

Wayfair (W)

The Furniture Battleground

March 16, 2020

I

Valuable Ad Space – Customers Over-Index To Using Sponsored Products/Ads.

Online Furniture Purchasing is a Tailwind that is Still in Early Innings

Wayfair Brand Awareness and Customer Acquisition Has Legged Higher Consistently

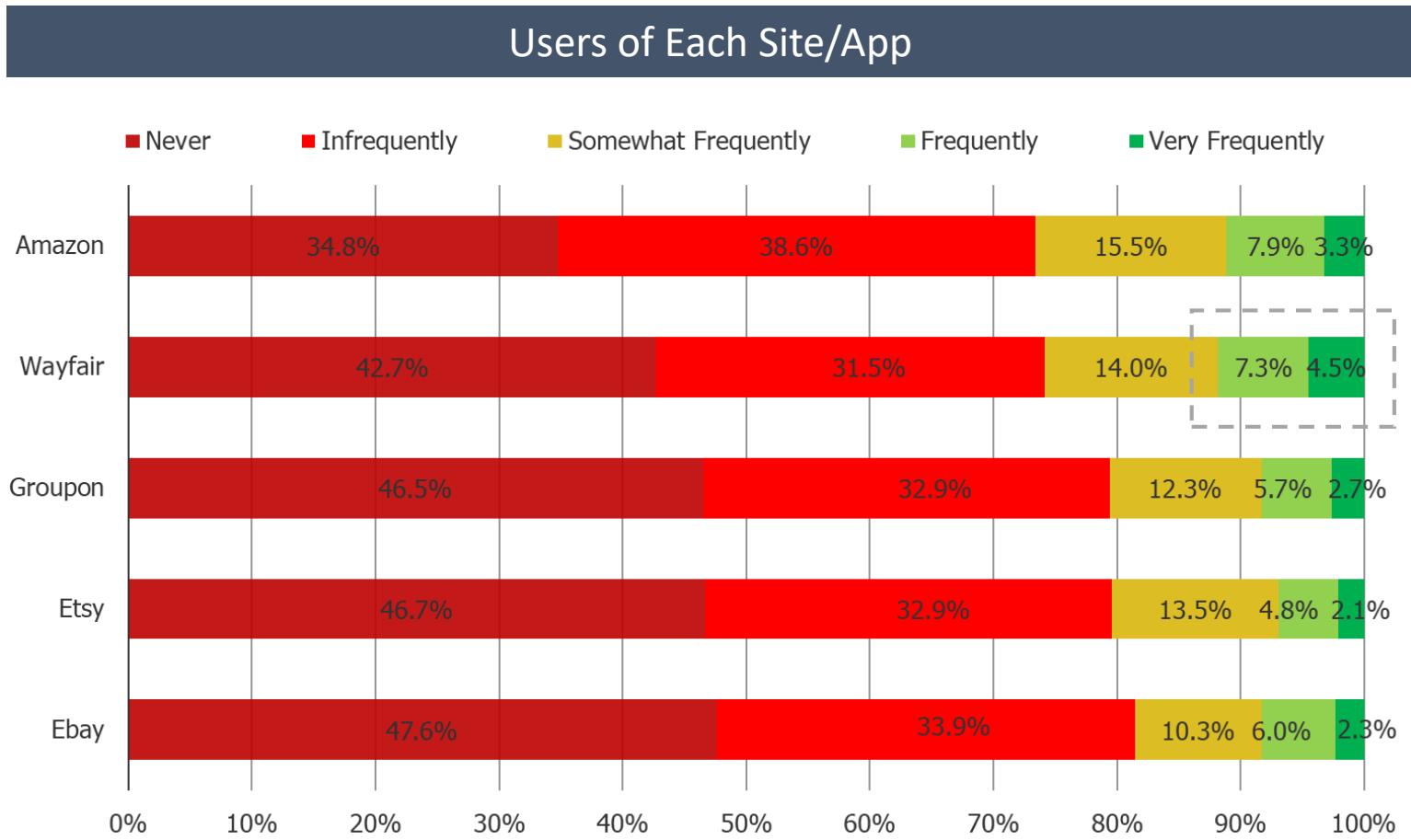
“Shop With Photo” and “View in Room” Are Value Adds Among Slice of Customers Using Them

Amazon Cross-Shopping a Threat, But Visualization and Selection Offers Wayfair Protection

Wayfair is Seen as a Better Experience Than Alternative Online Platforms, Loyalty Increasing

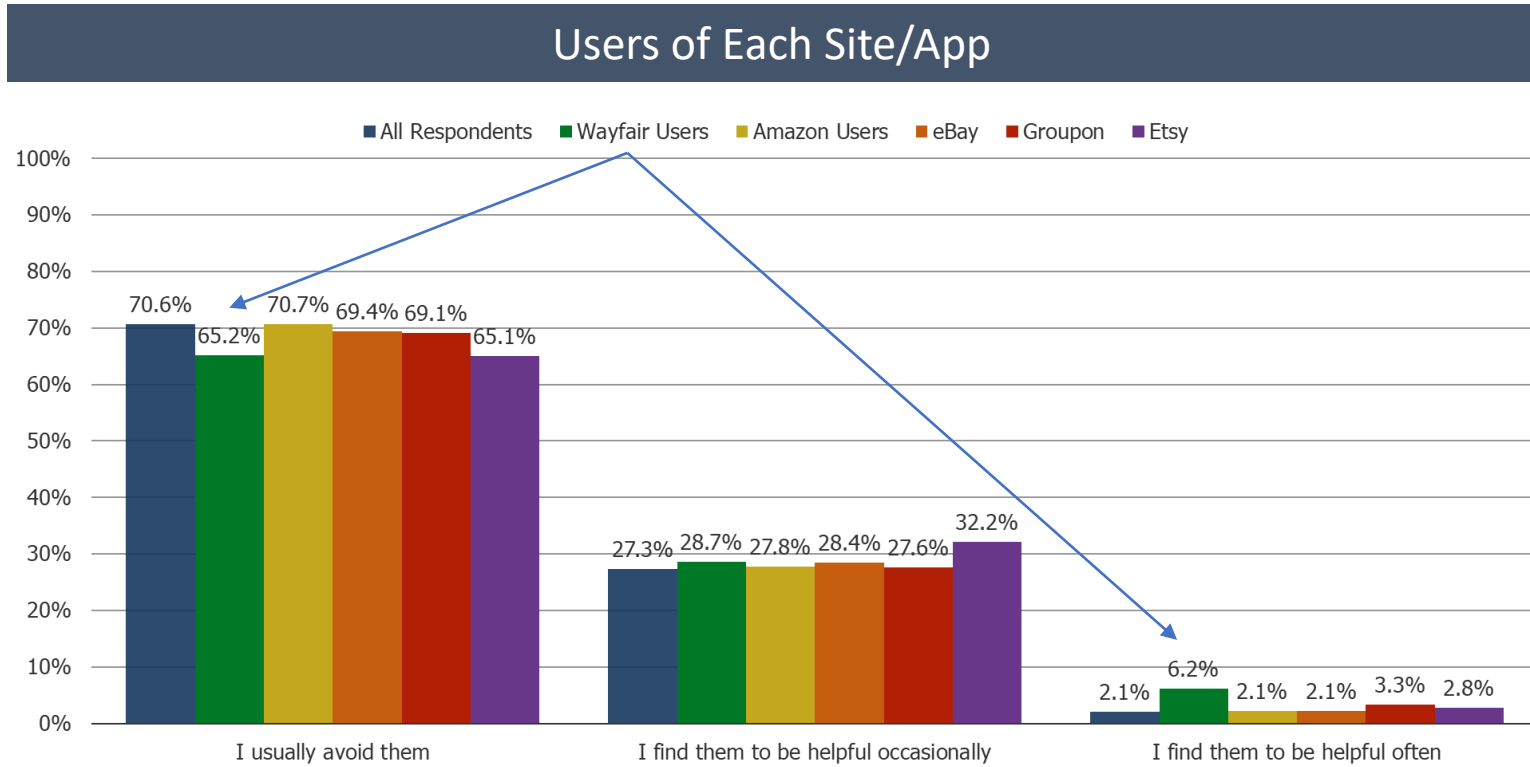
Wayfair customers are among the most likely to click on items tagged as “sponsored” or “ad” – making their product ad inventory arguably more valuable.

