

NETACEA

REPORT

Netacea Quarterly Index Q4 2022

Introduction

Netacea's Threat Research Team investigated the top five items targeted by scalper bots between October and December 2022.

In many ways, scalper bot activity played out as we predicted in Q4 2022:

- PlayStation 5s continued to be a target, although their resale value dropped as stock levels increased;
- Whilst not making in to the top four, we saw a spike in demand for NVIDIA RTX 40 Series cards and the Apple iPhone 14 Pro Max;
- Freebie botting, where bots target heavily discounted items, grew momentum with many established scalper bots adding freebie modules to capitalize on the trend; and
- A reasonably affordable sneaker was the most targeted item.

However, there were also major events in Q4 that we did not predict. Former bot favorites, Yeezy's, dropped out of the Index after Adidas cut ties with Ye over his antisemitic remarks. Scalper bots also heavily impacted the release of Taylor Swift's The Eras Tour tickets in perhaps the most publicized scalping incident outside of PlayStation 5s and graphics cards, that even garnered attention from the United States Government.

In this report, we dissect our latest findings for Q4 2022 and revisit the top five items from Q3 2022.

1. Nike Dunk Low Panda



RRP: \$110



Aftermarket Range:
\$166 - \$196



Aftermarket
Average: \$179



Markup Average:
63%

The most heavily targeted item this quarter was the Black and White Nike Dunk Low, commonly referred to as the “Panda” Dunk. The Nike Dunk Low has seen a resurgence in popularity over the year with some scalper communities even hailing 2022 as the “Year of the Dunk”. Whilst many colorways have been released or restocked throughout the year, the Panda Dunk was the clear favorite.

Fans of the Panda Dunk had two choices this quarter, as Nike restocked both the regular Dunks and the more eco-friendly “Next Nature” Dunks in the black and white colourway. Their RRP of \$110 was affordable enough for scalper bots to purchase multiple pairs, resulting in scalper bots purchasing tens of thousands of pairs across the two variants.

2. Air Jordan 1 High Chicago Lost and Found



RRP: \$180



**Aftermarket Range:
\$402 - \$457**



**Aftermarket
Average: \$429**



**Markup Average:
139%**

In second place this quarter is the Air Jordan 1 “Lost and Found”, or “Chicago” as it is also known. These sneakers were in extremely high demand when released, with the brand’s homage to the original Air Jordan 1s, worn by Michael Jordan, whipping sneakerheads into a frenzy.

The original Air Jordan 1, released in 1985 was a game changer for Nike and formed sneaker culture as we know it today; the original Air Jordan 1s remain a highly sought after collectors’ items. According to the Jordan Design Team at Nike, the Jordan 1 Lost and Found draws “inspiration from what an original 1985 Air Jordan 1 would look like if found decades later in a dusty stock room... giving consumers a taste of what a box fresh, vintage AJ1 would have looked like back in the day”.¹ This has made them one of the most highly anticipated Jordan releases in recent years.

Resellers have capitalized on the demand for the Jordan 1 Lost and Found and been able to command a significant markup on the sneaker, selling it for more than twice its already high RRP. Many cook groups are also advising their members to hold on to pairs to sell in the future, forecasting a rise in resale value after the holiday season.

¹. Chicago-lost-and-found-inspiration

3. Air Jordan 4 Midnight Navy



RRP: \$210



**Aftermarket Range:
\$281 - \$330**



**Aftermarket
Average: \$306**



**Markup Average:
46%**

The Jordan brand also takes third place this quarter with the Air Jordan 4 Midnight Navy. This is the second Jordan 4 to make our Index this year, following in the footsteps of the Jordan 4 Red Thunder from Q1's Index.

The Jordan 4 is widely considered to be among the top five Jordan designs and has drawn increased demand this year, rivalling the Jordan 1 for the position of most hyped Jordan silhouette in 2022. Of the multiple Jordan 4 colorways released this quarter, including the highly sought after A Ma Manière collaboration, scalpers found the most success with the Midnight Navy edition.

4. Taylor Swift, The Eras Tour Tickets



RRP:
\$49 - \$449



Aftermarket Range:
\$338 - \$31,000



**Aftermarket
Average:** \$12,000



Markup Average:
4719%

For anyone that merely glimpsed the tech or entertainment news throughout November, our next placement will come as no surprise. In fourth place, we have Taylor Swift's The Era's Tour tickets.

The latest in a string of high-profile incidents to hit ticket sales, Taylor Swift's tour ticket release was overrun by scalper bots, disrupting Ticketmaster's platform and frustrating fans. As this will be the singer's first tour since 2018, the extreme demand for the Eras Tour exceeded all expectations. Scalpers sought to benefit from this demand and advertised tickets on resale sites for up to \$31,000, drawing criticism from lawmakers in the United States.

