The 4ᵗʰ Annual Kijiji Second-Hand Economy Index

2018 Report

Second-hand economy at a glance

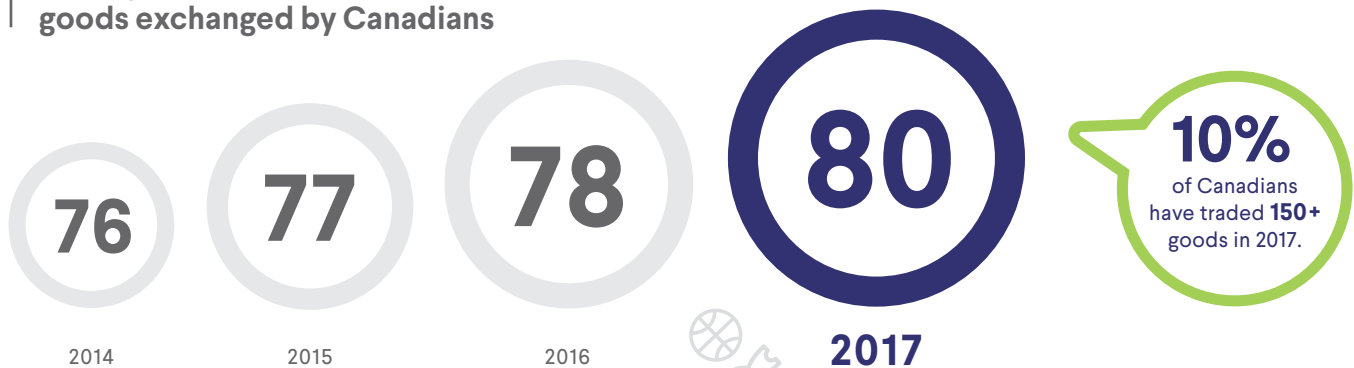Executive summary of the 2018 Kijiji Second-Hand Economy Index report

What is the second-hand economy?

The second-hand economy includes any transaction of second-hand items, bought, sold, rented, traded, or donated. Since 2014, and in collaboration with renowned researchers, Kijiji has studied the impact of the second-hand economy on Canadians' lives and the overall economy.

85% of Canadians have participated in the second-hand economy.

Average number of second-hand goods exchanged by Canadians

76 2014

77 2015

78 2016

80 2017

10% of Canadians have traded **150+** goods in 2017.

2.3 BILLION goods were granted a second life in 2017.

The dollars spent in second-hand transactions contribute **$34 TO $37 BILLION** to the GDP.

$28.5 BILLION Value of all second-hand transactions in 2017.

Intensity Index in 2017 - average number of goods exchanged per person by region

QUEBEC
67 in 2016

ATLANTIC CANADA
54 in 2016

ALBERTA
91 in 2016

PRAIRIES
86 in 2016

77
90
69
60
63
92

BRITISH COLUMBIA
82 in 2016

ONTARIO
83 in 2016
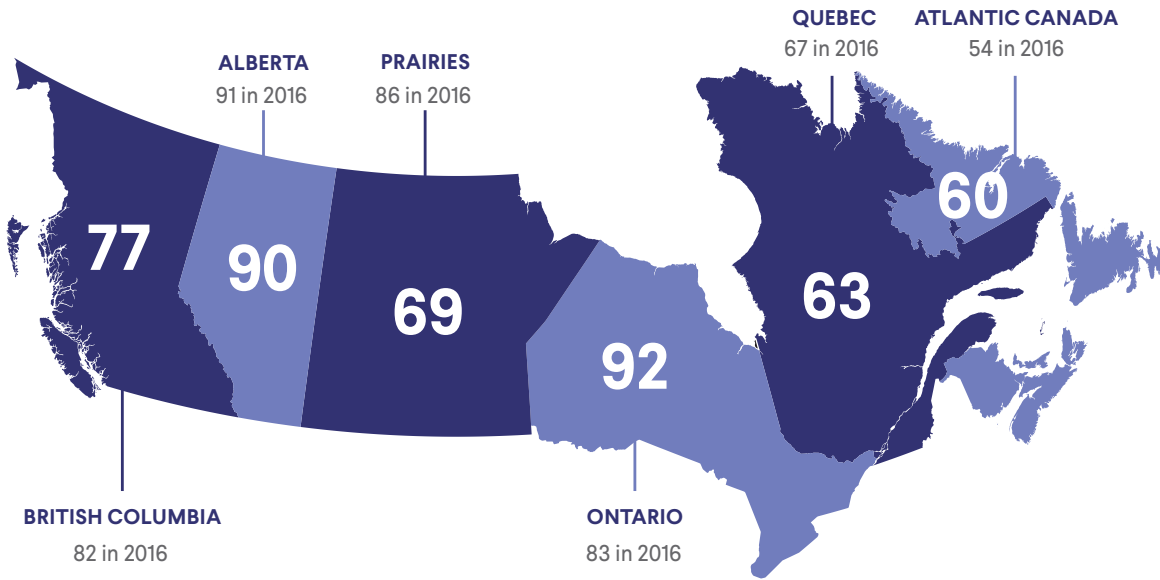
Financial benefits made through all second-hand channels

$1,134

Average amount
EARNED
per person by selling
second-hand goods.

$825

Average amount
SAVED
per person by acquiring used
goods instead of new.

kijiji #1

Most-Used commercial channel
Highest average amount earned
Most popular channel for the 1st transaction

26.3% of all second-hand commercial transactions took place on Kijiji (almost 6 times more than the next platform's market share).

$1,528 Average amount earned on Kijiji (34% higher than any other channel).

21.4% of Canadians used Kijiji for their first experience in the second-hand market.

Most exchanged goods

1st
Clothing, Shoes
and Accessories

2nd
Entertainment
items (DVDs,
Books, etc.)

3rd
Baby
Clothing and
Accessories

4th
Furniture

5th
Games, Toys and
Video Games

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Defining the second-hand economy

Purchases in person

Donations

Swaps or Exchanges

Rentals

Online sales

Second-hand practices or "reuse" is a relatively broad concept that involves extending the lifespan of products by providing them to other individuals for reuse. This can take on a number of different forms: donations, second-hand purchases, exchanges, free sharing, paid sharing, rentals or lending.

Second-hand practices can be broadly defined as the acquisition or intentional disposal of durable or semi-durable goods:

- that are either used or new;

- for which the original state and function has been preserved;

- that have had one or more prior owner(s);

- with ownership transfer and use, or transfer of use only (rental);

- for which the exchange has been decided before or after its initial acquisition using different currencies (swap) or total lack thereof (donation); and

- initiated by the consumer, but often facilitated by various intermediaries.

NOTE: The housing market is not included in this survey of the second-hand economy.

# The Overall Impact of the Second-Hand Economy

Adding up the benefits of the second-hand economy

Millions of transactions – many very small, some quite large – add up to the second-hand economy in Canada. Their total impact and resulting benefits to Canadians are measured in this report.

Direct economic benefits

This significant economic activity is not officially measured through the calculations of the country's gross domestic product (GDP) so this survey, based on a comprehensive study, provides the most accurate picture of the scope and impact of Canada's second-hand economy.

Overall, the value of the second-hand market in Canada totaled:

$28.5 BILLION in 2017

This amount equals **1.34% OF CANADA'S TOTAL GDP.**[1]
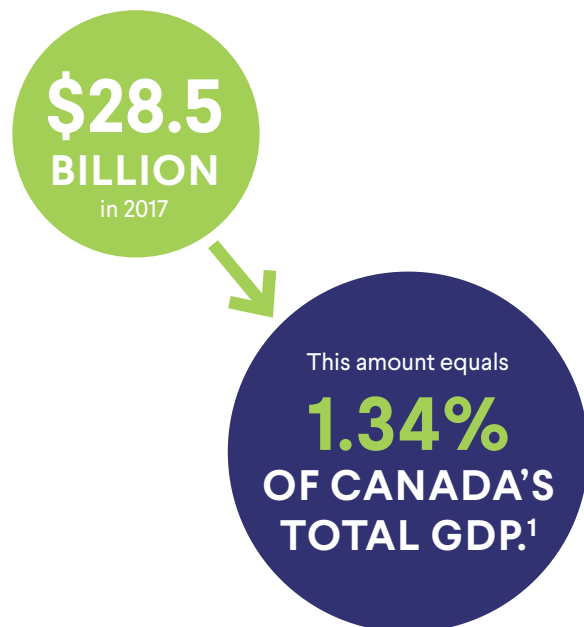
What does $28.5 billion compare to?

Nearly a quarter of total average Canadian household spending on food in 2016.[2]

The cost of 58,500 homes at the average Canadian home price of $487,000.[3]

More than double the arts, entertainment and recreation industries in Canada ($13.3B, as of Oct 2017)[4]

Enough money to buy nearly 700,000 brand new cars ($41,191 as of Oct 2017)[5]

[1] Based on Statistics Canada's total annual GDP estimate of $2,126 billion in the second quarter of 2017.

[2] Statistics Canada, Average household expenditure, by province, 2016, http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/famil130a-eng.htm

[3] CBC News, Average Canadian house price up 3% in past 12 months, CREA says, Oct. 13, 2017
     http://www.cbc.ca/news/business/crea-house-prices-1.4353165

[4] Statistics Canada, Gross domestic product at basic prices, by industry, Oct. 2017
     http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/gdps04a-eng.htm

[5] Statistics Canada, New motor vehicle sales, Canada, provinces and territories, Oct. 2017
     http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=0790003&&pattern=&stByVal=1&p1=1&p2=31&tabMode=dataTable&csid

Total second-hand spending across Canada[6]

1.82% OF ITS TOTAL ANNUAL GDP

1.4% OF ITS TOTAL ANNUAL GDP

1.24% OF ITS TOTAL ANNUAL GDP

1.94% OF ITS TOTAL ANNUAL GDP

QUEBEC

ATLANTIC CANADA

ALBERTA

PRAIRIES

$4.1 B

$4.4 B

$2.6 B

$10.3 B

$4.9 B

$2.2 B

BRITISH COLUMBIA

ONTARIO

1.55% OF ITS TOTAL ANNUAL GDP

1.3% OF ITS TOTAL ANNUAL GDP

Overall economic benefits

The previous estimate of $28.5 billion is only the direct impact of the second-hand economy. Economists can also compute indirect benefits of this spending using the re-spending multiplier, which estimates the amount of economic activity each additional dollar spent generates. A general consensus among Canadian economists puts the multiplier value in a range of 1.2 to 1.3. Multiplying these values by the size of the second-hand market results in an estimate of direct and indirect economic impact of:

$34-$37
BILLION

overall economic impact
(direct & indirect).

Job benefits

All this additional economic activity also generates additional jobs for Canadians. The number can be estimated by using a simple calculation based on the average economic value of each worker in Canada. A Canadian worker currently produces an average of close to $115,000, based on the ratio of GDP to the total number of workers. As a result, the economic activity of the second-hand market is therefore estimated to associate with:

298,000 – 323,000
JOBS

These jobs are supported
by the second-hand economy.

