

Buyers' Enduring Involvement with Online Auctions: A New Zealand Perspective

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Attestation of Authorship

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.

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Abstract

Consumer-to-consumer (C2C) online auctions represent an important new marketplace from which consumers can access the goods they require, an alternative marketplace to bricks-and-mortar and online retail stores. Sellers are often ordinary consumers and the items on sale are often second-hand household items, although, modern C2C auction sites also accommodate small businesses selling unused products.

Consumer behaviour in online C2C auctions is unlike consumer behaviour in bricks-and-mortar or online retail stores. While considerable research has been conducted into the dynamics of bidding in online C2C auctions little research has addressed the motives for consumers' ongoing participation in this marketplace. The concept of consumer involvement may explain the amount of time and money consumers are spending in online C2C auctions and the frequency of their visits to auction sites. In the context of this thesis, involvement is defined as the long-term and enduring relevance, connection and relatedness of online auctions to a consumer's life. The aim of this research is to explore the ways in which the consumer involvement construct offers an explanation for variation in buyers' ongoing use of online auctions. The thesis also seeks to discover which consumer motives contribute to buyers' enduring involvement with online auctions.

TradeMe is New Zealand's most popular online C2C auction site. In a country of just four million people, the TradeMe auction site has more than 2 million members and accounts for more than 50 per cent of Internet traffic originating from New Zealand websites. This study of buyers who use the TradeMe auction site, offers the opportunity to study online auction consumers in this unique context.

Based on an extensive literature review, eighteen propositions were developed regarding buyer motives for enduring involvement with online C2C auctions. In-depth, semi-structured interviews were conducted with twenty TradeMe users, to test these propositions and to identify any further motives for enduring involvement with auctions that had not been revealed in the literature review. Interviews were audio-recorded and transcribed in full. NVivo8 qualitative data analysis software was used to code the

interview transcripts. Thematic analysis reveals six themes representing buyer motives for enduring involvement with online auctions.

The significant contribution of this thesis is to identify involvement as a useful construct for explaining consumer behaviour in online auctions. In addition to utilitarian and hedonic motives for involvement with online auctions, the interviews reveal that the buyers have a number of social and personal motives for involvement with online auctions. Analysis of the qualitative dataset also reveals a set of marketer activities which encourage ongoing use of the auction site, and a number of factors (anti-motives) which discourage use of the auction site.

The research reveals the existence of an off-line community of auction users who value the social contact they experience with one another outside the auction site. Ongoing buyer-seller relationships are also shown to develop outside the auction site, prompted by an initial auction transaction. TradeMe users often express loyalty to the TradeMe website because they are proud of its New Zealand origins, feel secure in using a local auction website, believe they are supporting small New Zealand businesses by buying from TradeMe, and believe they are practicing sustainable consumption behaviour by purchasing second-hand goods.

Future research should develop a multi-item, quantitative measure of buyers' enduring involvement with online auctions and test the validity of this measure with further empirical data.

Chapter 1 Introduction

1.1 Aim

The aim of this thesis is to explore the ways in which the consumer involvement construct offers an explanation for variation in buyers' ongoing use of online auctions. The thesis also seeks to discover which consumer motives contribute to buyers' enduring involvement with online auctions.

1.2 Outline of this Chapter

This chapter provides an introduction to the research. The chapter commences with a brief background to the research, leading into the research questions of the thesis. A justification for the research is then given, together with a discussion on the delimitations of the subject matter. A brief synopsis of the research methodology follows. The chapter concludes with an outline of the thesis.

1.3 Background to the Research

An online auction site is a website which acts as a consumer-to-consumer (C2C) marketplace, bringing together buyers and sellers who are typically ordinary citizens and end-consumers (Turban & King, 2003). Online auction sites offer consumers an alternative source of goods instead of purchasing goods from retail stores. They also represent an alternative source of secondary goods to other traditional C2C channels such as garage sales, flea markets or 'Trade & Exchange' magazine (Belk, Sherry, & Wallendorf, 1988; Lastovicka & Fernandez, 2005). Online auctions represent a new market model incorporating a new distribution channel, and a new mean of establishing pricing (Chakravarti et al., 2002)

Traditionally, consumers sourced only a minority of the products they required from secondary markets. Until recently, only retail stores offered a wide selection of the goods a consumer sought. But the advent of online auctions has changed this. As C2C online auctions have grown in size, more and more consumers have come to realise that the

products they wish to purchase are available in this secondary market. Online auction sites extend the life of goods, maintain goods in circulation for longer periods of time, and have the potential to reduce consumer demand for goods from retail stores (Cameron & Galloway, 2005; Nissanoff, 2006).

A wide variety of goods are sold via online auction sites including collectibles, electronics, computers, jewellery, software, works of art, books, building materials, cars, clothing, movies, mobile phones, music, real estate, sportsgear and toys (Lucking-Reilly, 2000). The most successful online auction site is eBay.com. eBay does not own the goods on sale, but merely acts as a C2C marketplace to facilitate listing, auctioning and payment for goods.

TradeMe.co.nz is New Zealand's leading online auction site. In a nation of four million people, this auction site has 2.3 million members. TradeMe now accounts for more than 50 percent of all web-page traffic originating from New Zealand-based internet servers (MacManus, 2006). At any one time there are more than one million TradeMe auctions operating, and as many 100,000 consumers online on the auction site (TradeMe, 2009). Given the popularity of TradeMe in New Zealand society, a study of New Zealand consumers provides a good opportunity to study consumer involvement with online auctions.

The popular press reports stories of consumers who spend excessive time and money in online auctions (Herschlag & Zwick, 2002). These stories in the press reveal some of the motivations for involvement with online auctions such as the joy of finding rare items, the thrill of bidding, and the excitement of winning and beating one's competitors. The stories also reveal compulsive behaviours, with consumers losing track of the amount of time they are spending in online auctions, and losing track of the amount of money they are spending on unplanned purchases from online auctions (Peters & Bodkin, 2007). In addition, online auctions sites are reported to be amongst the most common websites visited by employees using their work computer during working hours (Eriksen, 2008).

The concept of consumer involvement may provide some explanation for the amount of time and money consumers spend in online auctions, and the frequency of their visits to auction sites. Involvement is one of the core constructs in consumer behaviour (O'Cass, 2000). Zaichkowsky (1985, p. 342) defines involvement as the degree of "a person's perceived relevance of [an] object based on inherent needs, values and interests". Enduring involvement refers to a consumer's long-term interest, enthusiasm or emotional attachment to a product category or activity (Bloch, 1982; Higie & Feick, 1989; Houston & Rothschild, 1978).

No previous research has attempted to apply the enduring involvement construct to consumer behaviour in online auctions. This is the gap in existing knowledge that this thesis aims to fill. Enduring involvement is a construct which can potentially provide explanatory power for the amount of time and effort consumers invest in online auctions. As there are no existing studies on enduring involvement with online auctions, this research is exploratory in nature. An extensive literature review is undertaken to identify the motives that underlie buyer involvement with online auctions (Chapter 3). Data gathering for the thesis involves exploratory qualitative interviews with regular users of online auctions, to explore these motives (Chapter 4).

1.4 Contemporary Context of the Research

Since its launch in the 1990's, the Internet has changed the dynamics of the marketplace. The Internet is changing the distribution of power in the marketplace, placing greater power in the hands of consumers (Turban & King, 2003). Consumers now have a wider choice of suppliers for the goods they desire, and are less constrained by geographical boundaries. Consumers also have numerous forums in which to comment on manufacturer's brands, rate the quality of service providers and exchange opinions and advice about brands and suppliers with other consumers. A third example of changing market dynamics and consumer empowerment is the popularity of C2C trading and exchange of goods via online auctions.

Consumer-to-consumer trading of goods long precedes the Industrial Age. For centuries, consumers have been exchanging goods in village and town marketplaces (Belk, Sherry et al., 1988). Examples of C2C marketplaces in the modern age have included flea markets, swap meets, garage sales, auction houses, and the use of classified newspaper advertisements (Belk, Sherry et al., 1988; Lastovicka & Fernandez, 2005; Nissanoff, 2006). Consumer motives for involvement with such markets may include hunting for desirable rare items, seeking bargains, sourcing goods for future resale, hedonic motives such as a sense of action and adventure, and a desire to socialise in a community of buyers (Belk, Sherry et al., 1988).

1.5 Research Questions

The research questions for this thesis are to:

1. Explore the ways in which the consumer involvement construct offers an explanation for variation in buyer's ongoing use of online auctions.
2. Discover which consumer motives contribute to buyer's enduring involvement with online auctions.

A series of research propositions regarding buyer motives for involvement with online auctions are developed in Chapter 3. Chapter 4 describes the deductive research processes used to test these propositions, and the inductive processes used to develop further insights into buyer motives for involvement with auctions.

1.6 Justification for the Research

The research topic of this thesis is important because online C2C auctions are an important contemporary consumer behaviour phenomenon. The number of consumers purchasing goods from online auction sites has grown exponentially, and yet there is a lack of research into consumer behaviour in online auctions sites (Dholakia, 2005). Consumer behaviour in online auctions would be expected to be different from consumer behaviour in retail stores or online retail stores. Existing research has barely examined the question of why consumers spend time and money in online auction sites.

1.7 Delimitations

There are three categories of online auction, consumer-to-consumer (C2C), business-to-consumer (B2C) and business-to-business (B2B) (Wood & Sute, 2004). The subject matter of this thesis is C2C auctions only. While eBay and TradeMe are recognized as being C2C auction sites, they do accommodate some B2C transactions. This is because a number of small businesses rely on eBay and TradeMe as their primary channel of distribution (Wood & Sute, 2004). In a recent Academy of Marketing Review article, Chu and Liao (2007) investigate the role of online auction consumers as resellers of products. They present a taxonomy of four types of reseller, those who purchase goods with the planned intention of reselling them at a profit, those who own goods temporarily for personal use (Nissanoff, 2006), those who resell product with no prior planning, and those who dispose of unwanted goods (Lastovicka & Fernandez, 2005).

This thesis only considers the perspectives and motives of buyers in C2C auctions. The perspective of the seller is only considered where the motive for purchase of an item is to profit from later resale of the item. To put the issue of online auction buying and selling in perspective, one estimate suggests that there are twenty times more consumers participating as buyers in online auctions, than there are consumers participating as sellers (Nissanoff, 2006).

The study of consumer behaviour in C2C online auctions gives rise to a number of potential avenues for research. Research could be conducted into at least five general issues (see Table 1.1). Firstly research could examine who is participating in online auctions. Such research would describe the demographic profiles of online auction users. Secondly research could discover what is being sold in online auctions, and in what volumes. Thirdly research could describe how consumers behave in online auctions, including the bidding behaviour of buyers. A summary of research in this area is provided in Chapter 2. Fourthly research could prescribe how buyers and sellers should behave in online auctions, to maximize their returns. This has been the traditional research area for auction theory within the field of economics.

Table 1-1 – Research Issues in C2C Online Auctions

-
1. Who – research into the demographic profile of consumers participating in online auctions (Black, 2005a, 2005b, 2007; Lee, Kim, & Kim, 2008)
 2. What – research into the types and volumes of goods being sold in online auctions (Lucking-Reilly, 2000)
 3. How – research into the behaviours of buyers in online auctions, including their bidding behaviours (Bland, Black, & Lawrimore, 2007; Gregg & Walczak, 2008; Hoo, Hai, Yong, & Lung, 2002; Hou, 2007; Wann-Yih, Lin, & Cheng-Feng, 2009; Yao & Mela, 2008).
 4. How should – normative research which seeks to advise buyers of the best tactics for winning an online auction (Bertsimas, Hawkins, & Perakis, 2009)
 5. Why – research into the motivations for consumers to participate in online auctions (Cameron & Galloway, 2005; Lee, Kim, & Fairhurst, 2009)
-

This thesis does not seek to add to the body of literature on the dynamics of bidding, nor the efficiency of auction mechanisms nor the optimization of prices achieved by sellers in online auctions. This thesis addresses a fifth avenue of research - why consumers participate in online auctions, and what factors might determine the amounts of time and money they spend as buyers in online auctions, and the frequency of their visits to auction sites. In their review of the literature on consumer behaviour in online auctions Cui, Lai and Lu (2008) conclude that consumer motivation has the potential to act as a mediating variable and explain much of the variation in consumer behaviour in online auctions. This thesis seeks to explore buyers' motives for enduring involvement with online auctions.

1.8 Methodology

Research on consumer behaviour in online auctions adopts a number of methodologies (Cui et al., 2008). Mathematical models of bidding behaviour are built based on secondary data extracted from auction sites (Yao & Mela, 2008). Experiments on bidder behaviour are conducted using real or artificial auctions (Rafaeli & Noy, 2005). Surveys of auction users are used to quantitatively test the relationship between constructs (Stern, Royne, Stafford, & Bienstock, 2008; Stern & Stafford, 2006). Qualitative in-depth interviews are conducted

to explore consumer issues in the use of online auctions (Cameron & Galloway, 2005). The use of mathematical modelling and experiments addresses consumer bidding behaviour in an auction, and does not address the issue of a consumer's ongoing involvement with auctions as an alternative marketplace. Quantitative studies test relationships between extant constructs identified by the researcher, often with a dependent variable of intention to purchase. The advantages of using in-depth qualitative interviews are that they provide a holistic view that takes account of all factors influencing consumer behaviour in auctions, they examine consumers' ongoing use of auctions over a period of time, and they take into consideration the psychological characteristics of consumers that may influence their behaviour in online auctions.

Chapter 3 presents a comprehensive review of theoretical issues that are believed to have an impact on buyers' enduring involvement with online auctions. These issues form the basis for a series of propositions to be tested in the research. The propositions form the basis for questions incorporated in an interview guide for the exploratory research. Semi-structured interviews are conducted with a purposeful sample of regular users of online auction sites using this interview guide (Bryman & Bell, 2003). Online auction users from a diverse range of ages, genders and occupations are interviewed. These interviews test which of the theoretical issues highlighted in the literature review are relevant to the sample of participants interviewed, and highlight additional motives for enduring involvement with auctions not previously identified in the literature.

1.9 Outline of the Thesis

This thesis is in seven chapters. Chapter 1 has presented an Introduction to the thesis, including a statement of the research questions. Chapter 2 provides the reader with a background to the operation of online 2C2 auctions. Chapter 3, the literature review, provides the conceptual underpinnings for the study. A range of theoretical and empirical literatures are reviewed, including literature on consumer involvement, human motivation, social facilitation, competitiveness, consumer motives for shopping, compulsiveness, collecting, virtual communities, and consumer behaviour in online auctions. A series of

propositions are developed, building towards a conceptual model of buyer involvement with online auctions.

Chapter 4 discusses the choice of methodology and methods for the research. Chapter 5 presents the findings of the research. Chapter 6 presents the conclusions of the thesis.

Chapter 7 presents the theoretical contributions of the thesis, considers the implications of the research for marketers, and considers areas for future research.

1.10 Chapter Conclusion

This chapter has presented an Introduction to the thesis, including a background to the research, an explanation of C2C online auctions, the research questions, justification for the research, a discussion of delimitations of the subject matter, and an outline of the research methodology.

Chapter 2 Online Consumer-to-Consumer Auctions

2.1 Introduction

This chapter provides a background to the operation of online C2C auctions. The chapter commences by describing the prevalence of online auctions in modern consumer society, and their function as an alternative marketplace for the sale and purchase of goods. An overview of auction theory from the field of economics is provided. A description is then given of how an online C2C auction operates, and how these auctions have evolved in their brief 15 year history. An account is given of how consumer behaviour in online C2C auctions may differ from consumer behaviour in traditional bricks-and-mortar auctions and online retailing. The chapter concludes with an account of research into the demographic profile of users of online C2C auctions.

2.2 A Consumer Behaviour Phenomenon

The Internet has changed how consumers buy goods (Peters & Bodkin, 2007). Perhaps the most dramatic change of all has been the use of online auction sites for C2C trading of goods (Herschlag & Zwick, 2002; Tang & Forster, 2007). Sales on eBay, the U.S.-based C2C online auction site, are five times larger than sales by the world's largest online retailer, amazon.com (Chong, 2004). It is said that eBay has grown faster than any other company in history (Black, 2007). In 2003, eBay accounted for 15 percent of all US ecommerce, and annual sales on eBay are greater than the GDP of 50 percent of the world's countries (Black, 2007; Chong, 2004; Datamonitor, 2009).

In 2005 eBay hosted 1.9 billion auction listings facilitating sales of \$US44 billion, and achieved revenues of \$US4.5 billion, up 40 percent on the previous 12 month period (Black, 2007). Forrester Research (2005) predicts that by 2010 C2C online auction sales will total \$US65 billion and comprise nearly 20 percent of all online retail sales.

2.3 An Alternative Marketplace

Online C2C auctions represent secondary markets through which goods undertake lateral recycling amongst consumers (Chu & Liao, 2007). Nissanoff (2006) suggests society is moving towards an 'auction culture' where consumers will be able to obtain temporary ownership of the possessions they desire, before reselling them in the secondary market. This suggests an important consideration for consumers when purchasing goods may be the expected resale value of these goods.

As an 'informed consumer' you will choose the brand of your next handbag based on how much it will fetch on eBay next year.

