

REBELSTORK

Annual Baby Gear Resale Report 2022

Brought to you by Rebelstork
First Baby Gear Marketplace Created for Parents

JAN 2022

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Introduction

re|use re|sell re|bel

*The curtains have drawn to a close on another challenging year. *collective sigh**

Virtual worlds took off, even as in person gatherings returned. Lines between business models blurred new and old, online and off, resale and retail.

In 2021, more parents* spent the majority of their time at home navigating the uncertainty by doing a lot more with less, and also being mindful about the ways in which to spend both money and time.

Moms and dads became more fiscally and socially responsible, and hyper-aware of mass production for use-and-dispose products that ultimately service landfills.

The resale boom is now well established and has sparked an aggressive uptick well beyond our anticipated forecast.

Consumers are demanding sustainability as part of their purchasing journey. Brands are eagerly adopting the business model. Lawmakers are investing in and promoting the circular economy. The global retail industry is pledging for change, fueled by new technologies that will forever disrupt the way we consume.

We're strolling into 2022 with the majority of pandemic-related job losses experienced by women, according to a report from the National Women's Law Center. Women in the United States have lost more than 5.4 million jobs. Many of those who were expecting delivered babies alone without support.

Rebelstork is transforming the way a new generation of parents purchase, based on the most advanced technology and proprietary resale algorithm available in the space. The first tech-driven marketplace created for parents, we allow families safe and hassle-free access to the best brands for a fraction of their retail price. And we empower them to participate in the circular economy, building a more sustainable world for the next generation and a viable path to help restore our planet.

The future promises big wins. But first baby steps.

EMILY

**includes those who were expectant and who already have children.*



(re)Bringing Up Baby



**Uncertainties, yes. But here
are 5 things we know for sure.**

1. The pandemic hit overdrive on a decadeslong shift toward digital shopping.
2. Baby and children's recommence is expected to grow faster than traditional retail.
3. Imposed time at home during the pandemic helped consumers reassess their values as citizens of the world and consumers.
4. Online shopping boomed.
5. Residual waste jumped from the massive surge of deliveries.

**Tiny Feet.
Big Carbon Footprint.**

Baby Products Create
the Most Waste

- ✓ Plastic packaging
- ✓ Cheaply fabricated parts
- ✓ Non-recyclable pieces
- ✓ Quickly outgrown

32%

How much e-commerce
sales jumped during
the pandemic.

US Census Bureau data

20%

Amount of online
product returned.

8%

Amount of product
returned from
brick-and-mortar.

Shopify

“We are progressing from a disposable society to a recycling society — a change that has enormous market potential for the resale industry as a whole.” *NARTS, National Association of Resale Professionals*

...meanwhile, still waiting for that so-called “bounceback”...

In 2021, most parents barely had the chance to recover before a new phase of variants threatened school closings and global supply chain issues emerged, along with more mandates and more uncertainty about the future for our kids.

When the Covid chaos ends, the impact will be long-lasting and parents are feeling the fallout.



Meet the Parents ...of a New Generation

Stressed Out & Eco-Anxious



Gen Z born between
1997 and 2012

Millennial born
between the 1980s
and early 2000s

“As consumers feel more comfortable with their health, safety and finances, younger couples will again think about starting a family or adding to it. A focus on sustainability will lead parents to take a closer look at secondhand items, trade-in or sell-back options.” *Mintel*

Gen Z and millennial moms and dads are
2.5 times more likely than other generations
to buy **second-hand goods.** *OfferUp*

For a new generation of parents with children (and those who are still entering parenthood), the need for baby durables remains. With this comes opportunities to reach parents in new ways.

Virtual tools will be key
in offering consumers
a complete omnichannel
experience. *Mintel*

\$2.6B+

The resale baby gear
market in
North America

IBIS World Industry Report

48%

of Americans
purchased items from
a resale marketplace
last year.

OfferUp

44%

of 900 shoppers between
the ages of 14 and 34 think
of resale value when they
purchase.

