Bachelor's thesis

International Business Degree Program

2021

Kim Do

# CONSUMER BEHAVIOUR ON SUSTAINABLE FASHION CHOICES.

- Case study: Lagoom Online Swap Events.



BACHELOR'S THESIS | ABSTRACT

TURKU UNIVERSITY OF APPLIED SCIENCES

International Business Degree Programme

2021 | 50 pages, 4 pages in appendices

#### Kim Do Thien

# CONSUMER BEHAVIOUR ON SUSTAINABLE FASHION CHOICES

- Case study: Lagoom's Online clothes swapping events

The main purpose of this research is to explore consumer behaviour towards online clothes swapping events. The study concentrates on finding the reasons behind consumers' lack of interest in participating in swap events thereby develops the possible suggestions for the case company to gain more users in the future.

The literature review covers the concepts of sustainable consumer behaviour, circular economy in fashion and consumer motivations for secondhand fashion consumption. In addition, theoretical background of clothes swapping events is also mentioned together with an introduction to Online swap events by Lagoom and an overview about the company.

Both quantitative and qualitative research analysis are involved in the research process. 2 questionnaires are conducted accordingly to 2 phases of the research process. The first phase aims to find out consumers" interest in swap events and the second phase dedicates to explore the reasons why and how to overcome the existing challenges.

The study findings show that the biggest challenge of these swap events is lack of consumer awareness. A user centric value proposition is created to help the company identify consumer pain points and suggest 4 possible strategies for future implementations.

#### **KEYWORDS:**

Sustainable fashion, secondhand consumption, online swap event, consumer behaviour

## **CONTENT**

1 INTRODUCTION	6
1.1 Research background and motivation	6
1.2 Research objectives and questions	7
1.3 Thesis structure	7
1.4 Case company Lagoom	8
1.4.1 Lagoom overview	8
1.4.2 Online swap events by Lagoom App	8
2 CONSUMER BEHAVIOUR ON SECOND-HAND CONSUMPTION AND SWAP	
EVENTS	10
2.1 Sustainable consumer behaviour	10
2.2 Circular economy in fashion	11
2.3 Consumer motivations for second-hand consumption	13
2.4 Clothes-swapping events	15
3 RESEARCH METHODOLOGY	19
3.1 Research design	19
3.2 Data collection method	20
4 DATA ANALYSIS	22
4.1 First phase: Consumers' behaviour for secondhand clothes and swap events	22
4.2 Second phase: Consumers' opinions on online swap events organized by Lago 28	om
5 FINDINGS AND IMPLICATIONS	36
5.1 Survey findings	36
5.2 User value proposition for Lagoom App	37
6 CONCLUSION	41
REFERENCES	43

### **APPENDICES**

Appendix 1. Questionnaire: Secondhand consumption and swapping events Appendix 2. Questionnaire: Online clothes swapping events	47 49
FIGURES	
Figure 1. Online swapping process Figure 2. Swapping supply chain (Henninger et al., 2019) Figure 3. Unused clothing items condition Figure 4. Average responses to dealing with unused clothes preferences (1 is the moreferred). Figure 5. Difference between all respondents and those who would attend swap ever at least once by genders Figure 6. Difference between all respondents and those who want to attend swap events by age Figure 7. How respondents deal with unused clothes. Figure 8. Strong preference (value 1-2) for selling clothes at secondhand stores. Figure 9. Average preference for selling unused clothes online by age group Figure 10. Platforms for secondhand selling Figure 11. Results for respondents' preferences. Figure 12. Responses to having heard of and participated in swap events. Figure 13. Probability of attending online swap events in the future Figure 14. Probability of having heard about swap events by age group Figure 15. Probability of having participated in swap events by age groups Figure 16. Strong interest in future online swap events by gender Figure 17. Probability of having heard about swap events by gender Figure 18. Responses to having attended swap events by gender Figure 19. Strong interest in joining swap events in the future by gender. Figure 20. Main concerns about online swap events	23
PICTURES	
Picture 1. Lagoom's user value proposition for online swapping events. Picture 2. SWAP by Lagoom pointing system.	38 40

## **TABLES**

Table 1. The effect of extending the use time of garments (WRAP, 2012).	13
Table 2. Findings when consumers become suppliers (Henninger et al., 2019)	17
Table 6. Difference in percentage of all respondents and those who have heard about	ut
swap events by main concerns	34
Table 7. Difference in percentage of all respondents and those who have participated	d
in swap events by main concerns	34
Table 8. Difference in percentage of all respondents and those who are likely to join	
swap events by main concerns	35

#### 1 INTRODUCTION

#### 1.1 Research background and motivation

In recent years, human economic activities have had a lot of negative impacts on the environment resulting in global warming, pollution, loss of biodiversity and natural resource depletion (*earth.org, 2020.*). Tackling the climate crisis is now undoubtedly the responsibility of every individual and organization. Fashion industry is among the largest and oldest industrial sectors in the world and has been affiliated with excessive consumerism, high costs and elitism (Gazzola et al., 2020). Consumers buy more clothing products than they actually need. A considerable number of fast-fashion items end up in the landfill before being used. In response to the current issues, sustainable consumption was introduced to encourage consumers to buy less, prolong the life cycle of products and reduce waste. Hence, secondhand consumption has been increasing along with new business ideas about this marketplace.

Swapping is one of the ideas that applies circular economy into secondhand consumption. Clothes swapping events help consumers extend product life cycle by exchanging secondhand clothing goods with each other instead of buying new products. Swap events have been introduced as a type of sustainable consumption that can reduce the carbon footprints created by manufacturing new products. Lagoom, a young technology start-up based in Helsinki, takes into account the contribution of swapping to the environment and the negative results of excessive buying. The company has created a social media platform in the context of a mobile application where participants can swap their unused clothing items with each other online. However, there are existing challenges of online clothes swapping events that concern consumers about swapping, thus preventing them from using Lagoom App.

The researcher has been working for Lagoom as a former intern and now part-time worker. Working for Lagoom has raised more interest in the researcher about clothes swapping itself and sustainable consumption in general. Therefore, this study is conducted in order to discover consumer interests towards online swapping and identify the current challenges that impede consumers from participating. After that, the study also aims to develop appropriate strategies based on research results in order to help the case company overcome the challenges and gain more users for its digital products.

#### 1.2 Research objectives and questions

The overall objective of this research is to identify the factors that affect consumers' behaviour towards online clothes-swapping events. Additionally, the purpose of this paper is to give the case company Lagoom more insights about its users' experience of online swap events, thus suggesting possible strategies that the company can apply in the future. This can help the company improve its service design in order to gain more users.

The main research questions in this thesis are:

- What are the benefits of online clothes swapping events on consumer perspective?
- What are the challenges of online swapping events?

This has resulted in another sub-question for this paper, which can bring more value for the case company

How can the case company overcome those challenges and gain more users?

#### 1.3 Thesis structure

The thesis comprises of 5 chapters aiming to deliver sufficient coverage of the chosen topic. Chapter 1 starts with general information about second-hand fashion and swap events together with the research objectives and research questions. In this chapter, Lagoom company overview and its online swap events are also introduced. Chapter 2 provides a theoretical framework including definitions and previous studies about sustainable consumer behaviour and circular economy in fashion industry. In addition, the literature review covers consumer motivations for second-hand fashion consumption. The last section of chapter 2 narrows down to the concept of clothes swapping events and introduction about case company Lagoom as well as its online platform for swapping events. After that, chapter 3 explains research methodology including research design, data collection method. Subsequently, chapter 4 covers data analysis and results of the 2 surveys. Following the results from data collection and analysis, chapter 5 presents key findings from the surveys and the theoretical background thereby using user value proposition to suggest possible implications for Lagoom App. Finally, the last chapter

summarizes the study objectives as well as the whole study as a process and recommendation regarding further research.

#### 1.4 Case company Lagoom

#### 1.4.1 Lagoom overview

Lagoom is a Helsinki-based start-up established in 2020 by entrepreneurs from different backgrounds. With a passion for innovation and sustainable development concerning the negative consequences of fast fashion; the team has developed a mobile application functioning as a digital wardrobe and marketplace for second-hand clothing and accessories. The company believes that prolonging the life cycle of clothing items is not only the conscious choice but also a potential business model with the help of technology and innovation.

Lagoom App allows its users to list out what they own in their closet, thus help them manage and circulate those clothing items and accessories by swapping unwanted items with other users. The application also works as a platform to build community and connect people with the similar fashion preferences.

#### 1.4.2 Online swap events by Lagoom App

Lagoom online swap events allow its users to exchange their clothing items with each other via the mobile application. These events give users the opportunity to renew their collections without adding more items into their wardrobe and with less carbon footprint. Figure 1 illustrates the process of online swap events.

