FINAL PROJECT

# Bachelor's degree in International Business

**Title: Development of an Online Vintage Store with an AI Fitting Room**

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**Academic year**: 2024-25

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**Abstract**
This thesis revolves around the idea of creating an online second-hand vintage store with an AI fitting room in Spain. This is an innovative solution to address the need for good priced fashionable clothing that contributes towards circularity goals as well as reduces the number of returns on online purchases thanks to an AI tool. With this tool, you can check how an item of clothing will fit your specific body by adding your measurements to the system, which creates an online model that tries on the item of clothing. The study's goal is to analyze the feasibility of the business idea through extensive market research, competitive analysis, and market viability evaluations. Key research topics include estimating customer demand, discovering competitive advantages, and forecasting the company's viability. The research will use both qualitative and quantitative methodologies to gain insights from potential consumers, industry experts, and secondary data sources. This study will further the subject of entrepreneurship by offering insights into starting a successful firm in the second-hand clothing market and its potential market effect.

**Key Words**
Circular Economy, Second-hand clothing, AI Fitting Room, Sustainable Fashion, Customer Experience, Eco-conscious Customers, Customer Satisfaction

**Resumen**
Esta tesis gira en torno a la idea de crear una tienda online de ropa vintage de segunda mano con un probador virtual de IA en España. Se trata de una solución innovadora para dar respuesta a la necesidad de obtener ropa que esté a la moda y a buen precio que contribuya a los objetivos de economía circular, así como reducir el número de devoluciones en las compras online gracias a una herramienta de IA. Con esta herramienta puedes comprobar cómo se ajustará una prenda a tu cuerpo añadiendo tus medidas al sistema, que crea un modelo virtual que se prueba la prenda. El objetivo del estudio es analizar la viabilidad de la idea de negocio mediante amplios estudios de mercado, análisis de la competencia y evaluaciones de la viabilidad del mercado. Los temas clave de la investigación incluyen la estimación de la demanda de los clientes, el descubrimiento de ventajas competitivas y la previsión de la viabilidad de la empresa. La investigación utilizará metodologías cualitativas y cuantitativas para obtener información de consumidores potenciales, expertos del sector y fuentes de datos secundarias. Este estudio profundizará en el tema de la iniciativa empresarial ofreciendo perspectivas sobre la creación de una empresa exitosa en el mercado de la ropa de segunda mano y su posible efecto en el mercado.

**Palabras claves**
Economía circular, Ropa de segunda mano, Probador de AI , Moda sostenible, Experiencia del cliente, Clientes con conciencia ecológica, Satisfacción del cliente

**Resum**

Aquesta tesi gira entorn de la idea de crear una botiga en línia de roba vintage de segona mà amb un emprovador virtual de IA a Espanya. Es tracta d'una solució innovadora per a donar resposta a la necessitat d'obtenir roba que estigui a la moda i a bon preu que contribueixi als objectius de sostenibilitat, així com reduir el nombre de devolucions en les compres en línia gràcies a una eina de IA. Amb aquesta eina pots comprovar com s'ajustarà una peça al teu cos afegint les teves mesures al sistema, que crea un model virtual que es prova la peça. L'objectiu de l'estudi és analitzar la viabilitat de la idea de negoci mitjançant amplis estudis de mercat, anàlisi de la competència i avaluacions de la viabilitat del mercat. Els temes clau de la recerca inclouen l'estimació de la demanda dels clients, el descobriment d'avantatges competitius i la previsió de la viabilitat de l'empresa. La recerca utilitzarà metodologies qualitatives i quantitatives per a obtenir informació de consumidors potencials, experts del sector i fonts de dades secundàries. Aquest estudi aprofundirà en el tema de la iniciativa empresarial oferint perspectives sobre la creació d'una empresa reeixida en el mercat de la roba de segona mà i la seva possible efecte en el mercat.

**Paraules claus**

Economia circular, Roba de segona mà, Emprovador d'AI , Moda sostenible, Experiència del client, Clients amb consciència ecològica, Satisfacció del client

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# 1. Introduction

## 1.1. Student's Motivation

My motivation for the topic of this thesis is the creation of my own clothing brand. This is an idea I have had in the back of my head for many years which I can now externalize. I have chosen to make it a second-hand clothing store because it not only contributes to the environment by prolonging the life of these garments but, can also raise awareness and motivate people to make more sustainable choices. In addition, I also wanted to implement an innovative differentiation tool, hence the AI fitting room, making it easier for a customer to shop online. Alongside this, I want to offer fashionable and well-priced clothing, so young people like myself can afford them.

## 1.2. Business Concept

The business idea is an online second-hand clothing store with an AI fitting room. Firstly, the store would be online because people buy more and more online every year, especially younger generations. Secondly, the clothes will be second-hand and affordable. This is because the second-hand options are either too expensive with vintage branded clothes or too cheap and unfashionable. Many affordable clothing brands today do not guarantee sustainable practices or proper labor conditions, but the problem is that there are very few alternatives that can compete with their pricing. The goal of this store is to compete with these prices while extending a garment´s life cycle, promoting sustainability, and offering unique and fashionable clothing alternatives. Thirdly, using an AI tool as an online fitting room can reduce the number of returns, saving money on return costs. With the AI tool, you add your measurements to the system and it creates an AI figure that shows how the selected item of clothing would look on your body type. This is also crucial for second-hand clothing because a size S, for example, is not the same across all brands and periods. This AI feature will not only guarantee that the item of clothing will fit but you can also add a filter that only shows items that fit you, so you do not fall in love with a piece of clothing that won´t fit.

## 1.3. Research Questions

In this section, the main research question and research objectives are presented. These questions guide the study, highlighting the critical issues and areas of interest the research aims to explore.

The main question we want to answer in this thesis is, *Is it feasible to create an online second-hand clothing store with an AI fitting room in Spain?*

The follow-up questions include:

1. Why is it important to implement sustainability within the company? How can a circular economy benefit the firm and the environment?

2. Is there enough market demand for second-hand clothing in Spain?
3. What are the target consumers? And what elements influence their decisions when shopping for second-hand clothing? How can these elements be applied?
4. Who are the key competitors? What strategies and tools can be employed to achieve differentiation? How can these tools be applied?
5. Who can be key potential suppliers? How can they be used to add value to the firm?
6. What are the most effective marketing strategies for reaching the target audience?

### 1.4. Research Objectives

Here we highlight the specific aims this study wishes to achieve, providing a clear and measurable framework for the research.

1. To assess how adopting circular economy techniques will benefit the company and the environment, as well as the significance of implementing sustainability inside the organization.
2. To examine the existing market demand for second-hand clothing in Spain.
3. To identify the target consumers and determine the important elements influencing consumer decisions when shopping for second-hand clothes, such as price sensitivity, quality expectations, and user experiences.
4. Identify the key competitors in the second-hand clothing industry in Spain and identify gaps in existing platforms. Additionally, create a competitive differentiation strategy using Porter's Models (including the AI tool) as well as creating a value proposition focusing on sustainability and creating a better customer experience.
5. Identify major potential suppliers and evaluate how they may provide value to the company through strategic relationships and resource optimization.
6. Investigate effective digital marketing tactics to attract the target audience. This may include ads or campaigns through social media, SEO (Search Engine Optimization), SEM (Search Engine Marketing), and pop-ups.

### 1.5. Sustainable Development Goals (SDGs)

This thesis can be related to the following SDGs adopted by the United Nations which aim to better our society and planet by 2030:

Goal 5: Gender Equality

Goal 9: Industry Innovation and Infrastructure

Goal 11: Sustainable Cities and Communities

Goal 12: Responsible Consumption and Production

Goal 13: Climate Action

## 2. Theoretical Framework

In this section, we will focus on the theories and models that will help to determine if it is viable to create an online second-hand vintage store with an AI fitting room. We will first focus on the circular economy and its importance. Secondly, we will look into consumer choice theories which include behavioral economics and the theory of planned behavior. Thirdly we will look at two models created by Michael Porter to determine competitive advantage. And lastly, we will look at two models that analyze how value can be added to the firm.

### 2.1. Circular Economy Theory

The Circular Economy (CE) does not have a single inventor but evolved through contributions from various authors. Early influences include Kenneth Boulding's 1966 essay *The Economics of the Coming Spaceship Earth*, which introduced the idea of transitioning from a linear economy to a "cyclical" or closed-loop system. In the 1970s, Walter Stahel advanced the concept through his work on the performance economy, emphasizing product longevity, reuse, and resource efficiency, notably in his 1982 report *The Potential for Substituting Manpower for Energy*. Later, the 2002 book *Cradle to Cradle: Remaking the Way We Make Things* by William McDonough and Michael Braungart popularized CE principles such as designing out waste and prioritizing product cycles.

The term Circular Economy gained mainstream attention in the 2010s, largely due to the efforts of the **Ellen MacArthur Foundation**, established in 2010. The foundation's influential *Towards the Circular Economy* report series (starting in 2013) helped define and promote CE globally, making it a cornerstone of contemporary sustainability strategies.

The circular economy is a sustainable approach to economic activity that maintains products, materials, and resources in use for as long as possible (European Parliament, 2024). Unlike the linear “take-make-dispose” model, which taps into a finite supply of resources and produces toxic waste, the circular economy emphasizes **extending the life cycle of materials and products** through methods such as reusing, repairing, recycling, and refurbishing (Ellen MacArthur Foundation, 2013).

A circular economy as opposed to a linear economy, is one that is restorative and regenerative by design, by intention. We can refer to the circular economy as a framework that has two cycles, the biocycle and the technical cycle. The regenerative part of the circular economy refers to the biocycle, which is anything that we source from renewable sources and can go back to the ground. The restorative part refers to the technical cycle, which is the non-biodegradable products, referred to as technical products. These products cannot go back to the ground, so the idea is that they can be repaired or remanufactured so that they can ultimately be restored and

put in a functioning state, or to the state it was at the beginning (Ellen MacArthur Foundation, 2013). The aim overall is to leave the world better than we found it.

Furthermore, the circular economy is based on three principles: to design waste, to keep products and materials in use, and to regenerate natural systems. Today, most of what is produced is wasted in the end, the circle economy says pollution and waste are consequences of our decisions, they are not accidents. The idea is to build an economy that uses things instead of using things up (Ellen MacArthur Foundation, 2013).

Furthermore, the circular economy as opposed to sustainability focuses on the economy, the whole system that surrounds it, on businesses making a profit. From a business perspective, circular economy aims to be part of the core of the corporate strategy of an enterprise while sustainability is usually just a department. The circular economy has a framework for action, and it encompasses the design and materials pathway, while sustainability tends to want things better but does not show a clear path to achieve it (Ellen MacArthur Foundation, 2013).

In addition, if we compare the circular economy to recycling, recycling is just a small part of the circular economy itself. For recycling to work, it has to be designed properly.

Moreover, the choices of consumers when it comes to the circular economy are very important. They can voice what type of products they want to see in the market. But ultimately, the circular economy focuses on the work and change companies can do (Ellen MacArthur Foundation, 2013).

The Ellen MacArthur Foundation has created a butterfly diagram to illustrate the circular economy better (see Appendix 1). As mentioned before, the diagram consists of two parts. The left one (in green) represents the biocycle while the right one (in blue) is the technical cycle. Technical cycles keep goods, components, and materials in the economy for as long as possible. The biocycle's plan is to replenish nutrients in the biosphere while restoring natural capital.
Technical cycles are often used to describe objects constructed of non-biodegradable materials like metals. The most effective technical cycles incorporate product maintenance and re-using. This preserves a product's value while increasing its useful life. Even if a user no longer requires a product, it may still be reused by others by reselling or redistributing it to various markets. Once a product cannot be reused, the majority of its value can be kept by refurbishing or remanufacturing it. If a product cannot be reused, repaired, or remanufactured, its materials can be recycled. When a product is recycled, its value is lost, but the value of the materials is conserved (Ellen MacArthur Foundation, 2021).

Biological cycles include biodegradable resources like food and wood-based goods. These materials are naturally renewable, but more value may be produced by repurposing them for

use in other value streams. In a biorefinery, conversion processes can yield high-value chemicals and fuel. Organic materials that cannot be reused can be composted or anaerobically digested to recover essential minerals including nitrogen, phosphorous, potassium, and micronutrients. Household food waste and sewage sludge are good examples of materials that can go through this cycle. By implementing these recovery techniques, systemic leakages and negative externalities can be reduced (Ellen MacArthur Foundation, 2021).

Additionally, there are other diagrams, with a similar essence of reusing, reducing, and recycling like the **R-Ladder strategy** (see Appendix 2), also called the R-Strategies or the R-Hierarchy. It was developed by the Dutch government in 2015, and further elaborated by Jan Jonker and others at the Radboud University. It consists of ten strategies classified under three categories. The first one is the short loop which focuses on smart product use and manufacturing, this includes strategies 0 (Refuse), 1 (Rethink), and 2 (Reduce). The second category is the medium loop which includes the strategies of preserving and extending the lifecycle of products. Here we find strategies 3 (Reuse), 4 (Repair), 5 (Refurbish), 6 (Remanufacture), and 7 (Repurpose). The final and third category is the long loop which encompasses creative material application, and recapturing value, this includes the final two strategies, 8 (Recycle) and 9 (Recover) (PBL Netherlands Environmental Assessment Agency, 2019).

In conclusion, a circular economy is about extracting the greatest value from the resources we have by keeping them at their peak utility and worth. In addition, it aims to be part of the core strategy of a business, and its implementation can be beneficial for society and the planet as a whole. Its goals include reducing waste, lowering environmental impact, maximizing value, and regenerating natural systems by decoupling economic growth from the use of finite resources. This approach leverages renewable energy sources and sustainable design practices, tackling pressing issues like climate change, biodiversity loss, and pollution while fostering economic resilience and innovation. Furthermore, businesses, governments, and consumers must work together to drive change ensuring economies implement sustainable practices to enhance the quality of life for future generations.

### 2.2. Consumer Choice

For a company, it is important to understand why consumers make certain choices so they can create the best strategy for them. Here we will dive into two economic theories that focus on consumer behavior. The first one is Behavioral Economics popularized by Daniel Kahneman and Richard Thaler, this sub-field of economics focuses on consumers' emotions, social factors, and psychological traits that influence consumers' decisions. The second theory is the Theory of Planned Behavior, created by Icek Ajzen, which says if a person is planning to do something,

they are more likely to do it. Here Ajzen analyzes the factors that make a person do a certain behavior or not.

### 2.2.1. Behavioral Economics

Behavioral economics is a sub-field of economics that focuses on the psychological, social, and emotional factors that influence decision-making. Daniel Kahneman and Richard Thaler are often credited for founding the field of behavioral economics, but there are many other economists and phycologists who have contributed to this field throughout time like Adam Smith, Herbert A. Simon, Amos Tversky, Dan Ariely, Graham Loomes, and others.

Adam Smith, who is considered the father of modern economics, can be said to also be the first Behavioral Economist if you read his book *A Theory of Moral Sentiment* published in 1759. In this work, he explores how people frequently make decisions driven by passion. He emphasizes the importance of a second, more reflective decision-making system, which serves to temper emotional impulses, adopt an external perspective, and guide us toward rational conclusions.

Between Adam Smith and the 1950s, we lost these ideas of passion or emotional decision-making and, instead, economic models became reductionist, assuming perfect rationality and perfect information. This was because irrational elements of decision-making made it harder to predict human behavior. In the last few decades, behavioral economics has made a comeback and is being applied to more fields like marketing, finance, political science, and public policy.

In most cases people are rational. Like when the price falls for a product people tend to buy more of that product, so the law of demand holds. But, economists accept there is also **bounded rationality**. Herbert A. Simon introduced the concept of bounded rationality in his influential 1955 paper, *A Behavioral Model of Rational Choice*, published in The Quarterly Journal of Economics. He argued that people's ability to make rational choices wasn't infinite, i.e., we do not have the cognitive power (the brain) to consider all the pros and cons of every decision that we make. And so, we often make decisions that aren't rational because our rationality is bounded by these biological constraints. Simon also pointed out that often we make decisions with less attention than needed to make a rational decision (i.e., attention is limited), or many of our decisions are made with imperfect information, which also leads to irrational decision-making. For example, if the price of cookies is very low, consumers might not buy more, they might buy less because they think the low price means it tastes horrible or the quality is very low. If that happens, then the law of demand does not hold which creates a problem in classical economics.

