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Resale Price Ratios and Brand Equity

Running Title: Resale Price Ratios as a Cross–Tier Signal of Brand Equity

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Abstract: ***This study investigates the extent to which brand equity influences the resale value of fashion products by introducing the Resale Price Ratio (RPR), defined as the ratio of average resale price to original retail price. Using secondary market data from Grailed and Depop, 842 resale listings representing fifteen fashion brands across heritage, premium streetwear, and youth-indie segments were analysed. A complementary survey of 102 Indian consumers examined brand awareness, perceived quality, and willingness to pay for second-hand branded products. Premium streetwear brands recorded the highest average RPR (1.15), significantly outperforming heritage brands (0.71), while youth-indie brands displayed substantial variation associated with differences in brand identity and community engagement. Statistical analyses supported significant differences between premium streetwear and the other brand tiers. The findings suggest that RPR provides a practical market-based indicator of consumer-based brand equity using publicly observable resale market data. The study contributes an accessible measurement approach for researchers and emerging fashion brands while extending existing market-based brand equity frameworks to secondary markets.***

Keywords: Brand equity; Resale price ratio; Fashion resale markets; Consumer behaviour; Secondary markets; Streetwear; Brand valuation; Consumer-based brand equity

1. Introduction

Resale Price Ratios as a Cross–Tier Signal of Brand Equity

Anyone who has sold second–hand clothes has likely watched an item attract offers for only a fraction of its original value. While some markdown is inevitable when it comes to the reselling process, the speed at which it becomes less valuable is anything but random. It tracks something real about how much other people want that item, which is ultimately a reflection of what the brand name means to them. This premise is not new to marketing scholarship. For years, researchers have been attempting to quantify brand equity, which is the value provided by a brand name beyond the functional value of the product (Keller, 1993). Where the development is relatively lacking is a structure for measuring the concept of brand equity by observing actual transaction prices rather than relying on consumer self–reports. Platforms such as Grailed, Depop, and Vestiaire Collective have created a transparent pricing world in which the same item from the same brand can be sold for different prices on each of these platforms. That price difference observed across resale listings is what we are trying to measure and explain.

Among the most prominent brand equity measurement approaches in the literature are two broad methods, each having its advantages and limitations. The survey approach involves asking questions of the respondents about their views on the brand, as in the case of the scale provided by Yoo and Donthu (2001). The market approach involves analysing the results that come from the performance of the brand on the market, for example, price premium, which is suggested by Ailawadi et al. (2003). Both approaches were developed for established brands with large customer bases and either survey infrastructure or retail scanner data. Neither approach is particularly well–suited to smaller labels that do not have the resources to perform customer surveys or sales data analyses to determine revenue contributions.

We put forward the resale price ratio as a third option: a market–based signal drawn from accessible second–hand platform information, applicable to brands of any size, that requires no customer feedback and no firm–level financial disclosure. A brand whose items retain 90% of their retail price second–hand signals a fundamentally different equity position than one whose items sell for 60%. And importantly, this signal is available to anyone with internet access and a spreadsheet.

We test the framework across three brand levels: heritage, premium streetwear, and youth–indie. We supplement the market data with primary survey responses from Indian youth consumers. The paper proceeds as follows. Section 2 reviews the theoretical and empirical literature on brand equity, second–hand market economics, and Gen Z consumer behaviour. Section 3 describes our methodology. Section 4 presents findings. Section 5 discusses implications. Section 6 concludes.

2. Literature Review

Brand Equity Theory

Brand equity as a concept has been studied and analysed since the 1980s in the field of marketing scholarship; nevertheless, it was the Keller (1993) brand equity framework that dominated the area of marketing research. In Keller's framework, a brand possesses value for consumers due to the presence of preexisting beliefs and attitudes about the brand, which affect consumer perceptions of and reactions to the brand. When a consumer prefers a Ralph Lauren polo over a visually identical polo from another brand, or an unbranded one, that preference illustrates Ralph Lauren's brand equity. This is coined as the "differential effect of brand knowledge

on consumer response to the marketing of the brand" in Keller's model.

A firm owns its stocks, products, and inventory, but not its equity. The equity of a brand belongs to the consumers and is determined by how much the consumers perceive the brand to be worth. A firm can only influence the equity of its brand through various methods such as marketing, design, and pricing. The equity of a brand that exists in the awareness of the consumer can be measured by the behaviour of the consumer regarding the prices that are willing to be paid for the products of that brand on the secondary market.

Aaker (1996) extended this view by arguing that brand equity is multifaceted and not just comprised of a single dimension. It is built from perceived quality, brand associations (the ideas consumers connect with the brand), brand loyalty, brand awareness, and market behaviour signals such as premium pricing and distribution reach. Aaker posits that market behaviour here acts as evidence for brand equity, and not just what consumers talk about in surveys and interviews.

A significant distinction was later highlighted by Raggio and Leone (2007). They demonstrated brand equity and brand value as two separate concepts. Brand equity refers to the psychological value of a brand in the mind of consumers, while brand value is the financial value that the brand is able to generate using that perception of consumers. Hence, two firms could theorise similar brand equity for a brand but arrive at differing financial valuations, as it depends on how each was positioned to exploit the equity. Specifying the emerging brands we study, this distinction is crucial. We cannot access firm–level financial data to estimate brand value, but the equity built by the brands can still be depicted in the willingness of consumers to pay for the brand's products on the secondary market.

Altogether, these frameworks accentuate that brand equity is a real phenomenon which is rooted in consumer perception and manifests in observable market behaviour. The paper explores whether resale pricing can be posited as one of these observable manifestations and whether it varies across brand tiers through a pattern in the way the theory suggests.

Existing Approaches to Measuring Brand Equity

Keller (1993) and Aaker (1996) proposed conceptual frameworks that moved beyond theoretical discussion toward practical methods for measuring brand equity. Over time, two broad approaches were made evident, and their limitations corroborate the methodology used here.

Among the most popular and rigorous survey–based tools is the scale developed by Yoo and Donthu (2001), in which a validated measurement scale, built on the dimensions of brand loyalty, brand awareness, brand associations, and perceived quality, operationalised the ideas proposed by Keller and Aaker. The scale was validated using 1,530 respondents across three cultural groups (American, Korean American, and Korean) and three product categories, hence confirming that the scale worked across different cultures. This becomes extremely relevant for this study based in India, which uses branding theories that were mainly developed and utilised in Western Markets.

