INTERNET | ECOMMERCE

Rise of the Fashion Resale Marketplaces

Source: The RealReal

Please read domestic and foreign disclosure/risk information beginning on page 43 and Analyst Certification on page 43.
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Rise of the Fashion Resale Marketplaces Executive Summary

In this report, we examine the recent emergence of fashion resale marketplaces, which we believe offer numerous benefits over traditional secondhand and off-price stores – larger selection, more convenient shopping experience, and authentication services. In addition to these benefits, consumers are rapidly adopting resale marketplaces as a result of increasing awareness of the category and benefits of shopping resale, as well as less stigma around buying secondhand.

Large and Growing Market for Resale

thredUP estimates the current resale apparel market size is ~$20B (~5% of retail apparel) and is expected to grow 15% annually to ~$41B by 2022, at which point it would represent ~10% of retail apparel. thredUP notes that nearly one in three women, or 44M, shopped second hand in 2017 (up from 35M women in 2016). Further, thredUP estimates that resale grew 49% y/y in 2018, significantly ahead of other apparel categories. According to our survey, 15% of all respondents said they already use resale sites while another 40% are very/somewhat likely to use these sites in the future. Women are more likely to use these sites, with 18% already using and 45% at very/somewhat likely to. Additionally, the more frequently a person shops for clothing, the more likely they are to use resale apps. As such, 37% of respondents who shop weekly already use resale apps while 32% use that shop 2x a month.

Numerous Factors Driving Adoption of Resale Marketplaces

We believe there are numerous reasons for the recent rise of resale marketplaces, including: increasing awareness of online resale models (online apparel resale models still relatively new); less negative stigma about buying secondhand goods (especially among younger users); resale sites offer better user experience for buyers and sellers vs. traditional thrift and off-price stores; environmental benefits from buying secondhand; and desire for frequent turnover of wardrobes, especially among Instagram generation. According to our survey, saving money is the most cited reason (66% of respondents) for shopping on resale sites. Finding something unique (34%) and buying brands that one normally can't afford (27%) are the second and third most cited reasons.

Resale Offers Numerous Benefits over Traditional Thrift, Off-Price Retail, and Traditional Retail

Compared to traditional thrift stores, online resale has numerous benefits, including: much larger selection, a more convenient shopping experience, and better customer service. Relative to off-price retail, online resale also offers a larger selection (especially of brands), more unique items, a more convenient shopping experience, and better customer service/styling help. Finally, vs. traditional retail, online resale offers much lower price points (up to 90% off), more unique items, and is much more environmentally friendly.

Several Companies Emerging as Resale Leaders

Within fashion resale, we have seen several companies emerge as leaders. Within more mass market resale, Poshmark has emerged as a leading social commerce player and the leading peer-to-peer model. thredUP has also emerged as a key contender in mass market resale. Within luxury, we believe The RealReal has emerged as the leading company, though several other players are also attacking the luxury retail resale market, including Tradesy and Vestiaire. We have also seen the emergence of more niche resale sites, including Rebag (designer handbags), StockX (sneakers, streetwear), and Depop (creative community marketplace).
**What is the Better Model: Peer-to-Peer or Full Service?**

Resale companies can either provide a peer-to-peer online marketplace or full service offering (photos, listing, shipping, authentication). In general, we believe full service works best in high-priced categories where there is a greater chance of fraud (luxury fashion, jewelry). On the other hand, we believe peer-to-peer can do well in lower-priced categories where the costs of providing a full service solution may not be cost efficient.

**How are Resale Companies Building their Brands?**

Historically, we believe many of the resale companies have been able to scale through mostly word of mouth marketing. While we expect this to continue, now that the models are more proven we expect companies to increase their advertising spend. Additionally, we expect more of these companies to expand their physical store presence, which also has clear branding benefits. Based on our survey, Poshmark has the highest brand awareness at 50%, followed by thredUP at 31% and TheRealReal at 11%. Women demonstrated much higher awareness than men across almost all brands (e.g., 68% of women have heard of Poshmark while only 21% of men have). TheRealReal had the most awareness in the 35-39 age group, which we believe is likely a result of its focus on luxury items and higher purchasing power in the older age cohort.

**How Much Authentication Services do Resale Marketplaces Need to Offer**

Authentication services vary significantly across platforms. The biggest factor is price points of the items – a fraudulent seller has a much greater incentive to sell a fraudulent Hermès bag than a mid-priced item. As such, TheRealReal staffs over 100 staff trained, in-house professionals, including gemologists, horologists, art appraisers, and apparel experts who work to ensure the items it sells are authentic and in beautiful condition.

**Why Brands and Retailers Should Consider Resale**

Brands and retailers are both searching for new ways to increase customer engagement, as the rise of online shopping has led to a decline in foot traffic for traditional retailers. Brands may be concerned that resale will cannibalize sales, but we believe resale can introduce otherwise unreachable consumers to the brand. These consumers are then more likely to later buy new items from the brand once they can afford to. TheRealReal also notes that 80% of its consignors use their commission to shop the primary market. Many online and offline companies are now embracing resale because of the environmental benefits. While many retailers and brands were hesitant at first to embrace resale, they are now seeing the benefits and looking to partner with resale marketplaces as well.
Raymond James Resale Survey Results

We recently conducted a survey of ~500 consumers (age range of 13-45) to judge consumer interest in resale sites.

Approximately 50% of Consumers Shop for Clothing or Accessories at Least Once a Month

According to our survey, 48% of consumers shop for clothing or accessories at least once a month, with women shopping more frequently than men – 56% of women shop at least once a month while only 38% of men shop at least once a month. Frequency of shopping across age groups was relatively similar, with younger consumers shopping for clothes slightly more frequently – 55% of people aged 25-29 shopped at least once a month, while 45% of people aged 40-45 shopped at least once a month.

How Often do You Shop for Clothing/Accessories?

<table>
<thead>
<tr>
<th></th>
<th>Female</th>
<th>Male</th>
<th>Weekly</th>
<th>2x a month</th>
<th>1x a month</th>
<th>Every 3-4 months</th>
<th>Every 6 months</th>
<th>Once a year or less</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>13-17</td>
<td>0.0%</td>
<td>61.5%</td>
<td>23.1%</td>
<td>15.4%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>13</td>
</tr>
<tr>
<td>18-24</td>
<td>10.6%</td>
<td>17.1%</td>
<td>18.8%</td>
<td>24.1%</td>
<td>17.1%</td>
<td>12.4%</td>
<td>14.0%</td>
<td>107</td>
<td>170</td>
</tr>
<tr>
<td>25-29</td>
<td>4.7%</td>
<td>16.8%</td>
<td>33.6%</td>
<td>17.8%</td>
<td>13.1%</td>
<td>14.0%</td>
<td>11.5%</td>
<td>96</td>
<td>107</td>
</tr>
<tr>
<td>30-34</td>
<td>6.3%</td>
<td>17.7%</td>
<td>20.8%</td>
<td>30.2%</td>
<td>13.5%</td>
<td>11.5%</td>
<td>11.5%</td>
<td>72</td>
<td>96</td>
</tr>
<tr>
<td>35-39</td>
<td>8.3%</td>
<td>9.7%</td>
<td>20.8%</td>
<td>30.6%</td>
<td>19.4%</td>
<td>11.1%</td>
<td>11.1%</td>
<td>47</td>
<td>72</td>
</tr>
<tr>
<td>40-45</td>
<td>12.8%</td>
<td>12.8%</td>
<td>19.1%</td>
<td>29.8%</td>
<td>12.8%</td>
<td>12.8%</td>
<td>12.8%</td>
<td>47</td>
<td>47</td>
</tr>
<tr>
<td>Total</td>
<td>8.1%</td>
<td>16.8%</td>
<td>22.8%</td>
<td>25.1%</td>
<td>15.0%</td>
<td>12.1%</td>
<td>12.1%</td>
<td>505</td>
<td>505</td>
</tr>
</tbody>
</table>

Source: Raymond James research
n = 505
15% of Consumers Use Apparel Resale Sites Today, with 40% Likely to Use in Future

According to our survey, 15% of all respondents said they already use resale sites, while another 40% are very/somewhat likely to use these sites in the future. Women are more likely to use these sites, with 18% already using and 45% at very/somewhat likely to, while only 10% of men are currently using these sites and 35% are at very/somewhat likely to. Younger consumers are more likely, on average, to use these apps. Approximately 17% of 18- to 24-year-olds and ~20% of 25- to 29-year-olds already use these apps, while only ~7% and ~11% of 30- to 34-year-olds and 35- to 39-year-olds already use these apps. We believe usage may be higher among younger consumers since they are looking for better deals as a result of lower spending power, and younger consumers are quicker to discover new sites/apps.

How Likely are You to Use an Apparel Resale Site/App?