Prices send a lot of signals, and there is research on how prices change perception. A study conducted by Antonio Rangel and others in California and Published in the proceedings of the National Academy of Sciences, analyzed the brains of people taste-testing a variety of red

wines. Participants were given fake prices, and the researchers used brain scans to evaluate their level of enjoyment. The results were surprising, participants enjoyed the wine more when they believed it was more expensive. This was held when the same wine was given to the participants, but they were informed that it was a different, more expensive wine. In contrast to the fundamental assumptions of economics, the researchers concluded that "marketing actions can successfully affect experienced pleasantness by manipulating non-intrinsic attributes of goods." So, if you have a good product, you can raise the price and raise the demand, all you have to do is change perceptions.

The idea that perceptions and passions impact our actions is equally applicable in finance. Many economists used to think that assets, such as stocks and real estate, would remain at or around their real value because rational investors would acquire inexpensive assets and sell overpriced ones. However, that does not explain bubbles (such as the 2008 financial crisis). In real life, investors are not always cold and calculated; they can get emotional and act irrationally at times. Investors became wildly enthusiastic, propelled not by rationality but by what economist John Maynard Keynes called Animal Spirits.

It is crucial to note that behavioral economics does not replace traditional economics; rather, it aims to explain when and why individuals behave differently than economic theories predict.

One of the most popular experiments in behavioral economics is called the **Ultimatum Game** which was first conducted by Werner Güth, along with Rolf Schmittberger and Bernd Schwarze, in a seminal experiment published in 1982. The study, titled *An Experimental Analysis of Ultimatum Bargaining*, was published in the Journal of Economic Behavior and Organization. In this experiment, two players must decide how to split a specific amount of money. The first player is given all of the money and is then asked to propose a means to divide it with the second player. If the second player accepts the offer, both players keep the money; if the second player refuses, nobody keeps the money. When the first player proposes to share the money 50/50, the second player almost always accepts. But, when player one proposed an uneven distribution such as 80/20, it was frequently rejected. This contradicts classical economic theory because player two's decision is irrational. The second player's rational decision would be to accept any offer, even if it was only one euro. However, human conduct is not exclusively motivated by profit; it is also influenced by complex concepts such as fairness, injustice, and even revenge. The ultimatum game demonstrates that humans are not always as predictable as many economists would like to believe.

If people were completely rational, they would always make the same decision when faced with identical options. However, in reality, their preferences often change depending on how the options are presented. This type of cognitive bias is called the **Framing Effect**. The framing effect, in behavioral economics, was introduced by Daniel Kahneman and Amos Tversky in

their 1981 paper titled *The Framing of Decisions and the Psychology of Choice*. This influential work was published in the journal Science. The framing effect demonstrates how people's choices can be influenced by the way information is presented (framed), even if the underlying options are identical. This research became a cornerstone of behavioral economics, highlighting systematic biases in decision-making. Classical economics suggests that framing should have minimal impact on decision-making, as it assumes people are generally rational and intelligent. However, in practice, human behavior often deviates from rationality.

Companies have long been aware of the psychology behind decision-making. For example, a streaming service firm may break down its membership fee and promote that it only costs 50 cents per day, which seems far less expensive than 182.5€ per year. Additionally, a sweater priced at 49.99€ appears to be a better deal than one priced at 50€. This is known as **psychological pricing**. It can make people think they are getting a good deal. However, high-end stores sometimes do the opposite. They set their prices in entire euros, indicating that their items are of higher quality than those purchased at a discount store.

Another important theory in Behavioral economics is the **nudge theory**. It was first mentioned in a book called *Nudge: Improving Decisions about Health, wealth, and Happiness* published in 2008 by Richard Thaler and Cass Sunstein. Nudges guide people toward specific behaviors without limiting their available choices. Childhood obesity is a significant concern for many countries, and policymakers have explored various solutions, from banning sugary sodas in schools to launching media campaigns that promote healthy eating. Behavioral economists took a different approach to this challenge. Instead of restricting options, they redesigned school cafeterias. Healthier options, like fruits and vegetables, were placed at eye level, while less healthy choices, like desserts, were made less accessible. According to classical economic theory, this tactic shouldn't work because rational individuals would still choose the sweets. However, the results were surprising: students opted for healthier foods. This demonstrates the power of nudge theory, which is now influencing public policy in transformative ways. Certain issues, like promoting healthier habits, are often best addressed with well-designed nudges.

Something else behavioral economists look at is **risk**. The study of risk in behavioral economics was significantly advanced by Daniel Kahneman and Amos Tversky, who introduced **Prospect Theory** in their seminal 1979 paper, *Prospect Theory: An Analysis of Decision under Risk*" This theory challenged the traditional Expected Utility Theory, which had been the dominant model for understanding decision-making under risk in classical economics. Kahneman and Tversky's work showed that people do not always act rationally when evaluating risks and rewards. Instead, they tend to weigh potential losses more heavily than equivalent gains (a concept known as **loss aversion**). People also evaluate outcomes relative to a reference point, rather than in absolute terms. Imagine that you are presented with an option between two sealed envelopes, one of which contains 100€ and the other of which contains nothing. Another option

is to accept a 50€ guarantee. Which would you pick? What would happen if the promised sum was only 49€? This situation is a mental exercise to examine attitudes toward risk, even if it is unlikely to happen in real life. The anticipated value of the risk is 50€, which is the average of the alternative outcomes because there is a 50% probability of either winning 100€ or leaving with nothing. If you are indifferent between the gamble and the guaranteed 50€, you are considered **risk-neutral.** If you decide to pick an envelope with a 50% chance of winning 100€ you are **prone to risk**. If you prefer to take less than 50€ to avoid the risk of ending up with nothing, you exhibit **risk aversion**. Behavioral economists have extensively studied risk and, in particular, loss aversion—the tendency for individuals to feel the pain of losses more acutely than the pleasure of equivalent gains. Research consistently shows that losses have a stronger psychological impact than gains, leading people to favor safer options even when those choices may not be the most logical. Understanding loss aversion has practical implications for both businesses and policymakers. For example, a grocery store policy in Washington, D.C., attempted to reduce the use of disposable plastic bags by offering a five-cent bonus to customers who brought reusable bags. This incentive had limited success. However, when the policy shifted to imposing a five-cent tax on disposable bags, usage of such bags dropped significantly. This demonstrates loss aversion: the psychological pain of paying five cents was far more motivating than the benefit of earning the same amount.

To summarize, behavioral economics enriches our understanding of decision-making by accounting for the emotions and biases that influence human behavior. Classical economic theories frequently presume that individuals act completely rationally. However, real-world decisions frequently deviate from these assumptions. Behavioral insights, such as the impact of loss aversion, enable more accurate projections of behavior and more effective interventions in both policy and business. By recognizing that human behavior is influenced by more than just cold logic, behavioral economics addresses crucial gaps in traditional economic models, providing a more realistic perspective on decision-making.

### 2.2.2. Theory of Planned Behavior

The Theory of Planned Behavior (TPB) was developed by Icek Ajzen, a social psychologist. The theory was first formally introduced in 1985 as an extension of the **Theory of Reasoned Action**, which Ajzen had co-developed with Martin Fishbein in the late 1970s. The theory of reasoned action means that if someone were to evaluate a behavior with a positive attitude and think that significant others like friends, peers, and families want them to perform that behavior, then there is a higher intention or motivation to carry out that behavior. In other words, the intentions are the best predictors of behavior. Ajzen introduced TPB in the chapter titled *From Intentions to Actions: A Theory of Planned Behavior* in the book *Action Control: From Cognition to Behavior*, published in 1985. Ajzen later improved the theory of rezoned action by adding a third influencing factor called perceived behavioral controls, which improved the predictability of the model. This was published in a seminal paper titled *The Theory of Planned*

*Behavior*, published in 1991 in the journal Organizational Behavior and Human Decision Processes.

The main idea of the **Theory of Planned Behavior** is that if we plan to do something, we are more likely to do it. The TPB states that intentions are the product of three factors: behavioral attitudes, subjective norms, and perceived behavioral controls (Ajzen, 1991).

Firstly, we will look into **behavioral attitudes**. A person's attitudes towards a behavior will affect how likely they are to perform that behavior. This can be divided into two different aspects, affective attitude and instrumental attitude. **Affective attitude** is related to whether the person believes the behavior will be enjoyable or not. **Instrumental attitudes** refer to whether a person believes that a behavior will make a positive (beneficial) or negative (harmful) difference in their life. Let's consider the likelihood that a person will do a master's to improve their career skills (Ajzen, 1991). If they believe this master improves their chances of getting a promotion, then they are likely to have a positive evaluation of that behavior, the behavior of taking the master's. If they do not think the master's will lead to a promotion and it is going to take up a lot of their time then they are more likely to have a negative evaluation of that behavior. In summary, attitude answers the question *What do I think/feel about the behavior?*

Next, we have **subjective norms** which look at what others in the person's social circle think about the behavior. In other words, it is related to the support or lack of support given by friends, family, or significant others. This can also be split into two different types, injunctive norms and descriptive norms. **Injunctive norms** are if others encourage or not a person to do the behavior. **Descriptive norms** are related to other people in the person's social group engaging or not in the same behavior. A person's behavior is to some extent shaped by what others around them believe (Ajzen, 1991). If people in a person's workplace did the master's and talk positively about it, then that person is more likely to do it too. So, subjective norms answer the question *What do others think about the behavior?*

Finally, **perceived behavioral controls** consider whether the person feels they have the instruments or the means necessary to do the behavior. In other words, it is the extent to which a person feels capable and has confidence in their ability to fulfill the desired behavior. This plays a crucial role in their intentions and actual behavioral outcomes (Ajzen, 1991). If a person thinks they are not clever enough to do the master or they cannot afford it, they will be less likely to do it. Perceived behavior then answers the question *Can I do it?*

To put it all together, if a person perceives an activity as enjoyable, with good benefits, they have the support and encouragement of loved ones, as well as other members of their social group, to engage in the behavior, and ultimately, they feel like they are capable of doing this behavior, then they form strong intentions and are more likely to engage in the behavior.

In addition, imagine the person has a desire to do the masters but they have not signed up for it yet, this is because there is a gap between a person's intention and actual behavior. One way to overcome this gap is by making a plan, called **implementation intention** (Ajzen, 1991).

Furthermore, there are several advantages and disadvantages regarding the theory of planned behavior. Firstly, in terms of advantages, the model is useful for making predictions. Secondly, before you consider investing in making change, the model can be used to gather data that can help you identify the biggest barriers to people changing their behavior. In terms of disadvantages, there are situations where the model fails. There might be a positive behavioral intention, the model does not tell you how to address the gap between intentional behavior, but you can use an implementation intention to address this problem. Secondly, the model does not include other behavioral factors like emotions. Emotions can impact our perceptions, our beliefs, and our tendency to take action. Finally, the model is great for finding the relationship of attitudes to intentions but it does not tell you what action to take that will result in people changing their behavior (Ajzen, 2011).

To summarize, the theory of planned behavior allows organizations to predict the likelihood that people will hold an intention to carry out a specific behavior. Moreover, it provides an understanding of the factors that lead to a particular behavioral intention, and it allows you to address the gap between intention and behavior.

### 2.3. Competition and Competitive Advantage

To stand out from your competitors and gain good market positioning it is important to obtain a competitive advantage. To understand and obtain this advantage we will analyze two models created by Michael Porter. The first one is the Porter Diamond Model which can help a business examine its external competitive environment. The second model is Porter's Five Forces Model which states five forces influence competitive advantage, and while we cannot fully control them, we can influence them in our favor. Below, we will dive deeper into these models.

#### 2.3.1. Competitive Advantage (Porter Diamond Model)

The Porter Diamond Model of National Advantage, developed by Michael Porter, was introduced in his 1990 publication titled *The Competitive Advantage of Nations*. This model, often called the Porter Diamond Model, offers insights into the factors that give certain nations, groups, or companies a competitive advantage in specific industries.

Businesses use this model to examine the external competitive environment; the information it provides can explain why certain industries are more advantageous than others in a particular region, as well as how strong one company is in comparison to another. Porter aims to address the following queries in the model. First, *why does one nation become more competitive in a*

*certain industry*? Porter refers to this as "becoming the home base"; for instance, Germany is a home base for the automobile manufacturing industry. Secondly, *why are companies from one country or region able to remain competitive in a particular industry?* The answers to these questions are what determine competitive advantage (Mahmud, 2019)

National competitive advantage is determined by four elements, according to the model (see Appendix 3). The name comes from the diamond that Porter used to symbolize these four factors. The four determinants can be viewed as being the playing field for the industries of a particular nation. These elements are factor conditions, demand conditions, related and supported industries, and, form strategy, structure and rivalry. Additionally, there are two more drivers, government and chance, that have the potential to affect one or all of the determinants. We will now examine each of the determinants in detail (Lejpras et al., 2011).

Firstly, **factor conditions** describe the many kinds of resources that a country may or may not have. Resources include infrastructure, human capital, and natural resources, among other things. It is important to differentiate between basic and advanced factor conditions. While skilled labor, specialist knowledge, and specialist capital are examples of advanced factor conditions, basic factors include things like natural resources and unskilled labor. Porter argues that while basic factor conditions are easily acquired with money, they do not produce a competitive advantage. Ultimately, advanced factors are needed to achieve competitive advantage (Porter, 1990).

The second determinant is **demand conditions**, which focus on the home market demand conditions. There must be a high home market demand, for the good or service that these businesses are currently producing, for an industry to have a competitive edge. Furthermore, businesses are under more pressure to innovate and improve when domestic consumers are more demanding. Over time, these demand conditions create a competitive advantage. Examples of demand conditions include Market size, growth rate, and sophistication. In addition, another factor that can determine demand conditions is early market saturation which can encourage people to innovate to keep selling (Porter, 1990).

Thirdly, **related and supported industries** indicate that the success of a particular industry may be dependent on the success of suppliers or related industries in that nation. Companies that use globally competitive suppliers can benefit from their presence because it provides cost-effective access to inputs, early access to new products, and the ability to share information quickly, possibly due to linguistic similarities. When there are many related industries, it might lead to the emergence of new sectors where resources can be shared. This use of shared resources can create a competitive advantage as it increases the barrier to entry for competitors (Porter, 1990).

Fourthly, **firm strategy, structure, and rivalry state** that how a company sets its strategy and organizes itself determines how competitive it is in a given nation. It is also determined by how much competition there is between firms in the industry. The structure and goals of businesses will vary from nation to nation and are influenced by a variety of variables, including social, political, and legal factors. Intense competition drives organizations to develop innovations (Porter, 1990).

In addition, Porter thinks that **governments** should support and encourage businesses to innovate, grow, and move to higher levels of competitiveness. Governments can influence other factors by, for example, creating and funding scientific research, creating institutions, improving the healthcare and education systems, and investing in infrastructure. This can help intensify home demand conditions and enforce anti-trust laws that can enforce rivalry. Furthermore, **chance** is the likelihood that external events, such as natural catastrophes, wars, or scientific discoveries, can have a positive or negative impact on a nation or industry. These effects are beyond the control of governments or companies. Chance-driven disruptions can create advantages for some companies while disadvantaging others (Porter, 1990).

This model faces criticism because it was created by looking at only ten developed countries, which limits its applicability to developed nations. Numerous data also demonstrate that variables outside of the country's borders affect national competitiveness. Moreover, not every firm that starts in one nation is successful, which implies that there may be additional factors at play. Furthermore, the model's applicability to the service sector is unclear.

In summary, the Porter Diamond model is a strategic economic model that aims to explain why a certain industry is more successful in one country than another. According to the model for an industry to have a national competitive advantage, four factors must be present and additionally, the actions of governments and chance can play a crucial role in making an industry obtain a competitive advantage.

### 2.3.2. Porter’s Five Forces Model

The Porter Five Forces Model, introduced by Michael Porter in his 1979 article in the Harvard Business Review, titled *How Competitive Forces Shape Strategy.* The Five Forces Model is a method for analyzing and understanding the competitive forces that are shaping a marketplace. It is especially useful when you are thinking of entering a new market or starting a new business. It helps you to understand the nature of competition within a market, and from this, it helps you understand how profitable the market is, in a model that is referred to as market attractiveness.

