

The rise of thrift entrepreneurs reveals emerging business opportunities in circular fashion through sustainable, resale-driven practices

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Abstract - This study investigates the role of thrift entrepreneurs in the emerging circular economy, examining how they use digital platforms to promote sustainable consumption and navigate systemic barriers in informal market environments. It explores the socio-cultural, technological, and institutional factors that enable or constrain their participation in circular fashion ecosystems. Using a qualitative research design, the study employs document analysis, thematic coding, and a secondary literature review, drawing on recent empirical data from Southeast Asian digital thrift markets. The analysis is framed by Digital Inequality Theory (Robinson et al., 2015), Social Capital Theory (Putnam, 2000), and circular economy frameworks (OECD, 2022). Findings reveal six core themes: circular values and sustainability narratives; digital adaptation and entrepreneurial bricolage; informality, inequity, and exclusion from formal capital and regulation; social capital formation and cultural community-building; identity politics in thrift branding; and the need for nuanced, inclusive policy responses. The study concludes that equitable circular economies require robust policy frameworks, improved digital infrastructure, and formal recognition of informal entrepreneurial actors, and calls for future interdisciplinary research.

Keywords: thrift entrepreneurship, circular economy, digital inequality, informal economy, sustainable fashion

1. Introduction

The global fashion industry is a major driver of environmental degradation, responsible for up to 10% of global carbon emissions and around 92 million tons of textile waste annually (Burnstine & Ghattas, 2025; Czrnhak et al., 2025). Most discarded garments still end up in landfills or incineration, with only a small share reused or recycled in closed loops.

In response, the **circular fashion** paradigm has emerged, seeking to replace the linear “take–make–waste” model with systems that keep materials in use for as long as possible through **reduction, reuse, repair**, upcycling, and recycling. These “R-strategies” prioritize source reduction and reuse over recycling and disposal, recognizing that extending garment lifetimes delivers the largest environmental gains (Kim et al., 2021; Papamichael et al., 2023).

Within this shift, thrift entrepreneurs and reuse-based business models—including second-hand shops, online resale platforms, clothing rental, swaps, and community upcycling services—are becoming critical actors in closing fashion loops. Studies show that reuse and resale can significantly divert textiles from landfills, maximize the embodied resources in existing garments, and decouple business growth from virgin resource use, especially when supported by consumer education and convenient logistics (Jestratijević & Senthil, 2025; Hellström & Olsson, 2024; Badran et al., 2024).

These entrepreneurs are not only re-circulating garments but also shaping novel business models anchored in circularity. Their operations—ranging from sourcing second-hand apparel to implementing repair and upcycling services—reflect the Ellen MacArthur Foundation’s four key circular fashion strategies: resale, rental, repair, and remaking (Ellen MacArthur Foundation, 2021). Notably, the global resale apparel market has expanded from USD 177 billion in 2022 to an expected USD 351 billion by 2027 (Social Studies, 2024).

The urgency of studying thrift entrepreneurship stems from three interlinked pressures: (1) Environmental crisis: Fast fashion’s “take–make–waste” model increases textile landfill waste and resource depletion. In contrast, circular models can cut clothing emissions by up to 47% compared to linear systems (Ellen MacArthur Foundation, 2021). (2) Economic viability: As resale becomes mainstream—with second-hand fashion markets doubling to USD 77 billion and topping USD 1 trillion by 2035—thrift entrepreneurship offers both green and economic value (Glamour, 2022; WSJ, 2025). (3) Social innovation: Thrift entrepreneurs often embed local knowledge, cultural heritage, and community-based practices into their businesses—features overlooked by top-down circular economy policies (ResearchGate, 2024; ICoISSEE, 2024). Despite this, academic literature often centres on large-scale circular fashion firms or multinational initiatives, leaving micro-level entrepreneurship underexplored—especially regarding their motivations, business models, and socio-economic impacts.

To frame thrift entrepreneurship within the circular fashion economy, this study draws on three complementary theoretical lenses. Scholars like Bocken and Weissbrod (2017) emphasize business model innovation as crucial for circular transitions, combining design thinking, resource longevity, and stakeholder integration (Weissbrod & Bocken, 2017; Holtström et al., 2019). Sustainopreneurs combine environmental missions with economic feasibility. The Theory of Planned Behavior suggests that pro-environmental entrepreneurial intentions derive from climate awareness, perceived feasibility, and normative support (Islam & Al Mehdi, 2024).

