



Analysis for Grailed Inc.

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Part I. Industry Analysis

As the technology and delivery system develops, consumers tend to buy products online for more convenience and relatively lower cost. Grailed, as one of the new online male fashion marketplace, falls into the highly competitive but huge e-commerce market. Grailed is an online marketplace focuses on buying and selling fashion products and specifically falls into the online secondary market industry.

The overall industry consists of several groups of consumers. The first category is people who are seeking more convenient shopping experience and want to save time. They usually have a clear shopping plan and make decisions efficiently. They are usually not very price sensitive. In order to attract this group of customers, online websites usually create clear categories, generate multiple sortation method in order to help customers reach their target goals quickly.

Another category is rational consumers who are extremely price sensitive. They usually compare among different platforms to find the cheapest products. They are willing to buy second-hand clothes because of the low cost. Companies and platforms usually attract customers from that segment through lots of promotions, advertisements and direct emails to customers.

The last group of customers are those who like to browse various websites and enjoy the large variety of choices online. They usually care about fashion and do not have a clear target. These customers, however, often have a better financial status and higher willingness to pay than the others. To target these customers, online websites try to have various clothes, bags and accessories from different designers. The price range of the product is usually unstable and volatile.

The distribution channel in this industry is straightforward. The majority of sales are completed online. Companies usually develop and utilize several User Interface to improve the shopping experiences. There are also some companies, trying to gain the market share through pop-up events, open physical stores to have more tangible and measurable influence.

In addition, unlike other traditional industries, the customer relationship is relatively simple as well. For online industries, companies rely heavily on data instead of face-to-face interactions. They collect historical data from customers and predict their shopping behaviors. Data usually contain time they spent on the website or on the particular item, items that they put in their wishlist, shopping cart, and etc. By analyzing these data through data models and algorithms, they can target customers by showing them different content at homepage, or even generate personalized advertisements for them.

Grailed has lots of competitors with different sizes and concentrations. One of the most well-known companies is StockX, an online marketplace and clothing reseller. StockX is located in Detroit and has over 800 employees, which makes them one of Grailed's biggest competitors in this industry. StockX emphasizes on the customer relationship and forms a large loyal customer base. Also, they care about the authenticity and generate several rules to ensure there is no fake on the platform.

Besides StockX, Grailed faces competition from other companies including Poshmark, theRealReal and so on. Poshmark is very similar to Grailed, which focuses on building a community and uses social media to attract consumers. They focus mainly on women but is also

developing men business. They recently delayed their plan for IPO till 2020, while theRealReal managed to IPO this may.

Part II Business Model Canvas

Grailed has an abnormal small company size with only 40 employees. The departments include the following categories: management team, financial team, design team, engineers, customer support, marketing, partnership developers, and data analyst. Designers who continue improving the platform to be as innovative, convenient, and up to date as possible. Engineers are responsible for executing tasks to best incorporate ideas of the designers. Data analysts are people who study the numbers and consumer behaviors. Marketing include teams that design and disseminate advertisement, as well as people who work with social media, and is the key department for Grailed.

The process of running the business platform is to match sellers and buyers and earn profits from successful transactions. Buying a product through Grailed is a two-sided business: sellers need to list their products on the website to get contact with potential customers who want to buy their products, and buyers can thus make a purchase and transfer the payment. Once buyers have the payment processed, sellers will deliver the products. After the completion of a transaction, Grailed will charge 6% of the commission fee from the amount paid to sellers, which constitutes Grailed's major sources of revenue.

As an innovative company, Grailed has its own distinct operating model canvas due to its unique business model. Unlike traditional companies, Grailed does not have any issue with suppliers and geographic location. As a result, the analysis of Grailed's Operating model canvas majorly focuses on examining its key partners, key activities and key resources.

Grailed's key partners include investors, payment providers, and social media. The three main investors of the company are Index Ventures, Simon Ventures, and Thrive Capital, with two funding rounds and a total funding of 16.5 million dollars. Because of the competitive nature of the industry, Grailed needs advertisement on social media to establish brand identity and maintain an advantage over other similar platforms. In order to raise social awareness, Grailed partners with influencers and celebrities who then sell their used clothes on Grailed, which leads to an increase in popularity for Grailed on social media. PayPal is also a partner of Grailed, and it is the only payment method available. By paying Paypal roughly 3% of the total price, both sellers and buyers can benefit from Paypal's secured transaction service. Moreover, Grailed partners with knowledgeable writers from the fashion industry, who would constantly contribute fashion related articles for the unique editorial section "Dry Clean Only" on Grailed website to educate users in-depth knowledge regarding the fashion circle.

