



# How to succeed in the second-hand luxury market

The case of Portugal

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## **Abstract – English**

**Title:** How to succeed in the second-hand luxury market – the case of Portugal

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The aim of this research is to understand which dimensions should be taken into consideration in order for luxury resale businesses to be successful in Portugal. To investigate this, a qualitative approach is used and four Portuguese luxury resellers are studied. Our findings show that the dimensions of authenticity and good condition are what Portuguese consumers look for when buying second-hand luxury items. Their main motivations for those purchases are (1) lower price, (2) uniqueness, (3) sustainability and (4) lifestyle. The results also show that businesses on this market face specific challenges, namely a present second-hand stigma and market specific conditions such as market size, culture and lack of purchasing power. To overcome them, some solutions can be implemented: providing a true luxury experience, selecting strategic locations, using a mix between online and offline channels, and creating partnerships among local businesses and big brands. This research is relevant for both managers and marketers, and contributes to the understanding of the emergent trend of second-hand luxury.

**Keywords:** second-hand, luxury, resale

## **Abstract – Portuguese**

**Título:** Como ter sucesso no mercado de luxo em segunda mão – o caso de Portugal

**Autor:** Mariana Elias

A tese apresentada tem como objetivo compreender que dimensões devem ser tomadas em consideração para o sucesso dos negócios de revenda de peças luxo em Portugal. Deste modo, a pesquisa tem por base um método qualitativo, e quatro empresas de revenda de luxo portuguesas são analisadas. Os resultados da pesquisa revelam que as dimensões de autenticidade e boa condição são as que os clientes portugueses procuram quando compram artigos de luxo em segunda-mão. As suas principais motivações para essas compras são (1) os preços mais baixos, (2) a originalidade das peças, (3) sustentabilidade e (4) estilo de vida. Os resultados também demonstram que os negócios neste mercado enfrentam desafios, nomeadamente o estigma ainda associado às peças usadas e especificidades do mercado tais como o tamanho do mesmo, a própria cultura ou o baixo poder de compra. De modo a ultrapassá-los, algumas soluções podem ser implementadas: proporcionar uma verdadeira experiência de luxo, selecionar localizações estratégicas, misturar canais online e offline, e criar parcerias entre negócios locais e grandes marcas. Este estudo é relevante para gestores e marketers, e contribui para a compreensão da tendência emergente de luxo em segunda-mão.

**Palavras-chave:** segunda-mão, luxo, revenda

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**List of Abbreviations**

AICEP – Agência para o Investimento e Comércio Externo de Portugal (Portugal Global - Trade & Investment Agency)  
 ATP – Associação Portuguesa Têxtil e Vestuário de Portugal (Portuguese Textile Association and Clothing of Portugal)  
 BOF – Business of Fashion  
 DCAV – Du Chic À Vendre  
 FMCG – Fast Moving Consumer Goods  
 FT – Financial Times  
 LV – Louis Vuitton  
 RQ – Research Question  
 YSL – Yves Saint Laurent

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## 1. Introduction

*“The future of fashion is circular. It has to be.”* Stella McCartney<sup>1</sup>

In the last few years, the second-hand luxury market has experienced an immense growth and it is currently one of the fastest growing trends in the luxury industry. A recent study by BCG & Altagamma (2019) showed that the second-hand luxury market is growing at a 12% rate yearly in comparison with the overall luxury market which is only expected to grow 4-5% yearly until 2025. In addition, the second-hand luxury market has reached 7% of the personal luxury market, the main driver of the luxury market itself.

We adopted the second-hand luxury definition presented by Turunen & Leipämaa-Leskinen (2015) in which, along with regular second-hand pieces from luxury brands, second-hand luxury can include the possibility of collector's items and vintage pieces in condition that they are purchased to use and are indeed a luxury branded item. The luxury resale market remains relatively unstudied as prior studies regarding luxury consumption focus exclusively on new items (Bian & Forsythe, 2012; Husic & Cicic, 2009; Phau & Prendergast, 2000). Outside luxury, other authors have throughout the years studied the overall second-hand clothing market (Bardhi & Arnould, 2005; Guiot & Roux, 2010; Sherry Jr, 1990) and there has also been a significant focus on vintage shopping (Amatulli et al., 2018; Cervellon et al., 2012; DeLong et al., 2005). However, vintage alone is not considered second-hand luxury due to the possibility of not being luxury branded and pieces being pre-owned but not worn, and, therefore, their results may not be applicable to the luxury industry. In order to fill in this gap, this case study is presented.

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<sup>1</sup> Cited in Harper's Bazaar (2019). *Introducing circular fashion: the shopping concept that could save the planet*. Retrieved from: <https://www.harpersbazaar.com/uk/fashion/a27189370/circular-fashion-definition/>

This topic is relevant for both managers and marketers. Our findings can be considered when managing, improving or establishing a luxury resale business in Portugal, as well as when delineating communication and positioning strategies in order to attract second-hand luxury consumers.

To fill in the mentioned gap, the current study aims at understanding which dimensions must be taken into consideration in order for second-hand luxury businesses to be successful in Portugal by answering the following research question:

*How to succeed in the Portuguese second-hand luxury market?*

Due to the exploratory nature of the research question, a qualitative approach was used as the basis of this case study. We conducted a comparative case study and four Portuguese companies were studied (Du Chic à Vendre, Addicta Lx, Quartier Latin and Maudde) due to their consignment business model, accessibility and interaction with the Portuguese market. In addition, six Portuguese second-hand luxury consumers were interviewed to better understand their consumption behavior, motivations and expectations.

The structure of this thesis is as follows. The next chapter, *literature review*, presents what has been previously researched in terms of overall luxury industry, second-hand luxury and the Portuguese luxury market. It starts by defining luxury, listing common characteristics of luxury goods and touches on the current trends of the luxury industry. The main theme of this thesis, second-hand luxury, is then introduced by explaining how this market is growing, its possible drivers, why consumers buy second-hand luxury, and which companies are already embracing the trend. Finally, the Portuguese luxury market is mentioned, along with reasons that justify the focus of this thesis on that specific market.

The following chapter, *methodology*, explains and describes the qualitative approach used during the data collection and analysis. The justification for the four companies studied during this case

study, as well as their background and current situation are mentioned in the succeeding chapter, *empirical setting*. *Findings* and *discussion* present the results of the data collection and data analysis process, present the answer to the research question and compare findings with prior studies. Lastly, *conclusion*, discusses main takeaways, limitations and suggests future research to better understand the topic.

## 2. Literature Review

In this literature review we show that the concept of luxury has proven difficult to define and present a set of characteristics that have been associated with luxury throughout the years such as high quality or exclusivity. Current trends in the luxury industry include the growth of the Chinese market, younger generations as luxury consumers, sustainability and second-hand luxury. Changing consumer preferences, easier access to scarce products, professionalization of channels and price accessibility are the main drivers for the latter trend, and luxury brands such as Burberry are still trying to adjust to its rise.

This chapter begins with the definition of the luxury concept (2.1.1.), followed by characteristics commonly associated with luxury goods (2.1.2.) and recent trends in the industry (2.1.3). Second-hand luxury is introduced, splitting into a brief analysis of this emergent trend (2.2.1), its main drivers (2.2.2.) and reasons why consumers engage in this type of consumption (2.2.3). They are succeeded by an overview of companies embracing this trend (2.2.4) and this literature concludes with the analysis and relevance of the Portuguese luxury market (2.3).

### 2.1. The luxury industry

#### 2.1.1. A difficult concept to define

The definition of luxury has been widely discussed over the past years and finding a consensus on what constitutes a luxury brand has not been an easy task (Beverland, 2004; Fionda & Moore, 2009; Vigneron & Johnson, 2004). Kapferer conceptualized that these brands “*are animated by their internal programme, their global vision, the specific taste which they promote as well as the pursuit of their own standards*” (Kapferer, 1997, p. 253). While some authors defined luxury as a matter of ratios – high utility to price, and low functionality to price (Nueno & Quelch, 1998) – others included both personal and interpersonal aspects in their definitions, arguing that, apart from any functional utility, luxury goods bring esteem to their owners and its consumption “*represents*

*value to both the individual and vis à vis significant others*” (Vigneron & Johnson, 2004, p. 489). Furthermore, in the words of Heine, *“luxury is anything that is desirable and more than necessary and ordinary”* (Heine, 2012, p. 42). More recently, for Seo & Buchanan-Oliver,

*“a product to be called “luxury” it is not enough for it to possess superior quality and distinctive design, it should also convey a particular symbolic meaning; a story behind the product that can be linked to the consumer’s perception of luxury”* (Seo & Buchanan-Oliver, 2015, p. 83).

The concept of luxury today is seen as multi-dimensional and extremely fluid, as it changes not only across time but also across cultures (Bian & Forsythe, 2012; Vigneron & Johnson, 2004), as in the western world, luxury creates a sense of differentiation while in eastern cultures creates a sense of belonging (Kapferer & Bastien, 2012).

### **2.1.2. Common characteristics of luxury goods**

Luxury can be associated with various characteristics, depending on the perspective. Phau & Prendergast (2000) highlighted four key elements of luxury brands, namely having a recognizable brand identity, excellent quality, exclusivity and customer loyalty (Fionda & Moore, 2009). Keller (2009) outlined ten characteristics that help defining luxury brands such as controlled distribution, premium image, product and service quality, creation of an aspirational image, among others.

Despite this apparent lack of consensus, luxury is consistently associated with the same core characteristics (Fionda & Moore, 2009). On one hand, there is exclusivity (Fionda & Moore, 2009; Nuño & Quelch, 1998; Vigneron & Johnson, 2004), which can be controlled due to limited distribution (Nuño & Quelch, 1998) and by taking the rarity principle (Dubois & Paternault, 1995; Kapferer, 2012; Phau & Prendergast, 2000) into consideration. The rarity principle suggests that overdiffusing luxury products leads to a loss of its luxury character (Dubois & Paternault, 1995), meaning these brands must control their brand diffusion while sustaining high levels of awareness (Phau & Prendergast, 2000). On the other hand, it is expected that luxury brands consistently offer exquisite quality, unique products and services in relation to non-luxury brands (Nuño & Quelch, 1998; Vigneron & Johnson, 2004), and their physical stores are located in premium locations

(Husic & Cicic, 2009). In addition, craftsmanship is also considered a core characteristic (Kapferer, 2012; Nueno & Quelch, 1998), together with respect for heritage (Nueno & Quelch, 1998) since they have the ability to create nostalgia and authenticity for a brand (Fionda & Moore, 2009; Tynan et al., 2010).

Although a variety of studies have agreed that luxury is often associated with a premium pricing (Kapferer, 2012; Nueno & Quelch, 1998; Tynan et al., 2010), it has been acknowledged that high price is not a determinant for a luxury positioning (Dubois & Duquesne, 1993; Yeoman & McMahon-Beattie, 2006). Indeed, high price acts as a proxy for quality, as consumers may perceive premium prices as direct evidence of greater quality (Rao & Monroe, 1989), but it is not a determinant of luxury on its own (Dubois & Duquesne, 1993).

### **2.1.3. Current trends in luxury**

The luxury market in 2018 reached an estimated amount of 1.2 trillion euros globally (Bain & Company, 2018) and personal luxury goods remains the main driver of the market, accounting for nearly 330 billion euros (BCG & Altagamma, 2019). Regionally, China has been the driving force of the industry accounting for around 33% of the market (Bain & Company, 2018), and this trend is expected to rise to nearly 40% in the next 5 years (BCG & Altagamma, 2019). Figure 1 below shows how the Chinese consumption has evolved through the years, in comparison to other nationalities such as European and American.

