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Examining the Demographic Profiles of Thrift Store Donors and Thrift Store Shoppers

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Abstract - Thrift Stores can be viewed as conversion mechanisms; that is, they accept merchandise from DONORS and then re-sell the merchandise to BUYERS. These are often separate and distinct groups. The challenge for Thrift Store operators is to separately appeal to each group as a place to donate and a place to shop for merchandise. This study profiles the donors and buyers for Thrift Stores so that store and organizational leadership can better develop marketing strategies to reach these distinct groups.

Keywords - Thrift store donors, Thrift store shoppers, Charity Shops, demographic comparison

Relevance to Marketing Educators, Researchers and/or Practitioners - This study profiles the donors and buyers for Thrift Stores so that store and organizational leadership can better develop marketing strategies to reach these distinct groups.

Introduction

Many organizations have adopted a triple bottom line orientation to address the trend of sustainability, which is defined as “meeting present needs without compromising the ability of future generations to meet their needs.” The triple bottom line focuses on the need to maximize three interrelated components: (1) the financial bottom line by making profits; (2) the social bottom line by contributing to communities; and (3) the environmental bottom line by minimizing environmental damage or even improving it (Wiese et al., 2012).

Thrift Stores (Charity Shops in the United Kingdom or “UK”) are defined by Parsons (2002) as stores that sell gently-used donated goods where the profits are used for charity. Merchandise that cannot be re-sold is recycled. By simultaneously generating profit, helping those in need, and recycling waste, Thrift Stores are well-positioned for triple bottom line success now and in the future. For example, in 2008
Salvation Army USA generated $2.85 billion in revenue and support to build community, provide fellowship, rebuild lives, and provide comfort and support for 30 million people in need, and recycled 25% of donated clothing into fibers for stuffing and insulation (Sargeant and Hudson, 2011).

With increasing frequency, many charitable organizations are turning to Thrift Stores to support their mission-directed philanthropic endeavors. The United Kingdom has approximately 9000 charity shops that took in annual revenues of 300 million pounds (Nazir, 2012). In many ways, the marketing task for Thrift Store operators is more complex than those of traditional retailers. For instance, such stores must compete in three separate markets: (1) competition for donors of resources; (2) competition for shoppers looking for merchandise; and (3) interaction with the waste sector which will determine the market-clearing prices of recycled merchandise and commodities. The better their stores perform as commercial entities, the better their broader organizations can serve society and protect the environment.

Prior Thrift Store research has focused on Thrift Store operators (Broadbridge et al., 2003; Ford and Mottner, 2003; others), Thrift Store donors (Bennett, 2003; Hibbert et al., 2005; Mitchell et al., 2009; others), or Thrift Store shoppers (Bardhi and Arnould, 2005; Darley et al., 1999; Mitchell and Montgomery, 2010; others). The purpose of this manuscript is to outline an exploratory empirical study to explore differences in the demographic profiles of Thrift Store DONORS and Thrift Store SHOPPERS. First, the literature on Thrift Store Donors and Thrift Store Shoppers is reviewed to give context for the study. Second, the methodology including data collection and analysis is presented. Third, the results and implications for Thrift Store operators are offered. Finally, the study’s limitations and directions for future research are provided.

Review of Relevant Literature

Thrift Store Donors
Thrift Stores receive donations of gently-used second-hand goods from individuals, new goods from first-run stores that may be liquidating merchandise, and planned giving from individuals (Sargeant and Hudson, 2011). These charitable donations have been shown to be influenced by personal characteristics and motivations of donors, characteristics of the charitable organization, and situational variables.

Bennett (2003) and Royer (1989) found that charitable giving increased with age with 60% of charitable giving coming from the 60 to 76 age group. Similarly, Hibbert et al. (2005) found that older respondents were significantly more likely to respond to a charitable request for merchandise. Further, Roberts (1996) found that recycling behavior was positively related to age.

Research regarding gender indicates that women give more frequently (Schlegelmilch et al., 1997), while men tend to make larger individual donations.
Men were found to respond more favorably to raffles and counter top collections at retail outlets (Schlegelmilch et al., 1997). Vining and Ebreo (1990) found that recycling behavior increased with education.