Table 1. Second-hand economy at a glance per region

Regions	Participation	Value	Jobs supported	Average amount earned per person	Average savings on the last item bought
Alberta	99.7%	$4.4 billion	46,200 – 50,100	$659	$953
Atlantic Canada	81%	$2.2 billion	22,900 – 24,900	$719	$1,110
British Columbia	99.7%	$4.1 billion	42,900 – 46,500	$656	$280
Ontario	81%	$10.3 billion	107,600 – 116,600	$502	$761
Prairies	90%	$2.6 billion	27,100 – 29,400	$756	$864
Quebec	79%	$4.9 billion	51,300 – 55,600	$436	$1,149

Atlantic Canada gather Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador; Prairies gather Manitoba and Saskatchewan. Northwestern, Yukon and Nunavut Territories (n = 20) were excluded due to the lack of representation.

How the second-hand economy benefits Canadians

85%
of Canadians have participated in the second-hand economy.

$825
Average amount saved by Canadians by acquiring second-hand goods instead of new.

2.3 BILLION
Goods granted a second (or third or more) life in 2017.

$1,134
Average amount earned by Canadians selling items in the second-hand marketplace.

Tracking the Second-Hand Economy

The Intensity Index

The key measure of the Kijiji Second-Hand Economy Index is the Intensity Index. This measures the most basic element of the second-hand economy: how many second-hand items the average Canadian adult (age 18 and over) acquires and disposes of in one year either by donating, buying, selling, trading or other second-hand transactions.

2017 INTENSITY INDEX

36.1 + **43.4**

Average number of second-hand products each Canadian **ACQUIRED.**
(31.7 in 2016)

Average number of second-hand products each Canadian **DISPOSED OF.**
(46.3 in 2016)

79.5

The Index is up by 1.5 products from 78 in 2016. However, within this change, there's larger and different changes in the two components. The acquisition index, at 36.1, is up 4.4 points or almost 14% from 31.7 in 2016 while the disposition index, at 43.4, is down 2.9 points or almost 7% from 46.3 in 2016.

The Index is based on the average of all people involved in the second-hand economy. As with any average, there are some people at either end of the scale – very active users and very occasional users of the second-hand economy.

In fact, half of the Canadian population has exchanged 22 goods or more last year, while the other half has exchanged 21 goods or less. This is the median:

22 or more goods — **50%** of the population

21 or less goods — **50%** of the population

Some Canadians exchanged far more, which boosted the average to obtain the overall Intensity Index of:

80 *

By extrapolating this data to the entire Canadian population aged 18 and over, it can be concluded that, in 2017, Canadians provided a new life through the second-hand economy to a total of:

2.3 BILLION GOODS
(an increase of 23.8% from the previous year)

Of these 2.3 billion goods that changed hands in the second-hand economy:

1.06 BILLION were **ACQUIRED**
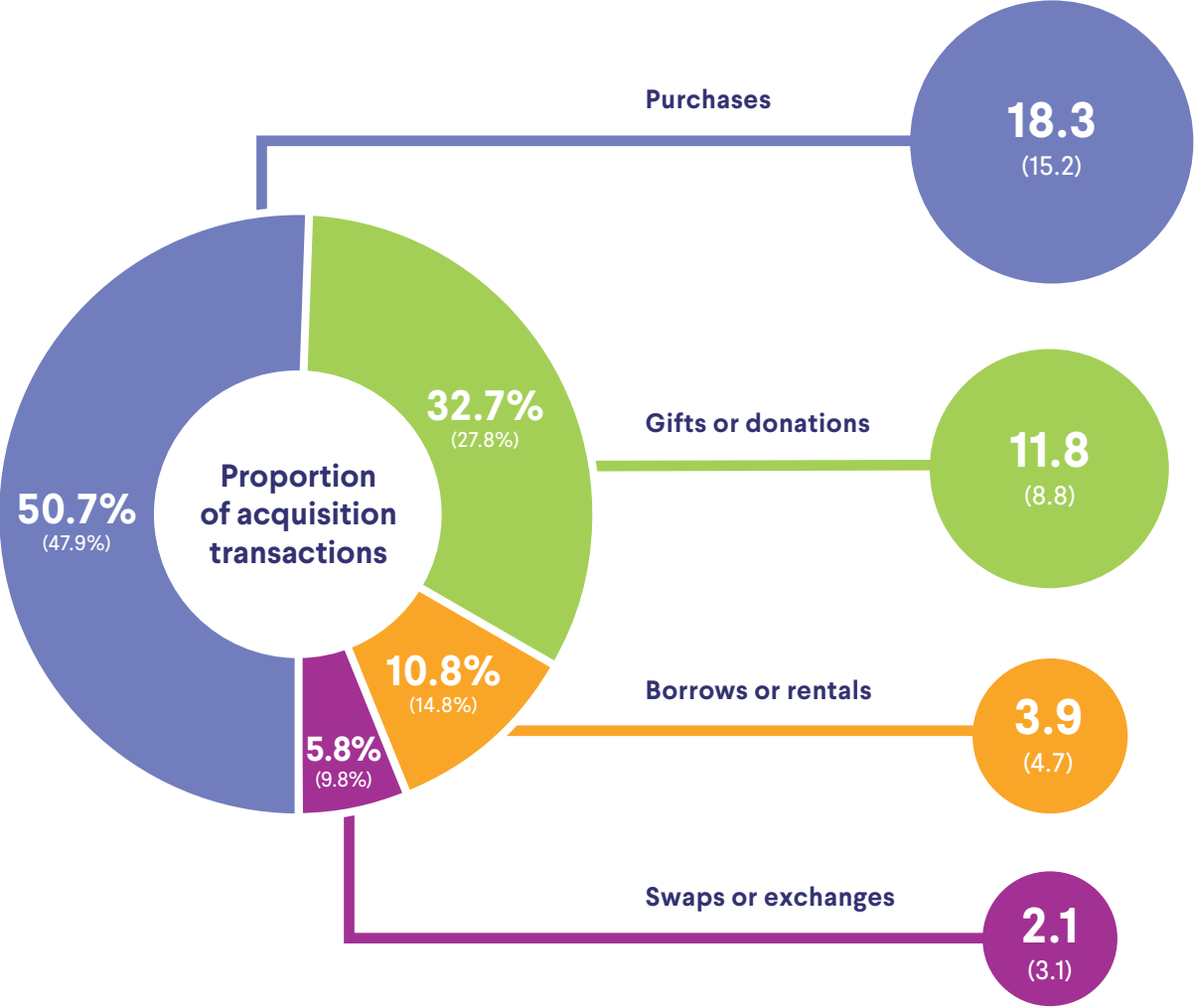
1.27 BILLION were **DISPOSED OF**

* In order to facilitate the comprehension, the overall Intensity Index has been rounded up.

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How Canadians acquired second-hand goods in 2017

There was an increase in second-hand goods acquired by Canadians as purchases or gifts/donations in 2017 compared to 2016, while swapping and borrowing/renting decreased. This shows that purchases and donations make up an even larger share of acquisitions overall, as more Canadians were more interested in making straight-forward purchases of second-hand items or receiving free goods rather than arranging more complex transactions. In fact, purchases alone made up half of all second-hand acquisitions last year.

Figure 1.
Proportion of acquisition transactions by practice
(2016 statistics in parentheses)

Average number of items per person

Proportion of acquisition transactions

50.7% (47.9%)

32.7% (27.8%)

10.8% (14.8%)

5.8% (9.8%)

Purchases — 18.3 (15.2)

Gifts or donations — 11.8 (8.8)

Borrows or rentals — 3.9 (4.7)
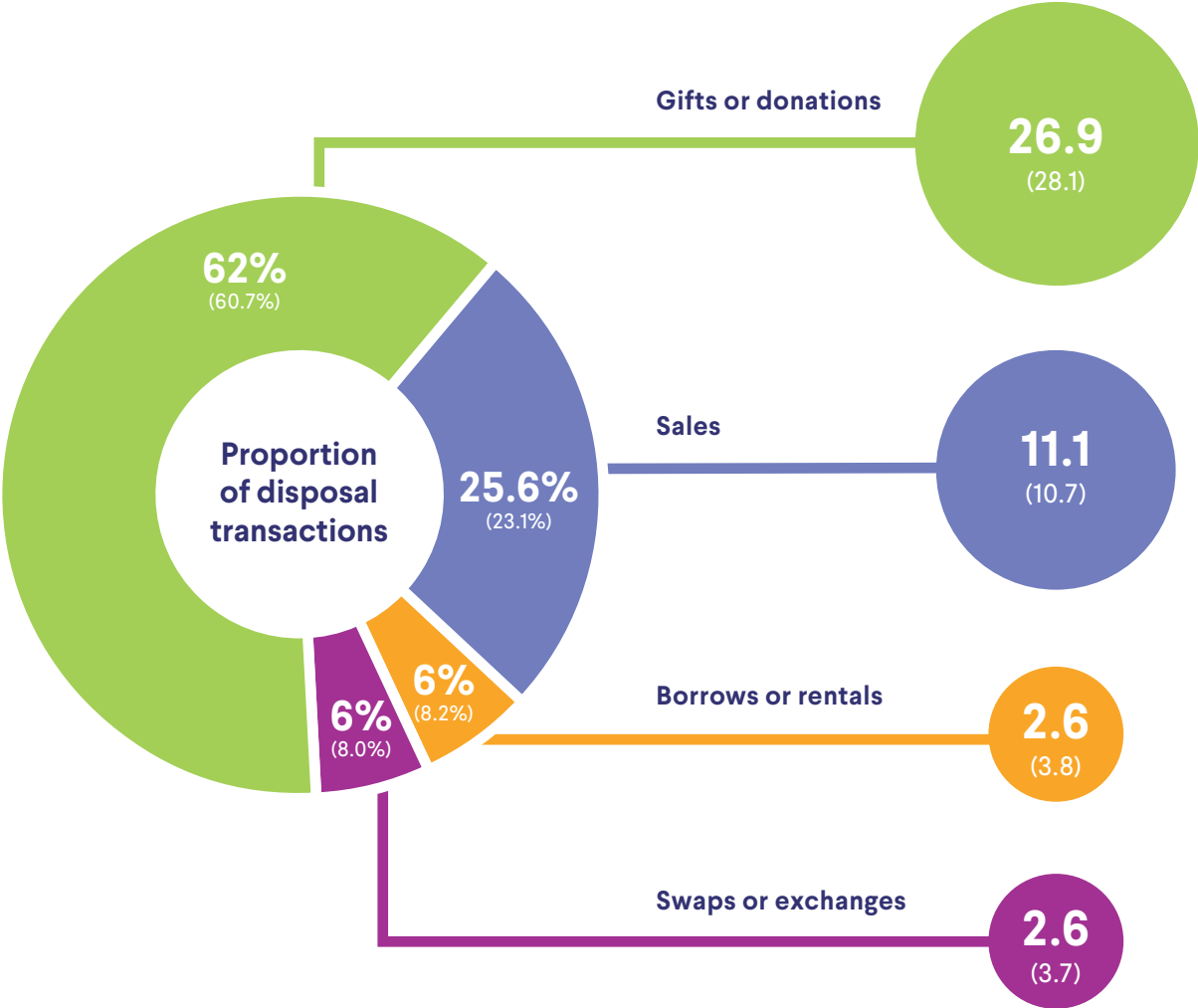
Swaps or exchanges — 2.1 (3.1)

How Canadians disposed of second-hand goods in 2017

Second-hand goods disposed of by Canadians as sales grew in 2017 compared to 2016, while swapping and borrowing/renting decreased. In total, Canadians donated almost 800 million goods during the year. This demonstrates, as with acquisitions, that Canadians were more willing to make straight-forward sales or donations of used goods rather than negotiating potentially more complex trade, swap or rent transactions.

