

Exploring the Sneakerhead Culture, Expression, Buying Behavior, and a Billion-Dollar Industry: A Theoretical Literature Review

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ABSTRACT: Understanding and identifying the culture of Sneakerheads and their buying behaviors has become a marketing strategy. Sneakers have become a symbolic commodity of ideas, attitudes, and beliefs. Sneakers have been defined as culturally significant and a form of expression for this unique culture. The purpose of this literature review is to identify the Sneakerhead culture, how Sneakerheads use sneakers as a form of expression, consumer buying behavior, and how this market has become a billion-dollar industry. Sneakers have become a symbol of status and wealth, a global commodity, an asset of choice, and a best-selling product. In 2020, China was the world's leading footwear consumer, in line with its population and luxury consumption. By 2026, sneakers will account for a \$120 million market. For Millennials and GenZ, sneakers have become a discreet luxury that signals wealth and bridges the fashion gap between established luxury and everyday wear. The sneaker phenomenon dates back to the 70s and 80s, first as an iconic marker of street identity to now becoming a celebrity staple. The Sneakerhead culture is worth exploring as it has become not only a profitable endeavor but also a form of expression and empowerment.

KEYWORDS: Sneakerheads, cultural traits, buying behavior, industry, expression, luxury

Introduction

The sneaker industry has evolved from ubiquitous footwear into various iterations, ranging from being a form of personal expression to selling in a secondary market (Suseno & Hidayat 2021). In 2022, the sneaker industry reported a revenue high of \$ 86.72 billion, which is expected to grow annually at around 9.6% (Statista Market Forecast 2022). Collecting sneakers has become more than a hobby for Sneakerheads; it has now become a form of expression as well as a financial opportunity. Research has been completed on the topic of how a brand's unique benefits and image will influence a buyer's behavior and, in turn, also lead to the formation of groups, communities, and alliances. However, fewer articles have focused on how footwear, specifically sneakers, has become a form of identification within the sneakerhead culture. Sneakerheads are a distinctive group that holds a strong and unique relationship with certain brands of sneakers. In order to expand on the understanding of this unique group and their relationship with sneakers, it is necessary to analyze literature that will allow us to understand their motivations, brand preferences, and identity perspectives.

Sneakerhead Sub-Culture

Sneakerheads are defined as a group of individuals who collect, trade, and/or admire sneakers. The sneakerhead culture has become an encompassing platform that breeds expression and creativity. For Sneakerheads, sneakers have become an important facet of their identities, particularly for African American men who grew up in the 1970s and 80s (Matthews, Cryer-Couper, & Oleniacz 2021). The sneakerhead culture was initially thought of as a fad. Still, it quickly became apparent that this group has also had a financial impact on the marketplace within the sneaker community (Powell 2014). Sneakerheads will seek out rare and exclusive sneaker collections, create a sense of scarcity, and in turn, drive purchase behaviors within the

sneakerhead community. This unique group also shares norms, practices, and even vocabulary, such as the term “drops,” referencing a release date for a certain shoe, and “colorway,” which refers to the color scheme of a new shoe. Sneakerhead membership is based not only on the unique shoe they own but also on knowing the history, background, and evolution of sneakers.

The advent of the Sneakerhead subculture began in the late 1970s/early 1980s with the introduction of notable sneakers such as the suede Puma Clydes, Adidas Shell Toes, Converse Chuck Taylors, and Pony David Thompsons (Garcia and Semmelhack 2015). Many Sneakerheads will argue that the introduction of this sub-culture began with the release of the Nike Air Jordan 1s in 1985. This shoe gained its notoriety because of its connection to the athlete Michael Jordan. The Air Jordan series accounts for more than half of the basketball shoe market (Choi and Kim 2019). Research by Matthews Cryoer-Coupet, and Degirmencioglu (2012) posits that the appeal of the celebrity sneaker collection has created a deeper relationship and a connection between Sneakerheads and their sneaker collection.

Author and Sneakerhead historian, Bobbito Garcia, explains that the Sneakerhead culture emerged during the 1970s when hip-hop communities and basketball transformed the perception of sneakers as a sports shoe into a medium of self and cultural expression (Gunduz 2020). Sneakerheads have a strong interest in the sneaker history, seek out rare and exclusive sneaker collections, and feel a strong sense of community and exclusivity regarding their subculture. They feel connected to other Sneakerheads that understand the history and culture of sneakers. For the Sneakerhead sub-culture, it is more than being big spenders and more of identity and nostalgia (Matthews et al. 2021).

