



TRENDS IN  
BABY RESALE:  
THE COVID YEAR  
ONE REPORT  
MARCH 15, 2021

Brought to you by Rebelstork, North America's original price reduced baby durables marketplace.



REBELSTORK



# INTRODUCTION

At the time of releasing of this report, we have emerged from a full year that demonstrated how little is certain in the world. As someone who owns and operates an e-comm business and gave birth to her second child during COVID's second wave, I can massively concur that none of this \*waves one free hand around\* was on my 2020 vision board.

Rounding the bend on New Year Eve's didn't magically change our realities; 2021 has already seen its share of surrealness and change. We continue to observe, adapt to, and speculate about life in a pandemic, how things might look once vaccines are fully rolled out, and how social and political shifts will impact business and our everyday lives. *I think about what our new world will look like and the part Rebelstork will play in shaping it.*

This report focuses on global and North American parenting trends, price-reduced retail markets, and the baby gear industry. We include data from "the before times" as I believe this information is still very relevant. We also provide some early stats and observations about shifts during COVID as well as thoughts on the potential Rebelstork sees this year and the years following.

While it's still true that nothing is certain, Team Reby is filled with excitement for the opportunity ahead.

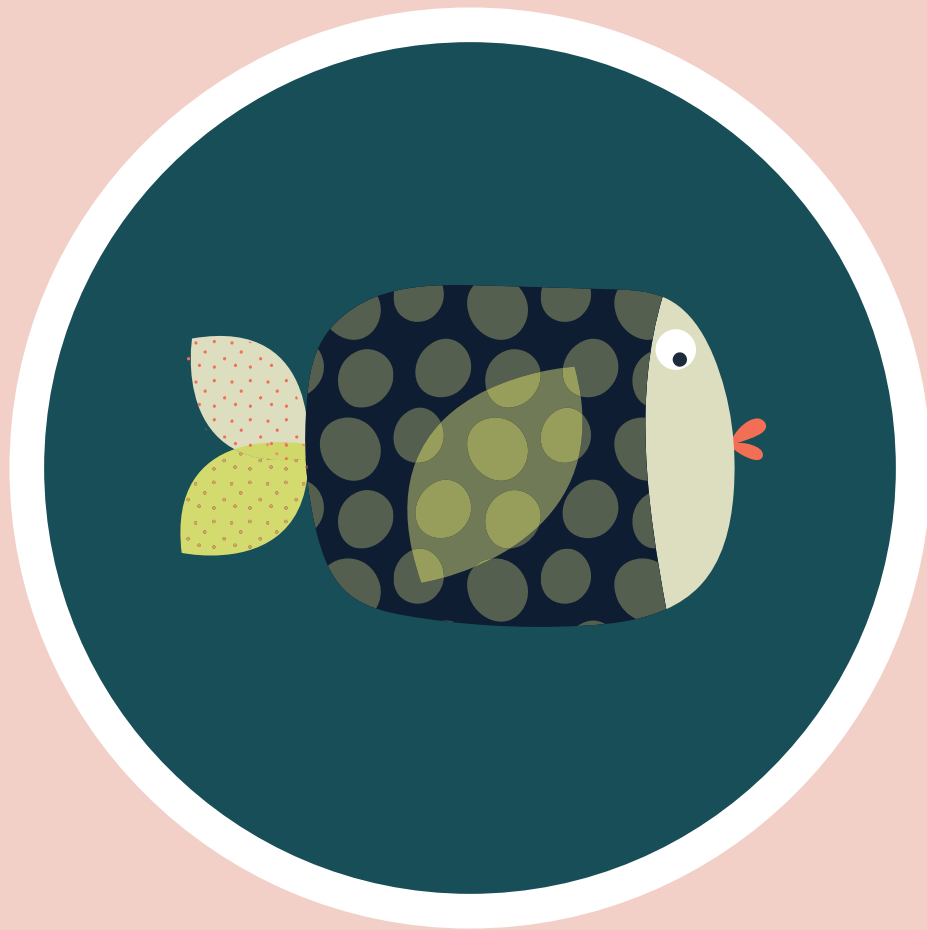
Wishing you well,

Emily Hosie,  
CEO of Rebelstork  
[rebelstork.com](http://rebelstork.com)



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# RE-BRINGING UP BABY





4  
MILLION

Over 4 million babies are born in North America every year.