Figure 2.
Proportion of disposal transactions by practice
(2016 statistics in parentheses)

**Average number
of items per person**

Gifts or donations — **26.9** (28.1)

Proportion of disposal transactions

62% (60.7%)

25.6% (23.1%)

6% (8.0%)

6% (8.2%)

Sales — **11.1** (10.7)

Borrows or rentals — **2.6** (3.8)

Swaps or exchanges — **2.6** (3.7)

Gender and age differences in the second-hand economy

Figure 3. Intensity Index by practice, Women vs. Men (average number of goods exchanged)

Women

Men
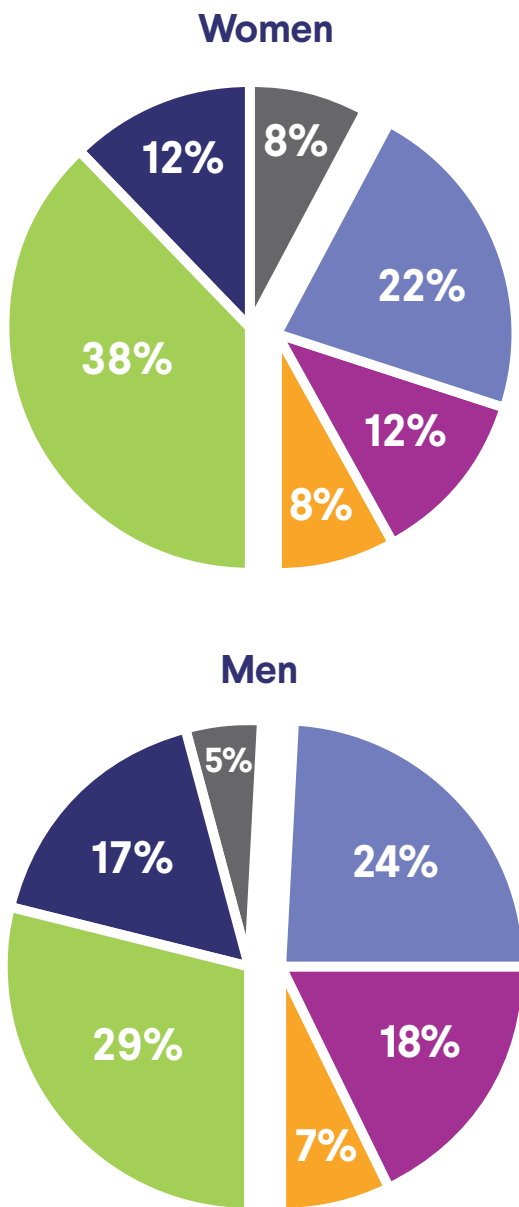
Gender differences

Women are more active than men in the second-hand economy with an Index at 84.5.

The difference though, is fully accounted for in just one type of activity – women give away more items.

The Intensity Index (average total items acquired or disposed of) for women is 84.5 versus 74.2 for men, a difference of 10.3. However, their acquisition index is almost the same, with men slightly ahead at 36.4 versus 35.7.

The disposal index among women, however, is 48.8 compared to 37.8 for men. While men sell more items than women, 12.7 versus 9.8, women give away an average of 32.4 items compared to 21.2 for men.
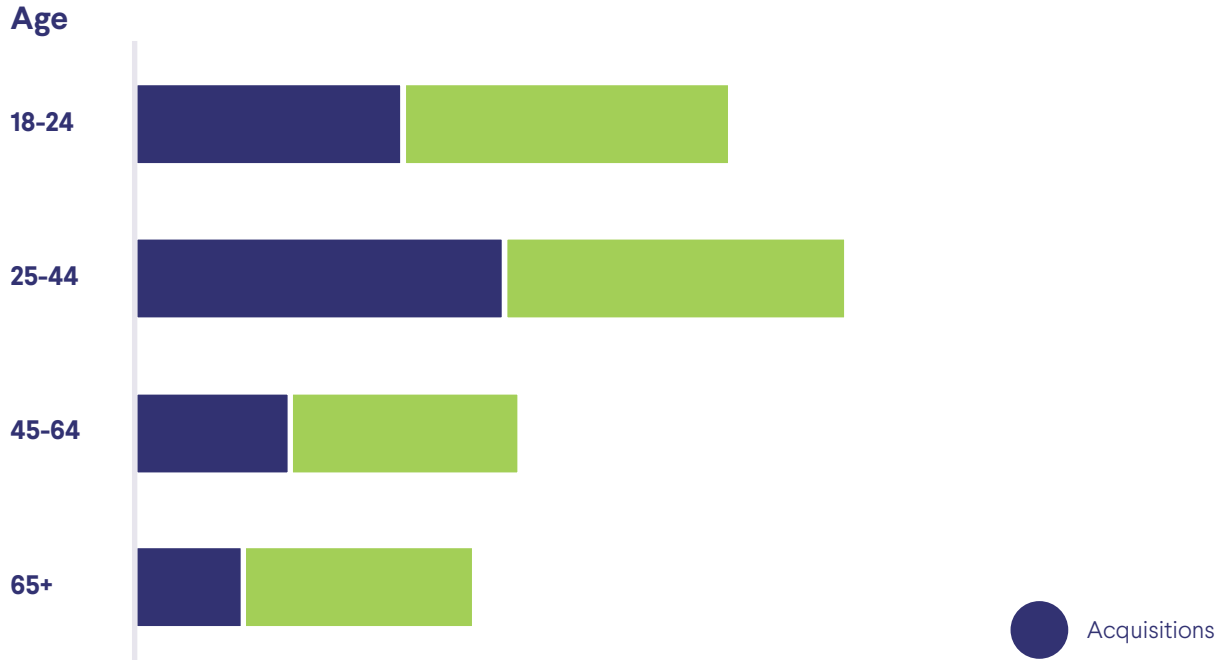
Disposals

- Donations made
- Sales
- Other disposals

Acquisitions

- Purchases
- Gifts received
- Other acquisitions

Figure 4. Intensity Index by age group (average number of goods exchanged)

Age

● Acquisitions

Age differences

Activity in the second-hand economy is skewed heavily to younger people, perhaps not surprisingly as younger people who are students or just starting in careers are more likely to have a greater need for goods as they establish their households and possibly have young children.

The Intensity Index (average total items acquired or disposed of) is highest for the 25-44 age group, 110.7, followed by the 18-24 age group at 92.6. The two older age groups are less than the national average of 80: 60 for those age 45-64 and 52.9 for those age 65 and older.

The 25-44 age group is the only one for whom the acquisition index is higher than the disposal index, 57.5 vs. 53.2, compared to a 41.7 vs. 50.9 division for those age 18-24, likely reflecting the many changes that can take place in a person's life through those ages so things not only get acquired but also disposed of. Not surprisingly, those age 65 and older have the greatest ratio of disposal to acquisition, 36 to 16.9.

Canadians' participation in the second-hand economy

Frequency of second-hand purchases

Among those Canadians who made second-hand purchases last year, half (49.3%) said they did so once a month and an additional 15.5% said they did so once a week or more frequently.

Among the latter group of once-a-week or more buyers, they spent an average of 22.1 hours a week searching for second-hand items.

Frequency of second-hand sales

Among those Canadians who sold second-hand items last year, almost four in 10 (38.8%) said they did so once a month and an additional 11.2% said they did so once a week or more frequently.

Among the latter group of once-a-week or more sellers, they spent an average of 23.5 hours a week selling second-hand items.

Figure 5. Frequency of participation in the second-hand economy by purchases and sales

Frequency

- Once per year
- Once per month
- Once per week or more
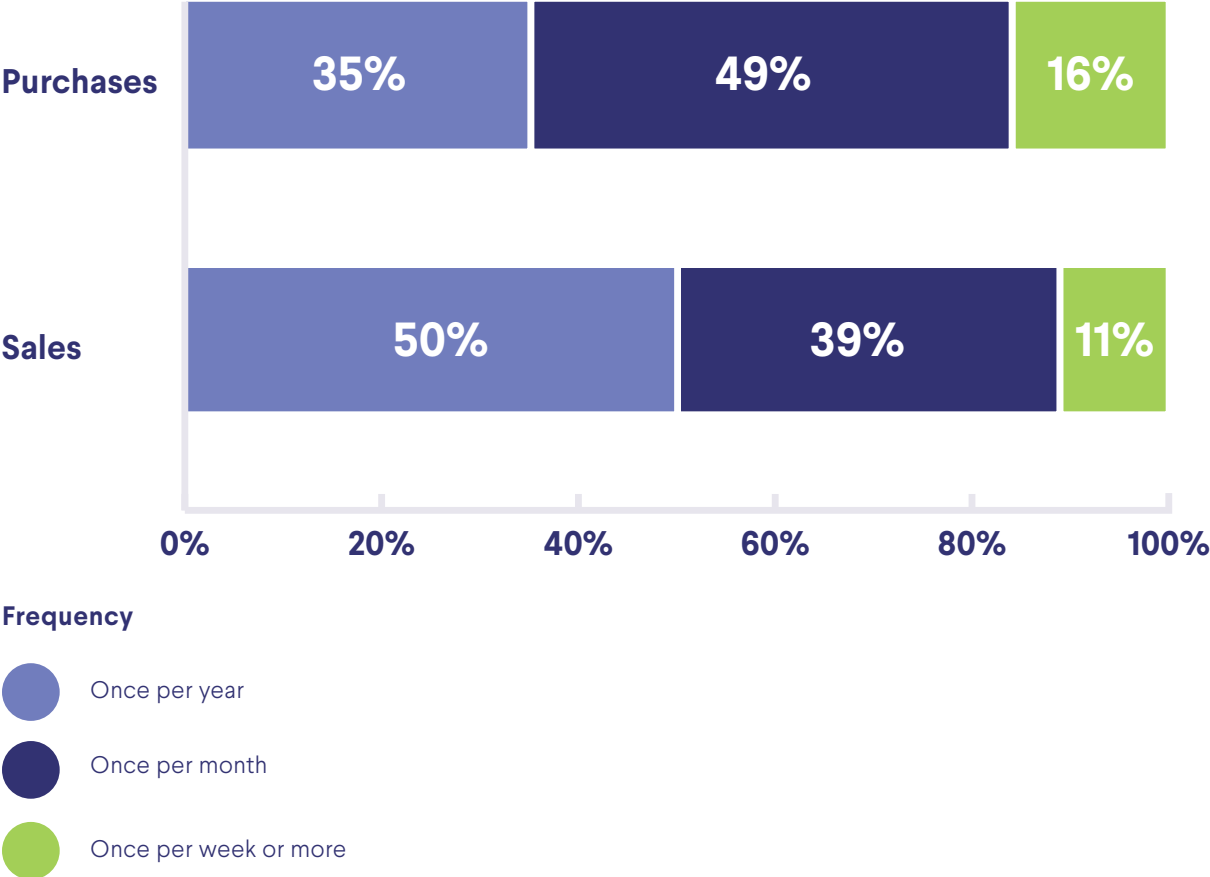
Experience in the second-hand economy

Most Canadians have long experience in the second-hand economy, with more than six out of 10 (61.7%) having had their first experience four or more years ago, and almost one in four (37.1%) more than 10 years ago.

