

Designed for a Lifetime – or Two

TROVE



How Arc'teryx added recommerce for environmental and financial returns

This case study highlights how Trove helps Arc'teryx:

- ✓ Co-generate environmental positive impact & financial returns
- ✓ Acquire new customers
- ✓ Retain & build loyalty with customers



3 IN 5

consumers say environmental impact is an important fashion purchase factor¹

The approach to recommerce

During the winter of 2018, Karen Campbell learned about a retailer that was about to launch a resale experience. As a leader at Arc'teryx Equipment, Karen realized this type of initiative went hand-in-hand with her company's value of "Do Right" and commitment to sustainability.

"Why wouldn't we sell used gear?" she questioned. "Arc'teryx makes things that are incredibly durable—sometimes even outlasting the owner's adventures."

Karen launched a competitive analysis, studied trends and began interviewing companies who offered a recommerce experience.

Choosing the right partner

"The Trove team gained our trust," Karen said. "They understood that to launch a program like this, it has to be self-funding, margin accretive, and values aligned."

Trove offers a comprehensive white label resale solution that enabled Arc'teryx to buy back used gear in their stores and online, and built the Arc'teryx Used Gear website to resell their used items online. The circular shopping company manages everything from taking in items, authentication, photographing, pricing, listing and shipping as well as real-time analytics and business insights for Arc'teryx.

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— Karen Campbell, Director of Strategic Planning & New Business Development, Arc'teryx



9,970 POUNDS

of Used Gear given new life



4 Ways Circular Shopping Benefits Arc'teryx

- ✓ Supports sustainability commitments & science-based targets
- ✓ Attracts new & younger consumers
- ✓ Encourages loyalty & foot traffic
- ✓ Generates profit & supports other channels

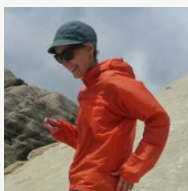
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Arc'teryx controls the brand experience, working closely with Trove to align on customer service standards, pricing for buy-back items as well as condition grading of gear and clothing.

"Everyone at Trove is really responsive," Karen said. "There is good communication at all levels of the organization, from our account manager to leadership."

"Acknowledging that greenhouse gas emissions are released when we make and move products around the world, our Used Gear program helps to reduce their environmental impact per wear by keeping each one in use for as long as possible through multiple owners."

— Katie Wilson, Senior Manager Social & Environmental Sustainability, Arc'teryx



"Used Gear Month in November 2020 was wildly successful!"

— Leah Nielson, Senior Manager, Omni-Channel & Recommerce for Arc'teryx

Gearing Up

In order to have used inventory to sell to new customers online, Arc'teryx encourages customers to trade in their no-longer-used goods. The brand inspires customers to help the environment by recognizing the value in their closets, getting that gear to someone who will use it more and earning Arc'teryx shopping credit (20% of the original product price). Importantly, this allows the brand to offer conscientious consumers a choice to buy used gear, which has a much lower environmental impact than purchasing something new.

The true scale and impact of the Used Gear program depends on unlocking more supply from customers' closets. Arc'teryx is trying new ways to engage their customers in circular shopping, and recently piloted a Used Gear Month promotion, offering customers a higher trade in value of 30% for a limited period of time. They also donated \$10 for each item traded in to Protect Our Winters, a nonprofit organization dedicated to climate change policy advocacy.

The sales summit

Used Gear launched in 2019, and processed nearly 5000 items in the first 6 months. In 2020, Used Gear doubled the number of accepted trade-ins.

"Recommerce is profitable, supporting foot traffic in stores, encouraging brand loyalty and directing more people to our own channels," Leah said.

"Our data backs this up, showing growth in customer retention and loyalty."

Trove's Business Analytics dashboard shows in just 1.5 years of operations 20% of customers have traded in items more than once. And 20% of purchasers have returned for more Used Gear.

Because Trove maintained a positive brand experience for Arc'teryx customers, the brand added a new resale option for Veilance, its high-end technical urban apparel line.

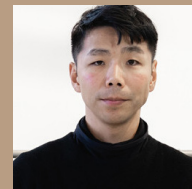
In true form of a company whose leaders and customers live to climb, Arc'teryx is now in discussions with Trove about taking circular shopping to new heights—and new territories.



500%

Holiday sales quintupled YOY

Trove's end-to-end operations furthered Arc'teryx's circular vision and immediately helped them extend the lifetime value of coveted pieces from Arc'teryx and their Veilance collection.



We hope that our recommerce program will maximize the use out of each item and help people uncover archived pieces from past seasons."

— Creative Director, Statement,
Taka Kasuga (edited)

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About Trove

Trove builds technology that allows brands to take control of their resale marketplaces, deepening customer loyalty and generating new profits. The company provides white-label technology and end-to-end operations that power circular shopping for premium and luxury brands such as Arc'teryx. Trove enables brands to take back items from customers' closets while maintaining control of their brand equity and owning their customer experience, data and relationships. Rooted in a commitment to sustainability, Trove aims to create a world where all consumers have access to better products with less waste.

Learn more at trove.co