Survey. The Intelligence Group's
Cassandra Report

The global baby products market is projected to reach a revised size of US \$15.6 Billion by the year 2026, growing at a CAGR of 5.1% over the analysis period. *ReportLinker/Global Newswire*



Shopping for durable baby goods is becoming more like hunting for a new car as consumers consider resale value as part of their purchasing journey and options become more plentiful.

“People have become used to being able to [have the best] without paying top dollar. The trend also is a consequence of the escalating cost of luxury. Rising prices of design.” *MoneySense*

What to Expect when Gen Z is Expecting

63%

parents who are experiencing more parenting stress compared to before the Coronavirus pandemic.

66%

parents who are more worried about their finances now than before the start of the Coronavirus pandemic.

OfferUp

“We’re coming out of a pretty stressful moment and from a consumer perspective, you want to make sure what you’re buying will stick around for a while.” *VogueBusiness*

12% stressed parents who are part of the “**sandwich generation.**”

Sandwich generation parents are between 18 and 44 and spend about 3 hours per day on caretaking for both young children and older relatives, compared with parents over 45, who do closer to 2 hours per day.

Pew Research Center Data

What's Going on in the Workplace

Even with children back in school, the influx of women into the job market that most analysts had expected has yet to materialize. The United States bled tens of millions of jobs when states began shuttering the economy after COVID-19 erupted.

As the economy has swiftly rebounded and employers have posted record-high job openings, many women have delayed a return to the workplace, willingly or otherwise. The number of women either working or looking for work actually fell in September from August. *USNews*



Educated Purchase Priorities

smart money working harder

Consumers became used to shopping exclusively online during the pandemic and are anticipated to continue doing so because of its convenience and the ability to find the best price.

The way people choose to value their money is becoming a **responsible choice and a way of life.**

33 million people bought secondhand for the first time during the pandemic. *Forbes*

“[Secondhand] savings can add quality to life when used for vacations, entertainment, funding college and retirement accounts, and expanding family activities.” *NARTS National Association of Resale Professional*

“COVID-19 has changed online shopping forever. More than half of the UNCTAD global survey participants now shop online more frequently...most respondents said they’d continue shopping online in the future.” *United Nations Conference on Trade and Development*

As the world watches the pure strength of the resale industry growing across all verticals, the educational reports and tech advancements to support further industry understanding is also increasing.

Marketplaces are opening up their platform data to provide transparency. This includes yearly resale reports from **ThredUp** (apparel industry), **OfferUp** (total thrift industry) and **Rebelstork** (baby durables).

Top Shopping Priorities

- ✓ Value, quality & transparency
- ✓ Saving money
- ✓ Sustainability
- ✓ Technology & convenience
- ✓ Opposing waste

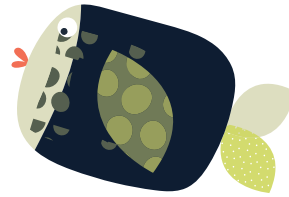


Introducing Next-Gen Virtual Appraisals

talk tech to me. baby

People want the best for less. Consumers are increasingly looking to the secondary market to satisfy their needs.

Enter a new generation of secondhand appraisal technologies.



Today's Parents Expect More



Seek total transparency, including certifications and annual reports



Value practical luxuries, high quality products and services, evolved technologies and high safety standards



Price-conscious yet willing to spend on companies with the right products and value



Seek brands that resonate with their own values, beliefs and lifestyle



Want sustainable alternatives but unwilling to sacrifice style and quality



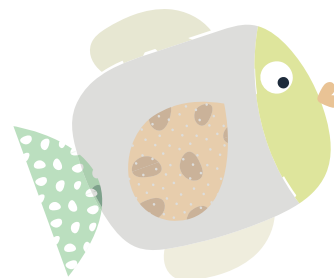
Crave community and authentic connection

reuse, reduce, reveal

People want the best for less. Consumers are increasingly looking to the secondary market to satisfy their needs. Enter a new generation of secondhand appraisal technologies.

