

# THE BRAND RESALE INDEX

Defining the Resale Experience

An annual benchmark of the industry's progress toward brand resale — in-depth performance assessments of 40 leading brand resale programs, agnostic of the resale platform provider, informing how to build your brand's resale program or elevate it to exceed your customers' expectations.



# Contents

Welcome	3
At-a-Glance Summary	4
How Was the Index Conducted?	5
Leaderboard	7
Marketing & Brand Positioning	10
What are customers expecting in a resale program and how are brands creating a seamless experience?	
Commerce Experience	13
What are customers expecting in a resale program and how are brands creating a seamless experience?	
Trade-In/Selling Experience	16
How are brands driving resale supply via trade-in and building customer loyalty?	
Business Model & Sustainability	19
The Future of Resale for Brands	20
Closing Thoughts	21



## Figures

Insight Sources	5
Program Definitions	6
Leaderboard by Industry Vertical	7
Leaderboard by Category	7
Best Practices by Industry	9
Best Practices: Marketing & Branding	12
Best Practices: Commerce Experience	15
Best Practices: Trade-In & Selling	17

# Welcome

Remember early Ecommerce 20 years ago?

Recommerce today is what Ecommerce was two decades ago: a more customer-centric retail model where customers satisfy their ever-increasing expectations for greater value, experience, and sustainability. This is why global Resale is \$100B today, growing 5X the rate of retail, and expected to represent 23% of all retail in 2030. And just like in the 2000s, brands have an unmatched opportunity to emerge as winners. Now, with 120+ brands with dedicated resale channels, it's no longer a matter of "if" but "how."

The 2023 Brand Resale Index is the first report of its kind, evaluating leading practice adoption across 40 brands in four industry verticals. The index is platform agnostic and intended for brand executives, sustainability practitioners, industry analysts, and journalists interested in a deeper understanding of how brands execute resale programs in order to educate and inspire a resale strategy or level up existing programs.

I founded Trove with the belief that this next era of commerce was inevitable--brands and retailers will get the full value from the items they design, produce, and sell, often across several owners. In doing so,

**“Brand leaders will play an outsized role in advancing our relationship with stuff, shifting society from the current “take-make-waste” model to a smarter, less resource intensive circular model. Brands will grow and profit without direct growth in new production.”**

they will reach new customers, drive loyalty with existing customers, and elevate their brand through deeper storytelling. We launched the first branded resale channel with Patagonia in 2017, and the brand-owned space has been growing.

Brands that lead this shift will benefit and play an outsized role in advancing our relationship with stuff—shifting society from the current “take-make-waste” model to a smarter, less resource-intensive circular model. Ultimately, brands will grow and profit without direct growth in new production.

Are you ready to capitalize on customer shifts toward resale? How will your brand show up and be among the pioneers powering the next era of commerce?




**Andy Ruben**

Trove Founder & Executive Chair

# At-a-Glance Summary

Resale is the fastest-growing segment of retail. The market for pre-owned goods was \$100B globally in 2022, growing at 5X the rate of overall commerce. Global resale will double to \$250B by 2027, making up 23% of retail sales<sup>1</sup>. All industry reports show resale is here to stay and continues to grow, but how does the industry benchmark its leading practice in branded resale drive the evolution of this new era of commerce?

## What is the index, and why was it created?

The Brand Resale Index is an essential tool for brand executives and sustainability practitioners looking for benchmarks to catalyze their company's resale journey — and for investors, industry analysts, journalists, and advisors looking to evaluate industry progress.

The index evaluates leading practice adoption and trends across 40 brands in four industry verticals: fashion/apparel, outdoor, footwear, and luxury. Brands were assessed against 147 criteria and scored in the following areas: brand positioning, commerce, and trade-in experiences, with a general consideration of the business model and impact potential of sustainability benefits.

Turning toward the future, we believe that three elements will guide the evolution of resale: scale, commerce integration, and ease of trade-in. While it remains early in the resale story, leaders are emerging. Brand executives who want to be ready to capitalize on customer shifts toward resale are moving... How will your brand own recommerce?

<sup>1</sup>Ellen MacArthur

## Key Index Findings

Resale remains a wide open invitation for luxury brands to tell their story

Brands exhibiting leading commerce practices are elevating their brand through resale storytelling

Leading resale programs weave pre-owned items and brand experience throughout commerce channels

Leading programs curate a seamless trade-in experience that values items and builds loyalty

Not all resale programs are good sustainability programs

## How was the index conducted?

This index evaluates leading practice adoption trends across **40 brands in four verticals**: fashion/apparel, outdoor, footwear, and luxury—agnostic to the resale platform provider. Brands were assessed against **147 criteria** and scored in the following categories: **brand positioning, commerce, and trade-in experiences**<sup>2</sup>, with consideration of how the resale business model potentially contributes to environmental sustainability benefits. Criteria were defined from the customer point of view, including policies, range of available items, ability to trade in/sell brand items, and brand positioning. Leading practices were measured and defined by cross-industry interviews.

### INSIGHT SOURCES

#### EXECUTIVE INTERVIEWS

- 6** interviews with resale platforms
- 12** interviews with brands and retailers
- 14** interviews with retail analysts/experts
- 6** interviews with sustainability experts

#### CONSUMER SURVEYS

General consumer surveys (**n-2,500**) fielded by First Insights including all resale platform providers noted in Fig 1.

#### MYSTERY SHOPPING

OSF Digital evaluated brand resale programs on 147 criteria across brand positioning (27), commerce (76), and trade-in experiences (44)<sup>2</sup>, with a general consideration of how the resale business model potentially contributes to environmental sustainability benefits.

#### THIRD-PARTY DATA

- Website traffic analysis fielded by Similar Web across the following:
- Overall brand website traffic
  - Normalized resale traffic by comparing the ratio of mainline to resale website traffic

<sup>2</sup>Mystery shopping was completed between late November and early December 2022 - Items were purchased and traded-in across both online and stores where possible.

