



THE ART WORLD'S EXCLUSIVE DOMAIN

2017  
**INVESTOR** *Allstars*  
————— *15<sup>th</sup> anniversary* —————

DIGITAL INNOVATION IN ART  
AWARD

[WWW.IAM.ART](http://WWW.IAM.ART)

Can you make a bet on the current number of internet users? Or guess the most expensive domain name ever sold? Andy Warhol having used one of the first computer painting programs – true or false? Read on to find out!

The .ART team made this booklet for you to be ready when you pick the technology category in your next pub quiz, and to update you on current digital trends in the process.

.ART has partnered with Investor AllStars to bring the 2017 edition of .ART Digital Innovation in Art Award, which applauds innovative use of digital technologies in the arts. We at .ART strive to support businesses that embrace, adapt and advance current and incipient online trends.

The growth of the digital realm has been a recurring theme across all industries, attracting major players and financial streams. And while its interaction with the world of art has been an organic one, .ART aims to provide a platform for the growth of this interaction, serving as a structural framework for each participant, and a link between them all.

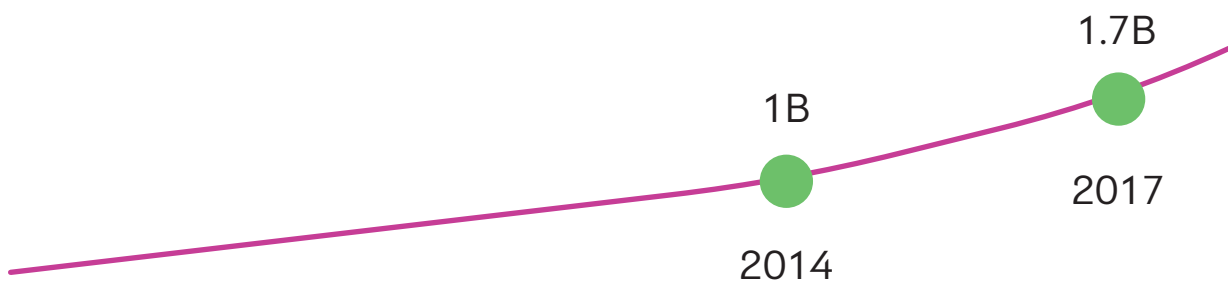
You might not have realized this, but domain names are the pretty wrappers to online goods. Websites with bold and memorable domain names form a legitimate part of business deals and contribute calculable fractions to trademark success stories.



## INTERNET & DOMAINS

According to Internet World Stats by June 2017 the number of Internet users in the world was 3.8B, which is 51% of the world's population. Internet audience increased by 936% since 2000. Every second person has access to the Internet.

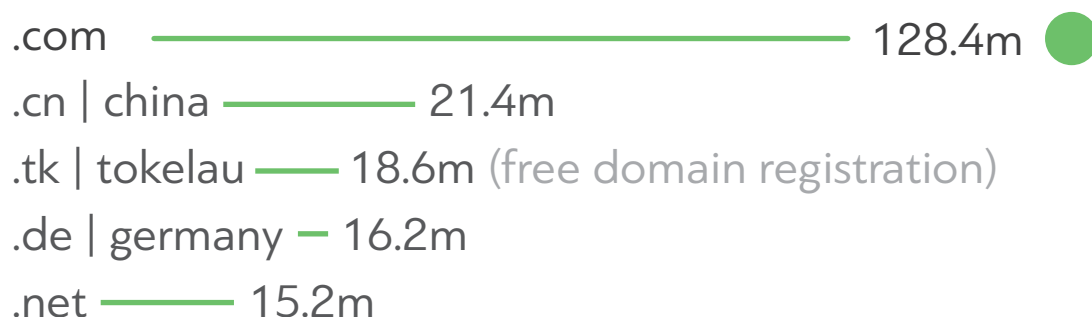
Number of websites on the Internet was 1.7B in July 2017. 1B mark was reached in September 2014.



Domain industry will earn at least **\$3B** on annual domain name renewals in 2017, not taking into account the sales of new domains and domain names secondary market.

