A Work Project, presented as part of the requirements for the Award of a Master's degree in Management from the Nova School of Business and Economics.

RETAIL VS. RESALE: UNDERSTANDING THE SUBSTITUTION EFFECT AND SYNERGIES BETWEEN FAST FASHION AND SECOND-HAND CLOTHING MARKETS – THE CASE OF PORTUGAL

Ana Mafalda Alves Ribeiro, 29152

Work project carried out under the supervision of:

Misha Pinkhasov and Catherine da Silveira

21-05-2021

Retail vs. Resale: Understanding the Substitution Effect and Synergies Between Fast Fashion and Second-Hand Clothing Markets – The Case of Portugal

AKNOWLEDGEMENTS

I wish to express my deepest gratitude to my advisor, Misha Pinkhasov, for the continued support throughout the past months of this Work Project. His guidance, flexibility and honest advice played a major role in helping my completion of this Work Project.

I would also like to thank all the industry experts who accepted to be interviewed for my qualitative research, for their valuable insights which have enriched my study immensely, as well as every person who took the time to share and respond to my online questionnaire.

ABSTRACT

The Second-hand and Fast Fashion markets do not work separate from each other. Portugal's booming Second-hand Clothing market is creating an increasing substitution effect with Fast Fashion in consumers, especially those under 30 years old. The number of consumers interested in Second-hand fashion, mainly for sustainability and affordability reasons, is passing those who are not interested. There is growing potential for synergies between the markets. However, Fast Fashion underestimates Second-hand and is resisting making changes to its mass production model, as synergies require either loss of scale or of profit margins.

Keywords: Marketing, Fashion, Sustainable Fashion, Fast Fashion, Second-hand, Substitution Effect

This work used infrastructure and resources funded by Fundação para a Ciência e a Tecnologia (UID/ECO/00124/2013, UID/ECO/00124/2019 and Social Sciences DataLab, Project 22209), POR Lisboa (LISBOA-01-0145-FEDER-007722 and Social Sciences DataLab, Project 22209) and POR Norte (Social Sciences DataLab, Project 22209).

TABLE OF CONTENTS

INTRODUCTION

This paper will study second-hand shopping for recreational purposes (such as vintage fashion trends, differentiation through finding unique clothing, nostalgia) and/or for critical motivations, namely ethics and sustainability. The focus will, then, be on the formal Second-hand Clothing Market in Portugal: brick-and-mortar retail such as vintage shops, consignment shops, thrift shops (mainly from charity organizations) and online resale platforms. It is important to note that the Luxury resale market will be excluded from analysis in this study. While consumers may seek Luxury second-hand pieces for recreational purposes, most people will likely never seek to purchase second-hand luxury as an alternative to fast fashion.

LITERATURE REVIEW

The Second-Hand Clothing Market

In developed countries, the Second-hand Clothing Market can be generally defined as the trade of "garments that have been used by others beforehand and could have been refurbished/ renewed," (Ellen MacArthur Foundation 2017) therefore, the consumers are also the primary suppliers of second-hand retail. (Gopalakrishnan and Matthews 2018). It can be divided into several categories, as below.

<u>Vintage Fashion</u>**.** Vintage fashion usually englobes garments produced between the 1920s and 1980s (Strähle and Klatt 2017), curated by experts who pick the most unique items to display, enhancing symbolic value and thus, unlike other second-hand garments that have a lower financial value than when they were new (Strähle and Klatt 2017), inflating their price. (Brooks 2015) The vintage market has been on the rise in recent years, fueled by designers inspired by vintage in their collections, the Internet making Vintage easily accessible, and consumers' interest in sustainable clothing and avoiding fast fashion. (Strähle and Klatt 2017)

<u>Consignment and Thrift Shops.</u> Consignment and thrift shops sell pre-owned clothing for a fraction of their original price. Consignment shops act as "mediators between seller and

customer." (Strähle and Klatt 2017) Sellers bring their clothes to the shops and collect a fraction of the profit when they are sold. Thrift shops do not get their clothing supply from sellers, but from donations. These shops are usually affiliated with non-profit organizations and charities. While consignment shops return unsold items to their owners, clothes donated to charities that are not sold through the thrift shops will be recycled. (Montgomery and Mitchell 2014)

Online Resale Platforms. The online resale market has been a huge disruptor in the Second-hand clothing market. In 2017, the online second-hand clothing market was growing at 35% per year, four times faster than traditional second-hand retail. (Ellen MacArthur Foundation 2017) While the retail sector is expected to decrease by 15% between 2019 and 2021, online second-hand is expected to grow by 69% between this period. (thredUp 2020) Since the founding of Depop in 2011, its users have sold over $500 million worth of pre-owned products, and 90% of them are under 26 years old. (Lieber 2019) Even Instagram is seeing a surge in successful second-hand shops set up by younger users. (Sato 2020) Buyers and sellers can interact as they would in a social network, while also being able to find their desired styles more effectively.

The Fast Fashion Market

Fast Fashion is a term that describes an extremely rapid consumption of fashion, in ever increasing quantities. (Cooper 2018) Each piece of clothing is designed to be efficiently, cheaply and rapidly produced, in order to be constantly consumed in increasing quantities. (Cuc and Tripa 2014) The constantly updated collections of trendy cheap clothing, with an increased number offered compared to other types of fashion, (Ellen MacArthur Foundation 2017) have helped establish a culture of overconsumption of unsustainable fashion, where clothes are even worn once and disposed of by the consumer due to not being fashionable anymore. (Cuc and Tripa 2014) In 2018 alone, Inditex, owner of Zara and the world's largest fast fashion company, sold over €26.2 billion worth of new cheap clothing. (Kent 2019a) Combining the low quality of garments, which makes them easily disposable, with the continuous changes in trends which fuel new demand, Fast Fashion boosts overconsumption, harming the environment and fortifying socio-economic inequality. (Brooks 2015)

Environmental Impact of Second-Hand and Fast Fashion

ThredUp's 2020 Annual Resale Report states that the most effective way that an individual can reduce their fashion carbon footprint is by buying mostly second-hand clothing. (Figure 1) (thredUp 2020) The rise of the Second-hand Clothing market may seem like a "win-win" situation – used clothes are kept out of landfills, while offering affordable clothing for the second-hand consumers. (Hoskins 2013) However, as it is becoming easier to navigate through second-hand shopping, critics argue that it may fuel our culture of over consumption. (Kent 2020b) People are encouraged to indulge in shopping sprees without guilt, with the mindset that the new garments they buy can be easily resold. Second-hand is being used as a means to encourage repeat purchasing, simply creating more demand for new clothes – for example, Stella McCartney offered $100 store credit for consumers who sold their worn pieces of the brand on resale platform The RealReal (Chen 2019) This adds up to the ever-changing Fast Fashion lines, and inferior quality of the materials used, that lead to garments lasting for much shorter periods of time due to rapid deterioration. (Brooks 2015) And because consumers are not attracted to second-hand products that are not in good condition, combined with the inferior quality of Fast Fashion, often clothes that are not barely worn, or even new, end up being recycled or sent to overseas markets in poorer countries. (Kent 2020b) (Brooks 2015)

According to the Ellen McArthur Foundation, "it is estimated that more than half of fast fashion produced is disposed of in under a year." (Ellen MacArthur Foundation 2017) Fast Fashion as it is today is not part of the solution for an environmentally conscious fashion market. (Hoskins 2013) Despite the efforts to become more sustainable, Fast Fashion retailers are avoiding measures that will force them to reduce production. (Kent 2020a) Experts argue that it will be difficult to achieve environmental goals within Fast Fashion's framework of overconsumption, and there will be reached a certain tipping point where it will be impossible to go further to reach environmental targets without compromising the highly-profitable model by selling fewer new goods. (Kent 2020a)

DEVELOPMENT OF RESEARCH QUESTION

Second-hand and Fast Fashion cannot be considered only separately as both are deeply connected. Vintage clothing in rich countries enhanced the symbolic value and desirability of used clothes, while it serves as inspiration for new fast fashion production. (Brooks 2015) Many brands give access to old inventory to resale platforms – Gap and Abercrombie & Fitch are examples of brands who have partnered with thredUp. Resale is being seen now even as a competitor with the new clothes in fast fashion stores. (Brooks 2015) The disruption from peer-to-peer second-hand platforms is taking market space from Fast Fashion. The RealReal states that about 30% of the users of the platform, are buying as an alternative to fast fashion. (Kent 2020b) Fast fashion brands are noticing the increase in demand and trying to incorporate second-hand clothing into their offering. H&M has acquired a majority stake from Swedish online second-hand shop Sellpy, as an attempt to capture the consumer trends leaning towards sustainable consumption. (Ringstrom 2020) Engaging in the Second-hand Clothing market provides companies opportunities to reach new market segments and increase loyalty within its consumers, making second-hand more attractive to them, as well as a new source of profit. (Hvass 2015) Online second-hand platform Depop is already building a "wholesale platform for brands to sell on the site," helping to control the disposal of used clothing. (Lieber 2020) Nevertheless, the full adoption of a fully circular business model is not yet close to being achieved and the reality of a decrease in new clothing production is still far. (Kent 2020a) The increasing popularity of Second-hand could provide value to the Fast Fashion market and put pressure on it to become less harmful to society. The research question has been formulated with the goal of further addressing the dynamics between the Second-hand Clothing Market and the Fast Fashion Market. This study aims to understand the substitution effect and synergies between the Fast Fashion and Second-hand Clothing Markets, based on the case of Portugal.

METHODOLOGY

Research regarding the Portuguese Second-hand Clothing Market is extremely limited, especially concerning its dynamics with Fast Fashion. To thoroughly understand this topic, qualitative and quantitative research were conducted through convenience sampling methods. To study the interface of the markets, 18 in-depth semi-structured interviews were conducted, covering a total of 10 experts from Second-hand and 8 experts from Fast Fashion companies, anonymously described in Table 1. The selected Second-hand experts were all based in Portugal, while the Fast Fashion experts were spread throughout Europe, justified by the fact that, since Fast Fashion is such a global business, Portugal cannot be analyzed separately as it is such a relatively small market. The interviews consisted of five main questions about the interviewees' market of expertise (Second-hand or Fast Fashion), covering topics of consumer behavior, threats and opportunities and dynamics between the two markets. (Appendix 1)

Furthermore, quantitative research was conducted through an online survey to understand consumers' attitudes towards second-hand and fast fashion. The survey consisted of 24 questions which aimed to study the substitution effect between the two markets and gathered a total of 313 valid respondents who fulfilled the following criteria: the respondent currently resides in Portugal, has shopped for Fast Fashion in the last 12 months or, in the case that the respondent has not shopped for Fast Fashion in the last 12 months, has shopped for Second-hand in the last 12 months. As the survey was shared in December 2020, the 12-month period to be considered in the analysis goes from December 1st, 2019 to December 1st, 2020.

DIAGNOSTIC AND ANALYSIS

The Portuguese Second-Hand Clothing Market

The Portuguese Second-Hand Clothing Market is an underexploited market, as qualitative research has allowed to infer. Portuguese second-hand culture has mostly surrounded flea markets and the offer of second-hand brick-and-mortar stores is scarce and polarized in the capital Lisbon, according to an interviewee who owns an Instagram Vintage store. Its under-exploitation fueled new business models to emerge, opening doors for an online boom of second-hand fashion stores to appear. One of the strongest channels in Portugal is Instagram, with many stores reaching thousands of followers on the platform and selling clothes sourced from foreign wholesale suppliers every day, while also providing a platform for any other person to easily create their own page and sell their own clothes, free of fees from selling through other platforms. "Every week there are new Instagram stores on our feed, they are not companies, they do not have a website," notes the co-founder of an online Vintage store.

There is still stigma around second-hand clothing in Portugal, coming especially from older generations, inherited from the low buying power of decades of dictatorship. However, they are becoming more open to second-hand shopping, influenced by younger consumers, as the Marketing and Communications Manager of a charity organization chain adds, and as shown by the survey respondents – only 12% of respondents over 30 years old agree to the statement that « by wearing second-hand, they do not project to others the image they would like to project. » Nevertheless, young Millennials and Generation Z are the main drivers of the market, being more educated about environmental issues, they are more interested in second-hand clothing. Women are also the biggest purchasers, as most second-hand expert interviewees mentioned the vast majority of their clients being women.

