

# A CONCEPTUAL ECOTHRIFT SECONDHAND BUSINESS MODEL: PROMOTES CIRCULAR ECONOMY AND WEALTH CREATION, AND NURTURING B40 THRIFT-PRENEURS

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**ABSTRACT:** In this paper, a conceptual thrift haven named EcoThrift is introduced, which is a secondhand business model designed to promote a circular economy and nurturing the B40 Thriftpreneurs. A centralized digital platform, as part of the conceptual business model is introduced where individuals and organizations can list, donate and sell items virtually. The platform will contain a wide variety of products such as kitchenware, electronics, clothing, etc. On top of that, with large donations, EcoThrift also aims to open pop up non-profit storefronts and employ B40 students as employees. This paper will adapt a Design Thinking (DT) approach, including a rigorous literature review (LR) and a survey to gain a profound understanding of the secondhand market's intricacies. This business model includes the creation of an initial business model (BM) employing business modelling tools i.e. the Business Model Canvas (BMC), and Value Proposition Canvas (VPC), which is then rigorously validated through further interviews and surveys. It also aims to follow the principles of the SDG 12 (Responsible consumption and production) as well as SDG 13 (Climate Control). This innovative approach seeks to tackle crucial challenges, mitigate pains, deliver essential gains, and fulfill the unique jobs-to-be-done of various customer segments. The paper's notable contribution lies in its potential to not only promote thrift and sustainability but also offer up- and re-skilling and income opportunities for the B40 Thriftpreneurs, ultimately fostering a more inclusive and circular economy. Its practical applicability and capacity to meet the evolving needs of the secondhand market and marginalised populations make it a valuable resource for researchers and practitioners alike.

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**KEY WORDS:** Thrift business model, Digital entrepreneurship, Job opportunities, Upskilling, B40 Thriftpreneurs

## 1. INTRODUCTION

According to Boston Consulting Group, the second-hand clothes market is a growing sector which currently weighs around thirty and forty billion dollars

(Deslandes, 2020). The effects of the pandemic and social media trends have sped up the second-hand market's growth over the past two years. Such unprecedented growth along with newfound interest among the youth has made the secondhand market far more profitable.

One distinctive feature exclusive to thrift platforms (in contrast to conventional retailers) is the community-centric aspect. The vitality of stores like Goodwill and other second-hand businesses is driven by their strong ties to the community (RCS, 2023). Individuals donating unused items have confidence that their contributions will be repurposed and revitalized by their neighbors. Likewise, shoppers are aware that, by bringing these items home, they are contributing to a sustainable, second life for local pieces, actively participating in the reimagining and repurposing of goods within their community. For that reason, this business model complies perfectly with the SDG 12 (responsible consumption and production) as well as SDG 13 (climate control).

This business's offerings are designed to address the specific needs, pains, and gains of their respective customer profiles. Among these segments, we find Buyers, comprising both the general population and the B40 demographic, who seek affordable variety and quality assurance in the products and services they engage with. The value map for Buyers revolves around cost savings, quality assurance, and the sense of community often associated with thrift shopping. Another customer segment is the B40 Students, who seek part-time employment opportunities as quality control staff in thrift shops. Lastly, Donors, originating from the local communities and Institutions of Higher Education (IHE), require an easily accessible donation platform with transparent tracking, as well as convenient pick-up and drop-off options for their contributions. They are motivated by the job-to-do of decluttering, reducing waste, and supporting charitable causes. The gains for Donors include decluttering their homes and receiving acknowledgement discounts from other stores within the marketplace, yet they face uncertainties about the donation process and privacy concerns.

While the existing solutions cater to various customer segments, there remain key gaps and challenges that call for new, innovative, and more relevant solutions. These current solutions may no longer fully address the jobs-to-be-done, extreme pains, and important gains of these diverse customer segments. Consequently, this paper seeks to propose an integrated conceptual business model, leveraging digital platforms and mobile applications, to bridge these gaps and provide tailored solutions for each customer segment.

## **2. OBJECTIVES**

The main objective of this paper is to develop a conceptual business model including digital platform and apps that offers and provides products/services as pain relievers and gain creators, including:

- a. To promote sustainability and a circular economy by encouraging the reuse and recycling of secondhand items.

- b. To provide income opportunities for the B40 population, particularly the B40 students and families, by creating part-time job opportunities and nurturing them as potential Thriftpreneurs and a supportive platform for entrepreneurs to sell their products.
- c. To offer affordable shopping options for Buyers, especially those with limited budgets, while ensuring quality assurance and a diverse product selection.
- d. To foster a sense of community through thrift shop events, workshops, and engagement activities, catering to the social needs of the target customer segments.

### 3. METHODOLOGY

This paper employs Design Thinking (DT) as a methodology for the development of the business plan based on the conjunction of user needs (Sandino, Matey, & Vélez, 2013). This approach entails a series of crucial steps, including understanding user needs, gathering insights, brainstorming ideas, creating prototypes, and testing solutions. The methodology unfolds on comprehending the user's perspective and requirements through data collection. Subsequently, problems are defined based on the insights garnered, ideas are generated to address these issues, and low-fidelity prototypes are developed. In addition to this, the paper incorporates several literature reviews of analogous products, serving as benchmarks for reference to validate the initial Business Model (BM). The research methodology also includes an online survey grounded in business modeling tools such as Business Model Canvas (BMC), Value Proposition Canvas (VPC), Environmental Map (EM), and Strategy Canvas (SC). The final goal of this paper is to highlight key findings, discussion, refine and establish the validated conceptual BM based on key findings.

- a. Business Model Canvas: The BMC is a strategic management tool to quickly and easily define and communicate a business idea or concept (Medium, 2022). It is a general, holistic and complete overview of the company's workings, customers, revenue streams and more.
- b. Literature Review: A literature review is a piece of academic writing demonstrating knowledge and understanding of the academic literature on a specific topic placed in context (Literature Review, 2023). The research begins with a comprehensive literature review to gain insights into the existing issues and solutions within the secondhand marketplace. This step is crucial for understanding the broader context and identifying gaps in current offerings.
- c. Environmental Map: The Business Model EM is a tool that helps you scan your external environment and identify the key trends, uncertainties, and forces that shape your business context (How Can You Use the Business Model Environment Map to Scan Your External Environment?, 2023). This analysis helps businesses understand the opportunities and threats in their external environment.

- d. **Strategy Canvas:** The SC is a central diagnostic tool and an action framework for building a compelling blue ocean strategy (Strategy Canvas | Blue Ocean Strategy Tools and Frameworks, 2022). To benchmark the relevance and competitiveness of the proposed solution, an SC is developed.