## We have drawn insights across four categories:

### Marketing & Brand Positioning

Assesses brand positioning, customer communication, and overall awareness of resale offers.

### Commerce Experience

Evaluates the resale purchase experience against modern omnichannel retail expectations. This encompasses the customer journey through the customer funnel, from finding a pre-owned product, assessing/learning about items, comparing it to other products (or even competitive products), adding to cart, checking out, and post-purchase considerations.

### Trade-In & Selling Experience

Analyzes customers submitting products for resale, from learning the process to taking steps to submit product, transferring the product, and post-transaction. Alternatively, it includes selling the product directly to another customer through the brand's resale program.

### Business Model & Sustainability

Evaluates how the resale business model potentially contributes to environmental sustainability benefits.

## PROGRAM DEFINITIONS

	BRAND RESALE		MARKETPLACES	
<b>Model</b>				
<b>How it Works</b>	<p><b>Managed Brand-Owned</b></p> <p>Brands purchase items from customers, process them, then sell them directly to customers on a branded resale site.</p> <p>Resale platforms support brands with end-to-end solutions including trade-in, logistics, and commerce.</p>	<p><b>Peer-to-Peer Brand-Owned</b></p> <p>Brands enable customers to buy and sell items directly from each other on a branded resale site.</p> <p>Resale platforms support brands by offering seller/buyer tools for customers to list, purchase, and ship a brand product directly to another customer.</p>	<p><b>Managed Marketplaces</b></p> <p>People sell their items to the platform and the platform sells the items directly to its customer base.</p>	<p><b>Peer-to-Peer Marketplaces</b></p> <p>People sell to one another within a community platform.</p>
<b>Examples</b>	Coach, REI, Patagonia, lululemon, Dôen	M.M. La Fleur, Frye, Outerknown, Boyish, Steve Madden, Clare V.	TheRealReal, ThredUp	eBay, Poshmark, Depop, Vestiaire Collective
	<b>Included in Index</b>		<b>NOT Included in Index</b>	

*This Index is resale platform agnostic and focuses on brands and multi-brand retailers with Brand Resale programs. See the table above for distinctions between various resale models.*

# Leaderboard

## Resale remains a wide open invitation for luxury brands to tell their story

Luxury brands have wide-open opportunities to evolve their story through branded resale. Fabled luxury goods are the backbone of every luxury brand, yet secondary markets are attempting to tell their product stories. This brand accretive opportunity for luxury is a notable trend from the collected insight.

In contrast, the **Outdoor brands emerged as the most mature in the index**. Outdoor brands are well positioned for success in the resale space since there is a natural alignment between the resale mission and customer values, the durability of products, and higher-priced items.

Fashion/Apparel and Footwear have grown the most over the past year, with Footwear standing out for overcoming the open-box challenge for footwear brands.

Interestingly, **Fashion/Apparel has the highest representation across all categories with 23 brands but** ↴

### BRAND RESALE LEADERBOARD BY INDUSTRY VERTICAL

INDUSTRY	BRAND LEADER	TOTAL SCORE <sup>3</sup>
Overall	REI	72%
Outdoor	Arc'teryx	68%
Fashion/Apparel	Amour Vert	66%
Footwear	On	59%
Luxury	Philip Lim	53%

### BRAND RESALE LEADERBOARD BY CATEGORY

CATEGORY	BRAND LEADER	CATEGORY SCORE <sup>3</sup>
Brand Positioning	Patagonia	78%
Commerce	Coach	78%
Digital Trade/Sell	Frye	85%
Store Trade/Sell	Lululemon	69%



[Listen to our podcast](#) to hear more about the leaders and other takeaways.



<sup>3</sup>Category Score % reflects category vs overall cross-category. Total Score % is calculated by dividing the number of leading practices implemented/total applicable leading practices. Total applicable leading practices are relevant for each brand's resale program.

**falls short when meeting leading practices.** Resale program design is crucial for this industry vertical. Profitability is more difficult in the face of a wider price range of pre-owned items. The underlying economics is vital to scaling resale programs and meeting customer expectations.

## 2023 Overall Leader: REI

REI was this year’s overall leader, exhibiting 72% of leading practices across brand positioning, commerce, trade-in, and business model integration. REI has a long standing history of in-store ‘Garage Sales’ and took the Re/Supply program online in 2017. REI has since integrated the program into its co-op membership program as a core benefit and is a leader in omnichannel commerce and trade-in.

## 2023 Category Leaders

Arc’teryx (Outdoor), Amour Vert (Fashion/Apparel), On (Footwear) and Philip Lim (Luxury) were leaders in their respective industries, each scoring well across all assessment areas.

Arc’teryx’s **ReBird** program led the Outdoor industry and was the leading score on brand positioning ↴

## 2023 Brand Resale Overall Leader

**CASE STUDY**

### REI: Re/Supply

- » REI integrates Re/Supply into mainline communications, promoting trade-in and resale as a core benefit to membership, which has resulted in over 1 million items resold in 2021 **A**
- » REI gates both trade-in and commerce as a membership benefit leveraging resale as a way to drive new membership to the Co-op
- » REI allows members to trade in items digitally and in all stores, including larger items such as kids bikes, that are resold in stores **B**
- » REI allows members to shop pre-owned in stores and online, with highly integrated item content across new and used and two dedicated physical stores for used gear



