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SECOND-HAND FASHION, THE NORDIC CONSUMER, AND THE CIRCULAR ECONOMY

Bachelor's thesis

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Abstract

Due to consumers' rising awareness on environmental issues, traditional clothing retail is undergoing big changes. At the same time, second-hand retail is bigger than ever and is expected to keep expanding in the future. This thesis explores the motivations behind consumers' second-hand purchasing decisions, with a focus on Nordic consumers. The main findings of this thesis are that in addition to the existing economic, critical, hedonic, and recreational motivations previously defined in literature, Nordic consumers are also motivated by political consumerism and egalitarianism. These dimensions encourage Nordic consumers to partake in circular economy, thus making it vital for circular economy-informed businesses to take Nordic consumers' motivations into account in order to deliver their value propositions and engage Nordic consumers.

Keywords second-hand fashion, circular economy, Nordic consumer culture, consumption

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1. Introduction

"Every second, the equivalent of a rubbish truck load of clothes is burnt or buried in landfill" (Ellen MacArthur Foundation, 2022).

The amount of damage and harm that the fashion industry makes to the environment is massive. In total, the fashion industry accounts for 10% of the entirety of global emissions and is considered as the second most polluting industry in the world (Forbes, 2015, as cited in Razzaq *et al.*, 2018). The negative impacts of the fashion industry span across the entire lifecycle of a piece of clothing (Pedersen & Andersen, 2015). The environmental impacts of the fashion industry include greenhouse gas emissions, extensive energy and water use, and the toxicity of chemicals and dyes. In addition to environmental, the fashion industry has also social impacts, such as poor working conditions including sweatshops and illegal child labor, animal welfare, health and safety risks, insufficient working conditions, and the lack of workers' rights (Pedersen & Gwozdz, 2013).

Luckily, in today's world, traditional clothing retail is going through big changes. Second-hand retail is bigger than ever and is expected to become an even bigger phenomenon in the future. According to GlobalData 2022 Market Sizing and Growth Estimates (2022, as cited in Thredup.com, 2022) "the global secondhand apparel market will grow 3X faster than the global apparel market overall" and the "U.S. secondhand market is expected to more than double by 2026, reaching $82 billion." In 2021, second-hand retail grew more than ever, by 32% (Thredup.com, 2022).

Traditional retail isn't necessarily seen as the first option anymore, and the attitudes towards second-hand clothing are changing. According to Thredup's 2022 Resale report, "62% of Gen Z and Millennials say they look for an item secondhand before purchasing it new", and the number for all consumers is 41%.

This literature review will focus on defining the concepts of second-hand fashion and Nordic consumer culture and the motivations behind Nordic consumers' purchasing decisions for second-hand items in the fashion industry. This literature review will be using the framework "virtuous circle of consumer engagement in circular economy" presented in the article by Machado *et al.*, (2019). The main research questions of this thesis are:

1. *What motivates consumers to buy second-hand clothing?*

2. *How do consumer motivations for second-hand clothing link to circular economy?*

3. *How does Nordic consumer behavior impact or reflect on circular economy informed business models?*

This topic is currently relevant, as it will become more and more vital in the future for the clothing industry and marketers to be aware of the growing second-hand market. It will be important for marketers to have an understanding of the second-hand clothing market and to be aware of the motivations behind consumers' purchasing decisions. Marketers will need this knowledge to navigate the ever-changing fashion market and to be able to respond to consumers' expectations and desires.

This thesis begins by focusing on determining the relevance of this subject and investigating why the second-hand market is relevant in today's world. In chapter two, this thesis will further focus on the overall second-hand fashion market, reviewing what kind of motivations there are behind consumers' purchasing decisions for second-hand clothing. Continuing, the concept of circular economy will be introduced, and the role of fashion and consumers in circular economy is discussed. In chapter three, this thesis will focus on the Nordic consumer and the Nordic consumer culture. After this, a synthesis will be formed, and this thesis will review the Nordic consumer in the context of purchasing second-hand fashion. Lastly, there will be a discussion.

2. The second-hand fashion market and circular economy

2.1. The second-hand fashion market

The second-hand fashion market has grown significantly in recent years across global markets due to major marketplace shifts (Guiot & Roux, 2010). These marketplace shifts include for example the global financial crisis of 2008, the rising interest in sustainable fashion, and the fashionability of second-hand clothing (Ferraro *et al.*, 2016). Based on this literature review, the second-hand market isn't widely researched, and most of the research cited in this literature review is from the 21st century. This showcases well the rising phenomenon that is second-hand fashion becoming more and more popular in recent years.

