

DECEMBER 2022

**UDRIP**

DESIGN YOURSELF

**EXECUTIVE SUMMARY**



PREPARED BY  
Group 7

# uDrip

## Overview and Company purpose

**Overview:** Our research findings revealed that over 80% of people's first impression of others is through the way they dress. Our goal is to help people feel more confident in their clothing choices through a network of stylists, who will be available to give advice and feedback on outfits and clothes, listening to customers' needs, such as specific body types or styles, advice forums, and other resources.

**Company Purpose:** uDrip is a hands-on app for people who need advice or suggestions to either choose the right outfits, or find their unique styles for upcoming events and everyday life.

## The Problem

The way we dress has a substantial impact on our daily lives. According to a survey of 200 participants, 80% of participants said that their first impression of a person heavily involved the person's choice of outfit. For that reason alone, choosing the right outfit can be exhausting and time-consuming. Furthermore, the general problems consumers face while dressing for any event are: **lacking general fashion or cultural knowledge, confusion while choosing an outfit, and indecisiveness about whether the outfit they picked is correct.** There may be times when we are ignorant, either about the dress culture or societal expectations regarding outfits. For example, visiting another country, going on your first date, or fitting the current trends. Sometimes even when we understand fashion knowledge, we struggle to pick the right outfit.

## Our Solution

uDRIP app is a three-step solution for users. The first step is to help the customers gain knowledge and keep up with trends via articles and catalogs in the tips & guide section. The second step is to connect users with other users for free or with fashion experts for a fixed fee to help them pick or choose outfits with an option to buy outfits from the website. Finally, the users can post the desired outfit on the uDrip feed to get feedback from the uDrip community via polls instead of comments. We chose a polling system instead of comments to prevent users from being overwhelmed by large numbers of comments. Through the polling system, the users can see which choices in the poll were most popular.

## MVP

Our goal for the M.V.P. is to put our name out there and get customers more interested in our app, so we're making an introductory version of our business model. Our development plan is similar to how we discussed Instagram starting small and growing with time. The app should be free to entice more users, so we have to make it feasible based on a small investment. Ideally, the app will have a survey when first downloaded, curating consumers' tastes in clothing and overall styles they are interested in pursuing. Once this is finished, it will lead them to create their profile, with a biography, profile picture, and all of the other steps that are usually in a social media platform. Then, they can instantly browse fashion tips and articles based on their survey results written by professionals (stylists, fashion designers, etc.), and some overarching topics that may interest them. Then, if they feel ready for some personal feedback, they can post their

outfits, get advice from other users, and provide their own if they choose to look at other people's posts, which is ultimately the goal of our app. Our assumption is the inclination to come back and socialize with a community of people with similar interests, which will keep running because of their willingness to return to it. Our result will be a social media app that provides stylist advice and a shopping experience similar to Pinterest but more interactive and accessible.

### **Target Customer Segment**

The goal of uDrip is to cater to the problems faced by customers while choosing an outfit and help them feel confident about the outfit they pick.

**Our Total Available Market (TAM)** will be 6.648 billion people with a smartphone which is approximately 83% of the world population.

**Our Serviceable Available Market (SAM)** consists of United States citizens who need help choosing an outfit or US citizens who are unsure about the outfit they have chosen. Therefore, our SAM is approximately 200 million people.

**Our Serviceable Obtainable Market (SOM)** will be composed of California citizens over fifteen years old and under seventy years old who spend most of their time in uniforms. For example, servers at restaurants, most employees working for a chain, front-of-house workers, or doctors. Thus, our SOM consists of approximately 4 million people.

SOM Data: in California, there are 28 million people between the ages of 15 and 70. 7 million of those are working for fast food companies and eating places, or they are employers for professions requiring them to wear uniforms most of the time. Lastly, on average, 60% of those 7 million people need help choosing an outfit regularly (4 million people which is our SOM).

