



Noé

BY / LVMH

ALLY QUIRK

LUXURY & FASHION MANAGEMENT (MFA)

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SCAD | SPRING 2022

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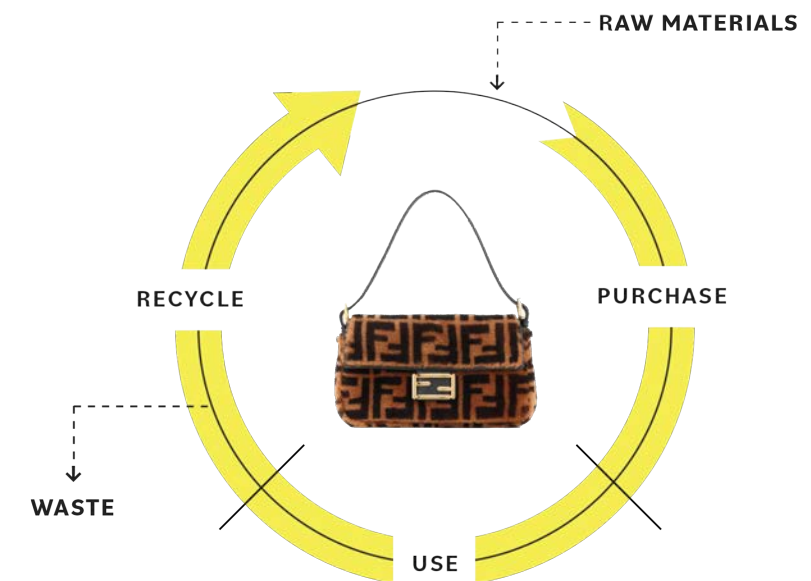
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Abstract.

LVMH Moët Hennessy Louis Vuitton (LVMH) is a luxury conglomerate rooted in heritage, fine craftsmanship, and products that last a lifetime. As consumer preferences evolve and sustainable shopping habits become more commonplace for the luxury consumer, the secondhand market has evolved into a \$24 billion market with projected growth to \$57 billion by 2025. Yet, LVMH has yet to take control of the secondhand supply chain of its products.

This thesis explores how LVMH can gain control over its Fashion & Leather Goods and Jewelry & Watches products' lifecycles via the implementation of an in-group luxury resale platform and integrated marketing campaign. This initiative will allow LVMH to exercise control over the secondary market, gain access to emerging luxury consumers, all with a sustainable message at its forefront. This thesis will explore the relationships between luxury, sustainability, and community to create a leading authenticated luxury resale platform made up of luxury consumers' most beloved brands.



Company Overview.

→ MOËT HENNESSY LOUIS VUITTON (LVMH)

LVMH Moët Hennessy Louis Vuitton (LVMH) is a French multinational corporation and conglomerate home to seventy-five distinguished luxury houses. These Houses, or “Maisons” exist in six different sectors and include thirty-one legacy houses.

The group specializes in luxury goods and is headquartered in Paris, France. LVMH currently employs over 150,000 people across the world and has reported sales of 64.2 billion euros in 2021. It is the only group present in all five major sectors of the luxury market: Wines & Spirits, Fashion & Leather Goods, Perfumes & Cosmetics, Watches & Jewelry, and Selective Retailing (LVMH).

Bernard Arnault founded the Group in 1971 with a \$4 Billion merger between Louis Vuitton and Moët Hennessy. LVMH is committed to operating ethically, both socially and environmentally. The four values by Chief Executive Officer, Bernard Arnault that are universally shared across the group are Creativity and Innovation, Delivering Excellence, the Cultivation of an Exceptional Experience, and the Commitment to a Positive Impact (LVMH).



→ BRAND HISTORY

Since its founding in 1854, LVMH has become a world leader in luxury goods, with quality, innovation, and creativity being integral to their vast success (LVMH). However, long before LVMH opened its doors, the heritage brands that make up the group were beginning their own journeys

Louis Vuitton founded his house in 1854 in Paris, France. Originating as a supplier of luxury luggage, Louis Vuitton opened its first store in London in 1885. Over a century later, after going public in 1984, Louis Vuitton hit the billion-dollar profit mark in 1987. Before merging with Louis Vuitton, Moët had a successful past of its own, surpassing 2 million wine and liquor bottles sold in 1872. It was not until 1971 that Moët merged with Hennessy & Company before becoming the single Group that is LVMH.

The 1990s were a vast period of growth for the Group, with subsidiary acquisitions costing over \$3 billion dollars. As the Group diversified and grew, it expanded across various sectors in the luxury industry, ultimately spanning across each luxury division. Since its formation, Bernard Arnault still acts as Chairman and CEO of LVMH (Djuliardhie, Raditya and Borosi, Ceby and Saztura, Raffi and Suhady, Paula).

→ **SUBSIDIARIES**

The 75 subsidiaries of LVMH are made up of brands in 6 different sectors, 31 legacy houses, and 6 brands that are younger than 5 years.

The **FASHION & LEATHER GOODS** Houses brought in 30.9 million Euros in Sales in 2021. The 14 Houses that make up the Fashion & Leather goods Houses owned by LVMH include Loewe, Louis Vuitton, Berluti, Rimowa, Fendi, Celine, Christian Dior, Emilio Pucci, Givenchy, Kenzo, Marc Jacobs, and more.

The most recently established of LVMH’s activities, the **WATCHES & JEWELRY** sector, is made up of 8 Houses, Chaumet, Tiffany & Co., Tag Heuer, Zenith, Bulgari, Fred, Repossi, and Hublot, and brought in 8.9 million euros worth of sales in 2021.



In the **WINES & SPIRITS** sector, LVMH has 23 Houses including Dom Pérignon, Moët & Chandon, Hennessy, Veuve Clicquot, and Belvedere. LVMH’s Wine & Spirits Houses made up 5.9 million euros in the Group’s 2021 Sales.

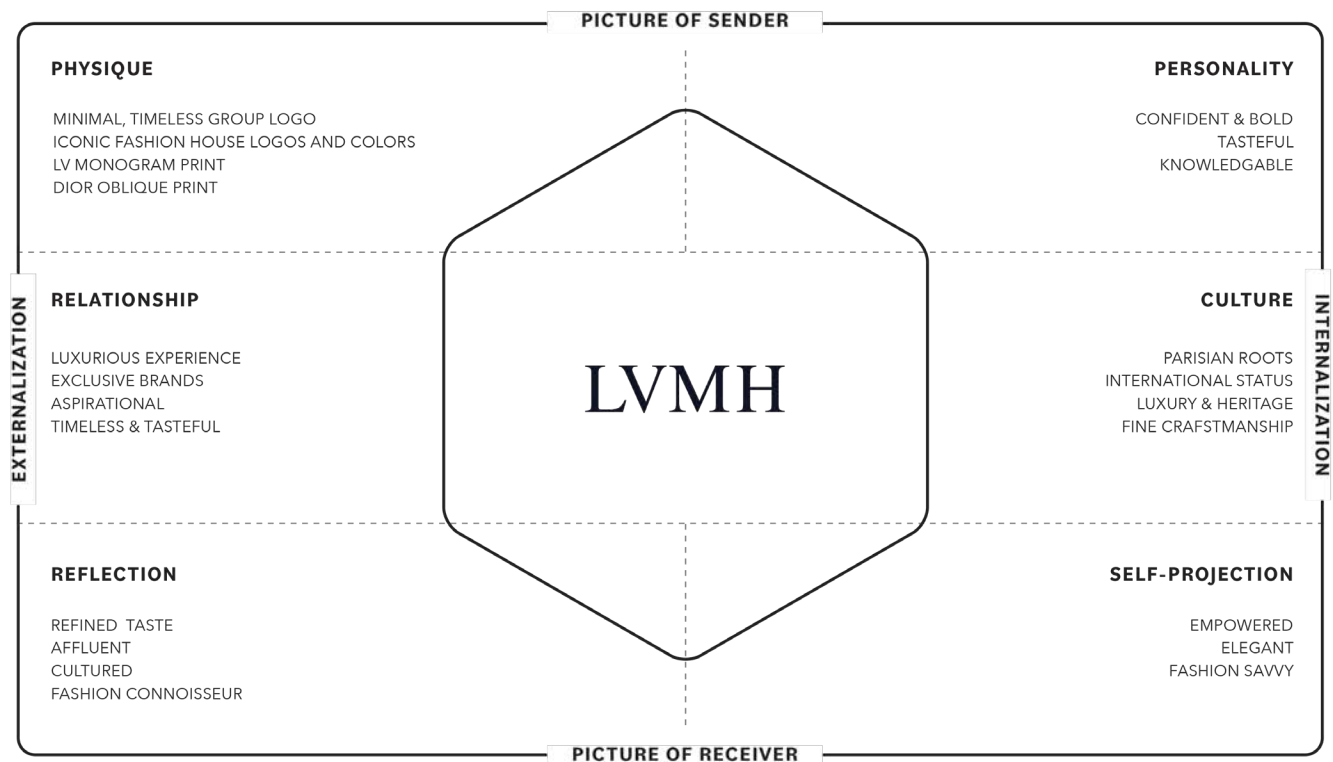
The 15 LVMH-owned **PERFUME AND COSMETICS** Houses made 6.6 million Euros in sales in 2021. These Houses include Parfums Christian Dior, Givenchy Perfumes, Perfumes Loewe, Benefit Cosmetics, Make Up For Ever, Fresh, Marc Jacobs Beauty, Fenty Beauty by Rihanna, and more.

The **SELECTIVE RETAILING** Division is made up of 5 houses including Starboard Cruise Services, Sephora, and Le Bon Marché Rive Gauche, which helped bring in 11.7 million euros in sales in 2021 (Statista).WW

LVMH

Brand Identity.

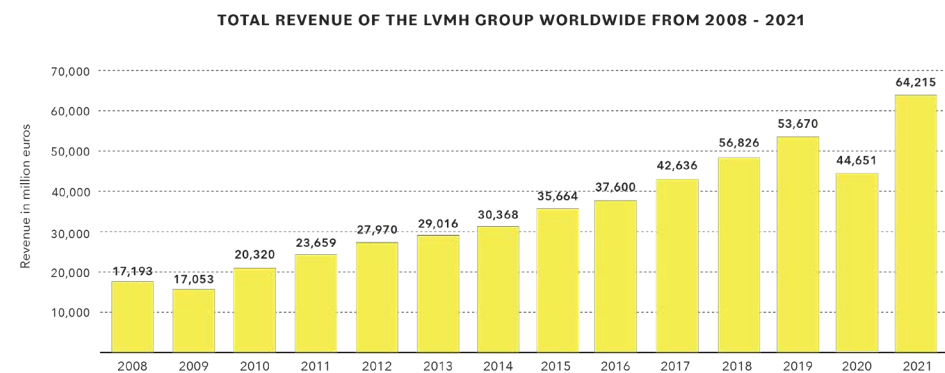
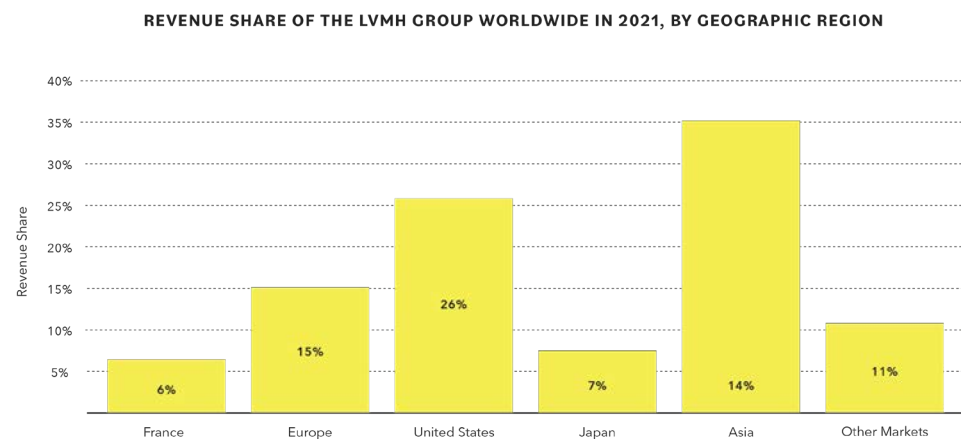
→ KAPFERER PRISM



Current Status.

→ FINANCIAL STATUS

With over 5,500 stores worldwide, LVMH has been able to dominate the luxury market and continuously report strong figures. The total revenue of the LVMH Group worldwide in 2021 was 64.215 million euros (Statista). The below chart shows that Asia makes up 35% of that revenue share in 2021, followed by the United States (26%), Europe (15%), and Japan (7%).



→ FUTURE PROJECTIONS

LVMH reported strong growth, with revenue up 46% in 2021 compared to 2020. The Fashion & Leather Goods Houses reached record levels throughout 2021 with organic growth of 38% compared to the third quarter in 2019. As the world gradually exits from the Covid-19 health crisis, the LVMH Group is confident that Houses will continue to perform strongly, continuing or even improving the Group's current growth trajectory. By focusing on a strategy that maintains desirability across all its brands as well as taking new initiatives like increased ethical and sustainability efforts, the future of LVMH is said to be promising across all channels (LVMH).



Sustainable Initiatives.

The LVMH 2020 Social and Environmental Responsibility report states that the group intends to “preserve natural resources and avoid waste” in part of its “strong belief that one of the principal characteristics of luxury products is that they should last forever.”

According to the same report, raw materials sourced for the Fashion & Leather Goods Houses make up 65% of the division’s climate expenditure, 93% of water expenditure, and 91% of biodiversity expenditure (see below).



→ LVMH NONA SOURCE

LVMH Nona Source is the first online resale platform for materials from LVMH Fashion & Leather Goods Maisons. The platform offers high-end re-sourced materials of the best quality at competitive prices, up to -70% of original prices (LVMH Nona Source). The platform was created for the promotion of circular fashion, as surplus fabrics can be used by smaller brands and emerging designers instead of contributing to more waste. LVMH Nona Source is just one of the ventures the Group has initiated as a part of their commitment to more sustainable practices.

→ LVMH SUSTAINABILITY RESEARCH CENTER

The LVMH Sustainability Research Center is a new center dedicated to researching sustainable production with the focus on the use of new materials, innovative biotechnologies and digital data that can lead to a smaller carbon footprint and more eco-friendly practices across the Group (LVMH).

→ LVMH LIFE 360

LIFE 360 is an environmental performance road map for the LVMH Group for the coming 3, 6, and 10 years (LVMH). The road map will be a continuation of the LIFE 200 program, the Group’s Initiatives for the Environment impact of their operations. The objectives of LIFE 360 are to protect biodiversity, fight climate change by pursuing efforts to improve the energy performance of all LVMH-owned stores, promoting the circular economy through recycling and upcycling initiatives, and transparency when it comes to their ethical and environmentally focused business practices and endeavors (LVMH LIFE 360).

→ EXPANSION OF REPAIRS

Chief Executive Officer of LVMH, Bernard Arnault has emphasized his company’s focus on repairing products. LVMH is expanding their current repair services to improve the lifespan of products. LVMH asserts that “sophisticated repair services, upcycling, reuse of precious raw materials, and efforts to find alternative materials all feed into the Group’s economic strategy” (LVMH).

Negative Aspects.

→ USE OF EXOTIC LEATHERS

LVMH continues to create products with exotic skins, leathers and furs, with increased investments in these materials in February 2022, by opening two additional France-based leather goods workshops with a combined price tag of 15-20 million euros. This opposes the rival French luxury brand, Chanel, “which said in 2018 it was halting the use of leathers including crocodile, lizard, snake, and stingray.” PETA, the animal rights activist group has routinely called out LVMH and Hermès to follow suit (Diderich).

→ DESTRUCTION OF UNSOLD PRODUCT

Many luxury brands are commonly known to destroy/incinerate unsold products. Louis Vuitton is a notorious example of these unsustainable practices, routinely making headlines alongside luxury rivals, such as Hermès. LVMH has exercised this practice in order to maintain exclusivity of their product by making sure nothing is sold for under retail value. Ultimately, LVMH would rather destroy their unsold product instead of seeing it on the shelves of discount stores. To negate this practice, LVMH-owned brands like Louis Vuitton have raised prices and lowered production quantities to maintain a level of exclusivity, and without having an extensive amount of unsold product.

→ LACK OF TRANSPARENCY

Although LVMH has begun releasing yearly social and sustainability reports, there is an extreme lack of transparency when it comes to human rights and labor laws, as well as the actual metrics that prove LVMH is hitting their social and sustainability goals.

→ LACK OF DIVERSITY

As of February 2021, according to LVMH’s website, the board of directors at LVMH is 100% White and 61% male. The diversity breakdown of LVMH brand creative directors is 94% White and 85% men. Diversity of the LVMH overall workforce can be broken down as 36% White and 64% non-White, whereas the leadership team is 78% White and 22% non-White (LVMH). This data shows how there is a clear lack of racial, ethnic, and gender diversity among LVMH’s leadership, a metric that must change as soon as possible.



Competitive Landscape.

KERING

Kering is a French-based global luxury Group that manages a series of Houses in Fashion, Leather Goods, and Jewelry. The Group was founded in 1963 by François Pinault and is headquartered in Paris. François-Henri Pinault is the current Chief Executive Officer of Kering and Houses under the management of Kering include Gucci, Saint Laurent, Bottega Veneta, Balenciaga, Alexander McQueen, and more (Kering). Kering had a revenue of over \$20 billion dollars in 2021.

RICHEMONT

Richemont is a luxury conglomerate that operates in the luxury Jewelry, Watches, Fashion, and Accessories divisions. Richemont has a unique portfolio of Houses including leading online distributors and is made up of 26 Maisons and businesses and 2,247 Monobrand boutiques. Houses under Richemont management including Cartier, Van Cleef & Arpels, Piaget, Net-A-Porter, Alaïa, Chloé, and more (Richemont). Richemont had a revenue of approximately 5.1 billion euros in 2021.

PRADA GROUP

Prada Group is a worldwide leading luxury Group that owns some of the world's most prestigious luxury brands such as Prada, Miu Miu, Church's, Marchesi, and more (Prada Group). The Group designs, manufactures, and distributes fashion, leather goods, and footwear in over 70 countries. Prada Group owns 5 brands and also operates in the eyewear and fragrance sectors through licensing agreements. As of December 2021, Prada Group has total net revenues of 3.4 billion euros.

PVH

PVH is one of the world's largest fashion companies, home of global brands such as Calvin Klein and TOMMY HILFIGER. The company was established in 1881, is home of 5 brands, and operates in 40+ countries. PVH owns over 6,000 retail locations globally and had a 2021 revenue of \$9 billion USD.

CHANEL

Chanel is a private French luxury fashion house founded in 1910. The house focuses on ready-to-wear, leather goods, accessories, and more. Although Chanel is not a luxury conglomerate like some of LVMH's other top competitors, it makes up a great percentage of the luxury fashion market, with a 2021 revenue of \$13.2 billion USD.



Marketing Overview.

Unlike competitors that focus on PP&E to generate sales, LVMH relies on their marketing strategy to position itself attractively in the market. LVMH operates with a decentralized organizational structure, meaning that most decisions are made by mid to low-level managers rather than the head of the Group. Each House under LVMH operates autonomously across functions. Therefore, each House has its own creative director, marketing head, and so on. Creativity and Innovation are at the heart of the Group's values, with a carefully executed marketing strategy set for each House and an innovative business model that helps empower the 75 brands under LVMH (Roberta). The Group advocates for the insertion of their elegant image into each House's DNA. In the past decade, LVMH has encouraged its Houses to be constantly innovating, whether it be their products or services, distribution channels, sustainability integration, celebrity collaborations, environmental impact, and more (Ha, Inside LVMH's Success).

→ MARKETING MIX

(As each House managed by LVMH has a varying marketing mix, I have decided to focus on Louis Vuitton as a foundation for each Houses' marketing mix).

The several marketing strategies used by Louis Vuitton have helped the House grow, succeed, and become a leading luxury fashion brand on the market.



Marketing Mix.



PRODUCT

Louis Vuitton is a premium luxury fashion House that offers ready-to-wear, bags, shoes, leather goods, and accessories. Each Louis Vuitton product is made with the finest level of craftsmanship, handmade finishing, and the highest quality leathers and materials. Each product is created with sophistication and quality at its forefront, pairing traditional artisanship with modern silhouettes and style. Louis Vuitton products are widely known for the famous LV initials, in hardware or print form, which makes Louis Vuitton products instantly recognizable.

PRICE

Louis Vuitton uses a value-based pricing strategy for each of its products. By paying special attention to quality and luxury materials, Louis Vuitton products are positioned at luxury price points. Due to the high quality and desirability of the brand, consumers are willing to pay higher prices for Louis Vuitton products. Since a Louis Vuitton product is a statement of class and style, consumers are aware of the high price point. The perceived value of the brand is extremely high; therefore, consumers find great value in owning a Louis Vuitton product, despite the initial investment. Louis Vuitton does not offer any discounts on its products but in turn entices consumers via exclusive collections and celebrity endorsements.

PLACEMENT

With over 460 stores in 65 countries, Louis Vuitton ensures that products are a part of an exclusive distribution channel. Therefore, Louis Vuitton products are only sold through Louis Vuitton stores and its official website. By only offering products in their own stores, Louis Vuitton can provide their consumers with a warm, personalized experience at each of their locations. Louis Vuitton stores exist in some of the world's most prestigious cities and locations to attract the affluent consumer. The Louis Vuitton online platform offers the same level of interactivity and quality of the in-store shopping experience and has turned out to be extremely profitable during the Covid-19 pandemic. To some consumers, the Louis Vuitton name is synonymous with travel. With the House's legacy of innovation in the "art of traveling," travel retail is yet another channel for Louis Vuitton to attract consumers. Travel and fashion enthusiasts can find Louis Vuitton stores in many airports across the world, in some of the most prestigious and highly foot trafficked airports.



PROMOTION

With the tremendous success of Louis Vuitton, the House has been able to employ some of the entertainment and fashion industry's most notable celebrities such as Jennifer Lopez, Kate Moss, Naomi Campbell, and Emma Stone to be featured as models in global campaigns. The brand also employs celebrities and influencers as brand ambassadors that routinely wear Louis Vuitton looks on the red carpet, attend events and fashion shows, and marketing in the form of paid social media posts. Some of the brand's diverse lineup of brand ambassadors include macro-influencers Emma Chamberlain and Charli D'Amelio, tennis champion, Naomi Osaka, actors Phoebe Dyvenor, Gemma Chan, Cynthia Erivo, Hyeon Jung, and Sophie Turner, singer Joe Jonas, and more. The House does not advertise on television, however, places a significant amount of advertising in newspapers, billboards, and fashion magazines. Louis Vuitton has performed extremely well on social media in recent years gaining 24 million followers on Facebook, 47.7 million followers on Instagram, and 940k YouTube subscribers. The House runs ads on Facebook and Instagram, in hopes of targeting a younger wave of consumers. The House promotes the handmade quality of its goods, the exclusivity of the brand, and the House's tradition of innovation. The main goal of Louis Vuitton promotions is not to sell a product but selling a lifestyle (Avada).



STRENGTHS

As a leading French conglomerate operating in the luxury goods industry, LVMH has created strong brand awareness across almost all its subsidiaries. Many Houses owned by LVMH have high levels of recognizability via logos, prints, and silhouettes. The Group makes an extensive amount of profit and maintains a broad product offering and diverse brand portfolios. A diverse portfolio of brands allows the creation of synergy across channels, a key differentiation between LVMH and some of its top competitors. LVMH sustains strict quality control across all its 75 brands and operates efficiently with its multi-brand strategy. The Group has also established a high level of brand loyalty among consumers. LVMH-owned products are very popular on the secondhand market, with resale prices of Louis Vuitton products averaging at 80% of retail value. Higher-tier products such as the Louis Vuitton Palm Springs Backpack, Pochette Accessories Handbag, and Eva Handbag have an average value retention of 125% (Rebag Clair Report 2021).

SWOT Analysis.

WEAKNESSES

The high-cost structure of LVMH-owned brands is an often-unavoidable weakness for luxury brands. As products in the luxury sector are positioned with prestige price points, operating costs are bound to rise. Therefore, revenue of the group may be impacted by the unaffordability of the luxury products the Group offers. Although thriving in the Fashion & Leather Goods sector, LVMH is considerably less apparent in the Jewelry & Watches sector compared to its competitor, Richemont.





OPPORTUNITIES

With the luxury fashion industry's current growth trajectory, there is no better time to be a leading player. The growing potential of the global market for luxury goods could be a great opportunity for luxury merchandise companies to capitalize on. There is also an immense opportunity for LVMH to continue growing its online sales channels. According to McKinsey, 60% of US consumers say they would be more likely to shop online if more retailers offered products from luxury brands. In the United States, department stores dominate the online luxury fashion market, yet LVMH-owned Louis Vuitton retails exclusively via its own channels. Brand-owned sites play a modest role when it comes to luxury shopping (McKinsey).

THREATS

The LVMH Group manages some of the leading luxury players in the industry. LVMH-owned Houses have high levels of desirability, which contributes to the increase of counterfeit products. Although counterfeits cannot imitate the luxury quality of LVMH-owned products, counterfeits create the threat of weakened brand associations and reliability. Another threat to the Houses of LVMH is the incredibly saturated luxury fashion market. The intensification of competition in the industry poses a great threat to LVMH, especially in emerging economies.



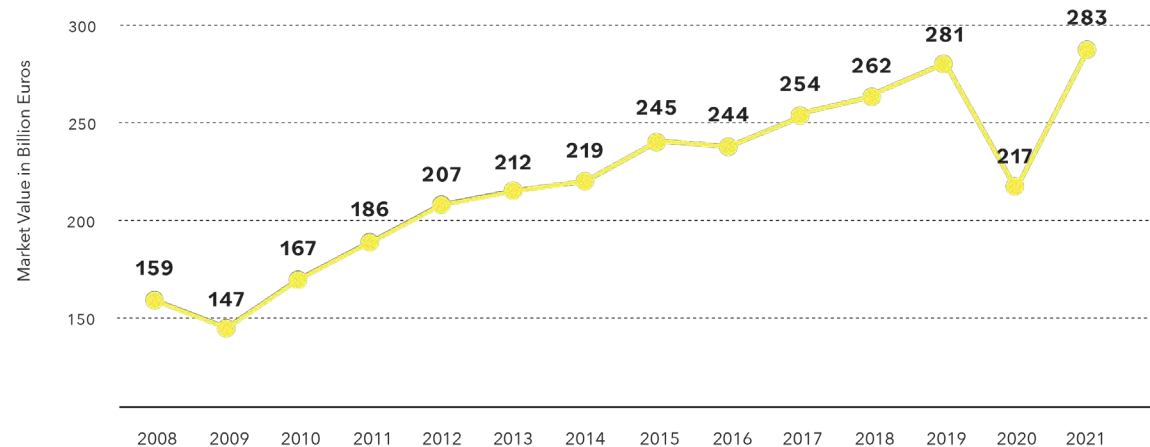
Luxury Fashion Industry.

