Circular Fashion Is Now

How to Win New Fans, Inspire Brand Loyalty, and Save the Planet

recurate × BBMG

The Recommerce Movement Today

Circular Fashion Has Benefits Without End

Resale, thrifting, and vintage shopping have long been a part of our economy, especially in the fashion world. But today a confluence of technological, economic, and environmental factors has apparel recommerce growing in popularity. A recent story in Forbes notes the resale market is projected to double in the next 5 years, reaching $77 billion.[1]

And with its rise, brands are beginning to get in on the action. From the familiar take-back and refurbish programs like Levi's Secondhand to the peer-to-peer, brand-led recommerce sites that Recurate powers for brands like Mara Hoffman, Frye, and Steve Madden—the opportunity for brands to own the full circle of their products' life cycle is here – and the benefits are many.

Recurate is a tech-enabled resale service empowering brands and retailers to launch fully integrated resale channels. We partnered with the sustainability and social impact branding agency BBMG to bring you this deep dive on the opportunities for brands to lead the circular fashion movement.

So read on, and together let's close the loop on fashion waste and grow our brands while we're at it.

recurate

"Young consumers are looking for three things: fashion, sustainability, and experiences. For too long, these needs have been in conflict with each other, but that's where resale comes in and ticks all these boxes."

COO, Wilson Griffin

[1]Resale Set To Be Star Of Retail In 2022 For Consumers And Brands, Forbes, January 17, 2022

Methodology & Terminology

This report features insights from a survey of 1,000 adults in the US and Canada.

Conducted in March of 2022 by the sustainability and social impact branding agency BBMG, the survey spoke to a mix of non-active and active recommerce participants, including people who currently sell, buy, or do both. The report also includes global data from 11 markets, including Australia, Canada, France, Germany, Italy, Netherlands, Portugal, Spain, Sweden, United Kingdom, and the United States curated from GlobeScan's 2021 Healthy and Sustainable Living survey (approximately 1,000 adults per market).

RECOMMERCE

The resale and purchase of used or pre-owned items on an ecommerce platform.

PRE-OWNED/PRE-LOVED

Items that have been purchased new or used by an individual prior to being resold or passed along to another.

TAKE-BACK

When a brands welcome back its sold items from its consumers in exchange for credit, cash, or discounts.

BRAND-LED RECOMMERCE

The resale of used or new items on a brand's ecommerce website.

PEER-TO-PEER

The exchange or buying/selling of goods between individuals through a resale marketplace or platform where a seller ships their item directly to the buyer.

RECOMMERCE SELLERS

Individuals who sell pre-owned items, from thrift stores to consignments and recommerce.

RECOMMERCE SHOPPERS

Individuals who buy pre-owned items, from thrift stores to consignments and recommerce.

CIRCULARS

Individuals who actively partake in both the buying and selling of pre-owned items, whose habits align and support circular fashion.

NON-ACTIVES

Individuals who do not actively buy or sell items secondhand or through recommerce.

RECOMMERCE PARTICIPANTS

Includes all individuals (Recommerce Sellers, Recommerce Shoppers and Circulars) who partake in buying and/or selling secondhand or recommerce.

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1

The Picture

A Movement Going Mainstream

Fashion recommerce – people shopping and supplying pre-loved apparel – is here and on the rise, particularly with the next generation of young consumers.

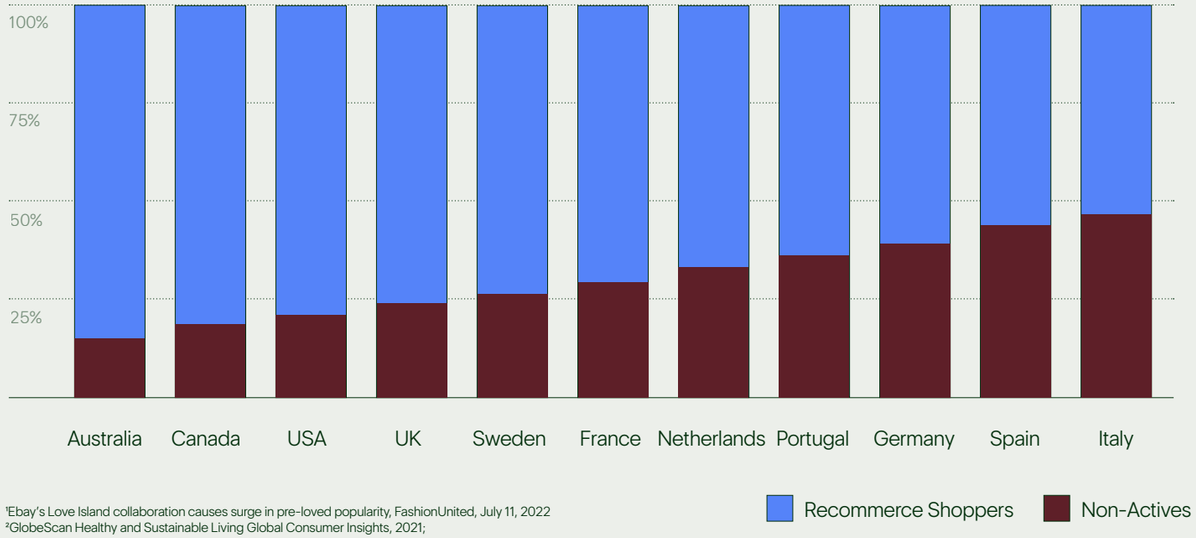
CLHU

Your customers are already shopping pre-owned goods

Whether your brand has its own recommerce platform or not, the odds are your goods are already being bought and sold in the circular economy. Ebay searches for “pre-loved fashion” went up 700 percent[1] following their recent partnership with the popular reality TV show Love Island.

And that’s a lot when you consider the site sold about $238 million a day in 2021 in gross merchandise value. In the same year, Poshmark sold about $4.9 million a day and The RealReal sold $4 million a day. A quick search for your brand on resale marketplaces will likely populate an infinite scroll of your brand items.