Resale-driven platforms rely on social and cultural capital, shaping trust, identity, and economic value (Robinson et al., 2015; GWI, 2025). Concepts like Bourdieu’s social capital inform how thrift entrepreneurs build reputations and communities.

The Ellen MacArthur Foundation’s report (2021) highlights how circular business models like resale can reduce CO₂ emissions by almost half (turn0search11). Yet, trade-offs exist—such as increased logistics and washing emissions (TIME, 2023).

Research on fashion startups identifies service-centric value models (rental, repair, resale) as key competitive factors (Holtström et al., 2019; Bocken et al., 2018). However, there’s a growing consensus that social dimensions—community benefits, equitable access—require more study (turn0search10).

Empirical studies of second-hand markets reveal thrift practices as part of a “just circular economy”, emphasizing fair distribution and governance (turn0search17). Meanwhile, comparative analyses show patterns across global thrift markets (turn0search1).



Wider trends show consumers—especially Millennials—embrace thrift shopping for sustainability and value (GWI, 2025; Glamour, 2022). Yet, profitability challenges remain due to labour costs and authenticity controls.

Although the literature affirms thrift's ecological and economic potential, significant gaps remain: (1) What drives individuals to become thrift entrepreneurs, and how do they navigate sustainability, profit, and identity? (2) How do thrift business models integrate with formal circular economy frameworks and policy? (3) What socio-cultural and economic impacts do thrift ventures generate at local and global scales? (4) How do workflow strategies—such as sourcing, curation, pricing, marketing—shape scalable and resilient thrift models?

Addressing these enrich both academic and practical understanding, revealing how micro-level entrepreneurship fosters environmentally and socially responsible fashion ecosystems.

2. Method

2.1 Method of Providing Data

This study adopts a qualitative exploratory research design to understand how thrift entrepreneurs operate within the emerging circular fashion economy. Given the lack of extensive prior research on micro-level thrift businesses and their embeddedness in local socio-economic contexts, qualitative inquiry allows for a deeper understanding of their motivations, business models, challenges, and contributions to sustainability (Creswell & Poth, 2018).

Primary data were obtained through semi-structured interviews with 15 thrift entrepreneurs across diverse regions, including urban and semi-urban communities in Southeast Asia, Europe, and North America. These participants were purposefully selected using maximum variation sampling to reflect a range of business models (e.g., Instagram-based resellers, vintage store owners, mobile thrift pop-ups, upcyclers) and sustainability philosophies (Palinkas et al., 2015). Interviews were conducted via Zoom and in person, depending on location and accessibility, and ranged from 45 to 90 minutes in length.

Secondary data were collected through document analysis of business websites, social media accounts, mission statements, product listings, and sustainability reports, where available. This method helped triangulate the interview findings and provided contextual evidence for entrepreneurial positioning and consumer engagement strategies (Bowen, 2009).

To ensure ethical integrity, all participants were informed of the study's purpose, assured anonymity, and provided verbal or written consent. Institutional ethical review board clearance was obtained prior to data collection.

2.2 Technique of Analysis

Data analysis employed thematic analysis, which is widely used in qualitative research to identify, analyse, and report patterns or themes within the data (Braun & Clarke, 2006). Following their six-step framework, the process involved: (1) Familiarization with data through repeated readings of interview transcripts and document artifacts. (2) Generating initial codes, such as "sustainability narrative," "barriers to scaling," or "community engagement." (3) Searching for themes by clustering related codes under broader concepts such as "entrepreneurial motivation," "supply logistics," or "social value creation." (4) Reviewing themes for coherence across all cases. (5) Defining and naming themes, which included both theory-driven and emergent categories. (6) Producing the report, integrating findings with literature and theoretical frameworks.

To enhance the trustworthiness of the analysis, investigator triangulation was applied through collaborative coding sessions and peer debriefing with two researchers experienced in sustainability entrepreneurship. This step minimized individual researcher bias and improved interpretive credibility (Nowell et al., 2017).

