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MPB / Retail Economics: **Second-Hand, First Choice: The Psychology of Recommerce**

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Foreword



Matt Barker
CEO and Founder, MPB

At MPB, we have witnessed the remarkable growth over the last decade in the market for used goods – so called “recommerce” – as well as the wider societal and technological trends which have driven this fundamental change.

Our business – the world’s largest online platform for used photography and videography equipment – was founded to make the process of buying, selling and trading used kit easier, more trustworthy and to ensure both sides of the transaction could receive a fair price.

As this research underscores, technology has played a huge role in enabling recommerce to flourish. At MPB, we use our proprietary Re.Comm platform and our data to make the experience of participating in the circular economy seamless and straightforward for consumers. In this way, specialist online marketplaces like MPB seek to build trust and consistency in an otherwise fragmented market. The same is true for our peers serving other verticals.

Since then, we’ve seen how increasing environmental concerns, changing attitudes to second-hand items and pressure on disposable income have led to tangible behavioural change among consumers, with more of us buying and selling used – not as a second choice, but taking pride in doing so. There is growing recognition that used is better than new: in the last year, MPB has recirculated and extended the life of 500,000 individual items.

This report – which represents one of the most comprehensive pieces of research of its kind into the recommerce market and consumer motivations – demonstrates how significant and widespread the shift to buying and selling used has been, as well as the size of the commercial opportunity this represents, with the market set to grow by nearly 80% in the next five years.

It is clear that there is still tremendous potential to increase the volume of items we recirculate as a society across a wide range of categories of goods. At the same time, this research makes it clear that this is a sector which echoes the values and changing preferences of consumers today.

I’m proud of the role that MPB and businesses like us have played in helping to facilitate the ‘recommerce revolution’ that this report reflects, and excited to play our part in the market’s future development and continued growth.

Second-Hand, First Choice: The Psychology of Recommerce

Introduction

The 'recommerce revolution' is not just a trend - it's a transformative force that will fundamentally reshape the retail and consumer landscape moving forward. This evolution is not merely a passive shift, it's a dynamic force, reshaping the way society thinks about retail, sustainability, and consumer behaviour. At its core, recommerce champions a circular economy where product lifecycles are extended, waste is reduced, and sustainability values are elevated to centre stage.

Recommerce' (short for reverse commerce) refers to the buying and selling of previously owned items, which can include a wide range of products such as clothing, electronics, furniture, and more.

Today, the recommerce market (excluding automotive) is already worth £165 billion on a global scale¹ and is forecast to grow almost 80% by 2028 across the US, UK, France and Germany, representing a five-year compound annual growth rate (CAGR) of 12.1%. The UK recommerce market is worth c.£6.5bn today and is forecast to nearly double in size over the next five years, to £12.4bn in 2028.

Historically, the sector was confined to garage and car boot sales, charity shops, second-hand markets and the like. With

the advent of the internet, online classified and generalist platforms exploded onto the market (e.g. Craigslist and eBay). Today, we are traversing through a third wave of activity characterised by an increasing number of specialist marketplaces like musicMagpie, MPB and Watchfinder.

Unlike the 1990s, powerful market drivers are now coalescing, propelling the industry to new heights. Drivers such as sustainability, the economy, societal and retail trends are accelerating market movements, backed by advances in technology which are supercharging critical infrastructure. Sustainability concerns and the rising cost-of-living are fierce motivational factors currently reshaping consumer behaviour for both buyers and sellers within the recommerce market.

This report delves into the key themes concerning recommerce, unearthing vital industry and consumer insights that businesses can implement in their strategies as recommerce continues to evolve. There are three parts: Section 1 looks at the general market landscape; section 2 explains consumer motivational drivers and characteristics and section 3 delves into five key megatrends shaping the future of the market.

¹ Excludes China due to a lack of official reporting and different market dynamics.

Methodology

Consumer surveys were undertaken in August 2023 covering a sample of 6,000 nationally representative households across the UK, US, France and Germany. Market sizing and forecasts were based

on a combination of survey responses and recommerce industry data sourced from Retail Economics. Sizing was calculated at a vertical (e.g. fashion, furniture, electricals) and geographical market level.

Section 1: **Recommerce Revolution:** Used Market Landscape & Dynamics

The recommerce market is undergoing a profound transformation and will remain a focal area of retail for the foreseeable future. It is being primarily driven by sustainability concerns and the rising cost-of-living – two powerful factors. The barriers to entry for buying and selling pre-owned goods have significantly decreased, with digital playing a key role in simplifying processes, helping to democratise recommerce.

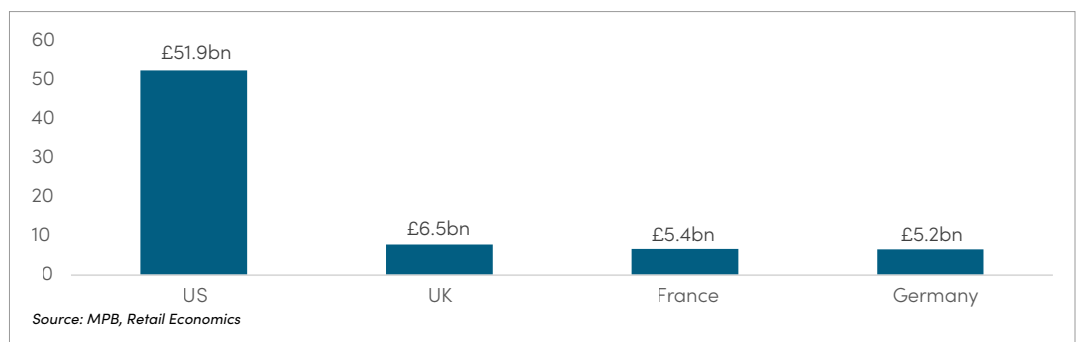
This burgeoning ecosystem is not only altering consumer behaviour but rewriting the rules of engagement for traditional retailers. It's an area garnering considerable attention with exploding demand giving rise to a plethora of general and specialised platforms. This section explores the market's characteristics, size and the remarkable growth potential.

Recommerce; the £165 billion industry

Today, the recommerce market (exc. automotive) is already a colossal £165-billion-plus global industry. In the US alone, sales of used goods are worth almost £52 billion, making it the largest recommerce market worldwide.

For comparison, the largest European markets combined account for over £17 billion, with the UK leading the way at £6.5 billion, France at £5.4 billion and Germany at £5.2 billion. Cumulatively, these four recommerce markets are larger than the entire retail market of Austria (10th largest European market in total retail sales). The UK is expected to reach £12.4bn by 2028, nearly doubling in size relative to today and significantly outpacing the traditional retail market.

Fig 1: Recommerce market size by country



These weighty numbers not only highlight the financial opportunities within recommerce, but underscore the exploding demand for buying and selling used goods.

Fashion leads the way

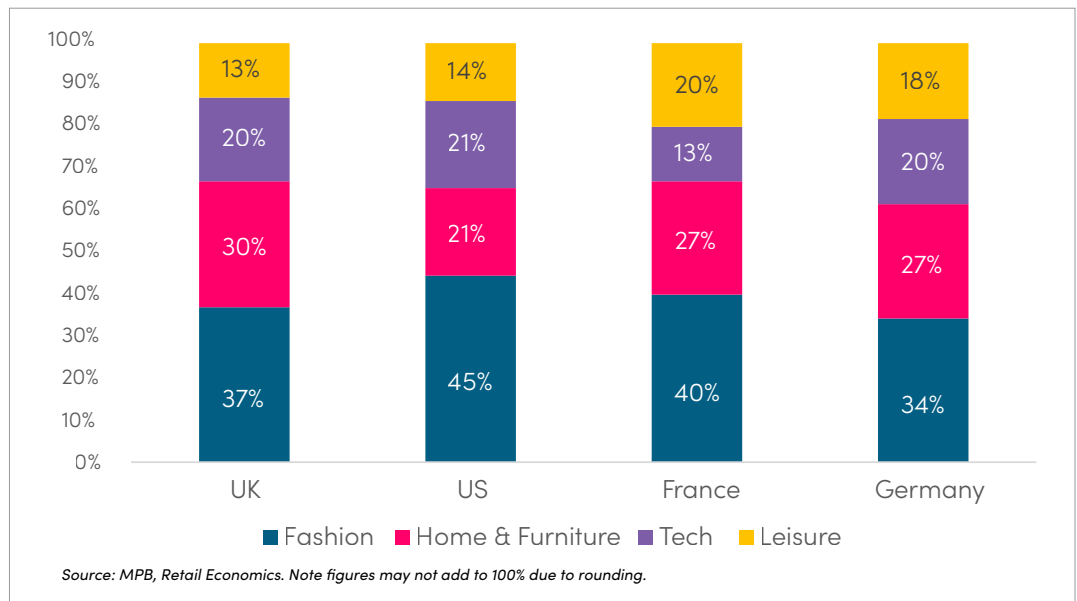
Fashion currently reigns supreme for used. From the four countries included in our research, around £4 in every £10 spent on used goods is on apparel (Fig. 2). The extensive range of recommerce platforms and resale players for fashion offers consumers extensive choice and accessibility. Additionally, flash trends within the fashion industry perpetuate a

continuous churn of stock, driven by fast fashion and shorter ownership periods.

Homewares and Furniture claim a substantial share of the recommerce market, particularly in Europe. This is led by the UK, with a 30% share of total recommerce spend, amounting to nearly £2 billion annually in these categories.