40  
PERCENT

Of those 4 million babies, 40% are the first in their families.

[Statistics Canada](#)



\$14  
THOUSAND

The average family spends \$14,000 on every new baby's first year.

## TODAY'S PARENTS EXPECT MORE.



Are "parents-first - but not "parents only"



Value practical luxuries, high quality products and services, and high safety standards



Price-conscious but willing to spend on companies with the right products and value



Seeking brands that resonate with their own values, beliefs and lifestyle



Want sustainable alternatives but unwilling to sacrifice style & quality



Crave community and authentic connection

# THESE RESALE NUMBERS HAVE RAPIDLY BEEN GROWING.



18

PERCENT

In 2017, 18% of parents owned second-hand baby durables.



\$38

BILLION

The North American baby market is currently valued at \$38B.

Source: IBIS



\$51

BILLION

It is projected to be worth \$51B by 2026.



\$2.6

BILLION

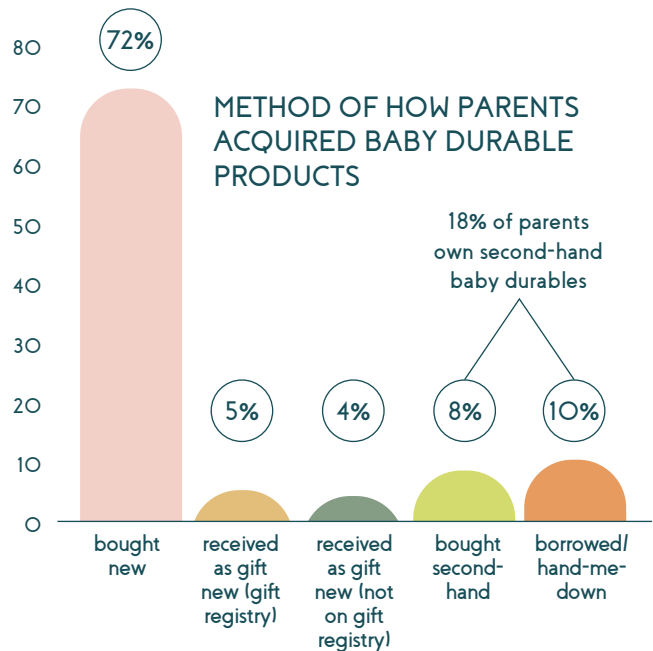
The resale baby gear market in North America is estimated at \$2.6B.

“

*Before the pandemic hit, the resale market was on track to double. Now this growth may very well accelerate.*

”

