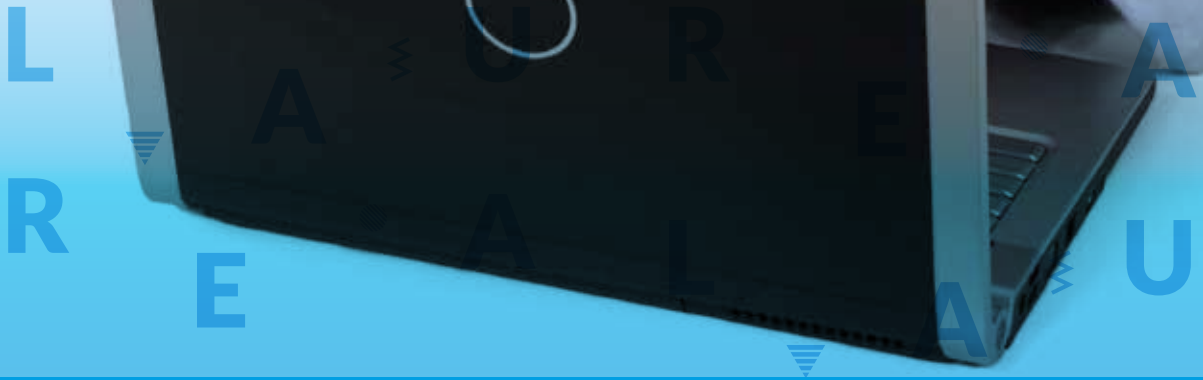




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LAUREA LONG 7 | 2024

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Flourishing the Online Second-Hand Textile Market: Important Considerations

Abstract

The second-hand textile industry has witnessed rapid growth in recent years and is predicted to continue flourishing. Online second-hand textile platforms offer great potential in helping expand the second-hand textile market further by eliminating certain consumer barriers and offering consumers a more convenient way of shopping second-hand clothing. However, digitalising the second-hand textile industry introduces its own set of challenges, which are important for second-hand businesses to take into consideration.

This article uses consumer data collected through the Baltic2Hand project, which is funded by the Interreg Central Baltic 2021-2027 programme and partly funded by the European Union, to help identify the important areas of development which are needed to ensure the success of the online second-hand textile market. This article highlights the importance of security, concerning both the practical aspects such as quality insurance, brand legitimacy and the safe transaction of money, but also the feeling of trustworthiness which can be enhanced through transparency, consumer reviews and building a good reputation. Other features including, easy site navigation, effective search filters and the use of clear and marketable pictures were also mentioned.

Keywords: Second-hand fashion, digital second-hand market, online second-hand platforms, circular economy

Flourishing the Online Second-Hand Textile Market: Important Considerations

INTRODUCTION

In recent years, the unsustainable nature of the fashion and textile industry has become increasingly evident, and greater sustainability efforts are becoming ever the more necessary. The textile industry is estimated to generate more greenhouse gasses annually than all international flights and maritime shipping industries combined (Ellen MacArthur Foundation 2017) and is considered the second largest global polluter (De Aguiar Hugo, De Nadae, and Da Silva Lima 2021).

Due to increasingly rapid global growth, the textile industry is plagued by issues of overproduction, inefficient use of natural resources, and environmental degradation (Cooper, Bartlett and Dubé 2022). The evident environmental issues associated with the fashion and textile industry have stimulated the need to find sustainable solutions. Experimentation and implementation of circular business models (CBMs) have begun to gain rapid attraction within this industry (Charnley, Knecht, Muenkel, Pletosu, Rickard, Sambonet, Schneider, and Zhang 2022).

The resale of used clothing, or the second-hand textile market, is one such business model and has gained substantial popularity and market growth in recent years. According to the ThredUp 2022 resale report, the second-hand market is expected to grow by 127% by 2026, and the ThredUp 2024 resale report confirmed that the second-hand textile market is growing three times faster than the overall global apparel market. However, whilst the second-hand textile market and other circular business models are increasing in popularity, 'low consumer acceptance is considered by business professionals and policymakers to be one of the main barriers to the transition towards a circular economy' (Charnley et al, 2022, 3).

