

# Consumer Reselling

Subjects: Others

Contributor: 보영(보영) 김 (김)

Since e-commerce has revitalized recently in the form of live commerce and Instagram shopping, both purchase and sales have become promoted among consumers while reselling has been facilitated in second-hand item markets and among consumers. Particularly, the new trend of consuming products, rather than merely owning products, has become a mainstream factor in the market. Accordingly, consumers show extraordinary consumption, focusing on the act of purchasing limited edition products of high scarcity and placing more importance on one-off experience rather than ordinary new products or premium products. It was verified that the need for joining was the most critical factor facilitating consumers' reselling of limited edition products.

Keywords: consumer reselling ; limited edition products ; e-commerce ; reselling market ; AHP

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## 1. Introduction

Reselling markets are growing at various SNS-based distribution channels and have developed on the basis of technological advancement <sup>[1]</sup>. Person to person (PtoP) methods, which connect potential buyers seeking and trading products directly with sellers, have become familiar to consumers <sup>[2]</sup>. Particularly, professional resellers tend to resell previous versions of products online in reflection of the common characteristics of consistent needs for upgraded products in order to make up for some of the purchase expenses and then buy more new products. Innovators and early adopters who pursue the latest products constantly are more highly motivated to resell previous versions <sup>[3]</sup>. Some of the financial costs for new products are recovered by reselling old products in one's possession, which are sold mostly at higher prices <sup>[4]</sup>. Out of psychological inclination to avoid waste, individuals prefer selling old products at a price higher than the original before purchasing a new product <sup>[5][6]</sup>.

In view of the consumption environments of the general public in addition to such professional resellers, the supersaturation of brands, excessive competition, and advancement of production technology in the market lead to the releasing of new products one after another at a high pace. Accordingly, the cycle for the general public to buy and possess products has also been shortened. As a result, purchase behaviors for one-time experience of goods are promoted. The general consumption pattern is to focus on purchasing new products by reselling owned goods rather than keeping them permanently <sup>[7]</sup>.

As consuming product experiences and messages rather than merely pursuing the value of owning and using products becomes an evident phenomenon, consumers strongly appeal, in their consuming behaviors, the need for differentiated experiences by purchasing products of high scarcity rather than mere new products or premium products. It has become a general trend that when limited edition products or upgraded new products are not available in ordinary distribution channels, consumers satisfy their consumption needs through a reselling market.

Certain commodities are utilized as tokens to assert an individual's social status indirectly to others <sup>[8][9][10]</sup> or to express their uniqueness to acquaintances or companions <sup>[11][12][13][14]</sup>. As someone uses the same goods with a certain group, he or she develops a sense of belonging or unity to that group. For goods to function as a symbol of social status, as a means to express one's uniqueness, or as a way to express one's unity to a certain group, the goods need to be available, not to everyone, but only to a limited number of people <sup>[15]</sup>.

## 2. Consumer Reselling of Limited Edition Products

Accordingly, the global reselling market of limited edition products is growing rapidly <sup>[16][17]</sup>. In this study, such consumption behavior is referred to as "extraordinary consumption behavior." The term "extraordinary" indicates that such experience is neither ordinary nor part of the daily routine of one's life. While "ordinary" indicates that the experience is common and frequent in daily life, "extraordinary" indicates that the experience is not common but rarely occurs and is not

part of the daily routine <sup>[18]</sup>. In existing fields of consumer behavior research, the concept of “extraordinary” is applied to a wide scope, from tangible products to intangible services or experiences, because “ordinary” and “extraordinary” are of a continuum that combines routine events of high “frequency” and exceptional situations of low “frequency” in series <sup>[19]</sup>.

In other words, as “a small number of unique experiences” are popularized in a consumer trend, they are no longer an “extraordinary consumption behavior” but part of a “routine.” In qualitative research of consumer behavior, an extraordinary consumption experience is an intense, joyful, unique, and playful activity involving changes <sup>[20]</sup>. Such an experience is also an anti-structure activity to escape from the modern society; that is, it is a diversion from routine stress, rationality, and rules <sup>[21]</sup> since “extraordinary consumption behavior” is of an anti-structure nature in the social context. A low level of conception of economic mobility indicates that one views the possibility of transitioning from one’s current economic class to an upper class as low. In other words, the individual hardly determines happiness at his/her own discretion or will due to a kind of suppressed and restricted condition.

According to Ku et al. <sup>[22]</sup>, who examined the significant effect of scarcity messages on the decision-making behavior of consumers, scarcity messages had positive effects on intention of purchase. When the discount rate was high and the level of cognitive motivation was low, the effect was more significant. Jones et al. <sup>[23]</sup> suggested that, in general, people are reluctant to buy goods that are already used by too many similar people. Because of their social desire, expression of personality, or adherence to a certain quality, consumers intending to use special edition products are more attracted to and are likely to buy limited edition products rather than products available only for a limited period but with no quantitative limit <sup>[24]</sup>. When it comes to limited edition products, the limitation in time and quantity is the decisive factor that develops the market of purchase and sales among customers, which enterprises themselves, in fact, cannot plan or provide. In addition, sales learning and behavior are induced among active consumers with a strong desire to purchase. This further promotes the act of reselling, which involves both the purchase and sale of products <sup>[25]</sup>.

