



Zappos Request for Proposal

Advertising, Media Buying, & Brand Discovery

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1. Who We Are (Who Are You, Ooh-Ooh, Ooh-Ooh?)

VTAK Concepts is a full-service agency that understands the importance of storytelling and technology to create memorable brand experiences in fresh, new, and exciting ways. We understand that brand evolution rests on the ability to build trust, relationships, and memorable experiences for consumers now and in the future. VTAK is not just a name, but the core values that set us apart from other agencies.

- Visionary – We work across boundaries, build associations, and apply creative solutions.
- Technology – We engage customers with technology, tell great stories, and make meaning.
- Artistry – We take risks and are not afraid to explore, discover, and see the world in new ways.
- Kindness – We treat everyone in the same way that we'd like to be treated.

Every project starts with the question, “How can we help to build and share a brand’s culture and increase customer engagement?” Thus, our clients are our partners and collaborators in every step of the process.

We don’t believe there is one single fit for every partnership and part of being visionary starts with our relationships forged within our company, as well as with our clients. The VTAK team not only carries specialized knowledge in advertising, marketing, and public relations, but also has the ability to branch out filling various roles, embracing change, and utilizing creative solutions. Part of our vision involves learning and evolving with each new project, company, or new technology so that we are always personally growing, which is deeply ingrained in our company culture.

2. Campaign Plan (Adventurous, Creative, Open-Minded!)

In response to Zappos’ RFP, VTAK was granted the opportunity to provide the company with an engaging brand awareness campaign. Building upon Zappos’ current movement, Delivering Happiness (DH), the Be a Little Weird (BALW) initiative would run for one year, from May 2015 – June 2016. The first six months will focus internally in order to build the program, educate employees and encourage adoption of the initiative. The following six months will focus on external communication and action within our communities.

Zappos' Problem, VTAK's Opportunity

Currently, “80% of Zappos’ business is in shoes, while the other 20% consists of fashion items such as clothes, handbags, eyewear, watches, and children’s items” (Marc, 2014, par. 8-9). However with the expected growth and size of the clothing market, there is a tremendous



opportunity to expand Zappos' business and overall sales beyond just a shoe retailer, transforming the brand into the #1 place to meet all the consumers' fashion item needs.

VTAK understands Zappos' vision is not focused solely on "what it sells, but how Zappos sells it by "WOWing" its customers" ("The Zappos Family Story", 2015, par. 5). Therefore, the expansion of Zappos as more than an online shoe retailer rests on taking Zappos' core values and mission to "deliver the best customer service" to new target audiences that can then share their Zappos' experiences with others.

Our Solution

Our solution involves creating a dynamic campaign that builds upon Zappos' current core values and drives target audience engagement to: attract new consumers, increase brand awareness, and drive consumer loyalty. The BALW campaign will accompany Zappos' current movement, Delivering Happiness (DH), to build upon its foundation and core values by expanding on how eccentricity is positively defined within communities as well as the workforce. Since the goal of the DH campaign is, "to grow a movement that spreads and inspires more happiness in the world," BALW will build upon what it means to be a little weird; embracing those quirky attributes that makes us unique and finding that balance within the workplace. Stories and passages will thus involve highlighting individuals who are activists within their communities in conjunction with educating businesses on strategies to embrace creativity to promote agility within the workplace. Furthermore, similar to the DH movement, BALW will offer retail products such as shirts, watches and inspirational items that support the movement while aiding in promoting the brand beyond being a shoe retailer.

Internal Research

VTAK conducted an internal survey to gather employee feedback on what they believe the most important strategies are to our long-term success.

- 90% of VTAK employees strongly agree that enhancing Zappos' current Delivering Happiness movement is important to advancing Zappos' brand and building client relationships.

External Research

VTAK conducted external research, utilizing Zappos' own "Family Library" of external books to understand the company's current business and marketing strategies. Our research also included current articles recently published about Zappos' focus on cultivating their culture and engagement to grow its business.