It is illegal for scalper bots to go after event tickets, unlike the other entries in this Index, in many jurisdictions. In America, it was outlawed through the Better Online Ticket Sales (BOTS) Act of 2016. This has forced ticket scalping underground, limiting activity to scalpers who are not deterred by its legal status. As a result, most ticket scalping attacks aren't large enough to feature in our Index. However, the scale of the attack on the Taylor Swift tour tickets during presale caused Ticketmaster to cancel the public release of the tickets, citing unprecedented demand. Ticketmaster later admitted that ticket scalping bots were the cause of the disruption.

5. PlayStation 5



RRP: \$500



**Aftermarket Range:
\$549 - \$644**



**Aftermarket
Average: \$596**



**Markup Average:
19%**

The Sony PlayStation 5 maintains its streak of appearances in our Index, taking the final position in this Quarterly Index. Despite its consistent appearance in our Quarterly Index, we're happy to report that two years after its release the PlayStation 5's improved stock levels mean that the consoles are available off the shelf at many retailers. Since November 2020, the gaming console has been one of the most publicized items targeted by bots, with scalpers flocking in their droves to every restock. However, in recent months these restocks have come closer to providing enough supply for the demand.

Despite the wider availability of the PlayStation 5 this quarter, some scalper bots still targeted the console, looking to profit from the increased demand for games consoles during the holiday season. These scalpers were also buoyed by the possibility of selling their stock to cash-out services, third parties who purchase the consoles from scalpers in bulk. However, even these cash-out services, who have provided a consistent outlet for scalpers, are likely to slash their prices and limit their purchases after the holiday season.

Where are they now? A look back at our top five from Q3 2022

1

Adidas Yeezy Slide Bone

Yeezy sneakers dropped out of the Index this quarter after Adidas halted sales of the sneakers following a series of anti-Semitic remarks by the face of the brand, Kanye West. Adidas confirmed that it owns the designs minus the Yeezy branding and stated that they will continue to release the sneakers without the Yeezy tag in the future.

Whilst it remains to be seen whether scalper bots go for the future releases, these developments have given the previously released Yeezy branded sneakers cult status. As a result, the Yeezy Slide Bone saw its resale value, which was already double RRP, rise by a further 10% over the quarter.

2

Nike Dunk Low Panda

The Panda Dunks rose one place to top spot in this quarter's Index, capitalizing on the gap left by Yeezy's absence. Multiple drops resulted in the resale value dropping, but not enough to deter the scalper bots.

3

Panini Donruss Optic Football Trading Cards

The average resale value of the Panini Donruss Optic Football Trading Cards dropped 12% vs. the previous quarter. However, at \$75 for a mega box, this is still a 50% markup on their RRP.

4

Sony PlayStation 5

The PlayStation 5 dropped one place this quarter to fifth but maintained its ever-present streak in our Quarterly Index series. Its average resale value fell by 8% and, for the first time, to below \$600. This occurred despite its resale value being propped up by increased holiday season demand. Therefore, we are likely to see an even greater drop in resale value over the next quarter.

5

Jordan 1 Retro Low OG UNC

Last quarter, cook groups warned their members that Jordan 1 Lows do not usually perform well on the secondary market. True to form, the resale value of the Jordan 1 Low UNC dropped 13% this quarter, the biggest drop in resale value of all the items that featured in our Q3 Index.

Pricing Data

Top 5 Scalped Items – Q4 2022

Rank	Name	RRP	Price Low	Price High	Price Avg.	Markup Low	Markup High	Markup Avg.
1	Nike Dunk Low Panda	\$110	\$166	\$196	\$179	51%	78%	63%
2	Jordan 1 Retro High Chicago Lost and Found	\$180	\$402	\$457	\$429	123%	154%	139%
3	Jordan 4 Retro Midnight Navy	\$210	\$281	\$330	\$306	34%	57%	46%
4	Taylor Swift The Eras Tour Tickets*	\$249	\$338	\$31,000	\$12,000	36%	12350%	4719%
5	PlayStation 5	\$500	\$549	\$644	\$596	10%	29%	19%

Where Are They Now? – Q3 2022 in Q4 2022

Rank	Name	RRP	Price Low	Price High	Price Avg.	Markup Low	Markup High	Markup Avg.	Vs. Previous Q
1	Yeezy Slide Bone	\$60	\$109	\$189	\$144	82%	215%	140%	10%
2	Nike Dunk Panda Low	\$110	\$166	\$196	\$179	51%	78%	63%	-9%
3	Panini Optic Football Trading Cards	\$50	\$55	\$121	\$75	10%	142%	51%	-12%
4	PlayStation 5	\$500	\$549	\$644	\$596	10%	29%	19%	-8%
5	Jordan 1 Retro Low UNC	\$130	\$136	\$169	\$153	5%	30%	17%	13%

*RRP for The Era's Tour Tickets ranged from \$49 to \$449 depending on seat. Resale asking prices for tickets were as high as \$31,000.