

INTRODUCTION

Sustainability has become a key managerial issue for fashion firms as they face the challenge of achieving a balance between environmental and business needs. The fashion industry is often held responsible for increasing production of garments and not doing enough to recycle what is manufactured (Bloomberg 2022). Fashion brands have come under criticism for the practices of destroying unsold products and sending piles of clothes to landfills, on top of not doing too much to encourage second-hand fashion shopping (Bloomberg 2022). Second-hand shopping is a vehicle by which firms and consumers can participate in the circular economy. Yet scant research focuses on this key aspect of sustainable consumption (Bowen, Musarra, and Ou 2022), despite the Boston Consulting Group's (BCG) (2020) reported that the global second-hand luxury market is worth €21 billion worldwide with a growth rate of 8%, which was faster than that of the overall luxury industry.

Our literature review shows that work on second-hand luxury has mainly focused on understanding consumers' motivations for purchasing second-hand luxury goods (Ferraro, Sands and Brace-Govan, 2016) and their shopping orientations (Turunen and Pöyry, 2019). However, most research into second-hand luxury fashion shopping has neglected the presence and role of the e-seller. Thus, we ask: Does the e-seller play a critical role in encouraging online second-hand fashion shopping? We answer this question using survey data of 312 buyers of second-hand luxury items. In doing so this study makes two contributions to the second-hand luxury literature. Firstly, it investigates the seller-buyer dynamic in online second-hand fashion shopping by evaluating the effects of an e-seller rating on buyer's trust. Findings indicate a significant difference in consumers' trust based on the average e-seller rating, thus highlighting the importance of rating. Secondly, this report contributes to the expanding research area of online second-hand luxury shopping by investigating the synergy effect of trust and price fairness on second-hand shopping. The results show that trust is a strong determinant of second-hand luxury fashion shopping and that price fairness increases significantly the magnitude of the effect.

LITERATURE REVIEW

Luxury fashion shopping

The meanings and perceptions of luxury goods have evolved in luxury-based research over the years. The primitive definition of luxury was based on their relative price and was assumed to be valued because they are costly (Brun and Castelli, 2013). The high quality and specialised distribution channels were also seen as an addition to the high price associated with luxury goods (Brun and Castelli, 2013). The democratisation of luxury has resulted in a larger availability of luxury products to more consumers. One reason for this rise in availability can be attributed to the consumption of second-hand luxury goods, which continuously increase globally

(Statista 2022). Second-hand luxury goods are any pieces of clothing, produced by luxury brands that have been used before despite the age of the clothes. The meaning attached to second-hand luxury fashion shopping can relate to sustainable choice, which refers to the environmentally responsible meanings consumers attach to obtaining and owning second-hand luxury items. Similar to luxury shopping, the motivation to purchase second-hand luxury items can be attributed to both extrinsic and intrinsic motivations. Cui, Choi, and Lee (2019) highlight that the motivation to purchase second-hand luxury is not only due to consumers' need for conspicuous and inconspicuous consumption, but also for the pleasure related to buying products for one's personal happiness. In terms of extrinsic values, second-hand luxury items share the same attributes as brand new luxury items, with the low prices allowing more consumers, across a wider social status range, to enjoy them (Cui, Choi, and Lee, 2019). This means that consumers can benefit from conspicuous consumption with second-hand goods as they are able to present as part of the social status that typically buys from luxury brands. The similarity between the intrinsic motivation for brand new luxury goods and second-hand luxury goods is highlighted by Christodoulides et al. (2021) who identified 'value hedonism', which indicated the need to contribute to one's well-being and self-care, as one of the forms of hedonism evoked from new forms of luxury. This indicates that consumers may also buy second-hand luxury goods as a form of self-gifting. Second-hand luxury products can be purchased from both brick-and-mortar stores and online stores. Consumers can purchase second-hand luxury products in-person from both consignment stores and traditional luxury retailers and brands, for example Selfridges re-sell second-hand luxury products in their stores (Christodoulides et al., 2021). Online stores that sell second-hand luxury products can either operate as a B2C store (Sellier Knightsbridge) or as a virtual platform for C2C sales (eBay and Depop). This study will focus on second-hand luxury products sold through online stores, specifically C2C transactions, as buying and selling second-hand products through online channels has become increasingly popular in recent decades (Turunen and Pöyry, 2019). This can be attributed to the technological developments that are associated with online stores which makes luxury products more accessible as it increases where the items can be purchased (Okonkwo, 2009).

