



OfferUp 2020 Recommerce Report

Parents & Kids



INTRODUCTION

In late 2019, our OfferUp team began researching the data we'd need for the annual Recommerce Report we release every Spring. For 2020, we decided to dive into how local marketplaces are being used beyond fashion, and most notably by parents, who do a lot of shopping while raising kids. We wanted to take a closer look at how parents engage in the resale economy, while balancing the accompanying pressures of parenthood.

I got the idea for OfferUp when my wife and I were expecting our first child together, and my wife challenged me to sell the items we no longer needed to make room for the baby. We needed a simpler, easier way to sell the things we didn't need, so OfferUp was born. Since then, I've bought and sold numerous things for my daughter and son on OfferUp, including their first cribs, bicycles, rain boots, and many other things that kids grow in and out of seemingly overnight.

That said, our world has changed quite a bit since last October, and we've all needed to adjust to a new normal amid the Coronavirus pandemic. So we decided, in order to give an honest and transparent assessment of the state of recommerce, we also needed to take a closer look at how Coronavirus has impacted families.

We learned that today's parents are under more financial and social media stress than ever before. Parents are spending more per child and are concerned with the impact of their shopping habits on the world their children will inherit.

With the global impact of Coronavirus, these stressors have only increased. For example, 71% of parents are worried about their personal finances, and 81% describe their level of parenting stress as medium or high right now.

At OfferUp, we've always believed in the power of community. We are the largest mobile marketplace for local buyers and sellers in the U.S., and we are still growing. Last month we announced we're joining with letgo to create a combined U.S. marketplace with more than 20 million monthly active users. Our vision has always been to build a company that empowers people to connect and to prosper, and that has never been more important than it is now.

We'll make it through this trying time, and we hope that our findings encourage you to reach out to a fellow parent or neighbor, and ask how you can help. We're all in this together.



A handwritten signature in black ink that reads "Nick Huzar".

NICK HUZAR
CEO, OfferUp

METHODOLOGY

The OfferUp Recommerce Report includes research and data from retail analytics firm GlobalData. GlobalData uses consumer surveys, retailer tracking, official data, data sharing, store observation and secondary sources to analyze, model and calculate metrics including market and channel size, and market share.

Third-party online market research company Innovate MR conducted a December 2019 survey of 2,046 American parents regarding recommerce in the Baby & Kids retail market.

Third-party online market research company Innovate MR conducted a second survey in April 2020 of 2,037 American parents regarding Coronavirus' effects and the Baby & Kids retail market.

Additional data sources include internal OfferUp community data and independent secondary research. A complete list of sources is in the report appendix.

DEFINITIONS

Recommerce refers to the process of selling previously owned, new or used products.

The U.S. Baby & Kids market is composed of apparel, furniture, furnishings, travel, playtime, care and safety, and essentials (see methodology section for more details).

Kids generally means items bought for children aged 12 or under, or products that are specifically aimed at that age group.

Circular Economy is based on the principles of designing out waste and pollution, keeping products and materials in use, and regenerating natural systems (from the Ellen MacArthur Foundation: “What Is The Circular Economy?”)

1

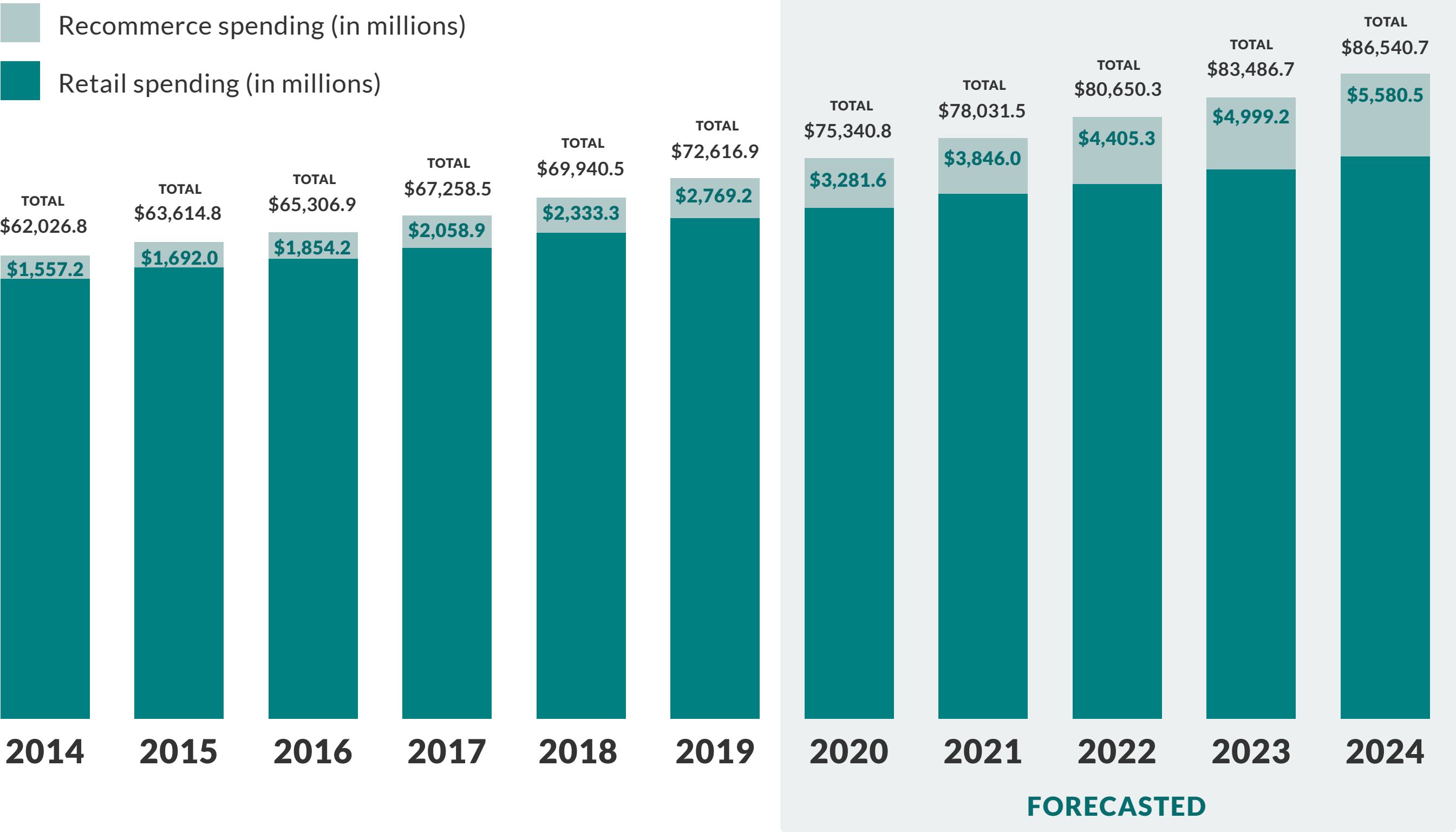
THE FUTURE OF RECOMMERCE

U.S. market size & growth



Baby & Kids Recommerce Market Projected to Hit \$5.6B By 2024

Recommerce spending will more than double over the next 5 years



In 2014, recommerce accounted for **just 2%** of all baby and kids spending. By 2019 that proportion was **3.8%**. By 2024, recommerce is forecast to make up almost **6.5%** of the market.

DID YOU KNOW?

American mothers have a spending power of \$2.4 trillion¹

Market projections as of December 2019, prior to the Coronavirus pandemic.

Recommerce Will Outpace Traditional Retail

The rise of recommerce is part of a wider shift in terms of where people are shopping for baby and kids products







Projected percent change by retail channel, 2019-2024



All Categories Will See The Impact of Recommerce

Recommerce is set to increase across all Baby & Kids categories, but the sharpest rise will be seen in furniture, apparel and furnishings

Furniture	Apparel	Furnishings	Playtime	Travel	Care/Safety	Essentials
						
<div>GROWTH RATE</div> <div>Total market: 21.5%</div> <div>Recommerce: 113.9%</div> <div>By 2024, 11.4% of all sales will be made via recommerce. Furniture is the fastest growth category for baby & kids recommerce.</div>	<div>GROWTH RATE</div> <div>Total market: 18.7%</div> <div>Recommerce: 112.7%</div> <div>The recommerce apparel segment is growing at 6 times the rate of the overall Baby & Kids apparel market.</div>	<div>GROWTH RATE</div> <div>Total market: 23.0%</div> <div>Recommerce: 111.9%</div> <div>Growth in furnishings has been driven by a desire to invest in the home environment.</div>	<div>GROWTH RATE</div> <div>Total market: 27.0%</div> <div>Recommerce: 85.9%</div>	<div>GROWTH RATE</div> <div>Total market: 18.5%</div> <div>Recommerce: 74.5%</div>	<div>GROWTH RATE</div> <div>Total market: 28.6%</div> <div>Recommerce: 65.2%</div>	<div>GROWTH RATE</div> <div>Total market: 6.8%</div> <div>Recommerce: 30.2%</div>

Measuring the Coronavirus Impact on the Retail Market

“ There is no doubt that Coronavirus has disrupted the retail market and all segments within it. Over the short term this will have an impact on forecasts and, for this year, growth will be negative across most parts of the retail economy.

Recommerce is not immune from these impacts. However, the longer-term prognosis over the next few years is more optimistic. Factors like the desire to save money and a greater consciousness about behaving ethically will likely propel demand once the crisis is over. Equally, supply into the sector will be boosted by more people looking to sell surplus products to help their household finances.

