

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.

*“Making smart and savvy life choices and financial decisions, the fierce female of today is choosing to be the Boss of her future.”*



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*

**Nicole Lapin**

FINANCIAL GURU AND NYT BEST-SELLING AUTHOR  
OF *BOSS BITCH* AND *RICH BITCH*



# Apparel Resale Shows Explosive Growth

APPAREL RESALE  
(OFFLINE AND ONLINE)

## \$18B industry

EXPECTED MARKET SIZE  
IN 2021

## \$33B

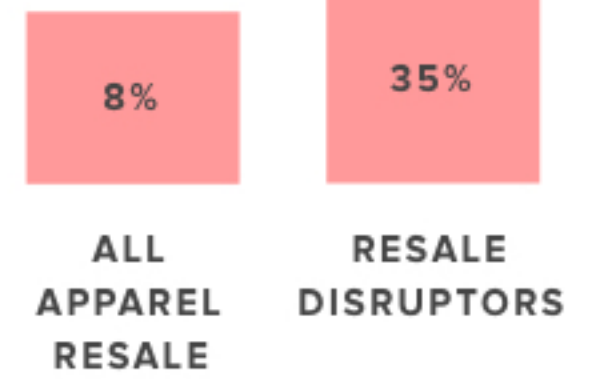


*Disrupting with quality and curation*

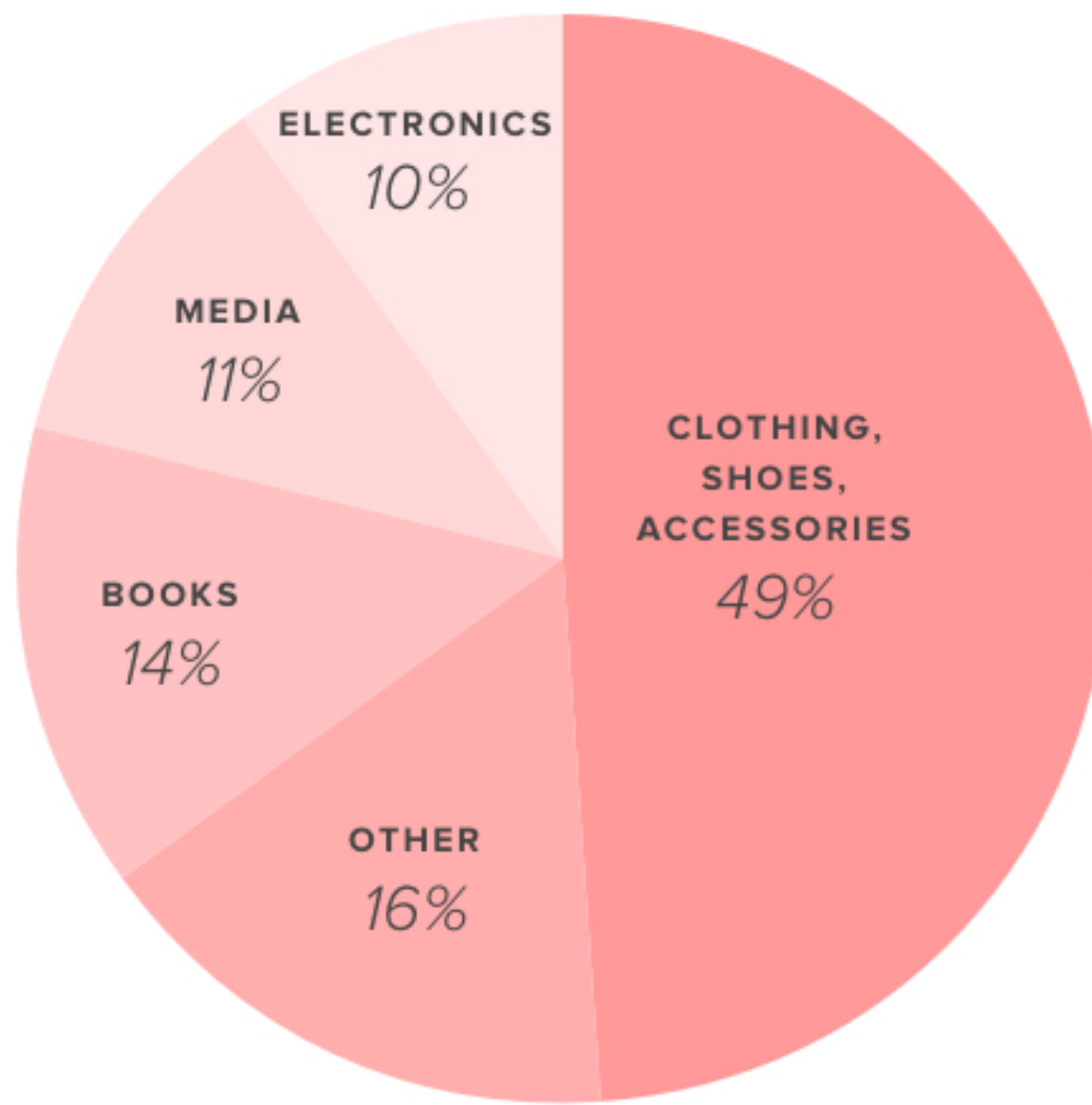
RESALE DISRUPTORS ARE GROWING

## 4x

FASTER THAN BROADER APPAREL RESALE MARKET



*Resale market by segment*



**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*

**THREDUP**

**Marshalls**

**ebay**

**The RealReal**

**T.J. maxx**

**POSHMARK**

**VESTIAIRE {COLLECTIVE}**

*Neiman Marcus*  
**lastcall**

**letgo**

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.

