

Understanding Second-hand Luxury Consumers

Abstract: Using a rich sample of women's bag listings from a leading luxury resale platform, we study the factors influencing pricing and demand for women's bags in the second-hand luxury market. Given that the primary motive for purchasing luxury goods is status signaling and brand prominence is key to this signaling, we focus on attributes that can enhance brand prominence. Whereas previous research has predominantly used logo conspicuousness to measure brand prominence, we introduce design typicality as a novel measure using machine learning. We find that both conspicuous logos and typical designs lead to a smaller mismatch in item valuation between buyers and sellers. In addition, design typicality also positively influences a bag's resale value. Our research offers insights into second-hand luxury resale and luxury brand marketing decisions, contributing methodologically to machine-learning-based metrics for visual design quantification.