The Tech sector (e.g. laptops, phones, cameras) also maintains a robust presence across countries. It captures around one-fifth of market share, reflecting strong demand for used kit. Leisure is the smallest sector, including items such as toys, games, music, and sporting equipment.

Fig 2: Fashion dominates recommerce categories

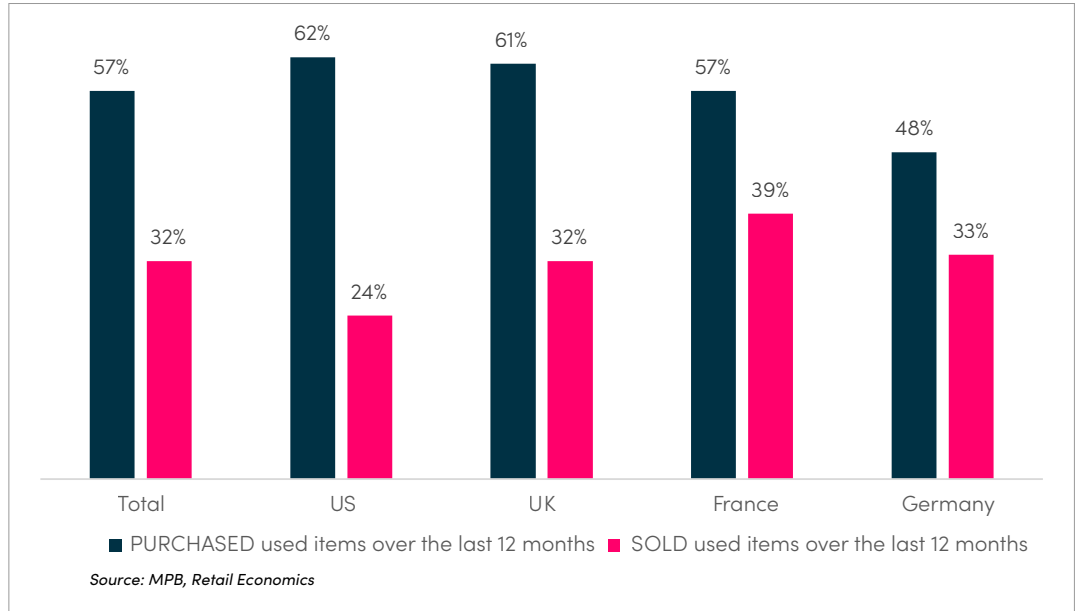


Consumer engagement in recommerce

Almost three in four (71%) consumers either bought or sold used goods in the past year. From these, over half (57%) were 'buyers' and one in three (32%) were 'sellers'; and overall, around one in five (17%) bought and sold second-hand on a regular basis – 'used enthusiasts'.

The research uncovers regional differences. The US and UK have the highest penetration rates for buying used over the past year, being three in five shoppers (Fig. 3). Meanwhile, France emerges as the leader in active selling, with an impressive 39% of consumers recently selling used, equating to around 20.5 million sellers each year.

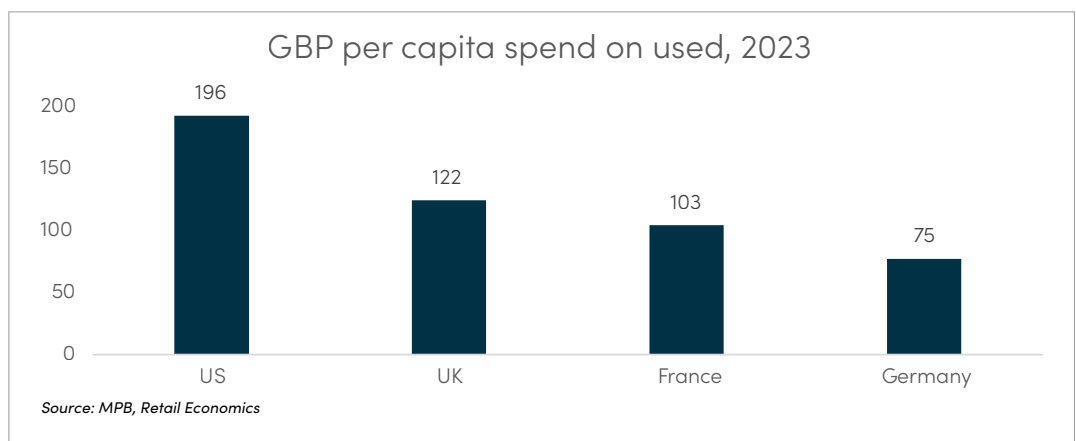
Fig 3: US and UK have the highest rates for purchasing used products



Regarding consumer spending per capita, this also varies significantly. Here, the US leads with per capita spending of £196 (Fig. 4). The UK has the highest per capita spend in Europe at £122, while France

and Germany follow at £103 and £75, respectively. Disparities reflect different levels of market maturity, cultural attitudes towards second-hand, and prevailing economic conditions.

Fig 4: Regional spending per capita on recommerce

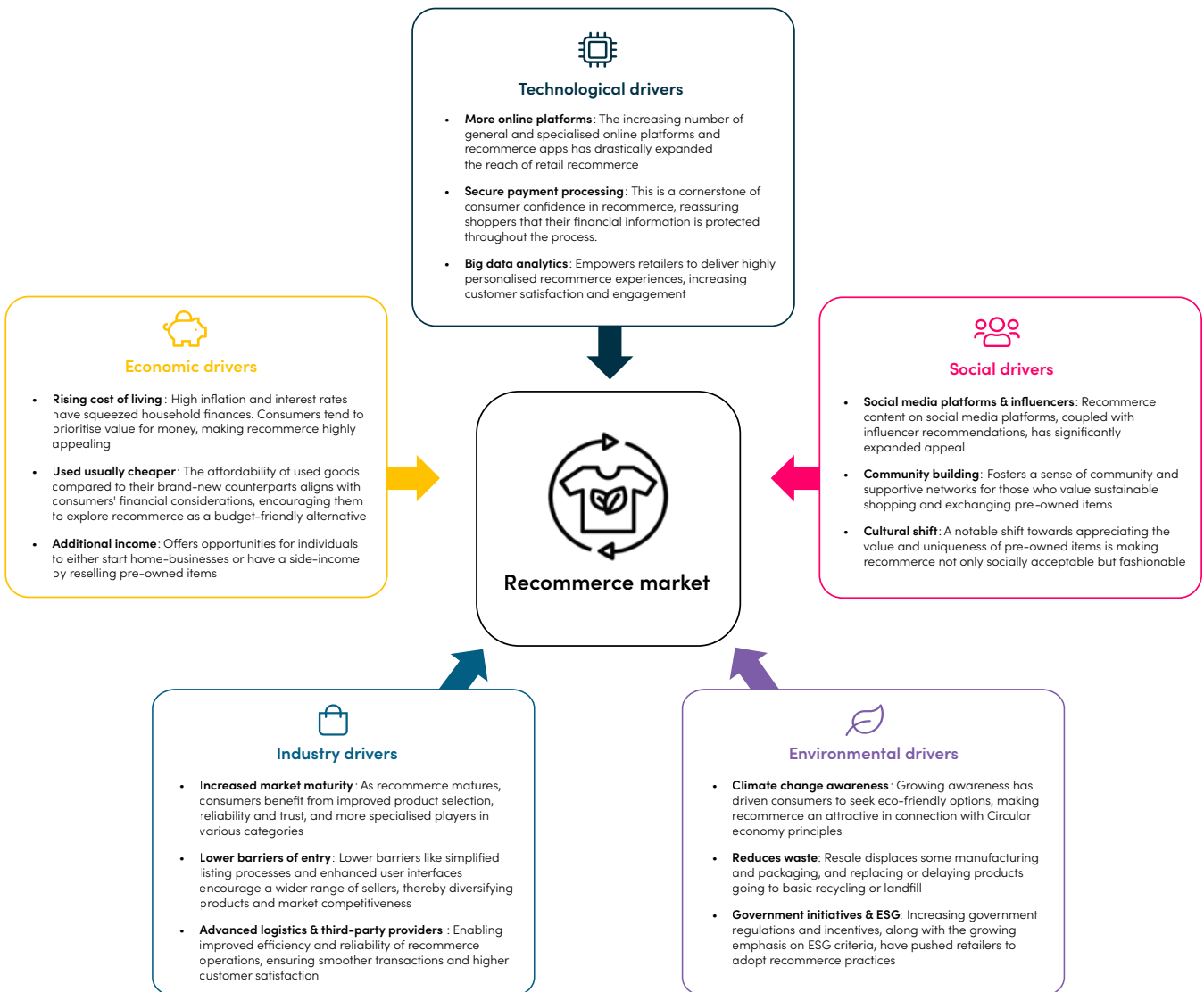


Market drivers of recommerce

The extraordinary growth of recommerce is being driven by five principal factors (Fig. 5). Together, these powerful drivers

are transforming recommerce into a burgeoning and resilient market.

