

APPAREL AND ACCESSORIES

## Chanel, mega-brands dominate resale market as new sectors surge: report

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*Chanel handbags proved popular in resale*

By FORREST CARDAMENIS

Kering-owned Saint Laurent is the fastest growing brand on the resale market, according to online consignment marketplace The RealReal.

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While Chanel and Hermès are the highest sellers overall, Kering-owned Saint Laurent has seen a 167 percent year-over-year increase in sales, with Hedi Slimane's exit from the role of creative director in April driving demand. Luxury watches and men's consignments were also fast growers, at 150 percent and 108 percent year-over-year growth.

"The secondary market pretty much mirrors the primary market," said Rati Sahi Levesque, chief merchant at **The RealReal**. "If a designer has a revival in the primary market (like Gucci and their new creative director), we not only sell the current collection well, but everything before that, too."

### Consignment growth

Rounding out **The RealReal**'s top 10 were Christian Louboutin, Prada, Rolex, Valentino and Celine. Valentino's Rainbow 1973 collection propelled the brand to a more 110 percent increase, and Proenza Schouler, Tom Ford and Loro Piana also saw sales more than double.

However, Brunello Cucinelli exhibited the biggest increase in sales after Saint Laurent, with a 123 percent growth.

Indicating the sudden burst of demand in the sector, The RealReal valued more than 15,000 pieces of jewelry and watches in the first half of 2016. Rolex, Cartier and Patek Philippe led the sector's 150 percent growth. Engagement ring sales were also a big winner, with 280 percent year-over-year growth.



### *Cartier timepiece*

Nevertheless, the report predicts that watch prices will drop as major brands try to attract millennial consumers at lower price points.

Men's suiting is up 60 percent, and The RealReal notes that Tom Ford and Dior Homme are catching up to Loro Piana and Zegna, brands with heritage in the field. Brioni also saw sales double in May, shortly after the brand announced the appointment of Justin O'Shea ([see story](#)).

"The Birkin bag is now trending for men," Ms. Sahi Levesque said. "Sales for the Birkin bag have grown 40 percent because of male shoppers, not female."

"In addition to realizing the great value they can get on luxury goods at The RealReal, men also now consider consignment when buying new items, realizing the ROI they can get when consigning these items down the line," she said.

In the handbag category, The RealReal has noted a dip in the resale value of Cline's Trapeze and Nano Luggage bags, as well as the Proenza PS1 and especially the Fendi 2Jours, which plummeted 22 percent. By contrast, the Herms Constance has grown 60 percent, with Chlo's Drew and Marcie bags and the Gucci Soho Disco also trending upward.



### *Chlo Drew bag*

The marketplace also removed more than 1,100 counterfeit items during the first half of the year, indicating that it offers brands the name protection that larger, more mass marketplaces do not. Furthermore, 76 percent of The RealReal's customers said that it changes the way they shop, suggesting they look to resale prices before opting for the primary marketplace.

Looking internationally, The RealReal has seen growth triple in Australia, United Arab Emirates and Japan, suggesting a demand for more luxury goods in these nations. Australia is second only to the U.S. in Herms Birkin and Kelly orders; fine watches and jewelry, especially Cartier, are having a moment in UAE; and the Peekaboo Bag is leading Fendi past Gucci in Japan.

### *Changing tides*

In the women's wear market, The RealReal is seeing growing popularity from Australian designers and predicts tripling in sales. Cruise collections are also highlighted and expected to drive global connectivity and engagement as fashion detaches itself from a seasonal calendar in response to globalization and digital trends.

The debate surrounding the role of the fashion show today is escalating, as more designers opt to shake up the runway format.

A rise in digital integration at fashion shows means that the audience at home and within the venue consumes and creates media instantaneously, but typically that feeling of instant gratification ends there, as consumers then wait months for the collection to become available for purchase. In a world where shopping is often just a click away, this delayed path from runway to retail can feel dated, prompting a number of brands to attempt to fix the format ([see story](#)).

Luxury brands are consistently designing new merchandise, whether a new "It" handbag or jewelry piece, but while the price tag may be high today, it may lose its luster and appeal over time.

Certain brands have established a timelessness through iconic items that transcend seasons and stand the test of time, such as Herms' perennially sought-after Birkin bag. What attributes makes a product covetable long after its origination?

Resale marketplace [Portero](#) has identified five brands with the highest second-hand price points on its own site: Herms, Cartier, Rolex, Chanel and Bulgari ([see story](#)).

Along with this shift will be changes in the way consumers buy, with a further move to mobile and in-app shopping expected.

"One prediction we are particularly confident about is that by the end of the year, customers on mobile and tablet devices will surpass desktop sales, driven by our iOS App and mobile responsive site," Ms. Sahi Levesque said.

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