When shopping this platform, how often do you click on search results that are tagged as “sponsored” or “ad”?



Wayfair customers are the most likely to find posts labeled “sponsored” or “ad” to be helpful.

In general, how do you feel about search results on websites labeled as “sponsored” or “ad”?



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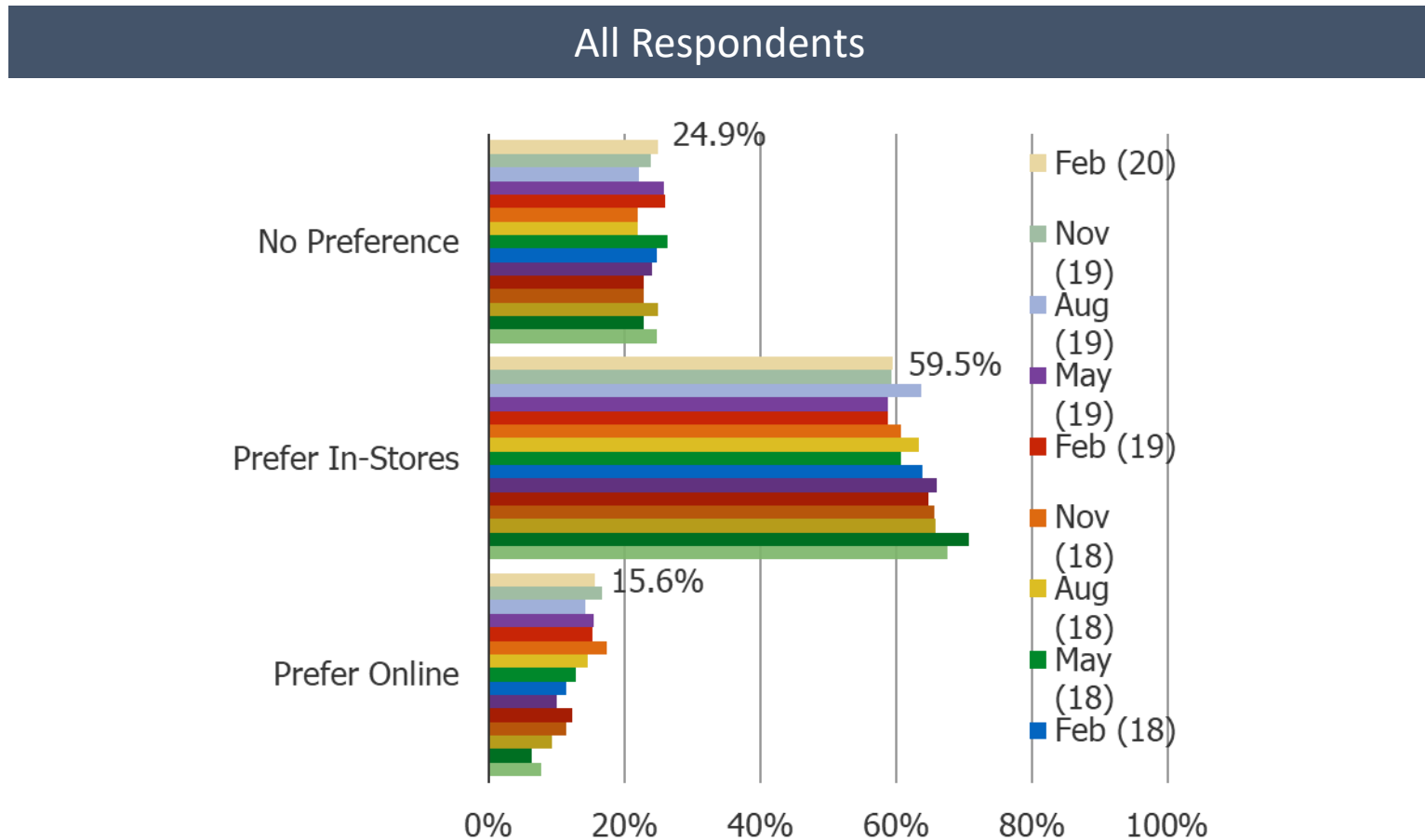
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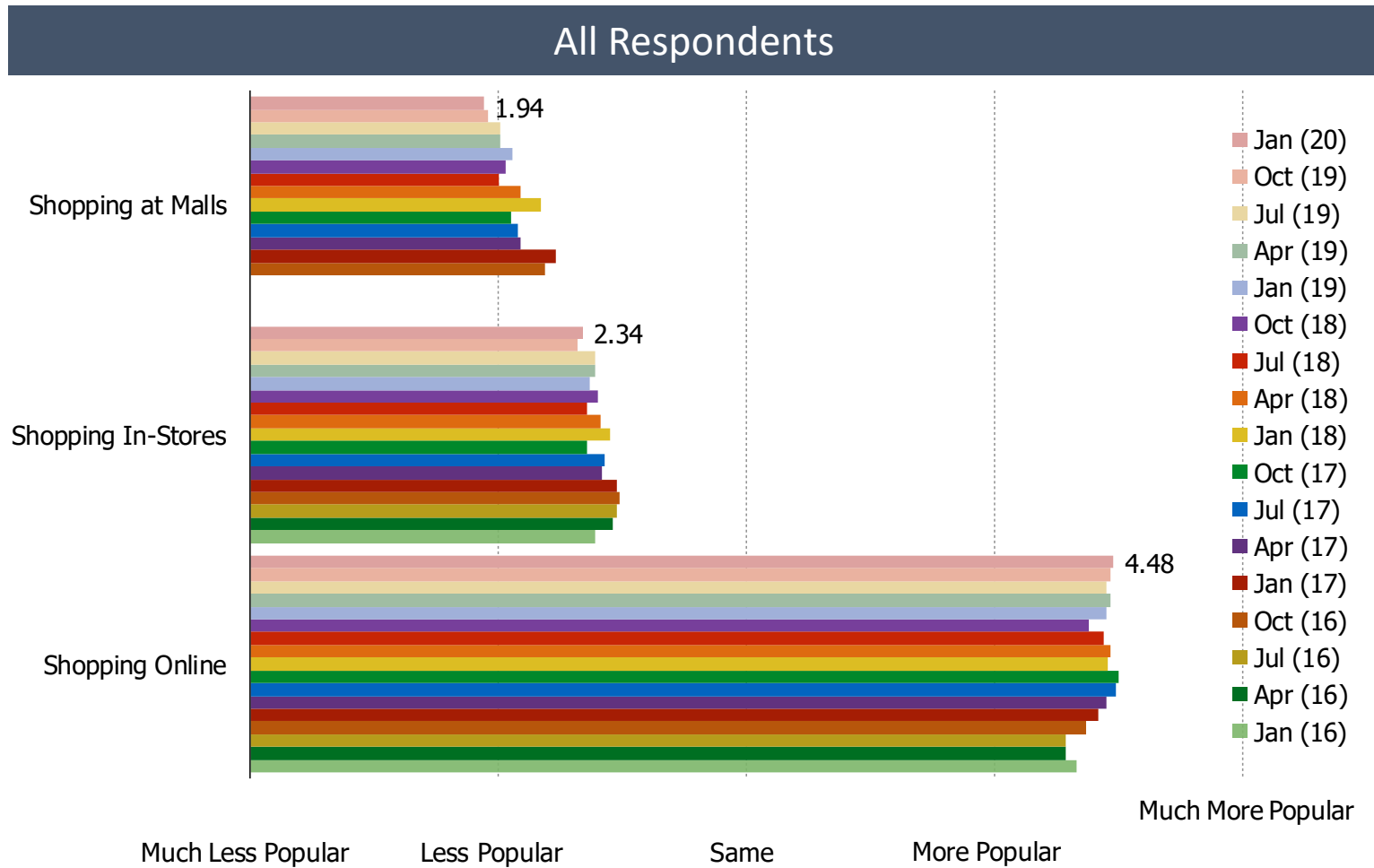
Furniture shopping preferences have been shifting toward online, but the shift is still in the early innings with a good deal more runway ahead.