Fig 5: Key drivers of recommerce



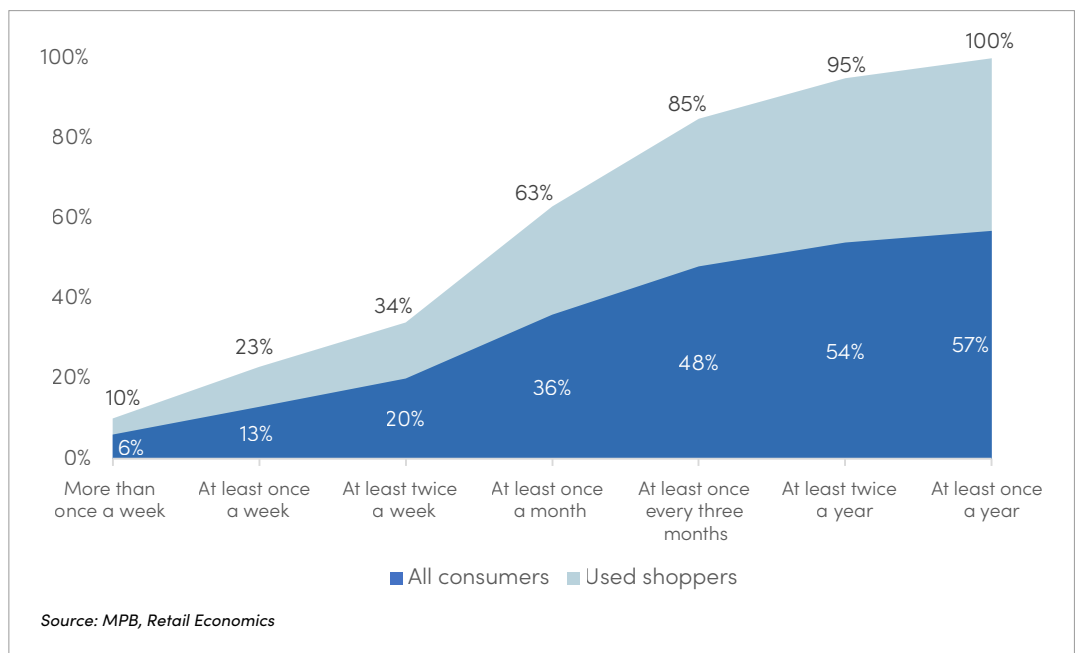
Source: MPB, Retail Economics

Consumer behaviour: Key insights you need to know

1. Recommerce building momentum: Almost two in three (63%) used shoppers (defined as those that have shopped used in the past year) make a purchase

at least once a month, suggesting that recommerce is becoming embedded as part of normalised shopping behaviour.

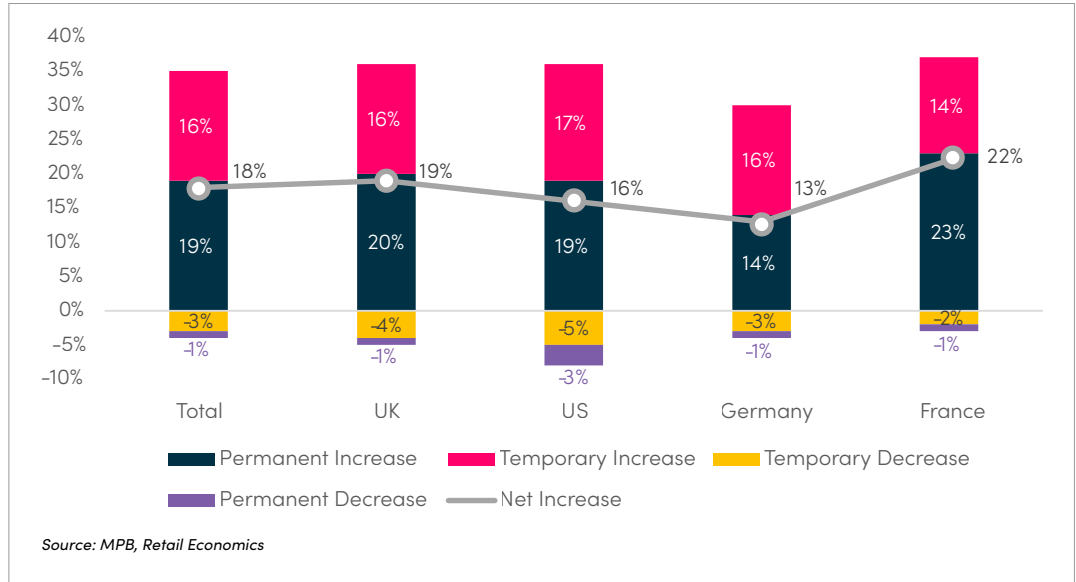
Fig 6: Cumulative frequency of buying used: all shoppers vs used shoppers



2. A permanent shift to shopping used across all four regions: Over a third (35%) of consumers have increased the frequency of their used purchases over 2023, compared to the previous year. One fifth (19%) of consumers overall consider

this shift to be a permanent change. Contextually, in the UK, 9.4 million adults bought used more often in the last 12 months, and expect to continue this behaviour going forward.

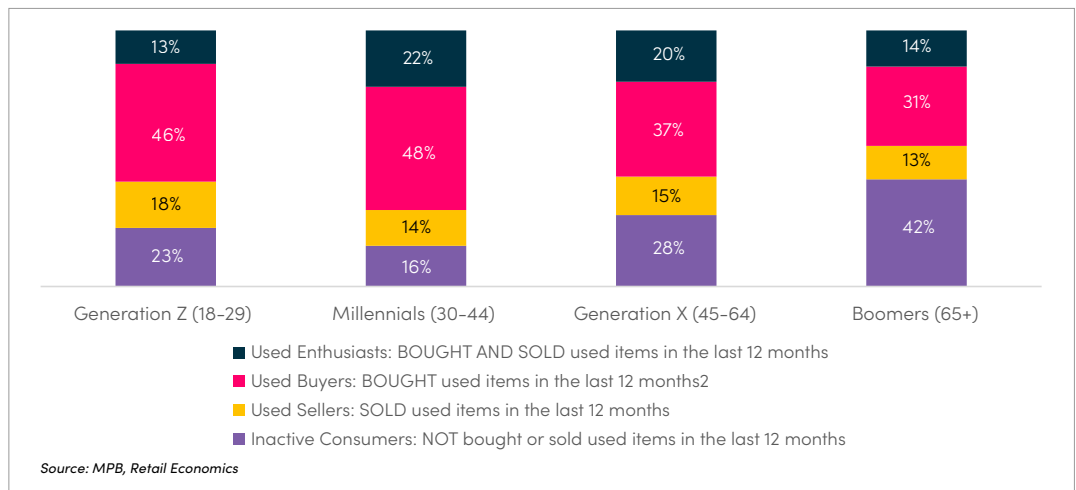
Fig 7: Permanent adoption of recommerce recognised across all markets



3. Millennials driving used market revolution: More than four in five (84%) Millennials (aged 30–44) participate in the used market, compared to just over half (59%) of Boomers (aged over 65). What sets Millennials apart is not only their participation but the regularity of their engagement, with 50% buying used items at least once a month. Surprisingly,

Millennials engage more in the used market than Gen Z due to their life stages. Millennials, settling into homes, raising families, and accumulating possessions, see buying and selling used items as a practical way to declutter, save money, and fund other necessities. They prioritise practicality over the latest trends, unlike trendsetting Gen Zs (aged 18–29).

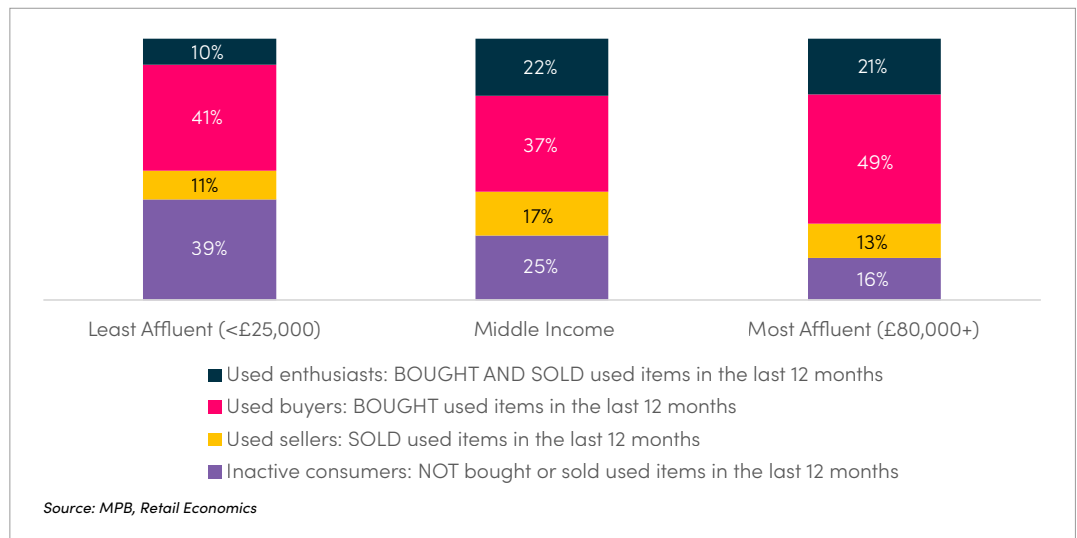
Fig 8: Younger consumers actively embrace recommerce



4. Affluent shoppers particularly engaged: Challenging the stereotype that the second-hand market primarily caters for shoppers with limited budgets, our research paints a different and more nuanced picture.

Our data reveals that the most affluent consumers, those with an annual income of £80,000 or more, are twice as likely as low-income households to have bought and sold used items over the last 12 months.

