MDDM

Master's Degree Program in
Data-Driven Marketing

Consumer Perception on Limited Edition Products and their Impact in the Reselling Market

How powerful are clothing brands and what do they gain from third-party resellers?

Miguel Augusto Godinho Murat Marques

Dissertation

presented as partial requirement for obtaining a Master's Degree in Data-Driven Marketing

NOVA Information Management School
Instituto Superior de Estatística e Gestão de Informação
Universidade Nova de Lisboa

NOVA Information Management School
Instituto Superior de Estatística e Gestão de Informação
Universidade Nova de Lisboa

Consumer Perception on Limited Edition Products and their Impact in the Reselling Market

How powerful are clothing brands and what do they gain from third-party resellers?

By

Miguel Augusto Godinho Murat Marques

Master Thesis presented as partial requirement for obtaining the Master's degree in Data-Driven Marketing, with a specialization in Marketing Intelligence

Supervisor: Professor Teodora Szabo-Douat, Ph.D

July, 2024

STATEMENT OF INTEGRITY

I hereby declare having conducted this academic work with integrity. I confirm that I have not used plagiarism, any form of undue use of information or falsification of results along the process leading to its elaboration. I further declare that I have fully acknowledged the Rules of Conduct and Code of Honor from the NOVA Information Management School.

Miguel Marques

Lisbon, July 2024

DEDICATION

To my mother, the pillar of strength and a shining example of what a single mother can be and achieve, while always finding time to dedicate herself to her son despite countless challenges. The man I became is thanks to her and for that reason alone I'm truly grateful.

To my girlfriend, the embodiment of resilience, who reminds me to be my true self always, motivating and cheering me up for any achievement accomplished, while showing me love when I needed it the most.

To my friends, who are always there when I need them the most, offering unwavering support and friendship, but also for sharing laughs and never forgetting moments, ideally accompanied over some "Minis".

ABSTRACT

For a percentage of customers, the importance of what shoes, clothes, or accessories they wear is close to null, but the purpose of this dissertation is to investigate the effects of limited-edition products on consumer perceptions and their impact on the reselling market, delving into why some people are drawn to these exclusive items and how their behaviors shape a new landscape in terms of the dynamics for not only the primary market, but also a much less known secondary/resell market. This study also intends to dig into the customer intrinsic value perceptions and behavior among a community that is striving and increasing over the years.

While it is important to acknowledge the consumer perception concerning surge for this type of products, we need to understand the reasons that take someone to dive into this worldwide trend and while covering the topic of this study was confirmed that scarcity and exclusivity significantly enhance the perceived value of these items, motivating consumers through potential financial gain and social status. The research underlines how important brand reputation is and suggests that balancing exclusivity with accessibility is vital for sustaining consumer interest.

Although it would be quite simpler and easier to explain and give an overview of the reasons behind customers' behaviors in purchasing limited-edition products, this analysis will focus on its limitation on a global market and its massive value increase for brands due to a lack of existing studies on this rapidly growing topic but also due to the fact that this is a personal interest onto understanding some of these dynamics from brands perspective, which are the entities that indeed allow a secondary/resell market to even happen.

KEYWORDS

Consumer Behavior; Limited Edition Products; Scarcity; Secondary Market; Premium Cost; Brands; Brand Reputation.

Sustainable Development Goals (SDG):

TABLE OF CONTENTS

LIST OF FIGURES AND TABLES

1. INTRODUCTION

The clothing market has been undergoing major shifts over the past few decades. Brands and shop owners had to learn on how to sell their products once channels like the internet and specifically e-commerce emerged as the most important selling channel, but it also unlocked a new potential on how clothes can create communities that share similar behaviors and interests.

Nowadays, clothes and accessories can be seen as a *Work of Art,* and who is anyone to judge the value that is perceived by each customer, since the same item can be worth completely different amounts according to their appreciation *(Cooper, 1988),* and we can quickly take a look at the perceived value of paintings. In 2017, Salvator Mundi, a painting that is attributed as a work created by world-renown artist Leonardo Da Vinci, was sold for a whopping 450 Million dollars and set at the time, the record for the most expensive painting sold at an auction, but the reason on why this item was sold for this amount was due to numerous characteristic surrounding the painting and its creation, with also the addition that was created by one of the most important artists of the Renaissance Era. The psychological satisfaction behind possessing rare and unique products can lead to generating even more buzz surrounding particular items, differentiate them in terms of perceived value that each customer is willing to give to an item *(Tian, Bearden, & Hunter, 2001).*

Over the past couple of years, the clothing market has been receiving more attention and attracted many customers to view particular items that are sold as an investment since the premium cost of reselling these products historically has been growing and has not shown any reason to stop. But what triggers the interest in owning and then trading these items and what gives them value? Well, with the increase in reselling market, we can clearly state that the most sought out items are the ones that have more limited supply and that can create arousal and induce attractiveness *(Zhu & Ratner, 2015)* due to their scarcity. *Aguirre-Rodriguez (2013)* stated that scarcity provokes a unique sense of perceived value that generates an impulsive behavior in the purchasing process, instead of making decisions to be made after a long thought process.

For capitalizing on product scarcity in the clothing market and their reaction to customers, brands have been introducing us to products that are referred to as *'limited edition' (Gierl, Plantsch, & Schweidler, 2008).*

For example, let us look at the Sneakers Market, which in 2020 was valued at 70 billion dollars and is projected to grow almost 50% in 5 years from the previous projection. Based over the same period, in 2020, the Global secondary Sneaker Market (Reselling) already had a 9% value of the global primary market, but in the next 5 years, the growth of the reselling market is projected to be around 400%, which states the continuous growth on the overall market for reselling and how limited-edition products have a major impact in the secondary clothing economy. This practice on which an end-user is selling his product to another end-customer, that later on can decide on wearing that same product that was purchased or even resell it one additional time, with the possibility for the premium cost to be even higher, based on the hype that the particular item might have at the time, which grants the ultimate explanation to why time and effort is dedicated towards this reselling world, but also we can verify this due to development of technology and the Internet, which facilitates these transactions and allow for the market size to grow *(Chu, 2013; Chu & Liao, 2007).*

Continuing our search over the Sneakers reselling market and explaining the financials that trigger customers to dive into this world, let us look at Stock X, a company launched in 2016 that specializes in clothing reselling as an online marketplace. Their business model consists of allowing placement of auctions between buyers and sellers, directly into Stock X's website, securing the authenticity of payments, and ensuring via verification inspections that the products are not counterfeited for a percentual fixed fee that is paid from both buyers and sellers. This company alone is worth as of April 2021 3.8 billion dollars and there is an expectation for it to go public soon.
But let us explore a particular selling item based on the public values shared by Stock X and the importance in the economy that reselling customers have on products, particularly limited-edition ones. In May 2019, hip-hop artist Travis Scott created a sneaker collaboration with Jordan brand called "Jordan 1 Retro High Travis Scott", for a retail price of 175$ and the number of pairs released to be around 175.000 (non-official sources). Due to this being a limited item and the fact that Jordan and Travis Scott are well-known names in their work fields, this launch generated a lot of hype, and the product immediately sold out. Well, as of June 2021, more than 2 years after the launch of this pair of sneakers, Stock X reports a Premium Price of 900% over the original retail price, placing the average sale price in their platform at around 1.500$ and counting with over 4.500 sales on this unique product since the launch of the product. Those 900% premium prices, discounting Stock X's fees, and the price paid for the product at a retail cost, can be described as the overall profit margin that a reseller gained.

Despite the premium price that generates wealth/profit for just the end-users, brands such as Nike, Rolex, or Louis Vuitton insist on releasing collections of limited-edition sought out items, without caring that on a primarily look, they would be losing on the margins that are being collected in the secondary reselling market and therefore why one of the main focus behind this paper is to understand why brands will surely gain even more prestige, value and recognize by putting their effort and launching furthermore Limited-Edition items, while allowing for the secondary resell market to grow.

In this thesis, and upon a deep examination onto how scarcity and exclusivity drive consumer interest and financial gain, the study aims to provide insights into the economic thresholds that influence purchasing decisions, particularly in the context of limited-edition products. Additionally, by gaining a better understanding of consumer behavior and loyalty in response to product scarcity, this research will explore brand roles and check how they can improve their strategies for pricing, product development, and marketing, while also highlighting the excitement and prestige that comes with limited-edition releases.

By understanding the factors that drive consumer behavior in the secondary market market, brands can better position themselves to capitalize on this growing trend and get a step ahead in terms of a more engaged and loyal customer base.

2. LITERATURE REVIEW

2.1. WHAT DEFINES A LIMITED-EDITION PRODUCT

Exclusivity is a large influence of the needs that customers have in the overall market and clothing retailers have this in mind while creating their new products. Different items are released at different levels of stock, and there are different strategies and methods that brands choose in the process of launching a new product. A general release (Cassidy, 2018) refers to a product that is widely available to the public across multiple regions and through various retail channels. (As an example, you can find the majority of clothing products launched by the *Adidas* brand not only in their shops but also in retailers like *Sport Zone* or *Decathlon)* and its goal is to maximize the product's market reach and sales by ensuring it is accessible to as many potential customers as possible. On the other hand, limited-edition product releases (Gierl, Plantsch & Schweidler, 2008) can be referred to as an item that is produced in low quantities, in a deliberate way, inducing a sense that the quantity produced cannot keep up in the demand. While general releases have the goal to reach multiple markets and overall consumers, releases of limited-edition goods are less usually available and concentrated to very few markets and/or shops worldwide.

Consumers expect a product or brand to be more useful and personal than the product itself (Eom & Lee, 2012), elucidating to an item that automatically adjusts its scarcity to their demand in the current market (Balachander & Stock, 2009). The search for limited edition products is becoming more popular nowadays and requires further investigation into why it has become a strategy for a lot of brands, especially in the clothing market.

This can be explained in an intrinsic value since consumers have developed throughout the years a need to own and express themselves uniquely and differently from others, and that can be achieved by owning a product that others cannot possess (Snyder & Fromkin, 1977), creating a sense of popularity towards a product or brand. Consumers want to express their own identity by expressing what type of products they, therefore, consuming the products that are close to their self-image (Lee, 2016). (Jeon & Kim, 2010) noted that "*the intrinsic meaning of clothing items includes a method of exposing the pursuit of beauty, manifestation of identity, and the object of collection*".

