

VERDE

Confidence with Conscious

THE PROBLEM – FIT, TRUST, WASTE

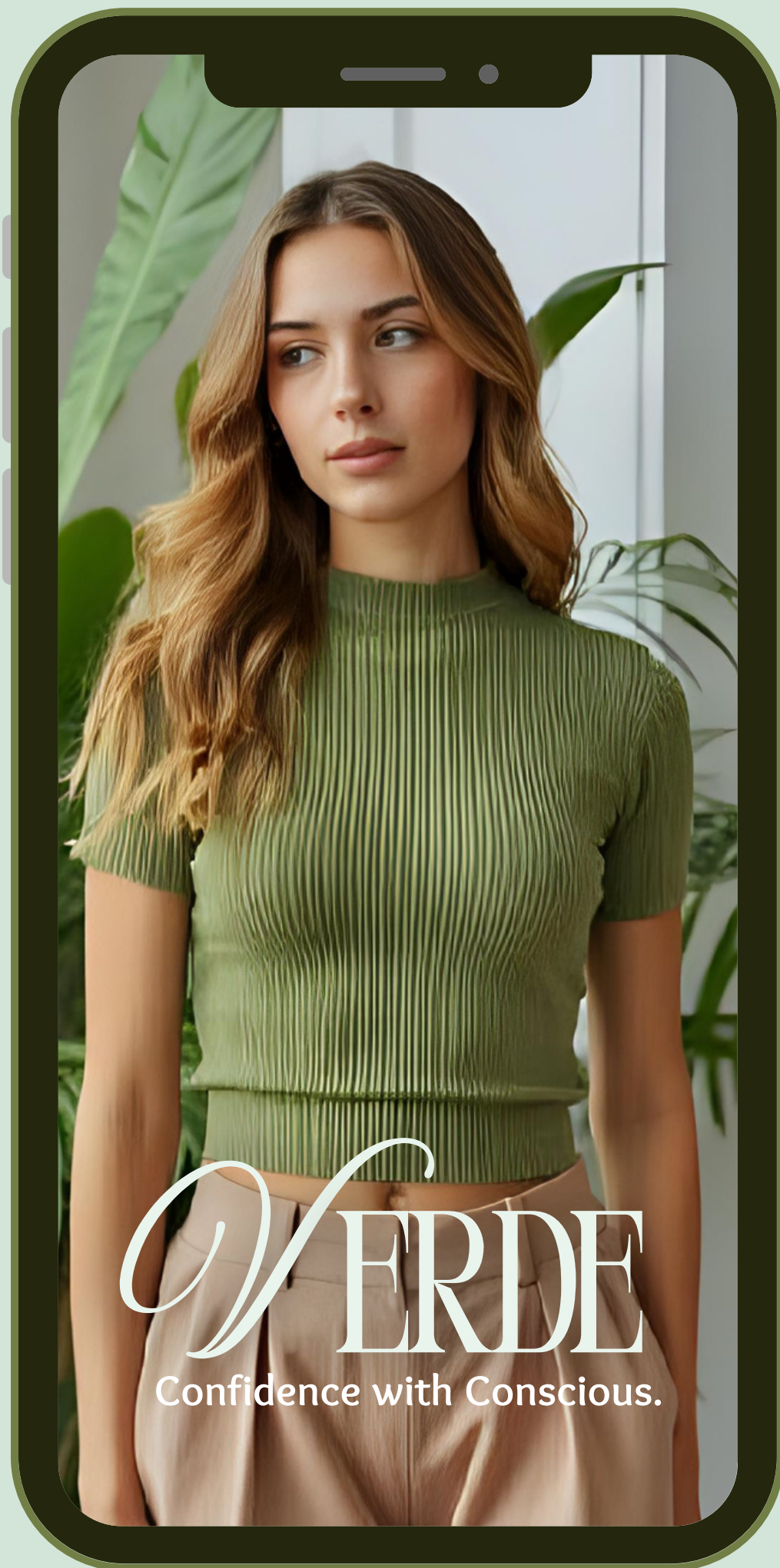


- Online apparel return rates are high — causing lost margin and high emissions
 - Shoppers want sustainable options, but often don't trust claims or can't judge fit online
 - Result: lost sales, high returns, and environmental cost
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- Online apparel return rates: ~20–25% (varies by source)
 - Fashion accounts for $\approx 10\%$ of global CO₂ emissions

THE SOLUTION - VERDE



- Curated, verified sustainable fashion selection
- AR Virtual Try-On (mobile + web) so shoppers see fit in real time
- Transparent product impact data (materials, maker, carbon estimate) via product QR/impact page
- **Combines Trust with Confidence**



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WHY NOW? - MARKET MOMENTUM



- Sustainable fashion market growing fast (estimates vary: market reports show multi-billion market with high CAGR)
- Retailers deploying AR report conversion lifts and return reductions — early pilots show up to ~30% higher conversions and ~20–30% fewer returns.
- Both the Demand Side and the Tech Side are Moving Quickly -
A Window for Verde to Win



“Fashion should feel good—for me and the planet.”