Ultimately, 2020 will be seen as something of a lost year for retail. However, our desire to buy, to interact and to engage will ensure that growth will resume at some point and many of the trends we witnessed before the crisis will continue once it is over. ”

- Neil Saunders, GlobalData Managing Director & OfferUp Recommerce Report Lead Analyst



2

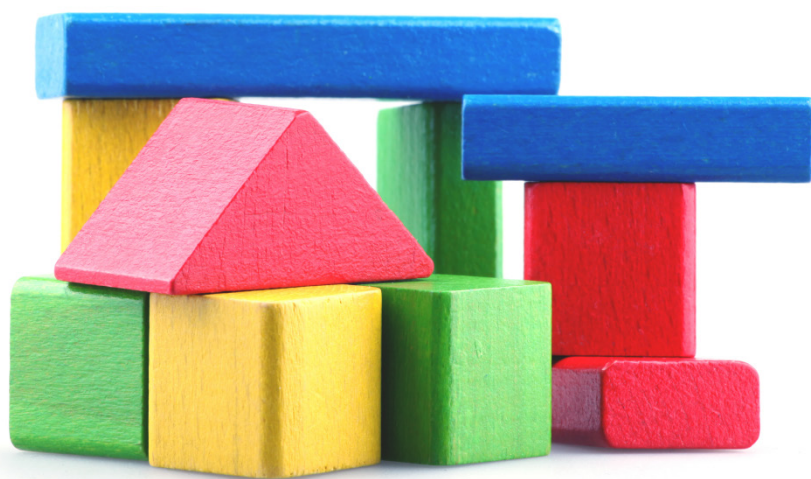
FEELING THE SQUEEZE

The pressures of modern parenting



Parents Are Spending More Per Child

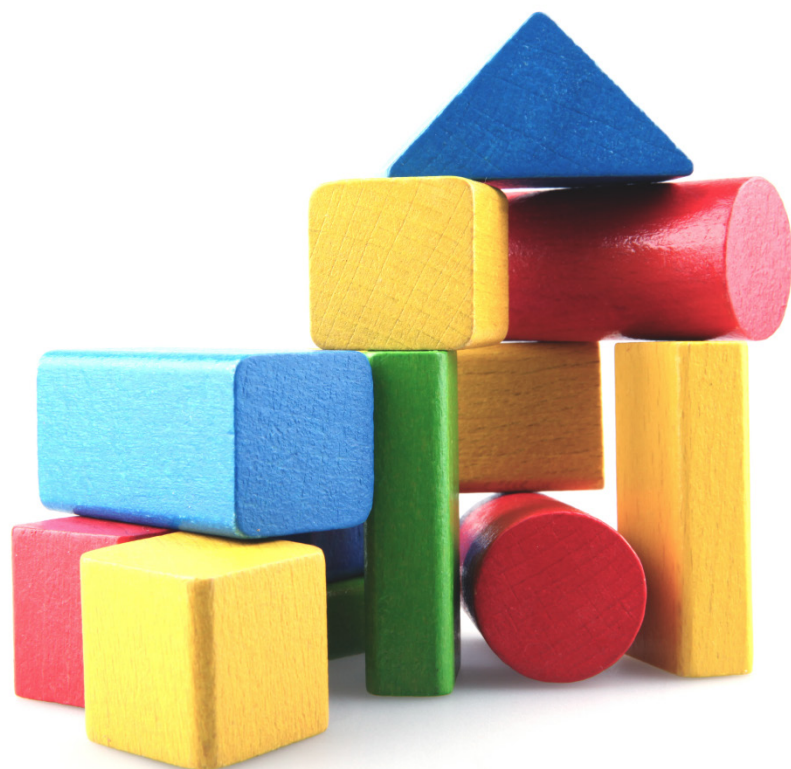
The amount spent per child per year will rise by 17.7% or \$209 by 2024



2019

Annual spend per child

\$1,016



2024

Annual spend per child

\$1,391

FORECASTED

Parents Are Spending More Per Child

For the first-born child, parents spend around **\$1,790** on initial products

Apparel	\$254
Furniture	\$381
Furnishings	\$134
Travel	\$272
Playtime	\$172
Care & Safety	\$176
Essentials	\$401
<hr/>	
TOTAL:	\$1,790

FIRST-YEAR BABY COSTS

\$12,680

average yearly cost of raising a child from birth to 2 years old²

PRICES ARE INCREASING FOR BABY REGISTRY ITEMS

The average price of an item in a baby registry rose by **24%** from 2015 to 2018³

Stroller prices increased by **8%** from 2017 and 2018³

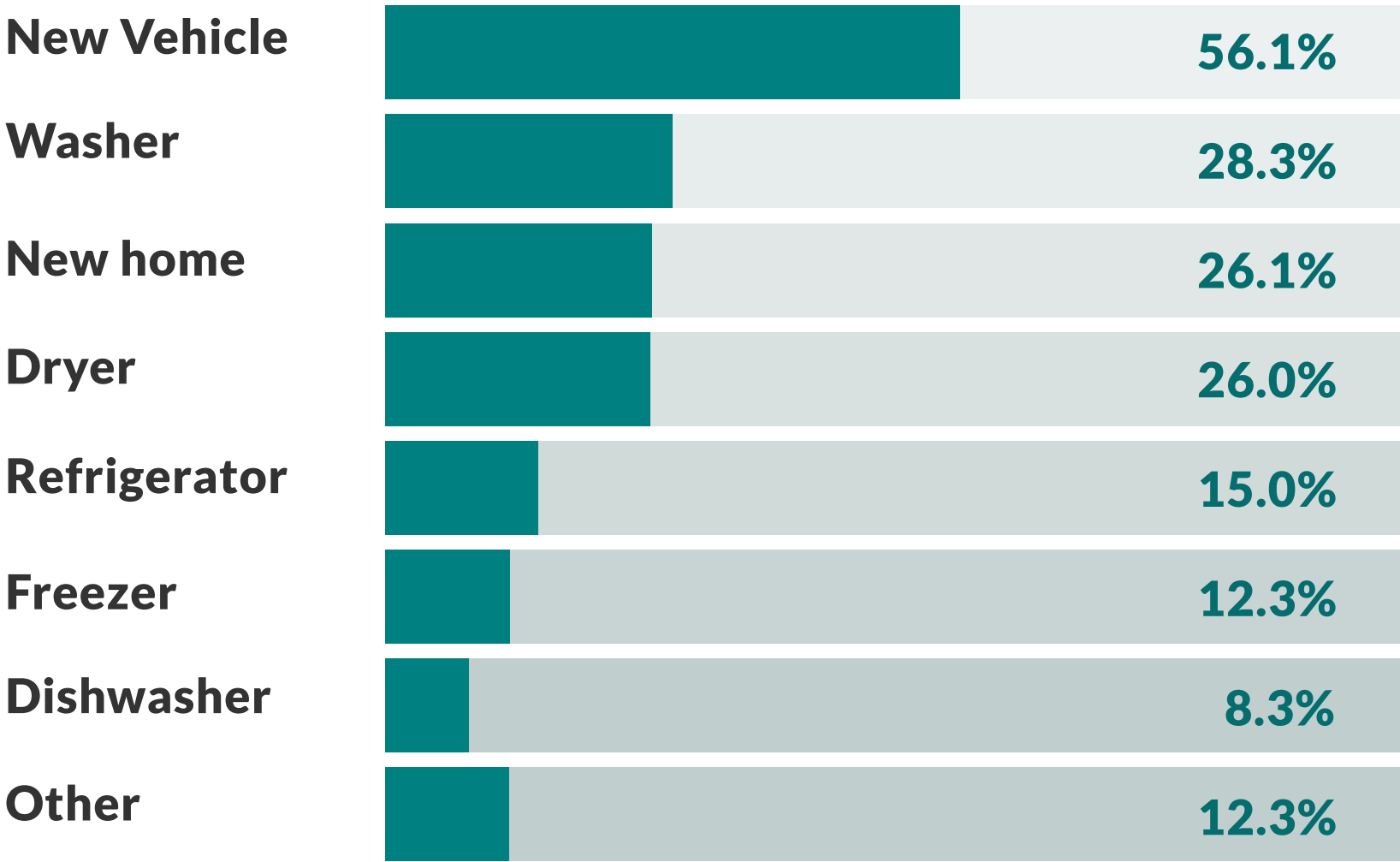
CORONAVIRUS IMPACT

According to BabyList’s Baby Showers and Registry Consumer Report, March 2020, **70% of third trimester parents** have had to cancel or change their baby shower plans due to the Coronavirus.

Expecting families are canceling their registries and making more purchases themselves. Out of stock, longer delivery times and closed retail locations are causing parents to purchase must-have products like car seats and strollers earlier and stockpile basics and consumables like diapers and wipes.

