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Gen Z and The Sustainability Paradox: Exploring marketing strategies within the pre-loved charity sector to appeal to Gen Z's evolving consumption habits.

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Introduction

The aftermath of the COVID-19 pandemic has seen growth within the pre-loved fashion sector with Business of Fashion valuing the current global second-hand fashion market at approximately \$130 billion. Major markets such as the US are expected to continue their double-digit growth until 2025, demonstrating a consumer need for new approaches to sustainable pre-loved clothing (Lee & Malik, 2021).

Second-hand fashion has existed for decades, however an increased usage of online resale platforms and social media has led to a shift in how pre-loved items can be exchanged (Lee & Malik, 2021). This development in consumer preferences continues to move away from traditional brick and mortar retail, which has left the charity sector of the pre-loved clothing market suffering due to its reliance on store retail space. In addition, a communal mindset to engage in a “clear out” during the several UK lockdowns has resulted in an increase of stock being donated to charity stores leaving them overwhelmed. Around two in five (41%) UK citizens disposed of textiles

during the Covid-19 lockdown in 2020, most commonly items of clothing, followed by footwear and fashion accessories (WRAP, 2020).

There is a common perception that Gen Z consumers, a term used to refer to people born between 1997 and 2012, are deeply attached to a sustainability value when making fashion purchase decisions, however this claim is often disproved in reality, leaving somewhat of a sustainability paradox between intention and action.

Research Aims

This conceptual paper introduces a wider research project focusing on Gen Z's attitudes and evolving consumption habits within the fashion resale market, with the key objective of developing marketing strategies to support the future of the pre-loved charity sector.

Sustainability Paradox

Gen Z are often cited as the most sustainably minded generation and show a high level of concern about sustainability when buying fashion items (Mintel, 2021). They are a generation which is seen as socially progressive and environmentally aware but are also insatiable consumers of fast fashion. They are under pressure to constantly update their wardrobes in line with ever-evolving fashion trends, indicating a conflicting fashion consumption behaviour (Rønholt & Overgaard, 2020).

Although they view themselves as conscious consumers and are credited with leading the charge on climate change and social justice, they are also instrumental in the growth of fast fashion giants known for their damaging environmental impact and unethical manufacturing practices (WGSN,

2022). A 2020 Vogue Business survey revealed that more than half of Gen Z said they would continue to purchase from fast fashion retailers, even after learning that workers within their UK factories were being paid less than the minimum wage (Vogue, 2020). These ‘apathetic activists’ who often prioritise cost over ethical values need to be incentivised into sustainable purchasing with schemes that make it easy or be rewarded for ethical actions (WGSN, 2022).

Gen Z consumers are, however, increasingly interested in selling their unwanted fashion items rather than donating to charity stores, with more than a fifth selling their unwanted clothes via a resale app in 2019 (Statista, 2021) leading to the growth of online marketplaces such as Depop and Vinted. The online resale apparel market is forecasted to double the market value of traditional brick and mortar charity stores by 2024 (Statista, 2022), driven by Gen Z and their motivation towards conscious consumption.

Digital Shift and Social Selling

A substantial Gen Z consumer shift in an already accelerated trend towards digital interactions with fashion brands, is evident in a post pandemic world. A key driver behind this is rooted in this group’s extensive use of social media (Vogue Business, 2020). Building on research presented in the pilot study *Consumer mindset in a time of crisis: Exploring the role of social media for Gen Z’s fashion consumption in 2020*, (Tidy & Olsen, 2021), this paper aims to further understand how social selling can be effectively used to engage the Gen Z consumer within the pre-loved charity sector.

The findings of the study demonstrated a behavioural tendency for Gen Z to use social media within the discovery stage of the decision making process. The data indicated that concerns of authenticity regarding transactions made via social platforms is prevalent amongst Gen Z, with the majority preferring to make purchases through a brands main website or other trusted platform. In addition, Gen Z's distinct awareness of the complex connection between influencers and fashion brands who were benefitting financially from their recommendations bred increased distrust. Influencers with a clearly communicated value statement that aligned with the mindset of audiences seemed to harness a higher level of authenticity.

TikTok Shopping launched late in 2021, with the functionality to allow brands to develop digital social selling spaces and experiential marketing. Discovering new trends and one-off items are key priorities with the hashtag #tiktokmademebuyit creating viral content and driving consumers to be 1.7x more likely to purchase on TikTok than any other social media platform in 2022, (WGSN, 2022).

Experiential Hybrid Retailing

As Gen Z consumers spend an increased amount of time online the impending anticipation of the metaverse becomes more prevalent. Fashion brands are already embracing innovative ways of blending the phygital consumer experience, (McKinsey & Co. 2021). Tactics such as gamification, virtual fashion and NFTs (Non-Fungible Tokens), are growing in importance for all levels of the fashion market and could be considered an effective strategy within the pre-loved charity sector.

Conclusions

Sustainability remains a core value for Gen Z, however the intention-action gap suggests barriers to the consumer decision making process in this area of the market. The pre-loved charity sector poses particularly unique problems in reaching and engaging this consumer group. This conceptual paper forms the initial springboard towards a research project in which strategies would be developed in line with contemporary consumer needs to enhance the experience and validity within the pre-loved charity sector.

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