

The Sustainability Scene

What of Renting, Consigning and Reselling Clothing During Quarantine?

WFH? Resale marketplaces try virtual consignment, as rental services aim to adjust their offerings for customers with nowhere to go. Analysts weigh in. BY KALEY ROSHITS

As retailers shutter their doors and luxury groups even switch production to hand sanitizer in the war on coronavirus, secondhand shoppers are second-guessing reselling, consigning and renting clothes – among everything else – as they self-quarantine themselves during the pandemic.

This includes opting out of touchy-feely luxury consignment appointments and pausing or canceling memberships to their unlimited wardrobes via Rent the Runway, as their social calendars begin to dry up and sanctioned workdays on the couch allow sweatpants as the norm, at least for several weeks.

Last week, a customer posed the question looming on the minds of the VIP consigner set on The RealReal's web site: "Is it safe to have The RealReal's White Glove team come to my home for consignment appointment?"

The Center for Disease Control and Prevention defines close contact for the spreading of coronavirus as within six feet, which compromises high-touch consignment consultations.

Regardless, a lot has unfolded since the inquiry.

In its latest response on Tuesday, The RealReal withdrew its outlook for the first quarter and full-year 2020 due to the impact of COVID-19, as the Bay Area begins its aggressive shelter-in-place order, affecting Alameda, San Mateo, Contra Costa, Marin, San Francisco and Santa Clara counties, for the next three weeks.

Because of "shelter-in-place" rules in San Mateo County, the Brisbane, Calif. e-commerce center was also shut down (its New Jersey facility will pick up the slack), to extend till April 7 at present.

Others in the resale community, like Poshmark, headquartered in San Mateo County, and ThredUp, headquartered in San Francisco, will be subject to local changes.

Boasting a strong physical presence in San Francisco, The RealReal is suspending appointments for consignment and shopping in its San Francisco luxury consignment offices and flagship, as well as shifting all Bay Area White Glove services to "by appointment only" virtual consultations. A day earlier, all of its stores and consignments effectively shifted to appointment only.

In a Cowen report on the company last year, the White Glove services accounted for 67 percent of GMV, and goods typically move fast, with 60 percent of luxury items sold within 30 days.

Bringing more buyers into the consignment fold to keep the flywheel effect as "fluid" as the expectation of change is crucial for business.

And email is the direct line to the goods. Appropriately, WWD received an introductory email about beginning the consignment process the morning of the new policy announcement.

"In the near-term companies like The RealReal should see a short-term benefit with people working from home and unable to go to stores," said Chris Ventry, vice president in the consumer and retail practice of SSA & Company, a global management consultant focused on strategy execution.

And perhaps merchandise can come from other sources if consigners don't bite.

Ventry cited Gilt Groupe's success during the Great Recession as a similar study directly benefitting from a retail slowdown – "in terms of gaining access to covetable inventory at a discount to wholesale both directly from the brands, as well as from the retailers."

Citing the overarching near-term trend in "reduced demand for discretionary items and luxury goods," Marie Driscoll of Coresight Research expressed a more somber thought, "The RealReal is likely to see reduced growth reflecting new consumer behavior and the outlook for a weak economy in 2020."

Although resale poses "high-touch" services such as authentication and selling consultations – with hands running over surfaces like handbags for inspection – resellers are reducing interactions, increasing social distancing and in all cases: upping sanitization.

If their stores are still open.

As of now, luxury handbag player Fashionphile remains open, while Rebag announced on Tuesday it's temporarily closing all of its stores. Like many others, Fashionphile and StockX issued statements last Friday to customers detailing increased sanitization efforts in line with the CDC protocol, with order delays expected in regards to the latter.

As of Tuesday, StockX and competitors such as Flight Club, Stadium Goods, and Goat closed stores in New York City, as well as Los Angeles, Chicago and Miami in some instances.

Fashionphile founder Sarah Davis told WWD: "We haven't seen a major decline in the number of people who are coming to us to sell. That being said, our plan is to continue to operate as usual with a more thoughtful approach aimed at increasing actual distancing as much as possible." At press time, Neiman Marcus selling rooms and Fashionphile showrooms remained open, with Neiman Marcus stores advising of enhanced cleaning measures as well.

In regards to sanitization measures, what are consumers more concerned about? Is it germ-laden clothing, regardless, of whether it's "new" or "used" – or is the culprit rather a disproportionate stigma that is cropping up again in regards to wearing other people's clothes?

Research published last week funded by the National Institute of Allergy and Infectious Diseases and National Institutes of Health found the COVID-19 virus can last up to 24 hours on cardboard and a few days on plastic and stainless steel, although it did not prove people had been infected this way.

While the survivability of the virus on soft surfaces – like clothing – remains lesser-known, researchers at Harvard Health found no evidence of it. Regardless, the CDC and the World Health Organization advise clothing to be changed at the door when entering one's home, and in the event of caring for an ill person, to wear gloves when handling dirty clothes.

Although Urban-owned Urban Outfitters closed stores worldwide, its rental service Nuuly presses on – using the recommended precautions like gloved hands for receiving and packing, as well as its usual dry and wet cleaning methods and 250-degree steam tunnel.

The Weekly Upload

We discovered the perfect activity (and outfits) for all of your WFH needs—explore the latest from the Unlimited Closet.

READY, SET, SCROLL



Rent the Runway touts its WFH wardrobe options for homebound workers.