Having Children Spurs Other—Usually Expensive—Purchases

Purchases made to accommodate a growing family



Percentage of parents who purchased items



\$36,718

Average price of a new car purchased in the U.S.⁴



\$3,200

Cost of Consumer Reports' top-rated front-loader washer and matching dryer⁵



\$219,300

The average price of homes purchased by first-time home buyers⁶

Most Popular Luxury Brands in Baby & Kids



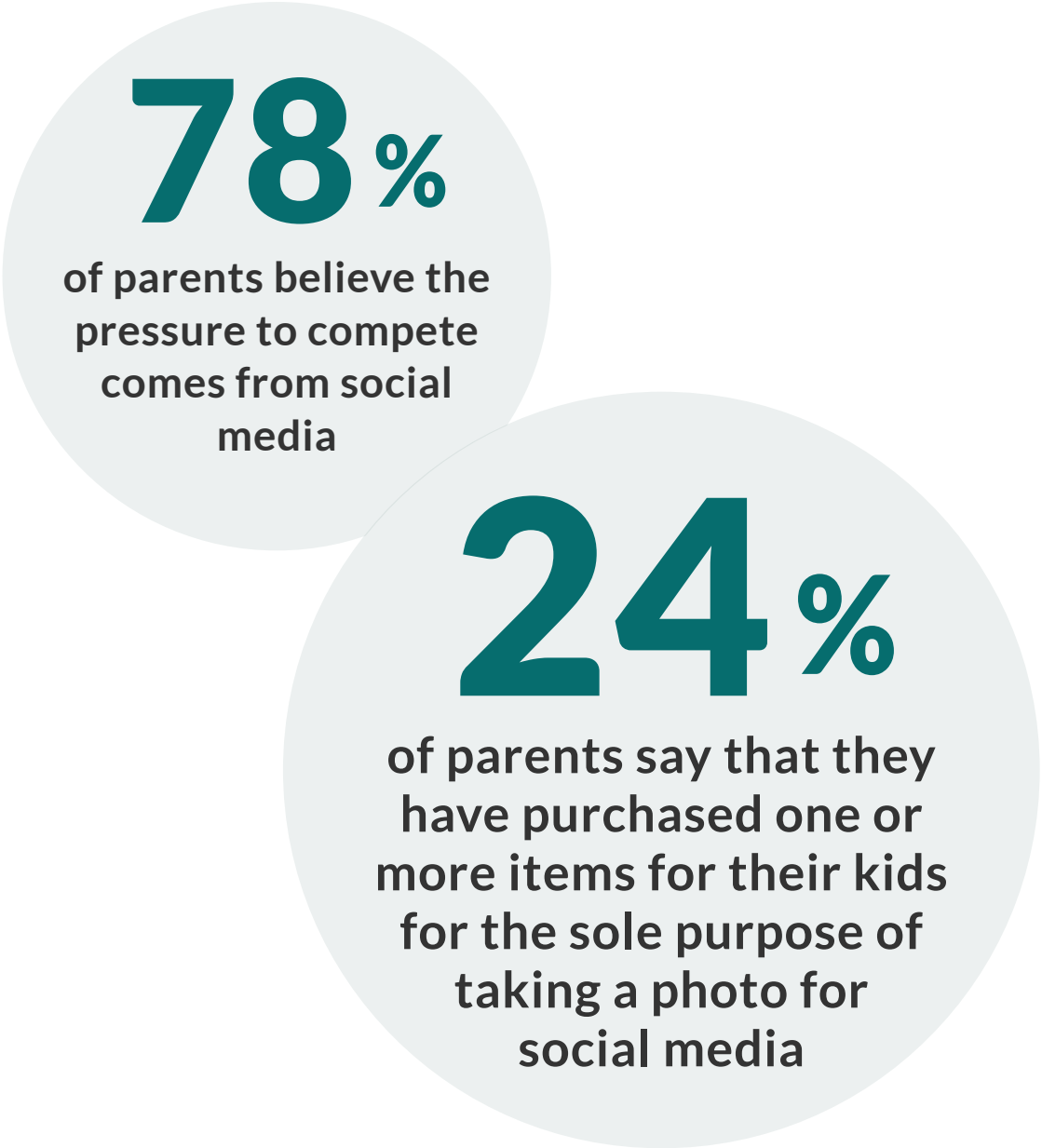
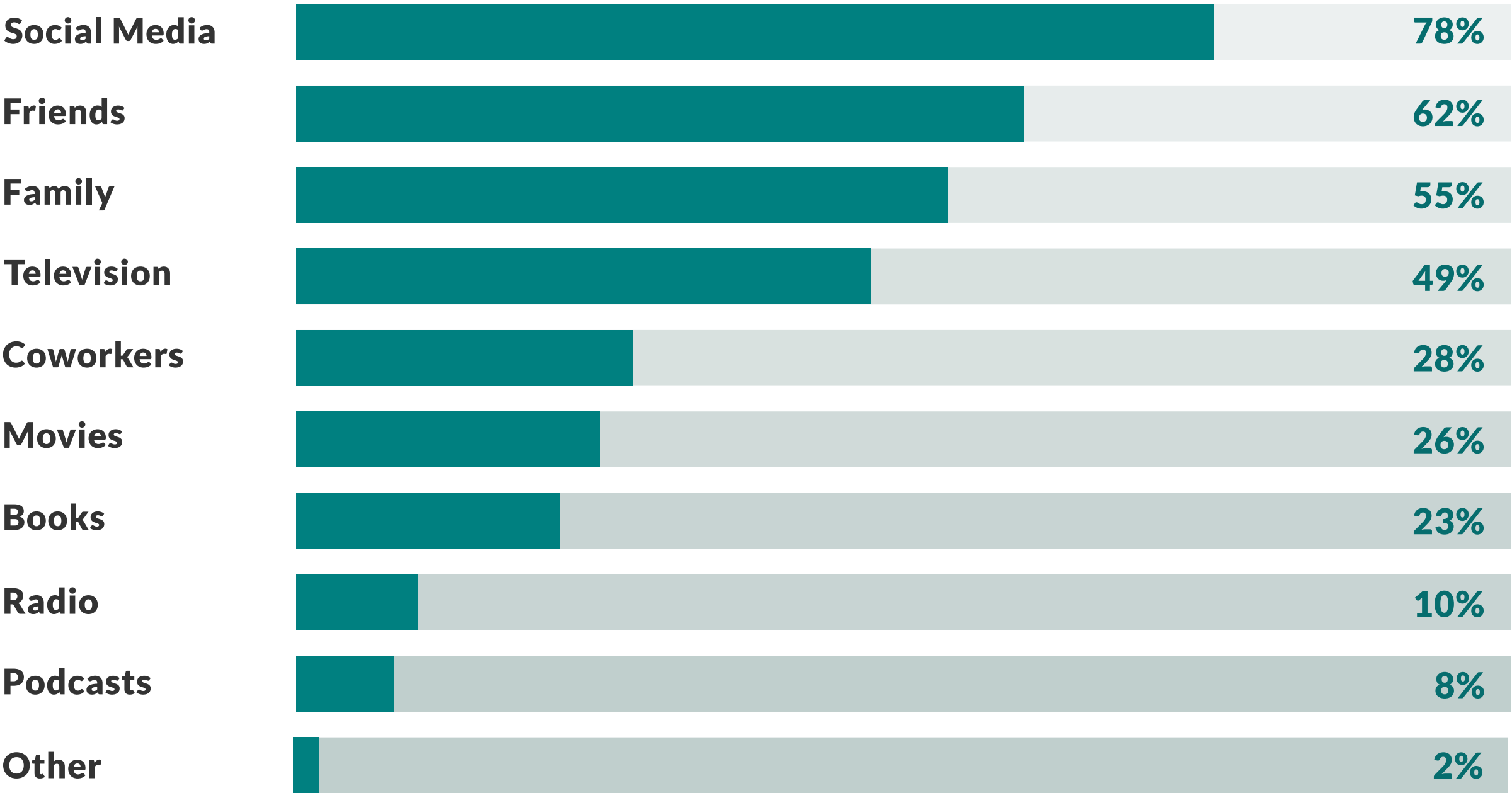
40 %

of parents feel it is important to have luxury products for their children

Parents Are Feeling the Pressure from Social Media and Their Peers

53% of parents agree there is pressure to compete to have the latest and greatest children's gear

Parents feel the pressure from ...



Parents Are Most Likely To Purchase Kids' Clothes for Social Posts

1 Clothing (general)

22% of parents who have bought an item solely for the purpose of social media say they purchased clothes for their post

2 Hats

3 Toys

4 Shoes

5 Dresses

6 Strollers



Concern for the World Their Children Will Inherit is Top of Mind For Parents

Of parents with children under 12:

51%

are willing to spend more on sustainable products

57%

prefer to recycle and reuse products they no longer need rather than throw them away

This is 11% and 21% more, respectively, than non-parents



40%

of parents try to buy environmentally friendly kids products, even if they lack convenience



49%

of consumers are inclined to pay higher-than-average prices for products with standards associated with sustainability practices⁷

Companies Committed To Sustainability



An eco-friendly toy leader that has transformed 47 million+ recycled milk jugs into imaginative playthings since launching in 2008.



Introduced its first car seat trade-in program in April 2016 and has recycled half a million car seats – more than 11.9 million pounds of materials – to date.



In 2019, Walmart and TerraCycle collected more than 1 million car seats as part of the nation's largest car seat recycling event.



Makes limited-edition prints and mix-and-match essentials from GOTS-certified organic fabrics.



Created the first mobile app to give parents a simpler way to buy and sell items locally for Baby & Kids and beyond. Partnered with Goodwill in 2019 to bring inventory from 100+ stores to the mobile marketplace app.

A woman with blonde hair, wearing a long floral dress, stands in a nursery. The room features a white bed with a green leafy archway, a pink dresser with a wicker basket, and a wicker chair. The background is a soft-focus nursery setting.

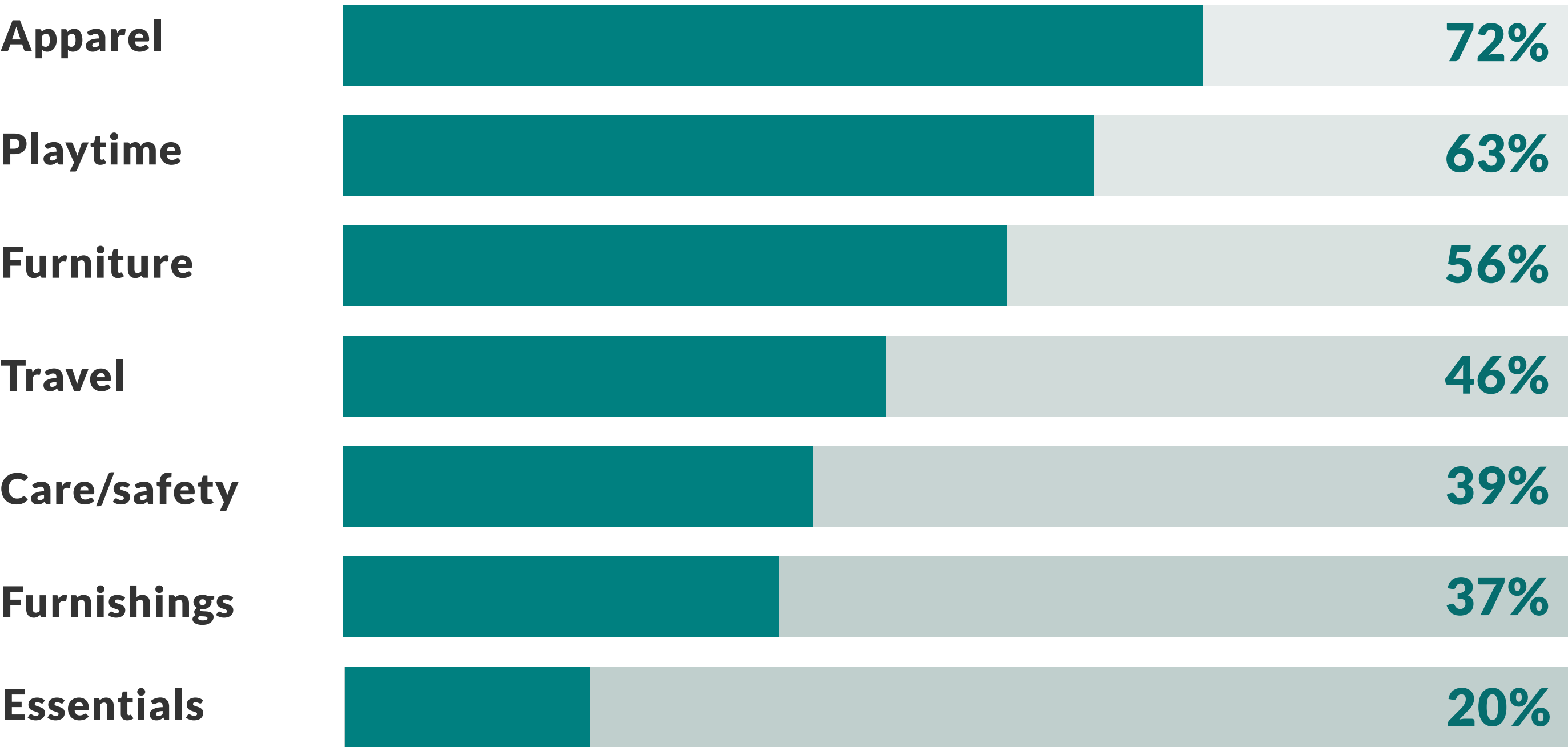
3

SECONDHAND BABY & KIDS ECONOMY

“Recommerce is one of the most exciting aspects of the kids market; not only is it the fastest-growing channel but it is a segment that is aligned with consumers’ desire to be more sustainable and more budget-conscious.”

