

APPAREL AND ACCESSORIES

## Grailed mixes high-fashion, hype in resale hub

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*Grailed 100. Image credit: Grailed*

By SARAH JONES

NEW YORK Menswear marketplace Grailed is making luxury fashion more accessible through its community-centric, peer-to-peer resale model.

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In a fireside chat at Luxury Interactive on Oct. 16, Grailed's CEO explained how the platform has evolved since its founding in 2013, as it has grown into a hub of activity for secondhand sales of both designer and streetwear merchandise. While luxury's high price points often put high-fashion out of reach of most customers, Grailed has allowed a broader audience of male style aficionados to get their hands on designers such as Saint Laurent and Rick Owens.

"For us, Grailed represents a lot of different things, but one big piece of it is democratizing access to fashion," said Arun Gupta, CEO of **Grailed**.

"Previously people in the Midwest, people who had lower incomes, couldn't walk into a Saint Laurent boutique and spend \$600 on a pair of jeans," he said. "But you come to Grailed.com, you can buy the same pair of jeans for \$200, \$300 from a fellow style enthusiast and then you know it's a less risky purchase because if you bought those things on the platform for \$200, \$300, you can sell them to somebody else on the platform for \$300.

"So it makes people more comfortable experimenting with luxury, introduces people to brands that they might otherwise have not experimented with. One of our taglines is 'Fire for all,' which is sort of a jargony way of saying access for everybody."

### Menswear movement

As Mr. Gupta explained in a conversation with *The New York Times*' Matthew Schneier, Grailed evolved out of menswear forums, where style-centric men would join together to discuss the latest runway shows and styles. Sometimes, users would offer up pieces from their closet for sale, looking to recoup some of their purchase price for unworn goods.

Grailed launched to fill the need for an ecommerce platform for this community. The site features a feed-style

listing of products up for grabs, including discontinued designer styles and newly launched designs from sought-after drops by brands such as Supreme and Off-White.



*Matthew Scheier and Arun Gupta*

The rise of streetwear drops and resale-heavy collaborations such as Balmain x H&M led Grailed to adjust its Web site layout, since items would flood the platform when collections launched. For instance, a Supreme partnership with The North Face saw \$1 million worth of resale transactions on Grailed in the 24 hours after the release.

Now, Grailed has split garments and accessories into categories to allow consumers to find those drops if they are looking for them, while not bogging down the experience for others.

Grailed has also followed the trajectory of men's fashion, changing with the times as men moved from raw denim to streetwear.

Mr. Gupta believes Grailed is differentiated from marketplaces such as eBay due to its focus on fashion. Since launch, the platform also offered a lower 6 percent commission on sales, compared to eBay's 10 percent, a move intended to boost its market share.

#### *Grailed 100 fall/winter 2018*

Grailed is building on its sense of community and growing its audience through content marketing and events.

The company has launched the editorial site Dry Clean Only, with articles that delve into the stories behind fashion labels or trends through the years. Mr. Gupta said the challenge for Grailed is to expand its audience beyond those who can name-drop designers to those who simply appreciate fashion.

Another editorial endeavor, Grailed 100, brought together a curated assortment of items available for purchase, featuring them in a styled photo shoot.

#### *Resale revenues*

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 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](#)).

With a market size of \$570 billion and annual revenues of \$333.4 billion, the menswear category is expected to grow at a constant rate of 2-3 percent a year, according to a new report by Fashionbi.

As size and revenues for the market has increased, so has consumer spending, with menswear seeing an 18 percent jump in purchases over the last five years. While far from a new market segment, menswear has seen a type of

resurgence as men of all demographics have begun to embrace style and trends ([see story](#)).

"The most powerful emotional resonance with our prospective users that turn into power users is they come in looking for something, they're intrigued by fashion or they got put on by somebody that they know, and they see this expansive world of goods," Mr. Gupta said. "And they're like, Man I never even knew this existed."

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