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Mercari 2023 Reuse Report



July 2023

Foreword

We're experiencing a resale revolution - and it's fundamentally changing the way Americans shop. In fact, Mercari expects the resale market to reach $325 billion by 2031, growing 54% faster than the broader retail sector. As Americans feel the effects of the current macroeconomic environment, it's no surprise that more people are turning to resale.

The 2023 Mercari Reuse Report highlights the paradigm shift happening in retail - beyond saving money, consumers are increasingly more conscious of the impact their shopping habits have on the planet. And, this behavior is contributing to major growth in the resale ecosystem. In the last 12 months, 82% of Americans purchased at least one secondhand item and 89% are planning to purchase a secondhand item in the coming year.

In this report, we dive deeper into the state of the resale market across household categories, reflect on the evolution of secondhand shopping, and share our predictions on what we believe the next 10 years could look like.

From sold-out tumblers and sought-after gaming consoles to designer bags and collectible trading cards, resale is an incredibly powerful way to discover trends, find inspiration, connect with others over shared interests, and extend the life of millions of items. No matter your reason for shopping or selling secondhand, Mercari exists to help facilitate these interactions, experiences, and exchanges in a seamless and meaningful way.

Findings from our 2023 Reuse Report show a promising future for resale, as more consumers across generations are realizing the vast benefits of the secondhand economy. We hope you're inspired to start or continue your resale journey with us.



John Lagerling
Mercari US CEO

For information on this report, and Mercari,
please contact us at press-usa@mercari.com

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01

Market Analysis & Forecasts

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The Reuse Report

The resale market: at a glance

US secondhand market forecast to reach $325B by 2031.

- Amid the economic downturn and cost of living pressures, US consumers are turning to resale to save money. Resale and reuse are becoming the norm – 56% of Americans say shopping secondhand is now a lifestyle choice for them.
- In 2022, Americans spent $174.1B on secondhand goods. This is up nearly 8.6%, or $13.7B, since 2021. The scale of this market is often underestimated because it spans a wide variety of categories beyond apparel.
- In the last 12 months, almost 82% of Americans purchased a secondhand item. 89% of millennials shopped resale with Gen Z not far behind at 83%.
- In 2023, resale is projected to reach $188.5B, an 8% YoY growth. According to our survey, 89.2% of Americans expect to purchase a secondhand item in the next 12 months with almost 60% citing inflation as a reason.

202% expected growth rate for online resale; 55.6% of resale volume in 2022.

- By 2025, the US secondhand market is projected to be worth $226B, and it's estimated to reach $325B by 2031.
- This market is expected to grow 86.7% between 2022 and 2031, significantly outpacing the 35.9% growth anticipated for the (non-secondhand) retail sector.
- Digitization of resale and online expansion continues to drive the market. From a category perspective, Kidswear was the fastest-growing online resale category in 2022, with a 39% increase annually.
- By 2031, the online channel is set to account for 55.6% of the total resale market. This is a projected growth of 141% over the ten-year forecast period (2022 to 2031).

Source: GlobalData Market Analysis and Forecasts, GlobalData Consumer Survey

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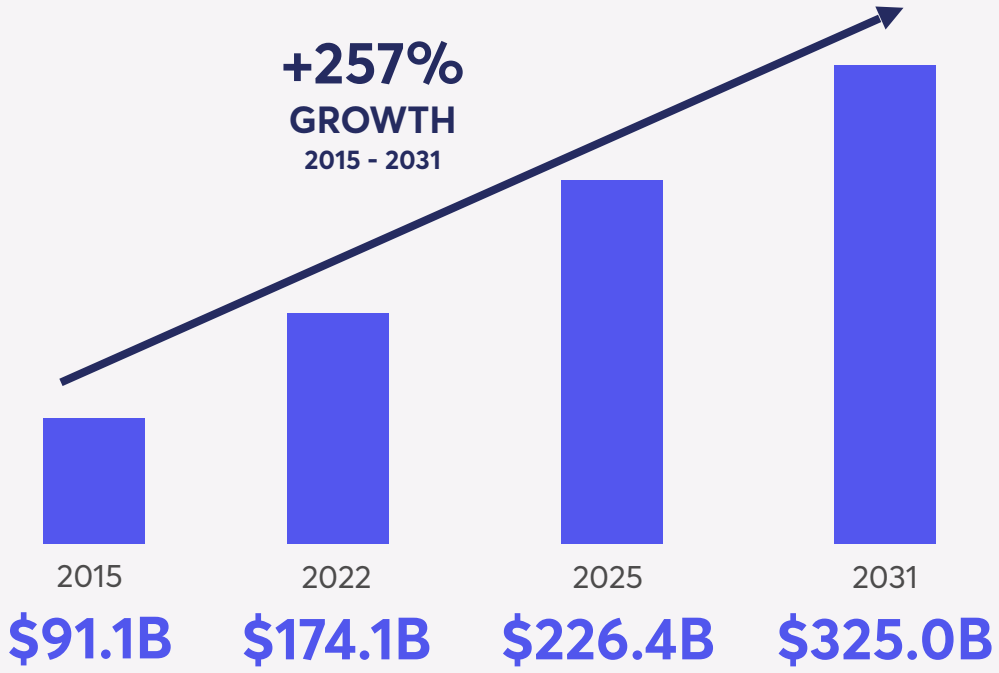
Resale is forecast to reach $325B

Total value of the resale market for each year
United States, $ billions



Last year, the resale market was worth $174.1B. By 2025, it is estimated to grow to $226B, and by 2031, it is on track to reach $325B. This makes resale one of the fastest growing channels for consumer spending.