<table>
<thead>
<tr>
<th></th>
<th>Already use</th>
<th>Not currently, but Very Likely to use in the future</th>
<th>Somewhat likely to use in future</th>
<th>Not Likely to use in the future</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>13-17</td>
<td>30.8%</td>
<td>7.7%</td>
<td>30.8%</td>
<td>30.8%</td>
<td>13</td>
</tr>
<tr>
<td>18-24</td>
<td>17.1%</td>
<td>13.5%</td>
<td>25.3%</td>
<td>44.1%</td>
<td>170</td>
</tr>
<tr>
<td>25-29</td>
<td>19.6%</td>
<td>16.8%</td>
<td>24.3%</td>
<td>39.3%</td>
<td>107</td>
</tr>
<tr>
<td>30-34</td>
<td>7.3%</td>
<td>19.8%</td>
<td>24.0%</td>
<td>49.0%</td>
<td>96</td>
</tr>
<tr>
<td>35-39</td>
<td>11.1%</td>
<td>12.5%</td>
<td>25.0%</td>
<td>51.4%</td>
<td>72</td>
</tr>
<tr>
<td>40-45</td>
<td>10.6%</td>
<td>8.5%</td>
<td>31.9%</td>
<td>48.9%</td>
<td>47</td>
</tr>
<tr>
<td>Total</td>
<td>14.7%</td>
<td>14.7%</td>
<td>25.5%</td>
<td>45.1%</td>
<td>505</td>
</tr>
</tbody>
</table>

Source: Raymond James research  

n = 505
How Likely are you to Use an Apparel Resale Site/App?

<table>
<thead>
<tr>
<th></th>
<th>Already use</th>
<th>Not currently, but Very Likely to use in the future</th>
<th>Somewhat likely to use in future</th>
<th>Not Likely to use in the future</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Female</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13-17</td>
<td>25.0%</td>
<td>12.5%</td>
<td>50.0%</td>
<td>12.5%</td>
<td>8</td>
</tr>
<tr>
<td>18-24</td>
<td>20.6%</td>
<td>14.4%</td>
<td>29.9%</td>
<td>35.1%</td>
<td>97</td>
</tr>
<tr>
<td>25-29</td>
<td>23.0%</td>
<td>16.4%</td>
<td>29.5%</td>
<td>31.1%</td>
<td>61</td>
</tr>
<tr>
<td>30-34</td>
<td>10.2%</td>
<td>20.4%</td>
<td>18.4%</td>
<td>51.0%</td>
<td>49</td>
</tr>
<tr>
<td>35-39</td>
<td>18.2%</td>
<td>12.1%</td>
<td>30.3%</td>
<td>39.4%</td>
<td>33</td>
</tr>
<tr>
<td>40-45</td>
<td>11.4%</td>
<td>11.4%</td>
<td>37.1%</td>
<td>40.0%</td>
<td>35</td>
</tr>
<tr>
<td><strong>Male</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13-17</td>
<td>40.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>60.0%</td>
<td>5</td>
</tr>
<tr>
<td>18-24</td>
<td>12.3%</td>
<td>12.3%</td>
<td>19.2%</td>
<td>56.2%</td>
<td>73</td>
</tr>
<tr>
<td>25-29</td>
<td>15.2%</td>
<td>17.4%</td>
<td>17.4%</td>
<td>50.0%</td>
<td>46</td>
</tr>
<tr>
<td>30-34</td>
<td>4.3%</td>
<td>19.1%</td>
<td>29.8%</td>
<td>46.8%</td>
<td>47</td>
</tr>
<tr>
<td>35-39</td>
<td>5.1%</td>
<td>12.8%</td>
<td>20.5%</td>
<td>61.5%</td>
<td>39</td>
</tr>
<tr>
<td>40-45</td>
<td>8.3%</td>
<td>0.0%</td>
<td>16.7%</td>
<td>75.0%</td>
<td>12</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14.7%</td>
<td>14.7%</td>
<td>25.5%</td>
<td>45.1%</td>
<td>505</td>
</tr>
</tbody>
</table>

Source: Raymond James research  
N = 505

People Who Shop Frequently are More Likely to Use Resale Apps

The more frequently a person shops for clothing, the more likely they are to use resale apps. As such, 37% of respondents who shop weekly already use resale apps, while 32% use that shop 2x a month. Usage decreases significantly for infrequent apparel shoppers (only ~5% for those who shop every 3-4 months).

Correlation High Among Frequent Shoppers and Usage of Resale Apps

<table>
<thead>
<tr>
<th></th>
<th>Weekly</th>
<th>2x a month</th>
<th>1x a month</th>
<th>Every 3-4 months</th>
<th>Every 6 months</th>
<th>Once a year or less</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Already use</td>
<td>36.6%</td>
<td>31.8%</td>
<td>14.8%</td>
<td>5.5%</td>
<td>6.6%</td>
<td>4.9%</td>
<td>74</td>
</tr>
<tr>
<td>Not currently, but Very Likely to use in the future</td>
<td>17.1%</td>
<td>12.9%</td>
<td>16.5%</td>
<td>18.1%</td>
<td>13.2%</td>
<td>6.6%</td>
<td>74</td>
</tr>
<tr>
<td>Somewhat likely to use in future</td>
<td>19.5%</td>
<td>24.7%</td>
<td>31.3%</td>
<td>29.1%</td>
<td>18.4%</td>
<td>21.3%</td>
<td>129</td>
</tr>
<tr>
<td>Not Likely to use in the future</td>
<td>26.8%</td>
<td>30.6%</td>
<td>37.4%</td>
<td>47.2%</td>
<td>61.8%</td>
<td>67.2%</td>
<td>228</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8.1%</td>
<td>16.8%</td>
<td>22.8%</td>
<td>25.1%</td>
<td>15.0%</td>
<td>12.1%</td>
<td>505</td>
</tr>
</tbody>
</table>

Source: Raymond James research  
N = 505
Saving Money and Finding Unique Items are Top Reasons People Use Resale Sites

According to our survey, saving money is the most cited reason (66% of respondents) for shopping on resale sites. Finding something unique (34%) and buying brands that one normally can’t afford (27%) are the second and third most cited reasons. Men tend to care more about price, while women care more about selection and buying higher quality brands.

What are Reasons You Would Shop at a Resale Website?

<table>
<thead>
<tr>
<th>Reason</th>
<th>Female (%)</th>
<th>Male (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Save Money vs. Purchasing New</td>
<td>64%</td>
<td>41%</td>
</tr>
<tr>
<td>Find something unique</td>
<td>41%</td>
<td>25%</td>
</tr>
<tr>
<td>To buy brands that I normally couldn’t afford (trade up to higher quality items)</td>
<td>33%</td>
<td>20%</td>
</tr>
<tr>
<td>I like the treasure hunt mentality</td>
<td>19%</td>
<td>12%</td>
</tr>
<tr>
<td>More environmentally friendly to buy used</td>
<td>19%</td>
<td>11%</td>
</tr>
<tr>
<td>I like to rotate my wardrobe frequently</td>
<td>8%</td>
<td>9%</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>4%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: Raymond James research n = 505

Brand Awareness Leaders are Poshmark with 50% and thredUP with 31%

Based on our survey, Poshmark has the highest brand awareness at 50%, followed by thredUP at 31% and TheRealReal at 11%. Women demonstrated much higher awareness than men across almost all brands (e.g., 68% of women have heard of Poshmark, while only 21% of men have). TheRealReal had the most awareness in the 35-39 age group, which we believe is likely a result of TheRealReal’s focus on luxury items and higher purchasing power in the older age cohort.
Which Resale Websites have You Heard of?

Source: Raymond James research  
N = 505
Overview: How Resale Works

Resale marketplaces generally operate under either a peer-to-peer or consignment model, though some have both.

Peer-to-Peer (P2P)

In the peer-to-peer model, companies provide an online marketplace for buyers and sellers to interact, while the marketplace facilitates the transaction. For Poshmark, for instance, the seller takes a picture with their phone, fills in a description of the item, and sets a price. While authentication services vary by platform, most of the P2P marketplaces do offer some form of buyer guarantee, such as Poshmark’s Posh Protect.

Poshmark

Source: Poshmark

Tradesy: How to Sell

List Quickly and Easily — for Free

It takes just minutes to list your item — and we’ll guide you from start to sell

Snap
Take a few photos of your item — we’ll enhance your primary image by removing any background distractions. Download the Tradesy app for iOS or Android and enjoy fast and easy photo uploading.

Share
Give buyers details about your item — our easy listing process will prompt you and provide examples as you go.

Sell
That’s it! Your item is now in front of millions of savvy shoppers. You can manage your listing and update your pricing at any time.

Source: Tradesy
Consignment

In the consignment model, companies provide an online marketplace full service offering (photos, listing, shipping, inspection, authenticity). In general, we believe full service works best in high-priced categories where there is a greater chance of fraud for luxury fashion and jewelry items. The consignment companies generally charge a percentage fee of the listing price, with most having a regressive fee (lower fees for higher-priced items).

The Real Real Consignment Process

HOW IT WORKS

1. CHOOSE WHAT TO CONSIGN
   - Women’s Fashion & Accessories
   - Men’s Fashion & Accessories
   - Men’s Sneakers
   - Handbags
   - Fine jewelry
   - Watches
   - Home Decor
   - Fine Art

2. TOP 10 DESIGNERS TO CONSIGN
   - Chanel
   - Hermes
   - Louis Vuitton
   - Gucci
   - Prada
   - Celine
   - Cartier
   - Rolex
   - Patek Philippe
   - Van Cleef & Arpels

   View our Designers List »

3. PICK YOUR METHOD – THREE EASY WAYS TO CONSIGN
   - Schedule a free in-home pickup. Available in over 20 metro areas.
   - Ship your items directly to us with a free, prepaid label.
   - Visit a Luxury Consignment Office for a free valuation and consignment drop-off.

4. LET OUR EXPERTS DO ALL THE WORK
   Our team of 90+ luxury brand authenticators, horologists, gemologists and home and art curators carefully evaluates every item. We authenticate, photograph, price and sell your items fast. Get to know more about our experts »

5. GET PAID
   Choose to be paid by direct deposit, site credit (earn an extra 5% each month), or mailed check. Get paid each month an item sells. See our commission rate structure.