Many brands/companies in the clothing market are following a different business strategy by turning their products into a more unique and stylish item (Spence, 1976), intending to make their products stand out in the eyes of consumers with ongoing innovations and unique creations to dive into not only what their core customers want, but also understand what is the overall landscape that the market is searching for (Warnett, 2016).

The global reselling market of limited-edition products is rapidly increasing, having millions of customers thriving to have access to these types of products, becoming more common in a person's daily life.

2.1.1. Historical evolution of limited-edition products

The concept of limited-edition products has evolved significantly over the decades. Initially, limited-edition strategies were primarily employed in the art and luxury sectors, where exclusivity was inherently linked to the product's value (Peterson, 1997). As time progressed, other industries began to adopt these strategies to enhance their brand appeal and market presence.

In the early 20th century, limited-edition prints and collectibles were marketed by emphasizing their scarcity and uniqueness. This approach catered to a niche market of collectors and enthusiasts who valued rarity (Phillips, 2014). The rise of mass production in the mid-20th century saw a decline in the exclusivity of many products, but limited editions retained their appeal in certain sectors. For example, the music industry in the 1970s and 1980s saw a rise in limited-edition vinyl records and box sets, aimed at collectors and dedicated fans (Kotler & Keller, 2016). This period marked a shift where limited editions began to be used not only as a means of enhancing exclusivity but also as a tool for engaging deeply with a brand's most loyal customers.

The 1990s and early 2000s witnessed the digital revolution, significantly impacting limited-edition strategies. Brands in various sectors, including technology, began to release limited-edition products to create hype and urgency (Thompson, 2014). Apple's release of limited-edition iPods and other tech gadgets exemplifies this trend. These products were often marketed through sophisticated campaigns that leveraged emerging online platforms to reach a broader audience. The digital era also saw the rise of special edition video games and software, which included exclusive content or packaging (Bhattacharya, 2018).

The evolution of limited-edition strategies has been driven by several key factors. Technological advancements have enabled brands to reach global audiences more efficiently, making it easier to create and manage limited releases (Varadarajan, 2020). Consumer behavior has also played a significant role; as consumers increasingly seek unique and exclusive products, brands have adapted by offering limited editions to meet these demands. Additionally, the economic landscape has influenced these strategies; during economic downturns, limited-edition products can provide a revenue boost by appealing to high-net-worth individuals and collectors who continue to seek exclusive items (Miller, 2007).

2.2. Understanding customer desires in the limited-edition market

The pattern of possession practices has been increasing throw the years following a new era of hyper-consumerism, introducing a new sense that the consumer experiences have become meaningless (Lipovetsky & Roux, 2003). Contemporary consumers have shown less interest in wanting and exhibiting a new product but instead showing a steady interest in the experiences that the product might have on their life (Bardhi & Eckhardt, 2012), "*instead of buying and* *owning things, consumers want access to goods and prefer to pay for the experience of temporarily accessing them."*

Consumers may lookout for products that are hard to find or that demonstrate uniqueness (Gierl & Huettl 2009) and the psychological impact of scarcity is enormous, demonstrating that a feeling of anxiety about total consumption of a product may increase the relative value of a product (Lynn, 1991). Ultimately, the scarcity of products increases consumers' psychological value to products and affects consumers' willingness to buy.

It appears that customers that trade in the secondary reselling market of limited products cannot clearly define what is their place as owners or even understand their roles since one customer can be a collector, a wearer, or a reseller (or even at all the same time) and the goal for this study aims to understand how consumer behaviors are shaped by individuals' intentions to resell a collectible / limited product (Boyd & McConocha, 1996).

Do we need to ask how a clothing product can create a unique experience for customers? How does this differ from merely showcasing new products to gain status and reputation in society? Addressing these questions highlights the concept of conspicuous consumption, which explains the social and psychological motivations behind purchasing exclusive items that offer more than just practical value. This concept reverts to the practice of purchasing an item that will most likely demonstrate the status of the customer in the society or at least among its peers, while also giving a sense of wealth, due to the premium price of the limited-edition product in the secondary market. Conspicuous consumption products signal a variety of different characteristics and consumers may find in these limited products associations with certain groups to demonstrate compliance and uniqueness (Gierl & Huettl 2010). Not only clothing items can be cataloged as conspicuous consumption, but we can also insert in this category paraphernalia related to sports or music, classic cars, among others. While these aspects are still important, often factors such as scarcity, popularity, or uniqueness will be more likely to trigger a purchase decision when a consumer is considering options for conspicuous consumption (Wu & Lee, 2016).

Another important characteristic of products meant for any form of conspicuous consumption is scarcity. In reference to commodity theory, Brock stated that "*any commodity will be valued to the extent that it is unavailable*" (Gierl & Huettl, 2010). In relation to conspicuous consumption, this means that a product that is available universally has no value for conspicuous consumption, as there is no way to differentiate an owner from the average consumer. For example, a good that is universally available has no conspicuous consumption value to a consumer attempting to express uniqueness, as there are no restrictions to stop other people from also purchasing that good. However, a good that is scarce due to high demand would also hold no conspicuous consumption value, as this would testify to its popularity and widespread nature (Lynn & Harris 1997).

Let's look closely at a particular item that has been gaining popularity and is responsible for an increase in demand within the secondary market of limited-edition goods: Sneakers.

The main feature behind the development of sneakers was to increase the athlete's performance, and that evolved into a new wave of on which brands understood the landscape switching towards the massification of sneakers into not only sports but also in a way for customers to express their style while having comfort wearing the product (Semmelhack, 2015). To many consumers in modern society, sneakers represent freedom, autonomy, and individuality (Botterill, 2007). Sneakers, but also other types of clothing items and accessories go way deep in the socioeconomic status and can be valued by consumers for numerous reasons, either in a way of wearing the item or in a more unknown and sometimes hard to understand, simply collect them. This consumer group that developed patterns to collect and even in the future consider the possibility of reselling the item, profiting from it does not follow the traditional consumer behavior model that is usually taught in universities (Semmelhack, 2015).

The search for the most coveted items are not just "flowers", having its own downsides. Besides the high competitiveness in the oversaturated retail market, on which these limited-edition products are firstly launched, signs of the use of bots (hacking software that increases the odds of securing items in online channels) (Danforth, 2016; Jones, 2015b) or even in extreme cases, some incidents tend to occur resulting in violence and hospitalizations around the release of the most sought out items on physical channels (Associated Press, 2014; Augustine, 2013; Tejada, 2015).

2.3. THE IMPACT OF BRANDS IN CUSTOMERS' WANTS AND NEEDS

Before diving into customers' needs, we need to dissect this term first and its correlation to clothing products. Needs, include all human physical needs such as food, clothing, security, or heat (Bayus & Shane, 2008). Human needs are not given at birth but act like learning mechanisms towards self-defense because if we considered for example a natural disaster such as an earthquake, a person would just focus on things that have real intrinsic value. However, if we look closer, we are considering clothing as a "need" for this study in particular, but why? It will only serve as a way for us to get warmth or maybe look more stylish compared to the person crossing with us on the street, but does this explains it all? Yes, it does, if we look outside of the primary level of needs and proceed onto understanding that the "wants" side, which is affected by a cultural and globalized market that we live our life's (Kotler, 2013). For example, if a person intends to purchase a warm jacket to keep itself protected from the cold, we must consider this as a need, but it becomes a "want" if the purchase intended was the latest jacket launched by Gucci or Prada, which adds pleasure to the buyer, although the need was going to be surpassed even with a 20€ jacket both at a thrift shop.

By tackling what a customer needs versus what truly wants is the goal for some of the major players in the clothing market and brands go to great lengths to learn about and understand their customers' needs, wants and demands. By returning to the topic of conspicuous consumption, we have to introduce the role that this behavior has on the actions that brands take to understand customers' needs and how their actions are perceived. When a product is linked to a brand that has great roots and is well inserted in its own market, the effectiveness as a social indicator increases and can develop certain connotations to its name, products, or even logo. Along these lines, brands can work as status symbols, and wearing a marked item is a simple way for buyers to imply similar qualities about themselves (O'Cass and Frost, 2002). This to a limited clarifies the strong notoriety that brands have while also being known as having their items heavily branded with stamped logos across their products as brand decision turns into a medium through which customers can express their personality (Schwarzenberger and Hyde, 2013).

In the clothing / limited products business, marketing has for a while assumed an exceptionally focal part because of escalated competition within its market with the growing sense that the customer "wants" are being more required nowadays, requiring customers to go way deep in the research to look for that piece that will guarantee a new status or sense of belonging, even with a premium cost paid many times more than the retail cost, representing a moral perspective that brands have to promote and allocate efforts towards its different channels to keep up with the competition (Kotler, 2013), while also developing an even stronger and tight relationship with the core customers.

In order to keep developing a close bond with their customers, a brand needs to be trusted. Brand trust is achieved through mutual experiences and activities and is a necessary concept for a successful relationship between a company and its customers (Anderson & Narus, 1990). Choi (2012) defined trust as a belief where the consumer's chosen brand will result in the best outcome possible, either in terms of wearing the items for comfortability, style or even gaining monetary value (if the product being resold onto the secondary market has a higher value compared to its retail price when initially purchased, and by building its trust within their customers base, will most likely increases the chances that consumers will be able to choose their items over other products from their direct competition (Erdem & Swait, 2004).

To keep up with demands, brands need to collaborate with each other or even with celebrity personalities to attract new audiences, and although this is not a new practice (Cooke & Ryan, 2000), since every major brand has done in unique ways (collaborations with brands from other markets such as Pepsi, between the same market Adidas x Prada or even collaborating with its own competition like the example of Balenciaga and Gucci), we can see that the trend keeps on rising.

If we take a close look at the sneaker market once more, the process is distinctly different from a signature shoe line, which is created under the brands umbrella and with a unique name, such as the "*Air Max 1*" and a collaborative show which is meant to deliver an extra recognition that is associated with the additional brand involved. Collaborations can result in a wholly new product created, or simply a new colorway added to the model in question and keep on proving successful in improving product value within the eyes of consumers, which is simple to trace through a sneaker's secondary market resale price and the how collaborations are ranked among the most sought out items for both customers that have the intention of wearing the item but also to act as a collectable.

