

MERCARI

GlobalData.



Secondhand Holiday

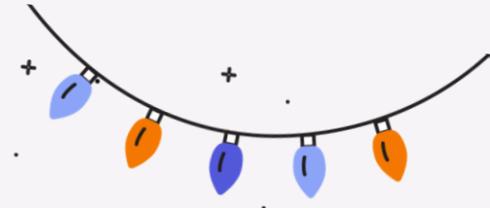
The reuse economy
during the 2021 holiday season



October 2021



Resale and the holidays: summary



American consumers estimated to spend \$69.2 billion on resale in Q4 2021.

- This will be a secondhand holiday for many Americans. \$69.2 billion is projected to be spent on previously owned items from October through December 2021, up 24% from last year.
- Secondhand spending is projected to grow by 12.6% to \$300.8 billion this year. 77.2% of all adults polled say they are likely to buy at least one secondhand item over the holidays. This group will spend an average of \$341.65 each, up 17% from last year's average of \$291.94.
- 86.2% of the 25 to 44 age cohort plan to buy secondhand items this holiday season. Average spend for this group is highest across all age cohorts at \$449.20 per person. This age bracket contains families who may have a lot to purchase. Secondhand allows families to save money and secure the products they need to buy.
- When it comes to holiday occasions, Christmas is the most popular secondhand purchasing occasion. 84% of those planning to buy resale expect to purchase something Christmas-related. Halloween is the next most popular with 40.4% planning to buy secondhand followed by Thanksgiving, New Year's Eve, and Hanukkah.
- 43% of consumers plan to purchase secondhand clothing this holiday season. As people prepare to welcome friends and family into their homes, home decor is another popular resale category, with 32% of consumers indicating that they will purchase home décor during the holiday period.

Potential \$7B in incremental resale volume due to supply chain issues.

- While 49.4% of consumers polled will make a secondhand purchase for themselves, 38.1% will buy secondhand gifts for others. The two youngest age groups have a greater propensity to purchase resale gifts, with 44.8% and 49% of 18 to 24 and 25 to 44 turning to resale, respectively.
- The rise of secondhand gifting is facilitated by an increase in social acceptability for resale. Half of consumers surveyed say that giving secondhand gifts is accepted by their peer group. This number is highest among the 25 to 44 cohort, where 57.2% say it is acceptable.
- 56.8% of those planning to buy resale gifts say they will proudly share that the item was purchased secondhand. This openness is highest among the 60 to 75 cohort where 71.5% will reveal to the recipient that a gift was purchased secondhand. At 59%, females are more likely to share than men, at 54.2%.
- The main motivation for secondhand gift buying is to save money, according to 71.9% of polled respondents. This could be an expensive holiday season for many households due to rising inflation, so it is unsurprising that resale is seen as an option to keep costs down.
- 10.1% of potential secondhand consumers say they will shop resale this year because of supply chain issues impacting traditional retail channels. We estimate that 20 million people could be turning to resale channels because of product shortages. This could drive as much as \$7 billion into the resale sector this holiday season.

Secondhand Holiday

Consumer holiday spending up 11%

Average per person spend on holiday items (inclusive of retail and resale)
United States, includes all holiday items, \$



The average consumer will spend \$1,530 on holiday-related products this year. That is an increase of 10.9% from last year's \$1,380 per person.

In total, holiday spending is forecasted to be \$300.8 billion, up 12.6% from last year.

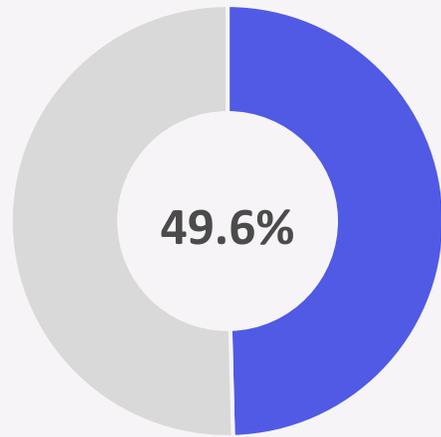
Source: GlobalData market analysis and forecasts

Data shows the average amount holiday shoppers will spend on all holiday related items such as gifts, food, decorations and other sundries. Spend is only that made on holiday items, it is not all general spending across the holiday period. Holidays include Halloween, Thanksgiving, Christmas, New Year, and other religious and cultural celebrations.

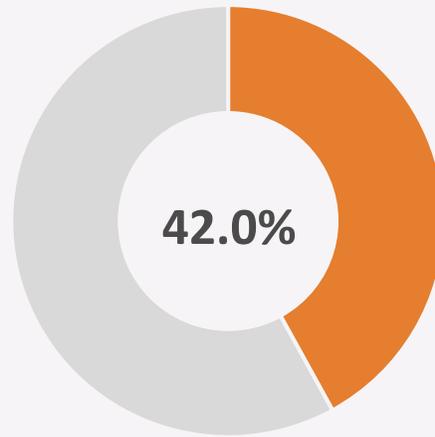
Secondhand Holiday

Half of consumers are starting holiday shopping earlier

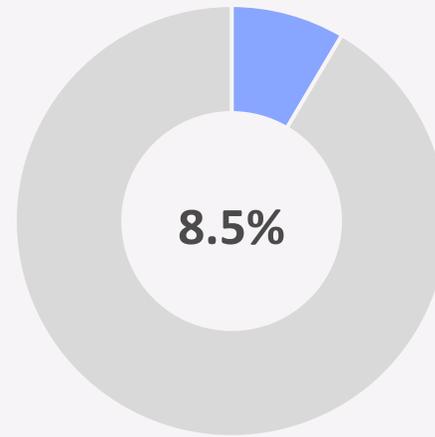
Compared to last year's holiday season, this year I will start my holiday shopping...
United States, % of consumers