# The first quarter of 2017 closed with **330M** domain name registrations.

## TOP 5 LARGEST DOMAIN ZONES



In 2014, the ICANN New gTLD program was launched, resulting in the creation of more than 1000 new domain zones, including .ART.

## PUBLIC AUCTION RESULTS FOR NEW DOMAIN ZONES

- .web** VERISIGN (NU DOT CO LLC) **\$135m**
- .shop** GMO REGISTRY INC. **\$41.5m**
- .app** GOOGLE (CHARLESTON R. REG. INC) **\$25m**
- .tech** DOT TECH LLC **\$6.7m**
- .realty** FEGISTRY LLC **\$5.58m**
- .salon** OUTER ORCHARD LLC **\$5.1m**

Amazon purchased .BUY for **\$4.6M**

The company owns more than 40 other domain zones, including .BUY, .BOOK, .LIKE, .PAY, .NEW, as well as more than 39K domain names.

Google purchased .APP for **\$25M**

The company owns more than 40 other domain zones, including .ADS, .DOCS, .MAP, .PAGE, as well as more than 19K domain names.

Walmart purchased 6 domain zones, for instance **.GROCERY** and **.WALMART**, and owns more than 9K domain names.

In May 2017 it has come to the attention of the U.S. Securities and Exchange Commission that a domain name CARS.COM, and a trademark that corresponds to it, represent 34% of total assets and equity of the company owning it. This remarkably large fraction was valued at no less than **\$866M**. The generic domain and service generate over 34M website visits monthly.

The cost of the domain name and the trademark JET.COM can be valued at ~ \$1B, which amounts to 30% of the company's last business deal:

VALUED AT  
**\$3 Billion**

The success story of one of the world's leading gambling groups BET365.COM

● DENISE COATES (BET365 Founder)

**\$25K LOAN**

for the right to own BET365.COM

**19M**  
customers

**200**  
countries

**\$1.5**  
revenue

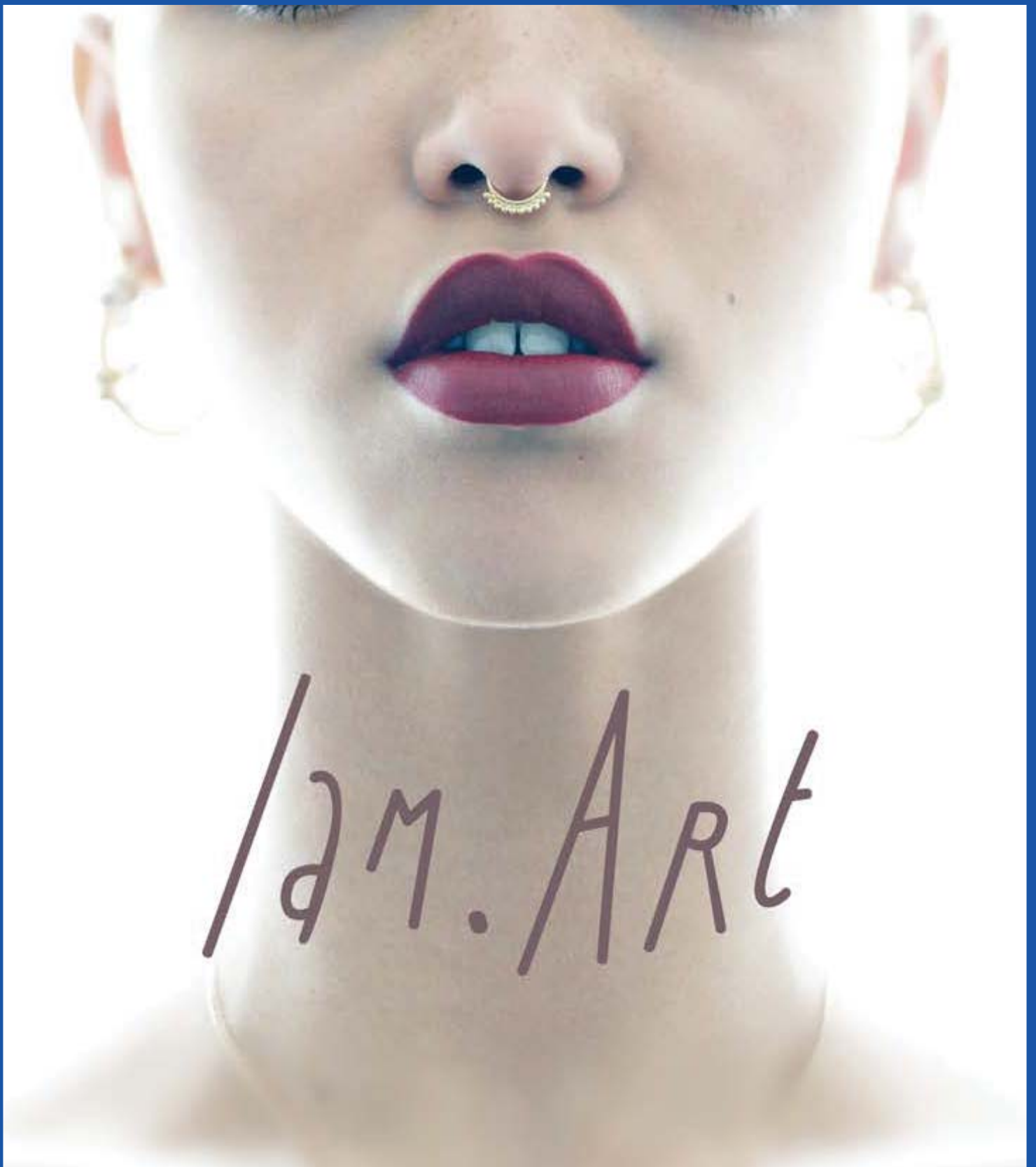
This domain contributed to the success of the business and the website, making it an online bookmaking empire.

