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Executive Decision-Making at Zola

In April 2020, Rachel Jarrett, president and chief operating officer (COO) of wedding technology (tech) company Zola, prepared for a strategy meeting with the company's executive team. Weeks earlier, the first cases of COVID-19 had arisen in the United States, prompting cities to implement widespread limits on large gatherings to curb the pandemic's spread. As a result, many couples had postponed their weddings or delayed planning weddings altogether. It was unclear how long the pandemic would last, thrusting the wedding industry – and Zola's business – into uncertainty.

Before the pandemic, Zola had launched three new business lines: wedding apparel, a honeymoon-planning service, and a marketplace for wedding vendors such as photographers, florists, and makeup artists. Each new business focused on a different stage of a couple's wedding-planning journey, representing Zola's ultimate ambition to serve couples from their engagement through the early years of newlywed life. Yet, in light of COVID-19, the company's leaders were worried they could not invest in all three of these new businesses in 2020.

As Zola's leaders always did during difficult strategic decisions, Jarrett and CEO Shan-Lyn Ma assembled the company's executive team and department heads to assess the pros and cons of continuing each new business. They were keen to determine how pursuing each option might affect Zola's specific business functions and to get a sense of the team's overall sentiment regarding the choice. Jarrett took a deep breath as she watched her colleagues enter the Zoom meeting, wondering what perspectives they might raise regarding the best path forward for Zola.

The Wedding Industry

Weddings in the U.S.

Weddings were one of the longest-standing traditions. The first recorded wedding ceremony took place in Mesopotamia in 2350 BCE.¹ Wedding celebrations ultimately spread to ancient Greece and Rome, and they remained an enduring, pan-cultural ritual through the 21st century.² In the U.S., weddings and marriage were ubiquitous: between 1960 and 2019, the number of married couples in the U.S. increased from 40 million to 62 million, with roughly 2 million weddings occurring per year throughout the 1990s and 2010s (see **Exhibit 1**).³

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In 2017, the average age of first marriage in the U.S. was almost 30 for men and 27 for women, a roughly seven-year increase for both genders since 1970.⁴ Some observers believed that many couples opted to delay marriage until they achieved life milestones such as finishing their education and establishing their careers.⁵ Others attributed the trend to rising economic instability among young adults; in 2017, slightly more than 40% of unmarried adults cited a lack of financial means as the primary barrier to matrimony.⁶ Similarly, a 2018 analysis revealed that the top 20% of U.S. earners were more than twice as likely to be married as the lowest 20% of earners. Accordingly, one industry expert deemed marriage “a luxury good that’s attainable only by the people who have the highest resources in society.”⁷ Historical patterns reinforced the relationship between wedlock and wealth, as marriage rates sharply declined during the U.S. Great Depression (1929-1933), then spiked during the period of economic prosperity that followed World War II (1950-1973).⁸

Perhaps as a result of these trends, the wedding industry experienced volatility during the 2010s.⁹ Annual wedding-related expenditures increased from \$70 billion in 2012 to more than \$87 billion in 2016, then steadily declined for the remainder of the decade.¹⁰ By 2019, the industry’s revenues returned to \$70 billion.¹¹ Separately, annual spending on wedding gift registries totaled \$19 billion.¹² The cost of an individual wedding was approximately \$30,000 on average.¹³ Meanwhile, the average couple spent an additional \$4,500 on their honeymoon.¹⁴ Spending patterns varied significantly by region; weddings in New Jersey, New York, and Rhode Island cost roughly \$50,000 compared to about \$20,000 in Oklahoma, Utah, and Wyoming.¹⁵

By 2019, most U.S. couples created two or three wedding registries, each of which featured about 110 gifts on average.¹⁶ Alongside physical gifts, the typical couple received roughly \$1,800 in cash contributions.¹⁷ Amazon was the most-used wedding registry.¹⁸ Other popular registries included Target, Bed Bath & Beyond, and Crate & Barrel.¹⁹

Wedding Vendors and Services

Engagements tended to last between 12 and 18 months.²⁰ During this timeframe, couples selected their wedding date, booked a venue, determined their guest list and sent invitations, planned their honeymoon, compiled their registry, purchased wedding attire and rings, and selected vendors. The average couple hired 14 vendors for their wedding.²¹ (See **Exhibit 2** for the average costs of different wedding items and services.) Industry experts recommended that couples hire vendors such as wedding planners and venues up to a year before the wedding date, and recruit experts such as photographers, videographers, florists, and caterers at least 10 months in advance.²²

In 2017, roughly 300,000 businesses operated in the U.S. wedding services industry.²³ Due to the large volume of specialized vendors involved in a typical wedding, the market was highly fragmented, with the four largest businesses collectively controlling less than 5% of the market.²⁴ Many vendors were small, local businesses that advertised heavily through social media platforms such as Facebook and Instagram.²⁵ While online marketing enabled vendors to reach soon-to-be-weds at a low cost, it also lowered barriers to entry for new businesses. Thus, some analysts projected that competition would increase for vendors through the 2020s as the number of operators increased and the marriage rate continued to decline.²⁶ The rise of “do-it-yourself” weddings in which couples took on certain aspects of wedding planning, such as creating party favors or designing their own centerpieces, also threatened to erode vendors’ market share.²⁷

