

Development of Conceptual Model to Measure Determinants of Second-hand Luxury Shopping

Sivasankari Gopalakrishnan, Ph.D., Northwood University, USA
Nimet Degirmencioglu, Ph.D., North Carolina State University, USA

Keywords: Luxury Shopping, Second-hand, Motives, Shopping Styles

Introduction. Fashion redistribution, specifically the second-hand luxury market, has become increasingly popular in recent years. Durability and timelessness of luxury goods make them an ideal fit for the resale market and support the sustainability goals. According to Kenneth market research (“Second Hand Luxury Goods Market”, 2019), the global second-hand luxury market value was about 261.2 billion dollars in the year 2018. Second-hand luxury fashion driven by fashion-conscious and digital-savvy consumers has become one of the fastest-growing segments in the second-hand market (Gorra, 2018). The growing availability of a range of options for second-hand fashion shopping, including consignment stores, vintage stores, resale stores, peer-to-peer e-commerce platforms (e.g., Poshmark, eBay) has further contributed to the boom of the second-hand luxury market (Gorra, 2018; Turunen & Poyry, 2019). Furthermore, Bain and Company, a global market research company reported that pre-used luxury goods and sustainability are among the five megatrends for the next-generation global luxury market (“Global Personal Luxury Goods”, 2019).

Significance. With skyrocketing growth potential in the market, the role of second-hand luxury products has become increasingly significant in the fashion industry. Very little empirical work that focuses on second-hand fashion consumer behavior within the luxury context exists in the academic literature. Additionally, prior studies on consumer behavior of luxury shopping have focused primarily on brand new products neglecting the emerging second-hand luxury market. However, the resale market has inherent sustainability characteristics by extending the life cycle of luxury products that are produced by exhaustive resources. Furthermore, second-hand luxury consumer research might offer novel perspectives to luxury marketing as it intersects the characteristics of both thrift and luxury consumption. Due to the recent emergence of the concept, studies on second-hand luxury consumption have been limited to exploratory nature (Turunen & Leipämaa-Leskinen, 2015; Turunen & Poyry, 2019). Thus, this research is one of the early attempts to develop a conceptual model to measure the shopping styles and motives of second-hand luxury consumers.

Literature and Conceptual Model. This study intends to fill the gap in the second-hand luxury fashion literature by identifying the shopping styles and motives that impact the consumers' attitudes and purchase intentions towards second-hand luxury fashion consumption. According to the theory of reasoned action, attitude towards a behavior is a predictor of behavioral intention (Ajzen & Fishbein, 1980). Behavioral intentions predict the actual behavior in the right context (Ajzen, 1991). Based on the past studies on second-hand fashion and luxury consumption, a conceptual model (Figure 1) that measures the impact on attitudes and intentions is proposed incorporating three shopping styles 1) *Brand Consciousness* 2) *Fashion Consciousness* 3) *Recreational Shopping Consciousness* and three motives 4) *Sustainability* 5) *Economic Benefits* 6) *Conspicuous Consumption*.

Value for brands is one of the primary reasons for shopping at second-hand stores (Gopalakrishnan & Matthews, 2018). Second-hand luxury consumers displayed brand-consciousness shopping style as they could access luxury pieces; they craved due to their rarity and limited availability (Turunen & Poyry, 2019). The ability to access the latest fashion trends and styles is one of the significant factors of fashion reselling markets (Perlacia et al., 2017). Within the second-hand luxury context, fashion consciousness was identified among consumers, and they felt iconic luxury products never go out of fashion, and vintage stores are treasuries to re-invent fashion (Turunen & Poyry, 2019). According to thredUP (2017), seventy-six percent of the shoppers reported fun factor as one of the top three reasons to shop resale fashion online. Similarly, second-hand luxury consumers regarded shopping at second-hand/vintage stores as an entertainment and exciting exploration (Turunen & Poyry, 2019).

Fifty-two percent of the consumers were willing to shop second-hand clothes for environmental reasons (thredUP, 2017). Turunen and Leipämaa-Leskinen (2015) study on the identification of meanings of second-hand luxury possessions showed that motivations for possessing second-hand luxury items were related to sustainable lifestyles such as recycling, anti-consumerism. Further, the authors reported that shopping second-hand luxury products were associated with bargain hunting and making good deals as shoppers pondered to make the best value for money. Motivations to purchase second-hand luxury were primarily driven by economic reasons (Cervellon & Vigreux, 2018). Conspicuous consumption positively impacts luxury fashion purchase intention among young adults (Giovannini & Xu, 2015). Consumers with a high need for status, however, who cannot afford, are often tempted to purchase second-hand luxury products.

