

Recycling of the high-end brands' leftovers

research for high-end brands unsold recycling

Politecnico di Milano
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Recycling of the high-end brands' leftovers

A Product Service System Research for
high-end brands' leftovers recycling

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Abstract-English

It's truth that at the end of the season, even the successful high-end brand houses have found they are in possession of the extra stock. What happened to the leftover of the high-end brands each season? Some of them are sent to the outlets or other discount stores, some brands are likely to cut out their tags, to protect the brand image. Some of them are burnt as the solution for maintaining the luxury class and exclusivity of the brand.

The large luxury brands such as Chanel, Louis Vitton and Hermes go to extremes, they destroy the items and burn the textiles to make sure that no one else could copy or use them. And the products of them never have sales to not make the brand looks 'cheap'.

Nowadays the fashion trends update really fast. Each year, we focus on the fashion shows and all the new collections announced by the high-end brands all over the world. But we ignore at the same time, there's a huge waste in the fashion industry after each season. So this book is about to analyze how the high-end brands deal with the leftover and what are the solutions we have till now, do they work well? And most importantly, find the way for the future fashion industry, to keep the fashion continuously developing in 'a green way', help the recycling of the high-end brands' products run more efficiently.

Abstract-Italian

E 'vero che alla fine della stagione, anche le case di marca di successo di successo hanno trovato che sono in possesso della riserva extra. Cosa è successo al restante dei brand di fascia alta ogni stagione? Alcuni di essi vengono inviati alle sedi o altri negozi di discount, alcune marche potrebbero tagliare i loro tag per proteggere l'immagine del marchio. Alcuni di essi sono bruciati come la soluzione per mantenere la classe di lusso e l'esclusività del marchio.

Le grandi marche di lusso come Chanel, Louis Vitton e Hermes vanno agli estremi, distruggono gli oggetti e bruciano i tessuti per assicurarsi che nessun altro possa copiare o utilizzarli. E i prodotti di loro non hanno mai vendite per non rendere il marchio sembra 'economico'.

Oggi le tendenze della moda si aggiornano veramente velocemente. Ogni anno ci concentriamo sulle sfilate di moda e su tutte le nuove collezioni annunciate dai marchi high-end in tutto il mondo. Ma ignoriamo allo stesso tempo, dopo ogni stagione, c'è un enorme spreco nell'industria della moda. Quindi questo libro sta per analizzare come i marchi high-end affrontano il rimanente e quali sono le soluzioni che abbiamo finora, funzionano bene? E più importantemente, trovare la strada per l'industria della moda futura, per mantenere la moda continua a svilupparsi in modo "verde", aiutare il riciclaggio dei prodotti di fascia alta di prodotti in modo più efficiente.

Process and Methodology

Understand

The first part is focus on the research on the high-end brands' leftovers. To find information about the background and solutions of dealing with the high-end's unsold from both historical and current views. Then the understanding of the solutions will help to find the problems and the design purpose.

Explore

The second part is to do analysis based on the problems we found. To do exploratory bibliographic research to redefine the questions how high-end brands deal with their seasonal unsold stock. And Analyze the relationship between the high-end fashion and recycling issues.

Inspiration

In the third part, through the research and analysis of the trends and case studies related to high-end fashion and recycling to find insights and develop the concept of of the final solution to solve the problem we discovered.

Design and Prototype

In the fourth part, it's the time to step into the design process. Using the service design methods to design the service for making this problem solved and make the proposal of that service.





Oscar Wilde famously once said, "Fashion is a form of ugliness so intolerable that we have to alter it every six months."

1 BACKGROUNDS

1.1 High-end brand Definition

High-end brands are the brands that are expensive and at the same time, they are of good qualities. Of course, the luxury brands are absolutely in the high-end brands' range. Most experts agree that high-end brands indicate a symbolic and conceptual dimension that is identified with cultural values of society of the particular historical period(Rigaud&Pini,2017). They represent a kind of lifestyle and designers' wishes of the period they were built. From the historical view, luxury brand was especially a social marker. From opulence of pharaohs to Italian palaces, it was the symbol of ostentation. But over these years, the high-end have become more bourgeois and less aristocratic, lots of brands appeared, the industrialization have developed.

The concept of high-end became more and more complex. An industry awoke and all these brands established a market by themselves rapidly(Rigaud&Pini,2017). In the Cambridge Dictionary, high-end this word means things which are intended for people who care about the good quality products and don't mind the price of them. In addition, high-end brands and other mass brands, what makes them different is not only about the quality and prices, but also about their brand positioning, target market, attributes, brand building process and brand identity. We can't apply the same kind of marketing techniques for high-end brands which are practiced for other mass brands.

The mass brands are built in order to sell the products with basic concepts channels, pricing, segments, promotions, advertising and product. While high-end brands are different, many of them are universal brands that have special aura. They have rich historical brand heritage and the stories of their founders. Their visual keys and meaning is so different from mass brands(Black,2012).

Moreover, the definition of high-end brands have been slowly changing as the society develops. Earlier, the high-end brand, especially the luxury brands, they were marked by their highest level of expertise. Some of them are expertises in leather goods, in watches or in gowns. Today they already jump out the circle of their traditional product range.



Fig.1.1 High-end brands from internet

1.2 The Contemporary Issues

-High end brands get each season's unsold products

Each season, there are many unsold clothes and other products in the high-end brands' stock. As the fashion trends and product update pretty fast in the high-end fashion, these overstocks become pressures for the high-end fashion market. Furthermore, different from other brands, high-end brands' products are more expensive and always made of good quality materials, so the unsold situation get more attention because of that.

Influenced by the reducing needs for luxuries and the lacking of creativity of many high-end brands these years, the universal high-end and luxury brands are facing the problem of overstock and unsold. According to the research data from Edited, a fashion analyst company, Prada, Michael Kors, Burberry and Louis Vuitton all reduced their new designs in 2016 because of the unsold situation(Kapferer, 2017).



Fig.1.2.1 Unsold
from internet

-How they deal with the leftover

Some of the high end brands sell the unsold to outlets or cut the label and send them to the discount stores or discount websites. Sales are expected of a lot of average customers each year, but this is not the case of the large high-end brand such as Dior, Chanel, Louis Vuitton, Hermès.

A survey that was conducted by the magazine Challenges(France) has reveal that instead of trying to sell unsold stock of the past collections, some high-end companies prefer to burn those unsold items now impossible to market. Rather than risk the devaluation of their brand image with discount, or find their own products in parallel circuits, high-end brands often prefer to destroy the obsolete goods(Cervellon,2013).



Fig.1.2.2 Extreme way of dealing with leftovers from challenges magazine

Solutions of different high-end brands deal with leftovers now:



- Offer discounted products to Chanel Outlet Stores (only one exists in the States)
- Burn the leftover stock to make sure no part of the brand is easily to duplicate
- No leftovers are donated to charity



- Historically does not put its handbags on sale
- Burn the leftover stock to protect the luxury image of the brand



- Give discount chances to inner employees at the end of collection
 - Burn the leftover at the end of the season
- “This is the ultimate solution when they have exhausted all other. Hermes consciousness in terms of image, it is difficult, but it is the only way to maintain the exclusivity of the brand.”

MaxMara

- Cut the labels and send to the discount stores

**ALEXANDER
MCQUEEN**

- Burning old fabrics from their top labels like Alexander McQueen or Saint Laurent
- Donate those textiles to up and coming designers like Sakina M’Sa to use in their creations.



Fig.1.4 high-end brand current solutions for unsold

In the past, when high end brands stepped into a new season, all the unsold products would be out of the market. Some brands they are too small that they don't get a outlet structure or factory channel, and so what they will do is actually destory their luxury goods. They will cut clothing, destory clothing, cut the labels out off the clothing for fear that these goods may appear in the off price channel to let their brand seems less luxury to their high level cutomers.

When a retailer ends up with the unsold in the end of the season, they have a few options. If they don't have an outlet store, they can ship them around send to another store if this store has the chance to sell it, if just not that much haven't been sold, they'll send them to the off price store like T.J.Maxx and Ross. If they feel this make their products less luxury, they have gilt, rue la la websites as an option(Tynan,2012).

1.3 Why we need to solve this problem?

-The relationship between high-end fashion and sustainable development

1.3.1 Mass consumption and overstock in the high-end fashion obey the sustainable value

Sustainability has been the key issue for the luxury brands for long. Luxury brands have always been accused of promoting the style of consumption and in the way that could be harmful for the local communities and environment under many aspects. A positive example in the high-end brand area is a brand called Stella McCartney, it is a luxury brand which belongs to Kering Group. The founder of this brand is an activist on sustainability. This brand's approach towards the sustainable fashion comes from this founder's own conviction.

The company's everything has been based on instinct and personal values which she, a life long vegetarian, had grown up with. Stella McCartney uses the sustainability development as positioning before being a famous luxury brand (Kapferer & Vincent, 2012). And sustainability is the most competitive weapon for this brand. In this stage, the brand identity is enriched by the alignment with social and ethical causes.

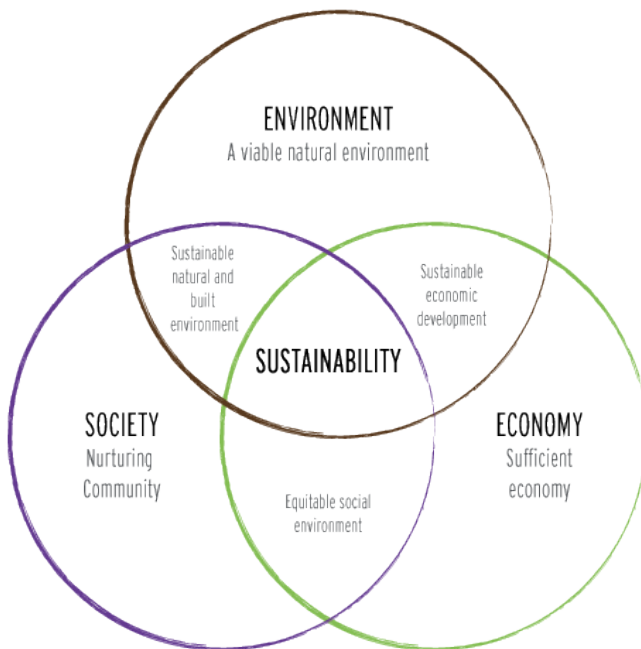


Fig.1.3.1 The relationship among environment, society, economy and sustainability

Kate Rawles, an environmental philosopher, acknowledged the challenge that sustainability is different from the mainstream in the high-end fashion area, since people are cling to the status now. We have to realize what are the roots of the problems if we want to begin to resolve the social and environmental problems of fashion sector. John Ehrenfeld, eminent industrial ecologist said: "Discipline yourself to live inside the questions..., then you will slowly be able to discard the old tried, but no longer true, answers and replace them with new, effective ways of building a sustainable future." Only in this way we can improve the current practices and at the same time, build a vision of the alternative future (Gwilt, 2010).

1.3.2 The limited resource make high-end fashion must go beyond the single economical goal, ecological goal should be setted

The sustainable approach contrasts with most fashion products which are on offer today, which could be seen to represent value-free expression, and equip us to live in a world that has almost nothing to do with the earth and its people. But our reality is different from this, our planet has limits. Many of ecological systems are closed systems of limit capacity on earth. Fashion to the earth, is as subject as anything else is. we need to restore the relationship between the fashion and social and the ecological systems.

As the transitions of economy towards the sustainability, a set of values which was not typically noticed by private sector is being demonstrated. The competitive companies collaborate to set industry-wide standards for a big range of issues, from the supply chain problems to the resources in the textile processing. The social and ecological goals are becoming more and more important as the economic grows so fast. Socially responsible organizations and shareholders such as As you sow are working in direct the companies' actions beyond the single economical goal.

Sustainable product lines express the values to consumers beyond a monetary transaction and start to uence mainstream cultural mindset.

The tempo of fashion sector is not limited. The underlying models of fashion industry need to change. When we raise questions about the speed we also should raise questions about the economy and sustainability. They are like the two sides of the coin. There is great resistance to change already existing ways of doing things. Today's practices always limit what we imagine that might be possible tomorrow. Just like the gauge of the train tracks limits the ideas about what sort of the trains can run on them, the existing economic models also lock us in the particular ideas about what the fashion business could operate.

30 years ago, The economist Herman Daly proposed the non-material growth based economic model, which he called steady state economics. Here economic priority is to maintain the stocks of resources at a more steady level rather than expand continually regardless of the ecosystem capability (Siegle, 2008).

1.3.3 High-end fashion running mode need to set up cycling systems internally to realize the sustainable development

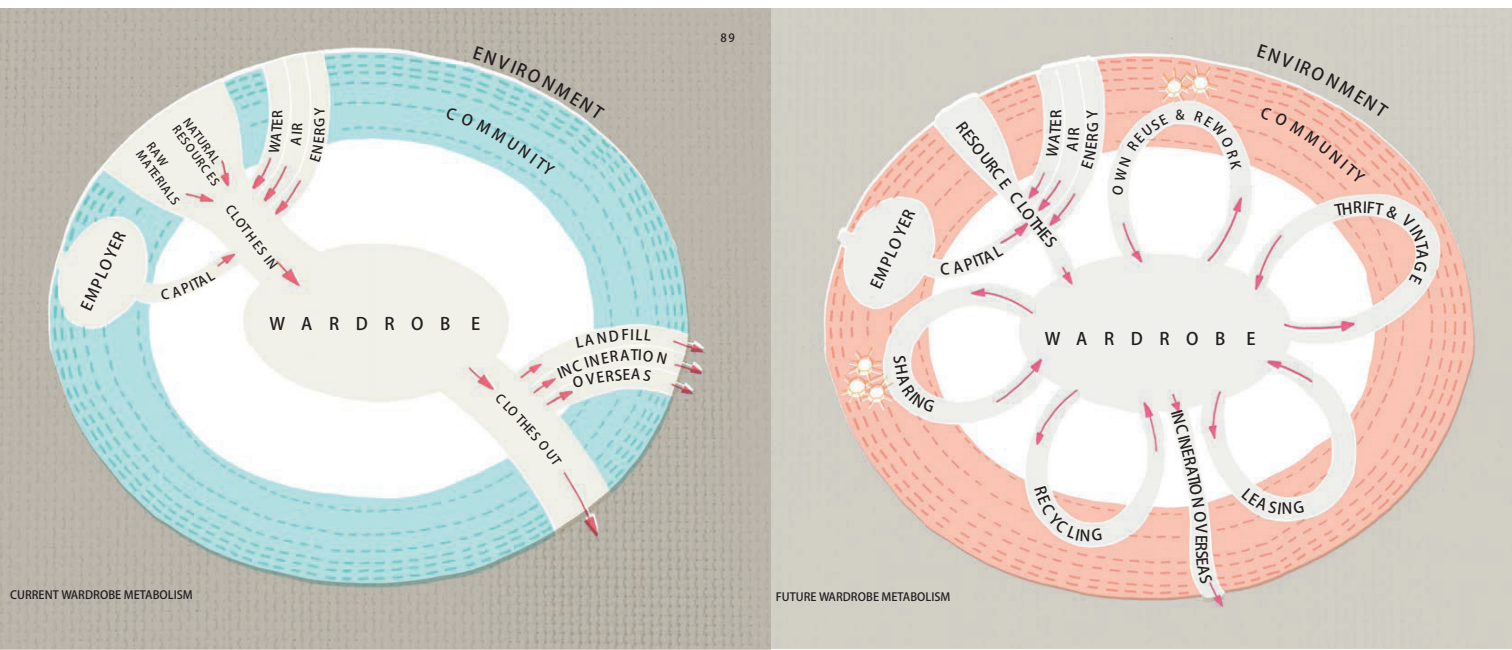


Fig.1.3.3 wardrobe Internal cycling
source:the sustainable fashion handbook

For example, everyone knows their wardrobe's 'metabolism', and has ability to adjust it from time to time. Rather than being periodically purged to continue to create more and more space, wardrobes become the places of dynamic equilibrium. Clothes should be reused and reworked without constantly keep requiring the space for new goods and resources. Shopping is no longer the center of fashion experience here, but is simply related to the creative energies of the individuals as considering optimum lifetime of the each piece, refresh the wardrobes and ourselves in a new way(Turunen,2015).

The "wardrobe theory" let us know that we can not produce the waste continually outside the fashion industry cycle, on the sustainable and resource saving point of view, we'd better find the way to let the "wardrobe" finishes inner recycling by itself to build a healthy fashion community. Actually we have many ways to realize this healthy recycling in this "huge wardrobe": own reuse and rework; sharing; leasing; recycling; thrift and vintage. In this way it won't give the "wardrobe" itself the burden, meanwhile it can get more benefits through many different ways of inner recycling, furthermore it won't transfer the pressure from updating and inventory to the environment.

