

SUSTAINABILITY

Secondhand sales, desire for brand alignment continue to surge

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Luxury consumers are becoming increasingly interested in resale and secondhand fashion opportunities. Image credit: Vestiaire Collective

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In the wake of the COVID-19 pandemic, luxury shoppers are continuously seeking certain elements from brand offerings, with sustainability, value alignment and circularity at the top of the list.

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Although the pandemic adversely affected all areas across the luxury sector, many consumers are continuing their frequent ecommerce practices and are excited to return to stores. In a new [report](#), global analytics company [Analytic Partners](#) highlights how the continued rise of the secondhand market and sustainability are crucial to luxury's recovery.

"Luxury has shown itself to be one of the most resilient sectors, with brands adapting quickly with holistic strategies to future-proof for the evolving landscape," the report said. "As we look ahead to 2022 and beyond, the trends of globalization, digitalization, integrated omnichannel distribution, customer-centricity and experience and brand perception are all key success factors for the leading luxury players of tomorrow."

Analytic Partners pulled data from its ROI Genome, an intelligence solution made up of more than 2 million marketing metrics spanning 20 years of experience across more than 750 brands.

Seeking secondhand

Consumers are increasingly interested in brand values. Shoppers want to give money to brands they feel align with their values, specifically shared feelings regarding ethics and the environment.

Regarding traits and attitudes, 52 percent of respondents said they only buy from companies and brands they trust, and 54 percent said they feel they make a difference to the world through their purchase choices.



In February, Nordstrom and Goodfair announced a collaboration. Image courtesy of Nordstrom

Forty-four percent of respondents said they would rather repair broken items than replace them, while 32 percent said they buy sustainably produced items.

One in four respondents say they buy secondhand or previously owned products. This trend has led several luxury brands and retailers to form partnerships with resale platforms.

In January, U.S. department store chain Nordstrom collaborated with secondhand clothing platform Goodfair to launch a monthly vintage clothing shop.

The first installment of the monthly shop went live on Jan. 28, selling out within hours. The collaboration reflected Nordstrom and other retailers' efforts to implement and maintain sustainability ([see story](#)).

In February, resale platform Vestiaire Collective partnered with British fashion label Alexander McQueen to launch a "brand approved" program, as luxury brands look to become more directly involved with circular fashion initiatives.

Vestiaire Collective and Alexander McQueen are another partnership highlighting the fashion industry's commitment to sustainability and circularity. Through the collaboration, shoppers were invited to sell their preowned pieces and receive a credit to buy new pieces from specified McQueen stores ([see story](#)).



Environmental and social efforts are more crucial among millennials and Gen Z consumers. Image credit: RepTrak

With both secondhand and general offerings, a brand's digitization has become increasingly key. The share of online sales channels for the well-established luxury actors is expected to exceed 30 percent by 2025, while the share of online sales for 2019 was only 12 percent.

To reach loyal consumers and tap new ones, brands must continue to develop omnichannel approaches. Luxury labels must also continue to prioritize improving customer experience.

Desire for value alignment

Becoming more customer-centric will especially help luxury brands looking to reach Gen Z and millennial consumers two generations that particularly value sustainability.

Millennials, those born between 1980 and 1995, and Gen Z, those born after 1995, are slated to be the biggest buyers of luxury by 2025, representing more than two-thirds of global purchases in the sector.

Gen Z and Millennials are much more likely to favor and implement sustainable lifestyle choices, such as plant-based diets and use of public transport.

The 2021 Millennial and Gen Z Survey by consulting firm Deloitte found that young people are channeling their energy towards meaningful action by increasing political involvement, aligning spending and career choices with their values and driving change on societal issues that matter to them. In turn, these generations expect institutions such as businesses and governments to do more ([see story](#)).

While sustainability alone does not determine consumer purchasing behavior, it is drastically accelerating in importance.

A study from May, "Sustainability and Consumerism: U.S. Consumer Behaviors and Preferences," released by digital creative services and strategy agencies Compose[d] and MaCher, explores how consumers view sustainability and their expectations of brands. With one in three consumers reporting it is difficult to find sustainable options across all product categories, luxury brands have an opportunity to engage these consumers by increasing sustainability efforts ([see story](#)).

"Beyond reshaping their value propositions and business models to embrace the new categories of luxury customers, it is vital for luxury actors to invest in inspiration," Analytic Partners said in the report. "It is clear that luxury consumers value a purpose-driven brand, but the message surrounding that purpose has to be delivered to the right person at the right time in order to make a true impact on the bottom line."

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