An excellent example of the risks of a domain name investment being justified. Now Denise Coates (net worth **\$3.6B**) along with her billionaire brother John (net worth **\$1.9B**) both appear on the Forbes list.

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In November 2011, Avnet acquired Pinnacle Data Systems for **\$22M**. Together with assets it was given the domain name PINNACLE.COM, which in 2016 was sold to Pinnacle Sports Worldwide. Experts estimate the amount of the transaction to have been 'six figures'.





ART is my oxygen.  
I am .ART

[WWW.IAM.ART](http://WWW.IAM.ART)

A remarkable number of well known companies have already invested in domain names that stand out. Here are some highlights of the astonishing parade of digital investment.



## MOST EXPENSIVE DOMAIN NAMES

**LASVEGAS.COM | \$90M** According to the domain investor George Kirikos, the structure of the deal implies several stages: first stage - \$12M in May 2005, second stage - \$83K per month for 36 months, third stage- \$125K per month for 60 months, last stage - \$208K per month for 36 months. After June 2015 the contract can be terminated by the parties without penalties. But if that does not happen, the buyer continues to pay \$208K per month through 2040.

**INSURANCE.COM | \$35.6M** This purchase was part of the cycle of acquisitions of “insurance” domains by QuinStreet Inc. The Company also bought domains carinsurance.com for \$49M and insure.com for \$16M. QuinStreet Inc. owns most of the purely “insurance” traffic in the USA.

**PRIVATJET.COM | \$30.1M** The deal consisted exclusively of the purchase of a domain name. The website and the business jet booking service of the same name were launched later.

**360.COM | \$17M** Chinese company Qihoo 360 Technology Co. Ltd acquired this domain to change the address of its website from a national 360.cn to an international 360.com.

**BANKAHOLIC.COM | \$15M** Was acquired by Bankrate, Inc. to serve as a source of quality financial traffic.

**SEX.COM | \$13M** The domain generates millions of unique users and jumps to the website. As of today, the administration of the resource claims 45M unique users per month. The main source of income for sex.com is advertising and sale target traffic.

**IRS.COM | \$12.5M** The three letter combination coincides with the abbreviation of the US Internal Revenue Service/IRS ([www.irs.gov](http://www.irs.gov)). This transaction caused opposition of the US Congress, which initiated a ban on the use of domain names associating with US governmental authorities by private companies. Judging from the fact that the resource is still successfully operating, the initiative never became a law.