Looking at the second-hand business model, there are some key differences from traditional business models such as traditional retail stores. In a second-hand business model, the consumers act as both the customer and the supplier. Also, the products are different from traditional retail, as second-hand products are defined as items on sale that have previously belonged to someone else (Gopalakrishnan & Matthews, 2018). Second-hand clothing is also defined as items on sale that have previously belonged to someone else, but the items are fashion apparel or accessories (Cervellon et al., 2012). It doesn't matter if the items are old and in a used condition or recently purchased and in brand new condition (Cervellon et al., 2012).

2.2. Second-hand and consumers

Guiot and Roux (2010, p. 357) refer to the articles by Tauber (1972) and Westbrook & Black (1985) and present the following description for second-hand shopping motivations: "motivations for second-hand shopping refer to the psychological and material motives that orient consumers toward second-hand products and/or channels." The topic of second-hand clothing and the motivations behind the

purchasing decision of second-hand clothing have been researched and debated, but a common denominator in all second-hand purchasing decisions hasn't been found (Zahid *et al.*, 2022; Machado *et al.*, 2019). In fact, Guiot and Roux (2010) and Ferraro et al. (2016) present the motivations as individuals, suggesting that there would not be a link between the motivations behind the purchasing decisions at all (Machado *et al.*, 2019).

Often buying second-hand is seen as mostly environmentally motivated, but the motivations behind the purchasing decisions can also be something totally different than ecological and second-hand shopping can fulfill and satisfy needs that traditional retail outlets can't (Zahid *et al.*, 2022; Guiot & Roux, 2010). The motivations have been described as related to either caring for self, community, or nature (Zahid *et al.*, 2022), whereas Guiot and Roux (2010) divide the motivations behind the purchasing decision into three categories: economic, critical, and hedonic & recreational. Ferraro et al. (2016) agree with Guiot and Roux but also feel the need to add another category to the previous three: the aspect of fashion. Machado *et al.* (2019) further define the dimensions of second-hand purchase as follows, also illustrated in table 1:

Economic motivations	1. Financial reasons 2. Bargain 3. Quality & durability
Critical motivations	1. Environmental and ecological awareness 2. Critical and ethical consumption
Hedonic and recreational motivations	1. Treasure hunting 2. Relationships 3. Nostalgia 4. Desire to be unique

Table 1: The dimensions of second-hand purchase

2.2.1. Economic motivation

Economic motivation includes three main concepts: financial reasons, bargain, and quality & durability (Guiot & Roux, 2010; Bardhi & Arnould, 2005; Cervellon et al., 2012). First, financial reasons act as a motivation, because second-hand clothing can usually be found at a lower price point than retail clothes (Guiot & Roux, 2010). A lower price often attracts consumers that have limited resources, and the lower price level can make it possible for consumers to access for example branded clothing that they otherwise couldn't afford (Bardhi & Arnould, 2005). Consumers may also want to save their money when it comes to clothing shopping for personal reasons such as frugality (Cervellon et al., 2012). The second motivation, bargain, comes from the "treasure hunting" aspect of second-hand shopping, as consumers get satisfaction and enjoyment from finding a product at a fair price or finding a special item (Bardhi & Arnould, 2005; Cervellon et al., 2012; Guiot and Roux, 2010). Lastly, consumers that buy second-hand clothing look for quality and durability in the products (Edbring et al., 2016).

2.2.2. Critical motivation

Critical motivation is divided into two parts. The first part is the consumers' environmental and ecological awareness. This includes consumers' concerns about the environment and the environmental impact of the mass production of clothing, as well as consumers' desire to reduce mass production and the use of natural resources by reducing waste (Machado *et al.*, 2019). These environmental reasons drive consumers to buy second-hand clothing instead of traditional retail clothing in order to reuse and recycle clothing and extend the lifespan of products (Guiot & Roux, 2010; Edbring et al., 2016). The "eco-fashion movement" has also been able to bring like-minded consumers together (Machado *et al.*, 2019).

The second part of critical motivation is defined as critical and ethical consumption. This means consumers' total rejection of mass production and the traditional production chain (Machado *et al.*, 2019). These kinds of consumers want to rebel against society's norms by confronting society's consumerism, getting rid of all

unnecessary items, and consuming as little as possible to reduce production (Roux and Korchia, 2006). These consumers want to reduce waste to the minimum and are driven by their ethical concerns and desire to reject large-scale fashion production (Cervellon et al., 2012; Guiot & Roux, 2010). These consumers find value in items other people have rejected and are very conscious of their consumption behavior, looking for alternatives to traditional ways of consumption (Machado *et al.*, 2019).

