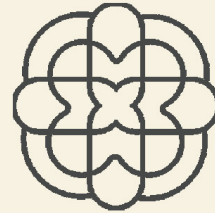
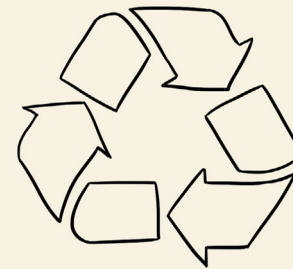
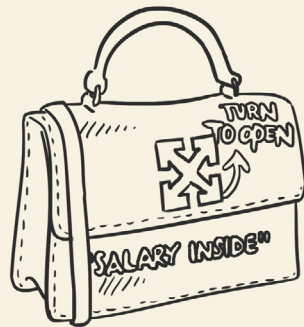


FASHION TECH



RESALE • BODY POSITIVITY • RENTAL

A Luxury Leaders Handbook



F.K

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About The Fresh Kid

Hi my name is Yemi Lawal.

I'm an independent **E-Commerce Consultant** based in South East London, United Kingdom.

I specialise in helping **Heritage & Luxury Fashion Brands** deliver technology projects and understand their customers.

For 18 years I've helped **Estée Lauder, Burberry, Harrods , Tateossian** deliver e-commerce and technology projects.

I work everyday with Leadership, Business , IT & E-Commerce teams to execute business strategy using technology.

Currently i manage a team that deliver new technology and website features for over **100 websites** over **30+ markets** and **30+ brands** at Estée Lauder.

Which means I have experience and hands on knowledge of how technology is implemented in Luxury Fashion companies.

I share stories, reports, data visualisations and trends on the luxury heritage, fashion and sneakers market via my moniker 'The Fresh Kid'.

My purpose and mission is to make work and business fun by making the complex simple to understand, fun and entertaining.



The Fresh Kid

Keep your finger on the Luxury Market Pulse



Acknowledgements

I dedicate this report to all the **CEO's, VP's, Directors, Managers, & Leads** I've worked with in the Luxury Fashion Industry.

Fashion and Technology are in my opinion very difficult to mix.

Fashion is often guided by taste and impulse whereas Technology is mostly driven by strong rules, logic and science.

As the Luxury Customer has become more digital, so fashion has had to understand tech better and visa versa.

It's very difficult.

Every day in my work I see, empathise and acknowledge the challenges.

I have had both success and failure helping large luxury fashion & heritage companies implement new technology.

If you're a luxury fashion leader reading this and you're worried or are failing with technology.

You are not alone.

I hope by reading this report you will find inspiration and knowledge that will bring opportunities to your business.

Thank you Miss D for helping me put this together and Tommy H for the sketches.

Who this report is for and how it will help you

This report is mainly to help those who work as **Luxury Leaders** in large multinational companies.

Often referred to as 'Enterprise' brands.

It's aimed at those that are responsible for **Business, Strategy, Growth & Management**.

The Fashion Tech report is focused on the **Luxury Fashion Market**.

It covers the Luxury **Resale, Rental & Plus Sizing** market.

Plus Sizing is referred to as '**Body Positivity**' which is the social movement that seeks to empower different sized shaped people.

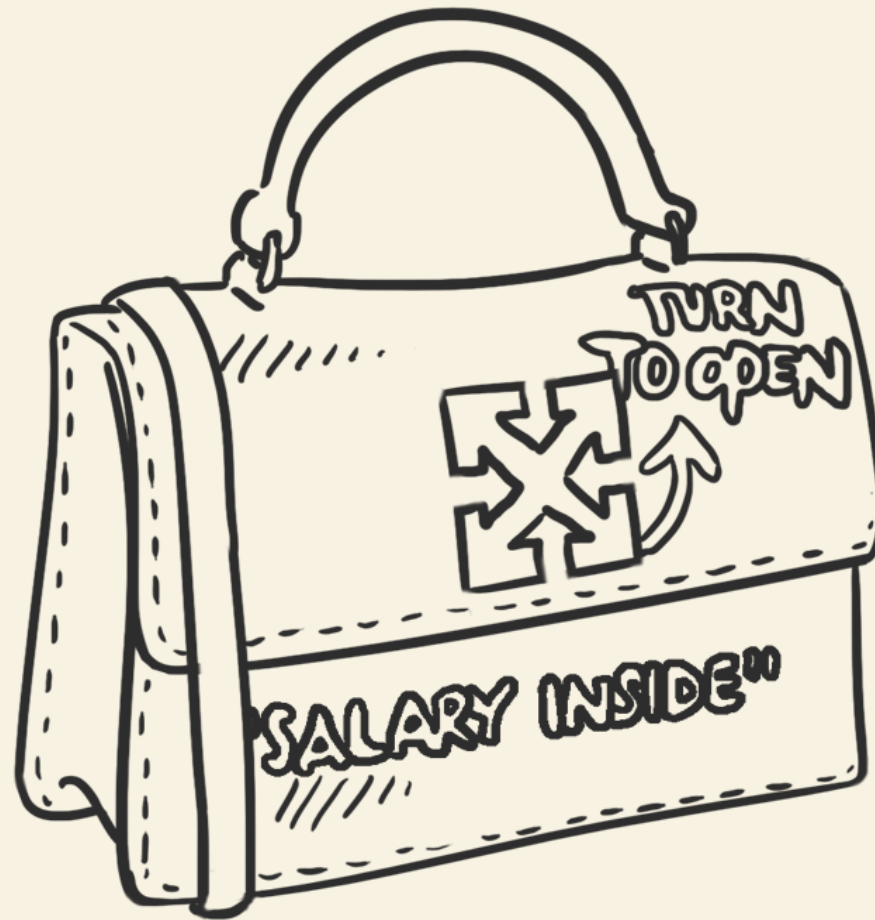
All these markets are driven by technology.

However this is not a technology paper.

It is focused on Business & Strategy

This report will help you:

- Discover the **size of these markets** and potential opportunity
 - What you need to **acquire the customers** in these markets
 - How other Luxury & Heritage Fashion Brands have entered these markets
 - Successful **Business Case Studies**
-



01 LUXURY RESALE

What is Luxury Resale?

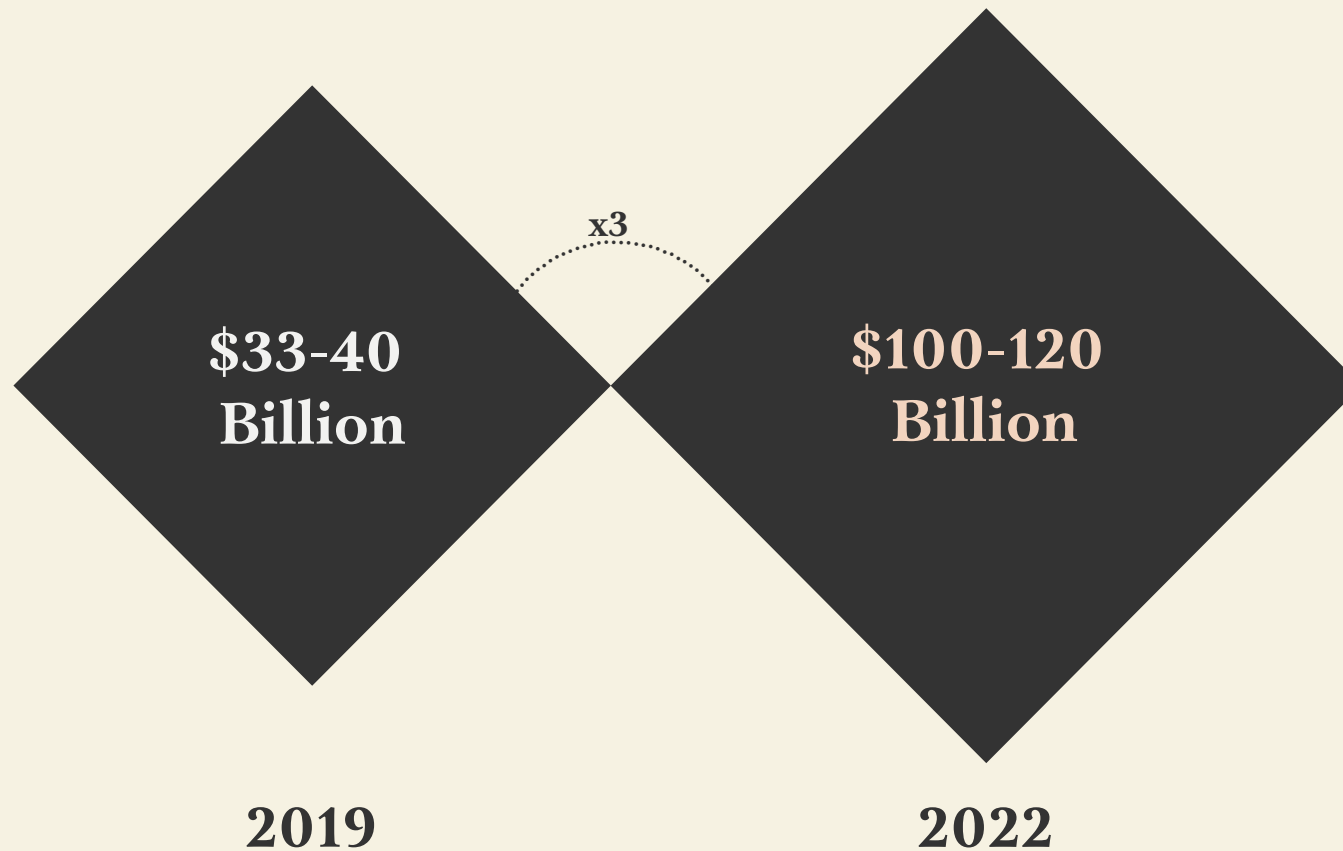
Luxury Resale is defined in this report as **customers buying luxury products that where originally bought new** from luxury brands.