However, such survey–based methods also have a prominent limitation. For the surveys to avoid bias and be valid, they require a large sample size of people who are already familiar with the brand. For brands like Sonder, a significant percentage of their target market has not yet been encountered, thereby presenting a real challenge.

Ailawadi, Lehmann, and Neslin (2003) proposed a different path. Rather than relying on consumer surveys, they focused entirely on market behaviour in order to measure brand equity.

Their method was coined as a revenue premium measure; it compares the revenue earned by the sales of a branded product that commands a price premium over its private–label counterpart. Ailawadi et al. (2003) tested the measure across several packaged–goods categories using household scanner panel data. The measure was established as reliable, responsive to the change in the health of a brand over time, and also corresponding with other measures of brand equity. The main appeal of the measure is its simplicity, practicality and clarity. It did not require consumer surveys with large sample sizes, and rather relied on visible market data which was observable, such as prices and sales volume.

Rather than comparing the sales revenue of a branded product to an unbranded equivalent, in our methodology we compare a brand's second–hand market price to its original retail price. Therefore, the resale price ratio showcases the willingness of consumers to continue demanding the branded product in the secondary market.

The main use of this extension is to introduce directionality. It is worth noting that a ratio above 1.0 need not always reflect brand equity in isolation; short–term supply shocks (e.g., a discontinued product) can also drive resale prices above retail, a limitation we return to in Section 4.5. It shows that in the secondary market, the demand by customers for the product is strong enough for the business to charge a higher price than the original retail price of the product. This signifies a qualitatively distinct equity signal which is not present in the revenue premium framework.

Second–hand Market as a Measurement Environment

The scholarly literature based on second–hand markets has increased in parallel with the growth of the sector itself. Specifically, Majid and Russell (2019) show that branded products preserve their value when resold in secondary markets, but this depends on how strong the brand value is. This argument was further supported by the research by Turunen and Leipämaa Leskinen (2015), whose interviews with second–hand luxury buyers identified brand–related meaning (e.g, 'Pre–loved Treasure,' 'Unique Find') as a recurring driver of resale appeal alongside considerations of condition and provenance.

Looking at streetwear, things work a bit differently. In this sector, brands prefer to only drop limited releases of commodities to create an illusory scarcity, in order to make their products rare. Parallel to this, such brands collaborate with other famous labels and artists to stimulate their demand even more. Consumers often also have a sense of community and identity relating to such brands, which keeps the demand

for these products high even in resale markets. Studies on hype culture indicate that above–retail pricing is not an irregularity but an expected outcome when brands successfully manufacture scarcity and cultural value (Chen et al., 2020). This is shown in our Tier 2 data where every brand except Noah NYC, which follows an anti– hype culture, has achieved a resale ratio of 1.0.

Even though less formally researched, the Indian second–hand fashion market is growing rapidly and is structurally distinct from the Western markets. Buying goods through Instagram resellers and WhatsApp groups is more common compared to other formal platforms, especially for the youth. This was also supported by our research findings, which showcase the preference for apps like Instagram and OLX by domestic users.

Gen Z and Brand Perception

To interpret our survey findings accurately, it is necessary to understand that Gen Z consumers engage with brands in a different manner compared to prior generations. Djafarova and Bowes (2021) found that the brand trust for Gen Z is mainly built through their peer networks and social media rather than traditional advertising mediums, hence shifting the equity– building burden to organic cultural credibility. Djafarova and Bowes (2021) reveal that Gen Z's brand trust is gained mainly through the use of peer and social media networks rather than through advertisements. Francis and Hoefel (2018) also identified that the primary criteria for Gen Z when selecting a brand are authenticity and value alignment with the consumer– attributes typically connected with identity and youth brands rather than those with more heritage in the industry and market as a whole.

It is important to note that for Gen Z, purchasing items from the secondary market or thrifting is not just economical but rather expressive. Buying a coveted item on Grailed signals taste, curation, and cultural knowledge in a way which simply buying the same item on retail does not.The process of finding desirable platforms requires familiarity with brands, trends, and collections, which makes the process itself a part of the item's value. Accordingly, the second–hand market does not just serve as a place where consumers can purchase items at lower prices, but as a platform where they can demonstrate their fashion sense and understanding of the culture. Therefore, this helps us to surmise that a brand's presence or absence in the second–hand market can say more than just market value. It illustrates the brand's desirability, relevance in current trends and culture, and ability to stand within fashion communities.

Through behavioural economics, the paper explores how consumers do not always make their purchasing decisions based solely on objective product quality. Cognitive biases such as scarcity bias, social proof, and status-seeking behaviour may also increase their willingness to pay for brands which possess strong cultural relevance despite comparable functional quality.

Our survey data test whether these patterns hold specifically within India's Gen Z population. The instrument used in the survey specifically asks participants about their primary motivation to demand second–hand products, which will allow us to compare the behaviour of the Indian youth against that of the Western population.

Signalling theory (Spence, 1973) suggests that consumers use observable characteristics as signals of quality when perfect information is unavailable. Signalling theory traditionally examines education and labour markets, but has increasingly been applied to luxury marketing and branding in recent decades. A premium resale price may hence function as a market-generated signal of perceived brand quality, desirability and cultural relevance. Resale prices emerge from transactions between independent buyers and sellers, potentially providing a more objective indicator of perceived brand equity.

3. Methodology

Research Design

This study was conducted using a mixed–method approach; this included a secondary market analysis along with a consumer survey. The secondary research was used to analyse fifteen different brands, which were segregated into different tiers; this was done by calculating average resale prices and resale–to–retail ratios.

The survey was used to measure participants' perceptions of different brands, views on product quality and the willingness to pay for a second–hand high–quality item from each brand. This primary research was distributed between February and May 2026. The combination of data from both approaches allows a more in–depth analysis and understanding of brand perception and resale performance: The resale market data reflects actual consumer purchasing behaviour, while the survey provides insight into consumer brand perception. A relationship between the two variables can be drawn and can help identify gaps in what consumers say and how they behave in the market. Ultimately, the approach helps assess whether a brand's reputation influences demand in the second–hand market or whether strong resale performance alone can contribute to greater brand preference.

