HOW MARKETS MEET CONSUMER DEMAND: SECONDHAND CLOTHING IN EL SALVADOR

Macroeconomic Pressures, Household Consumption, and Market Adaptation

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Full Cycle Resource Consulting

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Introduction

This report explores how the secondhand clothing market in El Salvador has evolved into a vital economic lifeline, effectively helping families cope with rising costs and limited budgets. The country faces significant financial challenges, including a post-pandemic inflation spike to 7.25 percent and a labor market where nearly two-thirds of the population relies on informal work. These pressures have made purchasing new clothes increasingly difficult, driving a major shift in consumer habits. Between 2019 and 2023, imports of new apparel dropped by 32 percent, while the market share for used clothing grew to account for nearly one-third of all clothing imports. This shift is driven by a stark difference in affordability: on average, new clothes cost more than four times as much as secondhand options.

To meet the growing demand for used clothing, the industry has built a highly organized supply chain that relies almost entirely on goods from the United States, which provides over 96 percent of the country's used clothing. The report details how local businesses have streamlined their operations to keep prices stable. Rather than relying on middlemen, many importers own their own sorting warehouses and retail stores. In these facilities, workers use a careful two-step sorting process to grade garments by quality and style. This ensures that every item is categorized correctly before it reaches the store shelves, allowing businesses to manage their inventory efficiently and keep costs down for the consumer.

The findings highlight just how accessible this market is for the average household. An analysis of over 21 million items reveals that 99.56 percent of the clothing is sold for under US$15, with the most common price tag being just US$3. The market is also highly adaptable to where people live; for example, average prices are significantly lower in the Western region compared to the wealthier Central region, ensuring clothes remain affordable even in lower-income areas. At the same time, a small, specialized online market has emerged for shoppers seeking premium, "like-new" brand-name items, demonstrating that the sector can serve diverse needs while maintaining its core focus on affordability.

Economic Constraints

El Salvador, the smallest and most densely populated country in Central America, faces economic and environmental challenges that influence everyday consumption patterns, particularly for essentials like clothing. Home to approximately 6.34 million people (United Nations, 2024), the country operates as a lower-middle-income economy, with a GDP of US$37.8 billion and a per capita income of about US$5,900 (IMF, 2024). The economy leans heavily on services, bolstered by remittances that contribute over 20

percent to GDP, and key exports such as textiles and coffee (World Bank, 2023a). Despite an average annual growth rate of 2 to 3 percent in recent years, this progress is fragile, overshadowed by vulnerability to external shocks—including global commodity price spikes, geopolitical tensions, and frequent natural disasters like earthquakes, volcanic eruptions, and hurricanes that disrupt agriculture, water supplies, and critical infrastructure (World Bank, 2023b; UNDP, 2023).

Following a strong post-pandemic rebound in 2021, El Salvador's economic growth moderated to an estimated 2.8 percent in 2022 (IMF, 2025). However, this recovery was accompanied by rising inflation, which reached 7.25 percent—an unusually high rate for a dollarized economy—reducing household purchasing power and increasing the cost of living. The country's current account deficit widened significantly, driven in part by higher global commodity prices, particularly for fuel and food. Despite some fiscal consolidation, pressures on the economy persisted: foreign exchange reserves declined, sovereign borrowing costs remained elevated, and access to external financing became more constrained. To ease short-term liquidity challenges, a pension reform was enacted to increase benefit payouts while mobilizing financial resources, though it also introduced new structural pressures to the system.

Against this backdrop of macroeconomic stress and constrained public spending, these pressures manifest at the household level as acute affordability crises. Roughly 30.3 percent of the population lives in poverty, with 9.3 percent in extreme poverty—a welcome decline from earlier decades, yet one that remains deeply entrenched amid persistent inequality and limited access to formal jobs (World Bank, 2023a; 2023c). The informal sector serves as a vital lifeline for many, dominating the labor market: while official unemployment hovers at just 2.84 percent in 2024 (World Bank, 2024), this figure belies widespread underemployment, with informal work rates averaging around 65 percent—reaching 70.4 percent for women and 65.3 percent for men (ILO, 2023). Generating about 21 percent of GDP, the informal economy is a vital lifeline for many, but it is also unpredictable. This instability forces families to prioritize the lowest prices possible, making access to affordable essential goods a daily concern.