A bit of context is important before analyzing this model further. Porter's five forces model analyzes variables at the Meso level. This concept is part of the micro-meso-macro level

popularized by Kurt Dopfer John Foster, and Jason Potts in their paper titled *Micro-Meso-Macro* published in 2004. Meso-level factors are external forces that have immediate contact with the firm. In other words, they are rules, structures, or institutions that guide behavior. This includes suppliers, demand and supply, distribution, competitors, and strategic alliances. At the macro level, the factors have a one-way effect on the firm, and the corporation has no control over them. These factors are also called global forces and include demographics, politics, technological and social developments. For example, if the government raises the tax rate, the firm has no say over the issue. On the contrary, at the micro level, everything is totally within the company's control. This is also referred to as the internal environment of the firm which includes its mission, vision, strategy, processes, resources, products, and services. For example, a firm can change its logo whenever it pleases. The Meso level is between these two levels, and while businesses can influence Meso-level concerns, they do not have complete control over them. The actual value of Porter's Five Forces model is that it gives a starting point for understanding how to impact Meso-level forces in your favor, allowing your business to increase its profits.

According to Porter's Five Forces model, the more competitive forces are, the lower the profit potential and less desirable the sector; on the contrary, the fewer competing forces there are, the higher the profit potential and more appealing the sector is. It is crucial to understand that while evaluating an industry using this technique, you are just looking at a screenshot in time. Over time, the forces can and will change (Porter, 2008).

According to the model, five forces influence competitive advantage (see Appendix 4). The five forces are: existing competitor rivalry, threat of new entrants, suppliers' bargaining power, threat of substitution, and customers' bargaining power. We will now investigate each of the forces in depth.

Firstly, we have **existing competitor rivalry** which is located right in the middle of the five forces diagram. The intensity of competition is determined by the number of rivals in the sector and how similar their products are. If competition is intense, profitability will suffer, affecting the entire sector. Thus, intense rivalry leads to enterprises providing huge discounts and spending large quantities on marketing to obtain new clients. When competition is fierce, clients are frequently tempted to switch from one company to another. For example, if we look at flights from Barcelona to Amsterdam, it is similar across airlines; the airline itself typically makes little difference, so the consumer is tempted to change from one airline to another easily. The contrary is also true: when you have few competitors and are uniquely positioned in the market, it is difficult to replace another product for yours. So, you may charge more and increase your profit margins. Because of their unique market positioning, companies such as Apple may demand higher prices for their phones. Furthermore, competition between existing

firms is at the heart of the picture, since the firms fighting for a position within the sector are surrounded by four additional significant forces (Porter, 1979).

Secondly, the **threat of new entrants** limits a market's potential profitability. This is because the threat alone will encourage you and your rivals to keep pricing low to avoid new entrants. If it takes little effort to enter a market, earnings will be lower across the industry. The ease or difficulty with which a business can join the market is determined by the industry's entry barriers. Firms generate high entry barriers by, for example, owning distinctive intellectual property or technology, profiting from economies of scale, having great brand loyalty, or adopting vertical integration (owning suppliers and distribution channels), among other things (Porter, 1979).

Thirdly**, customer (or buyer) bargaining power** states that if your consumers are powerful enough to push you to drop your pricing, profits will be lower throughout the industry. Customer power is greatest when there are few buyers, products are homogenous, and moving from one provider to another is inexpensive. As a result, when buyers have bargaining power, they may pit competitor enterprises against one another, lowering industry prices (Porter, 1979).

Fourthly, the **threat of substitution (products or services)** is the ease with which your product might be substituted for another one. The threat is not about replacing your product with an identical one, but about your consumers discovering a means to accomplish what your product does. In other words, they find another product that meets the same need. For example, a pen and a pencil meet the same need which is to be able to write things down. Furthermore, the presence of replacement items limits the maximum price you can charge, restricting total profitability throughout the market (Porter, 1979).

Fifthly, **supplier bargaining power** is defined by how easily your suppliers can increase their prices. The fewer the suppliers and the more distinctive the product, the greater their power. A supplier can easily raise their pricing if their product is unique and cannot be simply substituted with another supplier. If suppliers wield significant authority and raise their prices, your earnings will suffer since you will have no choice but to acquire the additional expenses. When this occurs, your supplier receives earnings from your industry, but profits in your industry are diminished (Porter, 1979).

After all, forces have been evaluated, it is clear what distinguishes a high-profit industry from a low-profit industry. On the one hand, a high-profit sector has few competitors, a low risk of new entrants, poor consumer bargaining power, difficulties substituting your product, and weak supplier bargaining power. Pharmaceuticals, household and personal products, food consumer products, and other items fall into this category. Low-profit sectors, on the other hand, have a large number of competitors, a high risk of new entrants, strong bargaining power among

consumers and suppliers, and your product is easily substituted. Food retail, aircraft, the fashion sector (except premium brands), office supplies and stationery, and beverage manufacturers are some examples (Porter, 2008).

One element to be aware of with Porter's Five Forces is that you should focus on permanent variables affecting profitability rather than temporary forces that may make a sector appear more desirable. A high industrial growth rate is an example of a temporary force that will not be sustained in the long run; it may make an industry desirable right now, but as soon as it disappears, it loses its appeal (Porter, 2008).

There are some advantages and disadvantages to this model. Advantages include the framework's ease of understanding and use. The framework allows you to examine the attractiveness of a sector and decide whether or not to enter it. You can choose a strategy to defend yourself against these forces or position yourself to shape them. In terms of disadvantages, the model examines the industry as a screenshot in time, although in reality, the sector is always changing due to new strategies and tactics implemented by the enterprises that comprise it. Suppliers' bargaining power is believed to be negative in the model, although many organizations currently employ joint ventures and affiliations, so everyone benefits. Furthermore, the model alone will not be sufficient to determine the organization's strategy; other elements such as the organization's strengths and weaknesses must also be considered. Furthermore, one may argue that a company's placement is more crucial to profitability than the industry in which it operates.

In conclusion, Porter's Five Forces Model offers a framework for understanding an industry's attractiveness at a given time. It does this by studying the underlying dynamics that drive an industry's overall profitability, exiting competitor rivalry, the threat of new entrants, consumer power, the threat of substitution, and supplier power. The model simply states that the higher the competitive forces, the lower the industry's total profits will be. In contrast, the lower the competing forces, the greater the profit potential of the industry. The actual strength of Porter's five forces is that it provides a starting point for you to consider how you can leverage the five forces to your advantage.

### 2.4. Adding Value to the Firm

To add value to the firm is to increase its worth for its consumers or improve its ability to generate profits. In this section, we will analyze two models. Firstly, Porter’s Value Chain, created by Michel Porter, helps firms identify and visually represent their internal activities that add value to their customers. Secondly, we have the Value proposition canvas created by Alexander Osterwalder and Yves Pigneur, which focuses on product positioning and making sure a company’s product meets the needs of its consumers.

### 2.4.1. Porter's Value Chain

The value chain model is a strategic tool that helps businesses identify and map out internal activities that add value to their customers. It was also developed by Harvard Business School professor Michael Porter and was introduced in his 1985 book titled *Competitive Advantage: Creating and Sustaining Superior Performance.*

The difference between the value created and the cost of creating that output is referred to as a company's margin. A different way to define the value chain is as the collection of all the activities that a firm undertakes to generate profit or create value for its consumers. The goal of a value chain is to help a company understand the activities within, that generate value or profit. Once a company understands this, it may increase its investment in value-creation sectors while eliminating needless company operations that bring little value or profit. This gives the firm a competitive advantage and raises its profit margin (Porter, 1985).

The value chain is not focused on examining accounting expenses and departmental budgets; rather, it takes a process-oriented approach to how an organization turns inputs into outputs, which are ultimately purchased by customers at a margin. Using this method, Porter was able to create a generic chain or generic value chain of operations that is common to all firms (see Appendix 5). The graphic is divided into two groups. First, we have primary activities that directly convert inputs into outputs; keep in mind that these primary activities are represented in the order they occur. Secondly, we have support activities that assist the primary activities so that they run more smoothly. We'll go deeper into these categories below (Stobierski, 2020).

Each of the **primary activities** are directly related to the development of products or services within a company. Firstly, we have **inbound logistics**, which is the act of coordinating the receipt of inputs and then storing and distributing them within the company. Secondly, we have **operations**. Once inbound logistics has delivered the items to the correct place, operations convert the inputs into outputs. Thirdly, we have **outbound logistics**, which delivers the products to the clients, once operations have finished them. For physical products, this may mean that a company dispatches the product immediately or stores it for some time (Porter, 1985).

Fourthly, **marketing and sales**, are in charge of making sure the market is aware of your product and wants to purchase it. This stage includes various sub-activities such as advertising, setting processes, channel selection, partnerships, and sales pipeline management. Finally, there are **service activities**, which take place after the sale is done and are designed to preserve or

increase the value of your product or service. This might involve customer support, return-reduction measures, customer training, and actions to increase or sustain product engagement (Porter, 1985).

**Supporting activities**, as previously mentioned, help the primary activities run smoothly. It can benefit a certain primary activity while simultaneously playing a role in all primary activities. The first activity is **procurement**, also referred to as purchasing, which is the process of obtaining the inputs required. It also entails discovering new suppliers and obtaining the best deals. **Human resource management** is the process of hiring, training, rewarding, ensuring employee well-being, and keeping good employees. In today's economy, attracting and maintaining outstanding individuals may provide a substantial competitive advantage, which is why many businesses have talent management departments. The next category is **technology development**, which encompasses any technique required to convert your inputs into outputs. This encompasses the software, hardware, infrastructure, and procedures needed to generate your outputs. It is vital to understand that this also applies to your R&D (research and development) department. Finally, we have the **firm infrastructure**, which includes functions that support the whole value chain. This infrastructure is the diagram's sole support activity that provides equal support to all primary activities. Here, sub-activities include general management, finance, and legal staff (Porter, 1985).

Furthermore, it is crucial to emphasize that support activities are just as important as your primary activities; they simply bring a different sort of benefit. The cost advantage comes from primary activities, whereas the differentiation advantage comes from support activities like general management or R&D (Porter, 1985).

The primary benefit of Porter's Value Chain is that it helps you to raise a company’s margin. It accomplishes this by showing how to generate cost advantage as well as, differentiation advantage. Once you know this, you may decide whether to minimize expenditures or invest more to raise your margin. Secondly, it enables you to have a common understanding of how value is produced inside a business. Finally, there are various ways the value chain can be used. In terms of disadvantages, after you've developed your value chain, you'll need to examine it regularly to make sure it is up to date with changes inside your firm. Secondly, the model focuses solely on your internal environment, leaving out external aspects such as rivals, industry trends, consumer trends, and so on. Finally, by focusing on the specifics of activities and how they interact, you may lose sight of the overall or wider strategic picture (Stobierski, 2020).

In essence, Porter's Value Chain is a framework that helps firms identify the important activities that provide profit or value for their customers. For a firm, the first step towards increasing its margin is to understand how to develop its margin.

### 2.4.2. Value Proposition Canvas

The **Value Proposition Canvas** was created by Alexander Osterwalder and Yves Pigneur, and introduced as part of their broader framework for business innovation and value creation. The canvas is presented in their book "*Value Proposition Design: How to Create Products and Services Customers Want*", first published in 2014. This book is a sequel to their previous work, "*Business Model Generation*" (2010), which presented the **Business Model Canvas**, a tool for visualizing and innovating business models.

The Value Proposition Canvas can help a company understand its product positioning and ensure there is a product market fit. The canvas can be used to improve and focus ideas to make sure they meet the needs and goals of customers. It is useful for both startups and large enterprises and for new products as well as existing products (Osterwalder, 2012).

To understand this model, it is important to have some context. Most people agree that it is a good idea to understand who the customer is before starting to build a new product or service for them. But, focusing on who the customer is isn´t enough because it is necessary to what the customer is trying to do. That is where the customer profile comes in.

The value proposition canvas consists of two parts (see Appendix 6). The **customer profile** is used to map out what the customer is trying to do, and the **value map** (also called company value proposition), is used to check whether or not the product or service will help them do it (Osterwalder & Pigneur, 2014).

The customer profile has three parts which are pains, gains, and customer jobs. To understand how this model works, let's start with the assumption that something is wrong. The customer has some sort of difficulty, frustration, or blocker in their life, these can be referred to as **pains**. Pains are thus, the negative emotions and experiences that the customer has when trying to accomplish a goal. The customers are trying to move away from these pains, towards a desired outcome or a concrete result; these are called **gains**. Gains are the positive emotions and expectations associated with the product, the more gains, the more likely a customer will adopt the product (Osterwalder & Pigneur, 2014).

The **customer jobs** describe the type of tasks, activities, or progress that a customer is trying to make to move them from their pain to their gain. In other words, they are the tasks the customers are trying to complete to achieve their goals. These jobs can be either functional, social, or emotional. All these factors come together in a circle to what we call the **customer profile**, which tracks and tests an understanding of the people the firm is trying to create value for, the customers (Osterwalder & Pigneur, 2014).

An important point to stress here is that at the beginning the company is just guessing. The firm has no idea whether it is accurate or not but it becomes more accurate over time as the company learns more about their customers.

The second part of the canvas, represented as a square, is the **value map,** which is also referred to as the **company value proposition**. It consists of three parts, products and services, gain creators, and pain relievers. First, the company's **products and services** create value and benefit for their customers and help them complete their jobs. Then the company must map out how these products or services are **pain relievers**. These are the ways that they reduce or minimize the pains that the customers have and make their lives easier. In other words, how the product or service reduces the customer's pains. The next step is outlining how the products or services are **gain creators.** The ways that they help the customers achieve their desired outcomes. In other words, they are the value that the product creates for the customers (Osterwalder & Pigneur, 2014).

The value map makes it clear how a company's products or services help customer relieve their pains and achieve their gains, and a firm can use it to work out what resonates with their customers. With all of this, the firm is trying to achieve a fit between its value map and its customer profile. This is what is called the **market fit**. It is when the products and services address the pains and gains from the customer profile. This is done by creating a clear connection between what matters to the customers and how the products and services help them achieve their gains and relieve their pains. There might be a lot of jobs, pains, and gains in a firm's customer profile but the value map does not need to address all of them, just the key ones for their customers (Osterwalder, 2012).

Once the value proposition canvas has been created, qualitative research such be conducted to validate the canvas and gain valuable feedback on the value proposition. This can then be modified and improve the company's value proposition canvas.

It is important to add that this is connected to the business canvas model because it zooms into the customer segments and value proposition. It is important to constantly go back and review everything.

In conclusion, the advantage of using the value proposition canvas is that the firm can focus its idea to see if there is a product-market fit. The company can determine if its product will engage customers and solve their pains. Furthermore, the strategy can be built around the customer's goals and frustrations. But it is important to add that by using this model a firm may overlook certain customer segments since each segment needs its own canvas and a firm might not be able to satisfy everyone with their products.

# 3. Context

In this section, we will explore the unsustainable practices within the fast fashion industry and their social and environmental consequences. Additionally, we will highlight the rising importance of sustainability by examining global trends in the second-hand market and the role of the circular economy in minimizing waste.

## 3.1. Unsustainable practices in the traditional clothing industry

Even though fast fashion has revolutionized the fashion industry, it is no secret it indulges in unsustainable practices and violates several human rights. To keep up with the latest trends at a very cheap price, it exploits natural resources and human labor as well as pollutes the environment. We will dive into this topic further below.

### 3.1.1. Fast Fashion and Its Environmental and Social Consequences

With a market value of $122.98 billion in 2023 the fast fashion sector continues to grow. By 2028, it is expected to rise to 197.05 billion at a compound annual growth rate (CAGR) of 8.5% (Research and Markets Ltd, 2024). This constant expansion is being driven by customer behavior that consistently favors rapid, inexpensive apparel, even in the face of increased demand for sustainable fashion. Other factors include cost-effective production and organized retail in developing countries.

Currently, the fast fashion market is dominated by brands like Inditex (Zara), H&M Group, Fast Retailing (Uniqlo), Primark, and Shien, which is the global leader due to its online presence. The continuous growth of this industry is in many ways due to the strong presence on social media platforms like Instagram and TikTok. Many influencers post videos using these garments and create trends making viewers want to buy them too. Moreover, they connect more with younger audiences who are looking for fashionable and cheap alternatives (Research and Markets Ltd, 2024).

A study conducted by Sheffield Hallam University in 2022 showed that Gen Z engages in a paradoxical behavior when it comes to buying clothes from fast fashion industries. While 63% of the respondents are concerned about the environment and prefer sustainable products, 62% still shop at fast fashion retailers monthly. Moreover, Women, particularly those aged 18 to 24, are the most frequent customers, encouraged by cultural demands to avoid wearing the same clothes repeatedly.

Furthermore, consumers are wearing garments fewer times than ever before, with items of clothing now worn just 7-10 times before being discarded. Additionally, the utility of garments

(measured in times worn before disposal) has decreased by 36% in the last 15 years (UNEP, 2024). In addition, three out of five garments end up in a landfill or are incinerated in a year (McKinsey, 2023).

