Spoiler Alert

Inside the Secondary Market 2026

What $5.9 billion in transaction data from 270+ buyers reveals about how brands can win the secondary market.

Table of contents

About Spoiler Alert

Spoiler Alert is a Boston-based software company helping CPG brands manage excess and slow-moving inventory. Spoiler Alert offers a best-in-class B2B sales platform that enables brands to manage their liquidation processes with a heavy focus on maximizing value recovery, strengthening customer relationships, and increasing the effectiveness of supply chain managers handling these typically manual sales processes. The company was born out of MIT and counts some of the world's leading CPG brands - including Kraft Heinz, Unilever, and Pepsico - as customers. Spoiler Alert has a growing network of discount channels committed to increasing affordable food access.

Ricky Ashenfelter
Emily Malina
Spoiler Alert Co-founders

CHAPTER 1:

The market suppliers keep underestimating

The clearance shelf moved to the front of the store

For decades, the CPG industry has treated the secondary market like a clearance shelf at the back of the store – the place to push inventory no one wanted to defend, at prices no one wanted to put in a markdown report, to a buyer network no one was excited to introduce to the brand team.

That shelf has moved to the front, and the suppliers still treating it like a back-room problem are leaving serious money, and serious brand reach, behind.

The secondary market – closeout channels where CPG inventory moves outside of a brand's primary retail distribution – has always been large and diverse. What changed, though, is that it's now outpacing primary retail growth and pulling in completely different consumer segments than before[1].

Secondary retail traffic grew 6.6% year over year in 2025, more than double the overall retail average of 2.8%. Ollie's opened 86 new stores last year and now operates 645 locations; Grocery Outlet runs over 500; Ross Stores booked over $21 billion in fiscal 2025 revenue, and TJX has doubled its revenue in the last decade[2].

These key players in the channel are expanding because the average customer loyal to them has changed. **Nearly 28% of households earning $169,000 or more shopped at discount chains in 2025, up 40% since 2021[3]**, and McKinsey found that 75% of U.S. consumers plan to trade down this year[4].

What this creates is a unique new consumer trend: the shopper walking into an Ollie's one week is the same shopper buying the same brand at full price in a Target the next – and research from Martie shows that **83% of consumers who discover a brand through a discount channel go on to repurchase it at full price later[5].**

This dispels long-held assumptions that the secondary channel is a brand equity risk. Suppliers who hold onto those assumptions, treating this market as an afterthought, lose on two fronts: once on the margin they leave on the table, and again on the customer they never realized they could acquire for the cost of a closeout pallet.

[1] https://www.homepagenews.com/retail-articles/placer-ai-some-retail-channels-saw-holiday-store-visit-gains-some-didnt/

[2] https://investor.tjx.com/news-releases/news-release-details/tjx-companies-inc-reports-q4-and-fy25-results-q4-comp-store

[3] https://chainstoreage.com/study-extreme-discounters-price-retailers-lead-planned-2025-store-growth

[4] https://www.cbsnews.com/news/wealthy-shoppers-low-income-consumers-global-data-retail/

[5] https://www.spoileralert.com/resources/liquidation-data-treasure-hunt-martie

And the suppliers ahead of the curve are building commercial strategies around this shift.

The fire-drill response is expensive

Inside most CPG manufacturers, legacy operational habits have not caught up to the market.

Mark Fleming spent more than thirty years in brand management and P&L roles at major CPGs like Kraft Heinz, Treehouse, and Conagra, before crossing to the buyer side in 2025 as CEO of Natural Choice Foods, a closeout wholesaler serving the discount retail channel. From his experience, he's seen the same scene play out at every manufacturer he has worked with, which he shared with Spoiler Alert during a webinar.

It starts with a phone call. Twenty thousand cases of product are going to expire in two weeks. Maybe a forecast missed, a promo didn't land, or a retailer pulled an order – doesn't matter. What matters is that it needs to sell immediately.

The meetings start: finance on the markdown, sales teams fighting over who has to move from primary channels to put out the fire, QA trying to extend shelf life, and a broker sending out frantic emails to a handful of who-you-know closeout buyers. All hands on deck gets the deal done, and the fire is out. Until next quarter.

This is the Sisyphean reflex many CPG manufacturers still default to when excess inventory appears. It's ad hoc, stressful, time-consuming, and in Fleming's experience, expensive.

The real drag on the P&L runs meaningfully larger than what shows up on a markdown line. What doesn't show up – warehousing on inventory that isn't moving, disposal logistics, and the opportunity cost of sales teams pulled off trade programs to run one-off liquidations – Fleming describes as "insidious" and "hard-pressed to quantify."

For commercial leaders, the implication is straightforward: excess inventory is a matter of systematizing a strategic channel, not a last-resort panic button. Treating it as the latter is what keeps excess expensive.

> "One to three points of EBITDA are lost to waste in a typical manufacturer."
>
> **Mark Fleming, CEO & President, Natural Choice Foods**

This market is too diverse to navigate by feel

The reason the fire drill persists is that the alternative – running this as a managed channel – requires reading a market that behaves nothing like primary retail.

