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Second-Hand Markets and Recommerce: Opportunities for Brand Value and Sustainability

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TIIVISTELMÄ:
Tässä kandidaatintutkielmassa tarkastellaan, miten second-hand-markkinoiden kasvu ja recommerce-ilmiö avaavat uusia mahdollisuuksia muotialan brändeille. Tutkimuksen lähtökohtana on nykyisen lineaarisen vaateteollisuuden ympäristöongelmat, kuten tuotteiden lyhyet elinkaaret, kiihtynyt kulutus ja tuotannon ylikuormittavuus. Second-hand-markkinoiden voidaan nähdä tarjoavan kiertotalouteen nojautuvan ratkaisun, jossa tuotteiden käyttöikää pidennetään ja resurssien kulutusta optimoidaan. Tutkielmassa tuodaan esiin, second-handin kulutusta, joka on siirtynyt marginaalista laajemmaksi, arvo- ja talousvetoiseksi kuluttajakäytännöksi, jota tukevat sekä kulttuuriset että teknologiset muutokset. Tutkielman tavoitteena on selvittää, millaisia strategisia mahdollisuuksia ja haasteita second-hand-markkinat luovat muotibrändeille sekä miten brändit voivat hyödyntää recommerce-malleja oman lisäarvon tuottamisessa. Teoreettinen viitekehys koostuu kolmesta osa-alueesta: second-hand-markkinoiden riskeistä sekä niiden kuluttajakäyttäytymisestä, second-hand-liiketoimintamalleista sekä agenttiteoriasta, joka auttaa selittämään alustan ja brändin välisiä valtasuhteita, kontrollitasoja ja tiedon epäsymmetriaa. Koettuja riskejä tarkastellaan second-hand-kontekstin kannalta ja ne määritellään toiminnalliseen, taloudelliseen ja hygieeniseen riskiin. Tieteellinen näyttö vahvistaa, että brändien osallistuminen second-hand-markkinoille vähentää merkittävästi kuluttajien koettua riskiä ja vähentää epävarmuutta, sillä brändin tunnettuus, maine ja laadunvarmistus toimivat vahvoina signaaleina luotettavuudesta. Brändien tarjoamat recommerce-ratkaisut, kuten buy-back-ohjelmat, kunnostuspalvelut ja erityisesti brändien omat käytettyjen tuotteiden myyntikanavat, luovat kuluttajille luotettavammaksi koetun ostoympäristön verrattuna C2C-markkinapaikkoihin kuten kirpputoreihin ja alustatalouden ratkaisuihin. Nämä mallit mahdollistavat tuotteen elinkaaren pidennyksen brändin kontrolloidulla tavalla ja avaavat uusia tulovirtoja ilman, että tuotteita täytyisi valmistaa tyhjästä tai uustuotannon myynti kärsisi. Analyysi brändien recommerce-toteutuksista osoittaa, että korkean kontrollin mallit (controller- ja sell-on), mahdollistavat tehokkaimmin laadunvalvonnan, hinnoittelun, ja kokonaisvaltaisen asiakaskokemuksen hallinnan. Johtopäätöksissä myös tuetaan mahdollisuutta hyödyntää näitä ratkaisuja niin online-kuin kivijalkaratkaisuissakin. Monet varhaiset omaksujat ovat hyödyntäneet myös hybridiratkaisuja. Tutkielman päätelmänä esitetään, että brändien kontrolloima recommerce tarjoaa konkreettisen ja strategisesti merkittävän mahdollisuuden yhdistää brändiarvoa, kannattavuutta ja kestävyyttä. Muuttuvilla markkinoilla brändien rooli ei rajoitu enää uuden tuotteen myyntiin, vaan

arvonluonti jatkuu tuotteen koko pidennetyn elinkaaren ajan. Tämä korostaa tarvetta nähdä second-hand-markkinat brändeille uhkien sijaan pitkän aikavälin kilpailuetuna.

AVAINSANAT: second-hand, branded recommerce, recommerce, brändiarvo, kiertotalous, toimijuus, kuluttajariskit, controller-malli, sell-on-malli

Sisällys

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1 Introduction

The current fashion system is widely recognized as one of the most environmentally unsustainable industries in the world. It accounts for an estimated ten percent of global carbon emissions, making it one of the largest industrial contributors to climate change (Bildirici, 2024). The industry is also a major consumer of water resources, using approximately 93 trillion litres water annually which places substantial doll on global water systems (Bailey et al., 2022). In addition, the lifespan of garments has shortened in recent decades, while overall consumption continues to rise due to fast fashion and accelerating linear production cycles (Niinimäki, 2020). This intensifying production to consumption loop uses the linear "take–make–dispose" model that underpins the environmental footprint of contemporary fashion systems (Vesterinen & Syrjälä, 2022).

From this challenge, the second-hand market has emerged as a critical mechanism for mitigating environmental impact and achieving circularity. Waste and Resource Action Programme, (2017) indicate that a 10 percent increase in second-hand garment sales could reduce carbon emissions by 3 percent, water consumption by 4 percent, and waste generation by 1 percent per ton of garments. Furthermore**,** off-price and second-hand retailers play a central role in extending product life cycles and preventing unsold or excess stock from entering landfills (Vikar et al., 2016). These actors function as essential components of the apparel industry's reverse supply chain, transforming surplus inventory into accessible, lower-priced goods that democratize consumption while reducing waste and improving overall resource efficiency (Vikar et al., 2016; Geissdoerfer et al. 2017).

Customers consumption behavior is ever-shifting (Malter et al., 2020). With ever shifting brand-scenery brands must look for new ways to settle out from the masses and create innovative value creation practices. Sales of second-hand goods play a significant role in attracting customers to sustainable retail practices, which are becoming increasingly popular as environmental sustainability becomes widely recognised (Kaur & Manna, 2025). With the rise of second-hand platforms, companies could begin to compete

against their own old products since customers are shifting more into alternative retailers such as flea-markets and C2C platforms. In this thesis, I examine the potential of ecommerce and value creation out of second-hand products. Solutions such as Marimekko pre-loved, Artek 2nd cycle and others are examined. Solution include either giving second-hand products a platform in which to trade and list in, or by selling said products in-store. The motivation for this subject is as follows: companies and brands to that extent will never cease to exist, even though that would be the single most sustainable thing to do (Balsiger, 2014). Therefore, brands must explore other options regarding brand image (Malter. et al. 2020), with a second-hand frame of reference. As Vikar et al (2016) point out the second-life retailing business model and its role in the reverse supply chain has not received much attention and Negash & Akhbar (2024) follow up on that current conditions in the fashion industry require businesses to transform and adapt the circular business model to separate economic development solely from the consumption of finite resources.

1.1 Structure and Objective of the Study

This thesis is structured to address the growing relevance of second-hand clothing consumption and its implications for brand strategy through branded recommerce. The need for this research is first established by examining the rapid expansion of second-hand markets, supported by statistical evidence and market analyses that illustrate the increasing consumer demand for pre-owned apparel. Further, in this thesis is demonstrated the challenges of second-hand products especially towards brands. How brand equity can mitigate these challenges and create new business models that can be implemented is also examined.

