

Flea markets in the space – Typology and spatial characteristics of second-hand retail in Budapest

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Abstract

Nowadays the term “used items” has a rather rich connotation, thus their retail trade has also diversified, has broken into several segments. This study first defines the aspects according to which the different types of second-hand retail trade can be classified, then – on the basis of this – it describes the types and sub-types of the sector. Based on Hungarian and foreign literature, considering the profile of second-hand retailers we can distinguish fairs (antique fair, car boot sale, and garage sale), markets (flea market, bourse) and shops (second-hand clothes shop, vintage shop, flea shops, charity shops, antique shop and shops with additional functions). The study based on primary research also classifies the different retail units on the basis of their location, product range, opening hours and their operators. Then with GIS methods the spatial distribution of used item retailers in Budapest is represented on a map, finally the data is analysed. In 2016 the majority of second-hand retail units was antique shops and second-hand clothes shops, but the market was enriched with flea shops, thrift stores and flea markets as well. The study points out that due to their functions in the market, the different types show spatial characteristics, the different shops are concentrated in different parts of the capital.

Keywords: second-hand retailing, flea market, shop typology, spatial structure, Budapest

Introduction

Our consumer society faces a rather diverse typology of second-hand retail nowadays, which puts second-hand retailing into a different perspective. Parallel with the development of consumer culture and retail trade, the market of second-hand items has greatly diversified (STOBART, J. and VAN DAMME, I. 2010), and broken into special segments. Not only the economic, social, and cultural driving factors of consumer behaviour are getting more and more complicated, but the motivations of the actors of the supply-side are expanding with new aspects.

Trading with second-hand goods has been expanding in Hungary too. Along with the appearance of new forms of trade, new consumer trends appear, which further diversify Hungarian market competition, however, so far relatively little attention has been placed

on the analysis of their spatial aspects. Additionally, second-hand retail may contribute to the transformation of consumption spaces (NAGY, E. *et al.* 2016) and support the retail trade diversity of public spaces in urban areas (BOROS, L. *et al.* 2016).

In our everyday shopping experiences, we run into second-hand items on flea markets, in antique shops, thrift stores and flea shops, as well as on antique fairs and garage sales. Retailing in second-hand clothes and used cars have developed their own market, and due to the development of e-commerce, online market places for used items and auction sites have also become popular. However, until now there is no study which examines and thoroughly analyses the characteristics of the elements of this market segments.

When defining the market of used items, one has to be very careful, since it is rather difficult to draw the exact line between retailing in

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second-hand goods and other forms of retail trade. Moreover, on the market of used items not exclusively “used” goods are traded, so it is more accurate to talk about re-selling (VAN CAYSELE, P. 1993). For the definition international standards for classifications of economic activities can provide a reference point. ISIC Rev.4 applied by the United Nations Statistics Division and NACE Rev.2 used in the EU member countries – on which the Hungarian NACE '08 system is built – lists in-store retailing in used items (mainly books, clothing items, antiques) and the activities of auction houses under the heading „not elsewhere classified” retail activities (<https://unstats.un.org>, <http://ec.europa.eu>, <http://www.teorszamok.hu>). The branch does not include retailing in used cars and their parts, online auctions, mail order and pawning activities. At the same time, the author also finds it important to make distinction between retailing in second-hand items and used cars because of the different market mechanisms. Plus, we have to make distinction between retail of second-hand goods – in the traditional sense – and selling in auction houses. The latter ones mainly sell artwork and antiques in auctions for adding or storing value, so their activities are more like the activities of art galleries, than of garage sales or flea markets. Thus, the author more agrees with the classification of the North American Industry Classification System (NAICS), which distinguishes the activities of auction houses and retailing in used items.

The aim of this study is to introduce the supply side on the market of used items in Hungary through the example of Budapest. The author sets up a typology which can be used for classifying activities on the market of used items, and also covers the full spectrum of retail activities in second-hand goods. This systematic classification would be required, because in Hungary buying and selling used goods, and the experiences connected to this affect several layers of the society.

Another aim of the study is to examine spatial dimensions of second-hand retail units in the capital from a point of view of regional

science, highlighting spatial distribution of the actors of this special market segment. The author seeks answer to the question whether a concentration or separation in space can be observed in the distribution of these retailers, and if there is a connection between spatial distribution and the functions of the different types.

Theoretical overview – outline of previous international research

In the research history of second-hand retailing, the development features of second-hand clothes retail have been in focus. This sector has been investigated mainly from culture- and socio-historical points (LEMIRE, B. 1997; FRICK, C. 2005; PALMER, A. and CLARK, H. 2005; FONTAINE, L. 2008). However, GREGSON, N. and CREWE, L. (2003) dealt with the spatial dimensions of second-hand clothes retail. While WILLIAMS, C. and PADDOCK, C. (2003), as well as GUIOT, D. and ROUX, D. (2010) have remarkable findings in researching the sector’s market. DELONG, M. *et al.* (2005) focused on a special segment in second-hand clothes retail, on vending vintage and retro fashion items.

