

RETAIL

Consignment is attractive to Gen Zs, who prefer secondhand Chanel, Herms, Louis Vuitton

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Chloe, Chanel and Gucci are popular brands on the consignment market. Image credit: The RealReal

By JEN KING

Online marketplace The RealReal's fastest-growing market segment for the first half of 2017 is not millennials, but the coming-of-age Gen Z demographic who are outpacing their elder counterparts' sales by 35 percent.

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Marketers have been laser-focused on speaking to millennials, but Gen Z is quickly becoming an important demographic for high-end brands to cultivate a relationship with. According to The RealReal, the Gen Z consumer is an early adopter of consignment and the "lifecycle of luxury," preferring secondhand Chanel, Herms and Louis Vuitton goods, making the resale market an opportunity for brand discovery.

"The fact that they can get a return on their investment of luxury goods *and* score luxury brands for less [is driving consumers to consignment,]" said a spokesperson for [The RealReal](#).

"It's a win-win. Knowledge is power and with The RealReal, consumers now have data at their fingertips about what their items are worth," they said. "They can make smarter buying decisions knowing the resale value of items and also have peace of mind knowing they can get an ROI once they are doing with a particular item."

Secondhand news

The RealReal's "State of Luxury Resale" mid-year 2017 report charts marketplace trends, bestselling brands and emerging designers popular on its consignment platform.

Among the best-selling brands on The RealReal, the marketplace found that interest in French fashion house Chlo continues to rise as its handbags are extremely popular.

The trending popularities of luxury's top brands on the secondhand market are tied to a label's current successes as well.

For example, Gucci has held The RealReal's number four spot two years in a row and Saint Laurent moved up from 23 to 14, but Burberry and Lanvin, two houses with internal struggles, saw a dip in their popularity scores.



The Chloe Drew handbag is a very popular silhouette. Image credit: The RealReal

Burberry is listed at number 15, and Lanvin dropped out of the top 20, going from 18 to 26 since The RealReal's year-ago report.

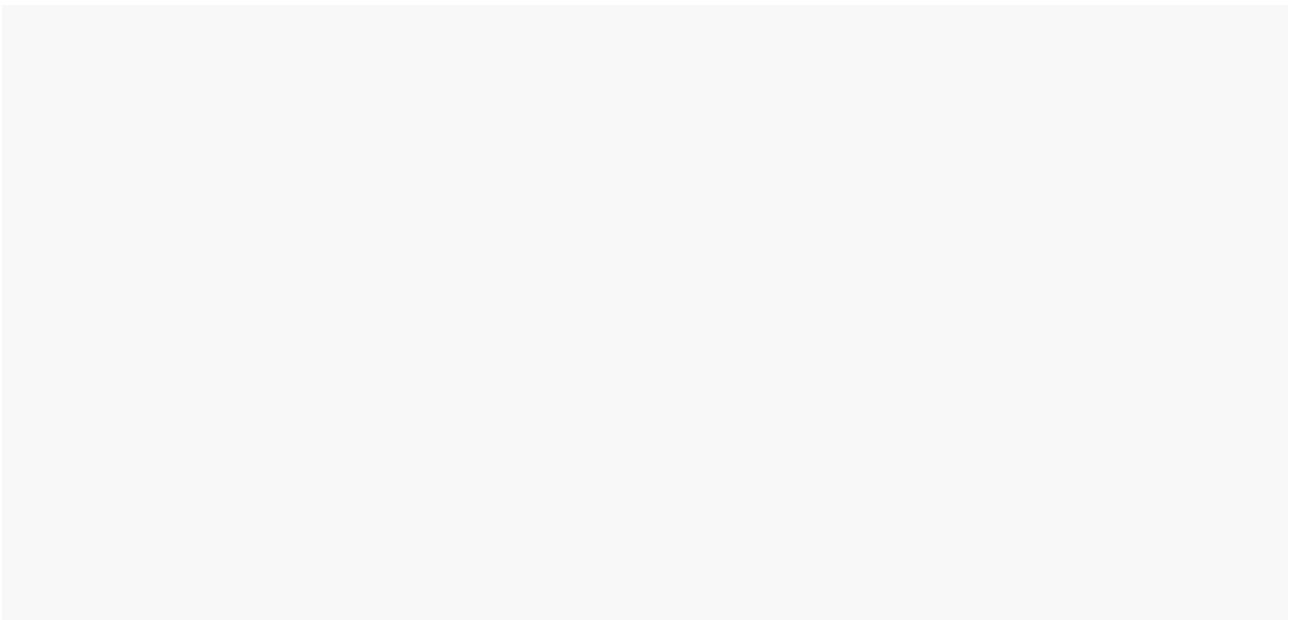
The RealReal's mid-year report also found that women's designer brands saw triple digit sales growth for the first half of 2017. For example, Vetements' resale figures increased 548 percent and Aquazzura and J.W. Anderson's sales grew by 188 and 143 percent, respectively.

