



Wharton
UNIVERSITY OF PENNSYLVANIA
BAKER
Retailing Center

THE STATE OF CONSUMER SPENDING:
**Gen Z's Passion for Sustainability
Boosts the Resale Market**

DECEMBER 2021

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Wharton School of the University of Pennsylvania

ABOUT FIRST INSIGHT

We help businesses create more profitable products and experiences with zero-party consumer data.

Our next-gen retail decision platform collects feedback from consumers via digital engagements and turns the data into actionable insights.

These digital testing solutions enable you to drive growth by unlocking value from your target customers. Our solution combines voice of customer data with AI to make your financial goals a reality.

What We Do



Digital product testing



Increase speed to market



Price optimization



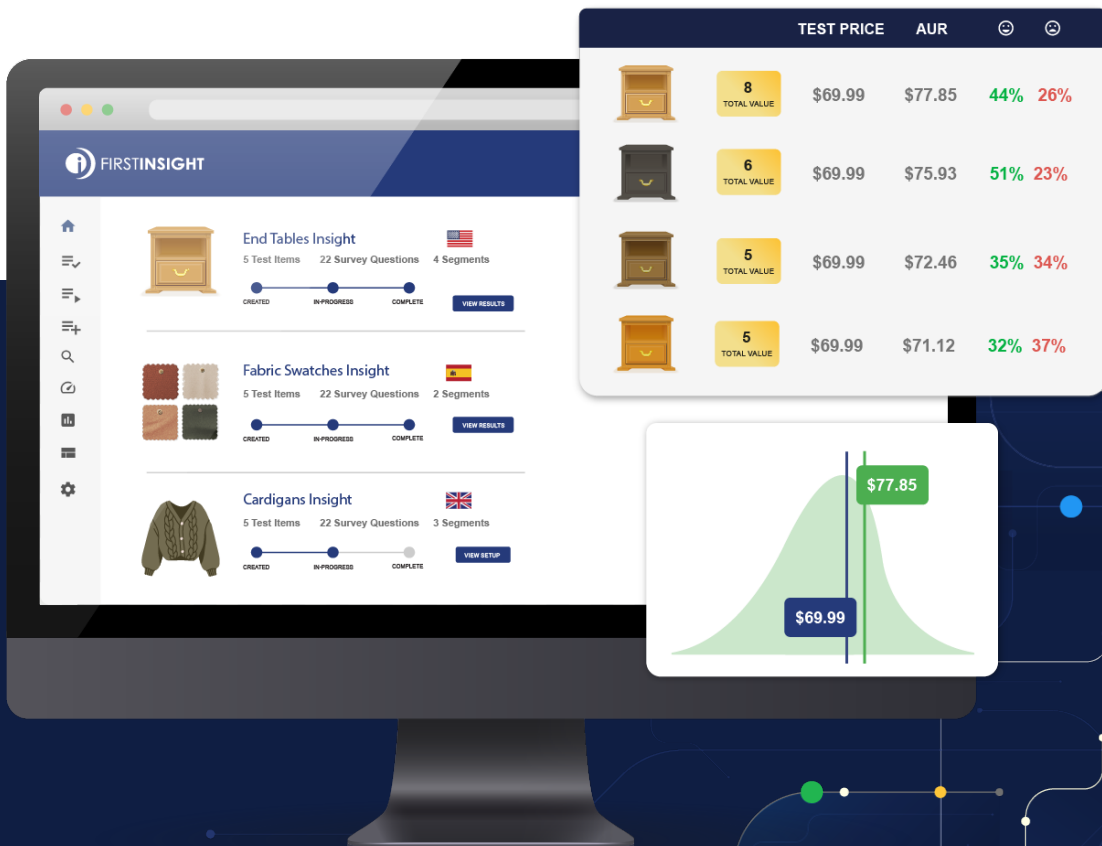
Inform inventory buy-depth decisions



Full-service account management



Quantify and prove value delivery



First Insight and the Baker Retailing Center at the Wharton School of the University of Pennsylvania asked consumers in the U.S. how sustainable practices are impacting their shopping habits and purchase decisions. The results point to the accelerating adoption of sustainable resale and recommerce options, with Generation Z influencing other generations towards sustainability.

