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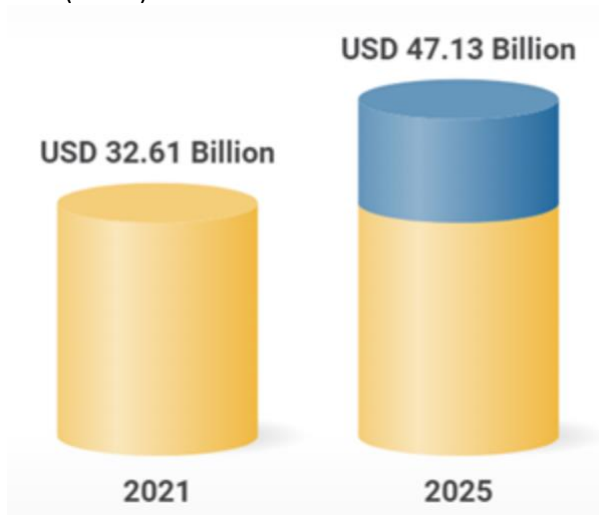
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Luxury Resale Market Size and Forecast

Global Luxury Resales Market

Global luxury resales market growth forecast over the next five years by a compound annual growth rate (CAGR) of 15% to 20%.

some online resale players could potentially experience 100% year-on-year growth.

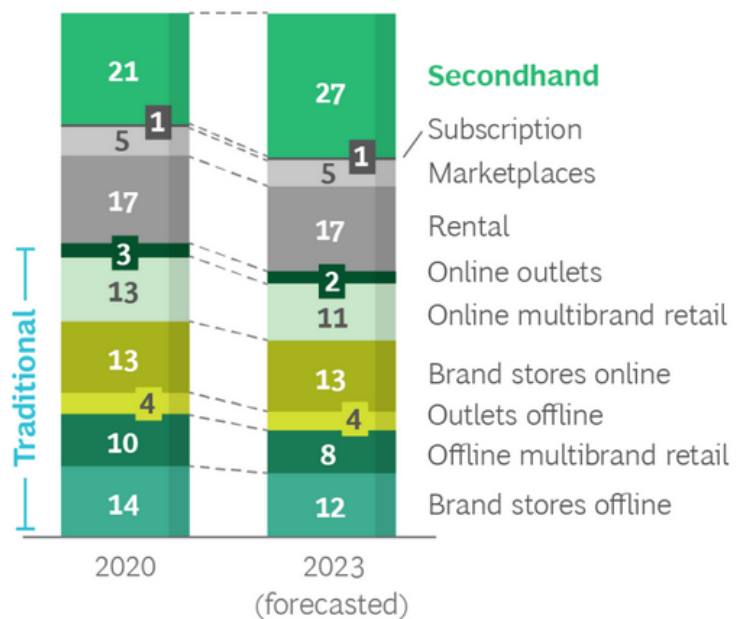
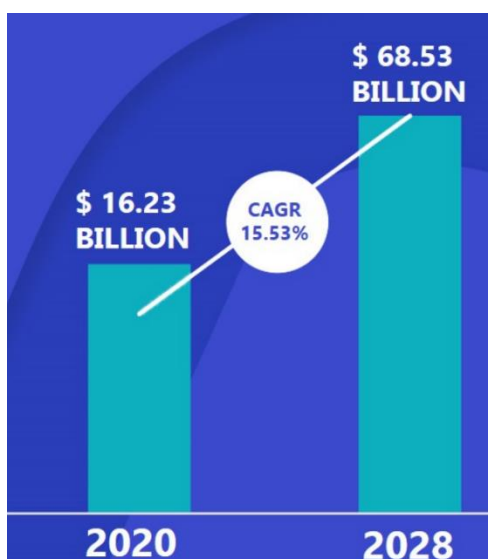


Ref:

(left) *Global Luxury Resale Market: Size, Trends and Forecasts (2021-2025 Edition)*”, provides an in-depth analysis of the global luxury resale market by value, by product, by channel, by region, etc.