These luxury resale products are bought either; person to person, on independent resale websites, resale boutique stores or luxury brand resale websites.

The Luxury Resale market is any environment, place either online or offline where this customer behaviour takes place.

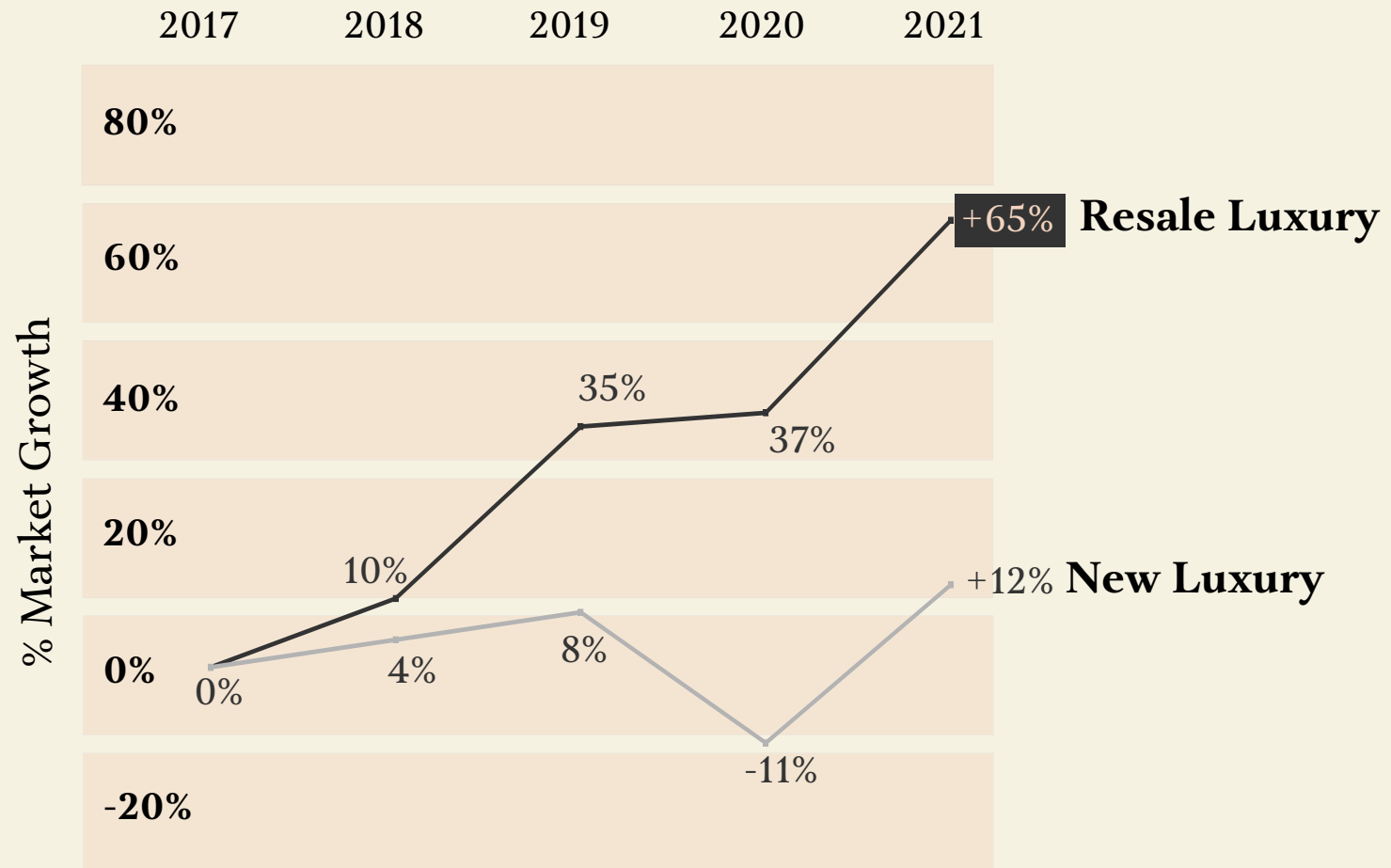
A Complete Guide to the Luxury Resale Market