**PORNO.COM | \$8.8M** Rick Schwartz (“King of domains”) bought porno.com in 1997 for \$42K. Up to 2015 the domain was “parked” - it functioned only for placing advertising links to other websites and never contained any original content. But even this idle usage yielded an income of about \$10M (excluding the income from its sale).

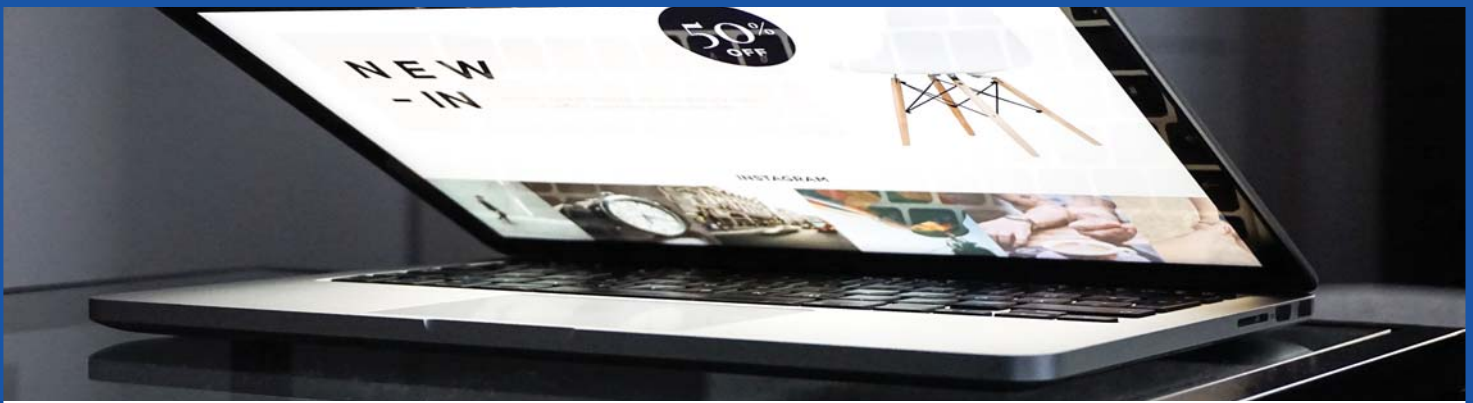
**FB.COM | \$8.5M** Facebook, Inc. purchased this domain from the American Farm Bureau Federation (current website - [www.fb.org](http://www.fb.org)). Previously, “facebook.com” was purchased for \$200K.

**WE.COM | \$8M** This domain was bought by the Chinese telecom company Tencent Inc., creator of WeChat messenger, with over 889M monthly active users.



Be the most authentic version  
of yourself. Be .ART

Art is no longer just produced digitally, it is also being distributed via digital channels. Many art market players have noticed the niche and started investing in the development of their e-commerce platforms, for which .ART provides a well recognizable digital sign-plate.



## ONLINE ART MARKET

In 2016, the global art market achieved total sales of **\$56.6B**. Total sales of art and antiques in the global art market were down by 11% in 2015.

Global auction sales dropped by 19% in 2016. That same year Sotheby's reported 29% lower auction sales, and Christie's reported a 22% decrease.

Despite this global decline in auction sales, it is interesting to note that the same auction houses saw an increase in online sales. Christie's online only sales have reached **\$217M**, and Sotheby's online sales increased by 20% over the previous year and reached **\$155M**.

