



CHRISTIE'S

20  
ROCKEFELLER PLAZA



# the art of selling art

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## Marc Porter:



Marc Porter '87 holds two positions at Christie's, the two-hundred-thirty-year-old auction house: as president of Christie's Americas, he leads business operations in the U.S. and supervises a regional auction business; as international managing director for the firm's international sales, he oversees the highest-value—and riskiest—auctions all around the globe. A share of the world's Picassos, Monets, and Warhols pass through his care each year.

Photographs courtesy of Christie's.

by Jonathan T. Weisberg

To get to Christie's galleries and auction rooms in Rockefeller Center, you walk along a hallway decorated with preludes to the day's big sale. On May 4 it's sprinkled with post-Impressionist paintings, including a Kandinsky landscape of purple and amber hills under a green sky. The week before a black and white photograph—a monochrome leaf-covered road—had been in the same spot. Just to the right are several booths, reminiscent of tellers' windows, marked "Cashier and Property Pickup."



Painted during World War I, Giorgio de Chirico's "The Grand Metaphysician" shows an ambiguous monument in the Piazza Ariostea in Ferrara.

The auction business runs in seasons, and the spring sales in New York are one of the busiest periods—hundreds of millions of dollars will be bid at Christie's within a few weeks. Collectors, dealers, and the merely curious circulate through the building. The galleries fill with Impressionist masterpieces, then those are sold, and contemporary art is put on display and auctioned off, making way for American paintings.

May 4 is the kickoff for this season's sales, and Christie's is saturated with Impressionist and modern paintings. They fill four rooms—a Chagall showing a fish-bird-violin player-grandfather clock winging through a sea-blue sky on one wall, the quadrilateral precision of a Mondrian on another. One of the highlights of the batch is "The Grand Metaphysician," a surrealist painting by de Chirico being sold by the Museum of Modern Art. It is set by itself at one end of a gallery; Christie's described it as the most important painting by the artist ever to come to auction and expected it to bring a record price for the artist.

Marc Porter says that one of the perquisites of his position as head of Christie's operations in America is that he gets to "live with the art." Not only does he pass it in the halls whenever he walks through the building, but he hangs some of his favorite pictures on his office walls. Whenever a new work comes into Christie's, says Porter, "I'm thrilled to see the paintings, and I'm thrilled to have won." Christie's and Sotheby's, the other dominant auction house, regularly compete over important lots and collections. "I'm in a business, and I'm in a duopolistic business—I absolutely love to win."

**On the night of the auction**, bidders, dealers, and observers file into Christie's and fill its 1,000-seat auction room.

Once the auction begins, pictures flash onto an oversized monitor while originals are displayed on a revolving wall—

another screen tracks the prices being bid and converts them into pounds, euros, yen. The auctioneer stands at the focus of the room, peering into the depths of the crowd and monitoring two banks of Christie's employees talking into phones.

A pastel floral arrangement by Odilon Redon, Lot Eight, brings the first mutters of excitement from the crowd. It's an imaginatively refigured still life, with flowers of the artist's creation—one periwinkle nested in scarlet, another flattened peach—set in a background of stippled color. The auctioneer starts the bidding at \$1.4 million, then runs adeptly up the scale of numbers: “two million four...two million six hundred thousand...two million eight.” He brings down the hammer (actually only a block of wood cupped in his palm) at \$3.4 million; it's a record price for a work by Redon—the first record of the evening. The painting disappears and bids for the next lot begin.

Porter tries to stop in at every auction that takes place in the building, and he attends all of the important ones. An auction like this one, he says, is “very intense. As the leader of the business, I have the usual public relations issue that I'm always having to deal with. How will this be reported?... But I also have pretty significant financial commitments on the table in the course of those sales.” Christie's takes a buyer's commission on top of the hammer price on each sale, so the higher the prices the better the business does. In addition, Christie's receives a commission from the seller, but, especially for high-value lots, these rates can vary greatly. For some lots, Christie's may have made a guarantee to the seller, meaning that if an object doesn't raise a high-enough bid, Christie's could lose money on it. But if it goes beyond expectations, Christie's will also make more than expected. Porter has put together the deals behind the sale, and he watches the results with the interest of a creator. “When I've taken a principal position and I've got a guarantee out there, I've really committed Christie's money to the result of a particular sale. And so there are real dollars at stake.”