The study found that:

1. Gen Z leads the way in sustainability and has an outsize impact on older generations, especially their Generation X parents.
2. Gen Z's influence extends to shopping behaviors, with sustainable-first purchase decisions more prevalent among all generations.
3. Secondary Market shopping popularity has soared across all generations.
4. Third-party and brand-operated resale and recommerce are the most popular sustainable retail models.
5. Pricing and affordability continue to be important, especially to Gen Z, but all generations prefer to shop sustainably out of concern for the planet and a preference for sustainability and circular shopping.
6. Apparel is the most popular category purchased in resale/consignment models.
7. The majority of consumers expect to receive between 10 – 20 percent less than the original purchase price when reselling a like-new item.
8. Millennials and Generation X consumers are most likely to use third-party marketplaces, such as ThredUp or Poshmark, for their secondhand purchases.
9. Resale Marketplaces/Online Consignment & Thrift Store Websites are the most popular secondhand outlets for all generations.
10. More options to shop within the recommerce market have been noticed by a majority of generations.
11. All generations plan to continue to purchase secondhand products.
12. Cash is the preferred compensation for all generations when selling through recommerce channels.

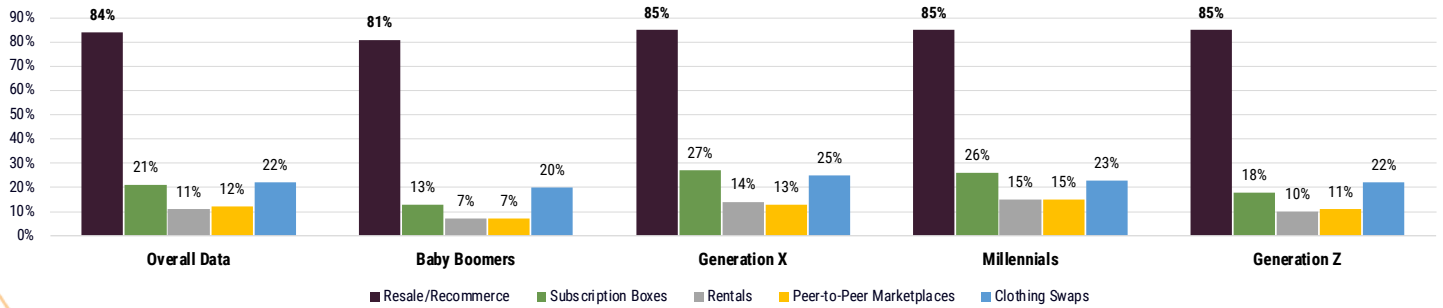
First Insight and the Baker Retailing Center at the Wharton School of the University of Pennsylvania's findings are based on the results of a U.S. consumer study of a targeted sample of more than 1,000 respondents fielded in July 2021. The study was completed through proprietary sample sources among panels who participate in online surveys.

The findings have been compared to First Insight consumer data fielded previously in December 2019 and published in the report, [The State of Consumer Spending: Gen Z Shoppers Demand Sustainable Retail](#).