→ MARKET OVERVIEW & MARKET SIZE

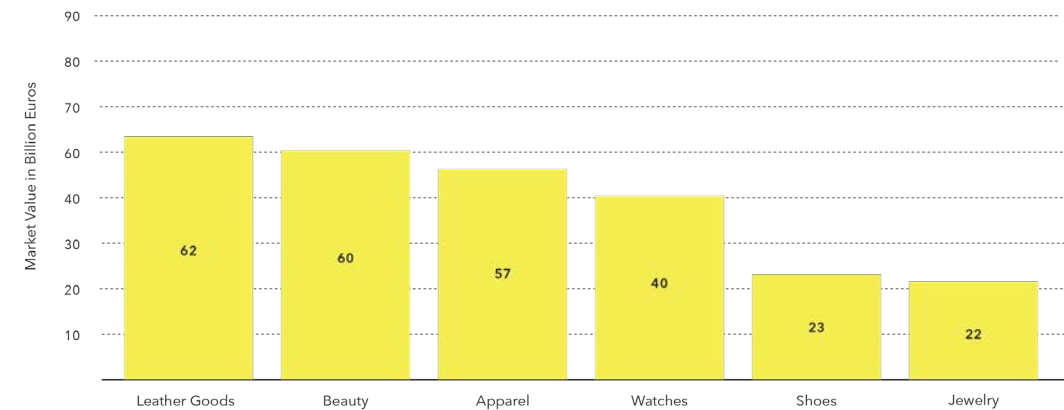
The personal luxury goods market was worth 283 billion euros in 2021. The Americas make up 31% of the market, followed by Europe (25%), China (21%), Japan (7%), the rest of Asia (11%) and the rest of the world with just 4% of the market share (Statista).

The leather goods category of the Personal Luxury Goods Market had a market value of 62 billion euros in 2021, followed by Beauty (60 billion euros), Apparel (57 billion euros), Watches (40 billion euros), Shoes (23 billion euros), and Jewelry (22 billion euros).

VALUE OF THE PERSONAL LUXURY GOODS MARKET WORLDWIDE FROM 2008 - 2021



PERSONAL LUXURY GOODS MARKET VALUE WORLDWIDE IN 2021, BY PRODUCT TYPE



Key Players.

LOUIS VUITTON

Louis Vuitton is a French fashion house and company founded in 1854 by Louis Vuitton in Paris, France. Louis Vuitton is owned by the parent company, LVMH and has been led by Chief Executive Officer, Michael Burke since December 2012. Originally known for its luxury travel trunks made of the finest quality leathers, the brand has transformed into one of the most valuable luxury brands worldwide, offering ready-to-wear, bags, shoes, leather goods, and accessories.

CHANEL

Chanel is a private French luxury fashion house founded in 1910 by Coco Chanel. The house focuses on ready-to-wear, leather goods, accessories, and more. Chanel is owned by Alain and Gérard Wertheimer, Leena Nair is the current global Chief Executive Officer, and Virginie Viard acts as Creative Director for the iconic luxury fashion house.



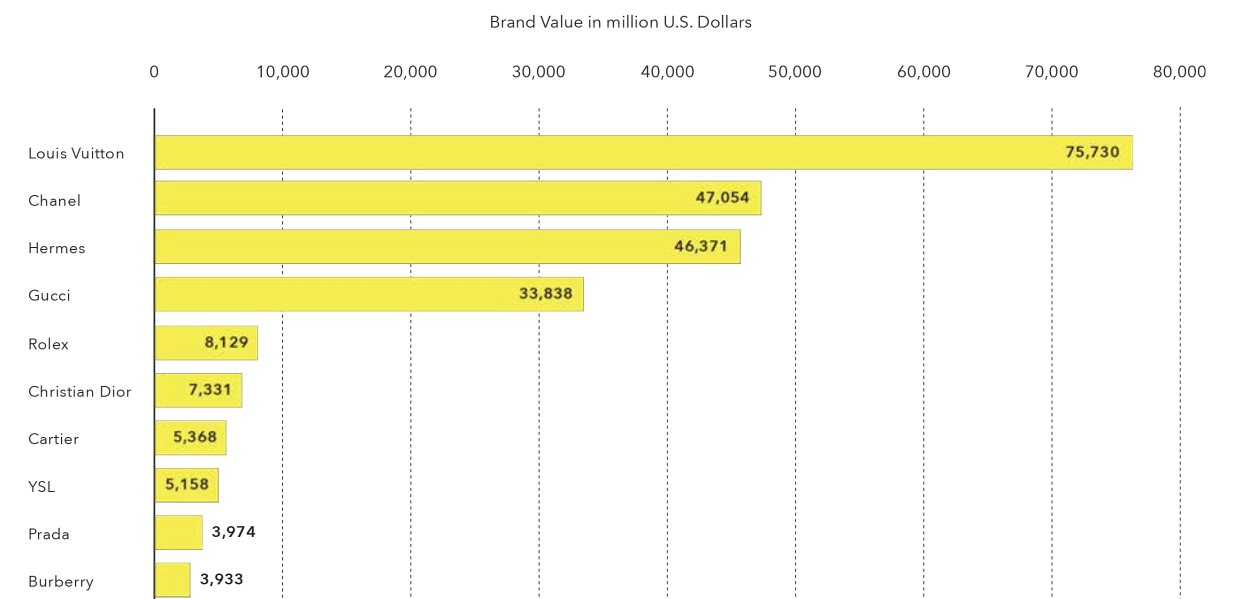
HERMÈS

Established in 1837 by Thierry Hermès, Hermès International S.A. (Hermès) is a French luxury design house specializing in leather goods, accessories, ready-to-wear, jewelry, watches, and more. Alex Dumas is the Executive Chairman of Hermès and Nadège Vanhee-Cybulski is the brand's current creative direction.

GUCCI

Gucci is an Italian luxury fashion house founded in 1921 by Guccio Gucci in Florence, Italy. Gucci's product lines include handbags, ready-to-wear, footwear, and accessories. Gucci is owned by the parent company, Kering and Marco Bizzarri has held the title of Chief Executive Officer since January 2015. Alessandro Michele is the current creative director of Gucci following designer, Tom Ford's 15-year stint.

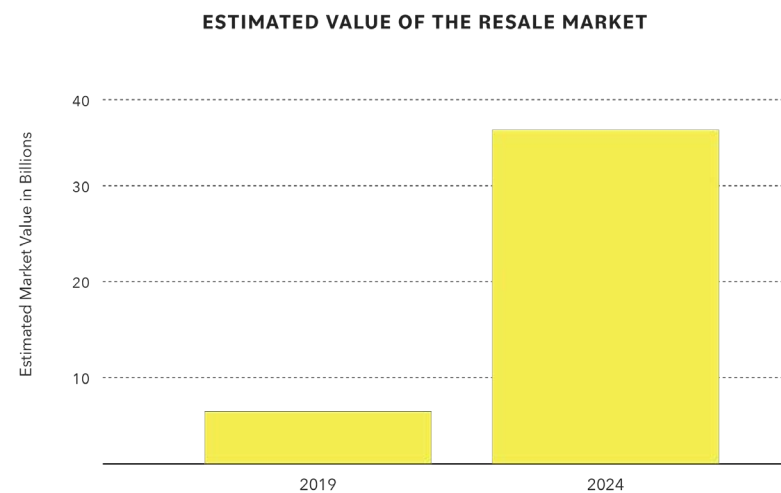
BRAND VALUE OF THE LEADING 10 MOST VALUABLE LUXURY BRANDS WORLDWIDE IN 2021



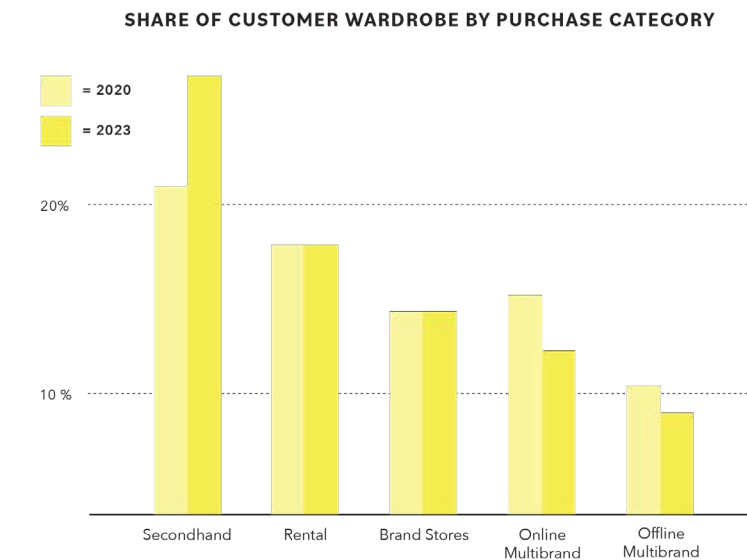
Secondhand Fashion Industry.

→ MARKET OVERVIEW & MARKET SIZE

A 2020 report by the Global Fashion Agenda and McKinsey found that the fashion industry’s greenhouse gas emissions, which already equal 10% of global emissions, are to rise by approximately a third, to 2.7 billion tons a year, by 2030. Therefore, consumers are becoming increasingly concerned with shopping sustainably and maintaining more circular closets. According to Vogue Business, luxury resale represents a \$24 billion market and is on track to hit \$36 billion in 2024. The circular economy is a major driver of luxury resale growth as well as younger affluent generations and their desire for more sustainability. Leading luxury resale marketplace, The Real Real reported financial results for its second quarter of 2021, showing yet another quarter of strong growth, with its highest quarterly gross merchandise volume (GMV) which increased 91% Y/Y and 53% compared to the same period in 2019 (The Real Real).



Since 2019, the most growth in sustainable practices has been in garment return and re-use. Luxury resale has been “a significant revenue opportunity that luxury labels cannot ignore.” “It’s not a niche market anymore; it is a mass-market experience,” said Anthony Marino, president of ThredUp. According to ThredUp, 42% of consumers plan to spend more on secondhand while only 26% plan to spend more on sustainably marketed new clothing. Luxury brands are increasingly looking to capitalize on this trend (ThredUp).



→ SEGMENTATION

The way people shop is changing, which is driving resale value up. Every demographic is ditching fast fashion to go circular. Millennials may be leading that charge, but every generation is increasingly swapping disposable fashion for more sustainable shopping. According to Vogue Business, more than half of sustainably minded consumers are between the ages 21-30 years old. A Boston Consulting Group survey of 7,000 individuals from six different countries has been used to identify six different consumer segments that primarily make up the secondhand market. Consumers that solely operate on the buying side of resale can either be considered Secondhand Trialists or Uniqueness Seekers. Those who intend to buy and sell on resale platforms may be considered Impulsive Sophisticates, Trendy Millennials, and Sustainability Adeptes. Those who only sell on the platform will be considered Amateur Merchants (Boston Consulting Group).



Key Players.

The RealReal

The Real Real Inc. is an online and brick-and-mortar marketplace founded in 2011. It is the world's largest resource for authenticated luxury resale (The Real Real). The platform offers authenticated luxury consignment including clothing, fine jewelry, watches, fine art, and most recently, home décor. The Real Real allows consumers to buy and sell luxury goods from thousands of different brands. The platform has over 25 million shoppers with over 23 million items sold. The Real Real has 19 retail locations and over 80 brand partnerships including collaborations with Gucci, Alexander McQueen, and Stella McCartney.

Vestiaire Collective

Vestiaire Collective is a leading global app for desirable pre-loved fashion. The peer-to-peer marketplace was founded in 2009 and has an inventory of over 2 million items that includes 120,000 new listings every week. Vestiaire Collective has an online community of over 3 million buyers/sellers and has recently acquired Tradesy, a US pioneer in the fashion resale industry.

REBAG

Founded in 2014, Rebag is a marketplace that operates online and in stores for buying and selling the most coveted designer handbags, watches, jewelry, and accessories. The Rebag inventory includes over 50 luxury brands and tens of thousands of items to shop. Consumers can sell their luxury goods for upfront payment or for store credit worth 25% more than their cash offer.

KERING X VESTIAIRE COLLECTIVE

On March 1st, 2021, Kering acquired a 5% stake in Vestiaire Collective for \$215 million USD, which pushed Vestiaire Collective's valuation above \$1 billion USD for the very first time. The investment was made at the "group level," meaning Kering's houses are under no obligation to partner with Vestiaire, however it is unlikely they would choose to ignore this opportunity. Grégory Boutté, Kering's chief client and digital officer, predicted that in the next 5-10 years, every luxury brand will need to have a take-back scheme, whether in partnership with Vestiaire Collective or fully in-house.

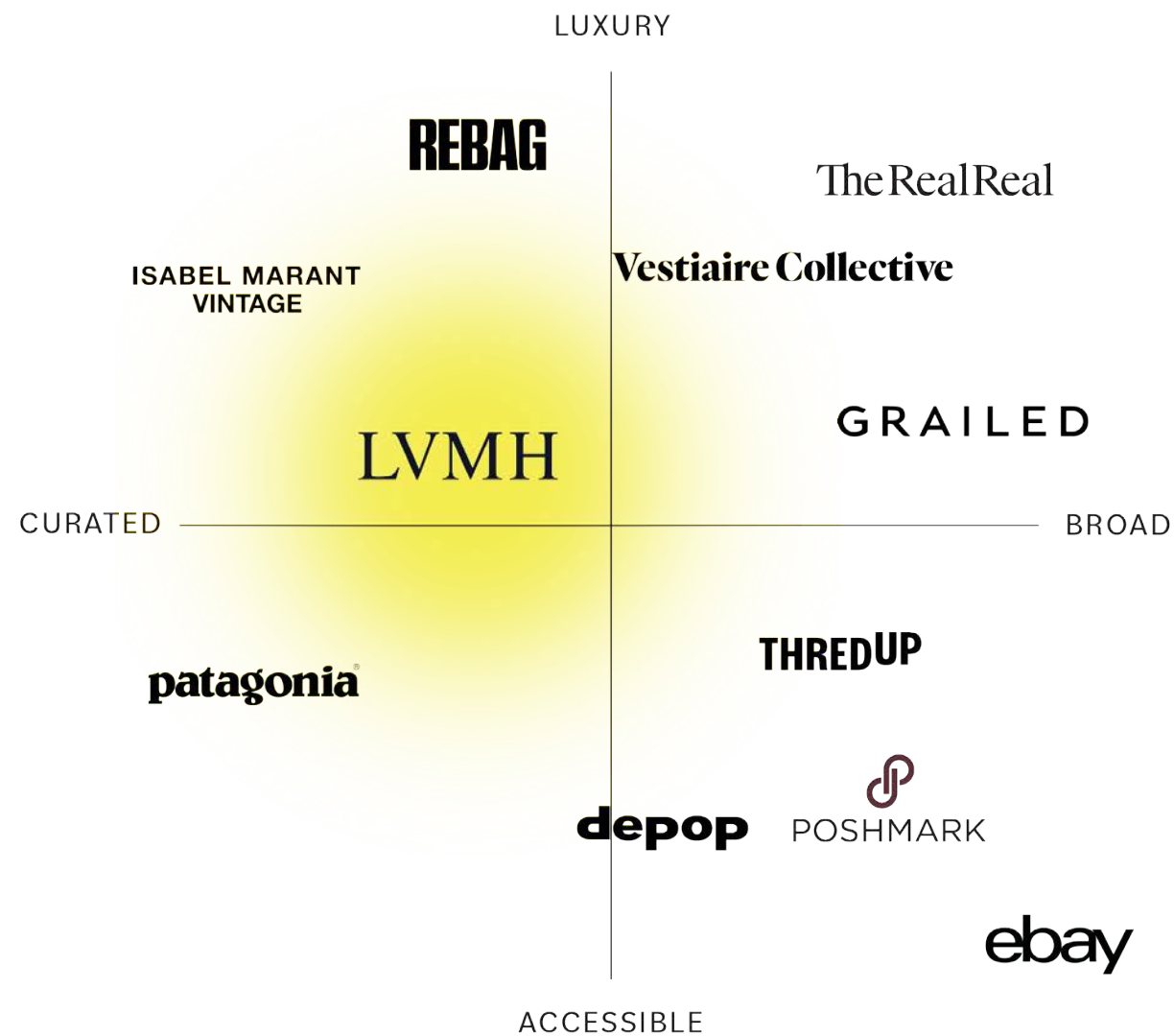
RICHEMONT X WATCHFINDER

The rival luxury conglomerate Richemont made a first move in the luxury resale space with the acquisition of the secondhand online luxury watch retailer Watchfinder for 230 million euros in 2018 (Thomas. Chauvet, Citi Analyst). Over the past few years, Richemont has been buying back high-end watches from third-party distributors to ensure that nothing is discounted or lost into the gray market. Owning a site such as Watchfinder will allow Richemont to exert a high level of control over a whole new segment on the secondhand sales chain.



Key Trends.

ONLINE FASHION RESALE DESTINATIONS



→ SOCIAL

A current trend in the luxury resale market is adding social elements to the platforms. Lower-end fashion resale marketplaces like Depop and Poshmark are already implementing these features into their frameworks for buyers and sellers to interact and share experiences. CEO of Vestiaire Collective, Max Bittner has stated that one of the biggest aspects of Vestiaire Collective's future will be building upon the idea that it is not just an e-commerce website, but an inspiring community of buyers and sellers (Fashion United).

→ UPCYCLING

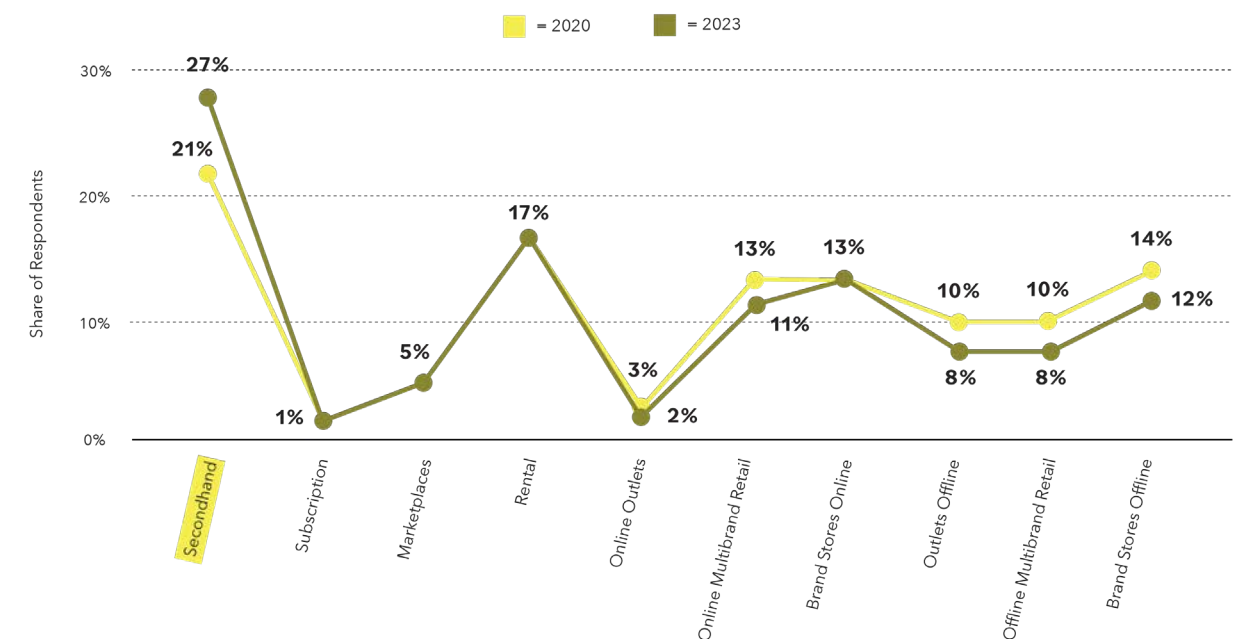
Upcycling is another trend making its way into the fashion resale market. Upcycling is defined as "reuse (discarded objects or material) in such a way as to create a product of higher quality or value than the original" (Oxford Languages). The Real Real is one of the first players to begin offering exclusive upcycled collections within its vast inventory. Through the new program by The Real Real, ReCollection, consumers can shop one-of-a-kind pieces from designers like Balenciaga that are made completely of scrap material. The mission of ReCollection is to keep more clothing out of the waste stream by transforming damaged or distressed garments into new luxury pieces. Sustainability-focused designers like Phoebe English and Gabriela Hearst have already begun including scrap material in some of their recent collections, aiding the more mainstream traction the trend has gained in recent months (Cernansky, Vogue Business).

Luxury Resale Market.

Already representing a \$24 billion market today, luxury resale continues to make headlines. Whereas the secondhand clothing industry was once associated with limited economic means and product inferiority, the demand for secondhand clothing, especially for luxury goods is on the rise (Winakor). The rise of the circular economy as well as younger affluent generations' desires for sustainability have contributed greatly to this market opportunity.

A consumer survey conducted by the Boston Consulting Group and Vestiaire Collective conducted in six countries (United States, France, Spain, Italy, Germany, and the United Kingdom) found that the wardrobe of one in five respondents consisted of secondhand fashion purchases. That same study shows that this share will continue to increase from 21% in 2020 to 27% in 2023. While authenticated luxury resale marketplaces like The Real Real and Vestiaire Collective have dominated the market, luxury resale has become “a significant revenue opportunity that luxury labels cannot ignore,” which has encouraged luxury brands and conglomerates to create a resale model in-house (Vogue Business).

FASHION PURCHASES OF CONSUMERS IN 2020, WITH A FORECAST FOR 2023, BY CHANNEL

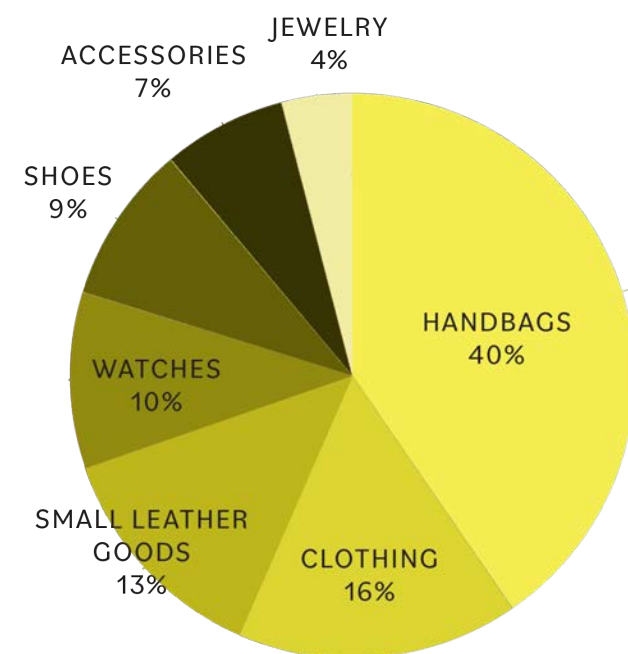


→ PRODUCTS

The luxury resale market is made up of online and brick-and-mortar marketplaces that buy, sell, and trade pre-owned luxury handbags, shoes, accessories, ready-to-wear, couture, and more. Although secondhand luxury products have been previously owned, they are certainly not outdated, with 62% of goods sold on luxury resale platforms being either unworn or barely used (Boston Consulting Group). Many of brands' most iconic products may even gain "vintage value" over time (Turunen).

In 2018, handbags made up 40% of the luxury resale market, followed by 16% clothing, and 13% small leather goods, all categories with signs pointing towards to continued growth of luxury womenswear. In 2021, the category mix of The Real Real's inventory was comprised of 65% women's category mix, 25% jewelry & watches, 8% men's category mix, and 2% home, art & other mix (The Real Real).

SHARE OF CONSUMER LUXURY SECONDHAND PURCHASES WORLDWIDE IN 2018



→ SERVICES

Online luxury resale marketplaces attract consumers with their wide ranges of unique products and the convenient services they offer. Platforms utilize services like scheduled UPS pick up, storage of goods, repair and refurbishment, complimentary appraisal, professional product photography, and more. To better serve varying consumer needs, brands will need to find special ways to appeal to the different client segments that make up the booming luxury resale market. Collectors of rare, hard-to-find pieces may be searching for a platform that organizes the market more efficiently for them (McKinsey). Brands could even come up with ways to entice consumers only interested in buying new products, by creating a system that motivates them to sell on their platform. As always with secondhand, authentication guarantees are a must, as consumers want to ensure the product they are purchasing is expertly authenticated.



→ PRICING

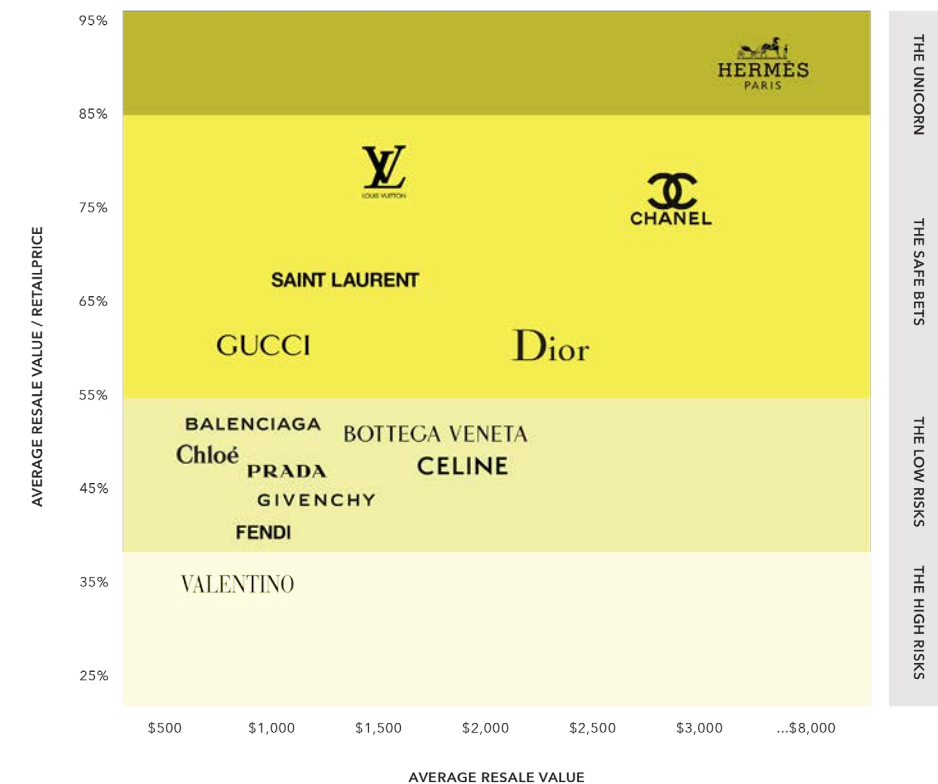
By using a combination of artificial and human intelligence, luxury resale brands are able to price items accurately in a category where prices are always changing. As many consumers treat their luxury purchases as financial investments, it is important that resale brands price their inventories as accurately as possible. For most resale platforms, there are two aspects of pricing – what price the marketplace offers the seller for their product, and the price the product will sell for on the platform.

