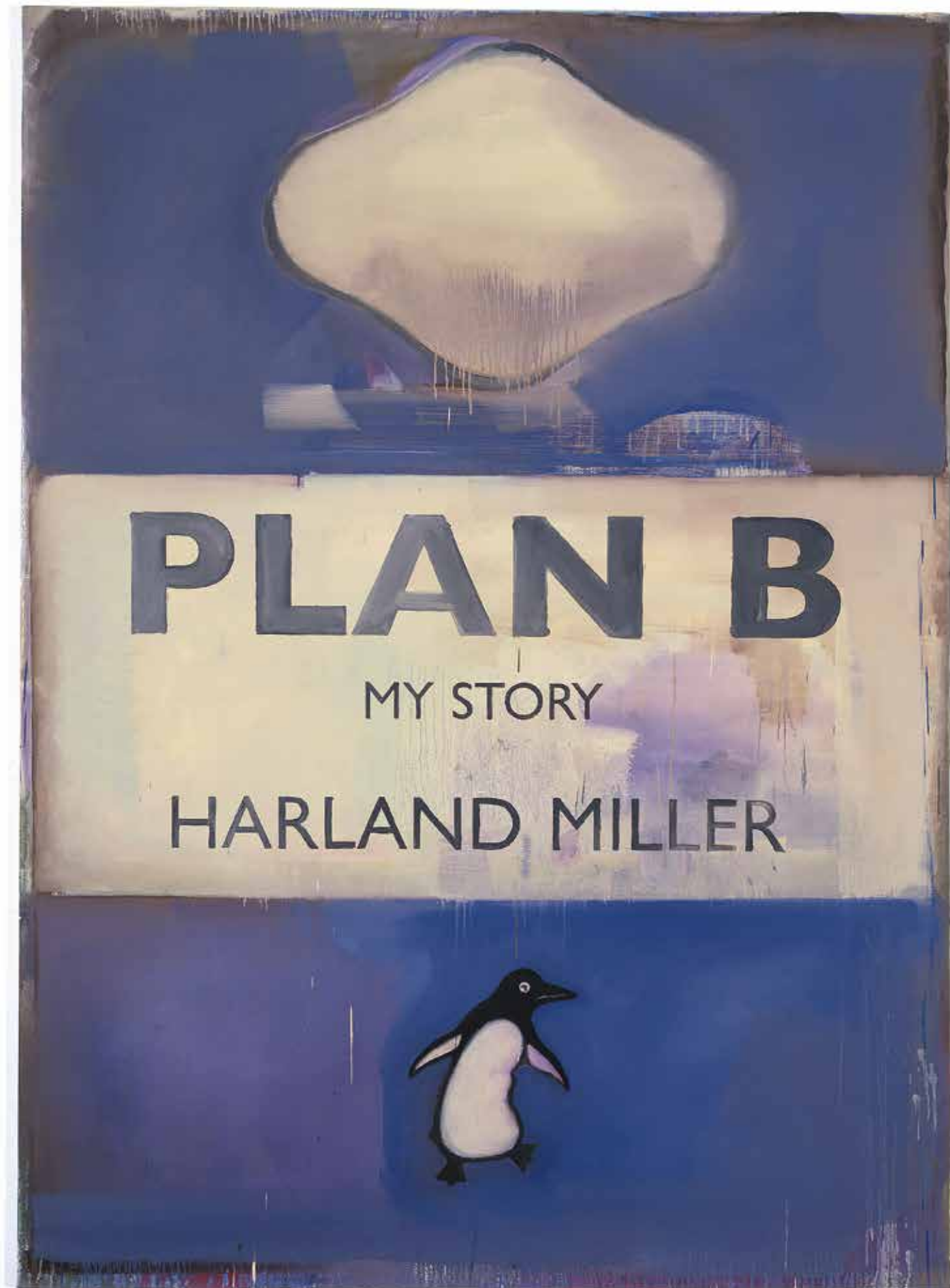


THE
HISCOX
ONLINE
ART TRADE
REPORT
2015

Contents

INTRODUCTION	5
EXECUTIVE SUMMARY	6
ONLINE ART SALES – FACTS AND FIGURES	7
KEY MOMENTS FROM THE LAST 13 MONTHS	8
IMPACT OF SOCIAL MEDIA	10
DETAILED FINDINGS	12
VISITOR TRENDS	13
CLICK-AND-BUY TRENDS	14
WHAT ARE PEOPLE BUYING?	17
WHY BUY ART ONLINE?	18
RESPONDING TO THE CHALLENGES	20
WHAT ARE THE DISADVANTAGES OF BUYING ART ONLINE?	20
RAW FINDINGS	24
METHODOLOGY	29
COMPANY PROFILES	30



'Plan B' Harland Miller



Robert Read
Head of Fine Art, Hiscox
robert.read@hiscox.com

The value of the global online art market has risen from just under \$1 billion in 2013 to an estimated \$2.64 billion this year.

Introduction

It's been two years since our first Hiscox Online Art Trade Report was published and much has changed. The online art market has gathered pace and has now established some meaningful foundations.

The figures speak for themselves. The evolution of online art sales mean that the value of the global online art market has risen from just under \$1 billion in 2013 to an estimated \$2.64 billion this year. Based on that growth trajectory, we estimate it to be worth \$6.3 billion in 2019; no mean feat. Art buying patterns and motives are changing: almost half of this year's respondents said they had bought art online in the last 12 months, up from 38% last year, and investment return is a growing motivation with art seen as an increasingly tradable asset online.

Online auctions continue to drive growth, with online-only players such as Auctionata and Paddle8 reporting revenue increases of 148% and 146% respectively in 2014. However, the same growth pattern can also be seen amongst more traditional players: Heritage Auctions, for example, has become one of the biggest online auctioneers in the world, with \$357 million worth of online sales in 2014. A similar trend is evident with regional players, not least the Swedish auction house Bukowskis, which has seen strong growth in its online business Bukowskis Market, and Danish online auction house Lauritz.com which, recently moved to acquire one of Sweden's oldest auction houses. The rules are changing, and the online art market continues to force the new and old art worlds to adapt.

With scale and size being key factors for survival in this fiercely competitive online market, the last 12 months also saw headline-grabbing acquisitions, M&A transactions, and joint ventures such as the partnership between Sotheby's and eBay. In the future, we believe the line between offline and online art markets will become increasingly blurred, as consumers come to expect the flexibility and convenience they get from a multi-channel art-buying experience.

Social media has a part to play too as it is irreversibly changing the way consumers find, engage with and buy art. Although the online art market is still small, relative to the overall art market, it is already demonstrating its worth as an important platform and incubator for the next generation of buyers and collectors. This desire for an omni-channel experience is sure to prevail.

However, there are too many players in the online art market, as one would expect at this stage of the development cycle, and it is still unclear who the winners will be. We will have to wait for a couple more years of mergers, acquisitions, thrills and spills to see who emerges on top.

We hope that our ongoing research into the online art market continues to provide valuable insight in a way that is useful to our clients, those involved in the art world and those simply with a passion for art.

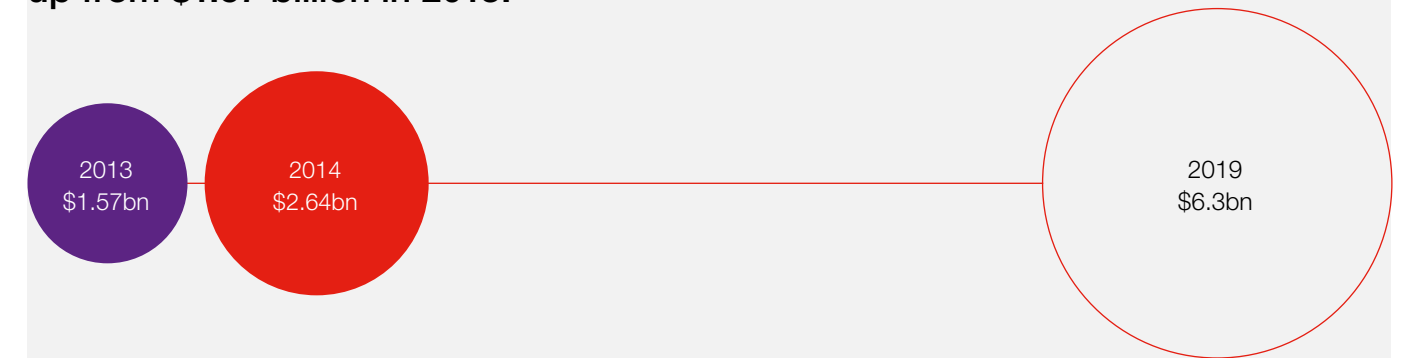
Executive summary

- **Online art market reaches \$2.64 billion.** Online art sales shifted up a gear last year, as global online art and collectibles sales platforms gained traction. Auctionata announced a 148% increase in auction sales and Heritage Auctions sold \$357 million worth of art last year, up 42% from 2013, to become one of the world's largest online auction houses.
- **The trend for 'click-and-buy'¹ art is gathering steam.** 49% of respondents said they had purchased art and collectibles directly via an online art platform, up from 38% last year, showing significant progress towards mainstream adoption. It is proving particularly popular with new art buyers (defined here as being those who have collected art for less than one year), 24% of which said they had bought art online over the last year. This may be, at least in part, due to the fact that 45% of respondents said they found the online art buying experience less intimidating than buying from a physical gallery or auction house (up from 39% last year).
- **Investment return is a strong motivation for online art buyers.** Emotional benefits remain important motivations for buying art online, however as many as 63% are also motivated by 'value potential' or return on investment. The investment motivation is even higher among new art buyers (defined here as those who started buying art less than three years ago), as 75% said they were driven by the value potential when buying art online. This suggests a strong 'trading' mentality and the potential for online art marketplaces to succeed as transactional platforms. However, are expectations too high among new art buyers? Will they vote with their feet if the online art market fails to deliver attractive returns?
- **The bulk of online transactions take place below £10,000.** 84% of online art buyers said they bought art online at a price point below £10,000. Of these, 41% of those surveyed said their average price paid was less than £1,000 (up from 37% last year), 26% said it was between £1,000 and £5,000, 17% between £5,000 and £10,000, and 16% above £10,000. Among new art buyers, the majority (51%) said the average price for purchases was less than £1,000.

- **Online art buying is becoming an omni-channel experience.** 91% of online buyers surveyed had bought from a physical gallery or auction house before they bought art online, and of these, 48% said they still preferred the physical space – down from 56% last year. However, 15% preferred the online experience in 2015, compared to 10% last year, and 37% had no preference compared to 34% last year. This suggests that art buyers are becoming less dependent on the physical gallery or auction house and that there is an increasing level of indifference between the channels that collectors want to use when buying art. Going forward it will be critical to offer potential art buyers a choice of channels when acquiring art.
- **Social media is likely to play an important role in driving future online sales.** 41% of respondents said they discovered an online art sales platform through social media (up from 33% last year). Facebook and Instagram are considered the two most important social media channels in the art world.

