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CONTACT: Edgar Dworsky
617-666-5958

WAYFAIR CALLED OUT ON EXAGGERATED SAVINGS CLAIMS

Company Hides the Secret to its Deep Discount Claims

(BOSTON) – Wayfair.com’s advertising is coming under fire by the consumer advocacy website ConsumerWorld.org for what it says are often exaggerated savings claims and misleading price comparisons that it discovered during the company’s recent once-a-year “Way Day” sale, but those issues extend beyond that one promotion.

Annually in April, Wayfair, an online home goods merchant, promotes a Way Day sale (April 10-11 this year) claiming to offer its lowest prices of the year with savings of “up to 80% off.” After noticing some merchandise on their site offering supposed savings in excess of \$1,000, Consumer World conducted a [spot-check of a dozen deeply discounted items](#) from various departments comparing Way Day prices to the prices the company charged the day after the sale ended. Did shoppers who made a purchase on Way Day really save a bundle compared to those who waited or missed the sale?

One item checked on Way Day was Wayfair’s own private label memory foam mattress advertised for \$349.99, with a claim that it was 83% off what looked like their \$2,100 regular price.

10" Firm Gel Memory Foam Mattress

See More by [Alwyn Home](#)

★★★★★ 354



\$349.99

~~\$2,100.00~~ 83% Off

[Get \\$40 off \\$250 w/it
Credit Card³.](#)

[See All Special Offer](#)

EVERYTHING SHIPS
Get it by Wed, Apr 17
Ship To: [02143 - Som](#)
100-Night Free Trial.

Mattress Size (5)
Queen

Select Quantity
1

But on April 12, the day after the Way Day sale ended, the very same mattress did not revert to that ~~\$2,100~~ “strike-through” reference price nor to any price even close to it. Its

new price only went up from \$349.99 to \$376.99, and the company was still claiming savings of over 80%. So customers who had purchased that item on Way Day thinking they saved \$1,750 represented by the 83% off claim, really saved only \$27.

10" Firm Gel Memory Foam Mattress

See More by [Alwyn Home](#)

After Way Day Price

\$376.99

~~\$2,100.00~~ 82% Off

Get \$40 off \$250 w/it

Comparing the prices of the dozen items in Consumer World's sample on April 12 after Way Day ended to what Wayfair charged on Way Day reveals that every one of them became more expensive after the big sale, some by only a little and some by much more. This certainly suggests that the company did in fact lower its everyday prices for the sale.

Claimed Savings vs. Actual Savings on 12 Wayfair Way Day Sale Items					
Apr. 10 (Way Day) vs. Apr. 12			by Consumer World		
Item	Stated Reference Price	Way Day Price 10-Apr	Claimed Way Day Savings	After Way Day Price 12-Apr	Actual Way Day Savings*
10" memory foam mattress-Alwyn Home	2,100.00	349.99	83% off	376.99	7%
Sonier faux sheepskin rug	569.00	71.99	87% off	89.99	20%
Arthurs 9-draw combo dresser	1,200.00	525.99	56% off	588.99	11%
Mounts upholstered platform bed	983.00	351.66	64% off	422.29	17%
Keanu rocking chair	150.00	65.99	56% off	71.99	8%
Noreen 3-pc outdoor dining set	1,629.00	384.99	76% off	410.99	6%
Tilley rustic 5-pc dining set	629.00	253.99	60% off	287.07	12%
Rabin wall-hugger recliner	400.05	166.99	58% off	231.99	28%
Almaraz upholstered bench	399.99	88.99	78% off	125.66	29%
Wasser end table	189.00	56.14	70% off	62.96	11%
Banker 3-pc conversation set	2,630.00	476.29	82% off	538.99	12%
Solange upholstered dining chairs (2)	433.74	91.98	79% off	135.98	32%
			71%		16%
			Avg Claimed Savings		Avg Actual Savings*

* percentage savings on Way Day compared to after Way Day prices for test items.

However, while the chart above reveals that all the test items promised great savings on Way Day, not a single one of them reverted to the full price claimed (that higher strike-through reference price like the \$2,100 price for the mattress) after the Way Day sale ended. In fact, while Wayfair's claimed savings on Way Day for the items in the sample averaged 71% off, the actual savings on Way Day compared to Wayfair's everyday prices right after the sale only averaged out to be a 16% discount.

What Wayfair does for many sale items, and not just on Way Day, is make it appear that their own regular price is being cut by crossing it out and claiming it is now being offered at an often big percentage-off discount. The trouble is, this is not how Wayfair's discounts actually work.

Take the mattress above, for example. Is the \$2,100 strike-through price really their regular price? Wayfair buries the answer in a [42,000-word page of fine print](#) accessible through an inconspicuous "terms of use" link. Its strike-through price is really the *list* price or the highest price they ever offered the item, according to that disclosure.

The Federal Trade Commission's *Guides Against Deceptive Pricing* says that comparison to a high list price or regular price that is rarely charged can mislead buyers as to the discount they actually receive.

Various states have similar false advertising laws. For example, in Massachusetts where Wayfair is headquartered, the company appears to run afoul of state consumer rules by not "clearly and conspicuously" stating the basis for its price comparisons and discount claims, according to Dworsky. Simply put, under the attorney general's regulations, when sellers advertise an item as "X% off", it automatically means the discount is off the seller's own regular prices – just the way a shopper would understand the claim. If sellers intend the savings claim to be a comparison to any other type of price, they have to finish the comparison -- X% off *what* -- such as by stating "83% off list price." Similarly, putting a line through a higher price suggests it is the seller's own regular price that is being reduced unless it is labeled otherwise. Wayfair's product listings fail to make these critical distinctions and disclosures.

And Wayfair has an additional burden. List price comparisons are not even allowed under Massachusetts law unless the seller can demonstrate that a reasonable number of sellers in its trade area actually offer the goods at the stated list price.

"Shoppers are misled when retailers make illusory savings claims based on inflated regular prices rarely if ever charged or by making comparisons to list prices that virtually no one ever pays," asserted Edgar Dworsky, founder of Consumer World. "What stores claim is what shoppers should actually save. They should not have to guess what '50% off' means."

Wayfair did not respond to two inquiries when asked to comment on the test findings and the company's pricing practices.

Dworsky plans to turn over the results of the Wayfair price check to the Massachusetts Office of the Attorney General this week.

The spot-check of prices done by Consumer World is limited in scope, and cannot be used to project the average actual savings on all items during Way Day nor the number of items that did or did not revert to the claimed reference price.

Note to Reporters: The full price check product list, cart of items, graphics of each item, and links to them are available at: <http://MousePrint.org/2019/04/22/wayfair>

Consumer World[®], launched in 1995, is a leading public service consumer resource guide. **Edgar Dworsky**, an avid bargain hunter, is the founder of Consumer World, editor of **MousePrint.org** – an educational site devoted to exposing the fine print loopholes in advertising, and a former Assistant Attorney General in the Consumer Protection Division of the Massachusetts Attorney General's Office. ###