The growing interest in second-hand over the past years has been impactful. The Marketing and Communications Manager of a charity organization chain shared that their stores had 200% growth between 2016 and 2019, with people not only interested in saving money but also shopping for the decreased environmental impact of buying second-hand. Despite tremendous growth, Portugal's Second-hand clothing market is still behind most European countries, according to the founder of a vintage and consignment store.

Assessment of the Substitution Effect – The Four Different Consumer Groups

Survey analysis allowed to identify five consumer groups based on their consumption of Fast Fashion and/or Second-hand Clothing. Of the five, the group of consumers who did not purchase Fast Fashion in the last twelve months but shopped for Second-hand clothing without making a purchase was excluded, as it was statistically insignificant with only 5 respondents. The four analyzed groups are: Consumers of Second-hand and Fast Fashion, Consumers of Fast Fashion who shopped for Second-hand without purchasing, Strict Fast Fashion consumers who did not look for Second-Hand clothing and Consumers who did not shop Fast Fashion but shop Second-hand. Throughout the consumer groups, there were no major differences regarding education nor employment statuses, except for those expected due to age differences (e.g., Gen Z dominated groups having more students.)

In total, the number of Fast Fashion consumers who showed interest in Second-hand clothing (either purchasing or at least looking for it), surpassed the number of those who did not. Second-hand is indeed growing and becoming more than just a niche in individuals consumption choices. (Table 2) 41% have purchased second-hand clothes in the previous 12 months, a significant proportion that is going beyond interest and taking action. (Table 3) At the same time, Fast Fashion is still present within the majority. (Table 4)

Consumers of Second-hand and Fast Fashion

This is the second largest consumer group. 87% of respondents were between 18 and 29 years old, showing how Gen Z and Millennials are the pioneers of the boom of second-hand in Portugal, as this is a bigger proportion than that of the general survey. (Figure 2) (Figure 3)

These consumers are still regular Fast Fashion buyers, but the second-hand purchases were not isolate purchases of the past year and were generally slightly more frequent than fast fashion shopping (Figure 4) (Figure 5) However, Fast Fashion is still dominant in the respondents' closets – 65% of their closets are composed of more than 50% of fast fashion clothes, meanwhile second-hand occupies less than 50% of the closet to 84% of respondents. This translates the relative youth of the Second-hand Clothing Market in Portugal and the likeliness that people started to purchase second-hand in most recent years. Despite still purchasing fast fashion, most are avoiding it for ethical reasons and 88% of these respondents agree that they have looked to purchase second-hand clothing as an alternative to fast fashion. There is also agreement that they have purchased second-hand to buy less new clothes. Half of the consumer group feels guilty when buying from Fast Fashion. (Table 5) These consumers agree that they look for specific brands when shopping, however, sustainability is taken more into consideration (Table 5.) 82% of the respondents in this consumer group would be interested if their favorite Fast Fashion brands introduced a second-hand section.

The most important attributes of the Second-hand and the Fast Fashion Markets (Table 6) to these respondents show how the two markets compete over price, however, second-hand has an advantage. Rather than affordable price (which is extremely important in both), the most important attribute that 93% agree with is good quality for price – no single respondent considered this unimportant. More consumers classified as a 'very important' attribute of Second-hand reducing the environmental impact from consumption of clothing than they did with price. Respondents also consider high variety of styles and unique clothes as important attributes, while in fast fashion they were indifferent to them, showing an advantage of Second-hand over the massification of Fast Fashion's clothing. (Table 7) As several downsides were suggested in the survey (Table 8), this group was mostly neutral or disagreed with them.

On average second-hand/flea markets are where the respondents are most likely to purchase second-hand, followed by social networks. However, analyzing only the “extremely likely” responses, social networks are the top-of-mind choice. (Table 9) 55% of these respondents made their last second-hand purchase on social networks. (Figure 6) Second-hand purchases are most frequently driven by impulse (Figure 10), despite experts mentioning sustainability as weighing more and more. For the regular Second-hand shoppers, the market would be more appealing if their favorite brands introduced resale programs. (Table 11)

Consumers of Fast Fashion who shopped for Second-hand without purchasing

This group considers only the consumers who have purchased Fast Fashion in the previous 12 months and shopped for second-hand clothing without purchasing anything. It is the second smallest consumer group with 49 respondents out of the total 313. (table 12) These are the consumers of Fast Fashion who are curious about second-hand clothing, and it reassures the role of Gen Z and younger Millennials as the top second-hand pushers, as 86% were between 18 and 29 years old. (Figure 7) (Figure 8) These respondents are more frequent consumers of Fast Fashion than the previous group and most have never purchased second-hand clothing. Those who have, buy it infrequently, indicating they are the Fast Fashion consumers who are curious about second-hand clothing (Figure 9), as more than half do not own any second-hand clothing. These respondents are more neutral to ethics of Fast Fashion compared to those who have purchased second-hand clothing, however, more than half agree that they are trying to buy less from Fast Fashion brands for ethical reasons, while 73% agree to having looked to purchase from Second-hand retailers as an alternative to Fast Fashion. Most do not feel guilty when buying fast fashion and sustainability is not as taken into consideration as much as the second-hand purchasers – there is a dominance of brand as a purchasing decision factor. Nevertheless, 80% of these respondents would be interested if their favorite Fast Fashion brands introduced a second-hand section – meaning there is room to capture both the informed

Second-Hand consumers and the curious, uninformed ones. (Table 13) Despite less concern about sustainability, 73% find clothing lines with reduced environmental impact important. (Table 14) As mentioned by various Fast Fashion experts interviewed, sustainability is a «good-to-have» but not yet a deciding factor with significant weight against price, and "Fast Fashion's biggest strength is price," as mentioned a Buyer from a Fast Fashion brand. However, this premise does not apply to a huge group of Fast Fashion consumers who are turning more to Second-hand and should not be viewed as a certainty in coming years. Opinions regarding downsides presented were mostly neutral or disagreed to – the respondents have let go of common stigmas. They are curious about the market, but a lack of information and the time-consuming effort to find what they are looking for hinders a purchase. (Table 15) Being less informed about the market, these respondents are more likely to look for second-hand clothing in traditional outlets such as vintage brick-and-mortar shops and flea markets. Online, there is again a tendency to choose social networks. (Table 16) As much as they are not as likely to purchase through the internet and social media, the biggest percentage of these respondents last shopped for second-hand clothes in social networks, likely as a trend fueled by the pandemic. (Figure 10) The ones who have purchased second-hand clothing mostly did it as an impulse. The respondents are mostly neutral to factors which would influence buying second-hand clothing over new. (Table 17) The main reasons why they did not make a purchase when the respondents shopped for second-hand were not finding anything they like in their size or that fit their style, a downside not exactly specific to second-hand stores. For the Second-Hand Clothing market to be more appealing to these consumers, there would need to exist more convenient store locations, and, especially, a bigger presence of brands they like and resale programs from their favorite brands. (Table 18)

Strict Fast Fashion consumers who did not look for Second-hand clothing

The biggest group, but not by far, consisting of 135 respondents. More than half of respondents of the survey were still at least interested in second-hand clothing. This was the consumer group with the oldest average age, the size of the group is mainly attributed to the older respondents of the survey, as only 44% of respondents were younger than 30 years old. (Figure 11) 49 out of 62 total male respondents of the survey fell in this group. (Figure 12) The proportion of fast fashion in this group's closet is the lowest, compared to the other groups of fast fashion consumers. (Figure 13) This could be because of the older demographic of the group, as respondents over 30 years old chose smaller proportions of fast fashion, likely as they have more purchasing power to shop from other fashion segments. (Table 19) There is virtually no substitution effect between the markets within this consumer group. They do not look for Second-hand to buy less new clothes, are generally not interested in sustainability with only 22% agreeing to some extent that they consider it when shopping for clothes. Fast Fashion experts interviewed agree that the brands are being negatively associated with greenwashing and harming the planet. If no further action is taken to adapt to new sustainability demands, these are the loyal consumers which the industry will have left. If only the consumers who do not care will purchase Fast Fashion, it risks being further associated with the negative impact on the environment and society. Moreover, it is important that the industry captures the most young consumers possible. Almost 90% of respondents of this group are neutral or do not feel guilty when they buy from Fast Fashion. Only 15% agree that they are trying to shop less Fast Fashion for ethical reasons. (Table 20) They are indifferent to second-hand – only 33% percent would be interested if Fast Fashion brands introduced a second-hand section. That is still, however, one third of loyal Fast Fashion consumers who would pay attention to the initiatives – a bigger proportion than the 22% who consider sustainability. (Table 20)

Regarding the Second-Hand Clothing market, the problem for these consumers seems to be lack of information rather than pure stigma. Most are neutral or disagree that second-hand clothing is unhygienic, outdated or of inferior quality. Most do agree that there is a lack of information about where clothing came from and that it is hard to find vintage and second-hand clothing shops near them. (Table 21) 44% agreed that they do not know where to look for second-hand clothes. Nevertheless, the option which had more consumers selecting as extremely likely to buy second-hand clothes there was social networks. (Table 22) Although a considerable proportion was neutral to the factors presented, more than half of respondents believe that availability of brands they like, lower prices and resale programs from their favorite brands would make second-hand shopping more appealing. (Table 23)

Consumers who did not shop Fast Fashion but shop Second-hand

This is the smallest group, consisting of only 17 respondents, all female identifying except for one non-binary respondent. Between the non-consumers of Fast Fashion, this small niche was kept in the analysis, to study the possibility that these are informed consumers at a later stage of substituting fast fashion for second-hand clothing. All the respondents are younger than 30 years old, except for one person between 40 and 49 years old. 11 of the respondents still buy Fast Fashion with some, but rare, frequency, while most are regular purchasers of second-hand clothing, buying at least once every three months. These are not strict second-hand buyers, and all have some percentage of Fast Fashion in their closets, although significantly lower than the other consumer groups. Unlike all the other groups, these are consumers who explicitly disagreed with looking for latest trends, at the same time being the ones who felt strongest that they feel good when they buy clothes. The decision for purchasing second-hand is deeply connected with sustainability, as most are trying to shop less Fast Fashion for ethical reasons and look for Second-hand clothing as an alternative to Fast Fashion. They do not agree as strongly that they are trying to buy clothes less frequently as the Fast Fashion consumers.

This could be that, due to not purchasing as much Fast Fashion, there is less guilt in each shopping decision.

RESULTS AND DISCUSSION

The Interface of Retail vs. Resale – Dynamics between the Markets

From the qualitative and quantitative research, it is possible to verify how the Fast Fashion and Second-hand Clothing markets have many similarities and advantages to each other. Fast Fashion has an advantage over Second-hand in terms of attractiveness of stores, which triggers consumers into making a purchase. As explained by the Product Manager of a Fast Fashion company, "guaranteeing that a shirt from the piles of different clothing you receive is as attractive as one from Fast Fashion, which has a whole team of merchandising, photographers, models behind it, is hard to match. In Second-hand, there does not exist that trigger." It also requires less effort to purchase than second-hand, adding up to that purchase trigger. The store manager of a Vintage brick-and-mortar store makes that connection with the example that if you see a fast fashion item that you like, you can go back to the store one week after and buy that same piece. That does not happen with second-hand – "what you do not buy, will end up belonging to someone else," the store manager adds. There is a common belief from interviewees that not all people can afford second-hand or vintage, unless for less quality garments sold for 1€, as described by the Product Manager of a Fast Fashion company. However, survey data refutes that perception, showing how Fast Fashion and Second-hand closely complete over price, with a significant proportion of respondents noticing the good quality for price relationship of second-hand clothing. However, Fast Fashion, according to interviewees, distorts price perceptions in consumers who are less educated about the markets. The founder of a consignment store notices that many people go to her store and complain that they have seen cheaper elsewhere, with the threat that consumers are more attracted to the 60% discounts in the Fast Fashion brands next door, while the consignment business model only allows for discounts of up to 20%. The founder of an Instagram-based Vintage store laments that "people complain that Vintage pants cost 25€ in second-hand stores, while in fast fashion brands they will cost more and last for a much shorter period of time." Survey data shows that consumers are aware that fast fashion clothing does not last a long time without damages, but the price is still a strong enough trigger. Nowadays, both markets are presenting similar styles of offers. More educated consumers will look for second-hand, while the ones less willing to make efforts and less informed on the matter will look for fast fashion.