Online art sales – facts and figures

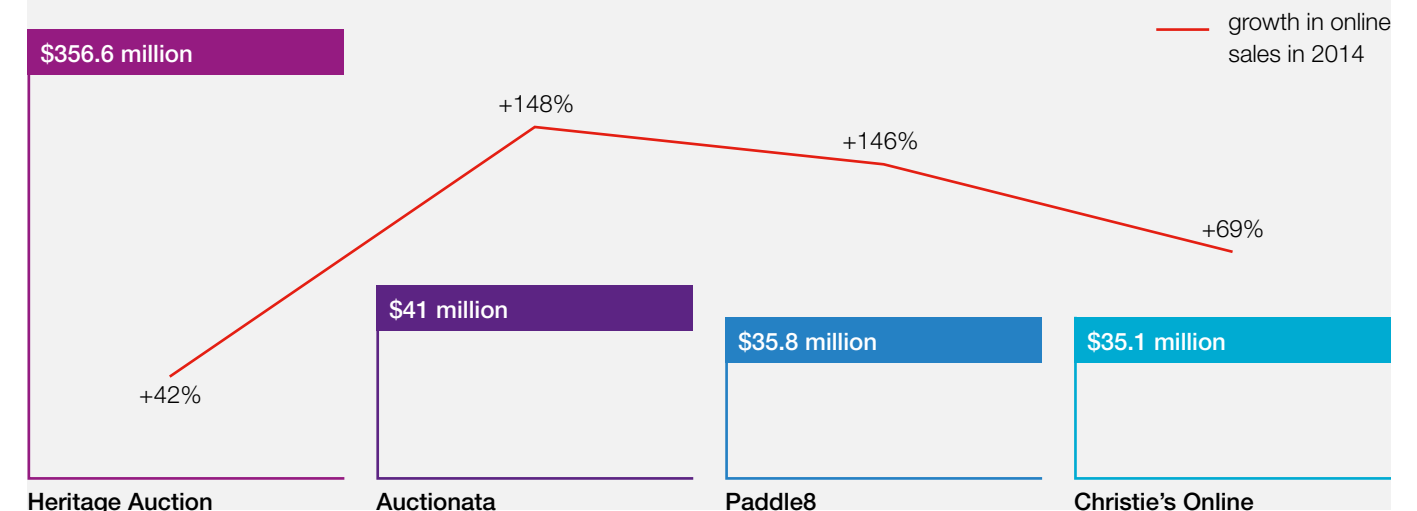
We estimate the value of the online art market to be \$2.64 billion for 2014, up from \$1.57 billion in 2013.



Maintaining the same growth rate as last year of 19%, which is what the slightly more mature online luxury goods market is forecasted to grow at according to the McKinsey Altgamma Report from 2012, we estimate it will be worth \$6.3 billion in 2019.

52% of the online buyers surveyed say they are likely to buy more art online in the next 12 months than in the last 12 months, followed by 34% who say they will by the same amount. This supports the 12 month growth rate of the online art market.

A number of online art auctions and marketplaces have seen triple-digit growth over the last year.



Methodology

This year's global online estimate is based on publicly available sales figures, as well as sales estimates from the main online art and collectible sales platforms that are mentioned in the appendix of this report. We are fully aware that these online art sales platforms do not represent the entire population of online art sales businesses, and therefore our estimates are likely to be on the conservative side.

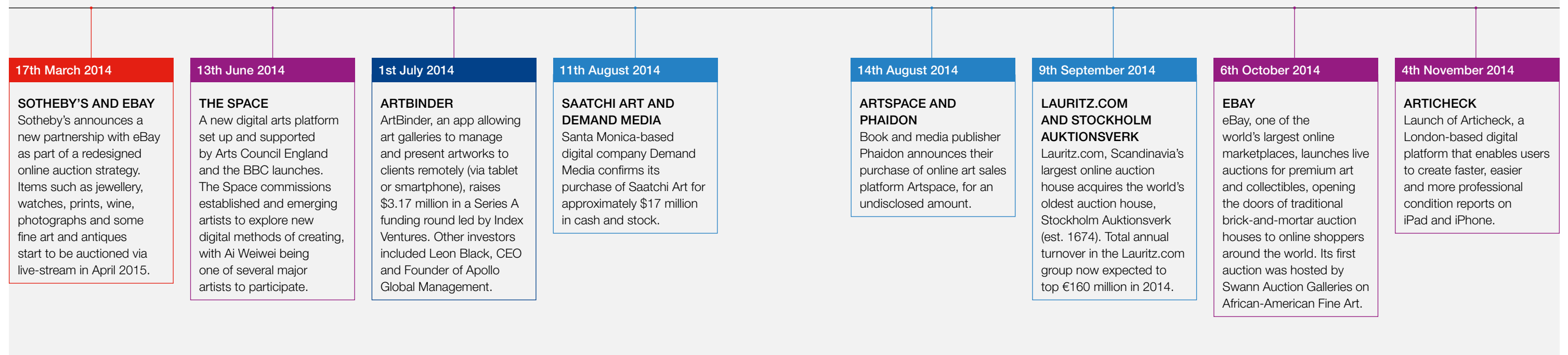
Close to half of the total online sales are driven by rapidly growing online art and collectibles auction platforms such as Heritage Auction, Lauritz.com, Auctionata, Paddle8, and auction aggregators such as The-saleroom.com, LiveAuctioneers.com and Invaluable.com. Online sales generated by these companies account for an estimated 48% of the \$2.64 billion online sales total.

¹Click-and-buy is defined as online purchases made directly (sight unseen) through an e-commerce platform with little or no direct contact between the buyer and seller.

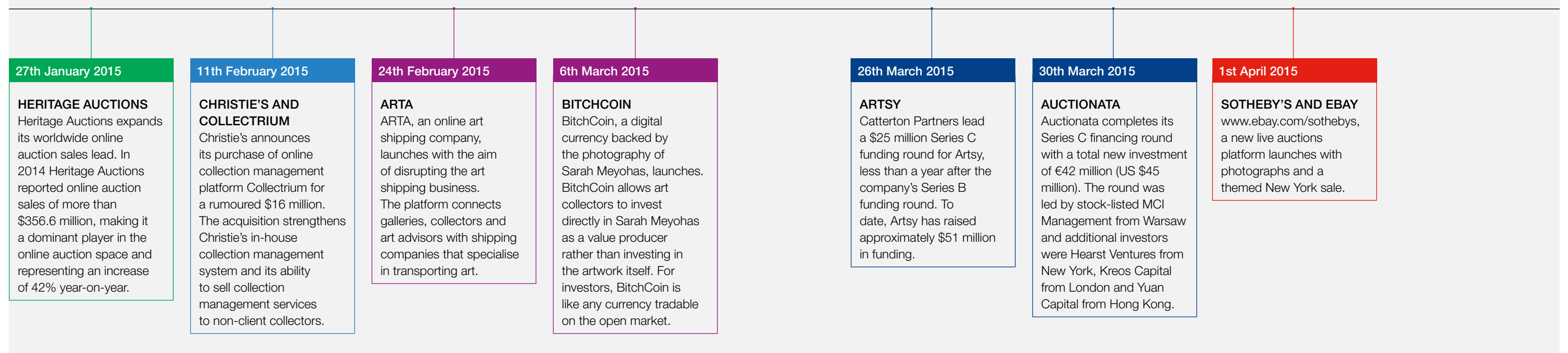
Key moments from the last 13 months

- Partnerships
- Acquisitions
- Launch of online art ventures
- Fundraising/Investments
- Online sales

2014



2015



Impact of social media

SOCIAL MEDIA TAKES OFF IN THE ART WORLD

Although art appreciation and collecting is sometimes a solitary process, more often it is bound up in personal relations with others and a sharing of tastes and knowledge. In fact, few industries are so rooted in personal relations and the opinions of others as the art market is; fewer still prize a direct connection with the creative origin, or the maker, of the items for sale. The market thrives on interest and debate, not simply amongst dealers and collectors, but also critics, curators, artists art enthusiasts. In this way, social media naturally aligns with the core structure of the art world, and market ecosystem, whilst also influencing the traditional balance of power amongst key constituents.

Works listed on social networks are aimed at attracting the attention of those 91% of online (prospective) buyers who spend anywhere from one to 12 hours on social media per day, with 79% spending up to three hours per day, and potentially directing web traffic to the online selling platforms. In 2015, 41% of respondents said they had discovered an online transactional art platform through social media, up from 34% last year. While 47% state there is no correlation between social media and the art they buy online, 24% of buyers said they recognised the link and 30% said they were unaware of its affect on their buying habits. As the social media ecosystem continues to narrow the gap between personal and professional internet use, the influence of social media on buying habits will become stronger and more apparent.

USAGE AND PLATFORM DISTINCTIONS

Facebook and Instagram are the two most important social media platforms in the art world, although each of these channels serves a different purpose. 52% of respondents said Facebook was among the most important social media channel for art-related purposes, followed by 34% who said Instagram was the most important. Facebook's first place position is not surprising as the network is globally ranked second only to Google.² As such it is one the best examples of an environment in which buyers interact on personal and professional levels concurrently.

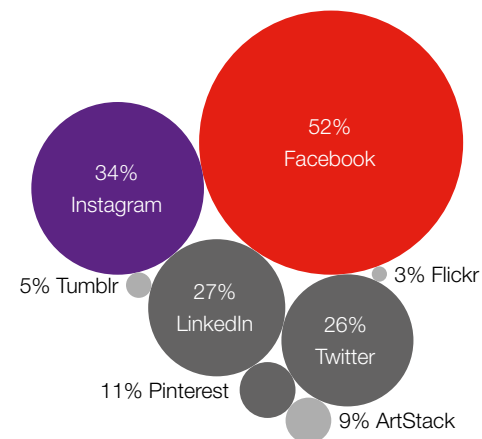
Facebook and Instagram are the two most important social media channels in the art world.

Instagram, with an active user base in excess of 300 million and over 70 million images shared on average per day, is now larger than Twitter.³ Crucially, last year Instagram saw a per-follower engagement rate 58 times higher than Facebook and 120 times higher than Twitter,⁴ a fact that our statistics for this year are beginning to reflect with Instagram beating Twitter in every category except 'art related news' and 'find[ing] openings and exhibitions' (both of which Facebook in turn dominates with 40% and 53% respectively). The 'engagement' factor of both Instagram and Facebook far outweighs their stereotypes of 'photo sharing' or 'social updates', with their success based instead on how easily users can interact with content. This is clear when Flickr's 3% 'art related' share is examined; while this site also caters for image sharing, it's 'engagement' with users is not comparable.



'Lewis Lake' Matthew Brandt

WHICH SOCIAL MEDIA CHANNEL DO YOU USE MOST FOR ART RELATED PURPOSES?



A PLATFORM FOR EVERY PURPOSE

Social media posts by museums are considered to be the most influential when buying art by a particular artist, with 64% of those surveyed considering these to be important/very important. This is followed closely by galleries at 60% and artists at 59%, suggesting that traditional influencers still have significant weight in the art market, even on social media. However, in the past if a collector was open about their collecting habits, access to such information would have been inherently delayed by the press, if published at all. Today, even private purchases may be broadcast in almost real-time to anyone following a collector who wishes to share this information. This is important, particularly for new art buyers, as 74% said they were influenced by posts from other art collectors. This suggests a greater opportunity to influence collecting habits in real-time than ever before.

74% said they were influenced by posts from other art collectors. This suggests a greater opportunity to influence collecting habits in real-time than ever before.

We believe the use of social media to influence art market trends, map tastes and market art directly to buyers will continue to grow and evolve as more tastemakers in the art world register with a platform, and more users seek them out.

INFLUENCING THE ART BUYING PROCESS

Social media is also aiding validation and increasing buyer confidence. 24% of respondents said that social media activity had an influence on their art buying decisions, with postings by museums, galleries and artist studios deemed to have the most influence on buyers – closely followed by collectors, art market commentators and curators. This confirms that no one single voice has a disproportionate influence, but that the influence is spread across different opinion-makers in the art market.