Target Customer:

SUSTAINABLE SARAH

Age:	22
Occupation:	College Student & Part-Time Retail Associate
Location:	Austin, TX
Goals & Motivations:	- Find Stylish, Affordable, Sustainable Clothing - Express Individuality Ethically - Support Small, Eco-Friendly Brands
Pain Points:	- Greenwashing Confusion - Higher Prices - Limited Sizes & Slow Shipping
Preferred Platforms:	Instagram, TikTok, Pinterest
Shopping Motivation:	Self-Expression & Sustainability

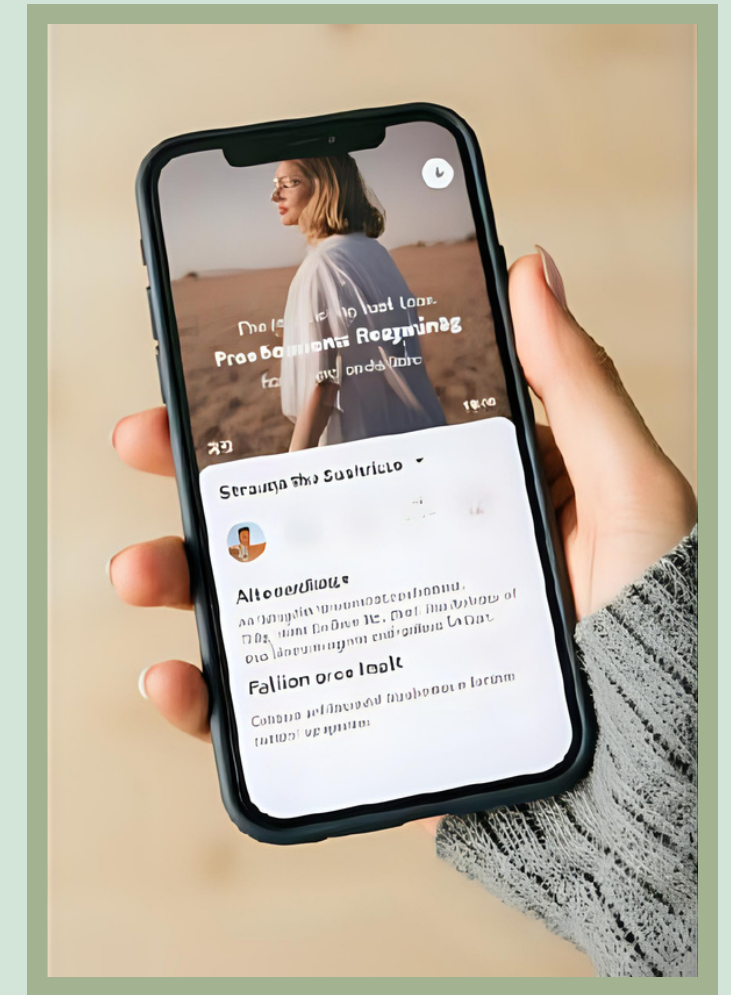
PRODUCT & OFFERING



Seasonal capsule lines (tops, dresses, outerwear) curated from verified brands



AR Try-On integrated into product pages and IG filters

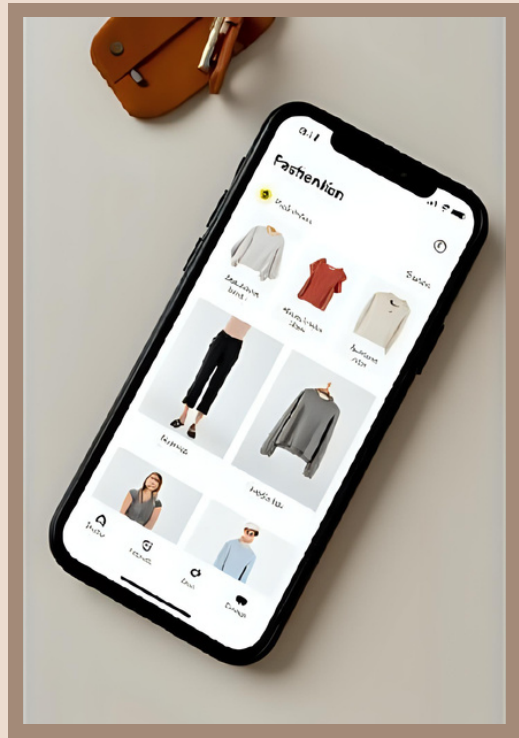


Impact pages & badges for transparency

CUSTOMER JOURNEY

	Awareness	Engagement	Evaluation	Purchase	Post-Purchase
Action / Task	Sees influencer post on Instagram with a white linen dress on	Clicks tagged brand profile; Explores brand posts & reels; Clicks website link from brand profile bio	Visits website; Compares items & reviews; Checks prices & sizing; Signs-up for newsletter for 10% discount code	Adds the white linen dress to cart; Applies discount code; Enters information; Completes purchase	Receives order confirmation email; Awaits shipping; Receives order delivery email; Unboxes order & tries-on; Posts outfit on social media
Mindset / Question	Positive curious, interested 😊 Negative "That's cute, what brand is that?"	excited, hesitant 😊 "Are they a sustainable brand?"	"Is it worth the price? Will it fit me?" 😬 overwhelmed, skeptical	anticipatory; hopeful 😊 "I hope it ships fast & fits well!"	proud, engaged 😍 "I love this! I'll tag the brand and see if they repost!"
Touchpoints	Instagram; Influencer post	Instagram profile; Link in bio; "About" page; "Shop" page	Website; Reviews; Size chart; Email pop-up	Website check-out; Confirmation email	Delivery email; Unboxing; TikTok