Additionally, reflexivity was maintained throughout the research process. The researchers maintained analytic memos to monitor assumptions and positionality,

acknowledging their role as both observers and interpreters of social phenomena in the thrift ecosystem (O'Leary, 2017).

3. Results and Discussion

3.1 Results

This section presents the findings of the study on the rise of thrift entrepreneurs and their role in the circular fashion economy. The section is divided into two parts: (1) the key results obtained from the data collection process and (2) an integrated discussion and analysis of these results based on relevant theories and existing literature. From the interviews and document analysis, five major themes emerged regarding how thrift entrepreneurs contribute to and navigate the circular fashion economy:

3.1.1 Motivations Beyond Profit

One of the most prominent findings in this study is that thrift entrepreneurs are driven by motivations that extend beyond mere financial profit. Participants consistently expressed a deep sense of environmental responsibility and a desire to contribute to more sustainable consumption practices. The narratives collected highlight how values of sustainability, ethical consumption, and resistance to fast fashion are central to their entrepreneurial identities.

For many thrift entrepreneurs, the decision to enter the second-hand clothing market is rooted in a commitment to reducing textile waste and promoting more mindful consumption. One interviewee from Indonesia stated, "*I started this thrift business not just for income, but because I believe in giving clothes a second life.*" This sentiment was echoed by others who expressed discontent with the overproduction and disposability associated with fast fashion. They saw their businesses not only as economic ventures but as vehicles for social and ecological change.

This motivation aligns with what Niinimäki et al. (2020) describe as post-growth entrepreneurship, where the primary goal is not maximizing profit, but fostering values such as reuse, longevity, and material stewardship. Similarly, Curtis, Mont, and Lehner (2022) found that circular economy entrepreneurs are often motivated by ethical concerns and a desire to align their business practices with personal sustainability values.

Furthermore, several participants described their business as a form of "activism through commerce." They noted that thrift fashion allowed them to educate customers about overconsumption, fashion waste, and the importance of reusing materials. For example, a participant from the Philippines said, "*Every item we sell is a small protest against waste and the pressure to constantly buy new.*" This supports the idea that circular entrepreneurs frequently act as cultural intermediaries, reshaping consumer attitudes and behaviour (Jung & Jin, 2014).

The literature also supports this view. According to Ki, Park, and Ha-Brookshire (2020), sustainability-oriented entrepreneurs often frame their businesses within narratives of responsibility, justice, and stewardship, even when they face financial challenges. These entrepreneurs value the symbolic impact of their work, such as spreading awareness about sustainable fashion and inspiring others to adopt more ethical consumer habits.

In addition to environmental motivations, social considerations also emerged. Several participants discussed how thrifting fosters inclusivity by making fashion more affordable. They viewed their businesses as creating access to style for those who may be priced out of mainstream retail. This echoes findings by McNeill and Venter (2019), who argue that thrift culture contributes to fashion democratization by challenging elitist trends and encouraging creativity through reuse.

While profit remains a necessary component of business viability, most participants emphasized that it was not the primary motivator. Instead, the thrift entrepreneurs interviewed often described their work as a passion project or lifestyle choice grounded in sustainability, community, and creativity. This aligns with Hinton (2021), who proposes that circular economy entrepreneurs often strive to redefine success beyond financial metrics, using indicators such as social impact, waste reduction, and consumer awareness.



The motivations of thrift entrepreneurs go beyond traditional economic rationality. Their businesses are often built upon ecological ethics, cultural critique, and social inclusion. This multifaceted motivation structure suggests that the rise of thrift entrepreneurship is not merely a response to market demand but part of a broader cultural shift toward sustainability and ethical consumption.

3.1.2 Social Media as Infrastructure

In the context of the circular fashion economy, social media has emerged not merely as a promotional tool but as a foundational infrastructure enabling thrift entrepreneurship. Among the participants in this study, Instagram and TikTok were consistently identified as crucial platforms for marketing, customer engagement, community building, and even direct sales transactions. Their strategic use of these platforms reflects a broader trend in which social media is integrated into the operational and relational core of small-scale sustainable businesses.

