

A Legendary Pair.

'StockX - The Current Culture Marketplace'

Framing hype, value and questioning
fairness

Abstract Submission to the 7th Interdisciplinary Market Studies
Workshop, Edinburgh, 2023

Dr Emma Reid and Dr Katherine Duffy



TIFFANY & CO.

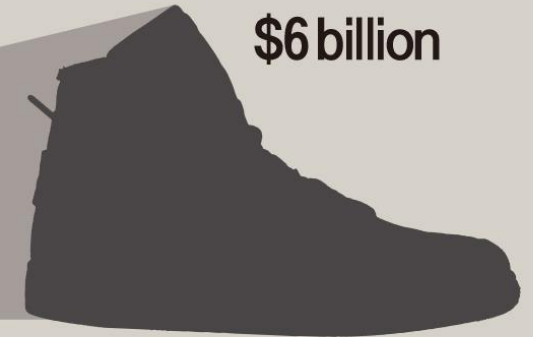
Rationale for Research

- This research develops our interest in secondary markets (Duffy, Reid and Finch, 2019) to another multibillion-dollar secondary market – the sneaker resale market
- Resale markets have been mainstreamed - Sneakers are a \$72.7Bn market, forecast to continue to grow (Statista, 2023)
- Sneakers treated and traded as assets
 - These markets:
 - Thrive on scarcity
 - Shaped by digitalisation, hype and projective storytelling
 - Balanced against insatiable consumer demand
 - Raise questions of access and fairness

Global sneaker resale market size



\$6 billion



Most valuable sneakers

source: Cowen & Company

\$2,000
(931%)



Jordan 3 Retro
Oregon DUCKS
PE Promo

source: TheRealReal

\$2,900
(1,520%)



Nike X Kanye West
Air Yeezy 2 Red October

\$3,000
(1,400%)



Tom Sachs X Nike
Mars Yard 2.0




\$2,000
(953%)



Off-white X Nike
the Ten Air Jordan 1
High Chicago

Keynote: Are Shoe Drops the Markets of the Future? Cultural Framing of the Sneaker Economy ✕

 Tracks **Auditorium** **Lecture Theatre 1A** **Lecture Theatre 1B** **Lecture Theatre 2** **Lecture Theatre 3**
Lecture Theatre 4

 Friday, June 2, 2023
 9:00 AM - 10:00 AM
 Auditorium

Overview

Sharon Zukin, Professor Emerita of Sociology and of Earth and Environmental Sciences, Brooklyn College and the CUNY Graduate Center

Chair: Richard Williams

Details

Shoe drops, or events that mark the release of limited editions of special sneaker styles, are the centre of complex networks of transnational producers and urban consumers that establish a new model of ideation, curation, and monetization for the future economy. From gray market resellers to highly paid creative artists, the sneaker economy integrates low-wage labour and high-stakes financial



Why sneakers? Markets and consumer practices

- Product category as cultural artefacts, associated subcultural fanaticism of consumer practices and language of 'sneakerheads' (Denny 2021; Evans 2015; Brace-Govan and de Burgh-Woodman, 2008; Slaton and Pookulangara, 2022)
- Move beyond hobby into professionalisation of resale market
- Dual, overlapping roles of consumer and seller/ collector/wearer/flipper
- Role of digitalisation in creation, maintenance and disruption in the market(s) - role of bots
- The sneaker brand in the primary market is likely to focus on scarcity as a sales tactic, through selling limited edition sneakers, launched on a specific date
- Social media announcements, previews, membership of forums, other groups can ensure that the target audience is made aware of the forthcoming existence of the product

