

RETAIL

## Conditions evolve from bad to worse for Secoo amid second bankruptcy filing

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*Secoo, which originated as a secondhand handbag store, is lauded as one of China's first online luxury goods retailers. Image credit: Secoo*

By LUXURY DAILY NEWS SERVICE

Chinese ecommerce retailer Secoo's financial woes ostensibly have not lessened, as it has filed for bankruptcy for the second time this year.

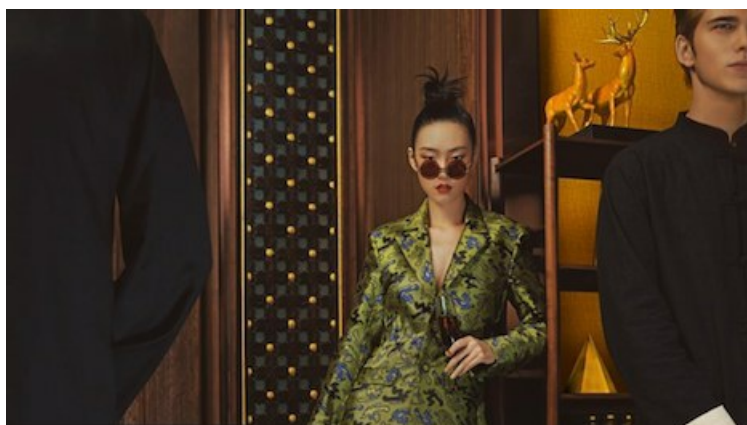
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As **reports** reveal that Secoo has filed for bankruptcy with the First Intermediate People's Court of Beijing Municipality seven months after its initial filing, the retailer is feeling the effects of a demand decline, amid other impactful events. Challenges continue arising for Secoo, as the retailer lost a legal battle with Italian fashion house Prada last week.

**An unclear future**

Secoo, which originated as a secondhand handbag store, is lauded as one of China's first online luxury goods retailers. Once a leader in the space, the retailer has experienced several missteps that have led to its current precarious financial position.

Initial **challenges** for Secoo included luxury brands' evolving presence on ecommerce platforms, the emergence of other ecommerce retailers, the COVID-19 pandemic and more.



*While facing numerous obstacles, Secoo is apparently experimenting with disparate methods in reaching affluents. Image courtesy of Secoo*

The retailer also invested a great deal in live streaming and publicly shared plans for a blockchain authentication service.

Secoo's stock fell to \$0.27 per share in New York earlier this week, a sign of a continued problems as Nasdaq warned to delist the retailer in December 2021 after its closing bid price fell under \$1 per share, Nasdaq's minimum bid price requirement, for 30 days.

Nasdaq gave Secoo a 180-day grace period, which ended on June 15, stating that Secoo needed a closing bid of above \$1 per share for at least 10 consecutive business days. On June 17, Secoo said Nasdaq had granted the retailer a second 180-day grace period to meet the minimum requirement.

While facing numerous obstacles, Secoo is apparently experimenting with disparate methods in reaching affluents.

In June, Secoo launched a Black Card service system, which provides its shoppers with customized and personalized online and offline services. The move comes amid changing consumer preferences among Chinese affluents ([see story](#)).

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