Share of global personal luxury goods market value, by consumer nationality

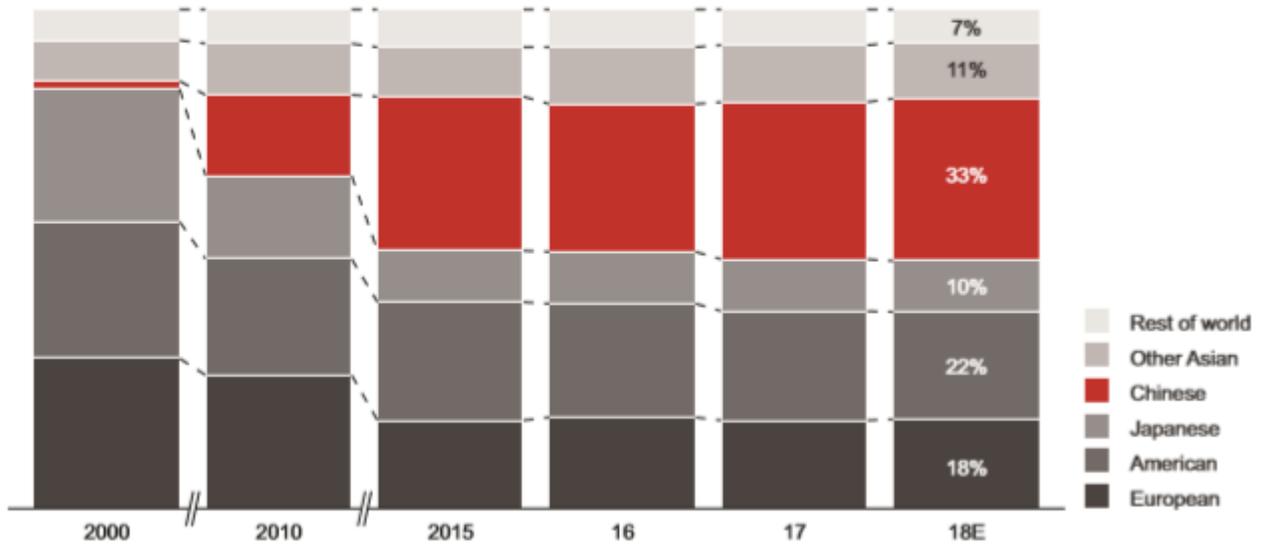


Figure 1: Evolution of Chinese luxury consumption  
 Source: [Bain & Company, 2018, p. 10](#)

Younger generations as steady buyers of luxury is another trend in the luxury industry. Millennials have accounted for 35% of consumption in 2019 and are predicted to grow to around 45% in half a decade (Bain & Company, 2019). Generation Z comprises a smaller portion of the market (nearly 4% in 2018) (BCG & Altagamma, 2019), but have already demonstrated strong preferences and extremely differentiated behaviors in comparison with previous generations (Bain & Company, 2018). For instance, consumers from this generation are more individualist in the sense they look for products that express their personalities (Bain & Company, 2018), have higher social media interactions with brands and, similarly to Millennials, are more influenced by sustainability (BCG & Altagamma, 2019).

Another big trend in the luxury industry is sustainability. Consumers are “*increasingly informed about sustainability, resulting in a greater influence over purchase decisions*” (BCG & Altagamma, 2019, p. 41). Recent studies by Kapferer and Michaut showed that, not only do consumers react negatively when learning controversial news regarding luxury brands social responsibility practices (Kapferer & Michaut-Denizeau, 2014), but they also hold strong

expectations regarding the sustainability of their purchases due to high price and promised quality of this industry (Kapferer & Michaut, 2015). Furthermore, although consumers would rather purchase a sustainable luxury product over a non-sustainable one, the unsustainable nature of said product would not prevent the purchase (Mauer, 2014), suggesting that sustainability could indeed still be a secondary concern when buying luxury items (Achabou & Dekhili, 2013; I. A. Davies et al., 2012). The Figure 2 below shows how sustainability is a growing concern for luxury consumers.

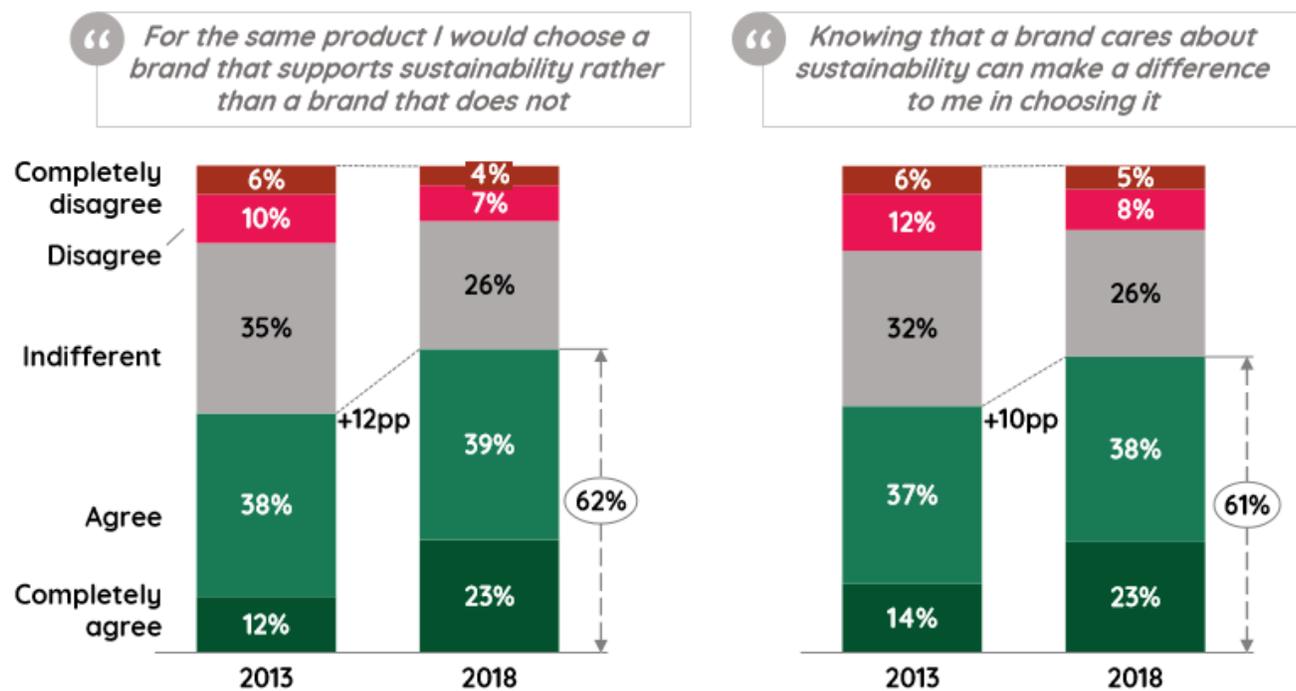


Figure 2: Growing sustainability concern  
 Source: (BCG & Altagamma, 2019, p. 41)  
 Note: Edited by the author

Finally, second-hand is another rapidly growing trend in the industry and second-hand luxury is a good example of a “successful business model, which the luxury customers evolving mentality has encouraged” (Bain & Company, 2019). As this case study will focus specifically on this trend, the following section will further explain it.

## 2.2. Second-hand luxury

### 2.2.1. An emergent trend

The resale of luxury items has been an emergent trend in recent years (Abtan et al., 2019; Turunen & Leipämaa-Leskinen, 2015) and, according to McKinsey & BOF, it “*could be bigger than fast fashion within ten years*” (McKinsey & BOF, 2018, p. 39). Although it is not a new concept, it is one of the fastest growing trends in the luxury industry. A recent study by (BCG & Altagamma, 2019) showed that second-hand luxury is growing 12% yearly and has reached 7% of personal luxury market – the main driver of the luxury market itself. In contrast, as mentioned, the overall luxury market is only expected to grow 4-5% per year until 2025. In geographical terms, Europe leads sales accounting for nearly 55% of purchases, followed by the US (25%) and the rest of the world (20%) (Bain & Company, 2018).

Although this trend is rapidly growing, there is little academic focus on the matter. Prior studies on luxury consumption focus mostly on the purchase of new items (Bian & Forsythe, 2012; Husic & Cicic, 2009; Phau & Prendergast, 2000) while, outside luxury, most studies on second-hand are broadly focused (Bardhi & Arnould, 2005; Guiot & Roux, 2010; Sherry Jr, 1990). Regarding prior studies on the resale of branded items, there has been an academic focus on vintage (Amatulli et al., 2018; Cervellon et al., 2012; DeLong et al., 2005). However, despite vintage being commonly used as a synonym for second-hand luxury, it alone cannot be considered as such since these pieces may not be luxury branded and may have been pre-owned, but not worn before (Turunen & Leipämaa-Leskinen, 2015). Therefore, these findings may not be applicable to second-hand luxury.

Second-hand goods are defined as “*previously owned and used items, whose acquiring is often motivated by lower prices or sustainable lifestyles*” (Turunen & Leipämaa-Leskinen, 2015, p. 59). They differ from vintage goods in the sense that “*vintage garments have the ability to represent past eras*” (Cassidy & Bennett, 2012, p. 242), may have been previously owned but not worn (Turunen & Leipämaa-Leskinen, 2015), and may increase in value over time (Amatulli et al., 2018). On the other hand, regarding collecting, it differs from the previous concepts as collecting

emphasizes owning items that “*are regarded as holding a significant intrinsic and psychological value to the collector*” (Belk (1995) cited by Turunen & Leipämaa-Leskinen, 2015, p. 59). Similarly to vintage, these items may have not been acquired for use (Turunen & Leipämaa-Leskinen, 2015). In the words of Turunen & Leipämaa-Leskinen, second-hand luxury can include possible collector’s items and vintage pieces but in condition that the items are acquired for use and “*have the previous usage and life of a luxury possession*” (Turunen & Leipämaa-Leskinen, 2015, p. 59).

### 2.2.2. Possible drivers of second-hand luxury consumption

According to BCG & Altagamma (2019), four main drivers are behind the growth of the second-hand luxury market: changing consumer preferences, easier access to scarce products, professionalization of trade channels and price accessibility. Explaining further, changing consumer preferences relates deeply with the fact that consumers are exposed to a “*constant flux of styles through social media*” (BCG & Altagamma, 2019, p. 24), are less willing to own products forever and there’s a widely growing concern with sustainability, especially within the younger generation. Regarding an easier access to scarce products, luxury items such as limited editions, collaborations or iconic products are easily accessible in second-hand platforms than offline marketplaces. On another note, digital platforms are replacing consignment stores and providing seamless experiences that increasingly guarantee not only quality but also authenticity. These platforms are professionalizing their trade channels in the sense that

*“each platform has developed its own services and approach, with specific offerings that include product authenticity and curation (...); consignment, at-home pickup, photos, and storage (...); and category expertise (StockX for sneakers, Chrono24 for watches)”*. (Abtan et al., 2019)

Although some bigger players such as The RealReal or Vestiaire Collective have expanded to offline channels and are opening physical stores or pop-ups, traditional consignment stores comprise a very small portion of this market as they are usually much smaller businesses (Abtan et al., 2019). Lastly, a major driver for this growth is price accessibility of these purchases. Not only is purchasing luxury items second-handed generally more affordable than buying their brand-

new counterparts, but also selling second-handed goods contributes to an increase of income available for other purchases (Abtan et al., 2019).

Nevertheless, a limitation of this study is that it heavily focuses on digital marketplaces of the 10 largest luxury markets, including Italy, Germany and France. In Portugal, online shopping is significantly below the European average (INE, 2017) so these results might not apply to this market.

As mentioned previously, there is limited research on second-hand luxury. However, there has been some research on the topics of motivations for purchasing second-hand luxury and meanings attached to second-hand luxury possessions.

### 2.2.3. Why consumers buy second-hand luxury

A study developed by Turunen & Leipämaa-Leskinen (2015) uncovered five meanings that consumers attach to their second-hand luxury accessories purchases: pre-loved treasure, sustainable choice, risk investment, real deal and unique find. Before extending on these meanings, it is important to mention that these concepts are non-exclusive and overlapping.

The first meaning, *pre-loved treasure*, indicates “*strong emotional commitments*” behind the purchase as the previous life of the product can, to some people, increase the feeling of authenticity of the pieces when comparing to brand-new items. The next meaning, *sustainable choice*, is self-explanatory as consumers buy second-hand luxury due to its ecological impact. In addition, some consumers mentioned they feel pride regarding their used accessories as it “*can make a statement against overconsumption*”. Regarding *risk investment*, some second-hand luxury purchases are looked at as a possible reputational and financial risk when the authenticity of the piece is questionable. The fourth meaning, *real deal*, refers mostly to the monetary value of the piece as consumers ponder “*how to get the best value for their money*”. Finally, *unique deal*, relates with the reflection of the self in a possession and is closely related with the “*scarcity of the discovery*”.

It includes but is not limited to items that are no longer being produced such as classic and limited editions. In addition, this motivation can include all others as the uniqueness of possessions depend ultimately on the self. Below, Figure 3 shows how these different meanings interact with each other.

