



## A Meta-analysis of Fashion Resale in China: Why it is Lagging Behind?

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**Research Background and Rationale.** Fashion industry's fast-changing trends and over-consumption culture cause severe environmental damage, contributing to up to 10% of global pollution. (Niinimäki et al., 2020). The circular fashion system was seen as a possible solution to address the severe environmental concerns. As one of the most prominent elements of the circular economy, fashion resale creates value for consumers by expanding product lifespan, acquiring desired products at lower prices, and releasing customers' economic pressure. The fashion resale market is booming and expected to grow from \$15 billion in 2022 to \$47 billion by 2025, 11 times faster than the primary retail market (ThredUp, 2022).

E-commerce is driving the growth of the global fashion resale market. It fuels the significant growth of online resale platforms led by Western businesses such as ThredUp and theRealReal. An online resale platform is a website or app that provides a marketplace and allows sellers to sell their pre-owned goods to other users. China is one of the largest E-commerce markets globally, and Chinese consumers are increasingly turning to online platforms for shopping. However, the fashion resale market in China lags behind Western markets despite being the largest consumer market. China is uniquely positioned as a leading global fashion manufacturer in the global fashion industry. Thus, understanding China's current fashion resale market and finding out what is holding it back is vital for the whole fashion industry to achieve the sustainable goal of benefiting our planet. This study aims to address the following questions: (1) What challenges the entire fashion resale market is facing in China? (2) What challenges the fashion resale platforms have to deal with in Chinese market? and (3) What motivate or impede Chinese consumers to participate in online fashion resale platforms?

**Research Method.** A systematic literature review (Arrigo, 2021) and descriptive meta-analysis (Hedges, 1992) were determined as the method to explore current literature relevant to fashion resale, especially within China's market. The study was conducted in three stages: (1) research purposes identification; (2) data collecting and cleaning; and (3) data analysis. Multiple combinations of keywords, including resale, resell, second-hand, collaborative consumption, circular fashion, luxury, vintage, and China, were used to search related literature and articles. Data collection generated 569 materials, 507 literatures (379 in English; 128 in Chinese), and 62 reports (45 in English; 17 in Chinese). Data cleaning removed irrelevant contents (e.g., car resale market, house resale market), generating 59 related materials, with 37 literature (29 in English; 8 in Chinese) and 22 reports (17 in English; 5 in Chinese). A careful reading and coding process was carried out to fulfill our research purposes. It involves extracting, summarizing, and synthesizing the findings of selected materials following our research questions, as presented in the following findings.

**Findings and Discussion. Challenges the entire fashion resale market is facing:** the findings revealed two primary challenges facing the fashion resale market in China's market: *the difficult scaling the non-luxury sector* and *regulatory issues*. China's vast production volume made new clothing items oversupply the domestic market with low prices (Xu et al., 2014), leaving non-luxury second-hand clothing with no profitable space. More specially, the non-luxury resale sector remains underdeveloped and resistant to scale-up. Furthermore, the backward Internet legislation causes regulatory loopholes, resulting in untrusting customers to the resale platforms and hindering the development of China's resale market.

**Challenges the fashion resale platforms are facing:** Though, the fashion resale market is booming in recent years, there are still a number of issues that fashion resale platforms have to face, which might cause the laggard of fashion resale in China. Table 1 illustrates the issues that fashion resale platforms are dealing with. *Quality* is customers' biggest concern for buying second-hand goods (Alizila, 2021) due to their used or pre-owned attributes (Xiang & Hu, 2020). *Trust* is an issue especially prominent in C2C business model resale platforms. *Service* is another issue facing fashion resale platforms in China. China's fashion resale platforms are immature in customer service, after-sales, and identification systems. *Logistics* can be a headache for resale platforms. Processing and listing thousands of unique second-hand items requires complicated logistics that cannot easily be automated (Kennedy, 2022). *Security* is essential for resale platforms' transactions. Most resale platforms lack a credit system to supervise the transaction risk (Kwon, 2021).

**Table 1.** Issues facing China's fashion resale platforms

Issues	Specific Description	References
<b>Quality</b>	Counterfeit Unknown origins Incomplete product information	Kwon 2021; Li & Xu, 2020; Wang et al., 2022
<b>Trust</b>	Trust issue with the seller Fake pictures Incorrect description Transaction information asymmetry	Wang & Zhao, 2018; Huang & Sun, 2019; Xiang & Hu, 2020; Zhang, 2022;
<b>Service</b>	Poor intelligent artificial customer service Refund risk Post-purchase service risk	Huang & Sun, 2019; Shi & Li, 2022; Wang & Zhao, 2018; Xiang & Hu, 2020
<b>Logistic</b>	Complicated logistics for unique second-hand items Damage during transportation	Kwon 2021; Kennedy, 2022; Shi & Li, 2022
<b>Security</b>	Scam Internet fraud	Kwon 2021; Xiang & Hu, 2020

**Motivations and barriers for Chinese consumers are facing:** Even though Chinese customers generally have a higher acceptance of second-hand products compared to the past, the overall acceptance is still lower than Western customers. Drivers and barriers co-exist for Chinese consumers to participate in online fashion resale platforms. The primary **drivers** include *economic* value (e.g., cost-effectiveness and cheaper), *hedonic* value (e.g., interacting fun and

treasure hunting fun), *environmental* value, and *uniqueness* (e.g., out-of-production style). Additionally, *barriers* mainly include *stigma* (e.g., inferior goods and transfer of disease and misfortune), *social risk* (e.g., poverty association and inferiority status association), *sanitation concerns* (e.g., contamination and germs), and *low economic value* (e.g., new clothes are cheap and not saving too much) of non-luxury second-hand products.

**Conclusion.** While the fashion industry recognizes the importance of resale in sustainability practices, China's fashion resale market has yet to catch up. This study provides a comprehensive literature review to better understand the challenges that China's fashion resale market and platforms are currently facing, which will provide valuable insights for academic researchers and industry practitioners.

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