

# THE ENVIRONMENTAL IMPACT OF A RESALE BUSINESS MODEL



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# Introduction

Sustainability has become an increasingly important aspect of the way businesses operate.

Research from Nielsen showed that more than **eight in 10 consumers** around the world strongly feel that businesses should aid in improving the environment. Many consumers are worried about a range of issues – air and water pollution, packaging and food waste, water shortages and the use of pesticides.

Consumers are voicing support for sustainable business models through their wallets as well. A study from the New York University Stern's Center for Sustainable Business reported a **29 percent** increase in sales between 2013 and 2018 for consumer packaged goods that are marketed as sustainable.

The resale franchise concepts within the Winmark Corporation® family of brands have pushed the idea of a sustainable business forward not simply because consumers feel good about buying from environmentally friendly businesses, but because franchisees feel great about doing their part to help their community.

For over 30 years, Winmark franchisees have been buying and reselling items to reduce their carbon footprint and create a more sustainable industry.

**Once Upon A Child®, Plato's Closet®, Style Encore®, Music Go Round®** and **Play It Again Sports®** provide communities with merchandise at an affordable price point, while also reducing waste and keeping those quality used items out of landfills.

This eBook provides a closer look at how each of our resale franchise brands operates to produce multiple positive environmental outcomes within local communities across North America.

# Combating Textile Waste

In the apparel industry, sustainability initiatives are increasingly important to help combat wasteful practices.

**Between 2000 and 2015, the amount of clothing produced every year roughly doubled.**

A primary factor in the growth of the apparel industry was the rise of fast fashion – low-cost clothing produced on shorter manufacturing cycles more frequently throughout the year.

Research from the Ellen MacArthur Foundation highlighted the fact that the equivalent of one garbage truck of textiles is incinerated or sent to a landfill every second.

In addition to the negative environmental impact this practice causes, it also affects consumers' wallets. Since much of this clothing isn't worn more than a few times, people are spending money on – albeit inexpensive – apparel with greater frequency. The cost savings of fast fashion is often mitigated by the volume of clothes consumers purchase.

When consumers resell and/or buy a quality used item, they can extend the life cycle of their purchase, which **reduces the item's carbon footprint by 82 percent.**





# Reducing Water Consumption and Pollution

In addition to preventing end-product waste, resale concepts also evade the waste of resources during the manufacturing process.

Apparel manufacturers use as much as **713 gallons of water** to make a single t-shirt. And growing crops, like cotton, wastes **60 percent of the water it requires** – making clothing production extremely energy inefficient.

Runoff from pesticides also pollutes nearby waterways, compounding any adverse environmental effects from excessive water usage.

By reselling gently used clothing and other items, resale concepts help to promote recycling and prevent the unnecessary production of new goods, bypassing these wasteful practices.

In 2019, our five resale brands purchased a cumulative total of almost **155 million units** of clothing, toys, books, musical instruments and sports equipment.

This helps combat excessive water consumption in producing new goods while keeping each of these items out of landfills and bringing consumers quality used products that fit within their budget.





# Streamlining the Supply Chain

Not many consumers stop to think about the environmental impact of their shopping habits, but the reality can be quite staggering.

Freight traffic generates a disproportionate amount of harmful emissions. **In 2016, the transportation industry overtook power plants as the top producer of carbon dioxide emissions in the U.S. for the first time since 1979.**

These emissions include the greenhouse gases responsible for climate change, in addition to other pollutants shown to have a disastrous impact on a community's health and overall well-being.

With medium- and heavy-duty trucks accounting for nearly one-fourth of those emissions, the first step to reduce our carbon footprint is minimizing our use of these vehicles.

Our franchisees reduce the need for excessive freight shipments by sourcing their inventory within the community, instead of having **100 percent** of their products shipped from suppliers in other countries. And by shopping at local resale businesses, consumers can save money – and the environment – in countless ways.



# Key Takeaways

Companies are beginning to realize an environmentally sustainable business model can also be a profitable one.

Many people become customers and employees with businesses based on their environmental, social and governance (ESG) metrics, which measure a business's ethical influence and sustainable efforts. Companies with high ESG ratings have a lower cost of debt and equity, and their sustainability results in stronger financial performance and public support.

Franchising and sustainability are increasingly being uttered in the same conversations among franchise prospects and franchisors alike.

Environmentally friendly franchise business concepts provide those seeking a pathway to entrepreneurship with an opportunity to become a profitable business owner – and not at the expense of the planet.



With more than **1,250 resale franchise locations** across North America, we are a leader in the resale industry and have worked diligently to grow our footprint of environmentally friendly businesses.

With every location we add, the greater the opportunity for our brand and franchisees to be stewards of the green economy and empower communities to engage in sustainable consumerism.





# Get Started

Are you an aspiring business owner interested in making a positive impact on the environment and your community? Contact us today to learn more about Winmark's sustainable franchising opportunities.

[winmarkfranchises.com/become-a-franchisee](https://winmarkfranchises.com/become-a-franchisee)

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