Variables used in the study

The study distinguishes between dependent, independent and control variables in order to maintain clarity and reproducibility.

The dependent variable is the Resale Price Ratio (RPR), it is calculated as the ratio of a product's median resale price to its retail price. Therefore, this metric acts as the primary indicator of the retained market value.

The independent variable is brand tier, where the brands are categorised into 3 tiers: Heritage, Premium Streetwear and Youth Fashion Labels based on their market positioning, brand awareness, and pricing strategy. Furthermore, a secondary independent variable is the dominant brand equity strategy which distinguishes between brands that are built through consistency and heritage versus those driven by exclusivity.

In order to limit external influences on resale values, control variables were included in the research design. Products were matched across categories (T–shirts, caps, jackets, hoodies,

and tote bags), their retail prices were converted to a common currency ($USD). Listings which displayed products with severe damage, or ones that had obvious counterfeit characteristics were not included. Additionally, resale data was collected within the same time period to decrease influence of temporary market fluctuations.

Brand Basket Construction

Fifteen brands were selected and grouped into three tiers based on four criteria: brand age, retail price positioning, distribution breadth, and cultural visibility among consumers aged 16–26. Brand selection proceeded in two stages. A longlist of approximately 30 candidate brands was first compiled based on the authors' familiarity with the youth fashion and streetwear resale landscape, supplemented by browsing trending and category listings on Grailed and Depop. From this longlist, five brands per tier were retained using the four criteria above, subject to a minimum threshold of ten active or recently sold resale listings per brand across Grailed and Depop combined, to ensure sufficient data for RPR calculation. Where more than five eligible brands existed within a tier, priority was given to brands more recognisable to the target Gen Z demographic. This selection process was therefore purposive rather than random, a limitation addressed in the Limitations section. Disclosure. One of the brands included in this study (Sonder Store) is owned by the authors. To reduce potential bias, the brand was evaluated using the same selection criteria, data collection procedures, and analysis as all other brands.

Tier 1 (Heritage): Carhartt, Ralph Lauren, Levi's, Tommy Hilfiger, and New Balance

These brands have established market positions, extensive retail distribution networks, and high levels of consumer recognition across multiple generations. This tier serves as a benchmark for strong brand equity and provides a reference point for how much value established brands retain in the second–hand market.

Tier 2 (Premium Streetwear): Stüssy, Palace, Aimé Leon Dore, Kith, and Noah NYC

While these brands operate at similar price points, they differ from Tier 1 through their stronger association with youth culture and niche distribution. Many of these brands also manufacture scarcity through limited product releases. Noah NYC was included as a within–tier control, as it has a similar price position to the other Tier 2 brands while building its identity around craftsmanship and anti–consumerist values rather than typical hype–driven marketing. This allows for an assessment of whether resale performance is primarily influenced by price point and brand awareness or by scarcity–based strategies. Tier 2 brands also often collaborate with celebrities, designers, and influencers, providing an opportunity to examine if marketing intensity and cultural visibility help contribute to stronger resale performance,

Tier 3 (Youth–Indie): Sonder Store, Nohant, Madhappy, Museum of Peace & Quiet, and Felt

These brands are smaller and newer than those in the previous tiers, operating without the scale of Tier 1 or the established hype seen in Tier 2. This tier is particularly important to the study, as it allows for an examination of how emerging brands create value in the second–hand market. The differences in resale performance within this group provide insight into how various brand– building strategies influence consumer demand. [As disclosed above, Sonder Store is a brand with which the authors are affiliated.]

Data Collection and the Resale Price Ratio

A total of 842 resale listings were collected across all brands. For each brand-category combination, the brand was searched for within the relevant category on each platform, with the results sorted according to the “most recent” products within the brand. The first ten to twenty brands to appear within these results were selected (rather than individually selecting brands to include within each platform). Brands with listings on both platforms were included in roughly equal proportions in each dataset For each brand, ten to twenty resale listings were collected from each category for each brand using Grailed and Depop. This included T–shirts, hoodies, jackets, and accessories. The listings were filtered for "very good” condition to minimise the impact of product condition on the resale value. Each listing's seller asking price was recorded; following this, the original retail price was traced back and logged using the brand's website or archival records.

The resale price ratio (RPR) was calculated as:
RPR= Average Resale Price ÷ Original Retail Price

To improve methodological consistency, all brands were evaluated using identical product categories, including hoodies, T–shirts, jackets, caps, and tote bags, wherever such products were available. Where multiple resale listings were available, the median resale price was calculated to minimise the influence of unusually high or low listings. This standardisation process ensured that observed differences in Resale Price Ratios more accurately reflected differences in brand performance rather than inconsistencies in product selection or pricing methodology.

An RPR of 1.0 indicates that an item resells at its original retail price. Values above 1.0 indicate value appreciation, while values below 1.0 indicate depreciation. Brand–level RPRs were calculated by averaging the ratios of all sampled items within each brand. Tier–level RPRs were then calculated by averaging the RPRs of all brands within the same tier. Additionally, to assess whether RPR differences across tiers were statistically significant, one–way ANOVA and Kruskal Wallis tests were conducted on brand–level RPR values, with post–hoc pairwise comparisons and Cohen’s d effect size calculated. Prior to conducting the ANOVA, model assumptions were checked. A Shapiro–Wilk test on the model residuals indicated no significant departure from normality ($W = 0.983$, $p = .984$), and Levene's test confirmed homogeneity of variance across tiers ($F(2,12) = 0.85$, $p = .450$), supporting the validity of the parametric ANOVA; the Kruskal–Wallis test was additionally reported as a non-parametric robustness check given the small per-tier sample size ($n = 5$). For the OLS regression, residual plots were inspected and showed no evidence of non-linearity.

Data visualisations in this paper (Figure 1–3) were generated programmatically using Python’s matplotlib library based on the collected resale price ratio data. Even though extensive measures were taken to standardise data, several limitations still remain. The analysis relies on listing prices rather than

confirmed transaction prices because sale data is not consistently available across all resale platforms. Although sale prices were used where available, the listing prices may overestimate the market value as sellers often price items above the transaction prices. However, because this limitation applies equally to all brands in the study, it is unlikely to systematically alter the relative comparisons between brand tiers. Secondhand markets also exhibit information asymmetry, where sellers often possess greater knowledge regarding the items' authenticity, condition, and history than buyers which may influence resale prices independent of brand equity. Furthermore, the product condition, regional demand, fluctuations in exchange rate, shipping costs, and temporary market trends may also influence resale prices independent of brand equity. The differences in authentication policies across the resale platforms can also contribute to pricing inconsistencies. Such factors were considered when interpreting the findings and acknowledged as limitations of the study.

