

Consumer Decision-Making in Thrift Shops: A Behavioural Economic Analysis of Second-Hand Cloth Shopping

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Abstract: *Consumer behaviour now prioritizes sustainability because thrift shopping has become a substitute for fast fashion. This article examines the behavioural economic principles which determine consumer buying behaviour at thrift stores by studying the economic characteristics of samples collected from Ernakulam district in Kerala. The research uses primary data by interviewing people and performing statistical analyses which contain correlation tests and the Sustainable Consumption Score (SCS). Research outcomes show that both socio-economic variables and ethical awareness levels strongly affect consumer decisions. This article shows how social stigma is fading and environmental concern is increasing by education and awareness. The findings highlight which behavioural economic principles are working behind the behavioural shift behind the growth of second hand cloth shopping boom.*

Keywords: Thrift shopping, Sustainability, Behavioural economics, Consumer decision-making, SCS

1. INTRODUCTION

Recent studies indicate that the worldwide fashion sector plays a substantial role in environmental destruction (Igni M, 2024) with fast fashion industries producing enormous textile wastes (McKinsey Global Fashion Index, 2023). Thrift shopping now stands as a sustainable shopping method that provides price advantages and enables customers to take part in environmentally mindful consumer habits. The research investigates behavioural economic factors influencing the shift happened in fashion industry. The shift is not driven by altruism alone but by deep psychological and behavioural motivations as well. Although street shopping and thrifting existed in India (Panda, 2022), the western culture and educational awareness brought more acceptance for second hand shops among the public.

2. LITERATURE REVIEW

A research by Ivana and Grajeda (2018) revealed gender and income level act as major factors in thrift shopping decisions. Their findings show that women together with people from lower-income backgrounds tend to buy second-hand clothes because of social media advertising.

The research by Bardhi, Fleura, and Arnould (2005) demonstrated that thrift shopping creates a combination of utilitarian and hedonic benefits. They have identified different ways in which individuals behave in thrift market. The notable thrift practices include pre planning and pre shopping, minimising first hand shopping, bargain hunting, restrict spending resources when shopping and recycle. The hedonic benefits that consumer enjoys includes fun, excitement, hobby, treasure hunt etc. Factors that motivate them truly are realisation of fantasies and pursuit of unexpected and their actual gain as a result is making SHC consumption a moral activity and cultural resources.

3. OBJECTIVES

1. To analyse economic behaviour that influence consumer decisions to shop at thrift stores.
2. To analyse socioeconomic background of people engaged in thrift shopping

4. Scope of the Study:

The study is highly relevant as it focuses on the principles of behavioural economics such as moral licensing, altruism, subjective norms, and above all bounded rationality (Simon 1970s). The classical economists advocated that humans are rational and they make rational decisions. But the real world decisions are based on the principle of bounded rationality which is advocated by behavioural economists. People take decisions by collecting all the available information within their limits and act accordingly. The theory of planned behaviour is used to study the buying behaviour of consumers engaged in thrift shops.

5. RESEARCH METHODOLOGY

The analysis is conducted using qualitative along with quantitative techniques to investigate thrift shopping

trends. Sixty active thrift shop participants in Ernakulam district of Kerala were approached to understand their intentions and attitudes towards thrifting. Purposive sampling technique was used due to the limited availability of offline thrift shops and the functioning thrift shops align with the goals of sustainability and environmental conservation. The questionnaire was prepared in such a way to understand the socio economic background of people involved, their attitudes, motivating factors and a sustainable consumption score (SCS) was calculated (Quoquab& Mohammad, 2017) to check how well the decision of thrifting aligns with the goal of sustainability.

A thorough review of research articles and fashion industry reports and sustainability studies focused on thrift shopping was used for secondary data analysis. Statistical analysis includes correlation-based examinations for variables such as age, gender and shopping habits to check their significant relationships.

