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## **How Second-Hand Stores Are Impacting The Fashion Retail Industry**

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Master's in International Management

Supervisor:

PhD, Renato Telo de Freitas Barbosa Pereira, Assistant  
Professor, ISCTE-IUL

October, 2024



BUSINESS  
SCHOOL

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Department of Marketing, Strategy and Operations

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## **Abstract**

The second-hand market has grown significantly in recent years, and companies are feeling the pressure of consumers to produce more sustainable alternatives to keep up with their clients' newest demands. It became evident that betting on a more sustainable strategy, reducing waste, and trying to close the cycle is becoming an added value to most fashion companies.

The objective of this research is to understand how the increase in popularity of this market, which has now become a part of many households' lives, impacted the perception and the strategies of already well-established traditional fashion retailers. To reach conclusions, six semi-structured interviews were conducted with different people working in the fashion industry of various ages, nationalities, and backgrounds to achieve the most comprehensive study on this matter and determine if the impact is happening worldwide.

Change of strategy to a more sustainable approach, creation of a marketplace to resell clothes, investment in the technology that makes most clothes recyclable, and bet on repairing clothes are some of the actions mentioned as part of a plan to make the industry more environmentally friendly. These changes started around five years ago, coinciding with the COVID-19 pandemic, which impacted the economies of households worldwide.

**Keywords:** Second-hand Clothing; Fashion Industry; Fast-Fashion; Sustainability; Impact of Trends; Consumer Impact

**JEL classification:** L67 - Other Consumer Nondurables: Clothing, Textiles, Shoes, and Leather Goods; Household Goods; Sports Equipment





## Resumo

O mercado em Segunda mão tem crescido imensamente nos últimos anos e as empresas estão a sentir a pressão dos consumidores para produzirem alternativas sustentáveis, de forma a conseguirem acompanhar a procura por parte dos clientes. Tornou-se evidente que a aposta numa estratégia mais sustentável, reduzir o desperdício e tentar fechar o ciclo, está-se a tornar algo que acrescenta valor às empresas de moda.

O objetivo desta pesquisa é entender como o crescimento em popularidade deste mercado, que já se tornou parte de muitas vidas de várias famílias, impactou a perceção e as estratégias de empresas bastante conhecidas no mercado da moda de retalho. De forma a chegar a algumas conclusões, realizei 6 entrevistas semi-estruturadas com diferentes pessoas que trabalham na indústria, de diferentes idades, nacionalidades e passados, de forma a atingir um estudo mais profundo sobre esta temática que está a impactar o mundo inteiro.

Mudanças de estratégia para uma vertente mais sustentável, criação de um Marketplace próprio para revenda de roupa, investimento em nova tecnologia que torna a maior parte da roupa reciclável e a aposta na reparação de roupa, são algumas das ações mencionadas como parte do plano para tornar esta indústria mais sustentável. Esta mudanças na indústria começaram a acontecer à volta de 5 anos atrás que coincidiu com a pandemia de COVID-19 que impactou as economias de muitas famílias à volta do mundo.

Palavras-chave: Roupa em Segunda Mão; Indústria da Moda; Fast-Fashion;  
Sustentabilidade: Impacto de Tendências; Impacto de Consumidores

Classificação JEL: L67 – Outros Consumíveis não duráveis: Roupa, Textil, Sapatos e Produtos em Pele; Produtos para Casa; Equipamento de Desporto

## **Glossary**

CO2 - Carbon dioxide

CSR - Corporate Social Responsibility

ESG - Environmental, social, and governance

EU - European Union

FEC - Fundação Fé e Cooperação

GHG - Greenhouse gases

KG - Kilograms

NOG - Non-government organisations

ODS - Objectives of sustainable development

ONU - Organization of the United Nations

UK - United Kingdom

US - United States of America

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## Introduction

Globalisation is an ongoing phenomenon that has impacted the fashion industry very closely. This has led to much waste due to the world constantly changing, as fashion trends change yearly. New “it” colours, patterns, shapes, and designs are being put out to keep up with this demanding industry. Studies showed that in the USA alone, textile waste increased by 40% between 1999 and 2009. (Ruppert-Stroescu et al., 2015; Pedersen and Andersen, 2015).

We are living above the annual renewal capacity of the earth, and therefore, there is a rising environmental concern due to excessive consumerism. We must promote a behaviour based on reducing the consumption of the earth's resources. (Jackson, 2009). Sustainability, as of now, is viewed as a competitive advantage by companies that create higher standards in innovation and reinvention of processes and results. (Ozbekler & Ozturkoglu, 2020).

Organisations prioritising sustainability and responsible consumption are gaining consideration among consumers and are most likely valued. (CalderonMonge, Paston-Sanz, & Garcia, 2020). According to research, this methodology still needs more traction despite strategies surrounding the circular economy being a win-win situation. Although the market is increasing, this type of business is still considered a “niche” for most companies (European Environment Agency, 2018).

Fast fashion, which consists of the rapid production of clothes to keep up with consumer demands, has become a world phenomenon due to its low prices and constant updates, offering multiple different patterns and colours of the same style at low prices while compromising quality. Fast fashion came in as a budget-friendly alternative to expensive items, mimicking some trends from higher-end brands that most people cannot buy. This massively impacted the industry by ramping up the demand and creating well-known brands. Despite the positive impact demographically, financially, and economically, it also negatively affected the population and consumption patterns.

Global textile production almost doubled between 2000 and 2015. The consumption of clothing and footwear is expected to increase 63% by 2030, from 62 million tonnes to 102 million tonnes in 2030, equating to the fourth most negative impact on the environment at around 11kg per person per year, just in the EU alone.

According to the EU Strategy for Sustainable and Circular Textiles, “every second, somewhere in the world, a truckload of textiles is landfilled or incinerated”, damaging us all.

Green marketing is born out of companies need to adapt their activities, objectives, and necessities of the consumers to what is happening currently regarding environments, finding more sustainable alternatives for commercialisation and production (Rahahleh et al., 2020). It is proven that this marketing strategy has been influencing consumers’ purchasing behaviour. There is a crescent preoccupation in buying products where the packaging and labelling of products are sustainable (Sah, 2016).

It is known that brands that do not have products or practices that are “green,” in other words, environmentally friendly, have less success since consumers are paying more attention to this in their shopping trips. (Hartmann et al., 2005). European consumers have demonstrated that they are open and have positive attitudes towards more green and ecological products (Wüstenhagen et al., 2006).

Despite this constant creation, fashion is cyclical. What was in style years ago will reappear as “trendy” eventually. Finally, it became “cool” to use your parents' clothes from when they were younger, and this led to a snowball effect as more people looked for vintage items because they are cheaper and unique. Studies have shown that consumers prefer second-hand stores by choice rather than out of economic necessity (Guiot & Roux, 2010). Cervellon et al. (2012) say that the vintage fashion trend has spurred consumption of used clothing over the last 10 years, and as of now, it can be confirmed by the younger generation just by observing their patterns. The evolution of the textile industry has been a target of multiple studies regarding its environmental impact.

