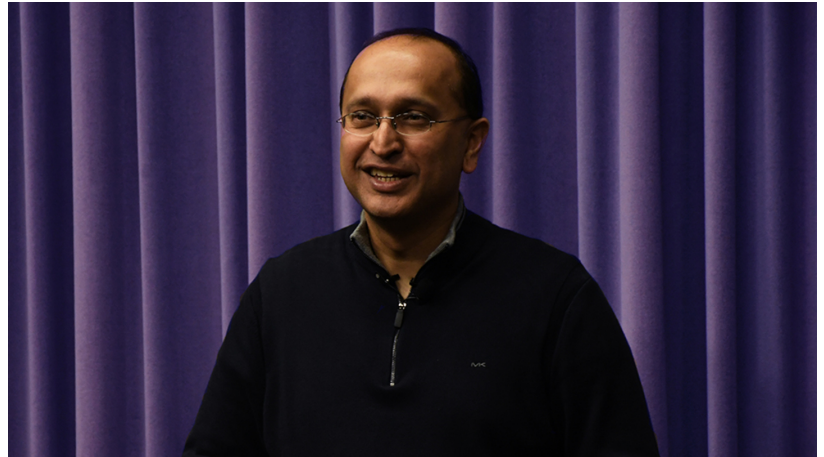


URL: <https://stvp.stanford.edu/clips/invest-in-relationships-not-transactions>

Navin Chaddha, managing director of Mayfield, focuses in on PoshMark's eye-catching customer engagement numbers. He describes how the platform's high level of social interactivity and repeat buyers emerged from founder Manish Chandra's early emphasis on hyper-responsive customer service.



## Transcript

- Poshmark was founded in 2011, and there were many unbelievers.. Most of the people didn't believe that selling used fashion to a marketplace online was a big idea.. However, Mayfield is a people-first investor.. We don't care what the idea is.. We're making the bet on the jockey.. I know nothing about fashion, as you can see with the way I dress.. (chuckling) We made a bet on Manish, and gave him a term sheet even before he had started a company, and connected him to his co-founder, Tracy, who had great background in fashion and merchandising.. Fast-forward to today, the company has expanded beyond used fashion.. They've expanded beyond women's fashion.. They're selling men's fashion new, I don't buy used..

You can see.. It may not be the best, but it's Michael Kors and Joe's, right, like what Nordstrom sells.. So they have expanded from men's, from women to men's, to kid's to beauty for both new and used fashion.. I'm pleased to further report a sale is made on Poshmark every second, and there are over five million sellers who are selling goods from their closets online; and there are over 40 million community members.. The platform has deep engagement.. It's number three in engagement after Facebook and Instagram.. Users are opening the application five to seven times a day, spending 27 minutes on it.. There are millions of social interactions everyday when an item is posted, and 80% of the daily shoppers are repeat buyers.. However, the main reason this company is so successful is because they embrace a people-first philosophy.. Manish, when he came here, talked about, and he still says it everyday, Poshmark is all about love..

It's all about customer first.. So, let me give an example.. In the early days, when Poshmark didn't have enough people, Manish himself tried to solve every customer request from 7:00 a.m.. to 11:00 p.m.. daily.. Now we know, that's no way to build a sustainable company.. But what does it speak to? It speaks to the tenacity of the company.. It speak to the culture of customer first.. As a result, to this date, the maximum number of employees in the company are not in technology.. They're in customer success, and customer support..

More than 40% of the employees are in that organization, when we are just a marketplace.. We don't even touch the goods which are sold on our platform.. So in summary, the lesson is, if you have to build a enduring company start with people, end with people.. Take a people-centric approach.. Invest in relationships, don't invest in transactions...