

Q&A: Saatva's co-founder on popularizing 'accessible luxury' as a D2C brand

Article

Ricky Joshi

Co-Founder and Chief Strategy Officer, Saatva



Insider Intelligence associate analyst Christina Obolenskaya spoke with Ricky Joshi, co-founder and chief strategy officer of **Saatva**, on providing "accessible luxury" products to customers. Saatva sells high-end mattresses on its ecommerce platform, as well as bedding products, bed frames, and more.

Joshi co-founded the brand in the early 2010s, a time when direct-to-consumer (D2C) brands were gaining a foothold in retail. Since then, Joshi has built the brand's marketing team, ecommerce efforts, and now leads strategy initiatives around store expansion and more.

Insider Intelligence: Why did you decide to use ecommerce to sell luxury mattresses?

Ricky Joshi: We were one of the original direct-to-consumer brands. We saw an opportunity to disrupt a market where the existing players were providing a weak customer experience. Mattresses are high-price-point items, and yet customers were being serviced in a way that wasn't worthy of the price point.

The mattress industry has some of the highest markups, with margins exceeding 80%. A product that was \$500 was going to market at well over \$2,500. We saw an opportunity to truly disrupt that and provide a much better value equation to the customer.

II: What improvements would you like to see within the ecommerce retail industry?

RJ: We're seeing a lot of D2C brands come out, but not necessarily provide better value or even a more improved product. There's a lot of glitz and glitter around D2C brands, but many of them are doing it the wrong way. They're repeating the mistakes of other high-end brands.

Another thing is that in the mattress category, for example, our competitors are going wholesale and ending up in the Mattress Firms of the world. It's something that we are not doing. We're controlling our own channel like a true D2C brand and sticking to the value proposition and the philosophy of the company as it started.

II: How has Saatva's physical store expansion improved its omnichannel approach to customer experience?

RJ: If you walk into any of our stores, which we're calling viewing rooms, they're more like the Tesla showroom model. Every single bed has an electronic kiosk where you can do research on the product. The same way people are doing a lot of research on the web, we allow customers to walk into our viewing rooms and do their own research without needing someone to assist them if they don't want that.

We're trying to accomplish two things in our viewing rooms, which are the exact same things we're trying to accomplish on the web: provide a high-level brand experience and allow the customer to do their own research in a very deep way.

II: How do you lead with the notion of "accessible luxury"?

RJ: We are a data-driven company, which has meant that we're not wasting a lot of money on crazy externalities. We've never been a company that spends \$1 million on a Super Bowl commercial. Whereas a lot of other brands do messy things, and as a result, they're more inefficient—and these inefficiencies end up getting passed on to the customer.

We are focused on providing exceptional products and customer experience, which benefits the customer the most. As a result of being so disciplined as a company, we're able to provide real value to our customers.