Second-hand fashion stores include increasing consignment stores, boutiques, and thrift shops that resell already-worn garments (Xu et al., 2014) and have been open for a long time to satisfy this need. Until recently, these stores were frequented by people and families of low income who needed various items or sold them to get money. Globally, the trade of second-hand textiles exists in 100 countries worldwide (Imo & Maiyo, 2012). Consumers have become more conscious as there is less prejudice

toward second-hand pieces, even becoming a trend among the younger population. (Dino, 2017).

This emerging market is based on the circular economy concept, which consists of a production and consumption model based on sharing, renting, reutilising, repairing, renovating, and recycling materials and products. The objective is to elongate the life cycle of every product, which will lead to fewer products being produced each year. (Caixa Geral de Depósitos, 2023).

What also happens frequently is that, despite consumers expressing their desire for second-hand clothing, they do not know where to acquire these types of products physically. (Connell, 2010) This is one of the biggest reasons consumers do not buy second-hand since they are unfamiliar with the physical stores. (Silva et al., 2021) Consumers who know some stores say it is challenging to find the products they are looking for because the store is disorganised, making the shopping experience unpleasant and a barrier to buying. (Connell, 2010)

As the consumer is increasingly demanding, companies must react rapidly to new threats and trends to stay afloat. After COVID-19, the search for sustainable and cheaper products has become rampant, and the “vintage market” took this chance. They increased their presence in the online markets and social media communities, reinforcing their growth. Due to multiple different types of people selling on these websites, thrift shops were able to reach various audiences as lower-income people are motivated by the lower prices and higher-income individuals are looking for exclusive pieces (Turunen & Leipämaa-Leskinen, 2015).

According to a study by Machado, Almeida, and Bragagnolo in 2019, purchasing second-hand goods begins with nostalgic feelings related to the individual's childhood, when their family exchanged clothes between siblings and cousins. After that, second-hand fashion shopping became a custom for consumers, mainly for financial reasons. Consumers then realise that buying used clothes is a way to get quality products that last longer and sometimes cheaper than going to a traditional clothing store. By having longer clothes, the consumer buys less from the traditional productive chain because it sells lower-quality products at higher prices. Finally, they begin to relate to owners of thrift stores, salespersons, and customers through second-

hand clothing purchases. After this, they go to their family and friends and spread the word that this is a beneficial exchange.

This becomes a never-ending cycle and can be attributed to this way of shopping, which strips away its stigma. The individual is a critical factor of success in this industry as he simultaneously is the customer, seller, partner, and supplier. Times.com reported some time ago that the activities of the Salvation Army (1897) and Goodwill Industries (1902) had started this. They initially empowered poor people to reprocess used clothes so that they were fit for use (Johnson & Haug, 2021).

There is an apparent adhesion by Gen Z, which is the population born between 1996 and 2010 (Mckinze, 2023) and shaped early on to adapt to recent technologies and their convenience. They have propelled the development and reshaped how we envisioned thrift shops and how they work transactionally. They are very open-minded and more environmentally aware, making it easier to adhere to this trend of upcycling clothes, which benefits the ecosystem ethically as opposed to mainstream clothes stores. However, they were also born when consumerism peaked, translating into unhealthy shopping habits, leading to much waste and a high rotation of their apparel. This influenced the retailers to produce faster to keep up with the newest trends.

This study aims to comprehend how the popularisation of second-hand shops as a more sustainable alternative to the typical and well-known shops impacted the existing brands. It is also a primary goal to understand what was done to “compete” with this new competitor. The questions that I will try to answer are, “How does this new market affect the strategies of already settled retail fashion companies?” while also trying to understand how effective this new market is in increasing awareness inside these fashion retail companies.



## **Literature Review**

The Cambridge Dictionary defines " impact " as "a powerful effect that something, especially something new, has on a situation or person." However, how we interpret this word can affect each person's perception.

According to an article by Forbes (2019), Impact is a "marked effect or influence", and it reinforces the importance of "marked" since it is essential to note that the effect must be observable or measurable. This understanding of the word "impact" leads to two other definitions: "Meaning", which could be explained as "the implied or explicit significance", and, at last, "Purpose", which is "the reason for which something is done". These three words form a never-ending circle. Everything we do has an impact, meaning, and purpose, and they can be applied in various parts of our lives.

According to Hearn and Buffardi, 2016, we can identify five main uses of the word "Impact" in a functional way. The first one is the "Counterfactual use" This definition searches for the extent to which one specific intervention caused an effect. They make it measurable but also say that, for example, changes in the population cannot be attributed to just one single intervention. In contrast, the second one is vast, called "Boundless use" It can mean anything, from positive to negative, from indirect to direct. This allows the researcher to understand all the intended and unintended impacts that a single event caused, and it identifies all the effects of a cause rather than the opposite. The third definition is called "Results-chain use", which analyses what is beyond the direct influence of an event being out of the control of anyone. Fourth comes the "Environmental sustainability use," as this definition explores the word "impact" as a contribution to reaching sustainability goals. It considers economic, social well-being, and environmental factors. Lastly, "Colloquial use" means that this word is used loosely without being evidence-based and represents an action's general effect.

## **The Fashion Industry**

The fashion industry has been around for centuries, as even queens searched for the best seamstress, patterns, and fabrics to make their dresses as opulent and up-to-date as possible, not to be looked down upon by other royalty members. It is a culture that is intrinsic to our society. In 2022, it was a 1.53\$ trillion-dollar industry employing 300 million people. Recently, this industry has started looking for alternatives to recycle their products. Consumers have become aware of their behaviour and are beginning to

pay attention to how to dispose of their used clothes and reduce their fashion consumption. (Vehmas et al., 2018).

Fast-Fashion, which consists of the rapid production of clothes to keep up with consumer demands, has become a world phenomenon due to its low prices and constant updates, offering multiple different patterns and colours at low prices although they compromise on quality. It is the largest segment of the fashion industry in terms of revenue. It is forecasted to grow from 91.23 billion dollars in 2021 and is expected to reach 133.43 billion U.S. dollars in 2026 (Statista, 2022). Western Europe was the largest region that bought products in the fast fashion market in 2021 (The Business Research Company, 2022).

The objective of fast fashion is to make stylish clothes accessible to everyone at low prices and to quickly produce products to respond or anticipate consumer/market demands. This helped the masses feel like they were wearing the latest fashion creations, providing momentary happiness. Quantity is privileged over quality, so the produced clothes have a short life span, causing consumers to buy many more clothes. For this, time to market is crucial, and a pull approach allows retailers to respond to market preferences in weeks rather than months (Santos, 2019).

This industry has been negatively impacting society (Ruan et al., 2022), especially regarding environmental impact due to the CO<sub>2</sub> emissions and the high rotating articles that lead to textile waste and labour practices, for example, child labour in developing countries, to produce better business margins. The public has begun to question whether the industry brings more harm than good, and consumers are starting to reject this business model and the underlined unsustainability that is attached to it (Wren, 2022). Fashion produced 2.1 billion metric tons of GHG emissions in 2018, about 4% of the global total (Berg et al., 2020), with fast fashion accounting for roughly half the industry's emissions. With these conditions, the second-hand clothing industry has increased in recent years (Gopalakrishnan & Matthews, 2018; Xu et al., 2014).