6. Overview of the Topic

Every year, 92 million tons of wastes are generated by fashion industry which ultimately ends up in landfills (Igini M, 2024). The introduction of concept called circular economy along with recycling and product reusability has driven the popularity of thrift shopping. Public awareness about sustainability produces rapid growth in the second-hand clothing (SHC) market according to ThredUp Resale Report (2024). The second-hand fashion market worldwide will generate revenue of USD 136 billion in 2032 based on forecasts from Global Market Insights (2024) and will mainly exist in North America, Europe, and Asia. The data published by European Environment Agency in 2020 shows that a person's average textile consumption requires 400 square meters of land and 9 cubic meters of water and 391 kilograms of raw materials to meet their demands and later which is not recycled.

Major concentration of thrift stores has been observed in Delhi, Mumbai and Bangalore which represent the primary urban centres of India (Singh & Singh 2024). Online platform accessibility has elevated the convenience of thrift shopping to purchase pre-owned items without difficulty. Online promotions by prominent influencers and celebrities have made second-hand fashion acceptable in society (Bakshi 2023). The adoption of second-hand clothing to a wider market is retained by the social prejudice and lack of offline thrift shops along with the uncertainties in the minds of buyers regarding the quality and standards of the products.

7. Findings and Analysis

In order to analyse the factors influencing the behavioural shift occurred from fast fashion to second hand cloth shops, this section is divided into demographic profile of the sample, the shopping habits of people, economic behaviour influencing the decision making process, perceptions and attitudes of the people towards SHC market. Then, the test of correlation is conducted to check the relationship between various variables with the help of software. Based on the inference that sustainability plays a key role over the decisions of people, a sustainable consumption score is created with environmental, social, economic and behavioural factors as its components.

7.1 Demographic Profile:

A majority of thrift shoppers belong to the 25-34 (40 %) and 35-44 year (33%) old age groups based on survey results

according to the study. The research shows that women occupy a dominant share of 77 per cent in the total participant pool. Research indicates that financial freedom among consumers influences their thrift shopping habits because employed individuals make up 73 per cent of the study. The data reveals that urban and suburban populations buy the most at thrift stores since their regions have better access to thrift shops and online platforms.

7.2 Shopping Habits:

Thrift shopping behaviour heavily depends on social media since 73 per cent of participants found their thrift stores using online resources. Most of the respondents shops rarely in a month as they are aware of the consequences of increased buying behaviour. Forty five per cent shops rarely while 43 per cent shops 1-3 times a month. There is also the presence of people who came to thrift shops and do not buy (12 %). Instead they sell their used cloths so that there won't be any waste generations. Since thrift shops are accepting cloths in good conditions, people who wishes not to waste cloths can donate and using the points they receive, they can purchase from the same store. By this credit point system, more people will start buying from thrift shops when they come for sale. Sustainability was identified as the key driver towards second hand shops (60%) due to growing environmental concerns and affordability.

7.3 Economic Behaviour:

The economic benefits of thrift shopping play an important role in deciding whether to buy or not from thrift shops. Majority of the consumers raised their unwillingness to buy used products (90%) if they find the prices higher than those of brand new products. The shopping habit of people toward thrift stores depends significantly on price affordability and discount deals. Before purchasing, customers conduct price comparisons across different platforms which demonstrate their cost-benefit analysis according to behavioural economic principles.

7.4 Perceptions and Attitudes:

The attitude of consumers toward thrift shopping has become more positive as survey participants show satisfaction about second-hand clothes. People still face difficulties in thrift shopping because of the social stigma and fear of unhygienic conditions of used clothes. This research shows that thrift shopping acceptance is spreading among environmentally mindful and budget-aware people.

7.5 Correlation Analysis:

Table 7.1: Correlation Matrix of Gender and Frequency

	Gender	Frequency of shopping
Gender	1	.108
Frequency of shopping	.108	1

Source: primary survey

Table 7.2: Correlation Matrix of Age and Environmental Concerns

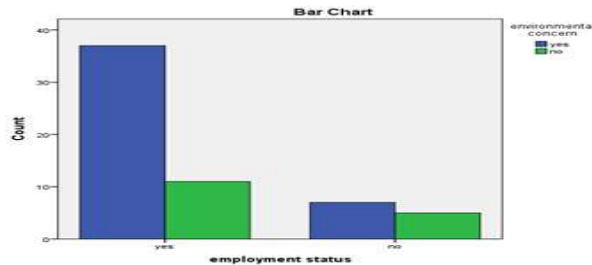
	Environmental concern	Age group
Environmental concern	1	.365
Age group	.365	1