Do you prefer to purchase furniture online or in-stores?



Online shopping broadly is solidly viewed as a popularity gainer, while in-stores and mall shopping are viewed as losers. This is priced in, but the difference is stark.

Are the following types of activities becoming more or less popular?



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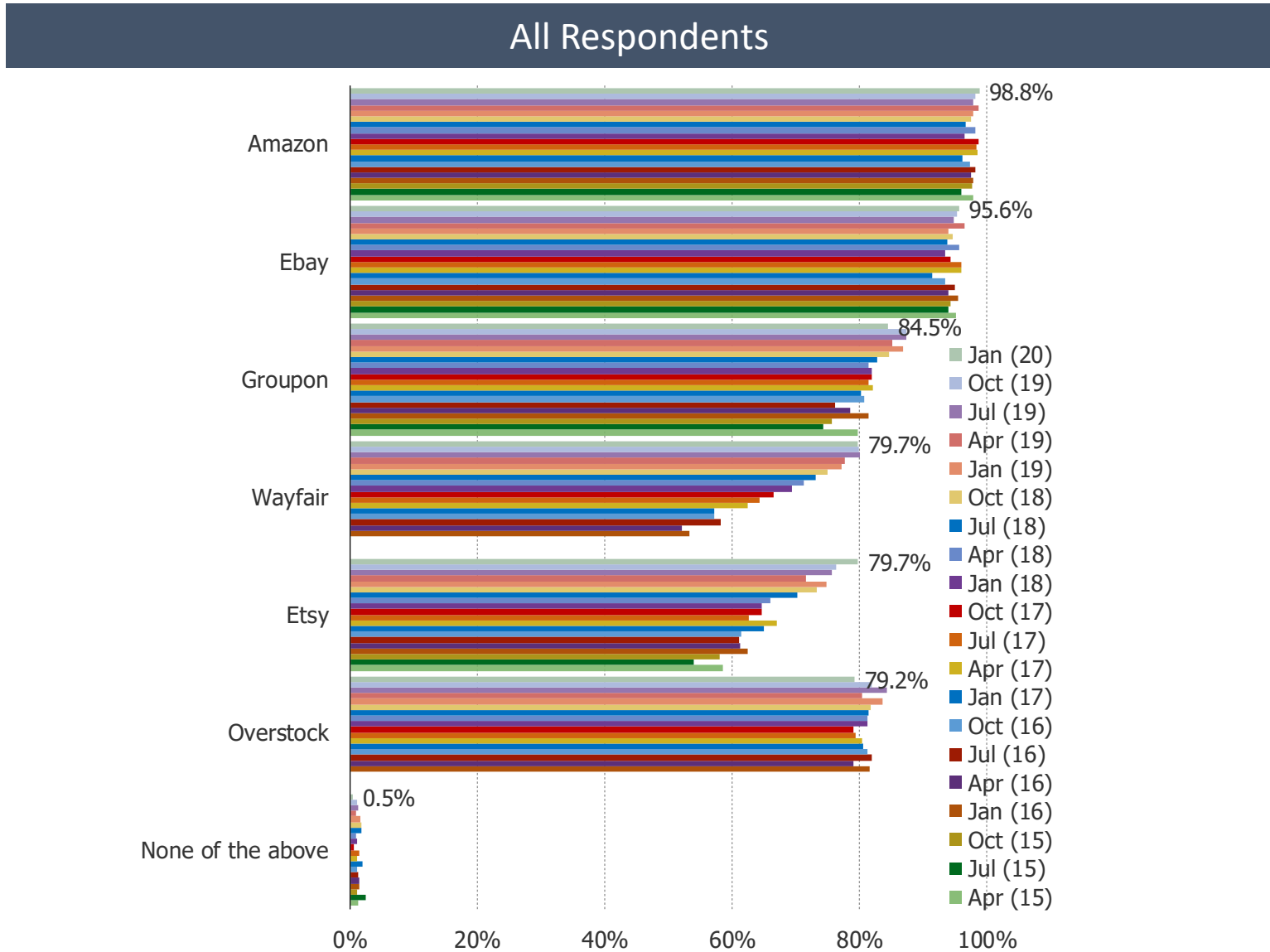
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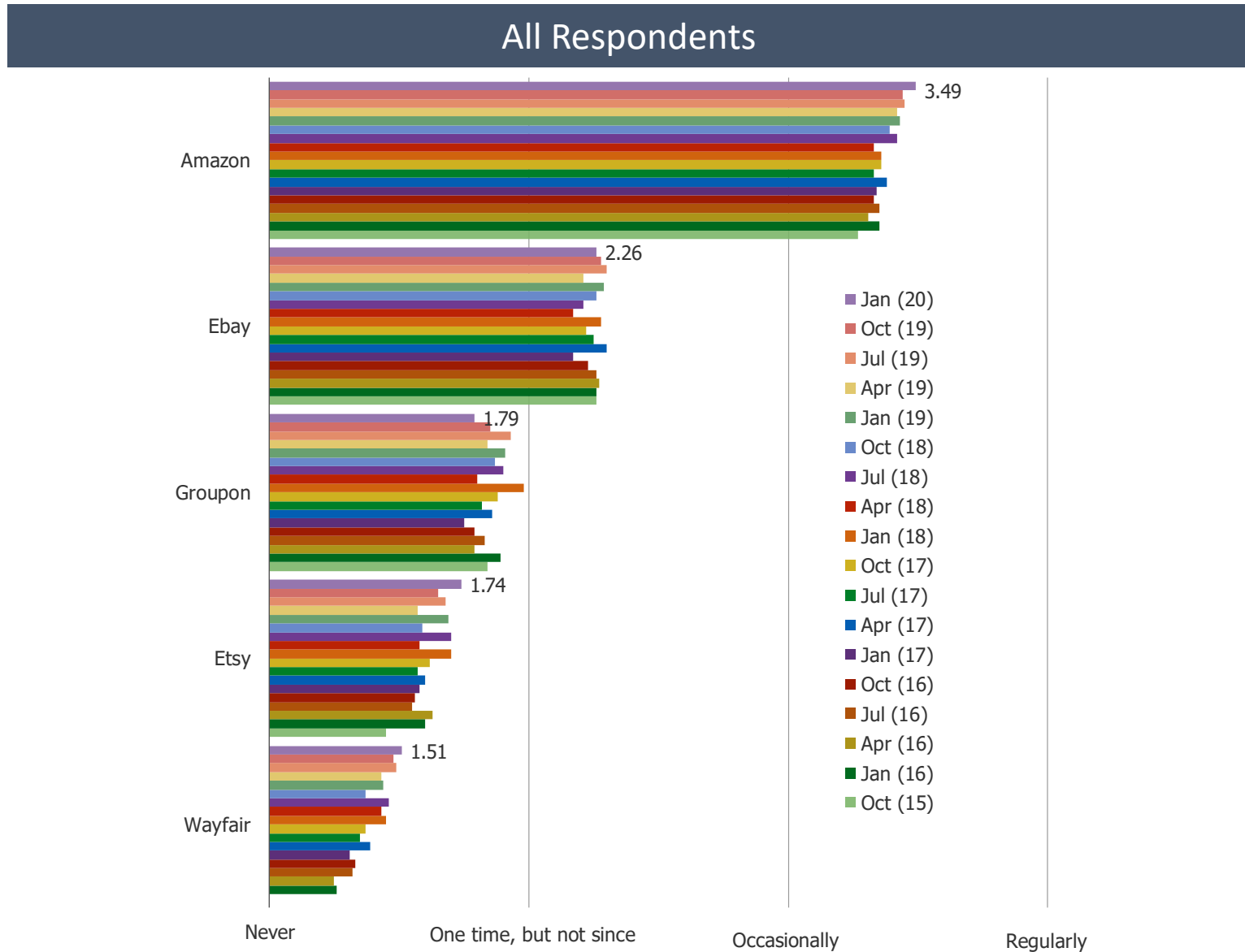
Awareness of Wayfair has grown impressively over the course of our survey series.