The methodology outlined here ensures a rigorous and user-centered approach to the development of the conceptual business model. This research aims to create a solution that not only addresses the identified challenges but also surpasses existing offerings in terms of relevance and effectiveness from the customers' standpoint.

## **4. LITERATURE REVIEW**

### ***4.1. Impact of 4IR on South African Manufacturing Small and Medium Enterprises (SMEs)***

The Fourth Industrial Revolution (4IR) has far-reaching implications for South African Manufacturing Small and Medium Enterprises (SMEs), as highlighted in the study by Serumaga-Zake and van der Poll (2021). The 4IR technologies are set to revolutionize the way these SMEs operate, impacting their design, manufacturing, operations, products, services, and interactions within the industry. While the 4IR promises numerous benefits, SMEs face significant challenges in harnessing its potential. However, this transformation opens doors to improving efficiency, competitiveness, and sustainable business performance. The article highlights the need for a conceptual framework tailored to a developing economy like South Africa (Serumaga-Zake, 2021). The impact of 4IR on SMEs in manufacturing extends beyond the technological sphere, as it touches on economic growth, social change, and skill development. Thrifting businesses can draw valuable insights from the research, understanding how 4IR can enhance operational efficiency, innovation, and sustainability. By embracing the 4IR technologies, thrifting businesses can optimize their operations, and ensure their relevance in a rapidly evolving business landscape.

### ***4.2. Tiffany: Ukay-Ukay Online Shop***

Tiffany: Ukay-Ukay Online Shop is a promising e-commerce platform dedicated to the buying and selling of pre-owned fashion items, embracing the rich tradition of ukay-ukay in the Philippines. This study provides a comprehensive look at Tiffany, its role in the broader ukay-ukay market, and the factors influencing customer behavior when shopping for the secondhand clothing online. Drawing on primary and secondary data, it evaluates Tiffany's current state and performance, examining product offerings, pricing strategies, and online presence. It contributes valuable insights into the digital transformation of the ukay-ukay industry and its potential to promote sustainable fashion practices while reducing textile waste (Aran, 2023).

Incorporating the findings from the article and considering the growth of the online ukay-ukay market (Aran, 2023), Tiffany: Ukay-Ukay Online Shop demonstrates how such platforms offer an avenue for the thriving thrifting business. By successfully addressing challenges like customer trust, quality control, logistics, and competition, it presents a valuable case study for anyone considering an online thrift store (Aran, 2023). The study's insights and the platform's approach to sustainable fashion align with the broader goals of supporting socio-economic development in the B40 community. This is particularly relevant in the context of the research, as it explores the positive response from younger generations, emphasizing affordability and ethical consumption, which aligns with the potential target audience of the B40 community.

#### **4.3. Sustainable production and practices in Organic Fashion Industry**

The organic fashion industry, with its focus on sustainable production and practices, serves as a compelling model for the thrifting business. As described in Radhakrishnan's research (2019), the fashion industry is notorious for its excessive consumption patterns, contributing to environmental and social issues. However, the shift toward sustainable design and slow fashion in the organic fashion sector offers an alternative. The emphasis on long-lasting, eco-friendly designs in organic fashion aligns with the goals of responsible consumption and production as outlined in the UN Sustainable Development Goals. Thrifting businesses can draw inspiration from these sustainable practices, promoting the reuse and extension of the lifecycle of clothing. By adopting principles from the organic fashion industry, such as eco-friendly materials and ethical production (Radhakrishnan, S., 2019), thrift shops can not only reduce waste but also contribute to responsible consumption and production, making them integral to achieving the 12th UN Sustainable Development Goal.

#### **4.4. Effectively assist B40 Community in social economic development**

To assist the B40 community in their socio-economic development through a thrifting business, we can draw insights from the research mentioned in the article. The study underscores the challenges faced by the B40 community in Malaysia, such as low income, unemployment, limited skills, and education disparities, while highlighting the potential of government programs, microcredit, and skill development initiatives like AIM (Yousoof, Munusamy, & Jayaraman, 2018).

Incorporating these insights, we can empower the B40 individuals interested in thrift retail by offering training programs in inventory management, customer service, and marketing. Collaborating with microcredit providers like AIM will enable the B40 entrepreneurs to set up their thrift shops with financial support. Developing online marketplaces and mobile apps will expand their reach and help overcome pandemic-related challenges. Organizing events, workshops, and networking opportunities will foster a supportive community among the B40 entrepreneurs, encouraging collaboration and peer support. Finally, maintaining high quality in thrifted items will enhance the thrift shop reputation within the B40 community.

By implementing these strategies, we can effectively promote the socio-economic development of the B40 community through the thrifting business, aligning with the research findings (Yusoof, Munusamy, & Jayaraman, 2018).

### 4.5. Benchmark of Thrifty-Related Business Models

#### 4.5.1. thredUP

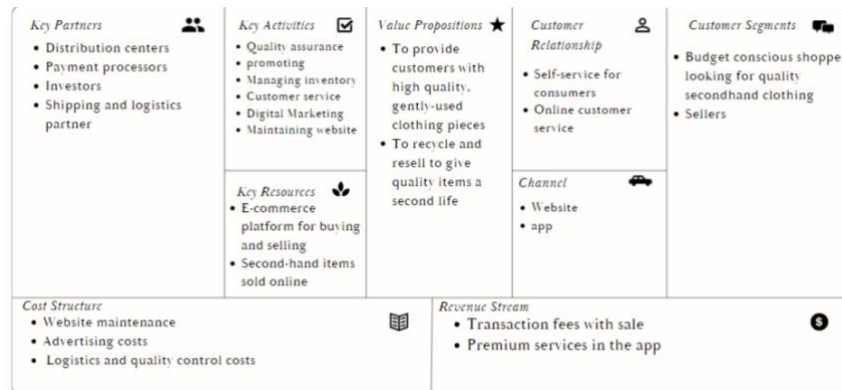


Fig. 1. Business Model for thredUP

ThredUp Inc., together with its subsidiaries, operates an online resale platform in the United States and internationally. Its platform enables consumers to buy and sell primarily secondhand women's and kids' apparel, shoes, and accessories, allowing them to refresh their wardrobes whilst avoiding clothing waste (see Fig. 1). ThredUp Inc. was incorporated in 2009 and is headquartered in Oakland, California. It has become popular for its focus on sustainable fashion and the circular economy (Fortson, 2023).