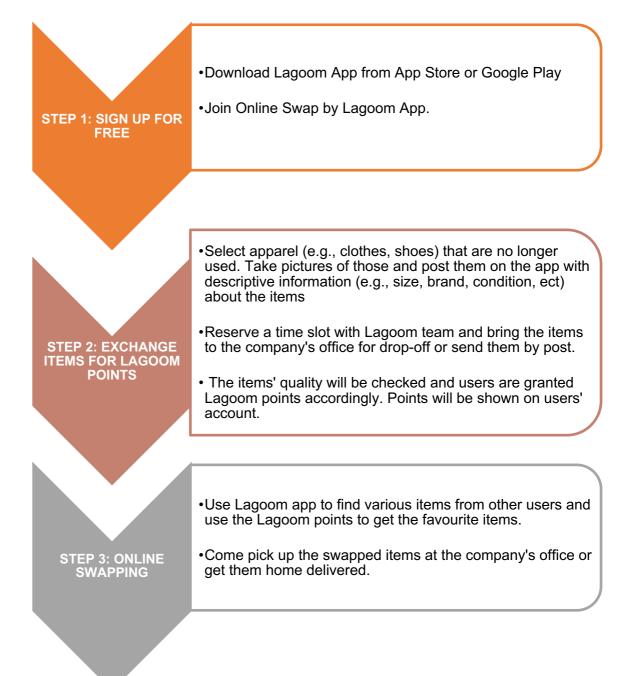


Figure 1. Online swapping process

# 2 CONSUMER BEHAVIOUR ON SECOND-HAND CONSUMPTION AND SWAP EVENTS

#### 2.1 Sustainable consumer behaviour

Sustainable consumption has been adopted by consumers and studied by scholars recently. Dobson (2007) claimed that behavioural change in consumption related to sustainable development that is driven by environmental citizenship considerations is more long-lasting than behaviour driven by financial motivations (Dobson, 2007). Sustainable behaviour is defined as behaviours that attempt to satisfy present needs whilst simultaneously positively contributing to minimizing environmental impact (Trudel, 2019). As Lagoom focuses on a more sustainable approach of the way consumers dealing with their used/unused clothing items, addressing drivers that affect sustainable consumer behaviours and decision making is crucial to understand its target market.

Since the concept of sustainability has gained considerable attention from the public, business owners need to adapt their strategies accordingly to meet consumers' sustainable needs as well as responsibly contribute to the current environmental issues. In other words, sustainable consumer behaviour is driven by 2 main factors including consumerism and environmentalism. (Kotler et al., 2017; Peattie, 1995)

Consumerism is defined as citizens and government agencies established to enhance the rights and power of buyers in relation to sellers. These rights protect consumers from doubtful products or services and marketing practices as well as provide them with adequate information and knowledge about the products or services. Furthermore, consumer advocates also call for the right to consume at the present time in a way that preserve the world for future generation consumers. Consumerism gets more powerful when it comes to "consumer boycott". This situation could be developed from relatively passive refusal to buy and consume the products to more actively organized and direct protests against the company. (Kotler et al., 2017; Peattie, 1995)

**Environmentalism** on the other hand, is an organized movement of concerned citizens, businesses and government agencies established to protect and improve the current and future living environment of human beings. Environmentalists are concerned about the current damages happening to the ecosystem caused by global warming, resource

depletion, toxicity, solid waste, etc. Peattie K (1995) stated a new concept of customer satisfaction that customers are becoming more and more aware of the social or environmental harm caused by production and disposal. Thus, customers may reject consuming the product because of the manufacturing process, its supplier, or investors. As a result, in the recent years, many companies have taken social and environmental responsibility into consideration by adopting policies of sustainability. This also opens opportunities for new business ideas with more sustainable approach like Lagoom. (Kotler et al., 2017; Peattie, 1995)

Despite the increasing popularity of green consumption, there is the so-called 'attitude-behaviour gap' that needs to be mentioned. 30% of consumers are reported to be very concerned about environmental issues but struggling to translate this into green purchase (Young et al., 2010). According to Wiederhold & Martinez (2018), individual's ethical decision making determinants can be classified into external and internal factors (Wiederhold & Martinez, 2018). External factors include economic, institutional/availability and social and cultural factors; meanwhile internal factors are motivation, environmental knowledge, locus of control, attitudes and values (Wiederhold & Martinez, 2018).

#### 2.2 Circular economy in fashion

It is undoubtedly evident that the traditional linear economy (design-manufacturing-sale-dispose) is wasting not only a huge amount of valuable materials but also many other resources (Niinimäki, 2018). Therefore, 'circular economy' system was introduced based on principles of closed loops, or 'economy in loops', in which it can 'substitute manpower for energy' in order to reduce dependence on natural resources and prevent wasting (Niinimäki, 2018). This theory was later developed into 'cradle to cradle' concept which is also known as the principle for closing the loop in biological or technological cycles (McDonough & Braungart, 2002). A circular economy is built based on three principles: eliminating waste and pollution, circulating products and materials and regenerating nature (Ellen MacArthur Foundation, n.d.).

The emergence of fast fashion consumption has created negative impacts on the environment and society since the fashion supply chain is very diverse and complex (Mukherjee, 2015). As a response to the consequences of fast fashion cycles and unsustainable business growth, sustainable fashion was introduced as a part of the slow

fashion movement (C. Henninger et al., 2016). Sustainability and circular economy have had a strong impact on fashion industry recently. Sustainability in fashion takes into account a more environmentally friendly approach when it comes to fashion design, manufacturing, and consumption. Sustainable fashion requires the collaboration of business organizations and consumers to address the influence of production processes and consumption patterns (Mukherjee, 2015).

The purpose of implementing circular economy in fashion is to develop a more sustainable and closed-loop system where the life cycle of garments is extended, and the value of the products and materials is maintained as long as possible (Niinimäki, 2018). All factors in fashion including designers, producers, manufacturers, suppliers, business people and consumers are taken into account in a circular economy (Niinimäki, 2018). A research conducted by Mishra et al (2020) revealed that key drivers for the closed-loop fashion value chain are collaboration with partners, innovation, waste management system, customer connect and changing utilization patterns (Mishra et al., 2020). The research also implies that incorporating circular economy principles into current business models needs redefining existing value propositions and transforming many business model elements (Mishra et al., 2020).

According to Stahel (2017), focusing on optimizing the use-time of manufactured objects is at the core of the circular economy. Stahel (2017) claimed that if the use-time of clothing is doubled, half of the resources are needed for production thus halving the waste rates of consumption. TABLE 1 demonstrates the effect of extending the use time of garments presented by WRAP (2012). However, extending and intensifying the use, reusing the same object in a new context and innovative reuse can be challenging in this industry as not only businesspeople and designers are involved in the life cycle of the products but also consumers who need to be critical on their own consumption practices. This requires a new approach on more strategic and future-oriented business thinking that focuses on the lifecycle, use and regeneration of products and closing the material loop. (Niinimäki, 2018; Stahel, 2017)

Table 1. The effect of extending the use time of garments (WRAP, 2012).

SCENARIO	CARBON	WATER SAVING	WASTE SAVING
	SAVING		
10% longer lifetime	8%	10%	9%
(i.e., 3 months longer)			
33% longer lifetime	27%	33%	22%
(i.e.,9 months longer)			

Enabling information technology (IT) is beneficial for implementing a circular economy in fashion industry in many ways. These technologies are used to provide tracking tools of materials' flow and origin. Furthermore, they can also build platforms/services specifically for repairing or swapping and open more opportunities for second-hand businesses. These technologies can create social interaction; thus build communities where people can spread the awareness and importance of circular thinking practices. (Niinimäki, 2018).

In this case, Lagoom's online swapping tool takes into account the importance of optimizing the use-time of clothing products. The company focuses on creating a close-loop fashion value chain by changing consumer utilization pattern and connecting with consumers with the help of innovation and technology. Besides, users can also use Lagoom App as a social media to interact with each other thereby encouraging collaboration consumption.

#### 2.3 Consumer motivations for second-hand consumption

Due to the influence of sustainable consumer behaviour on the consequences of fast-fashion, second-hand consumption emerged as a more sustainable choice of fashion consumption. It takes into account the implementation of circular economy into fashion industry by extending the use-time of clothing items for as long as possible. Second-hand consumption has experienced three different periods: emergence and expansion during the 18<sup>th</sup> and 19<sup>th</sup> centuries, downturn and stigmatization in the 20<sup>th</sup> centuries, destigmatization and resumed popularity since the 2000s (Ferraro et al., 2016). Today, consumer's demand for second-hand goods has escalated significantly with an estimated \$15 billion revenues in the US (IBISWorld, 2015). Second-hand fashion

marketplace ThredUp reported that the second-hand apparel market in 2019 had been growing 21 times faster compared to 2016 and would be larger than fast fashion by 2028 (Reinhart, 2019).

Understanding consumer motivation for second-hand fashion provides case company Lagoom a theoretical insight of their target market. According to Guiot and Roux (2010), motivation of consumers for second-hand fashion is divided into 3 categories: economic, recreational and critical motivations (Guiot & Roux, 2010). Additionally, fashionability is also considered to be another factor that motivates the consumption of second-hand shopping (Anderson & Ginsburgh, 1994; Guiot & Roux, 2010)

**Critical motivations** allow consumers to distance from the mainstream market that promotes waste and throw-away behaviours. The eco-movement has raised the concerns among consumers towards excessive, wasteful and environmentally harmful behaviour. Therefore, second-hand shopping enables consumers to express their sustainable and ethical consumption practices. (Carrigan et al., 2013; Ferraro et al., 2016; Roux, 2006)

**Economic motivations** refer to price consciousness where consumers search for a fair price and bargain hunting. In this case, second-hand shopping can solve the financial problem on shoppers since second-hand products are usually cheaper than the new ones. The indirect price discrimination between used and new goods also encourage consumers to buy second-hand products. (Anderson & Ginsburgh, 1994; Guiot & Roux, 2010)

**Recreational motivations** allows consumers to feel the stimulation and excitement of goods presentation, treasure hunting, authenticity, social interaction and nostalgia when doing second-hand shopping (Belk et al., 1988; Guiot & Roux, 2010). According to DeLong et al. (2005), shoppers are offered a museum-like experience by second-hand retail stores with touchable merchandise (DeLong et al., 2005). Furthermore, second-hand community is created between sellers and buyers via communication and socialization at these stores (Belk et al., 1988).

