

1.05 trillion yuan

In line with the trend, China's thrift market is growing. Data shows that the Chinese second-hand market rose from 300 billion yuan (US\$44.2 billion) in 2015 to 1.05 trillion yuan by 2020.

The rise of online e-commerce platforms, as well as increased awareness of the environmental impact on consumption, is driving this growth.

China has also embraced other opportunities, such as technology. The growth of e-commerce platforms is making the thrift market bigger, and technology will continue to have a big impact on the industry.

Companies will need to invest in technology solutions that make it simple for consumers to buy and sell used goods, and provide robust quality control processes in order to build trust and maintain the market's reputation.

Additionally, there are significant growth opportunities in emerging markets, where consumers are increasingly looking for affordable and accessible luxury goods.

However, the second-hand market also faces a number of challenges. To begin with, cultural differences — Chinese people are hesitant to buy used goods due to concerns about the quality and condition of the items, particularly electronics and other products that may have been damaged or improperly cared for.

There is also a lack of channels for the resale of goods, such as brick-and-mortar thrift stores and online marketplaces, making it difficult for consumers to find and purchase used goods in some Chinese towns and villages.

Limited options for logistics and shipping are also an impediment. Shipping used goods from abroad can be difficult and costly, making it difficult for consumers to purchase

items from overseas.

Despite these obstacles, the market is expanding. More importantly, the Chinese have amassed a stockpile of goods after decades of rapid economic growth. Some are old but still useful items that have been superseded by newer models. Others are as good as new stuff, having been rarely used.

It can be hard to change consumption habits and awareness, especially in a country as big and culturally diverse as China.

Cultural differences toward second-hand goods in China have historically been more negative than in other countries, with the perception that these goods are of lower quality and value.

In the past few years, however, there has been a shift toward more environmentally friendly ways of shopping and a growing awareness of the benefits of used goods, such as less waste and lower prices.

Promoters behind the scenes

While the growth of the thrift market in China has been significant, some of the factors contributing to this growth include increased awareness of sustainability and environmental protection, as well as changing consumer behavior and preferences toward value-driven shopping.

Also, the rise of online marketplaces and mobile apps for buying and selling used goods has made it easier for consumers to participate in this market.

E-commerce platforms have



A second-hand vintage shop at Gulou area in Beijing

also matured, reducing some of the online fraud that was once commonplace.

According to a Mintel survey, more than half of urban Chinese people buy used goods for environmental reasons. Alibaba and Tencent have dominated this market by developing exchange platforms that allow buyers and sellers to do fast, secure and rated transactions.

Not only are offline thrift stores such as Duozhuayu (多抓鱼) expanding, but online second-hand shops such as Xianyu (闲鱼) have gone viral. Xianyu is a Chinese app that offers a platform for purchasing used products for the 75.5 million users of Taobao.

Clothing, designer bags, refrigerators, smartphones and automobiles are all sold in this manner. The seller must enter information about the item's condition (time used, origin, brand, among others) and receive an estimate of the sale price based on the product category.

In addition to the buying and selling of second-hand goods, the application includes recycling functions. Clothing to be recycled can be retrieved from an individual in a few

clicks and resold to partner companies in exchange for payment.

These partners sell some of the collected items and recycle the remainder (roughly half) to create industrial or agricultural materials (such as fabrics for greenhouse temperature control and noise-dampening). Since the launch of the platform, about 24 million items, or 8,500 tons, of clothing have been recycled.

Xianyu is linked to the Alibaba credit-scoring system to ensure smooth transactions and accurate product information. Zhima Credit employs an algorithm that assesses each individual's level of trust based on their Alipay transactions. Users are assigned a score between 350 and 950 points. The higher the score, the more the person will be considered trustworthy and will be eligible for benefits.

Other platforms for selling used goods include Zhuanzhuan (转转) which has 2 million monthly users, and Guazi (瓜子) that sold 50,000 used cars in 2018. Despite these figures, the Chinese second-hand market still has a long way to go and trails Western markets. An analysis report



Xianyu's mini program

released by the China Automobile Dealers Association said that China's second-hand car sales exceeded 12 million yuan in 2017, less than one-third of the United States.

"Buying used items saves me money and protects the environment, which increases my financial and mental security in these uncertain times," Xiao Lu believes.