More holistic studies on the whole of the market for second-hand goods are mainly related to the names of economists. In previous decades, several macroeconomic researches focused on the issues of substitutability between new and used items and the effects of changes in product life cycle on the market (SWAN, P.L. 1972; LIEBOWITZ, S.J. 1982). SCITOVSKY, T. (1994) in his work discussed how second-hand retail influences the macro-balance of the market, while SHULMAN, J.D. and COUGHLAN, A.T. (2007) placed the emphasis on the conditions of profitability. Another studies focused on transactional costs on the market for second-hand goods and on the role of price discrimination (ANDERSON, S.P. and GINSBURGH, V.A. 1994; THOMAS, V.M. 2003), and on revealing bidding mechanisms and pricing factors (STROEKER, N.E. and ANTONIDES, G. 1997). WILLIAMS, C.C. (2002, 2003) discussed the factors of the operation

of second-hand retail market and buyers' needs and motivation from a demand-side approach. GABBOTT, M. (1991) analysed consumers' risk-taking behaviour, HUANG, S. *et al.* (2001) segmented consumers on the basis of their willingness to pay.

Besides the earliest researches on U.S: swap markets (SHERMAN, E. *et al.* 1985), socio-cultural (SHERRY, J. 1990a) and eco-sociological researches (CHANTELAT, P. and VIGNAL, B. 2005) are worth mentioning. The characteristics of traditional US garage sales and community fairs were examined by SOIFFER, S. and HERRMANN, G. (1987), HERRMANN, G. (2011) and CRAWFORD, M. (2014). Researches in car boot sales are connected to MULHOLLAND, M. and COCKFIELD, R. (1993), STONE, J. *et al.* (1996), CREWE, L. and GREGSON, N. (1998).

The first scientific researches of charity shops of Western-European origin started in the 1990s (HORNE, S. and BROADBRIDGE, A. 1995; HORNE, S. 1998), and several outstanding studies have been published on the clientele of charity shops, on customer behaviour and motivation (CHATTOE, E. 2000; BARDHI, F. and ARNOULD, E.J. 2005; MITCHELL, M. and MONTGOMERY, R. 2010).

Nowadays two new directions of research on second-hand retail have emerged. With placing environment-conscious lifestyle and re-use of goods into focus, novel aspects of second-hand goods market will gain more attention (GREGSON, N. *et al.* 2013; FORTUNA, L.M. and DIYAMANDOGLU, V. 2017). As a result of the spread of e-commerce, researchers also focused on exploring online marketplaces and auction sites (PETERS, M. and SEVERINOV, S. 2006; HUMMEL, P. 2015).

Definition of second-hand retail trade

The market of used goods can be considered an alternative/informal distribution channel for consumer durables, see C.C. WILLIAMS' work (2002), whose emergence and operation is based on the substitutability of products (SWAN, P.L. 1972; ANDERSON, S.P. and GINSBURGH, V.A. 1994), and on different con-

sumer value judgement (SHULMAN, J.D. and COUGHLAN, A.T. 2007).

Selling and buying used goods is a diverse activity, and is constantly changing in the context of space-and-time. Its prime characteristic is *self-organization* (SHERRY, J. 1990b, LEYSHON, A. *et al.* 2003; WILLIAMS, C.C. 2003). It includes legitimately (or in some cases illegally) organized garage sales, antique fairs and flea markets, as well as individual and chain stores selling second-hand clothes, thrift stores and flea shops, and electronic auctions and auctions as well.

Items sold and bought during the transaction can be new or used ones, and cover the full range of goods, but their basic common feature is that they used to be the property of at least one owner, so they end up on the market as second-hand items.

Hungarian aspects of the research topic

In Hungary, in the previous decades, researches in second-hand culture mainly focused on social and sociological aspects (VALUCH, T. 2004; ZACHARIÁS, K. 2007; BERTA P. 2012).

The history of the most well-known Hungarian flea market, the "Ecséri" in Budapest was researched by BRUCKNER, É. (2007). The range of goods supplied on the Ecséri market, the market in Bakancs Street, and the flea market in Petőfi Csarnok covers the whole spectrum of used goods, including unique pieces of collections and rarities. A special form of used goods retail, typical for East Central Europe, is *junk and jumble picking*, popular with antique retailers. As KOVÁCS, E. *et al.* (2008) state, at times of house clearance and junk removals pickers select items which are of considerable value and sell them at different fairs and in markets. Opposed to waste pickers, junk pickers are specialized in collecting different tools, objects, materials and often work cross-border.

Differentiation in retailing in used items can be observed in Hungary too. Although car boot sales are not very common in Hungary, thrift stores, flea shops, vintage

stores, community and garage sales have already appeared. Today – in the age of electronic auctions – prevail of auction websites sets the trends in second-hand retail. The most well-known international online markets (Amazon, Craigslist, Ebay, FreeCycle és a Yahoo!) (HICKMAN, B. 2010; FORTUNA, L.M. and DIYAMANDOGLU, V. 2017) are gaining popularity in Hungary too, and the number of users of Hungarian auctions sites is also increasing (VAS-EGRI, M. and DANÓ, Gy. 2013). The most popular ones are Apród, Jófogás, TeszVesz, and Vatera.

