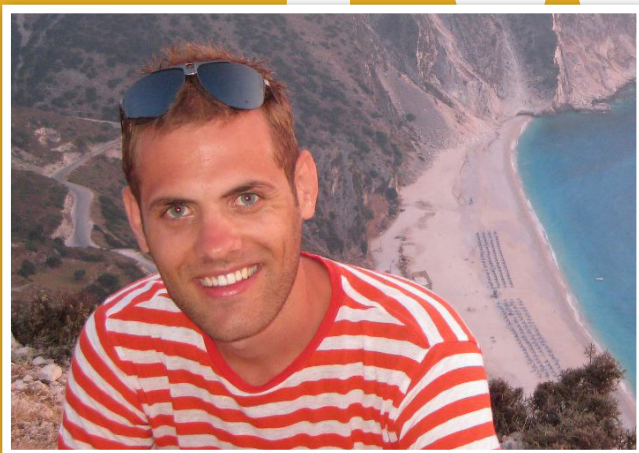


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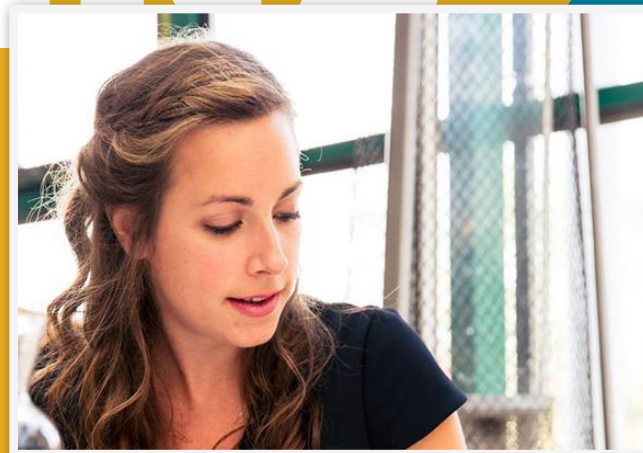
NIKOS DALAVOURAS (31)

COMPANY NAME Gazelle Blanche
BUSINESS IN EXISTENCE 4 years
VALUE PROPOSITION Sexy, high-quality underwear and swimwear. Telling the truth to the client, even when it means selling nothing.

[FACEBOOK.COM/GAZELLEBLANCHEGLYFADA](https://www.facebook.com/gazelleblanche glyfada)

THE START

After finishing his studies, Nikos Dalavouras (aged 31) returned to Greece to look for his first real job. It was not easy to find a job with a decent salary, so he decided to start his own business. His aunt (aged 41) used to work as a salesperson for a multinational, and convinced Nikos to start a garment and shoe store. Both did not have any investment money available and neither of them had much industry-specific knowledge. The start-up was lean with a focus on selling cheap underwear. The location was quickly found: a commercial district in Athens centered in the coastal area. This area was chosen as it should guarantee a continuous flow of tourists. The start-up did not immediately bring success. Nikos: "I thought that my aunt had sufficient business experience to successfully deploy such a business, but her knowledge was more or less confined to treating customers well at the cash registration. At a certain moment, we decided to sell well-known and very expensive bras like French, Falke, Chantal Thomass that can cost up to €170. We were waiting for people to come to our store, but almost no one came...it was dreadful."



MARJOLEIN OOMEN (29)

COMPANY NAME Double Dutch Lingerie
BUSINESS IN EXISTENCE 1.5 years
VALUE PROPOSITION Setting the new standard in lingerie for women who do not have a standard bra-size, but do want high-quality, customized lingerie.

[DDLINGERIE.COM](https://www.ddlingerie.com)

THE START

Marjolein Oomen (aged 29) started her business officially 1.5 years ago. Her idea to start a business started out of personal frustration: she could not find a good-looking bra that would fit well. The comfortable ones did not have interesting prints, and looked like granny bras. Some of her friends who had large cup sizes and a small waist also experienced the same problem, and a new business idea was born: Selling customizable bras that look beautiful and fit well to women with a small waist and a large cup size (D+).

Marjolein did not have many examples of entrepreneurs in her close network of friends and family. She reacted to an announcement made during her studies about an academic training programme offered by the Kauffman Foundation to entrepreneurs who want to start a new venture. The selective SPOE programme offers students the ability to go to the US and meet academics and visit leading entrepreneurial firms. She got selected and visited Harvard, Stanford, MIT, Singularity University and met Mass customization guru Joe Pine. She also attained a lot of practical knowledge by visiting Google, Groupon, HubSpot, and sharing a co-working space in New York at an apparel firm.

