

More second-hand retailers in Singapore's luxury fashion sector

Singapore is seeing a growing number of second-hand retailers in the luxury fashion sector.

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Bag collector Betty Loke browses the pre-loved selections at Designers Exchange, a second-hand retailer.

SINGAPORE: Singapore is seeing a growing number of second-hand retailers in the luxury fashion sector.

An expert predicts this development -- in Singapore and elsewhere -- might one day help change the way top names in the industry do business.

When it comes to handbags, Betty Loke is not easy to please.

A collector of unique, small bags, she often finds the selection in Singapore's boutiques lacking.

But every so often, she browses the pre-loved selections at Designers Exchange, hoping for a find.

Betty said: I saw this bag and it was (over) S\$700... and I bought it because I thought it (the price) was reasonable, and it's almost like new because I think the (previous) owner bought it and found it too small, so she left it here."

Betty is but one of a growing number of Singaporeans buying into the high-end fashion world -- not through the boutiques lining Orchard Road, but through the second-hand market.

These shops often offer better bargains on a wider selection of items, whether it's a denim Chanel blazer, or an ostrich skin Birkin bag.

Ophelia Teo, owner of Designers Exchange, said: "Our clientele, I would say our majority, like 80 to 90 per cent is actually Singaporean, and their taste has been going very upmarket for the last two, three years, or even three, four years.

"That's why we have stopped bringing in brands like Coach or even Kate Spade, which we never even had in the first place. Because our clientele is just not looking for them anymore; they just want something that's really prestigious."

Industry watchers said second-hand retailers have carved themselves a new niche in the luxury market. This includes not only collectors seeking elusive pieces, but young Singaporeans unwilling or unable to afford boutique prices.

Dianne Conti, chief operations officer at Chic Stash, said: "We start with high school kids, college kids who are on an allowance or on a small budget, but are aspirational and want to own a Chanel bag or a pair of Gucci jeans, (or) when you get your first paychecks and you first start working, and (you want to) show your brand, and that you're able to buy that.

"And if you're into fashion at all, that means finding unique pieces, because they're an expression of who you are. We're the only way they can afford it, because they can get a pair of pre-loved jeans or a bag at 80 to 90 per cent off. So we're helping to get them to that point. We're in the happiness business."

Fears of brand dilution have kept luxury manufacturers away from tapping the second-hand market.

But as the market grows, and more shoppers sell off current season items, they might find themselves priced out of the market by retailers of pre-loved goods.

Srinivas Reddy, director of centre for marketing excellence at Singapore Management University, said: "I think there is always a risk if the same store sells both genuine first-hand stuff and also the pre-owned stuff. There is always a fear that there could be dilution.

"But I was thinking about an analogy in the used-car market: if you think in terms of very high-end cars -- Mercedes, Porsche and BMW -- the same dealership that sells the regular cars also sells the pre-owned stuff. For them, they did not see any dilution in the brand.

"The manufacturers don't want fake stuff to be sold, but they also want to control some of the value that is being generated through this second-hand market. And so what that means is that they have to rethink their business model in terms of how they sell, and how they provide trusted channels where they can extract some of the value that is there in the luxury segment."