Proceedings of the 10th International Conference on Economic Management and Green Development
DOI: 10.54254/2754-1169/2026.36164

Navigating the Pre-owned Paradox: Digital Marketing Innovation and Strategic Synergy in the Luxury Sector

Haojun Wei

Elite Preparatory Academy, Hopatcong, USA
haojun.wei@eliteprepacademy.org

Abstract. Against the backdrop of the circular economy and digital acceleration, luxury brands face the imperative to reconcile digital growth with secondary market dynamics. In today's world, where digital technologies are widely used, and the idea of the circular economy is becoming more mainstream, luxury brands are dealing with two big problems: they need to update their marketing strategies and at the same time, deal with the secondary market. Using the example of Burberry, this paper investigates in a qualitative way what measures luxury brands can take to jointly develop with the second-hand market by means of strategic modifications in the context of digital transformation. The analysis of the data reveals that brand collaborations and limited-edition marketing efforts are effective avenues in boosting brand awareness through digital media. These include the dilution of core brand heritage through overexposure, channel conflicts arising from unregulated resale price erosion, and a trust crisis fueled by authentication deficits. Consequently, this paper proposes an integrated management framework encompassing blockchain-enabled authentication, selective collaborative curation, and a closed-loop product lifecycle strategy. This study provides actionable insights for luxury managers seeking to harmonize digital innovation with sustainable brand value retention.

Keywords: Luxury Brands, Digital Transformation, Secondary Market, Circular Economy, Brand Equity

1. Introduction

Amid the drastic changes occurring in the consumer markets around the world, the luxury industry is under dual strain from digital evolution and sustainable practices. According to the Global Luxury Market Study 2023 by Bain & Company, the sales of the personal luxury goods sector amounted to €1.5 trillion. The market will continue to grow until 2025 [1]. Yet, the use of internet technologies and Generation Z becoming a major buyer segment have rendered the traditional offline retail model obsolete. With the digitalization of a luxury brand not only opening up a new channel for sales but also turning into an integral platform for the rejuvenation of the brand image and for forging consumer relationships, its role has changed considerably. Additionally, the second-hand luxury goods market has rapidly expanded, with its growth being much quicker compared to that of the new products market. This development has altered the product life cycle and raised doubts over the luxury house's traditional reliance on scarcity and exclusivity [1].

DOI: 10.54254/2754-1169/2026.36164

Experts have put forward different viewpoints. Wu and Yang stated that digital marketing, in particular social media and live-streaming e-commerce, has substantially enhanced the visibility of upscale brands and, at the same time, facilitated the process of transforming brand recognition into brand purchase [2]. Han discussed the role of the second-hand market on consumers' psyche, suggesting that it not only gives the luxury products a social value of the circular economy but also increases the younger consumer group's loyalty to the brand by the way they identify with its name, style, and so on [3]. Besides this, Gupta et al., through their research on collaboration marketing strategies, discovered that while the frequent use of cross-brand collaborations can lead to the capture of attention from the public in the short term, they also result in the erosion of the core brand value over time [4]. Even though previous studies have covered digital marketing, second-hand market, and collaboration from the point of view of the marketing industry, they have normally investigated each topic in isolation, and, therefore, they have been rather narrow in character. Fewer of them have approached these phenomena at the level of a whole dynamic system. In short, there is still a need for work on this issue.

In contrast, the existing literature reveals very limited research in that the majority of studies are focused on the second-hand market's defensive role, while a small number only deal with the idea of developing a coordinated relationship between the two markets through marketing innovations. The main issue is that digital technologies are hardly ever the subject of such studies. Hence, this paper contributes to the field by uncovering this lack of investigation.

Burberry is chosen for this case study. The research team starts by going over the history of the luxury brand's digital marketing strategies, including collaboration marketing and scarcity marketing, which are the most prominent areas. Next, the effect of the brand's digital strategies on the brand itself and the second-hand market is examined. Lastly, a group of suggestions for a win-win collaboration between different product segments is offered. This paper contends that digital technologies are not to be seen merely as a channel of marketing. They can also serve as instruments for brand management during the product lifetime and for the implementation of sustainable consumption strategies.