Meanwhile, digital platforms emerged to offer multiple wedding-related services, simplifying the complexity of the planning process. (See **Exhibit 3** for trends regarding the use of tech in the wedding-planning process.) Popular platforms included The Knot Worldwide, a global company with a portfolio

of brands that helped users navigate life milestones. The Knot Worldwide's brands included WeddingWire, an online wedding vendor marketplace, and The Knot, a digital wedding-planning service with free websites and registries.²⁸ In 2019, The Knot Worldwide had a valuation of more than \$900 million.²⁹ Other operators included Minted, an online marketplace for designers that offered wedding planning services, including websites, registries, and a stationery store.³⁰

Zola Company History

Ma traced Zola's origins to her early career as a product manager at The Gilt Groupe (Gilt), a New York City-based e-commerce company that offered various fashion and lifestyle products. There, Ma worked closely with Gilt's then-Head of User Experience and Design Nobu Nakaguchi, and in 2010 the two collaborated to launch Gilt Taste, a premium food and wine division. Two years later, Ma and Nakaguchi left Gilt to pursue other opportunities: Ma became chief product officer at e-commerce jewelry retailer chloe + isabel, while Nakaguchi worked as a consultant.

Within a year of departing from Gilt, the friends jointly realized that their new positions were not right for them. Ma reflected, "We loved working together and always talked about how we wanted to start something together. After we left Gilt, we looked at each other and said, 'What's stopping us?'"

As Ma and Nakaguchi brainstormed potential business ideas, they realized that they frequently attended friends' weddings. However, they were often frustrated with the user experience on wedding registry websites. For instance, many registries did not have a mobile interface, while others had confusing or unappealing designs.

Ma discussed the issues with her friends and found that they too were frustrated with the registry process. Many couples were irritated that they had to create several different registries to select all their desired gifts, wishing that they could instead consolidate the items onto a single website. Others complained that they could not personalize their registry; for instance, some affianced individuals wanted to communicate how their requested gifts connected to their relationships. Ma also discovered that stores typically shipped gifts to couples immediately after purchase, and did not communicate which guest had purchased a given item.³¹

Ma recalled, "Nobu and I were the best people to solve these problems because they required the right product. The wedding registry market is one in which the right product wins. We knew e-commerce, and we knew how to innovate. We had spent many years building shopping experiences that we were very proud of. I talked about the user experience from a guest standpoint, and he talked about it from a couple of standpoints. We quickly realized that no one was happy in that equation."

The insight inspired them to start their online registry service in 2013. Ma served as the company's CEO and Nakaguchi assumed the role of chief design officer. Meanwhile, they recruited Felix Lung, a former Gilt colleague, to be Zola's chief technology officer. They named their fledgling business Zola, a Zulu word for "love." Kevin Ryan, Ma and Nakaguchi's former mentor at Gilt, provided seed funding for the venture and helped found the company. Shortly after launching, Ma recruited Maya Simon, one of her former Gilt interns, to manage the company's partnerships and strategic planning, and Kate Furst, a former Gilt operations director, as SVP of operations.

Zola Culture

While the co-founders' time at Gilt influenced their approach to product development, it also informed the culture they wanted to create. Ma reflected, "Nobu and I talked a lot about what was

important in terms of culture. It was a combination of what we loved from Gilt and what we thought did not work well. The culture we set out to build was collaborative, team-oriented, customer-focused, humble, innovative, and data-driven.” Furst elaborated, “The foundation of Zola’s culture is rooted in assuming good intent, collaboration, transparency, and making sure we aren’t jerks.”

The Zola leadership team modeled these behaviors for their direct reports, ensuring they infused the company culture through all levels of the organization. These efforts bore fruit, as most Zola employees reported that the company’s leadership team was approachable, communicative, and listened to their perspectives. (**Exhibit 4** shows the results of Zola’s 2020 employee survey.)

The Registry Service

Zola’s registry product was a custom-built, digital platform that featured a variety of common wedding gifts, including kitchen appliances, furniture, household items, and leisure products such as athletic gear, camping equipment, and electronics. The company partnered with multiple brands for each item—for example, couples could select a cast iron skillet from high-end kitchenware brand Le Creuset or more affordable brand Farberware. Users could further customize by specifying the desired quantity and color of each requested item. The site also allowed couples to request gift cards, cash gifts, or contributions towards experiences such as wine tastings, restaurant outings, or spa visits.

Zola staffed a team of advisors to give couples personalized guidance throughout creating a registry. After selecting their product assortment, couples finalized their registry and circulated it to their guests. Zola provided free shipping for all products on its registry and offered to match the price of a registry item if a guest found it at a lower price through a different vendor.

Nakaguchi noted, “The ethos of Zola is: how can we create a better product in everything we do?” Thus, he and Ma designed the platform to solve many common user pain points associated with registries. They created a mobile application (app) that integrated with couples’ websites, enabling them to register products through their phones. The founders developed a gift tracker that notified couples whenever a guest purchased an item on their registry. In tandem, they set up a feature that held the shipping on to-be-weds’ gifts until they were ready to receive them and gave couples the option to exchange a gift before it shipped virtually. The gift tracker included a feature that generated personal thank-you cards for each guest, which couples could subsequently print through Zola.

Senior Financial Analyst Madelyn Flinn elaborated, “The beauty of our registry is how it integrates seamlessly with our wedding websites, gift tracker, and thank-you card generator.”