As these statistics show, with two out of three Canadians saying they buy a second-hand good at least once a month, half selling something at least once a month and with more than three-quarters being active in the second-hand economy for more than a year, participation in the second-hand economy is an important activity for Canadians.

Figure 6. First experience in second-hand market

- In past year
- 1-3 years ago
- 4-10 years ago
- ≥ 10 years ago
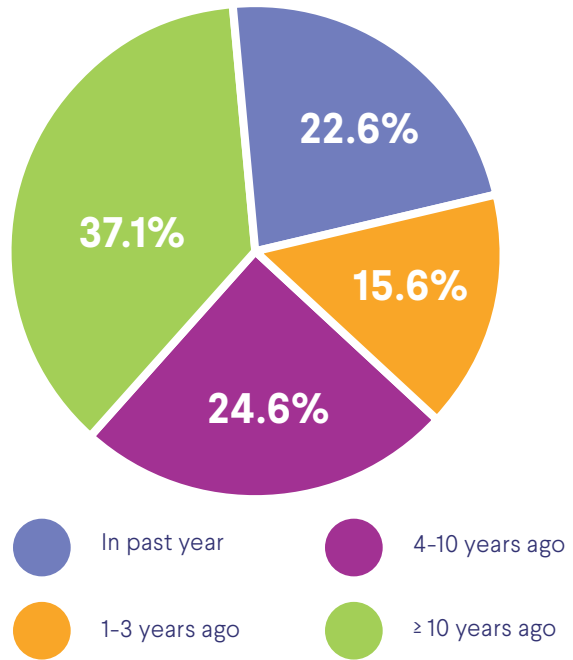
Second-hand acquisitions for others

Not all acquisitions of second-hand goods are for the person who acquires them. In fact, 45.5% of all acquired second-hand goods are given to someone else, mostly to family members the majority being children. In fact, 85.5% of second-hand gifts go to family members with the rest to friends or others.

For more than half of people (55.1%), second-hand items comprise 10% or more of the gifts they give and for 11% of people they comprise more than half of all the gifts they give.

The most popular occasions for giving second-hand items as gifts are Christmas (21.7%), birthdays (18.5%) and on the birth of a child (5.1%).

Figure 7. Beneficiaries of second-hand goods acquired by a third-party

- Children
- Partner
- Parents
- Other family members
- Friends
- Others
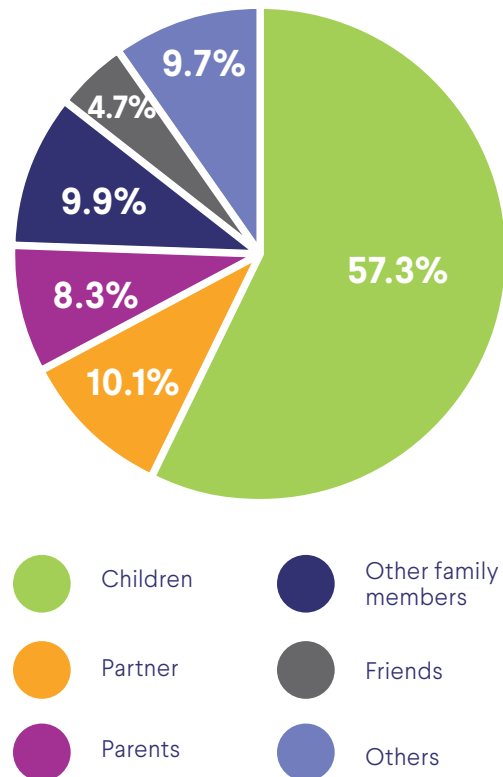
Price negotiation and savings in the second-hand economy

Many perhaps think of the second-hand economy being one of constant price negotiation, but this is not the case. Three-quarters (74.8%) of purchasers of second-hand items say they paid the price initially asked by the seller – no negotiations involved.

When there was a price negotiation, almost half (49.3%) say they received a discount of 10-25% of the price asked. A price reduction of 26-50% was obtained in 17.3% of cases and in 6% of cases the price was reduced by 50% or more.

However, there are ample savings in the second-hand economy compared to paying full price for new items. Overall, Canadians saved an average $825 in 2017 from making second-hand purchases instead of buying new. More than a third (35.6%) said they would use the savings to make everyday household purchases (food, rent, gas, etc.). Half that number (18.3%) said they would put the savings in the bank and 10% said they would use it to pay off debt.

When selling second-hand products, Canadians earned an average $1,134 during the year. As with savings from purchases, the most likely use of the extra money was for everyday purchases (37.9%). When they are unable to sell a second-hand product, less than 10% (8.9%) said they would discard it. Most would either keep it (39.7%) or give it away for free (36.3%).

As would be expected, sellers said the great majority (81.6%) of second-hand products they sold had been used. However, 13.5% of products were new but without the package and 4.9% were new and still in the package.
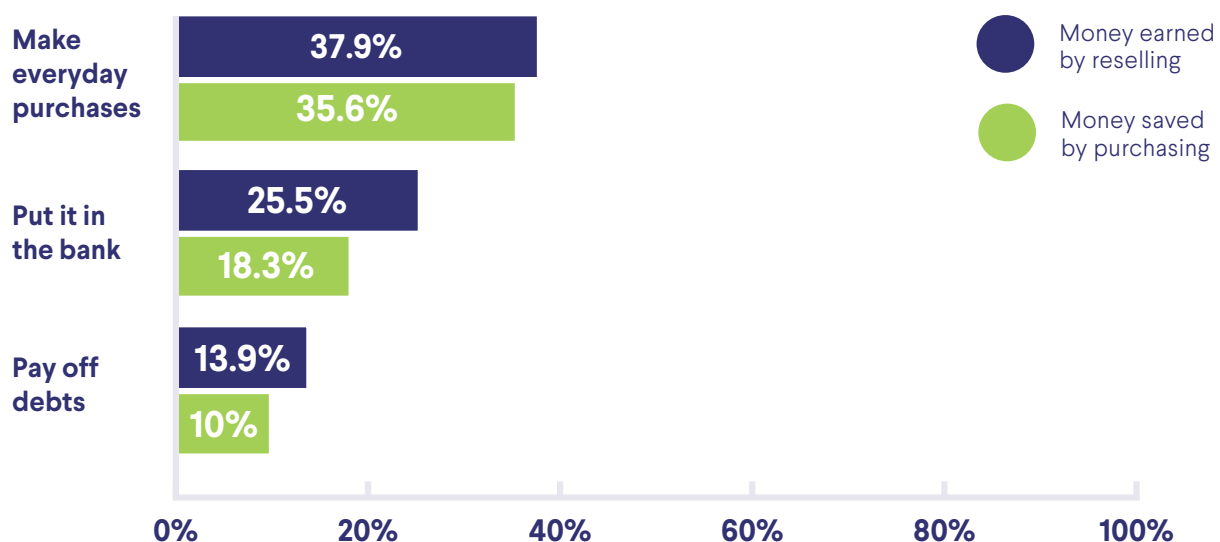
Donation of second-hand goods

As previously noted, 62% of the disposal of second-hand goods is done through donations. Of the donations, almost a third (31.7%) were made to used clothing banks and more than a quarter (26.5%) to other not-for-profit organizations.

However, in 2017 Canadians also targeted their donations to specific causes that came up during the year. Syrian refugees received 5.3% of donations, while victims of the British Columbia forest fires and the spring floods in Quebec received 4.2% and 2.6% of donations respectively. A further 4.3% of donations of second-hand products were made to community United Way/Centraide campaigns.

Interestingly, many Canadians (23.4%) are actually purchasing new products with the intention of giving them away. When purchasing used products, 26.7% say they intend to donate them and 26% also say they plan on giving away products they received, while just 15.1% say they plan on selling products they received for free.

Figure 8. How Canadians allocate money they earned from reselling goods or saved on second-hand purchases
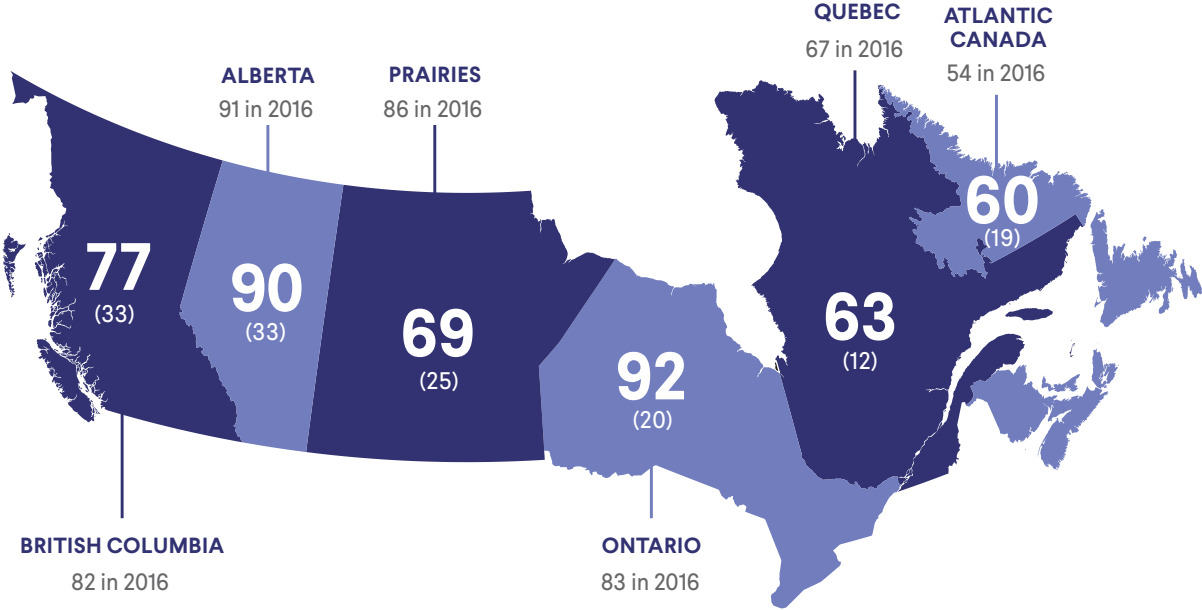

Legend:
- Money earned by reselling
- Money saved by purchasing

Make everyday purchases: 37.9% / 35.6%
Put it in the bank: 25.5% / 18.3%
Pay off debts: 13.9% / 10%

Regional Differences in the Second-Hand Economy

Regional differences

Intensity Index by region
(median in parentheses)

QUEBEC
67 in 2016

ATLANTIC CANADA
54 in 2016

ALBERTA
91 in 2016

PRAIRIES
86 in 2016

77
(33)

90
(33)

69
(25)

92
(20)

63
(12)

60
(19)

BRITISH COLUMBIA
82 in 2016

ONTARIO
83 in 2016

Atlantic Canada gather Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador; Prairies gather Manitoba and Saskatchewan. Northwestern, Yukon and Nunavut Territories (n = 20) were excluded due to the lack of representation.

