Dissertation Title:
Business Plan for a Leasing Apparel Company

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I hereby declare that the work submitted is mine and that where I have made use of another’s work; I have attributed the source(s) according to the Regulations set in the Student’s Handbook.

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Thessaloniki - Greece
Foreword

This dissertation was written as part of the MSc in Management at the International Hellenic University.

This thesis paper elaborates on a business plan of an apparel leasing company in Greece, which is called Wardrobe. As it is about a new field in the apparel industry an online survey was conducted with the form of a questionnaire in order to find out the firm’s potential customers’ preferences and reactions.

This paper would not have been realized without the aid of some key individuals. Dr. Robert Morgan, Dr. Lida Kyrgidou, my colleagues and the Wardrobe Team thank you all for your contribution in this work.

Maria Makarina

20/11/2016
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Executive Summary

Wardrobe is an innovative start-up company that does not disrupt the existing apparel market in Greece, but creates a completely new one. Based on the sharing economy business model, it promotes the idea of access as the new ownership. The leasing model is becoming all the more popular around the world, especially in real estate and vehicle markets; hence, it is high time to implement it in the fashion industry rendering in this way luxurious clothing, affordable and accessible to everyone. Wardrobe not only gives the smartest solution to the constant female problem of not having what to wear in special occasion events, but also makes women feel unique and impressive in their appearances. This leasing venture though, bears more risks compared to other markets; such as quick inventory turnover, logistic barriers, maintenance, and transportation. Nonetheless, the most difficult part is to convince potential customers to overcome their second thoughts for reused clothes. This can be realized only by highlighting the benefits of renting special occasion apparels in terms of price, quality, style; by reassuring them about hygiene and originality issues as well as engaging them with competitions, special offers and discount coupons.

As far as Wardrobe’s target group is concerned, it was clearly defined after the results of the online survey, which conducted for this purpose. Wardrobe targets mainly to women with age between 20 and 35 years, they mostly belong to classes from upper B to upper C and they seem really worried with their looks and appearance.

The location of the company is in the city center of Thessaloniki, so as to be easily accessible by customers and apart from its e-shop and application; there is also the physical store, which is housed with the warehouse.

In terms of competition, Wardrobe is considered the first mover in the apparel market, as there are no direct competitors offering the same rental services. As a consequence, the competition intensity is really low, which renders the opportunity of growth and success really great. Moreover, almost all external factors such as the economic recession, the addiction to social media and the fast fashion trends make Wardrobe the most ideal cost-effective solution for women, who admire being always in fashion.
Wardrobe’s marketing strategies are in line with “Experiential Marketing” and “Digital Marketing” approaches. The firm aspires to create holistic experiences to its customers by satisfying their senses and keep them engaged by offering the best customer services.

The company is financed by the two founding members with a total initial investment of 80,000€. The higher sum of the investment is needed to build up the inventory, so as to be adequate for satisfying all customers’ orders; the rest is used to cover fixed operational expenses as well as variable ones including advertising, dry cleaning and transportation expenses. According to projections the initial investment would be fully compensated by firm’s revenues after seven months of operation. Thus after the breakeven point the company will start generating profits and forecasts show that its journey will be remarkably successful and lucrative.
1. Theoretical Background

1.1 Sharing Economy Definition

According to Investopedia’s definition “sharing economy is an economic model in which individuals are able to borrow or rent assets owned by someone else. The sharing economy model is most likely to be used when the price of a particular asset is high and the asset is not fully utilized all the time”.

The rapid growth of technology contributed a lot in the success of the sharing economy business model, as customers have direct access to online platforms, where they can find information about collaborative consumption, rent assets and leave their feedback about the renting services. As Leaders stated in a related article in the Economist “The sharing economy is the latest example of the internet’s value to consumers. This emerging model is now big and disruptive enough for regulators and companies to have woken up to it. That is a sign of its immense potential. It is time to start caring about sharing”.

1.2 Methodology

As leasing companies are a relatively new field in Greek markets, the conduction of a survey was considered indispensable in order to collect feedback and analyze the profiles and preferences of the potential target groups. Wardrobe team has conducted an online survey in Google Docs to discover how the Greek public reacts and receives this new venture of Wardrobe. The questionnaire was distributed via email and posted on social networks; it was anonymous and addressed only to female participants. The collected sample is 140 answered questionnaires, which is considered an adequate one in order to draw conclusions. In fact, the statistical results of the questions were very helpful to the firm’s decisions and they are integrated throughout the relative sections of the business plan.
1.3 The Leasing Model Worldwide

The idea of renting/sharing instead of buying/owning especially expensive assets, which are used once in a while, broadly realized mainly in real estate and transportation markets; companies like Airbnb, Uber, Zipcar started up in USA about a decade ago. These giant companies understood quite early that in the near future consumption will be based more on renting than owning assets. Consumers’ traditional perception of ownership has started to shift lately due to economic crisis. The fact that their income is shrinking and their expenses should be controlled renders the renting process the most ideal solution. Nevertheless, our survey concluded that less than a half (45%) of Greek people is aware of these huge rental companies, their operations and offered services (Graph 1).

1. Are you familiar with leasing companies like Uber, Zipcar (cars) or Airbnb (apartments)?
(140 απαντήσεις)

Graph 1
Pricewaterhouse Coopers predicts that by 2025, the five key sectors of the sharing economy — staffing, finance, car sharing, travel and music and video streaming — could generate $335 billion in annual revenue, up from about $15 billion today. As of 2015, global investments in sharing start-ups totalled more than $12 billion — more than double the investments in social media start-ups — according to Deloitte.

Funding has continued at a steady pace in this sector, ~ $1B invested since 2012

Graph 2

Considering what happens in the European Markets the last few years, Jacqueline Mills, Director of Asset Finance and Research at Leaseurope, states that “leasing is prevalent throughout Europe, but there are always differences in penetration rates. For example, in the more mature markets like the UK and Germany it’s higher than the average of 20%. Southern European countries such as Spain and Portugal are simply not investing as much as their neighbors, and therefore the volumes are less than in other countries”.

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1.4 Leasing in the Apparel Industry

It is reasonable to wonder if this sharing economy model can be implemented in the apparel industry and how it can be successful in this highly competitive and rapidly evolving market. Taking into consideration that apparel and accessories are usually items of low or occasional usage and if they are branded also of high value, the idea of leasing a branded outfit for special occasion purposes seems not only cost-effective and convenient, but also free of maintenance risks as these are undertaken by the lessor; for instance dry cleaning and repairs. “In the US alone, over $8 billion worth of clothing sits in closets, unworn” according to a report by online thrift store ThredUp. Thus, the prospect of this new renting model seems very dynamic and promising in the sector of clothing and fashion.

