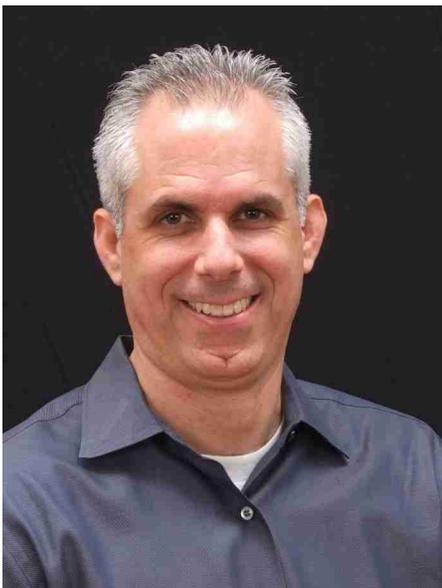


Having started a Program called “Commitment to Wall Art Happiness”, Online Retailer of Art overstockArt.com is focused on Growth in this \$32 Billion plus US Market, with Hand Painted Oil Paintings that are Reproductions of Major Artists and a line of Art Tiles

**Arts
Online Wall Décor**

**overstockArt.com
1401 South Mosley St.
Wichita, KS 67211
866-686-1888
www.overstockArt.com**



**David Sasson
CEO**

BIO:

David Sasson is the co-founder and president of overstockArt.com. In this role, he focuses on all aspects of growing overstockArt.com and establishing its dominance in the online wall décor market. Since founding overstockArt.com in 2002, Sasson has grown the company from its modest start to an international organization with offices located in three countries.

About overstockArt.com:

overstockArt.com was founded in 2002 by Stacy and David Sasson. It was a modest beginning in which the newly married Sasson's financed the start-up with a \$5,000 loan from a local Wichita Bank. As the sole employees operating out of the couple's suburban Kansas home, their first art collection offered only a handful of unframed oil paintings to choose from.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

CEOCFO: Mr. Sasson, would you tell us about overstockArt.com? Your website indicates that you have a commitment to wall art happiness.

Mr. Sasson: overstockArt.com is an online retailer of art. Our flagship product line is hand painted oil paintings mainly reproductions of art by some of the world's greatest artists. The original artists are artists such as Van Gogh, Monet, Klimt and many others. Another product line we have is art tiles. This is a unique product, which can only be found on our website or by websites supplied by us. The Art Tiles are reproductions of some of the same famous artists mentioned earlier. They come in three basic options. The first is a tile that could be hung as well art on the wall, and can also be used as a trivet when serving a meal. The second option is the same basic tile, but without a backing so it is an installation item to be installed as part of the wall in a kitchen, bath, outdoor, or any other location in your home. The last option is a mural tile which is also an installation tile and can ap-

pear anywhere in the home. We also have another brand called Artist Become (www.ArtistBe.com), which are contemporary artists who are creating their own galleries on our site. They have the opportunity to sell their originals directly to the public, and we reserve the right to sell the reproductions. We pay them a royalty for the reproductions of course.

CEOCFO: How do people find you?

Mr. Sasson: Since we are a pure play ecommerce, people find us online. Just like any other online retailer, we are dependent on the search engine traffic; Google obviously being the biggest search engine out there. We are fighting every day to be ranked high on some key search terms. Also, we invest heavily in paid search, so we pay-per-click. Other ways that we market are via social media, we have a very big Facebook presence. Facebook is the largest social media site and we are active on Facebook creating a community of art and décor lovers. As far as social media, we are also active on Twitter, Pinterest, and we also run our own art blog at www.ArtCorner.com. We are involved in all of these activities and have a community on Facebook where we post and then people make comments, and we make comments, do the whole contest, and all of these kinds of things that gets done on these social medias. That has worked fairly well, especially recently. Finally, we have a very active email marketing campaign. We constantly communicate with customers and potential customers offering them a specific and timely offer that inspires action. The email list is home grown and

email is our most successful marketing platform.

CEO CFO: Can you tell me about the range of what you offer and what may people find on your site that they are not going to find, or find as much of, or as nice as, on other sites?

Mr. Sasson: The first thing is just the base product itself. Most of the art that you see out there are prints, which means basically it is an image similar to what the artist created, but it is just an image printed on paper. The big difference is that the main art a customer will find on our website are hand painted oil paintings. This is a remarkable product which is truly done by hand, the same medium originally used by the artist. When we reproduce a Van Gogh art for example, our artists meticulously apply layers of paint with a brush on canvas and actually recreate the art. The art that the customers acquire, the art they hang on the wall is an actual oil painting with textures and even the smell of the painting. It is an actual work of art as opposed to just a print. The quality that we have is second to none. The reason we have such good quality is because we have a very intense quality control process. We have an actual procurement office that resides where the studios are. They work directly with small studios making sure the art is not getting done by many, many artists, but each painting is getting done by one artist. They receive the art and do quality control making sure that the right kinds of paint, the right kinds of canvas, everything gets done the right way. Only once they approve it will we even get the art. Once we receive the product, we go through a second path of quality control. The third quality control path happens in our production process. At the final stage of the production process, we inspect the framed art making sure all details are perfect for our customers. In order to assure our customers that this is not just a bunch of empty slogans we provide a money back guaranty with free shipping both ways. That means that if our customer is not happy for any reason we have to bear

the full return cost without impact on the customer. That is a big move that we made, and part of the reason that we made that move was to actually financially reinforce our message to our customers, and financially reinforce our commitment to wall art happiness saying, "We are so confident in the art that we have and our process that we will pay for it to come to you, and if you do not like it we will pay for it to come back."