## **Second-Hand Market**

Second-hand products are reused items, and consumers act as buyers and sellers. The pieces may have been used several times or recently purchased (Cervellon et al., 2012). Second-hand retailers, specifically apparel-focused shops, are spaces where

fashion items that have been previously owned or used, are resold by the owner, to a charity, or a business for profit (Castellani et al., 2014).

The second-hand market is expanding and it is already worth 3% to 5% of the apparel, footwear, and accessories sector. It could grow to as much as 40%, depending on the economic conditions. The expected growth is 20% to 30% per year, and it has been a constant. That is very promising regarding pillars like sustainability and closing the life cycle of textile products. A study showed, by share of purchases by channel, that the traditional retailers are losing their share of wallets.

A shift is becoming noticeable in the consumer's wardrobes, starting in 2020 at 74% and finishing in 2022 at 69% with a downward trend. It is forecasted that in 2023, they will fall to 67% (BCG, 2022). According to "Statista," this market is expected to grow from 2019 to 2029 by about 185% compared to the fast-fashion market, which will only grow by about 20%. This data presents valuable information about the potential and the importance that is gaining in today's consumer purchases.

The European resale second-hand fashion market is foreseen to double its size by 2025, reaching 34 billion euros, and it is expected to grow eleven times faster than the retail fashion sector (Cross-Border Commerce Europe, 2021). In 2021, 90 million consumers tried to resell their clothes for the first time. Compared to data from 2020, there were only 19 million new users, and it is expected that 76% of the first-time buyers would increase their spending in the next 5 years. By 2030, this market is expected to be twice as big as the fast fashion market (Cross-Border Commerce Europe, 2021).

Its main pretence resides with the circular economy where the object is repurposed and reused multiple times, augmenting its life cycle (Cervellon et al., 2012). It is one of the main concerns in society these days due to the concern with global warming and the apparel market being one of the main responsables for this effect. This led to a change in the consumer mentality because of the money-saving aspect, the "upcycling", and the uniqueness factor, which can be defined as "the trait of pursuing differentness relative to others through the acquisition, utilisation, and disposition of consumer goods to develop and enhance one's social and self-image" (Cervellon et al., 2012). Second-hand shops can satisfy this need as most of the time, clothes are one of a kind, or brands that are well known and loved by all can be found at cheaper prices.

Prior studies state that there are two main reasons for the growth of this market. The economic rationale relates to declines in the purchasing power of the middle class

since the 1980s (Williams & Paddock, 2003). The other explanation focuses on the characteristics of specific channels as the basis for their appeal. For example, second-hand markets provide various and unpredictable offerings, visually appealing objects, and excitement due to the multiplicity of goods, the urge to hunt for bargains, and feelings of affiliation and social interaction (Belk et al., 1988; Sherry, 1990a)

This business model goes against the mentality of today's "Throw away society" as it looks for a more sustainable outlook on the clothes we want to get rid of (Evans, 2012). Research indicates that second-hand purchasing will continue to rise, particularly among consumers hoping for used items (Chahal, 2013). Technology has enhanced the second-hand economy through online channels (Yrjölä et al., 2021). Offline came first with flea markets and later goodwill, thrift, and retail stores, but through technology, online options grew with e-commerce websites, applications, and platforms. COVID-19 was one of the biggest catalysers for the online market, as it registered a growth of 37.5%, representing 115.5 billion euros in sales volume, during that period.

Multiple outlets are used to repurpose used items and make a profit. Some examples are consignment stores, thrift shops, and e-commerce shops explicitly created with this intent.

Consignment stores focus more on the luxury market; their approach to the product differs, and how they merchandise it is directed to a more upscale clientele. They accept goods and pay the owners about 40 to 60 per cent of the price that the product was sold for (Zganjar, 2003). Modern thrift stores emerged in the US during the first decades of the 20th century as consumption spaces that sold used goods to the needy (Le Zotte, 2017).

In the store context, thrift emerges as a distinct value that allows charitable organisations to engage in commercial activities, encouraging consumption and attracting customers without losing their moral respectability. The condition of the goods is usually still very usable, although not new, and some of them have traces of use. Generally, thrift entrepreneurs try to find used clothes from well-known brands with decent quality. So that consumers can buy it at a lower price. Apart from being chosen because of their brand, these used items are generally modern and fashionable.

A critical moment in the second-hand apparel shopping market was the emergence of eBay as it was one of the first e-commerce platform for purchasing second-hand goods (Ridley, 2013). With the rise of the internet and the development of

smartphones, shopping can be done with just a straightforward click, and eBay became a pioneer in this market as people started to gain trust in this new way of shopping. Moreover, of course, this shaped the upcoming generation. A study done by Fortuna and Diyamandoglu in 2016 said that using an online platform to sell used clothing was not the preferred method, but that due to the expansion of the online market, motivated by the younger generation, they could see gaining traction.

The Pandemic, supply chain issues, and inflation have influenced the increase in demand for second-hand items, and the supply side is keeping track since there is inventory due to people cleaning out their homes in hopes of getting extra income by selling items they do not need anymore. Companies operating resale platforms such as ThredUp, Vinted, and eBay have facilitated the increment of the market due to ease of use and being free of use. (The Conference Board, 2023)

### **Waste in the Fashion Industry**

The issue of waste has been an ongoing theme for a couple of decades, and it is still unresolved and not adequately dealt with. If actions are not taken, some damages could be irreversible. For these pressing issues, political intervention is needed to accelerate the transition to a more circular economy and mentality. The EU has mainly been active in trying to implement solutions to reduce Europe's impact.

In the literature, we can find that some categorisations were made to help the researchers understand the motivations of each consumer. The ones proposed by Ferraro et al. (2016) and Guiot and Roux (2010) were economic, critical (Environmental and ecological awareness as well as critical and ethical consumption), and hedonic and recreational dimensions (Personal reasons, desire to be unique, treasure hunting, nostalgia, and social and familial relationships).

Many studies have observed consumers' discarding behaviour to understand the consumption pattern (Connel et al, 2014). A study done by Fortuna and Diyamandoglu (2016) confirmed the conclusion of recent articles, which was that most consumers preferred the method of discarding items that are not wanted by donating to thrift shops. They also linked the type of discarding pattern to their education, income, and gender, and they discovered that not all these factors influenced the “disposers” ' decision in their type of waste management, contrary to previous studies. They could find a positive relation regarding income, but none was found regarding education. Regarding gender,

the methods of discarding were also different, as women used thrift shops and men used donations. One of the most common reasons for the donation of clothing made by women is due to the purchase of the wrong size or changing their minds about the garment.