Zola was free for couples. Like a traditional retailer, it retained approximately 40% of the sales of products purchased through its site—though Zola did not hold inventory. While the company charged a fee for cash gifts to offset credit card processing costs, it did not profit from the cash gifts or the fees. Couples could absorb the credit card processing costs themselves or request that the gift-giver pay the fees, which represented 2.4% of the value of the gift.

Growth and Product Expansion

In 2017, the company developed Planning Tools, which included free websites that allowed couples to share details about their wedding, including the date, venue, and schedule. Couples could also upload photos, travel and accommodation recommendations, and profiles of their wedding party members. Alongside the free websites, Planning Tools offered guest-management tools. For instance,

it enabled guests to submit digital RSVPs for the wedding ceremony, rehearsal dinner, and post-reception celebrations, and recorded their meal choices and information about their plus-ones.^a

The following year, Zola created Invites + Paper, a wedding stationery business that allowed couples to create personalized invitations, save-the-date cards, and thank-you notes. The new offering provided a range of style options, including more than 150 design templates, two types of paper, a selection of fonts, the ability to add photos, and optional features such as gold or silver foil. The stationery business integrated with Zola's guest-management tools, enabling the site to print guests' addresses on the envelopes before shipping them to the couple. Zola's save-the-dates started at \$1.35 per card, while invitations cost at least \$1.99 each. Meanwhile, rates for the site's thank-you cards started at \$1.59 apiece. Prices increased based on a couple's design preferences.

In 2019, Zola continued its expansion by launching a pop-up retail store in New York City. The store operated from January through June, the months in which wedding planning services were in highest demand. While the company had previously operated as an online-only service, couples had increasingly requested the ability to review a potential gift in-person before adding the item to their registry. The brick-and-mortar outlet offered in-person consultations with Zola experts and a limited selection of the company's bestselling registry items and paper products. It also operated as a center for wedding planning experiences—for instance, the store featured a space that allowed couples to listen to their reception playlist, a Cannabidiol (CBD)^b lounge for couples seeking to escape wedding-related stressors, and a three-dimensional printer that created custom cake toppers based on photos of the couple. While Ma noted that she did not plan to pursue a large-scale brick-and-mortar expansion, she indicated that the company might ultimately expand its pop-up store model to select cities.³²

Also in 2019, Zola added new features to its product offerings. It broadened Invites + Paper to include holiday cards, reception menus, place cards, and wedding programs, and added a seating chart function to Planning Tools. The seating chart integrated with couples' guest lists, allowing them to assign each guest to a table virtually. The tool also allowed users to customize the shape of the table, the number of tables, and the number of guests per table.

The Decision-Making Framework

The Original Process

Ma and Nakaguchi expanded their leadership team alongside their product offerings. In 2016, they invited Jarrett to join the company as president and COO. The founders knew Jarrett from their years at Gilt, and they believed that her operational expertise made her an ideal person to help lead the business. A year later, they recruited Annette Fung as chief financial officer (CFO) and Mike Chi as chief marketing officer (CMO). Fung and Chi were also former Gilt employees. At the time, Zola employed about 80 people. Its executive team, which consisted of Ma, Nakaguchi, Fung, Jarrett, Lung, and Chi, among others, sought to make strategic decisions through consensus. Fung reflected, "Our executive meetings resembled a full discussion. We would raise a topic, vet options, and discuss until we arrived at a decision that we all felt good about. The team gelled, and we made decisions quickly."

^a A plus-one was a companion that attended an event with an invited guest. In the case of weddings, some couples allowed guests to bring plus-ones, who were often—but not always—romantic partners or dates.

^b CBD was an ingredient in marijuana. Some evidence suggested that CBD had medicinal benefits such as reducing anxiety, pain, and inflammation.

Yet by 2018, Zola's staff had grown to more than 100 workers. In tandem, the company added more people to the leadership team. Accordingly, the number of people involved in making strategic choices increased. Simon explained, "Consensus-based decision-making wasn't possible anymore. The process took too long and sometimes prevented us from making choices that needed to be made."

Fung concurred: "Once our leadership team grew to more than 10 people, the conversations grew lengthy and could get derailed by minutiae. Then we wouldn't come to a decision and would have to regroup, and that becomes inefficient."

While the executive team knew that they needed a more efficient way to make decisions, they wanted to continue to allow each leader to voice their perspective on a given strategic issue. They also wanted to preserve the transparency of the existing system, as many of them were not satisfied with the decision-making processes they had encountered before joining Zola. Fung explained:

In one of my previous companies, we had a small group of decision-makers and many stakeholders. The general frustration was that there was not a lot of buy-in or communication from the team. Unless you were one of the decision-makers, it was hard to understand how decisions were made. We felt like we did not have a chance to give input.

Jarrett's Model

In 2018, Jarrett worked closely with Chief of Staff Manika Garg to brainstorm ways to make choices more efficiently. She tested a decision-making model in which a single decision-maker solicited the perspectives of the executive team and key department leaders regarding a specific business dilemma. The Zola team referred to the process as "taking a vote." Jarrett explained, "We want to make sure we are looking at something from all angles, and to make sure that no one person dominates the discussion. [. . .] We have many introverts on the executive team. I'm not one, and it's something that I have to be cognizant of."³³

The process began when a member of the executive team or department head encountered a strategic issue that did not have an obvious solution or when they wanted to get buy-in from their fellow leaders, a core part of Zola's culture. The leader then assessed the dilemma or issue and, with input from Jarrett, determined whether to make the decision on their own or solicit input from the rest of the team. If the leader decided to bring the issue to a vote, they compiled a data-driven presentation outlining the pros and cons of each option. Ma explained, "Part of the beauty of the process is that the leader does the work to explore both sides of the argument fully before they present to the team. It allows them to pose the question to the team in an unbiased way."

