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Sustainability practices on the Second-Hand Market

A Comparative Analysis of a For-Profit and Non-Profit Second-Hand organization

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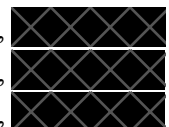
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Abstract

Reusing clothing through second-hand consumption can aid the shift towards circular economies by extending the lifespan of clothes. In the past, non-profit organizations have dominated the second-hand market in Western Europe. However, the market has seen an increase in for-profit companies over the last ten years in response to the rising interest in second-hand consumption. We conducted a qualitative case study comparing one non-profit and one for-profit business operating in Sweden's second-hand clothing market to explore the impact of different business forms on a changing second-hand market and a socially justified circular economy. Our findings reveal that while a growing second-hand clothing market can facilitate the transition to a circular economy, it raises concerns over who has access to the used clothes, how these materials are distributed when unsold, and how profits are shared.

Key words:

Not-for-profit
For-profit
Second-hand
Circular Economy
Sustainability

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Concept List of Words

Stakeholders - A group of people with an interest in an organization or company. Stakeholders include all actors that can be affected by or affect the company or organization by their actions such as investors, employees, customers, suppliers, communities and governments. The interest is not limited to a financial interest, instead all types of interests that are to be of concern for each and every stakeholder are considered in the concept. (Investopedia, 2023)

UNGC principles - Ten principles established in order to support corporate sustainable development on a global scale. The principles are supposed to be incorporated into strategies, policies and procedures in companies and help them uphold basic responsibilities to people and the planet. (UNGC, n.d.)

Market manipulation strategy - A situation in which a company uses its market power to attempt exclusion of competitors by offering buyers on the market seductive prices or offers. An example of such a strategy, relevant in this study, is monopoly which is when a single actor has the total control over an industry. (CMC Markets, n.d.)

Sustainability Practises - Sustainability practices are practices contributing to sustainable development within the framework of a circular economy. These actions and strategies aim to promote environmental, social, and economic sustainability. (Kirchherr et al, 2017)

Greenhouse Gas Protocol (GHG Protocol) - An organization with a focus on establishing a standardized global framework for measuring and managing greenhouse gas emissions from corporate operations. The GHG Protocol contains standards, used worldwide by a large number of actors, with the purpose of supporting the annual accounting. (GHG, n.d.)

Cluster Activation - Cluster activation aims to describe the process in which companies invest in local actors in order to develop the local welfare, which is believed to result in the creation of social benefits for stakeholders involved. Cluster activation is also believed to benefit the corporate actor in the long run as the investment will support the company in gaining educated workers. (Porter & Kramer, 2011)

1. Introduction

In recent years, several studies have revealed the immense impact unsustainable practices within the fashion industry have on the natural environment; giving rise to increased levels of plastic in the seas, congestion due to freight and larger emissions of carbon dioxide (Niinimäki et al, 2020). As a solution to the arising problem, second-hand has been framed as the better shopping alternative. Yet, Farrant et al. (2010) holds that this industry relies as much on transport and freight of products as major fashion retailers but the scope of their climate impact is less scrutinized by stakeholders. Second-hand organizations have been an established concept for decades (TRVST, 2023), whereas their original purpose was to create financial support for developing countries (Farrant et al., 2010). In line with the increased interest in second-hand clothing, new second-hand concepts have opened with a suggested objective to sell for profit rather than focusing on establishing effective social sustainability practices aimed towards countries in need of help.

This study aims to analyze and understand the environmental impact related to the operation of second-hand businesses and its future development. In order to create a structured approach we chose to separate the concept “second-hand stores” into two different terms; the not-for-profit second-hand and the for-profit second-hand. The not-for-profit (‘NFP’) is used to define a store that focuses on collecting profit by the reselling of used clothes and donating the majority of the net profit to charities. The store puts a lot of effort on helping people in need by financing developing projects and in general terms agree to sell a large variation of clothes that are donated to the store by external parties. Respectively, the for-profit (‘FP’), represents a new second-hand concept that has developed in recent years with the aim to resell used clothes in order to maximize store profit. This type of store often also shares the profit with the person handing in the second-hand item. (Hinton, 2021)

Based on the assumption that the objectives between the different types of second-hand organizations differ, there is a prior belief that there is a distinction in how the concepts currently work with developing their sustainability practices. By interviewing one second-hand organization within each of the above-mentioned segments, the study will disclose the contrasts in how they operate responsibly by touching upon an economic-, ecological- and social sustainability aspect.

1.1 Background

The need for a circular economy has increased in recent years as climate change and sustainability challenges have shown societies how human behavior disrupts the balance of nature at a higher pace than expected (Ellen MacArthur Foundation, 2021). There are several explanatory definitions regarding what attributes a circular economy should contain. Kirchherr et al (2017) provides one of them by defining it as “an economic system that replaces the “end-of-life” concept with reducing, alternatively reusing, recycling, and recovering materials in production/distribution and consumption processes. It operates at the micro level (products, companies, consumers), meso level (eco-industrial parks), and macro level (city, region, nation, and beyond), with the aim of accomplishing sustainable development, thus simultaneously creating environmental quality, economic prosperity, and social equity, to the benefit of current and future generations. It has been enabled by novel business models and responsible consumers.” (p. 229).

Keeping Kirchherr et al’s (2017) definition of a circular economy in mind when approaching the changes occurring in today’s fashion industry could be beneficial. Being one of the world’s most polluting industries, the fashion industry has created attempts to meet the need for change by rediscovering the opportunities of the second-hand market. The second-hand market has been active for several years, however, it is not until recent years that second-hand clothing has become fashionable in the eyes of the consumers (SVT, 2019). Which has created an incentive for corporate actors on the fashion scene to pay attention to the business opportunities the second-hand industry has to offer.

When you compare the second-hand market with traditional retail, often distinguished by quick production and large disposals, the choice between the two options becomes rather easy from a circular economy point of view. Today, purchasing second-hand clothes is often portrayed as positive, having a lower climate impact in comparison to newly produced garments, and occasionally providing an opportunity for other beneficial externalities such as funding social projects. However, taking the investigation of the second-hand market a bit further by focusing on elements such as the shipping, warehousing, and packaging effects of pre-owned clothes opens up to a more nuanced view of its environmental impacts (ESG News, 2022).

Today's society is going through constant changes which is why it is of value to be aware of the actions taken by the European Union for a sustainable future (European Union, 2022). The EU has previously released both initiatives and goals to support an increased circular economy and implement further sustainable measures which can be found in the European Green Deal and the EU's environmental and climate goals. On the 30 of March 2022, the European Commission published a document on sustainable and circular consumption requiring further action. The document is a communication from the European Commission (2022) to various bodies in Europe, outlining the need to make sustainable products the norm. The same document argues that as the world faces significant sustainability challenges, including climate change and resource depletion, there is an urgent need for companies to prioritize environmental sustainability in their products and services. The initiative communicates several proposals and measures to encourage this, including promoting eco-design principles, strengthening regulations and standards, and encouraging more sustainable consumption patterns. It acknowledges that this will require collaboration across multiple sectors and stakeholders, but stresses that it is crucial for the future of our planet. Although some change has taken place, greater change needs to be made, and what role second-hand will play in this transformation is of interest to examine further.

1.2 Problem Analysis

1.2.1 Sustainability Background

The increasing need for responsible consumption has in the last decades forced businesses, policymakers, researchers, scientists, retailers, and consumers to reevaluate their environmental, economic and social impact on the supply chain they belong to. Encouraging all parties of the supply chains to incorporate recycling, reducing and reusing of wastes has shown to have a positive impact on life quality and competitiveness for the production systems. (Kirchherr et al, 2017)

Investigating the impacts that the textile and clothing sector has, it is proven that this specific sector employs 1.7 million people which contributes to the sector being of high importance for the global economy (European Commission, 2022). Except being a sector that creates a great number of employment globally, the textile and clothing sector is also known for producing

products which are underutilized, meaning that the final product only is worn to a small extent of its capacity before being disposed (Piontek et al. 2020).

Previous studies have revealed the immense environmental impact related to the operations of the current fashion industry, including environmental damage such as air pollution and leakage of micro-plastic into the global seas (Liu, 2006). Even though second-hand clothing repeatedly is seen as a sustainable alternative to traditional shopping, Lövbrand (2022) argues that the actions taken does not solve the problem of unethical and non-sustainable practices within the industry. For instance, many fast fashion items are nowadays being sold in second-hand shops, which suggests that these shops or the business model is not contributing adequately to the society's sustainable transformation, at least not to its fullest potential.

Farrant et. al (2010) emphasizes that the original purpose of second-hand stores has been to sell clothes with the aim to finance developing projects in third-world countries and for donating clothing to people in need. This historical origin helps to explain why the western second-hand market simply accounts for a small part of total share of the second-hand market; limited to a second-hand market of high quality clothing as lower quality is of little interest for wealthier people in the western world. The remaining market share represents the sale of second-hand clothing in third world countries, with a concentration in Sub-Saharan and African countries. The fact that second-hand clothing is shipped around the world implies that the second-hand businesses have concealed carbon emissions linked to their trading activities. This raises questions regarding second-hand organizations and their actual environmental impact, which often is claimed to be unremarkable.

Baden and Barber (2005) identifies several social sustainability factors that are being impacted by a resurgence of the second-hand market on a global scale. In a country, such as Ghana, a total of 60% of all purchasing of clothes is related to second-hand shopping. The trading of second-hand clothing to developing countries is claimed to prosper consumer benefits as social groups, subjected to economical poverty, are given the possibility to buy more of cheap clothing despite their low purchasing power. In addition, the article emphasizes that the industry gives rise to an increased number of jobs, hence helps to establish a good livelihood for a great number of people within those countries. On the contrary, Baden and Barber (2005) holds that the logistical components of second-hand imports tend to lack a regulatory framework and are often poorly structured. In turn, parts of the imported clothing are sold

further as newly produced garments which result in second-hand clothing being sold for exorbitant prices, thus hindering the development of wealth within developing countries to reach its full potential.

All things considered, second-hand give rise to a number of good social sustainability practices; resulting in beneficial outcomes for society according to Baden and Barber (2005). With reference to previous authors, the business purpose of second-hand stores can be claimed to slowly transforming into becoming more focused on seeking profit, rather than seeking to do good. Thus, the traditional objectives of second-hand organizations are believed to gradually diminish. This poses risks for the number of social sustainability practices to be reduced due to a changed business purpose which, in turn, risks putting already poor countries in an even worse position. Through another perspective, difficulties in controlling all actors within the supply chain can potentially explain why second-hand faces problems when trying to reduce the environmental impact related to their operations, not the least since the trade of second-hand clothing occurs cross-country.

As previously mentioned, second-hand shopping has been on the rise lately as second-hand garments have become increasingly trendy to dress in (SVT, 2019). Aside from the traditional second-hand organizations, such as Myrornas och Röda Korset, the trend is believed to have brought upon the opening of new thrifting initiatives (e.g. Arkivet and Beyond Retro). The focus of the new stores is scrutinized to lie on selling high quality second-hand clothes, still for a cheap price in comparison to traditional retail. According to traditional economic theories (Marshall, 1890), a lowered price is one of the main explanations to why consumption, in general terms, tends to increase. This raises concerns whether second-hand shopping helps to reduce the overall level of affluent consumption in today's society, implying that the low pricing of second-hand products creates an incentive for the customer to purchase more products at the time of purchase.