Where primary retail centers on three to five anchor accounts that drive most national planning conversations, the secondary market is fragmented across hundreds of wholesalers, off-price chains, discount banners, dollar operators, and independent buyers. Each one carries its own category focus, shelf-life tolerance, regional footprint, and pricing logic, but also unique value and impact on the communities they're a part of.

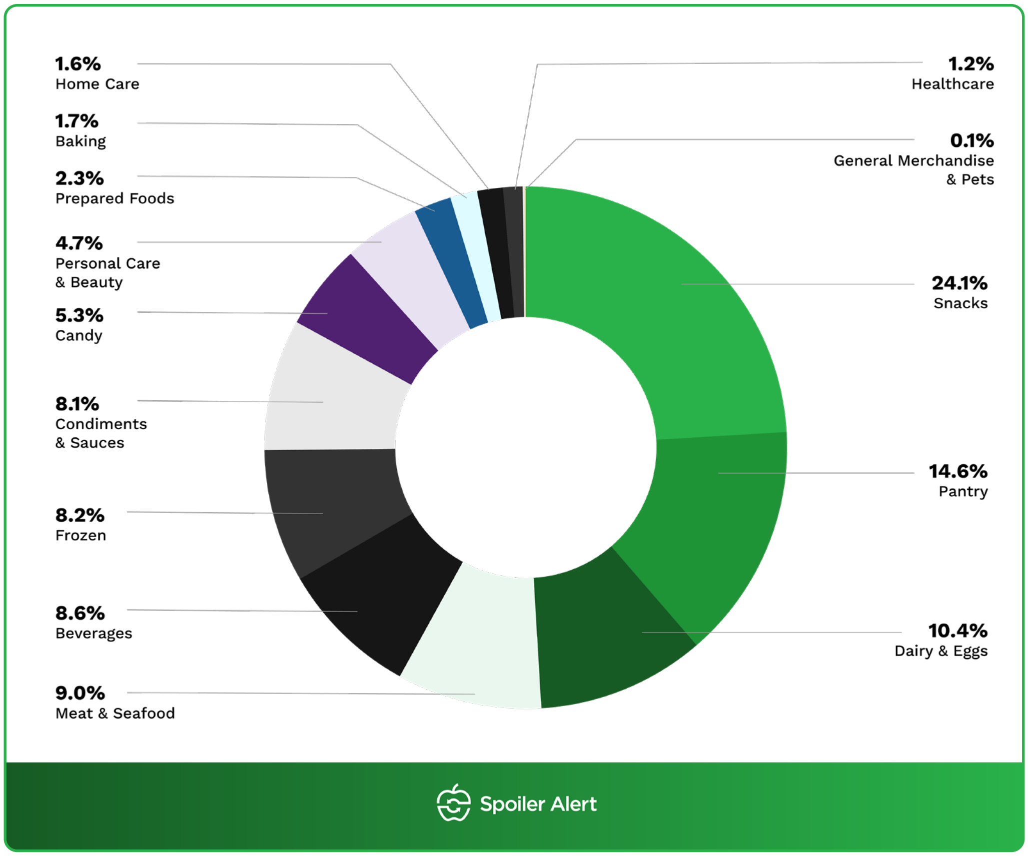
That fragmentation is why most of the industry's operating wisdom about this channel is so difficult to back with data-driven insight – until now.

What this report contains

Spoiler Alert is the only platform that has compiled secondary market transaction data at scale. Across **$5.9 billion in transactional value spanning thousands of brands, 85 product categories, and 270+ active buyers,** this is the first public view of how the opportunistic channel actually behaves: what gets listed, what clears at what shelf life at what recovery rate, and through which buyers.

A quick note on how that data gets generated. Suppliers upload their available inventory to Spoiler Alert and list their product for sale, where their chosen buyers can place bids on what they want. Suppliers then negotiate and award the bids that best fit their commercial, pricing, and channel needs. Every listing, bid, and award leaves a structured record, which is what sets the foundation for the anonymized data collected. The departments mapped below have been organized based on their assigned category in the platform that they belong to, aggregated for ease of interpretation.

We used a top-down view of 2024-2025 platform activity as the anchor for this analysis, consolidating all 85 categories into departments as they would appear on retail shelves.



From 2024-2025, here are some of the biggest secondary market movers on the Spoiler Alert platform:

- The total transactional value of Dairy & Eggs has grown 68% – the largest year-over-year (YoY) jump on the platform, potentially in response to global dairy surplus driving successful liquidation through secondary channels.
- Snacks, while holding the largest total share of transactions on Spoiler Alert's marketplace, have also grown 14.4% YoY.
- Personal Care & Beauty liquidation has increased 10.8% YoY, reflecting broadening buyer interest in non-food-and-beverage (F&B) categories.