2. Case context: Burberry's digital transformation and secondary market dynamics

To examine the interplay between digital marketing and secondary market evolution, Burberry serves as a revelatory case study due to its pioneering yet contentious approach to digital integration.

Burberry, a British luxury brand that has been a major name in the industry for over a hundred years, is nowadays one of the leading examples of digital transformation. The brand has implemented a very aggressive digital marketing strategy to attract younger generations, mainly through digital channels [5]. This allows for a seamless experience from discovering a product online to ordering it the same moment. The specific manifestations of these strategies and their multifaceted impacts on the resale market are synthesized in Table 1.

Table 1. Burberry's digital strategy portfolio and secondary market implications

Strategic Dimension	Specific Initiatives	Secondary Market Implications
Product Innovation	Streetwear/Avant-garde collabs; Limited drops	Resale price premiums; Scarcity perception
Channel Expansion	WeChat Mini Program; Livestream commerce	High inventory velocity; Reseller arbitrage
Governance Gap	No official authentication infrastructure	Legacy stock surplus; Counterfeit proliferation

DOI: 10.54254/2754-1169/2026.36164

Nevertheless, these strategies to drive the market have also influenced the second-hand market significantly. These digital initiatives, while effective in driving primary demand, have inadvertently intensified secondary market volatility, characterized by resale price inflation for limited editions and systemic challenges related to inventory overhang and counterfeit proliferation. Such a scenario has made it very difficult for Burberry to manage the secondary market.

The high level of activity seen in the second-hand market actually reflects the brand's strength. On the other hand, the fact that there are so many second-hand goods being sold at such low prices is not only hurting the sales of the genuine products but also is doing great damage to the brand image of a luxurious brand. Currently, Burberry has not developed an officially verified second-hand trade platform. Their strategy towards the second-hand market largely continues to be of a passive mode. Collectively, Burberry's continued reliance on a laissez-faire approach to secondary market governance underscores a critical managerial tension between digital accessibility and luxury exclusivity, thereby providing a theoretically and empirically pertinent context for this study.

3. Dualities of digital acceleration: strategic dividends and emerging liabilities

Through an in-depth analysis of the Burberry case, this study identifies both the positive impacts and the potential problems arising from the interaction between digital marketing strategies and the second-hand market.

3.1. Digital dividends: enhancing brand equity and market responsiveness

3.1.1. Algorithmic amplification and demographic rejuvenation

Exponential Growth in Brand Visibility. Digital marketing efforts have been instrumental in making Burberry more visible to a younger demographic. Burberry has redefined its traditional British Heritage image and has been embracing the streetwear culture. With brand collaborations and designer ones like Supreme and Vivienne Westwood with a strong underground following, Burberry has been making a new name for itself. The sales of the Burberry x Supreme collection in 2022 resulted in an Instagram storm. The hashtag topics related to the collection received more than five million views within only 24 hours of the product release. Moreover, the engagement level has also been much higher compared to the company's regular marketing messages [6]. It is this level of digital exposure that has completely changed people's views of Burberry as a rather old-fashioned brand. Moreover, it has solidified the brand as an authority in fashion for millennials. As a reward for its marketing activities, Burberry has further secured its future in terms of market competitiveness as well.

3.1.2. Resale premiums as signals of perceived asset value

Growth in Brand Value Driven by Premium Prices in the Second-hand Market. Scarcity marketing through product shortage has systematically contributed to premium branding for certain products by Burberry in the secondary market. A prime example of this could be the limited production batch of a different color variety of the famous check scarf, originally priced at £450, whose price went up to around £800 once sold on online trade platforms such as StockX [7]. This phenomenon of products gaining more value post-buying communicates several things to the market. It is a message or indication that Burberry products retain values similar to those of precious property. The consumer community has been greatly driven by this to impulse-buy and start accumulating the

DOI: 10.54254/2754-1169/2026.36164

products. At the same time, it has enabled the second-hand traders who mainly focus on limited edition products to develop a niche market of their own. From a brand value standpoint, the pricing premium in the second-hand market reflects recognition of the brand's scarcity through market mechanisms. It shows that within specific consumer groups, Burberry is strong enough and can influence demand and set prices.