The textile industry as a whole contributes significantly to biodiversity loss, pollution, and waste, creating a long list of environmental consequences. The entire industry was estimated to be worth $1.7 trillion in 2023 (McKinsey, 2023). It is responsible for 2-8% of global carbon emissions (1.2 billion tons yearly) due to long supply chains and production (UNEP, 2024). This represents more than international aviation and maritime shipping combined. It also generates 9% of oceanic microplastics and consumes 215 trillion liters of water per year which is equivalent to 86 million Olympic-sized pools. Additionally, the fashion industry generates 92 million tons of textile waste annually, with projections reaching 134 million tons by 2030 (UNEP, 2024). It is worth noting that while these figures represent the entire fashion industry, the fast fashion sector—despite being only a subset—accounts for a significant share of the industry's environmental impact.

The fast fashion industry relies heavily on mass production which is why it leads to significant pollution and excessive use of natural resources. For instance, to produce a cotton shirt, 2,700 liters of water is required, this is the equivalent of drinking water for one person for 2.5 years. Also, a synthetic fiber shirt made up of polyester requires double the energy of a cotton one. Furthermore, factories often pour untreated water containing harsh chemicals (like toxic dyes) into rivers and oceans furthering pollution and damaging ecosystems (EU Parliament, 2020).

In addition, factory workers who these cheap garments face systemic exploitation including low wages (underpayment), forced labor, long hours, and unsafe working conditions. Women form the majority of this workforce and are further vulnerable to gender-based violence and harassment. The industry anticipates that wage inequality will continue to rise by 2030 furthering socioeconomic inequality (UNEP, 2024). Moreover, most of these factories are located in developing nations like India, Bangladesh, China, Indonesia, and Vietnam where labor and environmental regulations are more relaxed.

In conclusion, while the fast fashion industry is expected to grow to $197.05 billion by 2028, it continues to have a negative impact on the environment and society. Driven by customer demand for low-cost, trendy apparel and fueled by social media, its rapid expansion is accompanied by large carbon emissions, excessive water use, microplastic pollution, and increasing textile waste. Furthermore, the sector relies on exploitative labor practices, particularly in developing countries with lax regulations, which disproportionately affect vulnerable workers, particularly women. Despite rising awareness of sustainability, consumer behavior remains contradictory, with frequent purchases and little clothing usage adding to the

waste cycle. To counteract these effects, systemic changes are required, such as stricter regulations, sustainable innovation, and a shift toward conscious consumption.

### 3.2.The Growing Importance of Sustainability in Fashion

Nowadays, people are becoming more aware of the negative impact fast fashion has on the environment. Furthermore, more and more sustainable brands are emerging as well as second-hand markets. These second-hand markets are complying with the circular economy model since they are fixing and reselling these items, prolonging their life-cycle while avoiding still functioning items ending up in a landfill. Moreover, consumers play a huge role when it comes to sustainability because they are the ones who put pressure on companies so that they engage in better practices. Here we will dive deeper into second-hand market growth and trends, the role of the circular economy when it comes to reducing waste, and consumer shifts towards ethical and sustainable choices.

#### 3.2.1. Second-hand global market growth and trends

The second-hand market continues to grow every year, showing that consumers are becoming more aware and are making a shift towards these markets. In 2023, the second-hand apparel market was worth around $197 billion and, it is expected to reach $350 billion by 2028 (Statista, 2024). That represents an increase of around 77% in just 5 years. The fast growth of the second-hand clothing and accessories market reflects consumers' increasing consciousness about the environment and preference for sustainable and affordable choices. On the contrary, the fast fashion industry was estimated to be worth $122.98 billion in 2023 (Research and Markets Ltd, 2024), and even though it is expected to keep growing, it is not growing as fast as the second-hand market. The second-hand market is expected to be twice the size of the fast fashion market by 2030. Additionally, by that same year, the second-hand market is expected to account for 23% of the textile market value, bringing 118.8 million sellers (UNEP, 2024). This reflects the change in mindsets all around the globe when it comes to sustainability. But even though there is a shift towards sustainable practices it is still not enough and is far from meeting the 1.5°C Paris Agreement Goal (which was signed in 2015 by almost every country and aims to limit global warming to 1.5°C above pre-industrial levels to significantly reduce climate change).

According to a 2024 report by ThredUp, 52% of consumers bought a second-hand item of clothing in 2023. Furthermore, the report shows that 63% of second-hand apparel consumers made a purchase online. Additionally, 45% of Gen Z and Millennials prefer to buy second-hand clothing online. We can see that younger generations are the ones who are making the biggest transition towards the second-hand garments market and that there is a lot of interest when it comes to buying these items online. Furthermore, there is a lot of presence on social media and it has become trendy to thrift items of clothing and create unique outfits.

It is important to mention that items sold in second-hand markets do not usually come from sustainable practices. What the second market offers is a way to contribute towards circularity so that these garments can be fixed and further used, prolonging their lifecycle. An example of this is fast fashion brands like Zara and H&M which are participating in the second-hand market by reselling used items from older collections.

In conclusion, the growth of the second-hand market highlights a significant shift in consumer behavior toward sustainability and circularity, driven largely by younger generations, though further efforts are needed to address the broader environmental challenges of the fashion industry.

### 3.2.2. The Role of Circular Economy in reducing waste in the textile industry

Globally, only a few amounts of clothes get resold in the second-hand market, for instance in the US it is only 15% according to numerous studies. The remaining amount goes to landfills or is incinerated. Circularity aims to address this and reduce the amount of waste generated by the creation and discarding of these clothing items.

Circular Economy addresses waste generated by the textile industry, offering a sustainable alternative to the traditional linear model of "take-make-dispose". Circularity seeks to close the loop on textile waste by focusing on solutions such as material recycling, fixing items of clothing, and reselling used clothes, contributing to the extension of the garments' lifecycle. This strategy not only decreases the environmental impact generated by the disposal of these garments, but it also generates economic possibilities by encouraging companies to participate in these practices.

Additionally, the circular economy not only focuses on how clothes can be recycled, fixed, or further resold in the second-hand market but rather aims to be part of the core strategies of enterprises (Ellen McArthur Foundation, 2013). To integrate a circular economy, a clothing company must address every stage of a product's lifecycle, prioritizing sustainability, waste reduction, and resource preservation. The process begins with **product design**, focusing on durability, efficiency, repairability, and minimal environmental impact, which ensures items remain in use longer and are easier to recycle. In the **manufacturing process**, companies can utilize recycled or repurposed materials to decrease reliance on finite resources and reduce waste. **Encouraging consumers** to choose durable, reusable products and emphasizing maintenance and repair further extend product lifespans while reducing the demand for replacements. When items reach the end of their useful life, options like **fixing or reselling** used garments can retain value and reduce waste, while **recycling** reclaims valuable materials for reintegration into the manufacturing cycle, maintaining resource flow. By embedding these

practices, a company not only supports sustainability but also reduces costs and aligns with evolving consumer preferences for environmentally conscious products.

A shift toward circularity could generate an estimated $700 billion in economic value by 2030, while each 1% increase in circular business model adoption could reduce greenhouse gas emissions by 13 million tCO2e (UNEP, 2024). Three priorities are at the heart of this shift: changing consumption patterns, improving production practices, and investing in sustainable infrastructure. Circular economy lowers the environmental impact of textiles while generating substantial economic opportunities by designing products for durability, reuse, and recyclability.

To address waste created at all stages of the textile lifecycle, stakeholders must work together to adopt circular business models and eliminate excess production. This involves companies using sustainable design principles, governments enforcing stricter legislations, and financial institutions creating innovative funding channels for sustainability initiatives. Investments in crucial infrastructure, such as renewable energy systems and modern waste treatment facilities, are essential for diverting textiles from landfills.

Despite its potential, the shift to a circular textile sector faces various obstacles, including supply chain complexity, financial constraints, and a lack of policies. To overcome these challenges, companies, suppliers, manufacturers, policymakers, financial institutions, and consumers must work together. Consumer behavior improvements, when combined with systemic changes, can drastically reduce textile waste.

By using circularity principles, the textile sector may reduce its environmental and social effects while promoting economic growth. However, making the industry sustainable would require an extra $20-30 billion in yearly investments (UNEP, 2024). Comprehensive changes across the value chain, from raw material procurement to end-of-life procedures, have the potential to convert the industry into a more sustainable model that values longevity, circularity, and equality.

# 4. Methodologies and Sources

## 4.1. Qualitative Methodology: Interview with an Industry Expert

As part of the research methodology, an in-depth interview was conducted with Rafael Mas, Director of Projects and External Relations at Humana Fundación Pueblo para Pueblo. The interview explored the state of the second-hand clothing market in Spain, the organization's role in promoting sustainability, and emerging trends within the sector. The following is a transcript of the key questions and responses to reflect the insights gathered (See Appendix 7 for the full interview in Spanish, the original language).

Firstly, when asked to describe the mission and activities of Humana, Rafael Mas explained,

> *Humana Fundación Pueblo para Pueblo is a social economy organization that has been promoting environmental protection since 1987 through the reuse of textiles. We also carry out international cooperation programs in Africa, Latin America, and Asia, as well as local support, awareness, and urban agriculture projects in Spain. Our headquarters are in l'Ametlla del Vallès (Barcelona), with delegations in Madrid, Andalusia, Asturias, the Autonomous Community of Valencia, and Galicia*.

He elaborated on their process, stating,

> *As specialists in textile reuse, Humana manages donations of used clothing and footwear through a network of 5,300 selective collection points. This network, located both on public streets and within Humana stores, helps maximize the value of textile waste and gives these items a second life.*" Mas also highlighted the organization's retail operations, noting, "*We operate 52 stores in cities like Madrid (28), Barcelona (22), Seville (1), and Granada (1), offering clothing and accessories for men, women, and children, as well as home textiles. The funds generated from these stores allow us to develop cooperation projects in southern countries and local support initiatives in Spain*.

Regarding the current state of the second-hand clothing market in Spain, Mas observed,

> *Second-hand clothing has become the first choice for many people. The growing number of customers each year indicates that second-hand fashion has shed its prejudices, such as being seen as 'for the poor.' Our country is adopting the consumer awareness seen in Nordic countries, England, or Germany, and second-hand clothing is increasingly perceived as a prestigious alternative."*

He added that the market remains underdeveloped but is expected to grow, stating,

> *The second-hand fashion sector is booming, but many citizens have yet to join it. There is still limited supply, but it will undoubtedly grow significantly in the coming years. Reusing clothing is the best way to prevent it from becoming waste, avoiding the economic, energy, and environmental costs of producing a new garment to replace the old one*.

When asked about the factors contributing to this market growth, Mas cited several influences:

> *The second-hand clothing sector has become very attractive to a broad audience. It is a sustainable and affordable alternative that allows people to define their identity apart from fast fashion brands. Every day, we express who we are and how we feel through what we wear. By choosing second-hand fashion, we send a message of individuality and rebellion, which is particularly important for many young people today*.

He also noted the pandemic's role in accelerating trends, stating,

> *The pandemic was a turning point. Since then, sustainability and responsible consumption have gained prominence, furthering a trend that began years ago: greater respect for our planet in how we consume clothing.*

Discussing regional trends, Mas identified urban centers as key hubs for second-hand fashion: "*Especially in large cities like Madrid and Barcelona. Second-hand stores need to be located in high-traffic areas, which only large urban concentrations can guarantee.*" He also addressed the cultural perception of second-hand shopping in Spain, stating,

> *In recent years, many prejudices and barriers regarding second-hand fashion have been broken. What was once considered a product for low-income individuals and a sector with little prestige has become very attractive to a growing audience.*

Mas emphasized the motivations driving consumers to purchase second-hand clothing, noting,

> *Humana stores recorded 2.7 million customers in 2023, a 36% increase over the previous year. This growth confirms the sector's boom, driven by increased demand, changing values stemming from greater environmental awareness, the rediscovery of new shopping experiences, and affordable prices, all within a context of inflation.*

On the subject of younger generations, Mas highlighted their significant role, stating,

> *It is an appealing option for many segments of society. Particularly noteworthy is the response from younger generations, like Gen Z, who are convinced because it's original and sustainable fashion. They have less purchasing power and, at the same time, aim for the least possible impact on their consumption.*

He added, "*Interestingly, 80% of Humana's customers report that when they buy a second-hand item, they forgo buying a new one, representing a significant replacement rate*."

When asked about the dynamics of physical versus online second-hand stores, Mas explained,

> *Our sales channel is physical; we do not have a digital channel. Our stores have evolved over time. For example, last year we launched a new image, starting with a new logo, which forms the basis of a refreshed identity for our stores. This includes updated signage, façade colors, and redesigned interiors that align with the modern concept we want for our establishments*.

He emphasized the experiential aspect of second-hand shopping, stating,

> *Buying second-hand fashion has a significant experiential component. The garments are unique, the inventory today isn't the same as tomorrow, and each Humana store offers a different range of items. Customers come to our stores not just to shop but to enjoy the experience of finding the perfect piece at the best price.*

Regarding online platforms he added, "*Regarding the rise of online platforms, we view them as an additional way to make second-hand clothing more visible*."

Furthermore, when asked to compare the Spanish market to other European markets, Mas stated:

> *The Spanish market is still relatively small. Northern Europe, as well as countries like the UK and Germany, are far ahead in this aspect. In the UK, for example, the number of second-hand clothing stores*

*(charity shops) far exceeds those in Spain. Fortunately, this is changing, and second-hand shopping is gaining relevance and importance in Spain.*

Mas addressed the sector's sustainability impact and waste reduction, emphasizing,

*Humana's primary circular economy initiative is the management of textile waste. Last year, we collected 17,946 tons of used clothing, equivalent to 72.7 million garments. These donations come from 5,300 public containers and in-store collection points. Selective clothing collection ensures a second life for 63% of garments through reuse and 28% through recycling. Reuse is prioritized as the most sustainable option, emphasizing that the most eco-friendly garment is the one already made.*

He further added that,

*Over 90% of recovered garments have their life cycles extended through reuse and recycling, key elements of the circular economy. This process also supports green job creation and finance development programs in Africa, Latin America, and Asia, as well as local awareness and urban farming initiatives in Spain*.

He also highlighted the environmental benefits, noting,

*Second-hand clothing has a significant environmental impact. According to the Humana People to People Federation, each kilogram of clothing recovered prevents 6.1 kg of CO2 emissions. In 2023, Humana prevented the emission of 109,472 tons of CO2. Reusing clothes and shoes also reduces the consumption of natural resources like water, fossil fuels, fertilizers, and pesticides used in raw material production for the textile industry.*

When asked to talk about the biggest challenges when it comes to selling second-hand garments, Mas explained

*2025 presents uncertainties, including international market instability, mandatory separate collection of textile waste across the EU, the introduction of the new extended producer responsibility (EPR) system for textiles under the Spanish waste law, and the rise of ultra-fast fashion*."

He further added,

*"Despite these challenges, Humana plans to open more stores, as second-hand fashion is a growing sector that many citizens have yet to embrace. There is currently limited supply, which is expected to grow significantly in the coming years. Reusing clothing is the best way to prevent it from becoming waste and avoids the economic, energy, and environmental costs of producing new garments*.

Finally, when it comes to Humana's customer profile, Mas said that their customers are

*Loyal, and interested in sustainable fashion and its added social value. Individuals seeking affordable prices. Shoppers looking for branded items at accessible prices. A growing number of young people searching for unique, vintage pieces not found in conventional stores.*

The interview with Rafael Mas highlights the growing relevance of second-hand fashion in Spain, driven by sustainability, affordability, and shifting consumer attitudes. Humana Fundación Pueblo para Pueblo plays a key role in this growth through its extensive network of physical stores and textile reuse programs. Younger generations, particularly Gen Z, are major drivers of this trend, valuing unique, sustainable fashion that aligns with their environmental consciousness.

Mas noted that Spain's second-hand market is underdeveloped compared to Northern Europe but is expanding rapidly, with increasing consumer demand and evolving cultural perceptions. While Humana focuses on physical stores, Mas acknowledged the rise of online platforms as a way to enhance the visibility of second-hand clothing. This suggests that creating an online second-hand clothing store in Spain could be a viable opportunity, especially given the sector's growth and the potential to attract younger, tech-savvy customers seeking sustainable shopping alternatives.

### 4.2. Quantitative Methodology: Survey of Potential Customers

An online survey was designed and conducted in Spain, which gathered responses from 78 participants (see Appendix 8 for graphs and individual results). The primary objective of this survey was to explore shopping habits, preferences, and attitudes towards second-hand clothing, as well as to assess interest in innovative solutions such as an AI-powered online fitting room. The survey covered a range of topics, including the frequency of clothing purchases, preferences for new versus second-hand items, and factors that might encourage participants to consider second-hand shopping.