2.2.3. Hedonic and recreational motivation

There are four hedonic and recreational motivations for second-hand fashion purchasing decisions. The first is treasure hunting. Treasure hunting means that consumers are looking for something that may not be available on the market or collectible items. Finding these kinds of products brings consumers joy, pleasure, and amusement (Bardhi & Arnould, 2005; Turunen & Leipämaa-Leskinen, 2015; Edbring et al., 2016; Machado *et al.*, 2019).

The second motivation is the social and family relationships that are maintained by visits to thrift stores (Machado *et al.*, 2019). Second-hand shopping can be an enjoyable social event, where consumers communicate with the shop owners, salespeople, and other customers, and the satisfaction coming from these interactions can make consumers more likely to purchase items (Duffy et al., 2012; Guiot & Roux, 2010). Bardhi and Arnould (2005) mention that consumers may have a history of changing and borrowing clothes between friends and family, which can affect the consumers' choice to purchase second-hand later. Social relationships can also be seen as a motivation for second-hand shopping and as a factor that has made second-hand shopping more popular, as maintaining social relationships has made second-hand shopping seem like a desirable and popular activity (Edbring et al., 2016).

The third hedonic and recreational motivation is nostalgia. Nostalgia means that consumers prefer items from their past, for example from the time when they were young, or that consumers long for a past period of time and wish to be able to live in it again (Cervellon et al., 2012). Nostalgia arises from the emotions that an old item can awake, and the acknowledgment and admiration of the item and its past owner's

history (Duffy et al., 2012; Guiot & Roux, 2010; Turunen & Leipämaa-Leskinen, 2015). Nostalgia can also mean that consumers prefer older items as they believe they are more durable and of better quality, as the materials used in the past were better than the ones used today (Machado *et al.*, 2019).

The fourth and last hedonic and recreational motivation is the desire to be unique. The desire to be unique is often expressed through the creation of one's style and the need to be different and original, sometimes with the goal of seeking acceptance in a social group (Machado *et al.*, 2019). This desire is related to originality, involvement with fashion, the desire to own luxury products, and shopping for vintage clothing (Bardhi & Arnould, 2005; Duffy et al., 2012; Guiot & Roux, 2010). Vintage products can be completely unique and more rare than retail products, which means that vintage products are associated with uniqueness, as buying vintage products is a way to differentiate yourself from others (Cervellon et al., 2012). Consumers that buy vintage clothing look for esthetics, style, and fashion (Duffy et al., 2012) and appreciate the uniqueness of these pieces.

2.2.4. Interrelationships between the motivations

Machado et al. (2019) revoke the argument by Guiot and Roux (2010) and Ferraro et al. (2016), that the motivations behind the purchasing decisions for second-hand clothing would be completely independent of each other. The framework of the motivations is presented in Figure 1, "Virtuous circle of consumer engagement in circular economy" (Machado et al., 2019, p. 392). This framework also showcases how the motivations overlap and have interrelationships.

Machado et al. (2019) present three different overlaps between the motivations: critical and economic overlap, critical and hedonic overlap, and economic and recreational overlap. Critical and economic motivations overlap, as the economic motivation of buying durable high-quality clothes is associated with the critical motivation of wanting to reject the mass production of clothing and seeking alternatives for the traditional production chain (Machado *et al.*, 2019). Critical and hedonic motivations overlap, as critical consumer behavior that wants to reject mass production of clothing

and seek alternatives for the traditional production chain is also associated with the hedonic desire to be unique and original (Cervellon et al., 2012; Edbring et al., 2016; Guiot & Roux, 2010). Economic and recreational motivations overlap, as the desire to buy clothing for a cheaper price may be a part of the motivation, but second-hand shopping can also bring consumers pleasure. This overlap includes many concepts, such as bargaining, treasure hunting, nostalgia, and relationships with sellers and other customers (Machado *et al.*, 2019). Second-hand shopping can be seen as a social and enjoyable event, even a leisure activity, which brings consumers joy and enjoyment when consumers find special pieces or are able to do their shopping without spending as much money as on the traditional market (Bardhi & Arnould, 2005; Cervellon et al., 2012; Guiot & Roux, 2010).

