MERCARI

The growth of the resale economy

Mercari 2021 Reuse Report

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Mercari US CEO

We all have things we don't use, never used, or simply outgrew. In fact, American households have 23.6 billion unused items stored in garages, closets, storage units, and the like. Spanning everything from vintage collectibles to household goods, electronics to baby gear, these unused items are entering the circular economy as more consumers sell things they no longer need.

A core tenet at Mercari is the idea of "reimagining reuse." We believe that unused items still have value and that it's a win-win for everyone if these items can find a new life with someone else. Reuse goes beyond the resale of items and speaks to how consumers can reduce waste and extend the life of unused items by exchanging, donating, gifting, and DIY.

Last year, Americans spent $140 billion on secondhand goods. By 2030, we expect that will increase by 154% to $354 billion. Over the years, recycling and buying organic was more of a niche behavior, but it has now become a way of life. We feel the same way about "reuse."

In our first-ever Reuse Report, we've uncovered the sheer size and scale of the reuse ecosystem beyond apparel and across household categories. We've explored the resale market's expected growth trends over the next 10 years, and the motivations driving the ever-growing community of people participating in buying and selling secondhand.

Our research also examines the state of unused items to understand how households across America dispose of them, what prompts people to sell, and what motivates people to participate in the circular economy.

We've reached a turning point where reuse is becoming a conventional way of life, rather than the exception. More people than ever are getting involved in the secondhand economy — Gen Z of course, but also men, Baby Boomers and more.

We hope you will join us in embracing reuse as a lifestyle that's not only good for your wallet, but also good for the world.

For information on this report, and Mercari, please contact us at press-usa@mercari.com

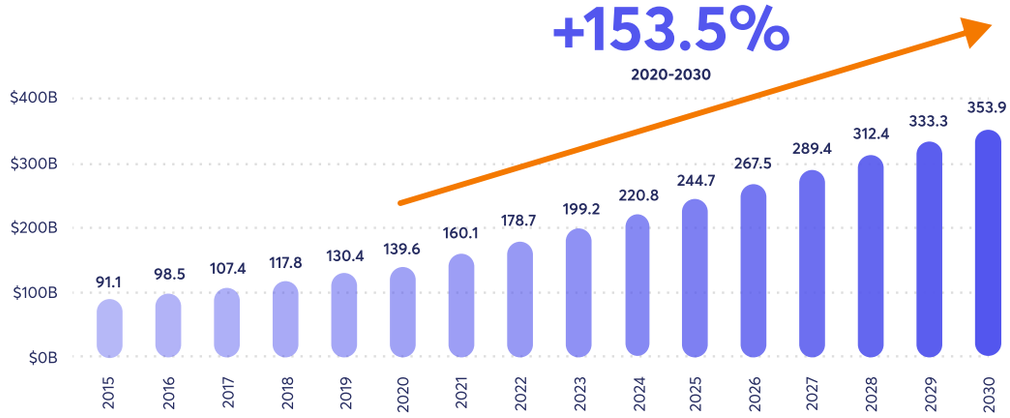
MARKET ANALYSIS & FORECASTS | DEEP DIVE INTO HOUSEHOLD CATEGORIES | THE UNUSED OPPORTUNITY | STATE OF SECOND-HAND BUYERS | STATE OF SECOND-HAND SELLERS | CONCLUSION & METHODOLOGY