**Fashion motivations** refer to the need for authenticity and originality while still following a specific fashion trend or being unique (DeLong et al., 2005). Second-hand clothing has been labelled as 'vintage' by the fashion world and priced higher due to their age and scarcity (Cervellon et al., 2012). Second-hand shoppers now are seeking for fashion authenticity and vintage uniqueness (Guiot & Roux, 2010).

#### 2.4 Clothes-swapping events

Clothing sector is considered to be one of the challenging sectors to become circular in fashion industry. Mass production of garments along with short lifecycle of clothing items have created a significant environmental footprint. According to the 2017 New Textile Economy report by Ellen MacArthur Foundation, from 2000 to 2015, global production of garments was doubled while the average life cycle of an item dropped by 36% and the reuse of clothes globally was below 15% (Ellen MacArthur Foundation, 2017). Consequently, one of the proposed strategies by designers and activists in response to the existing challenges is encouraging collaborative consumption in fashion. A specific example of collaborative consumption is clothes-swapping activities with the aim to reduce demand for new products (Camacho-Otero et al., 2020).

Swapping is the process of exchanging items such as clothes, happening between two or more people usually without monetary transaction (Camacho-Otero et al., 2020). As sustainable consumer behaviour gets more public attention, swapping was introduced as a form of consumption alternatives that supports a new lifestyle seeking to reduce fashion waste. It allows consumers to redistribute unwanted items to new owners thereby preventing landfill waste. Swapping is expected to partially replace the consumption of new products and accessories by boosting use intensity. It not only contributes to environmental benefits but also monetary benefits, moral responsibility and engages consumers in anti-consumption behaviour. Clothes swapping events usually happens physically where people can bring their unused items to a specific location on a chosen date and exchange them with other participants. (Henninger et al., 2019).

Clothes swapping events usually happens physically where people can bring their unused items to a specific venue on a chosen date and exchange them with other participants. Matthews & Hodges (2016) conducted research on consumer clothing exchange by collecting data from clothes-swapping parties' participants. The study indicates the benefits that participants did get from engaging in swap events in the context of giving, receiving, and socializing. Giving stage of swapping allows them to clean and re-organize their closets, recycle clothing items, and get instant gratification as they can see their unwanted items are new and enjoyable to someone else instead of being tossed away. Meanwhile, receiving was with no doubt the most exciting characteristic of clothing swap events as participants can get their "new" items for free. Recognizable and fashion-oriented brand names are considered as motivations for

secondhand shoppers. Therefore, fashion enthusiasts find it appealing to exchange items with their fashion-forward peers and individuals because not only they get them for free but also trust the origin of clothing as well as receive advice and ideas from each other. Consequently, the social component was proven as an added benefit for consumers in both online and offline swapping venues. Swapping provides a mutual space for participants to meet new people and share their common fashion interests. Socializing is a critical elements of swap events as it allows swappers to not only get free items but also make friends, get answers and spread environmental consciousness. (Matthews & Hodges, 2016)

On the one hand, Armstrong et al., (2016) investigated the positive and negative consumer perceptions regarding swapping activities in Finland and the United States. The study reported social and experimental aspect as positive perceptions yet lack of trust in the provider and complicated process as negative perceptions. Participants were concerned about items' quality and hygiene as also being skeptical about how their items would be fairly compensated. It was suggested that connecting with trusted influencers and professional stylists could boost credibility of these events. Most participants evaluated this service positively for its social rather than consumptive value since they doubted the possibility this concept could offer them enough variety and size availability. This concern would be alleviated by organizing events accordingly by product categories, themes or fashion brands. (Armstrong et al., 2016)

On the other hand, Henninger et al., (2019) conducted a study on challenges and opportunities of consumers becoming suppliers from both an organizational and consumer perspectives in the context of swapping as alternative supply chains in the United Kingdom, Germany and Finland. Table 2 is the summary of challenges and opportunities found out in the study when consumers become suppliers. The study discovered that uncertainty of clothing supply was only a challenge for organizers whilst size availability was challenging for both organizers and consumers. Unlike traditional fashion supply chains where supply chains volumes are logistically planned; swapshops' supply chains depend on participants bringing resources which is uncertain and unpredictable. This resulted in size availability and quality of the items becoming key concerns of consumers.(Henninger et al., 2019)

Table 2. Findings when consumers become suppliers (Henninger et al., 2019)

	Organizational			Consumer perspective		
	perspective					
	UK	Germany	Finland	UK	Germany	Finland
Challenges					,	
Uncertainty of clothing supply	Х	Х	Х			
Availability/Sizing	х	x	х	Х	х	х
Quality	Х	Х		Х	Х	
Location		х			Х	
Dumping	Х		Х			
Financial gain		х				
Swapability of clothes (too	Х	x				
many items)						
Opportunities						
Rating system	X					
Financial gain					х	
Treasure hunt				Х	Х	х
Trend-led (retro style)	Х		х	Х	х	х
Fashionability			Х	Х	Х	
Environmental	Х			Х		
consciousness						
Pride of sharing clothes with others						х

Therefore, swapping supply chains imply a fluidity of market roles where organizers can be defined as either suppliers or demanders; and participants can switch their roles as buyers or suppliers when taking part in the events. This fluidity has become a key characteristic of clothes swapping events. It provides a unique opportunity of taking ownership of what is supplied. Consumers becoming suppliers triggers sense of responsibility and ownership of their fashion consumption hence establishing an inclusive community that sustainably responds to the negative impact of fashion industry on the natural environment. Figure 2 highlights key areas when consumers can change

from being consumers to suppliers from both an organizational and consumer perspectives. (Henninger et al., 2019)

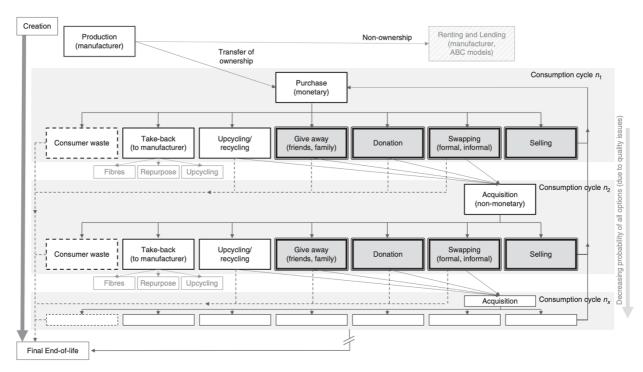


Figure 2. Swapping supply chain (Henninger et al., 2019)

Park & Armstrong (2017) found that redistributed ownership, for example swapping, is one of the two major internet-supported collaborative consumption modes. The increasing development of technology and digital platforms has led to the emergence of new business models that actively accelerate new supply and consumption opportunities. Armstrong et al., (2016) claimed that individuals' desire for change, financial aspects, ease of use, social and emotional characteristics were key drivers of consumer behaviour towards digitally based circular practices. Social media enables peer-to-peer sharing whereby consumers can exchange their idle items and re-new their wardrobe by getting new garments from others. That being said, despite the existing aforementioned challenges of clothes-swapping events, there are opportunity for Lagoom's online swapping tool to enter the market. (Park & Armstrong, 2017) (Armstrong et al., 2016).

#### 3 RESEARCH METHODOLOGY

#### 3.1 Research design

A double phase, sequential mixed methods research design using inductive approach is implemented in this study in order to achieve the purpose of this research. A doublephase research design conveys a dynamic approach to the research process where one phase subsequently supports the other phase of data collection and analysis (Saunders et al., 2019). In this case, the research aims to discover consumer behaviour towards online clothes-swapping events and the bottlenecks that impede consumers' interest in participating in swapping activities. Accordingly, the case company can develop appropriate strategies to overcome those challenges and gain more active users. The first phase of data collection and analysis in this research is conducted to explore consumers' opinions about clothes swapping events. The second phase dedicated to identify the possible downsides of online swapping so that the case company can improve their product and service. Quantitative research method is used to collect numbers about audiences' demographics (age, gender, etc.,.) and their second-hand consumption situation. Meanwhile, qualitative method is used to record consumers' opinions towards swapping events in general and online swapping by Lagoom App specifically and what would encourage them to participate in Lagoom's swapping platform.

In this research, in order to gather insights from consumers and understand their perceptions about online swap events, primary data was collected by conducting questionnaires. Survey strategy using questionnaires is one of the most popular ways in data collection methods as survey participants are asked to answer the same set of questions. It allows researchers to collect standardized data from many respondents efficiently and it is easy both to analyze and understand. Data collected by survey strategy can be used to explore possible models of relationships between variables and findings can be representative for the whole population. (Saunders et al., 2019)

Before conducting the surveys, the process of this research starts with collecting theoretical framework about the chosen topic in order to find out the right questions for the surveys. The data collected for the theoretical background is referred to as secondary data, which was studied by someone else for another purposes (Saunders et al., 2019).

Secondary data provides a better understanding on consumer behaviours about secondhand consumption motivations and the pros and cons about swap events thereby allows the researcher to design the right questions to ask in the surveys.

#### 3.2 Data collection method

Two different questionnaires were conducted independently for each phase of data collection and analysis. The first survey aimed to explore consumer behaviour towards secondhand consumption and their first thought about clothes swapping events as a consumption alternative. Beside some open questions aiming to gather more in-depth data about consumer opinions, most of the questions in this survey were closed-ended as they have the most straightforward data input (Saunders et al., 2019). Matrix, list, and category questions were appropriately used to serve the purpose of each question. The survey was being distributed in 4 months, after which there were 47 responses in total. The results from this survey had disclosed consumers' interest about swap events thereby the researcher was able to discover many existing challenges of clothes swapping events that affect consumer decision making.