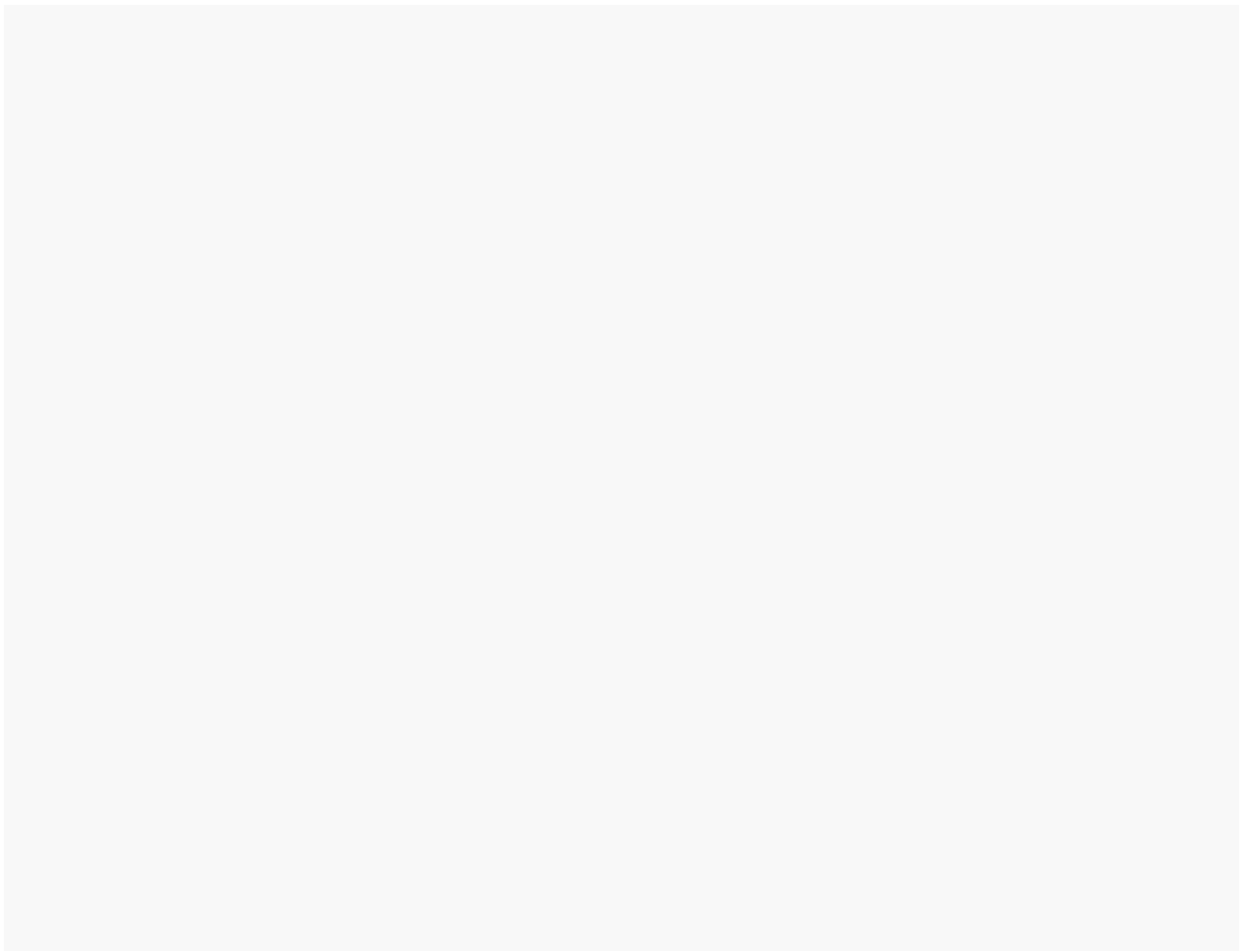
The unavoidable influence of streetwear is also making an impression of high-end consignment.

Supreme, for example, saw a spike in consumer interest and demand. The streetwear label, fresh off the heels of its Louis Vuitton collaboration ([see story](#)), saw its year-over-year search rate on The RealReal increase 1,500 percent.