MARKET ANALYSIS & FORECASTS

Resale is scaling rapidly to reach $354B by 2030

Total value of the resale market for each year
United States, $ billions

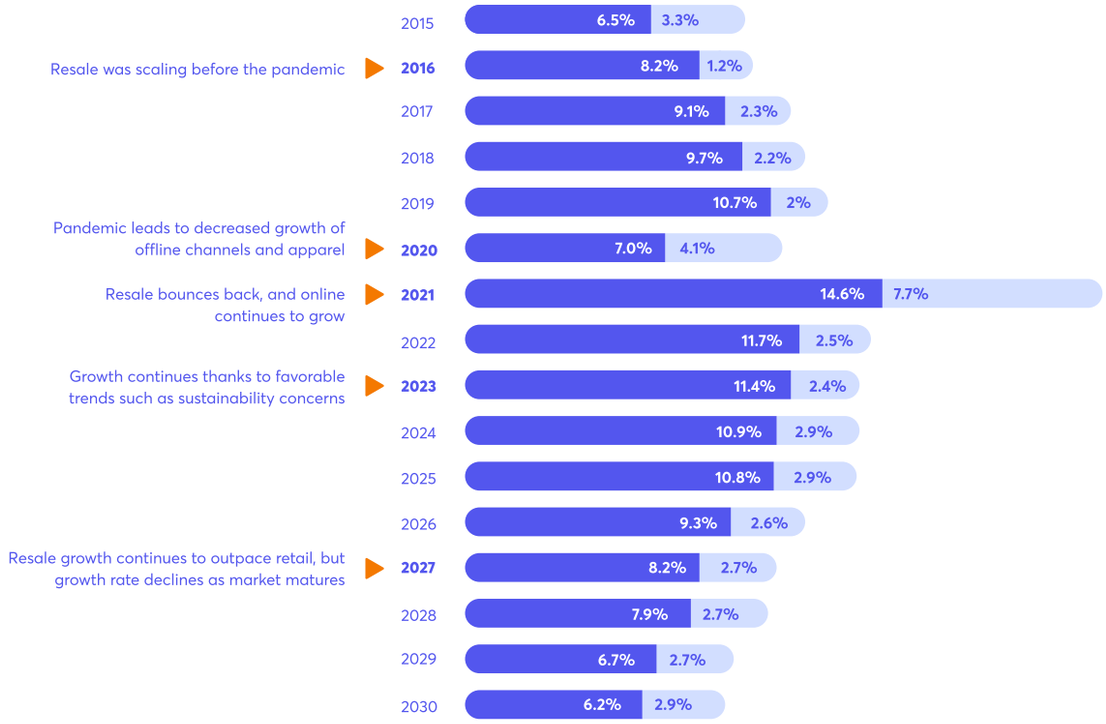
GlobalData 2021 Market Analysis and Forecasts



Resale growth is expected to outpace retail sector growth

Annual growth rate for resale and retail spending
United States, % growth

GlobalData 2021 Market Analysis and Forecasts



Online resale penetration continues to expand

Online is powering most of the growth of resale, and currently contributes 40% of the resale market. By 2030, it is estimated to expand to 55% of the market, equating to a growth rate of 248.7% from 2020 to 2030.

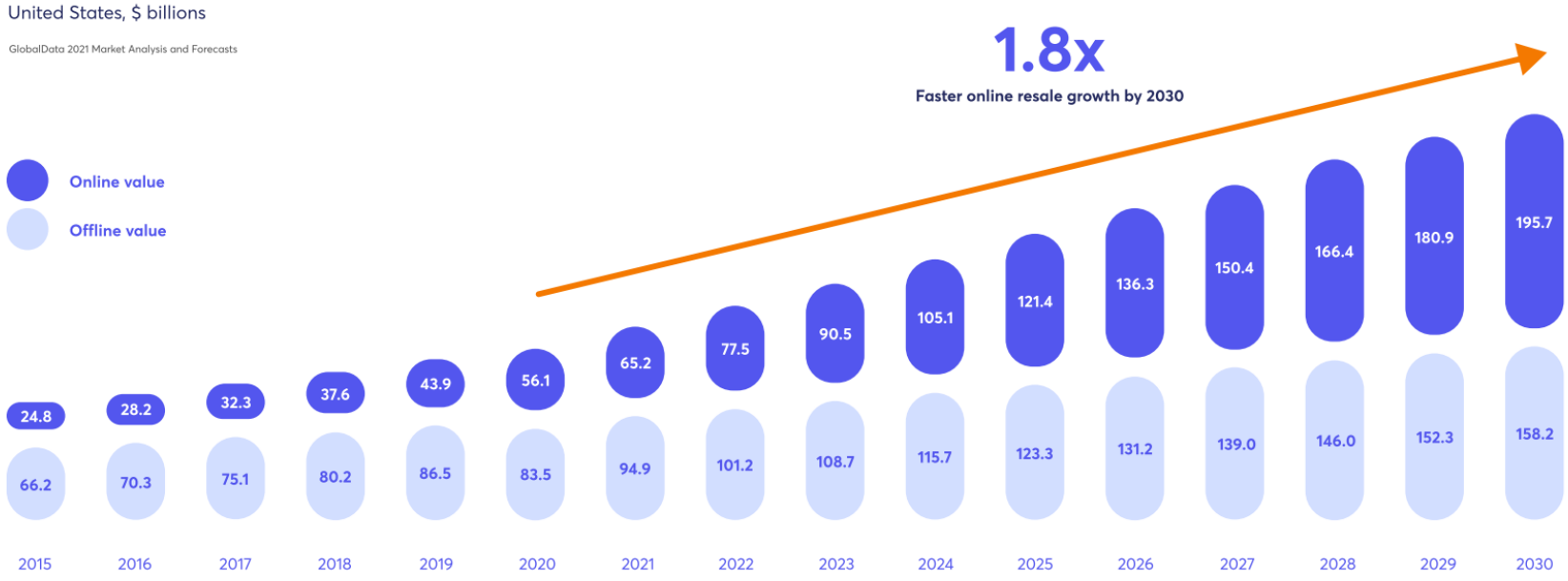
Projected resale market penetration | United States, % growth

