

How Goodwill's latest ecommerce venture fits into the existing resale landscape

Article

Last week, Goodwill launched **GoodwillFinds**, an ecommerce platform for thrifters across the US.

The opportunity: Fashion online resale marketplace sales will total \$15.50 billion this year, up 46.6% year over year.

- Online resale will make up 7.6% of apparel and accessories for US retail ecommerce sales this year. By the end of 2025, resale will account for 10.0% of US fashion ecommerce sales.
- In 2021, Goodwill's **retail revenues** totaled \$5.4 billion, according to NPR. A digital marketplace could help drive those sales.

The approach: The nonprofit's venture into ecommerce is "pretty new and pretty different," noted our analyst Sky Canaves.

- The current resale ecommerce landscape is diverse. There are brand-operated resale platforms, online consignment websites like thredup, and peer-to-peer marketplaces like Poshmark. GoodwillFinds is closer to thredup in that both take possession of and ship inventory, but it's unique in that Goodwill keeps all of the proceeds from donations, and these still take place in person.
- Goodwill hired former Modcloth CEO Matthew Kaness to lead its ecommerce charge, in a clear aim to carve out its own resale niche.
- Beyond fashion, the nonprofit is also selling home goods, electronics, toys, and more on the platform, much like it does in its stores.
- GoodwillFinds' customer experience has a long way to go. "I would compare its digital storefront to the experience of going to a Goodwill versus going to a consignment boutique with a highly curated selection, but some of the prices are much higher than what Goodwill shoppers would expect to find in stores," said Canaves. "They're gonna have to work on their pricing and their presentation, as well as their social media."

Will it work? Goodwill has two main appeals: low prices and in-store hidden gems.

- GoodwillFinds likely won't change the way cost-conscious consumers shop, since its prices aren't particularly low.
- For younger thrifters, the online venture may deplete the thrill of the hunt associated with finding items in a store. "There are other platforms that have made secondhand shopping a lot more fun and enjoyable," noted Canaves. "GoodwillFinds doesn't offer the same experience of hunting for treasure and scoring great deals."

- Fashion resale revenues typically come from commissions, but digital platforms like thredUP have created additional sources of income by offering **resale as a service** to brands and retailers.

Looking ahead: As a nonprofit, Goodwill's ecommerce venture isn't necessarily aimed at competing with thredUp or Poshmark. But in order to attract online consumers, Goodwill needs to level up item pricing and presentation. Otherwise, it risks alienating customers across age and income levels.

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