Framing the Sneaker Resale Market

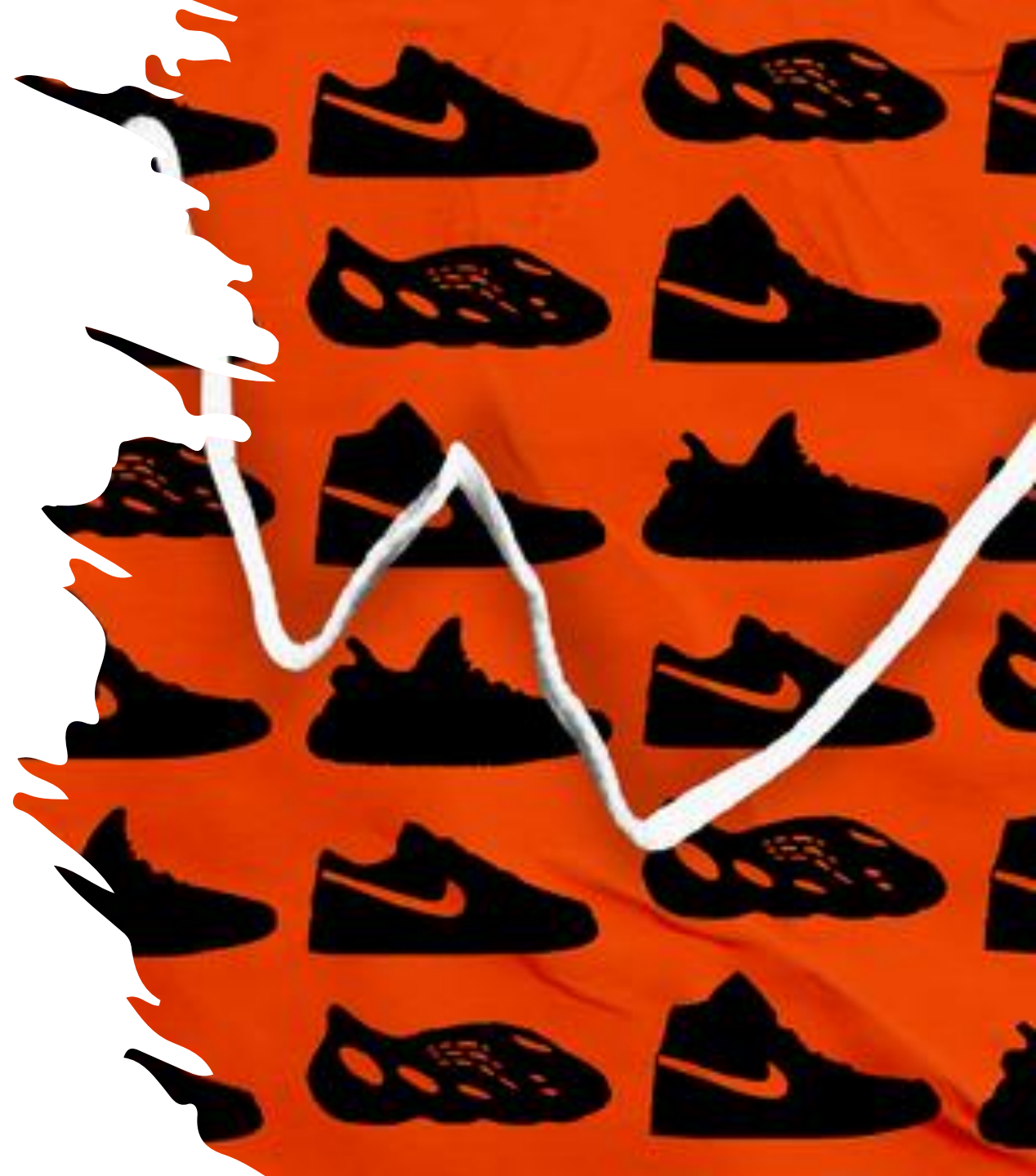
Market devices include algorithms, bots and social networks, “material and discursive assemblages that intervene in the construction of markets” and help to make the object calculable. This can drive hype in the market, creating perception of artificial scarcity

- Markets imply an anthropology of calculative agents as they are enacted in a network of humans and nonhumans (Callon, 1998), framing, modifying and equipping devices
- Framing includes passivation, marketising of agencies, market encounters, the role of price- setting and the design and maintenance of a market (Callon, 1998) making the market visible and calculable
- Joining and participating in this market requires knowledge from both buyers in these markets – buyer 1 in the primary market, and the buyer in the resale market – access not uniform and standardized, it requires skill which leads to questions of access and fairness
- This knowledge includes understanding the sneaker brand, understanding the resale customer base, timing, the potential resale value, the timing of the drop, the timing of the potential resale (how long to hold onto the asset before flipping), prior market behaviours and others. Therefore, any purchase is based on a series of calculations and qualification



Value

- Borrowing from *Valuation Studies* - value as a social construct, with valuation as a collective construction (Kjellberg and Mallard, 2013). This leads us to question the objects, infrastructures, and knowledge systems that facilitate this activity of valuing in this secondary market.
- Value here is presented as a collective distributed activity involving diverse expertise and technologies (Beckert & Aspers, 2011; Kornberger et al., 2015; Vatin, 2009) that needs to be socially contextualised (Beckert, Rossel, & Schenk, 2017).
- Çalıskan and Callon (2009, 386) notion of 'modes' of valuation offers a promising avenue for understanding the processual dimensions.
- Building on Appadurai's (1988) observation that goods have 'careers' – therefore definitions of value are constantly evolving to conclude that 'the values of things are not determined by regimes or exchange systems, **but they emerge from sequences of transformations, initiated by people, that modify their status.**'
- The connections and tensions between valuing regimes of primary and secondary market



