



REPORT

DON'T WASTE - RESELL



merkandi[®]

INTRODUCTION

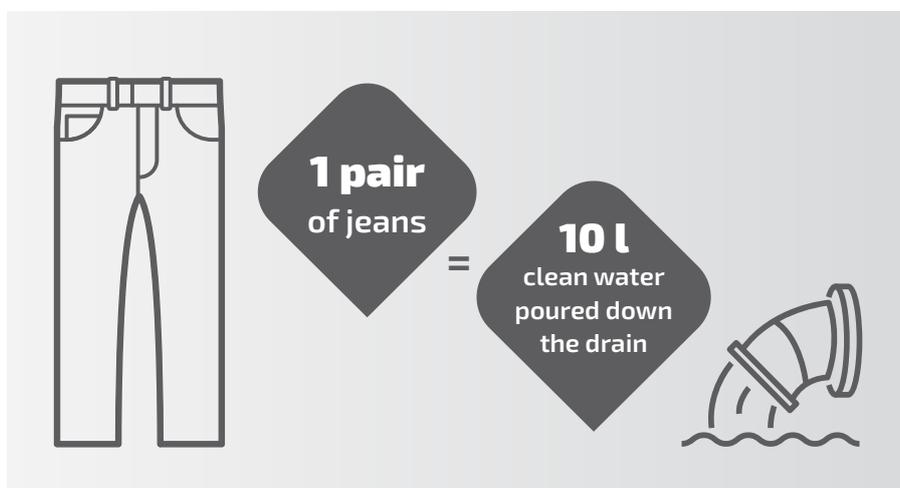
The goods sold - although they should - do not have to be perfect. Not every product with a defect has to be thrown away. Not only that - as the new law shows in Italy or France, it is increasingly not allowed to do so.

So what can wholesalers do with returns, end-of-series etc.? It's simple, **they can list them on wholesale trading platforms**. The advantages of such a solution are quick disposal of the backlog, additional revenue and simple tax settlement.

In the following report, we look at the environmental impact of not making good use of unsold or discontinued goods. We not only describe the existing problem but **also point to a solution whereby the degradation of the planet can be slowed down while increasing business profitability**.