The leader then would bring their presentation to the weekly leadership team meeting. The first step of the meeting was for the group to identify the decision-maker. Sometimes the decision-maker was the leader making the presentation, and other times it was Fung, Jarrett, or Ma. "Identifying the decision-maker is an important step in the process," said Jarrett. "Without that step, there can be a lot of spin and wasted time." Next, the leader briefed the team on the potential paths forward for an issue, highlighting the advantages and tradeoffs that accompanied each option. During this stage, the presenter had to discuss the options without bias, using data to support the claims they made regarding each option. They could not argue in favor of one option or indicate which option they preferred. SVP of Product Engineering Justin Riservato noted, "Rachel keeps whoever is presenting very honest. The process does not work if there is bias. We are a very data-oriented team. We all understand what makes the vote work and have the same expectations."

Fung added, “I don’t feel the need to talk to people ahead of the time. We can collect feedback in one meeting rather than go to people unofficially. It encourages good behavior, because side conversations sometimes create a lot of spin.”

The group then voted on which choice or combination of choices they supported. The process was anonymous, with team members submitting their choices through Post-It notes or a “heads down” vote. Garg collected the votes and tallied the responses; however, she did not record specific individuals’ votes. Garg noted, “In situations where a leader has a strong recommendation, many people might not want to disagree or will not speak up unless they feel really strongly about the decision. Since this process is confidential, it makes it difficult for people to succumb to groupthink.”

Jarrett elaborated, “We have a no-politics culture at Zola. No one remembers how people voted on a particular issue. We do not blame others if our projects or preferred options are not endorsed. We focus on the goals and how best to achieve them.” In particular, the process reduced the influence of the highest-ranking leaders. Riservato explained, “I don’t feel pressure to vote the same as my boss, or worry about being the only person to vote a certain way.”

After reviewing the votes, Garg presented the team with the results. If the vote was unanimous, which rarely happened, then the meeting concluded. However, if the vote revealed division within the group, Garg asked the team members who were in the minority to explain their vote. After soliciting the minority opinion from each person, the rest of the team voiced their perspectives. Occasionally, the discussion inspired the team to add a new option or combine several existing possibilities.

Nakaguchi reflected, “The meeting is a safe space. People are not being called out. We just want to know the reasoning behind people’s decisions.” Riservato added, “It does not feel like losing if the vote does not go your way. It does not feel like getting overruled. It’s a group discussion. Often, the decision-maker feels thankful that we collectively came up with a better decision than they would have made on their own.”

Ma waited until other team members spoke before sharing her own opinion, as she wanted to minimize the risk of swaying the discussion. She explained, “I try to convey – particularly when I’m not the decision-maker – that I’m one voice among many others. The reason that I might vote a certain way may be similar to the points that others have laid out.”

Finally, the team voted a second time, which usually revealed consensus—or a clear majority opinion—regarding the best path forward for Zola. According to Jarrett, in 90% of discussions, team members changed their minds between the first and second votes, typically because a member of the minority raised a perspective they had not previously considered.³⁴ For instance, the vote often prompted discussions of how a strategic issue might affect different teams within the organization. Department heads had the opportunity to express concern that their team did not have the bandwidth to meet the needs of a proposed initiative or to point out potential implementation barriers that the decision-maker had not addressed.

Nakaguchi explained, “I think many people initially look at a decision through a particular lens based on their function, but there are often other aspects that they do not consider. For example, there might be a technical or financial argument in favor of a certain decision that did not originally occur to someone in a different department.”

After the Vote

After the meeting concluded, the decision-maker proceeded with their choice. However, they were not required to adhere to the group's verdict. Jarrett explained, "Zola is not a democracy. At times we have to go against the group, or we do not vote on some key issues. We go to the group when we are unsure and need their help."

Zola's executives reserved voting sessions for strategic decisions that had implications for the business's trajectory—in a typical year, they held no more than eight sessions. "We don't want to belabor every decision," conceded Garg. "It has to be an issue where everyone's input is important. If it's possible to make a decision without the entire team, then we try to limit the discussion to a smaller group of people."

While the voting system gave the decision-makers deeper insight into the pros and cons of a given choice, it also aligned the team when the time came to implement the outcome. Garg explained:

The voting process kills two birds with one stone because each leader has already heard the entire team's perspectives. They have heard the reasons directly from the source, which makes them more empathetic towards other points of view—it's different from reading a summary of the decision after it has been made. Dissenters have seen that the majority disagreed with them. After the meeting, each leader can be honest with their own units about the rationale behind the decision, and reassure them that their team's perspectives were considered. The system gets most people on board for the final choice.

Furst agreed, noting, "When we need to filter down the outcomes from the vote, we can explain it in a way that everyone can get on board with because they trust the process and know how we thought through the decision."

It also allowed the company to make faster choices. "While this process might seem like it takes a long time or is too much work, it actually speeds things up," said Jarrett. "At previous companies, I would see leaders agonize over decisions for weeks without a clear decision-maker having been identified and without the proper input gathering. At Zola, we actually make decisions very quickly because we have this process."