The Luxury Resale Market Grew 3X in size in 3 years



A Complete Guide to the Luxury Resale Market

Luxury Resale Growing faster than New Luxury



A Complete Guide to the Luxury Resale Market

Womens Fashion most Popular Category

Most Popular Luxury Products Resold



Jewellery/ Watches
50%



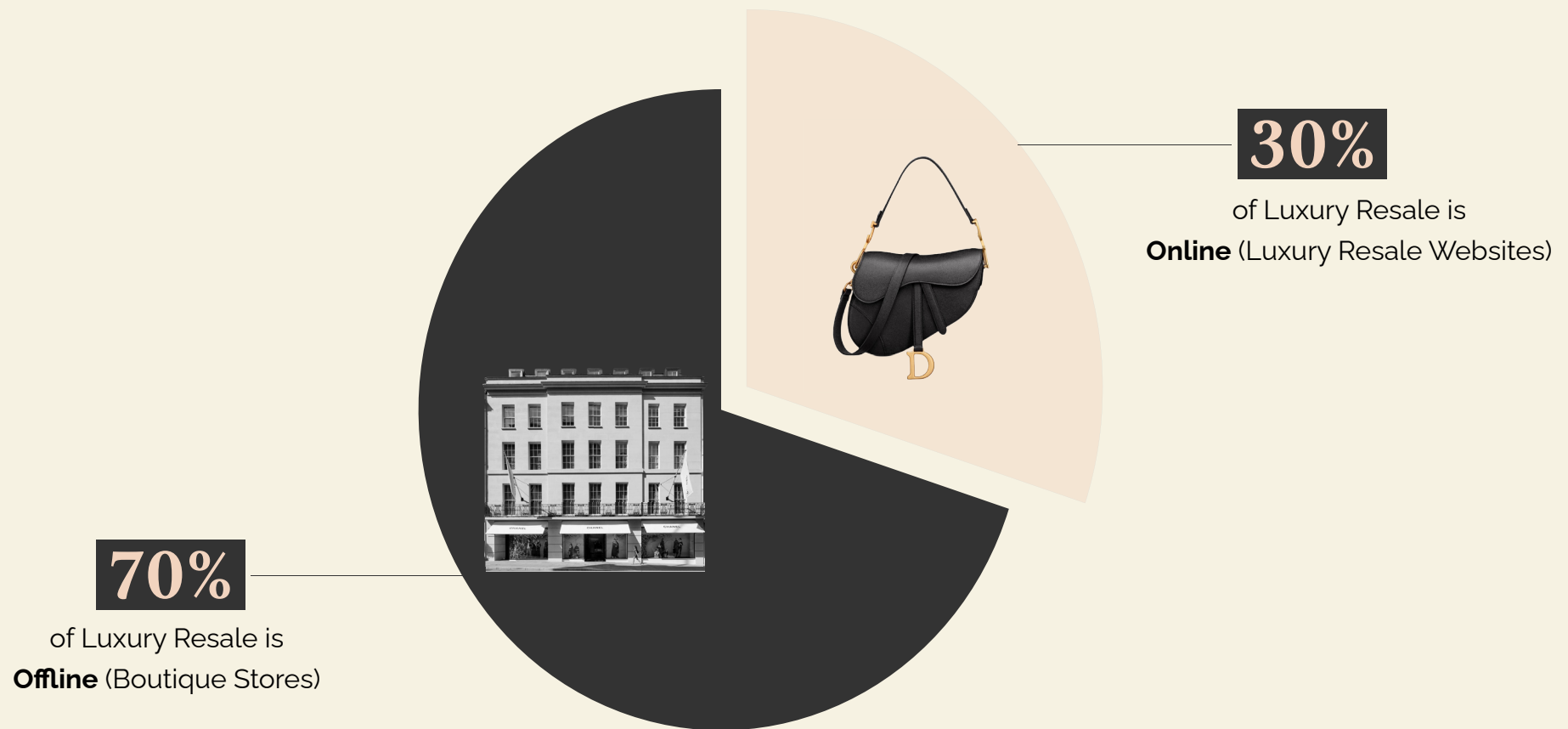
Handbags/ Shoes
30%



Other
20%

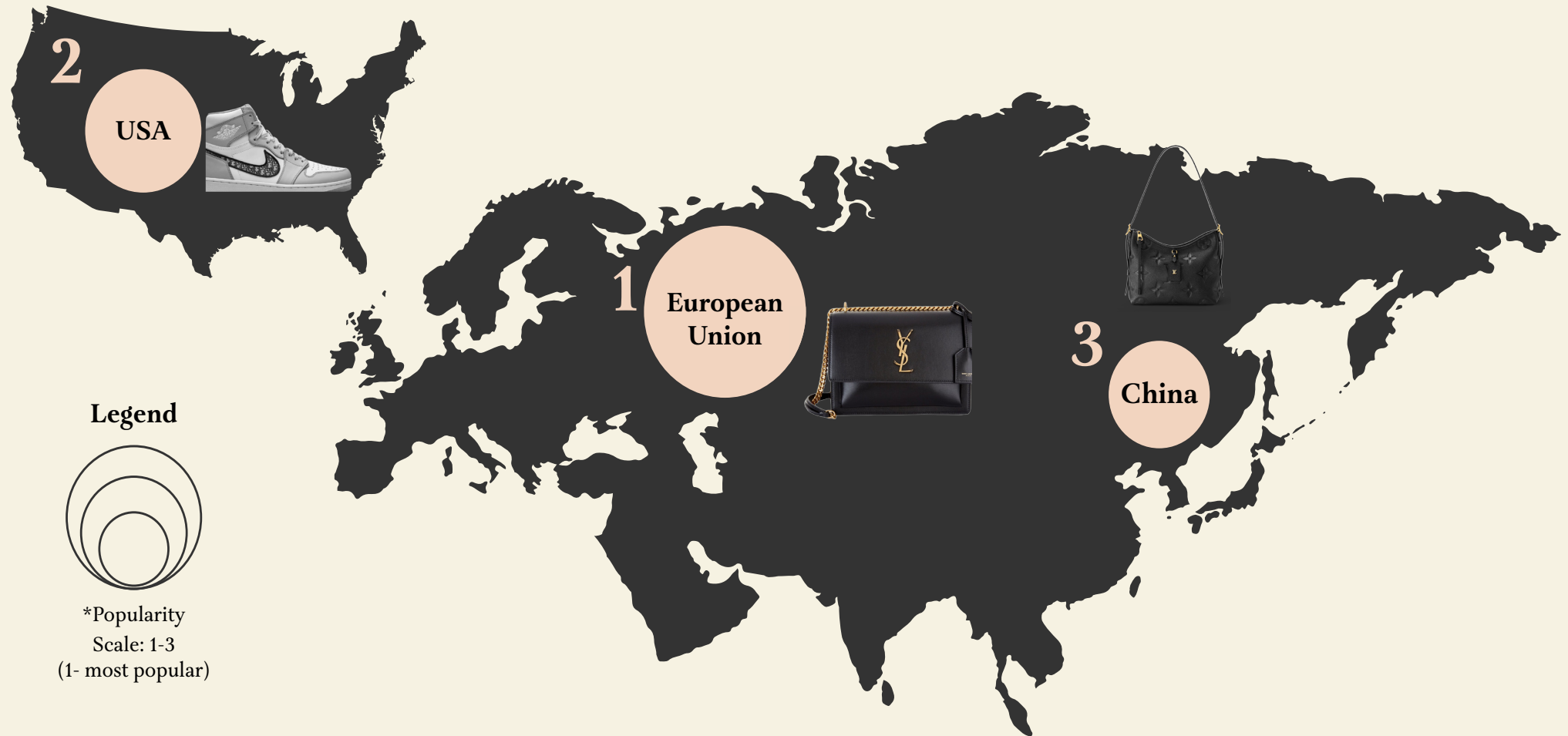
A Complete Guide to the Luxury Resale Market

More Luxury Products are Resold in Boutique Stores



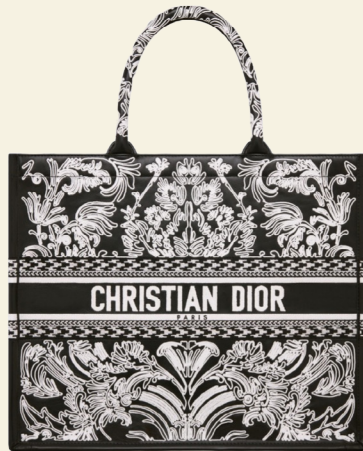
A Complete Guide to the Luxury Resale Market

USA, China & Europe most popular markets



Secrets to Understanding Luxury Resale Customers

3 Main Reasons Customers Buy Luxury Resale



40%

More Sustainable

Buying Resale considered better for planet as it's second hand



36%

Save Money

Sometimes Less Expensive than buying New



41%

Looking for Rare Items

Exclusive, Limited Edition products that have sold out

Secrets to Understanding Luxury Resale Customers

9/10

Luxury Resale
Customers also
buy New Luxury



Luxury Resale Websites

Luxury Retail websites are specialist websites and apps that sale pre-used or second hand luxury products.

These platforms often take a **20-40% commission** for selling luxury customers or brands pre used or second hand products.

They are fast becoming the point of sale for Luxury Resale Customers because they make buying and selling easier.

Traditionally luxury products are sold in small boutique stores and in customer to customer transactions.

Speed of Sale, Authentication of products, Data on products value, strong merchandising, convenient and fast delivery options are drawing customers to these websites.

Source: Mckinsey

20-30%

of Luxury Resale takes place
on Luxury Resale Websites

Luxury Resale Websites

Why Luxury Resale Websites are Gaining Customers

Access to Rare, Limited Edition Products

Products which sold out and are hard to find



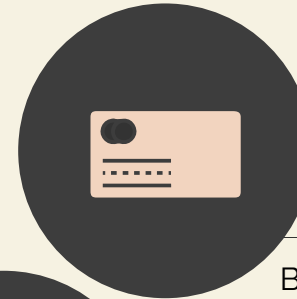
More Sustainable

Perception of websites as sustainable is strong



Easier to Buy

Big Data, Credit Finance and virtual events are make it safer and easier to buy



Save Money

Some products are accessible to customers who can't afford New Luxury



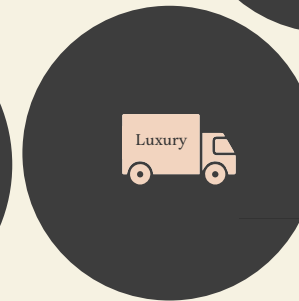
Authentication

Platforms provide expertise in proving product is real



Faster Delivery

Platforms offer authentication of product realness and flexible delivery options



Luxury Resale Websites

Vestiaire Collective

Market leader in Europe based out of Paris, France.