The key activities of Grailed include improving, expanding, and maintaining its platform, user base and eventually building a community for their users. Because most revenue of the company comes from transaction fees through the website and app, ensuring they are always up and running as well as user friendly is imperative. To achieve that, Grailed needs to update and test the platform regularly. They also need to innovate new features of the platform to keep improving customer experience. They are putting together a new function called user profile, which will enable users to post pictures of themselves or their on trend collections, which will

tighten community closer; buyers and sellers can learn from each other by looking at those profiles, making the process smoother because more personal connections could be involved.

User base is an important element of the ecommerce market. Grailed's key activities are not only about platform operation, but also about client-facing strategies. Grailed aims to sustain their customer loyalty by generating more user-generated content and hosting activities. Grailed collaborates with influencers on social media with lots of followers to post about Grailed's collections and products. The audience Grailed targets are people who are fashion enthusiasts who closely follow fashion related content on social media. Compared to traditional advertisements, Grailed's potential customers find posts from influencers to be more relatable and reliable as influencers' endorsements have significant impact on social media users, especially the "trend followers". Furthermore, Grailed spends a lot on marketing and customer acquisition through holding a series of community events for sellers. For example, Grailed held a pop-up sale event in Los Angeles in April, 2019 to attract new customers and solidify the community. Grailed also has events like "No Appointments Necessary", which is a showroom set up in Paris during the fashion weekends to showcase the curated collections from Grailed.

Customer support is another key to maintain and improve Grailed's user experience. Products sold via the platform are not manufactured by the company itself so that it is more likely to have quality control issues like discrepancies between the product and its description. In this case, users reach out to customer support for help, and it is crucial for Grailed to ensure their customer support can resolve those issues properly. Due to the significance of customer support, a large and efficient customer support team is essential for Grailed. With a successful team, Grailed can effectively reduce customers' waiting time and create a satisfying experience for as many customers as possible.

To better serve their users, Grailed utilizes data analytics model and algorithms to record consumer behaviors, cluster customers and personalize recommendations for each user. By implementing data models, Grailed enables buyers to find their featured products in a timely manner, assists sellers to advertise their products efficiently and thus generate more transactions.

Users base is undoubtedly one of Grailed's most valuable assets. Grailed aimed to become an online platform to lead the fashion trend. With a well-developed user base, Grailed can host more activities, provide a more user-friendly environment and eventually build a community instead of merely an e-commerce retail. As a P2P platform, Grailed can benefit from a two-sided networking effect where more existing users attract others to start using the platform.

As the world's largest community-driven marketplace for men's fashion, Grailed has segmented their customers into several different groups based on their behaviors and targets its fashion-conscious millennial men who love shopping online. Due to the nature of P2P platforms, Grailed's customers can be classified into two major categories—buyers and sellers and multiple minor categories under each.

Sellers on Grailed can be summarized into three groups based on their interests and behaviors. The first group, which is composed of the majority of sellers on Grailed, is keen to closest cycling and wants to sell their used clothes so that they can invest in other styles. For many millennials and members of Generation-Z, their closest's space as well as their financial status are limited. With such high-rotated fashion circle and fast shifting trends, it is difficult to

say if someone would still love the clothes they purchased after months, weeks, or even days after. Grailed is the most suitable community for them as they can sell any brand and any style of apparel through the platform.

The second group of sellers are resellers who sell highly sought-after streetwear or sneakers, like Supreme, Off-White, and limited Nike sneakers, for a large amount of profits. As those products with limited quantity have high demand, listing them for sale with a high premium price on Grailed is a decent choice for people to earn money. For example, every Thursday (Supreme's new collection released in every Thursday), Seller are flooded on Grailed, reaching over 40,000 listings for Supreme products, seeing an overall 265 percent increased compared to normal days.

The third group of sellers on Grailed are mass market sellers, often professional buyers or curated clothing wholesalers, who seek an online platform to extend their business. Some of them are small business owners who are not satisfied with just dealing business locally. These sellers usually have a huge amount of stocks, sometimes hundreds of them are listed on Grailed. These group of sellers are usually credible as well and some are verified by Grailed team so that buyers do not have to worry about the authenticity of the items. The products they sell are often well-curated and vary in styles, offering versatile choices toward buyers with distinct tastes.