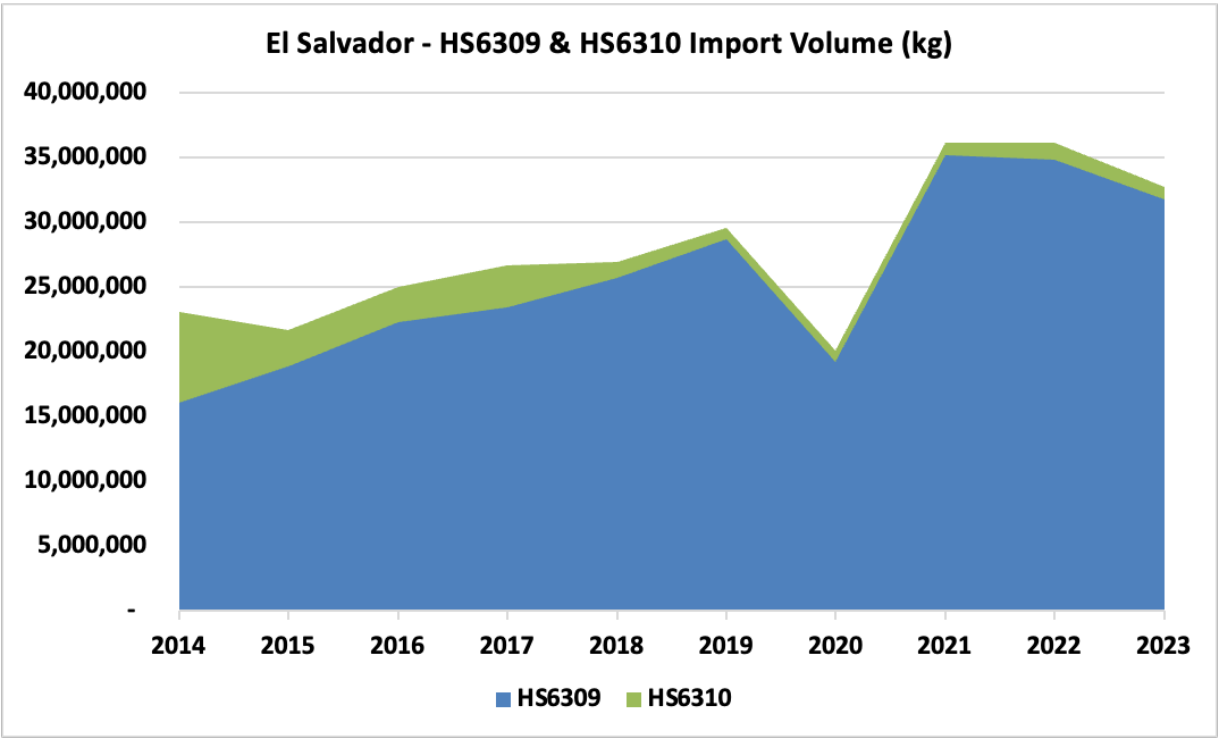
Trade Structures That Enable Affordable Supply

El Salvador's apparel sector is deeply embedded in export-oriented production networks. More than 90 percent of the garment industry operates within free trade zones, supplying international brands and global value chains rather than the domestic market (CAMTEX, 2023). As a result, domestic textile and apparel needs—particularly those shaped by household price sensitivity—are met almost entirely through imports of new clothing and secondhand clothing (SHC).

Macroeconomic volatility over the past five years has intensified this structural dependence on affordable imports. With household budgets strained by inflation, currency pressures, and broader economic shocks, demand has shifted sharply toward lower-cost SHC. From 2019 to 2023, El Salvador imported an average of 32.6 million kilograms of SHC annually (CIF: US$2.08/kg) under HS Code 6309 (Graph 1, Graph 2; UN Comtrade). Over the same period, SHC's market share rose from 21.6 per cent (28.7 million kg) in 2019 to 31.1 per cent (31.8 million kg) in 2023 (Table 1, UN Comtrade). By contrast, imports of new clothing declined by 32 per cent in volume—from 103.9 million kg to 70.3 million kg—and by 18.2 per cent in

value—from US$753.3 million to US$616.3 million (Table 2). The CIF value of SHC grew by 46.4 per cent, reaching US$66.25 million in 2023, underscoring a substantial affordability gap between SHC (US$2.08/kg) and new apparel (US$8.77/kg) (Table 3).

Graph 1: Year-to-year import volume comparison of HS Code 6309 and HS Code 6310 in El Salvador from 2014 to 2023

