

# The Rise of Recommerce

Analysis on the state of  
second hand consumption  
in Belgium



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# Executive summary

Recommerce, or the second-hand market, is a hidden market. Little is known about either the value of the entire market or how consumers behave within it, specifically in Belgium. Gondola and bpost believe that recommerce will play an increasingly central role in our consumer behaviours and want to stimulate the development of the recommerce market. With this in mind, 1,144 Belgian consumers were surveyed to provide insights on the topic.

Our findings showed that 68.8% of the Belgian population had bought second-hand products in the past 12 months, the most popular categories being books, CDs and DVDs, children's & baby products, toys, clothing and furniture. The two biggest incentives for consumers to buy second-hand products were related to price and sustainability, the fact that second-hand products are available at a much lower price being the main reason and it being perceived as a sustainable act of consumption the second-greatest source of motivation. With this in mind, bpost and Gondola predict a bright future for the Belgian recommerce market, sustainability being the biggest trend in retail for the future and purchasing power coming under attack due to economic uncertainty following the COVID-19 pandemic.

What about the consumers that don't buy second-hand products? The reasons for them not to do so are mainly related to trust. Credibility is one of the key elements of success where players in the recommerce sector are concerned. Being able to guarantee that your supply is of a satisfactory quality or that a solution will be offered if the quality is not up to standard is an essential part of being successful in the second-hand market.

In the second part of the paper we examine the business models adopted by various international recommerce players. Each has achieved success in their respective segment through a well-executed strategy. We analyse the models and deduce what can be learnt from them to apply to your own businesses.

The Rise of Recommerce is a report that will guide you in establishing yourself as a recommerce player in the Belgian market.

# The age of recommerce

The second-hand market is the biggest blind spot where traditional retail is concerned. We have no idea of the size of the Belgian recommerce market or the business potential of being a part of it. For fashion, the resale market grew by 49% in 2019 – **25x faster** than the traditional retail sector (1). For a market that is continuously looking for growth, few initiatives focusing on the second-hand industry have been implemented.



The fashion retail market **grew 25x faster** than the traditional retail market in 2019

Source: thredUP

Recommerce is surfing the biggest trend that will dominate our sector for years to come, namely sustainability. Society would benefit from every consumer and company increasingly partaking in the recommerce industry. Gondola and bpost want to enable you to be a part of it through a databased analysis of Belgian consumers' incentives and motivations and a worldwide qualitative analysis of successful business models.

Are you eager to discover what recommerce could do for you or your company? Then please feel free to contact us; we'd be happy discuss what recommerce could mean for you.



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## Chapter 1:

# The state of recommerce

What is the current situation of the Belgian recommerce market? What type of second-hand products are Belgian consumers buying? And what are their motivations for buying recirculated goods? Very few sources provide insights into what drives Belgian consumers to purchase second-hand goods. With this in mind, bpost and Gondola launched a consumer survey, questioning 1,144 Belgian consumers on their behaviours where second-hand products were concerned. The most important findings of the results are presented in this chapter.

### Recommerce:

“The act of selling previously owned or used products, usually referred to as the second-hand market.”

## Methodology:

An online consumer survey was launched and distributed over various channels - social media, the Gondola platform and a cooperating partners' network – between April and June 2020. 1,144 Belgian consumers completed the survey and shared their insights on the status of second-hand consumption in Belgium. Note that the survey was held amidst the first Belgian lockdown due to COVID-19. When analysing the data, keep in mind that a slight bias might occur due to these circumstances. The results provide advanced insights into the behaviours of Belgian consumers.

### Basic demographics of the sample:

♂ 377 ♀ 753

### Age distribution

Under 24 years	61
25 - 34 years	249
35-44 years	302
45-54 years	228
55-64 years	189
Over 65 years	101

## Part 1: The audience

### I: Who

To start with, we will focus on the Belgian consumer: who is buying second-hand products? Starting with the most important initial question:

“Have you bought any second-hand products in the last 12 months?”

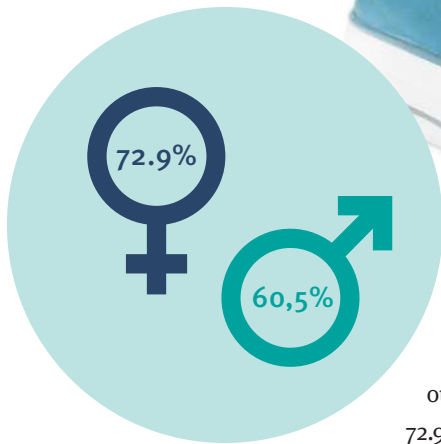


Sample: 1.127

The majority of Belgian consumers are familiar with second-hand shopping, with 68.8% of the Belgian population claiming to have bought second-hand products over the last 12 months. A significant portion of the sample hadn't bought second-hand products in the past year but had done in the past. Nevertheless, the opportunity exists to further convince Belgian shoppers to start their recommerce journeys.



## “Have you bought second hand products” per gender



Let's take a closer look at who these active second-hand shoppers are. An initial finding was that female consumers were generally more inclined to shop second-hand. Only 60,5% of our male sample claimed to have bought second-hand products in the past 12 months, whereas 72,9% of females claimed to have done so.

Secondly, there was a variation in shopping behaviours between age groups. Generally, the younger the consumer, the more active they were in the second-hand market. In the 25-34 age group, which could be seen as the environmentally-minded generation, nearly 80% claimed to have bought second-hand products in the past 12 months, whereas in the 65+ group, not even half of the population did so.

Age	Penetration
Under 24 years	73.8%
25-34 years	79.9%
35-44 years	72.4%
45-54 years	61.7%
55-64 years	66.5%
Over 65 years	47.5%

A positive outlook for the Belgian recommerce sector, then. The next generation are eager to participate in the market. As more of the new generation come of age and gain financial independence, demand for second-hand products will increase. The future of recommerce is bright.



What about location? Does this influence the extent to which people shop second-hand? Yes, it does. The proportion of second-hand shoppers is higher in town and city centres than outside of the centres. The proximity and availability of physical recommerce initiatives or shops does impact buying behaviour. Later in the study we will see that this is linked to the physical presence of second-hand stores in cities, which makes it easier for consumers to take their first steps into the recommerce sector.

Location	Penetration
City	74.2%
Outskirts	67.4%
Village	69.0%
Rural	61.9%

We have also segmented our research **by shopper type**, identifying 6 shopper archetypes based on both Ipsos and Kantar research, but adapted to suit our research:



#### The Bargain Hunter

A consumer who shops mainly based on price



#### The Sustainable Consumer

A consumer who shops mainly from a sustainability point of view



#### The Luxury Shopper

A consumer who is strongly focused on obtaining the highest quality



#### The Impulse Shopper

A consumer who decides impulsively what to buy



#### The Research Shopper

A consumer who seeks a lot of information in advance of purchasing a product



#### The Traditional Shopper

A consumer who buys exclusively offline

Among the shopper archetypes we defined, consumers who identified themselves as sustainable shoppers were most likely to have bought a second-hand product in the past 12 months, closely followed by bargain hunters.

Traditional shoppers, who buy exclusively offline, were not necessarily old people. In fact, only 62.8% of traditional shoppers were aged 45 or over. Second-hand consumption was rather limited among this archetype.

Even among luxury shoppers, who clearly identify themselves to be looking for the highest quality, 46.6% had purchased a second-hand item in the past 12 months. Recommerce was found to be present in every segment, regardless of age, location or shopper type.