Recommerce shoppers across the globe[2]



[1]Ebay’s Love Island collaboration causes surge in pre-loved popularity, FashionUnited, July 11, 2022
[2]GlobeScan Healthy and Sustainable Living Global Consumer Insights, 2021;
"I buy second-hand household items or clothing"

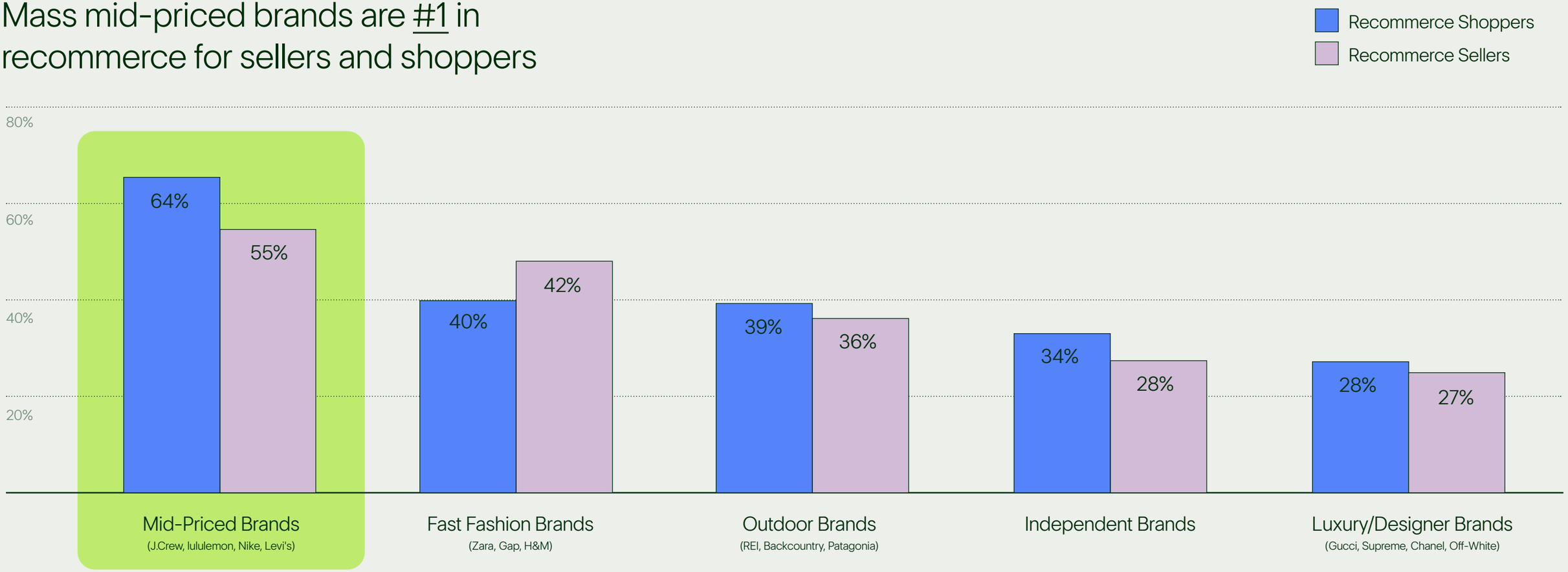
74%

of people across the globe shop recommerce

Recommerce is happening en masse

> There's a target that's not so high end but it's also not rummaging through thrift. There's that sweet spot where a lot of volume can be found.
>
> President, Lewis Perkins

Mass mid-priced brands are #1 in recommerce for sellers and shoppers



Recurate & BBMG, 2022; US and Canada
"What types of clothes, accessories and/or gear brands do you typically [buy/sell] secondhand?"

Audience snapshot: who we spoke to

RECOMMERCE SHOPPERS

→ Buy secondhand, but don't sell
→ Predominantly age 21-40, female, suburban
→ Majority make $30K or less, and only 35% are employed full time

RECOMMERCE SELLERS

→ Sell secondhand, but don't buy
→ Predominantly age 21-40, female, urban
→ Majority make $50K-$100K and are employed full time

CIRCULARS

→ Buy AND sell secondhand
→ Predominantly age 18-40, female, urban
→ Majority make between $50K-$100K, and 49% are employed full time

NON-ACTIVES

→ Have not been active in recommerce in the past 12 months
→ Predominantly age 41+, a balance of male and female, suburban
→ Two-thirds of them make less than $75K, and they are predominantly retired

Recurate & BBMG, 2022; US and Canada

Meet The Circulars: the people shaping the future of fashion

73% of the recommerce sellers we surveyed also shop recommerce, participating in the full loop of circular fashion. We call them Circulars.