1.2.2 A Competitive Business Strategy

In today's constantly changing environment, every business that intends to exist in the future needs to maintain their competitiveness. How to create and sustain a competitive advantage varies between cultures and industries and relies mainly on how well the company knows its customers (Barney, 2004). When trying to formulate a generalized approach in how businesses

think when approaching the consumers, Abraham Maslow's Hierarchy of needs (1970) is seen as useful. Maslow's theory could be seen as a helping hand when evaluating how businesses target customers and formulate personalized marketing approaches. It has been proven that Maslow's theory persists globally, even if the approach regarding the five needs dependence on each other differs between researchers. Depending on which view the company has towards the customer's five needs, the marketing approach applied can be addressed to one or several specific needs of a consumer pyramid (Harris et al, 2015).

For a business to develop personalized marketing approaches toward their target customers, a clear understanding of its target customer's persona is needed. The persona of a consumer helps to explain what motivates an individual to have an interest in a company's business, respectively deter the individual from developing an interest (Bradley et al, 2021). Combining Maslow's theory with the knowledge of customer persona will most certainly deepen business insight and understanding, helping the company in creating a marketing strategy that attracts the target customers and at the same time present a desired picture of the company. Implementing these types of business marketing approaches early in the company's life will create a competitive advantage as competitors might not even know the company exists.

Differences in customer personas vary a lot between a customer located in the lower levels of the Maslow pyramid when compared to the higher levels. If the customers' needs are physiological the individual aims to get rid of pain and hunger as well as other basic needs. If the customer instead has safety needs it aims to get rid of fear and anxiety. Upward the pyramid the customer at this next level has a need for love and belonging that creates a sense of connection to others. One step further, the customer searches to please the need for self-esteem and respect from others. The last step of the pyramid is where the customers have the desire to meet the need for self-actualization. In conclusion, it can be of great use to include Maslow's hierarchy of needs (1943) when developing an appropriate approach for the choice of business and target customer.

Having the different needs in mind to effectively understand and target consumers is crucial for businesses, but due to the rising popularity of second-hand different business models have emerged tackling the issue from various angles and motives. A distinction, as earlier explained, can be made between the stores that operate with a non-profit seeking initiative to fund other

socially sustainable projects, and the ones that are looking to make profit to reinvest in the company itself.

For example, a crucial element for second-hand organizations is to develop a waste management strategy in order to take care of the clothes they do not accomplish to sell in-store. The structure of the strategy is believed to differ between the NFP and the FP second-hand concepts, where NFP put emphasis on donating their waste to socially responsible organizations (Myrornas, n.d.). On the contrary, FPs are assumed to consider the development of a waste management system to a lower extent as the FP chooses the clothing to sell more wisely, hence the waste becomes reduced. As a result, shipping costs of unsold clothing will be minimized for the FP stores and the operating profit maximized as the cost related to waste of clothes will be reduced.

Further comparison will be done among other activities, from differences in waste management to differences in displaying manners, marketing, campaigns and store location, which makes the insight into whether the second-hand business is sustainable more nuanced. The original objective for second-hand clothing was to give people in underdeveloped countries more clothing and to finance developing projects within those countries (Farrant et. al, 2010). This could be contrasted with the motives of FP which could be argued to focus more on the opportunity within this potentially lucrative market to make money for their owners whilst aiding in the circularity of clothes. Therefore, the FP second-hand and NFP second-hand run by NGOs could be argued to differ to the degree that they should be seen as separate types of businesses, which is why the prevailing debate on second-hand demands a clearer distinction between the two.

This is not to say that one is better than the other, but that they do not share a conventional purpose, largely differ in their approaches and should be treated as such. Including this distinction in the question whether second-hand help to reduce the environmental impact from the fashion industry, or if second-hand can be claimed to be a substitute to fast fashion as it gives the customers motive to shop an abundance of cheaper clothing pieces will therefore be crucial to provide a fairer picture of the issue.

1.3 Purpose and Research Question

Rapid consumption of fashion has been identified as an increased threat to future life on Earth (UNEP, 2019), and because of this growing concern for the environment, many consumers in Sweden have turned to second-hand shopping as a more sustainable alternative to traditional retail and fast fashion. It is unclear however how sustainability practices and their impact vary between different types of second-hand organizations, namely FP and NFP organizations. Thus, this report aims to describe to what extent the chosen second-hand actors impact the environment and how chosen second-hand retailers work with the development and implementation of their sustainability practices by answering the following questions:

- What is the reason people choose to consume second-hand today?
- How do sustainability practices differ between not-for-profit and for-profit second-hand organizations in Sweden?

1.4 Limitations

Due to the complexity of the subject a decision of limiting the geographical scope to Sweden is taken.

2. Theory

2.1 Farrant et al - The environmental benefits from reusing clothes

The authors (Farrant et. al, 2010) have critically examined the second-hand market in Sweden, Denmark and Estonia to further understand the environmental impact related to second-hand clothing. The study is based on the assumption that a majority of the purchase of newly produced clothes could be replaced by second-hand items and further examines consumers' preferences for shopping second-hand. The article reveals that some consumers claim to shop second-hand with the hope to find complements to their current wardrobe, whereas others explain that they shop due to environmental benefits. The background provides a framework for the worldwide diversification of second-hand trade and emphasizes that a large part of the freight has its final destination in developing countries. For instance, the trade of second-hand accounts for more than 25% of the value of imported clothing in Sub-Saharan Africa. The objective of Farrant, Olsen and Wangel's (2010) report is to further analyze how the disposal of second-hand clothing affects the surrounding nature as previous studies have mainly focused on studying the negative effects of energy consumption in the fashion industry. The article holds that traditional goals of second-hand businesses have been to transport clothes to people in need and provide financial support for developing projects in third world countries. The discussion of the environmental benefits extracted from reused clothing can be applied in this report, thus contributing to a deeper understanding of the environmental impact related to the current second-hand market.

2.2 Kirchherr et al - Circular Economy

A circular economy is often described as an economic system in which resources are both used and reused in a closed loop and at the same time minimizing waste and maximizing efficiency. The system is based on the principles of lowering waste and pollution, keeping products and materials in use, and regenerating natural systems. In a circular economy, products are kept in use for as long as possible through strategies such as reuse, remanufacturing, and recycling. The circular economy is being used in different industries with the goal of being a sustainable and helpful system that benefits both businesses and the environment. (NE, 2023)

The article chosen (Kirchherr et al, 2017) analyzes 114 different definitions of what a circular economy needs to contain to create a comprehensive understanding of its conceptualization. The authors highlight key elements of the circular economy, such as closed-loop systems,

resource efficiency, and regenerative capabilities. The article therefore provides a foundation for further research regarding the circular economy concept. The article also touches upon the definition of sustainable development which is claimed to include environmental quality, economic prosperity and social equity. The three concepts are believed to prosper a circular economy on a broad global scale.

2.3 A. H. Maslow- Maslow's hierarchy of needs

According to this theory by Abraham Maslow (1943), humans have innate needs that they strive to fulfill which are structured in a hierarchical sequence. The hierarchy has five levels, each of which builds on the one before it and ranges from the most fundamental physiological demands to the desires for self-actualization at the top.

The physiological demands, which include the need for food, water, air, shelter, warmth, and other fundamental survival needs, are at the bottom of the hierarchy. When these needs are met, the person advances to the next stage, which is safety needs. This level takes into account the demand for stability in one's surroundings as well as for physical and mental security. The third dimension of human needs relates to desire for affection and belonging, which also includes the need for social connection, love, friendship, and intimacy. Positive relationships with family, friends, and other members of the community are among the necessities at this level. Finally, the need for respect for oneself, self-esteem, and the approval of others make up the fourth level of needs, or esteem requirements. At this level of the hierarchy, people look to others for approval, respect, and prestige. Finally, people want to fulfill their objectives so they can feel successful. This need for self-actualization, the top level of the hierarchy, is the last level. (Maslow, 1943) This theory will be useful in comparing the FP and NFP organizations because it provides a framework to analyze the motivations and preferences of consumers in relation to these businesses.

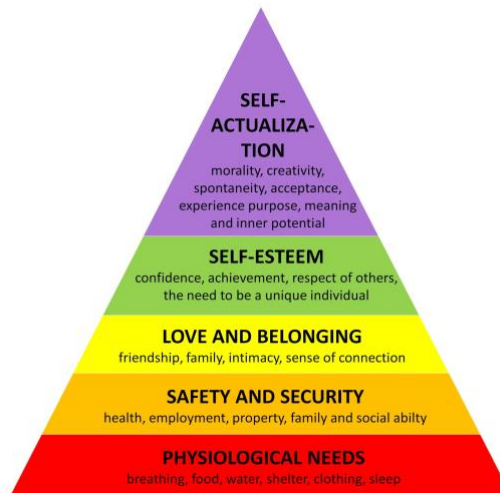


Figure 1: Maslow's hierarchy of needs

2.4 J.B Hinton - Relationship-to-profit

According to Hinton (2021) the capitalist market consists of normative businesses that strive for an innovative and efficient way of working to meet the goals of producing profits that provide financial gain to eager stakeholders. This behavior is found in a majority of the world's existing companies and, according to the theory, goes under the definition of "profit making" business structure. The theory posits that for-profit organizations harm people and the planet because they drive consumption, environmental degradation, inequality, market concentration, and political capture. The theory argues for a radical transformation of the global economy in order to reduce the negative aspects previously mentioned. A "not-for-profit" business structure is argued to be the way forward as it forbids profits from being privately distributed and wages from being suppressed. The theory sees a "not-for-profit" business structure as more likely to invest profits to where it is actually needed, thus for a good cause. At the same time, "not-for-profit" businesses are claimed to possibly have the mandate to create a shift in incentives for sales; affecting the consumers to lower their overall consumption, in which the consumer behavior will become more aligned with an increased sustainable business behavior. (Hinton, 2021)

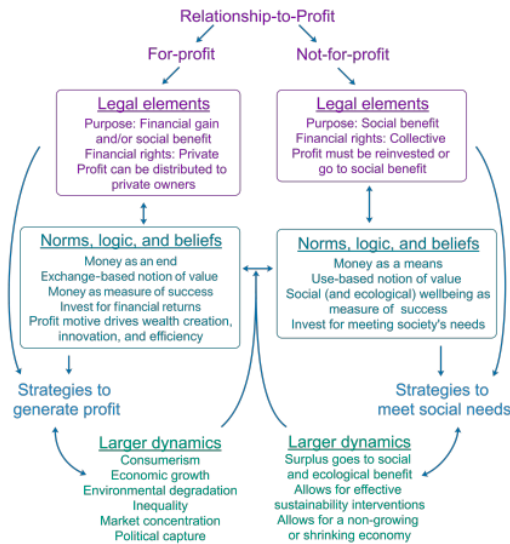


Figure 2: Relationship-to-profit theory

2.5 Summary

The four theories presented in this section are relevant and complement each other in regards to our research question which investigates the second-hand market in Sweden by comparing two types of businesses, FP and NFP. Farrant, Olsen and Wangen's (2010) analysis of the environmental benefits of reusing clothes helps us understand the impact of second-hand clothing on the environment, which is essential to our research question. Kirchherr et al's (2017) exploration of the circular economy provides a useful framework for evaluating the efficiency and sustainability of the second-hand market, which is critical in comparing the two types of businesses. In contrast, Maslow's (1943) hierarchy of needs allows us to understand the various motivations behind consumer behavior, which helps us analyze the preferences and choices of consumers in the second-hand market. Lastly, Hinton's (2021) Relationship-to-profit theory argues for a radical shift regarding the FP management norms and at the same time giving us an descriptive insight into what our world would look like if NFP became the new norm. The theory is used as support for broadening the understanding of the differences in how the FP and NFP organization operates. After having developed an initial definition of the two types of organizations examined in the study, the theory helps to further visualize the meaning of the expressions for the reader. Together, these theories provide a comprehensive framework for understanding the second-hand market in Sweden and comparing the two types of businesses.