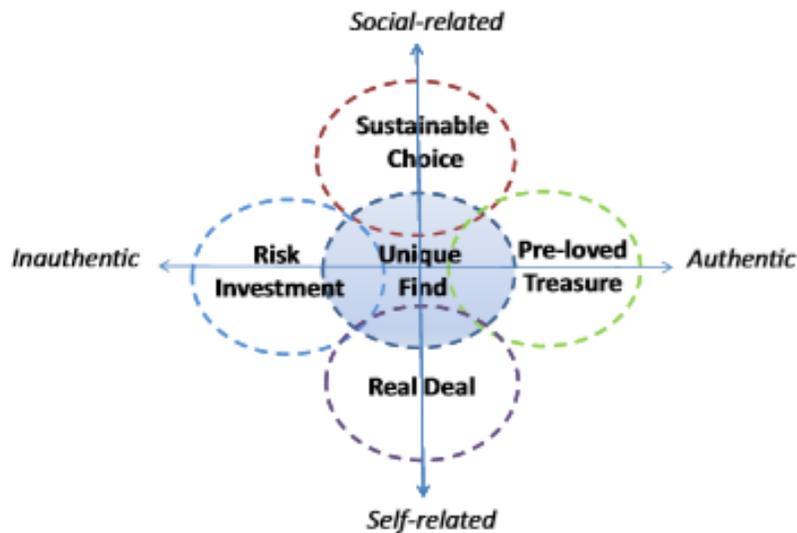


Figure 3: Relationship between second-hand luxury meanings  
 Source: [Turunen & Leipämaa-Leskinen, 2015, p. 62](#)

However, limitations of this study include that it is set in Finland, where not only their culture but also their purchasing power is specific, and all interviews were to a very specific segment – female fashion bloggers. In addition, the studied focused on second-hand luxury accessories only. Therefore, their findings might not be generalizable.

As possible drivers of the second-hand luxury market and the reasons behind consumers engaging in this type of consumption have been examined, companies that are currently embracing the rise of luxury resale should also be explored for a better understanding of this trend.

#### 2.2.4. Overview of second-hand luxury companies

Luxury brands are still trying to adjust to this rise of second-hand luxury consumption. Back in 2017, Stella McCartney partnered with The RealReal, an US luxury consignor, and offered

consignors \$100 credit in her own store (Cerullo, 2019) . Similarly, Burberry, attempting to entice clients back to their stores, have also partnered with The RealReal, offering consignors of their items a personal shopping experience (Kent, 2019). Farfetch is another good example of a brand supporting circular fashion and encouraging shoppers to resell their pre-worn luxury. Not only did they launch a Second Life platform dedicated to reselling handbags, but also partnered with Thrift+, an on-demand donation service, in exchange for store credit (J. Davies, 2019). In addition, Selfridges' main store in central London recently opened a permanent space dedicated to the resale of luxury goods in collaboration with Vestiaire Collective, a french second-hand luxury platform (Marriott, 2019). Apart from big brands, even celebrities are joining the resale movement as the Kardashian and Jenner sisters have recently launched Kardashian Kloset, a website dedicated to reselling items such as handbags, clothing and shoes (Biondi, 2019).

Moreover, a recent article by Abtan et al. (2019) for BCG analyzed an unreleased report by BCG & Vestiaire Collective where three reasons for luxury brands to embrace the resale market were highlighted. Firstly, resale can be a recruiting mechanism, meaning today's consumers can with time shift to the primary market due to, for example, an increase in purchasing power. Secondly, second-hand sellers are typically firsthand buyers who sell their used items to be able to reinvest in new products. Finally, second-hand luxury boosts sustainability in the industry by extending the lifetime of pieces.

Although the concept of second-hand luxury has contributed to a destigmatizing of second hand (Chen, 2018), there is still a growing concern regarding these resale platforms – authenticity. Given that these businesses are not directly associated with luxury brands, authenticating goods can be difficult. Recently, Chanel filed a complaint against The RealReal for selling “*counterfeit handbags bearing its label*” (Chen, 2018). Therefore, some consumers are still reluctant to buy from these platforms as they see themselves as taking risks, both financial and reputational (Turunen & Leipämaa-Leskinen, 2015).

### 2.3. Portugal and luxury

According to Sanlez (2017), the Portuguese luxury industry has been growing in the past 5 years and it has reached nearly 5% of GDP. The industry started to grow in sectors other than fashion, starting with real estate and expanding with tourism (Sanlez, 2017). Recently, Portugal was awarded Hottest Destination of 2018 by Virtuoso, a global luxury travel network, in which the audience for the award ceremony 30<sup>th</sup> edition comprised over 1700 members of the luxury travel industry including hotels, cruise lines and travel agencies worldwide (Visit Portugal, 2018). Adding these two dimensions to other Portuguese luxury markets such as retail or automobile, the Portuguese industry reaches a total of nearly 9000 million euros (Sanlez, 2017). In addition, Portugal was chosen as the 2017 Business of Luxury Summit, an event organized by FT where luxury businesses and brand strategies were analyzed and discussed by analysts, CEO's and global fashion leaders (FT, 2017).

Given the size of the overall Portuguese market, luxury fashion is not very expressive and, therefore, little data is available especially regarding the niche of second-hand clothing luxury market. However, the overall clothing and textile industry in Portugal should be distinguished as it consists of around 10% of total exportations from the country and 3% of GDP (AICEP, 2018). In addition, nearly 80% of total fashion and textile production is for exportation purposes (AICEP, 2018), and exportations in this industry grew a total of 2% in 2018 (ATP, 2018), after breaking its own record for the third year in a row (Expresso, 2019). Although they ship to over 166 markets, the European market is the main buyer, with Spain leading the chart, importing over 33%, followed by France (12%) and Germany (9%) (AICEP, 2018). For all these reasons, luxury fashion in this country is worth investigating.

Consumers are increasingly buying pre-worn luxury items, especially in Europe and the US, mainly due to changing consumer preferences, easier access to scarce products, professionalization of trade channels and price accessibility. Prior studies on second-hand luxury consumption cover the drivers of the market and meanings associated with these purchases. To our knowledge, no prior

research has been done in terms of resale businesses success factors, more specifically in Portugal. Therefore, to address this gap, this research is based on the following research question: *How to succeed in the Portuguese second-hand luxury market?*

### **3. Methodology**

The methodology section is divided into three parts, the first one being the justification of methodological choices (3.1.). The second and third part refer to the data collection process (3.2.) and subsequent data analysis process (3.3.).

#### **3.1. Justification of the methodological choices**

A qualitative approach was found the most suitable for this study due to its exploratory nature. A qualitative method can provide a better understanding of a phenomenon, either by exploring new contexts or by extending on prior research (Bettis et al., 2014). In contrast with a quantitative approach, the qualitative work is about answering *why* and *how* questions in detail (Marshall, 1996) which enables qualitative research to be more open and flexible in the sense that there are multiple sources that can be used to gather information such as interviews, direct observations, archival records or documents. Due to this structural difference, when trying to understand a phenomenon not extremely studied before, some results would be particularly difficult or even impossible to obtain via quantitative work exclusively (Bettis et al., 2014). Within the qualitative approach, the thesis presented is a comparative case study. The advantage of a multiple case is that there are multiple points of view which can be contrasted and compared across sources and over time, making the results more solid (Patvardhan et al., 2015).

For this study, five companies were originally contacted with the intention of collecting primary data: The RealReal, Vestiaire Collective, Designer Exchange, Rebelle and Farfetch. The only response came from The RealReal who shared some useful documents but declined the request for interviews due to “*bandwidth*”. Therefore, another route was taken – Portuguese companies. Initially, only Du Chic À Vendre (DCAV) and Addicta Lx were contacted. However, after their interviews, it was observed that both companies were very small and, alone, their insights might have not been sufficient for this case study. In order to further deepen the research, Maudde, Quartier Latin and La Petite Coquette were contacted but only the first two companies mentioned replied.

I selected four companies to study the second-hand luxury market in Portugal: DCAV, Addicta Lx, Quartier Latin and Maudde. Currently, both DCAV and Quartier Latin have been successful in the market. Maudde is a very recent company still investing heavily in their business, meaning returns are not yet positive. However, they have been growing and successfully establishing themselves both in and out of the country. Addicta Lx is the least successful case due to an unexpected personal matter of the owner. Nevertheless, these two companies shouldn't be excluded from the analysis as their core business is indeed second-hand luxury and their insights can be valuable to our research – Maudde has been successful within their means and Addicta Lx was in the market for over 4 years. In addition, all companies are based in Portugal and both DCAV and Quartier Latin have developed a closer relationship with Portuguese consumers given their seniority. On those grounds, the four companies were considered adequate to answer the research question.

### **3.2. Data Collection**

Regarding data collection, both primary and secondary data were collected, including: (1) 4 semi-scripted interviews conducted to company founders, (2) 6 semi-scripted interviews of second-hand luxury consumers, (3) 25 online newspaper and magazine articles and blog posts, and (4) secondary interviews. All primary interviews resulted in over 4h30 of voice recordings, were conducted in Portuguese, translated into English for easier analysis, and partially transcribed resulting in a total of over 35 pages of transcriptions. The data collection process took place either face-to-face in locations most convenient for the interviewees, or via phone-call when a meeting could not be arranged. Below, Table 1 lists all primary data sources.

#	Name	Occupation	Duration	Method	Date
1	Monique Geallad	Founder of Du Chic À Vendre	37 minutes	Face-to-face	4 November 2019
2	Madalena Pinheiro	Founder of Addicta Lx	18 minutes	Face-to-face	11 November 2019
3	Ana Silva	Co-founder of Maudde	36 minutes	Face-to-face	2 December 2019
4	Isadora Fevereiro	Founder of Quartier Latin	31 minutes	Voice call	3 December 2019
5	Bruno A.	Student + working	26 minutes	Face-to-face	25 October 2019
6	Mafalda C.	Student	18 minutes	Voice call	28 October 2019
7	Beatriz P.	Student + working	35 minutes	Video chat	8 November 2019
8	Isabel C.	Lifestyle Consultant	24 minutes	Face-to-face	26 November 2019
9	Maria C.	Student	28 minutes	Voice call	1 December 2019
10	Eduarda L.	Graphic Designer	21 minutes	Voice call	2 December 2019

Table 1: Primary Data

Questions asked during company interviews covered a variety of topics and ranged from introductory questions about the overall business (foundation, competition and business model) to deeper questions such as main difficulties, concerns with the business, evolution of sales and changes felt in the market. Please refer to Appendix 1 for the table showing a summary of themes which surfaced in each interview.

In order to further deepen the research and fully comprehend how to succeed in the Portuguese second-hand luxury market, it was necessary to understand what Portuguese consumers look for and expect when engaging in this type of consumption. Therefore, in addition to company interviews, consumers were also approached.

Consumers were found via Instagram analysis, blogs and mutual friends. Regarding Instagram, I looked for fashion-focused Portuguese accounts and influencers that regularly posted about luxury fashion and followed international resale luxury websites or Portuguese second-hand stores. In addition, authors of blog posts used as secondary data sources were also considered. From this search, over 30 possible consumers were emailed or contacted via Instagram when their email was

not publicly available. However, in most cases, the response was either negative, as they had never purchased a second-hand luxury item before, or they did not answer. Finally, a post on my personal social media seeking people who had previously bought luxury fashion second-handed reached consumers through mutual friends. As for consumer selection, they were chosen on the basis of having bought at least one second-hand luxury clothing piece or accessory.

Regarding the interviews themselves, topics included how and when they had bought second-hand luxury items, the motives that influenced their purchases, main advantages they find in buying luxury second-handed, as well as main concerns. In addition, questions regarding their first contact with this form of shopping and how it developed were also asked. Please refer to Appendix 2 for the table showing a summary of the main themes that arose during consumer interviews.

As mentioned previously, secondary data consisted of online newspaper and magazine articles, blog posts and secondary interviews. Foremost, data sources were gathered on the grounds of mentioning any of the companies studied. Subsequently, online articles and secondary interviews were selected based on source credibility, meaning publications from renowned Portuguese magazines, newspapers and television channels were preferred such as Elle Portugal, Observador, Público or NiT. Blog posts were selected mainly due to their author and content relevance. The table showing all secondary data sources is available in Appendix 3.

### **3.3. Data Analysis**

Studying the second-hand luxury market was the main goal since the beginning of the process. At first, the purpose was to understand how sustainability was motivating the growth of this trend. However, previous authors such as [Ahabou & Dekhili \(2013\)](#) and [Kapferer & Michaut \(2015\)](#) had recently shown that sustainability is either a small driver or is not even being considered by consumers during their luxury consumption. Therefore, a new research question surfaced: How are companies responding to the motivations of consumers buying second-hand luxury?

In order to answer this question, I analyzed data from both companies and consumers through a coding approach, meaning key responses were assigned to pre-defined categories related with the research (Dey, 2003). Before the analysis begun, I initially derived a set of codes from the research question (RQ) and established three preliminary codes: company responses, consumer motivations and second-hand luxury. However, these codes were rather limiting, and, in the initial stage of the analysis, other codes arose from the data, as shown in the Table 2 below.

