

APPAREL AND ACCESSORIES

Herms Kelly, Valentino sneakers see small consignment discounts: L2

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Gucci loafers and Chanel handbags see discounts of 67 and 65 percent, respectively, on resale sites. Image credit: The RealReal

By STAFF REPORTS

According to L2, brands such as Manolo Blahnik and Burberry see steeper discounting on the secondary market than those known for particularly exclusive items.

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To answer the question "Which brands are the most discounted on resale sites?", **L2** looked at data from four resale sites that consign luxury goods: Vestiaire Collective, Grailed, The RealReal and Tradesy. Based on its research, L2 found that discounts on luxury goods vary significantly by brand.

Consignment costs

When analyzing the four resale sites, L2 found that not all luxury goods are discounted to the same degree. Brands that offer more exclusive, or limited-edition, goods are not often subject to large discounts, as doing so would dampen aspirations.

For example, heels by British footwear label Manolo Blahnik are priced on average 77 percent than the suggested retail price. But, sneakers by Italian fashion house Valentino see only a 35 percent discount on consignment sites.



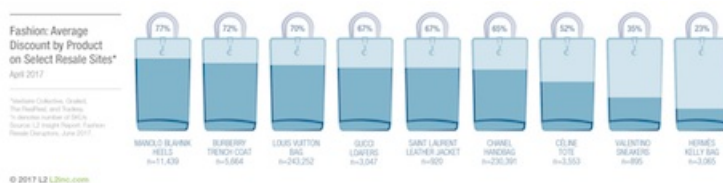
Manolo Blahnik footwear sees larger discounts on resale sites. Image credit: The RealReal

Hermès Kelly handbag, second in appeal and clout to the French leather goods maker's Birkin, sees resale discounts of only 23 percent.

But, L2 found that exclusivity does not always equate to slight discounting. While looking at the goods discounted on the four consignors, L2 found that exclusive items such as Cline totes and Chanel handbags can be found at discounts of 65 percent or more than suggested retail price.

Since the secondhand market often features lightly used, or brand new, items L2 suggests that the luxury's presence in consignment may "significantly reduce perceived value among consumers."

Being that many luxury goods are minimally worn or never been used, L2 also recommends that brands maintain a database of products on the resale market. The high amount of goods available for resale may also harm a brand's perception among consumers.



Fashion: Average discount by product on select resale sites. Graphic credit: L2

During its research, L2 found, for example, 230,000 SKUs for Chanel handbags and 240,000 Louis Vuitton bags.

The apparel and accessories resale market is witnessing a period of enormous growth and is outpacing the full-priced segment of the fashion industry by 20 percent, according to a recent report from Fung Global Retail & Technology.

Fung forecasts that the entire resale industry is set to grow from \$18 billion in 2016 to \$33 billion by 2021 ([see story](#)).