Digitalisation presents various methods in which new customer bases can be reached and offers new more attractive and convenient ways in which products and services can be offered to consumers (ibid). Regarding the second-hand textile market, digitalisation in the form of online selling and purchasing platforms is one of the most common ways in which a second-hand textile business can expand to new consumers and eliminate some of the barriers associated with second-hand textile purchases. Nevertheless, the use of online platforms, especially within the second-hand textile market, requires new considerations for how to make the service user friendly, trustworthy, convenient, and satisfying.

Second-hand textile online platforms cannot rely on merely replicating the online models and services offered by traditional online clothing apparels, and it is thus important to identify which issues can be overcome and which can be otherwise compensated. This article highlights the challenges which need to be considered and discusses the possible approaches to be taken, by second-hand textile businesses when attempting to operate a successful second-hand textile vending and purchasing platform.

METHODOLOGY

This article uses consumer data collected through the implementation of the Baltic2Hand project. The Baltic Second-Hand project, which is part of the Interreg Central Baltic 2021-2027 programme and partly co-funded by the European Union, tackles this mass issue of textile waste. The project engages organizations and consumers through a service design process, to map, design, test, and pilot circular business models to help both increase the re-use of textiles and reduce textile waste altogether.

As part of the research phase of the project, a consumer survey was conducted to gain comparative insight into the consumption behaviour and consumer perspectives of the second-hand market in Finland, Sweden, Latvia, and Estonia. A 30-question online representative consumer survey was conducted across all four target countries: Estonia, Finland, Latvia & Sweden. 2084 participants completed the survey altogether, 319 in Estonia, 311 in Latvia, 735 in Finland and 719 in Sweden. The target group was 18+ and the demographics of age, gender, income, and educational background were recorded of each participant. The survey was conducted between 23.10.2023-29.10.2023, by a highly renowned Finnish research company Kuulas.

To support the consumer survey, a series of narrative inspired consumer interviews were also conducted in all four partner countries. In Finland, the Finnish research company Crowst, was responsible for recruiting participants and conducting the interviewees. The Baltic2Hand partner organisations in Estonia, Latvia and Sweden were responsible for the process in their respective countries. The participants interviewed were between the ages of 18-40 years with both males and females being equally represented, and those identifying as 'non-binary' also being included.

The consumer survey and consumer interviews were thematically analysed, with participant opinions, remarks and discussions relating to the use of online second-hand textile platforms or pre-assumptions to their possible use, being highlighted.

THE ONLINE OPPORTUNITIES OF SECOND-HAND TEXTILES

As mentioned above, moving fashion and textile businesses online provides a range of opportunities for expanding consumer engagement and increasing consumer satisfaction. For second-hand textile shoppers, an online option allows to overcome certain barriers, challenges and limitations which have been identified with second-hand textile shopping specifically.

Some of the primary challenges associated with shopping for textiles second-hand, included a lack of access to 'good' second-hand stores due to location restrictions, a lack of or limited selection (especially for niche markets such as certain styles, sizes and men's apparel), the disorganisation of clothes making browsing inconvenient and time-consuming, hygiene concerns, not trusting the value or quality of second-hand textiles, a lack of price competitiveness with sale campaigns and difficulty changing familiar shopping habits.

Moving a second-hand textile business online would help to eliminate some of the challenges and barriers mentioned above. Online platforms dismiss the issues or inconvenience associated with 'location.' It provides an opportunity to extend second-hand textile services and sales to those who do not have easy access to second-hand stores. They also provide a larger selection of clothes, especially in consideration to clothes that target specific

niche markets or needs. Online platforms also allow for consumers to browse for items more conveniently, and easily check if certain items are in stock.