Codes	Examples of quote
<b>Company response</b>	“How are companies responding (...)” RQ
<b>Consumer motivations</b>	“(...) to the motivations of consumers (...)” RQ
<b>Authenticity</b>	“First of all, authenticity, that’s fundamental.” Bruno A.
<b>Condition</b>	“It’s worthy as long as it’s in good condition.” Mafalda C.
<b>Challenges of second-hand luxury</b>	“To be honest, second-hand clothing bothers me. I don’t know who wore them before, if the clothes are washed” Mafalda C.

Table 2: Evolution of codes

As the analysis progressed, the findings were not answering the initial research question in the sense that companies and consumers were rather independent and there was no response from the companies studied. Therefore, a new and final research question was established: How to succeed in the Portuguese second-hand luxury market?

Moreover, when taking the literature review and new research question into consideration, and as more topics were explored during interviews, new codes such as location or big brands emerged. The Figure 4 bellow illustrates the evolution of codes, from the table presented above to the final codes. Please refer to Appendix 4 for the coding table with the final list of codes and example of quotes.

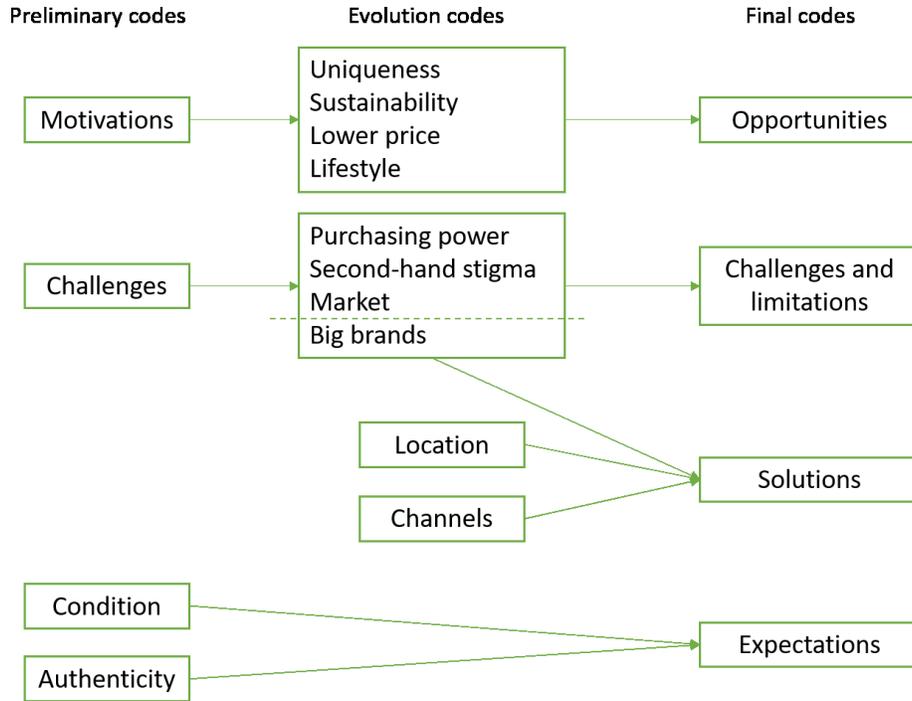


Figure 4: Code evolution  
Source: The author

To conclude, I present in Table 3 how I used the different data for my research.

Data source	Type of data	Use in the analysis
<b>Interviews</b> <b>(35 pages, 1,15 spacing)</b>	Consumer interviews – semi-scripted interviews with 6 consumers aged 20-51 in order to understand buying behavior  Company interviews – semi-scripted interviews with 4 company founders in order to understand business model and current situation	Familiarize with buying behavior Understand relationships, underlying motivations and concerns when buying second-hand luxury in order to construct findings section  Construction of empirical setting, namely notions of business model, organization context, authenticity process and current situation Investigation of main difficulties and limitations in order to construct findings chapter Triangulate with consumer findings in order to uncover main opportunities and expectations for findings chapter

<b>Documentation</b>	Online articles – 25 online newspaper and magazine articles and blog posts from 2011-2019 Secondary interviews	Support construction of empirical setting chapter Support relevance of companies studied
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Table 3: Data sources and use in analysis

## **4. Empirical Setting**

The companies selected are Du Chic À Vendre (DCAV), Addicta Lx, Maudde and Quartier Latin due to their business model as well as their accessibility. Their common point is that all companies sell on consignment meaning that the pieces for sale are never owned by the store – they belong to the seller until sold, and stores receive a commission after each sale.

### **4.1. Du Chic À Vendre**

#### **4.1.1. Foundation and locations**

Established in 2012 by Monique Geallad, DCAV was founded mainly due to her close friends' encouragement. Monique's first store was located in Cascais, near her at-the-time residence and sold mostly luxury clothes and accessories that belonged to friends and family. Not long after, Monique realized the location of the store was not the best due to it being a high traffic place – consumers were embarrassed to walk into the store. She then moved the store to Monte Estoril, 30km away from Lisbon city center. However, due a decreasing market, its distance from Lisbon center, and a wave of closing businesses in the area, Monique decided to close doors and move to Lisbon.

Recently, in February 2016, they settled in Campo de Ourique, a neighborhood very well known for its commerce. The new store is easily recognizable – its shop front includes wood elements and hanging plants, as well as the recycling symbol on top of the entry way. There are mannequins on the windows, dressed in designer clothes and surrounded by logos on different types of accessories. Currently, Monique is the only employee in the business. A young man aided her in the store up until July 2019 when she had to let him go due to a difficulty of extracting two monthly paychecks plus rent from the sales.

#### 4.1.2. Product assortment and authentication process

When choosing what pieces to accept in her store, Monique relies heavily on her intuition. The particulars of a garment such as the finishing or even the buttons are enough for Monique to accept a piece. However, everything must be in impeccable condition – clean and complete. Although they only carry women’s pieces, its product assortment is extremely wide. Bags, shoes, all types of jackets, shirts, pants, jewelry, scarfs, hats, gloves and even night gowns are evenly distributed across its three stories. In addition to luxury goods such as Burberry, Chanel, YSL, Manolo Blahnik and Prada, she also regularly sells vintage pieces.

Due to luxury’s multidimensional concept, the first thing Monique tends to look for when she is contacted by a potential seller is the brand of the item being considered for sale.

*“I don’t like to ask that because it can come off as pretentious, but I have a business to maintain. People will sometimes tell me Massimo Dutti or Purificácion Garcia. They are good brands, but they are not luxury.”* (Interview, DCAV founder)

Her authentication process is a combination between knowledge acquired with time and information she gets from brands. When she first started DCAV, she introduced herself at a LV store and asked for tips on how to spot fake items. In addition, when Monique has serious doubts on whether an item is real or not, she goes directly to brands asking for an authentication. It’s not common finding people trying to sell counterfeit goods in Monique’s store, but it tends to happen from time to time. As revealed, *“sometimes people don’t even know they own a fake item. That mostly happens with inherited goods”*.

#### 4.1.3. Business model and competition

As mentioned previously, everything is sold on consignment. At DCAV, some prices can be negotiable, depending on the seller, and typically, pieces stay in store for at least two months. However, very particular pieces and most accessories take longer to sell thus stay in store for longer. *“You can’t sell a very specific dress in two months and you can’t sell a 600€ bag in two months”*, Monique mentioned during an interview. *“I usually try to keep clothes in stock for around two, two and a half months. Accessories stay longer.”*, she added. In addition, Monique states she

is “*very stubborn*” and when she finds true potential in an item, she tries to keep it in store for as long as sellers allow her to. Hence, she carried a piece since her first store, that sold only a few months back. After the sale, the revenue is split between the two parts and Monique generally receives 40% of the sale value.

Given the nature of this business, every store that sells second-hand luxury and vintage goods in Lisbon will be a competitor of DCAV. Thus, Addicta Lx can be considered a competitor due to the consignment business model. In addition, Loja Baú, a vintage shop located around the corner of Monique’s store is also considered a competitor given its proximity and core business. When questioned on this matter, Monique believes there are no direct competitors to her business, in accordance with her clients. The few stores in Lisbon that resell luxury goods tend to work on close doors and don’t usually sell vintage pieces. Therefore, “*it’s not really the same thing*”. According to Monique, she’s “*not afraid of competition*”. In fact, she considers competition to be healthy for the business.

## **4.2. Addicta Lx**

### **4.2.1. How it started and current situation**

Madalena Pinheiro and Marilene Teixeira are the founders of Addicta Lx, a luxury consignment showroom located close to Roma metro station, in Lisbon. Along with some encouragement from close friends, they decided to open Addicta Lx in 2015 and named it after their addiction to fashion. Eventually, Marilene left the company and Madalena is now the owner and only employee. Originally, the showroom was located in a bigger area but, as Madalena put it, “*the space was too big for what I wanted to do and the type of clients I had. This is more than enough*”. The showroom works in closed doors, via private bookings only.

Addicta Lx focuses mostly on the resale of luxury accessories and, in a smaller assortment, clothes are also consigned. Jimmy Choo's and Louboutin's are frequently spotted at the showroom and Chanel, Gucci and LV bags are often sold as well. They position themselves as *"a store for creative women, who know the luxury market and know the latest trends"* but in spite of women's accessories leading sales, some men's fashion such as shoes are also offered from time to time. Since the assortment changes constantly, the range of prices heavily depends on what is in stock at the moment. However, pieces usually sell for half or even a third of the original price and, in some cases, the price can be negotiable.

Last year, due to a personal matter, Addicta Lx turned into a secondary concern for the owner and the sales dropped as a result. As of now, the showroom is closed to the public and the owner is still deciding what to do regarding the business – either continuing with second-hand luxury consignment or utilizing the space for another purpose. However, Addicta Lx is still active in their social media platforms and, when contacted, Madalena opens exceptions and pieces are still being sold.

#### **4.2.2. Business model, authentication and competition**

Everything in the showroom is sold on consignment and the amount of time a piece stays in Addicta Lx's possession depends on the seller. While some don't mind leaving their pieces for longer, Madalena usually tries to keep items in store for 3-4 months in order to have a changing assortment. In the beginning, most pieces either came from their friends' closets or their own, since they were sometimes guilty of investing in luxury goods only to not wear them enough or even at all. For this reason, a big portion of the items in the showroom are pre-owned but never worn – they are in perfect condition, some still have the original tags attached and, when applicable, authentication certificates are included.

*"Everything must be identified via an authentication card or purchase receipt. And, of course, everything must be in good condition. Shoes must have boxes, dust bags and all references."*

(Interview, Addicta Lx owner)

However, when the piece is older, things such as receipts or boxes might not be available. In those cases, the owner relies on her ability and her clients' knowledge to make sure the items are authentic. *"I know what to look for such as what's real leather and what is not, and people that buy here also know that"* she mentioned.

Since Addicta Lx focuses on the resale of luxury clothes and accessories through consignment, their biggest competitors will be companies with similar business models, such as DCAV. Similarly, Madalena doesn't believe she has direct competition in Lisbon due to her unique business model. However, it was mentioned that there are two similar stores in Porto.

*"No store in Lisbon is like mine because they mix a lot of luxury with vintage or other pieces. The concept itself is very different"* (Interview, Addicta Lx owner).

### **4.3. Quartier Latin**

#### **4.3.1. Foundation and locations**

Quartier Latin is the pioneer of second-hand luxury in Portugal. Located in the city of Porto, Isadora Fevereiro, a 41-year-old entrepreneur, opened the store in 2009 following a London benchmark. As mentioned during an interview, she was looking for something *"that could be replicated here and, of course, that did not exist in Portugal"*. Although they were advised to *"stay in first stories or in secondary streets"*, Isadora trust in her own business led her to do the exact opposite: they moved to the most expensive street in Porto, where all the big brands are located. In the beginning it was very difficult to be fully established – consumers still had a lot of stigma and nearby businesses didn't trust the new store. However, 10 years later, after a shift in the consumption paradigm following the 2008 crisis, *"it's the exact opposite"*.

*"There was a big change in people's mindset, they started looking at things they had at home not as still inventory but as money to be made, so they started selling. And they started seeing that it made no sense to not buy second-hand when the things were practically new by half or even less of the price."* (Interview, Quartier Latin founder)

Currently, in addition to Isadora, there is one other employee who works in the store full-time. As mentioned, it is a “*quality over quantity business, so a good employee backstage with me is enough*”. In addition to the store, Quartier Latin has had an online presence since they first opened.

