

AN ABSTRACT OF THE DISSERTATION OF

Jin Woo Choi for the degree of Doctor of Philosophy in Design and Human Environment presented on June 12, 2017.

Title: Sneakerheads' Assessment of Sneaker Value and Behaviors throughout the Sneaker Ownership Cycle.

Abstract approved:

Brigitte Gaal Cluver

Minjeong Kim

The purpose of the present study was to investigate value perceptions and consumption behaviors of sneakerheads who are mixed-role resellers of sneakers. “Sneakerhead” is a term given to those who collect and wear sneakers with a vast amount of effort and resources (Semmelhack, Garcia, Lepri, Willis, & Hatfield, 2015). “Mixed-role resellers” is a term given to individuals who collect, use, and resell consumer goods (Chu & Liao, 2007). Traditional consumer behavior frameworks mostly focus on behaviors surrounding pre-acquisition, purchase, and use of goods initially purchased by the consumer for his or her own use (Boyd & McConocha, 1996). These frameworks do not necessarily explain behaviors surrounding goods initially purchased with the intention to resell to others, such as researching predicted resale value during pre-acquisition, using controversial methods to obtain products during acquisition, and taking special measure to keep a product in pristine condition. While the resale market has expanded due to internet and social media, resale behavior has not drawn much attention from researchers. To address

this gap, the author took a qualitative approach to gain an understanding of value perception and behaviors when consumers purchase goods with the intention to resell.

The three research questions are:

- 1) What factors into mixed-role reseller sneakerheads' perception of a sneaker's value?
- 2) What behaviors are exhibited by mixed-role reseller sneakerheads during pre-acquisition, acquisition, physical possession, and resale of the sneakers they intend to resell; what motivates these behaviors?
- 3) What do mixed-role reseller sneakerheads like and dislike about the sneaker resale market?

A total of 25 in-depth interviews were conducted using a semi-structured interview guide. Interviewees were recruited through posts on sneakerhead community websites and snowball sampling. To qualify for participation in the study, interviewees needed to fit the description of a sneakerhead and a mixed-role reseller of sneakers.

Results show how the interviewees evaluate the value of sneakers they intend to resell, what behaviors interviewees exhibit during the pre-acquisition, acquisition, physical possession, and disposition stages pertaining to sneakers they intend to resell, and how the interviewees felt about the resale market in general. First, data show that sneakers can hold monetary, emotional, functional, and/or social value. Most discussion about sneaker value centered on monetary value. Findings show that interviewees' perceptions of monetary value were influenced by sneaker model rarity, celebrity endorsement of sneakers, collaboration between brands and celebrities, retro

marketing, and sneaker condition. Second, the interviewees who purchased sneakers with resale intention demonstrated behaviors that are noteworthy in various stages of the Inventory Ownership Cycle (IOC) (Boyd & McConocha, 1996). When interviewees considered purchasing sneakers they intended to resale, they did an extensive information search prior to purchase to predict resale price, purchased multiple pairs with controversial methods (e.g., using bots and back-dooring), did not wear or carefully wore the sneakers, utilized various resale channel (e.g., eBay, social media, and mobile applications), and took measures to minimize physical and financial risks of reselling. Third, data show that while interviewees often had both positive and negative affects towards the resale market, they tended to have more negative affects towards resellers who used controversial methods to acquire sneakers. However, the interviewees seemed to accept these negative aspects of the resale market and said nothing can be done to change it.

This study has implications for both researchers and business practitioners. For researchers in consumer behavior, this study provides insight into how resale intention can influence behaviors throughout the IOC (Boyd & McConocha, 1996). For business practitioners, findings from this study call attention to the need to consider consumers who purchase for personal use and consumers who purchase for resale as different market segments. It also calls out the need for brand managers to preserve this unique consumer culture and reduce negative outcomes caused by reselling.

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Sneakerheads' Assessment of Sneaker Value and Behaviors throughout the Sneaker
Ownership Cycle

by
Jin Woo Choi

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APPROVED:

Major Professor, representing Design and Human Environment

Dean of the College of Business

Dean of the Graduate School

I understand that my dissertation will become part of the permanent collection of Oregon State University libraries. My signature below authorizes release of my dissertation to any reader upon request.

Jin Woo Choi, Author

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CHAPTER 1

INTRODUCTION

Initially, sneakers were developed for increasing the athletic performance of wearers. Nowadays, however, consumers wear sneakers for sports performance, comfort, and style (Semmelhack et al., 2015). The functionality and cultural meaning behind sneakers have been changed drastically (Botterill, 2007; Semmelhack et al., 2015). To many consumers in modern society, sneakers represent freedom, autonomy, and individuality (Botterill, 2007). Sneakers, much like t-shirts and jeans, transcend the gaps of socioeconomic status, age, gender, and race.

Sneakers are valued by consumers for a variety of reasons. There is a growing group of consumers who assign much more value to sneakers than the general population, and collect them with great passion; these individuals are referred to as “sneakerheads” (Semmelhack et al., 2015). This consumer group demonstrates unique behavioral patterns (e.g., collecting and reselling) that traditional consumer behavior models are not suited to explain. The word “sneakerhead” is not a word that one can find in common dictionaries. According to Wikipedia, a sneakerhead is described as “a person who collects, trades or admires sneakers as a hobby.” They usually collect basketball or skateboarding shoes, but may also collect sneakers from other sporting categories (“Sneaker collecting,” 2015). In exploratory studies, Choi, Cluver, and Kim (2015) and Choi and Kim (2014) discovered that sneakerheads participate in the market in a variety of ways (e.g., wearing, collecting, and trading sneakers). The

behaviors they exhibit as consumers vary according to the ways in which they participate. For example, sneakerheads who acquire sneakers for the sole purpose of wearing are less concerned with the condition and rarity of the sneakers prior to purchase, when compared to those who acquire sneakers to store in their collections (Choi et al., 2015). Collectors usually seek and acquire sneakers that are in either pristine condition (e.g., unworn, with the shoe box) and/or are rare (e.g., player exclusive sneakers or samples that were never released to the public), because they tend to have higher value than others.

Not all behaviors of sneakerheads center on acquiring sneakers. Within the sneakerhead community, there is a large resale market in which sneakerheads may engage in selling and/or trading sneakers they have previously acquired. Resale behavior may be motivated by one's need to down-size, one's need for emergency funds, or one's desire to make a profit. The types of sneakerhead behaviors (e.g., wearing, collecting, and trading) do not have clear borders and the sneakerheads usually show mixed behaviors. The mixed behaviors of sneakerheads also change according to the time and effort they put into their collections (Choi et al., 2015). For example, one individual might start collecting sneakers for the sole purpose of wearing them in the beginning and then acquire additional pairs of sneakers later to resell to another sneakerhead.”

Sneakerhead culture has significantly influenced the sneaker retail and resale market (Badenhausen, 2015; Luber, 2015; Powell, 2014a, 2014b; Thompson, 2015). In this research, the term retail market refers to the market in which consumers interact with retailers, whereas resale market refers to the market after the consumer

initially purchases the goods from the retailer. From a retail market perspective, there has been steady growth within specific sneaker segments. The size of the sneaker market in the United States was \$22 billion in 2013. Of this amount, basketball shoes brought in \$4.5 billion in sales (Powell, 2014b). The most popular basketball sneaker series among sneakerheads, the Air Jordans, was launched in 1985 by Nike. For the year 2014, the Jordan brand's United States (U.S.) retail shoe sales were \$2.6 billion, a 17% increase over 2013 (Badenhausen, 2015).

Although many sneakerheads acquire sneakers through conventional retail outlets, many also participate in the sneaker resale market as either a reseller or a purchaser. What makes the sneakerhead culture unique is the size and nature of the resale market. According to an eBay sneaker resale data analysis, the resale market of sneakers in 2014 was estimated at one billion dollars (Luber, 2015; Thompson, 2015). Luber (2015) asserts that the sneaker resale revenue is twice as big as the net income of Sketchers, the second-largest footwear brand in the U.S. at the time (Nazario, 2015).

Within the resale market, sneakers are laden with value, which in turn can increase the resale value and drive collectors' behaviors (Belk, 2001; Higgins, 2006). According to Belk (2001), collectors tend to put a lot of effort and resources into obtaining the collectible goods that have more rarity and emotional value than generic goods. For example, a pair of Nike Air Yeezy 2 Red October sneakers that originally purchased at retail for \$245 were later listed on eBay for \$5,000 ("Air Yeezy 2 Red October | Campless," 2015). There are also sneaker consignment stores known within

the sneakerhead community (e.g., Flight Club and Urban Necessities) that buy and sell sneakers that are highly sought after.

Although the resale market serves as a means of connecting consumers with products they want, there is a downside. For example, the perception of high value increases the demand, resulting increased competition of sneaker purchase in the retail market. To purchase limited-edition sneakers they want, people use and pay for bots, a hacking software that increases odds of securing product through online retailer channels (Danforth, 2016; Jones, 2015b). In extreme case, because of the high demand for newly released limited edition sneakers, violent incidents occasionally happen around sneaker releases (Associated Press, 2014; Augustine, 2013; Tejada, 2015). The mismatch between supply and demand perhaps contributes to frequent cheating and occasional violent incidents (Hwang, Ko, & Megehee, 2014).

Sneakerheads often put in extra effort to acquire highly anticipated sneakers. First, collectors want the rare sneakers to expand their collection (Belk, 2001). Second, those who wear sneakers also want to wear unique pairs to stand out from other sneakerheads (Kang & Kim, 2012). Lastly, the resellers want to acquire high-demand sneakers that they can sell at a profit; they know that the more pair they acquire, the higher profit they can make on the resale market (Chu & Liao, 2010; Jones, 2015a; Leach, 2015). As a result, the retail market becomes increasingly competitive.

Although it is assumed that the condition of a collectible, the rarity of a collectible, and celebrity endorsement of a product play a role in the value consumers and resellers assign to products (Belk, 2001; McCracken, 1989; Phau & Prendergast, 2000), the valuation of resalable sneakers has not drawn much attention from

academic researchers. Furthermore, although it is assumed that different motivations for purchase (e.g., to wear, collect, and resell) impact consumer behavior from pre-acquisition through to dispossession (Boyd & McConocha, 1996), such relationship, especially the resale intention, has not been thoroughly investigated by academic researchers. Because the resale market is volatile and sizable (Luber, 2015; Thompson, 2015), and because little is known about how resale value impacts the behaviors of subculture and/or brand community members, research in this area is warranted.

Problem Statement

Traditional consumer behavior research models such as the Purchase Decision Making model (Kotler & Keller, 2011; Solomon, 2012) and the Stimulus-Organism-Response (S-O-R) model (Sullivan & Adcock, 2002) do not adequately explain the various motivations and behaviors of sneakerheads (e.g., collecting and reselling) for two reasons. First, most of the models do not consider the reason for purchase other than for the consumer's own use. The majority of consumer behavior studies have focused on the drives and motivations related to the purchase for the consumer's own use (Eckman, Damhorst, & Kadolph, 1990; Johnson, 2015; Kim & Lennon, 2008; Lohneiss & Hill, 2014). However, not all purchase decisions are made for solely one's own consumption. For example, there are purchase behaviors for others such as gifting and reselling that have not drawn much attention from researchers (Chu & Liao, 2007; Giesler, 2006). In the sneakerheads context, there are collectors and

resellers who purchase for purposes other than simply wearing the sneakers. To the collectors and resellers, the products, such as sneakers, are collectibles and resalable products, not just products to be used or worn directly after purchasing from a retailer (Belk, 1995, 2001; Choi et al., 2015; Jones, 2015a; Leach, 2015).

Second, the impact of consumer behaviors on the market is often neglected. Especially, the impact of resale behaviors on the market needs to be scrutinized. As stated earlier, the behaviors of sneakerheads are driven by various motivations (e.g., wearing, collecting, and reselling). As a result, in the sneaker retail market, some of the consumers (e.g., wearers and collectors) compete with other consumers (e.g., resellers) that purchase the same goods to sell at a higher price to them (Leach, 2015). This phenomenon impacts the members of the market (e.g., consumers and retailers) in various ways. In the retail context, sneaker resellers may abuse the system by hiring people to purchase goods for resale or by using bots. Such practices prevent others (i.e., collectors and wearers) from securing limited supply sneakers. The heightened competition level can result in violent incidents (Associated Press, 2014; Cross, 2013; Darcy, 2013), and it can negatively impact the consumers' experience. Therefore, the brands and retailers develop new release systems to fight the abusers (Dunne, 2014; Jones, 2015b). For example, policies such as one pair per customer or one pair per online purchase limitations have been established by some retailers to provide fair opportunity to consumers (Danforth, 2016; Jones, 2015b; Leach, 2015; Shapiro, 2013).

It appears that sneakerheads do not have clear boundaries in terms of their roles, and they show mixed behaviors. In other words, a single sneakerhead can be a

wearer, a collector, and a reseller. Moreover, the resellers also have different types of motivations and behaviors that have not been scrutinized by researchers. By investigating the phenomenon of the sneaker resale market, this study attempts to provide insight for understanding of different types of motivations and behaviors of sneaker resellers. This study primarily aims to gain a understanding of how consumer behavior across the Inventory Ownership Cycle (Boyd & McConocha, 1996) is shaped by individuals' intentions to resell a collectible product, specifically sneakers.

Purpose of Study

This qualitative research explores (1) the sneakerheads' value perception of sneakers, (2) the various behaviors during the Inventory Ownership Cycle (IOC) stages of sneakerheads who intend to resell sneakers, and (3) the likes and dislikes of sneakerheads with regard to the resale market.

Particularly, this study focuses on the resellers as a crucial member in the market who play a new role that has not yet gained a lot of attention. Due to the emergence of the online consumer-to-consumer (C2C) marketplace (e.g., eBay and Craigslist) and social media (e.g., Facebook, Instagram, and Reddit), the resale market has expanded rapidly and any pre-owned consumer goods can be sold to anyone (Chu, 2013; Chu & Liao, 2007, 2010). These new types of resellers are different than traditional resellers (e.g., consignment stores and garage sale). From a retailer perspective, these new resellers might just look like other sneakerheads that purchase sneakers from the retailers because reselling occurs after the purchase. From

the perspective of other consumers (e.g., wearers and collectors), the resellers are not only another channel to obtain the goods they wear and collect, but also competitors by reducing the chance to purchase goods, such as sneakers, directly from the retailers at a retail price (Choi et al., 2015; Leach, 2015).

In the following literature review sections, the author reviews the Meaning Transfer theory (McCracken, 1986), Inventory Ownership Cycle (Boyd & McConocha, 1996), Commodity theory (Fromkin, Olson, Dipboye, & Barnaby, 1971; Lynn, 1991), and Transactional Utility theory (Thaler, 1985, 2008) to provide insight into sneaker resale behavior and its impact on the market.

Research Questions

The research questions of this article are as below:

- 1) What factors into sneakerheads' perception of a sneaker's value?
- 2) What behaviors are exhibited by sneakerheads during pre-acquisition, acquisition, physical possession, and resale of the sneakers they intend to resell; what motivates these behaviors?
- 3) What do sneakerheads like and dislike about the sneaker resale market?

Definition of Terms

Terms used in this study are defined as follows:

- **Advertising:** McCracken (1986) asserts that the creative director or the marketer convey meaning from the cultural world to consumer goods by marketing strategies such as advertising and fashion system. Advertisement means emphasis of the similarity between the consumer goods and the representation of the culturally constituted world used by the creative director.
- **Affect:** Kim, Sullivan, and Forney (2007) defined affect as “a mental state of subjective feeling that is knowingly experienced along with emotion, mood, preference, and attitude” (p.439). Consumers tend to enhance positive feeling and lessen negative emotion (Solomon, 2012).
- **Authenticity:** Being authentic means that something is real and genuine (“Definition of AUTHENTIC,” n.d.). The images of authenticity in marketing usually appeal to a specific target group such as the youth, who are in the stage of self-discovery (Botterill, 2007; Jenß, 2004). Moreover, authenticity is known as one of the key properties of subculture (Botterill, 2007; Wheaton, 2007; Wheaton & Beal, 2003).
- **Brand Community:** Muniz Jr. and O’Guinn (2001) defined brand community as “a specialized, non-geographically bound community, based on a structured set of social relationships among users of a brand” (p. 412). The activities of brand community members can be interpreted as the rituals in the Meaning Transfer theory (McCracken, 1986).
- **Collecting:** Belk (2001) defines collecting as “the process of actively, selectively, and passionately acquiring and possessing things removed from ordinary use and perceived as part of a set of non-identical objects or

experiences” (p. 67). In current society, however, people usually collect mass-produced objects (e.g., consumer goods) rather than fine arts and natural objects (Belk, 2001). In this dissertation, the author focuses on the resale behaviors of collectible consumer goods that have limited supply.

- ***Commodity Theory***: The Commodity theory (Fromkin et al., 1971; Lynn, 1991) asserts that rarity increases the value and desirability of goods that can be obtainable, useful, and exchangeable. Limited availability of products increases the desire and preference of the consumers (Lynn, 1989, 1991; Verhallen & Robben, 1994; Wiedmann, Hennigs, & Siebels, 2007).
- ***Celebrity Endorsement***: Celebrity endorsement is one of the widely used advertisement strategies in various fields of marketing (Lohneiss & Hill, 2014; McCracken, 1989; Murray & Price, 2012; Pookulangara, Kinley, Josiam, & Spears, 2013; Till & Shimp, 1998). By endorsement, the image of a celebrity (e.g., talent, success, and excellence) is transferred to the particular brand or goods (McCracken, 1989).
- ***External Resale Reference Price***: External Resale Reference Price (ERRP) is defined as an estimated resale price based on the market information (Chu & Liao, 2010). Chu and Liao (2010) assert that the high ERRP increases the estimated resale return that eventually affects purchase intention.
- ***Fashion System***: Fashion system is one of the tools used by product designers and journalists that transfers, invents, and reforms the meaning of consumer goods (McCracken, 1986).

- ***Inventory Ownership Cycle***: The Inventory Ownership Cycle presents the management of consumer goods during the stages of pre-acquisition, acquisition, physical possession, and disposition (Boyd & McConocha, 1996). The Inventory Ownership Cycle (Boyd & McConocha, 1996) provides an understanding of consumer behaviors related to the entire cycle of ownership, not just the purchase decision making.
- ***Materialism***: The materialism means “the devotion to acquisition and possession” (Tatzel, 2002, p. 110). In this study, materialism is used to classify the types of resale motivations.
- ***Meaning Transfer Theory***: The cultural meaning moves from the world which is culturally constituted to the consumer via consumer goods (McCracken, 1986). McCracken (1986) asserts the transfer occurs in two steps: (1) from the cultural world to the consumer goods by advertising and fashion system and (2) from the consumer goods to the consumer by rituals.
- ***Mental Accounting***: Mental accounting is a concept to explain consumer behaviors using cognitive psychology and microeconomics (Thaler, 1980, 1985, 2008). Consumers calculate gains and losses then evaluate whether to make the purchase. If consumers expect gain, they are more likely to purchase the goods than if they expect loss.
- ***Money Disposition Level***: The money disposition level means how tight or loose the consumer is with money (Tatzel, 2002). In this study, money disposition level is used to classify the types of resale motivations.

- **Motivation:** Motivation is the reason why people behave in a specific way (“Definition of MOTIVATION,” n.d.). Formanek (1994) asserts that there are various categories of motivations based on the meanings of collecting (e.g., for self, for others, preservation and conservation, financial investment, and addiction).
- **Nostalgia:** Nostalgia is a sentimental emotion related with the past. In the marketing context, nostalgia is related to the products and brands that have retro designs (e.g., retro branding) (Cattaneo & Guerini, 2012; Kessous, Roux, & Chandon, 2015; Kessous et al., 2015; Lefi & Gharbi, 2011)
- **Perceived Inequity:** When consumers feel that they are treated unfairly and taken advantages of they perceive inequity. Perceived inequity leads to low satisfaction and consumer misbehavior (Lennon, Lee, Kim, & Johnson, 2014; Milavec, 2012).
- **Sneakerhead:** A sneakerhead is described as “a person who collects, trades or admires sneakers as a hobby.” They usually collect basketball or skateboarding shoes, but may also collect sneakers from other sporting categories (“Sneaker collecting,” 2015). In this research, sneakerheads are consumers, collectors, and resellers. They wear, collect, and trade/resell sneakers and these behaviors are not exclusive (Choi et al., 2015; Choi & Kim, 2014).
- **Subculture:** a normative order of smaller groups than a society (Hebdige, 1979; Mizrach, 1997; Wheaton, 2007; Wheaton & Beal, 2003; Yinger, 1960)

- **Resale Market:** The resale market is where the transaction happens after the retail market. For example, the traditional resale markets are garage sales and consignment stores. Since the Internet emerged, the resale market expanded to the online space such as online C2C market (e.g., eBay and Craigslist) and social media (e.g., Facebook, Twitter, and Instagram) (Chu, 2013; Chu & Liao, 2007, 2010; Jones, 2015a; Sawyer, 2016). Luber (2015) estimates the sneaker resale market as a one billion dollar market. The resale price can be more elastic than retail price (Thaler, 1985, 2008).
- **Reseller:** Resellers are those who sell goods that they possess to other consumers. There can be various types of resellers (e.g., professional resellers, consumer resellers, and mixed-role resellers) based on their motivations (Chu, 2013; Chu & Liao, 2007, 2010; Liao & Chu, 2013).
- **Retail Market:** The retail market is where the transaction occurs between the retailers and consumers (Kotler & Keller, 2011).
- **Retro Branding:** Retro branding is a marketing strategy that uses existing brands with updated elements (Brown, Kozinets, & Sherry Jr, 2003). The retro branding infuses nostalgic values into the products by borrowing design elements from the past. By giving consumers a sense of nostalgia, the company can increase the value of the product that they are selling to the consumers (Belk, 1990; Brown, Kozinets, & Sherry Jr, 2003; Cattaneo & Guerini, 2012; Kessous et al., 2015).
- **Rituals:** McCracken (1986) defines ritual as “a kind of social action devoted to the manipulation of cultural meaning for purposes of collective and

individual communication and categorization” (p. 78). McCracken (1986) argues that the consumers’ post-purchase behaviors such as sharing opinions, comparing, bragging, maintaining, and taking pictures are the example of the rituals that transfers the meaning from the goods to themselves.

- ***Transactional Utility Theory***: According to the Transactional Utility theory (Thaler, 1985, 2008), commodities that have higher demand than supply do not always result in price increase for two reasons: (1) when the reference price is lower than the market clearing price and (2) when the seller (e.g., brand and retailers) wants to build strong relationship with the customer.
- ***Value***: Value is “the sum of the tangible and intangible benefits and costs” (Kotler & Keller, 2011, p.10). In this study, value has various types (e.g., monetary, functional, social, and emotional) that influence sneakerheads differently (Lee, Kim, Lee, & Kim, 2002; Sweeney & Soutar, 2001).

CHAPTER 2

LITERATURE REVIEW

Despite that sneakerheads are a little-known population, their behavior as collectors and resellers is quite influential on the sneaker culture and market (Luber, 2015; Powell, 2014a; Thompson, 2015). In this section, the author will review previous research to understand the sneakerheads' value perception of sneakers, the resale behaviors of sneakerheads, and what sneakerheads have experienced in and how they feel about the resale market. First, previous research about collectors and the history of sneaker culture is reviewed. Secondly, studies focused on the resale market and various resale motivations and behaviors are reviewed. Thirdly, how sneakerheads assign value to sneakers is reviewed using the Meaning Transfer theory (McCracken, 1986). Fourthly, how resale motivation impacts the stages of the Inventory Ownership Cycle (Boyd & McConocha, 1996) is reviewed. Lastly, the emotional responses of the sneakerheads toward the resale behaviors are examined.

Sneakerheads

Sneakerheads not only wear sneakers, but also collect sneakers. They purchase, collect, and/or trade sneakers far more than average consumers (Choi et al., 2015; Choi & Kim, 2014). Before reviewing the motivations and the impact of resale

behavior, the author attempts to comprehend sneakerheads' behaviors as collectors in modern consumer society.

COLLECTING

Belk (2001) defines collecting as “the process of actively, selectively, and passionately acquiring and possessing things removed from ordinary use and perceived as part of a set of non-identical objects or experiences” (p. 67). There is no limit to what people collect. For example, people can collect intangible goods such as MP3 music files (Moist & Banash, 2013). In current society, people usually collect mass-produced objects (e.g., consumer goods) rather than fine arts and natural objects (Belk, 2001). In the context of sneakerheads, the collectibles are the sneakers that are usually worn to enhance athletic performance (Semmelhack et al., 2015). Collecting is mostly an individual act because of the competitiveness of its nature (Belk, 1995, 2001). Collectibles that have high value are rare and collectors compete to obtain them (Belk, 1995; Muensterberger, 2014). Auctioning is a good example of competitiveness of collecting. The bidders offer bids to beat their competitors. For sneakerheads, the rare sneakers that are highly valued are occasionally auctioned for various reasons, such as to raise money for charity (“Doernbecher Freestyle,” n.d.). On the other side, there are also violent incidents (e.g., larceny, murder, fights, and destruction of property) that occur surrounding the release of rare sneakers (Augustine, 2013; Cross, 2013; Darcy, 2013).

Motivations underlying collecting behaviors have been studied by researchers (Belk, 1995; Formanek, 1994; Muensterberger, 2014). According to Belk (2001),

collectors gains “a feeling of mastery, competence, or success” (p. 87) by engaging in collecting behaviors. Formanek (1994) discusses various categories of motivations based on what collecting means to the collector (e.g., for self, for others, preservation and conservation, financial investment, and addiction). For example, some collectors think restoring and passing a valuable object to the future, like museums do, can be a collector’s destiny and fate (Formanek, 1994). While Belk (1995, 2001) asserts that the primary motivation of collecting in consumer society is investment, collecting can also be a compensatory act of security or nostalgia (Belk, 2001; Moist & Banash, 2013). Moreover, collecting behaviors can develop to an obsessive and addictive act (Belk, 2001).

Apostolou (2011) and Belk (2001) explain why males are more likely to engage in collecting behaviors. Belk (2001) asserts that the collectors, in general, are predominantly males and this bias is related to economic status. To purchase such numbers of goods beyond basic needs, one needs to have a sufficient amount of resources (e.g., time and money). According to evolutionary psychology, males engage in collecting to communicate their resource acquisition capacity because males collected resources for survival in the past (Apostolou, 2011). Male collectors tend to be more conspicuous and collect bigger objects than female collectors do (Belk, 2001). Apostolou (2011) asserts that the rarity, aesthetic pleasantness, and size of the collection are crucial factors to demonstrate males’ collecting capacity.

Collecting as a behavior has both positive and negative aspects (Belk, 1995, 2001; Muensterberger, 2014). On the positive side, a collector’s action can be a “heroic and selfless act of love” (Belk, 1995, p. 158) by preserving the sacred objects

for the future. By collecting, people can make some profit from their investment if properly executed. On the negative side, collecting can be addictive, resulting in obsession and financial crisis of not only the collector but also the entire household (Belk, 2001; Muensterberger, 2014). From a societal perspective, the marketplace and brands can manipulate the behavior of individual collectors with various marketing strategies and make people purchase unnecessary items, encouraging addictive behaviors (Belk, 2001).

In the following section, the author will discuss the historical background of the sneaker collecting culture.

HISTORY OF SNEAKER COLLECTING

When sneakers were first invented, they were made and worn as an athletic functional item, and they still are. The limited selection of canvas shoes (e.g., Converse Chuck Taylors) was expanded due to the appearance of new brands, development of new materials, and improvement of distribution (Semmelhack et al., 2015). Nowadays, there are sneakers for not only specific athletic purposes such as tennis, basketball, and running, but also daily uses and fashion. As a result, the price range as well as the selection has expanded vastly. While there are expensive sneakers designed by high-end fashion designers, there are also affordable sneakers that people can buy in supermarkets.

At the same time, sneakers have begun to embed various cultural values and become something more than just equipment for sports. The early sneaker culture appeared with the rise of the hip-hop and basketball community in New York in the

1970s and 1980s. In 1985, the basketball legend Michael Jordan's first signature Nike basketball shoes were released and the hip-hop group Run DMC released a song called, "My Adidas." With increased popularity, sneakers became a socially acceptable type of shoe and expanded their territory above and beyond of the field of sports (Semmelhack et al., 2015).

One of the interesting properties of sneakers is the endorsement of them by professional athletes and celebrities. Celebrity endorsements have been used in various fields of marketing and sneakers are one of the best examples of this strategy (McCracken, 1989). As the two cultural pillars that hold the sneaker culture, basketball players and hip-hop artists have been playing very crucial roles in this sneaker culture (Katz, 1994; Semmelhack et al., 2015; Wilson & Sparks, 1996, 2001). First, the endorsement of famous athletes is one of the most successful marketing strategies to draw consumers' attention (Katz, 1994). For example, the commercials such as "It's gotta be the shoes" in 1989 made teenagers believe that the reason for Michael Jordan's excellent performance was the pair of shoes that he was wearing, the Air Jordans, so people started to line up in front of stores to get a pair. Even though not every model was instantly sold-out, Air Jordan's made Nike the leading athletic footwear company in the world (Penaloza, 1998; Willigan, 1992). Celebrity endorsement is widely accepted in the sportswear industry, and it is not hard to find more examples. Nike's advertisements starring LeBron James and Tiger Woods and the Adidas campaign starring Lionel Messi and David Beckham are other examples. Although the impact of negative publicity related with the endorser on consumer behavior is evident, as in the scandals of Tiger Woods and Lance Armstrong

(Lohneiss & Hill, 2014; Murray & Price, 2012), celebrity endorsement is still one of the most powerful marketing tools, for not only sportswear but also general consumer goods. Those who consider athletes as role models purchase and wear products endorsed by their role models, with the belief that they can become like their role models one day (Wilson & Sparks, 1996).