(right) BCG analysis

Luxury Resale Market size was valued at USD 16.23 Billion in 2020 and is projected to reach USD 68.53 Billion by 2028, growing at a CAGR of 15.53% from 2021 to 2028 (could grow from 21% - 27%)



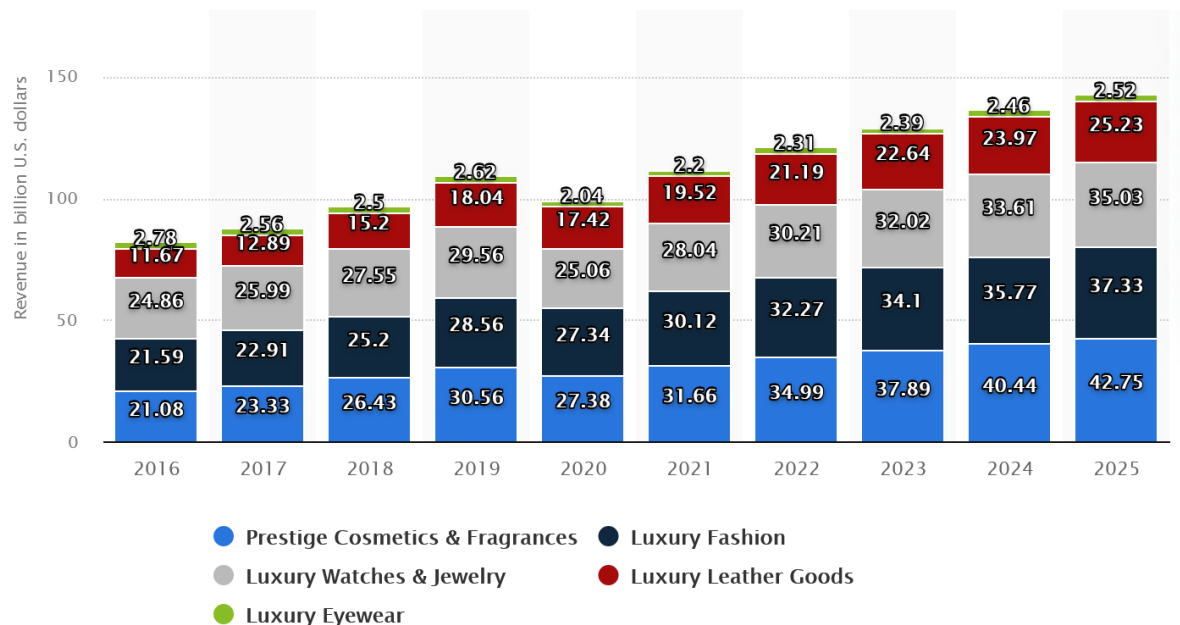
Ref:

BCG x VC Resales Survey. Mid May to mid June 2020

Asia Luxury Resales Market

The Asia Pacific second-hand luxury goods market exhibited strong growth during 2015-2020, the market to continue its strong growth during 2021-2026.

Revenue of luxury goods in Asia from 2016 to 2025, by segment (in billion U.S. dollars)



Ref: statista

Key drivers for resale luxury market



Professionalization of the trade channels

Digital platforms replacing consignment shops, and now providing seamless end-to-end experience that guarantees authenticity and quality



Consumer preferences for shorter ownership and sustainability

Luxury consumers exposed to constant flux of styles through social media, not willing to own products forever, and more concerned about sustainability than ever before



Broader access to iconic, scarce products

Scarce luxury products, both iconic products or special capsules, can be readily located on 2nd-hand digital marketplaces, which benefit from a far wider reach of suppliers than bricks-and-mortar consignment shops



Access to luxury products at better price/quality ratio

Participation in the 2nd-hand market provides lower purchase prices along with an income opportunity. Younger consumers spending less on products and more on experiences.

- It is growing four times **faster** (12%) than the primary luxury market (3%). Luxury resale already represents a \$24 billion market today.
- The **circular** economy is another driver of the luxury resale growth, fueled, in part, by younger affluent

generations and their desire for more **sustainability**.

- The popularity of **limited** capsule collections and fashion drops to increase luxury scarcity is also fueling a large secondhand market of new or nearly new items.
- The **durable and timeless** nature of luxury goods makes them a good fit for the resale market.

Customer segment and demography



Generation

Millennials predicted to grow from ~32% to ~50% of personal luxury market by 2025. 130% of 2018-25 market growth expected to come from Millennials

Gen Z represents today only ~4% of personal luxury, but have a clearly different set of behaviors & values that brands should better monitor and understand (i.e. Buy > collaborations, > influenced by sustainability, ...)