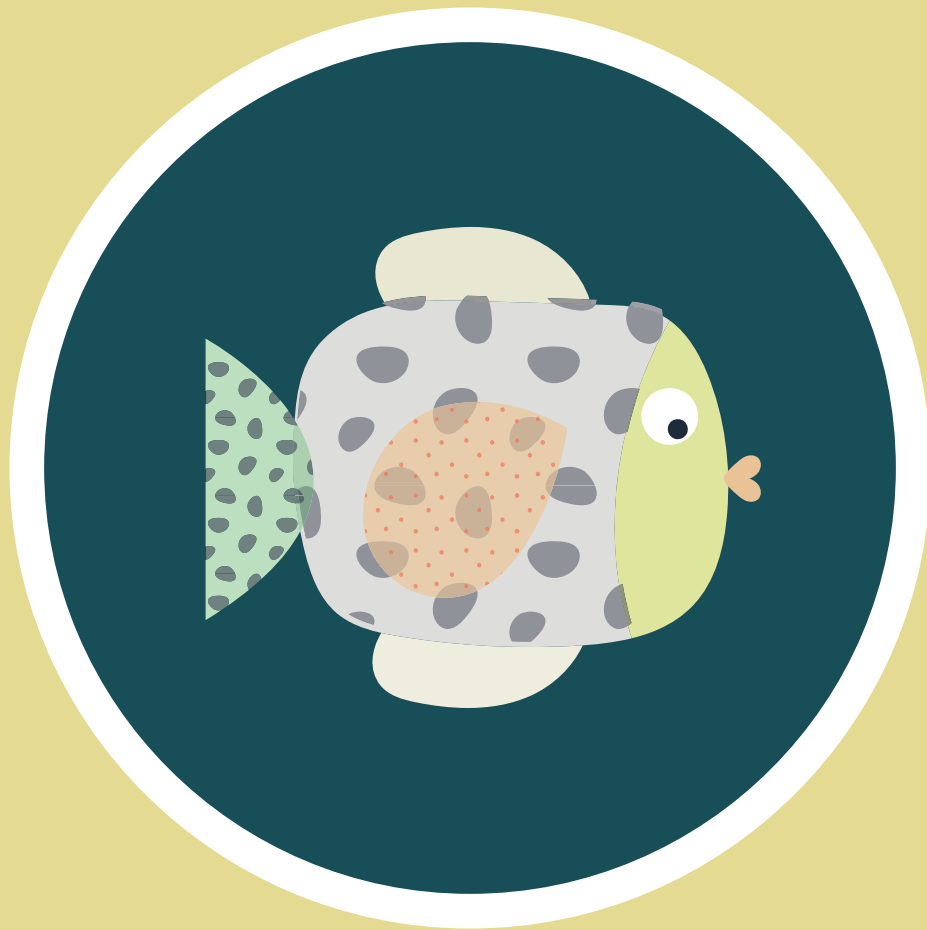
*Business of Fashion*



Source: MINTEL (Baby Durables US, March 2017); Moneysense Magazine

MILLENNIAL AND GEN Z PARENTS KNOW THE LIFE CYCLE OF A BABY DURABLE DOESN'T END AT THE PRIMARY SALE

LET'S TALK DEALS.



# A PRIMER ON OPEN BOX, OVERSTOCK, AND RESALE MARKETS

## OPEN BOX

These are new items; their packaging was opened in-store, they were showcased briefly as floor models, or they were quick-turnaround returns by customers.

## OVERSTOCK

These are excess stock, unsold and brand new items that a company wishes to quickly move out of their inventory to make room for new products and generate fast cash flow.

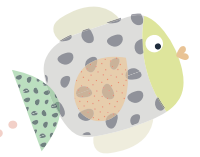
## RESALE

Resale is considered an upscale segment of the second-hand market where high-demand, gently-used items are curated, tested, and appraised before being sold.

All three categories offer customers high-quality goods at below-retail prices.

“  
*Overall, for a very significant and growing portion of the population, price and value are important from an income standpoint, and off-price is therefore very relevant and successful.*

”  
*Retaildive*



## SWEET DEALS ARE GROWING UP.

69  
PERCENT

Online resale is anticipated to grow 69% between 2019 and 2021

- Deals are COVID - and recession-friendly - resilient to economic cycles

39  
PERCENT

• The resale segment of the secondhand market is currently demonstrating a 39% CAGR

- Off-price, Amazon, and second-hand are the only channels consumers currently report intending to spend more in over the coming 12 months

36  
PERCENT

• Secondhand and off-price are anticipated to comprise 36% of consumer spend by 2029.

- Shoppers plan to shift the most spend into secondhand over any other channel in the coming 5 years.

# LET'S TALK RESALE



## A REVIEW OF RESALE

Resale takes place privately between individuals, on marketplace websites, through consignment shops, and increasingly, through specialized online services and apps.