3.1.3. Frictionless commerce and predictive retailing

Burberry has made significant strides in upgrading the customer shopping experience over different digital platforms such as WeChat Mini Programs, live streaming sessions on the Tmall flagship store, and the official mobile app. These digital avenues remove the constraints of time and location from traditional physical stores. Customers can enjoy high-quality live videos to get a sneak preview of new ranges and even place orders via an in-game one-click checkout on the mini-program. This kind of content-led retail format has lifted the conversion rate on a per customer basis by more than 20 percent. It likewise boosted user engagement with the brand [8]. Another thing of note is that the information about customers' habits gathered from online sales has increased Burberry's forecasting skills as far as the market needs go. In this way, they use their data to adapt more rapidly to the market situation and to convert their supply chain from a push to a pull type with much larger flexibility.

3.2. Structural liabilities: erosion of exclusivity and governance deficits

3.2.1. Brand dilution via collaborative overexposure

As collaboration marketing has become an almost daily occurrence, they have certainly brought a lot of attention quickly. It is a pretty commercial way that is very successful in the short term, but Burberry's brand identity, which is being pushed aside gradually, is at risk of losing its brand values to commercialization. Collaborations have become so normal that consumers have just habituated seeing Burberry alongside streetwear brands. Therefore, the brand's traditional values, the brand's royal pedigree, its craftsmanship, etc., are not even taken seriously anymore. The findings of this study reveal that several longtime customers have been complaining to social media that Burberry seems to be becoming a low-cost luxury brand or a fast fashion brand. They even think that it's leaving its status to become a top luxury brand [9].

Such depreciation of brand value in a structural way can only result from a change in the customer's perception of the brand. These kinds of problems not only cause the brand to see a reduction in the number of premium-priced products sold, but they may also lead to the loss of the core customers that have taken so much effort for decades to acquire. And what is worse is that the losses caused can rarely be compensated for by short-term sales increases.

3.2.2. Arbitrage-induced channel conflict

The digital channel's ease of use has reduced the barriers to purchase. But it has also allowed bulk purchases and resales to flourish. Professional resellers use automated programs to secure large shares of popular items right after they are released. These items are then quickly resold at the secondary markets at price cuts. This behavior has sparked major price wars between the company's own selling channels and reselling markets. While the company, wishing not to lose its luxury image, cannot freely set its official prices lower, on the other hand, products are still being sold at a

DOI: 10.54254/2754-1169/2026.36164

discount through second-hand markets. And this is causing even more people to avoid official channels altogether [10].

The battle between these different sales channels not only slashes the brand's profit margins but also creates chaos and disorder in the market. As an outcome, the brand is gradually losing the ability to control prices and the brand image through a balanced channel system.

3.2.3. Authentication gaps and institutional mistrust

Apart from fake products that continue to flood the second-hand market, the brand's credibility also faces threats if the counterfeit problem isn't fully under control. For the time being, Burberry hasn't officially set up a digital counterfeiting prevention and tracking system. This puts customers trying to identify genuine items at the second-hand market in a position of great uncertainty and high cost.

The majority of counterfeit product buyers are not the ones who blame the counterfeit sellers. Rather, they see a lack of brand supervision and an old style of anti-counterfeiting measures from the brand as the reason why they buy fake products, and blame the brand [11]. So, these trust issues can lead to direct harm to brand image and also reduce the brand's position in the second-hand market, which in turn results in the sales of new products also deteriorating.

3.2.4. Scarcity fatigue and speculative backlash

Burberry has certainly benefitted from the numerous digital marketing campaigns it has conducted over time that have maintained consumer interest, but at the cost of losing the buzz around new product releases in the long run. Consumers will begin feeling that these items aren't scarce enough after marketing heavily around terms like "limited edition" and "collaboration".

It is then that they start figuring out that the majority of these limited editions are, in fact, made in large numbers and that products labeled as exclusive come to market pretty commonly. With that realization, they do see the value in what they buy and start losing interest in paying premium prices for items that are hardly different or innovative from the ones they already have. To keep the conversation going, the brand is ultimately bound to offer deeper discounts or engage in more large-scale collaborations, giving rise to a negative cycle.

4. Strategic framework for primary–secondary market synergy

Given the identified problems, this paper recommends the following to promote the harmonious development of digital marketing and the second-hand market in the luxury industry.

