

Understanding online second-hand luxury fashion shopping motivations and perceived value among young adult consumers

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The second-hand luxury fashion market is growing four times faster compared to the primary luxury fashion market and already represents a \$24 billion market (Beauloye, 2019). The movement towards luxury resale—the buying and selling of preowned luxury goods—is growing at an exponential rate with no signs of slowing down (Siwak, 2020). Younger generations, such as Millennials and Gen Z, are adopting this form of alternative fashion consumption almost three times faster than any older age groups. Digital selling platforms such as The RealReal and Vestiaire Collective are fueling the growth of the second-hand luxury fashion market (Beauloye, 2019). Existing research mainly focused on consumers' motivations for second-hand non-luxury product purchases (e.g., Guiot & Roux, 2010; Padmavathy et al., 2019). Drawing on Thaler's (1985) mental accounting theory, this study aims to examine young adult consumers' motivations, perceived value, and purchase intention toward online second-hand luxury fashion retailers.

The mental accounting theory proposes that the mental evaluation process occurs when individuals organize, evaluate, and keep track of economic outcomes to maximize utility (Thaler, 1985). Previous research indicates that the mental accounting theory is useful in examining monetary and non-monetary determinants of value in online shopping (Gupta & Kim, 2010). A stream of literature has found that second-hand shopping is mainly driven by four motivations: economic, critical, hedonic, and fashion motivations (Guiot & Roux, 2010; Zaman, 2019). Economic motivation is related to price consciousness (Guiot & Roux, 2010). Consumers who are frugal and/or price conscious tend to engage in second-hand shopping because they want to obtain value (Ek Styvén & Mariani, 2020). Economic motivation positively influences perceived value for shopping at online second-hand luxury fashion retailers (H1). Critical motivation refers to the possibility of avoiding conventional channels and supporting ecological concerns about recycling and combating waste (Guiot & Roux, 2010). Consumers perceive value from purchasing second-hand products when they have environmental concerns (Zaman et al., 2019). Critical motivation positively influences perceived value for shopping at online second-hand luxury fashion retailers (H2). Hedonic motivation refers to an individual's desire to seek pleasure and positive emotions (Padmavathy et al., 2019). Research has revealed that consumers' positive emotions affect their perceived value (Gupta & Kim, 2010). Hedonic motivation positively influences perceived value for shopping at online second-hand luxury fashion retailers (H3). Fashion motivation is related to seeking originality and authenticity, following a fashion trend, and creating a unique fashion style (Reiley & Delong, 2011). Consumers with high fashion

consciousness prefer to shop at second-hand stores to find a variety of fashion items (Zaman et al., 2019). Fashion motivations positively influence perceived value for shopping at online second-hand luxury fashion retailers (H4). Status-seeking is the tendency of people to acquire and consume products and services for social prestige (Eastman et al., 1991). Consumers purchase new luxury goods for status-seeking (Millan & Mittal, 2017). Similarly, status seeking motivation positively influences perceived value for shopping at online second-hand luxury fashion retailers (H5). Perceived value is “the consumer’s overall assessment of the utility of a product based on perceptions of what is received and what is given” (Zeithamal, 1988, p. 14). Thaler (1985) suggested that perceived value is an important antecedent to influence consumer purchase intention because it is the composition of transaction utility and acquisition utility. Thus, perceived value positively influences purchase intention toward online second-hand luxury fashion retailers (H6).

To collect data, an online survey was administered using Qualtrics. A total of 190 responses from a Mid-Southern university were used for data analysis. The majority of respondents were Caucasian or European American female college students (71.6%) with a median age of 22. The median annual household income level of the sample was between \$75,000-\$99,000. Most participants had purchased second-hand luxury fashion products (72.1%) and owned one to five second-hand luxury fashion products (51%). Reliable and valid scale items were adopted from existing literature to ensure content validity (Dodds et al., 1991; Eastman et al., 1999; Grewal et al., 1998; Guiot & Roux, 2010; Gupta & Kim, 2010; Kautish & Sharma, 2018; Sirdeshmukh et al., 2002; Wan et al., 2001). Exploratory Factor Analysis using principal axis factoring with varimax rotation in SPSS determined one factor for each variable based on an Eigenvalue greater than one criterion. All factor loadings were above .50 on one factor and both Cronbach’s alpha and composite reliability were above .74. The results of simple linear regression analysis [(F(5, 176) = 42.68, $p < .001$), $R^2 = .55$] indicated that economic motivation significantly influenced perceived value ($\beta = .16$, $t = 2.49$, $p < .05$), supporting H1. Critical motivation significantly influenced perceived value ($\beta = .25$, $t = 3.77$, $p < .001$), supporting H2. Hedonic motivation did not significantly influence perceived value ($\beta = .11$, $t = 1.94$), rejecting H3. Fashion motivation significantly influenced perceived value ($\beta = .41$, $t = 6.34$, $p < .001$), supporting H4. Status seeking motivation significantly influenced perceived value ($\beta = .12$, $t = 2.28$, $p < .05$), supporting H5. Perceived value ($\beta = .69$, $t = 13.16$, $p < .001$) significantly influenced purchase intention, supporting H6. Furthermore, stepwise multiple regression analysis was conducted to determine the best model. The results indicated the model contained economic, critical, and fashion motivations had a high percentage of variance of the variables ($R^2 = .53$). Fashion motivation ($\beta = .46$, $t = 7.33$, $p < .001$) had the strongest impact on perceived value followed by critical motivation ($\beta = .24$, $t = 3.66$, $p < .001$) and economic motivation ($\beta = .15$, $t = 2.30$, $p < .001$).

In conclusion, findings indicate that economic, critical, fashion, and status seeking motivations significantly influence perceived value which leads to purchase intention toward online second-hand luxury fashion retailers. Whereas previous studies found that economic motivation was a key driver to the purchase of second-hand non-luxury products, the results

highlighted that fashion and critical motivations were more important factors compared to economic motivation for millennials and Gen Z customers when making second-hand luxury fashion purchases online. Theoretically, the results confirmed that Thaler's (1985) mental accounting theory is applicable for studying consumer decision-making in an online shopping context since multiple factors can affect consumers' online shopping decisions. Findings suggest that online second-hand luxury fashion retailers should provide trendy fashion products designed for digitally native millennial and Gen Z customers. They can also appeal to these young adult consumers by showing their increased engagement and commitment to corporate social responsibility. Online second-hand luxury fashion retailers can collaborate with consumers in the resale market by not only buying pre-owned luxury fashion products, but also reselling barely worn or gently used clothing and accessories. Second-hand online luxury shoppers can contribute to extending the life of products to promote circularity for luxury fashion.

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