As with other variations explored, geography is a major differentiator within the second-hand economy. These can be seen in the different levels of the Intensity Index in each province or region.

As seen on the map above, Ontario is the most active region in the second-hand economy with an Intensity Index of 92, which is more than 50% higher than that of the Atlantic region, which has the lowest Intensity Index at 60. Quebec is also relatively low at 63, creating a clear east-west divide in activity levels starting at the Ontario-Quebec border.

When looking at acquisitions and disposals in particular, Ontario also has the highest acquisition index at 41. As for its disposal index, Ontario comes in second at 51, slightly lower than Alberta at 52.

Interesting to note is that this impressive growth of 9 points in Ontario is mainly due to the increase of purchases and sales specifically as opposed to other types of second-hand economy transactions such as donation, swaps, rentals, etc. While the Atlantic region scores the lowest overall Index at 60, when looking at the disposal index specifically across all Canadian regions, Quebec comes last at 31. The gap in overall Index between Quebec and Atlantic has closed considerably, going from 13 points in 2016 to 3 points in 2017.

Though the Intensity Index is highest in Ontario, the overall number of people involved in the second-hand economy in that province is slightly lower than the national average (81% vs. 85%).

By contrast, the participation rate is 90% in the Prairies and the median is higher, at 25, compared to 20 in Ontario. These statistics indicate the Ontario second-hand economy consists of more heavy traders, compared to the Prairies where more people are participating overall but for fewer items on average.

Looking at non-participation rates and the median also reveals that Alberta and British Columbia must be considered leaders in activity in the second-hand economy despite not having the top Intensity Index. The non-participation rate is near zero (less than 1%) and the median is well above the national level at 33 for both, compared to 21 nationally.

Again, this shows that these provinces have a broad cross-section of the population participating regularly in the second-hand economy.

Quebec stands out as the only region with a higher acquisition index than disposal index. This indicates that Quebecers, though their overall level of activity is relatively low, are much more likely to both acquire and dispose of items than anywhere else in Canada, where people are much more likely to dispose than acquire. Quebec has the lowest participation rate at 79% and the lowest median number of goods traded, at 12.

Not far behind, Atlantic Canada has a participation rate of 81% and a median number of goods traded of 19, just under the national level.

Table 2. Intensity of Canadians' second-hand practices by region (acquisition)

| Intensity Index of second-hand practices | Intensity Index (acquisition + disposal) | Indices of acquisition | | | | Total of the acquisition index |
		Second-hand purchases	Donations reception	Swaps	Borrowings or rentals	
Average score	79.5	18.3	11.8	2.1	3.9	36.1
Alberta	89.6	17.7	12.4	2.6	4.8	37.5
Atlantic Canada	59.7	17.6	5.2	1.4	3.4	27.6
British Columbia	76.8	16.3	8.7	2.1	5.5	32.6
Ontario	91.9	20.8	14.3	2.5	3.7	41.3
Prairies	68.9	15.5	7.5	1.3	3.3	27.6
Quebec	63.2	16.2	11.5	1.6	3.3	32.6

Region of residence

Atlantic Canada gather Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador; Prairies gather Manitoba and Saskatchewan. Northwestern, Yukon and Nunavut Territories (n = 20) were excluded due to the lack of representation.

Regional differences by type of acquisition or disposal practice

Tables 2 and 3 detail the differences in regions in the various types of acquisition or disposal practices, as shown by the intensity indices for each type of acquisition or disposal activity. These tend to be consistent with the differences seen in previous years.

For acquisitions, purchases make up almost two-thirds (63.8%) in Atlantic Canada and just 18.5% from donations, while in the Prairies just over half (56.1%) come from purchases while 27.2% come from donations. The donations percentage is even higher in Alberta (33.1%), Ontario (34.6%) and Quebec (35.3%).

Borrowing and renting is at a relatively low percentage everywhere, but ranks highest in British Columbia at 16.9% compared to the national average of 10.8%.

For disposals of second-hand goods, donations dominate nationally, accounting for 62% of all disposals, but it's highest in British Columbia, making up 72% of all disposals in that province. The lowest percentage for donations is 55.9% in Ontario. Conversely, sales of second-hand goods are lowest by percentage in British Columbia (17.4%) and highest in Ontario (28.5%), compared to the national average of 25.6%.

Other means of disposal, including swaps and loans/rentals, account for relatively small percentages of all disposals in all regions, though together they are highest in Ontario at 15.6%.

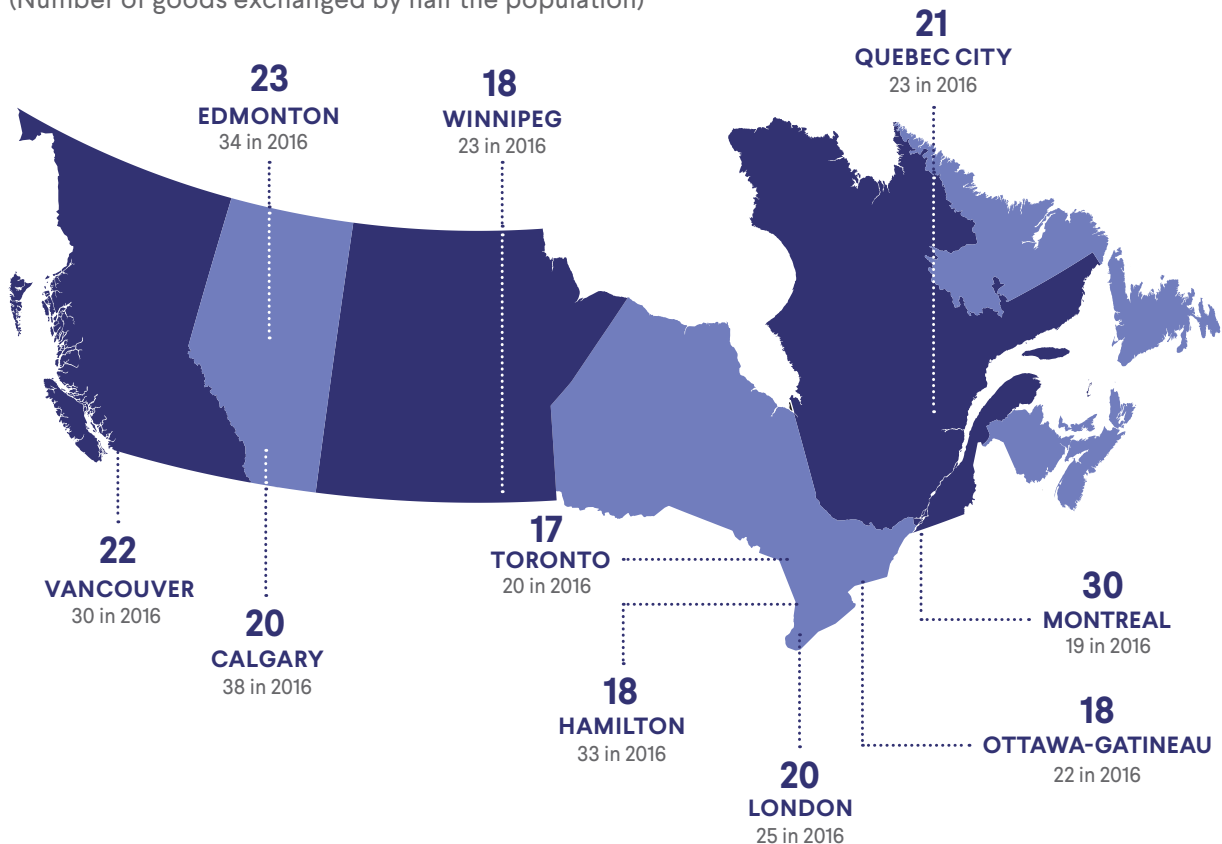**Table 3.** Intensity of Canadians' second-hand practices by region (disposal)

Intensity Index of second-hand practices	Intensity Index (acquisition + disposal)	Indices of disposal				Total of the disposal index
		Resales	Donations	Swaps	Lendings or rentals	
Average score	79.5	11.1	26.9	2.6	2.6	43.4
Alberta	89.6	12.9	35.7	1.5	2	52.1
Atlantic Canada	59.7	8.6	19.4	1	3.1	32.1
British Columbia	76.8	7.7	32	2	2.4	44.2
Ontario	91.9	14.4	28.3	4.4	3.5	50.6
Prairies	68.9	11.4	26.9	1.7	1.4	41.3
Quebec	63.2	7.1	20.7	1.2	1.7	30.6

Atlantic Canada gather Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador; Prairies gather Manitoba and Saskatchewan. Northwestern, Yukon and Nunavut Territories (n = 20) were excluded due to the lack of representation.

Differences in second-hand economy activities by city

Median for major cities
(Number of goods exchanged by half the population)

23
EDMONTON
34 in 2016

18
WINNIPEG
23 in 2016

21
QUEBEC CITY
23 in 2016

22
VANCOUVER
30 in 2016

20
CALGARY
38 in 2016

17
TORONTO
20 in 2016

30
MONTREAL
19 in 2016

18
HAMILTON
33 in 2016

20
LONDON
25 in 2016

18
OTTAWA-GATINEAU
22 in 2016

Just as there are differences in second-hand economy activities by province and region, there are also differences among major cities across Canada. To better understand the differences this year, we have decided to look at the median. The map above shows the median for each of these cities in 2017 – the number of second-hand goods acquired or disposed of by half of the residents in each city.

As can be seen, most of the cities are close to the national average of 21 goods. Interestingly though while as explained previously, Quebec overall has a relatively low Intensity Index, Montreal is the highest among cities at 30 and Quebec City is equal to the national median. Both cities in Alberta, Edmonton and Calgary, are relatively high in this ranking though, it may seem low in comparison to the Alberta Intensity Index. This means that while half of Albertans exchanged between 20 to 23 goods or less, the other half has a great participation, impacting the provincial Index (average of goods per person) at 90. The explanation is the same – the median level of second-hand economy use is similar across all cities as is the Intensity Index based on average.

NOTE: Within this study, a major city is defined by a total population of at least 100,000 people, of which 50,000 or more must live in the city center and where at least 50% of the resident employed labour force of a city work in the city center, or at least 50% of the employed labour force working in the city live in the city center.

No matter the overall statistics used, there are several key trends in the city data that have become apparent over the four years of collecting data for the Kijiji Second-Hand Economy Index:

- Disposition practices are more intense than acquisition practices across all cities.

- Disposal activities in all cities are driven by a high level of donations, while purchases drive second-hand acquisitions.

- Swapping and lending/rental activities are minimal in large cities, even the much bigger ones.

- The overall trend in cities is similar to that seen overall – a trend to more activity from east to west, though Montreal is somewhat of an exception, perhaps reflective of its different population makeup compared to the rest of Quebec (younger, more Anglophone and diverse).

Differences among cities by type of acquisition/disposal practices

The figures 9 and 10 show the differences in the types of acquisition and disposal practices of residents of the largest census metropolitan areas of Canada. There are some interesting variations.