GlobalData 2021 Market Analysis and Forecasts

Online resale expected to grow nearly twice as fast as offline between 2020 and 2030

Total resale market value split by online and offline for each year
United States, $ billions

GlobalData 2021 Market Analysis and Forecasts



DEEP DIVE INTO HOUSEHOLD CATEGORIES

Electronics and apparel were the leading resale categories in 2020

Total sales per category
United States, $ billions

GlobalData 2021 Market Analysis and Forecasts

$27.5B
Electronics

$26.6B
Apparel

$17.1B
Home

$13.3B
Leisure

$5.9B
Automotive

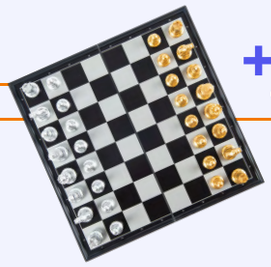
Most resale categories experienced strong YoY growth in 2020

Growth of spending on resale categories in 2020[1].
2020 growth is expressed on a year-over-year basis.
United States, % growth

GlobalData 2021 Market Analysis and Forecasts & Mercari Numbers

17.2%	Computing
16.9%	Homeware
14.3%	Communication
13.6%	Other electronics
12.4%	Furniture
12.3%	Toys
12.3%	Pet products
12.2%	Arts and crafts
10.5%	Kids and baby
9.4%	Other
8.1%	Appliances
7.1%	Collectibles
6.3%	Home improvement
4.1%	Automotive
2.4%	Sporting goods
2.1%	Music instruments
1.3%	Books
1.2%	Womenswear
1.1%	Beauty
-6.8%	Footwear
-10.1%	Kidswear
-11.8%	Menswear
-16.8%	Accessories

+175%*
Computers



+366%*
Games and puzzles

+168%*
Pet

+494%*
Trading cards

+131%*
Instruments

+131%*
Women's athletic shorts

+155%*
Men's pants

*Growth of orders on the Mercari platform of various categories from the same time period.

THE UNUSED OPPORTUNITY

$580.2B

Total value of unused items in US households

Americans sit on 23.6 billion unused items

Per household, this equates to 184 items at a total value of $4,517.[2] This includes any condition of product that is saleable.

GlobalData 2021 Market Analysis and Forecasts

Items no longer in use are in high secondhand demand

The largest categories of unused items are also the categories expected to grow the fastest in secondhand sales between 2020 and 2030.

Zogby Analytics consumer survey, June 2021, n=2,004

What are the primary categories of items that you no longer use?