Culture and Engagement: Zappos' Business Strategy



- Zappos invests and builds upon their company culture, aligns it with core values, and believes culture is key to great customer service (Hsieh, 2013, p. 131).
- Zappos spends “time, money, and resources” on ‘WOWing’ their customers and lets “their customers do the marketing and build their brand for them (Hsieh, 2013, p. 135).
- Zappos employees represent a “unified brand to the world”, as well as foster “trust” and “loyalty” among customers (Hsieh, 2013, p. 139).
- Zappos believes in sharing their culture with everyone and offers public tours of their Las Vegas headquarters to the general public.

Great Customer Service: A Marketing Strategy

- Zappos believes “customer service should represent the entire company” (Hsieh, 2013, p. 150).
- Zappos “WOWs” people and believes the press will eventually take notice and tell their story (Hsieh, 2013, p. 203).
- Zappos views customer engagement and retention as a “moving target” that “can increase” by going above and beyond to create “positive emotional experiences” with the Zappos brand. (Hsieh, 2013, p. 143).
- Zappos “develops relationships, listens, adapts, and responds” to their customers’ needs to retain loyalty and grow their business (Gray & Vander, 2012, p. 353).

Impact Objectives

These objectives represent the desired outcomes of modifying the awareness, attitudes, and behaviors of target audiences.

- Increase Zappos website traffic by 40% from Oct 2015 to Mar 2016 by directing customers and the community to the website through hyperlinks in social media posts, news articles, job postings and employee email signatures.
- Increase word-of-mouth communication about Zappos by 20%, with new audiences directly, and provide tools that help foster loyalty to Zappos’ culture and products beyond just shoes. This will be accomplished through a variety of online tools and events recommended and created by VTAK to help share stories about the Zappos experience.
- Increase the total circulation of media that features Zappos’ website by 25%, translating to more pass along impressions via the BALW campaign.
- Increase sales of all fashion items from 20 % to 40% between Nov 2015- May 2016 through additional promotional retail items and campaign gear.
- Create, promote, and establish communities by expanding Zappos’ yearly community events by 10%. These community events will plant the seeds that will make people want



to live Zappos' Core Values and expand Zappos' culture of giving back. The community events will increase engagement within preexisting communities through partnerships with local charities and activists, reaching new target audiences.

Output Objectives

These objectives outline efforts made by the practitioner (VTAK) on behalf of the client (Zappos). These statements suggest activities intended to support the client's desired influence on audiences.

- August 2015: Company managers will participate in three radio and YouTube interviews to talk about the BALW campaign to kick-off the campaign.
- September 2015: Promote awareness in our communities through the placement of five articles in local newspapers (traditional and online).
- 2015-2016: To produce one update, comment and/or fact to all social media sites (Facebook, Twitter, and LinkedIn) daily.
- 2015-2016: Host five community clean-up events, partnering with other local organizations.

Campaign Statement

VTAK will utilize one of Zappos' Core Values, Be A Little Weird, as a platform to wow new target audiences and generate opportunities to promote Zappos as a one-stop retailer to find all one's fashion needs.

VTAK has identified a way, not only to alter people's current perceptions of Zappos as just an online shoe retailer, but to also spread Zappos' culture and core values to new audiences through the BALW campaign. The campaign will be used as a platform to bring awareness and talk about the importance of being one's self, self-esteem, and the importance of accepting others' differences. Being a "little weird" means embracing differences as beautiful, and the campaign will challenge current perceptions of "what it means to be a little weird" and turn it into a positive concept. Central to the campaign is communicating with new target audiences directly and providing them with tools, inspiration, and role models to foster a new, positive understanding of "what it means to be a little weird". The campaign is meant to reach new target audiences, build relationships, trust, and loyalty to build the Zappos' brand within new markets.

Target Audience

According to VTAK's research, the new generation of millennials and On-the-Go Moms are increasingly turning to the Internet as a source of news and advice. This trend presents an opportunity to open a dialogue with communities about "what it means to be a little weird", and to position Zappos as a resource to help communities foster acceptance within their homes,



schools, workplace, and communities. Therefore, it is central to the campaign plan that Zappos increase its positive presence online, increase engagement in various communities, and create stories that promote the sharing of Zappos' WOW experience to continue to build new relationships and continuous brand loyalty.