Category level recovery benchmarks, optimal listing windows, clearing speeds, and buyer network composition – the kind of operational intelligence that drives planning in primary retail – have never existed for this channel. This report aims to bridge the gap, organized around the three questions we hear most often from commercial and supply chain leaders:

1. **When is the best time frame to liquidate my excess inventory?**
2. **How fast can I expect deals to close?**
3. **Who am I actually selling to, and what does a winning buyer portfolio look like?**

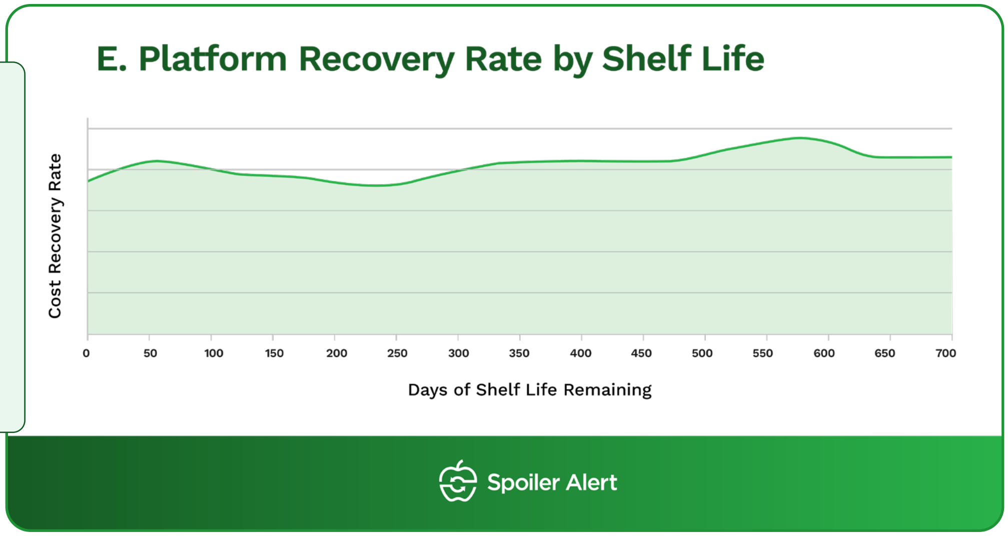
CHAPTER 2:

When to list, by department

Recovery peaks between 60 and 120 days

Recovery rate is the revenue from sold inventory divided by the cost of goods sold.

Figure 2: Recovery rates peak between 60 and 120 days, and most inventory enters the platform short-dated. Recovery rate by remaining shelf life at first upload, all departments.



Three things stand out from the platform-wide curve.

1. **73% of inventory on the Spoiler Alert platform lists with 180 days or less of remaining shelf life at first upload.**
2. Recovery rates peak between 60 and 120 days. That is the sweet spot for most commodity, replenishment, and refrigerated inventory: long enough that buyers can distribute and sell through, short enough that suppliers are motivated to transact quickly.
3. Recovery does not climb linearly with shelf life. Between 120 and 240 days, it drifts down before inflecting back up.

That dip in point 3 warrants an explanation, as it may directly affect when a supplier chooses to liquidate distressed inventory.

THE 240-DAY PARADOX

More shelf life generally means lower risk, which should mean higher recovery. So why does the curve sag in the middle?

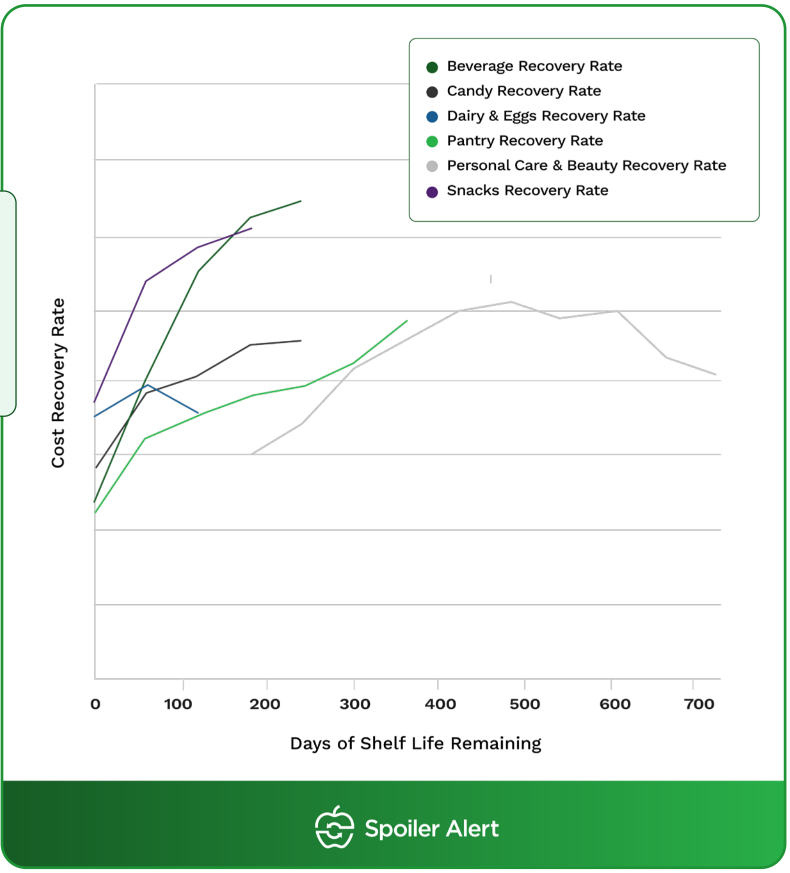
At the 240-day mark, the number of unique items listed on the platform jumps by 77%. The inventory that shows up above 240 days is fundamentally different from what shows up below it. It is mostly larger lots, almost entirely shelf stable or frozen, and disproportionately composed of innovation SKUs that did not land, repackaging projects, reformulations, and products pulled back from launch.

