

[Re]Verse Pitch Competition – 2019

Gypsy Tents

Executive Summary

Your Self-Care Sanctuary

<p>Development stage Growth Stage</p> <p>Year founded NA</p> <p>Funding Opportunity</p> <p>If Gypsy Tents wins, we'll spend the money on the initial website design, the first pallet of fabric, two months of sewing labor to develop the best working prototype, a part time stipend for Lydia, and a part time stipend for a marketing intern.</p> <p>In year 2, Gypsy Tents is seeking an investment of \$200,000 to onboard three full time staff members, and fund developing a 3D printed tent frame that is cheaper than wood.</p>	<p>PROBLEM/OPPORTUNITY</p> <p>Millennials have been called the “burnout generation”¹ due to high levels of anxiety.² Because of this culture of stress, they place a high premium on self-care products³, spending \$10 Billion a year. Luxury products are included in this self-care umbrella, with people under 25 spending 33% of their disposable income on luxury items.⁴ When spending on premium products, Millennials are looking for unique self-care items that feel personalized, and enhance unique experiences.⁵</p> <p>One of the ways Millennials combat fatigue is regular meditation, with 27% meditating at least once weekly.⁶ Also, Millennials spend the most time outdoors of any demographic, and are more likely to spend on outdoor products.⁷ Finally, 73% of Millennials are willing to spend more for sustainable retail items that have been ethically sourced.⁸ These things together put Gypsy Tents is in a strong position to carve out space in the self-care market.</p> <p>SOLUTION/PRODUCT</p> <p>Gypsy Tents produces A-frame tents with enough space for two adults to sit or lay down inside. The Gypsy Tent is a fabric covering made with Visa fabric sourced by JOSCO Products, and attached to a collapsible tent frame. The tent mimics a blanket fort, and recreates the childhood feeling of being safe and cozy in a small space, which appeals to nostalgic Millennials.⁹ It's a self-care sanctuary for both indoors and outdoors!</p> <p>Every Gypsy Tent is beautiful, portable, and durable. Due to the nature of using reclaimed fabric, each tent displays an individual patchwork of colors. Gypsy Tents have a standard design, but the mix of fabrics creates a bohemian look with a multicolored aesthetic.</p> <p>Gypsy Tents are lightweight, and can be set-up in less than five minutes. The tent frame is a simple A-shape with the fabric awning draped over the middle and attached on the bottom with snap closures. Because Visa fabric is stain and water resistant, Gypsy Tents are usable in both indoor and outdoor settings. The fabric works as a sunshade, creating a whimsical beach or park covering.</p> <p>Gypsy Tents can be set-up as a permanent backyard installation in warmer climates, but are small enough to open inside. Also, customers can use their Gypsy Tent indoors to create an intentional space for meditation in their daily routine, or as hideaway to read and relax.¹⁰</p> <p>The primary customer for Gypsy Tents is an active young female who shops at Whole Foods after yoga class on the roof. She can take her Gypsy Tent to Zilker to catch a few rays with friends, or chill with her dog. A Gypsy Tent can easily be packed up into its carrying case for an impromptu trip to the park, or visit to Barton Springs. In conclusion,</p>
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the Gypsy Tent is unique to consumers because it combines the beauty and fun of a childhood fort with the portability and ease of a camping tent.

POTENTIAL RETURN/REVENUE MODEL

Gypsy Tents is aiming to do \$2 million in three years with a price point of \$249. This number seems realistic based on two comparable companies, Rareform and Sword & Plough. Rareform has salvaged 50,000 pounds of material by making wallets out of signs, and was valued at \$3 million on SharkTank after three years.¹¹ Sword & Plough sews handbags out of military gear, and has done an estimated \$2 million in sales, reclaiming 30,000 pounds of material.

Online retail does a net margin of 11.34%¹², but Gypsy Tents is planning for 15-20%. The primary cost will be fair labor at \$40-60 per piece. In the first year, Gypsy Tents is planning to sell 1,000 tents with production ramping up from the summer through Q4. By year four, Gypsy Tents has a goal of 4,000 sales for a gross annual total of \$1 million.

