

# Fashion has a problem with unsold stock. Is this the solution?

Leftover stock in the fashion industry has always been a waste of money and resources – all the more so after shops were forced to close by the COVID-19 pandemic. A new platform called Purple Dot thinks it might just have the answer.

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We've all heard stories of millions of pounds of unsold items being set ablaze at the end of the season, so as not to compromise brand integrity. In 2018, Burberry burnt £28.6M of excess clothing – although it has now, alongside other big designers like LVMH, announced it's banning the practice completely. It's strange being in a situation where a company has to announce that they won't be tossing vast quantities of undamaged clothes onto a bonfire, but here we are.

A new startup, Purple Dot, reckons it's found a way to put out this proverbial fire once and for all. Through a model it terms 'worth-the-wait', it aims to keep the holy trinity of retailers, consumers and the environment happy. The premise is that customers don't always need every fashion item immediately, and are prepared to wait if it means getting a lower price.

Purple Dot's model, where customers wait for one to two weeks to find out if their 'offer' has been accepted, allows companies to sell clothes for a reduced price mid-season. If used correctly, it defeats the need for the price-slashing

that comes with end of season sales.

According to Madeline Parra, CEO of Purple Dot,

*“Today, when you’re shopping, there is one price for an item – you either pay the retail price, or you walk away... When you do walk away, the item goes through a cascade of discounting, becomes unprofitable for the merchant and often still ends up in landfill.”*

“For the customer, they’ve often lost out on an item they wanted because they tried to wait for the sale. The likelihood is that this product will go out of stock in their size before then, or that they will forget, and they’ve now lost out as well.”

Former Diane von Furstenberg CEO Sandra Campos, who has just joined Purple Dot’s advisory board, said,

*“Purple Dot is bringing a fantastic new idea to e-commerce and I know that it has huge potential to reshape this highly competitive industry. John and Madeline are experienced tech entrepreneurs and with my knowledge and experience of the fashion world we will make a great team.”*

The fintech startup also emphasises that its approach stalls ‘wasted inventory and unnecessary emissions’ in an industry that is responsible for 10% of all

carbon emissions, and 20% of all waste water. And for sure, incinerating clothes releases nearly 3,000 pounds of CO2 per megawatt hour – which is even worse than burning coal.

But it's also important to think about why we end up with excess in the first place. The fashion industry should be ordering less to begin with, rather than gambling on best case scenarios and letting startups like Purple Dot pick up the pieces. Making clothes is incredibly energy and resource-intensive; what happens when they're unwanted is only part of the problem.

While a mid-season discount at & Other Stories or New Balance provides a partial (and affordable) solution for everyone involved, we also need to think twice about whether we want brands in our wardrobes if they're not making the relevant sustainability commitments from the off.

While buying something discounted from Purple Dot helps the environment in one sense, that work is undone if it's thrown away when next season comes around. To maximise its green credentials, I'd love to see Purple Dot working exclusively with environmentally-conscious brands – or at least encouraging customers to only buy what they need.

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