**THREDUP**

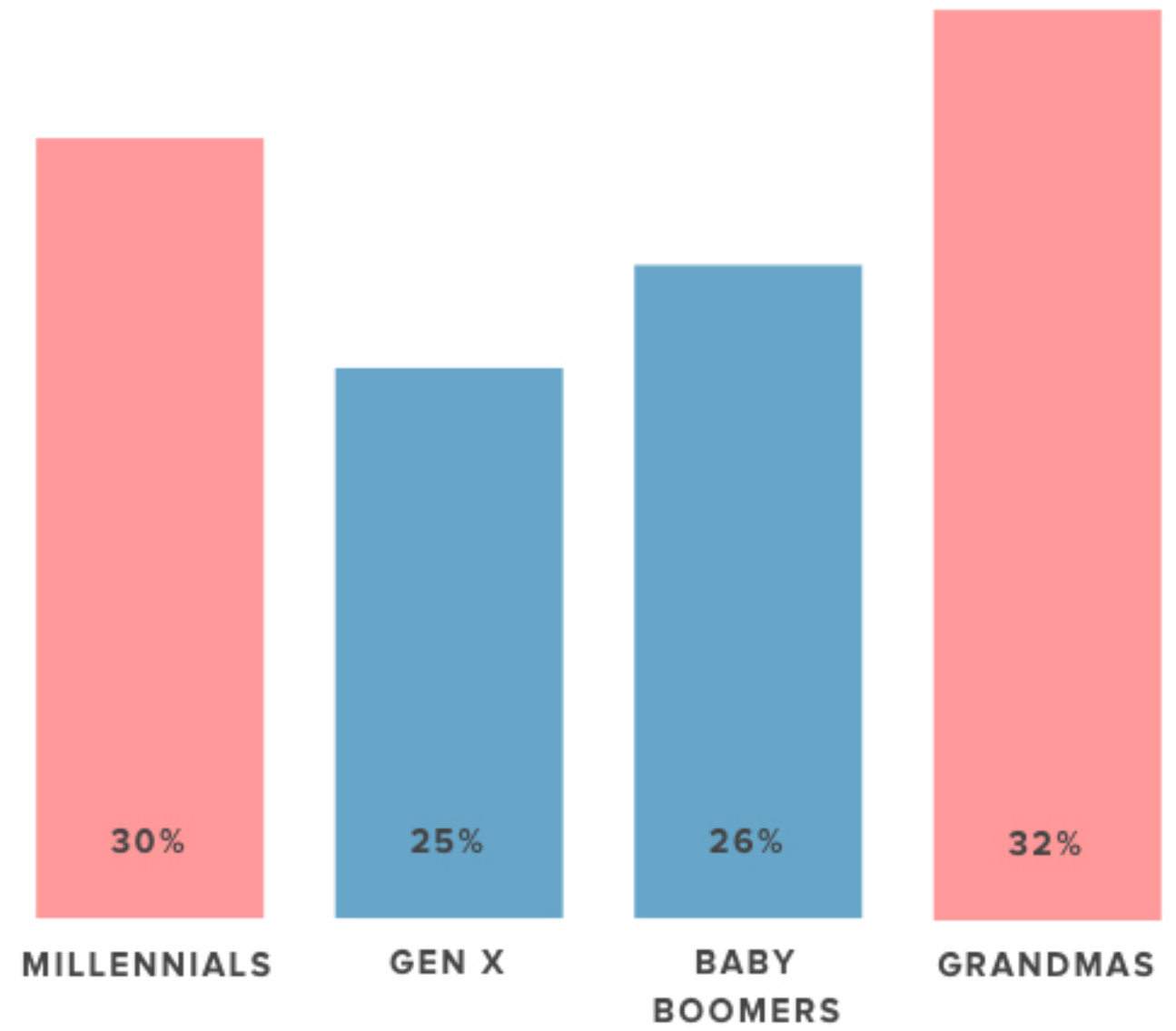




# Millennials and Grandmas Share Common Life Hack: Thrifting

*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.