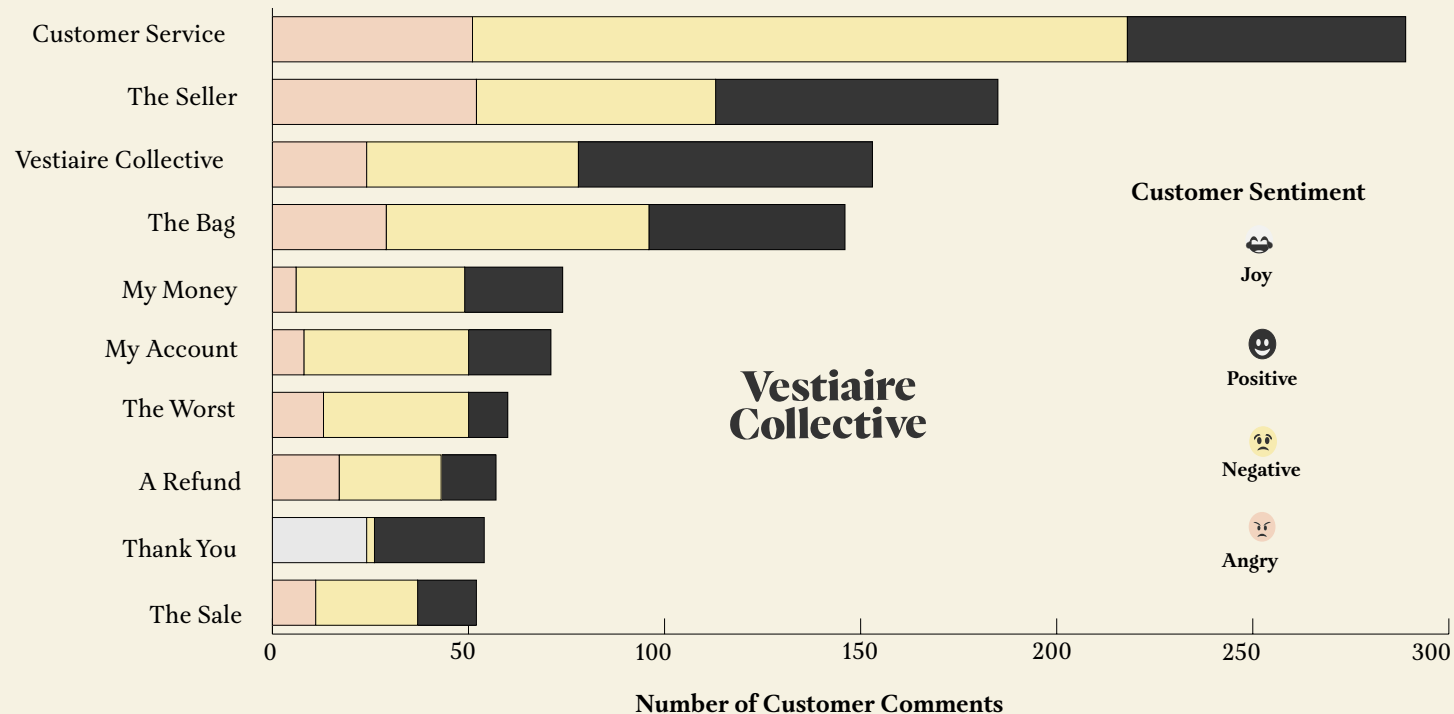
A B-Corp listed company which means it is accredited as a business with high sustainability standards.

Digital only and uses innovative technology, data for authentication and valuing luxury products.

Direct to Customer and also partners with brands to Resale their products,

Vestiaire Collective - Customers Analysis & Sentiment

What Customers say and feel about Vestiaire Collective on Social Media & Review Sites



Brand - Mostly Positive feelings and sentiment. Customers enjoy using the website.

Customer Service - Issues with customer service and negative and angry sentiment form customers. Mainly due to slow response and no dedicated human customer service team.

Sellers - Issues with how sellers cancel orders and describe products

Refunds - Money - Refund - Vestiaire Collective only authenticate and prove products are real for a fee. Those that aren't are sold/ bought at customers risk. This causes some fake items being sold and demand for refunds from customers

Luxury Resale Websites

The RealReal

The **biggest luxury resale company in the world** by market share operating in the United States.

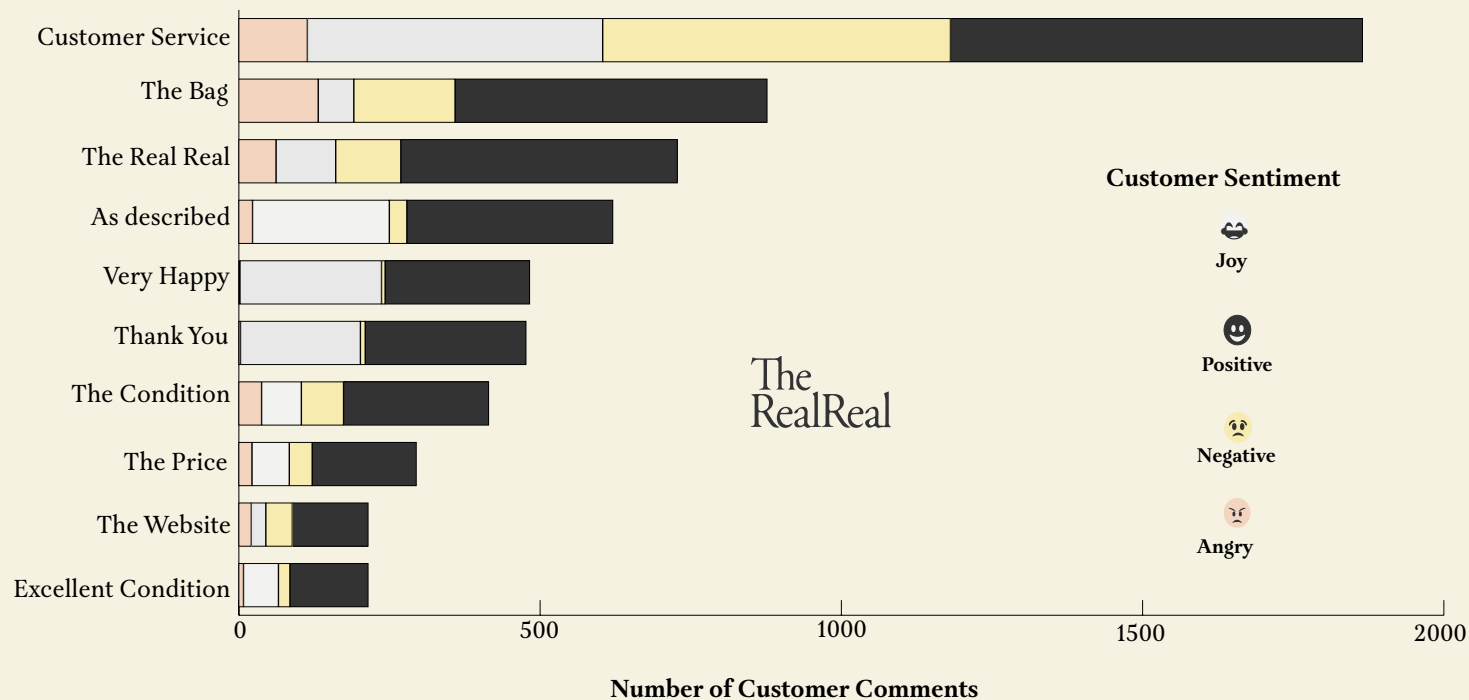
A NASDAQ publicly listed company.

A mixture of 20 retail stores, collection points in the USA and a website and app.

Direct to Customer and also partners with brands to Resale their products,

The Real Real - Customers Analysis & Sentiment

What Customers say and feel about The Real Real on Social Media & Review Sites



Brand - Loved for great customer service that sorts any post purchase issues out quickly.

Perceived strongly as good value of money due to many products with luxury entry price point.

Website loved as easy to use and accurate and high end product descriptions. Customers recommended website to others

Customer Service - Mixed feelings from customers but mostly positive. Some challenges and negative feelings around delivery couriers losing items.

Authentication (The Bag - As Described - Condition) - Customers love the quality which is down to the authentication team only accepting and verifying the realness and condition of high quality products for sale.

How to enter the Luxury Resale Market

Resale Websites: partnering with resale websites to sell products.

Chloe recently added digital product ID's to new Luxury products which provides certificate of authenticity and allows customers to resale on Vestiaire Collective easily.

Gucci, Alexander McQueen and Burberry have also partnered with Resale platforms.

Resale Software as a Service: paying a subscription service to use the technology that powers resale platforms.

Balenciaga recently launched it's own resale using **Reflaunt** a resale software as a service tech.

Balenciaga authenticates and values the product and Reflaunt adds the products to platforms and Reflaunt handles the sale.

Source: Vogue Business

Luxury Resale Software as a Service Technology

Balenciaga X Reflaunt

Balenciaga customers are able to resell their goods back to Balenciaga in exchange for store credit. The Balenciaga Resale website is powered by Reflaunt.

A Resale Software as a Service Technology Company

BALENCIAGA

Chloe X Vestiaire Collective

Chloe customers can resell their second hand items quickly through a new partnership between the brand and Vestiaire Collective.