→ Young, Urban, High Income

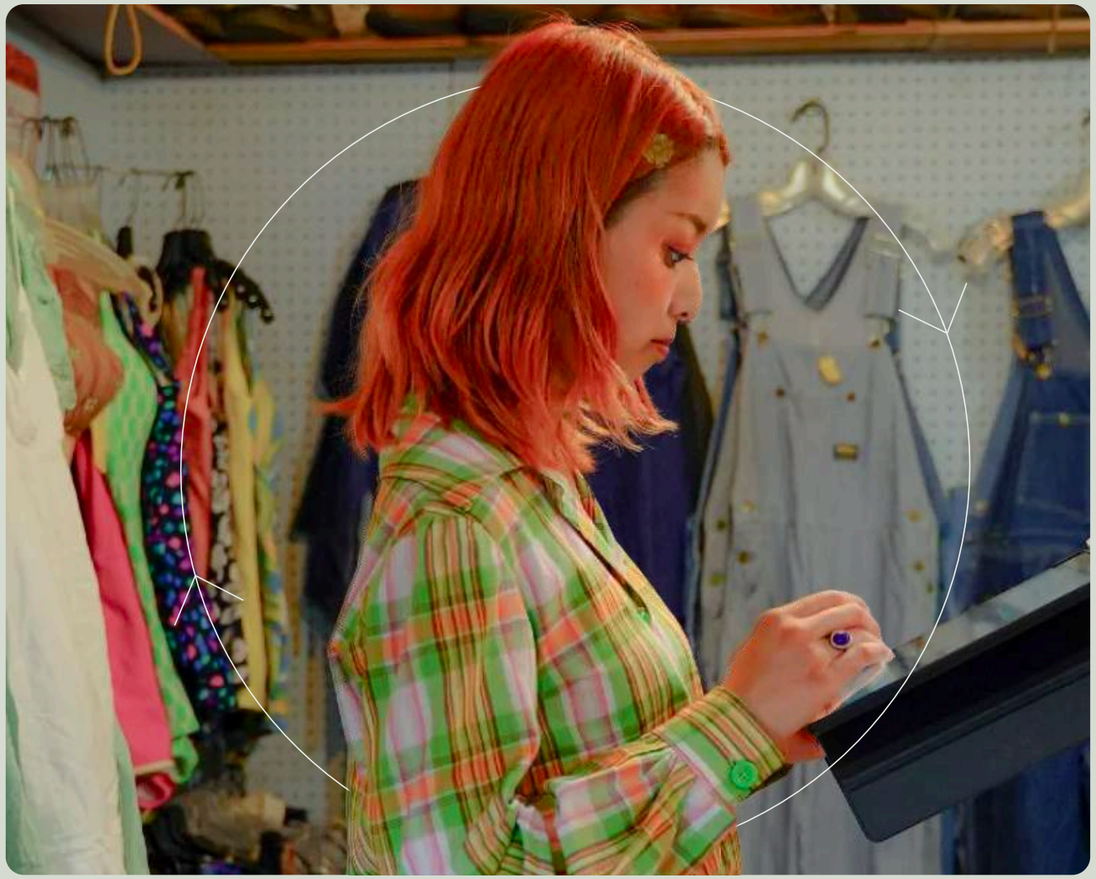
Circulars are most likely to be under age 40, live in an urban setting, and have a higher income compared to other segments.

→ Seeking Circular Brands

More than any other segment, Circulars are likely to shop branded recommerce.

→ Frequently Refreshing Their Wardrobe

Circulars are the suppliers and the demanders of your recommerce platform – they are actively buying and selling and looking for brands to lead the way in a circular economy.



77%
of Circulars resell at least every 2-3 months

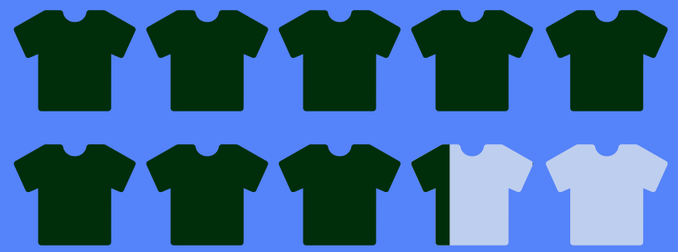
48%
of Circulars purchase with intentions to resell

89%
of Circulars would shop branded recommerce

Recurate & BBMG, 2022; US and Canada
"How often do you sell secondhand clothing, accessories, and/or gear?"
"How much do you agree or disagree with the following statement?"'I purchase clothing and/or accessories with the intention of reselling them later after I've worn them or no longer want them.'"
"How likely would you be to purchase secondhand clothing, accessories, or gear if they were sold by individuals through a brand's website?"

Your future fans love recommerce and style

People from every age group and demographic are participating in recommerce. When it comes to brand-led recommerce, young people especially are here for it.



82%

of young people* would shop branded recommerce[1]

1/3

of young people are shopping recommerce 1-2x a month or more![2]

Recommerce shoppers are

2x

more likely to care about their style standing out[3]

Recommerce shoppers refresh their wardrobe

2.6x

more often than non-actives[4]

Recurate & BBMG, 2022; US and Canada
[1]"How likely would you be to purchase secondhand clothing, accessories, or gear if they were sold by individuals through a brand's website?"
[2]"How often do you buy secondhand clothing, accessories, and/or gear?"
*Under 30 years of age

GlobeScan Healthy and Sustainable Living Global Consumer Insights, 2021;
[3]"I want to stand out by the way I look, my style."
[4]"After the pandemic, will you/your family be doing more of updating your wardrobe to keep up with fashion trends?"

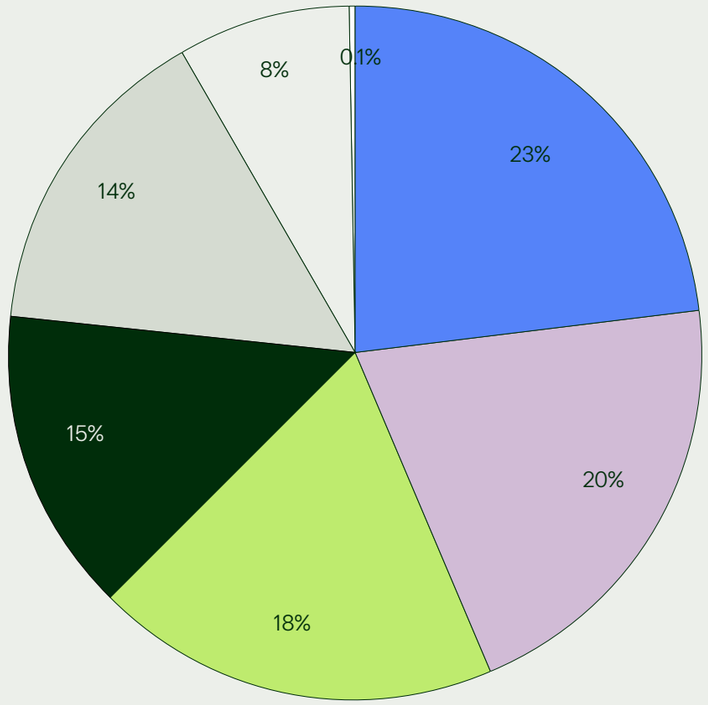
Many motivations far beyond sustainability

The reasons (and seasons) for shopping and selling vary, from making space in their closet to making money while knowing their pre-loved apparel will be useful for someone new; from reducing their environmental impact to hunting for unique (or discounted!) treasures.