Survey Instrument

The survey was adapted from Yoo and Donthu's (2001) brand equity scale to reflect the perspectives and purchasing behaviours of young fashion consumers. The survey measured key dimensions of consumer–based brand equity, including brand awareness, perceived quality, brand associations, and loyalty.

The survey consisted of six sections:

Section 1: Demographics and Purchase Experience
Participants provided demographic information and indicated whether they had previously purchased second–hand clothing.

Section 2: Second–Hand Shopping Behaviour
Participants were asked about the platforms they use to purchase second–hand clothing and their primary incentives for doing so.

Section 3: Brand Perceptions
Participants evaluated the fifteen brands included in the study. Questions measured brand awareness, perceived quality, and which brands participants believe would retain the greatest proportion of their value in the second–hand market.

Section 4: Brand Value and Price Perception
Participants responded to scenario–based questions designed to assess perceptions of brand value and willingness to pay a premium for certain brands.

Section 5: Emerging Brand Appeal
Participants identified factors that would make them more likely to purchase second–hand products from smaller youth–focused fashion brands. This section also included an awareness question relating to Sonder Store.

Section 6: Open–Ended Response
Participants answered an open–ended question about what makes a fashion brand worth buying second–hand. This provided qualitative insight beyond the structured survey questions.

4. Findings

Resale Price Ratios

Table 1 showcases the resale price ratio (RPR) for each brand which is included in the study. The results indicate systematic variation across the different brand tiers. Tier 2 brands recorded the highest RPR (1.15), followed by Tier 3 (0.78) and lastly Tier 1 (0.71). The results generally follow the expected tier hierarchy; however, there is an evident distinction within each category, especially among the Tier 3 brands.

Table 1: Resale Price Ratios by Brand and Tier

Brand	Tier	Avg. Resale Ratio	Standard Deviation	vs. Tier Avg.
Carhartt	Tier 1	0.8	0.073	0.09
New Balance	Tier 1	0.74	0.061	0.03
Levi's	Tier 1	0.69	0.064	−0.02
Ralph Lauren	Tier 1	0.64	0.058	−0.07
Tommy Hilfiger	Tier 1	0.62	0.055	−0.09
Palace	Tier 2	1.35	0.142	0.2
Stüssy	Tier 2	1.22	0.098	0.07
Kith	Tier 2	1.18	0.112	0.03
Aimé Leon Dore	Tier 2	1.06	0.087	−0.09
Noah NYC	Tier 2	0.92	0.079	−0.23
Museum of Peace & Quiet	Tier 3	0.93	0.071	0.15
Madhappy	Tier 3	0.82	0.068	0.04
Felt	Tier 3	0.81	0.074	0.03
Nohant	Tier 3	0.69	0.082	−0.09
Sonder	Tier 3	0.66	0.043	−0.12

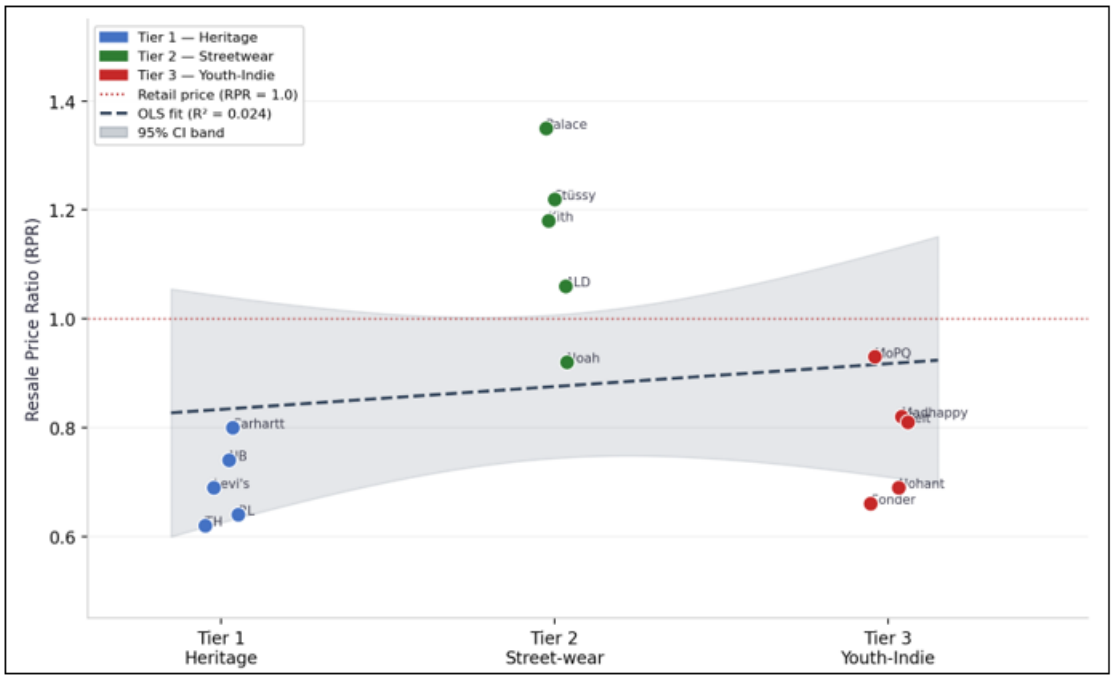

Figure 1: Scatter plot of Resale Price Ratio by brand tier with OLS Regression

Note. Data collected from Grailed *and Depop, 2026. Tier averages: Tier 1= 0.71, Tier 2= 1.15, Tier 3= 0.78. Within–tier range: Tier 1= 0.62–0.80 (Δ0.18); Tier 2= 0.92–1.35 (Δ0.43); Tier 3= 0.66–0.93 (Δ0.27).*

Tier 1: Heritage Brands (Average RPR= 0.71)

The heritage tier followed the expected pattern; the established brands depreciated moderately on the second market. Their items, on average, were selling for roughly 70 cents on the dollar. The most notable result in this tier is Carhartt's outperformance at 0.80, which is ten percentage points above the tier average. However, this cannot be attributed to the brand age or distribution alone, as Ralph Lauren, which is older and equally widespread, did not experience this. The difference rather is cultural repositioning where the workwear origins of Carhartt have been adopted by streetwear consumers over the past decade, which created second–hand demand from a younger demographic that was never a part of Carhartt's original target market. This is why its resale ratio is closer to the lower range of Tier 2 than its own tier.