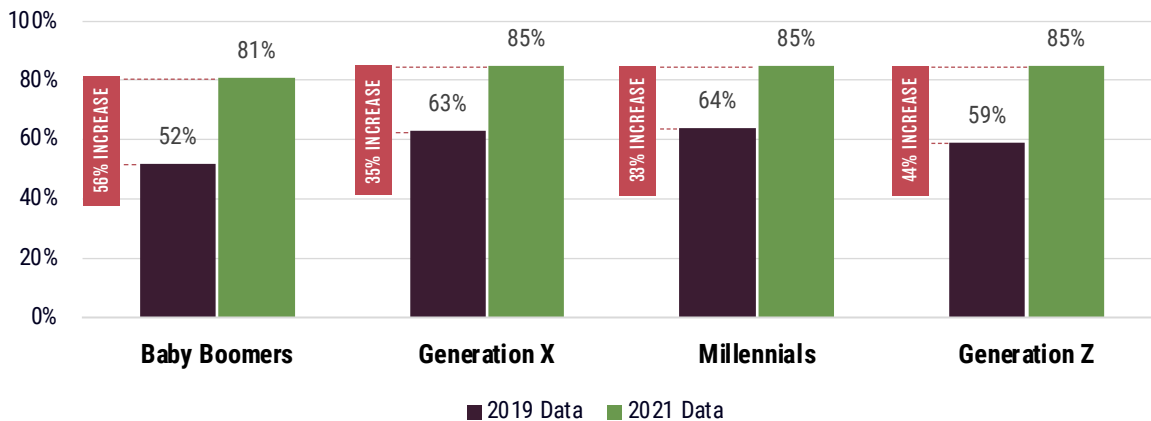
THE POPULARITY OF SHOPPING SECONDARY MARKETS HAS SURGED ACROSS ALL GENERATIONS

The popularity of shopping secondary markets has surged across all generations in a matter of two years with Baby Boomers increasing their utilization by 56 percent, Generation X increasing by 35 percent, Millennials increasing by 33 percent and Gen Z increasing 44 percent. Examples of secondary markets include resale sites such as ThredUp, The RealReal, and Poshmark; peer-to-peer marketplaces such as Depop and Storr; subscription boxes such as StitchFix, Le Tote, Birchbox; and rental platforms such as Rent the Runway.

WHICH OF THE FOLLOWING SUSTAINABLE RETAIL MODELS DO YOU UTILIZE?



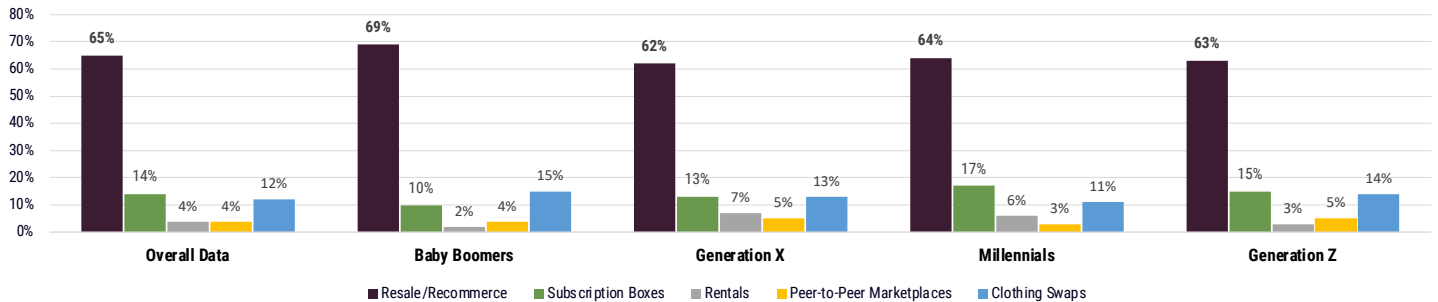
CONSUMERS THAT SHOP THE SECONDARY OR USED MARKET, BY GENERATION



CONSUMERS CHOOSE THIRD-PARTY AND BRAND-OPERATED RESALE & RECOMMERCE AS MOST POPULAR SUSTAINABLE RETAIL MODELS

The most popular sustainable retail models are third-party and brand-operated resale and recommerce, with 65 percent of total respondents preferring these options over rentals, subscription boxes, peer-to-peer marketplaces, and clothing swaps.

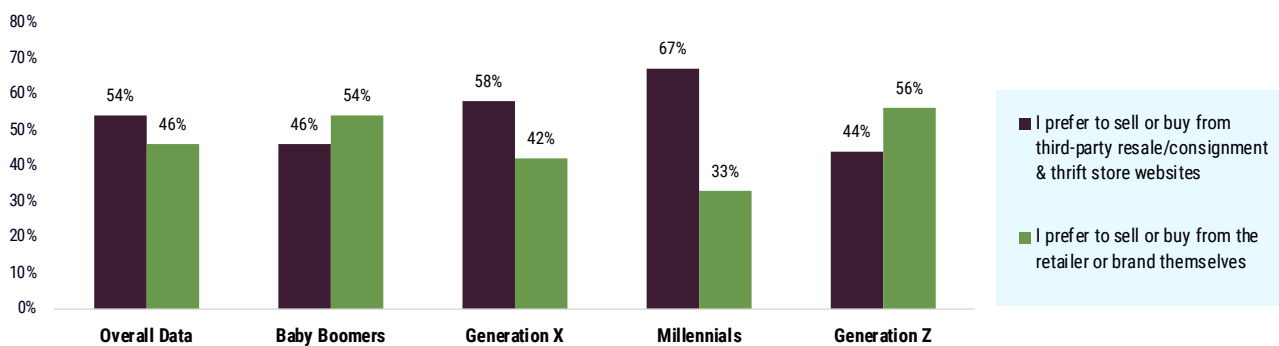
WHICH OF THE FOLLOWING SUSTAINABLE RETAIL MODELS DO YOU PREFER TO SHOP?



