



TROJAN

ELECTRONICS°

The rise of refurbished electronics:

exploring consumer
attitudes

Sustainability has surged up the agenda in recent years with consumers and businesses becoming more environmentally conscious. Climate change awareness, government policy, media attention and calls from leading scientists have put this issue at the forefront of our minds.

Every single person and business has a part to play in improving business practices and consumption habits, including the consumer electronics industry.

The consumer electronics industry urgently needs to find ways to become more sustainable. Every step of an electronic device's lifecycle, from mining the finite metals used in circuit boards, to product production, worldwide shipping, powering the goods, and the eventual disposal, has an impact on the environment.

Consumer electronics manufacturers and retailers must take a more circular approach to their practices, repairing damaged or defective goods, refurbishing pre-used items and recycling those that have come to the end of their life. At the same time, businesses must convince consumers that refurbished and repaired electronics have their place, and stimulate demand to make it financially viable to restore the goods.

At Trojan, we wanted to take a consumer consensus to see just how much work is required and what the next steps are on the path to achieving circularity.

The global electronics industry accounts for roughly 4% of total greenhouse gas emissions. The persistent innovation ingrained into the tech industry contributes to a growing mountain of electronic waste (e-waste). In 2022, the UK produced the second highest amount of e-waste in the world, and only 17% of it is currently recycled globally. It is the world's fastest growing waste type and it's forecasted to increase by as much as 30% by 2030.

The UK is the 2nd highest producer in the world



only **17%** of e-waste recycled globally



e-waste



by **2030** e-waste is projected to increase by as much as **30%**



Methodology & Key Findings

Consumer survey of 300 people about their electronic goods purchasing habits, undertaken in April 2023.



Almost three quarters
(71%)

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Two-thirds
(67%)

of consumers say that the environmental credentials of a brand or retailer matter to them when buying a product.



One in six
(14%)

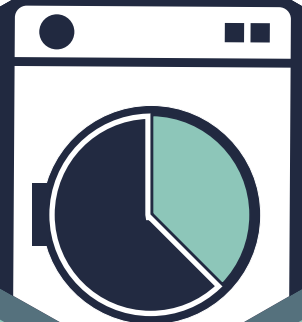
have bought a refurbished smartphone.

12%
have bought repaired white goods.

9%
have bought a refurbished laptop or tablet.

Two-thirds
(64%)

of people say that they have bought a refurbished or repaired electrical item in the past.



More than a third
(38%)

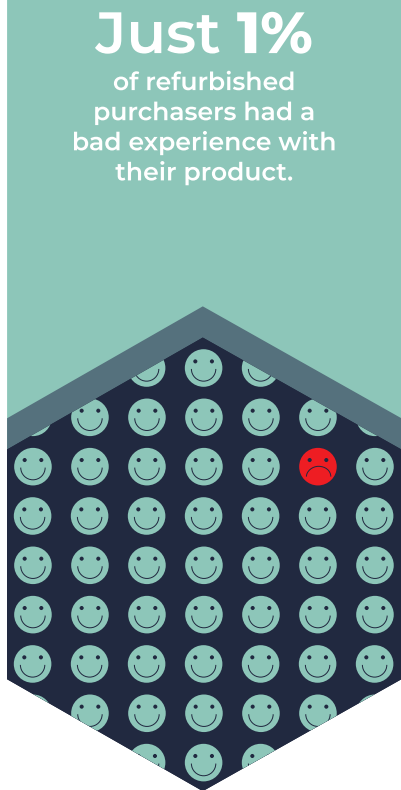
bought a refurbished or repaired electrical item in the last 12 months.

