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1stdibs Already Decorates The Homes of The Wealthy; Now It Wants To Fill Their Lives



Pamela N. Danziger, CONTRIBUTOR

I study the world's most powerful consumers -- The American Affluent

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Rosenblatt was struck by the power and potential of its business model to satisfy the cravings of luxury consumers for unique objects



Saint-Ouen is home to the world's largest flea market. Photographer: Alastair

Since 2000, the ranks of the affluent have been growing in overdrive. The number of millionaires globally has grown by 170%, while the number of UHNWIs (individuals with net worth of \$50 million or more) has multiplied five-fold, making the ultra HNW the fastest growing segment of the wealthy, according to [Credit Suisse Global Wealth Report](#).

Today there are some 36 million people worldwide that can claim millionaire status and by 2022 their number is expected to reach 44 million, a 22% increase. One need they all share is decorating their home or in many cases their multiple homes. That is the need that online purveyor of antiques and one-of-a-kind furniture, decorative accessories and collectible objets d'art [1stdibs](#) aims to fill.

“The race for the \$50 online business is already won by Amazon. But the race for \$5,000 is still on. 1stdibs wants to win that one,” says David Rosenblatt, CEO of 1stdibs. They are well on their way with an average order size of \$3,000.

If you are unfamiliar with 1stdibs, don't blame yourself. Rosenblatt didn't either when he was first approached by private equity group Benchmark to take the reins after it made a sizeable investment in the company. “The first person I called was my own interior designer who I was in the middle of a project with and asked him about it. He said, ‘Half your apartment is from this company.’ So I was immediately interested,” he told me.

1stdibs started life in 2001 and overnight became interior designers' best friend. Founder Michael Bruno got his inspiration browsing the Paris Flea Market, the world's largest, where the finest European antiques and 20th-century design is found. He saw the opportunity to bring those resources to the rest of the world through an online marketplace.

So Bruno partnered with some Paris dealers and built a website to list their products. Interior designers immediately came on board, as they realized they didn't have to travel to Paris to shop for their customers. More dealers in the U.S. and throughout Europe followed and a thriving under-the-radar business was born serving interior designers and cognoscenti seeking distinctive one-of-a-kind objects to decorate their homes.

Rosenblatt joined 1stdibs in 2012 after selling the online advertising company DoubleClick to Google where he served as president of display advertising for a year. With his internet advertising credentials, he was a prime candidate for 1stdibs, which at the time was largely an advertising platform for its dealer/partners who paid a monthly fee in exchange for the right to list items. "We were like Craigslist," he says.

That changed as Rosenblatt led the move from an advertising medium to a full ecommerce marketplace. "Our mission is to create a global marketplace for the best design in the world," he explains. "Today that means ecommerce. It's the way people want to buy. It works across all time zones and allows us to create lots of advantages for our buyers and sellers that don't exist in an advertising model."

One of the values that 1stdibs gives its buyers and sellers is assurance of authenticity and provenance in the things it sells, unlike eBay. “Only authorized dealers can list items, no individuals. And in order to list, a dealer or brand needs to pass a comprehensive application in the vetting process. We are highly curated on the supply side,” he describes.

In order to stay on 1stdibs, dealers must also maintain a high service record, as they handle fulfillment of orders and pay 1stdibs a commission on sales. He adds that the company has more sellers from outside the U.S., primarily Europe than they do inside the U.S.

Today 1stdibs has over 500,000 products listed from several thousand dealers worldwide who serve buyers in 50-plus countries. Originally servicing primarily the interior design trade, 1stdibs claims 40,000 registered designers among its loyal followers. But where designers lead, in-the-know consumers follow.

Today designers represent only about 40% of its business, with consumers making up the lion’s share. “We have about 5 million visits to the site each month,” Rosenblatt shares. “Our top 5,000 purchasers have over \$10m in net worth.”

What draws these affluent consumers to 1stdibs is easy to understand. “We are a marketplace of one-of-a-kind luxury objects,” he says, noting that besides furniture and decorative objects for the home, 1stdibs also offers art, jewelry, vintage fashion and now contemporary artisan design.

"Most people want authenticity in their lives, and most especially in their homes. Home is the expression of one's personality and interests. The objects in our marketplace are different than what everyone else has. Our customers don't want their homes to look like a page out of a catalog or be the same furnishings you can buy in a furniture store. All 5 million of our customers can buy something truly unique and different on 1stdibs," Rosenblatt continues.

To keep its edge, which Rosenblatt describes as a "competition of aesthetics," 1stdibs has branched out to the artisans and craft makers into contemporary design. "We see the opportunity to help these artisans come to market in the same way we saw the need for dealers selling antiques and 20th-century objects 10 years ago. There is an explosion of interest in contemporary design among interior designers and consumers today."

As he grows the company, Rosenblatt takes a broader view of the role 1stdibs plays in the luxury goods market. "One way we view 1stdibs is as a marketplace for luxury design," he says. "But we are on the cutting edge of the migration of luxury into the digital realm."

With a history that started with antiques, then into 20th-century design, and now contemporary design, art, jewelry and vintage fashion, 1stdibs spans a range of luxury consumers' interests. "We are a vehicle for the migration of the luxury market as a whole from offline to online."

In first joining 1stdibs, Rosenblatt was struck by the power and potential of its business model to satisfy the cravings of luxury consumers for unique objects that reflected their personal passion. “I saw the discrepancy between how important 1stdibs was to designers and the low a profile it had in the consumer market in general. We are planning to change that,” he says.