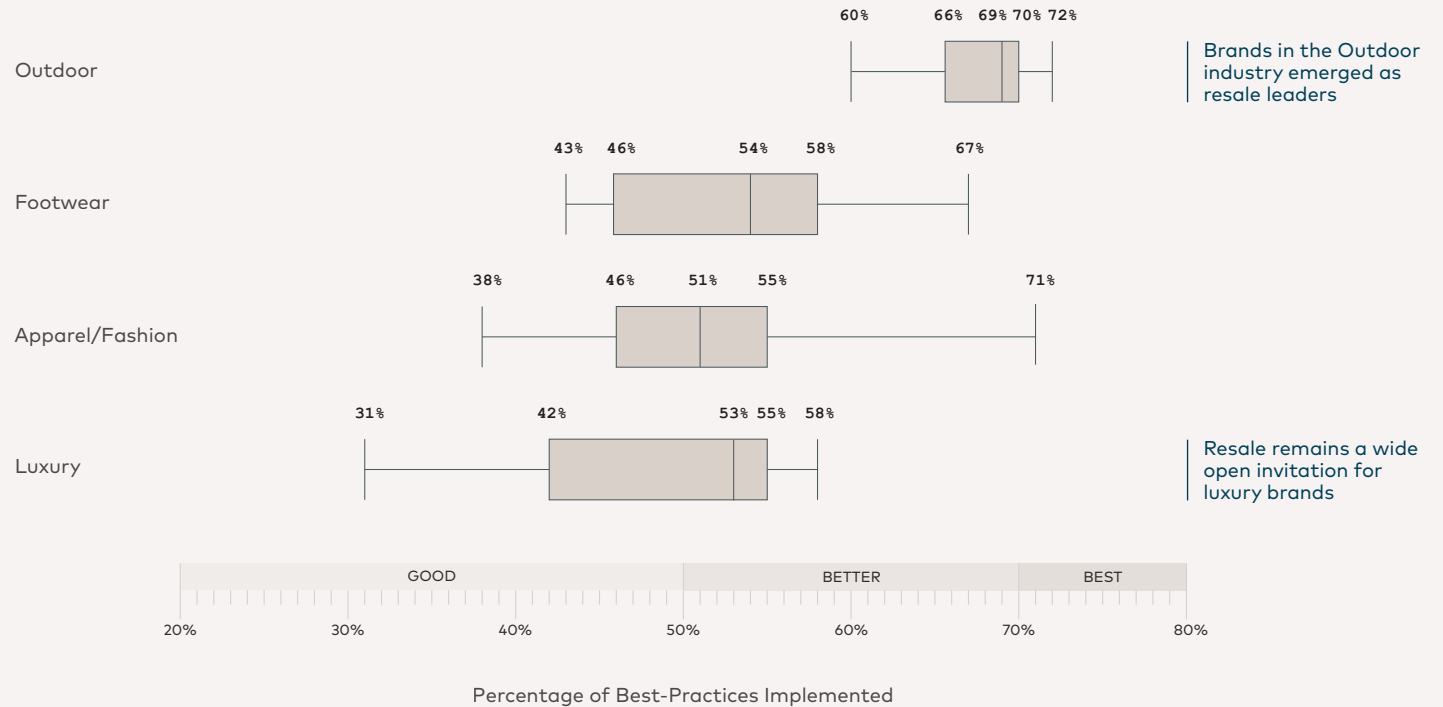
given its highly integrated customer marketing across online, social, and stores.

On's **Onward** led the Footwear industry with a well-designed and efficient commerce experience that consolidates size, color, and condition variants in an interactive and easy-to-use digital experience.

Amour Vert's **ReAmour** was the highest-scoring brand in the Fashion & Apparel industry, providing a highly integrated shopping experience with single-cart checkout and the ability to earn loyalty credit across new and pre-owned purchases.

Phillip Lim **3.1 Archive** scored highest in the Luxury industry celebrating the intrinsic value of their pre-owned pieces, which they bring to life across the digital commerce and selling experience.

## BRAND-IMPLEMENTED BEST PRACTICES BY INDUSTRY



## FINDINGS

# Marketing & Brand Positioning

In evaluating Marketing and Brand Positioning, criteria focused on the following:

**Awareness:** how well brands give visibility to the resale program

**Branding:** how consistent is the resale experience with the overall brand experience

**Acquisition:** how the brand leverages tools to build a customer base for resale

## Elevate your brand through resale storytelling

### Resale Branding

**63%** of companies created specific resale branding to communicate how the program supports and integrates with the brand mission and values.

**94%** include branding on the pre-owned order email notifications.

**51%** use resale branding on the packaging for used item purchase deliveries.

### Why it Matters

Branding a resale program is a powerful tool for creating a cohesive story where the resale program supports the mainline and vice versa. Consistent resale branding is essential for an optimized resale journey.

### Website Positioning

**79%** of brands include links to the resale site in the mainline menu navigation as a sign of brand integration. Still, only **28%** include pre-owned as a subcategory on

the mainline site - (e.g., Patagonia includes "Browsed Used" under Mens).

On the brand's website<sup>4</sup>, **50%** of brands promote pre-owned items through content such as guides, how-tos, blogs, etc.

On the brand's website, **50%** of brands include content about resale programs. However, only **34%** of brands include content about their resale program on their homepage.

### Why it Matters

By including links to resale in the brand's website navigation, website category navigation, and content opportunities, brands build awareness and make it easier for customers to find the resale channel. Additionally, including content about the resale program or products on the site helps bring awareness to the program and further integrates new and pre-owned shopping options.

<sup>4</sup>The brand's website refers to the main brand site. Often resale sites are located at a different website that is hosted by the resale platform

## Employee Awareness

**84%** of store associates are aware of the resale programs offered by the brand. However, the level of awareness and knowledge about the details of the programs varies greatly from brand to brand.