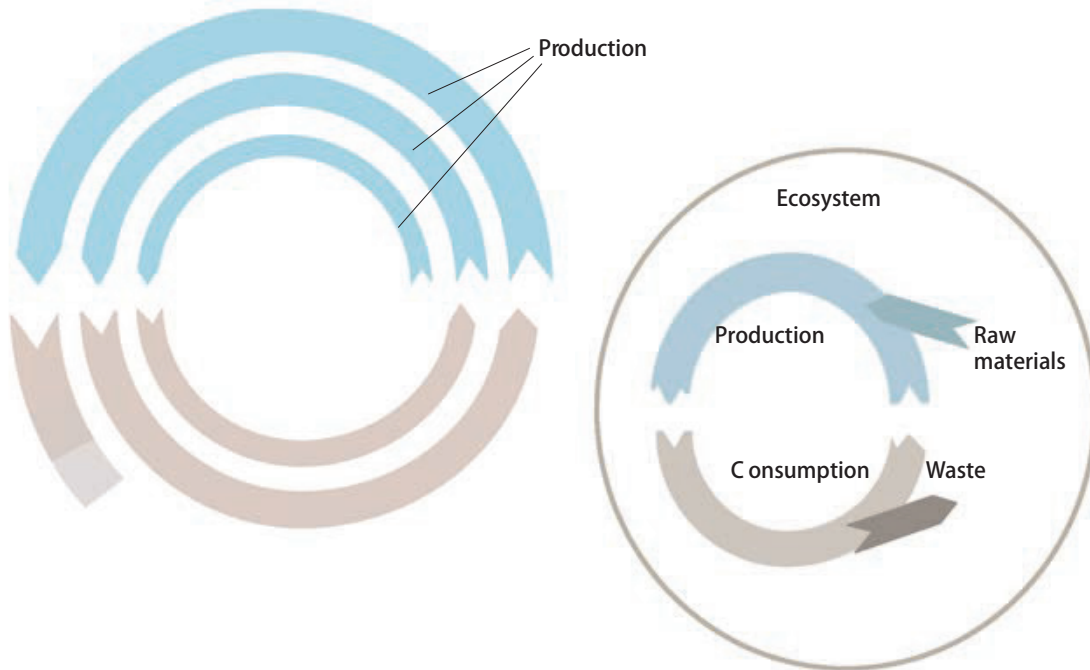


Fig.1.7 Internal cycling
source:the sustainable fashion handbook

Jalan Nenyus describes the stage of high-end brand business and manufacturing systems in the evolutionary terms operates like ecosystems, it's a useful metaphor to understand the company operations which are usually invisible. In nature, the industrial scenario could describe as a stage of the immature ecosystem, consume resources, leave the waste, then quickly move into exploit new areas. Meanwhile, they reproduce quickly, but take no time to cycle resources and process efficiently. Here we can see that we need to put energy into optimizing symbiotic relationships, instead of rampant growth.

In a world of the declining resources and the limited space for expanding human population, the goal is to build economics, business and manufacturing system that can operate in dynamic equilibrium.

Industrials are supposed to make the waste from one easily become resource for another with zero emissions to the surroundings. However, establishing information of stock and the new way of working takes time to change the direction and purpose. To enable the change, setting up cycling systems internally may be the first step. Once the new working patterns and infrastructure are established, the benefits will be clear. For example, manufacturer Pratibha Syntex, is in process of adapting business around textile recycling at its facility in Madhya. It builds a spinning facility to make the textile waste into the recycled yarns and garments.

“The point is not to impose a pattern of our own making and disrupt natural patterns, but to remain ever mindful that human cleverness is subordinate to nature’s wisdom.”

—Wendell berry





2

HIGH-END BRANDS' LEFTOVER

-Why this becomes a problem?

2.1 The Update Speed of high-end brands are becoming faster and faster, close to fast fashion industry



Fig.2.1.1 fast fashion and slow fashion
source: from internet

Fast fashion is a kind of business model that oriented to the reduction of the collections' time to market and based on the pull supply chain, resulting in multiple collections' releases along a season, constant stylistic updates according to the current fashion trends, low to moderate price positioning.

Slow fashion is an approach oriented to more sustainable creative, production and consuming cycles, looking for higher qualitative processes and more conscious consumption behaviors.

Among all the luxury goods, the fashion collections are characterized by three attributes certainly, which are nature of product, lifestyle and the product lifecycle management(PLM). A family of new or renovated products which are conceived as an entire small product portfolio, are launched two to four times a year on the markets(Cervellon,2013).

These years, the update speed of the high-end fashion is close to fast fashion running mode that companies need to accomplish fashion week announcement, design, produce, selling within every six months. It's a tight lifecycle of the products and make unsold products become more and more.

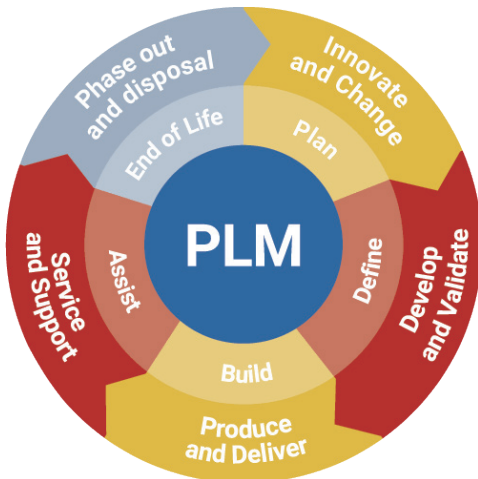


Fig.2.1.2 PLM model
source:New Luxury: Creating and
Managing sustainable value

2.2 The traditional supply chain make the 'unsold' continually produced from the origin



-The root of the problem of ‘unsold’ phenomenon -overproduced

Reuse and recycling do not prevent waste from being produced in the first place. They do not address the root cause of the waste problem in fashion or change the fundamentally inefficient industrial model – they simply minimize its ill effects. In short, reuse and recycling processes call for very little in the way of more profound change in buying habits or production goals. Yet in their favour, they are strategies that work well in the short term and help build confidence to work with sustainability ideas (Fletcher & Grose, 2012).

Therefore, if availability for a certain product category (or a specific item) is a relevant source of value for the customers, targeted by that retail channel (also as a confirmation of brand’s reliability), lead-time compression and exhibility through supply chain can be the keys for ensuring availability without keeping excessive stocks (which would be very expensive, especially considering the high value of high-end and luxury products).

-The inefficient industrial model make companies have no time to deal with excess inventory and production

The quick update speed makes the fashion industry more tired of unsold each season. But it's like a bad cycling mode. In the recent years, the lean retailing make retailers more aware of the stock problem, meanwhile this awareness has effectively passed risks in this system from retailers to manufacturer. Now the manufacturer has to carry the huge inventories for ensuring fulfillment of the rapid replenishment requests. For better recording and controlling the inventories, these days some brands are trying to use high-tech information collectors like Radio Frequency identification tag, which can be placed on each product. This system provides data for retailers and producers to track, redirect stocks, and analyse to match the product sales. Then this improvement somehow helps to reduce the excess production and inventory.

At the first glance, the optimization of inventory seems like a winning situation for both environment and business. Yet this kind of technology grease distribution system effectively. It enables huge numbers of items at increasing speed to be pushed through to consumers. This always leads to post-season discard at the retail. The waste problem is still there, still inside this big system. Hardin Tibbs, who's the specialist in future planning and analysis said that:" the materials through industrial system have doubled every 20 years(Kapferer&Vincent, 2012).

The inefficient mode makes fashion industry overproduce goods for the commercial gain at expense of sustainability.

-The attempt of disclosing supply chain data to customers can not really help the unsold problem

The disconnection between commerce and consideration of nature and society has raised awareness of sustainability to make evolutions in the tracking technology which starts to reconnect them in the supply chain. For example, the string technology is a new software tool which enables companies to centralize and collate information to better control the supply chain. Suppliers upload the information of specific supply chain data to the brands that they can choose to disclose to the customers, through web interface.

But the product and supply chain information provided by the companies is limited and brief. Nonetheless, the service that try to help brands facilitate the level of transparency, still haven't fundamentally changed supply chain culture. So basically it's not a perfect idea for brands to try to control the supply chain from just letting consumers know about it but no real interactions with brands at all.

-High-end brands' 'Take-make-waste' mode

Most people begin to change the practice by altering things they can have most control over. For clothing brands and fashion industry this tends to be their supply chain and consumption process. So it more focuses on the opportunities to affect social and environmental impact of the development across entire product life cycle. The importance of taking a complete view of all the aspects of cycle of the production and consumption can't be ignored. It reflects the way of thinking that considers each part of fashion industry system is linked to each other. So for moving towards long-term sustainability, whole fashion cycle has to undergo the improvements, not just small isolated parts.

A lot of terminologies we use to describe complete or the life cycle view of the resource associated with producing, using, reusing, and discarding fashion products are borrowed directly from ecology.

The language of the natural systems, cycles, interconnectedness and webs, is a kind of marked contrast to language of the industrial production and consumption normally used for retail and manufacturing sector such as fashion. In fashion areas, sustainability is not only a different vocabulary, but also a kind of different way of thinking of the world in which the businesses operate (Minney, 2011).

This way of thinking goes beyond the binary perspective which frames the production and consumption as separate and linear view of how resource goes through the supply chain. So it's totally different from what fashion industry's take-make-waste mode now. By stark contrast, the sustainability thinking is importantly based on reciprocity and the deep understanding of networks, patterns, cycles and balances at play in fashion system.

2.3 Lack instant interactions between the brand and customers

prada's service and production model:

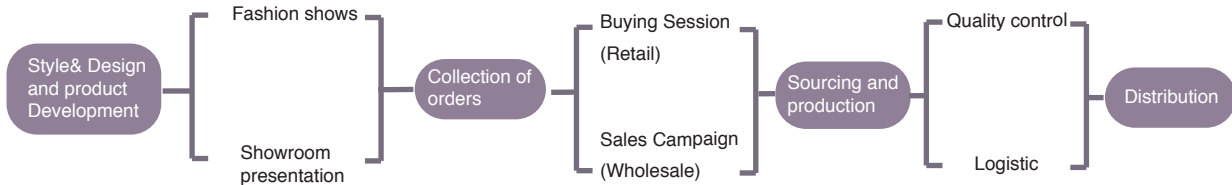


Fig.2.3 prada's service and production model
source: <http://www.pradagroup.com/en/group/business-model>

From the case of prada's service and production model we can see that: first stage of prada's business cycle is creation and design of a new collection. New collection are presented in brand's showrooms. The merchandisers from retail channel and the wholesale clients place order the products at fashion shows and showrooms. Then it goes to the procurements process. Prada works with the suppliers to produce the prototypes and collection samples which are presented in showrooms in order collection period.

They also produce a part of their final products at this time. At the end of the process is sales and distribution. In this business process they get orders from retails and fashion shows, but they haven't communicate with real customers' needs after that. So this running mode makes it easier to go far from that season's real customers' needs. When the sales drops, they can not adjust to the situation fast and may trapped in the overstock problem.

Postmodern consumers communicate with brands through the narrative process, upon that they can base their own identity. The process is developed through the conversations which take place through lots of different medias and touchpoints. In other words, the more communications turn into the conversations, then more traditional forms of companies monologues, like mass media advertising, start to become obsolete, and unable to establish the long-term relationships with their customers. The growing needs for immersive and deep relationships with the brands call for a new set of medias to support the extended narratives. In the contemporary markets, the consumers can actively use a rich combinations of digital and interactive medias to develop their relationships with brands. The intensity of relationships with the brand is strongly related to a set of self-expressive and identity-building meanings that the brand carries in its co-created identity.

It challenges dominance of growth model-globalized production, large-scale, non-transparent supply chains, the waste of large volumes of garments, and mystique of fashion production, consumption and waste process. But the benefit is that it gives the consumers the possibility of recreating counter-where consumers don't just follow but they can perhaps also lead, thereby participate in the fashion process in a more co-operative, active, healthy relationship with the whole(Shedroff,2009).

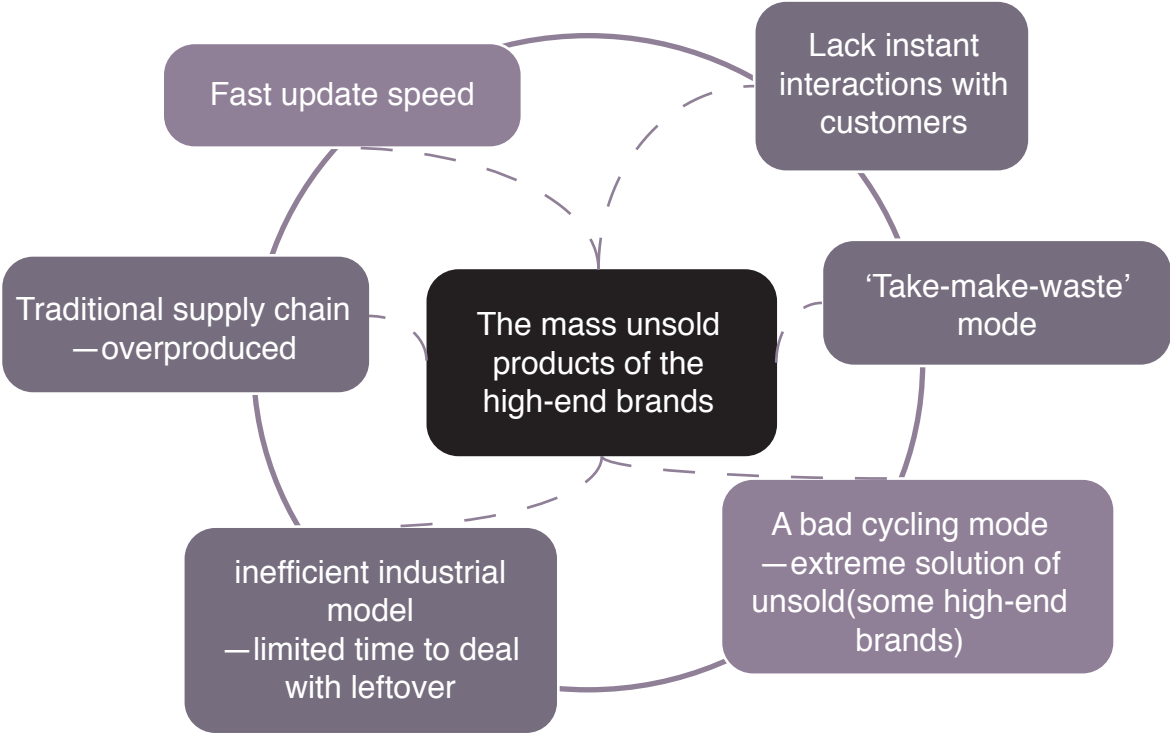
2.4 The extreme way to deal with the unsold put the high end fashion industry into a bad cycling

The actions of dealing with the leftovers that even can not sold from the outlets of lots of famous high-end brands is really extreme. Although we can understand they are trying to protect their high-end level of the brand image, but destorying and burning the high-value designers' work may not be the only solution. And as we already discussed the relationship between fashion industries and sustainable development, we can not always deal with our profits with the expense of next generations' living resources and environment. This solution seems easy to do, but if we can not solve this problem from the root, then this is definitely a bad recycle and that problem will be there forever(Thompson,2012).

In the recent years, the design for sustainability concept around cutting waste has emerged, utilize the scraps in patchworked garment and recycle them into new yarns. These ideas help to slow the speed of waste in fashion industry. So we need to think about and search for new better ways to let the fashion industry complish the inner recycle.

Technology can offer us new tools, but creative design mind directs and informs their effectiveness. It's design's ability and creativity to make changes of imagination which has the potential to transform the way we think and the way we make things.