The growth rate is projected to be 257% from 2015 to 2031 and 87% from 2022 to 2031.

The 87% growth in resale over the 2022 to 2031 period is 2.4x that of the growth anticipated for the retail (non-secondhand) sector.

Source: GlobalData Market Analysis and Forecasts

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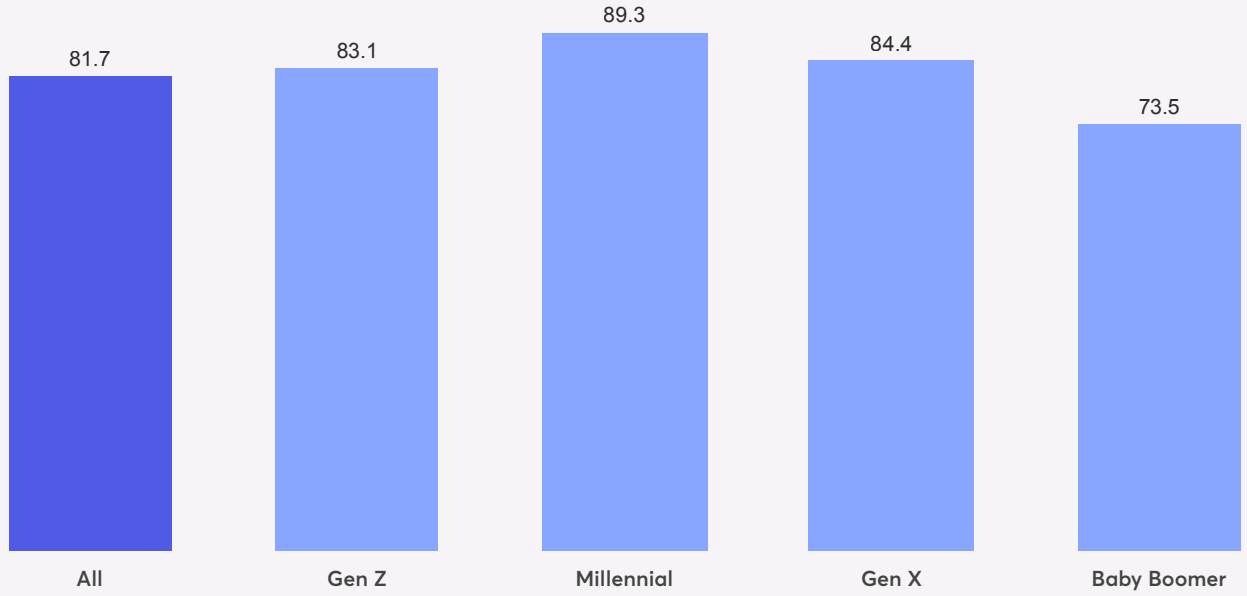
82% of Americans purchased secondhand items

Consumers who have purchased at least one secondhand item in the last 12 months

United States, % of consumers overall and by age group



81.7% of US adults purchased secondhand items in the past 12 months. That projects to 212.1 million Americans participating in the secondhand economy.

Millennials do the most secondhand shopping, followed closely by Gen X and Gen Z.

Books were the most-purchased secondhand category, purchased by more than half (58%) of US resale consumers.

Source: GlobalData Consumer Survey

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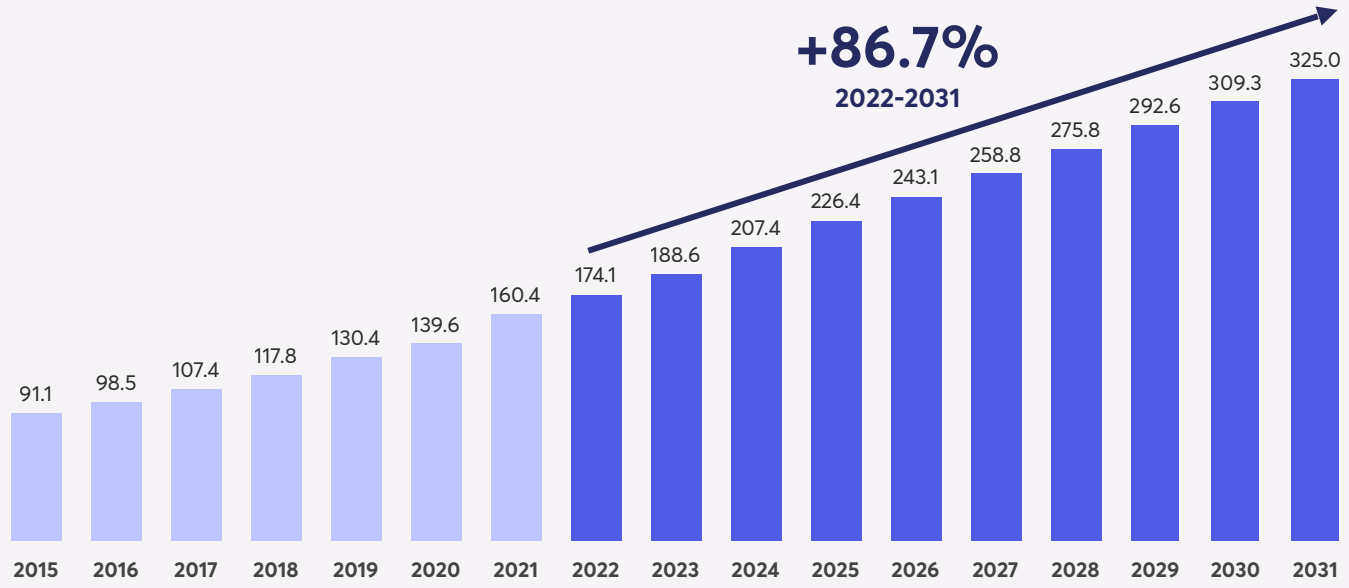
Resale continues to grow quickly