Some new products digital id's which speeds up authentication

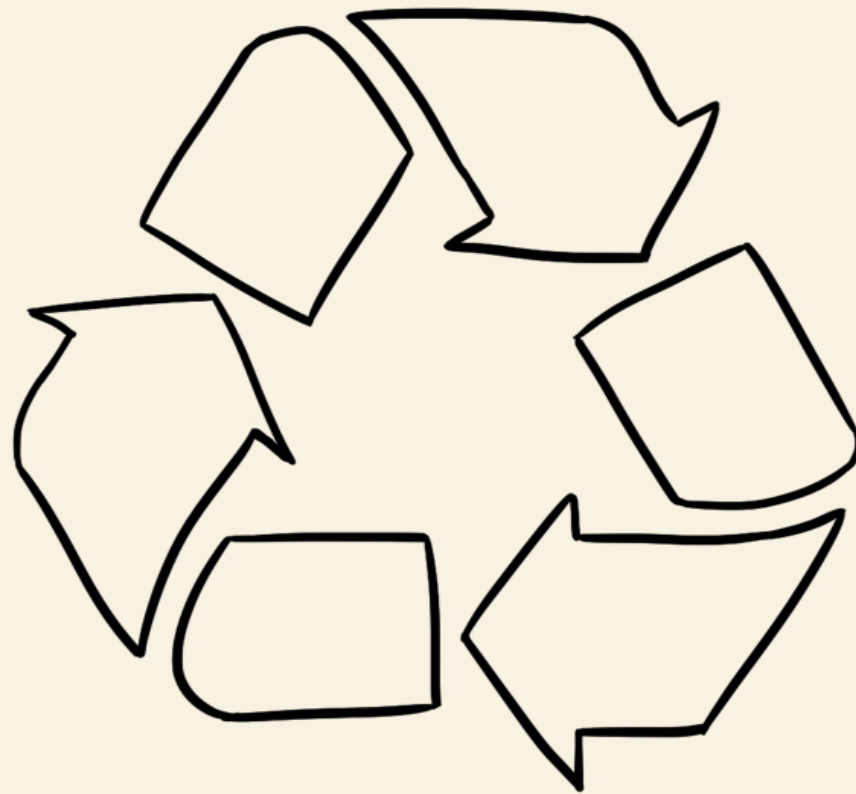
Chloé

Gucci X Vestiaire Collective

Gucci Preloved - Vestiaire Collective and Gucci have partnered up to resell some of Gucci's products.

GUCCI

Luxury Resale Website Partnerships



02 LUXURY RENTAL

What is Luxury Fashion Rental?

Luxury Rental is defined in this report as **customers renting luxury fashion products**.

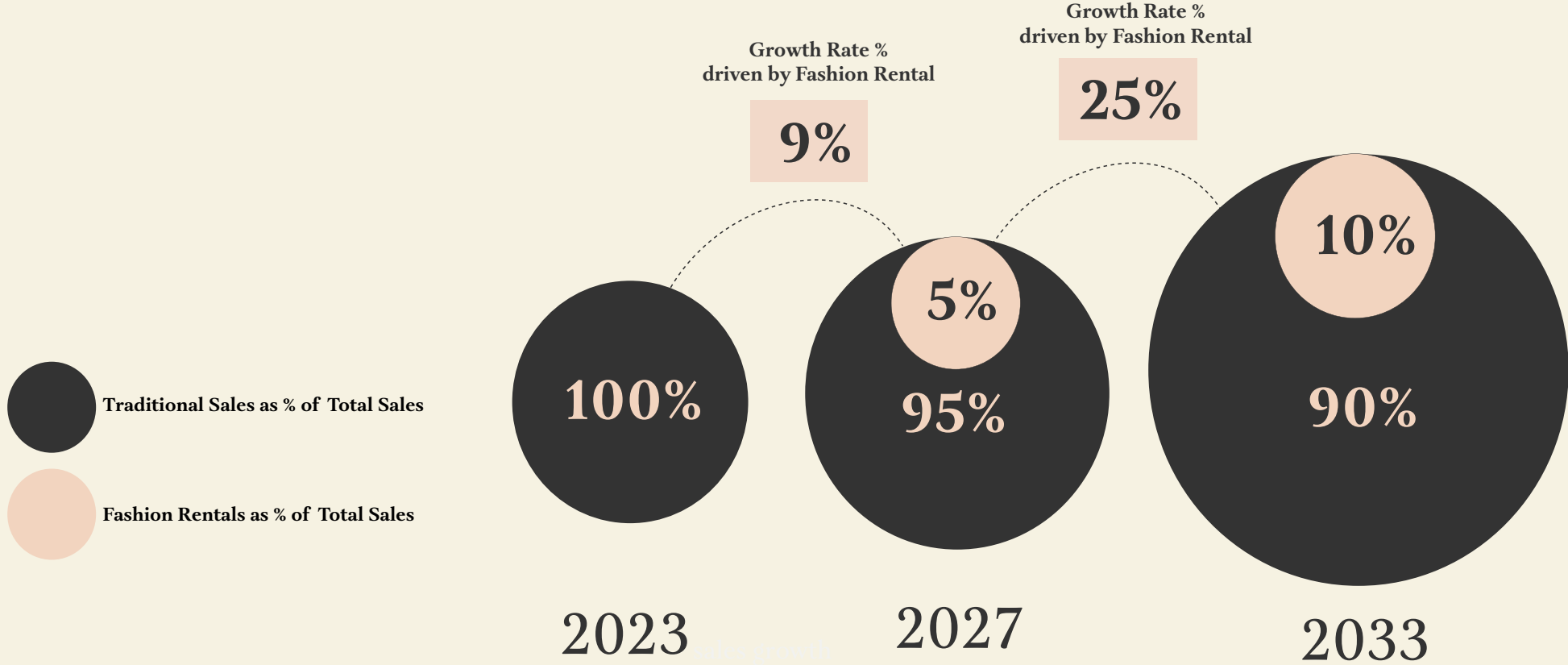
These luxury rental products are rented either; person to person, on rental fashion websites, apps and in stores.

Products are rented via a subscription service or per rental for a duration of a few days.

The Luxury Fashion Rental market is any environment, place either online or offline where this customer behaviour takes place.

How Luxury Fashion Rental can grow your Business

Luxury Fashion Rental can grow and diversify revenue



Luxury Fashion Rental Websites

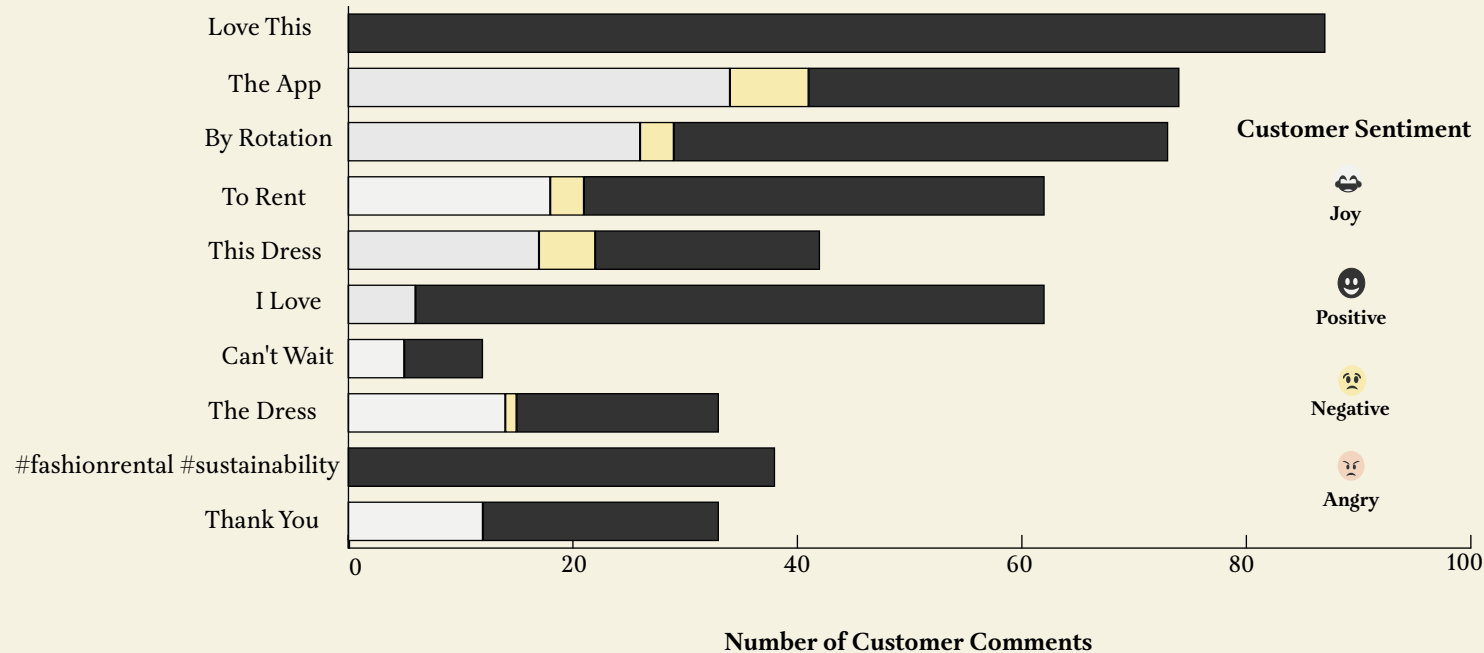
By Rotation

A marketplace for brands to rent fashion. Also a app for customers to rent luxury fashion to each other.

'The Instagram of fashion Rental' the app is built like a social media site with a community of over **200,00 users**.

By Rotation - Customers Analysis & Sentiment

What Customers say and feel about By Rotation on Social Media & Review Sites



Brand - Loved by renters and positive brand sentiment. Customers talk positive-ly and with joy about the by rotation app. How easy it is to use, good experience and user friendly.

