SERVDES 2023

Entanglements and Flows Service Encounters and Meanings

Conference Proceedings

Rio de Janeiro, Brazil 11-14th July 2023

Editors: Carla Cipolla, Claudia Mont'Alvão, Larissa Farias, Manuela Quaresma



ServDes.2023

Entanglements and Flows Service Encounters and Meanings

Editors

Carla Cipolla Claudia Mont'Alvão Larissa Farias Manuela Quaresma

Proceedings design Letícia Albrecht Louise Mangia Matheus Ventura

Publisher Linköping University Electronic Press Conference Proceedings, No. 203

DOI: <u>https://doi.org/10.3384/ecp203</u> ISBN: 978-91-8075-476-7 ISSN: 1650-3686 eISSN: 1650-3740 Linköping, Sweden, 2023

Federal University of Rio de Janeiro Production Engineering Programme

Pontifical Catholic University of Rio de Janeiro Department of Arts & Design

Livework São Paulo

Conference chairs

Carla Cipolla Manuela Quaresma Luis Alt

Branding Luiz Machado Terra Fensterseifer

Communication Ingrid Bico Matheus Ventura

Executive Amanda Xavier

Financing Tharcisio Fontainha

Food Ellen Gonzalez

Graphic design Alana Maganha Carol Soares

Infrastructure Roberta Portas

Innovation Bruno Santos

Papers Claudia Mont'Alvão

People Ana Paula Maiato **Registration** Raquel Cordeiro

Review Carlo Franzato Gustavo Barreto Larissa Farias

Signage Evelyn Grumach

Support Gabriel Orsi Letícia Albrecht

Website Louise Mangia Nayara Sardella Rafael Ortman

Advisory committee Claudio Pinhanez Cynthia Malaguti Ezio Manzini Fernando Secomandi Lara de Sousa Penin Teresa Franqueira

Conference dates 11-14th July 2023

Contact servdes2023.org info@servdes2023.org

Conference archive servdes.org



Gratitude

International Committee | Reviewers | Volunteers

International Committee

Carla Cipolla Daniela Sangiorgi Janne-Valtteri Nisula Jeanette Blomberg Lia Patricio Nicola Morelli Satu Miettinen Simon Clatworthy Stefan Holmlid Stefano Maffei Yoko Akama Yong Se Kim

ServDes.2023 Volunteers

Alana Maganha Aline Paulino de Brito Ana Luísa Fernandes Ana Paula Maiato Carol Soares Clarissa Dapper Eliza Kronemberger Ellen Gonzalez Gabriel Orsi Gustavo Barreto Ingrid Bico Larissa Farias Letícia Albrecht Louise Mangia Mateus Espanha Matheus Ventura Nayara Sardella Raquel Cordeiro

Reviwers

Adriane Shibata, Ahmed Ansari, Alexandra Crosby, Alok Nandi, Amalia de Goetzen, Amanda Xavier, Amresh Panigrahi, Andre Ribeiro, Andy Polaine, Angus Donald Campbell, Bridget Malcolm, Cameron Tonkinwise, Carlo Franzato, Chiara del Gaudio, Cinthia Ruiz, Claudia Garduno, Cláudia Mont'alvão, Claudio Pinhanez, Cyntia Malaguti, Daniela Sangiorgi, Eduardo Staszowski, Emanuela Silveira, Emily Wright, Fang Zhong, Fernando Secomandi, Filipe Campelo, Francesco Mazzarella, Frederick van Amstel, Geke van Dijk, Gheysa Caroline Prado, Gisele Rauly Murphy, Gloria Gomez, Ida Telalbasic, Ilya Fridman, Ingrid Mulder, Isadora Burmeister Dickie, Iva Halacheva, Jairo da Costa Jr, Johan Blomkvist, Joon Sang Baek, Josina Vink, Jucelia Salete Giacomini, Jung-Joo Lee, Justin Barrie, Karine Freire, Katarina Wetter Edman, Leonardo Castillo, Libby Heasman, Liliane Iten Chaves, Lisiane Librelotto, Louise St. Pierre, Luca Simeone, Lucy Fraser, Marcelle Candido, Marcelo Gitirana Gomes Ferreira, Márcia Bergmann, Márcia Regina Diehl, Margherita Pillan, Mariano Ramirez, Marta Corubolo, Martina Caic, Marzia Mortati, Massimo Menichinelli, Mel Edwards, Miaosen Gong, Miso Kim, Naotake Fukushima, Nicola Morelli, Patrícia Gomes, Paulo Cesar Ferroli, Ralitsa Debrah, Ravi Mahamuni, Rebecca Anne Price, Richie Moalosi, Rita Engler, Sabrina Scuri, Satu Miettinen, Shana Agid, Soumitri Varadarajan, Spyros Bofylatos, Stefana Broadbent, Sylvan Lobo, Teresa Franqueira, Tharcisio Fontainha, Troy McGee, Valerie Carr, Vanessa Rodrigues, Viktor Bedo, Yang Huan, Yoko Akama, Yu Eun, and Zoe Sofoulis.





