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## **Online resale of luxury goods- The new luxury**

Mariana Helena Almeida Ferreira Gomes

Master in World Internet Studies

Supervisor:

Doctor Maria Conceição Santos, Associate Professor

ISCTE- University Institute of Lisbon

Co-supervisor:

Doctor Graça Trindade, Assistant Professor

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September 2021





SOCIOLOGIA  
E POLÍTICAS PÚBLICAS

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Department of Sociology

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*The best things in life are free.*

*The second best are very expensive - **Coco Chanel***



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## **Abstract**

The purchase of pre-owned luxury goods is now a worldwide trend. The search for sustainable consumption and the desire for luxury products have made this market grow exponentially in recent years. The present research aims to analyse the second-hand luxury market in Portugal, focusing on the online. This study aims to answer the following questions: (1) What are the main reasons for purchasing second-hand luxury products, mainly through digital? (2) Is the first-hand luxury consumer a second-hand luxury consumer? And (3) How is the shopping experience? Positive or negative? For that, a qualitative method that counts with four interviews to Portuguese luxury resale companies, and a quantitative method with an online survey distributed to 241 second-hand luxury consumers living in Portugal was done.

The research results reveal that (1) The main reasons for purchasing second-hand luxury in general and online in Portugal are: the product being cheaper, access to rare products, search for a more responsible consumption, the ease of access to a greater variety of products, compare prices, read testimonials from other consumers, have access to promotions and not having to leave home to make a purchase; (2) The consumer who buys second-hand luxury also buys first hand luxury products; and (3) The experience of buying second-hand luxury in Portugal is positive.

**Keywords:** second-hand; online; luxury; resale; reasons for buying



## **Resumo**

A compra de produtos de luxo em segunda mão é agora uma tendência mundial. A procura por um consumo sustentável e o desejo por produtos de luxo fizeram com que este mercado crescesse exponencialmente nos últimos anos. A presente investigação tem como objetivo analisar o mercado de luxo em segunda mão em Portugal, com foco na comercialização online. Pretende-se responder às seguintes questões: (1) Quais os principais motivos de aquisição de produtos de luxo em segunda mão, principalmente através do digital? (2) O consumidor de luxo em primeira mão é consumidor de luxo em segunda mão? E (3) Qual a experiência de compra de produtos de luxo em segunda mão em Portugal? Positiva ou negativa? Para tal, foi realizado um estudo qualitativo que conta com quatro entrevistas a empresas portuguesas de revenda de luxo, e um estudo quantitativo através de um inquérito online distribuído a 241 consumidores de luxo em segunda mão residentes em Portugal.

Os resultados do estudo revelam que (1) As principais razões de compra de luxo em segunda mão em geral e online são: o produto ser mais barato, acesso a produtos raros, consumo mais responsável, acesso fácil a uma maior variedade de produtos, comparar preços, ler testemunhos de outros clientes, acesso a promoções e não ter que sair da casa para comprar; (2) O consumidor que compra luxo em segunda mão também adquire produtos de luxo em primeira mão; e (3) A experiência de compra de luxo em segunda mão em Portugal é positiva.

**Palavras-chave:** segunda mão; online; luxo; revenda; razões de compra



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## **List of Abbreviations**

BCG- Boston Consulting Group

EE- Eastern Europe

EU- European Union

LVMH- Moët Hennessy Louis Vuitton

NE- Northern Europe

SPSS- Statistical Package for the Social Sciences software

US- United States



# 1 Introduction

*The COVID-19 pandemic has inflicted many losses: human, social, and economic. What we are now experiencing is an unprecedented moment of crisis in modern history. However, it is during uncertain times that companies often come up with new ideas, converting the crisis into an opportunity, and adopting a long-term vision of future challenges (Deloitte, 2020, p. 3).*

*Increasingly, consumers are realizing that it is possible to shop affordably and sustainably for exclusive, high-quality and on trend items. A new fashion and luxury market is growing fast (BCG, 2020, <https://www.bcg.com/publications/2020/consumer-segments-behind-growing-secondhand-fashion-market>).*

The luxury resale market was one of the examples that grow during the pandemic. There are many reasons why second-hand luxury sales are expanding, like the increase in online sales, social media, and digitalization, changing consumer preferences, and rising concern about the sustainability of luxury goods. These trends were already well underway before the outbreak of COVID-19, but with the economic slowdown it has increased the impact of second-hand on the population (BCG, 2020). Buying second-hand luxury goods is now a new way of buying luxury, it is trendy. This market has enabled the acquisition of new luxury consumers, giving them the opportunity to purchase luxury, high quality products, for a much lower price than at first-hand. However in Portugal only now the resale luxury market is moving into the spotlight (Galha, 2020).

This research aims to study the Portuguese second-hand luxury market, focusing on online sales. There are few studies about the luxury market in Portugal, especially about how it works, and about their consumers. To fill some of the gaps, the object of study will be the main luxury second-hand stores existing in Portugal, with online store, with the aim of understanding better the Portuguese second-hand luxury market, and the consumers of this market, seeking to answer the following questions: What are the main reasons for purchasing second-hand luxury products, mainly through digital?; Is the first-hand luxury consumer a second-hand luxury consumer?; How is the shopping experience? Positive or negative?

Thus the following objectives were outlined:

- Analyse the main reasons for purchasing second-hand luxury in general and online
- Clarify the concept of second-hand luxury and the consumer profile
- Clarify the process of buying and selling second-hand luxury goods online
- To characterize the market of Portuguese second-hand luxury stores online

This study is made of six chapters:

1. Introduction: This first chapter is aimed at setting the theme and its rationale, setting out the objectives of the study and the structure of the dissertation
2. Literature Review: The literature review is divided into two parts, one focusing on luxury and the other on second-hand luxury.
3. Conceptual Model and Research Hypotheses: This chapter presents the conceptual model and the research hypotheses created through the empirical work based on the literature review.
4. Methodology: This chapter presents the methodology used and its objectives.
5. Data analysis: This chapter presents the results of the quantitative study, the operationalisation of the variables and estimations, using the Statistical Package for the Social Sciences software.
6. Conclusions: Finally, the main conclusions and contributions of the research are presented, as well as the main limitations of the study and suggestions for future research.

## 2 Literature Review

This chapter aims to present a review of existing literature concerning luxury and second-hand luxury concepts, market players and consumer behaviour. This literature review shows that luxury remains a difficult concept to define and that over the years it has been changing more and more. The second-hand luxury market is being increasingly debated among academics, in parallel with its recent growth.

### 2.1 Defining luxury

*Luxury is the transformation of an object into a piece of art* (Burri, 2017, p.2).

The definition of luxury is something subjective, as it varies from author to author and consumer to consumer and is always changing. When we think of luxury, we immediately refer to exclusive products with high quality and high value (Galhanone, 2005).

*The word luxury refers to something inherently unattainable, just one step ahead and unreachable. It also relates to a dream aspect which is nurtured through scarcity* (Turunen, 2017, p.3).

The concept of luxury is very old and has changed throughout the ages. The word 'luxury' derived from the Latin word 'luxus', means indulgence of the senses regardless of cost (Nueno & Quelch, 1998). Luxury is often presented as being a limited resource (Thomsen et al. 2020), an identity, a philosophy, and a culture (Okonkwo, 2009). Coco Chanel used to say that luxury is the opposite of vulgarity (Brainy Quote).

However, the term luxury is acquiring more shades and meanings and is no longer the same it was at the beginning. Nowadays, the concept of luxury is perceived to be more fragmented as a result of the diverse levels and forms that have been introduced. Luxury rests on a paradox: being high in awareness and desired, yet at the same time scarce and inaccessible (Turunen, 2017).

So, after all, what is luxury? According to Turunen (2017) is a question unanswered. Luxury used to be something rare and unattainable, something to which only a small elite used to have access. But now in a world of individualism and illusion, in a playground of opportunities and dreams, the social hierarchies have taken new forms and shapes, that force us to view the historically relevant concept of luxury through new lenses and to interpret it in the context of the contemporary world and its consumers.

When trying to define luxury I came across several definitions from different authors (Burri, 2017; Turunen, 2017; Okonkwo, 2009; Galhanone, 2005; Nueno & Quelch, 1998 and Thomsen et al. 2020) and they all have in common that they consider luxury as something exclusive, beautiful and with quality.

Thus, we can *affirm that the definition of luxury can be considered temporal, social, contextual, economic, and politically situated, and is always shifting* (Farias et al., 2019, p. 3128).

## **2.2 Democratization of Luxury**

*The democratization of luxury means more people are going to get better fashion. And the more people who can have fashion, the better* (Anna Wintour, <https://quotes.yourdictionary.com/author/anna-wintour/120289>).

According to Lipovetsky (2005) and Farias et al. (2019) luxury came to separate the higher social classes and the lower social classes which is proven by the upper bourgeoisie (elite society), where luxury was a way for the classes to differentiate themselves and assert their position in society through their way of life with palaces and royal houses. With the societies and cultures evolving, the notion of luxury has also changed, and *luxury is now subjective to each person's own view of value and preference due to globalization and the continued rise of technology* (Ramadan, 2018, p. 660). Luxury it is now available to anyone who is willing to pay for it. This change Danziger (2005) called 'the democratization of luxury', the most important phenomenon in marketing today. This happens because more people became very interested in the luxury market but being an exclusive market it is not available to everyone (Burri, 2017).

By reducing production costs, luxury brands have intentionally developed 'reasonably priced' products in order to attract the largest number of middle-class customers who are interested in following higher class lifestyles (Atwal et al., 2009). A process in which brands try to give middle class consumers the opportunity to purchase luxury brands by creating new lines, new brands or extensions of more affordable and less exclusive products (Vigneron & Johnson, 2004), limited editions and fragrance capsules (Farias 2019). An example is H&M (fast fashion brand) that has made a collaboration with the luxury brand Balmain (Balmain, 2015). Also, luxury goods resales are part of the new luxury, giving access to exclusive luxury products, barely or not used at all for a lower price than the original (Räisänen et al., 2017).

So, the new luxury is defined by products and services that have higher levels of quality and aspiration than other goods in the category but are lower in value and within the reach of more middle-class consumers (Blevis et al., 2007).

*The notion of new luxury may then be characterized as products and services that offer the same function and semiotics of fashion as luxury ones, but which are targeted at the mass or semi-mass market* (Blevis et al., 2007, p. 299).

### **2.3 The Luxury Market**

The luxury market is known for its medium-sized companies, being part of large groups (Rosa, 2010), such as the LVMH group, Compagnie Financière Richemont SA or Kering. (Deloitte, 2020).

According to Chevaliere and Mazzalovo (2015) different sectors are included in luxury: Exclusive ready to wear: all the exclusive fashion brands such as Dior, Chanel, Yves Saint Laurent, and Valentino; jewellery and watches: the brands have their own stores, or their articles are sold in a very limited number of selective jewellers, like Cartier and Rolex, are jewellery and watches very rare and expensive; Perfumes and cosmetics: products that are sold in selective distribution channels even when they correspond to low-priced items, such as Chanel and Givenchy cosmetic products; Fashion accessories: brands generally run as sister brands of fashion brands. This category includes handbags and leather goods, but also shoes, belts, glasses, writing instruments and so on; Wines and spirits: products with a high level of sophistication, expensive, consumed on special occasions and usually offered as gifts. Although they are available in supermarkets and others food outlets, these characteristics make them luxury products; Luxury automobiles: products with strong brands, exclusive positioning, and a selective distribution system. Example of these products are Rolls Royce, Bentley, Maserati, Porsche and some models from Mercedes, BMW, and Audi; Luxury Hotels: refers to a service where guests expect exclusive treatment and an unforgettable experience. The components of luxury perception are the brand itself, like the Four Seasons chains, the design, the atmosphere, and the quality of service; Luxury Tourism: Includes cruise activities and yacht activities; Private Banking: Also considered a luxury activity through is selectivity, the quality of the service and the importance of branding. Like some of the Suisse banks.

In 2019, the luxury market grew by 4% to an estimated of 1.3 trillion euros (Bain & Company, 2020). In terms of value, the US has long been the largest regional market for

luxury goods, and it was estimated to continue to be the leading personal luxury goods market in 2019, with a value of 75 billion euros. The three biggest markets are the US, China, and Japan, collectively accounting for over 125 billion euros of total luxury goods sales (Statista, 2021).

By 2020, the luxury goods market represented about 285 billion dollars (Statista, 2020). The leading sectors are the sector of luxury cars, luxury hospitality and personal luxury goods, which together account for more than 80% of the total market (Bain & Company, 2020).

According to Bain and Company (2020) study, the retail channel grew 11% in 2019 at current exchange rates, with 85% of that increase coming from same-stores sales growth. Wholesale channels grew only 4% at current exchange rates, due in part to the continued decline of department stores and hesitant recovery among specialty stores.

According to Deloitte's Global Power of Luxury Goods report (2020), the COVID-19 pandemic has stimulated the purchase of luxury products online. With consumers forced to stay home, online retail sales increased during the first half of the year, reaching a peak in April of +209% globally compared to the previous year, prompting many brands to accelerate digitalization and provide digital e-commerce solutions including 'see now, buy now' live streaming. For example, Prada collaborated with Tmall, Alibaba's online business channel, and Dolce & Gabbana launched its own video boutiques. Although the luxury sector was initially slow to adapt to the digital revolution, companies have made big investments to catch up with disruptive technologies. Most brands are now comfortable selling their luxury products online, as shown by the increased number of transactions via online platforms in 2019. Luxury companies now use digital channels to amplify their vision, convey their messages, and developed an intimate connection with consumers that avoids the restraints of social distancing.

Online is set to become the leading channel for luxury purchases by 2025 (Bain & Company, 2020). Post COVID-19, shoppers will no longer distinguish between offline and online channels. Both 'showrooming' and 'webrooming' are now integral parts of omnichannel shopping for luxury fashion goods. So, luxury fashion companies need to enhance their interconnectivity as much as possible, for example with experience-based services such as click & collect, localized inventory, click & return, click & try, seek & send, in-store WI-FI access, and tech-driven luxury concierge services (Deloitte, 2020).



### 2.3.1 Luxury Brands

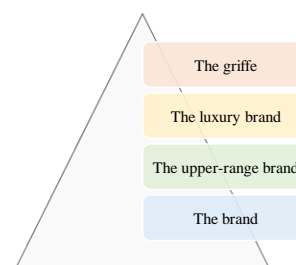
*There is not a widely accepted definition of what constitutes a luxury brand. (Ko et al., 2017, p. 405).*

Luxury brands need to offer luxury products (Heine, 2012). When we think of luxury brands, we immediately refer to products of limited production and high price. Consumers identify luxury products as tools to create a certain image and social status (Eastman et al. 1999). According to Kapferer and Florence (2016) the luxury is made by brands that sell the dream attached to their own name and the world they symbolize. Luxury brands should be desired by all, but only be accessible to few, to keep ‘the dream of luxury’ (Burri, 2017).

For Keller (2009) luxury brands are one of the best examples of branding, because the image of luxury brands is a key part of the competitive advantage that creates a high level of profit for many organizations. Brands are considered as images in the minds of consumers and other target groups (Esch, 2010) and are highly associated with their core products (Kapferer, 2008).

According to Ko et al., (2017) a luxury brand is considered as such if it presents high quality, offers consumer benefits (emotional or functional), an authentic value and a prestigious image in the market developed due to qualities such as craftsmanship or service quality. These qualities will be worthy of imposing a premium price and establishing a deep relationship with the consumer. The notion of quality is intrinsically linked to luxury (Heine, 2012). The quality of the product can be in the materials, functions, specificities, apprehension, or service provided together with it (Larrafie & Kourdoughli, 2014).

**Figure 1: The Luxury Brand System**



SOURCE: BURRI, 2017

According to Figure 1, the highest level of a brand is ‘The griffe’ or ‘elite-level’ (Heine, 2012). It is the best luxury quality, without a doubt the most prestigious, and represents a pure creation, a unique work, and the materialized perfection, it is also a notion of exclusivity. These brands are only available to those who have the financial resources but also the cultural knowledge (like Dior and Hermès). In second level we have ‘The Luxury Brand’ or ‘Upper-level luxury brands’ (Heine, 2012), that represents workshops, handmade work, very good craftsmanship and it can be produce small series (Chanel). In third level, ‘The upper-range brand’ or ‘mid-level luxury brands’ (Heine, 2012), were they produce series in big factories, but they still target the highest quality in their sector of activity (Louis Vuitton). The last level ‘The brand’ or ‘entry-level luxury brands’ (Heine, 2012), represent mass series, cost pressure and an obsession to keep up the level of quality of their product. They increase the production, so they lose the handmade quality label and to maintain a high quality on every product that comes out from the factories is a huge challenge (Hugo Boss) (Burri, 2017).

### **2.3.2 Leading luxury brands:**

*Luxury goods manufacturers meet consumer demand by focusing on brand, aesthetics, quality materials, superior craftsmanship and pricing to transform everyday objects into status symbols* (Statista, 2021, <https://www.statista.com/statistics/267948/brand-value-of-the-leading-10-most-valuable-luxury-brands-worldwide/>).

In 2020, the top 10 most valuable luxury brands were: Louis Vuitton (51.777 million dollars), Chanel (36.120 million dollars), Hermès (33.008 million dollars), Gucci (27.238 million dollars), Rolex (7.443 million dollars), Cartier (5.214 million dollars), Christian Dior (5.117 million dollars), Yves Saint Laurent (3.972 million dollars), Burberry (3.847 million dollars) and Prada (3.059 million dollars) (Statista, 2021).

Now more than ever, digital is part of our routines, and something that once seemed impossible is now inevitable, the purchase of luxury goods online. With the consumer more online, a luxury brand's digital acumen is more critical than ever (Luxe Digital, 2021).

To understand which brands are the most searched and talked about online in 2021, Luxe Digital (2021) provided us a top 15. To estimate the online popularity of a luxury brand, it took in considered digital initiatives, brand value, search share of voice and social media conversations. Only luxury fashion and ‘hard luxury’ (jewellery and watches) brands were entered in this top 15. The 15 most searched and talked about brands are: Gucci,

Chanel, Hermès, Dior, Louis Vuitton, Rolex, Tiffany, Prada, Versace, Armani, Valentino, Balenciaga, Cartier, Burberry, and Omega.

The leader group in the luxury market was the LVMH, with a brand value of about 51.8 billion dollars in 2020. LVMH is primarily known for its fashion house, Louis Vuitton (Statista, 2021).

## **2.4 Second-hand Luxury**

The second-hand luxury goods are defined by products previously owned, generally used, luxury branded items that are sold on alternative 'secondary' channels. The price of second-hand luxury items is usually lower compared when purchased first-hand in the luxury stores (unless certain limited editions and rare iconic models) (Turunen et al. 2019). This chapter of the literature review is dedicated to the second-hand luxury market, buying behaviour, motivations to buy and Portuguese market players.

### **2.4.1 Buying Second-hand Luxury**

The second-hand luxury market has three forms of business: auction, consignment, or sale and can occur in two ways: online and offline (Collier, 2019). In the second-hand market the most common way to sell is through the consignment model, either online or offline.

Consignment business model is when the reseller is selling a previously used product from a client who wanted to sell it and each part will receive a percentage of the sale. The commissions vary depending on the value of the item (e.g. Vestiaire Collective starts at 25% while RealReal can make up to 45%). The client (owner of the item) will only receive their commission when the item is sold (Gorra, 2017).

One of the differences between an online and offline shopping is the personal contact between the seller and the consumer. Sales through Facebook, Instagram or Ebay allow a direct interaction between the consumer and the seller (Sihvonen & Turunen, 2016), while sales through websites such as Vestiaire Collective or Cudoni (Harper's Bazaar, 2020), act as retailers between the seller and the buyer, with no contact between them, or only by message or phone call. On the other hand, offline sales, in physical stores, allow a direct contact between the buyer and the seller, but also with the product as is the case of Collector Square (Vogue, 2020).

### **2.4.2 Online Second-hand Luxury**

The years go by and so the habits. For years it seemed impossible to trust a website to make a high-value purchase over the Internet. Today it is so simple and fast, and the number of online shoppers has increased exponentially across most global markets (Fernando et al., 2017).

