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Professor Pang

Data Science Fundamentals Individual Project

3 – 24 – 25

Topic: U.S. Apparel and Footwear Market

Questions:

1. How does the reselling of shoes and apparel online affect the retail price of these goods?

The second-hand market for shoes and clothes has changed the retail market indefinitely. The reselling of these items creates several competitors for the retailers. The two markets do not directly compete, but retailers must make decisions about their prices due to the reselling of their items. Some items will go down in price on second-hand markets, while others will drastically increase in value due to demand or rarity. When retailers make decisions about the cost of their goods, they must take into account the value of them when they are resold. For example, if an item goes down in value when resold the retailers must lower the original price because consumers won’t purchase them if they know the value will go down. On the other hand, if an item is expected to go up in value on the second-hand market, retailers can increase the price because they know people will still buy them, this happens most often in the shoe sale market.

1. What is the value of second-hand markets for apparel and shoes globally? Do these markets positively or negatively affect the U.S. economy?

Second-hand markets for shoes and apparel have had a major increase in value over the past 5-10 years. Formerly, reselling has been most known to come from physical stores, but more recently online resale markets have boomed in popularity and value. In 2023 the value of the global secondhand market was about 211 billion dollars and by 2027 the value is expected to increase by more than 100 billion dollars to about 350 billion, and the U.S. is the leading exporter of used clothing in the world. The secondhand markets in 2022 made up 12 percent of the total apparel market in the U.S. and as popularity continues to grow it is expected that it will have about a 25 percent share in the total market by 2027.

1. Who makes these second-hand markets, why are they so popular for buying shoes and apparel, and how are they making so much money selling goods sold originally by retailers?

Major contributors to the second-hand market include major companies such as eBay and big stores such as Goodwill and Savers. Other companies are on the rise such as StockX and GOAT which specialize in selling more exclusive shoes and clothes. These companies are so popular and make so much money for the same reason. They increase or decrease the value of shoes and apparel as demand increases or decreases, this allows consumers to buy and sell their goods for the price that they are truly worth at that moment in time, rather than buying them for a set price that doesn’t change.

<https://www.stellarmr.com/report/Second-Hand-Apparel-Market/1885>

<file:///C:/Users/smitt/Downloads/study_id116165_secondhand-apparel.pdf>

<https://stockx.com/news/the-stockx-data-guide-to-resale/>

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<https://www.statista.com/topics/5161/apparel-and-footwear-resale-in-the-us/#topicOverview>

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