2.5 Disscusion



High-end brands unsold situation reasons conclusion

Fig.2.5 High-end brands unsold situation reasons conclusion
by author

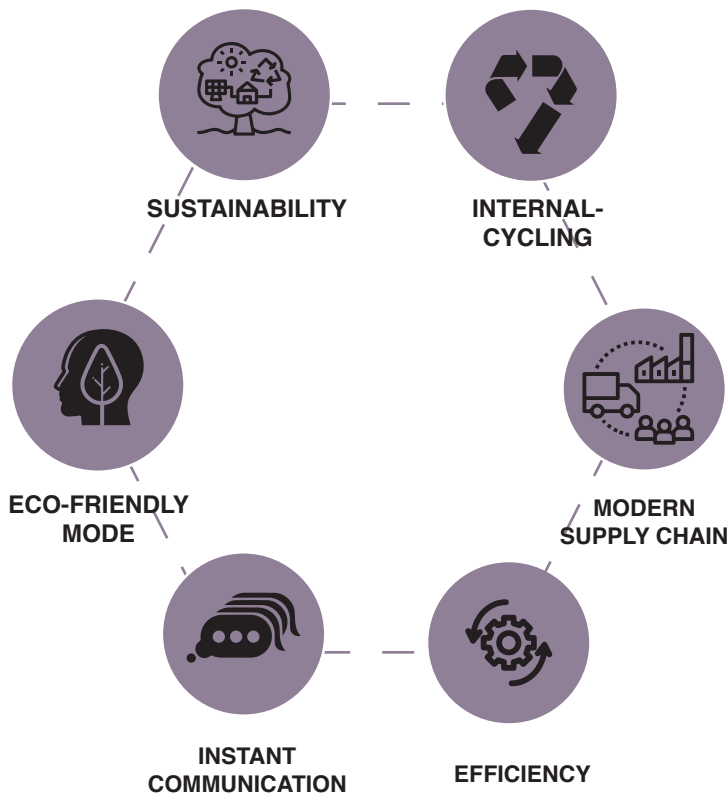
The current situation of mass unsold of high-end brands fashion market is not something happens by chance. Through the analysis of the reasons that rapidly lead to that, we can see that high-end fashion used to be a slow fashion mode in the very past. But after it becomes more and more commercial in the new age, most high-end fashion brands' update cycle becomes 6 months. But the traditional production mode still haven't changed. They produce the new season products based on showroom presentations and fashion shows. This kind of traditional supply chain and the lack of real time communications with their direct customers make them keep overproduced from the beginning part of the supply chain.

No time to deal with their old leftovers and the new productions keep coming out, this is like a broken "eco-system" that can not finish the inner recycle itself. If the 'take-make-waste' doesn't change, then this situation will continue in the future of high-end brands worldwide. The extreme way of some famous high-end brands dealing with these seasonal leftovers make this problem worse in some aspects. So we must find the better way for high-end brands to realize the healthy recycle of the unsold. To build a better foreseeable future for our high-end fashion brands.

3

ANALYSIS AND FRAMING OPPORTUNITIES

3.1 Factors for high-end fashion brands build a better recycle of leftovers service



Through the analysis of the reasons of bad cycles of the high-end brands leftovers, we conclude these six factors which can help us build a better future mode of dealing with the unsold of high-end brands. These factors also can be the standards for judging a service is good or not for solving high-end brands leftovers' problem. Each of them is important for building a healthy and sustainable future service for the unsold problem. We need to consider them averagely and always remember to test the new service with these rules. They are sustainability, internal recycling, eco-friendly mode, modern supply chain, instant communication with customers, and the efficiency of dealing with the leftovers.

factors for a better recycling of leftovers service

Fig.3.1 factors for a better recycling of leftovers service
by author

Factor1: Sustainability

The successful recycling system of high-end brands should definitely designed in a sustainable development view, it means this system could run in long-term in this way. We can not only care the current profits in the high-end fashion area. In both economy and envirmetal points of views, it is important for us to build the service based on sustainability.

Factor2: Eco-friendly mode

Building a healthy cycling of the high-end fashion industry is for realizing our sustainable development in high-end fashion area in the future. So not only for the sustainable economy profits, also for our ecosystem. The new service that we designed must follow this rule that we should break the current 'take-make-waste' fashion mode and try to find the new way for realizing a eco-friendly service.

Factor3: Internal Cycling

We've already discussed the internal recycling before, so a good recycle of leftovers service should finish this cycling by itself, can not produce the waste outside this "eco-system". It should be a internal balanced system. It will have the ability to 'digest' the rubbish and waste it produces, and then transform into the new resources that can be used for itself. This is a healthy cycling for us to realize a historical transform for high-end fashion industry. Breaking the traditional image of luxury brands that always have plenty of waste need us to follow the 'internal cycling rule while creating the new recycling service.

Factor4: Instant communication

Instant communication is pretty important as knowing the customers' needs in time can help high-end brands control and plan for the next season's production, meanwhile, analyzing the consumers' preference and keeping in touch with them can help build more sustainable service on high-end brands' leftovers recycling.

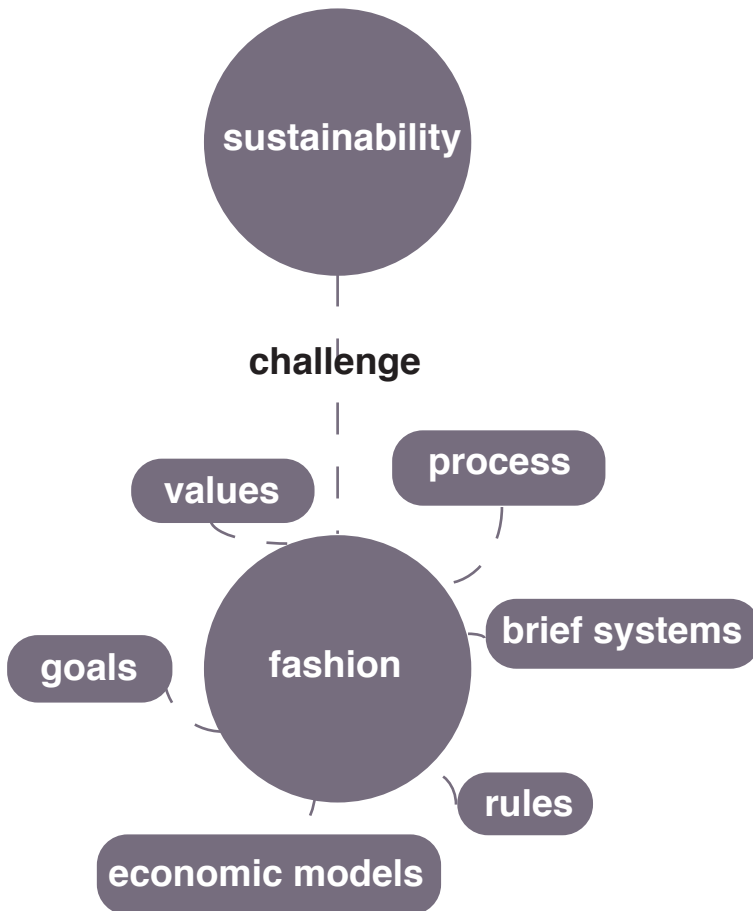
Factor5: Modern supply chain

Compared to the traditional supply chain that high-end brands overproduce at the beginning and get more and more unsold each season. The modern supply chain focuses on the mode that can predict and control the inventory. A better supply chain can definitely help the recycling. Recycling is not only about dealing with the leftovers when they are already there, it is also about to stop them overproduce from the beginning.

Factor6: Efficiency

As the quick update of fashion trends and styles, the efficiency of the high-end fashion recycle system is quite important, actually the current solution of physical outlets are not that efficient to deal with the seasonal unsold because they put all these seasonal leftovers together in the inventory again and wait for customers who want to get some discounts to buy, sometimes they are just become unsold inventory again. So we do need the efficient system to keep these leftovers are made use of.

3.2 The Challenges



The challenges of fashion industry to realize the sustainability

Fig.3.2 The challenges of fashion industry to realize the sustainability
by author

Arguably, sustainability offers the biggest critique fashion sector has ever had. It challenges fashion at the level of detail(process), and also at the level of the whole(goals, rules,economic models, brief systems and values). In other words, it has the potential to transform fashion sector at root.

Our approach to high-end fashion industry and sustainability through this book is opportunistic. ‘What would sustainability have us do? We explore how fashion could be practised in the world of natural integrity and human flourishing. What roles for designers could emerge to help this sector make that shift.

It is a big challenge for us because as we mentioned before, it actually challenges the mindstream of the fashion industry now.

3.3 Framing new oppturnities

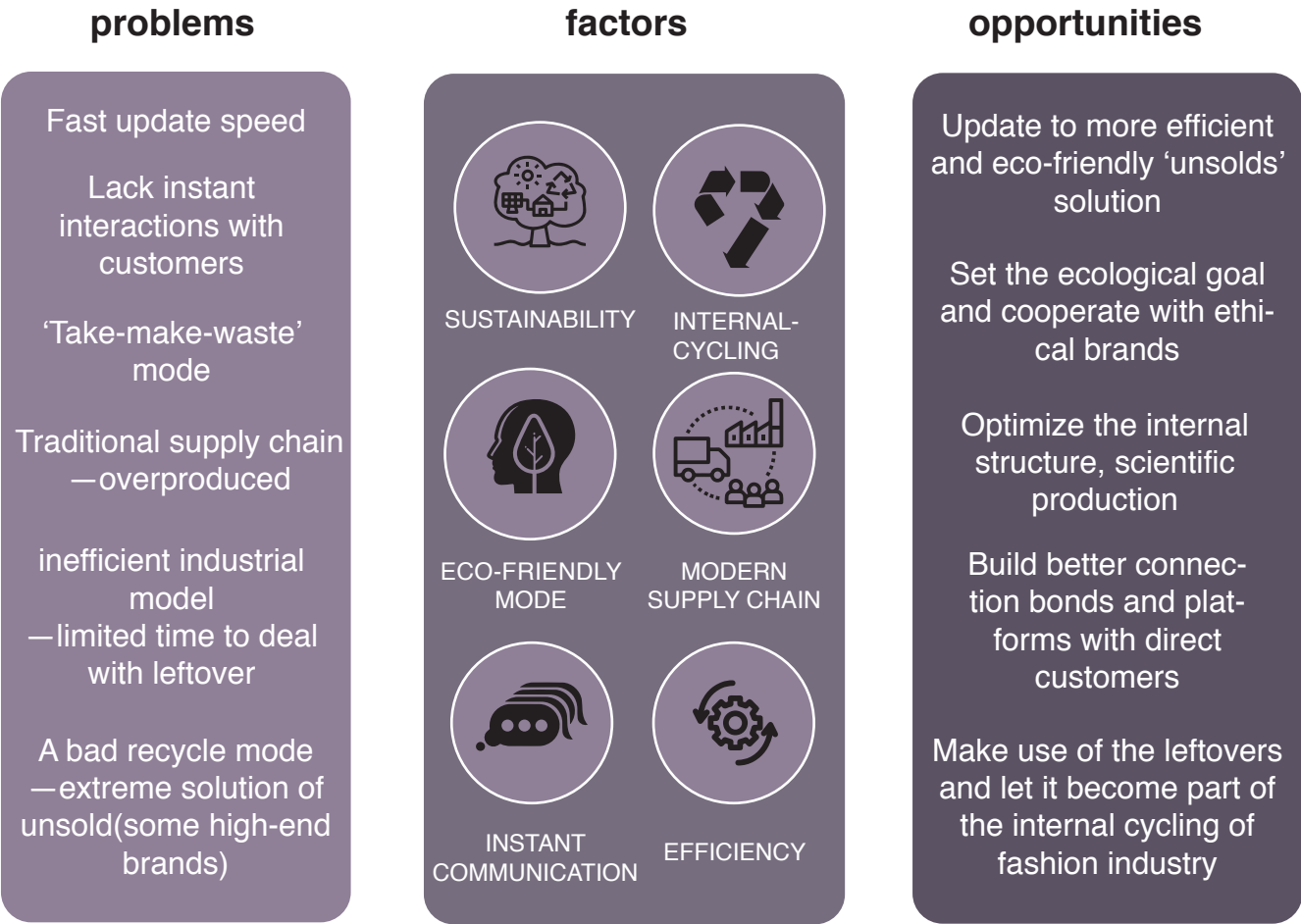


Fig.3.3 Framing new opportunities
by author

Although we see all the problems that exist behind these leftovers, but after framing the factors for high-end brands to build a better recycle service for the unsold products, we can also see the opportunities. The current outlets solution is not efficient enough to deal with the leftovers and the big discounts are not possible for some luxury brands. Many high-end brands even do not have the outlet channels to deal with them there.

So the brands need a more efficient and at the same time, eco-friendly solution to replace the current solutions. It's a good thing that some brands already realize the problem of sustainable development and ecology benefits, there are lots of ethical brands are working on recycling and redesign, so for mass high-end brands, they can work together with these ethical brands to help their unsold become 'usable' again.

We are trying to find the solutions after the waste are already produced. So if the high-end brands can better control the amount they produce according to the customers' needs, it will reduce the waste at the root. It is still a big opportunity to try although it obeys the mainstream trend of mass production and mass consumption now. A scientific production also will help the brand develop more sustainably both in ecology and economy way.

To have the communication with the direct customers in time is quite important for brands, this kind of platform should be built to know the users' needs better.

Last but not least, brands should change the mode of wasting and extreme solutions towards the unsold, the leftovers must be reused and let them become part of the internal cycling of fashion industry.

FO FASH

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ION

“Designers alone can’t bring about a steady state economy, but we can begin to use the economy for sustainable ends, rather than letting the economy use us for economic growth.”

—Ann Thorpe
Transforming fashion design practice

4

INSPIRATIONAL RESEARCH

—

TRENDS AND CASE STUDIES

4.1 Trend Analysis

Trend1

Digital selling platform builds the better interaction between brands and customers.

Through the digital network to launch a dialogue with the customers is a clever way to make good interactions in this age of new media. Networked environment and digital landscape brings the strong focus on customers relation through the new technologies, such as e-commerce, big data and social media. The high-end sector has been slowly adopting the online marketing and the communication opportunities whereas web experience and the online shopping are becoming increasingly interest to customers. Aim to create strong online connection with the high-end customers, a corresponding internal use of the online technologies is needed.

Digital platforms become an new area to invest for ideation and complementary technology tool that can facilitate organizational practices as well as knowledge-sharing.

The communication technologies are important for both internal communication and the communication with the customers. Digital platforms become the guide of the innovation and collaboration process. The online shopping also make it beneficial for organizing resources and the dialogue from local to global teams.



Fig.4.1.1 The digital time from internet

TITLE

Gemmyo

LOCATION

Paris, France

LAUNCH TIME

2011



Fig.4.1.2 Gemmyo
from internet

About

Gemmyo is an excellent example in high end-brand industry. It is a company which was founded in 2011, it sells exclusively online, and produces to order. It guarantees 40% lower than the price on the market. This e-model also minimizes the inventory costs of the company. Gemmyo is a good illustration of how luxury sector evolves in the line with transformations in external environment. Each business model has its rules in terms of management, organizational process and structure, which strengthens the complexity and diversity of the luxury businesses. The most advantage of this service is that pre-order makes better control of production quantity. Even it may walk in the opposite way with the mainstream, but it does have its own benefits and it's definitely the eco-friendly way to produce for the fashion system.

Advantages:

sells exclusively online;
pre-order, order-production;
minimize inventory costs;
evolve with transformations in
external environment;

TITLE	LOCATION	LAUNCH TIME
Rue La La	Boston,US	2007



Fig.4.1.3 Rue la la
from internet

About

Rue La La (<http://www.ruelala.com/>), It operates an online invitation-only destination website for discovering private sale boutiques that open daily—and stay open only for a short time, including fashion, accessories, footwear, home, travel, wine, gourmet food, and local services. The company was incorporated in 2007 and is based in Boston, Massachusetts.

"Today's shopping is about access-access to the world's best brands at the best prices and in the most convenient way possible." explains Ben Fischman, CEO Retail Convergence, parent company of Rue La La. In 2008, they introduced limited time, limited access private sales that changed the way people shop online.

Except the high-end brands' inventory, rue la la also sells second hand high-end fashion products.

If you like some sales high-end fashion products on rue la la, you'd better buy it at that second because rue la la's sales about high-end brands products have limited time, when the activity is over, then that sales piece will turn to normal price, or sometimes, sold out.

Many high-end brands cooperate with rue la la to give them some discounts to help sell the seasonal unsold on this platform.

Advantages:

digital outlet

limited sales promotion

wider range of potential customers
attract younger generations

TITLE
Overstock

LOCATION
Utah, US

LAUNCH TIME
1997



Fig.4.1.4 Oversrock.com
from internet

About

Overstock is an American internet retailer headquartered in Midvale, Utah. Overstock.com initially sold exclusively surplus and returned merchandise on an online e-commerce marketplace, liquidating the inventories of at least 18 failed dot-com companies at below-wholesale prices. The company continues to sell home decor, furniture, bedding, and many other goods that are closeout merchandise, however, it also sells new merchandise.

The company also manages the inventory supply for other retailers. In addition to its direct retail sales, Overstock.com began offering online auctions on its website in 2004, known as overstock.com marketplace and later O.co Marketplace. This service was retired in July 2011.

