



Success Diaries



GOAT

World's Largest
Sneaker Market Place



Decoding GOAT - the world's largest sneaker marketplace

WHAT

Primary and resale marketplace for sneaker collectors and casual shoppers alike with a ship-to-verify model revolving around authenticity

WHEN

Official launch was in July 2015, but it was that year's Black Friday sale which made GOAT a go-to-platform for sneakerheads

HOW

Solving for counterfeits in a landscape where fans used unconventional hacks for detecting fakes. A business which would not be funded by most VCs

TAILWINDS WHICH MATTER

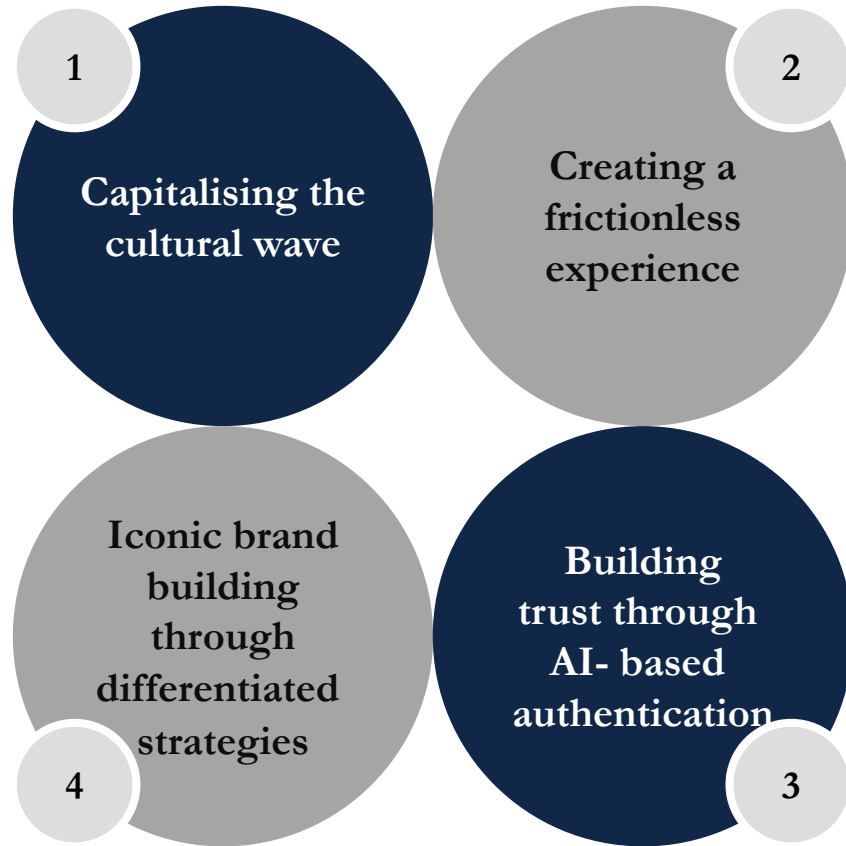
DROP CULTURE

Sweeping excitement and demand for the release of a new product, available for a brief period. It drives the prices skyward, simultaneously building rapid moment for a brand

SNEAKER FANATICISM

Prices for custom designed, celebrity endorsed, exclusive sneakers could go up to \$113K a pair – Classic Air Jordans! Footwear is an artistic choice, a fashion statement and for sneakerheads - a lifestyle with no compromise

GOAT derives its success from four key tenets



Capitalising the cultural wave

The sneaker and streetwear market is expected to reach \$30 bn in sales globally by 2030. From solving for counterfeit sneakers to developing a cult-like following, GOAT timely capitalized the cultural wave.

Creating a frictionless experience

Instead of having multiple sellers offering the same product, GOAT enabled SKU-based search for over 800K listings at the lowest, single price which was previously unavailable on other marketplaces.