The promotion of reuse requires increased consumer demand (Ghisellini et al., 2014) and waste management policies, in which household practices of disposal and acquisition of used goods are of primary concern (Gregson et al., 2013). New national diversion targets in many countries aim to eliminate terminal disposal in landfills and increase recycling and recovery rates (Zorpas et al., 2015). New member states to the European Union, such as Estonia and Bulgaria, still use landfilling as terminal solid waste disposal venues (Bing et al., 2016), despite EU regulations requiring 50 per cent by weight of the municipal waste generated by member countries to be reused or recycled by 2020 (European Parliament and Council, 2008). In 2022, they also planned to adopt the EU Strategy for Sustainable and Circular Textile to control how the items are made and, if there are not any harmful, make suggestions as to how companies should go and search for ways to produce items that are easier to recycle, as an example is not to mix fabrics, making it easier to upcycle and create a new piece out of an old one, which would make some initiatives done by some retailers much more influential and impactful.

### **Barriers and Enablers of Buying Second-hand**

America's Research Group says that about 16 to 18 per cent of people shop at thrift stores annually, and about 12 to 15 per cent shop at re-sale or consignment shops (NARTS, 2017). It was shown in other studies that a significant factor leading to the purchase of second-hand goods is the thrill of what you find. Sometimes, clients can get a well-known brand at a lower price, combined with the thrill of finding unique items of excellent quality. (Sivasankari, et. all; 2018). It was shown that millennials roughly 25%, or 71%, expressed that they wanted brands to be more environmentally friendly and ethical. In comparison, 61% want them to be more aware and involved in social issues. (Keeble, 2013).

It was concluded in a survey done by ThredUP (2023) that 62% of the GenZ and Millennial population (between the ages of 26 and 41) say that they generally look for a second-hand item by looking at multiple marketplaces before they decide to buy a

piece in traditional retailers. 41% of the consumers surveyed said that, when it came to purchasing clothing, the first place they looked at was a second-hand marketplace.

Despite a visible search for a more sustainable alternative, there is still some aversion to buying second-hand; however, this stigma is slowly disappearing as some studies show that people associate the clothes sold in these stores with inferior quality, poor sanitation, brand devaluation, fraud, or social discrimination. (D'Adamo, 2022). In a study done in 2016 by Fortuna and Diyamandoglu, this hypothesis was confirmed as people with higher incomes have reportedly never purchased any second-hand pieces. .10% of branded goods sold are counterfeit, and it is estimated that 80% of consumers have already had fake or falsified branded goods, knowingly or obliviously. (BCG, 2022) However, education level also impacted the outcome proportionally. (Fortuna and Diyamandoglu, 2016)

### **Modern Day**

The fast fashion industry is very wasteful as, per capita, product waste generation has grown significantly over time while other wastes remain constant (Murphy & Pincetl, 2013). In 2022, the primary data was that fast fashion was responsible for 2-8% of the world's house gas emissions, around 215 trillion liters of water were consumed in one year, and 100 billion dollars of the product was lost due to the lack of upcycling and re-using. It also represents 9% of annual microplastic tossed in the oceans. (Buckulcikova et. al, 2022) With an industry as big as this one that can negatively impact our planet, they must think if the sustainability aspect of the second-hand industry would also benefit them longevity-wise in a way to adapt not only to the consumers' needs but also to our world's needs. It is known that North America has 37kg per user of textile waste each year, Australia has 27kg, and Western Europe wastes 22kg (Shirvanimoghaddam, 2020).

Despite the late wakening, efforts are being made to turn this more "one-time use" business into more of a circular economy by, for example, putting containers in stores to collect fabric to produce a more sustainable focused line. However, to better understand the issue and why second-hand stores and their acceptability are so important,

Research has shown that extending the life of clothing by just nine months can lead to a reduction of carbon emissions of 10%. Instead of buying new, shopping

second-hand can save 1.8 kilograms of carbon dioxide equivalent (Kg CO<sub>2</sub>) on average. A study by the Vinted platform shows that the total carbon emissions saved in 2021 by consumers buying on their marketplace was 453 kilotons of CO<sub>2</sub>e. It was also shown that purchasing a new item in a traditional retail store was avoided for every 2.56 (39 out of 100) clothing items bought on the platform. (Vinted, 2023).

Regarding the shipping material, 62% of the packing used by the surveyed sellers was reused, which helped minimise waste and reduce emissions indirectly. By utilising bags and boxes intended for single-time use, the platform members prevented 17 kilotons of emissions. This increase in sales was driven by exclusivity and influencers, which adhered to the vintage trend, appealing to their audiences to buy second-hand and saying that those clothes could also be fashionable. Some of the most prominent supporters were Zendaya, which regularly appears on the red carpet in second-hand fashion, and Lorde and Rihanna. (Vinted, 2023)

Consumers, especially from the GenZ generation, are comfortable buying online. With the new found visibility the industry grew to 177 billion dollars in 2022, according to a report done by ThredUp Inc. It marked a 28% increase over 2021, and due to the inflation, more retailers adhered to the second-hand/resale market and developed a more sustainably aware brand. (Bloomberg, 2023)

Interviewed consumers said they had to get creative to buy the items they wanted from popular brands and labels, so the second-hand market was a visible option. (CBS, 2023). A new study done by ThreadUP (2023) concluded that more than a third of consumers say they spent more on second-hand clothes than new apparel in 2022. (CBS, 2023)

Research by The Conference Board (2023) shows that due to inflation, 60% of US consumers have reduced their interest in sustainable products. However, the resurgence of second-hand shopping has allowed consumers to maintain their pursuit of sustainability while adding the element of thriftiness. It was found that consumers are being more surgical about how they spend their money. Nearly half of U.S. survey respondents said they would switch stores if they found better prices elsewhere (McKinsey, 2022). Despite the survey not approaching the topic of the second-hand market, in a survey done by ThredUP (2023), it was retrieved that three out of four sellers of second-hand items said they would also purchase items and consider giving them as gifts. The categories forecasted to grow the most in the market, and the



undeniable top articles sold and bought are books and clothes (The Conference Board, 2023).

Data shows that 43% of surveyed consumers purchased second-hand products in 2023, with high-income customers being the most likely to repurchase from this industry. On top of this, 19% said they had made more than one second-hand purchase (PYMNTS, 2024). eBay's (2022) survey showed that almost three-quarters of respondents, which covered the US, Canada, Germany, France, and the UK, started selling clothes in 2021 to get extra income, and 14% said that this need started due to them losing their jobs. Complementing this report in Germany, it was made that more than half of people that bought second-hand state that the main reason for purchase was the cost saving aspect, especially for people under 30, and that been highly affected by the crisis that it has been happening in Europe. (Bloomberg, 2021).

Also, according to Forbes (2023), due to the increase in interest rates and soaring living costs in Finland, the online retail market decreased by 24% in online sales during the second quarter of 2022 compared to 2021. The second-hand market has also increased significantly when compared to the retailers. It marked a growth of 19% from January to June 2023, while the retail sector only grew about 5% during the same period. These stores have already started opening in shopping malls and the Helsinki-Vantaa airport, which has reportedly had remarkable results.

