

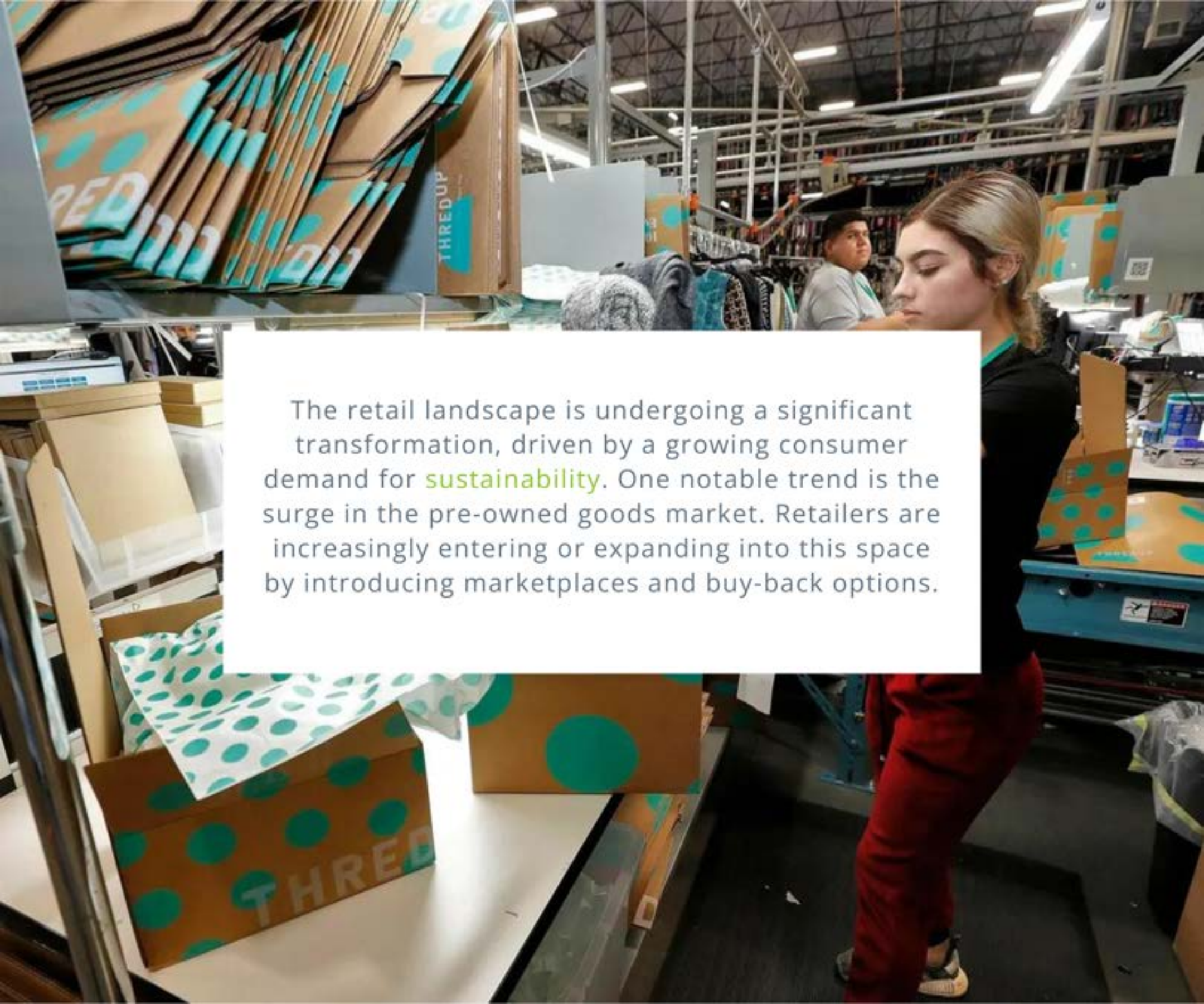


Sustainable Retail

THE RISE OF RESALE AND RENTAL MODELS

SWIPE TO READ

DATA SCAN

A woman with blonde hair, wearing a black long-sleeved shirt and red pants, is working in a warehouse or factory setting. She is looking down at a cardboard box on a conveyor belt. The boxes are brown with teal polka dots and the word "THREDUP" printed on them. In the background, another worker is visible, and there are racks of clothing and more boxes. The scene is brightly lit with overhead industrial lights.

