B2B marketplace for made-on-demand product connecting providers and merchants

modwalla.com   Vancouver WA   [f]

Technology   Software   Retail   Ecommerce   B2B

LEAD INVESTOR   ⌄

Krista Fischer

With 15+ years in the print on demand industry, I recognize the untapped position Modwalla will fulfill. For Providers, this will be a strong additional channel for sales. For Merchants, this will be an opportunity to provide very unique products their customers have been looking for and desire. This Modwalla team is creating a marketplace and THE place where products and creativity can collide. The vision and determination Chris, Greg and team have for Modwalla is building excitement for what is to come.

Invested $25,000 this round

Highlights

1. 💡 10+ years of experience in made-on-demand industry.

2. 👍 14 providers and 13 merchants of made-on-demand products on waitlist. 📝

3. 🗾 Market Sizing: $197 billion TAM, $4.9 billion SAM with 34% annual growth. 📈

4. 💸 Projected $1M in revenue at the end of year 2 (not guaranteed)

5. 🔥 Generated first sale in less than 2 months of starting development. 🥳

5. 🔥 Generated first sale in less than 2 months of starting development. 🥳

Our Team

Chris Bauman   Co-Founder and CEO

10+ years of experience in the made-on-demand industry. Serial entrepreneur, self-published a children's book, avid and quick learner, Texas MBA, and USMC veteran.

I have been in the industry for over a decade and have consistently been asked by providers of made-on-demand products how they can access more distribution of their products. Likewise, merchants have always wanted to

offer unique product offerings to their customers.

Greg Barcza Co-Founder and CTO

Former co-founder and CTO of Recart that has generated $120,000,000+ extra revenue for its customers thus far (https://recart.com/).

Pitch

Modwalla is a B2B marketplace for made-on-demand products connecting providers and merchants. Made-on-Demand (MOD) products can be anything printed, engraved, embroidered, stitched, decorated, built. Initially, we are going to focus on Print and Engraved on Demand. **www.modwalla.com**

As a marketplace, there are buyers and sellers. For Modwalla, we are using the terms Providers and Merchants. Here is what we mean by Provider and Merchant.

Providers are businesses that print, engrave, and/or embroider products and ship the order to an end customer.

Merchants are businesses that have e-commerce storefronts where they sell to their end customers and use drop-ship fulfillment as a part of their supply chain.

A typical made-on-demand merchant & provider interaction.

2 - 6 month process for *each product*
a merchant wants to offer

It can take <u>6 months</u> for a single product to get launched!

Once a merchant decides on the product assortment, the hard part in the made-on-demand industry is just finding a provider that can make and fulfill the product that you want. Providers are great at making products. They <u>aren't</u> great at having their website SEO friendly with all of their products listed, either.

Assuming a match is made, the back and forth interactions take a lot of time and the order routing can get *very* expensive.

For each Provider <-> Merchant connection, to efficiently send and receive orders an integration needs to be setup. Each integration can cost between $2k - $15k, and typically is for a handful of product listings.

So, who is Modwalla?

founding team with industry experience & technical depth

Chris has been in the made-on-demand products industry for <u>10+ years</u>, and has been a provider (**Cerealize** - custom breakfast cereal ingredients and boxes; **PhotoBall** - custom sports balls), a merchant (**Zazzle** - I determined what products to launch and sourced providers for contract work), and as a marketplace operator (Zazzle - maker.zazzle.com for letting providers list and sell on zazzle.com). He has seen and experienced the need for more sales channels for providers that entire time AND has experienced wanting greater democratization of MOD products for merchants.

Greg has been architecting and developing full-stack solutions for over <u>12 years</u>. He is formerly the co-founder and CTO of **Recart**, an ecommerce marketing automation system which helps e-commerce companies win back customers and increase revenue by using Facebook Messenger. Recart has generated *$120,000,000+ extra revenue* for its customers thus far.

How big is this opportunity?

fast growing and sizeable market with room to dominate
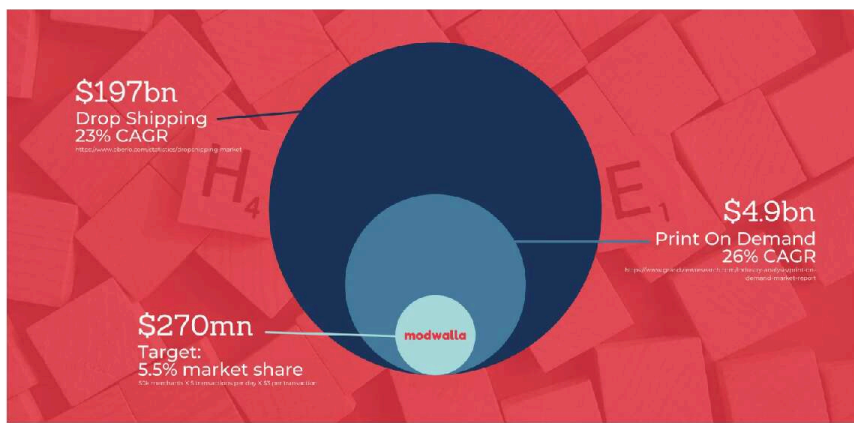
The drop shipping market is expected to approach **$500 Billion by 2026**. A subset of that is the Print On Demand market. This is how the current competitors are being valued and seen. That subset is expected to grow upwards of **$12 Billion** in that same timeframe.

