

Molloy University

DigitalCommons@Molloy

Faculty Works: Business

11-12-2020

The Sustainable Closet

Ryan Mott
rmott@lions.molloy.edu

Jessica Strauber
jstrauber1@lions.molloy.edu

Meryl Rosenblatt MBA
Molloy College, mrosenblatt@molloy.edu

Follow this and additional works at: https://digitalcommons.molloy.edu/bus_fac



Part of the [Business Commons](#)

[DigitalCommons@Molloy Feedback](#)

Recommended Citation

Mott, Ryan; Strauber, Jessica; and Rosenblatt, Meryl MBA, "The Sustainable Closet" (2020). *Faculty Works: Business*. 91.

https://digitalcommons.molloy.edu/bus_fac/91

This Conference Proceeding is brought to you for free and open access by DigitalCommons@Molloy. It has been accepted for inclusion in Faculty Works: Business by an authorized administrator of DigitalCommons@Molloy. For more information, please contact tochter@molloy.edu, thasin@molloy.edu.

The Sustainable Closet

Ryan Mott

Molloy College
1000 Hempstead Ave.
Rockville Centre, NY 11571 USA
(516) 286-6028
rmott@lions.molloy.edu

Jessica Strauber

Molloy College
1000 Hempstead Ave.
Rockville Centre, NY 11571 USA
(516) 426-3134
jstrauber1@lions.molloy.edu

Meryl Rosenblatt

Molloy College
1000 Hempstead Ave.
Rockville Centre, NY 11571 USA
(516) 512-0592
mrosenblatt@molloy.edu

ABSTRACT

The technology that created the boom in online shopping has turned the local thrift store into a mainstream phenomenon. Customers of the future will look for ways to recycle, resell or upcycle, and will be drawn to the incredible value of buying secondhand, with millennials and Gen Z adopting second hand faster than other age groups. This will have a significant positive impact on global sustainability, as the fashion industry produces 10% of all carbon emissions, is the second-largest consumer of the world's water supply, and pollutes oceans with microplastics. The clothing industry follows oil as the second largest industrial polluter. In the US, consumer trends indicate that shoppers who don't want to be seen in the same outfit twice have resulted consumers' buying 60% more clothing today than they did 15 years ago, but keep the items only half as long. In Europe, clothing resale has brought the conversation of ethical buying back into the spotlight. Globally, the fashion resale and rental market is exploding, growing 21 times faster than the retail market over the past three years. The objective of this study is to better understand consumer attitudes and behaviors with regard to the apparel resale economy.

Keywords

Secondhand, resale, sustainable, online shopping, recycle

1 INTRODUCTION

The concept of "resale" is largely associated with the retail industry. In today's vast technological world, the idea of sharing apparel has become extremely prevalent because there are countless platforms and websites at consumer's disposals. Depending on where in the world you live, the resale platforms available to you will vary. In the United States, the most well-known of clothing resale platform is thredUp. Referred to as the "largest online consignment and thrift store," thredUp has been paving the way for collaborative consumption in the retail industry for some time. ThredUp gives consumers the opportunity to acquire brand-name clothing and accessories at a bargain price. ThredUp guarantees customers that every piece of clothing and/or accessory is 100% authentic and "in such good shape anyone could mistake them as new" (thredUp, 2019). At a time in which so many people are consumed with materialistic status and keeping up with the trends, the idea of collaborative consumption is a no-brainer. Consumers can shop for brands anywhere, from Gucci to Burberry, and Ann Taylor to Lululemon Athletica. The rise of resale can be attributed to many factors including the desire for sustainability and the ability to meet the demands of the "Instagram Generation", as the market uniquely meets consumers' preference for variety, value and sustainability (Saunders, 2019).

2 LITERATURE REVIEW

Academic research on the phenomenon of collaborative consumption (CC) has recently flourished with the growth of the digital sharing economy. New technology-driven business models have made 'sharing' resources much easier (Barnes & Mattsson, 2017) by combining the basic components of e-commerce with social networking. A search in Google Scholar for Collaborative Consumption results in over 2 million articles. A more focused search on Collaborative Consumption of apparel resulted in more than 18,500 results. The research objective for this study focuses on the drivers of the secondhand economy in apparel, so that the literature concentrated on prior research on consumer motivations for CC.