With the business floating on the response of a few people over a short time, the entire scene is carefully staged, from the arrangement of chairs in the room and the shadowless lighting to the order of the lots. Says Porter, “It's quite theatrical, because you are creating an auction room in which the feel of the room, the heat of the room, the tenor of the room, the drama of the room are all key, because when an auction room is hot, and everybody feels that everybody is spending and the market is strong and good, you get very different results than an auction where people are nervous.” And the key performer, almost the sole



*"Vase au Guerrier Japonais" by Odilon Redon, drawn around 1905, was sold to benefit the Doris Duke Charitable Foundation.*

performer, is the auctioneer. “Being an auctioneer,” Porter says from experience, “[requires an] extremely personal communication with the audience.... You have a huge jury in that room, every single time.”

The auction is mostly acted out in imperceptible gestures and through the anonymity of the phone lines, so the auctioneer's voice becomes the soul of the performance. He announces prices, runs quickly up an exhilarating climb, then pauses dramatically before trying to coax more out of the room. He sets up conflict “Against the room...Against you, here.” And he singles out individual bidders, “This is your chance, sir.” He closes each sale with the same ritualistic look around the room and the same announcement of a disappearing opportunity, “Fair warning.”

**The performance of** the auction is a culmination of months of deal-making and preparation. For large, international auctions, Porter is involved from the beginning. First, Porter and others at Christie's have to get the collections and works to sell: “With my team, I organize the kind of business deal that's going to reward me for the kind of risks that I may take,” he says. Each work has to be



*Christie's employees take telephone bids during the May 11 Contemporary and Post-War Art evening sale.*

photographed so it can appear in the auction catalog. Then Porter, with the specialists, estimates what it will bring at auction. “Almost invariably people will spend more once they get into the auction room,” says Porter, so he has to balance between setting too high a price, causing people who might want an object to skip the auction, and sending a message that something is wrong with an object if the price is too low. The goal is to engender as much competition as possible in the auction room. They may decide to clean, restore, or reframe an object, or they may decide to leave in place the mystery of how it will look once restored. Says Porter, “You’re balancing your knowledge of the market, your knowledge of the object, the expertise of the

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**With unique works, their value rests in how they are interpreted by the market.**

specialist...and your gut. It’s very much a gut business.” Then there are all the administrative details that have to be taken care of—shipping, storage, insurance.

“In the week before the sale,” says Porter, “my whole team will have arrived from around the world.” He’ll make final financial arrangements with sellers, such as whether to set a reserve—an amount beneath which a lot will not be sold. Other deals may come up, such as a potential buyer who asks for extra time to pay for a particular item. “You’re shepherding clients through quite significant financial transactions.” Porter continues, showing the facility of an auctioneer with sequences of large numbers, “One can’t lose

sight of the fact that when you’re entrusted with the sale of an asset that’s twenty thousand dollars or fifty thousand or a hundred thousand or a million dollars, it’s a major, major transaction, and people are quite nervous.”

Finally, Porter choreographs the auction itself—or does his best to. Porter and the auctioneer put together a book, with a page for each object, listing who they think is likely to bid on that piece and for how much. Porter explains that the timing of when the auctioneer calls on each bidder can be vital: “Let’s say that I know you’re willing to bid a hundred thousand dollars on something. How am I going to get the room to the point that in orchestrating it, I’m landing on you at a hundred thousand dollars?” If a bidder willing to spend a hundred thousand dollars is recognized too early, no one else may raise the bid, and an object may fail to sell, or sell for less than it could.