HYPOTHESIS DEVELOPMENT

E-seller rating and buyer's trust in the product

The S-O-R framework will be used to propose the relationship between e-seller rating and buyer's trust in the product. Specifically, the presence of the feature and the score given to the product will indicate how well the consumer's order will be fulfilled. This theory is supported by Wang, Beatty, and Foxx's (2004) ideology of cue-based trust, which is the trust formed by consumers based on an initial encounter with a stimulus and

involves the belief that the vendor will not exploit the consumer's vulnerabilities. In this scenario, this may be because the presence of social support from previous consumers, in the form of rating their experience with the vendor, reduces the risk and uncertainty of a potential buyer, therefore enhancing their trust. Additionally, it may be presumed by the consumer that previous buyers will not lie through their ratings. Thus, it is hypothesised that:

H1. There will be a negative relationship between e-seller rating and buyer's trust in product. That is the lower the rating the weaker the effect on buyer's trust

The effect of buyer's trust on online second-hand luxury fashion shopping

The meaning of trust can be broken down into individuals' trusting beliefs and trusting intention (McKnight, 2000). Trusting beliefs are how consumers perceive contextual factors which either enhance or diminish the development of trust whilst trusting intention is the willingness of an individual to engage in a transaction and for an expectation to be met despite the risks associated (Urban, et al., 2009). Consumers' trusting beliefs and trusting intentions are directed towards multiple targets. McKnight, Choudhury, and Kacmar (2002) identify three dimensions where trust can be targeted: intrapersonal-level trust, system-level trust, and interpersonal-level trust. In comparison, Plank et al. (1999) identified the targets of trust to be the salesperson, product, and company; with an e-retailer's website acting in-place of the salesperson (Kim et al., 2009). In this research, trust will be based on consumers' interpersonal-level trusting beliefs, where the trustee is an individual seller on an online multi-seller platform rather than the platform as a whole. It is to be noted that trusting belief is a multifaceted construct with the most commonly used dimensions in trust-focused literature are competence, integrity, and benevolence.

Trust is viewed as one of the most influential factors of consumers' purchase intentions, with a lack of trust found to be one of the main reasons consumers do not shop online (Ha et al., 2019). Research into the effect of trust on online purchase intention has yielded mixed results, with some authors finding trust to be a factor that impacts consumer behaviour in both traditional and online shopping (Ha et al., 2019) and others concluding that trust does not have a significant impact on online shopping intention (Yunus et al., 2022).

This study will aim to provide further clarity on the role of trust on the purchase intention of online second-hand luxury fashion goods. This trust may occur as either consumers' trust in the e-commerce platform and its services, or trust in the vendors on a platform. The study is focused on consumers' trust in the vendors on C2C online platforms as their trust in vendors is regarded as the foundation for virtual shopping (Chen and Chou, 2012). Wei et al. (2019) considers trust as a prerequisite for successful transactions, especially on second-hand

platforms compared to regular e-commerce stores (Luo et al., 2020). In C2C second-hand e-commerce, the identities of the seller and the buyer are not very transparent which causes information asymmetry (Luo et al., 2020). This problem is important especially in second-hand luxury fashion transactions because of the high risks associated with it and the inability to confirm the accuracy of the information provided by the seller.

Additionally, Schoorman et al. (1996) expressed that a consumer's trust in a vendor's ability, even with the acknowledgement of possible risks, should be considered as a willingness to purchase. Therefore, it is presumed that trust in the seller is essential when purchasing second-hand luxury goods from e-platforms. Thus, it is hypothesised that:

H2. Buyer trust in the product will have a significant effect on their online purchase decision of second-hand luxury fashion items.