GENERATION X AND MILLENNIALS MOST LIKELY TO PURCHASE SECONDHAND PRODUCTS THROUGH THIRD-PARTY RESALE MARKETS

Millennials and Generation X have the highest number of respondents who confirmed that they sell items to secondhand markets such as ThredUp, Poshmark, and The RealReal, with 47 percent of Generation X and 52 percent of Millennials participating as sellers.

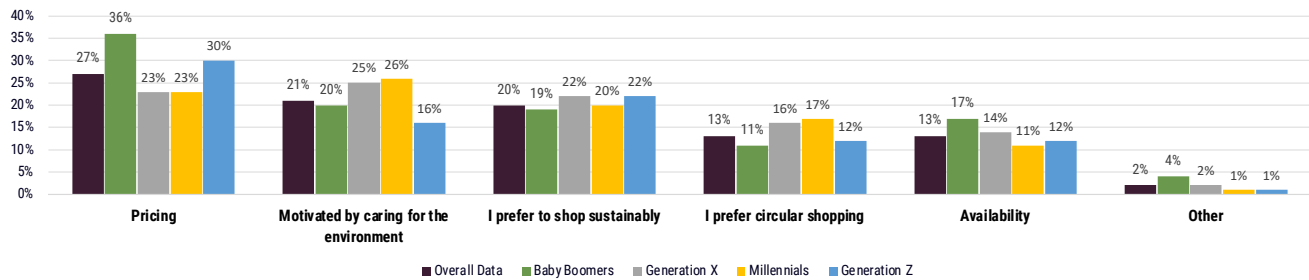
HOW DO YOU PREFER TO PURCHASE SECONDHAND PRODUCTS?



PRICING AND AFFORDABILITY CONTINUE TO BE IMPORTANT, BUT ALL GENERATIONS PREFER RESALE/RECOMMERCE DUE TO CONCERN FOR THE PLANET, PREFERENCE FOR SUSTAINABILITY & CIRCULAR SHOPPING

At least 50 percent of all respondents across generations preferred the resale/recommerce market for a combination of reasons indicating a concern for the planet and a preference for sustainability and circular shopping. Yet affordability is still very important to Gen Z, with nearly 30 percent preferring to shop recommerce based on price.

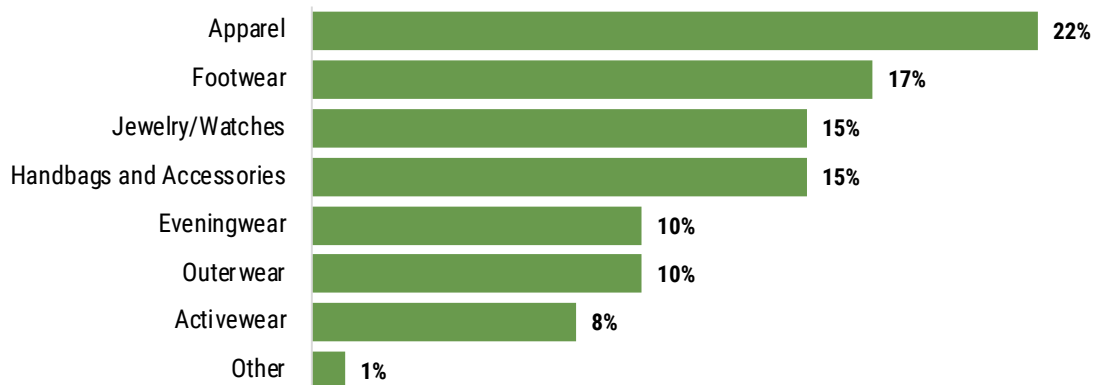
WHY DO YOU PREFER THE RESALE/RECOMMERCE MODEL?