Subsequently, it was necessary to conduct another data collection in order to find out factors that affect consumers' interest in participating in online swap events. In addition, the purpose of this second survey is to address the challenges of clothes swapping events derived from the previous phase thereby finding out possible solutions for case company Lagoom. In this second survey, participants were provided with more details about Lagoom's online swapping events and how they work. Given more information about online swapping events allows survey participants to have a better understanding about them thereby data collected would be more objective and reliable. 9 in 10 questions in this survey were closed-ended questions including ranking, category and multiple-choice questions used to serve the purpose of each question. Besides, in order to gather further opinion of consumers about Lagoom's online swap events, the last question was open-ended to collect data on this matter. After being distributed for 5 months, the survey collected 55 responses in total.

Collecting primary data using questionnaires requires a representative and accurate data sample as it will be used to generalize about a population (Saunders et al., 2019). Both questionnaire's' links were posted on various Facebook groups targeting young people especially fashion and secondhand fashion lovers who are considered to be more likely

interested in swapping (Weber et al., 2017). In addition, the surveys were also sent to many online student-majority groups. Students are also considered to be target groups for swapping events for possible financial reasoning. The surveys' links were also distributed at Lagoom service points where there is more traffic of the target consumers. A voluntary response sampling method is used to approach survey participants as this method aims to attract respondents who have interest in the topic. This makes the survey answers more objective. The results of both surveys will be presented and discussed in section 3.3. The details of these two questionnaires can be found in the appendix section.

On the other hand, this research has some procedural limitations that need to be addressed. Due to time constraints and limited resources, data sample size gathered from both surveys are relatively small. This restrains the generalization of the results to the wider population. Besides, the majority of survey respondents are young people who are under 35 years old. Therefore, this research is missing out the older sample population and might affect the validity and reliability of the results. Further research could take into account a broader and older research population in order to test the persistence of the findings.

#### **4 DATA ANALYSIS**

#### 4.1 First phase: Consumers' behaviour for secondhand clothes and swap events

There are 47 responses to the survey in total. The first 2 questions of the survey aim to identify general background of the respondents during data analysis process. 42.6% of the respondents are from 18-25 age group following by 38.3% and 15.2% of which are among 26-35 years old and 36-45 years old respectively. Meanwhile, half of the respondents (51.1%) are male, and the other half (43.5%) shares the majority of female and a small percentage (4.3%) of respondents are unspecified.

When being asked about unused clothing items, specifically if there is any clothing item in the wardrobe that is no longer in use but still in good condition, 95.7% of the answers are yes. Meanwhile, 17.4% of the respondents confirm that they have a lot of unused items and the rest report that they have a few. (Figure 3)

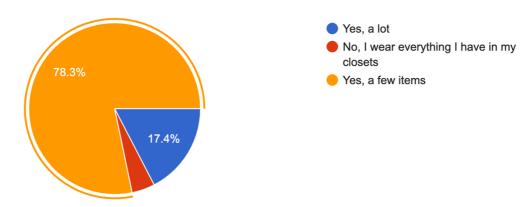


Figure 3. Unused clothing items condition

Respondents were asked to rank 8 suggested options for dealing clothes that are no longer in use from 1-8 (1 being the most 8 being the least preferred). Those options are selling them online, selling them in second-hand stores, donating them, giving-away to friends or family, leaving them in the closet for a long time, participating in swap events, throwing them away, returning and/or getting refund. Figure 4 shows the average response to each option from all answers. Besides, survey participants also suggest other different ways to deal with their unwanted clothes such as upcycling, reusing them as craft materials or sewing them into something creative and useful.

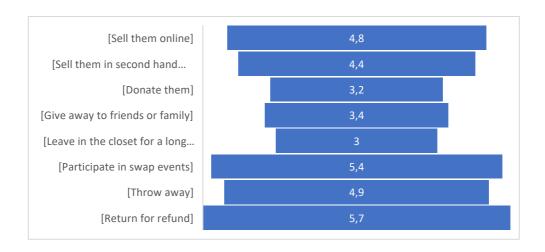


Figure 4. Average responses to dealing with unused clothes preferences (1 is the most preferred).

29 in 47 respondents answering that they would participate in a clothes-swapping event at least once. 19 in 29 answers report that they want to do it twice a year. 18 respondents answer that they have no interest in joining swap events. Meanwhile, female respondents are 50% more likely to attend swap events than male respondents. Figure 5 represents the difference in gender between all respondents and those who would like to participate in swap events at least once.

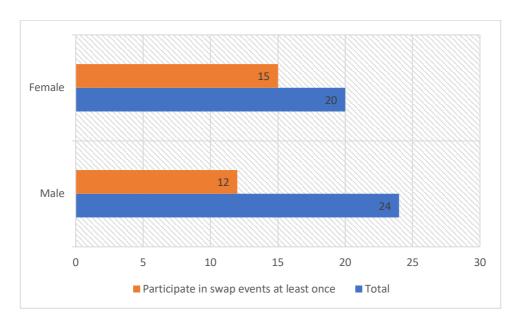


Figure 5. Difference between all respondents and those who would attend swap events at least once by genders

The difference between all respondents and respondents who are willing to participate in the events at least once is also influenced by their age groups (Figure 6). The result

shows that respondents at younger age are more likely to attend swap events at least once compared to older respondents. It is reported that nearly 50% of respondents who want to join the events are under 25. That being said, the target customer segment of Lagoom are young people who are under 25

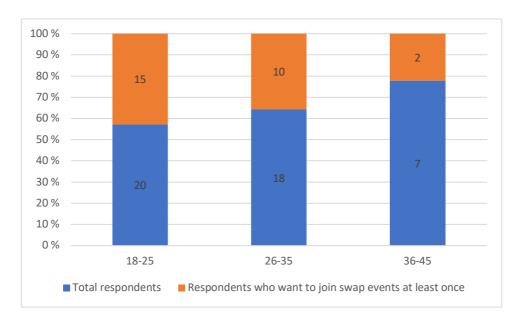


Figure 6. Difference between all respondents and those who want to attend swap events by age

Data analysis shows that there are some dissimilarities among respondents who would like to join swap events and the rest by the way they deal with unwanted clothing items. The following chart illustrates difference between all respondents and respondents who are willing to participate in swap events at least once by their preferences (Figure 5).

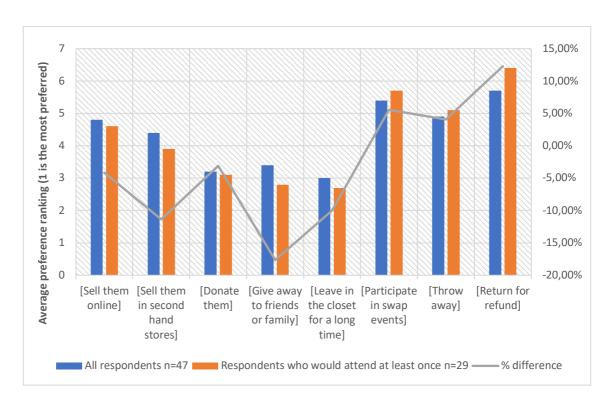


Figure 7. How respondents deal with unused clothes.

According to Figure 7, respondents who would attend swap events at least once are more likely to sell their unused clothing items in secondhand shops, give away to friends or family or just leave them in the closet without doing anything compared to the average preference of all respondents. However, they are less likely than their counterparts to return those items for refund. Meanwhile, all respondents prefer giving away and donating their unused clothes than selling them. Especially, all respondents prefer the most to just leave them in the closet and not do anything with their unused clothes.

On the other hand, female respondents are over 4 times more likely to have a strong preference to selling their unused clothing items at secondhand stores compared to men. 8.3% of male respondents strongly prefer to sell their clothes at secondhand stores whilst the same data recorded by female respondents is 35% (Figure 8).

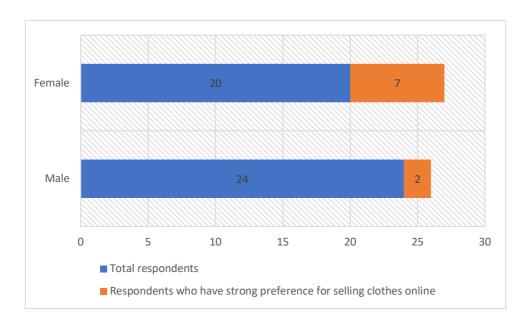


Figure 8. Strong preference (value 1-2) for selling clothes at secondhand stores.

The average result for selling unused clothes online is raging from 4.7 to 5 in all major age groups (Figure 9). This means that the difference in preferences for selling secondhand clothes online among different age groups is insignificant.

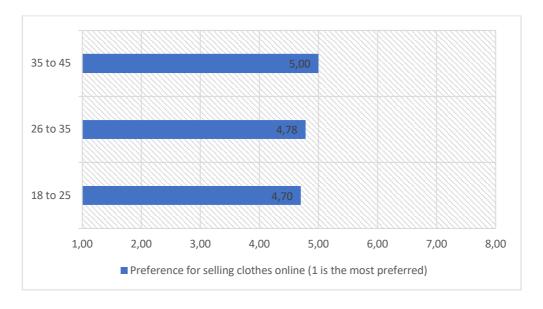


Figure 9. Average preference for selling unused clothes online by age group

The survey also examines which platforms consumers are using to resell their clothing items. Nearly 66% of all respondents report that they do not use any specific platform for secondhand selling, 15% of the answers are Tori.fi and 10.9% are Facebook (Figure 10).

Besides, respondents provide some other channels they use for reselling clothes such as Huuto.net, Grailed, Depop, Ebay, flea markets, etc.

