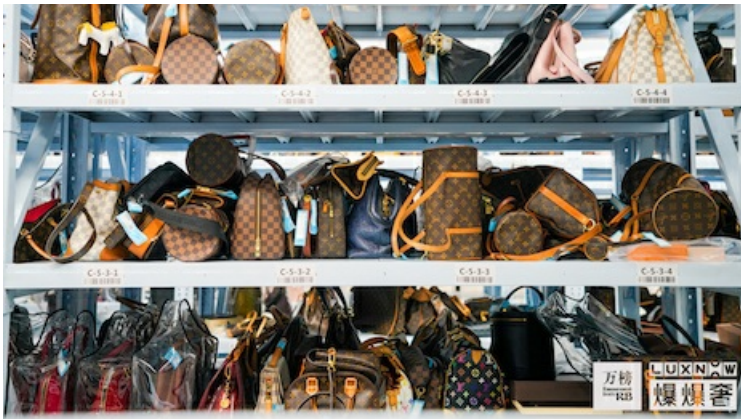


RETAIL

## Keys to winning China's luxury resale market

November 18, 2021



*With COVID-19 disrupting China's offline and travel luxury shopping, the online second-hand luxury market has boomed thanks to livestreaming and ecommerce. Image credit: Lets Lux Now*

By **Arnold Ma**

With COVID-19 continuing to disrupt international travel, global luxury brands have not seen Chinese consumers at their offline stores in a few years now.

Subscribe to **Luxury Daily**  
Plus: Just released  
State of Luxury 2019 **Save \$246** ▶

In response to this lacking revenue stream and rising production costs, the largest of these brands have **already raised their prices**.

But meanwhile, the luxury resale industry has boomed thanks to livestreams and ecommerce platforms. And with young Chinese consumers desperate to satisfy their desire for luxury purchases, these new resellers have found a gap in a very sizable market.

With the high-speed development of this market, you may wonder: Who is creating this growth? The answer is young consumers Gen Zers and millennials. And thanks to their demand, ecommerce platforms have further accelerated China's resale market growth.

### Why Gen Zers and millennials are powering the luxury resale market

China's younger generations have grown up in a global economic powerhouse that rapidly transformed into a wealthy industrial society. Therefore, more of China's young people have higher wages and more disposable income, which allows them to buy higher-quality items such as luxury products.

The luxury resale market has worked on this principle, and businesses have sought to capitalize on consumers' love for nostalgic fashions. Additionally, this market has become a focus due to its investment potential, with rare items such as the Herms Birkin bags gaining value over time (**500 percent in the last 35 years**).

But it is interesting to note that the luxury resale market only appeals to younger generations within China. Having gone through **China's cultural revolution**, older generations have less interest in resale products due to a lack of disposable incomes and not seeing value in used goods.

Lets Lux Now a Chinese, AI-driven luxury resale ecommerce platform

Luxury resale ecommerce platforms have driven greater growth in the pre-owned market by buying coveted and limited-edition items that cannot be sourced elsewhere, quickly becoming a trusted source of authenticity.

One of the leading ecommerce platforms in this market is [Lets Lux Now](#) an AI-driven Chinese resale luxury ecommerce platform that leads the way in authenticity in the resale industry.

Lets Lux Now has created its own market niche by understanding how best to appraise and launch luxury products.

In fact, it spent six months creating [China's first AI-valuation data model](#), drawn from a database containing all luxury products over the past 50 years and a record of secondary market price fluctuations. By identifying a product and completing quotations in mere seconds, this model has massively reduced its manpower costs and achieved incredible success.

The platform's technology has now become a unique selling point, pushing Lets Lux Now to the forefront of this exciting new market.

Due to its exponential growth and success, Lets Lux Now will expand after securing [a 100 million RMB funding round](#) in its Series A+ financing.

Is livestreaming the future of the luxury resale market?

[Livestreaming](#) has become one of the most popular commercial outlets in China and is also one of the reasons resale luxury ecommerce platforms rapidly grew.

The format helps consumers interact with livestreamers who can virtually answer any questions they have before making purchases.

In many ways, it is no different from an offline shopping experience, but with the added convenience of not having to travel to a shop.

As such, the consumer decision-making process gets accelerated and has proven to be more effective than other online selling scenarios.

However, it is hard to build credibility based on livestreaming.

In the West, many reputable platforms such as StockX and Etsy guarantee the authenticity of their products, something that is still lacking in the Chinese market.

Unfortunately, consumers and sellers cannot identify the authenticity of pre-owned luxury products on livestreams, which stands as a major obstacle to the buying process.

Between livestreaming and ecommerce platforms such as Lets Lux Now, there is real potential for a trustworthy and reputable service to capitalize on the booming secondhand and vintage luxury market. Whether these two online platforms can collaborate and help buyers overcome their fears of this newly created market remains to be seen.

*Published with permission from [Jing Daily](#). Adapted for clarity and style.*