

eBay offers luxury consignment service in a direct challenge to The RealReal, thredUP

Article

The news: eBay launched a luxury consignment service, its latest attempt to grow its presence in the category and take share from rivals **The RealReal** and **thredUP**.

- Users ship their goods to eBay, which, along with its consignment partner **Linda's Stuff**, will handle product photography, pricing, and listing.

eBay's luxury moves: Luxury is a cornerstone of eBay's growth strategy, given the opportunity to turn deep-pocketed shoppers into regular customers.

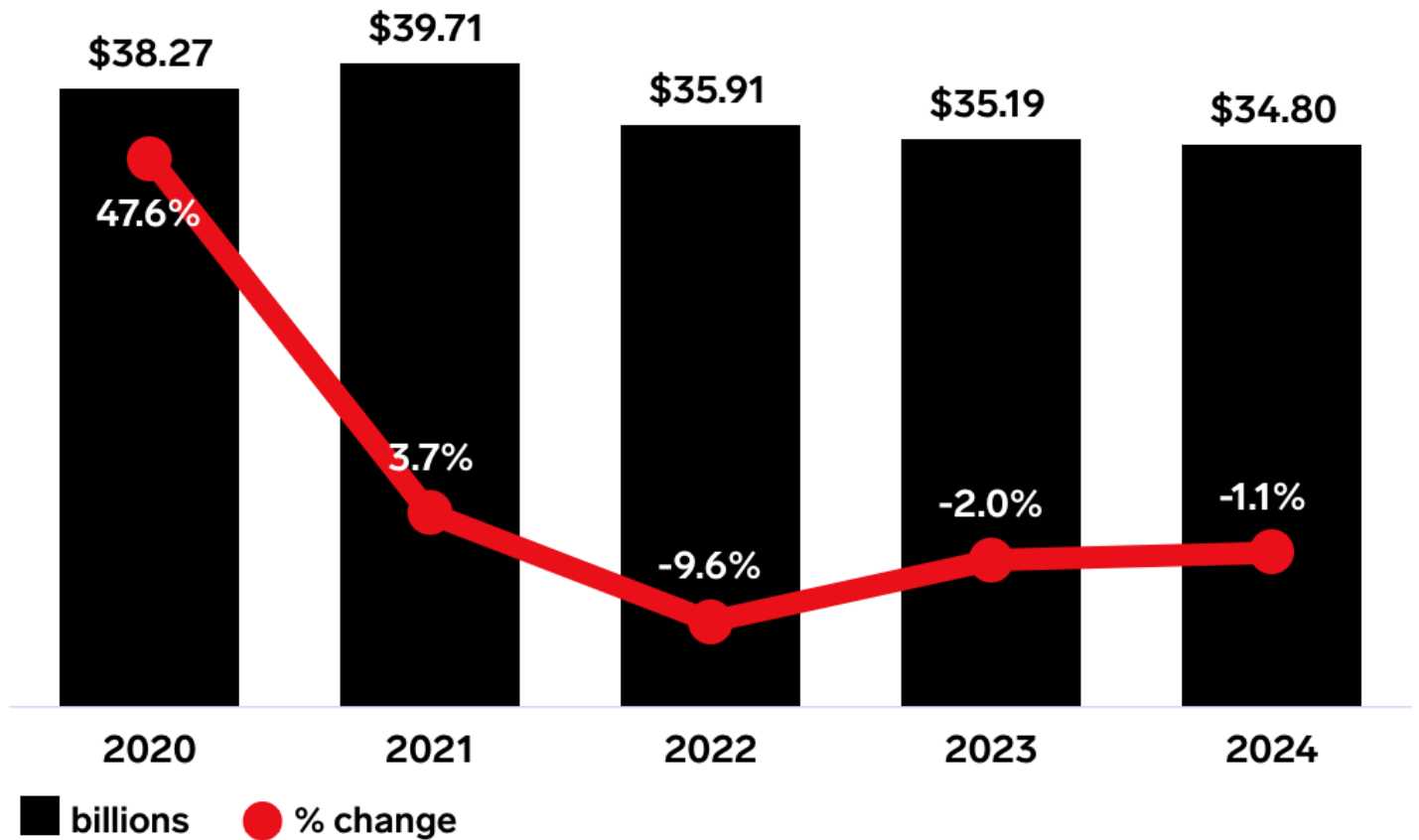
- The company's leadership repeatedly pointed to the opportunity that luxury offers as a potential gateway to growing sales in other categories. A shopper that initially comes to the site looking for handbags may spend \$2,600 on the category, but \$5,600 on other types of merchandise, CEO **Jamie Iannone** said at September's Goldman Sachs Communacopia & Technology Conference.
- To make its listings more appealing and improve customer trust, eBay rolled out a number of authentication programs, including Certified By Brand and its Authenticity Guarantee, and acquired AI verification platform **Certilogo**.
- It has also made a concerted effort to court Gen Z consumers by expanding into categories like athleisure and sneakers.
- Those efforts appear to be paying off: Luxury sales on the platform grew by double digits annually in the period between Q4 2019 and Q4 2022, eBay said in April.

The big takeaway: While eBay appears to be making inroads into the secondhand luxury scene, that may not be enough to rescue the marketplace from declining sales and a shrinking user base.

- Part of the problem may be its struggles to stay relevant as consumers—particularly younger, Gen Z and millennial shoppers—turn to newer marketplaces like **Depop** and **Vestiaire Collective** for their secondhand purchases.
- Given eBay's difficulties updating consumers' brand perceptions, the retailer may find greater success by spinning off its luxury resale business into a separate platform, which would allow it to court customers without the baggage associated with the eBay brand.

eBay Retail Ecommerce Sales

US, 2020-2024



Note: represents the gross value of products or services sold on ebay.com (browser or app), regardless of the method of payment or fulfillment; excludes travel and event tickets

Source: Insider Intelligence | eMarketer, June 2023

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