How Cozy Earth *Scaled to Luxury Success*

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An inside conversation with McKoy Molyneaux and George Davis.

From trade shows to Oprah's Favorite Things to becoming a multimillion-dollar lifestyle brand, ***Cozy Earth has become one of the most recognizable names in luxury bedding, pajamas, and loungewear.*** But how exactly do you take a niche product and scale it in a crowded DTC world?

We sat down with ***McKoy Molyneaux*** and ***George Davis*** to get a behind-the-scenes look at the growth levers, marketing philosophies, and product strategies that helped Cozy Earth level up, without losing the essence of the brand.

Meet our *Panelists*

? What do you think were the key factors that drove Cozy Earth's growth?

I think the key lever point for us in those early years, the thing that really gave us the runway, was having relatively low OpEx compared to our competitors. ***That made a huge difference.***

Every brand needs a lever. It doesn't have to be the same for everyone. For some it's product, for others it's brand equity, or distribution, or capital. But if you don't have any lever, it's going to be incredibly hard to find that kind of rocketship growth.

For us, keeping things lean while we figured out product-market fit and started building a customer base gave us room to experiment and grow organically.

? How do you balance your core offering—which is probably driving most of your revenue—against launching new and innovative products?

This is something every brand struggles with.
We still wrestle with it all the time.

Trying to figure out how many resources to dedicate to launches especially when you have a hero product or category that's working—is tricky. ***But I think we've learned over time that when the core business is strong, and things are healthy, that's the right time to invest in expanding.***

It's not just about launching new products to make noise. It's about sustaining growth. If we didn't expand our offering, we simply wouldn't be growing the way we are.

And timing matters. We were fortunate to have a founder who was ahead of the curve. ***A lot of DTC companies are now realizing, "We need to launch new categories to grow." But we had that moment back in 2018 when Oprah named our bedding one of her Favorite Things.***

The next year, she asked us, "Can you make pajamas?" And we said, "Probably. Yeah, sure." So we made them—and they turned out to be amazing. If you've tried them, you know what I mean. Then it was loungewear the year after that. And that momentum forced us to get serious about expanding our product line. It worked—but again, we were lucky to hit that moment when scaling new categories was easier.

Unfortunately, not every brand has that timing. Sometimes the economics just aren't right, and scaling is way harder.

How are you managing your marketing mix plan? Do you build a full-year plan or iterate as you go?

Right now, it's a 30-day rolling plan. We meet at the start of every month and assign budget based on the prior month's performance. So it's very responsive, and it allows us to shift based on real outcomes.

That said, we do set an overall annual budget at the beginning of the year, based on our forecast. ***We try to model things like: what can we expect from retention? What's the contribution margin from those repeat cohorts?***

Then we decide—how much of that margin do we want to reinvest into marketing?

From there, each month, we adjust the channel mix based on what performed. We're also building out scoring systems for every channel so we can better assess incrementality. The whole process is still evolving, but it's in the best place it's ever been.

What drives variance in channel performance—and how do you stay nimble compared to big brands with rigid budgets?

It's a tax, for sure. Some channels are harder than others. With influencer marketing, for example, you have to lock things in 30 days in advance. That's just how the pipeline works. Same with some traditional media buys.

But channels like Meta and Google are way more fluid—we can tweak things in real time based on performance. That flexibility makes a huge difference for us.

Larger companies, especially holding groups, can afford to set their budgets a year in advance and ride it out. We can't. Most ecommerce brands need to stay agile. We don't have the luxury of locking in millions of dollars with no option to shift.

So we approach it based on what the channel demands. If it's flexible, we're adjusting monthly. If it's not, we plan ahead and lock in—but with caution.

