

Stompin' in my Air Force Ones: An Investigation Into the Sneaker Resale Market

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Background. The retailing industry has been experiencing a comprehensive change and disruptions due to observed shifts in consumer behavior (McCormick, Cartwright, Perry, Barnes, Lynch, & Ball, 2014). Some of these noted changes are attributable to the increased interest in media and sustainability of younger consumers, including Millennials and the Generation Z cohort (Hamari, Sioklint, & Ukkonen, 2015). These trends combined are driving the interest of collaborative apparel consumption. Barnes and Mattson (2016) define collaborative apparel consumption as “the use of online marketplaces and social networking technologies to facilitate peer-peer resource sharing (e.g. space, money, goods, skills, services) between individuals who may be both suppliers and consumers” (pg. 200). According to Salpini (2018), the collaborative apparel market has recently become an interest in the sneaker category. The sports footwear market has grown 46% worldwide since 2017 which covers performance, outdoor and sports-inspired footwear. Additionally, brands are generating artificial scarcity by keeping supply below demand, a burgeoning celebrity-driven endorsement culture, the hip hop culture, and the skate culture are also driving the collaborative apparel market, better known to consumers as the sneaker resale market (Morency, 2019).

Currently, the sneaker resale market is valued at 6 billion US dollars and is experiencing a dramatic rise (Morency, 2019). Online and marketplace apps such as StockX and GOAT, alongside the proliferation of social media sites have influenced many consumers, specifically Millennials and Generation Zers, to sell their high demand sneakers and more consumers buying them. Specifically, GOAT currently has more than 11 million users, up from 2.5 million a year ago, while supply has also grown from 200,000 sneaker listings to 750,000 in the same time frame (Morency, 2019). Interestingly, some of the limited-edition sneakers sold on these resale sites are selling for hundreds and even thousands of dollars more than retail price (Salpini, 2018). This phenomenon has yet to be explored in academic research. Therefore, the purpose of this study is to examine the influence of culture and media in the appeal of products via resale retailers (i.e., StockX, GOAT) to proactive consumers.

Theoretical Framework. The researchers utilized the social cognitive theory to investigate the phenomenon of the sneaker resale market. Social cognitive theory examines psychosocial components which motivate human thought and action (Bandura, 2001). Social cognitive theory works under the assumption that social mechanisms can affect behavior much like how media and popular culture is influencing consumers to buy overpriced sneakers on the resale market. Additionally, the researchers have adopted Fishbein and Ajzen's (1975) theory of reasoned action (TRA) for the conceptual framework (see Figure 1). The TRA model posits that beliefs

(cognitions) influence the formation of attitude, which consequently directs behavioral intentions.

Methods. An online survey, which consisted of demographic variables and reliable scales ($\alpha > .70$) (Nunnally, 1978) that were adopted and modified, was distributed to a convenience sample of students from a Southwestern University in the USA. The use of students for this study was appropriate as prior research indicates that students are a valid sample in exploratory research when the information being sought is relevant to this demographic.

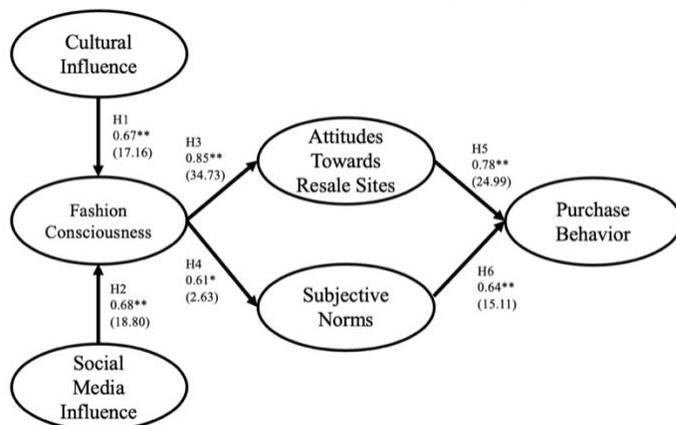


Figure 1. Latent model showing structural path coefficients. Standardized estimates shown (t-values in parentheses); * $p < 0.05$; ** $p < 0.001$

Results. Of the 469 collected surveys, 383 were usable (81.7%). A majority of respondents (73.0%) were between 18-25 years of age, white (48.6%), obtained a GED/High School Diploma or associate degree (50.1%), and had an income between \$0-\$50,000 (73.5%). For the preliminary analysis, a principal component factor analysis with varimax rotation was performed. The factor loadings were above 0.50, but below 0.30 on other factors (Kline, 1998). Reported alpha coefficients ranged from .90 to .94, supporting reliability of the measures. A measurement model was tested through

structural equation modeling (SEM) using a maximum-likelihood estimation procedure with a covariance matrix as input to test the measures using MPlus. The measurement model indicated good fit ($\chi^2 = 1,463.436$; $df = 480$; $p = 0.0$; $CFI = 0.91$; $RMSEA = 0.073$; $SRMR = 0.06$) based on cut off values (i.e., $CFI \geq 0.95$, $RMSEA < 0.08$, and $SRMR < 0.08$) suggested by Kline (2005). Each of the latent variables satisfied the suggested criteria for composite reliability ($CR \geq 0.70$) and average variance extracted ($AVE \geq 0.50$) (Nunnally and Bernstein, 1994). The hypothesized relationships were tested through SEM. The structural model revealed adequate fit ($\chi^2 = 66.810$, $df = 8$, $p = 0.0$; $RMSEA = 0.10$; $CFI = 0.97$; $SRMR = 0.06$). Based on parameter estimate t-values cutoffs of 2.00 (Byrne, 1998), all hypotheses were accepted.

Conclusions. The phenomenon of the sneaker resale market has drastically effected consumer behavior which has yet to be explore in an academic setting. This study investigated influence of culture and media in the appeal of products via resale retailers to the participants in this study. The findings of this study support the theoretical framework of the social cognition theory by suggesting that consumers interested in purchasing from sneaker resale retailer are highly in tuned with trends in popular culture and active on social media sites. Additionally, the findings support the theory of reasoned action by suggesting that the social mechanisms adopted in this study positively influence the consumer, who is characterized as having high levels of

fashion consciousness, which positively influences their attitudes towards the sneaker resale retailer and subjective norms which consequently directs purchasing sneakers.

It is concluded that fashion aware consumers feel societal pressure to purchase the scarce sneakers. By exploring the effects of media and culture on consumer behavior as it relates to the sneaker resale market, industry practitioners and academia can better understand this phenomenon and how is contributing to the disruptions in the retailing industry. Further, this study provides a deeper understanding of why consumers are behaving in such a way that encourages spending more than retail on a product.

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