

Pricing Logic and Investment Strategy of Commercial Collectibles

Haoyue Wang

Knowledge-First Empowerment Academy, Houston, 77036, USA

Abstract: Commercial collectibles, as a new way of investment, has set off a new investment fever in the investment market. This paper discusses the pricing logic of commercial collectibles from the perspective of pricing, supply and demand, and individuals, analyzes the determinants of the price of commercial collectibles, and finally puts forward some investment suggestions on this basis, hoping to be helpful to the collection of commercial collectibles.

Keywords: Commercial collectibles, Pricing logic, Investment strategy.

1. Introduction

With the development of economy and society, the popularity of collection at home and abroad has deeply spread to People's Daily life, and the collection market is very hot. Economic development drives the development of the collection market, and many new collections emerge in an endless stream. Although the groups of traditional commercial collectibles such as stamps, calligraphy and painting are very active, new commercial collectibles such as football player cards, jerseys and sneakers also begin to appear along with the economy and People's Daily life. Therefore, commercial collectibles have become some important contents in people's social life (Zhang L, 2011)[1]. However, there are also various phenomena and many problems in commercial collectibles, such as fraud and consumer over investment, which have become an important topic affecting the collection market. Therefore, it is of great significance to the study of commercial collectibles. In this process, the pricing of commercial collectibles and its influencing factors have become the target of research.

Because the pricing factors are related to supply and demand, as well as the development trend, the discussion of the market pricing of commercial collectibles has practical significance. This paper focuses on the pricing logic of commercial collectibles and some specific cases for analysis, hoping to provide suggestions for future investors to invest in commercial collectibles.

Previous studies were mostly analyzed from the perspective of traditional commercial collectibles. This paper will include new commercial collectibles into the research scope, providing a new research idea and framework for the subsequent research of commercial collectibles. Obviously, this thesis has certain research significance. Theoretically speaking, with the rapid development of new commercial collectibles such as football shirts and football player cards, the market of commercial collectibles has also undergone many new changes. It is necessary to strengthen the research of new commercial collectibles, so as to enrich the theoretical supplement of collectibles market and its pricing logic (Xu W, 2016)[2]. From a practical point of view, many fans of commercial collectibles do not fully understand the new commercial collectibles market such as jerseys and star cards. This article helps fans of commercial collectibles improve their understanding of jerseys, star cards and other

collectibles, which has important practical significance. Compared with previous studies, the research contribution of this paper is mainly reflected in the following aspects. First, thematically. Previous studies on collectibles market mainly focused on traditional collectibles, such as calligraphy and painting, cultural relics, clocks and watches. Then there is not enough research on new collectibles such as football player cards and jerseys. This paper takes the market of new collectibles as the research object, which is a meaningful supplement to the related research. Second, perspective. Previous studies on collectibles market lack the analysis of pricing logic. This paper not only discusses some problems existing in the development process of collectibles market, but also discusses the logic of market pricing in depth, which is conducive to providing a meaningful perspective for related research, and can provide some references for us to further understand the pricing and sales of collectibles market. Third, the revelation. The pricing logic of collectibles market and its supply and demand are affected by many factors. The complexity of pricing logic makes the pricing of collectibles very uncertain. Therefore, there are both opportunities and risks for the investment and collection of collectibles market. This article provides some references for consumers to invest in collectibles market.

2. The Pricing Logic of Commercial Collectibles

Commercial market products include new commercial commodities as well as traditional commercial collectibles. What is the logic of its pricing? What factors influence its price? This is an important topic for us to care about (Ma J, 2011)[3]... As the market pricing logic of commodities is a complicated issue, it may include the influence of demand, supply and demand, as well as the influence of individuals on their own value. Then what factors will affect the market? Whether it is a commercial collection or an ordinary business, its pricing is a very complex logic, or it must have a lot of factors. So we can only choose some representative factors to elaborate. Aside from commercial collectibles, there is an element of uncertainty in the pricing of goods circulating in the ordinary market. From the perspective of ordinary market pricing, in fact, it may be affected by many factors, commodity pricing logic, with supply and demand to complete the pricing. The logic of the market in general Aside

from the above, from the perspective of supply and demand, the price of goods in circulation in the market is mainly driven by supply and demand. For example, if the supply exceeds the demand, the price of the market will be reduced. If the supply exceeds the demand, the price of the goods will be greatly problematic. For example, although the star card is a special commodity, it is still affected by supply and demand. It produces too much supply, its price will still go down, or it may be in high demand, its price will go up. This is the basic price law and logic of all commercial collectibles.

