THREDUP
ANNUAL RESALE REPORT
2017
Foreword

**Breaking news**: It’s not your mama’s fashion industry anymore. Gone are the days of going to the mall to pick up the same clothes everyone else has. Style seekers want one-of-a-kind treasures and they want to experience the hunt for themselves. Resale satisfies these shopping desires where traditional retail falls flat.

Making smart and savvy life choices and financial decisions, the fierce female of today is choosing to be the Boss of her future. She doesn’t want to compromise quality for price. She wants it all! The modern Boss woman is an agent of change—speaking with her wallet and creating a massive shift in the fashion industry from retail to resale. Her personal shopping behavior is making a positive impact on a global scale as the environment, economy, and community all benefit from her choices.

“It is possible to save money and improve your life. Shopping secondhand isn't a sacrifice, it's an investment in yourself. Saving money by being part of the conscious consumer movement allows you to have more time and money for other adventures (or misadventures). We've changed our mindsets from a place of deprivation to a place of aspiration, and our finances and fashion sense have followed.”

Nicole Lapin

**Financial guru and NYT best-selling author of Boss Bitch and Rich Bitch**
Apparel Resale Shows Explosive Growth

Disrupting with quality and curation

RESALE DISRUPTORS ARE GROWING

4x FASTER THAN BROADER APPAREL RESALE MARKET

Resale market by segment

- CLOTHING, SHOES, ACCESSORIES: 49%
- BOOKS: 14%
- OTHER: 16%
- ELECTRONICS: 10%
- MEDIA: 11%
- ALL APPAREL RESALE: 8%
- RESALE DISRUPTORS: 35%

1/3 of women say they would shop secondhand

Where the value-conscious consumer shops (and sells)

- Augmented Marketplace
- Off-Price Retailers
- Peer-to-Peer Marketplace

An augmented marketplace takes on logistics, photography, and customer service to deliver a more convenient customer experience.

A peer-to-peer marketplace brings buyers and sellers together within a hosted platform to perform transactions.
Millennials and Grandmas Share Common Life Hack: Thrifting

Two generations, one shared philosophy

As two generations who grew up during economic recessions, millennials and grandmas are mindful consumers who are making a confident and smart choice to shop secondhand.

![Image of two generations smiling]

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<thead>
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<th>Millennials</th>
<th>Gen X</th>
<th>Baby Boomers</th>
<th>Grandmas</th>
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<tbody>
<tr>
<td>Percentage</td>
<td>30%</td>
<td>25%</td>
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Millennials and grandmas are the most likely age groups to shop secondhand.

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**Millennials are**

\[2.4X\]

more likely to be motivated by eco-conscious factors when shopping secondhand.

**Women over 65 are**

\[3.4X\]

more likely to be motivated by value and savings when shopping secondhand.

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*THREDUP*
Mindful Millennials Shape Future of Resale

Millennials are the most likely group to shop secondhand in the future

30% have shopped secondhand in the past 12 months

21% say they will shop secondhand in the future

MILLENIALS ARE 75% more likely to be motivated by the environment

Percent of consumers who say they would shop secondhand primarily because of the environment

84% prefer socially conscious brands that align with their values

TOMS, WARBY PARKER, THREDUP, REFORMATION, RENT THE RUNWAY

Over half of millennials consider the resale value of an item before they make a purchase

65% spend their secondhand savings on experiences with friends and family

THREDUP®
Meet the New High Income Thrifter

Today’s thrift shopper isn’t who you think she is

- **$250K - $1M**: 36%
- **$100K - $250K**: 21%
- **$50K - $100K**: 10%
- **< $50K**: 23%
- **$0 - $50K**: 10%
- **$500K - $1M**: 10%
- **Millionaires**: 10%

NET WORTH OF THREDUP’S MOST ACTIVE SHOPPERS

HIGH INCOME SHOPPERS ARE

- **35%** MORE LIKELY TO TRY SECONDHAND THAN LOW INCOME SHOPPERS

Intent to shop secondhand by income

- **LOW**: 19%
- **MID**: 24%
- **HIGH**: 27%

One of the fastest growing resale segments, these savvy shoppers know that being thrifty is smart, not cheap.

- **77%** ARE WORKING PROFESSIONALS
- **71%** OWN A HOME
- **73%** ARE URBAN DWELLERS

Secondhand shoppers are

- **6X** MORE LIKELY TO SHOP HIGH-END BOUTIQUES THAN DEPARTMENT STORES
- **2X** MORE LIKELY TO SHOP ONLINE RESALE THAN ONLINE RETAIL
Resale is Thriving While Retail is Struggling

Rising intent to shop resale outpaces retail

Google search growth for apparel resale terms vs. brand name retail stores

Resale satisfies discount appetite and retail suffers

80% AVERAGE DISCOUNT AT THREDUP

94% of women say they rarely buy clothing that’s not on sale

40% of women say they wouldn’t enter a store unless there were discounts on at least 41% of items

Resale makes shopping fun again

“Consumers are bored with retail.”
Business Insider

78% of women say they rarely find anything new or exciting when shopping at traditional retail stores

63% say resale is thrilling because you never know what you’re going to find

1,000+ NEW ITEMS ADDED HOURLY AT THREDUP
Retail Boredom Boosts Resale Popularity

Resale happy hour!
The perfect time to do a little late-night shopping after the kids go to bed.

