

## **Consumer decision making on second-hand products**

*based on the research "Evaluate the enjoyment of purchasing second hand clothes for Italian people"*

### **Introduction**

Why do consumers shop second-hand? With the rising popularity of second-hand products, understanding the factors that drive consumer decision-making for these items has become increasingly important.

The production and consumption of clothing have a negative impact on waste management and the environment (Fletcher et al., 2012). In order to address these issues, the idea of sustainable consumption has been established to maximize the use of resources and minimize waste (Borusiak et al., 2020). Also, as a result of this pattern, sales of used products have been rising (Ferraro et al., 2016). When second-hand purchases were predominantly driven by economic motivations and when things and goods had high economic worth (Ginsburg, 1980), the cost of goods and items has significantly decreased from the past. This transformation therefore spurs study attempts to understand what has contributed to the longevity of this industry and why second-hand clothing is still popular with modern consumer. (Hur et al., 2020)

Second-hand channels clearly satisfy expectations other than simply economic advantages, prompting various authors to describe recreational benefits derived from outlets with second-hand products. They offer opportunities for finding unusual or unique items that are often unavailable in a new goods market, as well as, changes in consumers' concerns regarding sustainable fashion. With the growing awareness of sustainable fashion, more and more people are turning to second-hand clothes as a way to reduce their environmental impact while still enjoying the latest fashion trends.

Thus, the study aimed to identify factors that influence consumer decision making on second-hand products with a focus on evaluating the enjoyment of purchasing second hand clothes for Italian people. The findings of this research will provide valuable insights for marketers and retailers who wish to tap into the second-hand market in Italy and other developed countries. By understanding the key drivers behind consumer decision-making, businesses can better tailor their marketing strategies to meet the needs and desires of their target audience. Ultimately, this research will contribute to a better understanding of the evolving fashion industry and the changing attitudes of consumers towards sustainable fashion.

### **Understanding Consumer Decision Making**

Consumer decision making is the process of a selection among options or courses of action (Hoyer, MacInnis, 2010, p. 220). Consumer decision-making is a crucial aspect of consumer behaviour, and the level of evaluation and consideration we apply to product choices can differ significantly based on factors such as the novelty of the decision and the level of perceived risk. It's important to note that consumer decision-making is not always a rational process.

Consumer decision making is influenced by a variety of factors, including the consumer's personal needs, preferences, values, and attitudes, as well as external factors such as social and cultural influences, marketing messages, and the availability of products.

The process of consumer decision making can be complex and involves a range of cognitive and emotional factors. Solomon, Bamossy, Askegaard and Hogg (2013, p. 334) states 5 stages in The traditional model of consumer decision-making process:

- 1) Problem recognition
- 2) Information search
- 3) Evaluation of alternatives
- 4) Product choice
- 5) Outcomes

Solomon et al. (2013, p. 334) also offered a critique of the traditional model of consumer decision-making, highlighting its limited applicability due to its focus on rational decision-making, whereas many consumer decisions may involve irrational behaviour, as consumers may make unplanned purchases on impulse. Additionally, the authors introduced the behavioural influence perspective and experimental perspective, which offer alternative explanations of consumer decision-making.

There are four views or models of consumer decision-making that have been developed to explain how consumers make purchasing decisions. (Schiffman, Kanuk, Hansen, 2012, pp.65-67) These are: economic, passive, emotional and cognitive models.

The economic view of consumer decision-making assumes that consumers are rational and make purchasing decisions based on a careful analysis of the costs and benefits of each option. This model assumes that consumers have perfect information about the products they are considering and make decisions that maximize their utility or satisfaction. For example, many fashion firms and stores have struggled as a result of the COVID-19 pandemic due to major income decreases and losses, with garment sales falling to less than half of what they were in the year prior to the COVID-19 outbreak (Liu et al., 2021). While the retail industry has been severely impacted, the global resale market has fared well in the face of the pandemic. In the midst of the pandemic, 33 million US consumers purchased secondhand clothing for the first time in 2020 (Pellissier, 2021), the secondhand market is anticipated to increase by 200% in the next five years, generating over \$77 billion in sales, by 2030 it is projected to expand to nearly twice the size of the fast fashion industry. (Reinhart 2021)

As a result of the pandemic's considerable impact on household finances and consumption, consumers were compelled to make substitutions (such as buying less expensive goods) because of socioeconomic restrictions (Sheth, 2020), regardless of the country, consumers have reduced their spending due to increased unemployment rates and lower income levels (Jo et al., 2021), while spending has decreased in all industries except for food and daily necessities, consumers have cut or postponed their spending on clothing to conserve resources and gain control during this uncertain time. Since clothing consumption is considered discretionary, consumers had to find alternative ways to save on clothing expenditure, such as purchasing secondhand clothing (Liu et al., 2021).

