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## Sotheby's latest acquisition furthers move towards data-driven auctioning

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*Sotheby's is working to make its digital tools more data-driven and intelligent. Image credit: Sotheby's*

By DANNY PARISI

Auction house Sotheby's is continuing its move towards a more digital and data-friendly business model with the acquisition of Thread Genius, a startup focused on image recognition and recommendations.

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The acquisition sees Thread Genius' founders joining Sotheby's analytics team and the company's resources put to use making Sotheby's online platform more intelligent and data-driven. The auction house, as well as the auction world in general, has been making big digital moves recently, including a larger focus on online and mobile auctioning.

"Historically, transactions would come together by matching an object with an individual's preference at a certain price point, and Sotheby's retains data in those three areas," said Tad Smith, CEO of **Sotheby's**, New York. "By using advanced technology, we can deliver better insights and match those three elements faster, providing our staff with better tools, our clients with a better experience, and our consignors with even better results.

"We are committed to attracting and retaining talent in all aspects of what we do and are thrilled to welcome Richard, Ahmad and Andrew to Sotheby's."

### Data analytics

Sotheby's has traditionally treated auctions and the customers who purchase items there as singular events. There are returning clients to get to know and develop relationships with, but the unique nature of auctions distinguishes it from the regular purchases made at traditional retail stores.

The digital revolution has given rise to a different philosophy of customer relations. Thanks to Sotheby's scale, it has begun creating new methods of developing continued relationships with customers based on data and analytics of their auctioning behavior, preferences and habits.



*Thread Genius founders Andrew Shum, Richard Vibert and Ahmad Qamar. Image credit: Sotheby's*

This is where Thread Genius comes in. The startup was created to help ecommerce platforms by giving them artificial intelligence tech that can understand a customer's taste based on image recognition.

For example, an AI could look at the types of products purchased by a customer and accurately analyze what their taste is and what other products they may be interested in based on those data points.

This acquisition, along with Sotheby's recent purchase of the Mei Moses Art Indices, a database of nearly 50,000 repeat auction sales, will allow Sotheby's to better understand customer habits and preferences and connect customers to sellers more easily.

#### Online auctions

This focus on data and analytics is consistent with how Sotheby's customer base has been growing over the last few years.

Sotheby's spent 2017 focusing on bringing new, innovative ways to its consumers so that they could bid on high-end items through digital means.

These tools, ranging from online bidding to video to social media, have driven an unprecedented increase in online auction sales at the house, totaling more than \$180 million in online sales for this past year. Sotheby's successful practices in 2017 are a great example of how the digital revolution has affected every corner of the luxury industry ([see story](#)).

This is also not the first partnership Sotheby's has struck in order to build a more data-oriented database.



*Sotheby's London location. Image credit: Sotheby's*

Early last year, Sotheby's built a highly in-tuned audience and notifying consumers of relevant happenings via an online platform partnership.

Through a partnership with the IoT platform IFTTT, Sotheby's is allowing customers to customize notification settings so they can stay up to date with what is happening in the auction community. The platform integrates with major applications and other platforms, allowing users to set up a personalized experience for each app based on preference ([see story](#)).

With Thread Genius' founders and database of AI-powered image recognition tools, Sotheby's is poised to continue its trend of leveraging data and analytics to expand the scale of its auctioning and connect buyers and sellers more efficiently.

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