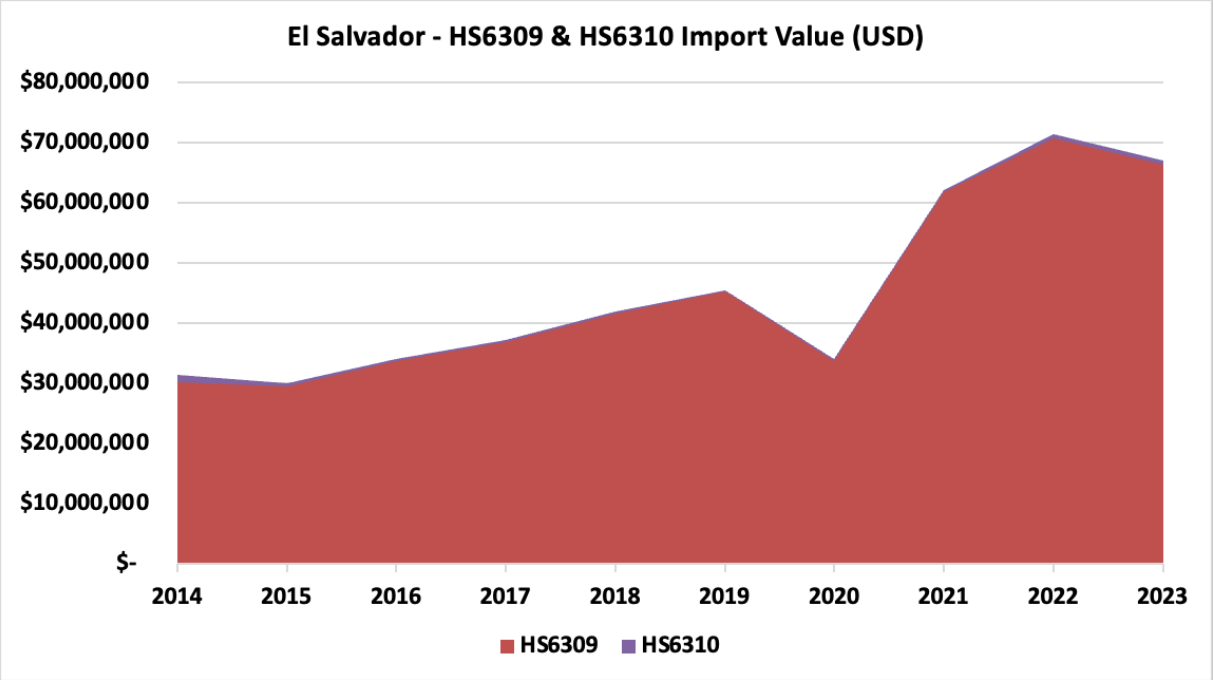


Note: A significant decline occurred in 2020, when imports fell from 28.68 million kilograms in 2019 to 18.24 million kilograms, reflecting the global trade disruptions caused by the COVID-19 pandemic. The market rebounded in 2021 with imports rising to 35.2 million kilograms, followed by 34.8 million kilograms in 2022. In 2023, imports slightly decreased to 31.8 million kilograms, according to UN Comtrade data. These figures suggest a relatively stable medium-term demand[1] for secondhand clothing in El Salvador, despite external shocks and year-to-year fluctuations.

Source: UN Comtrade

Graph 2: Year-to-year CIF value of HS 6309 & HS 6310 from 2014 to 2023 in El Salvador

[1] Between 2019 and 2023, El Salvador's import volumes under HS Code 6309 showed notable fluctuations. A significant drop was recorded in 2020—falling to 18.24 million kilograms—largely due to disruptions caused by the global COVID-19 pandemic. As 2020 represents an atypical year, it is excluded from the multi-year average to provide a more accurate reflection of underlying trends.



Note: El Salvador's market for second-hand textiles is dominated by imports under HS Code 6309, which accounted for 97.1 per cent of the total import volume and 99 per cent of the total CIF (Cost, Insurance, and Freight) value in 2023 (Graph 1; Graph 2). In contrast, HS Code 6310 represented a marginal share, with 937 tonnes (2.9 per cent) of total volume. Of this, 829 tonnes (88.5 per cent) originated from Honduras, Mexico, and Spain. The average CIF price for HS Code 6309 was US$2.08 per kilogram, compared to US$0.742 per kilogram for HS Code 6310. The limited volume and lower unit price of HS Code 6310 suggest that credential and unsorted clothing are not being exported for reuse under this category.

Source: UN Comtrade

Table 1: Import Volume Comparison of HS Code 6309 and New Clothing in El Salvador (2019–2023)

	HS6309 Equivalent New Textile and Apparel vs. HS6309 in Millions of Kilograms (Percentage Market-share by Weight)				
	2019	2020	2021	2022	2023
El Salvador (New and HS6309 Clothing Equivalent)	132.6	89.6	135.5	125.9	102.1
New HS6309 Equivalent	103.9 (78.4%)	70.4 (78.5%)	100.3 (74%)	91.1 (72.4%)	70.3 (68.9%)
HS6309	28.7 (21.6%)	19.2 (21.5%)	35.2 (26%)	34.8 (27.6%)	31.8 (31.1%)

Note: When comparing HS Code 6309 imports with equivalent new clothing imports, El Salvador imported 63.3 million pounds (28.7 million kilograms) of secondhand products under HS Code 6309 in 2019, representing 21.6 percent of the total market by weight. In contrast, new clothing imports amounted to 229.1 million pounds (103.9 million kilograms), accounting for 78.4 per cent of the market. By 2023, the volume of new clothing imports had declined to 155.0 million pounds (70.3 million kilograms) which is equivalent to 68.9 percent of the market. SHC increased to 70.2 million pounds (31.8 million kilograms) taking 31.1 per cent of the total market shares, reflecting a 10.8 percent growth.