Buyers, at the same time, can also be roughly categorized into three groups and typically match the interests of the three groups of sellers respectively.

The first group of buyers are the most frequent users on Grailed. While being buyers, these enthusiasts often play a role of sellers as well. They rotate their closets along with used clothes going out and new clothes coming in steadily. They all have well-developed styles, tastes, and exceedingly amount of knowledge in relation to fashion. They would love to experiment with different sets of styles and would like to challenge the boundaries of fashion and on-going trends. These fashion enthusiasts know what and how to look for the ideal item among the thousands of listings on Grailed. However, these buyers have highly volatile willingness to pay. On one hand, they might pass on one listing they desire just because it is 50 dollar higher than they expected; on the other hand, they would not hesitate to spend a good chunk of money once they come across a "Grails" (slang for an almost holy streetwear find) piece.

The second and third group of buyers are exactly the opposite of each other. Second group of consumers are characterized as "Hypebeast", consisting of irrational consumers who are willing to throw a large chunk of money for the sake of following the on-going trend. They show loves to streetwear pieces that usually consist of striking logo accompanied with bright color and fancy designs. Price wise, these buyers have a very high willingness to pay; they do not care much about the brands and the premium price cap that sellers put on the item, rather they want it in hand before everyone does.

The third group are rational buyers who constantly searching for "steals" or cheaper alternatives for clothes with relatively high retail. These consumers all comparatively low willingness to pay, as a result, are willing to spend quite amount of time browsing the website looking for "steals", researching specific pieces they favored, and comparing prices across all the available listings, all aim to get the items with the best price as they can. Grailed even creates

hand-picked collection feeds, “Basic Under 100” and “Grailed Steals”, as campaigns targeting this group of buyers.

Like all the companies in the e-commerce market, Grailed spends lots of effort to satisfy their customers from different perspectives.

For buyers, Grailed provides an enormous product catalog, deriving a third party market for incredible new and used clothing that people cannot find anywhere else. For consumers who do not live in suburban areas where lack of curated clothing boutiques, Grailed provides them access to the product they desire. Grailed curates the site so that every segment of users are able to find something they are interested in. With new products arriving every day and experienced moderators who work in different time zones 24/7 to approve listings, delete off-brand posts, curate the feed, every users would find their own deals digging through the website.

In respect to buyers’ most concerning shipping and authenticities issues, Grailed does not participate in delivering. Instead, it asks its sellers to deliver the products by themselves. It can increase the efficiency of delivery. What’s more, although sellers on Grailed are scattered around the globe, many are willing to provide complementary global shipping. For authenticities, although Grailed has policies restricting posting counterfeit products and buyer reviews system, it only has Paypal protection to protect the rights of consumers. Currently there are some reviews about consumers getting scammed on Grailed, and that would cause a negative impact on the company’s reputation. Nevertheless, on the bright side, having a system of sellers provides buyers the ability to evaluate the risk of the purchase.

For sellers, Grailed provides an intimate platform for people flipping their wardrobes and finding global buyers within the community. Listing an item is always free and the 6% commission fees are comparatively low compared to other competitors. Eligible seller, at the same time, are also protected from dishonest buyers. Professional moderators will investigate each filed case carefully and ensure both buyers and sellers get their fair share of protection while undertaking their responsibility. Sellers, who offer high-quality listing in a constantly fashion will be rewarded in ways of commission fee deductions, special highlights of the items, and social media exposures.

Similar to their competitors, the major distribution channel is through internet. As an online marketplace, the majority transactions completed via their platform. Grailed has its own app and dedicated itself to optimize the user experiences. Both the website and the app are clear and concise. There are lots of categories to help consumers target what they are looking for. Internet based business channels make it easier and more convenient for users to achieve deal in an efficient way. However, because almost all the authentic items selling on Grailed are not returnable or refundable, it also becomes a tough decision to shop by simply judging few photos uploaded. Therefore, Grailed, for a long time, is developing another possible channel, an offline pop-up store, aiming at getting online users together and providing close interactions across the Grailed community.