### **Why Now?**

We were isolated for almost a year during Covid-19. As a result, most people got used to wearing clothes that made them feel comfortable, like pajamas, sweatpants, and sweatshirts. An article written by Priya Elan reveals how fashion expectations changed during the pandemic. Elan identifies that only "10 percent of people get dressed for working at home from the start of the day and then change into comfortable clothes later" (Elan). There were no expectations, no "rules" for the dress code we had to follow, and no worries about what others thought about our clothes and outfits. The only exception, in some cases, was Zoom meetings, during which some people would only wear nice tops or shirts, not caring about what they were wearing waist down. Then the pandemic ended.

Suddenly there are expectations from us again. There are rules for dress code we have to follow. Now, the first impressions when we meet someone are essential. Many Americans struggle finding outfits in their closet to impress others. An article written by Zoya Gervis highlights how most Americans "spend 8 hours a month trying to find something to wear" (Gervis). Furthermore, new trends and styles keep changing quickly due to the influence of social media nowadays. It requires effort and time to keep up with these trends if you are conscious about what you wear or are a fashion enthusiast, which can be overwhelming for many people.

## **Competitors Analysis & Differentiation**

Our main competitors will be: Stitch Fix, Rent the Runway, Reddit, and UpWork. The first two, Stitch Fix and Rent the Runway, offer the possibility to try, rent, and buy clothes which the app will deliver to customers' houses, Reddit is a public forum to post outfits/clothes pictures, vote and leave comments on them, and UpWork is a platform where customers can directly hire personal stylists (freelancers). uDrip is unique and able to differentiate from the competition because our main goal is to combine all features in a single app, at the lowest cost possible, providing great customer service and ease of use to our customers, which are some of the main weaknesses of our competitors. The key sources of differentiation for uDrip will be: professional stylists for a very personalized experience, a community to come back to, more affordable subscriptions, as well as increased knowledge on fashion, trends, and general tips on styling. Most companies end the process of helping the customer after the customer has chosen the outfits and bought them. However, that is not the actual endpoint. The customers must feel confident in what they have purchased and know when is the right time to wear the outfit. Furthermore, the user might not receive feedback or suggestions on time if the deadline is too close, or conversely, the user might receive many suggestions, which might be confusing. Our aim is to cover all features that are left behind by our competitors, allowing customers to feel listened and satisfied in their needs and wants.

## **Getting Customers**

uDrip's first goal in the company is to make our brand known to our desired customer segment. We will achieve this goal through three types of advertisements; billboards, banners, and online advertisement. uDrip is a social media app, so our goal is to reach the audience who utilize social media platforms; thus, we advertise on popular apps like Instagram or Tiktok. Another way we want to reach consumers is by marketing our app in front of clothing stores. Banners advertisements will be displayed in front of popular fashion stores to draw in consumers who are interested in style and fashion. The final way we want to advertise is through billboards on busy highways. We hope to reveal eye-catching messages to seek an audience that may have an interest in clothes, but are not particularly always in clothing stores or on social media apps.

## **Roadmap**

After gathering the feedback and survey results, we have planned out what our MVP is going to look like and how we want to launch the said app. Our goal is to gather information about what works and what doesn't in regards to the social media aspects, advice forums, etc. based on customer response over the test period. Once we have a better understanding of the results of our MVP, our intention is to take it to its final form, which would include stylists consultations, financed by memberships paid monthly or annually, and shopping aspects.

To attract the target audience, we are planning on advertising through social media accounts made by the company, and pushing advertisements which are low cost. In the future, the plan is to have more high cost, professional channels of advertising such as website banners through Google advertisements, once the app is finalized. This will target people who are interested in fashion, outfit ideas, and possibly websites who are considered our competitors.

We will have control over all of our social media accounts, website/app, which gives us full

access to statistics, etc. to help us analyze what needs work, as well as ability to alter any problems and patch or fix any of the improvements that need to be made in the future when it is necessary.