2.3. Other influences on consumption habits

Literature also describes supplementary factors that affect consumers' consumption habits. This thesis finds two of them to be significant: the influence of eWOM and the influence of families. They are described as follows:

2.3.1. The influence of eWOM

A study conducted by Mohammad *et al.*, (2021) also highlighted the significance of eWOM (electronic word of mouth) on consumers' attitudes toward second-hand clothing and avoiding overconsumption. EWOM is defined as "any positive or negative statement made by potential, actual, or former customers about the product or company which is made available to a multitude of people and institutions via the Internet" (Hennig-Thurau *et al.*, 2004, p. 39). The authors concluded that eWOM can significantly increase consumers' interest and valuation of second-hand clothing and thus affect consumers' purchasing decisions (Mohammad *et al.*, 2021). Consumers are increasingly more exposed to eWOM through digitalization, especially through social media, which emphasizes the relevance of the effect of eWOM (Gvili & Levy, 2018).

2.3.2. Influence of families on consumption

The influence of family members on consumers' consumption habits is notable. Young individuals learn from their parents and caregivers, but also adults can learn from their children as they grow a little bit older. As consumption habits evolve so rapidly and new products and habits arise, the learning from younger individuals can't be overlooked (Ekström, 2010). Especially in the field of technology, children may play a big role in the involvement of their parents and grandparents in the industry. A Danish study has shown that although both parents pass down their values and consumption habits, especially mothers succeed to pass down their pro-environmental values to their children (Grönhoj, 2007). Family members can affect consumers' consumption habits either directly or indirectly. Direct affecting is giving advice or making a direct request, and indirect affecting is when the consumer is taking into consideration a person's wishes and values even when the person isn't requesting this (Ekström, 2010).

2.4 Circular economy and fashion

The traditional, linear business model and the traditional product chain focus on effectiveness and large-scale production, not caring about the negative effects the production has on natural resources and the environment, or the amount of waste produced (Machado *et al.*, 2019). A sustainable alternative to the linear business model is called the circular economy. The circular economy business model also seeks economic benefits but is in addition motivated by making an environmental impact and reducing the use of resources (Lieder & Rashid, 2016). Kirchherr *et al.*, (2017, p. 229) define circular economy based on a literature review of 114 definitions as "an economic system that replaces the 'end-of-life' concept with reducing, alternatively reusing, recycling and recovering materials in production/distribution and consumption processes." Circular economy operates on micro, meso, and macro levels with "the aim to accomplish sustainable development, thus simultaneously creating environmental quality, economic prosperity and social equity, to the benefit of current and future generations" (Kirchherr *et al.*, 2017, p. 229).

In a fashion context, the goal of a circular economy is to extend the life cycle and use time of fashion products and move away from the traditional linear business model. This means that the changes need to be made already in the designing process, as all materials need to be recycled in several rounds and the products need to be suitable for several life cycles (Niinimäki, 2017). In a circular economy, the use of resources is reduced by reusing and recycling materials (Bocken et al., 2016). A circular economy in fashion needs the involvement of all stakeholders: designers, producers, manufacturers, suppliers, business people, and consumers (Niinimäki, 2017). This allows consumers to act according to their values and participate in the circular economy, as the circular economy doesn't only revolve around the activities of businesses. Consumers can actively participate in the circular economy by buying second-hand, donating to charities, thrift stores, or relatives, recycling, swapping clothing and items with relatives and friends, and reselling their own used items (Albinsson & Perera, 2009; Xu et al., 2014). As a result of the fashion industry looking for ways to participate in circular economy by recycling and reusing their products and consumers becoming more aware of their actions and wanting to reuse and recycle themselves, circular economy has opened new opportunities for the fashion industry and the second-hand fashion industry has grown significantly in the past years (Vehmas et al., 2018; Gopalakrishnan & Matthews, 2018; Xu et al., 2014).

To be able to participate in the circular economy, the consumer doesn't necessarily have to be aware that they are doing so (Machado *et. al*, 2019). By for example donating clothes to a family member or buying from the thrift store because they liked the item, or even by organizing their own garage sale, the consumer is taking an active part in the circular economy and slowing the cycle, even if they didn't mean to do this. This showcases well how the concept of circular economy isn't only about the business model and the choices in the production chain, but consumers also play an active part (Machado *et. al*, 2019).

3. The Nordic consumer culture and second-hand fashion

"The Scandinavian consumer culture stands in contrast—and yet is compatible—to both central European ideologies as well as cultural influences stemming from North America" (Kjeldgaard & Ostberg, 2007, p. 185).

Recent literature depicts the Nordic consumer culture as somehow distinct (Hohnen & Mørck, 2010; Weijo, 2019; Micheletti & Isenhour, 2019; Skov, 2010; Kjeldgaard & Ostberg, 2007). In the next chapter, this literature review will focus on papers on the Nordic consumer and the Nordic consumer culture in order to form an image of the Nordic consumer and its consumption habits. The goal of this chapter is to find out if there are special characteristics depicting Nordic consumers' motivations and consumption habits.