Second, hip-hop artists (e.g., rappers) have been the fashion leaders of the hip-hop culture. The clothes they wear and their style influences their audiences and fans (McCracken, 1989). Rappers have been collaborating with sneaker brands, and some of them even have their own sneaker and clothing collections (e.g., Kanye West's Adidas Yeezy Boost and Nike Air Yeezy, Drake's October's Very Own, and Pharrell Williams' Ice Cream and Billionaire Boys Club) (Buyanovsky, 2013; Edler, 2012). Specifically, Kanye West has been working with a list of brands such as Louis Vuitton, Nike, and Adidas; those sneakers have been some of the most valued sneakers among avid collectors and wearers of sneakers, the sneakerheads (Hundiak, 2014; Sawyer, 2016). According to Podoshen, Andrzejewski, and Hunt (2014), hip-hop music listeners showed a higher level of materialism and conspicuous consumption than others in their research. It is not hard to find songs that are related to sneakers in hip-hop. For example, rapper Nelly has songs such as "Air Force Ones (2002)" with lyrics "Me? I like the limited edition, and khaki, and army green, Patent leather pin stripe you should see how I do the strings" and "Stepped on my J'z (2008)" with lyrics "I like how they look with Dickies, How that Levi lay on em, If you ain't got em when you see me, You definitely gonna want them." In these songs, slang words for sneakers (e.g., kicks, J'z) are frequently used and the title of a song, Air

Force Ones, is actually the name of a popular sneaker model. Those who purchase and listen to these songs, especially youth, will purchase and wear the products that the rappers are singing about, hoping that they can be cool like them one day.

As mentioned in the section above (see the Collecting section), sneakerheads put in a lot of effort to collect rare sneakers and increase the size of their collections just as other collectors do (Belk, 1995, 2001; Semmelhack et al., 2015). Sneaker collecting can be addictive and harmful, while it can also represent one's identity and provide nostalgia and security that the collector needs (Belk, 2001). Moreover, the behaviors of sneakerheads are not only connected to the sneakerheads' individual lives but also to their family and the society (Belk, 2001).

Collectors such as sneakerheads tend to collect goods (e.g., sneakers) that have limited quantity and have high hedonic value (Belk, 1995, 2001; Higgins, 2006). The harder to obtain something, the higher the value people endow on it (Fromkin et al., 1971; Higgins, 2006; Lynn, 1991). In other words, the difficulty of obtaining such goods actually gives the collectors great pleasure. The author assumes that most of the resellers sell goods that they have to the collectors in order to make a profit. This is because the collectors are the ones who put in much effort to obtain the rare collectibles, compared with the average consumers (Belk, 2001).

In the following section the author will explore the studies that focused on resale market and resale behaviors.

Resale Behavior

The motivations and behaviors of collectors have been studied by various researchers (Belk, 2001; Cardinal, 2004; McIntosh & Schmeichel, 2004; Muensterberger, 2014); however, the resale behaviors of collectors and resellers who sell the collectibles to the collectors have not received a lot of attention, despite their impact on individuals, markets, and culture (Belk, 2001). The author will discuss the overlapping traits of collectors and resellers (e.g., knowledge of collectibles) and the differences between them as well. To understand the impact of resale behavior on the sneakerhead culture, the author first reviewed the previous literature about the resale market, the types of resellers based on conditions of the product and the resale intention, and resale motivations based on the levels of materialism and money disposition (Chu, 2013; Tatzel, 2002). Furthermore, the author demonstrates how resale price is formed and explains the gap between retail price and resale price of the product in high demand, the sneakers.

Before analyzing the research articles about resellers and their behavior, the author reviews the history of the resale market and the impact on consumers in the following section.

RESALE MARKET

In modern society, resale markets such as garage sales (Herrmann & Soiffer, 1984) and online auctions (Abdul-Ghani, Hyde, & Marshall, 2011; Cheung, Zheng, & Lee, 2014; Chu, 2013; Chu & Liao, 2007, 2010) abound and are familiar to consumers. There is no exact time and date when and where the very first garage sale (also known as yard sale or moving sale) took place; a garage sale is usually a casual

event where the house owners (or a group of neighbors) sell unwanted and usable goods in the garage or yard. The sellers usually do not need to pay a tax nor purchase a license to sell their possessions. Herrmann and Soiffer (1984) assert that the increase in disposable consumer goods raised the size and numbers of garage sales. Mass-production and the increase of disposable income made the increase of disposable goods possible. Despite the impact on consumers' lives (e.g., changes in purchase and disposal behaviors), garage sales were considered an "underground economy" and compared with drug-dealing in the past because the market transactions were not traceable (Herrmann & Soiffer, 1984). Early studies of garage sales mentioned that they can be both "symptoms of the commercialization and de-commercialization of social relation" at the same time (Herrmann & Soiffer, 1984, p. 419). The act of selling goods that could have been thrown away to neighbors was an act that commercializes their relationship, but garage sales also kept them close, as an event to meet and socialize with neighbors at the same time.

The consumer behavior of post-retail market (i.e., resale market) and related antecedents and outcomes (e.g., purchase decision) did not draw a lot of attention from the researchers until recently, because the resale market size was not big and it was hard to track down all the local resale events (Chu, 2013; Chu & Liao, 2007; Herrmann & Soiffer, 1984; Parker & Weber, 2013). The resale market of consumer goods has been studied in various product categories, such as automobile (Hartman, 1987), construction equipment (Mas, 2008), art (Camp, 1980), and types of resale such as garage sales (Herrmann & Soiffer, 1984), online (Chu & Liao, 2007), and auction (Garratt & Tröger, 2006). However, resale market research has generally

focused on the impact of negative information (e.g., recall and poor quality) on the resale price formation (Hartman, 1987; Mas, 2008), rather than the impact of the resale motivation on consumer behaviors.

The development of new technology, especially the internet, increased the commercial transactions not only between consumers and retailers but also among consumers (Chu, 2013; Chu & Liao, 2007, 2010; Parker & Weber, 2013). The C2C market size and transaction frequency increased drastically with the advent and adoption of the internet (Chu, 2013; Chu & Liao, 2007). For example, eBay, the largest online auction website, has 159 million active buyers worldwide and approximately 800 million live listings at any given time (“Press Room - eBay Inc.,” 2015). The Gross Merchandise Volume (GMV), the total value of merchandise sold by individuals during a specific time period, on eBay has been increasing and was \$83 billion in 2014 (“eBay Inc. Reports Fourth Quarter and Full Year Results,” 2015).

The emergence of the online resale market impacted all market members (e.g., consumers, retailers, and resellers) (Paden & Stell, 2005; Parker & Weber, 2013). It rapidly changed how consumers purchase goods and also how retailers and resellers sell their goods (Chu, 2013). According to Parker and Weber (2013), the advent of online markets such as eBay impacted supply chains, pricing methods, customer preferences, and spatial practices of the second-hand market. Parker and Weber (2013) furthermore asserted that the internet is breaking down the walls between offline/online, used/unused, customer/seller, and retail/wholesale in the retail domain. For example, by eliminating the middleman (e.g., local retailers), the cost of the transaction process was reduced and the transaction speed increased (Parker & Weber,

2013). Additionally, the impact on the online resale market varied across different types of second-hand stores. For example, low-end vintage stores that have low price points were less influenced because their products were not easy to locate by targeted searching (e.g., searching for a specific item or with keywords) and their target customers tend to enjoy the “treasure hunting.” On the other hand, second-hand designer stores were heavily impacted because the products they were selling were easy to find online and the online resellers did not have to pay expensive rents like they did (Parker & Weber, 2013).

Moreover, the boundary between different types of the resale market has become blurred and complicated. Nowadays, people can purchase goods from multiple channels. Before the online resale market emerged, the second-hand stores and local garage sales were where people mainly search and purchase used goods. The second-hand retail stores used to procure goods from consignments, garage sales, and second-hand wholesalers (Parker & Weber, 2013). However, these days, with the help of the internet, anyone can sell or purchase directly to each other. It became easier to both sell something that a person does not want any more to another person and buy used goods from other consumers. Moreover, people can buy and sell through not only specific websites designed for C2C (e.g., eBay and Craigslist) but also social media (e.g., Facebook, Twitter, and Instagram).

In conclusion, the emergence of online resale opportunity brought more people to the resale market (Chu, 2013; Chu & Liao, 2007, 2010). Technology enabled consumers to sell and buy second-hand goods without much hassle. In the

following section, the author will discuss the types of resellers based on their motivations and behaviors.

TYPES OF RESELLERS

Before discussing the various resale behaviors and their impact on the culture and market, the author will review the research articles about different types of resellers. Researchers have classified the types of resellers based on their motivations and behaviors (Chu, 2013; Chu & Liao, 2007; Tatzel, 2002). According to Chu and Liao (2007), there are three types of online resellers based on motivations: consumer resellers, professional resellers, and mixed-role resellers. The consumer resellers sell products that were purchased initially for their own use, for various reasons (e.g., moving, wrong purchase, and socializing). For example, if a person bought a pair of shoes from an online retailer that did not fit, he or she can return them to the store or just sell them to others later. The professional resellers sell products purchased for selling and work toward maximizing profits. Professional resellers whose motivations are to maximize profits do not want to risk holding excessive inventory and have a strong need to make successful sales transactions (Chu, 2013; Chu & Liao, 2007, 2010; Liao & Chu, 2013). The mixed-role resellers are in between the professional reseller and the consumer reseller. They purchase goods for not only their own use but also reselling. It is likely that the types of resellers are ordered on a spectrum, rather than part of a clearly distinguishing classification. There can be various types of mixed-role resellers grouped according to their inclination. For example, one

mixed-role reseller can behave more similarly to the professional reseller than the consumer reseller.

One thing the author wants to clarify at this stage is that the relationship between the resellers and collectors is unclear (Belk, 2001; Chu, 2013; Chu & Liao, 2007; Higgins, 2006). They have commonalities such as a high level of brand knowledge and often the same goal (e.g., purchasing the limited products that have high value). However, the purchase purposes are slightly different. Despite that collectible goods with high value can be an investment, collectors are known to focus on the hedonic value whereas resellers (e.g., professional resellers) tend to focus on monetary value (Belk, 2001; Chu, 2013; Chu & Liao, 2007; Higgins, 2006). This hypothetical classification of the author does not have a clear line that distinguishes the two groups because of the existence of the mixed-roll resellers. According to the author's exploratory research (Choi et al., 2015; Choi & Kim, 2014), sneakerheads usually both collect and resell sneakers for various reasons. The author will investigate further the relationship and dynamics between the resellers and collectors in this research.

Chu and Liao (2007) extend the classification of the resale behaviors based on two dimensions: the intention of resale and condition of the goods being sold. The intention of resale can be planned (e.g., professional resellers) or unplanned (e.g., consumer resellers) when purchasing the goods, and the condition of selling goods can be used or unused. Based on this classification the resale behaviors can be divided into four categories such as resale of extra purchase, unintentional resale, resale after temporary ownership, and disposition. The author wants to point out that

this disposition as a resale behavior category is different from the disposition of the Inventory Ownership Cycle. First, the resale of extra purchase is a planned resale of unused products. In this specific category, people purchase extra items beyond their personal uses (or items they do not need) to resell. Second, the unintentional resale is an unplanned resale of unused products. This condition occurs when the consumers do not need the products or the products do not meet the desired purpose for unintentional reasons. The common reasons are impulse buying, mispurchased items, and acquisition of unwanted gifts. Third, the resale after temporary ownership is a planned resale of used products. These types of consumers are mostly sophisticated and have adequate experience with auction website transactions (Chu & Liao, 2007). They consider the products as liquid assets and are well aware of the resale value and the risks of resell-failure. The collectors who have proper knowledge about the goods usually fall into this category. They buy, sell, and trade collectibles (Belk, 2001). Lastly, the disposition is the behavior when consumers form resale intention after using the products and resell those. The motivation of disposition can be housecleaning, socializing, or profit making (Herrmann & Soiffer, 1984). The following table depicts the four types of resale behaviors (Chu & Liao, 2007).

Table 2.1 Classification of Online Resale Behavior (Chu & Liao, 2007)

		Intention of Resale	
		Planned	Unplanned
Condition of Selling Goods	Unused	Resale of Extra Purchase	Unintentional Resale
	Used	Resale after Temporary Ownership	Disposition

Based on their motivations, different types of resellers act differently and affect the culture and market in various ways (Chu, 2013; Chu & Liao, 2007, 2010; Liao & Chu, 2013). For example, the planned resale of unused goods by the professional resellers will be more strategized and they will pay the most attention to acquiring profitable goods for reselling when they shop, similar to when retailers select merchandises to sell to their customers. Moreover, the professional resellers will have higher resale price than consumer resellers because the amount of effort to resell is greater and the resale purpose is to maximize profit (Chu, 2013; Chu & Liao, 2007, 2010; Liao & Chu, 2013).

Anecdotal evidence consistently corroborates how reselling of limited goods in high demand leads to steep increases in resale prices (Evans, 2015; Powell, 2014a; Shapiro, 2013). For example, in 2015, the low-price fast fashion brand H&M collaborated with the luxury fashion brand Balmain and sold a limited-edition collection. One of the jacket's original retail price was \$459 and it was sold shortly after the release on eBay for \$3,500. In the realm of sneakers, a pair of Nike Yeezy 2 Red October sneakers was priced at \$245 in retail when it was released in 2014. After

one year, this pair with an original retail price of \$245 was sold on eBay for \$3,350 and now the average resale price of this model in a pristine condition is over \$5,000 (“Air Yeezy 2 Red October | Campless,” 2015; Fischer, 2014; Sawyer, 2016). These examples are just the tip of the iceberg regarding how high some limited edition goods’ resale price can be (Jones, 2015a; Shapiro, 2013). Even though, not all consumer goods are resalable, more consumers became aware of the profitability of “purchasing and reselling” the limited-edition consumer goods. As a result, competition for acquiring limited goods has drastically increased and more effort and resources are needed to obtain them. The consumers who were considered as end-users from the traditional standpoint now became the middleman (i.e., resellers) by purchasing limited goods from the retailers and selling them to other consumers (e.g., collectors).

The various resale motivations of the consumers such as the level of materialism and money disposition might influence resale behaviors differently. In the past, the economic motivation (e.g., economic deprivation) was a primary driver of garage sales (Herrmann & Soiffer, 1984). These days, various other motivations such as socializing and pleasure have been identified. According to Chu (2013), there are four resale motivations based on the four styles of consumers (Tatzel, 2002): utilitarian motivations (value seekers), guilt of compulsive buying (big spenders), guilt of disposition (non-spenders), and hedonic motivations and socializing (experiencers). Tatzel (2002) developed the Consumer Style model to understand the different behaviors of consumers by focusing on two axes: the level of money disposition and materialism. The money disposition level means how tight or loose

the consumer is with money and the materialism means “the devotion to acquisition and possession” (Tatzel, 2002, p. 110). Tatzel (2002) suggests four types of consumers such as value seekers, big spenders, non-spenders, and experiencers to explain the variation of motivations. First, the value seekers are tight with money and have a high level of materialism. They hunt for bargains and enjoy price comparison. Second, the big spenders have a high level of materialism and enjoy spending. They tend to be exhibitionists and participate in conspicuous consumption. Third, the non-spenders have a low level of materialism and are tight with money. They are reluctant to spend money and therefore save money. Lastly, the experiencers have a low level of materialism and enjoy spending. They are more likely to spend money for recreation rather than purchasing goods.

Chu (2013) further suggests that different motivations of resellers result in different resale behaviors. First, the value seekers that have a high level of materialism and are tight with money are more likely to engage in resale for utilitarian motivation and to discover money-making opportunities. Resellers with utilitarian motivations (e.g., value seekers) tend to have higher resale prices than those who have hedonic motivations. Second, the big spenders that have a high level of materialism and are loose with money will resell their goods to reduce the guilt of compulsive buying. Third, the non-spenders that have a low level of materialism and are tight with money might sell things to reduce the guilt of disposing of items that still have values in them. According to Chu (2013), the resale outcome does not matter a lot to those who have the guilt of purchasing too much (e.g., big spenders) or not utilizing purchased goods (e.g., non-spenders). The action of resale is focused on

relieving their feelings of guilt instead of making money. Lastly, the experiencers that have a low level of materialism and are loose with money tend to join resale to experience socializing and hedonic pleasure. Those who have social motivations (e.g., experiencers) will share more information about the selling of goods and interact more with the buyers than other resellers. The following table shows the different consumer styles and the motivation of resale in regards to the consumer style (Chu, 2013; Tatzel, 2002).

Table 2.2 Consumer Style Model and the Resale Motivation (Chu, 2013; Tatzel, 2002)

		Money Disposition	
		Tight with Money	Loose with Money
Materialism Level	High	Value Seeker (Utilitarian)	Big Spenders (Guilt of Compulsive Buying)
	Low	Non-Spenders (Guilt of Disposition)	Experiencers (Hedonic and Socializing)

Despite that scholars have been studying resale motivations and behaviors of resellers, it has not yet been explained why reselling goods can make such profit. Not all consumer goods are resalable (e.g., disposable goods) and the resale of consumer goods is generally neither profitable nor sustainable. In the next section, the author reviews the literature to comprehend what drives the value of the resale goods and how it is monetized.

Value of the Sneakers

The idea that certain consumer goods can have more value than they did when sold at retail is explained in the literature of Meaning Transfer theory (McCracken, 1986) and Transactional Utility theory (Thaler, 1985, 2008). Common explanations as to how and why this phenomenon occurs include value, in general, which has several sub-components (e.g., functional value, emotional value, social value, and monetary value) (Lee et al., 2002; Sheth, Newman, & Gross, 1991; Sweeney & Soutar, 2001). First, the functional value is the “practical or technical benefit that users can obtain by using” the product (Lee et al., 2002, p. 229). Second, emotional value is the “utility derived from the feeling or affective states that a product generates” (Sweeney & Soutar, 2001, p. 211). Third, the social value is the “utility derived from the product’s ability to enhance social self-concept” (Sweeney & Soutar, 2001, p. 211). Last, the monetary value is the “utility derived from the product due to the reduction of its perceived short term and longer term costs” (Sweeney & Soutar, 2001, p. 211). These theories suggest that, to sneakerheads, sneakers may serve as a fashion item that holds social value or as an athletic item that hold functional value. Furthermore, sneakerheads may value specific pairs of sneakers because of their high resale monetary value or because the sneakers evoke positive emotions. One aspect of the present research is to investigate the different types of value held by sneakers and how such value may influence sneakerheads’ behaviors.

To understand the underlying factors that might contribute to sneakerheads’ perceptions of sneaker value, the author examines the Meaning Transfer theory

(McCracken, 1986) in this section. McCracken (1986) asserts that the value of consumer goods (e.g., sneakers) can be created by both the brands (e.g., celebrity endorsement and branding strategies) and the consumers (e.g., participating in the subculture and brand community). First, the brands use various marketing strategies to infuse value into their goods. Then, the consumers influence the value of the product by the possession, exchange, grooming, and divestment rituals. The initial value set up by the brands can be increased or decreased by the consumers. The value co-created by brands and the consumers can be transferred to the purchase decision making (Christopher, 1996).

In the following sections, the author explores how the value of sneakers is created by the brands and consumers (see Meaning Transfer theory) and why the retailers cannot sell the sneakers at the market clearing price, the equivalent value of the sneakers, while the resellers can (see Transactional Utility theory).

MEANING TRANSFER THEORY

In current society, it is hard to find something that is not related to consumption. According to Bauman (2005), “one needs to be a consumer first before one can think of becoming anything in particular” (p. 26). Most of the collectibles that collectors value are consumer goods (Belk, 2001). The cultural meaning moves from the world which is culturally constituted to the consumer via consumer goods (McCracken, 1986). McCracken (1986) asserts that the transfer occurs in two steps from the cultural world to the consumer via the vessel, the consumer goods (see Figure 2.1). Firstly, advertising and fashion systems are used as the instruments, when

the meaning transfers from the world to the goods. Some consumer goods that the consumers are purchasing are not just simple products fulfilling their function. Consumer goods have their own meanings embedded by the creative director of the advertisement. Secondly, by possession, exchange, grooming, and divestment rituals, the meaning transfers from the goods to the consumer. This theory provides profound insights into the behaviors related with not only the consumption but also the usage and disposition of the Inventory Ownership Cycle that the author will address later.

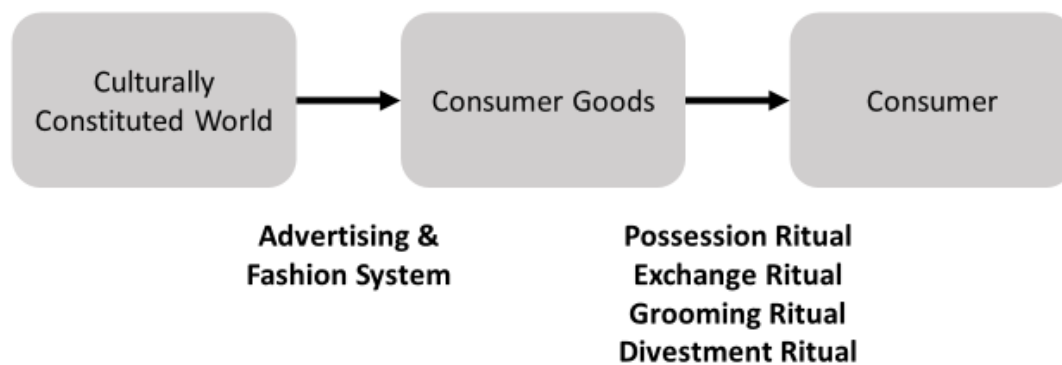


Figure 2.1 Movement of Meaning (McCracken, 1986, p. 72)

In summary, the Meaning Transfer theory offers insights into understanding the diverse consumer behaviors of sneakerheads, such as purchasing multiple pairs of sneakers, paying an excessive amount of money to get a pair, staying in line for a long time, running around to get as many raffles as they can, buying others' used

sneakers, and customizing sneakers. Although some behaviors might seem extreme; this research will attempt to explain those behaviors by examining the value and the meaning of the sneakers and the resale behaviors.

Advertising and the Fashion System

McCracken (1986) asserts that the creative director or the marketer conveys the meaning from the cultural world to the consumer goods by marketing strategies such as advertising and fashion system. Advertisement means emphasis of the similarity between the consumer goods and the representation of the culturally constituted world used by the creative director. Fashion system is a more complicated tool than advertisement and one used by product designers and journalists that transfers, invents, and reforms the meaning. Considering that these terms were conceptualized thirty years ago, the channel of communication has been diversified (e.g., internet and social media) and these marketing strategies have become more sophisticated.

The sneakers that sneakerheads collect are marketed as luxury goods. Tynan et al. (2010) identified the key aspects of luxury goods as “high quality, expensive and non-essential products and services that appear to be rare, exclusive, prestigious, and authentic and offer high levels of symbolic and emotional/hedonic values through customer experiences” (p. 1158). Collectible sneakers tend to be expensive, rare, authentic, and more valuable than the average sneakers (Jones, 2015a; Powell, 2014a; Semmelhack et al., 2015). For instance, over time, the price of a pair of Air Jordans has constantly increased to an average retail price of \$190 in 2016. Some of the

limited editions (e.g., collaboration and sneaker packages) are even more expensive than those (e.g., the price of the remastered models is \$220). Although the price is not as high as other so-called “luxury” goods (e.g., jewelry, watches, and handbags), considering that the average retail price of non-luxury sneakers is less than \$70, Air Jordans and other collectible sneakers can be considered premium-priced tiers (“Average retail price of jogging/running shoes in the U.S. 2007-2014 | Statistic,” 2015). Additionally, most of the retro Air Jordan model releases have limited quantities and the coveted retro models have stories (e.g., the original pairs that were worn in the Playoffs, All-Star Games, and the Finals) related to the legacy of Michael Jordan. Moreover, some of the sneakers that are collected by sneakerheads have the non-essential trait of luxury goods (Tynan et al., 2010). For example, the retro Jordans are basketball shoes that were first made in 1985, and the functionalities and performance of the shoes are outdated and inferior compared to the sneakers that are produced these days. Even their functionalities are non-essential; the Air Jordans are marketed by advertising and fashion system as rare, famed, and original, just as other luxury collectible goods are.

In this section the author explores a number of marketing strategies, such as celebrity endorsement, retro branding, authenticity, and limited supply, that are widely used in the sneaker market to increase the value of the product (Botterill, 2007; Brown, Kozinets, & Sherry Jr, 2003; Hwang et al., 2014; McCracken, 1989; Phau & Prendergast, 2000). As a result, companies set the retail price of the goods as the monetary value that consumers are willing to pay for them.

Celebrity Endorsement

The celebrity endorsement is one of the widely used advertisement strategies in various fields of marketing (Lohneiss & Hill, 2014; McCracken, 1989; Murray & Price, 2012; Pookulangara et al., 2013; Till & Shimp, 1998). By endorsement, the image of a celebrity (e.g., talent, success, and excellence) is transferred to the particular brand or goods. In this process, the product or brand acquires additional value. The projected excellence of the endorser makes the consumer think they can be like the endorser if they purchase and use the endorsed goods (McCracken, 1989). Various studies demonstrated that successful endorsements by not only celebrities but also professional athletes increase consumers' purchase intent (Kamins, 1989; McCracken, 1989; Pookulangara et al., 2013). The endorsement by a celebrity of any type (e.g., participation in the design process, advertisement, sponsorship, and usage of the goods) had a positive impact on value perception. The high level of value perception further increased the customer loyalty and purchase intention (Lee & Park, 2014; McCracken, 1989).

In celebrity endorsement research, the source credibility and attractiveness of the endorser are the critical variables that help to explain how the celebrity endorsement affects consumer behaviors (McGuire, 1968, 1969). The endorser with authority or expertness acts as a credible indicator of the product or service. The attractiveness of the endorser is also a critical factor through which the consumers perceive the endorsed goods positively. For example, the premium headphone and speaker brand *Beats by Dr. Dre* that was co-founded and endorsed by the famous rapper and producer, Dr. Dre, had huge success (Helm, 2014). Sneakers are also

commonly endorsed by athletes and hip-hop artists (e.g., Nike Air Jordans and Adidas Yeezy sneakers).

Availability heuristic (Kahneman & Tversky, 1973; Tversky & Kahneman, 1974) explains how the celebrity endorsement works. According to cognitive psychology studies (Kahneman & Tversky, 1973; Tversky & Kahneman, 1974), people make judgments based on the number and prominence of exposure. For example, Michael Jordan's accomplishment as a basketball player was enabled by his hard work and practice. However, people associate his achievement with his unique sneakers he was wearing (Wilson & Sparks, 1996). It is easier to associate his achievement with the unique pair he was wearing than the hard work due to the eminence.

Retro Branding

Another common strategy that increases the value of a good is retro branding. Retro branding is a marketing strategy that uses existing brands with updated elements (Brown, Kozinets, & Sherry Jr, 2003). Retro branding infuses nostalgic values into the products by borrowing design elements from the past. By giving consumers a sense of nostalgia, the company can increase the value of the product they are selling to the consumers (Belk, 1990; Brown, Kozinets, & Sherry Jr, 2003; Cattaneo & Guerini, 2012; Kessous et al., 2015). Retro branding brings back the imaginary past, when everything was better than present, to the consumers (Thompson, Pollio, & Locander, 1994). In other words, the meanings associated with the past (e.g., superior quality of the product and security) are embedded into the

retro-branded products. By retro branding, the company does not have to start a brand-new campaign that requires a big investment of time and money. For example, the story of the retro brand is commonly used in advertising and watched over and over on the internet (e.g., YouTube), such as how the first Air Jordan shoes were banned by the NBA when they first came out (Semmelhack et al., 2015). The first Air Jordans were the shoes that fought the conventional customs, and the game highlight footage with Michael Jordan wearing them could be viewed again and again by basketball fans.

The key aspect of retro branding is nostalgia and heritage (Brown, Kozinets, & Sherry, 2003; Brown, Kozinets, & Sherry Jr, 2003). The nostalgic status of a brand is known to have positive effects on the brand relationship (e.g., brand attachment and self-brand connection) and the behavioral intention (e.g., telling a story about the brand, purchasing the brand as a gift, and collecting brand-related goods) (Kessous et al., 2015). The retro brands create not only familiar products but also familiar slogans and packages to evoke nostalgia in consumers (Brown et al., 2003). Moreover, these retro design elements remind consumers of authenticity and heritage of the brand as well. It is not hard to find a lot of replications of the product image and the product itself as examples, such as Coca-Cola, Budweiser, and the Volkswagen Beetle. Nostalgia is one of the important factors of retro branding and is commonly used in athletic footwear brands (Botterill, 2007; Brown et al., 2003). For example, the key attributes of retro Air Jordan sneakers are the original logos, colors, materials, and other design details (“Jordan Brand Evolves The Retro Remaster,” 2015).

Nostalgia is related to perceived quality of products that some consumers think the contemporary society lacks (Thompson et al., 1994). Those who perceive a lack of product quality in present tend to think the quality and craftsmanship of the past was superior. The experience of supreme quality in the past contributed to strong brand loyalty and the consumers becoming willing to repurchase the same brand (Thompson et al., 1994). In their research, Thompson et al. (1994) found that nostalgia is related to the sense of security that present society does not have, compared to the past. The pursuit of nostalgia underlies an effort to make the world a more secure place. However, one of the interviewees in Thompson et al. (1994) mentioned that the once-trusted brands that had quality do not have the same quality anymore. The decline of quality prevails today and consumers these days neither appreciate nor expect high quality (Thompson et al., 1994). Furthermore, nostalgia is also associated with a sense of authenticity to consumers (Belk, 1990).

Authenticity

Appealing to authenticity is also a frequently used advertising strategy that appeals to the consumers. Being authentic means that something is real and genuine (“Definition of AUTHENTIC,” n.d.). The images of authenticity in marketing usually appeal to specific target groups such as the youth, who are in the stage of self-discovery (Botterill, 2007; Jenß, 2004). Moreover, authenticity is known as one of the key properties of subculture (Botterill, 2007; Wheaton, 2007; Wheaton & Beal, 2003). By using authenticity as a marketing strategy, brands can increase the value of the products they are selling. It makes the consumers who seek authenticity think that

they can be empowered by authentic images by purchasing and using the goods. Moreover, Botterill (2007) asserts that the authentic brand images of sneaker brands can be therapeutic for the youth that have cultural anxiety from the extremely commercialized market culture, which lacks authenticity.