Regarding gender, 80.8% of respondents identified as female, 19.2% as male, and none selected "Other." Additionally, age distribution showed that 60.3% of respondents are Gen Z (12-27 years), followed by 26.9% who were Gen X (44-59 years). Smaller groups included Millennials (28-43 years) at 6.4%, and Boomers (aged 60+) at 6.4% as well.

When asked how often they shop for clothing, the most common responses were every two months (32.1%) and twice a year (26.9%), followed by shopping every month (24.4%) and once a year (10.3%). Weekly shoppers made up only 2.6%, and 3.8% shopped less than once a year. Furthermore, respondents were asked how often these purchases were made online: 44.9% reported making online purchases “sometimes,” 23.1% “most of the time,” and 2.6% “always,” while 20.5% said they rarely shop online, and 9% never do.

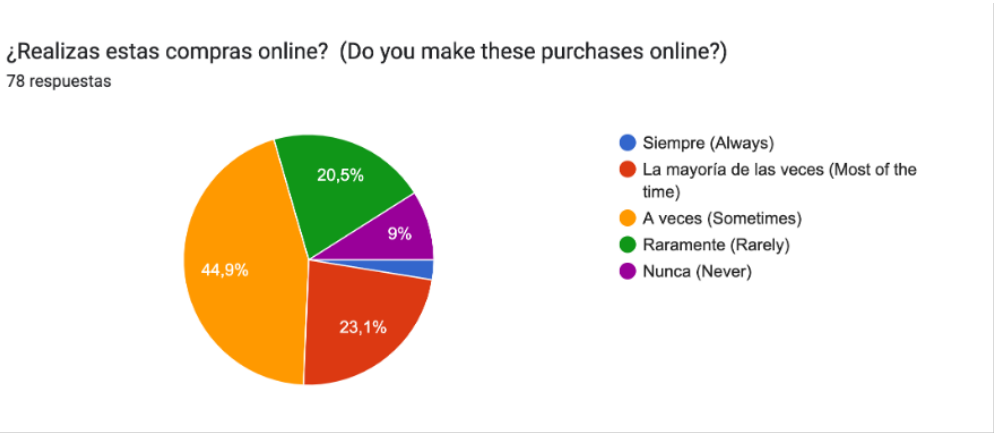


**Figure 1**: Pie Chart showing how often respondents purchase clothing items online. Source: Own data.

Fast fashion brands like Zara, Mango, Primark, and Shein remained popular, with 33.3% buying from these brands every two months, 24.4% twice a year, and 19.2% shopping monthly. Weekly shoppers for fast fashion were rare (1.3%). 9% of respondents said they buy from these brands once a year and 12.8% less than once a year.

When asked if they had ever bought second-hand clothes, a significant portion of respondents (51.3%) reported they had never purchased second-hand clothing, while 28.2% have done so, but rarely, 11,5% buy second-hand clothes often, and 9% "sometimes.". Among those who have never or barely purchased second-hand clothing, 64.6% expressed interest in exploring this market, suggesting untapped potential.

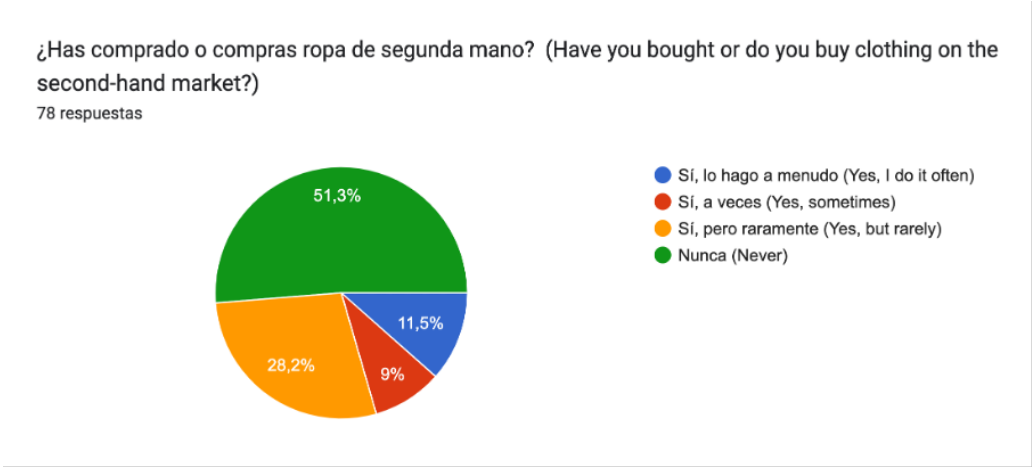


**Figure 2**: Pie Chart showing if respondents have ever purchased second-hand clothing items, and if so how often. Source: Own data.

Participants were then asked how much they would pay for second-hand clothing. The majority (62.8%) said their willingness to pay depends on the brand and type of clothing, (46.2%) preferred to spend €10-20 per item, while 14.1% were open to spending €20-30. This is followed by 2.6% of respondents willing to pay €30-40, 2.6% are willing to spend €40-50, and 3.8% €50-100. None of the participants said they were willing to pay more than €100 per second-hand clothing item.

When asked what would make them shift more toward second-hand shopping, 38.5% cited greater availability and more options, while 26.9% emphasized better quality. A notable 17.9% wanted more fashionable options, and 17.9% said "nothing" would influence them. Among those who selected "other," suggestions included better (cheaper) pricing, sustainability, and unique items that are no longer available in traditional markets.

Participants shared mixed opinions about the second-hand market. Many mentioned that better marketing, more physical stores, and improved presentation and hygiene in stores could enhance the experience. Others noted concerns about pricing, quality, and the need for more fashionable and curated selections. Platforms like Vinted and Wallapop were acknowledged as

major contributors to the market's growth, though some felt that online second-hand shopping lacked trust and clarity about item conditions.

The concept of an online second-hand store with an AI-powered fitting room intrigued 71.8% of respondents, while 28.2% were uninterested. Among those interested, suggestions included tools for accurate virtual sizing, seeing how clothes fit a digital model resembling the user, and options for viewing items in 360-degree perspectives. Respondents emphasized the importance of high-quality, fashionable items, categorized by style, brand, and size.

The survey results highlight promising growth opportunities for the second-hand clothing market in Spain. The data suggests the importance of addressing barriers like quality, availability, and pricing while leveraging innovative solutions like AI fitting rooms to attract more consumers. Enhanced marketing efforts and expanded store presence could also help normalize second-hand shopping as a viable and desirable alternative to fast fashion.

### 4.3. Secondary Data Analysis: Market Reports

The second-hand goods retailing market in Spain is valued at €392.0 million in 2024. However, the industry has experienced a decline between 2019 and 2024, with a compound annual growth rate (CAGR) of -3.7% (IBISWorld, 2024). Moreover, 2,889 businesses are operating in this sector as of 2024, showing a growth of 2.7% CAGR from 2019 (IBISWorld, 2024).

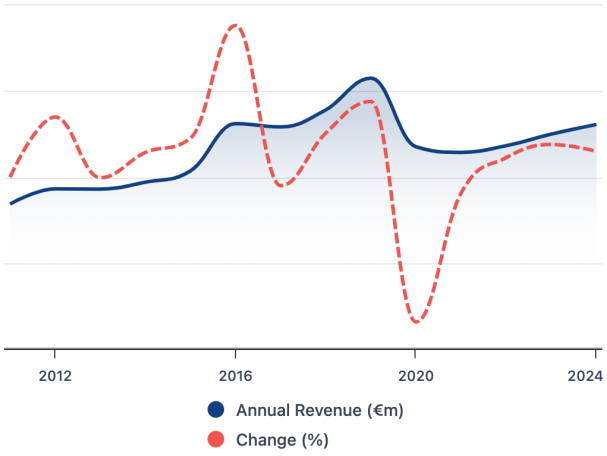


**Figure 3**: Graph showing Second-Hand Goods Retailing in Spain's market size outlook
Total value and annual change from 2014-2024. Source: IBISWorld, 2024

The shift in consumer attitudes towards sustainability and ethical consumption has contributed to heightened interest in second-hand goods, especially among younger generations like Gen Z. Furthermore, the COVID-19 pandemic fueled growth as consumers decluttered wardrobes during lockdowns, increasing inventory for second-hand stores. Additionally, Environmental

concerns and opposition to fast fashion continue to be significant drivers of growth in the resale market (IBISWorld, 2024).

Despite past revenue declines, the market is expected to experience growth over the next five years, fueled by sustainability trends and the increasing acceptance of pre-owned fashion. Additionally, the industry is highly competitive, with businesses focusing on clothing, footwear, and accessories as the primary segments (IBISWorld, 2024).

Compared to the rest of Europe, Spain ranks 9th in revenue and 8th in the number of businesses among 37 European countries. It also ranks 6th in wages, indicating a notable presence in the European second-hand market (IBISWorld, 2024).

Furthermore, reports from Wallapop and Milanuncios provide a detailed snapshot of this sector's evolution in Spain, emphasizing its role in fostering a circular economy and reshaping consumer habits.

According to *Wallapop's La Red del Cambio 2024*, the second-hand market has transitioned from a trend to a well-established consumer reality in Spain. Wallapop reported over 19 million active users in 2024, facilitating millions of item exchanges annually. The platform highlights that while 94% of buyers cite economic reasons for choosing second-hand, emotional and environmental factors, such as reducing waste and participating in a circular economy, are increasingly influential.

*Milanuncios' Radiografía de la Segunda Mano en España en 2023* corroborates these findings, showcasing robust activity with over 14.4 million new listings on the platform, representing an average of 61,100 new ads daily. The platform recorded a total market valuation exceeding €5.5 billion, with major contributions from categories such as Home and Garden (€208 million), Motor (€4.623 billion), and Fashion and Accessories (€45.5 million).

In the Community of Madrid alone, second-hand transactions were valued at over €292 million, with the category of Fashion and Accessories contributing €7 million across 105,000 ads. This regional activity underscores Madrid's role, along with Andalusia and the Community of Valencia, as one of the most engaged areas in Spain's collaborative economy.

Fashion, specifically garments and accessories, has become a standout category in the second-hand market. Wallapop's report notes a growing trend toward reconditioned products and consumer demand for quality, eco-friendly options. Similarly, Milanuncios reports a 74.7% increase in demand for Fashion and Accessories in 2023, with more than 658,000 ads posted in this category, reflecting a total value exceeding €45.5 million.

Younger generations, particularly Millennials and Gen Z, are driving this growth by prioritizing sustainability and affordability. They increasingly seek high-end second-hand items, with brands like Rolex, Louis Vuitton, and Gucci among the most searched. As noted by Milanuncios, luxury second-hand purchases have risen sharply, and the overall second-hand fashion market is on track to surpass fast fashion by 2030.

The second-hand market is a cornerstone of Spain's commitment to the circular economy. Wallapop's *La Red del Cambio 2024* highlights three key trends shaping this movement. The first one is circular consumption in which consumers are buying less, reusing more, and extending the lifespan of products. Secondly, environmental awareness, since there is a growing demand for detailed information on the environmental impact of purchases, with new technologies like AI and augmented reality playing a pivotal role. Thirdly, reconditioned products since the market for refurbished items is growing, driven by consumer demand and the emergence of specialized businesses and professionals.

Milanuncios' Radiografía further emphasizes this shift, noting that the most popular items include bicycles, sofas, and gaming consoles, reflecting both practical needs and lifestyle trends. The top months for second-hand activity were January, September, and October, aligning with periods of higher consumer spending, such as post-holiday and back-to-school seasons.

Despite its impressive growth, the second-hand market faces challenges, including ensuring quality, managing logistics, and addressing consumer skepticism about refurbished items. Nonetheless, the sector continues to expand, driven by strong consumer demand and innovative business models. Companies like Zara, Decathlon, and IKEA have embraced this trend, offering platforms and services to resell, refurbish, and donate second-hand goods. These corporate initiatives not only align with sustainability goals but also help solidify the second-hand market as a mainstream consumer option.

To conclude, the second-hand market is no longer just an alternative to traditional retail—it has become a dominant force in reshaping consumer behavior and promoting sustainability. Reports from Wallapop and Milanuncios underscore its critical role in the circular economy, particularly in categories like fashion, which continues to outpace fast fashion growth. As Spain aligns with other environmentally conscious nations in Europe, the second-hand market offers a promising blueprint for a sustainable future.

# 5. Results and Findings

This thesis aims to assess the feasibility of establishing an online second-hand vintage store with an AI fitting room. In this section, we will apply the various economic theories explained in the theoretical framework to the proposed business model and evaluate its viability using insights gathered from qualitative and quantitative methodologies, as well as market reports.

## 5.1. Key Findings from Theoretical Framework

In this section we will examine each theory in detail, explaining its relevance and potential application to this business idea.

### 5.1.1. Circular Economy

This online second-hand vintage store with an AI fitting room in Spain plays a significant role in contributing to circularity by extending the lifecycle of garments and preventing good quality, previously worn, clothing items from ending up in landfills. Furthermore, purchasing second-hand clothing helps replace the need for new garments, thereby reducing the carbon footprint associated with the production of new apparel. This aligns with the technical cycle part of the butterfly diagram created by the Ellen MacArthur Foundation, as clothing is not biodegradable, and can, in most cases be repaired and reused. Once an item can no longer be reused, its components can be recycled or repurposed. Moreover, the store's operation aligns with the R-ladder strategy, incorporating key elements such as reuse (3), repair (4), and recycle (8).

By making circularity a core component of the business model, this store offers significant environmental benefits, reduces the waste associated with fast fashion clothing, and maximizes the utility and value of garments over time. This approach benefits not only the planet but also society, as it fosters more sustainable consumption habits and reduces waste.

### 5.1.2. Behavioral Economics

Behavioral economics, a field that explores the cognitive biases affecting consumer behavior, offers valuable insights for optimizing the customer experience in the online second-hand fashion market. One key concept, bounded rationality, suggests that consumers face cognitive limitations in decision-making, including issues like choice overload and uncertainty. This online second-hand vintage store can address these challenges effectively by simplifying decision-making processes. The AI fitting room narrows down options based on customers' sizes, preferences, and styles, thus reducing the overwhelming nature of an often chaotic second-hand market. Additionally, by offering virtual visualizations of items, the AI fitting room enhances customer confidence by eliminating concerns about fit and appearance.

Furthermore, curated recommendations help combat choice overload, presenting only highly relevant options. By addressing bounded rationality, the store offers an efficient and trustworthy shopping experience that sets it apart in the competitive second-hand retail space.

Psychological pricing is another key strategy for attracting and retaining customers. By employing techniques such as charm pricing (e.g., €19.99 instead of €20) and bundling discounts (e.g., "Buy 2, Get 10% Off"), the store can create a perception of getting a good deal and encourage customers to purchase more.

Nudge theory, which focuses on subtly guiding consumer behavior, also plays a role in influencing customer choices. The store can act as a "nudge" by promoting the sustainable benefits of buying second-hand during the shopping process, for example, through messaging like "Your purchase saves X tons of CO2." Social proof, such as displaying the number of views or purchases of a particular item can encourage customers to act quickly, without feeling pressured. By integrating these subtle nudges, the store can guide consumers toward more sustainable, informed, and profitable decisions while enhancing their overall shopping experience.

Prospect theory, particularly its principle of loss aversion, is another psychological concept that can be leveraged to drive sales. Loss aversion suggests that people are more motivated to avoid losses than to achieve equivalent gains. In the context of the vintage store, this principle can be applied by emphasizing the potential loss of unique items if customers hesitate. Messaging such as "similar items selling fast—grab it before it's gone" creates a sense of urgency and exclusivity. Furthermore, the AI fitting room helps mitigate the perceived risk of buying ill-fitting clothes by providing accurate fit predictions, minimizing the fear of regret. By combining this understanding of loss aversion with the practical reassurance provided by the AI fitting room, the store can boost customer confidence and increase purchase rates, while simultaneously building trust and fostering loyalty.

This online vintage store can use behavioral economics to simplify choices, build trust, and boost sales. Tools like the AI fitting room, psychological pricing, and subtle nudges address biases like choice overload and loss aversion, creating a seamless and confident shopping experience.

