

## INSIGHT ON BUSINESS

### WEEBLY MAKES CREATING WEB SITES EASY



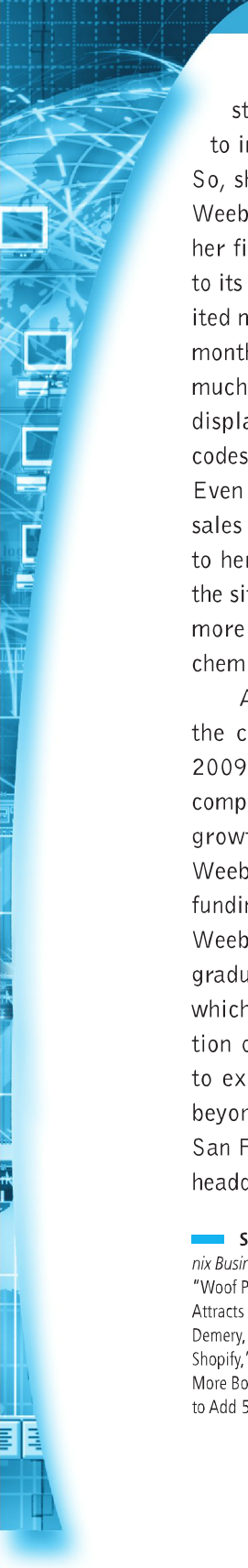
With so many big companies dominating the e-commerce scene, you may wonder if there's a chance for the little guy anymore. The answer is yes: there are still billions left in potential online retail sales, with additional money to be made from advertising revenues. In fact, there's an e-commerce frenzy going on that nearly rivals the dot-com era with one exception: the start-ups have much leaner development models made possible in part by much cheaper technology and social media that can provide inexpensive marketing and sales.

Weebly, a company that was once a "little guy" itself, makes its living by providing valuable Web site solutions to other small businesses. Founded in 2007 by Penn State graduates David Rusenko, Chris Fanini, and Dan Veltri, Weebly provides Web site templates that allow small businesses to create their own Web sites with a full suite of features, including blogs, online stores, and mobile compatibility. Weebly hosts over 20 million sites created with its Web site tools that have over 140 million monthly unique visitors. Users create sites using a drag-and-drop, widget-based tool that works within a Web browser. Weebly's primary customers are the "little guys" hoping to harness the site tools traditionally available only to bigger Web sites and retailers.

Weebly is just one option in an increasingly crowded marketplace for website creation services. Today's offerings are a far cry from early services like GeoCities and Angelfire, which look crude by today's standards. Weebly and its competitors, including Squarespace, Wix, and WordPress, offer much more polished products

than their predecessors. The company has a free option with basic features as well as premium plans starting at \$4 per month and increasing to only \$29 per month for its high-end Business Plan. Over the course of its growth, Weebly has added Google AdSense monetization features, CSS/HTML editing support, and the ability to generate a mobile version of each Web site automatically.

Weebly has increasingly focused on improving its e-commerce services, such as a mobile store and checkout capability, integrated shopping cart, and filtered product search. It also offers basic support for PayPal and Google Checkout. By revamping its e-commerce tools, Weebly hopes to better compete with Amazon, as well as similar user-friendly marketplaces such as Etsy and Shopify. Sixty percent of Weebly users identify themselves as entrepreneurs hoping to create an online presence for their business. One example is Kim Beers. Beers had recently graduated from the University of New Hampshire with a degree in environmental chemistry and had large student loans to pay back. Strapped for cash and looking to come up with thoughtful Christmas gifts for friends, Beers began to make pet toys. They were so well received that she decided to start selling them under the name Woof Purr Studio. Working from her apartment in Concord, New Hampshire, she fashions about 20 different types of non-toxic, environmentally-friendly pet toys from recycled items such as tennis balls, milk inflaters, fleece purchased on clearance, and squeakers. Beers first tried selling on Etsy and eBay, which enabled her to build an initial following. However, she was dissatisfied with the inability to control how her products were displayed and the fees that Etsy and



eBay charged. She felt it was important to start selling directly from her own Web site to increase her margins and grow her business. So, she decided to create her own Web site with Weebly, starting with Weebly's Basic version for her first Web site, and then in, 2013, upgrading to its Business version, which allows for an unlimited number of products to be displayed for a flat monthly and no transaction fees. Beers reports a much better user experience, with the ability to display larger images and videos, offer coupon codes and ship items internationally more easily. Even better, she has experienced an increase in sales after switching, an increase she attributes to her ability to be able to explain in a video on the site why her toys are better although they cost more than toys made in China from potentially chemical-laced materials.

Although Weebly doesn't disclose its revenue, the company is profitable and has been since 2009. This is an attractive quality for a start-up company, many of which have historically sought growth first and profitability later. In 2014, Weebly received \$35 million in venture capital funding that valued the company at \$455 million. Weebly is one of the more valuable companies to graduate the technology incubator Y Combinator, which its founders attended in 2007. In anticipation of its future growth, Weebly has continued to expand its physical presence and workforce beyond the 80 employees it had in 2013 in its San Francisco and New York offices, building new headquarters in San Francisco in 2013 and a new

office in Scottsdale, Arizona, in 2014. Weebly plans to hire 150 employees in Scottsdale by next year and approximately 500 new employees overall over the long term, most of whom will be engineers and designers.

Because so many businesses still don't have an online presence, Weebly's prospects for growth are bright. Less than 40% of restaurants have online menus, for example. Although its competitors, such as Wix, are also growing fast, there appears to be enough room in this market for several companies. In 2013, Wix launched an initial public offering, but the response was lukewarm, with investors expressing concern over its lack of profitability. So far, that's an advantage for Weebly, but with its recent aggressive push for growth, Weebly may suffer in this regard in the near-term future.

Weebly is just one example of a larger trend toward leaner business models that rely on outside help for many of their business functions. Although hardware has become less expensive over time, many startup firms have found that cloud computing and social marketing greatly reduce the costs of starting a company. Market intelligence, public relations, and even design services can be found online for a fraction of the cost of traditional service firms. It's never been cheaper to start an e-commerce company. In fact, a slow economy may be an entrepreneur's best friend. Failures are not so noticeable, which creates a better environment for risk-taking, which encourages innovation.

**SOURCES:** "About Weebly," Weebly.com, accessed August 20, 2014; "Weebly Expanding Into Scottsdale, Plans to Hire 250," by Hayley Ringle, *Phoenix Business Journal*, June 3, 2014; "Weebly Valued at \$455 Million Amid Website-Building Boom," by Douglas Macmillan, *Wall Street Journal*, April 22, 2014; "Woof Purr Has Everything You Need for That Special Pet in Your Life," by Tim Goodwin, *Theconcordinsider.com*, December 31, 2013; "Weebly Website Creator Attracts Online Sellers with Store Features," by Greg Holden, *Ecommercebytes.com*, December 8, 2013; "A Tiny Web Merchant, But a Global Reach," by Paul Demery, *Internetretailer.com*, November 19, 2013; "With 30K Active Online Stores, Weebly Launches DIY eCommerce Platform to Take On Amazon and Shopify," by Rip Empson, *Techcrunch.com*, November 6, 2013; "Weebly Arms Entrepreneurs with Superior eCommerce to Boost Shopper Experience and Sell More Both Online and on Mobile," *Reuters.com*, November 6, 2013; "As Wix Heads Toward IPO, Weebly Looks to Expand with Big New SF Headquarters, Plans to Add 500+ Employees," by Rip Empson, *TechCrunch*, August 24, 2013.