Of those respondents who have been buyers for less than three years, social media's primary influence was on improving confidence. How it improves confidence fell into several key themes:

More information on known artists

- Connection with artists (news/insights)
- Expert sentiment
- Discussion of artists/works
- Articles and opinion pieces or op-eds inform buying habits

Discovery

- New ways of buying
- New artists
- New styles/tastes

Popularity of trending artists

- Hashtags (how many and by whom)
- 'Active'/trending
- Status of commentators

'Peer confirmation'

- Opinions of friends
- Dictation of taste
- Typical budgets/price ranges

²Alexa ranking statistic [retrieved from: <http://www.alexa.com/topsites>]

³Instagram official statistics [retrieved from: <https://instagram.com/press/>]

⁴Forrester report: Use Instagram Now [retrieved from: <http://goo.gl/tN7MYA>]

Detailed findings

Based on the findings of the first Hiscox Online Art Trade Report in 2013, buying art solely based on a digital image has become a common and accepted way of buying art today, particularly at the lower price segment of the market. The majority of collectors and galleries at the time (71% and 88% respectively) said they bought and sold art regularly on the basis of a digital image (i.e. sight unseen). However, direct e-commerce was less common, with only 29% of the galleries offering their clients the possibility to buy art works directly through the website. Similar to last year, this report has been solely focused on direct e-commerce (click-and-buy) through different types of online art selling platforms and the aim this year has been to spot new trends in online art buying behaviour.



Visitor trends

BROWSING BEHAVIOUR

For the last two years we have tracked new, existing and potential art buyers' browsing patterns and online engagement, to be able to better understand how buyers are gradually changing the way they find, engage with and ultimately buy art online.

What we're seeing this year is that browsing increasingly translates into online sales, with 63% of high frequency visitors also being online art buyers, up from 55% last year. There is a clear relationship between individuals who browse art buying platforms several times a week and their willingness to buy. It is also interesting to note that new art buyers are more likely to visit online art and collectible sales websites than seasoned buyers. This observation is particularly significant as it highlights the importance of online platforms as a destination and potential breeding ground for new collectors.

There is a clear relationship between individuals who browse art buying platforms several times a week and their willingness to buy.

Visitors are spending more time per visit, which could signal that they are becoming more selective about how they spend their time online. The majority (57%) of respondents said they spend more than ten minutes per visit browsing online art platforms, whilst 30% of respondents said they spend more than 20 minutes per visit, up from 28% in 2014.

The average time spent per visitor will become a significant business driver for these websites in the future, as time spent on each site increasingly translates into sales. The key to success going forward will be how online art buying platforms keep their audiences engaged and build client loyalty and trust, a key challenge when the competition is only a click away.

'The Fate of Man' Damien Hirst

Click-and-buy trends

BUYING ART DIRECTLY THROUGH AN ONLINE ART PLATFORM

The online art market is gathering pace, with 49% of respondents having bought art and collectibles directly online through a click-and-buy (or click-and-bid) website or app. This was significantly up from 38% last year. Among the buyers, 73% were over 30 years old (up from 72% last year), while 20 to 30-year-old buyers accounted for 27%. 51% of buyers are men, compared to 49% women, closing the gender gap from 2014, where 54% were men and 46% were women. Despite 51% of survey respondents not having bought art online, 21% of these intend to do so in the next 12 months. This will be an important group to target in the future if potential, but hesitant, buyers are to be converted into confident online consumers.

Among those aged 35 and under, 19% said they preferred the online experience.

The majority (65%) of people who bought art online, are repeat buyers. 45% of buyers have bought between two and five art works or collectibles in the last 12 months, 8% have bought between six and ten times and 12% have bought more than ten times (up from 8% last year). These figures indicate that existing online buyers are becoming more confident and that online art buying is increasingly becoming part of the way they acquire and collect art.

Among online art buyers, 48% still prefer the physical spaces such as galleries and auction houses, but this is down from 54% last year. At the same time, 15% say they prefer the online experience (up from 11% last year) and 37% said they had no preference for either. Among those aged 35 and under, 19% said they preferred the online experience. This suggests that art buyers, particularly younger art buyers, are becoming less dependent on the physical gallery or auction house as a destination to buy art and that there is an increasing level of indifference between the channels that collectors prefer using. A key to success going forward will be the ability to offer potential art buyers the choice to use different channels when they are looking to acquire art.

With 91% of online buyers surveyed having bought from a physical gallery or auction house before buying online, brick-and-mortar space remains vital in educating and driving confidence in art buying. It follows that online art buying should be seen as a compliment to, rather than a replacement of, physical auctions, galleries and art fairs. However, it is also evident from the survey findings that the online art market is attracting, building confidence and cultivating an entirely new generation of art collectors.



'For His Own Good' Abigail Lane

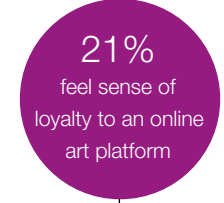
It is interesting to note that among the online buyers aged below 35 years old, 15% had never bought from a physical gallery or auction before buying art online (versus 9% based on the overall sample). This percentage was even higher among new art buyers, where 20% said they had never bought art in a physical gallery or auction prior to making an online purchase. This signals that online platforms play an important role as an entry point for new buyers, particularly as buying art online is often perceived as less intimidating. In fact, 45% of respondents feel that the process of buying from an online art platform is less intimidating than buying from a physical gallery or auction house (up from 39% last year).

However, it is important to put the above findings in the context of general trends in online consumption, as other markets are helping to break down barriers to buying art online. Among the survey respondents, 69% had purchased other consumer items online in a similar price range prior to their online art purchase (up from 58% last year). However, for 31% it was the first time they had ever spent this amount of money online.



Online platforms play an important role as an entry point for new buyers.

Buying art online is often perceived as less intimidating.



CUSTOMER LOYALTY IN THE ONLINE ART MARKET

Although the majority of online art buyers are very happy with their buying experience, there are clear issues that need to be addressed surrounding fulfillment and buyer education. One area that needs specific attention is insurance, as 63% said they were 'not very satisfied' or 'only moderately satisfied' when it comes to clarity around whether the object is insured whilst in transit. Linked to this are concerns around shipping, with 43% expressing a moderate or low level of satisfaction with these services. Many of these issues could be addressed through improved customer education and information, as well as better customer service. A significant number of online art buyers (45%) expressed concerns with customer service when buying art online and 47% felt that the website lacked sufficient information. It is evident that efficient purchase fulfillment will be an important ingredient in creating loyalty among customers.

Creating that loyalty will be a challenge for many of the online art sales platforms.

However, creating that loyalty will be a challenge for many of the online art platforms. Only a minority of online art buyers (21%) said they felt a sense of loyalty to the platforms they bought from, compared to 37% who said they rarely or never felt a sense of loyalty. This will become an important aspect in the future dynamics of the online art market, given the competition is only a click away.

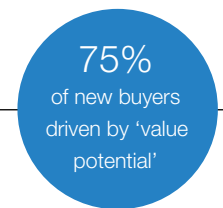
The competitive nature of the online art market is evident, as 79% of online buyers are buying from more than one provider. Among online art buyers, 57% said they had bought from two or three different online sales platforms, with a further 22% buying from more than three different online sales platform. Just 21% had bought from one platform only.

BUYING MOTIVATIONS – INVESTMENT RETURN IS IMPORTANT

The emotional benefits of buying art remain the dominant motivation for purchase among collectors, however 63% said they are also motivated by 'value potential' or return on investment when buying art online.

Investment motivation is even higher among new art buyers.

Investment motivation is even higher among new buyers, with 75% saying they were driven by the value potential when buying art online. This suggests that new buyers are much more driven by economic factors than social trends or status. It also indicates a strong 'trading' mentality and the potential for online art marketplaces to succeed as pure transactional platforms.



'Montana' Lee Friedlander



'Maid's Day Off' Cecily Brown

What are people buying?

PAINTINGS

The most popular medium online remains paintings, with more purchases in the low and middle-market: 62% of online art buyers said they had bought paintings online in the last 12 months (up from 57% last year). 30% of these paintings were bought with average prices below £1,000 (compared to 25% last year), followed by 29% who bought paintings in the £1,000 to £5,000 price range (compared to 35% last year). However, the £5,000 to £10,000 segment accounts for 18% of the buyers, up from 10% last year and signaling that the market is gaining confidence in buying at higher price points. At the same time we have seen a smaller number (5%) of buyers in the £50,000 and above category, down from 10% last year, which could signal that the online art market is finding a natural price spectrum in which to operate.

SCULPTURE

Sculpture caters for buyers at the higher end of the price spectrum: 22% of online art buyers had bought a sculpture online in the last 12 months (up from 21%). 31% of these buyers paid on average between £100 and £1,000 per art work, whilst 62% paid between £1,000 and £10,000 and 6% between £10,000 and £50,000.

PHOTOGRAPHY

Photography remains the third most popular category: 35% of online art buyers had bought one or more photographs online in the last 12 months (down from 43% last year). 40% of these buyers spent less than £500 per photograph, whilst 13% spent between £500 and £1,000. A significant 31% bought photographs in the £1,000 to £10,000 range, with 15% having spent more than £10,000 on a single work (up from 10% last year).

DRAWINGS

Drawings are increasing in popularity among online buyers: 31% have purchased one or more drawings online in the last 12 months (up from 19% last year). 46% of these buyers had bought drawings below £500, 15% between £500 and £1,000, 28% between £1,000 and £5,000 and 13% above £5,000. Of these buyers, 47% had bought once, whilst 42% had purchased between two and five times, and 11% had bought more than five times in the last 12 months.

PRINTS

Limited-edition prints remain the second most popular medium in the online art market, but this is largely driven by the lower end of the market: 53% of online art buyers said they had bought a print in the last 12 months (up from 51% last year). In terms of price points, 58% bought limited-edition prints for less than £500 (up from 44% last year) and among 20 to 30-year-olds, 84% had bought a print online for £500 and below. For price segments above £500, we have seen a smaller proportion of overall buyers, signaling that these buyers are migrating to other mediums as confidence in buying art online grows.

NEW MEDIA

New media and digital art is still in its infancy but likely to increase in appeal for younger buyers: 10% of online buyers have bought new media and digital art online (the same as last year), with 46% spending on average less than £100 per purchase. These low-end purchases are likely to be driven by websites such as [S]-edition, which sells limited-edition digital works for as little as £5. However, among buyers of new media art, 23% paid between £1,000 and £5,000, which suggest that there is some confidence in buying new media art at higher price points.

Why buy art online?

ONLINE ART SPENDING PATTERNS

Online art spending is gathering pace, with the online art market reaching an estimated \$2.67 billion last year. 46% of the online art buyers surveyed had spent £10,000 or more so far on buying art online (up from 44% last year). Among these, 19% have spent between £10,000 and £25,000 and 11% said they had spent between £25,000 and £50,000. Only 16% said they had spent in excess of £50,000.

We are also seeing evidence that online art buyers are actively cross-collecting and buying other collectibles online. 34% of buyers had also bought decorative art and design online, and when looking just at those aged 35 and under, this figure rises to 55%. Other popular categories were antiques (22%), wine (19%) and jewellery (19%), and again looking just at buyers aged 35 and under, these figures rise to 37% for antiques, 34% for jewellery and 24% for wine.

67% of online art buyers had bought more than one fine art object in the last 12 months.

Among online art buyers, 41% said their average price paid per piece was less than £1,000 (up from 37% last year), 26% said the average price was between £1,000 and £5,000, 17% between £5,000 and £10,000 and 16% above £10,000. Among new art buyers the majority (54%) said the average price per purchase was less than £1,000, 28% said it was between £1,000 and £5,000, 8% between £5,000 and £10,000 and 10% said the average price per piece was above £10,000.

The majority (67%) of online art buyers had bought more than one object in the last 12 months, 49% said they had purchased between two and five art works, 11% said they had purchased between six and 10, and 7% had purchased more than ten artworks online.



Mural of Alfred Eisenstaedt's photo 'VJ Day, The Kiss' Eduardo Kobra

WHAT ARE THE ADVANTAGES OF BUYING ART ONLINE?

— 80% said that the primary advantage was the ability to easily search for art and collectibles (up from 74% last year).