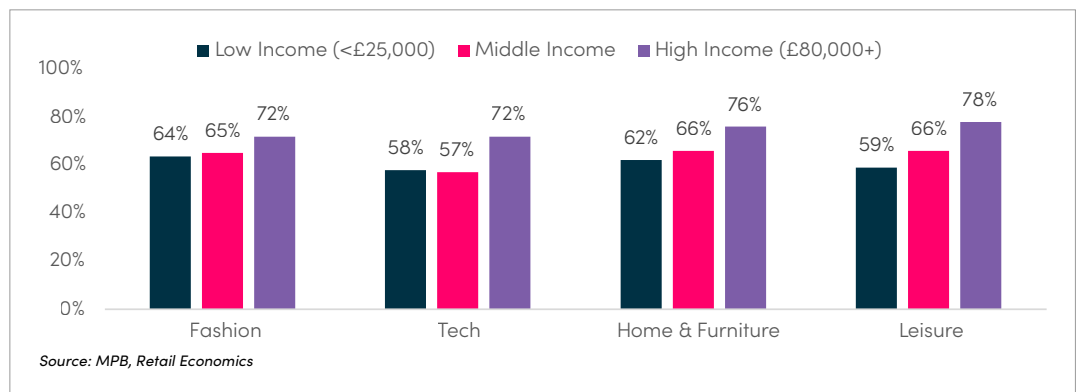
Fig 9: Affluence a key factor of recommerce engagement



Additionally, across all categories, more affluent consumers express a higher likelihood to buy second-hand items over the year ahead (Fig 10). These insights dispel the myth that the used market primarily attracts budget-conscious shoppers, highlighting instead that it closely mirrors the wider retail landscape, where middle and high-income households are

the driving force, as they possess the means to purchase more frequently, across new and used items. Increasingly, wealthy consumers are seeking out second-hand goods to ‘trade up’, obtaining exclusive products or designer brands that they perhaps wouldn’t otherwise be able to access.

Fig 10: Likely to buy used in next 12 months



Forecasting a bright future for recommerce

Given the significant momentum and shift in consumer values, the recommerce market is expected to see rapid growth in the next five years and beyond. We

forecast growth of nearly 80% by 2028 across the US, UK, France and Germany, representing a five-year CAGR of 12.1%.

Fig 11: Recommerce Market Forecasts: Double-digit growth over the next five years



Section 2: Consumer drivers and characteristics: The five motivational pillars of recommerce

The recommerce market is experiencing a significant evolution and is poised to increase its prominence within the retail landscape. As this ecosystem expands, it's critical for retail brands to deeply understand the motivating factors driving consumer behaviour, not only to shape marketing strategies, but to capitalise on consumers selling second-hand too.

The value for money afforded by used goods is an attractive proposition for all households, irrespective of income, particularly given persistent cost of living concerns and elevated interest rates across Europe and North America. Against this backdrop, the recommerce market stands out as a budget-friendly alternative to buying new.

Value the primary motivation

Our research shows that deriving better value and cost savings is the primary motivating factor for consumers buying used. Over half of shoppers (52%) stated 'financial reasons' to validate this.

When it comes to selling, earning income is the main driver, with over a third (34%) of shoppers opting to sell second-hand products to prop up finances.

Beyond financial motivations, environmental concerns are the next biggest motivating factor for buying used. Here, recommerce offers consumers a viable solution to live more sustainably, reducing environmental impact and waste.

Fig 12: Selling motivations more varied than buying



Material motivations can also play a key role. These encompass practical reasons such as demand for unique or vintage items. It can also empower buyers to pursue personal interests or specific lifestyles. From a seller's perspective, the motivation often lies in decluttering living spaces.

Buying and selling used can also deliver social and emotional benefits, from connecting people and building like-minded communities, to creating a feel-good factor and gaining satisfaction from buying/selling used (or supporting others who perhaps cannot afford to buy brand new).

Consumer cohorts: characteristics and motivations

Our research reveals distinct buying and selling shopper cohorts, with motivations differing in importance by age, region, product category, and more.

Pillar	Buying	Selling	Consumer characteristics
Financial	Seeking cost savings or better value when purchasing used compared to new.	Generating income by selling unused or unwanted possessions.	<ul style="list-style-type: none"> Typically middle to lower income, budget-conscious, seeking bargains or aiming to raise funds. Often young families, as they look to balance expenses. Higher likelihood being female due to budget management roles within households.
Environmental	Desire to reduce environmental impact by choosing used items over new, contributing to the circular economy.	Extending the lifecycle of items and minimising waste.	<ul style="list-style-type: none"> Mix of ages reflecting the broad appeal of sustainability. Sustainability efforts often align with personal lifestyle choices, contributing to a diverse age range. Typically middle to high-income with the means to invest in eco-friendly choices.
Material	Desire to find or collect unique, rare, or vintage items in pursuit of interests or lifestyle.	Decluttering living spaces by parting with unused possessions.	<ul style="list-style-type: none"> Typically under 30 or over 55 years - polarisation by age due to different life stages. Younger individuals may be drawn to the novelty and uniqueness of vintage items. Older individuals (particularly empty nesters) decluttering homes.
Social	Desire to align with social trends, be part of the resale community, and support causes.	Being part of a buy/sell network or group, giving back to a community, raising funds for causes with proceeds.	<ul style="list-style-type: none"> Typically younger, digital native consumers (under 45), reflecting strong desire to align with social trends and communities of buyers/sellers. Middle to higher income individuals are more likely to have resources for supporting causes and participating in buy/sell networks.
Emotional	Feel-good factor and emotional connection of shopping for used items.	Finding fulfilment in sharing with others and satisfaction in selling no longer needed items.	<ul style="list-style-type: none"> Likely Gen Z or Millennial, reflects their preference for experiences and meaningful connections. Middle to higher income individuals are more likely to prioritise emotional satisfaction over cost savings or income generation.

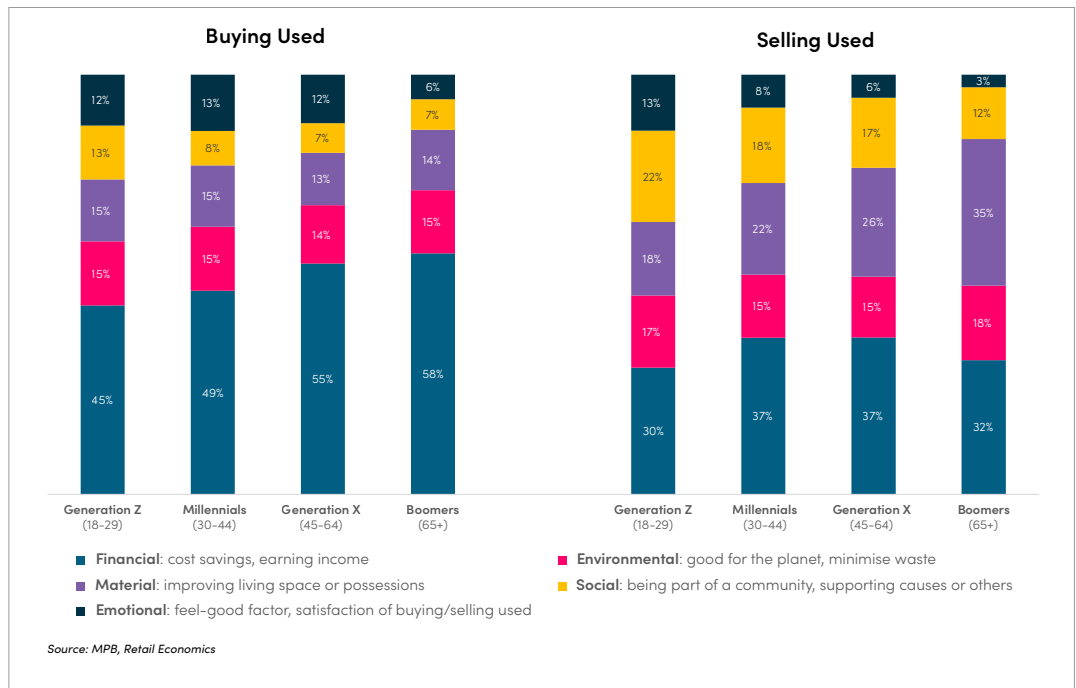
Motivations by age

Younger Generations (Gen Z and Millennials): Embracing Environmental and Social Factors

Gen Z and Millennials exhibit a more varied mix of motivations when it comes to buying and selling used items. They still give priority to financial benefits but also demonstrate strong environmental and

social concerns. They express a desire to engage with communities, support causes, and make a broader social and environmental impact through their participation in recommerce activities.

Fig 13: Used motivations by age



Older Generations (Gen X & Boomers): Focus on Financial Prudence & Decluttering

Conversely, Gen X and Boomers share simpler motivations, focusing on financial gains and the practical aspects of finding

unique items or decluttering as they look to downsize or clear out years of accumulated possessions.