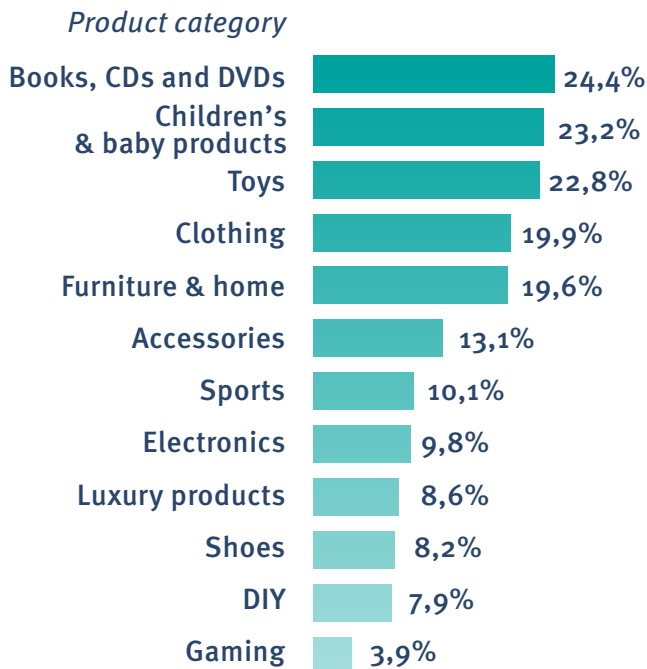
<b>Shopper type</b>	<b>Penetration</b>
<b>Sustainable shopper</b>	77.2%
<b>Bargain hunter</b>	76.3%
<b>Research shopper</b>	68.7%
<b>Impulse shopper</b>	62.7%
<b>Traditional shopper</b>	56.3%
<b>Luxury shopper</b>	46.7%





## II: What

68.8% of Belgian consumers claim to buy second-hand goods. What type of products do they then buy? We asked our sample to indicate in what categories they had bought second-hand products in the last 12 months and obtained the following results:

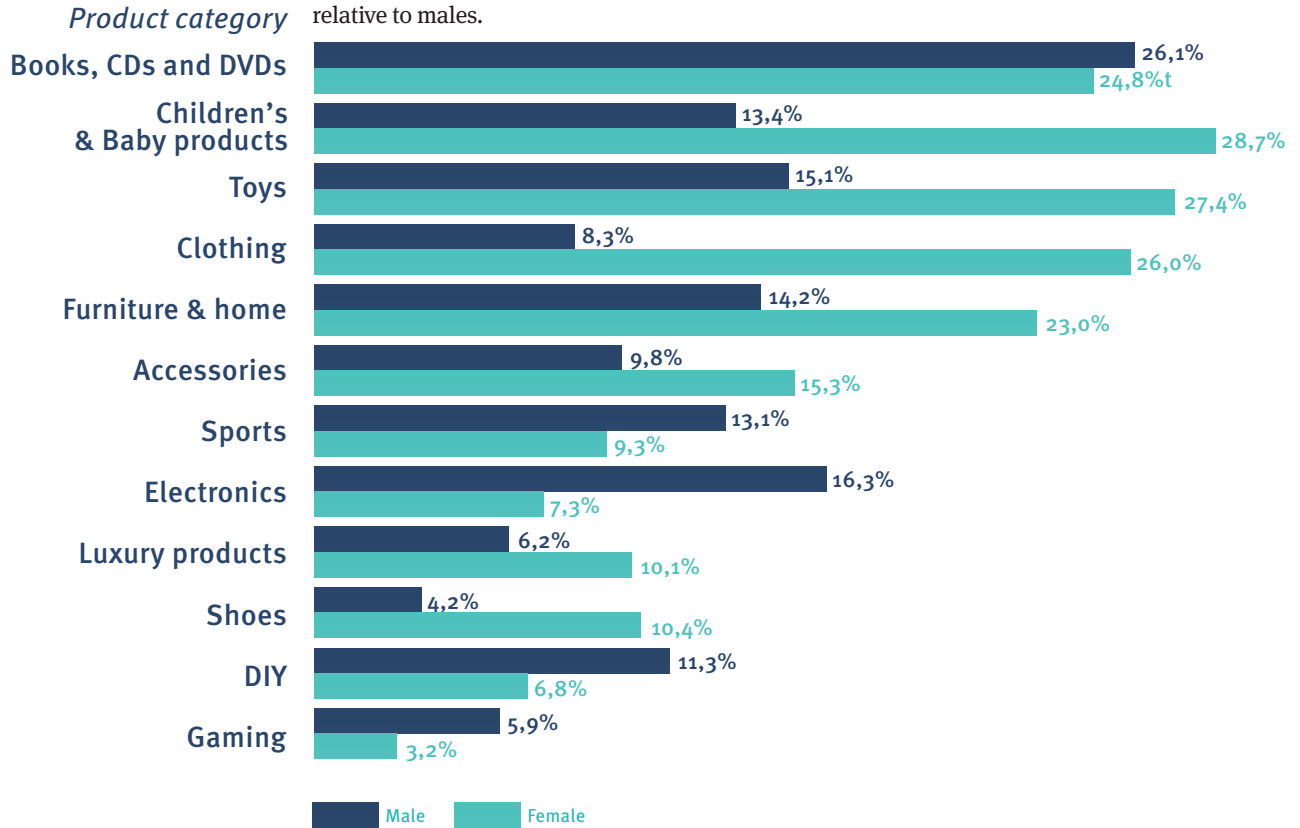


The results can be interpreted as follows: 24.4% of Belgian consumers claim to have bought second-hand books, CDs or DVDs in the last 12 months. One initial observation is that, although nearly 70% of Belgians claimed to have purchased second-hand products, not a single category was cited by over a quarter of the population.

The results show that second-hand shopping is still something of a rarity in Belgium. If consumers shop for second-hand products, they tend to do so in a single or at least a limited number of categories. A consumer that purchases second-hand clothes for sustainability reasons, for example, will not automatically share the same sentiment towards shopping for furniture. Consumers will need to be convinced to buy second-hand in each category individually. Buying second-hand in one category does not automatically transcend into buying second-hand in various categories.

## Category distribution by gender

As with traditional consumption, buying behaviour varies in accordance with demographic factors. Let us continue by taking a look at the gender difference, or how females approach recommerce relative to males.



One initial observation is that the average penetration level across all categories is higher among females than males. Keep in mind that females shop more second-hand as discussed in part I of this study.

### Top 5 Men

1. Books, CD's & DVD's
2. Electronics
3. DIY
4. Furniture & home
5. Toys

### Top 5 Women

1. Children's & baby products
2. Furniture & home
3. Toys
4. Clothing
5. Books, CDs & DVDs

It is also clear that buying behaviour varies by gender. Categories such as electronics and DIY are generally more favoured by males, whereas children's & baby products and clothing tend to appeal more to females - no big surprises when comparing this to traditional retail, then. Categories such as books, CDs & DVDs, furniture and toys tend to do well across both genders.

\*A popular second hand clothing platform that entered the Belgian market in 2019.

What is interesting is the differences in behaviour when it comes to age.

- › Over 73.3% of those under 24 had bought second-hand clothes in the last 12 months, which could be attributed to the Vinted\* effect.
- › Over 54.3% of 25-34-year-olds had bought children's & baby products.
- › Books, CDs & DVDs do well across all age groups but perform especially well among the older demographic.

## Who is your ideal consumer?

Each category will attract a specific shopper profile. Gondola and bpost went through the data and defined what the ideal consumer looked like for each category. The ideal profile was composed based on the most relevant demographic for each product category.

### Accessories

- › Both male and female
- › Under 34 years of age
- › Living together with partner or with partner & child
- › Bargain hunter, sustainable shopper or research shopper

### Books, CDs and DVDs

- › Predominantly male but popular with females as well
- › Predominantly older demographic, but popular with younger generations as well
- › Most popular in cities
- › Sustainable shopper, impulse shopper or traditional shopper

### DIY

- › Male
- › 35-44 years of age
- › Living in a village
- › Living together with partner or with partner & children
- › Research shopper

### Electronics

- › Male
- › 35-44 years of age
- › Living in a village
- › Living together partner & children
- › Research shopper

### Gaming

- › Male
- › 35-44 years of age
- › Living in a village or on the outskirts of a city

### **Furniture & homeware**

- › Predominantly female, but also popular among males
- › Under 34 years of age, but older demographic also present
- › Predominantly living in a city
- › Living together with partner or with children
- › Traditional or sustainable shopper

### **Children's & baby products**

- › Female
- › 25-44 years of age
- › Less present in the city
- › Living together with partner & children
- › Sustainable shopper, bargain hunter or research shopper

### **Clothing**

- › Female
- › Under 25 years of age
- › Living in a city
- › Living together with friends or parents
- › Bargain hunter

### **Luxury**

- › Both male and female
- › Evenly distributed across all age groups
- › Living predominantly in a city
- › Living alone or together with partner
- › Luxury shopper, impulse shopper or traditional shopper

### **Shoes**

- › Female
- › Under 24 years of age
- › More popular in the cities, but present everywhere
- › Living together with parents or friends
- › Bargain hunter, sustainable shopper or impulse shopper

### **Toys**

- › Predominantly female
- › 25-44 years of age
- › Living together with partner & children
- › Research shopper and sustainable shopper

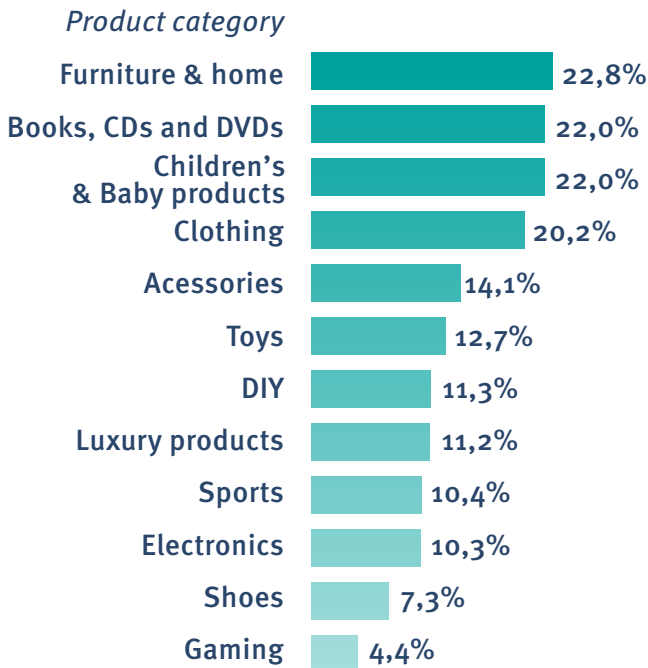
### **Sports**

- › Both male and female
- › Younger demographic
- › Evenly distributed across all locations
- › Living with partner & children
- › Research shopper, bargain hunter and impulse shopper



## Planning to buy more?

What types of second-hand products are consumers planning to buy? The following graph provides a good indication of what types of products Belgian consumers would be open to buying second-hand.