The structure of this thesis follows a progression that moves from the broader sustainability challenges of the fashion industry to the specific strategic role of branded recommerce. Chapter 2 establishes second-hand markets growth, examines the differences between linear and circular business models and outlines why the fashion industry increasingly requires circular solutions, emphasizing the pressures that drive

the expansion of second-hand markets. Chapter 3 explores what brands could do to participate in these markets and what advantages and challenges they might face by persuading these possibilities. By analysing the key consumer risks and the opportunities related to brand equity, trust, and value creation. This chapter also introduces second-hand business model typologies and platform governance structures that enable different levels of brand control. Chapter 4 leads to branded recommerce as a high-control circular business model, demonstrating how brands could manage resale and access new revenue streams.

1.2 Key Concepts

Recommerce, also known as resale, is a customer-to-customer business model where individuals or businesses buy and sell second-hand gooda, (Guiot & Roux, 2010). This process features a wide variety of products, including, clothing, furniture, electronics and books. Recommerce platforms facilitate the exchange of these items, promoting sustainability by extending product lifecycles and reducing waste (He et al. 2023). There are two alternatives in the recommerce market regarding types of exchange. The sharing economy and traditional exchange economy. Franken & Schor, (2017) define the sharing economy as: consumers granting each other temporary access to under-utilized physical assets (idle capacity), possibly for money.

“Consumers selling goods to each other is called the second-hand economy. This does not fall under the sharing economy as consumers grant each other permanent access, rather than temporary access to their goods” (Franken & Schor, 2017). Guiot & Roux, (2010) define second-hand shopping as the acquisition of second-hand objects through methods and places of exchange that are generally distinct from those for new products. Franken and Schor (2017) further distinguish the second-hand economy from the sharing economy by emphasising the nature of access granted. In the second-hand economy, “consumers selling goods to each other is called the second-hand economy. This does not fall under the sharing economy as consumers grant each other permanent access, rather than temporary access to their goods” (Franken & Schor, 2017).

The sharing economy is regarded as a crucial tool for transition from unsustainability to sustainability. Although the sharing economy definition (Franken & Schor, 2017), is widely used and agreed upon, comprehension varies about what makes a sharing economy business model (Yrjölä et al. 2021). Yrjölä et al. (2021) also bring up that scale also matters for platform businesses, with the value for all participants tending to increase as the number of users increases. However, an increase in the user base can also result in misbehaviour on the user behalf or lower the quality of platform content. With brand equity these problems can be mitigated, since people put trust in brands, they already are familiar with. As Negash & Akhbar (2024) also point out, establishing trust in second-hand fashion products is crucial for shifting consumer attitudes toward engagement with these products.

Marketing management examines how and why organisations choose to position themselves and compete within their respective markets. Over the past two decades, many industries have undergone major shifts since consumer behaviour, technology, and sustainability awakening has and continues to reshape their respective fields. One of the most significant changes to take into consideration has been the rapid rise of the second-hand economy, which has prompted companies to experiment with a wide range of strategies and practices. The business perspective, however, has remained underdeveloped in second-hand economy research (Yrjölä et al., 2021). Multiple new means to orchestrate value creation and resource use have emerged out of this. Such as collaborative consumption, access-based consumption, and the sharing, circular, and second-hand economies (Richter et al. 2017). As Sihvonen & Turunen (2016) note, although brand managers typically focus on behaviour in B2C markets, it is important to recognise that consumers do not always purchase products solely for their own use. Customers may also consider the item's future utility possibilities and potential resale value (Sihvonen & Turunen, 2016)

1.3 Delimitations

Brands participating in recommerce lacks solid academical background. As the Scopus database provides only 3 results for keywords “Brand” AND “Recommerce”. However, non-peer-reviewed literature is found. This provides both a challenge and an inspiration for this thesis. While much of the existing literature on recommerce has concentrated on the luxury segment (Turunen & Leipämaa-Leskinen, 2015; Turunen & Pöyry, 2019), it is important to recognize that the phenomenon extends beyond high-end markets. Luxury fashion has been a natural starting point for recommerce research because second-hand luxury goods often retain significant symbolic and financial value, making them particularly relevant in terms of consumer identity and brand prestige (Pandey et al. 2024). By moving beyond the luxury lens, recommerce can be understood as a strategic opportunity for brands across the fashion spectrum to enhance equity, build trust, and respond to growing consumer expectations for circular practices. For example, mainstream fashion brands are increasingly adopting recommerce models as well. In these contexts, the emphasis shifts from exclusivity and authenticity toward sustainability, affordability, and consumer engagement with wider market segments. As Hedegård (2024) point out, “previous research on second-hand markets illustrates valuable practices and conditions of SHR. Still, research has not explained how used goods can be marketed in stores”.

“Over the last decade, while true sharing economy platforms that facilitate product sharing and reuse have promised to lead to more sustainable and circular usage, behaviour changes that lead to widespread durable goods renting and sharing has been limited outside of the automobile sector”. (Chen, Esteban, & Shum, 2013). Also, this thesis excludes charities from the recommerce section. Eventhough they share similarities with second-hand models, charities operate under non-profit models. Franken & Schor (2017) also note that platforms enabling consumers to give away items for free, such as many Facebook community groups, likewise involve the transfer of permanent access and should therefore be classified within the second-hand

economy rather than the sharing economy (Franken & Schor, 2017). However, such platforms are also excluded from this thesis.

2 From first-hand unsustainability to second-hand sustainability

As previously stated, the fashion industry continues to be one of the most unsustainable parts of manufacturing industry. The fashion industry follows a linear model consisting of three key stages: take, the harvesting of raw materials, make, the production of garments, and waste, the wearing and subsequent disposal of garments. (Ellen MacArthur Foundation, 2017). This fast-paced first-hand linear consumption structure encourages short product lifespans and promotes novelty over longevity, thereby exacerbating the industry's ecological footprint (Niinimäki et al., 2020). Linear model not only generates excessive greenhouse gas emissions, water use, and textile waste, but also promotes garments that rapidly lose their utility after a brief period of use. In response, circular strategies seek to slow and close material loops by extending product lifetimes and recapturing value that would otherwise be lost.

Compared to the linear model, second-hand consumption fits into the circular economy (Negash & Akhbar, 2024). Circular economy is described as an economic system that replaces the traditional "end-of-life" concept (Kirchherr, Reike and Hekkert, 2017) with continuous resource circulation through reducing, reusing, recycling, and recovering materials across production, distribution, and consumption processes (Negash & Akhbar, 2024). As Kasavan et al. (2021) also point out, reused clothing is referred to as second-hand fashion, because unlike other marketable fashion, it does not require any more production and is already part of the circular economy. Its core objective is to achieve sustainable development by simultaneously promoting environmental quality, economic prosperity, and social equity (Kirchherr, Reike, & Hekkert, 2017). Product reuse, such as second-hand trade preserves the value of products already in circulation and delays the need for new production. By extending product lifecycles, second-hand markets contribute directly to the principles of circularity and resource efficiency (Bocken et al, 2016).