Top Reasons For Recommerce Participation

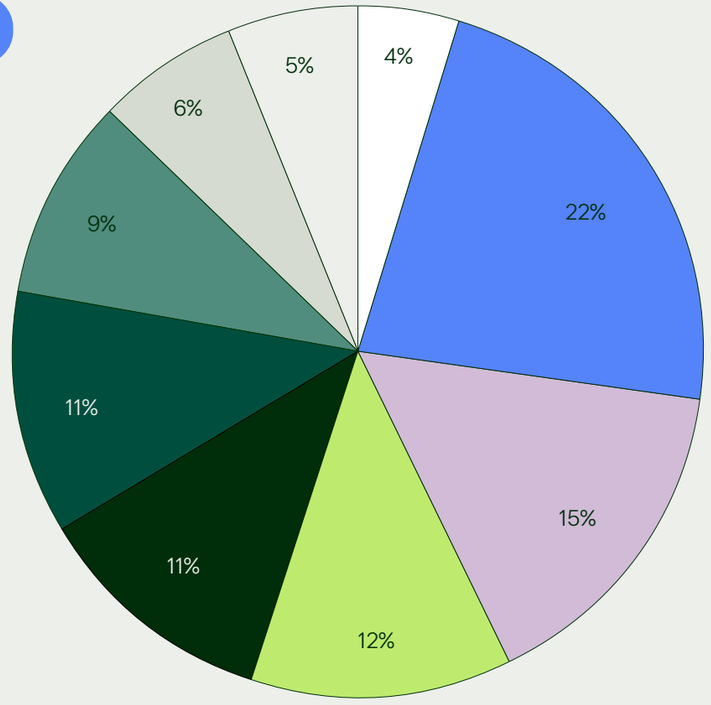
RECOMMERCE SELLERS

- Unworn/unused items
- Cleaning out my closet
- Make money reselling
- Good for the environment
- More affordable for others
- Keeping up with the trends/seasons
- Resell at a premium



RECOMMERCE SHOPPERS

- Save money
- Fun finds/unique items
- Good for the environment
- Exclusive/discontinued items
- Refresh wardrobe frequently
- Supporting others who sell
- Try new brands
- Quality is better
- Keeping up with the trends/seasons



Recurate & BBMG, 2022; US and Canada
"Why do you sell your clothing, accessories and/or gear secondhand"
"Why do you buy secondhand clothing, accessories and/or gear?"

2

The Prize

The Untapped Potential of Brand-Led Recommerce

Recommerce is the key to unlock the next chapter of growth, engagement, and loyalty for your brand.

Welcome new customers without producing a thing

For many brands that get into offering pre-owned merchandise through their own retail channels, it's initially thought of as a sustainability play. A way to keep useful products out of the landfill. And while that is an important benefit of recommerce, thinking of it only in those terms is overlooking major business opportunities.

Being able to try a new brand is the number one benefit of recommerce, according to all segments. The lower price of pre-owned items makes it more accessible for shoppers to take a chance on a new brand. And if they love it, a new product purchase may follow.

There's also a benefit to the brand in being able to curb overproduction. "Brands don't have to overproduce," says Recurate's Karin Dillie. "They can produce knowing any additional demand can be supplemented with resale." Brands offering recommerce can avoid deep-discounting items due to excess stock at the end of the season.

Offering recommerce gives brands another way to invite people to shop the brand without the need to produce anything new or give anything away.

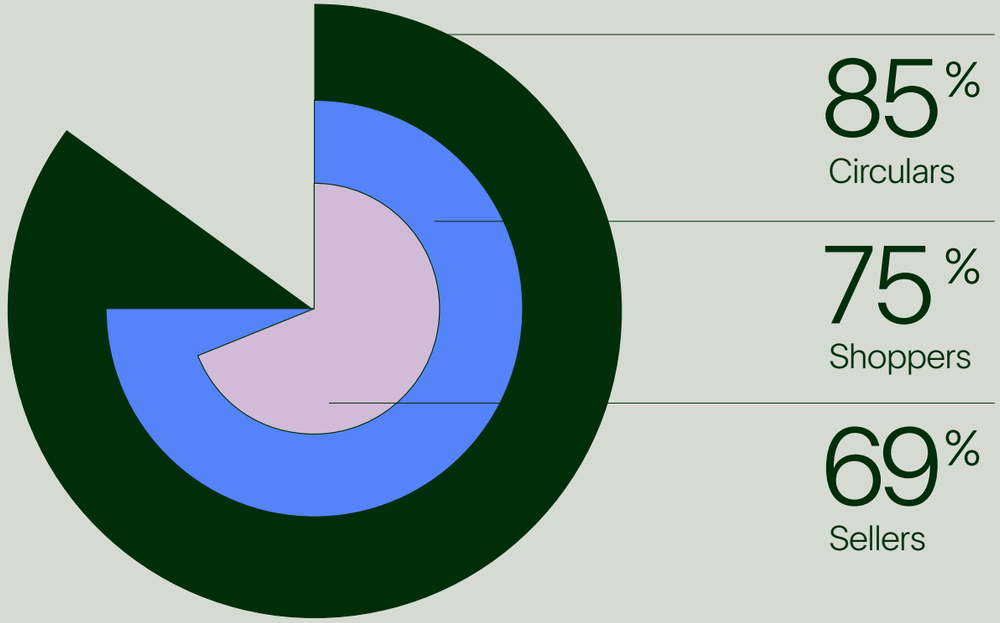
"

STEVE MADDEN

We recognize that mass production is a challenge for the planet. So the idea of giving products a second life is really a key element of our overall sustainable strategy. It's another way of us keeping product alive and well in people's closets as opposed to in the landfill.