Earlier



At the same time



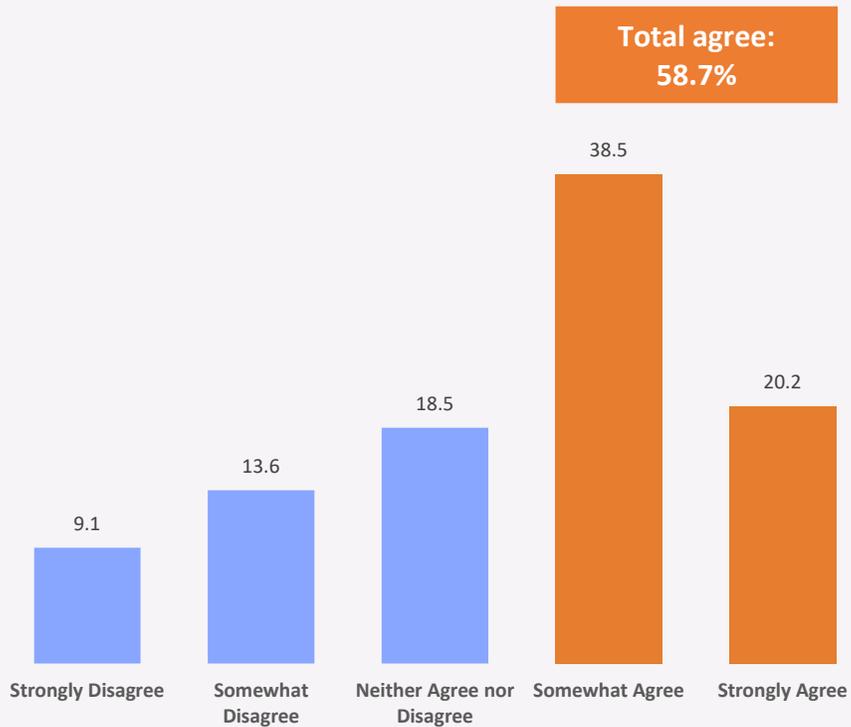
Later

Source: Zogby Analytics consumer survey, September 2021, n=2,009. Values in the graphics are rounded and may collectively exceed 100.

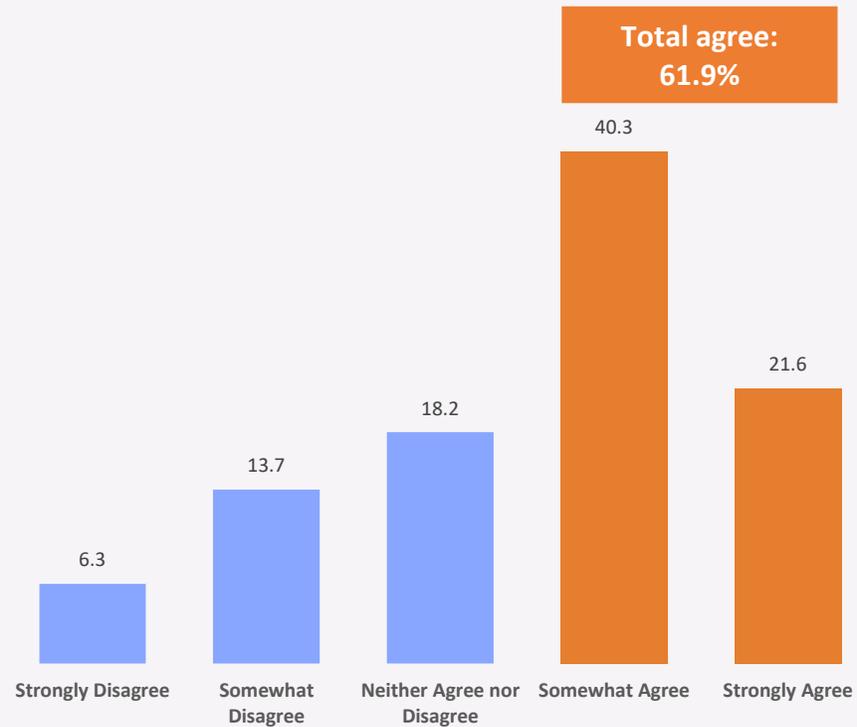
Secondhand Holiday

Consumers express concern about delays and item availability

I am concerned about shipping delays this holiday season
United States, % of consumers



I am concerned about item availability this holiday season
United States, % of consumers

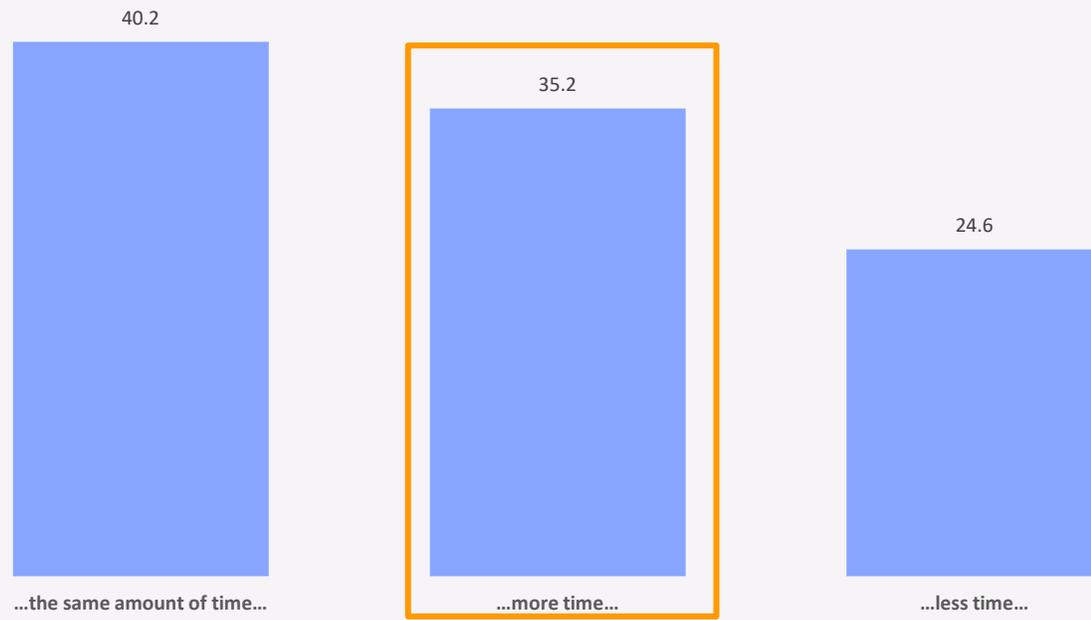


More than half of adults have concerns about shipping delays and item availability, which may encourage more shoppers to turn to resale to save the day.

