

Analysis of Marketing Strategies for Sports Star Trading Cards

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Abstract. One of the reasons for the renewed interest in sports star trading cards is a collection of things you love. For example, personal favorite team, personal favorite players, some people may be a memory of youth, and some people are a kind of walking with time now. Blind boxes, where collectors purchase a pack without knowing which cards they will receive, have become a popular marketing strategy to add an element of surprise and excitement to the buying experience. This unpredictability can create a sense of anticipation and increase the perceived value of the cards inside. Additionally, auctions of specific player cards can create a sense of competition among collectors, driving up prices and adding a thrill of the chase to the purchasing process. By analyzing the effectiveness of these marketing strategies, we can gain insights into what drives collectors to make purchases and how to best engage with them. Understanding these consumer behaviors can help companies in the sports star trading card market tailor their marketing efforts to maximize sales and increase collector engagement.

Keywords: Sports star trading cards; blind box; auction; IP.

1. Introduction

Trading cards, as the name implies, are small cards created for collecting and trading. They have a rich history, originating in the 19th century when they were inserted into cigarette packs as a promotional tactic. Today, the trading card industry has evolved into a multi-billion-dollar market, offering cards that cater to a wide range of interests.

Collectors are drawn to trading cards for various reasons. Some enjoy the thrill of searching for rare and valuable cards, while others appreciate the social aspect of trading with friends and fellow collectors. Additionally, some see trading cards as a potential investment, hoping that their value will increase over time.

The sports trading card industry, commonly known as sports cards, traces its roots back to around 1886. The N167 set, released by Goodwin Tobacco, featured 12 players from the New York Giants baseball team. Initially, these cards served a practical purpose of stiffening the packaging of accompanying tobacco products.

Today, major sports leagues in the US, such as the NFL, NBA, NHL, MLB, have exclusive partnerships with specific card manufacturers to produce sports cards. These cards often have a standardized design, featuring the player's image, name, team, and statistics on the front, with additional biographical information, stats, and decorative elements on the back.

This research will provide a comprehensive analysis of the marketing strategies used in the sports star trading card market, with a focus on blind boxes and player card auctions.

2. Findings Based on Previous Data

In this study, a questionnaire survey was administered to nearly 200-sports star trading card collectors before to investigate their preferences and habits when it comes to collecting cards. The results revealed that 78.16 percent of the collectors specialize in collecting cards related to their favorite stars or teams, while 29.61 percent focus on a specific type or series of cards. Moreover, 22.33 percent of the participants indicated that they have no specific preference in terms of the type of cards they collect, and a further 3.88 percent expressed uncertainty about their collection preference. The data

suggests that a significant proportion of consumers are inclined towards purchasing and collecting cards featuring specific individuals or teams, regardless of whether they intend to engage in future trading or simply expand their own personal collections. This trend is noteworthy, indicating the strong influence of individual preferences in driving consumer behavior in the sports star trading card collection market.

After establishing a general understanding of the sports cards consumers tend to acquire, the focus shifts to how these cards are procured. The acquisition of sports cards can occur through various channels. Firstly, it involves processes such as card unboxing and acquisition. If a dedicated sports card store is nearby, the most convenient method is to visit the store and engage in the unboxing of cards. Typically, individuals select their preferred numbered card package from the latest series and proceed to open it to obtain valuable cards. Alternatively, those with sufficient financial resources may choose to purchase an entire box of cards containing multiple packs, increasing their chances of obtaining valuable cards, albeit at a higher cost. This method is akin to blind box consumption.

On the other hand, card acquisition involves purchasing cards that have been previously unboxed by others. Due to the higher cost associated with unboxing cards, card acquisition is a more common choice. The process can be facilitated through promotions by various card stores, domestic card trading apps, and online platforms such as eBay and COMC. Online auctions have expanded the secondary trading market for sports trading cards by 40% in the last five years [1]. During the transaction process, price negotiations between buyers and sellers take place, with platforms ensuring security. Sellers may also initiate auctions for cards, with both buyers and sellers required to adhere to auction guidelines, such as making deposits as per the platform's rules.