The Role of price fairness

Price fairness can be defined as consumers' comprehensive evaluation of the utility of a product based on what is given and what is received when purchasing the product (Zeithaml, 1988). It is assumed that consumers view products as having negative and positive attributes and make decisions that deliver the maximum net value of their purchase (Kim, Ferrin, and Rao, 2009). Consumers use extrinsic cues to form perceptions of the product's benefits and monetary sacrifice, which in turn leads them to perceive the value of the product (Agarwal and Teas, 2001). In terms of online second-hand luxury shopping, these cues may occur in forms such as the price, images, and the description of the item. Sheth, Newman, and Gross (1991) proposed four dimensions of perceived value: social, emotional, functional, epistemic, and conditional value. This was revisited and built upon by Sweeney and Soutar (2001) who identified the new dimensions of perceived value as: emotional, social, functional (price/value for money) and functional value (performance/quality). This study will focus on Sweeney and Soutar's functional (price/value for money) dimension, which will be referred to as "perceived functional value", "perceived price value" and "perceived value" interchangeably throughout this report. Perceived functional value is the utility obtained from the product due to "the reduction of its perceived short term and longer term costs" (Sweeney and Soutar, 2001).

Previous research has found that trust acts as an antecedent for value by providing benefits obtained from interacting with a seller that is competent and problem-solving oriented, hence reducing consumers' uncertainties, and assisting consumers in building consistent and reliable expectations in their relationship with the seller.

The relationship between trust and perceived value can also be because trust reduces the non-monetary price associated with online shopping, such as the time needed to select an e-vendor and the risk of shopping with the vendor (Kim, Xu, and Gupta, 2012). However, the relationship between trust and perceived price value can be theorised using the prospect theory, which explains human decisions from a risk avoidant and value maximisation perspective (Kahneman and Tversky, 1979). With this perspective, the prospect theory suggests that individuals assign more weight to positive outcomes that are perceived as certain compared to positive outcomes that are perceived as probable (Kim, Xu, and Gupta, 2012). The use of this theory concerning the effect of trust on perceived functional value suggests that as trust increases, consumers' belief in the vendor's ability to fulfil their order and deliver what was described in the online store increases. Thus, this categorises the perceived positive attribute associated with purchasing the second-hand luxury item as a certain outcome than a probable outcome, increasing the consumers' perceived value. Thus:

H3: The effect of buyer's trust in the product on buyer's decision to buy second-hand luxury fashion item is positively moderated by price fairness. That is, in cases of high (vs. low) level price fairness the effect of buyer's trust in the product on buyer's decision to buy second-hand luxury fashion items is stronger.

METHODOLOGY

The survey used was distributed and completed online using Qualtrics. Participants were randomly presented with one out three different seller listings: one where the seller had a high average rating, one where the seller had a low average rating, and one where there was no average rating present. To investigate the role of e-seller rating as a stimulus, the survey contained three different versions of the product listing. In the first version, the product had an average rating of 1 ½ stars from nine previous customers. In the second version, the product had an average rating of 4 ½ stars from nine previous customers. The third version acted as a control and had no product rating and did not mention the number of customers that had previously purchased from the seller. Except for the product rating, the information provided on all the listings was the same. Figure 3a-c shows the listings for the respective versions. A total of 455 participants clicked on the distributed link to commence the survey. The survey's Low Rating and High Rating versions were each presented to 152 participants, while the Control version was given to 151 participants. Out of the 455 started responses, there were 340 that were fully completed and submitted. There were 312 usable responses after screening the responses. The screening process was achieved by asking participants if they had previously purchased from Minscloset. The responses of participants who selected yes were not included in the data analysis as this indicated that they were not wholly attentive when answering the survey questions. The screening of the responses resulted in a 68.7% usable

