



THRED<sup>UP</sup>

2018

Resale Report

# Foreword

I often get asked if resale as a category has hit the mainstream. People want to know if it's had its breakout moment yet. Has it "arrived"? The answer is...sort of. Let me explain.

The truth is more people are shopping secondhand than ever before. In fact, one in three women shopped secondhand last year. Not just at thredUP or in apparel, but across all categories, consumers are shopping smarter and thinking secondhand first. And the number of people who are trying secondhand for the first time is rapidly increasing. 70% of new customers who shopped on thredUP were first-time resale shoppers. 70%!



*There is a powerful transformation  
of the modern closet happening and  
resale is a key driver.*

Resale as a category isn't alone. The modern consumer now has a choice between shopping traditional retail or trying new, innovative business models. New apparel experiences and brands are emerging at record rates to replace old ones. Rental, subscription, resale, direct-to-consumer, and more. The closet of the future is going to look very different from the closet of today. When you get that perfectly curated assortment from Stitch Fix, or subscribe to Rent the Runway's everyday service, or find that killer handbag on thredUP you never could have afforded new, you start realizing how much your preferences and behavior is changing.

But innovation can be messy. And that's where I think we are in the innovation cycle. Sometimes the clothes don't fit, sometimes the quality doesn't match the price, sometimes customer service is uneven, or shipping times mess with the best-laid plan. Remember, behind all of these major forces in apparel are complex and sophisticated platforms only starting to mature. As William Gibson, the famous science fiction writer once remarked, "The future is here, it's just not evenly distributed." The apparel evolution taking place is less than eight years old. We're all trying to supplant a tradition that Marshall Field pioneered a hundred years ago!

There is a powerful transformation of the modern closet happening and I'm proud that resale is a key driver of this transformation. If you haven't seen it firsthand, ask a group of friends to compare their closet of ten years ago to their closet today. We did a comparison in this year's report and boy it makes for an interesting conversation...

Thank you for picking up a copy of our 6th Annual Resale Report. We're excited to share it with you!



A stylized, handwritten signature in black ink, appearing to read 'J. Reinhart'.

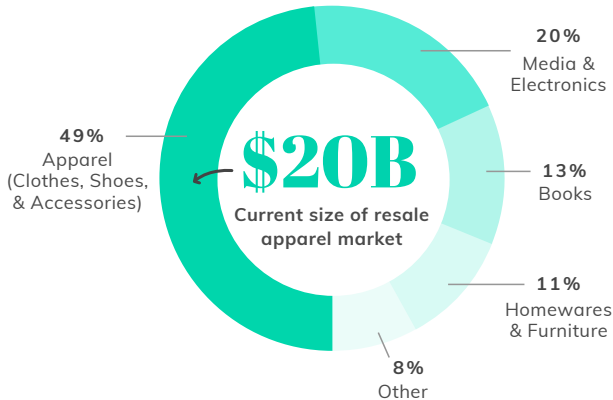
– JAMES REINHART

Co-Founder & CEO

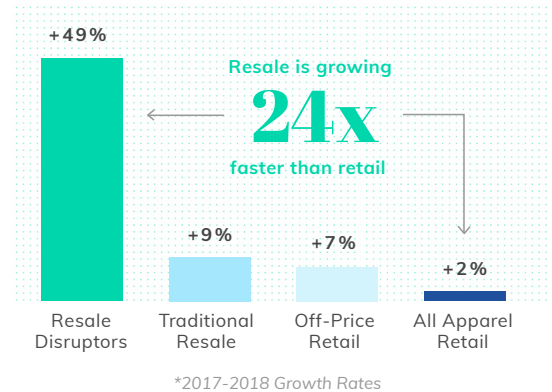
THE NEW NORMAL

# Resale Market Will Reach \$41B by 2022

Apparel Takes Biggest  
Slice of Resale Pie



Resale Disruptors  
Drive Category Growth\*



## Leading Resale Disruptors

### THREDUP

- All brand tiers
- Managed marketplace
- \$130M in funding

### TheRealReal

- Luxury brands only
- Managed marketplace
- \$173M in funding

### POSHMARK

- All brand tiers
- Peer-to-peer marketplace
- \$153M in funding

Additional Players:

REBAGG

depop

TRADESY

GRAILED

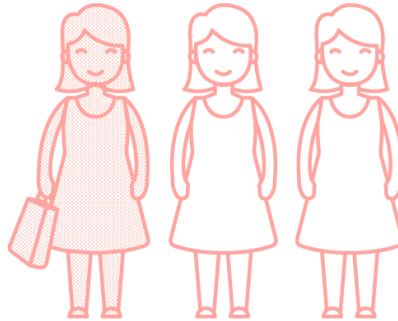
BYE BYE STIGMA

# Thrift is Going Mainstream

**1 in 3**  
**women\***

SHOPPED SECONDHAND  
LAST YEAR

*\*18 years of age and older*



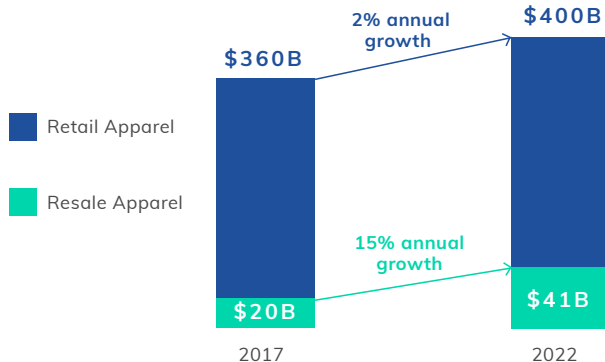
**44M**

WOMEN SHOPPED  
SECONDHAND IN  
2017 COMPARED TO

**35M**

IN 2016

## Resale is Capturing Market Share



## thredUP Converts Skeptics

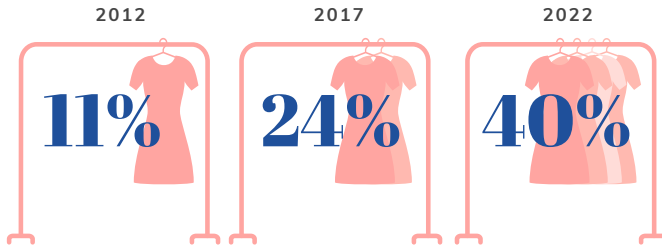




IT'S NOT A FAD

# Thrift Quickly Becomes a Lifestyle

## Used Replaces New in Thrifters' Closets



Percentage of items in thrifters' closets that were purchased used

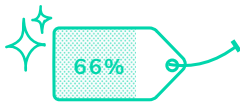
Thrifters plan to buy

**2X**

the amount of used clothing in the next 5 years



## 3 Surprising Facts You Didn't Know About Thrifters



of consumers use thrift to buy  
**better brands**  
they would otherwise  
never pay full price for

Recessions spark  
thrift activity.  
A surge in first-time  
thrifters started in

**2008**



of the most active\*  
thrifters are  
**millionaires**

\* "Most active" include those who spent \$10K or more on thredUP over 2 years or more.

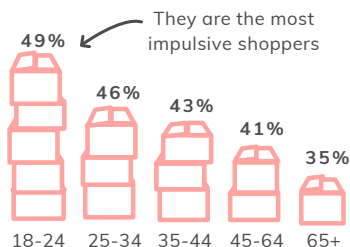
WHO THRIFTS THE MOST & WHY

# Millennial Shopping Habits: It's Complicated

## They are wasteful...

18-24 year olds  
are the group most  
likely to discard  
an item after

**1-5  
wears**



Percentage of purchases that  
are impulsive buys

## THRIFTING SOLVES THE MILLENNIAL DILEMMA



**40%**

of 18-24 year olds  
shopped resale last year.  
That's more than any  
other age group under 45

