



Gumtree

TRADING IN THE
CIRCULAR
ECONOMY
REPORT



Gumtree

in partnership with

PLANET ARK

June 2021

Trading in the Circular Economy Report 2021

Mark Kehoe
Managing Director, Gumtree Australia

For over 14 years, Gumtree has helped Australians upcycle to a better life by encouraging everyone to think and act smarter about their environmental footprint and financial wellbeing. Since its inception in 2010, our annual report into the second hand economy has demonstrated the opportunities available to Australians when they buy and sell pre-loved, unwanted and unused items.

11 years on, more Australians are opting for more financially and environmentally responsible purchases than ever before. **With over 2.8 million live listings and 7 million users each month, Gumtree is a growing force for good.** As a marketplace that places the future of the planet and the experience of the community at the centre of its model, **we're committed to educating Australians about the value of trading within the circular economy which could be worth over \$48 billion.**

In 2021, Gumtree's highly valued annual report has evolved to tell a new story – that **when we share more, we waste less.** To amplify our message further, and continue to improve as a business ourselves, we've partnered with Planet Ark – Australia's most trusted environmental organisation. Our partnership begins with educating Australians on the benefits of trading in the circular economy, and, as a result, will drive the adoption of more sustainable practices nationally.

The inaugural Trading in the Circular Economy Report reveals the unlocked potential of our pre-loved, unused and unwanted items and shows Australians **how easy it is to improve their financial wellbeing, while also encouraging sustainable trade.**

Now more than ever before, Australia needs a community marketplace like Gumtree where we can trade together to save together. We hope this report empowers you to make smarter and kinder choices for both your wallet and the Earth by harnessing the power of your community. It starts with one of us. It ends with all of us.



Paul Klymenko
CEO, Planet Ark

For too long our society and economy has been characterised by what we waste as well as what we build and create. We extract raw materials from the earth, use those resources to make products and, **once these products reach the end of their ‘useful life’, we dispose of them in a hole in the ground.** This “take, make, dispose” approach characterises our current linear economy, but on a planet with finite resources a wasteful system is a significant problem.

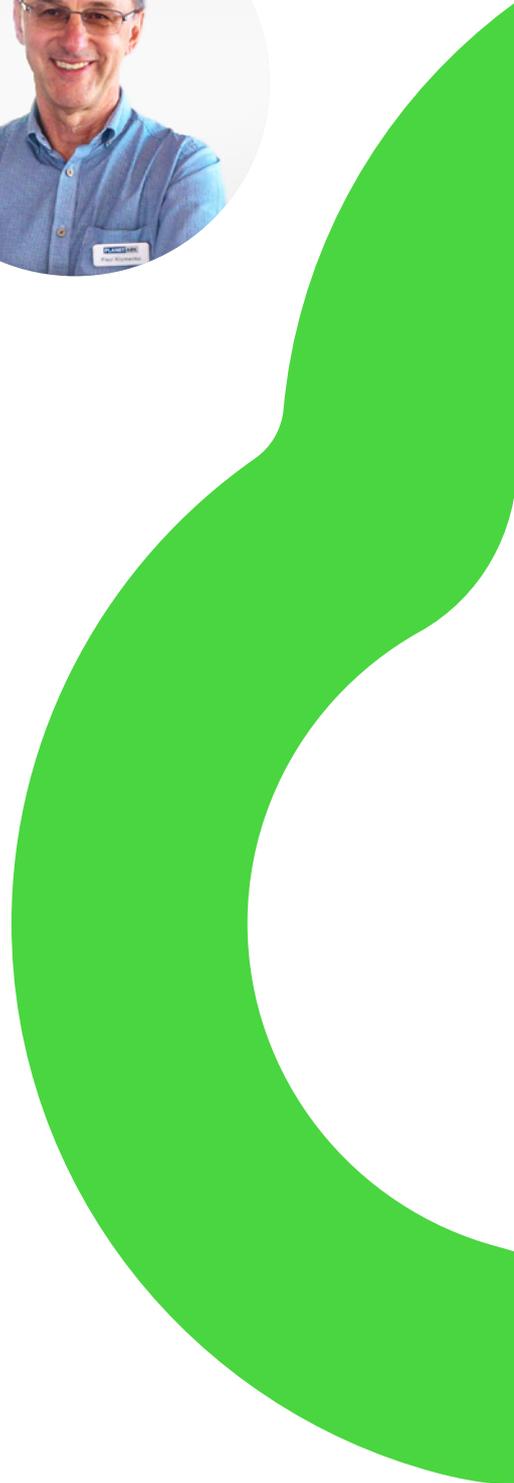
It doesn’t have to be this way. There is no such thing as waste in nature, waste is the result of human design. The circular economy aims to address this through a paradigm shift focusing on designing out waste, keeping resources in circulation and regenerating natural systems; changes that would drastically reduce resource consumption and our impact on the environment. The circular transition will be the most important human undertaking of this century and will require one of the most significant collaboration efforts ever seen.