Both markets depend on each other. As much as Second-hand is promoting conscious buying, it currently depends on Fast Fashion. A consignment store owner mentions how the store's sales reflects what the most popular fast fashion brands are. The Merchandising Manager of a Fast Fashion brand explains that Second-hand utilizes Fast Fashion to be able to position itself in a more mainstream way to its consumers – "If, when you go to a fast fashion store, you only see tie dye pieces, second-hand stores will promote that trend because they know that since Fast Fashion is using it, it is in demand by consumers, so they take a commercial advantage of what Fast Fashion is doing."

Fast Fashion, however, does not yet consider Second-hand a threat in terms of substitution effect in consumers, according to nearly all Fast Fashion experts interviewed. Even though the market is growing, a Product Manager of a Fast Fashion brand considers that the impact of the Second-hand Clothing market is not yet large enough for Fast Fashion to react to it. Many experts view Second-hand as a place where old Fast Fashion is dumped. Fast Fashion selling second-hand is seen as something harmful to the brand, as "second-hand only sells what people no longer want," another Product Manager of a Fast Fashion brand believes. Many of the clothes that end up in second-hand wholesalers are, in fact, pieces from previous years from these companies that "do not even know what to do with them anymore," as stated by an interviewed Product Manager of a Fast Fashion company. This dumping of clothes reflects on second-hand stores, especially the ones which rely on donations and consignment. The interviewed Marketing & Communications Manager of a charity organization describes how less clothes end up in stores, as companies have to make an even bigger selection due to lower quality, which in turns leads consumers to feeling less satisfied.

Threats to the Markets

Certain consumer trends go against the Fast Fashion offering. From survey data it was possible to infer that not only Fast Fashion companies are underestimating consumers' interest in Second-hand, but many of those consumers are also looking to purchase clothes less frequently and keep those they have for a long time. This goes against the Fast Fashion premise of selling as much as possible. Moreover, there is a threat of a time where it might be too late to become more sustainable before losing consumers over it – as described by a Product Manager of a Fast Fashion company, companies nowadays are taking sustainability steps as marketing tools. There will come a time where policies and more educated consumers will create pressure that will force companies to go beyond marketing. As the Product Manager explained, it will start to impact performance, companies will have to reinvent themselves, charge higher prices, and many players will exit the market. The Head of Merchandising of the same Fast Fashion company adds that reconciling sustainability with Fast Fashion in itself is a threat, as the whole model is "based on volume, waste and overconsumption." Consumers' intentions of buying less amounts of clothing and choosing second-hand clothing as alternatives also challenges the industry status quo.

The rise of the under-exploited Second-hand clothing market is a threat to Fast Fashion due to the increasing substitution effect created by a market that monetizes off product of a highly saturated market such as Fast Fashion. The Head of Merchandising of a Fast Fashion company explained that nowadays it is extremely difficult for companies to gain market share, "there are more players but not many more people, (…) there are so many brands that the consumers are not loyal to anymore, they shift brands depending on their current state of mind." Adding Second-hand businesses coming in and selling clothes of these markets already struggling to maintain market share, it could harm Fast Fashion companies.

Lastly, the declining quality of Fast Fashion is a threat to current Second-hand business models. The Sustainability & Transparency Projects Manager of a Fast Fashion company mentions having seen reports that second-hand players just have way too much stuff that is not of enough quality to reuse it or to resell it, which ends in incineration. This aspect was also mentioned by the Marketing and Communications manager of a charity organization that deals with donations, and therefore feels the effects of the clothes coming in being increasingly damaged. It is also a threat to the Vintage segment, as the co-founder of an online Vintage store feels that her business will last a limited time – 20 years from now, the clothing produced today that will become vintage will not be wearable by then, as it either will not have enough quality to survive the "test of time" or it will have been discarded by the original owners.

Opportunities to the Markets

Fast Fashion companies know that a strong threat could be turned into an opportunity. There is an opportunity in moving away from the current business model towards a more sustainable supply chain, incorporating innovative models from industries such as Second-hand before consumers fully demand that. By the time the whole industry is forced to change, those players will benefit from a first-mover advantage and become experienced market leaders without suffering as much damage. A Product Manager of a Fast Fashion company suggests that by doing so before anyone else, there is an opportunity for a calmer transition while effectively communicating that to consumers. The Director of Product Management of another Fast Fashion company adds "there is an opportunity to create more profitable businesses but just on a smaller scale." Fast Fashion has the scale to make the big changes in the market, and a resale platform offers an opportunity to increase brand loyalty as Second-hand players believe second-hand will become a mainstream shopping choice.

The strength of online in Portugal is also a huge opportunity, as it continues to be a growing trend – not only for the Second-hand players in Portugal, but also for the Fast Fashion players looking to dive into Second-hand. Online and Second-hand are segments both highly driven by younger consumers, which are the most environmental- and socially conscious, therefore are the ones that Fast Fashion does not want to lose, but risks losing. The owner of a consignment store predicts there will be increasingly more consumers. Older consumers, who did not know the market, may be bigger consumers in store. Meanwhile, online will be fueled by the younger generations. The interviewed charity organization mentioned it is conducting studies on how to bring their stores 100% online, reaching a bigger audience of consumers who live outside of the main cities of Lisbon and Porto and want to purchase second-hand clothing.

Lastly, there is an opportunity for new Second-hand business models to gain market share by capitalizing on individuals' habits of overconsumption. Second-hand experts interviewed predict rental and consignment are concepts that could grow the most. The founder of a consignment store brought the perspective that "the psychological effect of decluttering is so positive; you can see the relief in our clients. The idea that what is junk to you could be valuable to someone else, frees one's mind."

WHERE SYNERGIES COULD HAPPEN AND POSSIBLE IMPLICATIONS

The topic of synergies between Fast Fashion and Second-hand Clothing markets is not as straightforward as it had seemed prior to research. Firstly, Fast Fashion does not consider Second-hand to be profitable, and the Fast Fashion experts interviewed consider Second-hand not aligned with their current goals of making money through large volumes of production, constant update of collections and overconsumption. Moreover, if consumers and potential consumers of second-hand clothing are more informed, it will be hard to convince them to shop second-hand fast fashion. The founder of an Instagram-based vintage store states that she does not want to spend a share of her clothing shopping on a brand which practices are opposite of her beliefs. However, survey data shows optimistic perspectives for synergies between the markets, as all consumer groups which purchased or look for second-hand clothing agreed they would be interested if their favorite Fast Fashion brands introduced second-hand sections.

However, Fast Fashion currently seems more interested in recycling and using organic materials, as they are easier processes where, according to the Head of Merchandising of a Fast Fashion company, there are more opportunities to grow and achieve a bigger scale. Fast Fashion companies feel secure in the fact that people will not stop buying fast fashion, so, right now, they stay in their comfort zone – "besides the whole movement to buy second-hand, better quality, conscious buying, I honestly think people will not stop buying fast fashion, and our brand will adapt to the choices of the consumer each more," described the Product Manager of a Fast Fashion company. The problem lies on the fact that the idea that recycling equals sustainability is outdated. The younger, more educated generations, which are the ones with the biggest substitution effect, know that conscious buying goes beyond that, that sustainable consumption involves reducing production and extending the specific product's life cycle as it is before it is modified or destroyed. The founder of an online second-hand resale platform explains that there is an increasing concern, especially from younger generations, to leave a greener planet than the one they found. It is a thought increasingly present in Gen Z and Millennials, they know it is not just simple recycling but going beyond that, even in their consumption choices, "valuing sustainable behaviors both from the companies and the products themselves." Fast Fashion is not willing to modify production levels and supply chain unless there is a huge pressure from consumers. This should not be overlooked, as young people have the power to shape the future of the industries. Young consumers are the ones making the most disruptive changes. They are trying to buy less frequently, they are more educated on the matters of environmental and social sustainability, and online exposure will keep them constantly learning. As seen in survey statistics, the majority of young consumers are purchasing or looking to purchase second-hand clothing, many justifying it as an attempt to avoid consumption from Fast Fashion brands. The Product Manager of a Fast Fashion company states that "young people are at the forefront of the movement for more sustainability in the industry, so if they stop buying and you lose an entire young generation, you are basically losing the future of the company, because the goal is for the consumers to grow with you."

Second-hand is not being fully ignored by Fast Fashion. Experts from both sides know there is space to work together in management of clothing waste. "Since Fast Fashion brands are one of the biggest providers of the Second-hand market, they could find a way to make the whole process easier for second-hand to be available. Some brands are testing even rental. Brands are thinking about introducing second-hand corners into store, so you can shop for brand new and for second-hand in the same outlet," suggested the Head of Merchandising of a Fast Fashion company. These initiatives could help break down remaining barriers, namely the lack of knowledge about where to shop, and stigma against second-hand shopping, helping more consumers become interested in reducing clothing waste, while capturing those already moving away towards second-hand shopping and capitalizing on the consumers' interest in second-hand from their preferred brands – combining three strong factors in the Portuguese market: brand, price, and more sustainable patterns of consumption. There could also be space for peer-to-peer second-hand resale platforms from the Fast Fashion brands, which could bring more brand loyalty, as sellers could become buyers and vice-versa. Furthermore, there is also space for synergies in repurposing of excess production from Fast Fashion and from Second-hand as well. Many Second-hand expert interviewees suggested that Vintage and second-hand wholesalers and stores have a vast amount of used clothing available, that could or not have saving, that could be repurposed, purchased at a large scale by Fast Fashion companies, and other pieces could be made from there. Collaborations like these would involve increased price and reduced scale, something Fast Fashion is not willing to give up. Upcycling means less stock and higher price, something consumers would negatively react to. The fact that no product would be the same as the other would be a problem as well, consumers are not used to deal with that in Fast Fashion, and Fast Fashion is also not used to operate like that. It would be a problem especially for online, as it would make logistics of inserting and selling clothes extremely difficult. Fast Fashion experts then identified, from these ideas, several problems: Fast Fashion sells identical products by the thousands, needing a huge number of raw materials, requiring intensive hours of manual work, being hard to create scale; Fast Fashion, according to the experts, will still need to be affordable to the consumers.

As Fast Fashion companies are not able to fully introduce upcycling and similar practices on a large scale yet, the start of the synergy could lie on the shift towards an omnichannel strategy from Fast Fashion brands and could be a differentiating factor for the emerging megastores from Fast Fashion brands, a shift mentioned by the Director of Product Management of a Fast Fashion company. An upcycled product can turn from a standard Fast Fashion or damaged piece to something unique, customized, and new, which could be more interesting to the consumer. According to Second-hand experts interviewed, it is an area of the industry which has an immense potential to grow but lacks investors that can bring scale. As many explain, not only it promotes the extension of a product's life cycle, but also adds value to it. "It is the difference between taking a t-shirt, in great condition, and selling it for half the price, and taking the same shirt, in poor, extremely worn condition, another 2 or 3 shirts in similar condition, and use them to create a unique, exclusive piece which can be sold for a higher price," explains the founder of an online second-hand resale platform. It is the opportunity for Fast Fashion to capitalize on the missed opportunities in second-hand. Through the omnichannel strategy companies are incorporating, according to the Director of Product

Management of a Fast Fashion company, there is interest in providing new services and innovations in stores to attract consumers to visit and, later, purchase online. Upcycling could be a way to involve the consumer in keeping clothes from reaching landfill, while providing immersive experiences in store through customization, for example. One setback with upcycling, according to the founder of an upcycling company, is the quality of the finished product being too low for the cost of the process. Upcycling would, then, make more sense for Fast Fashion companies if done with excess production or factory errors, also since, as the literature indicates, consumers are interested in second-hand clothing that is in extremely good condition. (Hvass 2015) While beneficial, it would not solve the problem of waste of clothes too damaged to be resold and the costs, since Fast Fashion companies are interested in profit margins, could hinder upcycling from becoming mainstream and a solution at a larger scale.

Clothing rental could be a segment with increasing potential, allowing the companies full control over their brand, something they fear, while incorporating second-hand models. The Director of Product Management of a Fast Fashion company considers rental to be a bridge between Fast Fashion and Second-Hand: "(…) it has many of the qualities in consumer's minds that second-hand clothing would have – less waste, not throwing away clothes, so you do not have to think much about the purchase, you are purchasing a service and not so much a product, and still of a Fast Fashion brand." Rental, however, could be out of reach for cheaper Fast Fashion Brands, because they do not have the quality and price to justify it, she adds.