## ...but hate to waste



**77%**

of millennials  
prefer to buy from  
environmentally-  
conscious brands

They are most likely to  
switch to thrift because of  
environmental reasons

35%



Millennials

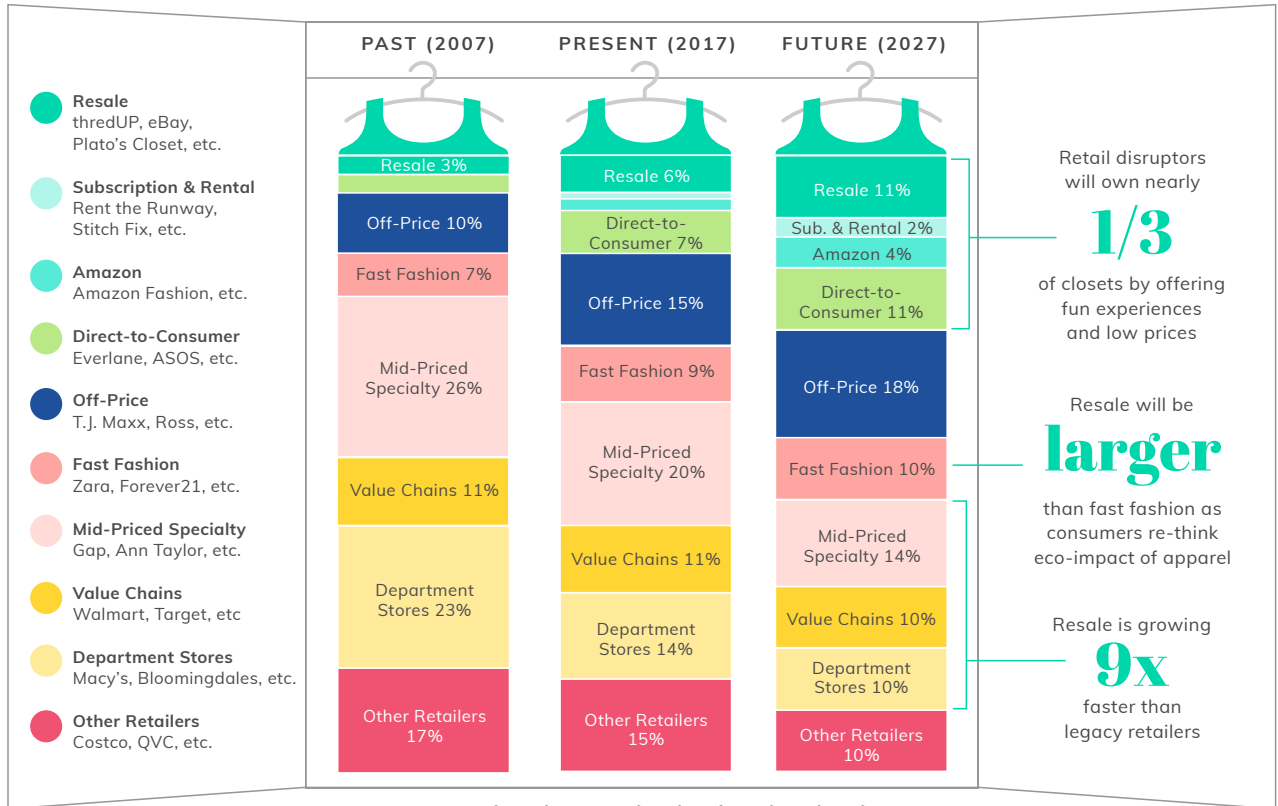
27%



Average

RETAIL IS CHANGING, NOT DYING

# Meet the Closet of the Future



Percentages based on actual and projected market share

## THE SHIFT TO THRIFT

# Deeper Discounts Attract Bargain Hunters



of thredUP customers  
shifted spend from  