In USA, the leasing model in clothing has been successfully implemented on an e-commerce platform called “Rent the Runway” (RTR) founded in 2009. CEO Jennifer Hyman confesses in Forbes that in 2016, “Rent the Runway’s revenues are expected to surpass $100 million for the first time, thanks in part to the guaranteed $1700 apiece annually from its subscription members”.

![Graph 3](image)

As we can observe in the above bar chart, investment rate in luxury fashion leasing companies comes in 3rd position below book and vehicle rentals, which proves the great opportunity of development in this field. Nevertheless, there is a major difference between rentals in transportation, books and luxury fashion.
rentals, which lies in the fact that the first two categories usually connect customers via online platforms promoting third party assets, while fashion leasing companies should also be owners of assets (clothes and accessories), creating their own inventory, which obviously demands high initial capital.

The founders of the RTR reveal the steps of being successful as a fashion startup in entrepreneur.com. The steps are the following:

1. **Look to disrupt every channel of the retail industry.**
2. **Define your startup’s values and set them as guiding principles**
3. **Proactively challenge your team to contribute.**
4. **Listen to your investors.**
5. **Don’t be blasé about public relations.** Fleiss says PR was the most successful channel for 1) differentiating itself from other ecommerce brands and 2) getting people accustomed to collaborative consumption. The basic strategy centered on simplifying how RTR works and the story behind it.
6. **Be scrappy.**
7. **Be detail-oriented, from user design down to delivery.**

### 1.5 Limitations & Barriers

Leasing model in fashion industry bears more risks and barriers to surpass compared to other sectors. First of all, fashion rental services come up against logistic barriers such as transportation, maintenance, exchanges. Another challenge is to provide a wide range of products, which should be frequently updated to follow fashion trends; this means that the inventory turnover is really high in this sector. The most risky part though is to achieve a behavioral shift in customers’ mindset and convince them about the benefits of renting their special occasion clothes. Maintenance issues are also considered crucial as the lessor undertakes all the ownership risks and is responsible of dry cleaning and repairing the damages, which create additional operational challenges and costs for the business. Return policies may also put limitations in business operations, so they should be thoroughly designed to ensure the quick return of products, otherwise customers will rapidly lose their trust and interest, if there is poor availability and limited variety of choices.
1.6 Customers’ Second Thoughts

It is common knowledge that the process of modernization of the traditional ownership concept will last many years, as it seems difficult for women to overcome some of their unjustifiable “fears”, which are highly related to the apparel rentals. The survey indicates below those six main second thoughts, which hold back Wardrobe’s potential customers. Participants of the questionnaire could choose up to 3 answers and the results are presented in hierarchical order according to Graph 4.

1. The hygiene/dirty clothes (113 answers)
2. The size (83 answers)
3. If I like it and I want to keep it (66 answers)
4. The material (45 answers)
5. The defective clothes (45 answers)
6. I don’t have any second thoughts (7 answers)

7. Which are your main second thoughts or fears of renting instead of buying your special occasion apparel? (please choose up to 3 answers)

Graph 4
2. Product, Service and Venture Description

2.1 Description of the Company

“Wardrobe” is an innovative startup company based on the expanding trend of leasing, shifting though the focus into the luxury apparel industry. The last five years, this trend has been mainly applied in the real estate and vehicle European markets with great success, in Greece though, the concept of leasing, which actually means access without ownership is still in a premature stage. Thus, the opportunity for Wardrobe in the market is great; as there is no other company offering the same renting services; it is considered the first mover in the sector having ample space of evolvement. The opportunity for Wardrobe becomes more significant if we consider some external factors that affect the consuming public, such as the economic crisis, the influence of social media, the fast fashion trends and the vanity of external appearance. All these parameters work to the benefit of the company, as they render Wardrobe the excellent solution to women’s eternal problem of not having what to wear in special occasion events or nights out (Graph 5). Due to economic crisis people’s incomes have been decreased affecting the purchasing power of consumers. Nowadays the female public may want to look stylish in special events, but is not willing to splash out money in luxury clothes that are going to be worn probably once or twice. As the life cycle of formal clothes is considered limited, which makes them not worth spending a small fortune to buy them, female consumers should be exposed to the idea that owning expensive apparel restricts them of renting three different pieces. Only 30.7 % of them have thought that
possession of an asset puts limits on experiencing variety (Graph 6). What is more, the exposure to the public eye by uploading constantly photos on Facebook, Instagram etc., has been excessive lately and in fact no woman wants to be photographed with the same apparel for second time. In the female nature, vanity is an inherent feature, so Wardrobe comes to satisfy not only the lust for apparel variety, but also the craving for luxury and style with spending less money.

**Graph 5**

**Graph 6**
2.2 Mission, Vision & Values

The mission of the company is to give the pleasure to all female clients to refresh frequently and economically their wardrobe along with their style by renting luxurious clothes and accessories for every special occasion, such as weddings, graduations, galas, even for their weekend nights out. Wardrobe provides to its customers a new get-up and a commitment-free relationship with it, because we love offering all the season’s newest trends without ownership costs.

The Wardrobe’s vision is first to change the Greek conceptualization about apparel ownership by promoting the perception that ownership means fewer choices. We are here to establish a new market and revolutionize in the retail process. In addition, we aspire to raise environmental consciousness by eco-friendly projects, as sharing economy models can highly contribute in environmental sustainability.

The core values on which the company will be based are the following:

- **Teamwork**: Respecting and providing support to one another to reach mutually beneficial results.
- **Be creative and open-minded**: We welcome and reward innovative ideas.
- **Recognition and growth**: Growth comes after recognizing and rewarding employees’ contribution and efforts towards new paths.
- **Excellence**: We always strive for excellence in everything we do.
- **Honesty and Professionalism**: We always act with integrity and honesty in all our dealings.
- **Commitment**: Working with consistency to meet clients’ needs.
- **Customer Service**: We believe that our clients deserve to experience our timely and highly appealing services that always meet their needs and lusts.
2.3 The Business Model

The main players in Wardrobe’s Business Model include: The designers (suppliers), the Wardrobe platform and the end users (consumers).