Applied research methods

The methods for establishing the typology are based on the relevant literature and on the results of inductive research. International and Hungarian literature mostly fall short on the holistic approach. Generally, researchers specialize in a segment and research only that one thoroughly. Consequently, a model which synthesizes the different segments of second-hand retail needs to be developed.

To establish a primary database Google search engine was used. The research – besides the retailers with an own homepage and a webshop – was extended to information in online directories, databases, advertising portals and on Facebook. Data collection included data on stores operating in the field of second-hand retail in the capital and events and facilities connected to them. (Due to the above mentioned reasons, data collection did not include auction houses and used car dealers.) Data collection took place between September 2015 and January 2016. In this period a total of 178 retailers were listed, their data were collected in an Excel spreadsheet. The database² contains the name and address of the retail units, their product range and other relevant pieces of information.

² Only data of major second-hand clothes shop chains were entered into the database, because some of these shops exist only for a short period (many of them are private enterprises where the owner would be unemployed otherwise.)

Data were collected in Budapest, because the relatively new forms second-hand retailers (flea shops, thrift stores, vintage shops, etc.) appeared in Budapest first. To reveal these processes, data collection was supplemented with personal observation (visits to shops and markets). During the field work the main characteristics of second-hand retailers were further discovered and primary data were refined.

In Phase One of the research, criteria for the typology were set. From the results based on the primary analysis of the database, it turned out that second-hand retail units in Hungary can be classified according to their *profile* (1), *location* (2), *product range* (3), *opening hours* (4), *purpose of the business activity* (5), and *owner/operator* (6).

The next stage in the research process was to examine spatial aspects of second-hand retail in Budapest. To this end, the change in the number of second-hand retail units between 1998 and 2014 was analysed and represented on a graph (annual data for districts derived from TeIR – National Regional Development and Spatial Planning Information System (hereinafter referred to as SPIS) – and were combined according to areas). Besides this, changes in the examined period were analysed according to districts and the results were marked on a map. We were looking for the answers to two important questions: whether the different types of second-hand retail units are spatially separated and to what extent the different types of these units are concentrated inside the capital. Results were represented on the map with GeoMarket 4.5 and Mapinfo 10.5 GIS software.

Since the research focused mainly on used goods retail in geographical space, spatial dimension of transactions on auctions sites and online auctions were not analysed. Locations of one-time events (antique fairs, garage sales, car boot sales) and bourses are not marked on the map either, since marking the constantly changing location of these occasional markets would only provide a snapshot, thus they would distort the process of the exploration of permanent spatial

processes. The location choices of antique fairs and garage sales in different periods of time should be discussed in a separate study.

Aspects for classification of retail of used goods and their types

As the analysis of the database including data about 178 second-hand retailers, which was compiled during the research process, and the results of on-the-spot observations proved, the different forms of second-hand retail in Hungary fall into the above described 6 categories (*Table 1*).

Types based on profiles

Regarding the profile of second-hand retail units, *fairs, markets and shops* can be distinguished. Fairs are events providing unique occasions for buying and selling, while markets function as a regular location for exchanging goods. There are similarities and differences between the types based on their frequency and gravity zone. *shops and chain shops* operate indoors, in a permanent brick-and-mortar shop. These chains include a set of shops with the same profile; however, their sub-types greatly differ from each other.

a) Fairs: defining events of the sector are *antique fairs*, which are usually attended by a great number of sellers. *Garage sales, community sales and car boot sales* belong to the group of occasional events, which usually involve local groups, thus locality plays a remarkable role. The location of garage sales are usually the home of the seller (SOIFFER, S. and HERRMANN, G. 1987), while carboot sales are held in a public area (parking lot, schoolyard, etc.) (STONE, J. *et al.* 1996).

b) Markets: among markets, *flea markets* are outstanding locations where supply meets demand in a multi-actor arena, and they are relatively constant, regularly available channels for sales activities (SHERRY, J. 1990b). Just like antique fairs, these events may have an extended gravity zone, often with interna-

tional relations. Swop markets (flea markets) are the oldest and most common informal places for retail and black market (SHERMAN, E. *et al.* 1985). They provide place for different transactions, and illegal barterers, but, at the same time, they serve as traditional locations for interactions (BELK, R. *et al.* 1988; PETRESCU, M. and BHATLI, D. 2013). According to the experiences of the author, *bourses* are organised with varying frequency; their main characteristics are defined by their supply concentrating on a certain theme.

c) Shops and chain shops: retailing in second-hand clothes have evolved their special, informal channels (PALMER, A. and CLARK, H. 2005); so *second-hand clothes shops* also have special selections, different price structures and different locations. Increasing demand for second-hand clothes can be depicted in the fact that after the economic downturn in 2008, several second-hand clothes boutiques appeared in the streets of shopping malls (MAKÓ, A. 2013). Motivations for buying used clothes vary between economic, ethical ecological aspects but uniqueness, nostalgia, and quest for stimuli or experiences also count (GUIOT, D. and ROUX, D. 2010). The vintage style and shopping in *vintage shop* is a tool for self-expression for young people (DELONG, M. *et al.* 2005). For the followers of this style the historical value is important (CERVELLON, M-C. *et al.* 2012), thus the selection of shops also comprises of high quality, exclusive pieces of clothes (PALMER, A. and CLARK, H. 2005).