Source: The RealReal
**Pricing Models**

Pricing models vary across the various marketplaces, with some charging flat rates and some charging more of a regressive commission (higher take rates on lower-priced items and lower take rates on higher-priced goods). Additionally, the peer-to-peer marketplaces generally charge lower take rates while offering less customer service.

**The RealReal Item Commission Rates**

<table>
<thead>
<tr>
<th>Rate</th>
<th>Item &amp; Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>85%</td>
<td>· Watches &gt; $2,500</td>
</tr>
<tr>
<td></td>
<td>· Handbags &gt; $5,000</td>
</tr>
<tr>
<td></td>
<td>· Men’s Sneakers &gt; $500</td>
</tr>
<tr>
<td>80%</td>
<td>· Handbags $1,000 - $4,999</td>
</tr>
<tr>
<td></td>
<td>· Watches $1,000 - $2,499</td>
</tr>
<tr>
<td></td>
<td>· Jewelry &gt; $1,000</td>
</tr>
<tr>
<td></td>
<td>· Art &gt; $196</td>
</tr>
<tr>
<td>70%</td>
<td>· All items $146 - $195</td>
</tr>
<tr>
<td></td>
<td>· Home items &gt; $146</td>
</tr>
<tr>
<td>50%</td>
<td>· All items &lt; $145</td>
</tr>
<tr>
<td>40%</td>
<td></td>
</tr>
</tbody>
</table>

Note: All prices refer to resale list price
Source: The RealReal

**thredUP Payout Structure**

<table>
<thead>
<tr>
<th>Listing Price</th>
<th>Standard Payout</th>
<th>LUXE Payout</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; $14.99</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>$15.00 - $19.99</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>$20.00 - $34.99</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>$35.00 - $49.99</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>$50.00 - $74.99</td>
<td>40%</td>
<td>40%</td>
</tr>
<tr>
<td>$75.00 - $99.99</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>$100.00 - $199.99</td>
<td>60%</td>
<td>70%</td>
</tr>
<tr>
<td>$200.00 - $299.99</td>
<td>70%</td>
<td>80%</td>
</tr>
<tr>
<td>$300+</td>
<td>80%</td>
<td>90%</td>
</tr>
</tbody>
</table>

Note: Receive 10% bonus for LUXE brands if listing price > $100
Source: thredUP
Operations Overview

In the case of consignment business models, resale companies receive the products that are being sold before the shipment is sent to the buyer. The typical steps that are taken throughout the process of resale include: receiving, authentication, copywriting, pricing, photography, and storage.

Receiving

Upon receiving products, employees will check the condition of the apparel items, deciding if the item is of quality and condition to keep. If any items are not accepted by the company, sellers are given the option to have unaccepted items returned (usually for a fee) or have those items recycled.

Authentication

Many of the apparel resale companies primarily cater towards the reselling of luxury clothing and accessories. Due to the high volume of counterfeit items produced within the luxury apparel industry, authentication is one of the most significant focuses of companies such as The RealReal, which employs over 100 trained professional brand authenticators, gemologists, horologists, and art curators. Tradesy notes that it uses advanced technology to automatically detect and remove any replica items listed on its site, with 99.7% accuracy. If the buyer believes the items might be a fake, they can send it in to Tradesy headquarters.

Copywriting, Pricing, and Photography

To list the items online, the copywriting process entails writing detailed descriptions of the items. Pricing of the items is typically based on several different data points, usually determined by previously sold items along with current market pricing and demand. Photography is one of the key final steps that significantly differentiates full service resale from self-serve.

Storage & Inventory Turnover

While storage costs add to the expense structure, inventory turnover is relatively quick. One of the key benefits to having a large marketplace of buyers is quick turnover. According to The RealReal, most products are sold in 90 days or less and nearly 40% of items available on the RealReal are bought within four days.

What are Return Policies?

The return policies vary from company to company. We believe consumers would generally expect higher-ticket priced items to be returnable, as the cost of buying an item that the consumer doesn’t ultimately like would be high and potentially limit the consumer’s willingness to buy in the first place.

- The RealReal allows returns for online and in-store purchases within 21 days of in-store purchase or purchase data. Certain items are excluded – handbags, swimwear, luggage, beauty, items sold at 40% or more off the list price, and items sold in its end-of-month “Real Big Sale” are final sale and cannot be returned.
- Poshmark notes that a buyer may open a case with the company if they don’t receive their item or the item they receive is not as described within the listing (e.g., if the buyer receives an item that is not as described within the listing, is sent the wrong item, or is in some other way not as described).
- thredUP offers a 14-day return window on most items (thredUP notes that handbags are final sale).
thredUP Returns

ORDER RETURNS
You have 14 days from receipt to put returned items in the mail.

1. SELECT ITEMS YOU WISH TO RETURN
You have 14 days from receipt to put returned items in the mail. Some returned items are subject to a $1.99 restocking fee. Final sale items are non-returnable.

2. PRINT SHIPPING LABEL AND RETURN SLIP
Using our shipping label, it will print along with your return slip. Include the return slip with your package.

3. PACK AND SHIP YOUR ITEMS IN ONE BOX
Returning items from multiple orders? Reduce your carbon footprint and ship it all in one box!

Source: thredUP

Resale Companies Comparison Chart

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Business Model</th>
<th>Authentication Service</th>
<th>Price Point Addressed</th>
<th>Primary Geography</th>
<th>Target Demographic</th>
<th>Number of brands</th>
<th>Take rate/Commission/Fees</th>
<th>Return policy</th>
<th>Physical Stores</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poshmark</td>
<td>P2P</td>
<td>Free over $500</td>
<td>Luxury/Mass Market</td>
<td>U.S.</td>
<td>All</td>
<td>5K</td>
<td>$2.95 for items under $15, 20% over $15</td>
<td>All final sale</td>
<td>No</td>
</tr>
<tr>
<td>The RealReal</td>
<td>Consignment</td>
<td>Yes</td>
<td>Luxury</td>
<td>U.S.</td>
<td>All</td>
<td>1.5K</td>
<td>Varies by item, price, frequency (from 15-60%)</td>
<td>within 14 days</td>
<td>Yes</td>
</tr>
<tr>
<td>thredUP</td>
<td>Consignment</td>
<td>For LUXE items</td>
<td>Luxury/Midlevel</td>
<td>U.S.</td>
<td>Women/Kids</td>
<td>35K</td>
<td>Varies by item, price, frequency (from 5-90%)</td>
<td>14 days</td>
<td>Yes</td>
</tr>
<tr>
<td>Tradesy</td>
<td>P2P</td>
<td>Uses automated technology on website</td>
<td>Luxury</td>
<td>U.S.</td>
<td>Women</td>
<td>9K</td>
<td>19.8% items sold $50+, 2.9% withdrawal fee</td>
<td>4 days</td>
<td>Yes</td>
</tr>
<tr>
<td>Vestiaire Collective</td>
<td>P2P &amp; Consignment</td>
<td>Yes</td>
<td>Luxury</td>
<td>France, UK, US</td>
<td>All</td>
<td>3.5K</td>
<td>Varies by item, price, frequency (from 18-34%)</td>
<td>14 days</td>
<td>No</td>
</tr>
<tr>
<td>StockX</td>
<td>P2P</td>
<td>Yes</td>
<td>Luxury/Midlevel</td>
<td>U.S.</td>
<td>Men</td>
<td>6.3K (4)</td>
<td>10%</td>
<td>All final sale</td>
<td>No</td>
</tr>
<tr>
<td>Depop</td>
<td>P2P</td>
<td>No</td>
<td>Mass Market</td>
<td>US, UK</td>
<td>All</td>
<td>-</td>
<td>10%</td>
<td>Between buyer and seller</td>
<td>Yes</td>
</tr>
<tr>
<td>Grailed</td>
<td>P2P</td>
<td>Online moderators review</td>
<td>Luxury</td>
<td>U.S.</td>
<td>Men</td>
<td>-</td>
<td>6% + (2.9% + $0.30)</td>
<td>All final sale</td>
<td>No</td>
</tr>
<tr>
<td>Rebag</td>
<td>Purchases from Seller</td>
<td>Yes</td>
<td>Luxury</td>
<td>U.S.</td>
<td>Women</td>
<td>47</td>
<td>N/A</td>
<td>2 days</td>
<td>Yes</td>
</tr>
</tbody>
</table>

(1) Excludes items marked "Final Sale" or "Non-U.S. Orders"
(2) Fees typically regressive.
(3) No returns if from private seller
(4) Refers to variety of sneakers offered, not specific brands
(5) Excludes handbags which are final sale items
(6) Excluding handbags, swimwear luggage, beauty, items sold at 40% off are considered final sale
(7) if <$150 receive 55% or 65% in store credit
(8) Seller decides who pays shipping

Source: Company data, Raymond James research
**Sizing the Resale Market**

**Current Resale Apparel Market Size is ~$20B and is Expected to Grow 15% Annually to ~$41B by 2022**

- **Apparel Takes Biggest Slice of Resale Pie**
  - 49% Apparel (Clothes, Shoes, & Accessories)
  - 20% Media & Electronics
  - 13% Books
  - 11% Homewares & Furniture
  - 8% Other

- **Resale Disruptors Drive Category Growth**
  - Resale is growing 24x faster than retail
  - +49% Resale Disruptors
  - +9% Traditional Resale
  - +7% Off-Price Retail
  - +2% All Apparel Retail

*2017-2018 Growth Rates

Source: thredUP

**Resale Market Beginning to Go More Mainstream**

According to thredUP, nearly one in three, or 44M, women shopped second hand in 2017 (up from 35M women in 2016). According to our survey, 18% of women have shopped at a resale site, while 10% of men have.