3. Methodology

3.1 Research Design

This report employs a qualitative approach by combining interviews with two key individuals in the Swedish second-hand market, one from a FP organization and one NFP organization, with relevant theory and previous research to examine the research question. In addition, we have taken part of the two actors' latest sustainability report in order to analyze how well the interviews reflect the content found in the sustainability reports. In the event the sustainability reports have revealed additional facts about the actors sustainability practices, this information has been added to the study. The goal of the study is to investigate the dynamics of this market, including its prospects, difficulties, and effective business operating practices. Thus, the following section will describe the research methodology, data collection strategies, data analysis approaches and ethics.

In order to get a broader understanding of the industry at an operational level, interviews with firms active in the second-hand market are conducted. The interviews are believed to provide an insight in how the strategy of the businesses is formulated, and to what degree the corporations work with integrating all levels of sustainable development; environmental quality, economic prosperity, social equity (Kirchherr, 2017), in the organization. It is believed that the information provided in this report will establish a shared understanding for the business of the chosen organizations, enable a broader perspective of the problem and help to motivate further writing within the area of the stated hypothesis.

An inductive, qualitative research methodology is used in the analysis of the second-hand market. The inductive approach is rather appropriate for examining new fields of study where there is little information available on the subject of interest. It can be particularly helpful when a researcher wants to develop new hypotheses, concepts, and themes from the data rather than evaluate current ones (Patel & Davidson, 2019). Due to the profit-seeking second-hand market's relatively recent development and lack of research we argue that this study will benefit from an inductive approach.

3.2 Data Collection and Analysis

Regarding data collection and its analysis, semi-structured interviews are used for the process. This, since it enables a researcher to ask open-ended questions while maintaining some level

of flexibility to investigate the issue in greater detail. The aim is to have the interviews following the “funnel approach” which relates to the sequence in which the questions is posed (Patel & Davidson, 2019 ; Roller & Lavrakas, 2015). This allows for starting the interview with a broad, open set of questions which down the line becomes more specific. The approach can be particularly useful according to Patel and Davidson (2019) for motivation since it enables the respondent to initially phrase themselves however they want and set the tone for the interview. Even though the approach can hinder an advanced planning of the interview structure, and make it difficult to assure that all information needed for the report will be given during the interview, the method is believed to be useful as it increases the chances of revealing information about the businesses which would not be considered initially. The interviews are done over an online video-call, and the questions are created to examine the participants' viewpoints, experiences, and attitudes toward the FP and NFP second-hand market. The two interviewees in question are found by reaching out on social media channels and via email where agreed upon was the format and appropriate times for the interviews. With the participants' permission, the interviews are to be audio recorded and later verbatim transcribed for analysis.

Data extracted from the interviews is studied using the method of thematic analysis. This is a technique for analyzing qualitative data which entails reading through a collection of data, searching for themes by looking for patterns, identifying key issues and concepts among others (Braun & Clarke, 2006). Further, this study involves a detailed analysis of relevant secondary sources. To put the findings of the study into context, a systematic evaluation of papers, academic journals, and other relevant sources were performed. The evaluation of the available literature is used to pinpoint any gaps in the field and to draw relevant takeaways from the qualitative interviews by relying on and relating it to accepted theory. This is presented under the result, while the most important takeaways will be highlighted and further analyzed under the section labeled discussion.

3.3 Quality of Research

In order to reduce any bias in the source selection process, the literature review is carried out in a transparent and methodical way. In addition, limiting bias in the interviews is of utmost importance. Therefore, the choice of keeping the names of the organizations and interviewees anonymous, is taken. The anonymity allows for more honest answers from the interviewees,

however the confidentiality also has negative aspects as the reader's ability to trace information from for example the actors' websites and sustainability reports will be limited. Consequently, the possibility for a more fair and comprehensive comparison and analysis of the two organizations is aided by the anonymity, but something to keep in mind. In addition, bias is reduced by having largely open-ended questions and interviewers holding a neutral, non-judgmental tone. This allows the participant to clarify themselves, in order to create a space of trust and transparency.

Important to note is that there is an observed difference between the business structure of the FP and the NFP as one is an online platform and the other a physical store. The contrast may cause difficulty in comparing the two actors with each other as their business operations are not identical. Even though the differences are obvious it is believed that a comparison will be made possible as the actors have the same business purpose, are competitive, and operate within the same market. However, this has implications for the report's reliability and validity; important elements to include in the research. While maintaining the anonymity of interviewees is important for ethical reasons, it can have implications for the assessment of reliability and validity. Reliability refers to the consistency and stability of the research findings (Patel & Davidson, 2019). In the context of anonymous interviews, ensuring reliability can be achieved through transparency in the research process. Therefore, the interview procedures, interview questions, and data analysis techniques are clearly stated. This allows for potential replication by future researchers, enhancing the reliability of the study (Patel & Davidson, 2019).

Validity refers to the accuracy and truthfulness of the research findings. While maintaining anonymity, it's important to ensure the validity of the study by employing rigorous research methods (Patel & Davidson, 2019). As the report is conducted on a case basis, it should be considered as such. While it may not allow any statistically proven generalizations to be applied outside the scope to other cases it provides indications that can be further applied, analyzed and compared.

4. Result and Analysis

The questions asked to each of the organizations will be presented as headlines below. The response from the NFP and FP will be divided in sections in order to present clearly stated answers from each of the interviewees and the corresponding questions can be found in the *Appendix*. When presenting the empirical information outsourced from the interviews, a linkage to the theories in combination with an analysis of the linkage will be interwoven in the text.

4.1 Reinvestment of Profits, Collection of Clothing and Consumer Target

The NFP Organization

The NFP firm responds that the type of consumers they want to reach is twofold. As the business model depends on collecting donated items they must secure a steady supply of quality items, alongside the other perspective which relates to attracting customers to the store. The NFP identifies a shift in the last few years regarding the level of quality that's being donated, where the younger generation opt to sell their more valuable items on their own through a profit seeking third party, only donating the less valuable clothes. This means that the business sees challenges with increasing the value of the items in question and to create demand for it.

In order to continue existing and to stay competitive it's also imperative for the NFP to continue attracting customers and making sales. They divide their customers into two segments, one where the consumer's aim can be seen as positioning oneself and making a statement through the purchase of second-hand items, and the other out of a clearer need due to social and financial constraints. This strategy is closely related to and can be analyzed with the help of Maslow's theory of needs (1943). From Maslow's theory, it can infer that the former group of consumers are likely to be motivated by self-esteem and self-actualization needs, as they are looking to express themselves and make a statement through their purchases. Dobers and Strannegård (2005) remark that symbols and meanings attached to products and services nowadays play a large role in what we "need.". This would mean that the focus on purchasing second-hand as an act of good is motivated because their underlying needs have been satisfied in the lower levels, such as physiological, safety, love and belonging according to Maslow

(1943). On the other hand, the latter group of consumers are likely to be motivated by physiological, safety, and love/belonging needs, as they are purchasing second-hand items out of necessity and not as a means of identity construction.

The NFP tells us that the items of premium quality often get distributed to stores in more central locations where its assumed people with such motivations visit, and that stores further out receive more basics. The strategist at the NFP highlights however that based on the history of the business, social sustainability is at their core and that the segment regarding marginalized groups is of great importance for them. Examples mentioned are people in need of large volumes of clothes for families with many children, ones with limited resources, and so on. From what consumers they reach, to where the profits are reinvested, social sustainability permeates through the business. Here it is evident that the NFP's strategy of targeting consumers at different levels also can be analyzed in the context of Maslow's theory (1943). By applying the hierarchy, their focus on social sustainability highlights the importance of understanding the underlying motivations and needs of customers when running a second-hand clothing store. By distributing premium clothes in central stores, they target the customers who are higher up in the hierarchy of needs, as they are likely to have the financial means to purchase premium quality items. This is complemented with the approach and core idea of the organization of providing aid for marginalized people through their projects and providing clothing to those in need. Here the NFP is addressing basic physiological, and safety needs of these individuals, which we argue is fundamental in regards to social sustainability since these needs are the first that must be met in order to advance along Maslow's (1943) hierarchy.

The NFP interviewee determines that the question regarding reinvestment of profit is a difficult balancing act for them. Between making sure that their needs-based partners and projects, such as for example Seeds of Independence or Polisario Movement, receive the support they need and that the necessary internal investments are made, the pressure to be able to keep operating and stay competitive is constant. This is in line with the concept of circular economy which is based on the principles of sustainability and aims to reduce waste, preserve resources, and promote sustainable production and consumption practices (Kirchherr et al, 2017.) For the NFP it is argued as an advantage regarding their ability to work with both of the two mentioned segments in parallel; people that interact with the store out of self-actualisation needs, and the ones that wish to fulfill more basic needs such as physiological or regarding safety. This, from a business standpoint as well as their sustainable development since it captures ecological, social, and

economical actions. In addition, it further complements and complicates Hinton's (2021) relationship regarding businesses and profit. Hinton (2021) states that a business structure that operates on a NFP basis is more likely to allocate profits towards areas that require investment, which in this context is the case. Moreover, it is Hinton's conclusion that businesses could have the potential to influence consumer behavior and reduce overall consumption by altering sales incentives. This, in turn, could result in consumers exhibiting more sustainable behavior as a result of the NFP showing them the reasoning behind and impact of the NFP's reinvestments.

Therefore, the non-profit interviewee's statement about the difficulty of balancing reinvestment of profit is significant both in the context of circular economy theory and relationship-to profit because it highlights the importance of reinvesting profits in sustainable practices. This decision on where and how to reinvest is crucial for the future of the business (Kirchherr et al., 2017; Hinton, 2021). While the pressure to stay competitive and operate effectively and simultaneously meeting the needs of their partners and projects can be seen as a challenge for non-profit organizations, they have an advantage from a circular economy standpoint since they can work with both targeted segments in parallel.