*“Our online is very extensive. We work a lot our social media, like every store, but we also use foreigner marketplaces to sell our items and also have our own website channels.”* (Interview, Quartier Latin founder)

#### 4.3.2. **Product assortment, authentication and business model**

All pieces are sold on consignment, where a commission of 30% to 50% is negotiated, and sellers leave their pieces in the store for a minimum of 60 days. At Quartier Latin, all pieces are photographed by a professional photographer, edited and uploaded to both the online shop and social media. “*All of that has costs so we need at least 60 days to sell it*”, Isadora mentioned during an interview. As usual, there is flexibility from both parts.

When deciding what to accept, Quartier Latin works exclusively with luxury items for women. However, demand plays an extremely important role in accepting pieces due to the small size of the store and their client base.

*“We accept pieces which we think have a demand. If the piece is from Prada but we don’t find the design appealing, we don’t accept it.”* (Interview, Quartier Latin founder)

All things must be in great condition and there must be proof that the piece is authentic. Their authentication process relies mostly on their 10-year experience working with luxury brands. However, when serious doubts arise, freelancers are contacted.

The sale value is always fixated by the owner of the piece as Isadora looks at the store as mediators and service providers: “*They’re paying us a commission to sell it so it makes no sense, in my experience, for us to set the price*”. When asked, they’ll give their professional opinion based on previous sales but the ultimate pricing decision is up to the seller.

### 4.3.3. Consumers and competition

Due to their prestigious location, most of Quartier Latin sellers are avid consumers of luxury that regularly shop for those pieces. In addition, their consumer base includes people that dress well and like to take risks with their outfits.

Since Quartier Latin were pioneers of second-hand luxury in Portugal, competition grew with them. Currently, their competition is divided into two categories: old customers and international platforms. According to Isadora, most of their clients either worked in business or are married to someone who did. Hence, *“when you find a business that works, the tendency is to replicate it”* and old customers started opening their own second-hand luxury businesses in the city.

*“On one side, we have more competition. On the other, since those people know how to do business, they also elevated standards which was good for every business. We have more competition, but we also have more market.”* (Interview, Quartier Latin founder)

On the other hand, *“all international platforms are extremely strong”*. Not only can potential customers sell their products on other platforms, but they can also buy them. Therefore, all international online players are also considered competitors for Quartier Latin.

## 4.4. Maudde

### 4.4.1. Launch, business model and authentication

Maudde, an online marketplace for second-hand luxury, was launched in April 2019 by two sisters, Ana and Marta Silva. The idea came from Ana, who always had a passion for fashion, luxury brands and art. After a master’s degree in fashion, she started realizing all the environmental problems within the industry such as *“water waste and chemicals usage”* and decided she did not want to contribute to them by producing more clothes. After stumbling upon Vestiaire Collective, and being an avid consumer of second-hand herself, she realized she could mix sustainability with

her love for luxury and, together with her sister, they decided to launch Maudde. Currently, Maudde has two fixed employees (the two sisters) and an intern. In addition, they work with freelancers such as photographers or luxury specialists when needed.

Regarding product assortment, Maudde sells both clothes and accessories for women. Items from widely known luxury brands such as Chanel, Dior or Prada are usually always accepted given they are in good conditions. In addition, some premium pieces can also be sold on their website, however, as Ana revealed, *“the lower the category, the more special the piece needs to be (...) it really has to stand out”*. Their first consignors came mostly through friends and networking, and, as the months passed, it developed due to word-of-mouth. Currently, Maudde offers two services for consignors: a normal service, where sellers fill out a form via website, and a concierge service in which Maudde takes care of every detail including pick-up, photography, price setting and storage. As of now, the pieces stay for sale for six months. After that, if they are not sold, sellers can either lower the price or remove the item from the website. Concerning authentication, Maudde entrusts it to freelancers who have worked in the luxury industry for decades.

#### 4.4.2. Competition

Since Maudde is a digital marketplace, they are more exposed to direct competition than physical stores. Online resellers such as Vestiaire Collective or The RealReal will be direct competitors of Maudde as they not only ship to Portugal but can also carry pieces from Portuguese consignors. Regarding Portuguese physical stores, Maudde chooses to see them as partners rather than competition since they often work together. When asked which companies they work with, Ana couldn't reveal much due to non-disclosure agreements. However, she mentioned:

*“We want physical stores to see us as a way of selling outside their own street and even out of the country. That's our objective, to create partnerships with those stores and being their online channel without them having to invest in online platforms.”* (Interview, co-founder of Maudde)

#### 4.4.3. Sales and current situation

Since Maude is a very recent company, they are still investing heavily in the business and trying to position themselves under the radar. However, even though their investment in communication is still low, the business has been growing. According to the co-founder, not only do consumers tend to repurchase from Maudde but consignors also tend to resell. The latter usually start by selling one piece and, depending on how it goes, come back and try to sell more. Currently, their communication is tailored to each seller and they try to have a more personal relationship with each of them.

Regarding overall sales, they sell substantially abroad, especially to western Europe and Nordic countries. As Ana mentioned, *“I’d say we sell around 70/30 to Portugal and abroad, which is incredible given we don’t communicate”*. In addition, they also sell a fair amount to other Portuguese cities that are not Lisbon and Porto.

*“We’ve sold to the islands, and from the north to the south of the country. Probably because there are not any physical stores in those places and people find alternative ways to buy”*  
(Interview, co-founder of Maudde)

## 5. Findings

The following chapter will present the answer to the research question and, in accordance with the codes previously established, it will be divided into three sections. For companies to be able to successfully meet Portuguese consumer expectations, their motivations for engaging in second-hand luxury shopping as well as their main concerns must be investigated (5.1.). Additionally, to identify the key success factors for Portuguese companies, we should understand current market challenges and limitations (5.2.). Finally, successful practices in the Portuguese luxury resale market ought to be identified as they can thereafter improve struggling businesses or aid in establishing a successful one (5.3.).

### 5.1. Understanding expectations of Portuguese consumers

By analyzing consumer answers to questions regarding concerns when purchasing second-hand luxury, two themes are transversal to most consumers and can be easily distinguished: condition and authenticity. When analyzing their motivations for purchasing such items, several reasons were revealed. However, from a company perspective, they can be looked at as positioning and communication opportunities.

#### 5.1.1. Condition

The condition of the garment was a concern mentioned by every interviewee. Consumers found that, to get the best value for their money, the pieces had to be in brand-new condition or have minor marks of use.

*“Mainly the condition, because it’s not worthy to buy a piece from a known brand if it’s ruined.”*  
(Interview, Beatriz P.)

*“Second-hand can be an option and it’s worthy as long as it’s in good condition”* (Interview, Mafalda C.)

While for some those marks could be fixed and the item could be improved after the purchase, for others it was a reflection of the piece having had a previous life.

*“Some pieces look better after a few years of use than when they were new, such as leather jackets or belts.”* (Interview, Isabel C.)

*“If there’s a scratch on the glass [of a watch], my father can polish it or even replace it. The cost is not that big and it’s worth it. However, a wristband for a good watch can easily cost 500€ or 1000€ so it doesn’t make sense to buy it second-hand only to need to replace those things after.”*  
(Interview, Bruno A.)

*“It can end up being more expensive if you need to make adjustments and you have to pay for them.”* (Interview, Eduarda L.)

### 5.1.2. Authenticity

Although authenticity and counterfeit are topics extremely associated with second-hand luxury businesses, it was not mentioned by every interviewee. Indeed, it is a concern for most consumers, but only when they purposefully shop for second-hand luxury items.

*“First of all, authenticity, that’s fundamental.”* (Interview, Bruno A.)

*“Authenticity. I don’t want to pay for fakes.”* (Interview, Mafalda C.)

*“Firstly, authentication of the piece, of course.”* (Interview, Maria C.)

In some cases, consumers don’t actively seek luxury brands, which may explain why authenticity was not mentioned by every interviewee. Alternatively, they look for good deals or statement pieces and, by chance, find luxury goods. In those cases, consumers shop in stores and platforms of second-hand itself rather than luxury specialized marketplaces.

*“I never look for brands. I go shopping and they end up finding me.”* (Interview, Isabel C.)

*“I looked up vintage suits [in Poshmark] and found an Escada one which is now one of my favorites.”* (Interview, Eduarda L.)

### 5.1.3. Opportunities

During consumer interviews, four main motivations for second-hand luxury purchases were uncovered: lower price, uniqueness, sustainability and lifestyle. As mentioned previously, these

motivations can be used as communication and positioning opportunities for second-hand luxury businesses.

Lower price was clearly the most common motivation for consumers, since it was mentioned by every interviewee.

*“When you’re buying second-hand luxury, usually you’re buying something in a good condition and at a much lower value.”* (Interview, Bruno A.)

*“I bought a Max Mara jacket for 90£ and my friend bought a brand new one on the same day for 800£. I was even ashamed of telling her how much mine was because it was in brand new condition.”* (Interview, Isabel C.)

*“Obviously, it’s so much cheaper than buying pieces new.”* (Interview, Maria C.)

The second most common motivation for purchasing second-hand luxury goods is their uniqueness. Consumers noted that it was less likely or almost impossible to find someone wearing the same pieces they had bought second-hand. In addition, they also revealed that second-hand luxury enables them to acquire pieces that are no longer being made.

*“A lot of models are no longer being produced and the only way to get them is via second-hand.”* (Interview, Maria C.)

*“The chance of you seeing someone with the same piece is very slim.”* (Interview, Beatriz P.)

*“You can find unique pieces with unique styles.”* (Interview, Eduarda L.)

Regarding sustainability and lifestyle, these two topics appeared to be secondary motivations for these kinds of purchases. Sustainability was mentioned as a main motivation for only one consumer.

*“If people knew how polluting it is to make a pair of jeans versus washing a pair of second-hand jeans, I think everyone would start buying second-hand.”* (Interview, Beatriz P.)

The remaining, either did not mention sustainability or stated it was not a main driver for their behavior.

*“Now I think a bit about sustainability but it’s by far my main motivation.”* (Interview, Isabel C.)

*“This is not my main motivation but you’re recycling things. It also makes a good impact on the world.”* (Interview, Maria C.)

Lifestyle can also be considered a motivation for purchasing second-hand luxury, as consumer either grew up surrounded by luxury brands or second-hand practices.

*“Both my parents work in the watch industry (...). Since I always had that direct contact, there was a transmission of taste from my parents onto me”* (Interview, Bruno A.)

*“I grew up in South Africa and there’s a lot of second-hand there and I’d always shop there. Even when I was a teenager, I’d travel and look for pieces that no one had.”* (Interview, Isabel C.)

## **5.2. Challenges that companies face on the second-hand Portuguese luxury market**

Regarding challenges of the second-hand luxury market, two topics were prominent: second-hand stigma and peculiarities of the Portuguese market itself. These challenges are most likely preventing the Portuguese second-hand luxury market from reaching its full potential.

### **5.2.1. The second-hand stigma**

This challenge is present not only in second-hand luxury but in second-hand in general. Consumers occasionally found that purchasing pieces worn previously were *“leftovers”* (Interviews, Maudde co-founder and Isabel C.) and *“not hygienic”* (Interviews, Mafalda C. and Eduarda L.), especially when the garments are to be worn close to the body such as shoes, underwear or tight shirts.

*“I regretted buying my Dior loafers. It really bothered me that I was using someone else’s shoes so I ended up selling them.”* (Interview, Eduarda L.)

*“Clothes that are really close to the body I’d have a bit of a struggle buying. Like tight shirts and stuff.”* (Interview, Maria C.)

In some cases, respondents that in addition to luxury pieces also purchased second-hand in general, often felt judged by third parties when mentioning they bought certain pieces used.

*“Some people look at me sideways when they find out my outfit was bought second-handed.”*

(Interview, Isabel C.)

*“I always bought second-hand clothing, even for my kids, much for my mother’s displeasure.”*  
(Interview, Maudde co-founder)

Regarding second-hand luxury, store owners felt that consumers are sometimes ashamed of being seen walking into a luxury resale store.

*“A lot of people don’t want to go into a second-hand store and risk being seen or talked about.”*  
(Interview, Addicta Lx owner)

*“It was shameful to be seen in a second-hand store, even if it was luxury. People would look at it as a sign of lack of money.”* (Interview, Quartier Latin founder)

In addition, according to Maudde co-founder, once people had direct contact with their pieces and noticed they were in brand-new condition *“they’d call it vintage, when it’s not, almost to not call it second-hand”* which further proves there is still a big stigma regarding second-hand purchases.

### 5.2.2. The peculiarities of the Portuguese market

The peculiarities of the Portuguese market incorporates several different dimensions such as market size, culture or income.

Regarding market size, several interviewees complained that Portugal had a small luxury and second-hand market.

*“Obviously, Portugal has a very small market and the luxury market is even smaller.”*  
(Interview, Maudde co-founder)

*“The second-hand market in NYC is huge compared to Portugal”* (Interview, Eduarda L.)

