

What's stopping consumers from buying refurbished

What buyers told us, and where the Device Passport™ changes the outcome

Every OEM, retailer, and marketplace selling refurbished devices is fighting the same invisible battle that comes at a high cost: a buyer who hesitates, feels misled, or returns a device because what arrived didn't match what they expected.

Apkudo conducted qualitative research with [FDM CCS Insight](#) across the US, the UK, Germany, and Japan to find out where that hesitation comes from and what actually closes it. The sample included consumers who had purchased a refurbished phone in the past 12 months, or who had a strong intention to purchase one in the next 12 months.

A quantitative study is underway now to size the impact at scale.

Here's what we learned.

The confusion tax is an operational cost, not just a consumer complaint

Ask a consumer what "Excellent" means versus "Grade A," and most can't tell you. Grading labels aren't standardized across retailers, so a "Good" device from one seller and a "Good" device from another can mean completely different things.

Consumers know this, and it shows up in what they told us:

"There's no legal basis. Everyone can apply it however they want." – German respondent

"I would say they're definitely different. I think Amazon is a bit different, I won't even know how to grade that, but eBay, I would definitely not trust that out of all of them." – US respondent

Without a shared standard, trust shifts from the device to the brand that sells it. Across every market, our phase one qualitative findings indicate that this uncertainty triggers four primary consumer behaviors:

- **Purchase Hesitation & Delay:** Buyers stall at checkout to research a seller's credibility or seek validation on forums, slowing conversion velocity.
- **Forced Trade-Ups:** Unsure of what "Good" or "Fair" really means, buyers overspend on "Pristine" out of fear, leaving lower and mid-tier inventory harder to move.
- **Channel Switching:** Buyers abandon open marketplaces in favor of established retail giants whose overall brand reputation serves as a proxy for trust.
- **Abandonment for New Devices:** When the risk of the condition feels too high relative to the price discount, buyers drop out of the secondary market entirely and buy new.

Consumers validate the fix once they see it

We presented participants with a solution to address the confusion.

During the sessions, respondents were shown a mockup of a Device Passport™: a standardized, itemized breakdown of a device's condition, history, and diagnostics.

The response was consistent across all four markets: it builds trust, and it speeds up the decision.

"This device passport is the most important thing for me. I would not want to buy a phone without it now." — UK respondent

"If I already know exactly which device I want, then the passport is very valuable. The condition of the device is so important for price and purchasing decisions." — German respondent

"This is exactly the kind of information I would want to see before I jump in on a refurbished phone." — US respondent

"This device passport is a very good thing. There is a lot of detail, including the history, which is very reassuring." — Japanese respondent

Not all information carries equal weight. Across markets, consumers ranked what mattered most on a passport in a consistent order:

- **Functional testing** (must-have)
- **Battery health** (must-have)
- Cosmetic condition
- Parts history

Parts history ranked last everywhere. But there's a nuance: interest was low for a general repair history, yet it becomes a dealbreaker for some the moment the question shifts to original versus third-party parts, especially for premium brands.

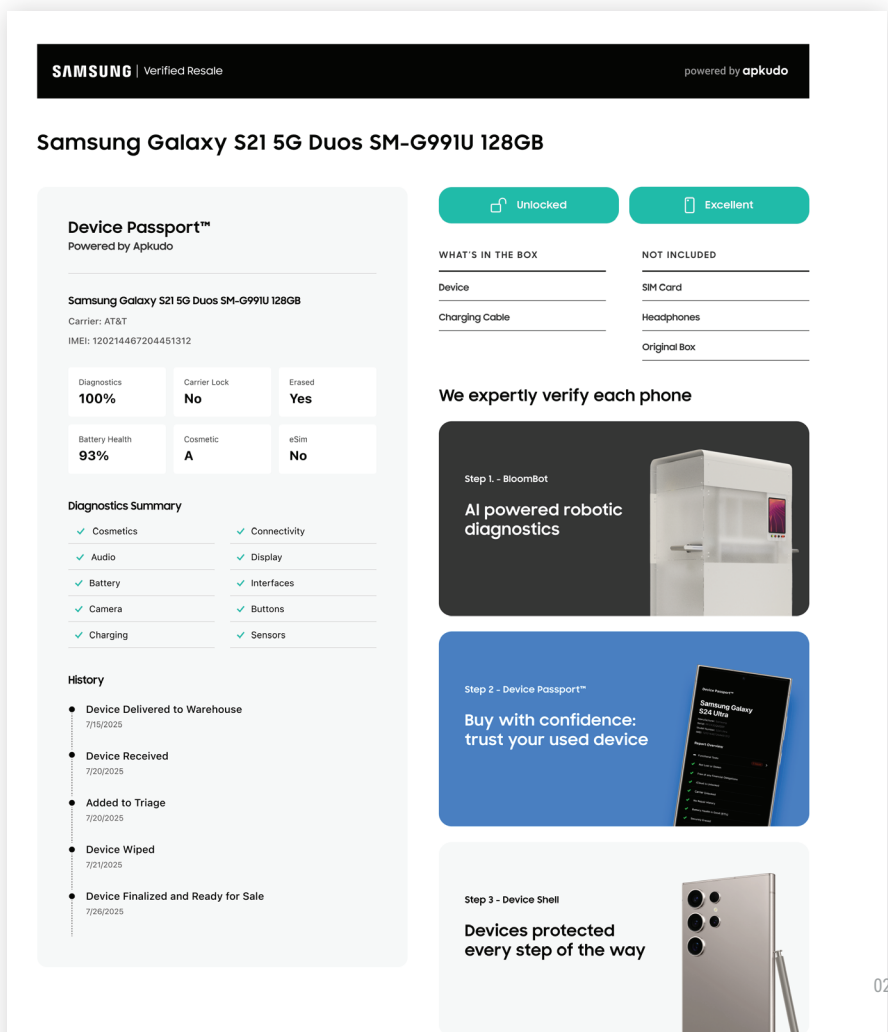
Approval came with conditions. Consumers flagged three specific gaps:

Real photos, not generic graphics. Consumers wanted to see the actual unit, not a stock image standing in for it. A German respondent put it plainly: showing a real image "makes the passport more appealing."

Scores, not checkmarks. A green checkmark reads as pass or fail, and consumers want to know what's behind it. Japanese and UK respondents both asked for component-level scores or percentages instead of a binary tick. As one UK respondent asked: "At what threshold does audio get a green tick, 50 percent, 40 percent?"

Who is grading it matters. Some US respondents raised a direct conflict-of-interest concern: if the seller is paying for the diagnostic, is it objective?

The Device Passport™ mock-up is for illustrative purposes only.



Automation with integrity

The feedback regarding automation reinforces the consumer education journey we, as an industry, must embark on together.

Consumers in the US and Germany were explicit: they'd rather see a human inspector than an AI-powered diagnostic, and they wanted the source data behind any automated result, not just the checkmark it produced.

"The only thing that gives me cause for concern is the AI-powered robotic diagnostics. I prefer human inspection."

— US respondent

"If it is said that it was diagnosed using AI, then it probably wouldn't be enough for me in order to then make the purchase."

— German respondent

It looks like a knock against automated diagnostics. It's actually revealing something else: consumers don't know what human inspection looks like today.

They likely picture a careful expert examining their specific phone. They don't know that human grading varies, that achieving consistency at scale is one of the hardest problems in reverse logistics, or that "human inspection" in most operations means a rushed visual check rather than a rigorous standard.

The skepticism isn't really about machines versus humans. It's about the fact that no one has ever explained to consumers how either one actually works.

The industry has a consumer-education job to do here.

The power of OEM verification

Diagnostic data isn't the only thing that builds trust. Brand recognition is a trust lever in its own right, and it compounds with a passport rather than competing with it.

When shown listings featuring a manufacturer verification badge, such as Samsung Verified Resale, consumers across all four markets responded positively:

Research participants preferred the device passport with an OEM verification.

The Device Passport™ mock-up is for illustrative purposes only.

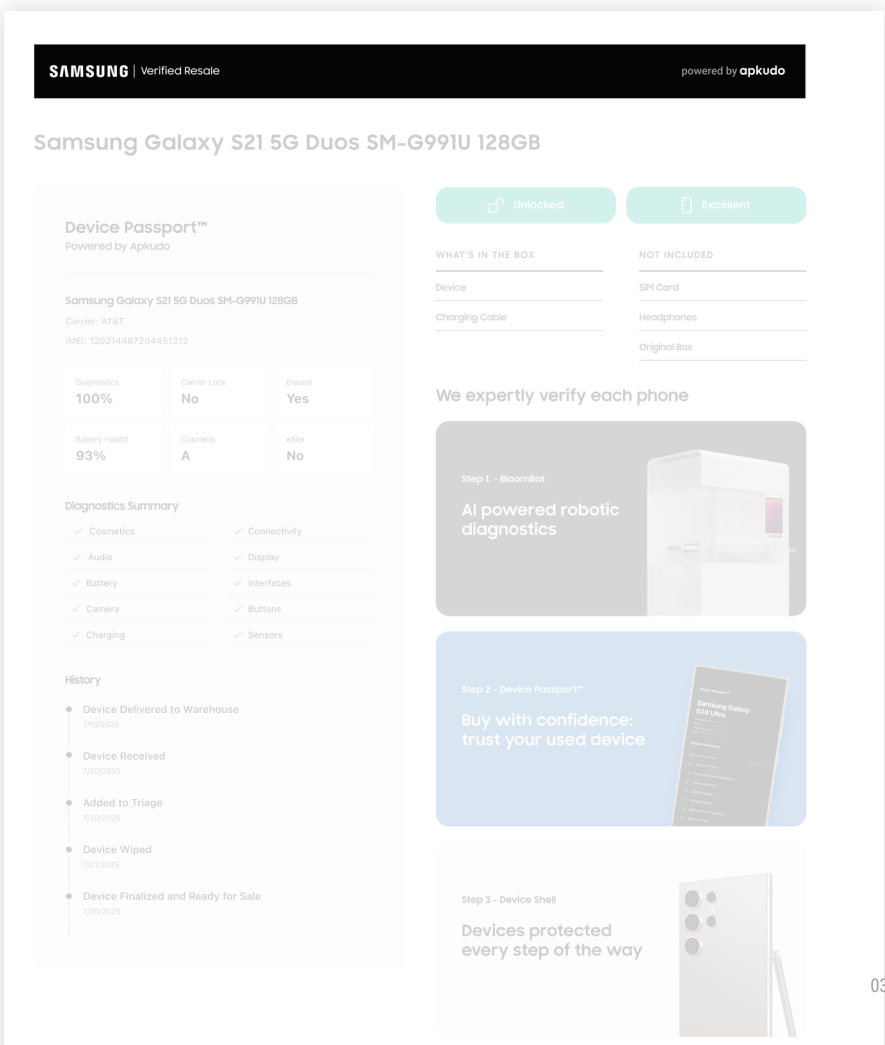
"I prefer the branded verification as it's a seal of approval. They won't put their name on something if it's not good."