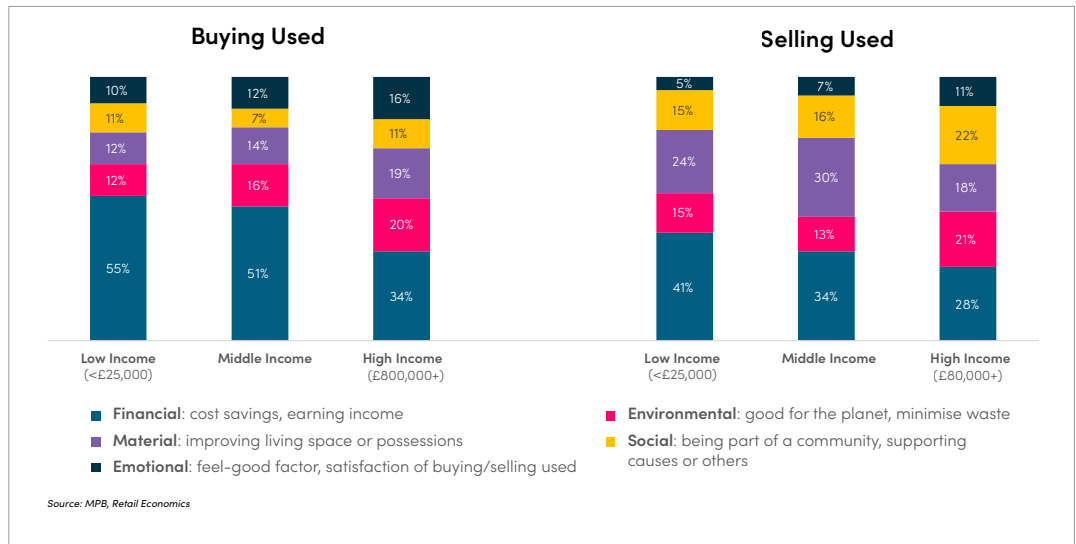
Motivations by income

High-Income: Embracing sustainability and lifestyle

High-income households exhibit a more diverse set of motivations for engaging in recommerce compared to other income groups (Fig 14). A significant majority (66%) of high-income households buy used items for non-financial reasons, including environmental, material, social,

or emotional factors, in contrast to less than half (45%) of low-income groups. Their decisions are less influenced by financial motives, with greater emphasis on reducing environmental impact and maintaining a particular lifestyle quality.

Fig 14: Used motivations by household income



Middle-Income: Balancing Finance and Material Middle-income shoppers look to strike a balance between financial considerations and material motivations when buying and selling used. They seek affordability while also showing a strong desire to declutter and keep organised, with material motivations (30%) taking precedence when selling.

Low-Income: Value Driven Lower-income consumers are most strongly driven by financial motivations when both buying (55%) and selling (41%) used items. Their practical approach aligns with their necessity for cost-effective solutions and income generation.

Motivations by category

While financial motivations for buying and selling used are universally strong, the unique dynamics of each category lead to different secondary motivations:

Fashion: Environmental motivations are strongest among buyers and sellers of used fashion items, reflecting a growing trend towards sustainable and eco-conscious fashion choices as the ethical practices of fast fashion comes under the scrutiny. Reducing fashion waste

and contributing to environmental sustainability are key drivers here.

Home & Furniture: Material motivations are notable for buying and selling used in this category. Consumers often like to hunt out unique, vintage or upcycled furniture pieces to make a statement in their homes, while the act of selling also becomes a means to declutter, achieving an organized and minimalist living environment.

Fig 15: Used motivations by category



Tech: Financial motivations are prominent for used tech products. These items often come with higher price tags, making cost savings and better value critical considerations for buyers, while the resale value of tech products makes generating income a primary driver for sellers in this category.

Leisure: Buyers of used leisure items are most likely to be motivated by social and emotional factors. Recreational

products, including toys, games, music, and sporting equipment, often hold a special place in people's hearts due to their connections to community dynamics, passionate hobbies, or the joy of sharing them with others.

All of this underscores the complexity of consumer motivations driving recommerce and the need for businesses to understand these nuances to plan effectively.

Section 3: **Megatrends** reshaping the recommerce industry

Our research identifies four megatrends influencing the recommerce market. It looks at: (1) the influence of digital; (2) attitudes towards sustainability; (3) barriers within the market for buying and selling, and (4) importance of technology in securing trust.

Megatrend 1: The rise of digital powering a thriving resale ecosystem

Digital has elevated recommerce to new heights – and continues to do so. To understand this transformation, we can look

at the three distinct waves of recommerce (Fig. 16). The evolution began in the 1990s when traditional offline channels started giving way to online platforms. This shift empowered buyers and sellers to trade used products in a more structured manner, reaching wider audiences across more categories.

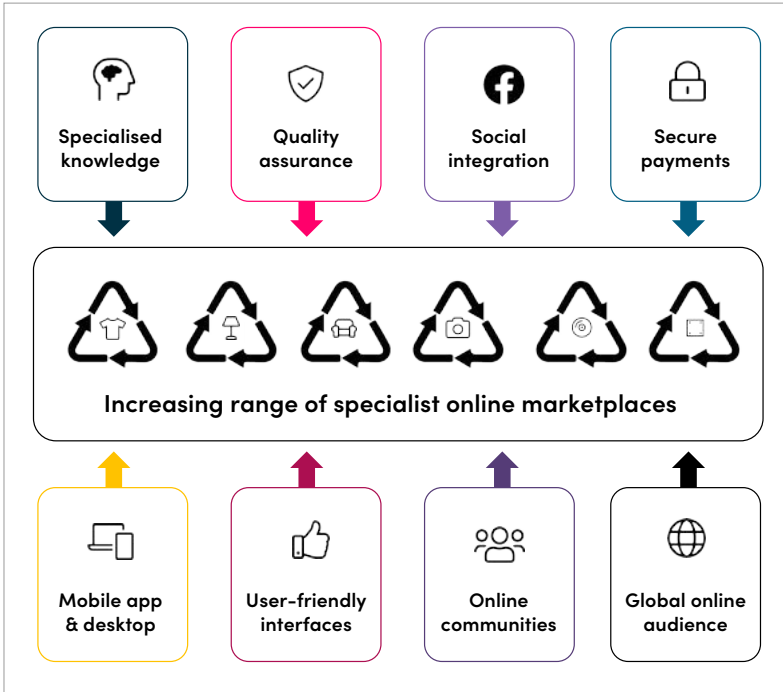
Classified sites like Craigslist and Gumtree provided an innovative peer-to-peer system for transactions. However, they struggled to address critical issues such as secure transactions, trust-building and verification, leaving users with unresolved issues.

Fig 16: Evolution of the recommerce market



Source: MPB, Retail Economics

Fig 17: Key factors driving the rise of specialist online marketplaces



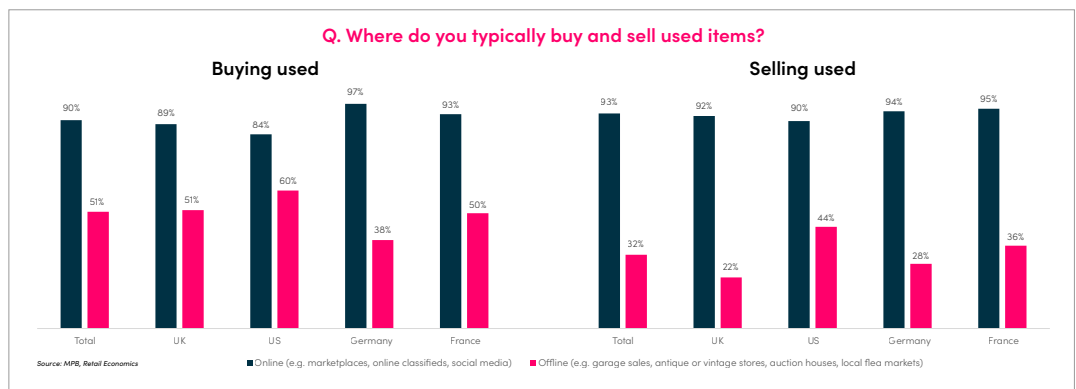
Fast forward to today, and many of these early online stumbling blocks have been overcome through digital advancements. We are now witnessing the third wave of recommerce, which is gaining momentum. This wave has been fuelled by the rapid rise of online platforms, accelerated by the pandemic, alongside heightened economic pressures on household finances in recent years. Consumers are increasingly seeking value in their purchases, spurring the growth of specialist platforms or ‘hypervertical online’ marketplaces with deep category expertise (e.g. Depop, MPB). These platforms are at the forefront of the recommerce revolution, backed by several key factors (Fig. 17).

Online: the go-to channel for recommerce

Our research underscores the undeniable preference for digital when it comes to both buying and selling used items. Nine in ten (90%) respondents typically use online channels when purchasing used goods, while just over half (51%) indicated

the same for bricks-and-mortar. This digital dominance is even starker in the selling domain, with 93% of respondents turning to online channels, compared to just 32% for offline (e.g. garage/car boot sales).

Fig 18: Online channels the preference for buying and selling used



Within online, marketplaces take centre stage evidenced by 78% of respondents choosing online marketplaces as their go-to platform for buying used items. This includes either generic marketplaces such as eBay (60%), or specialist platforms (39%) like Vinterior. Sellers, too, exhibit

a preference for digital marketplaces, with 74% utilising them. This finding underscores the pivotal role played by digital marketplaces in advancing the recommerce ecosystem and the benefits it offers for both buyers and sellers (Fig. 19).