The passive view of consumer decision-making suggests that consumers are influenced by external factors, such as advertising, social norms, and peer pressure, rather than by their own preferences or rational analysis. This model assumes that consumers are relatively uninformed and make decisions based on limited information and impulse.

The emotional view of consumer decision-making emphasizes the role of emotions in purchasing decisions. This model assumes that consumers are driven by emotional factors such as desire, pleasure, and excitement, rather than by rational analysis or external influences.

The cognitive view of consumer decision-making emphasizes the role of mental processes, such as perception, attention, memory, and reasoning, in purchasing decisions. This model assumes that consumers are active processors of information and make decisions based on a complex set of cognitive processes.

Overall, these models provide different perspectives on how consumers make purchasing decisions, with each model emphasizing different factors that may influence the decision-making process. While none of these models provides a complete picture of consumer decision-making, they can help marketers and businesses better understand the factors that may influence consumer behavior and develop more effective marketing strategies. In the next section, we will analyse the emotional view of Italian consumer for purchase.

### **Advantages and Disadvantages of Second-hand Products**

The fashion industry is notorious for its fast-paced trends and rapidly changing styles, leading to a constant demand for new clothing items. However, the growing awareness of sustainability and the environmental impact of fast fashion has led to an increase in the popularity of second-hand products. Second-hand products offer several advantages, such as affordability, unique finds, and reduced environmental impact. However, there are also some potential disadvantages, such as the risk of wear and tear, limited availability, and the stigma associated with second-hand items.

- ***Saving money:***

Economic incentives stem from being responsive to prices and encompass various aspects such as finding satisfaction in paying the right price, seeking out fair pricing, and actively looking for good deals. (Guiot and Roux, 2010).

In the early years of the second-hand clothing industry, it has been shown that economic incentive was the main force behind the purchase of second-hand clothing. (Ginsburg, 1980)

The impact of economic incentives on second-hand consumption has shown varying results in prior research (Borusiak et al., 2020). While some studies have found that such incentives remain a significant factor even in present times, especially when the price gap between new and second-hand products widens. (Laitala et al., 2018)

- ***Entertainment motivation:***

People's willingness to engage in behaviors that induce pleasant experiences and reduce negative experiences is referred to as entertainment motivation (Kaczmarek, 2017), when consumers are motivated by entertainment, they typically enjoy the emotional aspects of their shopping experience (Babin et al., 1994), Low prices alone are insufficient for these customers to make second-hand purchases (O'Reilly et al., 1984), Rather it is the enjoyment and pleasurable experience of the shopping process, as well as the excitement of uncovering unexpected treasures at affordable prices, that primarily drives these customers' decision to purchase second-hand items.

- ***Sustainable practices "eco-friendliness"***

This is due to moral or ethical reasons, such as combating waste or overconsumption (Guiot and Roux, 2010), As the clothing industry generates a large amount of hazardous waste and causes serious environmental issues (Ruppert et al., 2015), In the clothing industry, there has been a shift toward sustainable consumption (Fu and Kim, 2019), and second-hand clothing consumption has become a popular option. (Nørup et al., 2019)

- ***Stigma associated with used products***

Multiple studies have shown that a significant obstacle to buying second-hand clothing is the perceived negative perception or low social status attributed to previously worn garments (Armstrong et al., 2015), Also this perception is connected to other circular clothing options, such as clothing created from recycled materials (Diddi et al., 2019), and to green items in general. (Johnstone and Tan, 2015)

The negative perception associated with second-hand clothing is not limited to only used garments (Laitala et al., 2021), but extends to other circular fashion alternatives such as recycled fiber clothing and green products in general. This unfavorable perception stems from the cultural view of used clothing as a symbol of low status, as well as the perception of "negative contamination" from the previous owners (Hur, 2020). Despite the economic and environmental benefits of second-hand clothing (Diddi et al., 2019), many non-users of second-hand clothing markets still hold the belief that these clothes are unclean, unattractive, and outdated, leading to feelings of disgust, fear, and embarrassment. These emotions can explain why consumers are hesitant to purchase second-hand clothing. (Hur et al., 2020)

- ***Limited Availability***

One of the main disadvantages of second-hand clothes is that they may have limited availability, as these clothes are not new and are usually donated, their availability is dependent on the donations received by the store, thus if you are looking for a specific item, there is no guarantee that it will be available in your size or style, this can be frustrating for those who are looking for specific items, so more time and effort may be needed to find what you're looking for if you are searching for something specific, so this can result in a lack of selection and difficulty finding the desired item.

- ***No Warranty or Guarantee***

Second-hand clothes are sold as-is, meaning that there is no warranty or guarantee attached to them, this means that if you purchase a piece of clothing and it has defects or issues, you cannot return it or get a refund or say you buy a used item today if it breaks down tomorrow you will often have no chance to get your money back, you are essentially taking a risk when purchasing second-hand clothes, as you don't know how they were cared for or what condition they are in so, if you want to rely on used products make sure that you take your time and search for damages or flaws in order to minimize the risk of buying products that might stop working soon.