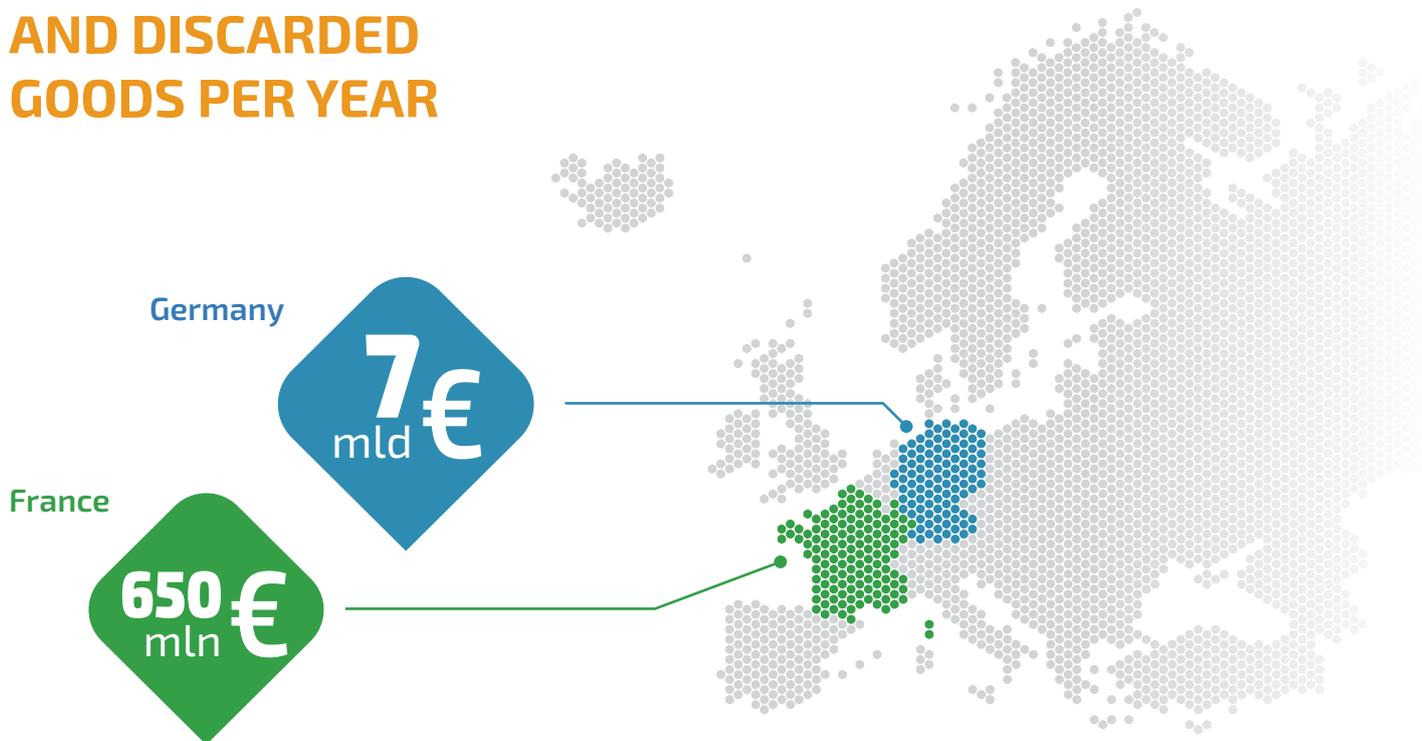
The frightening scale of the problem

Everything man uses comes from the Earth's resources. We are not only talking about food, but also clothing, electronic equipment, toys and other everyday items. This is a natural consequence of the progress of civilisation. The progress which - although it has made human life easier and more pleasant - is step by step contributing to irreversible environmental change.



It is easy to deduce how destructive the production of jeans - trousers that are made in their thousands every day, and which may be thrown away due to minor defects!

VALUE OF UNSOLD AND DISCARDED GOODS PER YEAR



This is the estimated value of goods thrown away each year in Germany alone



As much as this is estimated to be the annual value of NEW, discarded or unsold non-food products in France alone.

[ADN, Agency for Donations, France]

The main reason for such large discrepancies is... the applicable legislation. Passing on unsold or second-grade products is not always cost-effective.

And yet it is possible to resell such goods via platforms such as Merkandi.

Better to sell cheap than throw away

Imagine a pile of unpacked Lego boxes, new TVs, books... This is what a landfill site looks like for products unsold by Amazon.

Throwing away unsold non-food items is a problem numbering in the thousands of items - DAILY!

Fortunately, in Italy and France, the law allows the donation of goods to charities - without tax consequences. Despite this, Amazon throws out a large proportion of the backlog anyway. Luckily, not all – some of them get a 'second life' thanks to wholesalers who buy back unsold stock.

The scary thing is that most of the time, full-value items end up in landfills. Some of them have defects, but these do not affect the efficiency or performance of the products.



This was the story of innatura, whose founder, Juliane Kronen, received a phone call asking if she could pass on mislabelled products to someone. Products with a full value that could only end up in a landfill because of... one mistake.

Germans can count: they have to pay tax on donations, but on dumped products - not anymore. This is why many companies are put „up against the wall" – they have to throw away unsold products in order not to record even greater losses.



RESALE

– even if only for a small percentage of the base price – is a simple way to save the planet **and a way to avoid serious financial losses.**

Wholesale platforms come to the rescue, where companies can sell huge quantities of end-of-series, goods with minor defects or withdrawn from retail. This allows you to make a profit quickly and conveniently - even with a minimum transaction amount.

The curse of fast fashion

Man lives in a world of fast fashion, which is like fast food. Instead of eating healthy and nutritious food, he is tempted to eat mediocre food - often of dubious quality. This translates into a deterioration of the body's overall health.

It can be similar with fashion, with planet Earth playing the role of the organism. Cheap clothes that can be replaced even every few weeks are hugely popular. Where do garments from previous collections go? To the rubbish heap...

Zara can design, produce and deliver new collections to shops in just two weeks. Just as quickly, it withdraws those garments whose sales do not reach satisfactory levels. By reacting so quickly to fads, the brand manages to sell 90% of the range, while other chains are left with 17-20% of the collection.

What to do with goods that are not worth donating, and discarding involves a serious risk to the planet?