Maija Arela, the founder and CEO of Arela, a brand that made sustainable pieces, said that many factors influenced the significant drop in purchases, which consequently led to her closing her business, such as the COVID-19 pandemic, the conflict in Ukraine and the energy crisis.

New goods retailers, therefore, need to understand that this new market is here to stay and that many customers oscillate between the new and second-hand markets. According to a qualitative study by Guiot and Roux (2010), some shoppers gather information in new channels but buy in second-hand markets, whether for financial reasons or because they find it more stimulating regarding originality, nostalgia, social contact, and treasure-hunting motives. Among second-hand shoppers, the dominance of polymorphous enthusiasts, which they categorised as “varied use of most types of second-hand products and often frequent second-hand channels”, represented 28,5% of their sample; this represents a “silent exit” from mass retailing that the segment can no longer ignore.

Consumers' sensitivity to waste and recycling offers another area for strategic reflection. Waste and the "throw-away" society have provoked counterreactions, so consumers search for functional objects at the best price. Restoring and personalising recovered objects is a consumption trend, exemplified by "do-it-yourself" projects and publications.

## Methodology

The objective of this study is to fully understand how this emerging market has been impacted and how established companies have dealt with a new type of consumer need. The method will be inductive, as I will ask specific questions and compare answers between different segments from both industries to get both perspectives on this topic for presentation.

Complementary, I will use qualitative research to understand the thoughts and feelings of the retailers about this emerging market. Qualitative research is “a means to explore and comprehend the meaning that the individuals or groups attribute to a social or human problem” (Creswell, 2009). Other authors, such as Lune and Berg (2017), add that this type of research is a non-quantifiable way to access knowledge by interacting with people, where the objective is to look for definitions, metaphors, symbols, concepts, and descriptions. It is a method where you can evaluate how people perceive each other and give meaning to things. To complement, according to Garbers (1996), the objective is the development of theories and understanding.

Weinreich (2009) says this type of study aims to provide the researcher with different perspectives of the targeted audience through immersion in a situation and direct interaction with the people being studied. This means that the researcher also becomes an instrument of data collection, and the results depend on who conducts the research, so it becomes more challenging to replicate the same study.

I will use in-depth individual interviews, which, according to Boyce and Neale (2006), is “a qualitative research technique which consists of intense individual interviews with a small number of people to explore their perspectives better.” An essential characteristic is that they need to be flexible to allow the person being interviewed to feel comfortable telling their opinions about the topics, and the role of the interviewer is to explore and deepen what is being said. (Morris, 2015).

Worthen and Sanders (1987) depict qualitative inquiry as a “research approach that is generally conducted in natural settings, utilising the researcher as the chief “instrument” in both data gathering and analysis” Despite the flexibility this type of interview allows. The interviews were done with a semi-structured approach, focusing on the problem of the study and following a guide of topics and questions, ensuring that the interviewee could freely express their opinions. Despite the flexibility, these questions restricted my thoughts and what had to be talked about in a way that allowed

me to get the information I needed. This approach is one of the most complete in the sense that it allows comparable answers between all the interviews and a deep understanding, making the analysis more systematic (Reis, 2010)

Predictive analysis will be used to anticipate trends since it uses different techniques for efficient and accurate predictions. It consists of observing past historical data, discovering patterns, and observing trends to predict future events. The data and responses given by the participants will be used to corroborate whether the shift of markets is palpable and visible, as demonstrated in the literature review.

The target of my research will be mainly fast fashion and second-hand companies. One of the objectives is to interview other market players, such as higher-end clothing enterprises that coexist with this type of alternative, meaning, since they have had this occurrence happening for a more extended period than the traditional retail stores. As for fast fashion, my targeted group is higher-ups who have the power of decision and are well informed about this topic, such as project managers who oversee the creation of a secondary market for their brand specifically or people who are from a second-hand retail store that can provide us with a holistic picture of the market, the natural growth and if they sense the impact on the retail market. It is vital to have as much diversity as possible regarding gender and age to have solid conclusions about this topic. The characteristics of the participants are detailed in **Table I**.

**Table I.** Interviewees' Profiles

Interviewee Name	Occupation/Expertise
Juan Reyes	Country Lead at Kiabi
Susana Martin	IP Strategy Director at Inditex
Anonymous Female	6 years of experience in high-end retail fashion
Agnieszka Plesko	New Countries Lead at Wallapop
Andreia Barbosa	Communication and Institutional Relations at Humana Portugal
Alberto de Sousa	Category Manager at Auchan Retail Portugal

The data collection involved interaction between the researchers and the interviewees. Keeping this in mind, the interviews were recorded on Teams/Zoom with the permission of the people I interviewed, as I took notes simultaneously. After analysing the data, I took out direct quotes that I found pertinent.

As an interviewer, I maintained myself as a neutral party by having a nonjudgmental attitude towards them. The intention is to retrieve as much information as I can about decision-making and data that cannot be easily found online and draw conclusions, suggestions, and limitations.

The interviews were transcribed automatically via Goodtape and then verified and corrected to guarantee the truthfulness of the information. This process was conducted in various spoken languages (Spanish, English and Portuguese.), and the quotations were translated manually into English to minimise possible translation errors. To complement the qualitative data retrieved, secondary data was also collected from journals and online websites to enhance the findings with recent data and statistics regarding public transport.



## Data Presentation and Discussion of Results

The new wave of sustainability and environmental consciousness promoted changes in the strategies of all companies. The concern for developing more sustainable practices has become a hot topic of discussion worldwide, and countries worldwide have developed action plans such as ESG (Environmental, Social and Governance) to develop a more sustainable and comprehensive development framework for human society (Li et al., 2021).

ESG was invented in 2004 by the Global Pact of the Organization of the United Nations (ONU) in collaboration with the Worldwide Bank. It is related to the seventeen objectives of sustainable development (ODS), also created by ONU (Público, 2023). It is a system that includes environmental, social and governance factors resulting from responsible investments. It is usually a standard and strategy to evaluate corporate behaviour and future financial performance. (Li et al., 2021). Companies are trying to invest more in sustainable practices as ESG has become part of their strategic pillars in recent years.

*"We have taken this route a long time ago, embracing a shift in mindset, and I think many things will come from this. I think it is essential. We have been working on so many projects for many years, but meaningful changes need time, and you cannot change things overnight. However, we have sent a clear message: We are committed to contributing to our industry transformation. For us, sustainability is essential"* (Susana Martin)

As individuals grow aware of global warming and the increasing importance given to these topics in today's education, consumers start to rethink their ways of purchasing. In a recent international survey, more than half the people agreed that capitalism, as it exists today, does more harm than good in the world (Edelman, 2020, p. 12). Krasodomska and Cho (2017) found that analysts want more information on sustainability to increase the quality of their evaluation process and investors want to include ESG performance information in their investment decisions (Barker & Eccles, 2019).