Board of contents

26 Social innovation, localities and transformative processes

- 27 Papers
- 359 Workshops
- 376 Student Forum

378 Services, business and social economy

- 379 Papers
- 566 Workshops
- 586 Student Forum

595 Reimagining work: service or servitude

- 596 Papers
- 800 Workshops
- 814 Student Forum

817 Services and relationships: humans, beyond and below

- 818 Papers
- 1166 Workshops
- 1170 Student Forum

1178 Services, technologies, and futures

- 1179 Papers
- 1452 Workshops
- 1468 Student Forum

1475 Services between and beyond worlds

- 1476 Papers
- 1547 Workshops
- 1558 Student Forum

1563 Services for Emergency: disasters, war, refugees, pandemic

- 1564 Papers
- 1744 Workshops
- 1749 Student Forum

1756 Other Themes

- 1757 Papers
- 1839 Workshops

Services, business and social economy

Services may express the emergence of local autonomy and the resilience of communities and ecosystems. They may integrate the framework of a creative social economy, including services related to informality and understood under the "effectuation" theory of entrepreneurship. Services may operate based on complementary currencies and be part of a circular or distributed economy model.



Collaborative Fashion Consumption: Secondhand PSSs as agent of change

Gabriela Fabro Cardoso¹, Alessandra Spagnoli¹ gabriela.fabro@polimi.it, alessandra.spagnoli@polimi.it ¹Politecnico di Milano, Italy

Abstract

The second-hand market has been in the spotlight when it comes to circular and collaborative fashion studies. Resale service dynamics and designs have been reinvented over time, currently influenced by consumer demands and their new ways of thinking about the fashion industry. Within this context, this paper aims to draw an up-to-date mapping of current second-hand practices in the fashion sector in the Brazilian context. Through a proposed model - an interpretative framework for PSSs in fashion second-hand market - three different clusters (thrift shops, digital marketplaces, and virtual social communities) were identified, mapped and analysed, representing three different approaches to the servitisation of the sector by establishing variable relations and connections between the ecosystem actors: territories, communities and companies.

Keywords: collaborative fashion consumption; fashion servitisation; sustainable transformation; circular economy.

Collaborative fashion consumption & sustainable service systems: a promising match

In an economic, social, and political context that recognises overproduction and the current consumption model as a stringent risk for managing the planet's environmental and human resources, the notion of collaborative consumption is becoming increasingly relevant. Collaborative consumption, which is frequently associated with the concepts of 'sharing economy' (Park & Armstrong, 2017), 'circular economy' (Colucci & Vecchi, 2021) or 'distributed economy' emerges as a promising approach to limiting the environmental impact of the fashion industry. It is an approach promoted and driven by a growing perceived and acted responsibility on

behalf of consumers (Park & Joyner Armstrong, 2019) in light of the fashion industry's current production model, which is the second most polluting sector in the world. This approach also complements and partially updates the production and consumption model of 'eco-efficient products' to replace products that do not warrant such a qualification, a model whose effectiveness appears to have been overstated (Lorek & Spangenberg, 2014).

Iran and Schrader (2017) were the first to provide a definition and classification of Collaborative Fashion Consumption (CFC) along with a conceptual proposal to assess its environmental impacts. The authors focus on the efficiency and sufficiency effects (respectively, intensification of product use and the satisfaction obtained from reduced use of products and services) to which models of renting, swapping, sharing, second-hand and others may contribute, together, however, with the risk of rebound of additional use of resources. Within this framework, a prominent position is taken by the role of the user: several studies take a user-centred perspective and aim to define user motivations, intentions, attitudes and drivers for adoption and participation (Arrigo, 2021). The value system associated with engagement in collaborative consumption is closely linked to its ability to promote sustainable and positive behavioural change both for the environment and the consumer communities directly involved (Piscicelli et al., 2015). In this sense, in the early 2000s it was argued by Tukker (2014) that the most Product-Service Systems (PSSs) would probably lead to some environmental improvements, being product renting, sharing, pooling and functional PSSs probably the most promising ones. Still, the author affirms that most PSS types could not be expected to result in radical gains. Today, almost 20 years later and with the need to improve our understanding about business models within the sharing economy (Mont et al., 2020), it becomes relevant to analyse and identify the approaches and impacts that PSSs, which broadly enable and perform collaborative business models, have on the ecosystem of actors involved and on the re-definition of the value of the product itself (Vezzoli et al., 2012).

In addition, when it comes to design highly experiential and more meaningful service experiences, bridging the Fashion System with Service Design could offer valuable synergies for moving away from product consumption and into service experiencing (Denningtion, 2018, p.15). Service design, when embedded from a sustainable point of view, can be used to increment innovation of existing value propositions and radical innovation for completely new services, physical or digital products (Stickdorn et al., 2018).

This paper contributes to this debate by focusing the object of the research on second-hand practices in the fashion industry in Brazil. The research aims to identify



how PSSs shape the dynamics of exchange, relationship, and interaction in secondhand and how different approaches impact on the territorial system, behaviours, and attitudes of communities, informing transferable shared value systems both on the object of exchange - the garment or accessory - and on the fashion system as a whole. Based on qualitative research, the proposed interpretative model takes a design perspective and highlights the different ways design can operate, promote, and facilitate value creation in collaborative fashion consumption. Focusing on a precise CFC practice and in a country-specific context allowed the authors to identify a definite cluster of case studies to be analysed and, based on primary and secondary research approaches, to propose a conceptual model.

Sustainable transformation: how the service system is being reshaped by the new consumers

The consumer behaviour has changed the way companies are engaging and interacting with their potential clients, promoting a paradigm shift within the retail ecosystem. There is an increased velocity in innovation by driving models such as Crowdsourcing, Co-creation, higher business growth and a superior engineering efficiency for most businesses (Deloitte, 2017). This shift, that has been accelerated by Covid 19 pandemic, is highly influenced by the new generations of consumers (Gen Z and Millennials) and their sustainable demands.