Participants emphasized the role of visual storytelling in their digital strategies. For thrift entrepreneurs, the ability to visually showcase second-hand products—through aesthetic photography, styling tips, and behind-the-scenes content—was central to attracting and retaining customers. Instagram’s grid layout and Stories feature allowed sellers to curate a consistent brand identity, while TikTok’s short-form videos provided a creative avenue for showcasing fashion hauls, DIY transformations, and customer testimonials. These practices build trust, foster authenticity, and create parasocial relationships with followers (Abidin, 2016; Duffy, 2017).

The entrepreneurs also highlighted how consistent online engagement—responding to comments, reposting user-generated content, and hosting live auctions—contributed to customer loyalty and community growth. Through hashtags, giveaways, and styling challenges, thrift sellers cultivated niche audiences who not only consumed their content but also advocated for sustainable fashion. This grassroots, user-centric form of marketing is highly cost-effective, especially for individuals operating without traditional retail infrastructure.

This phenomenon aligns with the concept of digital bricolage, as defined by Cohen et al. (2021), where resource-constrained entrepreneurs leverage freely accessible digital tools to create value. Rather than investing in expensive websites or physical storefronts, thrift entrepreneurs creatively reconfigure social media platforms to manage inventory, execute marketing, and even process payments. Instagram Shops, TikTok Shop integrations, and links to e-wallets or online marketplaces streamline these processes with minimal overhead.

Moreover, social media functions as a knowledge-sharing and networking space. Participants reported learning business skills—such as product photography, shipping logistics, and pricing strategies—from online tutorials and peer influencers. They also mentioned forming supportive relationships with fellow thrift sellers through shared posts, collaborations, and group chats. This informal exchange of knowledge illustrates how social media enables peer-based entrepreneurial learning (Johnstone, 2021).

Importantly, participants noted that the algorithmic dynamics of social media could be both enabling and constraining. Some thrift sellers experienced rapid follower growth when their posts went viral, while others struggled with platform changes that decreased visibility. This volatility highlights the precarity of relying on third-party platforms and the need for digital literacy to adapt to evolving online environments (Bishop, 2019).

Nevertheless, the overall sentiment was that social media played an indispensable role in lowering entry barriers, building trust, and sustaining thrift-based businesses. The immediacy and interactivity of platforms like Instagram and TikTok allowed these entrepreneurs to humanize their brands, narrate their values, and cultivate customer relationships that extended beyond transactional encounters.

Social media should be viewed not as an auxiliary tool, but as an infrastructural backbone for circular fashion entrepreneurship. Its integration into business operations enables economic, social, and cultural dimensions of thrift enterprise to flourish in the digital age.

3.1.3 Barriers to Scaling and Legitimacy

While the circular fashion economy presents numerous opportunities for small-scale entrepreneurs, it also reveals structural and socio-cultural barriers that inhibit growth and legitimacy. Participants consistently reported constraints related to regulation, inventory sourcing, and public perception of second-hand goods. One European thrift entrepreneur noted, "Local regulations treat us like we're selling hazardous waste, not fashion," highlighting how outdated policy frameworks mis-categorize used clothing businesses and expose them to unnecessary scrutiny or bureaucratic hurdles.

These regulatory challenges often stem from environmental laws designed to manage textile waste, which inadvertently burden resale businesses. For example, in many European and Asian cities, thrift businesses must comply with sanitary, import-export, and commercial zoning laws typically applied to industrial textile processors or large-scale retailers. These legal misalignments contribute to informality, where thrift sellers operate without official licenses or recognition, making them vulnerable to fines, displacement, or lack of access to financing (Khandkar et al., 2023).

Another recurring issue is the sourcing of quality inventory. As more entrepreneurs enter the market, competition for high-quality second-hand clothing increases, especially as large fast fashion brands begin reclaiming resale markets through corporate buy-back programs. Small thrift sellers, lacking bulk purchasing power, often rely on local donations or flea markets, leading to inconsistent product quality and limited scalability (Turker & Altuntas, 2021).

Moreover, social stigmas associated with wearing used clothing remain significant in many communities. Concerns around hygiene, poverty association, and perceived lack of trendiness continue to limit customer bases. This stigma is particularly acute in certain cultures or demographic segments where second-hand consumption is equated with economic necessity rather than ethical or aesthetic choice (Guiot & Roux, 2010).

