



## The Team

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## 1. Problem:

Many women refrain from shopping online for apparels because of lack of tools and experiences to ensure that the products they buy would meet their expectations in both style and fit.

Online apparel shopping, along with e-commerce, has accelerated due to COVID-19, and the majority of women now prefer to shop online for apparels.

Retailers and fashion companies are trying to meet the growing demand online, but struggle to offer online experiences that mimic the real world, thus losing the competitive advantage of having brick & mortar stores in which they offer style consultants and physical fitting rooms.

Poor try-out/selection experiences and lack of personalization online result in higher apparel returns and revenue losses for online retailers. Additionally competition with E-Commerce giants such as Amazon

- who have more advanced technologies, huge data and better e-commerce experience - hurts their market share even more.

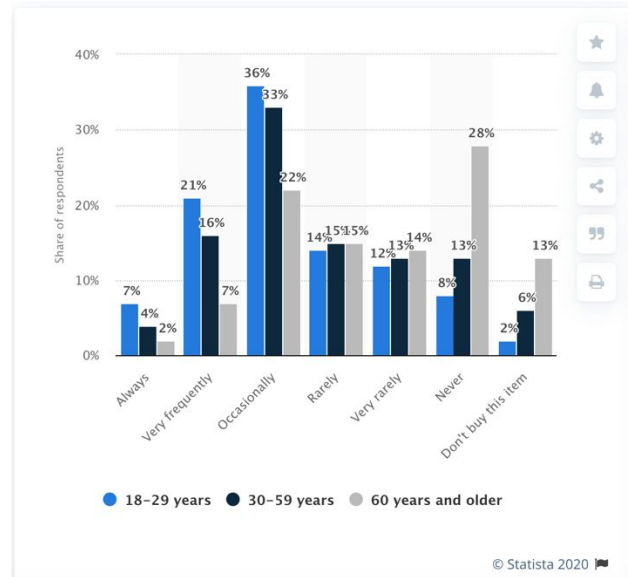


## 2. Solution: Introducing Smart Style Matcher

Our product today focuses on women who are the biggest group buying clothes online  
The One-Stop Shopping experience for online apparels.

Our Service specializes in:

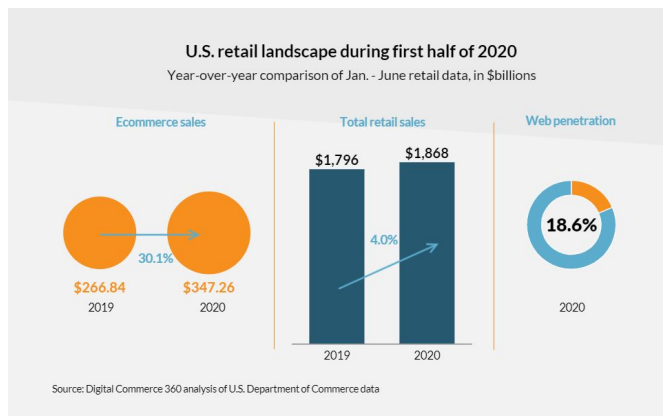
- Personalized recommendations based on the search criteria and/or previous purchases.
- Visual experiences similar to store fitting rooms where you can upload your image(s) along with sizing details, and see how the dress you chose, looks and fits on you.
- Easy integration with any retailer where our AI/ML technology will help buyer to search better and to buy better



## 3. Supporting Data

As per the report from “Research Gates” and “FastCompany” the need for such a product has become the need of the hour.

