

Secondary sneaker market: Investigating the motives, activities, resources and capabilities of the triadic framework for collaborative consumption

Kelcie Slaton and Sanjukta Pookulangara

University of North Texas

Keywords: secondary sneaker market, triadic framework, collaborative consumption

Background. The secondary sneaker market is valued at \$6 billion USD with Gen Z with 37% and millennials with 27%, being some of the biggest customers of the resale market (Loeb, 2019; Morency, 2019). Additionally, the popularity of secondary sneaker market with the younger generations can be attributed to personalized and unique products that is available on digital sneaker platforms (Salpini, 2018). Finally, sneakers have become the “ultimate status symbol” fueled by the increasing causal culture, celebrity collaborations, and high anticipated shoe releases (Cain, 2019). These younger consumers are eager to send a message about status or taste in footwear to others, whether on social media or around campus (Bain, 2018). With the growth potential sneaker resale market potentially reaching \$30 billion by 2030 (Wade, 2020), it is critical that this segment of the industry is investigated more holistically.

Significance of the Study. Secondary sneaker online retailers such as GOAT, StockX are experiencing an explosive growth, with limited-edition sneakers selling for hundreds and even thousands of dollars more than retail price (Morency, 2019; Salpini, 2018). Currently there is a paucity of empirical research investigating consumer behavior with respect to the secondary sneaker market. Thus, the purpose of this study is to investigate the influence of consumer motives, activities, resources and capabilities on attitude and subjective norm and eventual impact on purchase intention of sneakers from a secondary sneaker online retailer.

Theoretical Framework. The conceptual framework for the current study draws from two studies, Benoit et. al. (2017), triadic framework and Theory of Reasoned Action (TRA) (Fishbein & Ajzen, 1975). Benoit et. al. (2017), introduced a literature-based framework explaining the roles of collaborative consumption actors: a platform provider (e.g., StockX), a peer service provider (e.g., the seller), and the consumer (e.g., the secondhand buyer). The triadic framework for collaborative consumption encompasses three dimensions: motives, activities, and resources and capabilities for each actor. This research focusses on the consumer, and investigates motives (i.e., economic, reducing risks, environmental), activities (i.e., providing information), and resources and capabilities (i.e., technical skills). The dimensions of the triadic framework influences attitude & subjective norms, which in turn influence purchase intention (see Figure 1).

Methods. Data was collected using an online survey, which consisted of demographic questions and reliable scales (Nunnally & Bernstein, 1994). Qualtrics Research Services was used to collect the data and included Millennial and Gen Z consumers in the US.

Results. Of the 309 collected surveys, all were usable (100.0%). Most respondents were white (70.2%), obtained a GED/High School Diploma or associate degree (46.6%) or a bachelor’s degree (30.7%), and had an income between \$0-\$75,000 (63.1%). For the preliminary analysis, a principal component factor analysis with varimax rotation was performed. 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 AMOS. The measurement model indicated good fit ($\chi^2 = 668.69$; $df = 330$; $p = 0.0$; $CFI = 0.95$; $RMSEA = 0.058$; $RMR = 0.068$) based on cut off values suggested by Kline (2005). Each of the latent variables satisfied the suggested criteria for composite reliability ($CR \geq 0.70$) and average

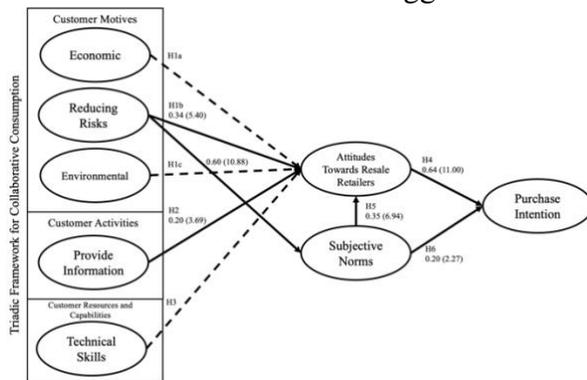


Figure 1. Latent model showing structural path coefficients. Standardized estimates shown (t-values in parentheses); $p < 0.0$ for solid lines

variance extracted ($AVE \geq 0.50$) (Nunnally & Bernstein, 1994). The hypothesized relationships were tested through SEM. The structural model revealed adequate fit ($\chi^2 = 638.301$, $df = 322$, $p = 0.0$; $RMSEA = 0.58$; $CFI = 0.95$; $SRMR = 0.069$) with an additional relationship between reducing risk and subjective norms. Based on parameter estimate t-values cutoffs of 2.00 (Byrne, 1998), H1b, H2, H4, H5, and H6 were accepted.