Consumers demand measurable sustainability and life-changing convenience. It's no longer enough to say you're making strides, you have to prove it. New advances in resale apps walk the walk.

Leading the charge in fashion is Rebag, which unveiled Clair AI — Comprehensive Luxury Appraisal Index for Resale — built on six years of data that is constantly updated. With several labels strategically raising prices and decreasing their supply, the appetite for luxury is rising. Clair reveals accurate prices based on finite information.





Introducing REV

Rebelstork's own revolution

Forging a new path for the baby industry, Rebelstork debuted **REV**, the baby industry's first and only proprietary algorithm that custom prices resale merchandise based on up-to-the-minute market data and demand, as well as finite facts like item condition and age, providing buyer and seller with full pricing transparency.

In an industry in which the lifespan of a product is both short lived and expensive, **REV** provides an instant and accurate resale offer for top quality baby goods. This establishes the second hand marketplace value and provides a destination for parents looking for a more environmentally friendly way to consume.

Powered by proprietary AI technology, REV offers three main criteria, so that every parent can be an informed shopper and seller:



Search Recognition

offering more than 10,000 baby gear models at once.

Demand Tracking

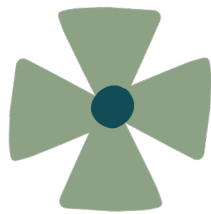
providing up-to-the-minute data that generates demand metrics by brand and model.

Price Intelligence

measuring market value updates that are tracked in real time, taking the guesswork out of what to sell or pay for used baby gear.

REV is a highly versatile technology with applications for parents, retailers and brands alike — empowering an entire industry to shop and sell smarter. **REV** helps families educate themselves and feel confident about their purchases, while keeping high quality, lightly used gear in a marketplace that can now be easily and safely sold to another family. Those shopping second hand can

check the real-time market price and ensure that they do not overpay, enjoying access to better products with less waste. Parents investing in new products can take heart in knowing the retail price of that item for resale in the future, and that it will be able to find a home afterward as well — inspiring reuse and keeping gear that is otherwise in excellent condition out of landfills.



Baby. I Love Your
(Sustainable) Way



“To be innovative in 2022 is to care about how a product is made, who makes it and what happens to it throughout every step of its lifespan.”

Emily Hosie, Rebelstork

Imposed time at home during the pandemic helped consumers reassess their values as citizens of the world. Consumers now believe brands should be better and do better, and they desire to shop in a way that feels good. They're acting on environmental concerns and demanding important details about how products have been made while adopting circular habits that support a circular economy.

“Even as the retail industry has slumped, dragged down by disappointing earnings and an unending trade war, resale is exploding.” *Forbes*

“It's hard to keep up with how many companies are getting into the resale market. Etsy's recent announcement that it will acquire Depop for a metric ton of cash has been the latest proof that resale is, in fact, not a trend. Secondhand is here to stay.” *RetailDive*