The utilisation of filters and search engines, allows consumers to browse through second-hand items more conveniently in comparison to visiting brick-and-mortar stores. Filters remove the need to hunt for clothes, as they allow consumers to only browse through the clothing styles, items, and sizes relevant to them. Fast-paced lifestyles and the increasingly convenient methods for buying clothes, especially online, have made the more laborious act of buying second-hand items less appealing. Online clothing stores have made the purchase process so quick and easy, that many interview participants believed this to have increased their impulse purchases in general.

Online platforms also allow consumers to compare prices of second-hand clothing items more easily, making shopping for second-hand clothing more convenient for those who aim to get the best possible prices. Online platforms also provide a form of familiarity in shopping practices. It may not be as 'radical' of a change in comparison to shopping at physical second-hand textile stores. Some interviewees also mentioned an issue with the typical 'smell,' often found or associated with physical second-hand stores, as being off-putting. However, online platforms would also help eliminate this unpleasant aspect.

THE ONLINE CHALLENGES OF SECOND-HAND TEXTILES

Nevertheless, moving fashion and textile business online presents its own set of issues and challenges. Following the results of the consumer survey, offline shopping was favoured over online shopping by 47% in Finland, 45% in Sweden, 49% in Estonia and 35% in Latvia. In contrast, online shopping was favoured over offline shopping by 19% in Finland, 27% in Sweden, 14% in Estonia and 27% in Latvia, whilst a combination of online and offline was favoured by 32% in Finland, 28% in Sweden, 34% in Estonia and 29% in Latvia. Whilst online shopping was considerably more popular in Sweden and Latvia in comparison to Finland and Estonia, using only online shopping, was the least popular answer in all four countries, suggesting that most participants preferred to shop offline or with a combination of both offline and online.

From the consumer interviews conducted, the decision to choose online or offline varied greatly depending on the interviewee. For many a combination of both online and offline shopping was preferred, but evidently both forms of shopping were highlighted as having advantages and disadvantages. For those interviewees who preferred to shop in brick-and-mortar stores, some highlighted that they would often start their shopping process by first looking online, to confirm the selection available at nearby physical stores. Browsing first online allowed the interviewees to easily compare prices and products across the physical stores they were considering and therefore narrow down which they would visit.

In addition, an issue of trust and security was highlighted when interviewees considered shopping online. Many interviewees preferred the ability to physically see, touch and try on clothing items before making a purchase. Whilst this lack of trust is also a relevant issue for unused clothing garments, it is specifically the case for second-hand clothing, where some consumers already held pre-assumptions about the quality or condition of the clothing items. Physical stores, especially second-hand stores, were seen as being more trustworthy, and consumers felt a larger sense of security as they could judge the quality and feel of the clothing first-hand.

Many were also skeptical about the accuracy of 'sizing,' with one interviewee explaining that sizes, even within the same brand, could radically alter. Many interviewees confessed to having purchased the same clothing item in

multiple sizes from traditional clothing stores, to ensure that one of the sizes would fit. However, as this option is not possible when using online second-hand clothing platforms, it creates a sense of insecurity and uncertainty in the consumer. This concern is further aggravated by the inability to return items. Whilst some online second-hand clothing stores potentially offer the ability to return items if they are not as pictured or described, for many this is not the case, nor is this option available if the garment simply does not 'fit.'

The concern over security, was also related to being sold fraudulent or fake clothing items. For one interviewee, peer-to-peer platforms where there was no third-party monitoring in place were viewed as the riskiest in this respect. For expensive, vintage or designer second-hand items it was considered by many interviewees as being safer to purchase in brick-and-mortar stores. Whilst many second-hand online platforms provide pictures and descriptions of items, some of the pictures were described by some interviewees as being deceiving or unclear. However, third-party guarantees, which confirm the authenticity of labels or clothing items, were helpful in providing more trust in the purchase.

