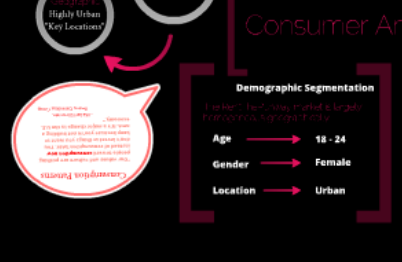
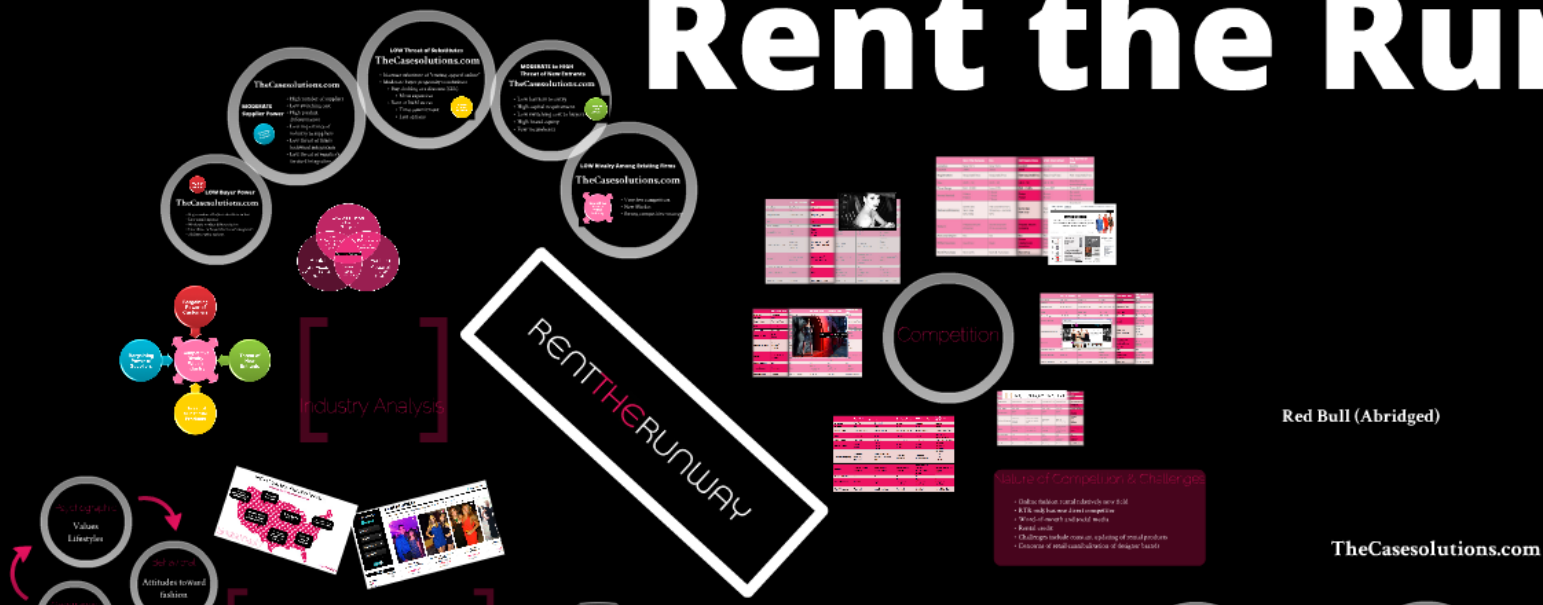


# Rent the Runway



**Demographic Segmentation**  
 Fashion: Best dress to match a large professional woman's look

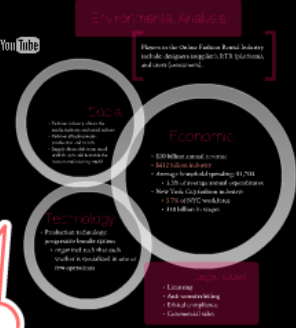
Age	18 - 24
Gender	Female
Location	Urban

**Why Rent The Runway?**

- Volatile Nature of the Fashion Industry
- Low Budget: 10% of retail price
- Trial Opportunity
- Easy-to-use Service: "No Hassle"
- The "Cinderella Experience"
- Engaging Business Model

**Rent the Runway's Future**

Factors to consider:  
 - Changing consumption patterns  
 - One customer direct competitor  
 - Barriers of entry and providers large start up cost, user base and revenue large start up  
 - Threats that an Open Market bring  
 - Short term competition is low, but long term competition is probable



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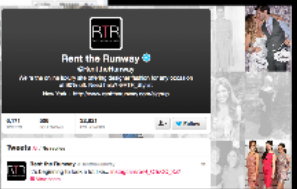
**Current Measures being taken**  
**TheCasesolutions.com**

- In 2011, raised \$15 billion in new funding
- Holiday and Birthday promotions
- Friend Referrals
- Creation of "Our Runway" and accompanying video advertisement

... but there is still low brand recognition among target audience

**Moving Forward**

- Brand Recognition - through marketing and advertising
- Strengthen and Sustain User Base - through measures such as registration incentives and a loyalty/rewards program



# Red Bull (Abridged)

[TheCasesolutions.com](http://TheCasesolutions.com)



Our Stylist Promise: Risk-Free Rentals ▶  
Chat with a Stylist or call 1.800.509.0842

RENTTHERUNWAY

Allison's Account ▾ | Reviews 2 | My ♥ 15

- OUR RUNWAY
- WHAT'S NEW
- DRESSES
- ACCESSORIES
- ESSENTIALS
- OCCASIONS
- DESIGNERS
- 

Share with Friends  
GIVE \$20, GET \$20 ▶

FEATURES: [HOLIDAY LOOKBOOK](#) • [NEW YEARS: SPARKLE & SHINE](#) • [BLOG](#)

Introducing **OUR RUNWAY** A NEW WAY TO RENT

[EXPLORE NOW](#)

open

### FIND YOUR OUTFIT

rental delivery date

size ▾ 10010

[RENT NOW ▶](#)



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Bargaining  
Power of  
Customers

## **LOW Buyer Power**

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- High number of buyers relative to sellers
- Low switching cost
- Moderate product differentiation
- Low threat of buyer's backward integration
- Ability to write reviews

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## **MODERATE Supplier Power**



- High number of suppliers
- Low switching cost
- High product differentiation
- Low importance of industry to suppliers
- Low threat of firm's backward integration
- Low threat of supplier's forward integration

Th

- No
- M

## LOW Threat of Substitutes

# TheCasesolutions.com

- No exact substitute of "renting apparel online"
- Moderate buyer propensity to substitute
  - Buy clothing at a discount (Gilt)
    - More expensive
  - Rent at B&M stores
    - Time commitment
    - Less options

Threat of  
Substitute  
Products

m

line"

**MODERATE to HIGH  
Threat of New Entrants**

**TheCasesolutions.com**

- Low barriers to entry
- High capital requirement
- Low switching cost to buyers
- High brand equity
- Few incumbents

Threat of  
New  
Entrants

## LOW Rivalry Among Existing Firms

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- Very few competitors
- New Market
- Strong competitive strategy



# Current Measures being taken

## TheCasesolutions.com

-  In 2011, raised \$15 billion in new funding
-  Holiday and Birthday promotions
-  Friend Referrals
-  Creation of "Our Runway" and accompanying video advertisement

... but there is still low l