CEO CFO: Do you have to maintain a huge inventory or are these done to order?

Mr. Sasson: We maintain a large inventory. The inventory is fairly large. We want to make sure that we have everything that we offer in stock. It is really important for us because we believe that once a customer places an order she already wants it

"We believe that growth comes from happy customers; therefore, we started a program called "Commitment to Wall Art Happiness". The goal of the program is to create ambassadors of our brand. Finally, for customers this is simply beautiful art that transforms the space you live in. The art is so powerful and brings out emotions, feelings, and creativity that impact life in a fun way!" - David Sasson

to be at her home. We cannot get it to her in a second, because we have to frame it and then ship it. However, we know that if we took a week or two weeks to process the order or to paint the art, our customers will be unhappy and we will see a greater amount of returns.

CEO CFO: How did you know in the beginning what people would want? Is it easy at this point to predict how many of each type of painting you should have? Do you ever get surprised by demand for something that you would not think would be popular?

Mr. Sasson: Yes, absolutely. Because it is art, because it is so personal, and because the variations are not always quantifiable. We have developed predictive models for our supply chain software that allows us to predict how well a painting would sell. The models are simplistic but

seem to work fairly well. When introducing new images, it is very hard to predict what will sell well. We start with a small inventory commitment and keep a very close eye on the performance. If we see signs that the art maybe a desirable image we order more quickly. If it seems like sales are slow we wait and see before we make a decision to invest in more units.

CEO CFO: What are the demographics of your customers?

Mr. Sasson: Our customer base is higher middle class income in the range of \$100K household income. They are married, homeowners, college educated, and the geography tends to be in larger metropolitan areas.

CEO CFO: I can see after someone has bought the first painting, getting it and being happy and so purchasing again. But, you cannot look at it and see the texture, all of the kind of sensory stuff that you get when you are looking at a painting in person. How do you get people to buy in to the concept and get that first painting?

Mr. Sasson: That is really a great question. It is interesting; but you have hit the nail on the head. It is something that we noticed early on. It is very tough to get a new visitor to our website to buy the first time. Therefore, we take a broader view in our marketing and aim to have a customer make repeat purchases. A big part of our marketing is the idea that if we WOW our customers with great value and great art they will shop again with us. It is much easier to get the second conversion. Part of the program we implemented called "Commitment to Wall Art Happiness." This program is designed to increase the value for our customer by having our entire customer service team plus others in the organization discussing and celebrating customer experience success. Also, we have built tools that allow the customer to get a better view of our art. The first tool is a zoom that allows the customers to view the brush strokes and specific details of the art. The second is, "View Art in a Room".

Using this tool, the customer can see how the art will look on a wall similar to or even take an image of his room and view the art on the wall of his room. Another initiative that we created is our free shipping both ways. This created an environment where the customer does not have to worry. If she thinks this work of art might work she can give it a try and if she does not like it for any reason she can return and we will pay for the shipping back to us. It makes the process and the decision making very easy for the customer. We then work with the customer messaging, getting them to make another purchase. The goal is to create more repeat purchases.

CEO CFO: What gave you the confidence when you started in the garage or the basement? What was the gut feeling that said to you “this would work”? What was the ‘aha’ moment that told you that you have a concept here that was doable?

Mr. Sasson: We got the confidence to invest in this business by testing the demand for the product in the most simplistic way. At the time, online auctions were a fad and we had some relationships with uBid.com one of the largest vendor online auc-

tions at the time. We created an agreement with them to sell the art invested in some inventory (not a lot) and posted the product. We saw sales immediately, which gave us the confidence to proceed. Furthermore, when we first saw the hand painted art we were amazed, and very impressed. It was so remarkable and we felt that we could not do justice to the product online; which told us there is an opportunity; customers will not expect this level of quality and amazement. In a way, we felt the WOW factor that creates repeat purchases was built into this extraordinary art.

CEO CFO: How is business today?

Mr. Sasson: Very good! 2012 was our best year ever. We were up 50% year over year in top line growth. We expect and hope this year will be even better.

CEO CFO: Why should investors and people in business community pay attention to overstockArt.com?

Mr. Sasson: We are a young and growing company in a segment of the ecommerce market that is very challenging. Being in a non-standard ecommerce product or category provides challenges but also opportuni-

ties. The main opportunity is that there is a huge amount of growth possibility. The total market for wall art in the US is over \$32 Billion so there is plenty of room for growth. Another area that we have invested heavily in, and are a leader at is mobile. We have an optimized mobile site that allows users to shop on their phone or tablet. We have an augmented reality app which aids users in the decorating and selection process. The app is an amazing tool to strengthen our brand with our customers and increase sales and conversions on our website. We have been able to grow every year we have been in business because of the quality of our art, our commitment to our customers, and our marketing and website improvements. We believe that growth comes from happy customers; therefore, we started a program called “Commitment to Wall Art Happiness”. The goal of the program is to create ambassadors of our brand. Finally, for customers this is simply beautiful art that transforms the space you live in. The art is so powerful and brings out emotions, feelings, and creativity that impact life in a fun way!

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