Luxury goods have always been associated with exclusiveness and limited availability, and for the luxury brands selling online made no sense (Dauriz, Remy & Sandri, 2014), because they had doubts about how they could maintain their 'dream value' online (Dubois & Paternault, 1995). On the other hand, luxury used products were always associated with worn-out, dirty, and were bought by those who could not afford it, but now consumers believe that used products have comparable or even superior quality to certain new products (Zaman et al., 2019). The proof is that the second-hand luxury consumer is usually also a first-hand luxury consumer (Luxe Digital, 2020).

Digital has transformed the luxury market and now is transforming the luxury resale industry by facilitating secondary market connections and accelerating transactions (Luxe Digital, 2020). According to Turunen et al. (2020) the fast development of online channels- peer-to-peer marketplaces, hosted apps dedicated to second-hand, confer worldwide visibility to pre-owned luxury goods.

The booming in the online luxury resale market is due to the digital platforms like Vestiaire Collective and The RealReal, that helped fading the stigma associated with pre-owned items. According to Luxe Digital (2020) online luxury resale platforms are transforming the second-hand market by offering a high quantity of certified and highly demanded products. Today, with business booming, resale sites are increasingly looking to make the consumer's shopping experience unique.

The online shopping provides consumers with knowledge about a variety of products, a chance to compare prices, and an opportunity to purchase products without having to attend a physical store (Fazeli et al., 2019). It is known that four out of five participants on the second-hand luxury market get informed and trade online (Turunen et al., 2020).

### **2.4.3 The Second-hand Luxury Market**

*The pre-owned luxury goods market is growing and shows no signs of slowing down* (Luxe Digital, 2020, <https://luxedigital.com/business/digital-luxury-reports/luxury-resale-transformation/>).

Several times we are faced with television ads about websites and applications where we can sell our unwanted belongings. The second-hand luxury market is growing exponentially (Gorra, 2017) and according to BCG and Altagamma Digital Report (2019) is growing four times faster than the luxury market, 12% vs 3%, representing in 2020 about \$28 billion and is expected to reach \$36 billion by 2021 (BCG & Altagamma, 2019; Bain & Company, 2020). The study conducted by BCG and Altagamma conclude that 62% of luxury consumers said they would consider buying a second-hand luxury item and 25% already have made a purchase. In terms of buying channel, the offline sales still dominate (55%) this market, but it is expected that the online sales (35%) increase (BCG, 2020).

According to Statista (2020) in 2019 jewellery and watches represented 78% of second-hand luxury goods sales. The 22% belong to accessories and clothing. Still in 2019, it is in Europe where most second-hand luxury sales occur, accounting for 55% of sales, next comes the US representing 27% and 18% the rest of the world (Statista, 2020).

In 2018, 80% of consumers in the second-hand luxury market made their purchases online. The most frequently used platforms were Vestiaire Collective; Vinted; Instant Lux; Le Bon Coin; Videdressing; Depop; The RealReal and Vite en Vogue (BCG, 2019).

#### **2.4.3.1 Overview of online second-hand luxury companies**

With the consumption of second-hand goods on the rise, luxury brands have also started to join and support second-hand luxury resale companies by selling unsold pieces on their websites. Today's consumers expect luxury brands and retailers to get involved in second-hand sales (BCG, 2020), so in 2017, Stella McCartney became the first luxury brand to promote the consignment of its products on The RealReal, an US luxury consignor. Anyone consigning Stella McCartney pieces on the resale platform receives a \$100 store credit to shop at any of the brand's retail stores or via its website (Luxe Digital, 2020).

Also the multi-brand platform Farfetch, a world leader in the luxury fashion industry, announced in 2019 the launch of Farfetch Second Life, where anyone can put their

unwanted items up for sale by sending photos of them. Farfetch will analyse them and propose a sale value. In return, the seller will receive a credit to spend on the Farfetch website (Farfetch, 2019).

In addition to brands that are contributing to more sustainable consumption, celebrities have also started to contribute to this market, such as the Kardashians-Jenner sisters who created the Kardashian Klose website where they sell their things. (Vogue, 2019).

#### **2.4.3.2 Overview of Second-hand Luxury Companies in Portugal**

In Portugal the second-hand luxury market is also growing, but there is very little information available about this market yet. Below are some of the existing second-hand luxury stores in Portugal. All of them have Instagram and Website and some have a physical store.

The first store open in the country was Le Quartier Latin in Aviz, Porto in 2010. Since the beginning they are leaders in the luxury second-hand market in Portugal, and they have a physical and online store (Le Quartier Latin, 2021). La Petite Coquette is another second-hand luxury store that open in Porto, in 2014 and this store operates in a private closed doors system with an exclusive and personalized service, also sell on Instagram and although they have a website, it is not possible to buy, yet (La Petite Coquette, 2021). More recent, we have the Maudde, an online marketplace for premium and luxury second-hand clothing and accessories, created in Lisbon in 2018. Sales can be made through the website, Instagram page or through street markets. Maudde's goal is to extend the lifetime of quality garments and accessories. In this way, they did a collaboration with a Portuguese brand- Manjerica, a brand of high-quality produced leather bags. So by selling a Manjerica bag through Maudde's platform, the seller will automatically get 15% discount on a new bag available in Manjerica's website (Maudde, 2021). In the next year, 2019, The V.o.g Closet was created in Lisbon, an online marketplace, that make instastories about the products every day at 11am. Sales can be made through the website or Instagram page (Martins, 2020). In the same year, Closet Uup was create in Porto, where it has a physical store although it also sells through Instagram (Oliveira, 2021). Also, in the same year, 2019, the Bonder Store was created in Lisbon. The Bonder Store has a physical store in Campo Pequeno, Lisbon, and also has an online store (website and Instagram) (Rodrigues, 2019). At last, created in 2020, we have Louloucloset in Porto, an online marketplace with Instagram page and website, with pre-owned luxury items (Louloucloset, 2021).

#### **2.4.4 The Luxury Buying Decision Process**

The desire or need to buy luxury products is linked to several factors such as: conspicuous consumption, social and cultural factors such as normative influence, materialism, and personal factors such as income (Dhaliwal et al. 2019).

For Kotler and Keller (2006) the buying decision process is influenced by cultural factors (social class, culture, sub-culture), social factors (status, family, reference groups), personal factors (age, life cycle, personality and self-image, lifestyle, and values) and psychological factors (motivation, perception, learning and memory).

The buying decision process can be categorized into four types (Lindon, 2011): routine (where there is no effort or reflection); limited decision (simplified processes, with reduced search for information and choice between alternatives); impulsive buying (which occurs when the consumer feels an unplanned need that pushes him to buy) and extensive decision (in which the consumer goes through all the stages). Lindo (2016) tell that purchases can also be experiential and material. Experiential purchases are defined as intangible events that provide new experiences to the consumer, and material ones are tangible products bought when the consumers main purpose it to gain a physical possession. When a person has the main intention of getting a life experience, they make experiential purchases. These are more intrinsically motivated and produce more favourable outcomes, such as happiness and wellbeing.

When we make a luxury purchase (in first or second-hand) it should encompass both types of purchase. At a product level, it must satisfy the functional and utilitarian characteristic, as well as deliver on its practical physical attributes. Furthermore, a luxury brand must also perform at an experiential level, which means that the purchase must integrate the emotional value of the brand - beyond what the products is to what it represents (Lindo, 2016).

Consumer decision-making is a complex process, and the consumer behaviour is not a spontaneous action but the result of planned behaviours (Seo & Kim, 2019). The luxury consumption is therefore multidimensional and embraces financial (exclusivity), functional (product excellence), individual (personal enjoyment) and social value (prestige status) components (Consuegra et al. 2019).

When the consumer is searching, the brand prestige, brand equity, brand image, brand consciousness, and brand aspiration are some determinants of luxury purchase behaviour (Dhaliwal et al. 2019).

According to Fazeli et al. (2019) study, when going through the buying process, the online luxury consumer is more concerned with delivery costs, security, and lack of interaction between seller and buyer. When buying online, the luxury consumer feels that the purchase needs more attention than if they were buying in store. But consumers are increasingly opting to buy online because they can carry out their buying process without leaving home, analysing brands, products, and prices through the brands' websites, and looking online for reviews and opinions about them. This study also found that age affects online luxury consumption, promotion-focused consumers with increasing age tend to increase their online luxury purchase intentions and according to Turunen and Pöyry (2019), impulsive shoppers are more inclined to purchase online, and price-per-quality conscious shoppers are more inclined to purchase offline.

In second-hand luxury acquisition, people that buy for social climbing reasons might be symptomatic of bandwagon behaviour and the ones who purchase vintage, rare, aged goods in a need for uniqueness might indicate snob effect. Also, the second-hand purchases are related to price-consciousness, frugality, eco-friendliness, status-driven, bargain hunting and even social-climbing. While those who buy discontinued and old products, vintage, are driven by nostalgia, timelessness, and uniqueness (Turunen et al. 2019).

#### **2.4.5 Motivations to Buy Second-hand Luxury**

There are several reasons why people purchase second-hand luxury goods and social status, and exclusiveness are one of them (Fazeli et al. 2019). According to BCG (2019), 60% of consumers of second-hand luxury goods is influenced by reasons related to the environment and ethical manufacturing concerns. The existence of special and very limited capsule collections, which quickly sell out, is also one of the reasons for buying second-hand luxury (BCG & Altagamma, 2019).

Figure 2 shows that the percentage of people interested in buying second-hand luxury goods is higher than those not interested (60%-40%). The main reason for interest is the price-quality ratio.



**Figure 2: Interested/not interested in buying second-hand luxury products**



SOURCE: BCG & ALTAGAMMA, 2019

To understand what motivated people to make purchases of second-hand luxury goods, the authors Turunen and Leipämaa-Leskinen (2015) conducted a study in Finland, in which only Finnish women were surveyed. In this study they discovered five meanings that consumers attach to their purchases of second-hand luxury goods, they are: ‘Sustainable choice’, ‘Real Deal’, ‘Pre-loved Treasure’, ‘Risk Investment’ and ‘Unique find’. The authors emphasized that these five meanings are overlapping and non-exclusive:

- The first theme, ‘Sustainable Choice’, refers to the ecological and responsible meanings that were attached to possessing and acquiring the second-hand luxury items.

*Classic leather goods are long-lasting, and, in addition, they look even better when time has given a patina to the leather. I prefer leather as a material because of its durability, but I seek to buy all my leather goods second-hand, because I somehow always think about the animals’ situation as well (Eevaleena apud Turunen & Leipämaa-Leskinen 2015, p. 60).*

- The next meaning, ‘Real Deal’, refers to the monetary value of the piece, price-quality ratio.

*My small Longchamp leather tote is my most used favorite. I found it years ago at the Helsinki Vintage event at a price of four euros. The tote has some scuff marks, but for me that just gives it more personality (Carita apud Turunen & Leipämaa-Leskinen 2015, p. 61).*

- The third theme, ‘Pre-loved Treasure’, indicates the strong emotional commitments behind second-hand luxury possessions. Contrary to the ‘Real Deal’ theme, the authenticity and the spirit of the past were highlighted instead of the monetary value of the item.

*Nowadays everything is mechanized, and this is why I think that a classic Chanel 2.55 flap-bag that is a bit old and shabby is more authentic than today’s mass produced, flawless Chaneles. Everyone has one of those nowadays. (Alisa apud Turunen & Leipämaa-Leskinen 2015, p. 61).*

- The fourth meaning, ‘Risk Investment’, relates to the risk that can be taken when purchasing second-hand luxury goods and there is not 100% certainty of the authenticity of the piece. It is important to pay attention to the place of purchase and only buy from trusted and well-known stores and websites.

*When buying used branded products from the internet, the biggest risk is always inauthenticity. This is why I tend to prefer the same second-hand shops where I have good experiences – I know that I can trust them. Of course, you can always go to a Louis Vuitton store to authenticate one of their bags (Carita apud Turunen & Leipämaa-Leskinen 2015, p. 61).*

- Finally, ‘Unique Find’, relates to the rarity and scarcity of the product. In this regard, limited editions and classic luxury goods that are no longer produced are regarded as treasures. ‘Unique Find’ and ‘Real Deal’ are linked to each other, as it highlights how discovery can be as rewarding as getting a good deal.

*The uniqueness of the product – and through it also the experience of my own uniqueness and individuality. I don’t want to be like the masses. (Alisa apud Turunen & Leipämaa-Leskinen 2015, p. 61).*

But four years later of the Turunen and Leipämaa-Leskinen’s (2015) study, Turunen and Pöyry (2019) added a new dimension to pre-owned luxury purchases: the resale value consciousness in which the shopping style was guided by the future aims to sell the products. The luxury second-hand purchase is perceived as an investment because can be sold again for a higher price.

*I bought that (Chanel) when I realized the prices are rising among iconic pieces. I will sell it soon, and I know I will get fifty percent more than what I paid myself (Turunen & Pöyry, 2019, p. 552).*

### 3 Conceptual Model and Research Hypotheses

From the literature review and qualitative study done, some hypotheses were identified<sup>1</sup>.

**H1:** The maximum amount willing to pay for a second-hand luxury item has a moderating effect between online and second-hand luxury purchase reasons

(According to Turunen & Leipämaa-Leskinen (2015) the value of the item influences the purchase)

**H2:** The frequency of buying luxury first-hand explains the reasons for buying luxury second-hand

(According to Luxe Digital (2020) and qualitative study second-hand consumers/sellers are usually first-hand buyers of luxury goods)

**H3:** The frequency of buying second-hand luxury in physical stores explains the reasons for buying second-hand luxury

(According to BCG& Altagamma (2019) and Turunen & Leipämaa-Leskinen 2015 the frequency of buying second-hand luxury is influenced by the price of the item, for sustainable reasons, limited editions, because they know the resale store, to sell in the future, among others)

**H4:** The frequency of buying second-hand luxury in online stores explains the reasons for buying second-hand luxury

(According to qualitative study the frequency of buying second-hand luxury is influenced by the price, items available, sustainable reasons, limited editions, because they know the resale store, the product has been discontinued, prefer a product different and with a life story, among others)

**H5:** The evaluation of the second-hand shopping experience has a moderating effect between online and second-hand luxury shopping reasons for buying second-hand luxury

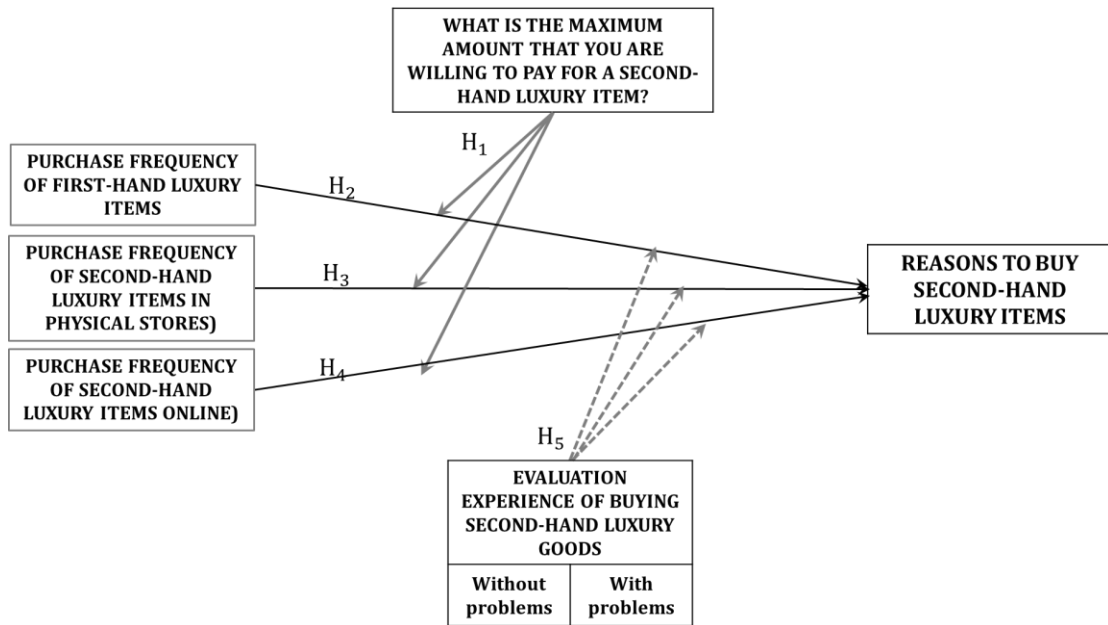
(According to Turunen & Leipämaa-Leskinen (2015) and qualitative study the experience of shopping second-hand store influences the shopping in an online second-hand store)

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<sup>1</sup> Please refer to Appendix C for the literature review sources

From these relationships it is possible to define the following conceptual model:

*Figure 3: The Conceptual Model*



SOURCE: OWN ELABORATION, 2021

## 4 Methodology

This chapter will present a study that will follow a qualitative methodology through an interview to the managers responsible for some second-hand luxury goods stores in Portugal and a quantitative methodology through the elaboration of an online survey to consumers of second-hand luxury goods living in Portugal.

### 4.1 Qualitative Study

**Study Objective:** The qualitative study consisted of an interview with the objective of collecting information from founders of luxury goods resale stores in Portugal. The aim of this study was to analyse the seller's point of view in relation to the second-hand luxury market, to understand better the selling process and goals, and to collect information for the online survey.

**Sample:** For this study the current second-hand luxury stores in Portugal were analysed. Based on the items they sell, and national recognition, 7 stores were selected and contacted, Louloucloset, Quartier Latin, Maudde, La Petite Coquette, The V.o.g Closet, Closet Uup and Bonder Store. Only 4 of them respond with a positive answer, Louloucloset, Maudde, Quartier Latin and The V.o.g Closet.

#### 4.1.1 Data Collection:

Four depth-interviews were collected from managers of second-hand luxury stores, conducted in Portuguese, and transcribed into English, through voice calls and video chat. These 4 interviews were transcribed and resulted in 9 pages<sup>2</sup>.

About 19 issues were asked to the managers of second-hand luxury stores, which ranged from introductory questions about the overall business, such as the business creation, business model, the competition, to more in-depth questions such as the main difficulties in developing this business, the goals and future challenges, the evolution of sales and the experience they intend to provide to the consumer<sup>3</sup>.

#### 4.1.2 Data Analysis

From the information obtained from the interviews, the following tables were constructed containing a summary of the interviews with the most relevant topics.

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<sup>2</sup> Please refer to Appendix A for the interviews

<sup>3</sup> Please refer to Appendix A for the interviews

**Table 1: Managers of second-hand luxury stores interview**

| Quartier Latin  | The V.o.g Closet   |
|---|--|
| <p><b>Business Motivation:</b> Interest to start a business; found luxury second-hand market in London and think that this business was quite innovative for our Portuguese consumption patterns</p> <p><b>Business Model:</b> Works on consignment</p> <p><b>Channel:</b> Offline (physical store in Oporto) and online</p> <p><b>Main challenges:</b> Initially prejudice in buying second-hand (improved with the opening of the store in Porto's prestigious street, next to the other first-hand luxury stores)</p> <p><b>Consumer profile:</b> Mostly Portuguese women, 35-55, from urban centres (but mostly Oporto and Lisbon), belonging to the upper middle-class</p> <p><b>Reason for buying:</b> Financial and search for limited pieces (which are no longer for sale in luxury first-hand stores)</p> <p><b>Ambition:</b> Grow online</p> <p><b>Partnerships:</b> Unknown</p> | <p><b>Business Motivation:</b> Love for the luxury market; needed to sell their luxury products</p> <p><b>Business Model:</b> Works on consignment and sometimes buy some articles to the clients for sell</p> <p><b>Channel:</b> Online</p> <p><b>Main challenges:</b> Prejudice in buying second-hand especially luxury goods and lack of knowledge of the market and luxury goods</p> <p><b>Consumer profile:</b> Mostly Portuguese women, 22-50, from any part of Portugal belonging to the upper-middle class (already sell outside the country: Africa, Luxembourg, Romania, Switzerland...)</p> <p><b>Reason for buying:</b> Financial, hard-to-find items (limited or no longer produced) and increasingly motives related to sustainability</p> <p><b>Ambition:</b> Demystify buy second-hand luxury, make The V.o.g Closet more and more reputable and be number one in Portugal</p> <p><b>Partnerships:</b> Unknown</p> |

SOURCE: OWN ELABORATION, 2021

**Table 2: Managers of second-hand luxury stores interview**

| Louloucloset  | Maudde  |
|---|---|
| <p><b>Business Motivation:</b> High number of pieces in excellent conditions, very little used or not used stuck in the dresser</p> <p><b>Business Model:</b> Sell their own pieces and currently already have some customers (works on consignment)</p> <p><b>Channel:</b> Online</p> <p><b>Main challenges:</b> Reach the target audience</p> <p><b>Consumer profile:</b> Portuguese women, 27-40 mostly from Oporto and Lisbon belonging to the upper middle-class</p> <p><b>Reason for buying:</b> Financial and awareness of the pieces value</p> <p><b>Ambition:</b> Grow in the market</p> <p><b>Partnerships:</b> Unknown</p> | <p><b>Business Motivation:</b> Love for second-hand market, especially with quality</p> <p><b>Business Model:</b> Works on consignment</p> <p><b>Channel:</b> Online and sometimes physical (in some street markets)</p> <p><b>Main challenges:</b> Prejudice in buying second-hand especially luxury goods</p> <p><b>Consumer profile:</b> Mostly Portuguese women, 28-55, from urban centres and islands, belonging to the upper middle-class (already sell outside the country: US; NE; EE; Australia...)</p> <p><b>Reason for buying:</b> Financial and looking for special pieces (that are not in the stores right now)</p> <p><b>Ambition:</b> Put an end to the prejudice of buying second-hand luxury goods; become a reference store in Portugal and internationalize</p> <p><b>Partnerships:</b> With the Portuguese brand Manjerica</p> |

SOURCE: OWN ELABORATION, 2021

From the data collected, all the stores have an online store and two have a physical presence, while one has only an occasional presence, for example at markets. All the stores interviewed work mainly with consignment, which is in line with the information from the literature review: ‘In the second-hand market, the most common way of selling is the consignment model, either online or offline (Gorra, 2017)’.

