

APPAREL AND ACCESSORIES

## Well-loved luxury proves recession-proof as 'fair condition' demand doubles: report

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*Macroeconomic uncertainty is shifting the way luxury seekers are navigating the circular economy, according to The RealReal. Image credit: The RealReal*

By AMIRAH KEATON

Luxury resale platform The RealReal is forecasting a quieter future for ultraluxury in 2023, as prices for Hermès, Chanel, Gucci and Louis Vuitton brands that have garnered more than 70 percent above MSRP since 2020 are down 5 percent on the platform.

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Macroeconomic uncertainty is shifting the way luxury seekers are navigating the circular economy, according to the world's largest online marketplace for authenticated luxury resale goods. Recent changes in consumer consumption patterns are reflected in The RealReal's 2023 Luxury Consignment Report.

"A potential recession, the climate crisis, and global unrest are all reasons that, going into 2023, consumers are making shopping decisions based on value with 66% saying they shop resale primarily to get a good deal as well as personal values," said Rati Sahi Levesque, co-CEO and president at [The RealReal](#), in a statement.

"We're seeing our members do this in many different ways, from trading down ultra-lux bags for more accessible options and buying fair condition items to express themselves through fashion and sustainable shopping practices," Ms. Levesque said. "The value of resale is different for every person and that's the beauty of it."

For the report, The RealReal derives data from its 30 million members and 28 million items sold. The effort's scope of analysis covers the last six months, unless otherwise specified.

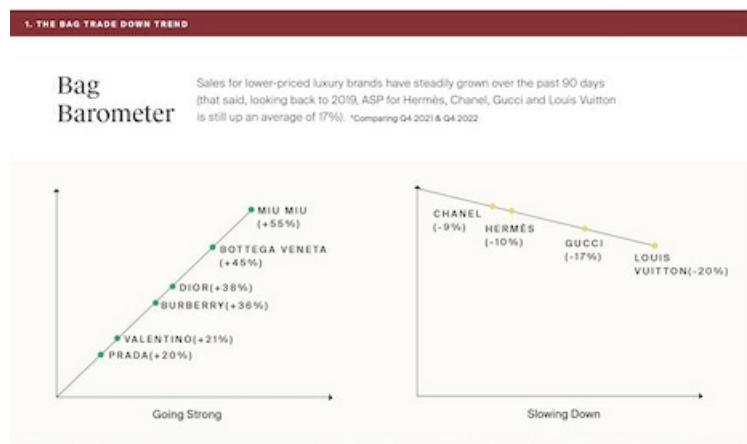
### Luxury trades

The first of the report's findings include the trend of shoppers trading in ultraluxury goods for more affordable styles from the likes of Bottega Veneta, Dior and Miu Miu.

The RealReal corroborates the conclusion with data, citing a stat involving the sale of the latter brand's leather shoulder bags, up 178 percent by the end of 2022.

Also on the list of brands that shoppers are opting for over more expensive alternatives, Italian fashion label Prada's Crystal Re-Edition has seen an increase of 1,344 percent year-over-year. Sourced from the turn of the millennium, the

style has seen an uptick in demand due to the dominance of "Y2K" dressing.



The report's Bag Barometer tracks resale market rises and drops. Image credit: The RealReal

Leaving readers with this interesting insight, the 14-page report proceeds toward its next trend. The RealReal's report states that some shoppers are turning to handbags of lesser quality in exchange for lower costs.

The platform only began accepting bags of fair condition those that show signs of heavy wear such as worn corners, significant scratches, or interior wear in early 2022.

Dubbed "gateway bags," demand for the items has since doubled. Experts at The RealReal have determined the price for a fair condition piece averages 33 percent lower than those categorized higher.

The less-than-perfect selections comprised 60 percent of all Chanel, Louis Vuitton, Gucci, Herms and Prada purchases analyzed during the aforementioned timeframe. Louis Vuitton's Monogram Multipli-Cit Tote topped that list, at an average, accessible sale price of \$545.

58 percent of buyers of this style in this condition are new to the platform.

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The RealReal's 2023 report focuses on three primary trends. Image credit: The RealReal

The power of fair condition as a new customer acquisition tool should be of note to resale players.

The normalization of "used" luxury, particularly a reframing of wear-and-tear as evidence of novelty and originality, is likely to thank.

"The worn' trend is about people appreciating quality items and refusing to let a few scratches get in the way of enjoying a Chanel or a Gucci bag," said Becky Akinyode, stylist and creative consultant, for the report.

Trending styles turn sales

The RealReal makes mention of keeping a close eye on Gucci, with news of creative director Alessandro Michele's exit ([see story](#)).

Under these conditions, seasonal hot ticket items quickly become collectibles, thus spiking the sales of older pieces in the aftermath of house departures.

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This aside, The RealReal's final report section offers guidance on the consignment styles that luxury patrons will look to buy and sell in 2023.

Results spell success for pearl jewelry, ultrafeminine dresses, tailored suits, loafers and brooches, all of which appear promising in terms of proliferation potential, based on a comparison of Q4 2021 and Q4 2022 data.

Thus, it comes as no surprise that women's ready-to-wear from Irish fashion designer of hyper-feminine garments Simone Rocha prevailed in the second half of 2022, up 635 percent y-o-y.

Research also delves into who those patrons are exactly.

The report unveils that Gen Z, a group notorious for their circular support, reconsigned 52 percent more in 2022. Listings overindexed in women's fashion.

Meanwhile, millennials shop the most, more than any other demographic, predicted to purchase nearly 20 percent more, according to the resale authority. In contrast, Gen Xers spend the most money per buyer, slated to acquire 20 more bags this year.

Boomers make the most on The RealReal, and are expected to sell 20 percent more branded jewelry this year, whereas the Silent Generation focuses on interiors, and are forecasted to fit 31 percent more home goods into their carts in 2023.

Interestingly, global affairs continue to have an impact across consumer demographics. The RealReal's 2022 annual report cited the COVID-19 pandemic, geopolitical tension and environmental crises as purchase decision drivers too ([see story](#)).