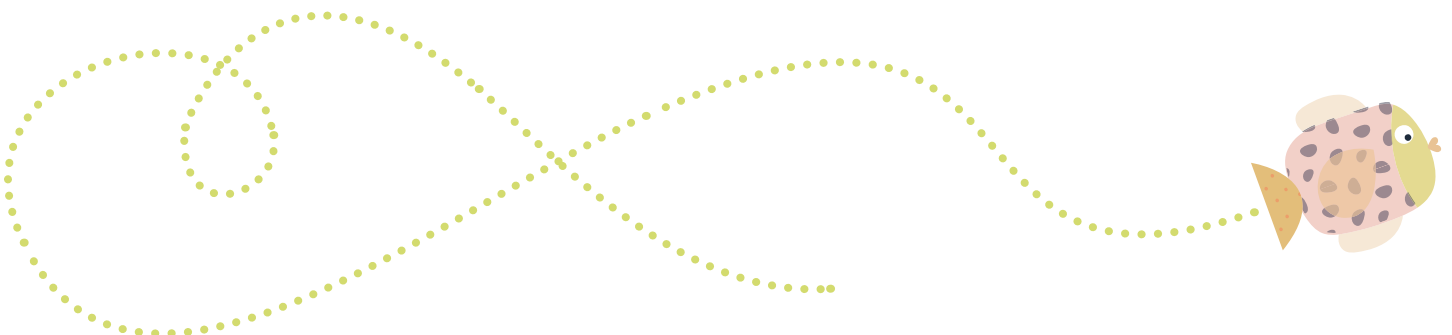
42%

of millennials that have deepened a business relationship because they perceive a company's products or services to have a positive impact on society and the environment.

37%

of people who have lessened or ended a business relationship because of a company's ethical behavior.

Deloitte survey





The Rise of Resale Continues

hint: it's sky-rocketing

Recommerce is poised for continued growth expected to outpace retail and many retailers now have no choice but to embrace resale as part of their omnichannel strategy to remain relevant to today's consumers.

Supply chain and inventory issues are fueling the demand for secondhand goods. With prices increasing and supply decreasing, the appetite for exceptional quality is rising.



Q: Given the surge, is the sustainability trend...sustainable?

A: The biggest brands and companies are dipping their toe into this resale market. The more they do that, the more that it becomes accessible.

RetailDive

A peek at some of the largest retailers doing resale just this past 2021. enough to make the point. *RetailDive*

J.C. Penney via ThredUp

Macy's via ThredUp

Madewell via ThredUp

Gap via ThredUp

Walmart via ThredUp

Levi Strauss

M.M. LaFleur

Nike (refurbishment)

Lululemon

Rent the Runway

(dropped subscription requirement)

Etsy via Depop

Stitch Fix (not confirmed, but said they are thinking about it)

The RealReal x

Saks Fifth Avenue

Rebelstork x

The Hudson's Bay Company

Mattel



The Tea on Global Inventory

supply chain woes

Global economists warn that the global supply chain issues are far from over. As some bottlenecks ease, others are just getting started. While the supply chain delays are leaving shelves empty and product launches at risk, the flooding of returns is just getting started.

“The network of world trade, already weakened by months of shipping backlogs, labor shortages and geopolitical tensions, remains ‘discombobulated.’” *The Guardian*

Quick Returns. Lasting Environmental Impact

\$428 billion
in returned
merchandise.
beginning in
2020

60 million
returns handled by
UPS this holiday
season (10% higher
than last year and a
new record).

For every
\$1 billion
in sales, the average
retailer incurs
\$106 million
in returns.

Business of Fashion

Rebelstork's Business Model

- **Interrupt mass return overflow**
- **Reduce enormous waste**
- **Divert usable items back into the hands of interested shoppers at a fraction of the original cost**
- **Environmental mindset on return policy**

We bring back to life thousands of products, some of which have never been used but would otherwise fall victim to the damage and discard fees by ending up in landfills.

Open box and **quick returns** are terms for items that are brand new; they were purchased by a customer, opened, looked at, repackaged and sent back to the retailer for a refund.



Common Reasons for Quick Returns

- Color is different than imagined.
- The product doesn't fit the space it was intended for.
- The item doesn't fit their child.
- Change mind.
- Thanks to relaxed return policies and free return shipping, the customer bought various versions of the same product to see in-person or test out, with the intention of returning all but one.
- The customer already has one (the purchase was a gift).

The Tea on Global Governance

ESG investors consider a company's record across E, S and G factors — alongside traditional fundamental analysis — when making investment decisions.

Environmental. Examples include the company's focus on climate change and carbon emissions; energy usage; waste management; and water and land usage.

Social. Examples include relationships between the company and its employees, suppliers, customers and the community; diversity issues; and responsible marketing.

Governance. Examples include a company's leadership or board structure; executive compensation; and shareholder rights.