Flea shops are the location for private individuals to exchange goods with each other (C2C marketplaces). People wishing to sell bring in their items, and pay a certain amount of money – shelf money or rental fee. When the product is sold, they will receive its countervalue. In Hungary prices are usually set by the seller, while the shop in advance stipulates the share they get from the transaction. *Charity shops* sell goods donated to them as voluntary offering (PARSONS, E. 2004). Their activities are similar to the activities of swop markets, but the profit generated from the activity mainly serves charity purposes (HORNE, S. and MADRELL, A. 2002; BARDHI,

Table 1. Possible aspects of typology of second hand retail trade

Aspect	Type	Sub-type
Profile	fair	antique fair garage sale, community fair car boot sale
	market	flea market bourse
	shop, chain shop	second-hand clothes shop flea shop thrift shop antique shop additional second-hand retail function
Location	in real geographical	traditional self-service
	electronic markets multichannel	– –
Product range	general used items	wide range of general used items specialized on one kind of product
	second-hand clothes	wide range of clothing items baby and children clothes vintage, retro
Opening hours	fixed (according to working hours)	–
	periodical	periodically open according to fair calendar seasonal
	by appointment occasional	– –
Purpose of business activity	profit-oriented not-for-profit	– –
Operator	private person	private person private entrepreneur
	partnership, cooperation	legal entity (limited liability company, ltd., cooperation) without a legal entity (partnerships)
	not an open market player	state organization owned by the local government

Note: Data from the research database.

F. 2003; MITCHELL, M. and MONTGOMERY, R. 2010). In the supply of *antique shops*, we can find used furniture, inherited items, artefacts and paintings with stable value at the same time. Due to this versatility, this sub-type represents transition between second-hand retail and art trade. According to the experiences of the author, recently a new type of shop has evolved, shops with *additional retail functions* are a new phenomenon, where besides the dominant function of the shop, used items are also sold, but only as a supplementary activity.

Types based on location

Trading with used items can take place offline, or on online markets. According to the location, the following 3 types can be distinguished:

a) *trading in real geographical space* includes any retail activity which is bound to physical space. Among its sub-types the first one is *traditional retail* process, when in every step there is a contact between the seller and the buyer; while in case of a *self-service buying processes*, generally there is no contact

between the two parties, the buyer makes decisions independently, on his own. Great examples for traditional retail processes are flea markets and antique fairs, where a lot might depend on the personal contact and trust (CHANTELAT, P. and VIGNAL, B. 2005) between the vendor and the potential buyer. At the same time in self-service flea shops and second-hand clothes shops the joy and pleasure of shopping lies in the lengthy looking and picking and in the quest for the perfect “haul” (GUIOT, D. and Roux, D. 2010).

b) Exchanging, buying and selling used items can also take place in *electronic market-places*. A large number of businesses operate only online, people can simultaneously buy or sell in webshops and online auctions sites, without any personal contact, due to the opportunities provided by technological innovation (smartphone apps for shopping, PayPal mobile payment).

c) *Multi-channel retail* is becoming more and more popular in the market of second-hand items. Then business activities take place in traditional and online channels at the same time, and this may refer to fairs, markets and shops as well. This, obviously, increases competitiveness.

Types based on product range

Based on their product range, used items retail can be divided into two types: *general used items retail*, and *second-hand clothes retail*, which is restricted to selling clothing items and textiles.

a) In this type, the first sub-type is retailing in *a wide-range of second-hand items*. Those antique fairs and flea markets are characterized by this selection of goods where more expensive relics and dirt-cheap items can be found next to each other. The main feature of the second sub-type – *the specialist* – is limited to a single type of product; the product range does not include any other kind (flea markets for electronic goods or second-hand books, fairs for bicycle parts or old-timer cars, antique shops specialized in old vinyl records or clocks, etc.).

b) Retail units selling a wide range of used clothing items, other accessories and textiles have been serving their clients for a long time. Although second-hand clothes shops with their large selection represent the most popular sub-type, the individual shops apply rather different price strategies, depending on the quality of the goods (individual prices, “hanger”, “baled”, or “falling prices” strategies). An important sub-type of second-hand clothes retail trade specializes in *maternity, baby and children’s clothes* and in “pawning” baby clothes. Apart from clothing items, these shops also sell shoes, toys and other textiles. A newly emerging sub-type of used goods retail units is the group of “luxury thrift shops”, which is the Hungarian equivalent of *vintage and retro shops*. The special selection they offer makes them unique compared to the other second-hand clothes shops. These shops usually deal with high quality, individually priced pieces and accessories.