#### 4.5.2. Swap

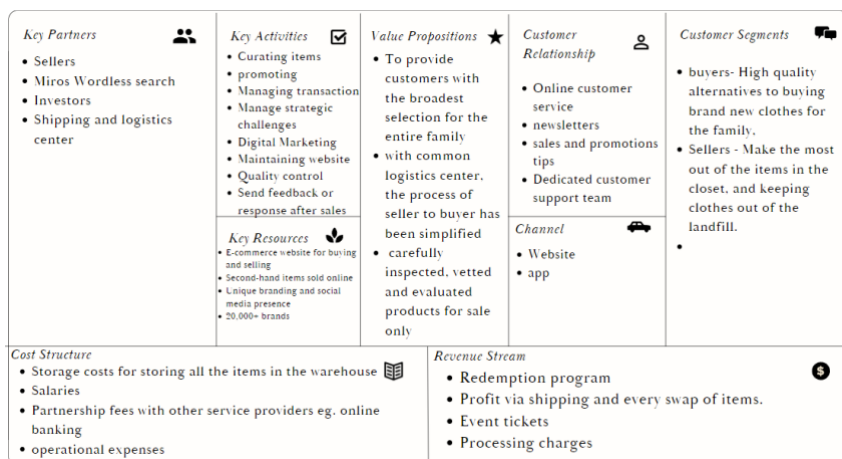


Fig. 2. Business Model for Swap

Swap.com, a social style platform, has always aimed to reduce the environmental impact of apparel. This online thrift and consignment store makes high-quality, secondhand clothing available for all members of a family, including

baby, maternity and accessories. On Swap.com, the sellers provide the items after they have priced them, and from there Swap.com handles the delivery, storage and returns process for the items sold (see Fig. 2). Despite entering a highly competitive and saturated market, Swap has shown significant revenue and consumer growth in the years.

### 4.5.3. Carousell

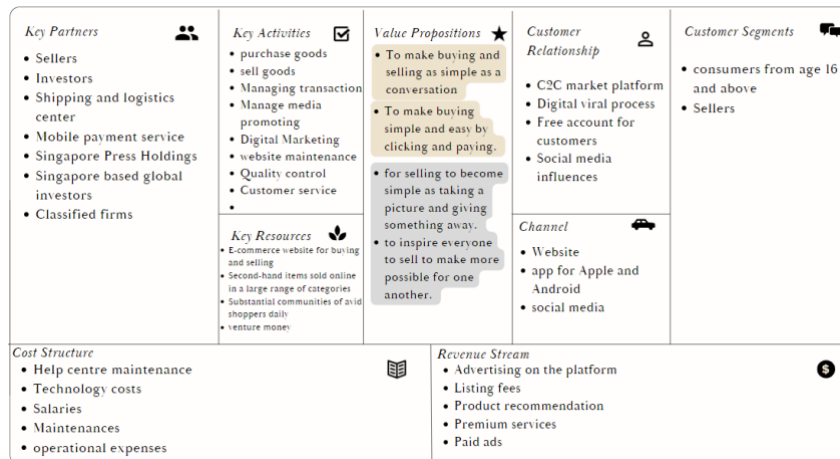


Fig. 3. Business Model for Carousell

Carousell is a web-based consumer to consumer and business to consumer platform for buying and selling new and secondhand goods, headquartered in Singapore. It connects sellers and buyers through a marketplace business model (see Fig. 3). The product delivery and payment are then handled by the intermediary. The buyer and seller can decide on the most preferred form of payment, where paying through Carousell is also a secure option.

## 5. INITIAL BUSINESS MODEL – USING BMC FRAMEWORK

### 5.1. Initial Business Model Canvas (BMC)

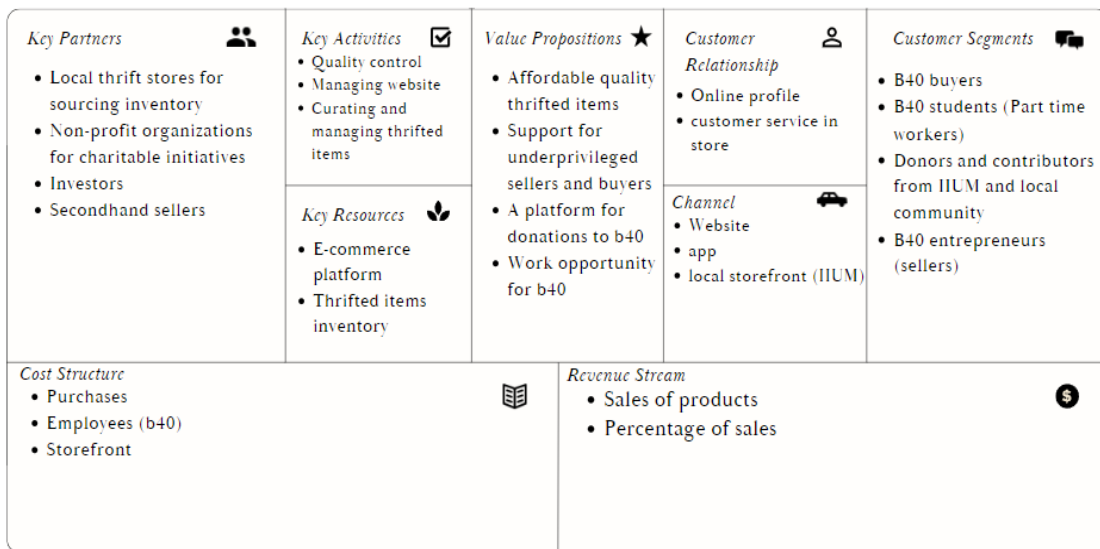


Fig. 4. Initial BMC

### 5.2. Initial Value Proposition Canvas (VPC)

Dr. Alexander Osterwalder introduced the VPC, a strategic framework designed to establish a harmonious alignment between a product and its target market. This framework places a strong emphasis on understanding the challenges faced by customers and subsequently crafting products or services that effectively address these challenges. It plays a pivotal role helping enterprises in making informed decisions and strategically positioning their offerings. The VPC comprises two integral components: the Customer Profile and the Value Proposition.

Consequently, the VPC is instrumental in articulating the unique value that EcoThrift offers to the B40 buyers, donors, and sellers, ensuring a clear understanding of how it caters to their specific needs and aspirations as summarized in Table 1.

