

An Exploration of Chinese College Students' Consumption Motivation on Secondhand Luxury Goods on Douyin Platform

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Abstract. In 2020, the stock size of China's idle high-end consumer goods is 2.87 trillion yuan. The retail market size of idle high-end consumer goods has grown from 16.2 billion yuan in 2016 to 51 billion yuan in 2020, with a compound annual growth rate of 33.2%. The huge stock of unused luxury goods has laid a solid foundation of potential trading sources for the long-term development of the second luxury industry. After the epidemic, a growing number of second luxury platforms have seen the dividends of live streaming. Douyin, as the mainstream live broadcast sales platform in China, is a breakthrough for second-hand luxury goods to enter the live broadcast market. College students are a group that cannot be underestimated in online shopping, and their online consumption frequency is extremely high. This study aims to fill the gap in past research on the consumption of luxury goods, especially second-hand luxury goods, by Chinese university students. By collecting questionnaires, this paper explores the attitudes and consumption patterns of Chinese college students towards Douyin buying second-hand luxury goods. The results illustrated that Chinese college students have a positive attitude towards second-hand luxury goods but do not trust Douyin as a buying channel.

Keywords: Second-hand luxury, Douyin, Chinese college students, Marketing, Consumption pattern.

1. Introduction

Douyin was launched on September 20, 2016 and is a short video community platform for all ages. Douyin's audience was the young people group, and the interesting short video content has attracted many more areas of users to the station. Douyin supports quality content providers from various industries, such as government, media, businesses and institutions can apply for free to be stationed and provide content for Douyin. Various industries also try to enhance their content visibility in the industry through the influence of Douyin media. There are already many forms of content in Douyin, such as food, travel, technology, games, celebrities, sports, education, government, fashion, talent, finance, drama, and parent-child, etc., which users can watch anytime and anywhere through their cell phones.

Nowadays, more and more people choose to buy products online. The common mode of online shopping only allows people to select goods directly on the Internet shopping platform, and this lack of interaction not only affects consumers' final purchase decision, but also becomes a weakness for online shopping. With the appearance of live sales, the ecological environment of online shopping has been altered. Live sales simply means that the merchant relies on the live performance of the Douyin platform to allow viewers to intuitively understand the characteristics of a product and the price concessions, so as to achieve the purpose of selling goods. Live sales can enhance the interactivity of buyers and sellers, so that consumers have a more direct contact with a commodity. And live sales can also allow consumers to quickly understand the strength of an item's activities, so as to consider the value of goods.

Live sales in the past two years have been very hot. In addition to famous brands beginning a live sale, there are self-media and other individual merchants to open a live stream for sales. Douyin was originally a short video software with social networking as the main function, loved by people of all ages, and with the emergence of live streaming and the growth of the popular trend of live streaming, Douyin platform has also launched a live streaming function. This function is widely used on the Douyin platform, and there are also many people who sell through live streaming on the Douyin platform and have achieved very good results.

Under the influence of the epidemic, the global economy is in general recession, and the purchasing power of consumers has also decreased. Under such circumstances, young people who are keen on luxury goods started to turn to the cheaper and cost-effective second-hand luxury goods market. At the same time, with the change of young people's concept in recent years, buying second-hand items has become a new way to show off their personality. Under the influence of many factors, the second-hand luxury goods market has become a new trend of the non-consumption market. According to McKinsey's data, as early as 2018, Chinese luxury consumption both inside and outside the country reached a high of 770 billion yuan, accounting for 37% of the total global consumption [1]. During the epidemic, China's luxury market wasn't affected too much either. According to McKinsey's data, the global luxury market was hit hard under the impact of the epidemic, but only China, became the only country with positive growth in the luxury market, with a 48% year-on-year increase and a scale of nearly 346 billion yuan.

Many Douyin second-hand luxury head account have achieved good results in recent years. The second-hand luxury live streaming e-commerce channel brand "Fei Yu" has raised nearly \$30 million in Series B financing. Founded in 2016, Fei Yu started from niche luxury live streaming and entered the second-hand luxury track in 2018. It is one of the earliest trading platforms that use live streaming to drive the second-hand luxury industry. In 2020, Fei Yu sets up a brand account matrix on Douyin platform. In 2021, the transaction volume has reached 3 times of growth. Fei Yu has created an "Iron triangle" business model "live streaming instead of graphic transformation", "Supply chain restructuring to improve the efficiency of goods turnover", and "High frequency reach users, build brand mind." In June 2021, "Fei Yu" has raised nearly \$30 million in Series B financing, and another Douyin second-hand luxury head account Panghu Technology received a \$50 million Series C financing.