Fast Fashion is capitalizing on the sustainability trend and focused on recycling. It is not close to changing its supply chain and operations. Second-hand could become a missed opportunity for Fast Fashion to transition to a more environmentally efficient supply chain more profitably. Portuguese Second-hand experts explained that the current economic climate brings loss of purchasing power, which allied with search for sustainability and avoiding new consumption, and a growing online second-hand market in Portugal, could increase the substitution effect. One Second-hand expert referred that there will be a transformation, where if people realize they can make a smart purchase, buying a piece of clothing that is in excellent condition, like new, at half the price, from a brand they desire, aggregated with the third factor of E-commerce, creates a combination of a profitable business opportunity. Feedback from experts from the qualitative research, allows to see that Fast Fashion is underestimating the growth potential of Second-Hand and how influential E-commerce, especially the peer-to-peer model of resale platforms, could be as a tool that accentuates this substitution effect.

LIMITATIONS

Some limitations have impacted the accuracy and impartiality of this study. The choice of incorporating qualitative interviews subjected the conclusions to the researcher's interpretation of the points made, statements could be analyzed out of context, subjecting the discussion to confirmation bias. Choosing online channels to meet interviewees also hindered a thorough comprehension of ideas shared, as connection issues and background distractions could have created communication issues and impacted the understanding of ideas shared.

Choice of convenience sampling led to a skewed questionnaire sample that is not representative of the general Portuguese population. Difficulty in reaching all market segments and consumer types lead to a survey sample that is not accurately representative of the Portuguese market, with too big a proportion of women and people under 30, which could be biased to look similar to the segments of the population most reachable to the researcher.

Lastly, studying the case of Portugal does not allow to create a broad picture of the market dynamics, as not only it is a small country in the Fast Fashion market, but it also has a specific Second-hand Clothing market that is behind bigger markets such as those in the United States, United Kingdom, the Netherlands and France. The perceptions of Portuguese consumers and second-hand business experts are too specific of a market that is too insignificant to be able to provide closure on such global industries.

BIBLIOGRAPHY

Better Work. n.d. “3.2. Forced Labour and Involuntary Overtime.” https://betterwork.org/portfolio/3-2-forced-labour-and-involuntary-overtime/.

Brooks, Andrew. 2015. *Clothing Poverty*.

Chen, Cathaleen. 2019. “Resellers Are Courting Shoppers Away From Brands. Can They Work Together Instead?” *Business of Fashion*. https://www.businessoffashion.com/articles/professional/resellers-are-courting-shoppers-away-from-brands-can-they-work-together-instead.

Cooper, Kelly-Leigh. 2018. “Fast Fashion: Inside the Fight to End the Silence on Waste.” *BBC News*. https://www.bbc.com/news/world-44968561.

Cuc, Sunhilde, and Simona Tripa. 2014. “Fast Fashion and Second Hand Clothes between Ecological Concerns and Global Business.” *Annals of the University of Oradea* 15 (1): 163–67. http://textile.webhost.uoradea.ro/Annals/Vol XV-no I/Art. nr. 30, pag 163-166.pdf.

Ellen MacArthur Foundation. 2017. “A New Textiles Economy: Redesigning Fashion’s Future.”

Global Fashion Agenda, Boston Consulting Group, and Sustainable Apparel Coalition. 2019. “Pulse of The Fashion Industry.”

Gopalakrishnan, Sivasankari, and Delisia Matthews. 2018. “Collaborative Consumption: A Business Model Analysis of Second-Hand Fashion.” *Journal of Fashion Marketing and Management* 22 (3): 354–68. https://doi.org/10.1108/JFMM-05-2017-0049.

Hoskins, Tansy E. 2013. “The Trouble with Second-Hand Clothes.” Business of Fashion. 2013. https://www.businessoffashion.com/articles/opinion/op-ed-the-trouble-with-second-hand-clothes.

Hvass, Kerli Kant. 2015. "Business Model Innovation through Second Hand Retailing: A Fashion Industry Case." *Journal of Corporate Citizenship*, no. 57: 11–32. https://doi.org/10.9774/gleaf.4700.2015.ma.00004.

Kent, Sarah. 2019a. "A Rare Look Inside Zara." Business of Fashion. 2019. https://www.businessoffashion.com/articles/professional/a-rare-look-inside-zara.

———. 2019b. "What's Stopping the Fashion Industry From Agreeing on Climate Action?" Business of Fashion. 2019. https://www.businessoffashion.com/articles/professional/whats-stopping-the-fashion-industry-from-agreeing-on-climate-action.

———. 2020a. "Fashion's Growth-Focused Business Model Is Not Sustainable. What's the Solution?" Business of Fashion. 2020. https://www.businessoffashion.com/articles/professional/fashions-growth-focused-business-model-is-not-sustainable-whats-the-solution.

———. 2020b. "Is Resale Actually Good for the Planet?" Business of Fashion. 2020. https://www.businessoffashion.com/articles/professional/is-resale-actually-good-for-the-planet.

Labour Behind the Label. n.d. "Working Conditions." https://labourbehindthelabel.org/our-work/working-conditions/.

Legesse, Kalkidan. 2020. "Racism Is at the Heart of Fast Fashion - It's Time for Change." *The Guardian*, 2020. https://www.theguardian.com/global-development/2020/jun/11/racism-is-at-the-heart-of-fast-fashion-its-time-for-change.

Lieber, Chavie. 2019. "The Dark Side of Depop." *Business of Fashion*.

https://www.businessoffashion.com/articles/fashion-tech/depop-sexual-harassment-internet-safety.

———. 2020. “What’s Next for Resale?” Business of Fashion. 2020. https://www.businessoffashion.com/articles/professional/fashion-resale-poshmark-thredup-depop-stockx-coronavirus.

Montgomery, Robert D, and Mark Mitchell. 2014. “Examining the Demographic Profiles of Thrift Store Donors and Thrift Store Shoppers.” *Atlantic Marketing Journal* 3 (1): 1–13.

Nanda, M. C. 2020. “Inside the Secret World of Vintage Fashion Scouting.” Business of Fashion. 2020.

North, Andrew. 2014. “Dhaka Rana Plaza Collapse: Pressure Tells on Retailers and Government.” *BBC News*, 2014. https://www.bbc.com/news/world-asia-22525431.

O’Connor, Clare. 2014. “These Retailers Involved In Bangladesh Factory Disaster Have Yet To Compensate Victims.” *Forbes*, 2014. https://www.forbes.com/sites/clareoconnor/2014/04/26/these-retailers-involved-in-bangladesh-factory-disaster-have-yet-to-compensate-victims/#2a105121211b.

Pemberton, Nathan Taylor. 2020. “Is It Street Wear or Is It Art?” *The New York Times*, 2020. https://www.nytimes.com/2020/10/13/style/mens-fashiion-is-it-streetwear-or-is-it-art.html?referringSource=articleShare.

Peters, Adele. 2018. “Inside Levi’s Ambitious Plan to Cut Its Carbon Footprint.” Fast Company. 2018. https://www.fastcompany.com/90207956/inside-levis-ambitious-plan-to-cut-its-carbon-footprint.

Ringstrom, Anna. 2020. “H&M’s Online Secondhand Shop Sellpy Launches Internationally.” Business of Fashion. 2020. https://www.businessoffashion.com/articles/news-analysis/hms-online-secondhand-shop-sellpy-launches-internationally.

Sato, Mia. 2020. “Teens Are Hacking Instagram into a Modern-Day EBay.” *Input,* 2020. https://www.inputmag.com/features/teens-are-turning-instagram-into-their-own-ebay-thrift-shop.

Strähle, Jochen, and Linda Maria Klatt. 2017. “The Second Hand Market for Fashion Products.” In *Green Fashion Retail*, 119–33.

thredUp. 2020. “Annual Resale Report.”

APPENDICES

Figure 1: "Carbon emissions you'll eliminate by making the following changes." (thredUp 2020)

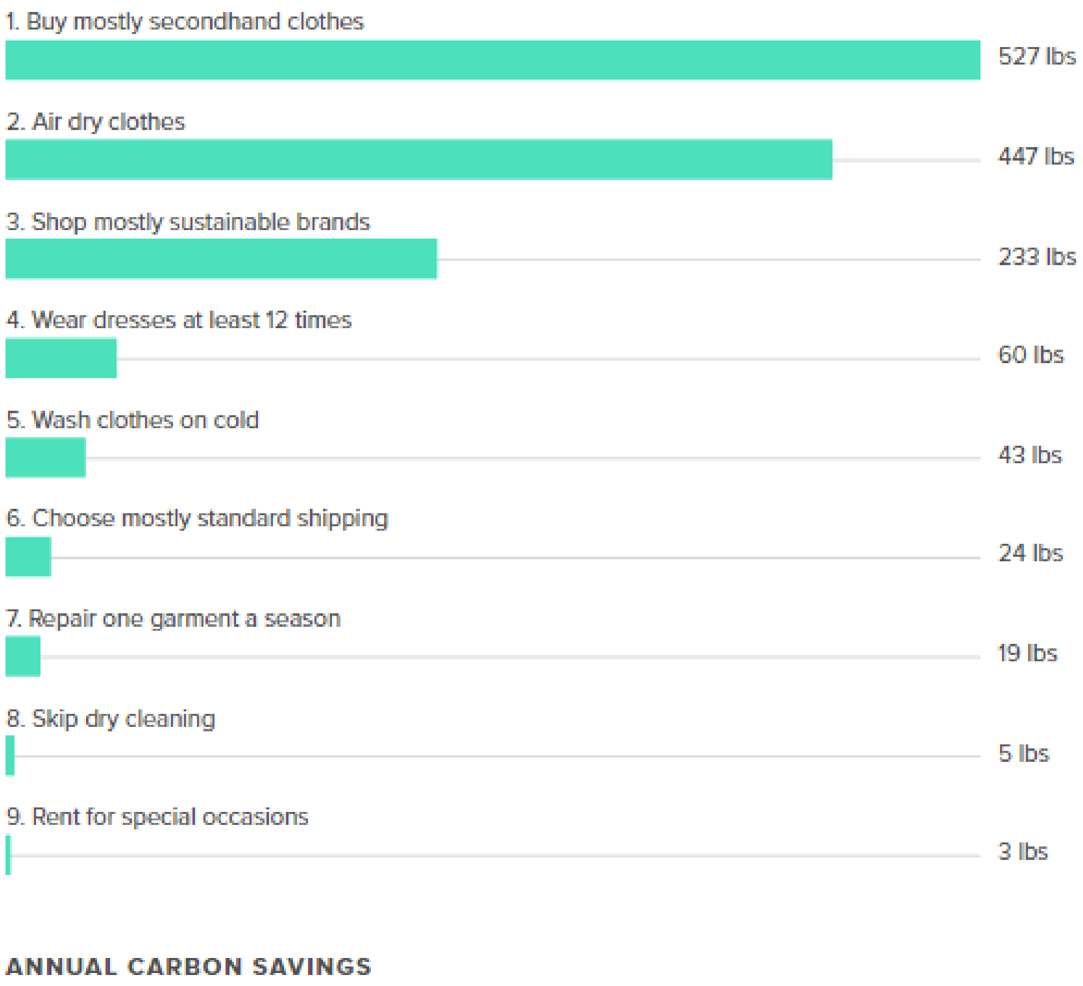

Table 1: Qualitative research interviews conducted

Intv#	Company	Position	City	Date
1	Instagram Vintage Store	Founder	Lisbon, PT	2/12/2020
2	Online Vintage Store	Co-founder	Porto, PT	2/12/2020
3	Fast Fashion Brand	Merchandising Manager	Barcelona, ES	4/12/2020
4	Vintage Brick-and-Mortar Store	Founder	Porto, PT	5/12/2020
5	Instagram Second-hand Store	Founder	Lisbon, PT	6/12/2020
6	Consignment Store	Founder	Lisbon, PT	7/12/2020
7	Vintage Brick-and-Mortar Store	Store Manager	Lisbon, PT	8/12/2020
8	Charity Organization	Marketing & Communicatons Manager	Lisbon, PT	10/12/2020
9	Online Second-hand Resale Platform	Co-founder	Lisbon, PT	24/03/2021
10	Fast Fashion Brand	Sustainability & Transparency Projects Manager	Brussels, BE	1/04/2021
11	Fast Fashion Brand	Head of Merchandising and Planning	Paris, FR	2/04/2021
12	Upcycling Company	Founder	Lisbon, PT	5/04/2021
13	Fast Fashion Brand	Product Manager	Antwerp, BE	8/04/2021
14	Fast Fashion Brand	Product Manager	A Coruña, ES	12/04/2021
15	Vintage & Consignment Store	Founder	Lisbon, PT	13/04/2021
16	Fast Fashion Brand	Product Manager	Barcelona, ES	16/04/2021
17	Fast Fashion Brand	Director of Product Management	Barcelona, ES	20/04/2021
18	Fast Fashion Brand	Buyer	Barcelona, ES	23/04/2021

Appendix 1: Qualitative research interview question guide

Question 1. What are the biggest changes you are seeing in consumer behavior regarding the Second-hand/Fast Fashion market?

