

RETAIL

Will the pre-owned market address luxury's sustainability problem?

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Besides making luxury more affordable and accessible to a larger demographic, the resale model gives shoppers access to out of stock or off-season items. Image credit: Vestiaire Collective

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Purchasing luxury goods secondhand might have come with negative connotations in the past, but with the industry's increased interest and awareness in sustainability, this market segment is fast growing.

According to a recent report by leading online consignment store Thred Up, the **global secondhand market was valued at \$28 billion in 2019 and is projected to be worth \$64 billion by 2024.**

The secondhand luxury market, in particular, clocked a **compound annual growth rate (CAGR) of 12 percent** between the years of 2014 to 2019.

Besides making luxury more affordable and accessible to a larger demographic, the secondhand model gives shoppers access to out of stock or off-season items, as well as limited edition releases that have since ended their run.

Pierre Everling, chief regional officer for Asia Pacific at resale luxury marketplace Vestiaire Collective weighs in on how the pre-owned market can still keep customers on their toes and chasing "the next big drop" while being fashion-conscious and ethical.

Find out how the company has re-examined their values and adapted new tools to better relate to audiences at the upcoming **eTail Asia & ANZ Virtual Summit Week**, taking place this week.

Does secondhand luxury only appeal to a specific group of consumers and has this shifted over time? Pre-loved fashion is now accepted by all.

Over the last few years, we have seen the consumer mindset change and the stigma attached to secondhand fade.

At the time of our launch in 2009 and in the immediate years preceding, Vestiaire's core customer was somewhat older, but in recent years we have certainly seen Gen Z and millennials at the forefront of the circularity movement driving this change in mindset and behavior.

The younger generations are becoming more eco-conscious and striving for unique wardrobes, which are oftentimes influenced by celebrities and influencers.

Vintage fashion is inherently sustainable and is quickly becoming the go-to option in developing a unique sense of style.

Consumers are seeking something unique yet relatable in their purchases, which is the feel-good factor in bringing the past to the present.

Right now, we're kicking off a **vintage mania campaign** and have collaborated with a few industry experts for their vintage selects.

We are also launching a site-wide treasure hunt for vintage items sold at 1 per cent of their retail price.

Has COVID-19 altered the cycle of consumption for secondhand goods?

The consumer landscape has undergone a number of fundamental shifts over the last five to 10 years this has already put the retail industry under a lot of pressure to respond, driving businesses to be more innovative and flexible in the way they function.

The current situation further drives the need for the retail industry to be dynamic and responsive to customer needs as they will continue to change dramatically, especially after a crisis like this one.

On the consumer side, I believe that people will step out of this crisis with a different mindset than before, potentially reconsidering their priorities and the way they consume.

According to the McKinsey COVID-19 Response in Apparel and Fashion Study, 20 per cent of consumers expect to reduce their clothing consumption following the crisis.

It is a new form of consumerism, which I believe will benefit resale massively as it is a more conscious and more affordable way of enjoying fashion. It is about buying less but buying better, investing in quality pieces that will stand the test of time.

What are some challenges the company has been facing during this coronavirus crisis?

The COVID-19 crisis is a challenge that has driven us all to adapt.

Many of our key markets have been impacted by the outbreak, so we have worked to do everything we can to protect and support our employees and reassure our customers around the world.

In general, I think this crisis has forced us all to review the current situation and address what is no longer working. Staying agile as a business has allowed us to adapt to the changing situation.

One of the immediate issues we wanted to address was logistics.

We made two business decisions. Firstly, we opened the criteria for our direct shipping to allow more community members to buy and sell directly with each other, which helped to reduce pressure on our logistics hubs.

We have also enabled sellers to switch to DHL or UPS in order to book a home pick-up and minimize human contact.

What kind of partnerships do Vestiaire Collective form with brands?

We work regularly with brands for different types of partnerships, some more circular in nature than others.

We have worked with brands like Sandro and Maje for the launch of direct shipping in Europe last year which allowed our trusted, most eligible sellers to ship direct to buyers, to a recent "Future Collectables" collaboration with Rejina Pyo.

As it important for us to engage with our community in APAC we are also launching "**Sustainable September**" a charity sale in partnership with one of Hong Kong's leading nonprofit organizations, EcoDrive.

The ultimate goal to encourage awareness, and free consumers from pieces they no longer need.

We want our community to learn how to build an eco-conscious wardrobe for the future through secondhand.

All of the board members at EcoDrive have committed to extend the lifespan of their fashion pieces by selling them exclusively on Vestiaire Collective.

Proceeds, including 100 percent of Vestiaire's commission, will benefit EcoDrive and the initiatives which promote

the awareness and reduction of single-use plastics locally.

One thing is clear that the circular economy is certainly beneficial to everyone, and these types of partnerships have an effect on all tiers of product consumption.

How has the relationship between brands and resellers like Vestiaire Collective changed over the years?

We have always worked closely with brands but even more so in recent years we are ultimately targeting the same customer.

The circular economy is beneficial for everyone. When a firsthand market customer sells a piece on Vestiaire Collective, they can in turn use those funds to invest in another piece from that same luxury brand.

There are many people who can't afford to purchase luxury items from the firsthand market, so pre-owned gives them an opportunity to trade up and access more quality pieces that will stand the test of time at more accessible price points.

We did a study and of those surveyed, 62 per cent said that they bought a brand they like for the first time second-hand on Vestiaire Collective and almost all of them said they would consider purchasing from that brand again.

Research also shows that 57 percent would either definitely buy or would consider buying the item first-hand making pre-owned a recruitment channel for luxury brands as well.

What are the platform's plans for the future?

Tech innovation, customer engagement and discoverability will continue to remain key in our growth plans as we continue to launch new functions on the platform and the app, along with a continued commitment to driving circularity in the fashion ecosystem.

We will continue to focus on being an app-first business where we unite our global community of over 10 million buyers and sellers through the app.

We are constantly improving and upgrading the app, introducing new gamification features which empower our community.

We will soon launch a buyer seller chat, which allows the community to engage and communicate in a more fluid way.

Sustainability is an ongoing dialogue and we are putting this at the forefront of Vestiaire Collective.

We have recently hired our first chief sustainability and inclusivity officer and are planning to roll out a series of initiatives that promote circularity, including new packaging and a series of badges which recognize the efforts of our community.

*Pierre Everling will be joining a panel of expert speakers from Clozette, Oribel and The Kind Friend at the upcoming [eTail Asia & ANZ Virtual Summit Week](#) in exploring the topic: *Aligning Your Community To Your Business Objectives*. His session will take place on Wednesday, Sept. 9 at 4:20 p.m. (UTC +8), and will offer insights on building the right organization, leveraging one's community of consumers to drive true value, and keeping them engaged in the long run.*

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