

ART SY

Rethinking Gallery Qualification and Tier

December 14, 2017

Goals

- Introduce simple and objective system to qualify galleries
 - Why
 - How does this affect our TAM and revenue?
- Predict Qualification
 - Initial findings from tier analysis
 - Data collection
 - Next Steps

Introducing Objective Qualification System - Why

- . Vetting and Churn are two sides of the same coin
 - Increases efficiency for both teams
- . Objective Criteria helps with morale
 - GP and GR enter [flow](#)
- . Can integrate qualification points into product more easily
- . No official protocol update since 2015

Introducing Objective Qualification System - Qualifiers

- . List of suggested disqualifiers:
 - Places we cannot do business (Cuba, Iran - see OFAC Playbook)
 - Galleries on the Do Not Sell list
 - All single artist ventures
 - Less than ~30 artworks available to upload upon signup, limited inventory pipeline
 - Business is not a full-time venture
 - Categories other than Art, Design, and Ephemera
 - Institutional partner who requires a discount greater than 15%

Introducing Objective Qualification System - TAM

- . Does changing the Qualification System change our TAM estimate?
 - Immediate thoughts are no because most of our estimates were already closely aligned with suggested change in system
 - . We have enough margin of error that any change will be covered
 - . I.e. 40% instead of 48%

Predicting Qualification - Initial Findings

- . Consolidate Gallery Tier into 3 classes from 5
- . For qualification should only use broad attainable data features such as:
 - Artist_roster_count
 - Artist_roster_search_voume
 - Artists_on_artsy
 - Location
- . Results show the possibility of creating a good predictive model, but we do not have the data coverage or features to implement a production version

Predicting Qualification - Data Collection

- . Reached out to a variety of Data Providers
 - Because Galleries are Global SMBs there is very little coverage that is easily attainable using an aggregate channel
- . Moving to an Outsourcer Model
 - Outsourcers are already working on collection current year fair rosters
 - Finalizing details on larger data collection project that will include data points discussed [here](#).

Predicting Qualification - Next Steps

- . Roll out objective qualification criteria to team and implement structured data fields in Salesforce
- . Collect more data via Outsourcers
- . Continue tweaking Analysis
- . Incorporate new data into Analysis