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## CEO Talks: ThredUp's James Reinhart

The resale chief on his journey from English teacher to CEO, Wall Street, the New York Fashion Act and more.

By **EVAN CLARK**

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ThredUp CEO James Reinhart. NATE FONG PHOTOGRAPHY

James Reinhart is on a mission to supercharge [resale](https://wwd.com/tag/resale/) by plugging brands, retailers and consumers' closets into ThredUp

[\(https://wwd.com/business-news/financial/james-reinhart-thred-up-fourth-quarter-resale-raas-loss-1235127729/\)](https://wwd.com/business-news/financial/james-reinhart-thred-up-fourth-quarter-resale-raas-loss-1235127729/).

But as the company — and [resale \(https://wwd.com/sustainability/business/frye-badgley-mischka-clare-v-in-recurate-resale-launch-1235145028/\)](https://wwd.com/sustainability/business/frye-badgley-mischka-clare-v-in-recurate-resale-launch-1235145028/) — has grown, Reinhart's part in that broader movement has changed.

Reinhart is chief executive officer and cofounder of the 13-year-old ThredUp. And since the company went public early last year, he's added a new job — that of chief communicator.

He's already sold the company's 1.7 million active buyers on the idea of getting preloved looks on ThredUp. Now he is out explaining how brands and retailers can use its resale as a service business to get into the game and pitching to Wall Street on how it will all make money someday.

That's a big job.

But Reinhart wants a job that has purpose, not the easy one. He started out as a middle and high school English teacher, where he learned he liked doing something that made “a real, meaningful impact in the world.”

So he was at it again last week, logging on with WWD to talk resale, ThredUp's initiation on Wall Street, [the New York Fashion Act \(https://wwd.com/sustainability/business/what-is-fashion-act-new-york-fashion-sustainability-senator-biaggi-1235064028/\)](https://wwd.com/sustainability/business/what-is-fashion-act-new-york-fashion-sustainability-senator-biaggi-1235064028/), purpose and more. Here, edited for length and clarity, is what he had to say.

**CLICK HERE to hear the entire conversation on the WWD Voices podcast.**  
[\(https://wwd.com/voices/from-the-newsroom/episode-12-thredup-1235152123/\)](https://wwd.com/voices/from-the-newsroom/episode-12-thredup-1235152123/).

**WWD:** For anybody who's unfamiliar with ThredUp, could you just set the scene, put in a nutshell what you guys are doing?

**James Reinhart:** Yeah. Sure. We're a managed marketplace for secondhand clothing. So we make it very easy for consumers to get rid of the things that they're no longer wearing. So we send you this prepaid bag. You fill it up with all that stuff and you send it back to us. And then we run a network of distribution centers around the country.

We process all of that clothing and we put it online so that buyers can shop great brands at great prices. And so it's a marketplace for secondhand.

**WWD:** You took ThredUp public a year ago. The stock has taken a hit. It's been a weird time in the stock market and the world generally. But investors have been expressing concern about the cost of ramping up. What does Wall Street not get about what you're doing?

**J.R.:** Investors have pivoted away from what were very compelling growth stories for a while. Investors are saying, "Hey, maybe I want to change my perspective on some of these growth companies." I think investors, though, they're also a group that really respects companies who are building large businesses, big [total addressable markets] with big moats. And so I think part of my job is to help investors understand that.

**WWD:** How big is the total addressable market for **fashion** (<https://wwd.com/tag/fashion/>) resale?

**J.R.:** We publish an annual resale report every year. We do this with our friends at Global Data and they estimate that the market's going to be north of \$50 billion. And that's just in the U.S. You take it globally and it's more than double that. So we're looking at a market that's north of \$100 billion over time.

**WWD:** It sounds like you are investing in the business to grab a big part of this market and you're having to bring investors along for that ride.

**J.R.:** Investors, they're savvy. I think they understand the difference between companies that are lighting dollars on fire in the service of growth at all costs, and I think they understand businesses like ours that are being very calculated around the investments that we're making. We're in a market climate where every stock is down. And so I think what you'll start to see is as the world normalizes, is companies like ThredUp will really outperform.