### Why it Matters

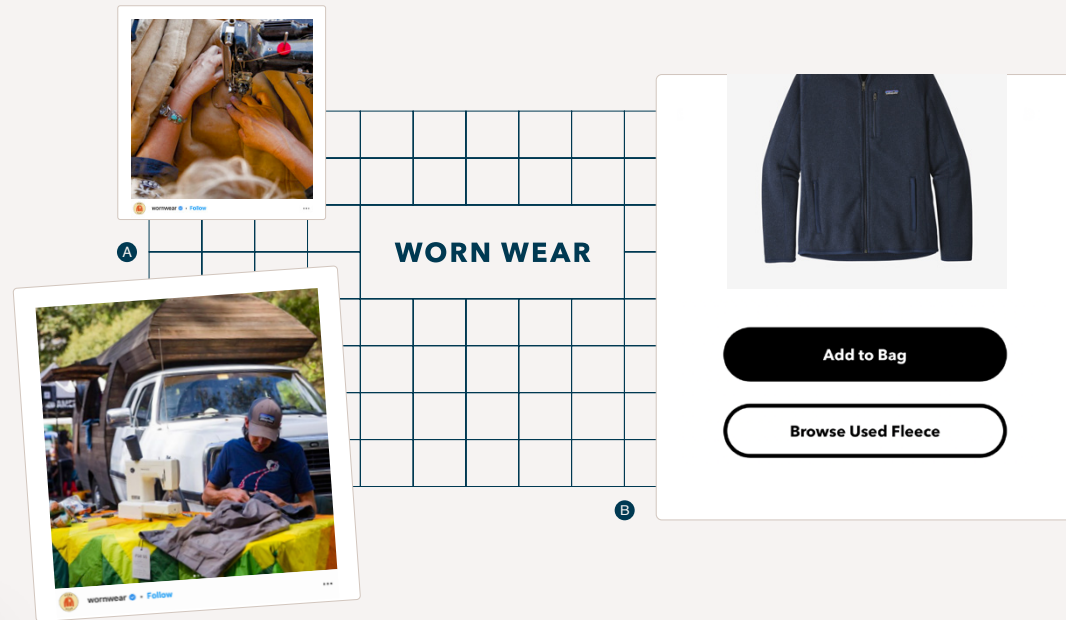
Employees can be essential ambassadors of a resale program, with opportunities to provide customers with information about resale programs, answer their questions, and help facilitate their participation in the program through trade-ins, selling, or purchases. If employees don't have adequate knowledge of the resale program, this represents a missed opportunity for the brand. Each customer touch point makes an impact.

## Marketing

Surprisingly, only **35%** of brands promote their resale program through social media platforms. Although most brands in the Index use social media channels to promote a new resale program launch, few consistently promote pre-owned products on their main social media channels.

Similarly, only **20%** of brands in the Index market their resale program ↴

## Category Leader | Marketing & Brand Positioning



### CASE STUDY

#### Patagonia: Worn Wear

- » Patagonia's Worn Wear program is directly positioned as part of the brand's mission to Save Our Home Planet
- » Patagonia promotes Worn Wear's brand positioning with its Better Than New and Scars Tell the Story tag lines
- » Patagonia leverages user-generated Worn Wear content through their social channels, focusing on broadcasting "The Stories We Wear" which features stories of Patagonia clothing submitted to Worn Wear by customers **A**
- » Patagonia promotes pre-owned item options within mainline product pages, as a proof point for their mission **B**

*Patagonia was the top in brand positioning of resale, adopting 78% of Marketing & Brand Positioning leading practices.*

through email, and even fewer (just **13%**) include a pop-up on the resale site for visitors to sign-up for email or similar.

**Why it Matters**

There is a significant opportunity to engage customers and drive traffic and sales through email. In addition, few brands fully leverage social media to promote resale, which could allow them to differentiate themselves, build community, and strengthen customer loyalty. Leaning in on social media is especially relevant when targeting younger consumer segments that have higher usage rates of social media and a high affinity for resale.

**Marketing & Brand Positioning Summary**

Marketing & Brand Positioning Leaders elevated their brand by positioning resale in ways relevant to their brand identity and customers. Performance varied widely across brands. Benchmarking showed that leading practices range from **13%-78%** to averaging **45%** across all brands in the Index.

**BRAND-IMPLEMENTED BEST PRACTICES: MARKETING & BRANDING**

**FOUNDATIONAL PRACTICES (A)**

Promoting resale on main navigation menu of website

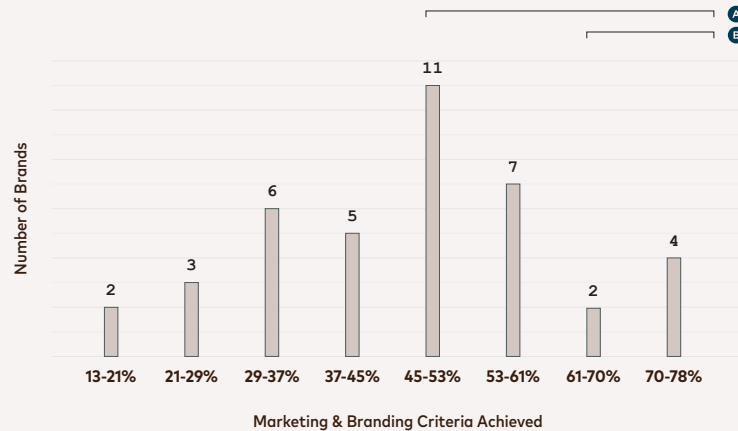
Creating storytelling with pre-owned items

Employee/company awareness of pre-owned programs

**EXCEPTIONAL PRACTICES (B)**

Collecting stories upon trade-in/selling

Integrating pre-owned into owned marketing channels (email, social, SMS)



**How to apply these learnings?**

1. Which customer segments Consider the ways your products are better over time (eg a summit backpack with stories of an epic climb, a leather handbag with a patina on the buckles). How can resale positioning emphasize these elements?
2. How can your brand and marketing teams elevate your brand by highlighting the full value of the products you sell beyond the initial sale?
3. How would your branding and marketing change if the initial sale was only the start to a relationship with your customers over the life of a product?
4. How would your resale program demonstrate related brand values, e.g. timeless design, durability, sustainability?

## FINDINGS

# Commerce Experience

In evaluating the customer experience of purchasing used items, criteria focused on the following:

**Discovery:** how easily can customers find items they are looking for

**Consideration/Comparison:** how easily can customers compare products and understand shopping policies

**Learn:** how well does product content support purchase decision

**Intent:** how easy it is to add product to cart and understand key purchase considerations like shipping cost and timing

**Purchase/Post Purchase:** how well are purchase and post-purchase experiences supported including payment and return options and overall order communication

## Leading resale programs weave pre-owned items and brand experience throughout commerce channels

### Discovery

While most brands have adopted baseline functionality on category and product listing pages such as faceted navigation and multiple sort options on the main sites, just **49%** of brands allow shoppers to filter by product condition (the quality of the item's condition, i.e. like new or used) on the category page, despite the product pages including the item's condition.