Nationality

China continues to be the driving force, making up ~33% of the market and expected to rise to ~40% by 2025

75% of the 2018-25 market growth expected to come from Chinese True-Luxury consumers



True-Luxury Consumers

True-Luxury consumers, the focus of BCG-Altgamma study, generate ~30% of global luxury market, or 278 B€ and expected to reach 395 B€ by 2025

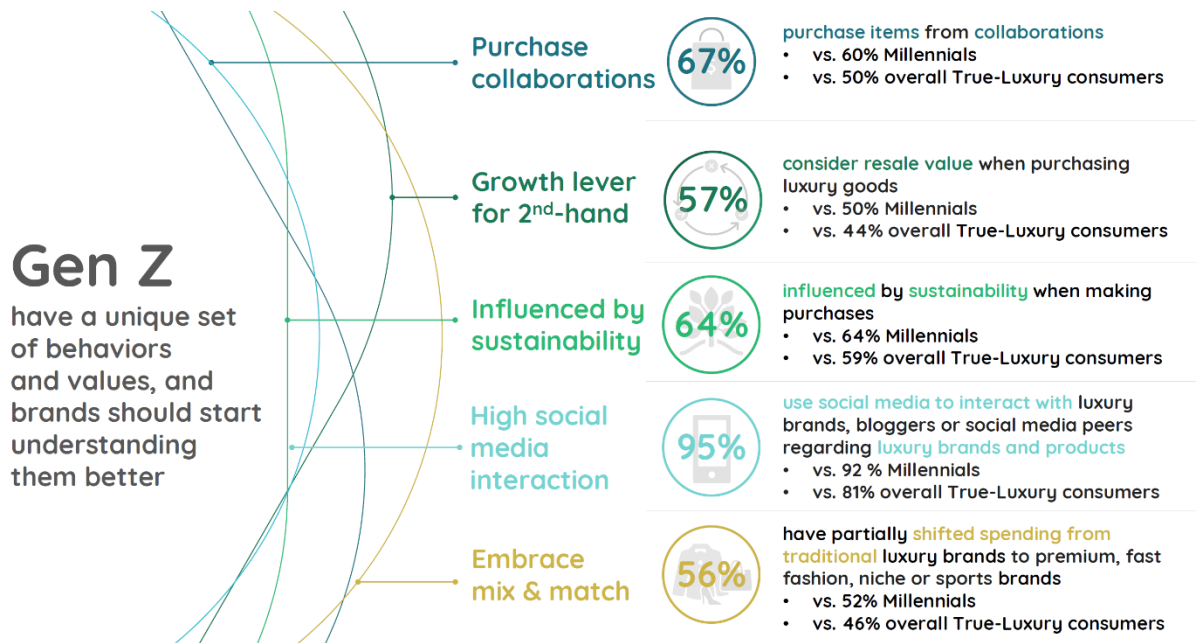
Largest contribution to growth coming from **Status Seeker**, **Little Prince** and **Fashionista** segments, seeking extravagance, fun and new form of creativity in products & brands