That’s why we are so pleased to be entering a new partnership with Gumtree, a fantastic exemplar of the circular economy in action. **Keeping products in use through reuse and repair is a core principle of circularity and the Gumtree marketplace enables Australians to participate in this imperative practice by buying and selling used goods.** Planet Ark has been working towards circular economy principles for decades, but marketplaces that unlock the potential for sustainable trading are paramount to achieving that vision.

For both financial and environmental reasons, the Australian public has a clear appetite for trading in the circular economy. This appetite is only going to grow going forwards and we are thrilled to have a leader in this space joining us to not only communicate the importance of sustainable consumer practices but also provide the means for Australians to engage with them.

Starting with this important report, Gumtree and Planet Ark will be working together closely to convey the environmental benefits of an Australian circular economy. Through both Gumtree’s research and our own, **we know there is a willingness to embrace circularity amongst the Australian public** and together we will show how all Australians can help to bring it to fruition.

Because when it comes down to it, **the best alternative to our current economic model for both people and planet is one that is circular.** We hope this report and our new partnership with Gumtree will help drive the type of change required to achieve that.

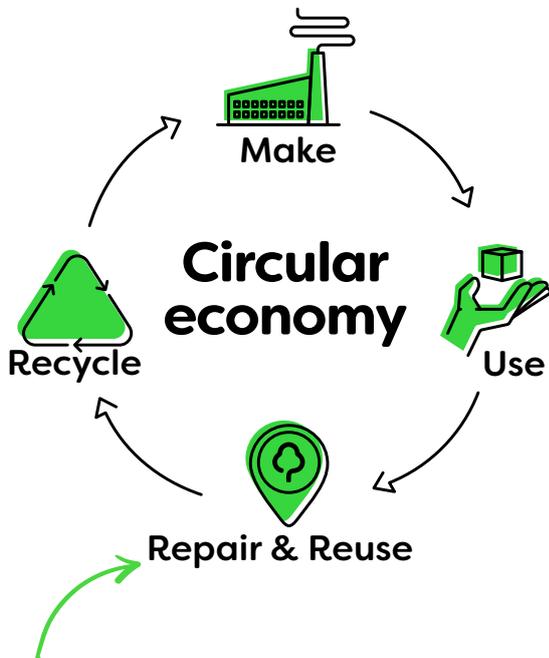
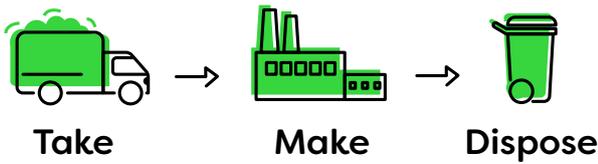


What is the Circular Economy?

The circular economy is **an innovative system for rethinking the way we use products and services for the benefit of society, the environment and business.** In this system, waste and pollution are designed out, products and materials are kept in use and natural systems are regenerated¹.

For Gumtree, **our unique contribution to the circular economy lies in the reuse phase**, where we encourage the community to challenge traditional models of consumption and opt for buying and selling pre-loved or unused items.