- Neil Saunders, GlobalData Managing Director & OfferUp Recommerce Report Lead Analyst

Parents Use Secondhand Products Across All Baby & Kids Categories



Percentage of parents who have used at least one secondhand product for their kids, by category

83%
of all parents have
used at least one
secondhand product
for their kids

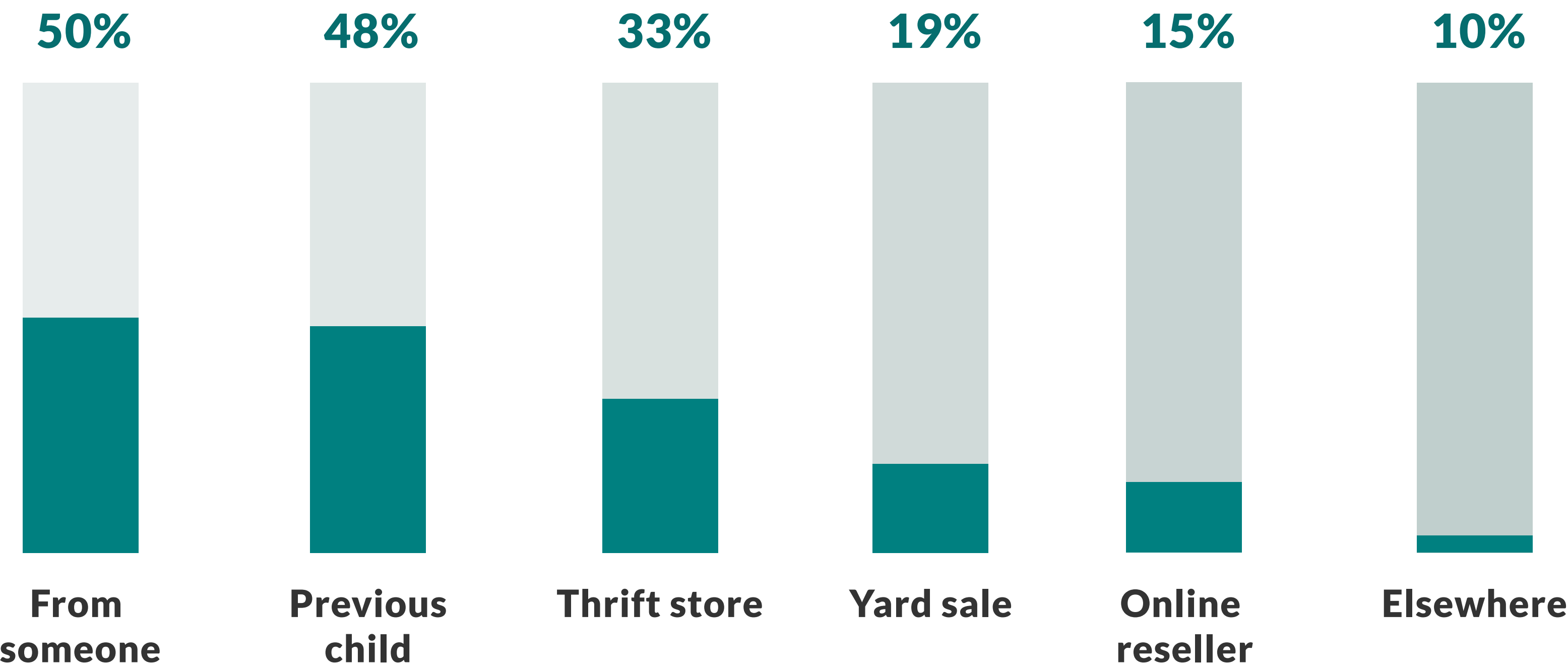


📷: @thelaurendiaz

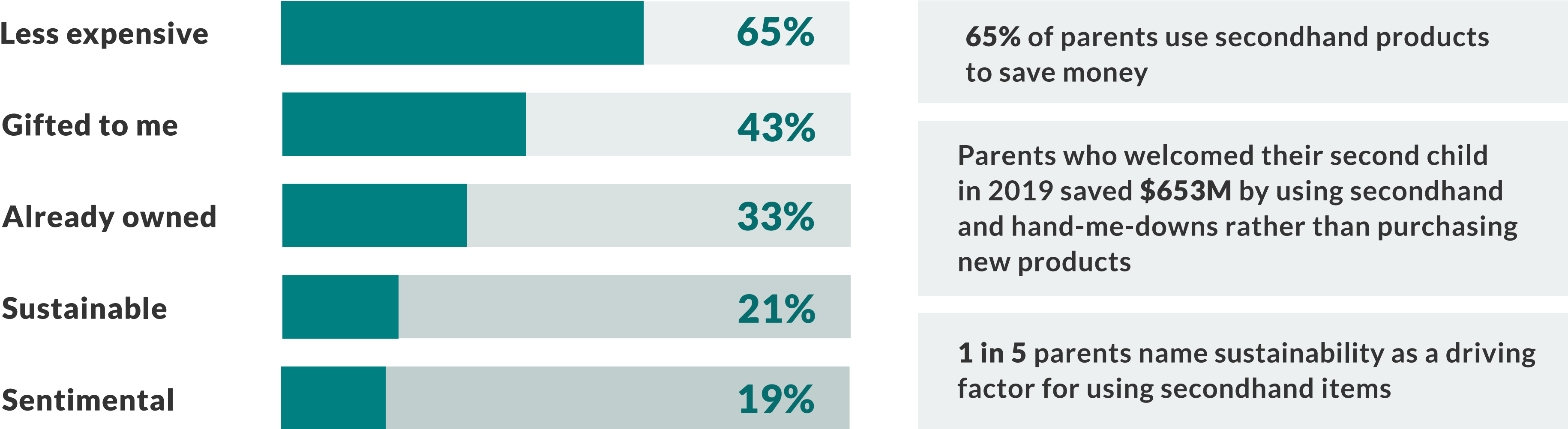
Hand-Me-Downs Are A Long Accepted Tradition

Recycling and reusing within families and friendship circles makes the Baby & Kids segment one of the most sustainable product categories

Sources of secondhand items:



Reasons for Choosing Secondhand Products



“ Kids grow and go through things so quickly, and sometimes you can't or don't want to pay top dollar for items. It's really exciting to find secondhand items at such a low cost, and apps like OfferUp have really helped us out as we've expanded our family. ”

- Jordyn Hadwin, OfferUp Community Member & Mom of 3

📷 : @jordynhadwin

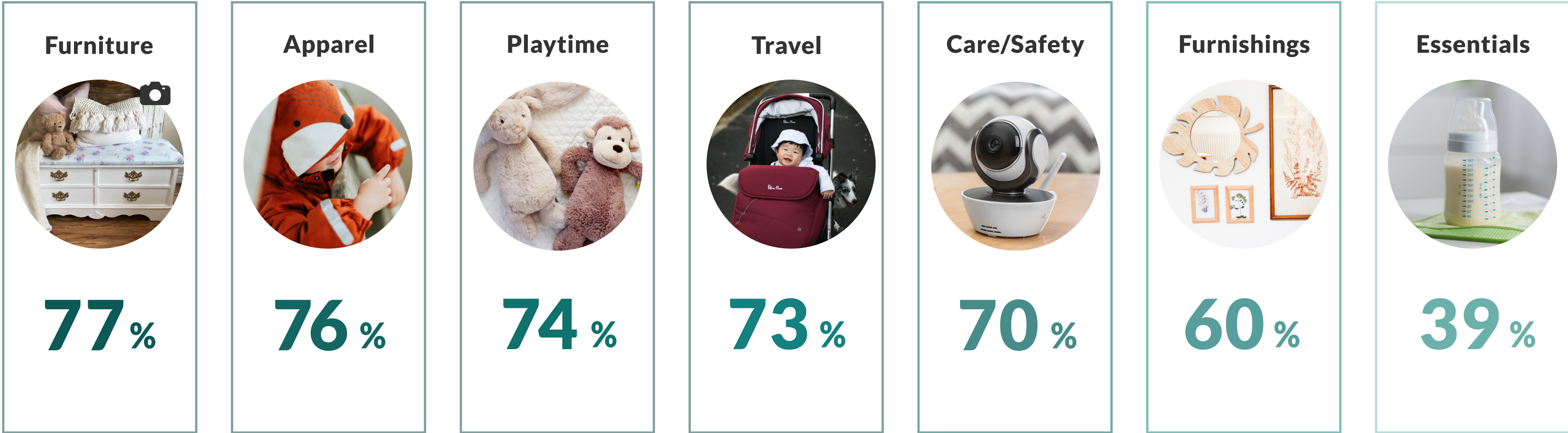
Parents Are Gifting Secondhand Items

	Are willing or have bought secondhand for their own child	Are willing or have bought secondhand for another child
Apparel	68 %	53 %
Furniture	62 %	51 %
Furnishings	38 %	33 %
Travel	52 %	43 %
Playtime	64 %	52 %
Care & Safety	51 %	42 %
Essentials	22 %	22 %



