



# Just What She Wants

Wayfair's family of brands grows by focusing on core competencies

by FIONA SOLTES

When it comes to the breadth and depth of online retailer Wayfair, “a zillion things home” is a hard number to quantify.

Behind the scenes, plenty of figures give a clearer picture of the company's remarkable trajectory: year-over-year revenue growth of more than 80 percent in the second quarter; 4 million active customers, up more than 53 percent from 2014; 7,000 suppliers; 7 million items for sale; 800 largely full-time customer service representatives — and the fact that Wayfair sends more than 100 representatives to the High Point Market furniture trade show.

“We want to keep making the Wayfair experience better and better,” says CEO, co-chairman and co-founder Niraj Shah. “The ‘holy grail’ would be that you know you can come to Way-

fair, and very quickly, we can present you with the perfect item, the one you've been dreaming about.”

## THE NATURAL CHOICE

Though Boston-based Wayfair is just starting to enter the public consciousness — thanks in part to a strategic increase in advertising — the company's roots go back 13 years to when Shah and Cornell University classmate Steve Conine set up shop in Conine's home with an eye on e-commerce. The business went through several iterations before landing on CSN Stores; the idea was to build housewares and home improvement product microsites, handling the e-commerce aspect while suppliers handled shipping.

Over time, the selection — and the revenues — continued to grow. In 2011, as a way of building a repeat customer base, merchandising opportunities and awareness of the company's scope, CSN Stores rebranded as Wayfair, moving the more than 200 microsites under one banner.

Today, the company's family of brands includes Wayfair.com for all things home, home design flash sale site Joss & Main, modern design

source AllModern, fashion-forward design house DwellStudio and classic/timeless furnishings site Birch Lane.

Wayfair's typical customer is a woman with a household income of \$50,000-\$250,000 who wants a greater selection between big-box retail and more expensive custom design.

“Buying furniture and décor online has gone from something that seemed unlikely for some people to something that feels quite natural for everyone,” Shah says. “This category is really no different from any other. If you're looking to [use] a video service, there's a good chance you're going to [use] Netflix, because it has the best catalog available.”

So if you're shopping for a bed for your child's room, “Why wouldn't you shop at the best place, the one that the most bunk beds, the best service, the most customer reviews, that has taken the best photography, that has people you can talk to on the phone?”

## HIGH EXPECTATIONS

High standards are the core of the company's success — from customer service to suppliers. In terms of customer service, those 800 representa-

tives are employees of the company, most with full benefits.

“We invest a lot in training, online and classroom,” Shah says. “We want people to learn more about our products so they are able to help customers more and more. The view we have is that we don’t do particularly well if a customer comes in and buys [once]. The way we’ll be successful as a business is if that customer wants to come back over and over again.

“Everything we do is about the notion of trying to earn repeat business. Everyone here knows it’s about encouraging our customers to make us their core, go-to home store. That’s something you can’t trick them into — it’s something you have to earn.”

on whether they shouldn’t buy that item, or should buy this one. It’s very personal. We’ll help them if they ask us, but it will be based on what their interests are, so we try to make a lot of information available.”

Mike Horowitz, CEO of Southern Enterprises Inc. — parent company of statement piece brand Holly & Martin and myCloud custom sleep solutions — has been a supplier for Wayfair since its early days as CSN Stores. From the beginning, Horowitz says, it was “very clear” that this was a company with strong leadership and a growth-oriented culture.

“They are best in class when it comes to talent and strategy, and are very good at communicating their di-

later), and was another of CSN Stores’ early suppliers. Because of Wayfair’s high level of competency, Bergman says, “There have been many things we’ve had to change about our business to continue to be successful with them.” But he wouldn’t have it any other way.

“Every aspect of their company is filled with competency,” he says. The requirements are stringent, “and they require a company to be pushing themselves to excel. It’s one of the things they’re spectacularly good at. They are so loaded with high expectations at every level, and have such smart people in every spot, from product development to logistics to the merchandising they’re doing. We’ve had to step up our game to keep up and we’re gladly doing it. It has forced us to get better.”

## THE CUSTOMER’S WORLDVIEW

Shah is quick to chime in on the praise for Wayfair’s employees. The company has sought four traits in its close to 3,000 team members, he says: They must be very bright, collaborative, industrious and able to use analytical data. “I think it’s hard for a company to teach those things if they don’t have those inherent traits,” he says. “But I do believe you can teach the business to people who do.”

Over the last year, Shah says, Wayfair built new headquarters, and there are no private offices — only wide open spaces. It is a fun, ambitious environment, and naturally, each collaborative area is in a unique style and theme of home décor.

“It’s meant to give that feel to everyone who works here, that this is how our customer thinks about the world — that there’s no right or wrong,” he says. “There are only different choices.”

And about a zillion of them, at that.

## STORES

**Fiona Soltes, a freelancer based near Nashville, Tenn., loves a good bargain almost as much as she loves a good story.**



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As for suppliers, expectations are clear when it comes to quality, safety, manufacturing materials and other factors. Wayfair collects damage rates and customer feedback and takes its own photos, helping make sure what’s being presented is what will be delivered; if customers aren’t satisfied, there’s an easy, clear and consistent return policy.

“Our goal isn’t to sell the customer something,” Shah says. “Our goal is to help a customer find the perfect item. We don’t have a point of view

rection,” he says. “They do what they say they’re going to do. As a supplier, we’ll have meetings, and they’ll say, ‘Here are our major objectives, this is the timeframe, and this is what it’s going to take.’ They’re able to clearly articulate that to our organization so we can align accordingly and make sure we execute.”

David Bergman, CEO of Butler Specialty Company, tells a similar story. The furniture company was founded in 1930 (Bergman’s grandfather became a company co-owner three years