Hennepin County’s Choose to Reuse program
Hennepin County Environment and Energy, Kristin Pierskalla
Choose to Reuse for 17 years

• The main focus was to encourage consumers to choose reuse options first rather than buying new thru coupons.

• When it began it was a fresh and different way to approach waste reduction. It offered, and still offers, a reuse business directory and more recently a website with events and ideas to help residents reduce their environmental impact.
Looking for a new feel

• Coupon consumption dwindling
  • Had strong support from reuse retail community, but coupons weren’t bringing in the results everyone had hoped for in previous couple of years

• Reuse retail community had expressed need and desire for assistance and continued engagement in meetings Hennepin County held in 2015 and 2018

• Staff decided it was time to reinvigorate the program to keep the program fresh and relevant for consumers and retailers
Asked for Proposals

- Conduct Market Research
  - Focus groups, questionnaires
  - Discussions with handful of reuse retailers
- Develop Marketing Strategy
  - Original plan was for a 5-year marketing objective
Hired a marketing firm

• Conducted:
  • Research (Reuse Industry, Hennepin County Retailers, and Consumers)
  • Situation Assessment of Current Program
  • Develop Strategy & Planning of New Program*

• Later found we needed a more short-term objective with two separate focuses: retailer engagement and a marketing campaign to residents
  • Hired experts in retail marketing and digital marketing
  • Marketing firm team will help Hennepin County set up first campaigns, and train HC staff to do future work
  • We are still working on the details of both the retailer engagement and a marketing campaign
Industry Research
Research Objectives

• Conduct research of current secondhand industry

• Develop a comprehensive knowledge of the resale market and sustainability efforts in consumer product goods

• Become familiar with the larger conversation, trends and initiatives for resale
Market Size

- The secondhand market in the U.S. has an estimated annual revenue of $40B.

- The number of resale retailers in the U.S. has grown 7% in the past two years.

- Apparel is the largest category within the secondhand sector, estimated at $24B.

- ThredUP believes the apparel market will double in 5 years.

Secondhand Apparel Market Growth

[Graph showing the growth of the secondhand apparel market from 2012 to 2023, with estimates for resale, thrift & donations, and total secondhand apparel market.]

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Increasing Interest from Consumers

- Shopping secondhand is becoming more accepted, culturally.
  - 64% of women bought or are now willing to buy secondhand, up from 45% in 2016.
Millennials and Gen Z are shopping secondhand.

For Millennials, sustainability is a top priority for the brands they support, though they are currently the most wasteful generation.
Why is this industry growing?

• Increase in conscious consumption
  • 72% of consumers prefer to buy from environmentally friendly brands, up from 57% in 2013
  • Buying secondhand is becoming more socially accepted
  • Secondhand, subscription & rental are the Top 3 fastest growing retail categories, fast fashion on decline

• New sense of ownership
  • Consumers are becoming aware of the environmental impact

• Marie Kondo Affect

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Why is this industry growing? continued

• Digital disruptors
  • Recommerce retailers – thredUP, Poshmark
    • First time customers at thredUP are also first time resale shoppers
  • Online marketplaces – Amazon, Ebay, Facebook Marketplace
    • Remove the ‘middleman’ from the equation

• Social Shopping
  • Instagram, Facebook
    • Users can tap on a tagged product and be taken to a description page where they will see the item, description, price and direct link to purchase
Industry Research Takeaways

• The secondhand industry is growing and evolving at a rapid rate
• Peer to peer marketplaces, online secondhand retailers and branded retailers looking to get in the game are creating more options for consumers to buy which creates more threats to long-time secondhand stores
• Consumers interest in secondhand is escalating with more reasons to buy than ever before – affordability, constant variety and sustainability.
• Millennials and Gen Z-ers are more likely to shop secondhand which means that retailers need strong physical and online experiences to cater to their shopping habits
Hennepin County Retailer Research
Research Objectives

• Survey reuse retailers in Hennepin County to understand the health of their business, capabilities and needs

• Execute retailer audit of local stores

• Meet with local leaders in the secondhand industry
Reuse Retail in Hennepin County

• Retail community is very strong. Strong mix of retailers in terms of size, type and category.