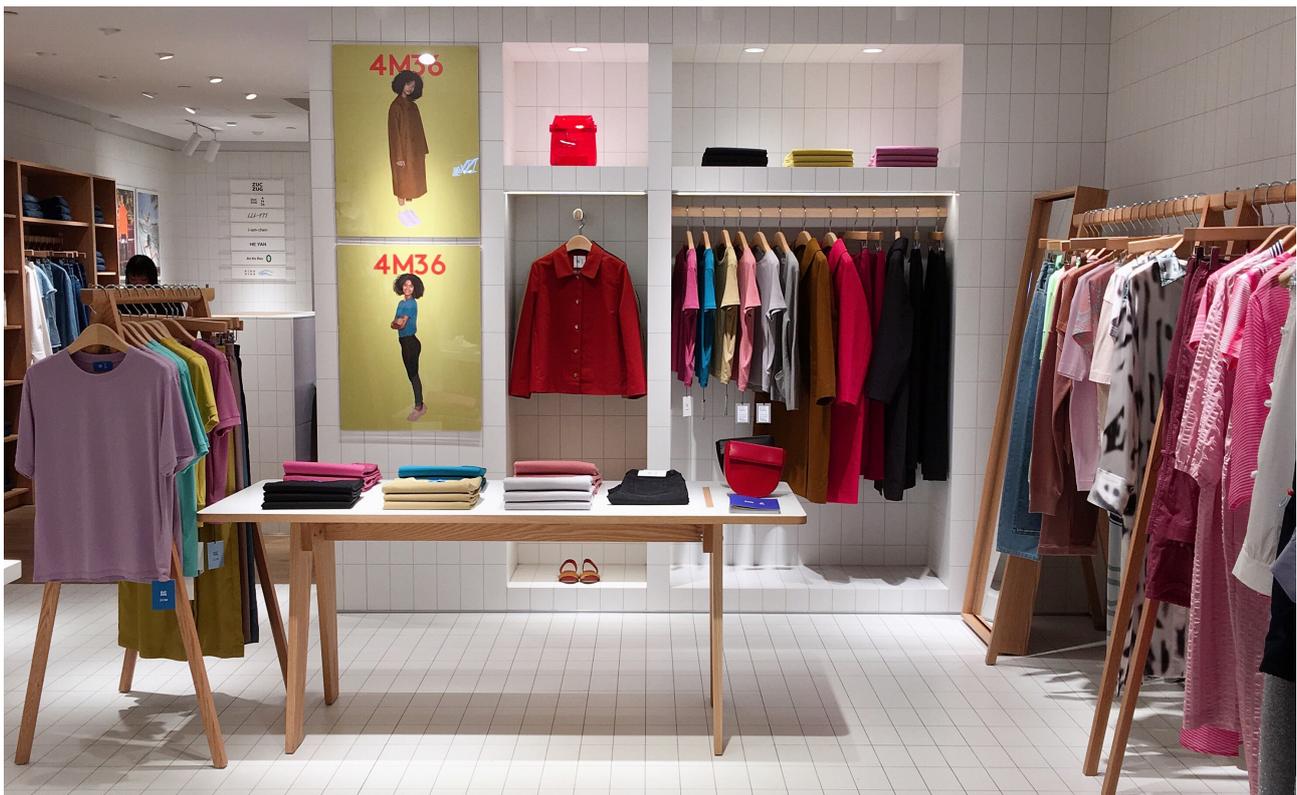
Kamil Chojnicki

Customer service department at Merkandi.com

Throwing away products, including clothes that are fully usable, is the real bane of our times. But companies often have little choice. This is forced upon them by rapid turnover on shelves and in warehouses and sales plans to fulfil. The alternative is to donate them free of charge to charities or display them on our website. Merkandi is currently used by 75,000 users, making us the number-one platform in the wholesale market for goods in liquidation, surplus and the effects of bailiff auctions. Because we have such a large reach, whole pallets of backlogged products can be sold quickly with us, which is always a much better solution than throwing them away.

Wholesale platforms are worth considering as the last stage of the sale - whenever unsold products or discontinued assortments remain in stock.

There are an increasing number of companies (e.g. fashion boutiques) specialising in sourcing goods on such platforms, which they can then sell.



Boutiques:

- gain from products no longer available in the mass market
- source goods at low cost.

Such a quick transaction pays off for both parties.

On the Merkandi platform, you can find products from well-known branded clothing manufacturers.

