

Wildstream

Circular fashion - digitale kleerkast

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Authenticity ○ Drive ○ Entrepreneurial ○ Ownership ○ Positive ○ Sustainable

Purpose

Help fashion retailers champion the re-use paradigm shift



We help European fashion retailers build sustainable business models, diversify their revenue streams and increase customer retention.

Problem

The growing resale of 2nd hand clothing will pull away clients from your shops (again)

The last two decades, online shopping has challenged physical retailers. A new wave is now coming for your market share:

- Re-use clothing market is hugely growing (cf legislation)
- Risk = 2nd hand market share claimed by
 - (Digital) 2nd hand concepts
 - Multi Brand Platforms (eg. Zalando)

With the current pricing of 2nd hand clothing, margins are under pressure even more.

In the current (second hand) market, other companies are pulling your customers away from your shops, by offering similar products for a lower price.



Solution

A digital closet to easily tap into the re-sell market

We shift ownership of the 2nd hand market back to the premium fashion retailers.

Via a digital closet

- that empowers customers to easily resell their items;
- where retailers have 1st buyers right with their clients.

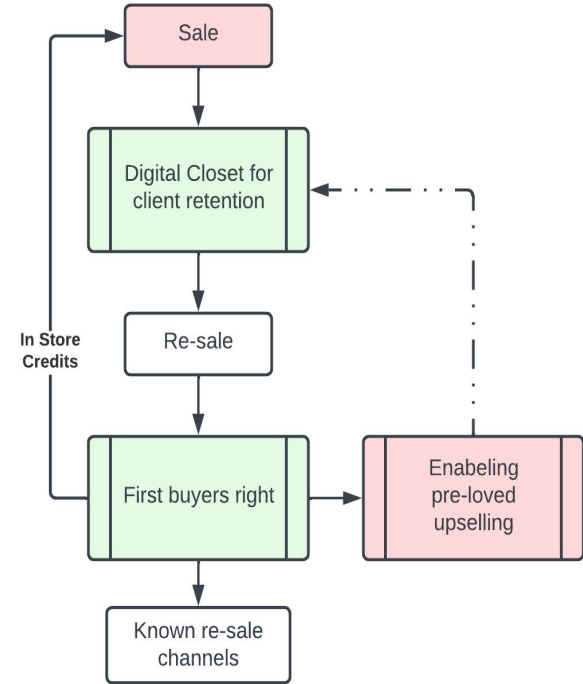
⇒ A new way of maturing the pre-owned clothing market, putting the right price on your own reused clothing. Because you endorse the resale piece and sell it via your channels, the value increases.



How it works

End-to-end digital flow from purchasing new pieces to reselling 2nd hand

- **Purchasing (new) items:** Purchases are automatically visualized (via GS1) in the closet. Possibility for clients to add their own pieces as well, increasing usage of the platform;
- **Lifetime value:** the value of the clothing you own is shown throughout its lifetime;
- **End of use:** Customer reports the end-of-use-cycle. The resell process gets initiated → 1st buyers right, then pushed 3th party platforms;
- **Re/up-selling:** retailers are enabled to introduce pre-loved clothing in their current flow through smart webshop plug-ins for example;
- **Loyalty incentive:** the re-use seller receives credits, either to be paid out or spend with the retailer.



Push 2nd hand market prices up

Price mechanisms (first buyer + auction) in the whole process ensure increased price



1. Sale by the customer

Consumer buys the product, at the end of use, they get advised a sale price by the platform and put it on sale. *(based on the type, brand and state of the piece - see next slide).*



2. First buyers right retailer

If the original retailer detects a market demand for that specific piece of clothing, it is automatically bought in, if there is a price match. *(with a 7% markup for threadspace)*



3. Connected retailers auction

If the original retailer doesn't buy, the (reverse) auction opens to other connected retailers and they can buy at their set price. *(start at top of pricefork, surplus = margin threadspace)*



4. Push to connected platforms

If no retailer wishes to conduct a buy-back, the customer can push their item on the known resell channels. *(no or limited threadspace margin)*

Market intelligence

Data-driven price suggestions at resale

When a piece of clothing is put up for resale, a price is suggested according to the following process:

- User determines the condition of the item
 - Mint Condition: *(60-80% original value)*
 - Very Good Condition: *(40-60% original value)*
 - Good Condition: *(20-40% original value)*
- Scraping of own and other platforms + historical data for similar items (eg. Levis Jeans, mint condition)

⇒ calculates a data-driven average price fork suggested to the seller



Recap: win-win-win for all stakeholders

Why would you use the digital closet



Customer

- Digital overview clothing
- Value perception clothing
- Ease of use (automated pictures & info + automated push to other channels)
- Exchangeability of clothing



Retailer

- Customer retention
- First buyers right
- High quality 2nd hand clothing selection
- Qualitative resale offering via own channels (online and/or offline)



Brand/producer

- Price increase feasible because value increases in the market
- Compensates for sustainability investments
- Insights scope 3 reporting