Nationally, half of acquisitions (50.7%) are by purchases. This rate for cities varies from a high of 63.4% for Ottawa-Gatineau to a low of 37.2% for Hamilton. These differences are then generally reflected inversely in terms of the importance of donations received. Nationally, about a third (32.7%) of acquisitions are from donations.

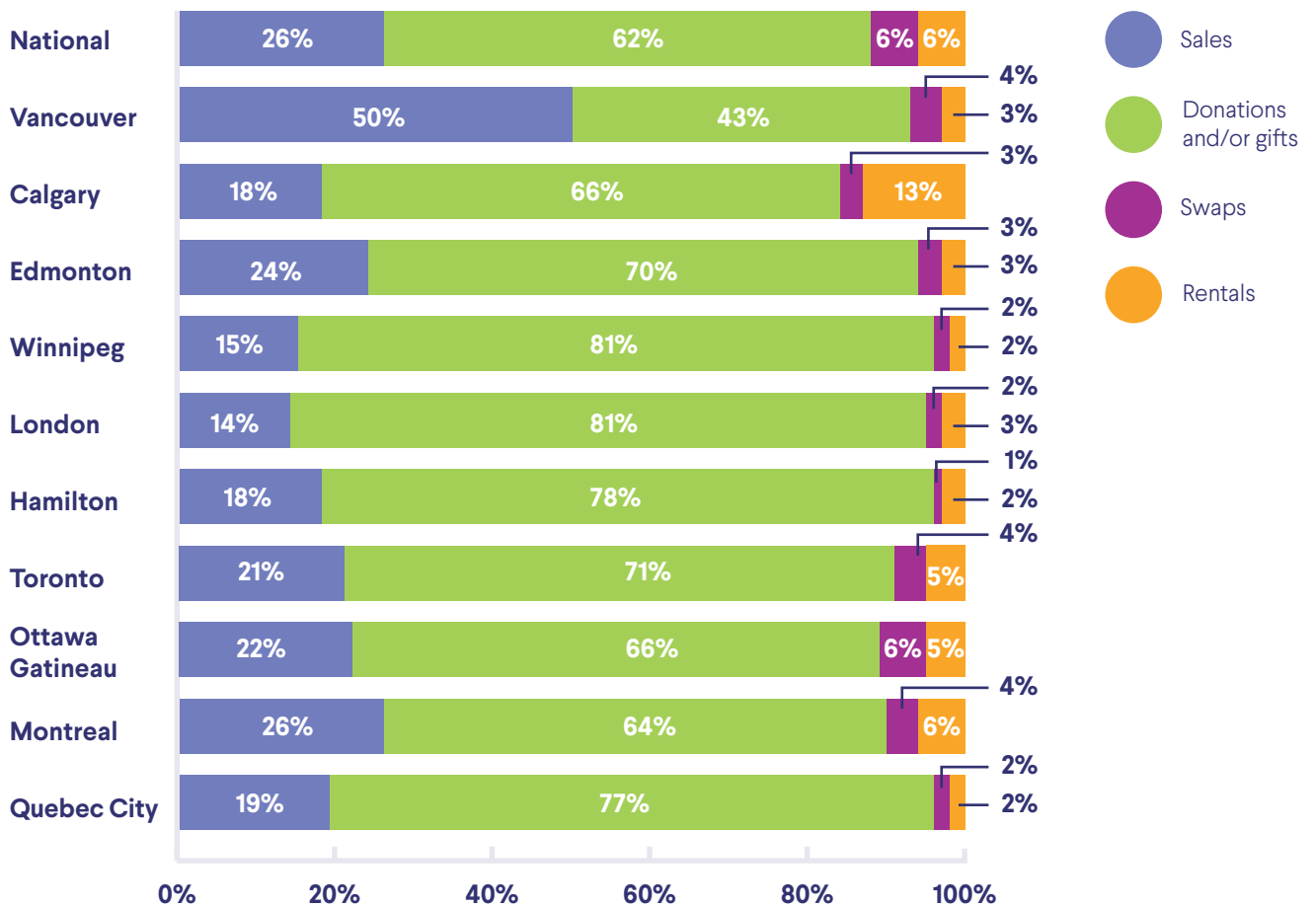**Figure 9.** Proportion of Canadians' second-hand practices by city (acquisition)
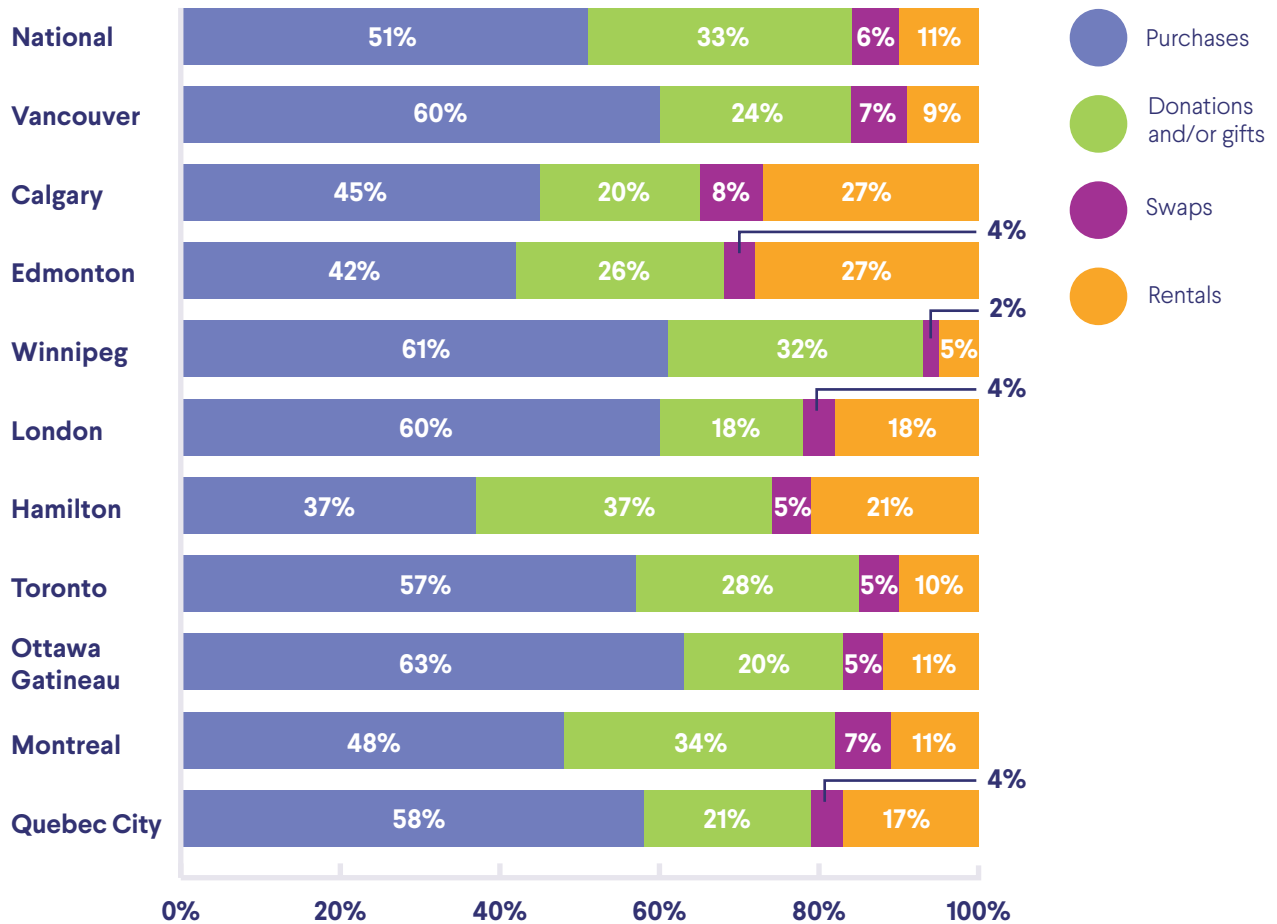
In Ottawa-Gatineau donations only account for 20.2% of acquisitions (less than one-third the amount of purchases) while in Hamilton donations at 36.6% account for almost the same amount of acquisitions as purchases. London has the lowest percentage of acquisitions by donation at 17.5%.

The importance of borrowing and renting to acquire second-hand goods is double the national average of 10.8% in three cities: Edmonton (27.2%), Calgary (26.6%) and Hamilton (21.0%).

For disposal of second-hand items, donations are by far the leading means, accounting for 62% of disposals nationally. However, there are important differences among cities, with this rate ranging from a high of 81.4% in London and 80.5% in Winnipeg to a low of 42.7% in Vancouver. Nationally, sales account for about a quarter (25.6%) of all second-hand disposals but this rate ranges from a high of 49.9% in Vancouver to lows of 13.7% in London, 14.6% in Winnipeg and 17.7% in Calgary.

Figure 10. Proportion of Canadians' second-hand practices by city (disposal)

Legend:
- Sales
- Donations and/or gifts
- Swaps
- Rentals

City	Sales	Donations and/or gifts	Swaps	Rentals
National	26%	62%	6%	6%
Vancouver	50%	43%	4%	3%
Calgary	18%	66%	3%	13%
Edmonton	24%	70%	3%	3%
Winnipeg	15%	81%	2%	2%
London	14%	81%	2%	3%
Hamilton	18%	78%	1%	2%
Toronto	21%	71%	4%	5%
Ottawa Gatineau	22%	66%	6%	5%
Montreal	26%	64%	4%	6%
Quebec City	19%	77%	2%	2%

Leading Categories in the Second-Hand Economy

Goods most commonly exchanged

For the fourth consecutive year, the three leading categories of products in the second-hand economy remain unchanged, while the categories in fourth and fifth position changed in 2017.

- The top category (Clothing, Shoes and Accessories) accounted for almost one-third (32.2%) of all products involved in the second-hand economy, an increase from 30.8% last year.

- Together, the first and third categories, both including clothing, now account for four out of every 10 products in the second-hand economy (39.9%).

- The second category (Entertainment Items) dropped to 16.1% of all products from 18.6% last year.

- The fourth and fifth place categories both increased their percentage share, but the share for Furniture more than doubled, from 2.4% to 5.3%, moving it into fourth position ahead of Games, Toys and Video Games.

- Among other categories outside the top five, increases were seen in Vehicle Parts and Tires (3.8% from 2.1%) and in Tools, Hardware and Renovation Materials (3.5% from 2.9%).

Top 3 most acquired and disposed of second-hand goods

1st
Clothing, Shoes and Accessories

2nd
Entertainment Items

3rd
Baby Clothing and Accessories

32.2%

16.1%

7.7%

It is not surprising that clothing categories dominate in the second-hand economy consistently each year. This is most likely because many people get tired of wearing certain articles of clothing way before they are actually worn out, so they look for ways to dispose of them, while also benefitting others. On the other hand, others are pleased to acquire very useable clothes for free or at a lower-than-new price through the second-hand economy. Because of these factors, the market to acquire or dispose of second-hand clothing has been well established with networks of stores specializing in buying and selling such items and clothing donation bins also readily available in many communities.