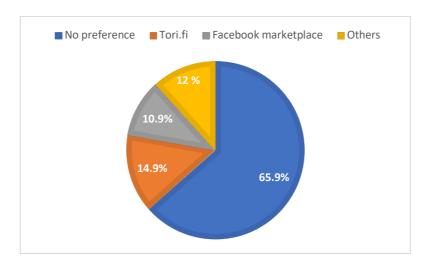


Figure 10. Platforms for secondhand selling

On the other hand, 8 in 47 respondents report that they strongly prefer to sell their unused clothing items online. However, only 2 of them can provide one or more sales channels or platforms they are using for reselling their clothes. That being said, 75% of respondents who have a strong preference for selling their clothes online do not know which channel they would use.

The last 2 questions in the survey aim to explore respondents' opinions and expectation about clothes swapping events. In general, most of the respondents have never experienced any physical or online swapping events before, hence they do not understand the concept of these events very well and propose to be more well informed about them. There are many answers stating that they need more information about how these swap events work and the specific rules applied in these events. Some other responses also suggest these events to be as easy and low effort as possible. They are also concerned about size and quality of the items in these events. Furthermore, beside clothes and accessories, respondents also suggest other items that can be swap-able such as books, plants, furniture, electronic devices, etc.

#### 4.2 Second phase: Consumers' opinions on online swap events organized by Lagoom

After the data from the first survey was collected and analyzed, the results showed that most respondents had not known about swapping events before thereby they did not understand the concept thoroughly. Therefore, the second survey was conducted aiming to give consumers more detail information about online swap events by Lagoom App and collect their opinions towards this specific platform. There are 55 responses to this survey in total.

The survey consists of 2 main parts: the first part aims to investigate consumers' opinions on a possible channel that helps them exchange clothing items with each other and build a community based on their fashion tastes and preferences. Figure 11 illustrates respondents' preferences for being engaged in an online platform for fashion and secondhand clothing in different perspectives. Respondents were asked to rank how interested they are in 3 activities. They are connecting with others by fashion preferences, using a social media platform for secondhand fashion marketplace and community, and exchanging unused clothes to something they are more interested in.

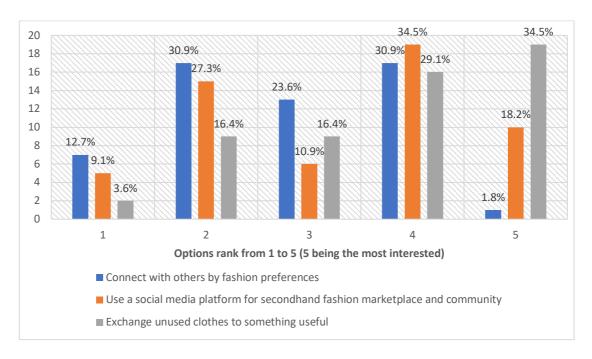


Figure 11. Results for respondents' preferences.

According to Figure 11, more than 60% of respondents rank 4-5 to how likely they are to exchange their unused clothed to something more useful. Therefore, it is evident that there is market for swapping events.

The latter part including the rest of the questionnaire aims to explain how online swap events by Lagoom App work and how likely respondents would be interested in participating in these events in the future (Figure 13).

There are 60% of all respondents confirm that they have never heard about clothes-swapping events before and 81.8% of all respondents have never participated in these events (Figure 12). On the other hand, 50% of respondents who have heard about clothes swapping events rate 4-5 to "how likely would you like to join online swapping in the future". That being said, people who have heard about swap events tend to be the main target of Lagoom.

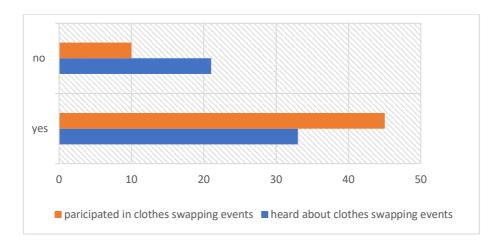


Figure 12. Responses to having heard of and participated in swap events.

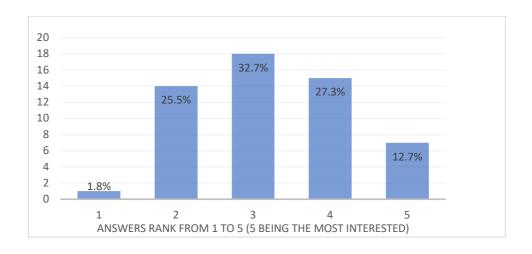


Figure 13. Probability of attending online swap events in the future

#### Age groups

The majority of respondents are from 18-25 years old which make it 43.6% in total, following by 38.2% and 12.7% of them are 25-35 years old and 26-45 years old respectively. Data shows that respondents from 26-35 and 36-45 age groups are twice more likely to have heard about swapping events before than those who are from 18-25 age group. Figure 14 illustrates percentage of respondents who have heard about swap events from all respondents by 3 major age groups.

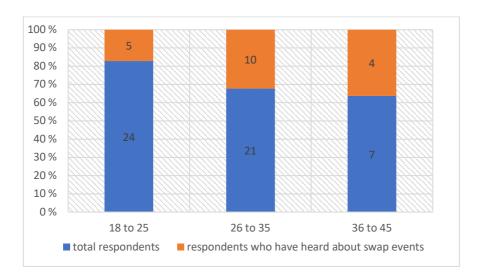


Figure 14. Probability of having heard about swap events by age group

Additionally, respondents from 26-35 and 36-45 age groups are more than 3 times as likely to have participated in swap events than those from 18-25 age groups (Figure 15). As in, swap events are far more likely to have been known and participated by older audience compared to younger ones.

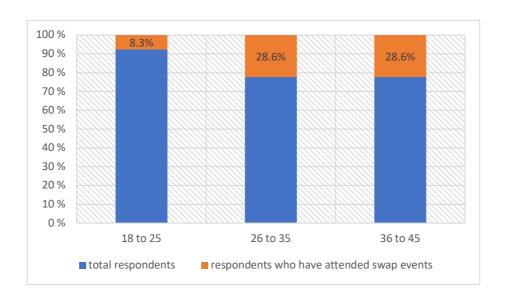


Figure 15. Probability of having participated in swap events by age groups

However, younger age groups are more likely to want to join online swap events in the future with 40% of those answering 4-5 to "How likely would you like to join online swapping event?". Figure 16 demonstrates comparison among age groups regarding strong interest in joining online swap events in the future.

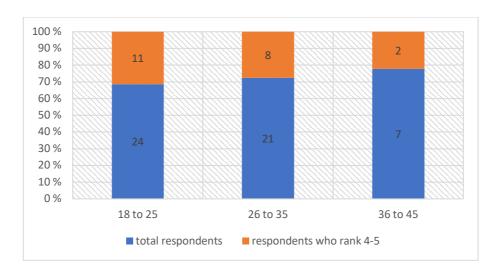


Figure 16. Strong interest in future online swap events by age groups

#### Gender

Gender-wise 61.8% of the answers dominantly come from female respondents whilst 32.7% come from male counterparts and the rest are unspecified respondents. Meanwhile, results from female respondents' probability of having heard about swap

events are twice higher than those from male respondents. Data is demonstrated in Figure 17.

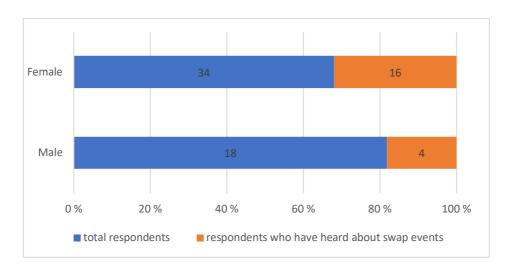


Figure 17. Probability of having heard about swap events by gender

In addition, female respondents are 24% more likely to have participated in swap events compared to male respondents. Figure 18 illustrates ratio of female and male respondents who have participated in swap events before.

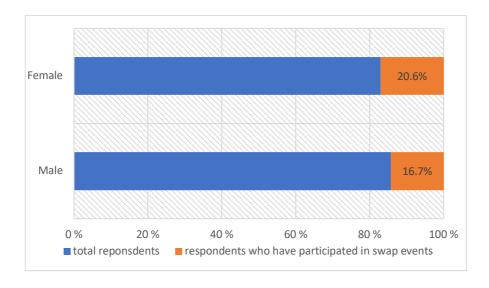


Figure 18. Responses to having attended swap events by gender

Finally, 6 in 18 male respondents would like to participate in online swap events while 14 in 34 female respondents would do in the future. The ratio illustrated in Figure 19 shows that female survey participants are 24% more likely to attend online swapping events in the future.

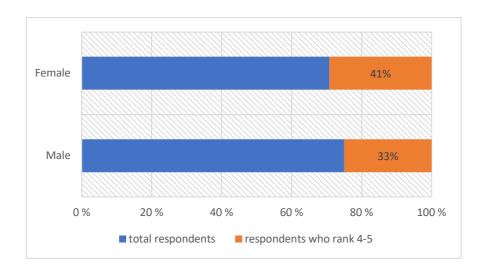


Figure 19. Strong interest in joining swap events in the future by gender.

#### Main concerns about swap events

The survey also explored the most 5 common concerns about online swap events. 70.9% of respondents are afraid of the actual condition of their swapped items not being qualified. 65.5% of them worry about inconvenient logistics when online swapping as they are confused about where to drop off and pick up items and how to get the items delivered. Since online swapping requires participants to rely on an online platform, online scams and technical issues were mentioned as some of the main concerns. Some other concerns are Covid safety and hygiene of the items. Figure 20 lists 5 most common concerns received from the survey answers.

