

# INTERIOR DESIGNER DRAWS UP E- COMMERCE CROWDFUNDING PLAN

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A Macclesfield-based luxury interior design company is giving away a 49.82 per cent stake in return for a £695,000 crowdfunding investment as it seeks to launch a new e-commerce website.

The company's founder and chief executive has told *Insider* that the team is determined to create an interior design version of premium fashion website net-a-porter.com, adding that the reaction so far from investors has been "brilliant".

Rachel Bates Interiors (RBI) is seeking investment on crowdfunding platform Seedrs to accelerate the launch, scope and reach of its new e-commerce website. Founded in May 2012, the company is led by chief executive Rachel Bates (pictured), non-executive chairman Harry Hill and non-executive director Justin Bates.

Investors who pledge £1,000 or more would be entitled to a 10 per cent discount on all RBI purchases, while those who offer £5,000 or more would be entitled to a 15 per cent discount.

Bates said: "Delighted by the reaction we have had from investors so far, we were keen to open up the funding round to a wider audience, hence we chose Seedrs. The reaction so far has been brilliant and very encouraging indeed.

"Rachel Bates Interiors goes from strength to strength and we are incredibly excited about launching our online boutique, after strong demand from customers and the industry.

"We are determined to create the interiors version of net-a-porter."

The proposed e-commerce website would sell products from luxury designers, many on an exclusive basis. There would also be design collaborations between RBI and brands as well as own-label goods.

According to the pitch, products would range from home furnishings to gift ideas. Meanwhile, the target market would be male or female "affluent and aspirational shoppers" and the initial focus would be UK-based consumers, although this would be expanded to regions such as Europe, the Americas and the Asia-Pacific over time.

The company the investment is being made into is Rachel Bates Interiors Ltd, which includes both the RBI online store and also any products or services supplied as a result of interior design commissions. However, it is envisaged that the major area of revenue and profits growth would be the launch and expansion of the online store.

Revenues would be derived from the sale of third-party products, sales from design collaborations and RBI own-label products. In an effort to de-risk the business model, all online sales would have to be paid for and client monies cleared before products are ordered and dispatched.

Proceeds from the capital raise would be used to fund initial stock, expand the staff base and pay administrative and marketing expenses.

In the pitch to investors, the company said: "The RBI team had long admired the tremendous success of some of the premium branded clothing retailers such as net-a-porter.com and felt there was a huge gap in the luxury interior design market.

"Consequently, in conjunction with working on her ongoing interior design commissions, Rachel spent over three years intensely sourcing the most exquisite products from the finest craftsmen and artisans in the UK and across the globe.

"While online fashion retail is extremely well-established and growing strongly, the team at RBI believes a significant opportunity remains to replicate this considerable and very profitable success but within the luxury interiors and lifestyle market."