61%
of parents would welcome a secondhand gift for their child

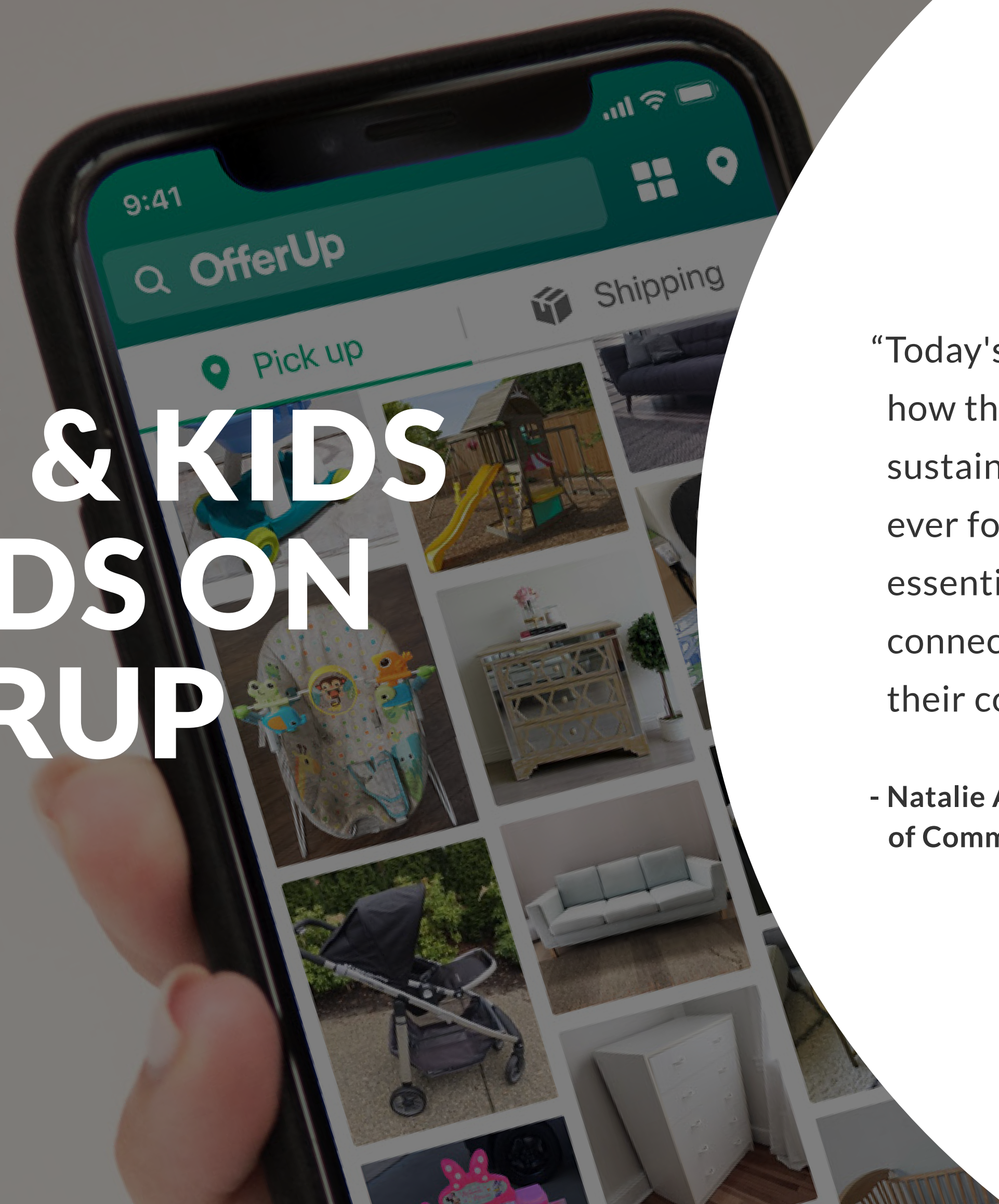
Parents Also Want to Resell Children's Items



Percentage of parents willing to sell items by category

4

BABY & KIDS TRENDS ON OFFERUP



“Today's parents are savvy and care deeply about how they can enrich their children's lives in sustainable ways. OfferUp makes it easier than ever for parents to make and save money on essential items for their family, while also connecting with like-minded parents within their communities.”

- Natalie Angelillo, OfferUp Vice President of Community

OfferUp's Most Popular Baby & Kids Brands



38%

of Baby & Kids
items sold on
OfferUp sell in
7 days or less

60%

sell in 31 days
or less

Best-Selling Baby & Kids Items on OfferUp



Strollers

Doona® stroller
Posted on OfferUp
Philadelphia, PA



Swings

Mamaroo® swing
Posted on OfferUp
Miami, FL



Accessories

JoJo Siwa® bow
Posted on OfferUp
Los Angeles, CA



Nursery Chairs

Pottery Barn® rocking chair
Posted on OfferUp
Dallas, TX



Bassinets

Halo® Bassinet™
Posted on OfferUp
Seattle, WA

Seats

Beds

Cribs

Diapers

Walkers

Dresses

Tables

Boots

Bouncers

Safety Gates

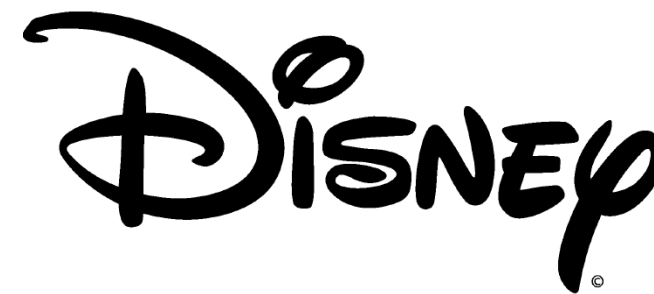
Mattresses

Jackets

Baby Carriers

Costumes

Best Baby & Kids Brands for Recommerce Value



CORONAVIRUS IMPACT

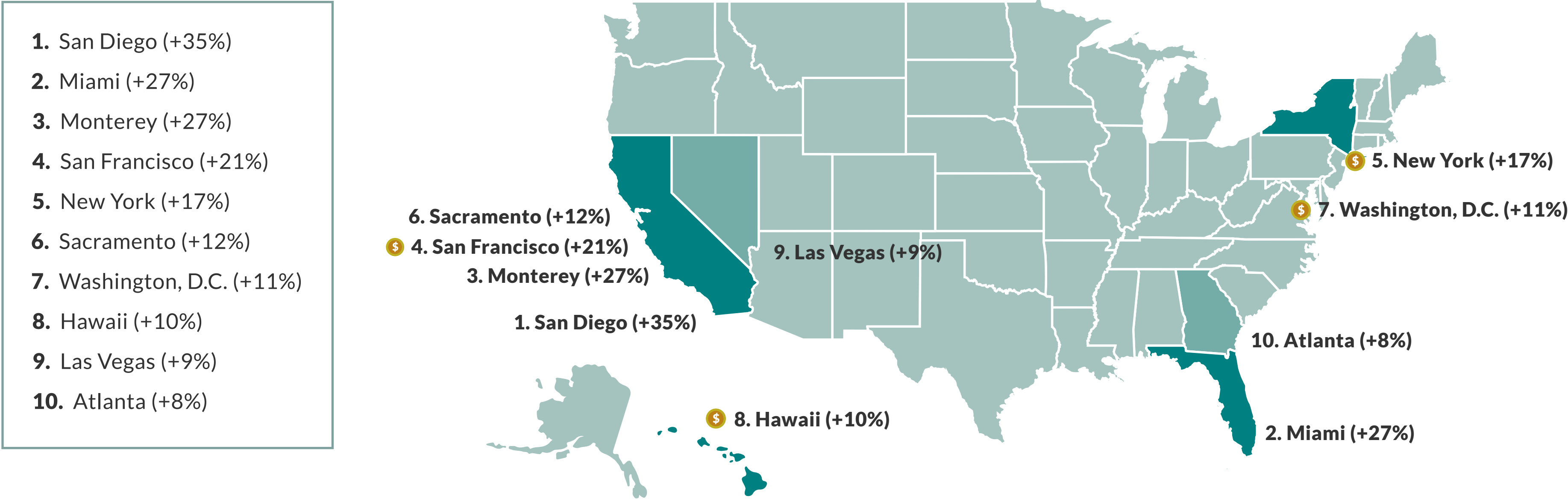
Top 5 Searches for Baby & Kids Items on OfferUp since March 1, 2020

1. Stroller
2. Diapers
3. Crib
4. Double stroller
5. Baby wipes

Fastest Growing Markets for Baby & Kids Recommerce

Year-over-year growth in postings on OfferUp

 = city listed as one of the most expensive places to live in the U.S.



4 of the top 10 markets for Baby & Kids recommerce are also among America's top 10 most expensive places to raise a family⁸