Since most of the products that results from a collaboration most likely will induce a rush by customers of both brands, the behavior towards the creation of scarcity concerning a product can be used as an important tool for marketing, which can improve the inclination that a brand has on the customer to create a sense of urgency and high necessity to have that particular item (Shin, 2017). While it is safe to say that scarcity has a positive effect on the attractiveness of the product and most likely induced by brands to revamp their "buzz" in the market, this only applies when the scarcity creates a huge demand to fill customers necessities ("wants"), and not when this occurs in an organic manner (Shin, 2017). From a brand management perspective, limited edition is created on purpose to limit the supply of products to create the illusion of increased and maintained exclusivity while increasing profit and competition among peers in the same market (Lee & Wo, 2016). Millennials are now the largest consumer-group in limited edition goods and are more interested in the symbolic value of a good (Shin, 2017).

2.4. PSYCHOLOGY BEHIND COLLECTION AND RESELLING BEHAVIORS

The act of collecting, especially in the realm of limited edition items, transcends simple acquisition; it's a complex interplay of emotional, social, and often economic factors. Emotionally, collectors are driven by the joy of pursuit, the nostalgia each item evokes, or the satisfaction of owning something unique or rare. This emotional connection is deeply personal, often tied to individual experiences or memories, making each piece in a collection more than just a physical object (Belk, 1995). Socially, collecting often serves as a form of self-expression and a means to forge identity. Within collector communities, there's a shared language and understanding, a sense of belonging that comes from pursuing similar passions. These communities offer a platform for sharing knowledge, experiences, and, importantly, validation and recognition from peers (McIntosh & Schmeichel, 2004).

Reselling behaviors, particularly in the context of limited edition products, are largely influenced by market dynamics and the potential for financial gain. This aspect of collecting is more pragmatic, where the collector turns into a savvy trader, capitalizing on the scarcity and demand for these items. The process of 'flipping' – buying products solely to sell them at a higher price – is fueled by the thrill of the hunt and the satisfaction derived from outsmarting the market (Molesworth, 2003). However, this behavior isn't purely transactional; it also involves a deep understanding of the market and the product's value, both in the present and potentially in the future. The social aspect also plays a role here, as successful reselling can enhance one’s status within the community, often showcased through social media platforms, where the ability to acquire, and then profit from, rare items is a source of prestige and admiration (Chu & Liao, 2007).

This interplay between the emotional and economic aspects of collecting and reselling reveals a fascinating dichotomy in consumer behavior. On one side, there's a deeply personal, emotionally driven journey in collecting; on the other, a calculated, market-savvy approach in reselling. Both are integral to understanding the full scope of consumer behavior in the context of limited-edition products. This duality is what makes the study of collecting and reselling particularly intriguing, highlighting not just the economic value of these items, but their emotional and social significance as well (Pearce, 1995).

Extending this analysis further, it is evident that the psychological motivations for collecting can vary widely among individuals. Some collectors are driven by a desire for completeness or perfection in their collections, seeking to acquire every item within a specific category (McIntosh & Schmeichel, 2004). This pursuit often represents a personal challenge and a source of intrinsic satisfaction. For others, the historical or educational value of the items is paramount, with collections serving as a tangible connection to the past or a specific area of interest (Belk, 1995).

The economics of collecting and reselling also merit further exploration. The secondary market for limited edition items can be highly volatile, with prices influenced by factors such as rarity, condition, brand reputation, and current trends. This market dynamic requires collectors and resellers to be adept at predicting future trends and understanding the nuanced desires of their target market (Molesworth, 2003). Additionally, the advent of online marketplaces and social media platforms has significantly transformed the landscape of collecting and reselling, offering greater accessibility, a wider audience, and increased competition (Chu & Liao, 2007).

2.5. Impact on the Reselling Market

The reselling market, particularly for high-end clothing items and accessories, presents a fascinating study of consumer behavior and market dynamics. This market, largely driven by collectors and enthusiasts, is characterized by its unique purchasing behavior and significant economic impact. Collectors often spend substantial amounts on the secondary market for sold-out sneakers, primarily for non-athletic purposes, indicating a strong preference for supply-scarce products (Cassidy, 2018). The existence of a billion-dollar resale market is a testament to the length’s collectors are willing to go to acquire these items, reflecting the significant influence of scarcity and conspicuous consumption in consumer decision-making.

2.5.1. Scarcity and Market Dynamics

Scarcity plays a pivotal role in the secondary market. Different types of scarcity, such as demand-scarce and supply-scarce, affect consumer decisions uniquely. For instance, sneakers that are hard to find due to high popularity (demand-scarce) or those where the brand intentionally limits the release amount (supply-scarce) create distinct market conditions. Supply-scarce products, in particular, are not aimed at selling the maximum number of items but rather at instilling a sense of exclusivity in the product (Cassidy, 2018; Stock & Balachander, 2005). This practice has been successfully implemented across various products, from technology to high fashion, including sneakers. The limited supply often generates "hype" or increased desirability for a product, even when a large fraction of consumers cannot purchase it.

A notable example illustrating the impact of scarcity is the sale of Nike Air Jordan IV sneakers for $18,500, a significant premium over its original retail price, emphasizing the high value placed on supply-scarce items in the reselling market (Cassidy, 2018). This premium is not just a reflection of the product's material value but also its rarity and exclusivity, further amplified by the limited number of pairs produced.

2.5.1.1. Primary Market Dynamics

In the primary market, limited-edition products are released create a surge in demand due to their perceived scarcity and exclusivity. Brands strategically release these products in limited quantities to generate buzz and anticipation, which often leads to immediate sell-outs upon release. This controlled scarcity leverages the scarcity principle, where the perceived value of a product increases as its availability decreases (Cialdini, 2009). By releasing products in limited quantities, brands can command higher prices and achieve significant profit margins on initial sales.

Additionally, the hype surrounding limited-edition releases can enhance brand visibility and desirability. When a product sells out quickly, it reinforces the brand's image as exclusive and desirable, attracting both current and new customers. This heightened brand perception can lead to increased sales of other products in the brand's lineup, benefiting overall profitability.

2.5.1.2. Secondary Market Dynamics

The secondary market, often facilitated by online marketplaces like eBay, StockX, and GOAT, thrives on the resale of limited-edition products. These platforms allow individuals to buy and sell products at prices often significantly higher than the original retail price, driven by the high demand and low supply of these items (Lux & Bug, 2018). The economic implications for the secondary market are substantial, with some products appreciating in value by several hundred percent.

For example, a limited-edition sneaker released at a retail price of $200 can resell for $1,000 or more, depending on its popularity and rarity. This resale value is influenced by factors such as brand reputation, collaboration partners, and the overall hype generated by social media and influencer endorsements (Powell, 2018).

The secondary market not only benefits resellers but also reinforces the perceived value of the brand and its products. The high resale prices and the continued demand for limited-edition items on the secondary market contribute to the brand's prestige and desirability. This dynamic creates a feedback loop where the success in the secondary market bolsters future primary market releases, as consumers anticipate the potential for appreciation in value and the status associated with owning a sought-after product.

2.5.2. Conspicuous Consumption and Consumer Preferences

Conspicuous consumption, the practice of purchasing goods to convey a certain impression about the owner, significantly influences the high-end sneaker market (Cassidy, 2018; Gierl & Huettl, 2009). These goods often serve as status symbols, signaling characteristics such as conformity, uniqueness, wealth, or social status. The suitability of a product for conspicuous consumption is often determined by factors beyond its quality or features, with scarcity, popularity, or uniqueness being more likely to trigger a purchase decision.

Research by Gierl and Huettl (2009) compared the effects of different types of scarcity on product suitability for conspicuous consumption. They found that respondents favored low supply for conspicuous consumption goods, as this led to goods being more unique and thus more useful for differentiating their owners. In contrast, high demand scarcity was favored for goods purchased for uses other than conspicuous consumption, as popularity usually signifies high product quality. This research highlights the complex interplay between scarcity types and consumer preferences in the context of high-end sneakers.

2.5.3. Economic Implications and Market Behavior

The sneaker market, which has grown into a multi-billion-dollar industry, exerts considerable influence over major sportswear companies. Despite certain products, like the Nike Tanjun, being widely available and lower-priced, companies invest significantly in maintaining the favor and loyalty of niche markets like sneaker collectors (Cassidy, 2018; Powell, 2018). This investment is indicative of the strategic importance of differentiation and innovation in market positioning.

The economic supply and demand curve underpins the market dynamics, where the price self-regulates based on the equilibrium between quantity supplied and demanded. In the sneaker market, many firms pursue a differentiation strategy, looking to make their products stand out through unique distribution channels and product innovation (Cassidy, 2018; Warnett, 2016). This strategy leads to the formation of monopolistic competition, where each firm's offering is distinct, thereby influencing consumer preferences and market behavior.

2.6. INFLUENCE OF SOCIAL MEDIA

The advent of social media has revolutionized the landscape of marketing and consumer behavior, particularly in the context of limited-edition products. Platforms such as Instagram, Twitter, and TikTok have become pivotal in shaping consumer perceptions, generating hype, and driving demand for these exclusive items (Hennig-Thurau, Wiertz, & Feldhaus, 2015). Social media platforms have transformed how consumers discover, evaluate, and purchase products. The interactive and visual nature of platforms like Instagram and TikTok allows brands to showcase their limited-edition products in compelling ways. This visual storytelling is essential for products that rely on aesthetic appeal and exclusivity (Huang & Benyoucef, 2013).

Social media facilitates the creation of communities around brands and products. These communities provide social proof, a psychological phenomenon where people assume the actions of others reflect the correct behavior in each situation (Cialdini, 2009). When consumers see their peers, influencers, or celebrities endorsing a limited-edition product, they are more likely to perceive it as desirable and valuable. Engagement within these communities, such as likes, comments, and shares, further validates the product's appeal and exclusivity.

