

# Closing the Deal

Boosting search capabilities increases sales for Wayfair.com

by LAURI GIESEN

As a large online retailer that sells a wide range of home products, Wayfair.com relies on online search extensively to bring customers to its website and to increase its sales.

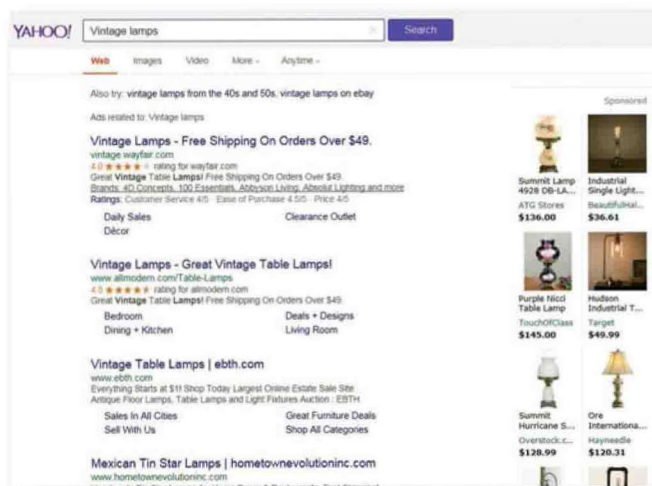
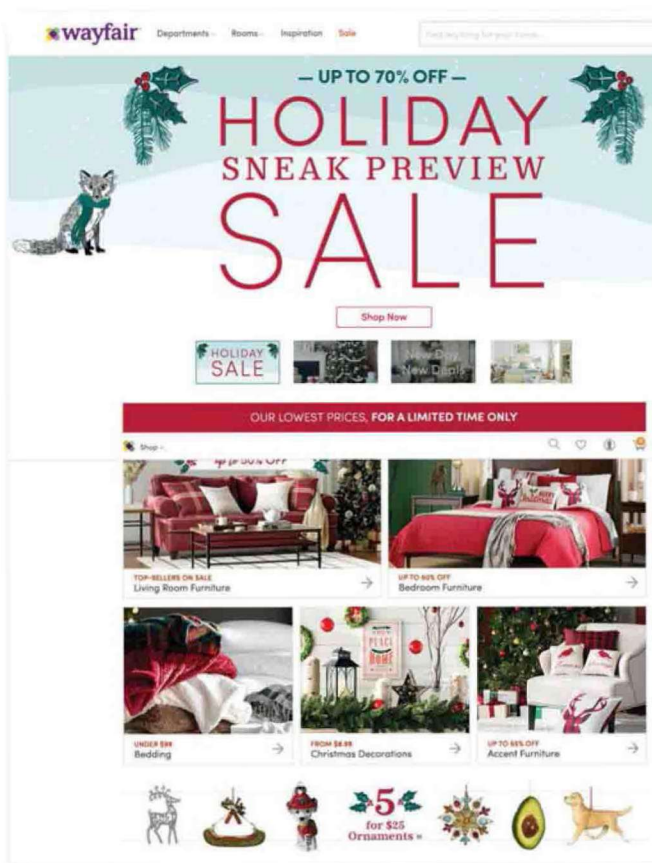
So when Yahoo introduced its new Gemini search platform a year ago, Wayfair was one of the first retailers to sign up for an ambitious program.

Prior to introducing Gemini in the spring of 2015, Yahoo had run all its search operations through the Bing search service. The introduction of Gemini by Yahoo gave Wayfair another avenue to guide customers to its website.

"We had extensive relationships with many search and display services, so when we learned about the Gemini platform, it was another option for us to try," says Dan Wulin, Wayfair's associate director of data science.

After a few months of working with Gemini, Wayfair noticed an improvement in the quality of customers who were coming to its site via search. That translated to higher sales.

"All of the searches bring us valuable traffic, but the Gemini traffic was more targeted to the type of customers we wanted to attract," Wulin says.



Wayfair used Yahoo Gemini search advertising to achieve a click-through rate that was **240 percent** higher than the retail industry benchmark.

"These were customers who spend more money and spend more frequently. The Yahoo Gemini customers had a higher value to us than our average Wayfair customers."

Overall, Wayfair used the Yahoo Gemini search advertising to achieve a click-through rate that was 240 percent higher than the retail industry benchmark, according to Wayfair and Yahoo executives.

## TARGETED CAMPAIGNS

Wayfair is using Yahoo Gemini for the full spectrum of its products. But in some cases, it has targeted specific search campaigns to individual types of products, such as furniture.

"We saw an across-the-board improvement in sales in all of our products," Wulin says.

The traffic that Yahoo Gemini brought Wayfair also fit the demographic profiles most likely to shop at Wayfair. Although the site bills itself as a mass-market retailer whose customers span a wide range of incomes, Wulin says the most common Wayfair shoppers are women ages 35 to 65 and in the middle-income range.