Secondhand Holiday

35% of consumers will spend more time shopping this holiday season

Compared to last year's holiday season, this year I will spend ... shopping
United States, % of consumers



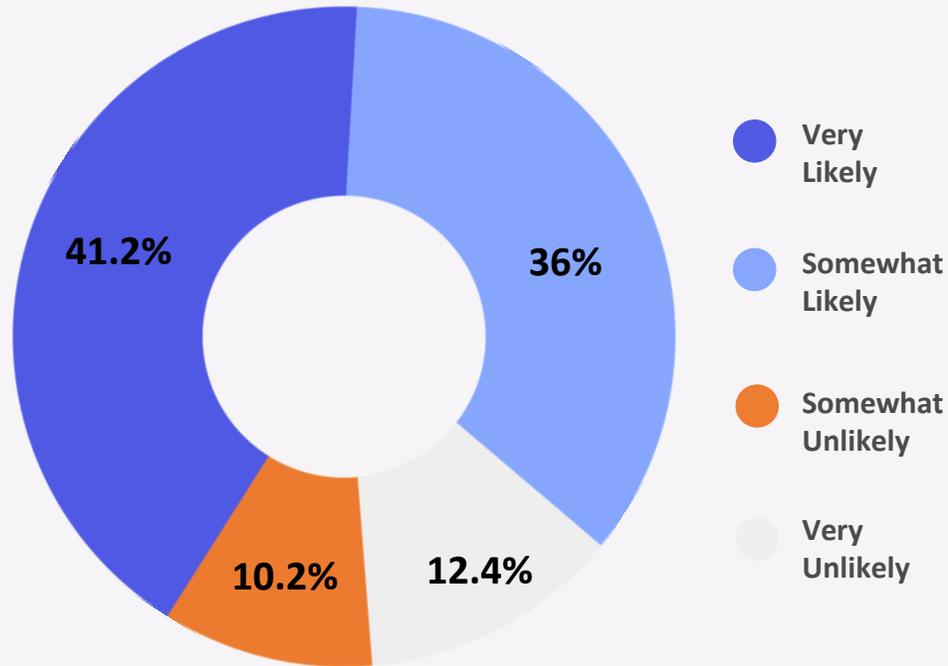
The average consumer spends a total of 14 hours and 32 minutes on holiday shopping.

Secondhand Holiday

77% of adults likely to buy secondhand this holiday season

How likely are you to buy at least one secondhand item this holiday season?

United States, % of consumers overall and by gender and age group



Demographic group	% likely (very + somewhat likely)
Male	75.6
Female	78.9
18-24	78.9
25-44	86.2
45-59	77.5
60-75	57.7

77% of polled adults are likely to buy at least one secondhand item this holiday season.

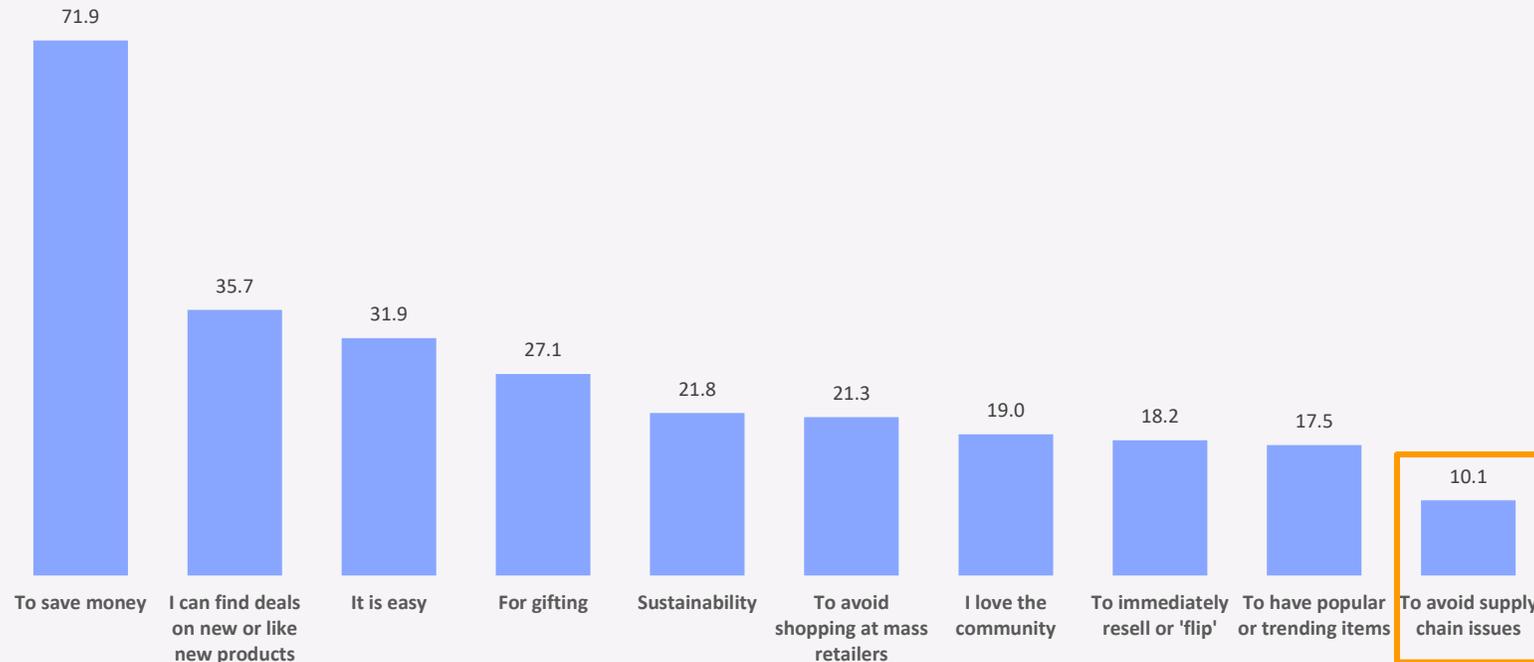
This number is highest among 25 to 44 – the family demographic who often have a lot of items to buy.