### 5.1.3. Theory of Planned Behavior

The Theory of Planned Behavior (TPB) offers a framework for understanding how to influence consumer behavior by focusing on attitudes, subjective norms, and perceived behavioral control. In the case of the online second-hand vintage store, behavioral attitudes can be split into affective and instrumental components. Customers will be more likely to engage with the

store if they find the experience enjoyable (affective attitude)—such as using the engaging AI fitting room—and perceive tangible benefits like unique, sustainable fashion at competitive prices (instrumental attitude). Subjective norms, which refer to the social influences on consumer behavior, can be leveraged by promoting the store's alignment with eco-conscious trends through social proof, positive reviews, influencer collaborations, and customer testimonials. Perceived behavioral control is addressed by making the AI fitting room and the website easy to navigate, offering clear instructions, and implementing a flexible return policy to build customer confidence. To bridge the gap between intention and action, the store can encourage customers to save items to wishlists, set reminders for exclusive sales, or share their selections on social media. These strategies create a seamless and motivating experience that drives purchasing decisions and supports the store's goals of sustainability and customer satisfaction.

### 5.1.4. Porter Diamond Model

The Porter Diamond Model can be applied to the online second-hand vintage store by examining the factors that affect its competitive advantage. Factor conditions include the resources available to the business, such as Spain's increasing internet penetration (i.e. most people have access to the internet), the growing eco-consciousness among consumers, particularly millennials and Gen Z, and the widespread use of digital platforms, which creates favorable conditions for the store's success. Additionally, efficient logistics networks also facilitate quick delivery and returns, supporting customer satisfaction.

Demand conditions refer to the demand in Spain for second-hand fashion. The growing eco-consciousness in Spain, particularly among millennials and Gen Z, is driving a strong demand for sustainable products. By offering a personalized shopping experience through the AI fitting room, the store can tap into the growing demand for second-hand clothing from anywhere. Moreover, related and supporting industries, such as technology providers, online payment systems, and digital marketing agencies, are essential to the store's success. Partnerships with advanced AI developers and collaborations with fashion influencers can strengthen the store's position in the market.

Finally, firm strategy, structure, and rivalry are critical. The store can position itself as a sustainable and tech-forward alternative to fast fashion. By differentiating itself from other online sellers with the AI fitting room, it can capitalize on the growing demand for second-hand fashion while addressing the competitive challenges within the second-hand clothing market. Additionally, it can position itself as a more reliable and trustworthy alternative to other online platforms, while distinguishing itself further by offering good-quality garments. By optimizing these factors, the store can enhance its competitive advantage, expand its market share, and thrive in the evolving e-commerce landscape.

### 5.1.5. Porter Five Forces Model

The Porter Five Forces Model evaluates the competitive environment of the online second-hand vintage store by analyzing five key factors: competitive rivalry, the threat of new entrants, the threat of substitutes, the bargaining power of suppliers, and the bargaining power of buyers. Rivalry among existing competitors is high in Spain's second-hand clothing market, particularly with platforms like Wallapop and Vinted and many physical stores in big cities like Madrid and Barcelona. However, the store can leverage its AI fitting room as a unique selling point, providing a more personalized, trustworthy alternative to platforms that rely on individual sellers.

The threat of new entrants is moderate, as launching an online vintage store requires relatively low capital investment. However, the technological expertise and resources needed to implement an advanced AI fitting room create a significant barrier to entry, protecting the store from new competitors. The threat of substitutes comes from traditional retail stores, fast fashion outlets, and other resale platforms. By emphasizing its unique combination of good-quality vintage clothing, sustainability, and cutting-edge AI technology, the store can mitigate this threat and appeal to eco-conscious customers.

The bargaining power of suppliers is low, as the store sources inventory from multiple channels. However, maintaining strong relationships with reliable suppliers is critical for securing a steady supply of high-quality products. The bargaining power of buyers is high, as customers can easily switch to alternative platforms. The store can address this by offering competitive prices, a seamless user experience, personalized AI recommendations, and excellent customer service to build customer loyalty and reduce sensitivity to price. By strategically addressing these forces, the store can strengthen its market position and capitalize on the opportunities within the second-hand fashion market.

### 5.1.6. Porter's Value Chain

Porter's Value Chain offers valuable insights into how the online vintage store with an AI fitting room can create value for customers while maximizing efficiency and profitability. In the primary activities, inbound logistics involve sourcing unique, high-quality vintage pieces. Strong supplier relationships and efficient inventory management systems ensure a steady supply of desirable items. Operations include processing, fixing, and digitizing the inventory using the AI fitting room tool, for a seamless online shopping experience. Outbound logistics focus on delivering purchases to customers quickly through reliable shipping partners. Marketing and sales activities leverage targeted digital advertising, social media campaigns, and partnerships with eco-conscious influencers to attract customers. Service activities ensure

post-purchase satisfaction through responsive customer support, easy returns, and guidance on using the AI fitting room, enhancing customer loyalty.

In the support activities, procurement focuses on acquiring good quality inventory and advanced AI technology at competitive costs. Human resource management focuses on hiring skilled developers, digital marketers, and logistics experts to optimize operations. Technology development involves continuously improving the AI fitting room, website functionality, and data analytics to personalize customer experiences. Firm infrastructure provides overarching support through effective management, financial oversight, and strategic planning. By optimizing these activities, the store enhances value creation, builds competitive advantage, and aligns with customer expectations for sustainability, convenience, and innovation.

### 5.1.7. Value Proposition Canvas

The Value Proposition Canvas helps this online store refine its offering to align with customer needs and expectations by examining the customer profile and value map. The customer profile includes customer jobs, pains, and gains. In Customer jobs, buyers aim to find unique, stylish, and affordable clothing that aligns with their eco-conscious values while enjoying a seamless online shopping experience. Pains may include struggles with sizing, uncertainty, concerns about item quality, or navigating a confusing user interface. They might also worry about shipping delays or lack of sustainable practices. Possible gains are accurate size recommendations, reassurance of item quality, and a user-friendly shopping experience. Customers value the ability to shop sustainably and find exclusive pieces that stand out.

The value map addresses products and services, pain relievers, and gain creators. Products and services offered by this store include a curated selection of second-hand vintage clothing, paired with an AI fitting room that allows customers to visualize items on a virtual AI model with their measurements before purchase. Pain relievers can include eliminating sizing uncertainty using the AI fitting room, while detailed item descriptions and photos reassure buyers of quality. Sustainable packaging and a clear return policy reduce eco-conscious and logistical concerns. Gain creators include the shopping experience offered by the store with a sleek interface, personalized recommendations, and a commitment to circularity. It helps customers achieve their desire for unique fashion while supporting ethical consumption. By ensuring a strong fit between the value map and customer profile, the store creates a compelling value proposition. This alignment drives customer satisfaction, loyalty, and differentiation in the competitive second-hand clothing market.

## 5.2. Key Findings of Research and Methodologies

The findings provide compelling evidence for the viability of creating an online vintage second-hand store in Spain with an AI-powered fitting room. The second-hand market in Spain,

currently valued at €392.0 million in 2024, is expected to continue growing as sustainability becomes a priority for consumers and regulations increasingly favor circular economies. Market reports highlight that while urban areas are well-served by physical second-hand stores like Humana, rural regions lack such access, leaving a considerable gap for an online platform to fill. Furthermore, despite the availability of platforms like Wallapop and Vinted, consumer trust is a critical challenge, as these platforms rely on individual sellers, leading to inconsistent quality and unreliable transactions.

Insights from the interview with Humana emphasized the high level of competition in urban areas. However, they also underscored the growing interest in vintage and sustainable fashion, particularly among younger demographics, including millennials and Gen Z, who are increasingly aligning their purchasing decisions with environmental values. Humana's focus on physical stores leaves space for innovation in online services that integrate technology to enhance customer experience, such as an AI-powered fitting room.

Survey data further corroborates the opportunity for innovation in this market. A significant 71.8% of respondents expressed interest in an online second-hand store with an AI fitting room, highlighting the appeal of reducing uncertainty around fit. This feature directly addresses one of the biggest barriers to online second-hand shopping: the risk of receiving ill-fitting items, which often leads to returns and dissatisfaction. By providing accurate fit predictions and visualizations, an AI fitting room enhances convenience and trust, which are crucial factors for gaining customer loyalty in this market.

Consumer preferences also revealed valuable insights about target demographics. Young adults aged 18-35 were the most enthusiastic about the concept, driven by their strong interest in vintage clothing and sustainability. This age group values unique, high-quality items and prioritizes platforms that offer a seamless, trustworthy shopping experience. The survey also highlighted significant interest among rural consumers, where the absence of physical second-hand stores has created a gap that online solutions could effectively address. This is because many people living in rural areas have never bought second-hand clothing items yet they are interested in doing so.

The market conditions suggest a favorable environment for a curated online vintage store that differentiates itself through quality assurance, innovative technology, and customer-centric features. While competition is high in urban areas, the trust issues with existing online platforms and the lack of physical options in rural regions provide a unique opportunity to capture underserved segments. By addressing consumer concerns, leveraging advanced technology like an AI fitting room, and curating a reliable and transparent platform, this venture could meet the rising demand for sustainable fashion and establish a competitive edge in Spain's second-hand market.

## 6. Conclusions

In conclusion, the creation of an online second-hand store featuring an AI fitting room is viable within the current second-hand clothing market in Spain. The sector is experiencing substantial growth, fueled in large part by the increasing demand from younger demographics, particularly millennials and Gen Z. These consumers, who are more attuned to the values of sustainability, individuality, and environmental consciousness, have increasingly shifted their purchasing habits towards second-hand clothing as an alternative to fast fashion. By supporting this transition, an online store offering high-quality vintage clothing directly contributes to reducing the environmental impact of fashion and fostering a more circular economy. Furthermore, this company contributes to several Sustainable Development Goals (SDGs). By integrating advanced technology to enhance the online shopping experience (i.e., the AI fitting room), it supports Industry, Innovation, and Infrastructure (SDG 9). Its promotion of circular economy practices advances Sustainable Cities and Communities (SDG 11) by fostering environmentally sustainable and resource-efficient lifestyles. Additionally, the store contributes towards Responsible Consumption and Production (SDG 12) by encouraging customers to choose second-hand clothing, thereby reducing reliance on fast fashion brands and raising awareness about sustainable consumer behavior. By extending the lifespan of garments and lowering the demand for new production, the company actively supports Climate Action (SDG 13), reducing $CO_2$ emissions and contributing to global efforts to combat climate change.

However, despite the strong demand and growth prospects, the second-hand clothing market in Spain is notably saturated, particularly in urban areas. Physical stores like Humana stores and other small shops are abundant in large cities like Madrid and Barcelona, and online platforms such as Vinted and Wallapop have already established substantial user bases. These platforms, while popular, often rely on individual sellers, which creates a significant gap in terms of quality assurance, consistency, and trustworthiness. These concerns were highlighted in the survey as well as the cleanliness and clothing quality of physical shops. By offering a curated selection of good-quality, well-priced items, this online vintage store addresses these concerns head-on. The integration of an AI fitting room adds a key layer of value by ensuring that customers can confidently visualize how garments will fit their unique body shapes before making a purchase. This not only reduces the likelihood of returns but also improves the overall customer experience, making it far more seamless and enjoyable. This feature, which is rare among competitors, also positions the store as a leader in innovation within the second-hand fashion market, giving it a competitive edge. Moreover, while the business concept is viable in Spain, significant marketing efforts will be essential to build brand awareness and position the company as a leader in the second-hand market. Given its target audience of Millennials and Gen Z, strategic advertising on social media platforms and collaborations with influencers can play a pivotal role in reaching and engaging potential customers effectively.

Additionally, this venture is also well-positioned to tap into underserved regions, such as smaller cities and rural areas, where access to physical second-hand stores is limited. The combination of convenient online access, personalized AI technology, and a focus on good-quality inventory ensures that even rural consumers can participate in the second-hand shopping experience. This further expands the market potential, allowing the business to cater to a broader audience and meet the needs of those who might otherwise be excluded from the second-hand shopping culture.

The next step in establishing this company would involve developing a comprehensive budget estimate to assess the costs associated with its launch. This process includes choosing good and reliable second-hand clothing suppliers, collaborating with AI fitting room developers, acquiring essential machinery, managing warehouse expenses, hiring qualified personnel, and securing legal services to trademark the company's logo and patent its innovative AI feature in Spain. Additionally, the budget should account for establishing a robust digital infrastructure to ensure seamless online operations, including website development, secure payment gateways, and data protection measures. Marketing expenses should also be considered, particularly for targeted campaigns and collaborations aimed at engaging the Millennial and Gen Z demographics, essential for building brand awareness and customer loyalty in the competitive second-hand fashion market.

In summary, the creation of an online second-hand store with an AI fitting room in Spain is a timely and strategic business idea that aligns with emerging consumer trends, addresses existing market gaps, and offers clear differentiation from competitors. By providing a solution to the common challenges of sizing uncertainty, product quality, and trust, the store can build a loyal customer base, enhance customer satisfaction, and capitalize on the growing demand for sustainable and ethical fashion choices while also contributing to society and the environment.

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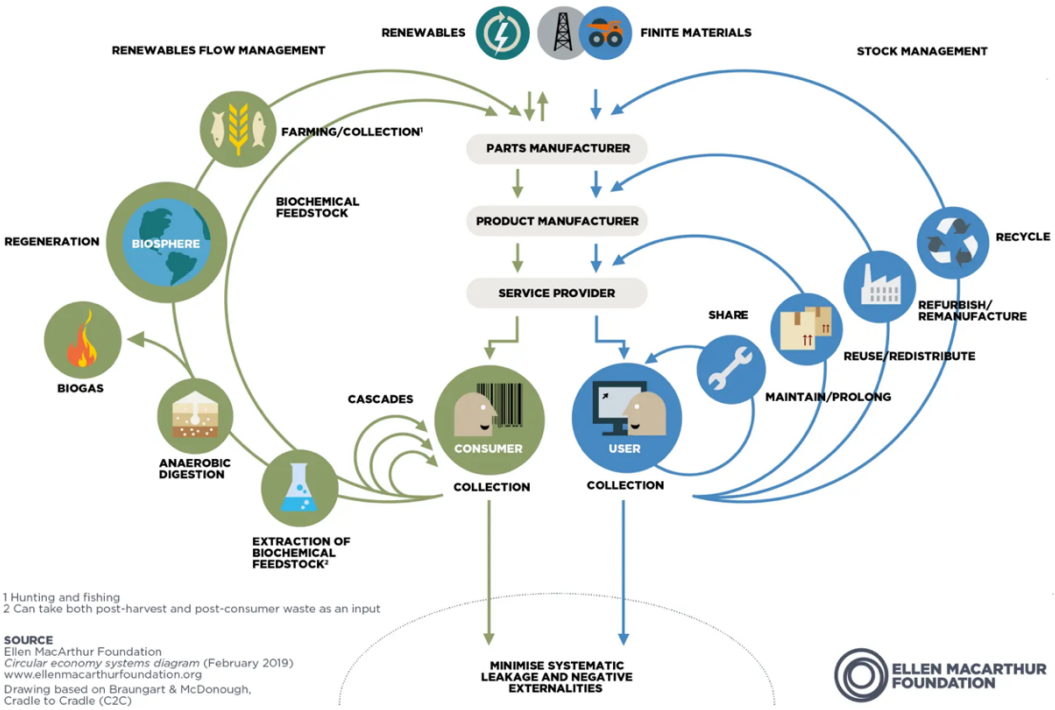
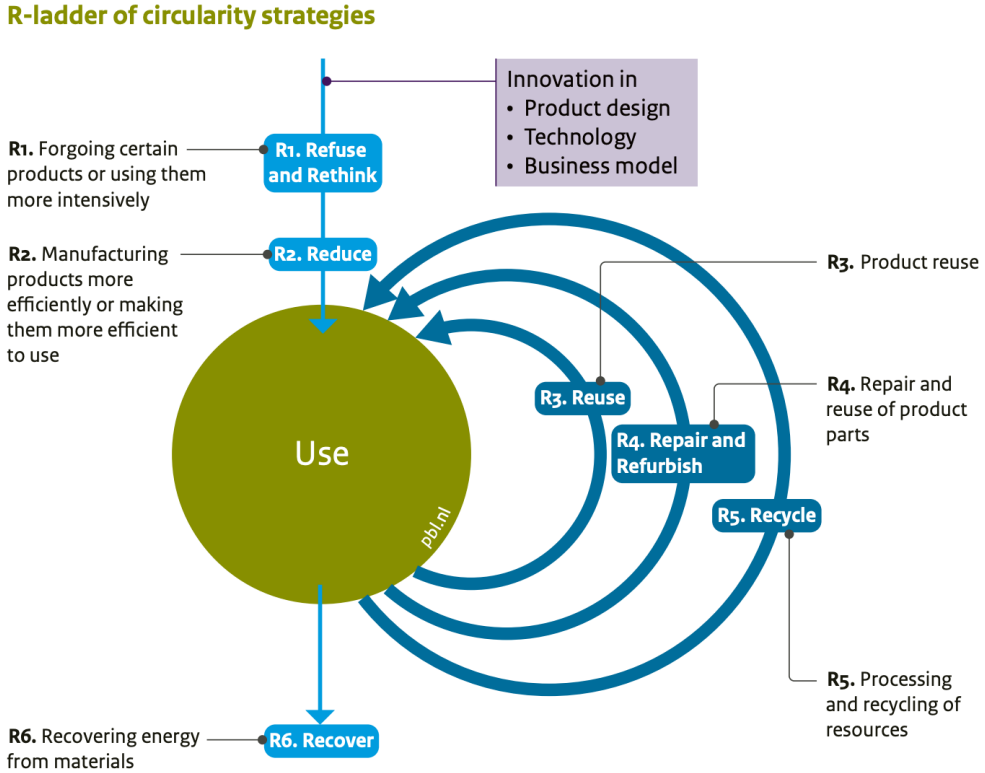
# 8. Appendix