The RealReal has also forecast a number of fashion trends based on what consignment consumers are buying from its marketplace.

For instance, whimsical Gucci's sell-through on The RealReal is 10 percent stronger than minimalistic Cline, as searches for graphic and print apparel grew by 37 percent year-over-year.





Garden vibes #Gucci #instoresnow Link in bio to shop.

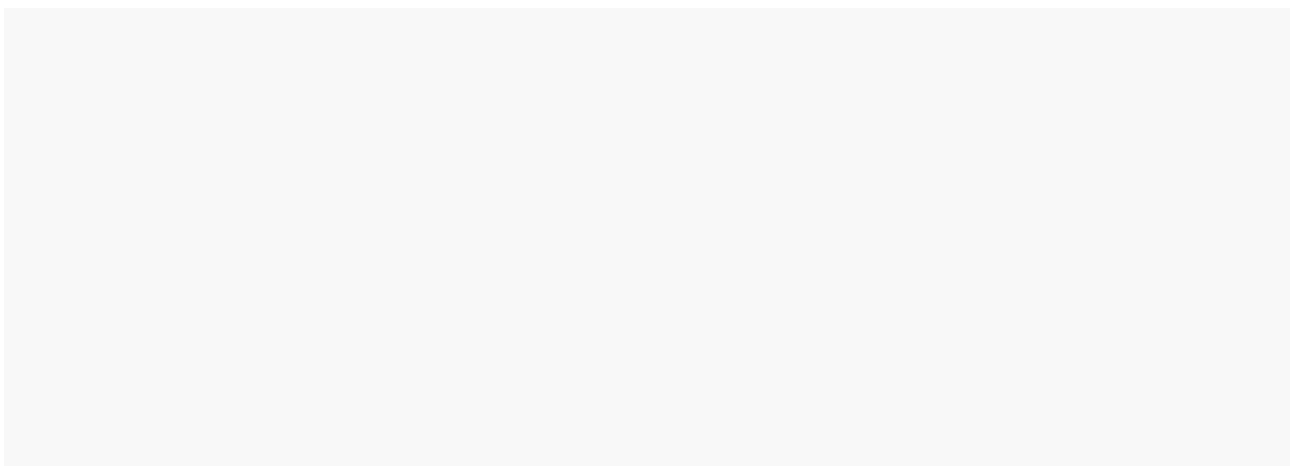
A post shared by therealreal (@therealreal) on Jul 20, 2017 at 9:42am PDT

