

Making second-hand tech cool with Phil Kemish, cofounder of reboxed

Trading in old phones and laptops is on everyone's to-do list – but the process has felt outdated, sometimes even pretty impenetrable, for a while now. With reboxed, Phil Kemish wants to bring the circular economy to consumer electronics.

Maddyness spoke to Phil, cofounder and CEO of reboxed – where you can sell, swap or shop refurbished technology, and where – in the future – you may well even be able to 'subscribe to' rather than buy your next phone. We talked about parallels between the car industry and the mobile phone industry, the countries outlawing planned obsolescence, and the perils of complicated supply chains.

[Maddyness] Tell me about your background. How did you end up doing what you're doing now?

[Phil] Matt cofounded a company called GRM Daily, which ended up being one of the biggest YouTubes in the country – so that's his background. We were always audience-first and publication-first. We were in that first generation of social media marketing entrepreneurs who could build audiences and tap

people into them. Brands didn't know how to do it.

So Matt and I have done ten years together; we started in publications at GRM Daily, and then moved into the agency world. By the end of that, about 60% of our clients were actually consumer electronics clients – and we were probably 60% influencers. That became a big thing: publications that basically influence what you're doing, creating influence with your attention through articles and content.

Then eventually, I realised I'd spent seven or eight years selling new things to people. And I had this, I guess, out-of-body experience where I was like: making people buy new stuff every single year isn't going to lead to a positive future.

I went to one of our client's factories, and there were all these open-box products that had been sent back, because people didn't want them in the end. And I said to him, "What's going on with all that?" And he said: "nothing".

So, when Matt and I left the agency, we made a promise to ourselves that if we started a new business, we'd make sure it had a purpose. I started looking at basic circular business models, and trying to find out why they couldn't resell those thousands-of-pounds-worth of headphones. It was because the supply chain is so difficult with consumer electronics – all the parts are sold in different areas.

And also, people just weren't aware that there was this whole secondary market – of second-hand electronics. When I looked at the landscape, it seemed quite boring – with the same brands I'd grown up with when I was in my teens.

We started thinking: is there a platform and a brand that we could create to make things more convenient and shift the mindset of consumers?

When I got into the nitty gritty, I realised it wasn't as easy as just putting up a website and selling second-hand stuff. So now, we're a year and a half into the journey – and we spent a year in research and development. We managed to raise some money in February last year, to create an MVP. But then, obviously, the world changed.

We have this goal of one hundred million devices, which seems crazy – but it isn't. The second hand industry is growing faster than the first hand; with mobile phones, for instance, there's 13% year-on-year growth in second-hand and refurbished, whereas new is around 1%. It's an exciting area of business to be in.

The desire to constantly buy new is part of the problem for sure. What would you say tech companies themselves should be doing to build in sustainability right from the very start?

It's a big question, isn't it? Because you're asking the biggest manufacturers in the world to make products that last, can be repaired, and have recyclable parts.

Apple said this year it's aiming to make 80% of all phones from recyclable materials, which is a start. But the problem is that 80% of carbon emissions happen during the manufacturing process. So, regardless of whether you're using recycled materials, you've got so much CO2 being produced during the making of the phone.

What they can do is make it easier for people to trade in the devices. Apple does buy-back, but it doesn't offer the best pricing for customers. The customer misses out.

You have great companies like [Fairphone](#), which is making phones that are almost 100% fixable. You can remove the batteries; you can change the glass. It's a really interesting model: a sustainable model for a phone, built from a supply chain point of view. If you know where a phone's parts come from, you basically know how to fix it.

I would say we have a collective consumer feeling now that things can't be fixed, but a lot of these things, if you go on YouTube, you can do it yourself. Although, companies aren't exactly trying to help people fix their products. They build in planned obsolescence – a software or hardware fault, which is designed to make somebody want to get a new phone.

We know planned obsolescence is built in because of how Track and Trace wasn't able to run before iPhone 7. At reboxed, we've made a three-minute

breakdown video of how your phone can lose up to 27% value in the first year, similar to like if you buy a new car.