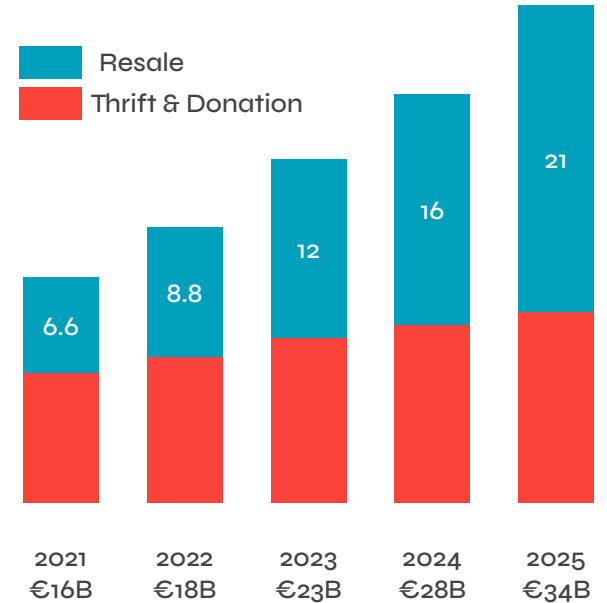
Why Now?

2nd hand market is maturing, be on the first hockey stick wave

The current fashion market is moving towards the normalization of 2nd hand shopping.

Legislative frameworks, the “EU strategy for sustainable textiles” and CSRD (scope 3) among others, oblige you to be involved in the lifespan extension of your products after an initial sale.

Amazon is set to expand aggressively into the clothing space over the next few years.



Business case

Napkin costs and revenue streams

Seller (1st customer)	Platform (Owner)	Buyer (Retailer)
<p>Uses platform for free.</p> <p>Freemium can also be an option (pay for features like buyer protection, wardrobe spotlight.)</p> <p>When item is sold, seller gets paid in Digital Shop credits, (to be transferred to gift cards)</p>	<p>5-10% margin, fee based on performance of the platform.</p> <p>The platform is owned by multiple brands -> getting value of clothing up is incentivised.</p> <p>Cost platform: +/- €500k / year</p>	<p>Consolidate customer retention + attract new 2nd hand customers.</p> <p>Set the right price for your own reused pieces → extra revenue stream.</p> <p><i>Comparison: online sales of new clothing today</i></p> <ul style="list-style-type: none">- Bristol: 17 MIO (BE en NL)- Torfs: 23 MIO- JBC: 29 MIO

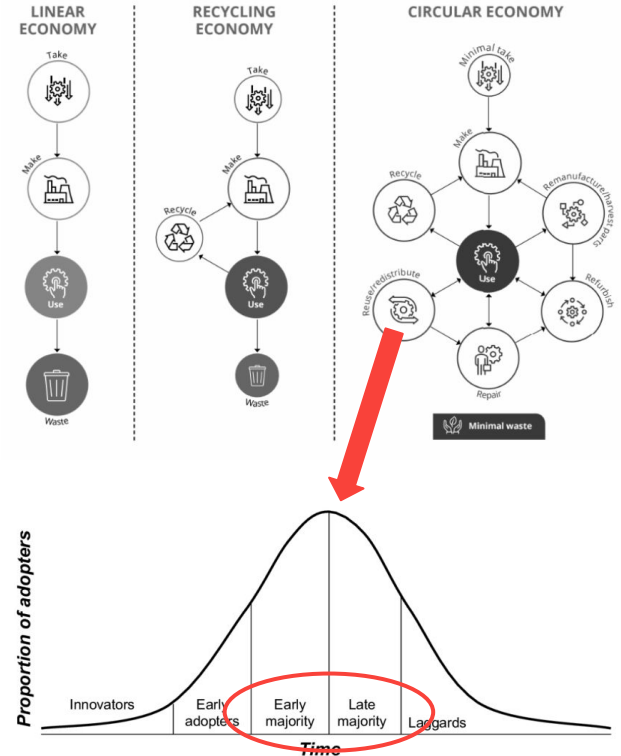
Market potential

Grow your business in a growing future-proof market

The circular reuse strategy in the fashion industry has reached early majority stage in the adoption curve.

- By 2030, the resale market will be twice as big as the fast fashion market
- The resale fashion market is currently growing 11 times faster than traditional retail

[FedEx & Worldline study](#)



