

APPAREL AND ACCESSORIES

Kering invests in latest funding round for Vestiaire Collective

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The secondhand luxury sector continues to grow. Image credit: Vestiaire Collective

By LUXURY DAILY NEWS SERVICE

Resale platform Vestiaire Collective has announced another successful funding round, backed by French luxury conglomerate Kering, as growth in the pre-owned fashion sector continues to accelerate amid the COVID-19 pandemic.

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Kering was joined by U.S. investment firm Tiger Global Management in the financing round worth 178 million euro, or \$216 million at current exchange. Vestiaire Collective's transaction volume grew 100 percent year-over-year, and it will use the funding for its next cycle of growth.

"This latest round of investment confirms the incredible trajectory of Vestiaire Collective, founded during the 2008 crisis, the model has clearly demonstrated its ability to continue to thrive during challenging conditions," said Maximilian Bittner, CEO of Vestiaire Collective. "The resale sector as a whole is experiencing rapid growth, especially amongst millennial and Gen Z consumers, which will come to shape the retail landscape of the future.

"We are incredibly excited to welcome Kering and Tiger Global Management, both of which will be instrumental in our mission to build a more sustainable fashion industry and further grow our incredible global community," he said.

Secondhand growth

The secondhand fashion sector is forecast to be worth more than \$60 billion by 2025. The growth is being accelerated by younger consumers who keep sustainability top of mind, as well as more interest in online communities and social shopping.

Kering sees the opportunity in secondhand luxury and now has a 5 percent stake in Vestiaire Collective.



By partnering with Vestiaire Collective, Alexander McQueen is embracing circularity. Image credit: Vestiaire Collective

"Pre-owned luxury is now a real and deeply rooted trend, especially among younger customers," said Francois-Henri Pinault, chairman/CEO of Kering, in a statement. "Rather than ignoring it, our wish is to seize this opportunity to enhance the value we offer our customers and influence the future of our industry towards more innovative and more sustainable practices.

"This [investment] fits naturally with our entrepreneurial spirit, our pioneering sustainability strategy, and our modern vision of luxury," he said.

Kering-owned British fashion label Alexander McQueen was the launch partner for a new "brand approved" program at Vestiaire Collective, as luxury brands look to become more directly involved with circular fashion initiatives. Through the collaboration, shoppers are invited to sell their preowned pieces and receive a credit to buy new pieces from specified McQueen stores ([see story](#)).

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