

Outer Aims To Be The Leading Outdoor Furniture Brand Helped By \$50 Million In New Series B Funding

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Outer Teak Collection in Pacific Fog Gray COURTESY OF OUTER

Outer is a small company with big ambitions. Selling only a narrow range of outdoor furniture and furnishings – teak, wicker and aluminum outdoor sofas, chairs and seating combinations, plus a selection of outdoor pillows, rugs, coffee tables and cushions – Outer aims to be the first brand consumers think of when planning their outdoor living spaces.

It's well on its way, having seen sales explode by 1,000%+ amid the pandemic, which kept consumers at home where they looked outside and saw the inadequacies of their existing patio furniture.

With a mission “to help people live better outside,” the company has just secured a new round of Series B funding of \$50 million, led by Kathy Xu of Capital Today, after receiving \$10.5 million Series A funding in January. The company, headquartered in Santa Monica, CA, also got an early kick start from Lori Greiner when co-founders Jiake Liu and Terry Lin appeared on “Shark Tank” in 2019.

Where the money will go

The company is allocating the new investment to continue its development of revolutionary materials that can stand up to whatever Mother Nature throws at it.

“We are a materials science company disguised as an outdoor living company,” confides Lin, chief design officer (CDO). As an example, he points to Outer’s new Bug Shield Blanket that uses an insect repellent found naturally in chrysanthemum flowers to repel bugs. It’s invisible, odorless and FDA approved.

With new materials under development, it will also use funds to expand its product offerings beyond lounge seating, expand channel access and continue to develop its range of commercial outdoor furnishings, a market that opened unexpectedly through the pandemic.

And bringing in new talent beyond the furniture industry is another priority to grow the company. CDO Lin, who came out of that industry after working as furniture designer for Pottery Barn, understands the “inside the box” thinking of the furniture world that keeps it at a disadvantage when tackling the “outside the box” challenges that are outdoors.

CEO Liu also had an “in” in the furniture industry with his family owning a factory in China that made patio furniture for Costco, Home Depot and others.

“I’m a computer engineer and before Outer, I built my family an e-commerce business so they could get retail margins instead of just wholesale. That’s when I saw huge demand for outdoor furniture. It’s the fastest growing segment in the furniture business,” CEO Liu explains.



Outer founders. Chief Design Officer
Terry Lin (left) and CEO Jiake Liu (right)

COURTESY OF OUTER

The stars aligned when Liu cold-called Lin on his birthday June 30, 2017. CDO Lin is born under the sign of Cancer, the astrological sign of home. They put

their heads together to form Outer on November 13, 2017 under Scorpio, a sign of fixed determination.

Together they plan to make the outdoor living market Outer's own.

Ambition as big as the outdoors

Outer sees a long runway to disrupt the traditional furniture industry in its weakness designing and selling outdoor furniture. "Look at what's offered in outdoor furniture at the big boxes, on Amazon, Wayfair and in furniture stores. The problems are the same: it's not durable; it's built to be disposable; and it's not comfortable," says CEO Liu.

This has opened up an opportunity for Outer to lead in the outdoor living category.

"Ask the average customer to name an outdoor furniture brand and they can't," shares CDO Lin. "They might mention Pottery Barn, Restoration Hardware or Crate and Barrel, but those brands don't focus just on outdoor furniture. Yes, there are incumbents in outdoor furniture that have been around for decades, but they don't approach branding in a modern way.

"We're a challenger brand in a fractured category where there is no dominant player that people have heard of. We have the opportunity to be the household brand that everyone knows. Our goal is to become the global name in outdoor living," he continues.

Unique selling proposition

Given Outer's disruptive approach to outdoor product development, it is also not surprising that the company took a disruptive approach to selling their products.

“Shopping in a retail store is just not a desirable experience. How can you buy outdoor furniture when it’s been protected 24/7 indoors? It’s never seen a drop of rain or bird poop or a ray of sunshine,” CEO Liu shares.

They identified the pain points in buying outdoor furniture and solved for it: turning their customers’ backyards into Outer showrooms.

“I’m a huge fan of AirBnB, both as a host and a visitor,” he explains. “So that is where our idea for our Neighborhood Showrooms came from. And it was perfect for us, since we didn’t have the money initially to open up retail showrooms,” he says.

To test the feasibility of a crowdsource model to sell outdoor furniture, they put a single post on the Next Door social network and got upwards of 30 replies. After visiting each customer home, they signed up a handful to be their first customer ambassadors, rather than their sales reps.

“We don’t give them sales scripts. In fact, we tell them not to sell, like the Tupperware model. We just ask them to invite their neighbors in and provide an authentic experience. It’s special to us and it works,” CEO Liu continues.

Neighborhood Showroom hosts get up to a \$50 compensation per visit, no matter if the guests buy or not.

“It’s a non-pressure experience for the visitor and the host,” he explains. “People love it and we hear back again and again how wonderful it is for people to meet each other. We’ve built an incredible community of people who really enjoy outdoor living.”

The brilliance of the Neighborhood Showroom model is explained by chief design officer Lin as the authentic combination of spaces, places and styles.

“People need to see outdoor furniture in actual spaces, whether it’s in a small or a big space,” CDO Lin shares. “They need to see it in places where they live,

whether it's the desert like in Palm Springs or rainy places like Seattle. And they need to have styles that work in all those spaces and places. Our designs are transitional so they work for most anyone's tastes."

Now with well over 1,000 Neighborhood Showrooms in 49 states, the company is also testing the waters in traditional retail with a pop-up shop in the popular Palisades Village center outside Los Angeles.

"We aren't ruling out traditional retail, especially in population centers like LA. We want to be everywhere our customers need us in an environment that is most comfortable for them," CEO Liu adds.

People are moving outdoors

As much as Outer has enjoyed tailwinds from the Covid pandemic, the founders see nothing but continued growth in outdoor living. As long ago as 2012, the American Institute of Architects identified the outdoor living room as the number one most requested specialty room in the home.

More recently, a 2021 survey found [82% of American homeowners were interested in updating their outdoor living spaces](#). And with [Millennials now the largest home-buying cohort](#), they are willing to give up indoor spaces, like an extra bedroom, in favor of more outdoor space.

With the long runway the company sees in selling furnishings for outdoor living, not just in the U.S. but around the world, they also have their eye on selling their breakthroughs in materials science to other brands.

"When we started back in 2017, Sunbrella had a monopoly on high-quality outdoor fabrics, but it was expensive and not eco-friendly," CEO Liu shares. "So we spent the next two years developing our own proprietary, patented OuterShell fabric which is durable – it's warrantied for five years – and

comfortable – it feels like cotton but it is made of plastic. But most importantly, it's 100% recycled.”

“Today we have competitors, but as we keep developing groundbreaking materials, like carbon-sequestered materials that reduce greenhouse emissions, we might make ‘frenemies’ who need our materials too,” CDO Lin adds.

“As we see people spending more time outside, that leads to a broader strategy for us. It opens an entire world of things we can do in the backyard. Right now we are in furniture, but there are so many other areas we can go. Furniture doesn't define us anymore,” he concludes.