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# Zappos adds 1,300 workers, outgrows space

**Online shoe retailer expects to hire up to 4,500 seasonal workers for holiday shopping season**

Premium content from Business First - by **John Karman III**, Staff writer

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In the past year, Zappos Fulfillment Centers Inc. has hired 1,300 full-time workers and outgrown its two Bullitt County distribution centers, which total more than 1 million square feet.

The company — an affiliate of online shoe, apparel and accessory retailer Zappos.com Inc. — has just leased nearly 118,000 square feet in a warehouse in Shepherdsville's Cedar Grove Business Park to house its return center.

For this year's holiday rush, Zappos plans to add as many as 4,500 seasonal workers to staff its growing operations, according to recruiting manager **Melissa Leary**.

And company officials expect further expansion, although Leary declined to provide details.

"It's a big year for us," said Leary, who has been with Zappos for five years. She described the coming need for workers at the company's Bullitt County facilities as "gigantic."

"Each peak just continues to grow," she said.

## **Amazon bought Zappos to add to its product lines**

Leary provided few details about the factors leading to Zappos' rapid expansion in Kentucky. She said she wasn't at liberty to discuss the company's growing business or its strategies.

But she did say Zappos' relationship with parent Amazon.com Inc. is working well, and the company's sales have been strong.

Seattle-based Amazon, the online retailer known primarily for book and CD sales, paid \$928 million to acquire Zappos, which is based in the Las Vegas area, in 2009.

The acquisition — the largest in Amazon's history — was seen by analysts as part of the company's plan to diversify its offerings beyond its traditional products.

### **Seasonal hires needed September through December**

Zappos will begin taking applications for full-time seasonal workers in September, Leary said.

The company plans to lease a 6,000-square-foot space in a strip center at Cedar Grove to house its recruitment center.

The current 2,500-square-foot center at a Zappos warehouse isn't big enough, according to Leary.

The company also plans, for the first time this fall, to use a staffing agency to help with the hiring process because of the large number of workers needed, she said.

First-shift seasonal workers for the holiday season will make \$8.25 an hour. The rate is \$9 for the second shift.

Workers are eligible for a \$1-per-hour increase after they have worked 90 days.

The holiday hires are needed from September through December, Leary said.

Some will be retained for January and February to handle returns, she added. Some also will be asked to stay on as regular full-time employees.

Zappos hired 2,500 seasonal workers last year, according to Leary. This year, the company projects a need for 3,000 to 4,500.

### **Perks, work environment draw needed workers**

Leary said regular full-time employment at Zappos' Bullitt County distribution centers has grown to 2,200 workers from 900 at the beginning of the year.

About 600 people have been hired in just the past six weeks.

Zappos attracts workers from as far as Louisville, Bardstown and Elizabethtown in Kentucky and Jeffersonville and New Albany in Southern Indiana, according to Leary.

Filling open positions never has been a problem, she said, because the company offers a strong benefits package and a number of perks.

Regular full-time Zappos employees receive company-paid health benefits. The company also offers a free catered lunch and vending every day.

Zappos' warehouses have Karaoke stages and video game lounges. There also is a library and pool table.

Leary said plans call for a fitness center to open soon, and an outdoor basketball court is under construction.

Zappos has been recognized as one of the "Best Places to Work in Kentucky" by the Kentucky Society for Human Resource Management State Council and the Kentucky Chamber of Commerce.

"Zappos just creates a really fun work environment that I think really draws a lot of people to want to work here," Leary said. "We're not your typical work environment. It's kind of that work hard, play hard mentality."

### **The space chase**

As a result of its recent growth, Zappos now is Bullitt County's largest employer, according to **Bob Fouts**, executive director of the Bullitt County Economic Development Authority. "I think the school system (which ranks second) has about 1,600 (workers)."

When Fouts came to Bullitt County in 2003, Zappos had 22 employees, he said, and operated in about 120,000 square feet of warehouse space.

Today, the company has an 832,000-square-foot distribution center at 376 Zappos.com Blvd. in Shepherdsville's Salt River Business Park and a 281,000-square-foot warehouse at 271 Omega Parkway in Cedar Grove.

It recently expanded to a nearby Cedar Grove building at 300 Omicron Court to make space for its return center.

It shares space there with Alliance Entertainment Corp. in a building constructed by Louisville's Crossdock Development Inc.

Crossdock president **Lee Wilburn** confirmed that he recently signed a lease with a new tenant, although he declined to say it was Zappos because of a confidentiality agreement.

Wilburn sold the building July 15, after completing the lease deal.

### **Students benefit from generosity**

In addition to Zappos' role as a major employer and economic engine, it also has been "a very good corporate citizen," according to Fouts.

For example, he said, last year the company provided each of the 500 students at Bullitt Lick Middle School a \$150 gift certificate that they could use to buy items on the Zappos Web site.

"I don't think you can beat that," he said.