

Chanel? Hermès? Rebagg raises \$15.5 million for second-hand luxury handbags

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Above: Rebagg

Rebagg, an online marketplace for second-hand luxury handbags, announced today that it has received \$15.5 million in funding. Novator and General Catalyst led the round, with participation from FJ Labs, Crosslink Capital, Big Sur Ventures-Necotium, Kloof Capital, and U-Start.

The New York City-based startup works with personal stylists and other fashion folks to locate second-hand luxury handbags from brands like Chanel, Hermès, and Louis Vuitton. Rebagg buys the bags and resells them online at a premium.

“We estimate that less than two out of 10 owners of luxury fashion are currently involved in a secondary behavior,” said Rebagg cofounder and CEO Charles Gorra, in an exclusive interview with VentureBeat. “Peer-to-peer marketplaces and consignment options are too complex, lack transparency, and are frustrating for most sellers.”

The Rebagg team acts as an intermediary, checking the authenticity of the handbag and making sure it’s in top condition — a welcome vetting process if you are going to pay \$9,000 for an Hermès Birkin bag!

When asked whether this “recycling process” bothers luxury brands who may want to sell their handbags at the full price, Gorra explains that it is quite the opposite.

“We are an ally to brands and department stores, contributing to their sales as our sellers largely reinvest resale proceeds,” he said. “On the demand side, we function as a customer acquisition and awareness tool for brands. As they grow their income profile they naturally migrate to first-hand purchases from designers they have learned to love through us.”

Competitors in this sector include Thredup and The RealReal, which recently closed a \$50 million round led by Great Hill Partners.

To date, Rebagg has raised a total of \$28 million. The startup will use the fresh capital to hire more employees, further develop the resale pricing technology, and grow its sourcing network.

Founded in 2014, Rebagg currently has 45 employees.