*“Portugal is a very small market for me.”* (Interview, Isabel C.)

*“Our market is so small. We don’t have a Chanel store, for example.”* (Interview, DCAV founder)

In line with market size, culture also plays a key role not only in second-hand behavior but also in the way that people express themselves. A common point observed between all interviewees was that they either travelled a fair amount or had lived abroad, meaning they regularly contacted with different cultures which may have contributed for a more open mindset. In addition, some consumers revealed they started shopping second-hand and second-hand luxury when abroad.

*“In Japan, I found the most amazing pieces because they have a different culture. They wear a lot of brands and take care of their things. It’s not a country where you wear fast fashion, it’s where you wear luxury.”* (Interview, Isabel C.)

*“I went to London and that’s when it all started. They have a vintage and second-hand market like I’ve never seen before. I never bought anything vintage until I went there and I fell in love with it.”* (Interview, Maria C.)

*“They [UK] wear whatever they want and don’t really have a defined style. In addition, they have a big habit of buying second-hand.”* (Interview, Beatriz P.)

*“Portugal doesn’t follow the trends, it’s impressive (...) abroad is almost trendy to buy second-hand.”* (Interview, DCAV founder)

Another dimension mentioned a fair amount of times during interviews was the general lack of purchasing power in Portugal. Consumers would often refer to second-hand luxury as “*expensive*” (Interview, Bruno A. and Mafalda C.) even when one of their main motivations to purchase it was due to its cheaper nature.

*“They don’t have enough purchasing power. That’s the difficulty, we sell second-hand luxury items but they are still very expensive for the average person.”* (Interview, Addicta Lx owner)

*“Portugal has an inferiority complex of a poor country that was always poor. They think being rich is leaving food on the plate. (...) If they come from families where money was an issue in the past, they’ll always want to buy things new.”* (Interview, Isabel C.)

*“We’re still in a crisis (...) and people have other priorities.”* (Interview, DCAV founder)

### **5.3. Possible solutions to overcome the challenges**

This subtopic covers four main points that can be possible solutions for improving existing luxury resale businesses or aid in the creation of a successful one. These suggestions were either mentioned by companies as possible solutions for overcoming barriers of the Portuguese market

or are practices already implemented in companies being successful in this industry. Those four points are (5.3.1.) providing a luxury service, (5.3.2.) the key role of localization, (5.3.3.) a mix of online and offline channels, and (5.3.4.) partnerships.

### 5.3.1. **Luxury service**

Even though second-hand luxury is not directly associated with luxury brands, consumers still want to buy luxury. Therefore, to go in agreement with their expectations, its resale should still be treated as luxury in several dimensions in order to replicate the full luxury experience to consumers.

As Quartier Latin founder put it,

*“We always have to be careful with the way we present ourselves, with the way we assist our customers. (...) We take into consideration all dimensions that luxury brands are distinguished for such as customer service, the presentation of the store and the pieces, the selection of the products”* (Interview, Quartier Latin founder)

Similarly, Maudde has its own concierge service in which the selling burden is fully taken away from the seller. The company picks up the pieces, photographs them professionally, authenticates them and sets prices. Since they work online, Maudde puts in the additional effort to make sure the relationship with their customers is more personal.

*“So far, they are very happy with the way we communicate with them. We really try to have a more personal relationship with our clients. We try to do things tailored, made for each consumer and seller. We reply to all emails ourselves, they don't receive automatic emails, etc. We also get a lot of sellers that know people who sold with us before.”* (Interview, Maudde co-founder).

### 5.3.2. **The key role of localization**

In the case of physical stores, their location is key in terms of surrounding areas and purchasing power of residents. DCAV two first locations were in neighborhoods known for their wealth: Cascais and Monte Estoril. They are currently in Campo de Ourique, a neighborhood known for its commerce. In addition, as the founder put it, *“I think this neighborhood has an allure that few*

*neighborhoods have, it reminds me of certain areas of Paris*". However, there are still some limitations with their location. As mentioned, *"you really need to like this [luxury/vintage] to come across my store, I think"*.

For Addicta Lx, their location is both an advantage and a difficulty in the eyes of the owner. They are located close to Roma metro station, in the bottom floor of a two-stories square.

*"The store is in a low visibility place. It has its advantages because a lot of people don't want to go into a second-hand store publicly and risk being seen. However, it's really low visibility. Unless you know the store, you won't stumble upon us."* (Interview, Addicta Lx owner)

Quartier Latin is located in the most expensive street of Porto and although it is not downtown, it's where all luxury brands are sold. In the beginning, they were advised to *"stay in first stories or in secondary streets, overall not very exposed"* but the owner trusted the business and,

*"We did the exact opposite (...) we moved to a very exposed location, right next to the big brands here in Porto. (...) People have a lot of purchasing power in this area and since they don't have that many places to spend their money on besides this street, they focus a lot here."* (Interview, Quartier Latin founder)

Being close to these *"anchor stores"* is very important for the owner, as she sees that, although it was very difficult in the beginning, they are now looked at with respect and as a legitimate business. In addition, most pieces sold at Quartier Latin come from consumers of those stores.

Lastly, although Maudde works exclusively online, they recently had a pop-up in a Cascais market as a way of sharing their business and the consumer response was impressive since they were in a location known for its wealth.

*"We sold a lot and we weren't expecting that. We even sold stuff to people that you could tell they usually buy luxury."* (Interview, Maudde co-founder)

### 5.3.3. Mixing online and offline channels

A mix of online and offline channels is perhaps one of the most important practices to implement in order to be successful in the second-hand luxury market.

*“We’re always dependent on what is going on outside. Portugal is very late on online shopping, for example. (...) Our business is now taking its first step with online platforms when a lot of other business out there already work well online by now. Since it’s a global network, it also helps us. It’s an international trend so we need to invest in it (...) Without online we wouldn’t be working out the way we are for a long time”* (Interview, Quartier Latin founder)

*“The [online] market is way bigger. The market in Portugal is very small and if an online platform is available, why not take advantage of it and try to sell everywhere?”* (Interview, Maudde co-founder)

Nevertheless, online channels alone are not enough. As Maudde co-founder revealed in her interview, they realized after their pop-up that culture still plays a big role in the way Portuguese people interact with online businesses.

*“They had a really good reaction seeing the pieces and touching them. I think people, at least here, really need to see the pieces and that’s something we really are debating – whether to do more pop-ups. We want to be online but we realized Portuguese still need to see the pieces, maybe because they still have that old piece stigma. Even though we have a good and clean website, people don’t go looking for it. If they see the pieces its different, they see it’s a good piece in a good condition.”* (Interview, Maudde co-founder)

However, properly investing in online channels can be very expensive. As Maudde co-founder mentioned, *“online is very expensive when it’s done right”*. Quartier Latin recently hired their first digital marketing agency and are soon launching their new website. As stated, all their big investments from now on will be on their online presence. Even though Maudde is a young company and their budget is limited, for now they choose to invest mostly on their digital platforms rather than communication. Still, they’ve managed to sell to Nordic and western European countries, all over Portugal, and the US ranks third in website views which further proves that online channels are indeed a must in order to reach bigger audiences.

#### 5.3.4. Partnerships

As mentioned previously, investing in online channels can be very expensive. Therefore, a way for second-hand luxury companies to reach more potential customers without having to invest as heavily in digital is to partner with similar companies who work in online platforms. Quartier Latin already works with foreign platforms, in addition to their own channels, and Maudde aims to be one.

*“That’s who we want to be, for stores to see us as a way to sell out of their street and out of the country (...) to create partnerships with those stores and being their online channel without them having to invest in online channels.”* (Interview, Maudde co-founder)

In addition, partnerships with big brands are also encouraged as they can have numerous advantages not only for second-hand luxury sellers but also for brands.

*“I think that brands, especially here, haven’t realized that there are a lot of advantages in working with second-hand stores. If their client wants to buy a new item and get rid of an old one, it’s a full circle.”* (Interview, DCAV founder)

Quartier Latin location in the most expensive street of Porto has allowed them to be seen as partners, rather than competition, by stores selling brand-new luxury items. Indeed, second-hand resale businesses sell pieces from luxury stores clients. However, consignors mostly sell their used pieces rather than buying them. When partially getting their investment back, they have more disposable income to spend in luxury stores.

According to Maudde co-founder, second-hand luxury platforms help dynamize both markets – second-hand luxury and the luxury market itself. These businesses allow consumers with lower purchasing power to feel more confident investing in luxury pieces because they know it’s possible to get their investment back after by selling it.

Please refer to Appendix 5 for the table directly comparing the four cases studied.

## **6. Discussion**

In this section, findings will be further discussed. We begin this chapter by analyzing (6.1.) how to successfully meet consumer expectations and which dimensions to focus on when defining business strategies. Subsequently, (6.2.) suggestions on how to overcome challenges and improve existing second-hand luxury businesses are presented, and (6.3.) limitations that can't be overcome are mentioned as they should still be taken into consideration by luxury resale businesses in Portugal.

### **6.1. Meeting consumer expectations and effective business strategies**

Our insights reveal that, on a first note, for luxury resale businesses to be successful in the Portuguese market, consumer expectations must be met. Since those expectations are of authenticity and condition, this means that companies must always ensure authenticity of their pieces and only resell items in pristine condition.

In addition, a range of consumer motivations were uncovered which should be taken into consideration when designing communication and positioning strategies to reach bigger audiences and further expand consumer base. Those motivations were lower price, uniqueness, sustainability and lifestyle. Lower price and uniqueness of the pieces were the most relevant motivations for nearly all consumers, therefore, these should be the focus of business strategies. Sustainability doesn't appear to be one of the main motivations for buying second-hand luxury, which goes in accordance with Achabou & Dekhili (2013) findings that sustainability is a secondary concern in luxury purchases. This means that, according to our findings, sustainability alone is not a strong enough communication element for businesses. Finally, our findings also suggest that it may be ineffective to appeal to the lifestyle motivation as it's something intrinsic to the consumer and they already seek these practices and businesses.

## **6.2. Overcoming challenges and improving second-hand luxury businesses**

In order to overcome challenges and improve existing companies, our findings suggest four solutions which are being implemented in businesses that are being successful in the market. Those solutions are offering a luxury service to consumers, analyze current location, have a mix of online and offline channels, and creating partnerships with other brands.

Consumers are still buying luxury, regardless of it being second-hand which indicates that luxury dimensions should be taken into consideration by businesses and a true luxury experience should still be offered to consumers. This means that dimensions in which luxury typically exceeds such as flawless store presentation, tailored and personal communication, and great customer service are highly encouraged for better results. Regarding store location, our findings suggest that locations can have a key role in the success of a second-hand luxury store. Therefore, physical stores should assess their current location and understand if it is benefiting the business in terms of exposure and surrounding areas purchasing power.

Moreover, having a mix of online and offline channels can also benefit luxury resale businesses as the digital market is much bigger than the physical one. Although it was mentioned in the literature review that studies on digital might not be applicable to Portugal due to its low online shopping statistics, our findings suggest that, in order to be fully successful in the Portuguese second-hand luxury market, investment in digital is a necessity. These online platforms should, in agreement with (BCG & Altagamma, 2019), provide seamless experiences and be professionalized for maximum returns. In addition, online businesses can also benefit from pop-ups and physical spaces as consumers direct interaction with pieces can help boost sales and increase brand awareness.

Finally, partnerships are also encouraged, both among smaller and bigger brands. Since investing properly in online platforms can be expensive, partnerships between physical stores that don't intend to undertake that commitment and companies that work in digital is recommended. In addition, big brands should also embrace the growth of this trend as they can only benefit from the growing second-hand luxury market since most consumers that sell second-hand don't generally

buy it. This means that, by selling pieces that they no longer use, first-hand luxury consumers have a higher disposable income to spend on brand-new luxury items.

### **6.3. Limitations that can't be overcome**

Our findings indicate that there are also some limitations that can't be overcome. Those limitations may be preventing the Portuguese second-hand luxury market from reaching its full potential and should therefore be taken into consideration by Portuguese businesses in order to be successful. The first limitation is second-hand stigma and it affects both potential consumers, as they don't engage in this type of consumption due to negative notions attached to previously used goods, and actual consumers, as they sometimes feel judged by others when mentioning they shop second-hand. The second limitation relates with the market itself: the small size of the second-hand and luxury markets, its own culture and the limited purchasing power.

## 7. Conclusion

Although the second-hand luxury market is growing immensely and it is one of the fastest growing trends in luxury, it remains relatively unstudied. Prior studies have mostly focused on brand-new goods, overall second-hand consumption or vintage only consumption. Given this gap, the purpose of this research was to understand which dimensions should be taken into consideration in order for luxury resale businesses to be successful in Portugal.