- ***Unknown History***

One of the concerns with second-hand clothes is not knowing the item's history When you buy it, you don't know where they came from, who wore them before, or how they were cared for, this means that you don't know what kind of wear and tear the clothes have already gone through, for example, clothes from a smoking household may have absorbed smoke odor and may be difficult to remove, similarly clothes from households with pets may have pet hair or dander that can be difficult to remove completely, furthermore you don't know if the previous owner followed the care instructions on the label, which can affect the longevity of the clothing for example clothes that were washed in hot water or put in the dryer when they should have been air-dried may have shrunk or become misshapen.

- ***Hygiene Concerns***

Finally, one of the most significant disadvantages of second-hand clothes is hygiene concerns Although the clothes are typically washed before they are put on sale, there is still a risk of exposure to bacteria and viruses like skin diseases you may get infected by various diseases that are related to the skin as some people take good care of their products and maintain them on a regular basis other people just don't care about their material things at all so the chances of infection are really high in the case of second-hand clothes so it is important to thoroughly inspect the item and sanitize it properly before use.

## **Consumer Perception of Second-hand Products**

Second-hand purchase means the purchase of a used product, which is in a functional state and has been initially bought by a previous owner (Kessous et al., 2019). Consumer perception of second-hand products has evolved over time, as the trend of sustainable consumption gains popularity. Previously, second-hand products were often viewed as being of lower quality and less desirable than new products. However, as consumers become more aware of the environmental and economic benefits of buying second-hand, their perception of these products has started to change. (Mukherjee, Datta and Paul, 2020)

Studies on consumption and disposal of used (second-hand) goods concentrate in exploring how internal factors, such as altruistic feelings and concern with the environment, affect human behavior. Connell and Kozar (2014) observed the importance of improving our understanding of how and why consumers engage in a particular discard behavior as the key

factor to understand clothing consumption. That leads us to the idea, that the purchase of second-hand products in developed countries may not be rooted in economic considerations (lower price) and economic view of consumer decision-making is not relevant. There is still a need to explain how consumers make purchasing decisions about the second-hand products in developed countries with high- and middle-income. *There lies the research gap.*

Emotions play a significant role in purchasing decisions. While many consumers may believe that they make logical and rational decisions when buying products, research shows that emotions heavily influence those decisions. To study the enjoyment (emotional factor) of purchasing second hand clothes, the survey in form of a questionnaire was conducted. The above research gaps lead to the following hypothesis:

**H1:** The economic value is positively associated with the enjoyment of purchasing second-hand clothes.

**H2:** The uniqueness is positively associated with the enjoyment of purchasing second-hand clothes.

**H3:** The environmental value is positively associated with the enjoyment of purchasing second-hand clothes.

Questionnaire created with Google Forms and distributed online through Whatsapp groups. The sampling technique used - judgemental sampling, elements are selected based on the judgment of the researcher, in our case Italians, respondents of the research are people who have the residence in Italy. After collecting 162 responds, only 42% (68 respondents) have ever bought products in the second-hand.

In context of the study, in Italy the perception of second-hand products has been slowly evolving, but there are still some cultural and social barriers to overcome. Traditionally, Italian consumers have been very brand-conscious and place a high value on owning new, high-quality items. However, as the trend of sustainable consumption gains momentum, more Italians are becoming aware of the benefits of buying second-hand products.

However, despite the growing popularity of second-hand products, there are still some negative perceptions associated with buying used items in Italy. Some consumers may associate second-hand products with lower quality or may feel embarrassed or ashamed about buying used items. Additionally, some consumers may view buying second-hand as a sign of economic hardship, which can create a stigma around second-hand products.

Initially, we wanted to find which factors influence enjoyment of customers in developed countries. The results of the survey showed, that:

- There is **NO** a significant association of economic value with the enjoyment of purchasing second-hand clothes.
- There is a **positive** but weak association between the uniqueness of an item and the enjoyment of purchasing second-hand clothes.
- There is a **positive** and moderate association between the environmental value and the enjoyment of purchasing second-hand clothes.

## Conclusion

Consumer decision making on second-hand products refers to the process through which consumers decide to purchase used items rather than new ones. With the increasing popularity of sustainable and eco-friendly practices, more consumers are opting for second-hand products, including clothing, furniture, and electronics. The decision-making process for second-hand products is influenced by several factors, including psychological and social factors, such as the desire to save money, the appeal of unique and vintage items, and the need to reduce environmental impact. Evaluation of the enjoyment of purchasing second-hand clothes for Italian people showed that there is a positive and moderate association between the environmental value and the enjoyment of purchasing second-hand clothes, as well as, the uniqueness is positively associated with the enjoyment of purchasing second-hand clothes. On the other hand, economic value doesn't bring the enjoyment for the consumers from the developed country. Understanding these factors can help businesses tailor their marketing strategies and offerings to better meet the needs and desires of their target audience.

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