Leading luxury consignment marketplace, Rebag has developed a transparent pricing strategy with their launch of Clair (Comprehensive Luxury Appraisal Index for Resale). Clair is a digital tool that consumers can use to check the current resale price of their product instantly, right on the app. Rebag will then offer to pay the quoted amount if the consumer decides to sell. Whereas some marketplaces like Rebag offer payments to sellers up front, some companies offer store credit instead.



When it comes to luxury resale, many iconic styles or vintage pieces sell for higher than their original values. Prices for Louis Vuitton products have been on the rise according to Rebag’s 2021 Clair Report. This can be attributed to the House’s several price increases throughout the 2020 – at 3% and then another 5%. Some styles, like the Louis Vuitton Coussin bag sells for up to 175% of retail price on The Real Real (Vogue Business). Rebag’s 2021 Clair Report shows that brands like Louis Vuitton, Chanel, and Bottega Veneta are “retaining more of their retail value now, as compared to previous year.” Of course, the condition of a product can alter its price. Many marketplaces use descriptors such as “Good,” “Very Good,” “Excellent,” and “New” to categorize the condition of each product (Rebag Clair Report).

RESALE VALUE & CATEGORIZATIONS OF LUXURY BRANDS



→ DISTRIBUTION

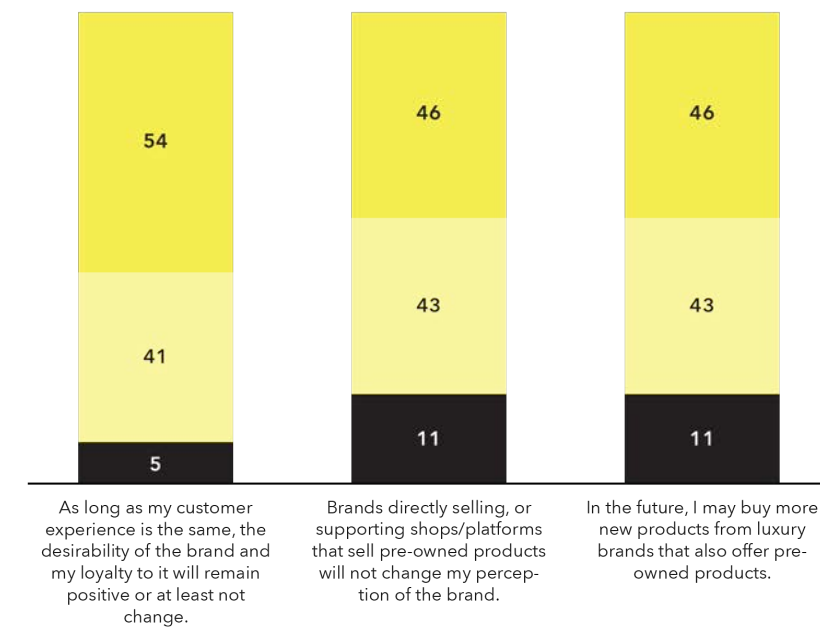
Secondhand luxury shopping all began with brick-and-mortar stores such as consignment and vintage storefronts. Research shows that secondhand shopping in physical stores is an exciting exploration, as consumers have no way of knowing exactly what the store is carrying at that time. “Strolling around vintage stores was regarded as entertainment and an inspirational search, while online platforms are mainly used for task-oriented purchasing” (Turunen). While the trade of secondhand purchasing is still mainly off-line, online platforms like The Real Real, Vestiaire Collective, and Rebag are growing at a much faster rate. Online resellers are driving the growth of the luxury resale market as “specialized digital platforms for trading pre-used goods, make up a 25-30% market share, and are driving much of the sector’s growth with a predicted expansion of 20-30% per year” (McKinsey & Company).

→ PROMOTION

With such a committed consumer base, many high-profile companies like Gucci, Richemont, and Kering are all partnering with or investing in luxury resale platforms. However, according to McKinsey, the promotional efforts of these partnerships and investments are currently lacking, failing to provide consumers with something that they haven’t already found out themselves. Current promotional efforts among luxury resale brands are missing the mark, with consumers “mostly unaware of luxury resale partnerships.” Promotions can act as key tools to gain brand awareness among existing luxury resale consumers as well as helping acquire new ones, with resale acting as a gateway to luxury brands. The secondhand market allows aspirational consumers to interact with luxury brands and products even when they don’t have the means to shop the primary luxury market just yet. The secondhand market can act as a “recruiting mechanism” for luxury brands (Beauloye, Luxe Digital).

PROMOTIONAL IMPACT ON BRAND PERCEPTION

■ = Disagree ■ = Neutral ■ = Agree



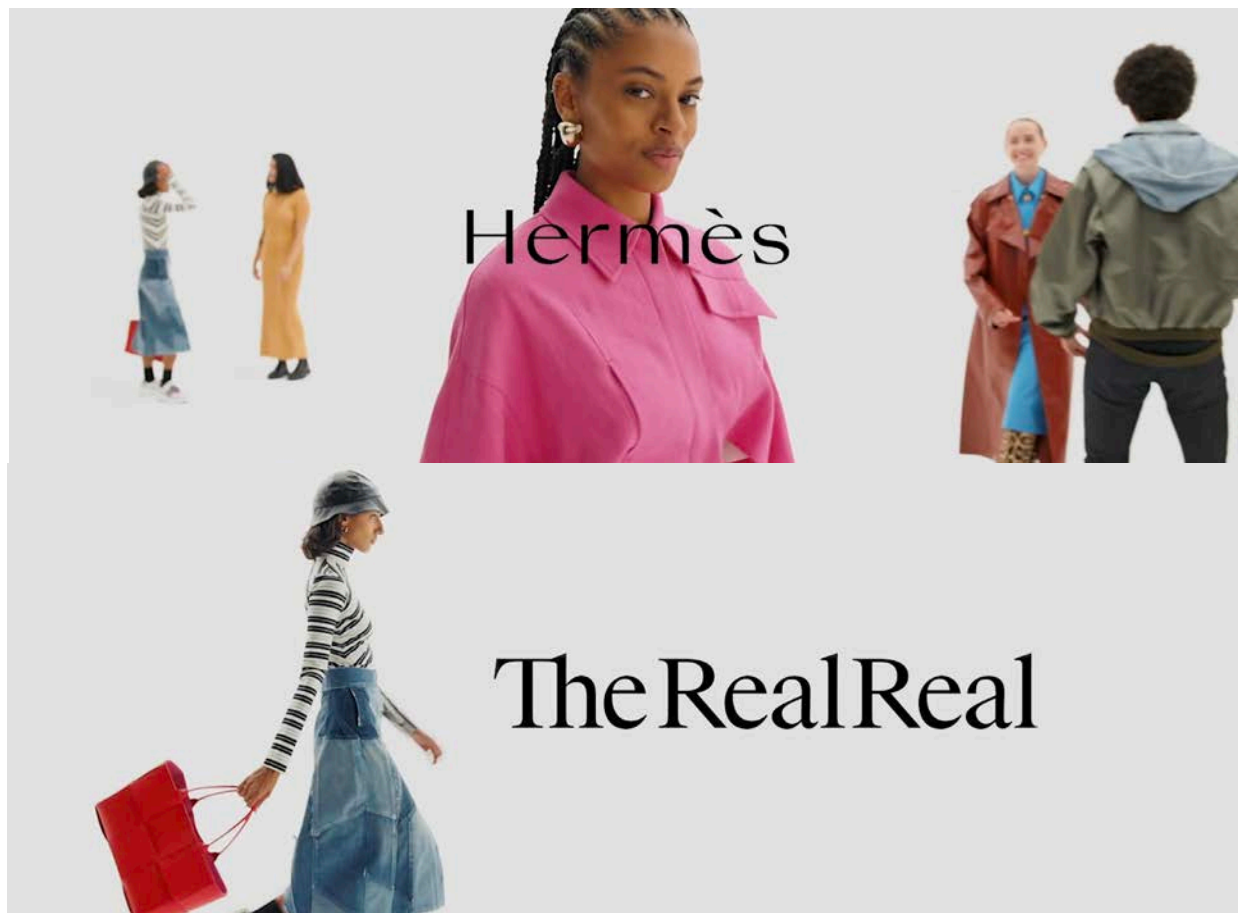
→ SALES

The luxury resale market already represents a \$24 billion market today and is set to hit \$57 billion 2025. Leading luxury resale player, The Real Real, has consistently reported strong financial results. In 2021’s fourth quarter, The Real Real’s total revenue was \$145 million, an increase of 67% compared to the same period in 2020. GMV was \$437 million which increased 45% from the year prior. By the end of 2021, The Real Real had 797,000 active buyers whose average order value was \$508 (The Real Real). The abundance of strong financial results has contributed to the surge of new brands entering the resale market. Over 50 companies have either entered or invested in resale, including luxury brands like Gucci, Burberry, and Stella McCartney as well as mass market brands like Levi’s and H&M, and luxury retailer, Nordstrom (McKinsey & Company).

Advertising.

→ THE REAL REAL

Leading luxury resale marketplace, The Real Real, uses a consistent marketing approach in terms of branding and distribution. The Real Real's short, informative commercials can be seen on streaming platforms like YouTube TV and Hulu, directing the viewers to their site with a discount code. The company also uses social media and influencer marketing to spread awareness. The Real Real is very active on their social media channels, offering their followers styling videos, behind-the-scenes of their storefronts, Q&A's, exclusive drops and more.



→ VESTIAIRE COLLECTIVE

Vestiaire Collective's "Long Live Fashion" campaign is the marketplace's most recent campaign that consisted of a fashion film which mimicked a Fashion Week runway, the creation of brand characters, and promotional print collateral. This promotional campaign features a group of puppets, each with different styles and personalities, walking down the runway. These puppets are wearing pre-loved fashion, and the puppets themselves are made from recycled materials. Personas of these characters include Miss Classique, whose look never goes out of style, Rich, who is an avid seller of luxury goods, and Lady Green, the rebel with a cause (sustainability). This campaign does a great job highlighting every pillar of resale platforms, as well as both buying and selling roles of consumers.



Luxury Resale Consumer.

Buyers.

The luxury resale buyer is a multifaceted, knowledgeable, and socially aware individual. Luxury resale consumers are uniquely positioned at the intersection of luxury and sustainability; they are fashion connoisseurs that prefer to shop from brands that align with their personal values. Luxury resale platforms have very sophisticated consumers, with many knowing the value of a product before they even see the price. Therefore, consumers may lack platform loyalty, as they can shop around on other platforms in hopes to get the best price possible. Quality is one of the most important factors in their lives. They believe in high-quality friendships and relationships, they produce high-quality work, and they shop for high-quality clothes. This consumer cannot be defined as a single gender, age group, or geographic location. What binds these consumers is their level of knowledge and their own personal values.

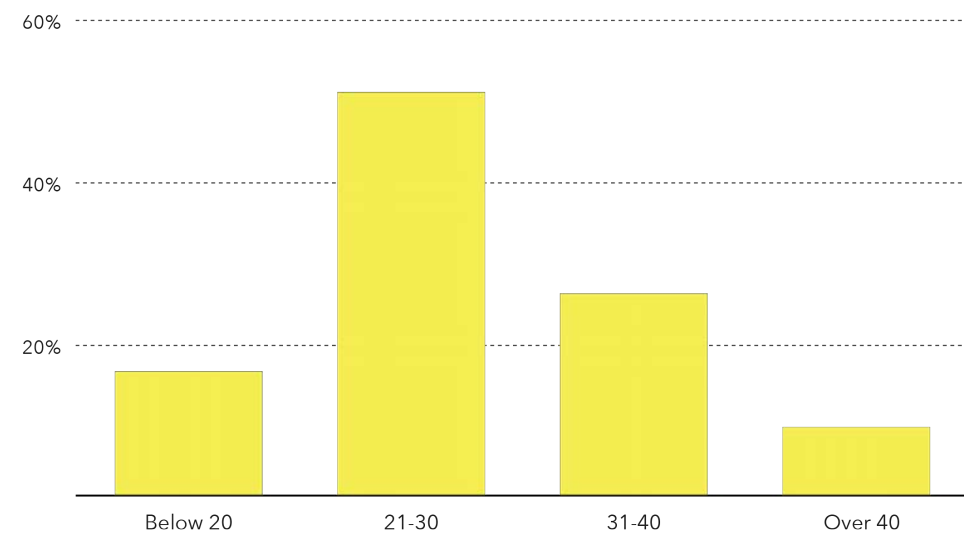
→ DEMOGRAPHICS

- 18-35 years old
- Mostly female
- European or American
- White/Black/Asian/Latinx/Hispanic
- Mid-high income
- Married/partnership/single
- College educated
- City dwellers

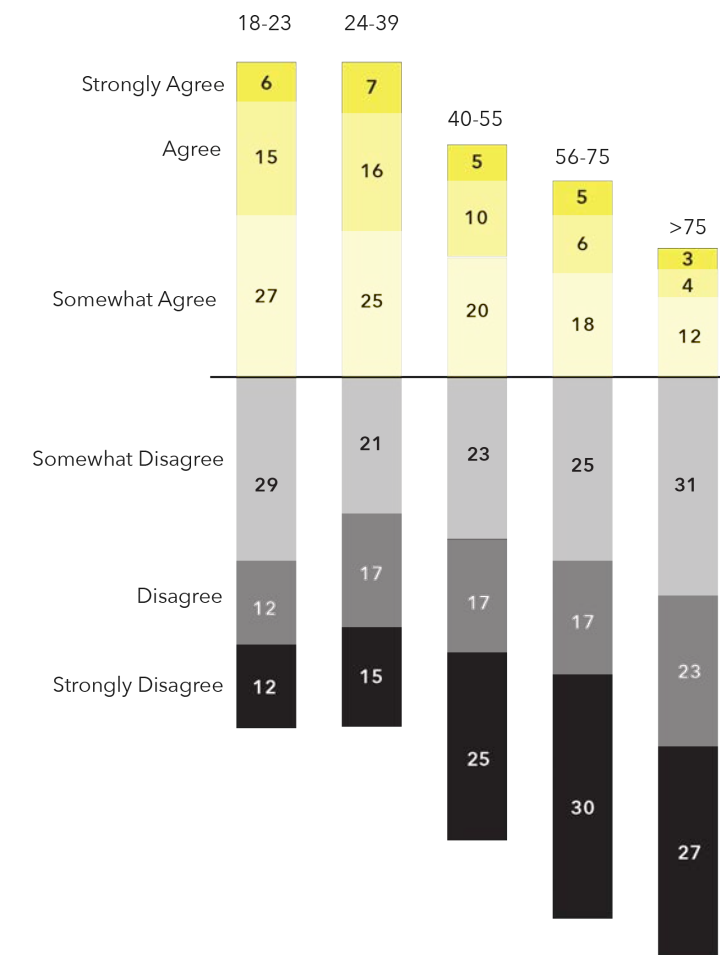
According to Vogue Business, more than half of sustainably minded consumers are between ages 21-30 years old. The Real Real's 2021 State of Resale report shows that the greatest growth among buyers and sellers was among Gen Z consumers. The number of Gen Z buyers raised by 33% YoY and the number of Gen Z sellers increased by a total of 86% YoY. As younger consumers begin to embrace forms of investment such as crypto and NFTs, they are now also looking at luxury goods. Gen Z's existing affinity for secondhand shopping via Depop or Poshmark is now being translated into luxury goods.

Christine Barton, Managing Director and senior partner at Boston Consulting Group states that, "instead of just buying luxury icons and holding them in their closet, the Millennial generation is turning those over and using the dollars they get from that to reinvest in other luxury items" (Boston Consulting Group). It was also shown by a McKinsey & Company survey that around 50% of Gen Z and Millennial consumers expect to purchase more secondhand items post-pandemic, more than any other generation.

AGE OF SUSTAINABLY MINDED CONSUMERS



INTENT TO BUY MORE SECONDHAND FASHION POST-PANDEMIC



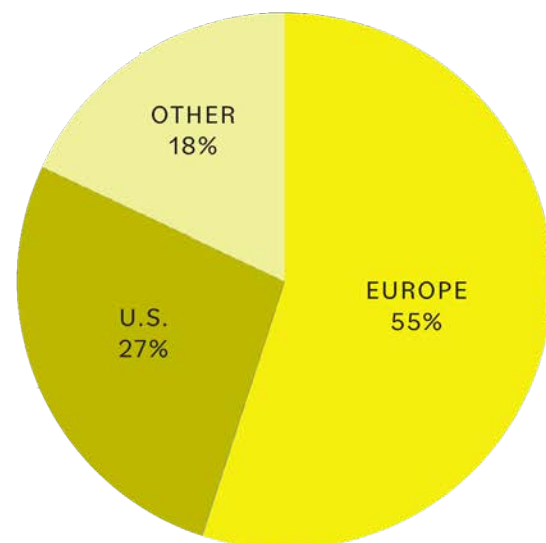
→ LOCATION

The luxury resale consumer is most likely to live in Europe or the United States. According to Statista, the secondhand personal luxury goods market was made up of 55% European consumers, and 27% American Consumers in 2019. 18% of the market lives in other territories, with the Chinese market quickly growing.

→ INCOME

Economic factors such as income greatly influence consumer spending on clothing, especially from luxury brands. As a consumer's income increases, the demand to buy clothing subsequently increases as well. According to a study from the Journal of Fashion Marketing and Management, most luxury resale consumers make between \$25,000-\$100,000 per year. 15.71% of consumers make less than \$25,000 per year, 36.73% of consumers make between \$25,000-\$54,999, 35.88% of consumers make between \$55,000-\$99,999, and 11.68% make over \$100,000 per year. When it comes to education, almost half (45.85%) of the surveyed consumers have a college degree, 24.42% of consumers solely have a high school degree, and 13.8% have master's degrees.

SECONDHAND PERSONAL LUXURY GOODS MARKET IN 2019, BY REGION



→ PSYCHOGRAPHICS

- Fast-paced lifestyle
- Always in-the-know
- Strong social life
- High social media engagement
- Trendy fashion style
- Knowledgeable about brands
- Sustainability-focused
- Values are important to them

This consumer lives a fast-paced, city lifestyle. They have a successful professional life, which allows them to live in a spacious apartment with large windows. Although work-life balance can sometimes be compromised, this consumer maintains a social life as they frequent social and professional events around their city. This consumer prioritizes fashion and always looks put together; their second bedroom has even been converted into a walk-in closet. Social media is a big part of their life as that is where they consume most of their news, fashion trends, updates from their favorite brands, and correspondence with friends abroad. This consumer is also active on their own accounts, posting outfit photos, photos with friends, etc.

LIFESTYLE

This consumer is an early riser and has a to-do list already made for the day ahead. They are a hard worker, which has contributed to their professional success at a young age. They work in a role that has them on move all day instead of being cooped up at the office. After work, they socialize with friends or work-related events. Her favorite pastimes include trying new restaurants and cafes, hosting dinner parties with her friends, and taking her dog to the dog park. This consumer's style is very classic, commonly seen wearing any combination of a cashmere sweater, t-shirt, blazer, and jeans. They dress up these staple outfits with eye-catching handbags, shoes, and accessories. This consumer is very knowledgeable about brands and prefers to shop for brands that align with their values. Sustainability is very important to them, and they try to shop sustainable brands, vintage stores, or resale platforms whenever possible. They are comfortable purchasing pieces they really love right away but will research a product for at least a few weeks if it is a larger investment. This consumer does research on many brands, and they especially love recommending a service or brand to friends and coworkers.



Although similar in values and goals, there is no one way to categorize the luxury resale consumer. A study conducted by the International Journal of Consumer Studies has been used to categorize the shopping preferences of luxury resale consumers into 9 different consumer types. Despite these consumers shopping on the same (or similar) platforms, their shopping habits vary greatly (Turunen and Pöyry).

SHOPPING STYLE

SHOPPING STYLE	QUOTES EXEMPLIFYING THE DIMENSION
High-quality Consciousness	"Previously used handbags show the actual level of quality and craftsmanship of the whole brand. I think it is the real test of time." "Besides the wear and tear that makes the product unique, the used condition also shows how the product ages. To my mind, it unveils the quality of the materials."
Brand Consciousness	"You can see the real value of the brand from the price of its secondhand products."
Fashion Consciousness	"Exploring secondhand and vintage stores opens a door to the past and the future." "Iconic brands appeal to me the most as they basically never go out of fashion."
Recreational Shopping Consciousness	"I enjoy treasure hunting. There is more excitement when all products are one-of-a-kind." "Finding the perfect match is kind of the 'beef' of the process. That is why I shop secondhand."
Price-per-quality Consciousness	"Good price-quality relationship motivates my decision-making; the product should be in good condition and priced accordingly." "Buying previously used is a better value for the money. I don't need to pay for the brand; it is just the product's utility and functionality."
Impulsiveness	"The biggest pain point is that there is only one piece available." "If the bag purchase is a mistake, I can always sell it later."
Brand-loyal Orientation	"The only right way to buy Louis Vuitton is previously used. That brand I would not buy as brand-new." "When I buy online, I use VC (Vestiaire Collective, an online platform). They have authentication services, a good platform and international offerings."
Confusion from lack of Choice	"The most frustrating aspect of secondhand shopping is finding the perfect treasure but in the wrong size." "You need a different attitude when shopping secondhand. You need to know more precisely what you are looking for because there is no one curating the offerings for you. You can find anything or nothing."
Resale Value Consciousness	"I am a happy owner now but I believe I will sell this later when I get bored or find something even better. I hope I will get my money back and even with some interest on my 'investment'." "As prices are constantly rising among luxury brands, it feels as if I am making money by consuming, purchasing, owning and later selling secondhand luxury brands."

Shopping Style.

→ PREFERENCES OF LUXURY RESALE CONSUMERS

- Consumers that fall into the **HIGH-QUALITY CONSCIOUSNESS** category appreciate shopping secondhand because they can find high-quality products that last a lifetime, compared to fast fashion alternatives that may fall apart in very few wears or washes.
- Consumers considered **BRAND CONSCIOUS** are brand loyalists that consider resale platforms as equal to traditional retailers. These consumers treat secondhand as just another channel “among others to gain access to the pieces they want.”
- **FASHION CONSCIOUS** consumers are very in-the-know about the value of luxury products and certain brands. They see resale platforms and vintage stores as “treasuries, a place to reinvent fashion and create new combinations” with all different kinds of products that no one, or very few people have.
- Consumers that make up the **RECREATIONAL SHOPPING CONSCIOUSNESS** category treat secondhand shopping as a leisure activity, bonding activity, or treasure hunt. They spend a lot of time in vintage stores or on resale platforms as entertainment, not necessarily buying something each time.
- **PRICE-PER-QUALITY CONSCIOUS** consumers are aware of the value behind their purchases, knowing that secondhand can sometimes be a better value to them. They are often bargain hunting and shopping secondhand as the lower prices for higher quality is very appealing to them.
- Consumers in the **IMPULSIVENESS** category are quick decision makers. These consumers purchase impulsively, justifying their purchases knowing they could sell the product forward just as easily.

- Those with a **BRAND-LOYAL** orientation are loyal to their favorite brands and find an added value in shopping secondhand products due to the heritage and craftsmanship of vintage products. These consumers will hunt for the product they are seeking for years if they must, waiting until the perfect piece comes along.
- Consumers in the **CONFUSION FROM LACK OF CHOICE** category are infrequent shoppers because they often experience the inconveniences that comes with shopping secondhand. Although they do not shop secondhand as frequently as other consumer types, these consumers may not be able to find their size, the right color, or within the price range they have in mind, until ultimately closing out of the app.
- An emerging consumer type, the **RESALE VALUE CONSCIOUS** consumer is very knowledgeable about their favorite brands, the price of their products, and the resale value of those products. These consumers treat secondhand purchases as investments, with the hopes of one day reselling their product for a higher value than they paid for (Turunen and Pöyry).



→ MOTIVATIONS

Motivations to shop secondhand vary from consumer to consumer. 41% of respondents of a 2021 McKinsey & Company survey stated that buying pre-owned goods gives them access to hard-to-find products and pieces that are no longer available for purchase on the market brand new. 40% of respondents claimed that they buy secondhand goods because it is more sustainable than shopping brand new. 35% of respondents claim to prioritize secondhand shopping due to the affordability of consigned products.

Entering the resale market allows brands to create a positive impact on brand loyalty and desirability among new-product buyers (McKinsey). It is said that younger buyers such as Gen Z and Millennials are much more willing to purchase a used product over older generations like Gen X. The post-pandemic consumer is 43% more likely to care about the quality of their clothing than before the pandemic, therefore they are more apt to purchase a higher quality product secondhand than a brand-new product of lower quality (ThredUp, 2021 Resale Report).

TRR CUSTOMERS' MOTIVATIONS TO SHOP



Sustainability/
Environmental
Impact

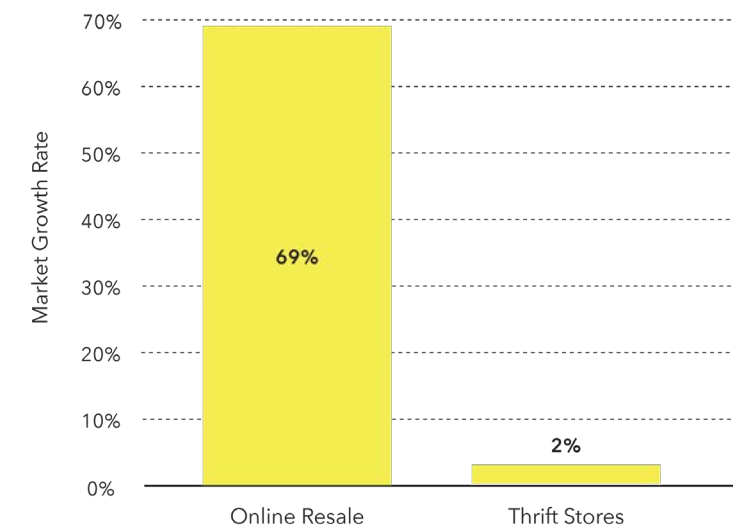


Extend the Cycle of
.Luxury Items.



More motivated by
sustainability if they are
under 45.

APPAREL RESALE MARKET GROWTH RATE
BETWEEN 2019 AND 2021, BY RETAIL CHANNEL



→ WHERE THEY SHOP

When it comes to luxury resale, preferences from target consumers are shifting mainly toward online consumption. Marketplaces like The Real Real and Rebag are some of this consumer's most frequented mobile apps, and they scroll through their social media channels frequently to see new items. When it comes to physical storefronts, this consumer much prefers a curated vintage shop over a large department store. Although brick-and-mortar stores once represented the entire secondhand market, online resale rose at a 69% growth rate between 2019 and 2021, whereas thrift stores only grew by 2%. This consumer still enjoys visiting curated vintage stores and luxury consignment shops on weekends or whilst traveling.

Sellers.

The second consumer base that will make up the LVMH Resale App will be the sellers who consign their luxury goods for cash or store credit on the platform. Most of the platform's inventory will be made up of consigned products from these sellers.