Obstacles / Pain Points	May scroll past post if it feels inauthentic or too scripted	Questions whether the brand is authentic or greenwashing	Price sensitivity; Unclear size charts; Limited stock	Shipping fee feels high; Uncertain about return policy	If sizing is off or delivery is delayed, satisfaction drops

BUSINESS MODEL - DTC & PARTNESHIPS



Primary: Direct sales via Verde e-commerce (retail margin on owned or partner inventory)



Secondary: Commission on partner brand sales (marketplace model)



Recurring: subscription (premium members: early drops, virtual stylist, extra discounts)



B2B: licensing Verde's virtual try-on integration / impact dashboards to smaller brands (future)

COSTING & PRICING - EXAMPLE SKU



Example: Organic Cotton Midi Dress

- Cost to produce (fabric, cut & sew, QC, packaging): \$28
- Fulfillment & shipping average: \$12
- Total Cost (COGS): \$40
- Retail Price: \$98
- Gross margin $\approx$ 59%

Target Gross Margin: 55 - 65%

SUPPLY CHAIN - ETHICAL & TRANSPARENT



Sources: certified suppliers
(GOTS, Oeko-Tex, recycled
fibers)



Manufacturing: small-batch
ethical factories (Fair Trade/B-
Corp partners)

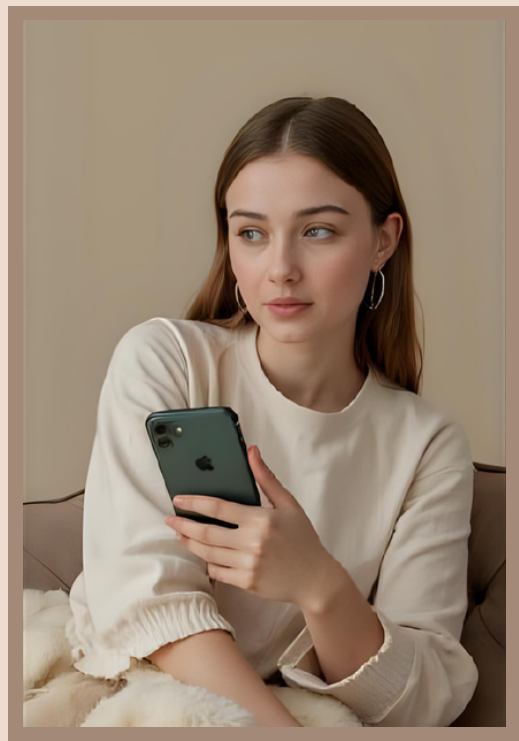


Traceability: QR codes &
impact pages; partner
certifications



Fulfillment: regional
warehouses & carbon-neutral
shipping options

GTM STRATEGY - SOCIAL COMMERCE FIRST



Influencer partnerships (micro + nano) featuring AR try-on filters



Organic social (TikTok/IG Reels) and community UGC



Paid acquisition: performance ads driving to AR-enabled product pages



Email & retention: fit guides, impact updates, loyalty program

TRACTION TARGETS & KPIS - YEARS 1-3



Assumptions / Targets:

- Year 1 revenue: \$360K
- Year 2 revenue: \$577K
- Year 3 revenue: \$924K
- AOV (average order value): \$120
- Customer retention (Year 3 target): 55%
- Expected return rate reduction with AR: ~20–30% (pilot/industry results)

These are model-based targets (assumptions explained in appendix)

FINANCIALS - 3-YEAR PROJECTION

Metric	Year 1	Year 2	Year 3
Revenue	\$360,619	\$577,363	\$924,377
Gross profit (assumed GM)	\$198,341 (55%)	\$346,418 (60%)	\$600,845 (65%)
Operating expenses (marketing + tech + salaries + other)	\$284,248	\$364,756	\$471,094
Net income (loss)	-\$85,907	-\$18,338	\$129,751

(See appendix for assumptions & monthly model.)

FUNDING REQUEST - \$500,000 SEED



\$500K Seed to Scale Verde:

- 40% (\$200K): AR tech integration & licensing + product pages UX
- 30% (\$150K): Marketing & influencer partnerships (customer acquisition)
- 20% (\$100K): Inventory partnerships / working capital for small-batch production
- 10% (\$50K): Operations (team hires, legal, certifications)

TEAM & ADVISORS



Founder / CEO — Elle Mannion
— product & brand strategy,
sustainability marketing

Positions to be Filled:

- CTO — AR & e-commerce integrations (hire or partner early)
- Head of Partnerships — brand onboarding & quality control
- Creative Lead — content + social
- Advisors: supply chain / sustainability expert; AR technology advisor

GROWTH & EXIT PATHWAYS



Growth / Exit Opportunities:

- Expand product categories and international markets
- SaaS/licensing for Verde's AR + impact dashboards
- Strategic acquisition by larger DTC platform or marketplace

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VERDE BUSINESS MODEL CANVAS

KEY PARTNERS

- Sustainable fashion brands (ethical, small-batch, or circular design labels)
- Virtual try-on technology provider (e.g., Vue.ai, Zylar, or proprietary AR tech)
- Eco-friendly logistics & fulfillment partners (carbon-neutral shipping)
- Sustainable packaging suppliers (compostable or recyclable materials)
- Influencers and sustainability advocates for marketing collaborations
- Web development & data analytics partners
- Certification organizations (B-Corp, Fair Trade, GOTS)

KEY ACTIVITIES

- Managing eCommerce operations and product listings
- Integrating and maintaining virtual try-on technology
- Vetting and partnering with verified sustainable brands
- Marketing and community-building via social media & email
- Tracking sustainability data and impact metrics
- Providing customer support and fit guidance
- Content creation (style edits, educational sustainability posts)

KEY RESOURCES

- eCommerce platform & mobile interface
- AR/AI-powered virtual try-on system
- Brand partnerships & supplier database
- Skilled team (tech, sustainability, creative marketing)
- Brand identity and digital assets
- Data analytics tools for personalization and insights
- Warehousing and shipping partnerships

VALUE PROPOSITIONS

- Confidence in fit: Virtual try-on reduces uncertainty and returns.
- Transparency: Every item includes verified sustainability data.
- Curation: Verde simplifies sustainable shopping with curated, stylish options.
- Impact-driven: Shoppers can see their positive environmental impact per purchase.
- Community: Connects conscious consumers through shared values and storytelling.
- Convenience: Combines style discovery, ethics, and digital innovation in one platform.