The FP Organization

The chosen FP is an online platform which enables and facilitates sales between individuals, or sometimes organizations and private individuals. Due to this, they do not select what clothes are presented on their website; people are free to upload what they wish to sell and at their desired price. The clothes that are sold will be shipped to the buyer and the unsold items will remain with the individual to do as they please. Due to this the carbon footprint that is present in the FP's business model can be seen as rather effective since only the sold clothes get shipped elsewhere. However, the lack of data regarding the number of unsold items makes it difficult to get an accurate picture of the circularity of the business model, and an assumption could be made that these unsold items eventually will end up somewhere, perhaps at an NFP organization, affecting the environment down the line of the value chain. In the context of the circular economy, it is important to measure the effectiveness of circular practices and ensure that waste is minimized throughout the entire value chain (Kirchherr et al, 2017). Therefore, the platform is implied to benefit from tracking and reporting the fate of unsold clothes, such as whether they are donated to charity or recycled.

By providing a platform for buyers and sellers to find each other, the FP makes most of their money via commission on this service; 8% plus VAT on every sold item. They also make money from advertisements and all shipping that's booked through the site, as they can negotiate favorable prices with couriers such as PostNord. The profit is then all reinvested to expand and make the FP grow, from technical equipment to marketing activities. This is in line with Hinton's (2021) study of the relationship-to-profit system. Thus, adopting a NFP business model could potentially address the issues Hinton mentions such as driving consumption, environmental degradation and inequality by shifting the focus away from profit-making and towards more sustainable practices (Hinton, 2021). An example could include investing profits in social and environmental causes, as well as creating incentives for consumers to reduce their overall consumption of clothing. However, the FP does mention that they have charity auctions where they provide their platform for free for charitable purposes. These initiatives generate around SEK 80 million per year, so the FP is evidently indirectly involved in sustainable initiatives while seeking to make profit. Therefore, while Hinton (2021) remarks on the superiority of a NFP business model in regard to its sustainability impact present good arguments, it is important to note that this adoption may not be feasible or desirable for all businesses. As in the case with this FP it is possible for these types of businesses to adopt sustainable practices and include social and environmental responsibility to some extent directly and indirectly.

While the FP as a large actor on the Swedish second-hand market aims to engage the current registered and active profiles, they identify that over the past 3-4 years they've been on a journey of change in its marketing communication strategy. The biggest change relates to their increased focus on trying to reach a younger audience. They have made a deliberate choice to target a younger demographic in order to avoid losing ground in that segment. Here Maslow's theory (1943) could be used to analyze the preferences of buyers and sellers on the platform. By analyzing the preferences of buyers and sellers, the platform could optimize its services to better match the preferences of its users, ultimately leading to increased customer satisfaction, revenue and the goal of expansion. Additionally, this theory could be used to analyze the effectiveness of the platform's marketing communication strategy in targeting a younger demographic (Maslow, 1943). By understanding the needs and preferences of different age groups, the platform can be argued to tailor its marketing efforts to better resonate with its target audience.

4.2 Internal and External Sustainability Practices

The NFP Organization

The NFP organization communicates on their website that they work for radical economic and political equality, and ecological sustainability. The interviewee from the NFP organization corroborates this by informing us of their internal training measures and accuracy in pricing, in order to create a surplus which will be donated to people in need of support. Analyzing this information with the help of Hinton's (2021) theory gives us a deeper insight of the organization. The NFP demonstrates how they prioritize building relationships with customers, through accurate pricing and internal training measures, in order to create a surplus that can be donated to those in need, rather than solely focusing on maximizing internal profits. This aligns with Hinton's (2021) theory, which suggests that NFPs prioritize relationships over profits. The interviewee further explains how their customer focus isn't limited to any specific target group as their primary aim is to support the people in need. At the same time they integrate social sustainability by working within the framework for the governmental initiative with the aim to integrate people with disabilities in ways manageable for every individual. By not limiting their customer focus to any target group, the NFP activities are aiming for anyone in need, regardless of financial status. Having this approach towards society can be argued that the NFP does not exclude any of the different levels of Maslow's hierarchy of needs (1943). At the same time, it appears that the NFP organization places extra emphasis on including individuals belonging to the lower levels of the pyramid as the organization shows their support for humans at risk further discussed below.

The NFP's ecological sustainability work is presented by the interviewee as the core of the business as they want to lengthen the product life cycle by offering an alternative to disposal. Mentioned in their Sustainability report (2019), the NFP sees the re-use of products as an extra process enabling the product to be sold more than once even if the product life cycle will end eventually. The NFP also claims to work against colonialism, imperialism and occupation by being a driving party in the volunteer based non-profit corporation "Seeds of Independence" which helps young people at risk. At the same time they support the "Polisario Movement" which is a nationalist organization, whose main goal is to implement the independence of Western Sahara.

Analyzing the NFP's ecological point of view with the Kirchherr et al (2017) theory regarding circular economy enables further conclusions used as a framework for a nuanced analysis. The NFP's emphasis on ecological sustainability and commitment to lengthening the product life cycle aligns with Kirchherr et al argument; that companies who prioritize to create a sustainable and helpful system will benefit both businesses and the environment as this will help the business in achieving long-term success through engaging in sustainable practices. The NFP's involvement in political activism also speaks to the idea that companies can take a stance regarding social and environmental issues, which is also advocated for by Kirchherr et al theory. All this work resulted in the NFP becoming a second-hand organization with quality and environmental management certification according to ISO standards, which serves as an indication of how serious they take their work. This certification is also a proof for Hinton's theory to be accurate as this NFP has shown that it is possible for organizations to benefit from not having profit as their main focus.

The FP Organization

The interviewee for the FP organization answers our question by sending us the company's Sustainability report from 2023 to ensure that we get the details right. This report demonstrates their social sustainability, which is also in line with the UNGC principles (UNGC, n.d.) by telling us about their work in training its recruiters in open-minded recruitment and non-discrimination practices. This allows them to establish that it is only competence that is valued when you apply for work at the FP. Furthermore, the FP also attaches great importance to providing a fair wage to its employees, which is the reason for their continuous wage monitoring work. The FP wants to contribute to the mental and physical health of its employees by offering inspiring lunchtime lectures alongside their weekly training sessions. Social sustainability is measured according to the staff's commitment level and the employee's satisfaction with their workplace, where the goal is to be among the top 10% ranked workplaces in Sweden.

The report also demonstrates their financial sustainability by welcoming free charity auctions, which last year amounted to a value of SEK 80 million. Analyzing the reason for allowing free charity auctions could be seen as an aim to further increase the awareness of circular consumption besides its direct charity purpose. As Kirchherr et al (2017) discusses the need for increased circularity in the micro environment the FP organization answers to this by offering several charity auction opportunities to contribute to the circular demands. In addition,

they work wholeheartedly to maintain fair bidding on their website and at the same time discourage fraud and the sale of illegal products by having a department monitoring the sales occurring on their site. The interviewee further states the same as in their sustainability report by saying that today they help 700 small business owners to reach their dreams by offering them the assistance they need. When placing a thought regarding which type of help that is given by the FP to the smaller businesses it can be questioned to what extent the FP's own strategy affects the smaller businesses. Without knowing the answer, it can be assumed that any advice being given to the smaller businesses has its roots in a FP kind of business model. This thought makes it relevant to mention Hinton's (2021) Relationship-to-profit theory as it aims for making a change in nowadays business focus. The theory argues for businesses to see the opportunities in prioritizing sustainability as this isn't the same as saying no to profit and growth. An example of this is stated by the FP in their Sustainability report (2023). In the report (2023) the FP mentions that they enable financially advantageous trading as the products sold at the FP's site often are sold at a discounted price compared to newly produced items. An example of financially advantageous trading could be that it enables low income earners in society to afford products that they wouldn't otherwise.

Further analyzing the FP's ecological sustainability work, as the interviewee states that the organization has a positive approach towards increased sustainability regulation as they support the need for a circular economy and reuse of products. The interviewee states that any new EU regulation won't affect the FP directly, but indirectly as they believe that regulations will lead to more people wanting to buy second-hand. Investigating the existing regulations regarding second-hand sales aligns with the FP's statement as today's regulations only concern sales between sellers and consumers (EUR-lex, 2019). It is also to be found in the FP's user conditions that the site is a so-called marketplace that only enables users to market, sell and buy products at various price models and locations. The FP is therefore not an auctioneer and does not own any of the items marketed or sold through the site. Purchase agreements are entered into directly between buyer and seller. Playing the role that the FP does, according to the user conditions, makes sure that they carry as little responsibilities as possible. Approaching this stance and at the same time having the Kirchherr et al (2017) theory in mind makes us question how the FP collaborates in detail with the consumers and rest of the market in creating a circular economy as full responsibility is being placed on the two parties creating the purchase.

The interviewee summed up the answer by informing us about their continuous training of new and existing employees regarding sustainability improvements to always ensure that the issues stays in focus. One achievement they are proud of is their use of renewable energy which has grown to be 96.54% of their office's total energy use. Despite the fact their energy improvements are seen as positive, the interviewee highlights that their biggest climate footprint is caused by their amount of freight which they aim to improve in the future.

4.3 Communication Channels for Sustainability Actions

The NFP Organization

The interviewee at the NFP answers that they especially communicate their purpose on their website, Instagram page and in their storefront which they hope reaches a broad spectrum of customers. Addressing the question regarding the organization's customer education is something the NFP wants to become better at, as the interviewee says that they have seen declining levels in the amount of quality goods that are donated in their boxes. The interviewee explains the reason for this to be the entering of several new FP actors on the second-hand market who offers paybacks to the person handing in products for sale. The NFP explains that this encourages people to hand in their clothes to FP organizations in order to gain money on the sales and only hand in the unsold clothes to the NFP which often correlates with having lower quality. Continuously the NFP writes on their website that they are a solidarity organization and not a charity organization as they do not believe in charity. This statement could appear as contradictory at first but after taking Hinton's (2021) Relationship-to-profit theory in consideration makes their NFP case even stronger. The theory argues that charity contributes to reinforcing dynamics of market concentration and inequality in the FP economy. Instead, the NFP wants to support activists in their solidarity work as they support the asylum rights movement, among other things. To sum up, the NFP wants their logo to symbolize what they stand for, which is their socialist values and solidarity work. It also represents their recycling and most importantly, their integrity, and more specifically the struggle to make the voices of vulnerable groups heard, human rights, self-determination and inclusion.

The FP Organization

The FP communicates its sustainability work by using Swedish influencers who promote their collaborations on their social channels. The FP also uses their website to reach out to stakeholders where they summarize their sustainability work in the categories of the planet, employees and profitability, and they have published their sustainability report online for interested parties to read. They also use advertisements on television and hope to be able to establish themselves on TikTok in order to spread the message about how they contribute to a circular economy. Scrutinizing the FP's annual report reveals that the use of several advertising channels has increased in the last few years. Hinton's (2021) Relationship-to-profit thoughts can be applied on their choice to prioritize an increased advertising budget by arguing for the organization to be a contributing factor to environmental damage by doing just so. Why the increased advertising is said to cause damage according to Hinton's (2021), is because of the FP's call for further consumption which is said to harm both workers and the ecosystem. Even though the FP's in this case concerns second-hand products no advertising telling the consumer to lower their consumption has been found.