→ DEMOGRAPHICS

- 30-60 years old
- Mostly female
- European or American
- White/Black/Asian/Latinx/Hispanic
- High income
- Married/partnership/single
- College educated
- Cities or suburban areas

→ AGE

The bulk of luxury resellers are aged from 35-60 years old, ranging from the Millennial, Gen X, and Baby Boomer generations. These consumers make up much of the luxury consignment market because they are the owners of rare luxury goods from past generations that are considered highly coveted by Gen Z and Millennial buyers. While certain stigmas around secondhand consumption still circulate among older generations, those who are considered luxury resellers, may sell their older pieces to make room for new purchases on the primary market.

→ LOCATION

The luxury reseller is also most likely to live in the United States or Europe, residing in small or large cities, or wealthy suburban areas outside of major cities.

→ INCOME

Luxury resellers are considered wealthy or affluent, ideally owning many luxury products to sell. Luxury consignors may be well-established in their careers or retired after a successful stint in their industry. Therefore, these resellers have a lot of disposable income in order to maintain and update their wardrobes as they please.

→ PSYCHOGRAPHICS

- Social lifestyle
- Politically and socially aware
- Well-connected
- Some social media engagement
- Signature fashion style
- Knowledgeable about brands
- Luxury-fluent
- Values are important to them



LIFESTYLE

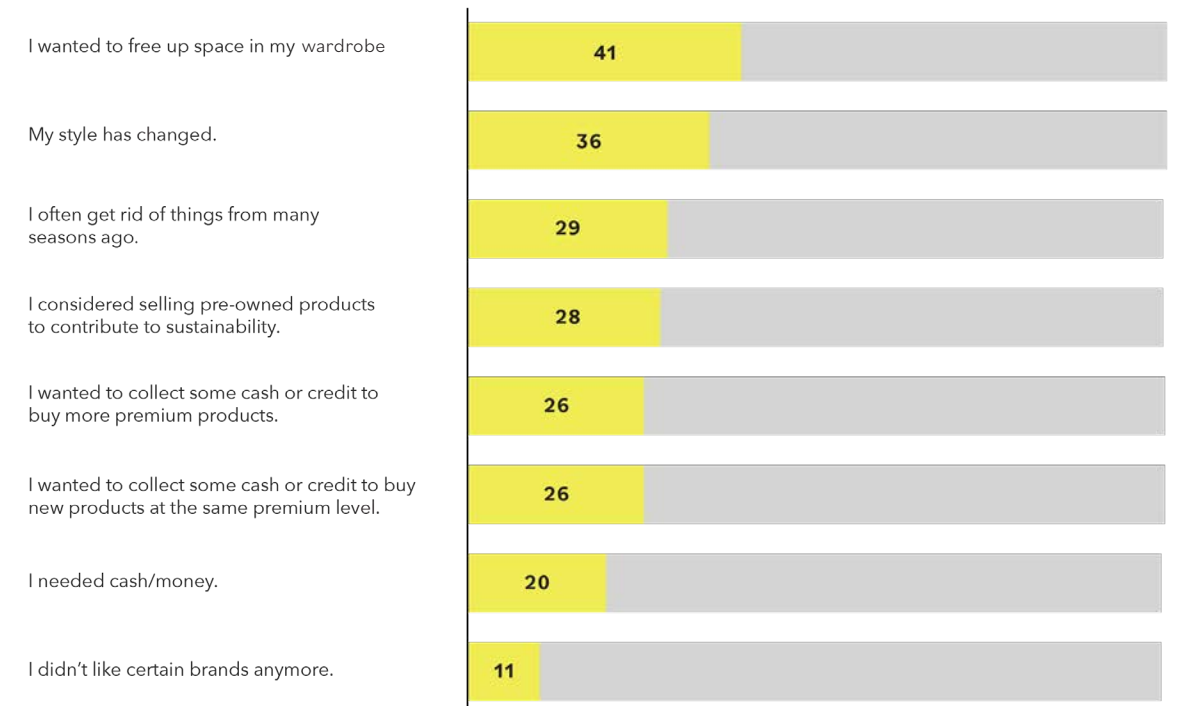
Luxury resellers are likely established in their careers, C-suite executives, or retired. This consumer is surrounded by luxury, but do not always show it. This consumer's favorite pastimes include dinner parties and social events, fundraisers, and traveling. This consumer shops frequently, especially whilst overseas. This consumer has their own signature style, and has a vast collection of accessories. This user is most likely to interact with physical aspects of shopping like brick-and-mortar stores, fashion magazines, or newspapers, but will utilize the mobile app when she's on-the-go.

MOTIVATIONS

The motivations for luxury resellers to sell their goods varies, although the most reported response among consumers of a McKinsey & Company survey was the intention to free up space in their wardrobe, or that their style has simply changed. Other motivations to sell include getting rid of products from old seasons, sustainability factors, and the intent to sell in order to purchase new goods on the primary luxury market.



MOST FREQUENT REASONS TO SELL PRE-OWNED PRODUCTS



Primary Research Findings.



BoF Live.

A portion of my primary research included attending a Business of Fashion LIVE event titled “Resale’s Greatest Challenge.” BoF Correspondent, Cathaleen Chen, and Director of Research & Analysis, Diana Lee, met for a conversation via Zoom with BoF Chief Correspondent, Lauren Sherman, to discuss profitability tactics among resale platforms as well as the overall future of fashion resale.

OBJECTIVE: To gain insight from the perspectives of industry analysts and experts on the current state of the resale market and where it’s going. Unlock industry trends that may be incorporated into the strategy and framework of this thesis.

WHEN: Thursday, April 7th, 2022

LIMITATIONS: The panel was just an hour long, therefore there was limited time for questions from the attendees.

→ FINDINGS

- The fashion resale market is currently slated at \$130 billion USD, with the United States making up most of that market at \$27 billion USD.
- Now that many resale companies are entering their second decade of business, platforms like The Real Real, Vestiaire Collective, and ThredUp are now exiting their start-up stage and are now looking to crack the profitability puzzle.
- There have not been many advancements in the very expensive technologies that allow resale sites to run.
- There are two different models for resale platforms: the manage model and the peer-to-peer model (some platforms use a hybrid model). Peer-to-peer does not make as much money on sales as the manage model.



- Poshmark spent 40% of its revenue on marketing in their last quarter. Many consumers are already convinced to use resale, platforms just need to lure them in.
- There is tons of inventory on resale platforms, like The Real Real, but much of the supply on these sites are not really in demand.
- The fees for shipping, listing, processing, and authentication are mostly the same for each product, whether that is a \$30 Marc Jacobs tee or a \$6,000 Fendi bag. Some lower priced items even end up losing money.
- The Real Real has just revealed two new AI authentication technologies they will be implementing, "Vision" and "Shield."
- In the next three years we will be seeing luxury brands opening their own resale platforms on their own websites.
- The Covid-19 pandemic has changed the way consumers are shopping, with consumers from key geographic locations such as the United States, United Kingdom, France, and Germany that are now more inclined to shop secondhand.

Focus Group.

- 8 participants
- 100% female
- Ages 21-30 (Avg. age, 26)
- 6 participants in Savannah, GA
- 1 participant in New York, NY
- 1 participant in West Hartford, CT

To see which features consumers would want in a resale platform, real-life resale consumers provided their insight. Attendees were invited based on two screener questions:

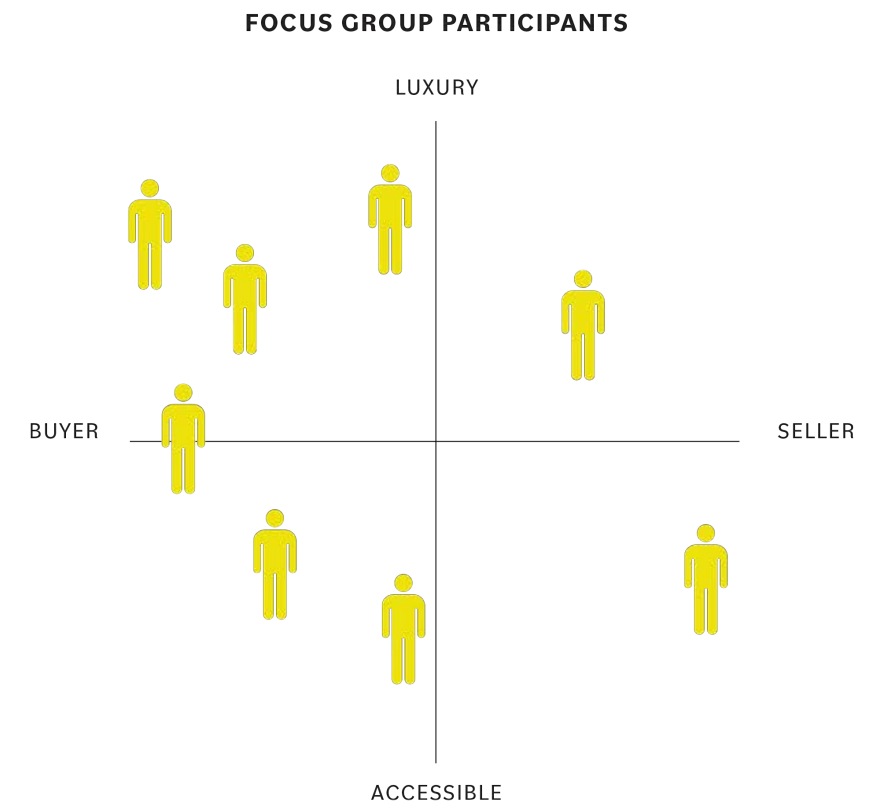
1) Are you a consumer of LVMH-owned fashion and leather goods products? (Brands like Louis Vuitton, Dior, Celine, Fendi, Marc Jacobs, Tiffany, and more).

2) Do you buy or sell on online resale platforms? (Platforms like The Real Real, Vestiaire Collective, Rebag, Poshmark, ThredUp, and more).

OBJECTIVE: The goal for this focus group was to gain key consumer insights pertaining to various aspects of the framework I will be creating for the LVMH resale platform. This will include the identification of consumer motivations, desires, needs, and pain points.

WHEN: Saturday, April 9th, 2022

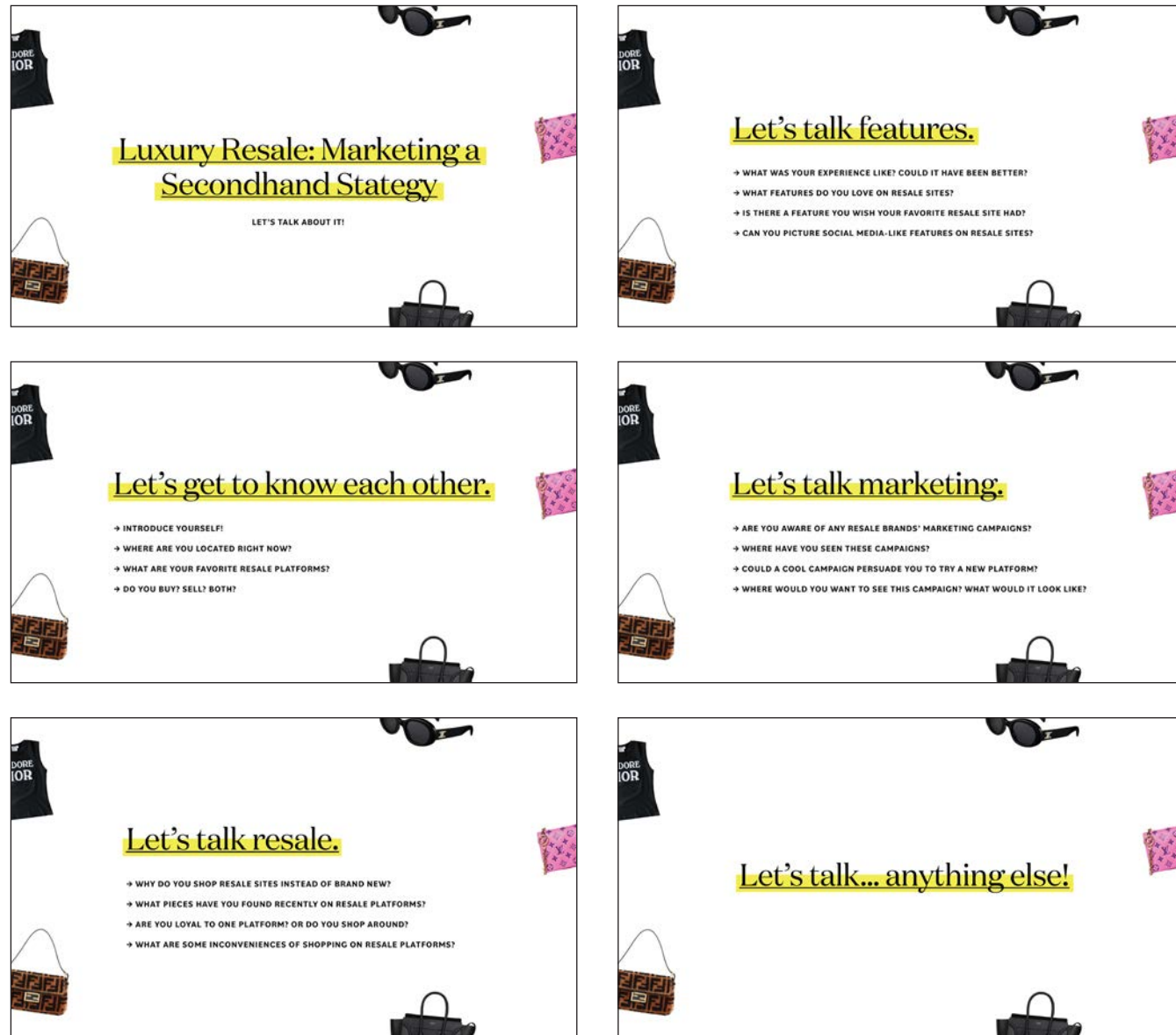
LIMITATIONS: Although each of the attendees were considered luxury resale consumers, they were not all necessarily the exact target consumer that the LVMH resale platform would be targeting due to lack of disposable income.



Instead of interviewing each consumer individually, a focus group allowed the participants to discuss, debate, and ideate together to create a rich and lively conversation.* The focus group was split up into different sections; first, the group introduced themselves, stating where they were located as this focus group was conducted virtually on Zoom. Next, each participant stated which resale site or sites is their favorite, and lastly, if they are a luxury resale buyer, seller, or both. I then led the discussion as the group noted their favorite resale platforms, the conveniences and inconveniences of shopping resale, their favorite features on resale sites, awareness of current marketing campaigns, and their opinions on the future of resale.

*The full transcript of the focus group can be found on page 149.

→ FOCUS GROUP SLIDE DECK



→ FOCUS GROUP SCREENSHOTS



→ FINDINGS

- The Real Real is the group's most frequented platform, followed by Poshmark.
- Most of the group was not specifically loyal to just one platform and will shop around other platforms if there is a specific piece they are searching for.
- The group would prefer to see clothing featured on real people instead of on mannequins.
- An inconvenience is that there is too much undesirable product to sift through on resale platforms.
- The group was somewhat aware of resale platform marketing campaigns, mainly The Real Real and Rebag, and it was agreed that marketing efforts can expand past social media, to billboards and print magazines.
- Resale platforms can do a better job at promoting the sustainable impact that comes with shopping resale as many consumers' priorities are shifting to shop more sustainably.

Industry Professional Discussion.

→ WITH VANESSA BARBONI HALLICK, FOUNDER OF THE SUSTAINABLE WOMENSWEAR BRAND, ANOTHER TOMORROW



OBJECTIVE: The sustainable luxury womenswear brand, Another Tomorrow, had launched its in-house resale platform just a few days prior to this discussion. Therefore, the objective of attending this discussion was to hear about the key aspects of starting an in-house luxury resale platform and gain insights on key success factors, consumer preferences, and the brand's strategy of entering the booming resale market.

WHEN: Friday, April 15th, 2022

LIMITATIONS: Due to a better allocation of Vanessa's time, this was not a one-on-one formal interview, but a group discussion followed by a lunch with a smaller group of attendees.

→ FINDINGS

- Another Tomorrow placed great significance on the ease of selling and buying on its e-commerce store where consumers can shop for brand new product on the same site as they would shop for secondhand goods on their resale platform. Consumers can put new and secondhand goods in the same cart.
- There are many ways Another Tomorrow is sourcing inventory to be sold on its resale platform. Initiatives that already exist like celebrity borrowing and the brand's promise of complimentary size exchange within the first year of purchase are both ways Another Tomorrow is using to source inventory, besides purchasing pre-owned product from consumers.
- Barboni Hallik emphasized that there is a resurgence of direct mail being sent to buyers and sellers, with a great return on investment. Instead of gifting consumers throwaway items like letters or catalogues, Another Tomorrow is using direct mail as a way to send keepsakes to consumers, in order to promote the brand.

Key Findings.

→ CUMULATIVE PRIMARY RESEARCH

According to the key findings of my primary research, there is a great amount of room to grow, innovate, and excite in the luxury resale market. Now that many companies are hitting their ten-year mark, it is time for advances to be made in resale. The conclusions of my cumulative primary research are as follows:

- The secondhand fashion industry, especially in luxury fashion and leather goods, is growing rapidly, therefore, many brands will be competing for space in the market. The LVMH resale platform will need to have key differentiating factors and provide the consumer with a value they can't find elsewhere.
- To increase convenience and touch points, sellers will have the option to send their pre-loved goods to the authentication centers via their country's postal service, or by dropping off their product at LVMH-owned Fashion & Leather Goods and Jewelry & Watches storefronts.
- The LVMH resale platform will be operating with a manage model opposed to a peer-to-peer model. Although peer-to-peer allows for much less storage for inventory, products on the LVMH resale platform will be authenticated prior to being added to the inventory, to eliminate any backtracking and decrease shipping time.
- In order to decrease the amount of undesirable product on the site, a differentiator of the LVMH resale platform will be its highly curated selection of inventory of 22 of the world's leading luxury brands. Current awareness of these brands will be a significant advantage to the resale platform.
- There is plenty of room to grow when it comes to the marketing of luxury resale platforms. Lack of awareness is one of the luxury resale's market biggest weaknesses. Strong marketing and PR of the LVMH resale platform will be vital for the platform's success.



KANO Model.

When developing the framework of the resale platform, it must be kept in mind the attributes that a consumer expects, likes, dislikes, and gets excited over. Therefore, a KANO Model was completed based on consumer insights found in this thesis' secondary and primary research. Findings are as follows:

KANO MODEL		
THRESHOLD ATTRIBUTES	PERFORMANCE ATTRIBUTES	EXCITEMENT ATTRIBUTES
<ul style="list-style-type: none"> • A user-friendly interface. • Authenticated products. • A diverse selection of inventory. • Search and filter features. • The ability to "like" a product. • High quality product photos and accurate descriptions. • Fast shipping for buyers. • Free shipping for sellers. 	<ul style="list-style-type: none"> • Personalized and accurate product suggestions • Sustainability measures/tracker. • Branded dust bag with purchase. • Celebrity or influencer engagement. • Photos or videos on real models. • Free shipping. 	<ul style="list-style-type: none"> • Gifted items with purchase (totebags, branded boxes, etc). • In-app personal stylists. • Invites to in-store or pop-up events. • One-of-a-kind upcycled pieces.

- **THRESHOLD ATTRIBUTES:** When it comes to attributes that a consumer expects (threshold attributes) on a resale platform, a user-friendly interface and authenticated products are at the forefront, followed by a diverse range of products to choose from. Certain features like a search bar, product filters, and "like" buttons are expected by these consumers. High quality product photos are always expected, but not always provided as per consumer insights. Other threshold features include fast shipping for buyers, as well as free shipping for the sellers that consign their products on resale platforms.
- **PERFORMANCE ATTRIBUTES:** The attributes that consumers may not expect but get excited over are imperative to maintain customer satisfaction and avoid losing consumers to rival companies. These attributes include personalized and accurate product suggestions and explained sustainability measures or trackers per purchase. Freebies like branded dust bags with purchase are considered performance attributes as well as seeing engagement from notable influencers or celebrities on the app, social media accounts, or at in-person events. Photos or videos on real models instead of mannequins are considered performance attributes as consumers want this, but many resale platforms do not have this feature. Lastly, free shipping is considered a performance attribute as most current services do not provide this.
- **EXCITEMENT ATTRIBUTES:** To maintain long-lasting consumer relationships and brand loyalty, excitement attributes are used to surprise consumers and give a "wow factor," which can also be considered competitive advantages. The excitement attributes for luxury resale platforms include free gifts with purchase or gifted packages to loyal consumers and trusted sellers. In-app personal stylists to help consumers narrow down choices, filter sizes, or pick out styles will also be considered a valuable excitement attribute to consumers which could also be a differentiator among the competition. As post-pandemic consumers are craving in-person experiences, one very exciting attribute for said consumers would be invitations to attend in-store events or pop-up shops. Loyal users could be invited to these events and have access to them before they are opened to the public. And lastly, the release of one-of-a-kind, upcycled collections would be considered a key differentiator and an excitement attribute for luxury resale platforms. Loyal users could have access to these drops before other consumers to encourage heightened engagement among higher spenders.



Cumulative Key Findings.

Throughout the primary and secondary research of this thesis, there have been many patterns and consistencies in certain areas. By exploring these subjects through literature, media, interviews, focus groups, live panels, and more, it has been proven that luxury resale is on the rise. However, there are certain aspects of resale that have proven to be vital to the success of a platform. Industry trends have been researched and tested throughout this process to decide how and what trends will be implemented into this thesis' strategy.

L The most growth in sustainable fashion practices has been in fashion resale due to a growing millennial and Gen Z population, increase of the middle-class population and overall spending, the rise of the urban population, digital users, and more. According to ThredUp, 42% of consumers plan to spend more on secondhand purchasing while only 26% plan to spend more on sustainable brand-new clothing. Therefore, luxury brands are increasingly looking to capitalize on this trend (ThredUp).

It was predicted by Cathaleen Chen, Business of Fashion Correspondent with an expertise in fashion resale, that within the next 3 years, most luxury brands will all have developed a resale platform on their brand-owned websites. Rival luxury conglomerates Kering and Richemont have already entered the resale industry via acquisitions and investments in existing resale platforms Vestiaire Collective and Watch Finder.

LVMH has made steps toward the resale industry with their creation of LVMH Nona Source, an e-commerce platform for secondhand/excess fabrics and materials sourced from LVMH fashion and leather goods houses, yet the Group has yet to make moves in clothing or leather goods resale.

2. Although there is plenty of supply on resale sites, it does not necessarily mean that the product is in demand. One of consumers' biggest inconveniences of shopping on resale platforms is having to scroll through pages and pages of goods they deem undesirable.

Platforms with advanced sorting and product suggestion software have the potential to turn passive, low-spending consumers into active consumers that keep coming back for more. Opposed to browsing solely by a specific product type or brand, consumers will also have the option to shop a seller's entire closet. This will cater to consumers who don't have time to scroll through pages and pages of product and will particularly appeal to consumers looking to shop from sellers with similar styles.

Personal styling features based on recent "likes" or purchases will promote consumers to experiment with different categories as well as recommend specific sellers, brands, or products.

3. There is an importance of establishing the feeling of community among buyers and sellers. By piggybacking off social networking platforms like Instagram and TikTok, resale platforms will be looking for ways to include social aspects on their platforms in the coming years.

Max Bittner, CEO of a leading luxury resale platform, Vestiaire Collective, has stated in an interview with McKinsey & Company that he is "incredibly excited about growing our global community of fashion activists through developing the social aspect of resale and also through gamification: making the process fun and engaging for both buyers and sellers, whether that's through chats, fan groups, online forums, and other tools that help create community and an emotional connection" (McKinsey & Company).

The LVMH resale platform will use their discerning community of buyers and sellers as a key differentiator. Consumers with little product knowledge can make connections on the platform with more knowledgeable luxury consumers, users can share their experiences, or even tell the story behind the pair of shoes they have for sale on the platform.



4. LVMH-owned brands are in high demand on resale sites. As vintage handbags resurface in the form of it-bags or new styles become a viral TikTok "must-have," brands owned by LVMH keep gaining in popularity. The restriction in supply for brands like Louis Vuitton are helping create an increased level of exclusivity. Although scarcity may seem like less revenue to some, LVMH has used it to their advantage, with consumers waiting in line to get their hands on something.

5. Most consumers are unaware of resale partnerships and marketing campaigns; the awareness of certain resale platforms is very low compared to traditional multi-brand retailers, with many consumers willing to purchase secondhand, yet they aren't aware of the platforms.

If consumers are aware of the platforms, it is likely they don't know how they work or what products they can buy/sell on the app. The LVMH resale platform will capitalize on this lack of awareness, to position itself accordingly among competition.




Consumer Analysis.

Sellers & Buyers.

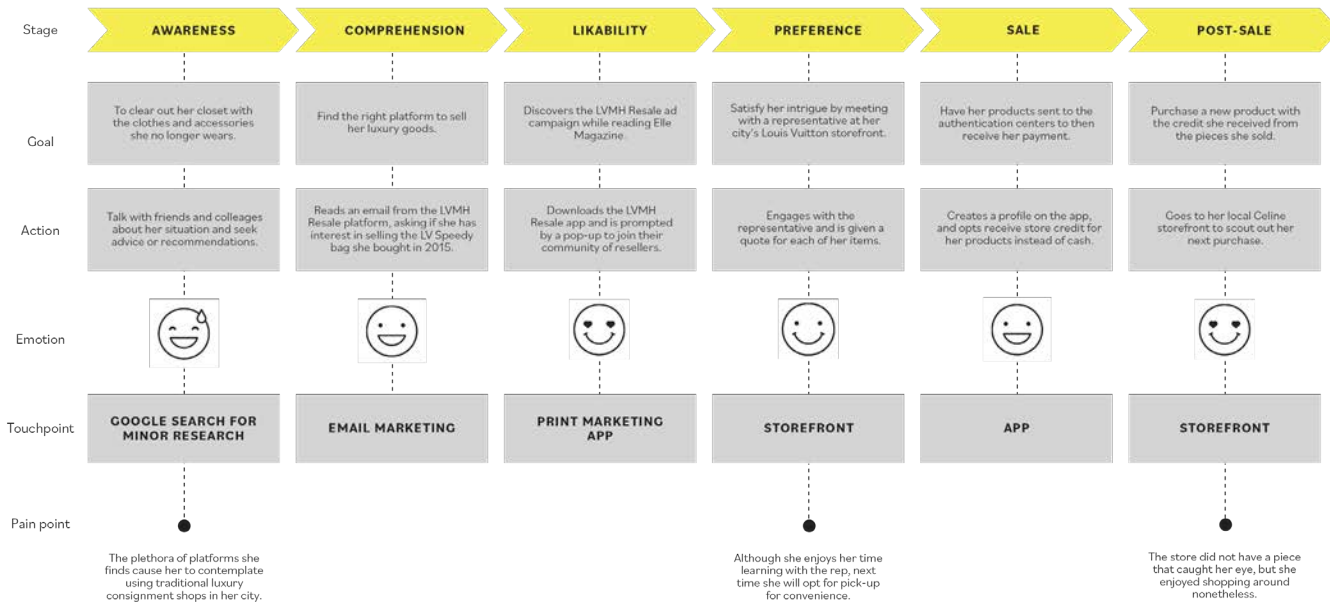
The target consumer for the LVMH resale site will include existing LVMH Fashion & Leather Goods and Jewelry & Watches consumers, however the focus is to attract the younger, more sustainably and digitally minded consumer. Resale platforms are unique in the way they need to attract two different consumers with very different needs: sellers and buyers.