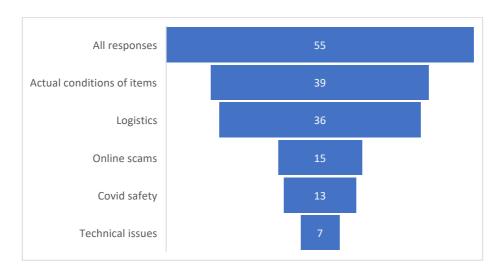


Figure 20. Main concerns about online swap events

The results are collected and analyzed by comparing 5 main concerns of all respondents to respondents who have heard about swap events, respondents who have participated in swap events before and those who are willing to join online swap events in the future respectively.

Table 6 presents the difference between percentage of all respondents and percentage of respondents who have heard about swap events by each concern. The results shows that people who have heard about swap events are less worried about items' conditions and safety during Covid time. However, they are more concerned about online scams, inconvenient logistics and especially technical issues.

Table 3. Difference in percentage of all respondents and those who have heard about swap events by main concerns

Main concerns	All	% All	Heard of	% Heard	%
	responses	responses	swapping	of	Difference
	(n=55)		events	swapping	
			responses	events	
			(n=21)	responses	
Conditions of items	39	70.9%	13	61.9%	-9%
Logistics/Convenience	36	65.5%	17	81%	15.5%
Covid safety	13	23.6%	3	14.3%	-9.4%
Technical issues	7	12.7%	7	33.3%	20.6%
Online scams	15	27.3%	6	28.6%	1.3%

Table 7 demonstrates data analysis of the difference between percentage of all respondents and percentage of those who reported that they have participated in swap events by each concern. It can be seen that people who have joined clothes swapping events are less concerned about the conditions of items and safety during Covid time, but they are more concerned about online scams, inconvenience logistics and especially technical issues.

Table 4. Difference in percentage of all respondents and those who have participated in swap events by main concerns

Main concerns	All	% All	Participated	%	%
	responses	responses	in swap	Participated	Difference
	(n=55)		events	in swap	
			responses	events	
			(n=10)	responses	
Conditions of items	39	70.9%	3	30%	-40.9%
Logistics/Convenience	36	65.5%	8	80%	14.5%
Covid safety	13	23.6%	2	20%	-3.6%
Technical issues	7	12.7%	4	40%	27.3%
Online scams	15	27.3%	4	40%	12.7%

Finally, Table 8 illustrate data analysis of percentage of all respondents and percentage of respondents who are more likely to join online swap events. Respondents who rank 4-5 to "how likely would you like to join online swapping events" are considered to be more likely to join online swap events in the future. The results implies that people who are likely to participate in online swap events are less concerned about safety during Covid time and technical issues. However, they are more afraid about online scams, actual conditions of the items being not qualified enough and especially the inconvenience of dropping off, picking up and delivery of the items.

Table 5. Difference in percentage of all respondents and those who are likely to join swap events by main concerns

Main concerns	All	% All	Likely to	% Likely	%
	responses	responses	join swap	to join	Difference
	(n=55)		events	swap	
			responses	events	
			(n=22)		
Conditions of items	39	70.9%	18	81.8%	10.9%
Logistics/Convenience	36	65.5%	17	77.3%	11.8%
Covid safety	13	23.6%	4	18.2%	-5.5%
Technical issues	7	12.7%	2	9.1%	-3.6%
Online scams	15	27.3%	8	36.4%	9.1%

#### **5 FINDINGS AND IMPLICATIONS**

#### 5.1 Survey findings

Firstly, although people who have heard about swap events before tend to be older, people are at younger age groups are more likely to participate in Lagoom's online swapping. On the other hand, awareness of swapping events is doubled for women compared to men. However, females are only 24% more likely to be interested in joining online swapping than males. This suggests that males can still be strong target for these events. That being said, consumer awareness about swapping is quite low on target market.

Secondly, the study finds out that most people have at least a few clothing items in their closet that are still in good condition but not in use. Besides, there are demands for exchanging unused items for ones that are more useful. Therefore, introducing clothes swapping events is a good idea to give consumers opportunities of owning new pieces of clothing while removing the unwanted ones. The survey findings also show that people who have heard about clothes swapping events before are likely to join online swapping in the future. This result corresponds to a study from Weber et al., (2017) where it is indicated that fashion consumers are more likely to participate in alternative methods such as swapping for removing their unwanted items (Weber et al., 2017).

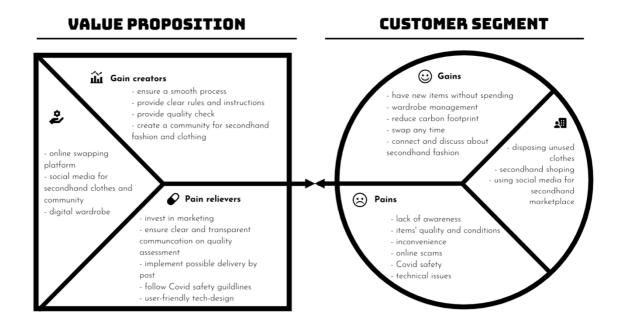
However, because consumer awareness about these events is still low together with online swapping being a new concept; consumers want to be more well-informed about detail instructions and rules of online swapping. In addition, people who are interested in participating in online swap events in the future express that they are worried about unqualified conditions of swapped items in reality and inconvenience in logistics of online swapping. These results correlate with the findings of Armstrong et al., (2016) mentioned in Chapter 2 that lack of trust in organizers, complicated process and items' quality are the concerns found from swapping participants in Finland. In this case, it is important to make sure the process is working smoothly, and Lagoom App needs to invest in customer communication in order to gain trust and reliability from its users.

Thirdly, it is evident that people who want to get rid of their unused clothing items by selling them online do not know any platform or channel to do that. This means that there are demands for an online platform specifically designed for secondhand marketplace.

This finding is also supported by Park & Armstrong (2017) aforementioned in chapter 2. As in, redistributed ownership (swapping) is a major internet-supported collaborative consumption mode (Park & Armstrong, 2017). Technology and digital platforms create good opportunity for new business model like Lagoom App to enter the market. Lagoom online swapping allows consumers to exchange their idle items, renew their closets without spending more and connect with other users. This can fulfill all the key drivers that affect consumer behaviour towards digitally based circular practices according to Armstrong et al., (2016). Those drivers are desire for change, financial aspects, ease of use, social and emotional aspects (Armstrong et al., 2016).

#### 5.2 User value proposition for Lagoom App

Thanks to the useful insights collected from the research and the theoretical framework, the company now understands the existing challenges of online clothes swapping events. In order to overcome these challenges, the company need to develop a more user-friendly approach. The Value Proposition Canvas is an excellent tool to create a customer centric experience when building or refining a product or service. Defining user value proposition allows the company to address the gap between users' needs and the values it can deliver to the users. This process helps Lagoom improve its mobile application and service to gain more users in the future. The Value Proposition Canvas consists of 2 building blocks which are company's value proposition and customer's profile. In the customer profile block, there are 3 elements including customer jobs that they are trying to perform, needs and wishes they want to accomplish via online clothes swapping events; gains that they can value from joining the events; pains that negatively impact their swapping experience. Lagoom's value proposition includes the values its mobile application and online swapping get to offer, gain creators that it can bring to users and pain relievers that explains how it can alleviate users' pains when they participate in online swapping and use Lagoom mobile application. Picture 1 demonstrates Lagoom's user value proposition Canvas for its online swap events.



Picture 1. Lagoom's user value proposition for online swapping events.

Lagoom's user value proposition helps the company identify users' pain points and expectations from online swap events. Consequently, Lagoom team can develop appropriate strategies to resolve the existing problems and optimize their value delivery. On that ground, there are 4 user centric strategies Lagoom team can implement to improve their service design and get more users in the future

#### Investing in boosting awareness about clothes swapping

Since online swapping is a new concept, Lagoom needs to implement proper strategies aiming to increase swapping awareness in target groups. The company can utilize online platforms by creating insightful blog posts and social media posts about sustainable fashion choices and the benefits clothes swapping can bring to its participants and the environment. It must be sure that these posts can reach to Lagoom's target users who are young people living in Helsinki. Social media is a powerful tool to approach specific communities for example fashion lovers, thrift-shopping lovers or environmental-conscious people. As long as target groups find the valuable information they are looking for on these posts, they will be more willing to experience clothes swapping and converse into Lagoom users.

On the other hand, collaborating with influencers is also an effective way to reach to the target audience. Influencer collaboration is also supported by Armstrong et al, (2016) as a way to boost credibility of swapping events. Influencers are people who have a certain

number of followers on social media and their presentation might influence their followers' buying decision. Therefore, collaboration with fashion or sustainable lifestyle influencers can help the company increase swapping awareness to its target users.

### Enhancing brand communication

Unlike physical swapping events where participants have to put a lot of efforts into bringing their clothes to the specific location on a specific date, Lagoom online swapping events allow its users to be more flexible as they can swap online any time. Furthermore, digital wardrobe feature of the mobile application is also an opportunity for the company to get more users. However, consumers are still confused about how online swapping works based on the survey findings. Therefore, the company needs to improve its communication with consumers so that they can understand thoroughly about clothes swapping and Lagoom brand by creating useful and relevant content.

Consumer motivations for second-hand shopping are divided into 4 main categories: critical motivations, economic motivations, recreational motivations and fashion motivations (Anderson & Ginsburgh, 1994; Guiot & Roux, 2010). Therefore, based on these factors and user profile, Lagoom team can create content that address their wishes about a more sustainable, fun, and cheaper way of disposing unused clothes by exchanging them with others. Additionally, based on user pain points, Lagoom team can give consumers the answers they need and solve their issues. After that, the company can continue by introducing Lagoom online swapping events and the way they work to the target groups. Following this flow of communication helps target user groups understand clothes swapping better and foster trustworthy relationship between Lagoom brand and its current and future users.

