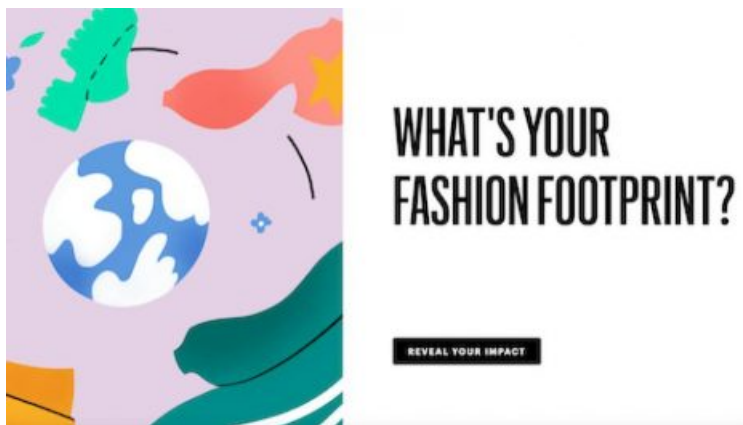


APPAREL AND ACCESSORIES

Nearly 2 in 3 retailers engaged in resale plan to increase investment by 2025: ThredUP

April 6, 2023



Initially launched in January 2020, the company's consumer-facing Fashion Footprint Calculator is itself recirculated as part of this year's exercise. Image credit: ThredUP

By AMIRAH KEATON

A new report from online resale platform thredUP hones in on retailers' evolving views of the secondhand market as the U.S. secondhand apparel market approaches a valuation of \$70 billion by 2027.

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This year's edition enters the landscape paired with an interactive tool aimed at empowering and educating consumers on the environmental impact of their fashion habits. Informed by report results, including a finding that 63 percent of Gen Z and Millennials believe they can reduce their individual footprint, thredUP's [Fashion Footprint Calculator](#) is itself recirculated by the research effort.

"Now in its 11th year, the Resale Report has some of the most inspiring findings since we started the report in 2013," said James Reinhart, CEO of [thredUP](#), in a statement.

"Resale is starting to blossom globally, with many of the largest retailers in the world adopting more circular business models; value continues to be a key driver that motivates consumers to think secondhand first; and at the same time, global climate issues have increased awareness of resale's potential to reduce fashion's impact on the environment," he said. "It's clear we're on a promising trajectory, and by working together through collective action, we have the power to alter fashion's future for the better."

ThredUP culls research and data from third-party retail analytics firm GlobalData, whose assessment of the secondhand market is determined through consumer surveys, retailer tracking, official public data, data sharing, store observation, and secondary sources. For the 2023 Resale Report, the company's research partner conducted a December 2022 survey of 3,012 American adults over 18 years old, inquiring about their behaviors and preferences for secondhand and, additionally, surveyed the top 50 U.S. fashion retailers and brands in January 2023 to gather their opinions on resale, leveraging data from the following sources to support: thredUP's Recommerce 100, Green Story Inc. research, internal thredUP customer and brand performance data and McKinsey & Company.

Secondhand soars

ThredUP's [2023 Resale Report](#) cites online resale as the fastest-growing sector of the U.S. secondhand market. The segment is slated to grow 21 percent annually over the next 5 years, garnering an expected \$38 billion by 2027.

While the global secondhand market is set to nearly double by 2027, reaching \$350 billion, the general U.S. secondhand market's 2027 projection represents a sizable portion of the planet's circular pie.

Today, we released our 11th annual Resale Report with [@Retail__GD](#). It sizes the global and U.S. secondhand market and sheds light on consumers and retailer trends in resale. Check it out! <https://t.co/8I8I3qMGkH> pic.twitter.com/LDMsdIgQMK

thredUP (@thredUP) April 5, 2023

Experts share that purchase patterns suggest a particularly strong recession resilience when it comes to the secondhand market.

The report makes clear that U.S. consumers continue to shop despite economic uncertainty and inflationary conditions.

In fact, 52 percent shopped secondhand apparel at some point last year, with 1 in 3 apparel items purchased during the last 12 months falling into the secondhand category.

Further, 2 in 5 items in Gen Z's closet are of this archival variety.



Image credit: thredUP

Interestingly, 37 percent of consumers spent a higher proportion of their apparel budget on secondhand in 2022.

Here, value ranks highest on the purchase consideration scale, while trends appear to be the weakest spend motivator.

"Secondhand continues to be one of the fastest-growing segments in apparel, and online resale in particular is seeing solid growth," said Neil Saunders, managing director at GlobalData, in a statement.

What's particularly striking this year is new detail about how much younger generations are expected to account for future growth as their purchasing power increases. Traditional retailers are responding to this demand by entering resale and are really the ones driving the market forward, and we expect increased adoption in retail as secondhand becomes more of a lifestyle for consumers."

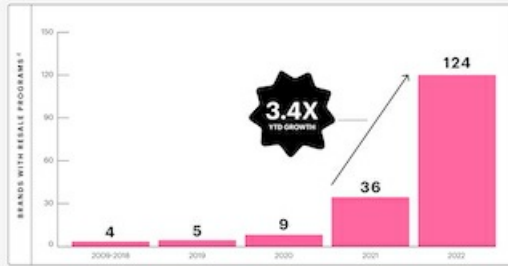
Retail executives engage

Report findings also show that, ultimately, retailers stand to benefit from secondhand market growth.

Sellers are leaning into consignment merchandising models, which shot up in 2022, according to thredUP's 11th annual exercise.

Retailers With Branded Resale Programs Skyrocketed in 2022

86% of retail execs say their customers are already participating in resale, **up 8 pts** from 2021.²



See which brands are having the biggest impact with scale in thredUP's Recommerce 100.

www.recommerce100.com
thredUP's Recommerce 100 as of 10/20/2022

THREDUP

Image credit: thredUP

For instance, 86 percent of retail executives stated their customers are already participating in resale this figure is up 8 points from 2021 while thredUP notes that 88 brands launched dedicated resale programs in 2022, having skyrocketed with a 244 percent increase as compared to 2021's count.

Fifty-eight percent of retail executives told thredUP that making resale options available to customers is becoming table stakes, 6 points higher than respondents who said so in 2021.

THREDUP Fashion Footprint Calculator

QUESTION 1 OF 10

How often do you buy clothing?

1 time

per week

per month

per year

Initially launched in January 2020, thredUP's Fashion Footprint Calculator is an interactive tool aimed at empowering and educating consumers on the environmental impact of their fashion habits, allowing users to determine their carbon footprint associated with clothing purchase, care, and disposal habits. Image courtesy of thredUP

A majority of retailers who offer resale expect the conscious apparel mechanisms to generate a positive ROI, at 82 percent, and almost half of the retail executives say they're using these channels to satisfy investor demands around ESG.

An executive mindset shift could lead to heightened sector engagement, as retailers begin to view resale as a strategic business initiative with ample opportunity for positive returns.

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