For the most part, the top categories remain unchanged when compared to what product categories were actually bought in the past 12 months. The effective ranking does differ, as furniture & homeware jumps from the 5th spot to the 1<sup>st</sup>. Toys drop more than 10%, but bear in mind that toys are often bought impulsively, whereas for this type of question, those categories that require consideration will do rather better.

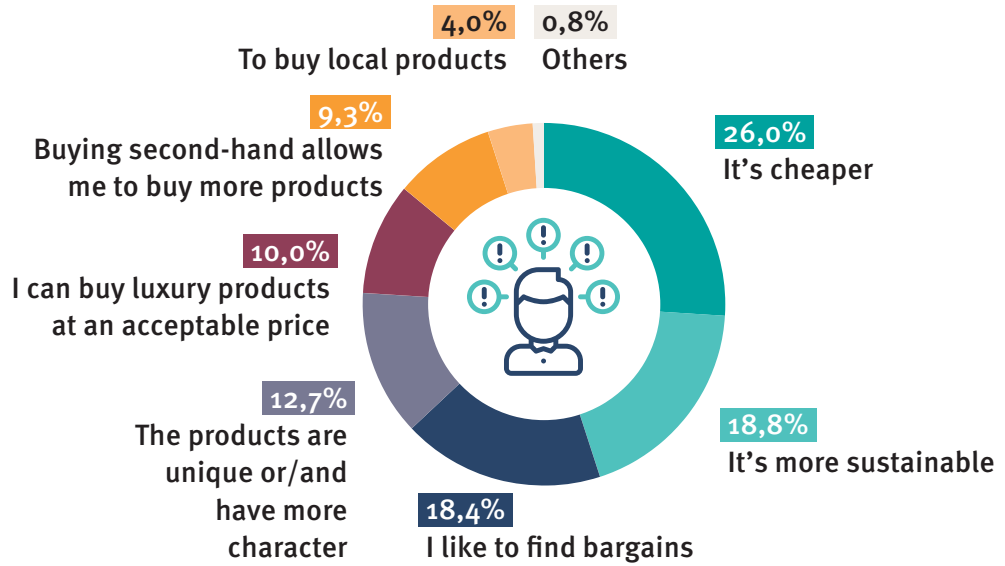
The DIY and luxury categories do see significant growth, with increases of 43% and 30% respectively compared to what consumers claimed to have bought in the past 12 months. We must, however, be cautious in interpreting these data, as they show declarative results, which will differ quite a bit from the actual sales data. It does, though, give a good indication of the categories that will see growth in the near future.





### III: Why

Why do people buy second-hand? Knowledge of what motivates consumers to buy second-hand will enable you, as a recommerce player, to refine your proposition towards that customer. So, what motivates the Belgian consumer to buy second-hand products?



Price is by far the main motivator for Belgian consumers to buy second-hand products. As we will see in the next part of the study, where we will be analysing a number of Recommerce business models that do well internationally, any successful player will focus on their price proposition in comparison to traditional retail.

**Bohemian Basics**  
Free People, Madewell, Lucky Brand and more!  
[SHOP BOHO](#)

**Cute Blouses**  
Add dreamy, flowy flair to your outfit.  
[SHOP NOW](#)

**Example: Fashion Recommerce player thredUP focusing on their price proposition.**

## Cleaning Out for the Planet

Together we've upcycled 100 million items. That's the equivalent of:



**1.4B POUNDS OF CO2**

That's like taking 48M cars off the road for a day.



**2.7B KWH OF ELECTRICITY**

That would light up the Eiffel Tower for 340 years.



**6B GALLONS OF WATER**

That would fill up the Bellagio fountain 29 times.

All unaccepted items are either returned to you or responsibly recycled.

**Example: thredUP communicating about the sustainability benefits of buying their products**

Other than price, there is the sustainability argument, which is likely the biggest trend we are observing in retail today. Second-hand shopping aligns well with a sustainability mindset, as products that would no longer be used are given another life. Successful recommerce players manage to translate their sustainability gains into something tangible, which they communicate to their consumers.

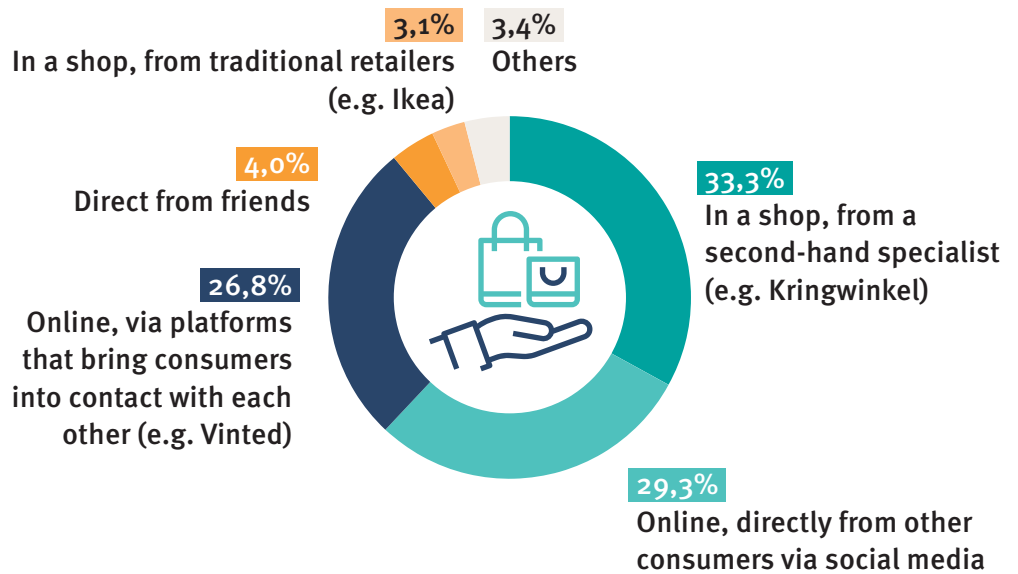
Buying local doesn't seem to be at the forefront of consumers' minds when it comes to recommerce, even though the questionnaire was held amid the 2020 lockdown, where the public was urged to buy local and support local small businesses. The local argument was not found to be on consumers' minds when buying second-hand products.



## IV: How

So far, we've seen who buys second-hand products, what they buy and why. Our next question is 'How?'. Through what medium does the Belgian consumer prefer to buy second-hand products? In recent years we've seen a rise in consumer-to-consumer platforms such as Vinted and social media platforms such as Facebook claiming a dominant role in connecting consumers within the recommerce sector, but what medium do consumers prefer?

### Preferred medium ?



Over 90% of votes were cast for the top 3, the first of which is the physical store. Belgian consumers' preferred medium was a second-hand specialist, such as Kringwinkel, for example, or Cash Converters. Product quality plays an essential role in the recommerce sector. The ability to experience a product in real life can definitely bring added value to the customer journey. Another additional reason as to why second-hand sales thrive when physical stores are available nearby is the potential to return a product if it doesn't meet the customer's expectations. Recommerce players such as Cash Converters, for example, apply a policy whereby you can return specific products if the quality is unsatisfactory, which can represent a major boost to second-hand sales.

Belgian consumers are definitely not hesitant to buy second-hand products online, with 29% claiming they prefer buying directly from other consumers through social media (one such medium being Facebook Marketplace) and another 27% preferring to buy from consumer-to-consumer platforms such as Vinted, for example.