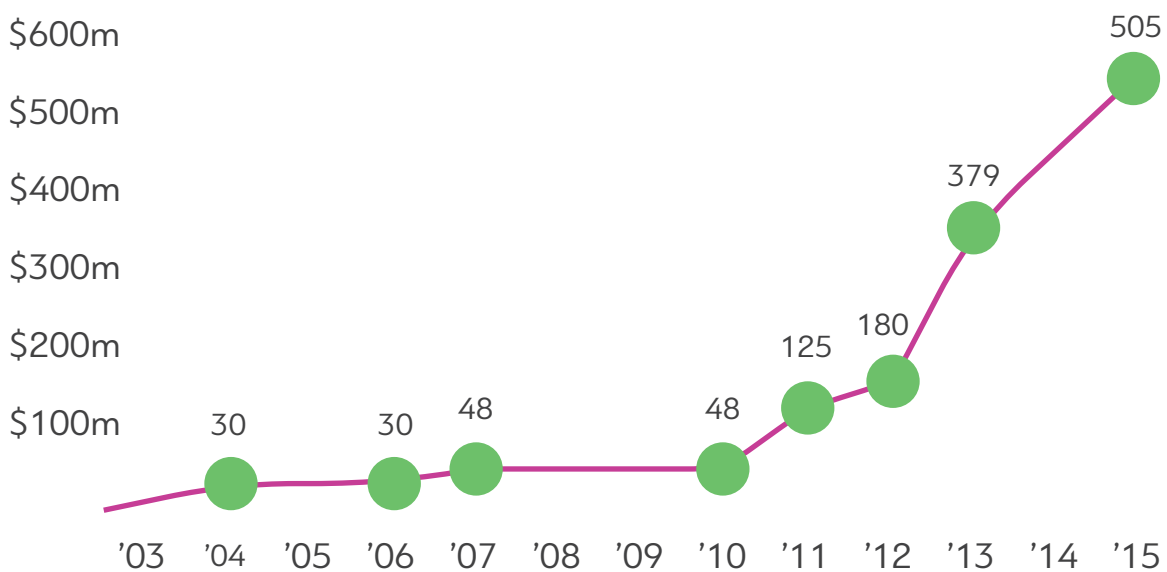
Online sales accounted for almost 9% of the global art and antiques market by value in 2016. Sales of art and antiques online were estimated conservatively to have reached **\$4.9B**. Online sales advanced 4% year-on-year, a relatively strong result in the context of the generally declining market.

It is estimated that online art market value will reach **\$9.1B**

## ART E-COMMERCE PLATFORMS SALES IN 2016

invaluable	\$365m
heritage auctions	\$348m
live auctioneers	\$300m
christie's live & online	\$217m
sotheby's life & online	\$155m
interencheres	\$100m
the salesroom	\$90m
bukowskis market	\$35m
auctionata online	\$32m
auction network sweden	\$31m
phillips	\$20m

## YEARLY INVESTMENTS IN ART MARKET START-UPS







## LEADERS OF THE ONLINE ART BUSINESS

**500PX** - online photography gallery, e-commerce, social network, sharing, and discovery

INVESTORS: ANDREESSEN HOROWITZ, CAA VENTURES, DEEP CREEK CAPITAL, DUSTIN PLETT, FF VENTURE CAPITAL, HARRISON METAL, HIGH LINE VENTURE PARTNERS, RUGGED VENTURES, VISUAL CHINA GROUP

**ART.COM** - online sale of posters, prints & other art-related products and framing services

INVESTORS: BENCHMARK, POLARIS PARTNERS, SAINTS CAPITAL, SOUTHERN CAPITOL VENTURES, STRIPES GROUP.

**ARTHENA** - crowdfunding platform to invest in art

INVESTORS: 2020 VENTURES, ANGELPAD, ANKUR PANSARI, ASLANOBA CAPITAL, BEAMONTE INVESTMENTS, C15 VENTURES, CHEERLAND INVESTMENTS, CLI VENTURES, FOUNDATION CAPITAL, THE R-GROUP, LLC THOMAS KORTE.

**ARTSPACE** - online marketplace for fine art and design

INVESTORS: ACCELERATOR VENTURES, ALEXANDER LLOYD, C. RICHARD KRAMLICH, CANAAN PARTNERS, FELICIS VENTURES, KRESGE FOUNDATION, METAMORPHIC VENTURES, PAMELA P. KRAMLICH, ROBERT PITTMAN, TIM MOTT.

