

Winning brands in SA's pre-owned luxury fashion segment

Luxity, a South African retailer of pre-owned luxury goods, has seen increased web traffic for items in the luxury second-hand market, hinting at growing public interest in the segment. Overall, the company's top five performing brands are Louis Vuitton, Chanel, Gucci, Hermès and Christian Louboutin.



Grosescu Alberto via [123RF](#)

According to its *Africa and the Luxury Market 2019 report*, prices of pre-owned items have fallen slightly due to the increase in supply slightly outpacing the increase in demand.

“There’s been an increase in wealthy sellers, which means there’s been a slight fall in prices when compared to last year’s prices. But it doesn’t mean that purchasing a pre-owned luxury bag is a bad investment with price growth still outpacing inflation,” said Luke Calitz, director of Luxity.

The company noted that one of the best investment luxury bags is still the Chanel Medium Classic Flap. It’s the gold standard. Chanel’s retail asking price grew way above inflation when considered in local currency, seeing a 21.2% increase year-on-year (YOY). The pre-owned resale price bumped up slightly softer by 17.7% YOY.

While there has been some renewed hype around the growth of gold in markets, Chanel’s iconic bag shows that over an 11- year period it offers a slightly better return.

"This is just further evidence to support the notion that investing in a luxury handbag is not only a good fashion decision," Luxity said in a release.



The most valuable global retail brands for 2019

14 May 2019



Return on resale value

As for the return on resale value, the contenders in the handbag sector remained the same, with Chanel and Hermès moving up to the top stops due to limited supply compared to Louis Vuitton.

The shoe segment, however, saw a shake-up: Giuseppe Zanotti took this year's top spot, due to its entrance into South Africa raising interest when only limited supply was available before. Christian Louboutin placed as the second-best resale shoe while Fendi and Jimmy Choo were knocked out of the top three.

With accessories, you are still winning if you are in possession of an Hermès scarf, but there was a slight decrease in resale value.



Retailers must leverage online and offline tactics to succeed

Michael Zahariev 6 May 2019



With increased supply of stock across all the brands, Luxity has seen marked variations between the minimum and maximum resale values. These differences are due to a number of reasons but usually related to the condition of the item, the retailer said.

Even though there was an increase in stock, trends still drove up the price of some brands. Fendi, Gucci, Burberry, and Jimmy Choo showed overall resale price growth.

Gucci and Burberry were brands that attracted the millennial market which is eager to get into the luxury market. This is in line with the strong demand amongst millennials internationally for Gucci and a younger brand repositioning of Burberry driving renewed interest in the brand. Luxity also points to an uptick in Fendi's prices, in line with international trends, with particularly large demand being driven by buyers in the Mother City.

The retailer noticed that Generation X buyers were predominantly still gravitating towards popular brands such as Louis Vuitton, Chanel, Gucci, and Hermès. With Louis Vuitton remaining the favourite in Johannesburg, while Chanel leads the way in Cape Town.

Most searched for brands

With regards to which brands interested Luxity's potential shoppers, the company tracked searches on its website and compiled a YOY comparison.

Louis Vuitton took the most-searched-for top spot by a large margin, tracking over 100% more interest than the runner-up brand, Gucci. The top four brands were vastly more popular in terms of searches than the remaining six. This being said, there was still a major increase in interest across all brands monitored. These findings are all in line with current international trends.



#AfricaMonth: The rise of Afrocentrism and its impact on the luxury business

Lauren Hartzenberg 29 May 2019



“This year we also asked our clients why they were selling their items, which yielded some interesting results,” said Calitz.

The top three reasons for individuals selling were:

- A loss of interest in the item and no longer needing it
- Lack of space in the closet
- Immigration

“This data paints an amazing picture: If you’re a Cape Town millennial, you’re bound to be interested in Fendi, while your parents will most likely be searching our website for that Louis Vuitton bag to take on their next trip,” concluded Calitz.

For more, visit: <https://www.bizcommunity.com>