Authentic images that show the root of the culture still have strong power to draw consumers who pursue authenticity and nostalgia (Beverland & Farrelly, 2010; Botterill, 2007; Wheaton & Beal, 2003). Authentic marketing appeals and reinforces the identities and foundations of both members of a subculture and youth, when properly executed. From their qualitative research of skateboarders and windsurfers, Wheaton and Beal (2003) found that there are certain stereotypical images that represent authenticity of the culture (e.g., White males actually skateboarding and windsurfing). The opposite inauthentic images would be females or non-White people using skateboarding and windsurfing equipment as commodities (e.g., fashion brands trying to use the skateboard as a prop in their advertisements and commercials). For example, fashion models wearing high heels do not associate with genuine skateboard culture. The members of a subculture easily identify inauthentic brands and try to avoid these brands because they think the corporation is appropriating their culture (Wheaton & Beal, 2003). However, as the culture matures and accepts diversity, the populations that were considered inauthentic at one time can become legitimate (Grinberg, 2015). For example, the population of skateboarders is now more diverse than three decades ago due to the frequent exposure of Black celebrities who skate, such as Lil Wayne and Pharrell Williams (Barksdale, 2015). In the context of sneaker culture, the equivalent authentic (and

stereotypical) image will be a black male that represents the culture of hip-hop and basketball. For example, there was a comedy movie called “White men can’t jump” in 1992 that twisted the cultural authentic stereotypical image of basketball players. The authentic blackness is widely used in hip-hop music, street culture, and the sneaker industry (Botterill, 2007). However, those cultural domains are expanding to various populations that have different races, ages, and other demographic characteristics, just like the expansion of the population of skateboarding and windsurfing (Barksdale, 2015). The popularity of the hip-hop and basketball culture has been increased throughout various races and countries (Gao, 2012; Hooton, 2015). For example, hip-hop has become the most listened to music genre around the world and NBA is popular in China. As a result, the sneaker culture also gained a lot of popularity and exposure throughout the world.

Rarity

Rarity is another factor impacting value perception (Belk, 2001; Higgins, 2006; Jones, 2015a). Limiting production and distribution of goods is also a commonly used marketing strategy to increase the value of the products and the brand. Researchers asserts that the goods harder to obtain provide higher value to the consumers than those which are easier to get (Fromkin et al., 1971; Higgins, 2006; Lynn, 1991). Appealing to the desire to be different and unique is a very common fashion marketing strategy (Reilly, 2014). That is why fashion brands frequently produce limited editions, special editions, and brand collaborations. Nowadays, it is not only fashion industry but also the electronics (e.g., smartphones, speakers, and

headphones) industry that uses this strategy with a slightly different design and a slightly higher retail price.

Rarity is one of the essential values of luxury consumer goods that impacts consumer behavior (Hwang et al., 2014; Jung & Kellaris, 2004; Phau & Prendergast, 2000; Tynan et al., 2010; Wiedmann et al., 2007). The rarity of a luxury brand is related to distribution, awareness, and availability (Fromkin et al., 1971; Lynn, 1991; Phau & Prendergast, 2000). According to Phau and Prendergast (2000), the luxury brand needs to sustain a high level of awareness and maintain an optimal level of inventory that creates exclusiveness. The highly anticipated sneakers such as Air Jordans and Yeezy Boosts fulfill the conditions above (high level of awareness and limited inventory) (Choi et al., 2015; Choi & Kim, 2014). For example, for the anticipated releases, the release information and rumors are usually posted online long before the actual release announcement by the company. When it comes to distribution, the release amount and locations are limited.

The traditional economic model of supply and demand indicates that scarcity will influence the desire of those who can purchase the product. As a result, the willingness to spend more money and effort to obtain the product increases (Kotler & Keller, 2011). Experimental research by Jung and Kellaris (2004) demonstrated that scarcity of purchasing goods (e.g., wine) increased purchase intention. Moreover, scarcity of a product can be perceived as popularity, which gives it even higher perceived quality to the consumers and it eventually impacts the preference as well (Parker & Lehmann, 2011). For example, sneakerheads and resellers putting in a lot

of effort to obtain the pair of sneakers that has higher demand than supply is commonly observed (Poe, 2014).

The Commodity theory (Fromkin et al., 1971; Lynn, 1991) asserts that the rarity increases the value and desirability of goods that can be obtainable, useful, and exchangeable. Limited availability of products increases the desire and preference of the consumers (Lynn, 1989, 1991; Verhallen & Robben, 1994; Wiedmann et al., 2007). According to Hwang et al. (2014), those who desire a high level of conspicuousness and rarity are willing to pay more for luxury brand goods that have limited quantity. For example, the rarity and desire to be unique among others increases the value and popularity of the rare pair of sneakers (Choi et al., 2015). As a result, rarity drives more people to attempt to get the limited pairs. When the company re-releases or increases the release amount of rare models, the perceived value decreases because they are not as rare as before. Besides the high purchase intention, the retailers and brands can get extra publicity from the scarcity of the released product (Thaler, 1985, 2008). People lining up in front of the stores for days to get a pair of sneakers draws attention and make others wonder what is happening. The gathered crowds make the brand products look desirable and draw interests of others.

However, the inevitable consequence of rarity (e.g., stock-outs) is not always positive. The failure to achieve desired goals can make people react negatively (Agnew, 1992, 2013). According to Kim and Lennon (2011), when consumers experience online apparel stock-outs, the negative emotion afflicts store image and reduces decision satisfaction, and decreases purchase intention, eventually. This

might help explaining sneakerheads' withdrawal from collecting sneakers when they frequently fail to purchase sneakers due to the limited amount of releases (Choi & Kim, 2014). Some of the highly anticipated releases are almost impossible to successfully purchase due to site crashes, resellers, and the bot users who hack the online release system (Choi et al., 2015; Jones, 2015a). In the author's netnography study (Choi & Kim, 2014), sneakerheads expressed frustration and withdrawal due to the difficulty of obtaining the pairs they really wanted.

Rituals

According to the Meaning Transfer theory (McCracken, 1986), meaning embedded in the product by the brand can be changed by the consumers' rituals such as exchanging, possessing, grooming, and divesting. McCracken (1986) defines ritual as "a kind of social action devoted to the manipulation of cultural meaning for purposes of collective and individual communication and categorization" (p. 78). McCracken (1986) argues that the consumers' post-purchase behaviors such as sharing opinions, comparing, bragging, maintaining, and taking pictures are examples of the rituals that transfer the meaning from the goods to the consumer themselves. Moreover, when people experience hedonic pleasure with the goods they purchased, the value of the goods increases (Higgins, 2006). By this second stage of meaning transfer, the meaning and the value of the product that were initially presented by the brand become something beyond. It is speculated that the social behaviors of the subculture and brand community members can be projected as the second step of the

meaning transfer process, the ritual. In contemporary society, the subculture and brand community are extended to the field of consumerism and media (McCracken, 1986; Schouten & McAlexander, 1995; Youn, 2010). Darnell and Sparks (2007) claim social relation factors, such as relationship with the culture and country, are the key factors of the successful meaning transfer. Both subculture and brand community members not only share their opinion and thoughts, but also interact within the groups.

Subculture

In the digital world, understanding the consumers' subculture is crucial (Kotler, Kartajaya, & Setiawan, 2016). Subculture is defined as "a cultural group within a larger culture, often having beliefs or interest at variance with those of the larger culture" ("Definition of AUTHENTIC," n.d.). Differentiating themselves from the parent culture is one of the key aspects of subculture (Thornton, 1996). In the subcultural context, authenticity is one of the most important virtues (Beverland & Farrelly, 2010; Botterill, 2007; Wheaton & Beal, 2003). The chosen style and fashion represents who the subculture members are. By purchasing and using goods that have authentic value, the subculture members can prove and strengthen their authenticity to themselves and to the group (Beverland & Farrelly, 2010; Botterill, 2007). For example, Podoshen and Andrzejewski (2012) assert that the subculture of hip-hop has an association with materialism and conspicuous consumption. Therefore, the hip-hop subculture members express their identity and authenticity by purchasing expensive accessories and luxury goods.

Most of the consumer subculture studies show that there are insider-brands, products, and styles that have authenticity compared with the peripheral brands or styles that the outsiders or new members wear (Schouten & McAlexander, 1995; Wheaton & Beal, 2003; Youn, 2010). These brands and styles are only important within the culture and can be learned only in the subculture. As a result, the core members and the peripheral (or new) members are easily distinguishable within the culture by their styles and the brands they use. It does not necessarily mean that there is only one style or one brand that represents the entire subculture. There can be multiple styles and types of members within the subculture (Schouten & McAlexander, 1995). To be a core member of the consumer subculture there is a proper way to dress and items that one needs, and the experience and knowledge about the brands and styles are important (Wheaton & Beal, 2003).

The interaction between subculture members influences the value and meaning of the goods (Schouten & McAlexander, 1995; Wheaton & Beal, 2003). When subculture members assess the authentic value of the product, they share their opinion with other members and the value gets examined, whether approved or denied by the consensus of the subculture. From the subcultural perspective, the styles that people are wearing and the products that people are using have the cultural representation and define who they are (Botterill, 2007; Podoshen et al., 2014). For example, sneakerheads usually wear some of the sneakers from their collection and put more effort into styling the outfit that matches the sneakers they are wearing (Choi et al., 2015; Choi & Kim, 2014). They can also identify themselves in the street by the sneakers that they are wearing (Choi et al., 2015; Choi & Kim, 2014). Wearing

the sneakers, matching their style with their sneakers, taking pictures of their sneaker collection, and collecting more sneakers are how they express themselves. This also explains why there are particular brands and models that the sneakerheads collect and admire, out of the entire market that has such a variety of brands, styles, and models.

Brand Community

Brand communities are known as a particular type of consumer community that shares a common interest and/or devotion to a specific brand (Muniz Jr. & O'Guinn, 2001; Zaglia, 2013). Muniz Jr. and O'Guinn (2001) defined brand community as "a specialized, non-geographically bound community, based on a structured set of social relationships among users of a brand" (p. 412). The activities of brand community members can be interpreted as the rituals in the Meaning Transfer theory (McCracken, 1986). Brand community members act as a group by discussing, comparing, and bragging about the brand goods that they share common interests in, and these activities create value (McAlexander, Schouten, & Koenig, 2002; Muniz Jr. & O'Guinn, 2001; Schau, Muñoz Jr., & Arnould, 2009). The consumers participating in brand community change the meaning embedded in the consumer goods by their social activity (McCracken, 1986). For example, the brand community members can revive a product (e.g., Newton) that was abandoned by the brand (e.g., Apple) (Muñoz Jr. & Schau, 2005). Sneakerheads' behaviors based on the brands they like (e.g., Nikeheads) can be interpreted as the behaviors of the brand community members.

Not every consumer participates in the brand community nor every brand has a brand community. People usually get involved with other brand enthusiasts and interact with them for various reasons such as information searching, learning tips, and socializing (McAlexander et al., 2002; Muniz Jr. & O'Guinn, 2001). Muniz Jr. and O'Guinn (2001) suggested that the publicly consumed brands with a strong brand image, long history and tough competition have a higher chance to have a brand community than those who do not. Sneakerheads collect only specific models and styles of sneakers that have value. For example, Air Jordans, have a strong brand image, thirty years of history, and have other athletic footwear competitors such as Adidas, Puma, and New Balance.

Brand community activity is a good example of the collective value-creation process (Schau et al., 2009). In their qualitative research, Schau et al. (2009) articulated that the consumers' operation of four practices such as social networking, impression management, community engagement, and brand use are the keys to creating value that is crucial to the brands (see Table 2.3). These practices provide the brand community members with cultural capital, produce insider-sharing repertoires, create consumption opportunities, and show the vitality of the brand community (Schau et al., 2009). This process can be considered cultural meaning transferring from goods to consumers, as stated in Meaning Transfer theory (McCracken, 1986). Even when the marketer and advertisement create the initial cultural meaning of the product, it is the end users, the consumers, who transform and recreate the value of the product. For example, the resale price of the sneakers that sneakerheads collect and wear are created by the sneakerheads, not the company. Sneakerheads trade the

sneakers among themselves and monetary value (i.e., resale price) is only valid to themselves.

Table. 2.3 Collective Value Creation in Brand Communities (Schau et al., 2009)

Thematic Categories	Practices	Descriptions
Social Networking	Welcoming	- Greeting new members
	Empathizing	- Supporting emotionally
	Governing	- Clarifying behavioral expectations
Impression Management	Evangelizing	- Sharing good news of the brand
	Justifying	- Rationalizing the devotion
Community Engagement	Staking	- Grouping brand community members
	Documenting	- Recording brand-related narratives
	Milestoning	- Marking important brand-related events
	Badging	- Symbolizing milestones
Brand Use	Customizing	- Modifying the brand goods
	Grooming	- Maintaining the brand goods
	Commoditizing	- Providing market-related information

According to Muniz Jr. and O'Guinn (2001), there are three important elements that brand communities consist of: consciousness of kind, shared rituals and traditions, and sense of moral responsibility. These elements facilitate the interactions among the brand community members to create value and change the meaning of the

goods they are interested in. First, the consciousness of kind means the connection with community members and discrepancy with non-members. By distinguishing themselves with other brand users (e.g., oppositional brand loyalty), the brand community members can fortify their bond and membership (Muniz Jr. & O'Guinn, 2001). As a result, consciousness of kind can increase the brand loyalty and future purchase intention (Hung, 2014; Raïes, Mühlbacher, & Gavard-Perret, 2015; S. A. Thompson & Sinha, 2008; Woisetschläger, Hartleb, & Blut, 2008). Second, shared rituals and traditions mean the culture and history of the brand community shared by the members. Consumers endow the goods with value by participating in brand community activities as a group member (McCracken, 1986). For example, the appreciation of the sneakers' quality, the related story of the model, the story of sneaker hunting, and the memories of the good old days when it was simple and easy to purchase a pair are the rituals that make sneakers special to the sneakerheads (Choi et al., 2015; Choi & Kim, 2014). Third, the sense of moral responsibility is the sense of emotional obligation to the members and community (Muniz Jr. & O'Guinn, 2001). The sense of moral responsibility helps to facilitate collective action, such as welcoming and helping new members and providing information about the brand. All these actions are important and special inside the community. Looking out for other members and answering questions of other members are easily observed in brand community studies (Muniz Jr. & O'Guinn, 2001; Schau et al., 2009).

In the following section, the author will explain how such sneakers can have a higher monetary value (i.e., resale price) than the original retail price.

PRICE GAP BETWEEN THE RETAIL AND RESALE

Before moving on to how the resale value impacts consumer behavior, the author attempts to explain how resale prices can sometimes be higher than retail prices. In a capitalistic society, the price of consumer goods is one of the measurements that represents their value (e.g., quality and worth) (Kotler & Keller, 2011; Solomon, 2012). Therefore, if the consumer thinks it is worth it to pay a given amount of money, the consumer purchases the goods. According to the Commodity theory, the limited quantity of certain goods (e.g., the popular sneaker models) creates the gap between supply and demand (Fromkin et al., 1971; Kotler & Keller, 2011; Lynn, 1991). This gap increases the desire, and people tend to put more effort and money into acquiring the sold-out limited goods (Lynn, 1991; Phau & Prendergast, 2000; Shapiro, 2013). As a result, the resale price becomes elastic due to the gap between the supply and demand in the resale market. While the companies can create buzz with and increase the price of limited edition goods, they usually do not utilize the market clearing price for two reasons: relationship with the consumers and the reference price (see the following section) (Thaler, 1985, 2008). However, unlike the retailers, the resellers are able to increase the resale price based on the rarity and level of demand. The professional resellers can sell the products at the market clearing price, unlike the retailers; the gap between the retail price and the resale price becomes the reseller's margin. Other than the price elasticity of demand, resellers are very similar to retailers. Professional resellers need the following: an aesthetic sense and knowledge of the brands and products to distinguish which release has worth and limited quantity, the ability to purchase those sneakers, and people to sell the sneakers

to. Moreover, some of the collectors that usually do not collect shoes for profit also know that they can make money and they also utilize some of the releases to fund their collection as mixed-role resellers. This means if anyone can get their hands on the rare pairs that have high resale value, they can make a profit by selling them (Choi et al., 2015; Choi & Kim, 2014; Jones, 2015).

Transactional Utility Theory

According to the Transactional Utility theory (Thaler, 1985, 2008), commodities that have higher demand than supply do not always result in a price increase. It is true that the gap between the supply and demand is a crucial factor that forms market price (Kotler & Keller, 2011). If the demand is higher than supply the market-clearing price goes up. The high resale prices of the Super Bowl tickets, World Series tickets, and limited-edition fashion goods are examples. However, retailers that sell products and services usually do not sell them at the market clearing prices for two reasons (Thaler, 1985, 2008). First, when the reference price is lower than the market-clearing price, the brand cannot sell products at the market-clearing price. The brands are selling not only particular goods that are in high demand but also other general products that do not have that much demand. The willingness to pay is high only for those special occasions and the consumers usually compare those with the general reference prices of the other products of the brand and competitors. At best, the company might be able to raise the price a little bit for the special models. However, it cannot be raised too much because of the general reference price, and if those models are perceived as expensive the consumers would not be happy about it.

Second, the brands need to maintain strong and continuous relationship with their customers. This means that the transaction between the brand and consumers is not a single event and there are other general goods to sell throughout the whole season or in the future to their customers. For example, in the sports marketing context, boxing matches can usually be sold at the market clearing price because the match is not likely to happen again. On the other hand, other sports that have seasons cannot sell a single game ticket that has high demand at the market-clearing price because there is a whole season to sell tickets. These are the reasons why companies cannot sell products at the market-clearing prices (e.g., resale price higher than retail price). The consumers will compare the price of the limited goods with the regular priced goods and will not like it if it is much more expensive than the regular goods. On the other hand, the resellers do not have these restrictions and they can apply the market-clearing price to their goods and maximize their profit before they get regular customers and form a relationship with them.

Additionally, Thaler (1985, 2008) provide reasons to explain why the brands and retailers allow professional resellers (e.g., scalpers) to sell their products (e.g., Super Bowl tickets and limited edition sneakers) at the market-clearing price. (Thaler, 1985, 2008). First, the scalpers who resell limited goods for quick profit are not associated with the sellers (e.g., retailers and brands). The scalpers, not the sellers, are the ones who are appropriating high demand of the avid fans and loyal customers by marking up the price greatly. Therefore, it is the scalpers to blame, neither the brands nor the retailers. Second, the retailers usually obtain more than the face value of the goods. For example, not every playoff ticket is sold to the public and they are

distributed to others (e.g., the team owners and alumni). Similarly, in fashion, including sneakers, brands distribute their popular or flagship products to celebrities for marketing purposes. Therefore, they can gain publicity and exposure and make the brand products more desirable. Moreover, they can gain publicity about how hard it is to get those limited products as well.

Predicting the adequate quantity of release is the biggest challenge in creating the right balance between supply and demand (Burke, 2016), for not only the retailers but also the resellers. As a result, not every limited consumer good ends up having higher resale price than the retail price. Some of them are sold at higher than retail and others are sold below retail in the resale market; the resale price is influenced by other resellers' price as well. In fact, this explains why reselling goods cannot be as sustainable and profitable as people think (Burke, 2016).

In the next section, the author reviews how various stages of Inventory Ownership Cycle (Boyd & McConocha, 1996) can be influenced by the resale intention driven by the monetary value.

Inventory Ownership Cycle of Sneakerheads

In this section, the author reviews the literature related to the Inventory Ownership Cycle and applies the theory to the sneaker resale context (Boyd & McConocha, 1996; Cluver, 2008). The Inventory Ownership Cycle presents the management of consumer goods during the stages of pre-acquisition, acquisition, physical possession, and disposition. Unlike other marketing and consumer behavior

researchers, Boyd and McConocha (1996) focused on the consumers' management of owned possession (e.g., acquisition and physical possession) and the impact on other decisions (e.g., pre-acquisition and disposition) by applying the approach of the industrial material management. The Inventory Ownership Cycle (Boyd & McConocha, 1996) provides an understanding of the consumer behaviors related to the entire cycle of ownership, not just the purchase decision making. In the first stage, pre-acquisition, consumers make a decision whether to purchase or not. In the next stage, acquisition, the consumer transacts with the seller. Then follows the third stage, physical possession, where consumers actually use and store the purchased goods. Maintenance and reuse/restore are also included in this stage for the non-disposable items. In the last stage, disposition, consumers dispose of (e.g., throw away, donate, and resell) the product. Figure 2.2 depicts the Inventory Ownership Cycle.

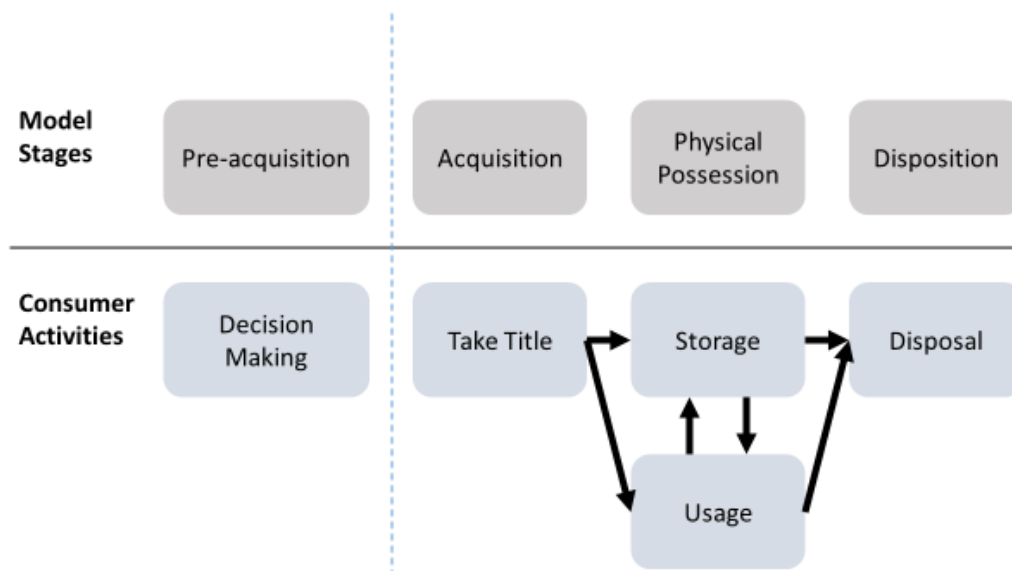


Figure 2.2 Inventory Ownership Cycle (Boyd & McConocha, 1996)

According to the Inventory Ownership Cycle (Boyd & McConocha, 1996), the post-purchase behaviors (e.g., using, storing, maintaining, and reselling) influence the entire purchase behavior cycle. Based on the Inventory Ownership Cycle, one can hypothesize how one plans to dispose of a product may influence his/her behavior earlier in the cycle, such as during pre-acquisition or use. It is also noteworthy that consumer disposition behavior affects retailers because consumer to consumer redistribution of goods reduces the needs of some consumers to purchase new goods directly from retailers or brands (Paden & Stell, 2005). Reselling as a dispositional act also impacts not only the one who is reselling but also other consumers by providing additional purchase option besides the retailer. For example, those who have the intention to resell will have a greater willingness to purchase sneakers that have high resale value because they can expect profit from those (e.g., when the demand is much higher than the supply). As a result, those who do not want it for their own use but for the profitability will join the purchase competition and increase the demand level (Chu & Liao, 2010; Leach, 2015). Therefore, the purchase possibility of the goods that have high demand will decrease and also the resale price will increase, due to the heightened level of demand.

In the following sections, the author will explain the stages of the Inventory Ownership Cycle and how these stages interact. The author will also review how reselling as disposition interacts with other Inventory Ownership Cycle stages.

PRE-ACQUISITION

The pre-acquisition stage is the initial stage of the Inventory Ownership Cycle. In this stage, consumers process both cognitive and affective information (e.g., purchase decision making) (Boyd & McConocha, 1996). Consumers recognize the problem, collect information from various sources, evaluate alternatives, and form preferences. The pre-acquisition stage has been widely researched with multiple approaches such as exploring the antecedents of purchase intention (e.g., word-of-mouth, nostalgia, popularity, and rarity). For example, Khare, Labrecque, & Asare (2011) assert that a large amount of word-of-mouth (e.g., a high number of consumers and high market share) affects the customers' preference positively for a movie, which is a hedonic product. The level of involvement also impacts the amount of effort consumers put into a decision-making process (Boyd & McConocha, 1996). Highly involved consumers do more extensive and rigorous information searching and comparison than consumers with low involvement.

The following stages such as usage, storage, and disposition affect the pre-acquisition stage as well. For example, the storage space limits the purchase options. If a person does not have sufficient space to store purchased goods, he or she needs to think of alternative options. The purpose of usage and maintenance costs also are important factors to consider. In regard to the influence of disposition on pre-acquisition stage, resale purpose can be a good example. The planned resellers have a different set of considerations in their purchase decision-making process and have stronger purchase intention for high-value goods than normal consumers do (Chu & Liao, 2007). Interestingly, in the resale context, the disposition is likely to generate

profit by selling the item, and affects purchase decision-making in a different way. While those who buy goods for themselves will focus on their own needs and purpose of use, the planned resellers will think about the monetary value of the goods and consider how other people (potential buyers) think about the goods. In addition, the mixed-role resellers that are considering both reselling and using for their own use can have a higher purchase intention if the product is expected to have higher resale value than the retail value (Chu & Liao, 2007). If the purchased goods are not as valuable as predicted or cannot find the buyer, they can just return them to the retailer (Janakiraman, Syrdal, & Freling, 2016). In the context of collecting or reselling, the value over time also plays a critical role at the purchase stage (Belk, 2001; Chu & Liao, 2010). Whether the purchased goods will be valuable or not in the future is an important factor for both collectors and resellers.

Those who consider reselling during the pre-acquisition stage tend to have a different set of purchase decision-making processes and the following section will describe how that occurs.

Mental Accounting

Mental accounting is a concept that explains consumer behavior using cognitive psychology and microeconomics (Thaler, 1980, 1985, 2008). Consumers first calculate the gains and losses and then evaluate the whether or not to make purchase. If consumers expect a gain they are more likely to purchase the goods and if they expect a loss they are less likely to purchase the goods. In the context of resale, potential resellers will estimate the likely profit, specifically the gap between the

retail price and the resale price, during the pre-acquisition stage. The mental accounting (Thaler, 1980, 1985, 2008) that compares the purchase price and resale price of the product affects the purchase decision of the consumer, to maximize profitability. For example, if a product has potentially high resale profitability, the reseller's purchase intention will be higher than that of a low-profit product.

Chu and Liao (2010) developed a new concept called External Resale Reference Price (ERRP) that influences consumers' purchase and resale intention. The ERRP is defined as an estimated resale price based on market information. Their research (Chu & Liao, 2010) reported that the high ERRP increased the purchase intention. With the ERRP, the perceived resale possibility also influenced the purchase intention. The high resale possibility increased the purchase intention when consumers had both high and low ERRP. Simply knowing that the goods are resalable decreases the mental purchase cost of the goods because the consumers can make money when they want to dispose them later. This approach will be useful when understanding the high level of purchase intentions of sneakerheads, who are very aware of the ERRP and the resale possibilities of the sneakers they purchase.

Additionally, the increased awareness of online resale also impacts purchase decisions of consumers (Chu & Liao, 2010; Liao & Chu, 2013). Consumers have more access to the resale channel than in the past. According to the experimental studies by Chu and Liao (2010, 2013), when the consumer is aware of the product's possibility of resale, they tend to have higher purchase intention for the same type of product.

ACQUISITION

After the consumer makes a purchase decision at the pre-acquisition stage, the transaction between the buyer and seller occurs (Boyd & McConocha, 1996). Boyd and McConocha (1996) define acquisition activities as the actual purchasing, ordering, and agreeing to accept a product (e.g., gift and donation). Traditionally, the payment and possession happen at the same time. A person pays X amount of money to the cashier and gets the ownership of product Y. However, the goods do not always instantaneously become in one's physical possession, especially when purchasing from an online retailer or reseller.

While consumer behavior literature focuses on purchasing new products, Boyd and McConocha (1996) explain the consumers' purchase of not only new goods but also of used goods. The expected usage and disposition intention influence the acquisition stage (Boyd & McConocha, 1996). For example, when a person is looking for goods that are only needed for a short amount of time (e.g., baby clothes), one can obtain used goods from other families and friends. This also means that someone's dispositional behavior (e.g., resale and donation) can be others' purchase behavior. Boyd and McConocha (1996) assert that there are different dynamics when a consumer purchases new goods from the traditional retailers and used goods from the resellers. Moreover, the whole dynamic and procedures can be different in detail. For example, used goods can be purchased from auctions, garage sales, second-hand stores, or online (e.g., eBay and Craigslist). When and how the money is paid and how and when the buyer receives the obtained goods differ according to these various options.

PHYSICAL POSSESSION

In the physical possession stage, consumers use, store, maintain, and reuse/restore the goods that they possess (Boyd & McConocha, 1996). How consumers use, store, and maintain the obtained goods will extend or reduce the lifespan and the value of the product. The intended usages of obtained goods can be functional, aesthetic, or both functional and aesthetic (Boyd & McConocha, 1996). For example, sneakers as fashion goods have both functional and aesthetic properties. Sneakers can protect the wearer's feet while providing aesthetic traits. Storage happens when the acquired item is waiting for the initial or repeated usage. It can be stored out of site or displayed and also stored in specific ways (e.g., parking the car in the garage or putting the book back on the bookshelf). Using and storing can happen simultaneously and repeatedly. For example, a beautifully crafted sculpture can be both used and stored in a display cabinet. Maintenance also happens in during this stage. People take care of their items physically and keep a record to expand the life of a product for future usage. For example, washing and caring for dress shoes after wearing could be an example of physical maintenance, while organizing books with a specific order in a bookcase is record keeping. Maintenance also differs by the how the person obtained the product and the intended usage and disposition. A person will put extra care into the items that have more value and meaning than disposable items. Reusing and restoring occurs when there are multiple transitions between usage and storage (e.g., kayak for summer and ski for winter) until disposition. Collectors, in

general, possess a large number of items they collect, and have their storage space and maintenance methods to keep the collectibles in pristine condition (Belk, 2001).