Methodology & Key Findings

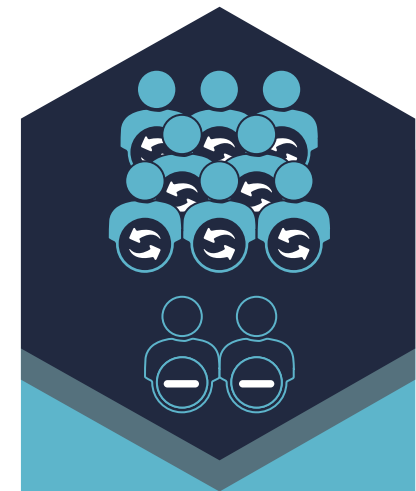
Consumer survey of 300 people about their electronic goods purchasing habits, undertaken in April 2023.



Just 11%
of refurbished
or repaired
goods sales
happened in-store.



**A quarter
(24%)**
of customers couldn't
tell their item was
refurbished at all.



79%
of people
who bought a
refurbished product
would make a
repeat purchase.

A refurbished revolution?

So how big is the refurbished electronics market? Worldwide, the refurbished electronics market was valued at **\$85.42 billion** in 2021. It is estimated to grow at a compound annual growth rate of **12.1%** from 2022 to 2031, totalling **\$272.91 billion** by the end of 2031.

In our survey, almost two-thirds (64%) of people say that they have bought a refurbished or repaired electrical item in the past, with more than a third (38%) doing so in the last 12 months.

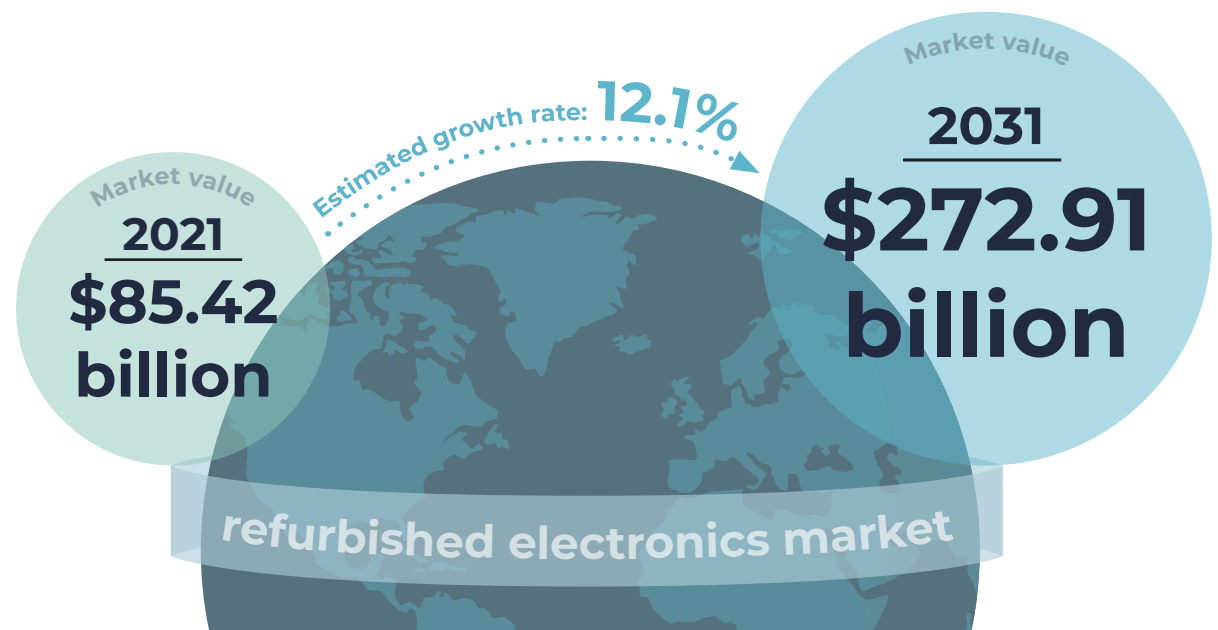
The majority (57%) of people that bought a repaired or refurbished item did so to save money, as it was cheaper than a brand-new item.

One in 20 (6%) said their refurbished purchase was primarily an environmentally conscious purchase.