off-price to thrift



TJ·maxx

Marshalls

ROSS  
DRESS FOR LESS

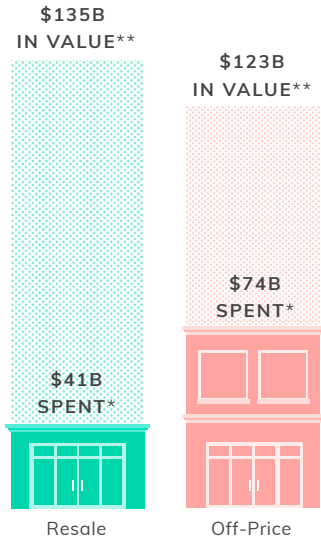


Treasure hunters  
rejoice!

THREDUP



The Same Thrill, But Better Deals:  
Shoppers spend less on resale,  
but get more overall retail value.

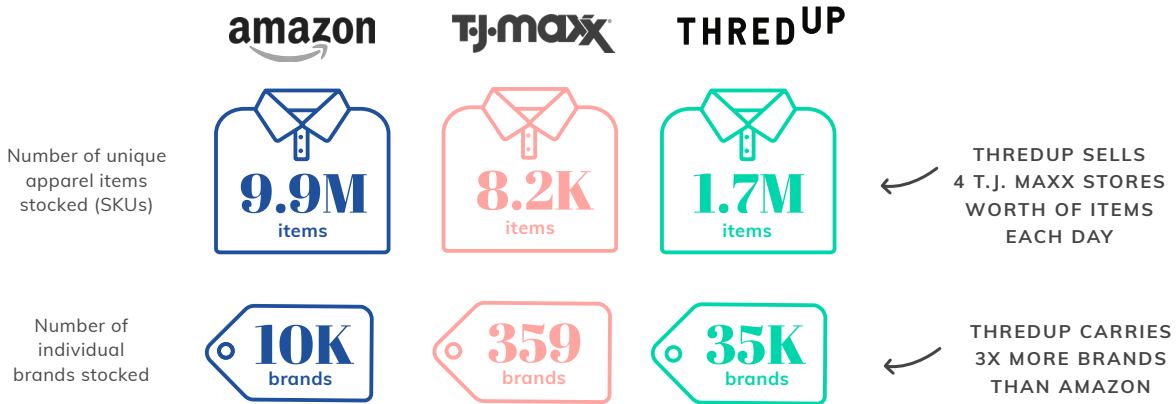


\*Amount spent based on estimated consumer purchases in 2022.

\*\*Value assumes resale apparel sells at a 70% discount to retail price and off-price apparel sells at a 40% discount to retail price.