Question 2. What do you think are the biggest threats and opportunities to the market?

Question 3. In your opinion, how do the Fast Fashion and Second-hand Fashion markets influence each other's dynamics? How do they work together?

Question 4. How do you view the future of the Second-hand/Fast Fashion market?

Question 5. Do you see potential synergies between the two markets?

Table 2: Survey respondents who have shopped for second-hand clothing in the previous 12 months, without making a purchase

Answer	%	Count
Yes	55.59%	174
No	44.41%	139
Total	100%	313

Table 3: Survey respondents who have purchased second-hand clothing in the previous 12 months

Answer	%	Count
Yes	41.21%	129
No	58.79%	184
Total	100%	313

Table 4: Survey respondents who have purchased Fast Fashion in the previous 12 months

Answer	%	Count
Yes	94.57%	296
No	5.43%	17
Total	100%	313

Figure 2: Age of *Consumers of Second-hand and Fast Fashion*

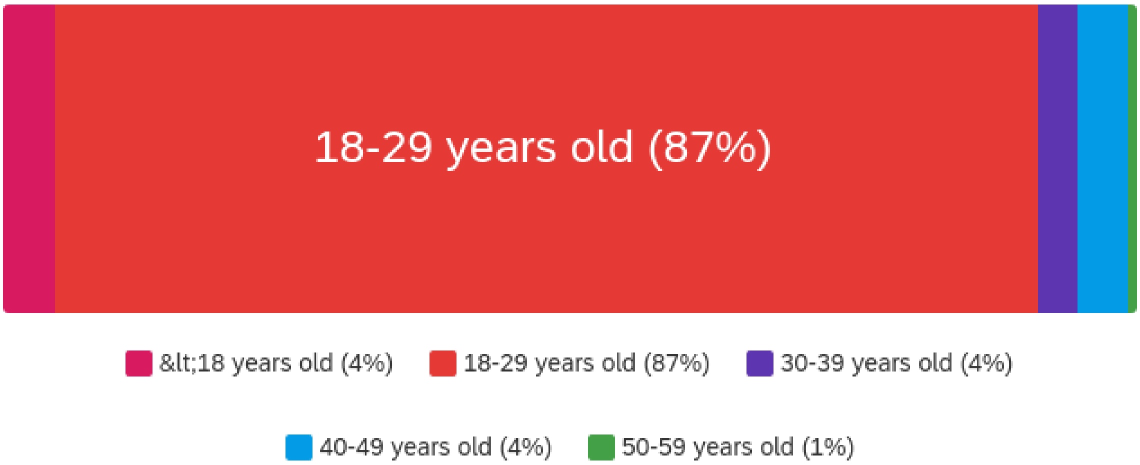

Figure 3: Survey age distribution

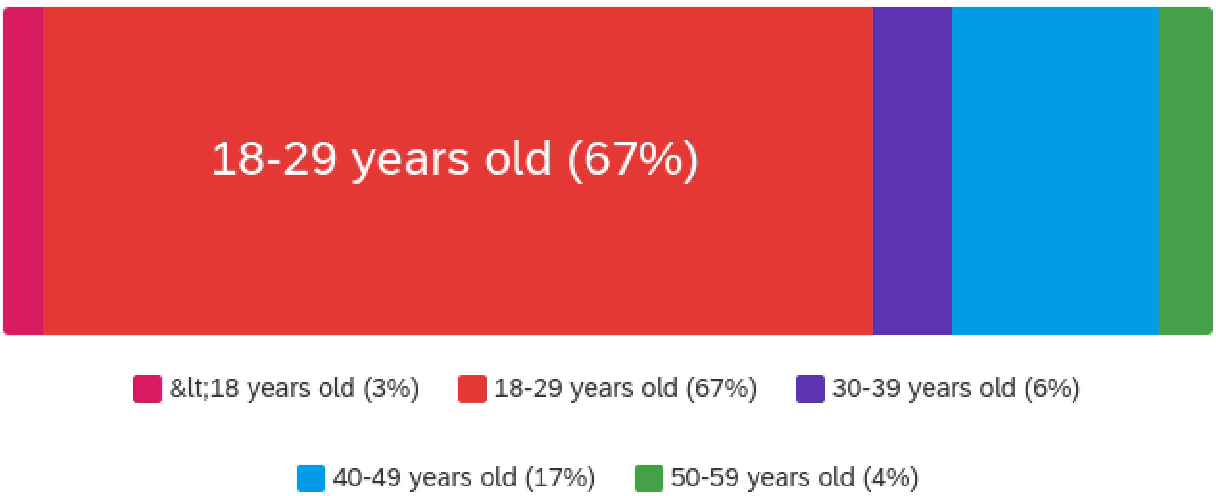

Figure 4: Frequency of Fast Fashion purchase of *Consumers of Second-hand and Fast Fashion*

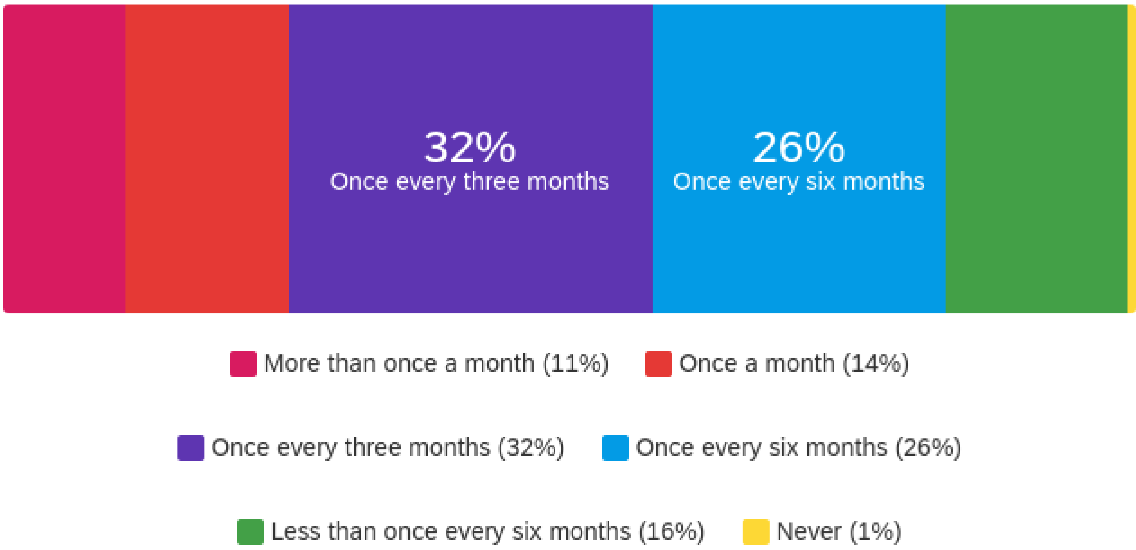

Figure 5: Frequency of Second-hand Fashion purchase of *Consumers of Second-hand and Fast Fashion*

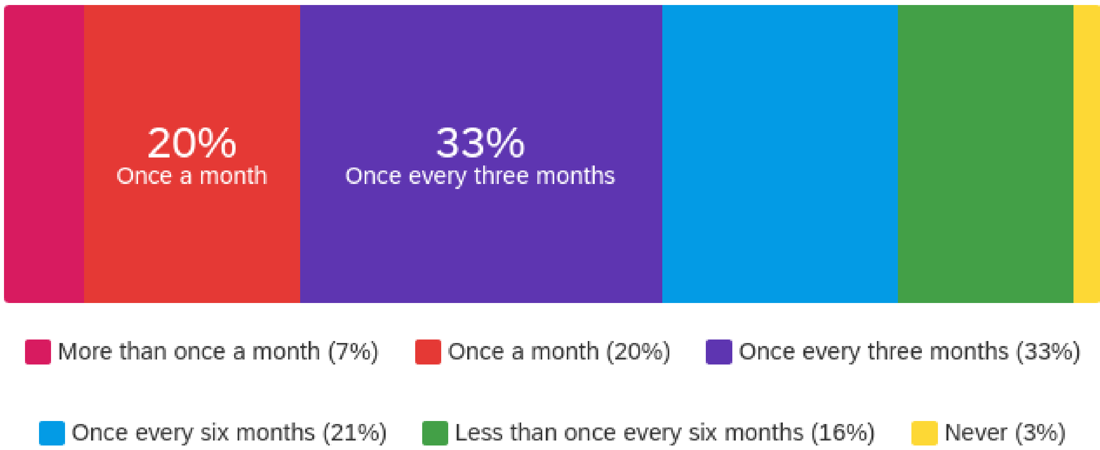

Table 5: Clothes shopping experience of *Consumers of Second-hand and Fast Fashion*

(from 1 = totally disagree to 5 = totally agree)

#	Question	1 (Totally disagree)		2		3 (Neutral)		4		5 (Totally agree)		Total
1	I look for the latest fashion trends.	13.39%	15	16.07%	18	34.82%	39	27.68%	31	8.04%	9	112
2	I only buy clothing when I really need it.	4.46%	5	21.43%	24	25.00%	28	30.36%	34	18.75%	21	112
3	I feel good when I buy clothes.	0.89%	1	2.68%	3	16.96%	19	38.39%	43	41.07%	46	112
4	I consider sustainability when shopping for clothes.	3.57%	4	10.71%	12	22.32%	25	33.93%	38	29.46%	33	112
5	I am trying to buy clothes less frequently.	1.80%	2	5.41%	6	14.41%	16	23.42%	26	54.95%	61	111
6	I am trying to shop less for clothes from fast fashion brands, for ethical reasons.	3.64%	4	6.36%	7	11.82%	13	13.64%	15	64.55%	71	110
7	I try to keep clothes for a long time.	0.89%	1	2.68%	3	1.79%	2	18.75%	21	75.89%	85	112
8	Clothes from fast fashion brands last for a long time without being damaged.	14.29%	16	36.61%	41	30.36%	34	17.86%	20	0.89%	1	112
9	Clothes from fast fashion brands have original and unique designs.	36.61%	41	36.61%	41	19.64%	22	5.36%	6	1.79%	2	112
10	I am always updated on the new fashion collections.	25.00%	28	18.75%	21	33.04%	37	14.29%	16	8.93%	10	112
11	I have looked to purchase from second-hand retailers (such as vintage and thrift shops, online resale platforms, flea markets) as an alternative to fast fashion brands.	1.79%	2	4.46%	5	5.36%	6	16.96%	19	71.43%	80	112
12	I have bought clothes that I ended up wearing less than 3 times.	13.51%	15	12.61%	14	14.41%	16	20.72%	23	38.74%	43	111
13	I have bought clothes that I ended up not wearing at all.	39.29%	44	14.29%	16	5.36%	6	13.39%	15	27.68%	31	112
14	I feel guilty when I buy from fast fashion brands.	9.91%	11	9.91%	11	29.73%	33	34.23%	38	16.22%	18	111
15	I look for specific brands that I like when shopping for clothes.	7.14%	8	9.82%	11	25.00%	28	31.25%	35	26.79%	30	112
16	I trust independent second-hand retailers (such as vintage shops, online resellers, flea market sellers) less	25.00%	28	18.75%	21	23.21%	26	17.86%	20	15.18%	17	112

	than fast fashion brands.											
17	If I see an item that I like, I usually end up buying it, even if I do not need it.	19.64%	22	33.93%	38	19.64%	22	25.00%	28	1.79%	2	112
18	I have shopped second-hand as a way to try to buy less new clothes.	16.36%	18	4.55%	5	21.82%	24	24.55%	27	32.73%	36	110
19	If my favourite fast fashion brands introduced a second-hand section, I would be interested.	2.70%	3	4.50%	5	10.81%	12	21.62%	24	60.36%	67	111