James Rigg, CEO of Trojan Electronics:

"In our experience, especially with more expensive products, consumers actually upgrade their purchase to a premium brand's refurbished product rather than choosing a brand new mid-market product. This increases the share of market for market-leading brands, rather than diluting it."



Green shoots of consumer demand

Almost three-quarters (71%) of consumers consider the environmental impact of their electronic goods purchases, deliveries and returns.

Sustainability is in the minds of customers during the purchasing process. So much so that more than two-thirds (67%) of consumers say that the environmental credentials of a brand or retailer matter to them when buying a product.

While the idea of buying a second-hand car is well accepted, when it comes to refurbished or repaired consumer electronic goods there is still some work to do. Currently one in six (14%) of consumers have bought a refurbished smartphone, followed by 12% of people who have bought repaired white goods, and one in 10 (9%) have bought a refurbished laptop or tablet.

Reassuringly, twice as many people would buy a second-hand washing machine, dishwasher, or fridge than clothing items, despite the soaring popularity of pre-loved clothes in recent years.



So how do we change opinions?



37%

More than a third (37%) of consumers said a manufacturer selling their own refurbished products would encourage them to opt for a repaired or pre-loved model.



19%

One in five (19%) would also be more likely to choose a refurbished model over a box-fresh item if it came with a retailer's warranty. Again, this reassurance gives the customer peace of mind about their purchase.



27%

A further quarter (27%) would be reassured by a manufacturer's warranty. This would give a guarantee comparable with a brand-new model, that would be fixed or replaced if the product wasn't up to scratch.



17%

Almost a fifth (17%) of customers would be more likely to buy refurbished or repaired items if they were given greater visibility in-store or online.

James Rigg : *“These findings are food for thought for electronics manufacturers and retailers. They must offer the same protections and reassurances to customers as they receive with factory-fresh items if they are to win over sceptical would-be buyers. Some forward-thinking firms will already do this, but greater visibility of the protections that come with a refurbished item will convert those harder to win over.”*

Quality, price, performance

What matters to customers most when they're choosing a product?



Two-fifths (41%) of customers rank quality of the product the most important attribute when making a consumer electronic purchase.



This is followed by **a third (31%)** saying the price is the most important consideration when making a purchase.



Thirdly, performance and product specification matters most to **11%** of customers.

James Rigg : *“When refurbishing and repairing items, it’s important that products are modified with parts that are the same quality or identical to those that are being replaced. There may be a stigma that repaired items were in previously bad condition but in fact many of the items only have cosmetic blemishes or very minor imperfections that don’t impact how the appliance or electronic works.”*

“Often, we will use brand-new, unused parts from another machine to refurbish another model, meaning all constituent parts are official and from the same manufacturer. By using like-for-like replacement parts consumers do not need to worry that their refurbished item has been fixed with lesser after-market parts.”

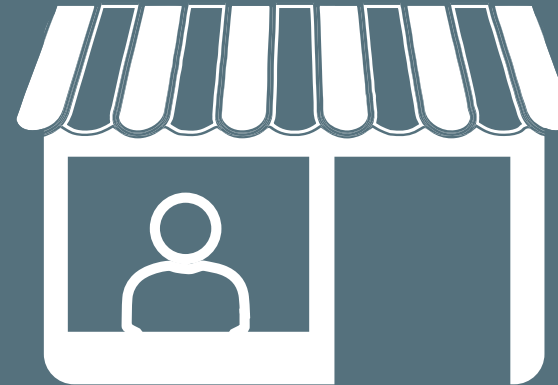
“Unsurprisingly, price is also important to customers particularly during the cost-of-living crisis. However, we know that refurbished products offered at a lower price than brand-new ones open the market up to customers that otherwise wouldn’t have bought a branded or top-of-the-range item, rather than taking away sales that would have been made anyway. This provides an opportunity for brands to win-over new customers and convert them into future brand advocates.”