## VARIETY RULES

# Endless New Arrivals & Brands Win Customers



## Thrill of the Hunt



62%

of consumers switched to thrift because of constant new arrivals



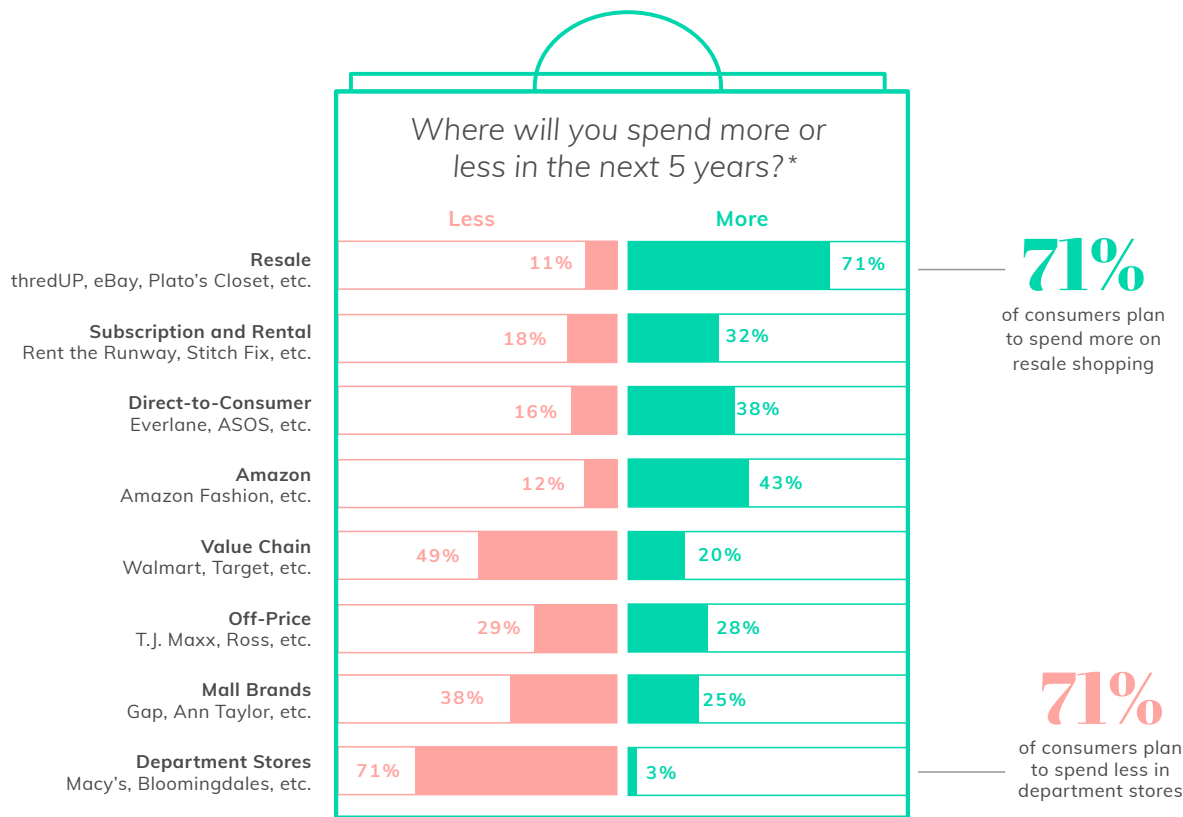
1,000

new arrivals added to thredUP each hour



## WALLET SHARE SHAKE-UP

# Where Consumers Plan to Shift Spend



\*Responses represent buying intentions of those who shopped each retail category.

THE HYPER-CONSUMPTION ANTIDOTE

# Thrift Offsets Rampant Throw-Away Culture

## The Consumption Problem

OVER 1/3 OF  
WOMEN WEAR AN ITEM

≤ 5

times before  
getting rid of it

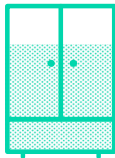


43%

of all purchases  
are "impulse buys"

70%

of the average  
woman's closet  
goes unworn



In case you missed it, fashion is the second-most polluting industry in the world, surpassed only by petroleum.

Picking up and disposing of brand-new clothes all the time drives demand for nonstop manufacturing, which contributes to the fashion industry's incredible waste.

When you buy something old and previously-loved, you're extending its lifespan and reducing its carbon footprint.