The process also strengthened the company culture. Fung explained, "At Zola, we talk a lot about assuming good intent for any conversation. We are also encouraged to speak up if we disagree with an idea, but are expected to commit to the ultimate decision. This process helps both of those things. Assuming good intent creates a safe environment for the discussion. If I disagree, this is the forum to say what is on my mind without feeling like I am going to get attacked."

The process also boosted morale among Zola leadership, perhaps contributing to the executive team's low turnover rate. "Most of our leaders have been at Zola six to eight years," Jarrett noted. "This system contributes to high morale because everyone is heard, and everyone is aware of the context of important decisions."

Riservato concurred: "It builds trust when someone like Rachel admits, 'I'm not sure what to do; this is a hard decision.' She leads by example, showing us that we don't have to pretend that we always know the right choice right away."

However, the process had the potential to add greater complexity to business dilemmas. As Riservato pointed out, "We can't allow ourselves to get too into the weeds for the voting decisions. It has to stay at a high level, but that can be hard sometimes. We are all problem solvers, so the process

helps us resist going down the rabbit hole of trying to come up with different solutions rather than focusing on the original choices.”

Zola in 2020

By early 2020, Zola’s registry offered over 100,000 products across more than 1,000 brands. Its Invites + Paper business featured roughly 3,000 design options. The site had served nearly 2 million couples since its 2013 launch and generated over \$300 million in annual GMV (gross merchandise value). It had raised more than \$100 million in venture capital financing from funds such as Lightspeed, Thrive, and Canvas, and industry experts estimated that the company was worth \$600 million.³⁵ Paul Hsiao, co-founder and general partner at Canvas Ventures and Zola board member, remarked, “Zola was emerging as the primary industry disruptor, gaining market share every year since its inception against older and more established online and offline incumbents. It had very happy customers with high referrals and a net promoter score^c in the high 60s, among the best brands in the world.”

In 2020, Zola had roughly 200 employees across 11 divisions, and had a leadership team of 14 people (see **Exhibit 5**). Zola’s executive team was poised to continue the company’s growth by launching three new businesses: wedding apparel, a honeymoon-planning service, and a marketplace that allowed couples to search for – and book – vendors.

Apparel Jarrett envisioned offering a full range of apparel for brides – including the wedding dress – as well as bridesmaid dresses. She explained, “Apparel is a big area of spend for brides, and many of us had a background in the apparel industry prior to joining Zola.”

Thus, in 2019, Zola launched an apparel business, and by early 2020, the company had a dedicated portal on its website that sold dresses from a handful of external partners. The team also had developed in-house designs of “little white dresses,” which brides often wore at their rehearsal dinner, bachelorette party, or wedding-related celebrations. Zola had contracted with a factory that was poised to mass-produce the little white dresses, and Zola leaders were in the process of forging relationships with additional factories in China.

Meanwhile, Nakaguchi and his team had created a prototype for a mobile app-based tool that would enable users to create a customized wedding dress. He explained, “Couples could pick every aspect of their dress and render it, like dressing up a Barbie doll. They could choose the cut of the neckline, sleeve length, every facet.” Zola estimated that wedding apparel represented a total addressable market (TAM) of \$8 billion to \$10 billion.

In spite of the apparel unit’s progress, the division needed additional investment to cover the costs of updating the apparel as trends changed, forming partnerships with additional external brands, developing new internal designs, and coordinating photo shoots to market the products. Zola’s operations team would also need to adjust their typical workflow to handle inventory and returns, which the company had not managed previously. Ma and Jarrett projected that, with additional funding, Zola’s apparel store would attract a critical mass of customers within 12 months to 24 months.

^c Net promoter score (NPS) was a rating of a customer’s willingness to recommend a product or service. Typically, NPS was measured on a scale of -100 to 100, with people willing to recommend the product (“promoters”) submitting positive ratings and people who would discourage others from using the product (“detractors”) giving negative ratings. A positive score indicated that a company had more promoters than detractors.

Honeymoons Zola had laid the groundwork for a service that would help couples plan and book their honeymoons. The leadership team ultimately envisioned that the honeymoon business would operate as a travel company. Like the registry business, the new division would partner with hotels, restaurants, and entertainment venues at common honeymoon locations and negotiate fixed packages on behalf of to-be-weds.³⁶ Zola would consult with couples to determine their budget, travel dates, and ideal honeymoon experiences, and then book an itinerary for the couples.³⁷ In exchange for their services, the team planned to charge couples a percentage of the total cost of the trip, which they would then share with their partners. They projected that the honeymoon-planning business represented a TAM of \$10 billion.

In October 2019, Zola publicly revealed its plans for the honeymoon service, launching a beta version of the product in tandem with the announcement. Following the news, several thousand couples joined the waitlist for the service.³⁸ Accordingly, Zola built its team for the honeymoon business, hiring a general manager and reassigning internal staff members to the product. Nakaguchi had hired several designers for the honeymoon unit who planned to join Zola in April 2020. The company believed that the honeymoon service would take several years to scale, assuming the initiative had a fully staffed team and additional investment to expand its roster of partners.

The vendor marketplace The company's leadership also envisioned building an online platform that connected couples to wedding vendors, akin to the digital marketplaces of rivals such as The Knot Worldwide. The proposed platform would list vendors and their schedules, product offerings, and price points. Couples could then search for vendors in their area and book their services directly through Zola, filtering by budget, availability, and style. The company planned to allow businesses to list their services on the site for free, and monetize the marketplace through charging vendors to respond to inquiries from potential client couples.