Millennials

VTAK's primary targets are the millennials. Youths between 16 and 29 years of age are ready to roll with whatever generates happiness. Zappos captures this group through social media which is a major marketing tool (Kirkpatrick, M. (2008). Currently, most of Zappos' focus is on Facebook, Twitter, Google+ and Instagram, and the company has "developed some unique tools to help both Zappos and its customers leverage these platforms to provide a better experience" (Clay, 2012). Thus, through social media Zappos connects to its customers.



On-the-Go-Mom

Beyond millennials, Zappos targets customers between 30-60 years of age through their special gift items such as Mother's Day Gift Guide on how to shop for their needs. "Moms are the ultimate multitaskers, always on the go, the calendar always packed with everything from soccer practice, dance recitals and everything in between. That's why we put together some of our favorite Mother's Day gifts that the busy, mile-a-minute mom will surely love (and get lots of use out of!)" (Zappos.com).



Essential to the success of the campaign is linking the online BALW campaign to actual events to connect with new target audiences directly and create experiences that would increase word-of-mouth surrounding Zappos. The events would present an opportunity to highlight artists, educators, employees, families, activists, etc. that have embraced their own uniqueness and the eccentricity of others in ways that have promoted positive changes within their community. Zappos' increased online presence and events that promote "Being a Little Weird" would also be enacted internally within the Zappos culture, so that employees would become BALW ambassadors who have thrived by embracing and honoring differences in themselves and others.

Internal Communications

- Develop and implement a request for all Zappos employees to share stories and pictures that feature what it means to them to "Be a Little Weird". Employees could share



community leaders, activists, artists, educators, students, family members, or even personal stories that highlight their personal understanding of what it means to “Be a Little Weird”. These stories could then be added to Zappos’ yearly Culture Book.

- Develop an initial communication from the CEO announcing the top three selected improvements VTAK will implement for Zappos.
- Plan monthly employee events with guest speakers that expand traditional understandings of what it means to be a little weird, like wearing goofy hats or not following popular trends, to include people in communities that are altering perceptions of others in a positive way. In this way, the employees become BALW campaign ambassadors, spreading the word and values behind the campaign.
- Add media and publications to Zappos’ Employee Library that represent and foster the ideals of not being afraid to be unique, creative, and forward thinking as the foundation of the campaign. Employees could share some of their favorite readings with each other and vote for a #1 “Must Read” that could then be shared with the public using online tools.

External Communications

- Update website with campaign details, including a calendar of local events.
- Distribute monthly e-newsletter to those who have opted-in on the website.
- VTAK will visit colleges and universities near our offices at the start of each semester to recruit candidates and share our culture of giving back.
- Plan events that support community members that are living the “Be a Little Weird” core value and enacting positive change within those communities.
- Encourage people to share publications, stories, and images/videos through social media that highlight innovative and unique approaches to positively effect change. Highlighting innovative and unique approaches will thus aid in making people a little happier, more confident, and more accepting.
- Create a new section in “Zappos’ Family Library” called “Being a Little Weird” with recommended readings.
- Create shirts and products that embrace and disseminate the “Be a Little Weird” Movement
- Offer webinars, training, lectures, tours to both employees and the public that foster a dialogue about self-esteem and acceptance, as a way to effect positive change.

Promoting Audience through Partnership

Partnership is a major source of attraction for Zappos’ audience. As a marketing company rooted in culture, Zappos engages in community partnership to attract customers to their website.



- In December 2009, The Zappos Fulfillment Centers (ZFC) held a Holiday Gift Drive and provided gifts for over 35 children as well as gift cards for local women's shelter and phone cards for the troops.
- On November 2, 2009, the casual lifestyle team from Zappos Merchandising and Naot Footwear donated approximately 160 pairs of shoes to The Shade Tree women's shelter.
- In January 2010, Zappos, and Bearpaw together donated 300 Bearpaw boots to a local charity in Louisville, KY.
- In March 2010, Zappos' KY Fulfillment Center visited The Center for Women and Families at their downtown Louisville, Kentucky location.

What's remaining?

It looks like Zappos has conquered all market strategy as an online retail shop in the United States. VTAK proposes that Zappos should establish a Distribution Center in big cities like Amazon did. This will give a greater boost in loyalty and will also enhance job opportunities for customers.