Pragmatic idealists, tinkerers more than dreamers and life hackers (Time, 2013), Millennials can be considered the first digital native generation (Ferrer, 2018). Along with Gen Z, they make more than half the world's population (Deloitte,2019) and by 2025 will make up most of the workforce and thus become the most significant market for products and services (Kotler, 2021 p.39). Focused on small everyday actions such as buying second-hand clothes or sourcing locally or organically produced food, nine in ten Gen Z and Millennials make an effort to protect the environment (Deloitte, 2022) and one in two Gen Zrs is less likely to buy from a brand that chooses to promote the opposite side on social issues that matter to them (Snap Inc, 2021).

As the consumers became more demanding and sustainable actions becomes an essential piece of the business plan puzzle for fashion companies, circular business models will have a big role to play in ensuring the sustainable transformation of the industry (Fashion for Good Report, 2019 p.11). Designing products better, extending their useful, lifetime and changing their role within the system will be crucial for the development of a circular economy (EEA Report, 2017). As "products become



services, and services connect consumers" (Francis & Hoeffel, 2018, p.7), Gen Z and Millennials becomes one of the drivers on which the fashion servitization process is grafted. Within this context, the emergence of second-hand services, such as the reselling and rental of fashion items, present themselves not only within the form of start-ups (RentTheRunaway, The RealReal, Vestiaire Collective) but as well as a sustainable strategy of big fashion companies and groups (Kering investment in Vestiaire Collective, Burberry rental and resale initiative with My Wardrobe HQ, COS and Balenciaga partnership with Reflaunt platform). In addition, and contradictorily, fast-fashion brands - often criticized for causing social and environmental damages – are also making a move to please the demands of the new consumers, such as Shein and the creation of their new resale platform "Shein Exchange", or H&M with RE:WEAR.

Sustainable fashion: the second-hand market in Brazil

The debate about the second-hand culture, although not recent (Gregson & Crewe, 2003), has been growing in the field of fashion. The consumption and reuse of clothing, ideologically related to sustainability, social awareness, and minimalism, contributes to the transformation of the fashion system. Whether motivated by economic, ideological, or aesthetic issues, is allied to the new consumers way of thinking about fashion (de Paula, 2019). From start-ups popping up to big brands surrendering themselves to the second-hand reality, an exponential growth of sustainable practices shows. As a matter of fact, the global second-hand apparel market is expected to grow 127% by 2026, being three times faster than the global apparel market overall (ThreadUp, 2022). The RealReal, world's largest online marketplace for resale luxury goods, confirms that Gen X is driving the generational closet swap interested in decreased the sustainability/environmental impact and extend the cycle of luxury items. In fact, 40% of TRR shoppers are replacing fast fashion with resale (2022 Luxury Consignment Report). Therefore, it has never been more important to prove authenticity and track a product's history, particularly in luxury (State of Fashion 2022). While consumers bought less apparel overall throughout the pandemic, many turned to thrifting, picking up a habit they plan to keep, making the second-hand market being projected to double in the next 5 years, reaching \$77B, expected to be bigger than fast fashion by 2029 (ThredUP Resale 2020/21 Reports).

In Brazil, the fashion second-hand market shows its peculiarities. Firstly, it is important to point out the expressive presence of the platform "enjoei.com", a collaborative digital buying and selling platform based on social commerce tools.



Created in 2003 initially as a WordPress page for the sale of used objects and utensils, it functioned as a kind of online thrift store (Barbieri, 2015). Today, the platform has more than 370 thousand sellers and more than 2 million products registerers, distributed among different items, from fashion to house electronic devices and books (Enjoei, 2022).

A studied focused on the fashion second-hand Brazilian market runed by BCG in partnership with Enjoei (2022) states that 56% of Brazilians claim to have made at least one transaction (buying or selling) with second-hand items. Furthermore, the study categorizes the Brazilian consumer profile in relation to the second-hand market into 6 categories: the ones looking for exclusivity and quality, but at lower prices when compared to new items ('demanding and aware'); the ones that value the circular economy and prefer to buy with the least impact to the environment ('sustainable consumers'); the ones that look for unique items, not able to found in traditional retailers ('hunters'); the ones that wait for the biggest difference in prices between new and second-hand items ('wardrobe renewers'); the ones not engaged with sustainable causes ('exclusive sellers'); the ones that value convenience, are not that interested in fashion, and love to bargain ('savers'). The last profile happens to be the most common among the Brazilians, according with BCG (2022).

Concerning practices implemented specifically within the Brazilian fashion context, since the beginning of 2021, 6,700 thrift stores (known in Brazil as *brechós*) have been opened in the country (Sebrae, 2022). The second-hand Brazilian scenario is broken down into different formats, discussed further in this article. One, for example, is the digital platforms focused on fashion luxury product, where the strategy behind it is often linked to Brazilian influencers and their personal closets (TROC and Gringa); other is based on the concept of community, where specific groups are created guided by geographical positions/age/financial status (Facebook and WhatsApp exchange/resale groups). In addition, even though some initiatives start within the digital dimensions, it happens that latter on they integrate the physical space into the business model (caseivendi).