Another issue identified from the interviews were the overwhelming amounts of clothing items available on many online second-hand clothing platforms. Whilst a disadvantage to shopping at second-hand brick-and-mortar stores was the lack of availability and selection, for some interviewees the expansive range of items online was in comparison overwhelming. Multiple users, each adding a singular item to online platforms, means there is a very expansive range of clothing items that need to be browsed through. Those interviewees who identified themselves as being very strategic and careful shoppers, explained they felt overwhelmed with the never-ending choice of clothing items, and this acted as a divergent as they felt compulsion to look through each item as extremely laborious.

However, in contrast, whilst some interviewees professed to preferring to shop for second-hand textiles in local online platforms (such as local Facebook groups), many found the issue of limited choice an issue and the need to compete with others to get certain items. Online second-hand clothing platforms do not have a pre-determined stock of clothes, so the range of availability and choice is largely dependent upon how many users actively sell on the platform or send their unwanted clothes to the platform. There thus remains the need to achieve a balance between having a satisfactory level of choice and availability, but ensuring that consumers find it easy to browse, to find specific items, or and cap the amount of clothes shown.

Online aesthetics and presentation techniques were also mentioned by several interviewees. Many wanted the aesthetics and presentation practices used on traditional online clothing platforms, such as models presenting the clothes or multiple pictures of the clothes from different angles, replicated on second-hand clothing platforms. Those interviews in question, highlighted that the pictures used to showcase second-hand clothing were often unclear or presented unappealingly. This was particularly the case for peer-to-peer platforms (where sellers are responsible for presenting and providing clothing descriptions themselves), where the interviewees found the lack of consistency between pictures off putting.

However, although third party operated online platforms do have more control over stock presentation, the expansive range of items needing to be photographed would make the replication of traditional online platform methods extremely laborious. Further still, as clothing items will arrive at the third-party holder in various conditions, it would again be both difficult and time consuming to perfect each clothing item before being photographed. With prices also being considerably lower, this labour may not be a cost worthy venture for businesses.

CONSIDERATIONS FOR FLOURISHING THE ONLINE SECOND-HAND TEXTILE MARKET

Firstly, in consideration to the concerns over security, whilst it would be difficult for online second-hand platforms to completely override the above mentioned, there are certain measures which could be implemented. The interviewees heavily associated branded clothing items with a level of trustworthiness, meaning many were more comfortable purchasing branded second-hand items, as there was more of a guarantee over the quality and durability of these clothes. Having online platforms which are dedicated to branded clothing items and have strict quality control and monitoring operations in place, would help secure the quality and authenticity of the clothing sold, and increase feelings of safety for customers.

The clear presence of a third-party may also be an effective way of increasing feelings of security amongst customers. Having a third-party monitor and guarantee the authenticity of branded clothing, would help build security on the purchase process, especially for those customers who are inexperienced in identifying fake replicas. Further still, having a third-party also guaranteeing a certain level of quality over the condition of the item may also increase feelings of security in buying non-branded second-hand clothing. Moreover, having a third-party holder explicitly involved in peer-to-peer online platforms, would help create security over processes such as the transfer of money, delivery of sold items and complaints procedures. Finally, having clear instructions and expectation on how items are photographed and described both on peer-to-peer platforms or third-party or independent online platforms provides a sense of consistency and responsibility which may help to increase feelings of security amongst consumers.

Another aspect which should be explored is the practice of ensuring the platform is as transparent as possible. Building and displaying a good, secure and reliable reputation was seen as being important for many of those interviewed. This would include allowing and also clearly displaying customer reviews and feedback. This may be in consideration to the online platform itself or even on the sellers. In addition, it would also be important to allow sellers on the platforms to provide feedback over their experience in using the platform and on individual buyers. This would create security for both buyers and sellers which many online second-hand clothing platforms depend on. In addition, it would be important to ensure that the suite itself is easy to use, easy to navigate, convenient and overall provides a reliable, enjoyable and quick experience for the sellers and buyers.

