

# Licensing in art domain



Art licensing is a potential way of earning an income from art and it's not the only way, which makes it important to decide if it will be a good fit for you, both as an artist and a business person.

## IRIS PARIZER

**A**rt licensing is a creation of an artist or designer that has the power to impress or to make an effect on the viewer/customer who buys the licensed product with the creation. Art licensing for the artist is a great channel for marketing, expanding revenues and exposure.

Art licensing, when compared to TV, movies or lifestyle brands, is not limited in timing, age group or territory, wherein a long term relationship between the licensee and the artist can be established. When the eyes love a creation, it is a done deal, no matter where you live and how old you are or what

is your political view. You simply like it! Art licensing has a long range future, and having studied art and textile design, I can understand artists and feel close to the creation process of art licensing.

Some artists are very easy to tune to a new commercial channel and other sometimes find it hard when a licensee changes the creation or wants to do something that brings good sales but conflicts the artist's creation.

### DOs AND DON'Ts

In art licensing there are many options to choose from, where we may have many talented artists. However, as an agent, you have to choose an artist who understands the

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commercial side of licensed products and knows how to deliver a rich style guide and new designs all the time. Renewed catalogues and a new collection each year is very important for the agent's marketing process.

As the companies or licensees, who buy the licenses, are interested to leverage designs of their products to increase sales, the first thing that they want to see is the style guide and the design variety, as in this fast and competitive world they have to offer products which are unique and their products should conform to the changing preferences of the customers.

Sometimes you can license a very talented artist but his

style guide may not be renewable, and that's what makes it a problem for the licensee who needs new stuff and variety. Art licensing needs time to enter the market. It must be understood that it's not a 'Dora' brand, requires patience and usually it is more of adult licensing and not of kids.

## THE CHECKPOINTS

The structure of a licensing deal, when it comes to art licensing, is usually the same as other licenses. The agreement can be for long term than in a usual case as sometimes it takes more time to market as it does not have TV or any other screen exposure.

■ Each deal/agreement is usually based on minimum guarantee and royalty rate percentage from the wholesale revenues.

■ There are art approvals before each launch of product from the artist and quarterly royalty report for the sales.

The undisputed truth about art licensing engulfs primary points like it is art for commercial purposes, it's not 'easy money', you need to understand business, someone has to promote your work and it can be a lucrative and rewarding business.

## THE PICTURE ABROAD

In Israel it is a small category. Now, however, it is developing and expanding. In the USA, for example, it is a very developed and successful licensing category, enjoying considerable market share. The same is the case in Europe, like in England, Holland and Spain, where the licensing market is very developed.

You can witness in the licensing shows in Vegas, for example, that the art licensing category has a special location where all the artists

## ESTIMATED LICENSING REVENUES BY PROPERTY

Type	2005	2008	2007	2008	2009	% Change
Art	\$ 175	\$ 182	\$ 175	\$ 154	\$ 136	11.7%
Character	\$ 2,626	\$ 2,680	\$ 2,710	\$ 2,605	\$ 2,400	7.9%
Collegiate	\$ 203	\$ 203	\$ 201	\$ 208	\$ 200	3.8%
Fashion	\$ 822	\$ 830	\$ 810	\$ 775	\$ 705	9.0%
Music	\$ 128	\$ 132	\$ 125	\$ 117	\$ 110	6.0%
Non-Profit	\$ 43	\$ 45	\$ 43	\$ 39	\$ 35	10.3%
Sports	\$ 810	\$ 825	\$ 815	\$ 740	\$ 660	10.8%
Brand	\$ 1,086	\$ 1,090	\$ 1,060	\$ 975	\$ 880	9.7%
Publishing	\$ 41	\$ 41	\$ 41	\$ 37	\$ 34	8.1%
Others	\$ 18	\$ 12	\$ 9	\$ 6	\$ 5	16.7%
<b>Total</b>	<b>\$ 5,952</b>	<b>\$ 6,040</b>	<b>\$ 5,989</b>	<b>\$ 5,656</b>	<b>\$ 5,165</b>	<b>8.7%</b>

In millions

Source: LIMA, 2010

and designers exhibit their art, from small and beginners to large licensing art agencies.

I feel it is a strong category that will stay forever as art is a part of culture and people like to buy products with symbols of art /artists that they like or feel to express their tastes and lifestyle.

## EXPLORATION OVER THE YEARS

It is developed via different direction. However, it is still much smaller than entertainment and TV that target the most attractive audience - kids and teens that are the most frequent customers for licensed products. As you see in the



**Art licensing has longer life for a brand which is the advantage when compared to a TV programme that comes and goes out faster.**



chart below that was taken from an article published recently in the Global License magazine.

The revenues are much lower than other categories. However, it is an exciting category, especially for art lovers. Art licensing has longer life for the brand which is the advantage when compared to a TV programme that comes and goes out faster. In Sports and Entertainment, the revenues are much higher than in art, especially in market where this category is totally new.

I find this category very interesting with many options and variety of styles and different talents that bring art to the mass audience in a great way.

It exhibits to people, who are not familiar with art and design, the wonders of shape, colour and creativity that are usually confined in museums and galleries and in the same time help artists to earn their bread in a very honourable way.

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