

## Why do Millennials and Generation Z Love the Second-Hand Luxury Products despite the COVID-19 pandemic?

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### Abstract

The purpose of this study is to investigate the effect of the pandemic/epidemic concern on young consumers' purchase intention for second-hand luxury products. The outcomes of this study will provide insight into the second-hand luxury market, which can be helpful in the development of marketing strategies for the luxury marketing and fashion industries in unforeseen circumstances. The proposed theoretical framework will contribute to a better understanding of young consumers' motivation in consumer behavior studies and second-hand luxury market industries. It will indicate the second-hand shopping motivation factors that lead to changes in their attitude and purchase intention toward purchasing SLPs and offer a profound aspect of the role of attitude and purchase intention between millennials and generation Z in unforeseen circumstances in the future.

**Keywords:** second-hand luxury products, Millennials, Generation Z, COVID-19 Pandemic

### Introduction and Background

Over the past two decades, the second-hand luxury market has been categorized as a new fashion luxury market. Second-hand luxury shopping refers to “the acquisition of second-hand objects through methods and places of exchange that are generally distinct from those for new products” (Guiot & Roux, 2010, p. 356), which are classified into clothing, apparel, footwear, and accessory. The sales of the second-hand luxury market are expected to reach \$64 billion by 2024 (ThredUp, 2020). The rapid growth of the second-hand luxury market is influenced by increasing luxury consumption, environmental concern, and societal impact (Turunen, Leipämaa-Leskinen, & Sihvonen, 2018). Although the COVID-19 pandemic has an impact on the consumers, retailers, and manufacturers in the fashion industry, the luxury market in the U.S. is forecasted to grow approximately \$27 billion in 2021, according to Statista (2021). Besides, the COVID-19 pandemic leads to consumers' cost-conscious and increased sales of luxury accessories (e.g., rings, high-end shoes, jewelry, and handbags) compared to before the emergence of the pandemic (Davalos, 2020). Especially, second-hand luxury is increasing in retail selling websites (e.g., TheRealReal, Poshmark, etc.), changing consumer preferences, and rising concern about the sustainability of luxury goods (ThredUp, 2020). Young consumers (e.g., Millennials and Generation Z) bargain for second-hand luxury goods faster than any other age group (ThredUp, 2020). To create effective marketing strategies, it is vital to identify consumers' motivations (e.g., economic, critical, hedonic/recreational motivations), which will reach their gratification and satisfaction in the second-hand luxury market. Therefore, the purpose of this study is to investigate the effect of the pandemic/epidemic concern on young consumers' purchase intention for second-hand luxury products (SLPs).

Several studies on second-hand luxury shopping exist to investigate the importance of second-hand shoppers' motivation (Guiot, & Roux, 2010; Padmavathy, Swapana, & Paul, 2019) and consumer profile (Zaman et al., 2017) because second-hand luxury shopping leads to be motivated by economic, critical, and hedonic/recreational features. However, the previous research did not examine the unforeseen

circumstances (e.g., pandemics, epidemics, and outbreaks) that influence consumers' purchase behavior for second-hand luxury products between millennials (born between 1981 and 1996) and generation Z (born between 1997 and 2015). Consequently, the in-depth understanding of young consumers who purchase items from second-hand on/off retailers and their fundamental motivations is critically significant.

Based on literature review and the theoretical fundament for the Theory of Reasoned Action (TRA) (Fishbein & Ajzon, 1975) and shopping motivation (McGuire, 1974), which eventually support investigations of consumer behavior toward products and retail channels or stores, the following research questions (RQs): (RQ1) *What motivation do young consumers influence purchasing intention toward the second-hand luxury goods in pandemic/epidemic concern?* (RQ2) *How do different motivations affect millennials and generation Z on purchasing intention toward the second-hand luxury goods in pandemic/epidemic concern?* A conceptual framework with hypotheses is proposed (see Figure 1). The outcomes of this study will provide insight into the second-hand luxury market, which can be helpful in the development of marketing strategies for the luxury marketing and fashion industries in unforeseen circumstances (e.g., COVID-19).

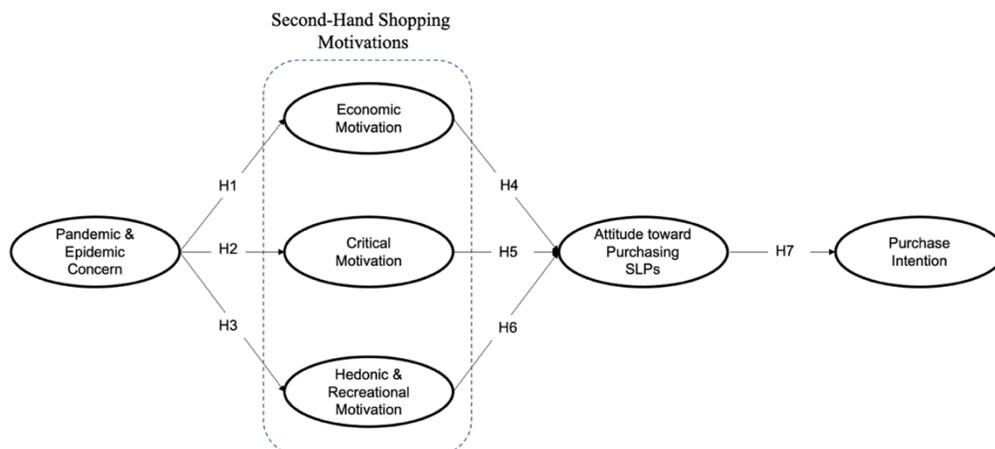


Figure 1. A proposed theoretical framework with hypotheses.

### Methods and Data Analysis

The participants aged between 18 and 37 years old and experienced second-hand luxury products will be recruited via Amazon Mechanical Turk as an empirical study. For structural equation modeling (SEM), based on 80% power with  $d = 0.3$  ( $\alpha < 0.05$ ) in statistical power criteria (Cohen, 1988) using G-power software, over 400 participants (each Generation  $n = 200$ ) will be recruited in this study. The questionnaire consists of demographics, open-ended questions, and multiple-item measurements: pandemic/epidemic concern (8 items), economic motivation (4 items), critical motivation (3 items), hedonic/recreational motivation (4 items), attitude (7 items), and behavior intention (3 items) with a 7-point Likert scale was adapted and modified from previous research (Chen & Tung, 2014; Guiot & Roux, 2010). SEM with maximum likelihood estimation using Amos 25 and SPSS 26 software will be performed to test the hypothesized paths of the proposed conceptual framework and further analyze the comparison between Millennials and Generation Z consumers.

### Significances

The proposed theoretical framework will contribute to a better understanding of young consumers' motivation in consumer behavior studies and second-hand luxury market industries. It will indicate the second-hand shopping motivation factors that lead to changes in their attitude and purchase intention toward purchasing SLPs and offer a profound aspect of the role of attitude and purchase intention between Millennials and Generation Z in unforeseen circumstances in the future. In addition, Millennials and Generation Z will have different motivation factors to purchase SLPs. Young consumers have consistently been interested in practicing sustainability and unique style by shopping for second-hand luxury products despite the COVID-19 pandemic (ThredUp, 2020). Especially, Generation Z (as a new clientele) has fostered a booming clothing resale movement than other age groups via social media and consignment. This framework can assist second-hand luxury retailers and marketers to recognize young consumers' different motivations, attitudes, and purchase intentions toward purchasing SLPs. Consequently, the retailers and marketers will obtain exact and effective marketing strategies based on the young consumer's motivation in second-hand luxury market industries.

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