Customer Experience - ease of use and built with the customer first has allowed the app to be loved as a great connecting and renting experience.

Sustainability - Customers are sharing the hash tag #sustainability and talking positively about their sustainability credentials from renting rather than buying.

Luxury Fashion Rental Websites

HURR

A popular website and app that allow customers to rent luxury fashion from other customers.

Partners with brands to rent their products for them on the HURR platform.

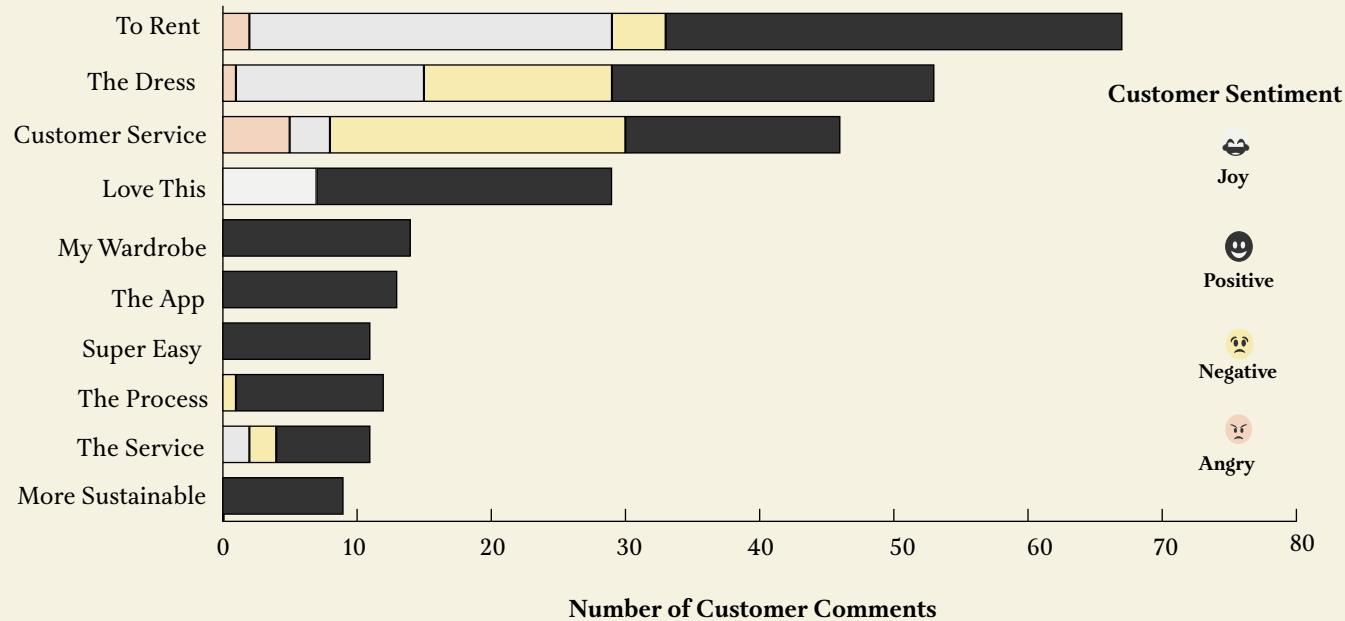
Customers can rent from the Hurr concession in the department store Selfridges.

Recently started offering **Rental as a Service software** for luxury companies to run rental themselves called **HURR Enterprise**.

Currently used by **Matches Fashion & Selfridges**

Hurr - Customers Analysis & Sentiment

What Customers say and feel about Hurr on Social Media & Review Sites



Customer Experience - is such a positive experience for customers that they advocate and recommend Hurr to others, Main things customers talk about and like is how easy the process of renting is.

Customer Service - Some negative comments and sentiment from customers about delivery of products and quality of items delivered. Linked to expectation set in product descriptions and the courier/ fulfilments performance.

Luxury Fashion Rental Websites

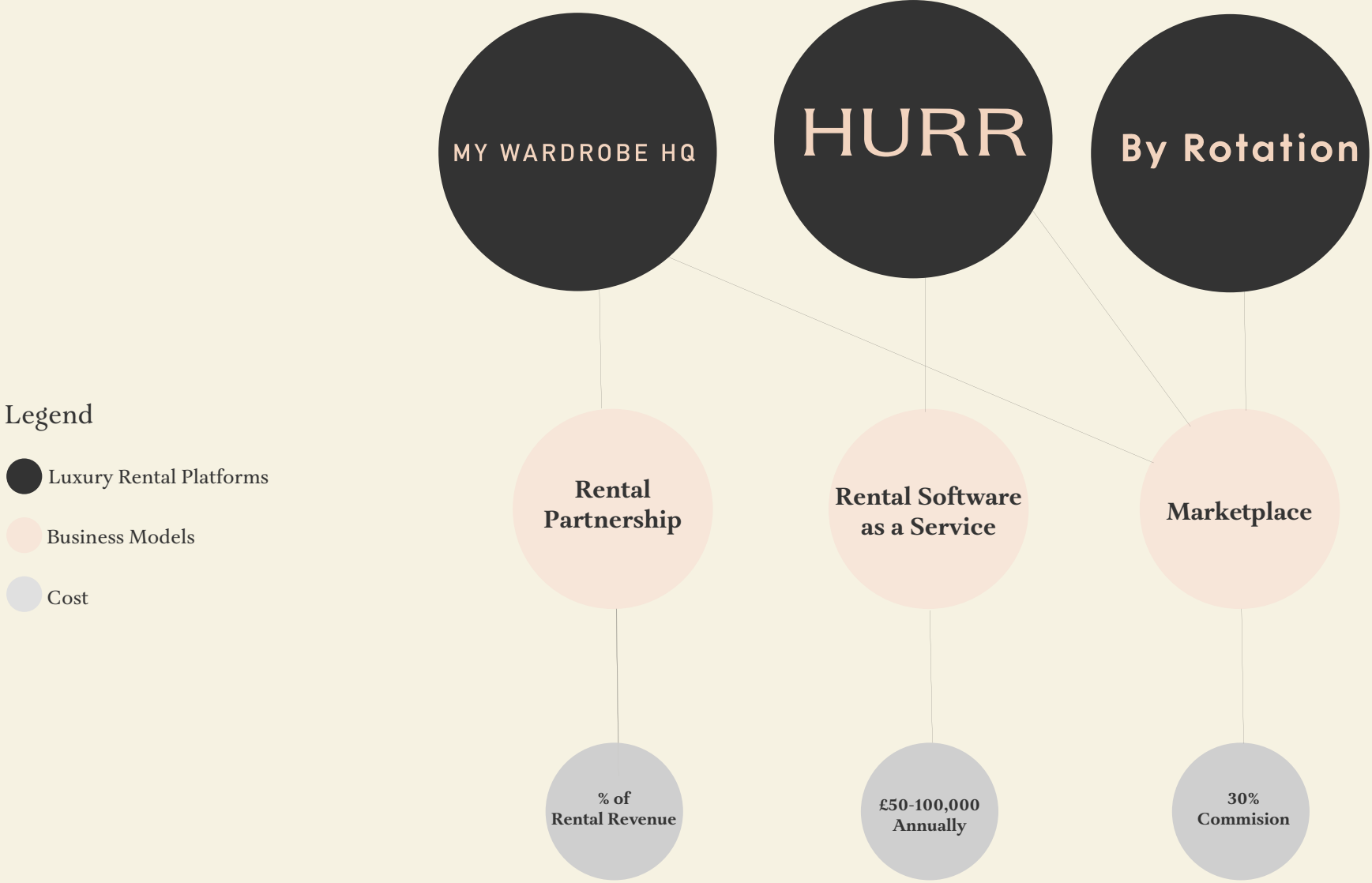
MY WARDROBE HQ

Offers **flexible payments** for customers who want to rent.

Customers can either rent per item/ period or pay a **subscription** and rent **fixed amount** of products a month.

Partnered with luxury department store **Harrods** in 2021 to rent their products on the My Wardrobe HQ marketplace.

