

Promotion Decisions

Part 6 Case

Trend Trunk—Whose Closet Would You Like to Raid?



How many times have you bought something, brought it home, and then thought, “*Seriously... why did I do that?*” How many times have you bought something for a special occasion, worn it once, and then thought, “*Well, that is never going to see the light of day again!*”? How many times have you stood in front of your closet and lamented that you don’t have anything to wear, yet there isn’t room in your closet for the addition of even one more item?

Sean Snyder and his team have a solution, and it is a solution that could make you money.

In September 2012, Sean launched Trend Trunk, a specialty online marketplace that offers consumers a venue to *sell* their unwanted mid- to high-end clothing and accessories, and to *buy* either brand new with tags or pre-loved high-quality clothing and accessories. Sean previously owned Swapopolis, a Canadian online gift card exchange. Over his two years of running Swapopolis, Sean noted that the majority of gift cards swapped were fashion cards. His research into Canadians’ fashion shopping behaviour identified that almost 6 percent of Canadians’ yearly budget is

spent on clothing.¹ In addition, he learned that the average Canadian has in excess of \$6000 worth of clothing sitting idle in the closet.² This knowledge, plus his knowledge that Canadians were becoming increasingly comfortable with online shopping, led to the birth of Trend Trunk.

Becoming a Trend Trunk member is simple and can be done through Facebook or Twitter or directly on the website. Once you are a Trend Trunk member, selling and buying is simple and fun. Take a few pictures of your preloved but now unwanted items, upload the pictures, enter a description, and set your selling price. This is all made extremely user-friendly through Trend Trunk’s simple-to-follow and prescriptive selling instruction page. After this process is complete, you have an online *closet* within which your new or preloved clothes are available for purchase. Buyers can ask you questions about the clothes you have in your closet and even negotiate price. Once a buyer has agreed to purchase an item in your closet, Trend Trunk takes care of everything else. A Canada Post trackable, prepaid, pre-addressed shipping label is emailed, so you just print, pack, and ship. Upon confirmation of delivery, Trend Trunk deposits 80 percent of the selling price in your Trend Trunk account, which you can then transfer to your bank account or use to go on your own shopping spree in any closets you have added to your Trend Trunk Lust List. Trend Trunk’s online platform incorporates social features to let shoppers see what closets their friends are shopping in and what they are liking and buying. Trend Trunk is integrated with Facebook, Twitter, and Pinterest to help build awareness of the service in the marketplace and to keep users engaged.

Trend Trunk is focused on fashionable and trendy women ages 18 to 40. This is a tough segment to market to and an even tougher segment to convert to online shopping. Many in this group have an inherent fear of online shopping, particularly as it relates to online payment, and a belief that participating as a seller in an online marketplace requires time and tech-savviness.

Trend Trunk is dealing with a dual marketplace; it is dependent on sellers for their inventory and needs buyers to stay engaged. Trend Trunk must keep sellers involved to have them keep their clothing and accessories up long enough for buyers to browse, compare, discuss, and buy. In addition, Trend Trunk is dependent on the sellers not just for the quantity of merchandise that is uploaded for sale but also for the quality of that merchandise. As in bricks-and-mortar stores, the quality of the inventory and the inventory turnover rate are key to keeping the customer engaged and loyal.

Competition is strong for online shopping in Canada, with sites such as Amazon.ca, eBay, and Etsy, to name a few. Online shopping in Canada is expected to grow significantly over the next few years as bricks-and-mortar retailers concentrate on their online strategies, integrating online and in-store retailing into a seamless shopping experience. This change will increase competition for Trend Trunk but will also increase consumers' confidence in this form of shopping.

Trend Trunk wants to ensure the customer experience is satisfactory in both the buyer and seller marketplace so that the consumers will stay loyal.