		Projected sales growth 2020 - 2030
Clothing	69.2%	+368.3%
Shoes	45.7%	+471.1%
Electronics	36.0%	+145.1%
Home Decor	34.4%	+115.2%
Toys & Games	33.3%	+114.1%

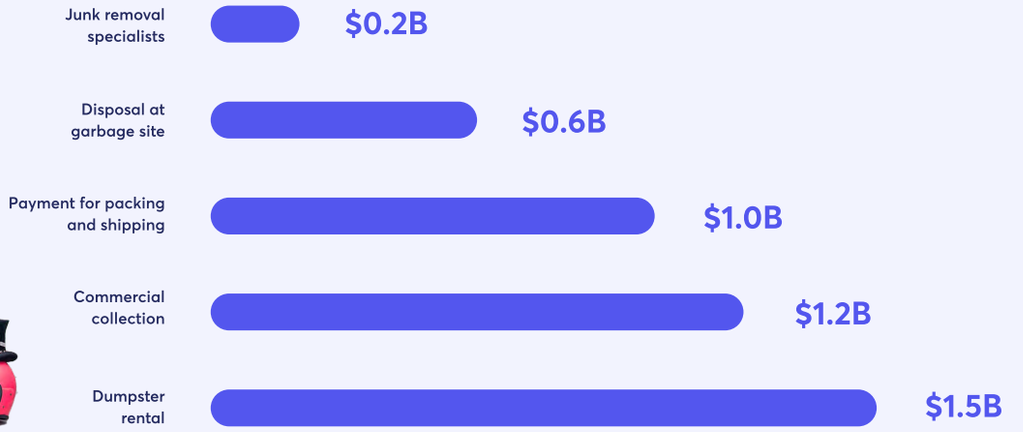
Americans spend billions on the disposal of unused items

Total consumer spend on disposal in 2020 per category[4]
United States, $ billions

GlobalData Market Analysis and Forecasts

$4.5B

Total spent on disposal



1.6 billion products fit for resale were thrown away in 2020

Unused items methods of disposal and amounts
United States, billions of items

GlobalData Market Analysis

12.6B
items disposed of in 2020

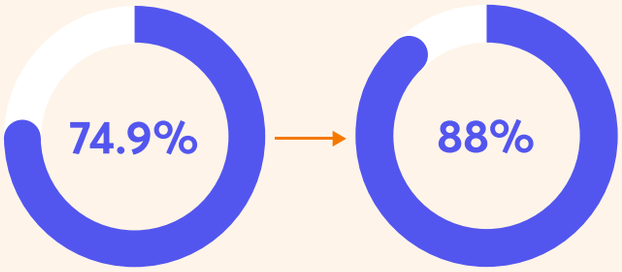
Donation	2.44B
Sold it using an online secondhand site	2.40B
Gave it away to friends and/or family members	2.32B
Threw it out	**1.62B**
Recycled it	1.29B
Sold it at a garage sale or estate sale	1.11B
Sold it at a physical secondhand store	930M
Left it on my street	230M
Stored it in a storage facility	150M
Refurbished or repurposed it into a DIY project	140M

STATE OF SECONDHAND BUYERS

88% of Americans likely to purchase secondhand in the next 12 months

In the past 12 months, approximately 75% of Americans stated that they purchased at least one secondhand item. This projects to 196.6 million people participating in the secondhand economy, and likely will jump to nearly 88% in the next 12 months.

Zogby Analytics consumer survey, June 2021, n=2,004



Americans who bought secondhand in last 12 months

Americans expected to buy secondhand in next 12 months

How likely are you to purchase at least one secondhand item in the next 12 months?

% of consumers by gender and age group

Male	88.0%
Female	87.7%
18-24	92.4%
25-44	91.7%
45-59	89.2%
60-75	75.5%

Reasons to shop resale vary greatly across generations and demographics

Older resale consumers are more focused on saving money and getting deals.
Younger consumers and males use secondhand to find hard to find items, and because it is easy.