In response to the question ‘What are the biggest challenges in developing this business?’, the four stores agree that there are still prejudices about buying second-hand, but that consumption is changing and there is a greater idea of sustainable consumption. Common to all stores are the main reasons for consumer purchase, which are mostly financial and related to finding limited or discontinued products. The second-hand luxury consumer in the four stores is essentially female buyers, but there are also more men who shop, mainly to offer something to their wives.

The most popular brands in the four stores surveyed are: Gucci, Louis Vuitton, Chanel, and Prada. According to the literature review, these brands are among the top 15 most talked about and searched online luxury brands and top 10 most valuable luxury brands (Luxe Digital, 2021; Statista, 2021).

When asked ‘How have you managed to convey confidence to your consumers so that there is no doubt that they are purchasing authentic products?’, the managers replied that in addition to the knowledge they have acquired over years of work that enables them to distinguish a genuine item from a fake, they work with authenticity verification websites and also rely on the help of people who have been in the second-hand luxury market for several years so that there is no doubt.

The growth of the second-hand luxury market is remarkable and when asked ‘How often does the consumer buy from your store?’, the answer is positive from all the four stores with consumers buying once a month and sometimes twice a month. The four stores share the goal of growing in this market and ending the prejudice surrounding second-hand purchases.

## 4.2 Quantitative Study

The use of online surveys has a vast number of advantages such as: agility in application; control and follow-up of responses; ease of reaching a large number of people from different locations; allows anonymity; flexibility and diversity in the design of the questions; low cost of implementation; requirement of complete responses, etc... However, it also has some disadvantages such as having a limited penetration in certain groups of the population that do not use or have difficulty using computers/smartphones/tablets with internet access; the results may sometimes not be the most reliable due to the possibility that respondents can falsify information and unattractive survey may lead the respondent to give up completing (Evans & Mathur, 2018).

This online survey was designed using the previous information<sup>4</sup> (from literature review and qualitative study) in order to be the most complete and accessible to answer<sup>5</sup>. A pre-test was conducted to be reviewed in terms of content, form, and clarity with six people, three of them belonging to the second-hand luxury market and two specialized in Portuguese language. This procedure allowed us to evaluate the response time, detect inaccuracies and difficulties in understanding some questions. The study was conducted using Google Forms and all questions were done in Portuguese since the survey was addressed to Portuguese second-hand luxury consumers.

**Study Objective:** This survey aims to collect information about the consumer of second-hand luxury goods to analyse their buying behaviour.

To reach the target audience managers of second-hand luxury stores (interviewed- Louloucloset, Maudde, Quartier Latin and The V.o.g Closet) and the store Bonder Store, were contacted to make the online survey available to their clients, through social media, like Instagram, in the Insta Stories, e-mail and direct contact. Some influencers that have make second-hand luxury purchases were also contacted to answer the questionnaire. It also included the participation of groups of personal acquaintances/friends who were buyers of second-hand luxury goods that were willing to participate in the study.

The survey was applied during the month of May 2021, and the results were analysed using SPSS.

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<sup>4</sup> Please refer do Appendix C for literature sources

<sup>5</sup> Please refer to Appendix B for the survey



### **Interview Design:**

To meet the proposed objective, a questionnaire<sup>6</sup> was designed containing four distinct sections by which the variables under study were distributed:

- Section one: buying first-hand luxury products.
- Section two: buying second-hand luxury products.
- Section three: buying online second-hand luxury products.
- Section four: personal data.

The survey presents both open-ended questions, it requires participants to respond their own words without being constrained to pre-defined response choices and close-ended questions, restrict the answers to pre-defined response options, giving respondents a finite set of specified options to choose from (Roopa & Rani, 2012). For the information about the measurement of the variables, please go to the appendix B.

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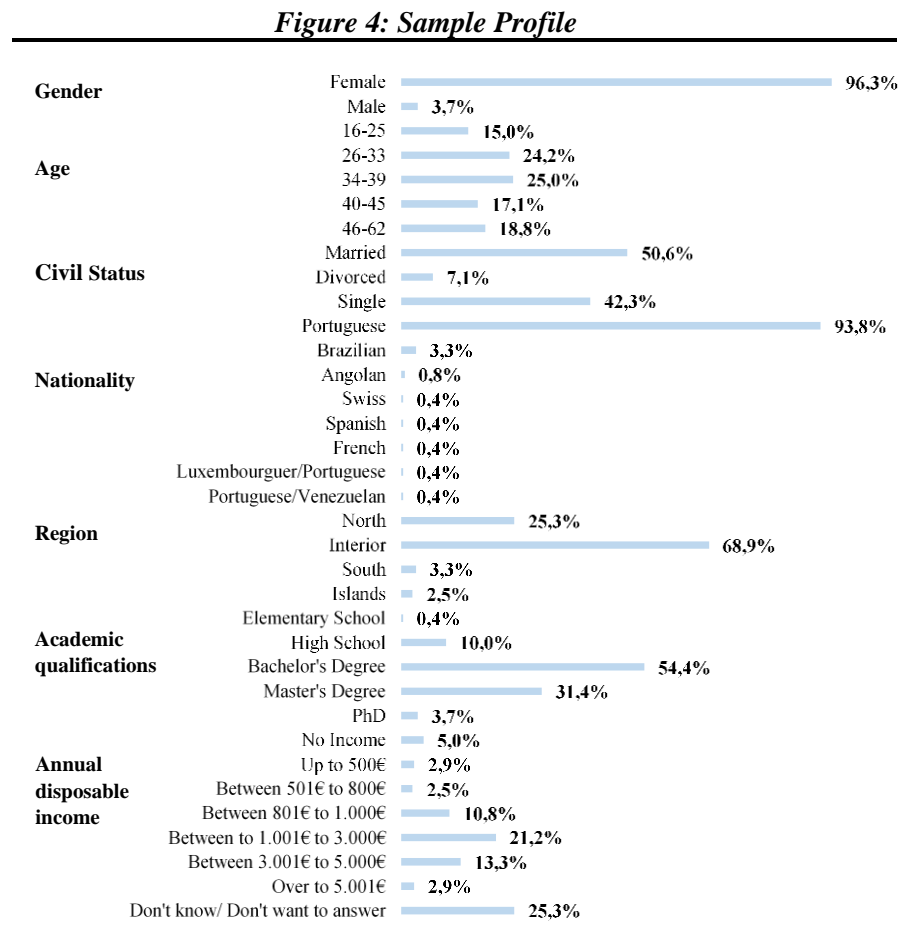
<sup>6</sup> Please refer to Appendix B for the survey

## 5 Data analysis

This sampling method does not guarantee the representativeness of the population, making is generalization impossible for the population.

### 5.1 Sample characterization

Figure 4 shows the personal and sociodemographic characteristics of this sample.



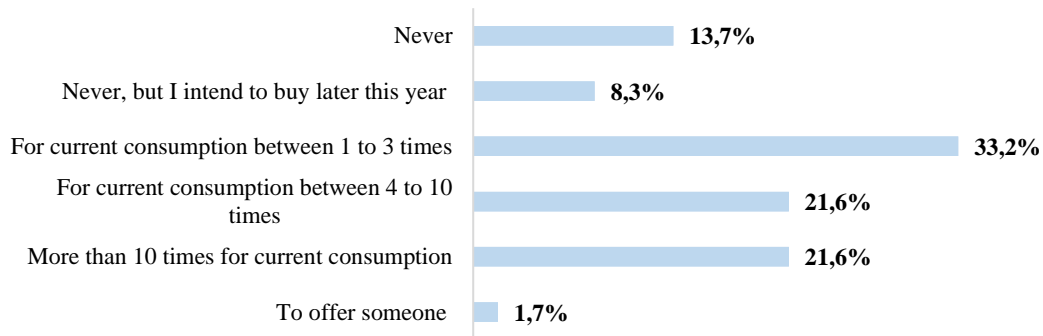
SOURCE: OWN ELABORATION, 2021

The sample is made up of 241 participants and is characterised by being mainly female (96.3%). The most represented age groups are between 34-39 years old (25%) and the least represented are between 16-25 years old (15%).

Most of the surveyed buyers (or potential buyers) of second-hand luxury goods have a bachelor's degree (54.4%) followed by a master's degree (31.5%). The surveyed buyers and potential buyers of second-hand luxury goods dominant in this sample are Portuguese (93.8%), from the centre region, that includes the Lisbon area (68.9%). In terms of annual disposable income for consumption (after taxes and family/household expenses), the level

that received more answers besides did not know/would not answer (25.3%) is the interval between €1.001 and €3.000 (21.2%) and over to €5.000 (13.3%).

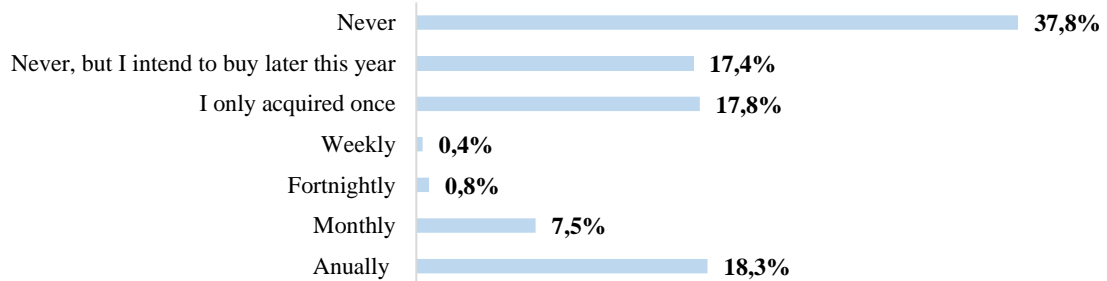
**Figure 5: Have you purchased first-hand luxury products?**



SOURCE: OWN ELABORATION, 2021

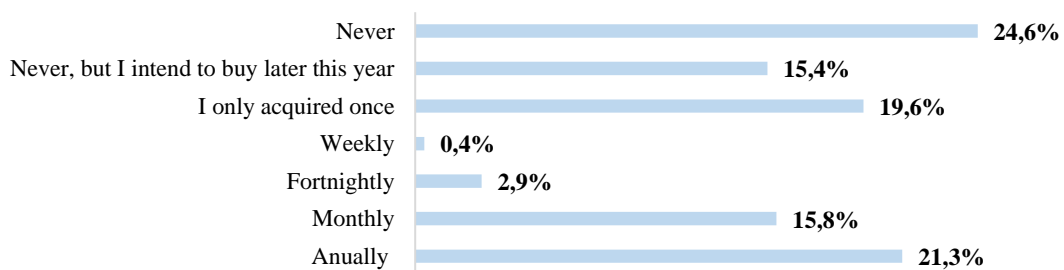
To understand the type of second-hand luxury consumer, participants were asked about the frequency of buying luxury first-hand. Figure 5 shows that many of them has already acquired first-hand luxury products between 1 to 3 times (33.2%) and between 4 to 10 times and more than 10 times exequy (21.6%). From the total, 22% of the respondents that had never bought first-hand luxury products, 8.3% intends to purchase later this year.

**Figure 6: How often do you purchase second-hand luxury products in physical stores?**



SOURCE: OWN ELABORATION, 2021

**Figure 7: How often do you purchase second-hand luxury products in online stores?**



SOURCE: OWN ELABORATION, 2021

As for consumption in second-hand luxury physical stores (Figure 6), the majority (55.2%) ‘never’ purchased second-hand luxury products in physical stores, but 17.4% pretends to purchase later this year, followed by ‘annually’; the consumption of second-hand luxury products online (Figure 7), 40% ‘never’ purchased these products, but 15.4% intends to purchase later this year followed by ‘annually’ (21.3%). In sum, for the purchased of second-hand luxury products the behaviour of buying in physical stores or buying online is similar, but the online is the winner.

When asked about the category purchased first-hand (Table 3), bags show a high majority (85.6%), followed by shoes (51.1%) while in second-hand luxury products (Table 4), bags and accessories are the most chosen (89.5% and 39.5%, respectively).

**Table 3: What first-hand luxury products did you buy?**

|  |             | Responses |         | Percent of Cases |
|--|-------------|-----------|---------|------------------|
|  |             | <i>n</i>  | Percent |                  |
| What product(s) did you buy in first-hand? | Bags        | 161       | 34.3%   | <b>85.6%</b>     |
|  | Clothing    | 90        | 19.1%   | <u>47.9%</u>     |
|  | Shoes       | 96        | 20.4%   | <b>51.1%</b>     |
|  | Accessories | 77        | 16.4%   | 41.0%            |
|  | Jewelry     | 46        | 9.8%    | 24.5%            |
| Total                                      |             | 470       | 100.0%  | 250.0%           |

SOURCE: OWN ELABORATION, 2021

**Table 4: What second-hand luxury products did you buy?**

|   |             | Responses |         | Percent of Cases |
|---|-------------|-----------|---------|------------------|
|   |             | <i>n</i>  | Percent |                  |
| What product(s) did you buy in second-hand? | Bags        | 154       | 44.9%   | <b>89.5%</b>     |
|   | Clothing    | 58        | 16.9%   | 33.7%            |
|   | Shoes       | 48        | 14.0%   | 27.9%            |
|   | Accessories | 68        | 19.8%   | <u>39.5%</u>     |
|   | Jewellery   | 15        | 4.4%    | 8.7%             |
| Total                                       |             | 343       | 100.0%  | 199.4%           |

SOURCE: OWN ELABORATION, 2021

Concerning the second-hand luxury products stores, Appendix E reveals that the most selected stores are The V.o.g Closet (61.3%), La Petit Coquette and Quartier Latin (33.9%)<sup>7</sup>. To identify the most purchased second-hand luxury brands, in the same appendix shows that those brands were Louis Vuitton (49.1%), followed by Gucci (45.5%) and Burberry (36.5%)<sup>8</sup>.

<sup>7</sup> Please refer to Appendix E

<sup>8</sup> Please refer to Appendix E

**Table 5: Reasons for buying luxury brands (in first and second-hand)**

| Reasons   | Responses |         | Percent of Cases |
|---|-----------|---------|------------------|
|   | <i>n</i>  | Percent |                  |
| Because they are exclusive/rare                                       | 68        | 10.5%   | 39.5%            |
| Because they are of high quality                                      | 139       | 21.6%   | <b>80.8%</b>     |
| Because they are different from others                                | 72        | 11.2%   | 41.9%            |
| Because they are innovative   | 10        | 1.6%    | 5.8%             |
| Because they have prestige  | 65        | 10.1%   | 37.8%            |
| Because they make me stand out socially                               | 41        | 6.4%    | 23.8%            |
| Because I feel that I belong to an exclusive minority                 | 18        | 2.8%    | 10.5%            |
| Because they give me personal pleasure                                | 120       | 18.6%   | <b>69.8%</b>     |
| Because they give me a unique shopping experience                     | 34        | 5.3%    | 19.8%            |
| Because they are products from brands with a history/culture/heritage | 78        | 12.1%   | <u>45.3%</u>     |
| Total   | 645       | 100.0%  | 375.0%           |

SOURCE: OWN ELABORATION, 2021

The main reason why buyers and potential second-hand luxury buyers purchase luxury products (Table 5), both first-hand and second-hand, is mainly because they are high quality products (80.8%), because they give them personal pleasure (69.8%) and because they are products of brands with history/culture/heritage (45.3%). Of the sample interviewed 30.8% of respondents have known second-hand luxury stores for more than 5 years and 23.8% between 1 and 2 years and 26.7% have been buying second-hand luxury goods for less than 6 months and 20.3% for more than 5 years<sup>9</sup>. About how they became aware of the existence of this market, the most selected answer was ‘through social media’ representing 77.1%<sup>10</sup>.

**Table 6: Benefits of buying second-hand luxury**

| Benefits   | Responses |         | Percent of Cases |
|--|-----------|---------|------------------|
|  | <i>n</i>  | Percent |                  |
| The product is cheaper                                   | 150       | 37.1%   | <b>87.7%</b>     |
| I find products that are rare                            | 86        | 21.3%   | <b>50.3%</b>     |
| Contribute to more sustainable consumption               | 106       | 26.2%   | <b>62.0%</b>     |
| I am buying products that already have a life history    | 34        | 8.4%    | 19.9%            |
| I feel better about myself if I buy second-hand products | 27        | 6.7%    | 15.8%            |
| Superior production quality                              | 1         | 0.2%    | 0.6%             |
| Total  | 404       | 100.0%  | 236.3%           |

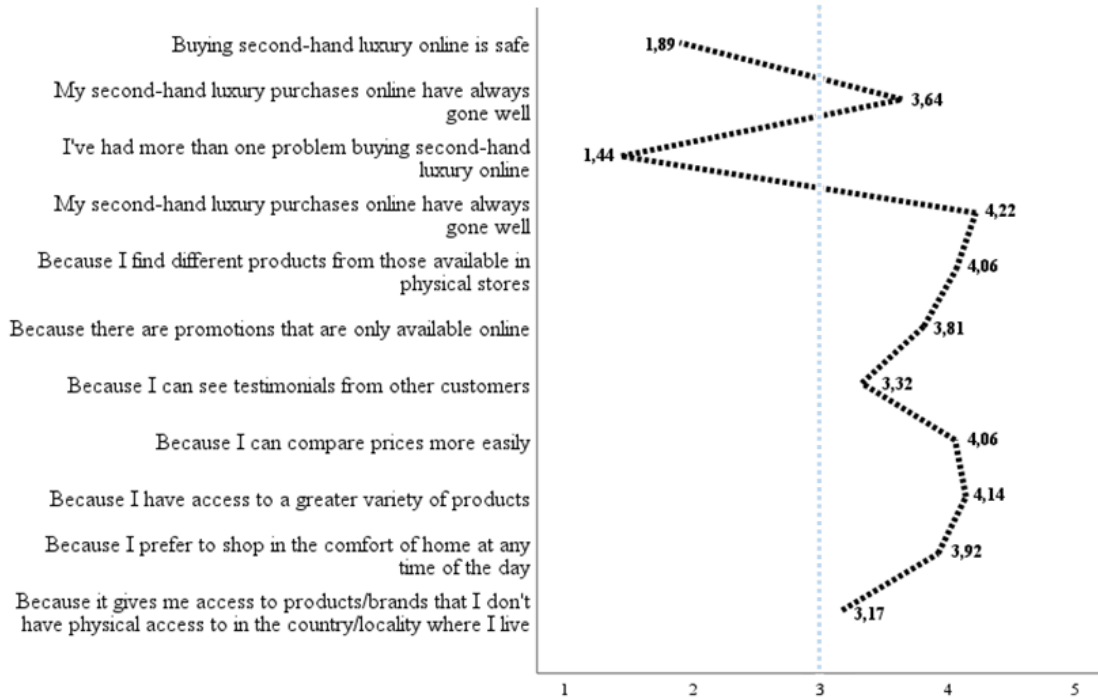
SOURCE: OWN ELABORATION, 2021

<sup>9</sup> Please refer to Appendix E

<sup>10</sup> Please refer to Appendix E

For the interviewees the main benefit of buying second-hand luxury (Table 6) is the fact that the product is cheaper (87.7%), contributing to a more sustainable consumption (62.0%) and the possibility of finding rare products (50.3%).