Key Partners

Wardrobe creates partnerships mostly with famous Greek and Italian designers and clothing industries to expand the range of clothing options. The main aim of our team is to offer inexpensive access to luxurious clothes and in order to achieve this we build up loyal relationships with our talented suppliers.

Apart from our registered suppliers, the fashion bloggers also play a significant role in Wardrobe’s promotion and are considered important partners.

Other partners:

- The company that offers dry cleaning services
- The courier company responsible for fast delivery and return
- The payment providers e.g. PayPal
- Wedding Agencies
- Model Agencies

Key Activities

- Platform development and maintenance
- Build up the inventory
- Renting luxurious clothes
- Customer support
- Aftersales service

Key Resources

- Software developers
- Logistics experts
- Sales and aftersales employees
- The Wardrobe brand
**Channels**

- Facebook Page
- Application
- E-shop
- Ads in social networks
- Word of mouth

**Cost Structure**

- Fixed costs (rent, salaries, electricity etc.)
- E-commerce costs, maintenance of the application
- Shipment costs
- Inventory and logistic costs
- Promotional events
- Advertising and communication costs

**Revenue Streams**

- Payments for rentals
- Payments for stock purchases
- Subscriptions of star members
2.4 The Renting Process in Wardrobe

Phase 1

- Download the "Wardrobe" application for iOS or Android software or visit the online store.
- Create an account, giving your personal details.

Phase 2

- Choose your special occasion category e.g. graduation, wedding, gala, date.
- Have a look at the suggested outfits for your selected category.

Phase 3

- Click on your desired apparel.
- Read all the given details about material, fit, size.
- Scroll down and see real women photos and feedback for the apparel.

Phase 4

- Choose your size according to the descriptions.
- Add it in your “Wardrobe” basket.

Phase 5

- Choose the renting duration (3, 5 or 7 days).
- Confirm the delivery details.
- Select your payment method.
- Enter your unique coupon password if you have a discount.

Phase 6

- The final cost has been calculated and you can proceed with your payment.
- Your order has been completed and sent to Wardrobe.

Phase 7

- In 1 or 2 days your Wardrobe package is delivered.
- There is also a return voucher for you to return it in due time.
2.5 Customers’ Benefits – Value Proposition

Rental services have become a popular option for different kinds of assets all over the world. There is an obvious shift in the consuming pattern, as consumers are becoming smarter on spending their money and on investing accordingly in what they want to own forever and what they could use for a limited period of time. Thus, the consuming public has started to realize the benefits of renting low usage assets in everyday life. Our focus though is on renting branded apparel for special occasion purposes. In the questionnaire there is a question about the most important customers’ benefits, in which the participants are asked to choose up to 3 answers.

So, the main benefits of renting special occasion clothes, according to the survey, are presented below (Graph 7) in hierarchical order:

1. Renting special occasion clothes cost less money. (98 answers)
2. The opportunity of refreshing frequently your wardrobe and style. (97 answers)
3. They are returnable, as special occasion clothes are rarely worn again. (77 answers)
4. The feeling of wearing expensive branded apparel. (59 answers)
5. They are always in fashion (45 answers)
6. They will be neat and clean; ready to wear. (41 answers)

Graph 7

6. According to your opinion, which are the most important benefits of renting special occasion clothes? (please choose up to 3 answers)
Why “Wardrobe”?

Apart from the above mentioned costumer benefits, which are considered the general framework in which Wardrobe operates, there are some more company specific advantages, which add value to the rental services and the public should seriously take them into account.

- Engaging Business Model
- Easy-to-use Service: e-shop and application
- Low cost renting in 1/3 of the retail price
- Opportunity of purchasing apparels
- Trial opportunity, an extra backup outfit to ensure best fit by paying a small extra fee
- Ensuring the dry cleaning and the fast delivery
- Loyal clients enter into a bonus discount system
- Live the “Cinderella Experience”
- Impressive and attractive packaging
- Get fashion tips from the style-maker
- Participation in competitions winning awards
3. Business Organization

3.1 The Team - Organizational Structure

Wardrobe is considered an SMI, so at least in the beginning of the venture the working members are a few and each of them undertakes more than one role. The Wardrobe’s team will be consists of two founding members: the CEO and Project Manager is Maria Makarina with knowledge on organization and project management and the Product and Marketing Manager Alexandra Gribizi with studies in marketing and background in fashion industry. The head IT developer is George Doxopoulos, who will undertake the responsibility of platform’s development and maintenance, including the online shop and application and his assistant is Thalia Zervou. Furthermore, we hire 2 employees to work back-office; one of them will also undertake the role of personal stylist helping and counseling the customers by answering their online queries or serve them in our physical store. Konstantina Nanou will be the order executor preparing and sending the orders. Jenny Orfanou is chosen to be our specialized spotter, in other words she is the responsible one to spot the damages, the stains, the blotches of returning items and by using her knowledge on materials, she repairs the defective clothes. As far as the delivery and the dry cleaning, these services will be outsourced.
3.2 The Location

The Wardrobe’s warehouse will be located in the city center of Thessaloniki in order to be easily accessible. It is considered to be approximately 150sq.m; we need ample space not only to store our inventory, but also we need a big room for being the physical store, where native customers can visit and try out their outfit, receiving advice from our stylist-maker. It is going to be a cozy place with minimalistic decoration and many wardrobes, where clothes will be categorized according to each special occasion.
4. Industry and Market Analysis

This section identifies all the external and internal forces that influence our venture. These factors should be taken seriously into consideration in order to take advantage of the existing opportunities and overcome the threats with proper planning. The Apparel Industry is quite unexpected and highly competitive, so we should be proactive and creative, in order to deal with the market’s challenges.

4.1 P.E.S.T.E.L. Analysis

In analyzing the macro-environment of an organization, it is important to identify the factors that might in turn affect a number of vital variables that are likely to influence the organization’s supply and demand levels and its costs (Johnson and Scholes, 2002).

The analysis examines the impact of each of the factors on the business. The results can be used to take advantage of opportunities and to make contingency plans for threats when preparing business and strategic plans (Barney, 1991). Kotler (1998) claims that P.E.S.T.E.L. analysis is a useful strategic tool for understanding market growth or decline, business position, potential and direction for operations. The use of P.E.S.T.E.L. analysis can be seen effective for business and strategic planning, marketing planning, business and product development. It also ensures that company’s performance is aligned positively with the powerful forces of change that are affecting business environment (Porter, 1985).
Political Factors

- **Political Instability** dramatically influences all businesses, not only start-ups as it is not easy for them to plan and predict the future.
- **High budget deficit** indicates that Greece is a country with a very low rate of economic development, which is really intimidating for the future of a new business.
- **Non-implementation of electronic governance** poses an extra difficulty in start-ups, as the bureaucratic procedures for licenses etc. last long time.
- **Government’s tough taxation policies** obstruct not only businesses operations, but also discourage individuals from consumption.
- **No encouragement for the development of entrepreneurship** as the taxation is really heavy and puts a barrier for new companies’ entrance in the market.