Secondhand Holiday

Saving money and finding deals top of mind for consumers this season

What are your primary reasons for buying secondhand items this holiday season?

United States, % of consumers



With the current news cycle highlighting supply chain issues, some consumers indicate 'avoiding supply chain issues' as a primary reason for buying secondhand this holiday season.

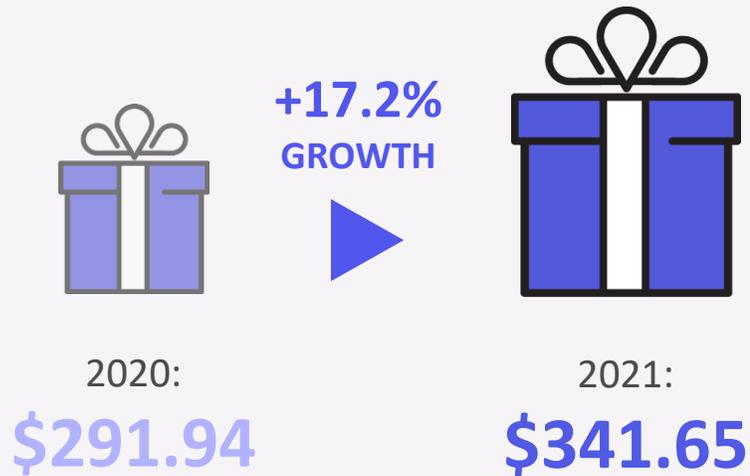
Source: Zogby Analytics consumer survey, September 2021, n=1,551. Percentages may sum to more than 100% as respondents could select multiple responses.

Secondhand Holiday

Consumer secondhand holiday budget projected to increase by 17% in 2021

Average spend on secondhand holiday items for 2020/21
United States, includes all holiday items

Average spend on secondhand holiday items by demo
United States, \$ spend on all holiday items



MALE
\$461



FEMALE
\$231

18-24 : \$370

25-44 : \$449

45-59 : \$242

60-75 : \$461

The average consumer will spend \$342 on secondhand items this holiday season – up 17% from 2020. Total secondhand spending is projected to be \$69 billion, up 24% over last year.

Source: GlobalData market analysis and forecasts

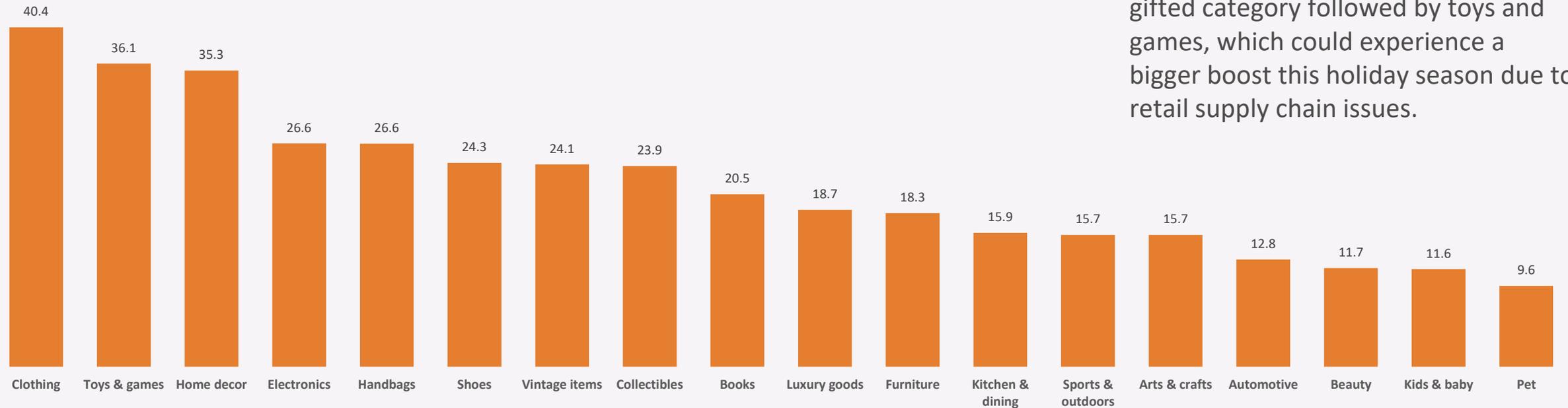
Data shows the average amount secondhand holiday shoppers will spend on all secondhand holiday items. Includes gifts, home decor, decorations and other holiday items.

Secondhand Holiday

Secondhand shoppers seek breadth of categories this holiday season

What secondhand holiday items will be bought as gifts?

United States, % of consumers



Clothing is expected to be the top gifted category followed by toys and games, which could experience a bigger boost this holiday season due to retail supply chain issues.