**Figure 8: Second-hand luxury shopping online**

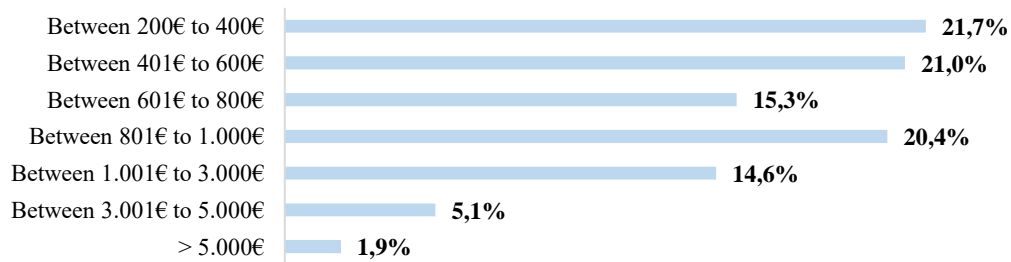


SOURCE: OWN ELABORATION, 2021

From Figure 8 it is noticed that the first two items got the lowest answers, being their means between strongly disagree and close to disagree (1.44 and 1.89, respectively) in an ordinal scale of agreement with five-points. The item that got the highest answers, being its mean equal to 4.22, is ‘my second-hand luxury purchases online have always gone well’. About the product categories most bought online are by descending order of importance are ‘travel/hotels’ (85.5%), ‘ready-to-wear casual’ (81.4%), ‘cosmetic products’ (74.4%), and ‘luxury products’ (67.4%)<sup>11</sup>

<sup>11</sup> Please refer to Appendix E

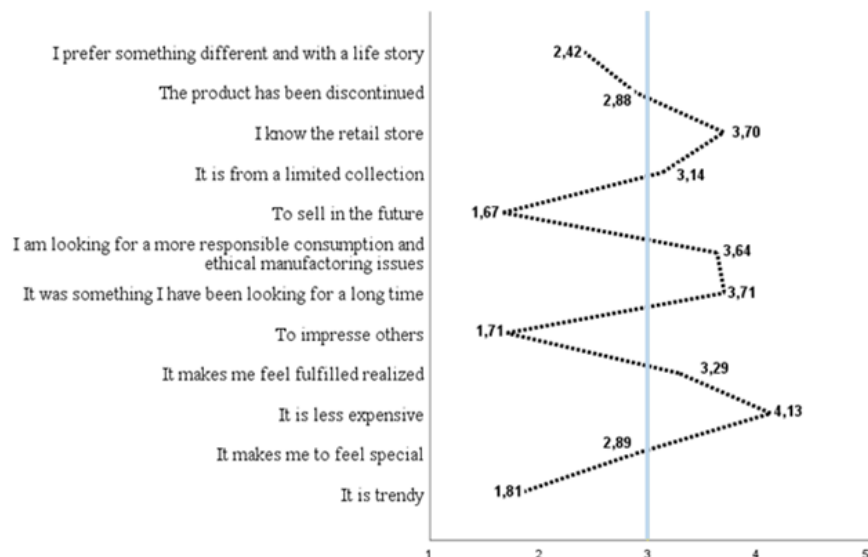
**Figure 9: What is the maximum amount you are willing to pay for a second-hand luxury item?**



SOURCE: OWN ELABORATION, 2021

Analysing the maximum amount that the consumer is willing to pay for a second-hand luxury item (Figure 9), the answers were quite close, but the highest numbers of answers are, from a descending order of importance, ‘between 200 to 400€’ (21.7%), ‘between 401€ to 600€’ (21%), and ‘between 801€ to 1.000€’ (20.4%). From the qualitative methodology previously made it was possible to extract the information that the second-hand luxury consumer is also a seller. Thus, there was the question ‘Have you ever put any of your luxury items up for sale in a second-hand luxury store?’ which obtained a majority of the response ‘never’ (55.2%) and ‘more than once’ (20.3%)<sup>12</sup>. About the existing stigma about second-hand luxury consumption, we conclude that 87.2% of respondents have never had a bad experience of buying second-hand luxury goods<sup>13</sup>.

**Figure 10: I buy second-hand luxury because...**



SOURCE: OWN ELABORATION, 2021

<sup>12</sup> Please refer to Appendix E

<sup>13</sup> Please refer to Appendix E

From Figure 10, it is noticed that, in average, ‘to sell in the future’ (1.67), ‘to try to impress others’ (1.71) and ‘because it’s trendy’ (1.81) got the lowest answers (strongly disagree to disagree). The items that got the highest answers, in average, were ‘it is cheaper’ (4.13), ‘it was something I have been looking for a long time’ (3.71), ‘because I know the resale store’ (3.70) and ‘because I am looking for a more responsible consumption and ethical manufacturing issues’ (3.64) (strongly agree to agree).

## 5.2 Operationalisation of the variables<sup>14</sup>

### 1. Regarding the reasons for buying second-hand luxury goods

An exploratory factor analysis in principal components was carried out with varimax rotation (Table 7). Four components were identified, explaining 66.916% of the total variance<sup>15</sup>. The result obtained for the KMO<sup>16</sup> coefficient shows a reasonable correlation between the input variables in the sample (0.679). The Bartlett’s test suggests the rejection of the hypothesis  $\leq 0.01$ , meaning that the variables are correlated in the population. One of the 12 items was eliminated from the analysis due to its low value for communalities (‘it was something I have been looking for a long time’).

**Table 7: Extracted one component for the reasons for buying second-hand luxury goods**

|  | Component   |             |             |             |
|--|-------------|-------------|-------------|-------------|
|  | 1           | 2           | 3           | 4           |
| It makes me feel fulfilled   | <b>.802</b> | .028        | .167        | -.018       |
| It is less expensive   | <b>.758</b> | .109        | -.096       | .108        |
| It makes me feel special   | <b>.737</b> | -.065       | .233        | .024        |
| To impress others  | <b>.696</b> | .029        | -.097       | .168        |
| I know the retail store  | <b>.530</b> | .482        | .069        | -.300       |
| It is from a limited collection  | .057        | <b>.893</b> | .112        | .116        |
| The product has been discontinued  | .006        | <b>.838</b> | .236        | .196        |
| I prefer something different and with a life story                               | -.115       | .336        | <b>.774</b> | -.041       |
| I am looking for a more responsible consumption and ethical manufacturing issues | .316        | .060        | <b>.720</b> | .193        |
| It’s trendy  | .265        | .072        | -.084       | <b>.797</b> |
| To sell in the future  | -.091       | .194        | .346        | <b>.676</b> |

SOURCE: OWN ELABORATION, 2021

The components were named as **1-** Purchase feeling; **2-** Limited edition; **3-** Responsible consumption; **4-** Investment.

<sup>14</sup> Please refer to Appendix D for the measurement of the variables in this study

<sup>15</sup> Please refer to Appendix E for the Total Variance Explained

<sup>16</sup> Please refer to Appendix E for the KMO and Bartlett’s Test



## 2. Regarding the reasons for buying second-hand luxury goods online

Again, an exploratory factor analysis for the reasons for buying second-hand luxury goods online (Table 8) was performed and two components were identified, explaining 67.802% of the total variance<sup>17</sup>. The result obtained for the KMO<sup>18</sup> coefficient shows a good correlation between the input variables in the sample (0.769). The Bartlett's test suggests the rejection of the hypothesis  $\leq 0.01$ , meaning that the input variables are correlated in the population.

**Table 8: Extracted component 2**

|   | Component   |             |
|---|-------------|-------------|
|   | 1           | 2           |
| Because I have access to a greater variety of products  | <b>,860</b> | ,205        |
| Because I prefer to shop in the comfort of home at any time of the day  | <b>,855</b> | ,113        |
| Because there are promotions that are only available online   | <b>,768</b> | ,211        |
| Because I find different products from those available in physical stores   | <b>,749</b> | ,168        |
| Because I can see testimonials from other customers   | ,155        | <b>,844</b> |
| Because it gives me access to products/brands that I don't have physical access to in the country/locality where I live | ,118        | <b>,745</b> |
| Because I can compare prices more easily  | ,570        | <b>,606</b> |

SOURCE: OWN ELABORATION, 2021

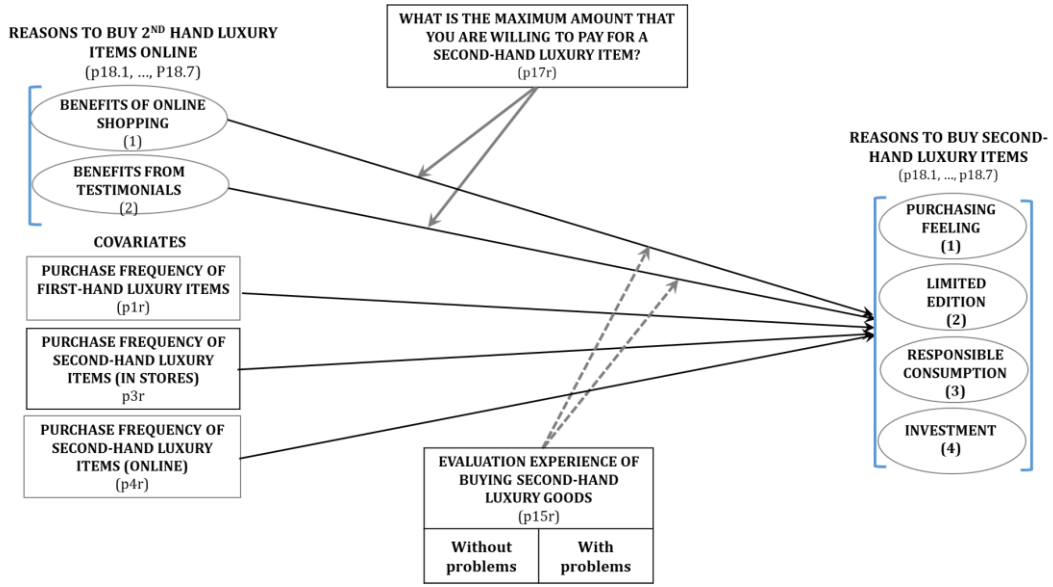
The components were named as **1-** Benefits of online shopping; **2-** Benefits from testimonials.

In conclusion, the detailed empirical model to be estimated is the following:

<sup>17</sup> Please refer to Appendix E for the Total Variance Explained

<sup>18</sup> Please refer to Appendix E for the KMO and Bartlett's Test

Figure 11: Detailed empirical model



SOURCE: OWN ELABORATION, 2021

### 5.3 Estimations

The linear multiple regression model is going to be applied to estimate the models, using the stepwise method to avoid the multicollinearity problem (that occurs if the independent variables are significantly correlated with each other). The validation of some model's hypotheses besides the no collinearity between independent variables are shown in Appendix F. The moderators are:

- 'Using the maximum amount to pay for buying 2<sup>nd</sup> hand luxury items', recoded in three categories (200€ - 600€; 601€ - 1000€; and more than 1001€) where the reference category is the first one
- 'Experience evaluation of buying second-hand luxury goods online', recoded (1 - without problems and 0 - with problems)

The theoretical model can be described as:

$$\begin{aligned}
 Y_{ki} = & \beta_0 + \beta_1 X_{1i} + \beta_2 X_{2i} + \beta_3 X_{1i} * M_{1i,2} + \beta_4 X_{1i} * M_{1i,3} + \beta_5 X_{2i} * M_{1i,2} + \\
 & + \beta_6 X_{2i} * M_{1i,3} + \beta_7 X_{1i} * M_{2i} + \beta_8 X_{1i} * M_{1i,2} * M_{2i} + \beta_9 X_{1i} * M_{1i,3} * M_{2i} + \\
 & + \beta_{10} X_{2i} * M_{1i,2} * M_{2i} + \beta_{11} X_{2i} * M_{1i,3} * M_{2i} + \beta_{12} Dummy_{p1i,2} \\
 & + \beta_{13} Dummy_{p1i,3} + \beta_{14} Dummy_{p1i,4} + \beta_{15} Dummy_{p3i,2} + \beta_{16} Dummy_{p3i,3} + \\
 & + \beta_{17} Dummy_{p3i,4} + \beta_{18} Dummy_{p4i,2} + \beta_{19} Dummy_{p4i,3} + \beta_{20} Dummy_{p4i,4} + \varepsilon_i
 \end{aligned}$$

Where  $Y_i$  is the dependent variable  $k, (k = 1, \dots, 4)$ , are the reasons to buy second-hand luxury items for respondent  $i$ ;  $X_{1i}$  is the first construct of the reasons to buy second-hand luxury items online;  $X_{2i}$  is the second construct of the reasons to buy second-hand luxury

items online; the interactions effects are measured by the products of the independent variable ( $i = 1, 2$ ) and each level of moderator  $M_{1i}$  and  $M_{2i}$ ; the dummies the covariates; and  $\varepsilon_i$  is the error term. Because of the large number of parameters of the model, the sociodemographic variables were not included in this equation. Also, influent outliers were deleted from the estimations.

**MODEL 1: Dependent variable – Purchase feeling**

The moderator ‘evaluation of the experience to buy second-hand luxury products online’ has a significant and positive interaction effect between the Benefits of online shopping and the dependent variable, holding the other independent variables constant (Table 9); this moderator combined with the other moderator for level 2 change the sign and thus has a significant negative effect between ‘Benefits of online shopping from testimonials’ and the dependent variable, holding the other independent variables constant. The  $dummy_{p1,level 4}$  and the  $dummy_{p4,level 4}$  are significant when compared with the reference level. The first dummy has a negative effect, meaning that if the purchased of first-hand luxury products are more frequent (level 4) compared with the reference level (less frequent), the reason of purchasing by feeling of second-hand luxury goods decreases in average 0.522, if the other variables are constant; while the second dummy has a positive effect which means that if the purchased of second-hand luxury items online is more frequent compared with the reference level (less frequent), the reason of purchasing by feeling of second-hand luxury goods increases 0.366, if the other variables are constant. The interaction [CP1\* Moderator2.15] is the term that has more impact in the dependent variable (0.793).

**Table 9: Purchase feeling estimations**

| Independent variables              | Estimated coefficients | Beta   | p-value | VIF   | $\bar{R}^2$ |
|------------------------------------|------------------------|--------|---------|-------|-------------|
| Constant                           | 0.085                  |        | 0.156   |       | 0.731       |
| Interactions:                      |                        |        |         |       |             |
| CP1*Moderator2,15                  | 0.743                  | 0.793  | 0.000   | 1.021 |             |
| CP2*Moderator1,17.2* Moderator2,15 | -0.270                 | -0.153 | 0.004   | 1.022 |             |
| Covariates:                        |                        |        |         |       |             |
| Dummysp14                          | -0.522                 | -0.232 | 0.000   | 1.020 |             |
| Dummysp44                          | 0.366                  | 0.175  | 0.001   | 1.018 |             |

Notes: (1) Number of iterations: 4; (2) CP1 – Benefits of online shopping; (3) CP2 - Benefits of online shopping from testimonials; (4) Moderator2,15 – Experience’s evaluation of buying 2<sup>nd</sup> hand luxury goods; (5) Dummysp14 - Have you purchased 1<sup>st</sup> hand luxury products, level 4 (for current consumption > 10 times); (6) Moderator1,17.2 – ‘What is the maximum amount you are willing to pay for a second-hand luxury item?’, level 2 (601€ - 1000€); (7) Dummysp44 – ‘How often do you buy 2<sup>nd</sup> hand luxury products in online stores?’, level 4 (Up to a month).

SOURCE: OWN ELABORATION, 2021

$$\hat{Y}_i = 0.085 + 0.743 X_{1i} * M_{2i} - 0.270 X_{2i} * M_{1.2i} * M_{2i} - 0.522 D_{p1.4} + 0.366 D_{p4.4i}$$

**Table 10: Estimated impact of the covariates (dummies)**

|    |  |   |
|----|--|---|
| 1) | When $D_{p1.4} = 1$<br>When $D_{p4.4} = 1$ | $\hat{Y}_i = 0.085 + 0.743 CP_{1i} - 0.270 CP_{2i} * M_{1.2i} * M_{2i} - 0.522 + 0.366$<br>$\hat{Y}_i = -0.071 + 0.743 CP_{1i} - 0.270 CP_{2i} * M_{1.2i} * M_{2i}$ |
| 2) | When $D_{p1.4} = 0$<br>When $D_{p4.4} = 0$ | $\hat{Y}_i = 0.085 + 0.743 CP_{1i} - 0.270 CP_{2i} * M_{1.2i} * M_{2i}$   |
| 3) | When $D_{p1.4} = 1$<br>When $D_{p4.4} = 0$ | $\hat{Y}_i = 0.085 + 0.743 CP_{1i} - 0.270 CP_{2i} * M_{1.2i} * M_{2i} - 0.522$<br>$\hat{Y}_i = -0.437 + 0.743 CP_{1i} - 0.270 CP_{2i} * M_{1.2i} * M_{2i}$         |
| 4) | When $D_{p1.4} = 0$<br>When $D_{p4.4} = 1$ | $\hat{Y}_i = 0.085 + 0.743 CP_{1i} - 0.270 CP_{2i} * M_{1.2i} * M_{2i} + 0.366$<br>$\hat{Y}_i = 0.451 + 0.743 CP_{1i} - 0.270 CP_{2i} * M_{1.2i} * M_{2i}$          |

SOURCE: OWN ELABORATION, 2021

Considering only the *dummy<sub>p1.4</sub>* and *dummy<sub>p4.4</sub>*, Table 10 shows all options. The purchase feeling increases more in option 4 and decreases more in option 3.

The estimated model explains 73.1% of the variations of the dependent variable after correcting the coefficient of determination by the number of independent variables and by the sample size. Finally, the explicative variables do not suffer from multicollinearity problem measured by the coefficient Variance Inflation Factor (VIF) that should be less than 10, according to Kutner et al. (2004).

## MODEL 2: Dependent variable - Purchases from limited editions

The next table shows the estimations for the construct Purchase from limited editions feeling as the dependent variable.

**Table 11: Purchase from limited editions estimates**

| Independent variables                               | Estimated coefficients | Beta   | p-value | VIF   | $\bar{R}^2$ |
|---|------------------------|--------|---------|-------|-------------|
| Constant  | 0.168                  |        | 0.006   |       | 0.622       |
| Benefits of online shopping from testimonials (CP2) | 0.598                  | 0.814  | 0.000   | 2.658 |             |
| Interactions:                                       |                        |        |         |       |             |
| CP1* Moderator2,15                                  | 0.233                  | 0.316  | 0.000   | 1.196 |             |
| CP2* Moderator1,17.3* Moderator2,15                 | -0.817                 | -0.577 | 0.000   | 2.064 |             |
|   |                        |        |         |       |             |
| CP2* Moderator1,17.2                                | -0.469                 | -0.351 | 0.000   | 2.064 |             |
| Covariates:   |                        |        |         |       |             |
| Dummysp12   | -0.552                 | -0.363 | 0.000   | 1.035 |             |

Notes: (1) The last iteration for the estimations was the 5<sup>th</sup> iteration; (2) CP1 – Benefits of online shopping; (3) Moderator2,15 – Experience’s evaluation of buying 2<sup>nd</sup> hand luxury goods; (4) Dummysp12 - Have you purchased 1<sup>st</sup> hand luxury products, level 2 (for current consumption between 1 to 3 times); (5) Moderator1,17,3 – Moderator ‘What is the maximum amount you are willing to pay for a second-hand luxury item?’, level 3 (More than 1001€); (6) Moderator1,17.2 – Moderator ‘What is the maximum amount you are willing to pay for a second-hand luxury item?’, level 2 (601€ - 1000€).

SOURCE: OWN ELABORATION, 2021

Model 2 identifies three significant interaction effects from the moderator ‘Experience’s evaluation of buying second-hand luxury good’ and the combined interaction effects from both moderators. Only the first interaction is positive. Again, the combined effects from both moderators between the benefits of online shopping from testimonials and the dependent variable is negative. The independent variable that has more impact in the dependent variable is the benefits of online shopping from testimonials (0.814).

In sum, the estimated model explains 66.2% of the variations of the dependent variable after correcting the coefficient of determination by the number of independent variables and by the sample size.