Methodological model: an interpretative framework for PSSs in fashion second-hand market

This paper aims to draw an up-to-date mapping of current second-hand practices in the fashion sector in the Brazilian context. Based on this mapping, the paper identifies forms, models and servitisation approaches that support current practices and how they impact shaping the relationships and behaviours of the different actors



involved in the fashion value chain. The proposed model aims to analyse, from a qualitative point of view, three different second-hand clusters that appear either established or emerging in the Brazilian context through the adoption of four research trajectories related to the most recent studies on collaborative consumption in the fashion industry (Arrigo, 2021; Ek Styvén & Mariani, 2020; Jin & Shin, 2020; Zaman et al., 2019). The first three research trajectories, in particular, emerge from a systematic study of the literature review conducted by Arrigo (2021) and are here revised and adapted to the specific context of the reselling market in the fashion industry: the first topic is based on the consumer perspective and focuses on the exploration of consumer engagement in the purchase and consumption of secondhand; the second topic is based on the business perspective and focuses on business models and their impact on value creation; the third topic is based on the sustainability perspective and focuses on awareness-raising practices towards circular economy concepts and conscious consumption. This research adds a fourth trajectory based on the infrastructural perspective and focuses on the ecosystem of enabling platforms, both physical and digital, that support the service system.

From an operational point of view, each research trajectory was associated with two polarities that encoded its identifying variables and through which the clusters of cases examined were determined, analysed, and described. Overall, the axes of the interpretative model correspond to the following:

- consumer perspective (polarities: mediated & business-driven community network vs. non-mediated & user-driven community network).

The consumer's role in the promotion of collaborative consumption patterns is crucial, and it is driven by multidimensional motivations and attitudes that can be economic, critical, hedonistic/recreational (Machado et al., 2019) or driven by needs for authenticity and uniqueness ('fashionability') (Ferraro et al., 2016). Within the second-hand market, within which consumers play the dual role of sellers and buyers of products and services, their motivations and attitudes converge and shape different patterns of exchange: on the one hand, a codified approach within which the community of users interacts according to logics, experiences and connections informed, and mediated, by the 'implementing' party of the exchange (physical or digital marketplace) and informing a mediated & business-driven community network; on the other hand, an informal and self-organised community network within which individuals, under a horizontal and open non-hierarchicalisation, guide and shape channels and trajectories of rhizomatic, mobile, and unmediated relationships and connections.



- business perspective (polarities: collaborative value creation vs. collaborative consumption promotion).

In a context within which the promotion of collaborative approaches to the fashion supply chain becomes increasingly relevant from the perspective of sustainability (Iran & Schrader, 2017) and business responsibility (Pal, 2016), the adoption of a business perspective is aimed at identifying and analysing how different approaches to the second-hand market create value within the system of the involved stakeholders (Zott & Amit, 2010). A collaborative approach to value creation is linked to the ability to activate partnerships and cross-stakeholder interactions to co-create services and generate added value for both the object of exchange and the actors involved. The promotion of collaborative consumption, which is more relevant in a peer-to-peer (P2P) interaction model, is linked to high expectations in terms of societal benefits (Khitous et al., 2022) and confirms an increasing focus on aspects related to the circular economy and responsible consumption (D'Adamo et al., 2022).

- sustainable perspective (polarities: consumer advocacy vs. business advocacy).

Parallel to the consumer and business-oriented perspectives, adopting a sustainable perspective is crucial and closely related to the first ones. Several studies investigate the positive impact that the servitisation of the fashion industry, and the consequent push towards collaborative and more responsible consumption models, could have in terms of reducing resource use, tackling waste, and enhancing awareness and responsibility on behalf of both consumer and business communities (Tukker, 2015; Vezzoli et al., 2015). Within this framework, two parallel and converging drivers can be identified that are stimulating and supporting a shift towards more sustainable and responsible consumption practices: on the one hand, consumer awareness driving him/her to search for alternative consumption models guided both by awareness of the impact of mass production on the environment and by the ethical rejection of the traditional production chain (Guiot & Roux, 2010; Machado et al., 2019); on the other hand, the adoption of corporate policies that promote environmental, economic and social sustainability strategies, actions and projects aimed at all stakeholders in the supply chain within Corporate Social Responsibility agendas (Pal, 2016; Thorisdottir & Johannsdottir, 2020).

- infrastructural perspective (polarities: distributed vs. centralized).

Finally, the last research trajectory focuses on enabling platforms, understood as infrastructures within which the system of second-hand services is organised or self-organised and which can be managed by a central and normative entity or distributed and more open to co-innovation and co-creation (Romero & Molina, 2011). We are referring here both to physical platforms - such as the different retail spaces that can



SERVDES SOUNTERS 2023

> be neighbourhood shops or spaces belonging to the community and temporarily used for this purpose-, and to digital platforms - structured around the service of selling and buying second-hand goods or social platforms 'hacked' for this purpose.

The interpretative model is represented operationally as a qualitative radial diagram, conceived as a visual and meta-analytical tool, whose axes correspond to the four perspectives described above (Figure 1).

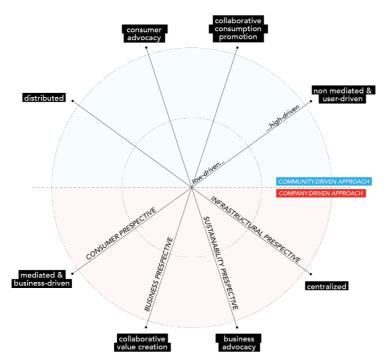


Figure 1. Interpretative framework diagram – Second-hand retailing services in Brazil (created by the author)

Based on this model, three different clusters related to second-hand fashion in Brazil have been identified, mapped and analysed, representing three different approaches to the servitisation of the sector. The first cluster refers to the 'traditional' thrift shop model, usually deeply rooted in specific territorial contexts and their communities of reference and open to the experimentation of high value-added and culturally significant service systems. The second cluster refers to large marketplaces supported by digital platforms, which eradicate the collaborative consumption model from local and community settings to open up to a national/international level. The third and more recent model relies on strategic networks, the so-called Virtual Customer Communities (VCCs), which act in a self-organised, informal and fluid way following both commercial and non-commercial logic and exploiting digital platforms,



mainly messaging systems and social media (Laurell & Sandström, 2017; Romero & Molina, 2011).