Resale has been a growing part of the apparel industry for a long time. The resale or sharing economy is defined as "people coordinating the acquisition and distribution of a resource for a fee or other compensation, which may include, trading, bartering, or swapping activities, where giving and receiving and may include nonmonetary exchange" (Park & Armstrong, 2017, p. 466). Based on the literature, we see four major reasons why more people are engaging in resale. These include, sustainability, enjoyment, reputation, and economic benefits.

First, studies show that engaging in apparel sharing can have positive effects on the environment as well as conserve natural resources. When you purchase an item from a resale platform, you are reusing clothing that someone else was done with as opposed to buying new clothes. This reduces the need to produce more clothing which saves resources. According to the

literature, “a sustainable marketplace that “optimizes the environmental, social, and economic consequences of consumption in order to meet the needs of both current and future generations” (Hamari, Sjöklint, Ukkonen, 2016, p. 2051). This may influence the attitudes of the people participating in resale because the importance of *environmental sustainability* to so many people today.

The next important reason for collaborative consumption is *enjoyment*. The enjoyment factor in resale, comes mainly from social networking. Enjoyment has been regarded as an important factor also in other sharing-related activities, such as information system use, and information sharing on the Internet” (Hamari et al., 2016, p. 2052). Social networking is the largest part of enjoyment in resale because being able to post and share what you are wearing is becoming more and more important to people and resale allows people to always have something different to share online.

Our third reason for the growth of the resale economy is *reputation*. Reputation, similar to enjoyment, is a reason that stems largely from the ability to connect with people online. “Gaining reputation among like-minded people has been shown to motivate sharing in online communities and open-source projects” (Hamari et al., 2016, p. 2052). We posit that reputation (image) and enjoyment will be the main drivers of the resale economy in the United States because of the desire for fast-fashion and a rotating wardrobe. With the growth of social media, people do not want to be seen wearing the same thing twice because that may hurt their reputation on social media. If people maintain a positive reputation on social media, that will increase their enjoyment of the resale industry. Finally, the fourth major reason for the growth of the resale economy is the *economic benefit* that it brings people, where CC offers “utility maximizing behavior wherein the consumer replaces exclusive ownership of goods with lower-cost options” (Hamari et al., 2016, p. 2052.) offer their goods at a greatly discounted price since they are used which saves consumers money.

3 METHODOLOGY

A survey was developed in Qualtrics, a leading survey management platform, and was administered by email from April 1s - April 20, 2020. A total of 100 interviews were completed among undergraduate students at a college located in the northeast United States. Based on the study objectives, a key component of this research was to evaluate attitudes towards collaborative apparel consumption, and identify those attitudes that correlate with behavior. A list of ten statements was developed to measure attitudes based on the literature review. Hamari et al. (2016) operationalized four categories of apparel resale and rental motivations: sustainability, enjoyment, reputation and economic benefits. The attitude scale for this study has been developed using the highest factor loadings for the items operationalized in these four constructs, reducing the number of items from 27 to ten statements.

We first asked if they were aware of the resale and rental economy. After that, we wanted to know if they were aware of any of the sites that participate in the apparel resale. A list was provided in the survey that included the popular sites in the US. These included Poshmark, The Real Real, ThredUp, Depop, eBay, ASOS Marketplace, Tradesy, Vinted, Etsy, and Vestiaire Collective. Respondents also had the opportunity to add “others” to their responses. To understand their motivation and the behavior, respondents were asked to indicate how strongly they agreed with each of the ten statements, using a 7-point Likert scale.

4 RESULTS

4.1 Scale Reliability

A 7-point Likert scale was used to measure attitudes towards collaborative apparel consumption. The reliability score is a measure of the internal consistency, which is reported using Cronbach’s alpha coefficient α . The Cronbach’s alpha for ten attitudinal variables pooled into a single aggregate measure was calculated as $\alpha = .905$, indicating that the scale items are a reliable and consistent measure of attitudes towards collaborative apparel consumption. Most items appeared to be worthy of retention, resulting in a decrease in the alpha if deleted. The one exception to this was the statement, “Participating in collaborative consumption improves my image within the community”, which would slightly increase the alpha to $\alpha = 0.913$ if deleted. All variables (attitudes) were strongly correlated with purchase intent.