**MODEL 3: Dependent variable - Purchases characterized by responsible consumption**

The next table shows the estimations for the construct Purchase characterized by responsible consumption as the dependent variable.

*Table 12: Purchases characterized by responsible consumption estimations*

| Independent variables                               |                                     | Estimated coefficients | Beta   | p-value | VIF   | $\bar{R}^2$ |
|---|-------------------------------------|------------------------|--------|---------|-------|-------------|
| Constant  |                                     | -0.104                 |        | 0.110   |       | 0.378       |
| Benefits of online shopping from testimonials (CP2) |                                     | 0.289                  | 0.432  | 0.000   | 1.110 |             |
| Interaction   | CP1* Moderator1,17,3* Moderator2,15 | -0.403                 | -0.298 | 0.001   | 1.111 |             |
| Covariates:   | Dummysp44                           | 0.347                  | 0.231  | 0.007   | 1.090 |             |

Notes: (1) The last iteration for the estimations was the 3<sup>rd</sup> iteration; (2) CP1 – Benefits of online shopping; (3) Moderator2,15 – The moderator ‘Experience’s evaluation of buying 2<sup>nd</sup> hand luxury goods’; (4) Moderator1,17.3 – the moderator ‘What is the maximum amount you are willing to pay for a 2<sup>nd</sup> hand luxury item?’ Level 3 (More than 1001€); (5) Dummysp44 - How often do you buy 2<sup>nd</sup> hand luxury products online, level 4 (Up to one month).

SOURCE: OWN ELABORATION, 2021

There is one interaction effect and CP2 is the independent variable that has more impact in the dependent variable (0.432). This estimated model explains 37.8% of the variations in the dependent variable, after adjusting the determination coefficient by the number of independent variables and the sample size.

## MODEL 4: Dependent variable - Purchases for investment

*Table 13: Purchases for investment*

| Independent variables |                                    | Estimated coefficients | Beta  | p-value | VIF   | $\bar{R}^2$ |
|-----------------------|------------------------------------|------------------------|-------|---------|-------|-------------|
| Constant              |                                    | -0.269                 |       | 0.000   |       | 0.058       |
| Interaction           | CP2* Moderator1,17.3*Moderator2,15 | 0.407                  | 0.260 | 0.009   | 1.000 |             |

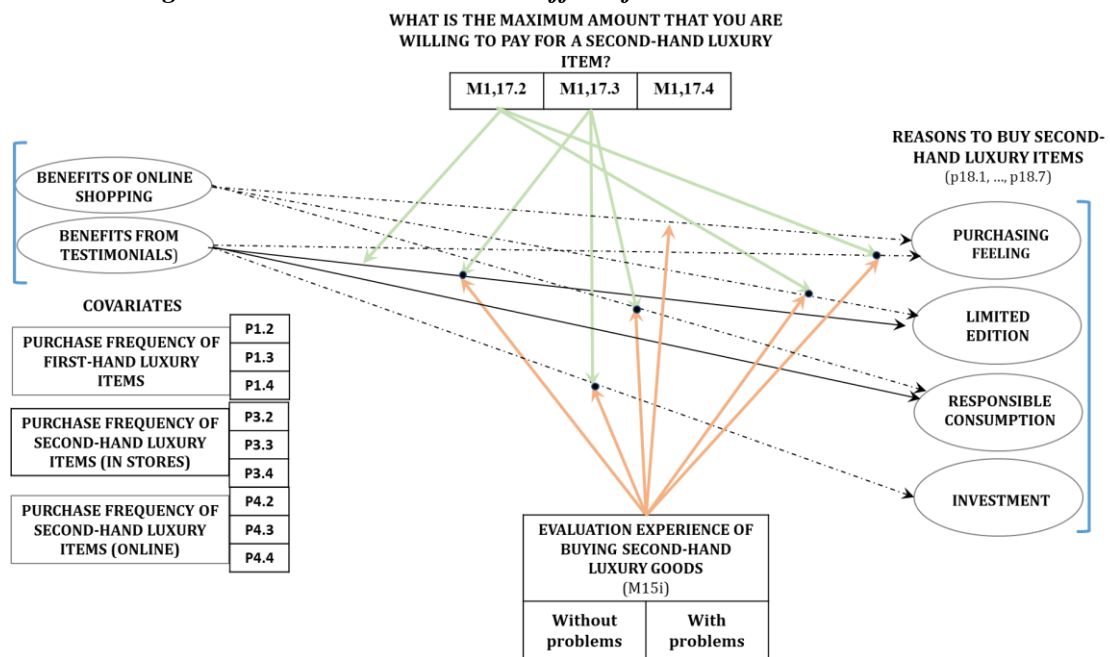
Notes: (1) The last iteration for the estimations was the 3<sup>rd</sup> iteration; (2) CP2 – Benefits of online shopping from testimonials; (3) Moderator2,15 – The moderator ‘Experience’s evaluation of buying 2<sup>nd</sup> hand luxury goods’; (4) Moderator1,17.3 – the moderator ‘What is the maximum amount you are willing to pay for a 2<sup>nd</sup> hand luxury item?’ Level 3 (More than 1001€).

SOURCE: OWN ELABORATION, 2021

There is one significant interaction effect and only 5.8% of the variations of the dependent variable are explained by this model, after correcting the determination coefficient by the number of independent variables and the sample size.

In conclusion, the main interaction effects as well as direct effects in each dependent variable are shown the next figure.

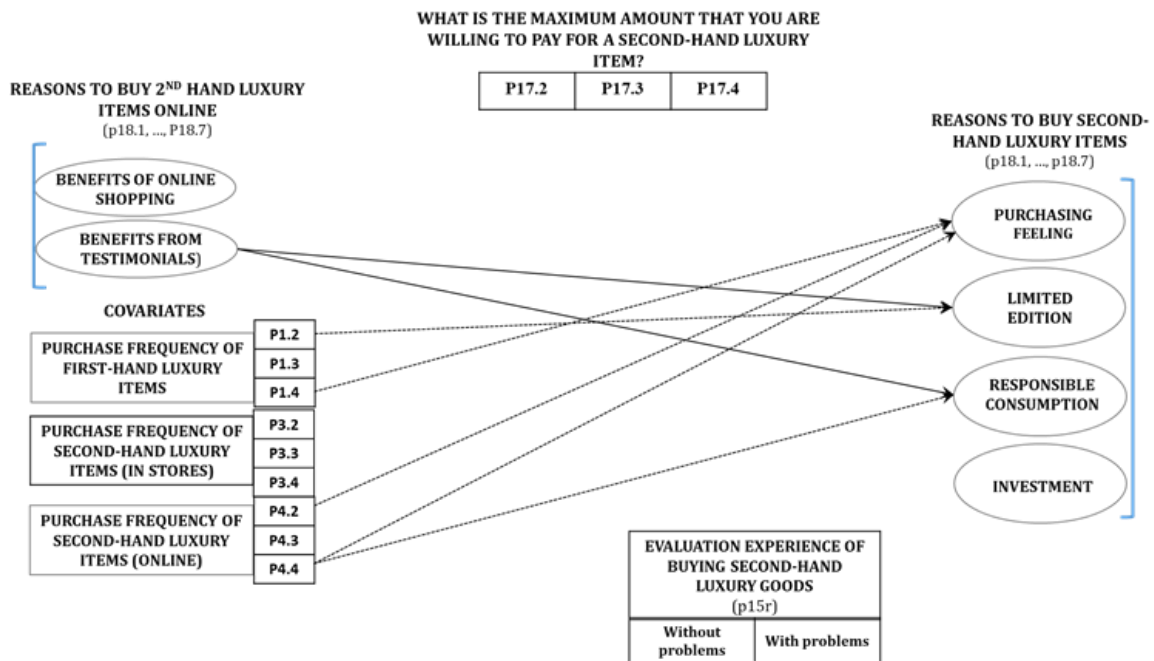
*Figure 12: Estimated interaction effects from the two moderators*



Notes: — detected interactions from the dummies of Moderator 17  
 — detected interactions from the dummy of Moderator 15

SOURCE: OWN ELABORATION, 2021

**Figure 13: Estimated direct effect between the independent variables and the covariates with the dependent variables**



Note: — estimated direct effects from the independent variables (and the covariates) to the dependent variables  
 --- estimated direct effects from the covariates) to the dependent variables

SOURCE: OWN ELABORATION, 2021

## 6 Discussion, Conclusions, Limitations and Future Research

### 6.1 Result's Discussion

In this section, findings will be further discussed, starting by answering the research questions:

- What are the main reasons for purchasing second-hand luxury products, mainly through digital?

Firstly, the main reasons that lead people to consume second-hand luxury products is the fact that they are cheaper than first-hand luxury products, to find products that they were already looking for, but could not find because they were discontinued or belong to limited collections and for reasons related to sustainability. Consumers seek a more responsible consumption, an increasingly important issue nowadays and quite discussed in previous studies. These reasons have previously been discussed in the studies by Fazeli et al. (2019), BCG & Altgamma (2019) and Turunen & Leipämaa-Leskinen (2015) and identified in this study. For the online, the main reason to buy second-hand luxury online,

is to have access to a greater variety of products, because being second-hand products it is difficult for stores to present the same product, or the same sizes: so, online consumers can consult the different existing online stores, compare prices, have access to exclusive online promotions and see testimonials from other customers who have already shopped at that store. Also the reason of not having to move away from home was among the most selected. These reasons had already been mentioned in the study of Fazeli et al. (2019) and were proven with this study.

- Is the first-hand luxury consumer a second-hand luxury consumer?

Secondly, a study conducted by Luxe Digital (2020) concluded that the second-hand luxury consumer is usually a first-hand luxury consumer. Through this study it is possible to conclude the same and prove that the existing stigma about buying second-hand is wrong, and that those who buy second-hand have the possibility to buy first-hand too.

- How is the shopping experience? Positive or negative?

With the increasingly digital times it is important to understand the evolution of online shopping and understand how the consumer feels when buying online especially high value products. Through this study we conclude that the experience of buying luxury second-hand online is very positive, with 87.2% of the respondents saying they have never had a problem buying second-hand luxury.

Next, this study made possible the validation of the stated hypotheses according to the literature review and qualitative study: ‘The maximum amount that you are willing to pay for a second-hand luxury item?’ and the ‘Evaluation of the experience of buying second-hand luxury goods’ are moderators in the relationship between ‘The reasons to buy second-hand luxury items online’ and the dependent variables ‘The reasons to buy second-hand luxury items’.

It was also possible to withdraw that, the online second-hand luxury market in Portugal has more adherence than the physical one, although it is still a not very significant difference, but that allows us to conclude that, as mentioned in the study by BCG & Altgamma (2019), online second-hand luxury shopping is also growing in Portugal, and much is due to social media, as also mentioned by BCG & Altgamma (2019), as through this study it is concluded that it was through social media, with a very high percentage, that consumers became aware of the second-hand luxury market.



While the study conducted by Statista (2020) argue that jewellery represents the largest share of second-hand luxury purchases, in this study, we conclude that the most purchased category is bags and then accessories; about the international stores most frequented by consumers to make their second-hand luxury purchases, Vestiare Collective and Farfetch Second Life, showed an interesting percentage (35.1% and 23.8%, respectively) being the second and fourth most mentioned. The most mentioned national stores were The V.o.g Closet (51.2%), followed by La Petite Coquette (25.0%) Quartier Latin (18.5%) and Bonder Store (16.5%) all of which operate mainly online.

## **6.2 Conclusions and Limitations**

With changing times, with the awareness of the massive production of textile products and the acquisition of new habits, the second-hand market has undergone a boom in recent years. Nowadays, it is increasingly normal to buy and sell second-hand luxury goods. In several European Union Countries, it is as normal to buy second-hand luxury goods as it is first-hand luxury goods. In Portugal there's still a stigma that's increasingly being forgotten, and the normalisation of this market is happening. The social networks are the main reason for this normalisation, because with the new professions such as digital influencers, who show the purchase of second-hand products, or sell their items, or with the numerous existing platforms that allow us to sell our goods in minutes, all this allows us to make the second-hand market known and to normalise it. Luxury products, exclusive, rare, high quality and therefore desirable, are one of the main attractions of the second-hand market. In a safe and fast way, we can acquire a high quality and status product, for a price more agreeable to our wallet and in excellent conditions.

But how does this market work? How can I guarantee that I am buying an authentic product?

Despite being increasingly studied, academic studies on the second-hand luxury market are still limited, and there is not enough content on how this market works, their buying behaviour, their experiences in this market and the importance of online in this market. This study aims to fill in some gaps, giving a little more about how the second-hand luxury market works presenting the perspective of the seller and the consumer.

There were some limitations in this study include the small sample size, which, although explained by the fact that this segment is small and difficult to access, may have conditioned some conclusions, such as the fact that we obtained many missing answers'.

Another limitation is due to the fact that it was not possible to interview all the desired stores, their perspectives would have been interesting for the study. Finally, although the second-hand luxury market is increasingly being approached and standardized, in Portugal it is still very limited and little studied, existing a lack of studies about it, as most of them are made by magazines and newspapers, which means that they may not be as accurate and trustworthy as top academic studies.

Some recommendations will be suggested to the stores of resale luxury, like when the store only sells online, it would be beneficial to have a temporary physical space, as it allows the consumer to have direct contact with the products, thus increasing recognition and trust in the store; if the stores only sells in physical stores is time to invest in digital; investing in packaging, a luxury experience is required; partnerships with other luxury brands is something now very common in the international second-hand market, and is very beneficial for both the brand and the resale store. These partnerships work in the following way: the store has a partnership with a brand and the person who puts an item of that brand on sale will receive a voucher to spend in the brand's first-hand store; if the store intends to go international it is essential that the website/social media have information in English; at last it is very important the way of photographing the items, always paying attention to their most important details and also showing the state of the article.

This study is relevant for managers and marketers, contributing to a better knowledge of the functioning and development of the second-hand luxury resale market.

### **6.3 Future Research**

For future studies it would be interesting to analyse generation Y and Z in the second-hand luxury market in order to understand their motivations and behaviour in this market; to analyse the influence of digital influencers in the purchase of second-hand luxury products; to carry out the same study but with a larger sample; to carry out the same study applied in two EU countries that are more or less similar in culture and to apply a similar study in Portugal but at a different time, for example, to detect if there is a tendency or not.

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## Appendices

### Appendix A: Summary of seller's interview

| Name             | Position                    | Duration     | Method     | Date          |
|------------------|-----------------------------|--------------|------------|---------------|
| Patrícia Fonseca | Co-founder of Louloucloset  | 40 minutes   | Video chat | 6 March 2021  |
| Ana Silva        | Co-founder of Maudde        | 1h05 minutes | Video chat | 24 March 2021 |
| Isadora Fevreiro | Founder of Quartier Latin   | 45 minutes   | Voice call | 25 March 2021 |
| Inês Silva       | Founder of The V.o.g Closet | 40 minutes   | Voice call | 15 April 2021 |

#### Interview with Patrícia Fonseca, co-founder of Louloucloset.

##### What was the reason that led you to create this business?

We had a lot of pieces (clothes, shoes, bags and accessories) in excellent condition, very little used stuck in the dresser, and we thought there might be people who would be interested in keeping them. That way, we decided to create an Instagram page where we started posting the items for sale.

##### Tell me a little more about the business.

Louloucloset is an online fashion platform for buying and selling second-hand luxury clothing and accessories. We started out only selling through Instagram, but we already have a website as well.

##### Why the online?

The business started during the pandemic and Instagram was the media that seemed best for us to reach more people and our target audience. When the business started to grow, we decided to create a website, although we still sell more through Instagram, due to the possibility that the consumer can contact us.

##### What were or continue to be the biggest challenges in developing this business model?

I think our biggest challenge is really reaching our desired target audience. We still have a lot of people who like fashion and luxury products and therefore like to follow the page and see the articles that are posted, but they end up not buying.

##### How have you managed to transmit confidence to your consumers so that there is no doubt that you are selling authentic products?

Most of the items have a certificate of authenticity and we also had two Portuguese celebrities, Rita Pereira and Joana Freitas advertising our page, which helped us a lot to gain more customers and to gain their trust, because having two well-known people advertising our items and making sure that the products are authentic helped to ensure the credibility of the business for many people.

##### How do you select the items for sale?

We select items according to the condition and usefulness of the piece. We sell luxury items used two or three times, with few or no signs of use. Currently most of the items we have for sale are ours. Due to the new lockdown we are only accepting items from two more people who had already shown interest in selling with us before the new lockdown.

##### And who are your main competitors?

La Petite Coquette and The V.o.g Closet.

### **What is your consumer profile?**

Women of Portuguese nationality, living in Oporto (majority) and Lisbon, aged between 27 and 40, belonging to the upper-middle class.

### **What experience do you want to provide to the consumer?**

We aim to provide an experience like buying luxury goods online first-hand, so we had customised shipping boxes made where we have been careful in our choice of material and colour.

### **Which brands sell and which ones sell the most?**

We sell brands like Louis Vuitton, Chanel, Gucci, Miu Miu, Fendi, Yves Saint Laurent, Dsquared2, Prada, Christian Louboutin, Valentino, among others...The brands we sell most is Louis Vuitton. Louis Vuitton items always have several people interested. But brands like Gucci, Yves Saint Laurent also have a lot of sales.

### **Can you tell me what are the main reasons for consumers' purchases?**

There is a lot of desire to buy, and people are aware of the value of the product being sold. Although it's second-hand, it's often as good as new, and although the product loses some value, it's still very valuable. More and more consumers are looking for quality products rather than quantity. The purchases are made in a more conscious way, and people knowing the value of the product and if it's in excellent condition, choose to buy second hand instead of first-hand. Although they are making a second-hand luxury purchase, our clients have the economic power to make first-hand luxury purchases.

### **What is your ambition in this market?**

The second-hand luxury market is extremely interesting and is a growing market. Our goal is to grow in this market.

### **And what are the future strategies?**

We intend to acquire an authenticity device, because it is a way for us to transmit security to our clients. This device will allow us to start selling other people's products, safely, so that there are no mistakes, guaranteeing the authenticity of the product to the customer.

### **Thank you so much for this interview Patrícia and the rest of the team.**

#### **Interview with Ana Silva, co-founder of Maudde.**

### **What was/are the reason(s) that led you to create this business? What opportunities did you identify to realise the interest in launching this business?**

I worked in Marketing, but I've always had a big passion for fashion. I would like to create something new, but the market was already very crowded, and it was difficult to find something where I could stand out because everything already existed. Every day brands are created. As I've also always been very aware of conscious consumption and sustainability, I didn't want to contribute to more production. When I travelled, I liked to take a tour of second-hand stores. In Portugal it wasn't very common to enter second-hand stores and find very high-quality items with high prices. Abroad it's something very common, I've even been in dream stores. I fell in love with this second-hand concept, but at the same time second-hand clothes of great quality, rare pieces that you can't find anywhere else because they are no longer produced or because they are produced in such small quantities that you can't easily access them. I was reading about the market, and realized that the second-hand luxury market was growing, mainly due to Vestiaire Collective. So I decided to create Maudde, in 2018.

### **What were or continue to be the biggest challenges in developing this business model?**

The biggest problem I had and still have today is the prejudice that still exists in relation to second-hand clothes. I started this business in 2018, where the prejudice was bigger, now we start notice some differences, things are changing. But still, it's not something that people think about immediately. When they think of buying a specific piece, they don't usually think first of looking

in second-hand stores. Especially in the luxury market. But I feel that for younger people it is already as normal to buy second-hand as it is first-hand.

### **Can you explain me a little more about how your shop works? How is the sale made?**

We have an Instagram page and a Website where we make our sales, the website is the main selling point. In the last few months we had a physical store, we didn't have open doors, but we received clients by appointment. We usually do street markets, like the Maria Guedes Market. We think it is important to have some physical presence as well.

### **What is the business model?**

We operate on consignment. We do not buy pieces and we receive a commission for each piece of clothing sold. We have two types of selling services: the person who wants to sell their item can put it online (as is done on OLX, for example), but the piece will always go through us to authenticate and check the condition of the piece before it reaches the final consumer, and our other service, more directed to people who are not available to photograph the piece, or do not feel so comfortable to do so, we go to their home and collect the piece, always going through an authenticity check.

