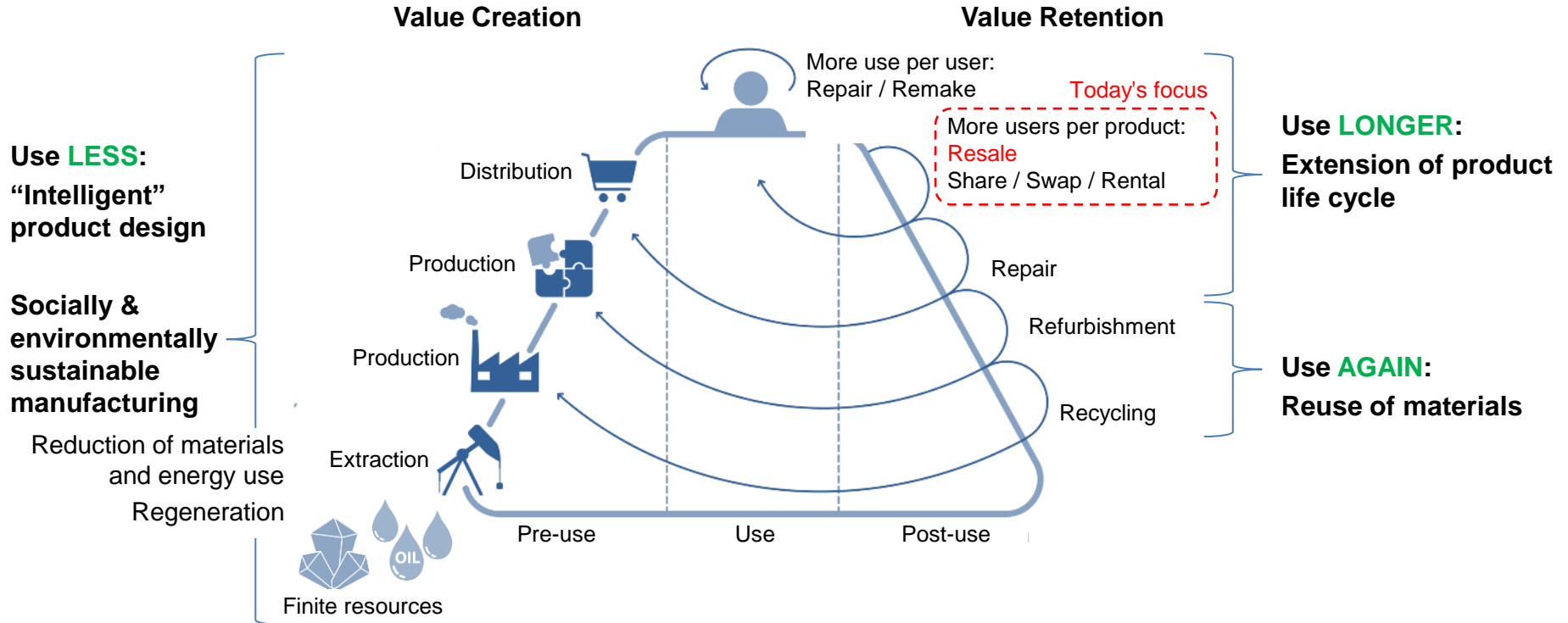


# Entering the Fashion Resale Market

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# Resale as ONE puzzle piece in circular fashion