The reuse and resale of garments contribute to environmental conservation by extending product lifecycles and reducing the need for new production (Farrant et al., 2010). Studies indicate that the environmental burden associated with the collection and redistribution of second-hand garments is negligible compared to the avoided impacts of manufacturing new ones (Farrant et al., 2010; EuRIC, 2023). As a result, second-hand markets not only offer an environmentally superior alternative but also promote a cultural reorientation toward circular consumption (Joung, 2016; Turunen & Leipämaa-Leskinen, 2015). Within these second-hand markets, value creation is increasingly understood as a joint process among multiple agents, including consumers, brands and platform providers rather than something produced and delivered solely by firms (Kujala et al., 2017). This co-creational view highlights how shared meanings, trust, and ongoing interaction are essential for turning second-hand exchanges into perceived value for all parties involved. Furthermore, downstream actors, including customers, retailer employees, consuming households, and wider communities, play an essential role in shaping how value is experienced and circulated (Vadakkepatt et al., 2021).

2.1 Co-creation in Second-Hand

This brings us to the co-creation concept in second-hand markets. Co-creation refers to the joint, collaborative process through which firms and consumers, as well as other stakeholders, actively participate in the creation of value, meaning, and experiences (Prahalad & Ramaswamy, 2004; Ramaswamy & Ozcan, 2018). This shift in consumer behaviour is particularly important in second-hand fashion markets, where customers function not only as buyers but also as suppliers and co-creators of value (Vadakkepatt et al., 2021). Unlike in traditional retailing, second-hand and consignment stores depend on consumers to provide inventory, making them primary partners in the value chain (Gopalakrishnan & Matthews, 2018).

Consumers in second-hand markets are not passive recipients of value but active co-creators who shape platform assortment, legitimacy, and brand equity by listing, describing, evaluating, and promoting products. This aligns with broader co-creation

research, which shows that customers contribute directly to value formation in digital and collaborative consumption environments (Prahalad & Ramaswamy, 2004; Ramaswamy & Ozcan, 2018; Gopalakrishnan & Matthews, 2018) Furthermore, consumers' motivations to engage in these exchanges extend beyond price sensitivity; they include the thrill of discovery, brand appreciation, and product variety, which together foster an experiential and relational form of value (Gopalakrishnan & Matthews, 2018).

2.2 Second-Hand Consumption and Market Growth

Figure 1: Secondhand apparel market value worldwide from 2021 to 2029. Secondhand apparel market worldwide 2021-2029| Statista

The rapid expansion and the growing rise of the second-hand market (Figure 1) marks one of the most significant shifts in contemporary consumer behaviour. Previously second-hand has been associated with thrift shopping and economic necessity (Herjanto Et al., 2016). However, in the past two decades, the unattractive connotation of second-hand has moved away from being low-level fashion targeted at lower social classes and instead has emerged towards enabling consumers from diverse social groups to create

their own unique style (Herjanto et al., 2016). Resale has been reimagined and repurposed to address contemporary sustainability challenges, with the result that purchasing second-hand clothing has become an accomplishment for many consumers (Lichy, 2023). Nowadays, second-hand consumption has evolved into a mainstream, value-driven practice that reflects environmental awareness and social meaning as well as digital innovation. As Koay et al (2024) point out, consumers' beliefs about affordability, environmental friendliness, quality, and trendiness positively shape attitudes toward second-hand clothing. Second-hand growth is both cultural and structural. Culturally, consumers are increasingly motivated by sustainability and individuality. Structurally, digital resale platforms such as Tori.fi, Vestiaire and Depop have reduced transaction costs and made second-hand purchasing more accessible, transparent, and socially acceptable (Koay et al., 2024; Turunen & Leipämaa-Leskinen, 2015).

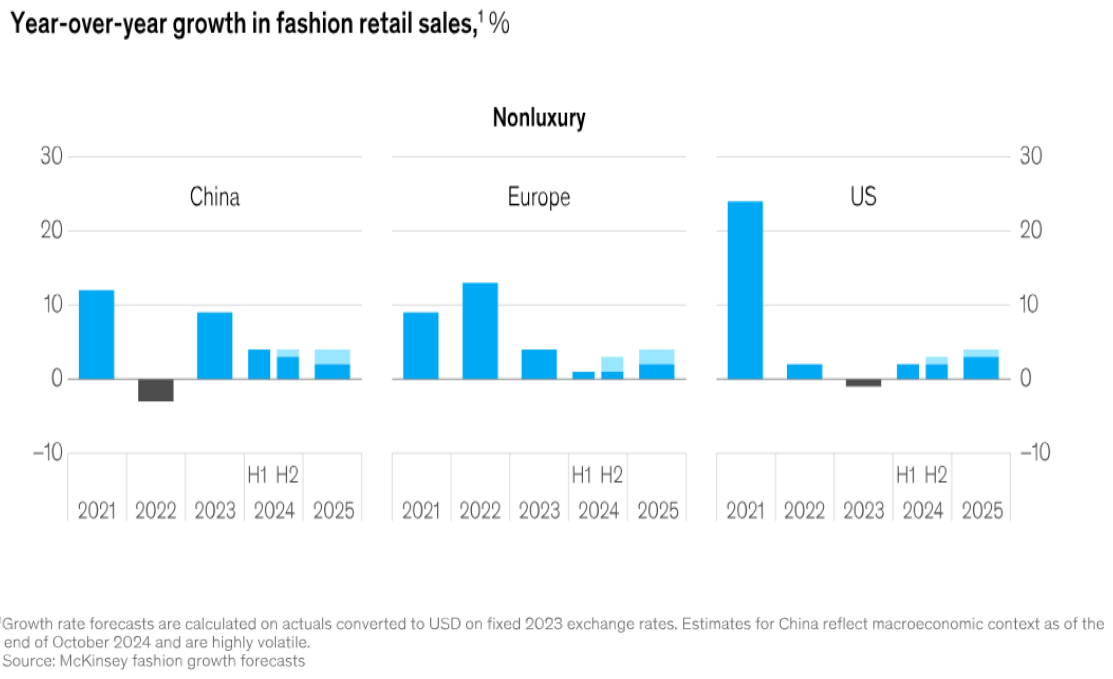

Figure 2: Year-over-year growth in fashion retail sales. https://www.mckinsey.com/industries/retail/our-insights/state-of-fashion#/

Globally, the resale market has grown far faster than traditional retail (Figures 1&2). Industry analyses project that the value of the global second-hand apparel market will experience huge growth between 2023 and 2027, driven by platform growth and shifting consumer preferences (McKinsey & Company, 2023). Other studies endorse these findings about the growth of second-hand both socially and economically. For example, in Finland, 46 percent of consumers report that they would like stores and online retailers to offer second-hand selections alongside new products (Kaupan liitto, 2023). Furthermore, a recent study by Finnish post office Posti (2025) highlight that one in four parcels already contains used goods. Young adults and women are the most active user groups and shopping occurs primarily through flea markets and online C2C platforms (Posti, 2025). Other papers such as Paco et al. (2020) support these findings. These statistics illustrate the changing expectations toward circular retail models and intertwining the line between first-hand and second-hand markets.

