

# FARFETCH delights customers and protects the planet through recommerce

Most fashion businesses say they want to be environmentally sustainable, but it's challenging and for most, progress towards adopting more 'circular' ways of doing business is painfully slow.

In 2018, leading UK fashion brands decided it was time to shake things up. They signed up to 'Circular Fashion Fast Forward', a two-year project funded by Laudes Foundation and delivered by ReLondon and QSA Partners.

One of those brands was FARFETCH, who used the project as an opportunity to explore the benefits of recommerce - allowing customers to trade in their good quality used products for resale through the trusted FARFETCH platform. This case study tells their story.

## About FARFETCH

Headquartered in London, FARFETCH is a leading global platform for the luxury industry. The FARFETCH marketplace connects customers in over 190 countries with the world's best brands, boutiques and department stores, delivering a truly unique shopping experience and access to the most extensive selection of luxury on a single platform.

## Listening to customers

It was their own customers who made it clear to FARFETCH that they had an opportunity to do more in terms of sustainable service offerings. "We have seen sales of more conscious products on our platform grow by nearly 240% between 2017 and 2019. Clearly our customers have a growing appetite for engaging in more sustainable behaviours", says Tom Berry, Global Director of Sustainable Business.

As a global fashion platform, FARFETCH does not design or manufacture garments so can't easily influence the production impacts of the products it sells. It had to find another way.

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Tom Berry, Global Director of Sustainable Business,  
FARFETCH

# FARFETCH



## Settling on recommerce

With support from ReLondon and QSA Partners, FARFETCH identified that the best circular business model for them was one which worked well alongside their existing pre-owned fashion offer. Tom explains: "We have seen significant growth in purchases of pre-owned items since 2010 and we were keen to offer our customers a service that enabled them to sell unused items in their own wardrobes."

This approach made perfect sense: "Our advice is to keep things simple - make it easy for the customer to adapt to the new offer by making it familiar," says Mark Hodgson of QSA Partners.

FARFETCH knew they had to tread carefully. Trading in pre-owned luxury goods requires strong expertise in authentication. For such high-value products, expertise was also required to make sure that valuations are accurate. As with their long-standing relationships with specialist vintage boutiques on the product sales side, FARFETCH chose to start with a category, handbags, and with a partner with a solid history in trade-in servicing.

## Getting a trial in the bag

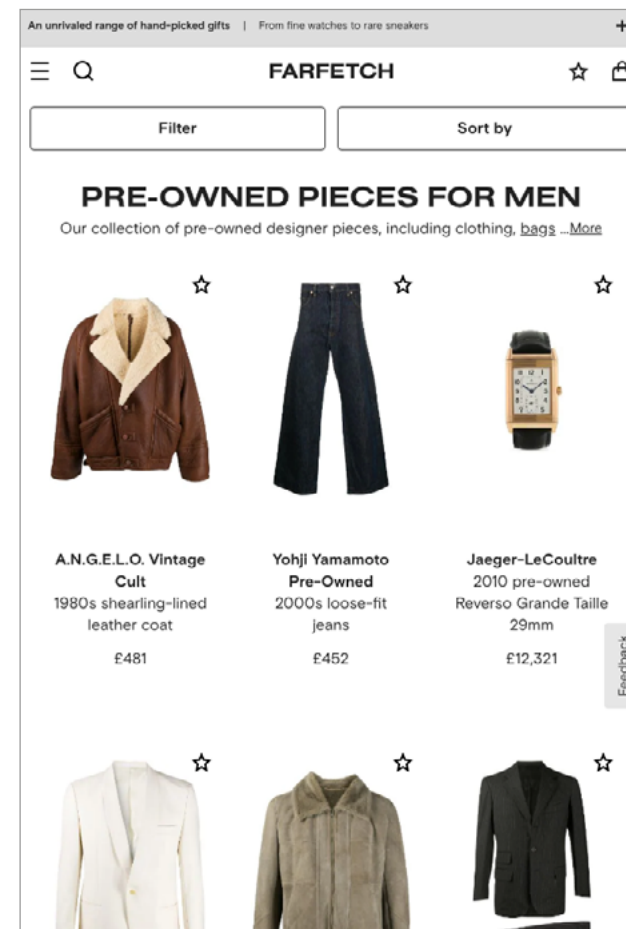
FARFETCH chose to pilot a recommerce model, they called FARFETCH Secondlife, with Luxclusif, who are experts in the authentication and purchase of luxury pre-owned items that originate from high-end brands.