**ARTSY** - online marketplace for art galleries and search engine

INVESTORS: ALEXIS OHANIAN, ALT OPTION RETURN, BOXGROUP, CATTERTON PARTNERS, CHARLIE CHEEVER, DASHA ZHUKOVA, DAVE MORIN, DAVID KIDDER, DAVID TISCH, ERIC SCHMIDT, FOUNDER COLLECTIVE, IDAN COHEN, IDG CAPITAL PARTNERS, JACK DORSEY, JAWS VENTURES, JIM BREYER, KEITH RABOIS, KEVIN COLLERAN, LARRY GAGOSIAN, MICHAEL BROUKHIM, OLIVER JUNG, PETER LEHRMAN, PETER THIEL, RADWEBTECH, SKY DAYTON, SLOW VENTURES, STUART PETERSON, THRIVE CAPITAL, TOM NICHOLSON, WENDI DENG, WENDI MURDOCH.

**AUCTIONATA - online auction house**

INVESTORS: BRIGHT CAPITAL, EARLYBIRD, SERIES C, EARLYBIRD VENTURE CAPITAL, E.VENTURES, GROUPE ARNAULT, HEARST VENTURES, KEN BRONFIN, HV HOLTZBRINCK, VENTURES, KITE VENTURES, KREOS CAPITAL, MCI MANAGEMENT SA, SYLWESTER JANIK, RAFFAY GROUP, RI DIGITAL VENTURES, TA VENTURES, YUAN CAPITAL.

**BARNEBYS - search engine for artworks & antiques in auctions**

INVESTORS: ART AND CULTURE, HOWZAT PARTNERS, INDUSTRIFONDEN, MONKFISH EQUITY, RICHARD CHEN, STING, ACTIVE VENTURE PARTNERS, INBOX CAPITAL.

**COLLECTRIUM - art-secured collection management**

system for fine art and luxury collectors

INVESTORS: :2013: ARTHURS BERLINER, JOSHUA CHODNIEWICZ, MAX BURGER, MICHAEL MARSTON, MONIQUE BURGER, CHRISTIE'S.

**INVALUABLE - online auction house**

INVESTORS: ASCENT VENTURE PARTNERS, ASSET MANAGEMENT, VENTURES (AMV), COMMONWEALTH CAPITAL, INSIGHT VENTURE PARTNERS.

**PADDLE8 - online auction house**

INVESTORS: ALEXANDER VON FURSTENBERG, DAMIEN HIRST, DAVID ZWIRNER, EDGAR BERGER, ERIC FELLNER, FOUNDER COLLECTIVE, HAYSTACK, JAY JOPLING, MELLON FAMILY, MOUSSE PARTNERS, DEBT FINANCING, REDLINE CAPITAL, MANAGEMENT S. A. (RCM), ROLF SACHS, SEMIL SHAH, STAVROS NIARCHOS.

**SAATCHI ART - online art gallery**

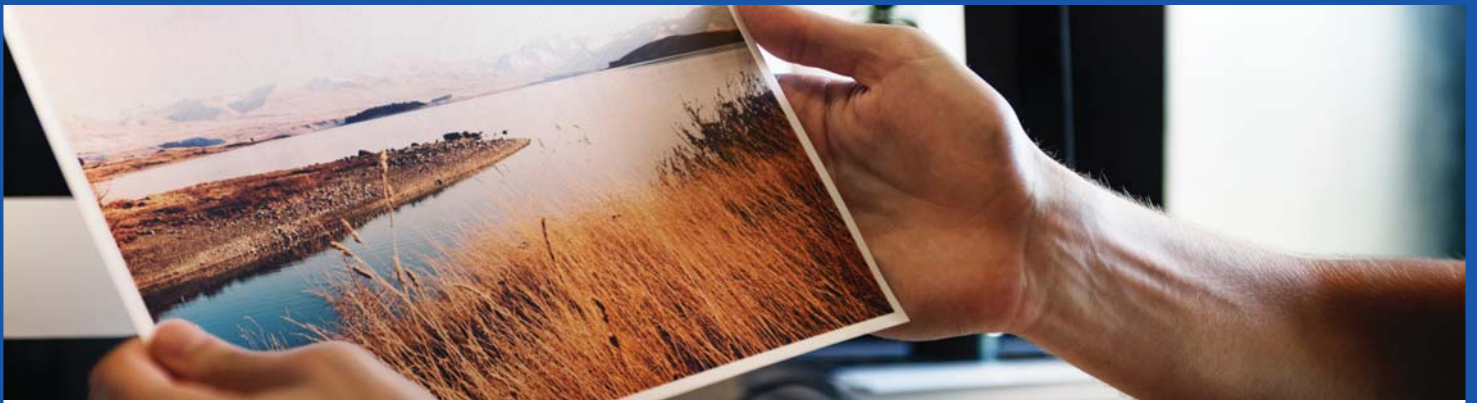
INVESTORS: BALDERTON CAPITAL, GREYCROFT PARTNERS, PROJECT A VENTURES.

