



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

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Student Name: Sanduta Andrian
Student Id: 2513304

Module Leader: Dr Charles Oham

Executive Summary

ReThread Shoreditch is a central London, Shoreditch based restore shop that resells second hand clothes. The business is a reseller of used clothes and accessories from customers with a focus on the 16-35 year-old range of fashion-conscious customers, who want sustainable fashion that is more affordable than fast fashion. It is a sole trader business which needs around £11,000 of start-up capital, from a government supported Start Up Loan and personal savings. According to Credence Research's report on second-hand apparel market, the UK second-hand garments market is projected to expand from USD 3.1 billion in 2023 to USD 8.06 billion by 2032. Bleckmann (2026) states that 25% of the second-hand apparel market is in London. Shoreditch already has a strong existing target audience footfall and is one of the oldest secondhand and vintage retail hot spots in the UK. However, the highlights of ReThread Shoreditch are its community garment swap scheme, student loyalty programme and its unique stock selection that is affordable and not as expensive as some of its more established competitors.

Table of Contents

Executive Summary	2
Overview of the Business Idea	4
Legal Format and Management Structure	5
Market Research: Pestel Analysis and Competition	5
Marketing Communications	7
Financial planning.....	8
References	10

Overview of the Business Idea

ReThread Shoreditch is a second hand clothing and accessories store located in Shoreditch, East London. The business buys in and donates stock from the public and chooses to curate it by style and condition and then resells it accessible price points from £5 to £60. The product line includes everyday wear, including vintage clothing from the 80's to the 2010's, outerwear, accessories and footwear.

This business case is backed by data about the environment. The UK throws away 300,000 tonnes of clothing each year, which is more than any other country in Europe (Keep Britain Tidy). In the UK, in 2022, there were a total of 1.45 million tonnes of used textiles, of which almost half was disposed of as general waste (WRAP, 2024). Some 711 000 tonnes of used textiles were disposed of in domestic bins in 2021.

There is proved and growing consumer demand for second-hand clothing. One in two UK consumers bought second-hand clothes online in 2024, the top category among those that purchased second-hand items online (Edie, 2025). The uptake is particularly high among consumers aged under 35 as 74% of them have bought second-hand during the last year (Bleckmann, 2026). Second-hand fashion will now be around 10% of all fashion spending in UK by 2029, at a rate of c.9% per annum (Bleckmann, 2026).

Shoreditch is one of the hottest places to buy vintage and second-hand clothes in London. The Brick Lane and surrounding streets are a popular weekend destination for young people, tourists and students resulting in considerable organic traffic for a strategic location.

The community aspect of the business comes in the form of a monthly free garment exchange, open to all, where people can drop off unwanted clothes and leave with other people's clothes to use instead. This results in community engagement, goodwill and more stock. It also directly meets the investor need for a sustainability/community element.

Legal Format and Management Structure

ReThread Shoreditch will be a sole trader. This is the ideal business model for a retail business that is being operated by one owner. The sole trader must register for Self-Assessment with HMRC, has no requirements to file annual accounts at Companies House and the owner makes all the decisions with no control from others (HSBC UK, 2025). This would be the typical form for small owner-operated companies as per ONS data reported by Osome (2024) which shows that sole traders make up 75.6% of all businesses in the UK.

The main disadvantage is they have unlimited personal liability, which means that if the business goes into debt the owner's personal assets are at risk (Indeed UK, 2024). At the onset of a business, it is a fair exchange for a second-hand retail store that has no production liability (TaxAssist, 2025).

The management is a flat management with owner management. Full responsibility for purchasing stock control, retailing, social media, book-keeping and community events is carried out by the founder. In month two, a part-time sales assistant will be on board to help with weekend trading, as this is when most sales are made in Shoreditch.

Market Research: Pestel Analysis and Competition

Political: Financial and regulatory pressures on fast fashion producers are growing due to the UK government's Environment Act 2021 and extended producer responsibility regulations. Circular economy policies are given a preference for reuse and resale. No specific regulations for second-hand retail and no regulatory environment that is prohibitive or favourable.

Economical: In 2024, the UK consumers collectively saved £5.6 billion by buying second-hand goods instead of new ones (Edie, 2025). The cost-of-living continues to be a force in encouraging consumers to seek cheaper alternatives in Britain, and in London this is, particularly the case. One of the main advantages of ReThread Shoreditch is its price, which is much less than new retail prices. The report, cited by

Just Style (2024), GlobalData research confirms that the UK consumer shift towards second-hand is not a fad but a longstanding change in consumer behaviour with 39.7% planning to buy second-hand clothing in the future.