Fig 19: Marketplaces the go-to platform for buying and selling used

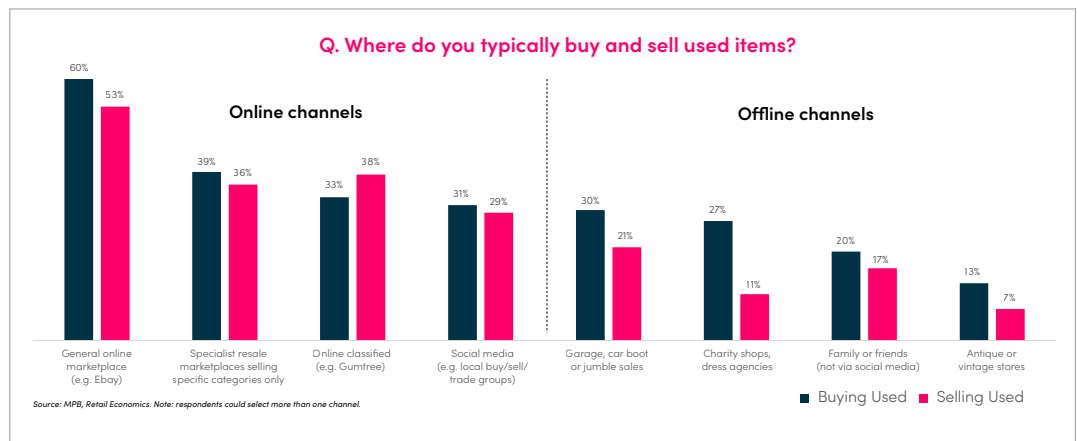
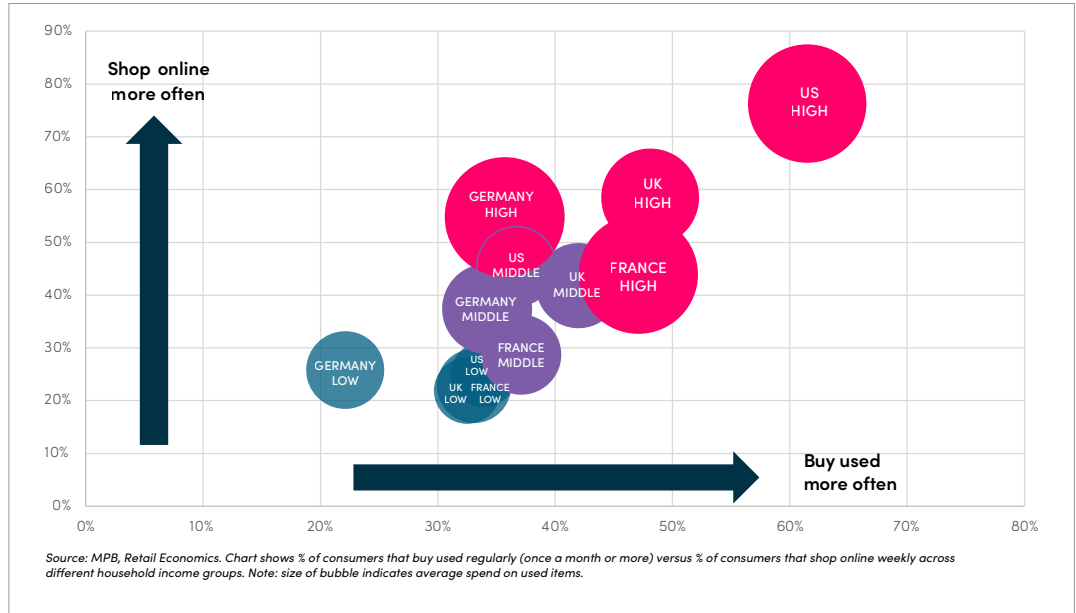


Fig 20: Benefits of online marketplaces for buyers and sellers



Source: MPB, Retail Economics

Fig 21: Affluent, digital-savvy consumers shop used more often



For the least affluent households, limited access to the internet and digital devices can hinder engagement of marketplaces that wealthier counterparts often enjoy. For social inclusivity, it’s crucial to bridge the gap in digital access and literacy to ensure all income groups can participate in the evolving recommerce landscape.

Megatrend 2: Sustainability and circularity

In light of sustainability goals and net zero targets, the retail industry and the practice of mass consumption have come under increasing scrutiny. This heightened awareness places substantial responsibilities and expectations on both retailers and consumers to adapt behaviours.

Recommerce is intrinsically linked with sustainable practices. It also plays a pivotal role in driving the circular economy. By extending the lifecycle of products, recommerce helps reduce the carbon emissions associated with manufacturing and transporting new goods.

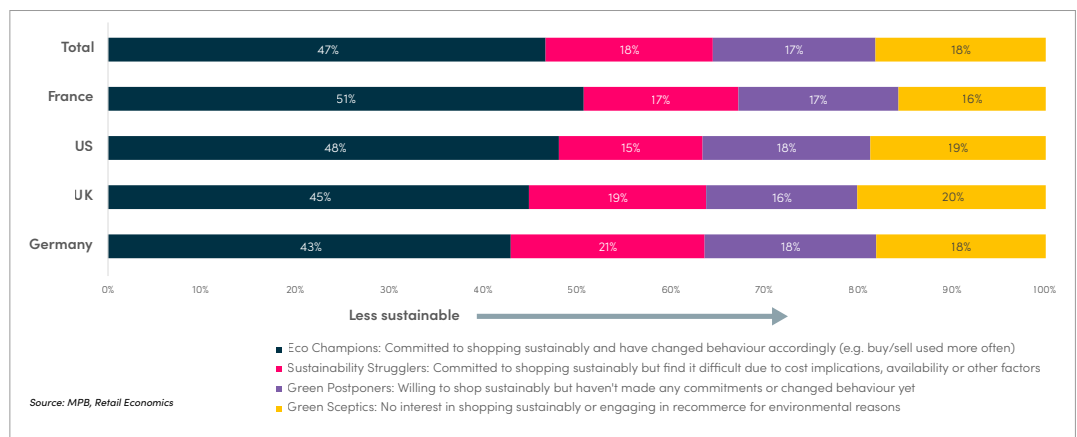
Our research reveals that 84% of shoppers recognise the sustainable benefits of purchasing used. Furthermore, three in five (59%) believe that buying used is the most sustainable way to shop. This shift toward used items is not only economically sensible but also environmentally responsible, contributing positively to our planet.

The Sustainability Say-Do gap

Nearly one in two (47%) consumers say they're committed to shopping more sustainably and have changed their behaviour accordingly; and a fifth (21%) say they honour this commitment most (or all) of the time and actively engage in recommerce.

However, this still leaves over half of shoppers that have not yet committed to shopping used for environmental reasons or otherwise. In most cases, this is despite awareness of environmental benefits – suggesting an 'attitude-intention-behaviour' gap.

Fig 22: Sustainable shopper cohorts

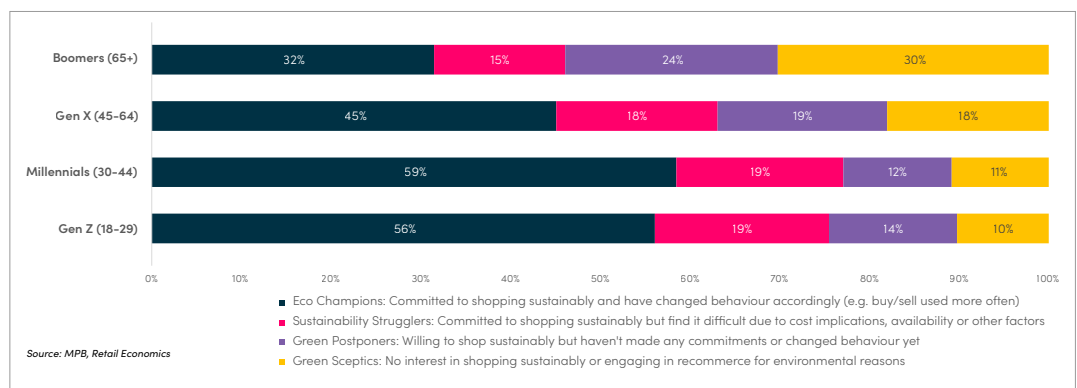


Generational divide

There is a generational divide in attitudes toward sustainability, particularly when it comes to the role of recommerce in supporting environmentally conscious practices. Boomers (65+) are three times

as likely to be 'Green Sceptics' – with no interest in buying used for environmental reasons – than Gen Z (18-29) or Millennials (30-44).

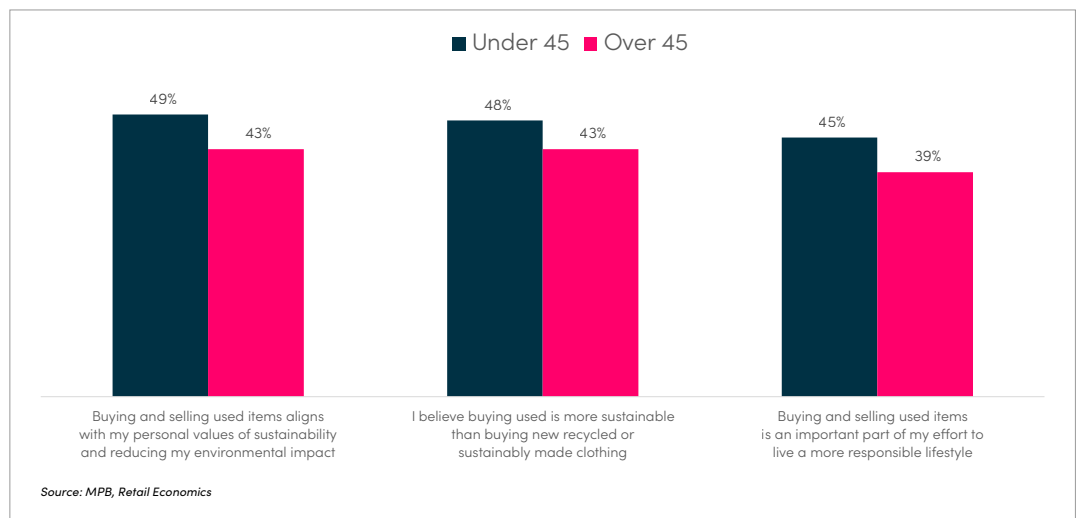
Fig 23: Commitments to shopping sustainably differ generationally



Those under the age of 45 are more likely to appreciate buying and selling used items as integral to living a responsible lifestyle with sustainable shopping choices aligned to their personal values (Fig 24).