Megacities, expression of the global millennial tribe, continue to grow

Ref: True luxury global consumer insight, BCG analysis

Consumers characteristic behavioral segments

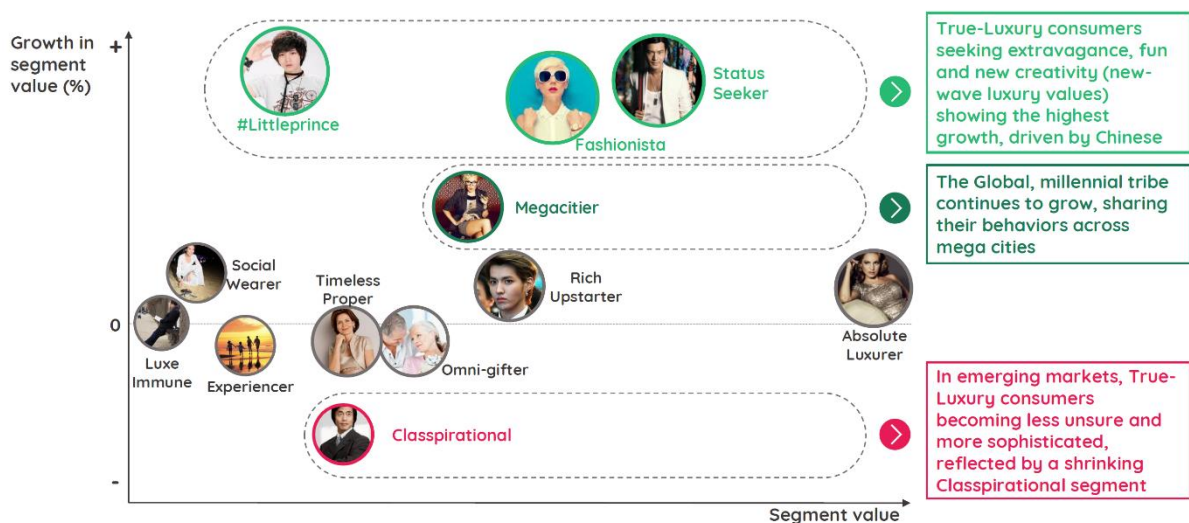
Gen Z and Millennials



Source: BCG-Altagama, True Luxury Global Consumer Insight

True Luxury consumers

Today's True-Luxury consumers characterized by 12 behavioral segments, with greatest growth in #Littleprince, Status Seeker and Fashionista



Ref: True luxury global consumer insight, BCG analysis

Key trends

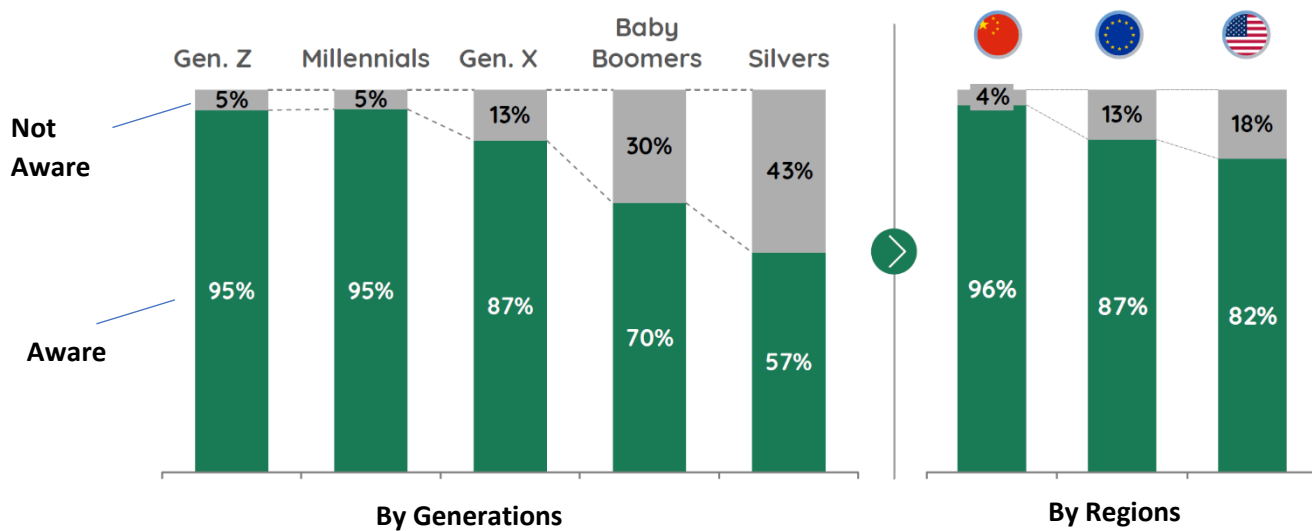
Collaborations

- Retail market: 50% of True Luxury consumers purchase collaborations and special editions, driven by Chinese (62%) and younger generations (67% Gen Z, 30% Millennials)