Retailing refurbished goods – Online leads the way but more can be done



Consumers are most likely to buy their refurbished goods online, with 70% buying them that way. Of the online purchases, eight in ten (80%) did so via an online marketplace such as eBay, 13% bought via a retailer's website, and 7% selected their item on a manufacturer's website.

James Rigg : *“Most people have bought a refurbished product; it is no longer a niche or unusual thing to do. However, a very large majority of these sales happen online, and a large proportion of these online sales happen on just a few websites. Currently it seems websites like eBay have a monopoly on refurbished and repaired electronic sales as other ecommerce sites either do not recognise the potential opportunity or provide the website functionality to list refurbished products and their modifications or gradings.”*



Just 11% of refurbished or repaired goods sales happened in-store. Highlighting a large opportunity for retailers to capture attentions and additional sales.

James continued : *“Giving shoppers the chance to physically see and handle refurbished items for themselves could be key to supercharging in-store sales. We have seen phone shops and some brands such as Hotel Chocolat start to showcase refurbished goods in their store to help with the purchasing decision.”*

Closer to a circular future?

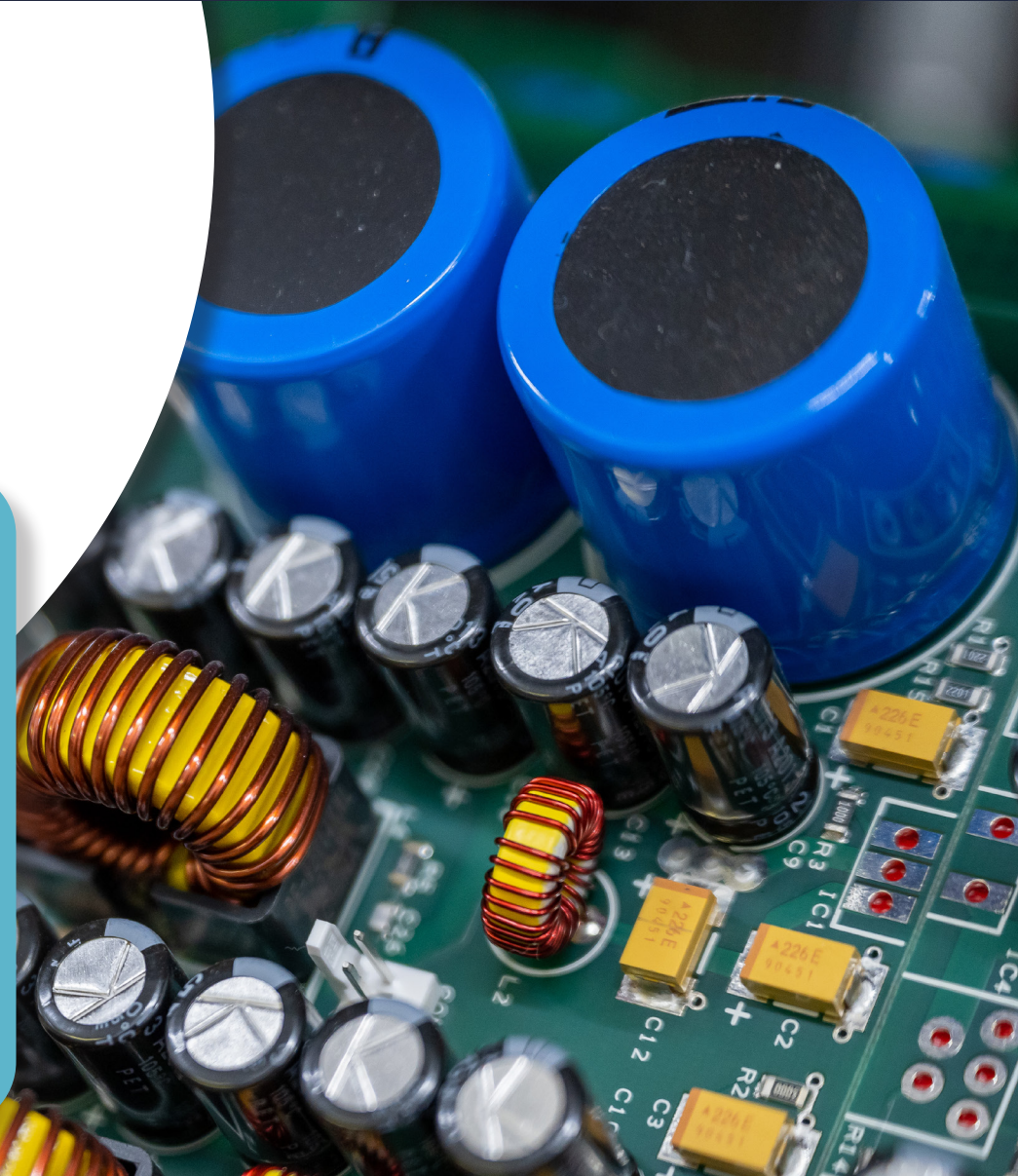
With all this considered, are we closer to a circular future?