#### Transparent quality check process

The most common concern about online swapping events is the uncertainty about actual conditions of clothing items. In order to solve this problem, the company has created a pointing system that is implemented to access the quality of each clothing item. Picture 2 demonstrates SWAP by Lagoom pointing system.

		SWAP	by Lagoom Pointing Syst	em				
			Brands					
Categories	Type of Items	s	High street or unbranded	Higher quality high street	Designer or high-end			
			x1	x2	x3			
	Shirt	1	1	2	3			
	T-shirt	1	1	2	3			
Тор	Sweater	2	2	4	6			
	Suit & blazers	2	2	4	6			
	Jackets & Outwear	3	3	6	9			
	Skirt	1	1	2	3			
Bottom	Short	1	1	2	3			
Bottom	Jean	2	2	4	6			
	Pants	2	2	4	6			
Outfit	Dresses	2	2	4	6			
Footwear	shoes	2	2	4	6			
Tootwear	Boots	3	3	6	9			
	Hats	1	1	2	3			
	Scarves	1	1	2	3			
	Belts	1	1	2	3			
Accessories	Neckties	1	1	2	3			
	Jewellery	2	2	4	6			
	Bags	3	3	6	9			
	Pouches	2	2	4	6			

Picture 2. SWAP by Lagoom pointing system.

According to this published pointing system, swap participants who bring their clothing items to Lagoom office (droff-off and pick-up location) will receive equivalent points for each item based on this system. After that, users can use these points to swap for other items on Lagoom mobile application. In case the items cannot be segmented into these categories, participants can give suggestions on where the items should belong to, and the final decision depends on the company evaluation.

### Delivery possibility

Inconvenience logistics is also another concern that might affect user decision making for online swapping events. In terms of logistics, Lagoom offers different solutions on how participants can get their swapped items. After swapping on Lagoom App, users can choose either two options below:

- Picking up at service point: users can reserve a time slot on the company's website and come pick up their package at the service point with no additional charge
- Delivery service option: Lagoom team will proceed package handling to external shipping company (Posti and Matkahuolto) with additional charge on packaging and shipping cost.

# 6 CONCLUSION

Consumerism and environmentalism have influenced consumer behaviour driving demands for more sustainable consumption choices. As consumers are acknowledging the benefits of prolonging use-time of clothing items to the environment, alongside with the increasing sustainable consumption, secondhand clothing industry has gained an immense economic power globally (Hansen, 2010). This has opened more opportunities for development of innovative business models regarding second-hand consumption. Lagoom mobile application focuses on creating close-loop fashion value chain by encouraging collaboration consumption in the context of swapping.

This study aims to investigate on consumer behaviour towards this new trend of consumption and Lagoom mobile application specifically. The overall purpose of this research is to answer these research questions.

- What are the benefits on online swapping events on consumer perspective?
- What are the challenges of online clothes swapping events?

This leads to a sub-question: "How the case company can overcome those challenges to gain more users?

First of all, the study discovers consumers, especially fashion consumers are interested online swap events as sustainable alternative of dealing with their clothing. Swapping benefits consumers with the feeling of giving, receiving, and socializing. In addition to the consumptive aspect, social component is also an added benefit for consumers for online swapping (Matthews & Hodges, 2016). Lagoom's digital product provides a space for consumers to share their common fashion interests with each other. It is evident that consumers are interested in exchanging unwanted clothes with each other. In addition, results show that consumers do not have an online channel for secondhand clothing. Therefore, the demands for swapping events and a digital platform for secondhand clothes community are existing.

However, there are challenges about online swapping events that are addressed in this study. The biggest challenge of online clothes swapping events is low consumer awareness. The study also explored other challenges that affect consumer behaviour are inconvenience logistics, lack of trust in the actual conditions of the items and confusion on rules and instructions of these events.

Consequently, in order for Lagoom App to overcome the aforementioned challenges, 4 user centric strategies based on user value proposition for online swap events were suggested for the company.

- Investing in promoting awareness about clothes swapping by using blog posts, social media content and influencer collaborations.
- Enhancing brand communication by executing appropriate content strategy
- Implementing transparent quality check procedure

This study has explored the feasible potential of this concept in terms of sustainability in consumer behaviour. The study provides the insights of consumer behaviour towards online clothes swapping events specifically and sustainable fashion alternatives generally. Overall, findings in this study should encourage business owners and consumers to take action in order to contribute to the global sustainable movement.

Further research could take into account a broader research population in order to test the persistence of the findings. In addition, future studies might continue to investigate the potential of online swapping on the business and economic perspectives. Defining business models that work in a sustainable way, both financially and environmentally, is important and practical.

# REFERENCES

- Anderson, S. P., & Ginsburgh, V. A. (1994). Price discrimination via second-hand markets. *European Economic Review*, *38*(1), 23–44. https://doi.org/10.1016/0014-2921(94)90003-5
- Armstrong, C. M., Niinimäki, K., Lang, C., & Kujala, S. (2016). A Use-Oriented Clothing Economy? Preliminary Affirmation for Sustainable Clothing Consumption Alternatives. Sustainable Development, 24(1), 18–31. https://doi.org/10.1002/SD.1602
- Belk, R. W., Sherry, Jr., J. F., & Wallendorf, M. (1988). A Naturalistic Inquiry into Buyer and Seller Behavior at a Swap Meet. *Journal of Consumer Research*, *14*(4), 449. https://doi.org/10.1086/209128
- Camacho-Otero, J., Pettersen, I. N., & Boks, C. (2020). Consumer engagement in the circular economy: Exploring clothes swapping in emerging economies from a social practice perspective. *Sustainable Development*, 28(1), 279–293. https://doi.org/10.1002/SD.2002
- Carrigan, M., Moraes, C., & McEachern, M. (2013). From conspicuous to considered fashion: A harm-chain approach to the responsibilities of luxury-fashion businesses.

  Journal of Marketing Management, 29(11–12), 1277–1307. https://doi.org/10.1080/0267257X.2013.798675
- Cervellon, M., Carey, L., & Harms, T. (2012). Something old, something used. International Journal of Retail & Distribution Management, 40(12), 956–974. https://doi.org/10.1108/09590551211274946
- DeLong, M., Heinemann, B., & Reiley, K. (2005). Hooked on vintage! Fashion Theory Journal of Dress Body and Culture, 9(1), 23–42. https://doi.org/10.2752/136270405778051491
- Dobson, A. (2007). Environmental citizenship: Towards sustainable development. Sustainable Development, 15(5), 276–285. https://doi.org/10.1002/sd.344
- Ellen MacArthur Foundation. (n.d.). What is a circular economy? | Ellen MacArthur Foundation. Retrieved September 21, 2021, from

- https://ellenmacarthurfoundation.org/topics/circular-economy-introduction/overview
- Ellen MacArthur Foundation. (2017). A New Textiles Economy: Redesigning fashion's future. https://emf.thirdlight.com/link/2axvc7eob8zx-za4ule/@/preview/1?o
- Farrant, L., Olsen, S. I., & Wangel, A. (2010). Environmental benefits from reusing clothes. *The International Journal of Life Cycle Assessment 2010 15:7*, *15*(7), 726–736. https://doi.org/10.1007/S11367-010-0197-Y
- Ferraro, C., Sands, S., & Brace-Govan, J. (2016). *The role of fashionability in second-hand shopping motivations*. https://doi.org/10.1016/j.jretconser.2016.07.006
- Gazzola, P., Pavione, E., Pezzetti, R., & Grechi, D. (2020). Trends in the Fashion Industry. The Perception of Sustainability and Circular Economy: A Gender/Generation Quantitative Approach. *Sustainability 2020, Vol. 12, Page 2809*, 12(7), 2809. https://doi.org/10.3390/SU12072809
- Guiot, D., & Roux, D. (2010). A second-hand shoppers' motivation scale: Antecedents, consequences, and implications for retailers. *Journal of Retailing*, *86*(4), 355–371. https://doi.org/10.1016/j.jretai.2010.08.002
- Hansen, K. T. (2010). Secondhand Clothing. https://doi.org/10.2752/BEWDF/EDCH10032
- Henninger, C., Alevizou, P. J., & Oates, C. J. (2016). What is sustainable fashion? Journal of Fashion Marketing and Management: An International Journal, 20(4). https://doi.org/10.1108/JFMM-07-2015-0052
- Henninger, C., Bürklin, N., & Niinimäki, K. (2019). The clothes swapping phenomenon when consumers become suppliers. *Journal of Fashion Marketing and Management: An International Journal*, 23(3), 327–344. https://doi.org/10.1108/JFMM-04-2018-0057
- IBISWorld. (2015). Used Goods Stores in the US: Market Research Report.
- Kotler, P., Armstrong, G., & Oprensnik, M. (2017). Sustainable Marketing: Social Responsibility and Ethics. In *Marketing: An Introduction* (pp. 517–541). Pearson Education Limited.