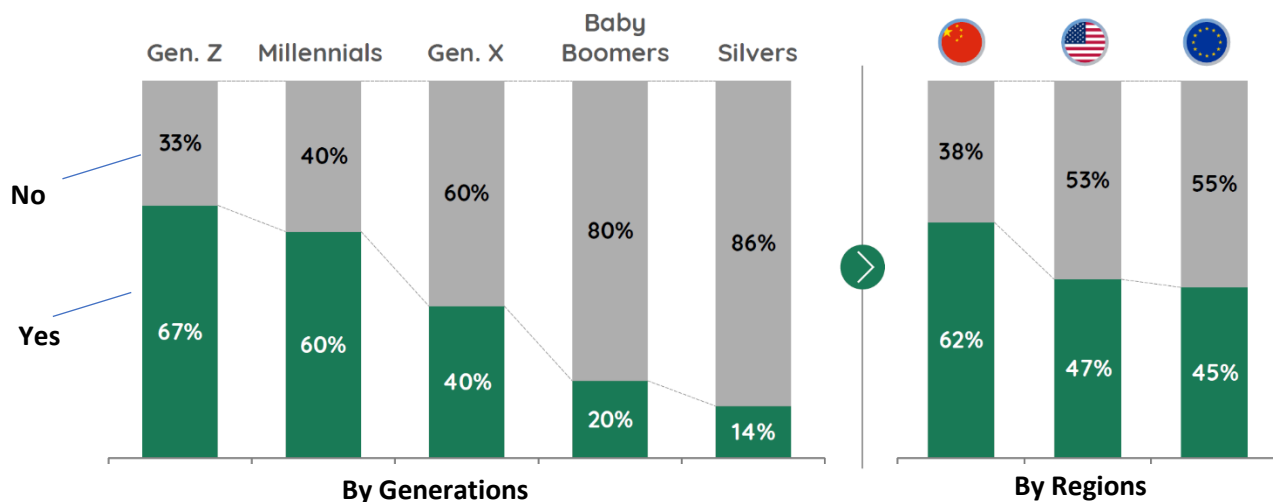
Resales market:

- Reach 7% of personal luxury market value in 2019 and is growing 12% per year
- Out of True luxury consumers, 34% sell 2nd hand products, while 26% buy
- 80% of 2nd hand market participants use online channels to get informed and to trade

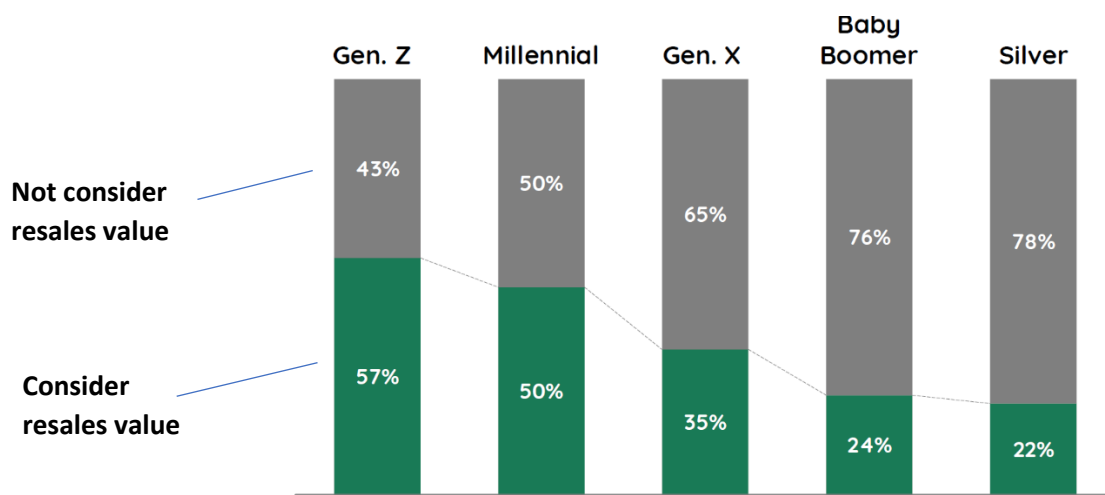
Ref: True luxury global consumer insight, BCG analysis