COMPETITION

There are six competitive alternatives to Gypsy Tents. First, Pinterest DIY forts and tents provide ideas to potential customers, but they are only meant to be temporary. Second, Etsy offers handmade bohemian tents for \$450, which is out of range for most shoppers. Full size “glamping” yurts are priced at \$350, but exclusively for weddings and special events. Fourth, pop-up privacy tents are available for \$60 -100, and are minimalist installations for privacy in college dorms. Fifth would be a standard 10’ x 10’ sunshade for a tailgate party. Finally, traditional camping tents are available in a wide range of sizes and price ranges.

These alternative products have niche uses, but ultimately lack what Gypsy Tent brings to market. Gypsy Tent combines affordability, sustainability, aesthetic, and ethical sourcing into one social media friendly product. Afterall, who wouldn’t want to post photos of chilling in their self-care sanctuary? The Gypsy Tent business model is relatively easy to mimic, but is first to market, and will be able to capture brand value before other competitors come into play.

ENVIRONMENTAL IMPACT

Gypsy Tent’s textile partner JOSCO Products currently has a backlog of 10,000 pounds of Visa fabric, which cannot be used for rags due to its water repellency. Currently, JOSCO sources about 800 pounds of Visa every month, and could easily quadruple that amount by allowing suppliers to include Visa fabric in their fabric collections. As Gypsy Tents was talking with JOSCO, one key point was that Visa fabric is usually sent to the landfill along with other polyesters, so the state and national supply of Visa fabric is virtually endless.

Each Gypsy Tent uses seven to ten pounds of fabric per tent frame, so the potential environmental impact would be six tons of fabric kept out of the landfill in the first year. The goal for environmental impact by the end of the third year would be 24 tons.

ECONOMIC IMPACT

Gypsy Tents is anchored in Austin, and locally sources all of its manufacturing and marketing needs. In the first year, Gypsy Tents would provide part-time and full time work for two marketing professionals, one start-up manager, and potentially interns.

More importantly, Gypsy Tents plans to keep production local rather than outsourcing to Caribbean countries. Gypsy Tents plans to contract with Open Arms Studio and Blue Bonnet Cut and Sew Company. Open Arms Studio is sponsored by the Multicultural Refugee Coalition and is provides living wage jobs for recent immigrants. Gypsy Tents is excited to partner with Open Arms because it is a socially conscious company that provides jobs for new English speakers who otherwise would struggle to find employment. Finally, JOSCO Products is going to benefit as the material supplier. The annual expected impact to Austin in the first year of business is \$120,000.

THE TEAM

Currently, the Gypsy Tents team is a two person team. Lydia Smith is the President and COO. She works in ecommerce, with extensive experience in secondhand retail. She has experience as a seamstress, and understands the production process. Colleen Halbrook is the owner of JOSCO textile products, and will be acting as the textile sourcer and growth consultant. In the future, Gypsy Tents is planning to onboard Cami Carter as the Director of Marketing, and Melissa Huisman, as web developer and social media manager.

Also, the board of advisors includes Greg Grant, Dave Bresemann, and Lisa Maracine. Greg is the current CMO for an Austin company, and formerly worked in London for an international startup. Dave is the former Chief Product Officer at Silicon Labs. Lisa is a PhD candidate in sustainable fashion, and consults with companies that want to leave an eco-friendly sustainable footprint.

EXECUTION PLAN/GO TO MARKET STRATEGY

Gypsy Tents will be sold direct to consumers through the website with multiple targeted ad funnels. Social media is the main focus because Gypsy Tents is a lifestyle brand, and 74% of Millennials will make a purchase decision based on an Instagram post.¹³ Gypsy Tents will partner with influencers through a sales affiliate program, and other brands in the self-care niche to model how Gypsy Tents can be used in different settings. Also, 80% of Millennials want to buy from companies that talk about their social impact,¹⁴ and Gypsy Tents supports homeless gypsies in India.

Austin is an excellent test market for the Gypsy Tent, and will be the springboard for national sales. Gypsy Tents will develop brand recognition by connecting with national and international customers at events like ACL and SXSW. Future product offerings include the Gypsy Teepee, and the Gypsy Throw.

Endnotes

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