### **The Effect Factors of Limited Edition Product Reselling**

Scarcity affects the availability of products, making less common products perceived as more valuable <sup>[26]</sup>. In other words, scarcity messages are one communication method to increase the value and desirableness of a certain product based on the fact that its availability is limited. Many previous studies in common pointed out that scarcity messages had a powerful persuasive effect <sup>[27]</sup>. Specifically, the perception of scarcity induces a kind of excitement and tension to consumers, developing an urgent need for such products among them. Scarcity messages also affect consumers’ perception of product values and intention of purchase directly <sup>[28]</sup>.

Particularly, many enjoy revealing their tastes and personalities by owning limited edition products with the values of possessing and scarcity. As this “reselling culture” develops, resellers who purchase products of scarcity for selling and then reselling purposes are drawing attention <sup>[29]</sup>. Since resellers purchase from distributors and sell goods for profit-making purposes, opportunities for consumers to purchase such goods at a fixed price are limited. Thus, ordinary consumers interested in buying goods have to bear with monetary sacrifice because they pay more even though they know the regular price <sup>[30]</sup>. In the reselling market of such limited edition products, therefore, consumers often play roles as both the purchaser and seller <sup>[31]</sup>. For this reason, consumers’ act of making decisions on buying goods cannot be defined on the basis of traditional roles. Rather, it is necessary to understand the general behavior of consumers regarding the reason why consumers purchase and resell limited edition products.

According to previous studies, factors affecting the act of buying limited edition products can be explained by values and empirical factors discussed in the commodity theory, with the influence of scarcity and possessiveness also being referred to in the context of the “need for uniqueness” theory <sup>[32]</sup>. When it comes to limited edition product reselling, although there has been little research of empirical verification, such factors are explained in the context of appealing financial values such as “resell tech” based on phenomena in the market <sup>[33]</sup> or in terms of concerted practice or cultural behavior of the young generation following trends led by a unique group <sup>[33]</sup>.

Accordingly, this study examines affecting factors in four basic aspects—need, value, experience, and environment—based on previous studies regarding limited edition purchase and reselling. First, limited edition product reselling by consumers is affected by personal needs. While enterprises’ product sales aim mainly at profit-making, consumers do not necessarily aim at financial benefits when deciding to resell purchased goods <sup>[34]</sup>. Furthermore, previous studies state that buying products of scarcity is done out of need for uniqueness. In order to differentiate themselves from others, people tend to buy products of scarcity that will strengthen their self-image and social image <sup>[35]</sup>. In addition to the need for uniqueness, however, consumers who purchase and resell limited edition products may practice limited edition product reselling in order to fulfill their personal needs <sup>[36][37]</sup>. Hence, it is necessary to take into consideration personal psychological needs that affect consumers’ act of selling. Based on the self-determination theory <sup>[38]</sup>, this study explains

selling motivation with the following factors as the fundamental elements relevant to consumers' reselling of limited edition products: autonomy (to making decisions based on one's own will); competence (the belief to achieve a certain intended result); and relatedness (to develop a sense of belonging by forming relationships with others). Additionally, consumers' reselling of limited edition products is examined based on the theories of basic human needs, such as possession, emotion, recognition, and participation <sup>[39][40]</sup>.

Second, value factors that consumers perceive regarding reselling also may be taken into consideration. In general, perceived values are viewed as factors determining consumers' act of purchase <sup>[41]</sup>. Accordingly, previous studies define value factors perceived by consumers as social value, empirical value, financial value, intellectual value, emotional value, and so forth <sup>[42]</sup>. Consumers not only make decisions on purchase for the possession or use of products and services but also practice acts of consumption to obtain various value factors such as maintaining relationships, donation, pleasure, etc. In this perspective, the act of limited edition product reselling may likewise be practiced by consumers for the purpose of pursuing certain values in product buying and selling <sup>[43]</sup>.

Third, consumers' act of reselling may be interpreted as a product selling experience not of an enterprise or producer but of a certain individual. Hence, it is necessary to examine the effect of empirical factors on behaviors. Previous studies relate that consumers' empirical values of certain brands or products affect their acts of purchase <sup>[44]</sup>. Emphasizing experience marketing, Soscia <sup>[45]</sup> defines sensitivity, emotion, cognitive behavior, and relationship as components of such experience. Other previous studies relate components of consumer experience in various ways <sup>[46][47][48]</sup>, based on which this study examines the effect of experience factors on resellers when consumers' reselling behavior is viewed in an empirical perspective with limited edition products as a medium.

Fourth, consumers' reselling practice is affected by environments. Above all, reselling in a consumer-to-consumer market is promoted when supported by relevant technological environments such as SNS or transaction platforms <sup>[48]</sup>. In addition, the market environment needs to stimulate trustworthy relations and transactions among consumers <sup>[49][50]</sup>. In this perspective, factors affecting stimulation of reselling transactions can facilitate reselling further. In view of previous studies on dynamic environments for market transaction stimulation and business growth <sup>[36][1]</sup>, the main environmental factors affecting business activity include technology, economics/business management, culture, society, interested persons, ecosystem, and institution, among others. Accordingly, this study also examines whether such an environment variable can affect consumers' reselling behavior <sup>[44][51][52]</sup>.

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