Linear economy



This is trading in the circular economy



Source: [Planet Ark](#)

Results on a page



Savvy Aussies stand to make approximately

\$5,300

per household from their unwanted items

The value of trading pre-loved, unwanted or unused items in Australia could be worth over

\$48 billion



↑ and has **grown 89%** over the past 10 years



On average, **87% of Aussies** have pre-loved, unwanted or unused items they could sell, with around

21 items

per household (up from 19 in 2020)

It's not unusual to have many more than this, with **almost 1 in 5 (19%)** having

40 or more

pre-loved, unwanted or unused items per household



A post-COVID snapshot

How do Aussies feel about their finances post-COVID?

The COVID-19 pandemic has had far-reaching impacts for the Australian economy and population in all corners of life, but the financial burden has been particularly significant:

48%

of Australians state that the pandemic affected their income in some way



34%

of Australians reported a decrease in their earnings post-COVID



34%

of Australians are experiencing some form of financial stress



6%

of Australians rate their current financial stress as "high"



Key financial concerns for Australians at this time include:



53%

are worried about their ability to pay for household expenses such as food, utility bills, internet, etc.

30%

are worried about their ability to pay for unexpected expenses

Unlocking your financial freedom



What is financial freedom?

We asked Australians to define what **financial freedom** means to them – the results show Australians are striving to stay on track with regular expenses, live debt free and afford some luxuries:

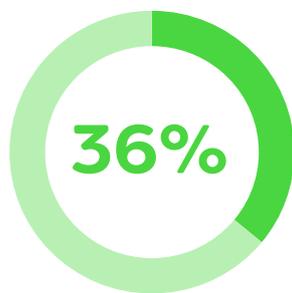
In a post-COVID world

48% of Australians are selling pre-loved, unwanted or unused items to unlock their financial freedom

Australians define financial freedom as:



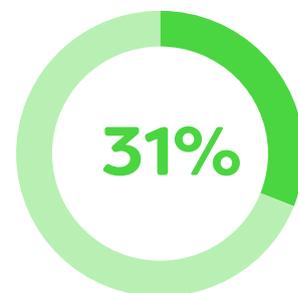
having enough income to be able to pay their day-to-day living expenses, save money and splurge on luxuries



being completely debt free



not feeling regularly preoccupied with financial concerns



having enough income to pay their day-to-day living expenses plus some extra for additional purchases and/or savings

How to unlock your financial freedom with the circular economy

With the financial strain of COVID-19 being felt far and wide, savvy Australians are increasingly taking financial freedom into their own hands.

55% of Australians who experienced a decrease in income or revenue due to the COVID-19 pandemic have created their own alternative income streams.

Australians are now more open to trading in the circular economy than ever before:



are more likely to buy pre-loved items from online marketplaces in a post-COVID world



are more likely to sell their pre-loved items via online marketplaces in a post-COVID world



53%

of Australians who experienced a decrease in revenue or income due to COVID-19 have bought or sold pre-loved items to supplement lost income



Those already trading in the circular economy are reaping the financial benefits:



of Australians are buying pre-loved items to unlock their financial freedom



of Australians are selling pre-loved items to unlock their financial freedom

Millennials have generated more from the sale of their pre-loved items than Gen X and Baby Boomers



How are Aussies using their extra cash?

18%

spent the money on **lifestyle items** or **house and garden items** that they would have normally spent on holidays



More than 2 in 3

Australians who sell pre-loved, unused or unwanted items use the funds they have made to replace the item with something new, **showing how Gumtree can enable Aussies to buy the things they really want**



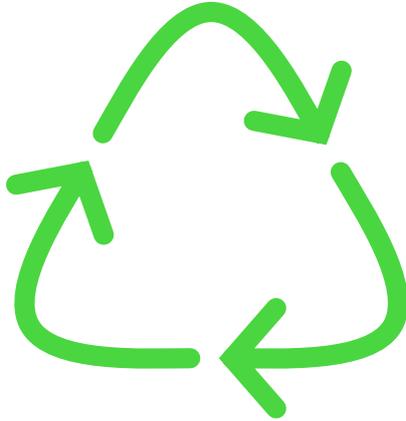
However, despite the vast number of people experiencing post-COVID financial pressures, **40% of Australians are not taking advantage of the circular economy** to unlock their own financial freedom. This highlights how Gumtree will have more to offer to these untapped communities in coming years.