2. Literature Review

Fashion is a cycle. With the popularity of second-hand luxury goods among young Chinese groups, many people will pay attention to and understand what second-hand luxury goods are: the term second-hand luxury goods consist of two parts, second-hand and luxury goods. The word second-hand represents that it was previously owned or used, and luxury goods include different fashion and designer brands [2]. Nowadays, the proportion of second-hand luxury goods in the overall luxury goods market is tiny. LUXE reported that second-hand luxury goods represented an estimated \$24 billion market in 2018, accounting for 7% of the value of the main overall luxury goods market. However, the second-hand luxury market has grown enormously, which is four times as fast as first-tier luxury goods.

This inevitably leads to why consumers want to buy used products instead of brand-new ones. The LUXE Digital report points out that the second-hand luxury market is currently booming. Second-hand luxury goods pay more attention to the ecological and sustainable consumption concepts of products, thus creating economic cycles and high-cost performance [3]. Additionally, according to the 2021 China Second-hand luxury Industry Overview by Huilun Shi, the popularity of China's second-hand market is an evolution from the good economic development in China, the improvement of the national material pursuit, and the influence of the Japanese medieval market: finally, the change of consumption concept. Breaking the stereotype of "second-hand", the retro style of second-hand luxury goods will attract the attention of more special consumer groups and create personalized and

fashionable trends. In the meantime, consumers of second-hand luxury goods have changed from high-income earners to ordinary students and office workers, especially the college students of Generation Z who are more active on the trading platform [4].

With the fast-growing second-hand luxury trend, global second-hand luxury sales will reach approximately \$33.1 billion in 2021 [5]. Based on BCG research, online platforms account for 25% of global second-hand luxury market sales. Besides, Wei Feng, vice president of iResearch, noticed that due to the influence of the pandemic, the overall channel of luxury goods is migrating from offline to online. Most participants prefer to use online software social media, e-commerce, and sales websites to obtain information and conduct transactions. This is all thanks to the platform's large number of product displays, price transparency and high-quality after-sales service [6].

Compared with those traditional e-commerce platforms and marketing models listed above, short video companies offer businesses and creators a unique opportunity to market their products through short ads. To be more specific, Douyin platform has been involved in the e-commerce industry since 2018, and consumers can use short video models to interact with e-commerce. As a result, high engagement and entertainment also complete the consumer buying experience. There is a survey deducted by Chen Ziyi and Liu Liqiong shows results that Chinese college students generally buy goods in the Douyin live broadcast room. Simultaneously, the recommendation of influencers and celebrities will also significantly affect the willingness of college students to consume [7, 8]. Thus, it can be seen that Douyin e-commerce has become a new way to retail idle luxury e-commerce. Shuyi believes that live broadcasts can intuitively display product details and explain product usage in detail to consumers. At the same time, the second-hand luxury e-commerce companies that Douyin stayed in basically have authentication services, which increases consumers' trust and motivation to buy products [9]. However, Douyin, as a Mobile short-form video (MSFV) shopping, needs to make extraordinary efforts to develop more mechanisms to enhance information content quality and attractiveness, to satisfy customer needs and maintain customer loyalty. At the same time, MSFV shopping operators need to provide reliable products, improve video quality, provide high-quality after-sales customer service, and improve monitoring mechanisms to foster positive customer attitudes [10].

This research area currently fills a gap in the research on second-hand luxury goods, and at the same time explores modern fashion trends and emerging young consumers' consumption patterns, representing the consumption behavior of young groups on social media. Such studies can influence subsequent advertising and business models and predict the attitudes of Chinese college students toward the second-hand luxury goods industry and the future development of the industry.

3. Methodology

This paper conducts quantitative research mainly through questionnaire survey and data collection as an auxiliary means. Questionnaires were sent to college students to investigate the consumption behavior and psychology of second-hand luxuries. During the survey, questionnaires were released on the platform of "Questionnaire Star" and delivered to college students through WeChat group chat and moments of friends. The distribution period was three days, and a total of 58 samples were obtained, including 55 valid samples. The judgment criteria of invalid samples are as follows: they do not conform to the age range of college students (17-24 years old), all questions have the same answer, and the answers have obvious regularity. Through the data collection platform, the consumption trend of second-hand luxury goods on Douyin platform was collected.