Market devices framing hype

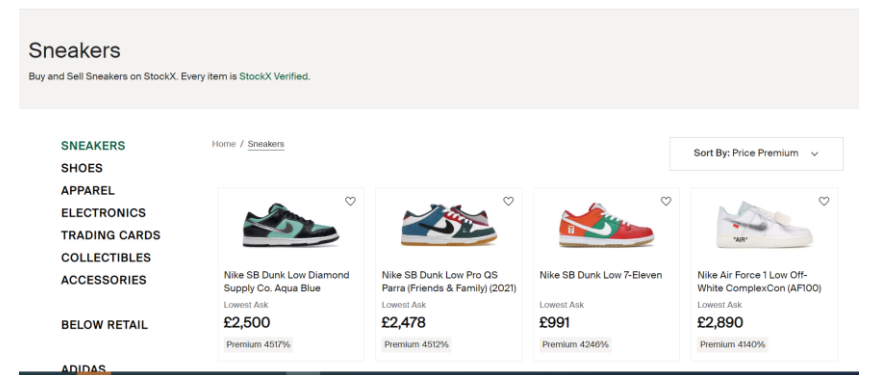
Digital interventions and new intermediaries (Tankha and Dalinghaus, 2020) such as bots and algorithms drive hype

- Bots artificially raise the amount of inventory within the secondary market. Bots can be used as a way of purchasing rare inventory from the primary market at scale
- Algorithms can reappraise and adjust prices in the secondary market based around changing market conditions Algorithms could be objects of ignorance (automated decision making) - Lange et al (2019)
- Dynamic pricing in the secondary market is also shaped by algorithms which can prevent sneaker consumers from entering the secondary market due to these practices
- Sneaker resale market is unstable and contested resale market (Finch, Geiger and Reid, 2017) with a lack of boundaries
- This all results in reduced purchase opportunities for 'real' consumers within the primary market, lack of fairness and issues with accessing the market



Calculative Action for an Imagined Future

- The market practices in the primary sneakers market focus on the use of hype and scarcity messaging (Cremer, 2018)
- In a way this ‘hype’ market, could be seen as ‘promissory’ as it organises the space based on the potential or anticipated secondary value (Pollock and Williams, 2010)
- The market practices in the sneaker resale market, defined as “the bundles of practices including material arrangements that contribute to perform markets” (Araujo, Kjellberg and Spencer, 2008:8) involve knowledge of the markets, scarcity of the product (drops, limited edition), understanding of fan behaviours, previous sales information and potentially emotional involvement
- This often leads to the passivation of entities traded (Duffy, Reid and Finch, 2019) whereby some speculators (Su, 2010) purchase sneakers from the primary market purely as investment, with a view to selling at profit in the secondary market
- Success of the resale market could be considered as an ‘imagined future’ (Berkert, 2016), where sellers base decisions to buy and sell sneakers despite uncertainty in the future, with decisions based on calculative devices such as market knowledge, data and information from social networks (Cassar, 2021)



Our Study

Stage 1 - Digital Traces (ongoing) (O'Docherty and Neyland, 2019)

- Netnographic study of TiffanyXNike collaboration 2023 - online conversations from pre-launch to sale/resale
- Documentary analysis - StockX data, market data, media releases, news stories

Stage 2 - Ethnographic study (planned Autumn 2023)

- Depth interviews with consumers/resellers who use StockX to uncover market practices around hype and fairness

Pre-launch to launch....

Creating hype... questioning fairness for
consumers...

A Legendary Pair.



nike  • [Follow](#)



nike  @nike x @tiffanyandco, a legendary pair.

Coming soon... 

Edited · 17w



jewleeb Black AF1ehhh



17w 8 likes Reply

— View replies (2)



nikechicago  Ain't that the truth




17w 808 likes Reply

— View replies (6)



celinalocks  Para tudo!!!!   



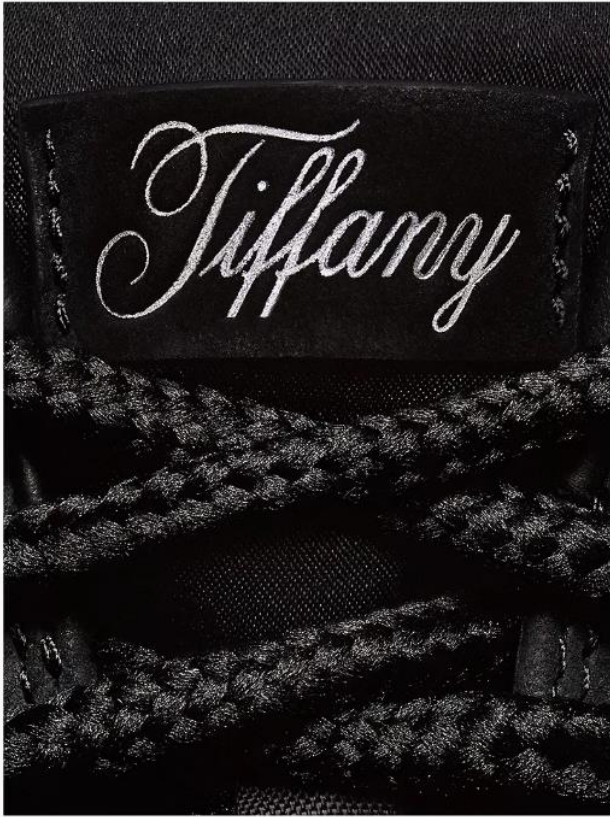
 1,441,311 likes

JANUARY 29

/ & Co.  @TiffanyAndCo · Mar 3

on't walk. The Nike/Tiffany Air Force 1 1837 list is now closed,
it's too late: bit.ly/3ZBSiyf #NikexTiffany #TiffanyAndCo





Nike/Tiffany

An iconic union between two legendary American brands. Sign up for future Tiffany & Co. collaboration updates below.