NIKOS DALAVOURAS (31)

CHANGING THE BUSINESS MODEL

At a certain moment, the garment supplier advised Nikos to sell a thong with a rhinestone: the Butterfly. "We put the butterfly on a mannequin, and it was an instant success. It transformed the store, because we revived our product portfolio to include strings and other sexy underwear." Nikos further explains: "You should realize that at that time, the Greek stores selling such sexy underwear were organized like Liddle shops: a spatial display that looks like a complete chaos. We provided the same sexy stuff but with more elegance. Customers did not feel ashamed to shop in our store."

"With our first success, we were triggered to explore. We contacted suppliers from Poland, because in the world of sexy underwear, the Polish provide the best product quality and – very importantly – have the best photo shootings. The display of the product and the models used are very important, especially when you sell via social media and webshops. Poland offers the biggest variety of sexy garments: you can easily find more than 1000 different colors and products." Nikos uses a brick-and-click business model. Gazelle Blanche has a 33 m2 physical shop in Glyfada, located on the Athens' Riviera, and sells via Facebook. The store is situated within a shopping mall with around 20 other stores. It uses an open door policy during the Summer, but in the Winter the doors are closed to provide customers with some additional privacy. The target customer is generally over 25 years old. Nikos: "I have many female customers in the age of 45-50 years that are divorced, feel liberated and start dating younger men. They say that they are coming for something conservative

and not too sexy, but in the end many end up with buying the butterfly."

"Although my aunt is not the most skillful business strategist, she is great in discussing the family problems that many customers have. She has a listening ear for everyone, and can relate very well to them. Many customers are repeat buyers, not only because of the stuff that we deliver, but also because of this "listening service" that my aunt provides.

Selling purely via Facebook is not that easy; you need a physical presence. People want to see the brand and try it out. It increases the level of trust in your store. It also helps to reduce the product returns. Sometimes I use an additional return-reducing strategy, when customers order two or three sizes, I check the customer's profile on FB. I have developed a keen eye on accurately estimating the real sizes. With some swim wear I conveniently cut out the size label if I have the feeling that all ordered sizes are too small. I sent the bigger sizes while printing the smaller sizes on the receipt. Customers happy, I am happy!"

HOW DID YOU GET THE MONEY?

"As explained before, sales grew really slowly. We spent most of our initial savings (€6000) to buy the expensive stuff that was very hard to sell. After the butterfly success, we are able to meet the requirements of pre-payments to the suppliers, so we have now more choice to select the desired suppliers."

WHAT ARE YOUR KEY ACTIVITIES?

"The production activities are outsourced and done in Poland. After ordering and paying them, the products are shipped to Greece. I currently rely on the Polish suppliers as the profit margins are better. Our previous Greek supplier, a family-owned company, always caused production or delivery problems. Although this supplier had a really good design, it lacked the knowledge to manage the company well. As a result, the wholesale prices were set so high that it was nearly possible to make some money. I spent two years to find the right suppliers, and for 90% of our stuff we now make use of a stable supplier.

I don't spend that much time on Facebook. The entry and uploading of pictures takes most time. We also do some promotional campaigns using, for instance, name-days to provide discounts to specific users. Most time is dedicated to providing personal attention to the clients in-store. Customers drink some coffee, chat a bit, and hopefully buy."

HOW DO YOU COMPETE?

"The competition in the region is quite fierce. I have a lot of competitors that also sell stockings, tights, and swimwear. I compete against Calzedonia, Intimissimi, Yamamay, a Greek brand "Med", H&M...in total about 10 competitors. I try to find a niche by focusing on the sexy stockings and tights. Word-of-mouth is very important in this business, and important to stimulate. I really want to keep my customers satisfied with every sale they make, such that they will tell others. Especially online word spreads fast. I try to tell the truth to them, even when it means that I will sell less. I believe that my customers value my honesty."

EXPANSION IDEAS?

"Yes I want to expand. My new market: the UK. My main competitor will be Anne Summers, which has 100+ stores in UK/Ireland, and a top-selling website. This shop, however, sells Chinese fabrics, which are of lower quality, and uses pictures on the website that are of lower quality. So I believe I have a chance. I will start my second e-shop over there: pinklove.com. It is a copy of my other website. I will not open a physical store in the UK, but I don't consider this a problem as the British are more used to buy online. I will also need to spend all my money on paying taxes. The Greek government has decided to not only tax all citizens based on the previous

year, but also for the coming year. With medical insurances amounting to 225 euro each month, it is not easy to make a living in Greece. Growth in Greece will not increase my net income, as I will mainly work for the state. It is terrible, I see small businesses collapse, which cause a tumbling effect on other small businesses. The Greek market is overregulated, and has consumers who have no money to spend."

WHAT IS YOUR BEST PRODUCT?

The Butterfly! What else?

DID YOU ENCOUNTER ANY HICCUPS?