3. VTAK Concepts: Service Oriented (Delivering WOW through Service)

Limiting customer service to a particular definition can be a bit hard because of its varied meanings and implications; however, it simply means making promises and keeping them in business in order to satisfy customer needs. Customer service is difficult, expensive and unpredictable, yet it's a mistake to assume that any particular example is automatically either good or bad. A company might spend almost nothing on customer service, but still succeed in reaching its goals. According to Seth Godin, "customer service succeeds when it accomplishes what the organization sets out to accomplish" (Godin, 2015). VTAK's view of customer service is that which serves the best interest of customers. And like Godin, it means:

- To create a significant competitive advantage by engaging with customers in a way that others can't or won't.
- To streamline the delivery of inexpensive goods produced in an industrial way
- To lower expectations and satisfy customers by giving them exactly what you promised, which is not much
- To raise expectations and delight customers by giving them way more than they hoped for, which relates to customers in an act of co-creation
- To diminish negative word of mouth
- To build extraordinary trust



- To treat different people differently

How We Execute Upon Service! VTAK Is Service Oriented

VTAK's understanding of service derives fundamentally from its name. As concept creators, it is Visionary. We take our business across boundaries. Through creative solutions, we build bridges and associations with consumers. In VTAK, Technology tells our story. We create fun and make business a relaxing experience. We tell stories that impact the life of our customers in meaningful ways. Artistry is a watchword for VTAK. We not only discover, but explore the world in new and engaging manner. We take risks for customers. VTAK also captures its business in Kindness. Our customers deal with human beings not machines. We give undiluted attention making sure that customer satisfaction is paramount and guaranteed.

Service Begins with Employees

Our first step to execute upon service is employees' welfare. VTAK has developed what we call "#AskVTAKEmployees". This is a program meant to emphasize the importance of employees as vital elements in customer service. Ask Our Employees gives clients access to all employees' contacts. It creates a forum for employees to discuss their welfare with customers without censor, and indirectly makes them marketers of products. The idea is that if an employee is well treated, she/he would willingly share the good image of the company with outsiders. Since VTAK believes that employee welfare breeds trust and confidence, giving them access to external customers will consolidate marketing of products. Additionally, we believe that employees are the first and greatest brand — the champions of the goods or services that the organization puts out to the world. Employees should have knowledge of the organization and can speak about the organization in a genuine and authentic way. Empowering employees to act as brand advocates will give them the confidence to reach their potential; likewise, their actions will contribute to the organization's ability to deliver on its mission and brand promise.

When IBM celebrated its one hundred years in 2011, its greatest technique was its focus on engaging employees with a call to action which would allow them to share their skills in projects around the world. All IBM's over 400,000 employees globally were encouraged to contribute at least eight hours of their time. They wanted to provide a platform that enabled staff to share stories and visuals about the positive impact their work produced. In that sense, VTAK makes employees the center of attraction through whom the outside world is convinced.

Emphasize social responsibility

Allyson Park, Vice President, Corporate External Affairs of Coca-Cola Company once said, "Business must participate in the world of social and economic development. If we are to achieve our business goals, we will need to grow in a way that continues to enrich the world around us." At VTAK, we focus on improving education, particularly science, technology,



engineering and math (STEM). We promote education for boys and girls, and for underrepresented minorities. These are the skills that employees of 21st century companies must possess to be successful, and every student needs these critical skills to better themselves. VTAK believes that intellectual talents should be marched with physical development; hence, we promote sporting activities in schools and encourage students to participate in sports.

Again, social media continues to be a key component in our enhancement of corporate social responsibility. We look at “consumer expressions,” which we define as any level of engagement with our brand content. We evaluate these from comments, shares and “Likes” on Facebook and engage consumers on great conversations in social media communities. We carefully monitor how our environmental and social performance is evaluated in social media and then appropriately respond. Additionally, we use Twitter and Facebook to effectively reach the readers who care passionately about social and environmental issues than do traditional mass media.

Create Messages That Gladden Customers

VTAK holds strongly that social media makes it possible for employees to effectively reach out to others within the organization, exchange ideas, provide or receive feedback and learn from others. Moreover, customers like it when they receive messages from companies they patronize at special seasons like Christmas, Easter, Thanksgiving, Martin Luther King, and Valentine’s Day, as it makes them feel Wowed! VTAK also has email addresses and phone numbers of customers stored in our database and encourage sending out messages via social media such as:

The Easter season provides an opportunity to express our inner feelings of love with those around us. We packaged something wonderful for you to share with friends and family. Buy the Easter bundles to be delivered to your loved ones with just a click. We are here to save you stress as always, while still enriching you with so much happiness at a lower cost. We hope you like this initiative as we bring more smiles to your home.