Source: thredUP
Users Adopting Thrift Quickly

According to thredUP, in 2017, 24% of items in a thrifter’s closet were used (up from 11% in 2012) and is expected to increase to 40% by 2022. Additionally, thrifters plan to buy 2x the amount of used clothes over the next five years.

Younger Users a Driving Force

With nearly 40% of 18- to 24-year-olds having shopped resale in 2017, it is no debate that millennials are one of the driving forces behind the rapid growth. Additionally, luxury buyers are driving adoption of the market as well, with thredUP noting that 13% of the most active thrifters are millionaires. According to our survey, 30% of 13- to 17-year-olds, 17% of 18- to 24-year-olds, and 20% of 25- to 29-years-olds have shopped resale. People in older age groups were less likely to shop at resale sites. Approximately 10% of people 30 and older have shopped at resale sites.

Resale a Clear Share Gainer

thredUP estimates resale grew 49% y/y in 2018, significantly ahead of other apparel categories. In a recent survey, thredUP noted nearly 71% of consumers who shopped resale plan on spending more on resale within the next five years. This compares to 43% and 3% of consumers who plan to spend more at Amazon and department stores in the next five years, respectively.
Expected Market Growth

The Millennial Paradox

While millennials can be impulsive shoppers and often quickly discard items, they also like good values and are more environmentally conscious shoppers. Hence, nearly 77% of millennials have a preference of purchasing products from environmentally conscious brands (thredUP) and 35% of millennials are likely to start shopping thrift due to environmental reasons, compared to the average 27%.

Millennial Habits

Source: thredUP
Retail is Evolving

According to thredUP, the market for retail is evolving, not dying. From 2007 to 2017, the market shifted towards off-price, direct to consumer eCommerce, resale, and subscription and rental. Areas that saw the biggest declines included mid-priced specialty retail, department stores, and other retailers. These trends are expected to continue over the next 10 years, with nearly one-third of retail being driven by the new disruptive categories (direct to consumer, Amazon, resale, and subscription and rentals). As such, based on thredUP’s consumer survey, 71% of consumers plan to spend more on Resale over the next five years, 43% indicated Amazon, 38% indicated direct to consumer, and 32% indicated subscription and rental.

A Changing Closet

Meet the Closet of the Future

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Resale: thredUP, eBay, Plato's Closet, etc.</td>
<td>Off-Price 10%</td>
<td>Resale 11%</td>
</tr>
<tr>
<td>Subscription &amp; Rental: Rent the Runway, Stitch Fix, etc.</td>
<td>Fast Fashion 7%</td>
<td>Off-Price 15%</td>
</tr>
<tr>
<td>Amazon: Amazon Fashion, etc.</td>
<td>Mid-Priced Specialty 26%</td>
<td>Amazon 4%</td>
</tr>
<tr>
<td>Direct-to-Consumer: Everlane, ASOS, etc.</td>
<td>Value Chains 11%</td>
<td>Direct-to-Consumer 11%</td>
</tr>
<tr>
<td>Off-Price: T.J. Maxx, Ross, etc.</td>
<td>Department Stores 23%</td>
<td>Sub. &amp; Rental 2%</td>
</tr>
<tr>
<td>Fast Fashion: Zara, Forever21, etc.</td>
<td>Other Retailers 17%</td>
<td></td>
</tr>
<tr>
<td>Mid-Priced Specialty: Gap, Ann Taylor, etc.</td>
<td>Department Stores 14%</td>
<td></td>
</tr>
<tr>
<td>Value Chains: Walmart, Target, etc.</td>
<td>Other Retailers 15%</td>
<td></td>
</tr>
<tr>
<td>Department Stores: Macy's, Bloomingdales, etc.</td>
<td>Other Retailers 10%</td>
<td></td>
</tr>
<tr>
<td>Other Retailers: Costco, QVC, etc.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Percentages based on actual and projected market share

Retail disruptors will own nearly 1/3 of closets by offering fun experiences and low prices

Resale will be larger than fast fashion as consumers re-think eco-impact of apparel

Resale is growing 9x faster than legacy retailers

Source: thredUP
Consumers are Shifting Away from Traditional Retail Channels

Where Consumers Plan to Shift Spend

<table>
<thead>
<tr>
<th>Channel</th>
<th>Less</th>
<th>More</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resale: thredUP, eBay, Plato’s Closet, etc.</td>
<td>11%</td>
<td>71%</td>
</tr>
<tr>
<td>Subscription and Rental</td>
<td>18%</td>
<td>32%</td>
</tr>
<tr>
<td>Rent the Runway, Stitch Fix, etc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct-to-Consumer: Everlane, ASOS, etc.</td>
<td>16%</td>
<td>38%</td>
</tr>
<tr>
<td>Amazon Fashion, etc.</td>
<td>12%</td>
<td>43%</td>
</tr>
<tr>
<td>Value Chain: Walmart, Target, etc.</td>
<td>49%</td>
<td>20%</td>
</tr>
<tr>
<td>Off-Price: T.J. Maxx, Ross, etc.</td>
<td>29%</td>
<td>28%</td>
</tr>
<tr>
<td>Mall Brands: Gap, Ann Taylor, etc.</td>
<td>38%</td>
<td>25%</td>
</tr>
<tr>
<td>Department Stores: Macy’s, Bloomingdales, etc.</td>
<td>71%</td>
<td>3%</td>
</tr>
</tbody>
</table>

*Responses represent buying intentions of those who shopped each retail category.

71% of consumers plan to spend more on resale shopping.

71% of consumers plan to spend less in department stores.

Source: thredUP

Key Drivers for Online Resale Adoption

Increasing Awareness of Resale Models

While eCommerce has existed since the late 1990s, resale websites are still relatively new. thredUP was founded in 2009 and Poshmark and The RealReal were founded in 2011. We believe these new models are helping to address the problems in previous secondhand stores either offline or online. Additionally, the increasing adoption of smartphones has enabled consumers to easily photograph and list items for sale on sites like Poshmark. According to The RealReal founder, “There was nothing out there that provided the level of service and trust that needed to be added to the equation... There were consignment stores, but the space was always limited, and most of them weren’t big enough to be sophisticated. I wanted to construct a business that gives you the best of the Internet, and then fills in where the Internet leaves holes on trust, authentication and service. We take off of the top of eBay and the bottom of Sotheby’s.”
Less Resale Stigma

The negative stigma of shopping secondhand clothing appears to be fading, especially with younger users. According to a GlobalData survey, the majority of millennials are browsing resale websites for clothing. The survey showed 53.1% of 25- to 34-year-olds use resale platforms and nearly 60% of 16- to 24-year-olds. Our survey showed that 30% of respondents ages 13-17 are already shopping resale, 17% of 18- to 24-year-olds, and 20% of respondents ages 25-29. According to Levesque at The RealReal: “I do think that the rise of the sharing economy has also helped – it’s taken the stigma out of resale and removed the need to own something forever.” Also, according to Blumenthal at thredUP, “I think the stigma around shopping secondhand is pretty much gone...We think 2018 was the year that secondhand truly went mainstream and 2019 is going to see this rise of a more conscious consumer.”

Percentage of Shoppers Using Resale Sites When Purchasing Clothing, Footwear, or Accessories

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percentage Using Resale Sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>40.0%</td>
</tr>
<tr>
<td>16-24</td>
<td>58.9%</td>
</tr>
<tr>
<td>25-34</td>
<td>53.1%</td>
</tr>
<tr>
<td>35-44</td>
<td>46.9%</td>
</tr>
<tr>
<td>45-54</td>
<td>37.3%</td>
</tr>
<tr>
<td>55-64</td>
<td>27.5%</td>
</tr>
<tr>
<td>65+</td>
<td>23.8%</td>
</tr>
</tbody>
</table>

Source: GlobalData

Large Selection and Constant New Arrivals

One of resale’s key benefits is the wide selection consumers typically do not receive from retailers. According to thredUP, it offers 35k brands on its site, significantly above off-price retailer TJMaxx at 359 brands and even Amazon at 10k brands. thredUP also has significantly more SKUs of apparel than TJMaxx at 1.7M vs. 8.2k. According to thredUP, 62% of consumers also switched to thrift because of constant new arrivals (thredUP adds 1,000 new arrivals each hour).
Resale Has Large Variety of Brands

![Image of comparison between Amazon, TJ Maxx, and ThredUp]

Source: thredUP

Better Value and Treasure Hunt Mentality

We believe a key driver of resale is the much better deals and value it offers vs. buying new. Discounts by category can vary widely but are often 50% or more. thredUP estimates resale is a 70% discount vs. retail, compared to off-price, which is a 40% discount to retail. Also, according to thredUP, buying used instead of new for one year would save consumers $2,420 on average (used clothing, electronics, and furniture). According to The RealReal CEO Julie Wainright, “Some of the smartest people I know have been buying consignment forever but never talked about it – even some of the richest people I know, because they like good value.” She also noted, “Do I need to buy everything new or can I buy some things in the secondary market, not just for fashion but for your home, jewelry? ...You get a really good value when you buy secondary.” According to our survey, when asked why they would shop at a resale site, 66% of respondents said saving money instead of purchasing new and 34% said finding something unique; 16% also cited the treasure hunt mentality.