Research on donor motivation (i.e., what motivates a person to donate to charity) can be classified in terms of self-interest (i.e., concern for self) and altruism (i.e., concern for others). Altruistic motivations include sympathy, empathy, believing in a cause, environmental consciousness, and a moral sense of obligation (i.e., the need to give back) (Meyers, 1990; Hibbert et al., 2005). Self-interest motivations include tax incentives, recognition, convenience, self-esteem, and pride (Riggs, 1986; Bennett, 2003; Hibbert et al., 2005). Research by Mitchell et al., (2009) found that self-interest (seasonal cleaning, the need to free up space) trumped altruism (i.e., desire to help my fellow man) when donating to Thrift Stores.

Prior research shows that perceived characteristics of the organization influence charitable giving. Specifically, perceived integrity, compassion and caring, and effectiveness and efficiency affect charitable giving (Venable et al., 2005; Bennett 2003; Nonprofit World 1997). Additionally, a study by Bennett (2003) found that the overall favorability of a person’s perception of a charity was significantly related to giving. Individuals are more likely to give when they believe a charitable organizations values are consistent with their own (Mitchell, et al., 2009).

Situational variables that have been shown to affect charitable giving include the economy, type and number of competitors, and mode of request. In harsh economic times, individuals are more likely to keep merchandise longer and sell rather than donate second hand goods, thus decreasing the amount of donated goods available to Thrift Stores (Glover, 1992). Charitable organizations, for profit second-hand stores, websites like Ebay and Craigslist, and antique shops provide increased competition for still valuable second-hand merchandise. Similarly, popular television shows such as Pawn Stars, Storage Wars and American Pickers have increased awareness of the value of second hand merchandise. Lastly, Sargeant and McKenzie (1998) found that donors who responded to a direct mail request tend to support an organization for the longest period of time while direct response television donors tend to give larger than average donations. Schlegelmilch et al., (1997) found that “frequency of request” significantly influences donations.

**Thrift Store Shoppers**

Thrift Store shopping has been shown to be influenced by personal characteristics and motivations of the consumer, characteristics of the Thrift Store, and situational variables. Mitchell and Montgomery (2010) found that saving money was the top motivation (58% of respondents) for shopping at Thrift Stores followed by looking for an item for a special event (48%) and looking for a unique item (31%). Bardhi and Arnould (2005) found that consumers experienced both economic and hedonic benefits from Thrift Store shopping. Similarly, Alexander et al., (2008) identified three charity shop consumer segments: (1) Moderate Means; (2) Comfortably Off;
and (3) Urban Prosperity. Moderate Means shop at charity shops for predominantly economic reasons whereas Comfortably Off and Urban Prosperity are motivated by hedonic benefits such as fun, leisure, social interaction, and realization of consumer fantasy.

The old perception of Thrift Stores is that they are unorganized, dark, smelly, and dirty (Bardhi 2003). However, the image of Thrift Stores has undergone a make-over in recent years resulting from the payment of management and staff, better locations (e.g., high streets in the UK), standardized merchandising displays (e.g., mannequins), higher quality store fixtures, and professional promotional strategies (Croft, 2003). These efforts are paying off as a poll by Harris Interactive and Ebay found that 70% of adults said buying used merchandise is more socially acceptable than five or ten years ago (Petrecca, 2008).

As an example of this Thrift Store category upgrading, Goodwill Industries is trying to lose its low-end image by creating a more up-scale shopping experience with “boutique stores” that carry second hand designer labels and department store brands. The push is designed to improve their image, reputation, and brand by promoting Goodwill as a cool place to shop where you can find chic and unique items at affordable prices (Jyang, 2009).