• Secondhand community in Hennepin County is very tight.
  • Retailers want to work together to grow their businesses and increase the overall participation in resale and reuse. They typically don’t view each other as competition
  • Retailers are looking for connective tissue between each other and the consumer.
Reuse Retail in Hennepin County

• Competition has increased for local retailers. The introduction of recommerce retailers, online marketplaces and individual curators has hurt some businesses.

• Organic walking traffic can be a challenge. Retailers need to activate new initiatives to drive traffic to stores.

• There is great grassroots activity in the community to educate consumers and change shopping behaviors, but the activity is fragmented.
Hennepin County Retailer Takeaways

• Local retailers and business owners are ready to be part of a program that connects their efforts to each other and supports their missions of reuse and resale.

• Digital disruptors are having a profound impact on the local secondhand market.
  • There is ample opportunity for awareness and growth for retailers that engage with customers online. It will be hard to compete in the future without online engagement.

• Consumers and business owners still need resources when it comes to recycling and donation.
Hennepin County Consumer Research
Research Objectives

• Identify barriers of buying used goods

• Evaluate the degree to which there is a perceived link between buying used goods and reducing waste.

• Gauge interest in increasing the amount of used goods people shop for and their interest in decreasing the amount of waste they create
Reducing Waste is Important to Residents

• Residents want to reduce the amount of waste they produce and are interested in programs that can help them do that.
  • Residents are not comfortable that they know how they can reduce waste
  • They want to be told what steps to take to reduce waste
  • They are willing to sign up for a program that is designed for behavior change
Waste Reduction Defined by Residents

- Recycling
- Using Reusable Bags or Mug/Bottle
- Composting
- Donating Items

_They are not connecting reusing or buying used as waste reduction_
Buying Used Goods is Polarizing

- Those who do it, enjoy the hunt, saving money and finding unique/brand name items.

- Those that don’t buy used, have strong negative impressions.
  - Store smells weird and are a little dumpy, hard to wear used clothes, or use used furniture, want the latest styles, not well merchandised, etc.
Consumer Research Takeaways

• Consumers are interested in increasing purchases of used goods.
  • Those who don’t currently buy used say they would increase if they were convinced it would help reduce waste, combined with the benefit of saving money.
  • There are new players in the reuse industry that grab the attention of those who typically don’t by used goods.
What Hennepin County Needs to Do

• Build a stronger link between buying used and reducing waste through a powerful story, education, and tools. Then promote it.

• Help and leverage retailers. Provide turnkey “tools’ that allow them to amplify our message and also offer ideas/ways to support and improve their offering.
Two plan approach

• Work with Hennepin County reuse retailers
  • Key player in waste management in Hennepin County keeping usable goods out of the waste stream
  • Many are small, family-owned businesses that have a passion for reuse and helping the environment

• Work with Hennepin County residents
  • We learned residents want to do their part to reduce their waste
  • Need to connect reuse with environmental benefits
Retailer Engagement

• Working on a strategy that includes training, tools and ongoing support for retailers across the following pillars:

  1. Business Strategy + Planning
  2. Product + Merchandising
  3. Marketing + Branding
  4. Digital Presence + Engagement
  5. In-store Experience
  6. Customer Engagement + Loyalty

• First Meetings with a ‘beta’ set of retailers occurring now
Join the Circle

• Reworking Choose to Reuse web site
  • Hub of activity
  • Using Gov Delivery as tool to continue to reach out to interested residents

• Fall Promotion – Small Business Saturday
  • Paid and owned media
  • Retailer participation with ‘beta’ group of retailers

• Marketing Calendar – part of tools for retailers

• Continued promotions - TBD
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