The Zola team had just started to build the vendor marketplace. They projected that the new service required substantial investment throughout 2020. Further, they anticipated taking multiple years to scale the service. Onboarding a critical mass of vendors posed an additional challenge, as did the fragmented nature of the wedding vendor market. As Riservato noted, "Vendors are everywhere, and many are small businesses, each of which needs slightly different things."

Nevertheless, they anticipated that the vendors represented a TAM of \$50 billion. They also believed that the platform would advance the company's ultimate vision of supporting to-be-weds through the full wedding-planning journey. Nakaguchi explained, "One of the first things that couples do when they get engaged is determine when and where they will get married. The wedding venue tends to be one of the driving factors for the planning process, along with the budget and estimated headcount. If we do not eventually add venues and other vendors to our offerings, it will be hard to compete against other planning services."

Zola and COVID-19

The onset of COVID-19 in March 2020 thrust the wedding industry into uncertainty. Most U.S. states had implemented stay-at-home orders to curb the spread of the virus and had temporarily banned large gatherings. As a result, many engaged couples postponed their weddings; others canceled their original plans and instead held small ceremonies. The honeymoon industry faced similar prospects – by April 2020, U.S. air travel had declined 95% as many would-be travelers canceled their trips to avoid potential exposure to COVID-19.³⁹

In April, Zola laid off 20% of its staff and implemented a four-day workweek for the remaining employees to save costs. While the layoffs and furloughs offset some of the short-term financial fallout from the wedding cancellations, the length of the pandemic – and its impact on the wedding industry – were unclear. Thus, Jarrett and Ma projected the potential business implications if weddings did not resume for 18 months. They soon realized that they might need to pause at least one of their upcoming ventures. They also acknowledged that they would only have the resources to fully pursue one business; a scaled-down version of another venture could move forward with a limited investment.

Halting the progress of any of the divisions had significant strategic implications. The company had invested varying levels of resources into each new product, yet it would likely be years – if ever – before Zola could return to the division they chose to delay. Meanwhile, waiting to enter any of the new markets presented an opportunity cost, which would perhaps be particularly salient if the U.S. experienced a surge in weddings after the pandemic. The decision also could affect company morale, as Zola had already assigned staff members to work on each project; in some cases, they had hired staffers to work specifically on one of the new divisions.

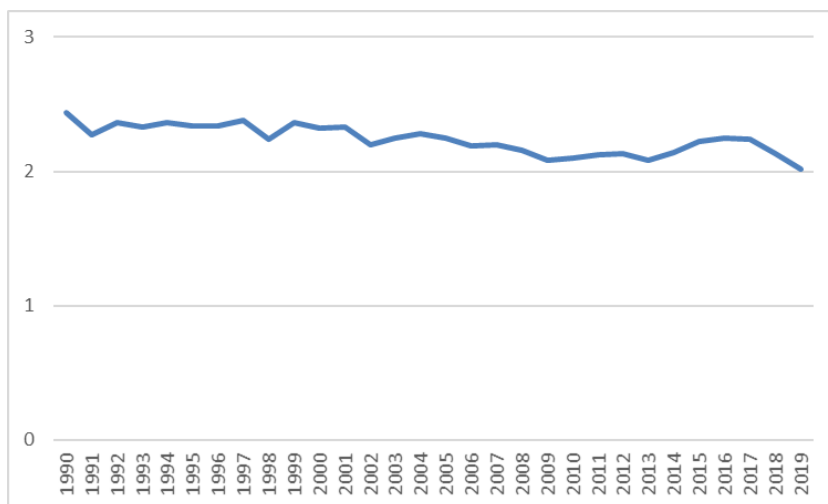
The Vote

Uncertain as to which business line to pause, Jarrett and Ma decided to take a vote regarding the optimal decision during the meeting, which they would hold on Zoom. Before the meeting, Fung and Flinn prepared a financial forecast for each business, projecting the likely outcomes within three and five years. Meanwhile, Jarrett requested that the general manager of each new business line prepare a case for continuing their respective unit. Simon was responsible for apparel, Garg prepared the argument in favor of the vendor marketplace, and Fung and the finance team built a case for honeymoons. Simon explained, “Each of us considered what we anticipated our customers might need during the pandemic, and what they were likely to want when life returned to normal.”

Jarrett and Garg then compiled a presentation based on the material from the general managers. They included Zola’s profit and loss statement (P&L) to emphasize why Zola could not heavily pursue all three options, as well as projections as to how each business might impact the company’s valuation and long-term strategic trajectory. Garg reflected, “We forced ourselves to be structured and methodical for the purposes of putting the presentation in front of everyone.”

At the meeting itself, Jarrett briefed the team regarding the advantages and drawbacks of each venture (see **Exhibit 6**), and then solicited their feedback via an anonymous Zoom poll. The initial results revealed a clear consensus as to which business Zola should fully pursue, but the team was divided as to which business to pause.

Jarrett wondered what perspectives might arise during the discussion phase of the meeting. How would the second vote unfold? If Jarrett disagreed with the ultimate decision, should she defer to the will of the team? She ceded the floor to her team, wondering whether she could marry their feedback with her own vision for Zola’s future.

Exhibit 1 Number of U.S. Marriages per Year (in millions), 1990-2019

Source: "U.S. Marriage Rates Hit New Recorded Low," United States Congress Joint Economic Committee, April 29, 2020, <https://www.jec.senate.gov/public/index.cfm/republicans/2020/4/marriage-rate-blog-test>, accessed January 2022.

