

Optimizing M-commerce for Young Consumer Engagement with Second-Hand Luxury Goods Websites

ABSTRACT

Despite the expanding pre-owned market for luxury goods among young consumers, little research exists to understand their perceptions and purchase intentions regarding secondhand luxury goods (SLG) platforms. This study aimed to understand young consumer perceptions and purchase intentions toward SLG platforms through M-commerce and provide actionable insights into marketing and consumer behavior strategies for entrepreneurs and start-ups in the SLG market. Through snowball sampling and in-depth Zoom interviews, 41 young consumers were interviewed to identify the main themes and understand their shopping behaviors on SLG websites. The study identified four key themes: brand value, trust, engagement, and social media. The results showed that a positive website experience, discounts, authenticity guarantees, product transparency, virtual try-on features, and various safety implementation methods would motivate them to buy off SLG websites over the source. In conclusion, for a start-up to have a successful SLG website tailored to younger consumers, it should prioritize features such as item authentication, clear return policies, detailed product information, filters for brand and price, and reputable reviews. They should also consider facilitating direct connection from their website to physical brick-and-mortar stores by incorporating social media platforms like TikTok and Instagram. Promoting the eco-friendly aspects of SLGs, such as waste reduction, could also appeal to young, eco-conscious consumers.

INTRODUCTION

- The second-hand luxury goods (SLG) market is defined as the market for pre-owned high-end products associated with prestigious brands.
- This market has experienced significant growth in recent years, driven by shifting consumer lifestyles, a growing awareness of sustainable shopping practices, and increasing demand.
- The SLG market is valued at \$40.51 billion in 2023 and is expected to grow to \$85.05 billion by 2030 (Research and Markets, 2024).
- Luxury brands such as Gucci, and Burberry are launching their own resale programs or partnering with existing ones (Cormack, 2024).
- Millennials and Generation Z primarily drive consistent growth in the SLG market.
- The perception of luxury brand value on online platforms can significantly influence consumers' purchasing decisions (Chu & Liao, 2010).
- The rapid growth of mobile commerce (M-commerce) contributes significantly to the upsurge in demand for SLG among young consumers.
- According to Shopify (2024), the retail M-commerce segment within e-commerce is projected to reach \$710 billion by 2025 in the U.S.
- Despite the expanding pre-owned market for luxury goods among younger consumers, little research exists to understand their perceptions and purchase intentions regarding SLG platforms using a qualitative approach.

ACKNOWLEDGMENTS

I would like to thank Professor Lyon Nam for allowing me to participate in this research project and learn more about it, as well as helping me along the way. I would also like to thank my UROP leaders Ana-Gabriela Osorio and Elias Latimer, along with UROP Senior Associate Director Alicia Batailles, for providing guidance and support throughout this process.

RESEARCH QUESTIONS

- **RQ1.** How can M-commerce platforms build trust and drive engagement among young consumers in the pre-owned luxury market?
- **RQ2.** What role do advanced technologies play in mitigating counterfeit concerns and enhancing trust among young consumers in the pre-owned luxury market?
- **RQ3.** What key factors influence young consumers' trust and purchase decisions on SLGs through M-commerce platforms?
- **RQ4.** What strategies can start-ups use to differentiate themselves in the pre-owned luxury goods market?