SIP & CLICK
63%
of shoppers agree that shopping is better with wine

85%
of women would rather shop on the couch with their dog than go to the mall

76%
of shoppers say THE FUN FACTOR is one of the top 3 reasons they shop resale

Online resale rivals other forms of nightly entertainment

ONLINE APPAREL 9 MIN
GAMING 24 MIN
FACEBOOK 35 MIN
ONLINE RESALE 45 MIN
NETFLIX 1 HR, 33 MIN
Resale Disruptors are a Threat to Off-Price Chains

Resale’s competitive edge

THREDUP

Thousands of new items listed
hourly

Search 35K brands from your couch

75-90% off retail prices

Pre-loved items

TJ-Maxx  Marshalls  Nordstrom Rack

Thousands of new items listed
weekly

Brands are not searchable online

20-60% off retail prices

Surplus inventory
Resale Consumers Choose Access Over Ownership

One in, one out

69% of sellers also shop secondhand

41% of buyers also resell their clothing

70% of people who have recently decluttered feel a greater sense of control over their lives

Consumers are buying less stuff

“More and more individuals, couples, and families are choosing to trade in space for simplicity.”

The Huffington Post

The untapped potential of the American closet

The average woman doesn’t wear 60% of her closet

$220B
The retail value of unworn clothing in women’s closets across the country

Total items sent to thredUP

ThredUp paid out over $58M to sellers in the past five years
Top Resale Fashion Trends

**Fastest-selling category:**
*Shoes*

#1 BEST-SELLING BRAND
STEVE MADDEN

79% AVERAGE SAVINGS ON A PAIR OF KILLER HEELS

FASTEST-SELLING STYLES
Ankle booties and sneakers

**Best value category:**
*Denim*

#1 BEST-SELLING BRAND
7 FOR ALL MANKIND

80% AVERAGE SAVINGS ON PREMIUM DENIM

**Fastest-growing category:**
*Activewear*

#1 BEST-SELLING BRAND
 lululemon

56% OF WOMEN SAY THEY WEAR ACTIVEWARE TO LOUNGE OR RUN ERRANDS

**Most popular designer brands**
Eileen Fisher, Vince, DVF, Tory Burch, Joie, 7 For All Mankind, Joe's Jeans

**Top-selling accessory brands**
Coach, Vera Bradley, Kate Spade New York, MICHAEL Michael Kors

**Emerging designer brands**
Theory, Elie Tahari, Trina Turk, Nanette Lepore, Rebecca Taylor
Resale is the Secret to Buying Brand Names for Less

It’s the shopping hack retailers don’t want you to know about.

NORDSTROM.com $198  TJ-MAXX.com $59  THREDUP.com $34

BCBGMAXAZRIA
Black Dress $385  $79  $22

Sanctuary
High Heels $109  $39  $12

Theory
Skinny Jeans $99  $24  $20

DID YOU KNOW?

The average order at thredUP saves you $177

If you shopped secondhand exclusively for one year, you would save $2,129

An independent shopper took the virtual price comparison challenge and found the same items in each of these online stores.

“Shopping secondhand isn’t a sacrifice, it’s your ticket to the good life.”

Nicole Lapin
Resale Reduces Fashion’s Environmental Impact

In 2016, thredUP collectively saved:

- 128M lbs of CO2 = 8,111 households’ yearly electricity use
- 14M items UPCycled = 140 Nordstrom department stores
- 10B gallons of water = 15,784 Olympic-size swimming pools

Due to the rise of fast fashion, textile waste has risen from 7% to 30% in the past five years. Resale has proven to be a smart alternative that is good for the planet and our communities.

The average American throws away 70 lbs of clothing annually.

52% say the environment inspires them to shop secondhand.

If all of that clothing were reused or recycled, it would save 6 million items from ending up in landfill per year.
Resale Sweeps Across America

Buyer and seller’s rapid expansion over the past four years
Definitions & Sources

Definitions

The Apparel Resale market represents all secondhand apparel both online and offline. It includes traditional thrift stores, established auction sites such as eBay, and other online marketplaces. The price, quality, and selection of products vary widely.

Resale Disruptors represent a specific segment of the apparel resale market. Resale disruptors focus on higher-quality, gently-used, brand-name products and present a more curated product assortment. Resale disruptors sell their products via peer-to-peer marketplaces, augmented marketplaces and retail stores.

thredUP’s most Active Shoppers customers who have placed 4+ orders within a 12 month period

Sources

GlobalData (2017) Retail thredUP survey
Cassandra Reports (2016) Buy Not report
The Intelligence Group Report which tracked shopping habits of 1,300 people aged 18 to 34
thredUP (2017) SurveyMonkey Shopping survey to thredUP customers
Research Conducted on Off-Price Retailer Websites
Oracle Data Cloud 2017 Analysis
Internal thredUP Data Analysis
Study by First Insight Research Firm
thredUP Customer Behavioral Analysis (Internal Data)
Facebook Poll (2017) to thredUP fans on Facebook
thredUP Internal Data Analysis as of April 2017

Google Search Trends of Resale keywords (ie resale, secondhand and second hand shop) and Retail keywords (ie buy clothes online, online shopping, shop clothes)

Average Session Duration: eMarketer (Apparel E-Commerce), VertoAnalytics (Gaming), TIME (Netflix), SocialMedia Today (Facebook), Internal thredUP Data (Online Resale)

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