Academic literature (Niinimäki et al. 2020) links the rise of second-hand consumption to the broader transformation of the fashion system from a linear to a circular model. The circular economy, defined by Kirchherr, Reike & Hekkert, (2017), replaces the “end-of-life” concept with reducing, reusing, recycling, and recovering materials throughout production and consumption. Within this framework, second-hand trade functions as a practical mechanism that slows material flows, preserves product value, and reduces waste (Bocken, Bakker, & Pauw, 2016). Thus, the expansion of second-hand markets is not only a commercial trend but also a systemic transition toward circularity, aligning consumer practices with sustainability imperatives.

2.3 Challenges of Second-Hand Products

For brands, second-hand products could create more competition for their current products. On the other hand, they are already doing it (Figure 1). Yrjölä et al., (2021) show how emerging second-hand business models are threatening their current sources of competitive advantage. Still, second-hand clothing does feature some challenges of its own. Such as product uncertainty, perceived value risks and product cannibalization.

As Dimoka et al,. (2011) continue on the theme of second-hand uncertainty, they emphasize that buyers often struggle to distinguish between dishonest sellers, who may intentionally conceal defects to avoid losing a sale. This is called seller uncertainty. Honest sellers who simply lack the knowledge or skill to identify hidden flaws or to accurately assess the quality, provenance, or age of second-hand items is called product uncertainty. This ambiguity makes it difficult for consumers to reliably evaluate pre-owned goods, reinforcing the need for mechanisms that reduce information asymmetry and build trust in second-hand markets.

Koay & Cheah (2025), introduce six perceived value risks when it comes to second-hand clothing context. Financial, functional, aesthetic, sanitary, psychological and social risks. In this thesis, the main three concrete risks are established and examined. Them being sanitary, financial and functional. They are the most concrete and transaction-relevant concerns because they directly affect perception on product quality and perceived value. These risks also align most closely with the operational mechanisms of second-hand business models, making them the most analytically meaningful focus for this thesis.

Financial risk, defined as consumers perceived likelihood of economic loss associated with a purchase (Grewal et al., 1994), resulting from purchasing second-hand clothing. When an item performs below expectations, consumers are likely to view it as financially risky. Second-hand clothing is sometimes perceived as inferior in quality, requiring frequent replacement (Hur, 2020; Koay et al., 2024). Furthermore, refund difficulties particularly when sellers enforce no-returns policies can reinforce consumers' sense of financial vulnerability (Hur, 2020).

Functional risk arises when second-hand clothing fails to meet its intended purpose, such as lacking durability or losing shape or colour after washing (Koay et al., 2024). Second hand-clothing has traditionally been associated with poor quality. However, those with prior experience of purchasing second-hand often report the opposite, noting

that many pre-owned garments appear brand new or lightly worn and are available at discounted prices (Hur, 2020; Joyner Armstrong & Lang, 2018).

Sanitary risk involves concerns about second-hand clothing posing health or hygiene threats (Koay et al., 2024; Koay & Cheah (2025). Many consumers hesitate to buy second-hand due viewing it non-hygienic (Wang et al., 2024). Even minor stains or wear can amplify these concerns (Wang. et al., 2024). The study by Posti (2025) offers some insight to customer viewpoint of second-hand consumption. The main barriers to buying used items are concerns about product quality (41%), trust (33%), and the effort involved (22%), while motivations include affordability (74%), sustainability (49%), and finding unique items (Posti, 2025).

Also, cannibalization has long been perceived as a major risk for manufacturers adopting circular or recommerce strategies. Traditional business logic assumes that resale or trade-in programs reduce new product sales by diverting demand toward pre-owned goods. While there are not many academic research papers regarding the cannibalization of first-hand products by second-hand clothing, evidence from other industries can be examined. For example, empirical evidence from the automobile industry challenges this assumption. Jayarajan (2018) found that although both new and used car markets are influenced by changes in product durability, cannibalization accounts for only about 15% of the total sales impact, while the remaining 85% stems from enhanced market competitiveness. Rather than diminishing new product demand, improvements in durability primarily strengthen brand reputation and customer loyalty. These findings suggest that manufacturers and by extension, fashion and lifestyle brands should view durability and reusability as value-enhancing attributes that promote brand equity, not as threats to new sales. Supporting this argument, Chen & Hsu (2015) demonstrate through analytical modelling that trade-in strategies for durable goods can further mitigate cannibalization while promoting circular value creation. By offering trade-in rebates or buy-back programs, firms can recover used products, stimulate replacement purchases, and prevent third-party intermediaries from capturing residual

value (Seo & Jin, 2024; Chen & Hsu, 2015). Chen & Hsu (2015) further show that when recovery costs are moderate, trade-in programs optimize both profit and product flow by encouraging earlier replacement cycles without eroding total sales. This strategic mechanism not only preserves demand for new items but also reinforces customer loyalty and quality perception through controlled resale. Consequently, recommerce and trade-in models exemplify how circular practices can coexist with profitability, transforming potential cannibalization risks into competitive advantages rooted in brand-controlled durability, customer retention, and trust.

3 Second-Hand Possibilities for Brands

The growing consumption and shift in consumer culture with second-hand products presents both a challenge and an opportunity for brands. As outlined in the previous chapter, second-hand consumption arises partly as a response to the unsustainable practices of the linear fashion industry. Resale markets such as flea markets and second-hand markets have evolved into a mainstream component of consumer culture, driven by affordability, environmental awareness, and digital accessibility (Koay et al., 2024). In academic literature, this evolution is increasingly interpreted through the framework of circular business models (CBM), which aim to preserve product value and minimize waste by enabling reuse, repair, and resale (Bocken et al., 2016). For brands accustomed to controlling every element of their value chain, from production and distribution to post-purchase, this shift forces a strategic reconsideration of how value is created, communicated, and sustained beyond the sale of the product.

Within this circular logic, value creation no longer ends at the point of a sale but extends throughout the product's life cycle. Brands that adapt to this shift can integrate sustainability into their core identity and capture new value streams. For example, Patagonia´s worn wear demonstrates how value creation can extend far beyond the initial point of sale. Illustrating that sustainability-oriented circular flows can become part of core brand identity while simultaneously unlocking new value streams (Bocken et al. 2016).

However, successful participation in second-hand markets requires more than operational entities (Kumar et al. 2016). Unlike traditional resale platforms, where product uncertainty and financial, functional and sanitary risks are often perceived, brand involvement provides the credibility and assurance that mitigate perceived risks. Here, brand equity plays a pivotal role.

Brands, however, may initially balk at the prospect of placing pre-owned items aside new products on their ecommerce sites, fearing profit reductions from cannibalization (Li & Sundarajan, 2024). While academic literature in the context of brand-new clothing

cannibalization by second-hand products is still limited, some literature is found in the automobile and literature-context as previously mentioned. For brands, the mainstreaming of second-hand consumption creates both opportunities and complexities. On one hand, it opens access to new customer segments and strengthens the perception of environmental responsibility, on the other, it introduces strategic challenges related to quality control, pricing, and potential cannibalisation of new product sales.