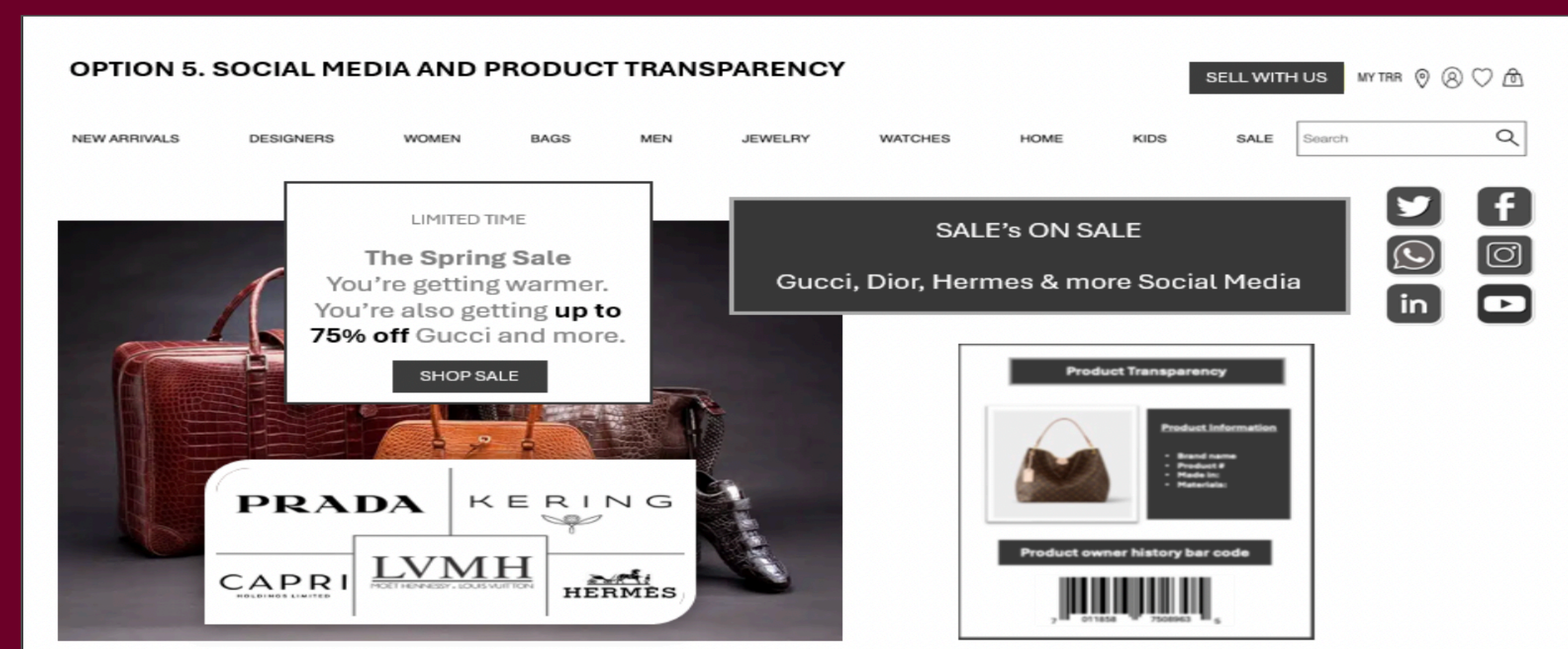


Figure 1. Most Popular Second-Hand Luxury Good Website: social media and product transparency.

