

Amazon Fashion teams up with Rent the Runway on resale

Article

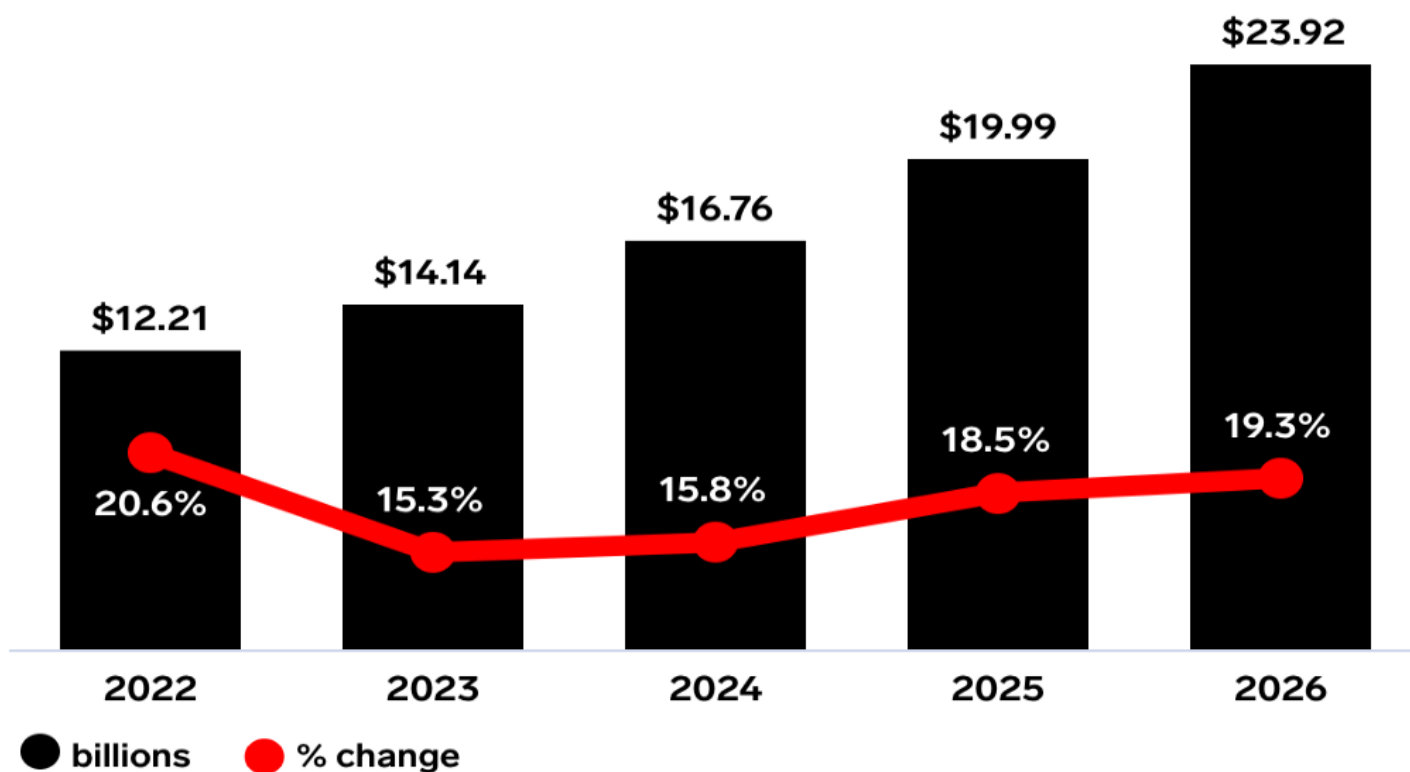
The news: Rent the Runway has begun selling resale and new luxury items on an **Amazon Fashion [online storefront](#)**.

- The subscription-based fashion retailer is selling a range of styles from over 35 brands, as well as designs that are exclusive to Rent the Runway.

- The retailer hopes that exposing Amazon’s massive customer base to its products can help it garner a larger share of online resale marketplace sales, which we expect will generate \$14.14 billion in revenues this year, up 15.3% from \$12.21 billion last year.

Fashion Online Resale Marketplace Sales

US, 2022-2026



Note: includes purchases on digital platforms dedicated to the sale of pre-owned clothing, accessories, and footwear; excludes purchases via online marketplaces (e.g., craigslist, eBay) or social media (e.g., Facebook Marketplace)