5

UNTAPPED OPPORTUNITY



Purchasing Multiples of Similar Items is Common When Buying for Kids and Babies

61%

of consumers bought multiples of one item

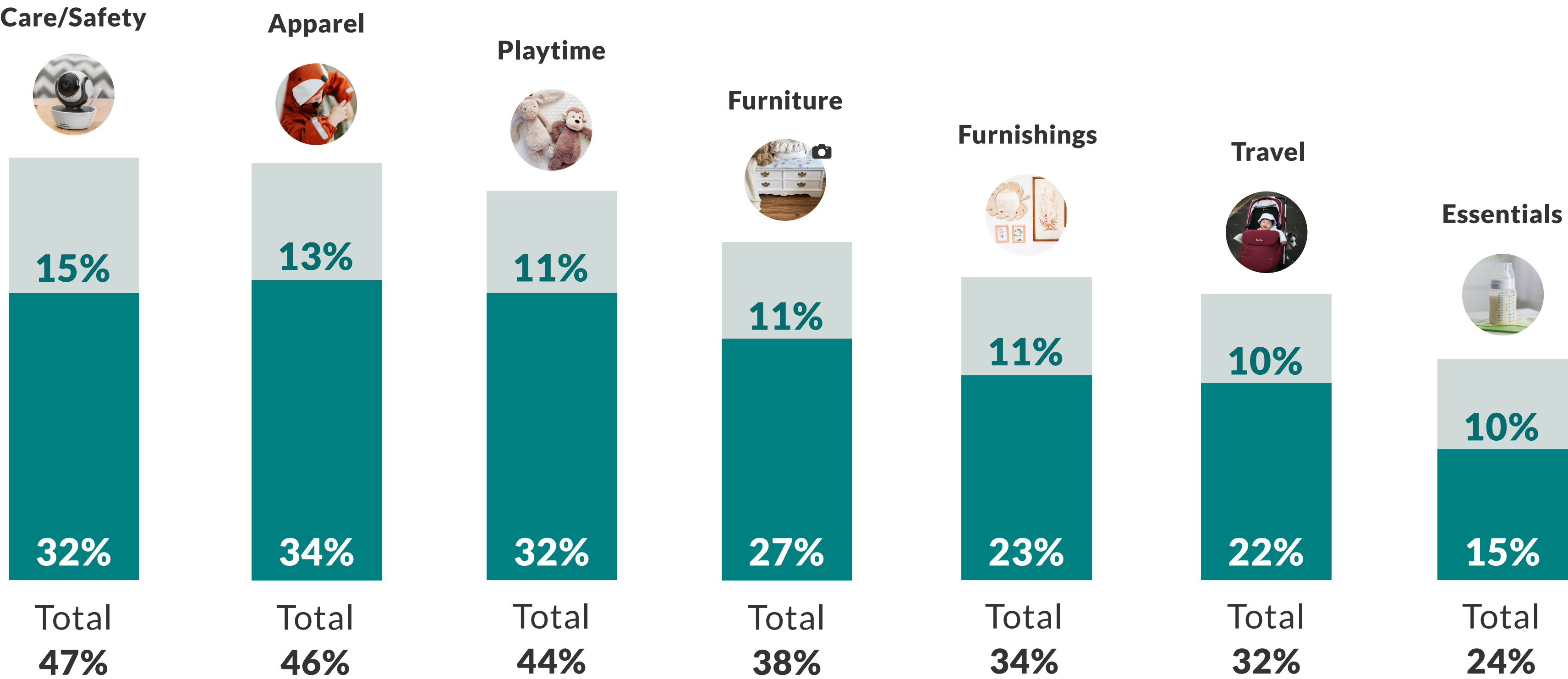


Reasons for purchasing multiples

Needed an extra one on hand	58%
Served a different purpose	35%
Found a good deal	33%
The item broke or stopped working	27%
Purchased an upgraded model	22%
Child didn't like the item	10%
Parent didn't like the item	9%

Large Numbers of Parents Own Products They Have Barely, If Ever, Used

 = Barely used  = Never used



While Most Parents Pass Down or Donate Items, Some Throw Away Brand New Products

Parents who didn't use a brand new item ...



Passed it down to friends or family

65%



Donated it

63%



Sold it

32%



Saved it for subsequent child

23%



Threw it away

9%

1 in **10** parents also threw away used but still functional kids items



**The 10-Year Environmental Impact of Throwing Away New and Functional Used
Items is Dramatic**

23.69 MILLION
items thrown away

**If Parents Resold Those Items Instead of Throwing Them Away, They'd Eliminate
Enough Waste to Fill 17.3 Million Trash Bags**



In 2019, If Parents Resold Their Items Instead of Throwing Them Away, They Could Have Made \$84.5M

NEW ITEMS	\$41.8m
USED ITEMS	\$42.7m
<hr/>	
TOTAL	\$84.5m



A close-up photograph of a child's hands playing with wooden alphabet blocks on a blue carpet. The child is wearing a white shirt with a blue pattern. A hand with a ring is also visible, interacting with the blocks. The background is a blue carpet.

6

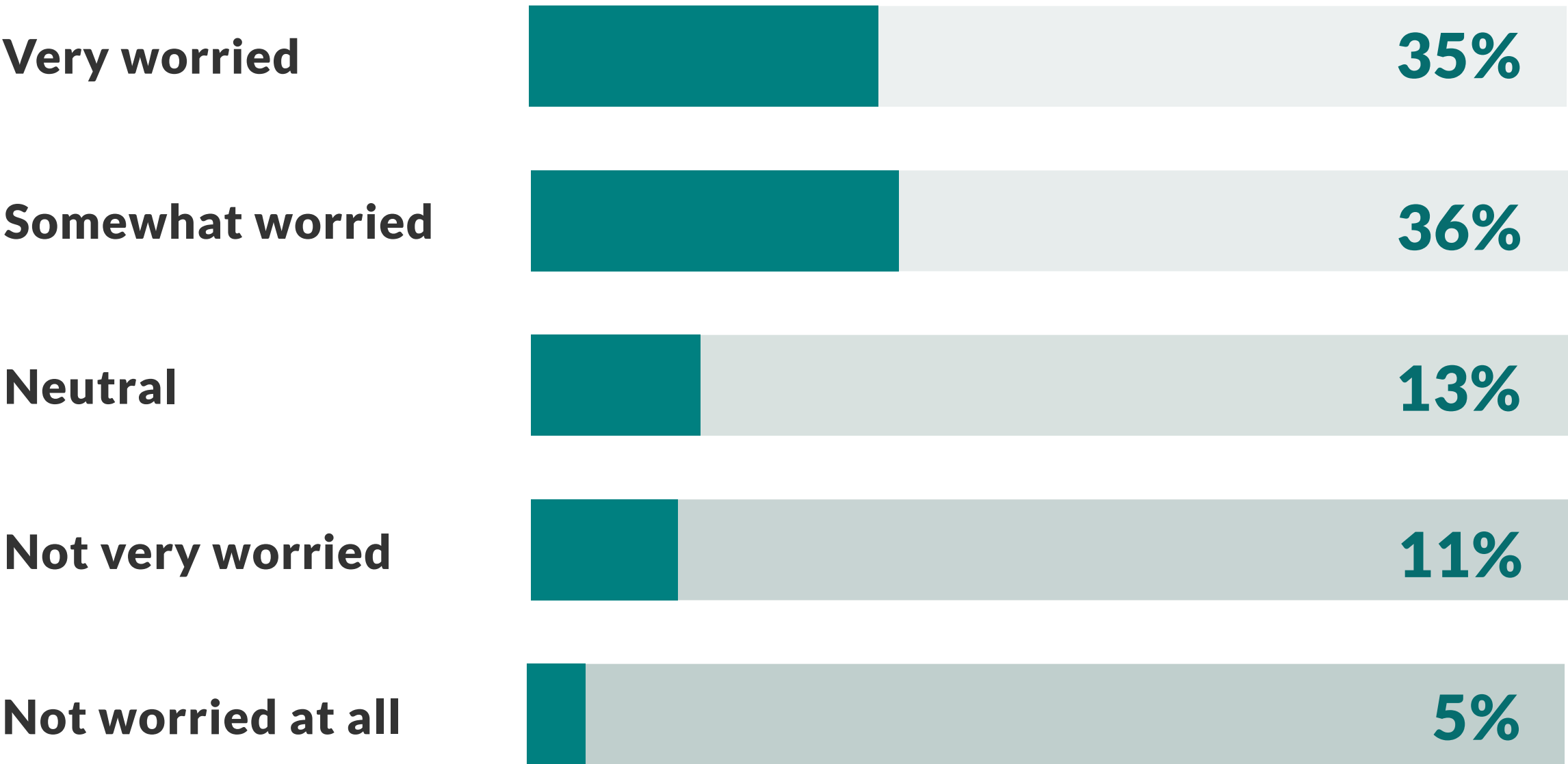
PARENTING DURING CORONAVIRUS

“As a parent, I’ve experienced stress during this time by trying to explain to my kids why we can’t go places and do things we typically do. Coronavirus has changed my shopping habits. I don’t go out to browse the stores like I used to, but I still use OfferUp and having a bit more free time has allowed me to go through items in my home and figure out what I would like to sell.”

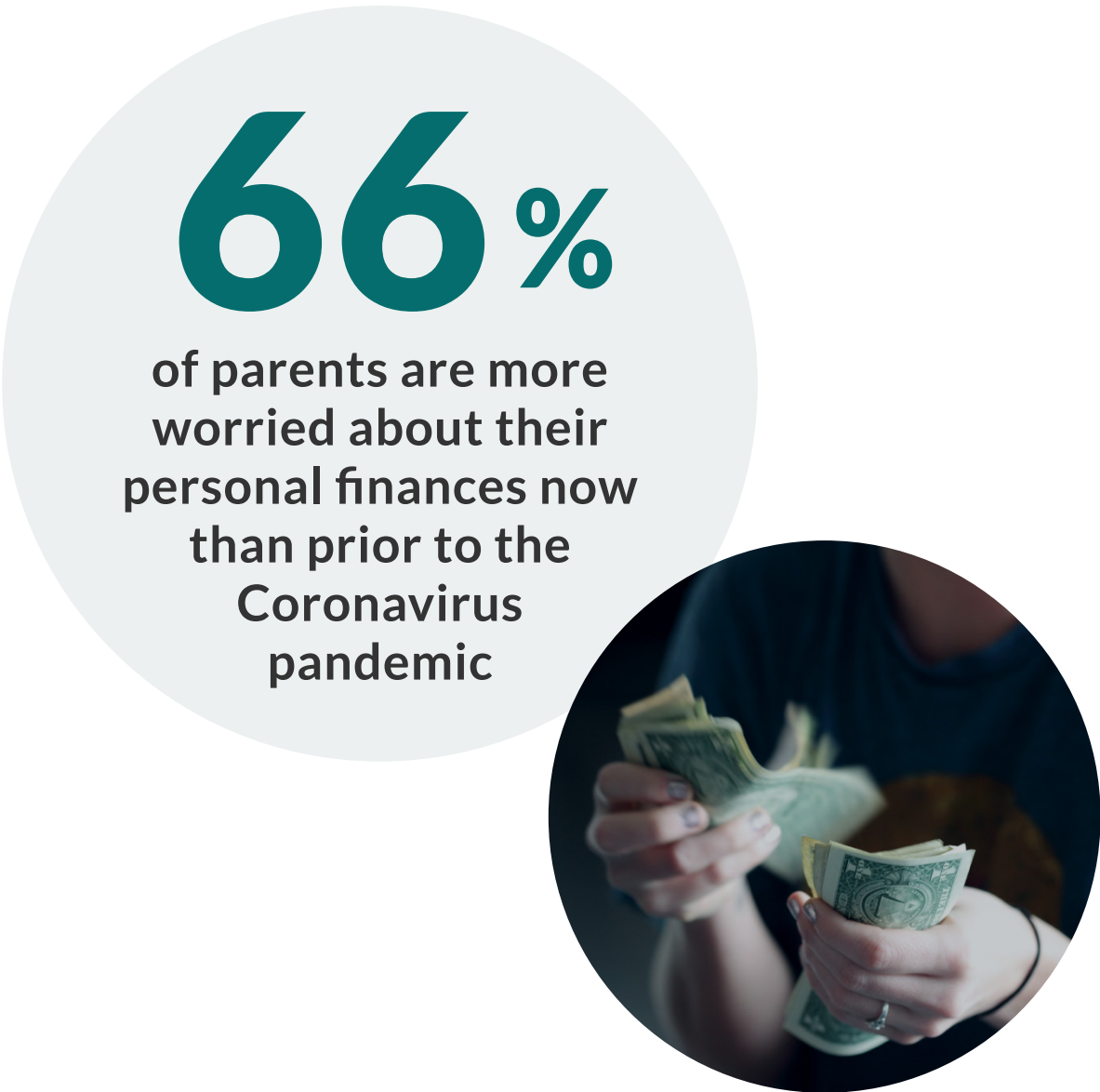
- Jordyn Hadwin, OfferUp community member