The first point is the pricing of supply and demand, the pricing laws brought by supply and demand. According to the traditional economic theory, supply and demand will determine the market price of commodities. If the supply exceeds the demand, the market price will fall; if the supply exceeds the demand, the market price will definitely rise. As a special commodity, commercial collectibles still meet the pricing law of supply and demand, so for some new collectibles such as jerseys and football player cards, the reason why the price is high is because its supply is not enough. For example, in the process of making and selling a star card, merchants will deliberately reduce the production quantity of the card and launch some limited products, even if there is only one card in the world, which will greatly restrict the demand and supply, resulting in inadequate supply and increasing the limited commodity price. The price of a star will rise as he or she is motivated by personal factors, such as improving his or her performance or doing something good for society, at certain times. The pricing generated by commercial supply and demand determines the specific market price of commercial collectibles. As a result, the market for commercial collectibles such as football cards is constantly climbing. In recent years, due to the vast number of fans and collectors, they worship the game and the stars, so that the star card has been constantly promoted. Even though prices determine value, one of the basic theories of economics is that the price of a good actually reflects the value of a good. Objectively speaking, it is to improve the market of commodities and more fully reflect the price of commodities in the market.

The second is primarily personal. The individual level is actually an important factor in the inflated pricing of the commercial collectibles market. Especially in the pricing process of the market, due to the personality cult and the reasons of the stars themselves and the objective influence of some ball games, commercial collectibles or star cards have been widely used, thus greatly improving the value of commodities. Objective and subjective personal factors lead to the high price, the star card itself is not much value, so it can produce such a high value, because of special factors to promote (Du K, 2014)[4]. In recent years, some star cards have been auctioned for a high price. This phenomenon reflects that star cards do not really meet some of their own values. Therefore, the reason why these star cards can reach a relatively high price is dominated by personal reasons. For example, Mickey Mantel's 1952 soccer ball card broke the all-time record for a soccer ball card with \$12.6 million. LeBron James' 2003-04 star card, for example, sold for \$5.2 million, making it one of the most popular basketball cards. As a matter of fact, we also know this, but the value of the star card itself is not particularly high, it is because of this commercial value and objective commission and other factors, so that the star card auction price is relatively high. On the one hand, due to some personality cult, consumer concept and consumer

adulation, resulting in the constant increase of the price of the star card serious deviation. In fact, as far as star cards are concerned, star cards are just cards, so they don't have the greatest value. However, on the individual level, such as artificial speculation, the value of the stars' own achievements increases, which makes the price of commercial collectibles constantly rise, resulting in a relatively high market price of commercial collectibles.

The third point is that the intrinsic value of commercial collectibles leads to a higher pricing logic. In recent years, new commercial collectibles such as jerseys and football player cards have emerged. Some investors have also found the intrinsic value of commercial collectibles, so as to realize the collection value of commercial commodities. Objectively speaking, the market value affects the changes in supply and demand. If the collectibles are bought back, the limited number of star cards in circulation on the market will become rare, which naturally may increase the price. Therefore, the changes in supply and demand caused by the collection value and the purchase of the collection also lead to the improvement of commercial commodities. Secondly, for example, some collectors want to collect products, which have considerable economic value. At present, the production of some materials used in some commodities is relatively complicated, for example, gold and silver blocks or even diamonds may be used. The collection itself also has certain economic value. So these economic values will change, and they will continue to develop. Thirdly, the investment value of commercial collectibles is an important topic that many investors and collectors pay more attention to. Because many collectors pay attention to the broad investment value of these commercial collectibles, the new commercial collectibles have more investment value. So many investors, collectors and hobbyists buy collectibles like the star card and then increase its market price, etc. Of course, there may still be some investors or illegal businessmen in this process, for example, they deliberately hyped up the market price of the star card, so that the investment value of the star card is constantly seeking to rise, leading to the specific reasons for the continuous rise in market pricing. Thus, the market price of a commercial commodity is determined not only by supply and demand, but also by individual factors, including its own value, which is reflected in the prices of customers and collectibles.