Tommy Hilfiger and Ralph Lauren sit at the bottom of the tier at 0.62 and 0.64, respectively. A plausible explanation, though not directly tested here, is oversupply through aggressive outlet and discount–channel expansion. Both brands have expanded aggressively using e–commerce discounting and outlet channels. This signalled to the secondary market that their products are not scarce. When branded items become easily available at a markdown somewhere, their second–hand value will also reflect that.

Tier 2: Premium Streetwear (Average RPR= 1.15)

Tier 2 is the only tier with an average resale ratio which is above 1.0. This signifies that consumers pay more for these brands second–hand than they would at retail. Palace leads at 1.35, followed by Stussy at 1.22 and Kith at 1.18. Aime Leon Dore, the least hype–driven brand in the tier, yet clears 1.0 at 1.06.

The only exception is Noah NYC at 0.92. It operates at a comparable retail price to others and also has a customer following. However, its brand identity is built from craft and anti- consumerism rather than scarcity mechanics. Therefore, causing sub–retail resale price ratio, even with strong cultural credibility, which confirms that price point and awareness alone do not solely influence resale performance; rather, the specific mechanism of engineered scarcity using limited drops and collaborations is the decisive variable.

The collaborated pieces within Tier 2, specific drops which were tied to artists or other brands, sometimes appeared on the resale platforms at prices which exceeded not just their own retail price, but also the average resale price of entire Tier 1 brands. This suggests that collaborations function as a discrete demand event. The brands provide the platform while the collaboration provides the culture which justifies the premium.

Tier 3: Youth–Indie (Average RPR= 0.78)

Tier 3 showcases the widest internal variance in the dataset, with a spread of 0.27 between Museum of Peace & Quiet (0.93) and Sonder (0.66). All five brands are emerging, target similar demographics, and operate without a major retail distribution. The performance gap is not explained through brand age, marketing, or price point. Rather, it corresponds to how much cultural
equity each brand has built.

Museum of Peace & Quiet approaches the low boundary of Tier despite being only a small indie label. Its name is utilised as a brand promise, and this promise is delivered with consistency across product, packaging, and communication. This consistency has built a niche but with a following whose demand sustains second–hand price close to retail. Madhappy and Felt follow similar patterns at 0.82 and 0.81, having legible identities and communities which extend beyond their direct customer base.

Sonder sits 0.12 below the tier average and had the fewest resale listings of any brand in the sample- its items appeared almost exclusively on Depop, with negligible presence on Grailed. The low listing volume and low RPR support each other: Fewer listings signify less price stability and fewer brand impressions in a high–intent purchasing context. This serves as a baseline from which the distance to the top of the tier maps directly onto brand building actions. Taken together, these tier–level patterns motivated a formal test of whether the differences in RPR across tiers were statistically significant.

To assess if the differences in RPR across tiers were statistically significant, a one–way ANOVA was conducted on brand–level RPR values (n=15, 5 per tier). The analysis illustrated a significant effect of the tier of RPR [F (2,12)= 19.35, p= 0.0002], indicating how resale price ratios differ systematically across brand tiers. Further, A Kruskal–Wallis test confirmed this result non- parametrically (H= 9.78, p= 0.0075). Post–hoc pairwise comparisons (Tukey–corrected) showed that Tier 2 differed significantly from both Tier 1, t= – 5.59, p= .0005, and Tier 3, t= 4.15, p= .0032, while Tier 1 and Tier 3 did not differ significantly from each other, p= .19. Effect sizes were large across all significant comparisons (Cohen's d > 2.6).

Tier level 95% confidence intervals illustrate the pattern as well. Tier 1 [0.607, 0.789], Tier 2 [0.943, 1.349], Tier 3 [0.647, 0.917]. The non–overlapping intervals between Tier 2 and the other tiers provide a visual confirmation of the significant pairwise differences identified by the ANOVA.

Table 2: OLS Regression of Resale Price Ratio on Brand Tier

Variable	B	SE	t	p	95% CI
Intercept (Tier 1 baseline)	0.698	0.054	12.892	<0.001	[0.580,0.816]
Tier 2 (Premium Streetwear)	0.448	0.077	5.851	<0.001	[0.281,0.615]
Tier 3 (Youth Fashion Labels)	0.084	0.077	1.097	0.294	[-0.083,0.251]

Note: Tier 1 serves as the reference category. B= unstandardised regression coefficient.
SE= Standard error. R^2= 0.763, F(2,12)= 19.35, p <0.001.
p <0.05, p <0.01, p <0.001

To model the relationship between resale price ratio and brand tier, an OLS regression was estimated. Tier 1 was used as the reference category, with two dummy variables representing Tier 2 and Tier 3 membership. The model explained 76.3% of variable in RPR (R^2= 0.763) and was statistically significant (F(2,12)= 19.35, p <0.001). This indicated that the Tier 2 coefficient was positive and highly significant (B= 0.448, SE= 0.077. p <0.001), indicating that Tier 2 brands achieved RPRs 0.448 higher than the Tier 1 brands on average which is approximately equivalent to the difference between selling secondhand at 70 cents and $1.15. The Tier 3 coefficient, even though was positive, was not statistically significant (B= 0.084, SE= 0.077, p= 0.294), which confirmed that the Youth– Fashion brands do not differ significantly from Heritage brands in resale performance. This result is consistent with Tier 1 vs Tier 3 comparison in the ANOVA (p= 0.19).

We report these figures as they were computed, but given the purposive, non–random selection of fifteen brands (Section 3.2) and the small brand–level n underlying each tier mean, these results are best read as a precise description of this specific sample rather than as an inferential claim generalising to fashion resale markets at large; see Section 5.5.