Sustainability has become an important consideration for many younger consumers, reflecting their commitment to reducing their environmental footprint through recommerce.

Fig 24: Younger shoppers hold stronger personal values around sustainability



Consumers over 45 express somewhat less alignment with recommerce as a sustainable lifestyle solution, possibly due to the challenges of altering deeply ingrained shopping habits and a perception that sustainability may not hold the same level of personal responsibility or be as closely tied to their values.

But this is not due to a lack of desire or aversion to shopping second-hand. Less than 5% of consumers said they would never consider buying used, while less than 10% perceive there to be a cultural or social stigma, deterring them from buying and selling used items.

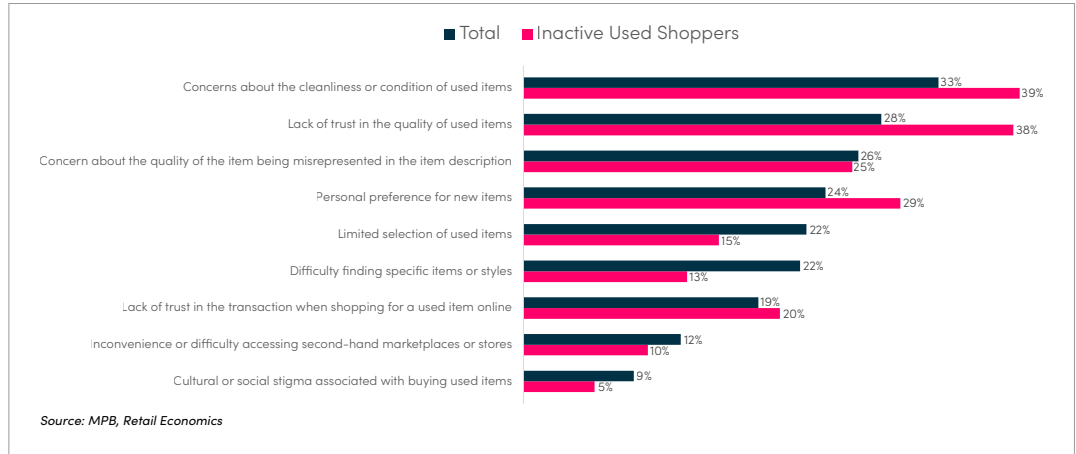
Megatrend 3: Breaking down barriers to buying and selling used

Despite the rapid growth of recommerce, a sizeable proportion of consumers still remain inactive. Across the UK, US, France and Germany, MPB’s international markets, a notable 29% of consumers have not bought or sold a used item in the last 12 months.

Buying barriers: quality is key

The top three perceived barriers to buying used revolve around *quality and trust*. Such concerns can include product condition, cleanliness, item listing accuracy, or a general lack of trust in used goods generally, usually from past experiences (Fig 25). In fact, one third of shoppers express concerns about the cleanliness or condition of used items, rising to as high as 39% for inactive used shoppers.

Fig 25: Quality and trust the main barriers for shoppers



Shoppers express a willingness to embrace used items more readily if their quality expectations are consistently met. Unlike cultural barriers which are often deeply ingrained, addressing quality-related apprehensions presents a tangible opportunity for the industry to surmount and propel further growth.

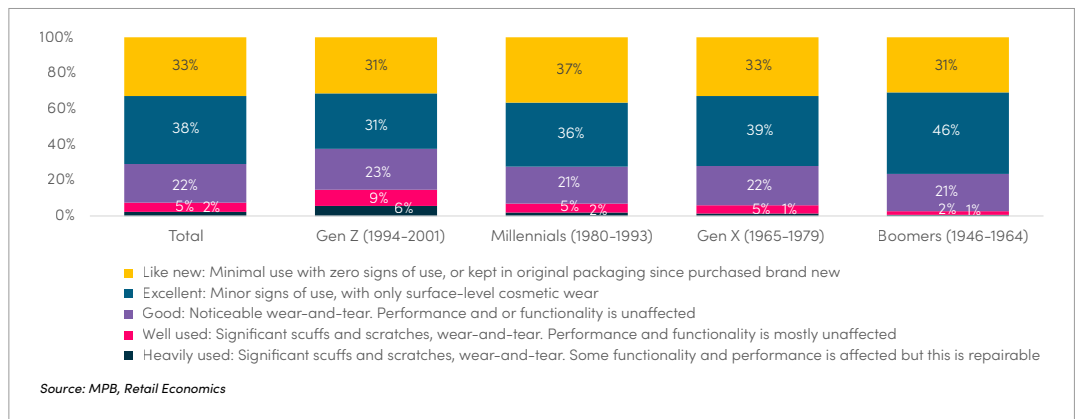
Almost three in four (71%) consumers will only consider buying used if the item is in 'excellent' or 'like new' condition. In other words, less than a third (29%) of shoppers would be willing to buy a used item that has noticeable wear and tear.

Minimum condition requirements

The challenge for the recommerce industry is to generate conditions where buying used is seen as a truly viable alternative to buying brand new.

Younger consumers appear to be more forgiving. 38% of Gen Z would consider a used item that is not in 'excellent' or 'like new' condition, compared to just 24% of Boomers. This highlights a generational divide in attitudes towards the condition of used items (Fig 26).

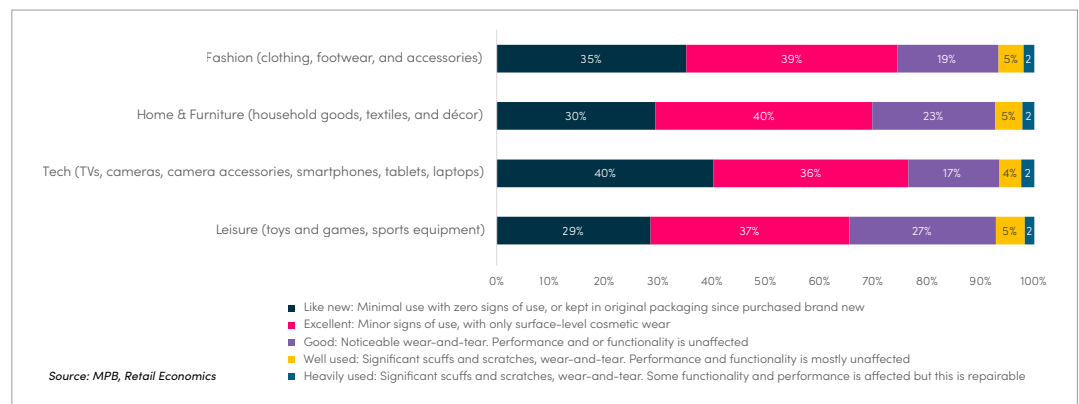
Fig 26: What is the minimum condition an item would need to be in for you to consider purchasing it as used, rather than brand new?



However, category-specific differences arise. Tech items (e.g. laptops, cameras, phones) have the highest minimum quality threshold for buying used. Two in five (40%) shoppers insist on only purchasing second-hand tech products

if they are in like new condition, with no signs of use, or in original packaging. This preference underscores the critical role of performance and functionality in consumer electronics, where even minor wear and tear can deter potential buyers.

Fig 27: Minimum condition by category



Solutions: Quality is key to converting buyers from new to used

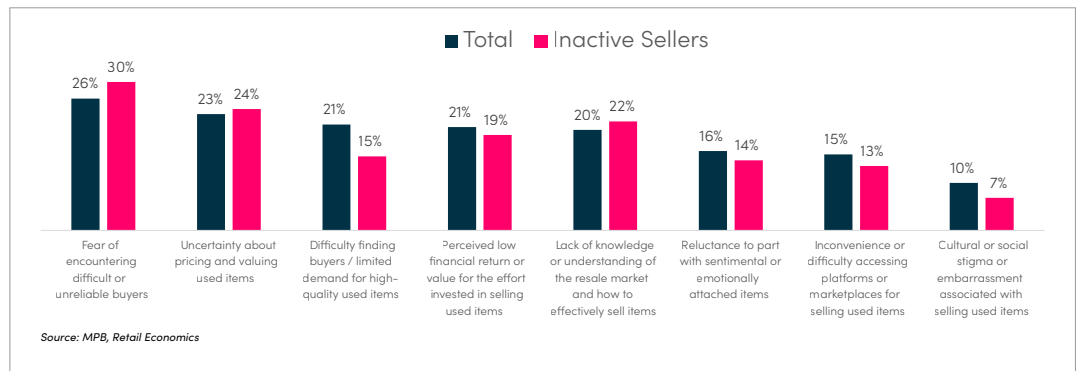
Our research reveals the following factors to overcome quality concerns in order to drive greater engagement in recommerce:

- Higher quality products:** A significant 32% of respondents prioritise the availability of higher quality products when considering purchasing used items. This emphasis on quality underscores the importance of ensuring that second-hand goods meet or exceed the expectations of consumers in terms of condition, performance, and durability.
- Competitive prices:** As with all purchases (used or brand new), cost remains a critical consideration. Recommerce platforms can attract and retain buyers by not only offering quality products, but also by ensuring that prices are fair, affordable and represent a compelling alternative to purchasing new.
- Better quality assurance measures:** Implementing robust quality assurance measures is critical to persuade engagement. This involves reliable mechanisms to verify and guarantee the condition and authenticity of second-hand items, thus instilling confidence in buyers.
- Wider selection of products and styles:** Consumers would welcome a broader range of products and styles across the used markets to help meet their demands. Offering a diverse and carefully curated selection can cater to varying consumer preferences and increase the appeal of the second-hand market.
- Greater trust in transactions:** Trust is a cornerstone in recommerce. It's essential to buyers, in order to addresses concerns related to misrepresented products, transactions, returns and overall transparency.