### **I saw that Maudde has a partnership with a Portuguese brand, Manjerica. Can you tell me a little bit about this partnership?**

These partnerships have been popping up a lot in the international second-hand market. These partnerships are 'buy back' programs, which allow brands to enter the resale market by having the customers purchase a new piece by selling their old piece. In other words, the customer sells a Manjerica piece on Maudde's site and acquires a discount voucher on Manjerica's site, to buy a new piece of their choice.

### **Why the online?**

Before creating this platform, I took several courses in Digital Marketing and I also took a master's in management with Specialization in Digital Innovation. I really like digital, and my idea was not to have a physical store. We would like to be able to sell to the whole world (and we already sell to several countries, even outside Europe), but we also had the idea of having some physical presence, for example in markets so people could see it. But our main goal has always been digital.

### **Who are your main competitors?**

In Europe, Vestiaire Collective. In Portugal, we have a slightly different business model, we're the only company that allows direct online submission of the piece. Of course all luxury second-hand are competition. For example, physical stores, we don't exactly see as competition, but we even see them as possible partners.

### **How have you managed to transmit confidence to your consumers so that there is no doubt that they are buying authentic products?**

We give the financial guarantee. In addition, we have our team, with over 18 years of experience in the luxury market that does the authentication of the pieces, and we also work with sites that do the authentication.

### **How do you select the items for sale?**

By brand. Maudde is in the premium segment, so we mostly only accept items from premium brands. Sometimes there are exceptions, like vintage pieces, or handmade pieces. Special pieces, even if they don't have any brand, but we realize that it is a piece of great quality, and special we also accept it. The piece must be in excellent condition and we have several levels of condition of the piece: New with tag; New without tag; Very good condition; Good condition; Used. Even if the item has some unusual marks, we always show them to the consumer, it always appears in the photo. It doesn't happen that the person thinks they are buying a great piece, in excellent condition, and then when they get home it has stains and marks of use. Our biggest concern is the

trust with the consumer. Since this is a dubious market, what we really want, more than just to sell a lot, is that people trust this market, trust Maudde, that they are buying an authentic, quality item.

### **How is the selling price decided?**

Our team, which has been working in this market for 18 years, also helps us in the decision of the sales price. The second-hand luxury market is growing a lot, which means that values are varying quite a bit. We know that there are brands that are highly valued in the second-hand luxury market, such as Louis Vuitton, Chanel, Dior, etc, but there are also brands that despite being premium, the value of the items drops a lot in the second-hand luxury market. We are always studying the market and keeping abreast of the changes that are taking place, so that we can decide on a sales price that is as fair as possible.

### **What experience does Maudde want to provide to the consumer?**

With our website we want the consumer to feel comfortable buying through the site. An organized site, with a clean look, well taken pictures (especially those taken by Maudde). We take care to answer clients, to reply to emails, following the client as if we were a luxury brand. We are very careful with communication, both with the client and the seller. Regarding packaging, one of the big problems in the fashion industry is packaging. We didn't like the idea of having several boxes produced, because it would go against the company's values. We are selling second-hand clothes, promoting sustainability, and then we would create boxes? So, we decided to opt for the reuse of boxes. We have an agreement with a company that receives boxes on a weekly basis. So, our packaging is a used box, with stickers on the outside saying, 'used box', and inside we have the product wrapped in silk paper. We believed that it would make no sense to sell second-hand luxury clothing and then have boxes made and contribute to this waste and overproduction.

### **Which brands Maudde sell? And which are the best-selling brands?**

We sell premium brands and the most affordable one we sell is Furla. The best sellers I would say: Chanel, Louis Vuitton, Dior and Christian Louboutin.

### **How do you try to attract new consumers to your online store?**

We use Facebook and Instagram Ads, and we do the Maria Guedes market which also gives us some visibility.

### **What is Maudde's target audience?**

Women, aged 28-55, from urban centers although we also sell to the Islands. Our sellers are upper-class people, who travel a lot and buy a lot both first and second hand. The buyers are middle and upper-middle class. We have also sold abroad, to the United States, Northern Europe, Australia, Eastern Europe...

### **On average, how many customers do you currently have?**

I can't give you the exact numbers, but I can tell you that on the site we have a thousand registered clients and clients who have made purchases I would say around five hundred. We are still in the growing phase.

### **And how often does the consumer buy from your store?**

I don't have the exact percentage, but we have a good buyback percentage, and an even better resale percentage.

**What are consumers' main reasons for buying at Maudde? (e.g. because they want items that have already been discontinued; because the price is much lower than if they were buying first-hand; for reasons related to conscious consumption, sustainability)?**

The second-hand luxury consumer sees the item as a financial advantage, even if they have the financial availability (which most consumers have) to buy the item first-hand. We also have consumers who are looking for different items that are not in the stores right now.

**In your opinion, does the consumer choose to buy at Maudde for the products it sells or for the service/purchasing experience?**

We were very careful that the consumer felt safe buying from Maudde. We put all the information, such as terms and conditions, guarantees, etc. on the site.

**What is your main ambition in this market?**

One of our goals is to make people realize that most of the time it doesn't make sense to buy new items, because there are great items for sale in second-hand stores, many of them are new, with a label. I think it's something that has happened to all women, buying something, and then never using it. We really believe that this must change, because if the industry doesn't change, we will all suffer, and that is why we also decided to enter in this market. We can continue to love fashion, to dress well, without the need for excessive production.

**What are the main challenges in the near future?**

First, right now we have the pandemic, COVID-19, which is taking away people's purchasing power. Then we have the issue of prejudice with second-hand items. Although younger people are already more familiar with this market, there are still older people who don't see themselves consuming second-hand products, especially luxury ones.

**What are the strategies to grow in this market in the future?**

Now we are trying to have capital, so that we can then invest in advertising. We would like to be the reference, in Portugal, in the second-hand luxury market and of course go international.

**Thank you so much for this interview Ana and the rest of the team.**

#### **Interview with Isadora Fevereiro, founder of Quartier Latin.**

**Quartier Latin is pioneer in this market. What was/are the reason(s) that led you to create this business? What opportunities did you identify to realise the interest in launching this business?**

In 2009 came the interest to start a business. I decided to go to London, in an attempt to see inspiring businesses that didn't exist in Portugal and I found second-hand luxury. Of course in London this market, even 12 years ago, was already very developed and well accepted in society. I found this business quite innovative for our Portuguese consumption patterns, and so I saw a business opportunity. I wasn't a consumer of luxury products, it was really a business opportunity that I found, it wasn't even something emotional.

**What were or continue to be the biggest challenges in developing this business model?**

The difficulties have changed over time. In the beginning when I opened the store, there was a huge stigma in relation to second-hand, and being my business in the luxury sector the prejudice was even bigger. My first problem was really the prejudice. How did I overcome it? I opened a store in a very exposed place, in the same street in front of the luxury stores, in Porto. With this openness and transparency, I think that's how I managed to overcome the prejudice against second hand. Nowadays, second-hand luxury products are almost like a fashion trend, it's very trendy for people to buy second-hand luxury products. Being more and more accepted, there was a huge boom of second-hand stores, first physical stores, and now online stores.

**Can you explain me a little more about how your shop works? How is the sale made?**

We started with the opening of a physical store in a place not very noticeable for 5 months. There was a lot of prejudice, people didn't come in much, so I quickly realized that I wouldn't be able to go very far in that location. I decided to open the store in front of the luxury brands first-hand and from then on, the business started to develop quite fast. We always had a website, but

initially it was something very rudimentary, it was 11 years ago... Fortunately, before the pandemic I made a big investment in online, with professional photographers and working Digital Marketing. Our mix of communication channels is the physical store, where we have the highest percentage of sales, although online is gaining more and more space. Then we have a presence on Instagram and Facebook, and we also have our store in two international Marketplace, Vestiaire Collective and Videdressing.

### **What is the business model?**

Our business model is the same since the beginning, we work on consignment. The pieces are put on sale for 60 days, if it is sold the seller receive the value at the end of the month, if it is not sold the piece is given back.

### **What is the difference between buying physically and buying online at Quartier Latin?**

In the physical purchase the first advantage is the contact with the seller and the piece. There is a very large counterfeit market, and people not being 100% familiar with the pieces can be deceived, which makes some people not feel 100% safe buying online. If there is a physical shop, there is more security and tranquillity for the consumer, because he can go and see the pieces and if the consumer is not satisfied with the purchase, he can go to the physical shop. Of course, we have people who want to go to the store for a first purchase, but then start buying online. There are positive and negative aspects to each purchase of course. In a physical purchase, the person has a personalized follow-up, suggestions are made, etc., very similar to a first-hand luxury purchase. Online, it's a practical matter, and people really like the surprise factor, they like to receive that gift at home that they bought for themselves. For us the key is to complement the online with the physical.

### **Who are your main competitors?**

International platforms like Vestiaire Collective, Vidressing, Farfetch Second Life...

### **How have you managed to transmit confidence to your consumers so that there is no doubt that they are buying authentic products?**

Mainly because it has a physical store and the way it operates, the way the customers are received. The fact that when people come into the store notice organization in the store, located in a very reputable place and street. You build up this trust as well. We have a written contract, all information is public, and we have been in this market for 11 years. All our pieces are checked before they are put on sale. We already have a lot of experience in verifying the authenticity of the pieces and when we have doubts, we work with authenticity verification sites. Especially with bags like Chanel and Hermès.

### **How do you select the items for sale?**

We select through brands. We only work with luxury brands. We used to make exceptions and accept more affordable luxury brands, but we do that less, unless it's really a very interesting piece. The items we sell are contemporary models. Vintage is very rare. Only if it's Chanel, Hermès, Yves Saint Laurent, and Louis Vuitton

### **How is the selling price decided?**

It is the consumer who says the price of the item. The thinking is: if the person is the owner of the piece, she has the right to propose the sale price. We make suggestions for the price, and most of the time the client also asks for that. But the last word belongs to the owner of the piece, of course.

### **What experience does Quartier Latin want to provide to the consumer?**

We aim to provide an experience identical to buying first-hand. We have our physical store very well kept and well-presented and a personalized customer service. When buying online, the experience is different of course, because there is no contact with the consumer. In online



shopping, the products are placed inside a cloth bag that we had made, and we are designing the outer box because we know that packaging is something extremely important.

**Which brands Quartier Latin sell? And which are the best-selling brands?**

We sell luxury brands like, Louis Vuitton, Gucci, Chanel, Prada, Hermès, Fendi, Dior... The brands we sell the most, since the store opened, are Chanel, Louis Vuitton, Hermès, and Prada. But from season to season, we sell a lot of the trendy bags of the season.

**How do you try to attract new consumers to your online store?**

We've tested the different ways like giveaways, influencers... but it's really through advertising on Instagram and through our customers who end up introducing Quartier Latin to their friends that we get the best results.

**What is Quartier Latin's target audience?**

Women, aged 35-55 years old from urban areas (Porto and Lisbon mostly), belonging to the upper-middle class.

**And how often does the consumer buy from your store?**

We have a quite few customers already loyal to our store who buy and sell every month. But on average, our clients buy every three months and 10% buy every month.

**What are consumers' main reasons for buying at Quartier Latin? (e.g. because they want items that have already been discontinued; because the price is much lower than if they were buying first-hand; for reasons related to conscious consumption, sustainability)?**

When I started Quartier Latin, environmental issues were non-existent. Today it's an argument that makes people feel good when buying. The main reason is that the items are cheaper than in the first-hand store and we also have clients looking for specific items that are no longer for sale.

**In your opinion, does the consumer choose to buy at Quartier Latin for the products it sells or for the service/purchasing experience?**

The fact that we are the first second-hand luxury store in Portugal, with a history of 11 years, a good digital image, and a physical store are reasons that make people choose Quartier Latin.

**What is your main ambition in this market?**

We intend to grow online, and we have our strategy right now focused on digital.

**What are the strategies to grow in this market in the future?**

Marketplace integration, partnerships, and lots of digital marketing. Always in the digital component.

**Thank you so much for this interview Isadora.**

**Interview with Inês Silva, founder of The V.o.g Closet.**

**What was/are the reason(s) that led you to create this business? What opportunities did you identify to realise the interest in launching this business?**

I was already into the second-hand luxury market and already had a second-hand shop with vintage items, mostly non-luxury clothing. Luxury has always been part of my life, and I've always been a consumer. I thought it could be a good opportunity, as I like this market, to create a second-hand luxury goods store online. At first, I only sold my luxury products, it was a detachment of mine, but then sales were growing, and people started asking me to sell their items, and that's how it started, it was a bit organic.

**Can you explain me a little more about how your business works? How is the sale made?**

The shopping is done online, mostly through Instagram. I do Instagram Stories every day of the week showing the products that will be sold. I think there was a big gap, because when we



buy online, we don't really understand what we're buying. Through my videos people can get a perception of the size of the items, how they look, their materials, their characteristics, etc. In the second-hand luxury market, most items always have some small marks of use, no matter how careful the product has been, and this way the client can have an exact perception of the condition of the item.

**You told me that when you started the business you were selling your own luxury items. Nowadays the items you sell are from other people who contact you, right?**

Yes, initially it was my items because I had a need to sell them from home. I had luxury items in great condition but didn't give them any use anymore. I currently sell on consignment or buy directly from the customer and make the sale.

**Why only online sales?**

I feel very comfortable in the digital, which gives me greater freedom in terms of schedules, than those who have a physical shop. It would also be necessary to hire a team to work with me which would be expensive, besides the investment in the store. Also, I end up not having enough items to have a physical store, sales occur so fast that I run out of enough stock.

**You sell mainly through Instagram, but The V.o.g Closet also have a website. Do you even manage to sell some items through the website?**

Only the pieces that are not sold on the hour via Instagram end up going on the website.

**How have you managed to convey confidence to your consumers that the items are authentic?**

I think the trust with the customer towards me was something gradual. I am very transparent and even if the customer doesn't buy from me, I always try to help him as much as possible about the authenticity of the pieces and how counterfeit pieces are. This has turned into trust. People know that when they buy from me the item will arrive at their house the same as how it was seen on Instagram. I am very experienced in this area, and I have studied a lot about the market and luxury products to understand exactly the materials, to know the type of sewing, the colours, chemical processes and so on. Also, the fact that the customers were satisfied and talked to their friends/family also helped a lot in this confidence.

**How do you select the items for sale?**

I select from the pieces that are offered for sale. I only sell pieces in good condition that I identify with and that I think the customers will like. I will not sell an item that I do not like and do not identify with.

**Which brands The V.o.g Closet sell? And which are the best-selling brands?**

I sell Louis Vuitton, Chanel, Hermès, Gucci, Prada, YSL, Miu Miu, Burberry, Valentino, Balenciaga, Céline, Christian Louboutin... The ones I sell the most are: Louis Vuitton, Chanel, Burberry...

**How is the selling price decided?**

I make a proposal to the client. I present the market value of the item and according to the condition of the piece the value is proposed.

**What experience do you want to provide to the consumer?**

Luxury is experience. So, I aim to provide an experience when the customer receives the product at home. There is great concern with packaging, with the time of receipt, and of course during the entire buying process, the care taken to talk to the customer and to clarify any doubts, it's all part of the buying experience.

**What were or continue to be the biggest challenges in developing this business model?**

The big difficulty is that people don't know the luxury brands and products. There are several people who like luxury, but they don't know the market. There is still also still a prejudice against buying second-hand. People consider buying second-hand as 'people without money' and that's not true, buying second-hand is buying a product with history, and luxury is history.

**Who are your main competitors?**

It's difficult to consider the stores as competition because being second-hand, it's difficult for us all to have the same bag or shoes. For me, there are stores that complement each other because there are some that sell other brands that I don't sell.

**How have you managed to transmit confidence to your consumers so that there is no doubt that they are buying authentic products? Did you use celebrities or digital influencers?**

I never use celebrities or influencers. I prefer people to know my store because of my experience, trust and for being a transparent person. Only with consumer confidence we can sell and sell in quantity.

**What is The V.o.g Closet target audience?**

Mostly women, although I am also starting to get quite a few men who buy for their wives. Age range between 22 and 50, stable and hardworking, located all over the country, even, and abroad, like Africa, Luxembourg, Switzerland, Romania, etc.

**On average, how many customers do you currently have?**

It is very difficult to give you an exact number because I have loyal customers, but I also have many new customers.

**And how often does the consumer buy from your store?**

I have many customers who repeat the purchase, for example once a month or sometimes even more than once.

**What are consumers' main reasons for buying at The V.o.g Closet? (e.g. because they want items that have already been discontinued; because the price is much lower than if they were buying first-hand; for reasons related to conscious consumption, sustainability)?**

They buy because they are items they were looking for and that are hard to find, and it's in excellent condition, sometimes customers ask me for a certain item they wanted and I try to get that item, and because it's an item they want but don't want to pay the original price or the item it's sold in the first-hand store. Nowadays the newer consumers are also starting to be aware of sustainability and responsible consumption, and that purchase makes them feel better because they feel they are buying and helping the planet.

**In your opinion, does the consumer choose to buy at The V.o.g Closet for the products it sells or for the service/purchasing experience?**

I think they choose my store because of trust and experience.

**What is your main ambition in this market?**

My greatest ambition is to continue to provide good experiences, to make available very good items in excellent condition at reasonable prices for their value, to make circular fashion more and more accepted by everyone, and that this prejudice that exists ends. I want to demystify that buying second hand is beneficial, and that there is nothing wrong with it. As for the store's ambition, it is to become more and more renowned and be number 1 in Portugal.

**What are the strategies to grow in this market in the future?**

To continue with the same consistency. Launch new things and some in parallel with the store, but always related to luxury.

**Thank you so much for this interview Inês.**

## Appendix B: Online Survey

### Buying Second-hand Luxury Products

This questionnaire is part of a master's thesis on the Second-hand Luxury Market in Portugal.

It aims to identify the reasons for buying second-hand luxury products, more precisely, ready-to-wear, bags, shoes, accessories, and jewellery.

It has been prepared exclusively for academic purposes and the data collected is anonymous and treated confidentially.

It will take approximately 7 minutes to complete.

I would like to thank you in advance for your valuable participation.

**Mariana Gomes**

**\*Mandatory**

### Section 1- Buying first-hand luxury goods

In this section I ask you for some information in order to analyse the buying behaviour of luxury products at first-hand

1. Have you ever purchased luxury products at first hand (ready-to-wear clothes, bags, shoes, accessories, jewelry)? \*

- Never
- Never, but I intend to buy later this year
- To offer to someone
- For current consumption between 1 to 3 times
- For current consumption between 4 to 10 times
- More than 10 times for current consumption

2. Which product/s did you purchase? (You can select more than one option) \*

- Bags
- Clothes
- Shoes
- Accessories
- Jewellery

## Section 2- Buying second-hand luxury goods

In this section I ask you for some information in order to analyse the buying behaviour of luxury second-hand products.