Influencers play a critical role in driving the hype and demand for limited-edition products on social media. These individuals, who have amassed large followings, can significantly impact their audience's purchasing decisions through their endorsements and content (Freberg, Graham, McGaughey, & Freberg, 2011). One of the key reasons influencers are effective is their perceived authenticity and relatability. Unlike traditional celebrities, many social media influencers are seen as more approachable and genuine, which can make their endorsements more persuasive (Djafarova & Rushworth, 2017). When influencers share their personal experiences with a limited-edition product, their followers are more likely to trust their opinions and perceive the product as valuable, pushed also by the fact that these influencers often receive limited-edition products before they are released to the general public. They share exclusive previews and unboxing videos, generating anticipation and excitement among their followers (De Veirman, Cauberghe, & Hudders, 2017), which can create a sense of urgency, encouraging consumers to act quickly to secure the product once it becomes available.

Brands frequently collaborate with influencers to co-create content or even develop limited-edition products. These collaborations leverage the influencer's personal brand and audience to enhance the product's appeal (Kay, Mulcahy, & Parkinson, 2020). For instance, a sneaker brand might partner with a popular fashion influencer to design a limited-edition shoe, blending the influencer's unique style with the brand's identity.

Brand endorsements by celebrities and influencers are not new, but social media has amplified their reach and impact. Endorsements can significantly boost the perceived value of limited-edition products, as they lend credibility and desirability to the items (Balachander & Stock, 2009). Endorsements by high-profile individuals can enhance the perceived scarcity and exclusivity of limited-edition products. When a product is associated with a celebrity or influencer, it is often seen as more desirable due to its limited availability and the status of the endorser (Balachander & Stock, 2009). This perceived scarcity drives demand, as consumers strive to own a product that is both exclusive and endorsed by someone they admire.

Endorsements provide social validation, reinforcing the idea that the product is valuable and worth purchasing. This validation is particularly powerful when the endorser is highly respected or influential within a specific community (McCracken, 1989). Consumers may purchase the product to emulate the endorser and gain social approval from their peers. Endorsements can also create an emotional connection between consumers and the brand. When a beloved celebrity or influencer endorses a product, fans may feel a deeper attachment to the brand, leading to increased loyalty and repeat purchases (Till & Busler, 2000). This emotional bond can be particularly strong for limited-edition products, as they are often seen as collectibles or special items.

The scarcity principle suggests that people assign greater value to items that are perceived as scarce (Cialdini, 2009). Social media campaigns that emphasize the limited availability of products can create a sense of urgency and increased desirability. Influencers and brands often highlight the scarcity of limited-edition items in their posts to drive demand. The theory of planned behavior states that an individual's intention to engage in a behavior is influenced by their attitude towards the behavior, subjective norms, and perceived behavioral control (Ajzen, 1991). Social media can shape these factors by altering attitudes (e.g., through positive endorsements), subjective norms (e.g., seeing peers engage in the behavior), and perceived control (e.g., making the purchase process seem accessible and straightforward).

Understanding the influence of social media on consumer behavior is crucial for brands and marketers aiming to promote limited-edition products. Brands should strategically partner with influencers who align with their brand values and target audience. Micro-influencers, who have smaller but highly engaged followings, can be particularly effective in creating authentic and relatable content (De Veirman, Cauberghe, & Hudders, 2017). Developing visually appealing and engaging content that is easily shareable can amplify the reach and impact of social media campaigns. User-generated content, such as customer reviews and unboxing videos, can also enhance credibility and authenticity.

Social media platforms provide extensive data and analytics that can be used to track the performance of campaigns and understand consumer behavior. Brands can leverage this data to refine their strategies, optimize content, and identify key influencers. Brands should focus on building and nurturing communities around their products. Engaging with followers through comments, likes, and direct messages can foster a sense of loyalty and belonging, increasing the likelihood of repeat purchases.

Social media has profoundly influenced consumer behavior and the perceived value of limited-edition products. Platforms like Instagram, Twitter, and TikTok facilitate visual storytelling, community engagement, and influencer collaborations, all of which contribute to the hype and demand for these exclusive items. By understanding and leveraging these dynamics, brands can effectively enhance the perceived value of their limited-edition products and drive consumer engagement.

2.7. Why Brands Allow the Presence of the Secondary Market

Market segmentation and targeting strategies play a pivotal role in brands' decisions to allow and even encourage the presence of secondary markets for their limited-edition products. These strategies influence the secondary market, providing economic and psychological benefits for brands. Market segmentation involves dividing the broader market into distinct groups of consumers with similar needs, preferences, and behaviors. For limited-edition products, brands often target segments such as fashion enthusiasts, collectors, and trendsetters. These segments are characterized by their willingness to pay premium prices for exclusive items and their influence within their social networks (Solomon, 2018). Demographic segmentation divides the market based on variables such as age, gender, income, education, and occupation. For instance, luxury fashion brands typically target older, affluent consumers who seek exclusivity and status symbols, while streetwear brands focus on younger, trend-driven demographics (Kotler & Keller, 2016).

Psychographic segmentation considers consumers' lifestyles, personalities, values, and interests. This approach allows brands to align their offerings with the intrinsic motivations of their target audience. Brands might target consumers who value uniqueness, self-expression, and cultural relevance, as these consumers are often willing to invest in limited-edition items that reflect their personal style and social identity (Hoyer & MacInnis, 2010). Behavioral segmentation focuses on consumers' behaviors, such as purchase history, brand loyalty, and usage rates. By analyzing purchasing patterns, brands can identify consumers who are more likely to buy limited-edition products and engage in secondary market activities (Armstrong, Adam, Denize, & Kotler, 2014).

Once the market is segmented, brands employ targeting strategies to reach and engage these specific groups. Precision marketing involves using data analytics to understand consumer behavior and preferences at a granular level. Brands can target specific segments with personalized content and offers, enhancing the relevance and appeal of limited-edition products (Chaffey & Ellis-Chadwick, 2019). Influencer marketing is a key component of targeting strategies for limited-edition products. Brands collaborate with influencers who have a strong following within the target segments, using their endorsements to create buzz and drive demand (De Veirman, Cauberghe, & Hudders, 2017). Influencers often share exclusive previews, behind-the-scenes content, and personal endorsements that resonate with their followers, enhancing the product's appeal and perceived value. Building a sense of community around the brand and its products is another effective targeting strategy. Brands foster communities through social media engagement, exclusive events, and loyalty programs. These communities provide a platform for consumers to share their experiences and create a sense of belonging, further strengthening brand loyalty and encouraging repeat purchases (Muniz & O'Guinn, 2001).

Allowing and even encouraging the presence of secondary markets can provide several economic and strategic advantages for brands. The existence of a thriving secondary market enhances the prestige and perceived value of a brand. When limited-edition products are resold at significant premiums, it signals high demand and desirability, reinforcing the brand's image of exclusivity and luxury (Balachander & Stock, 2009). This perceived scarcity and high resale value can elevate the brand's status in the eyes of consumers, making its products even more coveted (Kuksov & Xie, 2010). The hype generated in the secondary market can drive demand in the primary market. Knowing that a product can be resold at a higher price incentivizes consumers to purchase limited-edition items upon release, often leading to quick sell-outs. This dynamic not only boosts immediate sales but also creates anticipation and urgency for future releases, sustaining high demand over time (Baen, 2000).

Secondary markets can enhance consumer engagement and loyalty. Collectors and resellers who actively participate in the secondary market often develop a deeper connection with the brand, translating into long-term loyalty and repeat purchases. The thrill of acquiring and reselling limited-edition items fosters a sense of community and belonging, further strengthening brand loyalty (Schau, Muñiz, & Arnould, 2009). The secondary market provides valuable insights into consumer preferences and market trends. By monitoring secondary market activity, brands can gain a better understanding of which products are most sought after, what price points consumers are willing to pay, and how demand fluctuates over time. These insights can inform future product development and marketing strategies, ensuring that brands continue to meet consumer demands effectively (Lux & Bug, 2018).

Some brands have started to monetize the secondary market directly by incorporating royalties or fees on resold items. For example, blockchain technology can be used to track ownership and ensure that brands receive a percentage of each resale transaction, allowing them to benefit financially from the secondary market (Chu & Liao, 2007). Brands can strategically leverage the secondary market to maintain their exclusivity and desirability. By controlling the supply of limited-edition products and fostering a robust secondary market, brands create a self-sustaining cycle of high demand and perceived value. This approach not only enhances the brand's image but also ensures that its products remain sought after and relevant in the competitive marketplace (Rogers, 2003).

2.7.1. Comparative analysis between industries

The impact and strategies of limited-edition products vary significantly across different industries, such as technology, luxury goods, and collectibles. Each sector employs unique approaches to maximize the benefits of limited editions, reflecting their distinct market dynamics and consumer expectations.

In the technology sector, limited-edition products are often used to showcase innovation and create a sense of urgency. Companies like Apple and Samsung release limited-edition versions of their smartphones and gadgets, often in collaboration with designers or other brands (Thompson, 2014). These products are marketed as premium versions with exclusive features or designs, appealing to tech enthusiasts and early adopters. The scarcity of these products drives demand and allows companies to charge a premium price, enhancing their profitability. The use of limited editions in technology also capitalizes on the rapid innovation cycles, offering consumers something new and unique that stands out in a crowded market (Bhattacharya, 2018).

In the luxury goods industry, limited editions are integral to maintaining brand prestige and exclusivity. Luxury brands like Louis Vuitton, Gucci, and Rolex frequently release limited-edition products to mark special occasions or collaborations. These items are often produced in small quantities and feature unique designs or materials, emphasizing their rarity (Kapferer, 2012). The marketing strategies in this sector focus on storytelling and heritage, highlighting the craftsmanship and history behind each product. This approach not only justifies the high price point but also reinforces the brand's position in the luxury market. Limited editions in the luxury sector are often accompanied by high-profile launch events and media coverage, further enhancing their allure.

The collectibles industry, encompassing items like art, toys, and memorabilia, relies heavily on the concept of limited editions to drive value and interest. Limited-edition collectibles are often marketed towards niche communities of enthusiasts and collectors who value rarity and uniqueness (Peterson, 1997). For example, the art market uses limited-edition prints to make works more accessible while still preserving exclusivity. In the toy industry, brands like Funko and LEGO release limited-edition figures and sets, often linked to popular culture, to attract both young consumers and adult collectors (Phillips, 2014). The secondary market for collectibles is robust, with items often appreciating in value over time, further incentivizing initial purchases.