Which of the following are you aware of? (Select ALL that apply)



Wayfair has steadily gained customers over the history of our series. Growth has been consistent sequentially.

Please characterize your engagement with each of the following sites/apps.



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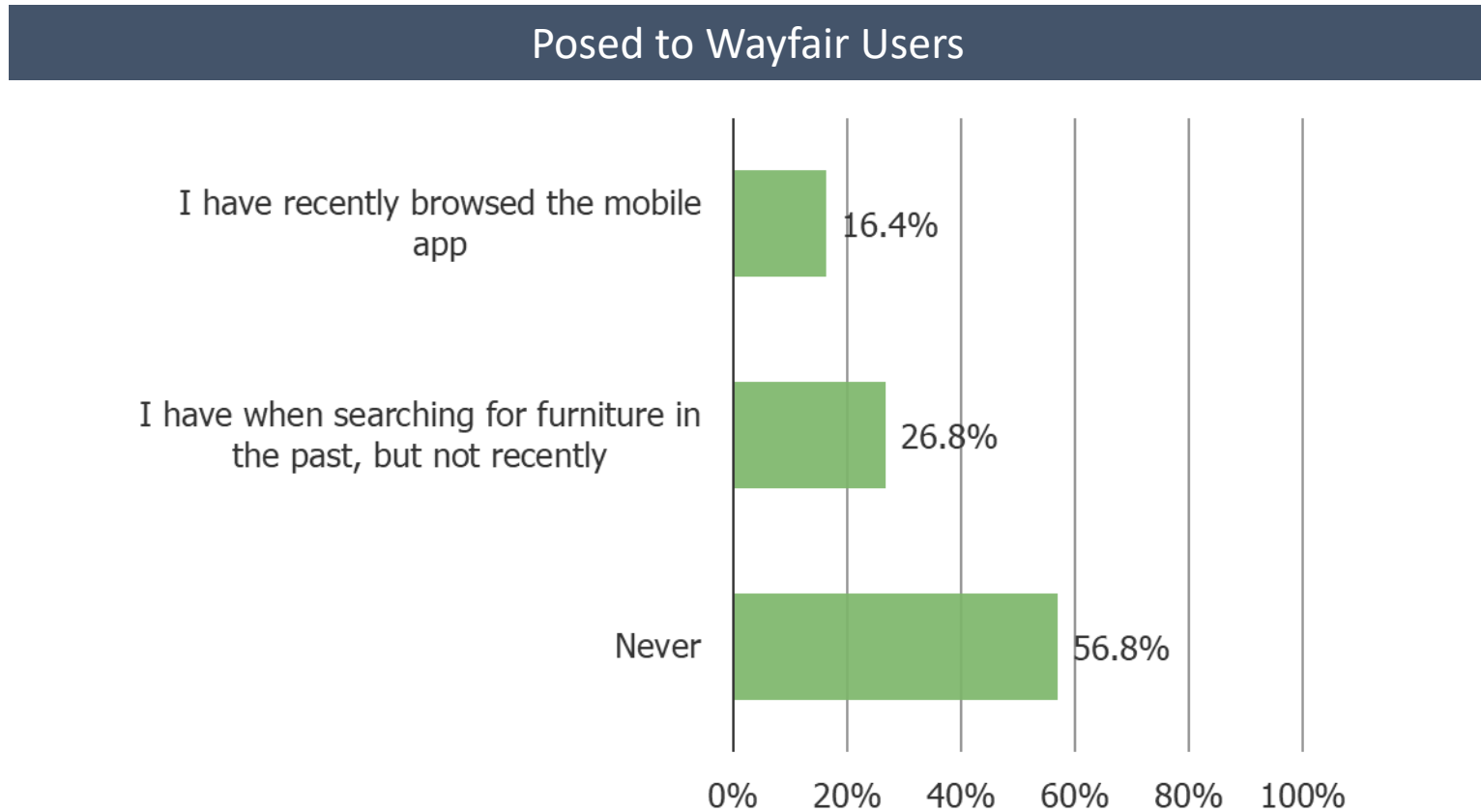
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Wayfair users are relatively heavily engaged with the mobile app.