Total value of the resale market by year
United States, $ billions



The total US resale market reached $174B in 2022, almost doubling since 2015.

The resale market is projected to reach $325B by 2031, growing 86.7% from 2022.

Source: GlobalData Market Analysis and Forecasts

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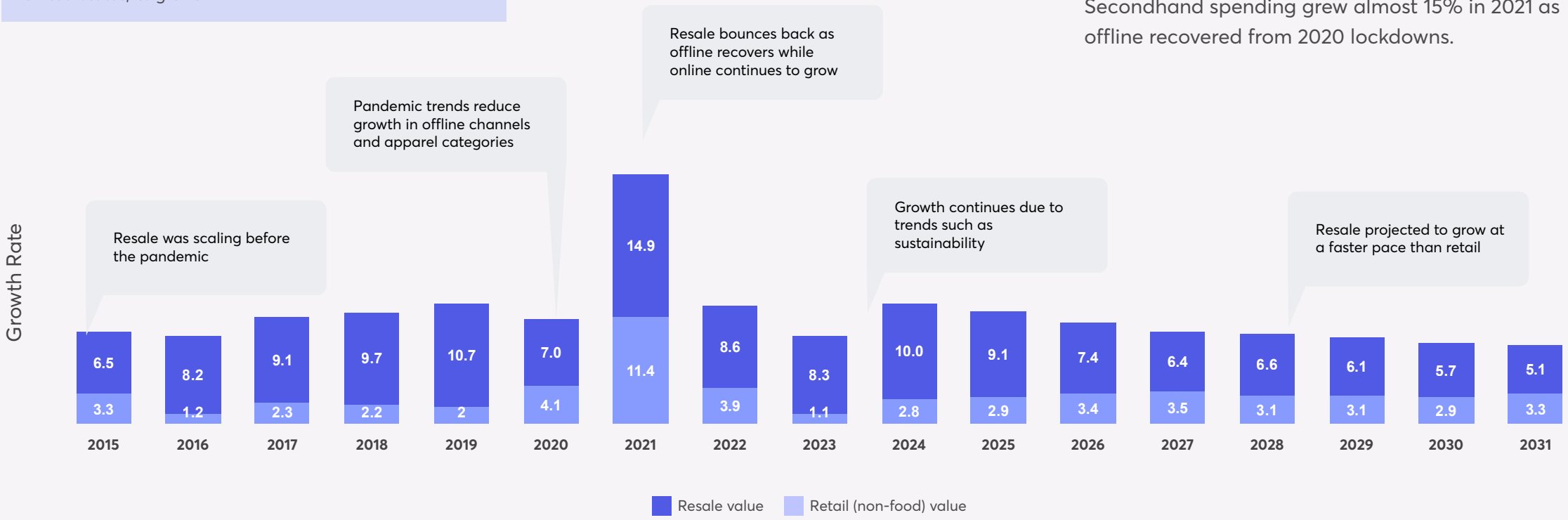
Resale growth expected to consistently outpace that of retail

Annual growth rate for resale and retail spending

United States, % growth

Secondhand spending grew almost 15% in 2021 as offline recovered from 2020 lockdowns.