<https://www.youtube.com/watch?v=nkxqVjpsKAQ&feature=youtu.be>

Do you see most of the innovation coming from outside, from small businesses like reboxed, or do you think that it has to be led by the big tech companies?

I think the major impact is going to be from a combination of both. You need the big tech companies to look at their green credentials, like they're doing. If you're the biggest company in the world, you are going to have to tick your sustainability boxes.

But then, there's also a lot of innovation in the second hand space, which comes down to: how well can you refurbish a phone? How well can you take a broken iPhone and make it good again? Techniques will evolve and make it easier for businesses like us to help convince customers to buy second-hand.

We're also seeing major acts in places like France, where the government has stepped in and said you can't make a phone that can't be fixed. In the UK, we're actually a little bit behind other European countries, who have put government mandates in place for right to repair, or outlawed planned obsolescence.

reboxed is quite special because I'm not looking at this just from an innovation/circular business model point of view, but also from the perspective of having to convince millions more people to not get a contract and buy new – but to buy a second-hand phone instead.

You recently secured £350K in investment. What has it been like seeking investment? Who are your biggest supporters, and what are their reasons for supporting you?

This is my first time raising money for any business, never mind doing it during a worldwide pandemic! Our first investors were people that had known me and Matt, and had some trust that we'd be able to execute in a completely different field. I think a lot of people really felt the pain points as a consumer themselves.

Most of our investors, I'd say around 80%, are actually customers. That feels really good, because I made a very conscious decision to have people in the business who believed in it and could add value.

We've got Martin McCourt on board, former CEO of Dyson, who obviously helped build one of the biggest consumer electronic businesses in the world, but has also seen the amount of waste created in the supply chain. He understands the problem from a retail point of view.

Then there's others like Pete Petrondas, who started Envirofone. He was the original person I sold my phone to! When I was looking for investors, I literally went on a LinkedIn hunt. I just messaged people saying, "You've built really great businesses, but I don't think you ever got the model to a point where you had buy, sell and swap." Pete was actually the first person to put money in, which was good for me because I had somebody to call up and be like, "what does buyback mean?"

Anyone doing direct to consumer needs to know their customers, and because we had spent seven years building other people's brands, we knew that we could do that part. We just didn't know how to do all the rest. Which is why, slowly over the last year, we've got the founder of Mazuma. He came on board as an advisor, but he's helping us launch the buyback side and he's got 15 years experience.

Beyond your business model, how do you think about sustainability as a company?

I've thought a lot about how to replenish the CO2 emitted over the lifetime of a phone. If you plant five trees over its lifetime, they'll take out around 100 kg straightaway. Regeneration will be one of the quickest and easiest ways to sort out some of the damage that we've done. That's why we chose tree planting.

I'm kind of trying to balance the needle. We want to be carbon neutral - and then go one step beyond, which is 1% for the Planet. We haven't announced the charities we're supporting with our first 1%, but I'm looking to support charities in countries affected by consumer electronic waste. This is mainly in Africa. A lot of the electronic waste we create here is affecting communities there.

We also want to become a B Corp. We're pending at the moment, and I think will be one of the first companies in the consumer electronics industry to be certified. Not many people have done it because it's quite difficult with a supply chain, and with your partners and staff.

But again, one of the key hires I've made this year has been a sustainability advisor. We've been able to make sure that sustainability is in our DNA - at the core of what we are able to deliver.

Because of COVID, we're seeing how many kids don't have access to laptops at home. I did another interview with a company called TechInclusion, which is dealing with the problems of e-waste and digital exclusion in tandem. Do you have any thoughts on the subject?

I went to a roundtable with an organisation called Hubbub, which is running a campaign called Community Calling. They have been asking people to donate their phones and, instead of them getting money for it, it would go straight to somebody who needed the phone. So it's definitely something that we're looking at.

We did a campaign where we dropped the iPhone 7 to £149, which is pretty achievable because they usually go for about £199. We didn't make any money on them, but we got phones out for people that needed them for Track and Trace.

In the future, I want to be able to work with people like Hubbub and offer these services – give people the opportunity to donate their phones.

Discover reboxed

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