response rate, with the Low Rating, Control, and High Rating versions having a total of 102, 106 and 104 usable responses, respectively. The scales used to measure the variables included in the conceptual model were taken from existing studies but were adapted for the context of this study. All scales were measured using a 7-point Likert scale, where 1 represented 'strongly disagree' and 7 represented 'strongly agree'. Trust was measured using Flavián, Guinalú and Gurrea (2006) measurement scale. Price fairness was measured using Sweeney and Soutar's (2001) multiple item scale. Purchase decision was measured using an adaptation of the purchase intention scale in Bian and Forsythe's (2011) study on purchase intention for luxury brands. Table 1 shows all the measures used with their respective items and item names. The internal consistency of the variables was measured using Cronbach's Alpha. Hair et al. (2014) stated that Cronbach Alpha values from 0.60 for exploratory research is acceptable. All variables showed acceptable levels of reliability, with the variables having Cronbach Alpha scores of 0.862, 0.859 and 0.922 respectively.

Hypothesis Testing

The effect of e-seller rating on buyer's trust was analysed using ANOVA. The result of this test shows that there was a significant difference ($p < 0.05$) between buyer's trust in the product based on e-seller rating. This results provides support for H1. Preacher and Hayes' (2008) PROCESS Model 1 was used to the hypothesized relationships H2 and H3. The results (see Table 4 below) indicate there is a significant positive relationship between buyer's trust and the decision to buy second-hand luxury items. This result provides support for H2. We also observe that price fairness has a significant positive effect on the relationships between buyer's trust in the product and the decision to buy second-hand luxury items. This result upholds for H3.

DISCUSSION

The primary aims of this study were to investigate the impact of second-hand luxury e-sellers' reputations, in the form of ratings, on consumers' trust; and to explore the impact of trust on perceived value and online purchase intention. The results of this study show that there was a significant difference in the levels of trust a consumer had towards a seller based on that seller's reputation. The results also show that not only is trust a strong determinant of purchase intention for second-hand luxury items, but that consumers' perceived value of that item further explain this relationship.

Theoretical Contributions

Academic literature has highlighted the importance of trust in online purchase decision; however, research investigating the role of trust in second-hand luxury is scarce. Incorporating academic literature and the findings of this study has resulted in four main theoretical contributions. Firstly, this study demonstrates for the first time

the role of e-seller rating systems on reputation-based trust using the S-O-R framework by showing the impact of product rating on consumers' trust in the product. Previous literature (Ekmekci, 2011) has expressed opinions on how binary rating systems that show only summary statistics, such as averages, about sellers' past performance data are a form of information censoring. However, findings from this study suggest that consumers are subconsciously able to gather information from the average rating to determine how trustworthy a product is. It is essential to state that whilst it is assumed that consumers are able to determine a seller's trustworthiness based on their average ratings, the control listing suggests that this is not the only factor in a multi-seller platform that influences consumers' trust levels.

Secondly, this study added insight to the knowledge and understanding of trust in online shopping. Much of the research that explores the role of trust in second-hand online purchase decision focuses on consumers' trust in the website and this study found no quantitative research that has focused on trust in online second-hand luxury shopping. Findings support previously mentioned research which identified trust as a driver of online shopping. Lastly, this study also responds to calls for an increase in the investigation of the synergy effect of trust and price in online purchase decision (Kim, Xu, and Gupta, 2012). By utilising the prospect theory, this study's response to the request is developed by investigating the role of price fairness of second-hand luxury research. The results of a significant relationship support the theory and provide evidence on how trust increases consumers' sense of securing a 'real deal' when searching online for a second-hand luxury product.