APPAREL IS THE MOST POPULAR CATEGORY TO PURCHASE VIA RESALE/CONSIGNMENT MODELS

Almost a quarter of respondents say that the category they purchase most via resale/consignment models is apparel. Footwear, jewelry and watches, and handbags and accessories are the next most popular categories.

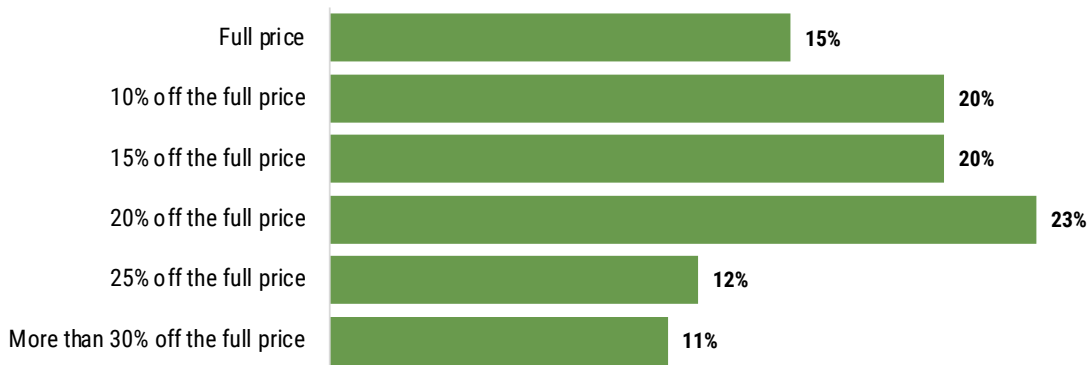
WHICH CATEGORIES DO YOU PURCHASE VIA RESALE/CONSIGNMENT MODELS?



MAJORITY OF CONSUMERS EXPECT TO RECEIVE BETWEEN 10% AND 20% LESS THAN THE ORIGINAL PRICE WHEN SELLING LIKE-NEW ITEMS VIA THE SECONDHAND MARKET

While 23 percent of respondents expected to receive 20 percent less than what they paid originally when selling a like new item, 20 percent of respondents expected to receive 15 percent less, and 20 percent expected to receive 10 percent less than the full price.

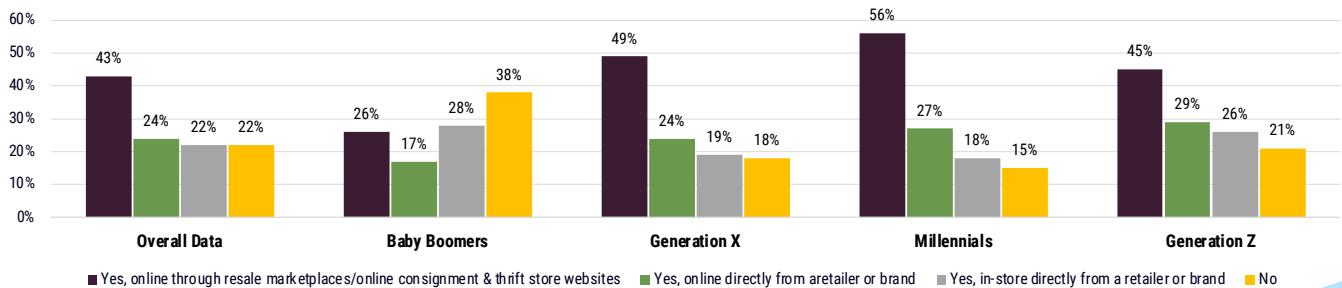
IF THE ITEM IS LIKE NEW, HOW MUCH DO YOU EXPECT TO BE PAID FOR SELLING THE SECONDHAND ITEM?



