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Collector Square Bows in Asia

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HONG KONG—Consumers in Asia might be cutting back on their luxury goods spending when it comes to snapping up the latest season’s wares but their appetite for vintage and second-hand items appears to be growing.

French start-up Collector Square, an e-commerce player that sells second-hand items ranging from rare Hermes bags to luxury watches from defunct brands, has just launched a Hong Kong version of its site and plans to do the same in Japan in January through a partnership with Hong Kong-based Bluebell Group. Collector Square is aiming to leverage Bluebell’s database of a million Asia-based customers into sales.

Loïc Bocher, co-founder and managing director of Collector Square, said the two-year-old online retailer has been very successful in Europe and it is now turning its attention to Asia. The executive said there are clear signs that consumers here are ready to spend significantly online for special pieces. He noted one recent instance in which Collector Square sold a Hermes So Black bag, which sells for more than 200,000 Hong Kong dollars (or \$25,802), in just two days time.

“The second-hand business on the luxury [segment] is booming today,” Bocher said. “We have to grow quite fast and one of the key markets for the luxury business is Asia.”

Sophie de Rougement, group fashion director at Bluebell and a member of the family who owns the Hong Kong-based company, said interest in the vintage market in Hong Kong started to take root about five years ago.

“I have been living in Hong Kong for the past 20 years. Twenty years ago if you would have asked me [about buyers’ appetite for vintage], I would have said no, they want new things and they’re not after vintage pieces, pieces who have lived before, who were loved before... but I can see a shift.”

Collector Square, which boasts of its rigorous authentication process, is projecting that Asia should account for 30 percent of its sales within three years. Bocher declined to give sales figures but said that the site sold more than 20,000 items at an average price point of 1,500 euros, or \$1,591, since its launch. That would work out to sales of more than 30 million euros, or \$31.82 million, over the past two years. Bocher said the site is doubling its sales each year. Collector Square is considering moving into Mainland China at some point in the future but for now it is focusing on the launch of its Hong Kong and Tokyo platforms, he said.

Another new Hong Kong-based second-hand player is Guiltless. Founder Yen Kuok, daughter of Malaysian tycoon Robert Kuok, tapped into her well-heeled social network, mining their wardrobes for unused designer items.

When it launches next month, the site plans to stock over 2,000 items—some purchased outright from the second hand market and partly from consignors in Hong Kong.

Customers can find deals of up to 80 percent off retail prices for designer brands, even couture, and sellers can make 70 percent of the proceeds from sales of their unwanted possessions.

“We want to provide a solution that will extend the life cycle of fashion, while enabling consumers to purchase quality items that will continue to carry a higher value,” Guiltless said.

Beginning with womenswear, shoes and accessories the site also plans to expand into fine jewelery, watches, and children’s luxury clothing eventually.

Speaking more broadly about Bluebell in Asia, de Rougement said the company has been feeling a squeeze given the overall slowdown in the Chinese retail market. Despite some strongly-performing brands like Anya Hindmarch and Moschino, she said the company’s \$1 billion business, which relies almost entirely on bricks-and-mortar stores, is currently down in the “low double digits” and she does not see the market picking up for another year and a half. The executive said the company is in the process of consolidating stores- she declined to say how many closures might occur- and looking to shift more of its strategic focus to online ventures like Collector Square.

“In the near future, I would be looking at at least 35 percent of the business coming from digital,” she said. “Definitely going forward, we will be very cautious in terms of which stores we open and which stores we keep open.”