An in-depth analysis of the various communication channels has led us to put extra focus on the FP's sustainability report from 2023. The report discusses their sustainability work until the year of 2022. They have made progress towards becoming a more sustainable platform by reducing its CO2 emissions, increasing the use of renewable energy, improving waste management and engaging in social initiatives. The report also describes the FP's commitments for the future, including the transition to a circular business model and integrating sustainability into all aspects of its operations. The report provides transparency around their sustainability practices and efforts to become a more responsible and conscious business. Despite the numerous details regarding the FP's work to maintain their climate-neutral certification, we lack information about where the actual amount of money that the climate compensation amounts to is placed after the employees have cast their vote. Therefore, it can be analyzed that the FP's sustainability report results in a lower level of transparency than expected, as it would have been valuable to know how they complete their climate-neutral work. Continuing the analysis regarding how big of an impact climate compensation actually has on the environment with help from an interview conducted by the Swedish development forum with Lövbrand (2022) who summarizes her thoughts by saying:

“The positive thing about climate compensation is that the projects can channel money and opportunities to the developing countries to make a fossil-free transition, resources that might

not have benefited them otherwise, but, there is a dilemma. The question is whether we in the western world can really credit ourselves with the benefit compared to how we consume?” .

Along with Lövbrand’s arguments regarding the need for reduced total emissions it can be argued that climate compensation is mainly a small step on a longer journey. The argument can also be claimed to support the problem about the lack of information regarding where the money from the climate compensation is later on invested. More has to be done in order to change the direction of the capitalistic world we currently are heading for which is why climate compensation for emissions cannot be claimed to be enough to solve the problem.

4.4 Dealing with Unsold Clothes

The NFP Organization

The interviewee from the NFP tells us that 1.3 million gadgets, and 800 thousand textile garments are sold by their stores in total per year. The way this NFP collects items is either from people leaving donations at their physical stores, or at the available containers that are placed in certain public areas. These containers require some form of procurement or licensing from the municipality in order for them to be able to stand on public land, and therefore they are obliged to gather all textiles, both broken and intact. Of all that is collected, approximately 25% remains in Sweden and can therefore be purchased in one of their 6 stores. 10-15% of the collected material becomes waste/energy incineration as it is unusable both in Sweden and in other countries. What remains is 60-65% of collected material that can be recycled or reused in other markets, which results in the NFP sending a large amount of collected material to an actor in Europe who handles the material. These products go by the name export-mix and can end up as filling material or plastering rags in industries.

The NFP interviewee tells us of a vision regarding outlet stores which could reduce the amount of export-mix material. Had outlet stores existed for basic garments on the Swedish market, more clothes could stay in Sweden. Thus, if Sweden wants to be considered a responsible country and implement the circular economy measures that Kirchherr et al (2017) present, we find an urgent need for the development of technical equipment regarding textile handling in the upcoming years. As of today the NFP is forced to let a foreign actor handle what we cannot

handle ourselves, which not only minimizes the level of control the NFP has over their collected items, it also generates unnecessary emission when products are being shipped between countries and continents.

The FP Organization

Approaching the FP organization regarding this question gives us a clear view of how the business models between the FP and the NFP differ. No second-hand products are being handled by the FP as their business model only requires for the seller and the buyer of the sold item to package and send the package by mail which leaves the FP on the outside of this specific part of the supply chain management.

4.5 Measuring Climate Footprint

The NFP Organization

The interviewee informs us about the NFP conducting a Recycling Barometer which is aimed to calculate the company's impact on the environments caused by their activities concerning clothes performed in Sweden. In 2019, the Recycling Barometer was published where the NFP compiled the total CO₂-equivalent emissions generated by their collected clothes from being collected, sorted, priced, stored and then sold again in their second-hand stores in Sweden. This resulted in a CO₂e climate impact amounting to 46,846.63 kg the previous year, which was further compared with the CO₂ impact of newly produced clothing according to Sandin et al (2019). The Reuse Barometer is thus able to present how the purchase of a newly produced T-shirt corresponded to 194 second-hand purchased T-shirts and a newly produced jacket corresponded to 394 second-hand purchased jackets. Our analysis is, thanks to these numbers, able to present a concrete picture of how much bigger impact newly produced clothing has on the environment. Being this informative regarding their climate effects shows according to Hinton's (2021) relationship-to-profit theory that organizations put serious effort into measuring and improving their sustainability work. An issue described in the theory is that companies often do not want to sacrifice their profit by doing socially beneficial actions which leads to companies not conducting influential sustainability improvements. Approaching the

NFP Recycling Barometer shows how their primary aim is to act sustainable in every possible way; not focusing on profit gain.

The FP Organization

As mentioned earlier, the business model between the two corporations differs quite a lot, which may be one of the reasons why the sustainability report also differs. On the FP's website we find their Sustainability report (2023) which contains a large number of promises of future improvements regarding social, economical and ecological issues. At the same time there are not that many numbers and calculations included to show how this development has been performed in the previous years which would have strengthened their seriousness further.

When further investigating the FP's type of climate compensation standards we became aware of the organization conducting a GHG-reporting 2023 from 2023. By following the GHG-protocol (World Resources Institute, n.d), the FP's emissions was divided into three scopes. Scope 1 including GHG emissions created from sources that are owned or controlled by the firm. Scope 2 including GHG emissions from the generation of purchased sources consumed by the company. Scope 3 including the indirect GHG emissions caused by the firm. In the conclusion of the GHG-report, the FP's data it is said to show that more needs to be done regarding their downstream transportation which has increased in the last couple of years. The interviewee confirms this issue by saying that they are constantly working to find a solution for their transportation issues. Together with Kirchherr et al (2017) an argument can be made that climate compensation is preferable if it is accompanied with other sustainable measures such as reduced emissions and consumption.

4.6 Creating Welfare Around the World

The NFP Organization

First the interviewee from the NFP informs us that they are able to donate approximately 8-10 million SEK annually to those in need. At the same time they aim for slowing down the ongoing overproduction that is going on because of the fast fashion chains' constantly producing new products that aren't needed. As mentioned earlier the NFP wants to improve their educational advertising to their customers and especially those who hand products to FP organizations

instead of NFP's. The signals being sent regarding the NFP welfare work can be argued to be performed in a serious manner, aiming for the customer to see themselves as part of something bigger. It is believed that no matter where you would be placed in Maslow's pyramid, everyone can contribute to an improved circular economy within their own boundaries. Together with Maslow's theory it is possible to see that different needs between consumers contribute to different priorities in life. As an organization, it is implied that this needs to be taken into account when marketing themselves depending who they want to target. The NFP wants all consumers to be able to support the organization, hence allowing people to pay the membership fee that they are able to, instead of setting it at a fixed amount. This communicates their awareness of existing groups in society.

The FP Organization

The interviewee tells us that the fashion industry accounts for 10% of the world's emissions and this must be reduced by actors taking action on both a macro and micro level. The FP claims themselves to be a driving force in making consumers choose to shop second-hand instead of new production. The interviewee highlights how a reduced fast-fashion industry from a macro perspective will have both positive and negative effects on countries around the world. The changes will be so immense that the rest of the world needs to prepare for these changes to have a positive outcome. The FP says a decreased fast-fashion industry will mean reduced need for labor which in turn can lead to a deteriorating economy for underdeveloped countries. This argument can be strengthened by Farrant et. al (2010) whose theory supports the FP's thoughts of negative effects occurring for producing countries when reducing the fast-fashion industry production. In another aspect, a decrease in fast-fashion production will also do good, which the FP agrees upon. The FP aims for increasing society's circularity by spreading the knowledge about the positive effects of buying second-hand. These thoughts can also be found in Kirchherr et al (2017) theory that argues for circularity being the way to go to save the planet.

When it comes to the micro perspective, the FP mentions making online sales possible for other second-hand operators during the pandemic in 2020. By doing so they help the organizations to reach their customers as they didn't want to visit actual stores. Kirchherr et al (2017) has their primary focus on creating a circular economy and saying it can be enabled by novel

business models and responsible consumers. By not mentioning business collaboration this theory doesn't go against the FP's way of making business, however the purpose of demanding payment from a NFP whose money will be donated to people in need can be argued to communicate a sense of insensitivity for social welfare.

4.7 Cluster Activation

The NFP Organization

The NFP informs us that they collaborate with Western Sweden and municipalities in Skåne where they have been given permission to place collection boxes making it easier for people to donate products. In return for the permission to place the boxes in public places the NFP are forced to collect all types of textiles, including both broken and whole products. Accepting this requirement shows how the NFP believes in collaboration in the same manner as Kirchherr et al (2017) argues that collaborations between various stakeholders, including businesses, policymakers, and consumers is required to enable a circular economy. Collecting all textiles can both have a positive and negative affect on the NFP as the amount of products collected varies from really good quality and usefulness, to worthless textiles needed to be thrown in the trash. The interviewee mentions that they are not forced to handle wet, moldy and contaminated garments but everything else is being taken care of. Having these facts in mind argues for the NFP being a big contributing factor to an improved circular economy in southern Sweden.

The interviewee mentions that their website possesses more information regarding their collaborations with other actors which is where we collected the following knowledge. Since 1989, the NFP organization has had a collaboration with a governmental initiative which aims to engage people with disabilities to become a part of the everyday labor market (NFP-website, 2023).

Firstly we choose to highlight the NFP's work by creating a feeling of belonging for people lacking just that, which aligns very well with Maslow's hierarchy of needs (1943). This since Maslow points at the importance of having social context and how it plays a significant role in influencing the motivation of individuals. Different people may prioritize different needs at different times, depending on various contextual factors like their cultural, social, or

economical surroundings. Furthermore, the NFP together with the governmental initiative offers a helping hand in finding this context. Secondly, we want to highlight NFP's willingness to help individuals to personal development which also aligns with Maslow's theory (1943), saying that humans have the desire to achieve one's full potential and become the best version of oneself. The sense of self actualization is the highest level of the pyramid that often is associated with personal growth, creativity, problem-solving, and the ability to find meaning and purpose in life.

The FP Organization

The FP interviewee informs us of their collaboration with both the fashion and interior design industry. The FP's aim is to help them increase their circular work and at the same time be part of the pricing and exposure of their own products when doing so. The increased circularity is supposed to come from selling products that the fashion and interior organizations cannot sell in their own stores. The FP explains that this includes products from old collections, sample sales or products used as styling during photoshoots. This is a newly born idea meaning that the FP has not performed that many collaborations yet and therefore do not know that much about the outcome. As mentioned earlier, the FP strives to conduct at least 20 of these collaborations before 2025 which if they succeed would be a great way of inspiring others to be more circular. Kirchherr et al (2017) supports this way of thinking but there is a need for bigger changes. As we have mentioned many times before, organizations need to change their supply chains in order to make real changes. However, selling leftovers on the FP's website instead of throwing them in the trash can be argued to be a good step on the way but the emissions created in the products LCA also needs to be reduced if we want to contribute on a larger scale.