Exhibit 2 Breakdown of the Average Costs of Wedding Services and Items in the U.S., 2019

Expenses	Average Costs	Expenses	Average Costs
Wedding and reception venue	\$10,500	Wedding planner	\$1,500
Officiant	\$280	Rings	\$5,900
Rehearsal dinner	\$1,900	Catering (for 50 guests)	\$3,500
Dress	\$1,600	Cake	\$500
Tuxedo (rentals)	\$280	Flowers	\$2,000
Photographer and videographer	\$4,200	Reception DJ/band	\$2,450
Invitations	\$590	Wedding day transportation	\$800

Source: Liz Knueven, "The Average Wedding Cost \$19,000 in 2020, about \$10,000 less than the year before," Business Insider, June 3, 2021, <https://bit.ly/3pNqV4Z>, accessed January 2022.

Note: The total cost of these services was \$36,000, roughly \$8,000 higher than the cost of an average wedding in 2019. The price disparity was likely the result of couples opting to forgo or spend less than the average on certain services.

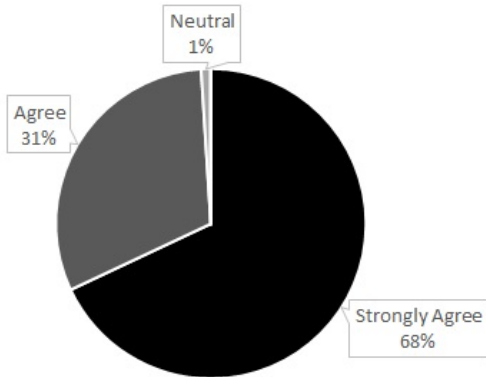
Exhibit 3 Tech Use among Couples during the Wedding-Planning Process, 2019

Tech Feature	Percent of Couples who Use the Feature
Create a Website	74%
Use a Planning App	66%
Use Pinterest for Inspiration	64%
Offer Online RSVPs	54%
Set Up Hashtag	53%

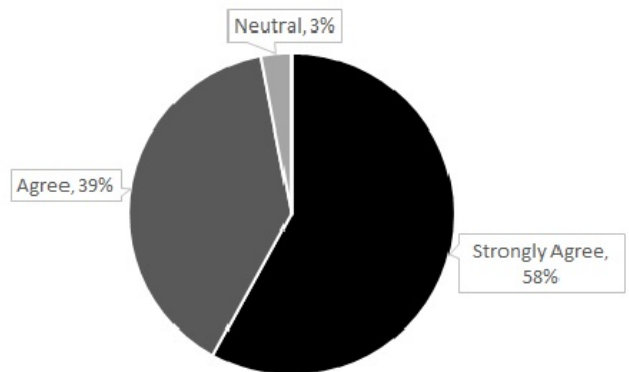
Source: Casewriter, adapted from Lauren Goodson and Kirsten Francis, "Newlywed Report, 2019," WeddingWire, 2019, <https://go.weddingwire.com/newlywed-report/2019>, accessed March 2022.

Exhibit 4 Zola Employee Survey, 2020

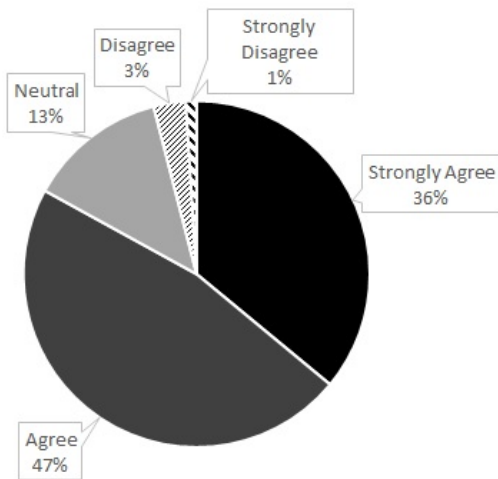
I Understand the Company's Mission and Vision



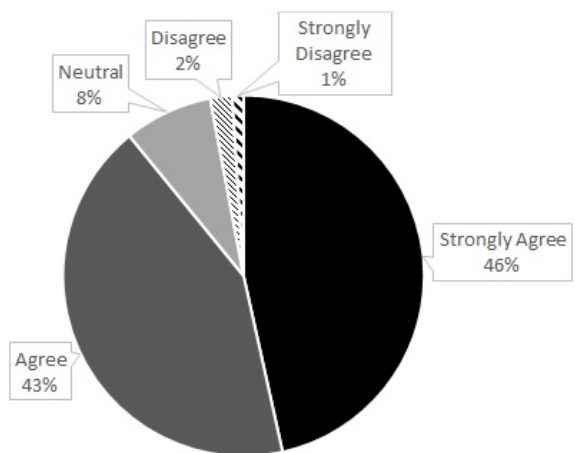
I Understand How My Work Contributes to Zola's Mission



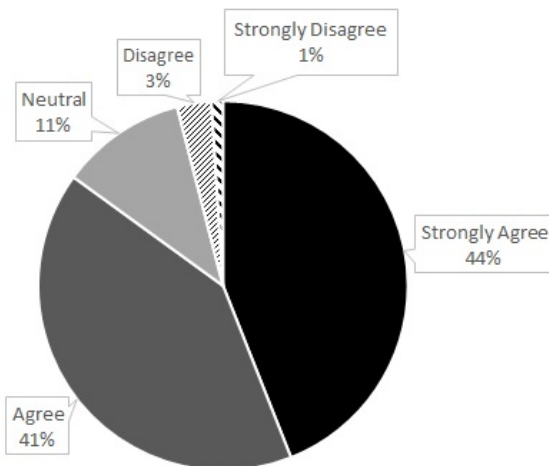
I Feel That I Have A Voice and Can Make A Difference



Zola's Leaders Keep People Informed About What Is Happening



I Feel That the Zola Leadership is Approachable and Open to Listening



Source: Company documents.