Conclusions. The purpose of this study is to investigate the motives, activities, and resources and capabilities of the consumer of the secondary sneaker market and its impact on attitude, subjective norm & purchase intention.

The findings indicate that reducing risks was significant in influencing consumers attitudes and subjective norms. This is an important finding, especially since sneakers are now an emerging alternative asset class, and lack of trust can prevent sales (Binns, 2020). Secondhand retailers are already investing in technology to authenticate their inventory (Binn, 2020) and based on this finding it can be argued that any activity that can potentially reduce risks would prove critical in influencing consumer attitude and subjective norms. The results also indicate that the customer activity of providing information was significant in influencing consumers attitudes towards secondary sneaker retailers. This finding supports the peer-to-peer marketplace business model which is the premise of the secondhand sneaker market. Social media can also be used as a suitable platform to disseminate information especially since it is considered as a major influence in building a sneaker collection to merely show off online and send a message about status or taste in footwear to others (Bain, 2018). The customer motives of economic and environmental were not significant in influencing attitudes as this can attributed to the fact that sneakers often sell for many times their original high prices, especially since most of the consumers who are buying sneakers at inflated prices are not buying them to wear; they're buying them to collect (Loeb, 2019). Technical skills were not significant in influencing attitudes and could be attributed to the demographics of the respondents, this customer is a "digital-native" and hence proficient in using the online platform. Attitude and subjective norms supported previous positively influencing purchase intention. Finally, limited studies have provided support for the influence of subjective norms on attitude (see, Giovanis, et. al., 2020), this current study adds support to this relationship.

References

- Bain, M. (2018, December). *Young luxury shoppers explain why they're willing to pay \$500 for sneakers*. Quartz. Received March 21, 2021, from <https://qz.com/1498824/highsnobiety-survey-explains-why-people-spend-500-on-sneakers/>
- Benoit, S., Baker, T. L., Bolton, R. N., Gruber, T., & Kandampully, J. (2017). A triadic framework for collaborative consumption (CC): Motives, activities and resources & capabilities of actors. *Journal of Business Research*, 79(2017), 219-227. <http://dx.doi.org/10.1016/j.jbusres.2017.05.004>
- Binns, J. (2020, February 5). *Frauds and fakes overrun \$2B sneaker resale market. This new tech could change that*. Sourcing Journal. <https://sourcingjournal.com/footwear/footwear-business/entropy-legit-tech-check-sneaker-authentication-counterfeit-resale-nike-yezy-193765/>
- Byrne, B. M. (1998). *Structural equation modeling with Lisrel, Prelis, and Simplis: Basic concepts, applications, and programming*. Mahwah, NJ: Lawrence Erlbaum Associates.
- Cain, A. (2019, July). *Shoppers are now willing to drop hundreds of dollars on sneakers — and they might need to spend even more in the future*. Business Insider. Received March 23, 2021 from <https://www.businessinsider.com/sneaker-prices-costs-expensive-shoes-footwear-2019-7>
- Fishbein, M. & Ajzen, I. (1975). *Belief, attitude, intention, and behavior: An introduction to theory and research*. Don Mills/Ontario: Addison-Wesley Pub. Co.
- Giovanis, A., Tsoukatos, E., & Vrontis, D. (2020). Customers' intentions to adopt proximity m-payment services: Empirical evidence from Greece. *Global Business and Economics Review*, 22(1-2), 3-26. <https://doi.org/10.1504/GBER.2020.105026>
- Kline, R. B. (2005). *Principles and Practice of Structural Equation Modeling* (2nd ed.), Guilford, New York, NY.
- Loeb., W. (2019, May). *The resale fashion industry is bigger and more disruptive than you think*. Forbes. <https://www.forbes.com/sites/walterloeb/2019/05/15/resale-fashion-industry-bigger-and-more-disruptive-than-you-think/#49666dcd609b>
- Morency, C. (2019, January). *Special report: This is what the future of sneaker reselling looks like*. High Snobiety. Retrieved March 23, 2021, from <https://www.highsnobiety.com/p/sneaker-reselling-future/>
- Nunnally, J. C. & Bernstein, I. H. (1994). The assessment of reliability. *Psychometric Theory*, 3, 248-292.
- Salpini, C. (2018, March). *What's driving retail's sneaker obsession?* Retail Dive. Retrieved March 21, 2021 from <https://www.retaildive.com/news/whats-driving-retails-sneaker-obsession/518625/>
- Wade, R. (2020, July 21). *The global sneaker resale market could reach \$30 billion by 2030*. Yahoo! Finance. <https://finance.yahoo.com/news/global-sneaker-resale-market-could-reach-30-billion-by-2030-cowen-191003371>