Source: UN Comtrade

Table 2: CIF value comparison between HS Code 6309 and New Clothing Imports (2019–2023) in USD

HS6309 Equivalent New Textile and Apparel vs. HS6309 in Millions of USD (Percentage Market-share by USD)					
	2019	2020	2021	2022	2023
El Salvador (New and HS6309 Clothing Equivalent)	798.6	521	797.1	831.8	682.5
New HS6309 Equivalent	753.3 (94.3%)	487.2 (93.5%)	735.3 (92.2%)	761 (91.5%)	616.3 (90.3%)
HS6309	45.2 (5.7%)	33.8 (6.5%)	61.8 (7.8%)	70.7 (8.5%)	66.2 (9.7%)

Note: In value terms, the CIF value of new clothing imports was US$753.3 million in 2019, compared to US$45.2 million for HS Code 6309. By 2023, the CIF value of new clothing imports had declined by 18.2 per cent to US$616.3 million, whereas the value of HS Code 6309 imports increased by 46.4 per cent to US$66.25 million.

Source: UN Comtrade

Table 3. CIF per kilogram comparison between new textile and apparel vs HS Code 6309 (2019- 2023)

HS6309 Equivalent New Textile and Apparel vs. HS6309 in CIF per Kilogram					
	2019	2020	2021	2022	2023
El Salvador (New and HS6309 Clothing Equivalent)	$ 6.02	$ 5.81	$ 5.88	$ 6.60	$ 6.69
New HS6309 Equivalent	$ 7.25	$ 6.92	$ 7.33	$ 8.35	$ 8.77
HS6309	$ 1.58	$ 1.76	$ 1.76	$ 2.03	$ 2.08

Source: UN Comtrade

This need for consistent, affordable supply also dictates where the clothing comes from. Between 2019 and 2023, the United States accounted for between 96.4 and 98.6 per cent of total HS6309 import volumes, with all other exporting countries collectively contributing marginal shares (Table 4). This concentrated origin structure provides SHC importers with access to consistent supply streams aligned with North American consumption cycles, indicating a high degree of dependence on U.S. consumption and export dynamics for supply continuity and price stability.

Table 4: HS Code 6309 market share by country of origin (2019-2023)

El Salvador HS6309 Import by Million of Kilograms (Country of Origin Market Share)					
	2019	2020	2021	2022	2023
USA	28.09 (97.9%)	18.55 (96.4%)	33.71 (95.8%)	33.86 (97.3%)	30.73 (98.6%)
Poland	0.14 (0.5%)	0.22 (1.2%)	0.47 (1.3%)	0.29 (0.8%)	0.32 (0.4%)
Canada	0.28 (1%)	0.18 (0.9%)	0.19 (0.5%)	0.14 (0.4%)	0.26 (0.2%)
Türkiye	0.02 (0.1%)	0.12 (0.6%)	0.12 (0.3%)	0.12 (0.3%)	0.15 (0.2%)
Slovakia	0.02 (0.1%)	0 (0%)	0.07 (0.2%)	0.05 (0.1%)	0.1 (0.1%)
All Other Countries	0.14 (0.5%)	0.17 (0.9%)	0.62 (1.8%)	0.34 (1%)	0.22 (0.7%)
Total Import (Million kgs)	28.68	19.24	35.19	34.8	31.78

Note: Between 2019 and 2023, the United States consistently maintained a market share ranging from 96.4 per cent to 98.6 per cent (Table 4). In contrast, Poland—the second-largest supplier in 2023—accounted for only 0.32 million kilograms (0.7 million pounds), followed by Canada at 0.26 million kilograms (0.6 million pounds).

Source: UN Comtrade

How Supply Responds to Demand: Sorting, Distribution, and Retail Integration

The SHC sector in El Salvador is defined by vertically integrated operational systems, which means that the same companies control the entire process - owning both the warehouses where clothes are sorted and the retail stores where they are eventually sold. All four importers surveyed in 2024 operate both sorting facilities and downstream retail networks, enabling them to control quality, pricing, distribution, and market segmentation. These facilities collectively processed 19.3 million kilograms (42.5 million pounds) of HS6309 goods in 2024—equivalent to 59.2 percent of the historical annual import average of 32.6 million kilograms[2]. This also highlights how the secondhand clothing sector creates jobs in sorting, retail, and distribution, supporting local economies.

Sorting operations typically follow a two-stage process: pre-sorting and fine-sorting. Pre-sorting separates broad product categories (e.g., shirts, pants, dresses), while fine sorting grades individual garments by quality, condition, fashion relevance, and durability. Fine sorting marks a crucial transition point—from bulk kilogram-level measurement to item-level inventory management—laying the foundation for retail segmentation.