What does Modwalla know that the competition does not? How are we seeing the market?
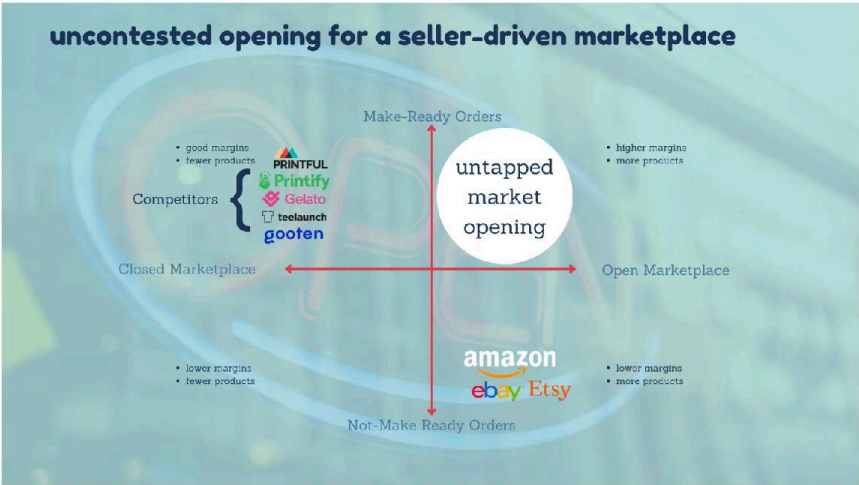
There is not one single open marketplace option available for providers to list ALL of their products and connect with merchants. Not one.

> *We believe that a provider driven marketplace for made-on-demand products will increase the offerings available for merchants, increase access to merchants of all sizes, and give merchants and their customers more and better choice.*

Enter Modwalla: a provider-driven marketplace for made-on-demand products.

Accelerating Made-On-Demand Commerce
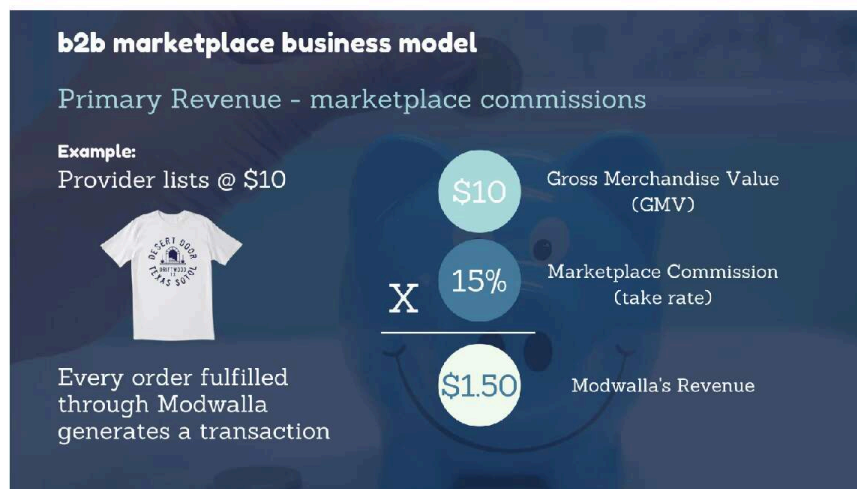through discovery, automation, and integration

Providers will create product listings for all of the MOD products in their catalog through a seller dashboard. In 5 minutes, a product can be listed on Modwalla.

Merchants can search for the exact product they want, see complete product details, generate mockups instantly, and list a product on their storefront with a single click.

That 6 month product launch sequence will take minutes. And, that 1 product listing by the Provider can be leveraged by millions of merchants around the world and incorporated into their MOD supply chain.

How does Modwalla make money?

b2b marketplace business model

Primary Revenue - marketplace commissions

Example:
Provider lists @ $10

$10 — Gross Merchandise Value (GMV)

X 15% — Marketplace Commission (take rate)

Every order fulfilled through Modwalla generates a transaction

$1.50 — Modwalla's Revenue

Marketplace commissions (15%) are the primary revenue source, paid for by the seller (no different than Amazon).

Secondary and tertiary revenue streams are possible through subscriptions by both marketplace participants, providers and merchants. Seller subscriptions have been shown by the likes of Amazon and Etsy to fetch between $10 - $40 / month. Merchant subscriptions have been shown effective by competitors like Printful and Printify, ranging $25 - $49 / month. These revenue streams will come after years 3-5.

And, a possible quaternary revenue stream via an onsite ad network.

What does Modwalla need to make this happen?

raising $150,000 for 12 months of financing

Use of Funds

Capex
1.9%

Operations
25.3%

Marketing & Sales
33.9%

Goals & Learnings

25k @ $20
Transactions   Average Order Value

$500k

$150k

Personnel
38.9%

$300k
GMV

- Determine scalable acquisition channels for merchants
- Learn the liquidity ratios needed to propel growth
- Minimum features needed for merchants & providers to self-serve product listings and customizations

6.5% of funds raised will go towards the Wefunder intermediary fee.