In 2016, Grailed raised a small pop-up event in Los Angeles with the goal of raising awareness towards fashion industry by displaying rare inventory that people do not see in daily life. This summer, described as a community-driven experience, Grailed, again, launched another pop-up store in Paris while more than 400 people showed up over the course of the weekend. For

Grailed, the offline events are less about driving direct revenue, although items from the platform were on sale, and more about long-term audience-building and interacting with its users in a more physical way. The pop-up stores are just one small step of Grailed's future retail plan. All the pop-up events held in various locations are testing grounds for the opening of its own physical stores. According to their CEO, Arun Gupta, they are indeed planning to have a physical store in New York that is aimed not only for people to shop but also for them to meet.

Unlike incumbents in the same industry, which majorly focus on revenue gains, Grailed does not want to simply provide a website for men buying and selling clothes, rather building a community with devotional user-base. That helps it to develop a loyal customer base as well as generate close customer relationship. Early in 2016, Grailed launched "Dry Clean Only", a dedicated section for editorial content, for the purpose of not only educate users with in-depth knowledge across the whole fashion world and culture scene, but also display its own tastes and interests as a company, fostering conversations among Grailed's users.

Along with the content, Grailed cultivate their community by selecting and commenting on posts among the users weekly, highlighting listings which are extremely appealing, introducing well-curated sellers and hiring people directly from their audience. Grailed always includes their users in every thought process. As mentioned in the channel section, Grailed has hosted several community events and pop-up stores also in the interest of getting the community closer while allowing Grailed team to meet and receive in-person feedback from users.

To further elaborate the idea of a community, Grailed also turned its attention towards closet sales, which involve inviting influential celebrities or fashion icons to sell their personal pieces which they actually worn. Users can directly buy pieces from the wardrobes of their idols, even with discounted price sometimes.

Grailed is an e-commerce marketplace connecting buyers and sellers, so it does not spend a lot on capital expenditure such as assets or inventories. In terms of the labor force, it only has 11-50 employees in total running the platform. When the founder talked about the site's beginning, he said "the initial costs were not super high because they do not need lots of people working on the site". In this regard, the input costs of Grailed is really low. However, in order to run the business successfully, the cost of websites and App maintenance is relatively higher than other industries. Grailed also spends a lot on marketing and customer acquisition through holding a variety of local events for sellers such as pop-up sale event. Besides, although there are not many employees working in Grailed, the salaries for permanent employees are parts of costs of Grailed. Consequently, the total cost is much higher than the input costs for Grailed to deliver its value to customers through conducting those activities.

As it is primarily a consumer-to-consumer e-commerce market space, transaction fees are the main revenue stream of Grailed accompanied with marketing and other services. Firstly, the main approach for Grailed to generate revenue is from collecting commission fees and PayPal fees. Based on its website, Grailed asks sellers for the commission fees of 6%. Sellers also need to pay the PayPal Fees of 2.9%+30cent for domestic and 4.4%+30cents for international deal once a transaction is completed. Therefore, the total charge is approximately 9%-11% of the total sales price. Compared with other marketplaces such as Amazon and eBay who charges between 13% and 15%, the amount Grailed charges to seller is still decent. Another way for Grailed to make money is through online classified advertisement from featured shops. As the number of

buyers and sellers grows, Grailed could benefit from its large user base and get marketing revenue from sales of advertisements. For Grailed, the value captured by the firm significantly depends on its user base. Since Grailed is only a small enterprise, it does not capture a lot of value as research showed Grailed's annual revenue is only 1 million dollars in estimated. Also, other competitors such as ebay occupied almost 90% of the market share in the ecommerce industry. Therefore, Grailed must innovate new ways to survive in the competitive environment.

Part III Insights about Grailed Inc.

Grailed, as one of the emerging e-commerce companies, undoubtedly faces threats from the competitive market as well as risks from financial and social factors. However, as the market continuously expands, they can seize some opportunities to capture more market share, achieve a steady growth and eventually a competitive advantage.

According to Michael Porter's five forces analysis, the e-commerce market is a highly competitive one. The analysis examines the market by focusing on five specific aspects: the bargaining power of suppliers and consumers, the threat of new entrants, the threat of substitutes, and the industry rivalries.

First of all, the threat of new entrants is significant due to the low barrier of entry: relatively low fixed cost, lack of economics of scale and minimum learning curve. In addition, there are plenty of rivals competing directly with Grailed in retail distributors sectors such as theRealReal and Poshmark which are larger in size and capture more revenue. Furthermore, the substitution for Grailed is abundant. E-commerce powerhouses, Amazon and Ebay both have their own apparel segments. Traditional brick and mortar giants like Macy's and Nordstrom can seize Grailed's market indirectly. Most importantly, Grailed's customers both have high bargaining powers. Unlike other traditional industries, Grailed serves as a P2P platform and regard both "sellers" and "buyers" as their customers. Nevertheless, those customers can easily switch to another platform due to the "unloyal" nature of the industry: customers and buyers merely seek the platform that can provide them the most optimal benefits.