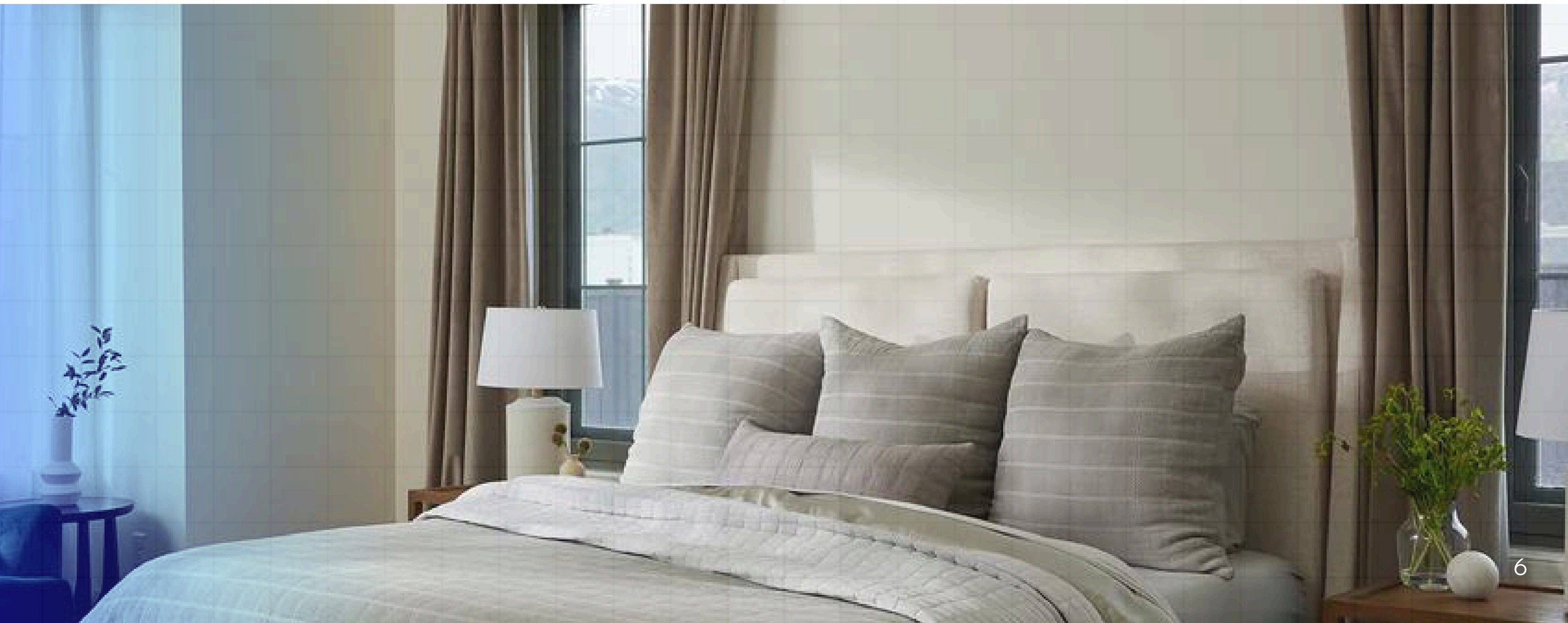
Let's talk about traditional marketing. You've done NBA partnerships, out-of-home, billboards, etc. How do you approach and measure those?

We're expanding into retail, and we see traditional channels—like billboards—as a tool to build brand awareness in those local markets before we open stores.

As for measurement, we'll look at comparable DMAs (designated market areas). For example, we'll compare Utah, where we're running billboards, to similar cities like Denver where we're not. Then we watch purchasing behavior and try to isolate lift. It's not an exact science, though. Every month, when we review our budget, we ask ourselves: "What do we think billboards are driving?"

The upside? Billboards give us super cheap CPMs and a lot of top-of-funnel exposure. But we keep that spend pretty minimal —it's not a core part of our strategy yet.

That said, if we can prove performance, the scale is massive. If it works in one city, we can roll it out across the country.



The landscape for media buying and creative is shifting fast. Where do you think it's headed?

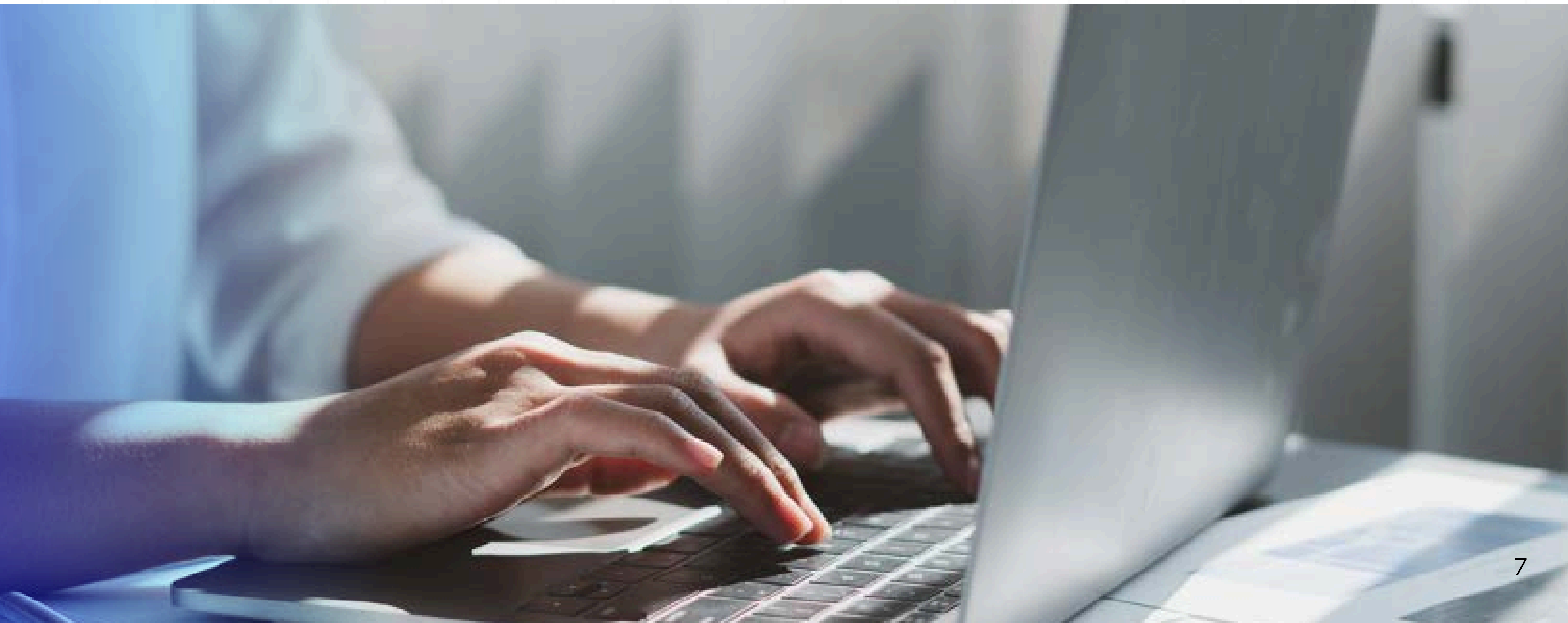
I was in LA this week meeting with Meta—some pretty senior folks and other brand operators. We had this exact conversation.

