

BREAKING: Woot CEO Matt Rutledge Has His Own Explanation and Reflections to Share

by [Randall Cleveland](#)

Netflix made quite the splash with their innovative strategy of "Upsetting Every Last Customer We Have" recently, and CEO/Co-Founder Reed Hastings took a lot of heat for [his heartfelt, earnest email](#) explaining that he would make everything better by splitting the company in two, enraging and baffling everyone even further. But while everyone is busy flipping out over a company having the gall to try and charge enough so that they can stay afloat, our CEO and resident pontificator Matt Rutledge took some of Hastings' email to heart after [bashing it on Google+](#).

A self described "Elite" Netflix member (we looked and couldn't really find any evidence that such a thing exists) and no stranger to penning [a letter from the desk of the CEO](#), Matt's always been an innovator, ready to enact a bold new strategy as soon as someone else does it first. That's why many Wooters woke up to find this email in their inbox this morning...

From: Matt Rutledge, Founder and CEO of Woot (NakedKegStandsAllDay_420@woot.com)

Date: Tue, Sept. 20, 2011 at 8:00 AM

Subject: An Explanation and Some Deep Thoughts, Man.

To: **[redacted due to Matt accidentally entering every Woot user's email address]**

Dear Wooters,

Dude, I f&*\$ed up. I owe you guys an explanation.

I keep getting emails from you cretins about how we lack respect and humility, as if I give two craps. Let me be real clear: I'm running a business here. Our interactions are limited to the following: we put up stuff for sale, you buy it, and if you REALLY feel like it, we'll let you tell us how awesome we are.

Sorry, sorry. That came out wrong. Forget all that. Let me just explain to you brilliant, kind-hearted, fun, incredibly sexy people what we're doing here.

For the past seven years, my greatest fear at Woot has been that we wouldn't make the leap from success in offloading overstock crap to success in offloading even MORE overstock crap. Most companies that are great at something - like Pets.com or govWorks - lose that greatness when people start wanting new things (in this case, new and greater quantities of crap). So we're going to copy what Netflix is doing, but first I should personally give you a full explanation of just what the hell it is Netflix is doing.

Okay, I honestly have no idea what Netflix is doing.

But here's the thing. You don't get to be a huge deal like Netflix unless you make the right decisions, right? Sometimes people on the outside don't get it, but everything they do HAS to be a great idea, otherwise mighty Netflix wouldn't do it, right? I mean, sure, you could just come out and explain to customers that it costs a TON of money to license and host streaming content for hundreds of thousands of people and therefore, you have to raise prices. But that's what the lame old Capitalism 1.0 dinosaur companies would do. Where they zig, Netflix zags. So instead they split the company in two.

And that's what I'm doing.

I've realized that Woot's daily deals and our Bag o' Crap are really becoming two different businesses, with very different cost structures. The Woot sites offer the best deals on the Web on a broad range of electronics, housewares, male enhancements, and lethal magnetic toys. The Bag o' Crap offers a random hodgepodge of stuff you can't predict, like a lame Christmas present that you pay for with money instead of love. The benefits of knowing what the product is are really quite different from the benefits of a package that may have anything from a television to a broken *High School Musical* clock showing up at your door by mail. Since these two things are different, they need to be marketed *completely* differently, because the guy from Netflix said so and he seems to know what he's doing except for the whole "Qwikster" thing. That's in the Top 1 Worst Names For A Business of all time. Seriously. You could call yourself "Stab Murders Inc." or "Amalgamated Vomitworks" and I'd have more interest in what you're selling than anything Qwikster has to offer.

Crapster

Anyway, it's hard to write this after selling junk for so long with pride, but I think it's the wave of the future: in a few weeks, we'll start offering our trademark BOC through a spinoff company called "Crapster." I carefully crafted that name over the last ten minutes, to prove my point that the name "Qwikster" is so bad that only a name that refers to actual feces could possibly be worse. I think I succeeded.

Crapster will offer the same slow delivery, indifferent customer service, and worthless landfill-bound products everyone is used to. It's just a new name, a more convoluted process, and more annoying to everyone trying to use it. Instead of just visiting Woot and ordering a Bag o' Crap when one's for sale, you'll instead visit Crapster's website (URL TBD - turns out we named this thing without checking if some punk teenager owned the domain and Twitter handle) and order on there. You'll have to enter all of your shipping and payment info on both sites. Just like Netflix's DVD and Instant services, there will be no overlap between Woot and stuff on Crapster. We're not going to integrate them, because screw you. That's why.

If any of that makes sense to you, congratulations. You're on your way to winning the Reed Hastings way. I want to acknowledge and thank you for sticking with us, and also maybe come over and hold you for just a couple hours. On the couch, with the lights on, no funny stuff. Unless we hit it off, but then totally at your own pace and only as far as you're comfortable with. Don't be intimidated by the muscles. I know how to be gentle.

Both the Crapster and Woot teams will work hard to regain your trust, which we can all admit was pretty low to begin with, although certainly never as low as your trust in Netflix at this point. We know it won't be overnight. Actions speak louder than words. But words are much, much cheaper.

I love you,

Matt Rutledge, Founder and CEO, Woot

PS. I don't have a video to go along with it, but check this one out: <http://www.youtube.com/watch?v=BxhqVrbixZc> Hilarious!