Besides the threats from the market, their financial status is also a concern. The major operational income for Grailed is a 6% commission fee on every successful transaction, which means their capital heavily relies on the sale of sellers. If only a little transactions occurs, Grailed still needs money to cover their cost. Currently, Grailed raised \$16.5 Million from crowdfunding and will definitely need to increase their liquidity.

Another threat is the reliability and reputation of the brand. As a second-hand marketplace, Grailed needs to focus on building a reputation among their customers. Most buying and selling platforms, such as StockX, only accept new items and perform quality checks for every transaction. Grailed, on the other hand, does not perform any quality check. What's more, Grailed only provides paypal protection to ensure the refund. According to customer reviews, lots of consumers were scammed when they used grailed, which would likely affect their reputation and thus lose customers.

Last but not least, lack of flexibility in purchasing process critically damages Grailed's user experience and hurts their profitability. Grailed only accepts paypal as the payment method since they only support P2P payment methods. Paypal charges around 3% transaction fee from

the seller per transaction, which will likely discourage sellers from using Grailed as their platform. In addition, users have to register an account on Grailed to make a purchase, which is also inconvenient for users that are not as tech-savvy. It might also drive users to contact the sellers directly and trade without the platform.

Based on the analysis, one of Grailed's strengths is that it provides a platform for male fashion fans and millennials to get fashionable menswear as well as street-wear that they have missed or cannot get elsewhere in the marketplace. However, because it only provides such a platform for users to trade on, what items are available on the website solely depends on what the users offer and the company has little control on that. Therefore, it is difficult to initiate product-driven marketing campaigns to stimulate increase in sales like other companies do. Its user-generated environment also creates obstacles for customers not so familiar with the fashion industry as the sellers arbitrarily labels their items. Buyers cannot easily navigate themselves through the website to locate the specific street-wear they are looking for. Although Grailed is similar to eBay in some ways, its employee base is only 40 and is split up evenly among tech, marketing and customer service workers. The small size of the customer service team caused customer support to be unsatisfying as many customers complained that their emails were ignored several times or they got replies from customer support team almost one month after they expressed their confusions. Same issues occurred on the tech part as well: some customers' accounts were banned out of no reason and some transaction funds were not released to the sellers in time. While the goal of Grailed is not just attracting customers but building a community, these problems were indeed undermining its impression among its users as well as its customer loyalty.

Despite the enormous amount of threats and risks Grailed faces, the industry also contains plenty of opportunities for them to take.

Although the market is competitive, Grailed's core competency is highly differentiated from all the other companies in the industry. Grailed defines them as an "online marketplace for men to trade high-end fashion clothes". They emphasize on the idea of establishing a community for customers who value fashion. They created a blue ocean within the relatively intense market by generating a secondary market and created more demand. Grailed offers cheaper luxury products to those price-sensitive customers. At the same time, they only charge a small amount from the sellers after the transaction. If they position themselves in a small, second-hand luxury male marketplace that focus on the process of exchanging clothes and avoid waste, they can gain market share and earn revenue at the same time.

From a financial perspective, the P2P business model for Grailed has several advantages. Grailed does not incur heavy fixed costs, which helps with their liquidity. Another advantage of P2P platform is that Grailed does not need to worry about overstocks. Grailed does not hold any inventory and is not responsible for deliveries, which effectively reduced their operating costs.

Grailed's business model also allows them to embrace the benefit of social network effect. Grailed serves both sellers and buyers who are usually on different sides of the market, which creates a two-sided networking effect. More buyers will attract more sellers to sell their products on the platform and vice versa. Grailed can expect sustainable growth in both sides of the market if they maintain the stability of the business model.

Unlike a traditional e-commerce retailers, Grailed serves as a social platform for both sellers and buyers. Sellers and buyers can negotiate prices or even share their thoughts about fashion brands and build personal relationships with each other. Once they established the community, customers will start to view Grailed as a social platform instead of an e-commerce retail. Grailed will benefit from “word of mouth” advertising and expand their social community. Furthermore, a community-like platform can effectively prevent fraud from happening as people build trusting relationships among each other. A new user must prove he/she is trustworthy in order to join the community or otherwise will likely be expelled.