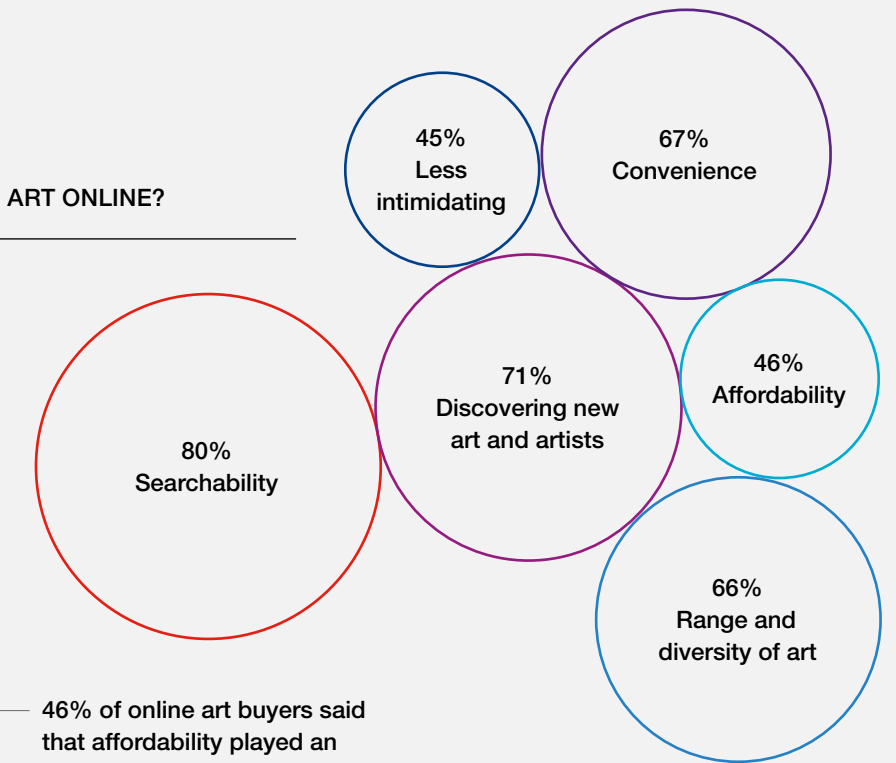
— 71% said that the 'discovery of new art and artists' was the key advantage of buying art online. The internet is breaking down geographical barriers, making it possible for artists to find fans and collectors with unprecedented scale and efficiency.

— 67% of online art buyers said that the convenience of buying and bidding on art online is one of the key advantages. This was even more attractive to younger buyers (those aged 35 and below), where 78% said this was a very important aspect of buying art online. It is clear that the need for a one-stop shop for art discovery and buying is becoming increasingly attractive to new, and younger, buyers.

— 66% of respondents said that an advantage of online art platforms is the range and diversity of art and collectibles on offer (up from 65% last year).

— 46% of online art buyers said that affordability played an important part in buying art online, as they felt online art platforms offered works at all price segments. In fact, as many as 56% of online art buyers aged 35 and under said that having the possibility to buy more affordable works was important to them.

— 45% said it was less intimidating to buy art online. The art world is often perceived as exclusive and inaccessible to new buyers, and 45% of respondents said they feel the process of buying from an online art platform is less intimidating than buying from a physical gallery or auction house. Again, this aspect of the online purchase experience was significantly stronger among new and younger buyers, with 63% of buyers below the age of 35 saying this was an important reason to them to buy art online.



Responding to the challenges

Although people are already buying art online and are largely satisfied with the process of doing so, there is still a set of desired products and services that could facilitate more buying activity, and at higher price points.

What are the disadvantages of buying art online?

PHYSICAL INSPECTION

— **Challenge:** 82% of online art buyers (up from 78% last year) say the biggest challenge when buying art online is the fact they are not able to inspect the physical work. In a similar vein, those worried that the artwork may appear different from its representation online has risen from 64% to 74% year on year.

— **Remedy:** better information and compulsory condition reports carried out by an expert could reduce the fear. Challenges regarding the reality of a piece versus its online appearance suggest the need for 3D image-rotation and ultra high-resolution zoom features for all art listed online. As a consequence of not being able to physically inspect the work when buying art online, there is a fear that the artwork turns out to be very different from what the buyer expected. Can the object be returned? Although in theory this might seem like a trivial service to offer, the practicalities and costs associated with returning art are quite different. However, a return-guarantee will be important as the online art market develops, with 74% of respondents already indicating a 30-day return guarantee was a significant factor in their decision to buy.

AUTHENTICITY

— **Challenge:** 66% of online art buyers (up from 58% last year) said they were afraid of buying a fake or an object that was not what it set out to be. As evidenced by the growing number of anti-forgery operations, the globalisation of the online art market presents an increased opportunity for criminals, with legitimacy and authenticity critical to buyer confidence.

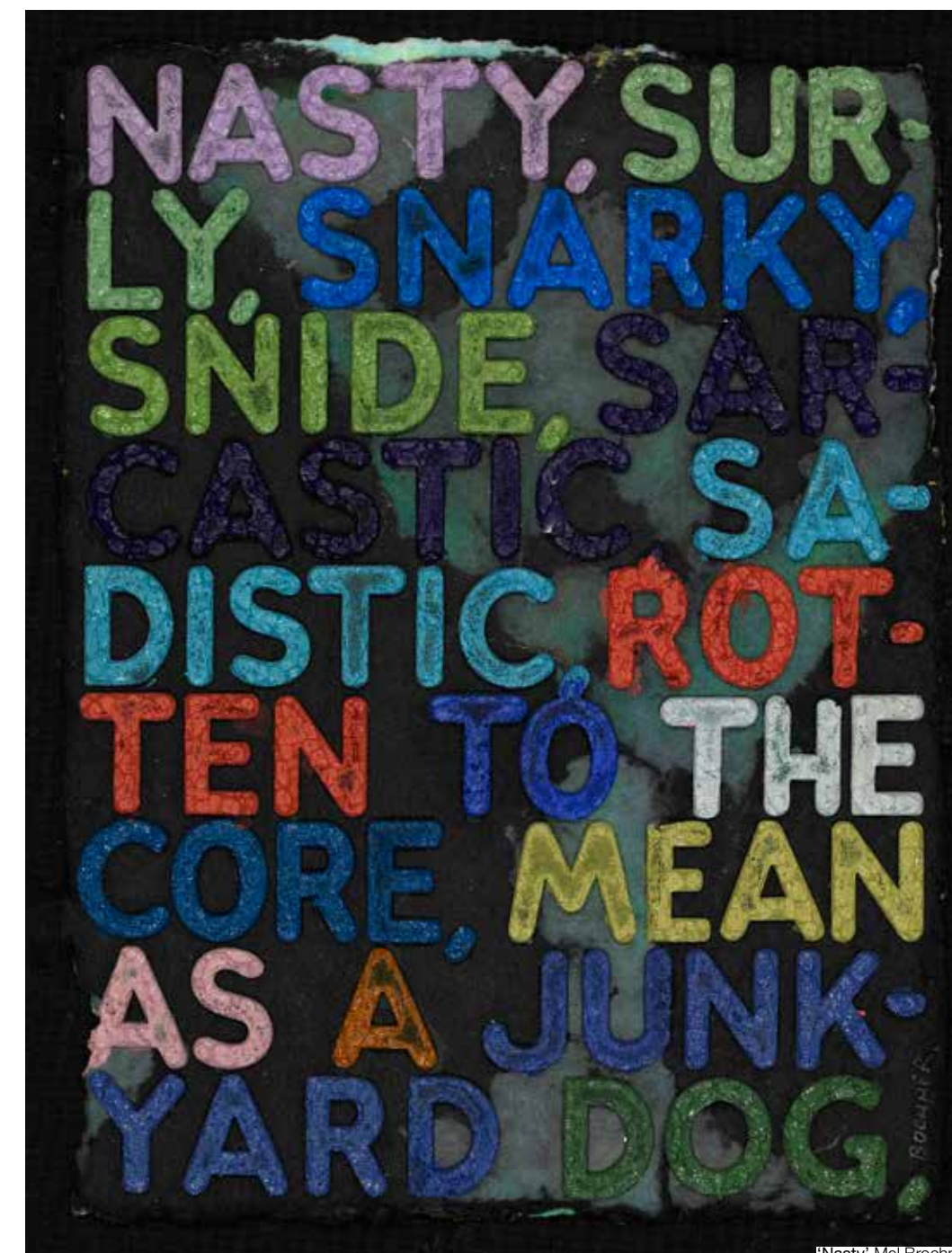
— **Remedy:** 80% of respondents this year said that authentication certificates must become standard practice for art and collectibles sold online. However, Certificates of Authenticity (COAs) have equally been a target of much controversy due to online auction sites where sellers are providing fake COAs to market or sell their art works. Certificates must originate from (and should be signed by) either the artist responsible for the work, the publisher of the art (in the case of limited editions), a confirmed and established dealer or agent of the artist (not a casual third party or reseller), or an acknowledged expert on the artist. Without one of these, a certificate is effectively worthless. There is a greater need for standardisation in this field to ensure that buyers understand what a COA is and is not.

REPUTATION AND TRUST

— **Challenge:** 57% of online art buyers said the biggest challenge when buying art online was linked to trust. The importance placed on the seller's reputation remains significant, and presents a challenge for new players, but an opportunity for existing operators. However, building trust in an online environment is not the same as in the physical world.

The biggest challenge when buying art online is linked to trust.

— **Remedy:** 49% of current buyers said that other online buyers' reviews and feedback would serve as a means of creating more trust and confidence in the online art buying process. The introduction of a reputation-based rating system for both online sellers and buyers as a way of signaling efficiency, client support, commitment and honesty, is clearly a service that would be welcomed by current and potential online buyers.



'Nasty' Mel Brochner



'Poisoned Page' Mat Collishaw

INFORMATION

— **Challenge:** 57% of online art buyers said their main worry was the lack of information regarding the object, both with regards to its quality and provenance. A further 64% of online art buyers said it was very important to have more information regarding the artist and 61% wanted to have more market information regarding historic prices.

— **Remedy:** in a market where pricing and valuation is often seen more as an art than a science, historic price records could give the buyer confidence that they are paying the current fair value. At the same time, it allows buyers to follow price trends for similar objects sold in the past. 58% of potential buyers (and 50% of current buyers) said that having access to an independent valuation report would increase their confidence in buying art online. As the online art and collectibles market grows, the demand for independent valuations is likely to increase significantly. In the absence of physical contact with a seller – who would normally communicate the background of the artist and meaning of the work, thus helping to educate the buyer – this role will need to be replaced by better and more accessible information related to each artwork and artist. One potential solution to this would be the option of talking to a relevant expert about a work of art or collectible object listed online, demand for which currently stands at 60%, and is particularly indicative of young buyers' appreciation of the benefits art expertise brings to decision-making.

LOGISTICS

— **Challenge:** 43% of online art buyers (up from 37% last year) are concerned about the logistical aspect of the online transaction, including packing and methods of shipment.

— **Remedy:** 71% of respondents said they wanted more information about shipping and packing, in order to feel more confident about buying art online. There is definitely more knowledge and information required to educate both sellers and buyers with regards to logistical issues such as storage, shipping and adequately packing the object to protect it from damage. There will be an important role for the insurance industry to play here, to enforce certain standards as the online art trade grows.

INSURANCE

— **Challenge:** 73% of online art buyers are placing increased importance on having in place appropriate insurance cover when buying art online (up from 67% last year). There is very little knowledge and understanding among online art buyers of what insurance events are covered or not covered in the event of a loss or damage.

— **Remedy:** although most shippers would insure work in transit, there is an opportunity for the insurance industry to educate online art buyers about the benefits of specialist art insurance cover. This could provide the art insurance industry with an opportunity to expand their services and build client relations with a new generation of buyers and collectors.