For some companies, pricing is assigned during fine sorting at the facility, while others allow store-level staff to determine prices based on the same quality criteria but calibrated to local market demand. Distribution models vary across facilities. Some combine products with packing lists specifying item counts, while others prepare more granular batches, enabling retail outlets to pull category-specific goods such as jeans or children's wear.

Retail models diverge in structure and strategic emphasis. One company follows a selective model, retaining only premium-quality garments for its own stores while selling lower-grade inventory in bulk to informal distributors. The remaining three companies operate multi-tiered or single-tier retail networks. Multi-tiered systems segment stores into premium, standard, and *ripio*[3] or *saldos* outlets, matching quality with purchasing power. Some simplify this to two tiers by combining premium and standard categories. Single-tier systems stock a wide range of products in one location, cultivating a "treasure hunt" shopping experience that maximizes conversion rates and encourages repeat visits. Retailers may focus primarily on maximizing the revenue-to-cost ratio across the entire volume of imported goods. This includes prolonging the sell cycle to optimize inventory turnover and fully exhaust the retail potential of each item.

Inventory circulation practices also differ. Retailers with centralized logistics occasionally retrieve unsold stock from branches for re-sorting, re-pricing, and redistribution. In all cases, sorting strategies are

[2] Based on data from 2019, 2021, 2022, and 2023

[3] *Ripio means final discounted items*

calibrated to optimize value recovery while ensuring appropriate alignment between garment quality and consumer purchasing power.

Pricing as a Demand-Matching Mechanism

Pricing practices follow two distinct approaches. In both pricing models, garments are assessed based on condition, appearance, fashion, functionality, and perceived durability to determine value (SMEP, 2024). The key distinction lies in where pricing is applied (Table 5). In the first model, pricing is assigned during the fine sorting stage at the sorting facility. In the second model, pricing is determined at the retail outlet, where in-store staff apply the same quality criteria but adjust prices according to local demand and store-specific pricing strategies.

Table 5: Pricing models

Feature	Model 1: Centralized Pricing	Model 2: Store-Level Pricing
Where pricing happens	At the sorting facility (during fine sorting)	At the specific retail store
Who sets the price	Sorting staff	In-store staff
Key Advantage	Standardized pricing before shipping	Adjusted for local demand and store strategy

The sorting and retail models directly influence how garments are priced and sold. Once items are allocated to specific channels, pricing strategies—tailored to garment quality and target consumers—determine market positioning and inventory turnover. This section examines these pricing structures and markdown cycles, revealing how value is recovered and segmentation reinforced across the SHC retail landscape.

Across three retailers, initial pricing is followed by a structured discount cycle. Garments that remain unsold are progressively discounted over fixed intervals—typically on a weekly basis—within a broader markdown period of approximately 8 to 12 weeks. The goal is to keep stock moving while allowing prices to respond to changing customer interest.

Analysis of 21.8 million sorted garments shows a highly concentrated pricing structure, with 99.56 percent of items priced between US$0–15 and a dominant price mode at US$3, underscoring strong consumer price anchoring at low, affordable prices. Retailers strategically use pricing intervals to segment demand. Small price differences encourage customers to buy more items at once, while larger gaps between prices help signal differences in quality. Retail formats that clearly separate price tiers make shopping more intentional. Customers often know what price range to expect before entering a store. At the end of the

system, very low-priced outlets sell remaining stock for only a few cents per item, while wholesale channels recover any remaining value. Overall, this pricing structure is carefully designed to maximize reuse and to serve different types of customers with different expectations (Table 6).

Table 6: Pricing and discount structure

Stage	What happens	Purpose
Initial pricing	Garments are priced based on quality and target customer	Position items within the market
Regular markdowns	Prices are reduced at fixed intervals, often weekly	Encourage sales over time
Markdown period	Discounts continue for roughly 8 to 12 weeks	Balance revenue with stock turnover
Low-price outlets	Unsold items move to very low-price stores	Maximize reuse and clear inventory
Wholesale channels	Remaining stock is sold in bulk	Recover residual value

Case Study: How each retailer meets demand

An analysis of 21.8 million sorted clothing items revealed that 99.56 per cent were priced between US$0 and US$15, indicating a strong market perception of value within this range. The most common retail price point (mode) was US$3.00, accounting for 2.91 million individual garments (Graph 3).

Retailer-specific strategies further highlight how pricing tiers are used to segment inventory. Retailers 1 and 2, both operating single-tier models, share overlapping price modes but apply different interval strategies.