**Let us further analyse which type of consumer prefers which type of medium.**

### **Second-hand specialist store**

- › Mainly females who prefer the physical store
- › Very young (under 24 years of age) or over 45 years of age. Less relevant for the 25-44 age group
- › Less relevant for consumers who live together with a partner and child
- › Sustainable and impulse shoppers prefer specialist stores

### **Consumers through social media**

- › Predominantly males who prefer to buy from other consumers through social media
- › The 25-34 age group prefers to buy directly from consumers through social media
- › Mainly consumers who together with a partner and child
- › Bargain hunters and luxury shoppers prefer to buy from other consumers through social media

### **Consumers through C2C platforms**

- › Most popular medium for males who prefer C2C platforms over other mediums
- › The 35-45 age group prefers to buy through C2C platforms
- › Predominantly living together with a partner and child
- › Mainly research shoppers



## Part 2: No-track

### I: Why not?

So far, we've analysed the behaviour of consumers that buy second-hand products, but what about those that don't? If we can learn why someone chooses not to buy second-hand products, we might find an opportunity to persuade them to be a part of the recommerce industry, starting with one initial question: what stops you from buying second-hand products?



Good news for players in the recommerce sector! Of the top 4 reasons cited, the only one you cannot influence as a recommerce player is the second one, where consumers state that they don't like used products. You have the power to influence the other main reasons as a seller or a platform. How can you then convince consumers to shop second-hand?

### **Embrace product warranties**

Consumers are often doubtful about the quality or condition of a product. The best way to guarantee consumers that the items that you offer are of a satisfactory quality is to offer a product warranty. Entering the second-hand market as a consumer can be quite a big step. As a seller you should create a sense of trust to guide the consumer every step of the way.

### **Optimise your customer journey**

Second-hand stores are often thought of as clumsy, messy places. Successful recommerce players organise and present their products the same way as traditional retail stores. Make sure you provide a top-notch experience throughout the entire customer journey.

### **Awareness through marketing**

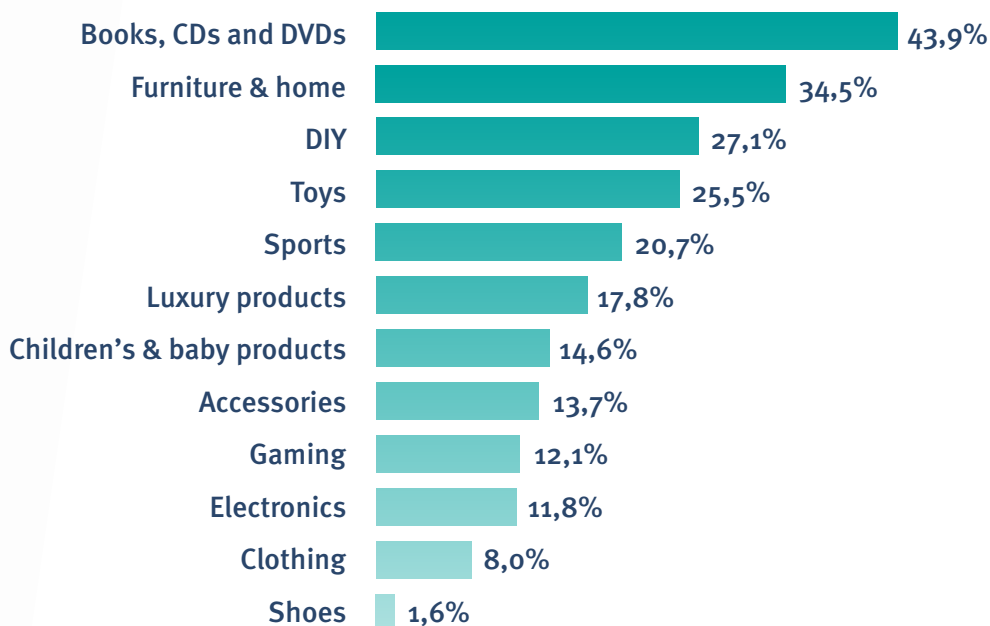
Make sure that second-hand shopping is at the forefront of the customer's mind when it comes to your category. Just as Vinted has seeped into the minds of younger generations, buying second-hand in any category should be something that consumers consider. For a player in the recommerce sector, marketing efforts are just as important as in traditional retail.



## II: Breaking the barrier

If these consumers were to buy second-hand products, which product categories would they then buy? Consumers need to be convinced to try out second-hand products, to experience how to find great quality items at a good price. Once consumers break that barrier of second-hand shopping, it will be easier for them to find their way into the recommerce market.

### If you would buy, what categories?



It is easier to break the barrier in some categories than others. It is immediately clear that the interests of this audience differ completely from those that have already bought second-hand products. We can see, for example, that clothing and shoes barely feature in the minds of consumers that haven't bought second-hand products yet, while these represent the 4th most popular recommerce category in general. Categories such as DIY, sports and luxury products jump significantly, while books, CDs and DVDs remain the clear number one category for people commencing their recommerce journey.

Let's take a look at how these categories differ by gender:





Men	Women
1. Books, CD's, DVD's	1. Books, CDs and DVDs
2. DIY	2. Furniture & home
3. Furniture & home	3. Toys
4. Sports	4. DIY
5. Toys	5. Luxury products

When it comes to breaking the barrier, the differences between gender are less significant. Women tend to gravitate more towards luxury products, while for men, products that revolve around sports are a better option.

## What would convince you to buy second hand?





			
<b>iPhone XR 64GB Black</b>	<b>iPhone 7 32GB Silver</b>	<b>iPhone X 64GB Space Gray</b>	<b>iPhone 7 32GB Silver</b>
<b>469,00 €</b>	<del>199,00 €</del> <b>179,00 €</b>	<b>449,00 €</b>	<del>179,00 €</del> <b>159,00 €</b>
CONDITION - GOOD ?	CONDITION - VERY GOOD ?	CONDITION - ACCEPTABLE ?	CONDITION - GOOD ?
<b>BUY</b>	<b>BUY</b>	<b>BUY</b>	<b>BUY</b>

**Refurbished smartphone seller Swappie being transparent when it comes to product quality**

**5 out of the top 6 are related to trust.** These groups of consumers do not trust second-hand shopping on various levels. One of the main factors is trust in terms of product quality. So, how can you build trust when it comes to the quality of your products?

### Transparency is key

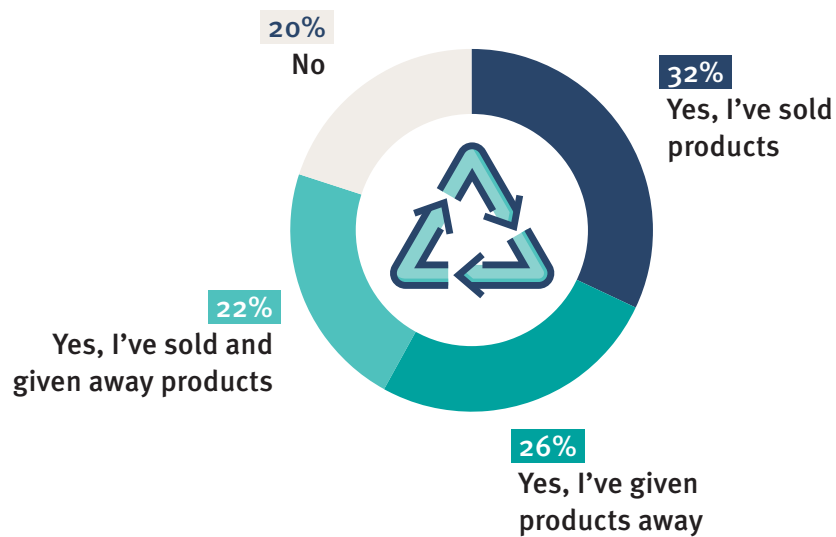
Transparency is one of the biggest trends in retail. Be clear with your customer regarding the condition of a product. If a product is not in an adequate state to be sold, then don't attach your brand to it. Your brand should be the guarantee of a product's condition and quality.

Refurbished smartphone seller Swappie understood the consumer's desire for product quality, clearly communicating about the condition of every product sold on its platform and adapting its prices to reflect it. It also offers a free 12-month product warranty and the possibility to return a product free of charge within the first 14 days.

## Part 3: The supply side

The recommerce market differs substantially from traditional retail on the supply side; whereas a traditional retailer can order goods as demand rises, the recommerce market is dependent on consumers bringing goods back into circulation. Players in the recommerce sector often struggle to find a good supply of quality goods. Having questioned our audience, bpost and Gondola are able to provide insights on the supply behaviours of the Belgian consumer.