Chief Sustainability Officer, Gregg Meyer

More than any other segment, Circulars would try a new brand if recommerce was offered.



Recurate & BBMG, 2022; US and Canada
"How likely would you be to try a brand you've never shopped before if secondhand options were available on their website?"

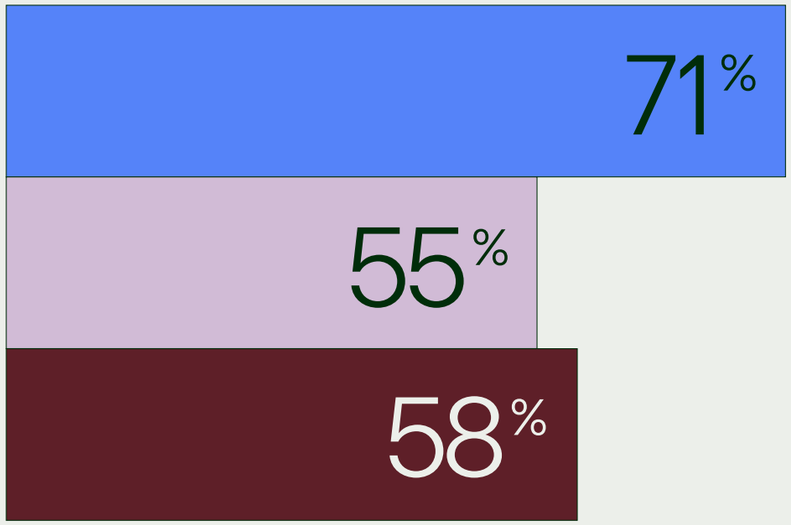
Top benefits of brand-led recommerce

BRASS

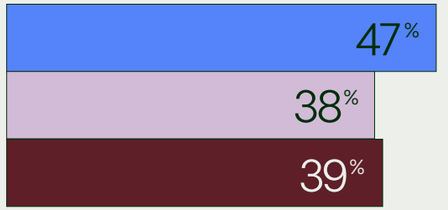
We have had customers that came in strictly to shop from The Brass Exchange. Those people might not have ever made a new purchase if they hadn't had the Exchange opportunity.

Co-Founder, Katie Demo

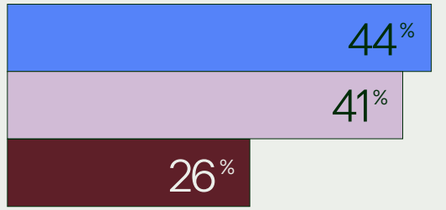
#1 Low price lets me try the brand before buying new



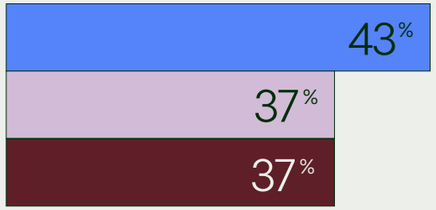
#2 Flexible shopping options



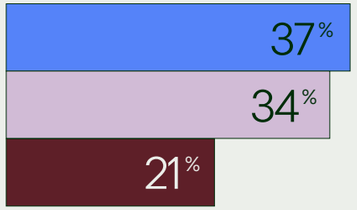
#3 Shop and sell in one place



#4 Ensure quality is made to last



#5 Brand is more environmentally conscious



Recurate & BBMG, 2022; US and Canada
"Why would you shop a brand you've never shopped before if secondhand options were available on their website?"

Recommerce Shoppers Recommerce Sellers Non-Actives

Inspire frequent fashion, not fast fashion

Recommerce Shoppers and Sellers get to enjoy the novelty and affordability of fast fashion without all the waste. It's a guilt-free way to shop that finds 7 out of 10 people in our survey are shopping or selling pre-loved apparel at least once every 2-3 months!

Brands have the opportunity to help people realize their style aspirations in a sustainable way and engage with the brand more often, all without the wastefulness that we've come to know in the era of fast fashion.

OUTERKNOWN

Customers can buy things, keep them for two months, and move on from them and not feel guilty. Especially if they bought it used. It is inherently more sustainable. There's zero incremental manufacturing impact for a resale item.

CEO, Mark Walker

The Virtuous Recommerce Loop

SHOP

72%

of Recommerce Shoppers shop at least every season*

SELL

67%

of Recommerce Sellers sell at least every season*

Recurate & BBMG, 2022; US and Canada
"How often do you [buy/sell] secondhand clothing, accessories, and/or gear?"

*Every 2-3 months

Build a long-term relationship and life-time value

Whether it's fans seeking rare items or deals, or conscious consumers looking to reduce their impact, recommerce gives people reasons to keep coming back.

LOYALTY

75% of recommerce participants would be more loyal to brands with recommerce options[1]

REPEAT PURCHASE

47% return within a month to shop again[2]

NEW ITEM SALES

15% of resale purchases include a new item[2]

Recurate & BBMG, 2022; US and Canada
[1]"How much do you agree or disagree with the following statement? 'I would be more loyal to a brand if they offered me secondhand options'"
[2]Recurate sales data

3

The Path

How Brands Can Close the Loop

In a recommerce jungle, consumers eager to go circular want brands to be their guide.

Harness brand and peer-to-peer trust

While secondhand marketplaces like eBay, Craigslist, and Facebook are popular, anyone who's ever used those platforms knows they can also be overwhelming and, at times, hard to trust. This is where brands can step in to improve the recommerce experience for their consumers while also reclaiming the brand experience – not to mention a slice of the resale profit that would otherwise go to the third-party platform.

A majority of recommerce participants in our survey trust brand-led recommerce more than secondhand marketplaces,[1] and 80% say they are open to brand-led recommerce[2] over secondhand marketplaces with 89% of Circulars preferring it.[3] Frequent recommerce shoppers globally have 2x more trust in large retail companies[4] compared to non-recommerce shoppers.