*Millennials and grandmas are the most likely age groups to shop secondhand*

Millennials are  
**2.4X**

MORE LIKELY TO BE MOTIVATED  
BY ECO-CONSCIOUS FACTORS  
WHEN SHOPPING SECONDHAND



Women over 65 are

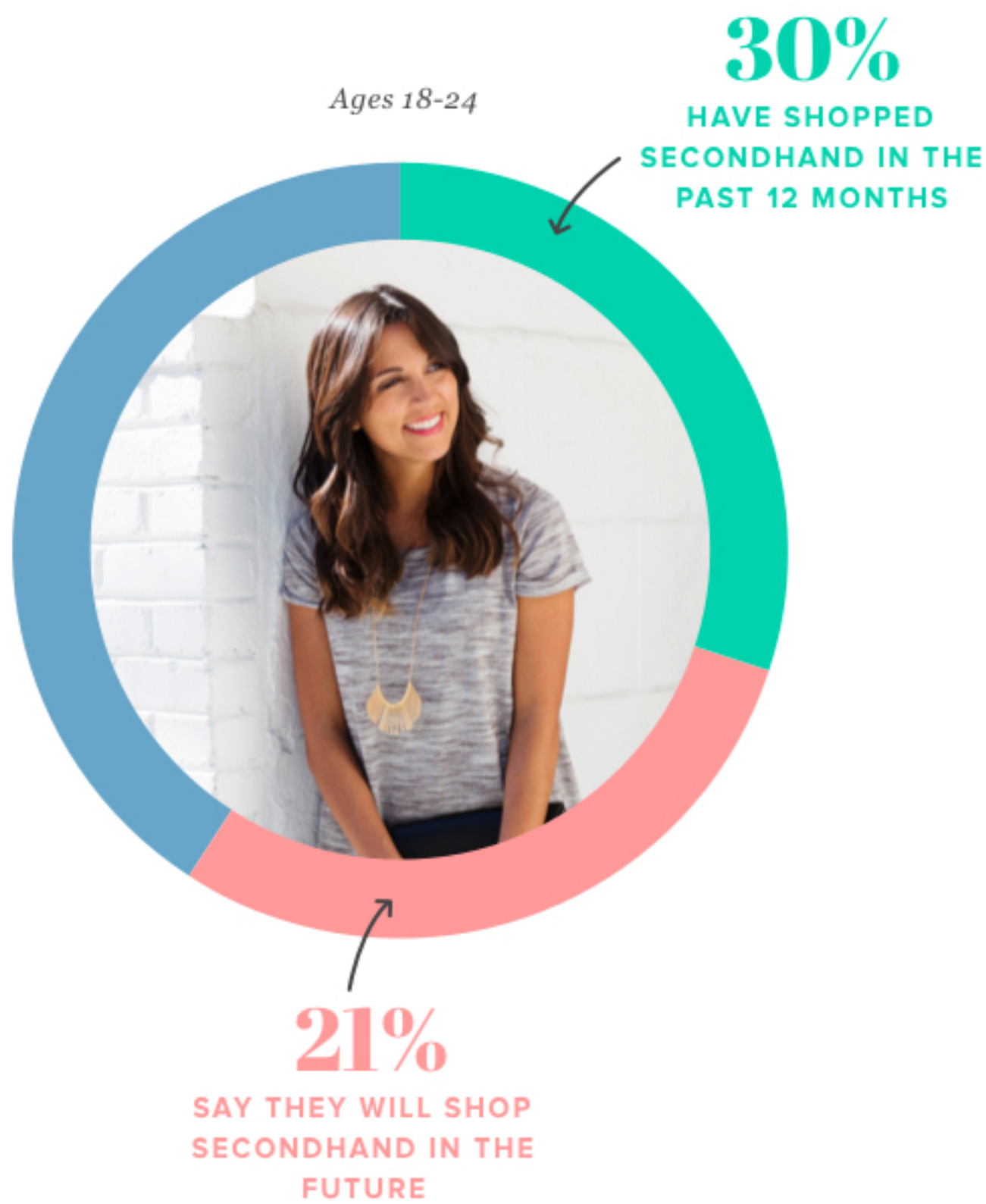
**3.4X**

MORE LIKELY TO BE MOTIVATED  
BY VALUE AND SAVINGS WHEN  
SHOPPING SECONDHAND



# Mindful Millennials Shape Future of Resale

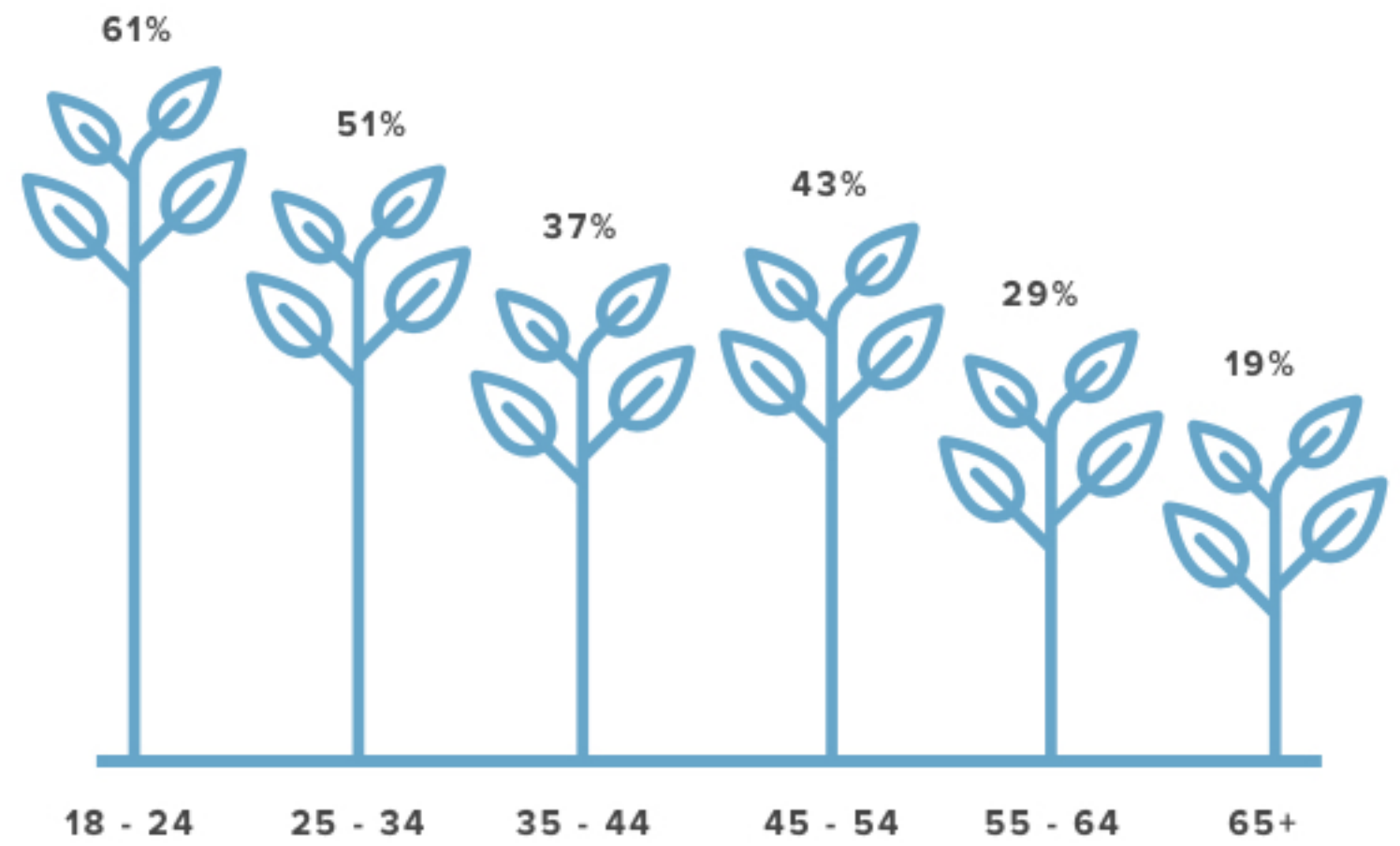
Millennials are the most likely group to shop secondhand in the future