How to work with Luxury Fashion Rental Websites



Luxury Fashion Rental works for Heritage Brands

Heritage Luxury Fashion brands are monetising fashion rental in different ways

Invest

Rental Website

Kering X Cocoon

Luxury Group Kering entered the rental market by investing in Cocoon a luxury handbag rental company

K E R I N G



Burberry X My Wardrobe HQ

A partnership between Burberry and Luxury Fashion Rental website My Wardrobe began in 2021

BURBERRY

Partnership

Rental Website

Ralph Lauren X Caastle

Ralph Lauren has launched their own subscription fashion rental service called "The Lauren Look" by buying fashion rental technology from software company Caastle

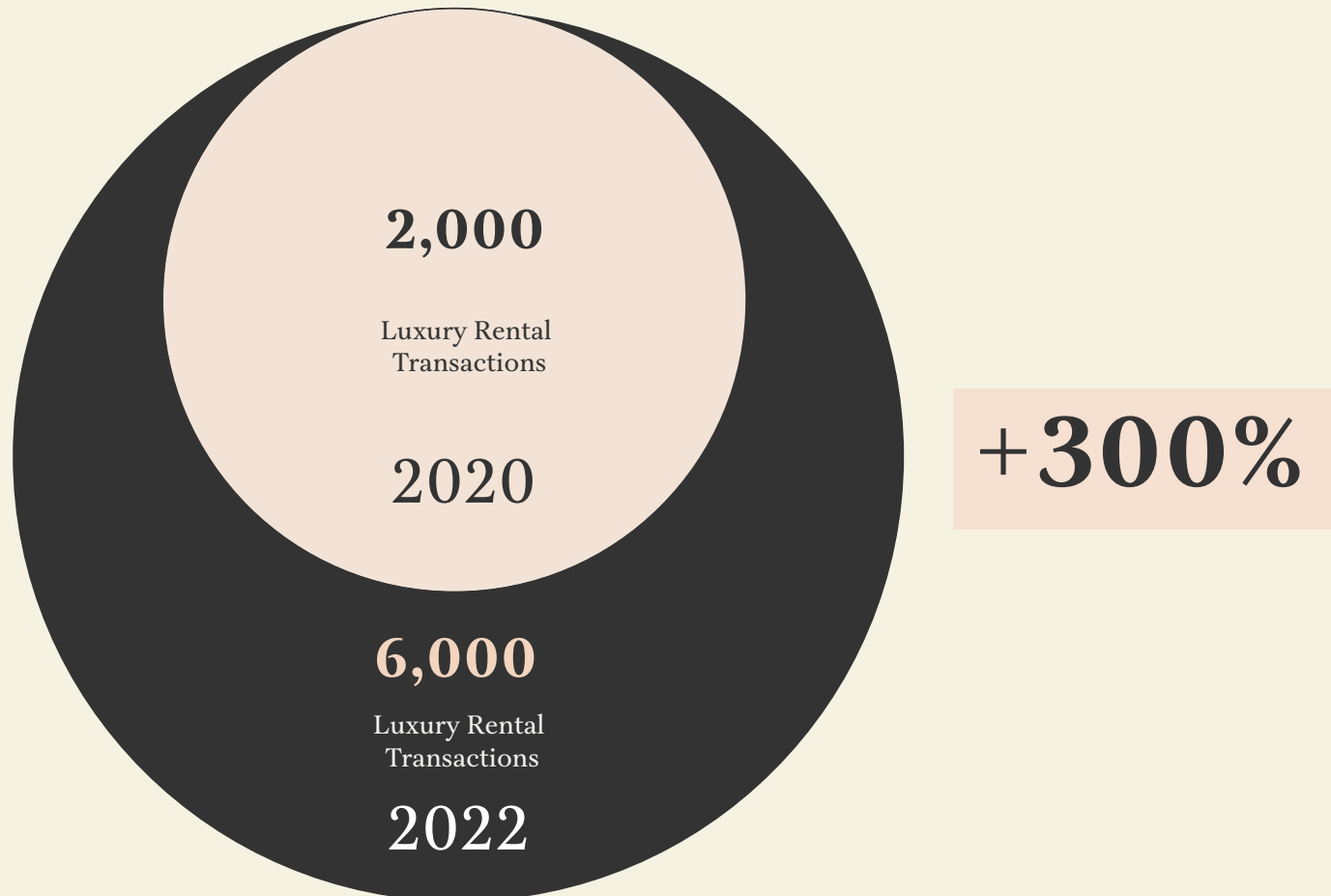
RALPH LAUREN

Buy Rental Software

Rental Software as a Service

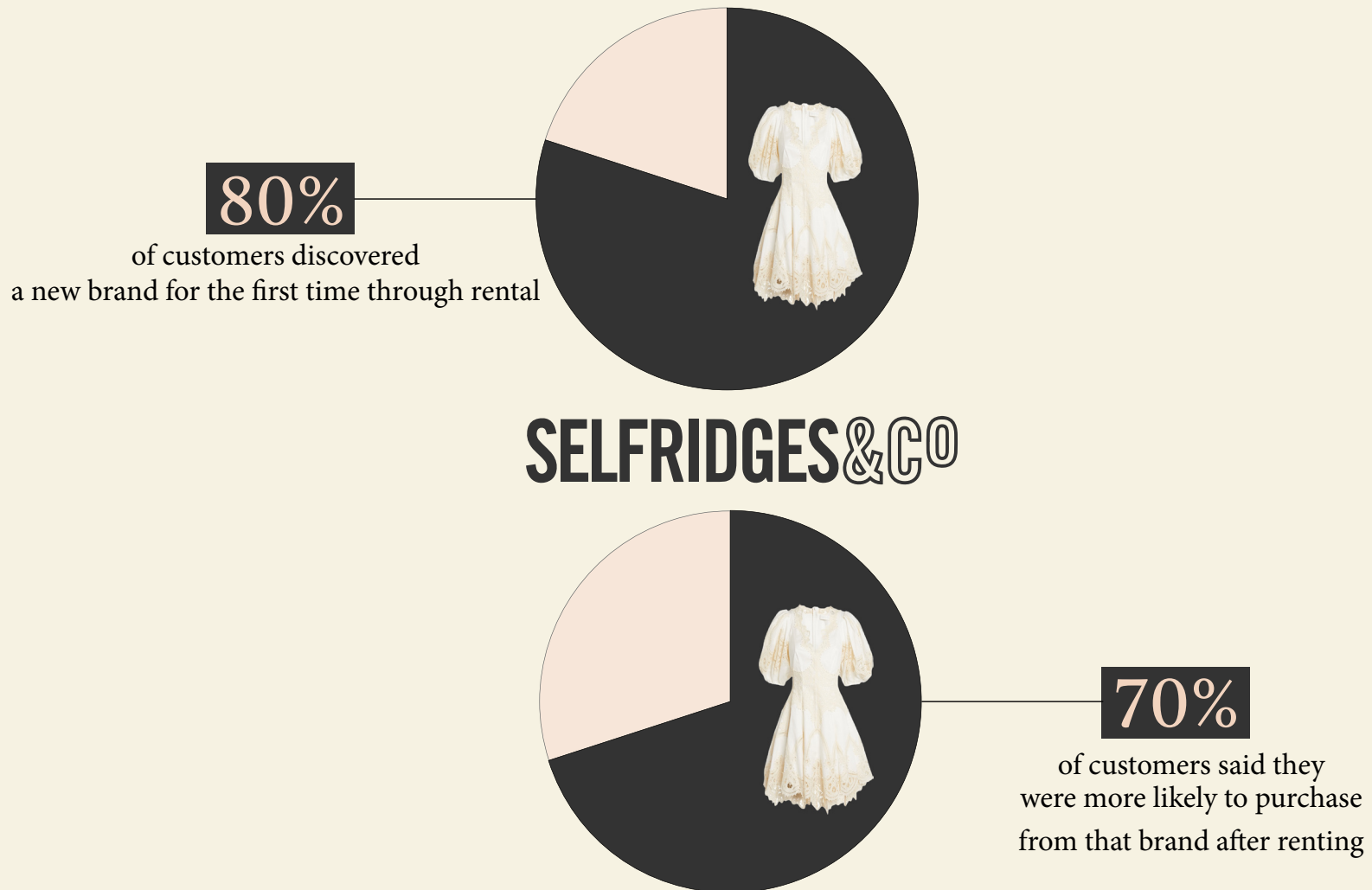
Selfridges Fashion Rentals grow 300% in 2 years

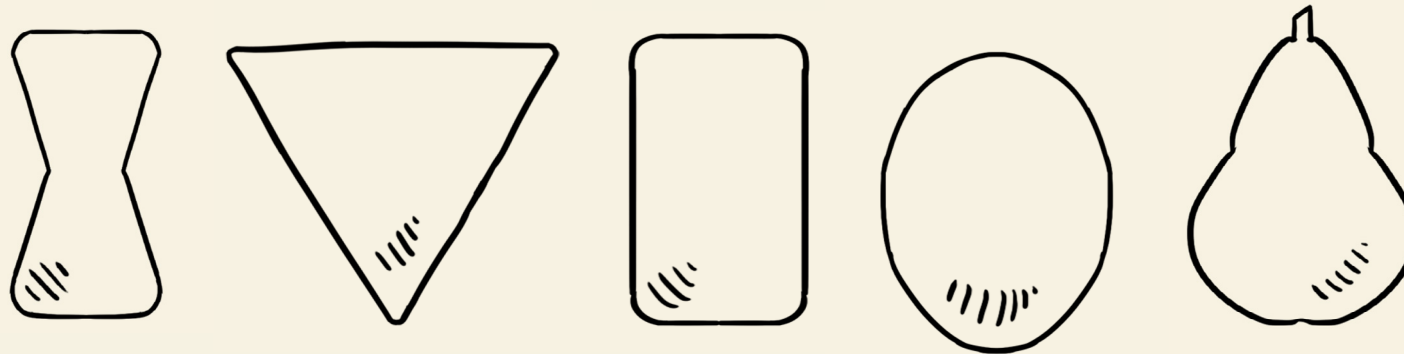
SELFRIDGES & CO



New Customers & Increased Brand Loyalty

Selfridges Fashion Rental strengthened their Fashion Sales





03 Body Positivity

Luxury Plus Sizing

What is Body Positivity?