amazon

ZARA

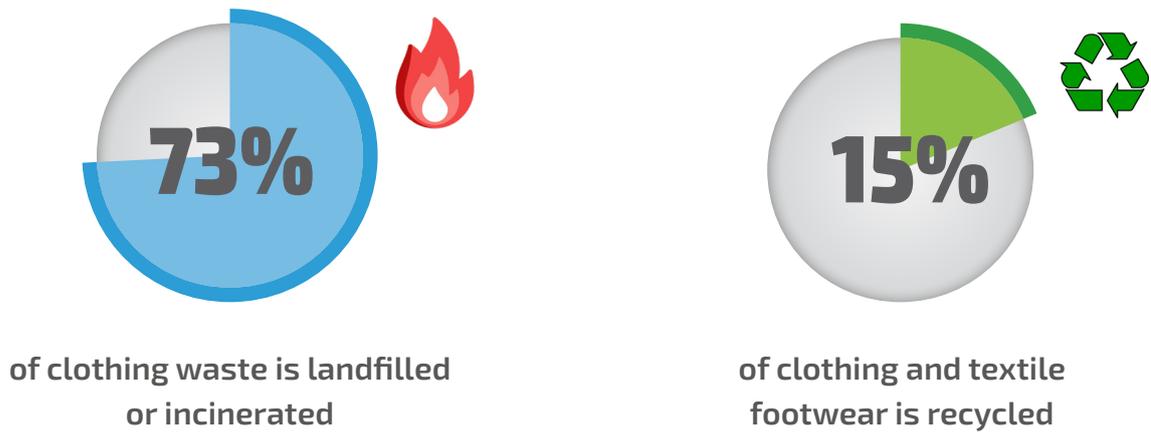
Bershka

PULL&BEAR

Stradivarius

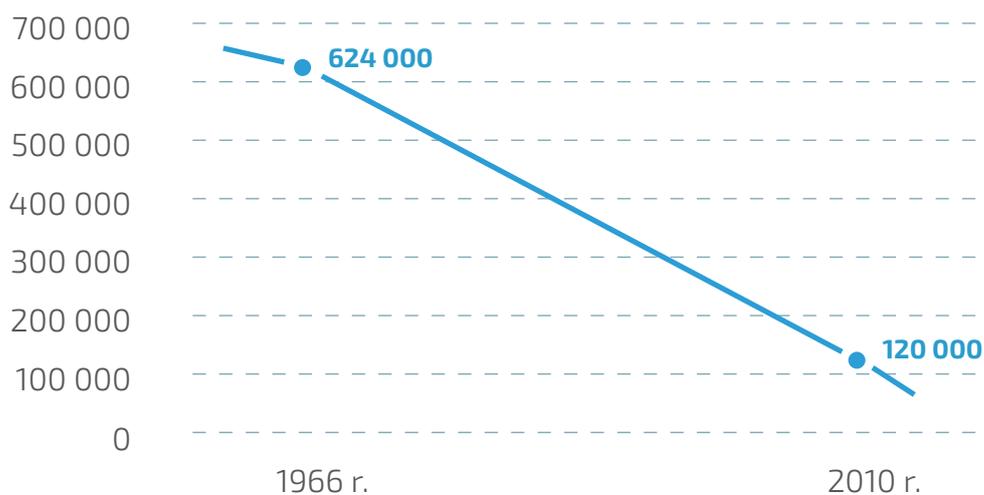
Report from a dying planet

Quite a lot of production goes to waste, and this is not indifferent to the planet



Moving production from one country to another will not make the problem go away at all. It could be even worse...

Employment levels of textile mills in the USA



A reduction of more than 80% in 44 years means that ... production from the United States has mainly moved to China.

Waste from the dye works is discharged directly into the rivers of Guandong province, and no city in this province of 95 million people has a sewage treatment plant. Everything flows into the Pacific Ocean. This is the cost to the entire planet!



The unsold ends of Chinese-made clothes are put to useful use. However, this is only the case if they return to the market in a second circuit, e.g. they are resold via online sales platforms.

It is worth remembering that the clothing industry is just one example. The same is done with electronics, furniture, toys, accessories, and kitchen utensils...

Meanwhile, all unused goods can be put up for re-sale via special online platforms.

The reason for throwing away unsold or discontinued stock is not only human extravagance. It is also the failure to adapt regulations to modern times. While the prohibition of food waste has become standard in many countries, the throwing away of non-food products is still a serious problem.

In France and Italy, it is possible to donate products to charities without paying taxes.

- L'Agence du Don en Nature (Agency for Donations) collects and redistributes unsold non-food products in France. Its employees welcome the announced law (to be introduced in the next 2-4 years) to ban the destruction of products suitable for further use. ADN's website offers clothes, toys, childcare items and white goods. The association ensures that it helps 850,000 people in need every year.
- In the Czech Republic, a law has been in force since January 2018, according to which retail chains with a sales area of more than 400 m² must donate safe food to charitable and non-profit organisations. There, bans on food waste are already common.
- The Spanish Federation of Food Banks - in 2016 alone - distributed 6,341 tonnes of unsold food, donated to it by the Carrefour supermarket chain. Lidl donates a similar amount of food to this federation.

Germany is just getting ready to change the rules.

- The head of the Green parliamentary club Katrin Göring-Eckardt is demanding that the German government ban the discarding of products from customer returns. Environment Minister (SPD) Svenja Schulze is calling for the introduction of a so-called duty of care to legally prevent the destruction of factory-new products.

The introduction of regulations against the destruction of brand-new products in Germany will lead to a surge in the popularity of online wholesaling, as well as the donation of end-of-series to NGOs.



Throwing away unsold or discontinued goods is a costly fad, the greatest price of which is paid by the planet. Growing heaps of rubbish adversely affect the Earth and have a negative impact on people. It is therefore worth changing attitudes and developing procedures for dealing with unsold products today.

Reselling via sales platforms will not only generate at least a minimum profit but will prove to be a helping hand extended to save the planet.

If you can improve the profitability of your business in this way and help the Earth at the same time, why not take advantage of it?