## **Traction**

Our company has been focused on the development of our app up until now, which has included the process of customer research and surveys to collect information on our target market and their personal opinions on our business idea. Once we had a basic understanding of what people wanted, we got started on planning what our MVP would have. This is the prototype we have shown in our pitch deck. Our entire team has been with us since the very beginning, and we all contribute in different aspects of the business. In the future, as our app develops, we hope to work hard on launching our MVP/beta. As the responsibilities increase, so should our team, so we plan on expanding the company as needed, which could include more developers, customer service, as well as the contracted stylist team. We hope to keep the team small until our customer reach increases nationwide, to keep costs down and the dynamic easier to control.

## **Financials**

Our initial plan is to create an app that has social media aspects with a twist. Our revenue will mostly depend on membership fees, advertisements or sponsorships from partners. As part of our first three year plan, we'll focus on building a significant number of subscribers. In order for the operation to remain profitable, we are planning to raise money through equity offerings. At the same time, we also focus on minimizing the costs and continuing innovating the quality of service for the consumers. As soon as the customer base has been established, we proceed to raise the subscription fees for better profit margin.

We are playing it safe with our three year financial projections. We have assumed the worst case scenarios and have prepared accordingly. Our first assumption is that only 2.5% of users will subscribe to the app. In contrast, when there might be more subscribers than planned for, we have kept margin for extra fashion stylists and funds to cater to those needs. Our second assumption is to keep the subscription price low and affordable. Our aim with this strategy is to give our customers a taste of the full experience and integrate it into their daily lives. This will not only help us get more subscribers initially, but also help us build trust with our customers.

As these are untested waters, as our business concept is fairly unique, we have two financial plans. Plan A is to provide Basic (**free**) and Premium services (**\$2.99/month**) to our customers. In the Basic plan, the users get access to the uDrip community through the social media aspect of the app along with limited access to the tips and guide section. Here users can post photos to get suggestions from the community and take advantage of chat rooms with friends, likes, comments, polls features. In the Premium plan, users get full access to the Tips & Articles Section and access to personal stylists via chat (with photo sharing) and scheduled video calls along with the features from the Basic plan. These options allow the users to build trust with their stylists over time and personalize their experiences. Our projected revenues for the first three years with Plan A are **\$755,000**, **\$1,900,000**, & **\$3,700,000** respectively and the losses we bear in the first three years are **(\$665,000)**, **(\$1,490,000)**, & **(\$2,900,000)** respectively.

Plan B is to provide a tier subscription with Basic (**free**), Pro (**\$2.99/month**), and Premium services (**\$4.99/month**) to our customers. The Basic plan remains the same as Plan A in which the users get access to the uDrip community and its features along with limited access to the Tips & Articles section. In the Pro plan, the users get full access to the Tips & Article Section along with access to the personal stylists via chat (with photo sharing). The Premium plan has all the benefits from the Basic and Pro plan along with access to video calls. The advantage of this plan is that it significantly reduces the short term expenses. With Plan B, our projected revenues for the first three years are **\$850,000**, **\$2,000,000**, and **\$4,100,000** respectively while the losses are **\$220,000**, **\$490,000**, and **\$800,000** respectively.

The reason we prefer Plan A even though our losses are lower with Plan B is because our aim in the beginning is to increase the user base so that we can have a first mover advantage in the market and fortify our position amongst existing competitors.

### **Our Team & Company Culture**

We carefully curated our team to have a perfect balance of technical and creative skills, and we have created a supportive company culture within our small group.

All of our team members are involved in every aspect of the company, however some focus more on the development and design of the app aesthetic. Our team is composed of people equipped with financial and artistic backgrounds.

We have a great company culture where we all share a love of not only the company purpose, but also respect and care for one another. We work very hard and constantly dedicate our time to developing hard (technical) and soft (emotional) skills. We meet twice a week to discuss the business, and even eat meals together to promote company bonding and connectivity as a group. We also encourage taking care of our mental and physical health when necessary, which is why the concept of “team” is so important; we have each other to rely on. This has contributed to the success of what we have built so far.

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