— US respondent

"There is a reassurance that comes from seeing the Samsung name and logo."

— UK respondent

The passport supplies the technical proof. The OEM badge supplies the emotional stamp of approval. Together, they do more than either does alone.



Consumers just proved your pricing power

Consumers aren't just receptive to a passport. Many are willing to pay for one, within a range.

Consumers told us they'd pay a premium for a Device Passport: US and UK respondents converged around \$20 or £20, German respondents around a 5-20 percent premium, and Japanese respondents across a wider range.

The number itself isn't the point, nor is it a recommendation to charge consumers a line-item fee. It's proof of something more useful to an ecosystem player: verified condition data creates real, measurable pricing power at the point of resale.

That's margin a marketplace seller or a carrier's resale channel can capture directly, by pricing verified units higher, converting more of them without a discount, and avoiding the returns and disputes that erode margin on unverified stock. Where that value gets captured, in price, in conversion, or in cost avoidance, is a decision for the business, not the buyer.

Right now, transparency is a differentiator worth a premium. Over time, it becomes the baseline every retailer is expected to meet.

"It is not something I would pay for, but it would certainly influence my decision. I would pick a retailer that offers the passport over one that doesn't."

— US respondent

What varies by market

Market	Distinguishing insights and consumer expectations
US	Good category understanding, but severe confusion around grading labels. High concern regarding post-warranty failure and AI diagnostics, with a strong preference for human inspection. Highest willingness to pay an added fee (around \$20).
UK	Evaluates grading through retailer reputation rather than the label itself. High desire for passport transparency, but the most reluctant to pay an extra fee, expecting it as a baseline standard instead.
Germany	High familiarity with refurbished devices and a strong sustainability driver for purchases. Wants deep, expandable data and certified or original parts, especially for Apple devices. Comfortable with a 5 to 20 percent price premium.
Japan	Consumers know processed used products, but "refurbished" blurs with "used," and grading/condition transparency remains a trust gap. Wants granular component scores, such as a 1 to 10 scale, rather than binary pass or fail checkmarks. Wide variance in willingness to pay, from free to roughly 5,000 yen.

Why this matters across the device lifecycle

While phase one provides directional qualitative insights from 48 respondents, these early findings highlight a clear reality: consumer confusion reverberates throughout the reverse supply chain. A Device Passport™ offers ecosystem players a framework to address these pain points across the resale lifecycle:

OEMs (Brand Equity & Resale Protection): Early feedback demonstrates that pairing OEM brand verification with objective technical proof creates a powerful trust signal. This helps OEMs protect secondary market value, capture resale brand equity, and prepare for upcoming Digital Product Passport mandates.

Carriers & Retailers (Refurbished Sales & Conversion): Clear, component-level diagnostic data eliminates buyer hesitation at checkout, driving higher conversion on refurbished listings and dramatically reducing post-purchase grading disputes and returns.

Marketplaces & Wholesalers (Unlocking Trapped Inventory):

Standardized diagnostic transparency gives buyers the confidence to purchase mid-tier (“Good” or “Fair”) devices, helping marketplaces improve inventory turn rates and stabilize resale margins across seller networks.

Traders, Refurbishers & 3PLs (Operational Consistency):

Replacing subjective human grading with machine-verified data creates a reliable record from dock to dock, helping eliminate costly downstream re-grading and buyer disputes.

What's next

This summary reflects phase one qualitative research with 48 consumers in the US, UK, Germany, and Japan. Phase two is a quantitative study now underway to measure the actual size of the trust premium and validate these findings at scale.

[Sign up to receive the full quantitative report when it publishes.](#)

About Apkudo

Apkudo is the Device Passport Platform for the connected device ecosystem. We capture and unify data from every program, transaction, and touchpoint across the device lifecycle, creating a single, trusted Device Passport™ for every asset. For companies that manage, sell, or buy devices, this means a verified record they can act on: restore buyer confidence, maximize value, and reduce risk at every decision point. Our unique advantage is data fidelity and veracity, built on precision-automated robotics that have processed millions of devices, generating objective, machine-verified data that no competitor can match. To learn more, visit apkudo.com.

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