9 in 10

Circulars want to shop peer-to-peer recommerce directly from brands[3]

Recurate & BBMG, 2022; US and Canada;
[1]"I would trust buying or selling secondhand through a brand website more than from a secondhand marketplace like eBay or Facebook marketplaces."
[2]"How likely would you be to purchase secondhand clothing, accessories, or gear if they were sold by individuals through a brand's website?"
[3]"I would prefer to buy and sell secondhand clothing, accessories, and/or gear directly through a brand website that I know, rather than on a secondhand marketplace." (E.g. eBay, ThredUp, The Real Real)
[4]GlobeScan Healthy and Sustainable Living Global Consumer Insights, 2021

Reduce barriers to transform consumers into suppliers

The proliferation of new recommerce shopping apps, options, and brand-led platforms has made it easier than ever for people to buy pre-owned goods. But to make recommerce a virtuous loop, brands are streamlining the process for sellers. This may mean offering simple sell-back options on ecommerce, take-back programs, or adding digital IDs to their products to help authenticate products and manage their full life cycle.

While a majority of sellers prefer getting more value by selling items individually instead of bulk drop-off, when they have to photograph an item, describe it, field offers, and deal with shipping, it can be a chore. 62% of sellers in our survey feel brands could do more to help them participate in recommerce.

62% of sellers feel brands could do more to help them participate in recommerce[1]

> Help me make more money

I know my clothes have value. If brands took this into consideration maybe more people would sell clothes.

DYLAN W., 25, UK

> Prove to me they are authentic

I need an authenticator to make sure that the sneakers are not fake and that they're in the condition they say they are. If you're buying it online, you want to make sure that it's been verified.

DAVID D., 39, USA

> Make my time worth it

Facebook marketplace is a time waste. Some people message and then stop messaging you. They say they're interested in buying but then they don't show up.

THOMAS K., 37, UK

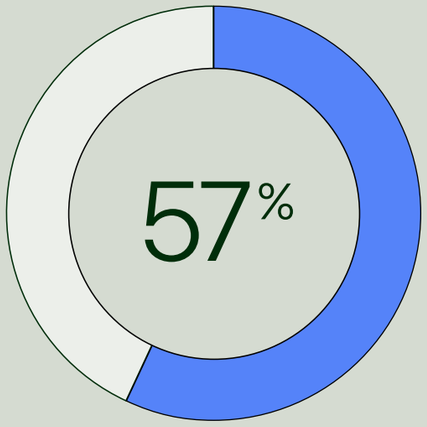
Recurate & BBMG, 2022; US and Canada
[1]"How much do you agree or disagree with the following statement?'I think brands could do more to help me [buy/sell] secondhand items.'"

Give new life (and value!) to idle items in closets

Among the people we spoke to, a top motivation across the board is saving or making money.

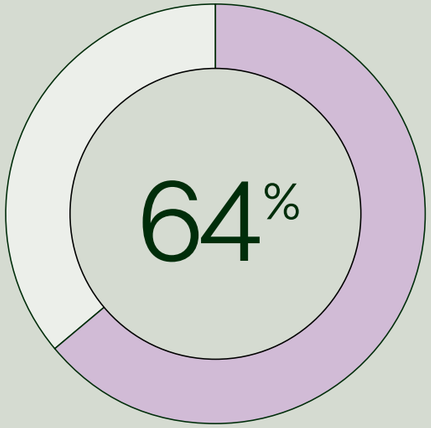
Tipping points of recommerce participation

EARN MONEY BACK



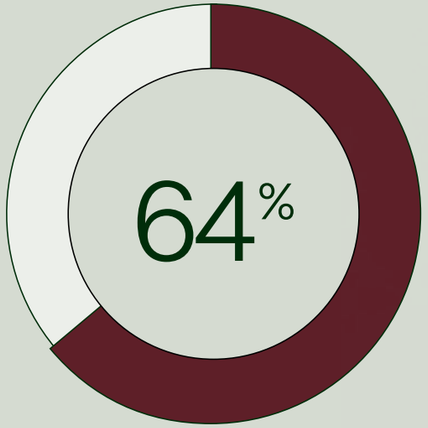
Recommerce Sellers seek to earn back up to half the original price on resale.[1]

SELL ITEMS INDIVIDUALLY



Recommerce Sellers want to sell items individually rather than in bulk to earn greater value per item.[2]

KNOW SIZE OF PRIZE



Non-Actives agreed they might partake in recommerce if they knew how much they'd make or save.[3]

Recurate & BBMG, 2022; US and Canada
[1]"I'd like to make about 50% of the original price I paid for my item."
[2]"Would you prefer to sell your clothing, accessories and/or gear in bulk (eg store drop off/mail in bulk to resale website) or posting items individually?"
[3]"How interested would you be in buying and/or selling secondhand if you knew it helped you make money or save money?"

Become part of your customer's sustainable living aspirations

Consumer desire to reduce their environmental impact is high across the board. And this desire is increasingly influencing their lifestyle and purchasing decisions.

71% of recommerce shoppers care about their impact on the planet as do 61% of non-resale shoppers. This shift is driving two-thirds of recommerce shoppers to change their purchasing decisions to match the sustainable lifestyle they aspire to. This means brands will need to find ways to authentically become part of that vision or be left behind.

2/3

of Recommerce Shoppers are making changes to live more sustainably

“

OUTERKNOWN

We have consumers that pledged to not buy anything new. It’s great to give them a recommerce offer—that’s not cannibalization, that’s customer acquisition. That’s allowing somebody who wouldn’t buy new to still shop our brand and still stick to their values.