Advantages:

surplus and returned merchandise
liquidate the inventories
manage the inventory supply for retailers
online auctions

Trend2 Recycle and reuse of the old garment



Fig.4.1.5 Recycling trend
from internet

Nowadays the recycling in the fashion and design area has become popular and people pay more attention to this problem. Design clothes in the future life requires a radical overhaul of the way we deal with waste currently. This is a revamp that has implications for design decisions, waste collection strategies, and even business engineering.

We realize the important value of make best use of the resources inherent in garments before throwing them away. This aim has given rise to clusters of activity in fashion sometimes loosely described as recycling, such as around reuse of garments, reconditioning of worn or dated clothes, remaking of items from old garment pieces, and recycling of raw materials.

Reshaping, re-cutting and re-stitching entire garments or panels of garments together with off-cuts, vintage fabrics and trims are used to produce unique pieces, crafted sometimes by hand and sometimes involving the latest technology. These pieces defy the general trend of downgrading the value placed on already-used materials, and are evidence that 'upcycling' – that is, adding value through thoughtful reclamation – is possible. Indeed, job creation is an important boon of activities like reconditioning, and one that could be given added impetus by forward-thinking legislation, such as tax breaks to reduce the cost of labour for reuse and repair. So more people will take part in this recycle trend. Another important part of reconditioning is the development of business models that make its activities possible.

While many companies have used these features successfully as a point of difference to create unique, hand-crafted and bespoke collections, a major challenge is how to scale up operations to a point at which more significant volumes of waste can be reused. In the UK, for example, the well-established reconditioning brand From Somewhere has overcome sourcing issues by buying post-industrial waste material from the cutting-room or of high-end Italian mills, which gives them a more predictable raw product than post-consumer waste streams.

TITLE	LOCATION	LAUNCH TIME
Junky Styling	London,UK	1997



Fig.4.1.6 Junky styling
from internet

About

Junky Styling is a company, found in 1997, that upcycles clothes in various ways. They use dead stock or second hand clothing.

Junky Styling has been creating new garments from waste ones – most notably from men's suits – for well over a decade. But more recently it has set up a 'wardrobe surgery' at the back of its London store to overhaul, customize or simply alter old, ill-fitting or worn-out clothes. Customers are invited to be part of the design process, to discuss garment preferences and recurring problems encountered with the cut. The garment is then redesigned and reworked and the customer invited in for adjustments: thus the core business of the brand is expanded and raises revenue from remodelling existing garments.

Advantages:

upcycles

redesign and recreate

deal with deadstock and
second hand clothing

reduce waste

customer co-design

TITLE	LOCATION	LAUNCH TIME
Goodone	London,UK	2006



Fig.4.1.7 Goodone
from internet

About

The signature garment of UK-based reconditioned fashion brand Goodone is made from a patchwork of around ten pattern pieces, designed to minimize cutting loss and yet still be economical to produce.

By using many small panels, every scrap of rag that constitutes the raw material for the company’s operations is used to its maximum potential. Goodone’s pieces are made from ‘the best rag possible’, carefully sourced and hand-picked from textile recyclers trading in post-consumer waste.

New collaborations have enabled Goodone to scale up operations—a project between Goodone and House of Cashmere, for example, involves reworking faulty stock (pre-consumer waste); and an initiative with Britain’s biggest retailer, Tesco, initially uses obsolete (pre-consumer) stock and then, over the longer term, will combine post-consumer waste with virgin organic or fairtrade fabric.

In the Tesco project, combining virgin fabric with post-consumer fabric removes from the garment production equation the cost of hand-cutting rag to create new pattern pieces.

Like other waste-management strategies, reconditioning occurs downstream of mainstream fashion production operations and has limited influence over upstream priorities or values. It exists as an after-the-fact ‘mopping-up’ operation.

It helps to deal with some of the waste of the industrial fashion production model, yet these same skills and techniques and the inventiveness that drives them will likely be central to fundamentally more sustainable business models for fashion in general.

Advantages:

- reduce pre-consumer waste and post-consumer waste at the same time
- reworking faulty stock
- combine waste with virgin organic**
- cooperation with retailers**

Trend3

Sharing economy makes renting of the high-end products become popular

As sharing economy is developing quite fast, there also comes out a wide range of the sharing services. especially in China, pricey fashion, bicycles, homes, everyday clothing, umbrellas, almost all the aspects of life are hurled into sharing model these days. The country's transactions of sharing economy were worth around \$510 billion last year. The Internet-based 'sharing' services make our life better because they are more convenient and affordable. The founder of Ycloset(a clothes sharing service) said:"I believe that the market for sharing economy will be huge in the future. even clothing rental sales is going to exceed 1 trillion yuan.

Chen Ke, who's Roland Berger Greater China's vice president and partner, said that sharing economy has helped to reduced the huge waste of idle resource, meanwhile, it uses new technology to transform the traditional business, like shared umbrellas and bike rental services(Chinadaily,2017). As people become rich, they buy things more than what they truly need. This is also a big waste so why don't we share them and make the better use of them? It will also help us build a more sustainable development of our society. Airbnb,Blabla car, Kickstarter, Uber these sharing services maximize use of the mobile communication to offer a reliable, affordable and convenient service.



Fig.4.1.8 Renting trend

Imagine a kind of future life without the ownership. You basically own nothing. But you can rent everything. You want to do this because it is much cheaper. It's like you pay pennies per day to get the winter coat or a bed, you can own them for the time you need, then when the winter ends or you don't need that bed any more, you can just return them, you pay for when you use them, and nothing more.

By now, sharing economy is around a decade old. This word first appeared in 2007 which year brought us both Great Recession and iPhone(Tarnoff,2016). These two developments historically ask for the need of sharing economy: workers were trying to find new ways to earn, customers were trying to find ways to save, and the smartphones offer them new ways to transact.

Sharing economy has now been entering into the fashion and high-end clothing fields. This is a global trend. Both customers and fashion brands have a new way to interactive with each other.

According to an article in Global Times, current founder of the sharing platform think that it is much more environmentally friendly and economical to rent the luxury bag because fashion accessories and products are replaced frequently. You need to put a deposit of RMB 19,000(USD\$2,794), then the rental cost ranges from RMB100(USD\$15) to RMB1,000(USD\$150) according to the type of the bag you want to rent.

TITLE

Ycloset

LOCATION

Beijing, China

LAUNCH TIME

2015

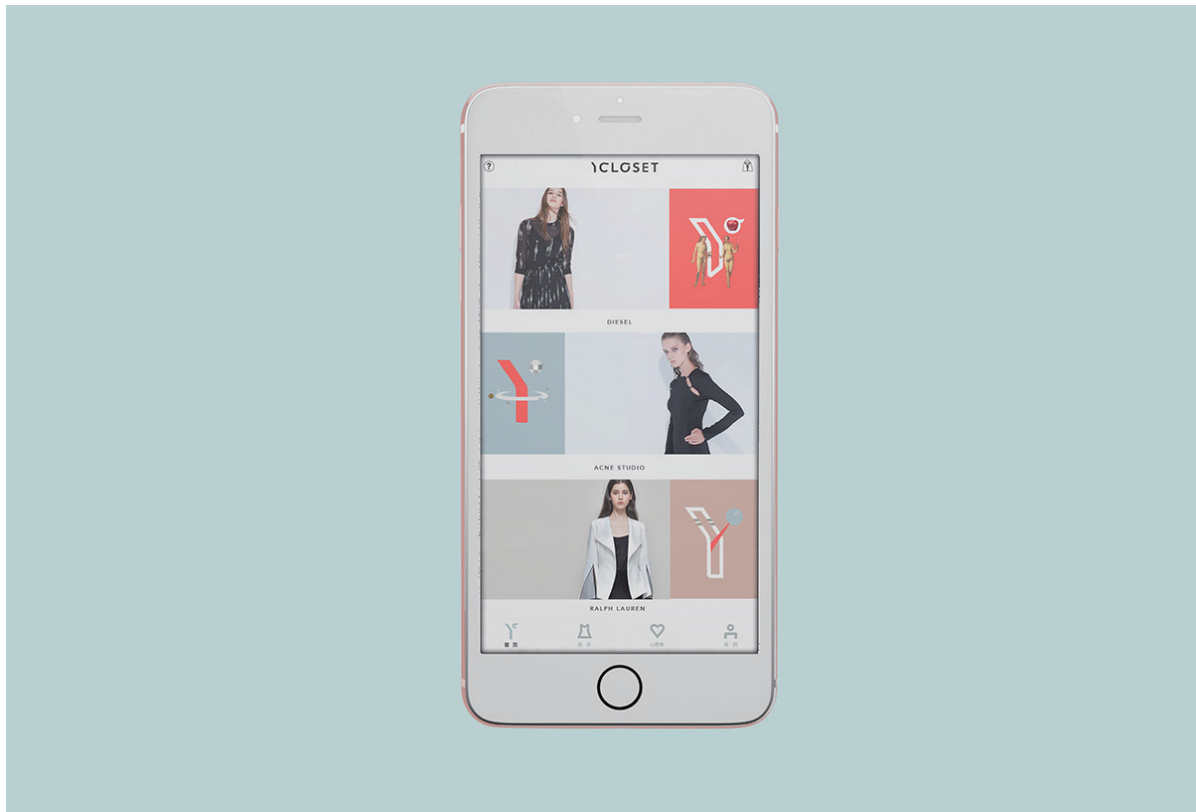


Fig.4.1.9 Ycloset

About

Ycloset is a new clothes sharing platform. The users only need to pay monthly subscription fee for renting the clothes and accessories. They offer high-end dresses and daily clothing at the same time. The services offer users different subscription plans and more than 200 brands. For example, you can rent three items once by paying 499 yuan in a month. You can keep the stuff as long as you want. Then you can ship the items back for free and continue to order new ones. You don't need to mail them because someone will come to your place pick them up. In other words, picking up and delivering is also part of the service they offer. This service has more than 4 million registered members. In china, this platform works in over 100 cities.

This platform has just completed an new US\$50 million fundraising round which is led by Softbank China, Alibaba Innovation Ventures and Sequoia China. This series C fundraising will be used to upgrade the platform, optimise the user experience, hire more talent and expand user base.

The chief executive of Ycloset said in the future this kind of clothes sharing business will definitely become common and popular on these e-commerce platforms.

The variety of styles offering by platform and the low membership cost will attract more and more users in this sharing economy era. This will help the mode of renting together with selling. Ycloset will start to cooperate with the largest online clothing sales outlets in China, Tmall and Taobao e-commerce platforms.

Compared to the traditional clothes selling e-commerce platforms, the brand new clothes sharing platform is also facing the new challenges of clothes cleaning, delivery efficiency, variety of clothes offerings. These three parts are the important fields the platform is targeting for after the C round fundraising.

Ycloset will also cooperate with clothes cleaning and care brands. They are mean to provide a totally safe and efficient service for users together. The storage will be continually upgraded, together with the delivery service. The storage center of HuaDong area started on 1st September this year, this action will improve the experience of users in Huadong area definitely.

Since march, Ycloset has used only several months to reach to the cooperations with hundreds of worldwide designers brands, they work with kenzo, acne studios and many other high-end fashion brands. The platform will continue to provide much more choices for the users.

Ycloset's platform data(12/07/2017):

one day's order: **493,012** pieces

one day's selling: **1509,361** yuan

Shanghai: **125,021** pieces

source: from the dashboard of Ycloset

TITLE

LOCATION

LAUNCH TIME

Rent the runway

New York, US

2009



Fig.4.1.10 Rent the runway
from internet

About

Rent the runway is a service online that provides the designer dress and the accessories rentals. It was started by two students who met each other at Harvard bussiness school. They launched rent the runway in 2009. At the beginning it was an e-commerce company purely. Then they opened the real retail locations in Chicago, San Francisco, Washington D.C., Los Angeles and New York City. Their most famous slogan is “Change your closet forever”.

The platform has a wide range of high price dress. The site is set up that you can easily filter by the size, color and length. There is also a user-generated photos so that it gives the option to understand how the particular runway piece looks on real person.

Advantages:

It has **online store and retail locations** at the same time.

More focus on high-end brands,
high-quality renting
user-generated content

TITLE	LOCATION	LAUNCH TIME
Armarium	New York, US	2016

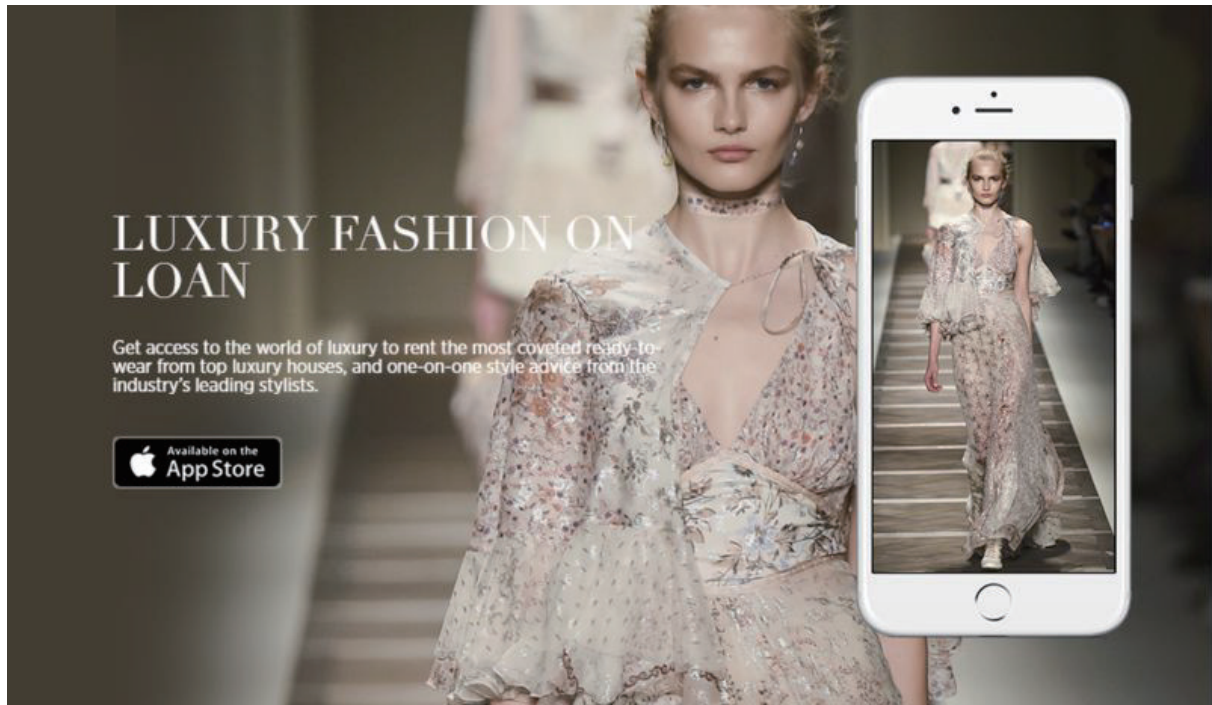


Fig.4.1.11 Armarium
from internet

About

Armarium is a new luxury loan online service with the corresponding po-up shop in St. Regis hotel in the New York City. It allows the customers to borrow the designer fashion and the accessory piece for a fraction of the retail price.

The co-founder of this platform is the former public relations director of Ferragamo. She started the service with the designer Alwxandra Lind Rose. She said:” Our woman is someone who is very fashion-minded and wants to be able to wear something special and highy curated every time they step out.”

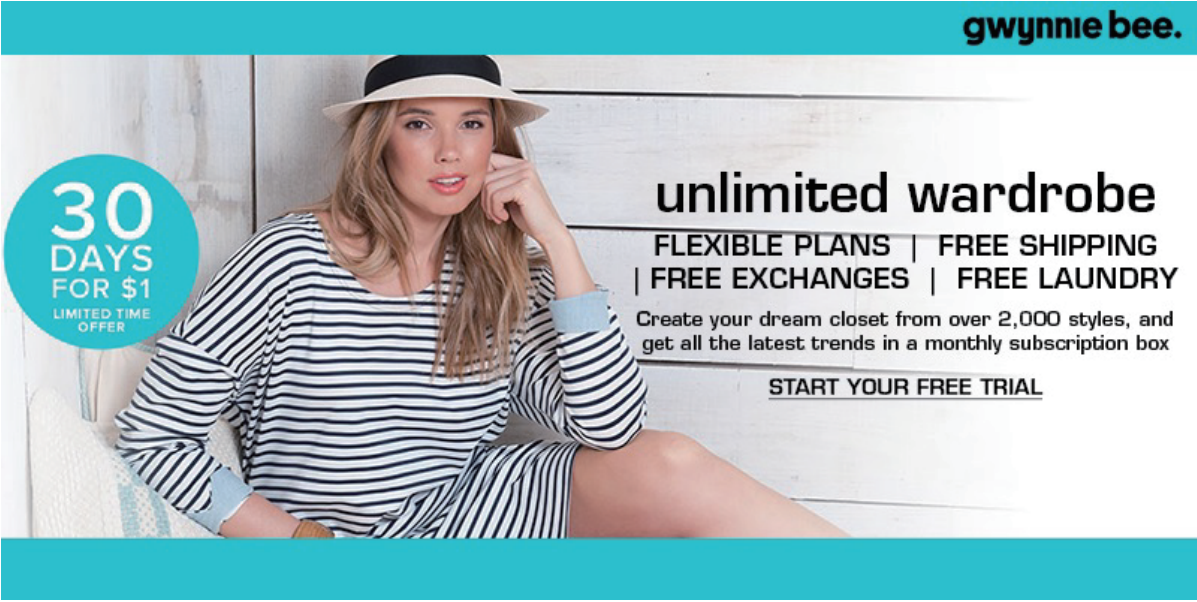
Armarium partnered with more than 20 worldwide famous designers for the launch of the service. It a mix of the established and emerging brands.