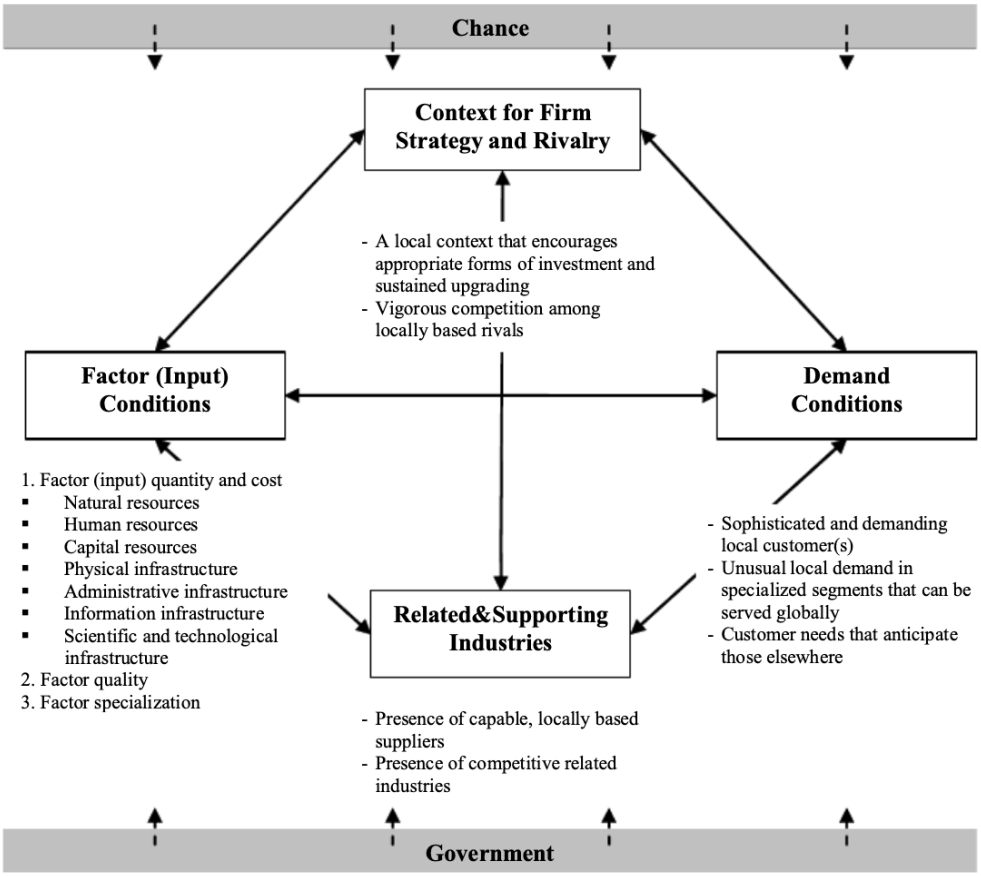
1. (Appendix 1) **Butterfly Diagram**, source: Ellen MacArthur Foundation, 2021




2. (Appendix 2) **R-ladder Strategies**, source: PBL Netherlands Environmental Assessment Agency, 2019

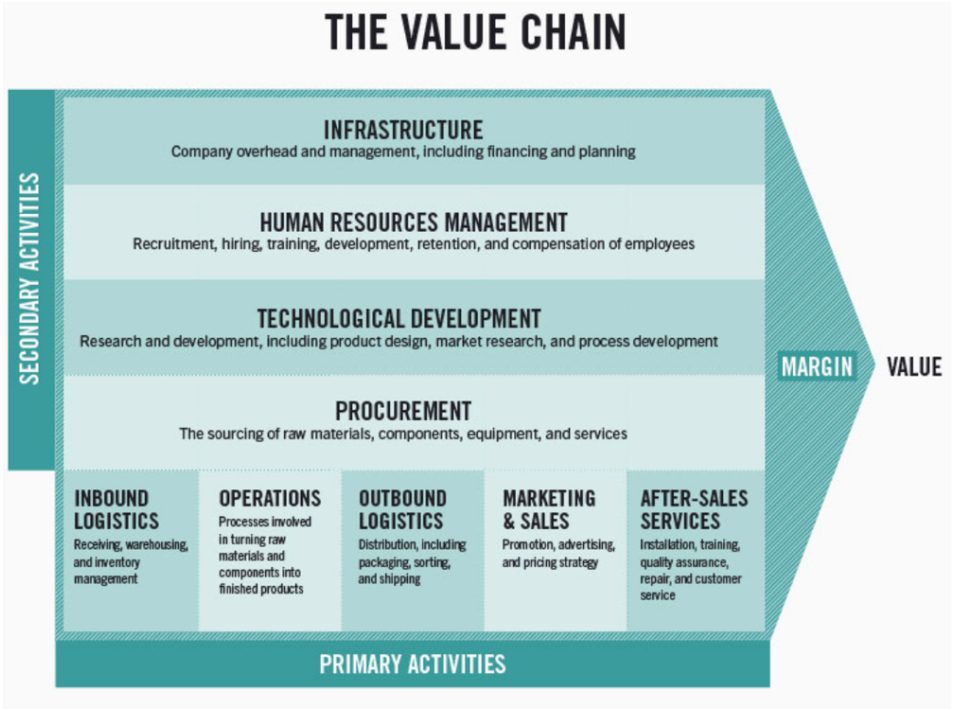


3. (Appendix 3) **Porter Diamond Model**, source: Lejpras et al., 2011

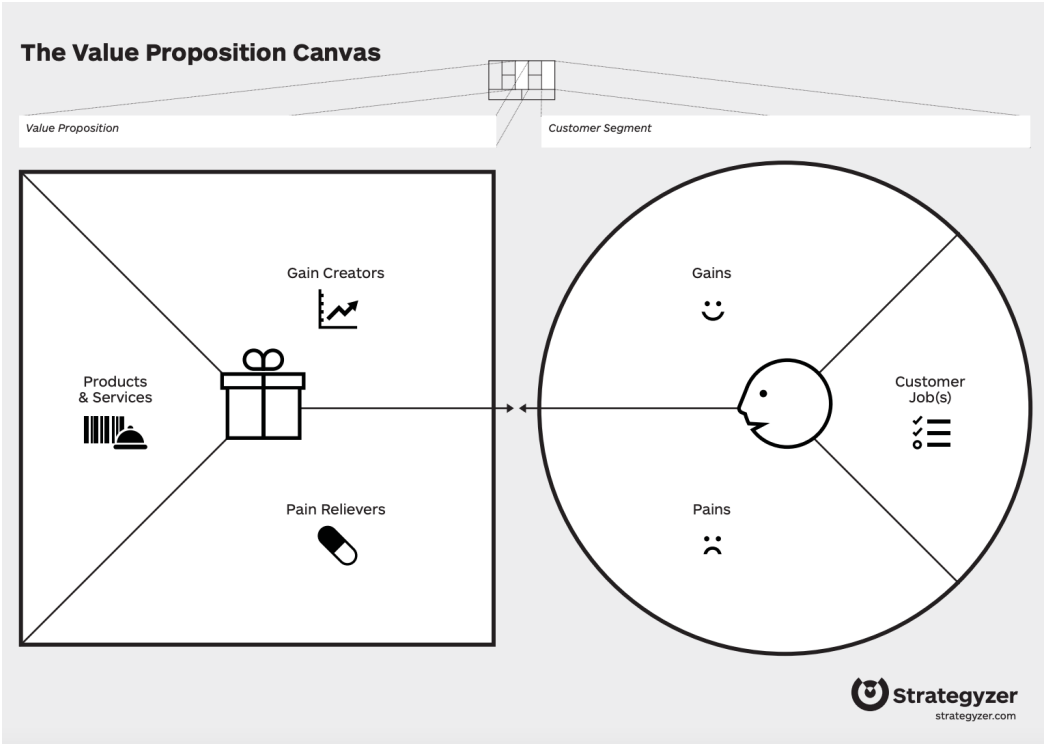



4. (Appendix 4) **Porter Five Forces Model**, source: Porter, 2008

5. (Appendix 5) **Porter's Value Chain**, source: Stobierski, 2020 (Harvard Business School Online)




6. (Appendix 6) **Value proposition Canvas**, source: Osterwalder & Pigneur, 2014



7. (Appendix 7) **Rafael Mas Interview in Spanish**

**La persona que firma las declaraciones es Rafael Mas, director de Proyectos y Relaciones Externas de Humana Fundación Pueblo para Pueblo.**

**¿Le importa contarnos un poco sobre lo que hacen en Humana y cuál es su misión?**
Humana Fundación Pueblo para Pueblo es una organización de la economía social que promueve desde 1987 la protección del medio ambiente a través de la reutilización de textil y lleva a cabo programas de cooperación internacional al desarrollo en África, América Latina y Asia, así como de apoyo local, sensibilización y agricultura urbana en España. La sede central está en l'Ametlla del Vallès (Barcelona) y cuenta con delegaciones en Madrid, Andalucía, Asturias, Comunidad Valenciana y Galicia.

Como especialista en preparación para la reutilización, Humana gestiona las donaciones de ropa y calzado usado recuperadas gracias a una red de 5.300 puntos de recogida selectiva (ubicados tanto en la vía pública como en el interior de las tiendas Humana), para obtener el máximo aprovechamiento del residuo textil y darle una segunda vida.

Dispone de 52 tiendas: en Madrid (28), Barcelona (22), Sevilla (1) y Granada (1) donde se puede adquirir moda y complementos para hombre, mujer y niño, así como textil del hogar. Los fondos generados con la red de tiendas permiten el desarrollo de los proyectos de cooperación en los países del Sur y de apoyo local en España.

**¿Cómo describiría el estado actual del mercado de ropa de segunda mano en España?**
La ropa de segunda mano se ha posicionado como la primera opción para mucha gente. El hecho de que cada año crezca el número de clientes es el mejor indicativo de que la moda reutilizada se ha quitado de encima prejuicios como por ejemplo que era 'de pobres'. Nuestro país se está impregnando de la conciencia del consumidor de países nórdicos, Inglaterra o Alemania, y la ropa de segunda mano se ve cada vez más como una alternativa de prestigio.

El de la moda de segunda mano es un sector en auge al que muchos ciudadanos aún no se han incorporado. Sigue habiendo poca oferta y seguro que crecerá significativamente en los próximos años. Reutilizar la ropa es la mejor manera de evitar que se convierta en un residuo. Y evita el gasto económico, energético y ambiental que comporta la producción de una prenda nueva que sustituya a la anterior.

**¿Qué factores cree que han contribuido al crecimiento (o declive) de este mercado en los últimos años?**
El sector de la ropa de segunda mano se ha convertido en algo muy atractivo para un público cada vez más amplio. Es una alternativa sostenible y asequible que permite definir una identidad

propia alejada de las marcas de moda rápida. Al vestirnos cada día expresamos quiénes somos y cómo nos sentimos. Al vestir segunda mano lanzamos un mensaje de cierta rebeldía e individualidad, tan importante a día de hoy, sobre todo para muchos jóvenes.

La pandemia marcó un punto de inflexión: la sostenibilidad y el consumo responsable han ganado importancia desde entonces, acelerando una tendencia que ya había surgido años atrás: un mayor respecto por nuestro Planeta a la hora de consumir artículos de vestir.

Ahora conceptos como moda sostenible y economía circular son clave para una parte paulatinamente más amplia de la sociedad.

**¿Hay alguna región o ciudad específica en España donde el mercado de segunda mano sea particularmente fuerte? ¿Por qué?**
Especialmente en las grandes ciudades como Madrid o Barcelona. Las tiendas de segunda mano necesitan estar situadas en zonas de gran tránsito y eso solo lo garantizan las grandes concentraciones urbanas.

**¿Qué papel juega la percepción cultural en la compra y venta de artículos de segunda mano en España?**
En los últimos años se han roto multitud de prejuicios y barreras respecto a la moda de segunda mano. De ser un producto destinado a personas con pocos recursos y de ser un sector con escaso prestigio, se ha convertido en algo muy atractivo para un público cada vez más numeroso.

**¿Qué motiva a las personas en España a comprar bienes de segunda mano? ¿Se trata principalmente de ahorro financiero, sostenibilidad o alguna otra razón?**
Las tiendas Humana contabilizaron 2,7 millones de clientes en 2023, un 36% más que en el ejercicio anterior. Este registro ratifica el auge del sector de la moda de segunda mano, cuyos factores de crecimiento son un aumento de la demanda, un cambio de valores impulsado por la mayor conciencia ambiental, el gradual redescubrimiento de nuevas experiencias de compra y precios asequibles, todo ello en un contexto de inflación.

**¿Cree que las generaciones más jóvenes en España están más inclinadas a comprar productos de segunda mano? ¿Por qué o por qué no?**
Es una opción seductora para muchos segmentos de la sociedad. Especialmente significativa es la respuesta de las nuevas generaciones, como la Z: están convencidas porque es moda original y sostenible. Tienen menos poder adquisitivo y al mismo tiempo apuestan por el menor impacto posible en el consumo.

Además, como dato interesante, el 80% de los clientes de las tiendas de Humana declaran que al comprar un artículo de segunda mano dejan de comprar uno nuevo, lo que supone un significativo replacement rate o tasa de reemplazo.

**¿Qué tendencias ha observado en términos de tiendas de segunda mano en línea frente a las físicas?**

Nuestro canal de venta es el físico, no disponemos de canal digital. Nuestros puntos de venta han evolucionado a lo largo del tiempo. Por ejemplo, el año pasado lanzamos una nueva imagen, que parte de un nuevo logotipo, pieza básica sobre la que estamos construyendo una nueva identidad para nuestros puntos de venta, que incluye rótulos, colores de fachada y escaparates renovados, y un nuevo interior más acorde al concepto que queremos para nuestros establecimientos: más actual, con nuevos detalles cromáticos, un interiorismo más cuidado, nuevas traseras de caja, cartelería y señalética y, en general, un mejor diseño, acompañado de nuevos mensajes y conceptos relativos a sostenibilidad, moda y fin social.

La compra de moda second-hand tiene un importante componente experiencial: las prendas son únicas, la oferta que tienes en este momento no es similar a la que encontrarás mañana y cada tienda Humana tiene una gama de artículos diferente. Con un estándar similar de precio y calidad, pero con prendas únicas en cada punto de venta.

De ahí la importancia del canal físico: el cliente acude a nuestros puntos de venta no solo a comprar, sino a disfrutar de la experiencia de encontrar la mejor prenda al mejor precio. Quiere tocar y sentir las prendas antes de comprarlas.

Respecto a la proliferación de plataformas online, nos parece una opción más para visibilizar la ropa de segunda mano.

**¿Cómo se compara el mercado de segunda mano en España con los de otros países europeos?**

Es español es un mercado aún pequeño. En el norte de Europa y Gran Bretaña o Alemania, por ejemplo, nos llevan años de ventaja en este aspecto. En Inglaterra, por ejemplo, el número de las tiendas de ropa de segunda mano (charities) multiplica el de nuestro país. Afortunadamente, ello va cambiando y cada vez adquiere más relevancia e importancia en España.

**¿Cómo contribuye este mercado a la sostenibilidad y a la reducción de residuos en España?**

La principal iniciativa de economía circular que lleva a cabo Humana es la gestión del residuo textil. El año pasado, la recogida selectiva por parte de Humana permitió recuperar 17.946 toneladas de ropa usada, lo que equivale a 72,7 millones de prendas. Estas donaciones se

realizan en los 5.300 contenedores ubicados en la vía pública y también en los puntos de recogida del interior de las tiendas de Humana.