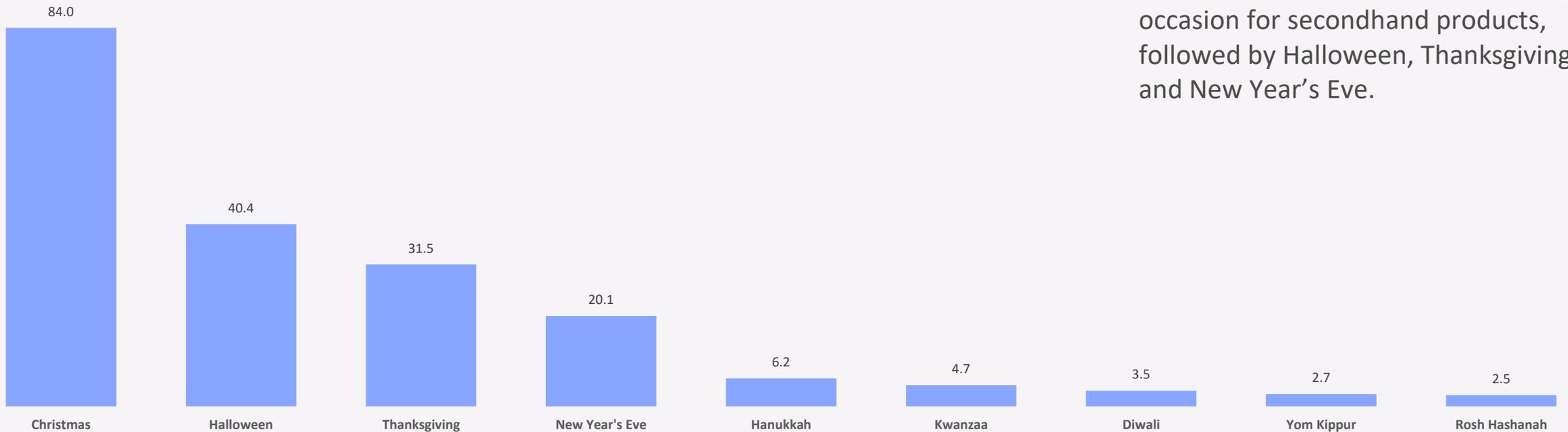
Source: Zogby Analytics consumer survey, September 2021, n=1,551. Percentages may sum to more than 100% as respondents could select multiple responses.

Secondhand Holiday

In addition to Christmas, consumers will purchase secondhand items for different holiday occasions

What occasions will you purchase secondhand items for?

United States, % of consumers



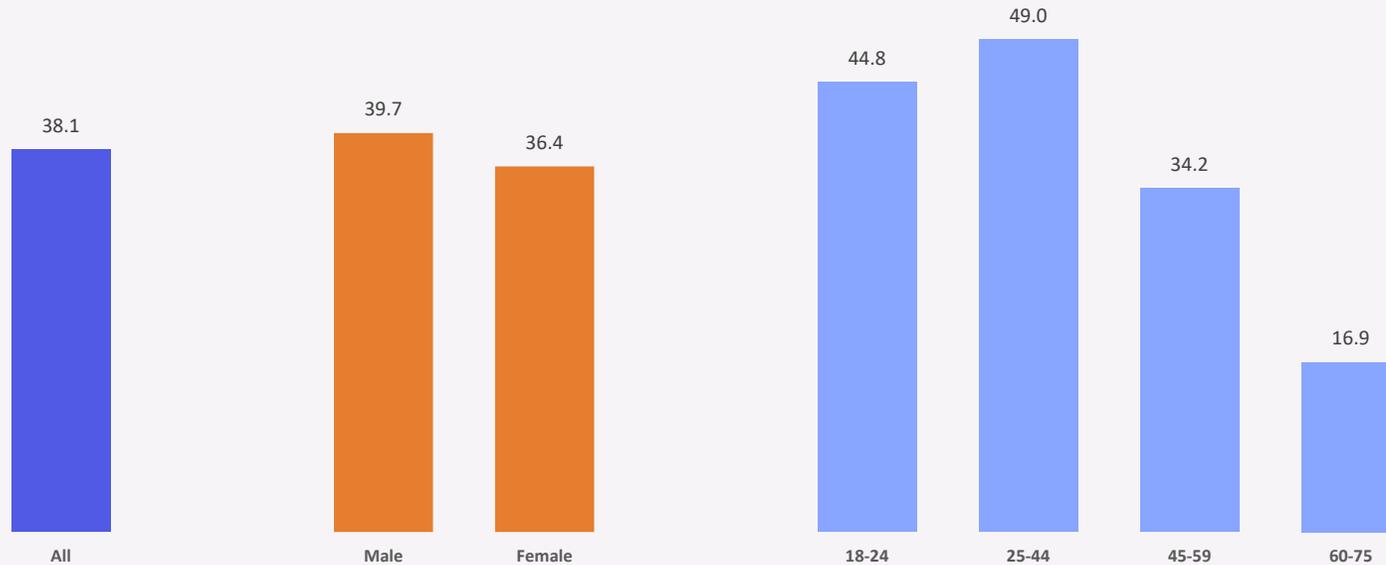
Christmas is the most popular buying occasion for secondhand products, followed by Halloween, Thanksgiving, and New Year's Eve.

Source: Zogby Analytics consumer survey, September 2021, n=1,551. Percentages may sum to more than 100% as respondents could select multiple responses.

Secondhand Holiday

More than a third of consumers plan to gift secondhand items this holiday season

I plan to purchase secondhand items as gifts for others this holiday season
United States, % of consumers overall and by gender and age group



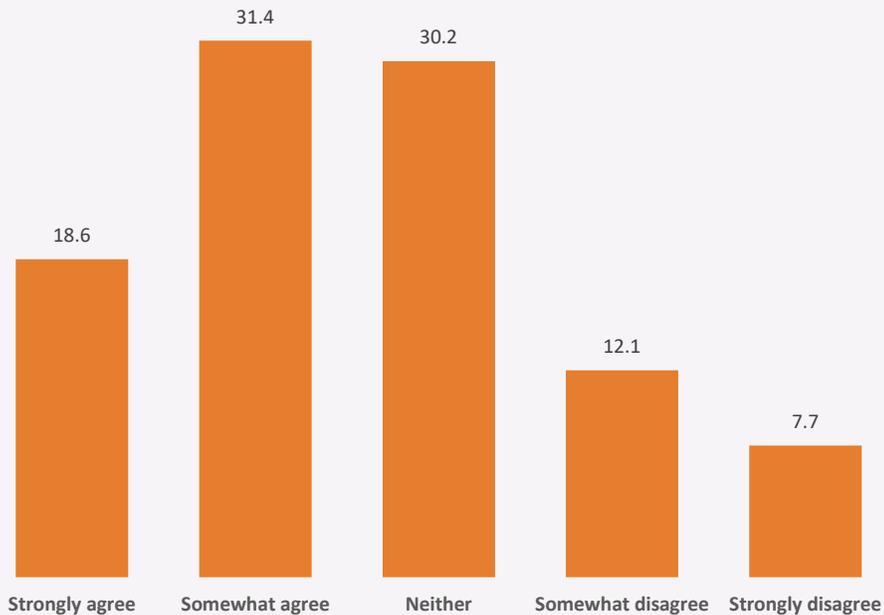
38% of consumers polled plan to give secondhand gifts to others this holiday season. This number is highest among the family demographic, the 25 to 44 age cohort.