Advantages:

cooperate with many worldwide famous designers

The mix of the established and emerging brands
cheaper renting price

TITLE	LOCATION	LAUNCH TIME
Gwynnie Bee “Netflix for clothes”	New York, US	2011



gwynnie bee.

30 DAYS FOR \$1
LIMITED TIME OFFER

unlimited wardrobe

FLEXIBLE PLANS | FREE SHIPPING
| FREE EXCHANGES | FREE LAUNDRY

Create your dream closet from over 2,000 styles, and get all the latest trends in a monthly subscription box

START YOUR FREE TRIAL

Fig.4.1.12 Gwynnie bee
from internet

About

Gwynnie Bee is a hugely popular subscription based cloth rental designed for women. Customers can frequently select, wear and exchange clothes from thousands of the top brands for monthly fees. Equipped with app Gwynnie Bee, the clients can browse all cloth selections, track shipping, scan the products. Moreover, you can communicate with the personal stylists and customer support. The company has tremendous market success on it.

Traditional shopping means that you need to considering all limiting fators, like how often you are gonna wear that garment, it will match your own wardrobe or just go out of style. but this platform is designed to deliver all the great designer pieces without all these stress.

Advantages:

thousands top brands-enough brands offerings to customers
track and scan the products by app
personal stylist

TITLE	LOCATION	LAUNCH TIME
PARCEL22	Gainesville, FL, US	2015

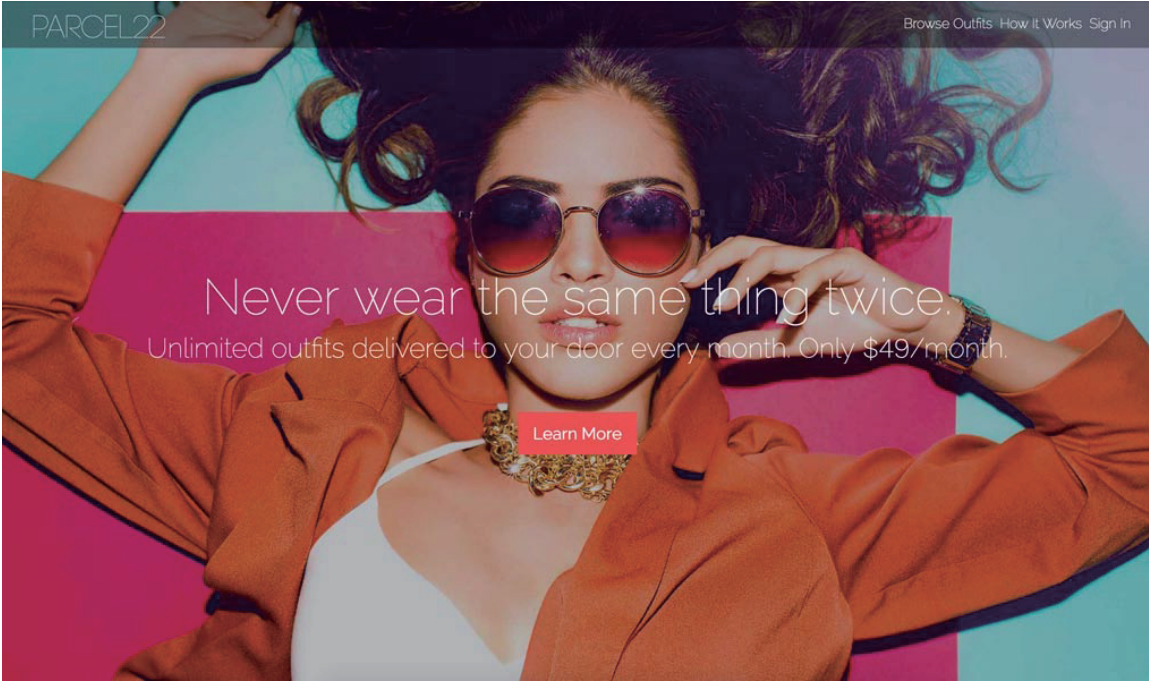


Fig.4.1.13 Parcel22
from internet

About

Parcel 22 is a fashion service that you pay for \$49/month then parcel 22 will deliver 3 garments and 2 accessories straight to your door. You can wear them as long as you want, after that you can return them back and you'll receive a brand new set day later.

One of their customers said, she has also tried rent the runway for some special events, but for her it was expensive and it was kind of one-time thing for special occasions. Parcel 22 is more for everyday life. For the everyday college girl, it is quite good to use that. From the cute sundresses to the unique necklaces, you can get these fashionable from your dreaming parcel 22 wardrobe.

Advantages:

**more firming renting
mode-\$49/month for 3 garments and
2 accessories per month**
update the set firmly
More focus on everyday life

TITLE	LOCATION	LAUNCH TIME
DOU BAO BAO	Beijing, China	2009

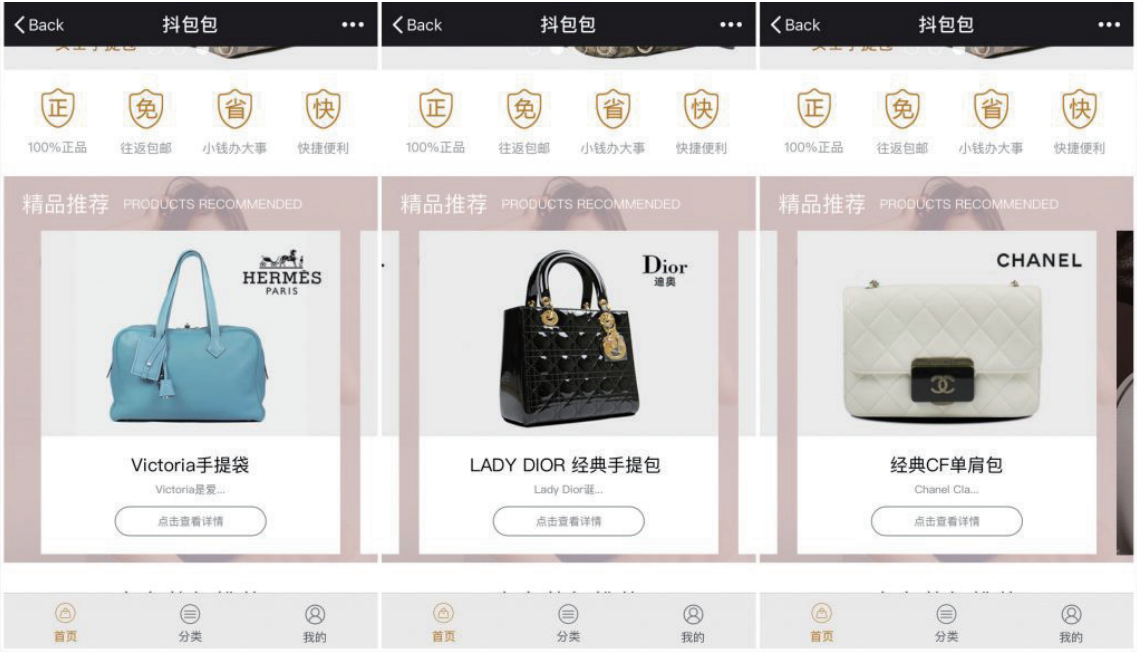


Fig.4.1.14 Dou baobao
from internet

About

The Beijing-based startup service Dou Bao specializes in renting the high-end handbags from top luxury brands including Chanel, Louis Vuitton, Hermes, Celine and Christian Dior.

This service has a wechat account. This public account is currently serves as main platform for the borrowers. Soon it will also launch an official mobile application. On Wechat, the followers can view the list of products offered by the company. Viewers can see the detailed information by clicking on picture of the hadbag, including the information like renting price, deposit amount and the shipping details. They usually send them via SF Express. This is one of the fastest private shipping services in China, anything will arrive the destination with three days no matter how far it is.

This service requires the consumers to put a deposit of ten times monthly rental fee of selected bag. The deposit will return within seven days after that bag is sent back undamaged by the customer.

Advantages:

wide consumption access-social media wechat and application

fast delivery speed

ask for deposit to ensure the high-end brands' benefits

4.2 Insights and opportunities

-Services under renting trend timeline:

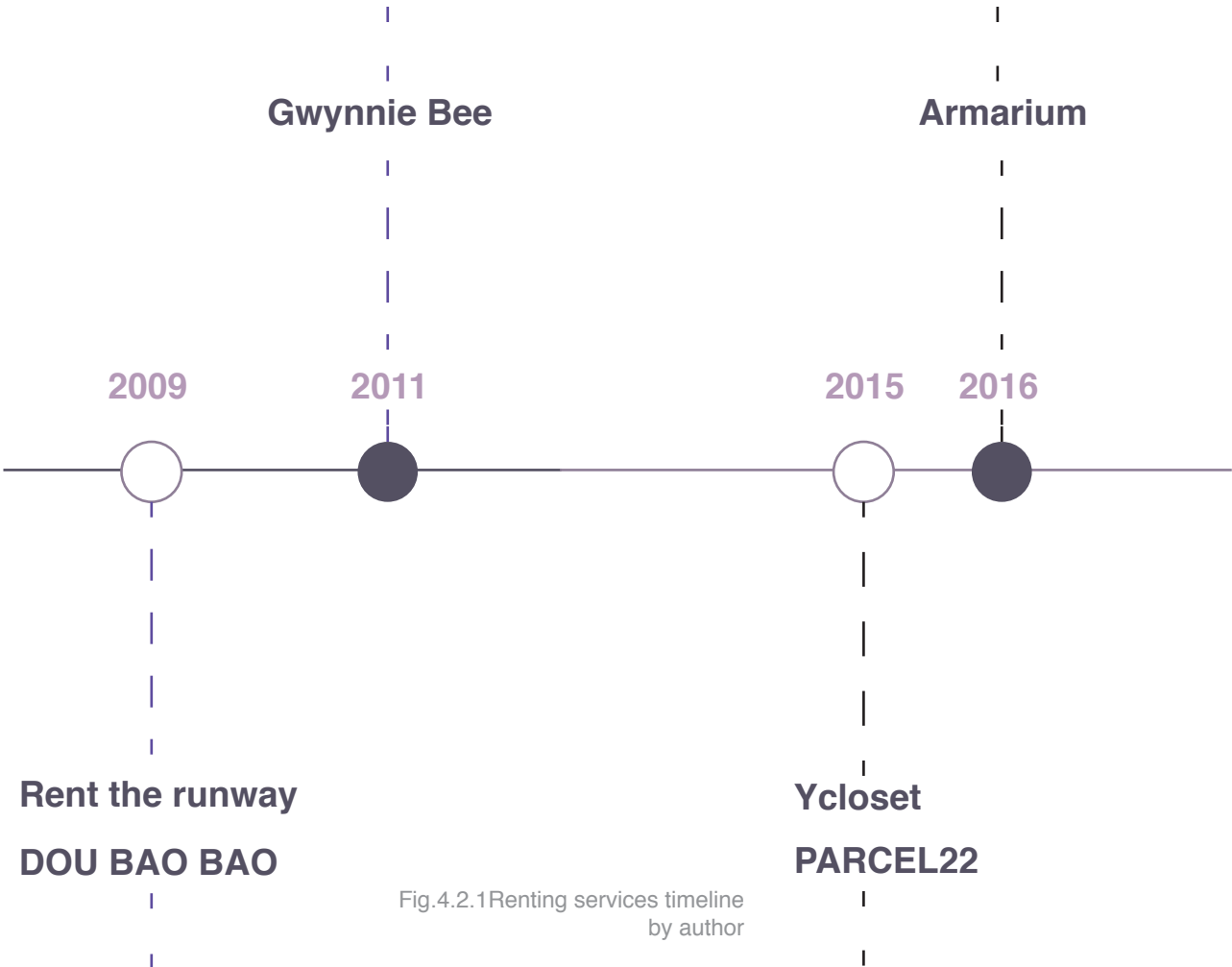


Fig.4.2.1Renting services timeline
by author

-Renting services general process:



Fig.4.2.2 Renting services general process
by author

-Benefits for users



PERSONALIZED SELECTIONS

Stay ahead of the fashion trend and can select a big range of fashion products based on what you like.



BETTER SERVICE

Digital renting platform let users stay at home and get the free delivery, the only thing they need to do is order and pay online.



ENDLESS SAVINGS

Get the rotating closet of your dreams for the price of a singular garment or two.



WORRY LESS

Love yourself as the platforms take care of the rest. They've got laundry, minor spills and rips covered!

Fig.4.2.3 Benefits for users
by author

Compared with the traditional selling mode that consumers go to high-end stores to select what they want to buy. The renting digital service give the users a more convenient way to get access to these fashion products. The users benefit from web.2.0 ages that they can order the fashion product they want, and own it for a period, as long as they want. They keep the use right of those items. Especially younger generations, they are more and more prefer own it for a period than own it forever. For customers, they also save a lot of money based on this kind of service, they do not need to buy a lot of high-end expensive products and put them in the crowded wardrobe, but they can own almost all the high-end products for a period they wanna use from these services.

-Benefits for high-end brands:



WIDER SALE ACCESS

The high-end brands get more access to rent and sell their products as they get digital renting platforms.



MAKE UNSOLD USEFUL

These renting platforms are giving a good solution for brands to deal with their unsold and help make less waste.



MORE PROFITS

The brands earn more at the end as they can also make use of their excess inventory.



NEW PROMOTION ACCESS

Expect the traditional brand promotion advertisements, these services give brands the new way to appeal to more potential consumers.

Fig.4.2.4 Benefits for high-end brands
by author

Not only the users are the beneficiaries, also the high-end brands. They get extra sales access except the traditional sales way. They widen the sales accesses and have the chance to reach more potential customers compared to before. The excess inventory can be made use of, so that the unsold can build a recycle running mode themselves. It is more like the excess inventory build a new business by themselves. Meanwhile, the high-end brands renting service is like give potential consumers the chance to try their fashion products at an affordable way. In the future, it will attract more fans to these high-end brands. So it is also the new promotion way for them.

