

Q&A: thredUP talks about resale as the future for retail brands

Article

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Insider Intelligence spoke with **Pooja Sethi**, senior vice president and general manager of Resale-as-a-Service at **thredUP**, on how the retail ecommerce industry can enable consumers to buy secondhand clothing online. thredUP is an online consignment and thrift store where individuals can sell their used clothing and buy secondhand items from their favorite brands. thredUP has partnered with companies like Madewell, adidas, and Rent the Runway to grow its offerings.

Insider Intelligence: How is the resale trend revolutionizing retail ecommerce?

Pooja Sethi: Five years ago, brands and retailers wouldn't even answer thredUP's call. Three years ago, more innovative retailers began entertaining the idea of resale as a way to meet sustainability goals, but resale still wasn't seen as a viable business strategy.

Since I joined thredUP this past year, the conversation has shifted from why I should get into resale to how. Forward-thinking retailers view resale as a meaningful growth channel and need help in developing one.

II: What is thredUP's mission?

PS: Our mission is to keep clothing products out of landfills, extend the life of clothes, and for customers to think secondhand first.

Secondhand apparel makes up less than a percent of total apparel volume, and our goal is to realize its full potential. We think about sustainability in everything we do, from the bags we send, to the customer experience, to inspiring customers to continue shopping secondhand, to helping brands build their circular strategy.

II: How can brands encourage consumers to buy secondhand items?

PS: The consumer is already seeking and purchasing secondhand, and according to thredUP's 2021 Resale Report, 62% of retail executives have said that their customers are participating in the resale industry. Shoppers will come if brands offer secondhand items as an option.

Consumers care about sustainability, value, and quality, and resale delivers all of those.

II: How is the Circular Store, Madewell Forever x thredUP, educating consumers about the fashion industry?

PS: The Circular Store has Madewell styles from thredUP, prices ranging from \$10 to \$40, allowing shoppers to access "preloved" Madewell clothes. It's a glimpse into how reusing clothing can shift our mindset to fight the fashion industry, which is on track to consume around 26% of the world's carbon budget by 2050. Thus, the idea was that we need to shift from a linear mode of thinking to the fashion cycle being more circular.

A circular store is designed to challenge the definition of a traditional retail store, where you buy new clothing from a seasonal collection and then return it to the store. [thredUP described the store model as "*a circular future in which retailers design for longevity, and consumers shop with resale in mind.*"] We tried to create a fun experience to help educate consumers. We implemented QR codes in the store, so customers can visit the three shoppable stations and learn about the steps they can take to bring us closer to a circular future of fashion.

II: What changes would you like to see in retail ecommerce?

PS: I would love to see brands produce fewer, higher-quality items and go from linear to more circular. They can do that by adopting resale programs. Companies like thredUP, Poshmark, and Depop have made resale easy, but we need brands and retailers to treat resale as a meaningful growth channel, which means investing at scale.