## THE UNLIMITED POTENTIAL OF RESALE

Shoppers will spend 52% more on second-hand items over the next five years, with online resale expected to grow from \$7 billion in 2019 to \$37 billion by 2025.

Source: [ThreadUp](#)

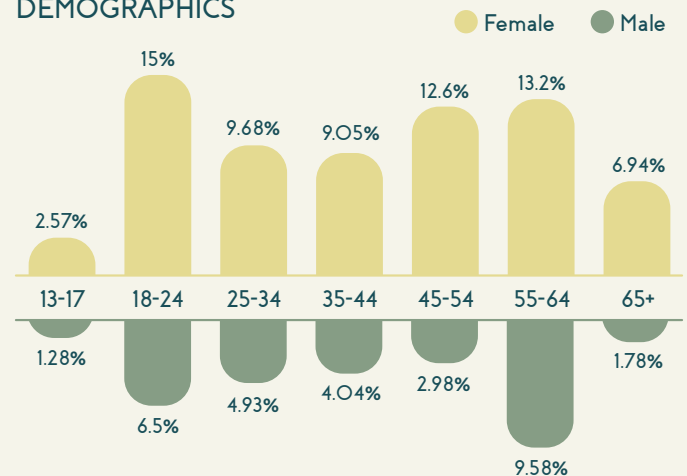
## RESALE CHATTER ONLINE

While fashion is easily the largest segment of the resale market, children and baby items are getting in on the action with lots of room to grow.

### Children

Some parents are cherishing conscious consumption and thus opting for secondhand items instead of new ones. 1.2m posts relating to preloved children products were collected over the last 12 months:

### DEMOGRAPHICS



Source: Linkfluence Search. Demographics of those discussing the resale market and kids products

## MILLENNIALS AND GEN Z: BEST ADAPTERS OF RESALE

Millennials (as well as Generation Z) are 2.5 times more likely than other generations to buy second-hand goods.

Not only are they open and interested in buying second-hand, but 40% of modern parents factor in the likelihood of being able to sell an item before making a purchase. This figure is double what it was five years ago.

### THE APPEAL OF RESALE

Because everyday people are often involved with the selling of resale, the sellers are also part of the discussion. The appeal of resale, simply captured:

#### For sellers:

- Make space in their homes.
- Get that money, honey.
- Reduce environmental impact (divert or delay something going to a landfill).

#### For buyers:

- High quality and on-trend goods and brands.
- Save that money, honey.
- Reduce environmental impact (one less product being made).

### THE RESISTANCE TO RESALE

Resale has certain hurdles to overcome as well, especially when dealing with individual-to-individual transactions.

#### For sellers:

- Having to put in effort.
- Wasting time.
- The yuck of haggling and dealing with strangers.
- Fear of being scammed.

#### For buyers:

- Poor quality, condition of goods. Worries it's unsafe.
- Wasting time.
- The yuck of haggling and dealing with strangers.
- Fear of being scammed.



# LET'S TALK OPEN BOX



## ONLINE SHOPPING FEEDS OPEN BOX RETURNS

A significant segment of the open box market are “quick returns”.

Quick returns are items that are purchased by a customer, opened, looked at, repackaged, and sent back to the retailer for a refund. The reasons why people return these items vary, but online purchases result in the highest rate of returns.

“Shoppers return 5 - 10% of what they purchase in store but 15 - 40% of what they buy online.”

Source: [Happy Returns / CNBC](#)

## THE COMMON REASONS FOR QUICK RETURNS

- Colour is different than imagined.
- The product doesn't fit the space it was intended for.
- The item doesn't fit their child.
- Thanks to relaxed return policies and free return shipping, the customer bought various versions of the same product to see in-person or test out, with the intention of returning all but one.
- The customer already has one (the purchase was a gift).

