Resale is on the move, people! From big retailers to small retailers, seed stage investors to large buyout firms, and from the New York Times to Netflix, everyone seems to be talking about the future of resale. Part of me says, “It’s about time!” but the other part says, “Everybody slow your roll!” Like all major movements and category disruptions, mainstream adoption happens over time, and this category is just getting started.

The last few years of growth in the resale market have been driven by the early adopters (the same ones who first adopted Airbnb or Lyft or DoorDash), but now the skeptics are starting to come around. At thredUP, we’re seeing first-time thrifters coming to platforms like ours in droves. Not surprisingly, the younger generations are leading this charge, with millennials and Gen Z adopting secondhand 2.5x faster than other age groups.

Even traditional retailers are starting to embrace secondhand. The resale customer is no longer somebody else’s customer, they are everybody’s customer. Mass market or luxury, if people can find a high-quality product for much less, they’ll choose used. As the line between new and used apparel blurs for consumers, a powerful transformation in retail will unfold.

The resale customer is no longer somebody else’s customer, they are everybody’s customer. Mass market or luxury, if people can find a high-quality product for much less, they’ll choose used.

I’ve never been more excited about resale’s potential to delight customers and help create a more sustainable future. We hope you enjoy reading our 2019 Resale Report as much as we’ve enjoyed pulling it together. We believe this year, more than ever, the data speaks for itself.

Onward.

– JAMES REINHART
Co-Founder & CEO
Methodology

thredUP’s Annual Resale Report contains research & data from GlobalData, a third-party retail analytics firm. GlobalData's assessment of the secondhand market is determined through consumer surveys, retailer tracking, official public data, data sharing, store observation, and secondary sources. These inputs are used by analysts to model and calculate market sizes, channel sizes, and market shares. Further, for the purpose of this report, GlobalData conducted a January 2019 survey of 2,000 American women over 18, asking specific questions about their behaviors and preferences for secondhand. thredUP’s Resale Report also leverages data from the following sources: Green Story Research, Ellen MacArthur Foundation, a survey of Senior Retail Executives, internal thredUP customer and brand performance data, and fashion insights from EDITED. View all sources here.

Definitions:

Secondhand: Consumption of all used apparel. Includes both the Resale sector and the Thrift & Donation sector.

Donation & Thrift: A sector of the broader ‘secondhand’ market that includes traditional options such as Goodwill, Salvation Army, and yard sales. These secondhand options are primarily, but not exclusively, offline.

Resale: A sector of the broader ‘secondhand’ market that includes more curated product assortments, often well merchandised and/or higher end. Examples include thredUP and TheRealReal as well as upscale physical players like Buffalo Exchange. These secondhand options are primarily, but not exclusively, online.

Secondhand Products: Consumption of all used apparel, footwear, accessories, books, furniture, entertainment, and beauty.

View all definitions here.

Disclosure:

All third party brand names and logos appearing in this report are trademarks or registered trademarks of their respective holders. Any such appearance does not imply any affiliation with or endorsement of thredUP.
“Each time you purchase something secondhand, you’re helping to conserve all of the resources that go into producing a single piece of clothing, from the materials to the energy that powers factories.”

“Say is exciting because you never know what you’re going to find. Of shoppers say they rarely find anything new or exciting at retail stores.”

The Rise of Resale: Size and Market Growth

“Compared to the overall apparel market, resale’s growth has been phenomenal. As the market uniquely meets consumers’ preference for variety, value, and sustainability, we expect the high growth to continue.”

– Neil Saunders, GlobalData Managing Director & Lead Market Analyst for thredUP’s Resale Report
Secondhand Market Will Reach $51B in 5 Years

Total Secondhand Apparel Market to Double in 5 Years With Resale Sector Driving the Growth

Resale has grown 21X faster than the retail apparel market over the past three years.