A study done by Susanne Arvidsson and John Dumay (2022) in Sweden showed that more companies had started to report their ESG when they compared the total of released reports in 2008 (82 reports versus) 2018 (351 reports) which was the first year that companies had to comply with the mandatory reporting requirements and the trend

is still going upwards. They also concluded that this increase was not because of the 2014 EU directive; since 2013, 290 reports were released to the public, showing that this trend was already in progress before the EU intervened.

*“What I can tell you is we started a long time ago thinking about sustainability, but nowadays, this is one of the main “engines” of the company. Our annual memory reflects many our actions in this field”* (Susana Martin)

The COVID-19 pandemic has caused household consumption to drop significantly, and they were forced to adopt alternative options given the sudden economic constraints (Sheth, 2020) and physical distancing caused by the pandemic. The pandemic also increased the use of different services (e.g., virtual gatherings) to satisfy the need for social connectedness (Kirk & Rifkin, 2020).

*“I think the two years of the COVID-19 pandemic greatly impacted the companies' strategy. It was hard when many things changed in people's lives and how they behaved. We could hear and see a digital explosion, but there was also an increasing concern by people about themselves, their health, and the planet. In Kiabi, we worked on a 10-year strategy and had a vision for 2030, but in 2022, we knew that the world was changing very fast, so we revised our vision.”* (Juan Reyes)

In the fashion industry, there has been a progressive change in consumers' mentality as they grew more conscious of the impacts of consumerism, which led to the uprising of the second-hand market. According to a study by FEC, younger people prefer to give a “second life” to their clothing items through donations, exchanges, or selling them; this happens to 67% of the clothes of this demographic (Expresso, 2024).

According to Humana, in 2023, they sold 2.5 million pieces of clothes in their second-hand stores, representing a growth of 11% compared to 2022 and a growth of 119% versus 2019, the year before the COVID-19 pandemic. In value, they sold 10.8 million euros, representing an increase of 27% versus 2022 and a 166% increase from 2019.

*“In the last five years, we noticed a big and important evolution (...) There was a big difference from one year to another, if I am not mistaken. The sales from 2019 to 2023 grew more than double (...) Before, it was a very underground trend, but right now we can see that it is starting to become mainstream, especially with the younger generation”* (Andreia Barbosa)

Revolut, a global fintech with 1,5 million clients in Portugal, revealed that the consumption of resale platforms, such as Vinted, Ebay and Wallapop, has increased by



16% when compared with last year and that, indeed, it is the Gen-Z generation (18-24 years old) that consumes the most. (Marketeer, 2024)

*“When the supply needs to meet the demand for a business to work, and it clearly shows that those platforms can help connect buyers with sellers and can help people who want to get rid of things for different reasons (...). Some would be doing it because they are price conscious, and so they want to find a good bargain; they want to find something cheaper; some are doing it because they cannot afford retail prices and need something. (...) There will also be people who are very sustainably conscious. They want a better environment. They want to help the planet, so they choose to sell or buy products on the second-hand market.”* (Agnieszka Plesko)

A study published by Naeun Lauren Kim and Terry Haekyung Kim (2021) in South Korea revealed that the biggest reasons for purchasing second-hand products are the fun of it, sustainability, and cost savings due to the low prices.

*“I think the main criteria is the price, based on the market that purchases our second-hand clothes (...) It is the criteria, the main criteria, the opportunity of buying branded clothes for much less.”* (Alberto de Sousa)

*“Definitely culture, for example, you can see how many Asian consumers buy a lot of premium goods because, for them, it is a status thing to own premium products. They are willing to pay the price because it is part of their identity. That is how culturally it works for them, and it is similar for Italy, as they are home to old-school, top-rated premium brands, and they are very proud of them and want to showcase them. For example, if you think about Scandinavia, the education about environmental sustainability has been there for a long time, and those people have already grown up with that mindset. I am not saying that you will not find people looking for luxury I Scandinavia. I am just talking about general trends. Over there, the awareness that we must take care of our planet has been around longer and taught to them since a young age, whereas in countries like Italy, it is only starting in recent years.”* (Agnieszka Plesko)

There is a change in mentality about second-hand clothes, which is not going away. It is gaining share in the fashion industry. Retailers see it as an opportunity to increase their sustainability pillar, implement a circular economy with their products, and gain a share in the market. (Naeun et al., 2021)

*“Now just for the fact that it is second-hand, which before was a downside, now, on the contrary, it is searched by consumers.”* (Andreia Barbosa)

The Gen Z generation has been influential in this shift in mindset regarding second-hand clothing. A study done by ThredUp shows that millennials and Gen Z are the most prominent age groups adopting second-hand apparel.

*“Young people perceive it well because it is trendy, has been instituted in multiple social media platforms, has easy access, and is cheap. (...) It is a global phenomenon. (...) It is a difficult time throughout the world due to inflation, but despite the economic side, young people see it as cool, which greatly matters.”* (Anonymous Female)

Despite the change towards the second-hand market, it does not mean that the traditional market has stopped growing, and with players like Shein that produce clothes to sell at lower prices, they present significant growth rates. Just in 2023, they doubled their profits, reaching 2 billion dollars, making more than traditional fashion retailers like H&M and Primark (BBC, 2024), and there is no sign of slowing down, which also impacts the second-hand. Fast-fashion competition is set to be more demanding than ever. They are bringing new tactics on price, customer experience, and speed. (Mckinsey, 2023).

*“The fact that people are buying second-hand does not keep them from buying new things too, so it simply leads the consumers to have a bigger wardrobe where second-hand pieces complement the rest. However, 90% of Humana clients state that their secondhand purchases replace a new clothing item. Still, the fact is that global clothing consumption keeps increasing every year.”* (Andreia Barbosa)

Although this is the expected pattern for most consumers, to blend fast fashion with second-hand pieces, according to Lidia Martin, a European Climate Pact ambassador, she expects that by 2030, 60% of the population's wardrobe will be second-hand articles, and she expects fast fashion to have a significant decrease in popularity by 2050. (European Climate Pack, 2022)

*“Having access to better quality clothing for less could lead to buying more for less. It could be tricky; more sustainability-sensitive people would think twice before buying too many clothes because they do not need them. It will lead to consuming more, but you will not put new pieces out onto the planet.”* (Anonymous Female)

There were and still are many barriers to purchasing items in this market. As stated in the literature, products are considered to have low hygiene conditions (Argo et al., 2006), unknown origins and conditions, low reliability, and risk to purchase (Kim et

al., 2021). This is a shame since people of less privileged backgrounds have bought those items in history (Hur, 2020).

Especially now, with the digitalisation of the market, new concerns have been created regarding the trust of online sellers, given that buyers cannot physically see and touch the item before purchasing it (Padmavathy et al., 2019).

*“Sometimes, you need someone in your network to convince you to do it or to try it yourself to change the mindset. The popularity of all of these platforms is helping because people hear more about them. It is like dating apps; previously, no one wanted to use them, and now you hear many more couples saying that they met on a dating app. It is not a taboo anymore”* (Agnieszka Plesko)

Even though the second-hand market is perceived as a solution to pollution caused by the fashion industry, many problems have come up that have put some people in doubt about whether this market is the way to go in terms of being more sustainably responsible. In 2015, according to Oxfam, an estimated 70% of European donations ended up in Africa.