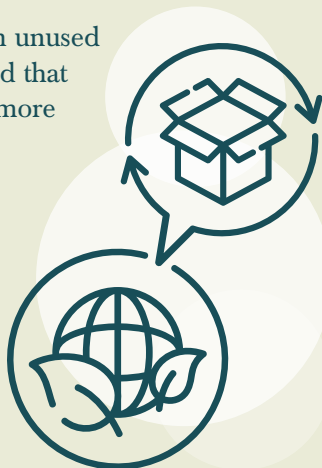
## THE ENVIRONMENTAL IMPACT OF RETURNS

Despite these items being in unused mint condition, it's estimated that many retailers throw away more than 25% of their returns.

“Holistically, that ends up being over 5 billion pounds of goods that end up in landfills a year from returns. Over the next several years that could swell to 10 billion pounds of returns in landfills around the world.”

The waste created by returns is staggering - but the opportunities for customers are huge! Rebelstork's business model interrupts this flow, and in the process reduces waste while providing savings to parents.

Source: [Happy Returns / CNBC](#)



# LET'S TALK OVERSTOCK



## AN OVERVIEW ON OVERSTOCK

If you're familiar with retailers like TJ Maxx, Overstock.com, Burlington, Marshalls, and Ross, you're familiar with overstock - or “off-price” - retailing.

“  
*Department stores lost \$25 billion in sales on a combined basis since 2011. By contrast, off-price retailers are prospering in the e-commerce-driven New Retail Economy: They have gained \$14 billion in revenue since 2011.*

”  
[CNBC](#)

Modern brands and retailers are under constant pressure to move their inventory quickly to make way for new products. Depending on trends and corporate purchasing decisions, some goods aren't sold as quickly as forecasted – this even happens with popular and bestselling items.

These companies turn to other retailers to sell or liquidate these “overstocks”. Rebelstork is one these retailers, and continues to form partnerships with top companies and brands globally to acquire the best overstocks.

## OVERSTOCK HAS EMERGED TO BE RETAIL GOLD

Here's a glimpse at the overstock market:

In 2009, 10% of fashion purchases were made at off-price retailers. In 2019, this grew to 16%. This figure is expected to grow to 26% by 2029.

Source: [ThreadUp](#)

In the quarter ended June 30, 2020, Overstock.com's revenue soared 109% to a record \$767 million.

Source: [RetailDive](#)



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IT'S BEEN A HECK OF  
A YEAR. BABY



# THE COVID FACTOR

There is little doubt that COVID has had a tremendous impact on our world, our daily lives... and our shopping habits.

## ECONOMIC CONDITIONS HAVE BEEN UNCERTAIN.

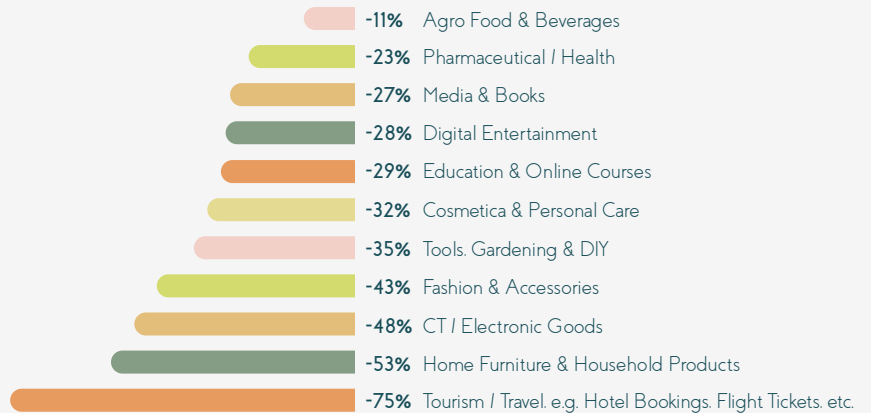
Reduced and mindful spending

There are more online shoppers thanks to COVID, but global data suggests people are spending less overall. Undoubtedly, unemployment and reduced income have influenced this.

