

RESEARCH

‘Fast Luxury’ driving demand for authentication: Coresight

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Fueled by younger shoppers and increasing demands for on-trend designer items, a new study introduces the “Fast Luxury” model. Image credit: Coresight

By EMILY IRIS DEGN

As trend cycles become shorter, a new reality is hitting the global resale market.

A new [report](#) from research firm Coresight outlines the ways in which today’s consumption norms, driven by influencer and peer-to-peer content on social media, are cutting product lifecycles and impacting the industry. As more high-end items than ever before flood circular platforms, a unique set of profit opportunities and operational challenges are arising for those in the business of giving designer goods a new home.

“A combination of digital media, the popularity of streetwear culture, more collaborations, changing consumer expectations (access the latest trends and make purchases with minimal effort, fueling the cycle of rapid trend turnover), globalization (that brings a broader spectrum of cultural influences and aesthetic preferences) and sustainability concerns has contributed to the rapid evolution of trends in the fashion industry over the past five to 10 years,” said Sunny Zheng, analyst at Coresight Research, New York.

“Our Fast Luxury model represents a self-reinforcing cycle of younger shoppers demanding more on-trend products including streetwear and collaborations which, in turn, leads to shorter average luxury product lifecycles,” Ms. Zheng said. “Meanwhile, on the supply side, the expansion of the resale market has led to more affordable luxury options, catering to the needs of younger shoppers.

“In the long term, this resale expansion will increase the number of luxury units in circulation each year, drive demand for authentication services and enable brands and retailers to recapture margin on subsequent sales of a product, provided they offer a resale platform.”

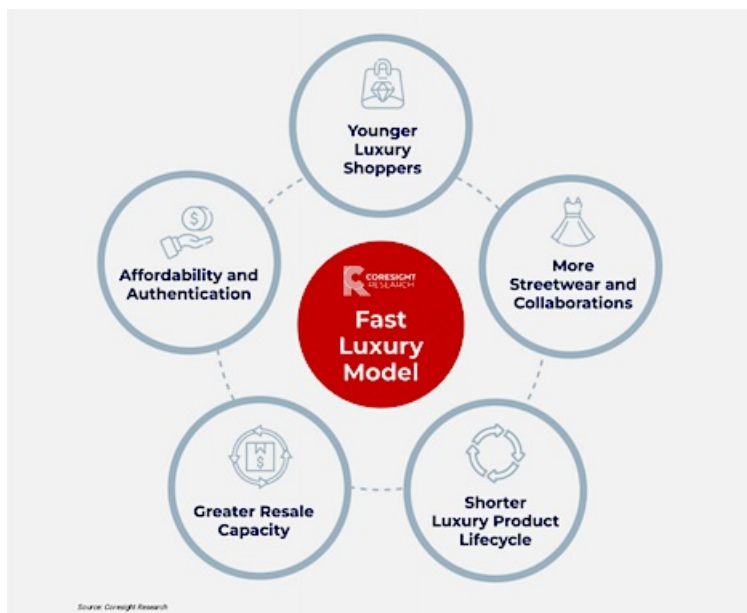
For the report, entitled “Introducing ‘Fast Luxury’ and its Implications for the Retail Market,” Coresight uses in-house insights to back its landscape analysis. Companies mentioned include Amazon, Burberry, Canada Goose, Chanel, Fashionphile, Harrods, Herms, Kering, LVMH, Poshmark, The RealReal, Rebag, Selfridges, Tapestry and ThredUp.

Fashion is fickle

The study introduces audiences to a new “Fast Luxury” model, which its authors use to describe how millennial and Gen Z shoppers are increasingly demanding on-trend items at all price points.

The self-reinforcing paradigm shift involves collections that are going in and out of fashion more swiftly, propelled forward by the following factors: casualization, resale and demand for authentication.

Providing a second life to a greater amount of products, the preowned market is at the center of this evolution, making prestige offerings more accessible and putting more into circulation annually.



