



It has been a pleasure to support this high-growth fashion marketplace in their meteoric rise, from a modest office just off Old Street, to becoming a global e-commerce leader.

Mark Coxhead | Woodsford TradeBridge



### High growth, high-end fashion

Our client is a high-end fashion marketplace that “empowers individuals to embrace who they are”. More than five years ago, they approached us with the brief to develop an innovative finance solution specifically tailored to their unique business model. Fast forward to today, and with the support of that platform, our client has seen exponential growth, is listed on the New York Stock Exchange and operates on a global scale.

### The growth of the eCommerce marketplace

This eCommerce success story relies on its specialist high-end merchants to provide premium labels such as Prada, Moncler and Balenciaga. Many of these merchants are smaller, owner operated businesses and to be listed on the platform they need to be the very best in their chosen niche.

Five years ago, with their marketplace Gross Merchandise Value (GMV) more than doubling every year, our client realised that the lack of access to business funding was limiting the ability of some of their best merchants to invest



in sufficient stock and take full advantage of this amazing growth. This lack of finance would not only hurt their most trusted business partners, but if not resolved could potentially even slow their own growth trajectory.

With investors and shareholders looking very closely at the business financials and rising valuations, our client needed a solution to demonstrate to the market that they could attract and onboard new partners consistently, as well as fund the growth of existing merchants.

### Making boutique relationships more “sticky”

For an eCommerce marketplace, there are two key ways to grow the supply base.

One is to source new merchants, something that most marketplaces do every day to expand range and reach, and to offer consumers something new.

The second is to strengthen the relationship with existing merchants, by facilitating their growth through the marketplace.

Woodsford TradeBridge worked in partnership with our eCommerce client to support both strategies. An exclusive vendor finance product, designed specifically for their sector not only unshackled the merchants GMV growth, it created a unique incentive and a high level of partner loyalty.



## Financial strength for every merchant

Smaller merchants are unlikely to be able to obtain unsecured credit such as a revolving cash or trade finance facility easily through a traditional bank. Whilst secured finance can be an option, particularly for those with personal assets such as property, there is a risk associated with this that many business owners are simply not prepared to take.

It can also be challenging for these smaller businesses to increase credit facilities with their own suppliers, especially the big premium brands that you are looking to attract to your marketplace, creating another barrier to fast growth.

For an eCommerce marketplace, offering vendors a bespoke, branded finance solution can not only support your own growth ambitions, it can help ensure that the best merchants choose your marketplace over competitors.

## A perfectly tailored lending solution

When an eCommerce marketplace is battling to balance accelerated growth or rapid changes in consumer demand with insufficient supply, offering a vendor finance solution can seem appealing. But technology shareholders are investing in a fast growth marketplace and not a finance business, and certainly do not want to see their equity being used to fund independent suppliers. For this reason, Woodford TradeBridge's third party tailored fintech lending solution provides a better alternative. Our algorithm evaluates the full trading history of each merchant, combines this with banking information and other publicly available data, allowing us to offer the right funding directly through our platform, white labelled, co-branded or at arm's length.

“ Our approach is to work with the best marketplaces to deliver an eCommerce funding solution that not only enables them to attract, retain and grow the best vendor ecosystem, but one that will make a meaningful contribution to the success of their business. ”

Mark Coxhead  
CEO, Woodsford TradeBridge

## What makes the Woodsford TradeBridge solution the best fit for marketplaces?

The most successful eCommerce platforms typically experience fast growth, but with a long pre-profit period as they scale. Banks are not keen to offer merchant finance to the platforms, because they have no way to manage that level of risk or to customise solutions. It requires financial support from a lender that understands how marketplaces work and the risk profile associated with a growing marketplace.

Woodsford TradeBridge has the technology that delivers a deep understanding of turnover and trading patterns

of merchants and can accurately predict future funding requirements based on this data analysis. The payment cycle in the fashion supply chain can be complex, but with a full understanding of the sector, Woodsford TradeBridge can absorb the risk and provide capital to support merchants when they require it. The platform supports multiple currencies and jurisdictions, which is another vital asset for online marketplaces.

In addition to the technology, Woodsford TradeBridge has access to our own funding, meaning we can make decisions based on enhanced insight and sector expertise, rather than being limited by dependence on independent investors and a set of pre-agreed lending criteria. Each marketplace is reviewed individually and a solution can be designed to meet the needs of that business.

Get in touch to find out how Woodsford TradeBridge can help your eCommerce marketplace grow.



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