Porter calls the auction “one of the most transparent and truly market-efficient processes that exists.” But it’s clear with all this preparation that Christie’s is doing something more than just providing a venue for a financial exchange. Porter continues: “I think we provide expertise, I think we provide an efficient market, I think we provide an assurance that an object actually is what it represents, and I think that we provide an understanding of the cultural context in which it sits.”

The “understanding” is a key component, and Porter explains it further by drawing a distinction between the part of his business that deals with manufactured items or commodities like plain diamonds, and the auctions of unique works of art. Commodities are valued by their physical qualities alone—weight, color, make, model. With unique works, their value rests in how they are interpreted

by the market. Says Porter, “There is no substitution for interpreting the object, because that is how they are fundamentally different from everything else in the culture—they’re non-manufactured objects... That’s why people are willing to fight for them.”

An online auction system, such as Ebay, removes the expert’s opinion and a large part of the interpretation from the process. Says Porter, “The genius of Ebay is that they can work at any price point, so long as there’s a knowable, commodified object. As soon as you get into something that’s a different thing, what’s required is your eye [as an expert], your knowledge, your cultural perspective, your ability to take an object and make somebody else understand the greater cultural importance of it.” The auction houses, with their expert evaluations of individual objects, their live displays of everything they sell, and the interpersonal connection of their live auctions, preserve the cultural meaning of an object—while translating that meaning into monetary terms.

As auction results come in—some above expectations, some below—they provide a unique perspective on this twinned process of cultural and monetary valuation. “The real passion of the business is people’s interest in the objects themselves and what’s going on,” says Porter. “Why is this artist being evaluated this way? What’s going on with Jeff Koons right now that’s turning Jeff Koons into the most significant artist, arguably, since World War II?... There’s something wild about that. That’s that funny, edgy sense you get after some of these sales.”

**What factors of interpretation** cause one Picasso oil painting to sell for \$2 million dollars and another for over \$100 million? Part of the answer is in the tricky terrain of aesthetics. People pay for what they think is beautiful. In the same auction in which the Redon flower painting mentioned above set a record, another Redon flower painting, this one with plainer colors and a simple background, failed to reach its lower estimate. It didn’t seem to have the same emotional effect on potential buyers. And in the international art market, individual taste can greatly affect value, as all it takes is two wealthy collectors committed to getting an object to drive its price up. Buyers also consider factors like the size of a work of art (its “wall power”) and its colors. Even at a price greater than most mansions, people want something that will look good in their living room.

But beauty and taste aren’t the whole answer. Provenance is another piece. Porter uses the same class of adjectives to speak about an object’s background, “a magical history,

a beautiful provenance,” as he will for the object itself. And provenance is one aspect Christie’s exploits when interpreting an object. In one case, Christie’s devoted considerable resources to documenting how a Charles Wilson Peale portrait of George Washington made its way to the auction block. The painting was the centerpiece of their May 18 sale of Important American Paintings, Drawings and Sculpture. “That [painting] shows up in a French chateau,” Porter says. “It’s been there for two hundred years, the family lore is that Washington gave that to [Chevalier Francois-Jean de Chastellux, the original owner]. That’s all well and good. How do you then go about proving that?” Experts at Christie’s researched the friendships between the painter, the subject, and the original owner of the painting, and unearthed the fact that Chastellux had served at the Battle of Yorktown, which the painting commemorates. The mystique in the provenance paid off when the portrait sold for \$6,167,500, well beyond the \$2,500,000 to \$4,000,000 estimate.

Sometimes individual works sell for more when they are presented as part of a larger collection. Porter provides the example of the estate of Dorothy Miller, an early curator of



*This portrait of George Washington by Charles Wilson Peale was first owned by a French general who had befriended Washington during the Revolutionary War.*

the Museum of Modern Art who died in 2003. “Most of the works of art were quite intimate, artists that she’d been involved with, and conventional wisdom would have probably been just to break it up.... But what we did was we sort of reminded the world of who she was—really worked on that. And what you found was people from all over the world reconnecting with that moment in American intellectual and cultural history and wanting to have something that she had.”

