

Findings Master's Thesis Lotta Moll & Caspar Müller-Lütken: 3 set ups for resell-strategy



How can digital technologies, such as blockchain and IoT, support CE practices in the textile & fashion industry?

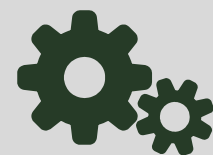
- Research data:
 - Interviewed 9 fashion brands (FB), 3 resell partners & 3 BC providers
 - Investigated blockchain technology practices based on 9 blockchain providers solutions which were analyzed and deep dived on a selection of them
- Research revealed strong focus on resell strategy

Based on 16 interviews different resell models were discovered and Blockchain's and IoT's ability to support those resell models investigated

Research Development



Starting Point: Throughout the interviews we discovered several motives for brands to test IoT and BC, as well as their challenges when using CE practices and these technologies.



BUT Literature and best practices on BC and IoT for the textile & fashion industry are rather slim



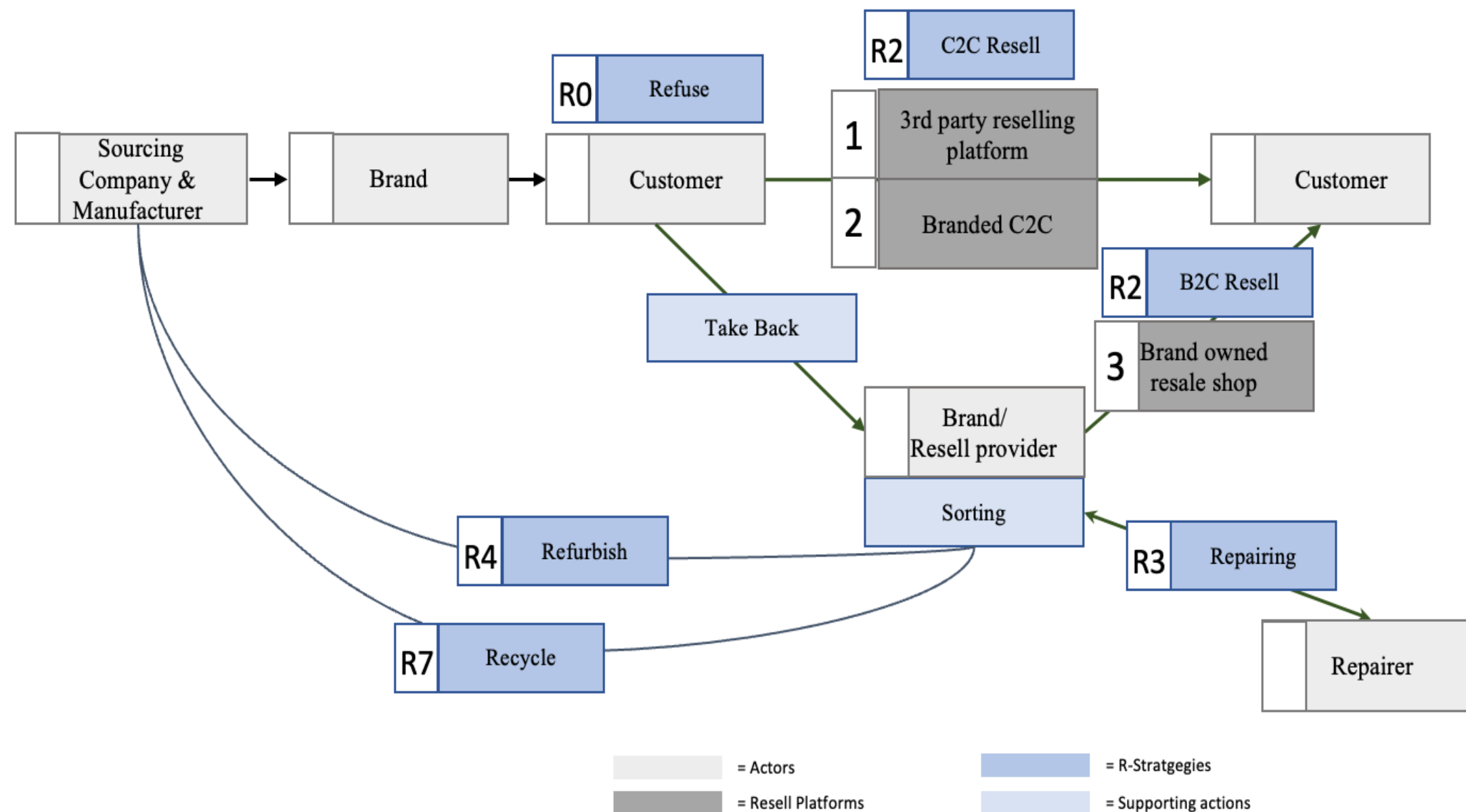
Research Question: How can digital technologies, such as blockchain and IoT, support CE practices in the textile & fashion industry?