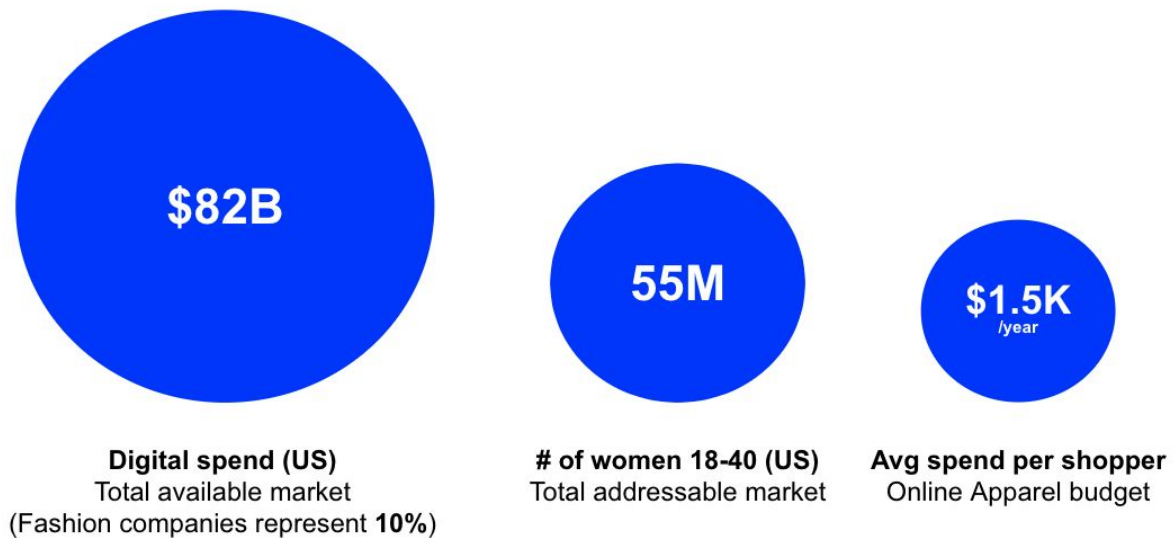
As the below numbers indicate, retailers suffer greater losses from apparel returns as a result of online shopping, while the trend of shopping online has accelerated due to COVID-19. Survey data shows that 54% **of women** feel comfortable with the virtual try on. Furthermore, a majority of women seek style advice and ways to try out apparel virtually. Thus Style Matcher will help greatly reduce the loss to retailers due to returns for wrong fit and style.



As per the U.S. Department of Commerce data, the growth in retail industry and web penetration percentage clearly indicates that this is the right time to launch a service like “StyleMatcher”, which will contribute to the industry in a positive manner.

- ✓ 30% revenue loss for retailers due to product returns
- ✓ 40% of all returns are due to 'wrong size'
- ✓ 65% of women prefer to shop online post-Covid19
- ✓ 54% of women feel comfortable with virtual try-ons
- ✓ 57% of women are looking for style advice and matching

#### 4. Market Size



The Market Size for a service such as “StyleMatcher” is huge: the average spend per shopper is \$1.5k out of the total of \$82B total available market of digital spend. Number of women in the total addressable market in the US itself has 55M women between ages 18-40.

## 5. Technical Solution and Product Landscape:

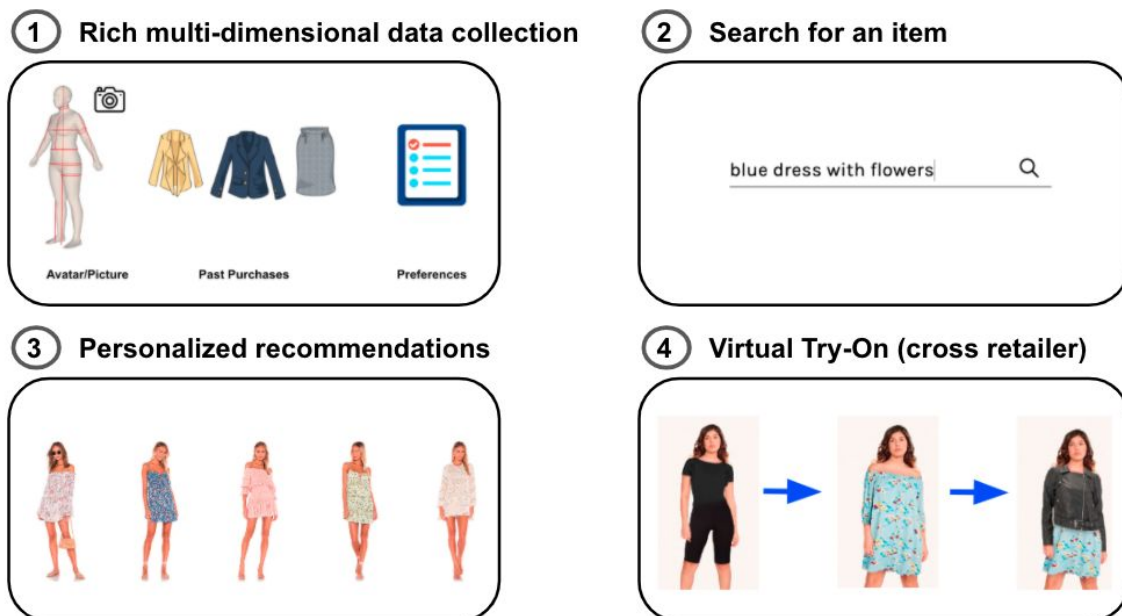
The StyleMatcher service we are planning to offer is intended to help both buyers and retailers. A simple integration with retailers, via browser extension and a mobile SDK, will take the input from the consumer directly and integrate with the retailer's product catalogue.