“  
*Unlike after the financial crisis, we believe the period after Covid is an opportunity for brands to embrace sustainability and we expect to see a continued, if not accelerated, shift towards sustainable fashion as the economic outlook improves.*  
”  
Barclays



MONTHLY AVERAGE SPENDING ONLINE HAS DROPPED DURING COVID-19: LESS FOR FOOD, MORE FOR TRAVEL



United Nations Conference on Trade and Development, 'COVID-19 and E-Commerce'

## A PUSH TO DIGITAL SHOPPING

“COVID-19 has changed online shopping forever.”

More than half of the UNCTAD global survey participants now shop online more frequently and rely on the internet more for news, health-related information and digital entertainment. Most respondents said they'd continue shopping online in the future.

Source: [United Nations Conference on Trade and Development, 'COVID-19 and E-Commerce'](#)

## FINANCIAL CAUTION.

“Despite increased optimism in the economy, four out of ten Americans believe their finances will not return to normal until the latter half of 2021 or 2022 and beyond.”

“The same proportion say they are being more mindful of how they spend their money. As COVID-19 cases continue to rise, up to 40 percent of consumers (net) say they will decrease spending on discretionary categories, with spending net intent trending down in November.”

Source: [McKinsey](#)

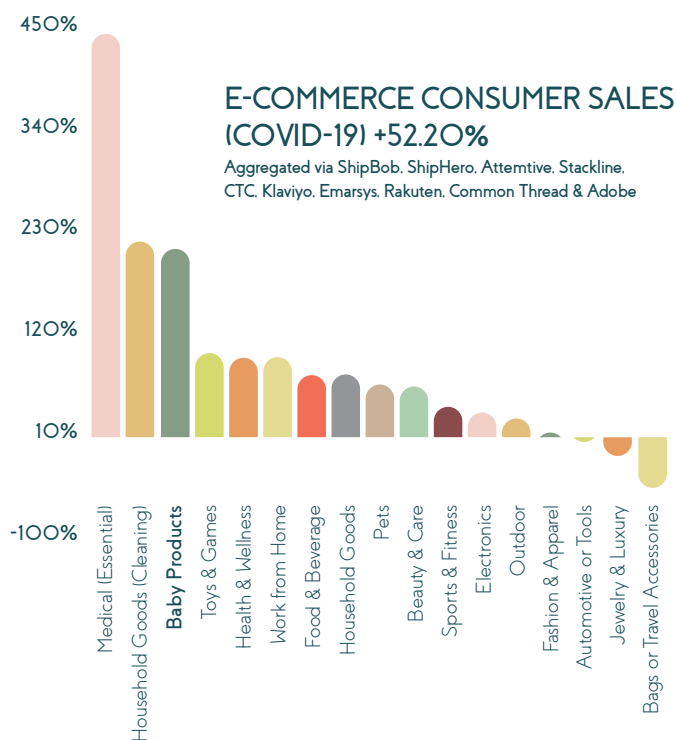


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# BABY STEPS

Economists are predicting a short term baby bust of ~6-8%

Despite this, there has been a significant shift to shopping online for baby. “Baby products” saw a significant surge in ecommerce sales in 2020 - up 200%.



Source: [Common Thread](#)