Leading Resale Sector Players

**THREDUP**
Managed marketplace for all brands—from GAP to Gucci.

**The RealReal**
Managed marketplace for luxury and designer brands.

**POSHEMARK**
Peer-to-peer marketplace focused on social commerce.
There Are More Secondhand Shoppers Than Ever Before

64% of Women Bought or Are Now Willing to Buy Secondhand Products

2016: 45%
2017: 52%
2018: 64%

PERCENTAGE OF WOMEN OVER 18 WHO HAVE BOUGHT OR ARE OPEN TO BUYING SECONDHAND PRODUCTS IN THE FUTURE²

Includes apparel, footwear, accessories, books, furniture, entertainment, and beauty.

56M women bought secondhand products in 2018, up from 44M in 2017.²
The Thrill of the Hunt Transcends Age and Income

Secondhand Attracts All Ages, but Millennials & Boomers Thrift the Most

- Boomers (56-65+): 31%
- Gen X (38-55): 20%
- Millennials (25-37): 33%
- Gen Z (18-24): 16%

Secondhand Shoppers Are in Every Store—From Walmart to Gucci

- 26% of luxury shoppers also buy secondhand.
- 25% of department store shoppers also buy secondhand.
- 22% of value chain shoppers also buy secondhand.
Millennials and Gen Z Are Driving the Growth of Secondhand

18-37 Year Olds Are Adopting Secondhand Apparel
2.5x Faster Than Other Age Groups

PERCENTAGE OF EACH AGE GROUP THAT BOUGHT SECONDHAND APPAREL, FOOTWEAR, OR ACCESSORIES

- **Boomers**
  - 2017: 16%
  - 2019: 19%
  - Growth: 15%

- **Gen X**
  - 2017: 16%
  - 2019: 18%
  - Growth: 18%

- **Millennials**
  - 2017: 21%
  - 2019: 29%
  - Growth: 37%

- **Gen Z**
  - 2017: 26%
  - 2019: 37%
  - Growth: 46%

More than 1 in 3 Gen Z'ers will buy secondhand in 2019.
The Innovation & Technology That Created a Resale Revolution

1. Unlocking an Endless Supply Chain
   Innovations like the thredUP Clean Out Kit make it easy to sell from home, attracting millions to participate in resale for the first time.

2. Creating Value With Data Science
   Sophisticated algorithms assign resale value at scale. thredUP uses millions of historical data points to instantly determine what something is worth.

3. Massive Volume & Scale With Automation
   Resellers must be efficient when photographing, listing, and storing infinite SKUs. thredUP automates processing of up to 100K one-of-a-kind items a day.

4. Technology to Shop From Anywhere
   Mobile apps and personalization have made buying used clothes as easy as buying new. Convenience and trust has attracted a new generation of secondhand shoppers.
Consumer Trends Drive Secondhand Growth

“Rental & pre-owned will increase as consumers regularly update looks for social media & as consumer attitudes toward ownership and sustainability change.”

— Shoptalk x Robin Report on “75 Ways Retail Will Change in the Next Decade”
The Rise of the Conscious Consumer

Sustainability Moves From Perk to Priority

CONSUMERS WHO PREFER TO BUY FROM ENVIRONMENTALLY FRIENDLY BRANDS²

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>57%</td>
</tr>
<tr>
<td>2018</td>
<td>72%</td>
</tr>
</tbody>
</table>

15 point increase in eco-minded consumers.

Consumers Expect Ethical Fashion

59% of consumers expect retailers to create clothes ethically and sustainably.²

“Shopping ethically has often been perceived as a luxury, because of the price points...The good news is that we now live in the golden age of secondhand shopping.”

– Elizabeth Segran, Fast Company
Resale Satisfies Two Biggest Demands of the Instagram Generation

#1
BE SEEN IN NEW STYLES CONSTANTLY

56% of 18-29 year olds prefer retailers that offer new arrivals every time they visit.²

thredUP lists 30K new items every single day. That’s 150x more than H&M!⁷

#2
BE A SUSTAINABLY CONSCIOUS CONSUMER

74% of 18-29 year olds prefer to buy from sustainably conscious brands.²

Buying one used item reduces its carbon footprint by 82%.³

“There are numerous reasons for the recent rise of resale, including environmental benefits and the desire for frequent turnover of wardrobes especially among the Instagram generation.”