Social: There has been a significant shift in attitude towards second-hand fashion among younger people. According to Credence Research (2024), one of the UK's top re-sale sites Depop had 85 million transactions in 2024 and 90% of its users were under 26. Shoreditch is socially and culturally aligned to a second hand retail proposition, by its identity as a creative, fashion forward area. Among young people aged 16–35 the stigma surrounding used clothing is almost gone.

Technological: ReThread Shoreditch will highlight new stock arrivals, behind-the-scenes curation content and the highlights of community swap events, all on Instagram and TikTok.

Environmental: 10% of global carbon emissions are due to fashion each year (Earth.org, 2026). Only 15% of the world's textiles are recycled, making many clothes end up as a direct cause of pollution (Waste Direct, 2026). Each sale of an item at ReThread Shoreditch makes space for a new item, and extends the life of the garment, giving a tangible, measurable benefit towards the environment with every sale.

Legal: Business will be required to observe the Consumer Rights Act 2015 which stipulates that second hand goods are of satisfactory quality and accurately described. The shop will also be registered for business rates with the London Borough of Hackney and will have public liability insurance before it opens. There is no specialist licences required for the retail of second-hand clothes.

Shoreditch's biggest competitors are Rokit Vintage (Brick Lane) with its prices ranging from £15-£80 for statement items (Only Shoreditch, 2026), large warehouse-style Atika London, on Brick Lane, and London x London, 2022, found in 2016 on Brick Lane (Seredich, 2019).

Marketing Communications

ReThread Shoreditch will employ a targeted, low cost marketing approach to ensure the right consumers (16-35) are targeted in Shoreditch and throughout London.

The main channels are Instagram and TikTok. New stock will be featured daily, along with styling videos, features of customers' outfits, and coverage of swap events. Short-form video content on TikTok is extraordinarily successful on the second-hand fashion category, with the content formats "thrift haul" and "what I found" gaining sustainable organic reach. The platforms are the most direct way to reach Gen Z who are the generation to act on their values around the environment when deciding on a purchase (YouGov, 2024).

Secondary online presence will be kept for products which are not sold in the shop within 3 weeks on Depop and Vinted. This helps to decrease dead stock and helps to generate some revenue even without the presence of physical customers.

The printed flyers are to be found in Shoreditch High Street station, Brick Lane Market on Sundays and at nearby colleges and universities including Ravensbourne University London and London Metropolitan University. A 10% student discount will be provided to the main target market group, directly encouraging them to take up the product.

The garment swap is a marketing idea and a community initiative that takes place monthly. Social media content is created at each event, foot traffic is drawn into the shop, and a loyal local audience is established.

A loyalty stamp card is one stamp for every £10 of spending: giving the customer a free item up to £15 value after 10 stamps. This helps to foster repeat visits and to create trackable data of retention. Kotler and Keller (2016) point out that repeat customers can be retained at a much lower cost than acquired customers, meaning that a loyalty program is an effective and cost-efficient strategy to be used by a small retail firm.

Financial planning

Fundings

The first month of operations for ReThread Shoreditch will need around £11,000 to get up and running.

Funding Sources

The main funder is a government supported Start Up Loan from the British Business Bank scheme. The scheme will provide a personal unsecured loan of between £500 and £25,000, with a fixed interest rate, plus 12 months free mentoring from Xero UK, 2025. It has since provided over £900 million to over 100,000 businesses in the UK since it was launched in 2012 (MerchantSwitch, 2025). The business is going to apply for £8000. The remainder of the £3,000 will be raised from the founder's personal funds. This means equity is not diluted and does not resort to secured lending when there is no trading history.

Month-One Startup Expenses

There is a shop deposit of £3,500 and a first month rent of £3500 (Shoreditch unit).

Signage, tagging equipment, shop fit-out, shelving and rails: £2,500

The initial price of the stocks purchased from public buy-ins and auctions: £1,800

Cleaning supplies & steamer for clothes: £300

Any website set up, and listing on Depop/Vinted: £300

Promotional material such as loyalty cards, student discount cards, flyers: £250

Storage Insurance: £400 per year (advance)

Miscellaneous and contingency: £450

Total money lent: £9500 (£1500 kept as working capital)

The business is break-even in 5 months. With an average transaction value of £18 and an average number of transactions per day of 20, the monthly turnover is estimated to be between £7,200 and £8,500. Projected costs are: £5,500 to £6,500 per month for rent, stock replenishment at £600 per month and part time weekend wages.

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