Building trust through AI based authentication

Leveraging technology to identify counterfeits, GOAT has been wildly successful in discouraging disintermediation. It's value proposition of authentication for resold sneakers has worked like a charm among the sneaker enthusiasts.

Iconic brand building through differentiated strategies

Strategic partnerships hit the home run with sneakerheads; editorials like 'Greatest' positioned GOAT as an iconic brand which celebrates the greatest in very industry. Excellent brand recall with customer stickiness helped expand the global reach to 30mn people.

College roommates who stuck together through multiple business failures



Eddy Lu



Daishin Sugano

- Roomies at UC Berkeley
- Quit their corporate jobs on the same day
- Started a golf apparel Co. - took sewing classes
- Ran online tea business - got certified as tea masters
- Built countless 99 cent gaming iOS apps
- Sold cream puffs of Japanese chain, Beard Papa
- Started a dining app for strangers called GrubWithUs
- Finally, struck gold w/ GOAT



Sneaker Marketplace: Pride of a middleman

Numbers justifying the cult-like following for GOAT



Strong conviction from renowned VCs with a unicorn status

1.75B

Valuation (Sept'20)

~300M

Total funding raised since 2015

3.3x

Valuation step up in last funding round

8

Funding rounds

Round	Year	(\$ mn)	Investor
Series E	2021	Undisclosed	Groupe Artemis
Series E	2020	100	D1 Capital Partners
Series D	2019	100	Footlocker, Agile Equity
Series C	2018	60	Index Ventures, Accel Partners, Upfront Ventures, Webb Investment Network, Matrix Partners, Agile Equity
Series B	2017	25	Accel Partners, Matrix Partners, Upfront Ventures, Webb Investment Network, Agile Equity
Series A	2016	5	Matrix Partners, Upfront Ventures
Series A	2012	7.8	Upfront Ventures, Michel Daher
Seed	2011	1.6	Andreessen Horowitz, First Round Capital, NEA, SV Angel, Start Network, Y Combinator, Webb Investment Network, Paul Bechheit, Alexis Ohanian

...Making the most of a Black Friday fiasco



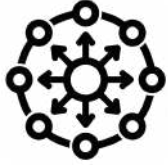
The post-Thanksgiving shopping event, the biggest on American calendar almost broke the then-fledgling company.

Days leading up to 2015 Black Friday sale had seen non-existent sales till a promotional discount led to a server crash due to traffic overload. It put GOAT on the map of sneaker fans and word-of-mouth publicity brought in phenomenal growth.

Since then, GOAT's Black Friday promotional event giveaways have become a cultural moment for the global sneakerhead community.

A look at the winning strategies

A host of factors led to GOAT's phenomenal success



1

Leveraging tech
DNA



2

Making the experience
fully searchable



3

Sheer focus on
authenticity



4

Offering advantage
to sellers



5

Brand building through
storytelling & partnerships



6

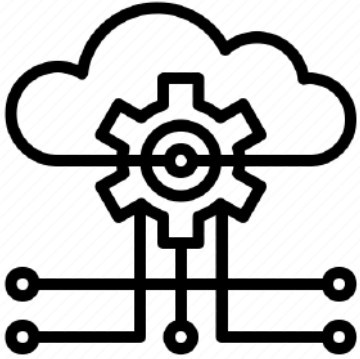
Critical mass
serving as 'moat'



7

Global footprint with an
eye for local wins

Leveraging tech DNA which forms the backbone of the company



Database serves as firepower

Building a big, rich database using image recognition to differentiate the real from fake, it has built multiple neural networks