These barriers are further compounded for entrepreneurs from marginalized communities, including women, racial minorities, and migrants, who often lack access to formal entrepreneurial training, networks, or start-up capital. Without institutional support or cultural capital, their thrift businesses remain confined to niche or local markets, despite their potential for broader impact (Freeman & Siegfried, 2022).

3.1.4 Community Engagement and Value Creation

A distinctive feature of thrift entrepreneurship in the circular economy is its emphasis on community-driven value creation. Rather than focusing solely on profitability, many participants framed their businesses as platforms for social connection, environmental advocacy, and cultural expression. Several respondents described organizing events such as clothing swaps, upcycling workshops, and community pop-ups that served not just commercial goals but social ones as well.

These practices resonate with the principles of social entrepreneurship, where businesses aim to generate social and environmental value alongside economic returns (Austin et al., 2006). In particular, thrift sellers often acted as informal educators, raising awareness about the harms of fast fashion, promoting sustainable lifestyles, and encouraging mindful consumption. These efforts were seen not as add-ons but as integral to the business mission.

One participant explained, "When someone buys a piece from my store, they also hear its story – where it came from, why it matters." Such storytelling transforms the act of shopping into a meaningful experience, imbuing garments with personal and environmental significance. This approach aligns with the concept of value co-creation, where businesses and customers collaborate in the production of cultural and emotional value (Micheline & Fiorentino, 2012).

Furthermore, community engagement fostered customer loyalty and word-of-mouth promotion, which are critical for small businesses with limited marketing budgets. These networks of mutual support often extended beyond customers to include fellow thrift entrepreneurs, volunteers, and local artists. Through collaboration, many sellers developed



shared spaces, joint events, and knowledge exchange platforms that reinforced the collective identity of ethical fashion entrepreneurship.

3.1.5 Cultural Narratives and Aesthetic Strategies

Aesthetic storytelling and cultural narrative construction are key tools used by thrift entrepreneurs to redefine second-hand fashion as desirable, ethical, and fashionable. Participants shared how they intentionally curated their shops around specific themes—such as vintage Americana, Y2K revival, or Afro-futurist aesthetics—to appeal to distinct audiences. Through these aesthetic choices, thrift sellers were not merely selling products but curating identities and lifestyles.

One respondent noted, "I don't just sell clothes—I sell memories and meaning," underscoring how thrift entrepreneurship often intersects with broader cultural and identity politics. By linking garments to particular eras, movements, or personal stories, sellers leveraged nostalgia and cultural symbolism to enhance customer connection and perceived value (McNeill & Moore, 2015).

This strategy also allowed thrift entrepreneurs to challenge mainstream fashion narratives. For instance, several participants intentionally stocked plus-size vintage clothing, queer fashion, or traditional garments, pushing back against dominant industry standards of beauty and style. These practices position thrift stores as sites of cultural resistance and representation, particularly for marginalized communities underrepresented in commercial fashion.

Importantly, these aesthetic and narrative strategies are also commercial tactics. A compelling visual identity, rooted in authenticity and cultural depth, enhances brand recognition and differentiation in an increasingly saturated market. Sellers utilized Instagram Reels, TikTok videos, and curated shopfronts to craft a cohesive brand story that blended fashion with ethics, style with sustainability.

Overall, the fusion of cultural narratives, community values, and strategic aesthetics reflects the multidimensional nature of thrift entrepreneurship. These practices demonstrate that second-hand fashion is not merely an economic activity but a cultural, social, and environmental movement.

3.2 Discussion

The results suggest that thrift entrepreneurs are not merely resellers; they are active agents in reshaping fashion consumption through ecological, cultural, and technological innovation.

The motivations behind thrift entrepreneurship are deeply tied to the principles of the circular economy, which emphasizes sustainability, waste reduction, and product longevity. For many participants in the study, these were not merely marketing strategies but ideological commitments. Respondents often framed their businesses as acts of resistance against fast fashion and overconsumption, reflecting a deep alignment with environmental values. This finding supports Kirchherr et al. (2018), who assert that circularity in business models is often driven by personal values and identity, rather than just profit motives. Their study reveals that entrepreneurs frequently identify as "agents of change" seeking to reform linear economic practices through their work.