A sustainable marketplace

Just as Australians are reaching for enhanced financial freedom, there is a growing consideration around the future of the planet and shifting traditional models of consumption for more sustainable practices.

46%

of Australians say they are becoming increasingly concerned about **the environmental footprint of buying brand new**



81%

of Australians say they are **already changing the way they consume goods** to be more environmentally friendly now compared to 10 years ago

86%

of Australians say **sustainable practices inform their purchasing decisions** when buying brand new or throwing out pre-loved items

Buying brand new products fuels overconsumption and degradation of the planet's finite resources. Gumtree enables environmentally minded Australians to reduce their impact by opting to trade pre-loved or unused items in the circular economy.

In just the past year,

86%

of Australians have saved pre-loved items from going into landfill by selling them in the circular economy

On average, these individuals saved approximately

16 items

This equates to approximately

110 million

items being saved from landfill in the past 12 months.

For those Australians already trading in the circular economy as a means of practising sustainability:

- **56%** are aiming to **reduce and recycle more**
- **50%** are wanting to **reduce waste they send to landfill**
- **33%** are wanting to **be conscious consumers**



In 2021, **84%** of Australians are willing to embrace the circular economy as a means to do better by the **environment**. As Australia's favourite online marketplace, Gumtree is committed to educating more of the community on how to share more and waste less.

The growing circular economy

What does circular trading look like in 2021?

In light of current financial pressures and a growing interest in sustainable practices, the circular economy is thriving:

50%

of Australians have sold pre-loved items in the last year



Over

89 million

used goods have changed hands in the past 12 months



86%

of Australians have purchased pre-loved items at some stage, with 62% buying something at least once a year or more frequently



How are Aussies tapping into the circular economy in 2021?

Australians identify the following benefits and motivations of buying and selling pre-loved items as the main drivers behind this growth:

55%



giving items a second life

52%



decluttering the home

40%



unlocking their financial freedom

37%



sustainability

Among the many Australians benefiting financially from trading in the circular economy, **on average buyers save 41% buying pre-loved rather than new.** The items Australians are most likely to consider buying from the circular economy are:



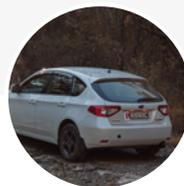
42%

Second hand office furniture



41%

Dining tables



40%

Cars



37%

Home décor & furniture items

Who's most likely to have saved items from landfill?

90% Gen X

89% Millennials

78% Gen Z

Millennials (46%) are more motivated than **Baby Boomers (34%)** to trade in the circular economy to unlock their financial freedom.

Gumtree is the marketplace of the future



Now more than ever before, **there is a growing appetite for a sustainable marketplace** that puts power back into the hands of the people. The findings demonstrate Aussies are benefiting from marketplace trading in two clear ways; to improve their financial wellbeing and reduce their environmental footprint through buying and selling pre-loved, unwanted and unused items.

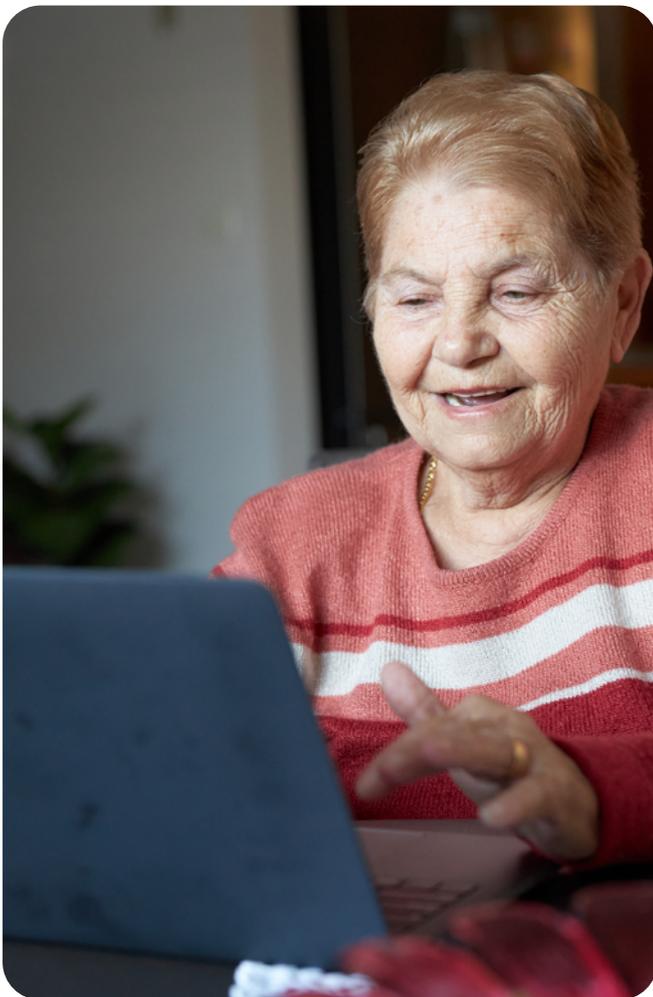
Gumtree is committed to **breaking down barriers to circular trading and enabling more Australians to make more mindful decisions.** By empowering Aussies to trade together, these behaviours will reinforce the fact we can save together.



