

Re-commerce & Consumer Awareness: Challenges & opportunities in garment sector

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Abstract - The market for second hand or used clothing is growing with increasing awareness among consumers to reduce, re-use & recycle garments to minimize carbon footprint & emission. Moreover a concept like green re-commerce in garment sector generates a conscious consumption pattern among consumers by maintaining environmental standards. There are many clothes that remain unused in wardrobe because they no longer fit, are out of trend, and cannot be repeated or one no longer wishes to wear them. Normally such used clothes either be donated to a charity, go to a post-consumer recycling center, or in most cases head straight to the landfill adding to the existing large sum of textile waste. Earlier to buy second hand clothes one would have to make visits to flea markets, garages, and thrift shops. But finding the right size and decent quality can be difficult from a rag of old clothes. This is where green re-commerce and re-fashioning came into existence. Re-commerce or reverse commerce is the recovery of old products through internet or physical stores. The concept of online re-commerce is booming just like any other re-selling commodities like electronic & vehicles. Hopefully business models develops in this research paper will be helpful for creating awareness among consumer about re-commerce & extra new profit outlet for investors.

Keywords: Consumer behavior, Garment, Re-commerce, Wealth, Waste.



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I. INTRODUCTION

With the increase in awareness among consumers to reduce, re-use, & recycle garments the need for an appropriate platform to sell and buy fashionable clothes in good condition was necessary. This is when re-commerce and re-fashioning was born. Consumers today make smart buying decisions. Re-commerce or reverse commerce is the recovery of products through internet or physical stores. The concept of online re-commerce is booming just like any other re-selling business. The purchasing pattern of consumers is moving from a clinched impulsive buyer to a smart money saver. Stacking one's wardrobe with too many clothes and buying a new staple garment from the latest trends is becoming old concept for younger generation of shoppers. They are monitoring the benefits

of spending more efficiently and are more responsible towards the creation of green environment.



II. PROBLEM TO BE INVESTIGATED

Trading in clothes that one no more requires to trade up to the latest fashion piece is becoming the new buying habit among consumer. There are three main reasons driving the performance of re-commerce in garments industry. Tough economic times and budget restrictions have certainly made consumers consider the option of clothing re-commerce. Also, it gives consumers a chance & choice to make the clothes in vogue their own. Keeping the planet green and emphasizing on minimizing waste is another concern that is propelling the idea of re-fashioning in a big way. Fashion re-commerce is definitely changing ways of shopping not just online but the trend is also very popular among offline retailers. Big brands across the globe are actively involved and are encouraging consumers to do so with attractive return offers and recycling discounts.

Importance of research:

The fashion conscious shoppers no more bear the inhibitions of wearing used clothes provided they get the latest and the best of quality. Consumers want to get maximize what they consume and hence buying a product with a good re-sale value is now on their agenda. These factors are contributing towards the business of re-selling in the clothing industry. Women's wear is not just the only category that receives more attention, but along with menswear, there are re-commerce avenues for kids wear, teens wear, college wear, and maternity wear. With consumers taking active interest in going green and recycling & initiatives being taken by retail brands to promote re-use and recycling of clothes, re-commerce in fashion is just going to progress in the near future.

III. REVIEW OF RELATED LITERATURE

Pollution can be reduced by recycling effectively in garment industry. Recycling can be described as obtaining wealth from waste. It is expected that recycling is the only best option which minimizes pollution and provide extra profit outlet by maintaining environmental standards. Re-commerce is the need of hour for economic development & green environment as well (Sule & Burdhan).

Drivers cited for textile circularity were connected to triple bottom line impacts of environment, society & economics. Making both environmental and economic savings through the utilization of waste as a resource and demonstrating societal obligation through extended producer responsibility (EPR) in the face of growing consumer awareness of ethical issues were felt to be strong motivators. Logistical strategies such as network innovation, partnerships and collaborations would work to accelerate adoption and enable opportunities such as reverse logistics and closed loop value chains to function across circular economy industrial clusters (Boiten, Han, Tyler).

Shopping second hand is certainly a new concept. From charity shops to eBay, consumer has always been keen to

bag & bargain. Consumers are also increasingly keen to reduce consumption and to help combat the negative impact on environment. This led many retailers to enter re-commerce market (sometimes referred as a resale or reverse commerce), which refers to buying and selling of pre owned goods (Nikki Gilliland).

Re-commerce is a practice of purchasing and selling of old goods over an e-commerce platform set up just for this purpose. Re-commerce companies actually buy the obsolete and undesired products, refurbish them, and reintroduce them in the market. These companies have set standards for pricing and have designed software to determine product prices based on set metrics like age, wear and tear and market demand. Reverse Marketplace is nothing but an online market to sell old goods. Re-commerce companies like Bundli (India), Cashify (India), Re-commerce Solutions (France), Gazelle (USA), etc have recently introduced this new business models in the market. These companies usually buy used goods and sell refurbished goods to earn profits (Aashish Pawaha).