Economic Factors

- **Economic crisis** functions as a catalyst to everything putting the country in recession and inertia.
- **Low inflation and high unemployment rates** are two important indexes which highly influence the consumption rates in Greece.
- **Low public consumption** is a fact that arises in periods of economic recession and is highly related with the low purchasing power of Greek population. This difficult situation though, may work in favor of Wardrobe as it suggests a cost-effective solution with impressive results.
- **Deceleration of loan growth** is a rate that shows the lack of liquidity in market.
- **Decrease of rents in real estate assets** is the only positive outcome for start-ups that need to rent a physical place of operation.

Social Factors

- **Consumers’ low purchasing power** may is a factor that guides potential customers choosing Wardrobe as an inexpensive solution.
- **Low rate of marriages** is a negative indicator for Wardrobe, which means fewer rentals for this special occasion.
✓ **Social status gap** is the distinct difference between higher and lower classes and is highly related to the luxurious style of the first. But this gap is bridged by Wardrobe as it offers affordable luxury to everyone.

✓ **Addiction to social media** is a very common feature of the new generations and enhances the importance of their external appearance.

✓ **Online shopping** is a trend nowadays. The increasing familiarity with e-shops is in favor of Wardrobe.

✓ **Fast fashion trends** render clothes old-fashioned in a small fraction of time, so refreshing a wardrobe is a constant process.

#### Technological Factors

✓ **Easy access to Internet** helps all online businesses develop, get promoted and reach customers.

✓ **Highly developed logistic programs** improve and facilitate firm’s operations.

✓ **High-tech smartphones, tablets** facilitate customers to shop online wherever they are.

✓ **Updated software** develops firm’s systems and procedures.

✓ **Applications and Online platforms** boost the distribution channels of a firm.

#### Environmental Factors

✓ **The rise of “Green” consciousness** is a common practice lately. People care more about the protection of environment by finding “green” solutions to help. Wardrobe can be considered a “green” firm as it contributes to the restriction of materials’ use in the apparel industry.

✓ **The trend of recycling, reusing things** constitutes a core practice in Wardrobe, as clothes are reused at least 10 times.

#### Legal Factors

✓ **Licensing** is a difficult and long lasting procedure for new businesses. Many times it impedes firms’ operations.

✓ **Anti-counterfeiting** is the permission of ownership to prevent cheating from competitors.

✓ **Ethical compliance** should be a core value for every firm. Wardrobe must conform to governmental laws, regulations and policies.
4.2 S.W.O.T. Analysis

S.W.O.T. Analysis examines the macro and micro environment of the business. It is considered a key tool for the development of the company’s strategy, as well as for the accomplishment of its objectives.

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Unique Business Model</td>
<td>• Low availability at sizes</td>
</tr>
<tr>
<td>• First in the market</td>
<td>• No Brand awareness</td>
</tr>
<tr>
<td>• Many distribution channels</td>
<td>• Low investments in research and development</td>
</tr>
<tr>
<td>• Physical Store</td>
<td>• Inventory challenges</td>
</tr>
<tr>
<td>• Rent and Purchase</td>
<td>• Only one physical store</td>
</tr>
<tr>
<td>• High level of customer service</td>
<td></td>
</tr>
<tr>
<td>• A backup apparel for trial</td>
<td></td>
</tr>
<tr>
<td>• Variety of luxury clothes</td>
<td></td>
</tr>
<tr>
<td>• Prepaid return, impressive packaging, dry cleaning</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
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</thead>
<tbody>
<tr>
<td>• The growing demand for leasing</td>
<td>• Tax changes</td>
</tr>
<tr>
<td>• Memberships</td>
<td>• Cash flow</td>
</tr>
<tr>
<td>• Expanding partnerships</td>
<td>• Competition</td>
</tr>
<tr>
<td>• Diversifying product offering</td>
<td>• Bad reviews of customers</td>
</tr>
</tbody>
</table>
4.3 Porter’s Five Forces

Bargaining Power of Customers: Low

- **Low switching costs**: customers have alternative solutions without high costs
- **Moderate product differentiation**: the offered products are slightly differentiated in terms of quality and price.
- **Ability to write reviews**: their power is to criticize and spread rumors.
- **Low threat of buyers backward integration**

Power of Suppliers: Moderate to Low

- **Many suppliers**: the existence of many apparel firms renders their negotiating power moderate to low.
- **Low switching costs**
- **Low potential of firm’s backward integration**
- **Low threat of supplier’s forward integration**

Threat of Substitutes: High

- **Buying instead of renting clothes**
- **Many brands to choose from**
- **Outlet malls**
- **Seasonal sales**

Treat of New Entrants: Moderate

- **Low barriers to entry**: if a brand has the inventory, it is very easy to adopt a leasing model.
- **High capital requirements**: it needs a high starting capital to build up a leasing company.
- **High inventory costs**: the inventory needs a high investment to be adequate.
- **Brands may copy the leasing business model**

Competition Intensity: Low

- **Only one competitor in the Greek market**
- **New market**
- **Strong competitive strategy** is followed by Wardrobe so as to keep the first mover’s advantage and not to allow space for competitors’ attacks.
## 4.4 Competition Analysis