Types based on opening hours

Retailers of used goods fall into 4 categories based on their opening hours and schedules. There are retailers with *permanent or fixed opening hours*, some are *periodically open*, others are *open by appointment*, and finally, other retail units operate *occasionally*.

a) Shops with fixed opening hours usually adjust to the schedule of the 5-day working week. To this type belong most shops, chain shops and some flea markets.

b) Shops, fairs and markets which are periodically open fall into 3 sub-categories: *periodically open* ones (for example, flea markets with opening hours limited to certain days of the week), events organized as scheduled in the half year or annual fair calendars (for example antique fairs, bourses when organizers advertise the date and venue in advance), and *seasonal* fairs and markets (their organization is mostly bound to the changes of seasons and weather conditions, so this mainly refers to open air flea markets).

c) Opening *by appointment* is applied when it is not profitable to keep the shop open for a longer period or to employ a full-time shop assistant (e.g. thrift shops, specialist antique shops).

d) *Occasional* retail activities like community fairs and garage sales and non-recurring bourses held occasionally should also come into a separate category.

Types based on the purpose of their business activity

Based on the primary purpose of their business activity, second-hand retailers can fall into two categories: *profit-oriented* and *not-for-profit* (charity).

a) *Profit-oriented second-hand retailers* aim to create profits. Their activities are motivated by different things. Specialist antique retailers spend remarkable time on finding rare pieces their clients (collectors) crave for, vintage and retro clothes retailers choose sought-for and fashionable items and accessories with refined taste. Both groups have one thing in common: to satisfy customer demand, to make their clients happy. The organizers of garage sales and owners of flea shops, however, have different drivers in selling used items (e.g. environmental consciousness, recycling used goods, raising money without investing some, etc.).

b) All second-hand retailers can be considered *not-for-profit* who wish to spend their profit deriving from their business activity on a charity purpose, undertaking environmental or social responsibility. In Hungary mainly thrift shops belong to this category, but garage sales and community fairs can also be organized for charity purposes.

Types based on the person of operator/owner

Second-hand retail units based on who operates them can fall into the following categories: units operated by *private persons*, *partnerships*, or by *not the players of the open market*.

a) Private persons (or groups of them) can pursue second-hand retail activities as *private individuals* if they do not pursue any registered business activity (e.g. organizers of one occasion garage sales, community fairs), or as *private entrepreneurs*, who have the necessary contractor ID number. The majority of the examined retail units belong to this type (e.g. antique shops, flea shops, vintage and retro shops and some thrift shops).

b) Partnerships and cooperatives *with separate legal entity* are usually the owners of second-hand clothes shop chains (Angex Kft, Háda Kft, Humana Kft), or the operators of thrift shops chains (Cseriti Szociális Szövetkezet, Közösségi Szociális Szövetkezet). Partnerships *without separate legal entity* include antique shops and second-hand clothes shops too, since to establish them requires smaller capital.

c) Partnerships run by *government organizations* mainly pursue activities connected to social responsibility (Red Cross thrift shops), while businesses owned by local governments (e.g. companies managing urban areas) mostly operate antique fairs and flea markets.

Spatial distribution of the different types of second-hand retail in Budapest

Before describing and analysing the main features of the spatial distribution of second-hand retail trade in Budapest, we should provide an overview of the changes in size and direction which took part in the last few years (between 1998 and 2014). Analysing the data from National Regional Development and Spatial Planning Information System (SPIS) database³ we can point out that while in 1998 only 760 second-hand retail units operated in Budapest, this number more than doubled in 16 years, and by 2014 it exceeded 1460.

³ SPIS data referring to used goods retail trade include the number of auctions and art galleries, which significantly increases the number of shops in case of districts and groups of districts (CBD and central districts in Pest) which traditionally provide location for art trade.

The increase in the number of shops in the sector can be explained by two main reasons.

Firstly, demand for value-increasing artefacts and antiquities increased among the representatives of a narrow, but wealthy layer of the society, triggering art-traders to open more shops. Additionally, the same tendency can be observed in the case of “retro” goods, which are increasingly sought after by foreign tourists. Secondly, impoverishing groups in the different layers of the society living in the capital and its agglomeration zone also create growing demand for low-price goods (second-hand clothes, low-price furniture, household items, electronic appliances, etc.) and satisfying their demand can also urge sellers to open new units.

The twofold increase in the number of shops dealing with used goods in the capital shows remarkable differences in the CBD and in some groups of districts (district V and its 4 neighbouring central districts, 5 districts in the transition zone, 7 suburban districts and another 6 districts in Buda)⁴. These differences reflect the difference in the pace the number of second-hand retail chains increase (*Figure 1*).

As the graph shows, in the Central Business District (CBD) in Budapest almost 70 shops with this profile existed already back in 1998, which number approached 150 by the year 2014 (an increase of 2.25 times). The other 4 districts in the central area can also be characterized by a dynamic increase, where – in contrast with the figure lower than 130 in 1998 – the number of shops well exceeded 400 by 2014 (an increase of 3.25 times). As a result, since the millennium the extension of second-hand trade units mostly concentrated to the central districts. Around the millennium, the number of empty stores in the city centre significantly increased because of high rental fees and continuous restructuring of shops (Szikos, T.T. 2000), which enabled the appearance of second-hand retail units and antique

shops, and also their increase in numbers in these districts.

