FACTORS INFLUENCING DEMAND OF SECOND HAND CLOTHING AMONG KENYANS

Macharia Mwangi

Factors influencing demand of second hand clothing among Kenyans

Macharia Mwangi

Department of Fashion and design, Technical University Kenya

Corresponding Author's email: machariamwangi@iprjb.org

Abstract

Purpose: The overall objective of this study is to review the factors influencing demand of second hand clothing among Kenyans.

Methodology: This study used a humanistic approach to textual analysis while researching and writing this essay, compared to a behavioral approach. The drawing and interpretation of research findings and implications which is not a quantitative impact evaluation, was done. A qualitative textual evaluation method was used in this research. Textual analysis consists of review and interpretation of scripts and articles and their inferential context.

Findings: Sustainability was found to influence secondhand apparel and accessories in relation to the consumer's purchases of other environmental apparel products and if the consumer felt they were informed of apparel social and manufacturing issues. Fashion lifestyle was found to influence secondhand apparel and accessories through the participant's identification of Fashion Leadership and Shopping Enjoyment. Therefore factors were found both in sustainability and in fashion lifestyle of the consumer to influence purchase frequency of secondhand apparel and accessories.

Unique contribution to theory, practice and policy: It is considered that getting information about customers and their behaviour is beneficial for companies, as well as for the managers within those companies, as they will be able to construct suitable and appropriate marketing strategies based on the new knowledge. The use of social networks (e.g. Facebook) and smartphones have also revolutionized second-hand markets among all economic classes. As a result second-hand products consumption is increasing daily.

Key words: *second hand clothing, apparel products, Sustainability, consumer's purchases*

INTRODUCTION

In the 1960's to the early 1980's, the clothing and shoes industrial sector in East Africa was thriving and producing for both the local markets as well as the export market, and employing thousands of people. Value chains in the sector were well established right from the production of raw materials to finished products. However, over the years, the clothing and shoes manufacturing sectors have collapsed with the emergence of an informal sector dealing in secondhand clothes and shoes.

Buying and selling of second-hand goods is something that has been done for centuries (Damme & Vermoesen, 2009). Second-hand products can be defined as the reuse of an old product while

maintaining its original functionality (WRAP, 2013). In some Europeans countries, have long traditions of second-hand products consumption. For example, The United Kingdom, the purchase of used or second-hand products is an activity that is deeply rooted in the society (Davis, 2010). However, due to economic factors, with focus on the recent economic crisis, people from different countries including Spain and France have actively joined the second hand market (Williams & Paddock, 2003). With the use of different studies mentioned in this thesis it can be identified that customer habits of purchasing goods are changing, and the consumption of second-hand products is increasing. In 2002, Mintel showed in a survey that nearly 40% of UK customers were actively involved in the second-hand market and nearly 28% of UK customers had made a purchase in a charity store (Williams & Paddock, 2003). Likewise in France, sales of second-hand products have increased dramatically during the last two decades (Guiot & Roux, 2010). Correspondingly a study done by the consulting firm Simple Lógica in 2013 estimated that in 2014, 50.7% (22 million customers) of the Spanish adult population will participate in the second-hand market. Identically in USA, the consumption of second-hand products is also a very well-known business activity and can be seen in different forms such as auctions, flea markets and antique dealers (Guiot & Roux, 2010). Moreover in Sweden, where the standard of living is considered as one of the highest in the world, the consumption of second-hand products is also very popular. According to Sweden's most popular online second-hand market website Blocket (www.blocket.se), the total value of their product sales is 414 billion Kroner in 2013. Although there are traditional markers, such as social class, which also can be seen as factors that stop groups of people from participating in the purchase of second-hand products.

At present, the majority of the population in East Africa source their clothing needs from this informal sector, which has curtailed efforts in revamping the clothing and shoes industrial sectors in the region. The question, therefore, is, how do these clothes find their way to the region? Clothing consumption all over the world has increased over the years principally due to the fast changing fashions and the existence of cheaper clothes with reduced quality. As a result, consumers in the developed world have found themselves with more clothing than they need, with a purchase going out of style in a matter of weeks. Since they can readily afford to buy new clothes, they get rid of outgrown, unfashionable or worn out garments and discard them as waste, or dispose of them for recycling or donate them to charities (Cline, 2012). This has led to an overwhelmingly more supply than there is demand, hence the need to transfer the clothes and shoes, as donations, to developing countries. What is not known to the donors, however, is that their clothes are not just handed over to the needy, but they are sold in local markets, in the developing world, with 70 percent of these global donations ending up in Africa (Cline, 2012).