(Nissanoff, 2006, p. 9)

In an 'auction culture' consumers will be able to own the luxury goods, desirable brands, and the latest models that were previously beyond their reach, either by purchasing them second-hand on the secondary market, or by owning them temporarily (Nissanoff, 2006).

Auctions offer an alternative marketplace where goods are exchanged but prices are not fixed. Auctions are most common where there is uncertainty about the value of an item such as the value of a piece of artwork, or where there is high demand for a rare item such as an antique collectible, or where public judgements need to be made to establish the value of a commodity such as oil or shares (Smith, 1989).

Auctions have the ability to produce both the highest and the lowest prices for goods. They can be a marketplace where a seller can extract the highest prices for their goods, or alternatively, where the buyer can find a bargain (Smith, 1989). Whether the buyer will get the goods at a bargain or at an elevated price will depend on the auction proceedings. Research suggests that online auctions are an efficient marketplace which delivers goods to consumers at a discount compared to the prices paid in a retail marketplace (Bapna, Jank, & Shmueli, 2008).

Auctions are sometimes considered pure markets in that the value of any item for sale is determined by the marketplace (Wilcox, 2000). Auctions represent a marketplace where the

value of goods is determined in a social forum (Rafaeli & Noy, 2002; Smith, 1989; Stern & Stafford, 2006).

Value in C2C auctions reflects social construction in that an item is assigned meaning by a community of interpreters.

(Stern & Stafford, 2006, p. 47)

2.4 Auction Theory

There is a large body of literature on the economic theory of auctions. Auction theorists have constructed mathematical models regarding bidding behaviour in auctions. This literature in large part takes a normative approach, prescribing optimal behaviour for the seller to maximize their revenues (Klemperer, 1999; Maasland & Onderstal, 2006). Empirical studies of auctions have traditionally been studies of professional bidders, bidding for large commercial items. In these circumstances, the participants have a price-maximization goal, and are well informed on the best means of winning the game (Wilcox, 2000).

Vickery (1961, cited in Vishwanath & Barnett, 2005) proposes a revenue equivalence theorem that is the basis of most auction research in economics. The theory makes several assumptions, that bidders are risk neutral, that bidders follow either an independent private value or common value model for the items on sale, and that bidders do not discern differences between competitors. Auction theory has been criticized for its reliance on assumptions that limit their validity in real life auctions (Vishwanath & Barnett, 2005). Auction theory has been tested in auctions of oil drilling rights, timber and the auction of treasury bills but seldom tested in C2C auctions.

The auction theory literature is not much concerned with the inexperienced buyers who populate C2C auctions (Klemperer, 1999; Maasland & Onderstal, 2006). Little research has been done on auctions from a marketing or consumer behaviour perspective to examine consumer motivations and cognitions in auctions (Cheema & Chakravarti, 2003; Popkowski-Leszczyc, 2004). Bidders in online C2C auctions depart from the theoretical

models of behaviour prescribed in auction theory (Cheema et al., 2005; Stern & Stafford, 2006). Auctions are a social process. A consumer's behaviour in an online auctions is influenced by other auction participants (Smith, 1989). Auction theory fails to take into account that the establishment of the value of an item in an auction is a social process, and that inexperienced bidders may be emotionally involved in this process (Vishwanath & Barnett, 2005).

2.5 How an Online C2C Auction Operates

Traditional bricks-and-mortar auctions involve high transaction costs for buyers, such as travel to a specific site at a specific time to participate in the auction. As such, auctions were traditionally been confined to items that are high priced or unique. Online auctions have changed much of this. Online auctions enable C2C transactions for consumer goods and low value items. This is because online auctions have much lower transactions costs, a larger pool of bidders who do not have to physically gather in one place, and an auction that remains open over a period of days (Wilcox, 2000).

eBay and TradeMe are websites on which consumers list goods for sale. eBay and TradeMe act as agents for the seller but do not take ownership of the goods. Sellers are charged a listing fee and a percentage of the winning bid. Both fees are much smaller than those charged by traditional auction houses (Lucking-Reilly, 2000). Many of the items on sale in online auctions are second-hand, of a low value or are collectibles – the sort of items that used to sell in other C2C marketplaces such as swap meets and garage sales (Belk, Sherry et al., 1988; Cameron & Galloway, 2005; Lastovicka & Fernandez, 2005).

eBay and TradeMe operate English auctions, that is, ascending price auctions. The auction closes after a predetermined time period of three to ten days, with seven days being the most common period. The highest bid at the time the auction closes wins the item for sale. A minimum bid price and a secret reserve price are often set by the seller. Electronic agents can act on behalf of the buyer, for example texting the buyer on their cellphone when they have been outbid, or placing small incremental bids on the item up to the seller's predetermined maximum offer.

2.6 History of Online C2C Auctions

Online C2C trading probably started with participants of bulletin boards offering items for sale to one another (Herschlag & Zwick, 2002). The first commercial Internet auctions were Onsale and eBay which both began in 1995 (Lucking-Reilly, 2000).

In its beginning, most of the items on sale on eBay were collectibles of low dollar value, such as toys and trading cards (Lucking-Reilly, 2000). It is said that the founder of eBay, Pierre Omidyar, was motivated to start eBay so that his girlfriend could buy and sell Pez dispensers with other collectors (Lucking-Reilly, 2000). Collectors are a natural market for online auctions. They are geographically dispersed, and rarely find the items they are looking for in traditional retail outlets, yet they are highly motivated to obtain the items they seek (Herschlag & Zwick, 2002).

Back in 1995, no one imagined that the coming together of an auction system of trading and Internet technology would produce the huge commercial phenomenon that is the online C2C auction we see today. From its beginnings, eBay grew at a phenomenal rate, as much 12 percent per month in 1998. General auction sites such as eBay have proven more popular than specialist auction sites such as those trading only in antiques (Cameron & Galloway, 2005). Other auction sites, such as Yahoo! auctions and Amazon auction, have attempted to compete with eBay (Brown & Morgan, 2009). But even when these competitors entice sellers with a zero fee policy, this has not dented the domination of the market by eBay. If anything it has solidified eBay's position, as an auction website where serious and determined sellers, who are prepared to pay agent fees, are offering genuine items for sale (Lucking-Reilly, 2000). The size of eBay is its strength. The site is popular because sellers can list on a site visited by millions of buyers, and buyers can visit a site where there are millions of items on sale (Lucking-Reilly, 2000). Yahoo! recently closed its US, Canada and UK auction sites, while Amazon no longer promotes its auctions on its Internet homepage (Schwartz, 2007; Yahoo.com, 2009).

2.7 Online Auctions Differ from Traditional Marketplaces

Online auctions differ from traditional auctions, traditional retailing and online retailing. Traditional bricks-and-mortar auctions are noisy, social places where there is a lot of verbal and non-verbal communication occurring, and the identity of bidders is usually obvious. In online auctions much of this live information is missing. There is a lack of face-to-face contact between buyers and sellers, buyers and sellers are not able to identify one another, and buyers cannot physically inspect the goods on sale (Rafaeli & Noy, 2002; Yen & Lu, 2008). Online auctions occur in asynchronous time, buyers and sellers are not present in the same space at the same time, and buyers and sellers have difficulty sizing each other up (Chakravarti et al., 2002; Cui et al., 2008).

Online auctions often have higher reserve prices, as the auction will go on for some days with a greater chance that the reserve price will be reached (Chakravarti et al., 2002; Cui et al., 2008). Products not sold for the first time in an online auction do not suffer dramatic lowering of value, as occurs in bricks-and-mortar auctions (Chakravarti et al., 2002). Compared to traditional auctions, online auctions have several advantages for consumers including access to a larger pool of potential buyers, reduction in time and space constraints, greater choice and variety of goods on offer, decreased transaction costs, access to rare items, and positive network externalities, that is, as more buyers and sellers join in the collective value of the auction site increases exponentially (Bosnjak, Obermeier, & Tuten, 2006; Dholakia & Sotysinski, 2001; Rafaeli & Noy, 2002, 2005).

Consumers view online auction sites as easy to use, and a good source of low-priced products (Bosnjak et al., 2006). But consumers are also concerned about potential risks in the use of these new technologies (Antony, Lin, & Xu, 2006; Doolin, Dillon, Thompson, & Corner, 2005). In the early days, eBay did little to respond to these consumer risks. eBay claimed it was not an auctioneer, and that its website was merely a person-to-person trading community. eBay sought to distance itself from responsibility for any fraudulent behaviour by its members. Eventually eBay instituted safe payment systems, anti-fraud policies and reputation rating systems (Cui et al., 2008; Herschlag & Zwick, 2002). In a reputation rating system buyers and sellers are rated for their honesty by the auction community

(Lucking-Reilly, 2000). Many online auctions also have a buy-now option where buyers can obtain an item at a fixed price. Because online auction bidders know the precise timing at which an auction will end, it is common for some bidders to leave their bidding until the last minute of the auction, a behaviour termed sniping (Cui et al., 2008).

Consumer behaviour in online auctions differs from consumer behaviour in fixed-price marketplaces (Rafaeli & Noy, 2002; Simonson, 2002). In a retail store the consumer purchase decision is likely to be influenced by the price of an item, the tactile aspects of the product such as its packaging, the store environment and the actions of the salesperson (Solomon, 2008). Apart from the price of the item, none of these other factors is likely to form a substantial part of the purchasing experience in an online auction. Instead, in an online auction the consumer is most likely to be focused on the price of the item as it ascends during the bidding process, and focused on the actions of competing bidders (Ariely & Simonson, 2003). Research suggests that online auction buyers even ignore the cost of shipping when purchasing from an online auction (Clark & Ward, 2008).

Compared to shopping from an online retailer, shopping from an online auction is a more dynamic and animated process, with competitive action occurring in real time, and the consumer involved in more complex decision making (Rauniar, Rawaski, Crumbly, & Simms, 2009). There is greater risk, uncertainty and complexity for consumers purchasing from an online auction rather than an online retailer. When dealing with an online retailer the consumer is transacting with a brand name supplier. When purchasing from an online auction, the consumer is transacting with an unknown seller (Finch, 2007).

2.8 Online Auctions do not Involve Ongoing Buyer-Seller Relationships

Compared to B2C transactions and other forms of C2C trading, the online auction does not appear to involve the building of ongoing buyer-seller relationships. The two parties are anonymous. Their business relationship is fleeting, and they are unlikely to transact with each other again in the future (Rauniar et al., 2009; Zhou, Dresner, & Windle, 2009).

2.9 Demographic Variations in Consumer Participation in Online Auctions

Demographic differences are observed in consumer participation in online auctions. In the United States, rural consumers purchase from online auctions more often than urban consumers, but spend less on each purchase (Black, 2005a, 2005b). Female consumers are more frequent purchasers from online auctions, but spend less on each purchase than male consumers (Black, 2007).

2.10 Chapter Conclusion

This chapter has provided a background to the operation of online C2C auctions. The chapter has described the prevalence of online auctions, and their function as an alternative marketplace in modern consumer society. A description was provided of an online C2C auctions operates, and how consumer behaviour in online C2C auctions may differ from consumer behaviour in other marketplaces. The chapter concluded with an account of research into the demographic profile of users of online C2C auctions. The following chapter explores extant literature and theory for insights into buyer motives for involvement with online auctions.

Chapter 3 Literature Review

3.1 Introduction

This chapter presents the theoretical underpinnings for a study of buyers' enduring involvement with online auctions. Research into consumer behaviour in online auctions is a new field. In particular, there is little published research on consumer motives for enduring involvement with online auctions (Cameron & Galloway, 2005; Peters & Bodkin, 2007). The literature review that follows provides the conceptual foundations to address the research questions of the thesis (see Figure 3.1). A series of research propositions are presented throughout the chapter, building towards a conceptual model of buyer involvement with online auctions. This conceptual model is explained in Section 3.7, the chapter conclusion.

Section 3.2 examines the diverse definitions of the consumer involvement construct that have been employed by researchers. The conceptualisation of involvement as utilised in the thesis is presented. Section 3.3 draws on aspects of psychological theory relevant to consumer behaviour in online auctions, namely, human motivation, competitiveness, social facilitation, and flow. Human motives are a central theme in this thesis, so it is important to call upon the parent discipline of psychology in this regard. A competitive element in consumer behaviour is likely in online auction sites (Ariely & Simonson, 2003). Social facilitation refers to changes in behaviour that occur in the presence of other people, as might occur in an online auction. Flow is a psychological state that occurs during periods of intense concentration on a challenging task, and involves a loss of self-consciousness and a loss of awareness of time (Csikszentmihalyi, 1975). Each of these psychological constructs is potentially relevant to consumer behaviour in online auctions.

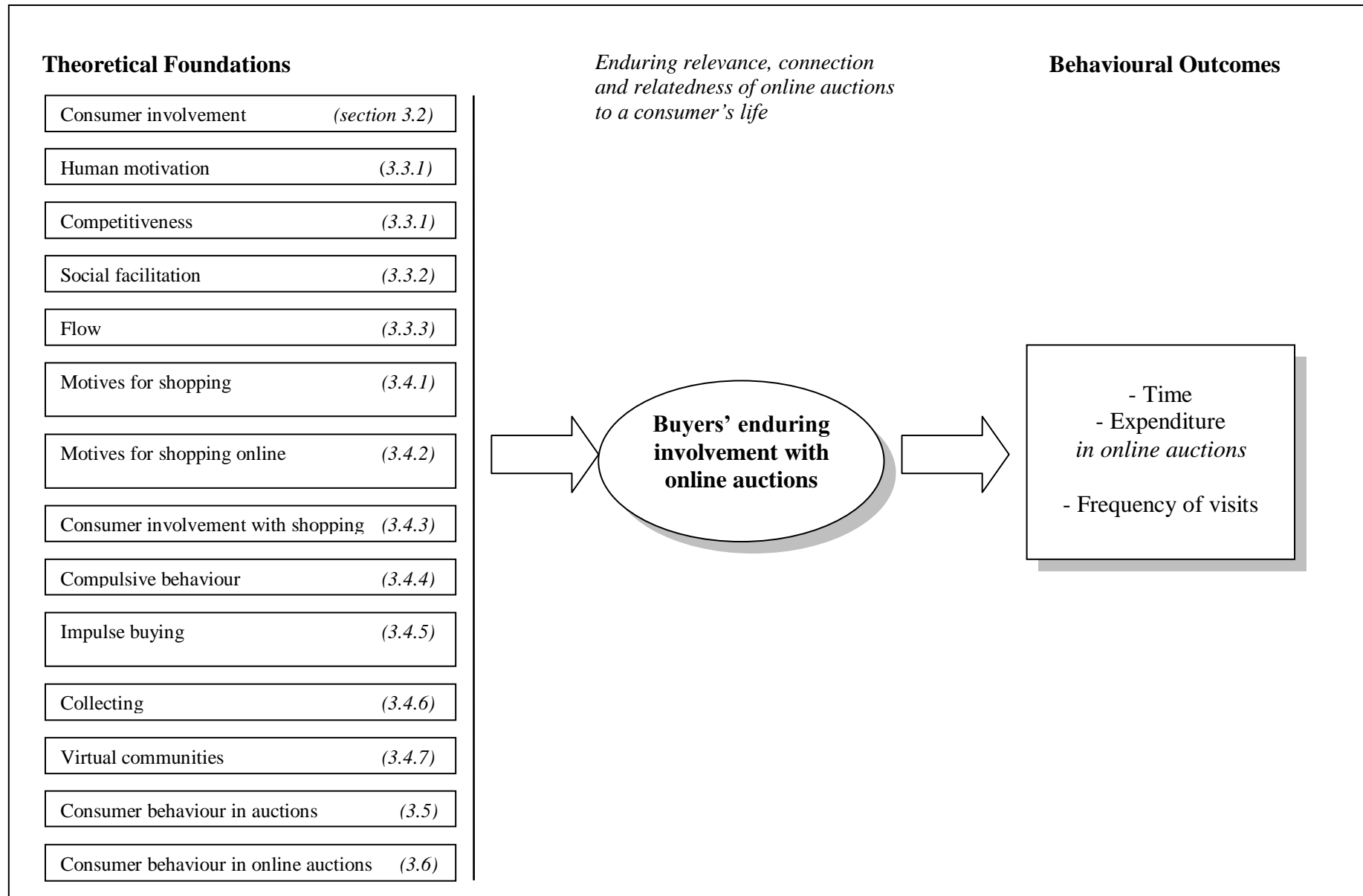


Figure 3-1 - Theoretical Foundations for a Conceptual Model of Buyer Involvement with Online Auctions

Section 3.4 draws theoretical insights from several fields in consumer behaviour – motives for shopping, motives for shopping online, consumer involvement with shopping, compulsive buying, impulse buying, collecting, and virtual communities. Section 3.5 presents a discussion of consumer behaviour in traditional auctions. Section 3.6 then presents empirical research in the field of consumer behaviour in online auctions, the field most directly related to the research questions of the thesis. Five recent empirical studies on consumer motives in online C2C auctions are discussed in some depth, as they provide the most specific research evidence of motives underlying buyers' involvement with online auctions. The conclusion section of this chapter, Section 3.7, brings these areas of theory and research together, and presents a conceptual model of buyer involvement with online auctions. This model provides the researcher with guidance for data gathering, as described in Chapter 4.