3.1 Brand Equity

Brand equity is one of the foundational concepts in marketing, referring to the additional value a brand contributes to a product beyond its functional attributes. Brand equity has been described as “the set of associations and behaviour on the part of a brand’s customers, channel members and parent corporation that permits the brand to earn greater volume or greater margins than it could without the brand name” (Leuthesser, 1988). According to Aaker (1991), brand equity consists of a set of assets and liabilities linked to a brand name and symbol, which enhance or diminish the value of the product for both the firm and its customers. These assets, such as brand awareness, perceived quality, brand associations, and brand loyalty collectively form the foundation for long-term consumer relationships and profitability. Similarly, when consumers are highly familiar with and hold favourable associations toward a brand, they respond more positively to its marketing and product offerings (Keller, 1993), which in turn reduces perceived risk and increases trust. While these sources are dated, they are foundational in marketing concepts, and many further studies are based on these.

This connection between brand equity and perceived risk is especially relevant in the context of second-hand or recommerce markets, where product uncertainty is inherently higher (Turunen & Pöyry, 2019. Guiot & Roux, 2010). Product uncertainty refers to consumers’ lack of confidence about the quality, condition, or authenticity of a product before purchase (Shankar, Smith, & Rangaswamy, 2003). In second-hand consumption, this uncertainty often rises from the absence of standard warranties,

inconsistent product conditions, and limited information on prior use (Turunen & Pöyry, 2019). Consequently, consumers may hesitate to engage in second-hand transactions, perceiving them as riskier than buying new products.

Here, brand equity acts as a critical uncertainty-reduction mechanism. High-equity brands function as signals of reliability and authenticity, reducing consumers' perceived risk and information asymmetry (Erdem & Swait, 1998). When a brand with established trustworthiness and quality assurance provides second-hand options from their own catalogue of products, could brands own brand equity mitigate uncertainty around those second-hand products. As a result, consumers can rely on the brand's established image rather than needing to assess product quality independently. Li & Sundarajan (2024) follow up on this; the "branding" of recommerce by itself may reduce quality uncertainty. After all, a customer is buying the pre-owned item directly from the manufacturer rather than from an unknown individual (Li and Sundarajan, 2024). When it comes to second-hand goods, perceived value takes several forms beyond conventional retail environments (Kaur & Manna, 2025).

3.2 Second-Hand Business Models from Brand Perspective

"Circular business models are those in which the conceptual logic for value creation is based on utilising economic value retained in products after use in the production of new offerings". (Bocken et al, 2016)

Brands have different strategies to reincorporate circular business models into their business solutions (Hokkanen, 2022). One common approach involves trade-in programs, in which consumers exchange pre-owned items for store credit or discounts, thereby reinforcing customer loyalty and enabling product recirculation (De Giovanni & Ramani, 2019; Hultberg & Pal, 2025). Similarly, buy-back or return-for-resale solutions allow brands to purchase used items directly from consumers through physical stores, postal returns, or digital submission systems, ensuring quality verification and authenticity,

which are key aspects for protecting brand equity (Kirchherr et al., 2017). A more flexible arrangement is the consignment model, where ownership remains with the consumer until resale occurs, while the brand acts as an intermediary that manages curation, pricing, and transaction trust, typically earning a commission-based margin (Yrjölä et al., 2021). For example, Marimekko pre-loved operates in this area. Additional return mechanisms include refurbishment and remanufacturing programs, through which used products are restored to "as-new" condition before re-entering the market, thus extending product lifecycles and reinforcing environmental responsibility (Bocken et al., 2016; De Giovanni & Ramani, 2019). For example, Artek 2nd cycle. Finally, many brands form platform-enabled recommerce partnerships that outsource operational logistics such as authentication and fulfilment, while allowing brands to retain strategic control over resale branding and customer experience (Hultberg & Pal, 2025; Yrjölä et al., 2021). Collectively, these mechanisms demonstrate how recommerce models operationalize reverse logistics and value recapture within the circular economy, while simultaneously preserving consumer trust and reinforcing brand equity across multiple touchpoints (Linder & Williander, 2017).

Multiple contemporary trends and developments increasingly favour second-hand business models (Yrjölä et al., 2021). The design and structure of these business models ultimately determine how effectively the second-hand economy can create value for both buyers and sellers of used goods and thereby support co-creation. As Hokkanen (2022) emphasises, business model choices fundamentally shape how retail organisations adapt to transformative market shifts. Suggesting that second-hand platforms and retailers can strengthen their competitive position by developing models that enable value co-creation and more efficient circular flows. Yrjölä et al. (2021) provide frames for second hand business models: "Second-hand business models are to share characteristics with three types of business models: (1) internet-based and/or platform business models, (2) sharing economy business models, and (3) retail business models". Furthermore, Yrjölä (2016) defines three second-hand business models, the

connector, the supporter and the controller models. In this thesis, the focus is on the third option, the controller model solution.

Wang et al. (2024) examined the sales performance implications of three brand-platform selling arrangements from sell to, sell through, and sell on. Wang et al (2024) further demonstrated that differences in decision authority, fulfilment responsibility, and operational control significantly influence brand outcomes. Wang et al,. (2024) reveal that sell through arrangements, in which brands outsource logistics but retain authority over marketing and pricing, outperform sell to configurations, where platforms control both pricing and inventory. Conversely, sell on models offer brands the highest level of autonomy and strategic control, allowing them to directly manage customer relationships, quality assurance, and resale pricing, although at greater operational cost.

These models resemble closely Yrjölä (2021) solutions. Therefore, a connection is drawn between these solutions, especially between the sell on and the controller model. Additionally, the sell to structure mirrors connector models, where platforms function as intermediaries and brand control is minimal. The sell through arrangement aligns with supporter models, in which brands maintain selective oversight of the resale experience while relying on external partners for operational processes.

The conceptual overlap between the sell on configuration and the controller model is particularly significant in the context of circularity and branded recommerce. In the sell on arrangement, as defined by Wang et al. (2024), brands list and transact on a platform under their own name while retaining key decision rights related to assortment, pricing, marketing, and customer service. Although the platform may provide the technological infrastructure or fulfilment network, the brand maintains ownership of its inventory, control over pricing, and full authority over the customer relationship. This governance structure enables brands to monitor authenticity, ensure quality consistency, and manage consumer interactions directly, but it also entails higher operational costs and capability requirements due to increased logistical and managerial complexity. Similarly,

in the controller model of second-hand business (Yrjölä et al., 2021), the firm assumes comprehensive control over resale operations. This aligns with Pal (2017) observation that value creation in circular fashion relies heavily on firms' ability to design and manage post-use processes such as collection, sorting, grading, refurbishment, and multi-channel resale in ways that retain or enhance product quality. The company collects or purchases used products, conducts authentication and quality assessment, and determines resale pricing, distribution, and customer experience (Yrjölä et al. 2021). Unlike connector or supporter models, the controller approach internalizes key processes, such as refurbishment, logistics, and after-sales services, to guarantee brand consistency and build consumer trust in controller model (Yrjölä et al. 2021). This model also involves higher business risk, as firms take on inventory and fixed assets, yet it enables greater influence over value recovery, quality assurance, and customer satisfaction.

Both the sell on and controller models (Yrjölä et al. 2021; Wang et al. 2024) represent high-control governance structures, in which brands retain the residual decision rights necessary to preserve authenticity and perceived quality, key factors that are essential for consumer acceptance of second-hand goods. These models are functionally and strategically aligned: both concentrate control over products within the brands reach, allowing it to design and manage circular flows that extend product life, protect brand equity, and strengthen sustainability narratives. This is consistent with Pal (2017), who highlights that circular fashion systems place significant demands on design, reverse logistics, and organizational capability-building, particularly at the reselling and refurbishment stages where value creation must be actively managed.

