

Q&A

Tulerie bets on borrowing for high-fashion accessibility, affordability

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Tulerie allows women to borrow handbags, clothing and shoes from each other. Image courtesy of Tulerie

By SARAH JONES

As consumers increasingly turn to alternative forms of ownership for economic or environmental reasons, a new service aims to expand women's closets by opening up peer-to-peer fashion lending.

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Tulerie, launching Oct. 16, offers a community of vetted members the chance to borrow high-end designer goods from each other, giving women the chance to briefly use a garment or pair of shoes for a special event or recoup some of what they spent on a luxury purchase by renting it out. Fashion is one of the most polluting industries, exacerbated by the availability of fast-fashion, creating a rising demand for services that allow women to more easily invest in clothing with longer lifespans.

"The booming resale market was a key indicator that women, especially women who invest in designer clothing, are still savvy about how they acquire these goods," said Merri Smith and Violet Gross, cofounders of **Tulerie**, New York.

"Sixty-six percent of consumers use thrift to buy better brands they would otherwise never pay full price for," they said. "Consumers want access to these brands in a responsible way."

Tulerie has been in a beta test since early 2018. Through a mobile application, women can browse garments, footwear and handbags from designers such as Celine, Gucci, Chanel and Dior.

From here, they can arrange to borrow the item, and the Tulerie app will process the payment and handle shipping logistics, including sending updates to both parties by email and push notification.

Once the borrower receives the item, if anything is wrong with it, they have 24 hours to send it back for a refund.

After the rental process ends, both the borrower and lender leave reviews. Any users who abuse the platform's services three times, such as by returning items late, will lose their membership.

Rather than having a membership fee, Tulerie takes a small percentage of the rental amount.



Tulerie cofounders Merri Smith and Violet Gross. Image courtesy of Tulerie

In this Q&A, Ms. Smith and Ms. Gross discuss the idea for Tulerie, their plans for the startup and changing consumer behavior. Here is the dialogue:

Why did you decide to found Tulerie? What opening did you see in the market for this type of platform?

We both have an entrepreneurial spirit and a love for fashion and were eager to create a space we could make an impact. We looked at our own shopping behaviors first.

We loved the concept of Rent The Runway, but didn't feel the inventory served all our needs, especially for fashion-forward events. We also noticed how often we would lean on our circle of friends to supplement our closet. And often turned to fast fashion for those of-the-moment trend pieces, a behavior we have completely stopped after serious research.

After drilling into why we succumb to these behaviors, we realized a need and a desire for short-term clothing opportunities in a responsible way. In learning about all the negative contributing effects fashion production has on the environment, we felt that one area we could really impact is increasing clothing utilization.

Seventy percent of the average woman's closet goes unworn. This can be due to impulse buys, sizing issues or simply being bored of your personal wardrobe. We felt the clothing rental market was severely untapped, especially from a peer-to-peer position and we needed to build a portal for women to share their pieces so they could get worn to the fullest extent.

How does Tulerie cater to the modern luxury shopper? What buyer behavior does this service reflect?

The booming resale market was a key indicator that women, especially women who invest in designer clothing, are still savvy about how they acquire these goods. Sixty-six percent of consumers use thrift to buy better brands they would otherwise never pay full price for. Consumers want access to these brands in a responsible way.

We credit pioneer e-com resale sites like ThredUp and The RealReal for making resale "sexy" and shattering the stigma of buying used. Consumers want the thrill of new arrivals and constantly rotating styles, which borrowing provides without breaking the bank.