5. Survey Findings

Table 3: Summary of Key Findings (n= 102). Survey conducted February–May 2026.

Survey Question	Response	%
Purchased second–hand in the last 12 months	Yes	23.6
	Considered it	38.2
	No	38.2
Top motivation to buy second–hand (top 3 reasons shown)	Finding unique/rare pieces	30.4
	Cheaper prices than retail	15.7
	Sold out elsewhere	15.7
	Other	38.2
Most–used resale platform	Grailed	46.1
	Instagram resellers	38.2
	Physical thrift stores	15.7
Brand importance when buying second–hand (1–5 scale)	Mean score	3.5
Would you pay more for a known brand vs. an unknown brand?	Yes	38.2
	Depends on price difference	46.1
	No	15.7
Top factors for buying second–hand from a small brand (multi–select)	Strong aesthetic/visual identity	61.8
	Social proof (people I follow wear it)	31.4
	Values alignment	31.4

Note. Percentages are rounded to one decimal and may not sum to 100 within each question due to rounding or multi–select response options.

The survey was completed by 102 respondents. The sample was predominantly aged 16–17 (46.1%), with 38.2% aged 18–25 and 15.7% aged over 40.

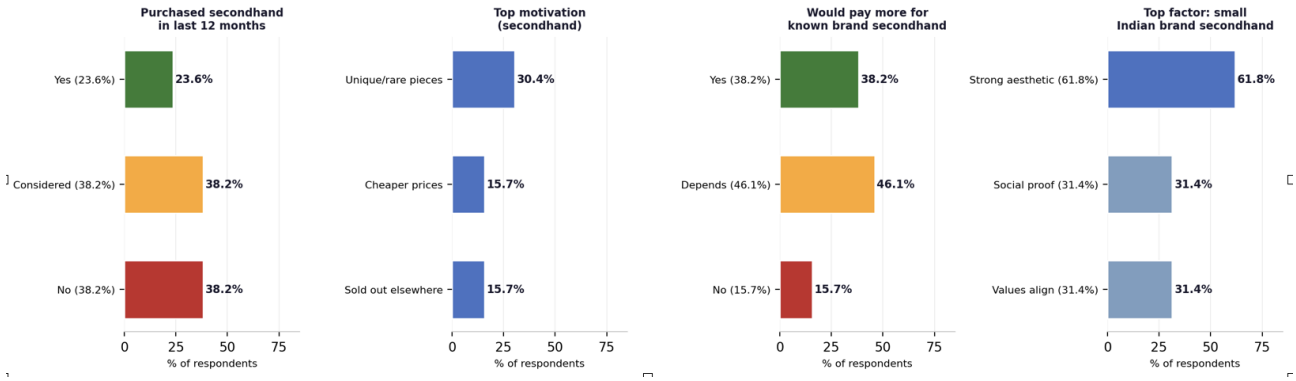

Figure 2: Mean resale price ratio by Tier

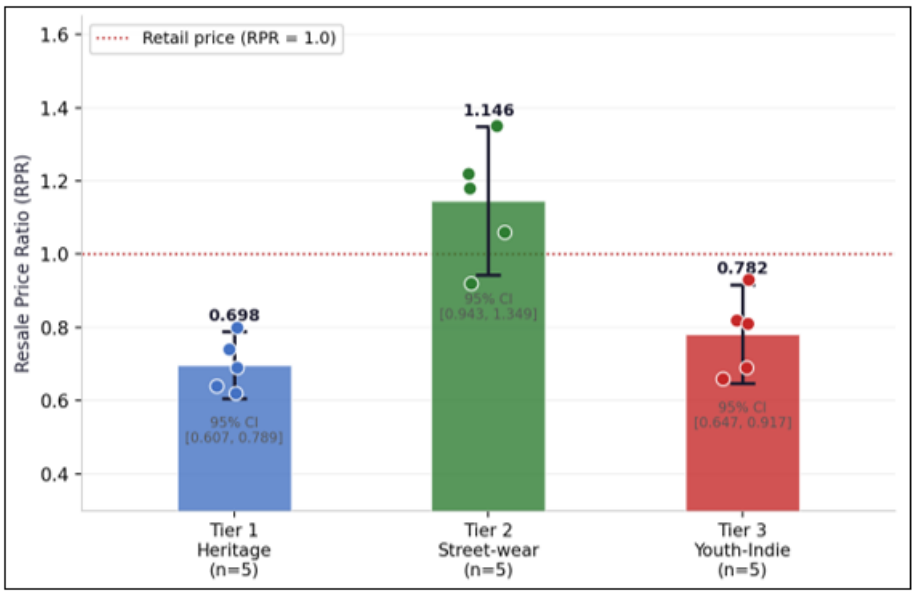

Figure 3: Key survey findings (n= 102)

Only 23.6% of respondents actively purchased second–hand clothes in the last 12 months. 38.2% considered it, while 38.2% indicated no interest. This relatively low second–hand purchase rate suggests our sample skews toward the broader youth population rather than active second–hand shoppers. This means that brand awareness responses reflect general cultural familiarity rather than platform–specific knowledge.

Among those who purchase clothes from second–hand markets, the primary motivation was finding unique or rare pieces (30.4%), followed by price (15.7%), access to aspirational brands (15.7%), seeking sold–out items (15.7%), and sustainability (15.7%). From the sample, only 7.8% cited the experience of thrifting. The dominance of rarity and uniqueness as primary motivations is consistent with identity–driven consumption patterns, which is described in Section 2.4. Additionally, it also supports the broader argument that second–hand purchasing among Indian youth is expressive and not purely economic.

In terms of platform usage, Instagram resellers and DMs dominated at 38.2%, followed by Grailed at 46.1% and physical thrift shops at 15.7%. None of the respondents reported using Depop or Vestiaire Collective, which are platforms most associated with Western youth resale. For brand importance, the respondents rated brand name as moderately important to purchase second–hand with a mean score of 3.5 out of 5. The distribution showed 30.4% selecting 3, 23.6% selecting 4, and 23.6% selecting 5. Hence, approximately close to half the respondents rate brand name as quite or extremely important when buying items second–hand.