**WWD:** So you're trying to get a little bit of the sustainable Jeff Bezos approach of, 'Hang on. Trust me for now...'

**J.R.:** I'm a big Bezos fan. I think what Amazon did was really invent what commerce online was going to look like 20-plus years ago. And I think he's often said, and I agree with this, that sometimes you need to be willing to be misunderstood in the near term

to build the things that create lots of value in the future. And so I think we're living through some of that period right now.

**WWD:** [Sustainability \(https://wwd.com/tag/sustainability/\)](https://wwd.com/tag/sustainability/) is at the core of everything you're doing, and it's certainly a headline topic for [fashion \(https://wwd.com/fashion-news/fashion-scoops/masters-green-jacket-what-to-know-1235154447/\)](https://wwd.com/fashion-news/fashion-scoops/masters-green-jacket-what-to-know-1235154447/) right now. Is fashion truly ready to drive [sustainability \(https://wwd.com/business-news/markets/next-generations-forum-looks-future-fashion-asia-1235154516/\)](https://wwd.com/business-news/markets/next-generations-forum-looks-future-fashion-asia-1235154516/)?

**J.R.:** I would frame it as, "Is the fashion industry willing to be more sustainable over time?" The fashion industry knows that that's what the consumer wants, that the consumer really does appreciate this movement across sectors for companies to be more sustainable. The fashion industry acknowledges that and knows that the consumer of tomorrow is going to demand certain things that are different than the consumer of say 20, 25 years ago, or even the consumer of today.

**WWD:** People complain about greenwashing and how much hype there is in this area. Can you help separate fact from fiction? Is there still too much hype?

**J.R.:** I don't think sustainability is a fad, right? I don't think we're going to wake up five years from now and be like, "Man, that sustainability thing, what a miss that was." So I think this is a wave that's coming. And so I do think there are going to be pockets of greenwashing. I think there's going to be pockets of insincerity around what companies are really doing on the sustainability front. But I think by and large, there are good people running these companies and they want to do the right thing.

What I'm trying to do when I talk to executives or talk to brands, is help them understand that resale is one of those areas that can help sustainability be a profit center and not a cost center.

**WWD:** I'm curious about the economics of that. You help companies start reselling their own goods. Is it cheaper to get into resale than actually make new clothes?

**J.R.:** I don't know what the various supply chain dynamics are by retailer. I think retailers that have generally higher price points, I actually think can drive strong residual value from clothes that they've already made because it's well made, right?

The brand has a resonance with the consumer. It has brand integrity, right? So I think it's easier for those companies.

As you move down the price point and you end up in the fast fashion realm, I think that is trickier because of the quality of the clothes and the price points at which they sell. And yet, that's also the biggest problem. And so my dream is that we end up ushering in a world where we're making clothes of higher quality and they can get that second and third time through a consumer cycle.

**WWD:** A world of fewer, better things.

**J.R.:** Yeah. Look, I don't want to be naive, right? I mean, we're Americans. We like to buy new stuff. But I do think that's the direction the fashion industry has to go, fewer, better things. And I think you can look at that across other categories where that has been true, where if you buy something that's made of higher quality, not only does it last longer, but the residual value in it is meaningful. And that can be anything from cars to phones.

**WWD:** ThredUp came out in support of the New York Fashion Act. That's still in the process of coming together. Where it's all headed?

**J.R.:** The New York Fashion Act is trying to do a couple of things. One is, they're saying, "Hey, let's map these supply chains to really understand what's happening. Where's the cotton being grown? Where are the clothes being sewn?" Right? Transparency is the first step really in understanding a lot of this.

The second piece is, "OK, how much are we actually producing? What type of resources are we consuming?" And more disclosure around that. I'm not saying that the act is perfect, but I do think it's a great first step.

There are some people who work at these companies, big, big companies — whether you're an engineer or you're a merchant or you're a marketer. There's real power in bringing transparency broadly to some of these companies because then the folks in the organization can do things to help make better decisions.

**WWD:** The pressure that's come from within, from without, the people rising up the ranks, all those Millennial and soon Gen Z employees who care deeply about these things and are very willing to make noise.

