

NETACEA

REPORT

Netacea Quarterly Index

Q2 2022

Executive Summary

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

Our research revealed that we are approaching a pivotal moment. Improved bot protection thwarted scalper bots on many sneaker releases that in the past would have featured in our Quarterly Index top five. Simultaneously, stock availability of regularly featured items like consoles and graphics cards continued to rise, reducing profitability for resellers.

Whilst consoles and graphics cards still made the Index this quarter, the market has started to shift. As a result, many resellers refocussed their efforts on cheaper products with higher profit margins. Three designer sneakers also made this quarter's Index, but in contrast to other quarters, they all retailed for under \$100.

Throughout this report, we will dissect our latest findings and revisit the top five items from Q1 2022; has their resale value held up in Q2?

1. Adidas Yeezy Slide Onyx



RRP: \$60



**Aftermarket Range:
\$145 - \$216**



**Aftermarket
Average: \$174**



**Markup Average:
190%**

Our research identified the Adidas Yeezy Slide Onyx as being the most heavily targeted by scalper bots this quarter. The simple yet comfortable design of the Yeezy Slide is perfect for the warmer weather of the summer months. Coupled with their affordability, this made the Onyx Slides a prime target for scalper bots, with some resellers checking out hundreds of pairs.

The Onyx Slides were first released in early March 2022 and restocked almost immediately in May due to their popularity. Frequent restocks normally reduce aftermarket values due to increased stock availability. However, in this instance scalper bots snapped up most of the restocked inventory, meaning fans of Kanye West's footwear line still had to pay, on average, nearly three times the RRP to get their hands on the Onyx Slides.

2. Adidas Yeezy Foam Runner Onyx



RRP: \$80



**Aftermarket Range:
\$172 - \$179**



**Aftermarket
Average: \$176**



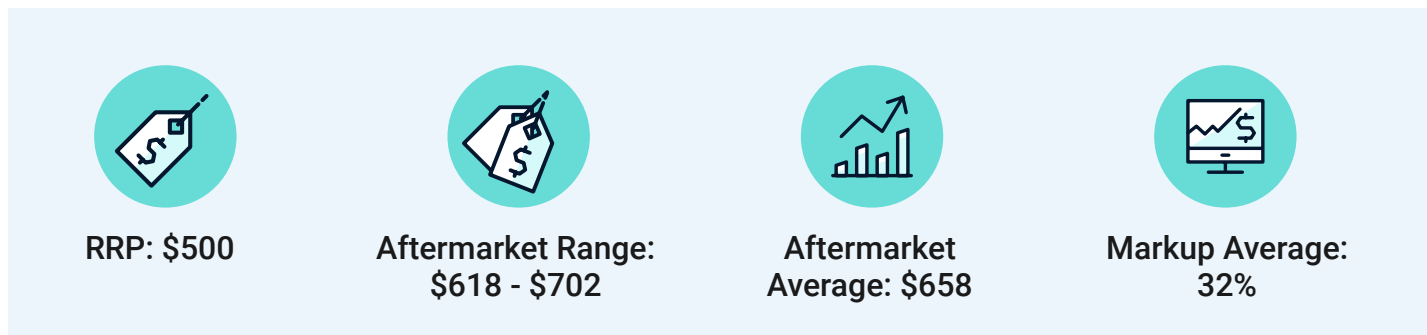
**Markup Average:
119%**

In second place, for the second consecutive quarter, is the Yeezy Foam Runner, making this the second time in a row that Yeezy's sneakers have taken the top two spots. This time, it is the Yeezy Foam Runner Onyx colourway, the second Onyx Yeezy colourway in our Index this quarter, and the third brand new colourway of the Yeezy Foam Runner released this year. With all three new Foam Runner colourways featuring in 2022 Indices, the silhouette is proving to be more popular than polarising.

The highly anticipated Onyx Foam Runners were released worldwide on 8th June, Kanye West's birthday. Similarly to the Slides, the Foam Runner silhouette is well suited for summer months due to its breathability, leading to increased demand from scalper bots this season. In addition, Onyx colourway retailed for \$10 less than the previous two colourways, increasing the amount that scalper bots were able to purchase.

The Yeezy Foam Runner Onyx had an average resale value of double the RRP throughout the month. If the previous two colourways are anything to go by, the Onyx Foam Runners will maintain this value for a while yet.

