

## Newegg cracks the \$1 billion club

Newegg.com credits a focus on customer service with helping double sales last year to \$1 billion. "We like to think of ourselves as the Nordstrom of the online computer and consumer electronics category, meaning we want to offer the best in customer service," says Howard Tong, vice president of marketing.

Tong says Newegg, a retailer of computer equipment and consumer electronics, joined the \$1 billion annual sales club through organic and internal efforts, not acquisitions. It's been on the web since 2000. Newegg serves more than 2 million customers who buy three to five items and spend about \$300 each time they shop, Tong says.

The company caters to a younger demographic of gamers and IT do-it-yourselfers who grew up with computers and the Internet, like the latest in computers and games, and are often employed as information technology workers. "We recognized an emerging segment early on," Tong says. "We sell to the individual who would rather install more memory on their own computer than always buy a new one."

Newegg stocks 15,000 SKUs online. It ships about 25,000 orders per day from its own fulfillment centers in New Jersey, Tennessee and California.

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