Since the 1990s, this trade in Second Hand Clothes and Shoes (popularly and hereinafter known as Second Hand Clothing) in the world has grown tenfold to reach a value of about 2.8 billion pounds annually (Cline, 2012). The primary source of Second Hand Clothing (SHC) to Africa is the United States, Canada and the United Kingdom, with the United States and the United Kingdom as the largest exporters. In 2013, the United States SHC exports were worth more than $685 million, according to United Nations data. Much of it went to Central and South America, Canada and Mexico, Tanzania and Angola. The United Kingdom is the second largest SHC exporter, with more than $600 million worth of discarded fashion overseas in 2013. The top United Kingdom export destinations were Poland, Ghana, Pakistan, Ukraine, Ghana, Benin, Kenya, and

Togo. Germany was the third largest exporter in 2013 at about $500 million, with the largest exports going to Cameroon and Angola. The other main SHC exporters are South Korea, The Netherlands, Belgium, Canada, Poland, Italy and Japan. South Korea and Canada together exported $59 million worth of SHC to Tanzania while the United Kingdom exported $42 million worth of SHC to Kenya. In other words, SHC is a big business in these developed nations, but a huge challenge to the African clothing and shoe sectors, which have failed to compete, over the years, as a result of readily available SHC.

Throughout the last 20 years, rapid growth of second-hand products consumption has got the attention of researchers and raised the question; why do customers purchase second-hand products? (Guiot & Roux, 2010). One answer is that, because of economic and ecological reasons, customers are now more interested in second-hand products, rather than new products (Guiot & Roux, 2010). In fact, according to Williams & Paddock (2003) ''disadvantaged groups who are unable to buy new goods from formal retail outlets are the primary users of such sites (online second-hand stores)". Here the disadvantaged group represents those who do not have the economic ability to purchase new products (Mayer, 2003). Although economically disadvantaged groups are the primary customers of second-hand products, this does not rule out economically rational customers, as according to Williams & Paddock (2003) even economically rational customers involve themselves in the second-hand market. Here, rational customer means those who like to take the best action for utility maximization for getting the best payoffs (Shugan, 2006). According to Guiot & Roux (2010) due to the recent economic crisis and thus the drop in purchasing power, the middle-class are becoming more involved within the second-hand market. This consequence is pushing them to purchase more second-hand products. Even more, if we still think that only the lower and middle-class are involved in the second-hand market is a totally wrong presumption. A study by Scitovsky (1994) showed that the upper-class involve themselves in the second-hand market also and how the second-hand market is used by all economic classes of people. Additionally, considering another point of view, we can see that the second-hand market does not only enable customer-to-customer (C2C) business, but also it enables manufacturer to customer (M2C) business, for example,. in 1987 AT&T and IBM became used-equipment vendors for the network gears (Zhao & Jagpal, 2006). Nowadays, because of the Internet, everyone has easy access to online secondhand market sites. The Internet and the introduction of new, mobile, smart devices has changed the methods in which the customer purchases products, and thus is a factor that must be looked in to as the second-hand market is no exception. All in all, it is important to understand the factors that influence the customer when purchasing second-hand products because a better understanding of those influencing factors can help a manager to construct an appropriate marketing strategy.

Cognizant of these facts, Kenya in a bid to re-establish an enabling environment that would incentivize the development of the clothing and shoe manufacturing sector.

Problem statement

Customers buy a product when they want to fulfill a certain need. When fulfilling these needs, the customer follows a buying process. This process is considered as a problem solving process which a customer needs to solve. From this viewpoint, it can be argued that the customer purchases a second-hand product when they feel they must fulfill their needs. Additionally the second-hand

product has all the abilities to fulfill the customer's needs. Even though, from the previous studies mentioned, we need to know the factors that influence the customers for choosing a new product, we believe those factors influence the customers in different ways in cases when they purchase second-hand products.