What are your primary reasons for buying secondhand items?
United States, % of consumers overall and by gender and age group

Zogby Analytics consumer survey, June 2021, n=1,501

Above overall percentage

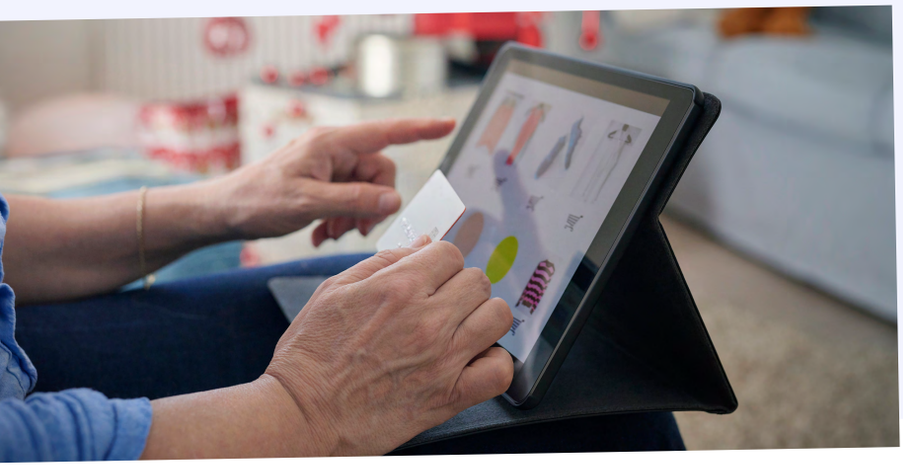
Below overall percentage

	All consumers	Gender		Age			
		Male	Female	18-24	25-44	45-59	60-75
To save money	74.6%	70.5%	78.3%	70.6%	72.2%	75.8%	83.4%
I can find deals on new products	26.5%	22.4%	30.2%	19.7%	22.0%	29.4%	41.3%
A way to find something unavailable elsewhere	29.4%	30.7%	28.3%	30.7%	28.1%	26.6%	37.2%
To have more options to choose from	21.6%	25.4%	18.0%	21.6%	24.2%	19.8%	17.6%
A way to discover new items	26.5%	25.0%	27.7%	32.4%	27.9%	22.7%	23.7%
A way to find popular or trending items	15.0%	17.5%	12.4%	18.3%	17.7%	12.5%	8.1%

On average, secondhand shoppers expect a discount of at least 25% off retail prices

Zogby Analytics consumer survey, September 2021, n=2,009

When shopping for items secondhand, what discount off retail prices do you



seek given the item is...?

New with tags	25.6%
Like new	27.7%
Gently used	28.6%

STATE OF SECONDHAND SELLERS

165 million Americans sell secondhand products

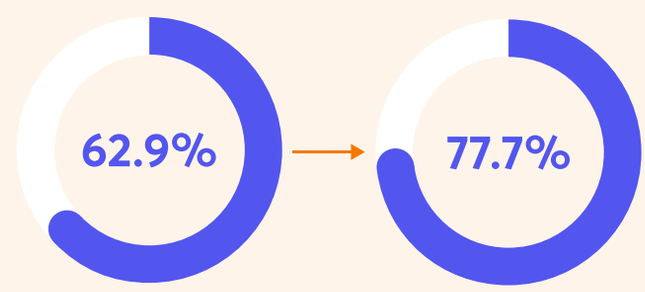
62.9% of the adult population say they have sold at least one secondhand item in the past 12 months. Three in four consumers are likely to sell secondhand in the coming months.

Zogby Analytics consumer survey, June 2021, n=2,004

How likely are you to sell at least one secondhand item in the next 12 months?

% of consumers by gender and age group

Male	80.2%
Female	75.3%
18-24	82.9%
25-44	86.3%
45-59	76.6%
60-75	58.6%



Americans who sold secondhand in last 12 months

Americans expected to sell secondhand in next 12 months

Reasons for selling include making money, disposing of items, and buying new items

Older consumers cite getting rid of unwanted items and decluttering as the top reasons for secondhand selling. Males skew towards selling in order to make money and to make room for new purchases.