The 5 districts in the transition zone have been an important venue for second-hand retail trade for a long time. This is underlined by the fact that back in 1998 63 per cent of the capital’s “classical” second-hand retail shops were registered in district XIX, home for “Ecséri” flea market. (This rate still reached 43% in 2014.) Although in the transition zone the number of shops in this sector only increased by 26 per cent between 1998 and 2014, which can be explained with the relatively high benchmark value (in 1998 about 300 shops), we can still find the largest number of second-hand retail shops here.

During the examined period, the changes in the number of shops in this sector the 6 districts in Buda scored below average (1.48 times), while the 7 outskirt districts showed average (1.88 times) increase, and this is in accordance with the above described general tendency. Examining the rate of change in the number of second-hand shops in the capital between 1998 and 2014 on the level of districts, we can say that the winners of this process are districts VII, VIII and IX, i.e. the central districts, where the increase rate slightly exceeded 200 per cent. In these districts the increase in demand for used items was significantly higher than in the other districts in the capital, which triggered second-hand goods retailers to open new shops primarily in these districts after the millennium. Among the suburban districts only district XXIII can boast with a similar increase rate (*Figure 2*). A similar process took place in Poland during the post-socialist transition period, and as a result, the number of outdoor markets and street vendors grew significantly in Warsaw (Wirkowski, T.H. 1993).

In districts belonging to the first category we can detect a smaller, but still significant increase (between 100% and 180%): the 6 districts covering the north-western part of the capital (3–3 districts in Buda and Pest) and additional 3 ones in South-Pest. Analysing the spatial characteristics in this area, we can discover that the primary direction of the ex-

⁴ Central districts are: district VI, VII, VIII and IX; districts of the transition zone: X, XIII, XIV, XIX and XX; suburban districts: IV, XV, XVI, XVII, XVIII, XXI and XXIII; districts in Buda: I, II, III, XI, XII and XXII.

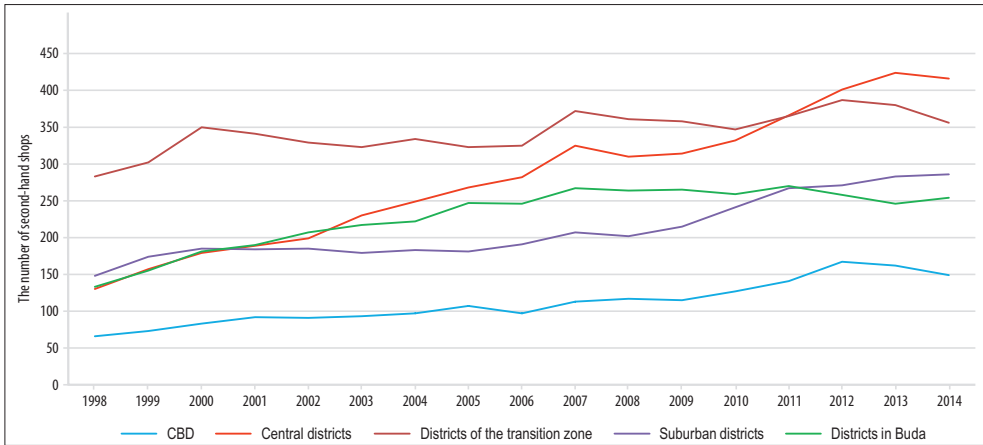


Fig. 1. Changes in the number of second-hand shops in Budapest between 1998 and 2014 according to district-groups. Source: Data from the SPIS database, 2016.

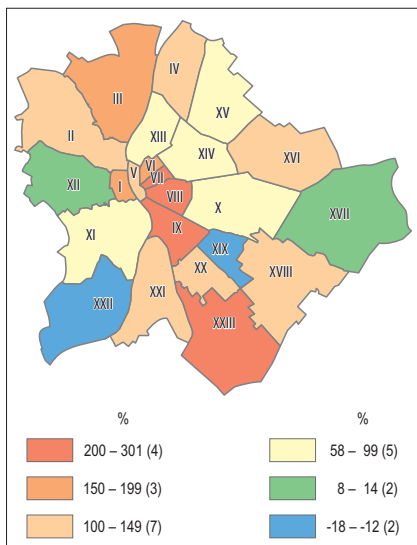


Fig. 2. Rate of change in the number of second-hand goods shops in the districts of Budapest between 1998 and 2014. Source: Data from SPIS database, 2016.

pansion process in this sector in Budapest is northwest and the secondary is the south. Among the suburban districts in district XVI – including Sashalom and Mátyásföld – was there a change bigger than 100 per cent in the

number of shops. But the districts surrounding this administrative unit all show smaller increase in this respect.

The 3 districts in the transition zone and their neighbouring district (district XV) produced a modest (below 100%) increase. However, even this group of districts in the capital can be regarded as a location for vivid second-hand retail trade. Only district XI in Buda belongs to this category.

Increase in the number of second-hand retail shops was insignificant only in 4 districts (2 districts in Buda and 2 in Pest), or even there was a decrease. This can be explained by the fact that inhabitants here have above average living standards, so only few of them shop in these stores (districts XI, XII and XVII), and market conditions for opening second-hand retail shops are more favourable in the neighbouring districts, see district XIX for example.