Source: GlobalData Market Analysis and Forecasts

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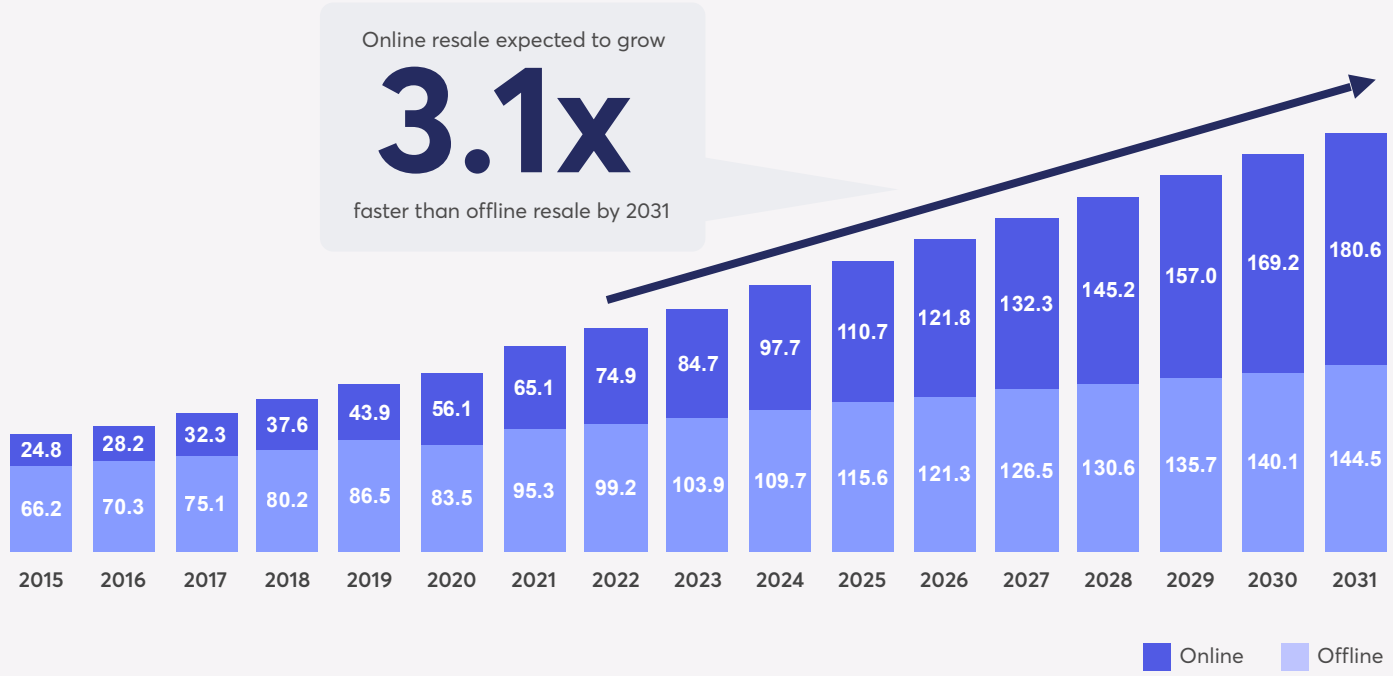
Online resale expected to grow 3.1x faster than offline resale between 2022 and 2031

Total yearly resale market value split by online and offline
United States, $ billions



By 2026, online is estimated to account for the majority of resale.

The online channel continues to outperform, growing 15.1% in 2022. Growth in the offline channel slowed to 4.1% in 2022, down 10 ppts from 2021.

Source: GlobalData Market Analysis and Forecasts

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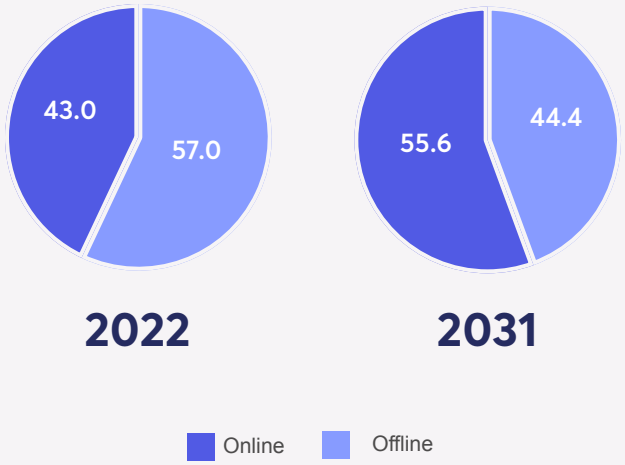
Online resale forecast to expand

Proportion of secondhand sales online and offline
United States



+141%

Total online growth
From 2022-2031

+45.6%

Total offline growth
From 2022-2031

Online is powering most of the growth of resale, and currently contributes 43% of the resale market.

By 2031, it's projected to expand to 55.6% of the market – a growth rate of 141%. Offline is only expected to grow to 45.6%.

Source: GlobalData Market Analysis and Forecasts

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2022 resale categories by value

Resale category map for 2022

United States, figures represent $ billions of sales for each category

Apparel: $38.5B

- Womenswear : $22.4B
- Footwear : $5.5B
- Menswear : $4.4B
- Accessory : $4.3B
- Kidswear : $1.9B

Electronics: $34.3B

- Computing : $12.0B
- Other Electronics : $10.6B
- Communications : $9.4B
- Appliances : $2.2B

