and Umesh is a happy man today.

"I have customers from all over India as well as from U.S. and Australia," he says, "and now I get greater response online as compared to my offline business."

But Umesh is not the only one who's realizing the emergence of an online market for Indian art.

"It took five years but Indian art's online market has caught up finally," says Minal Vazirani, co-founder of Saffronart, an Indian art dealer organization that claims to be one of the largest global auctioneers of Indian art, which runs art galleries in Mumbai and New York and is also the pioneer of online auctions of Indian art.

"There has been a big jump in online sales in the recent years," adds Vazirani, "and the scale has grown dramatically not just in terms of sales or prices but also in terms of number of bidders and in the profile and

quality of bidders.

"Five years back when we conducted our first online art auction sales were a little over \$100,000 but the next auction, which was in December last year, recorded a sales of \$12.5 million," she adds.

And in the mid-March's Saffronart's online auction of contemporary Indian art raked in \$4.5 million, "which is a lot considering that it was just on one section of Indian art," says Vazirani.

Indeed, the demand for Indian art is on an all-time high thanks to a booming demand from both within the country and overseas as local art galleries are getting lured to increasingly take to online selling not just for reaching out to a larger number of buyers but also, as says Vazirani, "to fulfill a need."

"On eBay India, we have seen a vibrant art category evolve over time," says Deepa Thomas, the Web site's spokesperson, claiming that its 2 million strong community is fast taking to online, buying a piece of art on eBay India every 28 hours. "There are even new artists who are looking at eBay and the online world to list art and create a buyer base."

To get an idea of how Indian art market has swelled over the years, market sources say that the size for modern and contemporary Indian art dedicated auction house market, which was just \$5 million in 2003, grew to \$13 million 2004, and touched \$51 million in 2005.

According to Saffronart, its recent online auctions attracted more than 400 bidders, about 60 percent of which were overseas buyers "primarily from the U.S."

Small wonder then that many are jumping in: Besides Saffronart, the latest to join the online scene is the Mumbai-based The Arts Trust

gallery, while Chennai based Apparao Gallery has just concluded its first online auction earlier this month.

And waiting in the queue is yet another Mumbai-based art gallery, Osian Art, that is reportedly mulling an online foray too.

So what's driving this shift to online buying of Indian art? The overwhelming driver, according to both Vazirani and Thomas, is that Indian buyers have become tech-savvy and are more willing to accept the medium. There's also the question of better choice. "You can virtually visit many art galleries sitting in your lounge, buy if you like something and get it delivered," said Akhil Murani, a Florida-based non-resident Indian who has just turned an aficionado of Indian modern art.

Moreover, says Vazirani, online buying platforms like Saffronart's provide far more information to make a decision unlike purchasing through a visit in the art gallery.

Yet online art auctions aren't catching up as they should have been, feels Vazirani.

That's because there are concerns. And the key concern area for a first time online buyer is the touch and feel factor. Many still prefer to view and feel a piece of art in person before they buy.

The other concern is the fear getting duped by way of buying a fake or getting something not really bid or ordered for. "No one except us," claims Vazirani of Saffronart, "provides a certification for whatever it sells online and goes into an agreement with both buyers and sellers on which one can take recourse to."

Thomas though says that eBay has a "Trust and Safety" team to ensure all transactions on eBay India are safe and users have a safe and secure

trading environment. "In fact, all transactions on eBay India are covered under our Buyer Protection program where in the rare case of a buyer not receiving the product he bought, eBay refunds them up to \$225," she says.

There's also a technical hitch. "Connectivity in India is a big issue," says Vazirani, "Which means that reaction time in the last couple of minutes is not as quick that of an international bidder who has better connectivity. Indian bidders then often end up losing on a bid or a lot."

"We have tried to overcome this by installing multiple leased line in our office and inviting select bidders to bid from our office if they so choose," said Vazirani.

Nevertheless, Vazirani feels that with increased awareness of the benefits that it can provide over physical buying and selling, the local online art mart is set to grow.

"In an online auction you have far more information to make a decision than any other form," said Vazirani. "Saffronart for instance carries a list of comparables a buyer can see what a similar work is sold for in another auction."

"Moreover every single bid that comes from online bidding is a real bid, unlike in a physical auction," she adds.

But as Vazirani puts it, the bottom-line is the cost advantage of online transactions over physical transactions. "Saffronart for instance charges just 10 percent as listing fees for online sales versus the 20 percent fees that Sotheby's or Christies charge for physical listing," she said.

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