Overall Purpose

The overall objective of this study is to review the factors influencing demand of second hand clothing among Kenyans.

LITERATURE REVIEW

Theoretical review

Jonathan Gutman (1982) developed the theoretical model for consumer behavior called The Means-End Theory. Gutman stated that "The means-end chain model offers researchers a guide to procedures that specifically address the linkages connecting values important to the consumer to specific attribute of the product" (p. 70). Gutman explained The Means-End chain as the connection between what a person perceives they want to be and how that individual chooses to achieve that goal. To further understand this concept Gutman (1982) described means as an object (product) that people would purchase or also as activities that people participate in throughout their daily life. Ends, also called "consequences" could be described as valued states of being such as happiness and accomplishment. Gutman's theory applied to this research study suggested the means would be the secondhand apparel and accessories products. The ends would be the values the consumer subconsciously has leading to the purchase frequency. Gutman offered an example of the theory in relation to fashion, "… knowing that consumers want to look well-dressed doesn't tell us much unless we know why they want to look that way (sexual attractiveness, accomplishment, neatness, etc., which are value-level considerations)…" (p. 60).

The Means-End model explained how consumers use means to create their desired end state and confirm how consumer's values were shown through their behavior (Gutman, 1982). The subconscious "value" aspect of the theory involved the consumer facing good and bad physiological or psychological consequences from each decision made (Gutman, 1982, p. 61). Whether the consequence of the consumer's decision to purchase was positive or negative an act of consumption must occur before the desired consequence was realized (Gutman, 1982). Each consumer might have viewed the same consequence differently depending on his or her values. A consumer might have purchased secondhand clothing without realizing they did so because they had a certain level of sustainability and/or because of their fashion lifestyle attributes. Sometimes the consequence of the behavior was not taken into account but this does not change the values of the consumers (Gutman, 1982). Use of Gunman's Means-End model guided this research by providing a framework to analyze if the consumer's behavior (purchase frequency) towards secondhand clothing and accessories was guided by the values of the consumer (sustainability and fashion lifestyle).

Empirical review

In the Kenyan clothing retail sector, competition has had a negative effect on growth of clothing retailers. According to this study, competition has hindered growth of clothing retailers especially due to competition from peer companies, boutiques, second hand clothes, imported clothes and informal traders of clothes. The purpose of purchasing new and/or second-hand products might be the same. But technically the processes of buying those two types of products are not the same because second-hand products consumption is associated with more risk and can also have impacts on the customer's social status (Scitovsky, 1994). For example, most of the second-hand products do not have warranty, after-sale service or even any specific price value of the product. This in turn can led to customers feeling uncomfortable when purchasing secondhand products. It might be because of the high involvement of risk or some other social reasons. Therefore, the market always tries to reduce those risk factors involved with the product that make the customer worry.

In addition, the marketers are also struggle to earn the trust of the customer. Even though, before making a purchase decision, the customer is evaluating all the risks associated with their desired product. However still, as customers we don't feel safe when we buy a new product from the marketplace. It can be argued that perceived risk is higher for second-hand products for several reasons such as the seller is unknown, the product might be damaged, and there is no product warranty. However, the customer is still buying second-hand products as an alternative to new products. Therefore, it is interesting to see how customers are overcoming the risks associated with the purchase of second-hand products. It is necessary to point out that most of the sellers in second-hand market are unprofessional (it is not their primary source of income) and also that they are unknown to the customer.

In the present world, while establishing a product, the marketer struggles with rivaling with other competitors, managing prices with quality, and challenging through the addition of new features to the product. But still the system of second-hand products buying and selling works nicely and gets more attention from the average customer. However, the traditional second-hand marketplace is losing its position in the favor of secondhand online marketplace because of its easy functionality. Through an online marketplace, a customer can buy and sell any second-hand products from different categories.