Second-hand retailing services in Brazil

Thrift shops: a service-driven approach to communities' sustainable demand

The first store selling clothes and second-hand objects in Brazil, appeared in Rio de Janeiro in the 19th century, founded by a Portuguese merchant named Belchior (Ricardo, 2008). Since then, the space occupied by this practice in the country has changed. According to a data released by Sebrae (2022), between the first half of 2020 and 2021, establishments that sell second-hand products grew by 48.58%. In addition to the association of the thrift store with sustainable and conscious fashion, this growth can be attributed to other factors, such as the increase in debt and unemployment, which ends up driving the public to look for cheaper alternatives to those found in fast fashion stores (Freitas e Costa, 2019).

Currently, traditional Brazilian thrift shops such as Minha Avó Tinha Brechó (São Paulo, created in the 90's), B.Luxo Vintage Shop (São Paulo, 2007), Brechó Balaio De Gato (Curitiba, 2012), Me Gusta Brechó (Porto Alegre, 2012), Brechó Fast Fashion (Rio de Janeiro, 2007), Brilhantinha Brechó (Belo Horizonte, 2003), are still faithful to their physical space. However, this business, that once didn't rely upon supportive digital tools, now integrate the use of platforms such as Instagram, Facebook and WhatsApp as a tool to aid in their organic promotion and sale processes. A common point among the thrift stores mentioned above is the inclusion of vintage pieces, national or international, not necessarily luxury, in their establishments. As a peculiarity, Brechó Balaio De Gato also advocates on strengthening the local market, reselling authorial and regional pieces. Moreover, planned dissemination and marketing techniques are not generally identified as a strategy, structured discourses or promotions on sustainable consumption matters are absent.

However, the emergence of physical thrift stores that were originally born within the digital environment, as is the case of the "brechó no fundinho" created by Yasmin Stevam, who, encouraged by a friend, started selling her own clothes on Instagram in 2017. The concepts of entrepreneur and circular economy only came later, when Yasmin understood that her online retail was entrepreneurship (Exame, 2021). Need Brechó (2015), Las Hermanas Brechó (2015), Mercado Poucas e Boas (2017) are inserted within the same concept. In these cases where digital platforms are the main means of sale and interaction but relies also upon the physical space, the advocacy



in favour of circular and sustainable fashion runs in form of a collaborative consumption promotion, even if they do not have specifically a P2P approach.

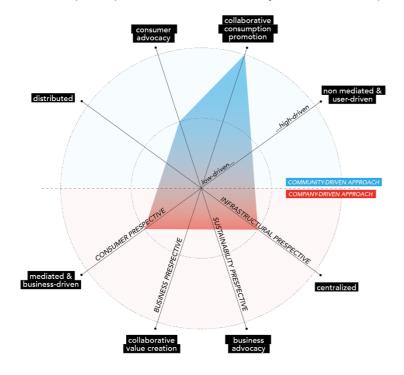


Figure 2. Interpretative framework diagram – Thrift Shops (created by the author)

Thrift stores services variations (Figure 2), which respond to the sustainable needs of a community, are now being reinvented within the fashion consumption scenario. If once they first appeared as a physical space, now they also do the opposite way. In one way or another, this type of centralized service aims to organically encourage the reformulation of sustainable practices within the fashion system, since at least in the case of the most traditional ones, they often do not invest in marketing campaigns or actions.

Digital marketplaces: a business-driven approach to fashion servitisation evolution

One of the reasons for the expansion of second-hand stores in Brazil is the increase in prices and the two years of high inflation, which reduced the purchasing power of the population (Sebrae, 2022). Specifically, the second-hand luxury market has emerged to meet the demand of medium and high-income consumers who have a desire and aspiration for these products, but do not yet have the purchasing power to purchase new items (BCG, 2022). Within this context, relevant digital marketplaces within the Brazilian context were analysed (Figure 3). First, TROC platform, founded in 2016 in Curitiba and since 2020 part of the Arezzo & Co Group. Second, Gringa,



founded by the Brazilian model and actress Fiorella Mattheis in 2020 and almost acquired by Enjoei in 2022. Third, Repassa, start-up founded in 2015 and today part of the Renner group.

In the case of TROC and Gringa, these mediated and business driven communities network promote collaborative consumption through strategies involving Brazilian influencers, who, as "ambassadors", share their own wardrobes. On either of the two platforms, there is a specific tab dedicated to celebrities. In addition, Gringa sporadically promotes "live shop" where the influencer sells their items through a live on social media.

Promoting the circular economy in order to reduce the impacts of fashion industry on the planet (Gringa), the re-signification of consumer culture (TROC), and the extension of clothing lifecycle (Repassa), these platforms work with a precise curatorial process, where it is not up to the lender/user/client to decide what will be sold and under what conditions. Unprofitable actions are also presented. Gringa, for example, every Thursdays holds an online auction, with 100% of the proceeds going to NGOs. Furthermore, besides the digital platform, TROC opened a Pop-Up Store in the Patio Batel luxury mall located in the city of Curitiba. GrinGringa works only under appointments in its showroom s only under appointments in its showroom located in Rio de Janeiro, while Repassa operates only in the digital realm.

