

## THE IMPACT OF COVID-19 ON RESALE STORES: CASE STUDY ON A MIDWEST RESALE CLOTHING STORE

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### KEYWORDS

Resale clothing, COVID-19 pandemic, Business practices, In-person shopping, Sustainability

### ABSTRACT

#### Purpose

The resale clothing industry is known for affordable clothing and unique finds, but it also plays an essential part in local economies and increasing the longevity of clothes (Parker & Weber, 2013; Lestari & Asmarani, 2021). The COVID-19 pandemic led to a unique position for resale stores, as they experienced both positive and negative outcomes that caused an overall growth in the resale industry. While second-hand stores did find themselves suffering during the onset of COVID-19 due to the required business shutdowns, labor shortages, and unexpected costs, they also found that they had a relative immunity to supply chain disruptions, acquired an influx of crisis shoppers and Gen Z shoppers, and gained widespread recognition as one of the most sustainable options for buying clothes (Brown, 2020; Brydges & Retamal, 2020; Gordon-Wilson, 2022; Lestari & Asmarani, 2021; Lu, 2020; Onita, 2020).

However, online thrift shopping platforms became a significant new threat to brick-and-mortar resale stores because consumers wanted a safer alternative to shopping in-person (Brydges & Retamal, 2020). The question then arises: how did COVID-19 impact the business practices of primarily in-person brick-and-mortar resale stores? This is a particularly important topic to understand, as resale stores are integral to expanding the lifespan of garments, supporting local economies, and providing affordable clothing options to low-income consumers (Parker & Weber, 2013; Lestari & Asmarani, 2021).

#### Method

An exploratory study using qualitative data collection techniques was deemed suitable for the study since there is limited literature on the topic. A brick-and-mortar curated resale store located in a college town in mid-western USA was identified for this study. An in-depth semi-structured interview was conducted with the owner of the store in February 2023. Interview questions revolved around the curated resale store's business practices before, after, and during the pandemic, including sourcing, customer base, new competitors, and business finances. These questions were asked to attain information around how the business was affected by the COVID-19 pandemic. The in-person interview lasted around 20 minutes.

## Results

Thematic analysis of the data revealed that the curated resale store experienced considerable profit loss along with new expenses during the pandemic. The sourcing patterns for the business also experienced some changes, as the major sources of merchandise for the store (estate sales, tax sales, and auctions) went online. Since this resale store is curated and has a higher price range than normal resale stores, they were seen as 'luxury' purchases by customers and did not experience an influx of crisis shoppers. In addition, the business must compete more with online thrift stores now than before, thus having to re-think their business strategies to be attractive to the market. Although literature suggests that resale economy benefitted from the COVID-19 pandemic, this curated resale store did not see many of the benefits that were brought to larger resale chains, such as GoodWill (Muccigrosso, 2022). This research has implications for businesses looking to enter the resale industry by providing information on how the landscape of the industry has changed due to COVID-19.