[Sign Up for Email Updates](#)

Key Insights

Nike Tiffany

Jan 01, 2023 - Mar 05, 2023

Total Mentions

56.7k

↗ ∞%

Previous period:
0

Unique Authors

34.78k

↗ ∞%

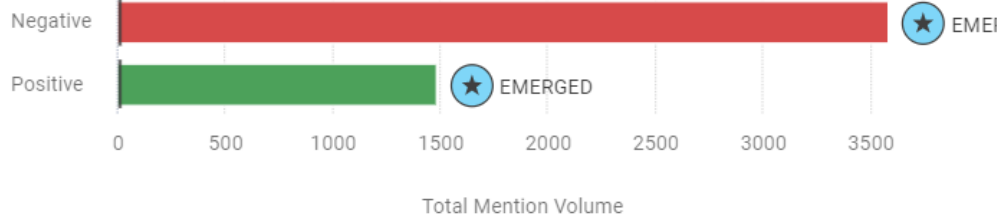
Previous period:
0

Top News Stories

1. [24 best-dressed stars at the SAG Awards 20...](#)
2. [H&M And Mugler To Collaborate For Spring ...](#)
3. [How to Buy the Tiffany & Co. x Nike Air Forc...](#)

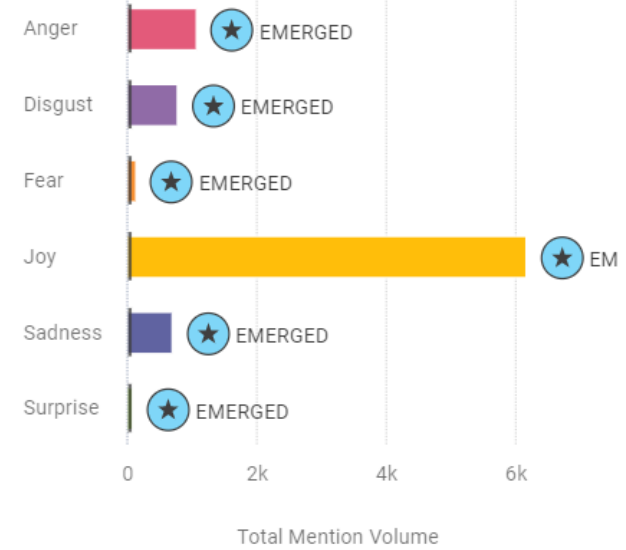
Sentiment Nike Tiffany Jan 01, 2023 - Mar 05, 2023