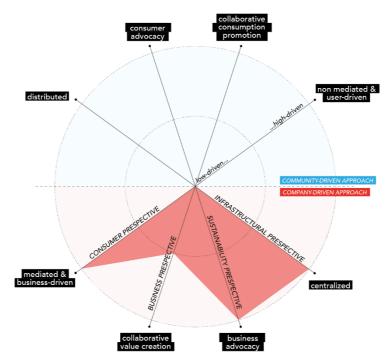


Figure 3. Interpretative framework diagram – Digital marketplaces (created by the author)



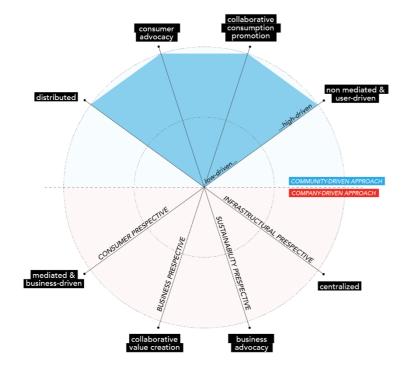
Digital Marketplaces are from one point of view a centralized service, but from the point of view of territory and community they are also decentralized due to the peer-to-peer connections between users that occurs on a national scale. Second-hand digital markets are somehow the evolution of traditional thrift stores where the dynamics of selling used items is reinvented not only through digital tools, but also through interactions - strategically articulated - between customers and the platform, user and the other users, and customers and 'brand ambassadors. This flux promotes co-creation practices while generating value regarding both the object of exchange and the actors involved.

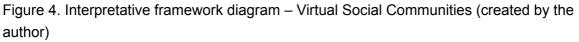
Virtual social communities: a community-driven approach to 'informal' collaborative consumption

Digital presence it's of paramount importance in Brazil since 158 millions of Brazilians have a smartphone, and the 3 most present apps on the home screen are WhatsApp (55%), Instagram (46%) and Facebook (36%). In addition, 99% have WhatsApp installed in their smartphones (Mobile Time, 2022). This large adherence to social networks triggers social phenomena in the digital context, one of them are the virtual social communities This typology of service, that follows a community-driven approach, carries informal dynamics organized by communities, whether divided by geographical location or tribes, resale groups found on social networks are an example, as investigated in this research (Figure 4).



SERVDES 2023





A basic search with the word "*brechó*" on Facebook using the "groups" filter will lead to several reseller groups, often divided by cities. Facebook itself allows the user to filter the city of choice. These groups - at times public, at times private - can be split up in female and male, children and adults, and even in specific categories of products such as children's clothes, special occasion clothes, shoes, luxury items, plus size clothes, *heavy metal* clothes, among others. In such cases, the community itself mediates the interactions, the users have the autonomy of taking, selecting, and posting their own photos of the products intended to be resold, as well the independence to negotiate the payment and delivery forms. The practice of resale within the scope of Facebook takes place through community trust, where the platform becomes a facilitator of the transition and not responsible for the authenticity of the content.

One of the obstacles that a non-mediated and user-driven community network presents is to maintain the group with its initial purpose. Without precise mediation and organizational rules to follow, users end up using the space to sell items that do not correspond to the group's purpose or to promote services that also do not correspond to the category addressed. For instance, in the public group "Brechó de luxo Curitiba", theoretically dedicated to the resale of luxury items in the city of Curitiba- Paraná, there are advertisements for beauty services, new clothes or even



house rentals. In opposition, the group "(Vendas e Trocas) Brechó Grunge - grupo só para meninas | Bazar Das Manas", is a mediated group who are guided by rules. This community is dedicated only to women and linked to a specific thrift online shop (Brechó Grunge) and to a specific cultural fair focused on female entrepreneurship and fashion consumption (Bazar das Manas). This geographic and gender outline is situated in a collaborative environment where, based on P2P dynamics, both the mediator (group administrators) and users co-create and promote conscious consumption and social sustainability.

Conclusion

In the specific case of this article, the contribution concerns the debate on secondhand practices in the Brazilian fashion industry. Trough an interpretative framework for PSSs in fashion second-hand market, the authors were able to map, analysed and identify the different dynamics occurring inside the country regarding the fashion second-hand market.

The present research evidenced the diversity regarding Brazilian second-hand services. If, on the one hand, the traditional physical thrift stores continue to exist, on the other hand, digital marketplaces and social network communities today re-signify the practice of resale. In any of the clusters mentioned in this article (digital marketplaces, thrift shops, social network communities) the presence of digital tools is unanimous, even the oldest thrift stores have integrated digital support into their service model, be it Facebook, Instagram, or WhatsApp. In addition, this investigation also showed how the cultural influence directly interferes in the dynamics of the second-hand luxury market in Brazil. The platforms TROC and Gringa have as a large part of their strategy to rely on the image of great influencers and famous figures (singers, actresses) in order to promote the resale of luxury articles. Furthermore, the interest of important groups in investing in the second-hand sector (such as the Arezzo & Co group when buying TROC and the Renner group when buying Repassa), confirm the adherence and watchful eye of big fashion players in relation to the sustainable positioning demanded by the new generation of consumers.

The three clusters analysed demonstrated three different models of servitization / PSSs, being them: 1. Thrift stores: a structured service response to a request from local communities, usually inserted in a specific territory. As they mainly focus on their physical spaces, this cluster, in terms of services, is made up of traditional presential sales practices, relying on social platforms/message applications for



communication with its consumer (Facebook, Instagram, WhatsApp); 2. Digital Marketplaces: a centralized service, that is at the same time, decentralized from a territorial and community point of view, enabling one-to-one connections between users on a national scale. Marketplaces differentiate itself from traditional thrift shops, that have a strong relationship between the products and the owner of the shop (recurrently very judicious in relation to the choices of the items); 3. Virtual social communities: an informal and self-organised response to a community needs, that transform and shape the service in an autonomous and non-coded way using the means available to them (social networks).