Body Positivity in this report refers to the **Luxury Fashion Plus Size Market**.

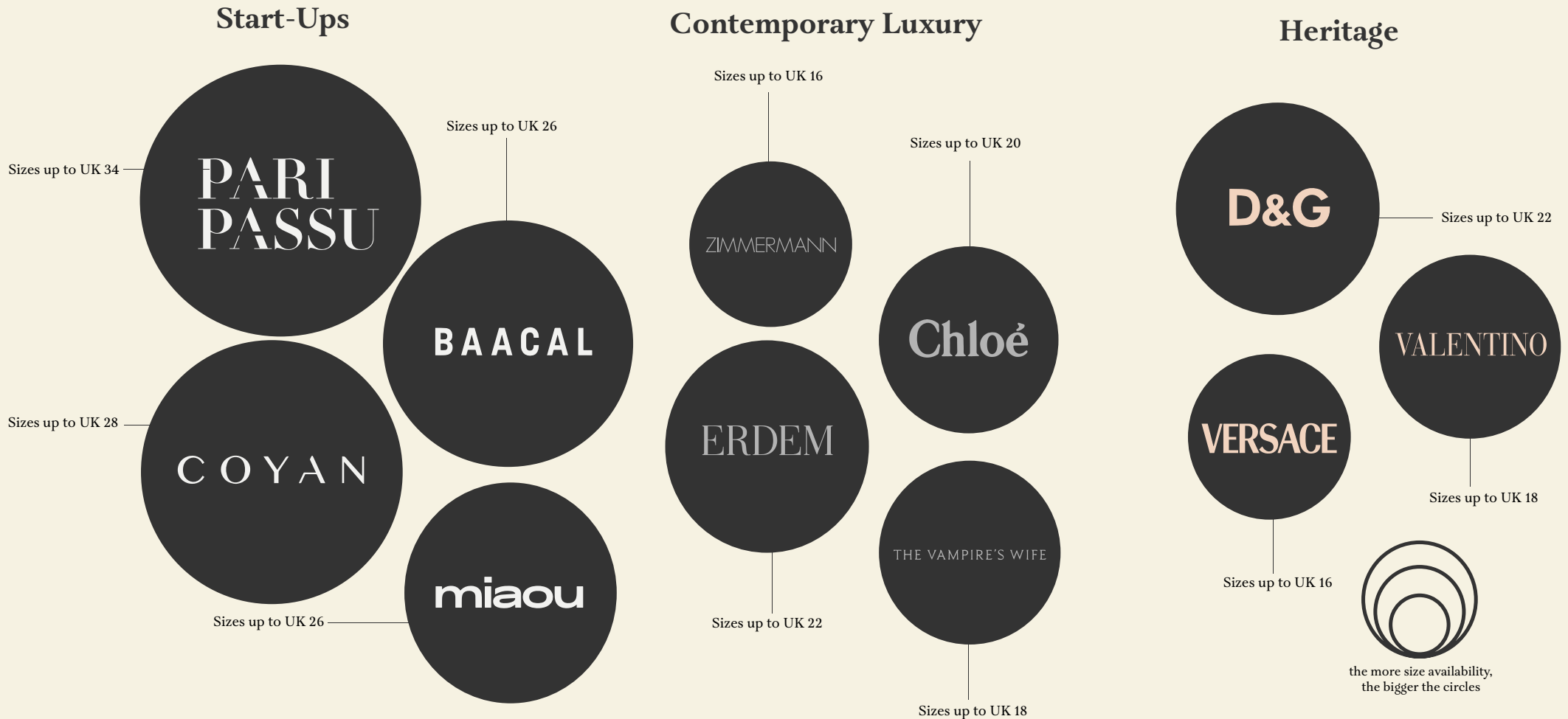
Body Positivity is a social movement started by women to empower and give a voice to women with different sized and able bodies.

This includes petite women, women with differently abled or (disabled), curvy bodied women and women with unique skin colour and hair.

This report is focused on women who's bodies are larger than standard luxury fashion sizing of ten referred to as **plus sized**.

Luxury Fashion Brands Specialising in Plus Sizing

Startups & Contemporary Fashion offer more Plus Sizing



11 • HONORÉ

No.1 Destination for Luxury Fashion Plus Size Brands

Founded in 2017 - Stock over 200+ Brands - Plus Size Specialist



What no one tells you about Luxury Plus Size Customers

Customers sizing is dependant on bigger sizes and body shape



Inverted Triangle

Pear



Oval

Rectangle



Hourglass

Luxury Plus
Size Customer (UK)



Body Shape Sizing



Luxury Market
Sizing (UK)



Plus Sizing requires Stylists with expertise on Body Shape

54% of women don't have regular rectangle body shape

14% have an Inverted Triangle Body Shape



Hourglass: the bust and hips are proportional with a defined waist.

Rectangle: the hips, waist, and bust are about the same size.

Inverted Triangle: have a subtle waist and a proportionally larger upper body.

Pear: your hips are much larger than your bust.

Oval: your waist is larger than your bust, hips, or shoulders.



20% have a Pear Body Shape

46% have a Rectangle Body Shape



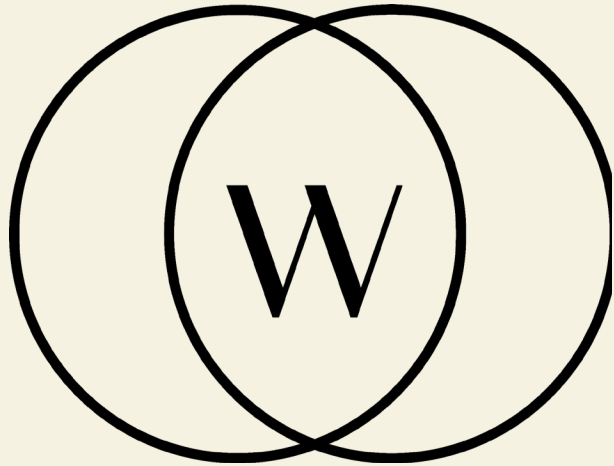
18% have an Oval Body Shape



8% have an Hourglass Body Shape



Wishi - Online Personal Styling Tech for Luxury



Wishi is a US based **personal styling software company**.

They match customers with personal stylists online.

The software identifies a customer's **body shape** and personal taste.

Wishi powers both luxury e-commerce marketplace **Farfetch** and luxury department store **Saks Fifth Avenue** online personal styling service.

Luxury companies looking to offer plus sizing online should partner with companies like Wishi to offer personal styling that will help attract and keep plus size customers.

Pros and Cons of entering the Luxury Plus Size Market



Operational

- There are limited sizes that you can buy wholesale
- The traditional supply chain doesn't support plus sizes



Cost

- It usually costs twice as much and takes twice as long to make plus sizing



More Profitable & Loyal Customer

- Higher * AOV's than other customers
- Plus size customers are more loyal to brands because of scarcity of choice

Cons



Expertise

- Hard to find plus size clothing designers and makers
 - Plus sizing based on body shape.
 - Expert Stylists needed
- Specialist styling software needed for e-commerce
- E-commerce & Retail need models and mannequins that are plus size



Customer Demand

- It is an under served and fast growing lucrative market

Pros

*AOV - Average Order Value

Matches Fashion Sales up 60% after leaning into Luxury Plus Sizing

“It reflects the demand for a broader range of sizing in luxury fashion. Like our team, our customers are a diverse range of sizes, and we want to ensure our buy reflects this and that we are offering the best size range across our edit”

Liane Wiggins

Head of Womenswear at
Matches Fashion



Matches Fashion
increased its purchases of
extended sizes by **40%**
resulting in sales for those
sizes growing **60%**

MATCHESFASHION

Average Order Value up by 70% after Luxury Plus Sizing Merger

Dia & Co Luxury Plus Size Strategy Pays Off



70% average order value
(AOV) growth since its
acquisition of luxury plus size
brand, 11 Honoré

Dia & Co

F.K