4.1. Technological governance: blockchain-enabled lifecycle authentication

To restore pricing authority and build consumer trust once the trust in genuine products has been seriously eroded in the second-hand market, luxury brands need to develop an authentic and transparent platform via blockchain official authentication. This strategy would involve giving every real item a unique NFT digital identity. Such a certificate would always keep details on the raw material used, the country of origin, the time of production, and the chain of ownership of the product. The data will be protected, and immutability is guaranteed [2]. It can be an idea of the brand to have an official certified second - hand corner in the brand's mini-program. Only products equipped with an active NFT certificate can be offered for sale. With this strategy, the brand can significantly decrease the supply of counterfeits at the root. Official authentication can relieve consumers' anxiety about whether the product is genuine. As such, a transition will enable the brand

DOI: 10.54254/2754-1169/2026.36164

to shift from being a passive market regulator to managing the second-hand market actively. This will ensure product quality, and ultimately, consumer goodwill will be rebuilt.

4.2. Product stewardship: curated collaborations and algorithmic scarcity

To avoid diluting the brand's main value, Burberry needs to stop collaborating with anyone who has internet traffic as a criterion. The strategy must change to a very discerning and unique one. Choosing collaborator partners will be Burberry's way to prioritize cultural brands or designers who have heritage and craftsmanship that perfectly complement its age and heritage. Burberry shouldn't look for internet popularity exclusively [4]. Besides, the brand needs to create a system of dynamic scarcity management. Market demand can be studied via big data technology, and popular products may have sales limitations set and enforced. To keep the product scarce, the brand should regularly destroy the leftovers from a season's collection. Another thing, the collaboration collection should feature at least 70 percent original signature elements of Burberry, such as the Equestrian Knight emblem and classic checked fabric pattern. It ensures that new products are both creative and remind people of the main characteristics of the brand at the same time.

4.3. Relational integration: closed-loop CRM and circular retention

Premium brands need to take second-hand trade as a new customer relationship management (CRM) platform, which is not a competition. They need to launch an authorized trade-in initiative. They should make their committed customers bring back their unwanted possessions to the store. Products will then be certified, cleaned, and, when necessary, renewed before being put onto the official second-hand selling route of the brand. Vouchers or reward points will be granted to customers who buy new products [3]. Such a marketing tactic can decrease the stockpiles of cheap second-hand goods and defend the brand's official pricing structure. Also, by supporting a green cause, it will enhance the brand's environmental responsibility image. This process is the slow transformation of second-hand buyers into potential customers for brand-new goods. This approach further adds value to the customer through all stages of product life and sets the stage for the branding of a loop-closed ecosystem in a closed-loop form of customer engagement.

4.4. Market orchestration: algorithmic price surveillance and corrective intervention

A brand can deploy big data web-crawling technology to set up its own price monitoring system, which is a luxury goods brand's best bet to keep track of its product prices in the secondary market on a day-to-day basis. Besides StockX, which has a huge international clientele, the second-hand platforms that should also be included in the system are Vestiaire Collective. The brand should continuously keep its finger on the changes in the market prices and demand-supply levels of the main selling stock, keeping stock or SKUs. Whenever a brand is warned about any irregularities or drastic price drops of its products on the secondary market, the brand should make a move. In case prices are too high due to speculative behavior, the brand could put out more targeted products to bring down pricing levels. In case prices crash from overselling, a brand can repurchase its products or distribute targeted vouchers to recover inventory.

The brand's way of intervening in this digital age would help it to preserve the system of prices and also help the brand to be seen as reliable by the consumers. This way, the brand's reputation will also not be affected if major price fluctuations in the second-hand market take place.

5. Conclusion

5.1. Key findings

On the basis of its investigation of the experience of Burberry, which is the most typical case, this study points out that a deep and interactive relationship exists between the innovation of digital marketing strategy and the development of the second-hand market of luxury brands in the digital age. With a good digital marketing campaign, one can quickly gain a lot of brand exposure and raise prices premium in the secondary market. Nevertheless, if they are pushed too far, the core brand value can be undermined, conflicts between channels of distribution in terms of prices may ensue, and one might lose faith in the product's authenticity. In conclusion, if a designer label uses digitization only as a sales tool without considering its impact on the second-hand market, then they might end up with serious long-term development problems.