Table 1: Initial Value Proposition Canvas for EcoThrift

Customer Segments	Value Map	Customer Profile
<b>Buyers (Normal &amp; B40)</b>	<b>Products and Services</b> <ul style="list-style-type: none"> <li>Affordable Variety</li> <li>Quality Assurance</li> <li>Community Hub where thrift shop community events, workshops, and special discounts offered</li> </ul> <b>Gain Creators</b> <ul style="list-style-type: none"> <li>Regular Discounts</li> <li>Customer Reviews</li> <li>Community Events</li> </ul> <b>Pain Relievers</b>	<b>Job-to-do</b> <ul style="list-style-type: none"> <li>Affordable Shopping for B40 community</li> <li>Quality Selection</li> <li>Community</li> </ul> <p>Engagement: Many B40 individuals appreciate the sense of community that thrift shops can offer</p> <b>Gains</b> <ul style="list-style-type: none"> <li>Cost Savings</li> <li>Quality Assurance</li> <li>Community Connection</li> </ul>



	<ul style="list-style-type: none"> <li>● Affordability of products</li> <li>● Quality Control</li> <li>● Wider Selection by upgrade of our inventory, offering items to meet your diverse needs</li> </ul>	<p><b>Pains</b></p> <ul style="list-style-type: none"> <li>● Limited Budget</li> <li>● Quality Concerns</li> <li>● Limited Choices</li> </ul>
<p><b>B40 Students (part-time workers / quality control)</b></p>	<p><b>Products and Services</b></p> <ul style="list-style-type: none"> <li>● Thrift Shop Merchandise</li> <li>● Part-time job opportunities for B40 students as quality control staff, ensuring items meet specific standards.</li> <li>● Extended Hours</li> <li>● Transparent Product Descriptions</li> </ul> <p><b>Gain Creators</b></p> <ul style="list-style-type: none"> <li>● Quality Assurance</li> <li>● Flexible Hours part-time employment opportunities that can accommodate their class schedules.</li> </ul> <p><b>Pain Relievers</b></p> <ul style="list-style-type: none"> <li>● Affordable Pricing</li> <li>● Providing flexible operating hours, including evenings and weekends, to accommodate students' schedules.</li> <li>● Detailed information about the condition of items to address quality concerns.</li> </ul>	<p><b>Job-to-do</b></p> <ul style="list-style-type: none"> <li>● Affordable Shopping options for B40 students</li> <li>● Support Education/Family</li> <li>● Trustworthy and cost-effective source for items that meet their quality and budgetary requirements</li> </ul> <p><b>Gains</b></p> <ul style="list-style-type: none"> <li>● Affordable Products</li> <li>● Convenient Shopping</li> <li>● Environmental Responsibility</li> </ul> <p><b>Pains</b></p> <ul style="list-style-type: none"> <li>● B40 students may struggle with financial constraints, making it challenging to afford essential items.</li> <li>● Balance work, classes, and other responsibilities.</li> <li>● Uncertainty about Quality.</li> </ul>
<p><b>Sellers (entrepreneurs)</b></p>	<p><b>Products and Services</b></p> <ul style="list-style-type: none"> <li>● free listings</li> <li>● seller tools</li> <li>● supportive local community</li> </ul> <p><b>Gain Creators</b></p> <ul style="list-style-type: none"> <li>● Access to shared selling platform</li> <li>● Wider customer base</li> </ul> <p><b>Pain Relievers</b></p> <ul style="list-style-type: none"> <li>● Low-cost marketing</li> <li>● fraud protection</li> <li>● support services</li> </ul>	<p><b>Job-to-do</b></p> <ul style="list-style-type: none"> <li>● Selling custom or niche supplies</li> <li>● finding supplies to create the products</li> <li>● growing their business via shared selling platform</li> </ul> <p><b>Gains</b></p> <ul style="list-style-type: none"> <li>● Increased sales</li> <li>● cost savings</li> <li>● business growth</li> </ul> <p><b>Pains</b></p> <ul style="list-style-type: none"> <li>● Competition for selling space</li> <li>● trust issues with the business platform provider as there might not be solid time-bound contract for stall listings</li> <li>● limited resources</li> </ul>

<p><b>Donors (Local)</b></p>	<p><b>Products and Services</b></p> <ul style="list-style-type: none"> <li>• Easily accessible donation platform</li> <li>• Well organized and transparent tracking of donated items</li> <li>• Convenient pick up and drop off options for donation</li> </ul> <p><b>Gain Creators</b></p> <ul style="list-style-type: none"> <li>• Accessible platform to donate things they don't need</li> <li>• Discounts offered in the marketplace for donors</li> </ul> <p><b>Pain Relievers</b></p> <ul style="list-style-type: none"> <li>• Clear and simple donation guidelines</li> <li>• Privacy protection for donors</li> </ul>	<p><b>Job-to-do</b></p> <ul style="list-style-type: none"> <li>• Decluttering</li> <li>• Reducing waste and recycling</li> <li>• Supporting a charitable cause</li> </ul> <p><b>Gains</b></p> <ul style="list-style-type: none"> <li>• Decluttering their homes and spaces</li> <li>• Donor's receive acknowledgement discounts from other stores in the marketplace</li> </ul> <p><b>Pains</b></p> <ul style="list-style-type: none"> <li>• Uncertain about to the process for donating items</li> <li>• Privacy concerns</li> </ul>
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## 6. CONDUCT VALIDATION OF INITIAL BM & KEY FINDINGS

A crucial step to building a successful business is to ensure that your business model is one that is validated. The method in which we decided to validate our business model is to use the Google Forms survey method and distribute it around the Institution of Higher Level Education (IHLE) group chats and channels in order to collect input from students and their secondhand-shopping habits. We had a total of 12 questions, with 38 respondents.

### 6.1. Demographic Information

1. What is your age?
2. Are you a student or working?

Results: The survey results for the question on working status indicate a dominant presence of undergraduates, comprising 89.5% of respondents being undergraduates. This suggests a significant opportunity to tailor features to meet the specific needs of students, such as budget-friendly options.

### 6.2. Usage Patterns

3. How frequently do you engage in buying or selling secondhand items online?
4. What types of secondhand items do you typically purchase or sell (e.g., kitchenware, electronics, furniture, etc.)?

Results: The majority of respondents fall within the middle range, with 28.9% choosing option 3, indicating a moderate level of engagement in buying or selling secondhand items online (see Fig. 5). These results suggest a diverse user base with varying levels of engagement, emphasizing the importance of designing the platform to accommodate both occasional and more frequent users.

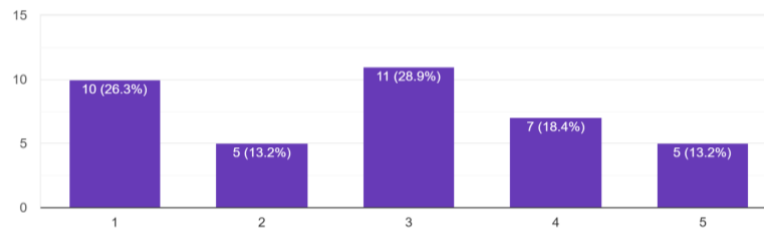


Fig. 5. How frequently do you buy secondhand items?

In reference to the types of secondhand items that is purchase or sell, clothing and electronics seem to be the most common categories (see Fig. 6).