Table 6: Important attributes of Fast Fashion to *Consumers of Second-hand and Fast Fashion* (from 1 = not important at all to 5 = very important)

#	Question	1 (Not important at all)		2		3 (Neutral)		4		5 (Very important)		Total
1	High variety of styles	4.46%	5	9.82%	11	34.82%	39	30.36%	34	20.54%	23	112
2	Access to original clothing that fits my style	2.68%	3	5.36%	6	18.75%	21	36.61%	41	36.61%	41	112
3	Trendy clothing	14.29%	16	16.07%	18	33.93%	38	27.68%	31	8.04%	9	112
4	Unique clothes that no one else will have	20.72%	23	21.62%	24	25.23%	28	16.22%	18	16.22%	18	111
5	Vintage style clothes	16.22%	18	18.02%	20	28.83%	32	18.02%	20	18.92%	21	111
6	Affordable price	1.80%	2	0.00%	0	8.11%	9	26.13%	29	63.96%	71	111
7	Easy to find physical stores	2.68%	3	4.46%	5	18.75%	21	33.04%	37	41.07%	46	112
8	Good quality for price	0.00%	0	3.57%	4	17.86%	20	25.00%	28	53.57%	60	112
9	Affordable version of luxury and premium styles	21.10%	23	13.76%	15	22.94%	25	22.94%	25	19.27%	21	109
10	The excitement from buying something new for myself	8.04%	9	16.96%	19	28.57%	32	29.46%	33	16.96%	19	112
11	Easy options to shop online	8.04%	9	6.25%	7	22.32%	25	36.61%	41	26.79%	30	112
12	Excitement of navigating through the clothes displayed	14.29%	16	16.07%	18	28.57%	32	28.57%	32	12.50%	14	112
13	Clothing lines with reduced environmental impact	2.68%	3	6.25%	7	19.64%	22	26.79%	30	44.64%	50	112

Table 7: Important attributes of Second-hand Fashion to *Consumers of Second-hand and Fast Fashion* (from 1 = not important at all to 5 = very important)

#	Field	Mean	Count	Bottom 2 Box	Top 2 Box
1	High variety of styles	4.11	112	7.14%	77.68%
2	Access to original clothing that fits my style	4.49	112	1.79%	90.18%
3	Trendy clothing	3.07	112	28.57%	36.61%
4	Unique clothes that no one else will have	3.96	112	11.61%	69.64%
5	Authentic vintage clothes	3.70	112	18.75%	62.50%
6	Affordable price	4.59	112	1.79%	91.96%
7	Easy to find physical stores	3.52	112	22.32%	53.57%
8	Good quality for price	4.66	112	0.00%	92.86%
9	Affordable version of luxury and premium styles	3.34	110	25.45%	44.55%
10	The excitement from buying something new for myself	3.62	111	15.32%	61.26%
11	Easy options to shop online	3.78	112	12.50%	61.61%
12	Excitement of navigating through the clothes displayed	2.95	112	33.04%	35.71%
13	Reducing the environmental impact from my consumption of clothing	4.55	112	1.79%	86.61%

Table 8: Downsides of buying Second-hand clothing to *Consumers of Second-hand and Fast Fashion* (from 1 = totally disagree to 5 = totally agree)

#		Field	Mean	Count	Bottom 2 Box	Top 2 Box
1		Lack of information about where clothing came from.	3.10	112	31.25%	39.29%
2		Does not give me the feeling of having something new and mine.	1.58	112	82.14%	5.36%
3		Hard to find vintage and second-hand shops close to me.	3.52	112	24.11%	59.82%
4		Store environment is unpleasant and messy.	2.47	110	54.55%	26.36%
5		Time consuming and hard to find the styles that I am looking for.	3.22	112	25.00%	43.75%
6		Hard to find my clothing size.	3.26	111	24.32%	43.24%
7		The clothes have inferior quality.	1.85	111	72.97%	0.90%
8		The styles offered are outdated.	2.18	110	61.82%	13.64%
9		Vintage clothing is overpriced.	3.01	111	35.14%	36.04%
10		I cannot afford good quality vintage clothing.	2.99	110	30.91%	32.73%
11		Second-hand shopping is unhygienic.	1.53	112	83.04%	5.36%
12		By wearing second-hand clothing, I believe I do not project to others the image that I would like to project.	1.32	112	90.18%	3.57%

Table 9: Place more likely for *Consumers of Second-hand and Fast Fashion* to buy Second-hand clothing (from 1 = extremely unlikely to 5 = extremely likely)

#	Field	Mean	Count	Bottom 2 Box	Top 2 Box
1	Social networks (ex: Instagram, Facebook)	3.74	112	20.54%	65.18%
2	Online resale platforms (ex: Depop, Poshmark, The RealReal, thredUp)	3.01	112	41.07%	39.29%
3	Vintage brick-and-mortar shops	3.63	112	18.75%	55.36%
4	Second-hand/flea markets	3.90	112	13.39%	72.32%
5	Charity thrift shops	3.60	112	20.54%	57.14%
6	I do not know where to look for second-hand clothes	2.03	112	66.96%	13.39%

Figure 6: Place where *Consumers of Second-hand and Fast Fashion* last shopped for Second-hand clothing

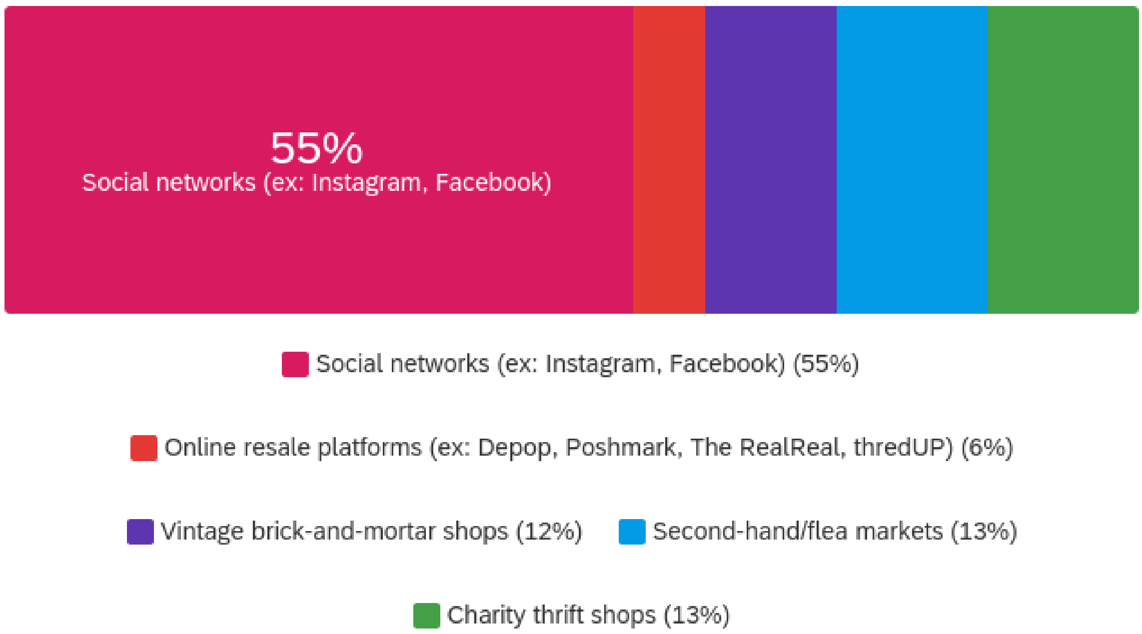

Table 10: Occasions which drive *Consumers of Second-hand and Fast Fashion* to shop for second-hand clothing (from 1 = very rarely to 5 = very frequently)

Question	1 (Very rarely)		2		3		4		5 (Very frequently)		Total
Need for new everyday clothing	22.32%	25	14.29%	16	18.75%	21	28.57%	32	16.07%	18	112
Need for clothing for a special occasion	50.45%	56	12.61%	14	14.41%	16	17.12%	19	5.41%	6	111
Search for clothes to repair and upcycle	57.66%	64	11.71%	13	15.32%	17	13.51%	15	1.80%	2	111
Impulse shopping due to low prices	22.32%	25	6.25%	7	22.32%	25	26.79%	30	22.32%	25	112
Impulse shopping for unique, desirable garments	15.32%	17	9.01%	10	14.41%	16	32.43%	36	28.83%	32	111

Table 11: Factors which would make Second-hand clothing more appealing to *Consumers of Second-hand and Fast Fashion* (from 1 = completely disagree to 5 = completely agree)

#	Field	Mean	Count	Bottom 2 Box	Top 2 Box
1	More organized store environment	3.99	112	11.61%	72.32%
2	Increased offers in online platforms	3.97	112	8.93%	70.54%
3	Higher hygiene standards	3.33	112	22.32%	41.96%
4	Lower prices	3.92	112	4.46%	64.29%
5	Availability of brands that I like in stores and online platforms	4.00	112	9.82%	74.11%
6	Increased diversity of fashion styles offered	3.96	112	9.82%	73.21%
7	Increased size diversity	4.10	112	7.14%	74.11%
8	Resale programmes from my favourite brands	4.07	112	8.04%	76.79%
9	More convenient store locations	4.00	112	8.93%	66.96%

Table 12: Survey respondents who purchased Second-hand and/or shopped for Second-hand without purchasing

Question	Purchased 2H		Did not purchase 2H		Total
Shopped for 2H, no purchase	71.84%	125	28.16%	49	174
Did not shop for 2H without purchasing	2.88%	4	97.12%	135	139

Figure 7: Age of *Consumers of Fast Fashion who shopped for Second-hand without purchasing*

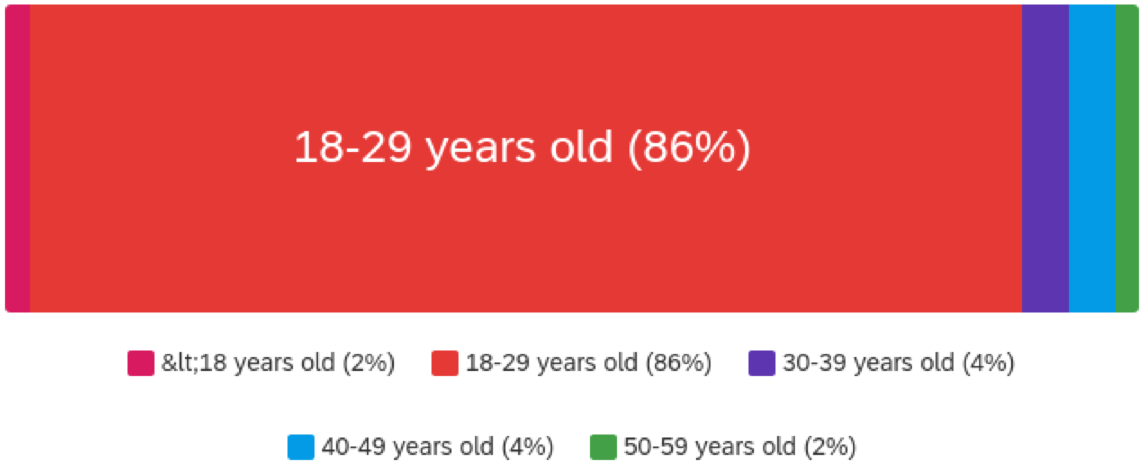

Figure 8: Gender of *Consumers of Fast Fashion who shopped for Second-hand without purchasing*