The retail landscape is undergoing a significant transformation, driven by a growing consumer demand for **sustainability**. One notable trend is the surge in the pre-owned goods market. Retailers are increasingly entering or expanding into this space by introducing marketplaces and buy-back options.



WHAT IS CAUSING THE SHIFT?

This shift is primarily fueled by the purchasing habits of millennials and Gen Z consumers. These generations are not only more conscious of their environmental impact but are also navigating the rising costs of first-hand goods. As a result, they prefer sustainable buying options, including pre-owned products.



80%

Of Americans consider sustainability when making purchasing decisions. -Forbes

25%

Global Greenhouse Gas Emissions is due to retail supply chain
-Deloitte

32%

Market share growth for sustainable products
- Business Standard

17.3%

Market share is held by sustainable products
- NYU

2.7X

Faster growth than non-sustainable products
- USCCG

77%

Consumers believe retailers are responsible for sustainability
-Mintel



FUTURE RETAIL MODEL

How do we achieve it?

We are witnessing a future retail model that seamlessly combines mainline, outlet, and resale channels. This comprehensive approach allows brands to meet the increasing demands for sustainability while also maintaining control over their resale channels. By doing so, companies can enhance their profits and reduce reliance on traditional production channels.

A leading example of this trend is **Lululemon**, which has introduced its own marketplace for slightly used products. This initiative not only caters to environmentally conscious consumers but also supports the company's sustainability goals and profit margins.

In addition to resale, rental models are gaining traction as a way to promote sustainability in fashion. Companies like **Rent the Runway**, **Nuuly**, and **Fashion Pass** offer customers the opportunity to maintain a varied wardrobe at an affordable price. Customers can rent clothes, enjoy them, and return them, with the option to purchase items they love.

This rental approach has become a popular way to shop for wardrobe staples, especially in an inflated economy. Moreover, these companies are extending their sustainability efforts by selling worn rentals at discounted rates through stores like Anthropologie, rather than sending them to landfills. This practice ensures sustainability at every level, from production to end-of-life for the garments.

Sustainability

AT EVERY LEVEL






INVENTORY MANAGEMENT

However, with all these moving parts—shipments coming and going, damages, customer purchases, and laundering clothes—there is a heightened risk of inventory inaccuracies. These can leave customers feeling that their subscription is more hassle than it is worth. So, how can these new sustainable business models thrive? By adopting regimented inventory management practices.



A person wearing a white hard hat and dark pants is walking away from the camera down a long aisle in a warehouse. The aisle is lined with tall metal shelving units filled with boxes. The scene is overlaid with futuristic, semi-transparent digital graphics in shades of blue and green. On the left, there are circular progress indicators with numbers like '81' and '100%', and some text like '0%' and '70%'. On the right, there are vertical data bars and more text. The floor has a grid of small blue dots. In the background, a large blue letter 'E' is visible on a wall. The overall atmosphere is one of a modern, high-tech industrial environment.

One effective solution is the use of **RFID technology**. RFID limits human error and reduces the time needed to scan items back into inventory, ensuring that inventory numbers remain accurate and up-to-date. This not only streamlines operations but also enhances the customer experience by providing reliable service.

SUBJECT MATTER EXPERTS

Datascan, a systems integrator, can support your business through the entire RFID integration process. From initial consultation to implementation and ongoing support, Datascan's expertise ensures a smooth transition to this advanced inventory management system. By leveraging Datascan's **comprehensive RFID solutions**, retailers can maintain accurate inventory levels, reduce losses, and improve overall operational efficiency.





DATASCAN

PARTNER WITH US

As consumers become more demanding regarding sustainability, it's logical for brands to take control of their own resale and rental channels. This strategy not only aligns with consumer values but also contributes to a more sustainable and **profitable retail future**. With RFID technology and Datascan's support, retailers can confidently navigate this new era of sustainable business practices.

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