Thanks to the Great Recession the current economy is ripe for Thrift Store sales. Thrift Stores offer individuals and households who are struggling financially the opportunity to save money on clothing and household items. The National Association of Resale and Thrift Shops reported that 2008 September-October sales were up 35% compared to the prior year (Petrecca 2008). Similarly, Hein and Miller (2008) found that Thrift Shops saw an 85% increase in the number of customers from January to August 2008. Even teens are turning to Thrift Stores as summer jobs dry up and their parents struggle in tough economic times leading to a new term: “Recessionista” which is used to describe a modern, stylish sort of gal who is trying to survive the economy by hunting bargains (Business Week 2008). Suddenly, it has become cool to be frugal and environmentally conscious . . . two things Thrift Stores offer.

Method

The successful Thrift Store seeks donated merchandize . . . sells it . . . and uses the proceeds for their mission-directed benevolences. A better understanding of donor activity and buyer activity will lead to improved store performance with the net effect being growing resources to serve others. In an attempt to improve our collective understanding, this exploratory study was conducted to investigate possible differences in Thrift Store Donors and Shoppers in terms of age, gender, education, marital status, and employment status.

Questionnaire Development
This exploratory and descriptive study used a disguised purpose format; that is, respondents were asked to discuss their donating and shopping behavior for all Thrift Stores rather than one specific organization. Individual items on the questionnaire were identified through focus group research. The questionnaire was refined through a series of pre-tests and then posted to a unique Internet address for data collection.

**Data Collection and Analysis**

The population for this study is the general population of the United States. The data were collected through two universities; a medium sized public institution in the southeast and a small private liberal arts college in the Midwest. The data were collected by students enrolled in selected marketing classes in a non-random fashion. Specifically, each student sent a link to the electronic questionnaire to members of their social network. Students were chosen because they have access to a wide cross section of the general population such as family, friends, co-workers, etc. from all over the country.

A total of 1,754 email addresses received the questionnaire yielding 1,193 total usable responses for a response rate of 68 percent. The aggregate profile of all respondents (n=1,193) is presented in Table 1. As illustrated in Table 1, the sample has the following traits relative to the broader U.S. population: (a) females are over-represented; (b) younger people are over-represented; (c) high school graduates or less or under-represented; and (d) persons not employed are under-represented. As such, we must avoid over-generalizing the results to the broader U.S. population.
|
|---|---|---|
| **Item** | **Responses** | **Noteworthy Differences from National Average 2011*** |
| **Gender** | • Male = 450 (38%)<br>• Female = 729 (62%) | • Male = (49%)<br>• Female = (51%) |
| **Age** | • 17 and Under = 13 (1%)<br>• 18-34 = 763 (64%)<br>• 35-54 = 311 (26%)<br>• 55 and Older = 96 (8%) | • 18-34 = (23%) |
| **Education** | • High school graduate or less = 237 (20%)<br>• Attending/Attended college 1-3 years = 489 (41%)<br>• Graduated from a 4 year college = 281 (24%)<br>• Postgraduate study or degree = 174 (15%) | • High school grad or less = (42%) |
| **Marital Status** | • Married = 540 (45%)<br>• Single = 519 (44%)<br>• Divorced or separated = 82 (7%)<br>• Widowed = 39 (3%) | • Married (48%) |
| **Employment Status** | • Employed full-time (35 or more hours per week) = 647 (54%)<br>• Employed part-time (less than 35 hours per week) = 309 (26%)<br>• Not employed = 226 (19%) | • Not employed (28%) |

*http://www.census.gov/acs/www/

Respondents were asked to classify themselves as net shoppers (i.e., overall I shop more than I donate), net donors (i.e., overall I donate more than I shop), equal in terms of shopping and donating behavior, or as currently having no interaction with Thrift Stores. Analysis of Variance (ANOVA) was used to determine whether differences in donor/shopper behavior were influenced by age, gender, education, marital status, and employment status. The results of the Analysis of Variance (ANOVA) are presented in Table 2.
Table 2 – Analysis of Variance (ANOVA)

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Independent Variable</th>
<th>F-Value</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Shopper/Donor</td>
<td>Age</td>
<td>18.543</td>
<td>.000*</td>
</tr>
<tr>
<td></td>
<td>Gender</td>
<td>.109</td>
<td>.742</td>
</tr>
<tr>
<td>Value Seeking</td>
<td>Education</td>
<td>23.752</td>
<td>.000*</td>
</tr>
<tr>
<td>Value Seeking</td>
<td>Marital Status</td>
<td>7.103</td>
<td>.000*</td>
</tr>
<tr>
<td>Value Seeking</td>
<td>Employment Status</td>
<td>18.543</td>
<td>.000*</td>
</tr>
</tbody>
</table>

* Indicates significant at the .05 level.

