

Leonardo Da Vinci Projekt

QualiProSecondHand

New Occupational Paths and Qualifications for the Professionalisation of the Second-Hand Sector

Presentation of the European Results of the Sector Analysis

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Bildung und Kultur

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Overview

- Allocation of the sector analysis
- Targets of the sector analysis
- Definition of the sector
- Results of the European sector analysis
- Discussion

The sector analysis of the project QualiProSecondHand

Allocation = Research instrument within the research design of the project

Definition = Analysis report on the structure of the second-hand sector in Europe

Result: EU-sector study

Basis: The results of the sector analyses of all countries involved in the project (country-specific sector reports)

Targets of the sector analysis

- Overview of the sector
- Significance of the sector in the economy and importance for the labor market
- Impact and changes of innovations, reorganization measures in companies, new sales strategies etc.

Definition of the second-hand sector

The Second-Hand Sector as the subject of this project encompasses the commercial trade and the non-profit sale of a range of consumer goods of any kind as well as the main tasks involved such as the acquisition, the processing and the refeeding of the merchandise into the closed loop of goods. The aim is to make the used goods available again for their original purpose of use.

Excluded: repair workshops such as e.g. restoration companies on the one hand and auction portals and companies as well as trade-off markets

EU sector analysis: Distribution and structure of the enterprises

- The number of second-hand companies in cities and areas of high population density is higher than in rural regions
- Predominantly locally and regionally organized
- Few big organizations also working on an international level
- Retail business run by the owner (smallest and simplest form of organisation)
 - *Dominates the private second-hand market in most of the participating European countries, but does only play a subordinate role in terms of national economy*
 - *Only a few employees*
 - *Comprehensive but a random and relatively unspecific range of goods without regulated assortment of goods and very limited merchandise management systematics*

EU sector analysis: Profit and not for profit (social) enterprises

- The specific orientation entails different forms of organisation, targets, and corporate policy
- Not for profit enterprises
 - *In Austria, Belgium and Germany less companies than profit enterprises in terms of numbers but nevertheless strongly represented in the sector*
 - *In Finland and UK it is the other way round: there are more not for profit than profit enterprises. In the UK the importance and the number of socio-economic second-hand enterprises in the sector is remarkably high*
 - *In Bulgaria and Slovenia there are no not for profit enterprises*
 - *Common structure: Work with donations for a „good cause“; Business field as a “means to an end” as the acquisition of goods is easy and cheap*
 - *Normally funding by state subsidies (on direct and indirect ways)*
 - *A great number of persons engaged compared to the profit enterprises (the majority of them part-time)*

EU sector analysis: Profit and not for profit (social) enterprises

- Profit making enterprises
 - *Are dominating with regards to the number of enterprises in the sector (except in Finland and UK), however, not in terms of the employment figures*
 - *The majority of the enterprises is run by the owners*
 - *Target: gain of profit*
 - *Characteristics: low grade of professionalisation and networking (except in Belgium)*
 - *A few highly professionalised consortiums or organizations that are making up for a significant part of the sector in terms of turnover*

EU sector analysis: Profit and not for profit (social) enterprises

- Trend: with increasing size/ networking a gain in professionalism
- Differences in Europe:
 - *Above all in the Eastern European countries (Slovenia and Bulgaria) hardly any big companies/ networks*
 - *The grade of professionalisation is lower than e.g. in Belgium (second-hand companies are generally organized through large networks)*
 - *There are also again differences between the countries Slovenia and Bulgaria*

EU sector analysis: Business fields

- Second Hand market in Europe is multidimensional and wide-ranged
- Companies can be divided into specialized and generalized stores
 - *Profit enterprises: either unorganized level of company development or specialized and marked by a high specialist knowledge*
 - *Not for profit enterprises: often a wide range of products and services and some additional less profitable businesses*
- Parallel offer of used and new goods
- Additional offer of services

EU sector analysis: Overview of business fields for the selection of the case studies

Country	The important product groups of the second-hand trade per country		
Austria	Furniture (Antiques and decoration)	Textiles and toys (Parents equipment)	Electronic and electric equipment
Bulgaria	Electronic and electric equipment	Textiles	Furniture and decoration
Finland	Electronic and electric equipment	Textiles and toys	Furniture
UK	Books and sound storage media	Textiles and toys Furniture	Electronic and electric equipment
Germany	Furniture	Textiles	Electronic and electric equipment
Slovenia	Furniture	Textiles and toys	Books and sound storage media
Belgium	The results of Belgium do not reveal any emphases.		