**68%** of brands display available sizes for each item on the category page.

Only **13%** of brands integrate new and used products in search results on the mainline site.

#### Why it Matters

The ability to navigate by the condition is a foundational element of resale e-commerce, because it elevates the shopping experience and reduces the friction of product fit. The inherent nature of resale comes with some inventory limitations, making it more challenging to mirror the shopping experiences that shoppers are used to on regular digital commerce sites.

### Consideration

Especially relevant and important for luxury and higher priced items, **57%** include brand and product authentication of trade-in or consignment products.

#### Why it Matters

This creates greater trust in the resale process and can help limit buyer hesitation, especially when the brand communicates to shoppers.

### Intent

Only **19%** enable mobile shoppers to view pre-owned products previously added to cart from the desktop.

#### Why It Matters

This is a white space of opportunity to integrate an omnichannel strategy in resale to reduce customer friction. Most shoppers move interchangeably between devices and expect the ability to view their selected products across devices.

## Purchase/Post-Purchase

**41%** of brands allow shoppers to purchase pre-owned products with the brand's gift card.

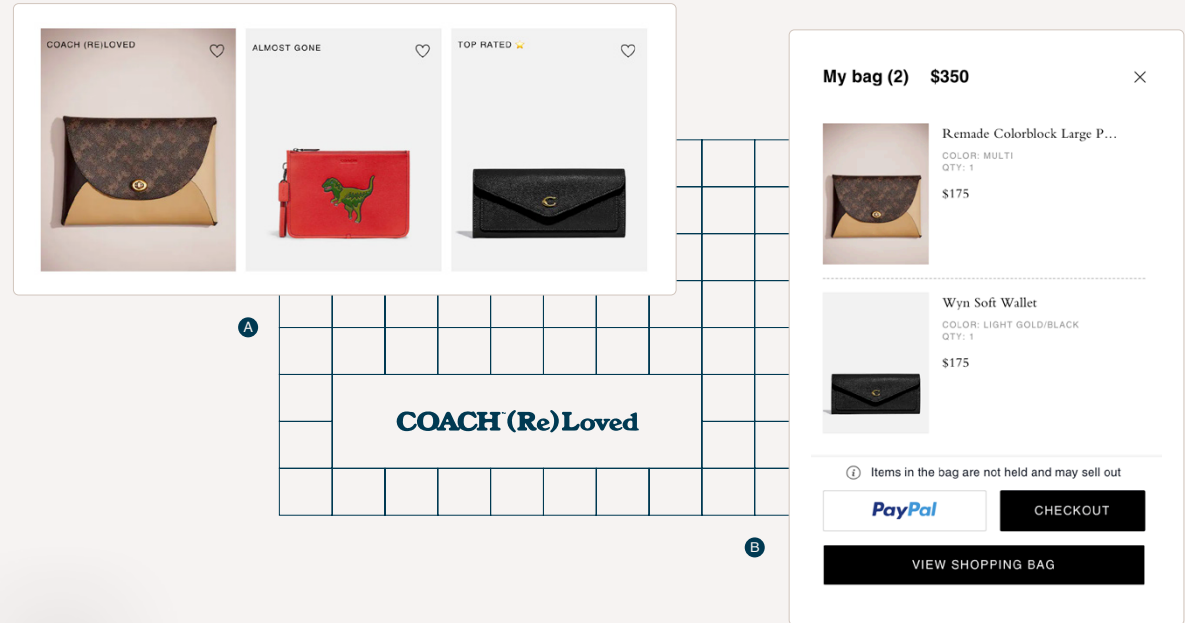
Few brands fully integrate new and pre-owned into one shopping experience, with only **25%** allowing customers to combine purchases of new and pre-owned in the same cart.

Only **61%** of brands allow returns of pre-owned item purchases, and **35%** allow pre-owned items purchased in one channel to be returned in another (e.g., pre-owned item purchased online and returned to store).

### Why It Matters

Forward-thinking brands are creating seamless experiences by integrating brand experiences across new and pre-owned customer touchpoints. Enabling customers to consider purchasing pre-owned products with gift cards grows resale while contributing to a modern omnichannel customer experience. These return limitations can increase the perceived risk of pre-owned purchases and pose significant barriers to shoppers converting.

## Category Leader | Commerce Experience



### CASE STUDY

#### Coach: (Re)Loved

- » Coach has a fully integrated commerce offering that provides customers with new and pre-owned product options in a seamless online experience, including the ability to combine purchases of new and pre-owned in the same cart **A**
- » Coach online storefront provides universal search across new and pre-owned products **B**
- » Coach provides consistent item content, payment options, policies across new and pre-owned items.
- » Coach promotes in stores with physical signage adding to the overall elevation of the brand story and offering.

*Coach was a leader in the commerce category, implementing 76% of commerce leading practices.*

# Commerce Experience Summary

Shopping experiences varied widely across brands, with leading practice implementation ranging from **25%-78%** to an average score of **44%**, suggesting ample opportunity to improve this journey as resale matures.