A secondary phase would enable cross-retailer cross-catalog search of products for a rich style matching experience that truly explores all options to please the consumer.

The core experience includes the following steps:

- 1. Configuration (only happens one, at sign-up):**
  - consumer uploads a photo of themselves or configures an avatar, answers key questions on style preferences and past purchases.
- 2. Upon use of the StyleMatcher experience on any participating retailer site:**
  - Search for products of interest using keywords.
  - Simply let the service suggest you based upon your configured profile.
  - Select products you like and virtually “try them on”.

Our Service caters online buyers and our approach will be B2B2C. Our shopping experience will include below steps:



## 6. Business Model and Pricing

### How it Works

“StyleMatcher” will have your data about your size, preferences and taste. This will be used to find the relevant piece of garment that suits you and fits you.

The more you shop using the “StyleMatcher” service the better will be your experience every single time as it can monitor the shopping trends.



### Value to the Consumer:

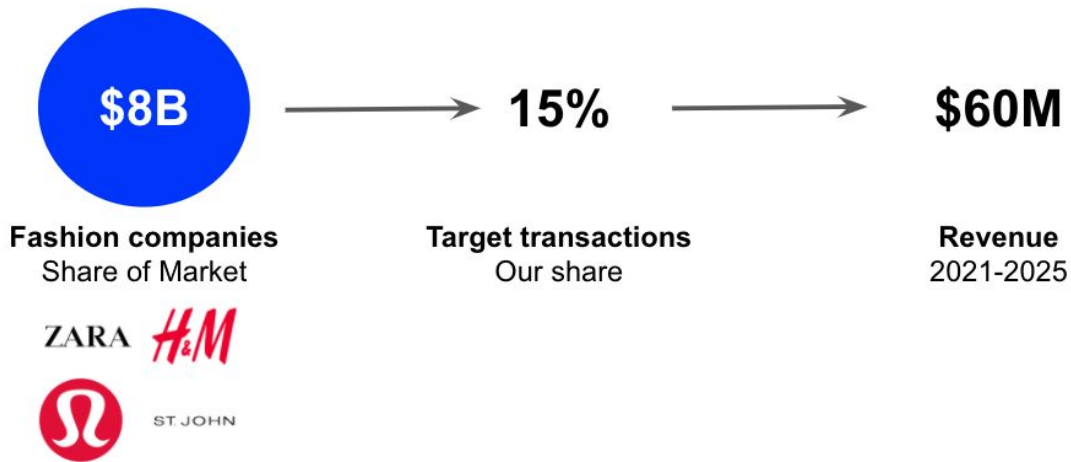
1. Personalized and adaptive recommendations
2. Data privacy compliance
3. Convenient and time saver

### Value to the Retailers:

1. Increase in profitability (more purchases, fewer returns)
2. Happier and returning buyers
3. Higher conversion rates
4. Rich data to research, analyze and react