Those are the high-value, long-dated surplus events that generate the biggest recoveries — but are the minority among the scope of all transactions.

For suppliers, the implication is that 240 days is not a cliff to avoid, but rather a different market segment with a different buyer set pursuing the listings, and the recovery economics reflect that.

Six departments reward earlier listing

Figure 3: Six top-ten departments reward earlier listing, each with a distinct inflection point. Recovery rate by remaining shelf life: Beverages, Candy, Dairy & Eggs, Pantry, Personal Care & Beauty, Snacks.



For most of the platform's volume, the relationship between shelf life and recovery behaves the way a supply chain planner would expect. More shelf life correlates with higher recovery, with a clear drop-off below a department-specific threshold. The data adds nuance most planners would not predict.

Six of the top ten departments sit in this group. Each has its own inflection point.

Snacks show some of the shortest shelf-life ranges on the platform. Only 30% of Spoiler Alert listings are above 60 days, and recovery falls off sharply below that mark.

Candy behaves similarly, with a clean 60-day inflection and a secondary pattern for seasonal product. Unsold Valentine's or Halloween inventory listed at 330 to 360 or 600+ days sells strongly for the following year.

Dairy & Eggs carry shorter shelf lives to begin with. Two-thirds of listings come in with fewer than 60 days, and every additional week of runway at listing drives measurable recovery lift.

Beverages follow a more-is-better pattern. Performance peaks around 240 days and declines rapidly below 180.

Pantry shows one of the clearest staircase patterns on the platform. Buyers apply shelf-life filters in 120-day increments, which means a two-week delay in listing — from 245 days down to 231 — can cross a threshold and materially change the recovery outcome.

Personal Care & Beauty carries the widest shelf-life range of any department, with products routinely manufactured at 2+ year shelf lives. The 360-day mark is the dominant inflection point because buyers in the category frequently use it as a hard filter.

The takeaway across the six is the same message with different numbers. Earlier is better, and the right listing decision is usually driven by a specific filter threshold buyers are screening against, not by the general shape of the curve. Staying above those inflection points is what protects recovery.

Four departments break the curve

Condiments & Sauces, Frozen, Meat & Seafood, and Prepared Foods do not follow the same logic. Their curves are shaped by temperature zone, use case, and product mix in ways that need separate treatment.