Examining the internal structure of the individual districts, there are remarkable differences in the distribution rate of shops based on their profiles (Figure 3).

As Figure 3 clearly shows, the proportion of antique shops is outstanding (above 80%) in tourist areas, mainly in CBD and in district I and XII, but their rate is above 50 per cent

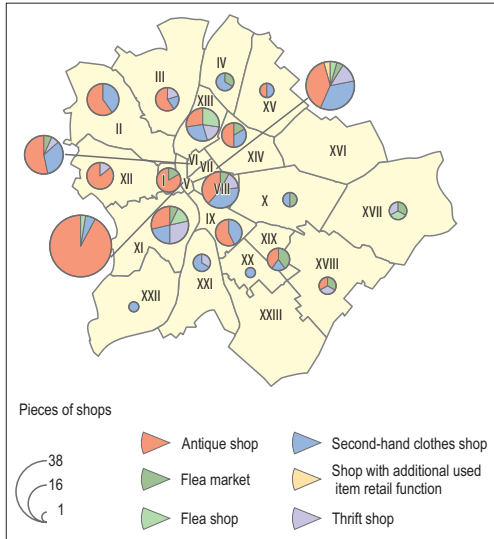


Fig. 3. Distribution rate of shops in the districts of Budapest based on their profile. Source: Data from the research database.

among the shops in the second-hand retail sector in Buda in district II and III, and in Pest in district VI, IX and XIV. This figure in the central districts in Pest (VII, VIII and XIII) and in district XI in Buda is between 25 and 50 per cent.

The rate of *second-hand clothes shops* is the highest (50–100%) in those districts where only few (1–3) second-hand retail shops can be found (district XXII in Buda, district X in Pest and in suburban districts), which is the natural result of the low nominal values. Their rate in the central districts in Pest does not reach 50 per cent. (In 2 districts in Buda and in 4 districts in Pest this type of shops does not exist.)

17 *thrift shops* are scattered in 10 districts in the capital, so their rate in the individual districts exceeds 25 per cent only in district XI and in 3 of the suburban districts (XVII, XVIII and XXI). The case of *flea markets* is rather similar, they only have a significant rate in district X (50%) and in district IV, XVII, XVIII and XIX (33–40%). BELK, R. *et al.* (1988) in their work also refer to the fact that flea markets

usually can be connected to the outskirts. The 8 *flea shops* represent remarkable rate in the selection of second-hand retail units only in districts XIII and XVIII (27% and 33%).

Examining the *profile* of the 178 second-hand retail units, we can see that in 2014 53.3 per cent of them were *antique shops*, and 25.3 per cent of them were *second-hand clothes shops*. Thus, these two types of second-hand retail units together represent 4/5 of the whole network (Table 2).

Spatial distribution of antique shops is rather uneven. As the author has previously mentioned, the supply of antique dealers extends to valuable artworks and antiquities, so it is not surprising that there are a lot of these shops in the Vth district, which is also the centre of Hungarian art trade. There are a significantly large number of them in district V, so 36.8 per cent of the total number of shops in the capital is concentrated here. SHERRY, J. (1990a) also points out that antique shops are mainly located in the downtown areas. Their share in used items retail reaches 92 per cent. Their number in the other central districts is under 10. In the Buda districts (except district XXII), where the purchasing power is rather high, the number of these shops vary between 3 and 6, so Buda's share from the total number of antique shops is more than 15 per cent. The majority of these shops are situated along the boulevards or near them, in the side streets. Among the districts in the transition zone only in district XIII and XIV, which districts are mainly inhabited by highly educated people, can we find 3 of them in each, and in district XIX there are 2. Out of the 7 suburban districts only district XV and XVIII operate one shop. In more than one third of the districts in the capital this type of retail unit does not exist at all.

The distribution of *second-hand clothes shops* in the districts is much more even. 17 districts in the capital give home to some of the total of 45 shops, which means that only 6 districts (26%) do not have a shop of this kind. The densification zone of second-hand clothes shops covers districts VI, VII, VIII and IX, where almost half of these shops

Table 2. Spatial distribution of used item retail units of different profiles in the districts of Budapest

District	Antique shop	Second-hand clothes shop	Thrift shop	Flea market	Flea shop	Shop with additional used item retail function	Total
I	5	–	–	1	–	–	6
II	6	4	–	–	–	–	10
III	3	1	1	–	–	–	5
IV	–	2	–	1	–	–	3
V	35	2	–	–	1	–	38
VI	8	5	1	1	–	–	15
VII	9	8	3	1	1	1	23
VIII	5	5	2	1	–	–	13
IX	4	3	–	–	–	–	7
X	–	1	–	1	–	–	2
XI	4	3	4	1	2	–	14
XII	6	–	1	–	–	–	7
XIII	3	3	2	–	3	–	11
XIV	3	2	–	1	–	–	6
XV	1	1	–	–	–	–	2
XVI	–	–	–	–	–	–	–
XVII	–	–	1	1	1	–	3
XVIII	1	–	1	1	–	–	3
XIX	2	1	–	2	–	–	5
XX	–	1	–	–	–	–	1
XXI	–	2	1	–	–	–	3
XXII	–	1	–	–	–	–	1
XXIII	–	–	–	–	–	–	–
<i>Together</i>	95	45	17	12	8	1	178

Note: Data from the research database.