<table>
<thead>
<tr>
<th>Competitors</th>
<th>Wardrobe</th>
<th>Starbags</th>
<th>A Designer’s or a Wedding Boutique</th>
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<tbody>
<tr>
<td>Location</td>
<td>Thessaloniki</td>
<td>Athens</td>
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<td>Registration</td>
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<td>Variety</td>
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<td>Low</td>
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<td>Luxurious, impressive designed items</td>
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</tr>
<tr>
<td>Rental Period</td>
<td>3 days - 1 week</td>
<td>1 day-1 month</td>
<td>1 week</td>
</tr>
<tr>
<td>Delivery/ Shipping</td>
<td>Next Day</td>
<td>Next Day</td>
<td>Get it from the physical store</td>
</tr>
<tr>
<td>Shipping costs</td>
<td><strong>Free</strong> for orders 40+€ Orders up to 40€/6€</td>
<td><strong>6.50€</strong> in Athens 12.50€ out of Athens</td>
<td>No shipping option</td>
</tr>
<tr>
<td>Return</td>
<td>Prepaid Return/ Pick up service (+4.00€)</td>
<td>Pick up service</td>
<td>The customer returns the rented apparel</td>
</tr>
<tr>
<td>Personal Stylist</td>
<td>YES</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td>Rent/Purchase</td>
<td>Rent &amp; Purchase</td>
<td>Rent only Bags/ Purchase 2nd hand bags &amp; clothes</td>
<td>Rent only</td>
</tr>
<tr>
<td>Other Services</td>
<td>Accessories</td>
<td>Selling customers’ 2nd hand items</td>
<td>Customization of clothes</td>
</tr>
</tbody>
</table>
4.5 Nature of Competition & Challenges

Online fashion rental is a relatively new field, so it is reasonable that the intensity of competition is considered low in the Greek market. After research, Wardrobe’s business model and services are unique in Greece, so there are no direct competitors offering similar services. Our indirect rivals are mainly two: Starbags, a company established in Athens and the local designers’ or wedding boutiques in big cities.

Starbags is not considered a significant threat for Wardrobe, as it offers rental services only for luxurious branded bags; its branded clothes and accessories are only available for sale in a stock price. Moreover, a main drawback of Starbags is that its items are a bit obsolete and old-fashioned. As far as local wedding boutiques or designers’ ateliers are concerned, they usually offer rental services for their high-end creations for wedding occasions, as their clothes are too formal to be worn in other special occasions, for instance a graduation ceremony. What is more their price is not counted as cost effective.

The threat in this market field is potential in the near future, so Wardrobe as a first mover should build a highly competitive strategy to fill in all the gaps and controversial aspects of the leasing model. The market share is free to be conquered, if main challenges are surpassed. First of all, Wardrobe needs a positive word of mouth and the support of social media in order to expand and gain awareness. Then the contracts of partnerships should be very carefully designed, as there are major concerns of retail cannibalization of designer brands. Last but not least, the only way to avoid being threatened by potential competitors is to build up an invincible inventory.

4.6 Competitive Advantage

Wardrobe will enjoy the first mover’s advantage, setting a new niche market in fashion industry. Even the existing indirect competitors are not considered an important threat for the company. The main aim of the firm though, is to achieve a sustained competitive advantage, so the strong bond of the team, the expanding inventory, the low cost of the service, along with the continuous adaptation to fashion trends contribute equally in reaching great success.
4.7 Competitive Strategy

The competitive strategy that Wardrobe pursues is a combination of cost leadership and differentiation strategic elements. Cost leadership is detected in the appealing price of renting instead of buying luxurious apparel in 1/3 of the retail price for the minimum rental period of 3 days; this strategy poses a big dilemma to customers, who most of the times end up choosing the most cost effective solution. The element of the differentiation strategy is related mostly with the unique nature of the offered services. Renting your ideal outfit to make appearances in a special occasion event is a completely new service in Greek market, along with fast delivery, free trial and dry cleaning services, it is considered a value for money choice, as well as a worth living experience.
5. Marketing Plan

5.1 Market Segmentation – Consumer Analysis

The target group of Wardrobe is clearly defined by the 140 answered questionnaires, which is a very reasonable and adequate sample to guide the firm targeting on specific consumers’ features.

**Demographic Segmentation (Age/Gender/Class/Personal Style)**

Wardrobe’s target audience has got the following demographic characteristics:

- **Sex:** Female
- **Age:** 20-35 (Graph 8)
- **Class:** B-C
- **Personal Style:** Impressive, Smart casual, fashionable (Graph 9)

### Graph 8

**13. What is your age?**

![Age Distribution](image)

### Graph 9

**14. How would you characterize your personal style in special events?**

![Personal Style](image)
**Geographic Segmentation**

Wardrobe targets mainly to urban clients, as the shipping costs are lower and consumers are more easily accessible. Furthermore, according to the results of the sample the majority of the customers feel more secure by trying out their apparel in the physical store.

12. If there was also a physical store in the center of Thessaloniki offering the same services would you choose to visit it in order to try on your chosen apparel? Keep in mind that all required details (size, fit, material) and photos of customers are available online.

![Graph 10](image)

**Behavioral Segmentation**

Our potential customers are women who love being impressive, wearing fashionable clothes and making unique appearances in special occasion events. They are smart, delicate and money savers. Most of them are willing to try out the Wardrobe’s rental services, as Graph 11 depicts.

5. If the cost of renting your outfit was in 1/3 of its retail price and delivered a day after your order, would you choose our services?

![Graph 11](image)
5.2 Firm’s Position in the Market

Wardrobe is a combination of E-commerce, rental services and physical store, that’s why, it is positioned in the middle of these three circles. It aspires to be established as the ultimate solution of apparel rental services along with its e-commerce characteristics. Moreover, the existence of the physical store assists further the firm’s establishment in the apparel industry.
5.3 Marketing Strategies

**Experiential Marketing Approach**

Bernd Schmitt in his article about experiential marketing explains that “experiential marketers view consumers as rational and emotional human beings who are concerned with achieving pleasurable experiences. Five different types of experiences, or strategic experiential modules (SEMs), that marketers can create for customers are distinguished: sensory experiences (SENSE); affective experiences (FEEL); creative cognitive experiences (THINK); physical experiences, behaviors and lifestyles (ACT); and social-identity experiences that result from relating to a reference group or culture (RELATE). The ultimate goal of experiential marketing is to create holistic experiences” (Schmitt, 1999).

![Figure 2. Characteristics of Experiential Marketing](image)

Based on the experiential marketing approach, Wardrobe is ambitious and determined to offer the “Cinderella experience” by stimulating all the senses of its customers. All the following parameters will be managed coherently, consistently over time and by paying attention to details, as according to Schmitt this is the only
way to success and create brand awareness. Thus, Wardrobe aims to implement the Schmitt’s strategies below:

- **The SENSE Marketing Strategy** appeals to customers’ senses through aesthetics and excitement. Wardrobe mainly stimulates the senses of sight, touch and smell, as orders are delivered in a very beautiful, luxurious box, the content is also very appealing, along with the touch of the dreamed apparel, which smells melted caramel.

- **The FEEL Marketing Strategy** creates affective experiences that range from positive moods to strong emotions and are highly associated with the brand. Wardrobe causes positive feelings to female customers and makes them feel Happy, Proud, Attractive and Unique in their special moments.