**J.R.:** Every employee at a company every day makes decisions, right, and they can make those decisions in ways that make their company more sustainable or they can make their company less sustainable.

**WWD:** You pointed to the American consumer society. That strikes me as a very strong muscle reflex of people, generations of Americans have grown up being Americans, it's a consumer culture. Is that changing? Does that need to change more?

**J.R.:** It's funny we even call them consumers. There was an article recently about why do we call Americans consumers? Definitionally it means we just consume things, right? Why aren't we just citizens? But it struck me because it is funny the way we talk about consumers. And by definition, I guess we buy more things. I do think it's changing.

Just look at electric cars for a moment. Now, I've often joked that where resale is today, we're in the Prius, the early Toyota Prius phase, where you have earlier adopters. The Prius was never cool in the early 2000s. But it took 10, 15 years, right, to get to where we are today, where Tesla is making the coolest cars and everybody's launching a new EV. So this stuff does take time.

**WWD:** It's an interesting comparison with electric cars. It feels like we're already quite a way toward secondhand being cool because 20 years ago, this was all thrift shops. And that was never seen as cool or sexy. And now here you are, Silicon Valley CEO, next-generation. And there's other companies out there creating energy in the space. You're very passionate about it. Where's that come from? Were you born to reinvent the resale world?

**J.R.:** I always have believed that I wanted the stuff that I work on to have purpose and that I wanted to genuinely work on stuff that made the world better. And when I graduated from college, for example, I was a teacher, and I taught history and English, 8th grade and 10th grade, because I really believed that I wanted my work to mean something, and teaching kids felt like I was making an impact, albeit just in a few classrooms. I just had this moment of feeling like I could probably do all sorts of things to earn a living, but I'd prefer to do something where I could earn a living and actually make a real, meaningful impact in the world.

And so I found that over the past 10 years of running ThredUp, it was a way to intersect things that I was really passionate about. What ThredUp is doing is, we're

solving a market failure, and I've been obsessed with marketplaces for whatever reason my whole life.

ThredUp helps consumers clean out their closets and launch into the secondhand market. COURTESY

**WWD:** I want to shift back to Wall Street again. There's a lot of talk of purpose. And certainly investors and the CEO shtick today is talking more about purpose, and that's an integral part of companies. If companies don't have purpose, they're baking it in somehow. But the market seems to be an animal that cares mostly about money. Does Wall Street really care about purpose?

**J.R.:** Wall Street cares about purpose when it is in the service of profit. And I say that with a lot of discipline with the choice of my words because I don't think Wall Street is in the business of investing in nonprofits. And so it is a market economy and we do live in a capitalist society. And every one of those investors, we forget, reports to another set of investors. And the people who run those funds have our parents' retirement funds with a mandate to generate returns, right? That's how the capitalist economy works.



So I don't put it on Wall Street that they pursue profits because, that's actually their reason for existence is to make money in a capitalist society.

The reason why I think companies are starting to or investors are starting to pay more attention to purpose is I think a unique set of companies that can generate profits and do good, where their purpose actually helps compound profits over time, I think those are really magical companies. And so I think investors are constantly searching for those companies that can do that.

What's exciting about ThredUp just to put a fine point on this is that our mere existence, right, every time we resell a piece of clothing, we're doing good in the world? A resold piece of clothing uses 83 percent less water, for example. It saves a bunch of CO2 emissions. And so I think what's really nice about ThredUp is that it fits really well into that profits and purpose piece.

**WWD: It sounds like a big part of your job is explaining how and why ThredUp is a magical company.**

**J.R.:** We have to prove that the profits are realizable and so it's not this Pollyanna-ish like, "Oh, we'll make them 25 years in the future." But I think the purpose piece helps investors understand that the purpose is actually what drives customer awareness, cheaper customer acquisition over time, customer retention over time, customer love and the deepening of the attachment to the brand that really builds the brand.

That's what purpose does, is it ultimately improves everything else you do with the company so that you can operate at a lower cost. And I think that's the connection that investors have to make around purpose. It ultimately changes the dynamics of how you run the business and can generate more dollars over time.

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