And then sometimes events from the outside world affect the value of a work of art. For instance, Christie’s had a sale of Orientalist pictures scheduled for just a few weeks after September 11, 2001. Says Porter, “These were some of the most beautiful paintings you’ve ever seen, by the most wonderful artists, but there was no way you were going to have a room full of people interested in buying Arab-subject pictures.” At the same time, in the wake of the attacks, interest in other subjects intensified, and Christie’s held an enormously successful sale of modern paintings.

This fluidity highlights one aspect of the auction business that’s different from other markets for luxury goods:

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“Unlike all those other luxury brands, where the brand owner and the company itself creates the cultural meaning of the object, Christie’s plays a part in preserving the cultural importance of that object and moving it from one generation to another, but I do not create the value of that Raphael, the culture does.”

Porter started in the auction business before he went to law school. After college (where he’d studied art history and business), he worked at a small auction house, Doyle New York, where he first learned about affixing value to cultural benchmarks in the books and manuscripts department. He recalls the materials he worked with then: “You find a Hemingway that’s inscribed; a Faulkner that’s inscribed; it has a particular condition; it has the cover; it doesn’t have the cover.” He also got an introduction to the regional auction market.

After law school, Porter was tempted into working at a large, New York law firm by a sudden jump in the salaries for

first-year associates. He worked on some intellectual property issues, thinking the lawyering surrounding theater, dance, and music would interest him. But he says, “I was a terrible lawyer, a really, really terrible lawyer. And I just wasn’t very happy with it.” He wanted to work more directly with art, and he recalled that Guido Calabresi ’58, then dean of YLS, had said in his convocation address, “You can all get jobs; your responsibility is to do something you really want to do.” Porter wrote to the head of Christie’s asking for a job and got it.

He started at Christie’s in 1990, working in the trusts and estates department. While the job had a legal component, Porter says, “It’s really the department that cuts across all other departments and...figures out how to sell things.” After a few years, Porter was asked to oversee a reorganization of Christie’s major auction departments, pulling some of its regional businesses together into international departments. As he explains it, “You need to be quite sure that the specialist in London or Paris doesn’t have a particular interest in having that object sold in London or Paris, unless it means it will bring more there.”

He was promoted to international managing director for the firm’s international sales and then president of Christie’s Americas in the last year. In his current dual role, he is continuing the international evolution of the business, particularly in the markets for 19th- and 20th-century paintings, Asian art, jewelry, and European furniture. “There’s really been an

acceleration of collecting around the world, and therefore of the number of sales around the world as well,” he says. Christie’s has fourteen salesrooms, including outposts in Hong Kong, Australia, Tel Aviv, and Paris—as well as its flagship locations in New York and London. “The Christie’s that was Christie’s thirty years ago is not the same Christie’s that it is today and cannot possibly be in ten years, because your client base changes, what they want changes, how they buy changes,” says Porter. He points out that in the 1920s the auctions that drew the most interest and competitive bidding were for books. Interest evolved to Impressionist paintings, and is now moving again—to post-war American art and to Asian art. At the same time, the locus of wealth, which creates collectors, is spreading from the U.S. and Europe to Asia.

In addition to thinking through broad questions of strategy and trends in art consumption, Porter points out, “So much of the business is about running the business...not only complex operational issues, but running a business in

New York of four hundred highly trained specialists, who are making decisions every day about pricing, marketing, clients, business getting.” The objects Christie’s handles range from automobiles to pocket watches, and celebrity collectibles to antiques. Walking through Christie’s on an average day, you might see original art in one gallery and posters and prints in another, hear the strains of a musical instrument being examined before it is sold, and bump into customers coming out of a wine tasting.