Competition

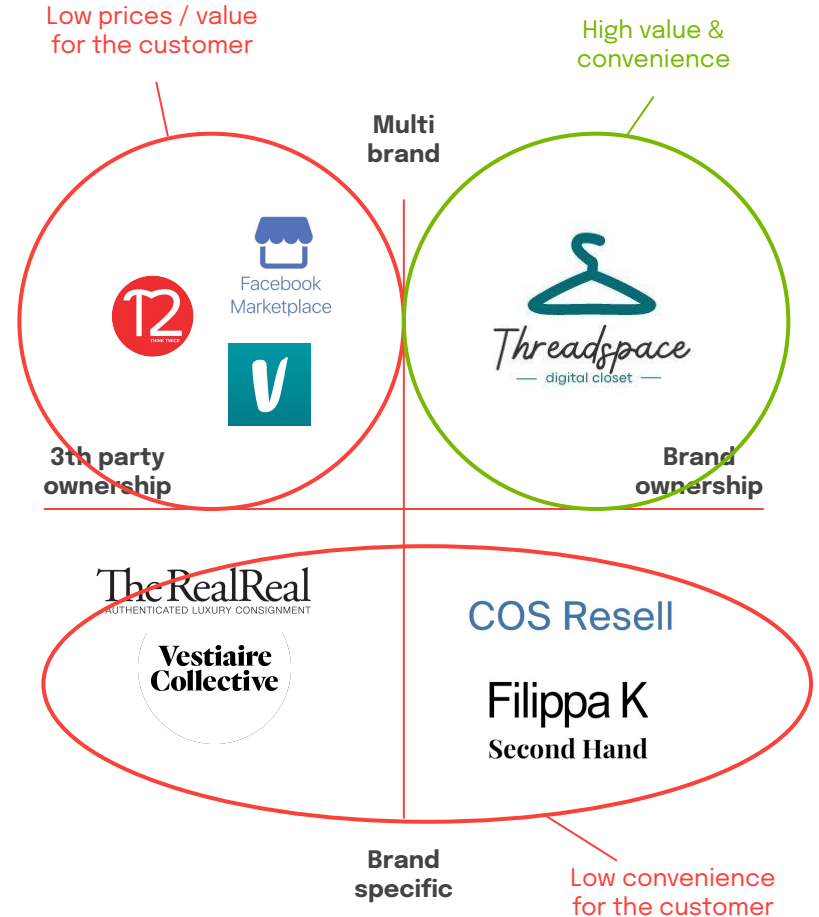
Customer convenience always wins

Competition = low value or low convenience

<> our solution

- High value: retailer owned en thus first buyers right, mature & endorsed 2nd hand
- High convenience: brand agnostic on the customers side, all brands in the closet
- Taps into shoppers' entertaining experience (<>transaction), also increasing retention

⇒ digital closet is actually able to attract the early and late majority, because convenience always wins



Our vision

Secure the legacy of EU's best fashion retailer



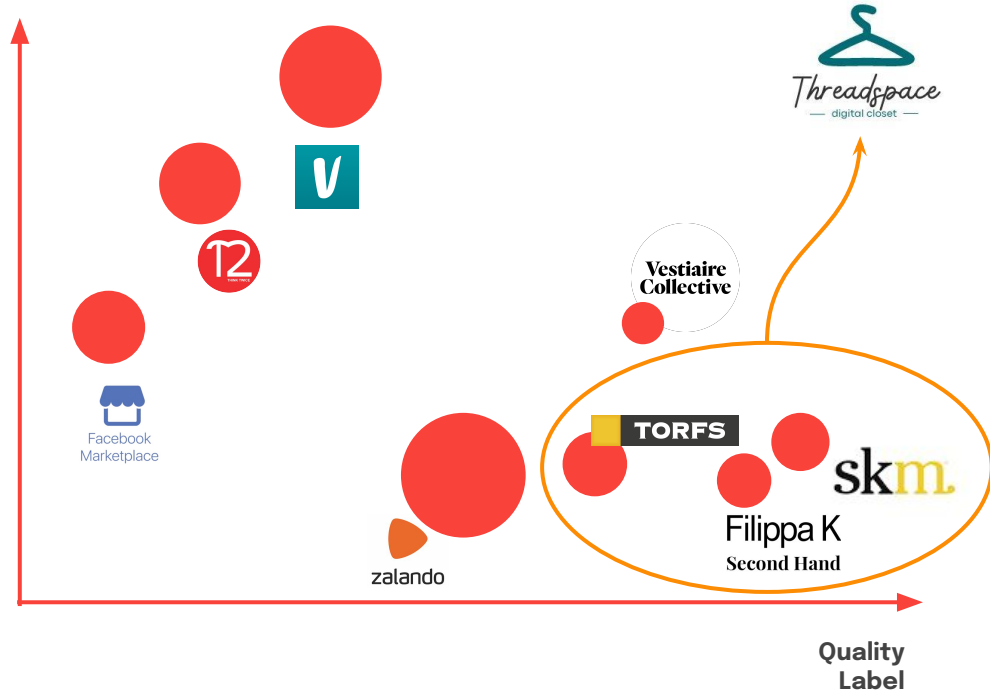
European retailers have shaped the fashion industry in the past. We want to secure their legacy in the future. By putting the ownership of the 2nd hand fashion market back into their own hands.

To empower them and help them get an honest return on their sustainability investments. Only then can they make the giant paradigm shift that's heading their way.

And yours?

Build, buy or invest

Revenue out of reused fashion





Ready to go
with the flow?

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