4.2 Attitudes towards Collaborative Consumption

More than 70% were aware of resale fashion platforms on an unaided basis. Awareness for specific brands was highest for eBay, followed by Etsy and Poshmark. Respondents were asked for their level of agreement with ten attitudinal statements developed from the previous research. Strongest agreement was expressed for the following four statements:

- Collaborative consumption is environmentally friendly
- Participating in collaborative consumption has financial benefits
- Participating in collaborative consumption is a good thing
- Sharing goods & services through collaborative consumption makes sense

4.3 Regression Analysis

A regression analysis was conducted to examine the relationship between CC attitudes and 1) future intent to engage in apparel CC (for those who have never engaged in CC), and 2) intent to do more apparel CC for those respondents that have engaged in this behavior.

For the first regression analysis, the ten attitudinal items had a significant impact on purchase interest, $\Delta R^2 = .38$, $\Delta F(10, 155) = 9.53$, $p < .001$. Only two of the ten statements had a significant impact on purchase interest. These were “CC is environmentally friendly” and “CC would be interesting”.

For the second regression analysis, the full model of ten attitudinal items had a significant impact on purchase interest, $\Delta R^2 = .38$, $\Delta F(10, 80) = 6.40$, $p < .001$. Only one of the ten statements had a significant impact on purchase interest on its own. This was “CC would be interesting”. Interestingly, the statement “CC would be interesting” was associated with higher levels of purchase intent, but was not among the statements that people agreed with most strongly.

5 DISCUSSION

According to the literature, from the consumer behavior’s point of view, the younger generations are paying growing attention to these issues (Gazzola, Pavione, Pezzetti and Grechi, 2020). The survey results highlight the growing attention that the younger generations today are paying to sustainability and circular economy, which indicates that for the fashion market, these factors are becoming a strategic element and a source of long-lasting competitive advantage. These trends point to the opportunity to explore emerging new business models that result in strategic direction, and can add to the marketing and management literature. Despite previous researchers’ efforts to examine consumer motivations for apparel CC, the answers may be specific to country and culture. This study contributes to literature in two important ways. First, by testing previous theory generated from qualitative research. Second, by distinguishing two modes of CAC including online renting and resale. In this way we can provide a more holistic picture for the phenomenon of apparel CC.

6 LIMITATIONS OF STUDY & FUTURE RESEARCH DIRECTION

The major limitation of this study is that it was conducted using a convenience sample. Surveys were emailed to colleagues, associates and fellow students at one college located in the northeast United States. As such, there is likely to be bias in the sample. However, it allowed us to ask very specific questions about the sites that were the most used, the behaviour characteristics, etc. Another bias, which may be the one with the more consequences, is that we shared it ourselves. This implies that we shared it with people that are in the same economic class, age range, and in the same thinking process in general. The majority of the people that answered the survey were close enough to us so that we could reach them, and we only have the opinion of people, which in our case, were already aware of the resale economy. Future research should build on the methodology employed here across a wider demographic and geographic sample of the population.

REFERENCES

- Barnes, S. J., & Mattsson, J. (2017). Understanding collaborative consumption: Test of a theoretical model. *Technological Forecasting and Social Change*, 118, 281-292.
- Gazzola, P., Pavione, E., Pezzetti, R., & Grechi, D. (2020). Trends in the Fashion Industry. The Perception of Sustainability and Circular Economy: A Gender/Generation Quantitative Approach. *Sustainability*, 12(7), 2809.
- Hamari, J., Sjöklint, M., & Ukkonen, A. (2016). The sharing economy: Why people participate in collaborative consumption. *Journal of the association for information science and technology*, 67(9), 2047-2059.
- Hussain, T. (2018). Re-fashioning the garment industry: Exploring innovations for a circular economy. *Clothing Cultures*, 5(1), 61-86.
- Manickam, P., & Duraisamy, G. (2019). 3Rs and circular economy. In *Circular Economy in Textiles and Apparel* (pp. 77-93). Woodhead Publishing.
- Machado, M. A. D., de Almeida, S. O., Bollick, L. C., & Bragagnolo, G. (2019). Second-hand fashion market: consumer role in circular economy. *Journal of Fashion Marketing and Management: An International Journal*.

Park, H., & Armstrong, C. M. J. (2017). Collaborative apparel consumption in the digital sharing economy: An agenda for academic inquiry. *International Journal of Consumer Studies*, 41(5), 465-474.

Vanicore, L. (2019). Vintage fashion: an example of circular economy as a sustainable alternative to the fast fashion.

2019 Fashion Resale Market and Trend Report. (2019). Retrieved from https://www.thredup.com/resale?tswc_redir=true

Retail. (2020). Retrieved from <https://www.close-the-loop.be/en/phase/8/retail>.