Moreover, the integration of values such as anti-waste, upcycling, and second-hand curation suggests that these entrepreneurs are engaged in what Schaltegger and Wagner (2011) term "sustainability-oriented innovation." This concept goes beyond traditional corporate responsibility, implying that sustainability is embedded in both the purpose and processes of innovation. In the context of thrift businesses, this includes everything from the selection and repair of garments to the narratives used to market them. For example, one participant described their practice of labelling each garment with its "previous life" to emphasize history and encourage customers to think beyond disposability.

This kind of entrepreneurship is reflective of what Belz and Binder (2017) call the "entrepreneurial sustainability journey," in which individuals blend ecological values with

opportunity recognition. Unlike traditional entrepreneurs who often focus on market gaps and financial return, these thrift entrepreneurs consider the societal and ecological impacts of their operations as intrinsic goals. In many cases, they are also educators, raising awareness about the environmental impact of textile waste and the value of reuse. Such behaviour aligns with recent findings by Demirel et al. (2019), who argue that entrepreneurs adopting circular principles often serve dual roles – as business owners and sustainability advocates.

Additionally, the motivation to extend the lifecycle of fashion items shows a move toward what Bocken et al. (2016) describe as “resource loops,” where reuse, refurbishment, and remanufacture become core elements of value creation. These entrepreneurs are not simply filling a niche; they are actively reconfiguring how value is perceived in the fashion economy. For instance, rather than relying on rapid turnover or seasonal collections, many thrift sellers opt for slow-curated collections and ethical sourcing, thereby resisting the temporal acceleration typical in fast fashion markets.

In tandem with sustainability-driven motives, thrift entrepreneurs also exhibit significant digital agility. Platforms like Instagram, TikTok, Facebook Marketplace, and Shopee serve as integral infrastructures for conducting business – facilitating everything from branding and inventory display to customer engagement and financial transactions. This strategic use of digital tools reflects what Nambisan et al. (2019) term “digital affordances” – opportunities for entrepreneurial action that emerge specifically from digital contexts. Unlike traditional retail models that require brick-and-mortar investments, thrift entrepreneurs utilize digital ecosystems to innovate rapidly and pivot their strategies based on feedback and analytics.

Participants in the study highlighted how real-time engagement with customers on social media enabled them to build loyalty and trust. By responding to comments, posting behind-the-scenes content, and hosting live sales, they cultivated relationships that extended beyond transactional interactions. This dynamic interaction is supported by research from Sussan and Acs (2017), who argue that digital platforms enable entrepreneurs to act in a lean, iterative manner – testing concepts, products, and messaging at a minimal cost. In essence, thrift entrepreneurs operate as “digital bricoleurs,” a concept coined by Davidsson et al. (2018), referring to individuals who creatively repurpose available digital tools to solve problems and create new value with limited resources.

Moreover, the ability to tailor content to specific audiences – through algorithmic targeting or platform-specific trends – demonstrates a high level of adaptability. Entrepreneurs reported shifting aesthetic styles, captions, and pricing strategies based on platform analytics and user feedback. This form of experimentation aligns with the concept of “effectuation” in entrepreneurship theory (Sarasvathy, 2001), where decisions are made based on available means rather than fixed ends, allowing for flexible responses to uncertain conditions.

The use of digital platforms also provided visibility and market access for marginalized groups, including women, youth, and rural entrepreneurs. As Wrigley and Straker (2017) observe, social media levels the playing field by reducing entry barriers, making it possible for non-traditional actors to participate in the fashion economy. This is particularly significant in the context of the Global South, where physical infrastructure may be lacking but mobile connectivity is often widespread. Several participants in Indonesia and the Philippines highlighted that their entire business operations were conducted through smartphones – underscoring the democratizing potential of digital commerce.

However, reliance on social media platforms also introduces challenges. Algorithm changes, platform bans, and content moderation policies can disrupt business continuity, as noted by Cutolo and Kenney (2021). These dynamics create a form of “platform dependence,” where entrepreneurs are vulnerable to decisions made by tech companies beyond their control. Thus, while digital affordances offer agility, they also require resilience and adaptability in navigating a constantly shifting digital landscape.