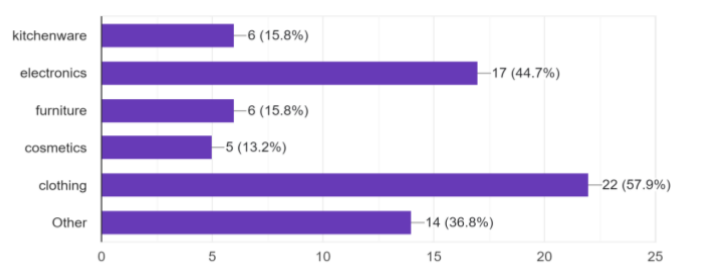


Fig. 6. What type of secondhand items do you purchase?

**6.3. Platform Satisfaction**

5. How confident are you in the security of transactions, especially when dealing with a variety of secondhand items?

Results: Most respondents seem to be in the middle group of the satisfaction scale with current online platforms which is indicative that there is a space for improvement in this marketplace (see Fig. 7).

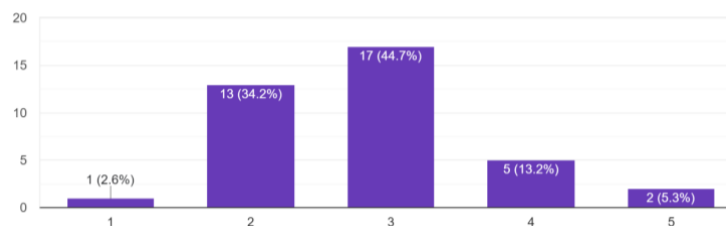


Fig. 7. How confident are you in the security of the transactions

**6.4. Income Opportunities and Affordability**

- 6. Would you consider selling a variety of pre-owned items on the thrift haven platform for additional income?
- 7. How does the affordability of items influence your decision to buy secondhand rather than new products?

8. Do you find secondhand platforms like ours to be a more budget-friendly option for your shopping needs?

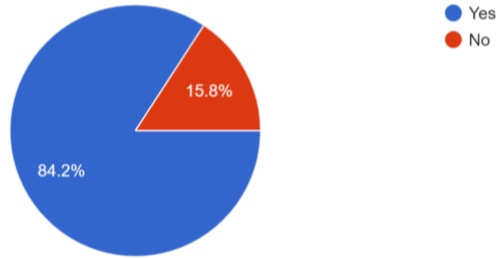


Fig. 8. Would you consider selling secondhand items?

Results: The overwhelming response of 84.2% indicates a willingness to consider selling pre-owned items on the platform (see Fig. 8). This suggests a strong interest in leveraging the platform for financial benefits, highlighting its role not only as a marketplace but also as a means of economic empowerment.

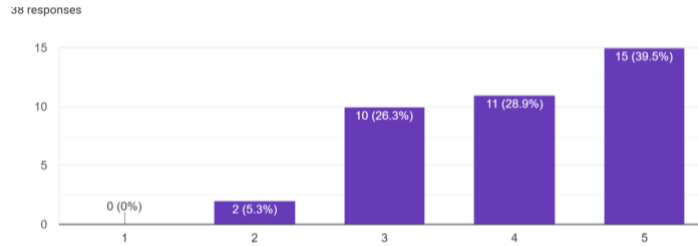


Fig. 9. How important is affordability to you?

A significant 39.5% of respondents assigned a rating of 5, indicating that affordability is highly important in their decision-making process when choosing secondhand over new products (see Fig. 9). Additionally, 28.9% rated affordability at a level of 4, underlining its significant impact on their purchasing decisions. Meanwhile, 26.3% selected option 3, suggesting a moderate importance, and 5.3% chose option 2. Notably, no respondents rated affordability as not important (option 1). These results emphasize the critical role that affordability plays in motivating users to opt for secondhand items, suggesting that maintaining competitive pricing and highlighting cost advantages could be the key factors in the platform's success.

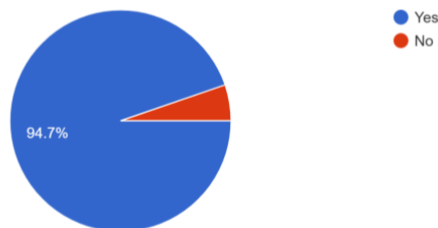


Fig. 10. Do you find secondhand clothes more affordable?

Following the trend from earlier, majority of respondents still believe that the secondhand platforms have more budget friendly options (see Fig. 10).

### **6.5. Community Support**

9. To what extent do you believe that a secondhand platform can support and uplift the community, especially for individuals in the B40 category?

Result: This was a short answer question and after some scanning through the results, it seems that the majority of individuals agree that secondhand platforms can uplift the B40 community. Some of the notable sentiments are:

“I believe that it gives the B40 community to not only give them options for more affordable shopping but also the opportunity to sell their own items and make an income”

“It reduces their financial burden and gives positive impacts in terms of their mental health as they will be happy, being able to afford good quality clothes.”

“I don’t believe that it will make a significant impact, because not everyone in the B40 has pre-loved items that meet the market demands.”

As can be seen, there are a variety of opinions on this particular issue with only two respondents answering negatively toward a secondhand platform uplifting the B40 community.

### **6.6. Environmental Awareness**

10. To what extent does the environmental impact of your purchasing decisions influence your choice to engage with a secondhand platform?

11. Are you aware of the potential environmental benefits associated with buying and selling secondhand items?

Result: The majority of respondents demonstrate a commendable level of awareness regarding the environmental benefits associated with the secondhand items. However, while awareness is high, there is a notable range in the perceived impact of environmental considerations on purchasing decisions (see Fig. 11 & Fig. 12). Emphasizing the platform's commitment to sustainability and environmental benefits may further resonate with users, contributing to an eco-conscious user base.

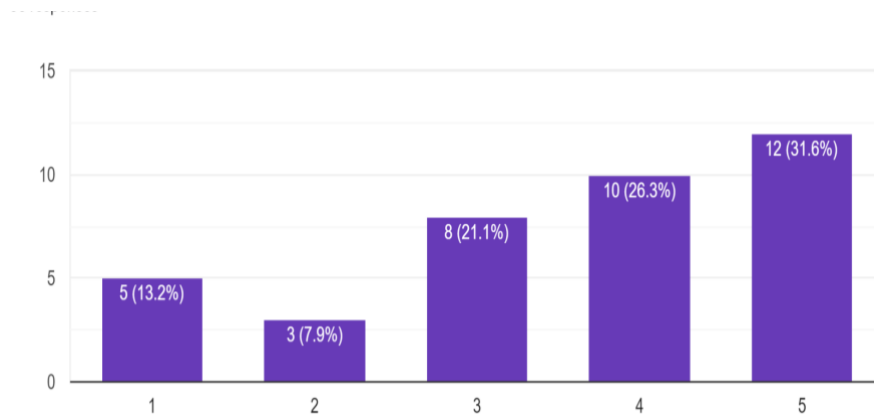


Fig. 11. Are you aware of the potential environmental benefits with thrifted items?