Source: Zogby Analytics consumer survey, September 2021, n=2,009. References all consumers, and consumers split by gender and broad age group. Percentages are those who are in the top two box agreement (strongly agree and agree) that they will do the activity in question.

Secondhand Holiday

Half of consumers find gifting secondhand accepted by peer group

Giftng secondhand items is socially accepted by my peer group
United States, % of consumers overall and by gender and age group



Demographic group	% agree (strongly + somewhat)
Male	50.5
Female	49.5
18-24	50.5
25-44	57.2
45-59	47.0
60-75	39.5

This sentiment skews higher in younger cohorts.

Source: Zogby Analytics consumer survey, September 2021, n=2,009. References all consumers, and consumers split by gender and broad age group. Percentages are those who are in the top two box agreement (strongly agree and somewhat agree) with the activity in question.

Secondhand Holiday

More than half of consumers who plan to gift secondhand will proudly reveal that fact

Will you disclose secondhand gifting this holiday season?
United States, % of consumers overall and by gender and age group

57%

Will proudly share that
a gift was purchased
secondhand

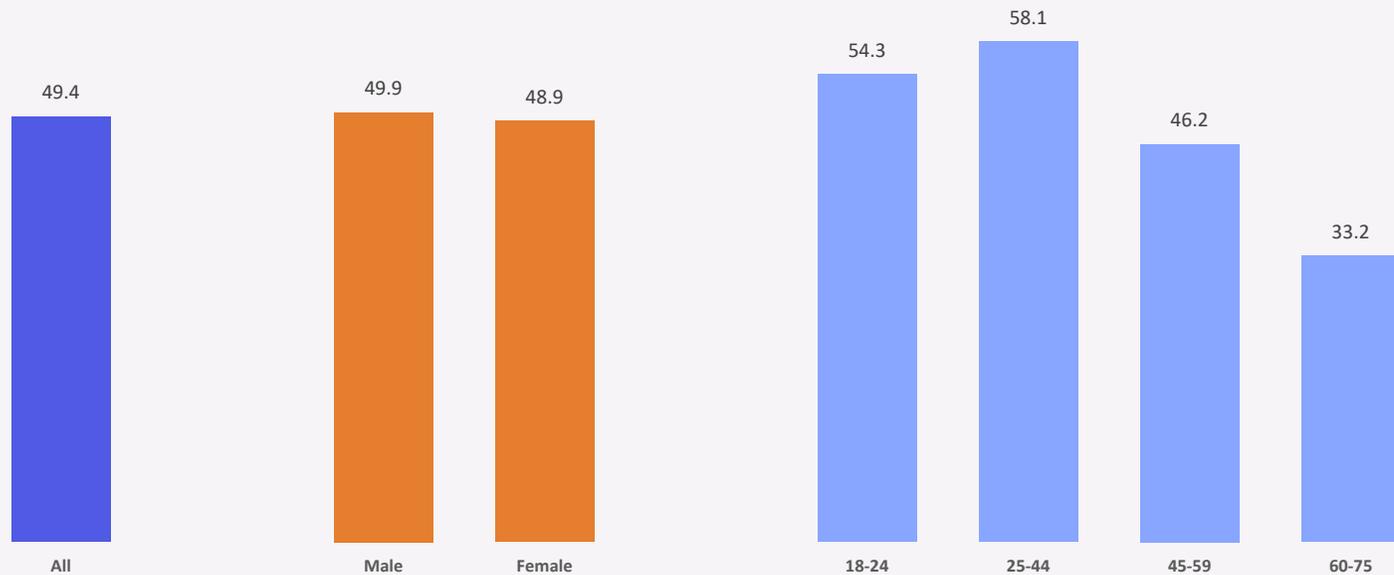
Demographic group	% Will proudly share	% Will hide
Male	54.2	45.8
Female	59.0	41.0
18-24	46.6	53.4
25-44	57.7	42.3
45-59	52.7	47.3
60-75	71.5	28.5

Majority of 60+ resale gifters will proudly share that an item was purchased secondhand.

Secondhand Holiday

Half of consumers will purchase secondhand gifts for themselves this holiday season

I plan to purchase secondhand items as gifts for myself this holiday season
United States, % of consumers overall and by gender and age group



This is highest amongst the 25-44 age cohort.

Source: Zogby Analytics consumer survey, September 2021, n=2,009. References all consumers, and consumers split by gender and broad age group.

Secondhand Holiday

Almost 1 billion unwanted gifts are estimated to be received this holiday season

Total value and volume of unwanted gifts received during the holidays
United States