The author speculates the behaviors of planned and mixed-role resellers in the physical possession stage differ from the behaviors of those who have no intention to resell when buying and using the products (e.g., regular consumers or unplanned resellers). In the context of planned resale, the resellers are likely to try to maintain the pristine condition whether they are selling unused or used goods because their goal is to maximize the profit of resale (Chu, 2013; Chu & Liao, 2007, 2010; Liao & Chu, 2013). This maintenance behavior is similar to the collectors because curating and storing the collection is also important to them (Belk, 1995, 2001). The previous exploratory studies (Choi et al., 2015; Choi & Kim, 2014) show that those who do not consider reselling are not concerned about the condition of the sneakers compared to planned resellers.

DISPOSITION

Disposition is the stage where consumers relinquish ownership of the item whether intentionally or unintentionally (Boyd & McConocha, 1996). The items can be thrown away, sold to others, traded with others, given to others without any compensation, or donated to charity. Another option is to return the item to the store, if the item meets the specific conditions of the retailers' return policies (e.g., free return 30 days after purchase if not used). Again, as other stages, the disposition stage affects and is affected by other stages. A consumer can purchase goods easily with

less mental effort if the return is easier and costs no money (e.g., free return) (Janakiraman et al., 2016).

In the context of reselling goods as a dispositional act, the different motivations and characteristics of the resellers lead to various resale behaviors (Chu & Liao, 2007; Liao & Chu, 2013). The resellers who have the utilitarian motivation (e.g., focused on earning money) tend to price the resale product higher and put more effort into reselling than those who had other resale motivations, such as hedonic motivations, guilt, and socializing (Chu, 2013; Chu & Liao, 2007). Chu (2013) asserts that for those who just resell based on other motivations (e.g., the guilt of overspending and impulsive buying and socializing), the actual behavior of reselling and feeling good or interacting with others who share common interests are what matter, rather than the result (e.g., making money by selling).

As mentioned earlier in the types of resellers section, the behavior of collectors and planned resellers have some similarities (Belk, 2001; Chu & Liao, 2010; Liao & Chu, 2013). In an ordinary situation, when a person is done with a pair of sneakers, he or she will throw them away (e.g., when the owners think they cannot be worn anymore) or donate to charity (e.g., when the owners just do not want them anymore, but they are still usable). However, collectors who take good care of their collectibles can resell or trade their collectibles as a liquid asset when they do not want them anymore, whether they planned to or not when they obtain the collectibles (Belk, 2001). Moreover, some sneakerheads even restore the sneakers that are in the disposal stage and make money (Chow, 2015). In this situation, the sneakers can be brought back to the acquisition stage or physical possession stage.

Lastly, the disposal behavior of consumers impacts not only the consumers but also the retailers and second-hand stores, where other consumers obtain goods from (Paden & Stell, 2005; Parker & Weber, 2013). Paden and Stell (2005) state that some retailers and second-hand stores are competing with the consumers who redistribute their purchased goods. With the help of an online resale market, the consumers can redistribute the goods that they do not need anymore (Parker & Weber, 2013). As a result, the consumers who are looking for the product have an additional option of buying the goods from resellers. Additionally, resellers are still the customers to the brands and retailers. They purchase goods from the retailers as other regular customers do. Moreover, resellers are hard to distinguish from other avid sneakerheads unless they stand out (e.g., purchasing a lot of sneakers that are not their sizes). Therefore, retailers cannot fully prevent professional resellers from purchasing their goods in large quantity, even if it is against their policies (e.g., one pair per one customer purchase policy, raffle, and picture verification) (Jones, 2015b).

Affects towards the Sneaker Resale Market

Kim, Sullivan, and Forney (2007) defined affect as “a mental state of subjective feeling that is knowingly experienced along with emotion, mood, preference, and attitude” (p.439). Consumers tend to enhance positive feeling and lessen negative emotion (Solomon, 2012). Based on the exploratory research about sneakerheads, the author speculates that there could be both positive and negative affects about the resale behaviors among the collectors because of the impact on the

market and the culture (Choi et al., 2015). On the positive side, the resellers can give a second chance for those who missed the release to obtain the goods they wanted. On the other hand, the resellers can be the reason for the intensified purchase competition of the desired goods. The author explores the possible affects towards the resellers that might occur among the sneakerheads.

The author will address how the experiences of sneakerheads make them feel about the sneaker resale market in the following sections.

POSITIVE AFFECT

There are several benefits that resellers provide to sneakerheads (Choi et al., 2015). First, the resale market provides a second chance for those who missed the initial retail release of the limited goods. Second, there are some resellers that provide good deals to fellow collectors. Those who have resale purposes such as hedonic motivations, guilt, and socializing tend to have lower resale prices than professional resellers that want maximum profit (Chu, 2013; Chu & Liao, 2007). Some of the resellers' primary goals are ease-of-guilt (e.g., impulsive buying) or socializing, not just profit-making (Chu, 2013; Chu & Liao, 2007). For example, those who want to socialize and meet other enthusiastic collectors will gather at the sneaker conventions where local sneakerheads meet, exhibit, trade, sell, and buy sneakers. The previous studies (Chu, 2013; Chu & Liao, 2007) show that those resellers who have other goals (e.g., ease-of-guilt and socializing) tend to have a lower resale price than resellers who want to make as much profit as possible. Therefore, the people who buy from the

resellers who have other goals will sometime get a good deal and build a friendship with them (Choi et al., 2015).

Moreover, as a brand community member or a subculture member that has a sense of moral responsibility, the non-professional resellers exhibit an act of kindness. As a result, the brand community and subculture members can provide a good deal to another member (McAlexander et al., 2002; Muniz Jr. & O'Guinn, 2001; Nelson & Otnes, 2005; Schau et al., 2009). Those who are aware of the expensive average resale price of the limited goods will appreciate the relatively cheap deal that the non-professional reseller provides (Thaler, 1985, 2008). Even though the resale price might be higher than the retail price, the collectors know that they cannot get the goods at that price once the limited goods are sold-out. In this case, people will think of the high average resale price as a reference price and consider the cheaper resale price (even it is higher than retail price) as a good deal.

NEGATIVE AFFECT

There are also negative affects of the collectors towards the professional resellers because they are appropriating the demand of other sneakerheads (Choi et al., 2015; Choi & Kim, 2014). Specifically, the planned resellers (whether professional or not) who purchase goods for profit-making are perceived as scalpers to the collectors (Choi et al., 2015; Choi & Kim, 2014). Most collectors are aware of the retail price of the goods, which is usually the reference price, and the resale price will be perceived as expensive to them (Thaler, 1985, 2008).

Moreover, the general perception towards the planned resellers is not positive because the resellers not only inflate the demand but also intensify the competition of purchasing goods at retail price. In the extreme cases, some professional resellers are known to violate the store policy such as hiring people to buy goods for them or using hacking software (e.g., bots) to secure as much inventory as they can when the limited goods are released (Leach, 2015; Shapiro, 2013). Limited availability of desired product results in not only positive attitude but also negative attitude (Anderson & Bushman, 2002; Kim & Lennon, 2011; Lennon, Johnson, & Lee, 2011; Lennon et al., 2014). Researchers discovered the presence of the gathered crowds for limited goods can increase positive attitudes via perceived popularity, but can increase negative behavioral intent via perceived inequity as well (Lennon et al., 2011, 2014; Milavec, 2012). In the consumer behavior context, the consumers reported lower satisfaction and purchase intention that resulted in withdrawal from the brands or retailers, especially when they felt mistreated (Anderson & Bushman, 2002; Lennon et al., 2011, 2014; Milavec, 2012). Moreover, perceived inequity increased negative behavioral intention such as negative word-of-mouth, vandalism, and violent behavior (Lennon et al., 2014; Milavec, 2012). In the sneaker resale context, resellers reduce the chance to get the sneakers from retailers at a retail price and make consumers pay higher prices to acquire sneakers from the resellers. Research has shown that sneakerheads have negative perceptions of resellers (Choi et al., 2015; Choi & Kim, 2014).

To mitigate consumer misbehavior associated with heightened competition at sneaker releases, retailers have introduced multiple new ways that minimize physical

contact among people on the release date (Dunne, 2014). For example, instead of making people camp out and crowd the front of the stores, the retailers started to distribute raffle tickets to dissipate the crowds and call them if they win the raffle. When they win the raffle, they can come to the store during the release date and purchase their sneakers. The online release is also reducing the number of violent incidents by decreasing the physical crowds in front of stores. Limiting the purchase amount to one pair for one customer is another way. However, professional resellers find the way to go around those obstacles such as hiring people to purchase for them and making multiple accounts to get as many pairs as they can (Leach, 2015; Shapiro, 2013). There is also software called, “bots” that hack the system and help people purchase multiple sneakers before others who use the website manually. These programs are known to steal the opportunities of other sneakerheads by hacking the system and making the purchase faster than regular online customers (Choi et al., 2015; Choi & Kim, 2014). As a solution, the retailers are constantly developing and adopting new methods such as photo verification, online raffle, and mobile applications to prevent cheating instead of increasing the release amounts.

As stated earlier in the literature review, a sneakerheads who engage in reselling sneakers can be categorized as professional resellers, mixed-role resellers, or consumer resellers(Chu & Liao, 2007). The present study focuses on mixed-role reseller sneakerheads, specifically those who collect and resell their collectible sneakers. Previous studies on resale behavior have mainly focused on resale price formation (Hartman, 1987; Mas, 2008). The present study considers factors that contribute to sneakerheads’ perceptions of sneaker resale value. Thus, Meaning

Transfer theory (McCracken, 1986, 1989) and the Transactional Utility theory (Thaler, 1985, 2008) provide insight into the present research topic. The Meaning Transfer theory (McCracken, 1986, 1989) explains that the perceived value of consumer goods is constructed by both the brand and consumers. From the perspective of sneaker value, brands use various marketing strategies (e.g., limiting the supply & celebrity endorsement) and the sneakerheads boost the value of the sneakers by discussing, wearing, and reselling within their social group. The Transactional Utility theory (Thaler, 1985, 2008) explains how the resale value of some consumer goods can be more than the retail value. The present study bridges resale value and consumer behavior throughout the Inventory Ownership Cycle (Boyd & McConocha, 1996). The Inventory Ownership Cycle explains how consumers manage their consumer goods during the stages of pre-acquisition, acquisition, physical possession, and disposition. The present study focuses on behaviors exhibited by mixed-role reseller sneakerheads who are engaging with sneakers they intend to resell throughout the Inventory Ownership Cycle. Special attention is paid to affective responses to the resale market at the pre-acquisition, acquisition, and disposition stages of the Inventory Ownership Cycle.

CHAPTER 3

METHODS

The purpose of this study is to gain a holistic understanding of how the value of sneakers is perceived by sneakerheads who, according to Chu and Liao (2007), are mixed-role resellers, as well as to gain a comprehensive understanding of these individuals' pre-acquisition to disposition behaviors related to sneakers they intend to resell or have resold. The study also aims to gain an understanding of what sneakerheads like and dislike about the sneaker resale market. In this chapter, the author explains the research method, sample selection, data collection, and data analysis to answer the following research questions.

- 1) What factors into sneakerheads' perception of a sneaker's value?
- 2) What behaviors are exhibited by sneakerheads during pre-acquisition, acquisition, physical possession, and resale of the sneakers they intend to resell; what motivates these behaviors?
- 3) What do sneakerheads like and dislike about the sneaker resale market?

This study used an in-depth interview method address the three research questions. This qualitative research method is suitable for exploring topics that are not studied frequently and for gaining insight into a specific population's culture, lifestyle, behaviors and motivations (Bernard, 2006; Neuman, 2011; Sayre, 2001a). As a qualitative research method, in-depth interviews approach the research questions

inductively, and focus on interpretation rather than measurement of the phenomenon or facts (Neuman, 2011; Sayre, 2001a).

When conducting qualitative research, it is important that the researcher incorporate methods that enhance trustworthiness (Chenail, 2011; Creswell, 2012; Lincoln & Guba, 1985; Sayre, 2001b). Trustworthiness is a concept that ensures the quality and applicability of the qualitative research (Graneheim & Lundman, 2004; Guba, 1981; Lincoln & Guba, 1985; Shenton, 2004). Embedded in the research process detailed in this chapter are several strategies aimed at helping to establish the trustworthiness of research findings (Elo et al., 2014; Lincoln & Guba, 1985; Shenton, 2004). Such strategies include peer review during the interview guide development and data analysis phases, and interviewing the author himself prior to data collection to uncover potential biases (Chenail, 2011; Elo et al., 2014; Lincoln & Guba, 1985; Shenton, 2004).

In-depth Interviews

In this research, the author used the semi-structured in-depth interview as the primary research method to answer the research questions. An in-depth interview is a widely used qualitative research method to explore consumer behaviors by conducting comprehensive interviews (Glaser & Strauss, 2009; Sayre, 2001a). A semi-structured interview is open-ended but has a general interview guide and questionnaires to cover the research questions (Bernard, 2006). Bernard (2006) claims that a semi-structured interview is the most appropriate method when a researcher

only plans to interview each interviewee one time. Furthermore, a semi-structured interview is an efficient method that can maximize the use of time and collect interview data that are comparable and consistent.

QUESTIONNAIRE DEVELOPMENT

The interview questions were developed based on the research questions and the literature review. There were five sections. The first section included icebreaker questions. The second, third, and fourth sections of the interview guide incorporated questions that would prompt discussion surrounding the three research questions. The three research questions are centered on: (1) how value is assigned to sneakers, (2) behaviors throughout the Inventory Ownership Cycle of sneakers intended to be resold, and (3) likes and dislikes regarding the sneaker resale market. The fifth section served as a guide to wrap-up the interview.

As mentioned above, questions were designed to address research questions. To see the interview guide in its entirety, refer to Appendix B. A total of 24 questions were designed to address the first research question, “What factors into sneakerheads perception of a sneaker’s value?” These questions include *What’s your favorite model of sneakers and why is that model so special?* and *What do you think impacts the resale value of the sneakers?*

A total of 41 questions were designed to address the second research question, “What behaviors are exhibited by sneakerheads during pre-acquisition, acquisition, physical possession, and resale of sneakers they intend to resell; what motivates these behaviors?” These questions include *Do you think you treat your sneakers differently*

if they have resale value in them or when you intend to resell them? and *Tell me about how you decide to buy that pair of sneakers (that you recently sold)?*

A total of 4 questions were designed to address the third research question, “What do sneakerheads like and dislike about the sneaker resale market?” These questions include *How do you think about the sneaker resale market?* and *Tell me about the best moment related with sneaker resale?*

The interview guide was initially developed by the author. To ensure the trustworthiness, the author conducted a peer review throughout the development of the interview guide. In addition, the author interviewed himself before data collection (Chenail, 2011; Elo et al., 2014; Lincoln & Guba, 1985; Shenton, 2004). After developing the interview guide, the author and advisors reviewed the interview guide and revised it (see Appendix B for the full interview guide). Then the author did a self-interview to check for potential biases and test the quality of the interview process (Chenail, 2011). Chenail (2011) asserts that this self-interview process is useful when the author is a member of the population itself. The author has collected and resold sneakers for more than five years prior to the data collection and has participated in multiple sneaker events (e.g., sneaker convention and charity event).

SAMPLE SELECTION

The author used both online recruiting and snowball sampling to reach the adult sneakerheads that qualified for the purpose of the study; those who had experiences of collecting sneakers and getting involved in sneaker resale. The author posted online recruitment advertisements for interviewees on several online

sneakerheads communities (i.e., Sole Collectors, NikeTalk, and Sneakers sub-Reddit) and local sneakerhead Facebook groups (i.e., Portland Sneakerheads, Sneakerheads Of P-Town, Eugene Sneakerheads, KREAM, ATATF, Shoe Game Los Angeles [Buy-Sell-Trade], vegas sneakerheads, SF Sneakerheads, Sneakerheads, Boston SneakerHeads, Hawaii Sneakerheads) after getting approval from the group administrators. The communities and groups were selected and contacted based on both the search results of Google and Facebook search engines using the word ‘sneakerheads’ and recommendations from the interviewees who completed the interview. In addition to online recruitment, the author initiated snowball sampling with the interviewees. Snowball sampling is a method for studying a rare population that is hard to find (Bernard, 2006; Neuman, 2011). The authors asked the interviewees who completed the interview to refer the online recruitment post to other sneakerheads that might be interested in doing the interview.

In the process of the recruitment, the author provided the potential interviewees a screening survey website link. The questionnaires asked about their commitment of sneaker collecting, their financial background, resale experience, and their demographic information. The interviewees: (1) had a high level of commitment to sneaker collecting (e.g., higher than 4 on the 7-point Likert scale), (2) felt that they had sufficient financial background to collect sneakers (e.g., higher than 4 on the 7-point Likert scale), (3) had some resale experience (both buying and selling), and (4) were able to do an interview online (e.g., Skype) or by phone. Additionally, the interviewees had to be legally considered an adult in their respective states. The author selected the interviewees that met the above conditions. The pre-interview

screening survey was posted on Qualtrics, an online survey website with the following content: a brief description of the study and its purpose, the informed consent, screening survey questionnaires, questionnaires about demographic traits (e.g., gender, age, ethnicity, education, occupation, annual household income level, and zip code), and their email address for scheduling the interview (see Appendix A). Those who qualified according to the criteria were contacted via email by the author for the interview.

The sample size for this research was twenty-five adults. Although determining the adequate sample size of the qualitative research is challenging due to different purposes and approaches of the various qualitative research methods, qualitative researchers have agreed that over twenty interviews were sufficient to reach data saturation and more than thirty would be burdensome to analyze (Creswell, 2012; Guest, Bunce, & Johnson, 2006; Mason, 2010). For example, Guest et al. (2006) assert that data saturation can occur in the first twelve interviews and Creswell (2012) states that between twenty and thirty interviews is enough. In line with Creswell's (2012) statement, after conducting twenty-five interviews, the author of this study felt that he had achieved redundancies in the data collected and was no longer uncovering new themes. Thus, the author conducted twenty-five interviews for this in-depth interview research.

DATA COLLECTION

A total of twenty-five individuals participated the interview via online or phone, between November and December 2016. Interviews followed the format of

the semi-structured interview guide discussed earlier in this chapter. In addition to the interview guide questions shown in Appendix B, prompts were used to encourage interviewees to provide more in-depth responses. The interviews spanned from 45 to 60 minutes in length and were audio recorded by the author.

The interviews were transcribed verbatim by professional transcribers. The transcribers were hired by an online transcription service provider, Gotranscript.com. The website guaranteed the confidentiality and the protocols were approved by the Institutional Review Boards of Oregon State University (see Appendix A). The interviewees were compensated with a \$25 Foot Locker gift card after completing the interview.

Data analysis

The author analyzed the collected data after the transcription was completed. In the initial data analysis, the transcriptions were read and coded multiple times to identify themes. Using the qualitative approach, the interview data were categorized as concepts. Then connections among the concepts were identified (Creswell, 2012; Neuman, 2011; Sayre, 2001a). Both inductive coding and deductive coding were applied in the interview transcriptions data analysis for this research because both methods have advantages that can complement each other (Bernard, 2006). First, the coding was done inductively not considering existing theories and literature reviews. By this initial coding method, the author was able to find new concepts and themes to add to the existing theory, Inventory Ownership Cycle (Boyd & McConocha, 1996).

The second coding was done deductively to confirm the emergent themes and propositions that the author established on the initial data analysis. The author refined the emergent themes and propositions with this deductive coding method. After the data analysis of interviews, the emergent themes were reviewed and revised multiple times by the co-advisors.

To mitigate the potential biases such as errors by the respondent (e.g., forgetting, lying, or misunderstanding) and stereotyping (e.g., based on the interviewees' appearance, age, race, and attitude) (Neuman, 2011), the transcribed interviews were coded and analyzed multiple times by the author. Moreover, the data analysis was consulted and reviewed by the co-advisors during the process (Chenail, 2011; Elo et al., 2014; Lincoln & Guba, 1985; Shenton, 2004).

CHAPTER 4

RESULTS

This qualitative research explores (1) the sneakerheads' value perceptions of sneakers, (2) the various behaviors, during the Inventory Ownership Cycle stages, of sneakerheads who intend to resell sneakers, and (3) the likes and dislikes of sneakerheads with regard to the resale market. In the following sections, information about the interviewees and findings that address each research question are presented. The first research question addresses factors that contribute to the interviewees' perceived value of sneakers. The second research question addresses the behaviors of the interviewees who intend to resell sneakers, throughout the ownership cycle. The third research question addresses interviewees' perceptions with regard to the sneaker resale market. After the findings related to all three research questions are presented, additional, unanticipated findings are presented.

Interviewees

As described in the Methods chapter, interviewees were recruited through snowball sampling, as well as from posts on sneakerhead community websites. A total of 50 individuals responded to the requests for participation. These 50 individuals completed the screening survey described in the Methods chapter. The purpose of the screening survey was to eliminate individuals who do not have a high

level of commitment to sneaker collecting, do not have a sufficient financial background to collect sneakers, do not have prior resale experience, do not have the ability to complete an online (e.g., Skype) interview, or are not considered adults in the state in which they reside. After the screening process, a total of 34 individuals were qualified to participate in this research and followed up by the author.

Ultimately, 25 of the 34 followed through to completion of an interview. The author achieved saturation at 21 interviews, but decided to continue to 25 because of the interviews were already scheduled and wanted to reaffirm the saturation. Whereas three of these interviewees were recruited through snowball sampling, 22 interviewees were recruited through the posts placed on the online sneakerhead community websites, which are listed and discussed in the methods section. Of the 22 interviewees recruited online, 16 were recruited from the local sneakerhead Facebook groups, five were recruited from the Sneakers Subreddit (<https://www.reddit.com/r/Sneakers/>), and one was recruited from NikeTalk.com.

Interviews took place between November 3, 2016 and December 12, 2016. Of the 25 interviews, 17 were conducted via phone and eight were conducted via Skype.

Interviews were audio recorded, transcribed verbatim, and analyzed according to the procedures described in the Methods chapter. This chapter reports findings from the 25 interviews.

The ages of interviewees ranged from 18 to 39 years and averaged 22.9 years ($SD = 5.79$). Of the 25 interviewees, 24 were male (96%) and one was female. The disproportionate number of male interviewees will be discussed in the Discussion chapter. The dominant ethnicity was White or European American ($n=12$, 48%),

followed by Asian or Asian American ($n=7$, 28%), Black or African American ($n=3$, 12%), and other ($n=3$, 12%). Most of the interviewees had some college credit, no degree ($n=12$, 48%), followed by a bachelor's degree ($n=6$, 24%), high school graduate, diploma or the equivalent (for example: GED) ($n=5$, 20%), and others ($n=2$, 8%). The majority of interviewees indicated that their current occupation was "student" ($n=19$, 76%), followed by "employed" (including two self-employed interviewees) ($n=6$, 24%). Table 4.1 summarizes the basic demographic information of the 25 interviewees. Note that each interviewee has been assigned a pseudonym to maintain anonymity.

Table 4.1 Demographic Information of Interviewees

Pseudonyms	Gender	Age	Ethnicity	Education	Occupation
Adam	Male	18	Asian or Asian American	Some college credit, no degree	Student
Bryan	Male	19	White or European American	Some college credit, no degree	Student
Connor	Male	27	Black or African American	Bachelor's degree	Other
Duncan	Male	20	Other (please	Some college credit, no degree	Student

			specify)		
Ethan	Male	19	Asian or Asian American	Some college credit, no degree	Student
Frank	Male	19	White or European American	Some college credit, no degree	Student
Gage	Male	20	White or European American	Bachelor's degree	Student
Harry	Male	19	White or European American	Some college credit, no degree	Student
Isaac	Male	39	White or European American	Trade/technical/vocational training	Employed for wages
John	Male	31	White or European American	Some college credit, no degree	Self- employed
Kevin	Male	21	Black or African American	Some college credit, no degree	Student
Lance	Male	20	White or	Some college credit, no	Student

			European American	degree	
Melissa	Female	23	White or European American	Some college credit, no degree	Student
Nick	Male	20	White or European American	High school graduate, diploma or the equivalent	Student
Oscar	Male	21	White or European American	Some college credit, no degree	Student
Paul	Male	18	Other (please specify)	High school graduate, diploma or the equivalent	Student
Quincy	Male	18	White or European American	High school graduate, diploma or the equivalent	Student
Robert	Male	21	Other (please specify)	High school graduate, diploma or the equivalent	Student
Simon	Male	21	White or European American	High school graduate, diploma or the equivalent	Student

Tyler	Male	28	Asian or Asian American	Bachelor's degree	Other (please specify)
Ugo	Male	24	Asian or Asian American	Bachelor's degree	Student
Vincent	Male	19	Asian or Asian American	Some college credit, no degree	Student
Will	Male	26	Asian or Asian American	Bachelor's degree	Employed for wages
Xing	Male	38	Asian or Asian American	Bachelor's degree	Self- employed
York	Male	24	Black or African American	Associate degree	Student

Most of the interviewees reside in Oregon ($n=8$, 32%), followed by California ($n=3$), Hawaii ($n=3$), Michigan ($n=2$), Nevada ($n=2$), New York ($n=2$), and Georgia, Illinois, Kansas, Massachusetts, and Washington with one interviewee residing in each state. Figure 4.1 shows the number of interviewees by geographic region.

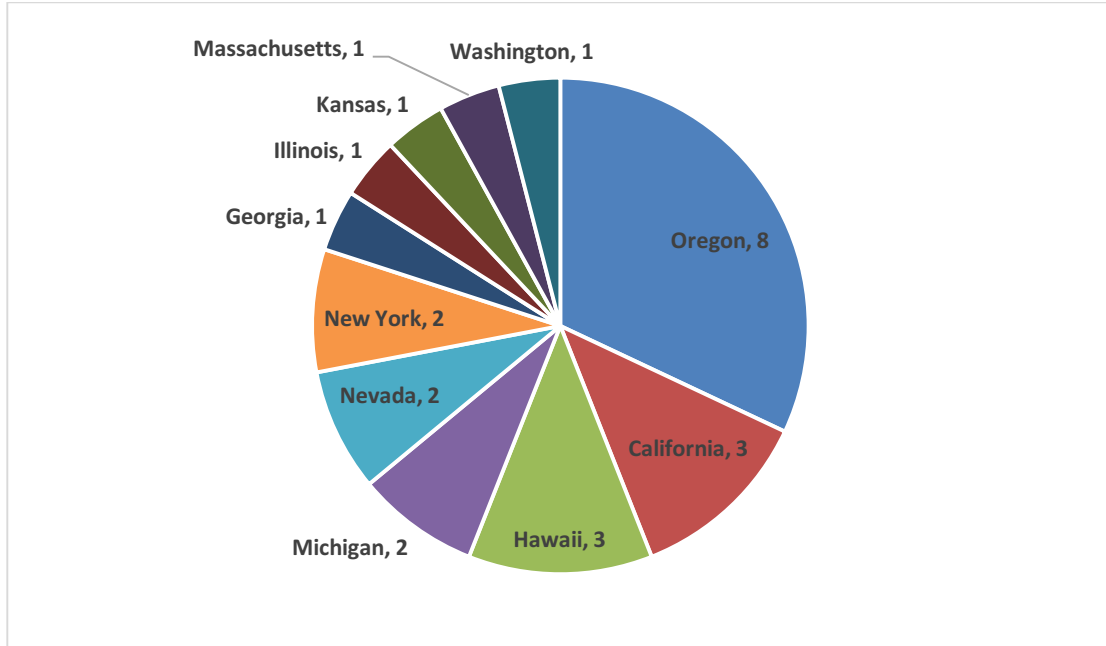


Figure 4.1 Number of Interviewees by State

At the beginning of the interview, the author asked the interviewees if they consider themselves sneakerheads and resellers. Additionally, the interviewees were asked to define what a sneakerhead and reseller is. Twenty-three interviewees said they considered themselves sneakerheads, while two did not want to be labeled as sneakerheads. However, those who did not want to be labelled as sneakerheads exhibited behaviors that others might associate with sneakerheads. For example, Isaac said he likes sneakers and his friends consider him a sneakerhead when the author asked, *Do you think yourself as a sneakerhead?* Isaac stated,

Yes, I have heard of the term. I've never really been wanting to call myself that. I've always just been a dude. I got older, first of all. I'm 39. I've been into sneakers since the late '80s. [...] Back then, you didn't really have that term

sneakerhead. I've never really considered that. I'm just a dude that really likes shoes. Now, you ask my friends who are not into shoes they go like, "He's a sneakerhead. He's got all these shoes". Yes and no.?

Eight interviewees defined a sneakerhead as a person who loves, likes, enjoys, and appreciates collecting, wearing, and trading (buying and reselling) sneakers. In addition, other interviewees said sneakerheads have a passion for sneakers (Gage, Paul, and Quincy) and that being a sneakerhead is a hobby (Connor and Nick) or a lifestyle (Tyler). For example, York stated,

I think sneakerhead is just someone that loves sneakers, obviously, but for their own personal reasons. [...] I think sneakerhead, it just means someone that loves shoes and has their own various reasons to why they own, collect, wear shoes.

When the author asked if the interviewees consider themselves a reseller, 15 interviewees said they are or were resellers (three interviewees said they do not resell any more). For example, Xing, who said he considers himself a reseller, thought the Yeezy sneakers were ugly and had no intention to wear or collect them. However, he was willing to purchase the pairs just to make money. Xing stated,

I've never had a chance to get Yeezys but if I could I'd sell them. I think they're ugly. For me I just think they're ugly. Just for me I think they're ugly and they're a rip off Roshes but that's what everyone likes and I'm not going to fault them for that just that not for me.

Despite the fact that they resold sneakers in the past, 10 interviewees said that they did not consider themselves resellers; they claimed that they were not resellers because they had few transactions (Bryan, Gage, and Paul) or that they do not resell for a living (Duncan). According to Chu and Liao (2007, 2010), these interviewees fall under the category of consumer resellers and mixed-role resellers. For example, Duncan stated,

I guess I do resell, but I wouldn't really consider myself a reseller because I don't do it for a living. I guess I just try to do it to get some money on the side so I can afford more sneakers or something. When I think of reseller I'm more thinking of someone who does it as their main means of living or in large quantities.