3.2 Consumer Involvement

This thesis examines if the consumer involvement construct provides an adequate theoretical explanation for variations in buyer behaviour in online auctions, and seeks to uncover the motives underlying buyers' enduring involvement with online auctions. The thesis proposes that the level of a buyers' enduring involvement with online auctions can potentially explain the amount of time and money buyers spend in online auction sites and their frequency of visits.

The definition of involvement developed in this thesis is:

The long-term and enduring relevance, connection and relatedness of online auctions to a consumer's life.

The following discussion provides a brief historical overview of the development of the involvement construct and its various applications in consumer behaviour. Three perspectives on involvement are identified, cognitive, individual-state and response-based models (Laaksonen, 1994). Justification is given for this thesis adopting a cognitive-based model of involvement. The conceptual models of involvement presented by Costley (1988) and O'Cass (2000) are described, and used as the basis for the conceptualisation of involvement employed in this thesis.

Involvement is a key theoretical construct in consumer behaviour (Laaksonen, 1994; Michaelidou & Dibb, 2008; Mittal & Lee, 1989; O'Cass, 2000; Rothschild, 1984). Involvement is an individual difference variable. Each consumer has a different level of involvement with the object concerned, from very low to very high (Michaelidou & Dibb, 2008). The object of the consumer's involvement could be a product, a brand, a product category, an activity, a purchase decision, or an advertising message (Laaksonen, 1994; Zaichkowsky, 1985, 1986). The involvement construct has been used as an explanatory variable in various models of consumer behaviour including models of information search, decision making, brand loyalty, brand choice, and information processing (Costley, 1988; O'Cass, 2000; Zaichkowsky, 1985, 1986).

3.2.1 Conceptualisations of involvement

There is no universally agreed definition of consumer involvement (Michaelidou & Dibb, 2008; Poiesz & de-Bont, 1995). A wide variety of conceptualisations of involvement have appeared in the marketing literature over the past forty years (see Table 3.1). Reviews of the historical development of the involvement construct are provided by Costley (1988), Laaksonen (1994), O'Cass (1998), and Michaelidou and Dibb (2008).

Zaichkowsky (1985) conceptualises involvement as a general measure of the connection between a consumer and an object. She conceptualizes involvement as “a person's perceived relevance of the object based on inherent needs, values, and interests” (Zaichkowsky, 1985, p. 342). This conceptualisation applies equally well to a consumer's connection with advertisements, or products, or purchase decisions. Zaichkowsky argues that one can recognise various antecedents and consequences of involvement, which are separate from involvement itself. She suggests that the antecedents to involvement include personal factors such as needs and values, the physical characteristics of the object, and situational factors that may temporarily increase relevance of the object (Zaichkowsky, 1986). An example of this would be a woman who is highly involved in fashion clothing, because of a need to look good, or because the latest fashion is very attractive, or because she is shopping for an outfit for a special occasion. Zaichkowsky suggests that increased levels of involvement can lead to a number of consequences, such as increased importance of a product class, increased amount of information search, and preference for particular brands.

Table 3-1 - Variation in the Conceptualisation of Involvement

Definition	Researcher/s
Ego involvement	(Sherif & Sargent, 1947)
Involvement with advertising	(Krugman, 1965, 1967)
Involvement with media	
Product involvement	(Howard & Sheth, 1969; Hupfer & Gardner, 1971)
High involvement versus low involvement information processing	(Batra & Ray, 1983; Celsi & Olson, 1988; Lastovicka & Gardner, 1978; Ray, 1973; Wright, 1974)
Enduring, situational, and response involvements	(Houston & Rothschild, 1978)
Enduring involvement	(Bloch, 1981, 1982; Bloch, Sherrell, & Ridgway, 1986; Higie & Feick, 1989; Richins & Bloch, 1986)
Perceived relevance of an object	(Zaichkowsky, 1985, 1986, 1994)
Multi-dimensional involvement	(Laurent & Kapferer, 1985; McQuarrie & Munson, 1987)
Cognitive versus affective involvement	(Park & Mittal, 1985; Park & Young, 1986)
Involvement with shopping	(Bergadaa, Faure, & Perrien, 1995; Broderick & Mueller, 1999)
Involvement with fashion	(Michaelidou & Dibb, 2006; O'Cass, 2000, 2004)
Involvement with online shopping	(Huang, 2006)

3.2.2 Three approaches to defining consumer involvement

Three categories of definition of involvement can be distinguished from the preceding discussion, cognitive-based models, individual-state models, and response-based models (Costley, 1988; Laaksonen, 1994). These categories of definition vary according to the content of the construct described, and the relationships between the construct and other important variables.

In cognitive-based conceptualisations of involvement, involvement is defined as the perceived relevance of an object to the consumer (O'Cass, 2000; Zaichkowsky, 1985, 1986). The object with which the consumer is involved could be a product or product category, or an activity such as shopping (Bergadaa et al., 1995; Broderick & Mueller, 1999). In such a conceptualisation, consumer involvement is viewed as the extent of psychological linkage, relatedness, connection and engagement of the object to the consumer's self-concept, needs or values (Costley, 1988; Laaksonen, 1994).

Involvement is conceived as being a long-term, enduring relationship between the object and consumer (Laaksonen, 1994; Michaelidou & Dibb, 2008). An example of such involvement might be a consumer's involvement with fashion and clothing (Michaelidou & Dibb, 2006; O'Cass, 2004). Involvement with the object predisposes the consumer to act in a particular way towards the object, such as paying additional attention to the object, or devoting time and energy to interaction with the object (Laaksonen, 1994). This thesis adopts a cognitive-based definition of involvement.

In individual-state conceptualisations of involvement, involvement is viewed as a mental state evoked by a stimulus such as a shopping situation (Costley, 1988).

Involvement is viewed as a temporary motivational state, a level or arousal, as may occur at the time the consumer is making a purchase decision that is important to them (Michaelidou & Dibb, 2008). This thesis does not adopt an individual-state definition of involvement.

In response-based conceptualisations of involvement, involvement is defined as the responses of a consumer, such as the amount of information search undertaken or extensiveness of decision-making. It is generally regarded that such response-based definitions of involvement cannot be justified as they represent circular reasoning (Costley, 1988; Laaksonen, 1994). One should not define involvement in terms of behavioural responses then claim that the behavioural responses indicate the presence of involvement. This thesis does not adopt a response-based definition of involvement.

3.2.3 Enduring involvement

In adopting a cognitive-based definition of involvement, consideration is given to the enduring nature of such involvement. Researchers who adopt a cognitive-based

conceptualisation of involvement agree that one characteristic of consumer involvement is its enduring nature. Enduring involvement:

can occur even when a purchase goal is not operative and is based not on risk but on the product's relationship to individual needs, values, or the self-concept...High enduring involvement is exemplified by wine connoisseurs, cat fanciers, and car enthusiasts who maintain a strong ongoing, hobby-like interest in a particular product class regardless of the purchase exigencies.

(Bloch, 1982, p. 413)

Measures of enduring involvement with automobiles, for example, correlate with the frequency of performing maintenance on one's car (Bloch, 1981). Behaviours such as acquiring information about cars, disseminating information about cars, and frequency of car washing, increase temporarily under conditions of situational involvement, but remain constant under conditions of enduring involvement (Richins & Bloch, 1986). Enduring involvement with a product or activity is associated with ongoing information search about that product or activity for recreational and hedonic reasons (Bloch et al., 1986).

Research suggests a consumer's level of enduring involvement is determined by the degree to which a product or activity relates to the consumer's self-image, or the amount of hedonic pleasure obtained from thinking about or using the product or activity (Bloch, 1982; Higie & Feick, 1989; Richins & Bloch, 1986). Higie & Feick (1989) present a 12-item scale, the Enduring Involvement (EI) scale, to measure the self-image aspect and the hedonic pleasure aspect of enduring involvement with a product category or activity.

Based on the discussion above, enduring involvement appears to be an important construct to explain a consumer's ongoing interest in online auction sites. It is likely that the relevance of the auctioned items to the consumer's self-image, and the amount of hedonic pleasure gained from participating in online auctions, are two of the determinants of a consumer's level of interest in online auction sites. The hedonic pleasures from participation in online auctions may include feelings of excitement and fun, entertainment value, the thrill of finding a desirable item, and the thrill of winning a

bidding war to beat a rival and obtain that item. Therefore, the following propositions are presented.

Propositions

- P1: The relevance of auctioned items to a consumer's self-image can be an important element in a buyer's involvement with online auctions.*
- P2: Hedonic pleasures gained from participating in online auctions, including*
- a) feelings of excitement and fun,*
 - b) entertainment value,*
 - c) the thrill of finding a desirable item, and*
 - d) the thrill of winning a bidding war*
- can be an important element in a buyer's involvement with online auctions.*

3.2.4 Meta analysis of involvement research

Costley (1988) presents a meta analysis of thirty years of involvement research. She observes that the many definitions of the involvement construct each differ along four dimensions, content, object, nature, and intensity (see Figure 3.2). The object of an involvement definition may be a product, an advertisement, or a situation. The content of an involvement definition, as previously discussed in section 3.3.1.3, may be either cognitive-based, or state-based, or response-based. The nature of an involvement definition may be either cognitive or affective. Cognitive involvement refers to the level of interest a consumer has in an object for utilitarian and practical purposes, while affective involvement refers to the level of interest a consumer has in an object for emotive or hedonic reasons (Park & Mittal, 1985; Park & Young, 1986). The intensity of an involvement definition may be either dichotomous (i.e. high versus low) or continuous.

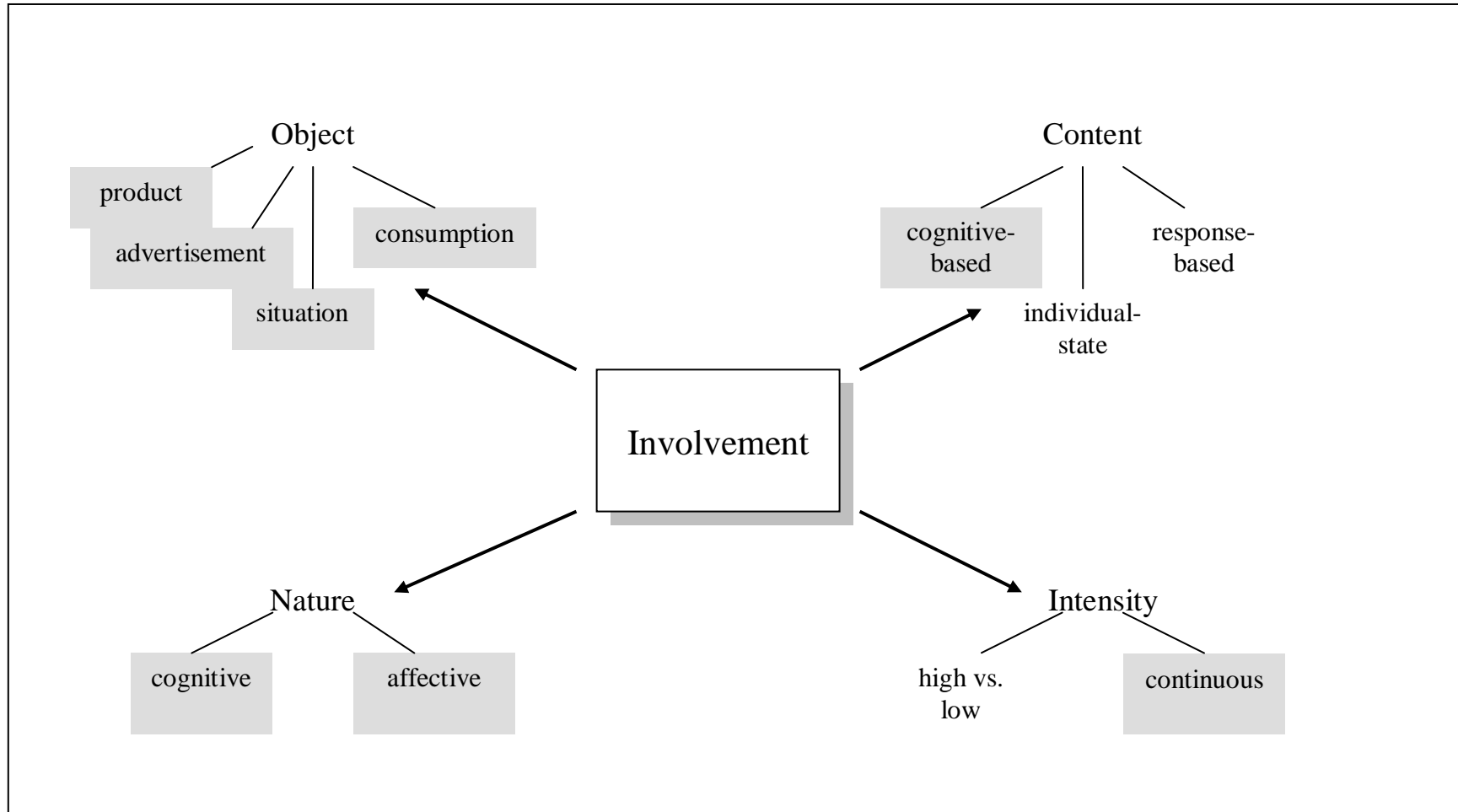


Figure 3-2 - Conceptualisation of Involvement in this Thesis

(Shaded areas indicate aspects of the four dimensions of definition of involvement adopted in this thesis (Costley, 1988))

O'Cass (2000) presents a contemporary model of consumer involvement and presents data on consumer involvement with fashion clothing in support of this model. O'Cass comments that past research on consumer involvement has examined the product or the purchase decision or advertisement or consumption as the object of a consumer's involvement. He then proceeds to explain that consumer involvement can be all of these things, for example, for a consumer who is involved with fashion clothing will be involved with fashion products, with advertisements for fashion, with purchasing fashion, and with wearing fashion. Consumer involvement is thus conceived as a higher order construct that includes all four of these aspects of involvement, product, advertising, purchasing, and consumption. O'Cass' definition of consumer involvement sits comfortably in the cognitive-based approaches to defining the construct:

The extent to which the consumer views the focal object as a central part of their life, a meaningful and engaging object in their life and important to them
(O'Cass, 2000, p. 550)

High involvement implies a positive and relatively complete engagement of core aspects of the self in the focal object ... consumers become involved in a particular object or stimulus when they perceive its potential for satisfying salient higher order psychological needs
(O'Cass, 2000, p. 552)

3.2.5 Definition of involvement

In this thesis, buyers' involvement with online auctions is defined as being:

The long-term and enduring relevance, connection and relatedness of online auctions to a consumer's life.

The relevance of online auctions to a consumer's life might, for example, be exhibited by the consumer who considers online auctions a regular source of many of the goods they require in their daily life. The connection between a consumer and online auctions might be illustrated by the consumer who checks the status of auctions they are participating in several times a day, just as they would check their emails several times a day. The term relatedness refers to the extent to which participation in online auctions

relates to the consumer's self-image, for example, the consumer who collects model aircrafts and browses online auctions frequently for items to add to their collection.

This definition addresses the four dimensions revealed in Costley's meta analysis of involvement research (see Figure 3.2). In common with O'Cass (2000), involvement is conceived as being a higher order construct the object of which is not only an interest in online auctions, but also an interest in media messages about online auctions, purchasing from online auctions, and general participation in auctions. Regarding the content of this definition, the definition represents a cognitive-based approach to defining involvement. Regarding the nature of buyers' involvement with online auctions, this is conceived as being both cognitive and affective. Regarding the intensity of buyers' involvement with online auctions, this is conceived as being a continuous variable.

Having defining the consumer involvement construct as used in the thesis, discussion now moves to the area of psychology and a presentation of psychological theory relevant to consumer behaviour in online auctions.

3.3 Psychological Theory

The following section draws on several aspects of psychological theory relevant to consumer behaviour in online auctions. A review is undertaken of some of the basic elements of human motivation, including human competitiveness. Social facilitation is introduced as a basic process in social behaviour. The concept of flow is described as a psychological state that people experience when intensely involved in an activity. These are likely to be important elements in consumer behaviour in online auctions.

3.3.1 Human motivation

Motivation refers to the "energy, direction, persistence, equifinality" of efforts expended by humans in their choice of actions (Ryan & Deci, 2000, p. 69). Motivation maybe extrinsic or intrinsic. If people are motivated by external forces such as the promise of rewards, they are said to be extrinsically motivated. If people are motivated because they value an activity, they are said to be intrinsically motivated.

For many consumers participation in online auctions is intrinsically motivating. Intrinsic motivation is “the inherent tendency to seek out novelty and challenges, to extend and exercise one’s capacities, to explore, and to learn ... People will be intrinsically motivated only for activities that hold intrinsic interest for them, activities that have the appeal of novelty, challenge, or aesthetic value” (Ryan & Deci, 2000, pp. 70-71). The extent to which people are self-motivated and energised varies between situations. Ryan & Deci (2000) suggest three things may account for people’s intrinsic motivation, competence, autonomy, and relatedness. To be intrinsically motivated requires that the person has a sense of confidence in undertaking the activity and a sense of autonomy, that is, freedom to choose their own actions. Relatedness refers to the need for social contact with other people.

McGuire (1974) reviews the broad field of human motivation and suggests there are sixteen categories of motivation theory, each one presenting a different view on human nature. Table 3.2 presents these sixteen categories of theory. The sixteen categories represent answers to four questions concerning human nature, cognitive versus affective motives, self preservation versus self growth, active versus passive initiation of an activity, and internal versus external goal orientation.