Retailer 1 uses tightly spaced price points (e.g., US$3, US$4, US$5), leading to sharper peaks in the distribution. Retailer 1's tightly spaced price points encourage incremental decision-making, where consumers may perceive smaller price differences as more manageable and are more likely to buy multiple items. The sharp peaks in the pricing distribution suggest concentrated demand at familiar, low-risk price points—appealing especially to budget-conscious shoppers looking for value.

Retailer 2 adopts broader price intervals (e.g., US$3, US$6, US$10), creating a flatter distribution and clearer segmentation by value. Retailer 2's broader intervals create more distinct value categories, helping consumers quickly differentiate between garment quality or desirability based on price. This

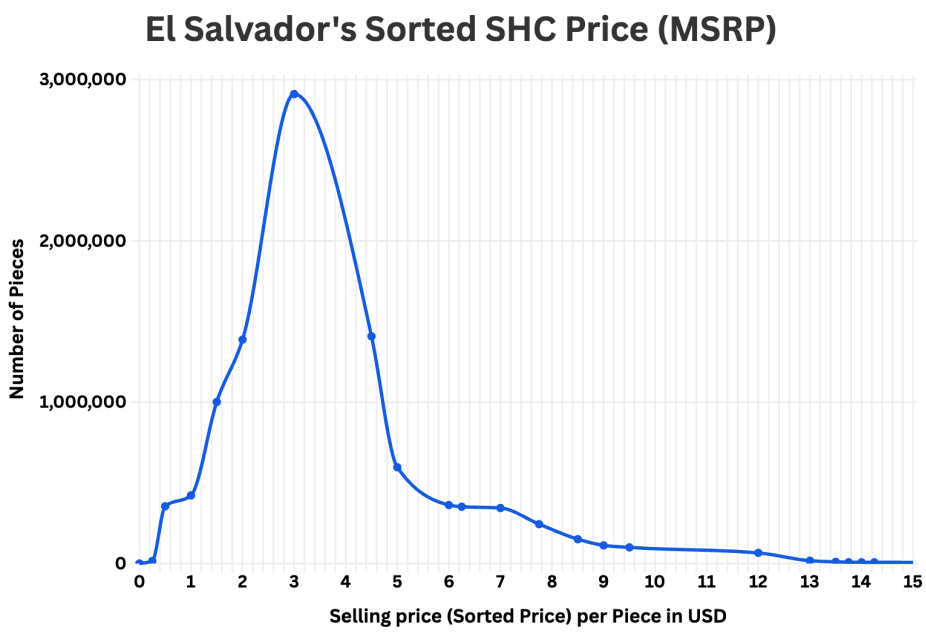
strategy can guide shoppers toward perceived "good deals" in the mid-range while anchoring expectations around product worth.

Retailer 3's wider pricing gaps and differentiated store formats may create a more curated experience. This strategy likely appeals to more deliberate or mission-driven shoppers—those who shop with a specific budget or quality expectation. Consumers entering a store already know what tier they're engaging with, leading to faster, more intentional purchases.

In multi-tier systems, *ripio* or *saldos* stores represent the lowest pricing tier. Garments here are typically sold at $0.15 to $0.33 per piece. Items that remain unsold at this level are often bulked and sold for $0.12 per piece or by the kilogram. For instance, one company's distribution showed 7.9% of items sold at super-premium prices, 13.7% at premium, 25.5% at standard, 49% at discounted, and 3.9% through wholesale (Table 8). This structure reflects a deliberate market segmentation strategy to maximize product reuse and value capture across consumer groups.

Together, these strategies illustrate how pricing architecture not only segments inventory but also shapes how consumers navigate price, quality, and quantity decisions in secondhand retail environments.

Graph 3: MSRP for SHC

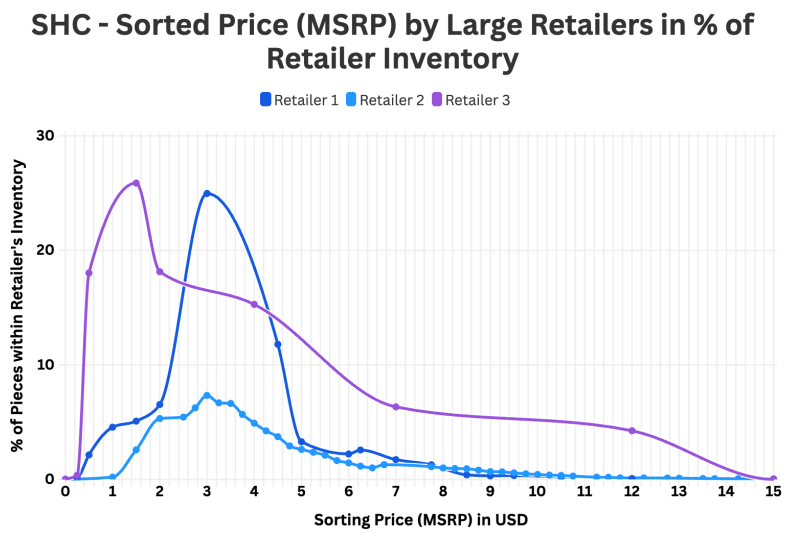


Sample size of 21.8 million article of clothing

Note: An analysis of three retailers that provided initial sorting price data reveals distinct pricing strategies, assessed using peak tracing methodology. This analytical approach is employed to identify the most common

pricing levels—or modes—by tracking the distribution of sorted garment prices as a percentage of each retailer's total priced inventory.