REPAYMENT PLANS

— **Challenge:** as art buyers are getting more confident in buying art at higher price segments (between £5,000 and £25,000) the need for financing options has become more evident. 46% of buyers in this price segment said that a finance option would be important or very important in terms of their future confidence in buying art online. 52% of buyers who had been collecting for less than three years said that having a finance option would make them feel more confident in buying art online.

As art buyers are increasingly getting more confident in buying art at higher price segments, the need for financing options has become more evident.

— **Remedy:** it is evident that the upfront amount required to buy art is a major challenge to new buyers and schemes such as 'Own Art' an Arts Council of England initiative offering interest-free loans already integrated into the services of some online sales platforms, could play an important role in bringing new buyers into the online art market going forward.

Raw findings

Social media

What would you estimate is your daily social media usage?

	All	Under 35 years old	New buyers (collecting less than three years)	2014
Don't use social media	9%	1%	6%	6%
One hour or less	39%	30%	29%	29%
One to three hours	40%	51%	57%	57%
Three to eight hours	9%	13%	6%	6%
Eight to 12 hours	2%	3%	0%	0%
12 hours or more	1%	0%	2%	2%

Which social media platform do you use most for-art related purposes? (often/always)

	All	Under 35 years old	New buyers (collecting less than three years)	2014
Instagram	34%	48%	69%	69%
Tumblr	5%	7%	12%	12%
Facebook	52%	61%	80%	80%
ArtStack	9%	11%	20%	20%
Twitter	26%	30%	49%	49%
Pinterest	11%	11%	20%	20%
LinkedIn	27%	30%	37%	37%
Flickr	3%	2%	2%	2%

Are you influenced by social media activity when buying art?

	All	Under 35 years old	New buyers (collecting less than three years)	2014
Yes	24%	27%	39%	39%
No	47%	34%	35%	35%
Don't know	30%	39%	27%	27%

Browsing behaviour

How often do you visit online art and collectible sales websites where you can buy directly through click-and-buy?

	All	Under 35 years old	New buyers (collecting less than three years)	2014
Never	10%	9%	0%	10%
Once a year	11%	13%	6%	9%
Once a month	35%	34%	43%	32%
Once a week	21%	19%	18%	23%
A few times a week	23%	24%	32%	27%

On average how much time do you spend on these online art sales websites per visit?

	All	Under 35 years old	New buyers (collecting less than three years)	2014
Five minutes or less	18%	14%	11%	13%
Five to ten minutes	25%	28%	31%	29%
Ten to 20 minutes	27%	29%	28%	30%
20 to 30 minutes	15%	15%	11%	15%
30 minutes or more	15%	14%	20%	13%

How do you find out about these online art sales websites? (you can choose more than one option)

	All	Under 35 years old	New buyers (collecting less than three years)	2014
Word-of-mouth (friends, colleagues and other art buyers)	54%	65%	62%	35%
Google Search (or other search engines)	43%	41%	48%	43%
Social media (Facebook, Twitter, Instagram, etc.)	41%	53%	54%	34%
Art fairs (through online apps launched in conjunction with a traditional art fairs)	35%	37%	38%	35%
Auctions (through auction house websites)	35%	28%	34%	48%
Galleries (galleries advertising their presence/ links on online sales platforms)	33%	29%	29%	53%
Media articles (newspaper, specialist art magazines, etc.)	56%	58%	58%	59%

Motivations and online art buying patterns

How important are the following motivations when buying art and collectibles? (respondents answering important/very important)

	All	Under 35 years old	New buyers (collecting less than three years)	2014
Emotional benefits (passion for art)	93%	95%	95%	95%
Social aspect (being part of a scene of like-minded people)	35%	41%	43%	43%
Value potential (return on investment)	63%	65%	75%	75%
Identity and status (it defines who I am)	39%	47%	54%	54%

Have you bought art and/or collectibles directly online through a click-and-buy or click-and-bid website (with or without having seen the physical object)?

	All	Under 35 years old	New buyers (collecting less than three years)	2014
Yes	49%	46%	43%	38%
No	51%	54%	57%	62%

How many times have you bought an art or collectible object online in the last 12 months?

	All	Under 35 years old	New buyers (collecting less than three years)	2014
Once	35%	35%	41%	36%
Two to five times	45%	49%	44%	47%
Six to ten times	8%	8%	7%	7%
Ten times or more	12%	9%	7%	10%

Had you purchased works from a physical gallery space, auction or art fair before purchasing an art work/collectible online?

	All	Under 35 years old	New buyers (collecting less than three years)	2014
Yes	91%	85%	80%	90%
No	9%	15%	20%	10%

Which experience did you prefer?

	All	Under 35 years old	New buyers (collecting less than three years)	2014
Physical space	48%	48%	50%	54%
Online	15%	19%	15%	11%
No preference	37%	34%	35%	37%

Which device do you mostly use when buying art online?				
	All	Under 35 years old	New buyers (collecting less than three years)	2014
Tablet	21%	21%	24%	25%
Desktop	68%	70%	73%	71%
Mobile	11%	9%	3%	4%

How satisfied were you with the following aspect of your online art purchase? (very satisfied/extremely satisfied)				
	All	Under 35 years old	New buyers (collecting less than three years)	2014
Search (finding the art work with ease)	66%	70%	69%	
Information (sufficient information provided on the art work to make a decision)	53%	57%	52%	
Payment (invoicing, security, ease of payment, etc.)	68%	69%	78%	
Shipping (timely, arrive in good condition, etc.)	57%	52%	57%	
Insurance (clarity about whether the art work is insured against damage or theft whilst in transit)	37%	39%	43%	
Customer service (responding to questions, assisting with the purchase or other issues)	54%	60%	54%	

Do you feel loyal towards the online art sales companies that you have bought from?				
	All	Under 35 years old	New buyers (collecting less than three years)	2014
Never	17%	14%	17%	
Rarely	20%	24%	15%	
Sometimes	41%	44%	48%	
Very often	17%	14%	13%	
Always	4%	5%	7%	

What attributes would you say are critical when deciding on which online art sales website to potentially buy from?				
	All	Under 35 years old	New buyers (collecting less than three years)	2014
Quality of the art on offer – is the art as good as the art I can buy offline?	93%	91%	91%	
Price transparency: clear pricing and the possibility to check past and current prices	88%	91%	85%	
Search/navigation: easy to find art and artists that I am interested in	88%	94%	91%	
Information about the art: background information about the artist and the work	82%	87%	85%	
Reputation of the online sellers of art (galleries or dealers that I already know or have heard of)	82%	74%	78%	
Freshness: always new and interesting art available for sale	58%	57%	63%	
Artist brands: selling well-known artists	50%	46%	54%	
Additional content: Interesting articles, commentaries and news on the website	43%	44%	48%	
Customer reviews: ability to read other people's views and feedback	42%	57%	53%	

What are the advantages of buying art online?				
	All	Under 35 years old	New buyers (collecting less than three years)	2014
Search: I find it easier to find (browse) artworks that I like	80%	86%	83%	73%
Discovery: I can find artists and artworks that I otherwise would never come across	71%	72%	69%	74%
Buy/bid: I find it more convenient to buy or bid on art online	67%	78%	72%	61%
Range on offer: online galleries and auction houses provide a larger selection of artworks across different mediums and price brackets	66%	70%	63%	62%
Affordability: I find that art works sold online are generally more affordable	46%	56%	54%	43%
Experience: I find the process less intimidating than buying from a gallery and auction house	45%	63%	59%	38%

What are the disadvantages of buying art online?					
	All	Under 35 years old	New buyers (collecting less than three years)	2014	Non-buyers 2015
Condition: I am not able to inspect the work and therefore worried about the physical condition	82%	81%	83%	78%	77%
Physical inspection: I am worried that the work will look different in real life compared to the digital image	74%	82%	83%	64%	84%
Authenticity: I am afraid of buying a fake or an object that is not what it sets out to be	66%	71%	76%	58%	58%
Reputation of the seller: I don't trust buying from sources I don't already know	57%	56%	52%	58%	58%
Quality and provenance: there is not enough information provided about the quality and provenance of the object	57%	58%	61%	51%	61%
Returns policy: I am worried that I might not like the art work/object, and if so, whether I am able to return it	47%	53%	54%	47%	58%
Shipping: I am worried about the packaging and method of shipment	43%	51%	52%	37%	38%
Insurance: I am concerned that if the work is damaged in storage or transit will this be covered by insurance	39%	43%	46%	38%	40%
Online payments: I am uncomfortable paying larger sums of money online	29%	35%	33%	29%	34%

Which of the following services would make you more confident in buying art and collectibles online?						
	All	Under 35 years old	New buyers (collecting less than three years)	2014	Non-buyers 2015	Potential buyers 2015
Condition report	88%	89%	91%	94%	91%	87%
Certificate of authenticity	80%	87%	91%	83%	81%	83%
30-day return guarantee	74%	76%	76%	77%	75%	73%
Include the option to insure the object when buying it	73%	77%	72%	68%	74%	67%
More information about the shipping and packing of the object	71%	72%	74%	61%	72%	61%
More background information about the artist/object	64%	72%	70%	77%	64%	77%
Comparable transactions – more information about the past sales of the object/artists	61%	72%	70%	69%	62%	66%
Option to talk to an expert or specialist	60%	70%	74%	67%	61%	65%
Independent valuation report	50%	61%	61%	60%	51%	59%
Customer reviews/feedback from previous buyers	49%	58%	59%	63%	50%	63%
Repayment plan (interest-free)	39%	49%	52%	44%	41%	46%

Average price and purchase frequency

What is the average price per object bought online?								
	£100 and less	£101 to £500	£501 to £1,000	£1,001 to £5,000	£5,001 to £10,000	£10,001 to £25,000	£25,001 to £50,000	£50,001 and above
Fine art	7%	18%	16%	26%	17%	9%	3%	4%
Decorative art and design	20%	27%	14%	27%	7%	2%	2%	2%
Jewellery	26%	18%	24%	9%	21%	3%	0%	0%
Watches	14%	9%	14%	36%	18%	5%	5%	0%
Wine	50%	36%	11%	0%	4%	0%	0%	0%
Antiques	22%	25%	19%	9%	16%	9%	0%	0%
Stamps and coins	30%	30%	10%	20%	10%	0%	0%	0%
Memorabilia	47%	24%	6%	6%	12%	0%	0%	6%

How many items did you buy online in the last 12 months?					
	One	Two to five	Six to ten	11 to 20	21 and more
Fine art	33%	49%	11%	5%	2%
Decorative art and design	29%	53%	13%	5%	0%
Jewellery	41%	53%	6%	0%	0%
Watches	56%	39%	6%	0%	0%
Wine	7%	52%	26%	4%	11%
Antiques	45%	39%	10%	3%	3%
Stamps and coins	11%	56%	11%	22%	0%
Memorabilia	25%	63%	6%	0%	6%

If you have bought fine art directly online, what type of medium have you bought?		
	2014	2015
Paintings	55%	69%
Prints	52%	59%
Drawings	21%	35%
Photographs	40%	39%
Sculpture	21%	24%
New media art (video/digital)	12%	12%

What is the average price per object bought online?								
	£100 and less	£101 to £500	£501 to £1,000	£1,001 to £5,000	£5,001 to £10,000	£10,001 to £25,000	£25,001 to £50,000	£50,001 and above
Paintings	5%	13%	12%	29%	18%	13%	5%	5%
Prints	27%	31%	17%	19%	3%	1%	1%	0%
Drawings	23%	23%	15%	28%	5%	5%	3%	0%
Photographs	18%	22%	13%	31%	13%	2%	0%	0%
Sculpture	14%	14%	3%	31%	31%	3%	3%	0%
New media art (video/digital)	46%	8%	15%	23%	0%	0%	8%	0%

How many items did you buy online in the last 12 months?					
	One	Two to five	Six to ten	11-20	21 and more
Paintings	47%	44%	7%	1%	1%
Prints	34%	50%	9%	3%	3%
Drawings	49%	41%	8%	3%	0%
Photographs	54%	46%	0%	0%	0%
Sculpture	61%	29%	11%	0%	0%
New media art (video/digital)	42%	33%	17%	0%	8%

Methodology

The survey findings are based on responses from 519 art buyers surveyed through ArtTactic's client mailing list, Twitter and Facebook and Own Art's (www.ownart.org.uk) mailing list.