The eight cognitive motives represent the directive aspects of motives, that is, what the motive is aimed at. Cognitive motives concern people’s information processing and attainment of ideas. Of these eight cognitive theories of motivation, aspects of stimulation theory, that is the need for new and varied stimulation, may offer some explanation for buyer involvement with online auctions.

Table 3-2 - Categories of Motivation Theory

1. Consistency theories	people must have consistency in their ideas and information; discrepancies between ideas are uncomfortable
2. Attribution theories	people seek to interpret and understand the causes of events in the environment around them
3. Categorization theories	depict people as seeking to understand the world around them and categorize ideas and events into existing categories in their minds
4. Objectification theories	view human beings as rather passive and tending to infer their own attitudes and feelings from observing other people around them
5. Autonomy theories	depict human beings as self-realising, that is, seeking to develop a consistent sense of identity
6. Stimulation theories	view people as needing new and varied stimulation, seeking novelty
7. Teleological theories	depict people as carrying conservative views in their heads, and requiring constant confirmation of those views
8. Utilitarian theories	view people as problem solvers who seek useful information to help them cope with challenges
9. Tension-reduction theories	view people as having inbuilt needs and tensions; people are motivated to satisfy their needs and experience a state of calm
10. Expressive theories	view human beings as needing to express themselves and act upon their feelings
11. Ego-defensive theories	theories view people as having to maintain their self image
12. Reinforcement theories	view people as behaving in ways that lead to rewards
13. Assertion theories	view people as competitive and achievement oriented
14. Affiliation theories	view people as seeking acceptance and affection from others
15. Identification theories	suggest that people gain self acceptance and pleasure through taking on new roles and identities
16. Modeling theories	emphasise the tendency of people to imitate the action of others

Source: McGuire (1974)

Affective motives represent the dynamics and energy of motivation. Affective motives concern the feeling states that people seek. Of these eight affective theories of motivation, aspects of assertion theory, that is the need to be competitive and to achieve, may offer some explanation for buyer involvement with online auctions. Competitiveness refers to, “the enjoyment of interpersonal competition and the desire to win and be better than others” (Spence & Helmreich, 1983, p.41, cited in Mowen, 2004). Competition is a part of many societies. Research has suggested that competitiveness has a positive association with a number of consumer behaviours including participation in sports and contests, being a sports spectator, and public displays of consumption of expensive goods (Mowen, 2004). Competitiveness is likely to be an important element in consumer behaviour in online auctions.

P3: The need for stimulation through exposure to new, varied and novel stimuli can be an important element in a buyer's involvement with online auctions.

P4: The need for assertion through competitive behaviour and the achievement of goals can be an important element in a buyer's involvement with online auctions.

Having introduced the concepts of human motivation and competitiveness, discussion now moves to a further psychological construct, the construct of social facilitation.

3.3.2 Social facilitation

Social facilitation refers to one of the most basic social processes, namely, that human behaviour changes in the presence of other people. The insights of social facilitation theory may be relevant to consumer behaviour in online auctions. The predictions of social facilitation theory are that the presence of other people will improve one's performance on a simple task but detract from one's performance on a complex task (Zajonc, 1980). As long as the task is a simple, well-learned one, the presence of others improves performance. However, with difficult or complex tasks, the presence of others disturbs performance (Aronson, Wilson, & Akert, 2002). Social facilitation operates through increased arousal and drive for the individual (Myers, 2000). Research has generally supported this theory (Zajonc, 1980).

Social facilitation effects have been shown to influence consumer behaviour in retail shopping environments. One observational study of shoppers in supermarkets and discount stores compared lone shoppers of either gender with shopping groups of more than one adult (Sommer, Wynes, & Brinkley, 1992). Compared to lone shoppers, consumers who shopped in groups spent more time in each store and made larger purchases. The presence of others increased shopping activity for products associated with a social activity such as dining, but distracted consumers when they were seeking to purchase an item of a personal nature. Social facilitation effects may also influence consumer behaviour in online auctions. Section 3.6.2.1 reviews several studies on social facilitation effects in online auctions.

3.3.3 Flow

An additional psychological concept of relevance to consumer behaviour in online auctions is the concept of psychological flow. Flow is a widely recognised psychological state which occurs during intense concentration on a challenging task, and involves a loss of self-consciousness and a loss of awareness of time (Csikszentmihalyi, 1975; Huang, 2006). Flow occurs in structured activities that are intrinsically motivating, that is, activities that provide a sense of autonomy and competence (refer to section 3.3.1). A number of writers have proposed that consumers experience a state of flow when shopping and browsing the Internet (Hoffman & Novak, 1996; Huang, 2006; Novak, Hoffman, & Yung, 2000). Section 3.4.2 reviews several studies on the role of flow in online shopping and browsing. Consumers may also experience a state of flow if they become intensely involved during participation in an online auction.

Having introduced the psychological concepts of human motivation, competitiveness, social facilitation and flow, the next section presents a discussion of theory in consumer behaviour relevant to buyers' enduring involvement with online auctions.

3.4 Consumer Behaviour Theory

This section reviews research from a selection of subfields in the discipline of consumer behaviour, that have potential to provide insight into consumer motives for enduring involvement with online auction sites. The section commences with a review of

research into consumer motives for shopping, and consumer motives for shopping online. This research provides insight into buyer behaviour in online auctions, as there are several common elements between retail shopping and buyer behaviour in online auctions. Both activities involve browsing the goods on offer and choosing goods for purchase.

Then, in a subsection titled consumer involvement with shopping, the discussion moves to an examination of those studies that have applied the construct of involvement to consumer shopping, and to consumer shopping online. Again, this stream of research can provide potential insight into buyers' motives for enduring involvement with online auctions.

The scant literature that has explored consumer motives in online auctions has observed an element of compulsive behaviour amongst some consumers, who spend excessive time and excessive money on such sites (Cameron & Galloway, 2005; Peters & Bodkin, 2007). The discussion therefore moves to consider the research literature on compulsive buying behaviours, and the insights this literature may have for the research.

Because the initial motive for establishing the online auction site, eBay, was to bring together collectors and facilitate their buying and selling of collectibles, discussion moves on to explore the research literature on collecting behaviour and collectors. This provides additional insight into the research questions of the thesis.

The section concludes with an exploration of research into virtual communities, that is, communities of consumers who gather online. This research stream is relevant to the current research as consumers who visit online auction sites may constitute a virtual community linked by shared interest.

3.4.1 Motives for shopping

A consumer's motives for shopping can be viewed as being either utilitarian or hedonic (Babin, Darden, & Griffin, 1994). Utilitarian value is the value derived from getting the goods one requires. When a consumer adopts a utilitarian motive for shopping, the shopping trip may be viewed as if it is a task, and the consumer is only satisfied when they have acquired all the goods on their shopping list. By contrast, hedonic value is

about obtaining fun and enjoyment from shopping (Holbrook & Hirschman, 1982). When consumers adopt a hedonic motive for shopping, they are shopping because they enjoy it. Shopping may be a pick-me-up when one's mood is low. Both utilitarian and hedonic motives might be recognised in the online auction user (Lee et al., 2009).

Research into consumer motives for retail shopping has been ongoing for more than 35 years. The most widely cited study of shopper motives is the research reported by Tauber (1972). Prior to Tauber's study it was assumed that there was a single consumer motive for shopping, the utilitarian motive of acquiring goods. Tauber is the first researcher to point out that the shopping experience is not just about acquiring the goods needed by the consumer, but includes a number of social and sensory experiences that provide hedonic enjoyment to the consumer (Holbrook & Hirschman, 1982). Tauber conducts a limited number of qualitative interviews and focus groups amongst shoppers, and identifies eleven motives for shopping, beyond the simple need to acquire goods. Table 3.3 provides a summary of these motives, which fall into two categories, personal and social motives.

Tauber's qualitative research was followed up more than a decade later by a detailed psychometric study that sought to measure shopper motives quantitatively (Westbrook & Black, 1985). Westbrook and Black develop a 17-item scale to measure seven motives for shopping by female shoppers at department stores. Five of these motives replicate those recognised in the Tauber study, namely, role playing, sensory stimulation, social experiences outside the home, status and authority, and the pleasure of bargaining. Two additional motives are identified (see Table 3.2), anticipated utility of the product one will buy, and choice optimization, that is getting precisely the right product to fit one's needs.

Table 3-3 - Consumer Motives for Retail Shopping

Motive	Definition
<i>Personal motives</i>	
Role playing (U)	Undertaking shopping to fulfil one's role as a housewife, husband or mother; this includes shopping for gifts
Diversion (H)	Shopping is a break from daily routine; it is entertainment
Self-gratification (H)	To buy something nice for oneself if one is bored or depressed
Learning about new trends (U/H)	Learning what new products are available
Physical exercise (U)	Exercise provided by walking around the stores
Sensory stimulation (H)	Shopping malls offer a multi sensory experience of sights, smells, sounds, tastes, and tactile experiences
<i>Social motives</i>	
Social experiences outside the home (H)	Mixing with friends and other customers
Communication with others sharing a similar interest (H)	Gathering with people who share a similar hobby
Peer group attraction (H)	Finding one' peer group at the shopping mall
Status and authority (H)	Enjoying being served and waited on
Pleasure of bargaining (H)	The enjoyment gained from shopping for bargains
<i>Additional motives</i>	
Anticipated utility (U)	Anticipated utility of the product you will buy
Choice optimisation (U)	Getting precisely the right product to fit one's needs

Sources – Tauber (1972), Westbrook and Black (1985), Arnold and Reynolds (2003)

Key – (U)=utilitarian, (H)=hedonic, (U/H) utilitarian and hedonic

Each of the thirteen motives listed in Table 3.3 are further identified as being mainly utilitarian (U) in nature, mainly hedonic (H) in nature, or involving both utilitarian and hedonic aspects (U/H). Hedonic motives are known to correlate positively with an experiential shopping orientation, compulsiveness, pleasure, arousal, and unplanned purchasing. Utilitarian motives are known to correlate with the buying of planned items (Babin et al., 1994).

Since the time of the Tauber (1972) study, the retail landscape has changed dramatically. Mall shopping now dominates the retail landscape. In addition shopping malls have incorporated substantial hedonic elements, such as entertainment, to attract consumers. The hedonic aspects of shopping are known to have a strong influence on consumer satisfaction with retail stores (Jones, Reynolds, & Arnold, 2006).

Given this new world of retail shopping, it is important to examine more recent empirical research on shopper motives. Arnold & Reynolds (2003) develop a scale to measure six hedonic motives for shopping in the modern mall environment. These six motives replicate six of the motives already identified by Tauber thirty years earlier, namely, role playing, diversion, learning about new trends, sensory stimulation, and the pleasure of bargaining (see Table 3.3). It appears, therefore, that the thirty-year-old Tauber study still holds some credence.

To date, no research has attempted to see which of the motives for retail shopping described above might be relevant to buyers' enduring involvement with online auctions. Table 3.4 is an attempt to do just that, to suggest which of the motives for retail shopping might apply to enduring involvement with online auction sites.

It is highly likely that participation in online auctions will provide the consumer with diversion from daily routine, self-gratification from obtaining something desirable for oneself, knowledge about the products available in the market, pleasure in bargaining for goods, anticipated utility from obtaining desirable goods, and getting precisely the right product that fits one's needs.

Table 3-4 - Which of the Motives for Retail Shopping might apply to Consumer Motives for Involvement with Online Auctions?

Motive	Application to online auctions
<i>Personal motives</i>	
Role playing	unlikely
Diversion	probable
Self-gratification	probable
Learning about new trends	probable
Physical exercise	does not apply
Sensory stimulation	possible
<i>Social motives</i>	
Social experiences outside the home	possible
Communication with others with a similar interest	possible
Peer group attraction	possible
Status and authority	possible
Pleasure of bargaining	probable
<i>Additional motives</i>	
Anticipated utility	probable
Choice optimisation	probable

Online auctions sites may fulfil one's needs for sensory stimulation, but provide less sensory stimulation than the sights, smells, sounds, tastes and tactile experiences that can be obtained at a shopping mall. If the consumer interacts with other consumers on the auction site, then participation in online auctions may provide the consumer with social experiences outside the home, communication with others having a similar interest, and peer group attraction. The motive of seeking status and authority might not apply in the tradition social sense envisaged by Tauber, that is, authority over sales personnel. Instead, interaction with online auction sites might provide the consumer with control and authority over technology (To, Liao, & Lin, 2007).

Participation in online auctions is less likely to assist the consumer to fulfil their role as a husband, wife, mother or grocery shopper. This is because an auction site is not a guaranteed source of the goods required by the household. One is more likely to obtain the goods one needs from a supermarket or shopping mall. A motive that does not apply to participation in online auctions is the seeking of physical exercise.

- P5:
- a) *diversion from daily routine,*
 - b) *self-gratification from obtaining something desirable for oneself,*
 - c) *knowledge about the products available in the market,*
 - d) *pleasure in bargaining for goods,*
 - e) *anticipated utility, and*
 - f) *choice optimization*

can be important elements in a buyer's involvement with online auctions.

3.4.2 Motives for shopping online

If our review of consumer motives for retail shopping has provided some potential insight into buyer motives for enduring involvement with online auction sites, then a review of consumer motives for shopping online may provide even further insight. Both online shopping and online auctions occur through the medium of the Internet, and thus may share some common elements.

Since the 1990s, there has been an exponential growth in the volume of retail goods sold via Internet shopping sites. This is a different shopping environment from the traditional mall, and we might expect consumer motives for shopping online may be different from consumer motives for shopping at a mall. The following subsection explores empirical research into consumer motives for shopping online.

The distinction between utilitarian and hedonic motives can be seen in online shopper behaviour and might also be recognised in the online auction user (Lee et al., 2009). A consumer's choice to shop online involves both utilitarian and hedonic motives.

Research in the area has found a number of utilitarian motives for the online shopper (Childers, Carr, Peck, & Carson, 2001). Online shopping provides a consumer with the

convenience of shopping from home, 24 hours a day. Online shopping provides access to a wide selection of goods, and potential cost savings. Online shopping allows a consumer to shop without the distraction of other people such as children or spouses or salespeople (Wolfenbarger & Gilly, 2001).

By contrast, hedonic motives are associated with the enjoyment of the online shopping experience. Hedonic motives for shopping online may include variety seeking by being exposed to a wide range of goods, seeking sensory stimulation from interaction with the computer website, and a desire for exploration, that is a desire to simply see what exists online (Rohm & Swaminathan, 2004; To et al., 2007). Consumers who shop online enjoy browsing and enjoy searching for bargains (Wolfenbarger & Gilly, 2001). Consumers in online auctions may also enjoy browsing and hunting for bargains (Anwar, McMillan, & Zheng, 2000).

Despite online shoppers having some hedonic motives, research suggests that utilitarian motives may dominate in the decision to shop online. Research has shown that consumers who shop frequently online are satisfied with the utilitarian aspects of the medium, such as convenience and the variety of goods available, while consumers who avoid online shopping enjoy the physical environment of the shopping mall, the social contact with other shoppers, and having immediate possession of goods (Rohm & Swaminathan, 2004). Online shoppers may also be less impulsive than offline shoppers. Many online shoppers simply browse websites ‘nibbling’ and ‘snacking’ on product offerings, but then abandon their shopping carts before purchasing those items (Wolfenbarger & Gilly, 2001).

P6: Perceptions of online auctions as

- a) a convenient medium*
- b) offering a wide selection of goods*
- c) at low prices*

can be important elements in a buyer's involvement with online auctions.

Research into consumer motives for shopping online has also employed the Tauber framework of motives. In a survey of online shoppers, respondents rate seven of

Tauber's motives as important in their online shopping experiences - diversion, self-gratification, learning about new trends, social experiences outside the home, communication with others having a similar interest, peer group attraction, and status and authority (Parsons, 2002). A separate sample of Internet users write statements on how Tauber's motives might apply to online shopping. The sample reports that all of the shopper motives might apply, with the exception of physical exercise (Parsons, 2002). It is worth noting though, two key differences between online shopping and online auctions. Online shopping probably provides greater opportunities for fulfilling one's household roles, such as acquiring groceries, as goods are more readily accessible from online stores than they are from online auctions. Contrastingly, the pleasure of bargaining is more likely in an online auction than in online shopping, a point noted by Parsons (2002).

Section 3.3.3 introduced the psychological concept of flow (Csikszentmihalyi, 1975). Flow occurs in structured activities that are intrinsically motivating, that is, activities that provide a sense of autonomy and competence (Ryan & Deci, 2000). A number of writers propose that consumers experience a state of flow when shopping and browsing online (Hoffman & Novak, 1996; Huang, 2006; Novak et al., 2000). Consumers become mesmerized by the computer screen. They focus their attention on the computer, and ignore all other outside stimuli. Hoffman & Novak (1996) suggest that consumers who experience a flow state when shopping online will remain online for a longer period of time and visit a website more often. Because one of the outcome variables considered in this study is the amount of time consumers spend in online auctions, the concept of flow may be especially relevant to buyer involvement with online auctions (Holbrook & Gardner, 1993).