What are your primary reasons for selling secondhand items?
United States, % of consumers overall and by gender and age group

Zogby Analytics consumer survey, June 2021, n=1,501

Above overall percentage

Below overall percentage

	All consumers	Gender		Age			
		Male	Female	18-24	25-44	45-59	60-75

Side hustle to make some cash	74.6%	70.5%	78.3%	70.6%	72.2%	75.8%	83.4%
Primary income stream	12.3%	14.6%	9.8%	11.5%	15.3%	10.4%	4.8%
Get rid of items that I no longer need	51.4%	50.0%	52.7%	51.0%	44.8%	54.5%	72.4%
Cleaning & decluttering	50.5%	45.7%	55.3%	46.1%	48.4%	52.7%	60.2%
Make money for new purchases	35.3%	37.1%	33.3%	37.4%	39.2%	28.7%	30.2%
Make room for new purchases	30.7%	31.2%	30.1%	30.3%	34.6%	26.1%	25.2%

Online dominates secondhand selling

Consumers are more likely to sell secondhand goods online — 66.5% of those surveyed sold online while 12.4% sold in physical stores.

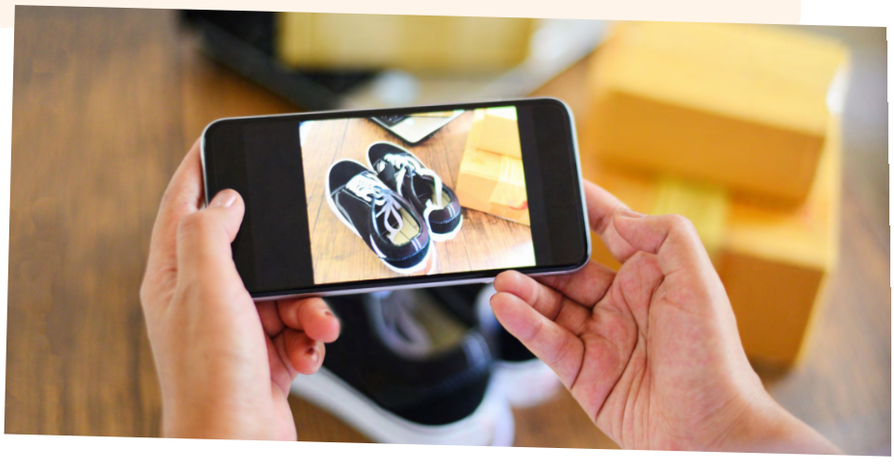
Zogby Analytics consumer survey, June 2021, n=1,260

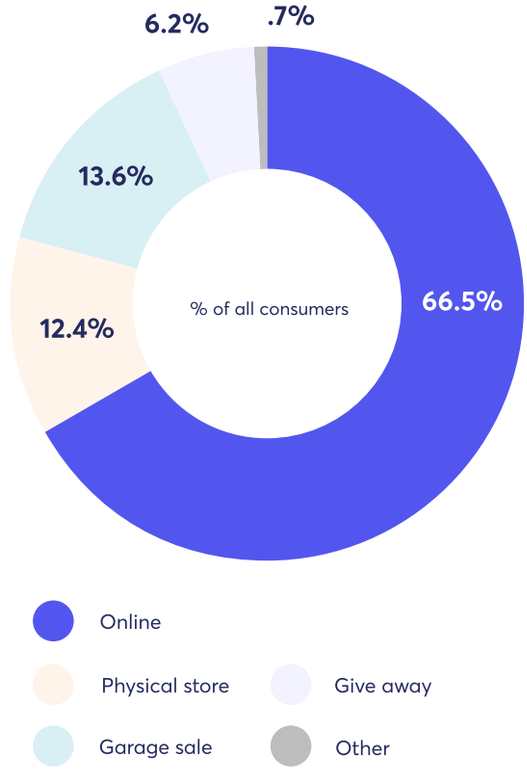
What is your primary channel for secondhand selling?

% of consumers by age group

58% of sellers aged 60-75 choose online as their primary channel. This is higher than the 33% of that age range who buy secondhand online.