Unique customer experience w/ AR

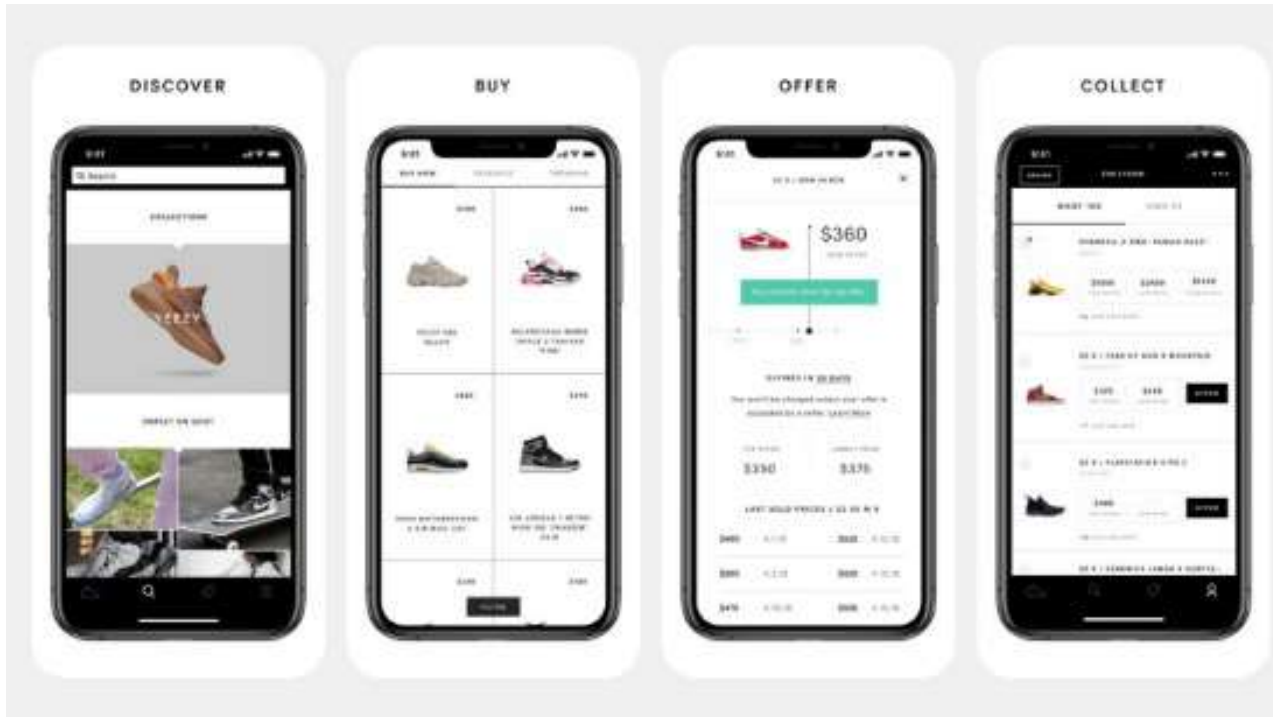
Using augmented reality for virtual sneakers trials, 'object mode' enables users to view the selected SKU on flat surfaces all rendered by AR



Attention to details

Sellers need to capture photos from 7 different angles for every pair of sneakers; every review includes a mix of computer vision, ML and human experts before sale to ensure authenticity

Being a 'one-stop-shop' - making the experience fully searchable



Creating a global centralized marketplace with a network of distribution centers across the globe for shipping to customers in 170+ countries.

A superior UI allows buyers to **see the cheapest price** for each SKU.

Price transparency allows sellers to list at whatever price they wish.

Sheer focus on authenticity with the rare promise of a full refund

GOAT

Discover

Shop All

Timeline

Styles

Q

≡

Submit a [support request](#)

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FEE POLICY

SELLING ON GOAT

PRIVACY POLICY

TERMS

PURCHASES AND RETURNS

ASSURANCE OF AUTHENTICITY

FAQ

GOAT + FC

GOAT CLEAN TERMS

ASSURANCE OF AUTHENTICITY

Our goal is to be the most trusted marketplace for sneakers, apparel and accessories.

Sourcing from the world's premium boutiques and retailers, as well as our trusted network of resellers, we only sell authentic products.

Additionally, all resale products are verified by a combination of machine learning technology as well as in-hand verification to ensure the product is both authentic and as described.