Resale Offers Better Value

The Same Thrill, But Better Deals: Shoppers spend less on resale, but get more overall retail value.

![Image showing comparison between Resale and Off-Price]

Source: thredUP

*Amount spent based on estimated consumer purchases in 2022.
**Value assumes resale apparel sells at a 70% discount to retail price and off-price apparel sells at a 40% discount to retail price.
Frequent Turnover of Wardrobe

Shoppers today, especially in the Instagram era, are looking to turn over their wardrobe much more frequently. While continually buying new clothing could be unaffordable, newer models, including rentals and resale, appeal to this new generation. According to an article by Business of Fashion, consumers are only keeping their clothing for half as long as they use to. According to the article, a survey done in Britain found that one in three young women consider clothes “old” after wearing them once or twice and one in seven consider it a fashion faux-pas to be photographed in an outfit twice. Additionally, according to The RealReal, “So we find they buy from our site and buy new and then consign things they may have kept for a couple of months. Then they use the money from consignments to buy new or buy from us again. Rebag launched Rebag Infinity, whereby consumers can purchase a bag with the option to sell it back to Rebag within six months for at least 70% of the purchase price. According to our survey, 8% of respondents cited frequent rotation of their wardrobe as a reason to use resale sites.

Empowering Smarter Shoppers

Resale sites empower consumers to shop smarter – not just thinking about the original purchase but also the resale value. According to The RealReal, “Consignors are making purchases now knowing they will eventually consign and make a large portion back on the original cost – it's more of an investment mindset… Additionally, we're seeing consumers, more and more, shopping retail who want to know the resale value of designers and items before they make a purchase.....If you know you can make 80% of [the price] of an item back, you are more likely to go ahead and make the purchase in the primary market.” According to The RealReal CEO, “More and more, our clients are thinking about what will hold its value…We get people calling in while they are shopping directly from brands like Hermès and Gucci and asking what they should buy.”

Trade up to Higher Quality Items

While previously unaffordable for many, resale makes higher-priced items and luxury items much more affordable. The RealReal advertises top fashion brands up to 90% off. According to The RealReal, “Customers love shopping on The RealReal to find treasures that slipped through their hands or that they never had the opportunity to own before.” According to thredUP, 66% of consumers use thrift to buy better brands they would never pay full price for. According to our survey, 27% of respondents cited buying brands they can’t normally afford as a reason to use resale sites.

Resale Companies are Removing the Friction in Selling

We believe one of the key areas on which online resale companies have focused is removing the friction from selling secondhand that existed in the past. On many of the sites, the resale company will send you a bag to send in your items and they take care of everything else (photos, listing, authentication, etc.). Additionally, some of the companies that sell higher-end goods will come to your house in certain geographies and pick up your items or even help you arrange your closet. According to The RealReal CEO, “I knew we had to make it really easy, offering free pickup in major cities and inspecting and authenticating every single piece. If we were going to deal in the luxury space, it would require a level of trust. Half of our consignors have never consigned before.” Additionally, according to thredUP CEO, “I started this business because I had a closet full of shirts I didn’t wear, and it was inconvenient to try and sell them on eBay, so they just sat in my closet…There needed to be an easier way.”
Resale Offers a More Personalized Shopping Experience

In addition to selling products, some resale marketplaces are offering a more personalized shopping experience. In 2017, Poshmark launched its Posh Dressing Room, which provides shoppers with the following features: 1) find a stylist – request to connect with and be styled by a seller stylist; 2) receive curated items – seller stylists will share a bundled, personalized look with shoppers that fits their style; and 3) get real-time updates on inventory – seller stylists can connect directly to share the latest available merchandise.

In 2018, Tradesy launched Tradesy Concierge as an on-demand, in-home service that sends professionally trained stylists into your home to either help organize and edit your wardrobe or offer personalized styling services. The service has launched in the New York City area, with a goal to be in all U.S. cities by the end of 2019. According to Tradesy’s DiNunzio, “Women just fall in love with having a perfectly organized closet, and form amazing relationships with their stylists… We’ve combined this top-tier experience with a new Tradesy consignment service that makes selling even easier. It’s everything busy, stylish women need to fully manage their modern wardrobe.”

Tradesy Closet Concierge Services

Enjoy on-demand, full-service closet organization and wardrobe editing by your personal stylist team. They’ll leave you with a beautifully arranged closet based on your lifestyle and styling inspiration. The items you part with? They’ll get a new home through reselling or donating—and you’ll get more space in your closet for your favorite pieces.

2 stylists / 3 hours / $400

Fall in love with flattering new outfits created from pieces you already own, and let your stylists help you fill in the gaps in your closet with live personal shopping via your stylist’s iPad. Best of all, your stylist will leave you with expert everyday styling tips and a custom lookbook featuring outfits you never even knew you had. Fun, interactive, and perfect for leveling-up your look.

1 stylist / 2 hours / $300

Source: Tradesy
Environmental Benefits from Buying Resale

There are clear environmental benefits when consumers shop resale. According to the Council on Textile Recycling, the typical U.S. citizen throws away 70 pounds of clothing a year and donate or recycle just 12 pounds a year. In total, more than 16 million tons of textile waste is generated annually, according to the U.S. Environmental Protection Agency’s 2015 report. In 2019, Americans will throw away more than 35 billion pounds of textiles, according to the Council for Textile Recycling, nearly double from 1999. Worldwide, it is estimated that less than 1% of the material used to produce clothes is eventually recycled, according to an Ellen MacArthur Foundation report. In October 2018, The RealReal launched its Sustainability Calculator for consignment, which is meant to quantify the positive impact of consignment on the planet. The initial calculation measured the impact of 2.5M women’s clothing items consigned to The RealReal, which offset 65M car miles in greenhouse gases and energy since 2012.

While the environmental benefits are clear, shoppers still have to be willing to buy secondhand. Thus far, we have seen younger users, including millennials, as the most engaged. According to Shawn Grain Carter, a professor at the Fashion Institute of Technology in New York, “Sustainability is a big deal to millennial shoppers... They have a sense of corporate responsibility, and they find nothing wrong with recycling clothing. Buying used does not have a stigma whatsoever.” According to an Accenture Strategy survey, 62% of shoppers said they are attracted to companies that want to improve the environment and reduce plastics. According to Blumenthal at thredUP, “I think there’s really been a rise in the more conscious consumer, and people are not just shopping secondhand because they have to; they’re shopping secondhand because they want to.” According to our survey, 15% of respondents cited environmental friendliness as a reason to use resale sites.

Environmental Benefits of Resale

Thrift Offsets Rampant Throw-Away Culture

The Consumption Problem

In case you missed it, fashion is the second-most polluting industry in the world, surpassed only by petroleum.

Picking up and disposing of brand-new clothes all the time drives demand for nonstop manufacturing, which contributes to the fashion industry's incredible waste.

When you buy something old and previously-loved, you're extending its lifespan and reducing its carbon footprint.

- EMILY FARRA, editor

The Secondhand Solution

BUYING A USED GARMENT EXTENDS ITS LIFE ON AVERAGE BY

2.2 years

WHICH REDUCES CARBON, WASTE, AND WATER FOOTPRINTS BY

73%

Source: thredUP
Resale Offers Numerous Benefits over Traditional Thrift, Off-Price Retail, and Traditional Retail

As we have discussed previously, we believe resale offers numerous benefits vs. traditional thrift stores, off-price retail, and traditional retail stores. We believe traditional thrift stores and off-price retail are the most pertinent comparisons for buying used or excess inventory. Compared to traditional thrift stores, online resale has numerous benefits, including: much larger selection, a more convenient shopping experience, and better customer service. Relative to off-price retail, online resale also offers a larger selection (especially of brands), more unique items, a more convenient shopping experience, and better customer service/styling help. Finally, vs. traditional retail, online resale offers much lower price points (up to 90% off), more unique items, and is much more environmentally friendly.

Comparison of Resale vs. Traditional Thrift Stores, Off-Price Retail, and Traditional Retail

<table>
<thead>
<tr>
<th></th>
<th>Resale</th>
<th>Traditional Thrift Stores</th>
<th>Off-Price Retail</th>
<th>Traditional Retail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Selection</td>
<td>★</td>
<td>○</td>
<td>★</td>
<td>○</td>
</tr>
<tr>
<td>Selection of Sizes</td>
<td>○</td>
<td>○</td>
<td>★</td>
<td>★</td>
</tr>
<tr>
<td># of Brands</td>
<td>★</td>
<td>○</td>
<td>★</td>
<td>★</td>
</tr>
<tr>
<td>Price</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td>○</td>
</tr>
<tr>
<td>Unique Items</td>
<td>○</td>
<td>★</td>
<td>★</td>
<td>○</td>
</tr>
<tr>
<td>Convenient Shopping Experience</td>
<td>○</td>
<td>★</td>
<td>★</td>
<td>○</td>
</tr>
<tr>
<td>Styling Help</td>
<td>★</td>
<td>★</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Ease of Returns</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td>★</td>
</tr>
<tr>
<td>Environmentally Friendly</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td>○</td>
</tr>
</tbody>
</table>

Source: Raymond James research

Key Debates and Questions for Online Resale Companies

What is the Better Model: Peer-to-Peer or Full Service?