3.1. Papers on the Nordic consumer culture

3.1.1. Political consumerism

Nordic consumers, aware of environmental, social, and economic sustainability issues, are political in their consumption habits. Nordic consumers have ranked higher as both boycotters and "buycotters" than consumers from other Western European and North American countries (Micheletti & Isenhour, 2010). Boycotting is defined as the intentional avoidance of purchasing certain products because of political, social, or ethical concerns, and buycotting is defined as the intentional purchasing of products due to these concerns (Kam & Deichert, 2020). These results indicate that Nordic consumers have a high level of political consumerism. Among Nordic consumers, women have been found to have a higher level of political consumerism than men, and individuals that are political consumers have a higher education and income than average (Micheletti & Isenhour, 2010). Nordics have a large variety of eco-labels and labeling schemes, such as the Nordic Swan and organic products being labeled as "Luomu" in Finland. This showcases that the Nordic governments are also highly

involved in sustainability, creating an easily accessible atmosphere for political consumerism (Micheletti & Isenhour, 2010).

3.1.2. Nordic societies & fashion

Nordic culture is identified by anthropologists and other culture researchers as "being dominated by a particular mixture of individualism, collectivism, and egalitarianism" (Hohnen, P. & Mørck, 2010, p. 469). For example, sociologist Gosta Espin-Andersen (1990) argues that the Nordic welfare system is based on the universalism and egalitarianism of the Nordic countries, thus leading to the continuous redistribution of resources, shaping the Nordics of today (Skov, 2010). In Danish and Norwegian, the word "equal" has another meaning in addition to being equal: "sameness", in contrast to English where "equal" only means equal opportunity. This is a prime example of how Nordic egalitarianism also values homogeneity (Hohnen & Mørck, 2010), and can exclude those that don't fit in the "big middle" (Weijo, 2019).

Skov (2010) mentions the theory of sociologist Gilles Lipovetsky (1994) that fashion can only spread in a democratic society, as the playful aspect of fashion and fashion movements can only blossom when class relations in a society are more flexible. Skov also mentions another sociologist Best's theory (2006) that fashion and trends strengthen "when there are many similar actors in a field where no single actor is dominant" (Skov, 2010, p. 333). In the Nordic context, these theories appear particularly significant, as the class system isn't very relevant anymore, and the Nordic countries have had big political and economic changes in the last centuries and most families have experienced social mobility (Skov, 2010). In practice, these theories mean that because of the structure of Nordic societies the Nordics are a suitable platform for fashion trends to spread. According to Skov (2010), the history shaping the Nordic societies may also be the reason why the Nordics are accustomed to everything new and aren't afraid of changes, but often happily act as a test market for new products and goods. Particularly Sweden has been a popular test market for ideas, as it has been a myth in the business world that in Sweden ideas tend to spread very quickly or not at all, making testing cost-effective (Ulver, 2019).

Big, Nordic fashion clothing retailers such as H&M and Bestseller offer a broad variety of affordable products accessible to everyone, creating another prime example of Nordic egalitarianism. However, in contrast to these affordable chain retailers, Nordic

capitals have also become quite the fashion centers that host the flagship stores of Nordic designer brands such as Acne studios and Filippa K. There has also been interest in ethical fashion in the Nordics (Skov, 2010). Shortly, the Nordic fashion style can be described as informal, but still on track with international trends. With a long history of doing outdoor sports such as skiing, Nordic consumers value comfortability and functionality and want to feel comfortable in their clothing (Skov, 2010).

3.1.3. Nordic consumption habits

Contemporary Nordic societies are quite affluent, and the societies and social norms rely heavily on consumption (Alex & Söderberg, 2001; Bonke et al., 2005). But even though the Nordics are generally affluent, the consumption habits of consumers are still dependent on the consumers' socio-economic status (Hjort & Salonen, 2010). Also, the attitudes towards consumption vary severely according to the consumers' income level. Middle-class households describe themselves as satisfied with their consumption habits and have the feeling of being in charge of their own consumption habits despite the social norms. Low-income households feel that societal norms are determining what and how they should consume, and they feel incompetent when they fail to do so. Low-income households see consumption demands as a burden that is coming from the outside as if someone else is telling them what their consumption habits should be like (Hjort & Salonen, 2010). For these reasons, low-income households see consumption as something profoundly negative (Bonke et al., 2005; Hohnen, 2007).