MILLENNIALS ARE

**75%**

more likely to be motivated by the ENVIRONMENT



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



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

**84%**

PREFER SOCIALLY CONSCIOUS BRANDS THAT ALIGN WITH THEIR VALUES



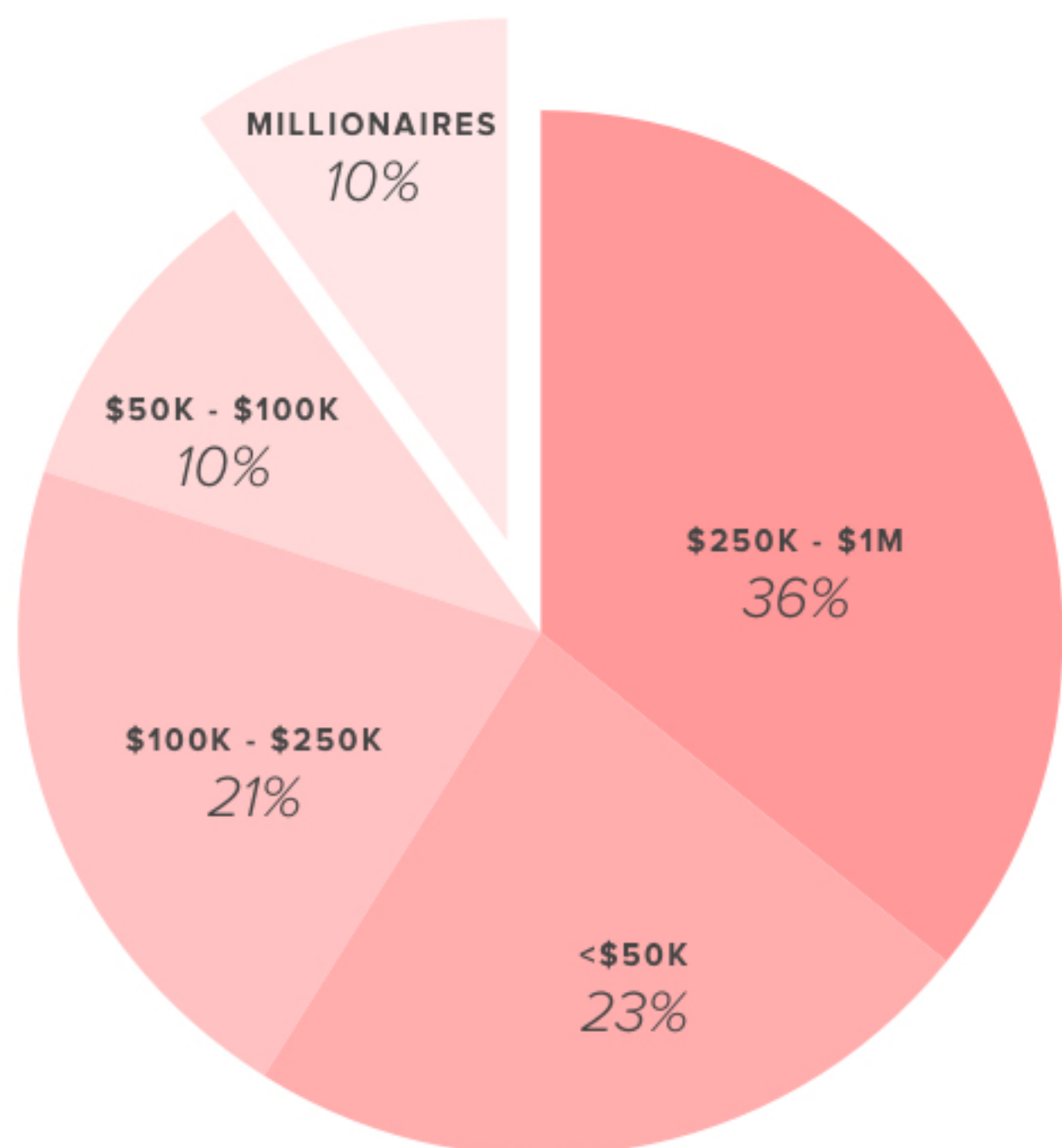
**65%**

SPEND THEIR SECONDHAND SAVINGS ON EXPERIENCES WITH FRIENDS AND FAMILY



# Meet the New High Income Thrifter

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

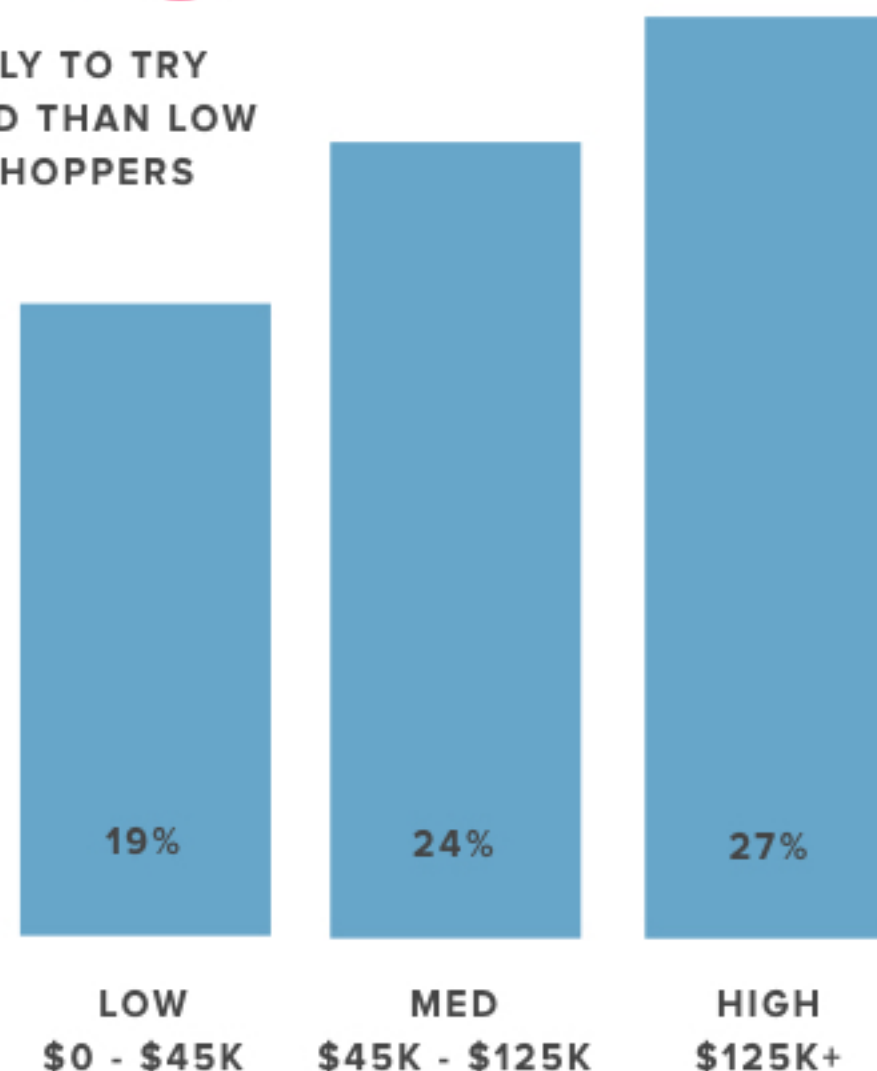


NET WORTH OF THREDUP'S MOST ACTIVE SHOPPERS

HIGH INCOME SHOPPERS ARE

**35%**

MORE LIKELY TO TRY SECONDHAND THAN LOW INCOME SHOPPERS



Intent to shop secondhand by income



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*



RESALE DISRUPTORS ARE GROWING **20X** FASTER THAN BROADER RETAIL MARKET

GOOGLE SEARCH GROWTH FOR APPAREL RESALE TERMS VS. BRAND NAME RETAIL STORES



*Resale satisfies discount appetite and retail suffers*

**80%**  
AVERAGE DISCOUNT AT THREDUP

*Resale makes shopping fun again*



of women say they rarely buy clothing that's not on sale



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

**"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



Peak Shopping Time

**9-10pm**

ON THREDUP