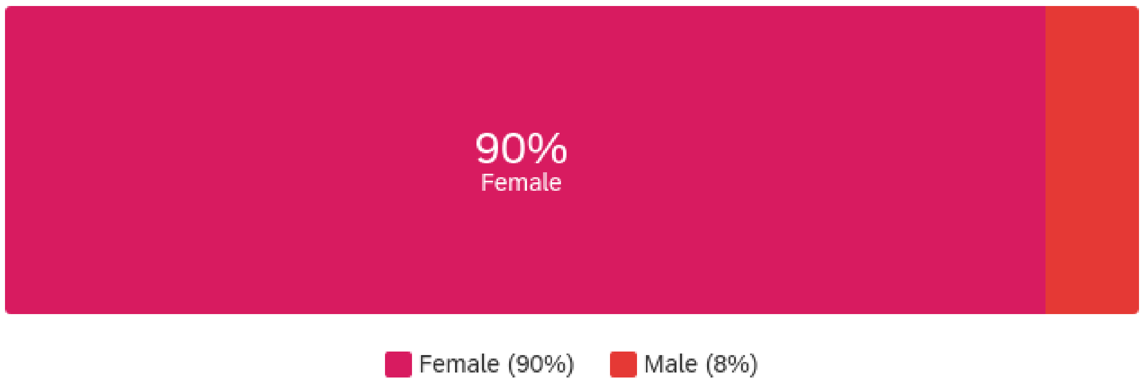

Figure 9: Proportion of Fast Fashion clothes in closet of *Consumers of Fast Fashion who shopped for Second-hand without purchasing*

Table 13: Clothes shopping experience of *Consumers of Fast Fashion who shopped for Second-hand without purchasing* (from 1 = totally disagree to 5 = totally agree)

#	Field	Mean	Count	Bottom 2 Box	Top 2 Box
1	I look for the latest fashion trends.	3.37	49	16.33%	51.02%
2	I only buy clothing when I really need it.	3.20	49	34.69%	44.90%
3	I feel good when I buy clothes.	3.94	49	10.20%	73.47%
4	I consider sustainability when shopping for clothes.	3.14	49	28.57%	36.73%
5	I am trying to buy clothes less frequently.	4.08	49	12.24%	75.51%
6	I am trying to shop less for clothes from fast fashion brands, for ethical reasons.	3.39	49	26.53%	51.02%
7	I try to keep clothes for a long time.	4.61	49	2.04%	93.88%
8	Clothes from fast fashion brands last for a long time without being damaged.	2.51	49	48.98%	16.33%
9	Clothes from fast fashion brands have original and unique designs.	2.06	49	69.39%	2.04%
10	I am always updated on the new fashion collections.	2.79	48	43.75%	31.25%
11	I have looked to purchase from second-hand retailers (such as vintage and thrift shops, online resale platforms, flea markets) as an alternative to fast fashion brands.	3.83	48	14.58%	72.92%
12	I have bought clothes that I ended up wearing less than 3 times.	3.44	48	29.17%	58.33%
13	I have bought clothes that I ended up not wearing at all.	2.63	49	57.14%	38.78%
14	I feel guilty when I buy from fast fashion brands.	2.51	49	46.94%	20.41%
15	I look for specific brands that I like when shopping for clothes.	4.04	49	8.16%	75.51%
16	I trust independent second-hand retailers (such as vintage shops, online resellers, flea market sellers) less than fast fashion brands.	2.65	48	39.58%	25.00%
17	If I see an item that I like, I usually end up buying it, even if I do not need it.	2.80	49	42.86%	26.53%
18	I have shopped second-hand as a way to try to buy less new clothes.	2.13	46	63.04%	15.22%
19	If my favourite fast fashion brands introduced a second-hand section, I would be interested.	4.10	49	14.29%	79.59%

Table 14: Important attributes of Fast Fashion to *Consumers of Fast Fashion who shopped for Second-hand without purchasing* (from 1 = not important at all to 5 = very important)

#	Question	1 (Not important at all)		2		3 (Neutral)		4		5 (Very important)		Total
1	High variety of styles	4.08%	2	10.20%	5	30.61%	15	36.73%	18	18.37%	9	49
2	Access to original clothing that fits my style	0.00%	0	4.08%	2	6.12%	3	55.10%	27	34.69%	17	49
3	Trendy clothing	12.24%	6	20.41%	10	30.61%	15	26.53%	13	10.20%	5	49
4	Unique clothes that no one else will have	18.37%	9	24.49%	12	22.45%	11	22.45%	11	12.24%	6	49
5	Vintage style clothes	10.20%	5	16.33%	8	40.82%	20	22.45%	11	10.20%	5	49
6	Affordable price	0.00%	0	2.04%	1	14.29%	7	28.57%	14	55.10%	27	49
7	Easy to find physical stores	4.08%	2	2.04%	1	16.33%	8	32.65%	16	44.90%	22	49
8	Good quality for price	0.00%	0	2.04%	1	10.20%	5	36.73%	18	51.02%	25	49
9	Affordable version of luxury and premium styles	16.33%	8	12.24%	6	32.65%	16	22.45%	11	16.33%	8	49
10	The excitement from buying something new for myself	8.16%	4	10.20%	5	24.49%	12	40.82%	20	16.33%	8	49
11	Easy options to shop online	2.04%	1	6.12%	3	20.41%	10	40.82%	20	30.61%	15	49
12	Excitement of navigating through the clothes displayed	12.24%	6	8.16%	4	26.53%	13	40.82%	20	12.24%	6	49
13	Clothing lines with reduced environmental impact	4.08%	2	10.20%	5	12.24%	6	40.82%	20	32.65%	16	49

Table 15: Downsides of buying second-hand clothes to *Consumers of Fast Fashion who shopped for Second-hand without purchasing* (from 1 = totally disagree to 5 = totally agree)

#	Field	Mean	Count	Bottom 2 Box	Top 2 Box
1	Lack of information about where clothing came from.	3.57	49	18.37%	57.14%
2	Does not give me the feeling of having something new and mine.	2.39	49	59.18%	24.49%
3	Hard to find vintage and second-hand shops close to me.	4.24	49	10.20%	85.71%
4	Store environment is unpleasant and messy.	2.78	45	44.44%	31.11%
5	Time consuming and hard to find the styles that I am looking for.	3.49	47	21.28%	59.57%
6	Hard to find my clothing size.	3.66	47	14.89%	57.45%
7	The clothes have inferior quality.	2.25	48	60.42%	10.42%
8	The styles offered are outdated.	2.35	48	58.33%	14.58%
9	Vintage clothing is overpriced.	3.11	46	26.09%	34.78%
10	I cannot afford good quality vintage clothing.	3.07	45	35.56%	37.78%
11	Second-hand shopping is unhygienic.	1.89	47	70.21%	8.51%
12	By wearing second-hand clothing, I believe I do not project to others the image that I would like to project.	1.40	47	93.62%	0.00%

Table 16: Place *Consumers of Fast Fashion who shopped for Second-hand without purchasing* are more likely to buy second-hand clothes (from 1 = extremely unlikely to 5 = extremely likely)

#	Question	1 (Extremely unlikely)		2		3		4		5 (Extremely likely)		Total
1	Social networks (ex: Instagram, Facebook)	30.61%	15	8.16%	4	8.16%	4	34.69%	17	18.37%	9	49
2	Online resale platforms (ex: Depop, Poshmark, The RealReal, thredUp)	30.61%	15	8.16%	4	24.49%	12	26.53%	13	10.20%	5	49
3	Vintage brick-and-mortar shops	4.08%	2	12.24%	6	22.45%	11	34.69%	17	26.53%	13	49
4	Second-hand/flea markets	14.29%	7	10.20%	5	20.41%	10	24.49%	12	30.61%	15	49
5	Charity thrift shops	20.41%	10	12.24%	6	30.61%	15	22.45%	11	14.29%	7	49
6	I do not know where to look for second-hand clothes	16.33%	8	16.33%	8	26.53%	13	22.45%	11	18.37%	9	49

Figure 10: Place where *Consumers of Fast Fashion who shopped for Second-hand without purchasing* last shopped for second-hand clothes

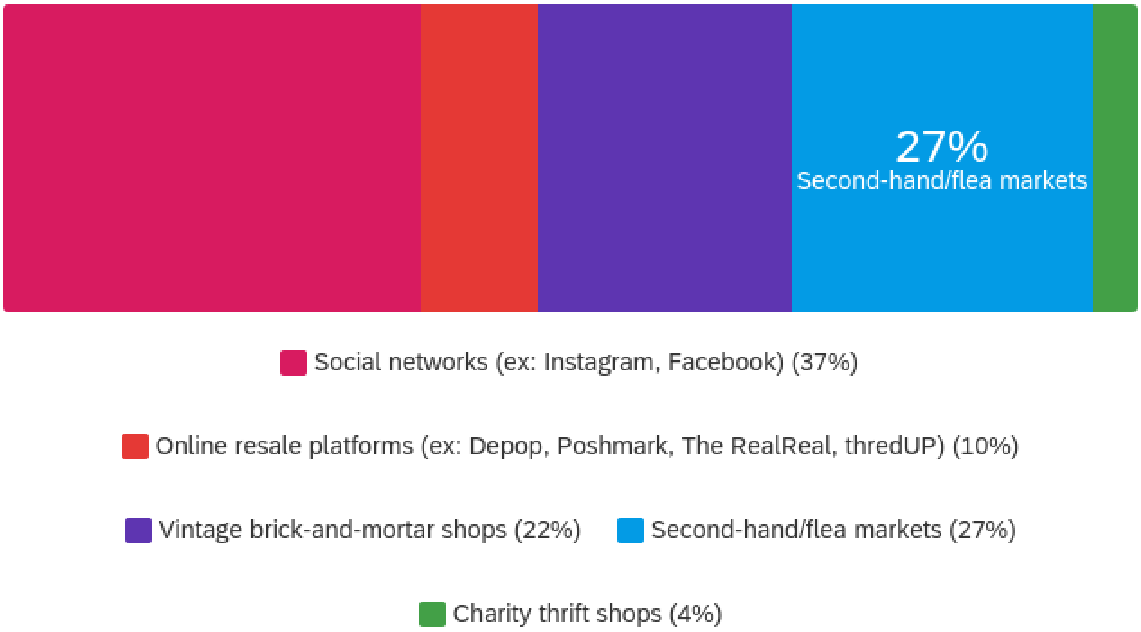

Table 17: Factors that influence *Consumers of Fast Fashion who shopped for Second-hand without purchasing* to buy second-hand over new (from 1 = no influence to 5 = most influential)

Question	1 (No influence)		2		3		4		5 (Most influential)		Total
Lower price than new clothing	20.41%	10	12.24%	6	20.41%	10	26.53%	13	20.41%	10	49
Higher quality for price	18.37%	9	12.24%	6	24.49%	12	26.53%	13	18.37%	9	49
Avoid mainstream, popular brands	28.57%	14	10.20%	5	30.61%	15	20.41%	10	10.20%	5	49
Find authentic vintage clothes	24.49%	12	4.08%	2	22.45%	11	32.65%	16	16.33%	8	49
Find unique styles, that will not look the same as anyone else's	26.53%	13	12.24%	6	20.41%	10	20.41%	10	20.41%	10	49
Avoid clothing waste	16.33%	8	6.12%	3	10.20%	5	28.57%	14	38.78%	19	49
Aim to shop more ethically	12.24%	6	10.20%	5	12.24%	6	26.53%	13	38.78%	19	49

Table 18: Factors which would make Second-hand more appealing to *Consumers of Fast Fashion who shopped for Second-hand without purchasing* (from 1 = totally disagree to 5 = totally agree)

Question	1 (Completely disagree)		2		3 (Neutral)		4		5 (Completely agree)		Total
More organized store environment	0.00%	0	4.08%	2	24.49%	12	28.57%	14	42.86%	21	49
Increased offers in online platforms	4.08%	2	10.20%	5	20.41%	10	30.61%	15	34.69%	17	49
Higher hygiene standards	10.20%	5	4.08%	2	30.61%	15	22.45%	11	32.65%	16	49
Lower prices	2.04%	1	8.16%	4	20.41%	10	26.53%	13	42.86%	21	49
Availability of brands that I like in stores and online platforms	2.04%	1	2.04%	1	16.33%	8	30.61%	15	48.98%	24	49
Increased diversity of fashion styles offered	0.00%	0	8.16%	4	22.45%	11	28.57%	14	40.82%	20	49
Increased size diversity	0.00%	0	2.04%	1	20.41%	10	24.49%	12	53.06%	26	49
Resale programmes from my favourite brands	2.04%	1	2.04%	1	16.33%	8	30.61%	15	48.98%	24	49
More convenient store locations	2.04%	1	6.12%	3	10.20%	5	24.49%	12	57.14%	28	49

Figure 11: Age of *Strict Fast Fashion consumers who did not look for Second-Hand clothing*