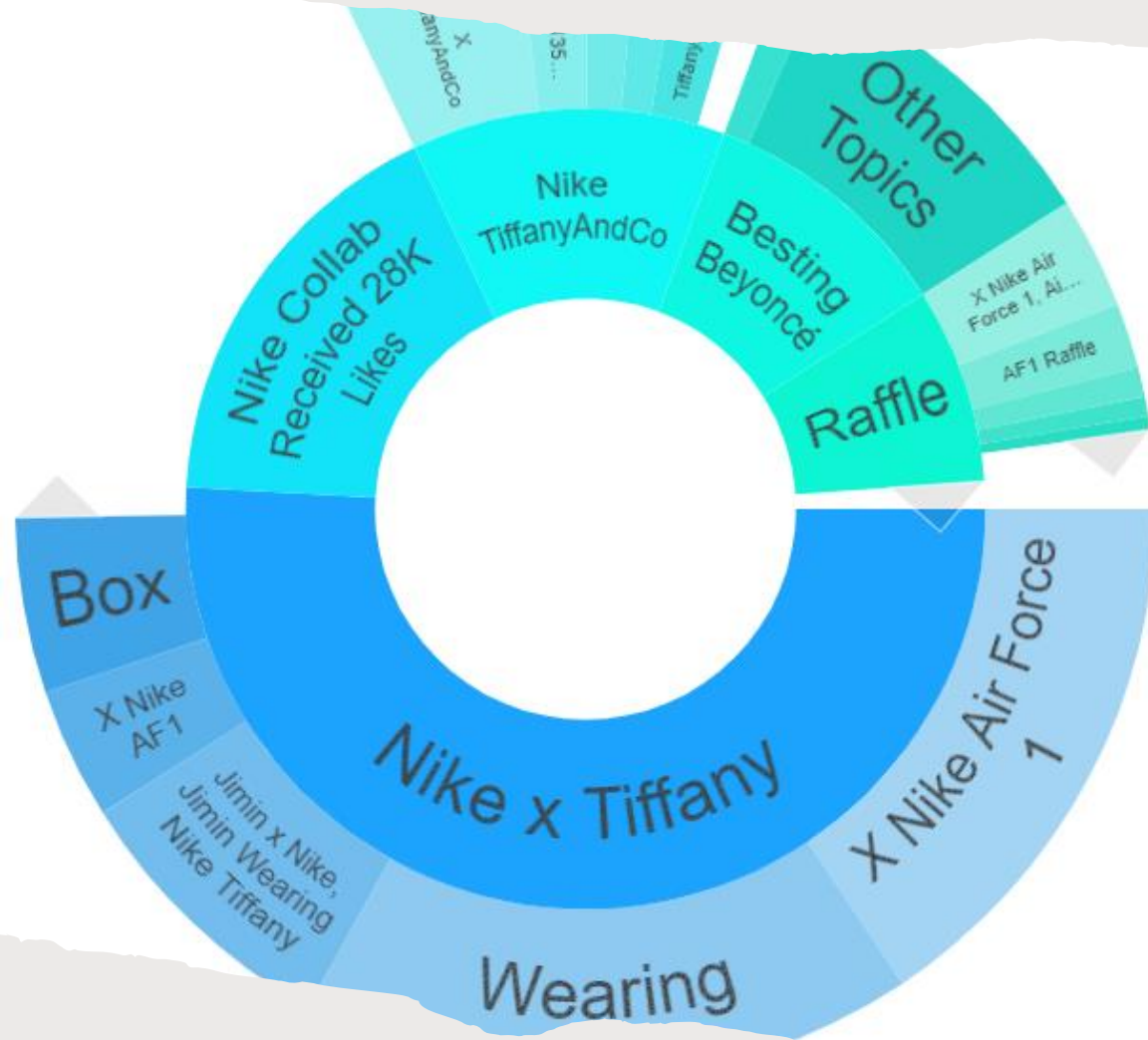
Benchmark Mention Volume for Sentiment for Jan 01, 2023 - Mar 05, 2023 Customize



Emotion Nike Tiffany Jan 01, 2023 - Mar 05, 2023

Benchmark Mention Volume for Emotion f... Customize





Social media conversation topics

Google Trends data

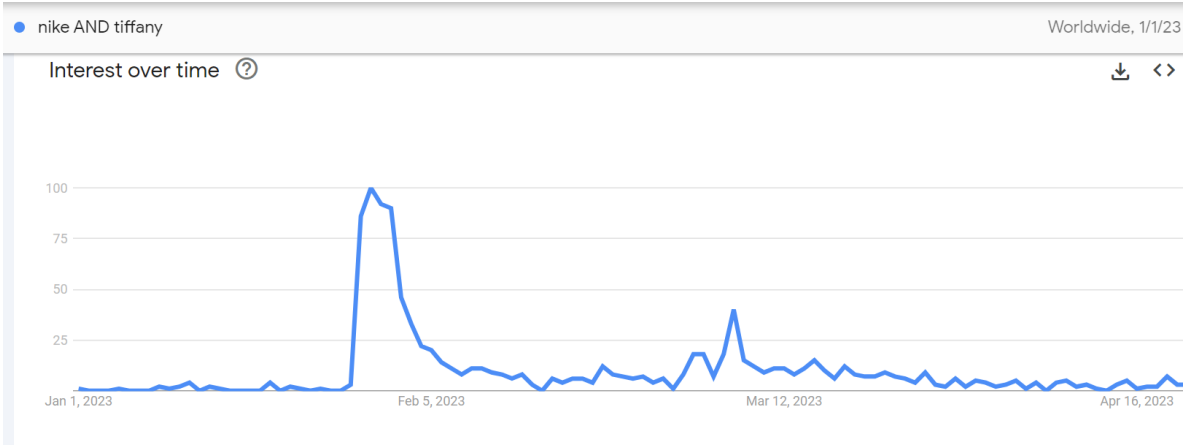


Google Trends Home Explore Trending Now

● nike AND tiffany

Related topics ? Rising ↓ ⬇ ⬅ ➡

- 1 StockX - Company Breakout ⋮
- 2 Nike Air Jordan IV - Shoes Breakout ⋮
- 3 Collaboration - Topic Breakout ⋮
- 4 New Balance - Footwear company Breakout ⋮
- 5 Adidas Yeezy - Shoes Breakout ⋮



Consumer Response

Videos



ARE THESE REALLY WORTH IT?!? Nike Air Force 1 x Tiffany ...