### “Have you sold or given away any products in the last 12 months?”

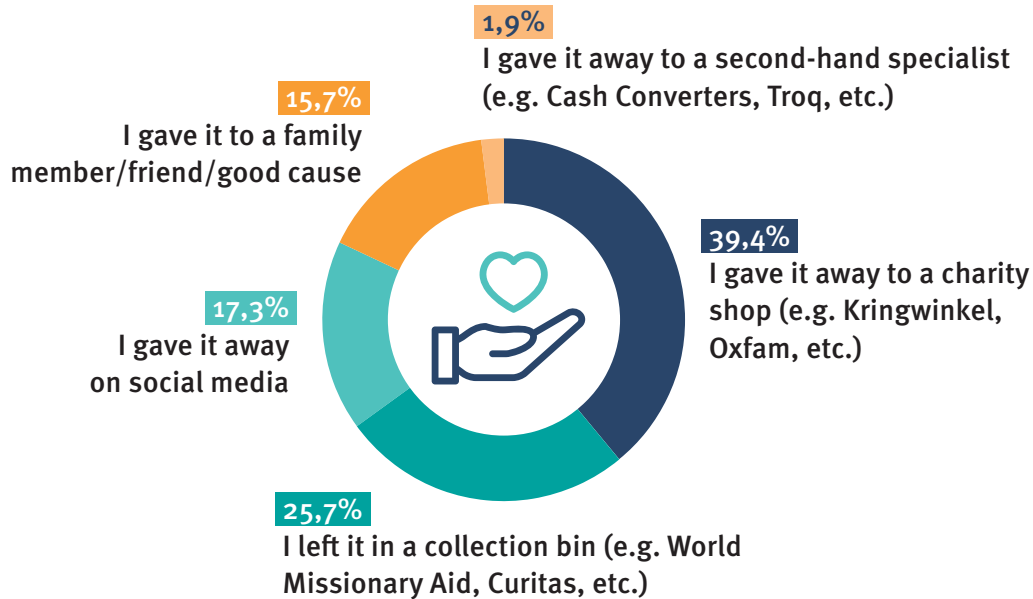


**4 out of 5 Belgian consumers have sold or given away products in the past 12 months.**

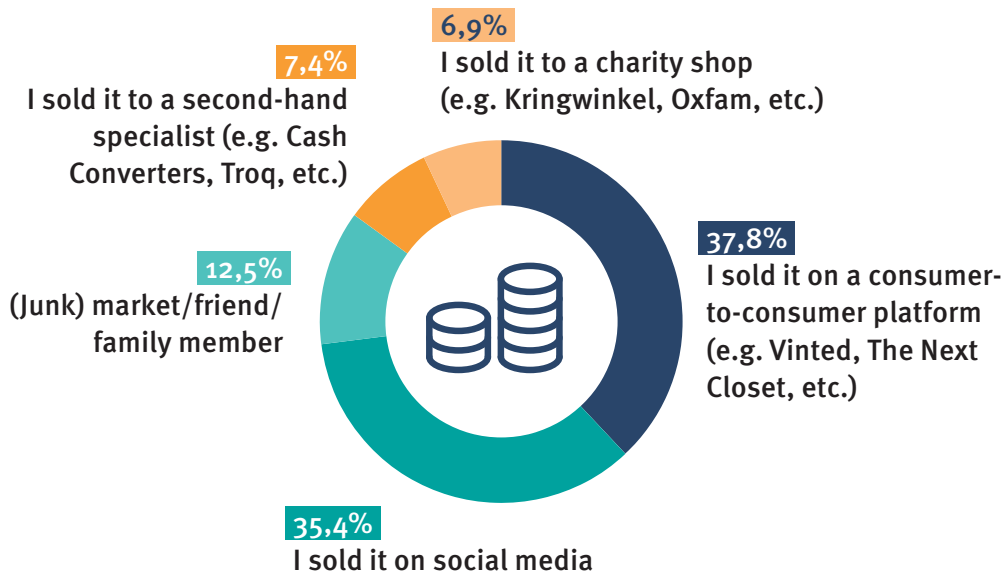
Belgians are keen to recirculate goods. In general, younger people tend to sell goods more often, while older people edge more towards donations. Those respondents living with their partner were the group that was the least prone to donating or selling products.

Let us continue by looking at the preferred mediums for both **donations** and **selling**.

## “Preferred medium for donating?”



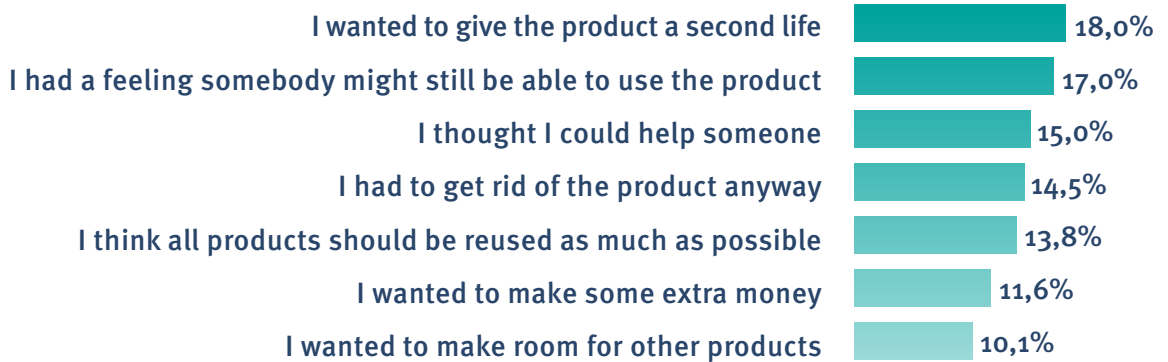
## “Preferred medium for selling?”



When it comes to donations, non-profit initiatives top the rankings across all consumer types on our panel. The social incentive seems to play a key role in getting people to donate. When it comes to selling, consumers seem to prefer doing so directly with other consumers, either through a platform such as Vinted or on social media. Generally, men seem to prefer selling on platforms, while woman prefer to sell on social media.

## Reasons for donating or selling

What are the incentives for the Belgian consumer to donate or sell a product?



Judging by the results, we see that sustainability and social motives are the top incentives for Belgians to recirculate products. Individualistic motivations still play a part but are definitely not the main motivating factors.

If we look at the top reasons between men and women, we observe an entirely different picture. For men, the sustainability and social aspects do still play a role, but we also see individualistic incentives thrive more. For women, the social and sustainability incentives dominate the list.

### Men

1. I had to get rid of the product anyway
2. I had a feeling somebody might still be able to use the product
3. I wanted to give the product a second life
4. I thought I could help someone
5. I wanted to make some extra money

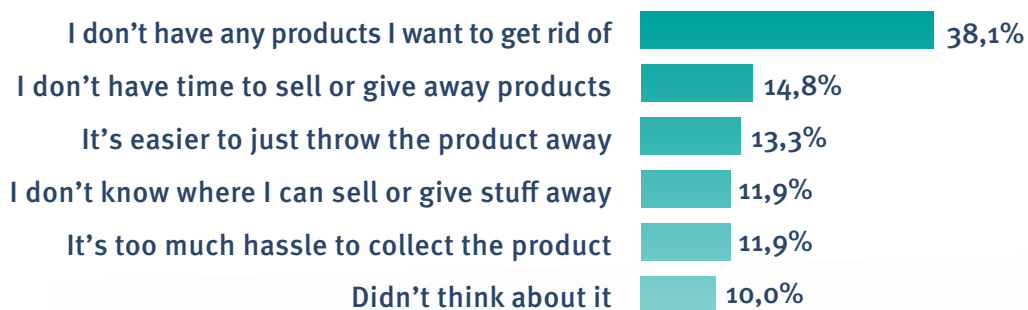
### Women

1. I wanted to give the product a second life
2. I had a feeling somebody might still be able to use the product
3. I thought I could help someone
4. I think all product should be reused as much as possible
5. I had to get rid of the product anyway

We also observe a difference across age groups:

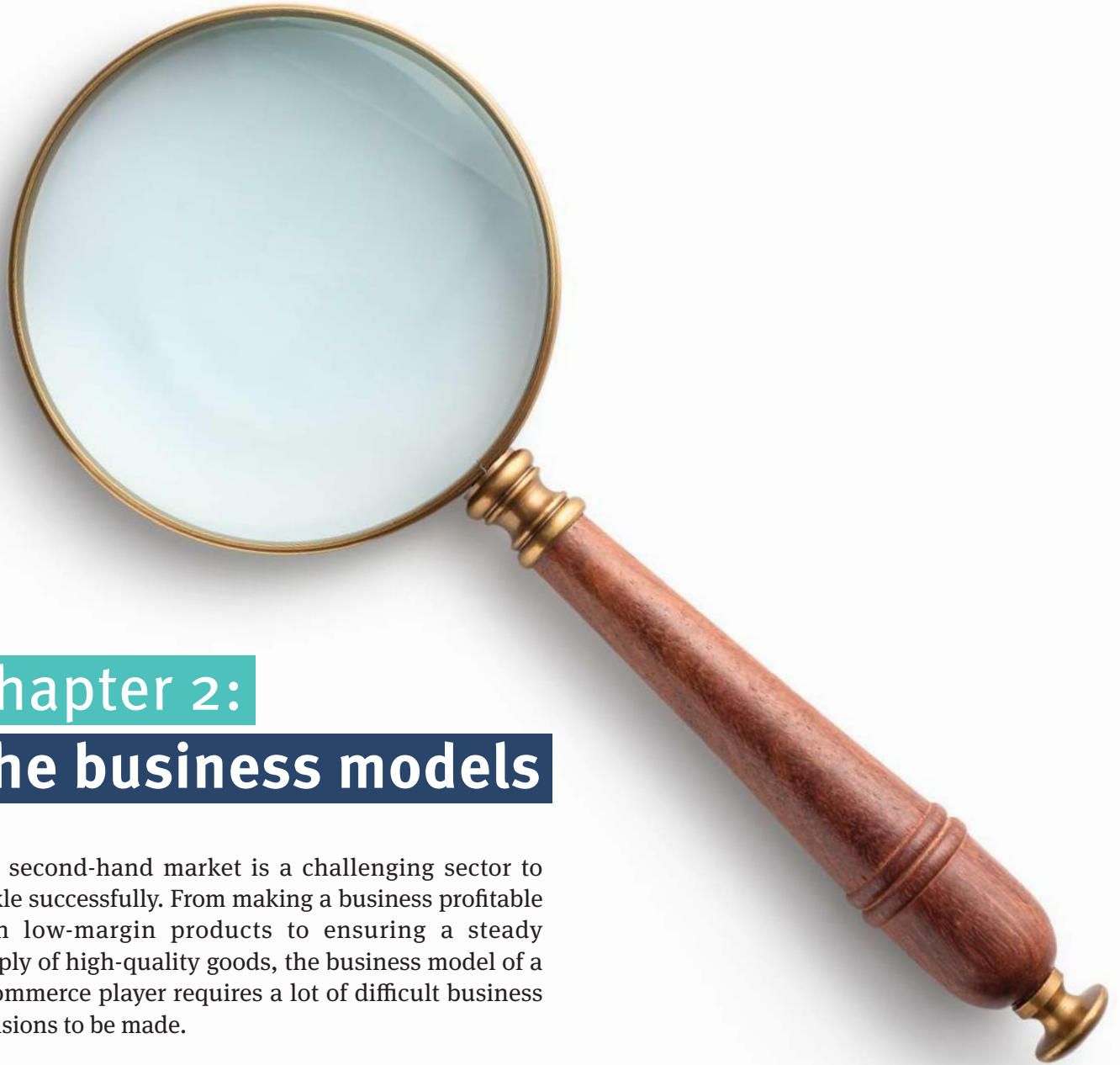
- › The youngest age group was mainly reselling products to make some **extra money**.
- › The 25-64 age groups mainly wanted to **give the product a second life**.
- › The oldest age group mainly felt that **somebody might still be able to use the product**.

A smaller part of our audience (20%) was not keen on giving away or selling any products. The main reasons for not doing so were as follows:



Not having any products that they wished to sell or donate was by far the biggest reason. Looking at the other reasons given, we observe that there is still quite some work to do when it comes to **optimising convenience**. Donating or selling a product should be nearly as easy as throwing it away.





## Chapter 2:

# The business models

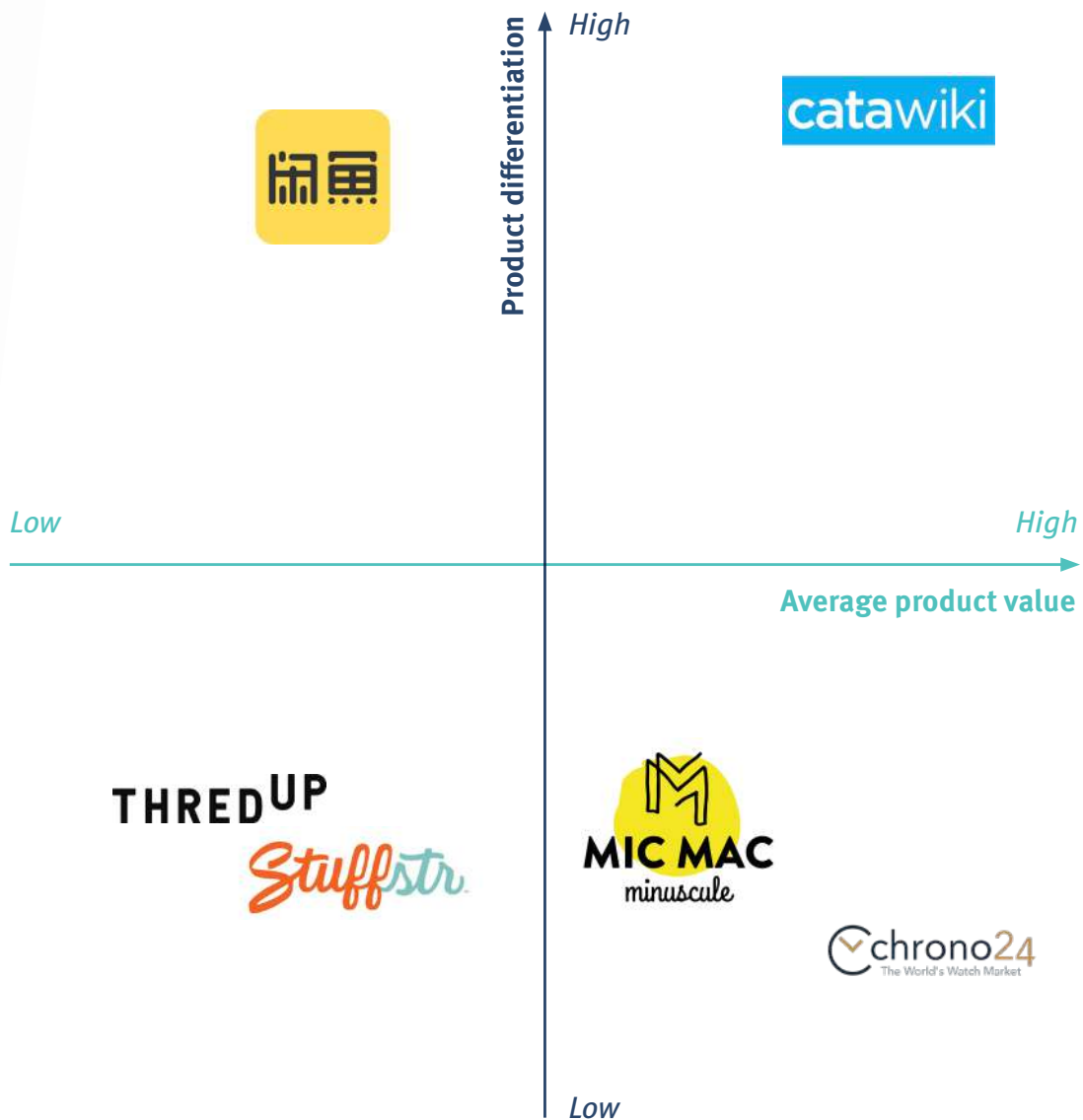
The second-hand market is a challenging sector to tackle successfully. From making a business profitable with low-margin products to ensuring a steady supply of high-quality goods, the business model of a recommerce player requires a lot of difficult business decisions to be made.

Gondola and bpost have looked at business models all over the globe, analysing how they work and what makes them successful. We provide an insight into 6 companies in particular. Every aspiring recommerce player can learn from the best in the sector.

### **What companies will we be analysing?**

- › thredUP
- › Catawiki
- › Xianyu
- › Chrono24
- › Stuffstr
- › The Belgian bonus: Mic Mac Miniscule

To give you an idea of what type of company we are dealing with here, bpost and Gondola have provided an overview. The companies were mapped based on average product value and product differentiation. Average product value depicts the average value of a product sold on the platform. A high average product value will, for example, rank more towards the luxury segment. Product differentiation shows the variety of products that can be found on the platform. If someone sells strictly shoes and no other products, for example, they will have a low product differentiation. Mapping the companies gives us the following distribution:



# THREDUP

**Description:** thredUP is an online fashion marketplace for consumers to buy and sell second- hand clothing.

**Website:** [www.thredUP.com](http://www.thredUP.com)

**CEO:** James Reinhart

**Sector:** Fashion

**Data:** Net sales: 380.6 million \$<sup>(2)</sup>

**Origin:** U.S. since 2009

## Business model

1. Consumers order a 'clean out kit', which is a postal bag that consumers can use to ship clothing that they no longer need to thredUP
2. Every item goes through a 12-point quality inspection
3. If accepted, the piece of clothing is photographed and listed on the platform
  - › On average only 40% of items are accepted
  - › Items that are not accepted are responsibly recycled through partner organisations
4. Sold items are shipped to consumers by thredUP
5. Sellers receive a payout based on the original selling price
6. thredUP charges a commission on the sale of an item.