Sneakers as Self-Expression, Creativity, and Violence

Sneakers have become a strong force in our modern world, breeding self-expression, creativity, and evolution. Sneakerheads use sneakers to symbolize material status and wealth and to communicate their identity (Gunduz 2020). This omnipresent force in the sneaker industry has also given way to sneaker-related violence that has been traced to an artificial scarcity during sneaker releases. This perceived *scarcity* is purposely done to maximize product anticipation and increase profit projections. According to Gunduz (2020), sneaker-related violence cannot be traced to one specific group but to several factors.

Gunduz's (2020) study focused on sneaker-related violence as a result of a societal imbalance of values, social class, and racial inequality. Gunduz (2020) found that the violence associated with sneaker consumption extends far beyond the sneaker culture. He argues that the violence is a cause of opinions and biases towards specific racial groups, specifically Black Americans. His research led him to assert that the societal core issues of racism and inequality must first be tackled before directing blame at any one group.

Wallace and Andrews (2022) highlighted the racial politics of sneaker customization, manifested through the use of marginalized minorities as a way to assert their humanity and uplift others who are considered disadvantaged. These forms of self-expression highlight how sneakers have transcended their original purpose, which could explain how sneakers have remained embedded in popular culture.

Interestingly, a theory by Pierre Bourdieu (1992) elaborates on how social ranking is based on taste. He separates individuals with higher cultural capital from groups with less cultural capital. He describes consumers with higher cultural capital as educated, which elevates them to a higher class. Bourdieu's theory asserts that having a large amount of cultural capital allows consumers to dictate and determine what constitutes good taste, and those with less cultural capital accept such preferences. Bourdieu further asserts that this compliance leads to what he calls *symbolic violence*.

Trigg (2001) points to Thorstein Veblen's (n.d.) *Theory of the Leisure Class*, which critiques the neoclassical theory of consumerism by stating that preferences are determined

socially and are dependent on a consumer's position in the social hierarchy of status. Veblen's (n.d.) theory elaborates on how society focuses consumption of materialistic goods to demonstrate their wealth. Veblen (n.d.) labeled this behavior as *conspicuous consumption*, where consumers spend money on goods rather than experiences. Veblen's (n.d.) theory also declares that different social classes will mimic the consumer behavior of social classes above them; he asserts that consumers feel a burden and desire to match the spending habits of the wealthy. Such behavior inevitably leads to what Bourdieu (1992) called *symbolic violence*.

The theories presented by Bourdieu (1992) and Veblen (n.d.) have been criticized as being too restrictive in positing that preferences and consumption emerge from top to bottom. Trigg (2001) posits that trendsetters could be of a lower social class and that consumer behavior is shaped by lifestyles that cut across social hierarchies. Such criticism aligns with the Sneakerhead subculture and its consumers, who are known to dominate trends and buying habits but are historically perceived as a lower social class.

While the sneaker culture has the potential to unite races when marketed with the right message, it has instead acted as an instrument to divide society. The author provides examples where sneakers, namely New Balance sneakers and the Kaepernick Nike ad, were used as a political force. The first example occurred when the Vice President of New Balance and strong Trump supporter declared New Balance sneakers the "official shoe of White people." The second example occurred in mid-2018 when Nike released a controversial social advertising campaign featuring Colin Kaepernick, known for refusing to stand for the national anthem to bring awareness to the police killings of Black individuals. These political displays of status and awareness further propel the racial divide.

Sneakers have been tied to racial discord, crimes, drugs, gangs, and intimidation. In 2014, it was estimated that sneaker-based conflicts were responsible for over 1,200 deaths per year (Friendly 2015). According to Friendly (2015), many of these crimes were a result of envy and what he called the "desperation of the youth." Criminal gangs have used sneaker brands to differentiate their organizations. Such examples include The Bloods, who primarily wear red Reeboks, and the Crips, who identified themselves by the color blue and typically wore blue British Knight (BK) athletic shoes. In order to lessen the racial divide, violence, and rivalry, many rappers have collaborated with sneaker companies, such as Kendrick Lamar, who teamed up with Reebok to release a pair of sneakers with the colors red and blue in an attempt to unify gangs (Gunduz 2020).

Shoe companies need to take notice of the violence that is caused by sending the wrong message through advertising. Telander (1990) noted that a sense of status fed those starving for self-esteem. He further asserted that consumers are motivated by peer pressure based on what is seen on social media. Social media, geared towards malleable Millennials, has only exacerbated the notion that sneakers are a representation of who a person is. Shoe companies claim that their advertising is geared toward sports, yet, according to Telander (1990), more than 80% of sports shoes sold in the United States were not used for athletic purposes.