Graph 3: Comparison of MSRP across retailers



Sample size of 21.8 million article of clothing

Note: The graph visualizes the distribution of item price points across three retailers, revealing distinct pricing strategies. Retailer 1 shows tightly clustered peaks reflecting closely spaced price tiers. Retailer 2 displays a flatter curve due to broader intervals between price points. Retailer 3's wider gaps and lower frequency suggest a more segmented pricing model, aligned with differentiated store formats.

Table 8. Example of Retail Pricing Tier Distribution

General	Percentage
Super Premium	7.9%
Premium	13.7%
Standard	25.5%
Discounted	49.0%
Wholesale	3.9%
Total	100.0%

Regional Socioeconomic Drivers of Retail Price Differentiation

El Salvador's SHC market is shaped by pronounced regional disparities in income, employment formality, and infrastructure, which directly influence consumer purchasing power and retail pricing. These structural differences help explain variations in where clothing is sold, at what price points, and how supply adapts across regions.

San Salvador, San Miguel, and Santa Ana stand out for their stronger business ecosystems, strategic proximity to trade borders, and public infrastructure. San Salvador alone hosts approximately 87 per cent of the country's exporting companies, contributes 33 per cent of national GDP, and accounts for 60 per cent of formal employment (OPAM, 2020). Meanwhile, education levels further highlight regional divides: 21 per cent of individuals aged 16 and older in San Salvador have completed secondary education, compared to 18 per cent in San Miguel (Eastern region), and 13.7 per cent in Santa Ana (Western region). (EHPM-BCR, 2023). These disparities directly impact labor market outcomes. Despite El Salvador's low official unemployment rates, high levels of informal and unstable employment persist, especially in outlying regions. For instance, in Santa Ana, 71.5 per cent of the employed population work informally, lacking access to formal job protections (IDEM). In contrast, San Miguel and San Salvador exhibit comparatively higher levels of formality, at 36.5 per cent and 52 per cent, respectively (IDEM). These structural inequalities shape not only where clothing is sold and at what price, but also who can afford it—reinforcing the close relationship between socioeconomic geography and the structure of the SHC market.

The Western region—comprising Ahuachapán, Santa Ana, and Sonsonate—accounted for 17 per cent of total retail sales despite not being a primary recipient of imports. This downstream flow reflects a responsive supply chain adapting to consumer demand beyond initial import hubs. **These pricing decisions do not occur in isolation—they align with broader regional patterns of demand and affordability. Price differentials further underscore the segmentation:** the Central region recorded the highest average unit price at US$3.42 (Table 6), followed by the Eastern region (Usulután, San Miguel, Morazán, and La Unión) at US$2.42, and the Western region (Ahuachapán, Santa Ana, and Sonsonate) at US$0.92, highlighting the role of consumer purchasing power in shaping retail market structure.

Taken together, the interplay between economic pressures, consumer purchasing power, and retailer pricing strategies reveals a highly adaptive SHC market in El Salvador. From centralized sorting operations to tiered pricing and markdown cycles, each stage of the supply chain is calibrated to respond to affordability constraints, consumption habits, and regional disparities. **Retailers use sorting and pricing models not only to segment inventory but to shape consumer behavior—offering flexibility for price-sensitive shoppers while capturing value across a diverse customer base. As the SHC sector continues to grow, its ability to balance efficiency, accessibility, and profitability will remain critical to its role in sustaining clothing access and economic opportunity across the country.**

Table 5. SHC Geographic Distribution of HS 6309 Imports and Sorting Volumes in El Salvador (2022–2024)

HS6309 Import Volume by El Salvador Cities (3 Year Import Volume 82.7% of El Salvador's Total Import Volume)		
🕮 San Salvador	99,074,452	76.7%
🕮 La Libertad, El Salvador	3,356,006	8.9%
🕮 San Miguel, El Salvador	9,348,623	7.2%
All Regions	9,306,661	7.2%
🕮 Lourdes	5,781,833	
🕮 Santa Tecla, El Salvador	2,360,513	
Total	**129,228,089**	**100.0%**

Note: The table volume is by kilograms with comparison of percentage weighted

Source: *Garson & Shaw, 2025*

Table 6. Sales Volume and Unit Price by Region: SHC Market in El Salvador (2024)