Customers can buy and sell used vehicles, home materials, personal goods, and electronics or hobby products. Although in reality, the popularity of purchasing second-hand products is increasing in all levels of society. Considering the popularity of second-hand products and the increasing trade of second-hand products, there is the insufficient amount of study done, particularly on the factors that influence the customer in making their decision to purchase second-hand products. It has become important for a marketer to perceive a second-hand market as an alternative selling channel for their products. Without knowing the market, especially its customers' behavior it is not possible to make a proper strategy to gain market share. Therefore, it is important to study the customer's behavior specifically the factors affecting their decision to purchase second-hand products.

Most of the previous studies on second-hand products consumption have focused on the customer motivation scale (Guiot & Roux, 2010), overall discussion on the second-hand marketplace

(Williams & Paddock, 2003), the function of the second-hand market (Scitovsky, 1994), the second-hand market effect on new prices of products (Zhao & Jagpal, 2006), the patterns of trade for second-hand products, and the relationship between new and used products market (Purohit, 1992). The gap in the literature are factors that affect a customer's decision in purchasing second-hand products. The study on buying factors for second-hand products will give a better insight about the second-hand customer's behavior, which will help the marketer in creating a better strategy for keeping and increasing popularity in the consumption of second-hand products.

Furthermore, most of the buying and selling of second-hand products involve customer to customer (C2C) relationships. In the second-hand market, yesterday's customer becomes today's seller and today's customer might become tomorrow's seller. Therefore, it will be very interesting to see how customers act a double role in this market considering various buying factors. However, the present study is not going to take any attempt to study the second-hand products seller view on different factors. Additionally, From the previous studies mentioned, we already know what the online marketplace is and how it functions. But still, we do not have enough knowledge about the online second-hand marketplace. Therefore, in this thesis one of the goals is to find out customer understanding in relation to the online second-hand marketplace. Finding out an overall understanding about the second-hand product consumption will be interesting for the marketer, customer and most importantly for the reader of this study.

METHODOLOGY

This study used a humanistic approach to textual analysis while researching and writing this essay, compared to a behavioral approach, which would involve studying factors influencing demand of second hand clothing among Kenyans. The drawing and interpretation of research findings and sense which is not a quantitative impact evaluation, was important in this context, which implies that qualitative and thematic analysis was most suitable in this study. This method don't need to have training the algorithm of analysis as the case for quantitative, so the findings could easily be captured.

A qualitative textual evaluation method was used in this research. Textual analysis consists of review and interpretation of scripts and articles and their inferential context. As a tool of interpretation and significance, an observer is likely to misunderstand the original intent, especially in cross-cultural analysis, of the message writer. Bogue (2007), nevertheless, reaffirmed its reliability and adequacy, in particular when the researcher pays attention to text itself. In this regard, Olson et al (1997) suggested more interpretation of the texts and their targeted audience in view of the time and environment in which they were written.

FINDINGS

The fashion industry in the past few years has increased its awareness of the damages textile and apparel industry has on the environment. Consumers also have started to realize the impact created by supporting products and companies with negative influence. While other industries changed their manufacturing techniques years ago to lower their negative impact on the environment, the fashion industry has just started to realize their negative impact. The purpose of this thesis is to

create new knowledge in the areas of second-hand products and customer buying behaviors. The aim is achieved through finding the factors which influence the customer the most when purchasing second-hand products. The results show that the factors brand, price and purchase intention of second-hand products, in fact, have no association and influence on each other's during the purchase decision. In contrast, risk and location factors have a weak association with each other, though both factors lack association with brand, price and intention. This results also showed that the purchase of second-hand products is not similar to the purchase of new products and customers consider each factor independently while buying second-hand products. Therefore, it is recommended that the seller give equal importance to brand, price, risk and location factors. Also, he should provide all the desirable information that is related to those factors. For example, some customers might consider price as the most important factor to them. In this case, the seller needs to mention all the information that is related with the price of the second-hand products such as original price paid for the product, present price of the product and selling price of the product. Alternatively, for some customers, product related risk is also important. Therefore, the seller of the second-hand product needs to mention all the related information such as product damage, performance, durability, and/or warranty if such information is available; so a customer would be able to take the buying decision more easily. Furthermore, the result also shows that the customer considers price as the most influencing factor of buying the second-hand products. Price has also high influence on the purchase intention of second-hand products. However, other factors such as brand, location and risk have no influence on the price. Therefore, it is recommended that seller of the second-hand products should follow a proper pricing strategy so a customer would able to afford it. He also needs to keep in mind that the high price also reduces the possibility of selling the products (Völckner & Sattler, 2005). Additionally, the results show, that customers do not consider location as an important factor to themselves as brand, price and risk may be. However, the coefficients of regression model show that location has an influence on the purchase intention of second-hand products. The customer considers the sellers location when he decides to buy the second-hand products. Therefore, it's is recommended that the seller provide all the information related with the location; such as product collection point and product delivery process. Similarly, the result shows that the customers do not consider brand as important as price and risk. Therefore, it is recommended that the seller attempt to increase the brand value of the second-hand product