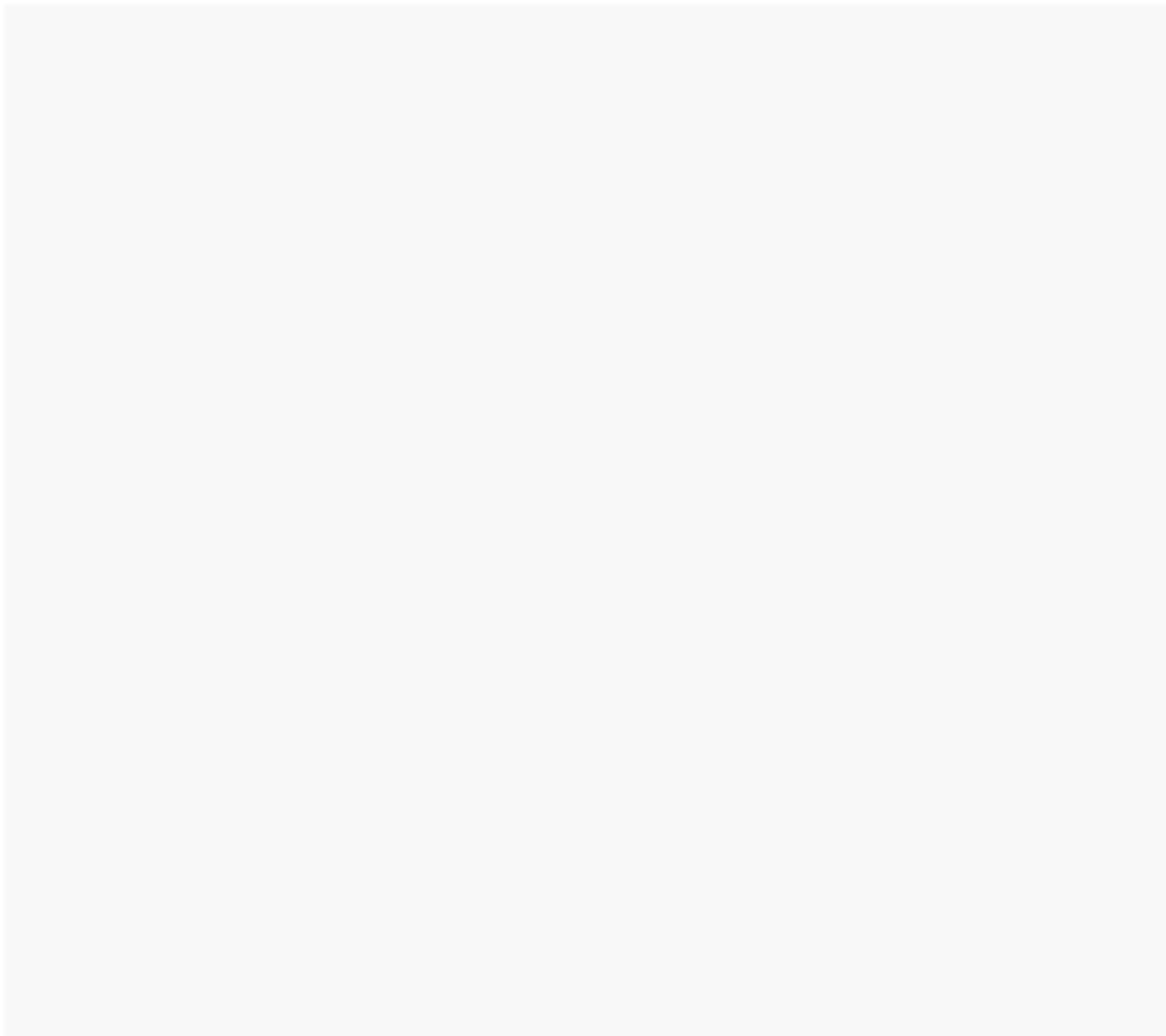
Also, colorful knitwear brand Missoni saw searches jump 30 percent and its sales increase by double digits on The RealReal.

Additional trends include backpacks, which saw searches increase by 70 percent, and investment footwear. The RealReal found that pairs priced more than \$500 are selling 11 percent faster than handbags listed at the same price.

Vintage is also an attractive category with one-off pieces having increased by 60 percent.

Outside apparel and accessories, The RealReal reports home items on consignment increasing by 207 percent and engagement rings sales rose 150 percent year-over-year.





Nbd, you're just going to wear it for the rest of your life. See our expert's tips for choosing an engagement ring on RealStyle. Link in bio.

A post shared by therealreal (@therealreal) on Jun 10, 2017 at 9:19am PDT

As for the behavior of its consumers, The Real Real found that 85 percent of consignors use the commission of sale to shop on the full-price, primary market.

Also, 70 percent of consumers research the resale value of a brand or product on The RealReal prior to making a full-priced purchase.

Mobile is also a strong point for The RealReal even for "forever purchases" such as engagement rings. For the mid-year, The RealReal saw 33 percent of engagement rings being purchased via mobile devices, a rate 50 percent higher than average purchases.

Delights in consignment

The fashion market category that relies on consigning high-end apparel and accessories is witnessing a period of enormous growth, outpacing the full-price segment of its industry by 20 percent, according to a new report from Fung Global Retail & Technology.

The entire resale industry is expected to grow from \$18 billion in 2016 to \$33 billion by 2021. This data comes from retail think tank Fung Global Retail & Technology, which released the "Fashion Re-Commerce Update" report to dig into exactly how and why this sector has been taking off ([see story](#)).

Interest in consignment has also heated up the competition for resale marketplaces.

For example, online resale platform [thredUP](#) just recently entered the world of high-end consignment with the introduction of a luxury-specific marketplace ([see story](#)).

Also, resale platform TrueFacet recorded an 18 percent monthly increase for pieces priced at \$25,000 or more. The jewelry resale site also saw 34 percent growth in the value of average orders ([see story](#)).

"[Luxury brands] can gain crucial data about which of their brand styles and designs are holding their value beyond the primary market and which are not," said The RealReal's spokesperson. "And, our consignor is often their customer.

"We find the majority of our consignors will take the money they make on The RealReal and spend it back in the primary market," they said.

1 thought on "Consignment is attractive to Gen Zs, who prefer secondhand Chanel, Herms, Louis Vuitton"

1. [Jennifer Anderson](#) says:

[May 12, 2020 at 6:34 pm](#)

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