Presentation of Research Results

The results indicate that there are statistically significant differences between net shoppers and net donors with respect to age, education, marital status, and employment status. There are no statistically significant differences between net shoppers and net donors with respect to gender.

Age-Related Influences
Regarding age, post hoc analysis indicates that the number of net shoppers increase with age, while the number of net donors decrease. Specifically, respondents in the 35-54 age group and those 55+ were significantly more likely to be net shoppers than respondents in the 18-34 year old range. Conversely, respondents in the 35-54 age group and those 55+ were significantly less likely to be net donors than people in the 18-34 age group.

Education-Related Influences
The results show that the number of net shoppers increases with the level of education, while the number of net donors decreases. Specifically, a post hoc analysis indicates that high school grads or less are significantly less likely to be net shoppers than respondents that have attended or are attending college from 1 to 3 years or those that have undergraduate degrees or post-graduate degrees. Additionally, respondents that attended college from 1 to three years are significantly less likely to be net shoppers than college graduates or post-graduates. Again the converse is true. That is people that are high school grads or less are significantly more likely to be net donors than respondents that have attended college one to three years, college graduates, or post graduates.
Marital Status-Related Influences
A post hoc analysis shows that single and widowed respondents are significantly more likely to be net shoppers than married respondents. Alternatively, married respondents are significantly more likely to be net donors than single or widowed respondents.

Employment Status-Related Influences
A post hoc analysis shows that persons employed full-time are significantly more likely to be net shoppers than part-time employees or unemployed. Conversely, part-time and unemployed respondents are significantly more likely to be net donors than those with full-time employment.

Discussion of Research Results
The results of this study found that as people age they become more likely to shop at Thrift Stores than to donate to them. A potential explanation of this finding may be generational differences in adopting innovations. For example, many young consumers must have the latest technology, fashion, etc., whereas, consumers from an older generation may not replace goods unless the old one is “wore-out” new alternatives notwithstanding. Consumers who replace goods with valuable life left may be more likely to donate to second-hand stores and buy the latest technologies and fashion at first-run stores. While second-hand chic may be increasing in frequency, younger people are still more likely to have their behavior shaped by social pressure, and thus, may be less likely to shop at Thrift Stores than their older counterparts. Moreover, younger respondents are more likely to engage in recycle behavior which means they may be more likely to give used goods to second-hand stores rather than throw them away. Lastly, older people may be more likely to engage in hoarding behavior.

Bennett (2003) found that charitable giving increased with age. This discrepancy in findings may be explained by situational differences in the respective studies. That is, Bennett (2003) conducted a lab experiment with a cancer charity, an animal welfare charity, and a human rights charity while this study focused on the actual behavior of donating used merchandise to second-hand charity shops.

This study found that the number of net shoppers increased with education and the number of net donors decreased. One potential explanation for this finding is that many of the respondents with 1 to 3 years of college are currently still attending school, many of whom still rely on their parents for clothing and other purchases. As mentioned previously, college-aged students are more likely to succumb to social pressure possibly limiting their thrift shopping.

Single and widowed persons are significantly more likely to be net shoppers and married respondents more likely to be net donors. A potential explanation for this
finding is that kids often outgrow clothes before they wear them out, leaving merchandise to be frequently donated by married couples with children.

Respondents who are employed full-time are significantly more likely to be a net shopper than people who are employed part-time or unemployed. This may be explained by the fact that employed persons may have more need for clothing due to work requirements. Finally, gender had no statistical influence one’s status as a net buyer or net donor to Thrift Shops.