*P7: a) autonomy,
 b) competence, and
 c) flow in the use of online auctions

 can be important elements in a buyer's involvement with online auctions.*

The relationship between the constructs of flow, enduring involvement and situational involvement, have been examined . Huang (2006) shows that the constructs of enduring

involvement with browsing the Internet, and flow experienced during Internet browsing sessions, are unique but related constructs:

Consumers are therefore likely to experience relatively high levels of enduring involvement across many sessions of navigating the web when the navigation as an act is itself enjoyable, the specific topic areas or content domains of the navigation are inherently interesting, or the navigation relates to the self concept or important values.

(Huang, 2006, p. 306)

Huang (2006) builds and validates a structural model which identifies flow, enduring involvement, and situational involvement as unique constructs. These constructs are, in turn, shown to be influenced by a number of factors including control, self-relevance, perceived risk, enjoyment, personal relevance and curiosity.

P8: Enjoyment with browsing the Internet can be an important element in a buyer's involvement with online auctions.

While this review of motives for online shopping provides some potential insight into consumer motives for enduring involvement with online auction sites, considerable differences exist between these two marketplaces. Table 3.5 summarises these differences. With online shopping, the goods listed for sale are usually available in bulk amounts, and the consumer has access to the goods at a fixed price. Goods are usually available for extended periods of time. Sensory stimulation in online shopping is limited to lists, photographs and demonstrations of products. By comparison, the goods sold in online auctions are often unique, one-off items. Consumers compete for access to these goods, and the goods are not usually sold at a fixed price, but sold at the highest bid price. Goods on auction are available for a limited period of time, perhaps a few days. Stimulation in an online auction is supplemented by the stimulation of competing with other buyers to place the winning bid. Each of these features of online auctions increases the urgency with which consumers should buy the items on offer.

Table 3-5 - Key differences between B2C online shopping and C2C online auctions

Online shopping	Online auctions
Goods listed for sale are usually available in bulk amounts (exceptions include second-hand motor vehicles)	Goods listed for sale are often unique, one-off items
Consumer has access to the goods provided they can pay the listed price	Consumers compete for access to desirable goods
Fixed price of items on sale	Goods are sold at the highest bid price
Goods are available for a long period of time, perhaps weeks or months	Availability of goods for a strictly limited time. Goods are available only during the time the auction is running – perhaps several hours or days.
Consumer gains sensory stimulation by browsing through lists, photographs and demonstrations of products	Consumer gains sensory stimulation by browsing through lists and photographs of products, and stimulation through competing for those products

3.4.3 Consumer involvement with shopping

Having examined research into consumer motives for shopping, it is appropriate to now consider research into consumers' enduring involvement with shopping. As there are several common elements between retail shopping and buyer behaviour in online auctions, such as browsing the goods on offer and choosing items for purchase, this body of research may provide insights for the research questions of the thesis.

A number of studies examine consumers' enduring involvement with the activity of shopping, or with particular categories of shopping goods. These studies typically undertake a research programme of scale development and scale validation, which identifies the various dimensions underlying consumer involvement with shopping. One study identifies two hedonic dimensions underlying consumers' enduring involvement with shopping, namely, shopping for leisure and shopping for social reasons, and one utilitarian dimension, shopping to make purchases (Bergadaa et al., 1995). The study indicates that women and consumers from lower social classes exhibit higher leisure

motives. The unemployed, retired people, the elderly, and women exhibit higher social motives. Retired people, the un-employed, and women exhibit higher economic motives.

Studies examine consumers' enduring involvement with fashion clothing, which represents a major category of retail shopping. One study identifies two dimensions underlying consumers' enduring involvement with fashion clothing, the pleasure of shopping for clothing and interest in clothing, versus the importance attached to clothing and desire to dress appropriately (Michaelidou & Dibb, 2006). Levels of fashion clothing involvement may be influenced by a consumer's materialism, gender and age (O'Cass, 2004). In turn, fashion clothing involvement may influence consumers' confidence in making fashion purchase decisions.

In summary, a number of demographic factors are known to influence levels of involvement with shopping. Aspects of enduring involvement with shopping may be relevant to buyers' enduring involvement with online auctions (see proposition P5).

At extreme levels of involvement with shopping, consumers may exhibit compulsive buying. Compulsive buying is observed among consumers in online auctions (Peters & Bodkin, 2007). It is therefore appropriate to consider the research literature on compulsive buying. The next subsection reviews this literature for potential insight into buyers' enduring involvement with online auctions.

3.4.4 Compulsive buying

Compulsive buying is one example of a broader set of behaviours termed compulsive consumption. Compulsive consumption can be defined as “a response to an uncontrollable drive or desire to obtain, use, or experience a feeling, substance, or activity that leads an individual to repeatedly engage in a behavior that will ultimately cause harm to the individual and / or to others” (O'Guinn & Faber, 1989, p. 148).

Research employs three alternative approaches to explain the causes of compulsive consumption (Hirschman, 1992), namely, that such behaviour is driven by the consumers' personality (Faber & Christenson, 1996; O'Guinn & Faber, 1989), or that compulsive consumption has a genetic basis (Hirschman & Stern, 2001), or that social

factors such as cultural background and family background encourage compulsive consumption.

Compulsive buyers have an irresistible urge to buy, and experience pleasure and excitement from buying and rewarding themselves (Faber, O'Guinn, & Krych, 1987). The typical items purchased by compulsive buyers are clothes, cosmetics, jewellery, and gifts by female shoppers, and electronic gadgets and cars by male shoppers. These items are now available from online auction sites. This uncontrollable drive to buy commonly results in negative consequences for the consumers concerned, such as high levels of debt, feelings of shame or guilt, feeling out of control, arguments over money, and relationship problems (O'Guinn & Faber, 1989).

Compulsive buyers are often female shoppers, who score high on measures of compulsivity, low on measures of self-esteem, and high on measures of fantasy imagination (O'Guinn & Faber, 1989). Attention from retail salespeople can bolster a compulsive buyer's self-esteem. Compulsive buyers are also prone to fantasise about what they might own, without thinking of the consequences of overspending.

Compulsive buying can be distinguished from impulse buying. If compulsive buying were the same as impulse buying, compulsive buyers would have a strong desire to own possessions. This is not the case. Compulsive buyers display a lower level of object attachment compared to general buyers (O'Guinn & Faber, 1989). In many instances, compulsive buyers do not even unwrap the items they purchase! In compulsive buying the desire to own products is not the primary motivation for shopping. Instead, the compulsive buyer is driven by an urge to acquire items in order to reach short-term gratification and enhanced self-esteem. These same motives may be displayed in consumer behaviour in online auctions.

Buying appears to create a short-term improvement in the mood of compulsive buyers, and is a way for them to manage their moods. Before shopping, compulsive buyers report feeling depressed, bored, or anxious (Faber & Christenson, 1996). While shopping, compulsive buyers report feeling excited, powerful, or even "wild". After shopping, compulsive buyers report positive moods such as feeling powerful, excited or elated, or negative moods such as feeling guilty, depressed or out of control.

Hirschman (1992) identifies two types of compulsive consumer. The distressed compulsive consumer is someone who is plagued by feelings of self-doubt and suffering from anxiety or depression. They are unable to manage their moods without an external prop such as buying or eating (Faber, 2006). The second type of compulsive consumer is the sociopathic compulsive consumer, someone who has strong impulsive drives that are irresistible. They seek out stimulating activities or substances in their search for immediate sensory gratification. In recent years, genetic science has identified a set of genes which appear tied to low levels of the neurotransmitter dopamine (Hirschman & Stern, 2001). People with this genetic abnormality are prone to seek environmental stimulation through drug taking, compulsive buying or extreme sports.

Compulsive buying not only occurs in mall shopping. A recent study of customers of the world's largest television shopping channel, QVC, observes compulsive buying amongst customers (Ridgway & Kukar-Kinney, 2005). Buying from a television shopping channel also has some commonality with buying from an online auction. Firstly, both television shopping channels and online auctions operate 24 hours a day, and the consumer can make purchases from their home. Secondly, there is an urgency for purchasing. In the case of television shopping the most convenient time to buy is the short period when the item is being promoted on air. It is typical for a counter to be appear on the TV screen showing the number of orders received or indicating that items are running out. This is analogous to the display of time remaining for an online auction. Finally, the television shopper or consumer in an online auction may feel a compulsion to buy, even though there is no immediate possession of the item purchased.

In summary, the typical items purchased by compulsive buyers are clothes, cosmetics, jewellery, gifts, electronic gadgets and cars. These items are readily available from online auctions. A number of researchers observe compulsive buying amongst some consumers in online auctions (Cameron & Galloway, 2005; Peters & Bodkin, 2007). Compulsive buyers gain intense pleasure from acquiring an item rather than possessing or using it. Online auction sites may encourage compulsive buying because of the urgency of the purchase situation – the consumer must bid now for a rare or unique item or risk losing access to it altogether - and the excitement stimulated by competing against other consumers for access to goods.

P9: Compulsive buying can be an important element in a buyer's involvement with online auctions.

3.4.5 Impulse buying

Impulse buying is common amongst a high percentage of consumers, across a broad range of product categories (Cobb & Hoyer, 1986; Rook, 1987). Impulse buying can be defined as:

A sudden and immediate purchase with no pre-shopping intentions either to buy the specific product category or to fulfil a specific buying task. The behaviour occurs after experiencing an urge to buy and it tends to be spontaneous and without a lot of reflection.

(Beatty & Ferrell, 1998, p. 171)

Early research in marketing took the view that impulse buying is specific to particular categories of products, which are termed impulse products (Bellenger, Robertson, & Hirschman, 1978). Today, researchers no longer take this perspective. Impulse buying is a behaviour of the consumer, not a characteristic of products. Early research in marketing also failed to distinguish between the broad category of unplanned purchases – that is, purchases that are not specifically pre-planned and on the consumer's shopping list – and the more specific subset of unplanned purchases which are impulse buying. Impulse buying refers to those unplanned purchases which are driven by stimuli in the shopping environment, and associated with strong emotional responses, as defined by Rook (1987):

Impulse buying occurs when a consumer experiences a sudden often powerful and persistent urge to buy something immediately.

(Rook, 1987, p. 191)

Rook (1987) notes amongst the consumers he interviews feelings of emotional conflict and guilt regarding their impulse buying. He also notes negative consequences for some of them such as incurring financial debts.

Historically, impulsive behaviours such as impulse buying were frowned upon in society. The impulsive shopper was seen as lacking control of their impulses. Impulsiveness is a personality trait of some people. Consumers with an impulsive personality are more likely to display impulse buying (Rook & Fisher, 1995). A number of researchers have portrayed shopper behaviour as a conflict between impulsive tendencies and the ability of the consumer to exercise control over such urges (Vohs & Faber, 2007). Research shows that the tendency to buy on impulse is moderated by normative influences on the consumer (Rook & Fisher, 1995), the self-monitoring personality trait (Sharma, Sivakumaran, & Marshall, 2006), and self-regulatory resources (Vohs & Faber, 2007). Mood is known to influence impulse buying. Consumers in a good mood as well as consumers in a bad mood are more likely to buy on impulse (Rao-Madhavaram, 2004).

Instead of viewing impulse buying as socially undesirable behaviour, Hausman (2000) presents an alternative view. Hausman takes the perspective that consumers go shopping not only to fulfil utilitarian needs, but also to fulfil hedonic needs. She notes that impulse buying fulfils a number of these hedonic needs, the needs for fun, novelty, and surprise. Hausman also presents evidence that impulse buying may be a sensible approach to purchase decision making. When the consumer is faced with information overload, impulse buying is a potential means of reducing cognitive effort without diminishing decision accuracy.

The shopping environment has considerable influence on impulse buying. Some traditional marketplaces, such as the fairground, are designed to fulfil consumers' hedonic needs and encourage impulse buying. Researchers note that a number of features of the modern consumer marketplace encourage impulse buying. These include features such as television infomercials, the use of credit cards, and easy payment options (Rao-Madhavaram, 2004; Rook, 1987; Rook & Fisher, 1995). These aspects of the modern marketplace are characterised by shopping activity that is not highly visible socially, and can be conducted with minimal physical or mental effort.

In particular, shopping on the Internet exemplifies these features of the modern marketplace. Here, the consumer can shop alone with minimal effort from the comfort of their home 24/7. They are free to browse the goods on offer and receive immediate

gratification of their desires for ownership of goods (Rao-Madhavaram, 2004). One study finds that impulse buying on the Internet is more common amongst male consumers than female consumers (Zhang, Prybutok, & Strutton, 2007). Some researchers suggest that particular aspects of website design, such as the ability to navigate by product categories encourage impulse buying (Shen & Khalifa, 2007; Zhang et al., 2007). Researchers also suggest that browsing online puts the consumer in a good mood, and being in a good mood, the consumer is more prone to impulse buying (Rao-Madhavaram, 2004).

Just as the Internet shopping environment appears to encourage impulse buying, it is predicted that the online auction environment also encourages impulse buying. The online auction is an environment where the shopper is not highly visible socially, where items for sale are organised into easy-to-browse categories, and there is time pressure on the buyer to purchase an item of interest that may not be offered for sale again.

P10: Impulse buying can be an important element in a buyer's involvement with online auctions.

3.4.6 Collecting

Collecting is one of the reasons that consumers participate in online auctions. eBay was originally established to cater for the needs of collectors and the trading of collectible items. Today, e-Bay and TradeMe list many more products than just collectibles, yet an element of collecting remains a significant portion of the trading that occurs. The following subsection examines empirical research on collecting to gain additional insight into buyers' enduring involvement with online auctions.

In their study of online shopping, Wolfinbarger and Gilly (2001) observe that consumers who have enduring involvement with a product category often pursue that hobby online, and the category of website most often frequented by such consumers is online auction sites:

Auction activities and ongoing hobby-type search are the most frequently mentioned motivations for online browsing. Auctions such as eBay draw much longer visits than do other e-commerce sites on average....Auctions present

several experiential benefits. The available products change often; many of the products are unusual, unique, or collectable; and bidding introduces an element of risk and gaming. Consumers don't "buy", they "win". "Positive surprise" and excitement are major benefits of auction sites.

(Wolfenbarger & Gilly, 2001, pp. 46-47).

Collecting is a hugely popular pastime in western societies. It is estimated that one-third of Americans collect something (Belk, 1995a). Collecting is a highly involving, passionate form of consumption:

Collecting, defined as the process of actively, selectively, and passionately acquiring and possessing things removed from ordinary use and perceived as part of a set of non-identical objects or experiences, is an acquisitive, possessive, and materialistic pursuit.

(Belk, 1995a, p. 479)

It is no surprise therefore that today's collector is an active participant in online auctions. Traditionally, auctions have been one of the common sources from which collectors seek the rare and unique objects they are after.

Gender differences are observed amongst the objects collected by men and women (Belk, 1995a; Belk & Wallendorf, 1994). Men collect cars, guns, stamps, antiques, books, beer cans, wine, and sports-related objects. Women collect jewellery, dishes, silver, animal replicas, and dolls. Belk & Wallendorf (1994) identify a number of dichotomies in the differences between the objects commonly collected by men and women. Objects collected by men are more likely to be large in size, associated with the world outside the home, to do with science and machinery, and functional in nature. Objects collected by women are more likely to be small in size, associated with the home, with art or nature, and decorative. It may also be that the acquiring of collectible items demonstrates masculine traits of aggressiveness and competitiveness, while the maintenance of collections involves the feminine traits of care and preservation (Belk & Wallendorf, 1994).

Two types of collectors can be distinguished (Belk, Wallendorf, Sherry, Holbrook, & Roberts, 1988). Type A collectors choose their items based on how they feel about the

attractions of each individual item. Type B collectors by contrast are collecting a series. They know precisely what items they need to complete the series. Type B collectors develop expert knowledge about the items they are collecting.

Collecting is a leisure activity pursued for reasons other than profit from the resale of items. Collectors have a passion for the objects they collect, and for the activity of collecting. This distinguishes collecting from other pursuits such as investing in artworks (Belk, Wallendorf, Sherry, & Holbrook, 1991). Collectors have a desire and longing for specific items to acquire a completed set. They experience tension which builds up over time because they feel their collection is incomplete (Long & Schiffman, 1997).

This passion may cause the collector to be impulsive in their purchasing decisions. The need to acquire an item immediately rather than missing out on acquiring it, may cause intense concentration, competitive activity, and impulsive purchases during auctions (Belk, 1995a).

Collectors...value rarity in collected objects because it provides both more challenge, and a greater feeling of accomplishment and higher status within the circle of collectors of similar objects. Accordingly there is an even greater feeling than with normal shopping that if the collector does not seize the object when it is first encountered, it will later be irretrievably gone, most likely to a competing collector.

(Belk, 1995b, p. 74)

Perhaps the greatest passion and excitement in collecting comes from hunting for rare objects.

In many respects collecting resembles hunting: one locates the prey, plans for the attack, acquires the prey in the presence of real or imagined competition for it, and feels elated. The prey becomes a trophy – a symbol of one's aggression and prowess.

(Formanek, 1994, pp. 328-329)

Hunting for rare objects is hard work (Long & Schiffman, 1997). Online auction sites such as eBay and TradeMe facilitate the hunt by giving the collector new channels of access to rare and obscure items that may be held in a location thousands of kilometres away. Online auction sites bring together sellers of rare items and collectors of rare items.