Selling barriers: Buyer fears and uncertainty

Just as consumers face challenges when buying used items, sellers encounter barriers when parting with pre-owned possessions (Fig 28).

Fig 28: Selling barriers: What are the reasons that prevent you from selling used items more often?



Our research shows these barriers primarily revolve around three key themes:

Buyer apprehension: Includes encountering difficult or unreliable buyers (26%) and experiencing struggles to find suitable buyers for used items (21%).

Pricing uncertainty: Sellers grapple with uncertainties over pricing and accurately valuing used items (23%), and the perceived low financial return for the effort invested in selling used items (21%).

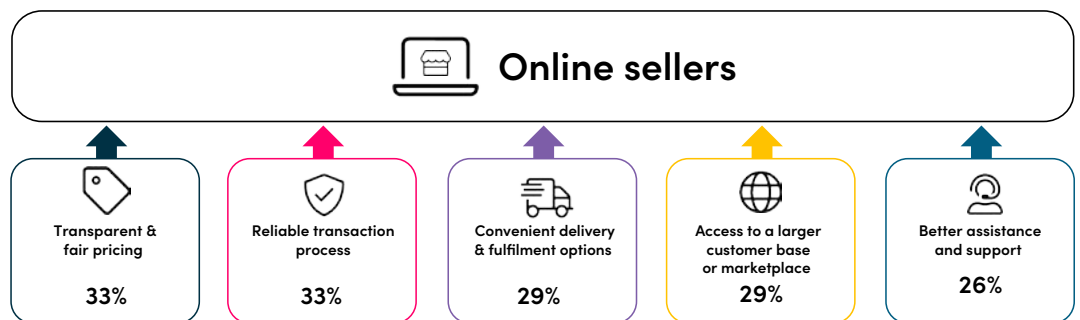
Lack of know-how: Potential sellers are often dissuaded by their lack of knowledge

or understanding of the resale market, including how to effectively market and sell items (20%) and issues related to difficulty in accessing platforms or marketplaces for selling used items (15%).

Sellers' challenges and expectations

Unlocking the full potential of selling used items relies on aligning consumer expectations with the selling experience. Figure 29 shows the principal factors that would increase sellers' recommerce activity as uncovered by our research.

Fig 29: Key supporting factors for increased seller engagement



Source: MPB, Retail Economics (percentages reflect proportion of survey respondents)

Our survey also revealed that fewer seller frustrations appear within the fashion category such as price negotiations. This could be attributed to consumers' greater familiarity with buying used fashion. Conversely, sellers in categories like Tech and Home & Furniture face the greatest frustrations in areas such as managing pricing expectations and handling unreliable buyers. These categories often involve higher-priced items with more intricate transactions. Electronics tend to attract tech-savvy consumers who may have heightened expectations regarding quality and technical specifications for example.

Interestingly, sellers in the US appear to face more challenges than their European counterparts. A higher proportion of US sellers noted intense competition as a barrier (30%), while negotiating prices is often demanding (35%), and establishing a positive seller reputation (21%) can be challenging. Other frustrations are more universally experienced, such as the need to securely package and efficiently ship items, handling returns, and addressing buyer concerns.



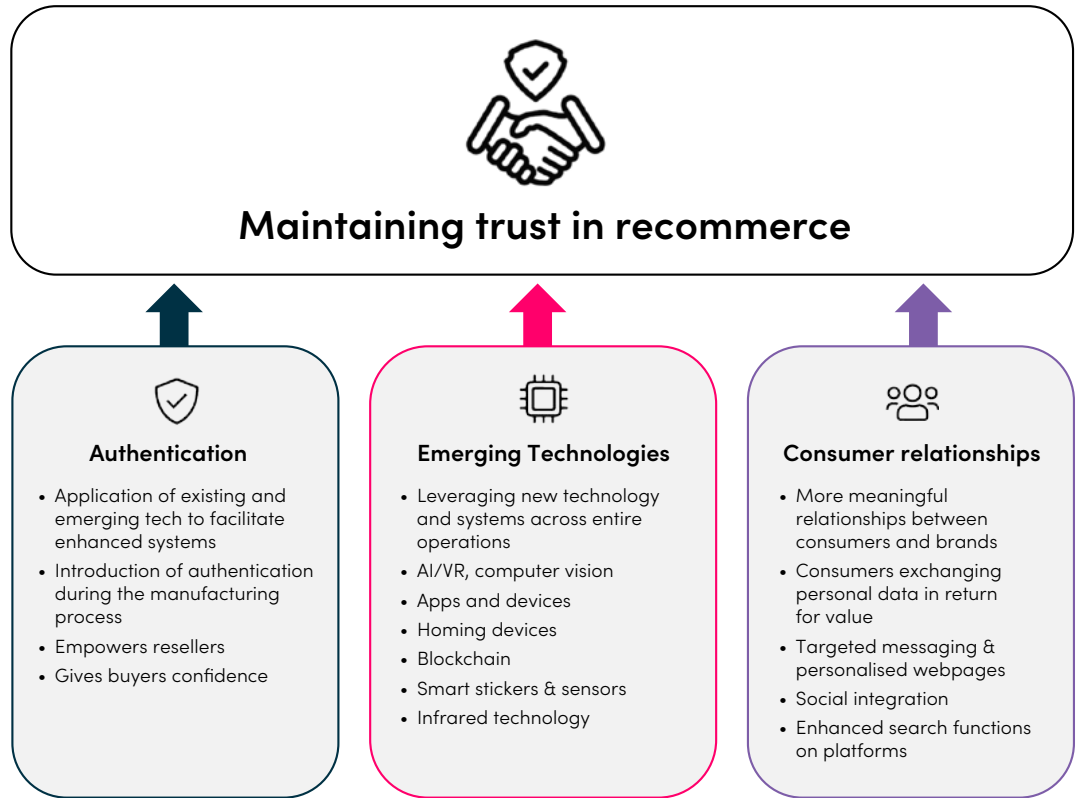
Megatrend 4: Securing trust by leveraging data and technology

Fostering trust and ensuring product authenticity is a pivotal challenge within recommerce. Consumers often hesitate when considering buying used goods, primarily due to concerns about product authenticity and condition. To thrive in this landscape, companies are exploring innovative solutions and leveraging a range of emerging and current technologies.

For instance, some luxury brands use radio frequency identification (RFID), combined with blockchain technology, to implant homing devices or stickers within products. Others are empowering resellers to authenticate products themselves through dedicated apps, utilising computer vision to eliminate the need for physical inspections, while some platforms rely on in-house assessors to inspect products before listing.

Further enhancing trust in recommerce, companies like Renewal Workshop collaborate with brands such as The North Face to collect used products, meticulously refurbish them, and then reintroduce them to the market. As an added layer of assurance, they often offer one year warranties on refurbished products.

Fig 30: Leveraging technology for trust building



As the recommerce industry advances, a fusion of innovative technological approaches will be instrumental in enhancing trust and confidence in buying and selling used items. New standards

in trust, authenticity, and customer experience will help carve out an exciting path towards a more reliable industry that goes above and beyond consumer expectations.

Conclusion

The recommerce market is currently in the throes of a profound transformation and will remain a global focal point for the foreseeable future. With projected sales growth of nearly 80% over the next five years, the recommerce market is on an exhilarating trajectory. Its success lies in its ability to blend financial prudence with sustainability, offering consumers a novel shopping experience that aligns with both their personal values and wallets.

From trendsetting Gen Zs to the more pragmatic Baby Boomers, recommerce has become an integral part of consumers' lives. It's not just about buying and selling, it's about creating a sense of community, fostering sustainable behaviours, and uncovering one-of-a-kind treasures.

As the recommerce ecosystem continues to evolve, businesses must adapt to seize the opportunities it presents. By understanding consumers' motivations, behaviours and perceived barriers to engage in the used market, and also how these vary by age, income, and geographic region, recommerce players can engineer more intelligent strategies to ensure continued success.

The journey of recommerce is unfolding rapidly with powerful drivers afoot. The future promises even greater innovations and experiences for consumers when buying and selling used, driven by advancements in technology and the growth of specialist marketplaces which now offer ever-expanding services encompassing a wider range of products and brands. It is clear that embracing the recommerce revolution extends beyond business - it's good for our planet and our shared future.





About MPB

MPB transforms the way that people buy, sell and trade in photo and video kit. The online platform for used photography and videography equipment, MPB is a destination for everyone, whether they've just discovered their passion for visual storytelling or are already a pro.

Founded in 2011, MPB is committed to making kit more accessible and affordable, and helping to visualise a more sustainable future. They recirculate hundreds of thousands of items of used kit every year, extending the life and creative potential of photo and video equipment for creators around the world.

Headquartered in the creative communities of Brighton, Brooklyn and Berlin, the MPB team includes trained camera experts and seasoned photographers and videographers who bring their passion to work every day to deliver outstanding service. Every piece of kit is inspected carefully by product specialists and comes with a warranty to give customers peace of mind that buying used doesn't mean sacrificing reliability.

About Retail Economics

Retail Economics is an independent economics research consultancy focused on the consumer and retail industry. We analyse the complex retail economic landscape and draw out actionable insight for our clients. Leveraging our own proprietary retail data and applying rigorous economic analysis, we transform information into points of action.

Our service provides unbiased research and analysis on the key economic and social drivers behind the retail sector, helping to inform critical business decisions and giving you a competitive edge through deeper insights.

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