→ SELLERS

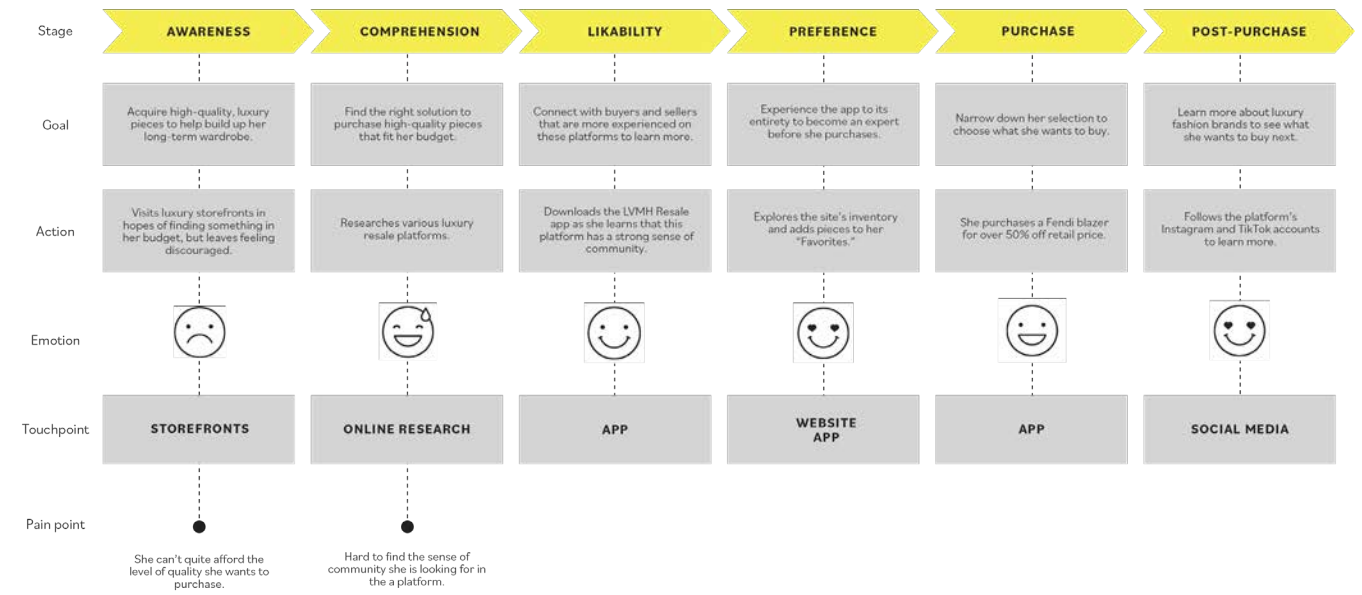
Although sellers can range from various age groups, the platform's ideal seller is someone who owns many luxury products and is looking to resell in order to make room for new purchases, whether those are on the primary or secondhand market. Therefore, the target consumer for sellers is most likely established in their careers, is luxury-fluent and leads an affluent lifestyle, and is most likely aged 45 and above. Ideally, this consumer owns vintage or unique pieces they want to sell, as many vintage or one-of-a-kind pieces have high resale values.

CONSUMER PERSONA: SELLER			
	<p>LIFESTYLE</p> <p>Grace is a luxury-fluent, affluent consumer who is a key figure of the Copenhagen fashion scene. As the city is one of the world's leaders in sustainable fashion, her passion is making the fashion industry a more sustainable realm.</p> <p>She is a key figure in Copenhagen fashion week, and is an investor in many small Danish fashion brands. She can be seen at fashion shows, board meetings, and is a frequent podcast guest on fashion and business related podcasts.</p>	<p>PAINS</p> <p>Selling on resale platforms can be inconvenient with the high amount of goods she has coming in and out of her wardrobe.</p> <p>The LVMH resale platform does not allow reselling of non LVMH-owned brands. This causes an inconvenience to her when she has other brands to sell.</p>	<p>BRAND RELATIONSHIP</p> <p>Grace is a very loyal consumer of LVMH-owned Fashion & Leather Goods Houses.</p> <p>Although she is passionate about sustainability, she does shop from her favorite brands frequently for the latest styles and trends. Her favorite brands include Louis Vuitton, Celine, Fendi, and Christian Dior.</p> <p>Despite being very loyal to these brands, she does occasionally shop pieces from competitor brands such as Bottega Veneta, Gucci, and Prada.</p>
	<p>GOALS</p> <ul style="list-style-type: none"> Promote the ease of maintaining a circular closet. Reduce her personal carbon footprint. Become a leading reseller on the app to create a loyal and meaningful relationship with the platform. 	<p>GAINS</p> <p>Knowing that her goods are going to the most reputable spot for her products.</p> <p>She can drop off her pieces right at the storefronts she passes on her way to work everyday.</p>	<p>POINTS OF INTERACTION</p> <ul style="list-style-type: none"> Mobile App E-commerce website LVMH Fashion & Leather Goods storefronts Email marketing Print magazines
<p>GRACE, 56 (SHE/HER/HERS)</p> <ul style="list-style-type: none"> Copenhagen, Denmark Investor & Model \$450,000 USD/year Married 	<p>MOTIVATIONS</p> <ul style="list-style-type: none"> Convenient selling process Sustainable fashion movement Refreshing her wardrobe 	<p>With the high quantity of products she sells, Grace accumulates a great amount of points that she can put toward future secondhand or brand new purchases.</p>	

CUSTOMER JOURNEY MAP: SELLER



CUSTOMER JOURNEY MAP: BUYER



CONSUMER PERSONA: BUYER

	<p>LIFESTYLE</p> <p>With a promising career path and bustling social life, Noel is well-connected and always on-the-go. As an art director at a prominent NYC modeling agency, Noel lives comfortably in her well-decorated East Village apartment.</p> <p>Noel is very extroverted, frequenting social outings and networking events on the regular. She loves fashion and is always sporting something vintage or from a trendy, emerging brand.</p>	<p>PAINS</p> <p>Spending hours scrolling through confusing and oversaturated resale platforms before becoming overwhelmed and closing out of the app.</p> <p>Not being able to try on pieces in person.</p> <p>High pricing for secondhand luxury goods.</p>	<p>BRAND RELATIONSHIP</p> <p>Noel has purchased brand new handbags and jewelry from LVMH-owned brands, however she has yet to shop ready-to-wear from designer labels.</p> <p>Owning secondhand pieces from LVMH-owned brands has piqued her interest to know more about these brands, so she will often stop by physical storefronts during the weekends.</p>
	<p>GOALS</p> <ul style="list-style-type: none"> Start investing in a long-term, quality wardrobe Find rare or one-of-a-kind pieces to splurge on Gain reward points the more she shops on the platform 	<p>GAINS</p> <p>The user-friendly interface that allows her to easily and efficiently shop on the platform.</p> <p>Confidence in authentication.</p> <p>Joining an interactive community of buyers and sellers with the same mindset and goals that she has.</p> <p>Products curated just for her brand and style preferences.</p>	<p>Since this is the platform Noel shops on the most, her preferences are geared toward shopping LVMH-owned brands exclusively.</p>
<p>NOEL, 25 (SHE/HER/HERS)</p> <ul style="list-style-type: none"> New York, New York Art Director \$70,000 USD/year Single 	<p>MOTIVATIONS</p> <ul style="list-style-type: none"> High-quality pieces sold at lower prices Creating a more sustainable wardrobe Reward system implemented on the framework 	<p>POINTS OF INTERACTION</p> <ul style="list-style-type: none"> Mobile App E-commerce website LVMH Fashion & Leather Goods storefronts Social Media Influencer Marketing 	

→ BUYERS

When it comes to buyers on the platform, the target consumer is most likely aged 21-35 and are considered successful young professionals. The ideal buyer aspires to shop brand new products from LVMH-owned Fashion & Leather Goods and Jewelry & Watches Houses, however, do not yet have the disposable income to do so. Therefore, this consumer shops on resale platforms to purchase the quality of goods they desire, while keeping what they spend within their means. This consumer is a sustainable-conscious shopper and is actively seeking solutions other than fast fashion. Their relationship with LVMH-owned brands is aspirational, and they associate these brands with a high status and affluent lifestyle. These consumers are vital to the LVMH resale platform because shopping these brands secondhand can act as a gateway to one day, purchasing brand new.



Strategy Proposal.

LVMH Resale Platform.

→ OBJECTIVE

Generate a new stream of revenue via an in-group resale platform whilst maintaining the four fundamental values of the LVMH Group, while simultaneously capturing new consumers, all with a sustainable message at its forefront.

→ GOALS

- Gain control over the secondhand supply chain by creating a resale platform that is not only selling products but connecting buyers and sellers through a strong sense of community throughout the framework.
- Help reduce the global fashion industry's carbon emissions and sourcing of raw materials by creating a platform that offers only pre-owned products and promoting circular wardrobes and the longevity of LVMH-owned products.
- Establish a vast inventory that is made up of in-demand, unique, and one-of-a-kind pieces at various price points for the platform's many consumer types, while still maintaining a desirable, curated inventory.
- Create long-lasting relationships with consumers, maintaining brand loyalty, whether that is shopping on the secondhand or primary market.
- Create an additional revenue driver for LVMH by entering the secondhand market, all while keeping a sustainable message at its forefront.



→ MISSION

To be the intersect of luxury and sustainability; a community where discerning luxury sellers are introduced to sustainable, savvy luxury buyers, all while promoting and maintaining global circular closets.

→ VISION

A community-driven marketplace where products live a thousand lives. Noé will empower users to buy and sell confidently and efficiently through in-group capabilities. By offering an extensive inventory of exclusive product and building off existing brand awareness, Noé will be a top touch point for LVMH consumers.

BUSINESS MODEL CANVAS				
<p>KEY PARTNERS</p> <p>Inside LVMH:</p> <p>LVMH Fashion & Leather Goods Houses & storefronts.</p> <p>LVMH's DARE intrapreneurial program.</p> <p>LVMH Nona Source to source secondhand materials for repairs and upcycled collections.</p> <p>Outside LVMH:</p> <p>Operating technologies</p> <p>Influencers</p> <p>Resellers</p>	<p>KEY ACTIVITIES</p> <p>E-commerce luxury resale marketplace for authenticated goods from LVMH-owned Fashion & Leather Goods Houses.</p> <p>Source, authenticate, resell, and fulfill goods.</p> <p>Repair and upcycle products.</p>	<p>VALUE PROPOSITIONS</p> <p>A highly-curated selection of authenticated luxury goods from 22 of the world's leading luxury fashion and leather goods houses.</p> <p>Buy, sell, and connect with a global community of discerning fashionistas, with closets filled from vintage classics to one-of-a-kind upcycled pieces.</p> <p>The ability to shop more affordable luxury goods over purchasing brand new.</p> <p>Sell your luxury goods to in order to ultimately trade in for a brand new product.</p> <p>In-house authentication practices, so consumers can shop pre-loved luxury goods with the utmost confidence.</p> <p>A rewards and points system for frequent buyers and sellers on the platform, to be used for new or secondhand LVMH-owned brands.</p>	<p>CUSTOMER RELATIONSHIPS</p> <p>A personal, user-friendly, highly integrated experience in order to create loyalty and high rates of customer satisfaction.</p> <p>Strengthened consumer involvement through the promotion of circular closets.</p> <p>Resale acts as a gateway to aspiring luxury consumers, to now have access to these brands.</p>	<p>CUSTOMER SEGMENTS</p> <p>Consumers aged 21-35 (mostly women) who live urban lifestyles, are high-earners, and value high quality, luxury goods as well as maintaining a circular wardrobe.</p> <p>Buyers: Consumers that are seeking authenticated luxury goods on a budget, value sustainability as they consume, or seeking one-of-a-kind or rare pieces.</p> <p>Sellers: Consumers that are looking to sell their luxury goods in exchange for cash, or to put those funds into their next luxury purchase. The ideal seller has a plethora of luxury goods that they want to sell, in order to make room for new purchases coming in.</p>
	<p>KEY RESOURCES</p> <ol style="list-style-type: none"> 1) Operating technologies. 2) In-house authentication. 3) Deadstock products from LVMH Fashion & Leather Goods Houses. 4) Resellers. 	<p>CHANNELS</p> <p>Distribution Channels: E-commerce website, mobile app, in-store drop-off at existing LVMH-owned Fashion & Leather Goods storefronts.</p> <p>Marketing Channels: Digital Marketing (social media), CRM (email marketing), PR (influencer marketing), print media (fashion magazines & online publications).</p>		
<p>COST STRUCTURE</p> <ul style="list-style-type: none"> • Commission paid to sellers on the app. • Existing LVMH employees and new hires to operate the venture. • Marketing, authentication, fulfillment, technology, and PR costs. 		<p>REVENUE STREAMS</p> <ul style="list-style-type: none"> • Revenue from products sold. • New product sales of LVMH Fashion & Leather Goods Houses driven by resale consumers. • Future events and pop-ups for consumers to attend to learn more about sustainable fashion and luxury resale with industry professionals and experts. 		
<p>ECO-SOCIAL COSTS</p> <ul style="list-style-type: none"> • As luxury resale acts as an entry point to buying new luxury fashion, which contributes to the sourcing of raw materials. • Personal shopping and accurate product suggestions can contribute to binge-shopping and overconsumption. • Shipping products from reseller, to authentication sites, to buyers. 		<p>ECO-SOCIAL BENEFITS</p> <ul style="list-style-type: none"> • Shopping secondhand is the most sustainable way to consume. • Selling products on the resale site elongates the lifespan of the product significantly, contributing to less clothing waste in landfills. • The encouragement of buying high-quality pieces that will last a lifetime will contribute to lack of overconsumption and consuming from fast fashion brands. 		



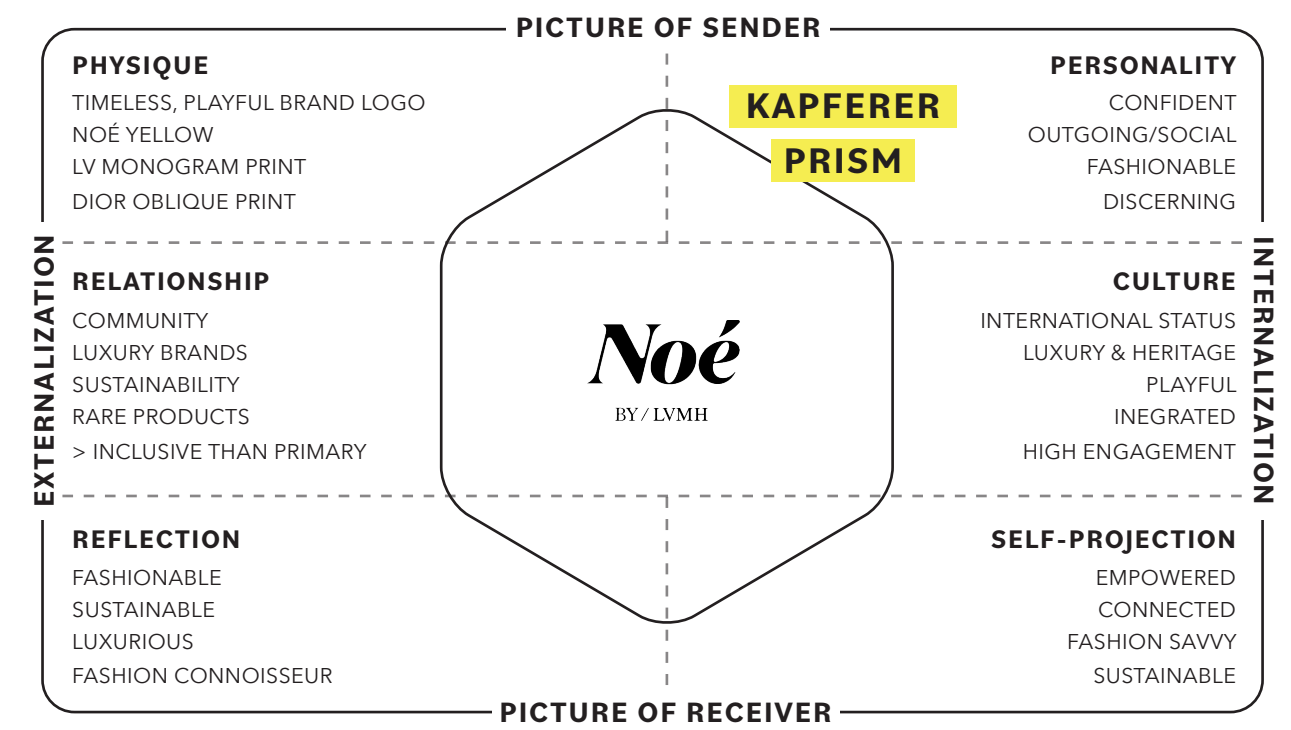
Fully Developed Initiatives.

Noé by LVMH.

→ INTRODUCTION

Noé is an in-group authenticated luxury resale platform by LVMH Moët Hennessy Louis Vuitton. Noé is the premier destination for users to buy and sell products from LVMH-owned Fashion & Leather Goods Houses and connect with a discerning community of fashion activists.

The e-commerce platform is named after the iconic Louis Vuitton Noé handbag, a bucket bag originally created in 1932 with the purpose of carrying champagne bottles to parties without breaking them. The bag has been in rotation from season to season and is still in production today and is one of Louis Vuitton's most popular products on the secondhand market.

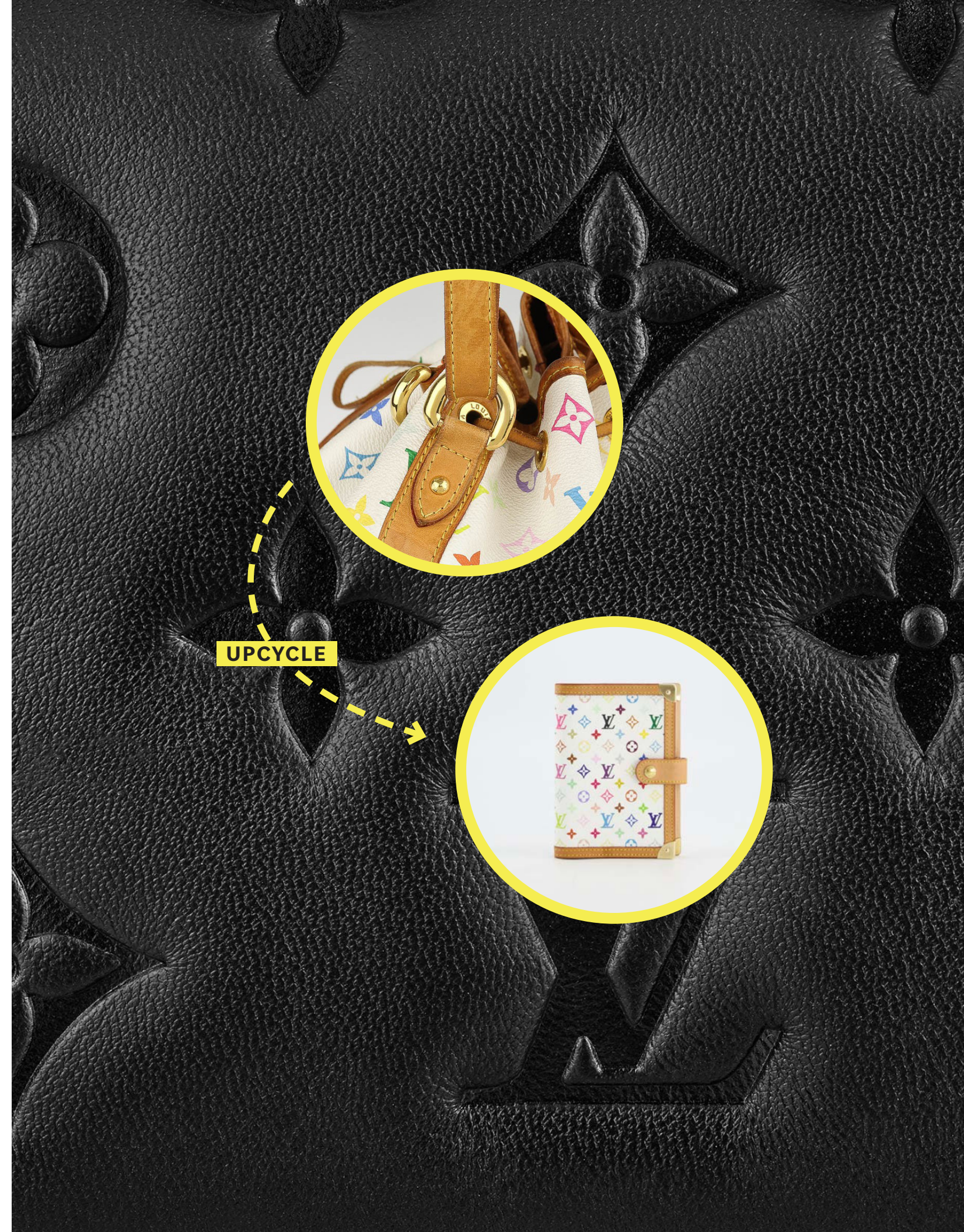


Strategic Advantages.

→ UPCYCLING

The objective of Noé's buy back scheme will be to gain access to as much product as possible. LVMH will buy back any LVMH-owned Fashion & Leather Goods and Jewelry & Watches product, even if that product is extremely damaged or considered undesirable, as long as there is proof of purchase. By doing this, Noé can turn undesirable or damaged products into upcycled, brand new pieces that may be one or few-of-a-kind, adding value to the product.

For instance, the material of a damaged Louis Vuitton Neverfull Tote could be upcycled to create cardholders, phone cases, pet accessories, and the list goes on. Damaged goods that are received can also be used for research purposes, such as analyzing broken pieces and patterned wear-and-tear, to consider for the improvement of pieces sold on the primary market. If rival luxury resale marketplaces like The Real Real or Vestiaire Collective were to do this, the pieces would immediately lose value as they would no longer be considered Louis Vuitton, Dior, Celine, etc.



→ USER CONFIDENCE

As Noé will operate as an in-group entity, users will be able to buy and sell with confidence, and trust that their products are going to and coming from a legitimate source. In-group repair and authentication centers will allow each product that becomes a part of Noé to have the LVMH stamp of approval. This will be a key differentiator among competition as rival marketplaces operate as their own entities, with little to no affiliation with the brands they offer.

→ REDUCED COSTS

Through in-group facilities and technologies that already exist, along with advancements made via LVMH's sustainability research centers and intrapreneurial program, operating costs will be slightly lower than those of rival companies. Therefore, cost-conscious consumers which make up a key Noé consumer base will be incentivized to shop on Noé opposed to competition. As secondhand products most often sell for less than original retail value, this also opens up a new consumer base of emerging luxury consumers or luxury aspirers, consumer bases that LVMH has yet to place emphasis on.



The Noé
Consumer.

Noé Seller.

→MENTAL SPACE

The mental space for Noé sellers is primarily made up of affluent Gen X or Baby Boomer consumers. These consumers are considered luxury-fluent and now live leisurely, are likely to be retired, and travel often. The mental space sellers make up much of Noé's inventory as they are loyal to the luxury brands they love, and will often sell their investment pieces in order to purchase luxury goods on the primary market.

→MARKET SPACE

The market space for Noé sellers is comprised of mostly Millennial and Gen X consumers who are established in their careers and considered emerging luxury trendsetters. These consumers own many lower-priced luxury goods like Marc Jacobs totes or smaller Louis Vuitton handbags, and on occasion splurges on a prestige or rare product. This consumer values sustainability which prompted them to maintain a circular closet via resale sites. They live social lifestyles and are very digitally savvy, with most of their engagement with the brand on the mobile application and social media accounts.

MENTAL & MARKET SPACE: SELLERS



Noé Buyer.

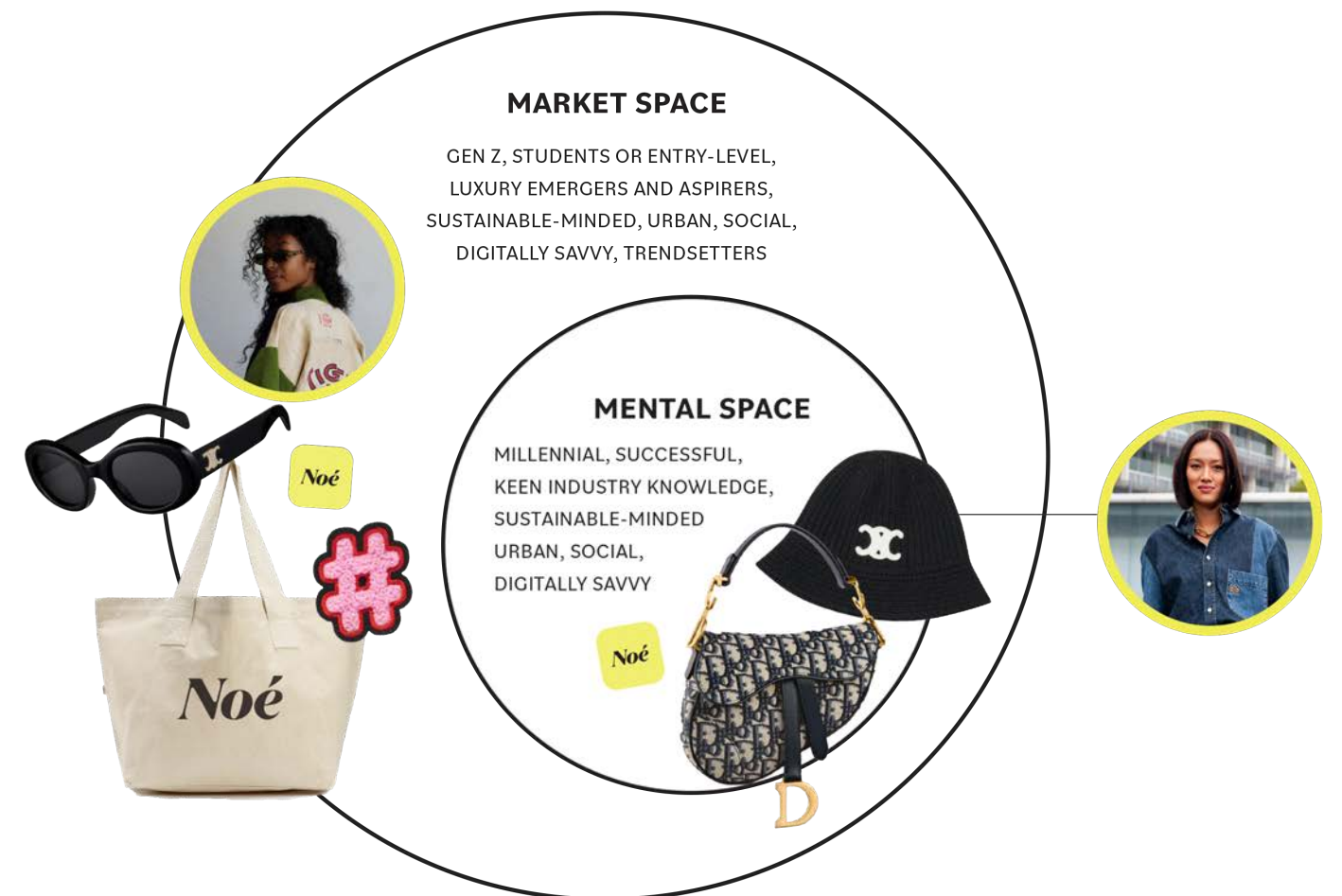
→MENTAL SPACE

The mental space for Noé buyers is made up of successful Millennial consumers with keen industry knowledge. They know their favorite brands well and are familiar with their histories, current campaigns, and resale values of products. These consumers care about sustainability; however, it is not the core reason they shop secondhand. The mental space buyer spends mostly on accessories like handbags, shoes, and rare pieces. This consumer likely lives in a major city where they have access to all their favorite brands and lead a busy, social lifestyle. They are also very digitally savvy and interact with the brand mostly on the mobile application.