The initial launch was positive: customers were happy trading with FARFETCH as a trusted platform and they liked that the offer was clear and simple to use.

## Scaling up

Allowing customers to trade-in high value handbags only meets a small element of consumers needs in this area. FARFETCH were keen to scale up their recommerce offer, allowing customers to find new homes for other unused items in their wardrobes.

To solve this, FARFETCH decided to offer a donation based service, powered by a new partner, Thrift+. The new service, FARFETCH Donate, allowed customers to send in any unused items, and share the value recovered from their re-sale with a charity of their choice.



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Customers were buying into the idea - the new recommerce options were going down a storm. But was it delivering the desired environmental benefits?

### Measuring environmental impact

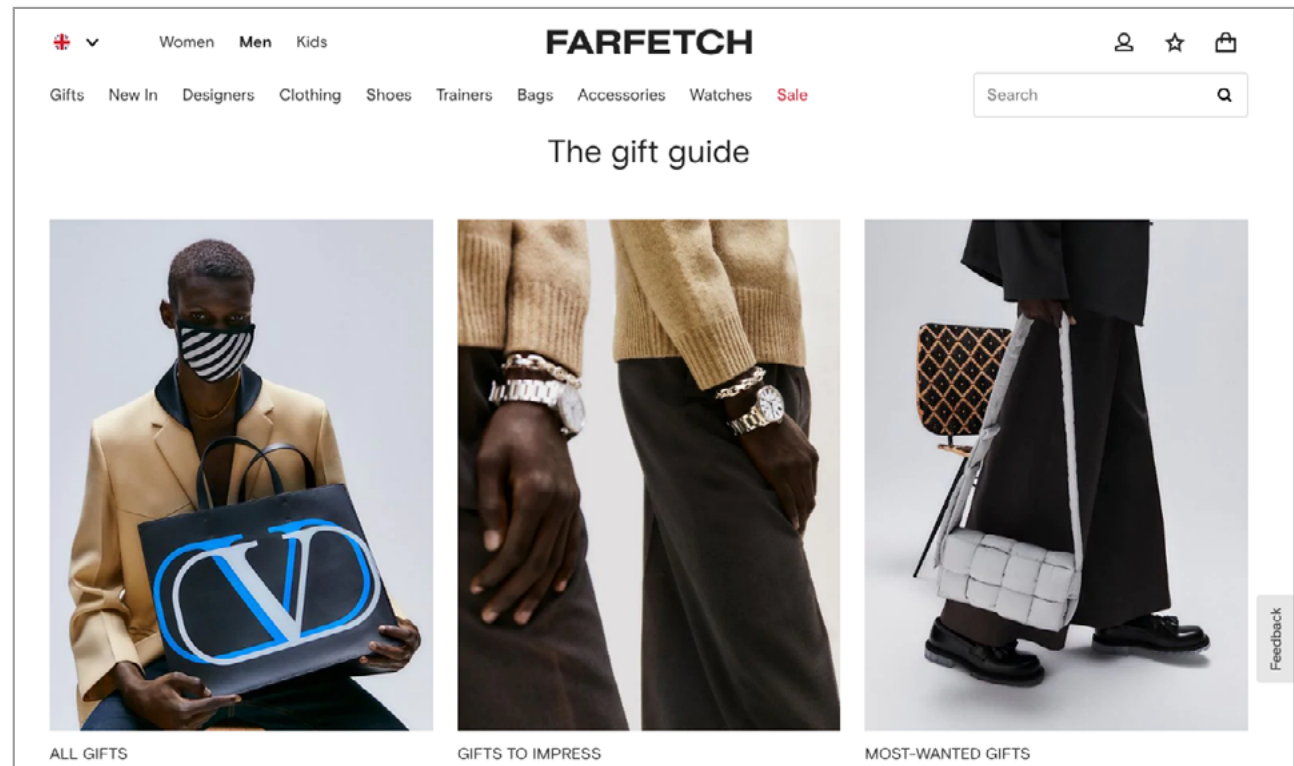
"It was vital that the project was able to provide robust evidence that recommerce was having a genuinely positive environmental impact," recalls Andrea Crump, Project Lead at ReLondon. "The only way to achieve this was through detailed customer research."