Special edition

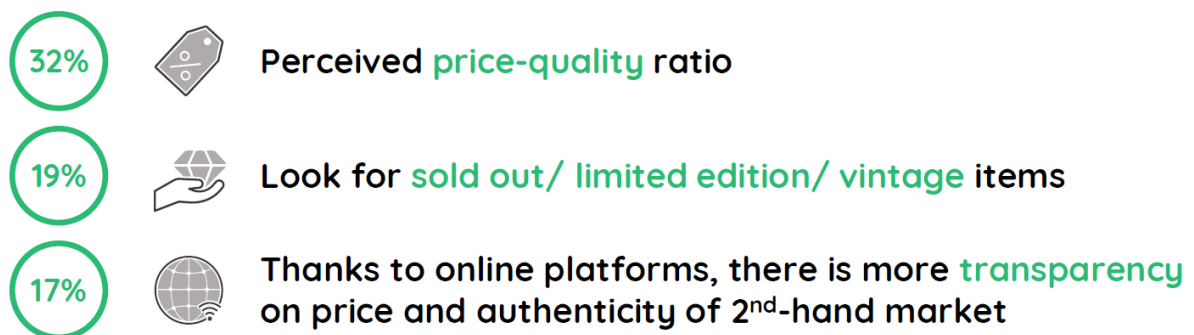


Attention to resales value



Survey data

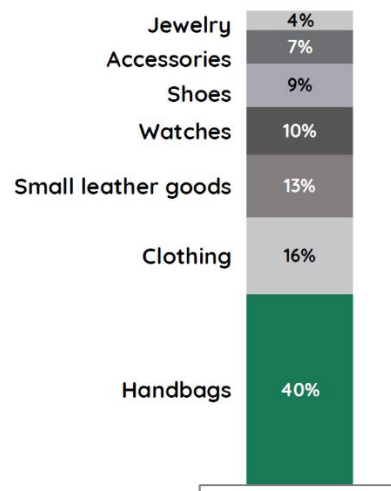
why people are buying resales luxury items



why people are selling their luxury items



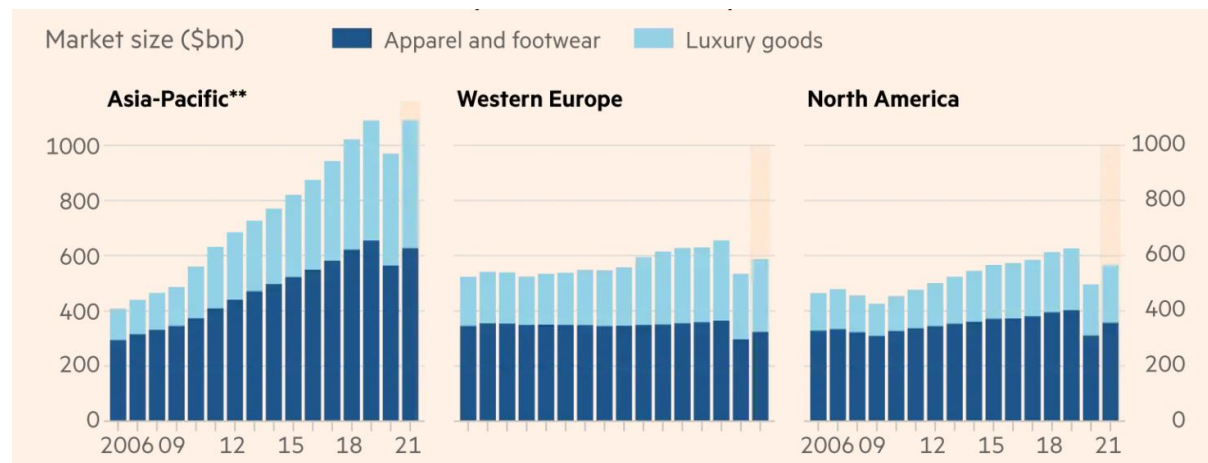
Resale products were purchased by categories



Covid pandemic and economic turmoil

Luxury brands shine in spite of pandemic and economic turmoil

Luxury market recovery in 2021



Source: Euromonitor International

While a lot of brands have been hibernating in 2020, waiting for the pandemic to end and discounting heavily

Brand like Chanel, Gucci and Louis Vuitton were firing from all cylinders creating desire and strongly increasing their customer connection in being relevant to Gen Z. And instead of discounting, they increased their prices in line with generate the brand value boost

The luxury brands currently is balance between maintaining relationships with their top VIP consumers—made up of Gen X and older millennials and while also remaining attractive to Gen Z consumers

“Gen Z [consumers] are quite critical. They're not buying anything just because it's a big global trend. It's more a question of equity, whether the brand is relevant to them, whether they want to be a part of the brand's DNA.



The rise of “revenge buying” (shopping sprees driven by pent-up demand during lockdown) and “reunion dressing” in China buoyed purchases in the spring. Where stores were closed, many shoppers turned to ecommerce for the first time. The revenue prediction a near-full return to 2019 revenues in 2021.

Reference

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