The FP is also active regarding collaboration sales of products owned by well-known profiles. These sales have been performed for free on the FPs site and in such a manner that all the money earned is donated to charitable causes chosen by the profile. This type of sales aligns with the Hinton's (2021) relationship-to-profit theory as the FP do not focus on their own profit; this in contrast to previous analyses. Instead they invite consumers to contribute to the charitable cause without taking away a percentage from the collected donations.

Important to mention is the FP's offer regarding internships. These internships are directed to people who face difficulties in entering the labor market and are therefore to be seen as a social

sustainability act performed by the organization. Looking at this opportunity with Maslow's (1943) hierarchy of needs we see how this initiative helps the ones searching to find safety, belonging and self-esteem. Giving individuals the chance to learn new things and be a part of a team is something that people shouldn't take for granted, thus can be argued to communicate a strive for creation of social equity.

4.8 Future Plans for Sustainability Efforts

The NFP Organization

The interviewee from the NFP says when politics and technology allow, with a desired start in 2030, they do not want to export any material for reuse and recycle outside of Europe. The interviewee strengthens the argument by saying how helpful these improvements would be for the African continent as they in many cases become the end station for the unwanted products from the western countries.

The NFP contradicts the theory published by Farrant et. al (2010) which holds that the shipping and trade of second-hand clothing to third world countries prosper job opportunities, thus economical growth in those countries. In contrast, the NFP argues that the trade of second-hand clothing prevents domestic production from becoming fully established, hence the economy in third world countries will not flourish as long as second-hand trading is still apparent. Europe and other developed parts of the world have a tendency to ship and dump large piles of textiles in Africa. This behavior has not the least been identified in Ghana where piles of clothes have been dropped off by the coast. The interviewee says that the dumping of clothes is a result of the lack of responsibility shown by developed countries as no one wants to be accountable for the cost related to disposal of clothes, such as the cost for incineration.

The FP Organization

The FP tells how they have recently established themselves in Denmark to increase circularity by giving accessibility to the second-hand trade online. They have also made it possible to choose between Swedish, English and German language when visiting the Swedish website, which they want to continue to develop in order to welcome diverse consumers. As previously

mentioned, the FP wants to help retail companies become more circular by collaboration with at least 20 companies by 2025.

4.9 Marketing and Branding

The NFP Organization

The NFP is mainly focusing on the social aspect in the formation of their marketing strategy, with the objective for the marketing to be closely linked with the purpose of their business. The interviewee emphasizes that it is possible to read more about the purpose of the business on their website, thus indicating that the website clearly defines the amount and type of social projects the NFP practices on a daily basis. The engagement in social projects indicates that the organization is working with integrating circular economy (Kirchherr, 2017) into the organization as their earnings are reinvested with the aim to create better social welfare on a global scale. The objective is in line with the chosen theory of circular economy as the definition posits an environment in which materials are kept in use for as long as possible. Accordingly, the concept is not limited to include natural resources, but also human resources. Therefore, social projects are essential in the creation of a sustainable future.

In addition, the organization is clearly taking a stand in the political discussion as their shopping windows frequently are designed to frame the most recent political topics. For instance, the refugee crisis has in the latest years been highlighted as a major problem in their stores. Not only has the problem been framed in the shopping windows, but also in their product assortment as the organization has given out and sold t-shirts with what could be considered strongly political and controversial prints on. The t-shirts are claimed as a way to get the eyes of the politicians directed towards the need for increased amnesty for arriving refugees. Also, the NFP works actively with helping refugees to avoid deportation after settlement in Sweden. Their contribution to refugees are distinctly communicated in the stores with the belief that it will help to set the norm for the reason why visitors should consume second-hand at the NFP. As the message of their stores is consistently mapped out as controversial, the store management is aware that the store will not attract everyone. However, the interviewee claims that the business is successful in reaching out to a broad segment of socio-economic groups in society

thanks to their wide range of supply, consisting of both items and textiles. This supports the argument made in the relationship-to-profit theory (Hinton, 2021) as the NFP succeed in creating profit even though their political standing point is believed to discourage some people from visiting the stores. The non-profit organization is effective in their management, thus manages to become successful by simply being transparent with their political stand and attempting to change the consumer attitude by not encouraging affluent consumption.

Furthermore, the fact that the organization's main purpose is to help people in need, is argued to be another factor that helps to explain why consumers prefer to consume second-hand at the NFP. In general, their customers are often conscious about acting as responsible citizens, hence choosing to shop second-hand as they are aware of the environmental impact the clothing industry is accountable for. No store campaigns, such as 3 for 2 schemes, are made as the NFP does not want to encourage affluent consumption nor are campaigns considered necessary as the organization is successful in reaching out to segmented customers in alternative ways. According to the relationship-to-profit theory (Hinton, 2021), this can be identified as evidence for a change in incentive for sales among their customers. Hence, the NFP helps to promote what the theory defines as "an increased sustainable business behavior" since the organization copes well with creating profit without acting capitalistic and indulging consumers to believe that consumption could be a tool used for fulfilling their basic needs (Maslows, 1943).

The FP Organization

The FP's goal orientation is set to reach out to a younger crowd and men in general. Their ambition to target an increased number of men is claimed by the FP to be accurate as getting men to pay attention to second-hand shopping is perceived as harder in comparison to women. According to the relationship-to profit theory, the attempt to attract more men to the second-hand market reveals that the FP operates similarly to a NFP business as their advertisement of used products can be identified as a sustainability intervention for men. Despite the fact that the FP is trying to broaden the consumption of reused products on the market, they are to be continuously defined as a FP business since the company is frequently searching for new business opportunities; using directed adverts as a way to increase profit. The FP's approach in offering several different product categories as a way to increase the sales of second-hand products may also be analyzed as their contribution to building a modern circular economy

(Kirchherr et. al, 2017). Therefore, it is possible to make the analysis that the more product categories available, the more people will see a value in visiting the website and start consuming second-hand products.

The FP is working actively with several marketing strategies. They are trying to adapt quickly to trends in which they have attempted to market the company on Tiktok most recently. Also, they are working closely with influencers and performance marketing which enables the company to track how effective the marketing efforts made by the influencer is by measuring the financial outcome generated (Pastorelli, 2022). The interviewee believes that the company is working likewise other companies with marketing, although everything is taking place online. Other than the strategies previously mentioned, The Sales Cycle Optimization (SCO) is also applied by the FP which is said to be one of their key strategies, and constantly adapt individual marketing approaches to already existing customers by push sales techniques and newsletters. SCO is defined as the process of analyzing and improving sales performance in order to maximize profits and inform the consumer about the most relevant and recent products (hiya, n.d.). In turn, a push sales approach is designed for making a customer aware of new products that match its individual preference (Robertson, 2019).

The interview is rather straightforward in that the FP uses several marketing strategies, not the least SCO, in order to analyze their operations to be able to increase their margins. The structure can be analyzed through a Maslow perspective, thus claiming that the marketing techniques are used to persuade people to believe that consumption of second-hand products can help them to reach the stage of self actualization at the top of the pyramid (Maslow, 1943). Combining this analysis with the relationship-to-profit theory (Hinton, 2021), the FP can be argued to act interchangeably with a FP company.

The FP is not actively choosing to interweave a sustainability aspect in their marketing strategies as sustainability is believed to permeate the whole business anyways since their whole business idea is second-hand. This could be further analyzed as proof that the FP has succeeded in gaining trust for their sustainability work among their stakeholders; without the need of marketing it. Trust is also to be found in the third step (“love and belonging”) in Maslow’s hierarchy of needs (1943). Therefore, it can be argued that the FP is taking advantage of the feeling of trust in order to increase profits as trust will improve the possibility of purchase (Dobers & Strannegård, 2005). By doing this the FP is gaining trust among consumers even

though their attempts in framing themselves as a sustainable company is minimal. However, the FP claims that the market itself continues to frame the brand as green, indicating that the business itself is not attempting to encourage increased consumption.

Their marketing is of a more direct type, however they are working actively with sustainability in other aspects of the firm and believe they are highly ambitious in the effort they put into their sustainability practices. For instance, the company has been climate neutral in the past three years. The interviewee claims that the company is focusing on the environmental aspect in every part of the firm, from thinking about the environmental impact of the food served on conferences, to what type of energy they use for heating up the offices and storing documents in the cloud instead of keeping storage of documentation on physical computers. All the above mentioned actions are to be seen as examples of how the FP contributes to a circular economy (Kirchherr et. al, 2017) by increasing their resource efficiency and reducing waste by limiting the supply of physical tools, such as computers. Yet, their actions can be questioned as a switch to storage of documentation in the cloud will reduce waste but the servers required for storage of information are dependent on a constant stream of energy, which will result in an increased energy usage.

All the above mentioned actions have made it possible for the firm to become climate neutral. In addition, the FP climate compensates for all the shipment of goods their consumers are causing. Yet, this is not something they talk about in their marketing approaches. The interviewee acknowledges that it might sound peculiar but stresses that the company lacks room for another sustainability aspect in their marketing as they are trying to be direct and clear in their communication; browse and buy what you need at the FP according to the relationship-to-profit theory (Hinton, 2021), marketing sustainability action to a greater extent might be a way for the FP to increase margins even more as the theory claims that sustainable actions will result in positive outcomes for both environment and businesses. Also, the theory claims that sustainability actions can change the consumers incentives for sales, indicating that sustainability actions could possibly be adapted by the FP in order to attract their coveted consumer groups (the younger generation and men).

4.10 Beliefs Regarding Customer's Reasons to Purchase Second-hand

The NFP Organization

In order to target different customer segments, the NFP offers the market three types of store concepts; premium-, gallery- and high-volume stores. The premium store focuses on launching trendy clothes of higher quality. The premium stores still offer a varied supply of products, however the store concept differs from the other as all donated clothes of high-end quality are assigned to these stores. The gallery-stores are placed in major malls around Sweden with a greater focus on offering products that fulfill basic needs and are prone to be purchased spontaneously. The last concept is the high-volume stores which are located outside of major cities, offering the consumers a large supply of both furniture and textile products. The division of stores can arguably be linked to the theory of circular economy (Kirchherr et. al, 2017) as well since the store concept enables sales maximization of a variety of products. Although in this aspect, the NFP enables for a circular economy of physical things rather than an extended use of human resources as previously discussed. By offering a broad assortment of things, clothes and textiles, in their different stores, the organization offers stakeholders on the second-hand market an option for donating used items instead of disposing. Consequently, a closed-loop system is analyzed to be established, resulting in a decrease in production-related emissions, an extended usage of products and an increased resource efficiency.

