

Using Data Analytics to Understand Pricing Drivers in the Global Luxury Resale Market

Executive Summary

This case study examines pricing behavior in the global luxury resale market to identify the key factors influencing resale value and price variation. The objective was to support data driven decision making by uncovering how brand equity, product condition, seller credibility, and geography affect pricing outcomes. The insights demonstrate how structured analytics can inform pricing strategy, strengthen marketplace trust, and guide category optimization.

Business Problem

Luxury resale platforms experience significant pricing variability across brands, categories, and sellers. Without a clear understanding of the drivers behind resale value, pricing decisions can become inconsistent, negatively impacting customer trust and revenue optimization.

The goal of this analysis was to answer three core questions:

- What factors most strongly influence resale prices
- How do brand strength and product condition affect value retention
- Are there observable geographic or seller driven pricing patterns

Data Overview

The dataset consisted of over **25,000 global luxury resale listings**, including attributes such as:

- Brand and product category
- Condition rating
- Seller credibility indicators
- Geographic location
- Listing price

Data was cleaned, standardized, and validated to ensure consistency across regions and categories.

Analytical Approach

The analysis followed a structured workflow:

- Exploratory analysis to understand price distributions and outliers
- Segmentation by brand, condition, category, and region
- Comparative analysis to quantify price differentials
- Aggregation of key metrics to support dashboarding and stakeholder review

All analysis and transformations were performed within Tableau using calculated fields, relationships, and structured aggregations. Tableau was also used to visualize insights and trends in a manner suitable for stakeholder consumption.

Key Insights

- Heritage luxury brands exhibited **30 to 45 percent higher resale premiums** compared to mid tier brands
- Product condition accounted for **up to 50 percent of price variation**, making it the strongest single pricing driver
- Accessories demonstrated **higher value retention** than apparel across most regions
- Listings from highly rated sellers consistently achieved higher average prices, reinforcing the role of trust in resale markets

Business Impact

- This analysis produced actionable insights that can be used to:
- Improve pricing guidance and listing recommendations
- Strengthen seller credibility and trust frameworks
- Support category level pricing and assortment strategies
- Enhance customer confidence through greater pricing transparency

Conclusion

This case study demonstrates how data analytics can be applied to complex marketplaces to uncover meaningful pricing drivers and support informed business decisions. The structured approach and focus on business relevance align closely with real world analytics applications in consumer facing organizations.