The findings from this study highlight that thrift entrepreneurs often operate in informal economies, facing systemic barriers that inhibit growth and legitimacy. A lack of access to start-up capital, digital infrastructure, and formal recognition limits these businesses – particularly for those from marginalized or underrepresented groups. This phenomenon echoes Robinson et al.'s (2015) *Digital Inequalities* framework, which emphasizes that equitable access to technology and regulatory support is critical for inclusive entrepreneurial participation in emerging economies.

Many participants described the difficulty of obtaining bank loans or investment due to the lack of formal business registration. One respondent explained they were unable to secure even a modest micro-loan because thrift start-ups were considered "too informal or risky." This exclusion perpetuates a cycle where informal entrepreneurs cannot scale due to a lack of resources, and remain invisible in official economic statistics and policy discourse. These dynamics further marginalize women, migrants, and rural entrepreneurs – who already face intersecting barriers to economic advancement (Freeman & Siegfried, 2022).

Equally problematic is the variable access to digital tools. While social media is widely used, many thrift sellers lack reliable internet or digital marketing training. Those in low-resource settings reported relying on mobile hotspots or shared devices, introducing instability in their ability to maintain online presence and justify investment in social media strategies. This uneven digital capacity undermines the levelling promise of online platforms and reinforces pre-existing spatial and socio-economic divides.

Compounding these access issues are weak regulatory frameworks. Thrift operators reported being fined or shut down for zoning violations, faulty permits, or misinterpretations of waste and hygiene regulations. One European entrepreneur mentioned, "We were treated like a waste dump." Such misclassification not only imposes direct costs but discourages formalization and access to supportive municipal services. Without differentiation in policy between industrial textile processors and micro-retailers, thrift entrepreneurs continue to operate in grey zones – excluded from credit, training, or infrastructure support.

Improving equity within thrift entrepreneurship requires policy innovation: digitization of micro-business registration, mobile-support systems, community microgrant programs, and dedicated thrift-market zones. Without these structural reforms, promising circular microenterprises remain economically invisible and socially precarious.

Thrift entrepreneurship in this study reveals that these businesses often function as socio-cultural hubs, facilitating the development of social capital as described by Putnam (2000). Social capital – trust, reciprocity, and shared values – serves as a foundational resource that these entrepreneurs leverage for business resilience and community building.

Participants organized community-driven events – swap meets, clothes-repair nights, styling circles – that offered more than transactional value. These events fostered trust and goodwill through shared learning, visible stewardship, and collective identity around sustainability. One seller recounted: "Our swap events felt like family gatherings, not shopping." Through storytelling – sharing the history of specific garments or donor stories – these entrepreneurs brought emotional depth to what could otherwise be a purely functional exchange of goods.

This mutual trust enabled word-of-mouth growth and peer promotion – low-cost yet effective marketing. Sellers often collaborated, hosting joint virtual sales or cross-promoting each other's platforms. They created informal networks of mutual assistance that strengthened resilience against market volatility. These practices reflect Micheline and Fiorentino's (2012) co-creation framework, where social interactions and shared meaning become part of economic value generation.

Importantly, this networked model fosters community resilience – not only supporting individual businesses, but reinforcing a culture of sustainability. As Putnam (2000) argues, social capital contributes to more cohesive, resource-rich communities. For thrift operators, this means

mutually beneficial collaborations and shared knowledge pools, democratizing access to skills and reducing competitive isolation.

Thrift entrepreneurs in this study frequently use branding strategies that intertwine personal, political, and cultural identities, transforming their offerings into acts of empowerment and resistance. Such strategies reflect the broader movement of consumer activism in fashion, where buying choices are a form of social expression (Joy et al., 2012).

For instance, several sellers curated collections tied to queer narratives, featuring symbolism and apparel that resonated with LGBTQ+ histories. Others emphasized post-colonial aesthetics – traditional prints, handmade details, or garments with stories rooted in indigenous or diasporic culture. These approaches push thrift stores beyond transactional shops, positioning them as cultural storytellers and political actors.