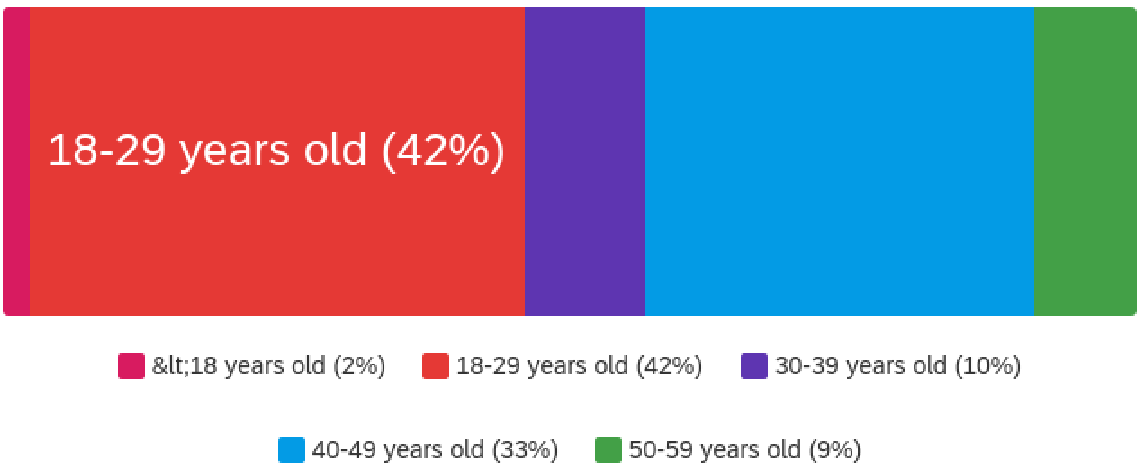

Figure 12: Gender of *Strict Fast Fashion consumers who did not look for Second-Hand clothing*

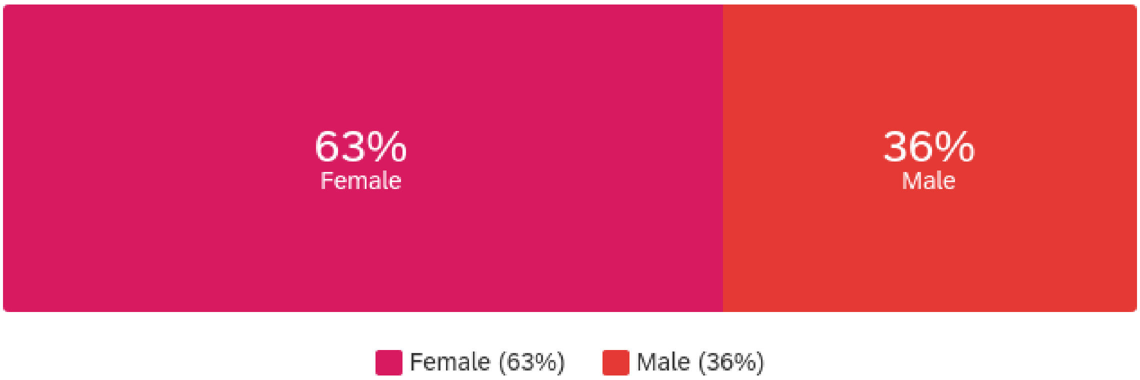

Figure 13: Proportion of Fast Fashion clothes in the closet of *Strict Fast Fashion consumers who did not look for Second-Hand clothing*

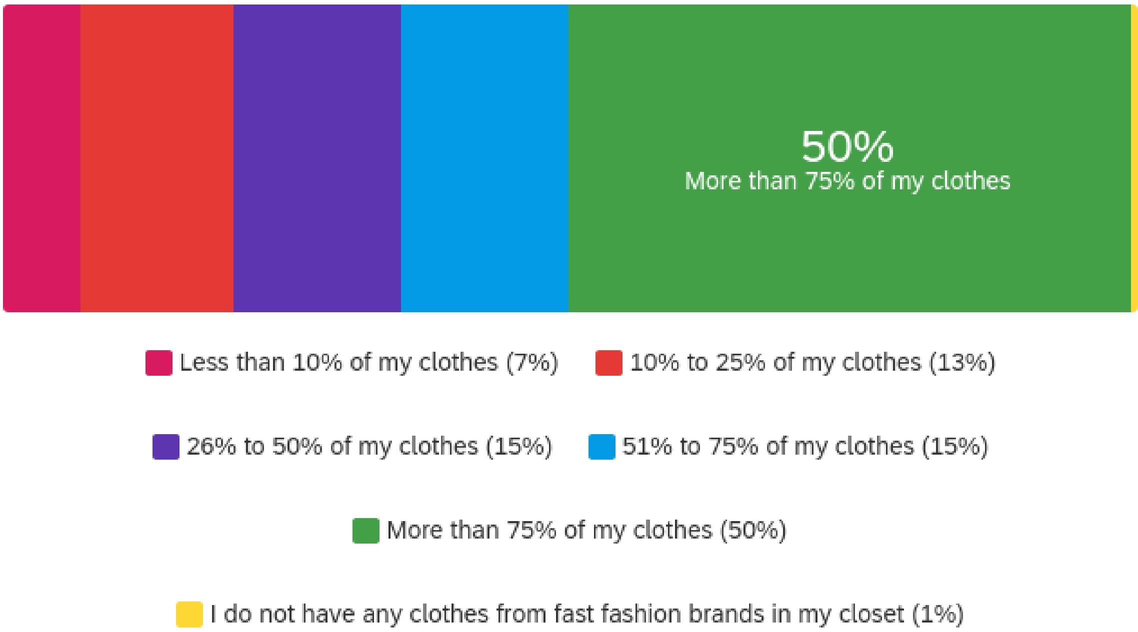

Table 19: Proportion of Fast Fashion clothes in the closet of *Strict Fast Fashion consumers who did not look for Second-Hand clothing*, by age

#	Question	<18 years old		18-29 years old		30-39 years old		40-49 years old		50-59 years old		>60 years old		Prefer not to say	
1	Less than 10% of my clothes	0.00%	0	5.26%	3	0.00%	0	6.67%	3	16.67%	2	25.00%	1	0.00%	0
2	10% to 25% of my clothes	33.33%	1	10.53%	6	21.43%	3	8.89%	4	25.00%	3	25.00%	1	0.00%	0
3	26% to 50% of my clothes	0.00%	0	10.53%	6	0.00%	0	24.44%	11	16.67%	2	25.00%	1	0.00%	0
4	51% to 75% of my clothes	0.00%	0	12.28%	7	14.29%	2	22.22%	10	0.00%	0	25.00%	1	0.00%	0
5	More than 75% of my clothes	66.67%	2	61.40%	35	64.29%	9	35.56%	16	41.67%	5	0.00%	0	0.00%	0
	Total	Total	3	Total	57	Total	14	Total	45	Total	12	Total	4	Total	0

Table 20: Clothes shopping experience of *Strict Fast Fashion consumers who did not look for Second-Hand clothing* (from 1 = totally disagree to 5 = totally agree)

#	Field	Mean	Count	Bottom 2 Box	Top 2 Box
1	I look for the latest fashion trends.	3.13	134	20.15%	31.34%
2	I only buy clothing when I really need it.	3.56	135	22.96%	54.81%
3	I feel good when I buy clothes.	3.87	135	10.37%	68.15%
4	I consider sustainability when shopping for clothes.	2.89	135	32.59%	22.22%
5	I am trying to buy clothes less frequently.	3.50	135	18.52%	48.15%
6	I am trying to shop less for clothes from fast fashion brands, for ethical reasons.	2.53	130	44.62%	14.62%
7	I try to keep clothes for a long time.	4.41	135	5.19%	85.19%
8	Clothes from fast fashion brands last for a long time without being damaged.	2.78	134	35.07%	23.13%
9	Clothes from fast fashion brands have original and unique designs.	2.57	133	45.11%	15.79%
10	I am always updated on the new fashion collections.	2.45	135	50.37%	16.30%
11	I have looked to purchase from second-hand retailers (such as vintage and thrift shops, online resale platforms, flea markets) as an alternative to fast fashion brands.	1.84	124	75.00%	13.71%
12	I have bought clothes that I ended up wearing less than 3 times.	2.90	134	46.27%	41.04%
13	I have bought clothes that I ended up not wearing at all.	2.28	133	66.17%	27.07%
14	I feel guilty when I buy from fast fashion brands.	1.94	128	70.31%	11.72%
15	I look for specific brands that I like when shopping for clothes.	3.83	133	13.53%	68.42%
16	I trust independent second-hand retailers (such as vintage shops, online resellers, flea market sellers) less than fast fashion brands.	2.63	110	40.00%	15.45%
17	If I see an item that I like, I usually end up buying it, even if I do not need it.	2.75	134	48.51%	35.07%
18	I have shopped second-hand as a way to try to buy less new clothes.	1.43	111	85.59%	5.41%
19	If my favourite fast fashion brands introduced a second-hand section, I would be interested.	2.73	126	43.65%	33.33%

Table 21: Downsides of buying Second-hand clothes to *Strict Fast Fashion consumers who did not look for Second-Hand clothing* (from 1 = totally disagree to 5 = totally agree)

#	Field	Mean	Count	Bottom 2 Box	Top 2 Box
1	Lack of information about where clothing came from.	3.91	124	10.48%	66.13%
2	Does not give me the feeling of having something new and mine.	3.17	127	31.50%	45.67%
3	Hard to find vintage and second-hand shops close to me.	3.52	117	17.09%	53.85%
4	Store environment is unpleasant and messy.	3.25	110	20.00%	40.00%
5	Time consuming and hard to find the styles that I am looking for.	3.55	107	11.21%	48.60%
6	Hard to find my clothing size.	3.38	109	20.18%	42.20%
7	The clothes have inferior quality.	2.94	109	28.44%	23.85%
8	The styles offered are outdated.	3.04	115	29.57%	28.70%
9	Vintage clothing is overpriced.	3.23	109	19.27%	36.70%
10	I cannot afford good quality vintage clothing.	2.90	111	34.23%	27.03%
11	Second-hand shopping is unhygienic.	3.08	126	30.95%	38.89%
12	By wearing second-hand clothing, I believe I do not project to others the image that I would like to project.	2.03	118	63.56%	10.17%

Table 22: Place where *Strict Fast Fashion consumers who did not look for Second-Hand clothing* are more likely to buy second-hand clothes (from 1 = extremely unlikely to 5 = extremely likely)

#	Question	1 (Extremely unlikely)		2		3		4		5 (Extremely likely)		Total
1	Social networks (ex: Instagram, Facebook)	40.74%	55	11.85%	16	18.52%	25	10.37%	14	18.52%	25	135
2	Online resale platforms (ex: Depop, Poshmark, The RealReal, thredUp)	33.33%	45	10.37%	14	31.85%	43	15.56%	21	8.89%	12	135
3	Vintage brick-and-mortar shops	20.74%	28	15.56%	21	31.85%	43	17.04%	23	14.81%	20	135
4	Second-hand/flea markets	27.41%	37	14.07%	19	25.93%	35	19.26%	26	13.33%	18	135
5	Charity thrift shops	31.85%	43	14.81%	20	30.37%	41	14.07%	19	8.89%	12	135
6	I do not know where to look for second-hand clothes	17.78%	24	9.63%	13	28.89%	39	13.33%	18	30.37%	41	135

Table 23: Factors which would make Second-hand more appealing to *Strict Fast Fashion consumers who did not look for Second-Hand clothing* (from 1 = completely disagree to 5 = completely agree)

#	Field	Mean	Count	Bottom 2 Box	Top 2 Box
1	More organized store environment	3.62	135	11.85%	51.85%
2	Increased offers in online platforms	3.30	135	20.00%	39.26%
3	Higher hygiene standards	3.73	135	10.37%	54.81%
4	Lower prices	3.64	135	10.37%	54.07%
5	Availability of brands that I like in stores and online platforms	3.73	135	10.37%	58.52%
6	Increased diversity of fashion styles offered	3.50	135	9.63%	42.96%
7	Increased size diversity	3.50	135	9.63%	43.70%
8	Resale programmes from my favourite brands	3.64	135	12.59%	53.33%
9	More convenient store locations	3.60	135	6.67%	48.15%