Resale and Kondomania Spark End of Long-Term Ownership

Resale Powers Apparel Rotation, Not Accumulation

The average number of items in consumers’ closets is declining.²

Resale Solves The Kondo Waste Problem

If 1 in 10 Netflix subscribers cleaned out their closets it would generate 667M pounds of trash.*

Resale responsibly turns that trash into treasure—creating a bargain hunter’s paradise.

thredUP saw an 80% spike in Clean Out Kits when Kondo’s show first aired on Netflix.

*Pounds of trash: calculated based on if 10% of Netflix subscribers (5.8M) threw away 5 trash bags worth of clothing each (30 items per bag).
Retailers Adapt As Consumers No Longer Buy With the Intent to Keep

Today’s Consumer Shops With Intent to Resell

40% of consumers now consider the resale value of an item before buying it.²

That’s nearly a 2X increase from 5 years ago.²

Companies Are Designing New Products for Secondary Markets

Companies are now creating clothes to be rented exclusively on RTR.

Produced a line of clothes designed to be resold.

Announced plans to offer furniture rentals.

Currently building homes that are designed to be shared, not owned.

RENT THE RUNWAY
Brands are now creating clothes to be rented exclusively on RTR.

THREDUP
Produced a line of clothes designed to be resold.
“Each time you purchase something secondhand, you’re helping to conserve all of the resources that go into producing a single piece of clothing, from the materials to the energy that powers factories.”

Say is exciting because you never know what you’re going to find. Of shoppers say they rarely find anything new or exciting at retail stores.

The Closet of the Future

“In fashion, the shift to new ownership models is driven by growing customer desire for variety, sustainability, and affordability. In 2019, we predict more consumers will see growing proportion of their wardrobes made up of pre-owned or rented products.”

Meet The Closet of the Future

Secondhand is expected to grow more than 2x in the next 10 years, and is on track to make up 1/3 of closets by 2033.

Secondhand, subscription, and rental are the fastest growing categories, as today’s consumers seek variety and value.

As consumers embrace new retail models, department stores will lose over 1/2 of their 2008 market share by 2028.
"Resale offers the wardrobe-rotating fun of fast fashion without the guilt or waste. By driving preferences away from disposable fashion towards higher-quality clothes, reuse is a boon for our personal style and the planet."

– Elizabeth L. Cline, Author of The Conscious Closet

Secondhand Will Be Larger Than Fast Fashion Within 10 Years

Secondhand Is Projected to Grow to Nearly 1.5x the Size of Fast Fashion by 2028¹

thredUP Slows Down Fast Fashion

576K fast fashion items were upcycled last year on thredUP alone.
Each time you purchase something secondhand, you're helping to conserve all of the resources that go into producing a single piece of clothing, from the materials to the energy that powers factories. What you see is exciting because you never know what you're going to find. Of shoppers say they rarely find anything new or exciting at retail stores.

### Where Consumers Plan to Shift Spend

<table>
<thead>
<tr>
<th>Category</th>
<th>Less</th>
<th>More</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secondhand</td>
<td>1%</td>
<td>51%</td>
</tr>
<tr>
<td>Amazon</td>
<td>13%</td>
<td>37%</td>
</tr>
<tr>
<td>Rental</td>
<td>2%</td>
<td>26%</td>
</tr>
<tr>
<td>Subscription</td>
<td>2%</td>
<td>21%</td>
</tr>
<tr>
<td>Sustainable Fashion</td>
<td>2%</td>
<td>18%</td>
</tr>
<tr>
<td>Luxury</td>
<td>9%</td>
<td>16%</td>
</tr>
<tr>
<td>Off-Price</td>
<td>23%</td>
<td>26%</td>
</tr>
<tr>
<td>Mid-Priced Specialty</td>
<td>28%</td>
<td>21%</td>
</tr>
<tr>
<td>Fast Fashion</td>
<td>20%</td>
<td>12%</td>
</tr>
<tr>
<td>Value Chains</td>
<td>30%</td>
<td>17%</td>
</tr>
<tr>
<td>Department Stores</td>
<td>39%</td>
<td>13%</td>
</tr>
</tbody>
</table>

.responses represent buying intentions of those who shopped each retail category.