(46.7%) are concentrated. One third of the shops deal with vintage or retro goods, 2/3 of them belong to one of the market leader second-hand clothes shop retail chains. Shops with different profiles are rather clearly separated from each other in space. Most of the vintage boutiques are located inside the ring of the Great Boulevard, in areas next to the CBD, these “luxury” thrift shops are probably able to keep pace with the high rental fees. As we move away from this area, with distance these boutiques are replaced with leading second-hand clothes chain shops.

Second-hand retail in district IV, X, XV and XI is formed mainly by used clothes shops, and in district XX and XXII the only form of second-hand retail is clothes shops.

As we can see, in the southern and south-eastern outer districts of Pest, and in the

northern and north-western parts of Buda none of the chains are represented. Háda Kft opened 10 out of their 19 shops in shopping malls. Humana shops – similar to Háda’s strategy – await customers in the central districts in favourable locations, in malls and shopping precincts. Their boutique in district V specializes in vintage clothes and accessories. The 4 Angex shops operating in the capital are not centred in the city centre. Humana only deals with individually priced clothes; Háda sells clothes on hangers and by kilo as well, while Angex’s strategy is to combine piece prices and falling prices. Pricing policy of the 2 latter chains is supposed to be addressed to a wider layer of society.

The share of *thrift shops* in the total number of shops in second-hand retail sector is only 10 per cent. There is no significant spatial con-

centration here, these shops are mainly situated in the side streets in central districts (VII, VIII and XIII) or operate near the boulevards and busy main streets, embedded in busier commercial areas (GREGSON, N. and CREWE, L. 2003). Thrift shops in Buda (4 shops) are concentrated in district XI. Some outer ones (district XVII, XVIII and XXI) also have one. Two chains of thrift shops must be mentioned here: *Cseriti Szociális Szövetkezet* (Charity Social Cooperation) maintains 5 charity points on the Pest side, and *Közösségi Szociális Szövetkezet* (Community Social Cooperation) operates two E-Cherry shops in Buda.

Flea markets are rather scattered on the capital's map. This is not surprising, since in Prague in the 1990s a similar tendency could be observed: these shops and markets were excluded to outer parts of the city (TEMELOVÁ, J. and NOVÁK, J. 2011). They operate almost in half of the districts (11 districts). Usually there is one of them in each, except district XIX, where 2 flea markets can be found. Some of them are organized indoors, in downtown courtyards, but the most are held in suburban public places, near roads leading out of the city since they require a large place. Similarly, in Košice (Slovakia) the popular flea market of the city is located in the outskirt (FERTAĽOVÁ, J. 2006). Regarding their opening hours, it can be said that 2/3 of them operate occasionally, another 2 flea markets (16.6%) are seasonal.

The share of flea shops in second-hand retail in Budapest is rather modest. The existing eight flea shops account only for 4.5 per cent of the total. Flea shops are sometimes – incorrectly – called garage sales or flea markets, although their characteristics match those of a flea shop. They operate only in 5 districts and almost 2/3 of them are located in district XIII (3 shops) and in district XI (2 shops).

There is only one shop with *additional second-hand retail function* in district VII, in the cellar of a street food restaurant. The bazaar is located in the bar, where retro and rare items – originally part of the decoration – can also be bought.

Conclusions

In conclusion we can state that the emergence and spatial expansion of the different types of second-hand retail units is stimulated by customer needs constantly changing in space and time. The difference in their target groups and business strategies can clearly be seen in the spatial distribution of the different types, in the areas where their shops and markets are concentrated. Following the U.S. and Western European trends, second-hand retail trade in Budapest has been going through a remarkable diversification process in the last few decades. This process can be characterized by the followings:

- The number of second-hand retail units in Budapest almost doubled between 1998 and 2014, and this process was the most dynamic in the central districts of the capital.
- Antique shops and second-hand clothes shops represent more than 4/5 of the total in second-hand retail in Budapest. Elegant antique shops and more expensive vintage stores are concentrated in the inner Buda and Pest districts, the locations of second-hand clothes shop chains are in districts further from the centre.
- Thrift shops, flea markets and flea shops mainly make the palette more colourful, but at the same time, they play an important role in satisfying the needs of customer groups of different socio-economic situations.
- Increasing concentration of second-hand retail trade can be observed in districts next to the downtown area, and here can be found the most diverse selection of shops considering their profiles. These busy areas are popular locations for flea shops and charity shops too.
- Opposed to this, the second-hand retail trade network in the suburban districts is modest both in size and profile, they provide favourable location mainly for flea markets.

In the future, a remarkable research direction can be the comparison of spatial characteristics of second-hand goods retail and other retail segments, the exploration of similarities and differences between them. According to the author,

in the future it would be worth exploring the different customer groups shopping in different types of used item retail units and exploring the motivations and behaviour of the consumers in the domestic culture of used goods.

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