Exhibit 5 Biographies for Select Members of Zola's Senior Leadership Team, April 2020

- **Shan-Lyn Ma**, Co-founder and CEO: Ma launched Zola in 2013 in collaboration with Nakaguchi and Lung. Previously, she worked in several senior product roles at Gilt and as a product manager at Yahoo!.
- **Rachel Jarrett**, President and COO: Prior to joining Zola, Jarrett worked as an executive at a variety of retail companies, including a Manhattan-based chocolate company, Gilt, and Barnes & Noble.
- **Nobu Nakaguchi**, Co-founder and Chief Design Officer: Prior to creating Zola with Ma and Lung in 2013, Nakaguchi worked in several senior design roles at technology and e-commerce companies, including Gilt. He also worked as a consultant for Salesforce.com.
- **Manika Garg**, Chief of Staff and Interim General Manager of Vendor Marketplace: Garg joined Zola in 2016 and worked as a senior manager for growth before advancing to the Chief of Staff role. Previously, she worked as a strategy consultant at Booz & Company.
- **Justin Riservato**, Senior Vice President of Product Engineering: Prior to joining Zola in 2018, Riservato was divisional vice president of data at Hudson's Bay Company. From 2009 to 2016, he held multiple management roles at Gilt.
- **Maya Simon**, Senior Vice President and General Manager of Registry and E-commerce: Simon joined Zola in 2014 as one of the site's first employees. She previously held business management roles at Amazon and Shopbop, spent several years as a management consultant, and worked as a summer intern at Gilt in 2011 while pursuing an MBA.
- **Annette Fung**, CFO: Prior to joining Zola in 2017, Fung was a vice president of finance at e-commerce company Vroom. Between 2011 and 2016, she held multiple executive roles in the finance and corporate development departments at Gilt.
- **Mike Chi**, CMO: Chi joined Zola in 2017, having previously served as vice president of marketing and e-commerce at luxury fashion retailer INTERMIX. Between 2010 and 2015, Chi was a senior vice president at Gilt.
- **Felix Lung**, Co-Founder and Chief Technology Officer: Lung co-founded Zola with Nakaguchi and Ma in 2013. Previously, he held a variety of software engineering roles, including serving as lead software engineer at Gilt from 2010 to 2012.
- **Kate Furst**, SVP Operations: Furst joined Zola in 2013 as one of the first employees. Previously, Furst worked as Director of Direct Creative Operations at J.Crew and in several operations roles at Gilt with many other members of the founding team.
- **Stephane Bailliez**, SVP Platform Engineering: Bailliez joined Zola in 2014 a few months after the business launched. Previously, he worked in a variety of engineering roles, including chief technology officer at Vensette, Inc. and Principal Engineer at Gilt.
- **Jay Lee**, SVP Legal: Lee joined Zola in 2018 as the first member of the in-house legal team. Previously, he worked in several legal counsel positions, including Deputy General Counsel at JUMP Bikes.
- **Adam Adelman**, SVP Invites +Paper: Adelman joined Zola in 2018 to lead the company's nascent Invites +Paper business. Previously, he worked as a strategic advisor to various startups.
- **Devon Velthaus**, VP Talent: Velthaus joined Zola in 2019. Previously, Velthaus held several human resources positions across a variety of e-commerce companies, including MealPal and Coach.

Source: Company documents.

Exhibit 6 Summary of Zola's Business Line Prioritization Options, April 2020

	Vendor Marketplace	Apparel	Honeymoons
TAM	Very large	Large	Large
Synergies	Upper funnel product (early in customer journey)	Offers couples another product to purchase for themselves; early in wedding planning process	Strong ties with registry cash funds often used to pay for honeymoons
Margin Profile	Very high	Healthy	Low
Competitive Landscape	One top national player with other fragmented local players	No clear market leader	Competitive travel space, but no clear honeymoons leader
Level of Effort	Full sales & support team in place, but requires significant additional investment to reach scale	Established merchandising team already in place, but requires ongoing creative investment and assortment refreshes	Requires building out in-house team and partnerships
Degree of Online Behavior	80% of wedding planning is done online	Wedding apparel purchasing still mostly happens offline, but COVID has started shifting this trend	66% of travel planning is done online
Timeline to Reach Scale	Long	Medium	Long
LTV/CAC Benefit	SEO benefit	LTV extender	LTV extender
Exit Potential	Fits in product portfolio; marketplace multiple	Fits in product portfolio; e-commerce multiple	Fits in product portfolio; marketplace multiple
Key:	Positive	Neutral	Negative

Source: Company documents.

Note: CAC = customer acquisition cost. LTV = lifetime value. SEO = search engine optimization. The company coded the chart to reflect whether a given factor would be a positive, negative, or neutral reason to prioritize of the three businesses.

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