



Global Journal of Engineering Science and Research Management

ANALYSIS OF AJ MARKET SUPPLY AND DEMAND STATUS AND CONSUMER PURCHASING BEHAVIOR

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KEYWORDS: AJ sneakers; cultural trends; private sellers

ABSTRACT

In the AJ shoe market, the flow of products is uncertain. Private sellers may sell shoes directly to consumers or collectors, and collectors may, in turn, become private sellers. Private sellers might also sell shoes to agents. Apart from NIKE's official flagship stores, price is the primary determinant in this AJ shoe market.

INTRODUCTION

AIR JORDAN (abbreviated as AJ) is a brand of basketball shoes, sports casual wear, and fashion apparel under NIKE, created for former NBA player Michael Jordan and released to the public at the end of 1984. Due to its groundbreaking design and innovation, its basketball shoes have far outpaced other products in sales and market demand. No one expected this to become the beginning of a legend.

In addition to adopting the latest technological concept of "ankle support straps," AIR JORDAN XX also utilized laser engraving technology to highlight Michael Jordan and the glorious past of the AIR JORDAN series. A closer look reveals that the velcro strap on the AIR JORDAN XX shoe surface is engraved with various unique patterns, each telling a story. One can find Jordan's highest career score, his birthday, or even his first purchased car. A hand with six fingers signifies his six championship rings.

Today, AIR JORDAN XX is no longer a rarity for most sneaker enthusiasts. However, its launch in 2005 carried significant meaning, marking two decades of history, commemorating Jordan and the legacy of the AIR JORDAN series. Therefore, conducting a market study on AJ can provide insights into its domestic and international sales, market structure, consumer demographics, and purchasing behavior. These insights reflect the current market status and offer valuable information for both buyers and sellers in making trading decisions.

1. Market Structure Analysis

Commodity category

China AJ basketball shoes, is roughly divided into four categories: the first refers to the mall or store in the formal authorized products, such as NIKE stores, NIKE official website; The second type is defective products and original products, which are formally produced by NIKE, but the products have defects, and this part of the products usually flow to the market through other channels. The original product is the product produced by the assembly line, but it does not flow to the store, but is flowed to the offline market when it flows to the store or is produced, but the number is very small; The third is the product made of genuine raw materials, but it is not the genuine product produced by the manufacturer; The fourth is counterfeit, that is, "Putian" fake shoes.

Market category

AJ's market category is roughly divided into four kinds: the first is the primary market, is AJ store, can provide special registration, can wait for the sale day lottery to buy new shoes store, mainly sells high-end products and limited products, in addition to AJ store, AJ official website can also assume this role; The second is the mall shops and individual merchants, in this case the merchants will be authorized by AJ, but not AJ official direct sales, the products sold are genuine, but it is purchased from AJ official; The third is purchasing. As more and more people have the opportunity to go abroad, purchasing has become a channel to buy AJ shoes. Purchasing AJ shoes from duty free shops or specialty stores in other countries and buying genuine shoes with low prices to



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buyers through poor information; The fourth is the offline market, which mainly sells defective products, or AJ shoes or even fake shoes obtained from special channels that are not sold in specialty stores or authorized shopping malls.

Market composition

The first is NIKE's official flagship store, that is, NIKE's official website, official store, directly supplied by NIKE, no other links; The second is NIKE authorized shopping mall stores, authorized by NIKE, may only sell NIKE products, or may sell other sports brands; The third is the NIKE factory store, which is a very popular business model abroad, the AJ shoes high-end products popular, the price is not so high, is also genuine, but the product has the characteristics of out-of-season, no longer popular; The fourth is the offline market, private sellers who profit by reselling AJ shoes.

From the above analysis, it can be seen that if you want to buy a pair of AJ shoes, buyers have two choices: the first is to go to the nearby store to buy, need to queue, call, and even there will be the risk of not being able to buy; The second is to seek private sellers and other agents to buy AJ shoes. Or buy AJ shoes directly from private buyers or agents, although the price is high, but consumers who can buy AJ shoes are not sensitive to price. Therefore, the entry of agents and private sellers has led to increasingly fierce competition in the AJ market, and some agents and private sellers will not sell in order to raise the price, causing the illusion of shortage, and then sell shoes when the price is raised to a certain height.

2. Consumer research and analysis

Basic attributes of consumer

According to the survey, in terms of gender ratio, the main consumer groups of AJ are men, accounting for 75% of the total number, and girls account for 25%. From the analysis of age, the main age distribution is "post-80s" and "post-90s" and "post-00s". The "post-80s" age is close to the "post-90s", and the "post-00s" age is close to the "post-90s", from the point of view of the number of purchases, the number of purchases of AJ basketball shoes is concentrated in 1 to 2 pairs per year, followed by 3 pairs per year.