CUSTOMER RELATIONSHIPS

- Personalized style and fit recommendations
- Educational content about sustainability and ethical fashion
- Loyalty program rewarding eco-friendly behaviors (e.g., offsetting carbon footprint)
- Active social media engagement and community building
- Post-purchase follow-ups encouraging reviews and social sharing
- Customer support through chat and virtual style assistants

CHANNELS

- Verde eCommerce website (primary sales channel)
- Mobile app (integrated with AR try-on feature)
- Instagram, TikTok, and Pinterest for inspiration & influencer marketing
- Email newsletters for curated drops and sustainability insights
- SEO, blog content, and sustainability reports for education and credibility
- Partnerships with online marketplaces or sustainability platforms

CUSTOMER SEGMENTS

- Primary: “Sustainable Sarah” — eco-conscious Gen Z and Millennial women (ages 20–35)
- Values: ethics, quality, self-expression, and digital convenience
- Habits: online shopping, social media-driven discovery, value authenticity
- Secondary: Emerging sustainable shoppers seeking to transition from fast fashion
- Tertiary: Ethical influencers and early adopters who amplify Verde’s visibility

COST STRUCTURE

- Virtual try-on software licensing or development
- Web and app maintenance
- Marketing and influencer collaborations
- Packaging and fulfillment costs
- Salaries for core team members
- Brand partnerships and certification fees
- Customer acquisition and retention campaigns

REVENUE STREAMS

- Direct product sales via Verde’s website
- Commission from partner brands (affiliate model)
- Premium listings for verified sustainable brands
- Subscription model for exclusive access, early drops, or impact tracking tools
- Potential B2B partnerships offering Verde’s virtual try-on tech to other sustainable retailers

FINANCIAL ASSUMPTIONS & CALCULATIONS

High-level assumptions (used to build the model)

- Starting monthly site traffic: 10,000 visitors (conservative launch).
- Monthly traffic growth: +4% month-over-month.
- Conversion rate: 2.0% (site visitors → purchase) — conservative early-stage DTC.
- Average Order Value (AOV): \$120.
- Gross margin progression: Year 1 = 55%, Year 2 = 60%, Year 3 = 65% (improvement due to better sourcing and lower return drag after AR adoption).
- Marketing spend as % of revenue: Year 1 = 25%, Year 2 = 20%, Year 3 = 15%.
- Tech & ops spend as % of revenue: Year 1 = 15%, Year 2 = 12%, Year 3 = 10%.
- Salaries & fixed costs per year: Year 1 = \$120,000; Year 2 = \$150,000; Year 3 = \$200,000.
- Other operating expenses: Year 1 = \$20,000; Year 2 = \$30,000; Year 3 = \$40,000.

Yearly projection (rounded)

- Year 1 revenue: \$360,619
 - Gross profit (55%): \$198,341
 - Total op expenses (marketing + tech + salaries + other): \$284,248
 - Net loss Year 1: −\$85,907
- Year 2 revenue: \$577,363
 - Gross profit (60%): \$346,418
 - Total op expenses: \$364,756
 - Net loss Year 2: −\$18,338
- Year 3 revenue: \$924,377
 - Gross profit (65%): \$600,845
 - Total op expenses: \$471,094
 - Net profit Year 3: \$129,751

(Calculated from the traffic → conversion → AOV model described in assumptions)

SOURCES & CITATIONS

- Return rates & apparel return statistics: [Statista](#) / [Coresight Research](#)
 - Examples: Coresight research (2023) estimate: online apparel return rate ~24.4%.
- AR & virtual try-on impact (conversion & returns reductions): industry summaries and articles reporting retailer pilots and vendor data (e.g., [Onix](#) / [Forbes](#) summarizing pilot outcomes: up to ~30% conversion lift and ~20–30% fewer returns).
- Sustainable fashion market reports (market size and CAGR vary by source): sample sources reporting multi-billion market and CAGR in double digits — ([Custom Market Insights](#), [RootsAnalysis](#), [Cognitive Market Research](#)).
- Industry environmental impact: Fashion is estimated at ~10% of global CO₂ emissions ([Science Direct](#) / [Earth.Org](#) summaries).
- Industry articles on retailers testing avatars, virtual try-on: [Vogue Business](#), [Reuters](#) coverage on logistics & industry moves.

REFLECTION

Verde grew from the idea that style and ethics should not be mutually exclusive. Through hands-on research, I found that shoppers abandon or return purchases because they can't confidently judge fit or sustainability claims online. Verde's mission has been to bridge that gap — to make verified sustainable fashion discoverable, delightful, and trustworthy by pairing transparent supply chains with immersive AR try-on experiences. Building Verde has taught me how product, tech, and storytelling must work together to change consumer behavior and reduce waste. This pitch isn't only an investor request — it's an invitation to join a new way to shop: beautiful clothes made responsibly, bought with confidence.