## BRAND-IMPLEMENTED BEST PRACTICES: COMMERCE EXPERIENCE

### FOUNDATIONAL PRACTICES (A)

Branded product naming and description for pre-owned items

Shop by condition grade

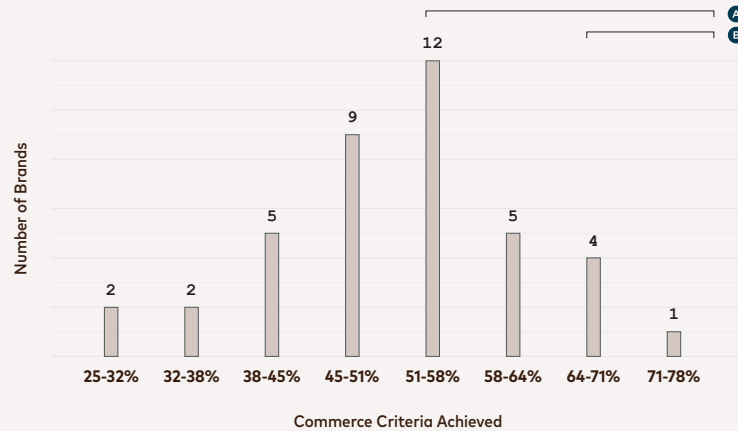
Return policy on pre-owned product page

### EXCEPTIONAL PRACTICES (B)

Integration of pre-owned on Mainline PDPs

Federated search across new and pre-owned

Single checkout for new and pre-owned



### How to apply these learnings?

1. Which customer segments would be most interested in pre-owned products? Where and how would you sell these items to best serve these segments?
2. How would you present pre-owned products to maximize the trust and experience?
3. How could you promote the unique elements of pre-owned products in the commerce experience (eg, scarcity, stories)?
4. What pre-owned items would be visible and in what channels to leverage your full omnichannel capabilities?
5. How can your resale program represent a significant part of your revenue, profit stream, and future growth? What operational capabilities must be in place?

## FINDINGS

## Trade-In & Selling Experience

In evaluating the customer experience for trade-in and selling, criteria focused on the following:

**Learn/Trust/Clarity:** how brands communicate the trade-in or selling processes, including specifics such as the value of the items and how to ship the items

**List:** how easy is it for sellers to understand what is eligible and how to complete the trade-in or selling process

**Sell/Earn:** payout flexibility (e.g., gift card for new and pre-owned, cash) and how well brands communicate compensation options and timing

## Leading programs curate a seamless trade-in experience that values items and builds loyalty

### Learn/Trust/Clarity:

**97%** of brands include an explanation of the key steps in the trade-in process at a high-level on their resale site and **14%** of brands clearly explain their trade-in or selling process through signage in their brick-and-mortar stores.

**55%** clearly state the timeframe it will take to process a trade-in.

**85%** offer trade-in by mail, enabling customers to trade in their products regardless of where they live.

**44%** allow customers to trade in their items in the brand's brick-and-mortar store.

**29%** of brands return unacceptable items to the customer trading them in by mail.

### Why It Matters

One of the largest challenges of the resale movement is unlocking the \$2.1 trillion<sup>5</sup> of idle branded items in customers' closets. Part of the solution is to make trade-in and

selling processes easy and valuable for customers. While the vast majority of brands include a trade-in explainer, there remains a significant opportunity to drive general trade-in awareness across the broader customer base. From a customer ease perspective, supporting in-store and mail-in trade-in options gives the greatest flexibility, but less than **50%** of brands exhibit implementation.

### List

**56%** of brands identify items excluded from trade-in and/or selling.

### Why It Matters

When a program does not standardize the exclusion of items for trade-in and/or selling the risk that non-eligible items during traded-in increases, which can lead to customer disappointment.

### Sell/Earn

**66%** of brands provide specific information about the expected value of trade-ins on the resale site. ↴

<sup>5</sup>Business of Fashion Future of Fashion Report



**72%** of brands clearly state how long it will take for compensation to be received for items traded in or sold.

**93%** of brands offer gift cards for trade-in or sales compensation.

**41%** allow gift cards to be redeemed on purchases of pre-owned items.

**Why It Matters**

Our consumer survey data found customers expect an elevated experience when engaging with brand-owned resale sites compared to marketplaces. Surprising and delighting customers with branded trade-in/listing experience is an opportunity for brands to build customer loyalty and win resale inventory.

**Trade-In & Selling Experience Summary**

Brand scores ranged from **30%-85%** in trade-in/selling. Trade-in or selling is a fairly new capability for brands. Hence we are highlighting two brand leaders for this space, Frye for leading digital trade-in and lululemon for leading brick-and-mortar store trade-in.

**BRAND-IMPLEMENTED BEST PRACTICES: TRADE-IN & SELLING**

**FOUNDATIONAL PRACTICES (A)**

Clear process of what happens, and when, in the trade in process

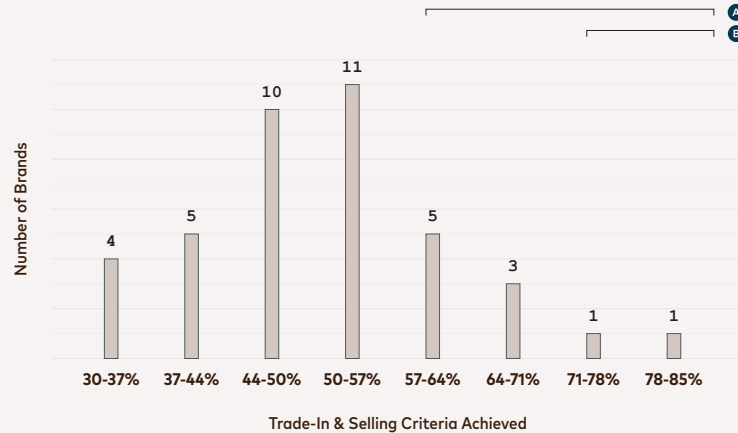
Specific guidance given on expected value to Trade in/Selling