Purchasing behavior statistics

It can be found from the survey that there are very few consumers who are willing to buy counterfeit AJ basketball shoes, accounting for only about 10% of the survey data. In the survey of consumption level, consumers whose monthly salary is less than 2,500 yuan account for about 15%. The two data have a certain correlation. It shows that its consumers have a very high brand loyalty, and few people will be willing to buy counterfeit AJ sneakers, even if they have no money. And the way of buying is mainly concentrated in private purchases and official websites and official stores.

3 .AJ sports shoes market survey

Price survey

The price of AJ's sneakers has never dropped significantly, even though high-end shoe prices have held up during the pandemic. Before talking about the Chinese shoe market, we must first clarify two concepts - the primary market and the secondary market. The so-called primary market, in popular terms, refers to Nike, Adidas and other brands as well as the major official authorization or sale of stores; In the secondary market, the supply of sneakers is mainly the user to resell second-hand sneakers and new shoes purchased from the primary market. Unlike the official retail price in the primary market, the price in the secondary market fluctuates according to factors such as buying demand. The obvious example is that the secondary market in 2019 is hot, and most of the shoes that flow into the secondary market have increased in price by different magnitude-the first half of the year 'shoe king' AJ barb was fried to more than 10,000 a pair, and the second half of the year Edison Chen and Nike's 'white silk' joint price was fried to fly. Although the behavior of "fried shoes" was once regulated and prohibited, the consumption power of the secondary market has always been strong, and by 2020, the normal purchase demand was increased during the Chinese New Year, which was a great time for the Chinese shoe market, but the sudden global novel coronavirus pneumonia epidemic has cooled the shoe market rapidly. "During the epidemic, the funds used to buy shoes will not be abundant, and the shoe dealers are eager to sell, which has led to the price of sneakers falling to some extent." Although the price of sneakers has fallen, but as far as the overall secondary market is concerned, sports industry experts, "What are sports brands busy" public number founder



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Ricki observed, "there is no obvious crash in the secondary market." "The products in the secondary market are more rare and high value-added attributes, and the additional premium of the overall brand is very high, such as the relatively rare color matching of AJ1, which has been a very strong price, or will form a relatively large price increase in the secondary market." It's not as big as before, but it's still higher than the suggested retail price." For high-end AJ products, the price remains unchanged, but the price of low-end AJ basketball shoes has decreased to a certain extent because of the increase in inventory, and the number of purchases has also increased.

Buying methods market research

The main way to buy AJ sports shoes is to buy online and from private sellers, buyers in the purchase of AJ, often think that regardless of the price, as long as it is able to buy it is willing to pay the price. Therefore, in many cases, buyers do not care about the purchase channel. However, in foreign countries, the main way for consumers to buy AJ sports shoes is to buy them in shopping malls, but they will also buy them on some websites. When AJ basketball shoes are priced at a relatively high price, they will also be purchased from private sellers.

CONCLUSION

Overall, AJ sneakers are mainstream consumer goods, with most models priced between 1,500 and 3,000 RMB. This range aligns with youth spending power, with affluent individuals updating their collection every 2-3 months.

NIKE's marketing strategy capitalizes on celebrity endorsements, positioning AJ beyond footwear into cultural symbolism. Recognizable design and reasonable pricing make AJ a top choice for young consumers. NIKE's bold decision to sign Michael Jordan in the 1980s, when it was still a small company, proved visionary. In 1985, NIKE launched the first AJ sneakers, which were controversially banned by the NBA due to their bold colorway, incurring a 5,000 USD fine per game. NIKE leveraged this controversy for promotion, making AJ1 a sensation.

Back then, Converse dominated the basketball shoe market, but Jordan's endorsement catapulted NIKE to the forefront. NIKE continued releasing new AJ models, leveraging Jordan's success to expand its influence. In 1989, Jordan scored a career-high 69 points wearing AJ5, driving demand. The 1990 release of AJ6 introduced elastic fasteners, with Jordan securing his first NBA championship, further cementing the series' popularity.

By appealing to basketball aspirations, NIKE achieved remarkable success. Today, the AJ market remains strong, with demand undeterred by high prices. As basketball gains global recognition, AJ sales continue to thrive. With early adopters now having greater purchasing power, AJ sneakers enjoy an expanding market share where price is no longer a concern.

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