Home: $21.2B

- Furniture : $7.2B
- Housewares : $7.1B
- Home Improvement : $6.9B

Leisure: $15.8B

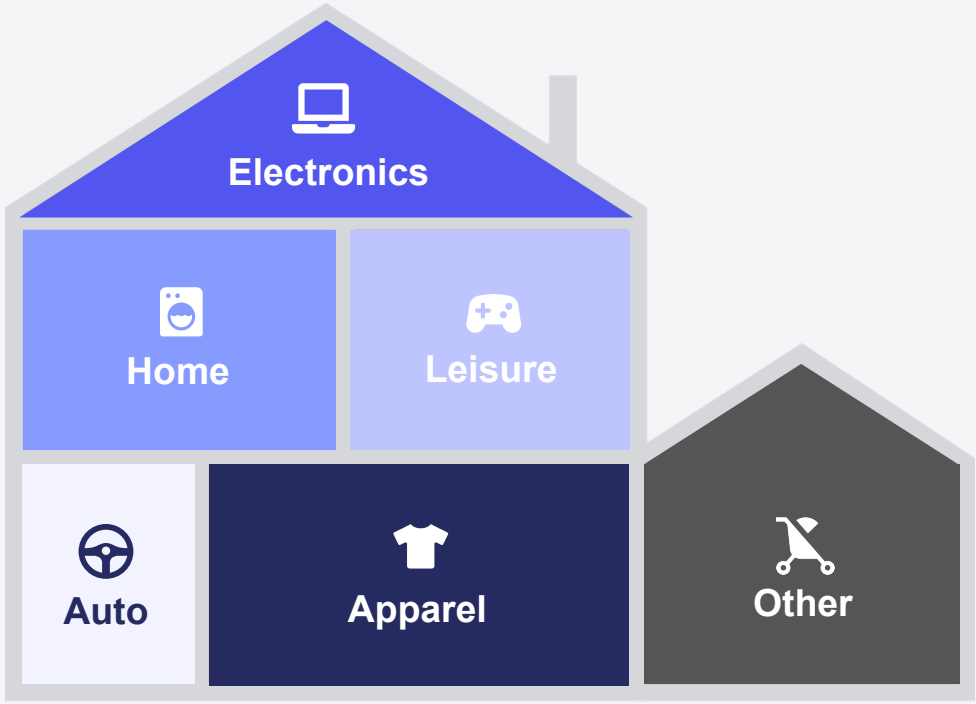
- Collectibles : $4.8B
- Books : $3.5B
- Musical Instruments : $2.1B
- Arts and Crafts : $2.0B
- Sporting Goods : $2.0B
- Toys and Games : $1.4B

Automotive: $7.4B

- Parts and Accessories : $7.4B

Other: $57.0B

- Other : $52.5B
- Beauty : $3.0B
- Kids and Baby Gear: $1.4B
- Pet Products : $0.1B



Source: GlobalData Market Analysis and Forecasts

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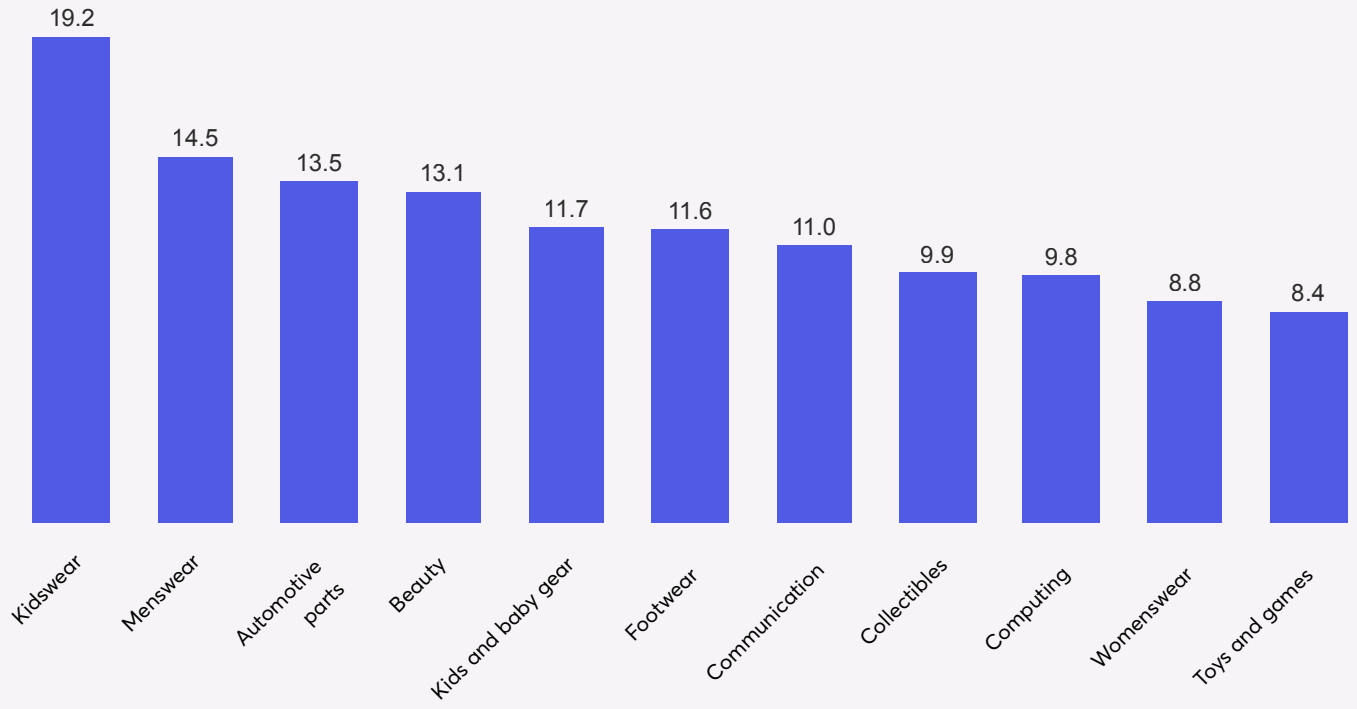
Fastest growing resale categories in 2022

Growth of spending on resale categories in 2022
United States, % growth



Kidswear was the fastest-growing resale category in 2022, with a 19.2% increase annually. Menswear came in second at 14.5%.

Source: GlobalData Market Analysis and Forecasts

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Categories expected to grow most by 2031

Growth of spending on resale categories between 2022 and 2031
United States, % growth



188%
Footwear



152%
Menswear



152%
Kids and baby gear



146%
Kidswear



137%
Communication



126%
Beauty



123%
Womenswear

Source: GlobalData Market Analysis and Forecasts

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Current Consumer Sentiments

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Americans are feeling the impact of ongoing economic uncertainty



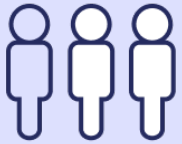
44%

of Americans feel negatively about the future of the economy.