## Upcycling in 3 Easy Steps



### 1. ORDER A CLEAN OUT KIT

Fill it up with high-quality items from any brand.



### 2. SEND IT OFF

Leave it for your mail carrier or drop it at FedEx or USPS.



### 3. GET CASH OR CREDIT

Get paid for items when they sell. [More on Payouts](#)



# Take Back Your Time

We do the work to sell your items so you can focus on 

5  
MIN

## INSPECT

We put every single item through a 12-point quality inspection.

7  
MIN

## PHOTOGRAPH

We professionally photograph every item to help them sell quickly.

12  
MIN

## LIST

We write detailed product descriptions to ensure accuracy.

23  
MIN

## SHIP

We carefully package and ship your items out to buyers.

## Unique value proposition

### Clean out kit

Dubbed *'the most convenient way to sell clothes'*, thredUP organises item collection by means of 'clean out kits', of which there are two types:

- > **the standard clean out kit, whereby** you earn cash or credit for each accepted item in the kit.
- > **the donation clean out kit, whereby,** instead of earning money, thredUP donates \$5 per kit to a charity of your choice and responsibly recycles the clothes you send.

Both kits can be ordered free of charge. The clean out kit is very heavily focused on convenience, taking away the hassle of the selling process. Players in the recommerce sector often struggle to maintain a decent supply of resources. If your supply intake is dependent on consumers, it is important to consider the convenience of the consumer journey as a key determining factor in the success of your project.

### Tradition retail integration

Walmart recently (May 2020) announced a partnership with thredUP, as the US retail giant will now start offering over 750.000 of thredUP's pre-owned fashion items on its online platform (3). Cooperation between a traditional retailer and a second-hand platform makes perfect sense. For the recommerce player, the traditional retailer provides an audience that they were not previously able to reach. For the traditional retailer, the second-hand market offers a high rotation of unique goods, which is an incentive for consumers to visit their shops on a regular basis.

There are similar initiatives in France, such as Cash Converters and Carrefour, which recently (March 2020) announced that they will be working together (4). The same reasoning stated above can be applied to Carrefour's hypermarkets. Cash Converters will operate as a shop-in-shop concept, working as a traffic generator, completely cycling through their offer every two weeks. The presence of second-hand goods creates an incentive for consumers to visit hypermarkets more frequently.

### Payout estimator

thredUP has created a payout estimator to further encourage consumers to send in their items. As seen in our survey results on page 23, the opportunity to make money was listed as one of the reasons for consumers to sell products second-hand. thredUP makes the expected profits extra tangible by offering a payout estimator, which allows consumers to calculate how much money they'd make on selling their products through the platform.



J. CREW DRESS

Est. Listing Price: \$42.23  
Est. Payout (30%): **\$12.67**  
Listing window: 90 days



OLD NAVY JEANS

Est. Listing Price: \$11.00  
Est. Payout (5%): **\$0.55**  
Listing window: 60 days



**Description:** Online auction platform for buying and selling special items and collector pieces.

**Website:** [www.catawiki.com](http://www.catawiki.com)      **CEO:** Ravi Vora

**Sector:** Generalist / High-end / Premium goods      **Data:**

- > 50,000 lots auctioned every week
- > 14 million consumers visit the platform every month

**Origin:** The Netherlands since 2008

## Business model

1. Sellers register on the Catawiki platform and submit premium-quality items to the platform
2. Items are approved by experts and scheduled for auction
3. Auctions start weekly on Fridays and end on set days of the following week
4. Consumers pay Catawiki directly through a secure payment option and sellers ship the purchase within three working days and are paid shortly after
5. Catawiki charges a 12.5% commission fee (excluding VAT/sales tax) on the winning bid

## How to sell through Catawiki



### Seller registration

Register as a seller for free. You can offer up as many special objects as you wish that are of premium quality.



### Submit items

Once your items and descriptions have been approved by our experts, they are scheduled for auction.



### The thrill of auction

Experience the auction excitement as thousands of enthusiasts discover your lots!



### Make money safely

You won't be asked to ship your items until the buyer has transferred payment. Catawiki manages payments between buyers and sellers.

## Unique value proposition

### Friday = auction day

A new supply of high-quality items cannot be guaranteed on a daily basis when it comes to exclusive goods. A fixed date when new auctions are released provides a clear indication for consumers as to when to visit the platform. That way consumers can experience the full auction process from start to finish. Auctions end on pre-set dates throughout the week, which makes it convenient for a buyer to track the status of his or her bids.

### Reviewed by experts

Trust in product quality, as confirmed in our survey results, is a key factor in the success of a recommerce player. Catawiki boosts its credibility by having experts review the quality and valuation of a product in advance of selling the product, as well as curating the auctioning process.

### Buyer safety

Exclusive goods often come with a hefty price tag and payment security must be guaranteed. When an auction lot is won, the bid goes through Stripe, which is a reputable and trusted payment provider. Once a consumer pays for a lot, the payment is held onto until the seller confirms they have shipped the lot. That way the payment is protected at all times throughout the process.



### Trivia

The jaw of a T-rex was sold on Catawiki for €10.000 in November 2014.



### Xianyu (Idle Fish)

**Description:** Idle Fish, or Xianyu in Mandarin, is an online platform launched by Taobao (Alibaba group) for consumers to buy and sell to other consumers. It grew from a traditional C2C marketplace to a community platform on which services such as dog walking, renting out products, recycling, etc. are now also offered.

**Website:** [2.taobao.com/](https://2.taobao.com/)

**Sector:** Generalist

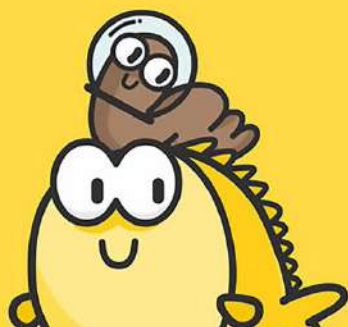
**Origin:** China since 2014

**Data:** During the COVID-19 pandemic, Xianyu has been one of the few companies in China

that has remained profitable. Its number of newly registered users grew by nearly 40% in March 2020 compared to the same period the year before, reaching over 200 million registered users.

## Business model

- › Xianyu operates a business model similar to that of Facebook Marketplace, where the listing of products or services is free of charge, while advertising provides a source of revenue for the platform.
- › In order to ensure a frictionless shopping experience, consumers can receive a no-questions-asked refund within 7 days or a product exchange within 30 days of the purchase. A 180-day service support guarantee is also offered.



## Unique value proposition

### Location or interest-based ‘fish ponds’

Users can also join like-minded communities or ‘fish ponds’ based on their location or common interests. There are currently over 450,000 fish ponds on the site. Fish ponds allow consumers to share ideas, mingle and share news with one another.

### Celebrities

Some of the most popular sellers on the platform include celebrities. Over 100 celebrities have joined the platform to sell used beauty and fashion products, such as second-hand bags, clothes, footwear and cosmetics. Celebrities such as Zhang Yuqi, Zheng Shuang, and Ying Caier have joined Idle Fish since 2018, attracting 20 million fans, according to representatives of the platform (in Chinese).

### Trivia

Chinese actress Zheng Shuang had 2.6 million followers on Idle Fish as of 20<sup>th</sup> February 2020 (5).

### Brands operate their own official stores

Since 2019, brands have been allowed to operate their own store on the platform via a premium channel. Through these premium channels, Xianyu seeks to merge the B2C and C2C markets on their platform. Companies often have a large array of idle assets that are perfectly suitable for the second-hand market. These premium channels offer verified goods ranging from overstock merchandise to recycled or used goods.

**Description:** Online auction platform for buying and selling luxury watches.

**Website:** [www.chrono24.com](http://www.chrono24.com)

**Sector:** Luxury watches

**Origin:** Germany since 2003

**CEO:** Tim Stracke

**Data:** The platform offers over 475,000 watches with a total value of €4 billion.

€1.5 billion worth of goods were sold through Chrono24 in 2019.