Brand awareness results illustrated the expected tier hierarchy. Ralph Lauren and Levi's had the highest ownership rates among Tier 1 brands, with 71.6% of respondents owning something from each. In Tier 2, Palace had the lowest awareness of any, with 22.6% of respondents never having heard of it, suggesting that high resale ratio is driven by a relatively small but committed community rather than broad consumer recognition. Sonder's quality ratings were dominated by "Don't know this brand", confirming the low awareness finding from the market data. When asked which brand they believe would sell second–hand closest to original retail price, 38.2% chose Carhartt, and 30.4% chose Ralph Lauren. This result does not align with market data where Ralph Lauren reportedly underperforms Carhartt significantly. This divergence is further discussed in Section 4.4.

For willingness to pay a brand premium second–hand, 38.2% of the respondents said "yes," indicating willingness to pay more for a known brand. Only 15.7% said "probably not", and no one selected "price is all that matters". The largest group (46.1%) said it depended on the price difference, showing that brand equity matters but is not unconditional.

Further, pricing scenario questions produced informative results. When presented with two identical hoodies – one Ralph Lauren (retail ₹8,000), one unknown brand (retail ₹2,000), both listed at ₹1,500 second–hand – 61.8% of the respondents chose Ralph Lauren, citing how the brand name was worth more to them. Only 38.2% chose based on fit or aesthetics. This serves as clear evidence to show brand equity influences willingness to pay even when the second–handprice is identical. Moreover, in the Palace jacket scenario where the jacket was listed at ₹18,000 above its original retail price ₹15,000, respondents showed an even split: 23.6% accepted the above retail price due to the given scarcity, 23.6% said they would consider it, 23.6% said it was too expensive, and the other 23.6% of people said they never had heard of Palace and could not judge hence reflecting the brand awareness gap in the questions. For the youth brand section, the factors which drive second–hand purchase from a small Indian brand were strong aesthetic or visual identity (61.8%), followed by social proof specifically "people I follow wore it" (30.4%) and values alignment (30.4%). Limited drops were cited by just 15.7%, notably lower than what Tier 2 market data would suggest about scarcity's role in driving resale premiums. Price as a reason was only cited by 23.6% of the respondents.

Convergence Between Market Data and Survey Data

Together, the market data and survey responses show convergence and instructive divergence. The most significant convergence is between Sonder's low RPR (0.66) and its survey profile: High responses with "don't know this brand" in quality perception, The low RPR of Sonder indicates two things from the survey data: first, that a significant portion of the population does not recognize the brand, and second, that the Sonder resale activity is solely based on Depop. The market data shows Sonder as having the least developed resale market in the basket. The survey data says most people cannot evaluate the quality of its items. Therefore, these two signals point to the same reality that brand equity for it is still in early formation.

A clear divergence emerges between Carhartt and Ralph Lauren. Market data shows Carhartt (0.80) outperforming Ralph Lauren (0.64). However, in the survey, 30.4% of respondents cited Ralph Lauren as the brand which is most likely to sell closest to its retail price, while only 7.8% cited Carhartt. This gap between consumer expectation and market reality suggests that Ralph Lauren's perceived prestige amongst the youth consumers has not translated into demand in the second–hand market. This occurs possibly due to the brand's wide availability through outlets and discounting, which has softened its resale value without the consumers registering that shift.

The Palace scenario also produced a divergence. 23.6% of respondents had never heard of Palace and hence could not evaluate the above–retail pricing scenario. Yet Palace leads the data set with an RPR of 1.35. This confirms the streetwear literature where above–retail resale ratios for brands such as Palace are not driven by broad consumer awareness but rather by a concentrated engaged community whose demand inflates prices independent of what the general population thinks.

The survey's finding that strong aesthetic identity (61.8%) and social proof (30.4%) are primary drivers of second–hand purchase aligns directly with the Tier 3 market data. Museum of Peace & Quiet's strong niche identity and Madhappy's community–driven awareness become the two factors which the respondents identify as most persuasive. This is the reason why these two brands lead Tier 3 in resale performance.

To formally test the relationship between survey–measured brand awareness and RPR, a Spearman rank correlation was conducted across all fifteen brands. The correlation did not reach statistical significance (rho= –.42, p= .12), meaning the data do not provide reliable evidence that broader consumer awareness predicts resale performance in either direction. This null result is consistent with, though it does not confirm, the case–level pattern observed for Palace– the highest–RPR brand in the dataset despite comparatively low general awareness.

6. Discussion

What the Resale Price Ratio Actually Measures

Before drawing conclusions, it is necessary to specify what the resale price ratio can and cannot measure. Firstly, one should note that the price ratio is not a direct measure of consumer attitudes towards the product. It will never show the reasons why consumers desire the brand, but only the fact whether they actually want it enough to purchase it used, close to its original price. Secondly, as mentioned above, the resale price ratio is a measure of consumer behaviour, not of intent. Thus, it is less subject to social desirability bias, but it captures aggregate market behaviour rather than the motivational structure behind it.

However, it still provides a reliable indicator of consumer–based brand equity where survey measurement is out of the question. When it is impossible to conduct a survey, this type of measure may prove to be the best option for a young brand with a small number of customers.

Extending the Revenue Premium to Secondary Markets

While the revenue premium (Ailawadi et al., 2003) calculates brand equity by contrasting the revenue that a branded item generates and the revenue generated by a similar but unbranded product, our approach is different but works in a similar way. In the former case, revenue is contrasted with that generated by a product of the same type but not carrying the brand; while, in our case, we contrast the price obtained in the secondary market by a brand and the price that it originally carried.

With our approach, we add a directional aspect that was mentioned in the methodology part of this paper. If the ratio exceeds 1.0, it means that there is a positive reinforcement of demand on the secondary market regarding the price of the brand in question.

The revenue premium compares a branded product to a contemporaneous unbranded substitute, both available in the primary market at the same time and at the same point in the supply chain. The RPR, by contrast, compares a product's second–hand price to its original retail price, meaning it compares across time and markets and not across competing

products at a single moment. It means that RPR conflates brand equity with other time- dependent factors such as trend cycles and shifts in cultural relevance. For example, a Palace jacket holds value because of brand equity as streetwear is currently fashionable or because the item is rare. The RPR cannot fully disentangle these. This is why we treat RPR as a signal of brand equity rather than a direct measure of it, and why triangulation with consumer survey data in Section 4.4 is methodologically important– the survey provides the stated–preference evidence that market data alone cannot supply.