MAJORITY OF GENERATIONS PURCHASE SECONDHAND PRODUCTS ONLINE THROUGH RESALE MARKETPLACES/ ONLINE CONSIGNMENT & THRIFT STORE WEBSITES

More than half of Millennials (56 percent) surveyed have purchased secondhand products through online resale or consignment websites, followed by 49 percent of Generation X and 45 percent of Gen Z. Other sustainable retail options include buying directly from a retailer or brand's own online site or in-store from a retailer or brand.

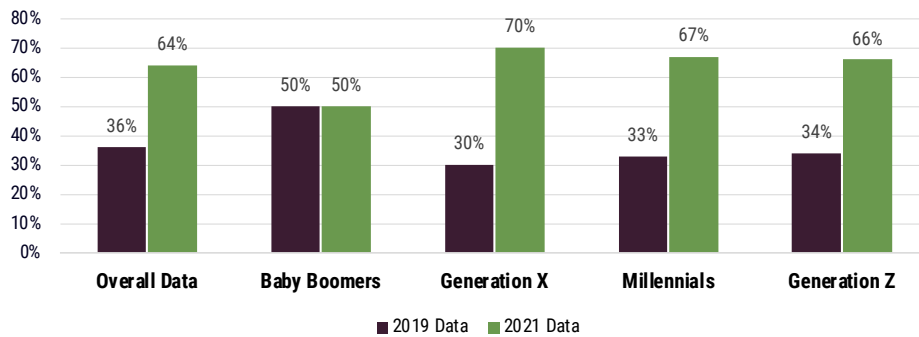
HAVE YOU PURCHASED SECONDHAND PRODUCTS THROUGH RESALE/CONSIGNMENT SHOPPING?



MAJORITY OF GENERATIONS ARE NOTICING MORE OPTIONS TO SHOP WITHIN THE RECOMMERCE MARKET

Just two years ago, overall only 36 percent of respondents noticed increasing options for finding secondhand items, compared to 64 percent today (a 78 percent increase). While only 30 percent of Generation X respondents surveyed had noticed more options two years ago, in 2021 70 percent of Generation X (a 133 percent increase) have become more aware of additional options for shopping the recommerce market.

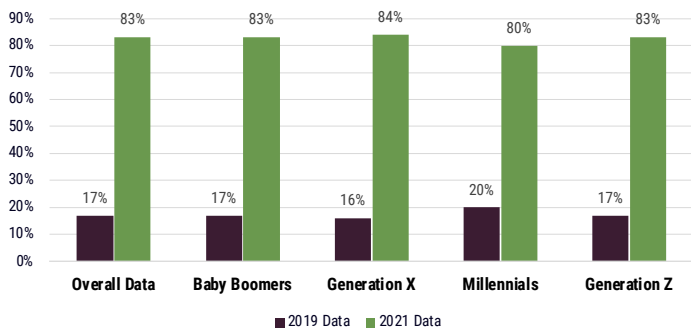
ARE YOU NOTICING MORE OPTIONS TO SHOP WITHIN THE RECOMMERCE (RESALE) MARKET IN RETAIL?



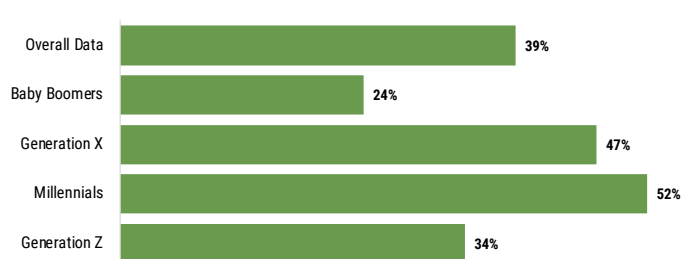
ALL GENERATIONS PLAN TO CONTINUE TO PURCHASE SECONDHAND PRODUCTS AND GENERATION X AND MILLENNIALS LEAD THE WAY IN SELLING ITEMS TO SECONDHAND MARKETS

Regardless of their reasons to shop sustainably via the recommerce market, 83 percent of respondents across all generations said that they will continue to purchase secondhand products compared to just 17 percent in 2019 – almost a 5x increase.

DO YOU PLAN TO CONTINUE TO PURCHASE SECONDHAND PRODUCTS?



DO YOU SELL ITEMS TO SECONDHAND MARKETS LIKE THREDUP OR POSHMARK?