51% of consumers plan to spend more on secondhand in the next 5 years.

**Freshness Wins**
Retailers offering the fun of new arrivals will own future market share.

4X as many people plan to increase spending in secondhand spending versus fast fashion.
A New Resale x Retail Model is Emerging

“The retail sector needs to find ways to embrace, acquire, or partner with resale business models because customer adoption is likely to continue. Customers of the future will look for ways to recycle, resell or upcycle, and will be drawn to the incredible value of buying secondhand. We believe that brands will need to partner with resale sites and support the circular economy.”

– Cowen and Company, “Thrift & Retail Resale Is Major: Understanding thredUP” November 2018
Retailers Spot Opportunity in Resale

1 in 2 Shoppers Would Buy More From Off-Price Retailers Like TJ Maxx If Secondhand Apparel Was Offered

- Off-Price (Marshalls, TJ Maxx, etc) 56%
- Sustainable Fashion (Allbirds, Everlane, etc) 52%
- Amazon Fashion 43%
- Luxury (Gucci, Chanel, etc) 33%
- Fast Fashion (Zara, H&M, etc) 31%
- Department Stores (Macy's, Nordstrom, etc) 29%
- Accessible Designer (Michael Kors, Kate Spade, etc) 27%
- Mid-price Specialty (Gap, J. Crew, etc) 25%
- Value Chains (Target, Walmart, etc) 19%

Percentage of consumers who said, “I would buy more from this retailer if they also offered used apparel.”

Used Products Boost Sales & Traffic

- thredUP pop-ups in department stores entice customers to spend 21% more and visit 70% more frequently.

Apparel Recycling Drives Loyalty

- 60% of consumers would increase loyalty to a brand if a recycling program was offered.
Nearly 9 in 10 Retail Executives Want to Get Into Resale by 2020

96% of senior retail executives surveyed want to advance their company’s circular fashion efforts by 2020.⁵

Top 5 Motivators for Retail to Test Resale⁵

1. REVENUE BOOST
2. SUSTAINABILITY
3. CUSTOMER LOYALTY
4. NEW CUSTOMERS
5. INCREASE STORE OR SITE TRAFFIC

“While established brands have traditionally turned a blind or scorning eye towards secondhand retail, they are now wading into the pre-owned and rental markets. Turning to the year ahead, we expect the number of brands getting into the rental, resale, and refurbishment businesses will increase markedly.”

Meet the Circular Fashion Pioneers

Eileen Fisher x Renew
Customers can bring their old Eileen Fisher clothes back and receive a $5 Rewards Card for each item.

thredUP x Reformation
Customers clean out with thredUP to earn Reformation credit. The program drives brand loyalty and has helped Reformation meet apparel recycling goals.

The RealReal x Stella McCartney
Stella customers who consign with The RealReal receive an immediate $100 credit to shop at Stella stores.

For Days
A new clothing line designed for the circular economy. Buy a T-shirt, refresh it anytime. For Days will recycle everything you send back.

thredUP x Cuyana
Customers can clean out with thredUP and earn Cuyana credit, replacing cluttered wardrobes with fewer, better things.

Everlane ReNew
Everlane launched a new collection made from recycled plastic bottles as part of a broader commitment to use no new plastic in clothing by 2021.

Stella customers who consign with The RealReal receive an immediate $100 credit to shop at Stella stores.

A new clothing line designed for the circular economy. Buy a T-shirt, refresh it anytime. For Days will recycle everything you send back.

Customers can clean out with thredUP and earn Cuyana credit, replacing cluttered wardrobes with fewer, better things.
thredUP’s Most Resellable Brands

“thredUP’s Resale Value Rankings give consumers the confidence to invest in garments that are durable and resellable. By mining thredUP’s unique trove of data, we can help guide purchasers toward clothes that can be resold rather than discarded—a mindset shift that is good for wallets and the planet.”

– Tess Kornfield, thredUP’s Lead Data Scientist
“Each time you purchase something secondhand, you’re helping to conserve all of the resources that go into producing a single piece of clothing, from the materials to the energy that powers factories.”