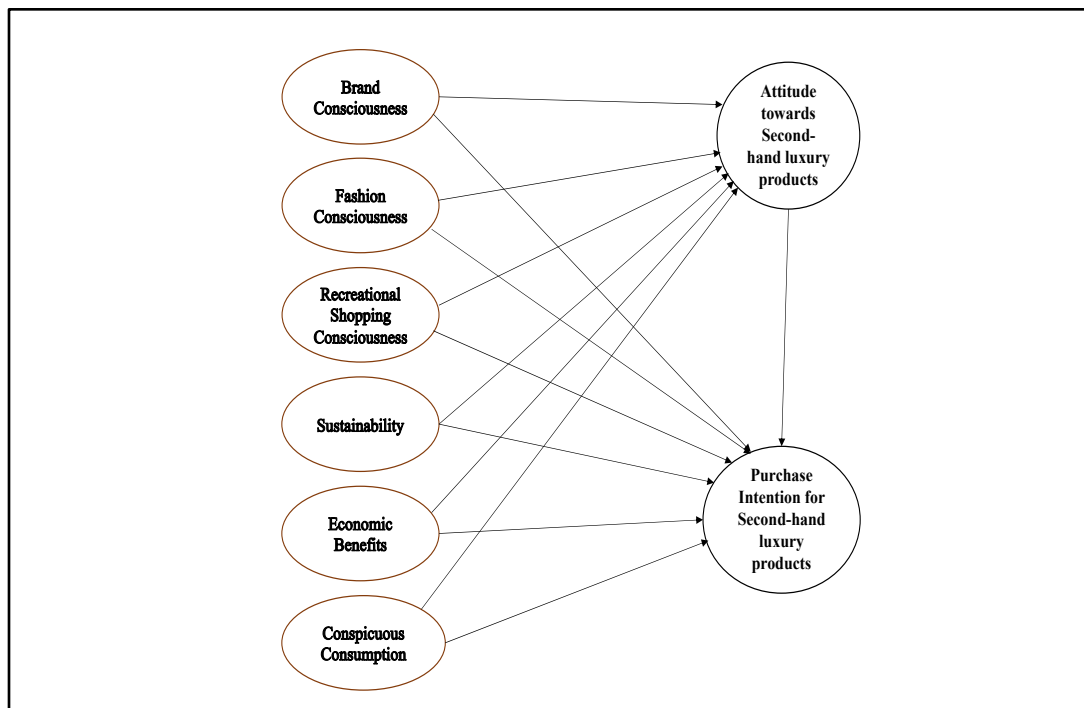


Figure 1. Proposed Conceptual Model

The proposed conceptual model for investigating the shopping styles and motives that impact consumers' attitudes and purchase intentions towards second-hand luxury products offers directions for future research in the field of second-hand luxury consumption. Significant findings will provide useful insights for luxury fashion businesses to develop marketing strategies and communicate their sustainability initiatives.

References.

- Ajzen Icek. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50(1), 179-211.
- Ajzen, I., & Fishbein, M. (1980). *Understanding attitudes and predicting social behavior*. Englewood Cliffs, N.J.: Englewood Cliffs, N.J.: Prentice-Hall, 1980].
- Cervellon, M. C., & Vigreux, E. (2018). Narrative and emotional accounts of second-hand luxury purchases along the customer journey. *Vintage Luxury Fashion* (pp. 79–95). Cham, Switzerland: Palgrave Macmillan

- Global Personal Luxury Report. (2019). Retrieved from <https://www.bain.com/about/media-center/press-releases/2019/spring-global-luxury-report/>
- Giovannini, S., Xu, Y., & Thomas, J. (2015). Luxury fashion consumption and generation Y consumers. *Journal of Fashion Marketing and Management: An International Journal*, 19(1), 22-40. doi:10.1108/JFMM-08-2013-0096
- Gopalakrishnan, S., & Matthews, D. (2018). Collaborative consumption: A business model analysis of second-hand fashion. *Journal of Fashion Marketing and Management: An International Journal*, 22(3), 354-368. doi:10.1108/JFMM-05-2017-0049
- Gorra, C. (2018). The new normal: Luxury in the secondary market. Harvard Business School Digital Initiative. Retrieved from <https://digital.hbs.edu/innovation-disruption/new-normal-luxury-secondary-market/>
- Perlacia, A. S., Duml, V., & Saebi, T. (2017). Collaborative consumption: Live fashion, don't own it. *Beta*, 31(1), 6-24. doi:10.18261/issn.1504-3134-2017-01-01
- Second-hand Luxury Goods Market. (2019). Retrieved from (<https://www.marketwatch.com/press-release/second-hand-luxury-goods-market-what-are-the-main-factors-that-contributing-towards-industry-growth-2019-11-22>)
- ThredUP. (2017). "thredUP Annual Re-sale Report 2017", available at: <https://www.thredup.com/re-sale/full> (accessed March 10, 2018).
- Turunen, L. L. M., & Leipämaa-Leskinen, H. (2015). Pre-loved luxury: Identifying the meanings of second-hand luxury possessions. *Journal of Product & Brand Management*, 24(1), 57-65. doi:10.1108/JPBM-05-2014-0603
- Turunen, L. L. M., & Pöyry, E. (2019). Shopping with the resale value in mind: A study on second-hand luxury consumers. *International Journal of Consumer Studies*, 43(6), 549-556. doi:10.1111/ijcs.12539