Retail Innovation Shout Out: a Fresh Approach to Online Consignment

by Amanda Rouse

Need to refresh your closet on a budget? thredUP is an online re-seller of mainstream retail clothing brands (including J. Crew, Steve Madden, Old Navy, and Express) and operates as an online consignment store with an emphasis on quality control. Although it aggressively entered a space that has been dominated by online luxury reselling, the company has raised more than $25 million in financing and web-shop membership has grown to over 1 million individuals. Today, sales are rising more than 50% quarter over quarter.

Led by former executives from Netflix and the Virgin Group, this online shop capitalizes on current technologies that enable a peer-to-peer economy, as well as key retail industry trends, including the shared economy and eco-friendly reuse and recycle. The resell store trend is hot enough for private equity firm TPG to spend a reported $1.7 billion acquiring thrift store chain Savers in 2012.

People who are tired of their old clothes now have a simple way to earn money for their used garments. thredUP mails a “Clean Out” bag to you, so no need to leave home. People on a budget have a way to access mainstream brands and earn extra cash.

As companies like thredUP continue to increase sales, how will traditional retailers respond? Is there an opportunity for more retailers to become a part of the consignment clothing sector?

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About the Author

Amanda Rouse
amanda.rouse@kalypso.com
Amanda is a project controller at Kalypso.