## Business model

There are **two ways to sell via Chrono24** - as a private seller or as a dealer.

### Private seller:

1. You create a free listing
2. You make a binding sale on the platform
3. The buyer transfers the full purchase price to a secure escrow account
4. You ship the insured item to the buyer
5. You receive the money directly into your bank account once the item has reached its destination
6. A 6.5% commission fee is applied to the purchase



### Dealer:

There are three types of subscription - Light, Pro and Premium, charging commission fees of 6%, 5% and 4% respectively. The Premium package comes with additional benefits, such as no ads on your listing page and the option to add a personalised logo.

## Unique value proposition

### Buyer protection

Chrono24 invests heavily in buyer protection. Working with luxury items in an online environment, you must ensure that a potential buyer fully trusts you to receive either value for their money or a refund if left unsatisfied. Chrono24 helps ensure this through their 6-step buyer protection programme:

- 1. Verified dealers:** All dealers are personally verified using strict criteria before being allowed to sell watches on Chrono24.
- 2. Payment via Trusted Checkout:** The payment flows through an escrow account, where it is kept safe until you receive your watch. Only then is the buyer's money released to the seller. Trusted Checkout is free for buyers.
- 3. Insured shipments:** Dealers ship every order fully insured and with a track & trace option, where consumers can view the current status of their order any time they like.
- 4. Authenticity guarantee:** If you have any doubts regarding authenticity, Chrono24 can be contacted within 14 days of receiving the order. A satisfactory solution will be reached between the parties involved.
- 5. Personalised support:** A multi-language customer support team is always available for both consumers and dealers.
- 6. Returns:** If the watch isn't delivered or is not as described, you can receive a refund from the escrow account. Once you've returned the watch, you will receive your money back.

### Trivia

The average price of a watch sold on Chrono24 is between €7.000 and €9.000.

### Free watch appraisal

What is your watch approximately worth? Chrono24 offers free appraisal by an expert, who will provide potential sellers with a recommended price. The second-hand industry will always be something of a game in which the aim is to generate as much quality supply as you possibly can. A free appraisal might just push that watch collector to actually sell a product on the platform.



**Description:** Stuffstr is a circular fashion initiative where consumers can exchange their unwanted clothes for credits. Stuffstr's business model revolves around the huge amounts of data that retailers and manufacturers collect on the products they sell. For each product sold by a brand that Stuffstr cooperates with, they provide a valuation of what the product is currently worth, which can then be exchanged for credits if consumers opt to recirculate it.

**Website:** [www.stuffstr.com](http://www.stuffstr.com)

**Origin:** US since 2016

**Sector:** Fashion

**CEO:** John Atcheson

## Business model

1. Stuffstr works with traditional clothing brands, such as Adidas, for example, and retrieves customer data about their previous purchases.
2. Consumers log in to Stuffstr, look up products from brands that Stuffstr cooperate with and are instantly given a price - the price that the company is willing to offer to buy the product back.
3. Consumers can then sell the product, Stuffstr collects the item and puts it into second-hand sales or recycles it (depending on the quality of the product).



**It's convenient**



**It's easy**



**It brings value**





## Trivia

The average garment is worn 7 times before it is discarded (6).

## Unique value proposition

### Instant gratification

Want to know what your clothes are worth? Stuffstr provides an immediate databased valuation. Even consumers who are initially not interested in selling their clothes online could be tempted to find out what their garments are worth. The valuation might surprise them and even encourage them to embrace the second-hand market.

### Condition doesn't affect buyback value

Old socks? Even those can be recycled. Anything that can be traced on Stuffstr has a value. Products that are not of a satisfactory quality are still valuable through their inherent resources. Reprocessing is as important as reselling products.



**Description:** Mic Mac Minusculé allows couples who are expecting a baby to compile a birth list consisting of second-hand goods.

**Website:** [www.micmacminusculé.be](http://www.micmacminusculé.be)    **Data:** The average family spends around €6.500 on baby products.

**Sector:** Baby

**Origin:** Belgium, Gent (2017)

## Business model

1. A couple expecting a baby compiles a birth list in cooperation with a 'Mic Mac madam or meneer'
2. The Mic Mac madam or meneer acts as a personal shopper, seeking out the best second-hand products
3. The supplier delivers the products, which are cleaned up, photographed and put on the birth list
4. The birth list is shared with friends and family, who can then pick out an online gift
5. The expectant couple is able to pick up their goods 4 weeks ahead of the due date
6. Baby growing? Don't need your stuff anymore? Mic Mac Minusculé is able to take everything back to put it back into circulation

## Unique value proposition


### 'Mic Mac madam or meneer' as your personal shopper

Second-hand shopping can be a struggle. If you are new to recommerce, then you might not know where to shop yet, or it can be difficult to estimate the quality and durability of a product. A trained eye, on the other hand, will be able to do this effortlessly. Personal shoppers take away the burden of shopping, which can be a particular issue if you go second-hand shopping.

### A local and personal vibe

'Mic Mac madammen' are grouped by location, along with a casual picture and fitting description to give a very personal feel to the customer journey. Shopping for baby products is a very intimate experience and should be treated as such. Offering some insights into who your personal shoppers are and where they come from instantly boosts credibility.

Our Antwerp Madammen



**Eleni**, smooth Nijlen madam & mommy of 2, who does not like to sit still.

**Makes you happy ...** Oh so cliché, but a smile on someone's face (big-small, old-young) // a nice day in the family circle.

**Is Mic Mac Madam because ...** I haven't lost the hope to make the world a little better (oh another cliché) // there are so many practically unused baby stuff // these practically unused baby stuff make a big smile the face of future parents.

**Evellen**, mother of a 1-year-old explorer, teacher in an 'extraordinary' school & daily centipede in Niel.

**Being happy ...** d e sun // make someone happy enthusiasm of my son when I get a glass of rosé // last minute picnics in the park // a little surprise from my husband // a tidy house (even if only for a short time) // suddenly freed up time.

**Is Mic Mac Madam because ...** I love to find stuff with a story // this way I can contribute my little bit to our planet.



# Summary

**What defines the success of a business model? There are a few things that the big players have in common.**

## 1. Convenience is king

Top platforms make it easy not only for consumers to buy but also for suppliers to sell on their platform. Less successful platforms focus solely on providing convenience for the customer. Second-hand platforms are extremely reliant on a good supply. High-quality second-hand items will be the basis for attracting traffic to your platform.

## 2. Price proposition

The main motivation for consumers to buy second-hand products is because 'it's cheaper'. Top platforms understand that this is a key driver and focus heavily on their price proposition. Highlighting the price benefit that customers experience in comparison with traditional retail will be a convincing factor where your customers are concerned.

## 3. Quality guarantee

Top players in the recommerce sector all have a way to guarantee customers that they either receive high-quality goods or that the product can be returned to the platform. Your brand should be a statement about the products that are sold on the platform.

## 4. Payment security

The higher the price paid for a product, the bigger the need to provide a secure payment system, either via a third party or a proprietary alternative. Looking towards the luxury segment, successful recommerce players all apply a secure payment option.

## 5. The sustainability statement

Sustainability is at the heart of a recommerce initiative. It is beneficial to communicate about your sustainability benefits in an understandable language. The amounts of CO<sub>2</sub> avoided will not be tangible for a consumer to understand but translating that into the amount of CO<sub>2</sub> that X number of cars produce will be quite helpful.

# Conclusion

Gondola and bpost have great expectations for the Belgian recommerce market in the coming years. As has been confirmed by our data, the recommerce concept surfs two giant waves - sustainability and purchasing power. The sustainability mindset is increasingly common among younger generations and will continue to convince consumers to shop for second-hand products, as recommerce is closely affiliated to shopping in a sustainable manner. Regarding purchasing power, we currently find ourselves in a period of economic uncertainty following the COVID-19 pandemic and economic uncertainty will make consumers more cautious with their spending. Price is the main driver for people to buy second-hand products, and Gondola and bpost predict that more consumers will enter the recommerce market as the economic uncertainty continues.

**Do you want to be a part of the recommerce market yourselves? Let's talk about it. We are always free and available to discuss your potential position in the recommerce sector. Feel free to contact us.**

## Sources

Sources:

- (1) Thredup – *Resale report 2020*
- (2) E-commerceDB – *E-commerce revenue analytics (2019)*
- (3) Techcrunch - *Walmart partners with fashion consignment marketplace thredUP (2020)*
- (4) Gondola - *Carrefour Frankrijk opent shop-in-shops van tweedehandsketen Cash Converters (2020)*
- (5) Jing Daily - *Can China's Resale Market Threaten Luxury? (2020)*
- (6) Ellen Macarthur Foundation – *New Textiles Economy (2017)*