CONCLUSION AND RECOMMENDATIONS

Conclusion

Secondhand apparel and accessories are often underrated for their importance in the fashion and apparel industry. Many consumers disregard this option for apparel and accessories while other consumers have taken advantage of purchasing secondhand apparel and accessories, and because of this disparity in shoppers' motives this research investigated the purchase frequency of secondhand apparel and accessories. Previous literature did not investigate factors influencing why consumers were purchasing secondhand apparel and accessories. Fashion lifestyle, a commonly used scale in the apparel industry, was used to profile secondhand apparel and accessories purchase frequency. Sustainability factors were used to investigate if consumers were sustainable.

Sustainability was found to influence secondhand apparel and accessories in relation to the consumer's purchases of other environmental apparel products and if the consumer felt they were informed of apparel social and manufacturing issues. Fashion lifestyle was found to influence secondhand apparel and accessories through the participant's identification of Fashion Leadership and Shopping Enjoyment. Therefore factors were found both in sustainability and in fashion lifestyle of the consumer to influence purchase frequency of secondhand apparel and accessories.

Recommendations

This study will raise practical implications for the marketing managers. It is considered that getting information about customers and their behaviour is beneficial for companies, as well as for the managers within those companies, as they will be able to construct suitable and appropriate marketing strategies based on the new knowledge. The growth of the Internet has led to the development of different web-applications and electronic devices that provide users with buying and selling facilities for goods. The use of social networks (e.g. Facebook) and smartphones have also revolutionized second-hand markets among all economic classes. As a result second-hand products consumption is increasing daily. Therefore it is important to pay attention to the factors affecting the purchase of second-hand products, since it is not a simple form of mercantilism. The present study draws attention to the relationship between factors that influence the decision when buying the second-hand product and showed the impacts among price, risk, brand and market place in customer behavior. The findings provide evidence that customers consider price, risk, brand and location differently while buying the second-hand products. This finding will help the managers in the second-hand industry

REFERENCES

Damme, I. V., Vermoesen, R. (2009). Second-hand consumption as a way of life: public auctions in the surroundings of Alost in the late eighteenth century. *Continuity and Change*, Vol.24 (2), 275-305.

Davis, J., (2010). Marketing second-hand goods in late medieval England. *Journal of Historical Research in Marketing,* Vol. 2 (3), 270-286.

Guiot, D., & Roux, D. (2010). A second-hand shoppers' motivation scale: Antecedents, consequences, and implications for retailers. *Journal of retailing*, *86*(4), 355-371.

Gutman, J. (1982). A means-end chain model based on consumer categorization processes. *Journal of Marketing*, 46(2), 60-72.

Mayer, S., E. (2003). What is a "Disadvantaged Group?" Effective Communities Project Minneapolis.

Shugan, S., M. (2006). Are Consumers Rational? Experimental Evidence? *Marketing Science*, Vol.25 (1), pp.1-7.

Stevenson, A., & Ed Gmitrowicz, E., (2013). *Study into Consumer second-hand shopping behaviour to identify the re-use displacement effect*. WRAP.

Völckner, F., & Sattler, H., (2005). Separating negative and positive effects of price with choice-based conjoint analyses. Research Papers on Marketing and Retailing, Vol.19, University of Hamburg.

Williams, C. C., & Paddock, C. (2003). The meanings of informal and second-hand retail channels: some evidence from Leicester. *The International Review of Retail, Distribution and Consumer Research*, *13*(3), 317-336.