Re-commerce, or reverse commerce, is defined as "the recovery of products over electronic systems, such as the Internet, or through physical distribution channels". Re-commerce refers to a practice in which those who have bought products can "sell back" obsolete or otherwise unwanted products in exchange for cash or a different product. The aspirant nature of the Indian consumer is what re-commerce appeals to. Welcome to the feeling of status elevation by using a better quality/brand product or better features at a similar price point (Marcia Kaplan).

Benefits of re-commerce:

- It helps keep one's closet from overflowing
- Helps in saving money
- It helps trade up to the latest product
- Encourages recycling and re-using of garments
- Encourages conscious consumption

Opportunities:

Because of huge market size & consumer the future of the Re-commerce industry in India certainly receive good reward in the coming future. Marching forward, Re commerce in garment industry like consumer electronic devices in India will witness a steep growth curve. The industry is set to grow at a CAGR of more than 38% up to 2019 at this point of time there is no organized industry in India for used garment yet even though the market size is huge. Re-commerce has immense potential to organize this unorganized sector. Talking about the employment opportunities that Re-commerce opens up, it is going to bring numerous employment opportunities in India in the areas of Marketing, Technical Inspection, Customer Service, Logistics, etc (Nutakki and Bagaria).

Challenges:

Like all new concepts, Re-commerce too is bound to hit a few stumbling blocks before it is set to take off in India (Nutakki & Bagaria).

Technology Obsolescence – Technology obsolescence and shorter product life can pose a greater challenge as Re-commerce can happen only when there is an element of aspiration to own products at an affordable price but are not obsolete.

Supply Liquidity – It is always a challenge to assure consistent supply liquidity across geographies (without which Re-commerce cannot happen).

Logistics Costs – Increasing logistics costs can play a role in discouraging Re-commerce companies to cater to tier-2 and tier-3 markets, as the margins in this industry are usually thin. Inflated logistics costs will eat into the margins and discourage the industry players to carry on Re-commerce.

Creating awareness, establishing trust and credibility - are some of the other challenges that the Re-commerce industry in India faces. However, these challenges are similar to what was faced by the e-commerce sector when it started off in India some years back. Today it has become widely accepted.

Skilled or trained resources - in these industries will still remain big problem but as re-commerce gains popularity & credibility the problem like skilled & trained resources are going to be minimized.

Stigma against used products - that is prevalent among the masses. While our efforts towards removing this stigma are yielding results, it may take some more time to eradicate it.

Other challenges include a lack of **regulatory framework**, **absence of a business ecosystem**, **price sensitive consumer behavior**, and a **highly fragmented market**.

Investigator/participant:

Sr. No.	Investigator/participant	Numbers
01	Consumer	260
02	Garment Industries	20
03	New entrepreneur	10
04	Companies using Re-commerce techniques	08
05	Environmental NGOs	02
Total		300

Data Collection:

Primary Data:

In order to obtain reliable & authentic information from the respondents, attempt has been made to obtain primary data. For this purpose a detailed questionnaire was administered. The questionnaire contained various aspects of Re-commerce, consumer behavior, environmental issues, profitability & how Re-commerce is well administered for the better welfare of the society. Personal interviews and observations were also made for further

clarification. For this propose simple random sampling method is used.

Secondary Data:

Secondary Data was collected through Annual Reports, Books, Journals, Magazines, websites, existing companies doing re-commerce and other literature related to re-commerce.

Data Analysis:

Basic Statistical Technique such as Percentage, Standard Deviation, Rank Order Method (Henry Garret Ranking Method) and Chi square test is used for analysis of data.

Limitations of research:

- Sample Size has been restricted to 300 respondents around the vicinity to provide an in-depth analysis.
- The study is confined only to the consumer, garment industry, new entrepreneur, existing companies using re-commerce & environmental agencies.
- The study relies more heavily on primary as well as on secondary data.
- The details furnished by the respondents are considered as true and the study results are based on this assumption.
- The result arises from the research may or may not be applicable to other parts of the state or country.

Period of Study:

Duration of the study is confined to three months (i.e. Jan., Feb., and Mar. 2020)

IV. DATA ANALYSIS & DISCUSSION

Table No.1: Environmental impact & re-commerce:

Sr. No	Age	Level of perception			Total	%
		Agree	Neutral	Disagree		
01	18-30	47(85.45)	01(1.82)	07(12.73)	55	18.33
02	30-40	62(91.18)	02(2.94)	04(5.88)	68	22.67
03	40-50	89(89.89)	02(2.02)	08(8.08)	99	33.00
04	50 and above	69(88.46)	03(3.84)	06(7.69)	78	26.00
	Total	267	08	25	300	100

(Source: Primary Data)

On the basis of age of the respondents it was noticed that the highest percentage levels of perception of consumer towards environmental impact & re-commerce was observed to be highest in the age of group of 40-50 (89.89%) years and were totally agree in favor of purchasing environmental protective product.

