



# BALANCING BOTTOM LINE AND BRAND

THE EXCESS INVENTORY PLAYBOOK

# WHAT WE'LL COVER

1 The Excess Inventory Dilemma

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2 Business Models

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3 The Landscape of Opportunities

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4 Lifecycle Stage Relevance





**90% OF MERCHANDISE SOLD**  
SELLS WITHIN THE FIRST 10 WEEKS





~5B

**UNSOLD  
ITEMS**

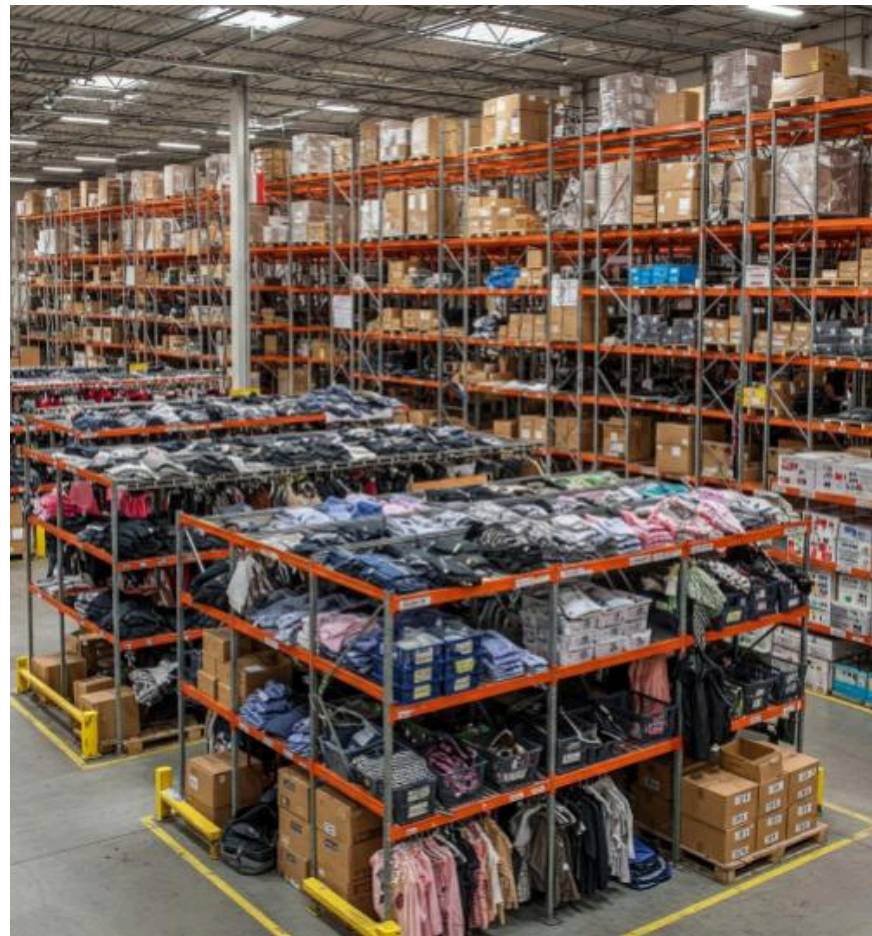
\$70B-\$140B of lost sales opportunity

*Business of Fashion*





# THE COSTS OF EXCESS INVENTORY



**STORAGE**



**LIQUIDATION OR  
DONATION**



**SCRAPPING OR  
DISPOSAL**





**YOUR BIGGEST COST**  
IS THE LOST OPPORTUNITY.

You need strategies to sell your  
at-risk inventory faster.



# WHAT IS YOUR BUSINESS MODEL?

## PROS & CONS

### **MADE TO ORDER**

Reducing risk and waste, but may result in longer lead times and limit scalability

### **FULL PRICE ONLY**

Emphasis on upholding the value of the brand - at all costs; public backlash for disposal methods

### **DISCOUNT ON A CADENCE**

Leveraging seasonal markdown strategies and promotional opportunities to move through unsold merchandise

### **SURPLUS PRODUCTION**

Producing excess intentionally to maximize sales opportunities with high margins in anticipation of liquidating remaining stock

# THE LANDSCAPE OF OPPORTUNITIES

OPTIONS WORTH CONSIDERING



MARKETPLACE



SOCIAL SELLING



RENTAL



DONATION



# MARKETPLACE

## INFRASTRUCTURES



**RITHUM**

Previously CommerceHub



**CHANNEL ENGINE**



**FEEDONOMICS**

### **Pros:**

- 400+ marketplaces
- Full-price & off-price channels
- One central place to manage

### **Cons:**

- Individual sales channel contract negotiation
- Commitment of full-time team to create and manage product listings
- Customer support & returns





**RESALE IS NO LONGER SEEN AS CHEAP;  
IT'S SEEN AS SMART.**

MELODIE VAN DER BAAN





THE RESALE MARKET IS EXPECTED TO REACH  
**\$70B BY 2027**

While your unsold inventory sits aging in the warehouse, someone who bought it in-season is already reselling it online.