Best Regards, Customer Service Team

4. VTAK’s Technological Advantage (Pursue Growth & Learning)

At VTAK we believe that information technology is at the root of distinguishing the client’s brand from the competitors. In ensuring your vision is clearly communicated across various channels to include social media, intranet enterprises and search engine result pages, VTAK provides technical support to ensure your mission is fulfilled. To better assist your industry needs, VTAK uses enterprise applications and visualization programs that support: identifying point-of-sale (POS) data, interpreting data reports in real-time using dashboard technology, in



addition to supplying project management support. Our project management skillsets aid with: planning, tracking, and configuring work breakdown structures for easier project management.

As visionaries, we excel in addressing your business challenges and providing solutions to increase your company's agility. Key solutions include:

- Data Visualization
- Human Capital Management
- Customer Relationship Management
- Supply Chain Management
- Web design and application development

Data Visualization

VTAK stays at the forefront of emerging technology through our deployment of effective data

visualization (viz) solutions. Data viz, defined as a, “format efficient for human perception, cognition, and communication” (University of Illinois), serves as a method of visual communication to convey significant amounts of data which aids in our understanding and identifying of trends as well as data patterns. Thus, VTAK supplies our clients with customizable dashboard technology, similar to the screenshot below, which automatically rolls out performance metrics, infographics



and aggregate vast amounts of data. According to Information Technology for Management, dashboards may offer Zappos the following metrics:

E-commerce

- Daily website visitors by traffic source
- Trend of mobile vs. tablet traffic
- Location of visitors
- Revenue per website visitor

Sales, Revenue and Advertising



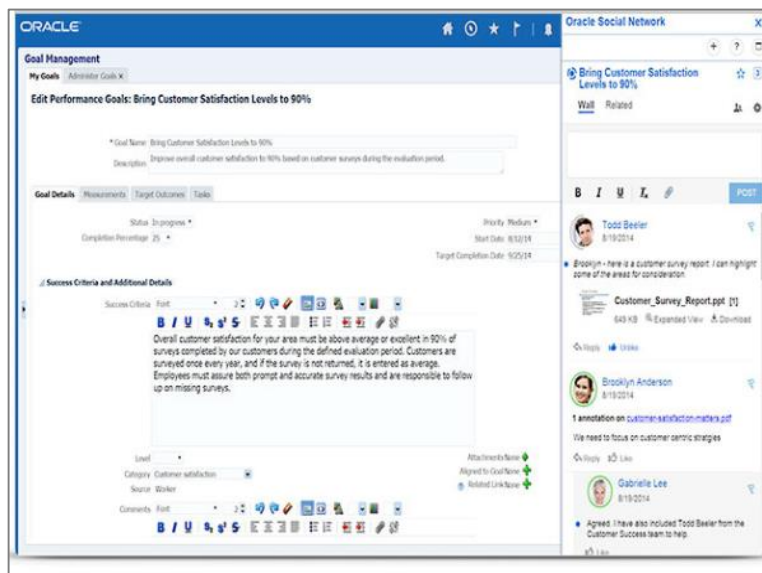
- Salesperson closing percentages
- Products selling the best, worst
- Which advertising sources directly lead to sales

Similarly, for ease of access and to minimize dependability on IT departments, VTAK also encourages businesses to explore visualization technology via software vendors such as Adaptive Discovery which uses drag and drop features to create personalized dashboards.

Human Capital Management

With our experience, VTAK can further assist Zappos with human capital management (HCM)

capabilities to support their current employee culture. HCM software and similar practices are becoming increasingly popular among corporations. Defined as an “approach to employee staffing that perceives people as assets (human capital) whose current value can be measured and whose future value can be enhanced through investment” (Workday.com), HCM software equips companies with the capability to efficiently provide



human resource components from staffing, recruitment, and compensation in a streamlined manner. With software as a service (SaaS) applications such as Oracle and ADP, HCM positively affects management by providing workforce and talent management with the tools to forecast labor trends and to retain superior workers. From the employee perspective, HCM software allows employees to register for benefit packages as well as digitally input and track time and attendance on-demand and in real time. Likewise, the significant benefit HCM offers Zappos is assisting executives with discovering trends in employment as well as aiding employees with their customized career goal plans which aligns with Zappos’ current culture.