— EMILY FARRA , editor

VOGUE

## The Secondhand Solution



BUYING A USED  
GARMENT EXTENDS ITS  
LIFE ON AVERAGE BY

2.2  
years

WHICH REDUCES  
CARBON, WASTE, AND  
WATER FOOTPRINTS BY

73%

A GLOBAL GROUNDSWELL

# The Eco-Impact If Everyone Shopped Thrift

## ITEMS UPCYCLED ON THREDUP



*If everyone bought used instead of new for just one year we'd save:*

### SAVINGS

165B LBS  
OF CO<sub>2</sub>



350B KWH OF  
ELECTRICITY



13T GALLONS  
OF WATER



### EQUIVALENT

All the cars in  
Los Angeles taken off  
the road for 4 years

The annual power  
consumption of  
32M homes

Water for all of  
California for 14 years

## Slowing Down Fast Fashion

thredUP offers the thrill of  
new arrivals, without the  
environmental cost



LAST YEAR,  
THREDUP RECYCLED

**340K**

FAST FASHION ITEMS

**FOREVER 21**

**ZARA** **H&M**



## CIRCULAR AND SUSTAINABLE FASHION

# Retailers and Resellers Unite for a Cause

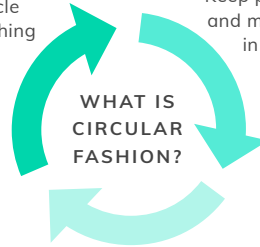
If every garment was  
given a second life...



We would  
reduce waste and  
emissions by

**73%**

Reuse or  
recycle  
everything



Source sustainable  
fabrics and materials

Keep products  
and materials  
in use

Going green  
means greener profits



**75%**

of consumers are  
more likely to buy from  
eco-friendly brands

## Circular Fashion Pioneers



### REPURPOSED MATERIAL

"We start by designing our closet  
to last so they'll stay in your  
closet longer. When you're done,  
we take them back."

– Eileen Fisher



### REWARDS FOR RECYCLING

"We believe that the future of fashion  
is circular – it will be restorative and  
regenerative by design and the clothes  
we love never end up as waste."

– Stella McCartney



### TRADE IN & BUY USED

"Our Worn Wear program  
celebrates the stories we wear,  
and keeps your gear in action  
longer through repair and reuse."

– Patagonia

FINANCIALLY FIT WITH THRIFT

# The Smart Switch that Can Make You Rich

Dresses you can buy for \$100

**THREDUP**  
\$18 each



5.5

**TARGET**  
\$30 each



3.3

**NORDSTROM  
RACK**  
\$67 each



1.5

**ASOS**  
\$60 each



1.6

**NET-A-PORTER**  
\$440 each



0.2



BUYING USED INSTEAD  
OF NEW FOR ONE  
YEAR SAVES YOU

**\$2,420\***

Which gets you...



A massage  
twice a month

OR



One trip to  
Hawaii

OR



A cappuccino  
every day

**\$1.1B**

The amount thredUP  
customers have saved in  
the past five years  
shopping secondhand

**\$160B**

The amount we would all  
collectively save if we  
bought used instead of  
new for one year

\*Annual savings if you buy used clothing, electronics, and furniture.