**EXCEPTIONAL PRACTICES (B)**

Can use gift cards for new and pre-owned

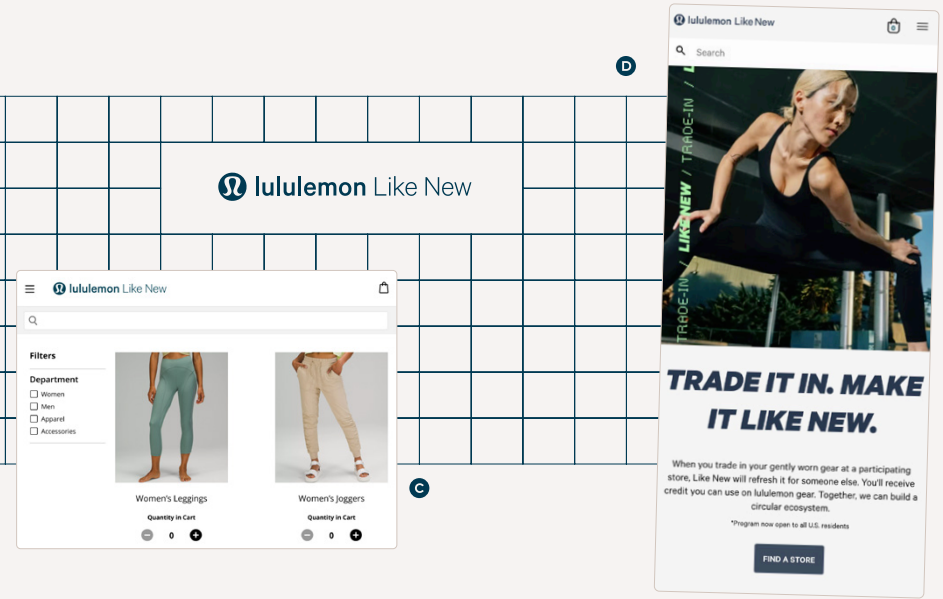
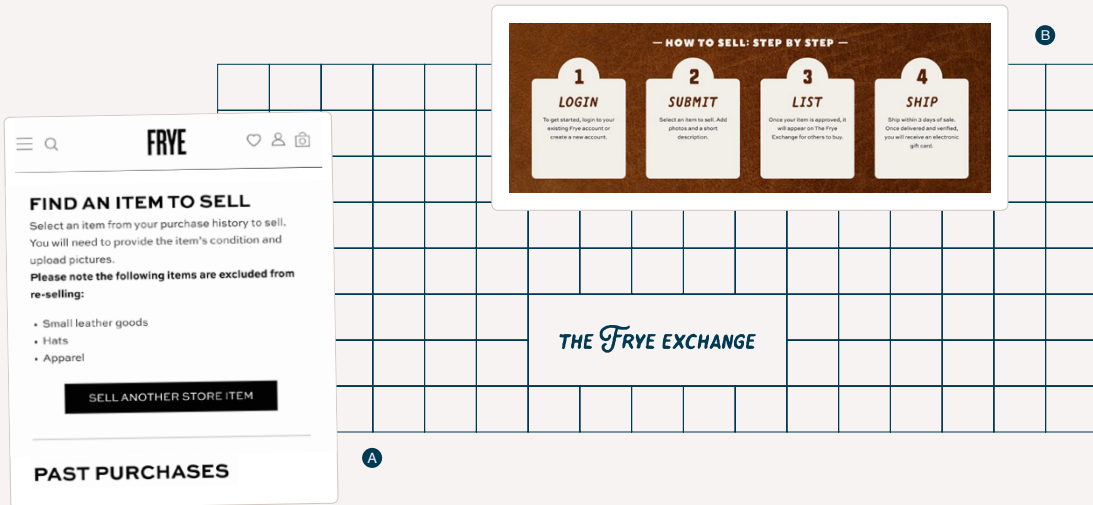
Ability to trade/sell cross channel (digital, drop off points/stores)

Ability to select from prior purchases for Trade In/Selling



**How to apply these learnings?**

1. How easy could you make it for a customer to get value from a product they no longer wanted?
2. How could you build this concept of value when you no longer want the items into the initial sale of the product?
3. What brand-specific incentives could you offer to distinguish your trade-in/listing process from other resale programs (e.g., special access, brand perks, brand experience)?



CASE STUDY

**FRYE: The Frye Exchange**

- » Frye offers a smooth online process for selling products, leveraging prior purchases and the online product catalog to make it easy for customers to find the item they want to sell and add product content **A**
- » Frye clearly defines the selling process, ensuring that users can sell efficiently with an understanding of what they can sell and what they can expect in terms of compensation **B**
- » Frye shoppers can get a good sense of the actual items they are purchasing as the brand enables sellers to upload photos as well as provide specific details or stories about the item they are selling
- » Frye compensates with gift cards that can be redeemed for mainline or pre-owned Frye Exchange purchases

*lululemon's Like New program focuses their trade-in program on brick-and-mortar store interactions, a capability adopted by 44% of all brands benchmarked.*

CASE STUDY

**lululemon: Like New**

- » lululemon's employees leverage technology, taking only minutes to process multiple pre-owned items **C**
- » Employees are well educated about the program and are excited to discuss it with customers
- » lululemon's Like New trade-in retail store experience makes trade-in an easy option, particularly given the brand's retail footprint, and gives customers another reason to visit **D**
- » Customers receive immediate credit and can be redeemed same day

*The leader in the Customer Experience: Trade-in/Selling was the Frye Company's "The Frye Exchange" with an adoption of 85% of leading practices.*

# Sustainable Business Model Design

## Not all resale programs are good sustainability programs

The sustainability benefit of a resale program is a brand's ability to disconnect revenue generation from new production, which represents 70-80% of a product's CO<sub>2</sub>e footprint<sup>6</sup>. Simply put, in more sustainable models, brands<sup>7</sup> derive revenue from existing products by selling them multiple times instead of making new products that carry the majority of environmental costs.

If a resale program is truly circular, a brand can scale the program to build a profitable business by selling pre-owned items without over relying on customer incentives to purchase new products, thus canceling out the circular benefit.



The current landscape of resale programs shows a prevalence of misaligned incentives that don't allow a shift in revenue from selling new products to revenue from selling and servicing existing products across multiple owners.