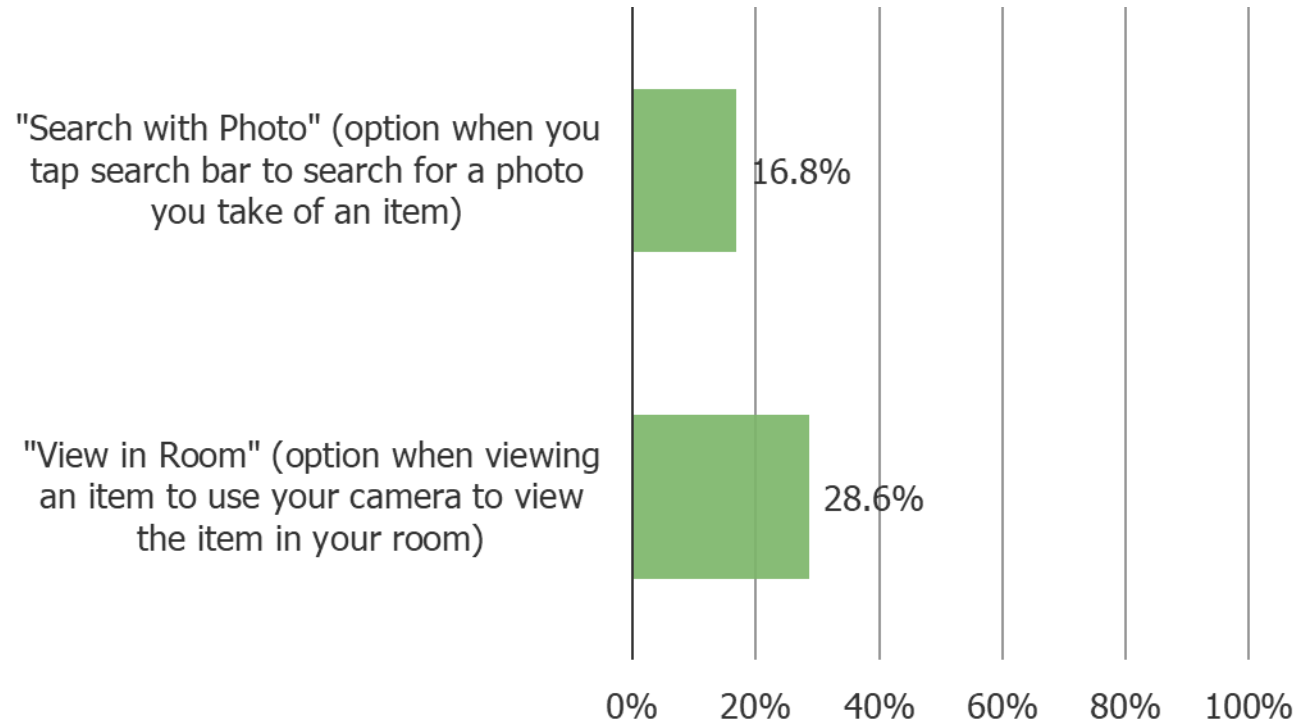
Have you ever browsed the Wayfair mobile app for items?



Usage of features like "Search with Photo" and "View in Room" are still in early innings.

Have you used any of the following features while browsing Wayfair?

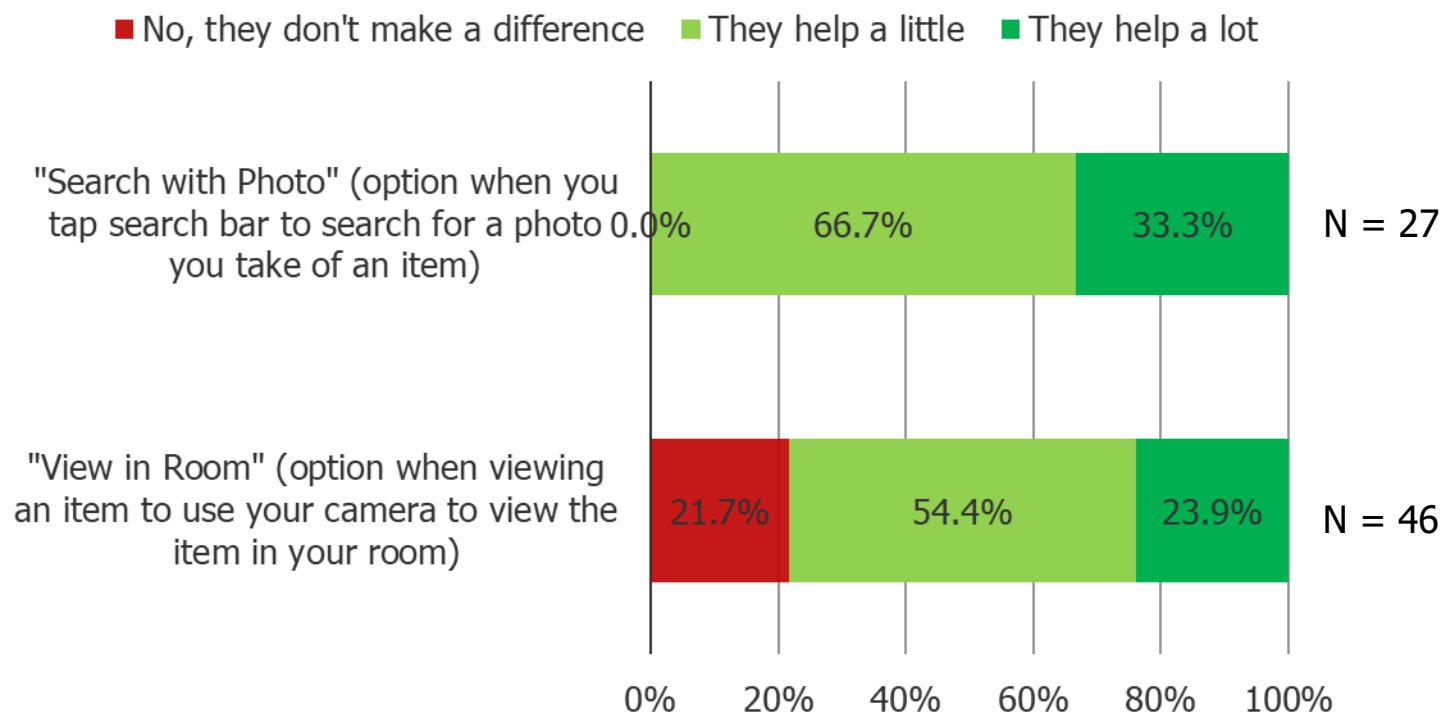
Posed to Wayfair Users Who Have Browsed The Mobile App



Despite being in early innings, those who have used features like "Search with Photo" and "View in Room" offer very positive feedback on them.