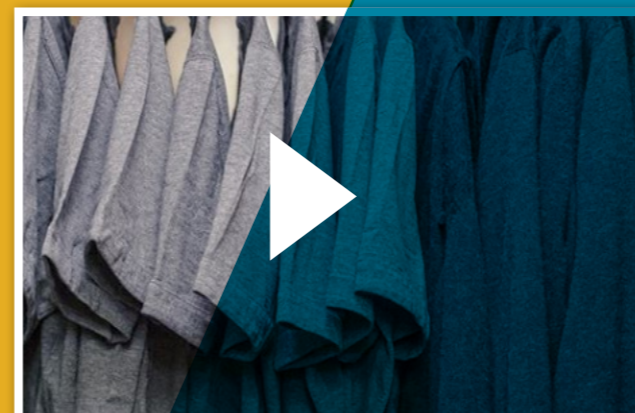
Yes, 1000 times! During the startup of my company, I encountered some personal and business problems. I went to a person (you could call this person a life coach) that helped to balance my life. The biggest financial problems occurred when Greece was in crisis. No one could transfer money, and then everything stops. People could not use bank or credit cards, as no bank transactions were possible. Suppliers of course cancelled all deliveries. This situation went on for two to three weeks, and had been the worst month in my life. Although Greece is not so much in the news, the Greek crisis is not yet over. This financial year is actually much worse than last years. There is so much uncertainty, and tourists are no longer coming.

LESSONS LEARNED

As a retail entrepreneur, you will have to have donkey's patience [Greek saying] and be persistent. You will need to work a lot, and be able to survive without having any holidays. Also do not expect to make a profit in the first two years. Pay attention to your promotional and instore design. I have seen many stores selling sexy underwear, but they don't have any good displays and have no clear proposition (e.g., focusing on elderly and adolescents at the same time). To be successful in this business, you will need a great variety of quality underwear, a specific value proposition, and have good relationships with the best suppliers. Suppliers play a highly important role as they are able to make exclusive deals with famous models that guarantee exclusivity. You need these top models to advertise and co-promote your brand. My supplier's brand looks astonishing, has great fit, takes photoshoots on Santa Dominica with a supermodel. It seems that they already have the body in mind when designing the apparel.

INTERESTING VIDEOS TO SHARE?

I don't have a video, but a FB post of Marc Zuckerberg.



MARJOLEIN OOMEN (29)

SPOE PROGRAMME AND START

"After getting inspired in the US, I was fully motivated when I returned to the Netherlands to develop my business and I was convinced that it definitely could become a success. Naturally there were some hurdles to overcome, starting with getting financial capital. I did not want to use the funds of my family, friends and fools as starting capital; only people that truly believed in my business. It was a tedious process and it took me more than a year to lobby and convince investors about my business model. In this period I learned about networking and how to behave on such events. I visited investment events to learn about how to convince business angels. I learned about the specifics of crowdfunding, the different options, and the difficulty of having success on crowdfunding websites. I realized that the concept of venture capitalists is not as well developed in the Netherlands as in the US. Many possible investors said that they loved the idea, but it really takes time and persistence before they pull their purse. It was frustrating at times as I wanted to start quickly with commercializing my idea. In the end, I managed. Currently I have two large investors, who also bring in expertise on IT and sales, and I attracted some additional funding via crowdfunding.

After attaining my starting capital, I contacted a manufacturer of lingerie and bras in Eastern Europe to prepare the bras to be manufactured. Again, it took a lot of talking and adjusting to find the desired fabrics and malls. You might not realize but a mere 1 millimeter adjustment in the foam cups has a huge impact on the perceived fit of the bra. Then you also need to think about how to layer the fabrics: using a different way to layer one fabric on top of the other can cause differences in forces and ultimately have a big difference on the aesthetic end result.

I am quite excited because now everything is set to launch and scale up the concept. In August 2016, we launch a marketing campaign that should build the brand and attract women to the stores and website. I rely heavily on the use of social media to gain feedback, and to promote my lingerie."

THE ONLINE/OFFLINE CHANNEL

"The concept integrates offline (physical) and online (website) retailing aspects. Customers can customize their bras (select designs, functionalities, straps, bows and charms) online and order the bra directly. To facilitate the customization process, customers can order a Try-on package, which includes 3 plain, black bras with three consecutive cup sizes.



They can try them on at home, and measure to optimize fit. When they have found and ordered their colorful, and desired bra, they receive the plain bra as a bonus. Next, consumers can visit specialist stores (e.g., Sandra Bra in Utrecht) and try on the plain bras. The business concept only works with specialist stores, as the expertise and knowledge about bras of salespersons is essential. These specialist stores use tablets with the customization tool installed."

WHAT IS YOUR TARGET CUSTOMER?