# Fashion resale has been around for a long time, but gains new scale through innovative offers

Online



Fashion Resale Platforms



Brand-owned Re-commerce

Formal

Informal



Private Flea Markets



Clothing Swap Parties



Thrift and Charity Shops



Vintage Boutiques

Offline

# Specialized and brand-owned fashion resale platforms for different segments gain traction

## Non-specialized Resale Platforms



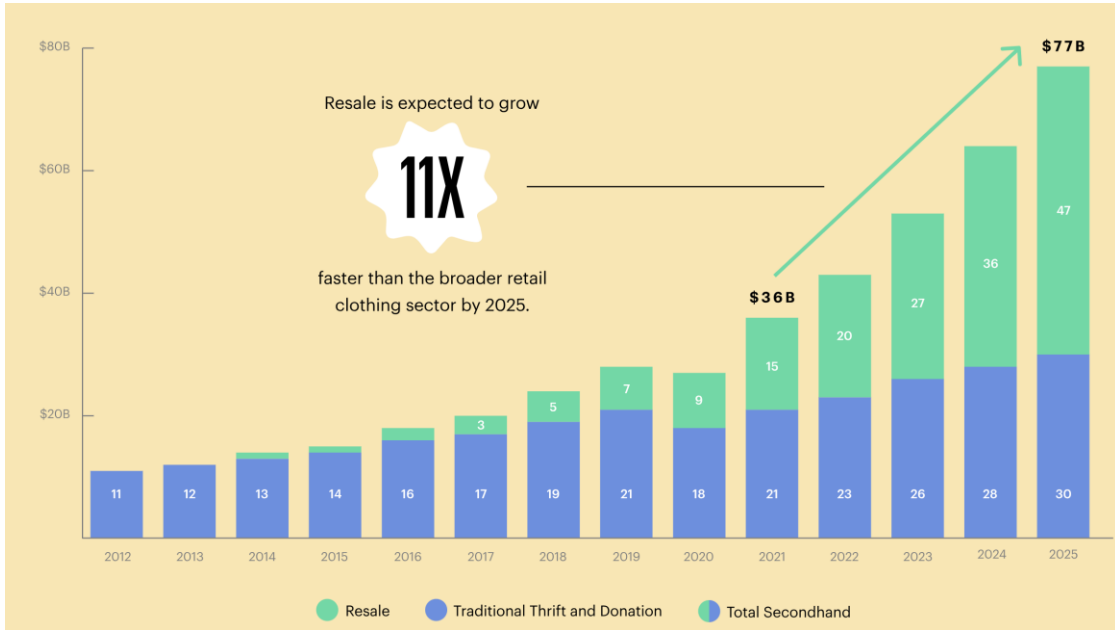
## Specialized Fashion Resale Platforms



## Brand-owned Re-commerce



# The fashion resale market is big, and it's quickly getting bigger



- Total second-hand market size is growing
- **Top categories:** 1) clothing, 2) accessories, 3) footwear
- **Major countries:** Asia (China, India), USA, Europe (DK, DE, UK)
- In 2023, China surpassed the US as the largest resale market.

# How can brands enter the resale market?

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## Branded buy back & resale platform

- + Target new customers
- + Increase loyalty
- + Control over customer experience (product, price, image)
- + Access customer/product data
- + Provides trustworthy purchase option for customers
  
- Limited reach
- Reverse logistics require resources if done in-house
- Risk of buying in “dead inventory”

**WORN WEAR**  
patagonia

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## Sales partnership with existing resale platform

- + Target new customers
- + Increase loyalty
- + Great reach due to awareness and traffic on platforms
- + Leverage outside expertise; resale logistics done by platform
- + Provides trustworthy purchase option for customers
  
- Control over product, price & access to data (depends on contract)

The RealReal BURLINGTON  
STELLA MCCARTNEY

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## Data partnership with existing resale platform

- + Easy first step to entering the resale market
- + Access to data -> insights into 2<sup>nd</sup> hand value of brand / products
- + Insights for product design, pricing and communication

# Why do people (not) buy second-hand clothes?

## Motivators



### Economic benefit

Perceived possibility to save money



### Climate awareness

Perceived high level of environmental value



### Hedonic benefit

Treasure hunt; thrill of finding exclusive items



### Fashionability & Uniqueness

Finding exclusive items; desire to stand out

## Barriers



### Hygienic concerns

Perceived as unclean and unsanitary



### Quality concerns

Concerns about low product quality



### Social risks

Potential negative impact on public image



### Trust in the service

Trust among sellers, buyers and platform

# Conclusions & Reflection

## Conclusions

- Fashion resale market is expanding, becoming more diverse and global
- Driven by significant change in people's behavior → resale as a sustainable, cost-effective way to engage with fashion, driven by a desire for uniqueness
- However, overcoming barriers such as hygienic concerns, quality perceptions, social stigma as well as increasing trust is essential for further expansion

## Reflection questions

- What unique value propositions can be developed to differentiate resale platforms?
- How to capitalize on people's motivators and address existing barriers for resale?
  - How to **educate buyers and sellers** about the environmental benefits of resale?
  - How to **overcome misconceptions** about 2<sup>nd</sup> hand clothing (e.g. hygiene & poor quality)?
  - How to **emphasize unique and fashionable pieces**?
  - How can **technology** help to address people's concerns? (e.g., DPPs, AI-driven image recognition, blockchain to ensure item authenticity and quality)