Ten years after launching on the market, and after becoming a luxury goods specialist, French pre-owned fashion e-tailer Vestiaire Collective is going back to its roots, opening up to mid-market, affordable luxury labels like for example Sandro and Maje. Driven in the course of the last 12 months by new CEO Maximilian Bittner, this evolution necessitates a series of tweaks in terms of selling options, as the website's head of Europe Bertrand Peyrat told FashionNetwork.com, in a discussion also extending to Vestiaire Collective's international expansion plans.

Broadening the product range induced Vestiaire Collective to revise its commissions last April, bringing them to €15 for items sold below €150, and 25% for those sold between €151 and €2,000.

Last September, the site then announced it was introducing the option for customers of buying directly from private vendors. The new service, ideal for mid-market items, also made product authentication optional in the case of vendors certified as ‘Recommandé’ [recommended vendor] and ‘Expert’ [expert vendor], which also means there is no extra €10 authentication charge on the item’s price. The new option’s deployment was promoted via a partnership with Sandro, Maje, Claudie Pierlot, Ba&sh, Amélie Pichard and MaisonCléo. According to Bertrand Peyrat, this is a way for Vestiaire Collective to go back to its roots.

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We started out as Vestiaire de Copines, which covered the fashion market as a whole, and didn’t have an ultra-luxe positioning,” he said, adding that “we decided to return to a more affordable positioning because we realised that people who buy Vuitton or Chanel are also willing to wear this kind of [mid-market] items. Featuring them again means we offer a consistent range of products. Buying directly from vendors is an option tailored for these items. Since we launched it, 70% of the customers who have been offered this option went for it.”

Vestiaire Collective’s range is now split into three categories: ‘Luxe and designer luxury’, still accounting for a “large share” of revenue; ‘Designers, streetwear and collaborations’, within which streetwear is said to be quite successful; and finally ‘Middle brands and affordable luxury’.

The average purchase basket is currently said to be €400, and the number of purchases per user is growing. The site also intends to gradually rethink its approach towards the user community, targeting user profiles which are more consistent with its fashion labels, and giving vendors a greater chance to start a conversation with their community. On October 15, Vestiaire Collective held its first Sellers Event in Paris, a gala evening for its best vendors held at the Royal Monceau hotel.

A closer relationship with fashion labels

However, Vestiaire Collective isn’t keen to give more voice to vendors alone, it also wants to do so with fashion labels. A closer relationship that is motivated by market statistics: 57% of second-hand luxury product buyers then go on to purchase new products, or consider doing so, according to the Boston Consulting Group. Vestiaire Collective can therefore drive consumer traffic towards luxury labels, and intends to develop closer links with some of them. “We can put them in touch with users who have bought their products second-hand, and when these users re-sell their items, they receive a voucher they can spend on the specific brand’s site. I think this will be the first stage in our new approach with labels,” said Peyrat.

It is quite a challenge for a site that claims 8,000 products up for sale on any given day, with a catalogue of nearly 1.5 million items. It boasts an audience of 9 million users, on average more concentrated in the 35-40 age bracket, but gradually shifting towards the 25-30 bracket: a generation whose purchasing behaviour is increasingly favouring sustainability and a circular approach, making them the dream target for pre-owned fashion specialists.

However, by increasingly leaning towards the broader ‘affordable luxury’ segment, isn’t Vestiaire Collective running the risk of locking horns with the plethora of operators active in the second-hand fashion market? In France for example, resale specialist Leboncoin bought second-hand clothing site Videdressing, while Lithuanian site Vinted has cornered 56% of the online second-hand fashion market, according to the French Fashion Institute, though Vinted’s scope is for the time being said to be limited to Europe.
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Nothing to worry about for Peyrat, who underlined Vestiaire Collective’s unique positioning: “Vinted has an average purchase basket of €15, and is very strong on childrenswear. This by no means relates to our core customer target. I believe that our value proposition is very different, and that a site like Vinted is much more of a direct competitor for Leboncoin.”

Eyeing expansion in America, Asia-Pacific

In 70% of cases, Vestiaire Collective’s sale transactions take place between buyers and sellers located in different countries. Cross-border trade is so predominant that international expansion is a must for the French website. Besides having offices in Paris, London, Milan and Berlin, for the last four years the site has been present in New York and Hong Kong, to cover the Asia-Pacific region. The latter, following a funding round worth €40 million last June, is destined to be the focus of a large part of Vestiaire Collective’s future efforts.

“It’s an issue which we will be considering in-depth during 2020: how to engineer our Asian expansion, as well as accelerate our deployment in the USA. We are aware that there are differences in expectations and consumer behaviour between regions, which makes it even more important to have a local presence,” said Peyrat. He explained for example that Asian consumers are attracted by more expensive products than their European counterparts, since Europe is a more mature market, with a growing number of young customers.

On October 15, Vestiaire Collective staged in Paris its first vendor event - Vestiaire Collective

Vestiaire Collective is now keen to deploy in Thailand, Indonesia, Malaysia and Taiwan, as the Asian market is said to have increased sales by 140% in spring. However, the site has also heralded its intention of launching in the UAE, Brazil, Mexico, Israel, Saudi Arabia and India.

Vestiaire Collective was founded in 2009 and has a staff of 437 people, of which 360 are based in France. The site declined to disclose its revenue. Its leading markets are currently France, the UK and Germany, and it is aiming to rapidly grow in size outside Europe.

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