

APPAREL AND ACCESSORIES

## Consumer awareness, circular fashion driving "conscious" luxury growth: Farfetch

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*Image credit: Farfetch*

By SARAH RAMIREZ

Consumers are drawn to sustainable fashion at growing rates, particularly in Asian markets, according to a new report from online retailer Farfetch.

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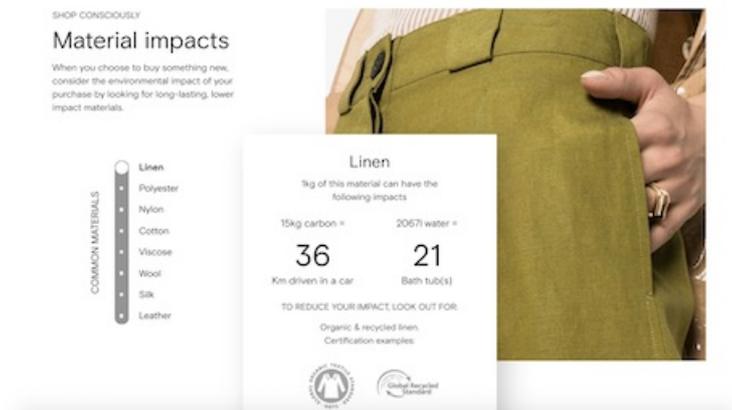
Farfetch's first annual **Conscious Luxury Trends Report** evaluates how consumers are shopping more responsibly, as awareness of fashion's sustainable shortcomings climbs around the globe. By most accounts, interest in sustainable fashion from ethically-made products to circular initiatives has increased since the start of the COVID-19 pandemic, with Farfetch reporting that sales of its "Conscious" products grew 3.4 times faster than its broader offerings in 2020.

"We're delighted to be launching our first annual report exploring how luxury consumers are shopping more consciously and how the world's leading brands and boutiques are responding to these changes," said Thomas Berry, director of sustainable business at **Farfetch**. "2020 saw a rapid acceleration of the move online and, as our report finds, a surge in consumers choosing to shop more positively.

### Conscious luxury

Fashion and textile production are among the most environmentally damaging industries. The challenges include, but are not limited to, waste, water use, chemical pollution, carbon emissions, workers' rights and animal welfare.

For its part, the retailer introduced the Positively Farfetch initiative in 2019 to promote sustainable shopping and has continued to expand these efforts to meet growing consumer demand. As Farfetch better identifies its conscious offerings and offers relevant and educational product information, sales of these goods continue to climb.



*The Fashion Footprint tool is one way Farfetch is being more transparent about sustainable shopping. Image credit: Farfetch*

Eighty-eight percent of Farfetch shoppers care about minimizing their environmental impact, with half of surveyed customers reporting they care deeply. These environmentally-engaged consumers shop as frequently as the general Farfetch client base, but are more selective about their purchases.

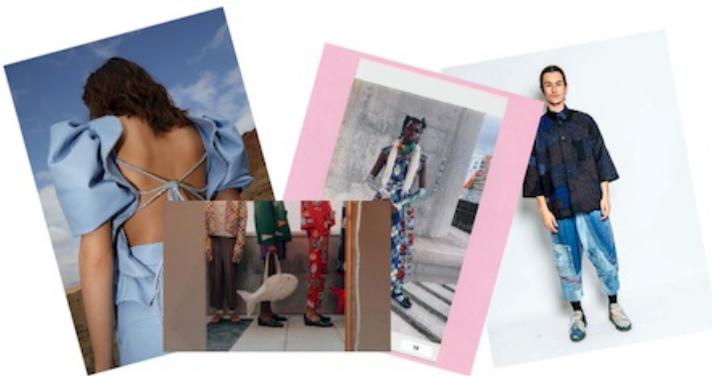
The top sustainability priority considered in purchase decisions is quality and durability, as cited by 68 percent of respondents indicative of the philosophy of "buy less, buy better." About four in 10 shoppers also consider fair conditions and wages for the workers who create the pieces, while the type of materials and reduced water consumption are not weighed as heavily.

However, Farfetch data shows that searches for animal-free materials, including faux fur and faux leather, jumped after the start of the pandemic. In 2020, visits to the retailer's Conscious pages increased 392 percent from 2019.

Small and emerging luxury brands are seeing the fastest growth among conscious shoppers.

Among brands whose entire offerings are classified as "conscious," French footwear and accessories label Veja led the way with a 395 percent jump in gross merchandise volume (GMV) from 2019 to 2020. Sustainable jeweler All Blues followed, with a 350 percent increase in GMV year-over-year.