There's a common misperception that focusing on ESG factors means sacrificing performance. Some ESG strategies put profits above or on par with social and environmental impact. Others emphasize impact above profits.

Numerous studies over various time periods have shown that companies that implement ESG into their business model perform better over the longer term. This has been borne out during the pandemic as funds with ESG strategies outperformed traditional funds.

Many investors now use ESG criteria as part of their fundamental analysis of investments. This is based on the idea that to understand the opportunities and risks of a company, it's necessary to take ESG criteria into account.

\$2 trillion net inflows into ESG funds in the U.S. in 2021.

(a significant increase over 2019 when flows equaled \$21.4, which itself was a record.)
Nasdaq



Being a BCORP

balancing purpose + profit

Rebelstork
Overall Score
81.7 of 250

Based on the B Impact assessment

The median score for ordinary businesses who complete the assessment is currently 50.9

consumers are voting with their dollars

In mass numbers, they are in total control of this moment in time, demanding sustainability and transparency, and pushing brands to do better with both sourcing and pricing.

Companies like **Pachama** and **Isometrix** are now measuring accountability, social impact and environmental responsibility in their growth strategy and harnessing AI to do things never before possible.

Rebelstork is officially a Certified B Corporation (B Corp). We started the long approval process when we launched in 2019.

Certified B Corporations carry legal requirements to consider the impact of their decisions on their workers, customers, suppliers, community and the environment. B Corps are a community of leaders, driving a global movement of people using business as a force for good. Those who go through the rigorous certification process (which can take years) are pledging their commitment to their values and demonstrating to other businesses and their customers their dedication to being a values-driven business.

We are committed to helping parents in need. Through our [#FlockGives](#) initiative. We have charity partnerships supplying baby gear essentials to mamas in need.”

B Impact Assessment Score



RebelStork Category Rankings

Governance 14.5
Workers 20.4
Community 18.0
Environment 26.8



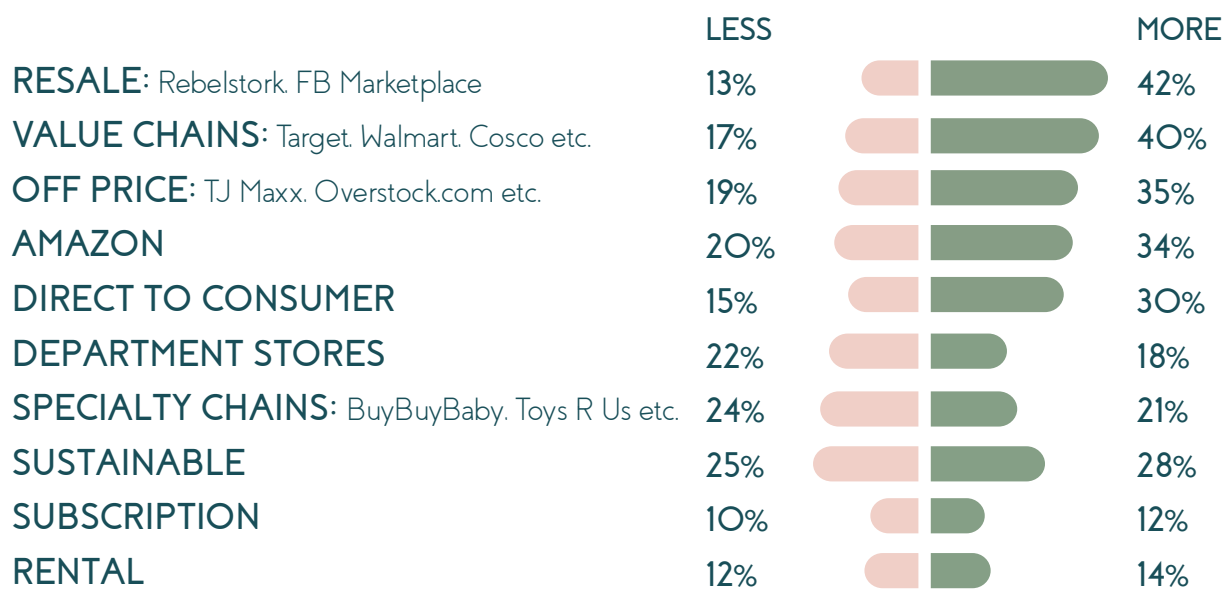
Team Rebbby's 2022 Forecast

1 in 2 moms are planning on
spending more on secondhand
in the next 5 years. *ThredUp*