The impact generated by the fashion industry worries the new generation of consumers, raising questions about consumption practices in society. In this context, service design – that brings strategic benefits for companies, from business strategies to the impact those new approaches have on consumer relationships - plays an important role. In terms of second-hand services, it can position itself as an agent of change, by rethinking, within the peculiarity of each territory and community, the practices applied to business within the scope of fashion.

References

- Arrigo, E. (2021). Collaborative consumption in the fashion industry: A systematic literature review and conceptual framework. Journal of Cleaner Production, 325, 129261. https://doi.org/10.1016/j.jclepro.2021.129261
- Barbieri, N. (2015). Consumo colaborativo em uma plataforma de social commerce: estudo de caso do site de compras e vendas Enjoei. Retrieved from https://www.lume.ufrgs.br/handle/10183/122688
- BCG. (2022). The (Re)discovery of Second-hand Fashion in Brazil. Retrieved from https://www.bcg.com/en-br/publications/2022/the-rediscovery-of-second-handfashion-in-brazil
- Colucci, M., & Vecchi, A. (2021). Close the loop: Evidence on the implementation of the circular economy from the Italian fashion industry. Business Strategy and the Environment, 30(2), 856–873. https://doi.org/10.1002/bse.2658
- D'Adamo, I., Lupi, G., Morone, P., & Settembre-Blundo, D. (2022). Towards the circular economy in the fashion industry: The second-hand market as a best



practice of sustainable responsibility for businesses and consumers. Environmental Science and Pollution Research, 29(31), 46620–46633. https://doi.org/10.1007/s11356-022-19255-2

- De Paula, T. (2019). Segunda mão: reúso e resignificação das roupas. CSOnline Revista Eletrônica de Ciências Sociais, Juiz de Fora, n. 28 (2019) pp. 177 – 187.
- Deloitte. (2020). The Deloitte Global Millennial Survey 2019: Societal discord and technological transformation create a "generation disrupted"
- Deloitte. (2022). The Deloitte Global 2022 Gen Z and Millennial Survey. Retrieved from https://www2.deloitte.com/global/en/pages/aboutdeloitte/articles/genzmillennialsurvey.html
- Deloitte. (May 2022). The mental health of Gen Zs and millennials in the new world of work.
- Deloitte. (November 2017). Disruptions in Retail through Digital Transformation Reimagining the Store of the Future.
- Dennington, C. (2018). Better Fashion Futures. From Product Consumption to Service Experiencing. Global Fashion Conference. ISBN: 978-989-54263-0-0
- EEA Report. (2017). Retrieved from https://www.eea.europa.eu/publications/airquality-in-europe-2017
- Ek Styvén, M., & Mariani, M. M. (2020). Understanding the intention to buy secondhand clothing on sharing economy platforms: The influence of sustainability, distance from the consumption system, and economic motivations. Psychology & Marketing, 37(5), 724–739. https://doi.org/10.1002/mar.21334

Enjoei (2022). Informações sobre enjoei. Retrieved from https://www.enjoei.com.br/

Exame. (2021). Consumo sustentável impulsiona brechós nas redes sociais. Retrieved from https://exame.com/casual/consumo-sustentavel-impulsionabrechos-nas-redes-sociais/



Fashion for Good Report. (2019). Circular fashion a collaborative report by accenture strategy and fashion for good assessing the viability of circular business models.

- Ferraro, C., Sands, S., & Brace-Govan, J. (2016). The role of fashionability in second-hand shopping motivations. Journal of Retailing and Consumer Services, 32, 262–268. https://doi.org/10.1016/j.jretconser.2016.07.006
- Ferrer, R. (2018). Who are the Millennials? Retrieved from https://www.caixabankresearch.com/en/node/2919/printable/print
- Francis, T., Hoefel, F. (2018). True Gen': Generation Z and its implications for companies. Retrieved from: https://www.mckinsey.com/industries/consumerpackaged-goods/our-insights/true-gen-generation-z-and-its-implications-forcompanies
- Freitas, R.C., Costa, R.B. (2019). Revista Científica de Comunicação Social do Centro Universitário de Belo Horizonte (UniBH) e-Com, Belo Horizonte, v. 12, nº 2, 2º semestre de 2019.
- Guiot, D., Roux, D. (2010). A Second-hand Shoppers' Motivation Scale: Antecedents, Consequences, and Implications for Retailers. Journal of Retailing, 86(4), 355–371.
- Gregson, N., Crewe, L. (2003). Second-hand Cultures. Oxford: Berg Publishers.
- Iran, S., & Schrader, U. (2017). Collaborative fashion consumption and its environmental effects. Journal of Fashion Marketing and Management: An International Journal, 21(4), 468–482. https://doi.org/10.1108/JFMM-09-2016-0086
- Jin, B. E., & Shin, D. C. (2020). Changing the game to compete: Innovations in the fashion retail industry from the disruptive business model. Business Horizons, 63(3), 301–311. https://doi.org/10.1016/j.bushor.2020.01.004
- Khitous, F., Urbinati, A., & Verleye, K. (2022). Product-Service Systems: A customer engagement perspective in the fashion industry. Journal of Cleaner Production, 336, 130394. https://doi.org/10.1016/j.jclepro.2022.130394



