

NETACEA

REPORT

# Netacea Quarterly Index

## Q3 2022

## Executive Summary

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

Our research highlights how scalper bots continue to adapt to a changing market. Although graphics cards, once a constant feature, no longer hit the top five this quarter, other long-time favourites such as Yeezy sneakers and PlayStation 5s continue their streaks in our Index as scalpers stick to tried and tested products. Overall, scalpers centred their strategy on making bulk purchases of popular, affordable, limited-edition items with high profit margins, rather than items with a lofty price tag. We are seeing scalpers play to their strengths, namely their ability to scale, with bot users leaning into this.

Throughout this report, we dissect our latest findings for Q3 2022, and revisit the top five items from Q2 2022; has their resale value held up this quarter? We also look forward to Q4 and make predictions on the top items set to be targeted by scalpers in the run up to, and during, the 2022 Black Friday weekend and holiday period.

## 1. Adidas Yeezy Slide Bone



**RRP: \$60**



**Aftermarket Range:  
\$107 - \$140**



**Aftermarket  
Average: \$131**



**Markup Average:  
118%**

The Yeezy Slide Bone takes the number one spot this quarter, continuing Yeezy footwear's streak at the top of our 2022 Indices. Hype for Kanye West's footwear line peaks during August due to "Yeezy Day", an annual two-day promotional event first introduced by Adidas in 2019. This year's Yeezy Day garnered even more media attention than usual as Kanye publicly feuded with Adidas, claiming the event was conducted without his approval.

However, this quarter's most scalped item was not a Yeezy Day release as may have been expected. Instead, scalpers bots focused on the many Yeezy Slide colourways released throughout the quarter. Their combination of affordability and popularity provided resellers with plenty of markup potential, making them more profitable than other models. This quarter, scalper bots primarily went for the Bone colourway, which was restocked in July, a week before Yeezy Day. Restocks of last quarter's top target, the Onyx colourway, were also popular once again with scalper bots.

## 2. Nike Dunk Low Panda



**RRP: \$110**



**Aftermarket Range:  
\$172 - \$212**



**Aftermarket  
Average: \$196**



**Markup Average:  
78%**

In second position is the Black and White Nike Dunk Low, affectionately known as the Panda. The Dunk silhouette has been growing in popularity, helped in part by celebrity endorsements and TikTok influencers. With its classic monochromatic style, the Panda Dunk has quickly become one of the most coveted Dunk colourways and Nike has indulged its fanbase with frequent restocks since its first release in 2021.

The Panda Dunk retails for \$110, which is almost twice the RRP of scalper bots' most targeted item this quarter, the Yeezy Slides. However, whilst not as cost friendly as the Slides, the Panda Dunk is still affordable enough for scalpers to purchase multiple pairs, which allows them to maximise their profits. Despite the potential for Nike's regular restocks to tank the resale market, the gap between supply and demand for Panda Dunks has so far remained high enough to enable resellers to take advantage.

### 3. Panini Donruss Optic Football Trading Cards



**RRP: \$50**



**Aftermarket Range:  
\$70 - \$131**



**Aftermarket  
Average: \$86**



**Markup Average:  
71%**

After watching from the side-lines in previous quarters, sports collectibles make their first entry into our Index this quarter, with the 2021 Panini Donruss Optic NFL trading cards coming in third place. Interestingly, this time last year, it was Non-Fungible Tokens (NFTs), the digital equivalent to trading cards, making their first appearance. However, while the NFT market slumps, demand for physical trading cards is skyrocketing. The football trading card subreddit r/footballcards went from 31 thousand subscribers to over 86 thousand this quarter alone.

Scalper bots have followed the demand and increased their focus on trading cards, snapping up thousands of boxes. The Donruss Optic “mega” boxes, which contain ten packs of four cards, were favourites for scalpers who could instantly resell them for more than double their RRP of \$50. Resellers could also break boxes, which is where they sell the rights to all cards in the box matching a certain criterion, for example, all from a particular team, and live stream the unboxing.

## 4. PlayStation 5



**RRP: \$500**



**Aftermarket Range:  
\$613 - \$675**



**Aftermarket  
Average: \$647**



**Markup Average:  
29%**

The Sony PlayStation 5 moves down one position this quarter, placing outside the top three in our Quarterly Index for the first time. The poster child for scalping, the PlayStation 5 release was influential in the expansion of scalping from the primary focus on sneaker bots to the adoption of purpose-built retail bots that target non-footwear eCommerce stores.

The PlayStation 5's continued popularity as a scalper bot target is bolstered by the existence of cash-out services, which purchase the consoles from scalpers in bulk. Whilst many of these services started limiting the number of consoles they would accept towards the end of quarter two, this was temporary and did not have a significant effect on scalper activity. As a result, the PlayStation 5's resale value largely remained consistent throughout the quarter. Resellers were able to bring in over \$100 in profit per console, and scalper bots will continue to target the PlayStation 5 until this changes.