Financial Stress Has Intensified For Parents Due to Coronavirus

71% of parents are worried about their personal finances

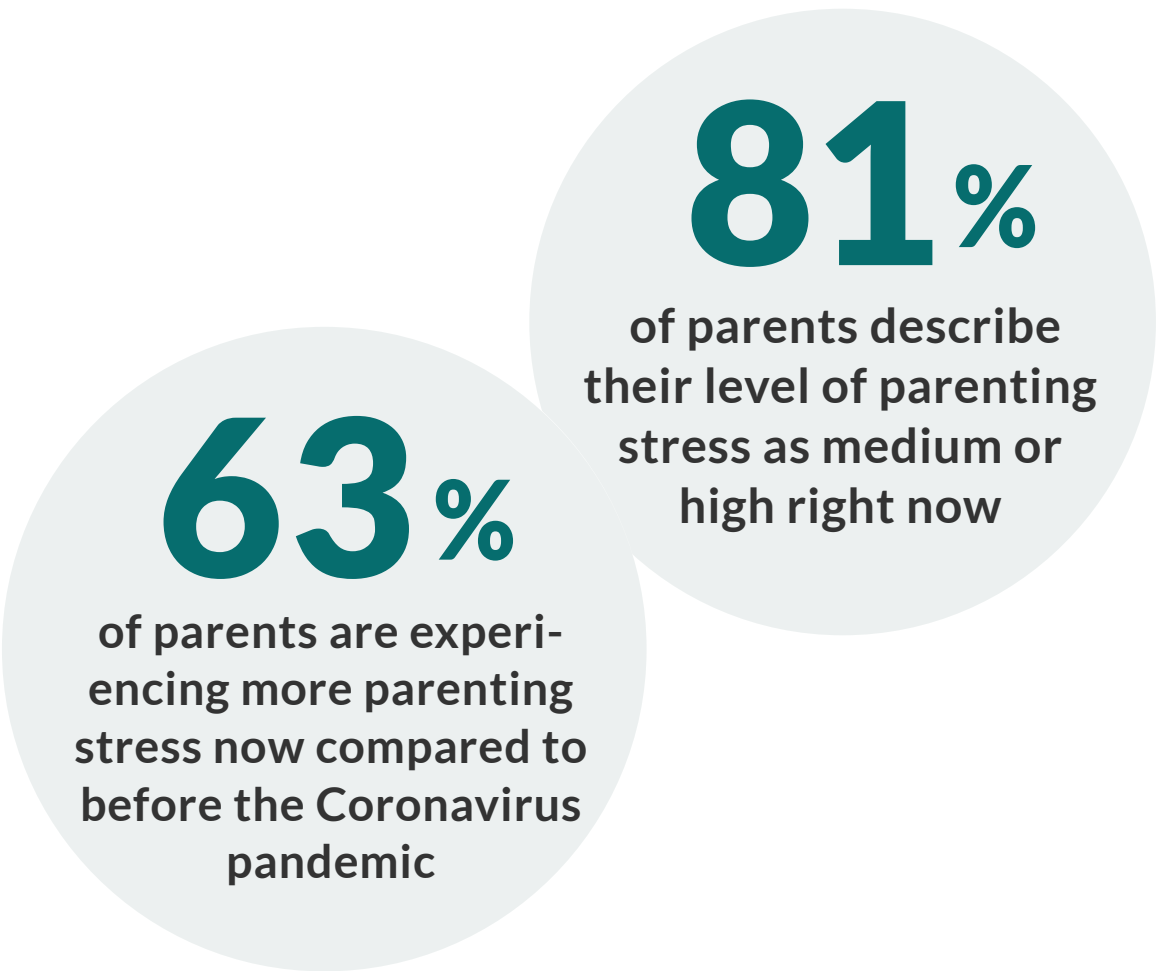
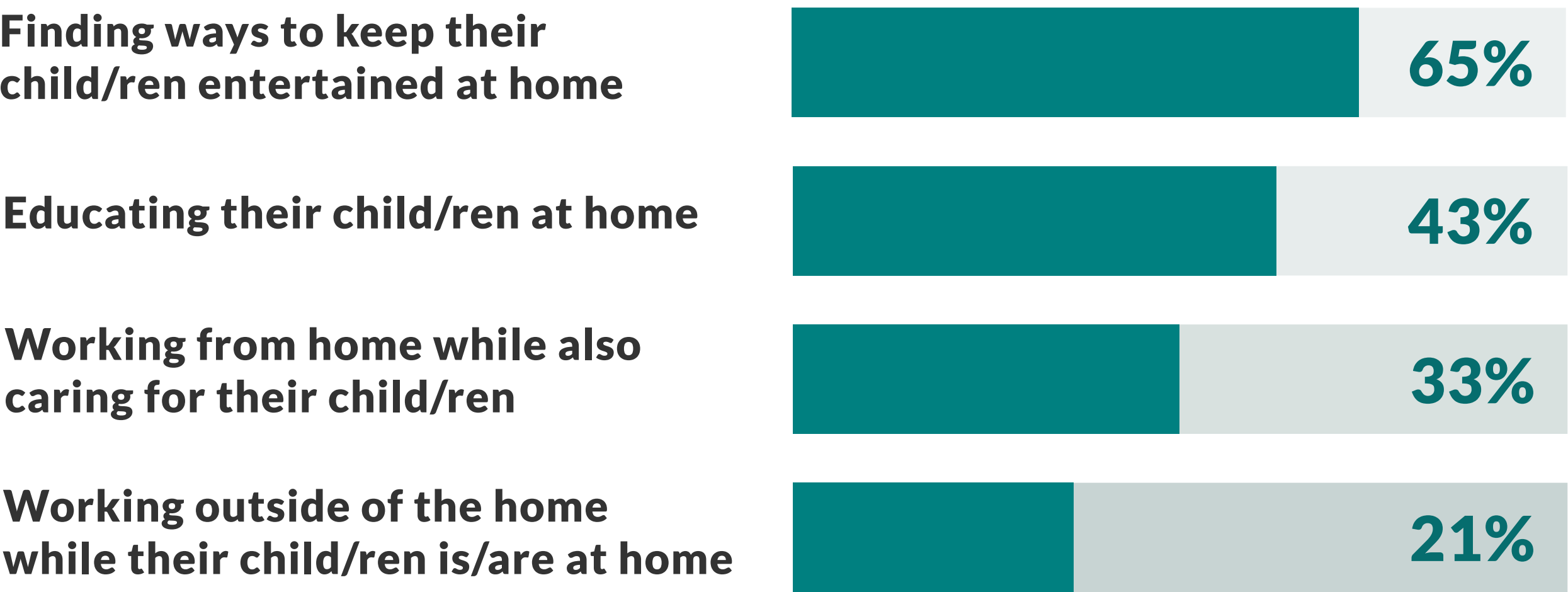


Percentage of parents worried about personal finances due to the Coronavirus pandemic



Keeping Kids Entertained is the #1 Cause of Parenting Stress During Coronavirus

According to parents, the most challenging parts of parenting since the start of the Coronavirus pandemic are:



“ I am the only one working, and I can’t work from home. My husband is going crazy trying to parent on his own (my daughter is his step-daughter) while navigating her educational needs in a language that isn’t his primary language. I’m trying to figure out how to assist them when separated from them by as much as 100 miles some days. ”

- Mother, 1 child, Missouri

Despite Financial Concerns, Parents Are Still Spending as a Direct Result of the Pandemic

64% of parents have purchased baby and kids' items as a direct result of Coronavirus

80% of parents have purchased an item to keep their children entertained

61% of parents have purchased an item to support their kids' at-home education

Top 3 Baby & Kids Spending Categories During Coronavirus

1 Essentials

2 Playtime

3 Apparel

OfferUp has seen a **100% increase** in average weekly shopping engagements in the Toys and Games category compared to the first 45 days of 2020.

“I have purchased books for [my kids] to read, Legos to build, puzzles for them to solve, sidewalk chalk to draw in the driveway...” - ***Mother, 2 children, New York***

“We got [our son] his own laptop because his mother needed the one we already had for work. Now he can use that to handle his online classes.” - **Father, 1 child, Florida**

“I have purchased a tablet specifically for toddlers and [my son] loves it! I also bought a few toys and games to keep him busy. They all did work!”