→MARKET SPACE

The market space when it comes to Noé buyers is primarily made up of Gen Z consumers who are students or in entry-level positions or the equivalent in their industry. Therefore, they have limited spending power, yet still want to engage and be associated with the brand. This consumer values sustainability when they consume so that is what first drew them into resale sites. These consumers are considered emerging or aspiring luxury consumers, so they shop on Noé to gain access to products with smaller price tags like sunglasses, wallets, or costume jewelry. This consumer values in-store experiences so they attend pop-ups and post about them on social media. Although this consumer may not accumulate the most sales or purchases, they are very active on the Noé App to remain associated with the brand.

MENTAL & MARKET SPACE: BUYERS



Inventory.

→ SOURCING INVENTORY

One of the first steps will be sourcing the inventory that will be for sale on the platform. LVMH-owned Fashion & Leather Goods and Jewelry & Watches storefronts will first promote Noé via their websites, social media accounts, email subscribers, and in-store interactions to create awareness of selling pre-owned products to Noé. By doing this, consumers can gain trust that Noé is a reputable and reliable LVMH-affiliated entity.

Through in-house technologies that already exist, consumers of LVMH-owned products will be contacted via email to see if they have interest in selling their goods, enticing the consumers with the estimated resale values of their products. Resellers can opt for in-store drop-off of their products, or they can schedule a pickup with their local postal service. These products will be sent to the in-house authentication facilities, and once authenticated they will be added to the inventory. Once purchased, the goods will be shipped directly from the facility to the consumer.

→ SELLING OPTIONS



→ HOME PICK-UP



→ FREE SHIPPING



→ IN-STORE DROP OFF

There will be a few other ways for Noé to source inventory for the platform. Unsold, deadstock, and display products from LVMH-owned Fashion & Leather Goods and Jewelry & Watches Houses will also be sourced to become part of the platform's selection of inventory. These additional drivers of revenue are as follows:

- Products on the sales floors of LVMH Fashion & Leather Goods and Jewelry & Watches Houses could be added to Noé's inventory due to the wear and tear of these products that would be sold for discounted prices anyway. LVMH-owned Louis Vuitton does not have any outlet stores to begin with, therefore this would be a prime solution for this house.
- Deadstock product could also be added to Noé's inventory of product. To many consumers, it is common knowledge that luxury fashion brands often dispose of their leftover product in unethical ways. Instead of destroying or incinerating deadstock, it could be sold on Noé without the stigma of a discounted new product. One of LVMH's latest initiatives, LVMH Nona Source, already sells deadstock fabrics from LVMH-owned brands for fashion designers to purchase at a discounted rate. However, as the Group approaches resale via deadstock fabrics, key competitors are embracing resale full-on, which may sway consumers in their directions.

→ HOUSING INVENTORY

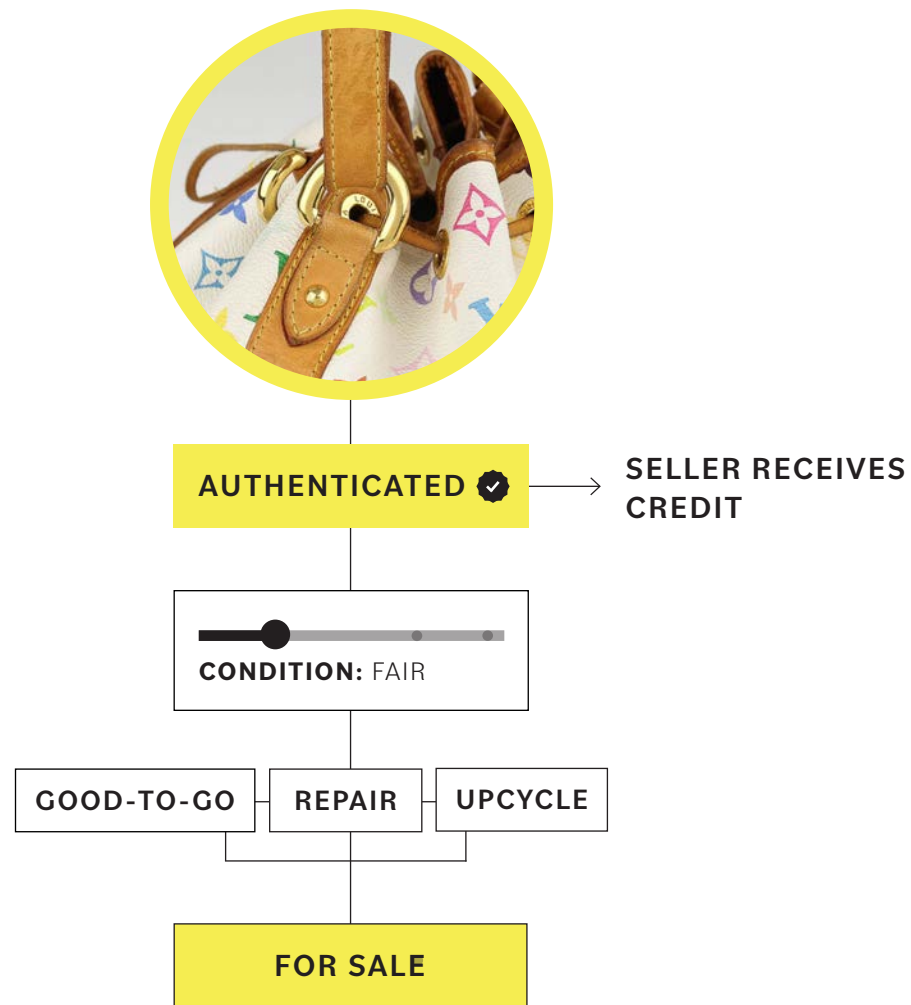
Although LVMH has six production factories across the globe, these factories operate very efficiently and extremely efficiently. Therefore, once authenticated, products will need to be housed at Noé warehouses; one in North America and one in Europe. These warehouses will need to be factored into Noé's costs and make up a large portion of the initial investment.

Authentication & Repairs

→ IN-HOUSE, GUARANTEED BRAND VERIFICATION ✓

As products will be shipped directly to LVMH facilities, in-house capabilities will allow for guaranteed authentication. With one-of-a-kind product codes and traceable technologies, consumers can buy and sell with Noé with the utmost confidence. As this operation will be taking place in-group, products will be able to be authenticated easily in the hands of brand experts and craftsmen. This guarantee will allow consumers to shop with the utmost confidence when purchasing consigned luxury goods. These advanced authentication measures will be a key differentiator between rival resale platforms, as in-house authentication will allow for the most accurate verification of products. These streamlined processes will also cut out many costs associated with traditional authentication used by competition.





Additional Revenue Drivers

→ EXCLUSIVE UPCYCLED COLLECTIONS

Products that are received that are beyond repair as well as supplementary deadstock material from LVMH Fashion & Leather Goods and Jewelry & Watches Houses will be used to produce exclusive, upcycled collections of clothing, handbags, and jewelry that will be for sale on Noé. Each piece will be one-of-a-kind, therefore the rarity of these products will create hype for each drop, as well as stimulate users to bid for products. The aspect of bidding on products will increase consumer engagement and build brand loyalty, as many consumers will want to be the first to get their hands on one-of-a-kind pieces.

→ ARCHIVE AUCTION/BIDDING

Archival pieces and rare products from iconic luxury houses can often sell for much over retail price. Therefore, Noé will use a bidding method for exclusive pieces and one-of-a-kind luxuries, with loyal members gaining first access to the in-app auctions. Once the bidding cycle ends, unsold items will be circulated into the regular inventory to be sold as normal. The auction/bidding approach will give consumers access to rare and archival pieces that they would otherwise bypass if they weren't on the site as soon as they were uploaded.

→ REPAIRS

When a product is authenticated, it will be decided whether it needs to be refurbished, repaired, or upcycled completely based on quality of the product. Once a product is in the best shape possible, it will be photographed, created specs for, and uploaded onto the platform. As LVMH has already begun ramping up repair services across Fashion & Leather Goods and Jewelry & Watches Houses, this will be yet another advantage of bringing this endeavor in-house. Products that are deemed unsellable will be given new life in the form of one or few-of-a-kind products used from the original materials/fabrics to be sold on Noé.





Logo & Branding.


A traditional, simple serif font was chosen for the Noé logo to reflect the timelessness of luxury fashion. A greenish yellow hue is not only eye-catching, but also represents a positive and energetic atmosphere. Noé's imagery is lively and playful to mimic the community aspect of the platform, yet luxurious and sophisticated to showcase the heritage and fine craftsmanship of the products sold on the platform.


Noé




 = f0ea54

 = edf3cd

 = 8a834a

 = 000000

 = ffffff

Noé

BY / LVMH



Domaine Display Regular.

BILO BOLD

Bilo Light (Subheading).

Mobile App.

→ SELLING

To create a user-friendly selling environment, Noé will provide sellers with multiple different ways to sell on the platform. Each seller will have a Noé correspondent to help them every step of the way if need be. A consumer that is thinking of selling their item will be able to take photos of their product on the app, and through AI technology, the product will be given an estimated resale value and commission payout value. Consumers that receive direct mail PR kits will be able to directly ship their products with the provided box and shipping label or drop off their items at participating LVMH-owned storefronts.

Once the product is shipped, it will be sent to the authentication center, where once authenticated, will be taken account of, photographed, and added to the platform. Sellers will receive their payment once the product is authenticated, not once it is sold. Through efficient in-group practices and advanced technologies, Noé will be able to offer the highest payout for LVMH-owned products over any competitor, which is a valuable incentive for sellers. Noé sellers will be able to choose a cash payment for their product or a store credit to be used at LVMH-owned Fashion and Leather Goods and Jewelry & Watches Houses, or for resale products on Noé. To promote further consumption, offered store credit will have a higher value than a cash payout.

→ BUYING

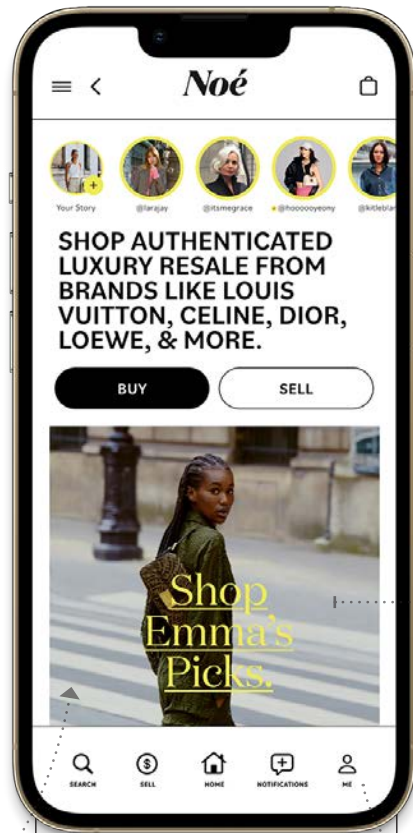
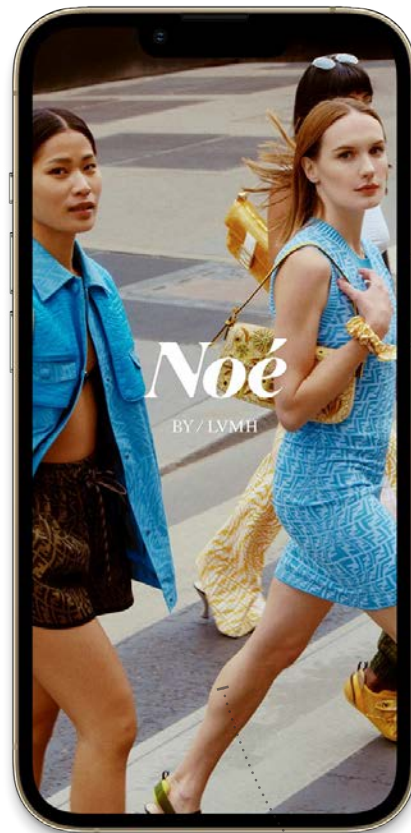
Buying on the Noé App will be a user-friendly, streamlined process in order to cater to various consumer types. Users will be prompted to create an account if they haven't done so already, to establish their own profiles complete with preferences, favorite brands, and desired price points. This will help create a personalized experience for the user. Each user will be assigned a Noé Correspondent, someone who can help with uploading products to sell, navigating the platform, and more. Users will have the options to browse by brand, category, a user's obsessions or their "liked" products, in the form of curated stylist pages which each user will have the option to show on their profile, and even featured sellers and stylists to appear on the home page. Each product on the platform will have already been authenticated in in one of Noé's warehouses of inventory. Therefore, after an item is purchased, it can be shipped off right away to the buyer.



Mobile App

→ LANDING PAGE

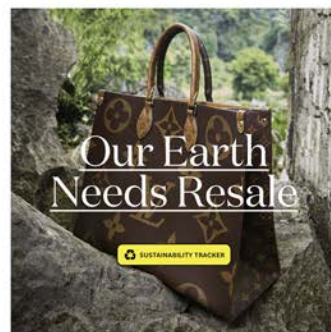
Once a user opens the app, the landing page will briefly display the latest campaign imagery and logo while the software loads.



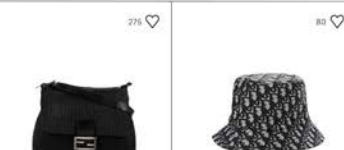
PERSONALIZE YOUR NOÉ FINDS AT ONE OF OUR POP-UP SHOPS.

FIND US: SEPTEMBER 6-27
NEW YORK, PARIS, AND SEOUL

LEARN MORE



PICKED FOR YOU:

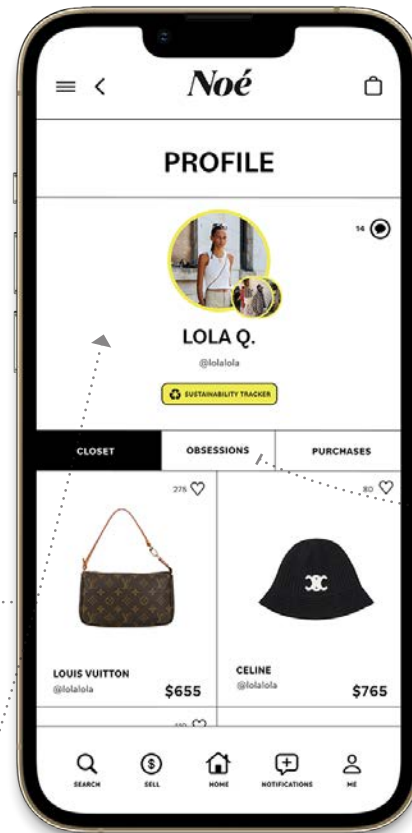


→ PROFILE PAGE

The profile page will show the user's photo, name, and username. The profile page also displays the user's closet which contains the items they are selling, their obsessions, as well as a synopsis of their purchases on the app.

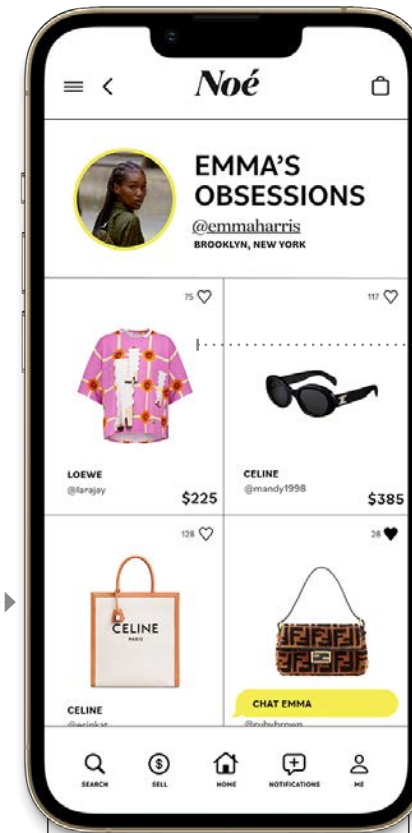
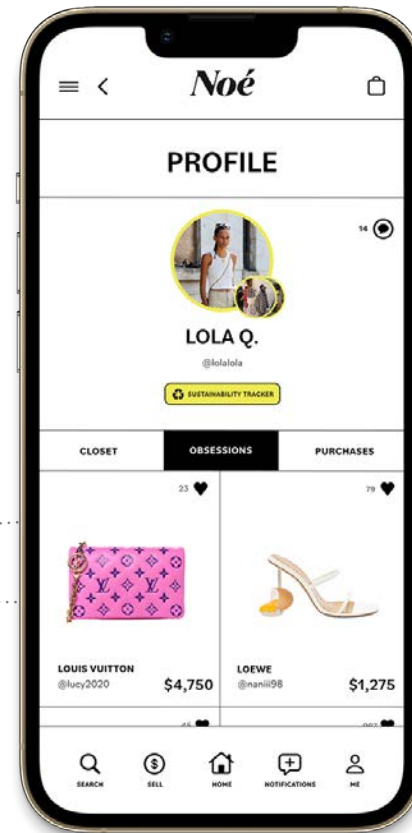
→ HOME PAGE

The home page will display users' stories, stylist picks, information on the latest in-store events or pop-ups, a simplified sustainability report, as well as selections of suggested products and new arrivals.



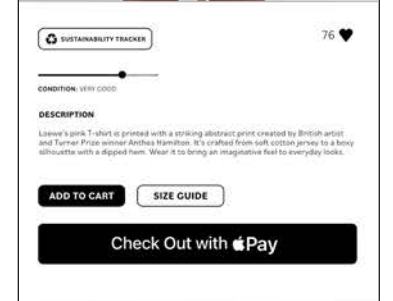
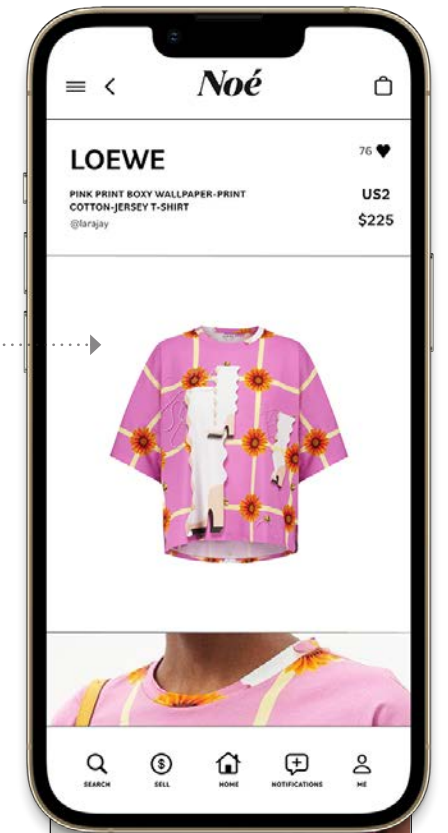
→ STYLIST PAGE

The stylist page shows a certain user's "picks" or "obsessions" of theirs that are for sale on the app. This feature promotes the community aspect of the app. Instead of shopping via category or brand, users will also have the option to shop user's obsessions or full closet for sale.

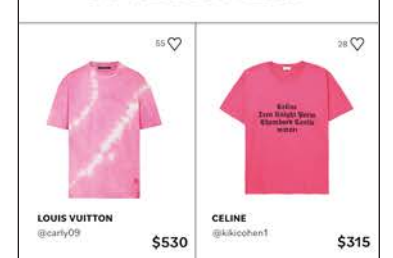


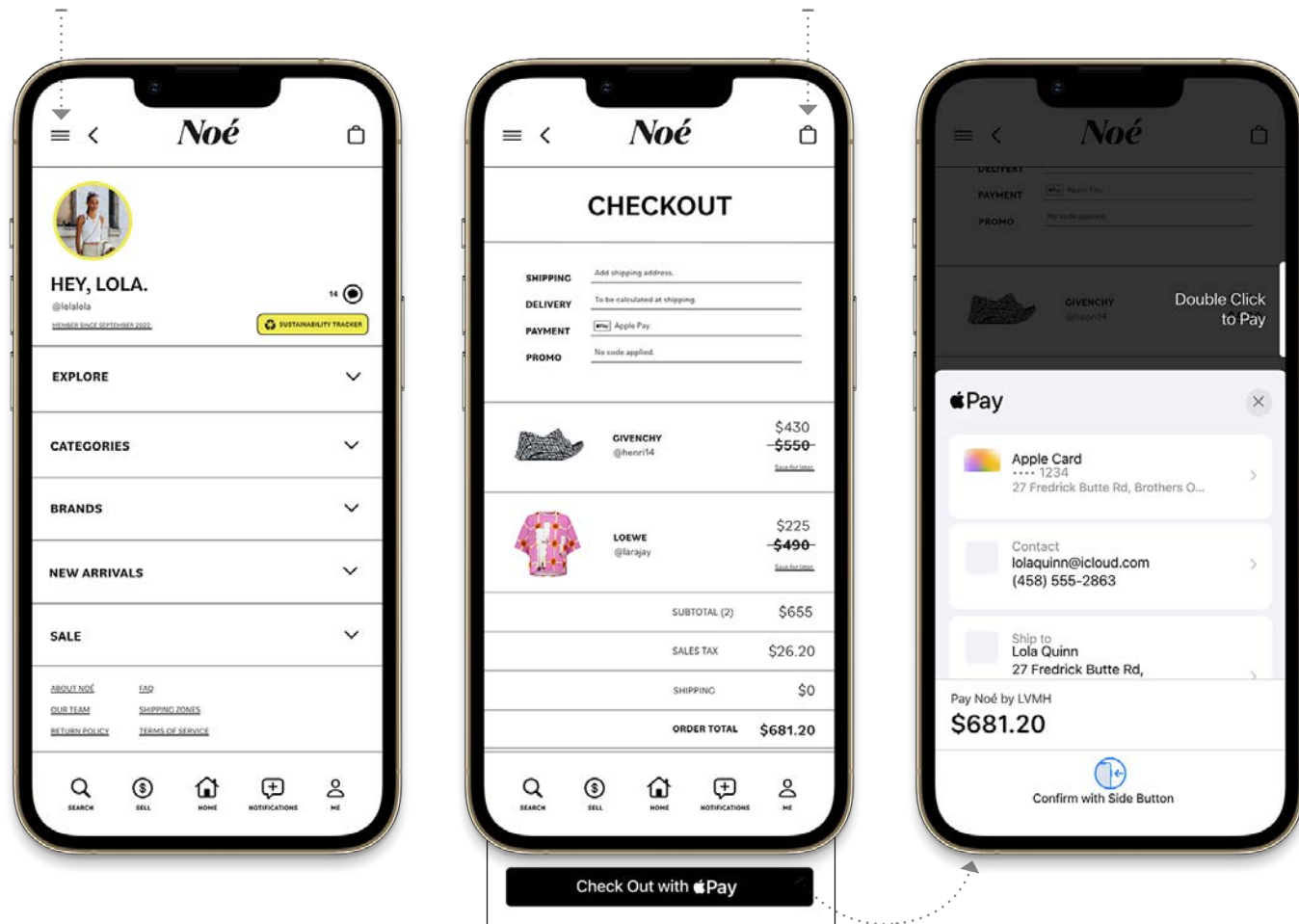
→ PRODUCT PAGE

Each product will be displayed on its own as well as on a model. The product brand, name, seller username, size, price, and number of obsessions will be shown. The user will be able to read a description of the product, look at a size guide, and easily add the product to their obsessions or straight to their cart.



SIMILAR STYLES:





→ NAVIGATION

Users can easily access their profile, messages, and sustainability tracker in the side-bar. Users can shop via product category, by brand, new arrivals, and sale.

→ CHECKOUT

Checkout will be simple and user-friendly. Users can apply promotional codes, and checkout in various ways including Apple Pay.

Features.

→ OBSESSIONS ♥

The Obsessions feature will allow users to keep all of their favorite products for sale in one place, no matter the brand, category, seller, etc. As users add products to their Obsessions, AI technology will be used to suggest like products to the user, in order for users to have a more personalized, curated experience on the app.

→ SUSTAINABILITY CALCULATOR

The sustainability calculator will be used to track a user's sustainability metrics, like the user's cumulative water or carbon saved by buying and selling resale. Each individual product in the inventory will also have its own sustainability tracker, to see the lifecycle of the product and how much water or carbon saved by purchasing that one product instead of buying it brand new.

→ CHAT FEATURES

Chats and messaging will be encouraged throughout the app for active users, whether that is with followers, sellers, or stylists. This will encourage users to create connections and interact with other users on the app. If a buyer would like to contact the seller of an item and they are considered a passive user (ie. little to no engagement on the app itself) the buyer will be redirected to a Noé stylist or correspondent.