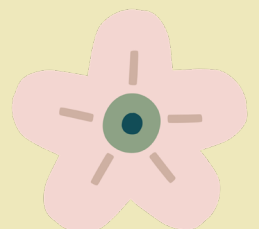


The Registry of the Future

Where Moms Plan to Spend
More or Less \$ in the next 5 years



Sourced by Rebelstork



Trendsquawk 2022

genius products making the most noise

We are seeing an evolution in product design, lifespan and technology with a consumer mindset focus.

Key Item Evolution

The must-have items that parents need are getting fundamental updates in functionality.

Car seats have sun-protective canopies and models rotate to ensure the lifespan per child increases. Autofold strollers help parents with full hands and change pads feature weight tracking. Monitors track sleep patterns. Cribs grow from bassinets to full size beds.

Transparent Parenting

The rise of sustainable parenting practices is at an all-time high. People want to know if their money is backing a good cause instead of unsustainable business methods. Public consciousness about global warming has been impacted by new scientific breakthroughs.

We are proud to be a certified B Corporation balancing both purpose and profit.

The Feeding Evolution

More than ever, millennial and Gen Z moms are struggling to balance “me time” with “work time” and “family time.” Pumping is one of the hardest tasks for new moms and the average mom spends 3.5 - 4.5 hours pumping per day. Enter the new wave of wireless, discreet pumps and advancements in organic formula. The evolution brings total empowerment enabling moms to pump while running errands or while getting their nails done. Many of the companies leading the charge are female-owned and mom-led.

Introducing Smart Tech Parenting

In 2021 smart tech baby was booming, and this continues full steam ahead. This year we will see the emergence of putting the parents first: family management apps, childcare apps and total retail transparency. We will see parents banking on smart tech tools to help make parenting easier.

REV by Rebelstork is powered by AI technology built to empower parents to shop smarter as the first and only resale estimated value index in the baby gear industry.

Caregiving isn't just for Moms

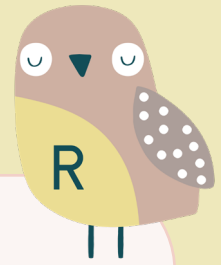
Millennials and Gen-Z parents are pushing past the traditional gender norms. Ongoing COVID and the global work from home movement has made it clear that the responsibilities of raising a family are tough for just one person to handle. There are more paternity leave dads than ever before, and the traditionally maternal roles are shifting vs. the previous generations.

Virtual Support Communities

Last year we saw the boom of virtual communities. We will see this evolve with the rise of virtual support communities. With Covid still in session, the growth of data driven online support offered by brands on their platforms will increase. Expert-led content is providing a safe haven for moms eager to learn, trust, share and connect.

Ask REV

top brands in demand for holding their value



10

BABYLETTO

9

BABY BJORN

8

NUNA

7

LOVEVERY

6

PEG PEREGO

5

POTTERYBARN
KIDS

4

OWLET

3

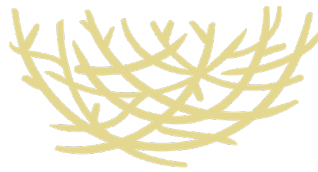
4MOMS

2

UPPABABY

1

THE HAPPIEST
BABY



REBELSTORK

Thank you for supporting
our labor of love.

First Baby Gear Marketplace
Created for Parents

JAN 2022