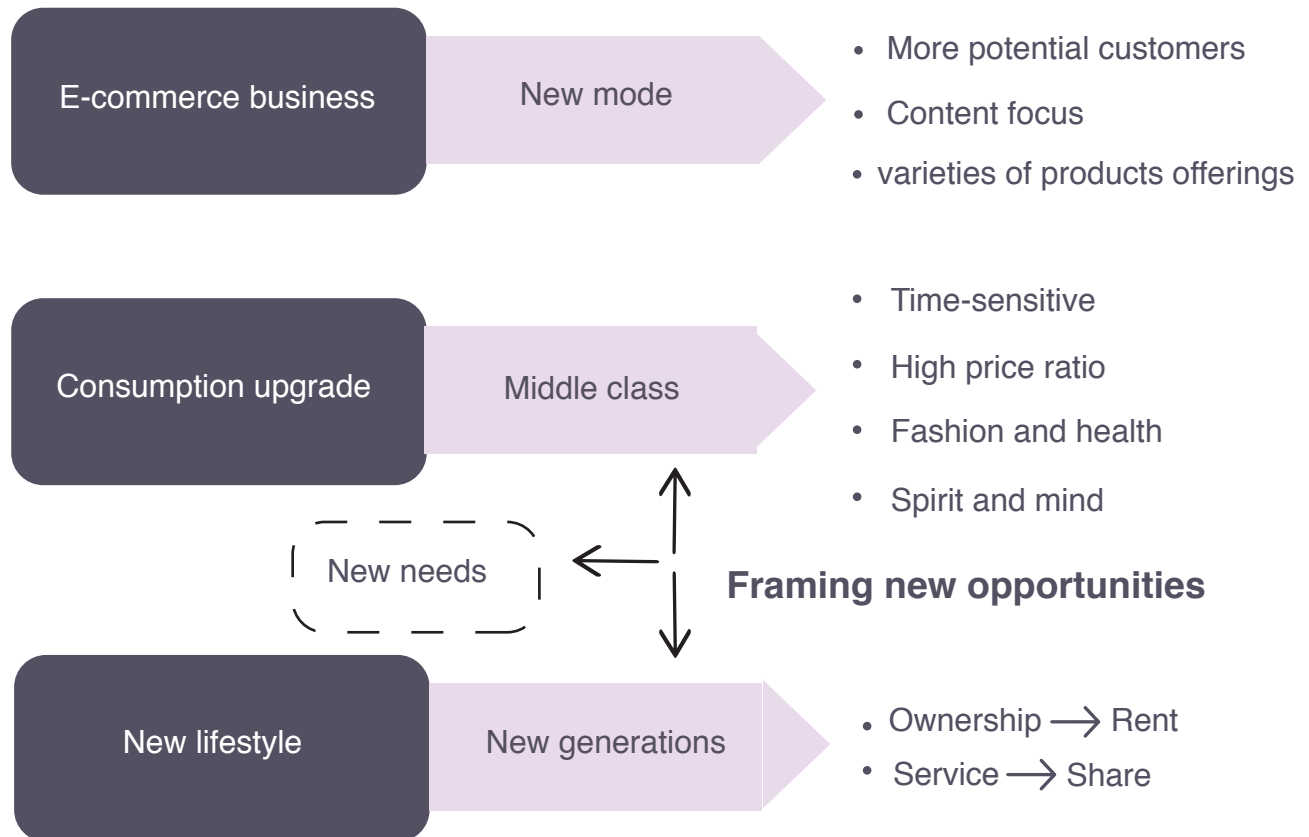
-Renting services comparison:

	monthly fee	safe deposit	free shipping	brands level
Rent the runway	\$89/month	✗	✓	High-end
DOU BAO BAO	no	✓	✓	High-end
Gwynnie Bee	1 = \$49/month	✗	✓	Daily
Ycloset	499 yuan	✗	✓	Both
PARCEL22	\$49/month	✗	✓	Daily
Armarium	no	✗	✓	High-end

1 = \$49/month: 1 piece, \$49/month

Fig.4.2.5 Renting services comparison
by author

-Renting trend analysis (will also be the future trend):



source: IDG's CEO Jun Lou's talk on future trend

Fig.4.2.6 Renting trend analysis

One of the features of new generations is that they've got more sense of safety. Then this feature bring changes on the ownership of things. Two new kinds of commercial services are becoming popular: Temporary possession of products renting and sharing service without ownership(Lou,2017).

Specific to the needs of young white-collar women in daily dressing, we found that: in addition to the clothing itself, style, quality and other needs, the women have a particularly strong pursuit that they want a diversity of fashion products and quality upgrades. For the users and customers, most clothing is in a state of low frequency of use and high exchange rates. That's the current reality. Meanwhile, for the high-end brands, also somehow because of this trend and other reasons, they have lots of unsold to deal with, so this kind of renting and sharing service can solve both of the users and high-end brands' problem at the same time, that's why this trend is happening and will continue.

After Airbnb, Uber, Didi service in China and sharing bicycle all these kind of sharing services, in the fashion area, 'sharing wardorbe' help solve the problem of high-end brands and customers as the digital media develop fast nowadays. High-end brands also reach more potential users in this way.

-Insights

High-end brands unsold situation reasons conclusion

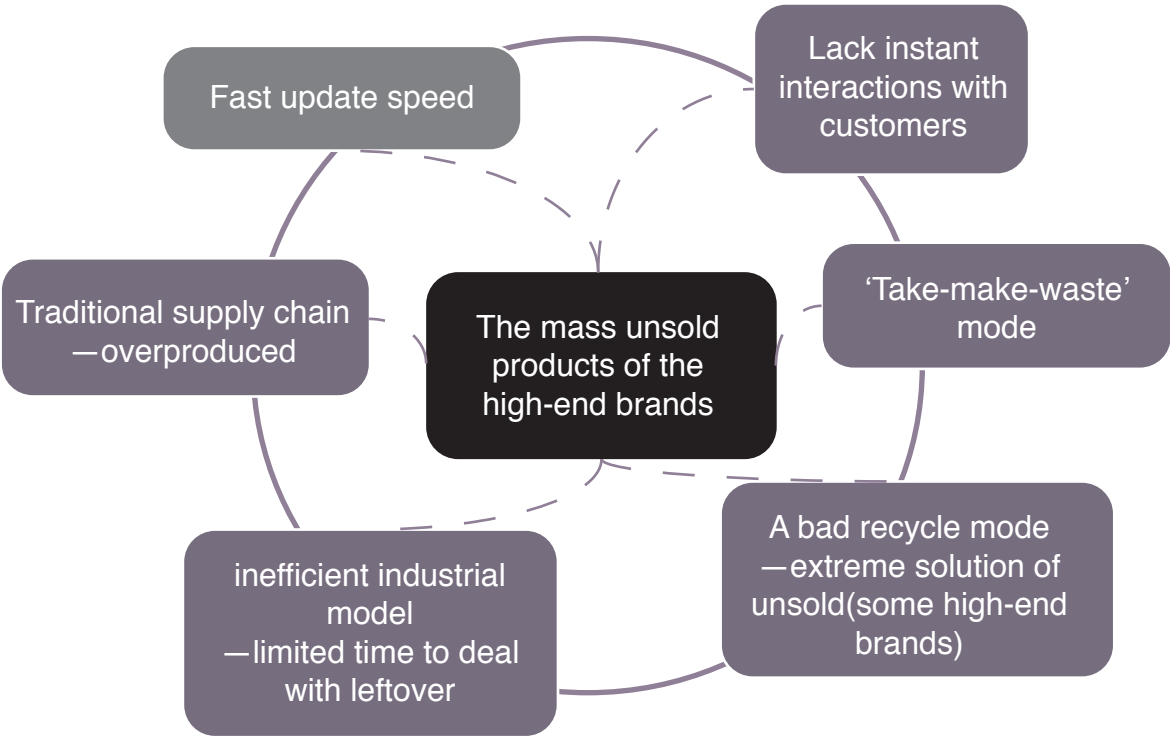
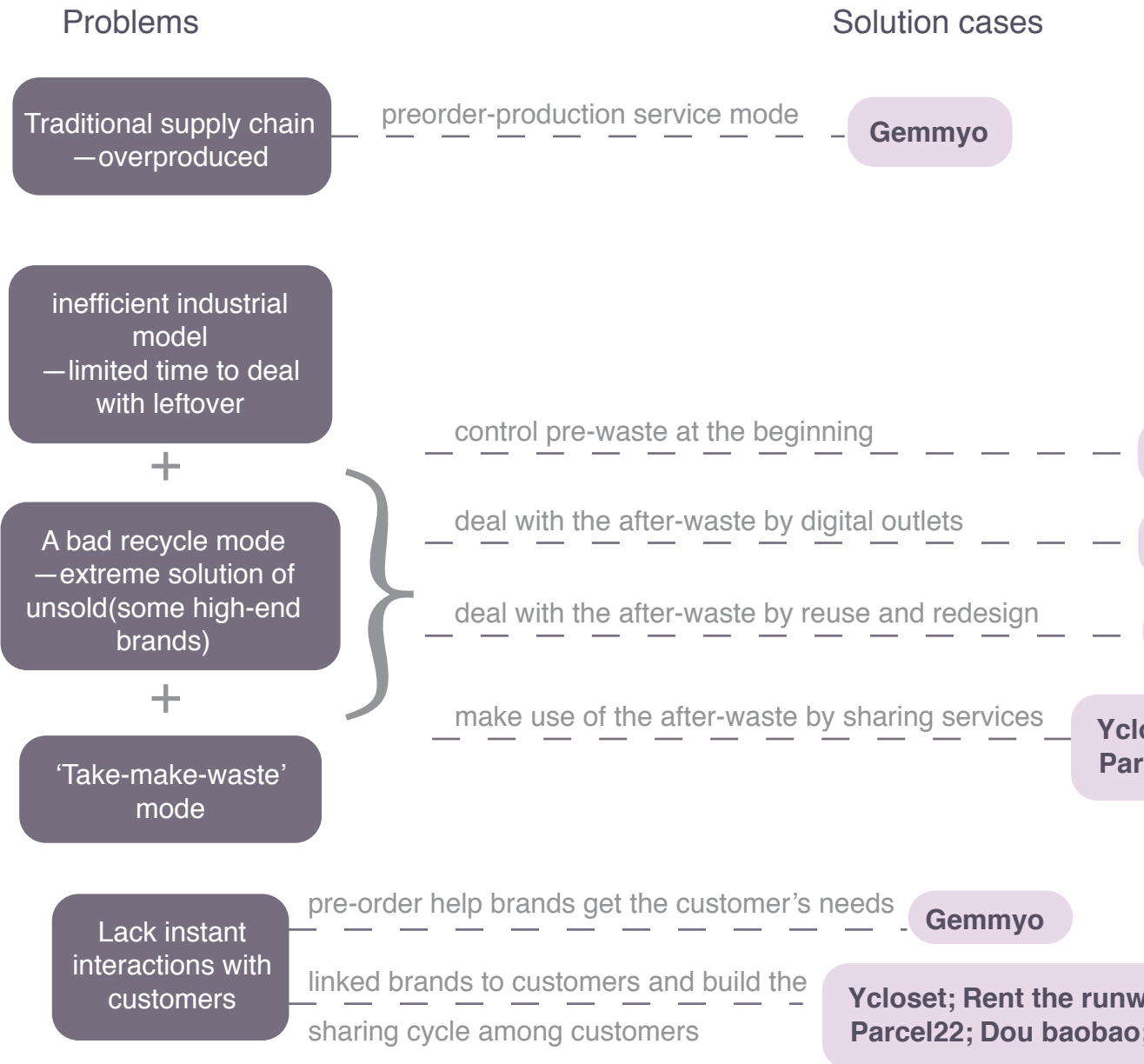


Fig.2.5 High-end brands unsold situation reasons conclusion
by author



Fig.4.2.7 cases and trends
by author



Insights

- Pre-order system helps high-end brands minimize the inventory at the beginning.
- The new trends bring new channels to high-end brands and customers to keep communication after seasonal retails selling.
- Digital outlets get more time for high-end brands to deal with the leftover on the online market, compared to normal physical outlets which have more limited time of dealing with last season's unsold.
- Some ethical brands use high-end brands' leftovers to redesign as their brand spirit. It builds a good way to share and reuse the resource in the fashion cycle. Meanwhile, these brands and services make the fashion products' lifetime longer to realize the internal cycling.
- The sharing services find a new way for high-end brands to earn profits and for customers to consume.

Gemmyo

Rue La La; Overstock

Junky Styling; Goodone

**oset; Rent the runway; Armarium;
cel22; Dou baobao; Gwynnie Bee;**

**ay; Armarium;
; Gwynnie Bee;**

Fig.4.2.8 New opportunities
by author





5

What service
design can do for
recycling of the
high-end brands
unsold



Fig.5.1 Recycling proposal
by author

Our purpose is to break the traditional cycle mode of how high-end treat the unsold products. Through the analysis we find that first all, we must give up the old idea of throwing and treating them as trashes. We must start to find the way to recycle them. As we discovered, there are many recycling solutions we can make better use of these good quality high-end brands' leftovers.

The traditional mode gets the limited channels and time to deal with the unsold as after six months, they can only be sent to the outlets where they also get limited time there so that these products get damaged or thrown then. The new channels we create are like the bridges between the brands and customers. We are building more bonds and possibilities before, between and after that six months.

Probably we can not make the resurce we've taken from the nature back to raw materials as they were, but at least we can make better use of all of them. As the digital media, technology and sharing economy develops, we see more oppurtunities for our future.

A good recycling service is what can makes the whole fashion industry as 'take-make-recycle' mode, which makes the process of high-end fashion becomes a closed circle.

What we are going to change is not only the way the high-end brands produce, sell and waste, but also the way the customers consume.

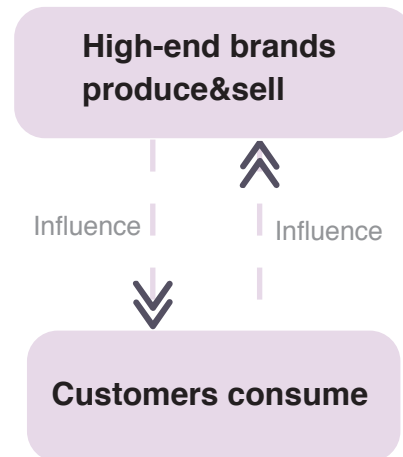
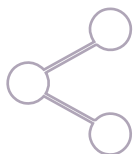


Fig.5.2 Production and consumption trend
by author



Recycle



Sharing

Sharing services build a more sustainable for recycling that continually create use values for unsold.



Digital outlet

Digital outlet give high-end brands new access and more time and space to deal with the leftovers.



Resource of redesign

Redesign services and brands make fashion industry recycle the unsold as new resource in the same industry cycling.



Pre-recycle -Pre-order

Pre-order makes the waste can not be continually produced at the first place, it is a more scientific way for high-end to do order-production.

Once we decide to transform the traditional unhealthy mode of deal with the unsold, we do have a lot of choices and methods to realize better recycling of these high quality products. By the research and analysis we've done before, the sharing via leftovers is a good way to build bonds between customers and brands after the normal selling. It helps build up a communicat among the customers(both current and potential customers). This service mode ia based on a Mutual trust and highly shared society environment.

Another good way to reuse the unsold is that we can add the redesign part to the end of the high-end products' lifetime. Through new design we could make use of these precious products again. Moreover, the different brands can work with each other to complete the design of the old garments and leftovers.

While different from finding a new way to deal with the leftovers, the digital outlet is more like

deal with these leftovers with a normal way. But benefit from the social media and new technology nowadays, digital online outlet platform can give high-end brand another access to deal with the unsold, without exact limited time and this solution also won't damage the image of those high-end brands. Not every high-end brand has its physical outlet, and although some of them have that, physical outlets are only used for quickly dealing with those unsold within one season. Compared to that, digital outlet platform give more freedom to both brands and their potential consumers.

In addition, recycling is not something only happened after the waste is already there, we can also recycle them at the beginning when they are going to be overproduced. This is pre-recycling. So pre-order is a solution may obey the mainstream but it is definitely an efficient and eco-friendly way of the fashion industry.