Customer relationship management (CRM)

CRM technology equips businesses with the tools to better understand customers, assists in increasing profit as well as heightens customer loyalty. Employing CRM systems will ensure consumer information is consolidated and gathered from disparate (single) systems within an organization to better:



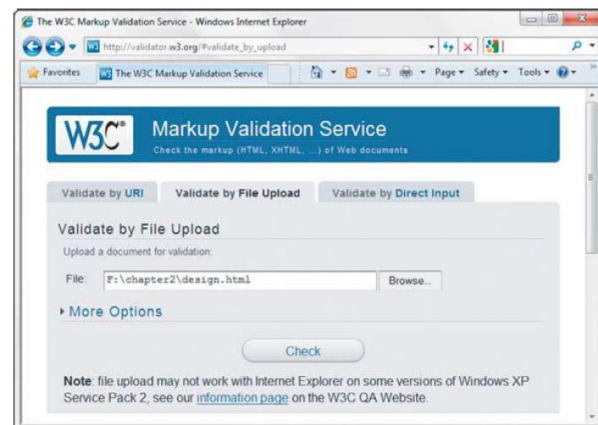
- Identify the appropriate customer experience for customers
- Predict and prevent loss of a customer
- Up-sell (sell more profitable products) or cross-sell (sell additional products) to unprofitable customers to move them to a profit position (Turban, 359)

Supply Chain Management (SCM)

As a retailer, SCM systems can assist our clients' supply chain processes from procurement, and inventory control to distribution and order fulfillment. As stated by Information Technology for Management, SCM systems "improves decision making, forecasting and optimization" (Turban, 338). Likewise, Zappos will thus possess a streamlined system of tracking and analyzing each component of their supply chain process.

Web Design and User Testing

VTAK also specializes in web design and testing, ensuring our clients' website is in compliance with Section 503 and Web compatibility standards as defined by W3C recommendations. For web design testing, VTAK ensures your website possess validated HTML and CSS coding using W3C Markup Validation Service.



At VTAK, we pride ourselves on providing you with the best service as it relates to our customers, our partners, and our employees!



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For Immediate Release - April 22, 2015

VTAK Concepts to Assist Zappos with Road Tour

Zappos to Join the Vans Warp Tour (on select dates)

Baltimore, Maryland—It really doesn't get much weirder than an internet retailer touring with a bunch of bands. Zappos will have a presence at several of the Vans Warp Tour concerts this summer as part of Be A Little Weird (BALW) campaign. With an understanding of brand evolution, VTAK will help Zappos create a memorable experience for its consumers. Zappos is known for delivering happiness, and what better way to be happy than to be yourself while exploring what makes you a little weird. The dates and locations Zappos can be found on the road with the Vans Warp are as follows: June 17, 2015 Anchorage, AK.; June 24, 2015 Albuquerque, NM.; July 8, 2015 Virginia Beach, VA.; July 11, 2015 Wantagh, NY.; July 16, 2015 Cincinnati, OH.; July 19, 2015 Scranton, PA.; July 25, 2015 Chicago, IL.; July 30, 2015 Bonner Springs, KS.; August 2, 2015 Denver, CO.; and August 7, 2015 Portland, OR.

Zappos will randomly give away tickets via Facebook and Twitter, by having followers respond to a "What makes you weird?" post. Each location will feature local charities; VTAK will be responsible for selecting organizations that represent Zappos' core values. In each city, VTAK will select a charity that focus on the environment, arts, and education. These charities will also speak on Zappos' values of *Doing More with Less*, *Being Humble* and *Driving Change*.

About Zappos

Zappos is an internet retailer, headquartered in Las Vegas, NV. They are best known for delivering happiness through providing consumers with excellent customer service and developing relationships by listening and adapting to their customers' needs to retain loyalty and grow their business.