## Pricing:

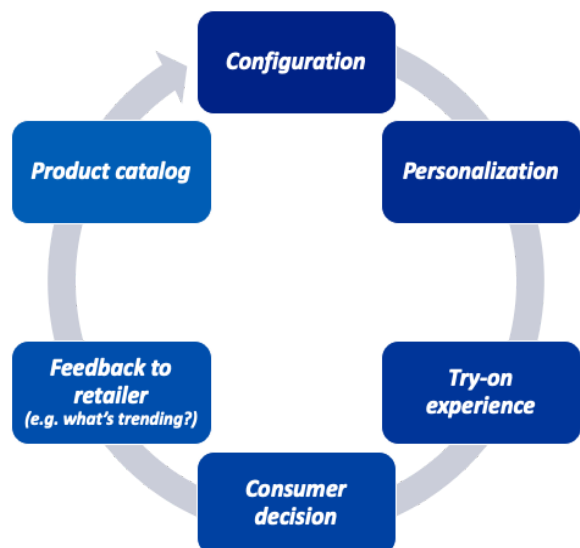
Retailers pay us for every successful transaction 5% of the shopping price - successful transaction being any successful purchase that does not result in a return. The 5% commission is in line with the typical commission for in-store sales associates.



## 7. Roadmap and Data Driven Growth

We also think that new cross-retailer business model opportunities will merge as our platform accumulates learnings of customer preferences and feedback at scale.

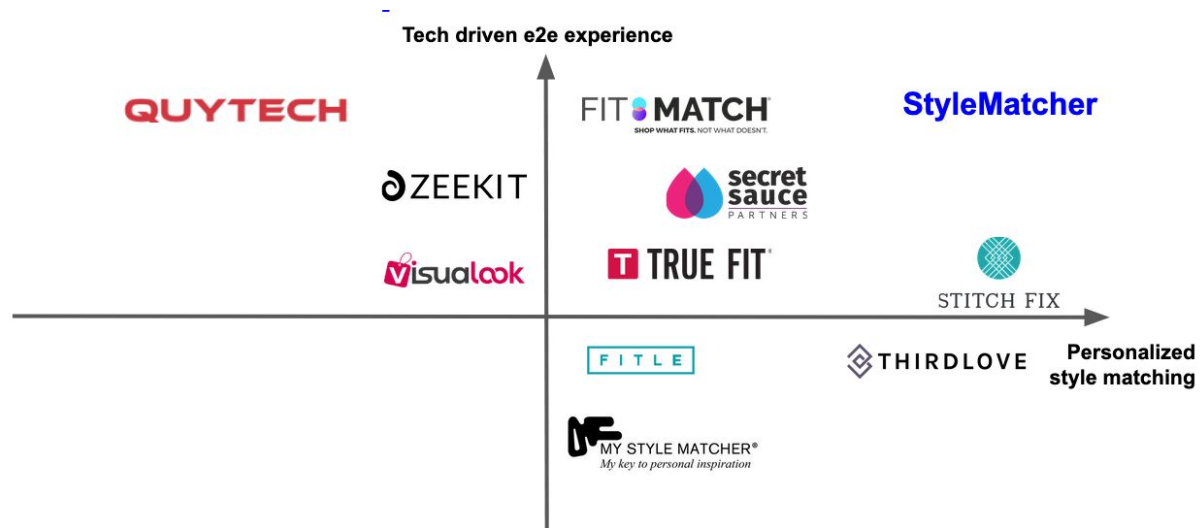
Through the stickiness of our service and the value created for consumers and retailers, along with data collected of transactions, preferences and trends, we envision that every retailer would want to upload their catalogue to StyleMatcher and make them available to all consumers in our network.





## 8. Market Landscape

There are several competitors in the space providing similar or partial aspects of our offering. None of our competitors is providing a full end to end tech-driven experience which includes personalized style based matching, along with virtual fitting experience and integrated directly into retailers' experiences.



