

All Hail the Secondary Fashion Entrepreneur: A Trendy Career in an Emerging Fashion Resale Market

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Background. The secondary fashion market is cited as “becoming a global phenomenon” (ThredUp, 2022). In same report, it is expected that this secondhand market will grow 127% by 2026, which is three times faster than the overall apparel market. Furthermore, the market is expected to reach \$82 billion by 2026 as 73% of consumers have shopped or are open to shop resale in 2020 (ThredUp, 2022). The increased interest in the digital economy and the concerns of the ecological and social impacts of consumption has contributed to the growth of this market (Hamari et al., 2015). Additionally, due to the recent pandemic, there has been an increase in new buyers and therefore increased purchasing and increase of sellers (Sissons, 2020).

To drive this type of market, there is the individual, or entrepreneur, who is interested in selling their used goods to the secondhand consumer. According to the ThredUp Resale Report (2022), the U.S. is seeing an increase of interest in selling through secondhand retailers. The interest in selling will remain as 73 million consumers resold apparel in 2021 and 195 million sellers are anticipated to resale in the future (ThredUp, 2022). There is little research on this type of entrepreneur. One study found that motivations to sell can include empowerment and enactment of social roles (Turunen et al., 2020). Thus, it is important to further investigate this phenomenon.

Significance of Study. Currently, there are a variety of studies that focus on consumer behavior within the secondary market, but only one study of note that focuses on the luxury secondary seller (Turunen et al., 2020). Furthermore, there are no studies that truly define this type of entrepreneur or emphasize the opportunities of this potential career. Therefore, the purpose of this study was to explore the available knowledge on secondhand entrepreneurs and the opportunities available for these secondhand sellers. Two specific objectives were (1) to explore the emerging knowledge on entrepreneurship in a digital fashion resale space by conducting a scoping review, and (2) systematically review secondhand retail platforms to determine if secondary entrepreneurship is a lucrative career choice.

Methods. A two-phase mixed methods approach was utilized for data collection and analysis. In phase 1, the researchers followed Levac et al. (2010) scoping review guidelines to explore the emerging knowledge on entrepreneurship in a digital fashion resale space, and to appraise opportunities to propose the secondary entrepreneurship as an emerging, and lucrative career. Following established research protocol (Levac et al., 2010), the researchers conducted an iterative series of Google scholar searches and selected all papers on this topic published by January 2023. The abstracts were reviewed using a combination of two sets of terms: (“fashion entrepreneurship” OR “second-hand fashion entrepreneurship”) AND (“digital” OR “virtual” OR “online”). Additional articles were identified via hand-searching and reviewing reference lists of shortlisted articles from the initial search. Inclusion criteria for the selected articles involved following: (1) articles that explore the second-hand fashion entrepreneurship or a specific second-hand resale platform (ThredUp, The RealReal, Vestiaire Collective, Etsy, PoshMark, and Mercari); (2) peer-reviewed articles published in prominent academic journals. Two authors independently reviewed all abstracts and manuscripts of initially identified studies (n=69)

focusing on (1) theoretical basis; (2) type of study, sample, and/or measures; and (3) results of any empirical studies if applicable. After non-eligible articles were removed, twenty-one (n=21) articles that explored conceptually or empirically second-hand fashion entrepreneurship in a digital/virtual space were included in this scoping review.

In phase 2 of this mix-method study, the researchers sought and evaluated secondary data of six secondary retailers including ThredUp, The RealReal, Vestiaire Collective, Etsy, PoshMark, and Mercari. These retailers were chosen as they were cited to be the top online retailers for secondhand merchandise, which is driving the growth of the U.S. secondary market, and their overall users and revenue (ThredUp, 2022). In addition, three of the retailers (ThredUp, The RealReal, and Vestiaire Collective) control the entrepreneur's space and prices and the other three retailers (Etsy, PoshMark, and Mercari) allow the entrepreneurs to control their selling space and pricing. This procedure was conducted to evaluate the market and its opportunities for entrepreneurs.

Results. From the scoping review phase (phase 1), 21 scholarly articles, with a total of 15 broad descriptions of secondary fashion entrepreneurship, were shortlisted. The researchers classified them in three blocks based on their primary scope (technology-platform based or business model based), objective (peer-to-peer interactive focus, seller-based focus, or user-based focus) and outcomes (profit, intangible benefits, business opportunities, and barriers). These findings were additionally supported with phase 2 results.

Based on the secondary data collected in phase 2, each resale retailer has experienced an increase in revenue from the previous year with the largest increase from Vestiaire Collective (180.9%). In addition, there are millions of users seeking out secondary products from sellers on each platform with Etsy and Poshmark with the most users (81.8 million and 80 million, respectively). While some seller information was not available, Etsy and Poshmark reported 7.3 million and 4.5 million sellers, respectively. Seller income was also not widely available and varied based on platform (i.e., \$43,000 per year for Etsy and \$1,300 per year for Mercari), but each platform does take a percentage of the sale as a fee (10%-20%) for utilizing their platform.

Conclusions. Based on the three blocks determined from the scoping review use to describe virtual entrepreneurship (Chandna & Salimath, 2018), the researchers coined the term *secondary fashion entrepreneurship* from this lucrative micro-entrepreneurial phenomenon. This term best describes product status (second-hand), market (fashion), and business model (entrepreneurship) in use. The main advantages of this emerging career includes easy access and reduced costs that especially challenge small or micro-entrepreneurial firms (Hu et al., 2019); easy transactions that are not governed by formal contracts and legal barriers, and in fact, are inspired by non-market logics and "negotiable" terms (Laurell & Sandström, 2017); readily available international consumers base, especially considering multiple platforms (Delacroix et al., 2019); and their potentials for growth (Chandna & Salimath, 2018). The market is projected to grow due to the increased use of technology and the interest in environmentally sustainable consumption, allowing more opportunities for secondary fashion entrepreneurs now and in the future. Thus, a career, or even a side job, as a secondary fashion entrepreneur is obtainable and lucrative. Furthermore, it is suggested from these findings that textile and apparel scholars recognize the growing importance of secondary hand entrepreneurship as an emerging and lucrative career with easy access. Therefore, scholars should also educate their current college students about secondary fashion entrepreneurs and how these students may want to consider this career or even a side job while pursuing their degree and even after graduation.

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