Differences in product categories between acquisition and disposal

- The category Clothing, Shoes and Fashion Accessories is the top category for both acquisition and disposal, but more than twice as many of these items are disposed of than acquired, mainly because large numbers of clothing items are donated when no longer wanted.
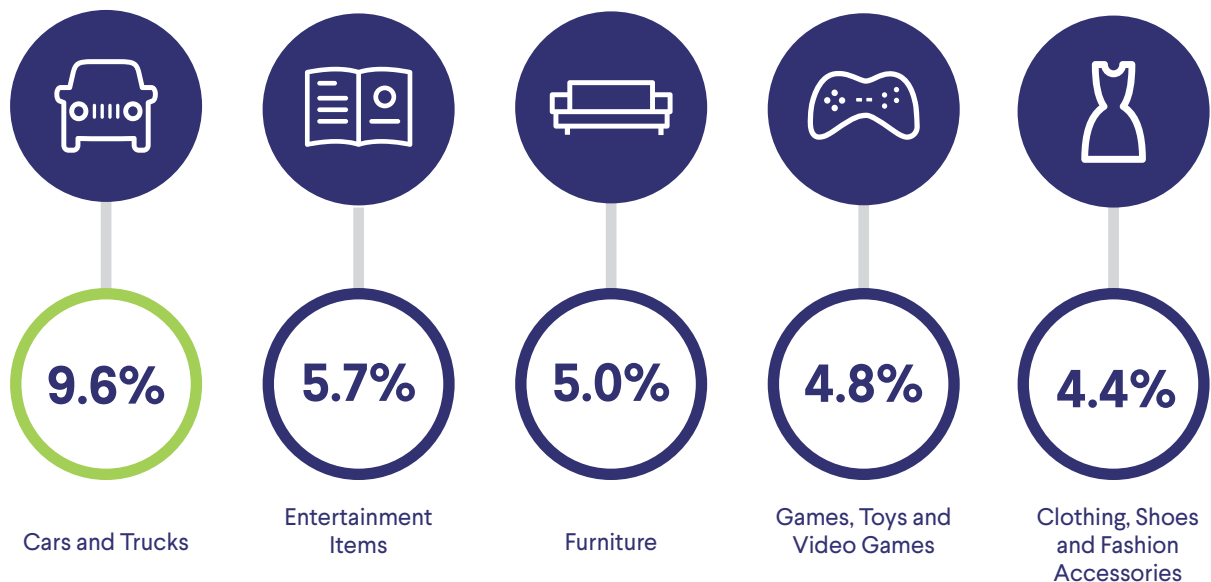
- Almost the same number of baby clothing and accessories items were acquired (17,042) as opposed to disposed of (17,004).

- The share of Entertainment Items (Books, CDs, etc.) acquired second-hand decreased significantly, accounting for 25.6% of all acquired products last year and dropping to 20.9% this year. About a third more of these items (45,475 vs. 32,449) were disposed of rather than acquired.

- Furniture maintains its position at #4 on the list of top five categories of disposed goods, but it's replaced with Vehicle Parts and Tires when it comes to top acquisition categories.

Preferred second-hand products

Some types of products are more preferred as potential second-hand purchases than others. The leading product categories always to be purchased second-hand are:

9.6%	5.7%	5.0%	4.8%	4.4%
Cars and Trucks	Entertainment Items	Furniture	Games, Toys and Video Games	Clothing, Shoes and Fashion Accessories

Channels Where Canadians Make Their Second-Hand Transactions

Leading channels

Many transactions in the second-hand economy are conducted outside commercial channels (such as online marketplaces) with family, friends and acquaintances. However, the percentage of these transactions has been declining steadily, from more than one in four (25.6%) in 2015 to just over one in five (21.3%) in 2017. The remaining transactions are conducted through commercial channels, even when something is received or given for free.

There are many different potential commercial channels for Canadians to use, but for the fourth year in a row, Kijiji remained the dominant platform for commercial second-hand transactions in 2017, for both acquisitions and disposals.

This year, Kijiji widened its lead considerably as the top commercial channel, moving from accounting for 12.6% of all second-hand economy transactions (including non-commercial family and friends) to 15.4%. This share is 50% greater than the 10.4% of the next leading channel, shops and networks with a social mission. The Kijiji market share is almost six times that of the next online platform, Craigslist at 2.7%.

In fact, Kijiji has a greater share of second-hand commercial transactions than all other online platforms combined (Craigslist, eBay, Amazon, AutoTrader, etc.) 26.3% vs. 16.5%.

Table 4. Top 10 commercial channels for second-hand transactions
(% of all commercial second-hand transactions, 2017 vs. 2016)

Channels	2017	2016
Kijiji	26.3%	20.1%
Shops/networks with social mission	17.8%	16%
Second-hand clothing shops	10.7%	9.2%
Social networks (with strangers)	8.6%	7.3%
Garage/yard sales	7%	6.6%
One-time events (excluding yard sales)	4.6%	4.4%
Craigslist	4.6%	4.2%
Second-hand shops (non-clothing)	4.2%	4.3%
Other online second-hand websites	3.9%	1.6%
Retailers of mostly new products	3.2%	2.8%

Other commercial channels not in the top 10

(in descending order, each less than 3% of all commercial transactions)

- Rental companies/shops
- eBay
- Amazon
- Newspaper classifieds
- Websites dedicated to goods donations
- Swap/exchange specialty shops

- Second-hand specialty shops
- Websites for loans/rentals by individuals
- LesPAC (in Quebec only)
- Swap or exchange websites
- AutoTrader
- Consignment shops

- Depop
- Letgo
- VarageSale
- Carousell
- AutoHEBDO
- Other specialized second-hand websites

NOTE: Non-commercial channels were also part of the study: family, friends or acquaintances, objects found on the street, associations and NPOs.

Most popular channels for starting in the second-hand economy

Kijiji is the most popular way for Canadians to use the second-hand economy for the first time, cited by more than one in five (21.4%) of all respondents including commercial and non-commercial channels. This even exceeds the non-commercial channel of family, friends and acquaintances (20.9%).

Considering commercial channels only, Kijiji was used for their first experience in the second-hand economy by 27.1% of Canadians, well above the second most preferred commercial channel, second-hand clothes shops, at 17.2%.

Table 5. Top 10 channels for first experience in the second-hand economy

Channels	Percentage
Kijiji	21.4%
Family, friends or acquaintances	20.9%
Second-hand clothes shops	13.6%
Garage sales	10.1%
Shops /networks with a social mission	4.9%
Social networks with strangers	3.8%
Non-clothes second-hand shops	3.2%
Craigslist	2%
eBay	1.9%
Second-hand specialty shops	1.8%

Average Spending and Earning in the Second-Hand Economy

Expenditures and earnings by category

The average spending across all acquisition channels and in all categories of goods in the second-hand economy is $1,359. As would be expected, there is some variation in average spending across different product categories:

Categories	Amounts spent
Baby Clothes and Accessories	$1,979
Furniture	$1,436
Clothing, Shoes and Accessories	$1,216

The average earnings across all disposition channels in the second-hand economy is $1,134. Average earnings in different product categories are:

Categories	Amounts earned
Cars and Trucks	$2,393
Vehicle Parts and Tires	$1,993
Electronic Equipment	$1,687
Household Appliances	$1,563
Furniture	$1,436
Indoor /Outdoor Household Items	$1,399
Games, Toys and Video Games	$1,286
Clothing, Shoes & Accessories	$1,239
Entertainment Items (Books, CDs, etc.)	$1,185

Motivations for Second-Hand Acquisition and Disposal

What drives participation in the Second-Hand Economy?

Canadians get involved in the second-hand economy for different reasons, which vary depending on whether they are acquiring goods or disposing of them. The Index evaluates various motivations to develop an index score out of 100 for each grouping, as indicated below.

The motivations are calculated through a scale ranging from 0 (consumers say that this motivation does not have any impact on their participation) to 100 (consumers say that this motivation has an impact on their participation).

Motivations for acquistion

ECONOMIC 72/100: Saving money, either by getting a lower price or a better-quality item at the same price, or buying a larger number of things for the same price.

ECOLOGICAL 67/100: The opportunity to recycle someone's unwanted articles to reduce waste and protect the environment and to demonstrate eco-responsibility.

TREASURE-HUNTING 55/100: The joy of stumbling upon a valuable or truly unique item, or even just to enjoy the quest for its own sake.

REPAIR 53/100: Wanting to repair or refurbish items to give them a new life, giving the opportunity to enjoy repair work or restoring an old item.

CREATION 45/100: Enjoying transforming objects, making changes in the home, doing arts and crafts or sewing, creating new clothes from old.

Figure 11. The motivations to acquire second-hand goods (based on an index of 100)

ECONOMIC
Lower costs associated with second-hand products.

ECOLOGICAL
Protection of the environment.

TREASURE-HUNTING
Stumbling upon valuable objetcs.
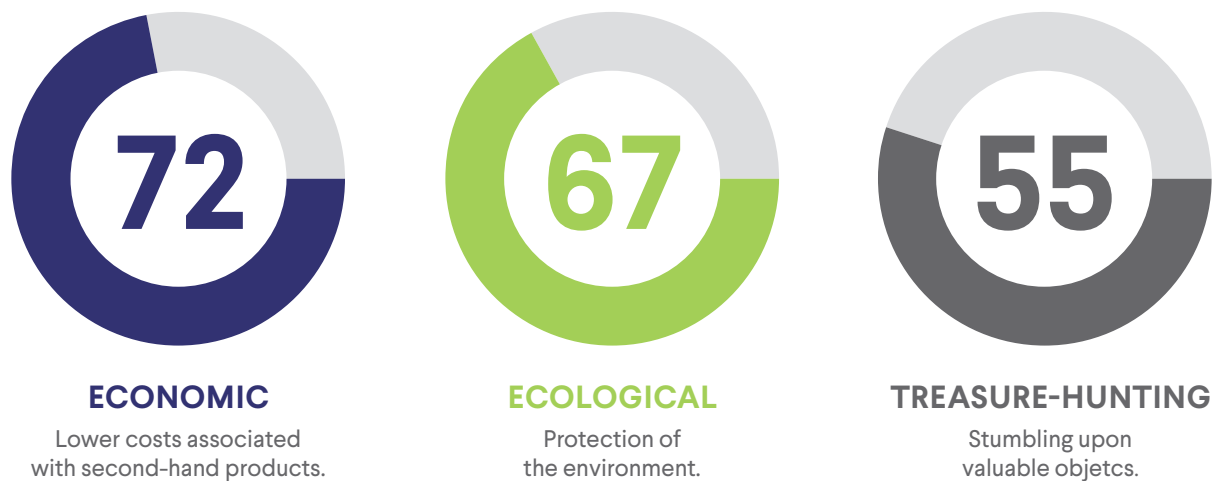
Motivations for disposal

PRAGMATIC 74/100: Wanting to get rid of things that are no longer needed or of value, or to save space.

ALTRUISTIC 69/100: The opportunity to do good by helping others less fortunate, helping society or allowing others to get enjoyment from items no longer needed.

ECOLOGICAL 66/100: Wanting to protect the environment by avoiding waste, extending the product's lifespan and helping the planet.