Across these industries, the underlying strategy of using limited editions to create a perception of exclusivity and urgency remains consistent. However, the execution and focus vary based on the target audience and the nature of the products. Technology brands emphasize innovation and early adoption, luxury brands highlight heritage and craftsmanship, and collectibles focus on rarity and cultural relevance (Sherry, 2013).

3. METHODOLOGY

The aim and objectives that will be under analysis in this dissertation will be focused on understanding the impact that clothing brands have on the continuous growth of the secondary resell market and find explanations to why these same brands allow its existence, while also going throw motivations that both buyers and sellers may have with the existence of a secondary/resell market.

The study adopts a mixed methods approach to explore consumer perceptions of limited-edition products and their influence on the reselling market. The research framework is built around a detailed survey, crafted to gather quantitative data through closed-ended questions.

3.1. Conceptual Framework

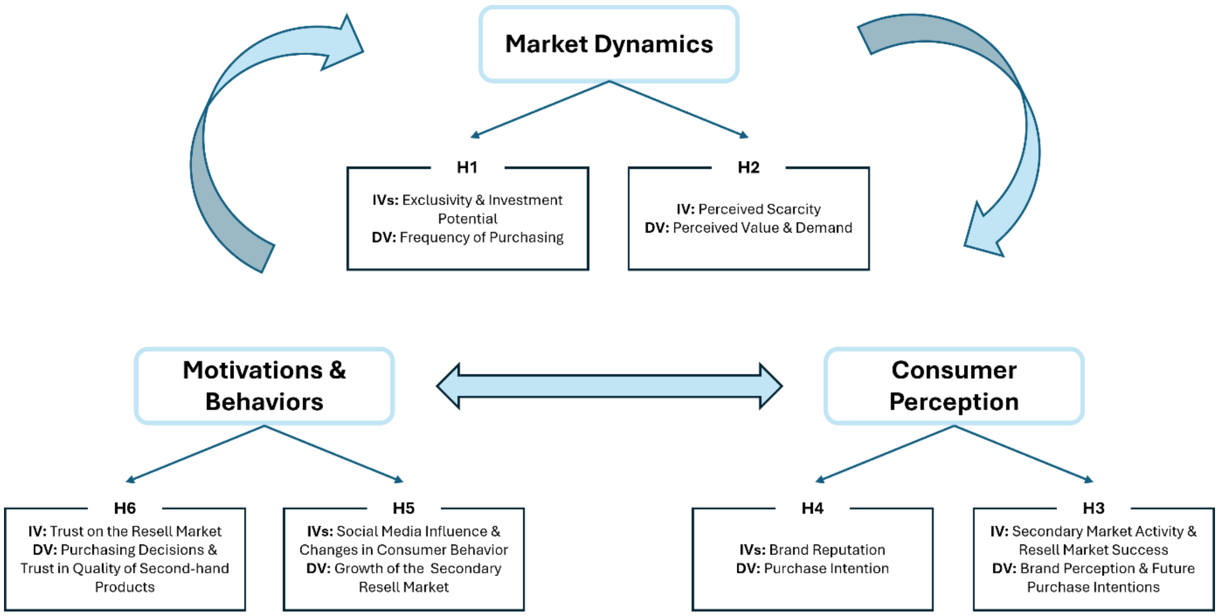

Figure 1 - Theoretical Model

Market Dynamics:

Hypothesis 1 - The primary motivations for purchasing limited-edition products are exclusivity and investment potential.

Hypothesis 2 - The value of limited-edition products increases because they are intentionally made scarce.

Consumer Perception:

Hypothesis 3 - Consumers have a perception of limited-edition products as more valuable due to the brand's reputation and its status.

Hypothesis 4 - The activity in the secondary market positively influences brand perception and future product releases.

Motivations & Behaviors:

Hypothesis 5 - Social media and changes in consumer behavior are significant factors driving the growth of the secondary resell market.

Hypothesis 6 - Consumers have a perception that the secondary market can be at least as safe as the secondary market.

3.2. QUESTIONNAIRE DESING AND SAMPLING METHOD

The questionnaire/survey used in this study is divided into several sections to address different sides of consumer behavior related to limited-edition products and understand their impact not only to customers but also understand the behaviors that it can trigger.

The questionnaire uses a combination of Likert scale items, multiple-choice questions, and open-ended questions to capture a wide range of data. The Likert scale items measure the degree of agreement or disagreement with various statements related to consumer perceptions and behaviors.

Demographic Information: This section gathers data on respondents' age, gender, income level, education, and other relevant demographic variables.

Purchase Behavior: Questions focus on the frequency of purchasing limited-edition products, preferred brands, and average spending.

Perception of Value: Items are designed to measure how consumers perceive the value of limited-edition products compared to regular products.

Reselling Behavior: This section explores the motivations behind reselling limited-edition products and the frequency of reselling activities.

Psychological Factors: Questions aim to uncover the emotional and psychological drivers behind the purchase and reselling of limited-edition products, such as the desire for exclusivity and social status.

3.3. SURVEY APPROACH AND ITS DISTRIBUTION

For this quantitative study, I used an electronic survey through Qualtrics software. The questionnaire was available in English and Portuguese, and it was designed to be completed within 5-7 minutes.
Data was collected from June 15th to July 7th via social media platforms, email mailing lists, and online communities dedicated to limited-edition products, such as Reddit and X (formerly known as Twitter).

The development of the survey questions started with a thorough review of existing literature on consumer perception and its influence on limited-edition products, but also from gathered some outputs from conversations among communities that have an interest not only in limited-edition products, but that also have interest into digging into the role of brands on this process. This review was essential to understand the key variables and themes in this field and to identify research gaps that the survey could address. The survey is divided into four main blocks, as outlined in Appendix A:

1. Limited-Edition Products
2. Secondhand products
3. Primary/Secondary Market
4. Demographic Information

Each block contains several questions aimed at exploring these specific areas in detail.

The choice of an online survey as the research approach was driven by its convenience and accessibility. However, this method also introduced certain limitations, including response bias, possible reach to masses, limited depth of responses, and the inability to thoroughly explore participants' perceptions, experiences, and motivations. These factors should be considered when interpreting the survey's outcomes and results.

3.4. DEMOGRAPHIC OF PARTICIPANTS

The data collection method employed in this study resulted in a total of 82 responses. However, after excluding incomplete or invalid submissions, only 73 responses were considered valid and therefore were included in the final analysis. Among these valid responses, 37 participants were female and 36 were male. The average age of the respondents was 29.2 years, with a standard deviation of 7.0 years. The age range of the participants spanned from a minimum of 21 years to a maximum of 61 years.

- Geographically, a significant majority of the respondents, specifically 82.2%, reside in Portugal. In terms of educational attainment, an impressive 91.8% of the participants hold a degree. Within this group, 39.7% have achieved a master's degree or are currently engaged in postgraduate studies.

- Financially, the survey revealed that a cumulative 80.2% of the respondents earn less than 2000 euros per month after taxes. This finding is notable, as it could potentially influence the results and interpretations of the study. The lower income levels among most of the participants may impact their perspectives and responses, which should be considered when analyzing the overall findings.

Overall, these sociodemographic details provide a comprehensive overview of the study's participants, which are highlighted in Table 1.

Table 1 - Descriptive statistics

		N	Percentage	Cumulative	Mean	Standard Deviation
Age		73	-	-	29,2	7
Gender	Male	37	50,7%	50,7%	-	-
	Female	36	49,3%	100%	-	-
Country of Residence	Portugal	60	82,2%	82,2%	-	-
	Other European Country	8	11,0%	93,2%	-	-
	Rest of the World	5	6,8%	100%	-	-
Level of Education Completed	High School	6	8,2%	8,2%	-	-
	Bachelor's Degree	38	52,1%	60,3%	-	-
	Post-Graduate / Master's Degree	29	39,7%	100%	-	-
Monthly Income (after taxes)	Less than 750€	7	9,6%	9,6%	-	-
	750€ - 1000€	5	6,8%	16,4%	-	-
	1000 - 1500€	20	27,4%	43,8%	-	-
	1500 - 2000€	27	37,0%	80,8%	-	-
	2000€ - 3000€	9	12,3%	93,2%	-	-
	Over 3000€	5	6,8%	100%	-	-

4. RESULTS AND DISCUSSION

In order to evaluate the results of the survey, I did a descriptive analysis of the gathered data to characterize the sample and map out the respondents' reality concerning the three main parts of the survey: Consumer perception of limited-edition products, understand the current landscape of second-hand products within its perception, and the influence of the secondary resell market. Second, I performed a deeper analysis to search for statistical significance by examining the relationships between different variables to test the formulated hypotheses and determine whether they are supported or not.

4.1. HYPOTHESIS TESTING 1 & 2 - MARKET DYNAMICS

H1: The primary motivations for purchasing limited-edition products are exclusivity and investment potential.

This first hypothesis proposes that the primary motivations for purchasing limited-edition products are exclusivity and investment potential. The data collected reveals the following distribution of responses regarding the frequency of purchasing limited-edition products: 15.1% of respondents never purchase, 50.7% rarely purchase, 24.7% sometimes purchase, and 9.6% often purchase these products. (Q1)

In order to test the hypothesis, the Q1 needs to be correlated with the Q2.1 and Q2.2 respectively. For respondents who never purchase limited-edition products, the primary motivation is “personal enjoyment”, cited by 75.0% of this group. This is followed by “investment potential” at 33.3%, while “exclusivity” is mentioned by only 25.0%. “Brand loyalty” and “social status” are even less significant.

Among those who purchase limited-edition products (whether rarely, sometimes, or often), “exclusivity” is the most significant motivation, mentioned by 67.2% of respondents, followed by “personal enjoyment” closely at 64.1%. “Brand loyalty” and “investment potential” are less influential for this group, cited by 31.3% and 20.3% of respondents, respectively.

To proceed and understand key insights between these two questions, a correlation matrix was built, providing the relationships between frequency of purchasing limited-edition products and its various motivations factors.

