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Is luxury resale the future of fashion?

Consumers will increasingly shun cheap clothes and favor preowned designer goods instead, predicts Max Bittner, the CEO of resale platform Vestiaire Collective.



Max Bittner

“If a 15- or 16-year-old is doing it today, chances are pretty high that you and I will be doing the same thing in a few years.” So says Max Bittner, CEO of Paris-based Vestiaire Collective, the premium and luxury resale platform that now counts more than ten million members worldwide. In Bittner’s view, it’s only a matter of time before the rest of the world adopts a habit that many young consumers already engage in today: buying and selling preowned clothes.

Bittner is fairly new to the fashion industry—he took the top job at Vestiaire just two years ago—but he knows a thing or two about e-commerce, having founded Southeast Asian e-commerce platform Lazada in 2012 and served as its CEO for six years. Technology giant Alibaba acquired Lazada in 2016.

Bittner recently shared his thoughts on the future of secondhand fashion with McKinsey’s Miriam Lobis and Monica Toriello. The following are edited excerpts of the conversation.

McKinsey: Some industry observers predict that, in the next ten years, fashion resale will become bigger than fashion retail. What will it take to make that happen? What will be the tipping point?

Max Bittner: Overall, we see a significant trend of people becoming very focused on the sustainability aspect of the way they consume. Consumers are realizing that the fashion industry is a major contributor to many ecological issues the planet is facing right now. They’re also becoming aware that they can take concrete actions to counter the negative impact of fashion. By extending the life cycle of the products that you wear by nine months, you can help reduce the industry’s carbon emissions by 30 percent. By buying secondhand handbags instead of new ones, you can help reduce fashion’s carbon emissions by up to 90 percent. These realities are sinking in dramatically with consumers. There’s a Google Trends chart that shows a huge spike in searches for “sustainable clothing,” even just between 2018 and today.

There is somewhere between half a trillion and a trillion dollars' worth of luxury goods in people's closets, and probably half of it is unworn. Resale is a fundamental solution to the enormous environmental challenges that we face.

McKinsey: Young people today—millennials and Gen Zers—are buying and selling clothes and accessories online; it feels totally natural to them. But that's not currently the case for many older consumers. What will it take to achieve the large-scale consumer shift, such that resale becomes a natural part of the way that people think about their wardrobes?

Max Bittner: Widespread adoption of any new technology or any new way of consuming takes time. Usually, looking at the habits of teenagers or college students is a pretty good indicator of where the world is going. What we've seen since the beginning of this year with the COVID-19 outbreak is a dramatic acceleration, like one of those time-lapse films that's speeded up. So it's purely a question of time. If a 15- or 16-year-old is doing it today, chances are pretty high that you and I will be doing the same thing in a few years.

McKinsey: Vestiaire raised \$64 million in its latest round of funding this past April—a vote of confidence from the investor community, particularly amid a global pandemic. You've said that part of the funding will be used for technology and data solutions. What new technologies or new ways to use data are you most excited about?

Max Bittner: We're incredibly excited about growing our global community of fashion activists through developing the social aspect of resale and also through gamification: making the process fun and engaging for both buyers and sellers, whether that's through chats, fan groups, online forums, and other tools that help create community and an emotional connection. We're excited about translating the traditional offline shopping experience—you and your friends going to a store or to the mall—into an online experience.

We look at the world and we see a global wardrobe. The beauty of online retail in general is the whole concept of endless aisles; we will never run out of shelf space or store space. But as we scale the assortment, of course, discoverability and findability play a bigger and bigger role. When you're shopping for secondhand fashion, it's all about individual pieces, so we want to show you only the items that are relevant to you. We think there's a tremendous opportunity to connect the right buyer with the right product at the right time in the product's life cycle. Technology, of course, powers the social-commerce part.

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A second important element is data, which powers everything we do. We're learning so much about consumer behavior after the primary sale of the product. Currently, the industry has very little understanding of what happens to products after the primary sale, so there is a lot of opportunity there.

If you combine the social-commerce part with the data possibilities, what you will get is a completely new, empowering technology that doesn't exist yet and a dramatic transformation of what people think an item of clothing is. Is it a consumable? Or is it an asset? As more people get educated about the items they buy and the residual value of those pieces—and they realize that they can resell those pieces—then their whole mindset about the value of their wardrobe will change.

McKinsey: So what do you think the fashion landscape will look like in ten years? Will all the traditional players go into resale and other circular business models?

Max Bittner: Secondhand goods will definitely play a huge role in the future fashion landscape. I think that's inevitable, because we all live on this planet, and it is literally on fire or underwater, depending on where you are in the world. That trend is not reversible.

No one will want to wear new clothes if the process of making those clothes causes people to suffer or to lose their lives. Consumers are demanding action, and because of that, governments need to act. Look at the car industry, which has also faced intense pressures with regard to its impact on the environment. Resale represents 50 percent or more of all cars sold in the world. That might be one indicator of where fashion is headed. I see a significant acceleration toward sustainable clothing and sustainable behavior.

I think another thing we will see is a much deeper understanding among consumers of the asset value of the products they buy and the residual value of those products. I think we'll see a dramatic shift away from what I would call the "normal" multitrillion-dollar clothing retail market and toward the \$300 billion luxury market. The growth of the luxury market will accelerate because people will realize that buying products that are durable and made with real craftsmanship will result in higher residual value, and they'll be able to resell those products.

McKinsey: You've said businesses should always seek to disrupt themselves. How do you foresee Vestiaire disrupting itself?

Max Bittner: It's absolutely true. Consumers and technologies are evolving at a crazy speed, and if you're not willing to disrupt yourself, someone else will, so we have to stay on top of our game.

What are the ways I can see us being disrupted? Well, I think there will be much more effective tracking and traceability of products through NFC [near-field communication] and RFID [radio-frequency identification] technologies; we need to stay aware of those developments. I think there will be continuous improvement in the transportation of products and the costs associated with that. I think there will be meaningful improvements in how consumers will know that a product they buy online is truly what they want: there will be new technologies that help consumers with sizing, or that let consumers see what a particular item of clothing would look like on their bodies, or that convey to consumers what a fabric feels like to the touch.

But, again, the biggest disruption is already under way. On any given day, people around the world are suffering from global warming, flooding, storms—the list goes on. We are all going to be disrupted in a way that we can't even fathom yet. What's happening now because of the pandemic, with people being asked to stay at home and sit on their couches for a few weeks or months, is nothing compared to what might happen because of climate change. That disruption is one that we should all be trying to prepare for.

Max Bittner is the CEO of Vestiaire Collective. This interview was conducted by **Miriam Lobis**, a partner in McKinsey's Berlin office, and **Monica Toriello**, an executive editor in the New York office.

[For more from Max Bittner, see the videos accompanying this article on McKinsey.com.](#)

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