SHOP SMARTER

# Brands with the Best Return-On-Investment



Brand Investments

BEST

**FRYE**



**HELMUT LANG**

WORST

GIORGIO ARMANI

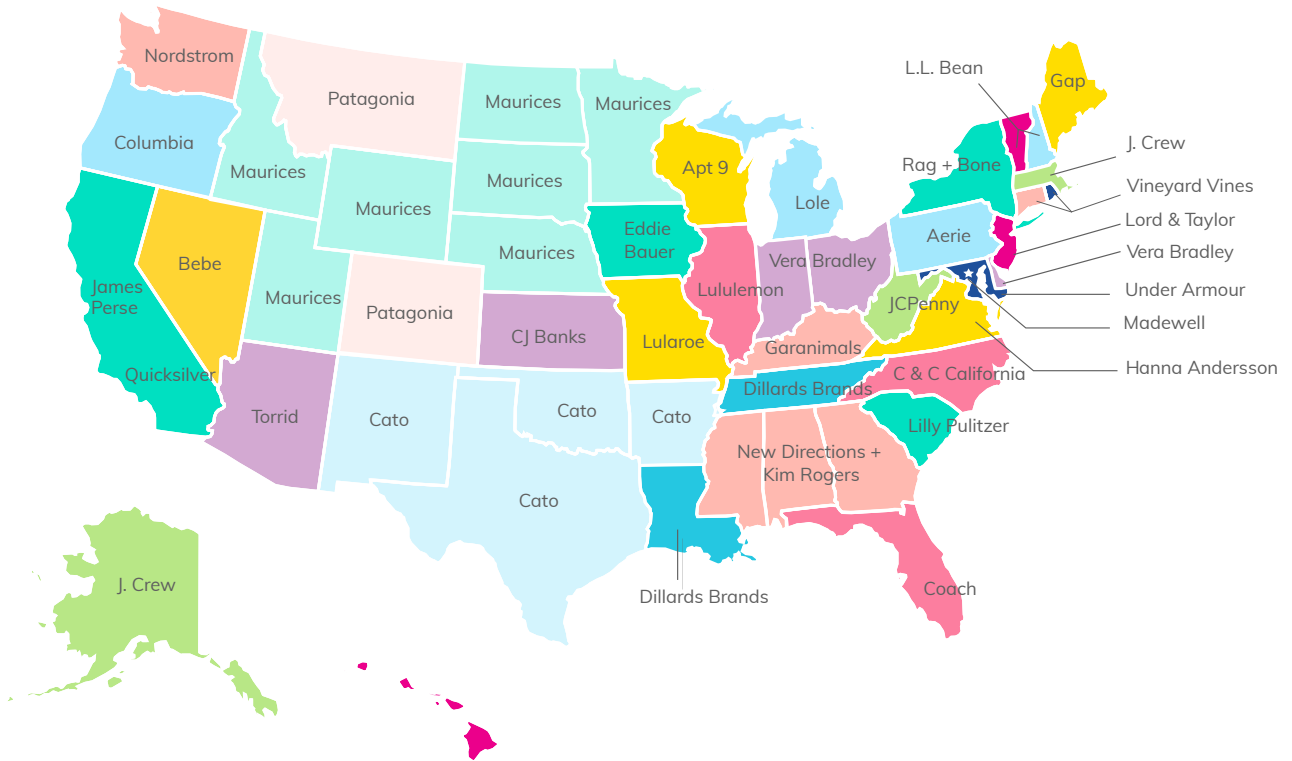
**Juicy Couture**

**MANGO**

Chart includes brands that rank above or below average for which thredUP has significant volume.

INSIDE AMERICA'S CLOSETS

# The Top Brands When Compared Across States



These are the brands that are more likely to be supplied to thredUP by state.

# Definitions & Sources

## DEFINITIONS

**The Resale market includes sales of all used products, both online and offline.** It includes sales at 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.

## SOURCES

**\* GlobalData market sizing and growth estimates (2018)**

Estimated using private and public company data, consumer surveys, retailer tracking, store observations and other secondary sources.

**\* GlobalData consumer survey (2018)**

A consumer survey of 2,000 women, conducted in February 2018. The survey asked a number of questions about shopping behavior and attitudes. The sample was designed to be representative of age, income and geographical distributions in the U.S.

**\* thredUP brand health survey (2018)**

A survey of thredUP users, conducted quarterly. The survey asks a number of questions about thredUP brand awareness, shopping behavior and attitudes.

**\* Crunchbase**

**\* thredUP shopper trends**

**\* EDITED retail analytics**

**\* Water and Resources Action Programme (WRAP) Report (2012)**

**\* U.S. Geological Survey**

**\* U.S. Census Bureau**

**\* U.S. Environmental Protection Agency**

**\* Los Angeles County Shared Mobility Action Plan (2018)**

**\* Handbook of Life Cycle Assessment of Textiles and Clothing (2015)**

**\* Well dressed? The present and future sustainability of clothing and textiles in the United Kingdom (2016)**

*thredUP is an independent reseller of like-new clothing and accessories and is not affiliated with or endorsed by any designer, manufacturer, retailer or brand. All third party brand names and logos used herein are trademarks and/or registered trademarks of their respective holders.*

**THREDUP**

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