We chose a qualitative approach due to the exploratory nature of the study and presented a multiple case study. This allowed for a better understanding of the market as four Portuguese companies were thoroughly analyzed and compared. In order to answer our research question, both primary and secondary data were collected and analyzed.

Our insights revealed that, in order to be successful in the Portuguese second-hand luxury market, consumers expectations of authenticity and condition must be met. In addition, their motivations for engaging in this type of consumption (lower price, uniqueness, sustainability and lifestyle) should be used to design strategies to further expand customer base. Our results also show that these businesses face challenges of second-hand stigma and market specific conditions. To overcome limitations, four possible solutions were uncovered: providing a true luxury experience, selecting strategic locations, using a mix of online and offline channels, and creating partnerships.

Regarding limitations of this study, the first one was to not be able to interview everyone I originally expected to. Some consumers of second-hand luxury that are often in touch with the Portuguese luxury industry refused to be interviewed and their insights and viewpoint could have been interesting. In addition, the selection criteria for consumer interviews was too broad. Consumers were chosen based on having bought at least one second-hand luxury item, rather than having bought a second-hand luxury item in the past year or actively buying second-hand luxury. This conditioned interviews and lead to some very specific cases, which might not be representative of the population. Finally, given the lack of academic studies found on the second-hand luxury market, a significant portion of articles cited in the making of the literature review were based on

online newspapers and magazines meaning they may not be as accurate and trustworthy as studies published in top academic journals.

To conclude, future research on the topic can include a quantitative study to further prove the impact of some dimensions in the consumption of second-hand luxury. In addition, qualitative studies based on observation can also be done in order to understand how consumers shop for second-hand luxury in comparison to first-hand purchases, and how second-hand luxury stores differ from luxury stores. Similar studies can also be done in countries with different cultures, purchasing power or bigger luxury markets. Moreover, other areas of second-hand luxury can also be explored such as the motivations for the disposal of luxury goods.

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## 9. Appendices

### 9.1. Appendix 1: Summary of company interview themes

Company Interviewed	Main themes
<b>Du Chic À Vendre</b>	Love for luxury brands Second-hand as lifestyle Price and sustainability as main motivations Portuguese market issues (market size and culture) Importance of partnerships
<b>Addicta Lx</b>	Love for luxury brands Price as main motivation Portuguese market issues (second-hand stigma and lack of purchasing power)
<b>Quartier Latin</b>	Price and sustainability as main motivation Online channels Key location Importance of partnerships Portuguese market issues (market size)
<b>Maudde</b>	Second-hand as lifestyle Sustainability and price as main motivation Online channels Portuguese market issues (second-hand stigma, market size, culture) Importance of partnerships

## 9.2. Appendix 2: Summary of consumer interview themes

Consumer Interviewed	Main themes
<b>Bruno A.</b>	Love for luxury watches Actively looking for new pieces Online channels
<b>Mafalda C.</b>	Price as main motivation Portuguese market issues (second-hand stigma, lack of purchasing power) Location
<b>Beatriz P.</b>	Sustainability and price as main motivation Portuguese market issues (culture)
<b>Isabel C.</b>	Price and lifestyle as main motivation Portuguese market issues (cultural, second-hand stigma, market size) Actively looking for new pieces Online channels
<b>Maria C.</b>	Price as main motivation Online channels Actively looking for new pieces Portuguese market issues (cultural)
<b>Eduarda L.</b>	Love for luxury brands Price as main motivation Portuguese market issues (culture, market size, second-hand stigma)

### 9.3. Appendix 3: Secondary data collected

Secondary Data - Online Articles										
#	Title	Platform	Date of Publication	Author	DCAV	A	QL	M	Source	Date of Access
1	As 10 melhores lojas que abriram este ano	NiT	18 December 2015	Marta Chaves		x			<a href="https://nit.pt/vanity/12-18-2015-as-melhores-lojas-que-abriram-este-ano/attachment/32797">https://nit.pt/vanity/12-18-2015-as-melhores-lojas-que-abriram-este-ano/attachment/32797</a>	29 October 2019
2	Nesta loja pode comprar uma carteira de luxo em segunda m	NiT	7 December 2015	NA		x			<a href="https://nit.pt/vanity/12-07-2015-nesta-loja-pode-comprar-uma-carteira-de-luxo-em-segunda-mao">https://nit.pt/vanity/12-07-2015-nesta-loja-pode-comprar-uma-carteira-de-luxo-em-segunda-mao</a>	29 October 2019
3	Du Chic à Vendre: a loja vintage que vende Chanel (e não só)	NiT	19 February 2016	Inês Costa Monteiro	x				<a href="https://nit.pt/vanity/02-19-2016-du-chic-a-vendre-a-loja-vintage-que-vende-channel-e-nao-so">https://nit.pt/vanity/02-19-2016-du-chic-a-vendre-a-loja-vintage-que-vende-channel-e-nao-so</a>	29 October 2019
4	Vestir o passado	Expresso	11 March 2018	André Manuel Correia	x	x			<a href="https://expresso.pt/sociedade/2018-03-11-Vestir-o-passado">https://expresso.pt/sociedade/2018-03-11-Vestir-o-passado</a>	2 November 2019
5	(Style Tip) Addicta Lx: loja de luxo	Blog	22 December 2015	Cristina Proença			x		<a href="http://stylecatchers.blogspot.com/2015/12/style-tip-addicta-lx-loja-de-luxo.html">http://stylecatchers.blogspot.com/2015/12/style-tip-addicta-lx-loja-de-luxo.html</a>	2 November 2019
6	Conheça estas lojas em segunda mão em Lisboa para dar um	Timeout	24 September 2019	Francisca Dias Real	x				<a href="https://www.timeout.pt/lisboa/pt/compras/conheca-estas-lojas-em-segunda-mao-em-lisboa-para-dar-uma-nova-vida-a-roupa">https://www.timeout.pt/lisboa/pt/compras/conheca-estas-lojas-em-segunda-mao-em-lisboa-para-dar-uma-nova-vida-a-roupa</a>	14 November 2019
7	Roteiro vintage em Lisboa	Timeout	4 June 2019	NA		x			<a href="https://www.timeout.pt/lisboa/pt/compras/roteiro-vintage-em-lisboa">https://www.timeout.pt/lisboa/pt/compras/roteiro-vintage-em-lisboa</a>	14 November 2019
8	A nova loja online que vende roupa em segunda mão de ma	NiT	6 February 2019	Klara Duccini			x		<a href="https://nit.pt/vanity/lojas-e-marcas/artigos-de-luxo-em-segunda-mao">https://nit.pt/vanity/lojas-e-marcas/artigos-de-luxo-em-segunda-mao</a>	14 November 2019
9	Maudde. Ponha aqui a sua Chanel por uma moda mais suste	Observador	6 September 2019	Mauro Gonçalves				x	<a href="https://observador.pt/2019/09/06/maudde-ponha-aqui-a-sua-chanel-por-uma-moda-mais-sustentavel/">https://observador.pt/2019/09/06/maudde-ponha-aqui-a-sua-chanel-por-uma-moda-mais-sustentavel/</a>	14 November 2019
10	Velhos são os trapos (ou não)	Maxima	10 May 2018	Joana Maia Rodrigues	x	x			<a href="https://www.maxima.pt/moda/detalhe/velhos-sao-os-trapos-ou-nao">https://www.maxima.pt/moda/detalhe/velhos-sao-os-trapos-ou-nao</a>	15 November 2019
11	Lojas de Roupa Em Segunda Mão Para se Perder em Lisboa e	Elle Portugal	5 June 2017	Joana Moreira	x	x	x		<a href="https://www.elle.pt/moda/lojas-roupa-em-segunda-mao/">https://www.elle.pt/moda/lojas-roupa-em-segunda-mao/</a>	15 November 2019
12	FASHION REVOLUTION: IT'S TIME FOR A CHANGE!	Blog	2 February 2019	Patricia Pereira	x	x			<a href="http://www.patriciapereira.pt/2019/02/02/fashion-revolution-its-time-for-a-change/">http://www.patriciapereira.pt/2019/02/02/fashion-revolution-its-time-for-a-change/</a>	15 November 2019
13	Du Chic à Vendre	Blog	11 November 2014	Carolina Flores	x				<a href="http://www.lastminutedreams.net/2014/11/du-chic-vendre.html">http://www.lastminutedreams.net/2014/11/du-chic-vendre.html</a>	15 November 2019
14	The Twice Loved Store	Blog	10 April 2018	Isabel Costa	x				<a href="https://www.thelifejuice.com/the-twice-loved-store/">https://www.thelifejuice.com/the-twice-loved-store/</a>	15 November 2019
15	A moda das lojas de roupa em 2ª mão	Sábado	9 July 2019	NA	x		x		<a href="https://melhorqueunico.sabado.pt/a-moda-das-lojas-de-roupa-em-2a-mao/">https://melhorqueunico.sabado.pt/a-moda-das-lojas-de-roupa-em-2a-mao/</a>	15 November 2019
16	Maudde. Da Química e do Marketing para o luxo em segund	Dinheiro Vivo	12 October 2019	Teresa Costa			x		<a href="https://www.dinheirovivo.pt/fazedores/maudde-da-quimica-e-do-marketing-para-o-luxo-em-segunda-mao/">https://www.dinheirovivo.pt/fazedores/maudde-da-quimica-e-do-marketing-para-o-luxo-em-segunda-mao/</a>	15 November 2019
17	Onde comprar acessórios de luxo em segunda mão	Economista	13 April 2018	Maria Oliveira	x	x			<a href="https://www.e-konomista.pt/comprar-acessorios-luxo-em-segunda-mao/">https://www.e-konomista.pt/comprar-acessorios-luxo-em-segunda-mao/</a>	16 November 2019
18	O novo luxo é comprar roupa em segunda mão	Blog	3 October 2019	Sandra Dias			x		<a href="https://terramotto.com/o-novo-luxo-e-comprar-roupa-em-segunda-mao/">https://terramotto.com/o-novo-luxo-e-comprar-roupa-em-segunda-mao/</a>	20 November 2019
19	Addict.a a Loja de Luxo em Segunda Mão	Elle Portugal	19 May 2016	NA		x			<a href="https://www.elle.pt/moda/addict-a-a-loja-de-luxo-em-segunda-mao/">https://www.elle.pt/moda/addict-a-a-loja-de-luxo-em-segunda-mao/</a>	20 November 2019
20	Festejar o réveillon vestida de luxo e a preços baixos? Sim,	Publico	28 December 2017	Susana Pinheiro	x				<a href="https://www.publico.pt/2017/12/28/culto/noticia/festejar-o-reveillon-vestida-de-luxo-e-a-precos-baixos-sim-e-possivel-1797477">https://www.publico.pt/2017/12/28/culto/noticia/festejar-o-reveillon-vestida-de-luxo-e-a-precos-baixos-sim-e-possivel-1797477</a>	20 November 2019
21	Quartier Latin	Timeout	27 July 2017	NA			x		<a href="https://www.timeout.pt/porto/pt/compras/quartier-latin">https://www.timeout.pt/porto/pt/compras/quartier-latin</a>	20 November 2019
22	Usado mas pouco	Visão	9 November 2011	NA			x		<a href="https://visao.sapo.pt/iniciativas/2010-11-09-usado-mas-poucof578609/">https://visao.sapo.pt/iniciativas/2010-11-09-usado-mas-poucof578609/</a>	20 November 2019
23	De mão em mão: As melhores lojas vintage, em Lisboa e no	Visão	8 December 2018	Susana Faustino, Susana Oliveira	x		x		<a href="https://visao.sapo.pt/visaose7e/comprar/2018-12-08-de-mao-em-mao-as-melhores-lojas-vintage-em-lisboa-e-no-porto/">https://visao.sapo.pt/visaose7e/comprar/2018-12-08-de-mao-em-mao-as-melhores-lojas-vintage-em-lisboa-e-no-porto/</a>	20 November 2019
24	Como comprar roupas e acessórios de luxo em segunda mã	Sapo	25 February 2014	NA	x	x			<a href="https://lifestyle.sapo.pt/vida-e-carreira/dinheiro-e-carreira/artigos/como-comprar-roupas-e-acessorios-de-luxo-em-segunda-mao">https://lifestyle.sapo.pt/vida-e-carreira/dinheiro-e-carreira/artigos/como-comprar-roupas-e-acessorios-de-luxo-em-segunda-mao</a>	21 November 2019
25	Preços baixos. Conheça o negócio de compra e venda em se	Sol	24 July 2017	Sónia Peres Pinto	x	x			<a href="https://sol.sapo.pt/artigo/573551/precos-baixos-conheca-o-negocio-de-compra-e-venda-em-segunda-mao-">https://sol.sapo.pt/artigo/573551/precos-baixos-conheca-o-negocio-de-compra-e-venda-em-segunda-mao-</a>	21 November 2019