The different store concepts are explained to attract different types of consumers. Also, the stores in south of Sweden have been experiencing an increase in Danish visitors lately, which the organization believes is due to the lack of basic second-hand in Denmark. In general, the store is facing a wide array of customers from different socio-economic groups, all visiting the store for different purposes; some with the belief to find bargains and others with the aim to find moderately broken items to fix themselves. Relating to Maslow's (1943) hierarchy of needs, the different customer groups can be explained to consume due to different objectives, hence trying to fulfill different needs. Depending on the reason for consumption, the degree of experienced satisfaction may vary as each previous step in the hierarchy needs to be fulfilled before the individual in question can feel truly content in its decision of purchase. This implies that shopping second-hand does not necessarily lead to instant happiness for an individual as the level of satisfaction related to purchase is increasingly unconventional. However, the FP

states that all visitors tend to have a common interest in visiting the NFP as they share a common set of viewed benefits, despite their perceived belonging to certain socio-economic groups.

The interviewee says that the amount of visitors has never been a problem, in contrast the major problem in recent years has been the inflow of donated items as donated premium products have declined by time. The interviewee explains the circumstance to depend on a change in consumer behavior as a result of the consumers becoming aware that they are able to receive a cash refund by donating to FP second-hand organizations. The interviewee says that this change in consumer behavior has been identified among all store managers. Relating to the theory of circular economy (Kirchherr et. al, 2017), this implies that even though the organization is working actively with integrating actions for circularity into the organization, we argue that donating actors on the second-hand market have been identified to care less about sustainability. Instead, receiving a cash-refund seems to be of higher importance among the donating parties, still, an understanding of a system that benefits both businesses and the environment among all stakeholders is essential for a sustainable future to be possible, according to the theory. Therefore, a desired change in incentive among donors is believed to be needed for the survival of the non-profit second-hand stores as those stores will face a decrease in profit in case the number of donated high-end products are declining even further. The tendency for wanting a cash-refund could also be applied to Maslow's (1943) hierarchy of needs as the strive for money can be analyzed as a need believed of an individual to be necessary to reach the state of self actualization. Although, as the hierarchy is individualistic, the need for money can help to fulfill lower steps in the hierarchy as well. For instance, an unemployed person would require money for fulfilling the most basic needs, such as food, shelter or clothing.

The FP Organization

The main purpose for consumption is still price. The FP have noticed that the awareness regarding fast fashion and consumption of newly produced goods have been put in light in the last three years. However, it is still noticeable in some surveys made by both the FP and external parties that price is the number one reason why people choose to consume second-hand clothing. The price incentive implies that consumers are still not considering sustainability as

an incentive for consumption, which is a change in consumer attitude that the relationship-to-profit theory (Hinton, 2021) holds corporations accountable for. Since the FP claims that caring for the environment is mostly expressed as the secondary reason for shopping second-hand, the incentive and understanding for the environment among consumers, highlighted by the theory, can be argued not to be realized yet. Referring back to the traditional economic theory made by Marshall (1890), a low price enables increased consumption as the purchasing power of the individual will increase due to reduced prices. Further applying this claim to Maslow's hierarchy of needs (1943), it can be argued that ambition to consume products for the lower penny would support the claim that consumers in general are trying to find themselves by containing their consumption habits; a theory also presented by Dobers and Strannegård (2005).

As price is given as the number one reason for consumption of second-hand according to the FP, people can be argued to consume more than they would otherwise. Hence, the probability that people are consuming second-hand for the reason of substituting fast fashion can be considered to be pretty low. Farrant et. al (2010) have analyzed whether the reason for consumption of second-hand products is mainly for substitution of fast fashion pieces or because of additive reasons for improving the wardrobe at home. The report reveals that the general price of second-hand products is lower. If the consumers were about to consume second-hand products due to substitute reasons, the price would not arguably be considered as too relevant. Instead, the feeling of doing good would be of much greater importance.

The second reason why people shop second-hand is held to be that the purchase is giving rise to a sense of doing something good for the environment. However, this signals that the consumer attitude regarding incentive for consumption is about to change as discussed in the relationship-to-profit theory (Hinton, 2021). In case the FP would choose to focus more on the potential shift in consumer behavior, it can be held that the company would be able to take advantage of and contribute to help create a change in consumer attitude. At the same time, this could increase their market power since their business idea suits the shift well.

4.11 Price Elasticity and Evaluation of Clothes

The NFP Organization

The NFP explains that price valuation requires knowledge about both material and quality and is therefore to be considered as quite complex. One of the first things the NFP does when setting a price for a premium product is to analyze the current market demand for the product. Even then, the pricing process is complicated as it requires expertise of the brand and the year of production. The NFP are transparent regarding their price evaluation policy and admit that mistakes very well happen even though they train their employees in minimizing them. The price is set in the same manner in all store concepts, indicating that the price is kept on an equivalent level throughout the business. The set price policy can be claimed to support the relationship-to-profit theory (Hinton, 2021) as the NFP is not taking advantage of a market manipulation strategy in order to gain profit, considering their remarkable revenue made in recent years (NFP Annual Report, 2019). The net result has been negative two years out of five, yet, negative results are explained by the high sum of money donated to social organizations and the cost related to these actions.

The NFP's annual report reveals that it is possible for non-profit organizations to become successful, without any planned capitalistic market strategies. Although it seems that the business strategies need to be rather planned in order for a NFP business to survive. Even though mistakes are acknowledged to be encountered, the number of failed attempts is more limited in relation to a FP organization as such an organization can generate profit through other channels, e.g. through financial investments. In addition, all stores are equipped with the same products, although the premium stores are fronted differently to attract a certain category of consumers; the trend-sensitive ones. In relation to Maslow's hierarchy of needs (1943), the transparency shown regarding the price setting process and the framing of social projects on the website indicates a communicates of trust, which in turn can be associated with the third step in the hierarchy as transparency brings a feeling of trust, honesty and friendship. In contrast, transparency could also be analyzed as a tool to be used by an organization to increase their sales, thus encouraging affluent consumption which goes against the NFP's own claims.

Before any staff member is allowed to decide about pricing of products, they need to have sorted clothes at the NFP for at least six months. The price strategy is said to not be random, on the contrary the organization has a set price policy that is under constant development. The preference of the individual is not in focus when setting the price, hence the previous six months of division of clothes is an important aspect in the educational plan. It is important that the personnel who decide about the price are aware of the targeted end consumer and the objective of the price policy, as well as having an understanding for production. The strict price policy is explained by the NFP to be the reason why the general consumer might not find the most price-worthy bargains in the NFP stores as the organization educates their personnel in depth before they are allowed to set prices. In other words, the organization is well informed about the right price of a product. This way, the organization claims they can ensure a comparable and fair price setting in all their stores. The NFP holds that they differ from FP organizations (e.g. Arkivet) since they undertake a commission-based donation of all types of clothes, whereas FP organizations base their intake of clothes on high-end quality to a greater extent.

The FP Organization

The FP does not evaluate their own products, this is made solely by the consumers. The interviewee says that the evaluation of clothes is self-regulated in most cases as the interest in the product will reveal whether the price is set too high or too low. If the price is set too high, no one will want to buy the product. On the contrary, if the price is set too low, there will be a bidding on the product. Since the FP does not decide prices on their platform it might not be of relevance to define the FP as a firm, focusing entirely on making profit in accordance with the relationship-to-profit theory (Hinton, 2021). On the contrary, the FP is taking out a percentage for every sold product, even those sold by the NFP organizations, which contradicts the claim that the FP is acting in similarity with a NFP organization. In the end, the price tends to reflect the market price.

The FP also provides a review system which creates an incentive for the users of the FP to act honorably as the reviews will affect future chances of trade. Most of the FP's consumers are believed to care about being true in their product descriptions and setting a fair price with the fearness of receiving a bad review otherwise. The interviewee also stresses that the FP has a

whole team, working merely with closing down adverts of fake products. On every advertisement on the FP's platform, there is a function which enables reporting of phony product information. When a report has been made, the department of security will be informed about the matter and dig deeper into it. This is the FP's procedure on how to clean up on their platform. Sometimes, the interviewee tells, sellers who have been publishing fake products a number of times have gotten their accounts shut off until further notice. In the worst cases, the FP has been forced to involve the police as it has been required in order to catch the fraudsters.

The security systems provided by the firm can be analyzed to create trust for the company among stakeholders; essential in order for a market place to work properly. Their work with creating trust has the potential to support a further development of the second-hand market. In addition, the relationship-to-profit theory (Hinton, 2021) emphasizes that a NFP is regularly working with creating value and welfare for society as a whole and not only the business itself. The building of trust indicates that the FP is leaning towards acting more responsible in accordance with the operations of an NFP. This, due to the interpretation that the focus on trust signals a careness of a wider range of stakeholders than just shareholders.

4.12 Do You Work with the Interviewed FP?

The NFP Organization

The NFP has tried to collaborate with the interviewed FP twice, mainly to try out the platform. However, they claim the use of the platform to be a waste of money since the earnings do not pay off for the amount of work hours spent. The NFP believes there are other efficient ways to increase the sales of second-hand clothing online. Consequently, an increase in profit related to the online platform will be evident as well.

5. Discussion

The two companies in question have different origins, and it is evident that this has played a significant role in shaping their business models and approaches. The FP was founded with the idea of creating an online marketplace for buying and selling second-hand goods. Their primary goal was, and is to this day, to make it easy for people to sell their used items to others who might need them, while also making some money in the process. While the business of second-hand can be regarded as a circular one, the founders' motivation was to create a profitable business, and this remains the FP's primary objective today.

Contrasting this, the NFP was established with the goal of providing financial means to marginalized groups through the sale of second-hand clothing and items. It was born as a work collective in southern Sweden and became involved in the NGO and political sphere as a response to combat unjust and unequal conditions following widespread poverty after the second world war. The founders were motivated by a desire to create a social impact by promoting equality, sustainability and supporting local communities. Thus, their origins reflect a desire to create a positive social impact, rather than it being a consequence of trying to make a profit.

The fact that these two organizations were born out of different situations has had a significant impact on their growth and development. The FP's focus on profitability has driven its growth, and the company has expanded its reach by acquiring other online marketplaces. In contrast, the NFP's focus on sustainability has led to the company partnering with other sustainable organizations and promoting eco-friendly practices in its operations more so than on expansion. Because of the companies' different motivations, it has driven their growth in different directions resulting in their unique business models today. The following discussion will explore and compare the different approaches and impacts of these two organizations further.

When comparing the two second-hand actors, it becomes rather clear that their marketing approach differs from each other. While the NFP does not attempt to put emphasis on marketing the brand as environmentally-friendly, the FP is constantly scrutinizing their marketing approaches for the better. The NFP seem to care more about showing their

standpoint on political and controversial topics through their marketing, even though they are aware that these types of statements might scare potential consumers off. The NFP is convinced the expressed political opinions will attract the right people, implying that they are not bothered about attracting just any consumers with the purpose of increasing sales. On the contrary, the FP can be analyzed to be on a constant hunt for increased profit by trying to get the reach of new customer segments. This argument is supported by their focus on improving their marketing techniques in order to attract consumer groups of which are not currently the typical shoppers at their platform but are believed to have an interest in second-hand shopping.