- **The Act Marketing Strategy** intends to mobilize the customers towards a new way of doing things. Wardrobe aims to change the traditional mindset of owning assets to an innovative attitude towards accessing and sharing economy.

- **The Relate Strategy** appeals to individuals’ desire for self-improvement and social acceptance in the broader community. Hence, the customers of Wardrobe are related to each other, as they share the feeling of being in the “elite” because of the branded apparel. Thus, the firm creates a community, where members share common features and experiences.

**The Digital Marketing Strategy**

“Digital marketing strategy builds on and adapts the principles of traditional Marketing, using the opportunities and challenges offered by the digital medium. A digital marketing strategy should be constantly iterating and evolving. User-centric thinking, which involves placing the user at the core of all decisions, is vital when looking at building a successful digital marketing strategy. Digital also allows greater opportunities for interaction and consumer engagement than were possible in the past, so it is important to consider the ways in which the brand can create interactive experiences for consumers, not just broadcast messages” (Stokes, 2008).

The online nature of Wardrobe guides the firm towards the implementation of the Digital Marketing Strategy. The fact that there is an e-shop, an application and official pages in all social networks renders Wardrobe a clearly cyber firm, which should be advertised and promoted via digital means. Social platforms such as Facebook, Instagram, Pinterest allow potential customers to meet the community of
users and get feedback on the offered services. Wardrobe’s priority is to engage its customers online or in person in a brand journey that builds trust. What is more, as excellent customer service is one of our core values, there is a Wardrobe chat room, where customers can communicate with our stylist maker to get advice or answers. Because we value our customers support and positive reviews or comments, we let them know it by giving them discount coupons or let them participate in online competitions.

5.4 The 4Ps of Marketing

**Product Mix**

- **Quality:** Wardrobe ensures the high quality of its apparels in terms of eclectic materials, unique designs, best fit and flawless clothes.
- **Warranty of Originality:** All our clothes are original and labeled by the famous brands.
- **Package:** The orders are delivered in luxurious boxes, which protect the high end apparel.
- **Customer Service:** Wardrobe undertakes the responsibilities of dry cleaning, fast delivery and discount system to satisfy to the fullest its customers’ needs; while they seem to appreciate that as the following pie chart (Graph 12) shows.

16. Finally, if “Wardrobe” ensures the dry cleaning, the fast delivery, the discount system, all the required details for the apparel, would you still have second thoughts of trying our services?

(Graph 12)
Price Mix

The apparels’ renting cost will be in the 1/3 of their retail price for the minimum rental period (3 days), so the pricing range is from 20€ to 100€ for our customers. The retail price or cost of purchase for the firm will be approximately between 60€ to 300€ for every piece. According to our survey the vast majority (40.7%) of our potential customers chooses to spend 40€ to 60€ per rental, while 35% of them go for cheaper solutions ranging from 20€ to 40€ (Graph 13); besides our major target group belongs to B and C classes with incomes ranging from 400€ to 1.500€. This means that it is unlikely to spend more money for a dress that is going to be worn once and does not belong to them.

8. In which price of the following would you be willing to rent branded apparel for a few days? Keep in mind it costs 1/3 of the retail price!

![Graph 13]

Graph 13

The final renting price is defined by the selected duration of rental. More specifically, the 1/3 of the retail price of an apparel is the charge for a three-days rental, then on for the options of five or seven days rental the extra charge after day 3 is 10% of the rental price per day. For instance, if a customer wants to rent a dress of 50€ rental price, for 3 days the charge is 50€, then every extra day till the 7th day of rental is charged 5€ (10% of 50€). This strategy will encourage minimum period rentals and quick returns, which is very important for the availability of the inventory. Graph 14 below shows the renting duration preferences of potential clients.
In the charging policies of Wardrobe, shipping, late return, theft and damaging costs are also included. Wardrobe must protect its expensive inventory and ensure the quick turnover of clothes. The shipping cost is free for orders above 40€, instead orders below this sum are required to pay 6€ for delivery and return. The return is prepaid, but the customer is obliged to deliver the box to the cooperated courier company on the arranged date or go for a pick-up service with an extra charge of 4€. If return of the rented apparel is delayed, the customer has to pay 1/3 of the rental price per day. Moreover, in case of serious damages or theft the firm is obliged to charge the customer’s credit card with the retail price of the rented apparel. This condition is highlighted to customers in order to ensure that they look after the apparel and return it intact and on time. Besides the questionnaire results on this issue showed that 77.1% of potential clients find this charging policy absolutely reasonable for the protection of Wardrobe’s inventory (Graph 15).
**Place Mix**

Wardrobe has both physical and online presence. The warehouse, which is located in Thessaloniki’s city center, has also got a show room for customers to visit and try on clothes. Otherwise, they can rest at their homes choosing their outfit in Wardrobe’s application or E-shop. Their order will be delivered at their chosen address by our courier service in one or two working days.

**Promotion Mix**

- **Advertising**
  - *Search Advertising*: In pay-per-click or search advertising, Wardrobe pays only when someone clicks on its ad. The ads appear on search engine results pages. It therefore plays a role in sales, acquisition and retention. It allows Wardrobe to reach people, who are already in the buying cycle or are expressing interest in what the firm has to offer (Stokes, 2008).
  - *Online Advertising*: Online advertising covers advertising in all areas of the Internet – ads in emails, ads on social networks and mobile devices, and display ads on normal websites. The main objective of display advertising is to raise brand awareness online. It can also be more interactive and therefore less disruptive, as users can choose to engage with the ad or not (Stokes, 2008). Wardrobe will use this method to increase the visitors of the E-shop and the download rate of the application.
  - *Email Marketing*: Email marketing is a form of direct marketing that delivers commercial and content-based messages to an audience. It is extremely cost effective, highly targeted, customizable on a mass scale and completely measurable – all of which make it one of the most powerful digital marketing tactics. Email marketing is a tool for building relationships with potential and existing customers through valuable content and promotional messages. A targeted, segmented email database means that a brand can direct messages at certain sectors of their customer base in order to achieve the best results (Stokes, 2008). This marketing method is very helpful to the firm, as customers will get informed not only for offers and discounts, but also they get feedback specifically on their saved as “favourites” clothes in terms of availability, price or even purchasing bargains.
✓ Publicity

- **Affiliate Marketing:** Affiliate marketing is a system of reward whereby referrers are given a ‘finder’s fee’ for every referral they give. Online affiliate marketing is widely used to promote ecommerce websites, with the referrers being rewarded for every visitor, subscriber or customer provided through their efforts. It is a useful tactic for brand building and acquisition (Stokes, 2008). Wardrobe strongly believes that a brand endorsement coming from a friend has more power and exerts greater influence on potential customers comparing to that of a stranger or a promotional mail. Hence, Wardrobe rewards friend referrals with a 10% discount for their next rental in an effort to achieve brand awareness and expansion of its community.