The question was: "Are media buyers going to be obsolete in the next 12–24 months?"

Their answer? Not entirely. While things will become more automated and easier to manage, the human role is still there for now. Meta is working to streamline campaign building, automate optimization, and simplify creative production, but it's not fully replacing buyers in the near-term.

What it will do is reduce the barrier to high-quality creative. That used to be a differentiator. Now, thanks to tools and AI, every brand can produce polished content.

That's both good and bad. It lowers costs, but it also makes it easier for competitors to catch up. Everyone can look premium. So yeah—it'll help us in some ways and hurt us in others. We just have to keep adapting.



? You guys are known for running strong promotions. What's your approach to discounting?

Right now, our approach is based on inventory. If an item has more than a certain number of days in stock, it goes on discount.
If we have excess inventory, the discount is even deeper.
It's something we've done for years. The thinking is: we spend money to bring in new traffic every day—so we need to give them a reason to convert.

Earlier this year, we tested it. For the first time, we actually quantified the impact. With the discount turned on, conversion rates lifted by about 35%. That's massive.
Would we do it differently if we could go back? Maybe tweak a few things. But the results speak for themselves. The lift in conversion is real.

We saw a lot of brands in 2020-2021 proudly say, "We'll never discount, we're premium." But fast forward to now—and everyone's discounting. Out of necessity.

Do you coordinate promotions across influencer content and your DTC site?

Our influencer discounts are usually more aggressive than what's live on the site. That's by design. It gives them leverage—especially in affiliate programs—and helps us convert their audiences.

Most of our influencer promotions are short, flash-style sales that last about 24 hours. We lean heavily on Instagram Stories for those. Even though TikTok is huge, Stories are where we see the most traction.

That approach works well—but it comes with its own challenges. The biggest one? Leaked codes.

It's an ongoing issue. We've started using tools like Viper to prevent discount codes from getting picked up by browser extensions like Honey or Capital One. It helps, but it's a never-ending process of policing and refining.

That kind of discounting requires finance buy-in. How's that relationship work?

Our CFO came in after we were already running this playbook. So there were definitely conversations where he was like, "Why are we doing this?"

But once we ran tests and showed the impact—like that 35% conversion lift—he was on board. At that point, nobody wants to turn it off.

You can't just assume a discount is working. You have to validate it. And we've done that.

So now it's a real partnership. Finance understands that these aren't arbitrary discounts—they're strategic, and they have a measurable impact on margin.

You produce stunning aspirational content. How do you balance that with performance-focused, UGC-style content?

This has been a journey. For a long time, we had an in-house team doing all the photography and lifestyle content—really beautiful stuff. But that team wasn't always excited to make Meta ad creative, or do man-on-the-street interviews.

So earlier this year, we restructured. We took all the videographers and said: "You are now the growth creative team. You just make Meta ads."

Since doing that, we've 4–5x'd our volume of Meta content—and it's made a huge difference. Meta has told us: volume and creative diversification are what drive performance now.

We also use influencer content in two ways. First, we push promo codes to drive sales. Then we work with those same influencers to make brand-level content without a code—and that becomes our UGC and branded partnerships.

So yeah, it's a balancing act. But dedicating resources specifically to performance creative has been a game-changer.

