

Outdoor gear retailers Dick's, Patagonia, and REI eye massive opportunities in resale

Article

The news: Outdoor apparel and gear retailers are pushing deeper into the resale market.

- **Dick's Sporting Goods** and its **Public Lands** brand launched an in-store buyback program for outdoor items in a handful of markets.
- **REI** is expanding its Re/Supply trade-in program to all of its 174 retail stores by mid-year. The program launched last year and is also available online.
- **Lululemon athletica** recently expanded its [Like New trade-in and resale program](#) nationwide.
- Those efforts are in line with brands like **Patagonia** that already have programs in place to allow customers to trade in items at any of their stores or via the mail.

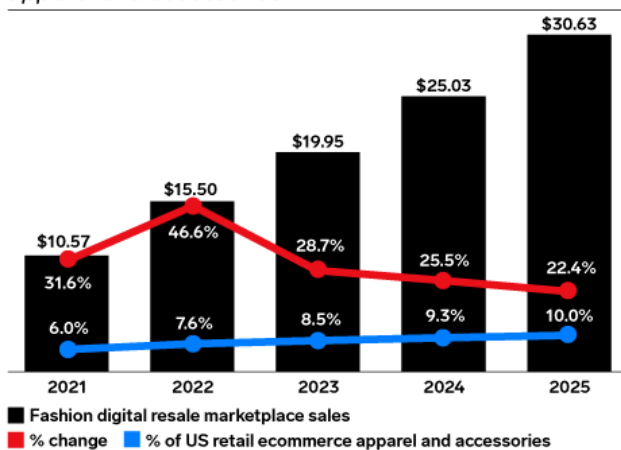
More on this: Outdoor gear retailers see the massive opportunity afforded by consumers' growing interest in pre-owned items.

- By expanding its inventory of pre-owned items, REI expects to boost its already strong sales in the channel. The retailer's pre-owned sales grew **86%** in 2021.

We expect sales on online fashion resale platforms will represent **10.0%** of all US ecommerce apparel and accessories sales by the end of 2025.

US Fashion Digital Resale Marketplace Sales, 2021-2025

billions, % change, and % of US retail ecommerce apparel and accessories



Note: represents sales that occur on a digital platform dedicated to the sale of secondhand clothing, accessories, and footwear; sales formats vary by platform and include peer-to-peer, consignment, or direct sales; examples include Depop, Poshmark, StockX, The RealReal, and thredUP; includes purchases made on retailer-run or brand-run platforms established solely for the sale of secondhand apparel (e.g., Eileen Fisher's Renew, Lululemon's Like New, Urban Outfitters' Nuuly Thrift); excludes purchases via social media (e.g., Facebook Marketplace, Instagram), Craigslist, eBay, or at physical retail locations, such as consignment, donation, or thrift stores

Source: eMarketer, Oct 2021

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eMarketer | InsiderIntelligence.com

Building the market: The growing number of retailers entering the space will build awareness and interest in secondhand goods.

- More retailers accepting trade-ins should expand the selection of available secondhand items, which will attract more consumers to resale.
- Resale programs create a **flywheel effect**, as buyers become sellers and vice versa. For example, **Poshmark** and **thredUP** have both reported that nearly half of their sellers are also buyers.

Staying on brand: Sustainability is at the heart of the brand positioning for outdoor names such as Patagonia, **The North Face**, and REI.

- That puts greater importance on ensuring their efforts are authentic. Patagonia and The North Face were among the top-ranked brands in Kearney's Circular Fashion Index, which measures a brand's efforts to extend the life cycle of a product on both the primary and secondary markets.
- REI is also expanding the lifespan of products via gear rentals. Nearly 100,000 customers rented gear at REI last year, the retailer said.

The big takeaway: The timing is right for outdoor gear brands to make significant moves into resale.

- Supply chain challenges are making new products harder to find and more expensive.
- At the same time, the discretionary incomes of Gen Z and younger millennials—the two demographic groups most interested in, and committed to, sustainability—is on the rise.
- If retailers can deliver a strong customer experience—both on the trade-in and purchase ends of the transaction—they could create a significant channel that could drive long-term growth.