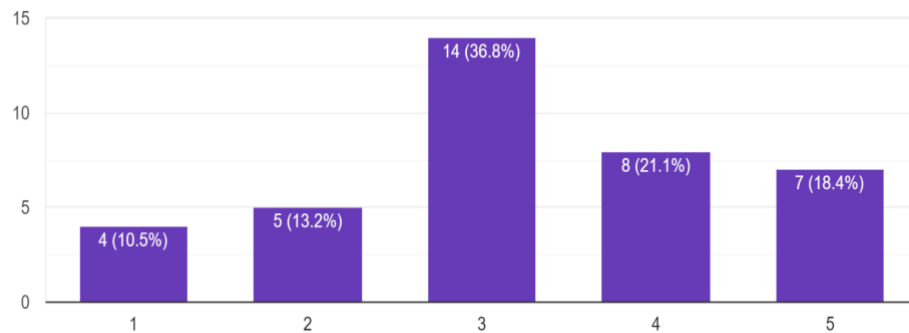


Fig 12. To what extent does the environment impact affect your purchases?

The sentiment is positive, emphasizing the potential for such platforms to provide affordable options and income opportunities. The survey delved into environmental awareness, revealing a commendable level of awareness among respondents regarding the environmental benefits of the secondhand items. This survey validated the current business model with a greater understanding on the customer wants.

## 7. VALIDATED BUSINESS MODEL – BMC FRAMEWORK

### 7.1. Validated Business Model Canvas

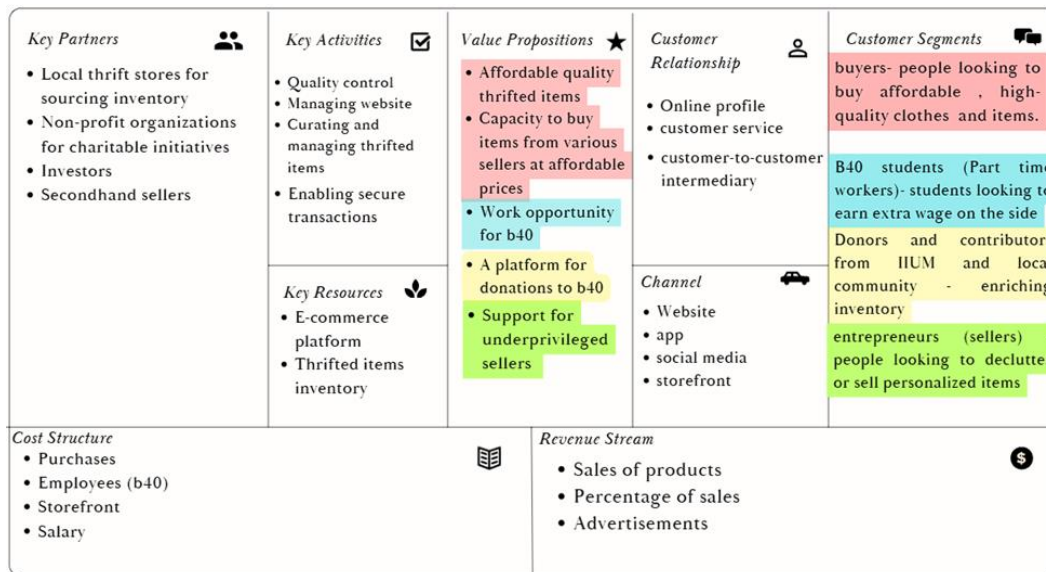


Fig. 13. Validated Business Model

### 7.1.1. Customer Segments

The customer segment is the group of people, individuals and organizations that the business aims to reach and serve. Understanding the customer segment allows the business to carefully tailor the products to the customer needs and requirements. The customer segment of EcoThrift consists of:

- A) B40 buyers:** People who are looking to buy secondhand clothes and other items that are affordable and of good quality.
- B) B40 students:** EcoThrift will provide part-time jobs for students, such as in the storefront for keeping inventory, cashier jobs, managing kiosks etc.
- C) Donors:** Local community contributes to the collection of items sold at EcoThrift, mostly students who are at the end of their study period but are unable to bring back most of their quality clothes back home.
- D) B40 entrepreneurs/sellers:** Sellers are those who want to declutter their closet at home, so they sell their gently worn clothes at a much lower cost on the EcoThrift platform. People with low income can also open other small shops or businesses on EcoThrift to sell other products at an affordable, yet profitable cost.

### 7.1.2. Value Proposition

The value proposition in the business model consists of the key value that the business provides to the customers. With EcoThrift, the customer segments get access to a dependable platform to buy, sell or donate, with timely fulfillment of these needs. The sellers get to make connections with other entrepreneurs and reach a larger audience through the platform that is accessible globally. The local donors get to declutter their closets and homes, without contributing to landfill waste. The B40 individuals, particularly students, can ease their livelihood through

means of extra wages by working part-time in the EcoThrift storefronts and use this opportunity to upskill and as a way, nurture the community of B40 Thriftpreneurs.

### **7.1.3. Channels**

EcoThrift operates via digital platform/apps, website and social media, promoting its values to customers through different means. Customers may go on the website or the mobile application to look at the latest product available for sale, and even subscribe to the newsletter that keeps them updated of the ongoing activities of EcoThrift. By following and subscribing to the business's social media pages on Instagram, Facebook and Twitter, customers may keep up with the trends on EcoThrift. For donation, there will be various collection points set up around masjids (Hamid et al., 2013; Ahmad Dahlan et al., 2014), IHLE and community centers, and other locale spots where the public congregates. EcoThrift also sets up local storefronts for large sales.

### **7.1.4. Customer Relationships**

EcoThrift is dedicated to offer a responsive customer service. It prioritizes the nurturing of the B40 individuals through coaching and mentoring programs. Further commitment extends to a review and rating system, for a trustworthy platform. Furthermore, EcoThrift maintains an online profile for every customer who engages with the site, providing personalized and seamless experiences.

### **7.1.5. Revenue Stream**

The company's revenue streams are those that generate money for the company by selling their products or services to customers. The primary revenue streams for EcoThrift are the sales of products, of which a percentage goes to the company. In the future for EcoThrift, the business model of freemium could inspire the revenue stream and increase profit, by offering basic or limited features to users at no cost and then charging a premium for supplemental or advanced features (Segal, 2022).