VALUE PROPOSITION

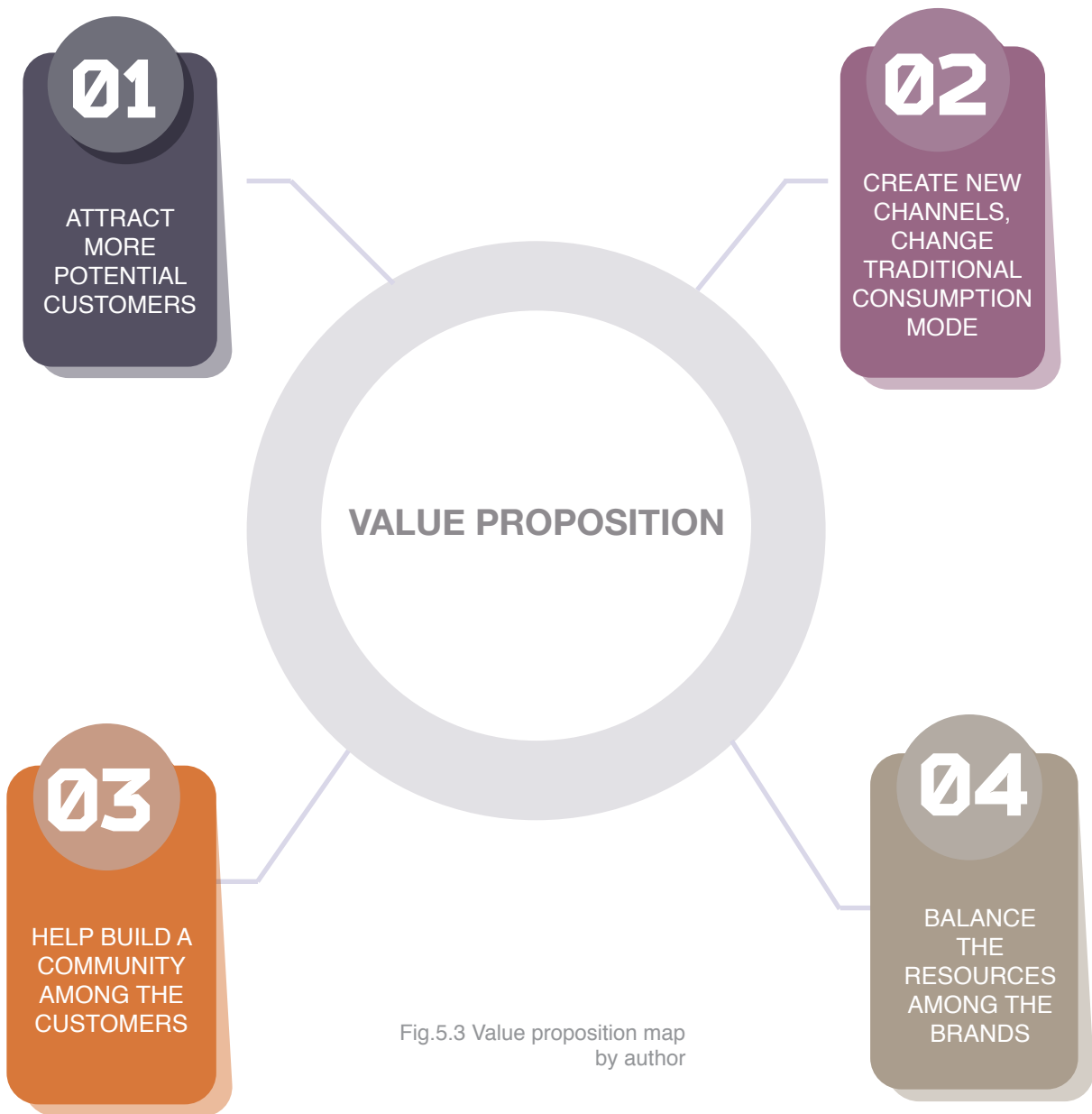


Fig.5.3 Value proposition map
by author

Service helps the high-end brands build new channels to communicate with the customers. Except of the traditional retailers, the high-end brands can create online channel to help deal with the leftovers. In this way, services also help brands get more potential customers all over the world.

The traditional mode of production and selling process of high-end brands make them can not have instant communication with consumers. So the service will help brands build new platforms to connect tightly with customers, and meanwhile, deal with the each season's leftovers in the big potential customers' community.

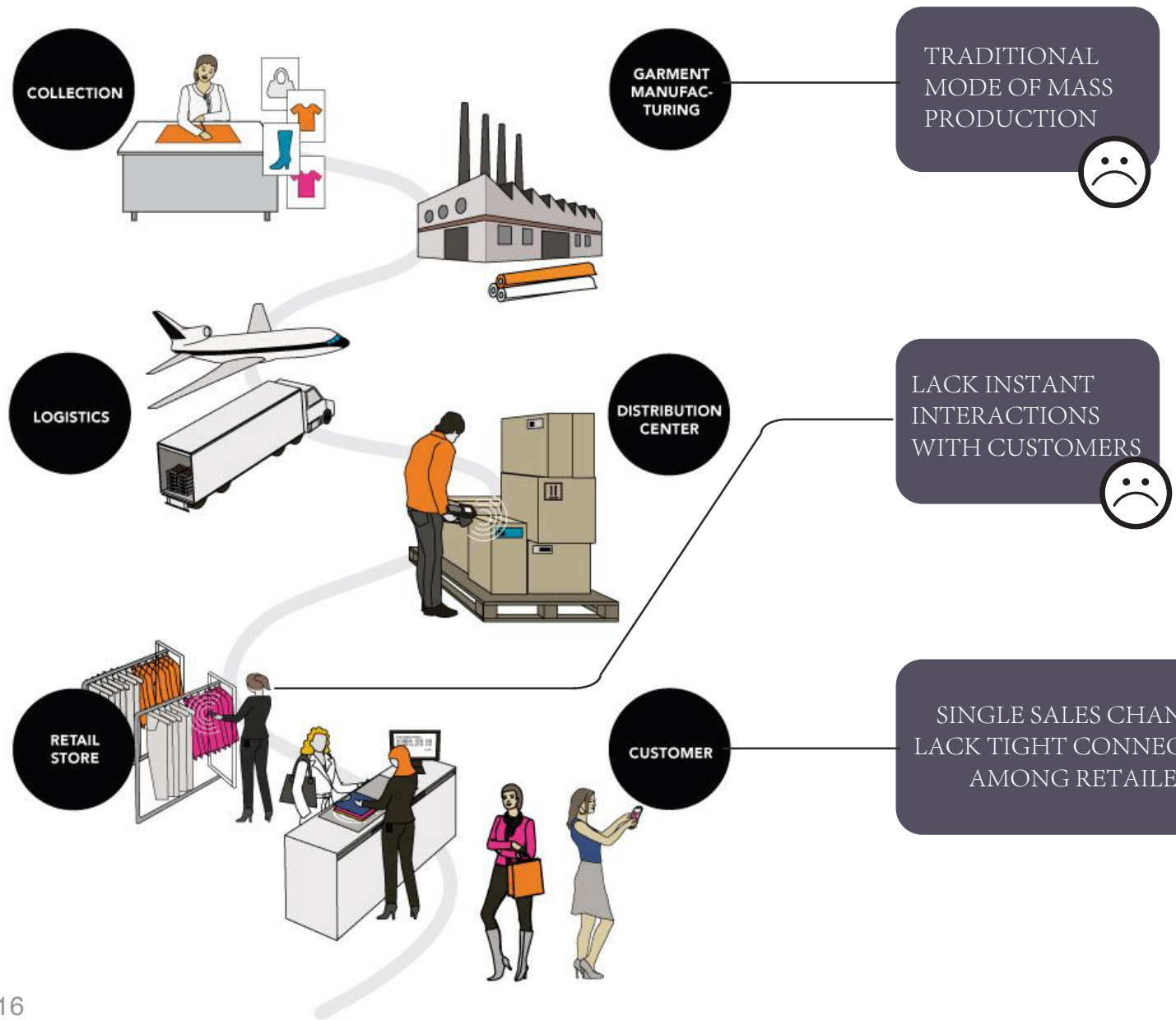
In the fashion industry, the waste problem is quite serious, but at the same time, there are also many ethical high-end brands are trying to make good use of the old materials to design new products. So if we can use service to balance the resources inside the high-end fashion industry, then we can help them to realize the internal cycling to reduce

the waste.

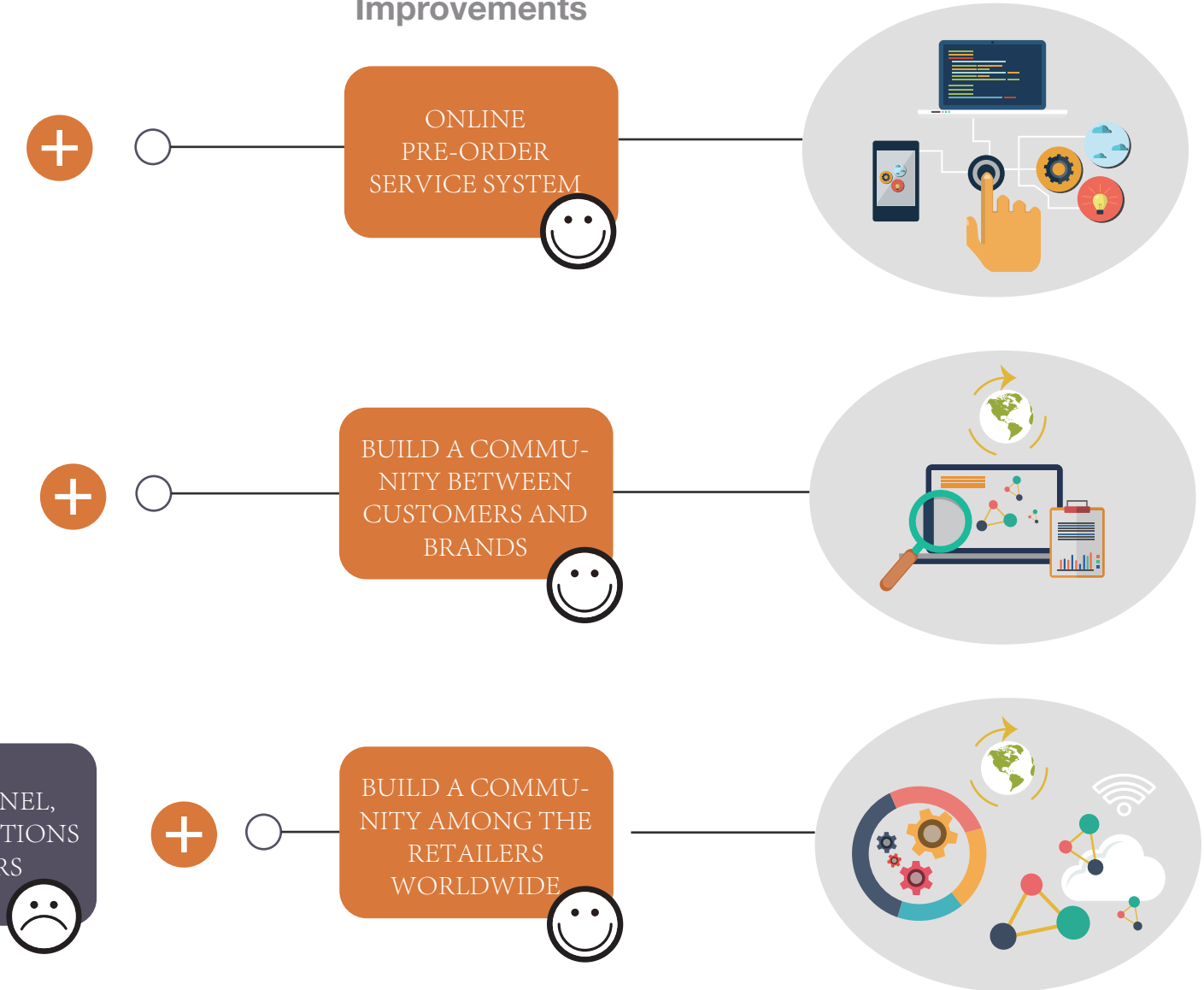
These four values are the most important four benefits the service design will bring to traditional mode of high-end fashion.

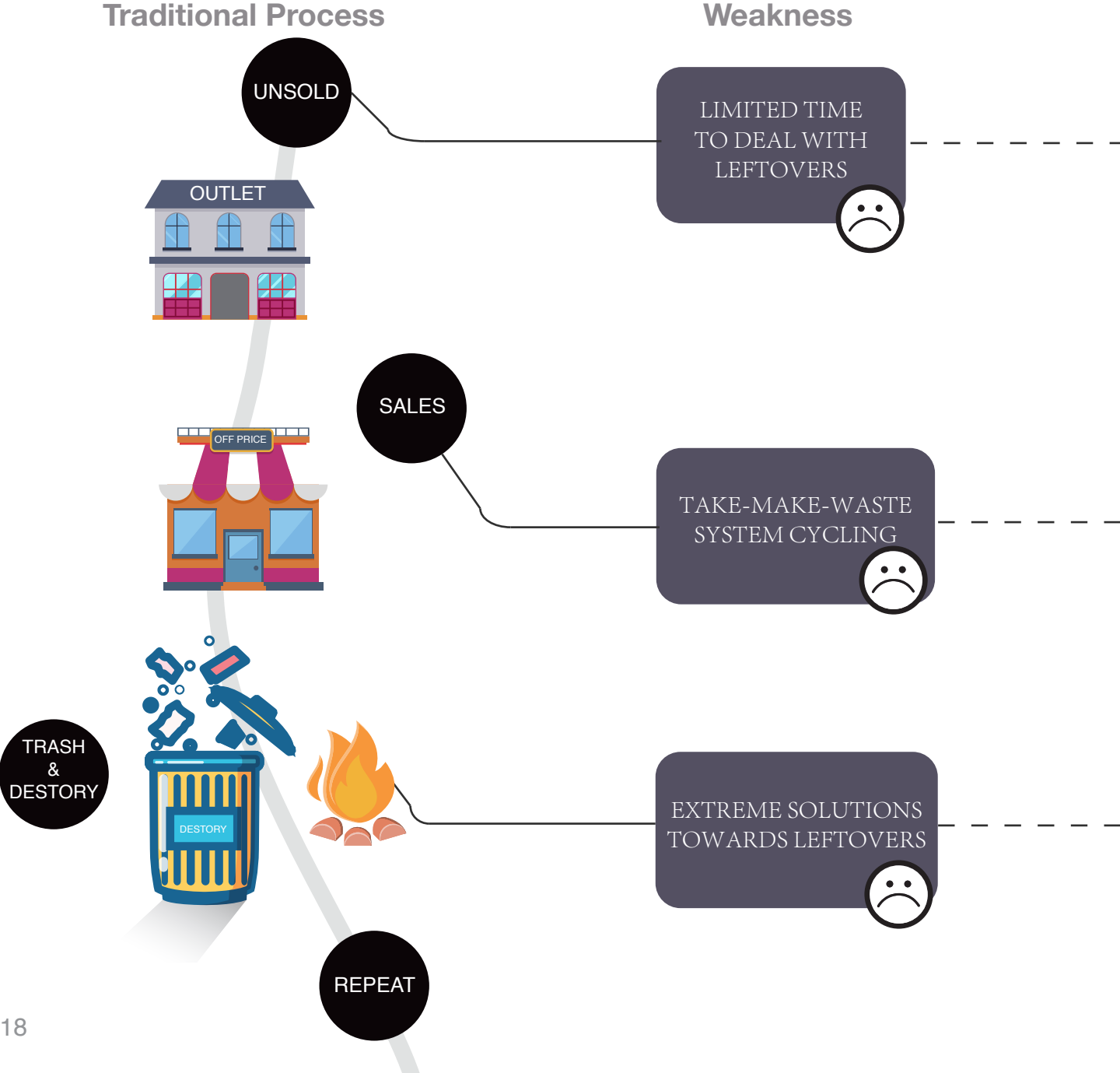
The new services will not only change the way the brands produce and selling, they also help customers to discover new consumption ways. Because of the new technology and digital media's fast development, customers can have more than one way to get access to these high-end brands' products. We can make use of this trend to find more ways to deal with the leftover problem better.