- Mother, 1 child, Illinois



Educational Toys and Crafting Supplies Top Parents' Lists For Family Purchases Right Now

Percentage of parents who have already purchased or are planning to purchase the following items for their families amidst the Coronavirus pandemic:

Educational Toys & Items	53%
Crafting Supplies	42%
Video Games and Consoles	33%
Electronics (Laptop, Tablet)	27%
Exercise Equipment (Treadmill, Yoga Mat, Bike, Scooter)	22%
Water Play (Pools, Water Slides & Tables)	10%
Playground Equipment (Trampolines, Bounce Houses)	10%



27%








of parents who expect to receive a government check as part of the Coronavirus relief bill plan to spend it on baby and/or children's items

Since the beginning of March, OfferUp has seen an increase in searches for:

↑	+1133%	Puzzles
↑	+452%	Swimming pools
↑	+367%	Water table
↑	+202%	Swing set
↑	+202%	Playground
↑	+126%	iPad

Parents Are Shopping Locally and on Online Retailers and Resale Marketplaces During the Pandemic

60% of parents say the Coronavirus pandemic has impacted where they shop for baby and kids gear

	 Furniture	 Apparel	 Playtime	 Travel	 Care/Safety	 Furnishings	 Essentials
Large Online Retailer (e.g. Amazon)	20%	48%	54%	17%	24%	26%	36%
In-Store Retail (e.g. Target)	14%	33%	39%	14%	20%	23%	52%
Online Resale Marketplace (e.g. OfferUp)	9%	15%	14%	8%	10%	9%	10%
Discounted Merchandiser	5%	6%	7%	5%	4%	6%	6%
Boutique or Small Business	3%	5%	6%	3%	3%	4%	3%

Coronavirus Has Dramatically Shifted Resale Shopping Behavior in the Baby & Kids Category and Beyond

Of parents choosing to shop with online resale marketplaces:

42%

do so because it is a
more sustainable
option

39%

do so to help people
in their local
community

38%

do so because it is
less expensive

Since the beginning of March 2020, OfferUp has seen:

- A **14% increase** in engagements with its Baby & Kids category
- A **3x increase** in people buying video games
- **130% increase** in keyword searches containing "exercise," "gym," "weights," "treadmill" or "elliptical"
- More than **2x increase** in activity for Computer Equipment
- A **30-40% increase** in buyers using nationwide shipping

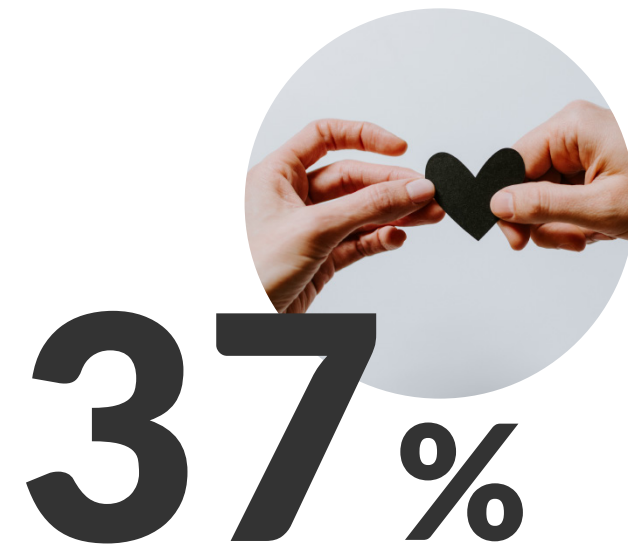


OfferUp, the largest mobile marketplace for local buyers and sellers in the U.S., recently acquired letgo to create a combined U.S. marketplace of more than 20 million monthly active users.

Despite Their Struggles, Parents and Neighbors Are Finding Ways to Connect and Support Each Other



of parents have donated or given away baby and kids products to another parent and/or family



have volunteered to help out a fellow parent

“[We’ve seen] lots of neighbors helping each other any way they can and still being socially distanced. We had one that knew we had to cancel a trip to Disney World, and they planned a whole day of crafts and special Disney things for my kids to do at home and left it on our doorstep.”

- *Father, 2 children, Kentucky*

“Our neighbors have let us know that they're here for us, offered supplies if we needed them, and have texted when they knew we were stressed about our child's fit-throwing to make sure we were OK.”

- *Mother, 1 child, Minnesota*

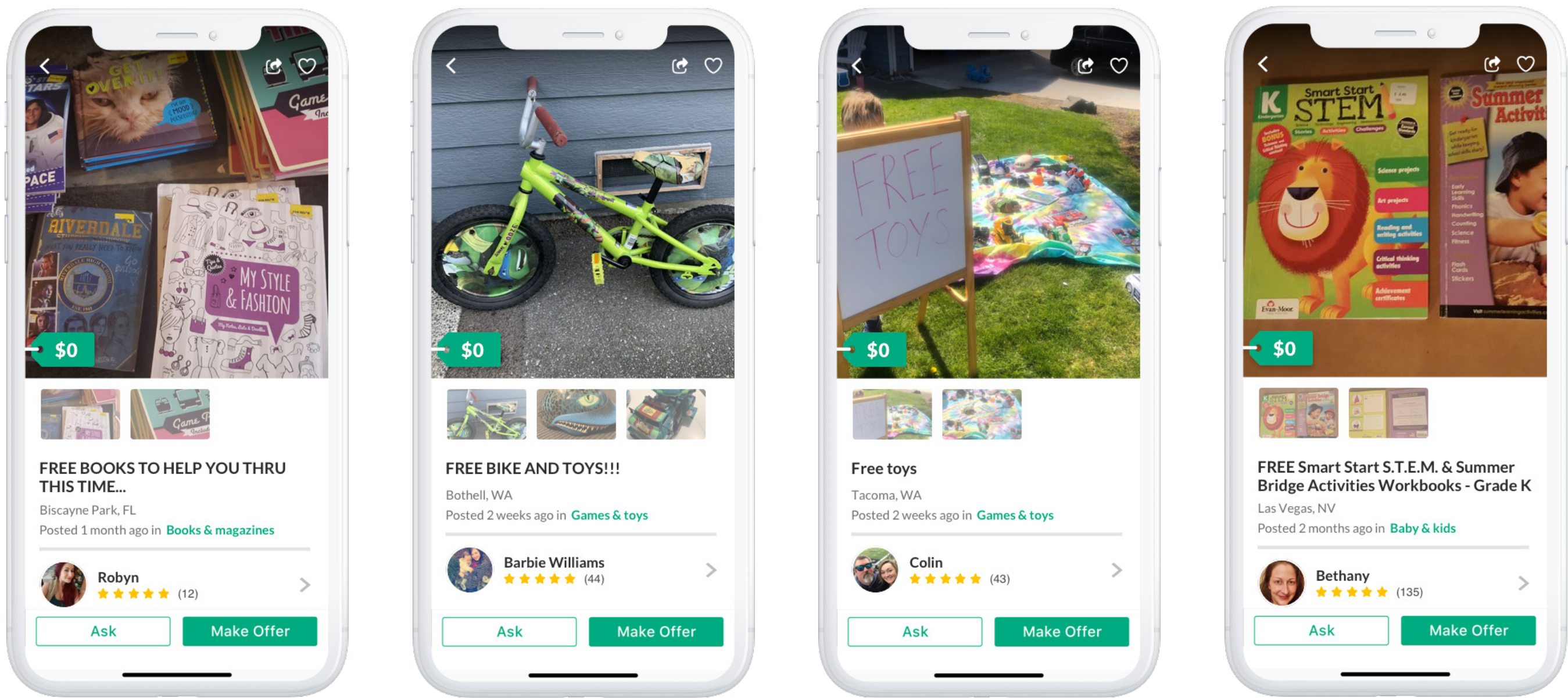
“My boss has given up giving herself a paycheck, so she could pay staff. A restaurant owner gave me an amazing bottle of wine for far below their actual cost. People have painted rocks for others to find around the neighborhood.”

- *Mother, 2 children, Washington*

Random Acts of Kindness on OfferUp

“ These are really unique circumstances, but I’ve never been prouder of how the OfferUp community has been able to come together and support one another. I’ve heard from so many people about how they’re turning to OfferUp to find the things they need most right now. I spoke with a woman who bought a trampoline for her daughter on OfferUp after she couldn’t buy it at any store because they were closed. We’ve also seen so many examples of people giving away free items, including books, toys, bicycles, and more out of a desire to help other parents in need. It’s been truly remarkable, and I expect that we will continue to see this level of community support continue to grow. ”

- Nick Huzar, OfferUp



SOURCES AND DEFINITIONS

Primary sources:

GlobalData Market Sizing and Analysis: Global Data’s market assessment is derived from an examination of consumer surveys, retailer tracking, official data, data sharing, store observation and secondary sources, all of which are used by analysts to model and calculate metrics presented herein.

GlobalData serves the world’s largest industries, offering comprehensive, authoritative and granular market intelligence.

Consumer Survey: The consumer findings in this report are based on two online surveys administered to an online national sample of U.S. parents. Questions explored purchase behavior, intentions and attitudes in the baby and kids category. The samples are gender and geographically representative, and were fielded from December 16-20, 2019 and April 10-13, 2020 by online sampling company InnovateMR, who has access to more than 3 million panel members worldwide, implementing rigorous sample quality controls to ensure incentivized respondents are reliable and engaged.

Sample #1

Size: 2,046

Targeting criteria: U.S. Adults (18+) with children under the age of 12

Sample #2

Size: 2,037

Targeting criteria: U.S. Adults (18+) with children under the age of 12

Secondary sources:

Forbes 5/19/19 Article: "The New Mom Economy: Meet The Startups Disrupting The \$46 Billion Millennial Parenting Market"¹

USDA: Data from 2015 report, USDA Expenditures on Children by Families, 2015²

Babylist: Data from 2019 report, Business of Baby 2019³

Edmunds: Data from 2019 report, New Vehicle Prices Climb to Highest Level of the Year in April, According to Edmunds Analysis⁴

Consumer Reports: Why do washers and dryers cost so much?⁵

Zillow: United States Home Prices and Values⁶

Nielsen: Data from 2018 report, Was 2018 the Year of the Influential Sustainable Consumer?⁷

Economic Policy Institute: The 10 most expensive places to raise a family in the U.S.⁸

Education Week: Map: Coronavirus and School Closures ⁹

Disclosure: All third party brand names and logos are trademarks or registered trademarks of their respective holders. Appearance in this report does not imply any affiliation with or endorsement of OfferUp.

ADDITIONAL DEFINITIONS

In all cases, spending is consumer expenditure within the United States and is exclusive of sales tax. Wholesale and business expenditure are excluded.

GOTS-Certified (Global Organic Textile Standard) is recognized as the the world's leading processing standard for textiles made from organic fibers. Only textile products that contain a minimum of 70% organic fibers can become GOTS certified.

The categories mentioned in this research are composed as shown below.

Apparel

- Baby clothing
- Kids clothing

Furniture

- Cribs
- Kids beds
- Highchairs, boosters
- Other furniture

Furnishings

- Bedding and bed linen
- Bath linen
- Other linens
- Other décor

Travel

- Strollers
- Car seats
- Baby carriers
- Diaper bags
- Other travel

Playtime

- Toys and games
- Activity gear
- Playards
- Bath toys
- Other play

Care and safety

- Baby monitors
- Baby gates
- Other safety

Essentials

- Feeding accessories
- Diapers
- Wipes and disposables
- Potties and accessories
- Other essentials

Ready to get started with recommerce?
Discover great deals in your neighborhood and nationwide.

OfferUp
buy. sell. simple.