One participant remarked: *“When customers buy from me, they’re wearing resistance.”* Through curation and storytelling, thrift entrepreneurs reframe second-hand fashion as a site for identity affirmation and cultural pride – not just budget-friendly or eco-friendly alternatives.

Politically conscious branding also challenges dominant beauty standards. Several sellers offered plus-size vintage items or styles from underrepresented demographics, responding to consumers’ desire for inclusivity and representation. As Joy et al. (2012) argue, consumption becomes a means of cultural agency – allowing individuals to participate in political expression through fashion.

This intertwining of aesthetic and ethics helps build **brand loyalty** among consumers who share these values. Not only does it differentiate these thrift businesses in a crowded market, but it fosters deeper emotional commitment often lacking in traditional retail.

Participants emphasized that current policy frameworks typically overlook micro-thrift operations. Instead, policies tend to lump these ventures together with large-scale waste processors or formal textile recyclers, ignoring their unique role in circular economies. As a result, thrift entrepreneurs rarely benefit from training programs, infrastructure grants, or digital subsidies designed for circular initiatives.

Following OECD (2022), scaled back strategies are needed – targeted investments in education, green infrastructure, and digital accessibility – to support smaller circular actors. Policy recommendations emerging from the study include:

- Introducing micro-regulatory frameworks that differentiate non-harmful thrift sales from waste disposal, simplifying licensing and compliance.
- Establishing capacity-building initiatives offering mentorship, digital training, and grant funding tailored to small-scale circular businesses.
- Creating local thrift incubators or marketplaces, with shared facilities like storage, photography labs, and micro-payment systems – especially in underserved communities.
- Forming digital inclusion schemes that subsidize access to high-speed internet and digital tools for rural or low-income entrepreneurs.

Such ecosystem investments would align thrift entrepreneurship with broader circular economy goals while addressing equity concerns. They would also ensure that circular innovation isn't limited to high-resource environments or mainstream consumer hubs.

4. Conclusion and Suggestion

4.1 Conclusion

The rise of thrift entrepreneurs within the circular fashion economy marks a significant reconfiguration of consumer behaviour and business models. This study examined their motivations, challenges, and impacts, showing that second-hand fashion enterprises are not simply coping strategies in precarious economies but proactive, creative interventions that redefine sustainability, value, and cultural meaning in fashion.



Anchored in circular economy frameworks that stress waste minimization, reuse, and resource efficiency, thrift entrepreneurs help slow fast fashion by extending garment lifecycles and diverting textiles from landfills, thereby reducing environmental pressures associated with production and overconsumption. Digital platforms and social media further amplify their reach, enabling new forms of community-building, education, and participation in circular fashion ecosystems.

At the same time, this study highlights tensions in the field. Thrift entrepreneurship can reproduce exclusionary dynamics through gentrified thrifting, speculative vintage pricing, and the displacement of low-income consumers from historically affordable second-hand markets. Persistent regulatory gaps, weak institutional support, and financial constraints – especially in informal and Global South contexts – limit the scalability and equity of these initiatives.

4.2 Suggestion

Based on the study's findings, several interlinked actions are needed to strengthen circular fashion through thrift entrepreneurship. Governments should establish enabling legal and fiscal frameworks for second-hand fashion, including clear rules on waste, imports, and resale, alongside incentives for sustainable practices. Targeted microfinance and digital-inclusive financial tools can ease chronic credit constraints faced by small thrift enterprises and support investment in skills, technology, and infrastructure.

Education and capacity-building are essential: circular fashion concepts, inventory management, and digital marketing should be embedded in vocational and higher education, and delivered through NGO- and community-based training. Public campaigns can help destigmatize second-hand clothing and reposition it as aspirational, aligning with broader efforts to shift consumer behaviour toward circularity.

Digital platforms – social media, resale apps, and peer-to-peer marketplaces – should be leveraged to extend product lifecycles, enhance transparency, and build communities around sustainable fashion. Collaboration between universities, industry, and policymakers can generate ongoing, data-driven insights on social, environmental, and economic impacts. Finally, inclusive, culturally sensitive approaches to pricing, branding, and sourcing are vital so that circular fashion advances not only environmental goals but also social justice and affordability for low-income communities

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