*So why aren't you?*







# RESALE MARKETPLACES

## WHAT YOU SHOULD KNOW

### Pros:

- Unworn inventory is considered premium, regardless of age
- Preserves brand image
- 4-8x cost recuperation, compared to liquidation
- Broken sizes welcome

### Cons:

- Pre & Post Sale Customer Inquiries are laborious
- Only brand name merchandise sells
- Creating optimized listings is a process
- Buyer offers are high effort, low conversion



# MAX RETAIL



## ▶ **RETAIL**

Shop Simon  
Gilt  
Target  
Walmart  
Steals.com

## ▶ **RESALE**

Poshmark  
eBay  
Vestiaire Collective  
Thredup  
Bonanza

## ▶ **INTERNATIONAL**

Tiendamia  
Beyond Style  
Mercado Libre

*Alongside a global network of off-price partners for strategic liquidation when needed.*

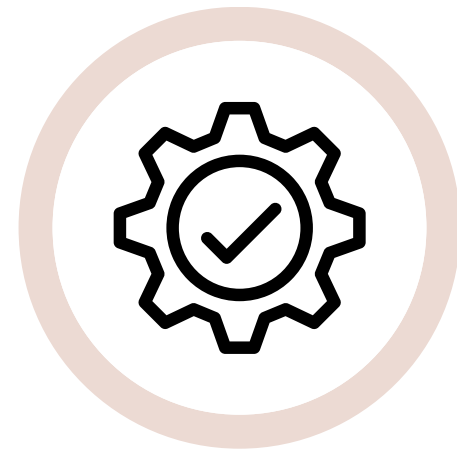


# CORE PILLARS

WHAT WE VALUE



DISCRETION



EASE OF USE



MAX PAYOUTS



NO RETURNS

**SOCIAL  
SELLING**

Flip

Meta

Youtube

Pinterest

CommentSold

TikTok Shop

**LIVE  
SELLING**

Whatnot

ShopShops



# WHAT TO KNOW & HOW TO LEVERAGE



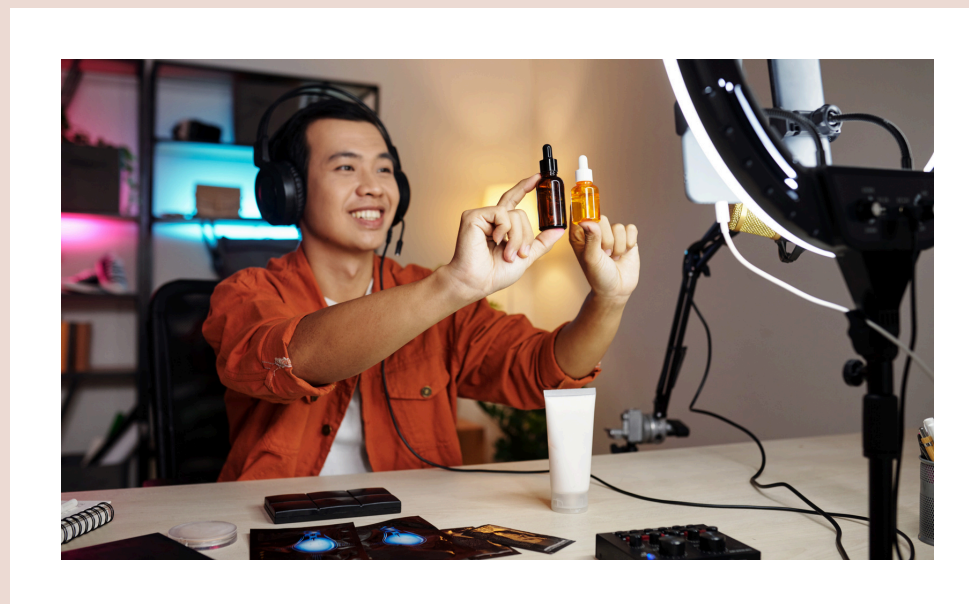
## WHATNOT

- Clearance prices
- Only In-app
- High volume



## COMMENTSOLD

- Stream to your website, Facebook, Instagram and TikTok Shop in one connection.
- Engages your existing following



## FLIP

- Primarily Gen Z
- Does not need to be off-price
- Under \$50 retail sells best
- Seamless Shopify integration



# RENTAL SUBSCRIPTIONS

FUTURE-FOCUSED







**WE DO IT BECAUSE THERE IS AN  
ASPIRATIONAL CUSTOMER OUT  
THERE; THIS ENGAGES THEM.**

OLIVIA WALKER; US BUYER AT MAJ



# RENTAL COMPANIES

OFF THE BALANCE SHEET

## Pros:

- Expand brand presence
- Uphold brand image
- Decent order sizes
- Pricing not tragic

## Cons:

- Limited to apparel & accessories
- Seeking known brands

▶ FASHIONPASS

▶ RENT THE RUNWAY

▶ NUULY

▶ MY WARDROBE HQ

▶ ARMOIRE

▶ GWYNNIE





# RENTAL COMPANIES

## AS A REVENUE STREAM


### Considerations:

- How *big* is your fan club?
- How *old* is your fan club?
- Do you have enough breadth to accommodate?
- How do the unit economics shake out?

▶ CAASTLE

▶ BNT0





# **DONATION OPPORTUNITIES**

GOOD KARMA NEVER  
HURT A BALANCE SHEET



# DONATION

## SOLUTIONS

▶ SOLES4SOULS

▶ STOCK

▶ CHARITY NAVIGATOR

### **Pros:**

- Tax deduction
- Reduces warehouse expenses
- Benevolent

### **Cons:**

- No cash recuperation



# SOLES4SOULS

DISTRIBUTES NEW SHOES AND CLOTHING TO PEOPLE IN NEED AND  
IN TIMES OF DISASTER TO OVER 1,700 NON-PROFITS





# STOCK

MARKETPLACE FOR  
NON-PROFITS TO  
DISCOVER & REQUEST  
YOUR EXCESS

# CHARITY NAVIGATOR

ONLINE SOURCE TO FIND  
A REPUTABLE CHARITY





# LIFECYCLE STAGE RELEVANCE

SOLUTION	FULL PRICE	PROMOTIONAL	DISCOUNT	CLEARANCE	END OF LIFE
Marketplaces	●	●	●	●	○
Live & Social Selling	●	●	●	●	○
Rental	●	●	●	●	○
Liquidation	○	○	○	●	●
Donation	○	○	○	○	●





CONTACT US