

APPAREL AND ACCESSORIES

Demand for secondhand Birkin bags creates hotbed of fakes on marketplaces

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Herms Himalaya Niloticus Birkin

By SARAH JONES

French leather goods maker Herms' tight distribution of its iconic Birkin handbag has laid the groundwork for a booming resale market, but it has also created opportunities for counterfeit sellers online.

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According to a new report from Baghunter, eBay is a popular alternative to long waiting lists for the coveted accessory, but among its sellers are also some of the worst offenders when it comes to authenticity. As counterfeiters become more sophisticated, it is becoming more challenging for prospective buyers to tell real from fake.

"Birkin handbags are the most desired bags in the world, and I think it is this desire which makes them prime candidates for fake sellers," said Evelyn Fox, CEO of [Baghunter](#), Beverly Hills, CA.

"The difficulty in obtaining a Birkin directly from Herms leads women to seeking alternative sources from which to purchase a Birkin bag, and the desperation to get a hold of the iconic bag can sometimes lead to rash decisions when making a purchase and buying from untrusted sources," she said. "Fake sellers are aware of the high demand for Birkin bags and play on this demand."

Birkin bait and switch

French fashion house Herms' iconic Birkin bag is boding well for investors, as twice this year the purse style broke its previous record for most-expensive handbag sold, according to a previous report from Baghunter.

Baghunter projected that 2017 might be a smart year for investors of the Birkin bag, as 2016 saw an average annual return of 14.2 percent compared to the Standard & Poor 500 of a nominal 11.66 percent. The fashion house will be scaling back production of the bag to preserve its second-hand value and exclusivity through 2017 ([see story](#)).



Birkin bag sold for \$298,000 on Priv Porter

Due to the Birkin's positive performance in resale, it has attracted both legitimate and fake sellers. While buyers may be interested in investing in a real bag, often what they will come across online is fraudulent.

A number of factors have made it harder to distinguish deceptive advertisements on a marketplace site such as eBay.

One technique that fraudulent sellers have adopted is drop shipping, in which they sell merchandise to a consumer before they have the product in-hand. Once the buyer has placed their order, the seller fulfills it by purchasing an inexpensive version from China.

Another tactic is a misleading positive seller rating. Scammers may sell inexpensive items from an account to rack up good reviews and then switch over to luxury goods later.

Others have been known to buy ratings on the black market.

Also misleading eBay users are those who take photos from other sources and then use it for their own marketing, often embellishing the repurposed shots with a story of how they got their hands on the supposed bag.

As it has proven harder to know who to trust online, a number of third party services have emerged, offering to authenticate a handbag for a fee by looking at the photos on the listing.

While knockoffs have traditionally been easy to spot due to differences in quality, today's superfakes prove trickier to identify.



Birkin bag; image source Baghunter

Counterfeit producers have become more skilled at mimicking the details of high-end handbags. Makers of knockoffs hire craftsmen who then recreate styles in high-quality leather, frequently adding touches such as serial numbers and date stamps.

These bags may also come with accessories such as dust bags and receipts that make them appear more real.

According to Baghunter, photos alone are not enough to discern real from fake. An authenticator would need to handle a superfake to determine it is a knockoff.

Taking action

Hermès took eBay to court about a decade ago, claiming that the marketplace was selling fake handbags. After losing, the defendant had to pay a 20,000 euro, or about \$21,500, fine.

In an effort to make its luxury listings more trustworthy, the company has unveiled a new service.

The online auctioneer is easing consumers' worries when buying luxury goods through its platform with an upcoming authentication program.

While many luxury products are available for purchase through eBay, many consumers are wary regarding the authenticity of the goods. eBay will soon launch its program in which sellers can opt in to have their products certified as authentic by professionals ([see story](#)).

"There are significant profits in the counterfeit market making the sale of such items lucrative for fake sellers," Ms. Fox said. "In addition, it is almost impossible to fully regulate online marketplaces such as eBay for the sale of such items making these marketplaces hotbeds for the sale of counterfeit goods.

"The launch of eBay's authentication service looks a good idea at first glance, however, there are currently not enough details about the service to know if it will make a significant impact."

Brands should be selfish about their intellectual property and take an active role in protecting themselves from counterfeits, according to the managing partner of Sedhom Law Group speaking at Luxury FirstLook: Time for Luxury 2.0 on Jan. 18.

Counterfeiters are becoming more sophisticated and consumers today have greater access to fake goods, contributing to a business that is \$500 billion and growing. By ignoring the problem, brands are only doing themselves a disservice as their brand is diluted and consumers feel they are buying into a less exclusive label ([see story](#)).

"The large influx of counterfeit handbags can lead to mistrust in the secondhand luxury market in general, including

for legitimate sellers," Ms. Fox said. "We urge anyone considering purchasing a Birkin bag or other high-end luxury item to perform thorough research into the seller prior to making a purchase.

"We also urge people to report and name and shame fake sellers and to spread the word about legitimate sellers to help others making future purchases."

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