Following Duncan's statement above, most of the interviewees defined a reseller as a professional reseller (Chu, 2013; Chu & Liao, 2007, 2010; Liao & Chu, 2013) who constantly buys large quantities of sneakers at retail and then resells sneakers at prices higher than the prices they pay at retail. Similarly, Gage stated,

I would say resellers are people that go out and try to get as many shoes as possible in bulk with the plan to sell them back to the people that weren't able to get them, or hold onto them to sell them down the road for something higher than retail price.

Factors Contributing to Perceived Value of Sneakers

To answer the research question, “What factors into sneakerheads’ perceptions of a sneaker’s value?” interviewees were asked to discuss factors that relate to resale value, as well as what makes specific sneakers important to them. The questions asked of the interviewees were “*Why do you collect sneakers?*” “*What do you think impacts the resale value of the sneakers?*” “*What do you think about the supply and demand of the sneaker market?*” and “*Beyond what you described in terms of value, are there any other things about these sneakers that make them important to you?*” Data show that sneakers can hold monetary, emotional, functional, and/or social value. This is in-line with the four dimensions of value discussed in the Literature Review chapter (Lee et al., 2002; Sheth et al., 1991; Sweeney & Soutar, 2001).

MONETARY VALUE

The interviewees were aware of the monetary value of sneakers and 24 interviewees believed that people could make profit from reselling sneakers. For example, when the author asked, *Do you think people can make profit by reselling sneakers?* Simon answered,

Yes, of course. First of all, you just have to know the right people, to get to know all the websites, get to know the history of the shoes. You have to have probably shoes yourself in order to understand if there's a hype about it, if these shoes have a chance to resell.

Themes that emerged with regard to factors that influence sneakers' monetary value include supply and demand, celebrity endorsement, collaboration, marketing, and sneaker condition. Although each theme is presented individually, it is important to note that monetary value of sneakers on the resale market is dependent upon synergistic relationships between two or more of these factors; such synergy will be discussed after each theme is individually discussed. For example, interviewees indicated that sneakers created through a brand's collaboration with another brand, designer, or celebrity and released in limited quantities often hold high monetary value. For example, when questioned about factors that contribute to a sneaker's resale value, Harry stated, "First of all, how many are released. Second of all, if it is a collaboration. Third of all, which celebrities have worn them. Let's see-- that's about it, I feel like."

Variables related to supply and demand were mentioned by 23 interviewees. For example, when discussing factors that influence the resale value of sneakers, Adam compared two different releases of Yeezy sneakers that had different release quantities. Adam stated,

The biggest factor for the resale value of the sneakers is just basically supply and demand. The amount of demand for a shoe, the amount of type and just how many of each shoe is made. For example, the Yeezy Boost 350 V2 Beluga is roughly worth today I think around \$700. People are estimating that the black-and-white other than initial release date the price will drop down to roughly \$400 \$500, based on estimates from a lot of people. That's because

the supply is supposedly two to three times that of the Beluga V2 Yeezy Boost 350.

Essentially, because the Yeezy Boost 350 V2 Beluga model was initially released in limited quantities, it holds and will continue to hold higher value than the Yeezy Boost 350 Oreo (black-and-white) model that was released in larger quantities.

Quincy noted that a less restricted supply of sneaker models could lead to decreased demand for and value of sneakers. He stated,

The supply and the demand. I think there's more demand than there is supply and it's like that way for a reason. If everyone can have the shoe, it's not that cool. It's not that hot. Say, for instance, if we to compare like Roshes to maybe Jordan 12s, Jordan 11s. Not everybody can have a pair of Jordan 11s but anybody could go into a Nike and get a pair of Roshes. It's definitely less supply, more demand for a reason.

References related to celebrity endorsement were mentioned by 10 interviewees. Celebrities mentioned in the interviewees' responses were mainly hip-hop artists such as Kanye West, Drake, and Pharrell Williams. The value of specific brands and models can be influenced by the celebrities who endorse them by simply wearing the brands and models. For example, Ugo stated, "Adidas is pretty up there now because Kanye started wearing Adidas and he is part of Adidas. I think the person wearing the sneakers would impact the resale [...]" Simon added, "It's kind of

if a celebrity wear it. For example, if Kanye wears a sneaker the price is going to jump up crazy." Likewise, Kevin stated,

It's basically advertisement. It goes hand-in-hand. You have the rap artist and then you have the shoes. So they will be the ones to get the shoes first; to get them early and then wear them. The way that they wear them and how they wear them, and then the appearance of the shoes. We look onto that and then we be like, "We want the shoes." So it motivates us to where we'll get our money up and try to be camping out early to get the releases that they are actually wearing.

Quincy noted that even in cases where someone does not like the aesthetics of a sneaker, one would be more inclined to wear the sneaker if it is worn by a popular artist. For example, Quincy stated,

Those ones are -- honestly, I don't find those really good looking, but people love the shoe because of Pharrell Williams. [...] It would just be if a celebrity were to wear. A really hot celebrity at the time like if Drake were to wear them. When he was wearing the OVOs and stuff like that, everyone was wanting -- it'll just be who the person is that put them on.

Situations related to collaboration were mentioned by 14 interviewees.

Collaborations entail the co-design of a product with other brands, stores, and people, such as Yeezy, which is collaboration between Adidas and hip-hop artist Kanye West. For example, when asked to discuss aspects that contribute to a sneaker's value, Ugo

referred to a Jordan brand sneaker model that was designed in collaboration with hip-hop artist Eminem and stated, “Collaboration. Some Collaboration ones are hard to get. Look at the Eminem and Jordan Collab, you can't even get those. It's impossible.” Similarly, when discussing the Yeezy models that were collaborated with Adidas and Kanye West, Oscar stated, “Obviously the Yeezy line is just the collab with Kanye West and people go crazy for anything like Kanye West so that will just make the resale go up.”

Features related to marketing were mentioned by 12 interviewees. Especially, the Nike and Jordan brands used retro marketing, and the history behind some models was frequently mentioned. For example, while discussing reasons that contribute to sneaker value, Isaac stated, “I think that kind of combination of things as visuals that you saw, especially Nike's marketing campaigns with Wieden + Kennedy in the '80s. In the '90s, it was huge. I think it's just a lot of that.” When considering factors that contributed to the price of sneakers within the Jordan brand, Oscar mentioned the story of Michael Jordan getting fined for wearing shoes that did not follow the NBA's regulations and how Nike used it as a marketing strategy. Oscar stated,

The marketing strategy with Jordan brand started off strong with the whole banned campaign where they had the commercial famously where the NBA bans the Jordan 1s and they took it into as making it into an unfair advantage essentially in the advertisement. There's definitely a very strong marketing campaign behind the Jordan brand for Nike.

The black and red Air Jordan 12s also known as the Flu Game 12s that Michael Jordan wore when he had flu-like symptoms in the 1997 NBA Finals taught sneakerheads how to overcome obstacles and challenges. Quincy stated,

I would say yes, I've always felt that personal connection to the story behind the Jordan's. I always feel like the Flu game 12s, well that, a whole story of overcoming something of being faced with an obstacle and doing whatever it takes to overcome the obstacles to have success. Every time I put that pair of shoes on I think of that story and I think of the symbolism behind it. When I'm wearing those shoes I can do whatever.

Circumstances related to sneaker condition were mentioned by 22 interviewees. Sneaker resale value is largely dependent upon whether or not the sneaker has been worn. A common term used within the sneakerhead community to define sneakers that have never been worn is "deadstock." This is evidenced in Adam's statement,

The shoes that I bought I didn't wear them at all. You have to keep the shoes in deadstock condition. The price of a new shoe even if you wear it once goes down greatly. I'd say like 30% - 40% of one that has very high demand.

Although value is diminished after a shoe is worn, the level to which the sneakers show signs of wear also affects resale value. This is evidenced in Ethan's statement, "It really depends on the condition. If it's like brand new you can have 250, 260. But if it's like you wore it a couple of times, it's creased, you can probably still get it for

200.” In fact, when the author asked the interviewees, “*Do you think you treat your sneakers differently if they have resale value in them or when you intend to resell them?*” 22 interviewees said yes. For example, Duncan stated,

Yes, if I intend to resell them, I'm definitely going to try to keep them in better shape, better condition. Probably wear them less just to keep a value.

Obviously a more worn out shoe will sell for less while one in better condition, you can get more money out of.

Even though supply and demand, celebrity endorsement, collaboration, marketing, and sneaker condition were mentioned as variables that relate to sneakers' monetary value, it is important to note that they were rarely mentioned independent of one another. Monetary value is a function of several factors working together. For example, the synergistic relationship between limited supply and collaboration is described in Lance's statement,

Certain models of sneakers, colors, are released in very, very limited amounts, either as collaborations, special editions. For example, every year a sneaker collaboration done by Adidas and Kanye West. They're made in very limited amounts, which makes it a very exclusive sneaker, which makes most people want them for the exclusivity that comes with the sneaker and the resale that could come with it and the profit. Those definitely affect the price; those are usually more expensive.

As Lance stated, the collaboration models tend to have limited quantity, and the exclusivity and the name that are associated with the collaboration model have a synergistic influence on the monetary value of the model. Similarly, the synergy among supply and demand and marketing is demonstrated in Paul's statement,

Supply and demand. If you create hype for the brand, it's just a marketing strategy. It all goes down to marketing. You want to build, make this exclusive, or do you just want to have — just make sure everyone has it? It depends what your aim is, the mission statement of the company or the goal of the shoe. [...] They are trying to make it exclusive and cool, make everyone talk about it. It creates hype in talking about it, so hype creates brand loyalty and brand loyalty creates profits, so there.

As Paul stated, making models exclusive is one of the frequently used marketing strategies for sneaker brands to make the sneakers desirable and create the hype.

EMOTIONAL VALUE

Several themes emerged with regard to factors that influence sneakers' emotional value. Emotional value was derived when sneakers represented connections to others (friends, family, and endorsers) and connections to oneself (expression of one's identity).

Ideas related to connections to others were mentioned by 14 interviewees. For example, Gage expressed the connection he felt with Michael Jordan while wearing the Jordan brand. He stated, "It's always cool to be able to wear the Jordan's and feel

like you could be Michael Jordan. You could do something that Michael Jordan did and what that represents, and I think it's just something I enjoy.” Similarly, Tyler expressed how a pair of sneakers represented his connection with his hometown and memories of his father. He stated,

It’s Kelly green with orange accents around it, and then there is a cork insole. This came out, I think, in 2008 maybe. Basically, the Air Max 90 Homegrown, it really holds to me, because growing up in Hawaii -- we don't have a professional sports team. We have a college team, University of Hawaii, The Warriors. Growing up I used to go to baseball games with my dad, and the old colorway of the baseball team was Kelly green and orange. I don't know, I like the Air Max 90 silhouette and I like that colorway.

Similarly, York expressed how a pair of sneakers made him feel connected to his mother. He stated,

I think it's more so on the level that I think that’s what it is a lot—the shoes do have a background but I think it reminds me of what my mother did for me, and why I love those shoes, and why my mom loved those shoes because she had them when I was a baby. Yes, the rush is still there. I will not lie.

Experiences related to the expression of one’s identity were mentioned by 8 interviewees. For example, Oscar stated,

I feel like it’s the way to like express myself in a fashion way because I'm not very fashionable when it comes to most things, but with shoes it's the way

where I can have my own identity related to fashion and what's in and what's cool.

Similarly, Vincent stated,

It felt really nice. They were just fresh shoes. You just felt fresh, they were just on your feet. [...] It's funny in a way how it gives you a little confidence in a way. [...] Managing your appearance, they're shoes-- they're awesome.

FUNCTIONAL VALUE

For the sneakers that the interviewees wore, the function of the sneakers was important with regard to comfort, and the contribution of the sneakers to an overall look. Comments related to comfort were provided by 15 interviewees. For example, Kevin talked about the Boost midsole that is made up of thermoplastic polyurethane (TPU). Kevin stated, “[...] the 350’s with the Boost in it, it feels like you’re walking on clouds.” Similarly, Tyler stated, “I think, now it's more about function. Runners are way more comfortable than skateboarding shoes, so that's where I'm at right now.”

Xing stated,

It has to feel good for me to wear it. If it doesn't feel good there's no way I have to wear it. As much as I like the way Durants are, the design of Durants, it's kind of off the wall, I could never wear a shoe because it's so narrow.

References related to sneakers’ contribution to an overall look were mentioned by 15 interviewees. For example, Melissa stated, “It's probably the most important

part of my look to me when I like you're dressed for the day like it baseball outfit around the shoes.” Similarly, Ugo stated,

I think, to complete an outfit, it's not just a shirt and a pair of pants. I mean, if you're just wearing slippers with the pair of pants and shirt that'll be just a regular outfit, but if I have the shoes to go with the outfit, just makes it that much more eye-popping.

As with monetary value, elements contributing to functional value were frequently mentioned together and demonstrated synergistic influence on the interviewees. Style and comfort were frequently mentioned together. Will revealed the importance of comfort and style of sneakers that he wore when he stated,

Because of Kanye West, of course, but also Adidas Boost technology it's actually really comfortable. That's what all shoeheads have been searching for, a comfortable shoe, you know? Instead of wearing those outdated retros with no technology, it's just a different style and with the Yeezy it's definitely style and comfort. I have the 350's and then the Primeknit upper is so soft, it's comfortable on the feet, there's no tension braced upon your foot, it's not squeezing your foot, it's laying there comfortably, so the boost technology is so soft. I just want to wear the Yeezys all day every day, if I had the option to wear Yeezys or Jordans every day, I'd wear the Yeezys because they're so comfortable and stylish at the same time.

In addition, Lance cited comfort and style when discussing popular sneakers. He stated,

I think it goes to just the overall movement in streetwear that's changed, so now it's a lot of, I guess you call it athleisure, so athletic clothing is more and more functional clothing. Things like runners are more popular now. Anything that's comfortable like Ultraboost or any sort of Boost sneaker by Adidas.

Because the clothing and the sneakers change themselves, models like the SB Dunks have grown less in popularity because of how different they are. They don't really mix well with recent streetwear, trends and fashion.

SOCIAL VALUE

Themes that emerged regarding factors that influence sneakers' social value include respect/status outside of and within the sneakerhead community and connection with others within the sneakerhead community. Opinions related to respect/status outside of and within the sneakerhead community were mentioned by four interviewees. For example, Harry mentioned the respect he can gain by wearing certain sneakers. He stated,

I like to wear my sneakers and so I like to have this rare and limited sneakers because other people that are into sneakers will recognize them and that's what I do it for honestly. I do it for the community because if you see someone wearing a nice pair of sneaker it's automatic like "Oh, respect!" or like that kind of thing you know what I mean?

York mentioned the status one can gain by showing others what 'fresh' pair of sneakers a person is wearing. He stated,

Where I grew up, you could basically call it the hood if you want. It was a lower income community, predominantly African-American. Unfortunately, in those environments, it's about status. It's about status when you're younger such as if you had fresh clothes, you had fresh kicks on, you had chains and jewelry. It was all about status or what we call hood rich. I like to use the words hood rich because it's like a false feeling like rated out that environment. By using materialistic items, it was a way of status and for a lot of kids that grew up in underdeveloped places, it was a way of feeling like we belonged somewhere. Unfortunately, it's a very bad way of seeing it but that how a lot of kids in these neighborhoods view shoes and clothes. It's all about status. It was all about status coming from those neighborhoods.

Perceptions related to connection with others within the sneakerhead community were mentioned by 11 interviewees. Frank discussed how wearing certain sneakers can lead to connecting with others within the sneakerhead community. He stated,

[...] It may be even more of a community. I feel like it's really easy to connect with someone who's also interested in sneakers. I notice quite a bit that it's easy for me to compliment or generate a conversation or make new friends through sneakers.

Similarly, Gage stated, “I think it's really cool that you connect with other people that do it as well. I think it's awesome to see other people that are interested in it and share stories and stuff like that.”

Sneaker Ownership Cycle

To answer the second research question, “What behaviors are exhibited by sneakerheads during pre-acquisition, acquisition, physical possession, and resale of sneakers they intend to resell; what motivates these behaviors?” interviewees were asked to discuss the sneakers they most recently sold and the sneakers they sold for the highest dollar amount. Specifically, interviewees were asked to share how they searched for information, purchased, possessed, and resold the aforementioned pairs.

PRE-ACQUISITION

In a traditional sense, during the pre-acquisition stage, an individual realizes a need, starts searching for information about how to fulfill the need, and compares alternatives that can fulfill the need (Boyd & Mcconocha, 1996). In the pre-acquisition stage, interviewees searched for general information about sneakers on a continual basis, even when there was not a specific need for sneakers. They also searched for targeted information about sneakers on occasions when they were considering a purchase of a specific sneaker model.

Data from the interviews show that the interviewees engaged in general information searches about topics related to sneakers on an ongoing basis. This

activity was noted by Melissa and Tyler as being a typical activity. When asked to discuss what sneakerheads are, Melissa stated, “Probably someone who really follows and one who pays attention to when releases are [...]” Likewise, Tyler stated,

I guess it's when sneakers is your life. When the first thing you would do is you wake up and look at the blogs. When you have all the releases, you know all the release dates, you know all the history of the shoes, and all that. It's when it's part of your lifestyle, basically.

Knowledge gained from the ongoing search for sneaker information was supplemented by a more targeted information search when interviewees were actually considering the purchase of a specific sneaker model for resale. Interviewees sought out information about release dates and locations, as well as information about for how much they could resell the sneakers. Much of this information search was done online.

Online sites they visited to obtain information about release dates and locations include sneaker websites including Sole Collector, Nice Kicks, Kicks of Fire, and Hypebeast and social networking sites including Facebook, Twitter, and Reddit. For example, Robert discussed his use of sneaker blogs to find out about release dates and release locations. Robert stated,

Back then in High School I would check the sneaker blogs every day. Like Sole Collector, Nice Kicks, Kicks of Fire, all those websites, I would be all over those sites, I would check them like every single day. I would just keep track of what was coming out. [...]

Likewise, Oscar mentioned, “I follow a lot of sneaker communities, whether it's on Reddit, Twitter, Instagram, Facebook groups. All sorts of stuffs like that.” Similarly, Frank mentioned that he used online information about the detailed release information of when the first Adidas Yeezy sneakers were released.

I always try keeping up with sneaker information. [...] When I heard that they were dropping, I basically went online and did research and figured out how — try to get information on where they're releasing. [...] Once I heard that they were going to be pretty limited, I knew the resale could be as good as the Nike Yeezys, I was like sold. I basically went up online and found out there's about three stores in Portland and just decided to get some friends and myself and go and camp.

When researching how much they could resell the sneakers for, interviewees mentioned three different strategies they used to predict what the resale value would be before they actually purchased sneaker models for resale purposes. The three strategies included investigating the ‘presale’ price, investigating what the model previously sold for on the resale market when the model was previously released, and investigating the amount of hype surrounding the sneaker model. For example, Duncan mentions all three methods in his statement,

Basically, that’s something that’s kind of hard to tell, but there are a few indicators. One of the things I do a lot is, you can go on to eBay or any of the add-to-cart services and see what pre-orders are like. I think something that is

a good indicator is that if the pre-order's pretty high. Generally, a resale will be above that. Another thing is that you can look at past resale values for a similar shoe. A lot of shoes are retro or released a couple times. It kinda maintains the resale value. Another thing is just the overall hype around the shoe; more popular shoes or the amount of quantity that it has. A more popular more limited shoe is definitely going to have a higher resale value.

A 'presale' price is the guaranteed price for the hard-to-get pairs that are sold by resellers who have early access to them. These pairs are usually obtained by the use of bots or the use of back-dooring, two controversial acquisition methods that will be discussed later in this chapter when acquisition findings are presented. The interviewees who indicated they investigated the pre-release prices of models mentioned searching for information on the following sites: StockX and eBay. For example, Gage stated,

I'm sure you have, but something like Stock X I think is really cool. You can see what other shoes have sold for. I've never bought a shoe from Stock X, but when looking at prices, and looking what other, the average of other shoes are you can sort of gauge how much value it is. [...] They'll put shoes on there before they're released. And so when I see what prices people are selling them at before they're released I can sort of gauge how limited a release it may be, how easy it might be for me to get my hands on it, how much effort I would have to put in.

Similarly, Paul said he checked the presale price on *eBay* while the pair he was trying to purchase for resale was in his cart. Paul stated,

You can usually get an idea if you have a cart. You have it in your cart. You just quickly check eBay because people aren't going to instantly have them to sell on eBay but they do have the presale. With the presale you just look at what they're charging and then you subtract upwards of even \$100 off the presale value. If there's profit there then yes, definitely, because the slides are only \$60 and I was seeing the presale was 200. I'm like, "All right, so let's try," and end up selling for 120.

The interviewees also estimated the resale price based on how much the model was previously sold for on the resale market when there were multiple releases of the model. For example, Frank was aware of the average resale price of his favorite model, Bred (Black and red) Air Jordan 11, that had been released multiple times. He stated,

The current market price for — fair resale price would be around 250 to around 250 or 260 is a really fair price. That's probably a fair — or that's probably be a lower price, the median price would be around 300 and then the upper, higher price would end towards 350 to \$400 and we're talking deadstock.

Likewise, Connor estimated the average resale price of Ultraboost based on previous sales. Connor stated,

The average resale price for Ultraboosts — It depends on the model. They have a lot of collabs. I would say for like the regular models you're looking at probably like 250 to 300. For the collabs you can go anywhere from 300 to 600 depending on which model you like.

The interviewees that indicated that when they investigated the amount of hype surrounding the sneaker model mentioned they found information from online sneakerhead communities and social media such as Sneakers Subreddit and Facebook groups. For example, Adam used the online sneakerhead community and websites to estimate the hype and popularity of the to-be-released pairs. Adam stated,

I mainly browse Reddit and some sneaker websites, and just look at what's generally very hyped or popular or what people are talking about and I just make deductions off that. I also go to some search on eBay as for how much they cost.

Similarly, Kevin said he monitors the reactions of the local Facebook group to estimate whether the pair is resalable or not. Kevin stated,

The Facebook group, actually; looking at feedback that they give the shoe. We have somebody who posts releases. He makes sure — he posts releases maybe a month before. I'll go back and I'll make sure and I'll look and see the feedback and the responses that it gets.

Likewise, Frank said he can predict the profitability of a pair based on the hype and publicity; Frank stated,

Usually if a shoes has a lot of hype or a lot of publicity behind the sneakers and I know that there will be a lot of potential to make money off the shoe is when I would then most likely resell a shoe.

ACQUISITION

The acquisition stage is where the actual purchase occurs (Boyd & McConocha, 1996). Interviewees discussed the acquisition process of sneakers they ultimately resold. Two themes emerged. The first theme identified surrounds the acquisition of sneakers that interviewees eventually resold without anticipating that they would resell the sneakers. Specifically, the sneakers were not acquired for the purpose of resale. The second theme surrounds the deliberate acquisition of sneakers for resale. In cases where interviewees expected to purchase sneakers for resale during the pre-acquisition and acquisition stage, interviewees sometimes used acquisition methods that are controversial within the sneakerhead community, such as “back-dooring” and/or using “bots.” Interviewees also discussed how they felt after acquiring a pair of sneakers. Feelings ranged from very positive to very negative.

Examples of the unexpected acquisition of sneakers for resale include getting a gift, winning a give-away event, and buying a pair for their own use that did not meet expectation (e.g., wrong fit or color). For example, Ethan sold a pair that he received as a gift because the size did not fit. Ethan stated,

The Kobe 8s I think. I actually got those as a gift from my cousin and I felt super bad selling them. But I sold them to — I think he got those were selling what? 200 I think at the time? I'm not really sure about the price tag, but I sold them for 450 the 8's. I thought that was pretty awesome because the fact that I got those for free as well. But the thing was he got them in the wrong size. I told him, "Hey, you saw the receipt" to see if like I could return them to get the right size, and he was like, "No just go ahead and sell them." I was like "Okay." I went ahead and flipped them and made a \$450 profit, so that was pretty cool.

Similarly, Ugo sold a pair that he bought online because he thought it looked good in the picture. However, he did not like the color when he received the actual product.

Ugo stated

I didn't really like the color I just got it because of my impulse but I just sold it right after. I didn't really like the color. But I knew I had a little bit of value in it a little more than retails. [...] I bought off impulse, I thought I liked the color and then it turns out that I didn't. I tried to get myself to like it, I just couldn't do it. [...] I thought it looked nice in the pictures.

Examples of the expected acquisition of sneakers for resale include purchasing multiple pairs, purchasing a pair that is not one's size, back-dooring, and using bots. When the interviewees knew the releasing pairs were resalable, they tried to get extra pairs to resell to make more profit. For example, Duncan stated, "If I get

two of a sneaker that I like then I'll resell it." Gage said he purchased a pair that was not even his sizes. Gage talked about the pair he most recently sold,

Actually the pair I most recently resold, I got a pair of the Baby Yeezy 350 Boost. That was the pair. I actually got those on Adidas website as well, and that was interesting because my only intention with those was to resell them.

Some interviewees mentioned that to acquire sneakers for resale, they used two methods to increase their odds of acquiring the sneakers, "back-dooring" and/or use of "bots." Back-dooring is the name given to the acquisition process where store employees either direct new sneaker releases to individuals who pay them an under-the-table fee for such a favor or direct new sneaker releases to friends and family. These processes are typically prohibited by brands and retailers. While many of the interviewees indicated they do not like back-dooring, there were interviewees who did engage in back-dooring. Adam stated,

There is a thing called back-dooring where if you basically pay the shoe store people or your friends extra money, they'll secure the shoe for you to buy at retail and you give the people some extra money. Obviously the price that you pay extra for a back-door will always differ because of how you're actually connected with the people who work at the shoe store or the manager or whatever.

Adam added that the back-dooring entailed risk to the employees, because they are not allowed to do so,

It's always been known that you can "back-door shoes" which is basically, just bribe the shoe store employees if you are connected with them well enough. While that is available it's not available to everyone, obviously you need to be trusted, otherwise you can end up becoming a liability to them because of the fact that they can lose their jobs if they were to be found to actually be doing that kind of activity. To secure a pair for other people illegitimately for their own gain.

Kevin mentioned he had a family member who helped him to get some pairs that are hard to get. Kevin stated,

I actually have — I have my uncle who — I don't know if you're familiar with [redacted]. It's actually an iconic boutique store in [redacted]. Well, it's not a store. I mean not a boutique, but it's a shoe store. He works there and that's actually how I got these Top 3's. So if I know I need a resale pair, for sure, I'll go to him and he'll help me out.

There were 5 interviewees who mentioned they used bots to secure sneakers they intended to resell. Interviewees explained that bots are scripts that navigate the online retailer website and ultimately increase their odds of acquiring high-demand sneakers. Odds are increased because a bot is able to complete a transaction faster than humans. Also, by using multiple bots, interviewees were able to complete multiple transactions simultaneously. Adam described this method when he stated,

What I used was a bot, a program that automates the checkout process and automates requests to the website. [...] What a bot does, like I said earlier, is that it sends hundreds of requests from hundreds of computers. It acts like as if it's a couple hundred of computers at the same time. Let's say you get 30 friends, ask all of them to access it from their houses. That's what a bot does and each proxy address acts as a different house.

When asked how they felt when they first acquired the sneakers, interviewees indicated positive, neutral, or negative. Most interviewees noted positive feelings in cases where they were able to secure a pair of valuable sneakers, whether they were purchasing for themselves or for resale. Connor stated,

Oh man, it was extremely exciting. Those are a pair of shoes that I always wanted as a kid. I saw Jordan wearing them in the movie and I really wanted them and so to have those really made me extremely happy, one of the more happy pairs of shoes I've had, probably ever.

Similarly, Frank stated,

When I got them I felt pretty stoked. I was excited. I definitely felt like worth it. I was happy. I knew that there's potential to make money or if I wanted to wear them. I was just glad that I was able to get a pair because there were a lot of people who didn't get a pair that day.

Some interviewees' noted neutral feelings in cases where the purchase were for resale instead of for themselves. For example, Kevin purchased a sneaker that he did not like and already made a deal to sell. Kevin stated,

When I purchased it, it wasn't like a special kind of making me happy because I knew that I really didn't like the shoe. I knew it was going to be out of my possession within the next five minutes. I really didn't feel that type of way about it.

Similarly, when referencing a pair of slippers that he planned to resell, Paul said he just bought them because they were collaborated by Jordan brand and hip-hop artist Drake and resalable,

I wasn't hyped about it. I don't like Drake [laughs] first off, so it wasn't that hard to resell them. Secondly, I don't need a \$60 pair of slides and third I don't wear Jordans anymore. I don't need to rep that logo. I only wear some wide sandals, bro.

Paul mentioned that he was not hyped and did not have any attachment when he got the slippers just for resell.

Vincent, on the other hand, noted that he experienced negative emotions after purchasing multiple pairs for resale. He worried that he had purchased too many pairs and would be stuck with the pairs if he was not able to sell them on the resale market. Vincent stated,

For the Top 3s, just because there's a— for me, it was almost anxious because I didn't know if they would resell or not. But definitely I was worried at first but then I was glad the bot worked and stuff. I realized that I probably won't be losing money and at the end of the day I was like, "Okay, great."

PHYSICAL POSSESSION

During the physical possession stage, products are used, stored, and maintained (Boyd & McConocha, 1996). Interviewees were asked to discuss their behaviors surrounding the use, storage, and maintenance of sneakers they ultimately resold. When asked if these behaviors differed according to whether they intended to resell a pair of sneakers; 22 of the 25 interviewees said yes.

As discussed in the acquisition stage, many interviewees purchased sneakers with the intention to resell them. Interviewees discussed what they did with these sneakers after acquiring them. In most cases, interviewees chose not to wear the sneakers they intended to resell because wearing the sneakers would negatively impact the monetary value. In some cases, interviewees did wear sneakers they intended to resell, but made efforts to minimize signs of wear in order to prevent a big decrease in monetary value.