Source: primary survey

Statistical measurements showed that demographic variables directly influence the way people shop at thrift stores. The findings indicated a moderate positive correlation ($r = 0.365$) between consumer age and sustainable purchasing habits which showed senior shoppers practising sustainable behaviour at a slightly higher rate. The environmental

consciousness of shoppers tends to increase as they grow older. The study revealed a weak positive relationship ($r = 0.108$) between gender and the frequency of shopping at thrift stores. The trend shows that there is no correlation with gender and the number of times they shop although female participation is seen at a higher rate in thrift markets. The probability of correlation may be due to chance than concluding that there is real relationship between variables.

Figure 7.1: Employment Level and Environmental Concerns



Source: primary survey

As the principle of altruism is influencing the consumption decisions, we analysed whether there is a correlation between level of employment and environmental concerns. As the principle of altruism is influencing the consumption decisions, we analysed whether there is a correlation between level of employment and environmental concerns. Figure 7.1 shows that 38 per cent of the employed people and 8 per cent of the unemployed participate in thrift market for conserving the environment while others are attracted by lower prices. This shows that education and employment level can bring more people to SHC market. Based on this, a sustainable consumption score (SCS) was constructed with environmental, economic, social and behavioral intentions as the components influencing the score. Figure 7.1 shows that 38 per cent of the employed people and 8 per cent of the unemployed participate in thrift market for conserving the environment while others are attracted by lower prices. This shows that education and employment level can bring more people to SHC market. Based on this, a sustainable consumption score (SCS) was constructed with environmental, economic, social and behavioral intentions as the components influencing the score.

7.6 Sustainable Consumption Score (SCS) Analysis

Quoquab, Mohammad, Sukari, Nurain (2019) have developed a sustainable consumption behaviour scale based on EFA and CFA. Their aim was to create a valid scale to measure the perspectives of consumers on sustainable consumption. By taking inspiration from this, a sustainable consumption score is created by analyzing the responses and the attitude of people towards sustainability with 4 components.

Table 7.1: SCS Score

	Environmental factors	Economic motivation	Social factors	Behavioural intentions	SCS
Mean	4.164	4.257	3.912	4.647	4.245
Median	4.300	4.300	3.950	5.00	4.300
Mode	4.60	4.60	3.00	5.00	4.300

Source: primary survey

A Sustainable Consumption Score (SCS) is the average of environmental, economic, social and behavioral intentions behind the decision to shop from a thrift store. It shows whether the decision to shop from a thrift store is motivated by the idea of sustainability. For this, questions

were asked to the respondents to analyse whether it is economic factors, social or environmental factors or behavioural intentions dominate their decision making. Each individual's score is calculated separately by taking the average of all 4 factors. From this, the average value is calculated to obtain sustainable consumption score. Higher the score, higher will be the inclination towards sustainability. A strong sustainability-conscious consumption mind-set was shown by the overall Sustainable Consumption Score of 4.245. Among the score components behavioural intentions (4.647) together with economic motivations (4.257) displayed the greatest metrics showing that financial benefits and environmental consciousness lead thrift shoppers in making decisions.

8: Summary and Conclusion

The second hand shopping boom is mainly the result of shift occurred in the behaviour of people and this study focused on the behavioral economic principles driving this change. It is found that the principles such as framing effect, moral licensing, anchoring, social influence, ethical consumerism and trust play an important role in consumers' decision making process. The success of thrift shops is mainly rooted on sustainability and environmental considerations. The low price strategy adopted by sellers and support rendered by people irrespective of any divisions has helped a lot to erase the stigma as thrift shops are no longer seen as an inferior market where low income people come to purchase. The participation from all sections of the population irrespective of gender, age, employment status clearly shows the support provided by each section of the population and how they are supporting a good deed. This shift in the attitude has paved way for new business ideas and opportunities.

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