Do these features improve the search and evaluation of products when furniture shopping online?

Posed to Wayfair Users Who Have Used Each Of The Following



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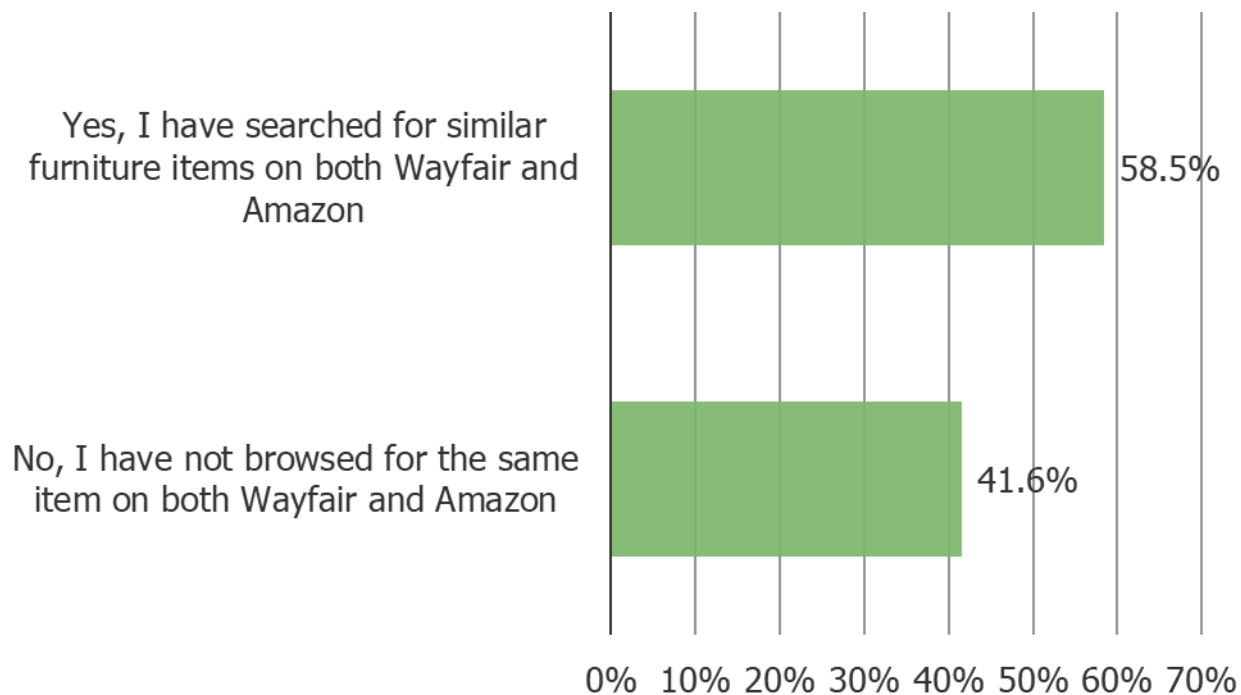
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There is a good deal of cross-shopping going on between Wayfair users and Amazon.

Have you ever browsed for the same type of furniture product on both Wayfair and Amazon?

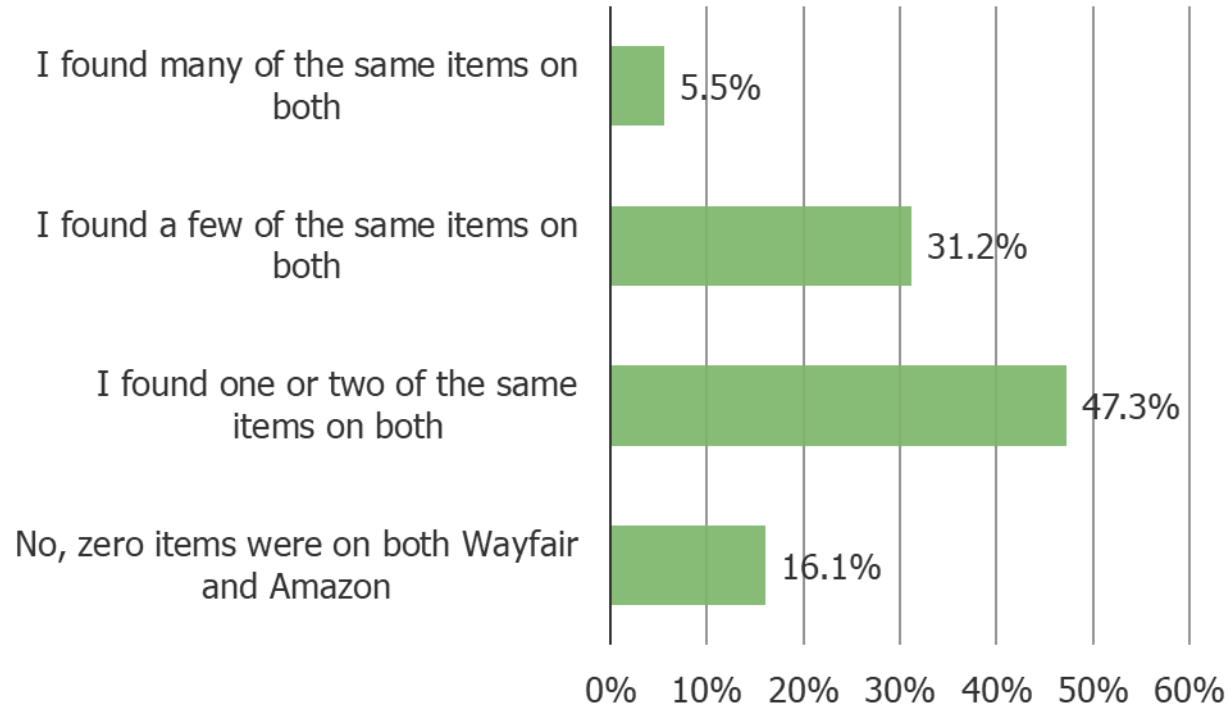
Posed to Wayfair Users



Most cross-shoppers are likely to think they found the same items on both platforms (it is very difficult to find exact matches, but it is possible to find ones that look alike).

Have you ever browsed for the same type of furniture product on both Wayfair and Amazon?