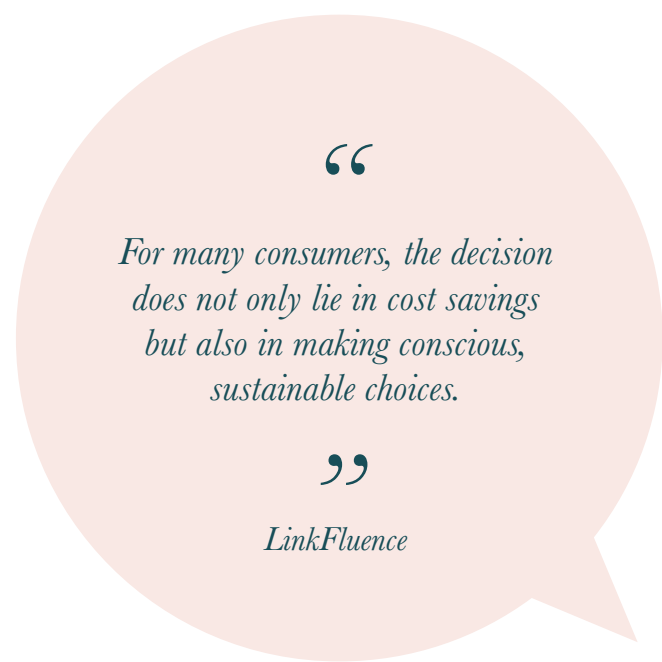
## A WISH FOR A BETTER WAY OF DOING THINGS

People see the disruption caused by the pandemic as an opportunity to “reset” and improve the world.

We can show them simple ways to make good on this desire.

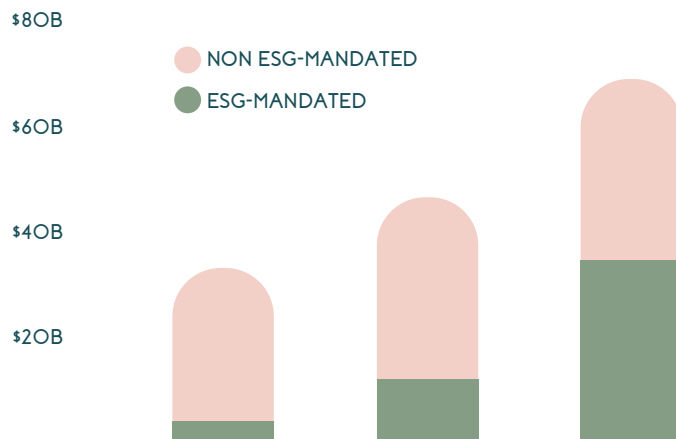
In a global survey of 21,000 people across 28 countries, the World Economic Forum discovered that 86% of all respondents want significant change to make the world fairer and more sustainable after COVID-19.

Source: [World Economic Forum](#)



Investors consider ESG investing—managing money according to environmental, social, and governance factors—both profitable and beneficial to society.

## ESG ASSETS WILL GROW FROM 11% IN 2012 TO 50% IN 2025



Source: US SIF Foundation through 2018, Deloitte Center for Financial Services analysis through 2025

As the vaccination rolls out, and fertility rates to bounce back, there is potential for a mini boom as families that temporarily delayed adding children “catch back up”..

Source: [Brookings](#)

# TEAM REBBY'S 2021 FORECAST



# THE NURSERY OF THE FUTURE



	2009	2019	2029
SECONDHAND : Buy & Sell Groups	3%	7%	17%
RENTAL			2%
SUBSCRIPTION			2%
AMAZON		3%	5%
DIRECT TO CONSUMER	8%	9%	13%
OFF PRICE : TJ Maxx, Overstock.com	11%	16%	19%
MID PRICED SPECIALTY : Buy Buy Baby, Toys R Us	27%	24%	16%
VALUE CHAINS : Walmart, Target	12%	11%	10%
DEPT STORES : Macy's, Nordstrom	23%	16%	8%
OTHER : Costco, QVC	16%	14%	8%

Source: [ThreadUp](#)



# TRENDSQUAWK 2021

## SMART BABY TECH



Smart technology makes life easier. It can also help with one of the toughest tasks out there - taking care of a baby.

From baby monitors to electronic cribs to next-level thermometers, Team Rebby forecasts that smart products will help reduce new parent stress and minimize worry more than ever in the coming year.