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For Immediate Release - April 22, 2015

VTAK Concepts to Assist In Coordinating the 7th Annual Heart N' Soul Event

Zappos is Corporate Sponsor of Goodie Two Shoes Fundraiser

Baltimore, Maryland—Zappos is a proud partner of the Goodie Two Shoes Foundation. Goodie Two Shoes is a Las Vegas based charity that provides shoes and socks for disadvantaged and children in crisis. In addition to shoes and socks, Goodie Two Shoes provide items essential for good health and positive development.

The 7th Annual Evening of Heart N' Soul is one of the largest fundraisers for The Goodie Two Shoes Foundation. On behalf of Zappos, VTAK is promoting the event within the Las Vegas, NV area. VTAK will also be coordinating vendors and entertainment for the event. The Evening of Heart N' Soul will be held on June 6, 2015 at M Resort.

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For Immediate Release - April 22, 2015

Get Lucky at Zappos

Lucky Brand Clothing Will Offer Exclusive T-Shirts

Baltimore, MD—As part of its response to Zappos' goal to be known as more than just a shoe retailer, VTAK Concepts has helped to coordinate a limited line of Lucky Brand t-shirts to be exclusively sold on Zappos. Lucky Brand Clothing is one of Zappos' best-selling clothing lines.

The four t-shirt designs (2 men and 2 women) will represent Lucky Brand's commitment to art and music, which ties into Zappos core value of *Being a Little Weird*. Each shirt will retail for \$35 per shirt with \$5 from each sale going to the Grammy Foundation and Art, After Dark at the Honolulu Museum of Art. Shirts will go on sale March 17, 2016 and will be limited to 1000 shirts.

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Social Media

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Target Audience

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Literature Review: Zappos History

Zappos' business strategy of culture, engagement, and customer service are at the root of their success. What began from a bad shoe shopping experience at the mall has become an online retailer with a culture that is engaging and unique for both its customers and staff. In 1999, Nick Swinmurn started ShoeSite.com out of his frustration of shopping for shoes; retailers either had the right size, but wrong color, or the right color and wrong size. Swinmurn knew he was not alone in his frustration and thus, developed what began as an online shoe retailer with an extensive product assortment. A year later, the internet entrepreneur Tony Hsieh invested \$500K in ShoeSite.com and renamed the retailer, Zappos, adapted from the Spanish word for shoes *zapatos* (Leslie & Aaker, 2010, pg. 1).

Hsieh Delivers Happiness

Tony Hsieh is the son of two Taiwanese immigrants, and was raised in Northern California. He spent his early years experimenting with entrepreneurship, selling everything from earthworms to greeting cards. While a student at Harvard, Hsieh sold pizza. His first business after college was an Internet advertising startup called LinkExchange, cofounded in 1996 with his friend Sanjay Madan. They sold it two years later for \$265 million. Hsieh, 24 at the time, was rich, but he realized that he hadn't been happy. For him going to work became a drag. For the company, he wrote, it was "like death by a thousand paper cuts." Therefore, he has made an effort to never feel that way again (Corbett, 2014, pg.12).

Hsieh has since become CEO of Zappos, helping the company to become one of the "Best Places to Work For" and grow into a billion dollar business (Dunn, 2014). Furthermore



under Hsieh's leadership, in 2003 Zappos developed its core values, which have become more of a culture for employees than solely company guidance. Zappos' core values include:

- Deliver WOW Through Service
- Embrace and Drive Change
- Create Fun and A Little Weirdness
- Be Adventurous, Creative, and Open-Minded
- Pursue Growth and Learning
- Build Open and Honest Relationships with Communication
- Build a Positive Team and Family Spirit
- Do More with Less
- Be Passionate and Determined
- Be Humble

Hsieh announced in 2011, that he was leading an effort to revitalize a stretch of downtown Las Vegas. This \$350 million project –\$200 million for buying real estate, \$50 million for small businesses, \$50 million TechFund, and \$50 million for improving education—also involved relocating Zappos Headquarters to Vegas. According to Hsieh via *WIRED*, "it's the Downtown Project's big bet that a focus on collisions, community and co-learning will lead to happiness, luckiness, innovation and productivity. It's not even so big a bet" (Corbett, 2014, pg. 18). Hsieh also leads on to describe the project as an, "enormous in-progress brainstorm, fantastically bankrolled exercise in municipal free association." Rather than recruit, Hsieh encourages those individuals with interest to come out to visit, stay and find their way.