Collecting for some consumers resembles compulsive buying, with excessive, repetitive, and uncontrollable behaviour when the collector is on a binge-like buying spree (Long & Schiffman, 1997; O'Guinn & Faber, 1989). Collectibles are one of the most common product categories that compulsive buyers indulge in (Faber et al., 1987).

Collecting can also be an opportunity to socialise. Collecting may provide access to a new group of friends who share a common interest and believe what they are doing is important (Belk, 1995a; Formanek, 1994). This community of collectors acts as an important reference group for the collector (Slater, 2000).

Organised groups of collectors...support their mutual identity not only by trading with each other, but also delighting in showing their new acquisitions to each other. Only in such groups does a collector find knowledgeable others with sufficient understanding to feel appreciative and envious of the collector's acquisitions.

(Belk, Wallendorf et al., 1988, p. 551)

This quote thus speaks to two potential motives for enduring involvement with online auctions, already identified amongst motives for shopping (Tauber, 1972), the opportunity for social experiences outside the home, and communication with others having a similar interest.

In summary, it is no surprise that today's collector is an active participant in online auctions. Traditionally, auctions have been a common source from which collectors seek the rare and unique objects they are after. Online auction sites facilitate the hunt for collectibles by bringing together sellers of rare items and collectors of rare items. Collectibles are also one of the most common categories in which compulsive buyers indulge. Collecting for some consumers resembles compulsive buying. The need to

acquire an item immediately, rather than miss acquiring it, may cause intense concentration, competitive behaviour, and impulsive purchases during auctions. The community of collectors represents an important reference group for the collector. An online auction site is one place where communities of collectors and hobbyists gather. The following section examines research and theory on such communities.

P11: Collecting can be an important element in a buyer's involvement with online auctions.

3.4.7 Virtual communities of interest

Two features of the TradeMe website suggest that online communities may be forming when consumers visit the site. Firstly, every seller is identified by a pseudonym, and every seller (pseudonym) receives a reputation score based on the legitimacy of their past record of sales. This suggests, in turn, that buyers come to recognise some of the familiar sellers in the marketplace (by pseudonym), and may form ongoing buyer-seller relationships with a number of these sellers.

The second feature of TradeMe that promotes the formation of online communities is the Message Board facility (TradeMe, 2008c). Here members can join in ongoing discussions by posting their questions, answers and comments on a wide range of bulletin-boards. The bulletin-boards are organised by topics of interest including, books, collecting, computer games, crafts and hobbies, farming, gardening, parenting, pets, recipes, sports, and travel. A number of these bulletin-boards feature collectible items, while others feature hobbies. This thesis will test if the Message Board facility of TradeMe promotes the formation of virtual communities of consumers, most specifically, virtual communities of interest.

At any one time, there can be as many as 10,000 discussion threads active on the TradeMe site. Any one thread of discussion may continue for weeks, attracting more than 100 postings (TradeMe, 2008a). As an example of a consumer joining a virtual community via the TradeMe site consider the case of a consumer who collects antique kerosene lamps (TradeMe, 2008b). This consumer posts a message on the TradeMe Message Board to find other consumers with a similar interest, and commences dialogue and information sharing with them. In response, another TradeMe member

points out a specific auction currently in progress, where a rare kerosene lamp is offered for sale. In this way, a virtual online community of consumers is forming via the TradeMe site.

One can imagine that the founders and designers of the TradeMe site included a message board facility on the site, for the specific purpose of getting members more involved in the site. The Message Board might also encourage participation in the auction of items specifically in the consumer's area of interest, as the above example of collecting kerosene lamps illustrates.

Chen, Zhang, Yuan, & Huang (2007) refer to the importance of virtual communities in their explanation of the dominance of the Taobao auction website over eBay, in the China market. Their case study is insightful given the overwhelming dominance of eBay in other markets. In their explanation for the success of Taobao, the authors refer to the social aspects of Chinese culture. In Chinese culture, according to the authors, other people are treated as strangers until social ties are built. Chinese people only trust those in their closest social circles. This is particularly so in the growing C2C marketplace in China, which lacks strict law enforcement. The success of Taobao in the Chinese market is a reflection of the priority that Taobao has put on building virtual communities amongst its members. Taobao has provided an online platform for strangers to get to know each other, share their knowledge, personal stories and feelings, and build virtual communities. A recent survey of Chinese consumers finds that the community function on eBay China is rated very unsatisfactory, while the instant communication tools between members are the most satisfying service offered by Taobao (Chen et al., 2007).

The following discussion will define what a virtual community is, and what its purposes are. The discussion will identify a variety of types of virtual communities and suggest that the members of TradeMe often constitute one of these types of community, a virtual community of interest. The discussion then describes the features of a virtual community of interest and presents the results of research into the antecedents to participation in such communities.

The term virtual community was coined by Howard Rheingold (2005) based on his experiences in a variety of Internet-mediated communication and social groups. To Rheingold, virtual communities are, “social aggregations that emerge from the net when enough people carry on ... public discussions long enough, with sufficient human feeling, to form webs of personal relationships in cyberspace” (p. 521).

Traditionally, the term community has been used to describe a group of people who share a circumscribed geographic location. However, the term is now employed widely to include groups who share common interests and goals, but not geographic location, and gather together in electronic spaces. The central purpose of a virtual community can range from enjoyment and the playing out of fantasies, to information sharing and knowledge building, to building of relationships and conducting of transactions (Armstrong & Hagel, 1996).

People in virtual communities use words on screens to exchange pleasantries and argue, engage in intellectual discourse, conduct commerce, exchange knowledge, share emotional support, make plans, brainstorm, gossip, feud, fall in love, find friends and lose them, play games, flirt, create a little high art, and a lot of idle talk.

(Rheingold, 2005, p. 520)

Kozinets (1999) uses the term tribes to describe the fluid and fractious nature of online communities. In such communities, membership is constantly changing, larger groups fracture into smaller groups, and the founders or leading members of these communities fight for power and control so that their ideas for the community are followed. Consumers freely migrate from one community to another.

Online communities grow and evolve. A community may initially form as an asocial gathering of individuals who merely seek information and advice, but as time passes some communities grow into fully affiliative, social gatherings. Kozinets (1999) examines the patterns of relationship development in virtual communities. He recognises four types of community members, based on the strength of their social tie to the community and the importance of the community interest to their sense of self-identity. Tourists lack social ties and have only a passing interest in the group activity. Minglers enjoy the social aspects of the community but lack interest in the group

activity. Devotees have strong interests in the group activity but few social attachments. Insiders have strong interests in the group and strong social ties, and tend to be the leaders in the community.

There are a wide variety of communities on the Internet, based on their purpose and goals, and levels of social bonding and commitment. In a study of the antecedents to participation in virtual communities, Dholakia, Bagozzi, & Pearo (2004) delineate two contrasting types of virtual community, which they term small-group-based and network-based communities. By small-group-based, these authors mean a community such as a chat-room, based on the social bonds between the individuals gathered there, rather than being based on the specific online venue or subject matter of the group. By network-based, these authors mean online communities with weak social bonds, where the desire to belong to the community is based on the subject matter of the group rather than a desire to socialise with the specific individuals gathering there. The goals of such communities are information-seeking and functional. TradeMe's Message Board is therefore an example of a network-based virtual community. Thus, it is likely that the members of TradeMe's Boards participate in the communities primarily to exchange information, to post questions, messages and answers that they share with other community members.

Based on a long period of research into virtual communities, Kozinets (1999) recognises four types of community based on their primary purpose (being, information-sharing or social interaction) and their strength of social structure. Rooms such as chat-rooms are based on a social-interaction goal but have loose social structure. Rings and lists such as email lists are based on an information exchange goal and tight social structure. Dungeons such as multiplayer online computer games are based on social goals and a tight social structure. Boards, of which TradeMe's Message Board is an example, are based on an information exchange goal and loose social structure. Consumers do not join Boards for social interaction, and Boards do not have a tight social structure. According to the Kozinets typology of virtual communities, the membership of Boards consists mainly of tourists and devotees. The subject matter of Boards includes discussion of collectible item, hobbies, and miscellaneous objects of consumption.

Active Board members read and post messages that are sorted by date and subject, and also respond to discussion threads. Boards also have wide exposure and influence, because they are perused frequently by tourists who merely lurk and do not post messages. There are Boards devoted to musical groups and motion pictures. Others discuss wine, beer, cigars, automobiles, comic books, Lego collecting, digital cameras and almost any consumption interest that could be imagined.

(Kozinets, 1999, pp. 262-263)

A related typology of virtual communities is provided by Henri and Pudelko (2003) who examine the social learning processes in a variety of virtual communities. They draw on Wenger's (1998) work on communities of practice and social learning, that is, the processes that occur when a community of people with common goals collaborate over time to solve problems, share knowledge and develop innovations. Henri and Pudelko identify four types of virtual community, namely, a community of interest, a goal-oriented community of interest, a learners' community, or a community of practice. These four types of community vary according to two factors, intentionality of the group, and strength of social bonds. Intentionality refers to the will of the group to exist and achieve its goals. Strength of social bonds refers to the degree of involvement and cohesion that members have in the group.

TradeMe's Message Board matches Henri and Pudelko's (2003) description of a virtual community of interest. This is a community that gathers around a topic of common interest, to exchange information, ask and answer questions. Such communities are highly transient, with membership ebbing and flowing. Members identify more with the topic of interest than with the individual persons involved. From participation in the virtual community of interest, member learn personal information for their own personal benefit, rather than the benefit of the community as a whole.

Research has examined the antecedents to participation in virtual communities. Consumers' desire to participate in virtual communities may be based upon individual desires and anticipated pleasures, and also upon the degree to which one's self-image is dependent upon membership in the community (Bagozzi & Dholakia, 2002; Gupta & Kim, 2007). Employing their typology of network-based versus small-group-based virtual communities, Dholakia et al. (2004) find that participation in network-based

communities such as TradeMe's MessageBoard is driven more by purposive values (the desire to gain information and achieve personal goals), and self-discovery values (that is, learning about one's own values, tastes and preferences), rather than social benefits or interpersonal connectivity. Kollock (1999) proposes that people participate in virtual communities for three non-altruistic reasons, anticipated reciprocity (that is, anticipating something will be gained in return for the efforts and information given to the community), increased recognition of oneself among community members, or a sense of efficacy (that is, the feeling that one is being effective because one's contributions are making an impact on the community).

In summary, the virtual communities that may be formed amongst members of TradeMe are most likely to be virtual communities of interest. The defining features of such communities are their weak social structure, and participation based on a desire to gain information for personal use rather than for the benefit of the community as a whole.

P12: The desire to belong to a virtual community of interest can be an important element in a buyer's involvement with online auctions.

In this subsection we have discussed the concept of a virtual community of interest. One of the motives for consumer involvement with online auction sites such as TradeMe may be rewards gained by the consumer from participation in such virtual communities.

3.4.8 Conclusions on consumer behaviour theory

This section has reviewed a wide range of theories and empirical research in consumer behaviour for insight into the elements of buyers' enduring involvement with online auctions. Research on consumer motives for shopping, and consumer motives for shopping online have been reviewed. This review has provided insight into buyer behaviour in online auctions, as there are several common elements in common between retail shopping and buyer behaviour in online auctions, such as browsing for goods on offer and choosing items for purchase. The section has also examined studies of consumers' enduring involvement with shopping. Again, this stream of research has provided insight into buyers' motives for enduring involvement with online auctions.

The section has explored the literature on compulsive buying behaviours and collecting, both of which are likely elements of buyers' involvement with online auctions. The section concluded with an exploration of research into virtual communities, such as the consumers who frequent eBay and TradeMe.

The literature reviewed in this section has provided insight into potential motives underlying buyers' enduring involvement with online auctions. Discussion now moves on to focus more closely on two fields of research most directly related to the research questions of this thesis, namely, consumer behaviour in auctions, and consumer behaviour in online auctions.

3.5 Consumer Behaviour in Auctions

Traditionally, auctions were confined to physical auction houses at specific geographical locations. An examination of consumer behaviour in traditional auctions provides some insight into consumer behaviour in online C2C auctions.

A range of emotional motives underlie the bidding behaviour of participants in traditional auctions. Smith (1989) argues that the economic models in auction theory are unrealistic as they assume auction participants are entirely rational and seek to maximise economic benefits. By contrast many people attend auctions for their entertainment value, to participate in a competitive event or to watch others competing. Some auction participants seek status by showing they have excessive money to spend on items of personal taste in a public forum. Other participants are keen to beat their competitors in the same public forum. Smith observes that these are the same motives some people display when gambling – a desire to show their own prowess and status, and to beat others. Belk (1995b) comments on the behaviour of the collector at an auction:

He revels in the envy he imagines himself to be provoking among the bidders whom he believes he has bested. There is a special moment of pride because, unlike ordinary purchasing with fixed prices and large supplies, money alone is not enough to acquire collectibles in competition with others....The collector must be shrewder, quicker, more knowledgeable, more discerning, more diligent, or simply luckier than other collectors in order to be successful.

In an auction we often see the competing wills of two or more consumers, battling one another to possess a desirable item. The final bid price achieved in an auction will reflect the tastes and interests of the buyers present, and how much they desire to own an item:

The question, Do I want to own this item? is overshadowed by the question, Do I want to spend what is being asked for that particular item? In an auction the first question tends to take priority because the constantly changing price puts most stress on the question, Do I want it? Moreover, it is a question that, once asked, must be answered and reanswered relatively quickly If a buyer has decided to own the item, he or she may find that there is not enough time to give due consideration to price ... Sellers ... are looking for that buyer, or more correctly those two buyers who just have to own what they are selling and will bid accordingly.

(Smith, 1989, p. 177)

The fact that auction participants are motivated by different types of intentions and objectives, including greed, self-aggrandizement, conformity, friendship, and curiosity, also favours a multidimensional view of human behaviour.

(Smith, 1989, p. 175)

A number of the emotional motives of participants in traditional auctions are also likely to be observed amongst consumers in online auctions, including the seeking of entertainment, and the desire to beat competitors (see proposition P2). In addition, the seeking of status may be an important motive for some consumers in online auctions.

P13: The seeking of status can be an important element in a buyer's involvement with online auctions.

The following section explores recent research into consumer behaviour in online auctions.

3.6 Consumer Behaviour in Online Auctions

This section explores research and theorising regarding consumer behaviour in online auctions. The section commences with an explanation of the auction context, and the characteristics of consumer decision-making in an auction context are described.

The section then explores consumer bidding behaviour in auctions. Bidding behaviour is shown to vary according to personal, environmental and social factors present in the auction. The section introduces the concepts of the ‘loser’s curse’ and the ‘winner’s curse’ both of which represent aspects of anticipated regret by the consumer, that are likely to influence consumer bidding behaviour. The role of consumer experience in bidding behaviour is also explored.

Social influences on consumer bidding behaviour are then explored in-depth, including social facilitation effects, and consumer behaviour phenomenon specific to auctions, namely pseudo-endowment, the opponent effect, herd behaviour, and bidding frenzy. A discussion on consumer perceptions of risk in online auctions follows. The section then describes empirical applications of the Technology Acceptance Model (TAM) to consumer adoption of online auction technology.

The section concludes with a detailed account of five recent studies of consumer motives in online auctions. The results of these five studies are presented in some depth, as the study findings provide the most specific insights into the research questions of this thesis.

3.6.1 The online auction context

Consumers in online auctions face some of the same decisions that consumers face when shopping in retail stores, such as what is the value of this item to me? and should I purchase it? Online auctions however represent a very different context in which such decisions are made.

An auction consists of three phases, auction entry, during the auction, and the close of the auction (Ariely & Simonson, 2003). Consumer behaviour is different for each phase of the auction. In the auction entry phase the consumer decides whether or not to enter the auction. This will depend on their level of interest in the item on offer. Some

purchase decisions are planned, that is, the consumer is searching for a specific item. Other decisions are more impulsive. The decision to enter an auction is a relatively low commitment one, because it is a decision that does not commit the consumer to a purchase. An online auction consumer can make an initial bid for a desirable item with fewer feelings of commitment than a consumer buying from a retail store. For example, one might feel apprehensive to make an offer on a two-carat diamond ring in a jeweller's store, but feel less apprehension in bidding on the same ring in an auction where the current bid price is only \$200.

During the auction the consumer decides when to bid and how much to bid. Consumers in online auctions face uncertainty about three things, the value of the item on sale, the strategy of other bidders, and the identity of those bidders (Vishwanath & Barnett, 2005). Consumers focus intensely on the auction process as it proceeds, and may neglect other information such as the availability of identical goods from alternative outlets. Consumer participation in auctions can be a very emotional process. Consumers perceive other bidders as competitors and refer to the result of an auction as 'winning or losing' (Ariely & Simonson, 2003). Towards the close of the auction bidding behaviour becomes most intense. The consumer decides how much they are willing to spend to win the auction.

Consumer decision making in online auctions demonstrates three qualities, hierarchical decision-making, sequential decision-making, and constructive decision-making (Dholakia, 2005). The decision making is hierarchical because the consumer must make decisions at several levels, including which category to buy, which item to buy, whether to bid on the item, and how much to bid. The decision making is sequential, as the consumer will make a series of decisions as the auction proceeds. The decision making is constructive because much of the information used to make bidding decisions is only available once the auction commences.