Resale companies can either provide a peer-to-peer online marketplace or full service offering (photos, listing, shipping, authentication). In general, we believe full service works best in high-priced categories where there is a greater chance of fraud (luxury fashion, jewelry). On the other hand, we believe peer-to-peer can do well in lower-priced categories where the costs of providing a full service solution may not be cost efficient. Peer-to-peer companies should be able to offer more attractive take rates to the seller. That said, buyers of luxury items will put a higher wait on authenticated goods and also likely will be willing to pay higher price for a good that is authenticated.
Into What Categories will Reseller Marketplaces Expand?

Thus far, resale companies have largely focused on items that: 1) are most likely to sell; 2) relatively low-cost to ship; and 3) easier to authenticate. While most started with more women's clothing, companies have expanded to menswear, kids wear, and increasingly home goods as well. For The RealReal, 25% of its customer base is now men, in part due to its healthy selection of watches and sneakers. The RealReal has noted that is intentionally avoiding categories like wine and cars: “Because you really can't tell the authenticity of it [wine]. And there's too many horror stories out there... We looked at doing cars, and cars didn't make sense either. The market's too big, it's too hard to authenticate.”

Poshmark also views fashion as just the beginning and views itself as a social commerce platform than can work across verticals and offer shopping experiences in a curated social environment. According to the Poshmark CEO, “We’ve been broadening our platform to take it away from just women's resale to women's retail and boutiques, men's, kids, and also plus sizes and other specific communities that exist within the Poshmark platform.” Poshmark also noted it is eyeing categories like makeup and home décor. Poshmark also notes that it can launch temporal markets: “You could see us creating a Posh Market around Coachella, which is primarily the boho style, and that market maybe lasts for a month and we take it down.”

thredUP Categories

Source: thredUP

How Much Authentication Services do Resale Marketplaces Need to Offer?

Authentication services various significantly across platforms. The biggest factor is price points of the items – a fraudulent seller has a much greater incentive to sell a fraudulent Hermès bag than a mid-priced item. As such, The RealReal staffs over 100 staff trained, in-house professionals including gemologists, horologists, art appraisers, and apparel experts who work to ensure the items it sells are authentic and in beautiful condition. The company uses a multi-point, brand-specific authentication process before items are accepted for consignment. On the other hand, Poshmark is a peer-to-peer marketplace and does not offer authentication services before a sale is made. Poshmark does offer its Posh Protect policy, which offers a full refund if the item does not ship or does not match the description, including undisclosed damage, incorrect or missing item, item not as described, and item is not authentic.
The RealReal Chief Authenticator

Graham Wetzarger, A.J.P.
Chief Authenticator

Graham has worked with luxury goods for over a decade. His authentication expertise grew from his background in Fashion Design and Art History, and his thirst for knowledge has taken him around the world. In addition to authenticating and appraising items with his teams in SF and NJ and leading product knowledge training for TRR employees, Graham teaches Fashion History & Style Trends at the Academy of Art University.

Source: The RealReal

Poshmark Posh Protect Guarantee

Buy Safely with Posh Protect

We understand that safety and trust are important to you. You are protected every time you place an order on Poshmark with Posh Protect. Plus, our best-in-class customer service team is always here to help.

Source: Poshmark
How Can Resale Companies Scale their Seller Bases?

As a two-sided marketplace, sourcing inventory is a key focus for the resale marketplaces. We believe resale companies’ focus on making the selling as seamless as possible has been a key factor in the growth of the category in recent years.

- **Poshmark** encourages sellers to look beyond their own closets. According to Poshmark’s CEO, “When they run out of inventory, they want to keep selling their style and begin sourcing new merchandise from various channels including consignment shops, sample sales, trade shows, and wholesale markets.” Similar to eBay, Poshmark has spawned an ecosystem of sellers that have built a business selling on Poshmark. Additionally, in 2015, Poshmark launched an in-app wholesale marketplace to help its sellers source new inventory, and over 60 independent fashion brands have joined. Poshmark notes that of its ~40M users, about 5M are also sellers on the app.

- **The RealReal** offers 3 convenient methods to consign: 1) Schedule a free in-home pickup (available in over 20 metro areas). 2) Ship items directly to the company with a free, prepaid label. 3) Visit a Luxury Consignment Office for a free valuation and consignment drop-off.

- **Vestiaire Collective** notes that it accepts products from sellers in more than 17 countries, which results in ~4,000 new products every day. Vestiaire believes a key advantage is its global footprint.

- **Tradesy Closet Concierge** sends a pair of stylists to a customer’s physical closet to evaluate the contents and help consumers decide what should stay, what to sell, and what to donate.

How are Resale Companies Building their Brands?

Historically, we believe many of the resale companies have been able to scale through mostly word of mouth marketing. While we expect this to continue, now that the models are more proven, we expect companies to increase their advertising spend. Additionally, we expect more of these companies to expand their physical store presence, which also has clear branding benefits.

- **Poshmark** highlights its success attracting consumers as a result of the social nature of its platform, and 80-90% of Poshmark’s traffic originates through its mobile application. According to the company, “Poshmark is a social platform by nature, and being successful on the app means being social, too, by engaging with other Poshers through likes, comments, and shares, just like any social network such as Instagram.” Poshmark notes average active users are on the app for 20-25 minutes a day and open the app 7-9 times a day.

- **Vestiaire** has leveraged guest curators to market its brand, including Rachel Zoe, Tina Leung, and Toni Garrn.

- **The RealReal** benefits from a lot of viral traffic as its one of if not the largest collections of luxury consignment goods. According to SimilarWeb data, 56% of its traffic was direct to its website and of the 31% of traffic from search, only 11% was from paid search.

- Apparel resale companies have quickly moved up the ranks of app downloads, with Poshmark, StockX, Depop, The RealReal, and thredUP all in the top 100 for the U.S. iOS app store. In general, we would expect more mass market sites to also have the most traffic and luxury sites to have less traffic. Given the success of some of the luxury category, lower traffic doesn’t necessarily mean low revenues, considering the much higher price points and repeat usage.
### U.S. App Store Rankings in Shopping Category

<table>
<thead>
<tr>
<th></th>
<th>iOS Ranking (U.S.)</th>
<th>Google Play Ranking</th>
<th>Google Play Downloads</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poshmark</td>
<td>2</td>
<td>6</td>
<td>10,000,000+</td>
</tr>
<tr>
<td>StockX</td>
<td>18</td>
<td>45</td>
<td>1,000,000+</td>
</tr>
<tr>
<td>Depop</td>
<td>39</td>
<td>112</td>
<td>1,000,000+</td>
</tr>
<tr>
<td>The RealReal</td>
<td>64</td>
<td>157</td>
<td>50,000+</td>
</tr>
<tr>
<td>thredUP</td>
<td>71</td>
<td>55</td>
<td>1,000,000+</td>
</tr>
<tr>
<td>Grailed</td>
<td>138</td>
<td>263</td>
<td>50,000+</td>
</tr>
<tr>
<td>Tradesy</td>
<td>188</td>
<td>283</td>
<td>100,000+</td>
</tr>
<tr>
<td>Vestiaire Collective</td>
<td>741</td>
<td>118*</td>
<td>100,000+</td>
</tr>
</tbody>
</table>

*Vestiaire Google Play ranking in France
Source: AppAnnie, Google Play Store

### Website Traffic Data

<table>
<thead>
<tr>
<th></th>
<th>Dec 18 Total Web Visits (M)</th>
<th>Global Shopping Rank</th>
<th>Primary Geography</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poshmark</td>
<td>20</td>
<td>210</td>
<td>U.S.</td>
</tr>
<tr>
<td>StockX</td>
<td>15</td>
<td>20</td>
<td>U.S.</td>
</tr>
<tr>
<td>Grailed</td>
<td>7</td>
<td>91</td>
<td>U.S.</td>
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<td>Depop</td>
<td>4</td>
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<td>U.S., UK</td>
</tr>
<tr>
<td>The RealReal</td>
<td>4</td>
<td>955</td>
<td>U.S.</td>
</tr>
<tr>
<td>thredUP</td>
<td>3</td>
<td>176</td>
<td>U.S.</td>
</tr>
<tr>
<td>Vestiaire Collective</td>
<td>3</td>
<td>276</td>
<td>France, UK, US</td>
</tr>
<tr>
<td>Tradesy</td>
<td>2</td>
<td>349</td>
<td>U.S.</td>
</tr>
</tbody>
</table>

Source: SimilarWeb

### What is Repeat Shopper Behavior?

One of the concerns for eCommerce companies has been repeat purchase behavior especially in newer categories. Given the clear benefits of buying and selling through a resale marketplace, we do not believe this should be a concern. According to Poshmark, upward of 75% of sales come from repeat shoppers. Poshmark specifically encourages consumers to come back frequently, given the social nature of its app as well as daily “posh parties,” which let people browse a certain theme (e.g., prom dresses).

### How do Resale Companies Create User Loyalty?

We believe a key point of focus for resale marketplaces is how to create user loyalty. We think the most important factor is providing a good user experience for both buyers and the sellers. For buyers, that means a good search experience, curated items, on-time shipping, and a promise of authenticity. For sellers, we believe a good experience entails a frictionless listing and selling process (whether full serve or self serve) and a fair commission structure. Additionally, we believe resale companies could increasingly look to membership programs and loyalty programs to drive repeat usage and more exclusivity. For instance, The RealReal offers higher payout rates the more consigners list and can receive site credit and other benefits. The RealReal also offers a first look membership for more active buyers, which provides numerous benefits, including 24-hour advance access to sales and advance wait list notification.
The RealReal VIP Seller Programs and First Look Buyer Memberships

**RealReal Rewards Commission Levels**

The more you consign the more you earn.