3. Sony PlayStation 5



The Sony PlayStation 5 continues its ever-present streak in the top three of our Quarterly Index reports, taking the third spot for the second quarter in a row. Since its release, Sony's fastest ever selling console has been a victim of its own success, heavily targeted by resellers due to its widespread popularity and media attention.

Unlike with sneakers and other hype fashion items, resellers do not need to have in-depth knowledge of cultural trends to resell consoles. As a result, the 9th generation console launches brought many new people with no previous involvement with scalper bots into the world of reselling. Whilst some have since diversified, there remain a few who will keep purchasing consoles until it becomes unprofitable. The slight general downward trend, apart from a peak in the holiday season, of the PlayStation 5's resale price has not deterred this group yet. Resellers are still netting over \$100 per console.

However, there are signs that the PlayStation's top three streak may soon come to an end. Last quarter, we highlighted the key role that cash-out services play in making consoles an attractive target for scalper bots. These bulk buyers offer a consistent sales channel for resellers and remove the risk associated with the capital investment required to purchase large amounts of stock. However, towards the end of this quarter, we observed many cash-out services beginning to limit the number of consoles they would accept due to the secondary market downturn.

4. Crocs x Salehe Bembury Pollex Clog



RRP: \$85



**Aftermarket Range:
\$126 - \$199**



**Aftermarket
Average: \$152**



**Markup Average:
79%**

Our third sneaker, and fourth entry in this quarter's Index, is another non-traditional, summer-focussed sneaker, the Pollex Clog. A collaboration between Crocs and Salehe Bembury, the Pollex Clog was released on 25th May in three colourways: Stratus, Urchin and Crocodile. It was released through a variety of retailers, with some of these opting for a raffle style release.

The Crocs x Salehe Bembury Pollex Clog is rare for a Crocs collaboration as it modifies the Crocs' silhouette shape, rather than simply colourways or graphics. Salehe Bembury is also a highly influential sneaker designer who has worked for fashion houses such as Versace and Yeezy. As a result, this Crocs collaboration was nearly as hyped as new releases of Yeezy's own Foam Runners, which also featured in this Index and bears some similarities to the Pollex Clog.

Despite heavily targeting this release, scalper bots struggled to purchase a sizeable portion of the stock, allowing legitimate customers to get their hands on the sneakers. This in turn reduced the aftermarket demand and value for the Pollex Clog.

5. NVIDIA GeForce RTX 30 Series Founders Edition Graphics Cards



Dropping one place from last quarter's Index, the NVIDIA GeForce RTX 30 series Founders Edition graphics cards round off our top five. NVIDIA's GPUs have featured in every Index we've published to date; however, this edition looks like it will be their last. Their resale values have continued to crash throughout this quarter, causing resellers to reevaluate their targeting.

Last quarter, our research identified that scalper bots targeted four graphics cards: the RTX 3060 Ti, RTX 3070, RTX 3080 and RTX 3090 Founders Edition graphics cards. The primary difference this quarter is that scalper bots are no longer targeting the high end RTX 3090 Founders Edition graphics card, which dropped to as low as \$300 below RRP on the secondary market. However, this card would still exceed the budget of all but the most serious gamers, even at the discounted price tag of \$1,200.

The Ethereum Merge, which will move the popular cryptocurrency away from mining, is expected to occur next quarter. This is likely to result in a large influx of second-hand graphics cards entering the market as miners decommission their rigs. With the bots and miners leaving, gamers should start seeing a lot less competition for graphics cards.

Where are they now? A look back at our top five from Q1 2022

1 Adidas Yeezy Boost 350 v2 Dazzling Blue

Despite dropping out of the top five this quarter due to a lack of restocks for scalper bots to go after, the Yeezy Boost 350 v2 Dazzling Blue has retained its resale value. It is still selling for over \$90 more than RRP. Whilst there have been other colourways of the Yeezy Boost 350s this quarter, the Dazzling Blue has proven to be an extremely popular shoe.

2 Adidas Yeezy Foam Runner Stone Sage and Mist

Foam runners continue to be targeted by scalper bots this quarter, with the Onyx colourway replacing the Stone Sage and Mist colours as the second most in-demand item for scalper bots. The resale market is still strong for last quarter's colourways though, with average resale prices this quarter up 4% on the last.

3 Sony PlayStation 5

The PlayStation 5 retained third place in this quarter's Index. With only a 4% drop in average resale value compared to last quarter, it was still a primary target for scalper bots.