The Nordic desire to fit into social norms plays a big part in defining the Nordic consumer. Nordic culture relies heavily on commonness and egalitarianism, and the most well-known expression of this is the "Law of Jante" by the author Aksel Sandemose (1899–1965). Shortly, the Law of Jante states that one should never stand out but make themselves the same as others, knowing that they are not better or wiser than the rest (Weijo, 2019). In other words, Nordic consumers want to belong in the "big middle." For example, it is usual for more affluent, upper-middle-class consumers to present themselves as ordinary middle class (Linnet, 2011). Weijo (2019) calls this phenomenon the "double bind of conformity." Weijo (2019) also identifies another feature of the Nordic taste, "Muted Displays of Distinction." By this, he means that

distinction isn't frowned upon in Nordic societies if it is subtle enough and not perceived as showing off.

The Nordic consumers are very peculiar. At the same time, they appreciate their differences but are also scared to show them off too much. They are extremely self-critical and humble but do not want others to judge or critique them. It can be said that Nordic consumers are almost paradoxical (Weijo, 2019).

3.1.4. Nordic values

Berggren and Trägårdh (2015) present a socio-political triangle model, which illustrates the significance of state, individual, and family in three countries: Sweden, Germany, and the USA. The model portrays that in Sweden the individual and the state are uniting against the family. In practice this means that the state and individual have the most responsibility and the consumer isn't reliant on their family, showing yet another example of the Nordic welfare state. With the example of Sweden, we can make the assumption that these same values are applicable to other Nordic countries. In contrast, when looking at the USA, the model portrays the individual and the family uniting against the state. This showcases well the more conservative family values and the difference in politics compared to the Nordic welfare states.

Ulver (2019) finds that the model by Berggren and Trägårdh (2015) is lacking the aspect of the market. Ulver has modified the model by Berggren and Trägård and created a model which showcases the three most important units for the countries out of the four options, state, individual, market, and family. Ulver's model doesn't show the societies as uniting against something but shows the three most important socio-political units for each society as equal. The three most important units for Sweden are the individual, the state, and the market, leaving the unit of the family behind. According to Ulver (2019, p. 67), this model shows the reasoning behind the adaptiveness and agility of the Swedish, as they are surrounded by "visions of growth and progress provided by the market and the state, coupled with the solitary farmer's need to closely follow where the rain falls, the sun shines, and the wind blows." This strengthens the description of the Nordics as nature-appreciating welfare states that still at the same time have a cosmopolitan feeling.

3.1.6. Nature

In the Nordics, nature has a central role in the consumer culture, as Nordic nature is unique, serving attractions such as numerous lakes, green forests, the aurora borealis, snowy mountains of the North, and nightless nights (Salminen, 2019), making consumers proud of the Nordic natural heritage (Hall et al., 2008). Being close to nature, Nordics tend to be forerunners on sustainability matters and environmental responsibility (Koistinen & Miettinen, 2021).

The Nordic societies rely heavily on governmental control and are called "nanny states" (Østergaard et al., 2014) where the responsibility is on the shoulders of the welfare state. Despite this, Salminen (2019) presents an example where sailors would voluntarily do communal boat inspections, bringing the responsibility from the state to consumers. Salminen finds this to be an example of the egalitarianism and social trust of society. Salminen also highlights how there are still examples of responsibility and control being given to consumers, with the example of consumers being able to choose between private and public healthcare. In addition to this, environmental responsibility is something where consumers want to and take action into their own hands (Salminen, 2019).

3.2. Circular economy and the Nordic consumer behavior

In chapter 2.2. this literature review identifies the motivations behind consumers' second-hand clothing purchasing decisions. These motivations fall under three categories: economic, critical, and hedonic and recreational.

In chapter 2.3. this literature review identifies the concept of circular economy and introduces the role of consumers in a circular economy, thus showcasing how second-hand consumption motivations affect circular business models (see Figure 1). Figure 1 illustrates how some of the motivations behind consumers' second-hand clothing purchasing decisions are interrelated and how the motivations involve consumers as active participants in the circular economy.

In chapter 2.3. this literature review describes how the circular economy needs the involvement of all stakeholders, including consumers, allowing consumers to act according to their values and thus participate in the circular economy. This literature review also explains how the involvement in circular economy can be fully unintentional, as consumers don't need to be aware of their actions having an effect on circular economy.