Table 2 – Correlation Matrix (H1)

	Frequency of purchase	**Exclusivity**	**Personal Enjoyment**	**Brand Loyalty**	**Investment Potential**	**Social Status**
Frequency of purchase	1	-0.321	-0.303	0.200	-0.735	0.640
Exclusivity	-0.321	1	0.999	0.854	0.864	0.521
Personal Enjoyment	-0.303	0.999	1	0.859	0.858	0.537
Brand Loyalty	0.200	0.854	0.859	1	0.476	0.873
Investment Potential	-0.735	0.864	0.858	0.476	1	0.038
Social Status	0.640	0.521	0.537	0.873	0.038	1

The major outcomes in terms of the Frequency of Purchasing (Dependent Variable) are:

- Social Status (0.640): There is a moderate positive correlation with social status. This indicates that individuals who purchase limited-edition products frequently do so to enhance their social status.
- Investment Potential (-0.735)**:** it was found a strong negative correlation between investment potential and frequency of purchasing, which indeed corroborate against the hypothesis being tested

As per the relations between motivations factors (or intentions of), the highlight is:

- Exclusivity and Personal Enjoyment (0.999): An almost perfect positive correlation between exclusivity and personal enjoyment was caught, suggesting that individuals who value exclusivity also highly value personal enjoyment in their purchasing decisions.

These findings indicate that exclusivity is a significant motivation for those who purchase limited-edition products, aligning with the hypothesis that exclusivity is a primary motivation. In contrast, investment potential, while considered by some non-purchasers, is less significant among those who actively purchase these products. This suggests that while investment potential may influence some consumers, it is not the dominant motivation driving frequent purchases.

Conclusion: Hypothesis 1 is partially validated

Hypothesis 2 - The value of limited-edition products increases because they are intentionally made scarce.

To validate this second hypothesis, we must look at the data collected from the survey, which asked the participants to rank the characteristics that make a limited-edition product more valuable, providing insights into the factors driving the value perception of these products.

Table 3 – Importance of Value Factors for Limited-Edition Products (H2)

	Mean	Median
Rarity	2.29	2.0
Unique Design Features	2.53	2.0
Brand Reputation	2.77	3.0
Collaboration with Influencers/Celebrities	3.51	4.0
Historical Significance	3.90	4.0

The results from the table above indicate that variables historical significance and collaborations with influencers or celebrities have the highest average and median values, showing that these are the least significant factors according to respondents and implying that while these factors are considered, they do not primarily drive the perceived value of limited-edition products.

On the other hand, Rarity, which directly aligns with the hypothesis that scarcity increases demand and elevates limited-edition product status, has a lower average score of 2.29 and a median of 2.0. These lower scores indicate higher significance, suggesting that respondents view rarity as the most important factor in increasing the value of limited-edition products.

In conclusion, the results show that the value of limited-edition products increases because they are intentionally made scarce. Rarity is a significant factor in boosting demand and elevating the product's status and appeal among consumers, leading to greater interest and higher market value. Unique design features also play a critical role in enhancing the perceived value, often working in tandem with reputation among brands.

Conclusion: Hypothesis 2 is validated

4.2. HYPOTHESIS TESTING 3 & 4 - CONSUMER PERCEPTION:

Hypothesis 3 - Consumers have a perception of limited-edition products as more valuable due to the brand's reputation and its status.

First, let's look at the results from the table below, which can indicate that brand reputation significantly influences or not the perceived value and purchasing decisions of limited-edition products.

Table 4 – Importance of Brand Reputation in Valuing Limited-Edition Products (H3)

	Percentage	Confidence Interval	SD (95% confidence)
Not important at all	5,5%	2,2% to 13,3%	2.83
Slightly important	19,2%	11,8% to 29,7%	4.57
Moderately important	23,3%	15,1% to 34,2%	4.87
Very important	41,1%	30,5% to 52,6%	5.64
Extremely important	11,0%	5,7% to 20,2%	3.70

It can be highlighted that the majority of respondents, 52.1%, rated brand reputation as "Very important" or "Extremely important" suggesting that a large proportion of consumers consider brand reputation to be a critical factor when evaluating limited-edition products. Additionally, 23.3% of respondents rated it as "Moderately important," further emphasizing its role in purchasing decisions.

In terms of variability, the standard deviations calculated from the confidence intervals provide additional insights, and if we take a look at the "Not important at all" category, which has a standard deviation of 2.83, it is reflected that there's a more consistent view within this group of respondents.

Overall, the data supports Hypothesis 3 by demonstrating that consumers generally perceive limited-edition products as more valuable due to the brand's reputation, and the significant percentages in the "Very important" and "Moderately important" categories indicate that brand reputation substantially influences purchasing decisions and the perceived exclusivity and status associated with the brand. The standard deviations show that while there is some variability in opinions, the overall trend is clear, which aligns with the hypothesis that brand reputation enhances the perceived value of limited-edition products, making them more desirable to consumers.

Conclusion: Hypothesis 3 is validated

Hypothesis 4 - The activity in the secondary market positively influences brand perception and future product releases.

First, to support hypothesis 4, we can evaluate that most of the respondents, specifically 95.9%, agreed with the quote “The success and activity in the secondary market can influence future primary market releases by creating anticipation and urgency among consumers." This overwhelming consensus highlights the crucial role that the secondary market plays in shaping consumer behavior and expectations. By creating a sense of anticipation and urgency, the secondary market not only enhances the perceived value of current products but also drives demand for future releases, which can be used as a strategic importance for brands to engage with and understanding of the dynamics to the secondary market, as it significantly impacts their primary market strategies and overall brand perception.

A significant portion of respondents view the impact of the secondary market on various aspects of brand perception as positive. Specifically, 45.2% of respondents indicated that the secondary market positively impacts brands, with an additional 19.2% viewing this impact as very positive. This suggests that 64.4% of respondents perceive the secondary market as beneficial to brand perception.

Chi-Square Tests – Positive Brand perception

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.519[a]	2	.002
Likelihood Ratio	15.333	2	.000
Linear-by-Linear Association	9.237	1	.002
N of Valid Cases	82		

Additionally, the responses indicate that the secondary market has a positive influence on customer loyalty and hype/buzz. For customer loyalty, 41.1% of respondents rated the impact as very positive and just positive, while regarding hype/buzz, an overwhelming 57.5% viewed the impact as positive, with an additional 24.7% rating it as very positive, showing that 82.2% of respondents see the secondary market as significantly enhancing the hype and buzz around the brand’s products, highlighting once more the high demand and desirability for products specially that circulate in the resell market at a premium cost.

Chi-Square Tests – Hype/Buzz

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	26.257[a]	2	.000
Likelihood Ratio	25.705	2	.000
Linear-by-Linear Association	21.890	1	.000
N of Valid Cases	82		

Since the brand perception and hype/buzz yield Pearson Chi-Square values of 12.519 and 26.257, with p-values of 0.002 and 0.000, respectively, it's possible to indicate that there's strong statistical evidence that secondary market activity significantly impacts brand perception and the creation of hype and buzz. These findings support the hypothesis that the secondary market plays a crucial role in enhancing brand desirability and perceived value, influencing both consumer interest and future product releases.

Conclusion: Hypothesis 4 is validated

4.3. HYPOTHESIS TESTING 5 & 6 – MOTIVATIONS AND BEHAVIORS

Hypothesis 5 - Social media and changes in consumer behavior are significant factors driving the growth of the secondary resell market.

The impact of social media and shifting consumer behavior has transformed the secondary market in ways that platforms such as Instagram, Facebook and X, along with influencer endorsements, have been crucial in raising awareness and generating buzz around limited-edition products. These social media platforms enable consumers to share their purchases, follow trends, and engage in communities focused on limited-edition items, making it easier for buyers to discover and purchase products and allows sellers to reach a wider audience, thus enhancing the visibility and popularity of these items.

Additionally, by doing a crosstabulation with the factors highlighted in this hypothesis with the results of the questionnaire regarding influences for the growth of the secondary market in the future, Chi-Square tests were conducted and were aimed at exploring these relations.

Chi-Square Tests – Advancements in Technology and Online Marketplaces

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	16.188[a]	10	.094
Likelihood Ratio	18.186	10	.052
Linear-by-Linear Association	3.035	1	.081
N of Valid Cases	73		

Chi-Square Tests – Changes in Consumer Behavior and Preferences

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	23.169[a]	10	.010
Likelihood Ratio	28.079	10	.002
Linear-by-Linear Association	1.619	1	.203
N of Valid Cases	73		

Chi-Square Tests – Social Media

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.553[a]	10	.250
Likelihood Ratio	13.834	10	.181
Linear-by-Linear Association	3.291	1	.070
N of Valid Cases	73		

To interpret the results of the table above, the Chi-Square tests for technology and online marketplaces, changes in consumer behavior, and social media return Pearson Chi-Square values of 16.188, 23.169, and 12.553, with p-values of 0.094, 0.010, and 0.250, respectively. The significant p-value for changes in consumer behavior (0.010) supports the hypothesis that consumer behavior changes are a key driver of the secondary resell market's growth.

However, the p-values for technology/online marketplaces and social media (0.094 and 0.250) do not reach statistical significance, indicating that while these factors are important, their impact may not be as strong or direct as changes in consumer behavior.

Conclusion: Hypothesis 5 is partially validated

Hypothesis 6 - Consumers have a perception that the secondary market can be at least as safe as the secondary market.

To expand onto the last hypothesis in this study, there was a necessity to check on the relationships between the perceived safety and trust on the secondary/resell market and its impact on customer loyalty and product quality. In this case particularly, a Chi-Square test was performed to analyze the association between the perceived safety of the secondary market (when compared to the primary market) and the impact on customer loyalty and product quality, followed by the correlation test to determine the strength and direction of the connection between perceived market safety and these consumer trust factors.

Chi-Square Tests – Perceived Trust vs Customer Loyalty

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.571[a]	4	.160
Likelihood Ratio	9.284	4	.054
Linear-by-Linear Association	2.265	1	.132
N of Valid Cases	73		

Chi-Square Tests – Perceived Trust vs Product Quality

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.465[a]	4	.076
Likelihood Ratio	10.890	4	.028
Linear-by-Linear Association	2.984	1	.084
N of Valid Cases	73		

The Chi-Square tests regarding customer loyalty and product quality in relation to the perceived safety and trust of the resale market produced Pearson Chi-Square values of 6.571 and 8.465, with p-values of 0.160 and 0.076, respectively. Although the p-value is slightly above the conventional threshold for significance, it indicates a potential relationship between the perceived safety of the resell market and its impact on product quality.