Before embarking on its program with Yahoo, Wayfair looked at what other retailers were

doing, but found little precedent.

“We were at the forefront of this type of search,” Wulin says. “The amount of online marketing we were doing was greater compared to most other retailers.”

Although working with Yahoo did not require an investment in hardware or operational costs, there was a time investment in engineering talent and marketing staff required to support the new program, Wulin says.

“This required a number of engineers to get the data and tie the data into Yahoo as well as for marketing people to develop strategies. That can be an expensive investment, so we have to select the programs we invest in carefully,” he says.

In addition to the investment in time, Wayfair also had to modify some in-house software to accommodate Yahoo requirements.

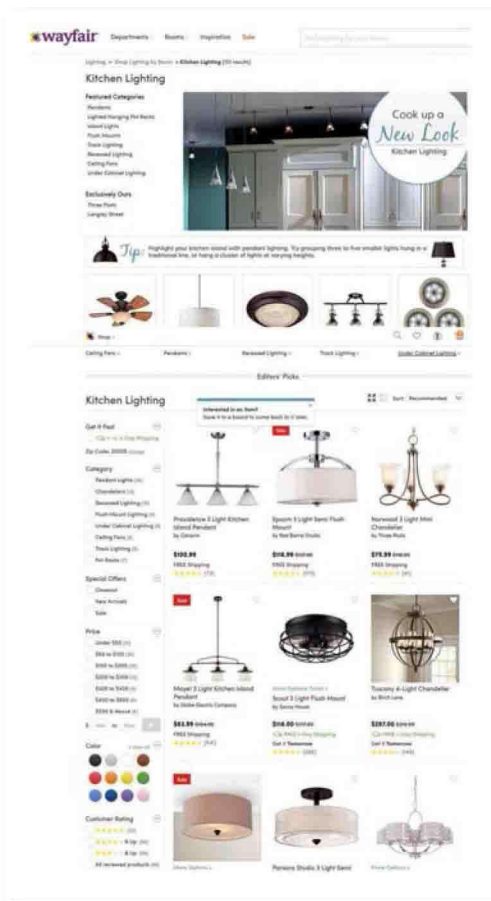
Since beginning the program in May 2015, Wayfair has continued to work with Yahoo on its Gemini platform.

“We’ve been ramping up on what we’ve done. And Yahoo has opened up a lot more search traffic through Gemini since we’ve started,” Wulin says.

Initially, a limited amount of search requests were sent through Gemini; as time has gone by, though, more of Wayfair customers’ Yahoo search requests are going through Gemini and that presents a lot more opportunities for Wayfair.

“Early on, Yahoo identified which groups it wanted to go to Gemini, but now most of the search traffic is coming through Gemini,” Wulin says.

The results have been impressive. “We do well with all the search engines we work with, but we’ve gotten a lot of benefit from Gemini. We treat these programs as partnerships and we’re always looking for opportunities to increase our search results as



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we work with product engineers to find new opportunities,” Wulin says, though he declined to reveal specific sales results.

## SEARCHES DRIVE SALES

Yahoo has worked with a large range of different types of retailers on search projects. The Wayfair program was particularly aggressive. “Wayfair has multiple brands and is a sophisticated digital marketer. It was fun to work with them,” says Courtney McKlveen, Yahoo vice president and industry leader for retail. “They really want to drive sales and talk to their customers.”

Although online search has been utilized for years as a means for retailers to drive traffic to their websites and increase sales, current Yahoo Gemini applications are more sophisticated today than what has been used in the

past, McKlveen says.

“Search has changed a lot in recent years because consumer behaviors have changed a lot. This is making the marketing opportunities much more exciting for retailers,” she says.

Consumers are spending more time on searches and are more willing to finish their searches with a completed sales transaction.

“Searches today not only drive consideration, but can drive sales as well,” she says. “Retailers can look at their key performance indicators and put together a plan that fits their goals.”

Yahoo Gemini can be used by customers on desktop PCs, tablets and mobile phones.

However, mobile has become a motivating factor for retailers; many are now developing search-related strategies specifically for customers who shop via mobile phone versus those who shop on desktop or laptop computers.

“Consumers are spending more time searching for products on mobile phones than they ever did before,” McKlveen says. “We think there are a lot of opportunities to optimize search on smaller screens. Gemini can help them because we have highly skilled teams that can work with retailers on their individual mobile strategies.”

Key to success in any search campaign, however, is for retailers to develop creative content, such as text and graphic images, that will help convert search results into sales. “We work with retailers on the creative content so that they develop messages that will really resonate with customers. Creative content is critical to success,” she says. **STORES**

Lauri Giesen is a Libertyville, Ill.-based business writer with extensive experience in covering payment and finance issues.