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The best strategies to tap China's luxury resale boom may be the simplest

August 17, 2022



Exploding demand among young consumers is fueling the rise of domestic secondhand luxury retailers in China. Image credit: CGTN

By [Jing Daily](#)

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The following is an excerpt from [Jing Daily's market report *Leveraging China's Online Resale Boom*](#). Packed with detailed breakdowns of 11 leading Chinese secondhand luxury platforms, best practices and insider opportunities for global luxury resale platforms, the report is a must-read for any brand focused on reaching and influencing China's ascendant young luxury consumer. Get your copy today on [Jing Daily's Reports page](#).

The relatively small size of China's luxury resale market and lingering consumer resistance means that China has perhaps the most immediate potential as a sourcing market for international platforms, particularly given their ability to ensure product authenticity.

If international platforms can persuade Chinese luxury owners to consign parts of their collections accumulated over the past decade of shopping sprees, they will obtain a steady stream of inventory for years to come.

In the near term, the best course of action for international luxury resale platforms in the Chinese market may be to wait it out and see how the market progresses.

Another option would be to start by investing in direct marketing to Chinese consumers based in more developed resale markets like North America, Europe, and Japan.

Another route entails strategic partnerships with Chinese platforms, following the model of e-commerce retailers Net-A-Porter and Farfetch in [launching](#) branded marketplaces on Tmall Luxury Pavilion.

The Japanese luxury resellers, Recló, Brand Off, Daikokuya and Brandear, all opted for this approach by [establishing](#) official flagship stores on the cross-border platform, Tmall Global, ahead of China's 618 shopping festival in June 2021.

Recló reportedly surpassed RMB 10 million (\$1.5 million) in sales during that sales event and has racked up more than 149,000 followers since launching its Tmall Global flagship earlier in the year.

[Tmall Global](#) is also looking to recruit more secondhand luxury partners from Japan, Europe and the United States,

and is working with the CCIC to ensure product authenticity and quality on its platform.

Resellers on Tmall Global can make use of Alibaba's extensive marketing resources, which range from consumer data to content development.

For example, to promote the Japanese resale platforms, Tmall Global curated a content series for a three-day "Global Discovery" event that featured short videos, live broadcasts and mini-documentaries exploring Japan's vintage culture and "what luxury means to young people in China."

Alibaba's dedicated livestreaming channel, Taobao Live, has also been embraced by platforms such as Brand Off, which found success using its own staff as hosts for broadcasts in contrast to the more common practice of using outside influencers to promote sales.

Brand Off chief executive Yamauchi **said** the company now plans to expand its use of livestreaming to take Chinese consumers "on virtual shopping tours to our stores in Japan, as they still aren't able to travel here in person."

China's luxury resale industry will continue to evolve according to the particularities of the market.

A new generation of mainland Chinese luxury consumers is taking shape, and they have come of age in an era in which imported luxury goods and the presence of high-end boutiques could be taken for granted. And although some consumer resistance is likely to remain, it may more often be attributed to concerns over authentication, rather than a cultural avoidance of pre-owned items.

Meanwhile, investments by domestic tech incumbents and venture capital firms will further incentivize China's luxury resale industry to forge its own path, potentially spreading its influence far beyond the country's borders.

Download your copy of [Leveraging China's Online Resale Boom](#) on our [Reports page](#).

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