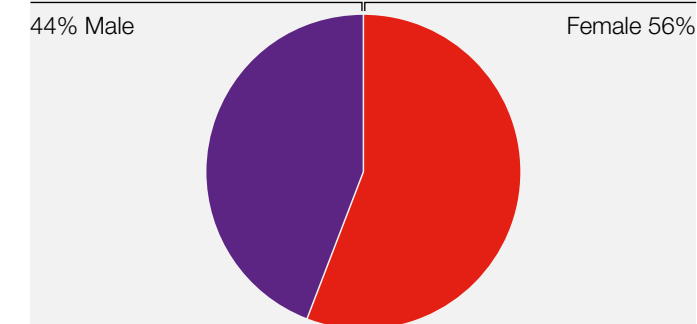
Most of the survey respondents from last year participated in this year's survey as well, however the sample has been broadened by particularly focusing on the new art buyers. This has allowed us to get a better idea of current online buying trends and behaviour among this next generation of buyers, and to better understand their concerns and future expectations with regards to buying art online. Although the central focus is around fine art, we have in this survey also explored online buyers' buying habits of other collectibles.



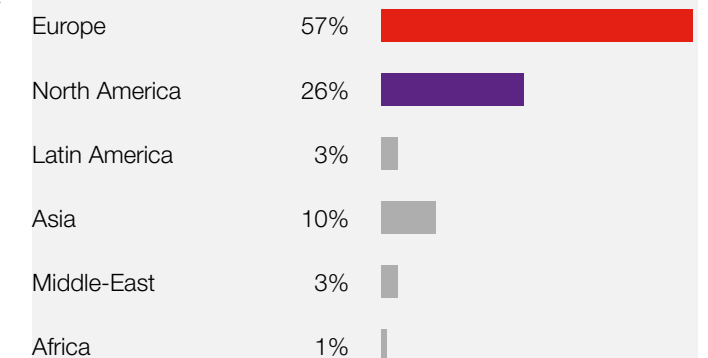
'Sacred Heart' Damien Hirst

Structure of ArtTactic's 519 respondents

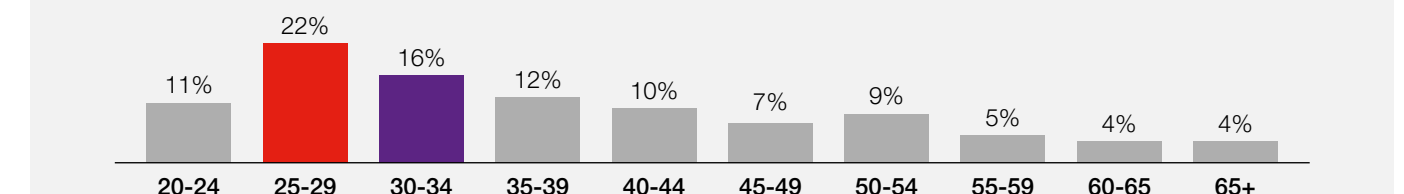
GENDER



GEOGRAPHY



AGE



Company profiles

1STDIBS

Website:	www.1stdibs.com
Founded:	2001
Location:	New York
Founder:	Michael Bruno
Management:	David Rosenblatt (CEO)
Investors:	Index Ventures, Spark Capital, Benchmark Capital and Alibaba Group
Business model:	Online Marketplace

1stdibs is a global marketplace for rare and desirable objects. The website brings together more than 2,000 professional dealers from around the world specialising in design, fine art and collectibles, and serves as a source for collectors, affluent consumers and interior designers.

1stdibs' GMV in 2014 was \$1.1 billion, a 20% increase over the previous year, and online sales increased 108% year-on-year. There are over two million visitors per month and 1.2 million site registrants.

500PX

Website:	www.500px.com
Founded:	2008
Location:	Toronto
CEO:	Andy Yang
Founders:	Evgeny Tchebotarev and Oleg Gutsol
Management:	Andy Yang (CEO) and Oleg Gutsol (CPO)
Investors:	High Line Venture Partners, Deep Creek Capital, ff Venture Capital, CAA Ventures, Dustin Plett, Rugged Ventures, Harrison Metal and Andreessen Horowitz
Business model:	Digital media IP licensing and sales, and online gallery e-commerce

500px is a photo community for discovering, sharing, buying and selling inspiring photography powered by creative people worldwide.

500px has raised \$9.3 million in venture capital to date. Their seed round saw \$525,000 raised in 2011, followed by \$8.8 million in Series A funding in 2013.

AMAZON ART

Website:	www.amazon.com (search for 'fine art')
Established:	August 2013
Location:	Seattle
Business model:	Online gallery, e-commerce platform

Online store that offers more than 60,000 works, according to Amazon, from over 4,500 artists supplied by more than 150 galleries and dealers. It operates in all ends of the market through a selection of affordable art as well as paintings in the multi-million dollar range.

ART.COM

Website:	www.art.com
Founded:	1998
Location:	United States
Founders:	Joshua Chodniewicz and Michael Heinstein
Management:	Geoffrey Martin (CEO and Director)
Investors:	Stripes Group, Polaris Partners, Southern Capitol Ventures, Benchmark and Saints Capital
Business model:	Online retailer of posters, prints, and framed art products in the United States and internationally

Art.com offers wall art products, such as posters, art prints, tapestries, photography, wall signs, limited editions, hand-painted originals, and exclusive products; and other wall decor products. The company also provides a range of finishing services, including custom framing, wood mounting and canvas transfers. In addition, it provides Artist Rising, an online community of independent and emerging artists; Zenfolio, a solution for photographers to organise, display, and sell their work online; and Photographer Central, an online directory of professional photographers available for hire. Art.com Inc. was formerly known as Allwall.com, Inc. and changed its name to Art.com Inc. in 2001.

ARTFINDER

Website:	www.artfinder.com
Founded:	2010
Location:	London
CEO:	Jonas Almgren
Investors:	Greylock, Wellington, Northzone, Sherry Coutu, and others
Business model:	Online marketplace for art

Artfinder's marketplace for art enables art lovers to discover and buy affordable original art directly from independent artists and galleries. Artfinder does not sell print-on-demand reproductions or posters.

The Artfinder marketplace has 100,000 artworks for sale, from 5,000 artists in 80 countries. The marketplace adds more than 2,500 artworks and 300 artists every week. Despite adding new artists quickly, the marketplace is growing so fast that artists on average sell 75% more today than they did a year ago.

ARTFUL

Website:	www.theartfulproject.com
CEO:	Rachel Hotchkiss
Founders:	Rachel Hotchkiss and Joshua Blackburn
Management:	Rachel Hotchkiss and Joshua Blackburn
Business model:	Affordable online art marketplace (under £5,000)

Artful's stated goal is to: *"inspire a new culture of art buying; where exceptional is affordable, everybody is welcome, artists are championed and customers find art they love"*.

ARTNET

Website:	www.artnet.com
Founded:	1989
Location:	Berlin
CEO:	Jacob Pabst
Founders:	Hans Neuendorf
Management:	John Huson, Hans Neuendorf and Piroshka Dossi
Business model:	Online auction

Online since 1995, artnet is a leading resource for the international art market, and the principal platform for art auctions on the internet. Offering a wide range of art market resources, artnet provides a place for people to buy, sell and research fine art, design and decorative art.

ARTPLODE

Website:	www.artplode.com
Founded:	2014
Location:	London
CEO:	Maureen McCarthy
Business model:	Online direct-to-consumer purchase platform

Artplode provides an online forum where sellers and buyers can connect directly with all transactions completed without any commission charged to either party – only a one-off flat fee is paid by the seller to list their work. This means better deals for buyers, and sellers receiving 100% of the proceeds of the sale of their artworks.

ARTSLANT

Website:	www.artslant.com
Founded:	2006
Location:	Los Angeles (main office)
Founders:	Georgia Fee and Catherine Ruggles
Management:	Catherine Ruggles (CEO), Sara Armstrong (CTO), Joel Kuennen (COO), Sunny Tyrrell (VP Advertising) and Frances Guerin (European Operations Officer)
Business model:	News media, online gallery and e-commerce

Artslant is a digital platform offering news, exhibition, gallery, artist and event information globally. Artslant also offers original works of art for sale via its e-commerce shop.

ARTSPACE

Website:	www.artspace.com
Founded:	2011
Location:	New York
Founder:	Catherine Levene and Christopher Vroom
Management:	Catherine Levene (CEO) and Emmanuèle Vinciguerra (COO)
Business model:	Online marketplace and e-commerce

Artspace is a leading online marketplace for contemporary art and ideas, offering both established and aspiring collectors the opportunity to discover, learn about and purchase meaningful contemporary art at the click of a button. Partnering with leading artists, galleries, museums and cultural institutions worldwide to curate the finest selection of art for sale online, it provides detailed and transparent information on every artist and artwork. In addition, Artspace Magazine brings customers closer to the art world through in-depth interviews, analysis and features making sense of the most pressing issues around the globe. Artspace believes that art and artists play a fundamental role in our society, which is why every work of art for sale supports either artists directly or non-profit organisations devoted to art, culture or charitable causes.

ARTSPER

Website:	www.artspers.com
Founded:	2013
Location:	Paris
Founders:	Hugo Mulliez and François-Xavier Trancart
Investors:	Steve Roseblum, Severine Boutry, Philippe Charpentier and Alexandre Mulliez
Business model:	Online gallery, click-to-buy

Artspers offers works of fine art across ten sub-categories, with the majority of works being either paintings or photography. Prices range from less than €500 to over €25,000. As of January 2015, there are 4,580 works, 192 galleries and 1,426 artists listed on the website.

ARTSTACK

Website:	www.theartstack.com
Founded:	2011
Location:	London
Founders:	Ezra Konvitz, James Lindon and Alex Gezelius
Management:	Ezra Konvitz (CEO)
Business model:	Social media platform and online gallery

ArtStack is a digital platform for mobile and web, allowing users to discover, share and rate artworks, and to learn about artists and exhibitions.

ArtStack has over 650,000 artworks uploaded, approximately 120,000 artists and 35,000 exhibitions referenced.

ARTSY

Website:	www.artsy.net
Founded:	2009
Location:	New York
Founder:	Carter Cleveland
Management:	Carter Cleveland (CEO) and Sebastian Cwilich (President and COO)
Investors:	Dasha Zhukova, founder of Moscow's Garage Center for Contemporary Culture; Wendi Murdoch, film producer; Peter Thiel, founder of Paypal, board of Facebook; Sky Dayton, founder of Earthlink and Boingo Wireless; Josh Kushner, managing partner of Thrive Capital; Jack Dorsey, creator of Twitter; and Dave Morin, co-founder and CEO at Path
Business model:	Inquire to buy and online auctions

Artsy is an online art resource for learning about specific artists and artworks and/or collecting art, with a dual mission to expand both education and commerce. It provides one place to browse artwork listings from leading galleries and international art fairs, museum collections, current gallery and museum exhibitions in cities around the world, and covers major art world events. It is powered by cutting-edge technology including The Art Genome Project, a classification system that maps the connections between artists and artworks. Artsy provides free access via its website and iPhone app to 250,000 images of art and architecture by 40,000 artists, which spans historical to modern and contemporary works and includes the world's largest online database of contemporary art.