1. How often do you buy second-hand luxury products in physical shops? (ready-to-wear clothes, bags, shoes, accessories, jewelry)? \*

- Never
- Never, but I intend to buy later this year
- Only purchased
- Weekly
- Biweekly
- Monthly
- Anually

2. And in online stores? \*

- Never
- Never, but I intend to buy later this year
- Only purchased
- Weekly
- Biweekly
- Monthly
- Anually

3. Why do you buy luxury products/brands? Please answer by identifying from the following terms the one/those you associate the most \*

- Because they are unique/rare
- Because they are of high quality
- Because they are different
- Because they are innovative
- Because they are prestigious
- Because they make me stand out socially
- Because I like to feel that I belong to an exclusive minority
- Because they give me personal pleasure
- Because they offer me a unique shopping experience
- Because they are products of brands with history/culture/inheritance

Another:  \_\_\_\_\_

4. How long have you known stores of selling second-hand luxury goods? \*

- Less than 6 months
- Between 6 months to 1 year
- Over 1 year to 2 years
- Over 2 years to 3 years
- Over 3 years to 4 years
- More than 5 years

5. What second-hand luxury goods shops do you know, or have you heard of? \*

\_\_\_\_\_

6. How long have you been buying second-hand luxury goods? \*

- Less than 6 months
- Between 6 months to 1 year
- Over 1 year to 2 years
- Over 2 years to 3 years
- Over 3 years to 4 years
- More than 5 years

7. How did you become aware of second-hand luxury goods stores? (You can select more than option) \*

- Through family members
- Through friends
- Through celebrities/influencers
- Through social media
- Through adverts from luxury second-hand stores

Another:  \_\_\_\_\_

8. For you, what are the benefits of buying second-hand luxury goods? (You can select more than one option) \*

- The product is cheaper
- I am contributing to more sustainable consumption
- I feel better with myself if I buy the product second-hand
- I am buying products that already have a life story
- I find products that are rare

Another:  \_\_\_\_\_

9. Which luxury product/s did you purchase second hand? (You can select more than one option) \*

- Bags
- Clothes
- Shoes
- Accessories
- Jewellery

10. Where do you usually buy your second-hand luxury goods? (You can select more than one option) \*

- Vestiaire Collective
- Videdressing
- Farfetch Second Life
- Quartier Latin
- Maudde
- The V.o.g Closet
- Louloucloset
- La Petit Coquette
- Bonder Store
- Closet Uup
- Facebook
- OLX

Another:  \_\_\_\_\_

11. Have you ever put any of your luxury items up for sale in a second-hand luxury store? \*

- Never
- Never, but I intend to sell later this year
- Only once
- More than once

12. Please respond to each statement according to the following response scale: (1) strongly disagree, (2) disagree, (3) neither agree nor disagree, (4) agree, (5) strongly agree or (DK/DA) don't know/do not want to answer \*

|   | 1                     | 2                     | 3                     | 4                     | 5                     | DK/DA                 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| I buy a second-hand luxury product because it is trendy               | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I buy a second-hand luxury product because it makes me feel special   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I buy a second-hand luxury product because it is cheaper              | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I buy a second-hand luxury product because it makes me feel fulfilled | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I buy a second-hand luxury product to try to impress others           | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

|  |   |
|--|---|
| I buy a second-hand luxury product because it's something I've been looking for a long time  | <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> |
| I buy a second-hand luxury product because I want a more responsible consumption (sustainable) and because of ethical manufacturing issues | <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> |
| I buy a second-hand luxury product to sell in the future   | <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> |
| I buy a second-hand luxury product because it is from a limited collection   | <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> |
| I buy a second-hand luxury product because I know the resale store   | <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> |
| I buy a second-hand luxury product because the product has been discontinued (is no longer produced)                                       | <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> |
| I buy a second-hand luxury product because I prefer something different and with a long-life history                                       | <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> |

13. Have you ever had a bad experience when buying second-hand luxury goods? \*

- Never
- Yes, the product was not authentic
- Yes, the product was not in good conditions
- Yes, I didn't receive the product

Another:  \_\_\_\_\_

14. Which brand/brands have you already bought in second-hand luxury goods stores? (You can select more than one option) \*

- Chanel
- Louis Vuitton
- Prada
- Gucci
- Fendi
- Yves Saint Laurent
- Burberry
- Christian Dior
- Hermès
- Céline
- Christian Louboutin
- Jimmy Choo
- Valentino
- Balenciaga
- Balmain
- Givency
- Versace

Another:  \_\_\_\_\_

15. What is the maximum amount that you are willing to pay for a second-hand luxury item (clothes, bags, shoes, accessories, and jewelry)? \*

- Between 200€ to 400€
- Between 401€ to 600€
- Between 601€ to 800€
- Between 801€ to 1.000€
- Between 1.001 to 3.000€
- Between 3.001€ to 5.000€
- More than 5.001€
- Don't know/Don't want to answer

### Section 3- Online shopping of second-hand luxury goods

In this section I ask you for some information in order to analyse the online purchasing behaviour of luxury second-hand products

1. Why do you choose to buy second-hand luxury goods online? Please answer each statement according to the following response scale: (1) strongly disagree, (2) disagree, (3) neither agree nor disagree, (4) agree, (5) strongly agree or (DK/DA) don't know/do not want to answer \*

|   | 1                     | 2                     | 3                     | 4                     | 5                     | DK/DA                 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Because it gives me access to products/brands that I don't have access to physically in the country/place where I come from | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Because I prefer to shop from home at any time of the day   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Because I have access to a wider variety of products  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Because I can compare prices more easily  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Because I can see testimonials from other customers   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Because there are promotions that are only available online   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Because I find different products to those available in physical stores   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

2. Regarding online shopping for second-hand luxury, please answer each statement according to the following response scale: (1) strongly disagree, (2) disagree, (3) neither agree nor disagree, (4) agree, (5) strongly agree or (DK/DA) don't know/do not want to answer \*

|  | 1                     | 2                     | 3                     | 4                     | 5                     | DK/DA                 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Second-hand luxury purchases online have always gone well                  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I've had more than one problem with buying second-hand luxury goods online | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Buying second-hand luxury online is safe                                   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |



I only buy second-hand luxury online through websites that have a physical store

**Apart from second-hand luxury goods, I would like to ask you what other category of product(s)/service(s) you purchase online**

1. What categories of products do you usually buy online? (You can select more than one) \*

- Travel/Hotels
- Food products
- Cosmetic products
- Technology products
- Books
- Ready-to-wear casual
- Ready-to-wear for ceremonies
- Luxury products

Another:  \_\_\_\_\_

**Section 4- Personal data**

In this section I ask you for some information about yourself just to identify the profile of the interviewees. All information is confidential and is not used except for this purpose.

1. Gender \*

- Female
- Male

2. Age \*

\_\_\_\_\_

3. Civil Status \*

- Single
- Married
- Divorced
- Widow/widower

4. Nationality \*

\_\_\_\_\_

5. District of residence \*

- Aveiro
- Beja
- Braga
- Bragança
- Castelo Branco
- Coimbra
- Évora
- Faro
- Guarda
- Leiria
- Lisboa
- Portalegre
- Porto
- Santarém
- Setúbal
- Viana do Castelo
- Vila Real
- Viseu
- Madeira
- Porto Santo
- Santa Maria
- São Miguel
- Terceira
- Graciosa
- São Jorge
- Pico
- Faial
- Flores
- Corvo

6. Academic qualifications \*

- Elementary school
- High school
- Bachelor's Degree
- Master's Degree
- PhD

7. What is your annual disposable income for your own consumption (after tax and family/household expenses)? \*

- No income
- Up to 500€
- Between 501€ to 800€
- Between 801€ to 1.000€
- Between 1.001€ to 3.000€
- Between 3.001€ to 5.000€
- Over to 5.001€
- Don't know/Don't want to answer

### Appendix C: Online Survey Literature Sources

| VARIABLE   | SURVEY QUESTION   | Authors   |
|--|---|---|
| <b>Section 1- Buying first-hand luxury goods</b>                   |   |   |
| Buying luxury products at first hand                               | Have you ever purchased first-hand luxury products?   | Interview with second-hand stores managers  |
| <b>Section 2- Buying second-hand luxury goods</b>                  |   |   |
| Frequency of purchasing second-hand luxury goods in physical shops | Have you ever purchased second-hand luxury products in a physical store?  | BCG & Altgamma (2020)   |
| Frequency of purchasing second-hand luxury goods in online shops   | What about online stores?   | BCG & Altgamma (2020)   |
| Reason for purchasing luxury goods                                 | Why do you buy luxury products/brands?  | Galhanone (2005); Turunen (2017); Eastman et al. (1999); Ko et al. (2017); Heine (2012) |
| Time buying second-hand luxury                                     | How long have you been buying second-hand luxury goods?   | Interview with second-hand stores managers  |
| How discovered second-hand luxury stores                           | How did you become aware of second-hand luxury goods stores?  | BCG & Algamma (2020) – Adapted to the dissertation theme                                |
| Benefits of second-hand luxury                                     | For you, what are the benefits of buying second-hand luxury goods?  | Turunen and Leipämaa-Leskinen (2015)  |
| Category of second-hand luxury goods purchased                     | Which luxury product/s have you purchased second hand?  | BCG & Algamma (2019) – Adapted to the dissertation theme & Statista (2020)              |
| Shops where you buy second-hand luxury                             | Where do you usually buy your second-hand luxury goods?   | BCG & Altgamma (2020)   |
| Sale of luxury goods   | Have you ever put any of your luxury items up for sale in a second-hand luxury shop?  | BCG & Altgamma (2019) & Interview with second-hand stores managers                      |
| Reasons for buying second-hand luxury goods                        | Please respond to each statement according to the following response scale: (1) strongly disagree, (2) disagree, (3) neither agree nor disagree, (4) agree, (5) strongly agree or (DK/No answer) don't know/do not want to answer | Turunen and Leipämaa-Leskinen (2015); Turunen and Pöyry (2019)                          |
| Bad second-hand luxury shopping experience                         | Have you ever had a bad experience when buying second-hand luxury goods?  | Interview with second-hand stores managers  |
| Brands purchased in luxury second-hand shops                       | Which brand(s) have you already bought in second-hand luxury goods shops?   | Statista (2021) & Interview with second-hand stores managers                            |

|   |  |  |
|---|--|--|
| Amount you are willing to pay for a second-hand luxury item | What is the maximum amount you are willing to pay for a second-hand luxury item? | Interview with second-hand stores managers |
|---|--|--|

**Section 3- Buying online second-hand luxury products**

|  |   |                       |
|--|---|-----------------------|
| Reason for choosing to buy second-hand luxury goods online | Please respond to each statement according to the following response scale: (1) strongly disagree, (2) disagree, (3) neither agree nor disagree, (4) agree, (5) strongly agree or (DK/No answer) don't know/do not want to answer | Fazeli et al., (2019) |
|--|---|-----------------------|

**Appendix D: The variables considered in this study**

| VARIABLE  | SURVEY QUESTION   | SCALE   |
|---|---|---|
| <b>Section 1- Buying first-hand luxury goods</b>                      |   |   |
| 1. Buying luxury products at first hand                               | Have you ever purchased first-hand luxury products?   | Ordinal   |
| 2. Category of luxury goods purchased at first hand                   | Which product/s did you purchase? (You can select several options)  | Nominal   |
| <b>Section 2- Buying second-hand luxury goods</b>                     |   |   |
| 3. Frequency of purchasing second-hand luxury goods in physical shops | Have you ever purchased second-hand luxury products in a physical store?  | Ordinal   |
| 4. Frequency of purchasing second-hand luxury goods in online shops   | What about online shops?  | Ordinal   |
| 5. Reason for purchasing luxury goods                                 | Why do you buy luxury products/brands?  | Nominal   |
| 6. Time you know second-hand luxury goods shops                       | How long have you known second-hand luxury goods stores?  | Ordinal   |
| 7. Luxury second-hand stores you know                                 | Which second-hand luxury goods stores do you know or have heard of  | Nominal   |
| 8. Time buying second-hand luxury                                     | How long have you been buying second-hand luxury goods?   | Ordinal   |
| 9. How discovered second-hand luxury stores                           | How did you become aware of second-hand luxury goods stores?  | Nominal   |
| 10. Benefits of second-hand luxury                                    | For you, what are the benefits of buying second-hand luxury goods?  | Nominal   |
| 11. Category of second-hand luxury goods purchased                    | Which luxury product/s have you purchased second hand?  | Nominal   |
| 12. Shops where you buy second-hand luxury                            | Where do you usually buy your second-hand luxury goods?   | Nominal   |
| 13. Sale of luxury goods  | Have you ever put any of your luxury items up for sale in a second-hand luxury shop?  | Nominal   |
| 14. Reasons for buying second-hand luxury goods                       | Please respond to each statement according to the following response scale: (1) strongly disagree, (2) disagree, (3) neither agree nor disagree, (4) agree, (5) strongly agree or (DK/No answer) don't know/do not want to answer | Ordinal in an ordinal scale of agreement / disagreement<br>(1) strongly disagree, (2) disagree, (3) neither agree nor disagree, (4) agree, (5) strongly agree or (DK/No answer) |
| 15. Bad second-hand luxury shopping experience                        | Have you ever had a bad experience when buying second-hand luxury goods?  | Nominal   |

|  |  |   |
|--|--|---|
| 16.Brands purchased in luxury second-hand shops                | Which brand(s) have you already bought in second-hand luxury goods shops?  | Nominal   |
| 17.Amount you are willing to pay for a second-hand luxury item | What is the maximum amount you are willing to pay for a second-hand luxury item?   | Ordinal   |
| <b>Section 3- Buying online second-hand luxury products</b>    |  |   |
| 18.Reason for choosing to buy second-hand luxury goods online  | Please respond to each statement according to the following response scale: (1) strongly disagree, (2) disagree, (3) neither agree nor disagree, (4) agree, (5) strongly agree or (DK/No answer) don't know/do not want to answer  | Ordinal in an ordinal scale of agreement / disagreement<br>(1) strongly disagree, (2) disagree, (3) neither agree nor disagree, (4) agree, (5) strongly agree or (DK/No answer)   |
| 19.Perception of online shopping for second-hand luxury goods  | Regarding online shopping for second-hand luxury, please answer each statement according to the following response scale: (1) strongly disagree, (2) disagree, (3) neither agree nor disagree, (4) agree, (5) strongly agree or (NS/NR) don't know/do not want to answer | Ordinal in an ordinal scale of agreement / disagreement<br>(1) strongly disagree, (2) disagree, (3) neither agree nor disagree, (4) agree, (5) strongly agree or (DK/No answer) d |
| 20.Category of products/services purchased online              | What categories of products do you usually buy online?   | Nominal   |
| <b>Section 4- Personal Data</b>                                |  |   |
| Gender   | Gender   | Nominal   |
| Age  | Age  | Metric  |
| Civil Status   | Estado civil   | Nominal   |
| Nationality  | Nationality  | Nominal   |
| District of residence  | District of residence  | Nominal   |
| Academic qualifications  | Academic qualifications  | Ordinal   |
| Income available for extra consumption                         | What is your annual disposable income for your extra consumption (after taxes and family/household expenses)?  | Ordinal   |

## Appendix E: Outputs

*Table: Which second-hand luxury product's stores do you know or have heard of?*

|                           |                      | Responses |         | Percent of Cases |
|---------------------------|----------------------|-----------|---------|------------------|
|                           |                      | N         | Percent |                  |
| Second-hand luxury stores | TheVogue_Closet      | 103       | 19.3%   | <b>61.3%</b>     |
|                           | Farfecht_SecondLife  | 40        | 7.5%    | 23.8%            |
|                           | Closet_uup           | 36        | 6.8%    | 21.4%            |
|                           | Quartier_latin       | 57        | 10.7%   | 33.9%            |
|                           | Catawiki             | 7         | 1.3%    | 4.2%             |
|                           | The_RealReal         | 7         | 1.3%    | 4.2%             |
|                           | Bonder_store         | 47        | 8.8%    | 28.0%            |
|                           | Petit_coquette       | 57        | 10.7%   | 33.9%            |
|                           | Vestiaire_collective | 53        | 9.9%    | 31.5%            |
|                           | Louloucloset         | 16        | 3.0%    | 9.5%             |
|                           | Maudde               | 21        | 3.9%    | 12.5%            |
|                           | Retry                | 6         | 1.1%    | 3.6%             |
|                           | Trend_Circle         | 4         | 0.8%    | 2.4%             |
|                           | The Real Real        | 2         | 0.4%    | 1.2%             |
|                           | Unique Desginer Bags | 2         | 0.4%    | 1.2%             |
|                           | Du Chic à Vendre     | 9         | 1.7%    | 5.4%             |
|                           | Collector Square     | 4         | 0.8%    | 2.4%             |
| Re Fashion                | 1                    | 0.2%      | 0.6%    |                  |
| Yeahllow Store            | 3                    | 0.6%      | 1.8%    |                  |
| OLX                       | 3                    | 0.6%      | 1.8%    |                  |
| Micolet                   | 1                    | 0.2%      | 0.6%    |                  |

|                        |            |               |               |
|------------------------|------------|---------------|---------------|
| Outnet                 | 1          | 0.2%          | 0.6%          |
| The Sellier            | 2          | 0.4%          | 1.2%          |
| Rebelle                | 3          | 0.6%          | 1.8%          |
| Monogram Paris         | 1          | 0.2%          | 0.6%          |
| Videdressing           | 7          | 1.3%          | 4.2%          |
| Once upon a bag        | 5          | 0.9%          | 3.0%          |
| Miss Vintage           | 1          | 0.2%          | 0.6%          |
| Etoile Luxry Vintage   | 2          | 0.4%          | 1.2%          |
| The Vintage Bar        | 2          | 0.4%          | 1.2%          |
| Etiqueta única         | 2          | 0.4%          | 1.2%          |
| Yoox                   | 1          | 0.2%          | 0.6%          |
| Joli Closet            | 3          | 0.6%          | 1.8%          |
| V Closet               | 2          | 0.4%          | 1.2%          |
| Luxury Closet          | 1          | 0.2%          | 0.6%          |
| Pop Closet             | 2          | 0.4%          | 1.2%          |
| Closet Care            | 1          | 0.2%          | 0.6%          |
| Fora do Closet         | 1          | 0.2%          | 0.6%          |
| Cansei Vendi           | 1          | 0.2%          | 0.6%          |
| Peguei Bode            | 1          | 0.2%          | 0.6%          |
| ReBag                  | 1          | 0.2%          | 0.6%          |
| The Hula               | 1          | 0.2%          | 0.6%          |
| Fashionphile           | 1          | 0.2%          | 0.6%          |
| Bo Bags                | 1          | 0.2%          | 0.6%          |
| Ebay                   | 2          | 0.4%          | 1.2%          |
| Reservoir Wardrobe     | 1          | 0.2%          | 0.6%          |
| Non Solo Vintage       | 1          | 0.2%          | 0.6%          |
| Kiko Vintage           | 1          | 0.2%          | 0.6%          |
| Goat Luxury            | 1          | 0.2%          | 0.6%          |
| Dear Luxe              | 1          | 0.2%          | 0.6%          |
| Hewi                   | 1          | 0.2%          | 0.6%          |
| Chiara Luxury Boutique | 1          | 0.2%          | 0.6%          |
| Big Closet             | 1          | 0.2%          | 0.6%          |
| Showroom Privé         | 1          | 0.2%          | 0.6%          |
| <b>Total</b>           | <b>533</b> | <b>100.0%</b> | <b>317.3%</b> |

**Table: Most purchased second-hand luxury brands**

|   |                     | Responses     |               | Percent of Cases |
|---|---------------------|---------------|---------------|------------------|
|   |                     | N             | Percent       |                  |
| Brands purchased in luxury second-hand stores | Chanel              | 47            | 8.7%          | <u>28.1%</u>     |
|   | Louis Vuitton       | 82            | 15.2%         | <b>49.1%</b>     |
|   | Prada               | 41            | 7.6%          | <u>24.0%</u>     |
|   | Gucci               | 76            | 14.1%         | <b>45.5%</b>     |
|   | Fendi               | 17            | 3.1%          | 10.2%            |
|   | Yves Saint Laurent  | 43            | 8.0%          | <u>25.7%</u>     |
|   | Burberry            | 61            | 11.3%         | 36.5%            |
|   | Christian Dior      | 30            | 5.6%          | 18.0%            |
|   | Hermès              | 17            | 3.1%          | 10.2%            |
|   | Céline              | 29            | 5.4%          | 17.4%            |
|   | Christian Louboutin | 10            | 1.9%          | 6.0%             |
|   | Jimmy Choo          | 8             | 1.5%          | 4.8%             |
|   | Valentino           | 14            | 2.6%          | 8.4%             |
|   | Balenciaga          | 11            | 2.0%          | 6.6%             |
|   | Balmain             | 4             | 0.7%          | 2.4%             |
|   | Givenchy            | 12            | 2.2%          | 7.2%             |
|   | Versace             | 8             | 1.5%          | 4.8%             |
|   | Marc Jacobs         | 3             | 0.6%          | 1.8%             |
|   | Chloe               | 4             | 0.7%          | 2.4%             |
|   | Manolo Blahnik      | 1             | 0.2%          | 0.6%             |
|   | Michael Kors        | 1             | 0.2%          | 0.6%             |
|   | Lanvin              | 1             | 0.2%          | 0.6%             |
|   | Bottega Venetta     | 2             | 0.4%          | 1.2%             |
|   | Longchamp           | 1             | 0.2%          | 0.6%             |
|   | Cartier             | 1             | 0.2%          | 0.6%             |
|   | Boucheron           | 1             | 0.2%          | 0.6%             |
|   | Furla               | 1             | 0.2%          | 0.6%             |
|   | Salvatore Ferragamo | 2             | 0.4%          | 1.2%             |
|   | Casadei             | 1             | 0.2%          | 0.6%             |
|   | Dolce Gabana        | 1             | 0.2%          | 0.6%             |
|   | Zadig & Voltaire    | 1             | 0.2%          | 0.6%             |
|   | Miu Miu             | 2             | 0.4%          | 1.2%             |
|   | Mulberry            | 1             | 0.2%          | 0.6%             |
| Coah  | 1                   | 0.2%          | 0.6%          |                  |
| Alexander McQueen                             | 1                   | 0.2%          | 0.6%          |                  |
| Max Mara                                      | 1                   | 0.2%          | 0.6%          |                  |
| Carolina Herrera                              | 1                   | 0.2%          | 0.6%          |                  |
| Golden Goose                                  | 1                   | 0.2%          | 0.6%          |                  |
| Stella McCartney                              | 1                   | 0.2%          | 0.6%          |                  |
| <b>Total</b>                                  | <b>540</b>          | <b>100.0%</b> | <b>323.4%</b> |                  |