Creating the WOW

Zappos creates its WOW service in every facet of customer contact. Zappos derives its marketing strategy from its motto, “customers are kings” and often goes above and beyond when solving customer’s needs. Zappos not only markets to customers, yet also befriends them to retain customer loyalty. Customer service is a huge part of their success since it helps classify and differentiate their business from others. Zappos offers a 365 day return policy, free shipping both ways, and a call center that is always open to dominate their niche with customer service.

In order to expand out of shoes, they are offering bags and clothing as well in order to dominate those markets with their superb customer service. They thrive by word of mouth marketing from their customer service and customers loyalty to gradually become the number one online retailer in all types of goods. Zappos is expanding and is planning to take over the online retail market with their brand using their customer service strategy. David Kam wrote in 2009 that Amazon is going to be Zappos’ rival soon enough in the coming years, a prophecy which is almost fulfilled today.

Zappos’ business strategy is built on the understanding that “the balance of power is shifting from companies to the networks that surround them” and customers are rapidly forming “networked communities” in which their voice can reach thousands in a matter of minutes (Gray & Wal, 2012, p. 144). They have since added clothing, home goods, accessories and cosmetics to their online offerings. Although Zappos was acquired by Amazon in 2009, Zappos remains relatively autonomous

Building Open & Honest Relationships



Paired with their telecommunication strategy, Zappos engages with their customer base through social networking services to include Facebook, Twitter, Pinterest, Glance, and their company blog. Therefore, strategies to increase Zappos' customer base and business must continue to focus on "finding ways to create, maintain, and develop deep connections as they grow" (Gray & Wal, 2012, p. 741). Twitter is Zappos' outlet of *Building Open and Honest Relationships with Communication*, one of their core values. Likewise, Hsieh is the most followed Zappos employee as his goal is to inspire, connect, educate and entertain. Similarly, @Zappos ranked 69th in the top 100 Twitter users' list. The brand's social media metrics are aggregated through mentions into three types of content; public mentions, tweets and Twitpic by employees who tweet for the company and employees' personal twitter accounts. Any employee at Zappos is free to blog, as the brand wants to connect and show how real they are. To ensure social responsibility is accomplished, employees are told "use your best judgment" (Leslie & Aaker, 2010, pg. 10) when engaging with others using social media.

Zappos continues their effective customer service by offering immediate tours of their facility, headquartered in Las Vegas, NV. Known as the Zappos Tour Experience, this excursion gives visitors a deeper look inside the employee culture at Zappos. Sam McManis of Life Magazine refers to Zappos' Tour Experience as "great public relations" as it provides the online retailer with that "personalized service" usually offered at mom-and-pop shops (McManis, 2015).

Being A Little Weird

Some may consider Zappos' practices to be a little weird, while other businesses study Zappos with hopes of replicating their success. The company's unorthodox atmosphere attracts



consumers and employees alike through their office-free work stations, paired with 24/7 music and festivities. Zappos began a transition to Holacracy as their internal organizational structure - meaning no job titles and no managers. According to Denning, "nevertheless, in the case of a firm like Zappos, which is already well advanced in implementing Agile management practices and has an intense, even obsessive, focus on adding value to customers, something along the lines of Holocracy has its possibilities" (Denning, 2014, pg. 7). Another change in late 2014 was the method in which call center employees scheduled their shifts. Traditionally, shifts were scheduled quarterly in order of seniority using pencil and paper practices. With the call center hosting 540 employees who respond to 10,000 customers per day, this traditional method was unproductive and led to a pilot Open Market system. Subsequently, with the Open Market System, employees now decide when to work with the help of the program's real-time customer service center metrics algorithm and historical data that shows customer demand, as measured by the wait time of the longest holding customer, and the accompanying compensation rates. Thus, employees are paid more when the demands on them are higher (Zillman, 2015, pg.4).

Hence, it is not hard to see why Zappos has made a name for itself. Their customer-centric business model focusing on both their customers and employees enhances the company's competitive edge. Through Zappos' uniqueness and family oriented culture that reaches staff and customers, the brand continues to build awareness and customer loyalty.



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