Source: eMarketer, December 2022

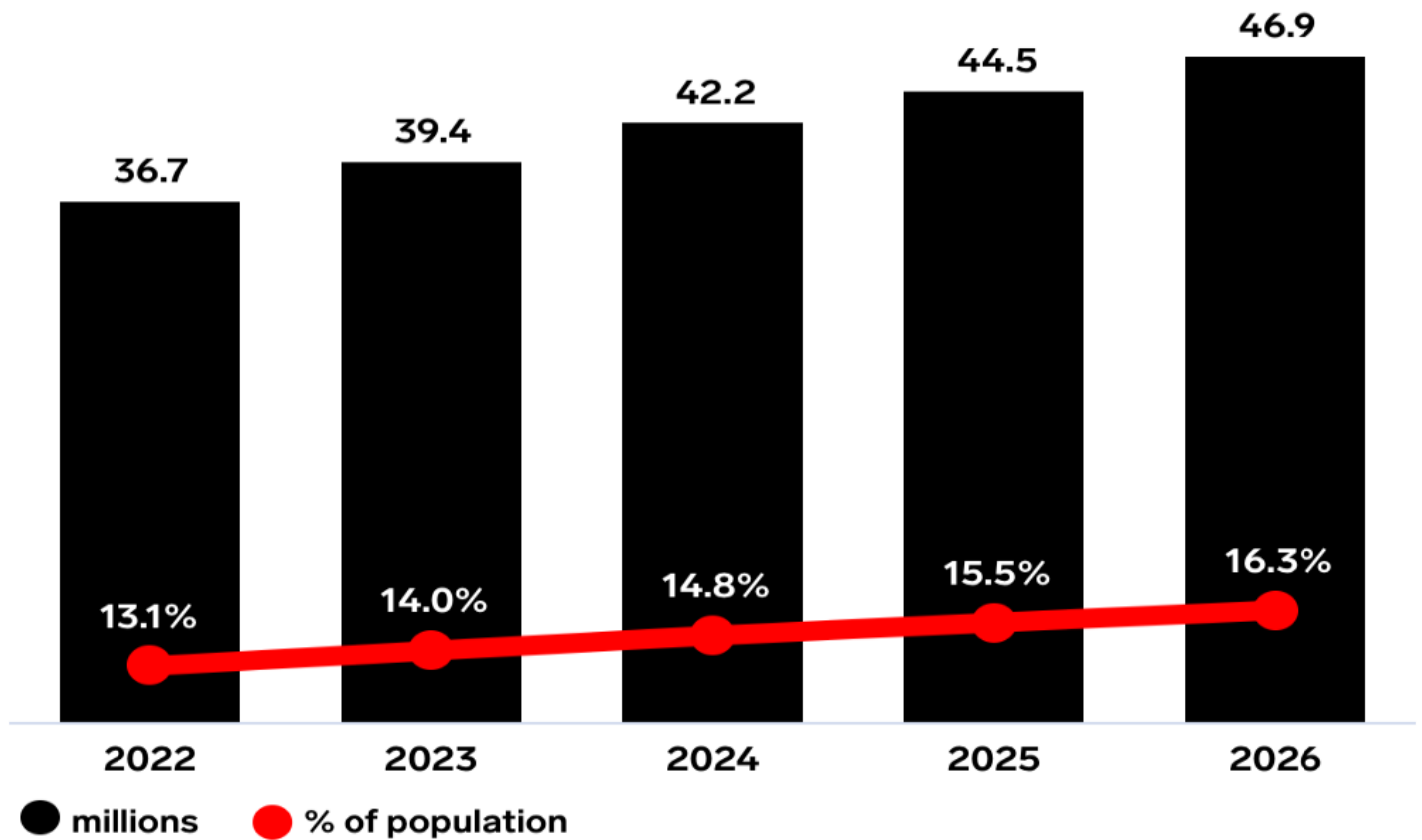
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Growing interest in resale: We expect fashion online resale will continue growing at a solid clip thanks to Gen Z consumers’ commitment to sustainable consumption, along with their love of thrifting and throwback fashion trends.

- **The category also should benefit from a growing number of retailers moving into the space.** In addition to the new Rent the Runway storefront on Amazon, [lululemon athletica](#), [Target](#), [Shein](#), and **Urban Outfitters** have also recently launched resale initiatives.
- **Investors are also increasingly interested in [vendors](#) that help brands launch resale.** For example, resale operating platform **Archive** recently raised \$15 million to build out its warehouse management system that enables brands to sell inventory that has been either returned, damaged, or exchanged online, while secondhand shopping browser extension **Beni** recently raised \$4 million in seed funding.
- **Resale's growing availability online is helping drive up the number of people buying those items.** The number of fashion online resale buyers rose 13.1% last year to 36.7 million. We [expect](#) the number of buyers to grow another 14.0% this year.

Fashion Online Resale Marketplace Buyers

US, 2022-2026



Note: ages 14+; internet users who have made at least one purchase during the calendar year via a digital platform dedicated to the sale of pre-owned clothing, accessories, and footwear, regardless of the method of payment or fulfillment; excludes purchases via online marketplaces (e.g., craigslist, eBay) or social media (e.g., Facebook Marketplace)

Source: eMarketer, December 2022

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One notable challenge: A slowing economy may not be a major boon for resale given that preowned fashion apparel and footwear still fall into discretionary spending.

- Another challenge for resale is that consumers can find steep discounts on the primary market thanks to the mismatch in supply and demand among apparel retailers, which has made resale less appealing.

The big takeaway: Resale is no longer seen as undesirable, but rather as a way to score unique wares and to reduce firsthand consumption, particularly among Gen Z and millennials.

- The growing visibility of secondhand items on prominent online platforms such as Amazon should help further grow the addressable audience for resale.

*This article originally appeared in Insider Intelligence's **Retail & Ecommerce Briefing**—a daily recap of top stories reshaping the retail industry. Subscribe to have more hard-hitting takeaways delivered to your inbox daily.*

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