To help create a positive reputation and simply ensuring public exposure, the utilisation of social media channels, was also identified as an important aspect which can help to increase feelings of trust, familiarity and security amongst consumers. Active social media pages allow consumers to feel a sense of security that the online platform is still in operation and that in case of need, assistance is available. Thus, it is vital to ensure continuous activity on social media channels and making sure that there are personnel available to answer customer queries or reply to feedback etc.

Furthermore, the active use of online platforms by other consumers was identified as building a sense of security in those who were new to site. This further supports the need to utilise communication channels, such as social media accounts, to advertise customer experiences or through other methods display the popularity of the platform. The issue of security is relatively high for online second-hand clothing platforms due to having either none or more complicated or restricted return policies. Thus, the explicit presentation of positive feedback and good customer experience is important in convincing first-time users to use the platforms. This also includes investment over ensuring that clothing items are pictured and described as accurately as possible, to ensure customers are fully aware of what they are buying, and thus ensure positive feedback.

In further consideration over the issue of product aesthetics, this was also an issue for many who did not find the current presentation methods used on second-hand clothing platforms as simply appealing. Whilst the presentation standards of traditional online fashion businesses are difficult to replicate, investing in measures which would ensure certain 'standards' in how items are photographed could be useful. Sellers could receive free video tutorials on how to best photograph items, and what details must be included in the description. This may also help create a look of consistency and professionalism, which many interviewees felt online second-hand sites were lacking. The potential use of manikins is another possibility, but one which may be difficult to implement on peer-to-peer platforms.

Finally, in relation to aesthetics, investing in functions which would allow for easy navigation of the site, such as the use of effective filters and algorithms, is a necessity. Such functions allow consumers to conveniently browse through clothing items, helping them find specific items in their preferred style, size or colour. In addition, for those who are easily overwhelmed by choice, accurate filters will allow consumers to only view those items they are looking for and not become 'lost' in the endless choices available. Further still, the use of flexible payment methods or payment options was also identified in the interviews. Whilst certain payment methods which are used on traditional clothing sites may not be appropriate for some online second-hand clothing stores, this is an aspect which could be further investigated. However, ensuring that the purchase process itself is quick, convenient and does not require too many steps, is a feature which can be enhanced.

CONCLUSION

The fieldwork results from the Baltic2Hand project provided insight into some of the aspects which need to be considered when selling second-hand clothing items on online platforms.

Digitalisation of the second-hand fashion and textile industry provides a range of exciting new opportunities such as reaching new customer bases and making second-hand clothes shopping more convenient and enjoyable. However, it is also important to acknowledge some of the concerns and issues which consumers have and attempt to either override these or compensate them through other means.

In particular, the issue of security was identified as a major concern for many. The issue of security and trust was depicted in several different ways. Consumers were concerned over the possibility the purchased item not matching the advertised description, the purchased item not being authentic or legitimate, the item not being suitable or the correct size, the item not being in good condition, not receiving the item at all or the transaction process not being secure. Further still, the inability to return second-hand items was a primary source of insecurity for many interviewed. Whilst this issue is a difficult to aspect to reconcile, other measures could be taken, to help prevent the need to return items in the first place. Ensuring clear and accurate pictures and descriptions are used, measurements are provided, and pictures of clothing labels are presented, may ensure that consumers make correct purchases and the need for returns diminish.

In addition, having guarantees over the condition and authenticity of clothing, having clear transparency over customer experience and building a reliable reputation amongst consumers are all methods which can further help increase feelings of security and trustworthiness amongst both sellers and buyers. In addition, effort should be made to create a convenient, aesthetically pleasing and easy-to-navigate online platform, where sufficient filters are used to ensure the online shopping experience is not overwhelming and is an overall enjoyable experience.

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ISSN 2954-2170