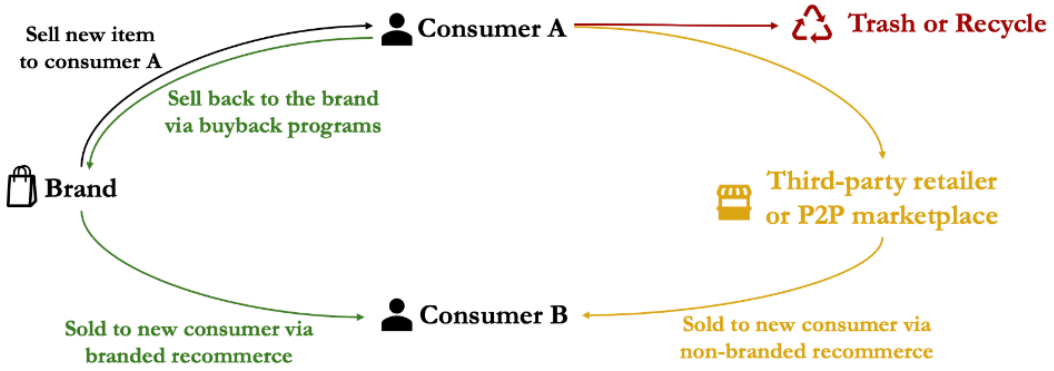

Figure 3: Evolution of Resale Product Flow after Branded Recommerce. (Agarwal et al. 2025).

"Brands can leverage these findings by: (1) introducing the option to purchase pre-owned products to acquire new customers (2) capturing the revenue from the resale of their products that would have gone to a non-branded party anyways, while potentially commanding slightly higher prices and (3) marketing buyback programs to increase perceived value of their new products" (Agarwal et al. 2025).

The examination of these second-hand business models illustrates how different resale configurations (Figure 3) allocate control, responsibility, and value capture across market actors.

3.3 Agency Dimensions

Following business models can also be interpreted through the lens of agency theory (Jensen & Meckling, 1976; Eisenhardt, 1989). Agency theory explains how organizations manage relationships between a principal (e.g., a brand) and an agent (e.g., a reseller or platform) who acts on the principal's behalf. Because agents may have different goals and access to private information, information asymmetry and opportunistic behavior can occur. To minimize these agency costs, firms use monitoring, incentives, and control mechanisms, such as internalizing resale operations in branded recommerce (Jensen & Meckling, 1976; Eisenhardt, 1989).

This movement toward internalization of recommerce reduces information asymmetry and mitigates the risk of opportunistic behaviour by external intermediaries. By internalizing resale operations and maintaining control, brands act as principals who minimize agency costs through direct monitoring, standardized quality processes, and data-driven oversight (Jensen & Meckling, 1976; Eisenhardt, 1989). This alignment ensures that the firm's sustainability claims, quality assurances, and customer experiences remain consistent with its brand objectives even though second-hand products might produce some inconsistency.

Consequently, established brands with brand equity often prefer controller-type models that secure authenticity and consistency through internalized resale operations. In contrast, smaller or resource-constrained firms may pursue supporter-type partnerships that trade some control for efficiency gains and wider reach.

Understanding these governance trade-offs is essential for explaining how second-hand markets evolve into brand-controlled recommerce ecosystems. The mechanisms through which brands balance control, trust, and efficiency in resale partnerships form the conceptual foundation for the next chapter, which examines branded recommerce as a strategic and circular business model integrating brand value, sustainability, and consumer trust. Marketers working for traditional retailers or brand-owners should adjust their value proposition in relation to this increasing competition and consider new means of differentiating customer-perceived value, including new initiatives that consider the potential of used goods (Yrjölä, 2021).

Yrjölä (2016) and Yrjölä et al. (2021) also emphasize that "companies could position themselves directly between buyers and sellers and act almost as retailers of used goods. These companies usually have retail and logistics processes for efficient handling, pricing, and marketing of goods in the first place, so using these logistics for second-hand products could be done efficiently".

4 Branded Recommerce

To address the growing concerns about sustainability, the increasing consumer demand for second-hand clothing and the persistent problem of product uncertainty in resale markets, many fashion brands have begun offering pre-owned items under their own label. This emerging strategy is defined by Li & Sundararajan (2024) as branded recommerce.

4.1 Structure and Foundations of Branded Recommerce

The branded recommerce approach reflects a strategic shift in the fashion industry, from brands being passive observers of resale trends to active participants in circular consumption. In branded recommerce, companies purposefully integrate second-hand markets into their own operations to channel, organize, and amplify consumer contributions under the brand's supervision. Branded recommerce serves as a bridge for these two phases by offering consumers a seamless platform to dispose of their used items by selling them back to the brand, and to acquire pre-owned items, creating an integrated circular system under the brand's oversight. (Agarwal et al, 2025; Li & Sundarajan, 2024)

Through such brand-managed resale systems, firms can maintain product authenticity, safeguard brand meanings, and create structured spaces for consumer co-creation, transforming informal resale activity into a strategic form of collaboration, enhanced brand equity and build brand trust (Li & Sundarajan, 2024; Agarwal et al, 2025). This evolving dynamic reflects the broader shift from firm-centric to consumer-integrated models of value creation, in which meaningful interactions between brands and their communities underpin both economic performance and brand equity within circular market ecosystems.

Branded recommerce also responds to broader structural issues within the fashion industry. Fast fashion´s linear production model, characterized by overproduction, short use cycles, and high waste generation, has increasingly come under criticism for its environmental impact (Niinimäki et al., 2020). As previously discussed, consumer

preferences are shifting toward more responsible forms of consumption, with resale and reuse becoming the new norm for many consumers (Lichy, 2023). Through branded recommerce, brands can gain an economic edge in shifting fashion markets (Agarwal, et al. 2025). As previously stated, the grow in usage of second-hand garments has been rapid and will continue to expand (Figure 1). With that in mind, combined with the stagnation of clothing industries growth (Figure 2), branded recommerce has a valid future. Also, Hultberg & Pal (2025) point out that, second-hand resale of fashion products currently represents the circular business models with the highest potential of moving the fashion industry closer to a circular economy and an interesting case to study.

As branded recommerce is developing rapidly in the fashion industry (Li & Sundarajan, 2024, ThredUp, 2024), its origins can be traced towards other industries that have long integrated resale into their business models. Early examples include automobile manufacturers that established Certified Pre-Owned (CPO) programs to maintain product quality, retain customer trust, and extend product life cycles (Mercedes-Benz, n.d). For instance, Mercedes-Benz Certified Pre-Owned was launched in 1989 and BMW Certified Pre-Owned in 1996, both illustrating how durable goods producers recognized the potential of brand-managed resale to uphold brand value and reduce uncertainty in second-hand markets (Guide & Van Wassenhove, 2010; Subramanian & Subramanyam, 2012). Recommerce principles can also be traced to the rise of second-hand book marketplaces such as Amazon Used Books and AbeBooks, (Ghose, Smith, & Telang, 2006), but these solutions reference more a platform based C2C-economy.