CEO, Mark Walker

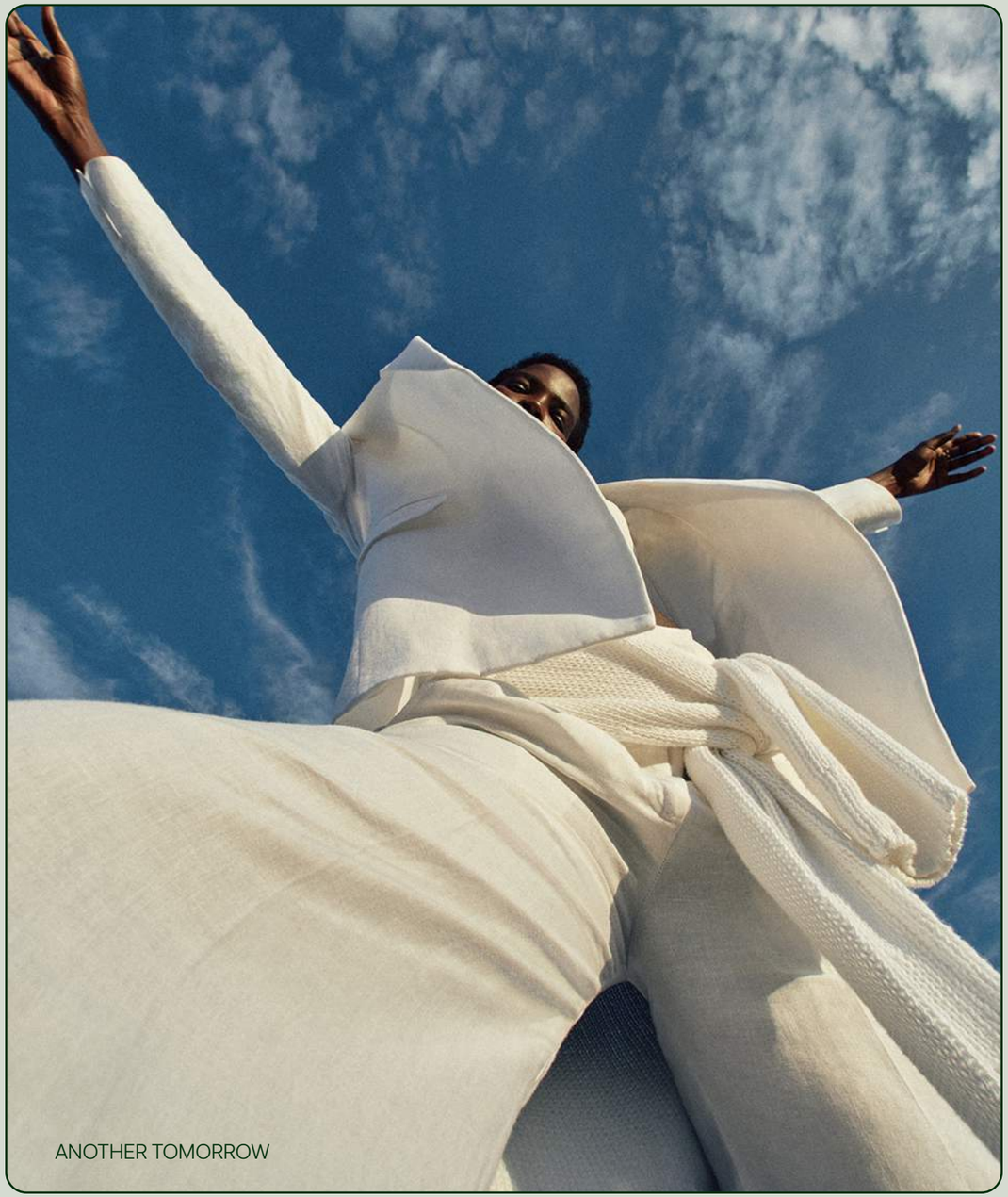
GlobeScan Healthy and Sustainable Living Global Consumer Insights, 2021

4

The Partnership

Get Started with Recommerce

It can be a seamless part of your ecommerce strategy, and it’s easier than you think.



ANOTHER TOMORROW

Build your recommerce model

Thanks to circular economy innovations and back-end partners, today there are multiple ways that brands can get started with recommerce, from simple and accessible tools to custom and novel solutions. Here are some popular and successful ones to get you started.

→ Peer-to-Peer

A peer-to-peer program is a resale marketplace where a seller ships their item directly to the buyer. This model has minimal upfront costs and working capital requirements, and is most favorable for recommerce sellers, as it maintains the most value in the product.

→ Imperfect Inventory & Returns

An imperfect inventory or returns program is a resale offering of items that have minor imperfections or have been opened and returned. The items still retain value and can be resold typically at a discount turning the loss of unsellable items into a gain.

→ Digital ID

A digital ID authentication system allows brands to track each product providing consumers greater transparency and authentication for resale items. It's an exciting new way to engage with consumersby offering real-time resale value, sustainabilitydata, and opportunities to engage with fresh brand content.

→ Take-Back

A take-back program is a resale offering where the brand receives inventory from recommerce sellers, authenticates, cleans or remakes items, and resells them under a new recommerce collection for customers to shop.

You can create your own unique recommerce model that best suits your brand and your customers' needs. No matter the model, recommerce is the first step to a win-win relationship with your biggest fans and is a cutting-edge way for your brand to reach future fans.

Models that work

PEER-TO-PEER

Steve Madden

Steve Madden Rebooted enables customers to use the original product listing to post their items along with images of the existing items. This makes it seamless and easy to post for Recommerce Sellers while also maintaining the Steve Madden experience for buyers.

stevemadden.com/pages/re-booted

IMPERFECT INVENTORY & RETURNS

Ministry of Supply

Ministry of Supply's Infinity Resale program includes brand-owned inventory from returns or other inventory that cannot be sold as new. This marketplace gives their consumers the ability to purchase certified inventory at a lower price point while taking part in the circular economy.

infinity.ministryofsupply.com

TAKE-BACK

Another Tomorrow

Another Tomorrow's Authenticated Resale program allows customers to easily resell items. They scan the digital ID embedded in every product, upload their item, then simply drop or send the item to an Another Tomorrow location for authentication, quality control, and listing. Once the product is sold, the seller receives a gift card or cash. This seamless resale model builds trust and value in worn items and, ultimately, the brand.

anothertomorrow.co/authenticated-resale

Unleash your resale go-to-market strategy

peak design

We do a lot of A/B testing around recommerce. And ultimately, we can arrive at data-driven answers that tells us, is it revenue positive? Is it a good customer experience? And resoundingly, the answer is yes.