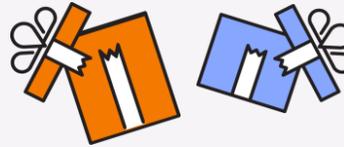
\$76.26

Average value of
unwanted holiday gifts



3.8 gifts

Average number of
unwanted holiday gifts



~1B

Almost 1B unwanted
gifts

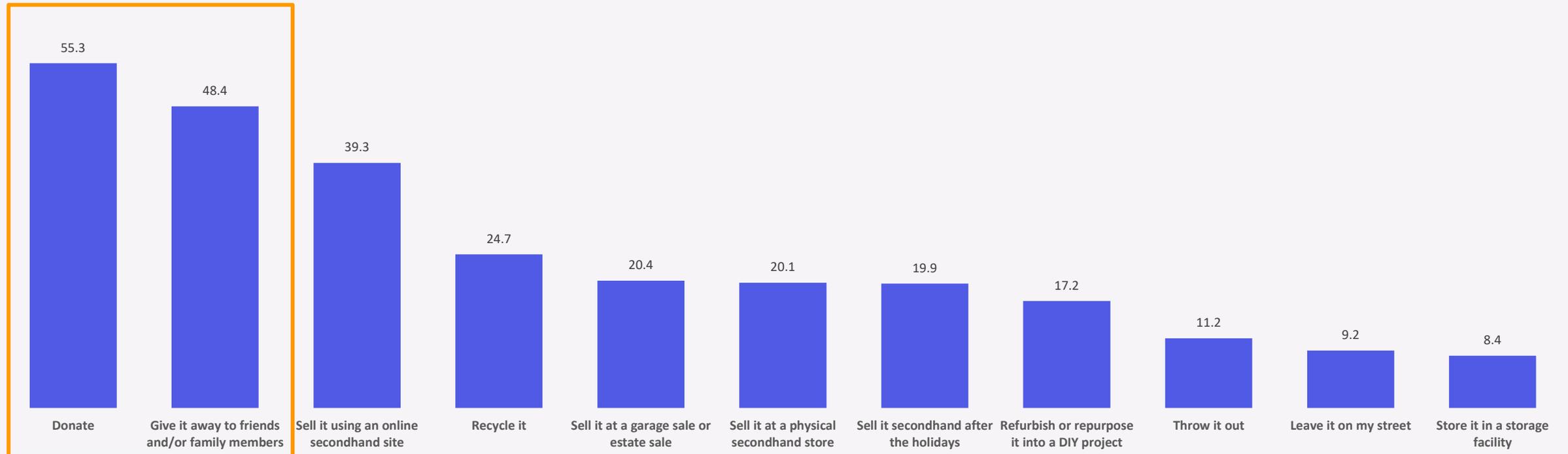
With adults projected to receive an average of 3.8 unwanted gifts this season, nearly a billion* unwanted items could be available for resale.

Unwanted gifts received during the holiday period present a significant secondhand opportunity for consumers and a potential boost to the reuse economy.

Secondhand Holiday

Consumers plan to donate and give away unused items

I plan to do the following with unused items this holiday season
United States, % of consumers



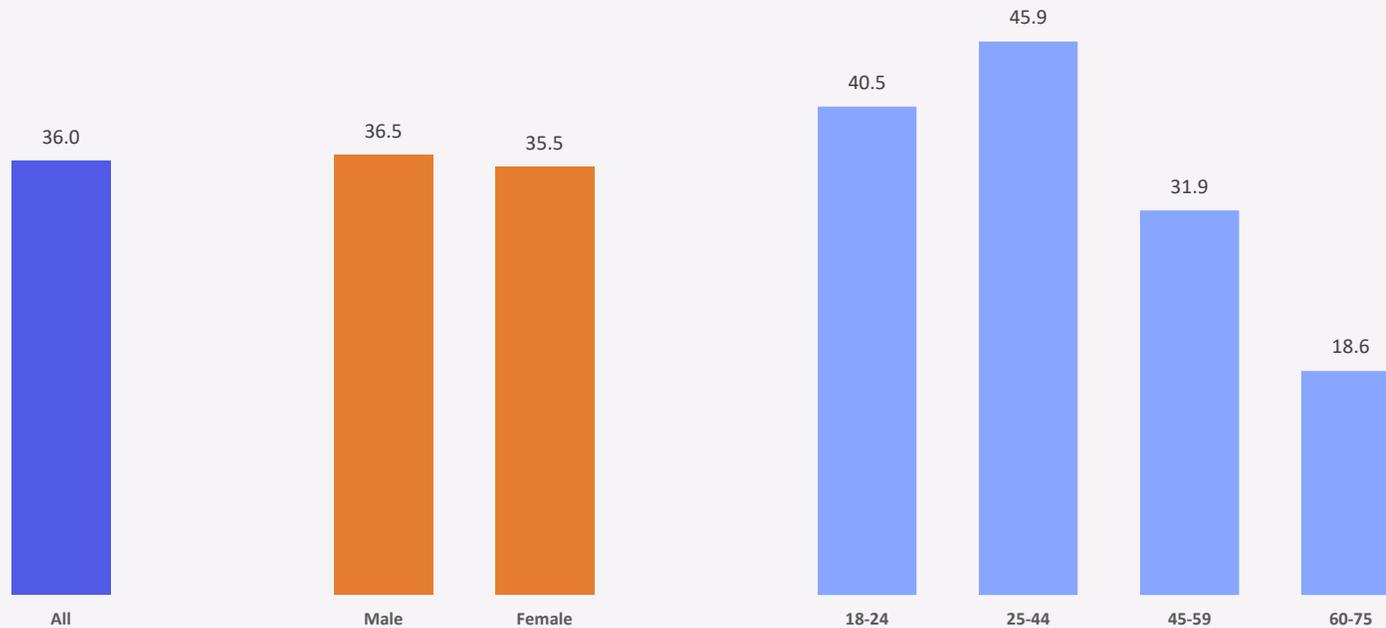
Source: Zogby Analytics consumer survey, September 2021, n=2,009. Percentages may sum to more than 100% as respondents could select multiple responses.

Secondhand Holiday

36% of consumers plan to resell unwanted gifts, mainly younger cohorts

I plan to resell unwanted gifts this holiday season

United States, % of consumers overall and by gender and age group



While many consumers receive unwanted gifts, only one third have plans to resell them. Reselling is highest among the two youngest age groups.

Source: Zogby Analytics consumer survey, September 2021, n=2,009. References all consumers, and consumers split by gender and broad age group. Percentages are those who are in the top two box agreement (strongly agree and agree) that they will do the activity in question.