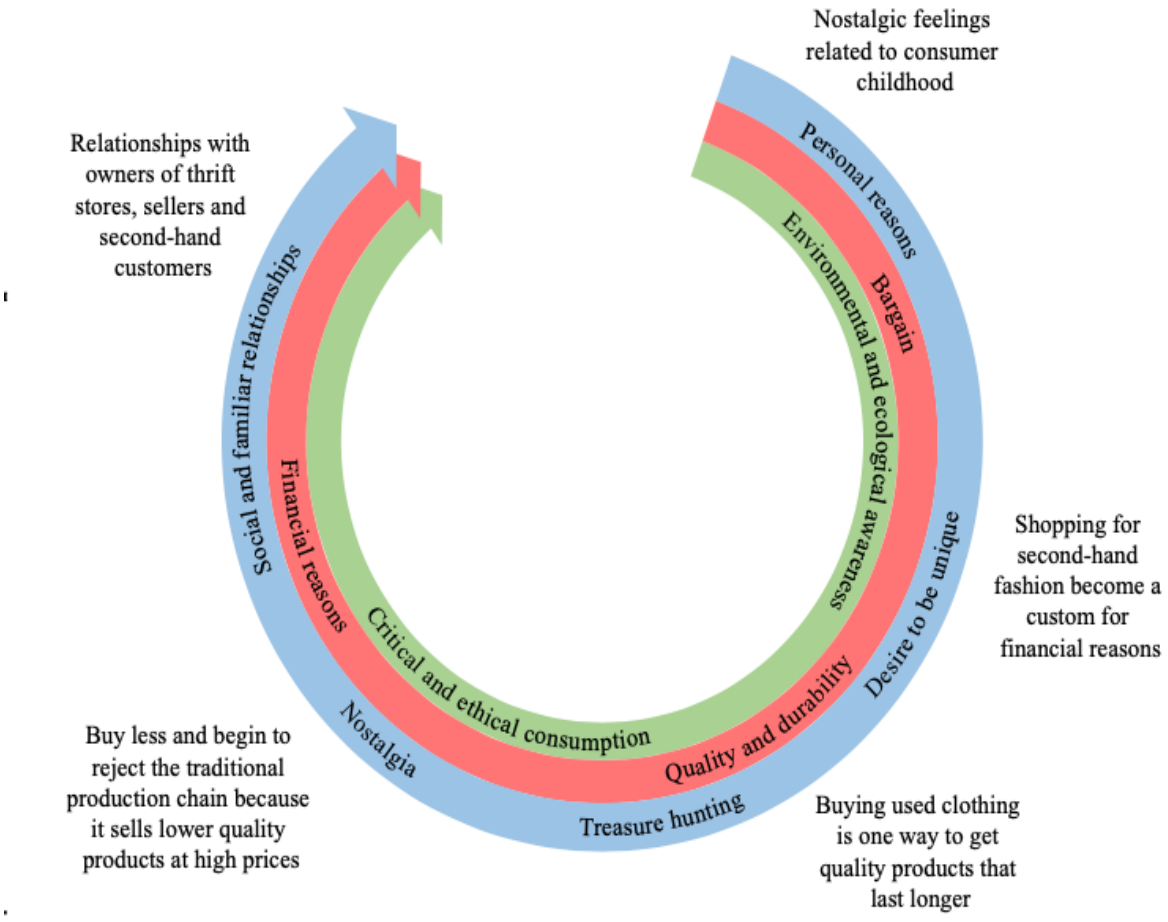

Figure 1. "Virtuous circle of consumer engagement in circular economy" (Machado *et al.*, 2019, p. 392)

Complementing the existing research on the motivations behind consumers' second-hand clothing purchasing decisions, in chapter 3.1. this literature review introduces 2 distinct motivations characterizing the Nordic consumer: political consumerism and egalitarianism. These phenomena extend the concept of the motivations behind consumers' second-hand clothing purchasing decisions identified earlier in this

literature review and help form a picture of how the Nordic consumer fits in the circular economy.

These unique characteristics describing the Nordic consumer and the motivations by Machado et al. (2019) partially overlap but can also be seen as distinct. For example, political consumerism and economic motivation overlap as they both include consumers' environmental and ecological awareness and critical and ethical consumption. Nordic consumers are also economic as they look for product quality and durability, appreciating practicality and functionality.

In chapter 2.3. this literature review lists different ways consumers can participate in circular economy and act according to their values: by buying second-hand, donating to charities, thrift stores or relatives, recycling, swapping clothing and items with relatives and friends, and reselling their own used items. Nordic political consumerism encourages all these actions, especially buying second-hand, as it is an example of boycotting fast-fashion and traditional retail. Nordic consumers can also take part in second-hand shopping from the viewpoint of buycotting, as many second-hand marketplaces are charities and donate part of their revenue to a good cause (UFF, 2022). Also, Nordic egalitarianism can have an impact on all these actions but especially it makes these actions accessible and acceptable for everyone regardless of their background. Also, environmental responsibility motivates consumers to take action and act according to their values (Salminen, 2019).