3.6.2 Consumer bidding behaviour in online auctions

Buyers enter the mediated auction space with an exploratory mind-set, characterised by a cognitive orientation, exposure to new and unfamiliar stimuli, and acquisition of knowledge. Such an exploratory mind-set has abstract underlying goals such as 'to hunt

for bargains', or 'to enjoy myself', and is accompanied by little preparation or planning, prior to entering the mediated auction space.

(Dholakia & Sotysinski, 2001, p. 227)

Research into consumer bidding behaviour in online auctions explores a number of behavioural variables, including, the number of bidders in an auction, the times of entry and exit to the auction, the value of the highest bid, and the number of bids (Rafaeli & Noy, 2005; Reynolds, Gilkeson, & Niedrich, 2009). Consumer bidding behaviour, in turn, depends on a variety of personal factors, environmental factors, and social factors (Rafaeli & Noy, 2005). Personal factors influencing bidding behaviour include the levels of perceived risk (Finch, 2007), the experience of bidders (Wilcox, 2000), and the levels of enjoyment derived from participation (Herschlag & Zwick, 2002).

Environmental factors influencing bidding behaviour include the rules and procedures of the auction site (Yen & Lu, 2008). Social factors influencing bidding behaviour include the presence and number of other bidders (Rafaeli & Noy, 2002), the reputation of the seller (Lucking-Reilly, 2000), and the presence of other people who are not bidders, such as family members (Rafaeli & Noy, 2005).

Cui, et al. (2008) identify three types of facilitating factors that affect bidding behaviour in online auctions, namely, features of the auction site, features of sellers, and features of buyers. Features of the auction site include the design of the site, its information content, the choice of auction mechanism, and facilitating services such as escrow, a reputation rating system, and a 'buy-now' feature (Hidvegi, Wang, & Whinston, 2004). Features of sellers include the product description and image, the auction starting price, duration of auction, timing of the auction end, and seller reputation. Features of buyers include their reputation, level experience, emotions when bidding, social facilitation effects, and social influences such as the herd effect and quasi-endowment.

The highest bid price that consumers offer is typically influenced by the size of the opening bid, seller ratings, pictures of the product, and the day of the week that the auction runs (Bland et al., 2007; Gregg & Walczak, 2008; Hoo et al., 2002; Hou, 2007; Stern & Stafford, 2006; Wann-Yih et al., 2009; Yao & Mela, 2008). A high reserve price may be interpreted by the consumer as an indication of the quality of the item, and drive up bids (Vishwanath & Barnett, 2005). By contrast, a low opening price may

produce bidding momentum. Consumers may have little hesitation in entering an auction where prices are initially low, but then experience an escalation of commitment due to the sunken cost of time they have invested in the auction (Dholakia & Sotysinski, 2001).

A bidder who enters an auction imagines two scenarios, what it would be like to lose the auction, and what would it be like to win the auction (Cheema et al., 2005). The bidder anticipates the emotions they may feel if they lose the auction, such as disappointment, regret, and anger. They also anticipate the emotions they may feel if they win the auction, including joy, pride, and relief. A bidder's behaviour may be determined by the balance of these two anticipated emotions (Cheema et al., 2005). 'Loser's curse' refers to the regret a bidder experiences if they do not win the item being auctioned. 'Winner's curse' refers to the regret the bidder experiences from winning the auction but paying too much for the item (Bajari & Hortacsu, 2003; Chakravarti et al., 2002).

Experimental research suggests that anticipated regret of losing is more likely when an item is scarce, while anticipated regret of winning is more likely when the item on auction is a common one (Du, Abendroth, & Chandran, 2006).

Consumers in online auctions are unlikely to demonstrate the same bidding behaviours as professional bidders, especially those consumers lacking in experience with online auctions (Wilcox, 2000). Research suggests that inexperienced bidders buy items at higher prices, and experienced sellers can exploit this lack of experience (Soper, 2006). Research also suggests that experienced bidders are more likely to behave in the manner predicted by auction theory. That is, experienced bidders will bid less often, and will leave their bidding until the last moments of the auction (Cameron & Galloway, 2005; Wilcox, 2000).

Bapna, Goes, Alok and Jin (2004) identify five types of bidder in online auctions based on the time of entry to the auction, time of exit from the auction, and number of bids placed. Early evaluators place a bid just once during the early stage of an auction. Opportunists bid late in the auction. Sip-and-dippers place two bids, one early in the auction then one bid at the end of the auction. Agents use automatic bidding agent software to place frequent bids each with a small increment. Participators bid throughout the auction. Data suggests that opportunists and sip-and-dippers often win

auctions, but do so by bidding high. Agent bidders bid the minimum required and are best at avoiding overspending. Early evaluators bid early and bid high, so are likely to spend too much. Participators seem to enjoy participating in the auction.

Writing in the *Journal of Marketing Research*, Chan, Kadiyali, & Park (2007) present the concept of a consumer's Willingness to Pay (WTP) in online auctions. This concept refers to the maximum amount a consumer is willing to bid on an item. Using secondary data from C2C auctions, Chan et al. demonstrate that WTP depends not only on the value of an item based on its product features, but also on non-product factors associated with the bidding process, such as competition between bidders and the level of experience of bidders.

3.6.2.1 Social Influences on Consumer Bidding Behaviour

It is clear that factors occurring during the auction process impact strongly on the highest bid paid, factors such as the number of bidders present, how aggressive those bidder are, and how long any one bidder stays in the auction (Heyman, Orhun, & Ariely, 2005). Consumer behaviour in online auctions is clearly influenced by the presence of other auction participants. Section 3.3.2 defined social facilitation as one of the most basic of social processes. The predictions of social facilitation theory are that the presence of other people will improve one's performance on a simple task but detract from one's performance on a complex task (Zajonc, 1980). Rafaeli & Noy (2002; 2005) present the results of a series of experiments on the impact of social facilitation effects in online auctions, where the presence of other consumers is a virtual presence. Virtual presence is manipulated by providing information on the number and identity of other bidders, pictures of other bidders, an instant messaging facility, and graphic representation of the bidding room. The virtual presence of other bidders is shown to increase consumers' desire to participate in the auction and to increase the length of time consumers spend in an auction. Under conditions of high virtual presence consumers offer fewer bids, and win the auctions at lower bid prices.

P14: The virtual presence of other consumers can be an important element in a buyer's involvement with online auctions.

Research shows that winning bids are higher when there is a larger number of bids and a larger number of bidders. This may be due to two phenomena, quasi-endowment and the opponent effect (Heyman et al., 2005). Quasi-endowment refers to temporary feelings of ownership that occur for the consumer during that part of the auction that they have the highest bid. That is, for that moment that they have the leading bid, the consumer feels some of the joy of ownership of the item. The opponent effect refers to positive emotions experienced from winning the auction battle. Research suggests that the longer period of time a consumer holds the winning bid, the higher the eventual price paid (Heyman et al., 2005).

A well established phenomenon in bidding behaviour is the herd behaviour bias (Dholakia, 2005). This is the tendency for consumers to gravitate towards those auction listings where there already exist one or more bids. A frequent observation in online auction sites is to have two identical items being offered in alternative auctions, with one attracting a cascade of bids (the ‘coveted comparable’) and the other being overlooked by bidders (the ‘overlooked comparable’). Even when allowance is made for other causal variables such as the opening price, those items with existing bids attract more attention (Gilkeson & Reynolds, 2003). This is most likely due to consumers using the presence of other bidders as a proxy indicator of the value or quality of the item on offer. Those items that have already attracted bids are perceived as being of higher value or quality. Dholakia & Sotysinski (2001) demonstrate that herd behaviour is most common with low priced items and with items for which an assessment of quality is difficult.

A further phenomenon observed in bidding behaviour is bidding frenzy (Dholakia, 2005). This is where consumers get caught up in the excitement of the auction and bid multiple times on an item, often with the result of paying a premium price for that item. Higher bid prices are driven by the amount of excitement and arousal amongst bidders, which in turn is stimulated by the frequency of bids from other participants (Popkowski-Leszczyc, 2004).

Bidders may experience a mental state, which we refer to as bidding frenzy, that is characterised by a high level of arousal or excitement, a sense of competition, and a strong desire to win.

(Popkowski-Leszczyc, 2004, p. 51)

The competition and time pressure of the auction creates a state of competitive arousal in the bidders that causes bidders to lose sight of their limits and bid past them.

(Gilkeson & Reynolds, 2003, p. 547)

P15: Anticipated regret in the form of the 'loser's curse' can be an important element in a buyer's involvement with online auctions.

P16: Quasi-endowment can be an important element in a buyer's involvement with online auctions.

P17: Bidding frenzy can be an important element in a buyer's involvement with online auctions.

3.6.3 Perceived risk in online auctions

When a consumer purchases goods from a retail store, the level of risk in the purchase is relatively low because the consumer is likely to be purchasing a recognised brand name from a well-known retailer. By contrast, there is considerably more risk involved in purchasing from an online C2C auction, as the identity of the seller is frequently unknown and the items on sale might not carry a brand name (Dholakia & Sotysinski, 2001). The consumer in an online auction faces at least two risks, that the seller might defraud them by taking their money but failing to deliver the goods, or that the goods delivered may not meet expectations on important dimensions such as product quality (Bauerly, 2009; Casarosa, 2009; Finch, 2007; Nikitkov & Bay, 2008). Risks increase with the bid price of the item and the ambiguity of the item. Research suggests that consumers are more often concerned about the reputation of the seller than the quality of the product delivered (Finch, 2007; Yen & Lu, 2008).

In this environment, seller reputation becomes an important issue for consumers. Most online C2C auction sites operate a seller reputation rating system whereby buyers provide feedback on each seller they deal with (Yen & Lu, 2008). Seller reputation ratings have a significant impact on the prices paid in auctions and the volume of bidding (Bland et al., 2007; Brown & Morgan, 2006; Finch, 2007; Murray & Pollard, 2002; Standifird, 2002; Weinberg & Davis, 2005; Zhang, 2006). Negative seller reputations are associated with low prices bid and low levels of bidding (Cameron & Galloway, 2005; Lucking-Reilly, 2000; Sun, 2008). One study of consumer trust in

sellers suggests that experienced buyers have a unidimensional view of trust. Experienced buyers either trust a seller or they do not (Chong, 2004).

P18: Lower levels of perceived risk can be an important element in a buyer's involvement with online auctions.

3.6.4 Consumer adoption of online auction technology

A widely adopted theoretical framework for the prediction of the adoption of electronic technologies is the Technology Acceptance Model (TAM) (Davis, 1989). The model is a derivative of the Theory of Planned Behaviour (Ajzen, 1991). TAM seeks to predict behavioural intentions to adopt a new technology. Behavioural intentions are said to be the result of two factors, perceived usefulness of the technology, and perceived ease of use (Davis, 1989). TAM is unlikely to provide a suitable framework to address the research questions of this thesis regarding buyers' motives for ongoing use of online auctions, as TAM merely seeks to predict whether or not a technology is adopted rather than the frequency with which that technology is used. However, empirical findings from the application of TAM to consumer adoption of online auctions will be reviewed briefly here.

TAM is a reliable model for the prediction of the adoption of a wide range of technologies in commercial environments (Stern et al., 2008). TAM, however, has rarely been applied to consumer adoption of technologies for private use. It is likely that TAM would need to be modified in these circumstances, with additional hedonic motives incorporated to represent consumers' emotional reasons for use of the technology (Bosnjak et al., 2006). Similar modifications to TAM are required to predict consumer intentions to visit a movie website (van-der-Heijden, 2004). In addition to perceived ease of use, perceived enjoyment is a strong predictor of intention to visit the movie website. Van-der-Heijden (2004) describes such websites which are primarily for the purposes of consumer enjoyment rather than commercial application, as hedonic information systems. Perceived usefulness, one of the key variables in TAM, is unrelated to consumer intention to visit the website.

Stern et al. (2008) show that several emotive factors need to be added to TAM to adequately predict consumer adoption of online auctions for private use. These emotive factors are affinity with the computer (that is, positive feelings towards computers), risk

tolerance (that is, tolerance for the risks involved in purchasing from online auctions) and impulsiveness (that is, the tendency to buy things immediately and spontaneously with little reflection on the consequences of purchase).

A recent study of consumer adoption of online auctions delivered through mobile devices, such as cellphones, found similar hedonic motives to be the strongest predictors of technology adoption (Tang & Forster, 2007). Desire for novelty, desire for fun and enjoyment, and social values such as the ability to maintain social links are found to be stronger predictors of the adoption of mobile auctions, than monetary gain.

In summary, while TAM has been validated in a number of commercial settings research suggests that the basic TAM model should be modified to incorporate a number of hedonic motives to explain consumer adoption of technologies for private use. As previously suggested in Proposition # 7, hedonic motives such as the desire for novelty and desire for fun and enjoyment are likely to be elements of a buyer's involvement with online auctions.

3.6.5 Studies of consumer motives in online auctions

Having reviewed the theoretical background related to the research questions of the thesis, discussion now moves on to an examination of those empirical studies most directly related to the research questions. Five recent empirical studies on consumer motives in online C2C auctions – the studies by Herschlag and Zwick (2002), Cameron and Galloway (2005), and Peters and Bodkin (2007) and two studies by Lee, Kim, and colleagues (2008 / 2009) - are described in some depth, as they provide the most specific research evidence on motives underlying buyers' involvement with online auctions.

3.6.5.1 Herschlag and Zwick (2002)

Herschlag & Zwick (2002) review several hundred articles on online auctions in the popular and professional press to identify common themes and issues written about consumer behaviour in online auctions. Amongst the themes identified are, addiction to auctions, competitive behaviour, and sense of community.

The authors find frequent mention of consumer addiction to online auctions. Some consumers spend considerable time and money in auctions. They find it exciting, fun, and thrilling to be able to find a rare item or win a bidding war. The articles reviewed report a number of consumers who waste substantial sums of money in online auctions. The articles reviewed suggest that one of the main attractions of online auctions for consumers is the challenge of competing against a rival. Consumers enjoy the thrill of finding a desirable item and beating a rival to obtain that item. The third theme identified by the authors is the consumers' desire to belong to a community. Consumers often look for other people with whom they share similar interests, and want to build bonds of friendship.

3.6.5.2 Cameron and Galloway (2005)

Cameron and Galloway (2005) report the results of a series of in-depth, qualitative interviews with 12 online auction users. The authors seek to identify consumers' common perceptions and concerns with the use of online auctions. A number of themes are identified from the qualitative interviews.

For many of the consumers interviewed, online auctions are an important part of their daily or weekly routine. Some feel they are becoming increasingly obsessive about their involvement with online auctions. Online auctions are seen as a good source of low priced products. Online auction consumers enjoy hunting for bargains (Anwar et al., 2000). The consumers interviewed consider that collectors will be involved in online auctions, as the auctions are a good source of rare items. Consumers' involvement with online auctions is as much about having fun as it is about buying products. The competitive nature of auctions provides considerable enjoyment for the consumers.

The consumers comment that they have participated in auction online communities and message boards during their first few months of auction experience. However, online communities based in the auction website became less important to them over time. The consumers prefer anonymity on the auction website, and would rather make friends in other online communities.

3.6.5.3 *Peters and Bodkin (2007)*

According to Peters and Bodkin (2007) an online auction brings together some of the experiences associated with gambling, compulsive consumption, and Internet addiction. The behavioural problem with compulsive gambling is the gamblers' unceasing desire to chase a win. Cognitive theorists say that gamblers have a distorted view of their probability of winning. Gamblers at times lack behavioural control. Internet addiction is a well-recognised phenomenon whereby some consumers spend too much time online (Greenfield, 1999).

Peters and Bodkin (2007) report the results of in-depth, qualitative interviews with 60 people who recently bought or sold an item on e-Bay. They identify four themes in the interviews, namely, psychological distress, habitual use, negative consequences, and dependence.

Participants say it is stressful participating in online auctions. They feel anxious throughout the bidding process, at times depriving themselves of sleep, food or social engagements so that they can continuously monitor their auctions. If they lose an auction, some consumers become aggressive and treat the winning bidder as an enemy.

One informant explains, 'I have to have that item at any cost.' Several others say they become distraught at the idea of someone else ending up owning an item they want.

(Peters & Bodkin, 2007, p. 8)

eBay had become part of the daily routine for these consumers, just like checking one's emails every day. Some consumers lose track of the amount of time they are spending on eBay, but suspect it is creeping higher and higher.

It's like you'd stay up late on a Saturday night, it'd be midnight, then all of a sudden four o'clock in the morning. You'd be waiting for some auction to end, looking at it. I guess I have had days like that where I spend seven or eight hours on eBay.

(Peters & Bodkin, 2007, p. 9)

Consumers report a number of negative consequences from their involvement with online auctions. Some report checking their auctions while at work, or leaving work early to go home and check their auctions. A number of consumers buy items from

auctions that they never use. They get caught up in a bidding frenzy, and spend excessive money. Some hide their purchases from families. Some skip meals or lose sleep to participate in auctions.

Some consumers exhibit dependence on eBay. They are reluctant to be separated from their auctions, even when at work or on holiday. Some consumers recognise their level of addiction and attempt to quit using eBay.

Usually, eBay crosses their mind during the purchasing process at a traditional store; when considering product purchase, 'I bet they'll have this on eBay,' often comes to mind.