**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

THREDUP®



# Resale Disruptors are a Threat to Off-Price Chains

RESALE DISRUPTORS ARE GROWING

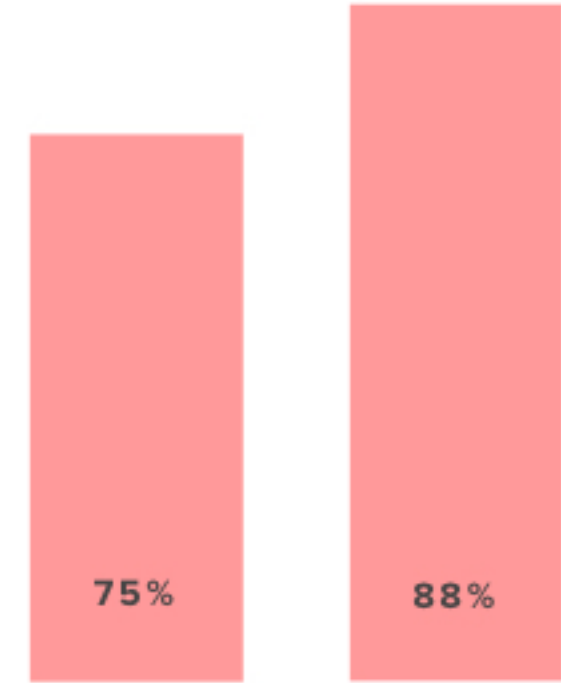
**5X**

AS FAST AS OFF-PRICE



OFF-PRICE AND RESALE SHOPPERS SAY THEIR PRIMARY MOTIVATION IS

*The thrill of the bargain hunt*



OFF-PRICE SHOPPERS

RESALE SHOPPERS

RESALE SHOPPERS ARE

**2X**

MORE LIKELY TO SHOP ONLINE THAN OFF-PRICE SHOPPERS

**50%**

*of thredUP shoppers*

SAY THEIR SECONDHAND PURCHASES REPLACE ONES THEY WOULD HAVE MADE AT TJ MAXX OR MARSHALLS

## Resale's competitive edge

**THREDUP**

**TJ·maxx**

**Marshalls.**

NORDSTROM  
**rack**

THOUSANDS OF NEW ITEMS LISTED

**hourly**



*Search 35K brands from your couch*

**75-90%**

OFF RETAIL PRICES



*Pre-loved items*

THOUSANDS OF NEW ITEMS LISTED

**weekly**



*Brands are not searchable online*

**20-60%**

OFF RETAIL PRICES



*Surplus inventory*

**THREDUP**

# Resale Consumers Choose Access Over Ownership

One in, one out



They are opting for continuously revolving closets, cutting the clutter and increasing the joy.

## 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



Average number of clothing items purchased by women each year

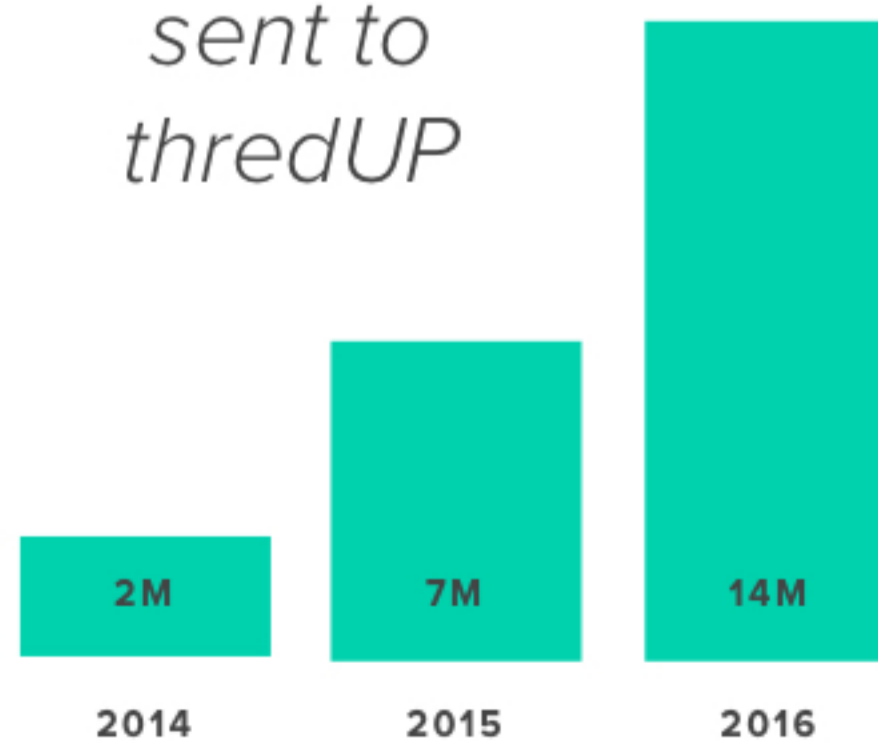
The untapped potential of the American closet