? What gives you confidence in new influencer partnerships? Any secret sauce?

We think of it like gambling—strategic gambling.

With paid creators, there's definitely math involved. You look at their story impressions, engagement rates, and past performance.

But the biggest thing we look for is authenticity. Can they take a brief and make it their own? That's what really moves the needle.

We split our budget between "core" creators (who we know work) and "test" creators (who might not). As long as we balance that properly, the channel overall performs—and we can afford to take some swings.

? What's next for Cozy Earth? What should we be excited about?

We've revamped our product team. We hired someone from Nike who also worked at Ralph Lauren—super sharp. He's brought a ton of value.

Last year, we launched 98 products. We're doing something similar this year.

What's exciting is we're building for a broader audience. It's not just the core Cozy Earth customer anymore—there's something for everyone.

How do you know how far your brand can stretch without losing your identity?

Such a good question—and one we debate internally all the time.

Do we make polos? We started as a sheet company!

Our strategy right now is: launch it and see. Sometimes it hits, sometimes it doesn't.

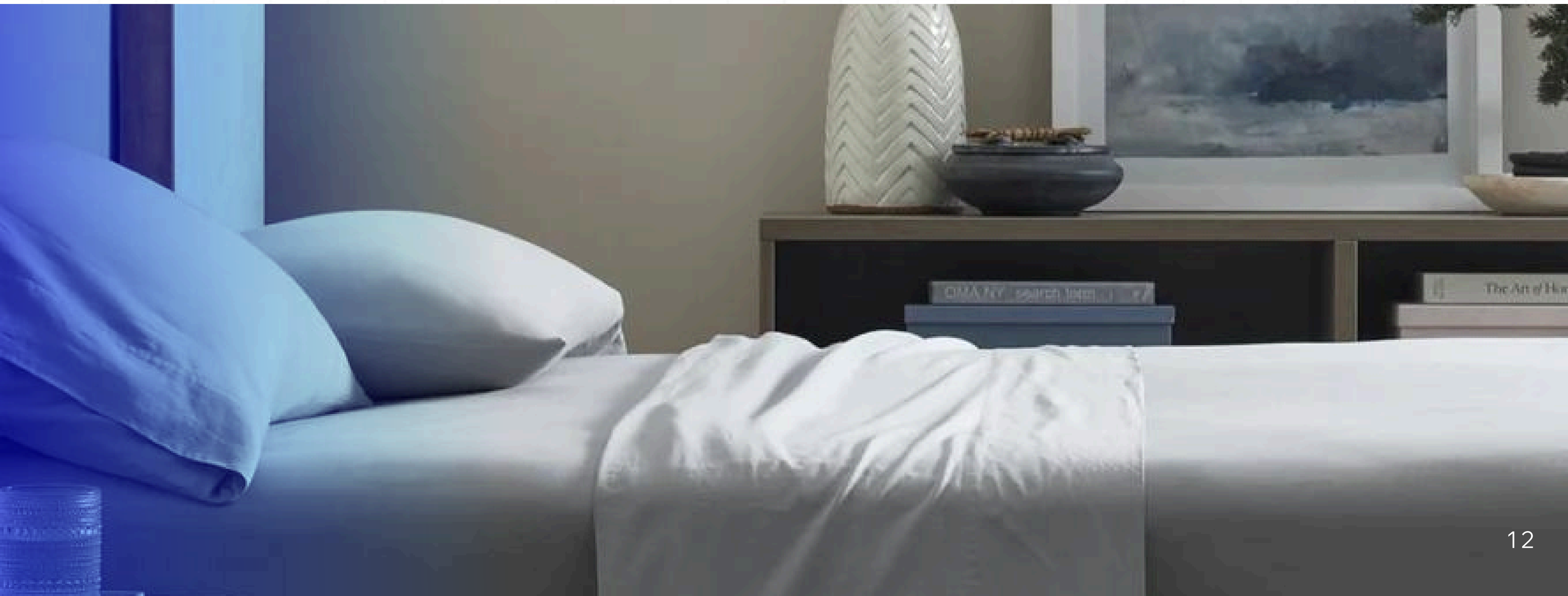
The key is: are we making something that's better than what's in the market? If so, we can usually make it work.

That said, we are working with a branding agency to help clarify our long-term vision. We don't want people to land on our site and say,

"What is this company?"

Sometimes I think brands overthink it. They assume the customer won't accept something new—but maybe they will. Maybe you just need to try it.

We're not afraid to take swings. And if we overextend, we'll pull back.



Where the Threads Come Together

At Pattern, we're in the business of building better brands and Cozy Earth's story is a blueprint worth studying. From lean beginnings to luxury shelves, they've shown what's possible with the right product, strategy, and mindset.

Want help scaling your brand the smart way? Get in touch with our team—we'd love to chat.

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