- **Word of Mouth (W.O.M.):** Wardrobe also heavily leans on the positive word of mouth. It is broadly known that women always discuss about their clothing, especially when they make impressive appearances in special occasion events, so their secret will be 95% revealed to their best friends, as the questionnaire showed. Half of them are convinced for the Wardrobe’s rental services and are willing to suggest it, while almost the other half will first try this new rental experience and then if they stay content, they will gladly propose this cost effective solution to their friends (Graph 16).

Graph 16

15. If you were convinced that “Wardrobe” is a smart, clean and cheap solution to impress everybody with your branded apparel, would you suggest it to others? (140 respondents)

- 46.4% Yes, of course
- 47.9% Yes, if I was satisfied
- 5.7% No, I don’t want to reveal the source of my clothing
- 0.8% Others
“Wardrobers” Online Community: The firm has created a separate section on the E-shop and the application, where customers can upload their photos wearing their rented apparel, leave feedback for it, generally commenting on their experience and chat with other Wardrobe members. Furthermore, those who post their personal photos will participate in competitions winning different kind of gifts, such as discount coupons, free rentals, free shipping costs or a second apparel for free.

✔ Special Offers-Discounts

- **Friend Referrals:** the customer wins a 10% off her next rental for every 3 friend referrals that end up using our services.
- **Customer’s first order:** our new customers are welcomed in Wardrobe with a discount coupon of 10% off the cost of their first order.
- **Quick Returns:** customers that return their apparels sooner than the arranged time of return (less than a week), are rewarded with 5€ discount coupon, which is valid for one month to use it. Quick returns are very profitable for the firm, as the returned apparels can be soon rented again. This policy seems also appealing to our clients, as the 65% of them believes that the discount coupon is a great incentive to return their rented apparel earlier (Graph 17).

10. If there was a bonus system for early returns (less than a week) awarding you with discount tickets for your next rental, would you try to return the apparel as soon as possible?

(140 votes)

Graph 17
• **Stock Purchases:** twice a year in the end of the winter and in the end of summer, Wardrobe offers some of the apparels for purchase in the price of rental.

• **Holiday and Birthday Promotions:** Wardrobe wants to celebrate and enhance the festive mood of its clients in holidays or on their birthday party by granting a 15% off their festive appearance and an accessory for free.

• **Second Outfit:** Wardrobe gives to its clients the opportunity of renting a second apparel in 50% off the rental price. Hence, Wardrobers can have two luxurious choices and find the one with the best fit.

• **W Unlimited:** This program is especially designed for Wardrobe’s Star Members. If a customer wants to enter in this VIP community, she should pay 100€ per month and ensure the quick return of the apparels. The subscription in W Unlimited involves many benefits for the members:
  - A luxurious apparel to wear every weekend, so 4 apparels per month
  - Accessories matching the apparel
  - Free shipping costs
  - Insurance for tiny damages

✓ **Sponsorships**

Wardrobe has designed a sponsorship program in order to show its social responsibility towards crucial social issues. It is going to participate in charity events, firstly by dressing up free of charge the organizers of the event and secondly by selling discount coupons to the guests granting the collected sum of money to the purpose of the charity.
6. Financial Planning

The venture of Wardrobe is supported by 2 investors, who also work for the firm, each one invest 40.000€ so the total initial capital existed is estimated at 80.000€. Generally, it is considered an expensive venture due to the high inventory cost and a risky one as it is the first in the market, so the expected profits are under question. Nevertheless, its business plan is very engaging for customers, so the preference of the public will reward our efforts.

<table>
<thead>
<tr>
<th>Start-up Assets needed</th>
<th>Cost (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Creation and Development of e-shop and App</td>
<td>10.000€</td>
</tr>
<tr>
<td>2. Starting Inventory Cost</td>
<td>65.000€</td>
</tr>
<tr>
<td>3. IT Equipment and Software (ERP,CRM)</td>
<td>2.000€</td>
</tr>
<tr>
<td>Remaining Capital</td>
<td>3.000€</td>
</tr>
</tbody>
</table>

Table 1

Initial Investment: 80.000€
6.1 The Inventory

The total cost of the inventory, which is €65,000, was estimated after calculations of the three categories of clothes in terms of their price (€63,000) and accessories (€2,000). Wardrobe decided to start its operations with 150 different pieces of clothes multiplied by the 3 major sizes Small, Medium, Large, so its main inventory consists of 450 pieces. Furthermore, €2,000 will be used for the purchase of accessories that accompany the luxurious apparels.

<table>
<thead>
<tr>
<th>Inventory</th>
<th>Retail Price Cat.</th>
<th>Mean Cost</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>35% (150 pieces)</td>
<td>60€ - 120€</td>
<td>90€</td>
<td>13,500€</td>
</tr>
<tr>
<td>50% (225 pieces)</td>
<td>120€ - 180€</td>
<td>150€</td>
<td>33,750€</td>
</tr>
<tr>
<td>15% (75 pieces)</td>
<td>180€ - 240€</td>
<td>210€</td>
<td>15,750€</td>
</tr>
<tr>
<td>20 pieces Accessories</td>
<td>100€</td>
<td></td>
<td>2,000€</td>
</tr>
</tbody>
</table>

Table 2
6.2 Fixed and Variable Costs

In this section fixed and variable costs are estimated for each month of Wardrobe’s operation. These values will be also useful to calculate the break-even point, the moment when the firm will start generating profit.