Main Takeaways

- 1 More brands are launching their own resale options to extend the lifecycle of their clothes, learn more about them, serve customers demand for more sustainable consumption and be present in growing market
- 2 Different resell models exist which have implications on data collection and profitability
- 3 Resell partners can create online shop, run reverse logistics, support data collection
- 4 BC and IoT can ease resale and enhance transparency in resale market while allowing brands to learn more about their products after the point of sale
- 5 To leverage the potential of IoT in the resale market brands must ensure the data carrier stays attached to products throughout whole lifecycle
- 6 BC solutions provided on the market for supporting resale activities are more feasible for high value items

Three different resell models and their implications were discussed during the interviews

Resell models



Following Reike et al. (2018)

- 1.) C2C - Branded section on 3rd party platform
- 2.) C2C – Brand owned C2C platform
- 3a.) Online resell shop - consignment
- 3b.) Online resell shop – buy back

Different resell models have implications for data collection, authenticity and reverse logistics

The implications of those three resell resell models can be analyzed based on benefits and negatives regarding data collection, authenticity and reverse logistics

Brand owned C2C platform

→ Transaction fee

- + No reverse logistics
- + Data collection
- + Brand more present in resell market
- Little transaction fee
- Condition can be only rated based on pictures

HAN KJØBENHAVN GESTUZ
HOGΣMEITEK

Online resell shop - consignment

→ Commission fee

- + Higher trust by consumers
- + Grading by brand offers more trustworthy purchase option
- + Brands can learn about condition
- + Offer same customer experience for used clothes
- Limited reverse logistics
- Customers need to be incentivised

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ARMEDANGELS

Online resell shop – buy back






→ Sell product twice

- + Potential to make money with products more than once
- + Grading by brand offers more trustworthy purchase option
- + Brands can learn more about condition
- Reverse logistics require resources
- Risk of buying in “dead inventory”
- Customers need to be incentivised


INFANTIUM *Madswell*
Victoria OUTERKNOWN
Sustainable Style ∞

IoT and BC can support the resell models of fashion brands in numerous ways but can also differ based on the resell model chosen

IoT for Resell

-  Better tracking of clothes lifecycle by brand
-  Ease of resell for customer
-  Same product information for buyers of used clothes
-  Authentication
-  NFTs, transfer of ownership

BC for Resell

-  Can enhance IoT solutions by providing a transparent and immutable ledger of transactions.
-  NFTs, transfer of ownership for higher customer engagement
-  Blockchain provides a higher level of security

When analysing the benefits of IoT and Blockchain the implications of the resell models have to be considered

Considerations and Recommendations

Questions to ask yourself

- Do you know how your clothes are currently performing on the resale market? How much value do they have on the resale market?
- Which data do you want to collect about your clothes after the point of sale?
- How do you want to engage with customers?
- How closely would you like to be involved with the traded clothes?

In case you have any questions you can reach out to us here:

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