

ARTS

Meet the new online luxury retailer: Sotheby's

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Keith Haring's "Untitled (Twenty-Three Works)" goes under the hammer at Sotheby's Contemporary Art Day Auction on November 17. Sotheby's global offering speaks to Chinese Cultural Consumers, who are eager to fill their collections with items equally luxe and niche and have the purchasing power to spend millions of dollars on an auction lot. Image credit: Sotheby's

By [Min Chen](#)

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At one of [Sotheby's](#) Contemporary Art Evening Auctions last month, an eye-catching lot represented the night's driving force quite literally.

Standing out amid Impressionist and Modern works, a trio of unique and seminal Alfa Romeos went under the hammer and sold as a group for \$13.25 million. The automobile triptych was the auction's lone non-art lot, but far from a mere gimmick, it illustrated Sotheby's ongoing expansion and integration into the luxury space.

Indeed, the auction house's stock-in-trade has swelled in recent years. Its calendar of upcoming auctions is pretty much a tour of luxury hallmarks from gems to handbags, watches to whiskey. And these sales have had storming successes: an Herms Birkin bag fetched \$37,800 at a New York's "Handbags & Accessories," a Macallan Red Collection went for \$975,756, while "Important Watches" at Sotheby's Hong Kong closed with sales totaling \$10.6 million.

Contemporary art, too, fits into that same luxury framework, with an [impending auction](#) boasting key [lots of Keith Haring](#), KAWS and Basquiat works.

However, what is bound to recalibrate Sotheby's position within the luxury business is its digital buy-now marketplace. It is where consumers may purchase artworks, as well as a host of luxury offerings including jewelry by Van Cleef & Arpels, fine wines, Birkin bags and deluxe home furnishings, directly via the auctioneer's platform.

The inclusion of buy-now items such as modern and vintage sneakers further diversifies Sotheby's luxury umbrella, building connections to millennial shoppers.

The demand for these non-traditional luxury items is clear.

Notably, in May, Sotheby's set a new auction record when it sold a pair of Michael Jordan's game-worn Nike Air Jordans for \$560,000.

At the same time, Sotheby's Hong Kong's Contemporary Showcase series of pop-up auctions saw an intersection of vinyl toys, manga drawings, Western contemporary art and other limited-edition collectibles go under the hammer.

The response was overwhelming: at [Contemporary Showcase: MEET AllRightsReserved](#), in particular, the sale prices for items such as a set of KAWS plush toys and a Doraemon sculpture far exceeded estimates.

Evidently, this new luxury proposition carries further weight in China, where Chinese cultural consumers are eager to fill their budding collections with items equally luxe and niche.

While legacy brand names do matter to these millennial buyers, they are also keen to collect works rich with cultural cache, powered by hype, and limited in edition and they have the discretionary income to do so.

At Sotheby's Hong Kong's Contemporary Art Online auction in April, such buyers pushed the sales total to more than HK\$10 million, a 300 percent surge on pre-sale estimates.

Sotheby's buy-now initiative was particularly significant in April, amidst the wave of COVID-related lockdowns, when it allowed some two dozen galleries within Sotheby's Gallery Network to make immediate online sales ensuring that the house saw the volume of its private sales transactions increase by 10 percent from last year.

Indeed, the onset of the new normal brought by the pandemic has only increased the importance of direct-to-consumer strategies.

As Sotheby's CEO Charles Stewart [reflects](#), "Our team successfully took the circumstances of the past several months and turned them into opportunities, which advanced numerous initiatives that will likely change our business forever."

True enough: with buy-now, the auctioneer has not just adapted to a pandemic-hit market, but has honed in on a considerable strategy with which to reach new luxury consumers head-on.

"Online shopping is by far the fastest-growing sector of the retail industry," [writes](#) Roxane Zand Sotheby's deputy chairman of the Middle East.

"Our offerings at Sotheby's are of the highest quality, ensuring that the trend for top-level online shopping has well and truly arrived at our clients' doorstep," she said.

In short, buy-now effectively transforms Sotheby's from an auction house into a luxury retailer.

As a company seeking global revenue, this direct-to-consumer approach puts Sotheby's in competition with other luxury businesses such as LVMH and Chanel, which have built strong brand images, consumer relationships and digital platforms.

It is not a stretch to say Sotheby's is closing in: the house's buy-now inventory already markets a total luxe lifestyle from wall to cellar to wardrobe cementing it as a legacy luxury brand, while tapping into both existing and emerging consumer appetites.

Indeed, many traditional luxury brands are challenged to reinvent themselves in the Chinese market, pressured to quickly adapt their digital strategies.

Consumers, meanwhile, are becoming more sophisticated and seek new players with whom to spend. Sotheby's possesses the legacy that consumers gravitate toward, but also a newness in this category.

With both the tech and audience base, Sotheby's ability to reach deeper into China is solidifying, with buy-now potentially serving an interactive hub rich with buying and collaborative opportunities.

In 2020 [reports](#) so far, the home section of Sotheby's e-tail arm has enjoyed a 48 percent increase in transaction volume from 2019.

More notable is an influx of new buyers and bidders, some 20 percent of which hail from Asia, where Sotheby's sales have totaled nearly \$450 million in the first seven months of the year.

As the house shifts buying activity online with its expanding line-up of digital auctions and ecommerce push, it is not hard to see this new Asian base of consumers possessing digital savvy and transactional potential continue bidding as much as buying now.

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