*“Despite asking the client to send us pieces of clothes that are in condition to be sold, sometimes they send us things that are not sellable. So, we offer our clients two alternatives: we can send them the piece back, or the client can donate it, and most consumers opt for the second alternative. Then we donate it to countries to countries that might be able to utilise those pieces, like Africa. (...) We have a huge presence in Africa, and we work with local partners that know the NGOs of their country”* (Juan Reyes)

The OR Foundation, a Ghana-based nonprofit that studied the influx of second-hand clothing in the country, says that more than 40 per cent of clothing in Accra's markets is unsellable and heads directly to landfill. A leader of a group of waste pickers says more clothing waste goes into landfills directly from ports than it does from markets (Vogue Business, 2021).

*“The best way to help is to be able to convert the clothes into money because the people do not need clothes. They need education, health, medicine, and other things that can be acquired and developed through projects kickstarted with the money we make from selling clothes. (...) It reached the public eye these terrible episodes of pollution, and it is good that it reached because that is eye-opening, and it triggers the need to change those situations”* (Andreia Barbosa)

*“I do not think the charities that export clothes to Africa will last, with these new digital solutions like Vinted and Vestaire Collective.” (Anonymous Female)*

Consumers are aware that garments that do not present big signs of wear should be donated to charities. However, they may not be aware of the value of fibres to the recycling industry. (Stall-Meadows and Goudeau, 2012). Most fashion textiles are 100% recyclable; 85% of all textiles in the US end up in landfills (Council for Textile Recycling, 2014). Post-consumer textile waste in the US increased by 40%, from 8.3 million tonnes in 1999 to 11.3 million tonnes in 2009. This number is expected to increase to 16.1 million tonnes by 2019. (Council for Textile Recycling, 2014).

*“The objective is to collect more clothes to stop those 78% from going to waste. Doing something with this resource, recycling, reusing and all of that, it will take that the citizens get that clothing is a precious resource” (Andreia Barbosa)*

Many traditional fast fashion retailers have integrated into their structures branches that try to reach the new audience that is price sensitive or environmentally concerned, that being through creating their second-hand platforms like Zara or integrating organically in their spaces second-hand clothing as Primark, Kiabi, Auchan, Levi and many more, especially the Gen-Z population, which are younger individuals that are onboard of new and fresh ideas.

*“I think we can count on a strategic action made by big fashion retail companies when they start thinking that the phenomenon is threatening them, and they will certainly fight for their share in this market “(Andreia Barbosa)*

*“One of the points was accelerating the concept of second-hand, circularity and the multiplicity of services. I think we were conscious that we have a big responsibility on the impact of our environment worldwide” (Juan Reyes)*

### **The future of the fashion industry**

It is already undisputable that the industry is changing as companies receive more inputs, and their consumers are looking for more from them in the sustainability realm to continue their purchases.

*“We saw that our clients were getting more concerned, and we could sense a reaction and adaption of the market in itself, so we also inserted in our policy of social responsibility and Auchan also being a people’s company and concerned with the*

*environment a measure to make sure we are striding to a more sustainable future, and this was already 5 years ago.” (Alberto de Sousa)*

This is especially true given that new laws are being introduced into the market to reduce landfills and incineration to promote less overproduction. According to The Guardian, around 10% to 40% of the clothes produced are not sold or recycled correctly, wasting the earth's natural resources.

Some fashion giants are trying to create a more sustainable way to produce or close the material waste cycle. H&M has a campaign that collects clothes to separate the materials and transform them into new pieces for their sustainable collection. Other companies are trying to follow the same path as a strategic vision for their future by finding methods to make the industry more environmentally friendly and close the waste cycle.

*“There is a clear evolution from 3 or 4 years ago, and the objective is that 100% of our articles have the CSR stamp. That is for using recycled fibres because of the utilisation of biological cotton or other things.” (Alberto de Sousa)*

When asked in the interviews about the possible future of this industry and how the interviewees envision some of the possible trends, it was said that the possibility of the emergence of the trend of “repairing” is high, which can be seen by more prominent companies launching recently programs that aim at just that. Mark & Spencer partnered with a start-up called SOJO to provide this service to clients looking to reuse their clothes and extend their life cycles. Uniqlo has also entered the repairing strategy, offering repairs in-house in 6 of their stores in the UK. (BBC, 2024).

We can also see that countries are starting to take matters into their own hands to push forward the concept of repairing and extending the life of articles since, in 2023, they launched a policy which incentivised consumers to repair their clothes by giving consumers a discount from 6€ to 25€ on the price of an individual repair. (BBC, 2024)

*“It is a service that companies should give much more. People generally think that if the product is damaged, people will throw it away. I believe that stressing education and sensitising people about the advantages of repairing clothes is important. History is cyclical, so I think this trend will come again, but it will only work if people are educated, so I think social media will play a big role.” (Anonymous Female)*

The investment in the newly emerging business of machines that separate materials to reutilise them in their supply chain is also one of the big predictions of the route the interviewees think will go, especially when the technology enters the market.

There are 17 textile recycling companies in Europe, which expect to recycle 1,25 to 1.3 million tonnes of fibres annually until 2025 (1 million tonnes through mechanical recycling and 250,000 tonnes through chemical recycling) (Köhler et al., 2021; Dahlbom et al., 2023). However, most materials are downcycled and turned into rags or materials for insulation, for example.

*“I do not believe in recycling because the technology right now is not advanced enough, maybe because of the integration of AI. As for the dead stock and old stock, upcycling would be good. As for raw material used in producing products that are doing well in sales, I see the opportunity to use it again instead of throwing it away.”* (Anonymous Female)

Still, some companies remain optimistic about this strategy and are willing to use these new methods to reuse the materials to produce new clothing items for their new collections.

*“That process is more expensive and harder to do. That is why, when we produce our new pieces, we try to use the minimum colour, not to blend many different materials, to make recycling easier. In today’s day and age, machines can separate the fibres of clothes by colour and type of material. Then, some of those are used to make brand new clothing items, and others are used for other industries, to make a type of plastic, to the pharmaceutical industry, etc. That is the model that we will be building next year to be able to utilise 100% of the products that go through our stores”* (Juan Reyes)

Others feel that selling second-hand clothing does not have the potential for growth that people expect inside their companies.

*“To tell you that this will have an exponential development. No, because there are always economic criteria, there will always be criteria overlapping. So, I think it is politically and strategically correct to have this type of offer or project; I think it makes total sense. If a company thinks of greatly developing their business with these products, I do not think so.”* (Alberto de Sousa)

As more legislation is implemented to reduce the waste associated with this industry, companies must remain sharp in their strategies to comply with the change. Andreia Barbosa sees the future of clothing in a different light.