## 9.4. Appendix 4: Coding table

Preliminary codes	Evolution codes	Final codes	Company 1 - Du Chic À Vendre	Company 2 - Addicta Lx	Company 3 - Quartier Latin	Company 4 - Maudde	Bruno	Mafalda	Beatriz	Isabel	Maria	Eduarda	
Authenticity		Expectations	"I went to LV in the beginning, I introduced myself and asked them to explain to me how to spot a fake bag. When I have serious doubts, I ask the seller to keep the bag a few days and I'll go directly to the actual stores and ask for an authentication"	"Everything must be identified via an authentication card or purchase receipt"	"We have more than 10 years of experience and deal with luxury daily. When we have doubts (...) we hire freelancers."	"We contract people that have worked for years & years in the industry, some have over 30 years of experience"	"First of all, authenticity, that's fundamental."	"Authenticity. I don't want to pay for fakes."		"Make sure they authentic"	"Firstly, authentication of the piece, of course"	"If you're buying brands, make sure they are real."	
			"In vintage pieces, it's easy to look up a brand and see for yourself."	"We can't sell articles as luxury when they're not"	"There must be evidence that the pieces are real."			"Let's face it, if it's counterfeit, it's not really worth buying, at least for me."					
Condition			"First of all, everything must be impeccable. Everything must be clean and complete. No buttons can be missing, every seam must be in place, etc."	"And, of course, everything must be in good condition. Shoes must have boxes, dust bags."	"Things need to be in really good condition"	"Things like Dior, Chanel and such brands, if it's in good condition (...) we generally accept everything"	"Secondly, its condition. There are some things (...) that you know you can improve or fix. (...) For example, a wristband for a good watch can easily cost 500€ or 1000€ so it doesn't make sense to buy it second-hand only to need to replace those things after."	"It's worthy as long as it's in good condition"	"Mainly the condition, because it's not worthy to buy a piece from a known brand if it's ruined."	"I see if the piece is in good conditions, especially if it's luxury"	"I really wanted that bag but the condition was not the best."	"Condition"	
Consumer motivations	Uniqueness	Opportunities	"The pieces are unique, you won't find them easily again"		"They are unique pieces. Those pieces were once bought because someone had interest in them and those pieces have their own history."	"Pieces are unique as well, some pieces we know we're never going to see twice"	"That way I can see the watch, see it's condition, it's details"		"It's unique. I mean, it's not really unique because I'm sure there are more pieces like that, but the chance of you seeing someone with the same piece is very slim."	"They're things that no one has, they're unique."	"There are a lot of models that are no longer being fabricated and the only way to get them is via second-hand."	"You can find unique pieces with unique styles"	
	Sustainability		"You're helping the environment – recycling"		"Sustainability. It's a circular business. I'm a Ambiental Engineer so for me it's very interesting to own a business where I see the same pieces going from one person to another."	"Sustainability is the main reason"			"If people knew how polluting it is to make a pair of jeans versus washing a pair of pre-owned jeans, I think everyone would start buying second-hand."	"Now, I think a bit about sustainability but it's not my main motivation."	"This is not my main motivation but you're recycling things. It also makes a good impact on the world."		
	Lower Price		"Why spend a fortune when you can have the same thing for cheaper?"	"Store values are really high. Chanel bags currently sell for 4k. I have a brand new one here for 3k. I know the difference is not that big but it's still something and it's brand new."	"Things are much cheaper than in the store."	"Our Moschino pants sold for 80€, that's cheaper than a brand new pair of levis"	"If you buy it new, you buy it at the price that the brand sets - and you usually pay a lot more."	"When you buy directly from the store, the prices are really high and, at least for me, it's too expensive."	"I am someone who is always looking for bargains and discounts"	"It's ridiculous to buy it full price. The client pays for publicity, photographer, the runways shows. You're paying a lot of money to buy something that doesn't cost that much to produce."	"Obviously, it's so much cheaper than buying pieces new."	"Shopping vintage and second-hand is also much cheaper than originals."	
				"Some people don't have capabilities to buy a chanel bag for 4k and they can buy it for half or even a third of the price."		"Buying luxury is not a wasted investment. You can always sell it again."	"When you're buying second-hand, usually you're buying something in a good condition and at a much lower value."		"I think the prices they [big brands] practice are absurd."	"Mostly, cheaper prices"			
	Lifestyle		"You really need to like this [luxury] to come across my store, I think. It's one thing to like fashion, ok, and then what?"	"Most people buying second-hand luxury really love fashion and the piece"	"For people that truly like fashion and accessories, [second-hand] is a very addictive thing."	"I have always bought second-hand, in my trips I'd visit these stores, and even my kids wear it."	"Both my parents work in the watch industry (...). Since I always had that direct contact, there was a transmission of taste from my parents onto me"		"I grew up in south Africa and there's a lot of second-hand there and I'd always shop there. Even when I was a teenager, I'd travel and look for pieces that no one had."	"I always had that dream of having something from the three biggest brands, Chanel, Dior and YSL."			
				"Unless you know the store, you won't stumble upon it. They come here on purpose"			"I have this range of around 10 brands that I am interested in and actively look for"		"I have a big love for second-hand and vintage."	"I fell in love with it [second-hand shopping]."			

Preliminary codes	Evolution codes	Final codes	Company 1 - Du Chic À Vendre	Company 2 - Addicta Lx	Company 3 - Quartier Latin	Company 4 - Maudde	Bruno	Mafalda	Beatriz	Isabel	Maria	Eduarda
Challenges of second-hand luxury	Second-hand stigma	Challenges and limitations		"A lot of people don't want to go into a second-hand store and risk being seen or talked about"		"They still have that idea of second-hand clothes are leftovers."	"I never thought about it but I don't think so. Clothes, especially, not really."	"To be honest, second-hand clothing bothers me. I don't know who wore them before, if the clothes are washed. You're wearing clothes that someone else used before you, you don't how many times they wore it, if it's well conserved, let's say, hygienically."	"England is much more open regarding the second-hand concept than Portugal."	"I don't have any problems saying my things are second-hand but some people give me sideways looks when they find out"	"Clothes that are really close to the body I'd have a bit of a struggle buying. Like tight shirts and stuff."	"I regretted my Dior loafers. It really bothered me that I was using someone else's shoes so I ended up selling them."
	Purchasing power		"People have other priorities"	"They don't have enough purchasing power. That's the difficulty, we sell second-hand luxury items but they are still very expensive for the average person"			"We are not always buying them, of course, because we're talking about pieces that are often still very expensive."	"expensive wallet in second-hand"	"Now, in Portugal, (...) the stores are very overpriced."	"Portugal has an inferiority complex of a poor country that was always poor. They think being rich is leaving food on the plate. (...) If they come from families where money was an issue in the past, they'll always want to buy things new"	"I'm still studying so I don't have that much disposable income, of course."	"Second-hand is always cheaper but both of them are investment"
	Market		"I always say that women here are afraid of being different! (...) If one thing is trendy, they all use it."	"People that lived abroad of have travelled a lot end up using this type of stores because they are used to buying second-hand outside. In London, there are a lot of these stores."	"our market is small"	"Obviously, Portugal is a very small market and the luxury market is even smaller. That's a huge difficulty"		"But in Italy it's different because it's the country where most brands come from. (...) There are second-hand stores everywhere."	"I feel like in Portugal, even if I wanted to buy them, they are extremely expensive and there's not that much accessibility, only in big cities."	"Portugal is a very small market for me. In Japan, I found amazing pieces because they have a different culture, they wear a lot of brands and take care of their things. It's not a country where you wear fast fashion, it's where you wear luxury."	"I went to London and that's when it all started. They have a vintage and SH market like I've never seen before. I never bought anything vintage until I went there and I fell in love with it."	"The second-hand market in NYC is huge compared to Portugal"
			"Portugal doesn't follow the trends, it's impressive. (...) abroad is almost trendy to buy second-hand and there's growing partnership between the old and the new."	"But here the mentality is different"		"We did a survey before launching a lot of people didn't know luxury second-hand stores nor regular second-hand either besides Humana. They'd say that they'd buy it but they don't know where or how to."				"First of all, they [UK] wear whatever they want and don't really have a defined style. In addition, they have a big habit of buying second-hand."	"Not wearing and wearing second-hand is about culture"	

Preliminary codes	Evolution codes	Final codes	Company 1 - Du Chic À Vendre	Company 2 - Addicta Lx	Company 3 - Quartier Latin	Company 4 - Maudde	Bruno	Mafalda	Beatriz	Isabel	Maria	Eduarda
Challenges of second-hand luxury	Big brands	Solutions	"I think that brands, especially here, haven't realized that there are a lot of advantages in working with second-hand stores. If their client wants to buy a new item and get rid of an old one, it's a full circle."		"We have a lot of help from the big stores (...). Nowadays they look at us like partners. We sell pieces from their clients, so, when they make money from our store, they also have more money to spend on theirs."	"The second-hand market can also make the luxury market itself grow. People that buy second-hand luxury are more likely to buy a brand new luxury item in the future because they already had that first easier contact with them."						
			"I have a Facebook and an Instagram account and that's all in terms of social media."	"We use Instagram and Facebook"	"We're launching the new website in December and we contracted a digital marketing company for the first time. All investment from here on will be mostly on the digital."	"The market in Portugal is very small and if an online platform is available, why not take advantage of it and sell everywhere?"	"I'd rather buy face to face, meaning I meet with the person or I go to their shop. That way I can see the piece"	"I don't buy online because I like to see the pieces. I think that online is not the best place to buy second-hand because I like to see the condition they are in."	"If I can, I'd rather buy online because pieces come authenticated"	"The second-hand market in NYC is huge compared to Portugal, not only physical but also in apps."		
			"All the ideas I have always require an investment of money. I'm not ready for that, I'm not in a position where I want to invest."		"We're always dependant on what goes on outside. (...) . Our business is now taking its first step with online platforms when a lot of other business out there work well with online by now."	"By seeing the pieces and touching them, they are a really good reaction. I think people, at least here, really need to see the pieces. "	"They [sellers] can show pictures but that can be easily edited and it looks better than it is. You can always complain but it's a long process and it's annoying."	"I think I haven't started using it [online platforms] because I still have that Portuguese mindset I think."		"In apps, I buy more specific things than in stores"		
	Location		"I think this neighborhood has an allure that few neighborhoods have."	"The store is in a low visibility place. It has its advantages because a lot of people don't want to go into a second-hand store publicly and risk being seen. However, it's really low visibility. Unless you know the store, you won't stumble upon it. "	"We moved to a very exposed location, right next to the big brands here in Porto. (...) People have a lot of purchasing power in this area and since they don't have that many places to spend their money on besides this street, they focus a lot here"		"There's also really good second-hand watch shops in Portugal, there's a really good one in Avenida da Liberdade."	"Where I've been seeing these stores [second-hand] in big cities is further from the tourist center. They are more hidden."				

### 9.5. Appendix 5: Comparison of the four companies studied

Du Chic À Vendre	Addicta Lx
<p>Challenges most felt:</p> <ul style="list-style-type: none"> <li>▪ Market size</li> <li>▪ Culture</li> </ul> <p><b>Luxury service:</b> Personal and tailored communication, good store presentation  <b>Location:</b> Average  <b>Mix of channels:</b> Physical store and social media  <b>Partnerships:</b> Unknown</p>	<p>Challenges most felt:</p> <ul style="list-style-type: none"> <li>▪ Second-hand stigma</li> <li>▪ Lack of purchasing power</li> </ul> <p><b>Luxury service:</b> Close door showroom, personal and tailored communication  <b>Location:</b> Weak  <b>Mix of channels:</b> Physical store and social media  <b>Partnerships:</b> Unknown</p>
Quartier Latin	Maudde
<p>Challenges most felt:</p> <ul style="list-style-type: none"> <li>▪ Market size</li> </ul> <p><b>Luxury service:</b> Personal and tailored communication, good store presentation, good customer service  <b>Location:</b> Strong  <b>Mix of channels:</b> High online investment and physical store  <b>Partnerships:</b> With online platforms and big brands</p>	<p>Challenges most felt:</p> <ul style="list-style-type: none"> <li>▪ Culture</li> <li>▪ Second-hand stigma</li> </ul> <p><b>Luxury service:</b> Concierge service, personal and tailored communication, good customer service  <b>Location:</b> Not applicable  <b>Channels:</b> High online channel investment, working on pop-ups  <b>Partnerships:</b> With small brands (unknown)</p>