Heritage luxury brands also saw growth in their conscious offerings, with Britain's Mulberry seeing 225 percent GMV growth y-o-y for its certified leather goods. Burberry and Prada also saw triple-digit growth for their ReBurberry and Re-Nylon collections, while Gucci's Off the Grid collection helped propel the Italian label's sustainable offerings to a 68 percent increase in GMV y-o-y.



*According to Farfetch, countries in Asia often adopt emerging sustainable brands before other regions. Image credit: Farfetch*

Additionally, there was a 95 percent increase in conscious stock from Farfetch's global boutique network.

Propelled by a growing middle class and increasing adoption of ecommerce, Mexico saw the steepest growth in conscious shopping with GMV jumping 341 percent y-o-y. Germany and China saw GMV increase by 191 and 188 percent, respectively.

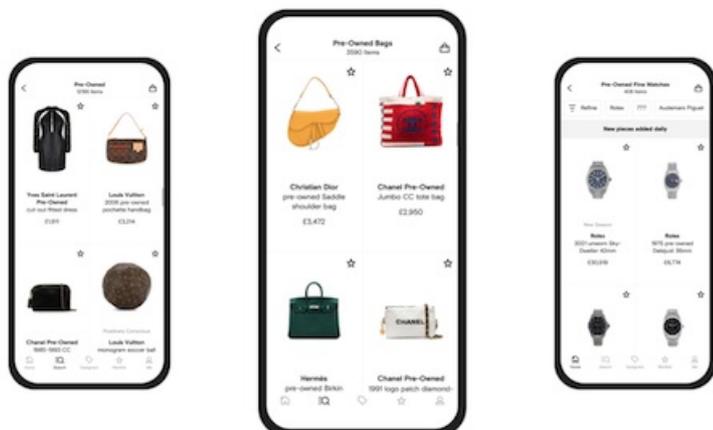
Elsewhere in Asia, South Korea saw GMV grow by 127 percent y-o-y, while Japan and Hong Kong saw conscious spending increase by 55 and 50 percent, respectively. Popular conscious brands in Asia include Reformation, Bode and Chopard.

China and the United States each accounted for 17 percent of pre-owned sales, while Hong Kong drove another 9

percent of sales. The rest of the world accounted for the remaining 57 percent.

Pre-owned luxury saw the strongest growth elsewhere, however, with y-o-y growth in pre-owned GMV of 227 percent in Saudi Arabia. With a 208 percent GMV increase y-o-y, Switzerland edged out Japan's 207 percent jump.

Globally, the pre-owned luxury segment is growing about three times faster than the general luxury market. On Farfetch's platform, pre-owned views have increased 151 percent since the start of the pandemic.



*Luxury handbags continue to be the most popular pre-owned items. Image credit: Farfetch*

More than half of Farfetch shoppers surveyed have bought or sold pre-owned luxury goods in the 12 months to September 2020, and 57 percent of buyers say their pre-owned purchase prevented them from buying something new.

Purchasing pre-owned pieces has much lower environmental impacts than buying new, and shoppers will often maximize value for their money or use resale funds to make other luxury purchases. Farfetch shoppers who purchased pre-owned items spent an average of three times more than those who bought non-pre-owned goods.

Handbags account for 63 percent of pre-owned sales, followed by clothing at 18 percent and watches and jewelry at 14 percent. From the first quarter of 2020 to the fourth quarter, sales of pre-owned goods valued at more than \$10,000 increased a staggering 506 percent.

#### Role of resale

Luxury brands and retailers, including Farfetch, are becoming more directly involved with circular fashion initiatives.

Farfetch has been expanding its circular services, particularly its handbag resale program Second Life, which is now available in 30 countries in Europe and North America ([see story](#)).

The number of bags sold to Second Life increased 348 percent year-over-year. A third of shoppers use their Second Life credit to buy another handbag, while 31 percent purchase clothing.

Finally, through a U.K. pilot of Farfetch Donate, shoppers donated more than 54,000 items and earned credit to shop the retailer.

"2020 was a busy year at Farfetch as we launched our ambitious, long-term commitments through our Positively Farfetch 2030 goals, increased our stock of conscious products and scaled our initiatives that support our customers with circular services like Farfetch Second Life and Farfetch Donate," Mr. Berry said.

While Farfetch relies on its marketplace network and Second Life program for its pre-owned stock, some luxury labels are establishing partnerships with other resale platforms in a bid to boost sustainability credentials while keeping authentication in focus.

For instance, Gucci partnered with The RealReal in fall 2020 on an online shop featuring pieces from past collections designed by creative director Alessandro Michele ([see story](#)). This followed similar collaborations between The RealReal and British fashion labels Burberry and Stella McCartney ([see story](#)).

More recently, resale platform Vestiaire Collective and British fashion label Alexander McQueen collaborated to launch a new "brand approved" program ([see story](#)). Vestiaire Collective's newest brand partner is Mulberry.

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