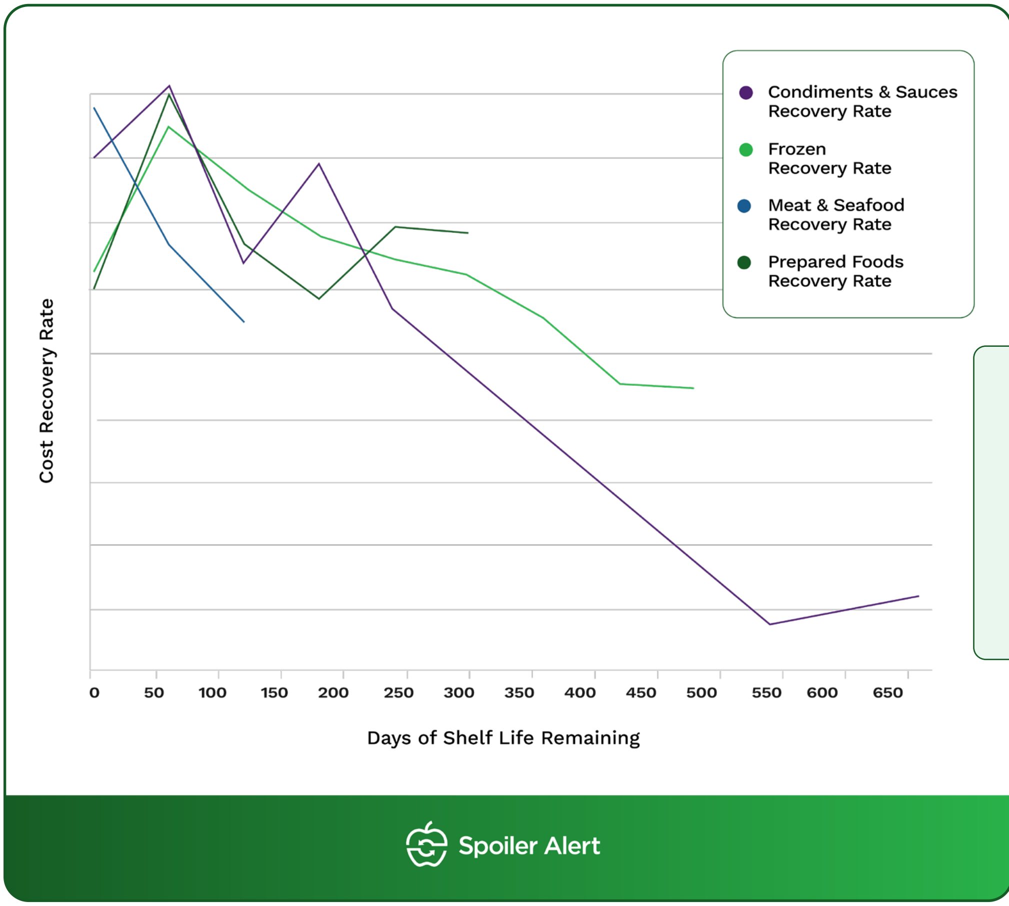


Figure 4: Four departments break the standard curve and need their own playbooks. Recovery rate by remaining shelf life: Condiments & Sauces, Frozen, Meat & Seafood, Prepared Foods.

Condiments & Sauces inflect early. Above 60 days, shelf life stops being a material factor in recovery. Below it, performance drops sharply. Brands see two recovery peaks: the first at 180 days, and the second and highest at 60 days. Suppliers sitting on inventory in this department actually have a long window in which to list and liquidate.

Prepared Foods behave more like shelf-stable product for recovery purposes, with 60 to 90 days as the target range, despite spanning multiple temperature classes.

The more interesting cases are Frozen and Meat & Seafood, both of which warrant a closer look.

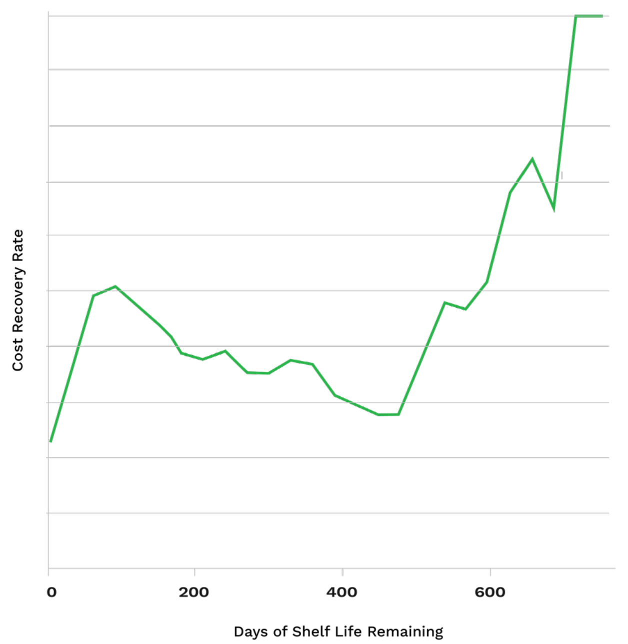


Figure 5: Frozen recovery is bimodal, with peaks at 90–120 days and above 540 days, and a valley in between. Recovery rate by remaining shelf life, Frozen.

The Frozen anomaly

Recovery rates for Frozen show two distinct modes. The first is a strong peak at 90 to 120 days, driven by specialty product from motivated sellers. The second is an even stronger climb above 540 days: ice cream that will sell next summer, frozen pizza that will move through the following holiday season, products approaching the shelf-life ranges available through primary channels.

Between those two peaks is a valley. Inventory in the 180- to 480-day range is stable, but it lacks the urgency of the short-dated product and the full remaining shelf life of the long-dated product. Buyers see alternatives at both ends and seek discounts in the middle.

For liquidating products in the Frozen department, "more shelf life" is not a straight-line answer. The curve is bimodal, and the best recovery often depends on which side of the valley a listing falls on.

Meat & Seafood breakdown

Extending the look at Meat & Seafood shows behavior as two markets stacked on one department line. Fresh and refrigerated product sells against the available shelf life, often inside <30-day windows where speed matters more than runway. Frozen and canned product, by contrast, generate the strongest returns above 360 days, where buyers can plan against a full season of demand.

For this department, the listing decision starts with temperature class and follows different timing logic from there.

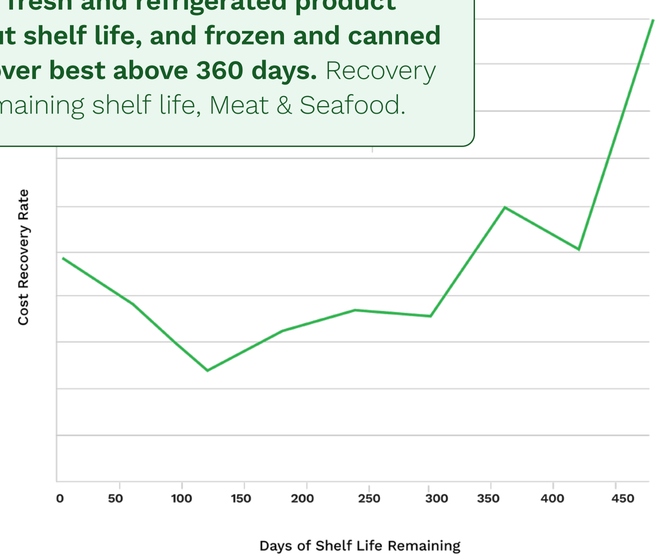


Figure 6: Meat & Seafood recovery remains strong for fresh and refrigerated product throughout shelf life, and frozen and canned meat recover best above 360 days. Recovery rate by remaining shelf life, Meat & Seafood.