Interviewees discussed why they did not wear the sneakers before reselling them. They cited the fact that worn sneakers have less resale value than unworn sneakers. Adam stated,

The shoes that I bought I didn't wear them at all. You have to keep the shoes in deadstock condition. The price of a new shoe even if you wear it once goes down greatly. I'd say like 30% - 40% of one that has very high demand.

Likewise, John stated,

If you're going to resell sneakers, obviously you're not going to wear them. Yes, if you're going to resell sneakers, generally, when you get them you don't really want to touch them, even, you just want to check to make sure that that they're legitimate and they don't have any flaws or anything and then you just leave them in that box until they go out to whoever they're going to.

Among those interviewees who stated they did not wear the sneakers before reselling them, the length of time they kept the pairs before reselling ranged from almost no time to several years. Most interviewees who had the intention to resell when they acquired the sneakers typically resold the sneakers immediately or resold them within a short period of time. Oscar said that he was able to sell his Yeezy sneakers within a week of purchasing them.

Actually I went on StockX and someone had placed an offer for the 750 in my size. At that point it was — I filled it, clicked accept the bid. It was essentially sold I just had to mail them out and then authenticated. I think that whole process took less than a week.

Similarly, Duncan said he sold his NMDs two days after he got them.

I think it took two days. I listed it on a couple of different websites. On eBay, on Grailed and then Reddit, r/sneakertrade or something like that. There's always Instagram. I posted some pictures on that. But they ended up just selling through eBay.

Whereas some sneakers were resold soon after acquisition, others were kept until the interviewees believed it was the most opportune time to resell them. In those cases, interviewees kept them in a place separate from the pairs they actually wore. For example, Simon said he has a pair of sneakers that he is storing in his sister's attic. They have been in the attic for two years and he expects them to be there for several more years until he sells them.

Oh, yes I do. For example, I have the Nike Roshe Run SBs that have the camo on, I gave to my sister to leave in her attic, so I don't see them. And they remain deadstock because I'm trying to sell them in a few years. I've already had them for two years so in like five years I want to see how much they'll be going for, five years after release. And I make sure that those sneakers are not touched.

In cases where interviewees decided to wear the sneakers they planned to sell at a later time, most of the interviewees wore them carefully, did things to maintain their condition, and stored them in a place that would help preserve the monetary value. When they wore a pair of sneakers they planned to eventually sell, they usually wore them on occasions they believed would not jeopardize the condition of the

sneakers and would not reduce the resale value of the pairs. For example, Lance only wore sneakers he planned to resell when the weather was good. Also, he did not wear them with certain items such as raw denim jeans that might bleed on the white sneakers. Lance stated,

For example, my 4s or my 3s, Jordan 1s, anything like that, I tend to wear them on days with good weather. I wear a lot of raw denim, which tends to bleed on sneakers, so I won't wear them together.

Duncan said he wore the sneakers he intended to resell less than those he did not intend to resell.

Yes, if I intend to resell them, I'm definitely going to try to keep them in better shape, better condition. Probably wear them less just to keep a value.

Obviously a more worn out shoe will sell for less while one in better condition, you can get more money out of.

To preserve the condition of sneakers he wore but planned to resell, Simon said he inserts plastic toe-caps inside the sneakers to prevent creasing while wearing them.

Simon stated,

I have the shoe thing that you put inside the shoe so there's no creases on it.

That's the farthest thing I've ever done for a shoe but otherwise I normally — it's just a shoe, just leave them. [...] I do not think they work. However, when I was in high school I would always see people wear them while they're wearing the shoe. That would actually make your foot hurt because it was

intense, it will go inside your foot. Actually hurt your foot, so a lot people wore it and they would also walk like penguins so they wouldn't crease the shoe. Their foot would be always 100% flat, they would not bend the shoe any sort.

Moreover, after wearing a pair of sneakers that they intended to resell, interviewees indicated that they took special care to maintain and store the sneakers in order to preserve the monetary value. Quincy stated,

[...] Then when I get home, instantly take them off, put back in the box and I don't wear them again until I resell them. It depends if I wanted to sell them. If I knew I could sell these later on, I would do something like that.

Similarly, Isaac maintained and cleaned the pair that he intended to resell later. Isaac stated,

I water repel them, stain repel them, take the laces out, do that, do it one more time, put the laces in, do it one more time, put them away, depending on the weather and the seasons of the shoe I'm going to wear.

DISPOSITION

At the stage of disposition, the consumer rids himself or herself of a product. This can be in the form of throwing it away, recycling it, giving it away, donating it, or selling it (Boyd & McConocha, 1996). In this section, selling as a disposition

method is addressed. Specifically, findings about resale decision-making and reselling channels are presented.

Findings show that interviewees sometimes made the decision to resell far before they reached the disposition stage. In fact, the decision to resell was often made during the pre-acquisition or acquisition stage. For example, Gage decided to purchase a pair of sneakers to resell after he was not able to find a pair of the sneakers he wanted in his own size. He has spent considerable effort by camping out in front of the store and did not want his efforts to go to waste. Gage stated,

The first time I resold a pair was the Golden Moment Jordan 6 and 7 Pack, and I had been waiting in line for at least three, four, five hours at the time. I get out to the front line and they're out of my size. So, with that in mind, I was like, "You know what? I've been here all morning I'm not going to completely waste my time." I ended up getting another guy to fall back just to make it worth my while for waiting.

Duncan also indicated that he deliberately purchased sneakers to resell. He stated,

Sometimes I'll buy a sneaker even if I don't like it, just to resell it. If I know it's going to be sneaker that going to resell for a high value, I don't see why I wouldn't try and get it and try to resell it. To me it's just easy money like that.

Although interviewees may have known their resale intentions during the pre-acquisition and acquisition stages, the timing of when to sell varied. The final decision making, which includes when and how to resell the sneakers, generally

occurred during the transition from physical possession to disposition. However, in some cases (e.g., presale), the resale transaction was completed before the seller had physically acquired the pair. For example, Kevin sold a pair of Yeezys even before he had the pair in his hand. Kevin stated, “As soon as I got it on the Adidas Confirm app, even before getting [...] the shoe, I had somebody wanting to buy it, right then and there, and I made the sale.”

Interviewees discussed what ultimately motivated them to resell a pair of their sneakers. Three themes emerged. The first theme centered on the interviewees’ desire to look out for other sneakerheads and the desire to develop reciprocal relationships with other sneakerheads. The second theme centered on the interviewees’ need for funds to purchase something else or to pay bills. The third theme centered on the interviewees’ needs for funds to reinvest in sneakers.

Motivation to resell a pair of sneakers to help other sneakerheads is shown in Kevin’s statement. He stated, “I just like to look out for people. It's not really in no condition. It’s just that I double up on a lot of stuff. I don't mind sharing for a low price.” Similarly, York stated,

How I resell now is I like to help people out. If someone posts something for, let's say, \$300, and it came out for \$220, I would try to like, "Hey, you know what? I got it for like 240, 250" because I understand that sometimes money isn't apparent in people's lives, and a lot of the kids that are trying to buy some on the resale are kids, teenagers.

Will mentioned it is important to build connections with other sneakerheads even though it takes time to do so. He stated,

It kind of is, it just takes time and you've just got to keep growing because the more you grow the more connections you make in the sneaker community and then the better your system will keep flowing.

Motivation to resell a pair of sneakers to obtain funds to purchase something else is shown in Ethan's statement. Ethan sold his sneakers to obtain funds to purchase a game console. He stated,

Let's see, I'm trying to think of one that really stood out. I remember when the Xbox one came out [chuckles] I think it was, how long was it, three years ago, I sold, what did I sell? There's a pair of threes, I don't know which one I sold but I sold a pair and it basically, I sold it for 200. Then I just threw \$100 of my own money and I bought an Xbox one. You can wear the shoe, the depreciation of the shoes never goes down, unlike electronics.

Motivation to resell a pair of sneakers to obtain funds to pay bills (e.g., rent, tuition) is shown in Will's statement. He needed to pay rent and decided to resell sneakers. Will stated,

At first being a reseller was because I got kicked out of college, so I needed money for rent. I had duplicate pairs, I just sold some of my duplicate pairs and I saw that it could help me with money financially with the extra money over.

Likewise, Kevin needed money for college. Kevin stated,

Honestly, I needed the money for college. But even now if I'd the money to get them back, I probably would. Just for the fact that I like the shoe and I like the colorway of it and the material used for it. But I know now that it wouldn't probably be best to do it because then I would have to end up selling them again because I would need the money for college and paying bills.

Motivation to resell a pair of sneakers to obtain funds to reinvest in sneakers is shown in Quincy's statement. He stated,

If I see something on there that I'm like, "Man, I really like." I might consider selling a few of my Jordans to go get a pair. Selling a pair that I don't wear anymore. A pair that I'm like, "All right, look. I've worn this a few times."

Similarly, Robert sold a pair he did not wear anymore to get the pair he wanted at a sneaker convention. Robert stated,

There was one time when I was in high school, I went to a sneaker event in Boston. And I brought a few pair of shoes with me, because just in case I wanted to sell them and see if there's anything good there. And then I saw a pair of shoes I wanted to get from somebody else, and I didn't have any money, I just got shoes with me. So I sold one of my pairs of shoes and went to find the guy and bought the other ones that I wanted.

To resell sneakers, interviewees used various resale channels. The specific types of channels included online sneakerhead communities (e.g., Niketalk.com and Reddit), social media (e.g., Facebook), friends, consignment stores, websites and mobile applications to sell general consumer goods (e.g., eBay, Craigslist, and Offer Up) or fashion items and sneakers (e.g., Goat, Grailed, and StockX). Moreover, there are also sneaker-related events where sneakerheads buy, sell, and trade sneakers. Paul discussed how social media serves as a means for sneakerheads to resell sneakers.

Paul stated,

Absolutely. You see a lot of people on — you see a lot of Instagram pages start up and if you go into any sneaker post on Kicks on Fire, for example, you'll see a, "Come DM me for great prices" or something. You'll see hundreds of those and those are just all resellers trying to make a profit or getting the word up. Instagram is a good place to do that so is Facebook of course, although you'll get roasted on Facebook groups because they're all local, but Instagram's anywhere and also eBay too, eBay is easy to resell."

Lance used an online menswear selling website, Grailed.com, to sell his sneakers.

Lance stated,

Sure. There's a website called Grailed.com. It's basically a website that is for selling high-end men's clothing. Took the sneakers, took some pictures, uploaded them with a description, a price and within a couple I had a buyer who paid via PayPal and then I just sent them up to the address that was given to me.

Melissa sold her pair by using a smart phone application, Offer Up. Melissa stated, I sold them on Offer Up. I sold them for — I just posted them and said they're brand new and I have the box and the bag from Nike and everything and that I didn't like the way they fit and I sold them for 20 bucks more than I got them for.

Robert went to a sneaker convention to sell and trade his pair. Robert stated, Yes, sure. So it's called 'Boston Got Sole' [...] basically it was in downtown Boston at this just, you know, this venue that could be rented out and it was a kind of like a big room, and then there's an upper level too. And all around the edges, people have tables set up like, you know, you buy and set up a table, you put all your shoes on display and then hundreds of people would just show up and you buy tickets and you show up and you can just — you're there to look at other people's shoes, because some people bring really rare stuff or just exchange with other people, buy and sell, that whole thing.

The reason interviewees selected certain resale methods over the others varied. Vincent preferred meet-up trades by posting on the local Facebook group because he could get cash quickly and did not need to pay fees for online services. Vincent stated, I just really need to get rid of them real quick and I sold them on Facebook. Because Facebook, it's just cash, maybe gas too plays a part but you don't

have to pay any fees, you don't have to ship, so it's lower costs for both the buyer and the seller.

Ethan mentioned that he sold his pair on eBay because he wanted to maximize the profit. Ethan stated,

I actually sold them online on eBay because with that pair of shoes I knew if I put them on like Facebook group or something like that, I wasn't really going to get the max amount of money I could have got. [...] This one I knew I could make a lot of money. I wanted to get the most out of them so I put them on eBay.

Some interviewees mentioned the financial and personal safety risks that come with reselling. They discussed different strategies they used to minimize both types of risks. These findings will be presented in the next section, “Affects about and experiences with the sneaker resale market.”

Affects about and Experiences with the Sneaker Resale Market

To gain an understanding of how interviewees felt about the resale market, interviewees were asked in general to discuss how they felt about professional resellers and the sneaker resale market. They were also asked to discuss their best and worst resale moments. In their responses, interviewees centered discussion on their own positive and negative experiences as resellers. Interviewees also centered

discussion on their positive and negative impressions of others as resellers. Although they noted negative aspects of the resale market, they felt that the state of the resale market was beyond their control and went along with it.

POSITIVE AND NEGATIVE EXPERIENCES ONE HAS AS A RESELLER

As a reseller, interviewees felt positive about their ability to develop reciprocal relationships that can be beneficial to both themselves and those that they resell to. Moreover, making money was often mentioned as their best moments related with reselling sneakers. However, interviewees had negative affects with regard to the risk of investing in sneakers for resale and the risk to their safety when completing resale transactions. They did discuss ways in which they could minimize both financial and safety risks.

The positive aspects of developing reciprocal relationships were noted by 11 interviewees. For example, Vincent stated,

I guess the positives of it is you can build connections with people. It's like selling shoes for good prices. Okay, then they might sell good shoes back to you. It's reciprocity. It brings people together, the resale market. I know some of my friends they are interested with bots and shoes, so we talk about stuff like resale value and stuff.

Similarly, Frank stated,

The best moment I've ever had with sneaker reselling is when I typically — when I sell the shoes for really cheap [sic]. That's the best moment because

when I sell a sneaker for really cheap. What it does it really build connections with the people. People feel really generous and really humble when you're able to give them a really good deal on shoes. For instance of exact moment, just recently I actually sold a pair of Bred 11 Lows for \$60, and they were nine out of ten, almost brand new, and the guy was super awesome. I met him and we were able to connect and he was so grateful for me selling them so cheap and here's the other guy who — that I knew [sic] he was really into sneakers and he didn't really have a collection going, so I wanted to help him out. By that way, he's been able to help me out because now he's offered me access to go to the employee store. You can really build connections from reselling.

When recalling their best resale moment, seven interviewees mentioned financial gains. For example, Ethan mentioned the time he received \$450 when he sold a rare pair of sneakers. Ethan stated,

Probably with the Kobe's. That sum of money that I got was insane. Just getting \$450 out of nowhere. It's something most people, I know people who come for more money \$450 that is whatever, but to me, I worked hard for every pair of shoe I own. Being a bus boy and stuff like that and cleaning up people's crap and stuff like that, every shoe I got I really worked for. To get a pair of shoes that was so rare and I sold it for \$450 I was super pumped because it's like, knowing the fact how hard I worked for the other shoes and how easy this one I got, I was pretty happy about it.

Similarly, Oscar stated,

The best moment with sneaker resale. The minute the money hit my account. It felt good knowing like — if I really didn't want to buy any shoes with this money I wouldn't have an extra \$400 just specifically for buying and selling a pair of shoes.

On the negative side, 7 interviewees discussed the financial risk of investing in sneakers for resale. There were two different types of financial risks: losing money by reselling at a lower price than one bought the pair, and getting scammed. When asked to share his most negative resale experience, Kevin recalled an experience when he sold a pair of sneakers for less than he had paid for them. Kevin stated,

I had bought the metallic 1's. [...] I bought those for about \$160 and I ended up trying to sell them and I actually had to sell them below retail. I waited for the wrong time to sell them. I waited too long to sell them. That would probably be the worst because I lost money in the end. I helped out somebody, but I lost money in the end.

John recalled a resale experience that resulted in financial loss, as well. He stated,

The worst moment is anytime that you have a return. Anytime that you sell something and they return it to you, and then you lose a few bucks here and there, and then on top of that on eBay you have to pay the eBay fee for it, so

not only do you lose a few dollars there as well, so you're already down a whole like 30 to 50 bucks, depending on how much you sold them for.

Vincent shared his experience about buyers trying to scam him. Vincent stated, “I know some people have tried to send me fake PayPal invoices, or some may fake PayPal payments to my email.” Similarly, Connor shared his experience getting scammed by a PayPal buyer,

Yes. I sold a guy a pair of PreHeat LeBron 9s. They were the Miami Hurricanes colored ones. The guy bought them on a Navy base for 250 at the time. When he received them, he filed a complaint with PayPal and said that I sent him an empty box. But the receipt on the USPS box clearly said the weight of the box. There's no way an empty box would weigh that much. Luckily, I had USPS insurance on the shoes and I got my money back from them but PayPal sided with him when he filed the complaint. Even though I completely proved my case.

To minimize financial risk, interviewees used transaction website and mobile apps. For example, Simon discussed minimizing risk by using an online payment system, PayPal, when purchasing sneakers on the resale market. He stated,

We've come to an agreement and we came up with PayPal. I sent him the money PayPal, it was a service so it wasn't gifted because with the sneakers you can't give because people will tend to scam you and just take your shoes and run or take your money and run. Through a PayPal service where you pay

an extra fee to make sure everything's protected, went through with that, sent him the money. Then I sent him my address and he sent me the shoes, checked the shoebox, everything looked great and I was able to start wearing the shoes.

Oscar discussed minimizing risk by using a guaranteed online resale service called StockX when selling sneakers. He stated,

I like the fact that it was a guaranteed process because unfortunately there are people out there who will try to scam the game. They will either give counterfeit bills, or they give you PayPal and then do a charge back so you lose the money and the shoe. They're just, unfortunately, they're some shady people in the world, especially in the sneaker industry. Just to guarantee, knowing, peace of mind that once I send the shoes off and that StockX authenticates them I'm getting my money regardless.

Similarly, Kevin discussed how both buyers and sellers can minimize risk by using a similar mobile application, GOAT. He stated,

Are you familiar with the GOAT app? They've created a way where you can ship from your home. Send it through them and they'll be the middleman and make sure everything is authentic. You get your shoes and you get your money. You get your real authentic shoe.

The risk associated with personal safety when completing resale transactions was mentioned by nine interviewees. For example, Duncan stated,

Actually recently in my hometown, there's the other high school neighboring mine, there's an incident that happened. There's the sneaker trade in person that went down. I don't know something happened and it resulted in one kid getting shot and killed.

Similarly, Quincy said his concern is the likelihood of being a larceny victim. He stated,

The most real worst moment is the possibility of getting robbed. That's scary as hell [laughs]. You could be selling a good pair of Jordans and you're scared. Realistically, you can't tell me anybody that really sells shoes, they're like, "Okay—" You can't tell me that you're not a little scared that someone might — this person that's picking them up just might snag them from you, pull a gun at you and be like, "Give me your shoes."

A few interviewees noted ways that they tried to minimize safety risk at the point of transaction. Methods included meeting in public places, and bringing friends to the transaction. For example, Kevin stated, "So, like I said, probably the biggest concern is maybe safety, but that's why you always take somebody with you who you trust." Isaac stated,

I always meet in a public place. I've got a Starbucks about maybe a mile away from me if that or half a mile. I meet there. I say, "Meet me at this place, text

me when you're on your way or whatever. Typically, once they say that I'll go up there, I'll go in the shop sit down, get a coffee, then say, "I'm here come on in." I'm not going out to your car. I'm not putting them through the window of your car so you can look them. Pretty careful just because people get robbed or it's just not — it's — it shouldn't happen.

NEGATIVE IMPRESSIONS OF OTHER RESELLERS

When discussing other resellers, responses were mostly negative. Negative discussion centered on both the negative aspects of reseller behavior when acquiring sneakers to resell and the negative aspects of reseller behavior when reselling sneakers.

Negative impressions of resellers' sneaker acquisition behavior

Two common methods resellers use to acquire sneakers, the use of "bots" and "back-dooring," were thought of as negative because they give resellers an unfair advantage over others that want to purchase certain sneakers for their own personal consumption. John explained bots when he stated,

Bots are, so, initially when check-out services are used for websites, bots would be, basically a software script that would test if the check-out software works on the website. What they do is, it will initially dismay, let's say, once again, you want a pair of NMDs, you enter that into the bot, and press go, and it goes to the thing that's in your cart, and just purchase like that. It's automatically, it's a script, it just a script, that automatically puts everything in

your cart, that you need and buys it in a matter of less than two seconds.

That's what people use now to get sneakers, and that's why they are sold out so quickly, but also, like I said, you need to have a fast network.

John expressed negative feelings about bots when he stated,

That's everyone who is reselling sneakers now, is using bots. It's like cheating. It's like using steroids in sports, you know. They're using a performance-enhancing supplements. [...] Always the people that get on market to go have fast networks that are using bots 100% of a time. I can attest to that. You're not going to pick up a pair of sneakers if you're just a regular guy, trying to select them and then put them in your cart before they sell out. It's not going to work.”

In addition to the use of bots, the use of back-dooring was also discussed. Oscar explained back-dooring when he stated,

A lot of times it's just sneaker shops that aren't doing a good job of controlling their employees with the inventory. People are stowing out the back door. The employees are taking a pair a few weeks before or a few days before they're supposed to be released and selling them for not as much as the full resale value will be but they'll be employee will make a little bit of a cut off of it.

When the author asked him, *Do you think that's a problem?* he answered,

I do. Because there are people who are doing it just for the money at this point and they don't like shoes ever, and it's taken away from the people who really do like the shoes but don't have a chance to buy it at the resale price.

Negative impression of resellers' reselling behavior

Several interviewees discussed negative behaviors of reseller when reselling sneakers to others. Two themes surfaced. The first concern interviewees had was about the high prices resellers place on sneakers. The second concern was about the dishonest practices of some resellers. While reasonable markup was acceptable and perceived as fair to Simon, highly marked up prices (e.g., reselling a pair that retails \$200 at \$1,000) were considered unfair. Simon stated,

I hate the shoes that got a crazy profit margins because that's not just fair. But shoes like if you buy for \$200, you sell for \$250, you're going out of your way like to get a shoe and in some way you take \$50 for convenience, I think that's right. But like for a thousand dollars I don't think that's fair. Even though I, myself, and a lot of people do it, it sucks that it's like that.

Similarly, Oscar stated,

Everyone wants to make money but at the same time it's kind of a dick move just because of the fact that it could be taken away from a 14, 15-year-old kids who doesn't have the \$100 to spend on resale, but has the 220 saved up to buy a resale. [...] I definitely see both sides of reselling. I do think it is slightly unethical in the fact that it is taking away the chance to buy something for

someone or someone else buying something that they wanted just for you to make money.

Melissa also stated, “[...] cons is that you have to pay more money than what you actually could have gotten them for as well.”

Some interviewees expressed concerns about dishonest resellers. Two concerns surfaced: fear of counterfeit sneakers and fear of misleading sneaker descriptions. Frank expressed concern over counterfeit sneakers when he stated, Fake shoes. When I was younger I wasn't knowledgeable on sneakers so it's really — manufacturers, the few that are making fakes are becoming very, very, very, very identical to the real ones. [...] so that's probably the worst moment of sneaker buying I've ever had.

Likewise, Bryan expressed concern over counterfeit sneakers when he stated, “Yes. I would've much rather not have the shoes and keep my money rather than spend all the money and have a fake pair of shoes.” Simon shared an experience when he purchased sneakers that were not in the condition that was stated in the online product description. Simon stated,

The worst moment, I think it would have to be when I came to a meet up expecting to get the Air Jordan Nines [...] I was like, "Yes, why not?" I like the shoes, price is \$85, they looked nice. The thing is when I came to the meet up it they were in worst condition. [...] Once I did the meet up I saw the shoe wasn't what I wanted or what I expected. I was like, "Man, I can't do this." He

was like, "Look, I already showed you the pictures." I was like, "This is definitely not what you showed me." [...] just the fact that the shoes came out in the worse condition I think that was definitely my worst moment. I hate when that happens.

Likewise, Ugo expressed concern about misleading information when he stated,

Yes. I think the other thing I would remember was on e-Bay. I got a pair of, I think, Black Cements. When I looked at it, the picture looked clean. When I actually got the pair, it looked like he repainted it because all the paint cracks. It was already cracked. [...] But when I got the pair, all the paint was cracked. It was like chips. I was like, "This is not a DS or a nice pair that was barely worn," because in the picture it said barely worn. Then I saw the pair, it looks like he repainted it and then when I actually saw the bond in the sole there was white paint on it. There's no way because I looked at my pair of three and the paint is not that bad.

ACCEPTANCE OF THE NEGATIVE ASPECTS OF THE RESALE MARKET

Although interviewees noted negative aspects of the resale market, some indicated that those aspects were beyond their control and accepted it. This is evidenced in Tyler's statement when describing resellers who buy out high demand sneakers from retailers before collectors can obtain them. Tyler stated,

In terms of absolute collectors, I don't think it's fair, but that's just part of the game. People are always complaining. People are either going to get it for a

resell or for a retail, or they're going to get it for resell, or they're not going to get it. You just got to live with it; it's something that's factoring in. It's only going to stop, if people don't pay those resell prices and don't give in into that behavior. But it's hard to do.

Similarly, in reference to this behavior, Harry said there is nothing he can do about it.

He stated,

Kind of like I was saying before, I think it's messed up because a lot of people are selfish. But they are also on their grind and I think it is what it is and it's 2016 and the world is very globalized, and people have access to a lot of stuff. It's messed up for sure but there is nothing that I can personally do about it so [...]

Vincent also stated,

I guess that's a hard question just because these guys are so good at it and they get so many pairs almost in the way that the time that they invest in the money that they invest in the putting what they're doing. It's quite a bit, so honestly I guess they get what they deserve which is a huge amount of pairs. It is what it is. You can't really stop them.

Unanticipated Findings

In addition to findings that addressed the three research questions discussed earlier in this chapter, additional findings beyond the three research questions

surfaced during data analysis. These unanticipated findings centered on three themes. First, there appeared to be a shift in which brand holds more value. From the perspective of the interviewees, comfort and style were important to sneakerheads. Thus, sneaker brands and models that incorporate comfort and style were more coveted. Second, when interviewees were asked to discuss their thoughts regarding supply and demand, many mentioned that they think sneaker companies limit the supply of specific models to drive up resale prices. Interviewees believed that this practice is a marketing strategy used by the companies to build hype around the brands. Third, some interviewees mentioned that there has been an increase in the number of sneaker resellers. Over time, this has resulted in lower average resale prices.

SIGNS OF SHIFT

Traditionally, the sneaker culture was dominated by Nike, after the successful launch of Air Jordans in 1985. The retro Air Jordan models still dominate the market (Semmelhack et al., 2015; Wilson & Sparks, 1996). Many interviewees noted that the Air Jordan 1s sneaker model is iconic and started the whole sneaker culture. Furthermore, many interviewees indicated that two of their most favorite sneaker models are either Air Jordan 1s or Air Jordan 11s. However, many interviewees made statements that suggest that sneaker demand may be shifting from the Nike brand to the Adidas brand. One reason cited for this shift is that Nike has increased supply and raised retail prices of popular sneaker models. Paul stated,

Nike started a — Jordans were always resalable ever since they started retro-ing them but what happened was Nike wanted to combat this so they started making bigger numbers of their shoes and then also raising the prices. A combination of both these factors made them less hyped. Now they're making more money but at the same time they've lost a lot of hype for their shoes.

Interviewees also noted that the new sneakers from Adidas (e.g., Yeezy Boost, Ultraboost, and NMD) have gained much popularity among sneakerheads, due to the comfort and style that they provided. Moreover, Kanye West's collaboration with Adidas has added to the increase in popularity. After discussing Nike's increased supply and higher retail prices, Paul stated,

Adidas makes some really nice stuff plus they're backed by Kanye. They have Kanye effect going for them. Additionally, it's like Nike took two steps down and then Adidas took two steps up. Nike is still top dog but Adidas really jumped up recently. It's not necessarily that reselling is dying. It's really shifting toward Adidas now and like NMDs and Ultra Boosts and Yeezys.

Paul mentioned that there were too many retro Jordans with the increased retail price, while Adidas developed new technologies such as Boost materials and Primeknit technology that makes the sneakers light and comfortable (Banks, 2016). Similarly, Quincy mentioned that sneakers should be comfortable. He noted that Nike's Air Jordan retro models are less comfortable than Adidas' NMD models. He stated,

I have a few pairs of Adidas. I have some NMDs. They're comfortable. They're really comfortable and the comfort wise from NMDs to Jordans, whole another level. Jordans like any other shoe; it's like a basketball shoe. My personal experience with Jordans is they're heavy. Some Jordans are heavy and I don't — they're cloggy and they're creasing and this and that. And you always have to worry about stuff like that. You always got to walk a little different just so you don't crease the hell out of your shoes. And wearing Adidas, they're comfortable as hell [laughs].

The change of style over time was also mentioned by Robert. Robert said the resale value of basketball sneakers has declined, while lifestyle oriented runners are gaining in popularity.

But I think, I think it has grown a lot more since then, especially now, where you have like there's are still basketball shoes, that come out and they are cool, like they are popular, but it is not like back in the day, like you know, everybody wanted Jordans, they wanted, you know, because Michael Jordan is the best player we want his shoe. But now, as far as how their value, their after-market value, I don't think it is all about basketball now. Like LeBrons will come out and some will sell out, but a lot of them, like LeBrons, Kobes and stuff like that, there will be decent amount that will sit on shelf now, because people are right now more lifestyle oriented. But there is still definitely a connection between sneakerhead culture and basketball.

However, basketball is still connected to the root of sneakerhead culture and there are still sneakerheads who collect them. Quincy stated,

[...] Don't get me wrong. There's a lot of people that are still Jordanheads but it's starting to fade out. People are starting to really sell their collections out and starting to go towards Adidas. But then there are some people that are going to stay true and just rock just Jordans and stuff like that. They'll keep all their Jordans. It's just two different things.

SNEAKER COMPANIES CONTROL THE SUPPLY

Several interviewees mentioned that the limited quantity of sneakers is controlled by sneaker brands and retailers as a marketing tactic. By limiting supply, the brands and retailers build hype around the release of a sneaker model.

Interviewees were aware of the limited edition brand marketing strategy. Oscar shared his thought about the why brands do not provide sufficient pairs of sneakers when he stated,

I definitely feel the shoe companies, they're doing a good job of maximizing their profit with supply and demand. Because obviously, if you have a shoe sitting around on a shelf, you're not making money for it. Versus if you know how much your demand's going to be and you purposely undercut that so that your shoe sells out, it builds the hype towards the next shoe you released. "Oh, this Jordan sold out. I need to make sure I'm there right when they open up online as soon as they drops so I can get them too before they sell out." I definitely feel like these companies, they're experts at the supply and demand.