YouTube · Wingzz912
1 month ago



Nike x Tiffany Honest Sneaker Review (Unboxing & On-Feet)

YouTube · Jessica Y. Flores
10 Mar 2023



8 key moments in this video



Air Force 1 x Tiffany & Co. 1837 Review and On Foot

YouTube · ToNYD2WiLD
7 Mar 2023



3 key moments in this video



Tiffany & Co. x Nike Air Force 1 "1837": Review & On-Feet

YouTube · Sean Go
8 Mar 2023



10 key moments in this video

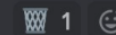
Saved to this PC



Franklin Garcia @fgastoria · Mar 10

@nikestore How does this happen **Nike**...all I wanted was one pair of **Tiffany's** this jackals and his **bot** got 5 pairs. Darn shame

React with 🗑️ to this message within the next 2 minutes to delete the post



1



TrilLOG24 Today at 10:16 AM

Nike Merchandise	\$424.00 >
Nike Merchandise	\$424.00 >
Nike Merchandise	\$424.00 >
Nike Merchandise	\$424.00 >
Nike Merchandise	\$424.00 >

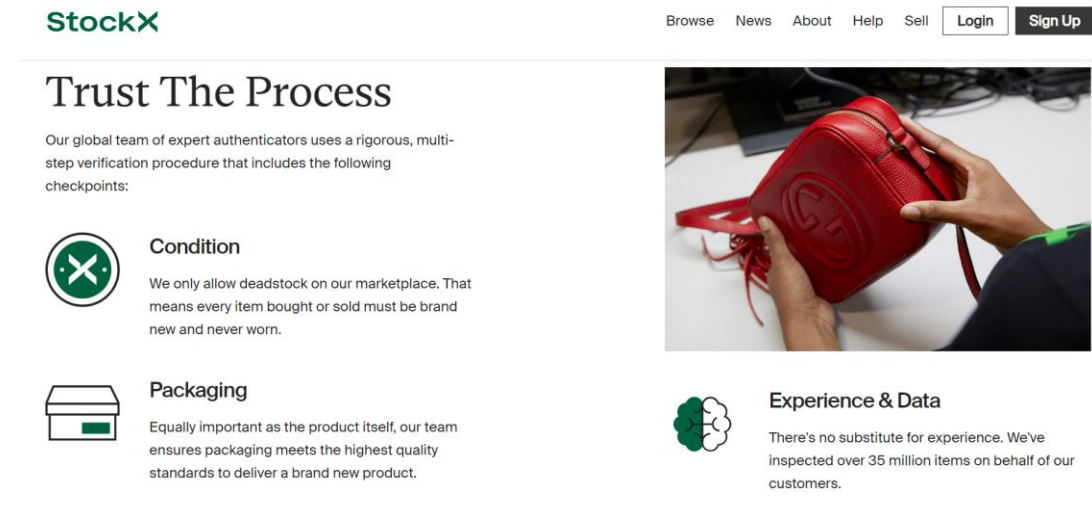


Moving from the
primary to the
secondary market –
introducing StockX
'The Current Culture
Marketplace'

StockX – The Stock Market of Things/ The Current Culture Marketplace

Digital platform acting as a ‘real time stock exchange’ for buyers and sellers of limited-edition deadstock sneakers, streetwear and collectibles

- Valued at \$3.8Bn (2021)
- Market space curated by secondary sellers
- Prices shaped by buyers, where money is exchanged via the platform
- Products go through authenticity checks before the product sale is finalised and goods sent to the buyer

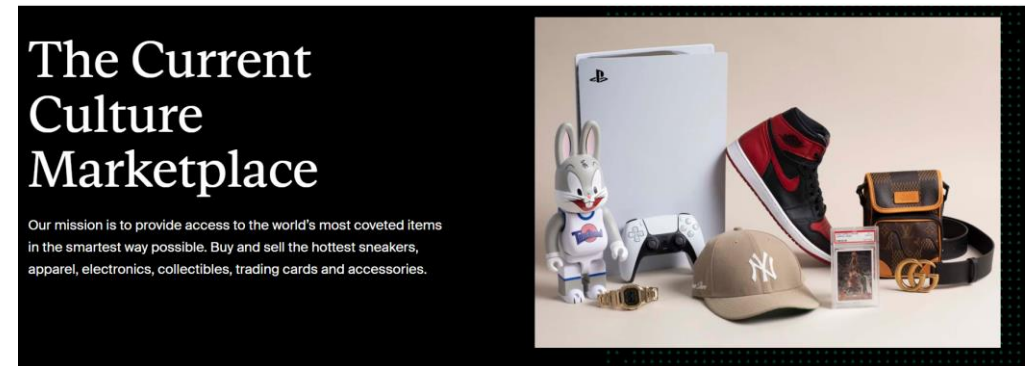


The screenshot shows the StockX website interface. At the top left is the 'StockX' logo. To the right is a navigation menu with links for 'Browse', 'News', 'About', 'Help', 'Sell', 'Login', and 'Sign Up'. The main content area features a section titled 'Trust The Process'. Below the title, a paragraph states: 'Our global team of expert authenticators uses a rigorous, multi-step verification procedure that includes the following checkpoints:'. There are three checkpoints listed: 1. 'Condition', represented by a green circle with a white 'X', with the text 'We only allow deadstock on our marketplace. That means every item bought or sold must be brand new and never worn.' 2. 'Packaging', represented by a white shoe box icon, with the text 'Equally important as the product itself, our team ensures packaging meets the highest quality standards to deliver a brand new product.' 3. 'Experience & Data', represented by a green brain icon, with the text 'There's no substitute for experience. We've inspected over 35 million items on behalf of our customers.' To the right of the text is a photograph of a person's hands holding a red Gucci handbag.