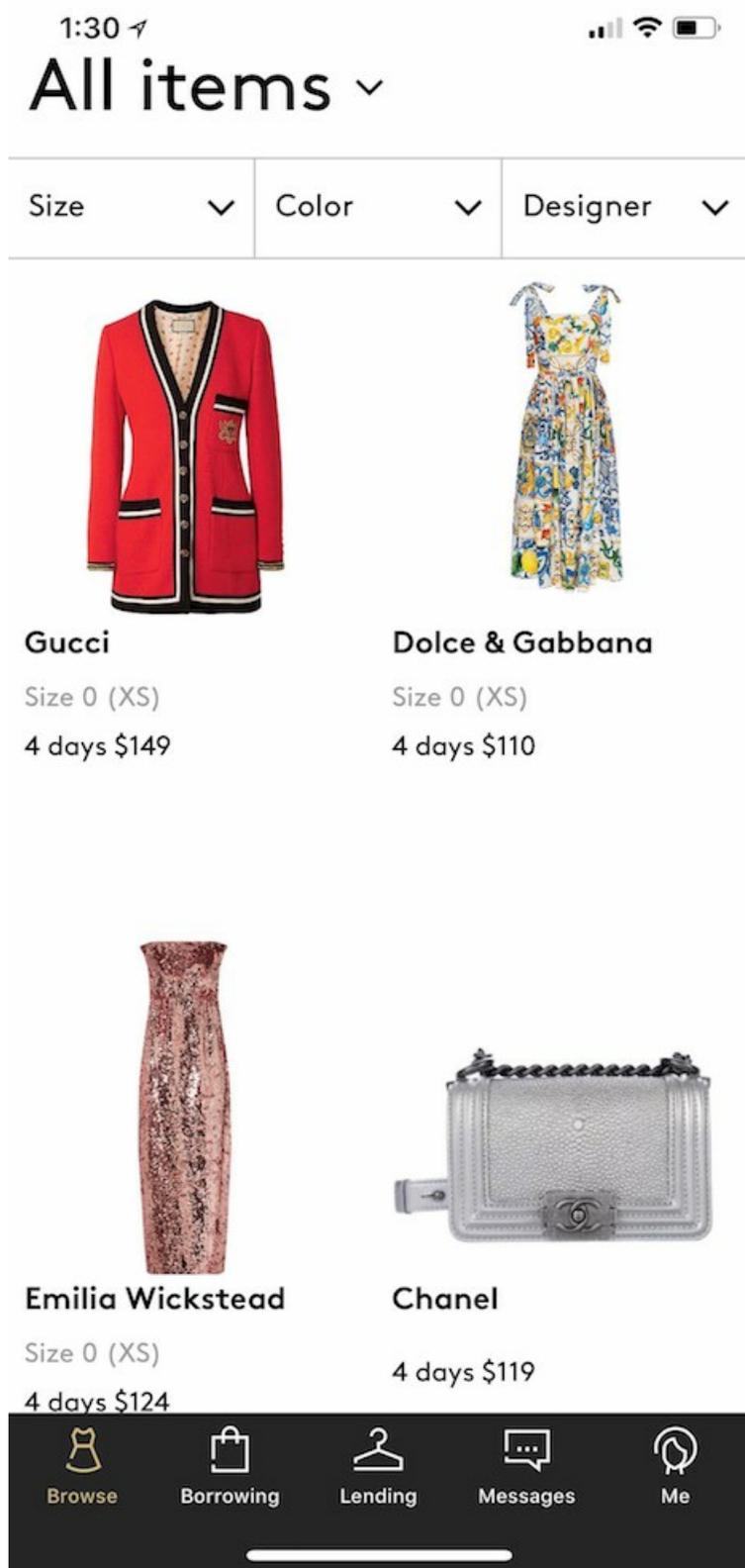
When you can rent a Zimmerman dress for the same cost of a Zara dress, why would you choose something so generic?

The resale market also made us keenly aware of women's desire to recoup some of the money spent on these high-ticket items. Regardless of household income, women enjoy receiving that resale income. In fact, 13 percent of users of these resale sights are millionaires.

Furthermore, the sharing economy is on the rise. Gen Z, roughly 25 percent of the population, was born in a world overrun by technology. They are growing up sharing rides to the movies [with] Uber, borrowing a stranger's car for a

road trip [via] Turo and staying in someone else's home when they get there [with] Airbnb.

They won't be working in traditional office buildings, when they can create their own space at WeWork. Generation Z prioritizes sharing an experience over ownership and permanency.



Screenshot of Tulerie app. Image courtesy of Tulerie

What response and feedback has Tulerie gotten from its beta testers?

Our beta testers have been awesome and upfront with feedback. An important revelation for us was realizing how little feedback we received on the current platform versus the future of this platform. They see the big picture the way we do.

A lot of times, we have to respond to feedback with, "We totally agree and it's in the pipeline!" Additionally, they are keen on the invite-only platform and excited to see the community evolve and see whose style they can borrow.

Candidly, we had several beta testers who were skeptical of the whole concept but once they tried it, they "got it." They saw how easy it was and love that they can wear something special that makes them feel good, without the commitment.

Could you describe the vetting process for new members? What do you screen for in potential users?
Right now we have a select group of users, built up from friends and colleagues. Each of those members are allowed to invite users.

For users who find us organically through our Web site or social media, they are required to schedule a 10 minute phone call with us, where we get to know them and ask questions related to how they plan to use the platform as a borrower, as a lender or both, how often occasion versus everyday, and what brands they have available to lend immediately.

Curating our user base is one of our top priorities so we can ensure we have women on the platform who understand and appreciate our overall mission and will care for things like they are their own. We are looking for valued growth, not exponential growth.

What are your plans for Tulerie in the first year?

Education. Educating consumers on the environmental toll from hyper-consumption and enlightening consumers on the benefits and fun of the clothing sharing economy.

Our main focus after developing a high-level product, has always been building an exceptional community of users. We are looking into different ways we can bring our users closer together, digitally speaking.

In terms of more tactile goals, we are also working on managing same- or next-day borrow requests, a strategy we are very much looking forward to implementing in the first quarter of 2019.



Tulerie is opening up a peer-to-peer lending platform. Image courtesy of Tulerie

With fashion such a significant source of pollution and emissions, how do you see Tulerie helping to lessen the industry's environmental impact?

Shopping behaviors have changed with the advent of fast fashion. There is less commitment to own unless it's a heritage piece.

Over half of women wear an item less than five times before getting rid of it, and 43 percent of all purchases are impulse buys.

Fast-fashion purchases are so inexpensive that unfortunately, there isn't much guilt when it's thrown away, circling back to why consumer education is at the forefront for us. Most people don't realize if they donate to goodwill, 80 percent of those donations end up in landfills.

Building this platform allows woman to reduce their carbon footprint significantly by extending the life of their clothes. A woman can buy a new Stella McCartney skirt, wear it five to 10 times, meanwhile loaning it to other users.

If they average lending that skirt once a month for the following year, they can make 50 percent of the retail price back and then resell it before the next season and potentially make back the other half of that purchase, or more.

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