What shoppers say is exciting because you never know what you’re going to find. Of shoppers say they rarely find anything new or exciting at retail stores.

Brands With the Best Resale Value Overall

**TOP 10 BRANDS WITH THE BEST RESALE VALUE RANKING***

1. FRYE
2. kate spade
3. TORY BURCH
4. BURBERRY
5. UGG
6. ANTHROPOLOGIE
7. patagonia
8. HUNTER
9. lululemon athletica
10. rag & bone

*Resale Value Ranking: thredUP evaluated 35,000+ unique brands on its platform and created an aggregate score to determine a brand’s ranking based on demand, virality, and value to the seller.

**Scarcity Drives Resale Demand**
Kate Spade soars to top 10, Henri Bendel is now in the top 50, and Karl Lagerfeld product is seeing a 200%+ sales spike.

**Quality Drives Resale Confidence**
Frye and Patagonia weave stories around the quality construction of their garments.

**Used Athletic Wear Goes Mainstream**
Lululemon soared to #9 in the rankings while Nike stayed flat in the 100s.
Best Brand Buys for Every Price Point

### Brands with the Best Resale Value Ranking: By Price

<table>
<thead>
<tr>
<th>$$$ $$</th>
<th>$$</th>
<th>$$$</th>
<th>$$</th>
</tr>
</thead>
</table>

#### Swapping Heels for Sneakers

- **Jimmy Choo** & **Christian Louboutin** both dropped ~700 spots, while **Keds** jumped over 1,000.

#### Namesake Handbags On Trend

- **Kate Spade** and **Tory Burch** jumped into the top 10, climbing 76 and 59 spots respectively.

#### Sustainability (Re)sells

- **Patagonia** jumped 233 spots into the top 10.

#### Meghan Markle Effect

- **Everlane** jumped nearly 4,000 spots, and **Veronica Beard** jumped 407.

*Sustainable brands surge as eco-minded celebs endorse them.*

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*Resale Value Ranking: thredUP evaluated 35,000+ unique brands on its platform and created an aggregate score to determine a brand’s ranking based on demand, virality, and value to the seller. Jumps & Drops: These reflect changes in a brand’s resale ranking between 2017 and 2018.*
Items With the Best Resale Value

CATEGORY-BRAND COMBINATIONS WITH THE BEST RESALE VALUE RANKING*

1. Leather Backpacks
   - kate spade

2. Leather Crossbody Bags
   - Madewell

3. Winter Coats
   - patagonia

4. Leather Boots
   - FRYE

5. Jumpsuits
   - DIANE VON FURSTENBERG

6. Sweaters
   - EVERLANE

*Resale Value Ranking: thredUP evaluated 35,000+ unique brands on its platform and created an aggregate score to determine a brand's ranking based on demand, virality, and value to the seller.
“By helping to increase the use of clothing, resale can play a key role in making fashion circular. Raising the average number of times clothing is worn is the most direct way to design out waste and pollution and capture value.”

— François Souchet, The Ellen MacArthur Foundation’s Make Fashion Circular Lead
The Textile Waste Crisis Is Accelerating

Fashion Today is Wasteful & Pollutive

The equivalent of one garbage truck of textiles is landfilled or incinerated every second.

108M tons of non-renewable resources are used each year to produce clothing.

The textile industry will account for 25% of the global carbon budget by 2050.

We're Buying Twice As Much Clothing & Wearing It Half As Long

Data by the Ellen MacArthur Foundation: Make Fashion Circular
Resale Plays a Key Role in Creating a Circular Fashion Future

About Make Fashion Circular: Started by the Ellen MacArthur Foundation, this initiative brings together leaders from across the fashion industry. The goal is to drive collaboration and innovation necessary to create a fashion industry that can thrive in the future, where clothes are made from safe and renewable materials, new business models increase their use, and used clothes are turned into new ones.
Choosing Used Combats Harmful Effects of Textile Waste

If Everyone Bought One Used Item Instead of New This Year, We Would Save:

- 5.7B lbs of CO2 emissions
- 11B kWh of energy
- 25B gallons of water
- 449M lbs of waste