Promisingly, eight in ten (79%) people who bought a refurbished product would make a repeat purchase. In fact, a quarter (24%) of customers couldn't tell their item was refurbished at all, showing the quality of upgrades that are taking place.

Despite refurbished product misconceptions, just 1% said they had a bad experience with their refurbished electronic item.

James Rigg : *“All the signs are promising, and the progress being made is positive, however in order to meet UK net zero targets and make genuine change greater progress needs to be made. A step change in the way retailers and manufacturers advertise and display products will mean a greater opportunity for functioning electronics to find a place in our homes rather than being stripped down and recycled or worse, sent straight to landfill.”*

“This research shows that large proportions of people have already bought refurbished and repaired items, and a large share of them were happy with their purchases, leading us to think it's a habit that has already been formed by many. However, if we are going to make the industry truly circular this needs to be achieved at a much larger scale and faster pace.”



Start closing the circle today

Consumer electronics businesses can begin to incorporate more circular practices into their operations.

They can do this by introducing or increasing the number of defective products which are refurbished, repairing rather than scrapping products which are substandard, making sure they comply with consumer standards regulations, and collecting and recycling as many of their old products as possible to ensure finite materials make it into new products.

James Rigg : *“While it may not be as commercially lucrative for businesses to refurbish and repair their products, businesses must also take into account the environmental impact of their actions. Sending perfectly good parts or products to landfill because it’s too much trouble to return them to working order might make sense when looking at margins but actually retailers and manufacturers may be overlooking opportunities to grow their market share, brand affinity and develop new loyal customers. What’s more, their actions are damaging to the planet and its resources which are limited.”*



About Trojan Electronics

Trojan Electronics is the go-to expert for circular solutions for electrical manufacturers and retailers.

It provides repair, refurbishment and resell services via client marketplace stores, direct integration into the clients' ecommerce stores, ERP, or EDI connections with Amazon, eBay, B&Q, TikTok, Wowcher and others.

Trojan is based in Swansea, employing 150 staff in a purpose built 180,000 sq ft warehouse, housing repair services, FMCG operations, 3PL storage and CEM production facilities.

Trojan Electronics 2018 Limited was acquired by the Buy It Direct (BID) Group in 2018. Buy It Direct has made a substantial investment into Trojan to build a scalable platform, upgrading the WMS and ERP systems to the latest technologies, expanding the repair lines to accommodate Major Domestic Appliances (MDA) and creating an on-site recycling centre.

Melitta makes best use of returned items to increase its electronic circularity

Trojan Electronics has supported Melitta to recover 484 returned coffee machines to A1 standard already this year.

Melitta, the coffee machine manufacturer, has saved almost 500 of its premium bean to cup machines going to landfill, following a successful partnership with circular solutions expert, Trojan Electronics.



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