Why Tier 3 Variance Is the Most Important Finding

The finding that brands from Tier 2 do better than those from Tier 1 in terms of resale ratios is neither new nor unexpected. What does require further exploration, however, is the fact that brands like Museum of Peace & Quiet from Tier 3 do well compared to Noah NYC, which belongs to the previous tier, whereas the resale price of Sonder is 12 percentage points below its respective Tier 3 level.

What sets apart Museum of Peace & Quiet from Sonder is that the former already has something to do with the kind of story people talk about it, even without being explicitly told about it. In this case, the very name of the brand, its design aesthetics, and its overall message make it more recognisable among people who have never made any purchases there before. Such perception of the brand is precisely what affects the resale price.

This observation is consistent with Keller's (1993) concept of customer–based brand equity. In other words, brand equity refers to the knowledge residing in consumers' minds, which supports demand even in the context of a second–hand market.

Implications for Emerging Youth Fashion Brands

We want to be careful here not to turn a research paper into a strategy document, but the practical significance of the results we've discussed thus far is important enough to be worth mentioning.

The gap between the RPRs of emerging brands like Sonder (0.66) and those of the best– performing brands in our Tier 3 (0.93) sample could not be closed by means of increased marketing budgets. It should be obvious from what we know about such brands that the strategies which can help us close it include: refining the brand story so that it distinguishes itself and perpetuates itself; fostering scarcity through limited production runs and/or drops; fostering a community which engages in conversations around the brand without reference to the brand's marketing apparatus; and participating in resale sites, in order to start building a secondary market.

It is important to note the fact that without resale listings, there can be no resale ratios. Listing opportunities mean greater price transparency, price stability, and visibility within the highly intent–driven context of resale marketplaces. Building resale market equity goes hand in hand with building environmental sustainability.

Economic Interpretation of Findings

The findings can be interpreted using several established principles of economics. The premium streetwear brands consistently demonstrated higher resale price ratios than heritage brands even though they possessed shorter operating histories. This demonstrates that resale performance is influenced less by longevity and more by market dynamics including scarcity, consumer expectations, and perceived exclusivity, which are explored below through several established economic frameworks.

From a supply and demand view, the limited product releases by brands reduce their products 'market supply while maintaining strong consumer demand which results in resale prices often exceeding original retail values. Heritage brands, on the other hand, produce larger volumes of products, increasing market supply and reducing their scarcity premiums in the secondary markets.

The results are also consistent with the concept of inelastic demand for highly desirable brands. Consumers who look for limited releases often have lower price sensitivity which allows resale prices to remain high despite the substantial mark–ups. Beyond price sensitivity, the results are also consistent with the Veblen Effect. Higher prices contribute to perceived desirability by signalling exclusivity and social status. Here, the resale premiums may also reflect symbolic value in addition to functional product quality.

The findings can also be viewed through the lens of signalling theory. Fashion products function as signals of identity, taste, and social status, especially within the premium streetwear market where exclusivity is cultivated frequently. Brands which are characterised by limited drops and restricted accessibility possess greater signalling value which allows the customers to communicate membership of particular social groups through ownership. Consequently, the resale premiums also reflect consumers'willingness to pay for symbolic value associated with the ownership of highly exclusive and recognisable products. While the previous theories explain resale premiums primarily through market structure and consumer preferences, behavioural economics focuses on the psychological mechanisms that reinforce these outcomes.

Behavioural economics provides a further explanation for these pricing patterns. Scarcity increases consumers 'fear of missing out (FOMO), which encourages purchases even at high resale premiums. Consumers also exhibit anchoring behaviour by evaluating resale prices relative to the market highs in the past rather than original retail prices. This alters their perception of value. Such behavioral biases reinforce demand in secondary markets and help sustain resale premiums for selected brands.

Another factor that affects resale values is the authentication services that are offered by the resale platforms. Platforms with strong authentication services will lead to buyers being willing to pay more for the items, while the uncertainty regarding counterfeit items will lead to lower resale prices for those items. Conversely, the uncertainty for counterfeit products suppress resale prices despite the similar underlying brand equity. These market imperfections should also be considered when interpreting resale price ratios.

Finally, the observed resale ecosystem also reflects principles of the circular economy. The products retain economic value

after their initial purchase and continue circulating through secondary markets. Rather than showing depreciation alone, resale markets also function as mechanisms for value preservation within fashion industries.

7. Limitations

There are three main limitations of this study. The first limitation arises from our use of listing prices rather than confirmed transaction prices. This may introduce an upward bias in RPR values of an unknown magnitude. It is plausible that this bias affects tiers unequally, for instance: by disproportionately inflating Tier 2 RPRs given that tier's hype–driven pricing dynamics – rather than simply raising all RPRs by a constant amount. Where completed sale data was available, it suggested the bias was consistent across tiers rather than systematically favouring any one tier. The second limitation arises from our choice of a non–probability sample with only fifteen brands selected through the purposeful sampling method, making our research results more comparable in a case–based comparison than an estimation of the entire population's resale behaviour in fashion; the statistics discussed in Section 4.1 must be taken into consideration by readers bearing in mind that formal tests of significance can be somewhat at odds with a non–random sample of this size.

Third, although we think that our theoretical underpinning mechanism is applicable in a more general context, the particular effect sizes of our results (e.g., the specific RPRs) are not necessarily generalisable to other periods or environments. Fourth, our survey of consumers was conducted using convenience sampling, meaning that the results are not generalisable to a wider
Indian youth consumer base.

8. Conclusion

This study demonstrates that resale market performance provides a useful behavioural indicator of consumer-based brand equity. The proposed Resale Price Ratio offers a practical and accessible complement to established survey-based and financial approaches by relying on publicly observable market information. The results show clear differences in resale performance across fashion brand tiers, with premium streetwear brands exhibiting the strongest value retention and youth-indie brands displaying substantial variation associated with brand identity and community engagement. Although the findings are subject to limitations related to sampling and resale market dynamics, the proposed framework offers promising opportunities for future research across additional product categories, geographic markets, and longitudinal settings. Overall, the Resale Price Ratio represents a valuable addition to existing approaches for evaluating brand equity, particularly for emerging brands with limited access to conventional measurement resources.

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