4. Results

The questionnaire contains 15 questions. Of the 55 samples, 41.38% were male and 58.62% were female. The following is a detailed display of the questionnaire data.

The data show that most of the participants in the survey possess a monthly disposable income of 5,000-10,000-yuan, accounting for 29.31%; 17.24% of them have 3000-5000 yuan per month; those who have 1,500-3,000-yuan accounts for 15.52%; and participants with an income of 500-1,500 and 10,000-20,000 yuan both account for 13.79% respectively.

The researcher also surveyed the level of love for luxury goods of participants through a five-point scale with a score from 1 to 5 increasing as the level goes higher. The average score turns out to be 2.59 out of 5. Most participants, 31.03%, chose option 3, showing a middle level of love for luxury goods; option 1, tied with 2 for second place, makes up 24.14%; those who chose 4 and 5 both account for the smallest proportion, 10.34%. Among all the 58 participants, 24 of them(41.38%) possess 1-2 luxury items; 21 people, 36.21%, own more than 5; 10.34% of them chose "many"; and the remaining 12.07% have "none".

When inquired if it is acceptable to buy second-hand luxury goods such as luggage and watches, most participants which account for 46.55%, think it "acceptable but also have concerns". And 41.38% of them feel "completely acceptable", while the remaining 12.07% chose "completely unacceptable". For those who did not choose "completely acceptable" in the former question, the researchers asked for the reasons. "Worries of fake products" and "doubts about the source" win the most agreement of 73.53% and 61.76%. Following them, 47.06% of the surveyed people "do not like second-hand goods because they mind that the items were originally used by others". And concerning the value of the luxury goods, 5.88% of the people "do not think the goods have the quality worth a high price", and 14.71% "do not think they are worth purchase" at all. Meanwhile, participants who did not choose "completely unacceptable" were also asked about the reasons why they accept or prefer second-hand luxury goods. 66.67% of them agreed that "second-hand market is the only way to get the items no longer for sale". And the two similar reasons that people can "buy products from famous brands at a cheaper price" and "brand new luxury goods are too expensive" were chosen by 52.94% and 39.22% respectively. Also, 29.41% of the people think that "they resell idle luxury items so often that it makes little sense to buy brand new ones, while second-hand ones have better cost performance."

The questionnaire also involves the frequency of people watching videos or live streams about second-hand luxury goods on Douyin, whose results show that most people are not frequent viewers: 55.17% of the participants watch this kind of videos "occasionally"; 41.38% "never" watched; and people who "are following relevant accounts and watch frequently" and who "often" watch both account for only 1.72%. According with the results of the former question, the frequency of consumption of second-hand luxury goods is also low in general. 84.48% of the surveyed people "have never consumed" any of the goods and 10.34% "have purchased 1 or 2". The choices of "very frequent" and "more frequent" have only one and two supporters respectively. Moreover, the questionnaire collected the types of second-hand luxury videos on Douyin that appeal to participants. The most attractive type is "explanatory videos (identification methods, introduction to styles, etc.)", with the supporters accounting for 51.72%; "explanatory videos of the same items as celebrities" ranks the second, at 37.93%; the third, "live-stream sales" is chosen by 25.86% of the people; and the least popular one, chosen by 18.97% of participants, is "the real sale process documentary videos".

The researcher also gathered the statistics of the categories of people's viewing or buying second-hand luxury goods. The most popular choice is "luggage" (58.62%), followed by "apparels" accounting for 31.03%; "jewelry" and "footwear" both accounting for a similar proportion, at around 28%; participants who have viewed or purchased "watches" makes up less at 18.97%; and some others even "don't watch such videos". When asked if they would replace their possessed luxury items and their reasons, 31.03% of the participants replied in affirmative while the rest 68.97% answered in negative. The reasons given by those who chose to replace can be concluded into four facets: the want of different styles, shortage of money, the convenience of second-handed market, and no longer in need of the items, which are contrary in general to those given by those gave a negative answer: depreciation of the items, fondness of the goods, and distrust of the second-handed platforms.

At the end of the questionnaire, participants were required to score their trust in Douyin's second-hand luxury goods transactions out of 5 points. The average point turns to be 2.28 which is rather low

since more than 90% of people rated a score of 3 or lower, among which the most choosing a score of 2.

