

An Eco-Systemic Typology of Fashion Resale Business Models in Denmark

Authors : Mette Dalgaard Nielsen

Abstract : The paper serves the purpose of providing an eco-systemic typology of fashion resale business models in Denmark while pointing to possibilities to learn from its wisdom during a time when a fundamental break with the dominant linear fashion paradigm has become inevitable. As we transgress planetary boundaries and can no longer continue the unsustainable path of over-exploiting the Earth's resources, the global fashion industry faces a tremendous need for change. One of the preferred answers to the fashion industry's sustainability crises lies in the circular economy, which aims to maximize the utilization of resources by keeping garments in use for longer. Thus, in the context of fashion, resale business models that allow pre-owned garments to change hands with the purpose of being reused in continuous cycles are considered to be among the most efficient forms of circularity. **Methodologies:** The paper is based on empirical data from an ongoing project and a series of qualitative pilot studies that have been conducted on the Danish resale market over a 2-year time period from Fall 2021 to Fall 2023. The methodological framework is comprised of (n) ethnography and fieldwork in selected resale environments, as well as semi-structured interviews and a workshop with eight business partners from the Danish fashion and textiles industry. By focusing on the real-world circulation of pre-owned garments, which is enabled by the identified resale business models, the research lets go of simplistic hypotheses to the benefit of dynamic, vibrant and non-linear processes. As such, the paper contributes to the emerging research field of circular economy and fashion, which finds itself in a critical need to move from non-verified concepts and theories to empirical evidence. **Findings:** Based on the empirical data and anchored in the business partners, the paper analyses and presents five distinct resale business models with different product, service and design characteristics. These are 1) branded resale, 2) trade-in resale, 3) peer-2-peer resale, 4) resale boutiques and consignment shops and 5) resale shelf/square meter stores and flea markets. Together, the five business models represent a plurality of resale-promoting business model design elements that have been found to contribute to the circulation of pre-owned garments in various ways for different garments, users and businesses in Denmark. Hence, the provided typology points to the necessity of prioritizing several rather than single resale business model designs, services and initiatives for the resale market to help reconfigure the linear fashion model and create a circular-ish future. **Conclusions:** The article represents a twofold research ambition by 1) presenting an original, up-to-date eco-systemic typology of resale business models in Denmark and 2) using the typology and its eco-systemic traits as a tool to understand different business model design elements and possibilities to help fashion grow out of its linear growth model. By basing the typology on eco-systemic mechanisms and actual exemplars of resale business models, it becomes possible to envision the contours of a genuine alternative to business as usual that ultimately helps bend the linear fashion model towards circularity.

Keywords : circular business models, circular economy, fashion, resale, strategic design, sustainability

Conference Title : ICSTFD 2024 : International Conference on Sustainable Textiles and Fashion Design

Conference Location : Paris, France

Conference Dates : July 18-19, 2024