La recogida selectiva de ropa tiene un gran potencial para garantizar una segunda vida: el 63% se puede reutilizar y el 28%, reciclar. El primer objetivo siempre es la reutilización porque la prenda de ropa más sostenible es la que ya se ha fabricado y no tiene más costes ni impacto de producción. Por eso es importante que la ropa de que nos deshagamos se deposite en el punto de recogida correspondiente.

Así pues, más del 90% de las prendas recuperadas ven alargado su ciclo de vida gracias a la reutilización y el reciclaje, dos elementos claves para la economía circular y la creación y mantenimiento de puestos de trabajo de calidad (empleo verde). Los recursos que se obtienen con este proceso de valorización permiten la financiación e implementación de programas de cooperación al desarrollo en África, América Latina y Asia, así como de apoyo local, sensibilización y agricultura urbana en España.

La ropa de segunda mano tiene una enorme influencia en la sostenibilidad medioambiental. Según un estudio de la Federación Humana People to People, por cada kg de ropa recuperado y no conducido a un centro de tratamiento de residuos para su incineración o disposición final, se evita la emisión de 6,1 kg de $CO_2$. En 2023, Humana evitó la emisión de 109.472 toneladas de $CO_2$.

Con la reutilización de la ropa y el calzado se consigue, igualmente, disminuir el consumo de recursos naturales como el agua o combustibles fósiles, así como de fertilizantes y pesticidas empleados en la producción de materias primas para la industria textil.

**¿Cuáles son los mayores desafíos para las empresas o individuos que venden artículos de segunda mano en España?**

2025 se presenta como un año incierto con muchas incógnitas, entre ellas la inestabilidad de los mercados internacionales; la obligatoriedad de la recogida separada de residuo textil en toda la UE; el comienzo de las pruebas del nuevo RAP textil RE-VISTE (RE-VISTE es la marca comercial de la Asociación para la Gestión del Residuo Textil: esta entidad es la respuesta a la responsabilidad ampliada del producto -RAP- que contempla la Ley de residuos y suelos contaminados para una economía circular, aprobada en 2022 y que es, a su vez, la transposición de la directiva marco de residuos de la Unión Europea) y el auge de la moda ultrarrápida nos hacen ser precavidos, aunque esperanzados.

Humana seguirá abriendo más tiendas porque el de la moda de segunda mano es un sector en auge al que muchos ciudadanos aún no se han incorporado. Sigue habiendo poca oferta y seguro que crecerá significativamente en los próximos años. Reutilizar la ropa es la mejor manera de

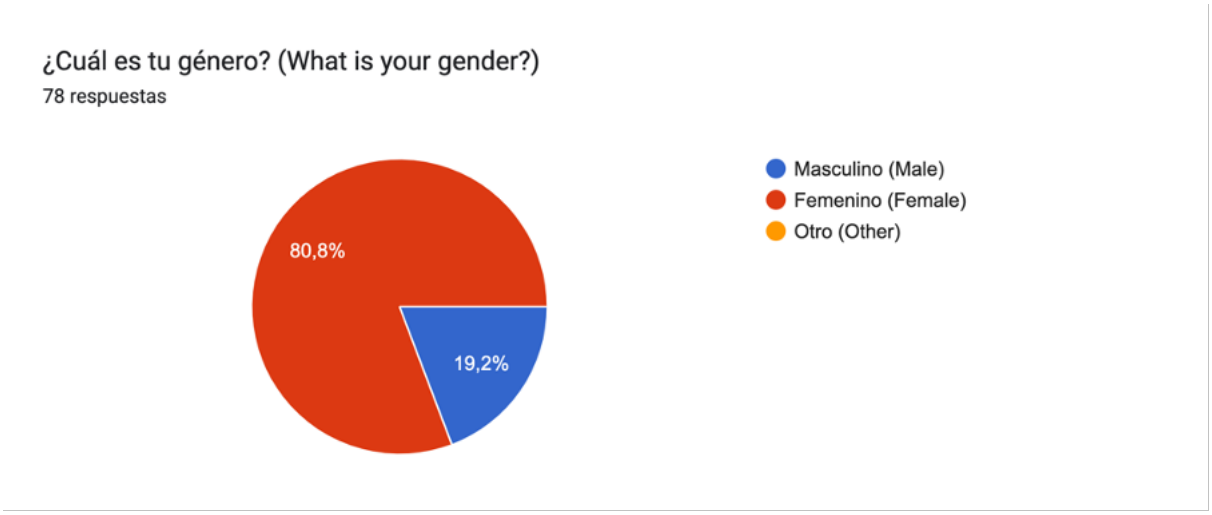
evitar que se convierta en un residuo. Y evita el gasto económico, energético y ambiental que comporta la producción de una prenda nueva que sustituya a la anterior.

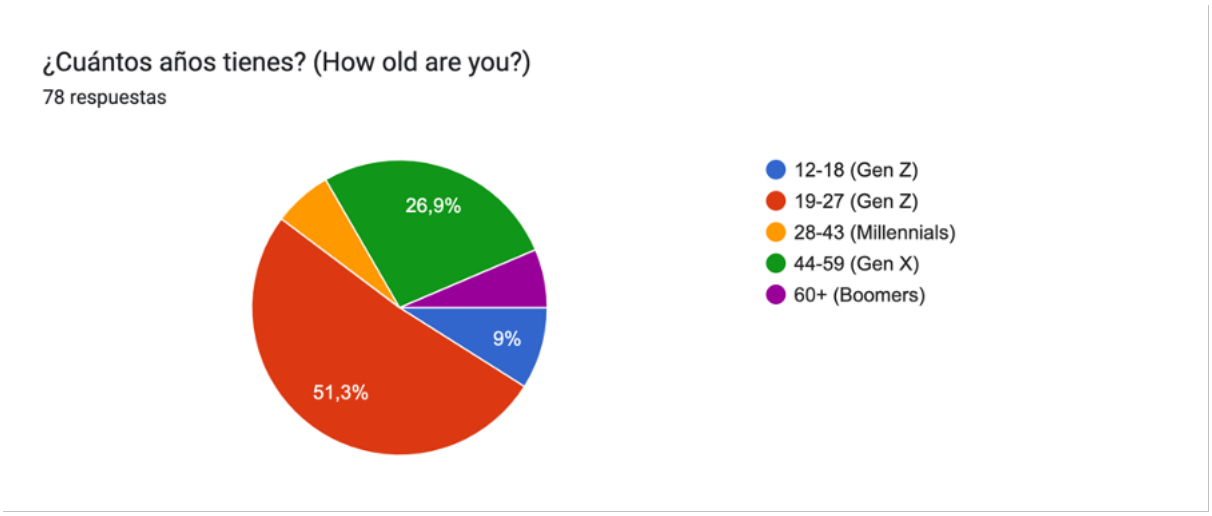
**¿Qué criterios considera más importantes al elegir un artículo de segunda mano (por ejemplo, precio, estado, marca)?**

El perfil medio de nuestro cliente responde a estos parámetros:

- Persona con un alto grado de fidelización, interesada en la moda sostenible (concienciada ambientalmente) y que aprecia al valor añadido del fin social de la ropa usada. Este grupo está formado por adultos y un número creciente de jóvenes.
- Quién busca precios económicos.
- Quién busca marcas con precios asequibles
- Un número creciente de jóvenes que buscan prendas especiales (no las encuentran en una tienda "ordinaria"), amantes de la moda y el vintage.

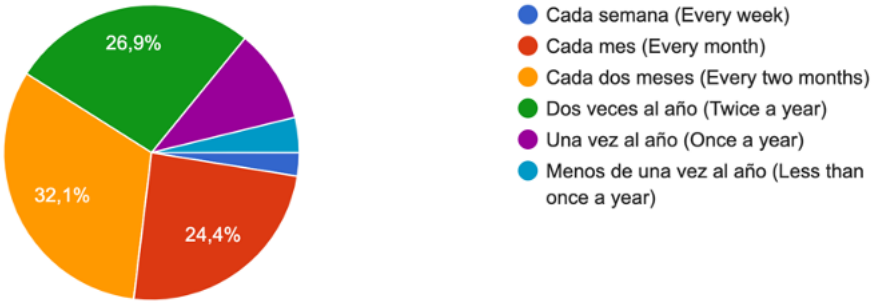
8. (Appendix 8) **Survey results (graphs),** source: own source



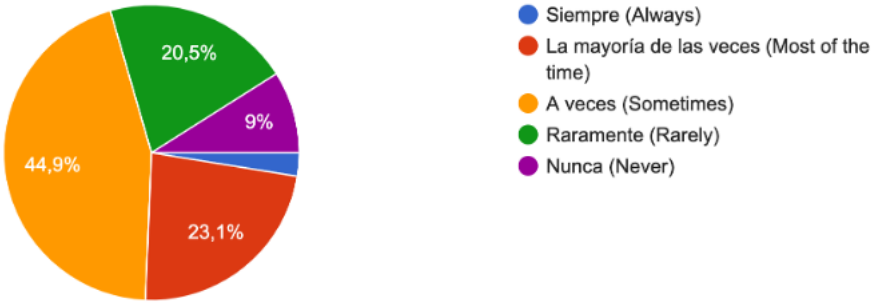
Con qué frecuencia compras ropa? (How often do you buy clothes?)

78 respuestas



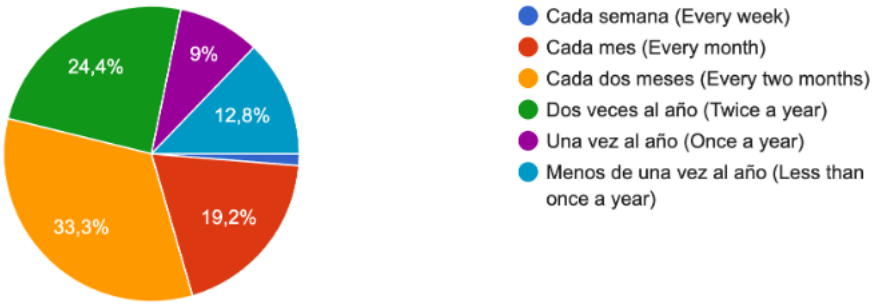

¿Realizas estas compras online? (Do you make these purchases online?)

78 respuestas




¿Con qué frecuencia compras ropa de marcas de moda rápida como Zara, Mango, Primark, Shein, Uniqlo, etc.? (How often do you buy clothes from ...nds like Zara, Mango, Primark, Shien, Uniqlo, etc.?)

78 respuestas

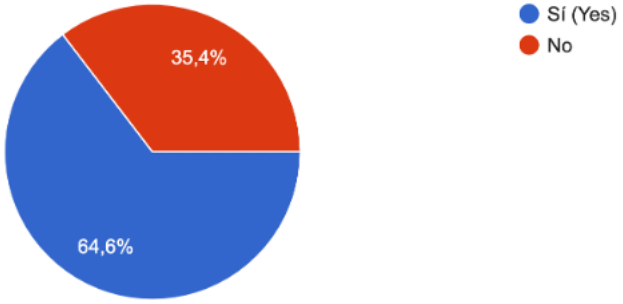


¿Has comprado o compras ropa de segunda mano? (Have you bought or do you buy clothing on the second-hand market?)

78 respuestas

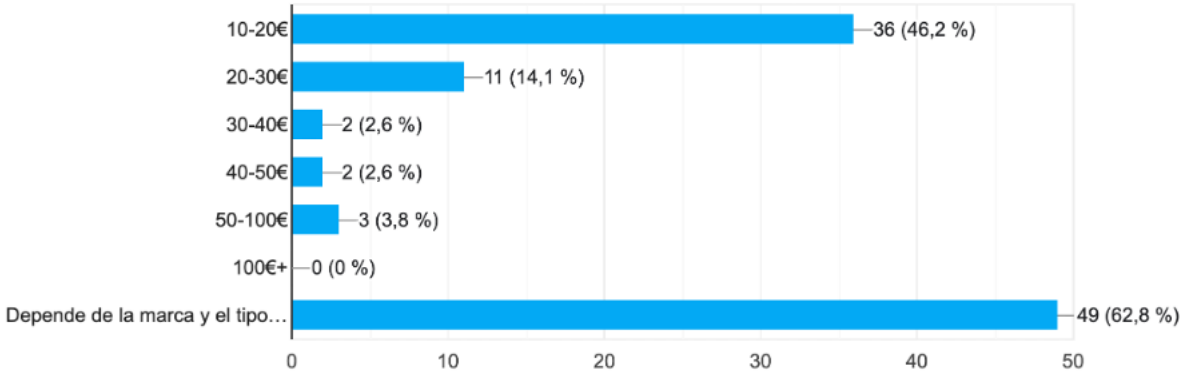

Si no compras ropa de segunda mano, ¿te interesaría hacerlo? (If not, would you be interested in doing so?)

65 respuestas



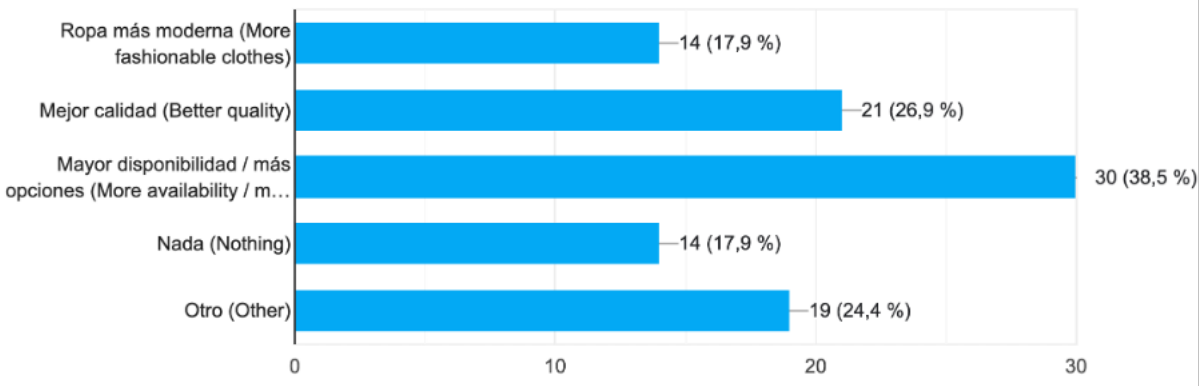

¿Cuánto estarías dispuesto/a a pagar por una prenda de ropa de segunda mano? (How much are you willing to pay for a second-hand clothing item?)

78 respuestas



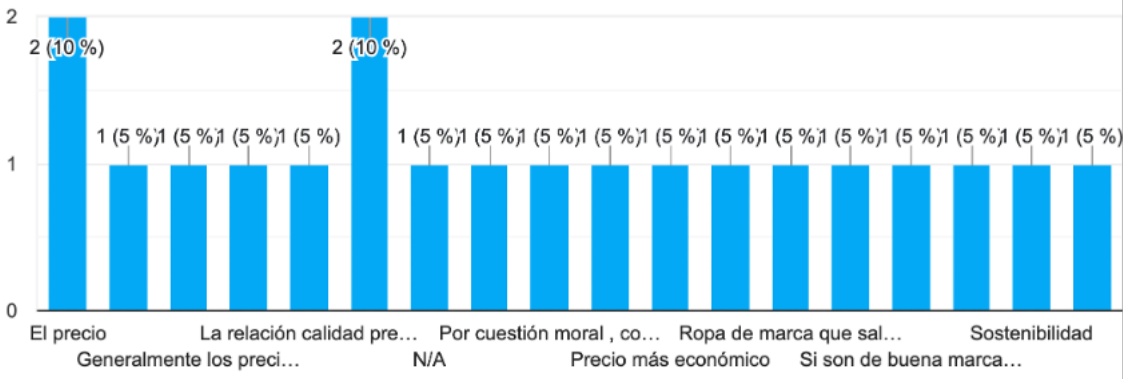
¿Qué te haría inclinarte más hacia el mercado de segunda mano? (What would make you shift more towards the second-hand market?)

78 respuestas




En caso de haber seleccionado "otro", ¿podrías contarnos qué te motivaría a comprar más prendas en el mercado de segunda mano? (If you selected ... to buy more clothing in the second-hand market?)

20 respuestas




¿Te interesaría comprar en esta tienda de segunda mano en línea con un probador de IA? (Would you be interested in buying from this online second-hand store with an AI fitting room?)

78 respuestas