18-24	66.5%
25-44	68.2%
45-59	67.9%
60-75	58.0%



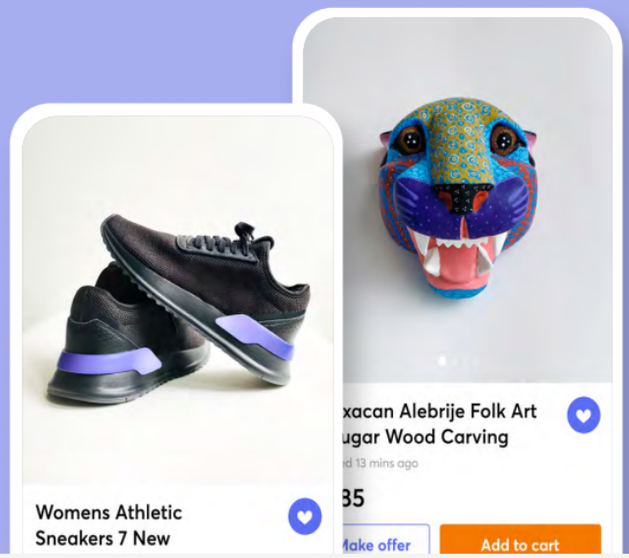


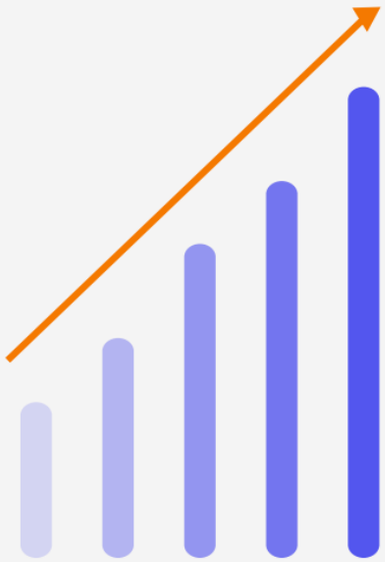
Mercari is your marketplace

Our platform connects millions of people across the U.S. to shop and sell items no longer being used. Mercari is constantly innovating to make exchanges easier, from at-home authentication to improvements in online payments and shipping. Mercari has more than 50 million downloads in the U.S. and 350,000 new listings every day, empowering the next generation to transform the way they shop.

Mercari can be downloaded on app stores or accessed online through www.mercari.com.

For information on this report, and Mercari, please contact us at press-usa@mercari.com.





Our methodology

To calculate the market numbers GlobalData considered the following information:

GlobalData's consumer panel, which tracks the shopping behavior and buying habits of a representative sample of over 100,000 consumers. This consumer data was supplemented by further consumer research to assess views and opinions on a variety of resale buying and selling. Data provided by individual retailers and resalers which breaks down sales and volume overall and by category.

Secondary data from company reports and financials.

All the data are built into GlobalData's model of consumer spending which allows calculation of the various metrics on a national level. Retail analysts carry out several checks on this model to ensure its accuracy and validity. This includes checking against data from individual retailers, official government data, industry data and other sources.

Where provided, forecast data is modelled using a three-step process:

1. Cross-correlation auto regression of inputs over time
2. Bayesian techniques refine to single-most robust forecast
3. Cross-correlation auto regression and Bayesian refinement for the final output

Inputs for the forecasting model include standard economic and social variables as well as specific data from consumer research, retailer predictions and retail metrics such as price inflation, sales mixes, store counts, and basket sizes.

Online market research company Zogby Analytics conducted a June 2021 Survey of 2,004 US respondents ages 18-75 and a September 2021 survey of 2,009 US respondents ages 18-75 assessing secondhand buying & selling behavior.

[1]Data includes consumer spending on all resale or secondhand products in each category, through all channels for each year. Automotive parts are included, but secondhand vehicles are excluded.

[2]Data refers to the total number of unused (as in not currently being actively used with no future intention to use them, rather than things that have never been used) items across American households. Includes only consumer households, not businesses. Includes only the categories covered in this report. Values are estimated dollar value of the products. Data is for 2021, as of September.

[3]References all consumers who have unused items stored in their homes. Values in the graphics are rounded and may collectively exceed 100.

[4]Total amount spent by consumers and households disposing of unused goods (excluding food and perishable items) in 2020. Costs of general disposal, such as ongoing fees for transfer sites, are excluded.
*Excludes general garbage costs. .