3. Psychological Factors and Curiosity

The genesis of curiosity can be delineated to various psychological factors, notably linked to the release of dopamine in the brain, a neurotransmitter intricately associated with pleasure and reward. Findings from existing research underscore the role of novelty-seeking behavior and the element of uncertainty in triggering the brain's reward system, thereby heightening curiosity and engendering a desire for exploration and discovery. When it comes to purchasing trading cards of sports stars, there are various psychological factors at play beyond just mere curiosity. One such factor is the desire to follow the crowd, or the fear of missing out on a popular trend. This "herd mentality" can often drive individuals to purchase these cards simply because everyone else is doing so. Additionally, there may also be a sense of competition or comparison with others, leading to a desire to possess the most sought-after or valuable cards. This needs to keep up with others and showcase one's collection can fuel a sense of rivalry and status among collectors. Furthermore, the idea of scarcity can also play a significant role in the decision to purchase these cards, as limited edition or rare cards can hold a greater appeal and value. But also, according to the survey of Consumer Behavior and Purchasing Decisions in the Sports Trading Card Market. Sport Management Review, it indicates that over 60% of sports trading card consumers make impulse purchases based on emotional attachment to specific players [2]. Ultimately, the motivations behind buying sports star cards are multifaceted and can be influenced by a combination of psychological factors.

4. Consumer Psychology and Marketing Strategies

Leveraging secondary data from extant literature expounds upon the psychological and behavioral mechanisms propelling consumer engagement and satisfaction. Analysis of consumer behavior and decision-making processes offers valuable insights into the allure of blind boxes and the catalyzing role of curiosity in driving consumer participation. Furthermore, it unveils the intrinsic marketing tactics employed in blind box promotions, centered on creating anticipation, exclusivity, and collectability to captivate consumer interest and foster brand loyalty. Trading card companies market sports star cards through various tactics to attract collectors and fans. They promote the cards through endorsements from popular athletes, creating a sense of exclusivity and desirability. Limited edition

releases and special inserts, such as autographed cards or game-worn memorabilia, generate excitement and drive sales among collectors seeking rare and valuable items. Engaging social media campaigns, collaborations with sports leagues, and events such as card signings and exclusive releases further enhance the appeal and visibility of sports star trading cards in the market. Also, sports stars use a variety of marketing strategies to promote their trading cards to fans and collectors. One key tactic is leveraging social media platforms like Instagram and Twitter to engage with their followers and showcase their card collections. Results show that engagement with social media posts related to sports trading cards leads to a 15% increase in sales within the following months. Collaborations with social media influencers have shown to increase brand visibility and engagement, leading to a 20% growth in new customer acquisitions [3,4]. Many athletes also participate in autograph sessions and meet-and-greets at sports card conventions or events, creating buzz and excitement around their cards. Chen and Lee who did A Study of Sports Star Trading Cards in China said in their research that: "Our study found that celebrity endorsement significantly increases brand awareness and perceived value of sports trading cards among Chinese consumers"[5]. Additionally, collaborations with trading card companies and sports memorabilia brands help athletes reach a wider audience and increase the appeal of their cards. Some sports stars even release limited edition or exclusive cards to generate hype and demand among collectors. Based on the study of Garcia and Martinez, Limited edition sports trading cards with only 100 copies available on the market have shown to increase in value by an average of 25% annually. Overall, these marketing efforts help increase the visibility and desirability of a player's trading cards, driving sales and boosting their market value.

5. Marketing Tactics and Consumer Engagement

The marketing tactics underpinning blind box promotions are predicated upon the element of surprise and randomness, which collectively forge an immersive and interactive consumer experience. By offering a diverse range of products with varying levels of rarity and exclusivity, blind box promotions entice consumers to partake in the exhilarating act of unboxing, rendering it an invaluable tool in augmenting consumer engagement, brand visibility, and fostering a sense of community among collectors and enthusiasts. Sports star trading card blind boxes are marketed as a collectible and exciting surprise for fans. The mystery of not knowing which athlete's card is inside creates anticipation and encourages customers to purchase multiple boxes. Sports trading cards are often sold through blind boxes or packs, adding an element of surprise and collectability to the buying experience. These blind boxes typically contain a random assortment of cards, including base cards, inserts, autographs, and memorabilia cards featuring pieces of jerseys or equipment worn by the athlete. The thrill of not knowing which cards are inside the box creates anticipation and excitement among collectors, driving sales and encouraging repeat purchases. Some trading card companies also offer limited edition or rare cards that can only be found in certain types of blind boxes, further incentivizing fans to purchase and collect them. Overall, the use of blind boxes in selling sports trading cards enhances the thrill of collecting and adds an element of randomness that appeals to buyers. The packaging and promotion often highlight the chance of finding limited edition or rare cards, further enticing collectors to buy the product. Additionally, the inclusion of special memorabilia or autographed cards in some boxes adds to the appeal and boosts the overall marketing strategy.