In simple terms, while consumers may have different views about the safety and trustworthiness of the secondary market compared to the primary market, there is some evidence to suggest that consumers' trust in the authenticity and quality of resold products may be influenced by their perception of market safety and possibly personal experiences were taken into account when corroborating towards the validation of this hypothesis.

Conclusion: Hypothesis 6 is partially validated

5. CONCLUSIONS

The outcomes of this dissertation revealed significant insights into consumer behavior and market dynamics concerning limited-edition products, on which an investigation focused on understanding value perception, motivations behind purchasing, and the impact of the secondary market on brand perception and future product releases was conducted in order to corroborate with several hypotheses specifically designed to help on digging into these different dimensions.

Moreover, these findings contribute to the existing body of literature on consumer behavior and market dynamics in the context of limited-edition products. The study highlights the multifaceted nature of consumer motivations and the significant role of brand reputation, scarcity, and secondary market activity in shaping consumer perceptions and purchasing behaviors. The importance of brand reputation in influencing consumer perception and purchase intention is well-documented in marketing literature, although these new findings hopefully will reinforce this notion, emphasizing that a strong brand reputation not only enhances the perceived value of limited-edition products but also serves as a crucial differentiator in a competitive market, aligning with the notion that brands act as status symbols and influence consumer identity.

Additionally, the role of scarcity in driving demand and perceived value is supported by the literature on conspicuous consumption and market signaling. This study extends this understanding by demonstrating that deliberate scarcity, as a marketing strategy, significantly boosts the desirability of limited-edition products and should be a strategy to be more followed by brands. It was also proved that this finding is consistent with the idea that scarcity can enhance product attractiveness and create a sense of urgency among consumers.

Brands should actively monitor and engage with the secondary market to understand consumer demand and preferences. By analyzing secondary market trends, brands can gain valuable insights into the desirability of their products, possibly consider partnerships with reputable resell platforms to ensure authenticity and build trust with consumers.

However, brands must recognize the negative impact that an uncontrolled secondary market can have on their customer base as resale values skyrocket beyond the reach of most customers, creating frustration and alienating amongst loyal consumers. Brands need to find a balance between fostering exclusivity and maintaining accessibility to ensure that the appeal of limited-edition products does not backfire, making them unattainable for most of their target audience, which is essential for sustaining long-term consumer interest and loyalty in a highly competitive market.

6. LIMITATIONS AND FUTURE RESEARCH

While this study provided valuable insights into consumer behavior and market dynamics related to limited-edition products, several limitations must be acknowledged. The subject of this study is relatively niche, resulting in less definitive results, but also the targeted survey audience was lower than expected (N=73). There are also limitations due to the considerable diversity among consumers, even within the same age, gender, or socioeconomic group, making it difficult to identify consistent behavioral patterns and draw definitive conclusions about the factors influencing the perception and purchasing behavior of limited-edition products.

Although themes such as scarcity and perceived value are well-covered in existing research, the specific focus on limited-edition products is relatively scarce and deserves more attention in future studies, which would benefit from incorporating larger and more diverse samples to validate the findings and enhance generalizability.

The nature of this study limits the ability to draw causal inferences, suggesting that longitudinal studies could offer a deeper understanding of how consumer perceptions and behaviors evolve over time in response to brand strategies and market conditions. Additionally, the impact of digital marketing and social media on consumer engagement with limited-edition products should be explored further, given the increasing importance of these channels in shaping consumer attitudes and behaviors.

Lastly, future research should examine the long-term effects of secondary market dynamics on brand loyalty and overall consumer satisfaction, and while this study tried to include a snapshot of the current consumer behavior and perceptions, understanding how these relationships develop over time is crucial for brands aiming to maintain their competitive edge.

BIBLIOGRAPHICAL REFERENCES

Abtan, O., Ducasse, P., Finet, L., Gardet, C., Gasc, M., & Salaire, S. (2019). Why luxury brands should celebrate the preowned boom. BCG https://www.bcg.com/publications/2019/luxury-brands-should-celebrate-preowned-boom. aspx.

Aguirre-Rodriguez, A. (2013). The effect of consumer persuasion knowledge on scarcity appeal persuasiveness. Journal of Advertising, 42(4), 371-379.

Ajzen, I. (1991). The theory of planned behavior. Organizational Behavior and Human Decision Processes, 50(2), 179-211.

Armstrong, G., Adam, S., Denize, S., & Kotler, P. (2014). Principles of Marketing. Pearson Australia.

Baen, J. S. (2000). The effects of technology on retail sales, commercial property values, and percentage rents. Journal of Real Estate Portfolio Management, 6(2), 185-201.

Balachander, S., & Stock, A. (2009). Limited edition products: When and when not to offer them. Marketing Science, 28(2), 336-355.

Bayus, B. L., & Shane, S. (2008). Understanding customer needs. Handbook of Technology and Innovation Management, 115-142.

Bazhanov, A., Levin, Y., & Nediak, M. (2019). Resale price maintenance with strategic customers. Production and Operations Management, 28(3), 535-549.

Bhattacharya, C. B. (2018). Leveraging customer satisfaction for sustainable competitive advantage: A comprehensive framework. California Management Review, 41(1), 91-110.

Botterill, J. (2007). Cowboys, outlaws and artists: The rhetoric of authenticity and contemporary jeans and sneaker advertisements. Journal of consumer culture, 7(1), 105-125.

Boyd, T. C., & McConocha, D. M. (1996). Consumer household materials and logistics management: inventory ownership cycle. Journal of Consumer Affairs, 30(1), 218-218

Cassidy, N. G. (2018). The Effect of Scarcity Types on Consumer Preference in the High-End Sneaker Market. Appalachian State University.

Chae, H., Kim, S., Lee, J., & Park, K. (2020). Impact of product characteristics of limited edition shoes on perceived value, brand trust, and purchase intention; focused on the scarcity message frequency. Journal of Business Research, 120, 398-406.

Chaffey, D., & Ellis-Chadwick, F. (2019). Digital Marketing: Strategy, Implementation and Practice. Pearson UK.

Choi, J. W. (2017). Sneakerheads’ Assessment of Sneaker Value and Behaviors throughout the Sneaker Ownership Cycle.

Chu, H., & Liao, S. (2007). Exploring consumer resale behavior in C2C online auctions: taxonomy and influences on consumer decisions. Academy of Marketing Science Review, 2007, 1.

Chu, H., & Liao, S. (2010). Buying while expecting to sell: The economic psychology of online resale. Journal of Business Research, 63(9), 1073–1078.

Cialdini, R. B. (2009). Influence: Science and practice (5th ed.). Boston: Pearson Education.

Cooke, S., & Ryan, P. (2000). Brand alliances: from reputation endorsement to collaboration on core competencies. Irish Marketing Review, 13(2), 36.

Danziger, P. N. (2004). Why people buy things they don't need. Paramount Market Publishing.

de la Ballina, J. F., & de la Ballina, I. (2019). Scarcity as a Desirable Attribute of Luxury Fashion Brands in Millennial Marketing. Market-Tržište, 31(2), 153-170.

De Veirman, M., Cauberghe, V., & Hudders, L. (2017). Marketing through Instagram influencers: The impact of number of followers and product divergence on brand attitude. International Journal of Advertising, 36(5), 798-828.

Dimitrova, L. I., Björck, L., & Fregne, A. (2018). Limited edition: Collaborations between luxury brands. LBMG Strategic Brand Management-Masters Paper Series.

Djafarova, E., & Rushworth, C. (2017). Exploring the credibility of online celebrities' Instagram profiles in influencing the purchase decisions of young female users. Computers in Human Behavior, 68, 1-7.

Eom, K. H., & Lee, Y. I. N. (2012). A study on development of sportswear product design through collaboration. Journal of the Korean Society of Design Culture, 18(3), 274-283.

Freberg, K., Graham, K., McGaughey, K., & Freberg, L. A. (2011). Who are the social media influencers? A study of public perceptions of personality. Public Relations Review, 37(1), 90-92.

Gierl, H., & Huettl, V. (2009). A closer look at similarity: The effects of perceived similarity and conjunctive cues on brand extension evaluation. International Journal of Research in Marketing, 26(2), 120-134.

Gierl, Heribert & Hüttl-Maack, Verena. (2010). Are scarce products always more attractive? The interaction of different types of scarcity signals with products' suitability for conspicuous consumption. International Journal of Research in Marketing. 27. 225-235.

Gierl, H., Plantsch, M., & Schweidler, J. (2008). Scarcity effects on sales volume in retail. The International Review of Retail, Distribution and Consumer Research, 18(1), 45-61.

Guzzetti, A., Crespi, R., & Belvedere, V. (2021). “Please don't buy!”: Consumers attitude to alternative luxury consumption. Strategic Change, 30(1), 67-78.

Hennig-Thurau, T., Wiertz, C., & Feldhaus, F. (2015). Does Twitter matter? The impact of microblogging word of mouth on consumers' adoption of new movies. Journal of the Academy of Marketing Science, 43(3), 375-394.

Hoyer, W. D., & MacInnis, D. J. (2010). Consumer Behavior. Cengage Learning.

Huang, Z., & Benyoucef, M. (2013). From e-commerce to social commerce: A close look at design features. Electronic Commerce Research and Applications, 12(4), 246-259.

Ishihara, M., & Zhang, Q. (2017). Balancing Exclusivity and Accessibility: Patterns of Brand and Product Line Extension Strategies in the Fashion Luxury Industry. Luxury, 4(1), 31-57.

Kapferer, J.-N. (2012). The luxury strategy: Break the rules of marketing to build luxury brands. Kogan Page Publishers.

Kay, S., Mulcahy, R., & Parkinson, J. (2020). When less is more: The impact of macro and micro social media influencers’ disclosure. Journal of Marketing Management, 36(3-4), 248-278.

Kim, W., & Kim, B. (2020). Consumption Motivation of Limited Edition Product in Reselling Open Market. Journal of Open Innovation: Technology, Market, and Complexity, 6(4), 133.

Kotler, P., & Keller, K. L. (2016). Marketing Management (15th ed.). Pearson Education.

Kuksov, D., & Xie, Y. (2010). Pricing, frills, and customer ratings. Marketing Science, 29(5), 925-943.

Lipovetsky, G., & Roux, E. (2003). Le luxe éternel. Gallimard, Paris.