Table No.2: latest fashion & new buying habit:

Sr.No	Gender	Level of perception			Total	%
		Agree	Neutral	Disagree		
01	Male	199(92.99)	04(01.87)	11(05.14)	214	71.33
02	Female	75(87.20)	03(03.49)	08(09.30)	86	28.67
	Total	274	07	19	300	100

(Source: Primary Data)

On the basis of gender it was clearly noticed that 92.99% Male respondents & almost 87.20% female respondents showed significant positive attitude with respect to latest fashion & new buying habits certainly creates impact while re-commerce is implemented.

Table No.3: Impact of price & purchasing budget:

Sr. No	Qualification	Level of perception			Total	%
		Agree	Neutral	Disagree		
01	Below SSC	09(69.23)	02(15.38)	02(15.38)	13	04.22
02	SSC-HHSC	29(78.38)	03(08.11)	05(13.51)	37	12.33
03	Degree/Diploma	174(97.21)	-	05(02.79)	179	59.67
04	PG	67(94.33)	-	04(05.67)	71	23.67
	Total	279	05	16	300	100

(Source: Primary Data)

Educational qualification has a great impact on purchases of re-commerce product. As is revealed from the data it was observed that respondents possesses degree or diploma showed more intent towards price & purchasing budget of the consumer 97.21% respondents shows keen willingness towards price & purchasing budget of the consumer.

Table No.4: Factors desirable while buying or reselling products.

Sr. No	Factor	Level of perception			Total	%
		Agree	Neutral	Disagree		
01	Price	51(98.08)	-	01(01.92)	52	17.33
02	Eco-friendly Product	38(88.37)	02(04.65)	03(06.98)	43	14.33
03	Place	11(91.67)	-	01(08.33)	12	04.00
04	Promotion	13	-	-	13	04.33
05	Performance	17	-	-	17	05.66
06	Package	14	-	-	14	04.66
07	Process	03	-	-	03	01.00
08	Quality	36(94.74)	02(05.26)	-	38	12.66
09	Brand	38(90.48)	01(02.38)	03(07.14)	42	14.00
10	Convenience	10(83.33)	01(08.33)	01(08.33)	12	04.00

11	Health and safety	25(96.15)	-	01(03.85)	26	08.66
12	Environment Protective	27(96.43)	-	01(03.57)	28	09.33
	Total	283	06	11	300	100

(Source: Primary Data)

While re-commerce product some of the factor plays an important role in purchase decision making. Respondents during the course of survey opined that price of the product is an crucial factor in purchase decision making followed by Brand of the companies, eco-friendly product, quality of the product, and so on.

Chi Square Test:

Sr. No	Factors	D.F	T. V.	C ²	Significant	Accepted / Rejected
01	Age	6	12.592	2.957	05	A
02	Gender	2	5.991	3.426	05	A
03	Education	6	12.592	16.603	05	R
04	Product	12	21.026	0.081	05	A
05	Price	12	21.026	0.1	05	A
06	Place	12	21.026	0.1	05	A
07	Promotion	12	21.026	0.9	05	A
08	Performance	12	21.026	0.562	05	A
09	Package	12	21.026	0.25	05	A
10	Process	12	21.026	0.25	05	A

The above chi square test indicates that only apart from educational factor all other factors indicate significant relationship between factor desirable for purchasing green products.

V. FINDINGS

Environmental impact & re-commerce attitude was observed to be very high and most of the respondents were totally agree in favor of purchasing environmental protective product and very conscious about preventing environment & pollution arises from burning old cloths. After giving top priority to environmental protection, re-commerce drastically helps in maintaining latest fashion & inculcates new buying habits amongst those who are environmentally cautious. Nevertheless Indian consumer is very curious about price of the product, availability, easy access and the budget for the same. Even the educational level also had a great impact on purchases of re-commerce product. As is revealed from the data it was observed that respondents possesses degree or diploma showed more intent towards re-commerce of garment.

VI. SUGGESTIONS & CONCLUSIONS

The market for second hand clothing is growing with increasing awareness of consumers to reduce the carbon footprint. Moreover, a concept like re-commerce of

fashion generates a conscious consumption pattern among consumers. Using online and offline fashion re-commerce helps in slowing down the utilization of raw materials, production of garments, and ultimately reducing the consumption. This in return reduces the emission of carbon dioxide and other gases, reduces energy usage, and waste accumulating in landfills. The younger generation thinks differently and is more aware of the issues regarding sustainability and the environment. They also realize that with limited space for landfill, it becomes increasingly important to consider recycling and using bio-degradable textile and garments.

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