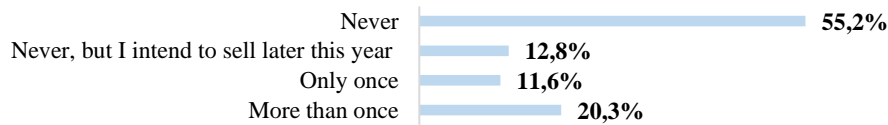
**Table: Where do you usually buy your second-hand luxury goods?**

|                           |                     | Responses |         | Percent of Cases |
|---------------------------|---------------------|-----------|---------|------------------|
|                           |                     | N         | Percent |                  |
| Second-hand luxury stores | TheVogue Closet     | 86        | 22.1%   | <b>51.2%</b>     |
|                           | Farfecht SecondLife | 40        | 10.3%   | 23.8%            |
|                           | Vestaire collective | 59        | 15.2%   | <b>35.1%</b>     |
|                           | Closet_uup          | 24        | 6.2%    | <u>14.3%</u>     |
|                           | Petit coquette      | 42        | 10.8%   | <u>25.0%</u>     |
|                           | Bonder store        | 27        | 6.9%    | <u>16.1%</u>     |
|                           | Quartier latin      | 31        | 8.0%    | <u>18.5%</u>     |
|                           | Maudde              | 12        | 3.1%    | 7.1%             |
|                           | Catawiki            | 3         | 0.8%    | 1.8%             |
|                           | Louloucloset        | 12        | 3.1%    | 7.1%             |
|                           | Facebook            | 5         | 1.3%    | 3.0%             |
|                           | Videdressing        | 3         | 0.8%    | 1.8%             |
|                           | OLX                 | 19        | 4.9%    | <u>11.3%</u>     |
|                           | Closet Care         | 1         | 0.3%    | 0.6%             |
|                           | Fora do Closet      | 1         | 0.3%    | 0.6%             |
|                           | Retry               | 3         | 0.8%    | 1.8%             |
|                           | Trend Circle        | 2         | 0.5%    | 1.2%             |
|                           | Miss Vintage        | 1         | 0.3%    | 0.6%             |
|                           | Re Fashion          | 1         | 0.3%    | 0.6%             |
|                           | Ebay                | 1         | 0.3%    | 0.6%             |
|                           | Du Chic á Ventre    | 3         | 0.8%    | 1.8%             |
|                           | Yeahllow Store      | 2         | 0.5%    | 1.2%             |
|                           | Micolet             | 1         | 0.3%    | 0.6%             |
|                           | Rice Beans          | 1         | 0.3%    | 0.6%             |
|                           | Smokey Olive        | 1         | 0.3%    | 0.6%             |
|                           | Monogram Paris      | 1         | 0.3%    | 0.6%             |
|                           | Pop Closet          | 1         | 0.3%    | 0.6%             |
|                           | Showroom privé      | 1         | 0.3%    | 0.6%             |
|                           | Closet Care         | 1         | 0.3%    | 0.6%             |
|                           | By Carmen           | 1         | 0.3%    | 0.6%             |
|                           | Rebelle             | 1         | 0.3%    | 0.6%             |
| Chiara Luxury Boutique    | 1                   | 0.3%      | 0.6%    |                  |
| Joli Closet               | 1                   | 0.3%      | 0.6%    |                  |
| Total                     |                     | 389       | 100.0%  | 231.5%           |

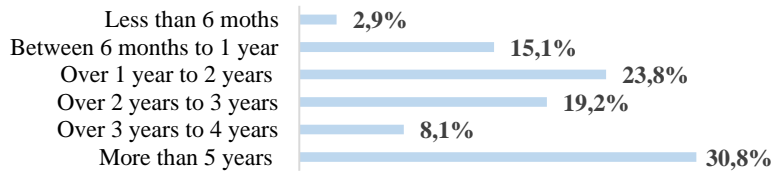
**Table: What product categories do you usually buy online?**

|                    |                        | Responses |         | Percent of Cases |        |
|--------------------|------------------------|-----------|---------|------------------|--------|
|                    |                        | n         | Percent |                  |        |
| Product Categories | Travel/Hotels          | 147       | 18.4%   | <b>85.5%</b>     |        |
|                    | Food products          | 73        | 9.1%    | 42.4%            |        |
|                    | Cosmetic products      | 128       | 16.0%   | <b>74.4%</b>     |        |
|                    | Technological products | 77        | 9.6%    | 44.8%            |        |
|                    | Books                  | 74        | 9.3%    | 43.0%            |        |
|                    | Ready-to-wear casual   | 140       | 17.5%   | <b>81.4%</b>     |        |
|                    | Ready-to-wear ceremony | 42        | 5.3%    | 24.4%            |        |
|                    | Luxury products        | 116       | 14.5%   | <b>67.4%</b>     |        |
|                    | Decorative items       | 1         | 0.1%    | 0.6%             |        |
|                    | Animal products        | 1         | 0.1%    | 0.6%             |        |
|                    | Accessories            | 1         | 0.1%    | 0.6%             |        |
|                    | Total                  |           | 800     | 100.0%           | 465.1% |

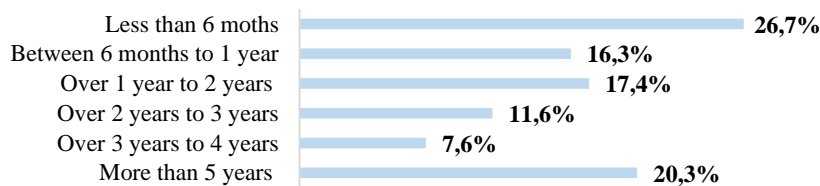
**Figure: Have you ever put any of your luxury item on sale in a second-hand store?**



**Figure: How long have you known stores of selling second-hand luxury goods?**



**Figure: How long have you been buying second-hand luxury products?**



**Table: How did you find out about second-hand luxury products stores**

|   | Responses |         | Percent of Cases |
|---|-----------|---------|------------------|
|   | n         | Percent |                  |
| Through family  | 24        | 9.0%    | 14.1%            |
| Through friends   | 45        | 16.9%   | 26.5%            |
| Through social media  | 131       | 49.1%   | 77.1%            |
| Through celebrities/influencers                                   | 29        | 10.9%   | 17.1%            |
| Online search   | 4         | 1.5%    | 2.4%             |
| Store in my neighborhood  | 1         | 0.4%    | 0.6%             |
| Observation during walks in the various cities where I have lived | 1         | 0.4%    | 0.6%             |
| There are some stores close to where I live                       | 1         | 0.4%    | 0.6%             |
| Advert in a Hotel Magazine  | 1         | 0.4%    | 0.6%             |
| Google  | 1         | 0.4%    | 0.6%             |
| Through an old employee of a luxury goods store                   | 1         | 0.4%    | 0.6%             |
| Total   | 267       | 100.0%  | 157.1%           |

**Table: Have you had a bad experience buying second-hand luxury goods?**

|                |  | Responses |         | Percent of Cases |
|----------------|--|-----------|---------|------------------|
|                |  | n         | Percent |                  |
| Bad experience | Never  | 150       | 85.7%   | 87.2%            |
|                | Yes, the product was not authentic               | 9         | 5.1%    | 5.2%             |
|                | Yes, the product did not come in good condition. | 16        | 9.1%    | 9.3%             |
| Total          |  | 175       | 100.0%  | 101.7%           |

**Tables: Reasons for buying second-hand luxury goods**

| KMO and Bartlett's Test                          |                            |
|--|----------------------------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | .679                       |
| Bartlett's Test of Sphericity                    | Approx. Chi-Square 439.246 |
| df   | 55                         |
| Sig.   | .000                       |



**Total Variance Explained**

|    | Initial Eigenvalues |               |              | Extraction Sums of Squared Loadings |               |              | Rotation Sums of Squared Loadings |               |               |
|----|---------------------|---------------|--------------|-------------------------------------|---------------|--------------|-----------------------------------|---------------|---------------|
|    | Total               | % of Variance | Cumulative % | Total                               | % of Variance | Cumulative % | Total                             | % of Variance | Cumulative %  |
|    | 1                   | 3.172         | 28.837       | 28.837                              | 3.172         | 28.837       | 28.837                            | 2.721         | 24.736        |
| 2  | 2.086               | 18.966        | 47.803       | 2.086                               | 18.966        | 47.803       | 1.908                             | 17.341        | 42.077        |
| 3  | 1.165               | 10.591        | 58.394       | 1.165                               | 10.591        | 58.394       | 1.418                             | 12.891        | 54.968        |
| 4  | .937                | 8.523         | 66.916       | .937                                | 8.523         | 66.916       | 1.314                             | 11.949        | <b>66.916</b> |
| 5  | .789                | 7.171         | 74.088       |                                     |               |              |                                   |               |               |
| 6  | .644                | 5.852         | 79.940       |                                     |               |              |                                   |               |               |
| 7  | .579                | 5.263         | 85.203       |                                     |               |              |                                   |               |               |
| 8  | .554                | 5.040         | 90.243       |                                     |               |              |                                   |               |               |
| 9  | .449                | 4.083         | 94.325       |                                     |               |              |                                   |               |               |
| 10 | .424                | 3.858         | 98.184       |                                     |               |              |                                   |               |               |
| 11 | .200                | 1.816         | 100.000      |                                     |               |              |                                   |               |               |

**Communalities**

|  | Initial | Extraction |
|--|---------|------------|
| It's trendy  | 1,000   | .718       |
| It makes me feel special   | 1,000   | .602       |
| It is less expensive   | 1,000   | .607       |
| It makes me feel fulfilled   | 1,000   | .673       |
| To impress others  | 1,000   | .523       |
| I am looking for a more responsible consumption and ethical manufacturing issues | 1,000   | .659       |
| To sell in the future  | 1,000   | .622       |
| It is from a limited collection  | 1,000   | .826       |
| I know the retail store  | 1,000   | .608       |
| The product has been discontinued  | 1,000   | .796       |
| I prefer something different and with a life story                               | 1,000   | .727       |

**Tables: Reasons for buying second-hand luxury goods online**

**KMO and Bartlett's Test**

|  |                    |
|--|--------------------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | .769               |
| Bartlett's Test of Sphericity                    | Approx. Chi-Square |
|  | 492.024            |
|  | df                 |
|  | 21                 |
|  | Sig.               |
|  | .000               |

**Total Variance Explained**

| Component | Initial Eigenvalues |               |              | Extraction Sums of Squared Loadings |               |              | Rotation Sums of Squared Loadings |               |               |
|-----------|---------------------|---------------|--------------|-------------------------------------|---------------|--------------|-----------------------------------|---------------|---------------|
|           | Total               | % of Variance | Cumulative % | Total                               | % of Variance | Cumulative % | Total                             | % of Variance | Cumulative %  |
|           | 1                   | 3.652         | 52.178       | 52.178                              | 3.652         | 52.178       | 52.178                            | 2.984         | 42.634        |
| 2         | 1.094               | 15.624        | 67.802       | 1.094                               | 15.624        | 67.802       | 1.762                             | 25.167        | <b>67.802</b> |
| 3         | .713                | 10.190        | 77.991       |                                     |               |              |                                   |               |               |
| 4         | .609                | 8.700         | 86.691       |                                     |               |              |                                   |               |               |
| 5         | .473                | 6.764         | 93.455       |                                     |               |              |                                   |               |               |
| 6         | .271                | 3.870         | 97.325       |                                     |               |              |                                   |               |               |
| 7         | .187                | 2.675         | 100.000      |                                     |               |              |                                   |               |               |

**Communalities**

|   | Initial | Extraction |
|---|---------|------------|
| Because it gives me access to products/brands that I don't have physical access to in the country/locality where I live | 1.000   | .569       |
| Because I prefer to shop in the comfort of home at any time of the day  | 1.000   | .744       |
| Because I have access to a greater variety of products  | 1.000   | .781       |
| Because I can compare prices more easily  | 1.000   | .692       |
| Because I can see testimonials from other customers   | 1.000   | .736       |
| Because there are promotions that are only available online   | 1.000   | .635       |
| Because I find different products from those available in physical stores   | 1.000   | .589       |

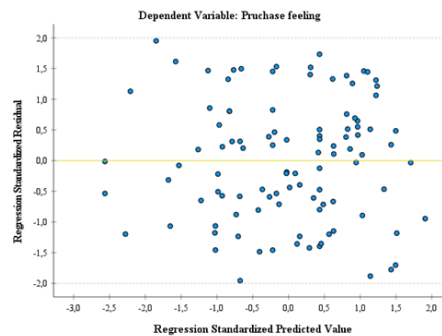
## Appendix F: Estimations

*Table: Summary about the validations of the hypotheses*

| Hypotheses |  | Validation |
|------------|--|------------|
| 1.         | The maximum amount willing to pay for a second-hand luxury item has a moderating effect between online and second-hand luxury purchase reasons                     | Validated  |
| 2.         | The frequency of buying luxury first-hand explains the reasons for buying luxury second-hand   | Validated  |
| 3.         | The frequency of buying second-hand luxury in physical stores explains the reasons for buying second-hand luxury   | Validated  |
| 4.         | The frequency of buying second-hand luxury in online stores explains the reasons for buying second-hand luxury   | Validated  |
| 5.         | The evaluation of the second-hand shopping experience has a moderating effect between online and second-hand luxury shopping reasons for buying second-hand luxury | Validated  |

### MODEL 1: Dependent variable - Purchase feeling

- **Validation of the assumption  $Var(\varepsilon_i) = \sigma^2$**  s (the variance of the error term is constant)



The circles are randomly distributed in terms of zero. Thus, this assumption is validated.

- **Validation of the assumption  $\varepsilon_i \sim N(0; \sigma)$**  (the distribution of the error term follows a normal distribution)

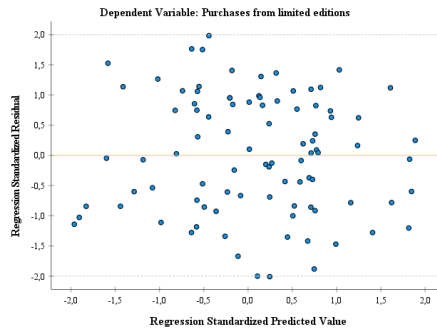
| Tests of Normality    |                                 |     |       |              |     |      |
|-----------------------|---------------------------------|-----|-------|--------------|-----|------|
|                       | Kolmogorov-Smirnov <sup>a</sup> |     |       | Shapiro-Wilk |     |      |
|                       | Statistic                       | df  | Sig.  | Statistic    | df  | Sig. |
| Standardized Residual | ,067                            | 103 | ,200* | ,972         | 103 | ,028 |

\*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

**MODEL 2: Dependent variable – Purchases from limited editions**

- **Validation of the assumption  $Var(\epsilon_i) = \sigma^2$**  (the variance of the error term is constant)



The circles are randomly distributed in terms of zero. Thus, this assumption is validated.

- **Validation of the assumption  $\epsilon_i \sim N(0; \sigma)$**  (the distribution of the error term follows a normal distribution)

| Descriptives          |                 |           |            |
|-----------------------|-----------------|-----------|------------|
|                       |                 | Statistic | Std. Error |
| Standardized Residual | Mean            | ,0000000  | ,09983189  |
|                       | 5% Trimmed Mean | ,0067494  |            |
|                       | ...             | ...       |            |
|                       | Skewness        | -,070     | ,247       |
|                       | Kurtosis        | -,952     | ,490       |

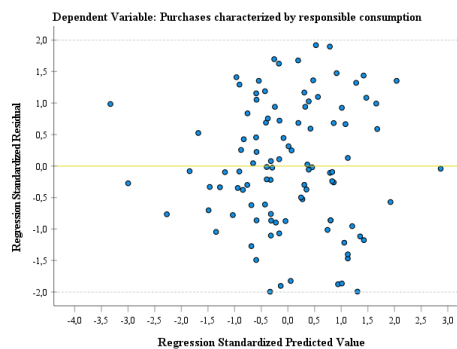
| Tests of Normality    |                                 |    |      |              |    |      |
|-----------------------|---------------------------------|----|------|--------------|----|------|
|                       | Kolmogorov-Smirnov <sup>a</sup> |    |      | Shapiro-Wilk |    |      |
|                       | Statistic                       | df | Sig. | Statistic    | df | Sig. |
| Standardized Residual | ,102                            | 95 | ,017 | ,973         | 95 | ,048 |

a. Lilliefors Significance Correction

**Conclusion:** The distribution of the error term follows approximately normal distribution  $\left(\frac{-0.07}{0.247} \approx -0.283 \in ]-1.96; 1.96[ \right)$

**MODEL 3: Dependent variable - Purchases characterized by responsible consumption**

- 1) **Validation of the assumption  $Var(\epsilon_i) = \sigma^2$**  (the variance of the error term is constant)



The circles are randomly distributed in terms of zero. Thus, this assumption is validated.

2) **Validation of the assumption  $\varepsilon_i \sim N(0; \sigma)$**  (the distribution of the error term follows a normal distribution)

| Tests of Normality    |                                 |     |                   |              |     |      |
|-----------------------|---------------------------------|-----|-------------------|--------------|-----|------|
|                       | Kolmogorov-Smirnov <sup>a</sup> |     |                   | Shapiro-Wilk |     |      |
|                       | Statistic                       | df  | Sig.              | Statistic    | df  | Sig. |
| Standardized Residual | ,069                            | 102 | ,200 <sup>*</sup> | ,978         | 102 | ,094 |

\*. This is a lower bound of the true significance.

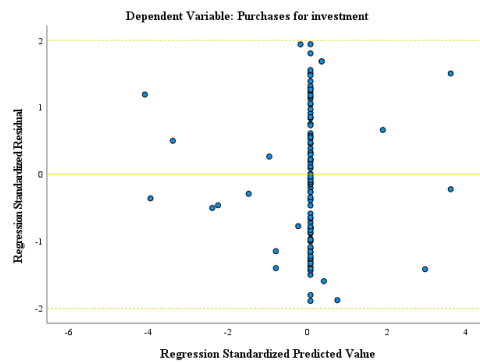
a. Lilliefors Significance Correction

The distribution of the error term follows a normal distribution once  $p - value = 0,2 > \alpha$ .

**MODEL 4: Dependent variable - Purchases for investment**

**Simple Linear Regression Model:**

1) **Validation of the assumption  $Var(\varepsilon_i) = \sigma^2$**  (the variance of the error term is constant)



The circles are randomly distributed in terms of zero. Thus, this assumption is validated.

2) **Validation of the assumption  $\varepsilon_i \sim N(0; \sigma)$**  (the distribution of the error term follows a normal distribution)

| Descriptives          |          |           |            |
|-----------------------|----------|-----------|------------|
|                       |          | Statistic | Std. Error |
| Standardized Residual | Mean     | -,0464499 | ,09659351  |
|                       | ...      | ...       |            |
|                       | Skewness | ,147      | ,234       |
|                       | Kurtosis | -,990     | ,463       |

| Tests of Normality    |                                 |     |      |              |     |      |
|-----------------------|---------------------------------|-----|------|--------------|-----|------|
|                       | Kolmogorov-Smirnov <sup>a</sup> |     |      | Shapiro-Wilk |     |      |
|                       | Statistic                       | df  | Sig. | Statistic    | df  | Sig. |
| Standardized Residual | ,084                            | 107 | ,060 | ,970         | 107 | ,016 |

a. Lilliefors Significance Correction

**Conclusion:** The distribution of the error term doesn't follow a normal distribution ( $p - value = 0,060 \leq \alpha$ ) if  $\alpha \leq 0,1$ . But, in terms of skewness,  $\frac{0,147}{0,234} \approx 0,628 \in ]-1,96; 1,96[$ , and, therefore, it can be concluded that it follows approximately normal distribution.