FINANCIAL 57/100: Creating the opportunity to make additional income to either help make ends meet or to finance another desired purchase.

Figure 12. The motivations to dispose of second-hand goods (based on an index of 100)

PRAGMATIC
Ease of ridding oneself of goods.

ALTRUISTIC
Doing good for others and society.

ECOLOGICAL
Preserving the environment.

Personal values shared by Canadians in the second-hand economy

Respondents were asked to rate their identification towards 10 key personal values to determine how these values impact their behaviour in the second-hand economy. The scores of relative agreement or disagreement towards the stated values were compiled into indices. The personal values are measured through a scale from 0 (the personal value does not have any impact on their behaviour) to 100 (the personal value has an impact on their behaviour). The closer to 100, the greater attachment the respondents felt towards a particular value.

We can conclude that **compassion** is the value that seems best to describe how Canadians who participate in the second-hand economy think of themselves while **power** is the one that describes them the least. The survey found that greater scores on the **power** value scale are associated with significant increases in both spending and earnings in the second-hand economy. Greater scores for **empathy**, however, reduce second-hand spending.

COMPASSION

75
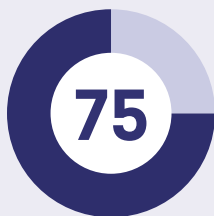
Caring for the welfare of people with whom one is in frequent contact, friendship, love. More likely **older and women**, living in **larger households**, who have been or are **married** and have a **higher level of education**. Relatively higher in **Calgary** and **London, Ontario.**

AUTONOMY

70
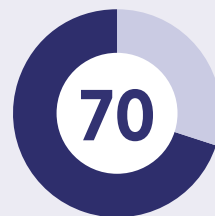
Independence in thought and action, creativity, freedom, autonomous selection of one's own goals. More likely **men**, living in **Ontario**, more frequently **divorced or widowed**, in **larger households** and with **no university degree**.

EMPATHY

73
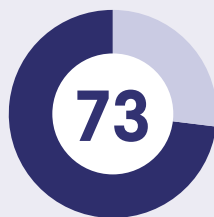
The protection of the welfare of all people as well as nature and environmental protection, justice, wisdom, peace. More associated with those **older and women**, in **larger households**, more likely **widowed or divorced** and with a **higher level of education**.

TRADITION

68
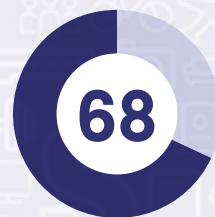
The acceptance of the customs and ideas that one's culture or religion imposes on the individual. More likely **women**, in **larger households**, **married or widowed** and with **more children**.

SECURITY

67
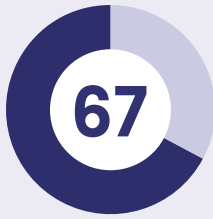
Harmony, social order; personal, family and national safety. Particularly favoured by **women**, **rural residents** and **non-singles** (married, separated, divorced, widowed).

CURIOSITY

58
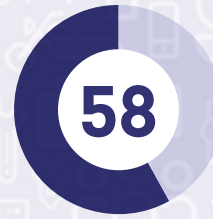
Novelty-seeking, excitement and variety in life. More likely **younger**, in **larger households**, have **more children** and **higher levels of education and income** but carrying more debt.

SATISFACTION

63
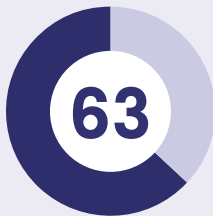
Striving to achieve pleasure, seeking personal success through demonstrated actions. More likely **younger**, **women**, **Quebecers**, in **larger households**, **single** or in **unmarried unions** and likely carrying more debt.

ACHIEVEMENT

57
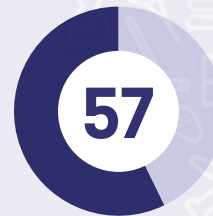
Seeking personal success through demonstrated competence in accordance with social standards. More likely **younger**, from **Quebec**, **Ontario** or **Alberta** with **more children**, **higher incomes and education** and carrying more debt.

CONFORMITY

60
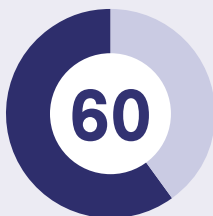
Restraint of action, inclinations and impulses likely to upset or harm others and violate social expectations or norms; obedience, self-discipline, respect for elders. More likely those who are **younger**, have **more children** and **higher levels of income** but below $200,000 per year.

POWER

51

Striving to attain social status and prestige, control and dominance over other people and resources. More likely **younger**, **men**, from **Ontario** and **Western Canada** have **more children** and **higher incomes**.

Conclusion

This fourth annual Kijiji Second-Hand Economy Index reinforces the main conclusions and data revealed in the first three reports, consistently illustrating the benefit of this activity to Canadians. These are:

- The second-hand economy is a significant driver of economic activity in Canada

- A wide cross-section of Canadians takes part in the second-hand economy

- The second-hand economy gives new life to billions of products every year, preventing them from remaining unused allowing Canadians to earn money they can then use for other economic activity by selling items they no longer need, use or want

- A lot of goods are traded in the second-hand economy non-commercially through gifts and donations

- Kijiji consistently remains the most dominant commercial channel for the second-hand economy

This year's report also shows that the second-hand economy is influenced in many ways by very active participants and players in the market. These very active participants increase the overall averages and can play an important role in keeping market activities at a high level. Canadians who participate in the second-hand economy in a less active manner are more common, but cumulatively, add up to a significant overall level of activity.

These reports, however, confirm the importance of having reputable and reliable channels to ensure this market can work fairly and efficiently, whether they involve online platforms or well-known facilities and networks to facilitate donations of unwanted items.

Canadians clearly want and need a second-hand economy that works efficiently and fairly to help both them and people in need. This report shows that in the past year they continued to have such a system and reaped its benefits.

Research methodology

The survey was conducted online for the *Observatoire de la consommation responsable* (OCR) of the Université du Québec à Montréal (UQÀM) in partnership with MBA Recherche between September 18, 2017, to October 12, 2017.

Primary data were collected using a sample of 5,625 respondents aged 18 and older representative of the Canadian population. Respondents were selected from a pan-Canadian Web panel according to pre-specified retention criteria such as gender, age and place of residence. Given that responses were obtained from a panel, computation of the margin of error does not apply.

The results of the survey revealed Canadians' behaviours and habits related to second-hand practices and quantification of the actual intensity of such practices across 22 product categories.

The conclusions reached in the economic considerations section of this report were based on the survey results regarding participation in and the economic value of second-hand economy transactions. The aggregation of these results to produce an estimate of the size of the second-hand economy in Canada is based on the assumption that the economic value of second-hand transactions is representative of goods not only bought and sold, but also acquired or disposed of through non-monetary transactions. The objective of this approach was to provide important insights into the second-hand economy and shed light on the debate over the interaction between the second-hand and the new marketplace.

The Research Team

Fabien Durif (PhD)

Fabien Durif is a Fulltime Professor in the department of marketing at the Université du Québec à Montréal (UQÀM)'s School of Management Sciences (ESG) since 2012 and Associate Dean of Research. He is a graduate from the Institut d'Etudes Politiques de Lyon (BA, MA, France), holds an MSc in Marketing from HEC Montréal and a PhD in Business Administration from HEC Montréal's joint program with UQÀM, McGill University and Concordia University.

Specialized in responsible consumption, sharing economy, he has published 40 papers in international publications (*Journal of Business Research, European Journal of Marketing, Journal of Consumer Marketing, Journal of Promotion Management, International Journal of Sustainable Development, International Journal of Market Research, International Journal of Consumer Studies, Ethics and Information Technology, British Food Journal*); and 110 papers for international conferences (eg. *Academy of Marketing Science, American Marketing Association, European Marketing Academy Conference, The European Institute of Retailing and Services Studies, Annual Business Conference Promoting Business Ethics*).

He is the Director of the UQÀM School of Management's Responsible Consumption Observatory, specifically the *Observatoire de la Consommation Responsable* (OCR). The OCR is a study and strategic vigil unit focused on research, innovation and the transfer of knowledge in the field of responsible consumption.

Manon Arcand (PhD)

Dr. Manon Arcand has been a Professor at the UQÀM School of Management since 2007. She holds a bachelor's degree and a master's degree in management, with a specialization in marketing from UQÀM along with a PhD in marketing under Professor Jacques Nantel at HEC Montréal. Her research interests include online consumer behaviour and the impact of the Internet on consumer privacy. In collaboration with other researchers, she has published and presented, in both scientific journals and at online security conferences her research findings on the impact of website' confidentiality policies on consumer perceptions of trust and control. She was recently awarded a research grant from the Social Sciences and Humanities Research Council (SSHRC) to study Canadian consumers' process of searching for multichannel information.

# The Research Team

Myriam Ertz (PhD)

Myriam Ertz is a Professor in the department of economics and administrative sciences at the *Université du Québec à Chicoutimi* (UQÀC) since 2016, and is the founder and head of the LaboNFC (Laboratory of the New Forms of Consumption) since 2017. She is a graduate of the Université de Strasbourg (BA, France), the Hogeschool Universiteit Brussel (MS, Belgium), and the Université du Québec à Montréal (M.Sc., Ph.D.). Her research interests include the modelling of consumer choice with an emphasis on responsible consumption, pro-environmental behaviour, and collaborative consumption; as well as managerial research such as branding-related studies and sustainable/ethical business practices. She has published numerous articles in reputable journals (e.g. *Journal of Environmental Management, Journal of Business Research, International Marketing Review, international Journal of Consumer Studies*), book chapters, a book and presented several articles at international conferences.

She is an affiliated researcher of the Desautels Faculty of Management (McGill University), an associate researcher of the inter-university *Centre de Recherche sur le Développement Territorial* (CRDT) at UQÀC, and a research fellow at the *Observatoire de la Consommation Responsable* (UQÀM). She serves on the editorial board of the journal *Organisations & Territoires* (UQÀC) and served as a reviewer for prestigious research outlets (e.g. *Journal of Business Research, Tourism Management and Journal of Business Ethics*). She is a member of the Order of Chartered Administrators of Quebec (C. Adm.), and has working experience in marketing research at FedEx Express (Brussels, Belgium) and at the Altus Group (Montreal, Canada).

Marie Connolly (PhD)
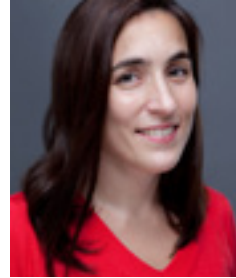
Marie Connolly has been a Professor at the Department of Economics of UQÀM's School of Management (ESG UQÀM) since 2009. She received her Ph.D. and M.A. in Economics from Princeton University, and holds both a bachelor's degree and a master's degree in Economics from the Université de Montréal. She teaches statistics and econometrics to undergraduates and labour economics to graduate students. Her research is primarily empirical and touches upon various topics in labor economics, such as social mobility, the formation of human capital, the gender wage gap, subjective well-being, women's labour force participation and the evaluation of public policy. Her second line of research is on the economics of resale markets, notably for concert tickets. Her work has been published in the *Journal of Labor Economics, the Journal of Economic Behavior and Organization, the Canadian Journal of Economics,* and the *Journal of Cultural Economics*, among others.