**Sales move around the globe** following the collectors—New York in the spring, then London, Hong Kong, and back to New York. And every step Christie’s takes is matched by rival auction house Sotheby’s. Like two titans wrestling, they thrash from continent to continent—Christie’s has a Magnificent Jewels sale in New York on April 19, Sotheby’s has one the next day; then on April 26 Sotheby’s has their Magnificent Jewels and Jadeite sale in Hong Kong and Christie’s follows the next day.

In fact, despite the success of the Redon flower painting and a few others at the May 4 auction, most of the lots came in near their low estimates and some failed to sell. The de Chirico, for instance, just grazed its low estimate, bringing in \$7.18 million, and only had a few serious bids. News reports speculated that collectors were holding onto their money for the Impressionist and Modern Art sale at Sotheby’s the next day, particularly for an early Picasso that ended up breaking the record price for any painting at auction, at \$104.2 million (a record Christie’s had held for fourteen years, after selling a Van Gogh portrait for \$82.5 million).

“The rivalry makes the Harvard-Yale game seem like a picnic,” says Porter. “The rivalry is unbelievably intense—always has been—and the competitive pressure is astounding.” Every lot that Sotheby’s sells is one that Christie’s could have gotten, and every sale result at Christie’s is compared to an almost identical sale a few blocks away. The two firms dominate the auction market, and their final sales are almost even—as if neither can quite throw the other down. For 2003, for instance, Christie’s sold \$2 billion worth of art, automobiles, antiques, and jewelry, while Sotheby’s totaled \$1.7 billion in sales; for 2002, the numbers were \$1.9 billion and \$1.8 billion. The even match breaks down continent by continent—in 2002, Christie’s totaled \$805 million in sales in America, while Sotheby’s had \$866 million; their totals in Europe, \$858 and \$814 million; Asia, \$106 and \$77 million.

In 2002, the two firms settled a class action lawsuit for

\$512 million, which accused them of conspiring in the mid-1990s to fix the commissions they charged sellers. Their competition for lots had led both firms to cut sellers’ commissions so low and to make so many guarantees that top executives at the two firms started making illicit agreements to keep the commissions from falling lower. Christie’s received conditional amnesty for being the first firm to cooperate with the Justice Department; senior executives from both firms faced federal antitrust charges. Porter acknowledges that the scandal surrounding the case had an impact on the auction business, but he adds, “It’s a number of years ago now, and it’s long past us.” While he thinks the firms should maintain collegial relations—since they’re made up of people with very similar interests—he says, “I think that the competition between the auction houses, as to which one will better understand how to present a particular collection or sell a collection, is extremely healthy.”

In the week of May 11, the two houses faced off again, with dueling Contemporary and Post-War Art evening sales. This time Christie’s had the more vibrant lots and held the first contemporary art sale to top \$100 million. The top sellers were a Jackson Pollock drip painting for \$11.7 million, a Mark Rothko painting for \$9 million, and an Andy Warhol self-portrait for \$7 million. And works by Jeff Koons crept up near the amounts paid for these artists from a generation or two before—\$5.5 million for a stainless steel train and \$1.7 million for a painting from 2000 of Saint Benedict.

**Despite his intense involvement** in the business of art, Porter doesn’t take price as a dictum to individual taste. When he chooses paintings to hang on his office walls, he says, “I will almost never choose the most expensive stuff.” He describes himself as an Americanist and loves Winslow Homer watercolors. He’ll also take works by American Modernists, such as Arthur Dove. “[They] were generally not seen by the world as nearly as important as the Europeans...but I think what went on in the United States in the teens and the twenties and the thirties is absolutely amazing.”

When Porter visits a museum or a monument in Egypt, he says he never speculates about what the items he sees would bring on the auction block at Christie’s. In fact, he says, “I can almost not concentrate because of the sheer richness and diversity of human expression.... In a way, the value thing drops out and what comes to life is just this dazzling achievement that human beings have had over five thousand years. It is an astonishment.” 