**STDIBS - online market place**

INVESTORS: ALIBABA, BENCHMARK, INDEX VENTURES, INSIGHT VENTURE PARTNERS, SPARK CAPITAL SV ANGEL.

**THE SALESROOM ATG MEDIA - aggregator of online auction sales**

INVESTORS: MOBEUS EQUITY, PARTNERS, ECI PARTNERS.



## ART IN THE DIGITAL ERA

In July 2017, Christie's reported a new price record for an artwork sold online. The Sze Yuan Tang Archaic Bronzes from the Anthony Hardy Collection was sold for **\$3.3M**.

A digital art community DeviantArt was launched in 2000 in Los Angeles. By spring 2017 the average number of daily artwork uploads was 160K, registered members – 40M, total pieces of art on DeviantArt - 325M. In 2017 one of the most popular website builders WIX.COM acquired DevianArt for **\$36M**.

Many large museums launched projects that digitize their collections. The leader of this process, Smithsonian Institution, is the world's largest museum, education and research complex. Its 19 museums launched an online catalogue containing most of its major collections. There are 9.9M catalogue records relating to such areas as Art & Design, History & Culture, and Science & Technology with over 1.6M images, videos, audio files, podcasts, blog posts and electronic journals.

New York Metropolitan Museum of Art announced that it was pursuing a new Open Access policy, releasing high-resolution imagery of all its public-domain works, which is over 375K pieces.

The Palace Museum of China spent three years developing a digital database to display its whole collection online, which contains 7.5K masterpieces. The museum allows their users to experience past or future exhibitions. The Digital Map of the museum contains information about its 1.2K buildings and 9.3K rooms.

In the recent years 'virtual reality' museums have been gaining popularity: Harddiskmuseum, Streaming Museum, portal Artport from the famous Whitney Museum of American Art and many others. Digital Museum of Digital Art (DiMoDa), for instance, is a museum of a completely new type, as its exposition's content is only accessible online and requires having virtual reality glasses or a smartphone.

Opening its doors in 2016, the Museum of Digital Art (MuDA) will be Europe's first physical & virtual museum dedicated to digital arts. Its mission is to reveal the interactions between data, algorithms and society. It has a virtual presence on pretty much every screen connected to the internet and a physical presence on the ground floor of the first high rise building of Zurich, Switzerland. The MuDA's was partly crowd funded by Kickstarter. The campaign raised the total amount of **\$111K** within 30 days and completed funding.

Google Art Project contains 45K digitized art objects, and this number is constantly increasing. Also this service gives an opportunity to visit more than 60 museums online.

Andy Warhol was one of the first artists who started using a computer to create art. Steve Jobs personally asked Warhol to work on his Mac, but at the time all Macs were black & white, which is the only reason Warhol refused.

In 2013, Amazon launches art marketplace with over 4.5K artists and 40K works which makes it one of the largest online collection of art directly available from art dealers and galleries.

Warhol's, Picasso's, Bellucci's and other masters' art pieces are available for sale. For example – Rauschenberg's "Narcissus" is presented for **\$175K**, and Kagoshima's "The Phoenix" and "The Claw" are selling at **\$119K** for each.

The Most Expensive GIF of all times 'Balloon Dog Deflated' by Michael Green was sold for **\$5.8K** on eBay in 2013. Artist honored Jeff Koons's sculpture 'Balloon Dog' sold at Christie's for **\$58M** later in 2013.