Sneaker-Buying Behavior and Marketing

Jenkins (2015) argued that the consumption of sneakers has been gentrified as a subculture of sneaker-savant millennials who are eager to wear the latest release. For marketers, identifying the why behind a trend, the drivers, and brand preferences is important to inform marketing efforts. The sneaker market has developed its own unique culture, and while many options and brands are available, exclusivity, followed by a perception of scarcity, is still a driving force.

Powell (2023), a Senior Industry Advisor at NPD Group, explains that consumers have noticed a decline in the collaboration between celebrities and shoe brands that create a product closely tied to their life experiences. He further explains that limited edition

collaborations are announced about every 10 seconds; hence the scarcity and authenticity are lost. Nonetheless, consumers continue to look for authenticity in products.

Nike, Adidas, and other brands also use what is known as *limited edition products* (LEP). LEP is related to ‘limited time scarcity’ and ‘limited quantity scarcity’ in consumer behavior (Chae et al. 2020). Research by Chae et al. (2020) found that LEP serves to stimulate a consumer’s purchase intention, although such practice has been criticized as a negative type of marketing. While consumers expect products or brands that have a sense of individuality, many know that marketers intentionally adjust the scarcity of a product. Consumers who are exposed to scarcity messages perceive such messages as gimmicks and lose the intention to purchase a product. According to Snyder and Fromkin (1977), consumers look for ways to express their identity that is different from others by purchasing a product that others may not possess.

Billion-Dollar Industry

Americans are known to spend on apparel and footwear as a means of self-expression. According to Smith (2021), the apparel market in the U.S. was the largest in the world in 2021. The U.S. also has the largest footwear market, generating over 78 billion U.S. dollars in revenue in 2021 (Tight 2022). The revenue of the athletic footwear industry amounted to approximately 13.6 billion in 2021 and is expected to increase to over 18 billion by 2025 (Tight 2022). Footwear brands, retailers, and celebrities have a huge impact on catering to this market through targeted marketing campaigns. Nike, for example, has held the largest share of the U.S. footwear market.

Sneakers have become one of the hottest globally traded assets and a global phenomenon. According to Ho (2022), consumer sentiment and supply and demand drive sneaker prices. An example of this is the collaboration between Dior and Nike and the release of Dior Jordans, which can sell for up to \$10,000, previously \$28,000 during the height of the pandemic. Such a collaboration is not common, meaning a limited quantity exists. Collaborations such as that between Dior and Nike require large budgets, resources, marketing, and having the right celebrity to build up the hype of the new release.

The sneaker resell market has become a global industry worth billions of dollars. High-profile collaborations such as Dior, Nike, and Jordan 1s or Travis Scott and Nike Jordan collection can go for thousands beyond their initial retail price. StockX, founded in 2015, is a new player in the resale industry, an online marketplace and clothing reseller primarily of sneakers; the company has become the place to go for market prices on almost every pair of sneakers. In 2020, the firm reported \$1.8 billion in gross merchandise volume. Prior to StockX, there was no clear pricing consensus on resale sneaker value (Moniz 2021).

Resale Market

In addition to personal expression, sneakers also have strong resale value, further emphasizing the product's versatility as a possession for many people (Choi & Lee 2021; Raditya & Hanafiah 2021; Slaton & Pookulangara 2021). According to Slaton and Pookulangara (2021), factors such as rarity or limited availability, celebrity endorsements, and social media contribute to the resale value of some sneakers. As a result, sneakers have become financially attractive among sneaker collectors (Kulinicheva 2021). “Mixed-role sellers” is a term given to consumers who purchase with the intention of reselling consumer goods (Chu & Liao 2007). Sneakerheads are known to both collect and resale sneakers for different reasons.

The resale of limited goods in high demand leads to a large increase in resale value (Evans 2015; Powell 2014a; Shapiro 2013). An example of such an increase in resale value occurred with a pair of Nike Yeezy 2 Red October sneakers priced at \$245 when released in 2014. The same pair of sneakers was resold a year later on eBay for \$3,350. Such a sneaker

can be sold for up to \$6,500 if in pristine condition (“Air Yeezy 2 Red October | Campless.” 2022; Fischer 2014; Sawyer 2016). While not all consumer goods are resalable, consumers have become aware of the profitability of purchasing and reselling products perceived as limited, unique, or scarce.

According to Chu (2013), there are four resale motivations; such motivations are also based on four styles of consumers. The motivations include utilitarian motivation, the guilt of compulsive buying, the guilt of disposition, and hedonic motivation. Consumer behavior, according to Tatzel (2002), can be explained by using two axes: the level of money disposition which explains how guarded a consumer is with money, and materialism, which refers to the “devotion to acquisition and possession.” Tatzel (2002) further describes consumers as value seekers, big spenders, non-spenders, and experiencers.

