

The Resale Revolution: How Gen Z and Millennials Are Changing the Stigma Behind Second Hand Purchases and Driving the Resale Market

The pandemic brought shopping to a new high, but with more conscious buyers. Gen Z and the Millennials are taking lead on the value of purchasing resale luxury products, with sustainability in mind, and labeling them as a “smart investment.”

Resale and consignment are not a new industry phenomena. Businesses such as The RealReal and Poshmark, have been around for years and have been viewed as a source to buy used products at a lower price. Resale has also been associated with people who may be more poor, or do not have the means to buy a luxury handbag at full cost. Although that can be the case, the pandemic brought in a new wave of buyers who value the second hand luxury products and ultimately view them as an investment. Steering the helm is the younger generations, Gen Z and Millennials who tend to be more environmentally conscious, with appreciation for sustainability. With their purchasing power at an all time high, the resale market is about to explode with new opportunities and an abundance of first time buyers and sellers.

This year the RealReal most recently reported having 6 million new members join their platform. Of that 6 million, 45% of the consigners in just the first quarter of the year, came to sell for the first time. (RealReal Resale Report 2021) People’s eyes are being opened to the acceptance of owning a product that has slight wear and tear, and selling products that may have been sitting on their shelves unused for too long. “There is a home for everything.” said personal consignment business owner Julia Rose. Julia started her own luxury consignment e-shop through Instagram in 2018. Not knowing how it would take off and how much business she would generate, she now has 180,000 followers on Instagram, and a little over 10,000 active clients she works with on a daily basis.

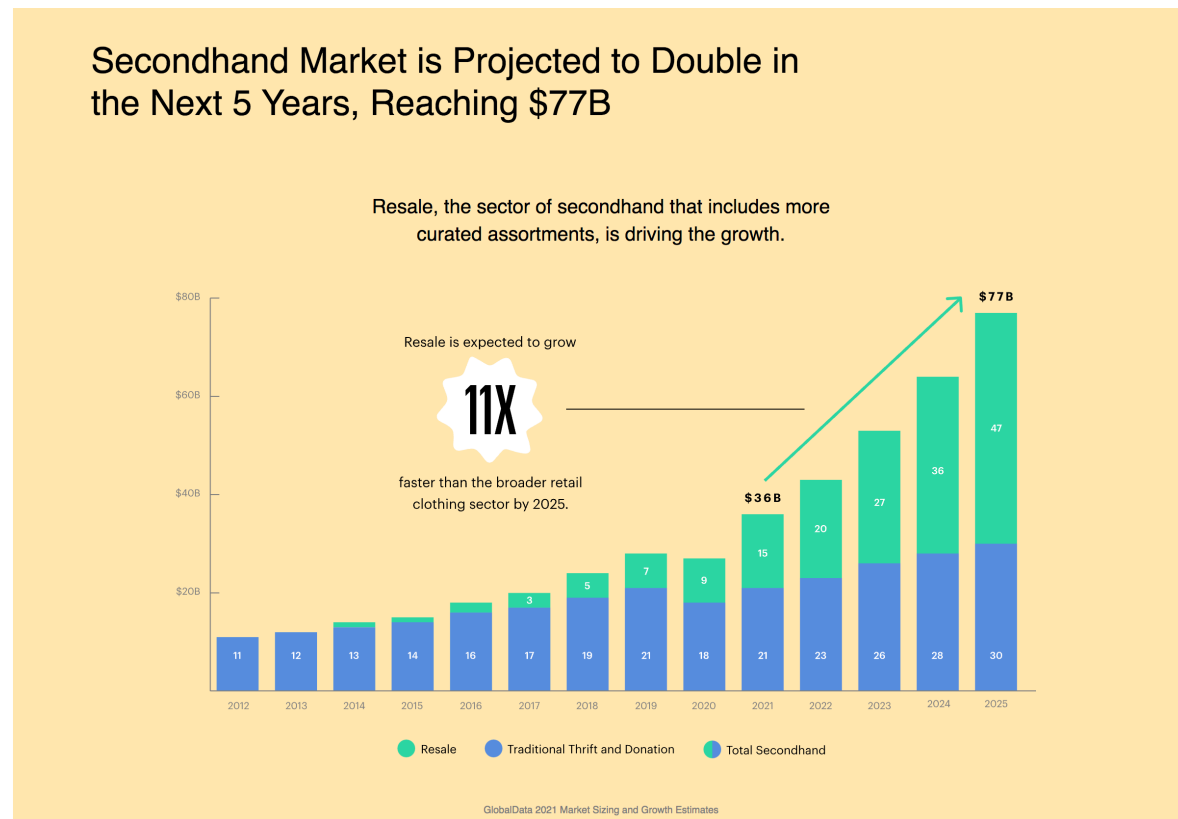
“Luxury consignment is seeing a record number of Gen Z and Millennial who prefer to buy second hand to support sustainability and supporting local, over purchasing in store.”



And Julia is right on point. Environmentally sustainable concepts such as resale businesses, are growing at 4x faster than the primary luxury market according to the Statista Research Department. This comes from the shift in concerns that Gen Z and Millennials have taken a stand for. Nearly 43% of GenZ and Millennial shoppers say that sustainability is a direct factor and why they choose to buy through resale. GenZ and Millennials currently make up 30% of all luxury shoppers, and

is expected to grow to nearly 45% by 2025. (RealReal Resale Report 2021) They have the power to revolutionize the fashion industry and the luxury market.

“It is finally socially acceptable to tell a friend that your handbag was bought through a consignment store, and not be ashamed of it. We live in a world now where more people will praise you for that decision vs judging you.”



ThredUp 2021 ReSale Report

The 4 most popular luxury resale companies are The RealReal, Vestiaire Collective, Poshmark Inc, and ThredUp, Inc. With so many new platforms available to buy and sell product, the new future of the resale industry is nearly just beginning. ThredUp announced in their 2021 annual report that the resale market is expected to grow 11 times faster than the broader retail clothing sector by 2025. Second hand buying and selling is not only impacting our wallets, but has a real effect on the planet. As we look to the future, expect to see more available re-commerce solutions as the market grows to evolve with circular business models. As for the next 5 years, 53% of GenZ and Millennials are expected to spend more money on second hand purchases than anything else. Julia's business is one that will benefit from this new tidal wave of conscious buying. Her business already offers a great platform for people to buy luxury, lightly used products and encourages women to trust her as a re-sale retailer with her certificates of authenticity. Julia said she is excited for the future of resale, and believes this could be the change the fashion industry needs to make an environmental impact. And we couldn't agree more. We look forward to seeing how secondhand shopping will transform the consumers closet.

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