As a highly differentiated company with advanced financial structure and innovative business model, Grailed has the opportunity to become the first and foremost social platform for fashion enthusiasts. Grailed’s customers can expand the community by themselves as long as Grailed seizes and utilizes the opportunities that emerge in the current market and resolves their existing problems.

In order to resolve the current issues and grasp the chances, Grailed should focus on developing from those perspectives: marketing, flexibility and customer service. To begin with, Grailed’s marketing team should do more research on what’s popular in the season and meanwhile the tech team browse the top ten items in the website’s search history that are currently not offered by any of the users. Based on this information, Grailed can try to build partnership with some of the companies in the fashion industry and thus getting some vintage pieces and delivering them directly to the customers. It doesn’t need to offer a large number of such vintage pieces frequently, but maybe it can offer five to ten new cult items once a month or two months, so it can keep attracting customers as their desired items may be+

on the list and have some direct control over the items sold. Meanwhile, the company can design and initiate product-driven campaigns and stimulate spikes in sales. What’s more, the company should increase its staff base to satisfy the surging needs of its customers. With more customer service workers, the emails will be responded in time and complaints will be solved more efficiently. This also helps increase its customer retention rate and improve customer relationship as customers feel that their words really matter to Grailed. With more tech workers, the funds of transactions will be sent to the sellers more efficiently and the account stability can be improved with less unreasonable account bans happening. With the marketing team doing more research, the company should categorize the items for sale itself instead of letting sellers arbitrarily label them so that ordinary buyers can quickly navigate through the website and get what they want. Compared to feeling like a layman before, the new users now feel that they are no different from those fashion fans thus generating a sense of belonging. To better impress the users with a sense of community, Grailed should host more offline activities such as cult item exhibitions where sellers can bring their most favorable items and introduce as well as sell to potential buyers. Although it sounds like a flea market, this is more aimed to provide a place for fashion fans to communicate and share their fashion insights rather than to merely make money through sales. The purpose is to create a “party” or club event for these fashion fans, and if these “parties” can become regular activities on their calendar, users will have a sense of community and become loyal customers to the company.

Besides the aspects mentioned above, there are several other ways Grailed can improve itself to better appeal to its customers. Currently it only supports its transaction payment through Paypal, and this discourages buyers who never used Paypal before as they proceed with their

orders. For example, they may find out that Grailed only accepts Paypal as its payment method until the last step of their purchase. Because they want the item so much, they would have to fill out forms with their personal information in order to register for a Paypal account. This would be a time-consuming thing as they may not have their credit card at hand, which would disable them to finish the purchase in one sitting. If they are not lucky enough, they may find that their desired item is taken by other buyers after they grab their credit card and finally got a Paypal account. Therefore, we recommend that Grailed should build partnership with big credit card companies such as Visa, MasterCard and Chase in order to provide convenience for and attract a larger group of customers. However, even with only Paypal as its payment method now, it still has issues with efficient fund allocation to sellers hence in order to ensure flawless operation of the payment system with more available credit card payment methods, it seems necessary to hire more employees to enhance the tech team.

Regarding customer convenience, we also suggest the company to allow buyers to purchase without the mandatory account registration requirement. Some buyers may only purchase on Grailed once in a long time, so it's unnecessary for them to create accounts involve their personal information. Financial information such as credit card or Paypal account which they would frequently worry about being used by others illegally. Since Grailed just started to make a profit in 2017, their worries are understandable. On the other hand, if users can make a purchase on the website without having to register for an account, maybe more users would like to give it a try on Grailed and the number of transactions increases thus bringing the company more revenue. With more buyers on Grailed, the number of sellers will increase in order to meet that surging demand. More sellers means more available products on the website and this in turn attracts more buyers to come and make a purchase. If this mutual stimulation occurs frequently, there will be a win-win situation for all the three parties: buyers, sellers and the company itself. Another way to accomplish this goal is to develop specific strategies targeting different customer segments. For example, for the "Hypebeast" customers who are willing to spend a large amount of money to get what's fancy and on the trend, Grailed can send out promotions of the newly luxurious fancy items to generate more sales and attract more sellers to join and provide more fancy items. For the second group of buyers, Grailed can give them some discount coupons, maybe not too large in value, in order to give them a sense that they find the "steal" and stimulate more transactions.

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