Managers can also benefit from this study findings. Specifically, we suggest that firms implement authenticity guarantees for the second-hand luxury products on their websites. Websites such as eBay adopt the use of authenticity guarantees and during the process, the purchased item is evaluated to ensure that the information provided on the listing - such as images and descriptions - are accurate and involves a physical authentication inspection (eBay, 2022). If the item is found to be honest and authentic, it offers more evidence of safety to the buyer (Zampier, Farias, and Pinto, 2019). This promise of safety may increase consumers' trust in the item they are purchasing as the risks associated with purchasing second-hand luxury are reduced. Based on the prospect theory, it may also increase the perceived value due to the additional benefit of having an expert physically confirm that the product is true. This process may be more beneficial in building consumers' trust in sellers compared to having sellers provide certificates of authenticity on their listings, as some counterfeit products come with this certificate (Khan, Fazili, and Bashir, 2020).

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Appendixes

Figure 3a: Low rating version of listing





minscloset
United Kingdom
★ ★ ★ ★ ★ (9)

Active today



45 likes

£1300.00

Buy now

Free domestic shipping

Price	£1300.00
Brand	Louis Vuitton
Condition	Like new

LISTED 8 MONTHS AGO

Louis Vuitton Capucines MM handbag
Comes with dust bag
9/10 condition only used a handful of times


Figure 3b: High rating version of listing





minscloset
United Kingdom
★ ★ ★ ★ ★ (9)

Active today



45 likes

£1300.00

Buy now

Free domestic shipping

Price	£1300.00
Brand	Louis Vuitton
Condition	Like new

LISTED 8 MONTHS AGO

Louis Vuitton Capucines MM handbag
Comes with dust bag
9/10 condition only used a handful of times

Figure 3c: Control version of listing





minscloset
United Kingdom

Active today



45 likes

£1300.00

Buy now

Free domestic shipping

Price	£1300.00
Brand	Louis Vuitton
Condition	Like new

LISTED 8 MONTHS AGO

Louis Vuitton Capucines MM handbag
Comes with dust bag
9/10 condition only used a handful of times

Table 1: Measures for trust, perceived value, and purchase intention

Variable	Item Name	Item
Trust	Trust1	I think that this product will fulfil my needs
	Trust2	I think that the information offered on the product is sincere and honest
	Trust3	I think I can have confidence in the promises that this product makes
	Trust4	I trust the quality of this product
	Trust5	This product is reliable
Price fairness	Value1	The second-hand luxury bag is reasonably priced
	Value2	The second-hand luxury bag offers value for money
	Value3	The second-hand luxury bag is a good product for the price
	Value4	The second-hand luxury bag will be economical
Purchase decision	PI1	If I were going to purchase a second-hand luxury bag, I would consider buying this bag
	PI2	If I were shopping for a second-hand luxury bag, the likelihood I would purchase this second-hand luxury bag is high
	PI3	My willingness to buy this second-hand luxury bag would be high if I were shopping for a second-hand luxury bag
	PI4	The probability that I would consider buying this second-hand luxury bag is high

Table 2: Pearsons Correlation between variables

Variables	Mean	S.D.	α	AVE	1	2	3	4
1. E-seller rating					.061	-.041	-.029	-.049
2. Trust	4.66	1.069	.862	.584	.024	-.001	-.027	-.013
3. Price fairness	4.73	1.220	.859	.594	-.003	-.078	.036	.075
4. Purchase decision	4.16	1.673	.922	.673	.128*	-.127*	.007	.096

Notes: ** Correlation significant at the 0.01 level (2-tailed). * Correlation significant at the 0.05 level (2-tailed).

Table 3: Tukey Post Hoc test of Trust

(I) Version	(J) Version	Mean Difference (I-J)	Sig.
Control	Low Rating	.32682	.069
	High Rating	.00065	1.000
Low Rating	Control	-.32682	.069
	High Rating	-.32617	.072
High Rating	Control	-.00065	1.000
	Low Rating	.32617	.072

Table 4: Results

Paths	β	t-Value	p-Value.
Buyer's Trust → Purchase decision	.78	3.89	.00
Trust \times Price fairness → Purchase decision	.38	3.32	.00
Buyer's Trust → Price fairness	.53	4.12	.00
Price fairness → Purchase decision	.87	4.01	.00

Figure 1: conceptual framework