→ CONDITION SCALE

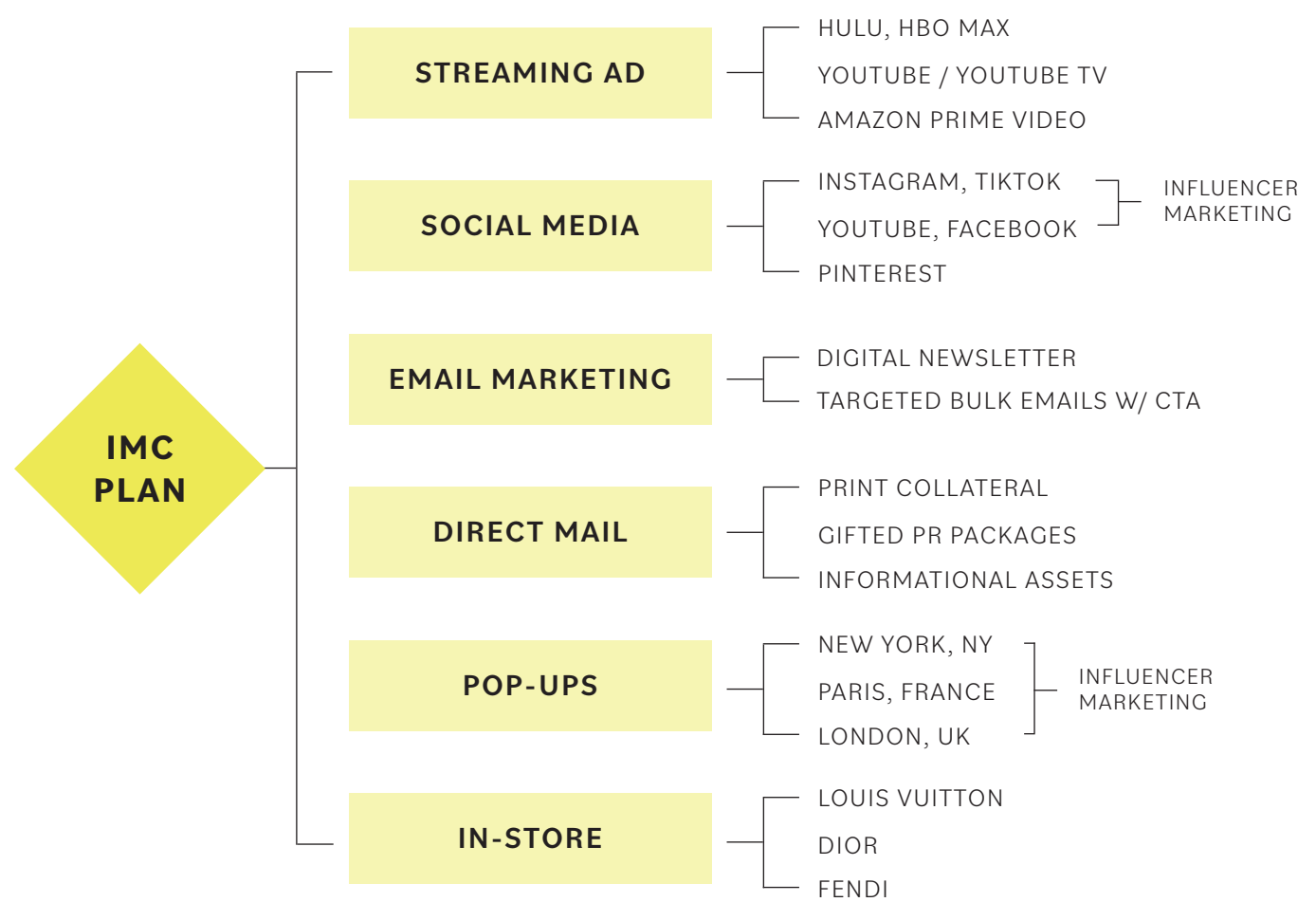
In order for users to be aware of the current condition of the product they are buying, each product in the inventory will be rated from Fair, Good, Very Good, Excellent, and Pristine, a similar system used by competitor luxury resale sites.



IMC Plan.

→ INTEGRATED MARKETING CAMPAIGN

The integrated marketing campaign for the launch of the Noé App will be made up of six major components; streaming ads, social media, email marketing, direct mail, pop-up stores, and in-store displays. Each component of this IMC will be woven together in order to create a high level of awareness, trust, and excitement to use the platform.



→ **STREAMING AD**

Streaming ads will be placed on Hulu, HBO Max, Youtube TV, and Amazon Prime TV streaming. The ads will be aired mostly in the United States, followed by the United Kingdom and Europe. The goal of most of the ads will be to raise awareness of the platform and promote app downloads. Most of the ads will run during the launch and post-launch of Noé, although the ads running on Hulu will air during pre-launch in order to gain organic sellers on the app as well.

STREAMING ADS												
HULU			HBO MAX			YOUTUBE TV			AMAZON PRIME VIDEO			
STANDARD VIDEO AD PREMIUM BRANDED SLATE			PRE-ROLL MID-ROLL BUMPER			IN-STREAM AD BUMPER AD			STREAMING TV AD			
CTA: SELL FOR CASH OR STORE CREDIT CTA: 20% OFF FIRST PURCHASE			CTA: 20% OFF FIRST PURCHASE			CTA: 20% OFF FIRST PURCHASE			CTA: 20% OFF FIRST PURCHASE			
NORTH & SOUTH AMERICA			UNITED STATES, EUROPE, UK			UNITED STATES			UNITED STATES, UK			
PRE	LAUNCH	POST	PRE	LAUNCH	POST	PRE	LAUNCH	POST	PRE	LAUNCH	POST	
GOAL: Raise awareness of platform, gain inventory & app downloads.			GOAL: Raise awareness of global consumers, grow community.			GOAL: Raise awareness of platform, gain app downloads.			GOAL: Lead consumers to the app, generate sales.			
TARGET: Buyers & Sellers			TARGET: Buyers			TARGET: Buyers & Sellers			TARGET: Mostly Buyers			
USAGE: Highly active			USAGE: Highly active			USAGE: Active			USAGE: Moderate			



Campaign
Concept.

Concept.

→ VIDEO AD (30-60 SECONDS)

LOG LINE: Social fashion is the best fashion. Shop from hundreds of closets on Noé.

- Luxury
- Young
- Social
- Diverse
- Community
- Real

A group of friends all with different styles, playing dress-up, swapping accessories to mimic the swapping and sharing of closets on the App. The group of friends will replace the traditional runway models used in campaigns and show real people in the clothes, expressing themselves through fashion. They will take polaroid photos of each other and play vinyl records to match the vintage options you can find on the app. Clothes and accessories will all be from LVMH-owned brands to show what a consumer could get on Noé.

Clothing and accessories will be dressy, colorful, over-the-top, and vintage inspired. The pieces will have rich colors, textures, and prints. There will be oversized outerwear, layering of accessories, and genderless styles. Everything will be playful, luxe, and bold.

→ STORYLINE INSPIRATION



Prada Galleria Ad Campaign with Hunter Schafer (Spring 2021)

Production Team.

→ CREW

ALLY QUIRK *Creative Director*

ROMANO NATALE *DP / Cinematographer*

GRACE DIPAOLO *Production Assistant*

BRONTE MONGAN *Production Assistant*

SNIGDHA GOPIDI *Photographer*

MILES DONIHOO *Camera Assistant 1*

ADAM SHIMBERG *Camera Assistant 2*

JOHNNY GREGORY *Gaffer*

→ TALENT



NANI AGUILAR



ELI MARSHALL

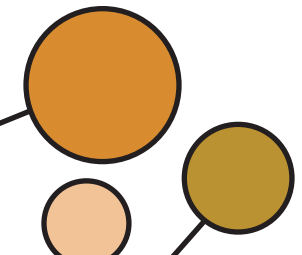
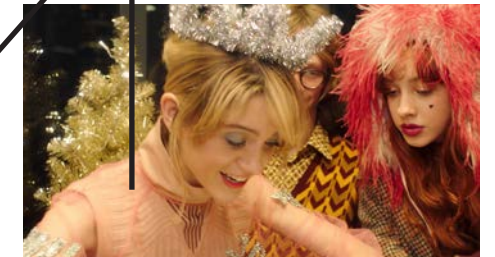
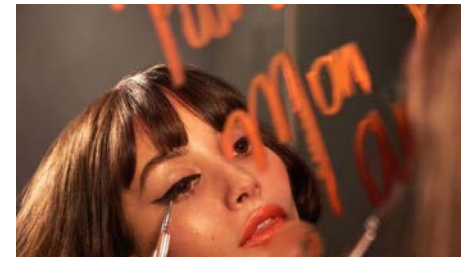


GILDA CHESTNEY



COOKIE

→ LIGHTING INSPIRATION



→ TYPOGRAPHY INSPIRATION



Outcome.

→ STREAMING AD STILLS

A group of friends all with different styles “playing dress-up,” swapping accessories to mimic the swapping and sharing of closets on the App. Each friend is expressing themselves through fashion, with the clothes and accessories they found on Noé. Each friend feels their best in their new outfits, and are enjoying their time together celebrating friendship and fashion.



→ SOCIAL MEDIA

SOCIAL MEDIA														
INSTAGRAM			TIKTOK			YOUTUBE			PINTEREST			FACEBOOK		
1-2 FEED POSTS / DAY 2-10 STORIES / DAY 2 LIVES / WEEK			1 POST / WEEK			CAMPAIGN POST 1 YOUTUBE VIDEO AD			PINTEREST ADS			3 STILL FACEBOOK ADS		
PAID ADVERTISING <input checked="" type="radio"/>			PAID ADVERTISING <input type="radio"/>			PAID ADVERTISING <input checked="" type="radio"/>			PAID ADVERTISING <input checked="" type="radio"/>			PAID ADVERTISING <input checked="" type="radio"/>		
INFLUENCER MARKETING <input checked="" type="radio"/>			INFLUENCER MARKETING <input type="radio"/>			INFLUENCER MARKETING <input checked="" type="radio"/>			INFLUENCER MARKETING <input type="radio"/>			INFLUENCER MARKETING <input type="radio"/>		
PRE	LAUNCH	POST	PRE	LAUNCH	POST	PRE	LAUNCH	POST	PRE	LAUNCH	POST	PRE	LAUNCH	POST
GOAL: Raise awareness of platform, gain app downloads.			GOAL: Raise awareness of younger consumers.			GOAL: Raise awareness of platform, gain app downloads.			GOAL: Lead consumers to specific products.			GOAL: Raise awareness of platform, gain inventory.		
TARGET: Buyers & sellers			TARGET: Potential buyers			TARGET: Potential buyers			TARGET: Mostly Buyers			TARGET: Mostly sellers		
USAGE: Highly active			USAGE: Low			USAGE: Active			USAGE: Active			USAGE: Moderately Active		

Social media marketing will be utilized across various platforms with a unique strategy in place for each destination. Instagram will involve paid advertising, influencer marketing, and an involved content strategy for Noé’s profile.

The **INSTAGRAM** strategy will start with teasers in pre-launch, a highly saturated approach during the launch of Noé, and will continue throughout post-launch. The objective for all social media marketing will be to build the digital community of buyers and sellers, with Instagram being the most active channel for this promotion.

TIKTOK will consist of a less involved approach as the average TikTok user is in a younger age demographic, but will still be used as a personal channel for Noé, while passively attempting to attract younger consumers who may be first-time luxury buyers.

With a more active approach on **YOUTUBE**, Noé will run a video advertisement as well as post teasers and campaign videos on its own account. Influencer marketing will also be used on YouTube via sponsored videos with gifted merchandise.

PINTEREST will be used by Noé in the form of advertisements that feature specific products on the app via paid advertisements. Albeit this approach is less creative, Pinterest can be a great tool to drive direct sales via personalized product recommendations.

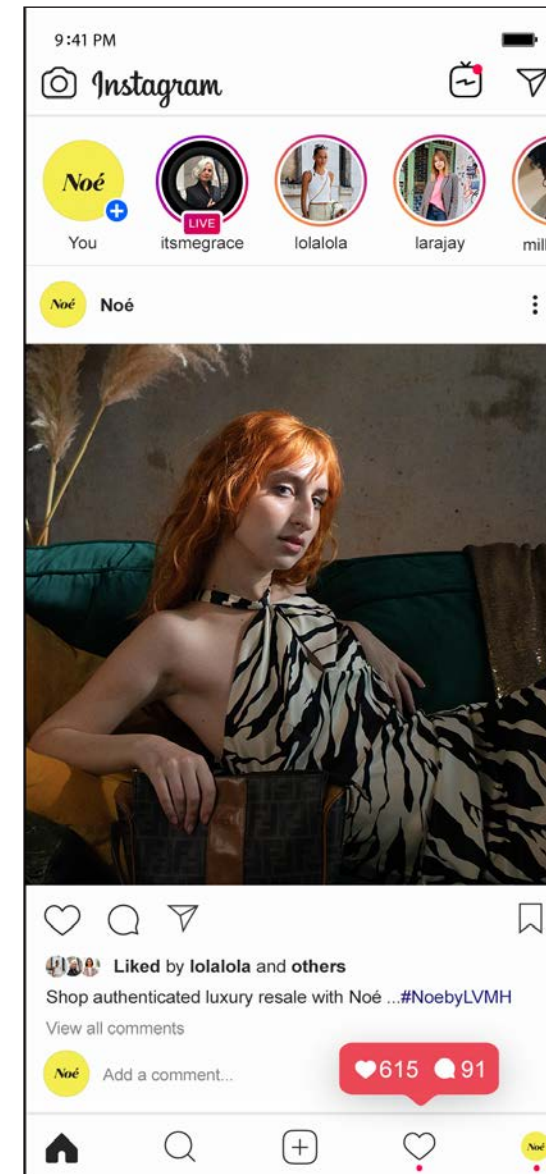
FACEBOOK will also be used in the form of paid advertisements with the goal of attracting sellers to join the Noé community.



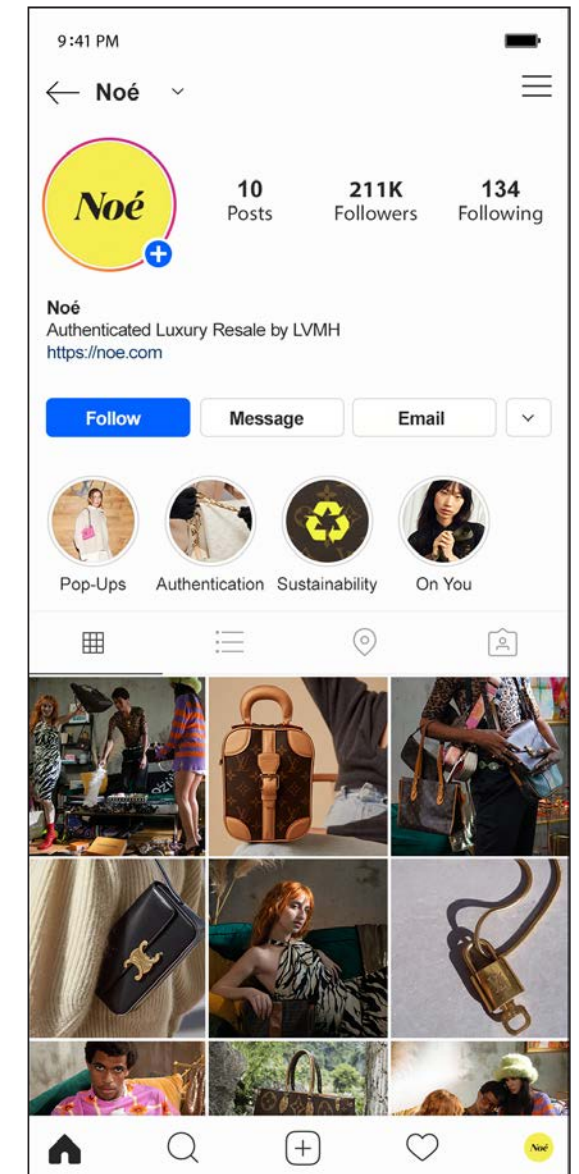
INFLUENCER STORY TAKEOVER



NOÉ CORRESPONDENT INSTAGRAM LIVE



IN-FEED INSTAGRAM AD



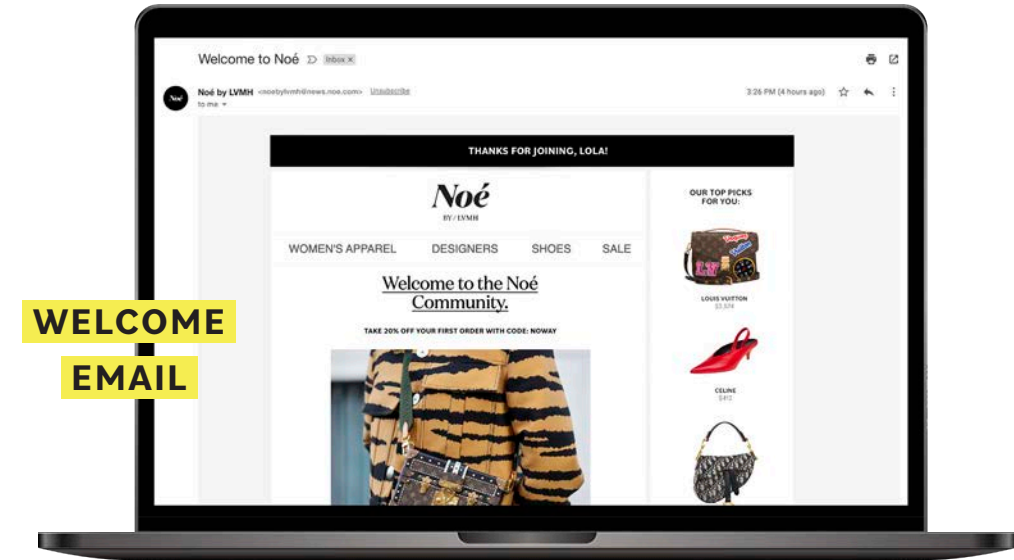
INSTAGRAM FEED

→ EMAIL MARKETING

By the end of 2018, email marketing contributed to over 40% of leading luxury resale platform, The Real Real’s overall revenue. Therefore, it was decided that email marketing would be a prominent marketing tactic for Noé. The Real Real averages at around 6 emails per week to a consignor or consumer, with personalized aspects like product recommendations and alerting a consumer when an item they have viewed drops in price.

Noé will be expanding on and improving these email marketing efforts in its strategy. Emails to potential consignors will be sent based on LVMH’s current data on previous consumers and what they have purchased. For instance, if a consumer bought a Louis Vuitton Speedy bag a decade ago, they will be contacted to see if they would be interested in selling their product, enticing the consumer with the product’s estimated resale value, store credit options, ease of selling, etc. This will be one of the main tactics for sourcing Noé’s inventory.

Other emails Noé will use to market its products and services will be welcome emails as new buyers and sellers sign up and create accounts on the app, weekly newsletters featuring seller profiles, stylist picks, and recommended products, discount emails to entice purchasing or selling with discount codes, promotional sales, as well as estimated store credit offers. Lastly, specific product emails will be sent out to recommend products to consumers, price drops of certain products, as well as new-in products.



EMAIL MARKETING				
CONSIGNOR EMAILS	WELCOME EMAILS	WEEKLY NEWSLETTERS	DISCOUNT EMAILS	PRODUCT EMAILS
EMAILS SENT TO OWNERS OF LVMH PRODUCTS WITH INCENTIVES TO SELL.	STANDARD WELCOME EMAIL SENT TO NEW USERS WHO SIGN UP AS A SELLER, BUYER, OR BOTH.	1 / WEEK NEWSLETTER FEATURING SELLER PROFILES, STYLIST PICKS, AND PRODUCTS.	EMAILS SENT TO ENTICE PURCHASING OR SELLING WITH DISCOUNT CODES, SALES, OR STORE CREDIT.	EMAILS SENT ON PRODUCT RECOMMENDATIONS, PRICE DROPS, AND NEW-IN.
PERSONALIZED <input checked="" type="radio"/>	PERSONALIZED <input type="radio"/>	PERSONALIZED <input checked="" type="radio"/>	PERSONALIZED <input type="radio"/>	PERSONALIZED <input checked="" type="radio"/>
MASS-MARKET <input type="radio"/>	MASS-MARKET <input checked="" type="radio"/>	MASS-MARKET <input type="radio"/>	MASS-MARKET <input checked="" type="radio"/>	MASS MARKET <input type="radio"/>
PRE LAUNCH POST	PRE LAUNCH POST	PRE LAUNCH POST	PRE LAUNCH POST	PRE LAUNCH POST
GOAL: Gain inventory of product to be sold on the app. TARGET: Sellers USAGE: Highly active	GOAL: Establish connections with consumers and promote features on the app. TARGET: Buyers & Sellers USAGE: Active	GOAL: Inform consumers of happenings on the platform, drive consumers to app. TARGET: Buyers & Sellers USAGE: Active	GOAL: Drive consumers to the app with enticing offers. TARGET: Buyers & Sellers USAGE: Active	GOAL: Lead consumers to the app, generate sales. TARGET: Buyers USAGE: Moderate

→ DIRECT MAIL

Direct mail will be, yet another tactic used by Noé to gain sellers in order to build up the initial inventory on the app. This tactic will also be adjusted to target potential buyers as well. The direct mail strategy will be in the form of PR kits, including a high-quality, recycled, Noé tote bag, which also promotes the sustainability aspect of the brand. In the tote, giftees will find an informational card, as well as shipping materials such as a collapsible box and free shipping label.

This tactic will be employed to entice previous LVMH consumers, ideally those with a lot of products they would be willing to sell, to send their products to be sold on Noé, as easily and efficiently as possible. The idea is that potential sellers can learn about the platform with the informational card as well as the estimated resale values of some of their products. The seller can contact their personal Noé correspondent via the contact information on the card if needed, fill the collapsible box with their product or products, use the pre-made shipping label to ship it out, or fill the tote bag with their box as they walk to the post office or in-store drop-off.

For potential buyers, influencers, and celebrities, the tote bags and informational cards will be sent as an incentive as well as simply, awareness-promoting freebies.



PR KIT

DIRECT MAIL											
PR KITS											
RECYCLED, BRANDED TOTE			INFORMATIONAL CARD			COLLAPSABLE BOX			FREE SHIPPING LABEL		
A DURABLE, HIGH-QUALITY TOTE BAG MADE FROM RECYCLED MATERIALS.			EXPLANATION OF SERVICE/ PLATFORM, ESTIMATED RESALE VALUE OF PRODUCT.			FOR SELLERS TO EASILY SHIP OR DROP OFF THEIR PRODUCT TO BE SENT FOR AUTHENTICATION.					
POTENTIAL SELLERS ●			POTENTIAL SELLERS ●			POTENTIAL SELLERS ●			POTENTIAL SELLERS ●		
POTENTIAL BUYERS ●			POTENTIAL BUYERS ●			POTENTIAL BUYERS ○			POTENTIAL BUYERS ○		
PRE	LAUNCH	POST	PRE	LAUNCH	POST	PRE	LAUNCH	POST	PRE	LAUNCH	POST
OBJECTIVE: Potential sellers who are likely interested in selling at least 1 of their eligible products will receive these PR packages in the mail to promote the incentives and ease of selling. Sellers will have everything they need to sell their product as easily as possible.											



Pop-up Shops.

There will be pop-up shops in 3 different cities, where Noé is expecting the most engagement from consumers.

Pop-ups will be open for 3 weeks, September 6-27 and there will be a launch party on the opening night at each location with guest appearances from LVMH Fashion & Leather Goods and Jewelry & Watches brand ambassadors such as Emma Chamberlain and Hyeon Jung. Pop-up stores will be integrated regularly into Noé's IMC Plan to maintain rotational in-person interactions and community-driven events.

- New York, NY
- Paris, France
- London, UK



→ THE EXPERIENCE

There will be a substantial emphasis on sustainability and circular fashion at the pop-ups, with each location employing local artists and graphic designers to customize products to give them new life. Future pop-ups may include atelier workshops for consumers to see how a product is upcycled firsthand. Each pop-up shop will have a selection of products available for purchase, product customization by local artists, as well as a drop-off service for sellers. Customization will include bag painting, monograms, and an exclusive selection of patches, pins, and bag tags. Existing brand ambassadors from LVMH-owned brands will be hired to attend the launch parties and act as the faces of the launch among the company of employees, influencers, press, and a selection of loyal consumers.



Future Initiatives.



→ IN-STORE DISPLAYS

In-store displays at select LVMH-owned Fashion & Leather Goods Houses' storefronts will be integrated into the existing merchandising down the road. The displays will be cohesive with the stores existing branding, yet consumers can distinguish pre-owned pieces with an additional, signature Noé-yellow tag. There will be an additional hangtag with a brief explanation of the product (ie. name, style, year, size) with a QR card that takes the user to the Noé App on their phone's app store. The in-store displays will take up a small portion of the storefronts, similar to a department store pop-up or branded installation. Each display will feature secondhand and archival items of that brand sourced from the Noé App. Therefore, in-store pick up will be an option for Noé buyers as well. Sales Associates will promote the Noé App and the brand's affiliation to it through organic interactions like word-of-mouth.

KPI's.

→ KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS						
	STREAMING AD	SOCIAL MEDIA	EMAIL MARKETING	DIRECT MAIL	POP-UP SHOPS	IN-STORE
AWARENESS	VIEWS IMPRESSIONS UNIQUE USERS AWARENESS LIFT AD RECALL LIFT	VIEWS IMPRESSIONS REACH WEB TRAFFIC UNIQUE USERS	# OF NEW SUBSCRIBERS OPT-IN RATES	# OF PACKAGES SENT # OF SIGN-UPS	CLICKS ON APP SOCIAL MEDIA HASHTAGS UNIQUE USERS AWARENESS LIFT	AWARENESS LIFT IN-STORE TRAFFIC WORD OF MOUTH
CONSIDERATION	VIEW-THROUGH RATE WATCH TIME FAVORABILITY LIFT CONSIDERATION LIFT BRAND INTEREST LIFT	WEB TRAFFIC INTERACTIONS SHARE OF VOICE CONSIDERATION LIFT BRAND INTEREST LIFT	# OF EMAILS SENT # OF EMAILS OPENED BRAND INTEREST LIFT	APP/WEBSITE VISITS W/ UNIQUE LINK	IMPRESSIONS TRAFFIC ATTENDANCE DWEELL TIME RETENTION	IMPRESSIONS TRAFFIC CONSIDERATION LIFT BRAND INTEREST LIFT
ACTION	CLICKS APP DOWNLOADS SIGNUPS DISCOUNT CODES USED SALES PURCHASE INTENT LIFT	LIKES COMMENTS SHARES APP DOWNLOADS FOLLOWERS GAINED COST PER CLICK	CLICK-THROUGH RATES CONVERSIONS SOCIAL SHARES SALES UNSUBSCRIBE RATE SIGNUPS	RESPONSE RATE APP DOWNLOADS CONVERSION RATE PRODUCTS BOUGHT/SOLD	APP DOWNLOADS SIGNUPS SALES BY DAY SALES BY CATEGORY	APP DOWNLOADS SIGNUPS CONVERSION RATE IN-STORE SALES



→ DEMAND PLAN

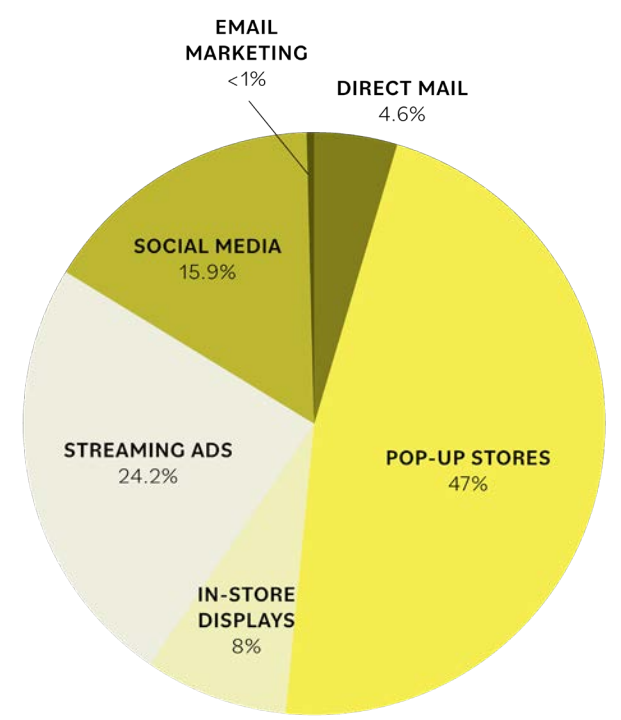
DEMAND PLAN (BASED ON 2021 DATA)					
MARKETPLACE	TOTAL REVENUE	ACTIVE BUYERS	ORDERS	ITEMS SOLD	AOV (Q4)
THE REAL REAL	\$468 MILLION	797,000	3 MILLION	23 MILLION	\$508
VESTIAIRE COLLECTIVE	\$188 MILLION	500,000	1.9 MILLION	15 MILLION	\$550
THREDUP	\$252 MILLION	1.7 MILLION	5.3 MILLION	50 MILLION	\$69
NOÉ	\$150 MILLION	300,000	1 MILLION	6 MILLION	\$550

→ GANTT CHART

INITIATIVE	Pre-launch								LAUNCH DATE: TUESDAY, SEP 6TH				Post launch			
	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
Streaming Ads																
Hulu																
HBO Max																
Youtube TV																
Amazon Prime Video																
Social Media																
Instagram feed posts																
Teaser posts																
Campaign post																
Influencer posts																
Instagram ads																
Instagram live																
TikTok posts																
Pinterest ads																
Facebook ads																
Email Marketing																
Consignor emails																
Newsletters																
Direct Mail																
PR kits for sellers																
PR kits for buyers																
In-store Marketing																
Pop-up Shops																
Pop-up launch events																
In-store displays																



Marketing Budget.