5. Discussion

The average score on the "Trust in Douyin's second-hand luxury goods transactions" question in the questionnaire was 2.28, and more than 90% rated a score of 3 or lower. The author believes that the reason for this result may be that the unscrupulous sellers in the field of luxury goods are rampant on the Internet, which leads to the uncertainty of luxury transactions on the Internet. And it may be that the Chinese luxury market has a relatively short growth time, and there is no authoritative platform to take on the heavy responsibility of regulating the industry, so the Chinese luxury market is relatively chaotic so far. Coupled with the large price gap of luxury goods, these are important reasons why respondents do not believe in second-hand luxury goods transactions on the Douyin platform.

With the diversification of luxury sales channels and the rise of the second-hand luxury goods market, merchants and consumers have an increasingly strong demand for authenticity verification of luxury goods. At present, there is a lack of authoritative third-party institutions in the field of luxury goods verification to provide authenticity verification services, resulting in It is difficult for consumers to protect their rights after buying fake products.

After all, as the world's largest luxury consumer group, Chinese consumers have accumulated a large number of unused luxury goods and used luxury goods that can be circulated. The market potential is so great, which requires relevant departments to issue relevant Internet policies as soon as possible to effectively protect the rights and interests of consumers. And the luxury goods appraisal industry can consider entering the Internet and conduct a series of cooperation with Douyin merchants and users, so that consumers can buy luxury goods or second-hand luxury goods with confidence on Douyin.

In the questionnaire, 15.52% of the participants had consumed second-hand luxury goods. The author believes that people's motivation to consume second-hand luxury goods has received a certain cultural influence. Second-hand luxury goods with high cost-performance and collectible value are favored by some people, and those who consume second-hand luxury goods have also become representatives of niche cultures such as "Vintage". The author believes that behind the increasingly hot consumption upgrade is the spiritual pursuit. This era of information explosion has spawned many antique lovers, who like the vintage and antique flavor of the brand's classic models, or the iconic designs of a certain designer many years ago, which can meet the demand in the second-hand market.

For the 15 million affluent Chinese, buying a new Celine handbag or an elegant Giorgio Armani suit is a breeze. But for students and ordinary office workers, it can take two- or three-months' salary. But in the second-hand luxury goods, the price can reach tens of thousands of high-priced items, in a dozen years can be reduced to half the price of once or even lower, for example, a once priced tens of thousands of LV camera bag, second-hand sellers sell only 1000 ~ 2000 yuan. In addition, the people who fill in the questionnaire with an income of 5,000-10,000 yuan are the most, occupying 29.31 per cent, which is a normal level for students. The actual per capita income of the second-hand luxury consumers is not high, which is comparable to China's per capita consumption level, resulting in a strong demand for second-hand luxury goods.

6. Conclusion

This research explores Chinese college students' purchasing attitudes towards second-hand luxury goods and consumers' consumption patterns facing Douyin's live broadcast. With the results of the random qualitative questionnaire, the difference in the proportion of males and females was slight, with males accounting for 41.38% and females accounting for 58.62%. The degree of love for luxury goods received a score of 2.59, indicating that most respondents maintain a positive attitude towards

luxury goods. But in the face of second-hand luxury goods, consumer attitudes have changed. On the one hand, 46.55% of people will maintain a neutral perspective and even have concerns about second-hand luxury goods. Trust in Douyin's second-hand luxury goods transactions only scored 2.28 out of 5. Such a crisis of confidence is basically caused by fear of buying fakes and not trusting the source of supply. On the other hand, as a social short video platform on Douyin, more than half of the respondents will occasionally watch second-hand luxury videos or live streams on Douyin, but the frequency of consumption is extremely low, about 7/8 of them have never consumed on Douyin. From this point of view, Chinese college students have a positive attitude towards second-hand luxury goods. Three-half of the participants like to pursue the trend of second-hand vintage, and about one-half of the other customers choose second-hand luxury goods because of their high-cost performance. However, with the Douyin platform rising in the Internet age, most of them will not entrust their trust. Based on this prediction, Douyin should be transparent and disclose the source of goods if it wants to gain the trust of young consumers. At the same time, it cooperates with the luxury goods appraisal industry to allow consumers to buy products on Douyin with confidence.

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