6. Implications and Ethical Considerations

While blind box promotions offer numerous benefits, ethical and environmental considerations must be carefully examined. The gamification aspect of blind box purchases can lead to addictive tendencies, compelling individuals to overspend in pursuit of rare items and potentially causing financial and psychological harm. Moreover, the excessive packaging waste generated by blind boxes contributes to plastic pollution and environmental degradation, highlighting the need for sustainable packaging solutions to minimize ecological impact. Ethical concerns arise from the transparency of products and the ethical integrity of marketing tactics, which may exploit consumers' desires for

exclusive items and compromise trust in brands. By adopting responsible marketing practices and sustainable packaging solutions, the ethical integrity and long-term sustainability of blind box promotions can be upheld, prioritizing consumer well-being and environmental conservation.

However, there are drawbacks to selling sports star trading cards in blind boxes. Ethical concerns arise due to the potential promotion of gambling-like behavior, which can lead to addictive tendencies and excessive spending among collectors. This raises questions about the responsible marketing of these products. The environmental impact of blind boxes, particularly the excessive packaging waste they generate, contributes to plastic pollution and may prompt criticism of the company's sustainability practices. Moreover, the secrecy of blind boxes and the possibility of rare card manipulation can undermine consumer trust in the fairness and transparency of the product, potentially leading to skepticism and reduced loyalty among collectors. In navigating these challenges, card companies must carefully balance the advantages of blind box promotions with ethical, environmental, and consumer trust considerations to maintain a positive brand image and uphold ethical standards.

7. Value maximization

Selling sports star trading cards in blind boxes presents both advantages and disadvantages for card companies. On the positive side, blind boxes drive increased sales by creating excitement and anticipation among collectors, motivating them to purchase multiple boxes in search of rare or limited-edition cards. This strategy also adds an element of exclusivity to the product, attracting collectors who are willing to pay a premium for sought-after items. Additionally, blind box promotions offer card companies a valuable marketing opportunity to engage with fans through social media campaigns, events, and collaborations, ultimately boosting brand visibility and attracting new customers.

For a single sports star trading card, the price often has a large difference. For example, the highest-priced star card sold in 2020 is priced at \$3.963 million, and the highest-priced basketball star card is priced at \$1.857 million. As of January 17, 2022, on the mainstream star card secondary trading platform eBay, there are more than 3 million basketball star cards with prices below \$4, accounting for 56.38% of all basketball star cards on the platform at present, and 68.59% of basketball star cards with prices below \$8.

The price support of sports trading cards is influenced by various factors that can be broadly categorized into three dimensions. Firstly, the popularity dimension encompasses the appeal of the players featured on the cards and the overall popularity of the cards themselves within the collecting community. Secondly, the scarcity dimension relates to the rarity of the events or achievements documented on the cards, as well as the limited number of cards produced. Lastly, the quality and condition of the card, including factors such as storage status, also play a crucial role in determining its value in the market. Study by Kim and Park showed that consumers are 70% more likely to engage with high-quality sports trading cards due to their aesthetic appeal and durability.[6] By considering these dimensions, collectors and investors can assess the price support and potential appreciation of sports trading cards.

Overall, users are more willing to pay a premium for a special, better-preserved card of a top player. Under the other conditions being equal, changes in any dimension can bring marginal increments to the price of the sports star trading card. Taking the cards traded on eBay, the most important secondary trading platform for cards, for example, the meaning of the cards (corresponding to the scarcity of events recorded by the cards) and the institutional score (corresponding to the quality and status of the cards) will have a large difference in price. Consumers are willing to pay 30% more for sports trading cards with authentic celebrity autographs, indicating the perceived value of such collectibles. There might be other factors such as how well is the player playing recently, in the study by Park and Chang they said that:“Our analysis shows a strong correlation between player

performance metrics, such as goals scored and assists, and the value of their corresponding sports trading cards”[7,8].