In chapter 3.1.2. this thesis presents background on the Nordic societies and introduces the concept that fashionability and trends thrive in a democratic society where class relations are less fixed and individuals form a united group - much like the modern Nordic societies. This is another example of Nordic egalitarianism, and Nordic history has also made Nordic consumers accustomed to everything new and not afraid of changes. In a society like this, individuals' choices will look quite different from a society that has a dominant class system, likely strengthening the political aspect of consumerism. In a second-hand context, looser class relations appear as consumers' consumption choices. While in some cultures second-hand shopping can be seen as something for the ones lacking resources to shop traditionally, the egalitarian structure of Nordic societies, the Nordic desire to belong in the "big middle" and the weakened class system all form an excellent platform where second-hand shopping is seen as an

option for anyone regardless of their financial situation or social status. Second-hand shopping is also a very fitting platform to implement the "muted displays of distinction" described by Weijo (2019) and the Nordic sense of individualism. These factors engage consumers from all backgrounds in the circular economy and have interrelationships with the hedonic & recreational motivation of being unique.

In chapter 3.1.4. this thesis introduces the framework by Ulver (2019) that shows the most important units driving the Nordic consumer to be the individual, the state, and the market, leaving the unit of the family behind. This is another example of how the Nordic societies and the welfare state affect consumers, letting individuals choose freely but leaving the responsibility to the state, also rejecting traditional family values.

4. Conclusions and discussion

This thesis has investigated the motivations behind consumers' second-hand consumption habits, focusing on the Nordic consumer. In addition to this, this thesis explored what kind of an impact Nordic consumers' second-hand consumption motivations have on the circular economy and circular economy -informed business models. Answering the research questions, this thesis has identified consumers' second-hand consumption motivations under three categories: economic, critical, and hedonic and recreational. Secondly, this thesis has laid out a set of propositions on the Nordic consumers' consumption habits and how the Nordic consumer fits in the concept of circular economy. This thesis finds political consumerism to be the most important characteristic distinguishing the Nordic consumer, and also finds egalitarianism to have an impact on Nordic consumption habits. From a circular economy viewpoint, these Nordic consumption habits encourage consumers to actively take part in circular economy in all its shapes and forms, especially by buying second-hand and donating used clothes to friends and family or to second-hand stores.

4.1. Implications for businesses

These characteristics describing the Nordic consumer also have implications for circular economy business models. For fashion brands whose value propositions revolve around sustainability, it is important to consider Nordic consumers'

motivations. The motivations help create and deliver the value proposition to Nordic consumers invested in sustainable and ecological consumption. More specifically, in a Nordic context brand communication should emphasize the political aspect of motivation. Nordic consumers have a high level of political consumerism, also influenced by the governments being highly involved in sustainability (Micheletti & Isenhour, 2010). This makes Nordic consumers highly aware of environmental, social, and economic sustainability issues, influencing their consumption habits. Brand communication must take these Nordic values into account in order to engage the Nordic consumer. Nordic consumers' tendency to have high levels of boycotting and buycotting behavior can also be an advantage in brand communication, as in practice this means that Nordic consumers would be happy to engage in buycotting a product that complements their values.

4.2. Limitations & future research

This thesis is not without limitations and research gaps. Firstly, this thesis presents a review of existing literature. This means that there has been no ability to embark on an empirical research project, which would have been an advantage in the research part of this thesis. Secondly, the second-hand market isn't widely researched, and most of the research cited in this literature review is from the 21st century, not taking a historical aspect into account. Thirdly, Nordic consumers' second-hand consumption habits haven't yet been specifically researched, and some of the literature cited in this thesis discusses consumers from a specific Nordic country, not from all of them. In these situations, this literature review has generalized that the findings from a single Nordic country apply to consumers from all Nordic countries.

This thesis has laid out a set of propositions on the Nordic consumers' consumption habits and how the Nordic consumer fits in the concept of circular economy. This thesis finds political consumerism to be the most important characteristic distinguishing the Nordic consumer, and also finds egalitarianism to be one of the most important characteristics shaping the Nordic consumer of today. That said, future research should investigate what kind of implications these characteristics have on consumers' purchase intentions (Morrison, 1979) and brand equity (Keller, 2001).

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