EU sector analysis: Business fields

- Most essential business fields: electronic and electric equipment, textiles, furniture, books and sound storage media
- Specialties:
 - *in Bulgaria there is no trade with books and CDs*
 - *in Finland the trade with electrical and electronical devices is organized by not for profit enterprises*
 - *in Belgium mainly the not for profit enterprises deal with textiles*

EU sector analysis: Acquisition of goods and distribution channels

Acquisition of goods:

- Collection of used merchandise, donation
- Purchasing, import, commission

Distribution channels:

- Second-hand shops
- Direct sales e.g. in department stores; workshop sales and sale from stock (not for profit enterprises)
- Flea markets
- Online market places
- Newspaper advertisements
- Wholesale

EU sector analysis: Advertising activities

Forms of advertising in the European second-hand sector :

- Newspaper advertisements
 - Radio/ cinema/ TV/ Internet
 - Poster advertising
 - Postcards, sales flyers (circulars), newsletters
 - Promotional events (Open House with actions such as fashion shows)
 - Regular customer system
- According to advertising often the not for profit enterprises seem to be more active than many of the profit enterprises; networks and cooperations play a decisive role.

EU sector analysis: Quality structures

- No quality guidelines for the entire market
- Quality standards in big networks, franchise enterprises and in some not for profit enterprises
- In the field of used electrical devices: quality assurance due to compulsory warranty granted by the seller crucial and more common compared to other business fields
- Implementation of quality assurance: conscientious instruction of the employees, further training and close monitoring of the market

EU sector analysis: Customers and employment figures

Customer structure:

- In some business fields a slight tendency towards groups of customers with lower incomes; on the whole no classification of the customers according to age, sex, or education.
- In the opposite a slight tendency towards target groups with a sustainable lifestyle

Employment figures:

- There are no statistically assessed employment figures for the second-hand sector as defined above.
- An average, profit enterprise (single company run by the owner) always employs a very small staff
- In the participating European countries this staff normally encompasses less than ten employees (mostly one to three persons)

EU sector analysis: Regulations and network structures

Legal stipulations:

- General regulations of the trade sector for the sale of goods
- National implementation of the EU Directive on waste of electric and electronic equipment of 2003
- Legislation on warranty

Network structures:

- No association representing the entire second-hand sector on European level
- RReuse as a European network of the not for profit enterprises
- Country specific, sector specific network structures and cooperations
- A great part of the second-hand enterprises is not organized in kind of network or association (except in Belgium)
- In many countries political lobbying structures are not adequate developed
- Social partners play a subordinate role

EU sector analysis: The future development of the sector

- Heterogeneity of the sector makes it difficult to produce an overall assessment
- Slight tendency towards growth with concentration on certain business fields
- Key factors:
 - Attitude of the population in terms of environment issues and second-hand goods as well as political specifications
 - In some countries new goods no longer affordable for many people
 - Importance of the sector in terms of social aspects
- Not for profit enterprises have developed into recognized actors (above all in the field of used electrical devices) and a clear professionalisation
- Undisputable: Online trade will be a very important distribution platform in the future

EU sector analysis: Future development of the sector

Used clothes market:

- Competition by cheap discounters
- Above all in Western Europe only a small turnover
- Tendency: individual items, in very good shape; brand clothing, children clothes

Market for used electrical equipment:

- Highly regulated market with increasing collection and re-use quota in the future as well as increasing and stricter regulations for disposal.

Public funding of companies:

- Tendency cannot be anticipated

EU sector analysis: Future development of the sector

Developments in the companies:

- Increasing competition and high customer demands lead to a need for professionalisation

Important factors for success:

- Standardization of company processes and cooperations or networks

Work tasks:

- Depending on the business field and the field of application and the nature of the enterprise
- Tendency: Increase of demanding tasks (e.g. specialist need for the repair of used devices, purchase of spare parts)

EU sector analysis: Qualification structures in the sector

- *Overall:*
 - No form of formal training, no sector specific qualifications
 - Individual specific approaches, e.g. in Finland, Belgium, Germany (EQUAL „Second Chance Brücke“)
- *Profit enterprises:*
 - Qualification only on own initiative
 - Predominantly commercial contents
- *Not for profit enterprises:*
 - Multitude of qualifications for temporarily employed persons
 - Internal and external
 - There are even cooperations e.g. between a vocational school and a not for profit enterprise (Finland)
 - Qualification plans, target: Increased chances on the first labor market

Summary

- Certain characteristics (networks, not for profit enterprises, size of the companies) lead to a higher professionalisation of the market/ the companies
 - With regard to the professionalisation there are big differences between the Eastern, Northern and the Western European second-hand market
 - Reasons: The categories entailing professionalisation are underdeveloped in the Eastern European second-hand market (hardly any not for profit enterprises, family enterprises, hardly any networks)
- Professionalisation and sustainability are closely linked

Summary

- Further development and representation of functions of the sector (protection of resources and waste avoidance, preservation of cultural assets, social integration, responsibility towards third countries) through professionalisation and networking
- Key categories for professionalisation: Qualification of persons in the sector
- Results of the sector analysis = A basis for a deeper survey into the demands of the sector through case studies

Thank you for your attention

Questions and discussion