But for the consumers' side, obviously, for a lot of the shoes the supply is a lot lower than the average consumer would wish it would be because not everyone can get every shoe is what it means nowadays.

Oscar said that the brands have minimum stocks to maximize the profit and to increase the consumers' desire to get the sneakers. Similarly, Bryan stated,

I would say that they're purposefully not producing nearly as many of these extremely coveted shoes. I don't think they're purposefully trying to bring up the value of them and have them be resold, I just think they're trying to promote their brand.

Likewise, Lance stated,

The supply is definitely there, but it's definitely made limited by sneaker companies on purpose to make them seem more exclusive. For example, companies like Nike and Adidas can easily make 100 million pairs of sneakers that they wanted to, but they'd rather make smaller amounts in order to feed into that exclusivity that people want. [...] It builds hype for the sneakers and does help them sell.

Additionally, when asked to discuss how brands and retailers are dealing with issues such as professional resellers marking up resale prices and using unfair methods to obtain sneakers (e.g., back-dooring and using bots), many interviewees expressed that brands do not care about the resale market and acquisition methods

used by some reseller such as back-dooring and use of bots. For example, Vincent stated,

From a retailer standpoint, I know they just don't care quite honestly, unless their servers crash or something. They might just honestly embrace that. The retailers, they might just embrace those people that are doing that. It's a large scale and it really honestly creates more hype, in my opinion.

Similarly, Adam mentioned that the companies do not care as long as they can sell their products. Adam stated, "As long as the company gets their money, they're basically just happy. That's all they really care about."

RESALE MARKET BUBBLE

Several interviewees mentioned that there has been an increase in the number of people who resell sneakers. This brings a higher number of sneakers to the resale market. Some mentioned that the increased number of sneakers on the resale market has resulted in an overall decrease in resale prices. Lance's belief that the increase in sneakers available on the resale market has led to lowered resale prices is shown in his statement,

At the same time, because there are so many people who do resell, it has lowered resale prices over the past few years. Where sneakers used to be two to three times as much as they will go for retail, now you see sneakers such as Yeezys that used to go for three or four times the resale go for double the resale because of so many pairs on the market.

Similarly, Connor commented that the resale market has become oversaturated.

Connor stated,

I think it's beginning to get oversaturated. I think you'll only see as I mentioned a couple of times already, you only see the shoes that are limited in quantity or have some big name attached to them bringing in big amounts of money now. The majority of shoes now are attainable at close to retail.

Additionally, Nick mentioned that the lowered resale margin has resulted in a reduction in the number of people who want to resell sneakers. He stated,

I think it's doing better recently. The Yeezys that came out in the past are going for like crazy amounts, like over \$1000 dollars, and I think it's kind of cool to see that. Adidas is pushing out more and more Adidas, or Yeezys, so the people that really want a pair of those, it's getting closer so that they can get the pair and that resellers aren't necessarily going after those because they know that they're not going to get as much money as they were in the past. I think it's getting better now.

In the following chapter, the author will discuss how the findings answer the research questions and fill in knowledge gaps.

CHAPTER 5

DISCUSSION

The purpose of this qualitative research is to explore (1) sneakerheads' value perceptions of sneakers, (2) the various behaviors during the Inventory Ownership Cycle stages of sneakerheads who intend to resell sneakers, and (3) the likes and dislikes of sneakerheads with regard to the resale market. The findings of this study not only aligned with but also expanded on previous research about collectors and resellers, value perception, the Inventory Ownership Cycle (Boyd & McConocha, 1996), and the resale market.

First, this chapter will explain how the interviewees recognized the values of sneakers. Second, it will examine the behavior of the interviewees throughout the Inventory Ownership Cycle with regard to the sneakers they intended to resell. Finally, the chapter contains a review of how resale values influenced the affects of the interviewees and the sneakerhead culture.

Sneaker Value Perception

Findings from this study provide an understanding of why some sneakers can be resold at a higher price on the resale market than initially sold on the retail market. Such findings support and add to the Meaning Transfer theory (McCracken, 1986, 1989) and the Transactional Utility theory (Thaler, 1985, 2008). The interviewees'

value perceptions of sneakers coordinate well with the Meaning Transfer theory of McCracken (1986, 1989). Although he does not address sneakers specifically, McCracken asserts that the value of consumer goods is constructed not only by the brands and retailers, but also by the consumers. For example, on one hand, sneaker brands and retailers contribute to the value of their sneakers by using strategies such as securing endorsements from basketball athletes and hip-hop artists, manipulating supply by releasing lower quantities than the demand, using retro marketing, and utilizing technology that provides increased physical comfort for those who wear the sneakers. On the other hand, interviewees assigned value in other ways noted by previous researchers, such as by discussing, comparing, and bragging about sneakers that they share common interests in as a subculture and as brand community members (McAlexander et al., 2002; Muniz Jr. & O'Guinn, 2001; Schau et al., 2009). The present study found McCracken's assertion to be in line with sneakers that are not only a good purchase for the intention of use, but also a good purchase for the intention of reselling. The behaviors of those who purchased to resell affect the value of certain sneaker models. By engaging in acquisition practices not commonly used by typical consumers, such as using back-dooring or bots to secure limited quantity sneakers, resellers make it more difficult for regular consumers to obtain certain sneaker models and contribute to the hype that transfers added perceived value to these sneakers.

Interviewees noted that they were able to make profit by purchasing high demand, limited quantity sneaker models at the retail price and selling them at a higher resale price. The profitability of sneaker resale aligns with the Transactional

Utility theory (Thaler, 1985, 2008). Retailers cannot sell their products that have higher demand than supply at the market clearing price, because their customers regularly compare the prices with other consumers and retailers, and retailers need to maintain a long-term relationship with their customers (Thaler, 1985, 2008). While the companies cannot sell their highly-sought-after products at the market clearing price (e.g., resale price), the resellers can maximize their profit by selling at the market clearing price (Thaler, 1985, 2008). By acquiring the very popular pairs that have limited quantity, the interviewees were able to gain monetary value for the resale. This study, by combining the Meaning Transfer theory and Transactional Utility theory, explains how the sneaker resale market functions.

MONETARY VALUE

Whereas the literature has traditionally focused on the factors that relate to consumers' perceptions of value for products they plan to consume themselves, the present study focuses on factors that relate to consumers' perceptions of value for products they plan to resell, specifically sneakers. For those who resell sneakers primarily to make a profit, monetary value of sneakers they intend to resell is of primary importance. The findings show that interviewees' perceptions of monetary value were influenced by sneaker model rarity, celebrity endorsement of sneakers, collaboration between brands and celebrities, and retro marketing.

First, interviewees often mentioned that the monetary value of a specific sneaker model can be a function of its rarity. Although the studies of the influence of rarity focus primarily on the consumers' purchases for their own use (e.g., being

unique, using them as social status symbols, and expressing themselves) (Kaiser, 1985; Simmel, 1957; Veblen & Banta, 2009), findings from the present study show that rarity is also an important factor that influences the resale price of the sneakers. As previous studies have shown, the perceived rarity increases both the desire and preference of consumers (Lynn, 1989, 1991; Verhallen & Robben, 1994; Wiedmann et al., 2007). This study suggests that the rarity also makes consumers put in extra effort and resources to acquire the sneakers, which results in receipt of a high resale price for such rare goods (e.g., limited edition sneakers).

Second, interviewees often mentioned that the monetary value of a specific sneaker model can be influenced by celebrity endorsement and collaborations. While the effect of celebrity endorsement (Lohneiss & Hill, 2014; McCracken, 1989; Murray & Price, 2012; Pookulangara et al., 2013; Till & Shimp, 1998) and the various collaborations between brands, stores, designers, and celebrities (Moore & Birtwistle, 2004; Stankeviciute & Hoffmann, 2010) on consumers has been studied by researchers, most of the studies did not give enough attention to the monetary value (i.e., resale price) that is created by those marketing strategies. Moreover, the sense of rarity and uniqueness due to the transitory nature of the endorsements and collaborations appeals to consumers, collectors, and resellers.

Third, interviewees revealed that the value of a specific sneaker model can be influenced by retro marketing. Such findings support the research of others (Belk, 1990; Brown, Kozinets, & Sherry Jr, 2003; Cattaneo & Guerini, 2012; Kessous et al., 2015). Retro-marketing utilizes the product design from the past to provide consumers with a sense of nostalgia. For example, Retro Air Jordans have the design

silhouette and colorway of the original Air Jordan models. The interviewees frequently mentioned that the history behind the sneakers was important to them. For example, certain Air Jordan models that were worn by Michael Jordan at his momentous games were more sought after and perceived to have higher monetary value than other pairs, even when they were retro models.

In summary, the present study finds that the monetary value of sneakers is influenced by the rarity, celebrity endorsement, collaboration, retro marketing, and sneaker condition.

EMOTIONAL VALUE

Findings from the present study show that emotional value, such as connections to others (friends, family, and endorsers) and connections to oneself (expression of one's identity) is important to the interviewees. The interviewees said there were pairs that were special to them because of their attachment to and memories of the sneakers. This research suggests that emotional value contributes to the overall value of the sneakers as perceived by the sneakerheads, thus increasing their intention to purchase the sneakers and the competitiveness of the acquisition of the sneakers.

This study also considers the cognitive biases to explain how celebrity endorsements build an emotional connection between the consumers and the endorsers. By using a representative heuristic technique, a consumer becomes attached to the endorsed goods and builds a sense of connection to the endorsers (Kahneman & Tversky, 1973; Tversky & Kahneman, 1974). For example, the

sneakers endorsed or worn by celebrities or professional athletes are more noticeable than their hard work and efforts that made them who they are. However, people tend to associate their performance and talent with the prominent fashion goods (e.g., sneakers). People tend to feel connected to the endorser just by purchasing or wearing the endorsed products. The Air Jordan campaigns are one of the most successful endorsements that used this heuristic in the history of Nike and Wieden+Kennedy. Interviewees mentioned that they felt they could ‘be like Mike (Michael Jordan)’ when wearing his signature sneakers, the Air Jordans.

This research proposes that the emotional value of the sneakers (e.g., connection with others and oneself) increases the overall value and makes the sneakers special to the interviewees.

FUNCTIONAL VALUE

The interviewees in the present study can be described as mixed-role resellers. Most collected, wore, and sometimes resold sneakers. This distinguishes them from other collectors who do not use their collectible goods and also expands the concept of collecting. While the literature of collectors (Belk, 2001) claims that collectible goods are “removed from ordinary use,” these findings revealed that the interviewees want sneakers that are comfortable and coordinate well with clothing they currently wear. This study discovered that the functional value that provides comfort and style to the interviewees adds value to the sneakers they collect, wear, and resell.

As the sneakers were originally made for enhancing athletic performance (Semmelhack et al., 2015), the functional value is essential to the interviewees who

wear them. This helps explain the shift that was mentioned in the unanticipated findings. The interviewees said the retro sneakers were bulky and uncomfortable compared to the new sneakers that are comfortable and stylish. This finding emphasizes the fact that the essential function of the sneakers the interviewees collect is important to them.

The interviewees also had a tendency to build their outfits based on what sneakers they chose to wear. As sneakers are fashion goods, the interviewees who were into fashion coordinated their outfits (e.g., streetwear) with the sneakers. According to the Diderot effect (McCracken, 1988), an initial purchase of consumer goods can form one's identity, and that leads to supplementary purchases that can reinforce the identity they build. To the interviewees, the sneakers were tied to their identity and led to the selection of apparel items that centered around the sneakers.

In conclusion, the study suggests that the comfort and style the sneakers provide to the sneakerheads increase the functional value of the sneakers.

SOCIAL VALUE

To the interviewees the sneakers were interpreted as a fashion good that conveys various social meanings that were co-created with the brands and other sneakerheads. Previous studies claim that being a member of a group and building social connections are important to a brand community and subculture members, demonstrated by having and wearing proper items and outfits that represent the group and culture (McAlexander et al., 2002; Schau et al., 2009; Thompson & Sinha, 2008). In addition, findings from the present study show that sneakers collected and worn by

sneakerheads can be considered as luxury goods based on the definition of luxury goods as “high quality, expensive and non-essential products and services that appear to be rare, exclusive, prestigious, and authentic and offer high levels of symbolic and emotional/hedonic values through customer experiences” (Tynan et al., 2010, p. 1158). Luxury fashion goods are known to provide a sense of social status (Kaiser, 1985; Simmel, 1957; Veblen & Banta, 2009). The rare and exclusive sneakers that have high resale value are appreciated by fellow sneakerheads and give the sneakerhead a feeling of social value a sense of social status.

Evidence of building connections and establishing membership with other sneakerheads was found in the results. Previous studies assert that the resale behavior can also build social connections (Herrmann & Soiffer, 1984). Schau et al. (2009) claim that the consumers’ operation of four practices (e.g., social networking, impression management, community engagement, and brand use) are how the brand community members create value. Additionally, Muniz Jr. and O’Guinn (2001) maintained that a brand community needs three elements (e.g., consciousness of kind, shared rituals and traditions, and a sense of moral responsibility) to exist. The aforementioned studies emphasize how important being a member and building connections are within a brand community. The findings support the importance of sneakers’ social value with the interviewees’ experiences of socializing with other sneakerheads, discussing sneakers, and helping others obtain models of sneakers they want.

Moreover, using fashion goods to express social status has been studied by other early researchers (Kaiser, 1985; Simmel, 1957; Veblen & Banta, 2009).

Wearing conspicuous fashion goods is a way to distinguish oneself from peers, either financially and/or socially, as such items communicate status and possess symbolism within the culture. For example, one interviewee mentioned his cultural background of growing up in a lower income community. He stated that wearing the ‘freshest’ clothing and sneakers was important because it was interpreted as a social status.

In sum, this study asserts that sneakers offer social value to the sneakerheads by giving a sense of social membership and social status to them.

Sneaker Ownership Cycle

The second research question sought to develop an understanding of pre-acquisition to disposition behaviors exhibited by interviewees with regard to sneakers they intended to resell or have resold. These behaviors were discussed under the framework of Boyd and McConnocha’s (1996) Inventory Ownership Cycle. Whereas the Inventory Ownership Cycle as presented by Boyd and McConnocha (1996) focuses on consumer goods purchased with the intention of consumers’ own use, the present study expands on the Inventory Ownership cycles by incorporating consumer goods purchased with the intention of reselling. The interviewees who purchased sneakers with resale intentions demonstrated behaviors that are noteworthy in various stages of the Inventory Ownership Cycle. While Boyd and McConnocha (1996) claim that the stages of the Inventory Ownership Cycle are interrelated and influence behaviors throughout, the details of the interactions, especially how disposition (e.g., resale) influences other stages, are not explicitly described in their study. This study

attempts to expand the Inventory Ownership Cycle by explaining how the resale intentions of the interviewees influence the pre-acquisition, acquisition, physical possession, and disposition stages. The following discussion will highlight how interviewees' intentions to resell prompted behaviors throughout the inventory ownership cycle to maintain the monetary value of sneakers and to maximize the profit of resale.

PRE-ACQUISITION

This study demonstrates that the interviewees sought out and used others' comments regarding specific sneaker models, previous resale information, and presale information to estimate the potential monetary gain that could be achieved by purchasing and reselling specific sneaker models. The findings show that interviewees engaged in two stages of information gathering when they intended to resell: first, general informational browsing, and second, a targeted information search regarding resale value. The general information search is an ongoing process in which interviewees learned about trends in the sneaker market and about upcoming sneaker releases. During the general information search process, interviewees indicated that they would happen upon a specific model that they thought they might want to purchase for resale. This would lead them to a targeted information search in which they determined the resale value and evaluated whether they wanted to put time and money into the purchase and resale of the sneaker model. The targeted information search to estimate the potential resale price is different from other information search behaviors when the consumers are purchasing goods for

themselves or giving a gift to others. Because the higher resale value guarantees a higher margin, predicting the resale price is thoroughly executed by those who intend to resell the sneakers. The advent of the internet made these information search behaviors easier and faster than in the past (Chu, 2013; Chu & Liao, 2007, 2010; Jones, 2015a; Sawyer, 2016). The sneaker information sources, such as online sneaker magazines, online sneaker forums, and social media sneakerheads were utilized to determine the potential resale price and to plan the purchase for resale.

Chu and Liao's (2010) research shows that the high External Resale Reference Price (ERRP), based on the market, increases the estimated resale return that eventually affects the consumers' purchase intentions of the product when they have resale intentions. The present study expands on Chu and Liao's study (2010) by explaining how pre-purchase information is collected for products consumers intend to resell. Findings from the present study show that interviewees researched the presale prices that were offered by other resellers who guaranteed the pair even before the release, other sneakerheads' reactions towards pairs prior to the release, and previous resale price information when the same model was released in the past.

The present study, additionally, expands the concept of the Mental Accounting (Thaler, 1980, 1985, 2008) with the aspect of interviewees' consideration of the monetary value. Thaler (2008) asserts that consumers code their gains and losses, and they segregate the gains from their purchases in a sense of comparing what they can benefit from the purchase. When purchasing sneakers for resale, the interviewees counted on how much money they were going to make from purchasing these limited pairs and how many pairs they could or were going to get. In other

words, when the interviewees knew that they could make money by reselling a pair, they considered the purchase as an investment rather than spending money. When the potential resale price was high, the interviewees invested the time needed to plan the purchase to obtain the pair successfully by researching the release date, release method, and release location of the pair.

ACQUISITION

Findings from the present study suggest that the monetary value of sneakers strengthens the purchase intention because of the expected monetary gain after resale. In this sense, the findings focus on the acquisition of sneakers that are intended to be resold. The purchase process of the pairs that have a high potential resale value is generally competitive due to the high demand by consumers and low supply by brands and retailers. For example, the interviewees said that they had to stay in line for days or wake up early to purchase a pair that had high resale value (i.e., ERRP).

This study expands on the concept of Mental Accounting mentioned in the pre-acquisition section (Thaler, 1980, 1985, 2008). At the acquisition stage, when the interviewees intended to resell the sneakers they were acquiring, they tried to purchase as many pairs as they could. Moreover, to increase their odds of acquiring one or more pairs of sneakers for resale, some interviewees used controversial purchase methods, such as back-dooring and using bots. The effect of controversial purchase behaviors on other market members (e.g., other sneakerheads and retailers) are discussed in further detail later in this chapter.

In addition, findings from the present study illustrate that interviewees experienced a range of emotions in the acquisition stage, including positive, neutral, and negative emotions. Previous studies assert that purchase for one's own use generally provides positive emotions to the consumer (Guevarra & Howell, 2015; Matz, Gladstone, & Stillwell, 2016). Some interviewees recalled positive feelings when finding and purchasing pairs with resale values greatly exceeding the retail values they paid. Researchers have mentioned the process of purchasing rare goods as a 'hunt' that gives excitement and joy (Babin, Darden, & Griffin, 1994; Belk, 2001; Parker & Weber, 2013). This study expands on the pleasure of the hunt with the potential monetary gain obtained from the purchase of sneakers that have a high resale value. However, some interviewees mentioned that they felt indifference and had no attachment towards the pairs because they were just obtaining products that would soon be sold and out of their possession. Additionally, an interviewee said he experienced worry after purchasing multiple pairs because of the possibility of not successfully selling them at a resale price higher than he had paid.

In sum, findings from the present study show that the purchase of sneakers with the intention of resale can result not only in positive emotions but negative ones as well.

PHYSICAL POSSESSION

Findings from the present study confirm that interviewees who purchased sneakers with the intention of reselling them engaged in behaviors that focused on maintaining the monetary value of the sneakers. Boyd and McConocha (1996) assert

that consumers take care of the goods that they own to extend the life-cycle of these goods. This research expands on Boyd and McConocha's (1996) Inventory Ownership Cycle by considering one type of goods, specifically sneakers that the interviewees ultimately intended to resell. In turn, rather than focusing on extending the life-cycle of the sneakers, the interviewees focused on maintaining the monetary value of the sneakers they intended to resell. Interviewees who intended to resell certain sneaker models that they owned could be divided into two different groups during the physical possession stage: those who did not use/wear the pairs at all and those who used/wore the pairs. Their decisions as to whether or not they would wear a specific pair of sneakers were influenced by their perceptions of the monetary values. All interviewees noted that to secure the highest resale price, sneakers must be unworn and in brand new (i.e., deadstock) condition. Some interviewees said they did not wear the pairs that have high monetary value when they intended to resell them. When the interviewees wore a pair that was planned to be resold later, they engaged in special behaviors while wearing the sneakers, such as avoiding muddy areas and using plastic inserts to minimize creasing, and engaged in special maintenance behaviors before and after wearing the sneakers, such as applying stain resistant formulas and scrubbing with a toothbrush, in order to keep them in a condition that would maintain some monetary value.

The findings suggest that monetary value influences the usage, storage, and maintenance behaviors of interviewees who considered resale in the physical possession stage.

RESALE

Findings from the present study align with and expand on the literature surrounding resale behavior (Chu, 2013; Chu & Liao, 2007; Tatzel, 2002). Interviewees who participated in the present study seemed to fit within the “mixed-role reseller” category described by Chu and Liao (2007). Although they all had experience purchasing sneakers for themselves and for resale, some focused more heavily on purchasing sneakers for resale than others. Chu and Liao (2007) assert that professional resellers who purchase goods for resale only are more likely to put more effort into reselling and gaining maximum profit than consumer resellers who initially purchase the goods for their own use. In the case of the present study, those interviewees who focused more on purchasing sneakers for resale tended to put more effort into obtaining highly valued sneakers. Moreover, the resale intentions and the condition of the selling sneakers of the interviewees also fit in Chu and Liao’s classification (see Table 2.1) (2007). The interviewees took care of their sneakers for resale after temporary ownership (planned resale of used goods). When the interviewees acquired new pairs and decided they did not want them (e.g., wrong size or color) they exhibited unintentional resale behavior (unplanned resale of unused goods). Furthermore, some interviewees sold their old and worn pairs for relatively low prices as disposition (unplanned resale of used goods).

In addition, the interviewees’ diverse resale behaviors were explained by the four different resale motivations (Chu, 2013; Tatzel, 2002) based on the money disposition level and materialism level of the resellers (see Table 2.2). Value seekers are those who are tight with money and have a high level of materialism, big spenders

are those who enjoy spending and have a high level of materialism, non-spenders are those who are tight with money and have a low level of materialism, and experiencers are those who enjoy spending and have a low level of materialism. The value seekers who have utilitarian motivation (e.g., pay rent and reinvest in sneakers) try to make more profit than those who have hedonic motivation (e.g., socialize and help other sneakerheads) such as the big spenders and experiencers (Chu, 2013). For example, while discussing the reasons they engage in resale, interviewees who wanted to look out for and socialize with other sneakerheads (e.g., experiencers) claimed that they gave good deals. On the other hand, interviewees who needed to sell sneakers in order to pay rent and reinvest in sneakers (e.g., value-seekers) were more concerned with selling sneakers at the highest resale price possible.

Findings from the present study also show that some interviewees sold sneakers directly after the acquisition, sometimes even before they obtained the pair, while others held onto the sneakers to resell at a later time, after they had increased in value. While those who needed immediate cash sold their pairs right after or even before the acquisition, those who believed that the number of new pairs which were being reduced over time could increase the resale price (if there was no additional supply, such as restock and re-release) kept their pairs to wait for the value to increase further.

Finally, the various social media used as a resale channel was discovered in this study. While researchers tend to focus on the social media as an online space where brand communities and subculture members share information and build relationships (McAlexander et al., 2002; Muñiz Jr. & Schau, 2005; Schau et al., 2009;

Schouten & McAlexander, 1995; S. A. Thompson & Sinha, 2008), this study suggests that social media are being used as a platform for consumers to trade, buy, and sell their purchased goods. In turn, the same social media that serve as a platform for reselling also serve as an informational source for resellers to determine monetary value during the pre-acquisition stage of the Inventory Ownership Cycle.

In sum, the findings show that the interviewees in the present study exhibit various resale behaviors based on the types of resellers, resale motivation, and resale channels.

How Sneakerheads Felt About the Resale Market

The findings that answer the third research question, “What do sneakerheads like and dislike about the sneaker resale market?” show both positive and negative aspects of the sneaker resale market. The positive and negative affects about the experience as a reseller and other resellers driven by monetary value suggest that the traditional consumer’s role in the market has changed and should be studied further. While there are both positive and negative aspects of reselling sneakers, interviewees tended to have more negative affects toward other resellers. Additionally, although they had some negative affects, the interviewees seemed to accept the negative aspects of the resale market and indicated that nothing could be done to change it.

This research discovered both positive and negative aspects of the resale market that can be added to the literature. The positive aspects are relationship-building and monetary gain, and the negative aspects are the potential financial and

physical risks that can result from resale market transactions (Herrmann & Soiffer, 1984). As a reseller, the positive aspects revolve around social interactions and relationship-building with other sneakerheads, as well as the monetary gain one can experience by reselling sneakers. Building relationships with other members aligns with the previous studies of brand community and subculture members (McAlexander et al., 2002; Muñiz Jr. & Schau, 2005; Schau et al., 2009; Schouten & McAlexander, 1995; S. A. Thompson & Sinha, 2008). On the negative side, interviewees in the present study discussed physical and financial risks (e.g., injury, scam, larceny, and purchase of stolen or fake goods) associated with transactions within the resale market. Generally, the transaction parties within the resale market are not protected from illegalities or possible fraud (Sit, 2016; Unruh, 2016). To reduce the potential risks, interviewees used online resale services (e.g., eBay) to minimize financial risk and conducted face-to-face transaction in a safe place (e.g., public space) to minimize physical and financial risk.

With regard to other resellers, the interviewees had mostly negative attitudes, especially toward the controversial acquisition behaviors (e.g., using bots and back-dooring). Interviewees expressed dissatisfaction with professional resellers whose goals were solely to maximize profit and purchase sneakers in large quantities, often using controversial methods, such as using bots and back-dooring. Previous studies found that the acquisition of high-demand goods that have low supply create a competitive environment in which those who experience inequity tend to feel frustration and agitation which, in turn, can lead to negative behaviors (e.g., consumer misbehaviors) (Belk, 2001; Lennon et al., 2011, 2014; Milavec, 2012). Additionally,

researchers have noted that product rarity can cause negative and aggressive behaviors among consumers (Anderson & Bushman, 2002; Byun & Sternquist, 2012; Kristofferson, McFerran, Morales, & Dahl, 2017). When consumers perceive that they are competing against bot-users or back-doorers who have an unfair advantage of acquiring sneakers they would like, it is more likely to intensify the negative behaviors and attitudes. Moreover, the fact that some resellers take advantage of the demands of other sneakerheads is opposed to the community aspect of the subculture and brand community.

Findings from the present study suggest that the interviewees have come to accept the negative aspects of the resale market that they discussed during the interviews. For example, some interviewees mentioned that resellers' use of bots has made it impossible to acquire sneaker models they want through traditional retail channels, and therefore, they often have to purchase these sneakers on the resale market at higher prices. However, they indicated that they could do nothing about this inequity and had to accept it. Previous studies have shown that consumers are likely to withdraw from the brands and misbehave when they feel they have been mistreated not only by the brand but also by other consumers (Anderson & Bushman, 2002; Lennon et al., 2014; Milavec, 2012).

CHAPTER 6

CONCLUSION

Findings from the present study provide insight into three topic areas that have not been explored within the context of mixed-role resellers who identify with a brand community or subculture. These three topic areas include (1) value perception of sneakers one intends to resell, (2) pre-acquisition to disposition behaviors related to sneakers one intends to resell, and (3) likes and dislikes regarding the sneaker resale market. In this chapter, implications of the research findings will be discussed. Moreover, limitations and suggestions for future research will be discussed.

Implications

This section presents the implication of the study for academic researchers as well as business practitioners.

IMPLICATIONS FOR ACADEMIC RESEARCHERS

This study provides four implications for academic researchers. First, it provides insight into value perception and behaviors of young consumers who engage in social media and online brand communities related to a subculture, specifically sneakerheads. Kotler et al. (2016) assert that young consumers are one of the most

influential groups in the digital age and that young consumers set fashion trends by experimenting with new trends and products. In line with Kotler et al.'s call for research on the younger population, interviewees who participated in the present study were young adults (average age = 22.9 years old, SD = 5.79) and mostly (22 out of 25) recruited from online sneakerheads communities. Findings show that interviewees are deeply engaged in social media and online communities as a means to educate themselves to predict monetary value of sneakers and as a means to resell sneakers.

Second, findings from this study suggests that consumers who resell are not only buyers but also sellers at the resale market. Due to the expansion of the internet and social media, the resale market (e.g., eBay and Craigslist) has grown rapidly (Chu, 2013; Chu & Liao, 2007, 2010). With this trend, we see consumers buying products not only for their own personal use, but also for reselling to other as a way to make money. In this study, the interviewees purchased sneakers for their own use and also purchased sneakers they perceived as having high monetary value on the resale market to sell to others for a profit. Previous studies show that brand community members sell their unwanted goods to other members (Schau et al., 2009). However, the monetary gain from the resale between members has not received attention by the researchers. This study proposes that consumers who have proper knowledge of the brand and subculture not only purchase goods cleverly but also can make profit by reselling products that have high monetary value at the resale market.

Third, findings from the present study demonstrates how the value of sneakers is created by both brand marketers and sneakerheads. In particular, this study focuses

on how the monetary value is perceived to the brand community and subculture members. From the perspective of the brands, they assign value on the sneakers by producing their goods in limited quantity and using marketing strategies such as celebrity endorsement, collaboration with celebrities, and retro branding. Meanwhile, from the perspective of the consumers, sneakerheads reshape the value of the sneakers by sharing opinions about, comparing, bragging about, maintaining, and taking pictures of the sneakers. Monetary value of consumer goods that are purchased with the intention to resell has not received much attention from researchers, despite the connection between one's perception of monetary value and one's decision of whether or not to purchase a pair of sneakers to resell.