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

THREDUP®



# Top Resale Fashion Trends

Fastest-selling category:  
**Shoes**

#1 BEST-SELLING BRAND



**79%**

AVERAGE SAVINGS ON A PAIR OF KILLER HEELS

FASTEST-SELLING STYLES

Ankle booties and sneakers



Best value category:  
**Denim**

#1 BEST-SELLING BRAND



**80%**

AVERAGE SAVINGS ON PREMIUM DENIM

**45%**

OF WOMEN SAY THE PERFECT-FITTING JEANS MAKE HER FEEL LIKE HER BEST SELF



Fastest-growing category:  
**Activewear**

#1 BEST-SELLING BRAND



**56%**

OF WOMEN SAY THEY WEAR ACTIVEWEAR 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

**THREDUP®**

9



# Resale is the Secret to Buying Brand Names for Less

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



*Joie*

Button-Up Shirt

NORDSTROM  
.com

\$198

TJ-maxx  
.com

\$59

THREDUP

**\$34**

BCBGMAXAZRIA

Black Dress

\$385

\$79

**\$22**

*Jessica Simpson*

High Heels

\$109

\$39

**\$12**

s a n c t u a r y

Skinny Jeans

\$99

\$24

**\$20**

**Theory**

Pencil Skirt

\$215

\$79

**\$35**

 VINCE CAMUTO

Leather Satchel

\$278

\$129

**\$109**

*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  
Financial guru and  
NYT best-selling author of  
*Boss Bitch* and *Rich Bitch*