EQUIVALENT

- Half a million cars taken off the road for a year
- Light up the Eiffel Tower for 141 years
- Fill up 1,140 Bellagio fountains
- The weight of 1M polar bears

thredUP Has Upcycled 65M Items in the Past 5 Years

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>4M</td>
</tr>
<tr>
<td>2015</td>
<td>8M</td>
</tr>
<tr>
<td>2016</td>
<td>15M</td>
</tr>
<tr>
<td>2017</td>
<td>17M</td>
</tr>
<tr>
<td>2018</td>
<td>21M</td>
</tr>
</tbody>
</table>

SAVINGS EQUIVALENT

21M 17M 15M 11B kWh of energy 25B gallons of water 449M lbs of waste

NUMBER OF ITEMS THREDUP HAS RECEIVED ANNUALLY FROM CLOSETS ACROSS AMERICA
Sources & Definitions

Primary Sources

1. GlobalData Market Sizing: GlobalData's assessment of the secondhand market is determined through ongoing retailer tracking, official public data, data sharing, store observation, consumers surveys, and secondary sources. These inputs are used by analysts to model and calculate market sizes, channel sizes, and market shares.

2. GlobalData Survey: The consumer data in this report is derived from a consumer survey of 2,000 women. The survey asked them a number of questions about their attitudes towards apparel, secondhand products, and resale products. The sample was designed to be representative of age and income and was also geographically representative. Surveying was undertaken by GlobalData between December 11, 2018 and January 6, 2019.

Secondary Sources

3. Green Story Environmental Study: Independent research firm, Green Story Inc. was contracted to calculate the environmental savings from reuse of secondhand garments sold by thredUP. The study compared the environmental burden of purchasing a brand-new garment with that of reusing an average garment sold by thredUP across all stages of the garment’s lifecycle. The savings were calculated across three areas: greenhouse gas emissions, energy use and water consumption. The study followed international ISO 14040 LCA standard.


5. Senior Retail Executive Survey: 20 of the top retailers were surveyed in January 2019 about their 2020 Circular Fashion goals.

6. Resale Value Rankings: thredUP evaluated 35,000+ unique brands on its platform and created an aggregate score to determine a brand's ranking based on demand, virality and value to the seller.


8. EDITED retail analytics.
Sources & Definitions

Retail Sector Definitions

**Secondhand:** Consumption of all used apparel. Includes both the Resale sector and the Thrift & Donation sector.

**Department Stores:** A type of general retail store, wherein the retailer displays products within distinct departments, often located on separate floors, specializing in defined product areas. Examples include Bloomingdale's, Macy's, Sears, JCPenney, Nordstrom, etc.

**Off-Price:** A retailer that sells items at lower prices than those typically charged by retail businesses. Off-price stores typically purchase overstocked goods or make special purchases. Examples include TJ Maxx, Marshalls, Ross, Burlington, etc.

**Value Chains:** Value stores are a retail format that sells inexpensive items, at a single or limited number of price points, like dollar stores. Also includes Walmart.

**Mid-Priced Specialty:** Specialist clothing retailers operating in the middle of the market in terms of price, i.e. not value but not premium or luxury. Tend to be found in malls or traditional main street locations. Examples include Gap, Ann Taylor

**Fast Fashion:** Specialist clothing retailers with a fast stock turnaround and whose model relies on selling high volumes at (usually) inexpensive price points. Examples include Zara, H&M, etc.

**Direct to Consumer:** Online only specialists and generalists selling clothing direct to the public, excludes C2C or auction type sites, also excludes the online part of traditional retail businesses. Examples include Everlane, Outdoor Voices, etc.

**Amazon:** Amazon's clothing sales in the US, stated at gross merchandise value.

**Subscription:** Subscription based services for clothing, such as StitchFix and Trunk Club. Excludes non-clothing elements of subscriptions where relevant; and rental.

**Other:** Sales of clothing from all other sources, including: grocers and supermarkets, drug stores, duty free, warehouse clubs, variety stores, other non-clothing specialists, convenience stores, etc.