Posed to Wayfair Users Who Have Browsed For Same Items on Amazon

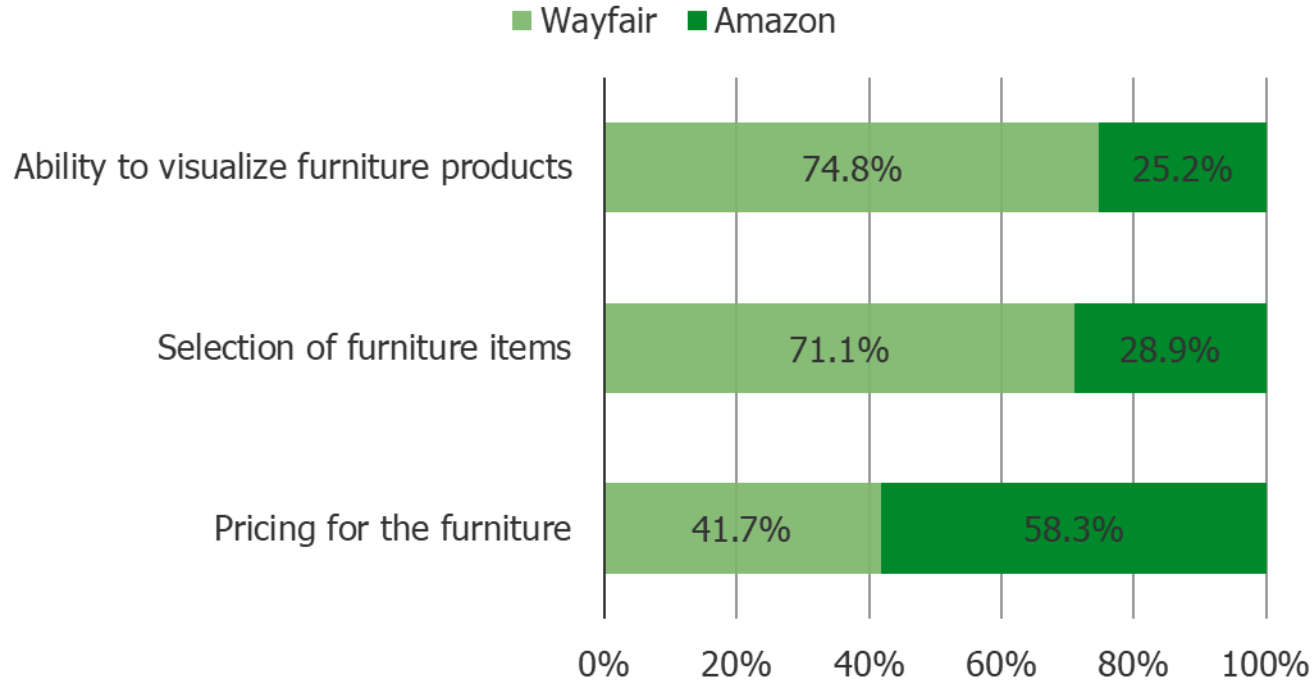


N = 218

While a higher percentage of cross-shoppers give Amazon the edge on pricing, a considerable majority give Wayfair the edge on visualization and selection.

When you were shopping for the same furniture category on both Wayfair AND Amazon, which platform had better...

Posed to Wayfair Users Who Have Browsed For Same Items on Amazon

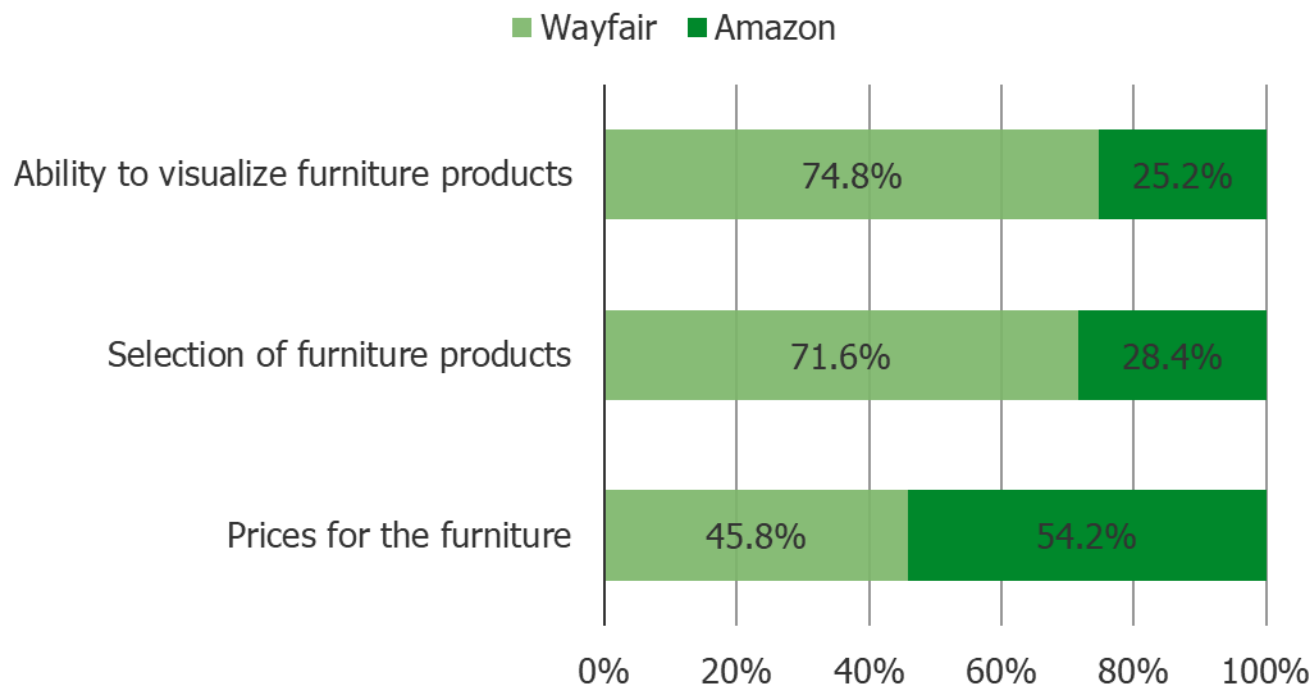


N = 218 (Posed to Cross-Shoppers)

The broader Wayfair user base (not just cross-shoppers), have similar expectations and actually give Amazon less of an edge when it comes to pricing.

If you were shopping for the same furniture category on both Wayfair AND Amazon, which platform do you think would have better...

Posed to ALL Wayfair Users



Posed to all Wayfair users, regardless of whether they have cross-shopped Amazon or not.