4 NVIDIA GeForce RTX 30 Series Founders Edition Graphics Cards

The NVIDIA GeForce 30s series Founders Edition graphics cards dropped to fifth place in this quarter's Index. The average resale price of the popular RTX 3070 Founders Edition graphics card dropped another 33% this quarter, after dropping 25% last quarter. The secondary market for the top-end card, the RTX 3090 Founders Edition, has evaporated with resale value under RRP.

5 Jordan IV Retro Red Thunder

The popular Jordan IV Retro Red Thunder colourway has maintained its strong resale performance, with resellers still netting an average profit of around \$140 per pair this quarter.

Research

Top 5 Scalped Items - Q2 2022

Rank	Name	RRP	Price Low	Price High	Price Avg.	Markup Low	Markup High	Markup Avg.
1	Yeezy Slide Onyx	\$60	\$145	\$216	\$174	142%	260%	190%
2	Yeezy Foam Runner Onyx	\$80	\$172	\$179	\$176	115%	124%	119%
3	PlayStation 5	\$500	\$618	\$702	\$658	24%	40%	32%
4	Crocs x Salehe Bembury Pollex Clog	\$85	\$126	\$199	\$152	48%	134%	79%
5	NVIDIA GeForce Founders Edition GPUs*	\$500	\$564	\$800	\$650	13%	60%	30%

Where Are They Now? - Q1 2022 in Q2 2022

Rank	Name	RRP	Price Low	Price High	Price Avg.	Markup Low	Markup High	Markup Avg.	Vs. Previous Q
1	Yeezy Boost 350 v2 Dazzling Blue	\$220	\$293	\$322	\$311	33%	46%	41%	-2%
2	Yeezy Foam Runner Stone Sage & Mist	\$90	\$156	\$229	\$195	73%	154%	116%	4%
3	PlayStation 5	\$500	\$618	\$702	\$658	24%	40%	32%	-4%
4	NVIDIA GeForce Founders Edition GPUs*	\$500	\$564	\$800	\$650	13%	60%	30%	-33%
5	Jordan 4 Retro Red Thunder	\$190	\$315	\$350	\$336	66%	84%	77%	2%

*Whilst NVIDIA GeForce RTX 3060 Ti, 3070, 3080 and 3090 Founders Edition cards were targeted, pricing only refers to the RTX 3070 Founders Edition card.

Most scalped items Q1 and Q2 2022 – Trends over 12 months

Name	RRP	Max %	Min %	Q2 2022 %	Q1 2022 %	Q4 2021 %	Q3 2021 %	Q2 2021 %	Max \$	Min \$	Q2 2022 \$	Q1 2022 \$	Q4 2021 \$	Q3 2021 \$	Q2 2021 \$
Adidas Yeezy Boost 350 V2 Dazzling Blue	\$220	44%	41%	41%	44%	-	-	-	315.90	311.12	311.12	315.90	-	-	-
Adidas Yeezy Foam RNNR Mist	\$90	-	110%	128%	110%	-	-	-	205.16	189.33	189.33	189.33	-	-	-
Adidas Yeezy Foam RNNR Stone Sage	\$90	106%	105%	105%	106%	-	-	-	185	184.16	184.16	185	-	-	-
Adidas Yeezy Foam RNR Onyx	\$80	119%	119%	119%	-	-	-	-	175.50	175.50	175.50	-	-	-	-
Adidas Yeezy Slide Onyx	\$60	190%	190%	190%	-	-	-	-	174.08	174.08	174.08	-	-	-	-
Crocs Pollex Clog by Salehe Bembury	\$85	79%	79%	79%	-	-	-	-	151.80	151.80	151.80	-	-	-	-
Jordan 4 Retro Red Thunder	\$190	77%	74%	77%	74%	-	-	-	335.96	329.65	329.65	329.65	-	-	-
Microsoft Xbox Series X	\$500	41%	9%	9%	19%	41%	36%	-	706.13	543.29	543.29	595.38	706.13	680.29	-
NVIDIA EVGA GeForce RTX 3060 Graphics Card	\$390	77%	7%	7%	54%	77%	66%	-	689	415.76	415.76	602	689	647	-
5NVIDIA GeForce RTX 3060 Ti Founders Edition Graphics Card	\$400	130%	47%	47%	130%	-	-	-	920.24	587.13	587.13	920.24	-	-	-
Sony PlayStation 5 Disc Edition	\$500	55%	32%	32%	37%	50%	45%	55%	777.43	658.43	658.43	687.08	747.93	727.43	775.43