- Kotler, P., Kartajaya, H., Setiawan, I. (2021). Marketing 5.0: Technology for Humanity. Newark: John Wiley & Sons, Incorporated.
- Laurell, C., & Sandström, C. (2017). The sharing economy in social media: Analyzing tensions between market and non-market logics. Technological Forecasting and Social Change, 125, 58–65. https://doi.org/10.1016/j.techfore.2017.05.038
- Lorek, S., & Spangenberg, J. H. (2014). Sustainable consumption within a sustainable economy beyond green growth and green economies. Journal of Cleaner Production, 63, 33–44. https://doi.org/10.1016/j.jclepro.2013.08.045
- Machado, M. A. D., Almeida, S. O. de, Bollick, L. C., & Bragagnolo, G. (2019). Second-hand fashion market: Consumer role in circular economy. Journal of Fashion Marketing and Management: An International Journal, 23(3), 382–395. https://doi.org/10.1108/JFMM-07-2018-0099
- MobileTime. (2022). Dados do mercado brasileiro. Retrieved from: https://www.mobiletime.com.br/teste-dados-de-mercado/
- Mont, O., Palgan, Y. V., Bradley, K., Zvolska, L. (2020). A decade of the sharing economy: Concepts, users, business and governance perspectives, Journal of Cleaner Production, Volume 269, 122215, https://doi.org/10.1016/j.jclepro.2020.122215.
- Pal, R. (2016). Extended responsibility through servitization in PSS: An exploratory study of used-clothing sector. Journal of Fashion Marketing and Management: An International Journal, 20(4), 453–470. https://doi.org/10.1108/JFMM-12-2015-0100
- Park, H., & Armstrong, C. M. J. (2017). Collaborative apparel consumption in the digital sharing economy: An agenda for academic inquiry. International Journal of Consumer Studies, 41(5), 465–474. https://doi.org/10.1111/ijcs.12354
- Park, H., & Joyner Armstrong, C. M. (2019). Is money the biggest driver? Uncovering motives for engaging in online collaborative consumption retail models for apparel. Journal of Retailing and Consumer Services, 51, 42–50. https://doi.org/10.1016/j.jretconser.2019.05.022



- Piscicelli, L., Cooper, T., & Fisher, T. (2015). The role of values in collaborative consumption: Insights from a product-service system for lending and borrowing in the UK. Journal of Cleaner Production, 97, 21–29. https://doi.org/10.1016/j.jclepro.2014.07.032
- Ricardo, L.H.K. (2008). Colóquio de moda proceedings. Past and Present: a study about consumptiona and 'brecho' clothes in Porto Alegre (RS). Retrieved from: http://www.coloquiomoda.com.br/anais/Coloquio%20de%20Moda%20-%202008/42379.pdf
- Romero, D., & Molina, A. (2011). Collaborative networked organisations and customer communities: Value co-creation and co-innovation in the networking era. Production Planning & Control, 22(5–6), 447–472. https://doi.org/10.1080/09537287.2010.536619
- Sebrae. (2022). QUASE 90% DOS NOVOS BRECHÓS SÃO ABERTOS POR EMPREENDEDOR INDIVIDUAL. Retrieved from https://sebraeinteligenciasetorial.com.br/produtos/noticias-de-impacto/quase-90-dos-novos-brechos-sao-abertos-por-empreendedorindividual/630cc7740d52a81900b97610

Snap Inc. (2022). Say hello to the snapchat generation.

- Stickdorn, M; Hormess, E.M; Lawrence, A; Schneider, J. (2018). This Is Service Design Doing: Applying Service Design Thinking in the Real World. O'Reilly Media. 1 edition.
- The ReaLReal. (2022). 2022 Luxury Consignment Report. Retrieved from: https://www.therealreal.com/trr/luxury-consignment-report-2022
- Thorisdottir, T. S., & Johannsdottir, L. (2020). Corporate Social Responsibility Influencing Sustainability within the Fashion Industry. A Systematic Review. Sustainability, 12(21), Article 21. https://doi.org/10.3390/su12219167

ThredUP Resale 2021 Report. (2021).

ThredUP Resale 2021 Report. (2022).



- Time. (2013). Millennials: The Me Me Me Generation. Retrieved from https://time.com/247/millennials-the-me-me-generation/
- Tukker, A. (2015). Product services for a resource-efficient and circular economy a review. Journal of Cleaner Production, 97, 76–91. https://doi.org/10.1016/j.jclepro.2013.11.049
- Tukker, A. (2004). Eight Types of Product-Service System: Eight Ways to Sustainability? Experiences from Suspronet. Business Strategy and the Environment 13: 246 - 260. Business Strategy and the Environment. 13. 246 -260. 10.1002/bse.414.
- Vezzoli, C., Ceschin, F., Diehl, J. C., & Kohtala, C. (2012). Why have 'Sustainable Product-Service Systems' not been widely implemented?: Meeting new design challenges to achieve societal sustainability. Journal of Cleaner Production, 35, 288–290. https://doi.org/10.1016/j.jclepro.2012.05.050
- Vezzoli, C., Ceschin, F., Diehl, J. C., & Kohtala, C. (2015). New design challenges to widely implement 'Sustainable Product–Service Systems'. Journal of Cleaner Production, 97, 1–12. https://doi.org/10.1016/j.jclepro.2015.02.061
- Zaman, M., Park, H., Kim, Y.-K., & Park, S.-H. (2019). Consumer orientations of second-hand clothing shoppers. Journal of Global Fashion Marketing, 10(2), 163–176. https://doi.org/10.1080/20932685.2019.1576060
- Zott, C., & Amit, R. (2010). Business Model Design: An Activity System Perspective. Long Range Planning, 43(2), 216–226. https://doi.org/10.1016/j.lrp.2009.07.004