Tynan et al. (2010) describe luxury goods as “high-quality, expensive and nonessential products and services that appear to be rare, exclusive, prestigious, and authentic, an emotional/hedonic values through consumer experiences” (1158). The sneakers collected by Sneakerheads fall into the latter definition. An example of such is the price of a pair of Air Jordans, which had a retail price of \$190 in 2016, with the remastered models costing about \$220. Most retro Air Jordan models are also limited in quantity, making them a coveted purchase.

Research on the resale value of sneakers supports the *Meaning Transfer Theory* (McCracken 1986, 1989) and the *Transactional Utility theory* (Thaler 1985, 2008). McCracken’s *Meaning Transfer theory* associates celebrities, for example, to ascribe that person’s qualities to a brand. This theory is not specific to sneakers, yet it can be applied in such a manner where the value of sneakers, for example, is constructed by the consumer when they themselves assign value while discussing, comparing, and bragging about their sneaker collection, rather than the value that comes from using celebrity endorsers. The *Transactional Utility Theory* measure the satisfaction consumers derive from making a purchase; Sneakerheads are fully aware of the profit they can make by purchasing high-demand, limited-quantity sneakers at retail price and then selling them at a higher price.

Discussion

The purpose of this literature review is to highlight the impact the Sneakerhead subculture has on different facets of not only life but also the economy. Sneakers continue to be a platform of expression, identity, and creativity and a major force in the primary sneaker market. Sneakerheads, a new consumer group of sneakers, are described as people who are passionate about collecting limited-edition sneakers (Choi et al. 2015). The Sneakerhead subculture began around the 1970s, and 80’s when sports teams began to sign athletes to endorse sneakers. Hip-hop stars and basketball legends became a strong force for the beginning of the Sneakerhead subculture.

It has become important to gain an understanding of this subculture’s brand preferences, practices, and group identity factors. Delisia Matthews, Assistant Professor of textile brand management, conducted a qualitative study to discover the motivations of people who go for a particular trend. Her study uncovered three themes about the motivations and preferences of the Sneakerhead subculture. The first theme references the nostalgia attributed to the beginning of this era with hip-hop stars who wrote unique rhythms and lyrics and sported unique sneakers, as well as the legendary basketball player Michael Jordan; researchers called this theme “back in the day” to trace the origin of this movement. The second theme was “All About the Jumpman,” which refers to the legendary basketball player Michael Jordan and the release of the Nike Air Jordan 1s in 1985. The last theme in Matthews’s (2021) research was called “For Members Only” and refers to the community of the Sneakerhead subculture. Sneakerheads feel a sense of community; they understand and respect the history of sneakers

and separate themselves from other groups such as the “Hypebeasts,” who are a group that is more interested in the resale of sneakers rather than the overall history, nostalgia, and sense of community.

Choi et al. (2015) conducted a qualitative study to understand the consumption motives and decision-making behaviors of Sneakerheads. Choi (2015) describes this movement as a billion-dollar market but also a movement that brings about extreme behaviors and violence; she termed these behaviors “consumer misbehaviors.” Choi et al.’s (2015) study uncovered six themes. The themes included: culture, rarity, purchase decision process, quality and price, reselling, and violent incidents. Choi’s findings are in line with the cumulative research in this paper. The Sneakerhead culture is about collecting, wearing, and having a deep connection with their sneakers. Rarity comes in the form of a commodity that is difficult to acquire due to exclusive collaborations between sneaker companies and famous and legendary athletes. The purchase decision is a more complicated process and tends to rely on rumors, leaked or insider information which then creates anticipation. This anticipation drives prices; when sneakers are purchased as “used,” quality may be compromised. For Sneakerheads, quality is important in order to resell shoes at a higher price. The final theme in this research was the perceived inequity, which leads to violence.

All research points to a strong culture that is here to stay and will continue to be a strong force in all facets of life, society, and the economy. Understanding the Sneakerhead subculture will uncover valuable leads to not only target marketing messages to this group but also to understand how the feelings of inequity may lead to violence and how to create a more equal space for all groups. The Sneakerhead subculture has given way to a billion-dollar industry that will continue to grow.

Conclusion

Literature has provided insight into the Sneakerhead subculture, its motivations, sense of community, buyer behaviors, and in some cases, misbehaviors. This research has also highlighted the benefits of reselling limited and unique sneakers in a secondary market. The sneaker market is booming and continues to be driven by Sneakerheads and now by Millennials and GenZers. The sneaker trend is no longer inclusive of the Sneakerhead subculture; Millennials are driving a different trend of their own by wearing sneakers as a status symbol. Further research should focus on how Millennials and GenZers are creating a subculture of their own and how this contributes to the booming billion-dollar sneaker industry.

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