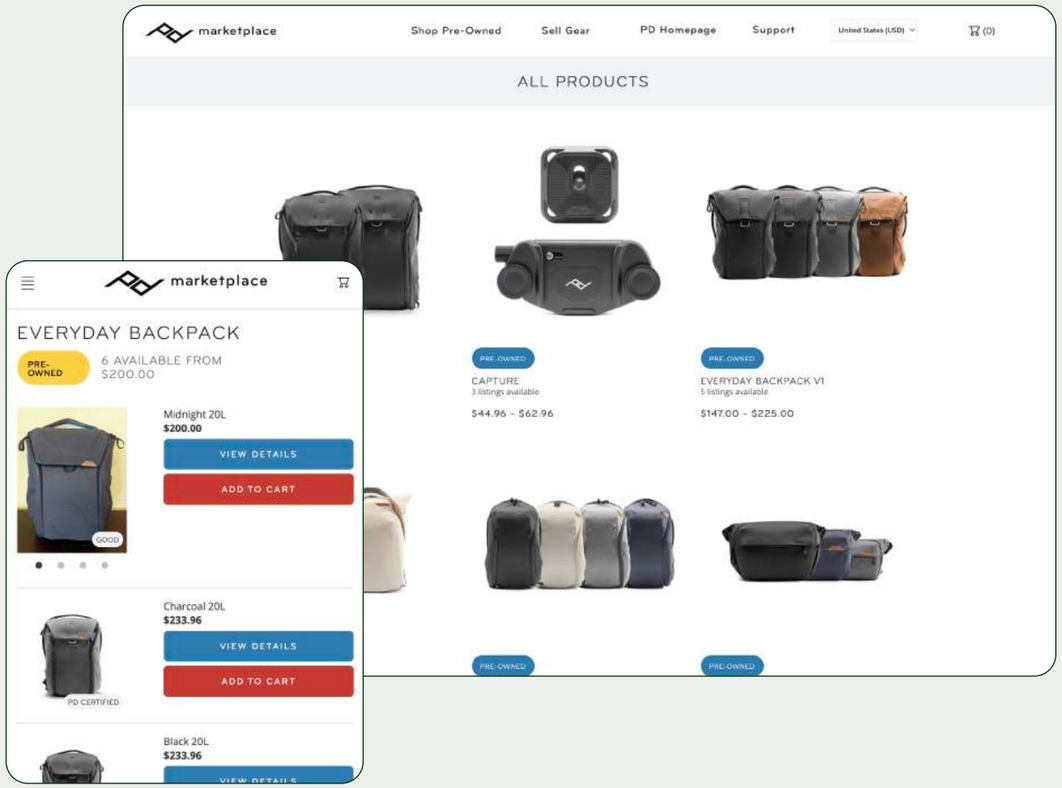
Founder/CEO, Peter Dering

There's no one way to do recommerce. The most important part is making sure that your strategy aligns with your customers and stays true to your brand ethos.

Genuinely integrating recommerce into your offerings elevates your brand perception and helps you reach an untapped, ever-growing audience. Recommerce raises brand loyalty, stimulates responsible purchasing, and keeps customers engaged with your brand in fresh and exciting ways.

Brands have successfully leveraged their unique recommerce strategies to further propel, and in some cases even transform, their mission and vision.

The positioning of the brand-led recommerce platforms we see today are as unique as the brands themselves. Having a back-end partner to power a smooth UX lets you focus on the brand experience that speaks to the primary needs and desires of your audience while opening doors for your brand to lead the future of retail.



Stories that connect

FAN FAVORITE

Misha & Puff Loop

Misha & Puff had a strong fan base reselling their items across third-party platforms. Pulling audiences back to the brand through their branded recommerce platform allowed them to provide their audiences with the branded experience and be part of direct conversations with fellow fans.

shop.misha-and-puff.com/pages/loop

SUSTAINABILITY

Mara Hoffman Full Circle

Mara Hoffman created Full Circle to keep their timeless garments within their ecosystem, extend their life cycle, and provide value to customers for engaging in sustainable behavior, all in four easy steps.

marahoffman.com/pages/full-circle-marketplace

A HERITAGE OF QUALITY

The Frye Exchange

Frye takes pride in their heritage of making high-quality, long-lasting leather goods. Their recommerce exchange enables them to maintain that brand story by truly creating a platform that ensures their pieces have history.

thefryecompany.com/pages/the-frye-exchange

CUSTOMER-CENTRIC ORIGINS

Peak Design Marketplace

Peak Design was funded by its fans; they believe their customers are their peers. With that ethos in mind, they designed their recommerce platform to make resale clear, easy, and customer-centric.

market.peakdesign.com

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Resilient brands are actively moving toward becoming circular, and recommerce is key to their success. Recommerce expands current horizons, creating more compelling, innovative opportunities for retail and more meaningful, long-lasting relationships with customers. The brands finding their unique recommerce story will be the ones to shape the future of retail.

Ready to be a leader and propel your brand's future?

recurate

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Recurate is a leading circular economy technology company that offers brands and retailers an ecommerce solution to capture secondhand sales. Recurate enables an integrated resale marketplace on brands' ecommerce stores, allowing their customers to resell items previously purchased from those brands. Recurate works across many industries, including fashion, outdoor, kids, home, sports, and gear. Learn more at recurate.com.

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BBMG is a branding and social impact consultancy dedicated to working with leaders who won't wait on things that can't wait. With a team of strategic creatives and creative strategists, culture experts and design thinkers, together we build Regenerative Brands. BBMG's work includes developing and branding circular retail collections from The North Face and Target and helping retailers like Macy's, Nike, and Garnet Hill design for inclusivity. Learn more at bbmg.com.