## DID YOU KNOW?

The average order at thredUP saves you

**\$177**

If you shopped secondhand exclusively for one year, you would save

**\$2,129**

THREDUP®



# 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.



# 52%

SAY THE ENVIRONMENT  
INSPIRES THEM TO SHOP  
SECONDHAND

THREDUP®



*The average American  
throws away 70 lbs of  
clothing annually*



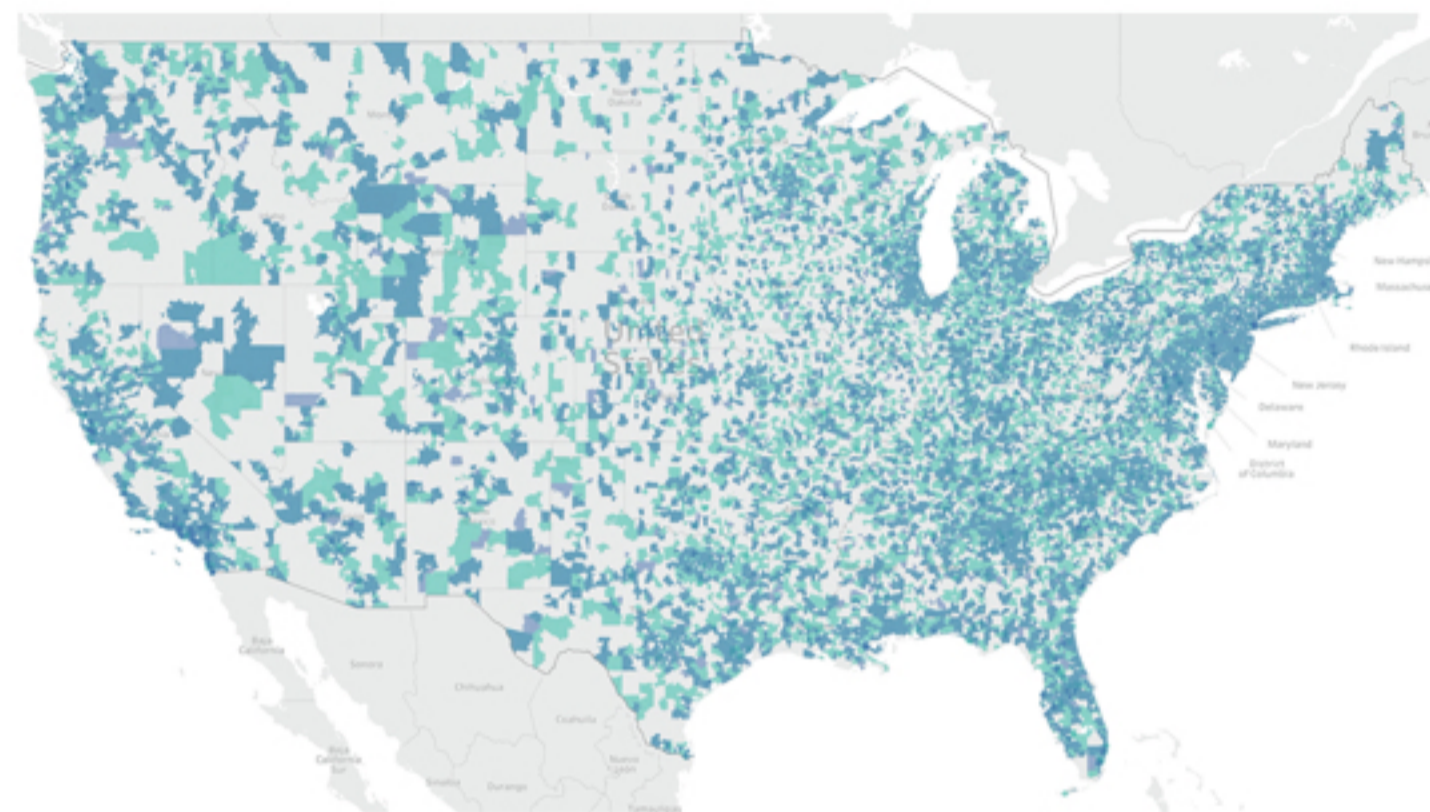
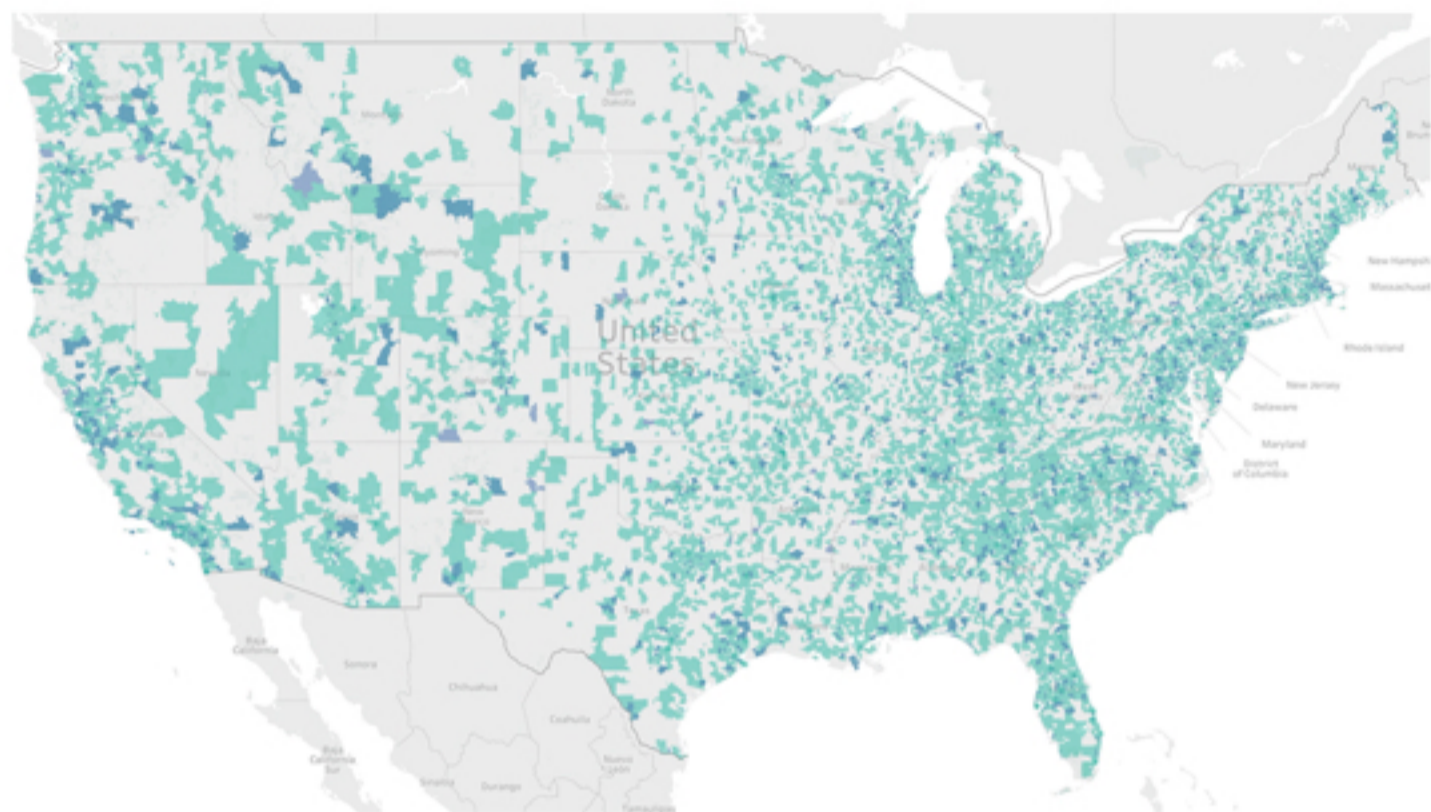
IF ALL OF THAT CLOTHING WERE  
REUSED OR RECYCLED,  
*it would save 6 million  
items from ending up  
in landfill per year*