ARTUNER

Website:	www.artuner.com
Founded:	2013
Location:	London
Founder:	Eugenio Re Rebaudengo
Business model:	Online platform with physical pop-up projects

ARTUNER offers guidance and expertise for collectors whilst giving artists a critical context and professional environment in which to showcase their work. ARTUNER mounts exhibitions in collaboration with well-regarded institutions and curators in both online and offline settings. Physical exhibitions are complemented by an online component that widens the collector base while offering an outlet to promote and showcase artworks, articles, interviews and curatorial texts related to the exhibition.

ARTUSIAST

Website:	www.artusiast.com
Founded:	2013
Location:	Berlin (headquarters)
CEO:	Timo Niemeyer (MD)
Founders:	Alice and Kilian Jay von Seldeneck, Karl Philip Prinzhorn, Christian Boros
Management:	Timo Niemeyer, Stefanie Sava, Jakob Ballestrem, Cristina Crivelli
Investors:	Karl & Faber, Christophe Marie (twice named Europe's top seed investor)
Business model:	Online shop for original art, interviews with art collectors, cutting-edge exhibitions, advice on art

Artusiast is a curated marketplace for art, co-operating with global auction houses, art traders and galleries to offer original art from famous artists at affordable prices. Their online shop features various categories from contemporary art to old masters.

ARTVIATIC

Website:	www.artviatic.com
Founded:	2012
Location:	Monaco
Founder:	Antoine Van de Beuque
Management:	Antoine Van de Beuque (CEO)
Business model:	Peer-to-peer

Online private brokerage platform, peer-to-peer business that connects sellers to buyers to ease the way people transact art. They operate exclusively in the high end of the art market and focus on impressionist, modern and contemporary paintings, sculptures and works on paper above €150,000. The service they offer is only available for members, who can enjoy a three per cent commission fee on each purchase or sale after paying a monthly or yearly subscription fee.

ASTAGURU

Website:	www.astaguru.com
Founded:	2008
Location:	Kolkata
Founders:	Vickram Sethi
Management:	Vickram Sethi (Chairman) and Tushar Sethi (Director)
Business model:	Online auction

AstaGuru is an online auction house with an aim to connect people from all over the world to the Indian marketplace.

AUCTIONATA

Website:	www.auctionata.com
Founded:	2012
Location:	Berlin (with offices in London, Zurich and New York)
Founder:	Georg Untersalmlberger and Alexander Zacke
Management:	Alexander Zacke (CEO), Jan Thiel (COO), Georg Untersalmlberger (CTO), Christof Schminke (CMO) and Susanne Zacke (CSO)
Investors:	Earlybird, HV Holtzbrinck Ventures, e.ventures, Kite Ventures, TA Venture, Bright Capital, the Raffay Group and REN Invest
Business model:	Weekly live internet auctions plus curated online shop with more than 10,000 objects

Auctionata is an online art destination where people can experience exciting selling and buying moments in the arts, antiques and collectibles market. It allows people to submit their bids live and directly to the online auction room.

AUCTION NETWORK SWEDEN AB

Website:	www.auctionet.com
Founded:	2011
Location:	Stockholm and Berlin
Founders:	Niklas Söderholm, Tom Österman, Albert Ramstedt and Mark Westphal
Management:	Niklas Söderholm (CEO), Albert Ramstedt (CTO), Veronica Sandman (CFO) and Mark Westphal (MM)
Investors:	Management
Business model:	Marketplace for auction houses

Auction Network helps auction houses transform their business from the traditional hammered model to online.

THE AUCTION ROOM

Website:	www.theauctionroom.com
Founded:	2013
Location:	London
Founder:	George Bailey and Lucinda Blythe
Business model:	Online auction house

The Auction Room is an online auction site that offers its clients the advantage of technology through excellent photography and presentation. It operates effectively in the low to middle range of the market and benefits from specialist sales with a guarantee of authenticity. One of its main competitive advantages is the speed of sales from consignments to pay-out to the seller.

BARNEBYS.CO.UK

Website:	www.barnebys.com
Founded:	2011 (Sweden) and 2013 (UK)
Location:	Stockholm, Sweden and London
Founders:	Christopher Barnekow (CEO), Pontus Silfverstolpe, Gustaf Grapengiesser and Christofer Ferreira Gomes
Investors:	Industrifonden, Active Venture Partners, Monkfish, Howzat and STING
Business model:	Traffic aggregator and cost-per-click

Barnebys is an online auction listing aggregator and sales database, aiming to increase traffic (i.e. new bidders) to its affiliated websites. This also means that users are – for the first time – able to search the whole of the auctions market in one user-friendly site. Barnebys offers a free-to-use database of realised prices, dating back to the beginning of the 1980s and providing over ten million sold lots.

BIDSQUARE

Website:	www.bidsquare.com
Founded:	2014
Location:	Chicago
Founders:	Leslie Hindeman, David Rago, Wes Cowan, Ronald Pook, Andrew Brunk, David Rago and Karen Keane
Business model:	Online auction aggregator

Bidsquare is an online bidding platform founded by Brunk Auctions, Cowan's Auctions, Leslie Hindman Auctioneers, Pook & Pook, Rago and Skinner, Inc.

BUKOWSKIS

Website:	www.bukowskis.com and www.bukowskismarket.com
Founded:	1870, (internet auctions founded in 2010)
Location:	Stockholm, Norrköping, Malmö, Göteborg and Helsinki
Founders:	Henryk Bukowski
Management:	Anna-Karin Laurell (CEO)
Investors:	100% owned by the Lundin family
Business model:	Traditional auctions and online auctions

Bukowskis has conducted auctions in Sweden for the past 140 years and is one of the oldest salesrooms for fine art in Scandinavia.

CHRISTIE'S

Website:	www.christies.com/livebidding www.christies.com/onlineonly
Founded:	2006
Location:	Worldwide
Business model:	Brick and clicks

Christie's online presence is a convenient way to bid in Christie's auctions worldwide. It allows users to see and hear the auctioneer in real-time, offering a unique online experience throughout the bidding process.

CULTURELABEL

Website:	www.culturelabel.com
Founded:	2009
Location:	UK
Founders:	Peter Tullin, Simon Cronshaw and Florian Wupperfeld
Management:	Peter Tullin and Simon Cronshaw
Investors:	EC1 Capital, Anil Hansjee, Anton Wellenreiter, Julian Carter, Kevin Chong, Firestartr, Nathan Elstub and Native (Journal of the Digital R&D Fund for the Arts)
Business model:	Online gallery and e-commerce platform

CultureLabel is a curated e-commerce platform that allows art lovers to explore art and design-led products hand-picked from influential museums, galleries, creative boutiques and direct from artists. They count over 650 partner organisations and feature over 20,000 products on-site.

DEGREEART

Website:	www.degreeart.com
Founded:	2003
Location:	London
Founders:	Isobel Beauchamp and Elinor Olisa
Management:	Isobel Beauchamp (Director), Elinor Olisa (Director), Mike McGonigle (Chairman), Christopher A Holder (Director), and Robert McCatchey (Director)
Business model:	Market-leader in UK student and graduate art sales

As well as selling, commissioning and renting work created by emerging artists from prestigious art establishments, DegreeArt runs an Artists' Residency and Exhibition programme from its gallery, the Execution Room, and takes part in art fairs throughout the year.

DROUOT LIVE

Website:	www.drouotlive.com
Founded:	2009
Location:	Paris
Business model:	Online auction

Drouot Live is the online extension of Drouot's live auctions. It allows bidders and interested parties to bid online on a real-time basis and to access all catalogues of the Drouot sales at all times.

EBAY

Website:	www.ebay.com
Founded:	1995
Location:	Global
Business model:	Online auction and click-to-buy

eBay is an early innovator of direct to consumer online trading via auctions. eBay has increasingly moved to a click-to-buy transaction model due to user demand.

- Live auctions are a highly engaging format. To date, each eBay live auction buyer has already purchased on average close to four items from the new platform.
- Collectibles accounted for nearly \$8 billion of GMV in 2014 with more than 36 million active buyers.
- Each day on eBay, more than 3,500 auctions close with a price of more than \$5,000.
- eBay has 155 million global active buyers in 190 countries.
- 50% of eBay volume is touched by mobile.
- eBay enabled \$28 billion in mobile commerce in 2014.

EPAILIVE

Website:	www.epailive.com
Founded:	2011
Location:	Beijing
Founders:	Dr Qiqi Jiang
Business model:	Live auction e-commerce platform

One of China's leading live auction e-commerce platforms, connecting over 100,000 Chinese buyers with fine art auctions and sales across the globe. The company works together with both domestic and international leading auction houses, using a unique and secure payment system to guarantee all payments from Chinese buyers. Services offered to buyers and sellers include free catalogue uploads, extensive marketing options and a comprehensive service to both buyers and sellers from the bidding stage to the delivery of purchases.

EXPERTISSIM

Website:	www.expertissim.com
Founded:	2008
Location:	Paris
Founders:	Gauthier de Vanssay and Igor Montoussé
Investors:	NextStage and CM-CIC Capital Privé
Business model:	Click to buy and declining price auction

Expertissim offers works of fine and decorative art and collectibles across 17 sub-categories. Works are sold using a declining bid system in which each work listed is first offered at its high estimate, after which the price is automatically lowered each week until arriving at the low estimate. One can buy a work at any point in this process, thereby winning the object straight away. Prices range from approximately €150 at the low end to €60,000 at the high end.

FINE ART BOURSE (FAB)

Website:	www.fineartbourse.com
Founded:	2014
Location:	London
Founder and CEO:	Tim Goodman
Business model:	Online auction

FAB is focused on significantly lowering fees for fine art auctions through reducing showroom costs via reputable partners, reducing auction overheads by hosting auctions online, and "reducing both fee's and tax exposure for clients by up to 90%." It does this by utilising an auction system whereby the winning bid is always received and registered online despite a physical presence of bidders. Additionally, FAB has generated a substantial network of both suppliers and bidders by way of CEO Tim Goodman's own contacts and reputation.

HEFFEL.COM

Website:	www.heffel.com
Founded:	1999
Location:	Canada
Founders:	David Heffel and Robert Heffel
Management:	David Heffel (President) and Robert Heffel (Vice President and Secretary)
Business model:	Online auction

Heffel Fine Art Auction House, a division of Heffel Gallery Limited, was established in 1995, and with its inaugural auction became the first western Canadian fine art auction to achieve over \$1 million in sales. Heffel is a pioneer of online sales that started in 1999, and currently conducts live auction events bi-annually, one in the spring in Vancouver and one in the fall in Toronto.

HERITAGE AUCTIONS

Website:	www.ha.com
Founded:	1976
Location:	Dallas (HQ), Beverly Hills, San Francisco, New York and Europe
CEO:	Steve Ivy
Management:	Jim Halperin (Co-Chairman), Steve Ivy (Co-Chairman and CEO), Greg Rohan (President), Todd Imhof (Executive Vice President) and Paul Minshull (COO)
Business model:	Collectibles auctioneer

Heritage Auctions seek to offer unbiased, transparent and friction-reduced trading, making the learning curve less steep and less expensive for new collectors and sellers. Their mission is to be the world's most trusted and efficient marketplace and information resource for owners of fine art, jewels, rare collectibles and other precious objects.

HIHEY.COM

Website:	www.hihey.com
Founded:	2011
Location:	Beijing
Founders:	He Bin
Management:	He Bin (CEO)
Investors:	Shenzhen Capital Group and CITIC Securities
Business model:	Online auction and click-to-buy

HIHEY.COM is an online art sales and service platform offering exhibitions, auctions and art financing to artists, individual and corporate collectors, galleries and financial institutions.