MARKETING BUDGET

Year 1	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	TOTALS:
Traditional Marketing													
Direct Mail													\$202,500
PR Kits (Sellers)	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 137,500.00
PR Kits (Influencers)								\$ 20,000.00	\$ 15,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 65,000.00
In-store Marketing													
Pop-up Shops													\$ 2,242,680.00
New York													\$ 1,224,000.00
Lease								\$ 42,000.00				\$ 42,000.00	\$ 84,000.00
Launch party								\$ 20,000.00				\$ 20,000.00	\$ 40,000.00
Artists								\$ 50,000.00				\$ 50,000.00	\$ 100,000.00
Influencers								\$ 500,000.00				\$ 500,000.00	\$ 1,000,000.00
Paris								\$ 11,340.00				\$ 11,340.00	\$ 22,680.00
Lease								\$ 18,000.00				\$ 18,000.00	\$ 36,000.00
Launch party								\$ 40,000.00				\$ 40,000.00	\$ 80,000.00
Artists								\$ 200,000.00				\$ 200,000.00	\$ 400,000.00
Influencers												\$ 200,000.00	\$ 400,000.00
London								\$ 58,000.00				\$ 10,000.00	\$ 68,000.00
Lease								\$ 20,000.00				\$ 12,000.00	\$ 32,000.00
Launch party								\$ 50,000.00				\$ 30,000.00	\$ 80,000.00
Artists								\$ 200,000.00				\$ 100,000.00	\$ 300,000.00
Influencers												\$ 100,000.00	\$ 200,000.00
LVMH-owned Storefronts													
In-store displays							\$ 250,000.00					\$ 100,000.00	\$ 350,000.00
Digital Marketing													
Streaming Ads													\$ 1,065,300.00
Production Budget				\$ 750,000									\$ 750,000.00
Hulu							\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 150,000.00
YouTube TV							\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 90,000.00
Amazon Prime Video							\$ 7,550.00	\$ 7,550.00	\$ 7,550.00	\$ 7,550.00	\$ 7,550.00	\$ 7,550.00	\$ 45,300.00
Social Media							\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 30,000.00
Instagram							\$ 75,000.00	\$ 100,000.00	\$ 75,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 400,000.00
TikTok							\$ 6,000.00	\$ 6,000.00					\$ 18,000.00
YouTube							\$ 25,000.00	\$ 25,000.00	\$ 10,000.00	\$ 10,000.00	\$ 25,000.00	\$ 25,000.00	\$ 120,000.00
Pinterest							\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 75,000.00
Facebook							\$ 20,000.00	\$ 15,000.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 85,000.00
Email Marketing													\$ 17,875.00
Consignor Emails	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 11,000.00
Welcome Emails								\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 2,500.00
Weekly Newsletters								\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 1,750.00
Discount Emails								\$ 275.00	\$ 275.00	\$ 275.00	\$ 275.00	\$ 275.00	\$ 1,375.00
Product Emails								\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 1,250.00
SUBTOTALS:	\$ 21,000.00	\$ 21,000.00	\$ 21,000.00	\$ 761,000.00	\$ 11,000.00	\$ 11,000.00	\$ 189,550.00	\$ 1,695,265.00	\$ 195,675.00	\$ 159,675.00	\$ 174,675.00	\$ 1,308,015.00	\$ 4,568,855.00

Conclusion.

The high-quality, luxury craftsmanship of LVMH-owned Fashion & Leather Goods and Jewelry & Watches Houses aids in the Group's domination of the primary luxury market. However, LVMH has been wary to add the key, additional revenue driver of authenticated luxury resale to its portfolio. Current consumer awareness and resale demand for LVMH Fashion & Leather Goods and Jewelry & Watches Houses proves how this initiative cannot be overlooked. By entering the secondary market, LVMH will establish control over a powerful and growing sales channel. Capabilities like in-house authentication and existing repair centers act as strategic differentiators as consumers can buy, sell, and connect on Noé with the utmost confidence, and with less fees associated with competitors.

Through the implementation of this strategy and IMC plan, LVMH can establish relationships with an untapped group of consumers who are emerging entrants on the luxury market. Resale consumers often become primary market buyers, and as the Noé community encourages engagement and creates loyalty, primary market buyers will in many cases become secondary market sellers. The promotion of wardrobe circularity aligns entirely with LVMH's goals for sustainability and reiterates the quality of the products which are meant to last a lifetime. Luxury fashion and its consumers are changing rapidly; Noé has the power to shake up the industry, make strides toward more sustainable practices, and be the first mover of in-group luxury resale.

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→ FOCUS GROUP TRANSCRIPT

FACILITATOR: Ally Quirk

ATTENDEES: Maria Aguilar, Becca Bonini, Grace DiPaolo, Kate Kelly, Camila Medina, Bronte Mongan, Sydney Seward, Noel Thomas

Saturday, April 9th, 2020 (10:00 AM EST).

(00:01:01.140)

ALLY QUIRK: Good morning, everyone. Happy Saturday. We're going to start off with everyone doing a brief introduction of your name, where you're located right now, if you're a buyer or a seller, or, if you do both. Grace, do you want to start us off?

(00:04:02.040)

GRACE DIPAOLO: My name is Grace DiPaolo, I am located in Savannah and my favorite resale platform is The Real Real. I both buy and sell.

(00:04:38.4600)

CAMILA MEDINA: My name is Camila, I am also currently located in Savannah. My favorite resale platform is The Real Real, but I am mostly a seller through Poshmark, because I tend to sell less expensive goods that would not be able to be sold on The Real Real.

(00:05:06.420)

BECCA BONINI: My name is Becca, I'm currently in Connecticut. I sell on Poshmark, so I've never bought anything on Poshmark, I just mainly sell clothes that I don't want any more.

(00:05:32.310)

BRONTE MONGAN: I'm Bronte, I'm in Savannah, Georgia. My favorite resale platform is probably The Real Real as well, I also really like Rebag. But I am not a seller, and I actually don't think I have bought on The Real Real yet. I've also had an item appraised that I thought about selling but didn't go through with it. Yeah.

(00:06:03.900)

KATE KELLY: I'm Kate. I live in New York. I just started using The Real Real to buy stuff, not to sell stuff. I sometimes use Etsy for vintage tees.

(00:06:34.770)

NOEL THOMAS: I'm Noel, I am a grad student in Savannah so I live in Savannah currently. And I am a buyer on Poshmark, The Real Real, and Depop but I sell primarily on Poshmark and Depop.

(00:06:55.890)

SYDNEY SEWARD: I'm Sydney. I'm also in Savannah. I'm in the undergrad Business of Beauty and Fragrance major. I think my favorite resale platform would be The Real Real, also Depop. I do sell on there and buy a lot of stuff.

(00:07:17.790)

MARIA AGUILAR: I am also living in Savannah. I think my favorite is also The Real Real. I have bought a bag from there, and I really like it. But I only buy, never sell anything.

(00:07:35.280)

ALLY QUIRK: So, jumping straight in let's talk about resale. Why do you shop resale sites, instead of brand new? What pieces, have you found recently on resale platforms that you're excited about? Are you specifically loyal to one platform, a lot of you talked about The Real Real, or do you shop around other platforms? What are some inconveniences of shopping on resale platforms?

(00:08:32.700)

NOEL THOMAS: I recently got some Marc Jacobs pants on The Real Real and I specifically shop there because I think they are the most well-known resale brand of luxury. For me it's the best place to continually track because I primarily shop there for pieces I've been looking for a while. My piece was a couple of collections old, and I wanted to find it secondhand because I don't like buying brand new leather, and so I always try to go the secondhand route for that, but I wouldn't necessarily say I'm loyal to The Real Real. The Real Real is just where I've had the most luck finding what I like, but I do have the one inconvenience that there is so much product that it would be nicer if it was more sortable. Otherwise, I'd say that's my biggest complaint, sometimes it's just there's too much to go through versus if I had specifics in mind, it would be nice if I could narrow that down a little bit.

(00:09:52.650)

KATE KELLY: I had an idea of what I wanted, but I didn't know exactly what I wanted so using their filters was just kind of going through the black leather purses and I felt like I had just turned 30 and I wanted like an adult purse, so I was looking for a nice brand. So I think, though, the downside, though, of shopping from like The Real Real or any site,

you're shopping used goods, this one came with some damage, so I wound up like having to glue some pieces back together, I got leather paint and so now I think she looks so much better. This is my baby.

(00:10:39.300)

GRACE DIPAOLO: I'll also say you can filter your results by quality.

(00:11:08.910)

ALLY QUIRK: Any other inconveniences that come with on the selling aspect, or do these platforms make it pretty easy for you guys to create listings and sell things easily? What's that experience like?

(00:11:24.030)

GRACE DIPAOLO: I've sold quite a few things and I think a good thing is that, that I've tried to sell a few pieces that were worn, and they sent them back, and that made me feel good about the level of quality that they do sell. An inconvenience is that sometimes they send back brands that I've seen on the site that I know they take. I had a Ted Baker wallet that I got as a free swag gift when I was working in fashion, it still had the tags on it, and everything it's a few years old, but they sent it back and they were like "we don't accept Ted Baker," but I've seen Ted Baker on the site so that was weird.

(00:12:12.840)

BRONTE MONGAN: Interesting. I have a feeling Ted Baker wasn't performing well for them on their platform, though, and so they might have decided to stop...

(00:12:24.510)

GRACE DIPAOLO: Accepting it?

(00:12:25.650)

BRONTE MONGAN: Like stop buying the brand from sellers.

(00:12:29.190)

GRACE DIPAOLO: That makes sense, but another good thing about selling on The Real Real is as they've started accepting more brands. Maybe certain things don't perform well, and then certain things do. The last time I sold, they were like, "by the way, we're accepting Nike," like if you have any old sneakers or anything. Also, Tiffany's sterling jewelry, they were accepting that kind of stuff and I had a few necklaces from when I was a kid that I ended up selling.

(00:13:02.310)

ALLY QUIRK: Does anyone else have any insight on why you started shopping resale instead of brand new? Whether it's because things are a little bit cheaper or the sustainability aspect.

(00:13:22.710)

BRONTE MONGAN: I was window shopping resale platforms, especially Rebag and The Real Real. Mostly because it was a little less expensive and I could look at so many different brands of handbags in one place. It's fun for me to scroll and scroll and scroll and see what things were going for and I'd see archival pieces, things that aren't from brand new collections, but from past designers' releases. And then, also the sustainability factor. I liked the idea that I didn't need something that was brand new and I wasn't buying something that was just made me so I would feel a little bit better about it.

(00:14:24.300)

CAMILA MEDINA: Just piggybacking off what Bronte said, the main reason why I sell and buy on resale platforms is for sustainability, but that's a personal choice because, for me, sustainability is so incredibly important. And then off of that, they tend to be less expensive and then to add to that you feel like you're getting more one-of-a-kind pieces that are not as readily available, that are either no longer sold or are from past collections, so I would say, those are the three main reasons, in that order, sustainability, price and then the quality or the uniqueness of the piece that you're purchasing. But I will say, one

of the biggest inconveniences, so I tend to only shop accessories because when it comes to clothing and shoes, I do tend to be more in between sizes, and so it makes it a lot more difficult to buy those kinds of pieces. I'm also extremely petite, I'm really short so, I think it's a lot more difficult to buy clothing and shoes. Shoes, primarily because of comfort. And you can't just return them or exchange sizes. Because they usually tend to be final sale, so when I do buy resale it tends to be jewelry. To find some really beautiful jewelry pieces and then handbags and wallets which I guess go hand in hand.

(00:16:00.780)

GRACE DIPAOLO: I have an inconvenience. The Real Real does not show the clothes on real people, and I hate that because I have to Google it so I can see what it actually looks like.

(00:16:41.790)

BRONTE MONGAN: The image quality really boring on The Real Real. I think their product images are pretty basic like you would see on any website. White background, product. But Rebag's social media is so much fun, like the way that they'll style and show bags on actual people for other promotional activities is really a lot more interesting, but then Noel also mentioned that the pants she bought on The Real Real were on the mannequin backwards, so like their product knowledge isn't up there. I feel if they had Googled the product they could have put it on the mannequin properly, but they just threw it on a mannequin, snapped a photo, and onto the next.

(00:17:53.970)

BRONTE MONGAN: I don't mean to compare them to brands like Shein, because it's not new products, but if they're not being careful about what they're accepting and like curating their sort of products, it does kind of feel like they're just pumping out anything to you.

(00:18:06.510)

ALLY QUIRK: And I did read that The Real Real are opening up so many brands, like Grace said they're offering Nike, they are selling Patagonia now, Outdoor Voices, When The Real Real first came about 10 years ago, it was pretty much handbags, shoes, and luxury

ready-to-wear, so it is interesting that they're opening up so many different brands that aren't considered luxury at all, in my opinion.

(00:18:33.330)

NOEL THOMAS: To bounce off that - that is definitely a concern of mine is that they're starting to spread themselves too thin. How many brands can they take on and still keep up? Like Grace was saying, she admires how much quality products that they have, but if they're offering brands like Nike, and we're having to weed through all the running t-shirts, are they going to be still putting the same amount of time into like the higher-end luxury goods that are coming in?

(00:19:02.520)

BECCA BONINI: I kind of have a different opinion - I haven't bought from these kind of resale platforms. And the kind of inconsistency is one of the reasons why I primarily only sell on Poshmark, and I just use the money that I get from that to maybe one day be able to buy something that is luxury. I think if I was to buy something from the website, I would definitely have to do a lot of research which is fine, but just some of the inconsistency is, I feel like if I was to spend all that money to get something that wasn't perfect I would be upset.

(00:19:34.080)

ALLY QUIRK: Definitely. When you are buying something with a higher price tag like something on The Real Real, it's not like when you're buying something brand new, you pretty much know exactly what you're going to get. Everything's going to be pretty much perfect, it's going to be in nice packaging, a nice box and everything. And on The Real Real, it's kind of a gamble. You can order something that says it's in great quality and there might be some damages to it so it's more of a surprise, which is a gamble you don't really want to play when you're spending money on luxury items.

(00:20:15.750)

KATE KELLY: I will also add that my bag came with a very nice dust bag, like the real Prada dust bag, and then The Real Real even has their own dust bag, so that was also included.

GRACE DIPAOLO: I was also going to say if you do shop on The Real Real, the times when I bought things that weren't exactly like the description, or say, the size was a little bit off because I often look at the measurements instead of the size, depending on the brand. But I have contacted them, and they've either refunded my shipping, or I've gotten a \$25 credit. I do agree that since there's so much more product there's less attention to each product, but I do I keep going back because I really do feel like if I say like "hey, there's a rip in the lining and that wasn't online," they will be like "we're so sorry, we'll refund you the shipping for a free return or we'll give you a \$25 credit on your next purchase. So I like that.

(00:21:52.860)

BRONTE MONGAN: Have you always just shipped in your products that you're selling, or have you ever had them appraised in person?

(00:21:59.550)

GRACE DIPAOLO: One time when I lived in New York, I got my stuff appraised in-person, but now I do it on the phone and I send it in, and then sometimes they send it back. My other best friend in Dallas sends his stuff in and he's never had an in-person appraisal.

(00:22:58.920)

ALLY QUIRK: What features do you love on retail sites, is there a feature you wish your favorite retail site had? And then also something I wanted to touch on is, can you picture a resale site as more sort of like social media? What would that look like? Sydney, I know you love Instagram stories and how on TikTok everything feels very real. What would social media on a resale site look like where you could connect with buyers and sellers?

(00:23:57.810)

SYDNEY SEWARD: That's why I was first drawn to Depop is because it looks like Instagram and I thought that that was so clever when it first launched. Because you can directly talk to the seller, and message them more easily. On Poshmark it can be a little bit difficult. You have to go on to the seller's "About Me" page and shoot them a comment, whereas on Depop you can kind of just text them and get a quicker response. You might be like "Oh,

before someone sells this pair of pants, I want to see what it looks like on a model, can you take a picture or send me measurements?" I always ask them for measurements if they don't include that already. So I think, just making the experience more user friendly will definitely gravitate a younger demographic to want to purchase.

(00:25:28.020)

MARIA AGUILAR: Since I'm not from the States, the measurements are different from where I'm from. I want to know what a specific size I'm getting or what the clothes are going to look like on me. I'm also not very tall so if I'm buying pants, I don't know how it's going to fit - it might be super super long and I just have no idea what it's going to look like. But I agree with Sydney, I like Depop for that reason. You can talk with sellers and get more details. When I bought like my Fendi bag from The Real Real I was nervous, I was like okay, what will it look like? What is it supposed to look like? Those little details. But I will be interested in if it is more like social media in the future.

(00:28:04.500)

MARIA AGUILAR: I was thinking you know how Pinterest has that feature where you can search with a specific picture if you don't know the name of something in the search bar, and it takes you to similar images. Or just similar sellers, different sellers so you can see which one you really want to spend your money on. Especially if it's a very expensive bag. Maybe one will be similar to another seller's, but if one seller has better reviews or it might make you want to choose them over the other.

(00:28:52.500)

ALLY QUIRK: Yeah, I find myself on Depop and it's sort of like a maze. I'll go to a seller, she's selling something from a brand that I really like, but she's only selling four products so then I'll click on her likes, and then onto the next seller and their likes, and I get into such a rabbit hole. I think if there was like a better way to specifically shop categories like "it-girls from New York City" and we could shop their closets. Every week, platforms could have different featured sellers just to make shopping easier, not going down those rabbit holes that leave you frustrated, and eventually you just log off.

(00:29:44.430)

BRONTE MONGAN: I think the social aspect of it, like Nani was saying, I feel like she would have felt more comfortable if there was someone relatable, or just a human on the other side, and she knew who was selling it, who owned it previously. It's easier to have confidence, I think, sometimes with an individual than it is with a company like The Real Real. And then, a social feature, I don't know if it's just me, but I am so swayed when I see a styled photo of an item. It's so much different than just seeing the item on its own. If you have personal sellers on a platform like Depop, seeing the way that they put it together, or take a really nice aesthetic photo of it, that just that gets me. It could be hideous sitting on something by itself, but I'm influenced by that. Even something like Revolve does, some kitschy little name like, "Prints for May," and it's 200 items that match that kind of vibe, I think that would be really fun on resale platforms. Or doing a 2000s edit and, like having 250 products, like three pages of products that kind of fit that vibe.

(00:32:12.330)

NOEL THOMAS: One thing that I wish The Real Real had, I am a sucker for a video of a product. It doesn't actually have to be styled on somebody, but I think photos aren't always enough. On Depop it's easy to get away with it if there's a blemish or something, you may not notice it versus if someone takes a full video of a bag. Real-time it's pretty hard to miss something, like in good lighting, and I think like probably in Kate's case, a video may have helped her know a little bit more about what was coming in, because, when you're shining a light on a leather good you're going to see anything that might be missing, so I definitely wish for that feature, even just to get a 360 degree view of products would be nice.

(00:33:05.040)

GRACE DIPAOLO: I was just going to say the features that I love, specifically on The Real Real, is the "Obsessions" feature where you just click on whatever you like, and for me, when it goes under a certain price, whatever their algorithm is, when I'm most likely to buy they send me an email. After I see the email, I'm like "that's under \$50 so I'm going to buy it."

(00:34:11.310)

ALLY QUIRK: Is anyone aware of any resale brands' marketing campaigns, right now, have

have you seen these videos? Where have you seen them if you have? And then, also where would you want to see campaigns, and what do you think it would look like?

(00:35:27.630)

BRONTE MONGAN: I remember my first time seeing a commercial for The Real Real. I remember thinking it was so cute. It's the same, I think, as it is right now, it had a similar vibe of people, just like walking back and forth, and then they would throw up the name and be like "luxury resale." But I also remember finding Rebag on Instagram for the first time, stalking their social media, and being obsessed with the imagery. The way that they would shoot and style the bags was so fun, it was very editorial to me, it looked like an ad that would look great in Vogue magazine, and I don't know, it was exciting.

(00:36:47.010)

MARIA AGUILAR: I saw recently on Hulu, an ad for The Real Real. And it does look very high quality, like the bags all look brand new. It would be interesting to see if they would target a certain style like the 90s. I actually saw the ad yesterday, and I was just like, it looks so perfect and clean, it does catch your eye. I wasn't expecting to see the ad, I was just watching a show, and then I saw The Real Real, so now I want to buy something. Where else I could see the video campaign is obviously like Instagram, TikTok. Everybody likes to talk about it, like sometimes I see some influencer saying like "I just bought this on The Real Real, and that gives me motivation to keep buying from them. To be like okay, this person that looks my age, my style, so it's kind of like, okay now I want to see what they have, shop their closet, scroll on the app.

(00:39:02.430)

ALLY QUIRK: I think places like Instagram and TikTok could be great places for trying to reach the younger consumer. Can you picture these campaigns on anything physical? Bronte said one of the campaigns looked like it could be featured in Vogue. Could you ever see one of these campaigns being in a magazine? I know those ads are so expensive but anything else besides social media.

(00:39:37.320)

(00:39:37.320)

BRONTE MONGAN: I think it would be, I think. It will work well in print like once it's commonplace, these resale platforms. I know there's like a lot of gatekeepers and long running relationships with legacy brands and stuff like that, with publication so I'm sure there's some tension there with promoting resale platforms. Like when they've always worked with LVMH exclusively, and I know they have some beef with some of these resell platform so it's probably a ways away. But I would think as long as it's not stepping on the wrong people's toes I would totally see it in print and also billboards. Billboards, buses, yeah totally.

(00:41:02.730)

NOEL THOMAS: Every time I've been in a city where it has a The Real Real storefront, I just love shopping The Real Real physically, if I can, because I think the stores are just so well-curated I always make time to go into one. I think, even though those can feel older and dated, I do think the print or that in-person physical aspect is really cool. And then for campaign wise, I actually recently saw Vestiaire do a big campaign on TikTok and Instagram with puppets. I mean obviously it stuck out to me, Vestiaire, I don't really go there, but I remember the campaign well, so I think a big part is just getting creative with it because I think now most people know all the basics of a luxury retail site, so now it's really just like how are you being the one to pop out. A lot of that lies within the creative element and how you approach it.

(00:42:13.590)

ALLY QUIRK: If there's anything else that you guys want to mention about your love of resale, now is the time! We talked all about inconveniences, things we love, we talked about products we love, campaigns, is there anything else you guys want to get in last minute? Now is the time, the floor is yours.

(00:43:55.740)

GRACE DIPAOLO: The main reason that I shop resale, primarily from The Real Real, is because I like nice things and I like good quality and I'm at an age where I don't want a shop fast fashion, not just because it's bad for the environment, but I want clothes that

last and having the opportunity to shop secondhand resale allows me to wear brands like IRO and Helmut Lang, and stuff that I really value that I can't afford without shopping resale.

(00:44:43.050)

SYDNEY SEWARD: I was going to say that even when you find an item on a resale site that you've been looking for forever, or you just really think is unique and brings you joy, you're like "oh my god like I feel so much better about buying this secondhand." and more sustainability, and the fact of "I got this for a deal, I'm so proud of myself for finding this." You know, it's like a high.

(00:46:10.200)

GRACE DIPAOLO: Yeah in the past six months, because as we're like going to graduate and start working and everything, and I have lost weight and it's like, you know what I just really want to upgrade my wardrobe. And I felt guilty, because I bought like \$2,000 worth of clothes, you know I spent that much, and then I went back, and I was adding up the estimated retail and it was like over \$20k of stuff that I got for only \$2k. You tell yourself, "I'm investing," and I was like wow that really is an investment for me, those are clothes I'm going to have forever, well until I sell them.

(00:46:58.260)

ALLY QUIRK: But that's what's so good and circular about it! I have been doing a little bit of searching on The Real Real about some features that they have. There is a little sustainability calculator for each product, like "you're saving this much carbon emissions, etcetera." Cami, maybe you can elaborate a bit more on that? Like how much carbon emissions you've saved, or do they do a good job of actually promoting the sustainable aspect of shopping secondhand? I'm not so sure.

(00:47:35.370)

CAMILA MEDINA: I was going to say I think this is something that they could improve. I just discovered that last week because I was looking for a bag, but it's kind of hidden.

(900:47:49.470)

CAMILA MEDINA: You have to scroll down, it's like I think below where they rate the condition of the item, so it should be something that is better promoted. A lot of brands are starting to do that, I know Everlane does it, I know FRWD is starting to categorize their items as sustainable versus not sustainable and with the rise of conscious consumers that's something that a lot of people are weighing into their purchasing decision, so I think that is a competitive advantage that The Real Real has but I don't think they're using it to the best of their ability, because I do think there's a portion of consumers that are purchasing resale solely because of sustainability initiatives, and so I think that is something that when you are coming up with your plan for your resale platform, something that could be utilized in a better manner because I had no idea that they were doing that until last week.

(00:48:54.900)

ALLY QUIRK: This was so much fun, I'm so glad everybody got to come. You all had such great things to say, I hope you have a great rest of your weekend and get on those resale sites!

(00:49:31.260)

BRONTE MONGAN: Thank you!

(END)

ALLY QUIRK

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