Philips Auction House was one of the first most influential auction houses which started to sell digital art. 'Paddles on!'– was one of the first digital art auctions hosted by Philips in collaboration with Tumblr. One of the most expensive lots sold during the auction was Alexandra's Gorchinsky 'PLUR' which went for **\$9.5K**. Art-website infoyes.com, created by Rafael Rozendal was sold for **\$3.5K**.

Larry Cuba was a pioneer in animation art and produced his first computer animation in 1974. One of Cuba's most famous works was for the animated sequences used in the movie Star Wars.

In 2004, artist Cory Arcangel designed the sky for Nintendo game Super Mario Clouds, which became emblematic of the merging of art, tech and pop culture.

In 1967, Billy Kluver & Robert Rauschenberg promoted the collaboration of artists and engineers. This led to Cybernetic Serendipity, one of the most important digital art exhibitions.



.ART is my digital skin.  
I am .ART

What is .ART? A top-level domain, an internal structure and external connection provider, a digital dress-code for the world of art.





## .ART IS

.ART is a new top-level domain created for the world's creative community in all its diverse forms. Above all, it is a way for individuals and institutions within the arts sector to identify themselves within the art world, in an immediate and recognizable way. It is the new digital address for all members of the artistic community. .ART will give you unique digital identity like no other domain will.

### .ART TARGET MARKETS:

ART PROFESSIONALS – **MILLIONS**

EMERGING ARTISTS – **TENS OF MILLIONS**

CREATIVE ENTHUSIASTS – **HUNDREDS OF MILLIONS**

ARTWORKS - **BILLIONS**

By virtue of “WhatIs” technology, .ART domain is ready to become a digital identifier for existing and future artworks.



## ART WORLD ABOUT .ART

“We felt that with what Pissarro name represents ‘marrying’ it with .COM lacked elegance. Having now the possibility to use [www.pissarro.art](http://www.pissarro.art) is simply the perfect solution, it fills long lasting gap in our marketing and in the way we project ourselves. Having .ART as a website is a dream.” - [www.pissarro.art](http://www.pissarro.art)

“If you want to be artist, if you want to be in a space of art - click .ART – that is your space”. - [www.mamm.art](http://www.mamm.art)

“My first thought in .ART was – I need that domain. It has that prestige and sounds like establishment that I wanted to be a part of, it is a strong name.” - [www.lovwatts.art](http://www.lovwatts.art)

“People who go to .ART, who switch to .ART have the same kind of passion about life through art as I have. It is much easier to have SHENWEI.ART, rather than SHENWEIART.COM.”  
- [www.shenwei.art](http://www.shenwei.art)

“It is literally giving the ‘house and the roof’ to entire community of art creators, art influencers and making them united.”  
- [www.whitewall.art](http://www.whitewall.art)

“We wanted to use the .ART website as a way to speak directly with the arts community in a more targeted and focused way.”  
- [www.kickstarter.art](http://www.kickstarter.art)



You're either .art or you're not.  
Dot Art is a natural draw  
For the committed art community  
Whose identity is connected to  
The art they create or admire.  
And in joining, their innate artistic urges  
Are encouraged to run wild.

You're either .art or you're not.  
As a genuine artist, I have no choice.  
Art is my birthmark, a strand of my DNA.  
It's my identity and purpose.

Art is the itch I love to scratch.  
The thirst I don't want to quench.  
For my art, I put my body on the line.  
Respected by my peers, my authenticity  
Is never questioned.

Dot Art appreciates and understands my work.  
It encourages me to evolve and push my boundaries.  
To create art that will live forever.  
After all, art is human. I think therefore I art.

I am .art



Art is human.  
I am .ART

# SOURCES

ART BASEL & UBS. THE ART MARKET 2017  
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HISCOX & ARTTACTIC. ONLINE ART TRADE REPORT 2017  
TEFAF ART MARKET REPORT 2017  
TEFAF ART MARKET REPORT ONLINE FOCUS 2017  
VERISIGN. THE DOMAIN NAME INDUSTRY BRIEF,  
VOL.14, ISSUE 2

WWW.BOOKMAKER-RATINGS.RU  
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