To enhance the *seller* experience, Trend Trunk launched Runway Valet, www.trendtrunk.com/RunwayValet, a nationwide network of stylists who are also independent business owners. They offer the service of selling Trend Trunk members' clothing and accessories for them for a percentage of each sale. Trend Trunk members choose from among local stylists listed on the Trend Trunk website, contact the stylist, and establish a working relationship. Because they are independent business owners, it is in the stylists' best interests to become experts at their craft. They become proficient at merchandising; they understand how to take pictures of the clothing to enhance its saleability; and they quickly learn what will sell and what won't sell. In essence, they become inventory managers, ultimately helping to manage the inventory-quality issue for Trend Trunk.

The perceived value of Trend Trunk as a shopping destination and the engagement of the *buyer* are driven by the "freshness" of the merchandise. To this end, Trend Trunk launched Shoppes at Trend Trunk, www.trendtrunk.com/shoppes, a featured selection of co-branded boutiques from unique designers. The Shoppes at Trend Trunk ensure new and unique merchandise is available for shoppers and give designers an easy option for marketing their designs.

Canadian women are by nature slightly more philanthropic than men. Giving to charities is positively influenced by the convenience of giving.³ Trend Trunk makes it very simple for the buyer to make a charitable donation through Closets and Causes, www.trendtrunk.com/fundraising. Closets and Causes is crowdfunding with clothing, allowing the seller to choose from any charity in Canada to donate up to 100 percent of the proceeds of the sale to the charity.

Like any startup, Trend Trunk is resource and capital strapped. Growing the business through attracting more shoppers within the target market takes marketing money. Trend Trunk has been featured on *Dragons' Den*, (www.cbc.ca/dragonsden/pitches/trend-trunk) and was able to leverage that into great publicity. The company also won marketing and strategic services from Lion's Lair 2013 (<http://lionslair.ca>), but actual cash to invest in marketing is in short supply.

Fashion is heavily influenced by perceived experts. Women devour fashion magazines in an attempt to learn about coming trends. Fashion magazines are key influences on fashion purchases but advertising in such magazines is prohibitively expensive for Trend Trunk. How do they reach fashion-conscious women, and how can they reach key influencers? In the social marketplace in which Trend Trunk operates, fashion bloggers are highly influential and have access to a large social network. Trend Trunk saw these bloggers as a key opportunity area and participated in a blogger trade show that exposed them to many bloggers. Like Trend Trunk, bloggers want enhanced engagement by their target audience, more subscribers, and compensation for promotion on their blog. Trend Trunk did not have the money, but they did have a way for the bloggers to increase engagement. The result was the launch of Trend Trunk Blogger Fashion Week, a seven-day online event in which established and emerging fashion bloggers had a chance to feature their clothing styles and blog to their

community. Blogger Fashion Week featured 10 bloggers each day who showcased their personal styles to Trend Trunk members, while at the same time earning money by selling their own preloved items. The result was that Trend Trunk was featured on over 70 blogs during that week and received media attention from *Fashion* magazine (www.fashionmagazine.com/fashion/2013/12/13/trend-trunk-blogger-fashion-week/).

While Trend Trunk has creatively solved key issues in their competitive marketplace, such creativity must continue. For Trend Trunk, it is the classic “how to be a bigger fish in a very large pond”—a pond that is projected to grow exponentially. How can Trend Trunk continue to meet the needs of this dual marketplace, build awareness of its product, and grow the business in the future?

QUESTIONS

1. Complete a SWOT analysis for Trend Trunk.
2. Complete some research on your own to better understand the segment of the market that Trend Trunk is appealing to.
3. Based on your SWOT and segment analyses, recommend an integrated communications plan for Trend Trunk to build awareness of the business and sustain the target consumers' interest.
4. Trend Trunk innovatively line-extended to solve key issues and to keep the service unique. Closets for Causes is a creative solution, but it isn't achieving the level of donations for charities that Trend Trunk thought it would. Recommend a plan to increase the Closets for Causes participation rate and donation amount.