Lux, M., & Bug, P. (2018). Sole value–the sneaker resale market: an explorative analysis of the sneaker resale market.

McCracken, A., Dong, H., Murphy, C., Hoyt, M., & Niehm, L. S. (2016, November). " The Stories that Come With the Shoe": A Qualitative Study of Male Sneaker Collector Motivations, Experiences, and Identities. In International Textile and Apparel Association Annual Conference Proceedings (Vol. 73, No. 1). Iowa State University Digital Press.

McCracken, G. (1989). Who is the celebrity endorser? Cultural foundations of the endorsement process. Journal of Consumer Research, 16(3), 310-321.

McIntosh, W. D., & Schmeichel, B. J. (2004). Collectors and collecting: A social psychological perspective. Leisure Sciences, 26(1), 85-97.

Milligan, Ellen (January 28, 2019). "Sneakers Auction Company Opens in London and Plans a Store". https://www.bloomberg.com/news/articles/2019-01-29/stock-market-for-sneakers-builds-european-foothold-in-london

Muniz, A. M., & O'Guinn, T. C. (2001). Brand community. Journal of Consumer Research, 27(4), 412-432.

O'cass, A., & Frost, H. (2002). Status brands: examining the effects of non-product-related brand associations on status and conspicuous consumption. Journal of product & brand management.

Schau, H. J., Muñiz, A. M., & Arnould, E. J. (2009). How brand community practices create value. Journal of Marketing, 73(5), 30-51.

Semmelhack, E., Garcia, B., Lepri, E., Willis, P., & Hatfield, T. (2015). Out of the Box: The Rise of Sneaker Culture. Skira Rizzoli

Sherry, L. M. T. (2013). Collecting culture: Explaining sociability in collectibles markets (master's thesis, The University of North Carolina at Chapel Hill).

Shin, H., Eastman, J. K., & Mothersbaugh, D. (2017). The effect of a limited-edition offer following brand dilution on consumer attitudes toward a luxury brand. Journal of Retailing and Consumer Services, 38, 59-70.

Solomon, M. R. (2018). Consumer Behavior: Buying, Having, and Being (13th ed.). Pearson Education.

Stock, A., & Balachander, S. (2005). The making of a "hot product": A signaling explanation of marketers' scarcity strategy. Management Science, 51(8), 1181-1192.

Thompson, C. J. (2014). Marketplace mythology and discourses of power. Journal of Consumer Research, 31(1), 162-180.

Till, B. D., & Busler, M. (2000). The match-up hypothesis: Physical attractiveness, expertise, and the role of fit on brand attitude, purchase intent and brand beliefs. Journal of Advertising, 29(3), 1-13.

Turunen, L. L. M., & Pöyry, E. (2019). Shopping with the resale value in mind: A study on second-hand luxury consumers. International Journal of Consumer Studies, 43(6), 549-556.

Van Cayseele, P. (1993). Lemons, peaches and creampuffs: The economics of a second-hand market. Tijdschrift voor Economie en Management, 38(1), 73-85.

Varadarajan, R. (2020). Strategic marketing and marketing strategy: Domain, definition, fundamental issues and foundational premises. Journal of the Academy of Marketing Science, 38(2), 119-140.

APPENDIX A – ONLINE QUESTIONNAIRE

Introduction to the Survey

Dear Participant,

Thank you for taking the time to participate in this survey.
My name is Miguel Marques, and I am a student at NOVA Information Management School, Universidade Nova de Lisboa.

As part of my Master's Thesis in Data-Driven Marketing, with a specialization in Marketing Intelligence, I am conducting a research questionnaire on a topic that will cover "Consumer Perception on Limited Edition Products and their Impact in the Reselling Market."

The purpose of this survey is to gain insights into your perceptions and behaviors regarding limited edition clothing and accessories, as well as your views on the reselling market for these items. Your responses will help us understand the motivations behind purchasing limited edition products and the factors that drive the reselling market. This survey should take approximately 5-7 minutes to complete. Your participation is entirely voluntary, and you may choose to withdraw at any time without any penalty.

All responses will be kept confidential and will be used solely for academic purposes. If you have any questions or concerns about this survey, please feel free to contact me at m20200152@novaims.unl.pt

Thank you for your valuable contribution to this research.

Sincerely, Miguel Marques

Block 1: Limited-Edition Products

A limited-edition product is defined as an item that is produced in low quantities deliberately to induce a sense of scarcity and exclusivity among consumers. These products are less usually available and concentrated in very few markets and/or shops worldwide, creating a high demand and perceived value due to their limited availability.

Q1. How often do you purchase limited-edition products?

▢ Never
▢ Rarely
▢ Sometimes
▢ Often
▢ Always

Q2.1. What motivates you the most to consider purchase a limited-edition product? (multiple answers are allowed) – *Question displayed if “Never” was not selected on Q1*

☐ Brand Loyalty
☐ Exclusivity
☐ Investment potential
☐ Personal enjoyment
☐ Social status

Q2.2. What would be your main motivations if you were to purchase a limited-edition product? (multiple answers are allowed)– ***Question displayed if "Never" was selected on Q1***

☐ Brand Loyalty
☐ Exclusivity
☐ Investment potential
☐ Personal enjoyment
☐ Social status

Q3. How important is brand reputation in your valuation/intention of purchase a limited-edition product?

☐ Not important at all
☐ Slightly important
☐ Moderately important
☐ Very important
☐ Extremely important

Q4. What characteristics make a limited-edition product more valuable to you? (Rank in order of importance)

Rarity	1
Brand Reputation	2
Collaboration with Influencers/Celebrities	3
Unique Design Features	4
Historical Significance	5

Q5. Have you ever purchased or thought about purchasing a product with the intend to resell it?

☐ Yes
☐ No

Block 2: Second-hand Products

In recent years, there has been a significant positive shift in the perception of second-hand items, influenced by several key factors that mirror broader societal changes. One major factor is the heightened awareness of sustainability; consumers are increasingly conscious of the environmental impacts of fast fashion and are turning to more sustainable options. Furthermore, the improved quality of second-hand goods and the influence of social media and influencers have substantially shaped consumer attitudes. Financial considerations and positive experiences with second-hand purchases have also contributed to this trend, making second-hand items more appealing to a broader audience. As Aguirre-Rodriguez (2013) states, scarcity can provoke a unique sense of perceived value that drives impulsive purchasing behavior, which parallels the growing appeal of high-quality second-hand items

Q6. When did you start noticing a positive shift/connotation in the perception of second-hand items?

▢ I do not agree with the statement above
▢ Within the last year
▢ 1-3 years ago
▢ 3-5 years ago
▢ More than 5 years ago

Q7. What factors influence your change in perception towards second-hand items?

	1	2	3	4	5	6	7	8	9	10
Increased awareness of sustainability										
Improved quality of second-hand products										
Influence from social media/influencers										
Personal financial considerations										
Positive experiences with second-hand purchase										

Block 3: Primary/Secondary Market

Primary Market: The primary market refers to the initial market where limited-edition products are released by the brands. These products are often released in limited quantities to generate buzz and anticipation, leading to immediate sell-outs upon release. The primary market is characterized by controlled scarcity, where brands leverage the scarcity principle to increase the perceived value of their products and command higher prices.

Secondary/Resell Market: The secondary, also known as the resell market, involves the resale of limited-edition products after their initial release. Platforms like eBay, StockX, OLX and Vinted or even more traditional channels such as auction houses facilitate these transactions, where products are often sold at significantly higher prices than their original retail value. The secondary market thrives on the high demand and low supply of limited-edition items, and it plays a crucial role in reinforcing the perceived value and exclusivity of these products.

Q8. Upon reading the two definitions above, do you agree with the following statement: "The success and activity in the secondary market can influence future primary market releases by creating anticipation and urgency among consumers."

▢ Yes
▢ No

Q9. Do you believe the secondary/resell market positively or negatively impacts....

	Very negatively	Negatively	Neutral	Positively	Very positively
The Primary market	▢	▢	▢	▢	▢
Brands	▢	▢	▢	▢	▢
Costumer Loyalty	▢	▢	▢	▢	▢
Product Quality	▢	▢	▢	▢	▢
Hype/Buzz	▢	▢	▢	▢	▢

Q10. What factors do you think will most influence the growth of the secondary resell market in the future? (Select all that apply)

▢ Advancements in technology and online marketplaces
▢ Changes in consumer behavior and preferences
▢ Increased demand for limited-edition products
▢ Social and economic status among demographics
▢ social media

Q11. How do you classify the safety/trust of the resell market, when compared to the primary market?

▢ Much safer than the primary market
▢ Slightly safer than the primary market
▢ As safe as the primary market
▢ Slightly less safe than the primary market
▢ Much less safe than the primary market

Q12. Should brands take measures to limit the growth of the secondary market, or should they embrace it?

▢ Strongly limit growth
▢ Slightly limit growth
▢ Neutral
▢ Slightly embrace it
▢ Strongly embrace it

Q13. What benefits do you think brands gain from the existence of a secondary market for their products? (Select all that apply)

▢ Increased brand prestige
▢ Higher perceived value of products
▢ Greater consumer engagement
▢ Additional revenue streams
▢ Enhanced brand loyalty

Q14. How do possible collaborations between brands and influencers affect your interest in the launch of a limited-edition product?

▢ Significantly decreases interest
▢ Slightly decreases interest
▢ No effect
▢ Slightly increases interest
▢ Significantly increases interest

Block 4: Demographic Information

Q15. Please type your age.

Q16. What is your gender?

▢ Female
▢ Male
▢ Other
▢ Prefer not to say

Q17. Indicate your country of Residence.

▢ Portugal
▢ Other European Country
▢ Rest of the World

Q18. What is your highest level of education completed?

▢ 9th grade
▢ High School
▢ Bachelor's Degree
▢ Post-Graduate / Master's Degree
▢ Doctoral Degree (PhD)

Q19. What is your monthly personal income? (after taxes)

▢ Less than 750€
▢ 750€ - 1000€
▢ 1000 - 1500€
▢ 1500 - 2000€
▢ 2000€ - 3000€
▢ Over 3000€

NOVA Information Management School
Instituto Superior de Estatística e Gestão de Informação

Universidade Nova de Lisboa