The listing playbook, at a glance

For suppliers making listing decisions across a multi-department portfolio, the table below consolidates the patterns we observe in platform data into directional guidance. These thresholds reflect where recovery tends to inflect based on observed transactions, but are not guaranteed outcomes for every SKU or every listing.

Department	Threshold	What it means for listing decisions
Snacks	*60–65 days*	30% of cost lists above 60 days. Recovery rate drops sharply below this. List early.
Candy	*60 days*	Clear inflection at 60 days for commodity product. Seasonal inventory performs well at 330–360 and 600+ days for the following year.
Dairy & Eggs	*60+ days*	Two-thirds of listings come in under 60 days. Every additional week of runway drives recovery lift.
Condiments & Sauces	*60 days*	Inflection at 60 days. Above that, shelf life is not a material factor.
Prepared Foods	*60 days*	Behaves like shelf-stable product despite mixed temperature zones. Target 60–90 days or more.
Pantry	*120 days*	Buyers apply shelf-life filters in 120-day increments. A two-week delay can cross a threshold.
Beverages	*180 days*	Performance peaks at 240 days, declines rapidly below 180.
Frozen	*90 days (short) / 540 days (long)*	Bimodal curve. Strong peak at 90–120 days for specialty product; second peak above 540 days for next-season inventory. Valley in between.
Personal Care & Beauty	*360 days*	Buyers use 360 days as a hard filter. Secondary inflection at 30 days.
Meat & Seafood	*Split*	Fresh and refrigerated: list at best available shelf life, often <30 days. Frozen and canned: strongest returns above 360 days.

These thresholds, while not universal truths for every product listing, are a starting reference for any supplier deciding when to sell. They also set up the next question: once a listing is up, how fast should a supplier expect it to clear?

CHAPTER 3:

How fast this market clears

The market moves faster than suppliers expect

The complexity of this channel gets the attention. The speed, however, is what suppliers often underestimate.

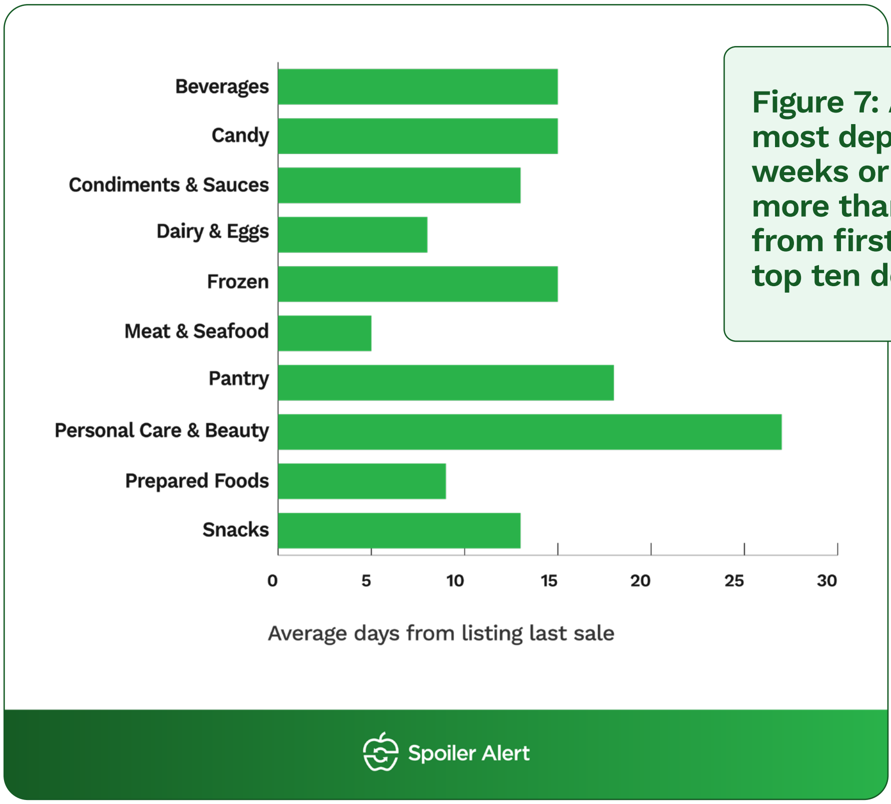


Figure 7: Among transacted listings, most departments close in two weeks or less; only one averages more than a month. Average days from first listed to last transacted, top ten departments.

The secondary market runs on a buyer network with far less infrastructure and bureaucracy than primary retail. Once inventory is listed on the platform, most of it clears in a matter of days. The same fragmentation that makes the channel hard to read is what makes it nimble: hundreds of independent decision-makers, each authorized to act quickly on their own P&L with treasure hunt and "surprise and delight" models, competing in parallel for the same inventory.