"Naturally I focus on women with a large cup size (from cup C till G), and a small waist (60-85 cm). The target group is between the age of 25-35 years, but also many women above 35 are also interested in good-looking bras, and know exactly what they want. Surprisingly, young adolescents – even under the age of 18 – are also interested. Currently, not many men buy customized bras as a gift, but hopefully this will come when they know exactly the right cup size and desires from their partners. Men may not yet dare to buy something that new. Most of the time men don't know the cup size of their partner and that cup size varies per brand, so even for women it is hard to find the right size. Also, men may not yet dare to buy something that new."

WHAT ABOUT YOUR VALUE PROPOSITION?

"I want to set a new standard for women with larger breast sizes and a small waist. Our goal is to make bra shopping for our target group less frustrating. We provide one signature shape especially designed for our target group and let women add their own signature style. When you know your Double Dutch size, you can then easily order that bra again in other styles and don't have to go through the hassle of finding the right fit again. Women should have the ability to design their own style, and not be hindered by a limited set of options. It is Dutch in several ways: it is founded by a Dutch woman (me!) and the designs are made by Dutch artists. Naturally the alliteration of Double Dutch associates closely with the well-known cup size DD."

WHAT ARE YOUR KEY ACTIVITIES?

"The production process starts with the designs. I have asked four Dutch artists to develop several designs for the lingerie and shorts. I make use of an online customization tool developed by a company from New York. This company has developed many online customization tools for table, desk, and bike manufacturers, and their tools are very easy to use. Once the customer has composed and ordered the desired bra, the Dutch designs are produced in Latvia. I got to know this manufacturer via a colleague of mine, Marrie, who used to work for Marlies Dekkers, but now has joined my team. Her knowledge and support on how to develop and produce bras is indispensable. I also have established quite close connections with physical specialist stores. I have to say that the lingerie industry is rather old-fashioned, and not that innovative. The focus is on producing on a mass scale, keeping prices low, and not on mass customization or e-commerce. I visit the physical stores regularly to gain in-depth insights from clients. I want to understand their needs as good as possible, and it is also provides a rewarding feeling when clients get excited and shout: "wow, this bra fits perfectly."

I mostly connect with clients via social media (Facebook, Twitter). For me, it is a very cost-effective way to reach a large group of interested buyers. Next, I use the stores, website, newsletters, and a blog to inform my clients. The more personal distribution channels (physical stores and organized bra parties) allow me to jump in and adjust when necessary. The feedback I receive is essential to pivot the business model, and to experiment and learn about which colors and (new) features are desired."

EXPANSION IDEAS?

Since the book introduction of Pine on mass customization in 1993, a lot of media attention has been devoted to the delivery of customized products on a mass scale for affordable prices. Although the high expectations of the commercial success of mass customization have not been met after 20 years, still the prospects look promising. E-commerce in the fashion industry grows rapidly, consumers become more familiar with customizing their products online, the online customization tools and integrated manufacturing of fashion products improve, the current logistic systems allow for fast individual delivery at low cost, and finally, there is government interest to support and promote local production to secure jobs and reduce CO2 emissions.

"I first aim to be successful in The Netherlands, and then shift to Europe. Launching the concept in Sweden and Germany seems logical; the UK as well, but this market is much more competitive. And ultimately....my dream to come true is to launch the concept in the US. But first I want to start well in the Netherlands. I agree with Peter Thiel that it is better to acquire a niche and have a monopoly in the niche before expanding. Think big, start small. If you want to secure the mass market too fast, you may overreach, and deliver a not fully functioning idea. You should first realize what your strong points are, and experiment on a smaller scale."

WHAT IS YOUR BEST PRODUCT?

"Actually, the black bra is still popular but then with colored straps. The mint print is also highly in demand. I also sell many sexy-lays-briefs (slips met kant). I expected the hipster to also to do very well, but thus far interest has not been high."

DID YOU ENCOUNTER ANY HICCUPS?

"Naturally. I also thought about quitting when big hiccups happened; for instance, after the molds were again incorrect. The relentless belief in my product concept kept me going, as well as the positive feedback I received from the market. It is much more challenging to arrange everything yourself, but it is also much more fun and rewarding when it works out."

LESSONS LEARNED

"I learned that it really is a test of endurance when you start with setting up your own venture.. Especially when you have a physical product, and require a production and distribution network to sell your product, it will require a lot of dedication to launch your new business concept. I believe that students have an advantage relative to those who have worked already: as a student you are not used to high salaries, and you are more familiar with maintaining a modest lifestyle. All money that is saved can be invested directly into the firm...hoping that it will become a success!"

INTERESTING VIDEOS TO SHARE?

If I would have to choose a book, I would select "The Hard thing about Hard Things" of Ben Horowitz. In terms of videos, I currently find this father to his daughter very inspirational.