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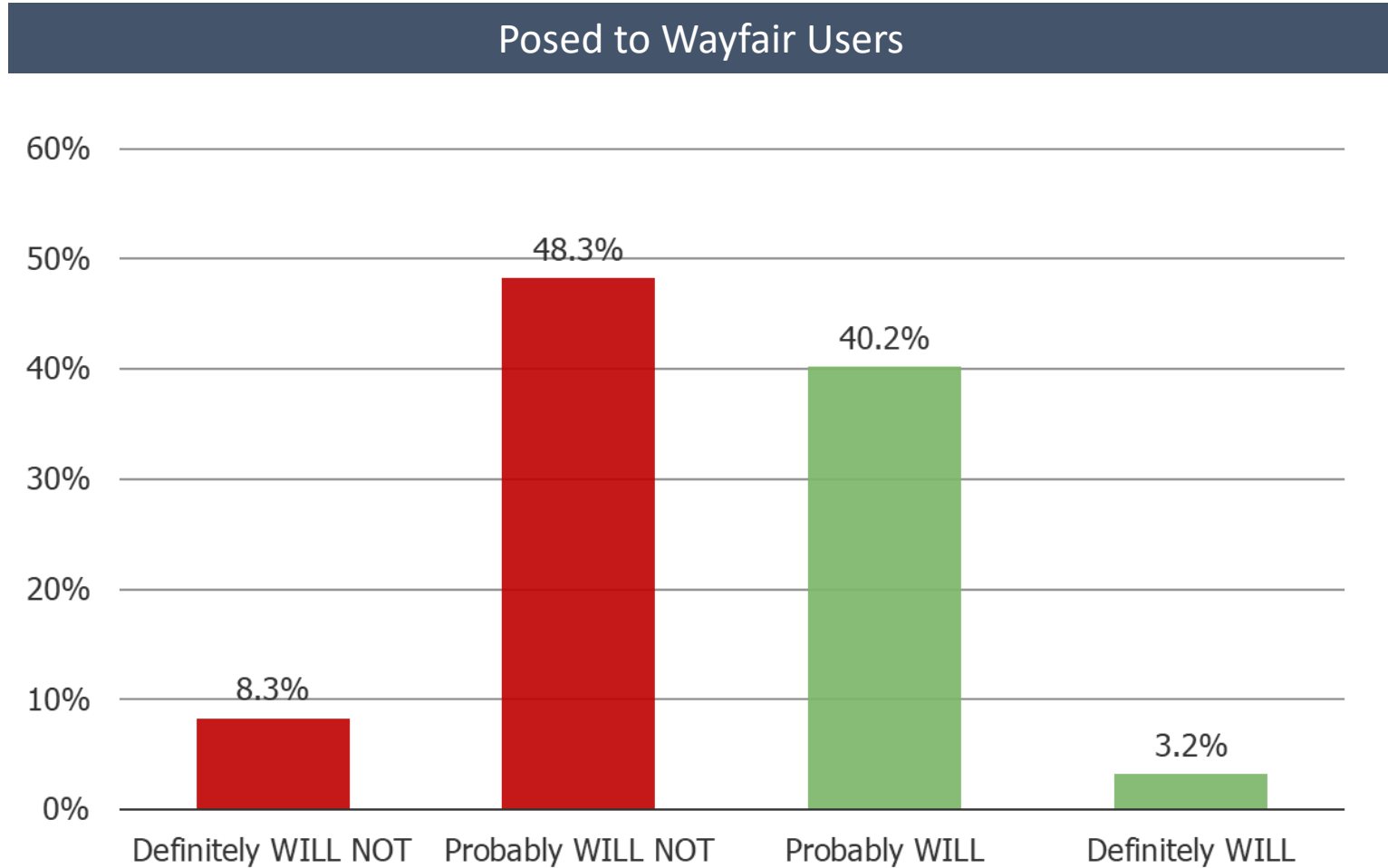
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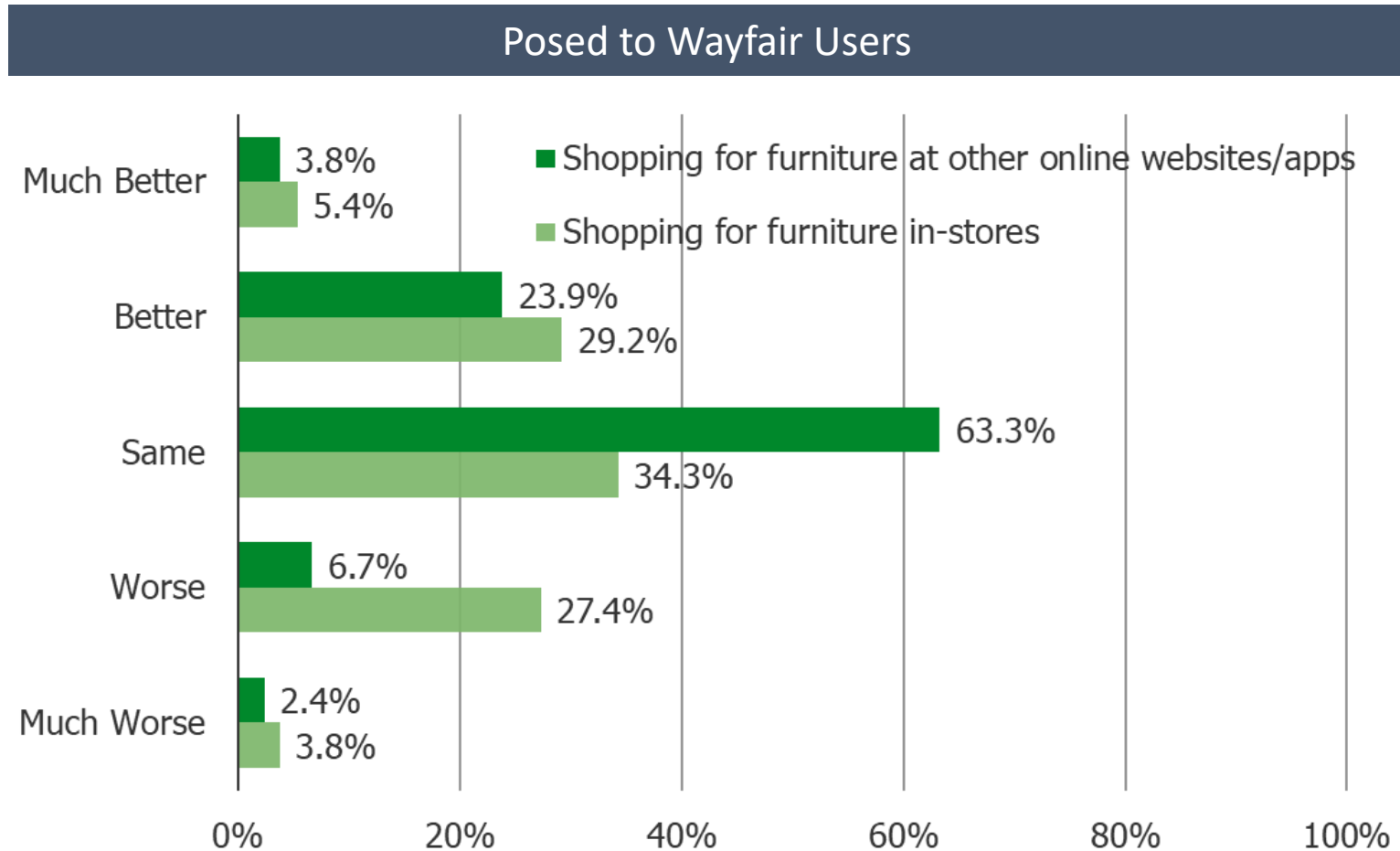
Wayfair customers are reasonably loyal, with 43.4% saying they would probably or definitely use Wayfair for their next furniture purchase.

How likely are you to use Wayfair for your next furniture purchase?



Importantly, Wayfair users suggest the shopping experience is better than shopping for furniture at other online website/apps.

How does the Wayfair shopping experience compare to...



Over time, Wayfair users have been allocating a higher percentage of their furniture purchases to the Wayfair platform.

What percentage of your total furniture and home furnishings purchases do you make through Wayfair?