According to the ThredUp 2024 Resale Report, apparel branded recommerce programs grew by 31% year-over-year in 2023, demonstrating that resale has evolved from a niche experiment into a core business model. The same report reveals that 26% of consumers state they are more likely to shop from a brand that offers pre-owned apparel alongside new products, supporting that recommerce enhances both purchase intent and brand perception. As the global second-hand apparel market is projected to double to $367 billion USD by 2029 (Statista), branded resale is rapidly becoming a mainstream retail

growth driver (ThredUp, 2024). Additionally, according to Kaupan liitto (2023), 46 percent of Finnish consumers wish that stores and online retailers would offer second-hand selections alongside new products. Pal, (2017) also points out that the retailers in second-hand markets asserted that lack of good quality, large volumes of mixed qualities, and mismatch between collection and demand volumes were the key factors of higher value creation.

Empirical study provides support for the effectiveness of brand-managed resale platforms in driving consumer trust, perceived quality, and purchase intention. (Agarwal et al. 2025) conducted experimental studies demonstrating that consumers consistently evaluate pre-owned products sold directly by brands as more trustworthy, higher in quality, and more desirable than identical items sold via third-party or peer-to-peer channels. Their findings show that consumers are willing to pay 10–15 percent more and are up to 15 percent likelier to purchase when the resale is brand-certified, underscoring the powerful role of brand signaling in reducing uncertainty and perceived risk.

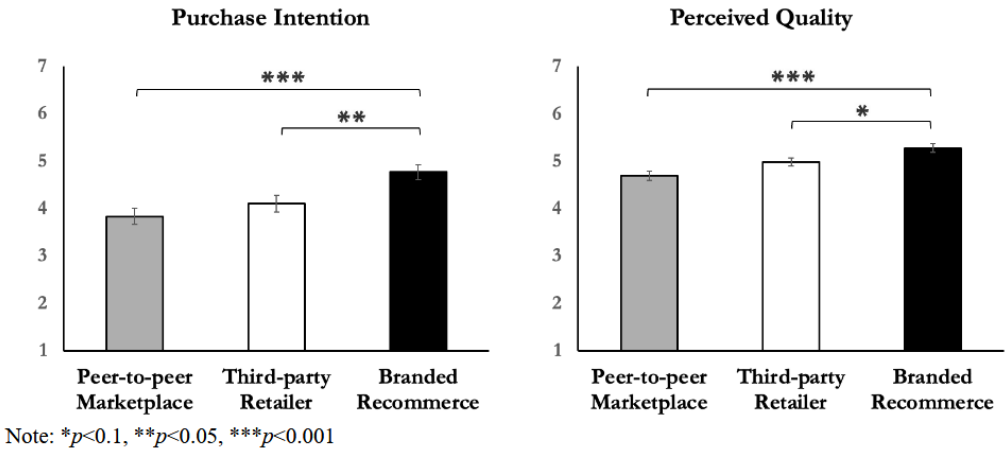

Figure 4: Purchase intention and perceived quality between Peer-to-peer, Third-party and Branded recommerce. Agarwal et al. (2025).

Agarwal, et al. (2025) found that consumers show significantly higher purchase intentions and perceived quality for identical pre-owned products sold through a brand's

own recommerce store compared to a third-party retailer or peer-to-peer (P2P) marketplace Figure (4). The branded resale channel yielded the highest purchase intention ($M = 4.75$) versus the third-party retailer ($M = 4.13$, $p = .010$) and P2P marketplace ($M = 3.84$, $p < .001$), and similarly higher perceived quality ($M = 5.28$ vs. 5.00 and 4.70, $p = .036$ and $p < .001$). These results indicate that brand involvement acts as a trust and quality signal, increasing consumer confidence and willingness to buy in the circular resale market. Beyond consumer perception, branded buy-back programs were also found to increase new product purchases, indicating that internal resale systems stimulate replacement cycles rather than cannibalize primary sales.

Complementing these empirical insights, Li & Sundararajan (2024) provide theoretical evidence that firm-led recommerce systems enhance consumer welfare, product longevity, and circular efficiency, illustrating how brand-managed resale simultaneously advances economic performance and environmental sustainability. Li & Sundarajan (2024) further emphasize that addition to what firm-specific benefits may accrue from branded recommerce. “Branded recommerce shifts incentives in a manner that makes it more desirable for a seller to make goods that last longer, rather than resorting to the less sustainable path of more perishable durables in pursuit of repeat sales” (Li & Sundarajan, 2024).

4.2 Existing Operational Solutions in the Marketplace

Leading global and Nordic companies demonstrate how branded recommerce is increasingly implemented through governance structures that mirror the high-control models outlined in earlier sections (Yrjölä et al. (2021); Agarwal, (2025)). Although these firms operate across different product categories from fashion to furniture, their recommerce practices reflect controller-type and sell-on governance, enabling firms to internalize post-use value creation, manage quality, and anchor circularity to brand identity.

The Worn Wear (Patagonia), ReBird (Arc´teryx), Pre-Loved (Marimekko), 2nd Cycle (Artek), and Circular Collection (Synsam) each highlight brand-executed processes such as inspection, grading, cleaning, refurbishment, repairs, or restoration before items re-enter the market. These executions all fall under branded recommerce.

Brands operational solutions reflect the need to reduce consumer uncertainty regarding second-hand products. Especially, previously introduced functional, sanitary, and financial risks (Koay et al., 2024; Koay & Cheah (2025). These practices confirm theoretical expectations that high-control resale structures are required to mitigate product uncertainty and information asymmetry in second-hand markets.

A second key implication visible across these branded recommerce solutions is the integration of resale into the brand's mainstream commercial ecosystem. Brands in question all present recommerce through dedicated, brand-owned channels with consistent visual identity, pricing logic, and curated customer experience. Rather than forgetting second-hand goods as inferior, firms can frame them as legitimate extensions of the brand´s product catalogue. This is particularly evident in the way Patagonia and Arc'teryx embed resale within their sustainability messaging, or how Marimekko and Artek curate used items as part of their design heritage. In each case, resale is not treated as a separate activity from a distant customer-to-customer market, but as a strategic brand expansion. Reinforcing the theoretical argument that controller and sell-on structures allow firms to align recommerce with their long-term brand narratives.

Third, the reviewed cases show how branded recommerce strengthens brands own multi-channel circularity. Even though most of the platforms operate digitally, several companies connect recommerce to brick-and-mortar stores. This action is in line with Zhang et al. (2022) who further emphasize the ability to physically inspect deep products such as clothing significantly increases customer trust, satisfaction, and future purchase behaviour. By offering repair counters, drop-off points, and especially curated in-store displays, brands recreate the experiential cues that reduce decision risk. Branded recommerce also strengthens the impact of assortment curation and inventory

presentation on second-hand products as Boada-Collado & Martínez-de-Albéniz (2020) show.

5 Conclusions

To sum up this thesis, ask yourself a simple question. If you were to buy something second-hand, which platform would you trust the best. Would it be a C2C platform or a credible brand which could have a store downtown.