3. Investment Strategy

First, no matter traditional investment products or commercial collections, there are different degrees of risk (Jiang J, 2006)[5]. First of all, there will be a lot of fakes in the collectibles market. With the development of The Times and the increasing level of science and technology, the counterfeiting technology is also more and more mature. A lot of sneakers are imitated because of their high price, leading to a lot of collectors collecting fake goods, which will cause all the losses of investors. Secondly, the value of collectibles is difficult to value. Many types of collectibles are priced in terms of rarity, but these prices are not real. For example, a 1/1 star card has only one quantity in the world. The price of this card can only be coordinated by both buyers and sellers, and finally reach a price that both sides think is appropriate. But it can fluctuate wildly, because the buyer will price a card with only one card in existence based on his or her liking, and the next buyer may not be willing to pay the price of the last buyer. Such collectibles are subject to subjective

factors. Finally, collectibles are subject to external influences during the holding process. Many of the new collectibles are susceptible to player influence, and a player's performance and injury level can also affect the surrounding products. If a player misses a season or a number of games, the price of his collectibles will drop. At the same time, many collectibles are of inflated value, and they are not easily realized. Some products seem to have a bright price, but in fact there will be no market. Maybe some people are willing to pay a high price for this product because of external reasons. After a few days, the popularity of this product decreases, there will be no people willing to pay a high price to collect it. If you invest a lot of money in collectibles and need to use it in emergencies, you may not be able to cash in, and even if you can, the price will be greatly reduced.

Second, for the jersey, the star card investment, should follow the principle of step by step, stability as the direction of investment. Especially for just contact with such a number of new commercial collectibles and investors, the understanding and understanding of a field is still insufficient(Wang L, 2012)[6]. If a large amount of investment is transferred to commercial collectibles at this time, the objective may increase the risk of investment, even excessive losses. Although some commercial collectibles such as jerseys and football star cards are still relatively small in recent years, there is no guarantee that this area will always be profitable. The price of collectibles is easily influenced by the money of the operator. Once a large amount of money floods into the market, the price of the market will be raised, thus achieving a high price market situation. At this time all the collectibles prices are in an inflated price, whether good or bad will be several times more than the original price, if the operator quickly withdraw these funds, all his collection of goods, that the whole market will be affected, resulting in a rapid decline in the price of collectibles, the whole market crash. At the same time, the whole market is also affected by the economic environment. If the global economic condition is poor, most merchants and investors will invest a little energy and money, and a large number of players and investors will quit the market. Quitting the market means less capital in the market, and the price of the whole market cannot go up, thus making the price of collectibles low. Investors can't quickly cash in and make money from it. Investors should have accumulated certain experience and knowledge before they can invest more money on the basis of scientific research and judgment.

Third, invest in professional training to enhance their own experience and knowledge level. Many investors and collectors have a problem of blindly following the trend, that is, according to the investment hot spots in the market or the investment interests of surrounding investors to choose the direction of investment, which is not advisable in commercial collections. Because for some commercial collectibles such as football player cards, there are still some particularities in this professional background and investment field. For example, investors must have enough interest and understanding in this field to have a comprehensive understanding of this collectibles. Therefore, for investors,

they should pay full attention to the relevant investment products, sports events, soccer stars, etc. So as to improve their identification ability and investment level. In the daily investment process, actively pay attention to the information about the jersey, the star card, to lay the foundation for entering this field.

4. Summary and Discussion

This paper makes an in-depth analysis of the pricing logic of commercial collectibles, and finds that the pricing of commercial collectibles is mainly determined by traditional supply and demand, but it is also influenced by personal factors and economic value to a large extent. It can be seen that the price of commercial collectibles is affected by multiple factors. At the same time, investment in commercial collectibles requires attention to a number of issues(Zhou S, 2019)[7]. Investors and collectors in the process of investment, should pay attention to the risk of investment collections, can not blindly follow the trend or do not absorb some useful advice, need to see the trend and find more professional people to understand to decide the investment objective. Long-term investment needs to find an appropriate way to get a stable and optimistic return, while short-term investment needs to be able to sell quickly and realize the price of collectibles and the trend of the future in a short time, so as to maximize the profit of collectibles held in the hand. In the process of investment, if you want to better understand the industry situation and the price trend of collectibles, you need to constantly enhance your professional knowledge, improve your professional quality and vision, rather than blindly invest. At present, the era of short video has arrived. More people who are interested in collectibles will join through short video, and the market of commercial collectibles will become more hot in the future. With the arrival of the flow of people, the capital will continue to pour into the market, so that the market price continues to rise, more favorable to the investment of collectibles.

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