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Luxury Garage Sale lands \$5 million to expand consignment business

By BRIGID SWEENEY

Luxury Garage Sale, an "omnichannel" consignment shop with an emphasis on designer goods, has received \$5 million in Series A funding that will allow the company to expand its bricks-and-mortar stores and improve its e-commerce platform.

The investment was led by Data Point Capital, a Boston-based fund created by Shoebuy.com founder Scott Savitz. Chicago Ventures and Trunk Club CEO Brian Spaly, both of whom backed Luxury Garage Sale in a \$1.5 million seed round last year, again contributed. New investors include Chicago's Hyde Park Angels and Pallasite Ventures of Vancouver, British Columbia.

Savitz, who **sold Shoebuy** to Barry Diller's IAC for an undisclosed sum in 2006, will join the Luxury Garage Sale board. Spaly, who **sold Trunk Club to Nordstrom** for a reported \$350 million in 2014, is already a board member.

"We search for remarkable companies that are achieving great scale," Savitz said in a statement. "Whether it is new customer acquisition, repeat buying, lifetime value, customer satisfaction, unit economics or consigner engagement, you name it, LGS has clearly proven they make the grade."

In an interview, Luxury Garage Sale co-founder Lindsay Segal said the money will allow her company to bring its technology platform in-house, hire new stylists and, "most importantly, open new locations."

Segal, 33, said the company is nearing long-term leases in two new cities, but declined to give specifics.

Luxury Garage Sale currently operates three permanent stores: its original location on Wells Street in Old Town which opened in 2012, a fifth-floor boutique in the 900 N. Michigan Shops and a store in Dallas that opened in 2015.

STORES MAKE THE DIFFERENCE

The company, which Segal launched with childhood friend Brielle Buchberg, 32, in 2011 as a series of pop-up stores, continues to rely on temporary locations to familiarize shoppers with the brand. A pop-up shop in Hinsdale that opened in April will run through mid-June. Another in Highland Park is slated to open June 15 and will extend through mid-August.



Brielle Buchberg, left, and Lindsay Segal

"We're putting the most eggs, I'd say, in opening bricks-and-mortar because we think it's our biggest differentiator," Segal said. "(Online) consignment is a crowded space, but no one is selling in physical stores."

Online luxury consigning, of course, is as old as eBay (founded: 1995). More recently, venture-backed newcomers are drawing plenty of business as Americans **embrace the minimalist advice** of Marie Kondo's best-selling "The Life-Changing Magic of Tidying Up."

The online consigner closest to Luxury Garage Sale in terms of its high-end focus is the Real Real. The San Francisco-based company, which **raised \$40 million last year**, sells the same brands, from Celine to Yves Saint Laurent, as Luxury Garage Sale. Both companies also authenticate and photograph items sent in for consignment and determine the pricing, rather than letting users post wares directly, eBay-style.

To set it apart, Luxury Garage Sale is focusing on its stores. Segal said the bricks-and-mortar locations currently account for 60 percent of the company's overall revenue and claimed sales of \$1,300 per square foot—a stat that puts it behind Apple but close to Coach and Kate Spade in terms of productivity.

Luxury Garage Sale also caters to shoppers with personal shopping services. Customers can request a stylist consultation or order a **LuxBox**, similar to the concept behind Trunk Club: You describe your style and favorite labels, receive a box of goods selected by a stylist and return what you don't want for free.