Details

Definitions, explanations, methodology

Secondhand Holiday

Methodology

To calculate the market numbers GlobalData considered the following information:

- GlobalData's consumer panel, which tracks the shopping behavior and buying habits of a representative sample of over 100,000 consumers.
- This consumer data was supplemented by further consumer research to assess views and opinions on a variety of resale buying and selling.
- Data provided by individual retailers and resellers which breaks down sales and volume overall and by category.
- Secondary data from company reports and financials.

All the data are built into GlobalData's model of consumer spending which allows calculation of the various metrics on a national level. Retail analysts carry out several checks on this model to ensure its accuracy and validity. This includes checking against data from individual retailers, official government data, industry data and other sources.

Where provided, forecast data is modelled using a three-step process:

1. Cross-correlation auto regression of inputs over time
2. Bayesian techniques refine to single-most robust forecast
3. Cross-correlation auto regression and Bayesian refinement for the final output

Inputs for the forecasting model include standard economic and social variables as well as specific data from consumer research, retailer predictions and retail metrics such as price inflation, sales mixes, store counts, and basket sizes.

Online market research company Zogby Analytics conducted a September 2021 survey of 2,009 US respondents ages 18-75 assessing secondhand buying and selling behavior.

Secondhand Holiday

Definitions

The following product and category definitions apply:

Retail

The retail market includes all consumer product segments (food, household goods, beverages, homewares, furniture, home improvement, electronics, apparel, health, beauty, sports, games, leisure and hobby, entertainment, and other various products). Digital products, such as individual music downloads and e-books, are also included. The following are excluded: business to business sales, wholesale trade, gasoline, automotive vehicles (auto accessories are included), foodservice, household services such as plumbing and installation, medical devices, prescription drugs, travel, insurance, subscriptions services such as Netflix and Spotify, etc. Market sizes are measured by the total amount consumers spend on the products through all channels and all retailers.

Resale / secondhand

Any product sold, whether used or not used, after having first been owned by another consumer; can be sold directly or via third-party resellers. Includes all channels: charities, yard sales, peer-to-peer marketplaces, resale firms, auction sites, classified adverts, etc. The sale of first-hand products via these channels is not included. Resale includes sales of refurbished items or secondhand items sold by traditional, first-hand retailers – such as open box items in electronics.

Apparel

Includes all types of apparel across all segments: men, women and kids, which are also broken down separately. Footwear and accessories are broken down separately.

Autos

Includes all automotive parts, accessories and sundries such as automotive cleaning and lubricants; excludes all vehicles.

Electronics

Includes all consumer electronics from appliances to computing to audio visual. Electronics is broken down into: computing, which is laptops and desktops plus peripherals and computing accessories; communications which includes smartphones and other electronic communications devices; appliances which includes both large and small home appliances; and other electronics which contains all other electrical devices.

Homewares

Includes all homewares; excludes home improvement and home electronics such as televisions, excludes floorcoverings. Excludes furniture which is broken down separately.

Home improvement

Includes tools, home improvement materials, accessories and other home improvement products; excludes appliances and general homewares/furniture.

Sporting goods

Includes all sporting equipment, sporting accessories, exercise equipment including bikes; excludes automotive transportation and sporting apparel.

Furniture

Includes all types of furniture for the home from beds to tables, sofas, chairs, etc. Mattresses are included in furniture, but soft textiles such as curtains and decorative accessories are included in homewares.

Beauty products

All beauty products including cosmetics, skin care, body care, hair care, beauty accessories and aids, non-electric tools. Electronics such as hairdryers and straighteners are under electronics.

Toys and games

All toys and games including soft toys, board games, building blocks; includes adult games.

Collectibles

Consumer collectibles such as sports cards, stamps, currency and coins, decorative collectibles, art and animation characters, comics, etc.

Kids and baby products

All sundries for kids and babies, excluding apparel. Includes: cribs, cots, pushchairs, changing stations, diapers, baby sundries, etc. Excludes toys which are under the toys and games category.

Pet products

Including: pet toys, pet food, pet health; excludes the sale of live pets and vet services.

Arts and crafts

Arts and crafts materials such as paper, fabrics, beads, yarns, threads, paints etc. Also includes arts and crafts tools such as knitting needles, paintbrushes, glue guns, etc.

Books

All books; excludes comics and magazines; excludes ebooks.

Musical instruments and accessories

Includes all musical instruments such as guitars, drums, flutes, etc. Includes all accessories such as music stands, plectrum, metronomes, etc. Sheet music is included.

Secondhand Holiday

About Mercari

Mercari is your marketplace.

Our platform connects millions of people across the U.S. to shop and sell items no longer being used. Mercari is constantly innovating to make exchanges easier, from at-home authentication to improvements in online payments and shipping. Mercari has more than 50 million downloads in the U.S. and 350,000 new listings every day, empowering the next generation to transform the way they shop.

Mercari can be downloaded on app stores or accessed online through www.mercari.com.

Further information

For information on this report, and Mercari, please contact us at press-usa@mercari.com

Forward Looking Statements

This report contains forward-looking statements. Forward-looking statements include all statements that are not historical facts. The words "forecast" "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "predict" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties and assumptions. Except as required by law, Mercari has no obligation to update any of these forward-looking statements to conform these statements to actual results or revised expectations.

Secondhand Holiday

About GlobalData

GlobalData is a global research agency and consulting firm. Within the firm's retail division, our work focuses on all aspects of retailing and consumer behavior, which we deliver through a variety of different reports and our interactive Intelligence Centre. We also undertake custom research and consulting work for clients.

We are headquartered in New York and London with offices across the world. Our analysts and researchers work to understand the latest trends and developments in retailing across developed and emerging markets. We also have a global panel of consumers which we use to undertake consumer surveys and to gauge and assess sentiment and views on various retail issues.

We work with many of the world's leading retailers, FMCG groups, property firms and those in the financial sector to help them maximize success through developing a thorough understanding of the retail sector and its likely future performance.

Further information

For information on this report, and GlobalData's other products and services, please contact us:

e. retail@globaldata.com

t. +718.708.1476

w. www.globaldata.com/retail

MERCARÌ

 GlobalData.