A Gummie's guide to the circular economy

With circular trading forecast to grow in the coming years, **there's never been a better time for Australians to gain the financial and sustainability benefits of buying and selling pre-loved items.**

Here are some easy tips to start trading and saving together with the fellow 7 million Gummies on site each month.



How to sell on Gumtree (and make money grow)

1. Be descriptive:

Describe the product you're selling, including its features, a brief history and reasons for selling the item. The more information you provide, the more likely you are to make a sale at the price you're looking for. You can be as creative as you like!

2. Interact with your buyers:

If you want to increase your chances of selling an item, make sure you respond promptly to messages from potential buyers and offer some personality. Make sure you turn your notifications on through the Gumtree App to avoid missing any messages.

3. Trade safely:

When exchanging an item, take a friend or family member with you if you feel more comfortable or select a neutral meeting place. If you would prefer not to meet up, you can add the 'Contactless Trade' badge on your listing as a signal to the community that you are following COVID-19 safety precautions and would consider leaving items in an accessible area to exchange.

4. Think ahead:

When you buy a new item, think about its second life there and then. Protect the item and preserve the original packaging and receipt, in order to re-sell later. This adds huge value at resale time.

5. List what's in demand:

Think about the items that are in the most demand, whether that be based on seasons or particular time period. Our latest data shows that there is a lot of money to be made quickly by selling clothing, home décor, electronics and books/games - so if you have these items lying around the house, get listing!

A Gummie's guide to the circular economy



How to buy on Gumtree (and save the planet)

1. Do your research:

Creating your dream home takes time and inspiration. Research the style you love, and compare products and prices online before searching Gumtree to see how you can save some money.

2. Save your searches:

If you are looking for a particular item or brand, make sure to 'Save searches' as it provides you with an email update whenever a similar item is listed – so you won't miss out on any great buys!

3. Ask questions:

When first contacting the seller, don't be afraid to ask lots of questions about the condition of the item, why it's for sale and whether there are receipts or warranties available. It's easy to contact a seller via the Gumtree My Messages feature.

4. Practise safe trading:

Be sure to follow current guidelines on COVID-19 safe trading [here](#). Tips include scheduling a video inspection of an item or if meeting in person, washing your hands before and after; cleaning items before using (and asking the seller to do the same before you purchase); consider contactless delivery.

5. Set it up safely:

Once you've purchased your items, make sure to follow instructions provided by the supplier or original manufacturer to set up furniture or equipment correctly.

Based on the number of Australians who sold these items in the past year, the most commonly sold pre-loved items are:





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Gumtree Australia Pty Ltd commissioned YouGov Galaxy to prepare Trading in the Circular Economy 2021 report. Contents of this report may be reproduced provided appropriate credit is given to the source.

The findings in this document are the result of a survey conducted by YouGov Galaxy from 11th May – 14th May 2021. The national survey consisted of 1,034 Australians aged 18-64. Age, gender and region quotas were applied to the sample, and all final data was weighted to reflect the latest ABS population estimates.

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