- Matthews, D., & Hodges, N. N. (2016). Clothing Swaps: An Exploration of Consumer Clothing Exchange Behaviors. *Family and Consumer Sciences Research Journal*, 45(1), 91–103. https://doi.org/10.1111/FCSR.12182
- McDonough, W., & Braungart, M. (2002). *Cradle to Cradle: Remaking the way we do things*. North Point Press.
- Mishra, S., Jain, S., & Malhotra, G. (2020). The anatomy of circular economy transition in the fashion industry. *Social Responsibility Journal*, *17*(4), 524–542. https://doi.org/10.1108/SRJ-06-2019-0216
- Mukherjee, S. (2015). Environmental and Social Impact of Fashion: Towards an Ecofriendly, Ethical Fashion. In *International Journal of Interdisciplinary and Multidisciplinary Studies (IJIMS)* (Vol. 2, Issue 3). http://www.ijims.com
- Niinimäki, K. (2018). Sustainable Fashion in a Circular Economy. Aalto University.
- Park, H., & Armstrong, C. M. J. (2017). Collaborative apparel consumption in the digital sharing economy: An agenda for academic inquiry. *International Journal of Consumer Studies*, *41*(5), 465–474. https://doi.org/10.1111/IJCS.12354
- Peattie, K. (1995). Environmental Marketing Management: Meeting the Green Challenge (1st ed.). Financial Times Professional Limited.
- Reinhart, J. (2019). ThredUp 2019 Resale Report.
- Robert-Lombard, B. (2017). Consumer Behaviour. Juta & Company, Limited.
- Roux, D. (2006). Am I What I Wear? an Exploratory Study of Symbolic Meanings Associated With Secondhand Clothing. In *Advances in Consumer Research* (Vol. 33). Association for Consumer Research. http://www.acrwebsite.org/volumes/12284/volumes/v33/NA-33http://www.copyright.com/.
- Saunders, M. N. K., Lewis, P., & Thornhill, A. (2019). *Research Methods for Business Students*. Pearson Education.
- Stahel, W. (2017). Preface. In *The re-use atlas* (pp. 13–18). Duncan Baker-Brown.
- Trudel, R. (2019). Sustainable consumer behavior. *Consumer Psychology Review*, 2(1), 85–96. https://doi.org/10.1002/ARCP.1045

- Weber, S., Lynes, J., & Young, S. B. (2017). Fashion interest as a driver for consumer textile waste management: reuse, recycle or disposal. *International Journal of Consumer Studies*, *41*(2), 207–215. https://doi.org/10.1111/IJCS.12328
- Wiederhold, M., & Martinez, L. F. (2018). Ethical consumer behaviour in Germany: The attitude-behaviour gap in the green apparel industry. *International Journal of Consumer Studies*, 42(4), 419–429. https://doi.org/10.1111/IJCS.12435
- Young, W., Hwang, K., McDonald, S., & Oates, C. J. (2010). Sustainable consumption: Green consumer behaviour when purchasing products. *Sustainable Development*, 18(1), 20–31. https://doi.org/10.1002/sd.394

### Appendix 1. Questionnaire: Secondhand consumption and swapping events

Hi everyone! My name is Kim. I am a BA student from TUAS. I am now collecting data for research about consumer behaviour when it comes to fashion choices. This survey results can help me improve my ongoing research.

I really appreciate your time for filling out this questionnaire.

If you have any question about this survey, please contact me at <a href="mailto:kim.do@edu.turkuamk.fi">kim.do@edu.turkuamk.fi</a>

- 1. What is your age range?
  - o 18 to 25
  - o 26 to 35
  - o 36 to 45
  - o 46 to 55
  - o Over 55
- 2. What is your gender?
  - o Female
  - o Male
  - o Prefer not to say
  - o Other:
- 3. Do you have clothes that are no longer used but still in good condition?
  - o Yes, a lot
  - o No, I wear everything I have in my closets
  - o Yes, a few
- 4. What is your preference for dealing with clothes you no longer use? Rank the options in your preferred order (with 1 being the most preferred and 8 the least)

	1	2	3	4	5	6	7	8
Sell them online								
Sell them to second-hand stores								
Donate them								

Give away to friends				
Leave them in the wardrobe somewhere				
Participate in swap events				
Throw away				

If your way of dealing with unused clothes are not mentioned above, specify here:

Appendix 1(2)

- 5. Which channels or platforms do you use to resell your clothes?
  - Facebook
  - Second-hand app. Specify:
  - o No, I don't use any
  - o Other:
- 6. Would you participate in swapping events for clothing in this situation? (When Covid-19 situation is still unpredictable)
  - o Yes
  - o No
  - o Other:
- 7. Would you participate in online clothes swapping event in which you just need to deliver and pick up the items at a pick-up point?
  - o Yes
  - o No
  - Depends on where the pick-up point is
  - o Other:
- 8. How often do you think you would want to participate in clothes swapping events?
  - o Every 2 weeks
  - Monthly
  - o Every 2 months
  - o Twice a year
  - o Other:
- 9. What are other things you would like to swap besides clothes?
  - o Books
  - o Plants
  - o Furnitures
  - o Other:
- 10. What are your wishes about swapping events?

## Appendix 2. Questionnaire: Online clothes swapping events

Hello! My name is Kim. I am currently writing my thesis on second-hand clothing consumption, specifically on online clothes-swapping events.

Clothes-swapping events are organized by Lagoom App in order that participants can swap their clothing items (usually unused ones) with each other. By joining these events, you will be able to renew your wardrobe without having more items thus а 0

ec	uce the carbon footprint. Furthermore, these events and Lagoom mobile
	lication also work as a community builder where you can connect with people whe the same fashion tastes as yours.
•	inswering to this survey, you are helping me on my research towards a more ainable use of clothing items. Thank you so much for spending your time on this.
	SURVEY
1.	What is your age range?
	o 18-25
	o 26-35
	o 36-45
	o 46-55
	o Over 55
2.	What is your gender?
	o Female
	o Male
	O Prefer not to say
_	Others:
ქ.	From 1-5, how likely you do you want to connect with people who have the same
	fashion interests as yours? (1 is the least and 5 is the most likely)  1 2 3 4 5
	1 2 3 4 5
4.	From 1-5, how likely do you want to use a social media platform for second-hand
т.	fashion and marketplace and community? (1 is the least and 5 is the most likely)
	1 2 3 4 5
5.	From 1-5, how likely do you want to exchange your unused clothing items for
	items you're interested in (1 is the least and 5 is the most likely)
	1 2 3 4 5
	Online swapping events and how they work

1. Download Lagoom App and join online swapping on mobile application 2. Upload pictures of swap items to the app including the description about size and conditions

- 3. Bring/send those items to the check-up store. These items will be quality-checked by Lagoom team, and you will receive your points accordingly on your Lagoom accounts.
- 4. Use your points that were updated on your online account and swap with other items on the app.
- 5. Get your new items from Lagoom's store or get them delivered to you by post

5	set your	new items fron	, _ugce c c	oore or govern		, ,
o Ye	es D	d about clothes	s-swapping e	vents before?		
o Yes	5	participated in	clothes-swa	pping events	pefore?	
From	1-5, how		-	vapping event	s mentioned be	fore. (1 is
1		2	3	4	5	
	ple answ Logistic Technic Safety o Actual o Online	vers available) as (inconvenien cal issues (I'm n during Covid tir conditions of th scams	t delivery, dr ot interested ne	off-offs and p d in using a lot	ick-ups)	joining?
. Do yo		ny other opinio Ding events and			these second-ha	and
	<ul> <li>Ye</li> <li>No</li> <li>Make yo</li> <li>Yes</li> <li>No</li> <li>From the lead</li> <li>What (Multing)</li> <li>O</li> <l></l></ul>	<ul> <li>Yes</li> <li>No</li> <li>Maybe</li> <li>Have you ever</li> <li>Yes</li> <li>No</li> <li>From 1-5, how the least and 5</li> <li>1</li> <li>What are the literature (Multiple answer)</li> <li>Logistic</li> <li>Technic</li> <li>Safety</li> <li>Actual of Online</li> <li>Other is</li> </ul>	<ul> <li>Yes</li> <li>No</li> <li>Maybe</li> <li>Have you ever participated in</li> <li>Yes</li> <li>No</li> <li>From 1-5, how likely would you the least and 5 is the most int</li> <li>1</li> <li>2</li> <li>What are the limitations about (Multiple answers available)         <ul> <li>Logistics (inconvenient</li> <li>Technical issues (I'm now Safety during Covid times Actual conditions of the Online scams</li> <li>Other issues</li> </ul> </li> </ul>	<ul> <li>Yes</li> <li>No</li> <li>Maybe</li> <li>Have you ever participated in clothes-swa</li> <li>Yes</li> <li>No</li> <li>From 1-5, how likely would you join the sw the least and 5 is the most interested)</li> <li>1</li> <li>2</li> <li>3</li> <li>What are the limitations about these even (Multiple answers available)         <ul> <li>Logistics (inconvenient delivery, dr</li> <li>Technical issues (I'm not interested</li> <li>Safety during Covid time</li> <li>Actual conditions of the swapped in Online scams</li> <li>Other issues</li> </ul> </li> </ul>	<ul> <li>Yes</li> <li>No</li> <li>Maybe</li> <li>Have you ever participated in clothes-swapping events low Yes</li> <li>No</li> <li>From 1-5, how likely would you join the swapping event the least and 5 is the most interested)</li> <li>1</li> <li>2</li> <li>3</li> <li>4</li> <li>What are the limitations about these events that affect (Multiple answers available)</li> <li>Logistics (inconvenient delivery, droff-offs and potential issues (I'm not interested in using a lot safety during Covid time</li> <li>Actual conditions of the swapped items</li> <li>Online scams</li> <li>Other issues</li> </ul>	<ul> <li>No</li> <li>Maybe</li> <li>Have you ever participated in clothes-swapping events before?</li> <li>Yes</li> <li>No</li> <li>From 1-5, how likely would you join the swapping events mentioned be the least and 5 is the most interested)</li> <li>1</li> <li>2</li> <li>3</li> <li>4</li> <li>5</li> <li>What are the limitations about these events that affect your interest of (Multiple answers available)         <ul> <li>Logistics (inconvenient delivery, droff-offs and pick-ups)</li> <li>Technical issues (I'm not interested in using a lot of technology)</li> <li>Safety during Covid time</li> <li>Actual conditions of the swapped items</li> <li>Online scams</li> </ul> </li> </ul>