<table>
<thead>
<tr>
<th>Fixed Costs per Month</th>
<th>Cost (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warehouse (Tax of ownership)</td>
<td>100€</td>
</tr>
<tr>
<td>Electricity bills</td>
<td>200€</td>
</tr>
<tr>
<td>Water bills</td>
<td>80€</td>
</tr>
<tr>
<td>Communication &amp; Internet</td>
<td>100€</td>
</tr>
<tr>
<td>Insurance</td>
<td>2.000€</td>
</tr>
<tr>
<td><strong>Total Fixed Costs</strong></td>
<td><strong>2.480€</strong></td>
</tr>
</tbody>
</table>

Table 3

<table>
<thead>
<tr>
<th>Variable Costs per Month</th>
<th>Cost (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries (6 employees)/Wages</td>
<td>4.000€/4.16€ per hour</td>
</tr>
<tr>
<td>Legal and Accounting Issues</td>
<td>600€</td>
</tr>
<tr>
<td>Advertising and Marketing</td>
<td>900€</td>
</tr>
<tr>
<td>Courier Services (400 orders)</td>
<td>800€</td>
</tr>
<tr>
<td>Dry Cleaning Services (400 orders)</td>
<td>1.200€</td>
</tr>
<tr>
<td><strong>Total Variable Costs</strong></td>
<td><strong>7.500€</strong></td>
</tr>
</tbody>
</table>

Table 4

**Total Monthly Expenses: 2,480 + 7,500 = 9.980€**
6.3 Forecasted Rentals & Break-Even Point

The forecasted rental percentage per week is estimated at 22% of the total inventory for the first three months January, February, and March, which means that there will be 100 rentals per week. Taking into consideration that the average price of rental is 40€, the total income is calculated at 16,000 monthly. The three-month net profit is 18,060, but because of the change in season Wardrobe has to purchase inventory for spring and summer; so the amount of 8,060€ will be reinvested in approximately 200 new pieces. After this period we suppose that advertising and marketing campaigns would have enhance Wardrobe’s brand name, along with the coming of spring, which is the ideal season for special events, the percentage of rentals per week will reach 35% of inventory, which means 632 rentals per month (April/ May/June) with monthly income 25,280€ and total net profit 45,900€. July is considered the month of weddings and special occasion events so we expect to reach rentals of 40% of inventory, 180 orders per week with expected income of this month 28,800€. At the beginning of August, Wardrobe’s initial investment would be fully compensated by its revenues and the company starts generating profit.

- (Jan/Feb/Mar) Net Monthly Profit: 16,000-9,980=6,020€ → 3 month profit=18,060 → Remaining Profit after reinvestment: 10,000€ → 13% of the initial investment
- (Apr/May/Jun) Net Monthly Profit: 25,280-9,980=15,300€ → 3 month profit=45,900 → 60% of initial investment
- (July) Net Month Profit: 28,800-9,980=18,820€ → 24% of initial investment

Break-even point: almost 7 months
6.4 Risks and Exit Strategy

The major risks of the venture include the possibility that the consuming public will not respond positively to this alternative way of clothing, while there is a fear of the potential damages of our inventory. Furthermore, there are always cases of theft or unpaid rented apparels, which are really hard to predict in percentage. Another unpredictable factor is the delayed returns, which cause serious inventory and operational issues.

Consequently, if all our projections fall short of our targets, Wardrobe has an exit strategy, so as not to lose the whole sum of investment. The first step is to decrease further the rental prices of the apparels and if this plan fails, the second inevitable step is to sell out the inventory at a very low price.
Bibliography


Appendix

The Questionnaire

1. Are you familiar with leasing companies such as Uber, Zipcar (cars) or Airbnb (apartments)?
   - Yes, I know them
   - No, I don’t
   - I know some things

2. Have you ever thought that possessing something puts restriction on experiencing variety?
   - Yes, I have
   - No, I haven’t
   - In some cases

3. Do you face the problem of not having what to wear in special occasion events and nights-out?
   - Always
   - Never
   - Sometimes
   - Rarely

4. If there was an application of renting fashionable and branded apparel for a few days, in 1/3 of their retail price and fast delivery, would you ever go for this solution?
   - Yes, I think it is a great and inexpensive solution
   - No, I don’t want to rent my clothes
   - Maybe, I would think of it

5. If the cost of renting your outfit was 1/3 of its retail price and delivered a day after your order, would you choose our services?
   - Definitely, yes! The price and the fast delivery are really attractive
   - No, I wouldn’t
   - Maybe, I would give it a try
6. According to your opinion, which are the most important benefits of renting special occasion clothes? (you can choose up to 3 answers)
   - They cost less money
   - They will be neat and clean; ready to dress up
   - They are returnable, as special occasion apparels are rarely worn again
   - They are always in fashion
   - The feeling of wearing an expensive branded apparel
   - The opportunity of refreshing frequently your wardrobe and style

7. Which are your main second thoughts of renting instead of buying your special occasion apparel?
   - I don’t have any second thoughts
   - The hygiene/ dirty clothes
   - The defective clothes
   - The size
   - The material
   - If I like it and I want to keep it

8. In which price of the following would you be willing to rent branded apparel for a few days? Keep in mind it costs 1/3 of the retail price!
   - 20€-40€
   - 40€-60€
   - 60€-80€
   - 80€-100€
   - 100€ +

9. With which period of time would you feel satisfied to keep the item before return it?
   - 3 days
   - 5 days
   - 1 week
   - 2 weeks +
10. If there was a bonus system for early returns (less than a week) awarding you with discount tickets for your next rental, would you try to return the apparel as soon as possible?
   - Yes, of course. It’s a great incentive
   - No, I don’t think so
   - Maybe, if I didn’t need it for more days

11. In case of serious damages or theft of the apparel, the company’s policy is to charge your credit card with the retail price of the apparel. What is your opinion on this?
   - I think it’s reasonable
   - I don’t find it a good idea
   - It’s indifferent to me

12. If there was also a physical store in the center of Thessaloniki offering the same services would you choose to visit it in order to try on your chosen apparel? Keep in mind that all required details (size, fit, material) and photos of customers are available online.
   - Yes, I would definitely visit the store
   - No, I don’t think it’s necessary
   - Maybe, if I wasn’t sure about the fit of the apparel

13. What is your age?
   - 15-20
   - 20-25
   - 25-35
   - 35+

14. How would you characterize your personal style?
   - Conservative
   - Always in fashion
   - Formal
   - Casual
   - Other
15. If you were convinced that “Wardrobe” is a smart, clean and cheap solution to impress everybody with your branded apparel, would you suggest it to others?
   o Yes, of course
   o No, I don’t want to reveal the source of my clothing
   o Yes, if I was satisfied

16. Finally, if “Wardrobe” ensures the dry cleaning, the fast delivery, the discount system, all the required details for the apparel, would you still have second thoughts of living the experience?
   o No, I am totally convinced
   o Yes, I still have doubts
   o I would never choose it
   o I would give it a try