### **7.1.6. Key Resources**

Businesses require certain resources without which it would be able to operate successfully, and some of these key resources for EcoThrift are its e-commerce platform, which is the primary platform for the business operations, and the items that are to be collected, sold and/or bought.

### **7.1.7. Key Activities**

The key values of a company need to be acted upon through activities which ensure the success of a business. Eco Thrift looks to manage the quality of products with extreme detail, making sure items that are sold are durable and worth selling. Other activities include overseeing the buying and selling of thrifted items on the platform, managing and maintaining the online website, curating incoming products and inventory, and enabling secure transactions between the customers and sellers.



### **7.1.8. Key Partners**

The relationships that a business has with other organizations or individuals are known as the key partners. The major partners in the EcoThrift business are donors and thrift stores that contribute to sourcing inventory, Jabatan Kebajikan Masyarakat (JKM) and Zakat Centers that want to set up shop to provide jobs to the B40 individuals.

### **7.1.9. Cost Structure**

The cost structure section of the BMC outlines the major costs of the business operation, which for EcoThrift includes purchases of items from the secondhand sellers, and the salary for the Co-Founders.

## **7.2. Business Environmental Map**

### **7.2.1. Key Trends**

#### **A) Sustainability and ethical practices in the fashion industry**

In current days, consumers are very aware of the state of the world and are more inclined to practice ethical and sustainable fashion trends, which includes thrifting and aversion to fast fashion. Hence a thrifting business provides a well-placed solution to their practices (IGD, 2007).

#### **B) Transformation of the digital platforms**

It has simply become more accessible and efficient to take part in online shopping and e-commerce, which especially spiked after the pandemic, and seems to show no signs of stopping. Digital businesses are transforming across industries by breaking down barriers between people, businesses and things, inciting the development of more efficient ways to do business, creating better products and services (Schwertner, 2017). This has made it very necessary for there to be a smoothly operating online platform for the thrifting business for consumers to take part in it without hesitation.

#### **C) Circular economy**

Thrifting leads to waste reduction and landfill space, curbing the overconsumption that threatens to take over the economy due to more accessible platforms to purchase items. According to Kirchherr et al., 2017, "The main aim of the circular economy is considered to be economic prosperity, followed by environmental quality". A sustainable business model that promotes recycling and waste reduction is well aligned to contribute to creating a circular economy.

### **7.2.2. Market Forces**

#### **A) High competition in the thrift market**

With rise in recyclable fashion trends, and low capital required to set up a thrifting business, the thrift market has gotten increasingly crowded (Yusof et al.

#### **B) Shift in consumer behavior**

The consumption of secondhand items by the upper and middle class of the population has led to the gentrification of thrift stores (Terry Nyugen, 2021). Even though some are looking to purchase quality secondhand items as a practice for sustainable consumption, to some, even thrifting has become a fast fashion trend. It is easier to tempt oneself into overconsumption when the cost for it is reduced at a 50% off sale.

### **7.2.3. Macro-economic forces**

#### **A) Inflation rates**

The rate at which general prices of items are increasing, even at a secondhand store, the purchases are falling.

#### **B) Growth of GDP**

The GDP indicates the measurement of how a country's economy changes over time. The importance of GDP growth for policy makers has become increasingly clear as it can have a significant impact on the economy (Aziz et al., 2017). The effects of inflation, interest rates and general stability of the economic state can change how the consumers purchase items and the demand for products overall.

### **7.2.4. Industry forces**

#### **A) New competitors in the market**

With increase in purchasing, there is an increasing need to declutter. The mentality to start a giveaway or secondhand thrift store has become common, which can greatly affect the demand for a business like EcoThrift.

#### **B) Technological advances**

Digital advances have allowed buyers and sellers to design, personalize, and build profiles which adds to the relevance of the thrift market. Drawing on theoretical frameworks based on the idea that capitalism increasingly seeks to attract the whole intellect, Thrift (2006) argues that the new view of innovation emerges in three ways; "as the mobilization of forethought, as the deepening of the lure of the commodity through the co-creation of commodities with consumers, and as the construction of different kinds of apparently more innovative space suffused with information technology".

## **7.3. Strategy Canvas**

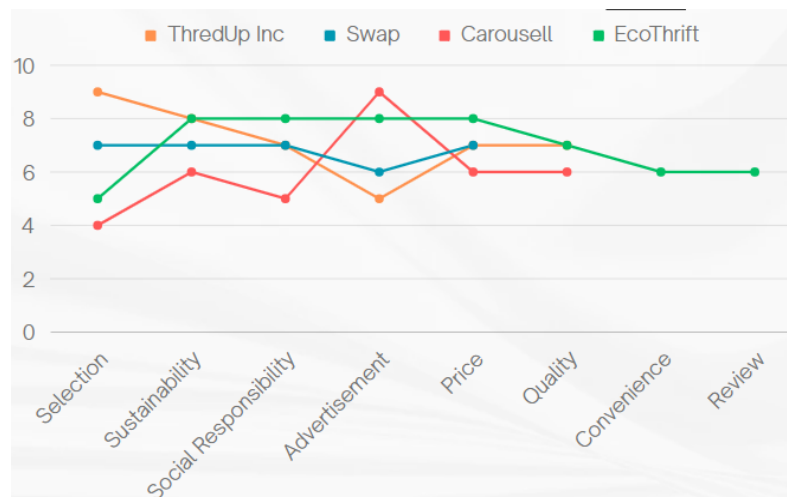


Fig. 14. Strategy Canvas

EcoThrift, a visionary business model centered on sustainable consumption, strategically positions itself in the dynamic secondhand clothes market, competing with established players like thredUP Inc, Swap and Carousell (see Fig. 14). Each platform has a commitment to sustainable fashion and the circular economy.

- **Selection:** EcoThrift leads by offering a diverse and extensive selection of secondhand items, surpassing both thredUP and Swap. ThredUP boasts a comparable selection, while Swap lags with a more limited offering. Carousell trails further with a relatively modest selection.
- **Sustainability:** EcoThrift shines with a profound emphasis on sustainability, aligning with its core objective. ThredUP places significant focus on sustainable fashion similar to EcoThrift, while Swap demonstrates a moderate commitment to sustainability. Carousell falls slightly behind in terms of sustainability efforts.
- **Social Responsibility:** EcoThrift stands out in social responsibility, integrating ethical and socially responsible practices into its core values. ThredUP exhibits a moderate focus on social responsibility, and Swap demonstrates a limited commitment in this aspect. Carousell, like Swap, displays a limited commitment to social responsibility. EcoThrift also has the unique goal to help and nurture the B40 Thriftpreneurs as a mission.
- **Convenience:** EcoThrift ensures a convenient shopping experience for consumers. ThredUP is a close competitor, offering a similarly convenient platform, while Swap provides a moderate level of convenience. Carousell, unfortunately, does not emphasize convenience significantly. EcoThrift also focuses on using masjid and community centers as a channel for the business.
- **Review:** EcoThrift maintains a positive review rating, reflecting customer satisfaction with its offerings. ThredUP and Swap do not have specific review considerations. Carousell's review status is not applicable.