Lastly, this study centers on the entire Inventory Ownership Cycle (Boyd & McConocha, 1996) as it relates to sneakers that were purchased by mixed-role reseller sneakerheads who intend to resell the sneakers. The disposition (e.g., resale) intention of the consumers helps to understand the overall process of how consumers not only plan and purchase but also use, take care, and dispose the goods they purchased (Boyd & McConocha, 1996). While Boyd & McConocha (1996) mention the influence of disposition intention on other stages of the Inventory Ownership Cycle, their publication lacks detailed explanation in regard of how and why it occurs. On account of the interview of the sneakerheads, the present study offers a comprehensive understanding of how the behaviors of mixed-role resellers throughout the Inventory Ownership Cycle (Boyd & McConocha, 1996) relate to their disposition intention before and during acquisition, and during physical possession.

IMPLICATIONS FOR BUSINESS PRACTITIONERS

Findings from this study suggest three ways that business practitioners can better serve their customers: (1) if they research optimal supply and demand of hyped sneakers, (2) if they develop release methods that are more equitable, and (3) if they research behaviors and needs not only of consumers who purchase sneakers for their own consumption, but also of consumers who purchase sneakers with the intention to resell.

First, regarding supply and demand, findings from this study show the importance of supply and demand in the creation of perceived monetary value of various sneaker models. The rarity of collectible consumer goods (i.e., sneakers) is both crucial to the collectors and resellers (Belk, 2001; Fromkin et al., 1971; Lynn, 1991). Findings from the present study show that if a sneaker brand or retailer releases too many or too few sneakers of a particular model that is hyped, sneakerheads may behave in ways not considered favorable by the brand or retailer. On one hand, when the supply of the sneakers is too high, sneakerheads who are mixed-role resellers can lose interest in those models because the sneakers are too easy to obtain and no longer hold monetary value due to rarity. For brands and retailers, this will result overstock and decreased profits. On the other hand, when the supply is too low and fails to fulfill demand, perceived monetary value increases and some sneakerheads resort to controversial acquisition methods such as back-dooring and using bots. Those who do not use these methods believe they are disadvantaged

and become frustrated. Some of their negative affects may transfer on to the brands and retailers that market and sell the sneaker models they are not able to get.

Second, findings from this study show that supply does need to be somewhat restricted to create hype and perceived monetary value. However, when supply is too restricted, there may be negative consequences for the brands and retailers. The author suggests that sneaker brands and retailers put more effort into investigating the optimal supply given demand for different sneaker models. The author also suggests that sneaker brands and retailers investigate and develop release methods that will provide those who do not use the controversial methods with equitable opportunities to acquire high demand sneakers that are released in low quantities to alleviate some of the negative affects these consumers are experiencing in the current sneaker market.

An important consideration for brands and retailers is the need to pay attention to how loyal customers are negatively influenced by the resellers who obtain the product by using controversial methods (e.g., using bots and back-dooring) and prevent them from buying the sneakers at retail prices. Instead, to get high demand and low supply sneakers, these consumers have to pay resellers premium. This study illuminates why making the purchase process fair is important. When a pair is considered impossible to get unless the consumers use bots or back-door, that might lead to a withdrawal from the brand and/or culture. For companies, the consumer experience is crucial and directly related to the company's reputation and success. Interviewees mentioned that they felt that the brands and retailers do not care about the controversial acquisition behaviors of professional resellers. They mentioned that some brands and retailers only cared about selling product, even if it was to people

that used bots and back-dooring. To solve this issue, the brands and retailers need to create and enforce regulations and controls against bots or back-dooring. As a positive example to consider, many online gaming companies have put efforts into banning hackers to improve the gaming experience of their users (Moore, 2017). Hackers disrupt the gaming experience of the normal users especially through biased advantages such as limitless items, game money, auto-aiming. These acts reduce the chance to win the game for the normal users. Sneaker brands and retailers could follow what online gaming companies have done to provide equal opportunity for their loyal customers to purchase sneakers at retail.

Third, findings from this study can provide business practitioners with information about the behavior of consumers who purchase sneakers with the intention to resell. This study provides information about these consumers' behaviors throughout the Inventory Ownership Cycle (Boyd & McConocha, 1996). Findings provide insight into how mixed-role resellers evaluate monetary value during pre-acquisition, how mixed-role resellers acquire high demand sneakers, what mixed-role resellers do during the physical possession stage (i.e., whether or not they wear the sneakers, how they wear the sneakers, how they maintain the sneakers), and how they resell the sneakers. Mixed-role resellers can be considered a different market segment than consumers who purchase sneakers for their own use. Further investigation into how behaviors of these market segments differ throughout the Inventory Ownership Cycle (Boyd & McConocha, 1996) can help brands and retailers better understand and serve the needs of mixed-role resellers.

The mixed-role resellers discussed risks at the acquisition and disposition (reselling) stage. In alignment with the growth of the resale market, transaction acquisition and reselling methods that minimize financial and physical risks of transactions within the resale market need to be further developed. Effort from not only from the online resale market and social media service providers, but also from policy makers should be made. The interviewees mentioned that they are concerned about the potential physical and financial risks of using the resale market. Therefore, the author speculates the demand for resale transaction services that provides authentication services and protects both buyers and sellers. As a good example, some local police forces are starting to make safe zones for resale market transaction (Lee, 2016).

Limitations

When considering the findings and implications of this research, the limitations of the study must be considered, as well. First, despite the fact that findings from this research suggests factors that contribute to perceived values of sneakers one intends to resell, this qualitative study cannot claim a causal relationship between the factors and value perception (Neuman, 2011). Similarly, despite the fact that findings from this research suggests that intention to resell sneakers impacts one's behavior throughout the Inventory Ownership Cycle (Boyd & McConocha, 1996), this qualitative study cannot claim a causal relationship between the intention

to resell and behaviors (Neuman, 2011). Additionally, the author identifies as a mixed-role reseller and a sneakerhead. While this can provide the research with a deeper understanding of the culture, it can also contaminate the objectivity of the study (Neuman, 2011).

Regardless of the limitations, this study presents emic perspective to view the behaviors of mixed-role reseller subculture members, that Kotler et al. (2016) state as crucial in the diversified digital marketing era. Moreover, by studying sneakerheads as mixed-role resellers, this research suggests the consumers' new role as resellers and the impact of their resale behaviors on their Inventory Ownership Cycle (Boyd & McConocha, 1996).

Suggestion for Future Studies

Findings from this qualitative research should be tested using quantitative methods. A qualitative approach would allow for testing the relationships between factors such as rarity, celebrity endorsement, and hype and monetary value perception. It would also allow for testing the relationship between factors such as resale intention and specific behaviors throughout the Inventory Ownership Cycle (Boyd and McConocha, 1996). Also, depending upon the sampling methods, more generalizability could be established.

This study attempted to explore the nature of sneaker resale market. While the resale market usage of consumers have not received much attention from the researchers, the resale market has steadily expanded due to the internet (Chu, 2013;

Chu & Liao, 2007, 2010). This study shows that the interviewees used various resale channels such as connections within the brand community, social media, websites, mobile applications, and consignment stores. It is interesting that interviewees used social media not only as a way to participate in a brand community, but also a resale channel. The use of social media as a resale channel needs to be farther scrutinized. The physical and monetary risks the resellers are experiencing with in-person and online resale transactions also need to be studied in order to develop transaction methods that can minimize risk. Findings from this study could be enhanced by research that examines other products that have resale value among their target consumers such as concert tickets and other collectibles. It would be interesting to see if there are similarities across product categories in perceived value and behaviors throughout the Inventory Ownership Cycle (Boyd & McConocha, 1996).

It is suggested that there is investigation into the demographics of mixed-role reseller sneakerheads. Despite the increasing importance of female consumers (Kotler, 2016), the literature has mainly focused on the male collectors' behaviors (Apostolou, 2011; Belk, 2001). The interviewees who participated in this study were predominantly male (n=24, 96%). The male-dominance of the recruited interviewees is in line with the studies that focused on the adult collectors' gender imbalance (Apostolou, 2011; Belk, 2001). The literature review explains this phenomenon in terms of economic imbalance (Belk, 2001) and display of resource acquisition capacity (Apostolou, 2011). Particularly, the competitive and aggressive collecting behaviors of consumer goods require money and resources that has been historically skewed towards the male population (Belk, 2001). Moreover, from the standpoint of

evolutionary psychological and theoretical biology, being able to have a large collection has been crucial for males to prove their resource acquisition capacity to other males (Apostolou, 2011). Further investigation could also investigate if, to what extent, and why there is gender imbalance within the sneakerhead community. This would add to other researchers' findings about gender imbalance among collectors (Apostolou, 2011; Belk, 2001).

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APPENDICES

APPENDIX A

RESEARCH PROTOCOL

10/28/2016

1. Protocol Title: From Retail to Resale: Exploring the Resale Behaviors of Sneakerheads

PERSONNEL

2. Principal Investigator: Brigitte Cluver
3. Student Researcher(s): Jin Woo (Jimmy) Choi
4. Co-investigator(s)
5. Study Staff
6. Investigator Qualifications

The PI has a PhD in Design and Human Environment, has conducted previous qualitative research involving human subjects and apparel consumption, and has experience directing graduate student research projects. The student researcher has taken graduate level coursework in research methods. Both the PI and student researcher have completed IRB training.

7. Training and Oversight

As stated in the IRB Research Protocol template, “The PI is responsible for the conduct of the study, all human subject protections issues, and for the timely and complete submissions of IRB related documents.”

Recruitment: The Student Researcher will provide the PI with information regarding where the recruitment will occur, as well as electronic copies of the two consent documents that will be administered to participants. The PI will check that the recruitment methods and the consent documents are the same as those approved by the IRB.

Data Storage: The student researcher will store final data on his password protected computer. The PI will store final data on a flash drive that will be stored in her locked office for three years.

PI absences: The PI will provide training and oversight during the entire time of data collection and analysis, even during non-contract months.

8. Conflict of Interest

None of the study team members, or any of their family members, have a financial or other business interest in the source(s) of funding, materials, or equipment related to this research study.

FUNDING

9. Sources of Support for this project (unfunded, pending, or awarded)
Unfunded

DESCRIPTION OF RESEARCH

10. Description of Research

The primary purpose of this study is to explore the resale behaviors of the sneakerheads, the people who wear, collect, and trade sneakers avidly. The four research questions are as below:

- 1) Why do sneakerheads participate in the resale market?
- 2) What factors into resellers' perceptions of a sneaker's value?
- 3) What behaviors do resellers exhibit during pre-acquisition, acquisition, use, storage, and disposition (including resale) of sneakers; what motivates these behaviors?
- 4) What do resellers like and dislike about the sneaker resale market?

Findings from this research will be used in the student's dissertation, presented at an academic conference, and submitted for peer-review publication.

The research will combine two different methods: netnography and Interviews. The netnography (content analysis of an online community) will be conducted on a website that does not need an ID and does not require any kind of account to access the publicly-available information. The interviews will be done via online (i.e., Skype) and phone.

11. Background Justification

This qualitative research will explore (1) the valuation process of collectible consumer goods (e.g., sneakers), (2) the various motivations of different resale behaviors, and (3) the relationship between resale motivations and one's behavior throughout the Inventory Ownership Cycle (IOC) (Boyd & McConocha, 1996).

This study focuses on the sneaker reseller market, a market that has not yet been researched. In this study, the reseller is defined as a consumer who purchases goods from retailers and then sells these good to consumers. The sneaker resale market is quite large. This growth can be attributed to the emergence of the online consumer-to-consumer (C2C) marketplace (e.g., eBay and Craigslist) in which pre-owned consumer goods can be sold to anyone (Chu, 2013; Chu & Liao, 2007, 2010). Although this is a growing market, the inner-workings of this market, however, has not been researched in terms of resale sneaker valuation and reseller behavior.

The researchers are investigating the research questions through the lens of Meaning Transfer theory (McCracken, 1986) and the Inventory Ownership Cycle (Boyd & McConocha, 1996). This topic has not been investigated through such lenses, and therefore, it is anticipated that findings will add more insight into the aforementioned theory and model.

12. Multi-center Study

- a) Name and Federal Wide Assurance (FWA) number of each participating institution:
Indiana University (FWA00003544)
 - b) Contact name and information for IRB of record at each participating institution:
Office of Research Compliance (Human Subjects)
Phone: 812-856-4242
Email: IRB@IU.edu
 - c) Contact name and information for the Investigator(s) at each participating institution:
Minjeong Kim (Associate Professor in the Department of Apparel Merchandising and Interior Design in the College of Arts and Sciences at Indiana University Bloomington)
Email: kim2017@indiana.edu
Phone: (812) 855-4053
 - d) Role of each participating institution (e.g., recruitment, sample/data collection, sample/data analysis, etc.): Data Analysis (The person will not have access to the personal information of the participants and will not interact with them)
 - e) Method for assuring all participating facilities have the most current version of the protocol:
The student researcher will create share the most up-to-date protocol with the PI and Dr. Kim using google drive.
 - f) Method for confirming that all amendments and modifications in the protocol have been communicated to participating sites:
The researchers will communicate the research information with Dr. Kim via email and phone calls.
 - g) Method for communicating to participating facilities any serious adverse events and unanticipated problems involving risks to subjects or others:
The researchers will communicate the research information with Dr. Kim via email and phone calls.
 - h) Method of communicating regularly with participating sites about study events:
The researchers will communicate the research information with Dr. Kim via email and phone calls.
 - i) Approval letters from all of the IRBs of record for all participating sites (or indicate that they are pending and provide upon receipt): Not needed (Discussed with IU IRB)
 - j) Confirm that the PI at OSU will maintain documentation of all correspondence between participating sites and their IRBs of record: The PI at OSU will maintain documentation of all correspondence between participating sites and their IRBs of record
13. External Research or Recruitment Site(s)
- a) Name or description of each research site:
 - Netnography portion of study and recruitment for interview portion of study: The Sneakerhead sub-category of the website, Reddit.com

(<https://www.reddit.com/r/Sneakers/>). We may use additional websites to recruit participants.

- Interview portion of study: web conference tool (e.g., Skype) or phone call
- b) Name and role of appropriate authority from each site providing a letter of support or permission (when applicable): Not applicable.
- c) Name of each recruitment site:
The Sneakerhead sub-category of the website, Reddit.com will be used for the netnography and interview recruitment. The interview recruitment will also include snowball sampling (see 14. Recruitment section).
- d) If recruitment method involves more than an advertisement (newspaper classified, flier, listserv email), name and role of appropriate authority from each site providing a letter of support: Not applicable.
- e) Attach or include the final content of the ad or correspondence to be used for recruitment check
(see 14. Recruitment section)

14. Subject Population

- A description of participant characteristics: The population of this study (interview) is restricted to individuals who are legally adults in their states so the individual can consent to participation without the approval of a parent or guardian.
- Total target enrollment number: 25
- Description of any vulnerable population(s): As the study will be open to anyone who is an adult in their state, it is possible to have subjects that are pregnant women. However the study will not be addressing anything that would put the woman at risk. Additionally, the researchers are not excluding participants based on ethnicity, and it is possible that an OSU student or employee may be on Reddit.
- Inclusion and exclusion criteria: The adult interviewees must: (1) have high level of commitment of sneaker collecting (e.g., higher than 4 of the 7-point Likert scale), (2) feel that they have sufficient financial background to collect sneakers (e.g., higher than 4 of the 7-point Likert scale), (3) have some resale experience (both buying and selling), (4) must be able to do an interview online (e.g., Skype) or by phone, and (5) must be an adult in the state in which he/she resides.
- Recruitment:
Recruitment method 1: A purposive snowball sampling technique will be used. The student researcher has an established relationship with an individual that collects sneakers and knows others that collect sneakers, as well. This individual will send a recruitment email to friends he/she believes meet the criteria (recruitment email is included in this protocol). Furthermore, individuals that participate in the study will also be asked to email the recruitment information to others that might be interested in participating. In

the recruitment email, individuals who are interested in participating will be instructed to email the student researcher, who in turn, will contact the individuals to set up an interview. Precautions will be taken to ensure that participant confidentiality will be maintained. The individuals that choose to participate in the study will only be known to the student investigator and all identifying information will be kept confidential.

Recruitment method 2: The same recruitment email will be posted on the Sneakerhead Reddit page and potentially other websites.

Email and Post to be used for recruitment

Subject: Participate in a research project about the sneaker resale market.

My name is Jin Woo (Jimmy) Choi and I am a graduate student at Oregon State University. Currently I am recruiting individuals to participate in a study about sneakerheads' resale behavior. The research project is titled, "Retail and Resale: Exploring the Resale Behavior of the Sneakerheads." If you (1) have high level of commitment to sneaker collecting, (2) feel that you have sufficient financial background to collect sneakers, (3) have some resale experience (both buying and selling), and (4) can do an interview online (e.g., Skype) or by phone, I would like to interview you to learn how and why you resell sneakers, as well as what you think about the sneaker culture. You must be an adult in your state to participate the interview.

If you are interested, you will need to first visit the following link to complete a short (5-minute) survey to find out if you are eligible to participate.

If eligible, you will be asked to answer some demographic questions and enter your email and the researcher will contact you to schedule an interview. The interview will be conducted either on the phone or using online conference tool (e.g., Skype) at a later date. The phone/online interview will last between 45 and 60 minutes. Your interview will be recorded for data analysis purpose only. To compensate participants for their time who finished the interview, they will be offered a \$25 Foot Locker gift card via email.

Your responses will be kept confidential and your participation in this study is completely voluntary. You have the option to end the screening survey and the interview at any time.

To participate, please email me at choijin@oregonstate.edu.

If you have any questions, please contact the Primary Investigator, Dr. Brigitte Cluver at Brigitte.Cluver@oregonstate.edu or 541-737-9586.

Thank you for your time,

Jimmy Choi
Oregon State University
choijin@oregonstate.edu

15. Consent Process

Before the online screening survey begins, informed consent forms will be shown, and the purpose of the study will again be explained along with their roles and rights as participants. Participants will be asked to read the Informed Consent Document and indicate their consent by participating in the survey. Because the study poses minimal risk to participants, no signature will be collected for the Informed Consent Form. Participants will be able to print a copy of the informed consent form to keep for his/her records. There will be no documented link between participant numbers/pseudo names and corresponding consent document. Those who would like to opt out of voice recording, will be able to withdraw with no penalty. The consent process will be followed by the screening survey (see 17. Eligibility Screening).

16. Assent Process

N/A

17. Eligibility Screening

The eligibility requirements are stated in the text of the recruitment email/post (see 14. Subject Population). Those who visit the consent/screening survey link will be directed to the screening survey after the consent page. If, after reading the consent document, an individual is interested in participating, he/she will be directed to survey questions that will ultimately determine eligibility. An individual who answers survey questions that show his/her level of commitment of sneaker collecting is higher than 4 on the 7-point Likert scale, that his/her belief that he/she has sufficient financial background to collect sneakers is higher than 4 on a 7-point Likert scale), and that he/she has both sneaker buying and reselling experience, and that he/she is able to be interviewed either online (e.g., Skype) or by phone. Those who do not meet the criteria will be informed that they do not meet the criteria to participate in the study. Those who do meet the criteria will be asked to provide their name and email address that the student researcher will use to initially contact them to schedule an interview.

Screening Questionnaires

1. How much are you committed to collecting sneakers? (7-point Likert Scale, where 1 is not at all committed and 7 is extremely committed)
2. Do you think you have sufficient financial background to collect sneakers? (7-point Likert Scale, where 1 is not at all sufficient and 7 is extremely sufficient)
3. Do you have both sneaker buying and reselling experience?
 - a. Buying (Yes/No)
 - b. Reselling (Yes/No)

4. Are you able to be interviewed either online (e.g., Skype) or by phone?
 - a. Online (e.g., Skype) (Yes/No)
 - b. Phone (Yes/No)
 5. Are you an adult in your state? (Yes/No)
- (If eligible) Participants will be shown the following questions.
6. What is your current gender identity (check all that apply)?
 - a. Male
 - b. Female
 - c. Trans male
 - d. Trans female
 - e. Gender non-conforming
 - f. Different identity (please state)
 7. How old are you?
 8. What is your ethnicity?
 - a. White or European American
 - b. Black or African American
 - c. Hispanic or Latino American
 - d. Asian or Asian American
 - e. Native American
 - f. Pacific Islander
 - g. Other (please specify)
 9. What is the highest degree or level of school you have completed (if currently enrolled, highest degree received)?
 - a. Some high school, no diploma
 - b. High school graduate, diploma or the equivalent (for example: GED)
 - c. Some college credit, no degree
 - d. Trade/technical/vocational training
 - e. Associate degree
 - f. Bachelor's degree
 - g. Master's degree
 - h. Professional degree
 - i. Doctorate degree
 10. What is your current occupation?

- a. Student
- b. Homemaker
- c. Self-employed
- d. Employed for wages
- e. Military
- f. Retired
- g. Not Employed
- h. Other (please specify)

11. What is your annual household income level?

- a. Below \$20,000
- b. \$20,000 - \$39,999
- c. \$40,000 - \$59,999
- d. \$60,000 - \$79,999
- e. \$80,000 - \$99,999
- f. Over \$100,000
- g. Would rather not say

12. What is your Zip Code?

13. Please enter your email for scheduling the interview.

18. Methods and Procedures

The web recruitment email and post will provide a consent/screening survey link to the participants. A purposive snowball sampling technique will also be used in which individuals are recruited via email. The survey will take five minutes to complete. Eligible participants will be instructed to enter their email address. The student researcher will contact these individuals via email to schedule the interview.

The student researcher will interview up to 25 participants. The interview will last approximately 45 to 60 minutes and will be conducted via online or phone. A semi-structured interview guide will be used throughout the interview. The interviews will be audio recorded and jottings will be taken during the interview itself. If participants do not give permission to be audio recorded, they will be informed not to participate. At the conclusion of the interview, each recorded interview will be transcribed by the student researcher (or a transcription service that has privacy policy that meets OSU IRB requirements). Once the data is transcribed, the data will be analyzed looking for recurring themes. Findings will be used to develop a model that describes and explains how and why some consumers resell sneakers.

19. Compensation

To compensate participants for their time who finished the interview, they will be offered a \$25 Foot Locker gift card via email.

20. Costs

There will be no costs associated with the implementation of and the participation in this study.

21. Drugs or Biologics

N/A

22. Dietary Supplements or Food

N/A

23. Medical Devices

N/A

24. Radiation

N/A

25. Biological Samples

N/A

26. Anonymity or Confidentiality

Participants will be referenced to a number assigned to them in the order in which they are interviewed. For example the first participant interviewed will be Participant 1 and the second will be Participant 2. Pseudo-names will be assigned to each participant when data is presented through presentation or publication. Neither the assigned numbers nor the pseud-names will be traceable to participants' actual names. Data from the interviews will be stored on the student researcher's password protected laptop computer. The computer storing data will meet level one requirement. The data will be backed up on the student researcher's personal hard drive. Electronic copies of the interviews, transcripts and analysis will be retained on a flash drive stored in the PI's locked office for at least three years after the conclusion of the study. Participants may choose to provide their real name or a pseudonym for the purpose of correspondence. Email addresses will be retained in order to alert the participants of any changes to the consent form and to debrief them on the findings of the study. The identity of the participants will only be known to the student researcher and principle investigator.

27. Risks

There is no foreseeable risk associated with participating in this study.

28. Benefits

There are no foreseeable benefits to participants. However, the study is going to

fill the gap of knowledge and benefit the academic community and the society.

29. Assessment of the risks and benefits.

There are no foreseeable risks and there are benefits to society.

APPENDIX B

Interview Guide

Basic Instructions

- Make the question simple and open-ended (use “Tell me about...” phase)
- Start with the easy questions
- After finished make a short second interview for supplement
- Make sure there are no distractions during the session
- Talk little and try to listen as much as possible
- Be polite (make them feel comfortable and talk)
- Encourage and allow the interviewee to share their opinion in a good manner
- Check the record devices (use at least two different devices with fully charged batteries)
- Probe (e.g., Why? Can you tell me more about it? Silence)

Basic Script and flow

A. Start with an icebreaker (Max. 2 minutes)

- Introduce myself and the study

I am interested in hearing about your experience of sneaker resale as a sneakerhead. I want to know how you resell sneakers or buy from others and how it influences your behaviors related with sneakers (e.g., buying, wearing, and collecting). All of the conversations would be confidential, so please be

comfortable to share your story. If you have any concerns or questions now or during the session, please let me know.

B. Intro (Setting the stage)

- Have you ever heard of the term **sneakerhead** and do you think yourself as a sneakerhead?
 - Can you tell me about your collection?
 - Why do you collect sneakers?
 - What do you do with your sneakers?
- Have you ever heard of the term **reseller** and do you think yourself as a reseller?
 - Under what condition, would you or did you resell a pair of sneakers?
 - What do/did you do with the money after reselling the sneakers?
- Do you think people can make **profit** by reselling sneakers? Why?
 - What do you think about those people who resell **for profit only**?

C. RQ1 What factors into sneakerheads perception of a sneaker's value?

- What's your favorite model of sneakers and why is that model so special?
 - What would be the average resale price of that pair? Why?
- Tell me about the most expensive model you've ever had.
 - What would be the average resale price of that pair? Why?
- What do you think impacts the resale value of the sneakers?
 - Tell me about the **cultures (e.g., hip-hop & basketball)** related with sneakers
 - Do you have role models in terms of sneakers?

- How are they related with you as a sneakerhead?
 - Can you tell me about how you got those?
 - Do you still have them? Are you going to resell them?
Why?
 - Is there anything that would make you to consider selling them? Why?
- Tell me about the difference between the **OG models** and **retro models** (nostalgia)?
 - How and why are they different in terms of value?
 - Are there any retro models you value more than other sneakers?
 - Can you tell me about how you got those?
 - Do you still have them? Are you going to resell them?
Why?
 - Is there anything that would make you to consider selling them? Why?
- How do you think about the supply and demand of the sneaker market?
 - What was the most limited pair of sneaker that you've bought before?
 - Can you tell me about how you got those?
 - Do you still have them? Are you going to resell them?
Why?
 - Is there anything that would make you to consider selling them? Why?

- How and why does the limited quantity impact the value of sneakers?
- Beyond what you described in terms of value, are there any other things about these sneakers that make them important to you? How so?

D. RQ2 What behaviors are exhibited by sneakerheads during pre-acquisition, acquisition, physical possession, and resale of sneakers they intend to resell; what motivates these behaviors?

- Do you think you treat your sneakers differently if they have resale value in them or when you intend to resell them?
- What was the pair that you recently sold?
 - Tell me about **how you decide** to buy that pair of sneakers
 - How did you know about the pair?
 - What did you consider before you purchase that pair?
 - Tell me about **how you got** that pair of sneakers
 - Where did you get the pair?
 - How was the purchase experience (price, place, effort)?
 - How did it feel when you first got them?
 - Did you **wear** them a lot or not at all (e.g., rotation, beaters, creasing, shoe laces, customization)? Why?
 - Tell me about **how you stored** that pair of sneakers (e.g., display, garage, storage, box & receipt)
 - Where did you put them? Why?
 - How long did you have them before selling? Why?

- Tell me about **how you took care of** that pair of sneakers (e.g., wash, clean, spray, re-paint, customize) Why?
 - Do you have a specific way to preserve the value of your sneakers?
- Tell me about **how you sold** that pair of sneakers
 - Why did you decide to sell your sneakers?
 - Who did you sell them to?
 - Did you sell them to another sneakerhead, friend, or stranger?
 - How did the transaction go?
 - How did it feel to sell them (e.g., happy, regretful)?
- What was the pair that you sold for the **highest amount**?
 - **(Repeat the question set above)**

E. RQ3 What do sneakerheads like and dislike about the sneaker resale market?

- How do you think about the sneaker resale market?
 - Tell me about the best moment related with sneaker resale?
 - Tell me about the worst moment related with sneaker resale?
 - Do you have any thoughts or concerns about the negative incidents related with sneakers?

F. Outro

- Is there any other thing that you want to share?

G. Briefly summarize what we did today and debrief what I would going to do with this again. Express gratitude for participating and inform the following process and contact info. (Approx. 1 minutes)

APPENDIX C



Human Research Protection Program
Institutional Review Board
 Office of Research Integrity
 8308 Kerr Administration Building, Corvallis, Oregon 97331-2140
 (541) 737-8008
IRB@oregonstate.edu | <http://research.oregonstate.edu/irb>

**EXEMPT
 DETERMINATION**

Date of Notification	10/31/2016	Date Acknowledged	10/28/2016
Principal Investigator	Brigitte Cluver	Study ID	7540
Study Title	From Retail to Resale: Exploring the Resale Behaviors of Sneakerheads		
Study Team Members	Jin Woo Choi		
Review Level	Exempt	Category(ies)	2,4
Submission Type	Minor Change		
Funding Source	None	PI on Funding	N/A
Proposal #	N/A	Cayuse #	N/A

The above referenced study was reviewed by the OSU Human Research Protection Program (HRPP) office and determined to be exempt from full board review.

EXPIRATION DATE: 07/07/2021

The exemption is valid for 5 years from the date of approval.

Annual renewals are not required. If the research extends beyond the expiration date, the investigator must request a new exemption. Investigators should submit a final report to the HRPP office if the project is completed prior to the 5 year term.

Comments: Added compensation; decreased interview length

Please note when applicable, if the PI has not already done so, the HRPP staff will update the version date on the protocol and consent document(s).

Principal Investigator responsibilities:

- Certain amendments to this study must be submitted to the HRPP office for review prior to initiating the change. These amendments may include, but are not limited to, changes in funding, study population, study instruments, consent documents, recruitment material, sites of research, etc. For more information about the types of changes that require submission of a project revision to the HRPP office, please see: http://oregonstate.edu/research/irb/sites/default/files/website_guidancedocuments.pdf
- All study team members should be kept informed of the status of the research. The Principal Investigator is responsible for ensuring that all study team members have completed the online ethics training requirement, even if they do not need to be added to the study team via project revision.
- Reports of unanticipated problems involving risks to participants or others must be submitted to the HRPP office within three calendar days.
- The Principal Investigator is required to securely store all study related documents on the OSU campus for a minimum of three years post study termination.