62%

of Americans feel they are under more pressure because of inflation.



1 in 3

Americans are struggling to make ends meet.



60%

of Americans self-identify as bargain hunters.

Source: GlobalData Consumer Survey

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...and have changed spending habits, turning to resale

37% have traded down to cheaper products to save money.

58% searching around for more discounts and deals.

82% purchased secondhand items (in the last 12 months)

89% will purchase secondhand items (in the next 12 months)*

Source: GlobalData Consumer Survey

*projection based on respondents indicating “very likely” or “somewhat likely”

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Resale Supply

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Resale supply: at a glance

American households are currently sitting on $560B worth of unused products.

- There are 21.1B unused items in American homes (161 items per household), valued at $559.8B.
- Books make up the largest proportion of unused items, averaging 34.1 items per household. Footwear follows, at 28.6 items per household, followed by Womenswear at 27.7 items. These categories are expected to drive significant resale growth in the forecast period, particularly online, indicating opportunity for Americans to monetize unused items on digital platforms.

2.9B products fit for sale were either thrown away or recycled last year.

- Last year, consumers disposed of 13.7B usable items, and spent $5B on disposal of those items.
- About 2.6B items were donated and another 2.6B were sold on online sites. 2.3B items were given away.
- 2.9B products fit for sale were either thrown away or recycled. In monetary terms, 2.9B items equates to $76.3B worth of discarded items that are fit for reuse.

Source: GlobalData Market Analysis and Forecasts, GlobalData Consumer Survey

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American households are sitting on 21.1B unused items worth $560B









$559.8B

Total value of unused, resaleable items

$4,267

Value of unused items per household






Source: GlobalData Market Analysis

Numbers refer to the total number of unused items across American households and per American household. Includes only the categories covered in this report. Values are estimated dollar value of the products. Numbers are for 2022.

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Unused items are in high demand online

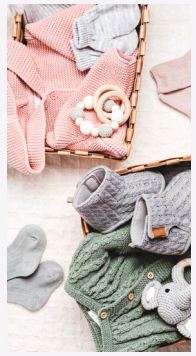
Currently, how many unused items do you have for each of the following?
United States, average number of items per household

Some of the largest categories of unused items are also the categories estimated to grow the fastest in online secondhand sales between 2022 and 2031.


Books
34.1


Footwear
28.6


Womenswear
27.7


Kidswear
24.7


Electronics
24.2


Menswear
19.4


Collectibles
19.0


Toys & games
18.1


Kids & baby gear
12.6


Beauty
11.6

Source: GlobalData Consumer Survey
References all respondents who have unused items.

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Item disposal represents income opportunity

What happened to unused items in 2022?
United States, billions of items



13.7 billion

Total number of items disposed of in 2022

In 2022, 20.9% (2.9B) of usable items were thrown away or recycled.

In monetary terms, this equates to $76.3B worth of discarded items that would have otherwise been fit for sale.

Source: GlobalData Market Analysis
Numbers refer to the total number of unused items that were disposed of in various ways in 2022. Includes only the categories covered in this report.

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Secondhand Motivations

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Secondhand motivations: at a glance

82% of Americans purchased a secondhand item in the last 12 months.

- In the last 12 months, 212.1 million US adults bought at least one secondhand item – that's 81.7% of adults. This is a significant increase from the 196.6 million US consumers who bought resale in the year prior, reflecting the continuing growth of the market.
- Younger shoppers are the most likely to buy secondhand, with 89.3% of Millennials purchasing at least one item in the last 12 months, the highest percentage across generations.
- Why secondhand? According to our survey, 72% said because it saves them money, followed by desire for vintage at 34.3% and finding things unavailable elsewhere at 28.3%.
- Online is the most-used channel when buying secondhand – 56.3% of resale consumers shop this way.
- More people are estimated to shop resale in the next 12 months – nearly 90% of US consumers say they're likely to purchase secondhand.

Almost 50% of Americans sold a secondhand item in the last 12 months.

- In the last 12 months, 123 million Americans sold unused items. That's 47.4% of the adult US population.
- The top three reasons to sell secondhand: to make extra money, declutter, and get rid of items quickly. A quarter of Gen Z and Millennial sellers participate because they love the sense of community, as compared to only 19.7% of secondhand sellers.
- In the next 12 months, three in four US consumers indicated likelihood to resell an item. Clothing, electronics, and shoes top the list of items consumers expect to sell.
- 53% of consumers expect to sell more items secondhand as a response to inflation.

Source: GlobalData Market Analysis and Forecasts, GlobalData Consumer Survey

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Reasons to shop resale vary across generations and demographics

What are your primary reasons for buying secondhand items?
United States, % of consumers overall and by age group

	All consumers	Gen Z	Millennial	Gen X	Baby Boomer
To save money	71.9	61.4	60.6	77.6	85.2
To find vintage items	34.3	33.5	31.4	34.5	38.4
A way to find something unavailable elsewhere	28.3	23.0	27.7	29.5	31.7
A way to discover new items - like a treasure hunt	25.8	27.7	24.4	25.7	26.4
To reduce my environmental impact	21.1	26.4	22.6	19.5	18.9
A way to find popular or trending items	15.5	21.8	19.1	15.2	7.7

Below overall percentage Above or equal to overall percentage

Majority of consumers turn to secondhand to save money.