**Implications for Thrift Store Operators**

Thrift Store operators face the complex challenge of competing in donor, consumer, and waste markets. By understanding similarities and differences between donors and shoppers, Thrift Store operators can improve the economic performance of their stores and ultimately their charitable and environmental performance.

There is a lot of competition for second-hand merchandise from second-hand charity shops, for profit second-hand stores, church yard sales, and websites such as Ebay and Craigslist. Older, employed, (and assumedly) high-income donors are attractive because they have the means to buy and donate merchandise and have had a long time to accumulate it. Given the competitive donor market, Thrift Store operators would be wise to not underestimate younger, unemployed or part-time employees, or low income donors. The results of this study show that younger adults (e.g., 18-34 year-olds) and part-time employees and the unemployed are significantly more likely to be net donors than their older or full-time employed counterparts. Younger people are often innovators when it comes to adopting innovations and fashion. They are also environmentally conscious. Appeals for their 2nd generation high tech goods and clothing with an emphasis on saving the environment could yield a valuable stream of donations. Additionally, low income and part-time or unemployed citizens are a sizeable, economically viable donor segment. First, they can often empathize with people who are struggling financially. Second, they have often accumulated a lot of valuable clothing and merchandise when their employment/income situation was better or thru debt. An appeal to help those who are less fortunate or an appeal to help with down-sizing may appeal to this segment.

In addition to targeting 18-34 year-olds for donations, this segment should be targeted for increased shopping. As thrift shopping continues to become more socially acceptable and the economy continues to sputter and falter, communicating the new image of boutique chic could prove fruitful in acquiring a larger share of this segment. For some people, financial struggles during this recession will lead to a permanent behavioral change towards frugality and away from debt fueled spending. By appealing to their needs for fashion, frugality, and environmental consciousness, Thrift Stores can convert these potential consumers into high value, long-term repeat customers.
A majority of respondents both shopped at and donated to Thrift Stores. Promotions and customer service should focus on the interactive nature of this relationship. For example, a person who donates a certain amount of merchandise could receive a coupon or discount for shopping at the Thrift Store (a practice followed by some Goodwill Stores). Consumers who are satisfied with their shopping experiences tend to become repeat customers. This shopping loyalty may be converted into donor loyalty with the appropriate appeal.

The results of this exploratory study should help Thrift Store operators adopt a triple bottom line approach to meet the present needs of their constituents without sacrificing the ability to meet the needs of future generations. This can be accomplished by generating economic profit to serve those in need and caring for the environment by recycling that which cannot be re-used.

**Contributions to The Literature, Limitations and Directions for Future Research**

This exploratory study makes a significant contribution to the literature by assessing demographic differences between Thrift Store shoppers and Thrift Store buyers. Specifically, the perception of donors being older, more wealthy, highly educated and employed full-time was not validated. Nor was the perception of Thrift Store shoppers being poor and less educated.

Regarding limitations, the data for these studies were collected in a non-random process. As such, the samples are not representative of the population. These respondents were younger, more educated and more female than the general population. The counter-intuitive findings of this research could be a function of these sample characteristics. The generalizability of results can be improved in future studies by drawing samples in a random fashion.

Additionally, respondents were asked to recall past Thrift Store donor and buyer behavior. Recall has shown to be less reliable than recording behavior as it occurs. Future research should employ research panels in a longitudinal fashion.

This research focused on the frequency of donating and buying behavior, rather than the dollar value of donations or purchases. Theoretically, there could be a difference in the dollar value of donations or purchases based on income. Future research should try to measure the dollar value of purchases and donations along with donor and shopper income levels to see if a relationship exists between them.

Lastly, contributing to charity is a socially desirable behavior. As such, respondents may have over-reported their thrift behavior leading to social desirability bias. All told, this area of research deserves more attention as the number of Thrift Stores continues to increase. To succeed, these organizations need to better understand their donors and shoppers. This exploratory study has shed
some light on this important topic yet it is recognized that more work must be done to improve our collective understanding of this increasingly important topic.

References