Clothing Sale % By Regions (24.2M articles of clothing)			
	Western	Central	Eastern
Number of Pieces (Millions)	4.1	17.5	2.6
Percentage of Total	**17.0%**	**72.4%**	**10.5%**
Average Price	$ 0.98	$ 3.42	$ 2.40

Note: The table presents regional breakdowns of secondhand clothing sales in El Salvador, comparing the proportion of total sales by region with corresponding average unit prices. While the Central region dominates both imports and sales, the data highlights a redistribution of goods toward Western and Eastern regions, where price differentials suggest varying consumer purchasing power and market segmentation

Digital Sales: Reaching Customers Beyond Physical Markets

Beyond traditional retail models, online SHC retail represents a specialized and emerging channel, catering to a distinct market segment with elevated expectations around quality, style, and condition. While garments sold online begin the same journey as all SHC—undergoing pre-sorting and fine sorting—they are subject to an additional layer of selection, focused on identifying items that are indistinguishable from new: pristine, minimally worn, aligned with current fashion trends, and often bearing recognizable brand labels or even original retail tags.

Online SHC shoppers in El Salvador are predominantly brand-conscious women who seek curated, higher-quality items and are willing to pay premium prices for known labels and trend-driven garments. The online market, though small in share, reflects clear segmentation and upward mobility in consumer expectations, compared to physical secondhand retail.

Online SHC retail functions as a niche, quality-driven extension of the broader value chain, targeting consumers with elevated expectations around condition, style, and brand appeal. As of 2024, Premium Center accounted for 17.4% of El Salvador's total HS6309 imports. Yet only about 3% of sorted garments met the standards for e-commerce. By May 2025, Premium Center's online platform featured 12,858 items from 2,008 brands. Women's clothing dominated the listings at 46.1%, followed by men's at 22.6%, with categories like dresses, jumpsuits, and rompers alone making up 17%—underscoring a strategic emphasis on trend-responsive female shoppers.

The online inventory reflects a market shaped by both brand familiarity and consumer price sensitivity. A clear concentration of mass-market and fast fashion labels is evident: the top three brands—Old Navy (5.1%), Shein (2.4%), and Cat & Jack (2.1%)—account for 9.6% of all listings. When expanded to the top ten, including Under Armour, SM, H&M, Wonder Nation, Fashionnova, Forever 21, and Express, the share rises to 21.1%. Altogether, the top 30 brands represent 38.4% of the inventory, while the remaining 1,978 brands make up 61.6%, underscoring the diversity present in the SHC stream.

This brand distribution strongly correlates with pricing trends. The mode price for e-commerce items stands at $12—well above standard SHC retail outlets, where 99.96% of items sell for under $15. Even the lowest online price of $6 exceeds that of 86% of physical store listings. Higher-priced tiers (US$15–US$20+) tend to feature more aspirational or globally recognized labels, such as Express, Calvin Klein, Fashionnova, and H&M. Meanwhile, lower price points (US$6.40, US$8, US$12, US$15) are dominated by widely available brands like Old Navy, Shein, and Forever 21. These patterns suggest that both resale value and consumer demand are shaped not only by garment quality, but also by the perceived desirability and recognition of the brand among local shoppers.

Conclusion

El Salvador's secondhand clothing (SHC) sector functions as a highly adaptive market system that translates macroeconomic constraints and household affordability pressures into practical decisions about what clothing is sold, how much it costs, and where it is sold. Within an environment shaped by inflation, high informality, and limited purchasing power, market responses emerge through varied retail structures, tiered pricing strategies, and distribution patterns tailored to regional consumer needs.

The strong concentration of SHC imports from the United States provides access to consistent, volume-based supply aligned with North American consumption cycles, enabling surplus generation upstream to be efficiently converted into affordable clothing options downstream. Vertically integrated sorting and retail operations reinforce this responsiveness by facilitating dynamic allocation of garments across quality tiers, store formats, and price points. Pricing architectures—anchored at low modal prices and reinforced through structured markdown cycles—operate not only as inventory management tools but as mechanisms for demand matching, shaping consumer choice across income levels and regions.

Regional price differentials and downstream redistribution patterns highlight the role of purchasing power in structuring market outcomes, while the emergence of premium and online SHC channels illustrates the sector's capacity to serve increasingly diverse consumer preferences without undermining its core affordability function. Together, these dynamics demonstrate that the SHC sector operates as an economically rational and demand-responsive system that balances access, value recovery, and market efficiency.

As economic pressures persist and demand for affordable essentials remains high, continued market effectiveness will depend on flexible trade channels, integrated operational models, and pricing structures that reflect household realities. Recognizing secondhand clothing markets as functional components of essential consumption systems—rather than residual or temporary solutions—remains critical for informed trade, labor, and sustainability policy discussions in El Salvador and comparable economies.

Reference

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