5.2. Research significance

This study presents both theoretical contributions and practical implications. At the level of theory, it offers an integrative analysis of two markets (new & vintage) in a digital set-up, unlike previous studies, which used separate market analysis. The research is a step forward in identifying the relationship between digital marketing channels and the development of second-hand markets. As far as practicality is concerned, the system for official product authentication, the strategy of partnership differentiated by collaboration type, and a CRM system throughout the lifetime of the product in a closed loop, serve as a set of practical tools for luxury brands. These can help them to deal with their exposure to a secondary market challenge, enable sustainable progress, and underpin their contribution to making the luxury sector a circular one.

5.3. Limitations and future studies

The main source of data used in this paper is publicly available information and case study analysis. The shortage of second-hand market data prevents scholars from seeing a brand's internal operational figures. Moreover, as this paper only takes one brand into account, the possibility of drawing a more general conclusion based on this research paper should be validated by further studies. Questionnaires and in-depth interviews are ways a future scholar could use to gauge how far consumers support the second-hand initiatives of designer brands. Furthermore, luxury goods in other categories, e.g., fine accessories, will add empirical support in addition to what this paper already reveals.

References

[1] Kannojia, M. K. (2024). Marketing innovation in e-commerce. *International Journal of Science and Research (IJSR), 13*(9), 1026–1030. DOI:10.21275/sr24916184515.

[2] Wu, Y., & Yang, C. (2024). Analysis of fast fashion brand marketing innovation strategy—taking SHEIN as an example. *SHS Web of Conferences, 193*, 5. DOI:10.1051/shsconf/202419301030.

[3] Han, T. (2024). Technological innovation, marketing innovation, and business performance of marketing enterprises in China. *International Journal of Research Studies in Management, 12*(11). https://doi.org/10.5861/ijrsm.2024.1259

[4] Thaichon, P., & Quach, S. (Eds.). (2023). *Luxury marketing, sustainability and technology: The future of luxury management*. Routledge. https://doi.org/10.4324/9781003321378

[5] Liu, Z. (2025). From technological innovation to brand ecosystem: DJI's marketing secrets and insights. *Advances in Economics, Management and Political Sciences, 153*(1), 1–9. DOI:10.54254/2754-1169/2024.19466.

[6] Liang, Y. (2025). Innovation trends and commercialization strategies in sports brand marketing under globalization and digital transformation. *Advances in Economics, Management and Political Sciences, 165*(1), 51–56. DOI:10.54254/2754-1169/2025.21133.

[7] Jadmiko, E. P., Wahyuni, I., Mu'Is, A., & Kowey, W. O. (2025). Role of service innovation, customer satisfaction, brand loyalty, and word-of-mouth marketing on business growth of MSMES. *International Journal of Business, Law, and Education, 6*(1), 69–81. DOI:10.56442/ijble.v6i1.964.

[8] Dachi, A., Utomo, S., Nurliyah, E. S., Prakoso, T., & Apriliani, R. (2025). Digital marketing and consumer experience in building brand green innovation in SMES: The trend analysis using a bibliometric analysis. *Indonesian Interdisciplinary Journal of Sharia Economics, 8*(2). https://doi.org/10.31538/iijse.v8i2.6749

[9] Abualhaija, A. S., & Elsawy, M. M. (2026). *Digital sustainability orientation and green brand advocacy in social media marketing: The mediating role of digital green innovation and the moderating effect of consumer environmental consciousness.* Advance online publication. https://doi.org/10.3390/jtaer21050156

[10] Thanasi-Boçe, M., & Al-Issa, N. (2025). The secondary luxury market: A systematic review and theoretical integration. *Cogent Business & Management, 12*(1). DOI:10.1080/23311975.2025.2523405.

[11] Deng, K. B., Liu, M. T., Wang, S. X., & Loi, H. N. (2025). Omni-channel and marketing communication in second-hand luxury trade business: Examples from two leading companies in the USA and China. In *Marketing and smart technologies* (pp. 425–441). Springer. DOI:10.1007/978-981-97-3698-0_30.