## GEAR THAT GROWS



We've got our eyes on products built to serve baby through many stages of growth. From minimizing environmental footprint to being financially friendly, gear that grows will continue to capture a broader demographic appeal.

## TRENDLESS CORE DESIGN



With consumers shifting towards sustainability and resale, Team Rebby predicts that value will be a core consideration in the path to purchase. Demand and focus on iconic core, trendless product design will increase in importance.

## INNOVATION SUSTAINABILITY



Transparency, values, and ethics have never been more important to today's parent – which means we will see brands prioritize these needs like never before. We will see it though increased sustainable design and ethical manufacturing.

## VIRTUAL COMMUNITY BOOM

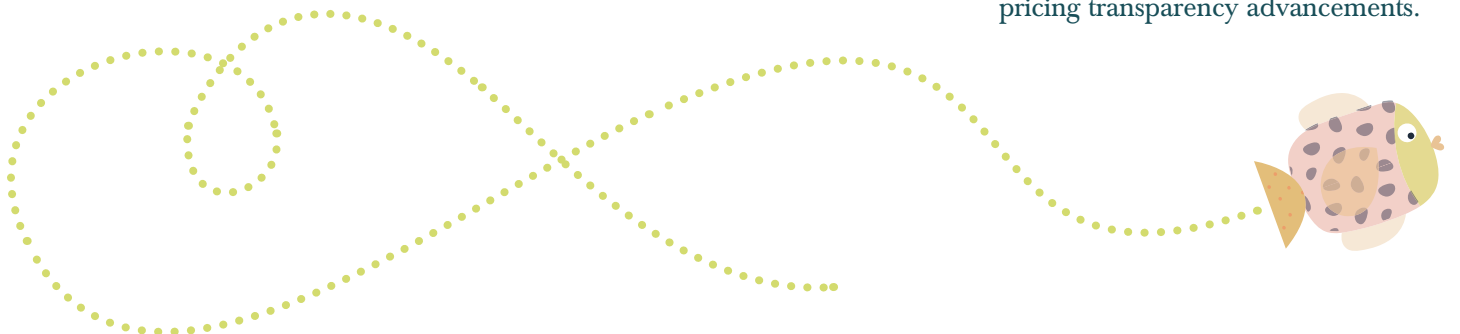


The mix of the COVID-19 pandemic and a decline in trust for the media and advertising amid social unrest has prompted brands more than ever to understand and engage their customers directly online and in more personal and authentic ways. The rise of virtual brand communities will be the solution for companies looking to build close, long term relationships with their customers.

## CUSTOMER-FACING AI



Online technology will continue to push forward from being back-of-house to front-of-house, with customer-facing initiatives such as chatbots, virtual assistants and pricing transparency advancements.



# THE BABY BRANDS THAT STAND THE TEST OF TIME





# TOP BRANDS GO FOR TOP PRICES - EVEN IF PREVIOUSLY DROOLED ON.

These 11 brands retained their market value beyond any competitors through the first year of COVID.

11 7AM ENFANT



7AM<sup>®</sup>

10 PEG PEREGO



Peg-Pérego  
MADE IN ITALY

9 STOKKE



8 HALO



7 BUGABOO



6 RESTORATION  
HARDWARE KIDS



RH  
baby&child

5 4MOMS



4moms

4 BABY BJORN



3 POTTERY BARN KIDS



pottery barn kids

2 THE HAPPIEST BABY



1 UPPABABY





“  
*Americans could begin to change their spending habits in the fallout from this pandemic... more people are embracing frugality or thrift.*

”

Marketplace

Rebelstork's proprietary algorithm custom-prices merchandise based on the continuous collection of up-to-the-minute market data and demand, as well as finite facts like item condition and age - providing buyer and seller with full pricing transparency.



TIME TO CLEAR OUT YOUR GEAR?  
FIND OUT WHAT IT'S WORTH NOW.



REBELSTORK

North America's original price reduced baby durables marketplace.