- **Advertisement:** EcoThrift invested significantly in advertising efforts, ensuring visibility in the online thrift market. ThredUP and Carousell also prioritize advertisement but to a slightly lesser extent. Swap demonstrates a lower commitment to advertisement.
- **Price:** EcoThrift strikes a balance with competitive pricing, offering affordability without compromising quality. ThredUP competes closely in terms of pricing, while Swap falls behind, and Carousell is slightly more expensive.
- **Quality:** EcoThrift maintains a high standard of quality for its secondhand items. ThredUP similarly emphasizes quality, while Swap does not have specific quality considerations. Carousell maintains a moderate quality standard.

EcoThrift strategically differentiates itself by presenting a comprehensive value proposition offering a broader selection, strong commitment to sustainability, social responsibility, convenient shopping, positive reviews, effective advertising, competitive pricing, and high-quality standards. EcoThrift establishes a unique advantage. While thredUP competes closely, Swap lags in selection, social responsibility, and advertising. Carousell, with a modest selection and limited commitments, faces challenges in matching EcoThrift's distinct features, positioning the latter for a unique competitive edge in fostering sustainability and community engagement.

#### **7.4. Low Fidelity EcoThrift Prototype**

**Donation Centers Page (Fig. 15):** This page enables users to find nearby centers for item donation or pick-up. It displays locations on a map, provides distance and estimated travel time, and offers a 'Direction' option for guidance.

**Check-out Page (Fig. 16):** The check-out page is where users make payments. It lists items in the cart, gives options to pick up at a center or have items delivered, and displays the total price for payment.

**Browse Page (Fig. 17):** This page allows users to search for and explore secondhand items. Users can search by keywords, view search results, click on items for details, and choose to add items to their wish list or purchase them.

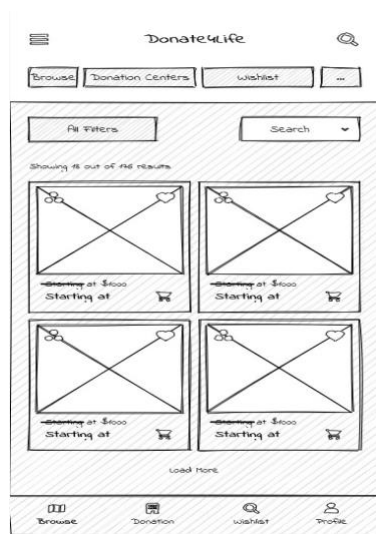


Fig. 15. Donation Centers Pag

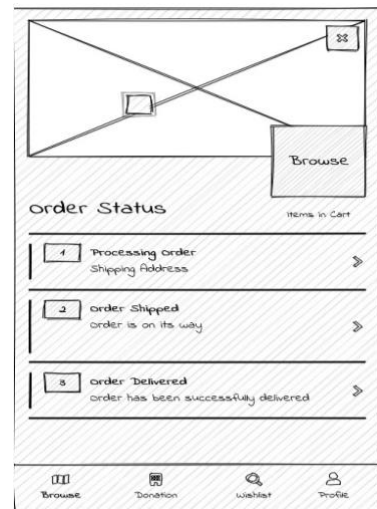


Fig. 16. Checkout Page

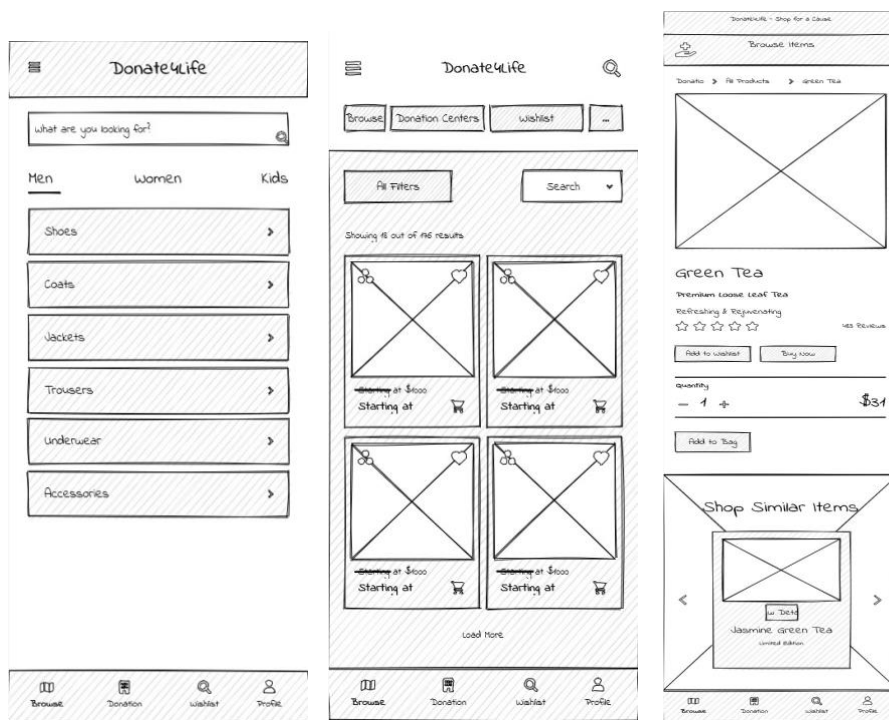


Fig. 17. Browse Page

## 8. CONCLUSION AND FUTURE WORKS

In conclusion, EcoThrift is committed to establishing a robust conceptual business model centered on sustainable consumption, transparency, and positive social impact. Our core objective is to create a clothing donation ecosystem that benefits the environment and serves the needs of the B40 community by fostering a circular economy, reducing clothing waste, and providing employment and entrepreneurship opportunities. With a focus on sustainability, affordability, and community engagement, our model emphasizes convenience, reliability and trustworthiness in the donation process, encouraging contributions to those in need. Throughout the development of EcoThrift's business model, various tools were utilized to align with our objectives and cater to diverse customer segments. We are dedicated to addressing social and environmental challenges while creating value for the customers and the key partners.

Moving forward, the next step is to develop a detailed business plan to refine our value propositions, target market, revenue streams, and cost structure. This will ensure a strong and sustainable foundation for the EcoThrift platform, supporting our vision for a more inclusive and sustainable marketplace.

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