*“Due to the legislation and the obligations of the towns of making available a collecting service of clothing, which is a thing that will start next year, many market players will mobilise their operation in order to augment their collecting capacity, so I*

*expect that in the following years, clothing collection will increase (...) I think in the future, we will maybe talk about in textile residuals instead of donations. (...) We have separated the plastic, paper, and glass into their respective containers. We will create a flux like this for clothes in the future.” (Andreia Barbosa)*

It raises the question of why partnerships were not established with companies specialising in selling these clothes. Some companies reached out to charities to donate their clothing items, but no significant partnerships were made with known brands that are popular in this market, such as Vinted.

*“I think we collaborate with several NGOs, one of them being Caritas” (Susana Martin)*

*“Currently, we donate to local institutions. For example, we work with Casa da Misericórdia, Cruz Vermelha and other local institutions in Portugal. That is what we do with the stock we cannot sell, and that is how the strategy is in every country we are in.” (Juan Reyes)*

This data contributes to the future generations that they control the market and that the market will respond to their needs, so the general population should revise their consumption habits and try to be more sustainably responsible. It helps companies see their impact on the environment and how a small step could have a massive impact on people’s lives and our natural resources.

The literature shows a difference in mindset and importance given to the second-hand market by traditional stores and how their strategy has changed after seeing the success that this new reemerging market is having, especially since the younger generations are starting to be more environmentally aware and can influence the older generation.





## Conclusion

The impact of the second-hand market is undeniable. We can see a significant adoption rate, especially by younger generations, who see that the future will pass through a more sustainable mindset, where purchasing second-hand is a way to try and close the cycle of textile waste.

This study used qualitative data to obtain more in-depth responses and thought processes and to understand the expectations for the future of both markets and the strategies of traditional retailers and second-hand stores or platforms. It was imperative to dig deep into the interviewees' responses to understand their actual views about the impact that this change in the consumer's mentality has made on the strategies of big corporations.

Despite the market being relatively new to a lot of the population, we can see that it is already one of the oldest concepts of fashion and appeared quite a long time ago. The resurgence was the pandemic we suffered, which pressured many families to cut their budgets. Second-hand clothing fulfilled some needs, but other people started looking at it as a more environmentally friendly way of buying clothes. Some consumers even say shopping and finding hidden gems has been fun.

One of the significant contributors to its growth was the influence that social media has on Gen Z. Since they look up to influencers and what they are wearing, some of them have also jumped on the trend of sustainable purchasing, so it has now become cool to have these one-of-a-kind pieces that no one else has.

I could also conclude the power of the consumer within companies. As seen by the results of the interviews, many saw a shift in the consumer mentality, and to accommodate that, combined with the growing importance of social responsibility, they created a new pillar inside of their companies. One dedicated to sustainability is to increase the life cycle of the products, a way to re-purpose the materials from clothes that people did not want anymore and transform them into something new or even create a platform to incentivise their loyal consumers to sell the clothes they do not want anymore.

Despite being a great starting point to reduce the waste produced in one of the most pollutant industries, there is still much work to be done and partnerships to be created. It is important to note that proper logistics for unwanted clothes that are unfit

for re-selling still produce much waste to this day, which ends up in landfills or even incinerated, leading to a lot of pollution and social risks to the least developed countries.

New threats have appeared that could endanger the progress made towards a more sustainable fashion industry. Shein and Temu are examples of fast fashion websites which target the market of cheaper clothing items that are still “first hand” and keep up with today’s fashion trends. These websites caught a lot of younger attention, and the older generations are also adhering to them since there are constantly new items and sometimes even similar items to famous high-end brands like Gucci, Channel and Louis Vuitton, or even to trendy brands like Zara, Stradivarius and H&M. You can find something for everyone.

When asked where the market could evolve, we saw that most answers relied on more ecological paths, such as adhering to the recycling of clothes through new emerging technologies that can separate the fibres, promoting the service of repairing clothes to extend the life of the products, and even using recyclable materials such as biological cotton.

At the end of this research, we could see second-hand’s impact on people’s mindsets, traditional and well-known fashion brands, and even the charities that collect clothes. This market was a turning point in an industry known for its high levels of waste and pollution, and despite not being a revolutionary idea, we can see how eye-opening it was to today’s society.

### **Limitations of this study**

One limitation is the size of the sample of interviewees and their dispersed backgrounds and professions. During this study, around a hundred requests were sent out to interviewees, of which only ten replied, and only six were willing to be interviewed. I tried to collect as diverse a group of people as possible regarding age, gender, and culture to understand the differences in mindset regarding market change. More responses from traditional and second-hand fashion companies would make a more robust discussion and concrete results.

According to the literature, a qualitative study is “a means to explore and comprehend the meaning that the individuals or groups attribute to a social or human problem” (Creswell, 2009). This might lead to difficulties replicating the answers and conclusions in this study, especially in an ever-changing market and world. Any

phenomenon or new trend might lead to different answers if the same interviewees are interviewed again.

From the responses I was getting from trying to set up interviews, I could sense some secrecy in the market and the companies' willingness to let people take interviews. This could lead to some parties involved not being completely transparent about their responses despite me, as an interviewer, staying neutral and asking follow-up questions.

## **Recommendations**

As a recommendation for other researchers trying to study this topic, I would say that a complete immersion in this market would be best or even trying to get the contact of higher company members to agree to have an interview. It is a tough market, and most companies are unwilling to accept interviews for research purposes.

Researchers who work or have worked in this industry would benefit from their connections throughout the years, and it might lead to a bigger pool of data and responses, leading to a more prosperous and more profound conclusion on this topic.

For future research, I would deep dive into what type of alternatives this market must enter a more sustainable phase; in this study, examples were given, such as promoting clothing repair, new technology and re-selling. However, the current alternatives, especially quick wins, could be very relevant to companies nowadays.



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## Annexes

### Appendix A. Interview Questions

Group for questioning	Questions
Retailers	<ul style="list-style-type: none"><li>• With the growth of second-hand stores, what was the observed impact?</li><li>• How did second-hand stores impact the market? How did you adapt?</li><li>• What was the moment you felt adding a second-hand strategy was necessary?</li><li>• How does your solution work?</li><li>• Have you ever considered partnering with a second-hand market player?</li></ul>
Second-hand stores	<ul style="list-style-type: none"><li>• What do you think changed the stigma associated with second-hand clothes? And from when?</li><li>• Have you ever thought of partnering with a player from the traditional fashion retail market?</li><li>• What type of clients do your clothes attract? How did that change throughout the years</li><li>• What are the barriers to purchase that still exist?</li></ul>
General	<ul style="list-style-type: none"><li>• What do you think will be the following market trends?</li><li>• Do you think that the second-hand trend will sustain the test of time?</li><li>• What are the main factors that lead people to buy second-hand clothes?</li><li>• Do you think this trend of purchasing second-hand clothing reduces consumerism? Does it help with textile waste?</li><li>• What do you do with clothes that are not sold</li><li>• What growth opportunities do you see for the future?</li></ul>