The "Fast Luxury" framework shows that as trend lifecycles shorten, they have a greater resale capacity. Image credit: Coresight

These purchases, whether the result of a streetwear fad or a recent quiet luxury collaboration, do not have much time in the sun with their first owner, despite an initial attraction from younger shoppers seeking to invest according to their values. Often, as the identities of these individual Gen Z and millennial consumers evolve, so, too do these preferences, Coresight identifies -- closet purges soon follow.

As luxury fans flock to the preloved side of retail, their needs are becoming central in marketing and business frameworks.

For example, authentication services have become a sticking point for many companies specializing in resale. Sustainability is also working its way into public messaging, with many organizations positioning themselves as consumers' stylish way out of contributing to the heavily-emitting traditional fashion industry ([see story](#)).

Dedicated sites are seeing steady gross merchandise volume.



Luxury handbags are increasingly retaining their value when sold secondhand, hitting the preloved market in a shorter amount of time than before. Image credit: Rebag

Luxury resale platform Rebag specifically discloses that handbags from French fashion and leather goods house Hermès retain 110 percent of their retail value and are selling well. The brand's purses are seeing similar success when posted on other outlets ([see story](#)).

Coresight research reveals that secondhand luxury seller Fashionphile is likewise popular with those wanting to secure a high-end tote, with searches for those from Spanish fashion label Loewe up 60 percent in 2023. Searches for bags made by French fashion house Celine and Italian fashion house Bottega Veneta spiked 55 percent and 41 percent last year, respectively.

Users of the platform are not only putting money into the quiet luxury trend, which these three maisons are known for. Vibrant accessories are also getting traction as purchasers look for bolder finds.

Searches for “pins and brooches” grew 30 percent in 2023. Picks from French fashion house Chanel and Italian fashion label Gucci are the most popular.

Though the secondhand luxury market is expected to expand in 2024 and beyond ([see story](#)), more investment is needed, and the true profitability of major platforms is uncertain. Profitability, loyalty and operational efficiency are the areas to focus on going forward.

Savvy solutions

As the public is exposed to a constant stream of fashion inspiration online from peers and brands ([see story](#)), the “Fast Luxury” model is presenting the industry with some opportunities amidst the challenges.



Opening up physical locations and rolling out extensive authentication processes are stretching resellers thin financially. Image credit: Rebag

For businesses specializing in new rather than preloved apparel, collaborations could be the key to appealing to young people. According to Coresight, the move infuses collections with cultural relevance and a feeling of exclusivity, the former being a characteristic that traditional high-end houses often struggle with.

These elements are both critical for success in any market today, but so is adaptation.

Companies that can lean into effective production processes and responsive strategies are positioned to keep their relevance.

With the popularity of secondhand, luxury names that create their own platforms for the avenue are likewise setting themselves up for resilience amidst the transformations taking place. This allows brands to participate in secondary sales, recapture margins and tap into a new revenue stream.

British fashion label Burberry ([see story](#)), ecommerce giant Amazon ([see story](#)), outdoor clothing company Canada Goose ([see story](#)) and French fashion house Chlo ([see story](#)) are just a few of those that have recently launched websites for this purpose.

Those that emphasize solid authentication systems will be able to maintain their reputation and foster trust. Due to their labor-intensive nature, verification programs require further tuning to streamline the process.



Embracing AI, machine learning algorithms and technology in general could help resellers sidestep massive costs. Image credit: Vestiaire Collective

Integrating technology could help, using artificial intelligence to optimize pricing approaches, enhance demand forecasting and up personalization.

Other options that could provide luxury resale a financial boost include value-added services such as repairs and customization, launching partnerships with third parties, dropping collaborative collections, rolling out premium membership tiers and using subscription-based analytics to monetize data insights.

“More luxury brands/retailers offer resale options, but the real success of luxury resale hinges on their ability to adapt to changing market dynamics, innovate in response to evolving consumer preferences and maintain high standards of quality, authenticity and customer satisfaction,” said Ms. Zheng.

“Resale platforms that prioritize these key factors while staying ahead of industry trends are poised to emerge as leaders in the competitive luxury resale market,” she said. “We believe that companies that bring resale in-house will likely achieve better profit margins than brands and retailers that work with third-party marketplaces due to lower operational costs and better branding.”

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