This analysis measures average days from first listed to last transacted for listings that received at least one award. Inventory that was listed but did not transact is not included in these averages.

An important caveat to understand is that these time-to-close metrics are variable by department, as they're subject to the actual selling cycle cadences chosen by suppliers, where brands with shorter shelf-life products tend to post offerings on weekly or biweekly cycles, while longer-tail categories like personal care may list monthly given the runway their shelf life affords. Time-to-close reflects both buyer demand and the frequency at which inventory enters the market.

Across the top ten departments, average time-to-close ranges from under five days to just under a month. Three departments – Meat & Seafood, Prepared Foods, and Dairy & Eggs – routinely clear in under ten days. Most of the rest cluster around two weeks. Only one meaningfully exceeds that mark: Personal Care & Beauty, which carries more generous shelf life by default.

Read together with the inflection points from the previous section, these numbers form a working rule of thumb for when to list. Time-to-close defines the operating clock, and the recovery curve defines the listing target.

Across departments, most completed transactions close in about two weeks

Six of the top ten departments – Condiments & Sauces (13.0 days), Snacks (13.3 days), Frozen (14.6 days), Beverages (15.3 days), Candy (15.3 days), and Pantry (18.2 days) – sit inside a roughly two-week average window.

The consistency is not an accident. It reflects the cadence of both sides of the platform. Similar to suppliers, buyers often run weekly or biweekly buying cycles, with bid review, award, and pickup coordinated on a rhythm that naturally produces a 10-to-18-day close window.

Many of these time-to-close benchmarks are also short enough that the "wait and see" instinct that still drives a lot of excess inventory decisions is expensive. If a primary retailer isn't going to purchase inventory, every two weeks of holding a pallet before listing is, across most departments, roughly one full platform cycle of recovery performance forfeited.

Timing and recovery are the same question

The recovery curves from the previous chapter and the close times here converge on a single operating point.

Most listings on this platform resolve inside a tight window. The leverage is in getting inventory into that window early enough for the recovery curve to work in your brand's favor. Holding a pallet while waiting for clarity is, in most departments, the more expensive option.

That raises the final question this report answers. Most suppliers do not know, with much specificity, who they are actually selling to inside this market, or which buyers account for the activity driving those recovery rates and close times, or who to sell to in what scenario. The next section breaks that down.

CHAPTER 4:

Meet the buyer network

Who suppliers are actually selling to

The hardest thing about the secondary market, from a supplier's chair, is that it looks undifferentiated. Hundreds of wholesalers, discount banners, off-price chains, and independent buyers, all returning bids at different times on different inventory, with no obvious pattern to who should be matched to what.

There is a pattern. And understanding it changes how a supplier prices, times, and positions every listing.

The buyers on Spoiler Alert's platform fall into a few broad categories, each playing a distinct role in how excess inventory gets absorbed. The value of the network comes from the diversity of that mix, as each type of buyer reaches consumers and communities that the others cannot, and a diversified portfolio of buyers creates a defensible portfolio to weather demand shocks and maximize cost recovery.

RETAILERS

Retail buyers are the most visible part of the secondary market. National and regional discount banners – Grocery Outlet, Ollie's, and others – purchase directly from suppliers and sell through to consumers in their own stores. They drive the largest share of transaction volume on the platform, bid across the widest range of departments, and operate with the kind of purchasing power that can clear significant inventory in a single cycle.

For suppliers, direct retail placement also means the clearest line of sight into where product ends up and how it reaches the consumer. Retailers set their own shelf, control their own pricing, and manage their own merchandising. The product goes from the supplier's warehouse to a retail shelf with a single handoff.

WHOLESALERS

Wholesalers occupy a different position in the market, and one that suppliers routinely underestimate.

A large CPG manufacturer might have five to ten primary retail accounts that drive the majority of its planned distribution.

The secondary market has hundreds of independent grocers, family-run stores, and small regional chains that will never show up on that manufacturer's radar individually. These are too small to compete with the buying power of big retailers, they don't have the logistics footprint to take delivery from a national supplier, and many of them sit in food deserts, urban and rural, where they are the only grocery option in their community.

Wholesalers are the bridge to these underserved markets, as well as the first line of defense for your brand. Companies like Natural Choice Foods buy across multiple manufacturers, aggregate product into mixed loads, warehouse across every temperature class, and deliver on their own fleet to retailers who could never source this inventory on their own. Per Mark Fleming, mentioned previously, "wholesalers exist because waste is inevitable and someone needs to handle it efficiently."

They also handle something suppliers worry about constantly: brand protection. The best wholesalers in this channel strip branding, repackage under their own labels, apply their own compliance codes, and will share their customer list with any manufacturer who asks. Fleming says Natural Choice has seen zero overlap between their retail customers and their manufacturing partners' primary channels. If a brand restricts a geography, they honor it.

The story that gets missed when suppliers view wholesalers as a step down from direct retail placement is the reach they provide. The independent grocer in a food desert stocking affordable product for price-sensitive families, the small regional chain running a treasure-hunt model for shoppers stretching their grocery budget — these are consumers that primary retail channels do not serve, and that most CPG commercial teams have never had a way to access. Wholesalers are how that access happens, and thus are the unsung backbone of the secondary market.