Traditional Process



Improvements





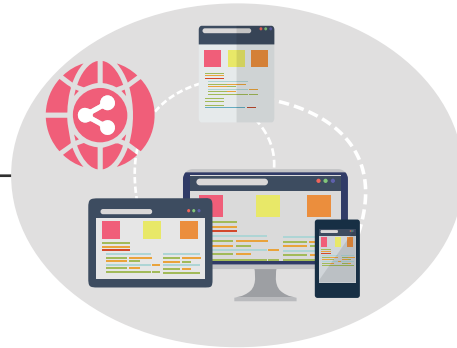
Improvements



DIGITAL OUTLET
SYSTEM



NEW SHARING
CHANNELS
SYSTEM FOR
NEW CYCLING



REDESIGN RECYCLING
SYSTEM AMONG BRANDS





OVERPRODUCTION PRE-ORDER SYSTEM

CUSTOMER: PRE-ORDER

BRANDS: PRODUCE ACCORDING TO NEEDS



Pre-order system map

PRE-ORDER SYSTEM

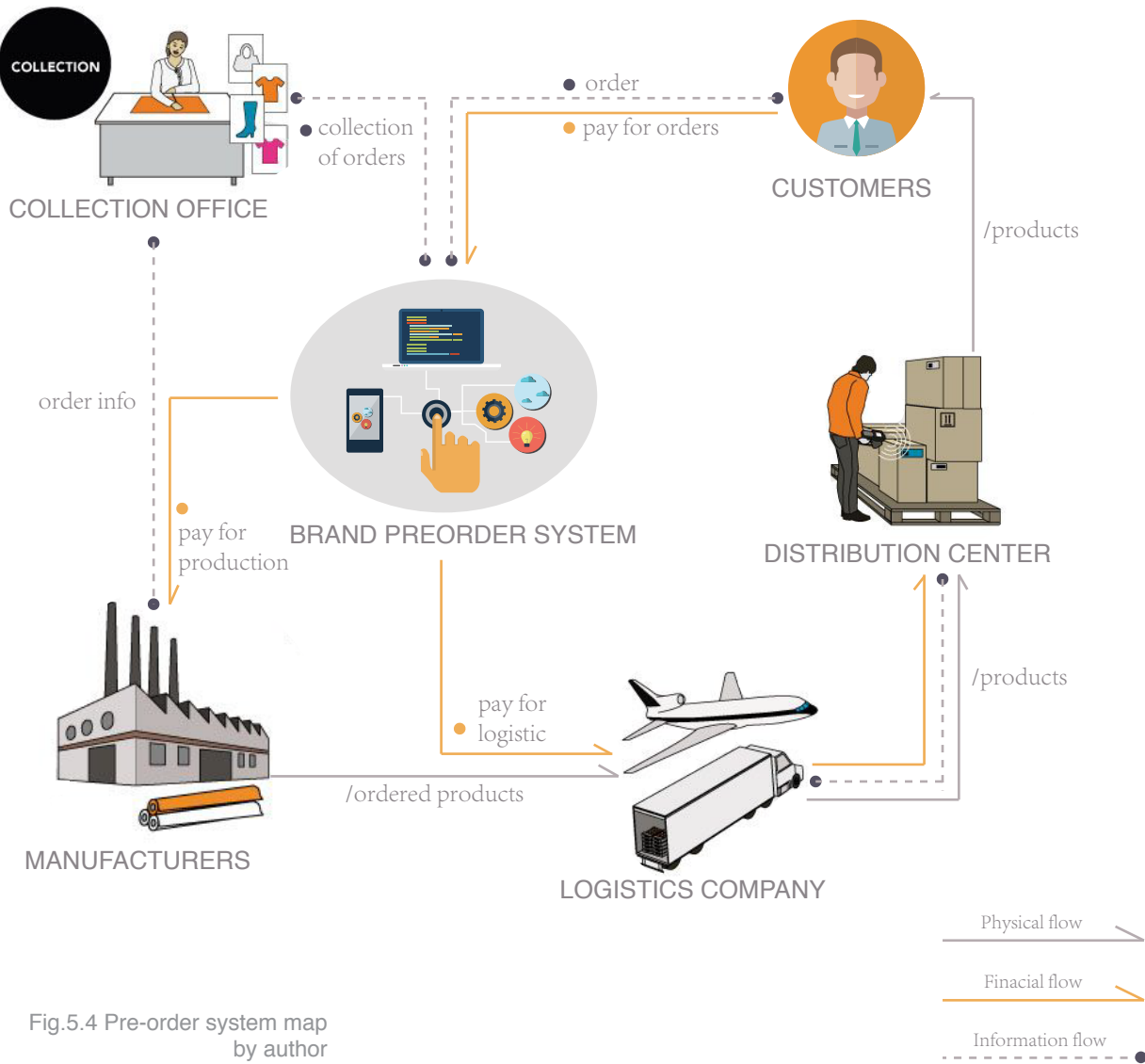


Fig.5.4 Pre-order system map
by author



EACH SEASON'S UNSOLD SHARING AND RENTING SYSTEM

Sharing system map

NEW SHARING CHANNELS SYSTEM FOR NEW CYCLING

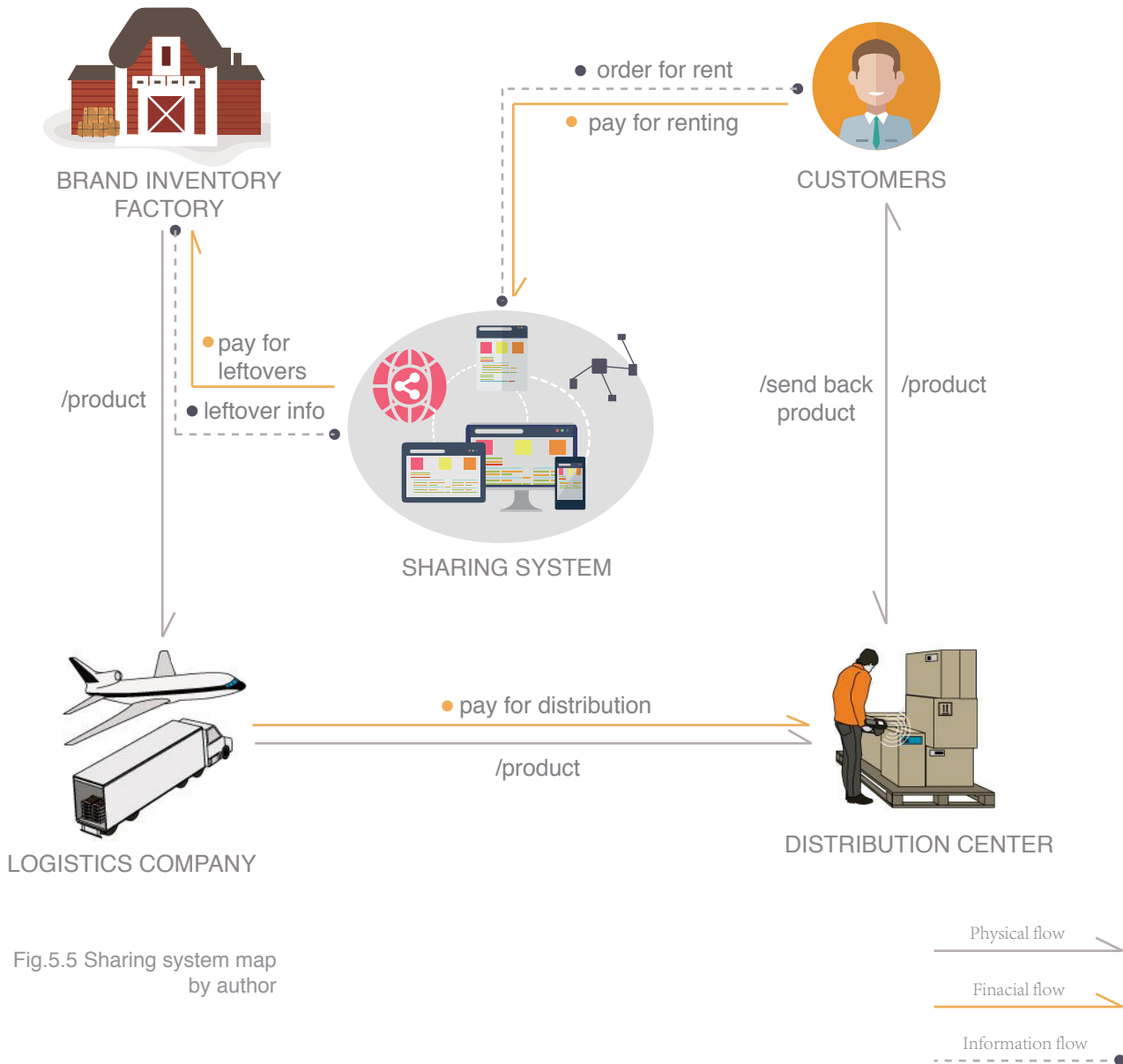
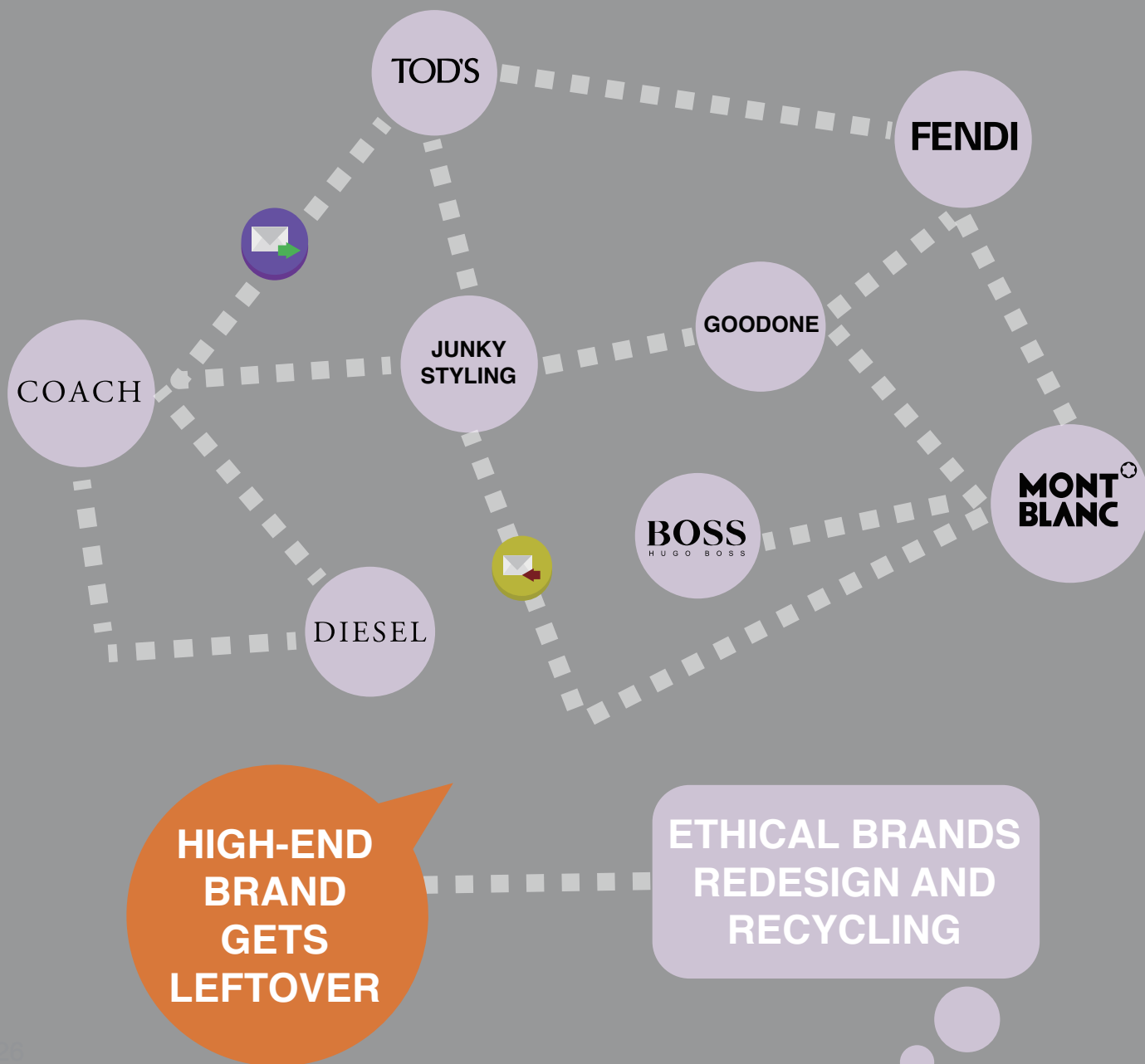


Fig.5.5 Sharing system map
by author



WASTE AND EXTREME SOLUTIONS REDESIGN AND RECYCLING SYSTEM



REDESIGN RECYCLING SYSTEM AMONG BRANDS

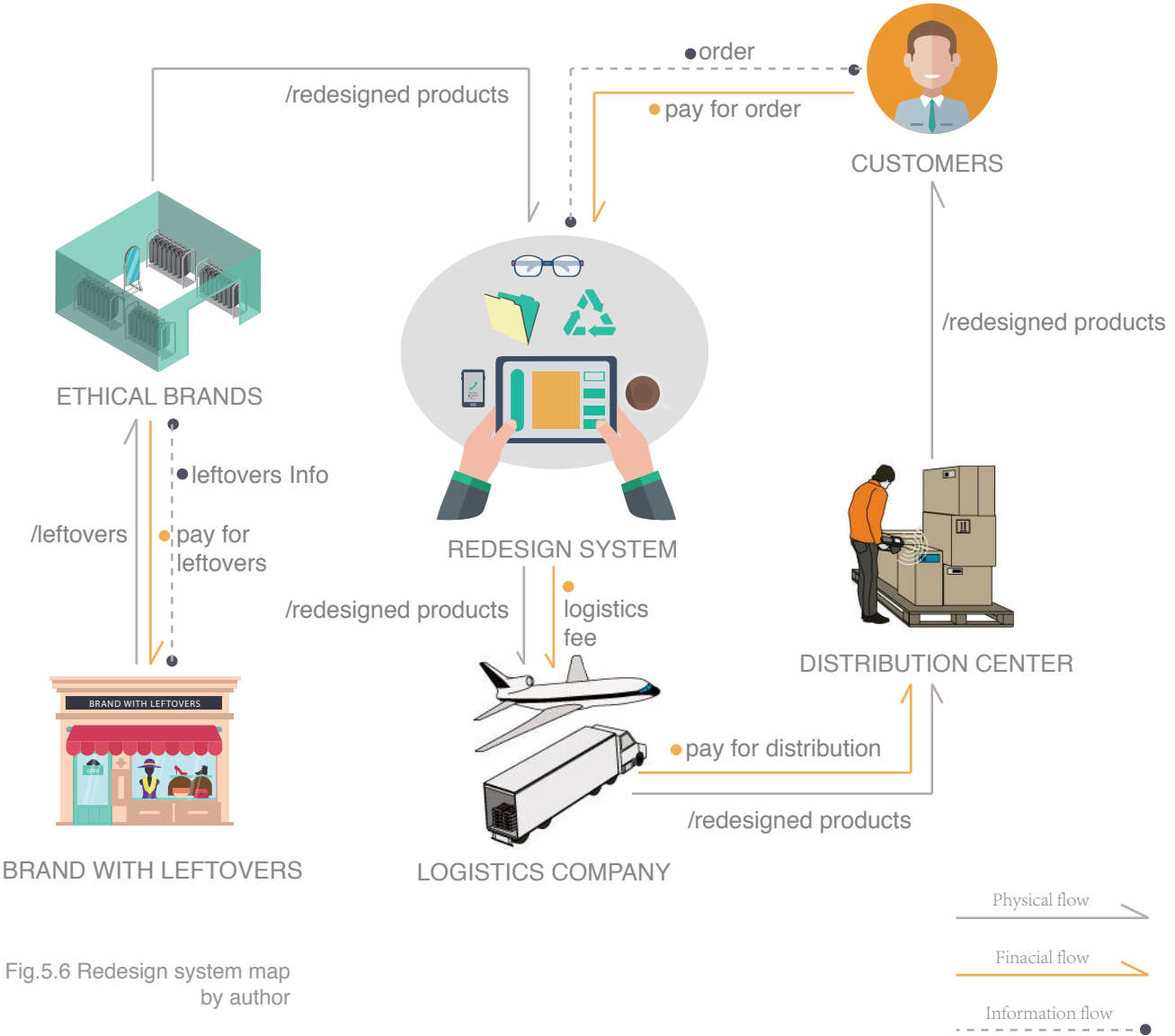


Fig.5.6 Redesign system map
by author

Final Conclusion

This book systemly discussed the current unsold problem in high-end fashion area. The way those high-end brands deal with the leftover cause a lot of waste, so we must raise our awareness of this problem. For why we need to pay attention to this, we talked about the relationship between the sustainability and fashion industry. The mass consumption and overstock in this industry obey the sustainable value. And the limited resource make high-end fashion must go beyond the single economical goal, ecological goal should be setted. This kind of fashion running mode needs to be set up cycling systems internally to realize the sustainable development. For better future development and our next generations, we have no right to ignore that.

The reasons which lead to this phenomenon are more important than the problem itself. the pretty fast update speed and traditional supply chain make the 'unsold' keep

producing. The 'take-make-waste' mode is still going on in this high-end fashion industry. Futhermore, there's rare interaction between the consumers and brands, the brands can not get the real customers' needs also become part of the reasons. This bad cycling make them get limited time to deal with the unsold so that they've also get extreme solutions for these high-quality leftovers.

From the reasons and problems we conclude the factors which are for high-end fashion to build a service for better recycling of the leftovers. We should follow the rules of sustainability and eco-friendly mode. The modern and efficient supply chain, internal cycling and instant communication are needed in this system. By framing the opportunites and discovering the existing services which are related to solve this problem, we find many new trends in this area these days. The digital platform are building better communications between customers and brands, at the same time, the digital

selling platform are acting like outlets online to get more time and space to deal with seasonal unsold. In this way the high-end brands get a new access to solve their overstock problem. In this trend, we also find the brand who uses pre-order system online to better control the amount they are going to produce.

The recycling and reusing trend also gives us lots of insights that many brands are set up to realize this sustainability dream. They use the other brands' leftovers and new technology to design their own products. Upcycling is also part of recycling.

Paul Hawken once said: "Design mentality can reshape production processes-and even the entire structure and logic of business." Plenty of the sharing services in fashion area let us noticed that it is a big opportunity to make use of the unsold product as the sharing economy are becoming and will be the new mode of modern life.

Through lots of analysis and comparison we find these new opportunities are becoming the new channels between brands and consumers.

All these recycling solution based services are helping us build a better future in high-end fashion area. The idea based on the research is that we could build connections between ethical brands and high-end brands to work together on unsold products and let the leftovers become 'useable' again.

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