<table>
<thead>
<tr>
<th>Level &amp; Commission</th>
<th>Annual Net Sales &amp; Benefits</th>
<th>FIRST LOOK PLATINUM $30/MONTH</th>
<th>FIRST LOOK $10/MONTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>VIP 70%</td>
<td>$10,000+</td>
<td>Upgrade Now</td>
<td>Upgrade Now</td>
</tr>
<tr>
<td></td>
<td>- $300 0% site credit***</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Priority processing</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Free First Look membership ($20 value over 12 months)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Free cup of Sightglass coffee at our stores</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICON 60%</td>
<td>$1,501 - $9,999</td>
<td></td>
<td></td>
</tr>
<tr>
<td>INSIDER 55%</td>
<td>$0 - $1,500</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Benefits**

- New curated luxury sales emailed daily at 10am/1pm EST
- 24-hour access to Sales
- 24-hour advance Wait List notifications
- First Look only promotions
- Unlimited upgrades to 2 Day Shipping*

Source: The RealReal

**What are Benefits of Opening Physical Stores?**

While we believe the online marketplace is still the key for the new wave of resale companies, having a physical store presence has several benefits, including: 1) it enhances inventory acquisition; 2) introduces consignment to people that have not consigned before; and 3) increases brand awareness of the category. According to The RealReal, “It is a marketing tactic, sales tactic, and product acquisition tactic.” These stores also feel much more like a high-end shopping experience vs. what consumers typically think about with consignment shops. The RealReal notes that it wanted to change people’s perception of what a consignment business looks like.

- **The RealReal** now has stores open in New York, Chicago, Los Angeles, and San Francisco. According to the company, “We have seen that store experience has introduced a huge audience of people that had never consigned before… It’s proven an excellent way for those who aren’t quite comfortable shopping online for higher-value items to come in and touch and feel the product, try it on, and engage with one of our company experts in a personal, one-on-one setting.” The RealReal has also noted that physical stores have accelerated its growth when it opens stores in a city and attracts new users: “You’re seeing the customer and the consigner buy and sell 40% more than they were before. And then you’re seeing more than half of our customers and consignors are new. They’re the walk-ins off the street, so there’s an advertising play there as well.” The RealReal also notes that the average order size in stores is 2x larger vs. online. Longer-term, TheRealReal CEO Wainwright envisions opening a giant store of secondhand merchandise – “a superstore in a major metropolitan area that has one floor dedicated to women’s fashion, one to men’s, one to home, and one for art.”

- **Rebag** has opened five stores, including three in New York and two in Los Angeles. According to Rebag’s CEO Charles Gorr, “Part of what we’re trying to do is remove the dust, or the negative biases, on the resale industry.” Gorr notes the store is merchandised like a high-end boutique.

- **thredUP** notes, “a big goal in opening stores has been to de-stigmatize online thrift and reinvent the thrift store.” thredUP has plans to open approximately 100 stores across the U.S.
- **Poshmark** does not currently have stores but does leverage “Posh Parties” in major cities to bring together buyers and sellers to chat about trends and show off merchandise.

- **Depop has physical locations in New York and Los Angeles targeting GenZ consumers.** Its stores act as community gathering spaces and hold events, seminars, and services. Users can also use the space as a creative studio and book photo shoots for their shops.

The RealReal Melrose Store

![The RealReal Melrose Store](source: The RealReal)

**How Brands and Retailers are Addressing Resale**

**Why Brands and Retailers Should Consider Resale**

Brands and retailers are both searching for new ways to increase customer engagement, as the rise of online shopping has led to a decline in foot traffic for traditional retailers.

**Resale can be Gateway to New**

Brands may be concerned that resale will cannibalize sales, but we believe resale can introduce otherwise unreachable consumers to the brand. These consumers are then more likely to later buy new items from the brand once they can afford to. According to Rati Levesque at The RealReal, “We’re a little bit of the gateway drug. Maybe you don’t own a Chanel item, and you want to see what that looks like. And then you buy it. The fit, the cut, the fabric, it’s always amazing – and you’re thinking, okay, maybe I’m going to invest in a Chanel bag next.” The RealReal also notes that 80% of its consignors use their commission to shop the primary market. According to Rebag founder Charles Gorra, “We’re a customer-acquisition channel for the brands… When a shopper in her late 20s buys a secondhand luxury bag, the brand is already talking to her several years before she could consider a firsthand product.”

**Companies Embracing Resale for Environment**

Many online and offline companies are now embracing resale because of the environmental benefits, and likely branding benefits, of being perceived as environmentally conscious. For instance, women’s apparel designer Eileen Fisher gives customers who return their used clothing a $5 gift card for each item and about 800 items of clothing are donated to its recycling centers daily. The North Face launched The North Face Renewed, whereby it resells refurbished products. Patagonia is offering to buy back used Patagonia gear in exchange for a Patagonia credit.
Resale can Open New Sales Channel for Brands/Retailers

Banana Republic now offers lightly used luxury vintage accessories (watches, jewelry, handbags) on its Luxe Finds page. REI recently expanded its Used Gear site to include additional brands and categories of apparel, shoes, and equipment.

Partnering with Resale Marketplaces

We believe an important new trend is retailers/brands partnering with resale marketplaces. While many retailers and brands were hesitant to embrace resale, they are now seeing the benefits and looking to partner with resale marketplaces. In 2018, Stella McCartney partnered with The RealReal in the creation of the Future of Fashion is Circular campaign, whereby customers are awarded a $100 voucher for every item they consign to The RealReal. According to Stella McCartney, “We have been working for years to ensure that our supply chains represent some of the most traceable and sustainable in fashion while also continuing to ensure that our products, which are made to last, have long lives and never end up as waste…This campaign is about raising the awareness on a circular approach to fashion.” The partnership has been very successful, with the number of Stella McCartney items consigned increasing by 74% in 2018, and the partnership was extended through 2019. Additionally, thredUP has launched partnerships with Reformation and Cuyana as part of its Upcycle program, whereby it powers recycling programs for retailers and consumers receive a credit towards that brand. thredUP notes that it plans to add 10 more brand partners in 2019. According to thredUP, “Retailers are realizing that secondhand is the future of their business and consumers are demanding a more ethical, sustainable option.”

Retailers Increasingly Adopting Resale

CIRCULAR AND SUSTAINABLE FASHION

Retailers and Resellers Unite for a Cause

If every garment was given a second life...

We would reduce waste and emissions by 73% if products and materials in use went to recycling.

Going green means greener profits.

75% of consumers are more likely to buy from eco-friendly brands.

Circular Fashion Pioneers

RECOVERED MATERIAL
“We start by designing our closet to last so they’il stay in your closet longer. When you’re done, we take them back.”
- Eileen Fisher

REWARDS FOR RECYCLING
“We believe that the future of fashion is circular – it will be restorative and regenerative by design and the clothes we love never end up as waste.”
- Stella McCartney

TRADE IN & BUY USED
“Our Worn Wear program celebrates the stories we wear, and keeps your gear in action longer through repair and reuse.”
- Patagonia

Source: thredUP
Stella McCartney Partnership with The RealReal

Source: The RealReal

Resale Provides Valuable Data Assets

Analyzing Real-Time Fashion Trends

The millions of sales across brands provide valuable data for sellers, buyers, brands, and retailers. According to The RealReal's Rati Levesque, "The RealReal, as merchants, everything is about educating people: What's trending up? What's trending down? What should you consign now? What should you keep? We're pulling that data all the time – in real time – because we're adjusting prices accordingly, based on the supply and demand, and then giving that data to our sales team so that they can educate the clients in their homes." The RealReal also publishes a State of Luxury Resale report, which shows trends in luxury consumer behavior and luxury fashion based on over 8M items sold. Some of the key findings include: Gucci dominates sales growth (62%), especially among millennials; Hermès is the fastest-growing brand among millennials; logo bags are increasing in resale value; and top men items include fanny packs and Hawaiian shirts.
Brands with the Best Return on Investment

Source: thredUP

Top 10 Selling Brands (All Age Groups)

<table>
<thead>
<tr>
<th>Sales Growth Across All Age Groups</th>
<th>Search Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. GUCCI +62%</td>
<td>2018</td>
</tr>
<tr>
<td>2. HERMÈS +40%</td>
<td>1</td>
</tr>
<tr>
<td>3. CHANEL +34%</td>
<td>3</td>
</tr>
<tr>
<td>4. CÉLINE +32%</td>
<td>4</td>
</tr>
<tr>
<td>5. TIFFANY &amp; CO. +32%</td>
<td>5</td>
</tr>
<tr>
<td>6. LOUIS VUITTON +31%</td>
<td>6</td>
</tr>
<tr>
<td>7. CHRISTIAN LOUBOUTIN +29%</td>
<td>7</td>
</tr>
<tr>
<td>8. VALENTINO +29%</td>
<td>8</td>
</tr>
<tr>
<td>9. PRADA +25%</td>
<td>9</td>
</tr>
<tr>
<td>10. CARTIER +13%</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: TheRealReal
Analysis of Bags on the Rise and Decline

**Logo Bags Are Back & Selling Better Than Ever**

<table>
<thead>
<tr>
<th>Brand</th>
<th>Resale Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dior Saddle Bag</td>
<td>+89%</td>
</tr>
<tr>
<td>Gucci Web</td>
<td>+51%</td>
</tr>
<tr>
<td>Fendi 2Jours</td>
<td>-21%</td>
</tr>
<tr>
<td>Balenciaga MotoCross</td>
<td>-14%</td>
</tr>
<tr>
<td>Fendi Zucca</td>
<td>+32%</td>
</tr>
<tr>
<td>LV Montsouris</td>
<td>+26%</td>
</tr>
<tr>
<td>Chloe Faye</td>
<td>-20%</td>
</tr>
<tr>
<td>JW Anderson Pierce</td>
<td>-14%</td>
</tr>
</tbody>
</table>

Source: TheRealReal

**Dad’s Buying Hawaiian Shirts, Dad Hats, and Fanny Packs**

**Dad Knows Best**

As designers have made chunky sneakers and formerly frumpy denim cool again, men are searching for dad-style staples.

