



**Product
Stewardship
Centre of
Excellence**

**CASE
STUDY**



Adidas Terrex Infinite Play Rental Program

Clothing and apparel brands around the world are experimenting with rental as one way to combat the growing carbon emissions and waste associated with the industry. In addition to the environmental savings, rental is also a growing economic opportunity. According to Business Wire, the global rental market was worth an estimated \$1.26 billion in 2021 and is projected to rise to approximately \$2 billion by 2025.

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INTRODUCTION

In May 2021, Adidas launched the Terrex Infinite Play rental program, a short-term rental service for the brand's specialised outdoor apparel collection. Using the tagline, "keep the memories, return the gear," customers can rent either individual items or curated bundles of high-performance jackets, t-shirts, pants, and shoes for select activities and climactic conditions. The Infinite Play rental program is currently operating as a pilot program in France.

UNPACKING THE RENTAL PROCESS

The Adidas Terrex line of garments available for rent are high performance products specifically designed for adventure sports, such as trekking, trail-running, and mountaineering. The program is designed to appeal to customers planning an adventure holiday by providing an alternative to the purchase of a product that is less likely to be used in day-to-day life. As increasing utilisation is a key way to reduce the environmental impact of an item of clothing, rental is a more sustainable choice than owning an item that is infrequently used.

Pricing is based on the length of time the products are rented for, with a reduced rate for longer rentals. Bundles are priced at approximately \$60 AUD/day. In addition to gaining access to a new revenue stream (which has the potential to make the brand more money than just selling an item once) Adidas also can gain valuable insights from consumers about how they use certain products.

There is no specified rental time, as the user selects the duration and dates during the online ordering process. Cancellations are permitted up until 7 days prior to travel. There is also no limit to the number of items that are rented, and extensions of the rental period are possible by contacting customer service.

Fit is a reasonable user concern, especially given the fact that items are going to be used during high performance activities. The rental process is designed so that customers receive the item 4 days prior to the start of their trip, leaving enough time if any returns need to be made.

With respect to care, consumers can wash their rented items as needed as per the supplied care instructions. However, at the end of the rental period, a customer does not need to clean and/or repair any of the items before they are returned. This is because Adidas inspects, launders and repairs all returned items before they are put back into circulation. In particular, a specialised ozone process is used during sanitation. Damage insurance is included in the price of rental, so customers do not need to worry if anything happens to a rented item. Consumers also have the option to purchase their rented gear. The price of rental is deducted from the full price of the garment.

CHALLENGES

Designing and implementing a rental program is a complex and ambitious process. It requires a brand to not only rethink their business model but come up with solutions for a range of logistical considerations including: specialised e-commerce platforms (to manage the coming and goings of garments), sophisticated logistics systems that can handle the process of packing, cleaning, repairing, and shipping garments, as well as a dedicated staff to carry out these activities.

There are also a range of considerations around program design, including testing out different rental models, promotional activities, and assessing consumer interest. Consumers are an important part of the rental puzzle and a crucial challenge to overcome. For example, consumer perceptions around the cleanliness of a rented garments can be a key barrier to even trying out a rental service.

Thus, it is understandable for brands – even large ones – to be overwhelmed by the sheer number of logistical considerations in setting up such a program. This situation precludes many from even attempting to engage with the rental platform model.

SOLUTIONS

In response to the abovementioned challenges, to support the development of the Infinite Play pilot program, Adidas partnered with Lizee, a Paris-based software and sustainability consulting firm to manage the logistics of the program, including software, packaging, transportation, training programs, and the cleaning and care of returned goods¹. Through outsourcing the operations of the platform to a specialised firm, Adidas can focus on their core competencies. Moreover, running the program as a local pilot allows the brand to test out the rental model and see what is possible, including expansion into new markets such as the United States

ONGOING SUSTAINABILITY COMMITMENTS

These initiatives are part of a broader range of initiatives Adidas has launched as part of their commitments to engage with sustainability and the circular economy in order to end plastic waste.

For example, under their “Three Loop Strategy,” Adidas aims to:

1. Use exclusively recycled polyester by 2024
2. Reduce our carbon footprint by 30% by 2030
3. Be entirely climate neutral by 2050²

Under the Infinite Play banner, Adidas is trialing a number of product stewardship initiatives. This included a trial takeback program in the UK which collected second-hand Adidas products in exchange for gift cards and loyalty club points.

In addition to piloting rental, the brand is working to meet these commitments through a range of stewardship initiatives including:

- A collection of garments made with Primeblue, a high performance recycled material developed by Adidas that is made in part with Parley Ocean Plastics
- A series of events under the Run for the Oceans banner, where for every kilometer run, 10 plastic bottles are cleaned up
- A partnership with biotechnology company Bolt Threads to redesign the iconic Stan Smith sneaker made with a mushroom-based material as part of the brand’s latest concept shoe
- A twist on the rental model with the launch of the UltraBoost “Made to be Remade” fully-recyclable sneaker which is designed to be returned to the brand at the end of its lifespan to be made into another shoe³.

NOTE

The content of this case study is information of a general nature sourced from public sources and investigations conducted by the Product Stewardship Centre of Excellence. It does not represent advice, direction or endorsement from the Product Stewardship Centre of Excellence, nor does it represent the only method or practice to address the topics laid out in this document. Individuals or organisations are encouraged to conduct their own analysis and consideration of strategic options relevant to their situation before taking action in regards to the matters covered.

REFERENCES

1. [HTTPS://FUTUREVVORLD.COM/FASHION/ADIDAS-RENTAL-PROGRAM-INFINITE-PLAY-TERREX-CLOTHING-FOOTWEAR-LIZEE/](https://futurevworld.com/fashion/adidas-rental-program-infinite-play-terrex-clothing-footwear-lizee/)
2. [HTTPS://WWW.ADIDAS.COM.AU/BLOG/629060-THE-PROBLEM-OF-PLASTIC-WASTE-WHY-WE-NEED-TO-ACT-NOW](https://www.adidas.com.au/blog/629060-the-problem-of-plastic-waste-why-we-need-to-act-now)

3. A RANGE OF SUSTAINABILITY INITIATIVES AND PRODUCTS

CAN BE FOUND AT:

[HTTPS://WWW.ADIDAS.COM.AU/ALL_SUSTAINABLE](https://www.adidas.com.au/all_sustainable)

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