Resale is not inherently sustainable. Rather, it is highly dependent on how the business model is set up to shift revenues away from new production, but determining the degree of sustainability of a resale program is complex. It requires measuring the environmental impacts of putting an item back in use (transportation, cleaning, etc.), quantifying the percentage of time a purchase of a pre-owned item displaces the purchase of a new item, and determination of whether purchases of pre-owned items are incurring additional purchases due to lower price points.

All 40 brands in the Index touted sustainability as a customer benefit associated with their

resale programs. Growth of Branded Resale is an essential part of addressing the environmental crisis given the rampant growth in global production. However, it's essential for brand executives and sustainability practitioners to make sure resale business models are underpinning their programs with the shift to more circular revenue models discussed above.

## Resale Sustainability: Takeaways

The clearest way to know if a brand resale program is truly circular is if the program has the potential to shift from new product revenue (revenue from selling new items) to existing product revenue (revenue from selling or servicing existing items over a longer product life).

Brand resale programs based primarily on new product purchase incentives are a risk for brands that want to tout sustainable claims. These programs likely amount to marketing programs.

### How to apply these learnings?

1. Does your resale program allow you to build a profitable business around selling an item multiple times or is it limited to driving customer engagement (marketing)?
2. At scale, is your resale program structured to replace revenue from new items with revenue from existing items?
3. Can you track the CO<sub>2</sub> emissions produced from the resale operations?
4. Are you able to track all items being traded-in/listed with customer incentives and measure the portion resold?
5. If you incentivize with gift cards, can they be redeemed for new and pre-owned items?
6. Is your resale program included as a part of your brand's strategy for reducing your carbon footprint?

<sup>6</sup> Mckinsey

<sup>7</sup> Business model data was sourced from interviews

# The Future of Resale for Brands

## Resale leaders are emerging...how will your brand fare?

It's early in the development of branded resale. Three elements guide the branded resale evolution: scale, commerce integration, and ease of trade-in/selling.

While there are 120+ brands now in the resale space, overall awareness remains low, and in many cases, so does inventory. In the coming years, we expect brands to start making more customers aware of trade-in/selling options. The highest return on investment areas are integrating existing communications, emails, store signage, and social media. Brands that decide to scale resale will likely start involving their operations to process returns and trade-in items. Without this scale, these programs will make good press but will have minimal benefit to the business.

Integration with Shopify has allowed rapid integration of pre-owned items into mainline storefronts

and even some shared carts and federated search. We expect to see an acceleration of these integrated leading practices making it as easy to shop for pre-owned items as for new items. Additionally, we hope to see more integration points as brands play to the unique benefits of their pre-owned items. This may include highlighting those items alongside new items, such as Patagonia and Peak Design, on their product detail pages.

**“We expect luxury to emerge as a category leader in a wide open landscape.”**

Brands have a strong incentive to be the default place customers go when they no longer have use for an item and engage in proactive brand communications about previously purchased items. We expect more brands to begin allowing customers to shop online and trade-in at convenient locations and stores.

Finally, we expect luxury to emerge as category leaders from what we see today as a wide open landscape. Pre-owned luxury will look different than outdoor, fashion, and footwear, with deeper storytelling around brand heritage. Only a luxury brand can do this, and it's only a matter of time before they seize the opportunity.

While it remains early in the resale story, leaders are emerging. Brand executives who want to be ready to capitalize on customer shifts toward resale are moving. As with any retail innovation, the most crucial decision is to begin exploring so that as the shift accelerates, brands are ready.

# Let's Keep the Conversation Going

The Brand Resale Index is resale platform provider agnostic and is an initial report that did not cover the full extent of all resale programs due to the study's timing. Leading practices of an industry must be created and challenged to lift the industry as a whole to meet sustainability needs. We welcome your input and feedback so we can continue to evolve this industry like ecommerce back in 2009.

Please consider this an open invitation to debate points and criteria, so the index becomes more accurate and useful over time.

Thank you for participating in this critical change in how we shop.

To provide feedback or follow-up questions, please contact Andy Ruben, Founder and Executive Chair of Trove: [andy@trove.com](mailto:andy@trove.com)

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## Acknowledgements

This report was a combined effort between [Trove](#) and [OSF Digital's](#) strategy division, which helps brands on their end-to-end digital transformation journey, with support from [Anthesis](#), the global sustainability services and solutions provider. Reach out to [insights@osf.digital](mailto:insights@osf.digital) to learn more. OSF Digital has published similar index reports for more than ten years, including the Omnichannel Retail Index and Grocery Omnichannel Retail Index. Anthesis has deep expertise in guiding clients through the development and implementation of circular business models, including brand-owned resale.

Trove sponsored the Branded Resale Index given the need in the industry but remained independent of data gathering and analysis. Trove's role was limited to Subject Matter Expertise and providing context for OSF Digital's benchmarking criteria and insights.

Thank you to those who participated in this work. A huge thank you for being a part of what we expect will accelerate the branded resale space.

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## About Trove

Trove is the market leader in branded resale and trade-in for world-class brands and retailers such as Canada Goose, lululemon, Patagonia, REI, Levi's, Arc'teryx, Allbirds, and more. Through its proprietary Recommerce Operating System, Trove is accelerating the shift toward more sustainable business models, foundational for circularity. Over the last decade, Trove has equipped leading brands with technology and operations to create and scale branded resale programs by enabling customer trade-in of items, single-SKU identification and condition grading, site build and maintenance, and customer data collection, analytics and reporting. A Certified B Corporation, Trove is pioneering a new era of retail essential to a more sustainable future. To learn more, visit [Trove.com](https://Trove.com).

## About OSF Digital

OSF Digital is a global commerce and digital transformation leader with expertise in connecting technology and strategy to drive business goals. With expert status in B2C and B2B commerce and several Salesforce awards for multi-cloud innovation, OSF Digital seamlessly guides enterprises through their entire digital transformation journey. With customers in various industries around the globe, OSF Digital provides personal attention and the highest level of connection with a local presence throughout North America, Latin America, APAC, and EMEA. For more information about OSF Digital, visit: [osf.digital](https://osf.digital)

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