**Hawaiian Style**

+84%

**Dad Hat**

+67%

**Fanny Pack**

+614%

Source: TheRealReal
Using Data to Power New Clothing Lines

thredUP recently expanded beyond secondhand with a data driven in house line called Remade that is “designed to be resold, not thrown away.” According to thredUP, it has “hundreds of millions of data points about what sizes, categories and styles resell again and again… So we used that data to create a line of clothing that we know will thrive in a resale market.” The final collection has eight items priced from $20 to $50 and each item comes with a buyback guarantee – if you buy from Remade and sell back to thredUP, you get a 40% return of the original value.

thredUP Remade Clothing Line

Source: thredUP
Company Overviews

The RealReal

Julie Wainwright founded The RealReal in 2011, and it has evolved into one of the largest online luxury apparel consignment marketplaces. The company is focused on the secondhand selling of luxury brand items and guarantees 100% authenticity by employing over 100 professionally trained authenticators. Designed as a consignment company, The RealReal receives items from senders and then professionally authenticates, photographs, lists, and sells for the sender. Additionally, The RealReal offers customers a subscription option, allowing the subscriber advanced access to sales 24 hours in advance, along with other promotions.

The RealReal Mobile App

 ![The RealReal Mobile App](source: TheRealReal, Google)

Poshmark

Poshmark is one of the largest peer-to-peer apparel resale marketplaces, with over 2B social connections and 25M items uploaded via mobile phone. The company has primarily targeted the millennial market by offering a social platform on which members can buy, sell, and share fashion styles. Poshmark boasts over 40M registered users and recently surpassed over $1B worth of transactions as of May 2018. The company is primarily structured as a peer-to-peer marketplace but also offers free authentication on orders of $500 or more. Poshmark caters to all style demographics and offers a wide array of items, from less expensive t-shirts to well-known luxury handbags. Additionally, Poshmark has a community of several million seller stylists, who sell their own style while also creating customer looks for buyers.
Poshmark Website

WHAT IS POSHMARK?
Poshmark is a simple and fun way to buy and sell fashion.
Shop from millions of people across America—and start selling too!

Source: Poshmark

thredUP

Founded in 2009 by James Reinhart, Oliver Lubin, and Chris Homer, thredUP was originally designed as a peer-to-peer online marketplace for men’s shirts. The company has since transformed into one of the leading online consignment sites for women’s and kids’ resale apparel. Based in San Francisco, the company has expanded with distribution centers across the U.S. and has plans of opening over 100 pop-up physical retail locations. According to thredUP, about 1,000 new items are added per hour, with a selection of over 35,000 different brands. The company’s motto is to “Think Secondhand First,” and it has been a significant voice in the emerging online apparel resale space.

How thredUP Works

How It Works
Here’s how to Clean Out in three easy steps.

FILL YOUR BAG
Drop in high-quality women’s and kids' clothing, handbags, shoes, fashion jewelry, and accessories from over 35,000 brands.

SEND IT OFF
Leave your bag for your mail carrier or drop it off at any FedEx Office or USPS location.

FEEL INSTANT STRESS RELIEF
Once your bag is processed, you’ll earn cash or credit for the items we accept.

Source: thredUP
thredUP Goody Box

thredUP offers a Goody Box option, similar to what Stitch Fix offers, for customers to receive a box of 10 different stylist picked items, of which the customer only pays for what they keep. The customer pays a $10 non-refundable fee up front, which is then applied towards the items that are kept. The items that the customer does not want to keep are simply sent back to thredUP. Each item in a Goody Box has a starting price of $20 and is tailored to a specific style after the customer answers several questions prior to ordering. The Goody Box offering provides customers with the option to be surprised by what they may receive, while having the flexibility to return what they do not like.

Source: thredUP

Tradesy

Tradesy was officially launched in 2012 and was founded by Tracy DiNunzio, who was driven to connect women’s closets. The company has surpassed 6M users with over 9,000 different listed brands and is a reputable online consignment marketplace for luxury women’s fashion. Tradesy recently acquired another startup, Fitz, and now provides an in-home Tradesy Closet Concierge service. While currently only located in New York City, Tradesy has plans to expand to other major cities in 2019, offering the service to reorganize a client’s closet within three hours by a professional stylist. Tradesy has received ~$80M in funding from notable investors such as Richard Branson and Kleiner Perkins.
Selling on Tradesy

Vestiaire Collective

After launching in 2009, Vestiaire Collective has expanded from being a French company to having offices in major cities across multiple continents. With over 25,000 new items submitted by sellers each week, Vestiaire Collective is one of the top online luxury consignment companies. Moreover, as the company has a large global footprint and attracts buyers and sellers from around the world, shipping costs vary greatly depending on where the item is being bought and sold. Considering the nature of the high-priced luxury items that are sold on the site, the company offers financing for purchasing items. In addition to the global footprint held by Vestiaire Collective, the offering of financing for purchases is one of the key attributes that sets the company apart from competitors. Vestiaire Collective also has a unique fee structure that builds upon itself as the price of the item increases.

StockX

StockX is one of the newest names in online resale consignment. It was founded in early 2016 by Josh Luber and Dan Gilbert. Gilbert, owner of the Cleveland Cavaliers, had the idea of creating a stock market for consumable goods and put it to the test with luxury sneakers. After seeing quick success with sneakers, StockX has expanded to offer other items such as luxury watches, handbags, and more. Similar to the stock market, buyers and sellers place ‘bid’ and ‘ask’ orders on the items listed. The company takes a 10% commission. StockX authenticates the items before the transaction is completed. Additionally, to engage customers more on the website, StockX enables users to create a portfolio that tracks the buying and selling performance of the items, similar to that of a stock portfolio. StockX has expanded rapidly, showing more than 200% growth in the user base within the past year.
Depop

Founded by Simon Beckerman in 2011, Depop was originally designed as a social network in which customers could buy items from the PIG magazine. Shortly after this, Beckerman restructured the site to enable buying and selling, creating a global online resale marketplace while still maintaining a social network foundation. The company has a headquarters located in London, with offices in Milan and NYC as well. Depop also hosts events in large cities where local sellers will come together and create a pop-up marketplace. While users are able to list a wide array of items to sell, the majority of the items are apparel, as the platform promotes users to express their styles.

Grailed

Founded in 2013 by Arun Gupta, Grailed quickly became a peer-to-peer online luxury men's apparel resale site visited by many. Primarily catering to a luxury hipster target market, the company sells well-known brands such as Supreme, Off-White, Gucci, and others. The company charges a flat rate 6% fee, plus additional fees related to PayPal, as PayPal is the primary handler of the transactions. Since being founded, Grailed has expanded by creating Heroine, run by the team at Grailed but caters to women rather than men.
Rebag

Founded in 2014 by Charles Gorra, a Harvard Alum and previous employee of Rent the Runway, Rebag is a luxury consignment company focused solely on the secondary market of luxury women’s bags. With several brick and mortar store locations in New York and California, Rebag offers buying and selling online and in person. Unlike other resale companies, Rebag does not charge a commission on the items sold. Instead, the company fully buys the bag from a seller for 100% of its quote price, then Rebag will resell the bag for a higher price to make a profit. Further, the company rarely accepts wear and tear on bags unless it is minimal and hardly noticeable, or else it will be turned away. Ensuring it is seen as a high-end luxury resale company, Rebag only accepts 47 brands of bags, compared to the thousands of brands accepted by other apparel resale companies.

Yerdle

Founded in 2012, Yerdle was originally formed as a California Benefit Corporation and is now emerging to be a notable player in the resale space. Unlike most companies, which are either consignment or peer-to-peer, Yerdle partners with brand names to take in returned, damaged, or previously worn apparel. Due to the extraordinary amount of wastefulness within the apparel industry, Yerdle made it a goal to make use of good clothes that were just damaged, helping the environment while allowing customers to purchase brand names for low cost. While still young and small, several notable partners include: Patagonia, Eileen Fisher, and REI.

How Yerdle Works

Source: Yerdle

The Renewal Workshop

Similar to Yerdle, The Renewal Workshop has the goal of reducing the amount of apparel waste from brand names, while also providing low-cost secondary clothes to consumers. The Renewal Workshop has a larger list of partnership names than Yerdle does and a larger selection of item choices for buyers on the website. Unique to The Renewal Workshop is the added benefit it provides to brand names. Upon receiving unsellable apparel from brand names, all the data is collected and sent back. The brands are not only helping the environment by recycling unsellable apparel, but are also receiving feedback on how to improve the processes of making apparel.
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