To support our verification process, we have logged hundreds of thousands of data points on our products to help define their authenticity. Our specialists go through rigorous training and inspect everything from the label to stitching, texture to color, and so much more.

If your product is found to be inauthentic or not as described, we'll notify you during our verification process and offer you a full refund for your order.

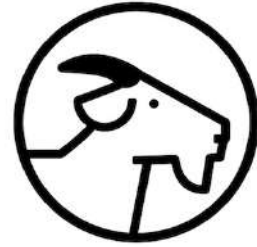
It's our hope that through our efforts, we can create a safe and trustworthy global marketplace.

Sharp focus on seller side pricing advantage



Variable w/ slabs

- Processing Fee @ 3%
- Commission @ 8-9.5% with a minimum threshold across currencies



GOAT

Fixed + Variable

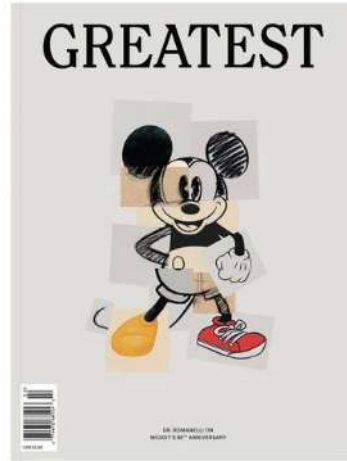
- Fixed Seller Fee depending on location
- Commission @ 9.5%-20% depending on seller ratings



Variable w/o slabs

- Commission @ 20%

Brand building through compelling storytelling and solid partnerships



GOAT sneaker marketplace partners with NBA player Kyle Kuzma

Kuzma is the first pro athlete to sign with an online sneaker seller.



STYLE

Versace Teams With GOAT And Drops The Release Date For Chain Reaction

GOAT CREATED ITS FIRST-EVER BRAND CAMPAIGN VIA VIDEO CALLS

Iconic brand positioning through tie ups with -

NBA players like Rui Hachimur & Kyle Kuzma adding stardom to the platform.

Luxury brands like Versace for the launch of an exclusive line of sneakers.

Release of editorials like **Greatest** which showcase the stories of industry veterans as well as upcoming leaders who are paving unique paths in their respective industries.

Critical mass serving as MOAT



Large audience of buyers

+

Large inventory of sellers

+

Repeat purchasers/sellers

=

Strong cross-side effects
safeguarding against
competition and new players

Setting a global footprint with an eye for local wins



← SEARCH CURRENCY

Australian Dollar	AUD \$
British Pound	GBP £
Canadian Dollar	CAD \$
Chinese Renminbi Yuan	CNY ¥
Euro	EUR €
Hong Kong Dollar	HKD \$
Japanese Yen	JPY ¥
New Taiwan Dollar	TWD \$
Singapore Dollar	SGD \$
South Korean Won	KRW ₩
United States Dollar	USD \$ ✓

Massive opportunity in Asia Pacific after nailing in the West

July 2019 saw the official launch in China, second largest market for sneakers globally. A localized GOAT app, collaboration with WeChat, and a spectacular kick start event showcasing the rarest sneakers gave the Chinese an authentic experience from Day 1.

GOAT has 13 fulfilment centres globally with state of art technology, 7 outside of US.

Their website allows payments in 11 currencies offering convenience to users.

Key takeaways from GOAT



Differentiated brand building – staying true to your brand



Obsession with superior customer experience irrespective of the scale



Global ambition with local execution to win in every unique market



Untenable customer demand can be a sign of **product market fit**



Building liquidity requires **elimination of friction**



Transform a marketplace into your customer's **lifestyle choice**

Learnings from the founders



Resilience and perseverance - most important virtues of a founder



Try to forge your own path and stay true to yourself



Pursue an idea only if you are super passionate about it



Resolve co-founder issues promptly without losing sight of the big picture



Every experience will hone you and help you develop skills that you lack



Thank You