# Resale Sweeps Across America

*Buyer and seller's rapid expansion over the past four years*

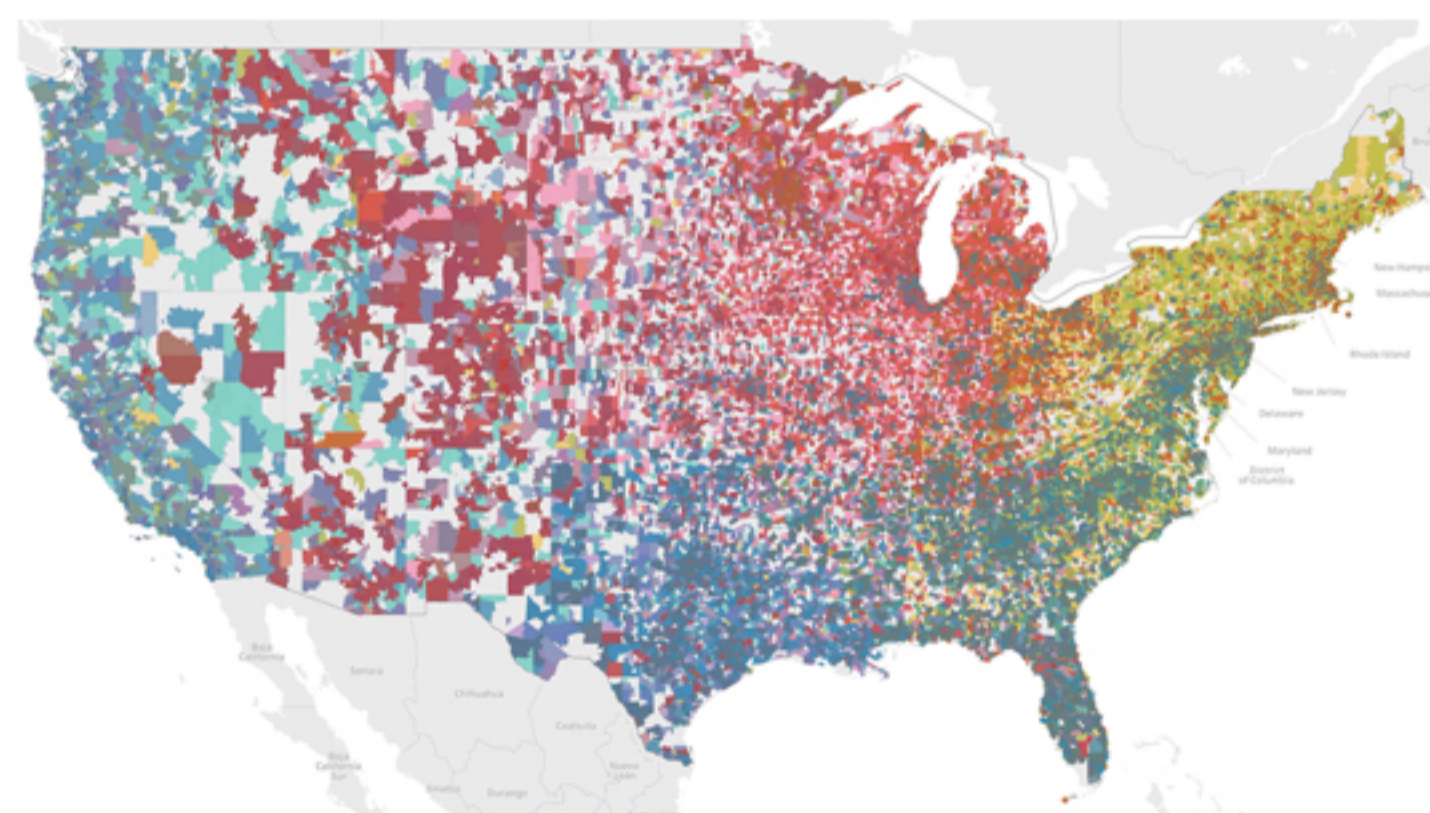
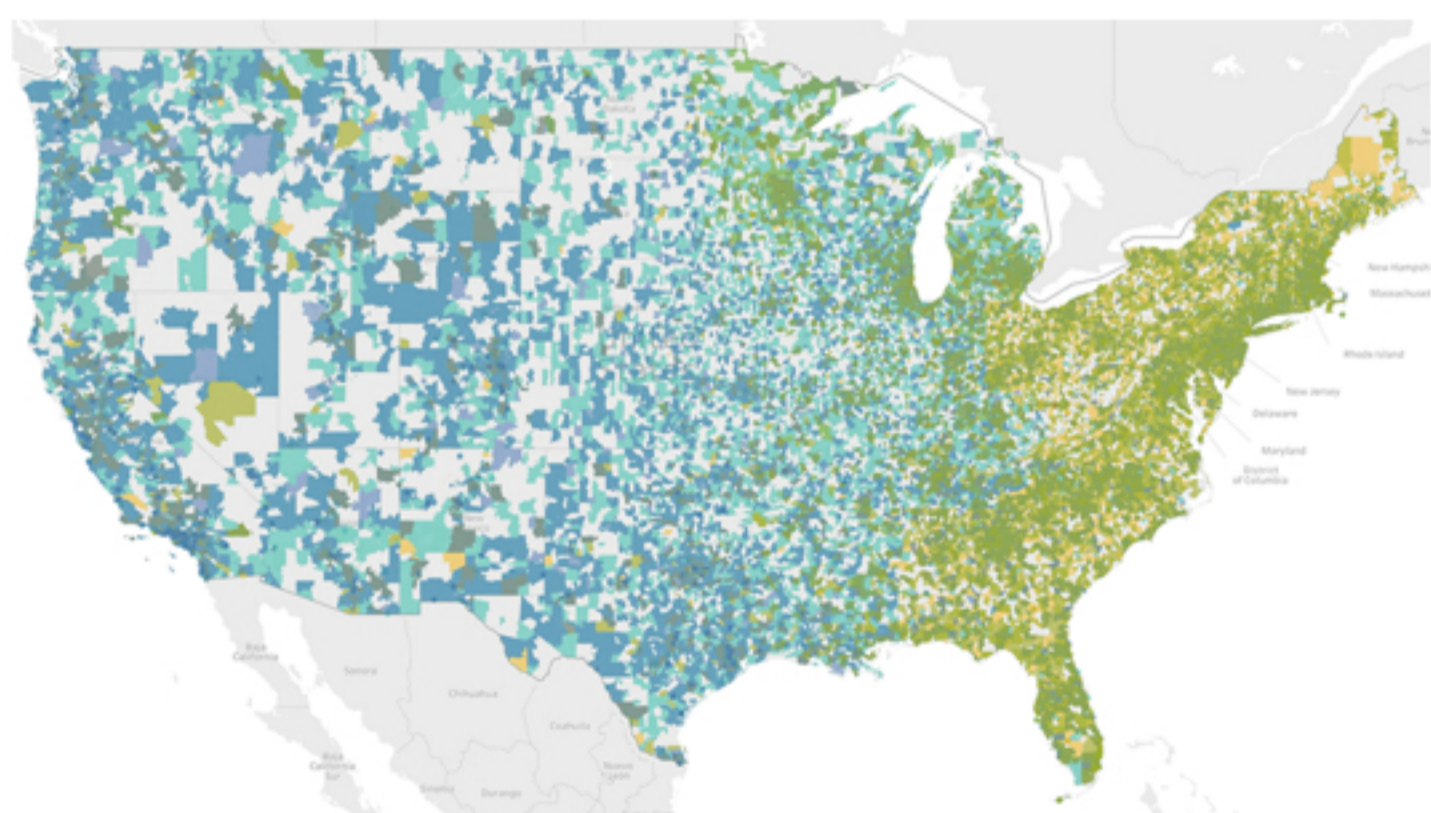


## SUPPLY

- West
- Midwest
- Northeast
- South

## DEMAND

- West
- Midwest
- Northeast
- South





# 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

Council for Textile Recycling (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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