SPECIALTY AND NICHE BUYERS

Some buyers on the platform operate with deep expertise in a narrow set of categories. They may focus exclusively on frozen, or on personal care, or on seasonal and holiday product. Their bid volumes are smaller than national retailers, but their award rates tend to be the highest on the platform, as they bid on inventory they know and want, and win more often because of it.

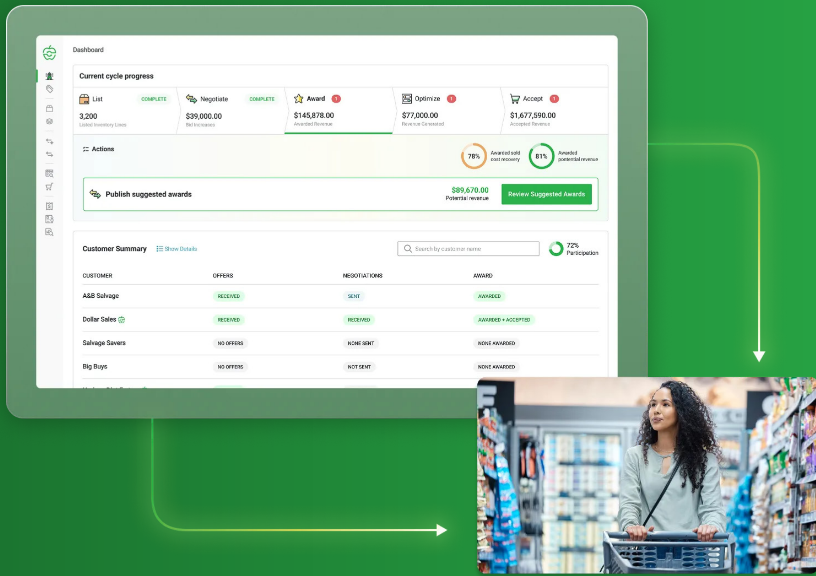
For suppliers, specialty buyers solve a specific problem. The short-run innovation SKU that did not land nationally, the regional overrun, the holiday-bound product that missed its sell-through window – this is inventory that sits outside the range of what large retail buyers pursue. Specialty buyers actively seek it out. Fleming shared an example from Natural Choice's own experience: a batch of spices they purchased expecting modest results sold quickly, because budget-constrained consumers use inexpensive spices to stretch staples like rice and beans into varied meals. Secondary market demand follows its own logic, and specialty buyers understand that logic better than anyone.

Purchasing power across the network

The buyer types above differ in what they buy. They also differ dramatically in how much. When we look at the top 200 active buyers on the platform by annual bid volume, the concentration mirrors what suppliers see in primary retail. **A small share of buyers, roughly 18%, drives 87.5% of the total awarded cost on the platform**. Their annual bid volume is capable of clearing large amounts of inventory at scale, and their bids span nearly every department on the platform. These are the high-volume operators whose participation in a supplier's buyer mix creates the competitive bidding pressure that drives recovery.

The data is clear on one threshold in particular. **Suppliers that consistently sell to three or more of these high-volume buyers recover 80% more cost across the platform than suppliers who do not**. Three high-volume buyers means three parallel national bids on any given listing, and a realistic chance that the listing fits one buyer's open allocation even when it misses the other two, price competition at the top of the curve, and resilience if one of those buyers hits a rough quarter or pulls back from a category.

But high-volume buyers do not bid on everything. Specialty product, seasonal overhangs, regional overruns, and niche SKUs routinely sit outside their range. The suppliers recovering the most from this channel are the ones whose buyer portfolio spans the full spectrum: high-volume retailers for the core, specialty and niche buyers for the edges, wholesalers for the reach into independents and for repackaging services, and donation partners where the product fits.



What Spoiler Alert brings to the table

Building that kind of buyer portfolio manually is a full-time job requiring a robust network of buyer relationships and data that most teams are not resourced for. The secondary market is complex and growing, with hundreds of independent decision-makers, each with their own category focus, temperature-class capabilities, regional footprints, and purchasing power. Navigating it by phone calls and email is how the fire drill keeps repeating.

Spoiler Alert is your brand's doorway to that market. Listings reach the right mix of buyers across the 270+ active operators on the network, with bid workflows, pricing intelligence, and channel governance built into the platform. Suppliers keep control over which buyers are in, which are out, and under what commercial terms, without managing every relationship individually.

The result and key value add is access. Spoiler Alert gives you personalized access to the full depth of the secondary market, matched to the specific product, temperature class, shelf life, volume, and geography of your needs. That access is what turns the channel from a reactive scramble into a managed recovery program, and what makes the recovery economics in the earlier chapters of this report achievable at scale.

Endnotes

[1] https://www.homepagenews.com/retail-articles/placer-ai-some-retail-channels-saw-holiday-store-visit-gains-some-didnt/

[2] https://investor.tjx.com/news-releases/news-release-details/tjx-companies-inc-reports-q4-and-fy25-results-q4-comp-store

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