## 9. Competitive Advantage

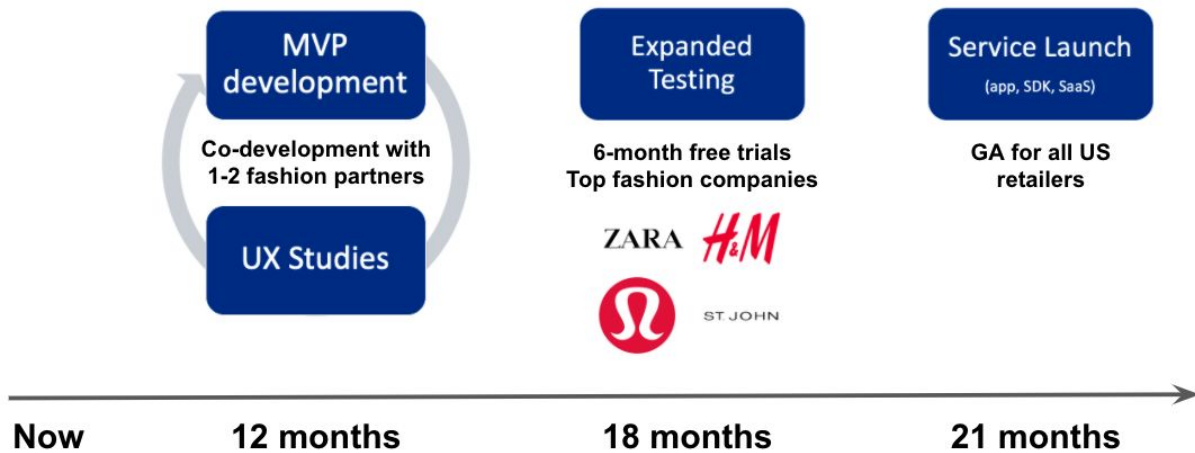
The following core strengths position StyleMatcher at an advantage over other services in the market:

- **Personalization** – Technology based matching between rich product metadata and consumer preferences.
- **E2E Experience** – Delivering both product recommendations and visual try-on in a single experience.
- **Built with Fashion Companies** – Designed and implemented in partnership with top fashion companies for the companies
- **Risk Free** – Retailers pay commission only for transactions that end with non-returned purchases.
- **Frictionless Retail Onboarding** – Retailers only need to give us a product catalogue and integrate our SDK/plugin.
- **Seamless Integration** – Our service is self-contained and seamlessly integrated into mobile and web applications.

## 10. Product Timeline and Go To Market Strategy

### 1<sup>st</sup> Phase:

- Now: MVP design and exploration of partnerships with fashion companies.
- In 12 months: co-development with 1-2 fashion partners for UX Studies and MVP development.
- In 18 months: Expand testing with more fashion partners. Offer 6 months risk-free trials.
- In 21 months: GA for all US retailers (App, SDK, Software as a Service).



### 2<sup>nd</sup> Phase:

- Continue the product enrichment and development.
- Add more retailers to our ecosystem.
- Start leveraging the data collected by the service and ecosystem to offer new business models.

## 11. Financials and Funding

	Year 1	Year 2	Year 3	Year 4	Year 5
Number of Partners	1	2	4	7	15
Avg Garment Price	\$55	\$58	\$62	\$66	\$72
Number of Garments Sold with Style Matcher	0	6,000	300,000	2,700,000	20,000,000
Paid Partner Sales with Style Matcher	\$0	\$348,000	\$18,600,000	\$178,200,000	\$1,440,000,000
<b>Revenue</b>	<b>\$0</b>	<b>\$17,400</b>	<b>\$930,000</b>	<b>\$8,910,000</b>	<b>\$72,000,000</b>
Company Size	7	13	20	33	70
Opex/Labor	1,050,000	2,008,500	3,182,700	5,408,999	11,817,843
Office Space/Other	200,000	300,000	500,000	1,500,000	3,500,000
<b>Cost</b>	<b>1,250,000</b>	<b>2,308,500</b>	<b>3,682,700</b>	<b>6,908,999</b>	<b>15,317,843</b>
<b>Gross Profit</b>	<b>-\$1,250,000</b>	<b>-\$2,291,100</b>	<b>-\$2,752,700</b>	<b>\$2,001,001</b>	<b>\$56,682,157</b>

To make “StyleMatcher” a reality and provide an enriched experience to the buyers and retailers soon enough, we are looking for:

1. An investment of \$2.5M to
  - Hire Talent (Engineers, Scientists, UX experts, marketers)
  - Establish strategic partnerships with early adopters (fashion companies)
  - Build a MVP with partners
  
2. Board members and industry experts to join the team.