

Luxury Garage Sale just raised \$5M to open new stores and bring technology in-house

Andreas Rekdal on Jun 1st, 2016



Consignment shopping can be a bit of a mixed bag. Many stores have great bargains on hand, but digging through heaps of so-so items to find those hidden gems can sometimes be more trouble than it's worth.

Seeing an opportunity to improve the consignment shopping experience, Brielle Buchberg and Lindsay Segal founded [Luxury Garage Sale](#) in 2011. Their goal: giving consignment shoppers the same level of curation and service offered by upscale department stores.

Their efforts haven't gone unnoticed. On Wednesday, the company announced that it has raised a \$5 million Series A to scale that very concept, coming off a stellar 2015 that saw the company raise \$3 million in seed funding.

“When we raised our first round in January, we had about 20 or 25 employees, and we’re a little over 85 employees now,” said Segal, adding that the company’s revenues have grown threefold in the same period of time.

The Series A was led by Boston’s Data Point Capital, who were joined by Chicago Ventures, Hyde Park Angels, Pallasite Ventures and Trunk Club co-founder and CEO Brian Spaly.

As part of a broader trend of online-native businesses like Amazon.com getting into the brick-and-mortar game, Luxury Garage Sale also opened its first two storefronts in 2015, including a 25,000 square foot flagship location in Chicago (pictured below).

With the new funding, the company plans to expand to two additional brick-and-mortar locations.



Segal said the success of Luxury Garage Sale’s current storefronts owes largely to its ability to draw on analytics from the online side of the business, in addition to traditional market analysis.

“We put very few marketing dollars into customer acquisition, so we really believe in going into cities that already have a customer base,” said Segal. “We look at all our metrics — where [online] buyers live and where pop-up shops have been successful — before going into a market.

In addition to providing opportunities for shoppers to have an in-person shopping experience with her brand, Segal said physical storefronts help the company source inventory for its online store.

The funding will also be put toward improving the online shopping experience. Having previously relied on outside developers, the company is bringing its tech department in-house, hiring a director of engineering as well as a number of front-end developers and product managers at its Chicago headquarters.