

## The Circular Economy - US - February 2020

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"Circular retail options (eg rentals and reselling) aren't just a trend; they're a new way of shopping consumers will consider more often and for a wider variety of purchases. Although it's difficult to determine the size of the circular market, one thing is certain; interest is high across many categories both in renting and resale."

- Alexis DeSalva, Retail & Apparel Analyst

This report looks at the following areas:

- **Pride of ownership is decreasing**
- **Retailers need to offer frictionless circular shopping options**
- **Consumers need reassurance they won't forfeit quality for value or sustainability**

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### DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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Retailers need to offer frictionless circular shopping options

Consumers need reassurance they won't forfeit quality for value or sustainability

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Mintel Consumer Driver – Value: Consumers continue to seek budget-friendly options

Figure 5: Budgeting behaviors, Mintel Consumer Drivers Survey, July 2019

Mintel Consumer Driver – Surroundings: Informed consumers prioritize sustainability to protect their environment

Mintel Consumer Driver – Identity: The sharing nature of circular options appeals to community-driven consumers

### Key Players – What You Need to Know

Partnerships allow retailers and consumers to explore circular options in a less risky way

Circular retail options introduce a new set of challenges

Interest in renting and reselling will expand to new categories

### What's Working

Partnerships allow retailers and consumers to explore circular options

Blurring the lines between retail and resale

Figure 6: thredUP Instagram post, October 2019

Figure 7: The RealReal Instagram post, October 2019

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## Retailers remain relevant with rentals

Figure 8: Rent the Runway email campaign, January 2020

## Rent the Runway on a quest to free up space for consumers: at home, in their closets and on the road

Figure 9: Rent the Runway Instagram post, December 2019

### What's Struggling

A unique retail method creates unique challenges

Logistical challenges

Battling fakes and dirt

### What to Watch

Untapped categories provide room for rental market expansion

The future of beauty will include resale

Social communities fuel ongoing interest in secondhand

### The Consumer – What You Need to Know

Awareness isn't an issue, as nearly 40% have already tried some circular options

Circular options appeal to consumer desire for experimentation and value

Consumers' quest for quality raises questions on cleanliness and authenticity

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Gen Z values freedom and eco-impact

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Figure 18: Reasons for shopping alternative options, by generation, December 2019

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Abbreviations

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