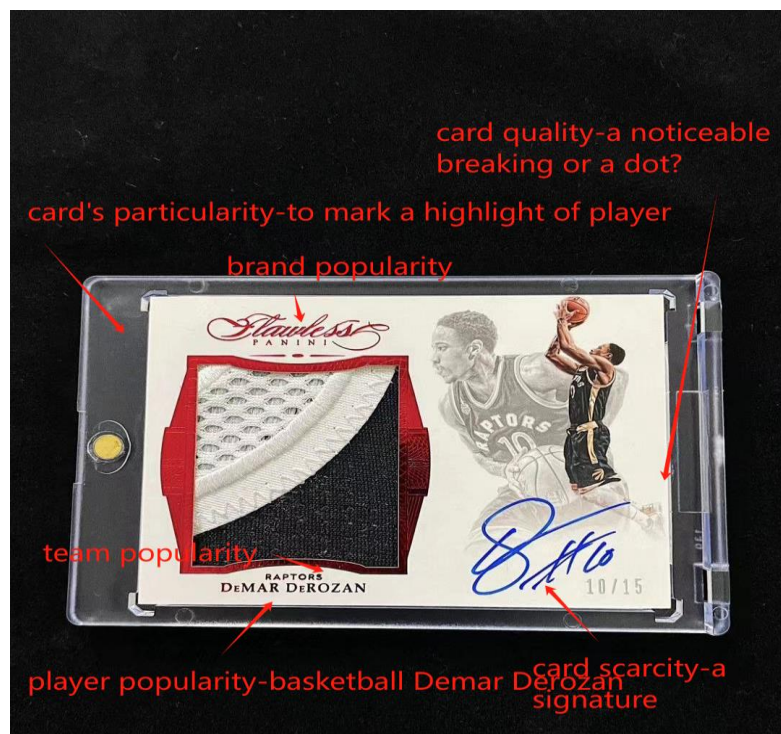


Figure 1. The popularity of the card (original)

In addition to the scarcity and quality of the card, the popularity of the card also largely determines the value of the card. The popularity of a card is closely related to the popularity of the player involved (Figure 1).

Star Card data analysis platform Card Ladder shows that as of January 17, 2022, top star Michael Jordan's star card auction has been more active, so far in 2018, the highest single-day transaction volume of \$1.96 million, while NBA rookie Maledon only \$455.97 [9].

Obtaining IP authorization in the sports industry is the core competitiveness of star card companies: Panini owns the copyright of NBA, NFL, FIFA, UEFA, English Premier League, UFC, F1 and other leagues, and has signed exclusive cooperation agreements with individual stars such as Kobe Bryant and C Ronaldo, exceeding its competitors in terms of event authorization and the number of signed stars. With the loss of Upper Deck's exclusive rights to MLB, NBA, etc., its early strong position was partially weakened.

The copyright fee is an important part of the cost of the star card. According to the data disclosed by Topps, a sports star trading card company, about 30% of its revenue is shared by copyright parties, and about 40% of the \$25.8 million cost of its 2021 Q1 set card exchange business is copyright fees [10].

Holding IP has monopoly and exclusivity, which is the key to building competitiveness for the company. In the market, most of the card companies have formed a strong advantage in the sports field of their own IP. In addition, the higher IP cost also makes the head sports star trading card manufacturers have copyright advantages that are difficult for other manufacturers to establish, and compared with the head manufacturers, other small and medium-sized star card manufacturers have obvious gaps in the number of Copyrights and the sales of star cards.

In the above several dimensions that determine the price of a card, the popularity dimension and the scarcity of events recorded by the card mainly rely on the common cognition of users to maintain the price, while the scarcity dimension and the quality of the card can be supplemented by artificial operations.

8. Conclusion

The fusion of psychological insights, marketing strategies, and ethical considerations provides a holistic understanding of the multifaceted phenomena surrounding blind box promotions. By unraveling the nexus between curiosity, consumer engagement, and marketing tactics, this paper endeavors to offer a comprehensive perspective on the allure of blind box promotions and the imperatives for responsible and sustainable marketing practices. From the perspective of creating scarcity, publishing companies can control the number of a certain type of card issued, or adopt rich gameplay to give a certain type of card scarcity. From the assessment of card quality and status, the star card industry has spawned a series of related industrial chains, such as sports star trading card identification agencies. In addition to other service organizations such as trading public opinion providers, secondary trading platforms, etc., the ecological chain of sports star trading cards is gradually rich. Studying the marketing strategies used by sports trading cards can provide valuable insights and inspiration for other industries. These marketing tactics demonstrate the power of leveraging social media platforms to engage with fans and build a strong online presence. Additionally, the use of autograph sessions and meet-and-greets shows the importance of creating personal connections with customers to drive sales and brand loyalty. The collaboration with trading card companies and sports memorabilia brands highlights the benefits of partnerships in expanding reach and enhancing product appeal. Furthermore, the release of limited-edition cards and exclusive collections illustrates the effectiveness of scarcity in driving demand and increasing perceived value. Overall, the success of sports trading card marketing strategies underscores the significance of creativity, engagement, and exclusivity in attracting and retaining customers in a competitive market. This study sheds light on the significance of ethical and sustainable marketing practices in the context of blind box promotions, offering valuable insights for marketers, businesses, and consumers. The findings also highlight the potential for further research in examining the impact of scarcity, quality assessment, and the evolving ecosystem of sports trading cards. However, it is important to acknowledge the limitations of this study, such as the focus on a specific industry and the need for more in-depth research on consumer behavior and market dynamics. Future studies could explore the effectiveness of different marketing tactics, the influence of digital platforms, and the impact of regulatory measures on blind box promotions.

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