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New York Startup Artsy Raises \$18.5M to Become Pandora for Fine Art

By LORA KOLODNY [CONNECT](#)

Artsy Inc. Chief Executive Carter Cleveland is on a mission to make visual art as accessible to the world as music. The company just raised \$18.5 million in Series B funding to help it achieve that goal.

Thrive Capital led the investment with participation from existing backers including Peter Thiel, Wendi Deng, Garage magazine editor-in-chief Dasha Zhukova, renowned American art dealer Larry Gagosian, and Sky Dayton, the founder of Earthlink.

New investors joining the round included Rich Barton, the Rockefeller family, **IDG Capital Partners** and Neil Shen in China through ZhenFund.



Artsy Founder and CEO Carter Cleveland — Sophie Elgort

The final amount of the round was increased to \$18.5 million from the original \$16 million after the company added some last-minute investors.

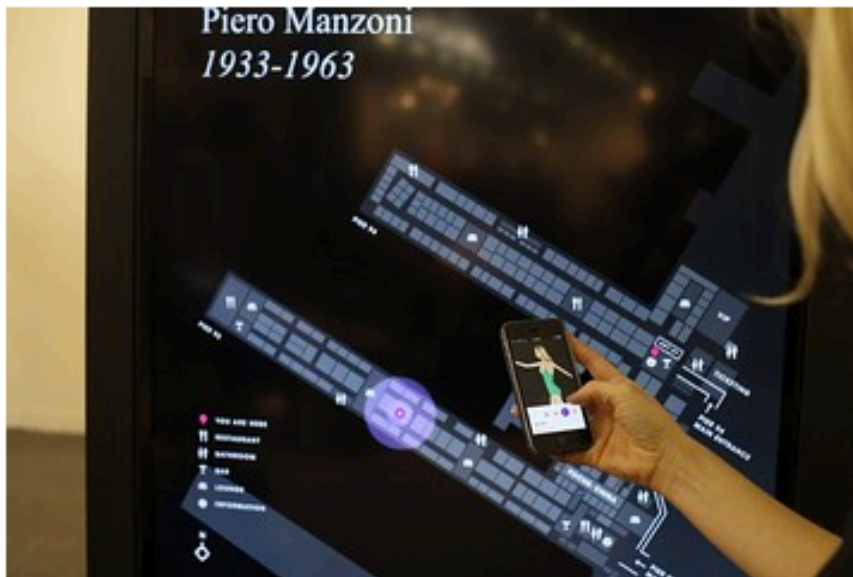
Artsy puts high-quality images and information about art online in one easy-to-use website or mobile app. It currently offers a Web, **iPhone** and iPad app, and plans to use some of its funding to develop an Android app, Mr. Cleveland said.

Via the Artsy Genome Project—inspired by Pandora, Netflix and Amazon—the site also delivers recommendations to end users, based on knowing just a few things about who or what they like in art. (If you like **Alex Katz paintings**, you may also like the work of Janice Biala or Philip Guston, Artsy suggests.)

Galleries pay a monthly subscription fee, which allows them to create and keep an unlimited number of listings on Artsy. The company provides them with a content management system, and personal help from staffers, including art historians, educators and writers, to create their content.

One subscriber, the **Leila Heller Gallery**—which promotes and sells the work of artists from the Middle East and Turkey— joined the Artsy platform in February 2012. It has since connected with 60 new collectors, and displayed listings to an unknown number of users in 4,000 cities and 130 countries.

The managing director of one of contemporary art's biggest annual events in New York, **the Armory Show**, Noah Horowitz, said Artsy's mobile app helped him give his "professional audience" a preview of works that would be at the fair a week before they arrived. It also allowed the 65,000 people in attendance in 2014 to navigate the fair with a mapping function.



An Artsy mobile app user locates a work of art that's of interest at the Armory Show in New York. — Courtesy Artsy.net

Partnering with Artsy helped the Armory Show and its 205 exhibitors to "reach a wide audience, and have a life outside of New York," Mr. Horowitz added.

Thrive Capital Managing Director Joshua Kushner said, "It's just the beginning for Artsy bringing an industry that is still mainly offline online."

Today, more than 1,800 galleries, 230 institutional partners—such as museums, foundations and artist estates—and 25 art fairs are active on Artsy. More than 125,000 works by over 25,000 artists are listed in its database.

The global art and antiques market saw about \$66 billion of sales in 2013, according to a report compiled by **Arts Economics** and published by the European Fine Art Foundation.

Artsy investor Sky Dayton, an avid art collector whose father was a sculptor, said despite the massive market, "only very few people who could afford to buy are doing so. Many are held back by high barriers to entry, which Artsy is solving."

Barriers to entry for would-be art collectors include the challenge of learning about new artists and their work, finding works currently for sale by a favored artist, and forging relationships with the professionals selling those works in the fragmented world of galleries, art fairs, estates, auctions and museums.

(Update: This story has been updated to note that the final amount of the round increased to \$18.5 million from the original \$16 million after the company added some last-minute investors.)