

EE489 Literature review

Paper: Why people love to buy expensive sneakers? And how resale sneakers market works?

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**Review**

This paper use 4 economics theories such as the law of demand and supply to illustrate the overlapping of quantity demanded for sneakers over quantity supply for sneakers. He also uses discriminating monopoly strategy and mark up price theory to show how resellers set up the price. Lastly, he also uses product differentiation theory to explain how resell stores must apply to be survive in this resell sneaker market. For methodology, his plan is to conduct the survey from both buyer and seller. For buyer side, he uses 13 online questionnaire that is included by general information and the question related to sneaker such as what are the factors that influence buyers in terms of decision making and which channels respondent willing to buy sneakers between resale store and online resell. On the other hand, he does interview with the famous resale store such as Outcast store and Grow up store about how they set the price and how they survive and differentiate from other store in the market. After the researcher come up with the result, the reason why people buy an expensive sneaker is not only to indicate the social status, but because of they really love it even though it is expensive. For the resell market which divided into resell store and online resale, resell store use many strategies to set the price such as average overall price and referred the price from overseas website based on market demand and the price. Moreover, most of resell store survive in this market because of the customers' loyalty and they not sell only sneakers, but adding up other garments to attract more customer. Online resell is an alternative for people who like convenient and sometimes has a lower price compared to resell store. They can easily charge the price based on the elasticity of demand in the market.

**Comment**

Overall, this is a paper that is very well agenda and well organized. The author starts out by giving the background whether it is the situational analysis with coherent literature review. However, this paper still has a room for the improvement. Firstly, there are some specific words such as sneakerhead and deadstock without further explanation of these words because some readers or outsiders may not understand. Next, in my opinion; he stated too much about the basic economic theory in the law of demand and supply definition which may decrease the flow while reading. Moreover, although it is located at the appendix (1), but the researcher should make the graph to be related to the topic as it can create confusion. The pronoun represent himself and third person should be replaced to be more academic. Lastly, In the methodology, he uses the sentences "there will be 3 to 4 resale stores" and "I will make 50 surveys or more". In my opinion, the researcher should provide the specific number because the non-specific number may undermine the credibility to reader.