In accordance with this, the FP does not highlight their sustainability work clearly, neither in their marketing approaches nor in their sustainability report, since their actions are believed by the management to be of less importance. Due to lack of space and a belief of customer awareness of the brand's business purpose, the FP believes that it is clearly defined that the green spirit permeates the company to the degree that framing their sustainability practices is of less necessity. Users are offered the option to donate the money collected through trading on the FP platform to charity. If the user decides to donate the total amount to charity, the price of publishing the ad is for free, meaning that these types of charity adverts bring no value to the FP in terms of profit. Hence, it is arguable to say that the FP avoids using their sustainability practices in their marketing because of the low value they bring to the firm's capital. The fact that the FP interview is revealing a tendency for frequently refining the business operations in order to maximize profit also supports the argument that the FP lacks incentives for displaying their sustainability engagement, thus the aimed creation of social sustainability suffers. Having a better insight in the FP organization we find many opportunities for improvements as the FP's biggest source of emission has increased rather than decreased recently. Consequently, this has resulted in a negative impact on the planet independent on to what extent the firm has managed to become climate neutral.

Both the NFP and FP were asked what they believe to be the utmost reason for consumers shopping second-hand in which both actors were equally convinced price to be the major force. The feeling of doing something good was given by the FP as the second reason, which the NFP believed varied between buyers even though a majority of the consumers were believed to be aware of the positive environmental impact second-hand most often result in. What differed the two was the expressed thought regarding how the price affects the behavior of the consumer. While the NFP held that they have faced a decline in premium clothing in recent

years, as the consumers have become aware they can get a cash refund by donating to an organization with FP attributes, the FP did not express to have experienced the same problem. Instead, the FP mainly sees the lower pricing as something beneficial for the consumers as it enables increased shopping of reused clothes, hopefully resulting in a change of consumers' preferences; starting to choose second-hand products before newly produced items.

According to Marshall's theory (1980) of traditional economic forces, a lower price is the most obvious force behind increased consumption as the consumers' purchasing power increases parallel to a lowered price. Hence, since the FP seems rather aware of the outcomes of a low price, in combination with a focus on improving profits, it can be implied that the FP is taking advantage of the low pricing of second-hand by taking out a percentage of 8% on each product sold on the platform. This supports the claim that the FP is operating more profit-seekingly in comparison to the NFP, thus focusing less on improving sustainability practices even though sustainability is said to be the soul of the business. In addition, the FP offer NFPs to make use of the platform for getting their items sold to a broader audience. This is believed by the FP to be an easy way for charity donors to increase their sales and sell their items for a higher price in comparison to what the item would have sold for in store. However, the FP charges a fee for publishing the goods on the platform which means that they are making profit on money which originally was supposed to be donated to charity.

If the FP would have been truly dedicated in supporting the development of a sustainable future, offering NFPs to publish adverts for free would indicate more clearly that the FP favors the selling second-hand clothing made for a good cause. On the other hand, the sale price would probably be lower in case of sales in NFP stores as not too many potential consumers are within reach due to the local aspect. This means that the fee the FP is taking out on the NFP adverts can be claimed to be a price paid to facilitate the sale of objects on a bigger market. Interestingly, the NFP has tried to collaborate with the FP at two times, however, the NFP have analyzed the collaboration to be of no use. Consequently, the co-operation with NFPs seems to lack transparency regarding efficiency as the different actors present different opinions about the system. In another aspect, it would be surprising in case the FP would not take advantage of the low price to make business as the organization is a corporation, operating with the aim to enable further expansion and create profit for their shareholders.

When looking over the operations of the NFP, they express worry for future business as the amount of donated clothes with higher quality has decreased drastically. A consequence of the

reduced amount of quality could be that the value of possible donations also will decline over time. Yet, the NFP is not stating anywhere about possible solutions as a way forward. This implies that the NFP is putting the blame on FP organizations, without attempting to take responsibility for the situation themselves. Since the NFP is donating all excess profit to their needs-based partners, their capital resources are limited. This makes it hard for the NFP to compete against the FP organizations as the NFP is less capable of attracting people to donate items of higher value by offering them a cash refund, such as the FP organizations. Despite the fact that the NFP seems to have identified a consumer behavior which endangers the future operations of NFPs, the NFP does not want to build their business on financial objectives as their whole business idea is based on donations to needs-based partners.

Both actors are identified to work intensively with gaining trust for their sustainability work among their stakeholders, however in different ways. The FP is working more actively in their marketing to frame their sustainability work; using key sustainability words and phrases to get the attention of their targeted stakeholders. Whereas the NFP is emphasizing their sustainability engagement by using words and phrases, but also concrete actions. For instance, the NFP is taking action in working with social sustainability around the world by having a clear political standpoint and uses slogans to encourage consumption to raise money for a specific cause, such as donations to refugees in Sweden. Since the FP limits their advertising of their sustainability practices to contain mainly words, it can be argued that the organization is using sustainability phrases with the aim to attract more target groups, thus increasing their sales. This as they are not emphasizing any external sustainability action, except for the charity donations made possible by the use of free ads on their webpage, nonetheless realized by third parties. From another point of view, it can be complicated for the FP to take actions as they are simply the generator of a webpage used by external actors. Therefore, it is reasonable that the FP is focusing more on improving the internal sustainability since the internal operations are under their complete control.

The FP is performing well through an internal sustainability aspect as several actions have been taken in order to reduce their environmental impact. For example, the organization has stored all their documentation in the cloud instead of storing it on local hardware, increased their use of green energy and considered the food served at conferences to have a low environmental impact. Even so, there is more to be done but possible improvements have not been framed. Only the need for further improvements has been acknowledged in the sustainability report.

This indicates that, even if the FP is aware that more could be done, there is a lack of engagement regarding wanting to become the role model for sustainability in the industry. This goes against the FPs statement that sustainability is believed to permeate the business on an overall level, however they work with internal sustainability to a higher degree, not the least by tracking the employees' sensed satisfaction for the working environment. In contrast, the NFP is more transparent in their building of trust as they are agreeing with the fact they can do more to increase their sustainability work. For instance, this is done by the publication of a yearly report reflecting their environmental impact during the year, including analyzes and possible solutions for how to advance further.

This report in contrast with the FP's yearly sustainability report contains more information and emphasis on the companies' shortcomings regarding sustainability. This contrasting transparency also became evident when speaking to the two interviewees based on their answers and choice of words, the NFP being more frank and critical than the FP. The actions support the fact that the NFP is taking responsibility for their climate impact, which goes well in line with their claim to work actively with improving the work with ecological and social sustainability. Hence, the sustainability phrases used by the NFP can be claimed as a way to get the attention of the stakeholders, without the risk to apply green washing methods in order to increase sales. The NFP would have no use of green washing methods as the NFP is donating the total of its affluent earnings to their needs-based partners.

6. Conclusion

This report discusses two second-hand actors: a FP and a NFP organization, and their marketing approaches from a sustainable point of view. The report is based on a qualitative interview of two actors who are active on the second-hand market in Sweden. The interviews have resulted in detailed information about the two actors' stances on various types of sustainability work, as well as how they see themselves impact on today's consumer behavior. Conducting these interviews has enabled us to answer our research question "How do sustainability practices differ between traditional and modern second-hand organizations in Sweden?" in the following manner.

The FP is to a greater extent more focused on increasing profit by attracting new consumer groups. Accordingly, the FP does not highlight their sustainability practices as clearly to the market as the NFP believes it to be of less importance and lacks incentives for displaying their sustainability engagement. On the contrary, the NFP focuses more on showing their standpoint on political and controversial topics. Therefore, the NFP is analyzed to be more modest in their view of creating profit as the majority of their profit is donated to social projects. At the same time the NFP is concerned about the decline in the quality of donated clothing since clothes of lower quality also have a lower value, hence their donations to people in need is declining accordingly due to the trend.

The report also explores the actors beliefs' regarding the reason why people tend to shop second-hand. Both actors state that price is the major one reason affecting consumer behavior on the second-hand market the most. The interviewed actors agree upon the fact that second-hand clothing tends to have a lower price in comparison to newly produced goods. However, while the FP sees the low price as an opportunity to make business, the NFP is emphasizing the risk of the low price to lead to affluent consumption. At last, the report highlights the fact that the capacity to take advantage of capital resources, thus attracting a higher number of stakeholders this way, is to be seen as higher for the FP. In comparison, the NFP has been studied to have a rather limited capacity of capital resources due to their donations to social projects. Since the NFP is not capable of offering their donors a refund for donated clothes, it is of much greater difficulty for the NFP to find a solution for the problem regarding the decline in donations of premium products.

Our comparative analysis of the FP and NFP second-hand businesses has led us to the understanding that it is not accurate to deem one superior to the other. Rather, it is evident that these two models exhibit different impacts, each with its unique strengths and areas of focus. The reinvestment of profits has been identified as an important tool in understanding the core of the businesses. Where the FP focuses on growth to scale their operations and increase their positive impact, the NFP prioritizes social welfare to aid their target beneficiaries. However, it is important to note that both FP and NFP second-hand businesses share a common need for increased responsibility and a higher level of transparency. Regardless of their legal structure, these enterprises should be held accountable for the outcomes they can achieve. This includes measuring and reporting their social and environmental impact, ensuring ethical sourcing and trading practices, and engaging in honest communication with their stakeholders. Rather than viewing them as opposing models, it is essential to recognize the different ways in which they contribute to society. By fostering responsibility, transparency, and collaboration, both models can work hand in hand to create a more equitable and environmentally conscious future.

6.1 Further Research

Further research on the topic to get a better understanding of the circularity of the businesses would be to investigate the causes and consequences of the increasingly reduced quality of items that are being donated to NFP stores. In addition, gaining insight into the consumer perspective by researching people's attitudes, values and preferences could prove beneficial to deduce what the future holds for the second-hand market.

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Attachments

Questionnaire

- 4.1 What type of clothes are collected and where are the profits from your sales reinvested? In addition, what type of consumers is your company trying to reach?
- 4.2 How does the company work with ecological, economic and social sustainability and do the company have any developed sustainability practices that are followed within the business?
- 4.3 How do you communicate your sustainability work to customers, and how do you work to educate your customers on the importance of sustainable action?
- 4.4 How does the business deal with clothes that aren't sold and how are the processes for handling the materials structured?
- 4.5 Do you measure how large your climate footprint is in your clothing management, e.g. when you receive clothes or donate to third world countries?
- 4.6 How does the company contribute to creating welfare around the world?
- 4.7 Shifting focus into local cluster activation, do you help actors (companies/individuals) in the local sphere to achieve increased welfare or facilitate their work with sustainability in some way?
- 4.8 With an interest in the organization's future, what do your future plans look like regarding developing sustainability work and reducing your climate impact?
- 4.9 How and to what extent do you market your business? I.e. how do you aim to frame your brand (e.g. ecologically or trendy)?
- 4.10 What do you believe is the main purpose of the customer for purchasing second-hand?
- 4.11 How much do you believe the price affects the customer's decision whether to consume second-hand or not? How do you evaluate your clothes, i.e. how is the price setting process structured?
- 4.12 Do you work with the interviewed FP?