## 5. Jordan 1 Retro Low OG UNC



**RRP: \$130**



**Aftermarket Range:  
\$159 - \$192**



**Aftermarket  
Average: \$176**



**Markup Average:  
35%**

Our final item in this quarter's Index is the Jordan 1 Retro Low OG UNC, which pays homage to Michael Jordan's alma mater, the University of North Carolina. The black and white blocking is reminiscent of the Panda Dunk, while the UNC-inspired light blue outsole, heel and tongue add a splash of colour.

Expectations for this release were mixed as the Jordan 1 Low silhouette typically does not perform as well on the secondary market as other Jordans. Some cook groups advised their members that it was likely to brick, meaning little to no profit margin. However, the UNC colourway was one of the more anticipated Jordan 1 Lows of recent months, and as a result still garnered lots of attention from scalper bots.

## What will scalper bots target in the lead up to Christmas 2022?

Looking ahead to Black Friday, Netacea's Threat Research Team predicts a rise in the use of "freebie" bots, a newer category of scalper bot that has recently been gaining popularity. Often sold using a bot-as-a-service model, these bots monitor and automatically purchase items with discounts above a set threshold. With many retailers offering significant promotional discounts around Black Friday weekend, we expect to see increased activity from freebie bots.

High value consumer electronics are also likely to be targeted, especially those accepted by cash-out services – bulk buyers who purchase items from scalpers. A prime example is the PlayStation 5, which will almost certainly continue to be a target, even though the additional stock released over the holiday season will cause its resale value to drop. Similarly, premium Apple products such as the iPhone 14 can be sold to cash-out services and are likely to be targeted. Graphics card botting may make a comeback due to the release of the NVIDIA RTX 40 Series, however this is unlikely to be anywhere near the scale of the 30 Series. Crypto mining, the secondary use case for graphics cards, has been impacted by soaring energy costs and a reduction in cryptocurrency values, meaning a drop in demand.

The fashion industry won't be left unaffected. We predict that scalper bots will continue to favour affordable designer sneakers over more expensive one-off holiday releases. However, no limited-release item is completely safe; if there is enough demand, scalper bots will not be far away. And it's often the unexpected targets that cause the most impact.



## Where are they now? A look back at our top five from Q2 2022

### 1 Adidas Yeezy Slide Onyx

Yeezy Slides kept the top spot in this quarter's Index, with the Bone colourway replacing Onyx as the most targeted. With multiple Slide colourways released or restocked this quarter, the average resale value of the Onyx slide dropped by 26% but continues to sell for double its RRP.

### 2

### Adidas Yeezy Foam Runner Onyx

With no major restocks for bots to target, the Onyx Foam runner has dropped off our Index this quarter. It has held its high resale value throughout the quarter, with some pairs selling for nearly two and a half times RRP.

### 3

### Sony PlayStation 5

The PlayStation 5 dropped one place this quarter to fourth. This is the first time it has not made the top three in our Index, a reflection of the slight reduction in bots targeting the console due to stock increases. However, its resale value has remained stable, with only a 2% drop since last quarter.

### 4

### Crocs x Salehe Bembury Pollex Clog

Crocs' collaboration with Salehe Bembury has not featured in this quarter's Index, due in part to the difficulty bots had in securing purchases of previous releases. However, the Pollex Clog continues to perform similarly to Yeezys on the secondary market, where it is selling for double RRP.

### 5

### NVIDIA GeForce RTX 30 Series Founders Edition Graphics Cards

Graphics cards have finally dropped out of our Quarterly Index, after featuring in all previous editions. The RTX 30 Series' resale value has been freefalling throughout 2022, with many cards now being resold at close to or below RRP. However, with the RTX 40 scheduled for release in Q4 2022, graphics cards may soon feature again.

## Pricing Data

### Top 5 Scalped Items - Q3 2022

Rank	Name	RRP	Price Low	Price High	Price Avg.	Markup Low	Markup High	Markup Avg.
1	Yeezy Slide Bone	\$60	\$107	\$140	\$131	78%	133%	118%
2	Nike Dunk Panda Low	\$110	\$172	\$212	\$196	56%	93%	78%
3	Panini Optic Football Trading Cards	\$50	\$70	\$131	\$86	40%	162%	71%
4	PlayStation 5	\$500	\$613	\$675	\$647	23%	35%	29%
5	Jordan 1 Retro Low UNC	\$130	\$159	\$192	\$176	22%	48%	35%

### Where Are They Now? - Q2 2022 in Q3 2022

Rank	Name	RRP	Price Low	Price High	Price Avg.	Markup Low	Markup High	Markup Avg.	Vs. Previous Q
1	Yeezy Slide Onyx	\$60	\$115	\$154	\$128	92%	157%	113%	-26%
2	Yeezy Foam Runner Onyx	\$80	\$154	\$199	\$174	93%	149%	117%	-1%
3	PlayStation 5	\$500	\$613	\$675	\$647	23%	35%	29%	-2%
4	Crocs x Salehe Bembury Pollex Clog	\$85	\$127	\$215	\$174	49%	153%	105%	15%
5	NVIDIA GeForce Founders Edition GPUs	\$500	\$458	\$649	\$545	-8%	30%	9%	-16%

\*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.