INVALUABLE

Website:	www.invaluable.com
Founded:	1989
Location:	Boston
Founder:	Steven Abt (Artifact LLC, now Invaluable)
Management:	Rob Weisberg (CEO)
Investors:	Insight Venture Partners, Commonwealth Capital Ventures and Ascent Venture Partners
Business model:	Online auction marketplace

Invaluable is one of the world's leading online auction marketplaces of fine and decorative arts, antiques and collectibles, featuring a live online bidding platform that allows collectors and dealers to bid in real-time in auctions held around the world. As a leading developer of SaaS and other e-commerce applications for the auction industry, Invaluable provides auction houses with e-commerce and marketing solutions, as well as auction management software.

- Invaluable lists over \$4 billion of fine art, antiques and collectible items available at auctions around the world.
- Invaluable's web properties host over three million unique visitors per month and list hundreds of thousands of items available at auctions around the world every day.
- Invaluable bidders can search and buy from over 15,000 auctions annually.
- Invaluable's price database includes more than 58 million complete auction results totaling more than \$204 billion in value, including information on more than 500,000 international artists.

LAURITZ.COM

Website:	www.lauritz.com
Founded:	2000
Location:	Denmark
CEO:	Mette Rode Sundström
Founders:	Bengt Sundström
Management:	Bengt Sundström (Chairman) and Mette Rode Sundström (CEO)
Business model:	Online auction/aggregator

Lauritz.com is an international auction house with its headquarters in Herlev near Copenhagen and independently operated partner houses in Denmark, Sweden, Belgium and Germany. Lauritz.com partners pay royalties to Lauritz.com and operate their own Lauritz.com auction houses according to clear guidelines and specific contractual arrangements.

Lauritz.com has 1.2 million registered users, and saw €101 million in turnover in 2013. Lauritz.com has 21 auction houses in four countries where sellers and buyers can consign and view items for sale. Lauritz.com has approximately 250 employees, of whom almost half are valuation specialists.

LAVACOW

Website:	www.lavacow.com
Founded:	2013
Location:	Bucharest
Founders:	Alexandru Bâldea, Cristina Olteanu and Manuela Plapcianu
Investors:	Artmark
Business model:	Online auction

Lavacow is the first online-only auction house from Eastern Europe. It specialises in contemporary art, young and established artists, mostly from Central and Eastern Europe, together with original prints by international icons. A novelty for online auctions, Lavacow displays the first virtual auction room with fully animated auctioneer and bidders, virtually mirroring the experience of a live auction. Users benefit from commissions at half the usual brick-and-mortar auction house norm.

LIVEAUCTIONEERS

Website:	www.liveauctioneers.com
Founded:	2002
Location:	Manhattan
Founder:	Julian R. Ellison and John Ralston
Management:	Julian Ellison
Investors:	Venture Capital International
Business model:	Online auction aggregator

LiveAuctioneers is an online auction site that connects bidders to auction houses across the world with sales happening in over 47 countries. It also offers services such as catalogue publishing and allows online absentee bidding. They run LiveAuctioneers Timed Live (LATL), which consists of a timed auction platform that is pre-set to close at a specific time for smaller sales.

In the last quarter of 2014, it was reported that LiveAuctioneers had had a record year in which the company helped to facilitate nearly \$3 billion worth of gross merchandise sales by connecting approximately one million collectors and dealers from around the globe with over 2,500 auction houses.

LOFTY

Website:	www.lofty.com
Founded:	2012
Location:	New York
Founder:	Mark Lurie
Management:	Mark Lurie (Founder and CEO) and Sarah Shinn Pratt (Director)
Investors:	Founders Fund, TA Venture and Jose Marin
Business model:	Online marketplace (click-to-buy)

Lofty is an online marketplace for valuable fine art, antiques and collectibles. Each item listed is reviewed by one of Lofty's 60 plus specialists and granted a five-year authenticity guarantee. Lofty seeks to establish itself as the online market-leader for fine art, antiques and collectibles priced between \$500 and \$50,000.

LOTPRIVÉ.COM

Website:	www.lotprive.com
Founded:	2012
Location:	France
CEO:	Vincent Hutin
Founders:	Vincent Hutin and Didier Beaumelle
Business model:	Online 'members' brokerage platform

LotPrivé.com is an online platform specialising in sales of art and luxury goods, launched in December 2012 by Vincent Hutin and Didier Beaumelle. LotPrivé.com allows consumers to access a rich online catalogue of art and luxury items. This catalogue is constantly renewed by objects from more than 60 houses in European sales, with fixed and preferential prices (30-70% below those practiced in the traditional market).

MASTERART

Website:	www.masterart.com
Founded:	2012
Location:	Global
Founder and CEO:	Henry Blundell
Investor:	ArtSolution
Business model:	Online gallery – inquire to buy

MasterArt is an online platform for the display of quality fine art, antiques and collectibles from a select group of expert dealers. Services also include a digital library of art catalogues and virtual tours of the important fairs. The organisation offers a label of quality for the art on display and brings together collectors, traders and art experts. MasterArt.com gives free access to more than 17,000 artworks.

NEW BLOOD ART

Website:	www.newbloodart.com
Founded:	2004
Location:	London
Founder:	Sarah Ryan
Business model:	Sourcing and selling original and limited edition artwork

New Blood Art is a digital company that sources and sells original and limited edition artwork by rigorously selected emerging artists, at affordable prices. New Blood Art is committed to conducting a perpetual talent search, and bringing to the website only the most talented artists.

OCULA

Website:	www.ocula.com
Founded:	2010
Location:	Hong Kong, New York, Shanghai, Auckland, Sydney, London, Tokyo and Berlin
Founders:	Simon Fisher
Business model:	Access to art from leading galleries

Ocula provides comprehensive online access to leading contemporary artists, exhibitions and galleries worldwide. It seeks to showcase the best in contemporary art to an influential global audience.

PADDLE8

Website:	www.paddle8.com
Founded:	2011
Location:	New York (headquarters), London, Los Angeles
Founding team:	Aditya Julka (CEO), Alexander Gilkes (President), and Osman Khan (COO)
Investors:	Mousse Partners, Founder Collective, Winklevoss Capital, Sergey Skaterschikov, Jay Jopling, Damien Hirst, members of the Mellon family and Alexander von Furstenberg
Business model:	Online auction house

Paddle8 is an online collecting destination, presenting auctions of fine art, design, collectibles, watches and jewellery, focusing on the middle market (\$1,000-\$100,000). Paddle8 seeks to remove the pain points of collecting and benefits from a commission structure significantly discounted from market norms to connect buyers and sellers around the world. Every work on Paddle8 is vetted by an expert specialist or a trusted partner institution.

RISE ART

Website:	www.riseart.com
Founded:	2011
Location:	London
CEO:	Scott Phillips
Founders:	Scott Phillips and Marcos Steverlyck
Management:	Conor Coughlin and Rita Kettaheh
Investors:	Angel Investors including Jeff Fluhr, Chris Ingram and Andrew Grahame and Great Oaks Capital
Business model:	Online gallery, click-to-buy e-commerce and art rental

Rise Art aims to be the destination for contemporary art, hand-picked by experts. The team and independent advisors bring together top independent artists and place them alongside established artists from partner galleries to provide members with access to artwork on any budget. Users can try the art in their home before they buy, with risk-free art rentals, and with every order on the site, an art kit is donated to children's hospital wards as part of Rise Art's art-for-care charity.

Art rentals have grown as a percentage of the overall business, and well over 50% of all rentals mature to purchase. The average basket on all orders is nearing £1,000.

The business has raised low levels of capital to focus on building a trusted brand online, helping first-time collectors discover and own art.

THE SALEROOM

Website:	www.the-saleroom.com
Founded:	2001
Location:	London and Seattle
Owner:	ATG Media
Management:	Anne Somers (CEO)
Investors:	Mobeus Equity Partners and ECI Partners
Business model:	Online auction aggregator and market place

thesaleroom.com is one of Europe's leading platforms for fine art and antiques auctions. Users have the possibility to browse catalogues and bid online in real-time with video and audio feeds.

In 2014 the-saleroom.com hosted more than 7,300 catalogues and 3,848 live auctions, 22% more than in 2013 and sold over £90 million online.

SAATCHI ART

Website:	www.saatchiart.com
Launched:	2011
Location:	Santa Monica
Management:	Sean Moriarty (CEO) and Rebecca Wilson (Chief Curator)
Investors:	Acquired by Demand Media
Business model:	Online art gallery

Saatchi Art features the world's largest selection of original art and helps people all over the world find art and artists they love. The site offers more than 500,000 original paintings, drawings, sculptures and photographs by over 50,000 emerging artists from over 100 countries.

Saatchi Art aims to redefine the experience of buying and selling art by providing art lovers with free art advisory services and an expertly curated selection of art, while giving artists a convenient environment in which to exhibit and sell their work.

SAFFRONART

Website:	www.saffronart.com
Founded:	2001
Location:	Mumbai (main office)
Founders:	Dinesh Vazirani and Minal Vazirani
Business model:	Online auction

A platform for fine art and collectibles with over 14 years of experience in auctions, Saffronart is committed to serving the growing community of Indian collectors, while also creating a cultural bridge to India for both the global Indian Diaspora and the international community at large.

SOTHEBY'S

Website:	www.sothebys.com
Founded:	2004
Location:	New York (headquarters)
Business model:	Bricks and clicks

Sotheby's online bidding service, BIDnow, is available for all auctions except wine. Through BIDnow, auctions are broadcast on www.sothebys.com, and clients who have registered for a paddle may place bids as if they were in the room. However, Sotheby's online-only sales are separate to its BIDnow platform (which offers works from evening sales), and hosted in collaboration with eBay at www.ebay.com/sothebys.

— Nearly 25% more buyers online in 2014 compared to previous year.

— In 2014, mobile traffic accounted for 25% of total Sotheby's website traffic.

— Ten lots sold for more than \$500,000 to online bidders across categories and salesrooms.

VALUE MY STUFF

Website:	www.valuemystuff.com
Founded:	2009
Location:	London
Founder:	Patrick van der Vorst
Management:	Patrick van der Vorst
Investors:	Dragon investors Theo Paphitis and Deborah Meaden

Online art and antique valuation website, which offers expertise through a network of over 50 specialists, all of whom used to work either for Christie's or Sotheby's. The platform guarantees the user a valuation within 48 hours of the appraisal request.

It completes around 260 valuations per day, with an average value of £456. The most popular category is Chinese art.

WFA ONLINE AG

Website:	www.wengcontemporary.com
Founded:	2014 (Core business) Weng Fine Art AG founded in 1994
Location:	Zug, Switzerland
CEO:	Rüdiger Weng
Founders:	Rüdiger K. Weng and Weng Fine Art AG
Management:	Nicolas Mak
Investors:	100% Weng Fine Art AG
Business model:	Online gallery and e-commerce platform

WFA Online are positioning themselves to become a leader in the online art market, with the Weng Contemporary e-commerce platform, as well as in the international high-end editions market. Acting either as publisher, co-publisher or dealer, Weng Contemporary will seek to offer the most attractive editions of contemporary artists available in the market, for very competitive prices. Weng Contemporary do not list third-party offers. They can therefore guarantee prices and availability for all listed artworks, providing a high level of transparency and reliability. Weng Contemporary will not only list artworks for sale, but also give quotes for editions that they are buying, allowing clients to sell their artworks for guaranteed prices at zero commission.

YELLOWERKORNER.COM

Website:	www.yellowerkorner.com
Founded:	2006
Location:	Galleries across Europe and the US
Founders:	Alexandre de Metz, Paul-Antoine Briat
Investors:	360 Capital Partners and Pierre Kosciusko-Morizet, Louis-Christophe Laurent, Philippe Mondan and Pierre Nollet
Business model:	Click-to-buy limited edition photography

According to a statement by YellowKorner, the concept is very simple: to introduce the greatest photographers from all over the world and to increase the number of copies of their work to make it accessible to as many collectors as possible. Instead of offering ten prints at €5,000, YellowKorner chooses to publish 500 at €100.

