

# Retailers Bring Secondhand Sales to Their Own Commerce Channels

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By Katie Deighton

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In a municipal recycling center in the Swedish city of Eskilstuna, the largest franchisee of the IKEA brand is preparing to open its smallest-ever store. The 800-square-foot outlet, slated to open Nov. 2, will be run by just three staff members, who, alongside performing usual store floor duties like ringing up sales, will also be trained in the art of store design.

That is because most of the store's IKEA stock will be secondhand and, if the effort works, forever changing as customers donate old items for resale.

The store comes as a raft of retailers experiment with similar programs to modernize the secondhand sales experience—and claim a slice of the resale market currently dominated by intermediary online marketplaces such as [eBay](#) and, more recently, [Gen-Z favorite Depop](#).

[Levi Strauss & Co.](#) this month introduced a buyback program called Levi's SecondHand, which lets U.S. customers sell their used denim back to the company for \$15 to \$25 (the retailer said it may pay more for vintage pieces). Levi's will clean and sort the returns

before selling them on a dedicated website. Gucci opened an online shop of pre-worn items on luxury secondhand marketplace the RealReal the same week.

And in November, fashion brand Ba&sh will try letting customers in France list their previous orders on secondhand marketplaces by clicking a “sell” button on its e-commerce site.

“We’ve seen a lot of secondhand sales platforms emerging recently and I think we’re going to see more of them,” said Mark Sinnock, European chief strategy officer at media and marketing firm Havas Group and executive committee member of the company’s customer experience network.

While many of these programs began during the coronavirus pandemic, they are not a response to it, according to Mr. Sinnock. Retailers are trying to boost long-term relationships with customers, satisfy investors’ interest in sustainability and join an emerging consumer culture of reselling used items online, he said.

“Everyone’s now in the business of turning stuff they aren’t using into cash,” Mr. Sinnock said. “EBay was the first one to make it accessible, but platforms like Depop have made it cool in recent years.”

COS, a fashion brand owned by Hennes & Mauritz AB, in September introduced an online platform for customers to sell and buy used COS items.

The brand designed its COS Resell marketplace in line with its minimalist aesthetic, said Francesca Lilley, COS’s global head of sustainability. Consumers upload COS Resell listings, set prices and send their secondhand garments and accessories directly to buyers, although COS staffers monitor the site to make sure products are photographed and categorized correctly.

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A \$5,000 Secondhand Outfit? Inside Luxury Consignor The RealReal

Resellers of designer clothing and apparel say there's no reason to be closeted about buying and selling pre-owned luxury wearables. The RealReal consignment company is cashing in on the trend.

Photo: Lydia Randall/WSJ (Originally Published August 15, 2019)

The company, which takes a 10% cut of sales, is testing the program in the U.K. and Germany for six months before considering other countries.

COS Resell was built using software from Reflaunt Pte. Ltd. that allows customers to quickly list used items through the item's original retailer. Reflaunt's main product is software built into brands' e-commerce sites that lets previous customers click "sell" on an

item they purchased through the website. It posts listings on brands' resale sites if they have them, as well as other marketplaces.

“The secondhand market today is very fragmented and completely disconnected from brands and retailers,” said Stéphanie Crespin, CEO and co-founder of Reflaunt. “For sellers it's very inefficient and time-consuming to create listings for different marketplaces.”

IKEA aims to take the gamble out of buying used products at its secondhand store, said Jonas Carlehed, the company's sustainability manager in Sweden. Staff members will sort through used IKEA items donated to the recycling center and damaged products from a nearby IKEA store, and choose housewares that could be sold for the shop.

Products are then repaired, cleaned, priced and displayed using IKEA signage, offering customers a retail experience more akin to a typical IKEA shop than a bric-a-brac store.

The secondhand store is part of IKEA's wider drive to become circular and climate positive by 2030, meaning it manufactures all its new products with renewable and recycled materials, and reduces more greenhouse gas emissions than it emits.

But there is also a commercial imperative. The global secondhand market is expected to grow to \$64 billion by 2024, according to a report from GlobalData PLC commissioned by online resale marketplace ThredUp Inc.

And research conducted by IKEA found that the Swedish secondhand market for furniture —worth 5 billion Swedish krona, equivalent to \$574 million—is expected to grow four times faster than the primary sales market, according to Mr. Carlehed.

IKEA hopes its secondhand store will be able to turn a profit in its first six months, paving the way for stand-alone stores outside of Sweden, Mr. Carlehed said.

“And if we can't show profitability during those six months, it's just a matter of finding how we change things so we can,” he said.

**Write to** Katie Deighton at [katie.deighton@wsj.com](mailto:katie.deighton@wsj.com)

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