Younger resale consumers are motivated by sustainability.

Gen Z shoppers seek to find trending items secondhand.

Source: GlobalData Consumer Survey
Percentages may sum to more than 100% as respondents could select multiple responses.

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Making money and decluttering are top reasons consumers sell secondhand

What are your primary reasons for selling secondhand items?
United States, % of consumers overall and by age group

	All consumers	Gen Z	Millennial	Gen X	Baby Boomer
To make extra money	57.6	46.1	50.5	61.9	79.5
Cleaning & decluttering	49.3	38.9	44.4	50.4	69.5
Allows me to get rid of things quickly	32.0	31.1	25.4	33.5	44.2
I enjoy it	30.5	28.5	33.3	28.9	28.8
To reduce my environmental impact	19.7	21.7	22.8	18.7	12.7
I love the community	19.7	24.4	25.1	20.3	3.4
To buy something I couldn't otherwise afford	16.9	18.9	19.4	19.0	7.2

Below overall percentage Above or equal to overall percentage

Gen Z and Millennial cohorts express the most affinity for the secondhand community of sellers.

Source: GlobalData Consumer Survey
Percentages may sum to more than 100% as respondents could select multiple responses.

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Mercari Shopper Trends

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Popular brands by category

Women's	Men's Activewear	Kidswear	Electronics	Toys & games	Home	Trading Cards
Victoria's Secret / PINK	Nike	Carter's	Nintendo	Funko	Rae Dunn	Pokemon
Coach	Adidas	Crocs	Apple	Squishmallows	Bath & Body Works	Panini
Free People	Reebok	Kate Quinn	Sony	Mattel	Starbucks	Topps
Michael Kors	Under Armour	Cat & Jack	Microsoft	LEGO	Le Creuset	Wizards of the Coast
Lululemon Athletica	The North Face	Little Sleepies	PlayStation	Hasbro	Stanley	Konami

Source: 2022 Mercari Brand Data

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Trending categories by city



Source: March 2023 Mercari Category Data

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A Look Ahead

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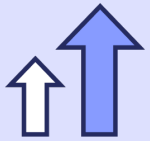
Reasons why consumers intend to buy more secondhand items in the next 12 months...



76%

Save money



57%

Response to inflation / rising prices



32%

Reduce environmental footprint



25%

Supply chain issues / product shortages

Source: GlobalData Consumer Survey

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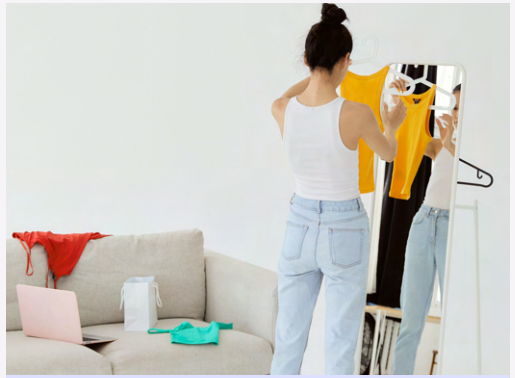
What else can we expect in the next 12 months?



31%

of Gen Z consumers expect to increase shopping budget, compared to 19% of consumers overall



48%

of Millennial consumers expect to shop more online, compared to 37% of consumers overall



1 in 3

Gen Z shoppers expect to buy more secondhand items and spend more time on online resale platforms



31%

of Gen Z and Millennial shoppers plan to spend more on sustainable brands

Source: GlobalData Consumer Survey

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Details

Definitions & Methodology

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Definitions

The following product and category definitions apply:

Retail
The retail market includes all consumer product segments (food, household goods, beverages, homewares, furniture, home improvement, electronics, apparel, health, beauty, sports, games, leisure and hobby, entertainment, and other various products). Digital products, such as individual music downloads and e-books, are also included. The following are excluded: business to business sales, wholesale trade, gasoline, automotive vehicles (auto accessories are included), foodservice, household services such as plumbing and installation, medical devices, prescription drugs, travel, insurance, subscriptions services such as Netflix and Spotify, etc. Market sizes are measured by the total amount consumers spend on the products through all channels and all retailers.

Resale / secondhand
Any product sold, whether used or not used, after having first been owned by another consumer; can be sold directly or via third-party resellers. Includes all channels: charities, yard sales, peer-to-peer marketplaces, resale firms, auction sites, classified adverts, etc. The sale of first-hand products via these channels is not included. Resale includes sales of refurbished items or secondhand items sold by traditional, first-hand retailers – such as open-box items in electronics.

Apparel
Includes all types of apparel across all segments: **menswear**, **womenswear** and **kidswear**, which are also broken down separately. **Footwear** and **accessories** are broken down separately.

Automotive parts
Includes all automotive parts, accessories and sundries such as automotive cleaning and lubricants; excludes all vehicles.

Electronics
Includes all consumer electronics from appliances to computing to audio visual. Electronics is broken down into: **computing**, which is laptops and desktops plus peripherals and computing accessories; **communications** which includes smartphones and other electronic communications devices; **appliances** which includes both large and small home appliances; and other electronics which contains all other electrical devices.