Rent the Runway also detailed its cleaning policies in boldface earlier this month. As of Monday, all of its stores are closed due to COVID-19, with drop-off locations next to go (West Elm being the latest).

But Leslie Harwell, managing partner at Alante Capital, isn't concerned about the cleaning efficacy as a dent to business, so much, but the product mix for homebound customers, which would leave them all dressed up, but with nowhere to be.

On Tuesday, a customer e-mail went out from Rent the Runway with the goal of capitalizing on the WFH or "work from home" trend in an edit of knit tie-dye sweatpants and sweatshirts, fluid rompers and band Ts for comfort, alongside blazers and dresses for the inevitable video conference calls.

"For clothing rental – knowing that things get cleaned between wears should be reassuring. However, the product mix that tends to be on rental platforms isn't quite a match for what people need right now. With people not going out and events being canceled, I think it's pretty evident that there will be a dip in volume there as people spend time getting back to basics over the near-term period of uncertainty. Once things return to normal, I think it'll recover relatively rapidly," said Harwell.

"Longer-term, this model resonates with today's consumer," added Driscoll.

Driscoll and Ventry agreed with Harwell, that in the short-term, the rental marketplace will suffer a slowdown due to "government-imposed 'sheltering in place,' dine-in restaurant shutdowns, and large events closures which will lessen the need for rental product," but with a speedy recovery.

Slipups are already being seen by Rent the Runway, including the company failing to include paper return labels with recent orders for several customers. It could represent another operations hiccup especially if customers lack printer access at home.

Harwell believes the extended time at home may cause a resurgence of Marie Kondo-related clutter clearing practices (a win for ThredUp clean-out kits) with consumers possibly turning to peer-to-peer resale platforms for community if germ-related fears are abated and isolation proves debilitating.

Back in December, John Lagerling, the U.S. chief executive officer of Mercari, a Japanese resale marketplace, described the months following the traditional retail holiday season, "as well as February and March," as being a "big time for resellers."

That's no doubt been affected, so will resale see a shift in its peak season this year, with quarantine closet cleanouts becoming a boon later on?

"We'll see a lot more supply on peer-to-peer platforms, but what effect that has on transaction volume remains to be seen," said Harwell.

Uncertain Times Call for Limited Editions, Lax Policy

This week in sustainability, time is a reigning theme with limited-edition collabs and extended perks for luxury handbag shoppers.

BY KALEY ROSHITS

This week in sustainability, limited-edition collaborations, especially in the field of denim, are taking shape in small production doses and designed with garment end-of-life in mind (hint: biodegradability).

Meanwhile, luxury handbag reseller Rebag toils with time – extending the duration of its Rebag Infinity option, perhaps as more consumers are homebound through the standstill of the coronavirus.

INFINITY AND BEYOND – As many customers find more time on their hands, Rebag extends its Rebag Infinity option.

The program, which launched in 2018, aims to compete with the handbag rental segment. The three different tiers include: 0 to 3 months, at the end of which the bag can be exchanged for 80 percent of purchase price, 3 to 6 months, at 75 percent value; or 6 to 12 months, at 70 percent value.

As of Tuesday, Rebag announced it would close all of its stores temporarily.

WHAT COMES AFTER IWD – "In these present times, corporations and citizens understand the importance the role of support can be that extends beyond 'survival of the fittest,'" said designer Monica Singh.

Through her International Women's Day partnership with cause-based lifestyle brand Feed, founded by Lauren Bush Lauren, Singh is championing impact past a limited-edition bag and pouch. Proceeds from the sales go to providing school meals, as well as scholarships for survivors of domestic violence – to which Singh espouses special empathy, as a survivor of an acid attack.

In the 10 days since launch, stock has sold through 60 percent of the available units. Over 111 million meals have been provided to date through Feeds products.

ARE SUSTAINABLE DENIM CAPSULES STILL CAPTIVATING? – Little wins are forged between Italian e-tailer LuisaViaRoma and Norwegian brand Moiré in the name of sustainability on the former's subplatform called "LVR Sustainable."

But what's the impact of a sustainable capsule or edit, anyway? For lesser-known designers, it's dramatic awareness creation. And equally so for retailers but only if they commit to sustainable values and enforce it in scale upon vendors.

In the March spotlight, Moiré's collection employs 100-percent organic cotton sourced from Japan and production can be traced back to a single factory in Portugal that uses zero-waste treatments and is Oeko-Tex certified.

The four-piece, gender-neutral sustainable denim collection is what Charlotte Fische, cofounder and creative director of Moiré calls "a few good products that work for more people."

The LVR Sustainable subplatform launched in September to highlight labels that are ethical and eco-friendly, but the aim is for that ethos to transcend the entire product assortment. More than 4,000 items are considered "sustainable" across its web site, and LVR Sustainable project head Fernanda Hernandez said that it's set to increase.

In a separate denim collaboration, Hlut Denim Co. partnered with Candiani, to launch their first 100-percent biodegradable, microplastic-free stretch jeans on Tuesday.

It's not unlike an earlier feat the Italian family-owned sustainable denim mill Candiani pulled off in November, in a similar collaboration with Dutch denim-maker Denham.

In either case, Candiani's Coreva stretch technology, which replaces commonly used synthetics and instead subs in organic cotton wrapped in a natural rubber core, powers the denim collection.

Hlut Denim Co. and Candiani will release only 100 pairs worldwide of the former's signature styles, including the "Men's Slim R," and "Women's Neil Mom style," both featuring a tapered leg.