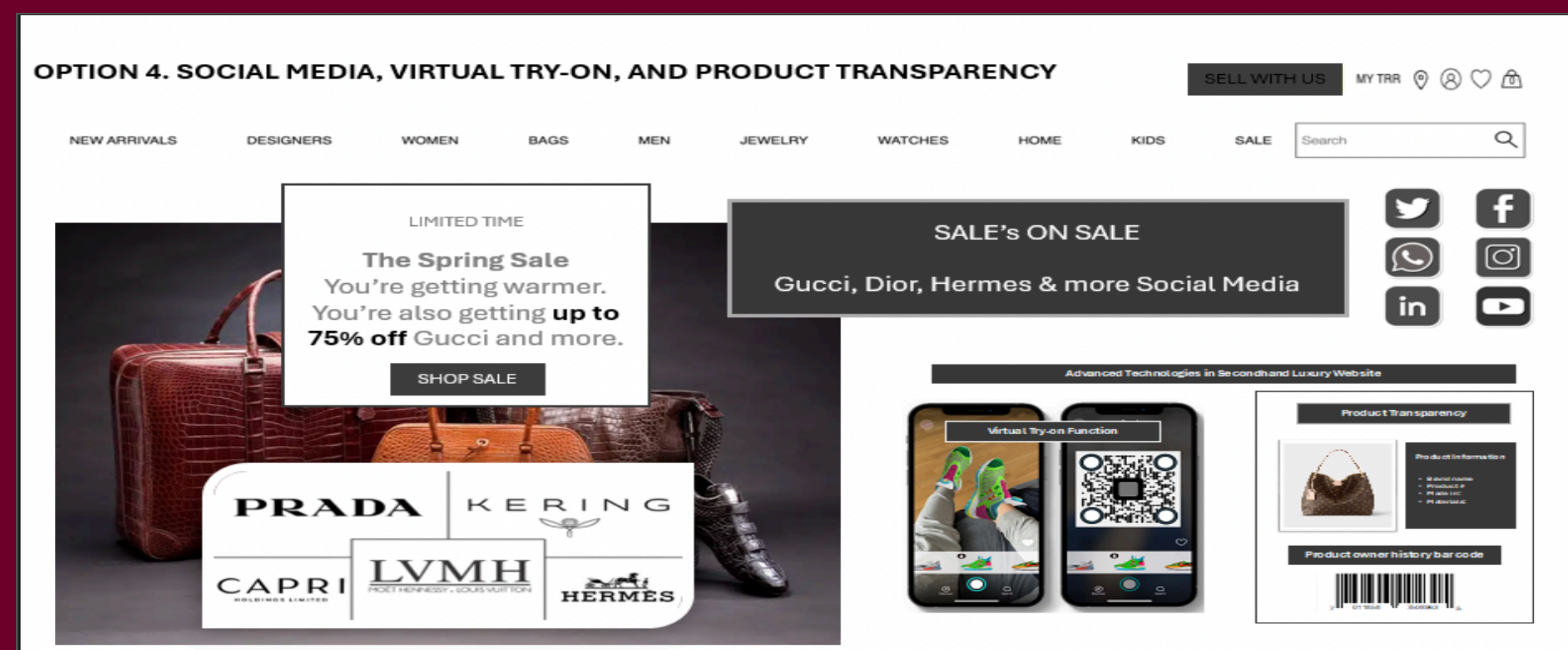


Figure 2. Second Most Popular Second-Hand Luxury Good Website: social media, product transparency, and virtual try-on

METHODS

- A qualitative approach was employed through in-depth interviews with 41 young consumers (n = 29 female, n = 12 male) who frequently shop online, averaging 3–4 purchases in the past month.
- Among them, 27 participants had purchased SLGs, but only 11 had both purchased and resold SLGs in the market.
- Participants were recruited via snowball sampling
- Through Zoom, each interview lasted approximately 20-30 minutes.
- For content analysis, based on the taxonomy developed by William and Ramaprasad (1996), participants' reports were carefully read multiple times to identify the main themes and understand their shopping behavior on SLG websites.

RESULTS

- The study identified four key themes: brand value, trust, engagement, and social media.
- 24% of respondents have purchased and resold second-hand luxury goods (SLG) in pre-owned markets.
- Most respondents (88%) indicated that a positive website experience, a user-friendly interface, and competitive pricing motivate them to purchase SLG.
- If SLG websites provide huge discounts or are mindful of the value of the SLG, young consumers will be more motivated to buy.
- Moreover, younger generations are more inclined to use Instagram and TikTok rather than platforms like LinkedIn or Facebook.
- The majority of respondents (83%) believed that social media along with endorsements from friends, family members, and influencers, are some of the most powerful advertising tools for SLG.

CONCLUSION

- SLG websites should prioritize features such as item authentication, clear return policies, detailed product information, filters for brand and price, and reputable reviews.
- Entrepreneurs and start-ups may also consider facilitating direct connection from the website to physical stores by establishing brick-and-mortar stores to attract and retain young customers.
- In terms of engagement, implementing advanced technologies (i.e., product transparency barcodes, authenticity checks, and verification tools) can enhance young consumers' trust, making them more likely to purchase from platforms that offer these features.
- Innovations such as virtual try-ons or 3D product views could also enhance the shopping experience.
- Promoting eco-friendly aspects of SLGs, such as reducing waste, could appeal to eco-conscious consumers, particularly through short videos and infographics.

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