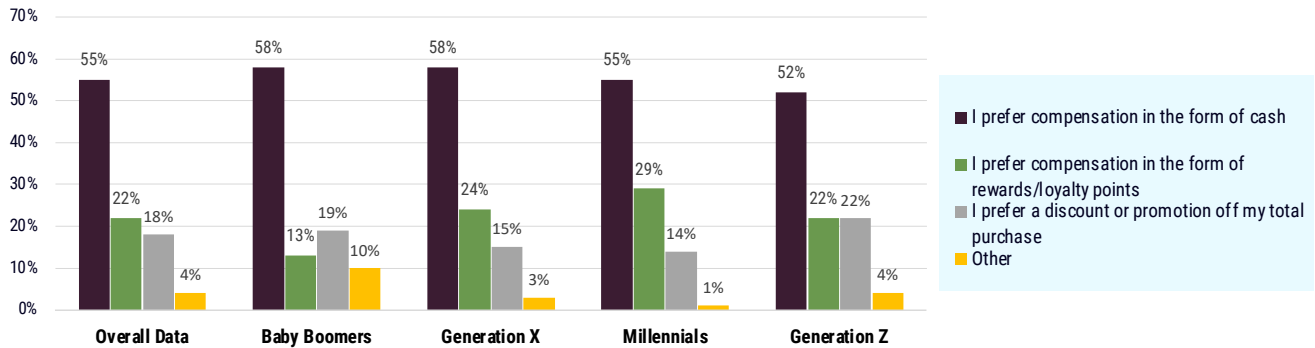


Generation X and Millennials have the highest number of respondents who confirmed that they sell items to secondhand markets such as ThredUp and Poshmark, with 47 percent of Generation X and 52 percent of Millennials participating as sellers.

MAJORITY OF RESPONDENTS PREFER COMPENSATION IN THE FORM OF CASH FOR SELLING SECONDHAND ITEMS

More than half of all respondents (55 percent) that sell items through recommerce channels prefer compensation in the form of cash as opposed to rewards, loyalty points, or discounts on future purchases.

IF YOU SELL SECONDHAND PRODUCTS, HOW DO YOU PREFER COMPENSATION?



CONCLUSION

First Insight and the Baker Retailing Center at the Wharton School of the University of Pennsylvania surveyed consumers in the U.S. on how sustainable practices are impacting shopping habits and purchase decisions. The new study reveals that recommerce is a channel that all retailers and brands should get behind, as sustainable shopping habits continue to gain importance with consumers. When this study was first fielded in 2019, resale and recommerce were used by more than half of our respondents regardless of generation. Today, just two years later, there has been an enormous increase in the adoption of recommerce and resale across all generations. While only 39 percent of Baby Boomers participated in resale in 2019, today that number has increased by 107 percent, with 81 percent participating in some form of recommerce. As the trend of sustainability continues to gain traction, retailers and brands increasingly need to turn to Voice-of-Customer analytics to make better decisions and reduce waste. They must eliminate poor performing products early in the development cycle and invest more in the items that will sell. And they must heed their customers' increasing demands for recommerce options to create more sustainable businesses and minimize impact on the environment.



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ABOUT FIRST INSIGHT

First Insight, the world leader in Voice of the Customer for retail, is transforming how companies make better decisions leading to a sustainable future. Customers include some of the world's leading vertically integrated brands, sporting goods companies, department stores, consumer products companies, mass merchant retailers and wholesalers. For further information, please visit www.firstinsight.com.

ABOUT THE BAKER RETAILING CENTER AT THE WHARTON SCHOOL OF THE UNIVERSITY OF PENNSYLVANIA

The Jay H. Baker Retailing Center is an industry research center at the Wharton School of the University of Pennsylvania. The Center develops insights, through programs and resources, with our faculty, students, and industry leaders that influences industry research and encourages discussion on trending retail topics. Our faculty are world-renowned researchers, and our board members are globally recognized omnichannel and direct to consumer brands and retailers. The center was established in 2002 through a generous gift from Jay and Patty Baker. Jay Baker, former President and Director of the Kohl's Corporation, is a 1956 graduate of the Wharton School. [Learn more about the Wharton/Baker Retailing Center.](#)