This thesis examined how second-hand markets and branded recommerce can create value for fashion brands while supporting the transition from linear to circular consumption models. The study began by outlining the unsustainability of the current fashion system, which is driven by accelerated production cycles, short garment lifespans, and substantial environmental impacts (Niinimäki et al., 2020). In contrast, second-hand markets extend product lifecycles and offer measurable reductions in carbon emissions, water consumption, and waste (WRAP, 2017). The rapid growth of the global resale market is outpacing first-hand retail and shifting consumer attitudes demonstrate that second-hand consumption is becoming both normalized and strategically relevant for modern fashion brands.

5.1 Discussion of Findings

Second-hand markets present strategic opportunities for brands to reinforce sustainability positioning, cultivate loyalty, and differentiate their value proposition. Central to this opportunity is brand equity, which functions as a trust and quality signal that reduces uncertainty and mitigates perceived risk (Aaker, 1991; Erdem & Swait, 1998). When resale is offered through the brand itself, perceptions of authenticity, reliability, and cleanliness improve significantly.

Branded recommerce emerges as a strategical model for reducing the uncertainty that traditionally characterizes second-hand fashion markets. Whereas second-hand products are faced by functional, sanitary, and financial risks (Koay et al., 2024; Koay &

Cheah (2025) and from inconsistent quality and low trust. Brand-led resale channels mitigate these concerns through brand equity, authentication, controlled storage.

Brands that ignore second-hand markets risk losing control of their products' afterlives and missing revenue opportunities increasingly captured by third-party platforms. In contrast, brands that adopt recommerce strengthen sustainability positioning, meet consumer expectations, and create new revenue streams all while mitigating perceived risk through brand-led quality assurance.

Academic evidence (Agarwal et al. 2025; Li & Sundarajan, 2024) shows that consumers prefer branded resale over peer-to-peer or third-party platforms, leading to higher perceived quality and purchase intention. Overall, the findings show that branded recommerce functions as a high-control circular business model capable of aligning profitability, sustainability, and brand equity in the contemporary fashion industry.

For brands participating in branded recommerce, the sales channels are an essential piece of the puzzle. Online environments allow brands to scale recommerce by offering wide assortment visibility, efficient logistics, and standardized quality information. Prior research shows that online second-hand adoption is hindered by contamination concerns, reliability doubts, poor perceived quality, and lack of trust (Calvo-Porral et al., 2024). These risks have been previously assessed and still branded recommerce provides solutions through authentication, refurbishment, detailed defect disclosure, and brand-backed guarantees that transform second-hand goods into trusted offerings.

Brick-and-mortar stores complement this by enabling tactile evaluation and multisensory product inspection critical factors for pre-owned apparel requiring "deep inspection" such as assessing material integrity, fit, or wear (Zhang et al., 2022). Physical stores additionally strengthen cross-channel value by functioning as experiential anchors that support trade-ins, repairs, and circular engagement while enhancing conversion in online channels (Hübner, Hense & Dethlefs, 2022). These effects are particularly relevant in dense urban areas, where high pedestrian flows create natural opportunities for branded trade-in hubs and curated second-hand boutiques (City of

Helsinki, 2023). From a managerial perspective, investing in branded recommerce supports not only sustainability goals but could also revitalise declining brick-and-mortar retail by attracting new customer segments and increasing store visits in resurgent centres. Consequently, hybrid recommerce formats provide brands with strong strategic incentives by enhancing customer trust, strengthening brand equity, and contributing to the long-term vitality of urban retail ecosystems.

5.2 Contribution and Avenues for Further Research

This thesis is not without limitations. The academic literature on branded recommerce is still emerging, and empirical research specific to the fashion sector remains limited. The findings of this study are therefore based on an integration of cross-industry research, theoretical modelling, and secondary data. Future research should examine how branded recommerce affects long-term purchasing patterns, the economics of resale for mid-market brands, and cross-cultural differences in perceived risk. Additionally, further studies on cannibalization effects in fashion would strengthen managerial decision-making. Future research could also emphasize the agency dilemma of second-hand recommerce.

The propositions in this thesis remain theoretically grounded expectations rather than tested relationships. The scope is further limited to brand-led, high-control recommerce in the fashion industry, where perceived risk and brand equity are especially salient. As a result, the findings cannot be directly generalised to other product categories, low-control models, or charity and peer-to-peer platforms.

The theoretical framing also focuses on a narrow set of lenses brand equity, perceived risk, circular business models and agency theory, while other perspectives such as institutional or consumer culture approaches, as well as quantitative assessments of environmental and financial outcomes, remain outside the scope. Consequently, this thesis should be seen as an initial, theory-driven exploration that calls for future empirical studies and cross-industry comparisons.

Additionally, some sources around the literature do not reflect the highest academic criteria, since some haven't yet been peer-reviewed or published in a credible academic paper. The choice has been made to include them to keep this thesis up to date.

In conclusion, this thesis demonstrates that branded recommerce represents a promising and strategically significant circular business model. By internalizing resale operations, brands can reduce consumer uncertainty, strengthen brand equity, extend product lifecycles, and align commercial success with sustainability objectives. In a market where second-hand consumption is rapidly becoming mainstream, branded recommerce offers a viable path for fashion brands to remain competitive, build trust, and contribute meaningfully to a more resource-efficient fashion system.

The thesis demonstrated that branded recommerce provides a structured way for firms to internalize second-hand flows under their own governance. By adopting business models such as trade-in programs, buy-back systems, refurbishment, consignment, and platform-enabled resale partnerships, brands can recover, authenticate, and resell used items while retaining control over presentation, pricing, and quality (Yrjölä et al., 2021; Bocken et al., 2016). The integration of Yrjölä's controller model and Wang et al.'s sell-on platform governance clarifies how firms can achieve high levels of operational and relational control in resale ecosystems. Both models emphasize direct brand oversight, which minimizes agency problems (Jensen & Meckling, 1976; Eisenhardt, 1989), reduces opportunistic behavior by external intermediaries, and ensures consistent quality standards that protect brand equity.

Managerial implications of branded recommerce have not been discussed before in academic literature. This thesis provides novelty by examining branded recommerce and adding depth to prior research. This thesis is among the first to integrate second-hand business models to branded recommerce and further link consumer risk theory and agency theory to the benefits of branded recommerce. Such managerial implications have not been thoroughly explored in earlier academic work, suggesting this thesis could be of assistance for brand owners and retailers.

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Liitteet

Liite 1. Tekoälyn käyttö

In this thesis, I have used the assistance of artificial intelligence tool OpenAI ChatGPT (Versions 4.0, 5.0, 5.1) and Microsoft CoPilot to support the writing process. These tools were utilised for language checking, improving clarity of expression, suggesting alternative formulations, and helping to structure sections more coherently. Both Ai-programs were also used to summarise and rephrase my own draft text and to generate feedback on argumentation and coherence. While AI-assisted tools have been used to enhance the readability and organisation of the text**,** all research, theoretical reasoning, interpretations, and conclusions are entirely my own. I have manually verified all references, citations, and factual content in accordance with the University's academic integrity requirements. I take full responsibility for the content of this thesis and stand behind the arguments and analyses presented herein, as required by the University of Vaasa's principles of ethical and accountable academic work.