Housewares
Includes all housewares; excludes home improvement and home electronics such as televisions, excludes floorcoverings. Excludes furniture which is broken down separately.

Home improvement
Includes tools, home improvement materials, accessories and other home improvement products; excludes appliances and general housewares/furniture.

Sporting goods
Includes all sporting equipment, sporting accessories, exercise equipment including bikes; excludes automotive transportation and sporting apparel.

Furniture
Includes all types of furniture for the home from beds to tables, sofas, chairs, etc. Mattresses are included in furniture, but soft textiles such as curtains and decorative accessories are included in homewares.

Beauty products
All beauty products including cosmetics, skin care, body care, hair care, beauty accessories and aids, non-electric tools. Electronics such as hairdryers and straighteners are under electronics.

Toys and games
All toys and games including soft toys, board games, building blocks; includes adult games.

Collectibles
Consumer collectibles such as sports cards, stamps, currency and coins, decorative collectibles, art and animation characters, comics, etc.

Kids and baby gear
All sundries for kids and babies, excluding apparel. Includes: cribs, cots, pushchairs, changing stations, diapers, baby sundries, etc. Excludes toys which are under the toys and games category.

Pet products
Including: pet toys, pet food, pet health; excludes the sale of live pets and vet services.

Arts and crafts
Arts and crafts materials such as paper, fabrics, beads, yarns, threads, paints etc. Also includes arts and crafts tools such as knitting needles, paintbrushes, glue guns, etc.

Books
All books; excludes comics and magazines; excludes ebooks.

Musical instruments and accessories
Includes all musical instruments such as guitars, drums, flutes, etc. Includes all accessories such as music stands, plectrum, metronomes, etc. Sheet music is included.

Other
Contains a mix of resale products, including: food, beverages, alcohol such as wines and spirits, household consumables, small non-toy vehicles such as scooters, fixed floorcoverings (rugs are in homewares), physical music such as CDs and vinyl, physical movies such as DVDs, luggage and travel accessories, household industrial products such as generators, fuel and fuel supplies, stationery, packaging materials and sundries, healthcare products and health aids, paper products like greetings cards, non-collectible magazines, seasonal products such as Christmas trees and lights.

Online sales
This means a transaction that is made online – i.e. payment for the product is made online regardless of the other channels used during the shopping journey. For example, a product paid for online and collected in store is counted as an online sale.

Offline sales
This means a transaction that is made in a physical store or via some other non-online channel. For stores, payment for the product is made in a store regardless of the other channels used during the shopping journey - for example, a product paid for in store and then delivered to a customer at home is counted as a physical sale. Other offline channels include mail order, telephone and television shopping. These form a relatively small element of most markets.

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Methodology

GlobalData Market Analysis and Forecasts

To calculate the market numbers GlobalData considered the following information:

GlobalData's consumer panel, which tracks the shopping behaviors and buying habits of a representative sample of over 100,000 consumers
- This consumer data was supplemented by further consumer research to assess views and opinions on a variety of resale buying and selling
- Data provided by individual retailers (both secondhand and non-secondhand) which breaks down sales and volume overall and by category
- Secondary data from company reports and financials.

All the data are built into GlobalData's model of consumer spending which allows calculation of the various metrics on a national level. Retail analysts carry out several checks on this model to ensure its accuracy and validity. This includes checking against data from individual retailers, official government data, industry data and other sources.

Where provided, forecast data is modelled using a three-step process:
1. Cross-correlation auto regression of inputs over time
2. Bayesian techniques refine to single-most robust forecast
3. Cross-correlation auto regression and Bayesian refinement for the final output

Inputs for the forecasting model include standard economic and social variables as well as specific data from consumer research, retailer predictions and retail metrics such as store numbers.

GlobalData Consumer Survey

Consumer statistics are based on a February 2023 survey of 2,500 US respondents over 18, specifically assessing secondhand buying & selling behavior. Sample is nationally representative in terms of gender, age bracket, income level, and region.

About Mercari

Our platform connects millions of people across the US to shop and sell items no longer being used. Mercari is constantly innovating to make exchanges easier, from at-home authentication to improvements in online payments and shipping. Mercari has more than 50 million downloads in the US and 350,000 new listings every day, empowering the next generation to transform the way they shop.

Mercari can be downloaded on app stores or accessed online through www.mercari.com.

Forward-looking Statements
This release contains forward-looking statements. Forward-looking statements include all statements that are not historical facts. The words "will", "estimate", "forecast", "anticipate", "expect", "predict", "plan", "project" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties and assumptions. Except as required by law, Mercari has no obligation to update any of these forward-looking statements to conform these statements to actual results or revised expectations.

For information on this report, and Mercari, please contact us at press-usa@mercari.com.

The Reuse Report

About GlobalData

GlobalData is a global research agency and consulting firm. Within the firm's retail division, their work focuses on all aspects of retailing and consumer behavior, which they deliver through a variety of different reports and their interactive Intelligence Centre. They also undertake custom research and consulting work for clients.

GlobalData is headquartered in New York and London with offices across the world. Their analysts and researchers work to understand the latest trends and developments in retailing across developed and emerging markets. They also have a global panel of consumers which they use to undertake consumer surveys and to gauge and assess sentiment and views on various retail issues.

GlobalData works with many of the world's leading retailers, FMCG groups, property firms and those in the financial sector to help them maximize success through developing a thorough understanding of the retail sector and its likely future performance.

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