QSA Partners teamed up with Icaro Consulting to engage with pre-owned fashion customers across the UK, US and China. What they found was clear and compelling evidence that the recommerce business model was delivering environmental benefits: There was no doubt that buyers of pre-owned clothing were purchasing those products instead of buying new ones, reducing their new product consumption by 60%.

"The research gave us great confidence that we really were delivering environmental benefits," says Tom, "and we decided to communicate that with customers using our new Fashion Footprint tool that QSA helped to develop."

### Going further on the circular journey

It's no surprise then that **FARFETCH** have **officially caught the circular business model bug!**



They are actively seeking to include even more product categories in their recommerce model and are looking to roll it out to more of their global markets.

Tom is excited by the opportunities that lie ahead: "We're on a mission to become the global platform for good in luxury fashion - empowering everyone to think, act and choose positively. It's what we call Positively FARFETCH."

### Feeling inspired?

Excellent! For more information on circular business models and how they can benefit your fashion business, download and read: [Fashion that doesn't cost the earth - How the UK fashion industry can thrive by embracing circular economy business models](#)

# FW threads repair into the core of its business and saves 60% on warranty return costs



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One of those brands was FW, who used the project as an opportunity to explore the benefits of offering an enhanced repair service to its customers across the world.

This case study tells their story.

## About FW

With roots set along the shores of Lake Annecy, France, and with its operations hub based in London, FW is a new and progressive outerwear brand that designs high-performance apparel with newschool style. FW garments keep wearers fully protected no matter the weather, enabling them to experience more outdoors. FW is committed to progressive design and functional minimalism while striving toward sustainability.



## Finding the right fit

As a growing start-up business with limited resources, putting time and effort into a full assessment of environmentally sustainable, circular business options just wasn't possible for FW's model.

"I'd heard about recommerce, rental and hire, and repair services but I wasn't sure which options could work for us or what the business case would be," says Sara Asmoarp, Head of Quality and ESG. "I wanted to make sure that the quality of any service we provided matched the experience that our customers would expect from our outerwear."

Sara and the FW team worked with ReLondon and QSA Partners to explore options and test the business case for each. The mission: to find a circular business model that could be delivered within the resources and budget available.

Sara recalls: "It was initially disappointing to find all these exciting opportunities but not be able to implement them - then ReLondon and QSA recommended we look at a repair service as a simple first step."



## Why repair?

"We knew FW's product design was great - and highly durable - but we also knew that more adventurous customers would probably damage their garments beyond the normal wear and tear we'd see with other clothing types," says Andrea Crump, Project Lead at ReLondon. "Helping those customers access repair services would keep those garments wearable for longer - and keep customers happy." It was a great fit for the FW brand.

## The global repair challenge

A key element of the project was to identify and assess potential repair partners across the globe; ensuring they had the technical skills to repair

outerwear and the right processes in place to provide a great customer experience.

Kristina Bull of QSA recalls some of the challenges: "Some repair centres with the right skills were too small and specialist - and didn't have robust enough processes. We helped FW identify good, reliable repairers."

A series of repair tests were conducted to ensure work was carried out to a high quality and that the repairers could access stocks of FW components.

This gave FW the confidence to launch their gold-standard repair service at the same time as the new brand entered the market. All FW needed now was for a customer to damage a product!

**"Our repair service was reducing the cost of managing warranty returns by 60%."**

Sara Asmoarp, Head of Quality and ESG, FW



### A stroke of genius or a slippery slope?

Before long, the first ski & snowboard season was upon us and FW's customers started accessing the new repair service. As a new business, most of the items were still under warranty. Sara explains: "Outerwear experiences very intense use. It's difficult for any apparel brand to work out what might be excessive damage through adventurous use, and what might be a genuine flaw in a component like a zipper or a panel seam. Having a repair option available helped us to manage these products in a way that delighted our customers."

"We were amazed when we found out how much money we were saving" recalls Sara. "Not only were our warranty claim rates much lower than we had allowed for; our repair service was reducing the cost of managing warranty returns by 60%!"

This **cost saving has helped the company perform above expectations on returns and repairs**, and customer feedback on the repair process is good, too. What's more, the company's environmental impacts are significantly reduced as they haven't had to make new products to replace warranty claims. The perfect circular business model!



### Going further on the circular journey

Sara is now keen to work out what further benefits FW can gain from becoming even more circular: "We know there's more we can do, and we're really encouraged by our initial work on repairs. We will definitely be testing out more circular options with our customers in the future."

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