StockX – How is Value Created?

Stock X (and other similar platforms) create value by shaping a new resale market, through the redesign of exchange and stakeholders.

- StockX and the resale market involves economic behaviours embedded in social networks (Granovetter, 1973)
- Resale can happen through personal selling or online sales by individuals. However, risk of fake goods, lack of authenticity, controlled pricing and other elements of fraud. Therefore, we focus our attention on established resale online platforms.
- StockX can act as a mediator, framing the exchange, creating overflows from material objects that do not fit within the frame

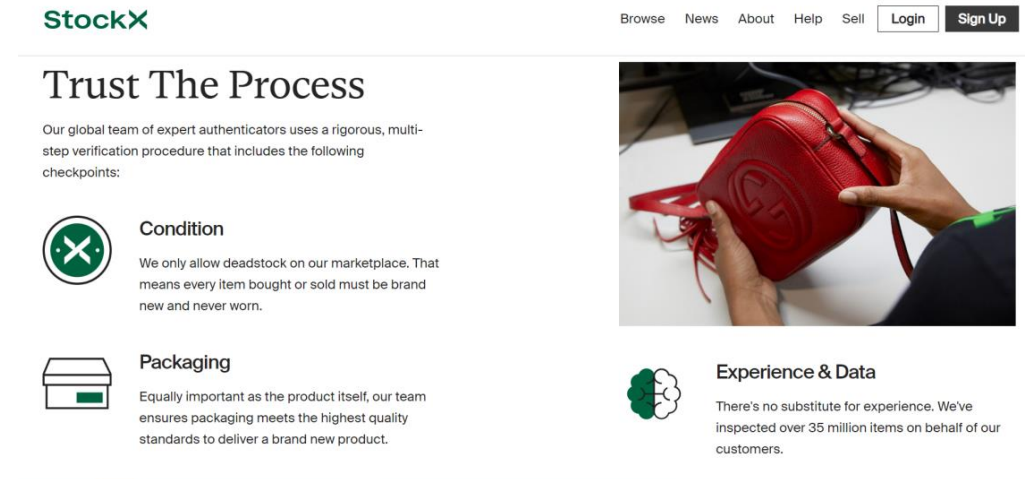


StockX – How is Value Created?

This is realised through the use of governing and regulation to lead to new opportunities within the market.

These governing techniques include independent authenticity checks and transparent pricing techniques). However, this is not without its challenges (Nenonen, Storbacka and Windahl, 2019)

Other influential data includes past demand, time on market, price, number of prospective buyers. On the StockX site, consumers are encouraged to interact and analyse the data available to make their own decisions. This approach affords access and market visibility powered by real-time data that empowers buyers and sellers to determine and transact based on market value



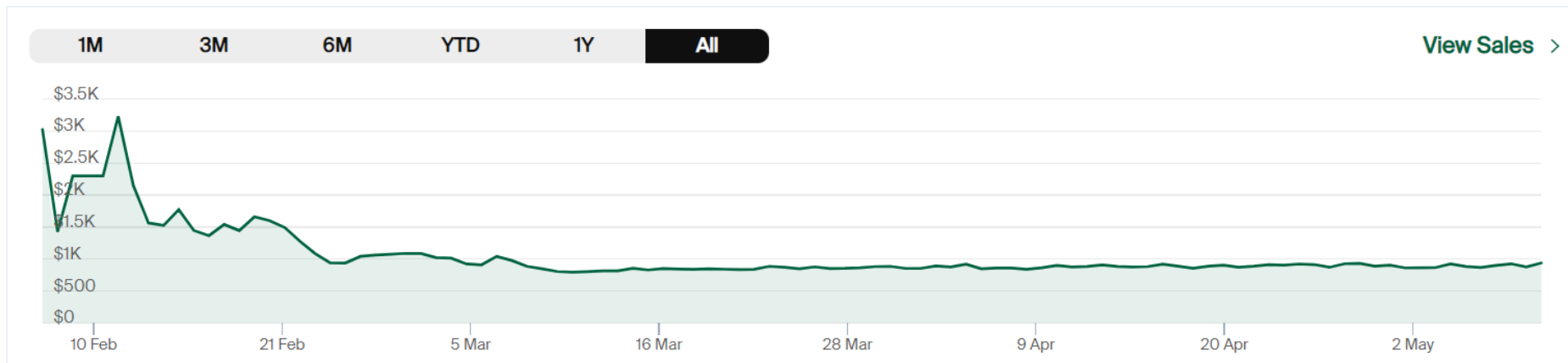
The screenshot shows the StockX website's 'Trust The Process' section. At the top left is the StockX logo. To the right is a navigation menu with links for 'Browse', 'News', 'About', 'Help', 'Sell', 'Login', and 'Sign Up'. The main heading is 'Trust The Process'. Below it is a sub-heading: 'Our global team of expert authenticators uses a rigorous, multi-step verification procedure that includes the following checkpoints:'. There are three checkpoints listed:

- Condition**: Represented by a green circle with a white 'X'. Text: 'We only allow deadstock on our marketplace. That means every item bought or sold must be brand new and never worn.'
- Packaging**: Represented by a white box icon with a green stripe. Text: 'Equally important as the product itself, our team ensures packaging meets the highest quality standards to deliver a brand new product.'
- Experience & Data**: Represented by a green brain icon. Text: 'There's no substitute for experience. We've inspected over 35 million items on behalf of our customers.'

On the right side of the page, there is a photograph of a person's hands holding a red, textured, round handbag with a gold-tone logo.



Price History



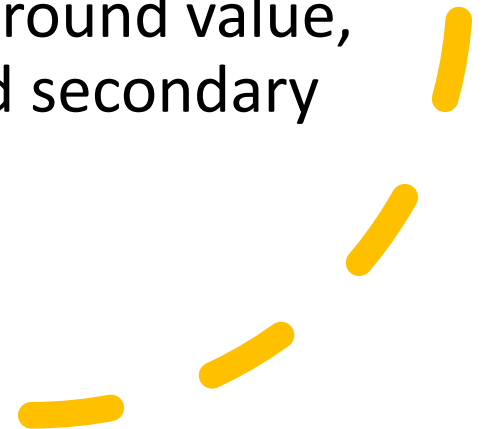
12-Month Historical

£559 - £3,828 12-Month Trade Range	£768 - £1,134 All-Time Trade Range	19% Volatility
6,101 Number of Sales	200% Price Premium	£910 Average Sale Price

What's next...

- Netnographic analysis of data
- Documentary analysis
- Depth interviews with consumers who purchased or tried to purchase this 'drop'

This study will contribute to the growing literature around hype markets and imagined futures using the specific example of sneakers purchased for potential resale value. This study will also contribute to our ongoing research around value, fairness and hype within primary and secondary markets.





Thank you... any
questions/suggestions?

Emma.reid@uws.ac.uk
Katherine.Duffy@glasgow.ac.uk

References

- Araujo, L., Kjellberg, H., & Spencer, R. (2008). Market practices and forms: introduction to the special issue. *Marketing Theory*, 8(1), 5-14.
- Beckert, J., Rössel, J., & Schenk, P. (2017). Wine as a cultural product: Symbolic capital and price formation in the wine field. *Sociological Perspectives*, 60(1), 206-222.
- Callon, M. (1998). An essay on framing and overflowing: economic externalities revisited by sociology. *The Sociological Review*, 46(1_suppl), 244-269.
- Duffy, K., Reid, E., & Finch, J. (2020). Sold out? Reconfiguring consumer demand through the secondary digital ticket market. *Consumption Markets & Culture*, 23(2), 174-194.
- Granovetter, M. S. (1973). The strength of weak ties. *American Journal of Sociology*, 78(6), 1360-1380.
- Finch, J., Geiger, S., & Reid, E. (2017). Captured by technology? How material agency sustains interaction between regulators and industry actors. *Research Policy*, 46(1), 160-170.
- Kjellberg, H., Mallard, A., Arjaliès, D. L., Aspers, P., Beljean, S., Bidet, A., ... & Woolgar, S. (2013). Valuation studies? Our collective two cents.
- Lange, A. C., Lenglet, M., & Seyfert, R. (2019). On studying algorithms ethnographically: Making sense of objects of ignorance. *Organization*, 26(4), 598-617.
- O'Doherty, D., & Neyland, D. (2019). The developments in ethnographic studies of organising: Towards objects of ignorance and objects of concern. *Organization*, 26(4), 449-469.
- Nenonen, S., Storbacka, K., & Windahl, C. (2019). Capabilities for market-shaping: triggering and facilitating increased value creation. *Journal of the Academy of Marketing Science*, 47, 617-639.
- Plante, M., Free, C., & Andon, P. (2021). Making artworks valuable: Categorisation and modes of valuation work. *Accounting, Organizations and Society*, 91, 101155.
- Pollock, N., & Williams, R. (2010). The business of expectations: How promissory organizations shape technology and innovation. *Social Studies of Science*, 40(4), 525-548.
- Su, X. (2010). Optimal pricing with speculators and strategic consumers. *Management Science*, 56(1), 25-40.
- Tankha, M., & Dalinghaus, U. (2020). Mapping the intermediate: lived technologies of money and value. *Journal of Cultural Economy*, 13(4), 345-352.