(Peters & Bodkin, 2007, p. 11)

3.6.5.4 Lee, Kim and colleagues (2008 / 2009)

Lee et al. (2008) present a segmentation study of a sample of 900 online auction users. They ask their survey participants to complete rating scale measures of compulsive buying, impulse buying, variety-seeking tendency, price sensitivity, and risk consciousness. They identify four segments of users they label impulse buyers, variety seekers, risk-averse economists, and auction lovers. They find that impulse buyers are more often young and female, variety seekers are more often male, risk-averse economists are more often old and female, and auction lovers who display the highest compulsive buying ratings are often younger consumers.

Utilising the same dataset, Lee et al. (2009) build a structural model of utilitarian and hedonic value in the use of online auctions. They find that users who score high on compulsive buying and variety-seeking also score high on the hedonic value of shopping in online auctions. Users who score high on variety-seeking also score high on the utilitarian value of shopping in online auctions.

This subsection has described the results of five recent empirical studies on consumer motives in online C2C auctions. These studies confirm a number of the elements underlying buyer involvement with online auctions, as discussed in previous sections, including the relevance of auctioned items to a consumer's self-image (P # 1), hedonic pleasures including entertainment value, feelings of excitement and fun, the thrill of

finding a desirable item, and the thrill of winning a bidding war to beat a rival and obtain that item (P # 2), the need for stimulation through exposure to new, varied and novel stimuli (P # 3), the need for assertion through competitive behaviour and the achievement of goals (P # 4), diversion from daily routine, self-gratification from obtaining something desirable for oneself, knowledge about the products available in the market, pleasure in bargaining for goods, anticipated utility from obtaining desirable goods, and getting precisely the right product that fits one's needs (P # 5), compulsive buying (P # 9), collecting (P # 11), virtual communities of interest (P # 12), the seeking of status (P # 13), bidding frenzy (P # 17), and level of perceived risk (P # 18).

3.6.6 Conclusions on consumer behaviour in online auction

This section has explored research and theorising on consumer behaviour in online auctions, to provide specific insights into buyers' enduring involvement with online auctions. The section commenced with an explanation of the auction context. Research into consumer bidding behaviour was presented. Consumer bidding behaviour is shown to vary according to personal, environmental and social factors present in the auction. The section introduced the concepts of the 'loser's curse' and the 'winner's curse' and presented research on the role of consumer experience in auction behaviour. Social influences on consumer bidding behaviour were explored, including social facilitation effects, the pseudo-endowment effect, the opponent effect, herd behaviour, and bidding frenzy. The role of perceived risk in online auctions was discussed, as were applications of the Technology Acceptance Model (TAM) to consumer adoption of online auction technology. The section concluded with a detailed account of five recent studies of consumer motives in online auctions, which provided the most specific insights into the research questions of this thesis.

3.7 Chapter Conclusion

This chapter has reviewed the theoretical background to this thesis. A series of propositions have been developed regarding the elements of a buyers' involvement with online auctions. These propositions are summarised in Table 3.6.

Figure 3.3 presents a conceptual model of buyers' involvement with online auctions. The model identifies a wide range of elements that are proposed to underlie buyers'

enduring involvement with online auctions. The model represents the enduring involvement construct as *the long-term and enduring relevance, connection and relatedness of online auctions to a consumer's life* that has the potential to explain a number of behavioural outcomes. The construct of buyers' enduring involvement is used in this research to explain the amount of time and expenditure buyers are spending in online auctions, and the frequency of their visits to online auction sites.

This conceptual model guides the data gathering for this research. The following chapter, Chapter 4, describes and justifies the methods used for data gathering and analysis.

Table 3-6 - Propositions Identifying Potential Elements of Buyers' Enduring Involvement with Online Auctions

<i>P1:</i>	<i>The relevance of auctioned items to a consumer's self-image</i>
<i>P2:</i>	<i>Hedonic pleasures gained from participating in online auctions – including</i> <i>a) feelings of excitement and fun</i> <i>b) entertainment value</i> <i>c) the thrill of finding a desirable item, and</i> <i>d) the thrill of winning a bidding war</i>
<i>P3:</i>	<i>The need for stimulation through exposure to new, varied and novel stimuli</i>
<i>P4:</i>	<i>The need for assertion through competitive behaviour and the achievement of goals</i>
<i>P5:</i>	<i>a) diversion from daily routine</i> <i>b) self-gratification</i> <i>c) knowledge about the products available in the market</i> <i>d) pleasure in bargaining for goods</i> <i>e) anticipated utility, and</i> <i>f) choice optimization</i>
<i>P6:</i>	<i>Perceptions of online auctions</i> <i>a) as a convenient medium</i> <i>b) offering a wide selection of goods</i> <i>c) at low prices</i>
<i>P7:</i>	<i>a) autonomy</i> <i>b) competence, and</i> <i>c) flow in the use of online auctions</i>
<i>P8:</i>	<i>Enjoyment with browsing the Internet</i>
<i>P9:</i>	<i>Compulsive buying</i>
<i>P10:</i>	<i>Impulse buying</i>
<i>P11:</i>	<i>Collecting</i>
<i>P12:</i>	<i>The desire to belong to a virtual community of interest</i>
<i>P13:</i>	<i>The seeking of status</i>
<i>P14:</i>	<i>The virtual presence of other consumers</i>
<i>P15:</i>	<i>Anticipated regret in the form of the 'loser's curse'</i>
<i>P16:</i>	<i>Quasi-endowment</i>
<i>P17:</i>	<i>Bidding frenzy</i>
<i>P18:</i>	<i>Lower levels of perceived risk</i>

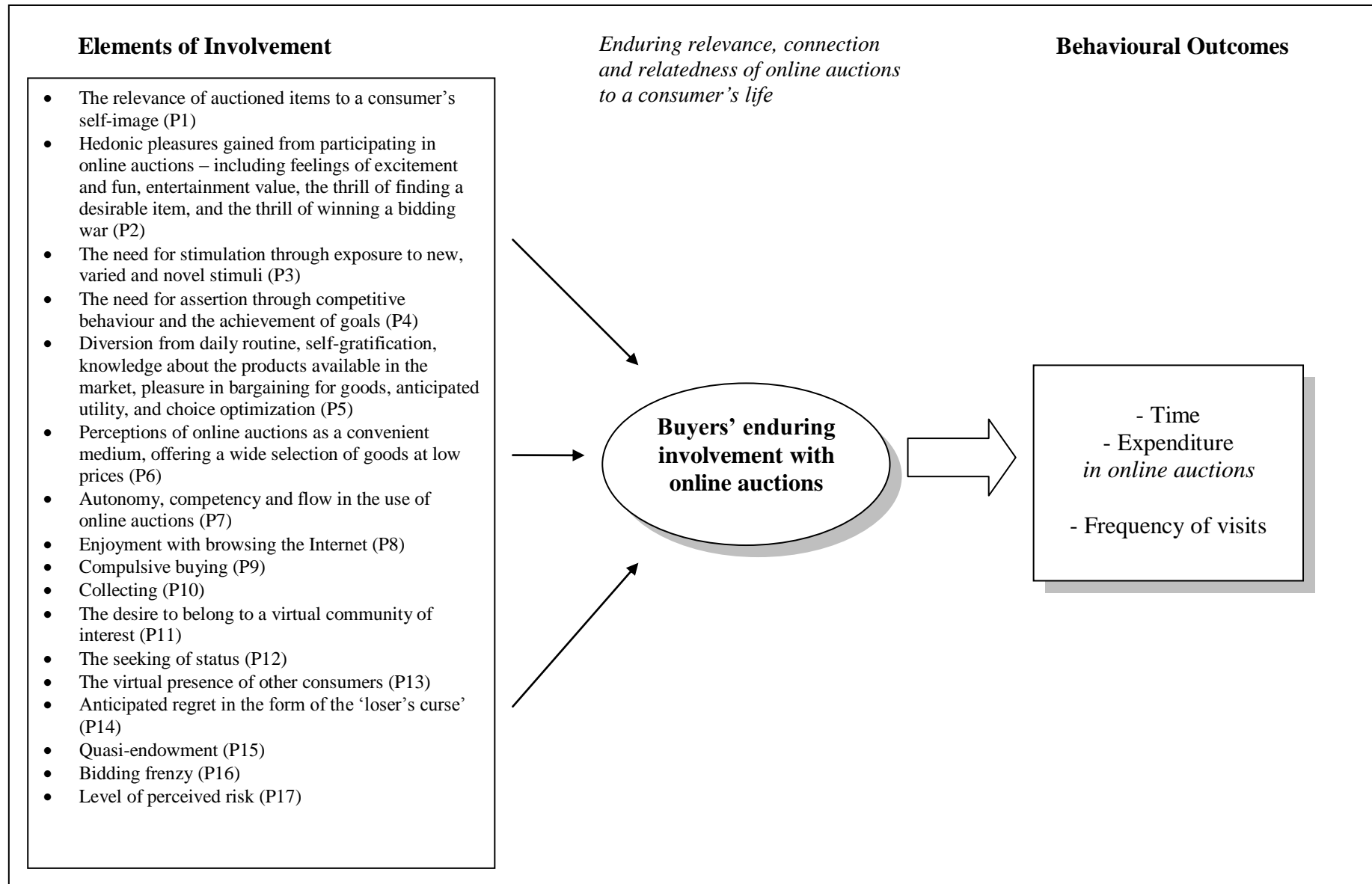


Figure 3-3 - Conceptual Model of Buyers' Enduring Involvement with Online Auctions

Chapter 4 Methodology and Methods

4.1 Introduction

This chapter discusses the selection of methodology and methods for the study. The chapter consists of two parts. First, there is a discussion of methodological issues to provide justification for the choice of methodology and methods. Then, there is a description of the methods used.

The chapter commences with a description of the ontology and epistemology adopted in the study (Section 4.2). Then there follows a discussion about the use of qualitative interviews for data gathering, methods of selecting a sample in qualitative research, analysis of qualitative data, and issues of reliability and validity in qualitative research (Sections 4.3 to 4.6). The chapter concludes with a description of the specific methods employed to sample, gather, analyse, and report data in this study (Section 4.7).

4.2 Philosophy of Research

When researchers undertake a project of enquiry, they explicitly or implicitly adopt a philosophy of research. The approach of the researcher, whatever its form, reflects a position taken on the philosophical issues of ontology and epistemology (Bryman & Bell, 2003).

Ontology refers to a view of social reality. The researcher may view the social world as being composed of identifiable entities and processes much like the physical world, or as the product of the perceptions and actions of people (Bryman & Bell, 2003). One of at least two contrasting views may be taken regarding social reality, objectivism or constructionism.

An objectivist ontology is the view that there is one objective reality that exists independently of the researcher. In this ontology, the social world consists of objective entities and processes that can be discovered by the researcher. Phenomena in the social

world are viewed as external of the researcher and the relationships between phenomena occur in an orderly manner.

A constructionist ontology is the view that there are multiple social realities, each of which is equally valid. In this ontology, social reality is constructed in the thoughts, perceptions, and interpretations of individuals and groups, and does not have an existence independent of the thoughts and perspectives constructed by these individuals and groups (Bryman & Bell, 2003). The social world is viewed as being in a constant state of reconstruction by the members of society.

Epistemology refers to the approaches taken to the study of social reality. A number of contrasting views may be taken, including positivism and interpretivism. A positivist view subscribes to an objectivist ontology, and takes the position that social reality can be studied objectively by the researcher. The researcher is viewed as being capable of studying the social world without influencing it. It is believed that laws about how the social world operates can be discovered, by gathering objective facts and testing hypotheses. In this epistemology, only phenomena that can be directly observed by the senses can form the basis of knowledge. It is believed that phenomena and the causal relationships between them can be studied, observed, recorded, and experimented with, much like the procedures adopted by the physical sciences.

An interpretivist epistemology adopts a constructionist ontology. In this view reality cannot be objectively evaluated, as social reality is constructed by the participants of society. Research therefore consists of recording peoples' interpretations of reality. The researcher is not an independent party but believed to be actively involved in constructing interpretations of reality just as the subjects of their research are involved in constructing reality (Lincoln & Guba, 1985).

4.2.1 Ontology and epistemology in this research

This research adopts an objectivist ontology. The phenomena being researched are viewed as having an independent reality external of the researcher.

A critical realist epistemology is adopted in this research (Hunt, 2002). Critical realism adopts the belief that an external world exists independent of the researcher, but the researcher does not have direct, nor complete, nor infallible knowledge of the world. The concepts and theories of science are viewed as being the creations of the researcher. However, the successes of the scientific community provide evidence that *something like* the concepts and theories proposed by science actually exist (Hunt, 1990). The concepts and theories of science are viewed as being a reflection of reality, however fallible. For example, the scientist may adopt the concepts of “racism” and “unfair treatment of racial minorities”. If the scientist shows that the two concepts are related, then they have some justification in believing that something like “racism” and “unfair treatment of racial minorities” exist in reality. Other concepts adopted by the social sciences – such as, attitudes, leadership, brand image – show some correspondence with reality and help explain the world around us.

By contrast, naïve realism assumes a direct correspondence between the concepts of science and reality. Naïve realism assumes the researcher can directly observe objects in the external world directly and with certainty. Where critical realism departs from naïve realism, is in its approach to studying unobservable constructs. A naïve realist’s approach to research would be to only study observable phenomena. Realists however adopt the perspective that many of the constructs of interest in social reality are not directly observable but still crucial to theoretical understanding.

Critical realism holds that the purpose of science is to improve our perception of reality and provide the most accurate understanding possible of the world (Bryman & Bell, 2003). All scientific claims should be critically evaluated to determine the extent to which they represent the external world. Critical realists believe in subjecting their claims to empirical testing.

According to Hunt (1990), research in marketing implicitly adopts a realist epistemology. Most marketing academics believe that the world exists independently of it being

researched (Perry, 1998). The critical realist is willing to use either quantitative data or qualitative data in their pursuit of knowledge provided acceptable procedures are adopted for assessing the reliability and validity of the conclusions drawn (Hunt, 2002).

This research seeks to understand buyers' motives for enduring involvement with online auctions. The researcher adopts an objectivist ontology and a critical realist epistemology.

4.2.2 Quantitative versus qualitative research

The researcher has a choice between quantitative and qualitative methods of data gathering. This represents a choice between breadth and depth of knowledge (Bryman & Bell, 2003). Quantitative data gathering provides breadth of information on a phenomenon, while qualitative data gathering provides depth of information.

A quantitative approach to research typically gathers data from a large sample of people, who are assumed to be representative of a larger population of interest (McDaniel & Gates, 1995). The role of quantitative research is to understand general trends in the population. Often, quantitative research utilises the survey as its method of data gathering (McDaniel & Gates, 1995). The strength of quantitative research is that it can provide estimates of the frequency of occurrence of phenomena in the larger population (Bryman & Bell, 2003).

A qualitative approach to research seeks to understand the specific details of each case (Patton, 2002; Stake, 2003). It does so by taking a small sample of people and investigating each person in detail. Qualitative research often has an exploratory role, that is, to provide information on a phenomenon that has not been previously researched in great detail. Often, qualitative research utilises in-depth or semi-structured interviews as the method of data gathering (Taylor & Bogdan, 1998).

This research seeks to understand buyer motives for enduring involvement with online auctions. The research seeks in-depth information on this issue, rather than seeking to record the frequency of usage of online auctions in the general population. The research is exploratory in nature, given that little is known about consumer motives for enduring

involvement with online auctions. Therefore the research adopts a qualitative approach to data gathering in the form of semi-structured interviews with a small sample of subjects.

4.3 Interviews

The interview is the most widely used method of data gathering in qualitative research (Bryman & Bell, 2003; Ezzy, 2002; Robson, 1993; Taylor & Bogdan, 1998). For some research questions, the qualitative interview is the most revealing data gathering method, as it provides insight into the life experiences, motivations, feelings and perspectives of individuals (Lincoln & Guba, 1985; McCracken, 1988; Seidman, 2006; Warren & Karner, 2005). The interview allows a breadth of information to be gathered from a wide range of people without prolonged periods of observation or prolonged contact between the researcher and the subject (McCracken, 1988; Robson, 1993). An advantage of the qualitative interview is its flexibility, that is, the ability to modify questions as the interview proceeds (Bryman & Bell, 2003; Robson, 1993). A further advantage of the qualitative interview is that interviewees can answer questions freely and express their own words and thoughts.

The interview may be described as a conversation with a purpose (Robson, 1993; Warren & Karner, 2005), albeit an unusual conversation. A peculiar social relationship exists between an interviewer and an interviewee, where the interviewee does the majority of talking, and the interviewer treats the interviewee's dialogue as if it were true, rather than being judgemental (McCracken, 1988; Robson, 1993; Seidman, 2006). It is also a social interaction where each participant is sizing up the other, trying to interpret their role in the interaction and understand their words and intentions. What the interviewee says in an interview will in part depend on how they view the interviewer, and how they think the interviewer views them (Taylor & Bogdan, 1998).

Asking questions is an art (Payne, 1951, cited in Patton, 2002). The effectiveness of the interview as a data-gathering tool will depend on the interviewer (McCracken, 1988; Taylor & Bogdan, 1998). Following good procedures in the design of the research questions and the conducting of the interview, will improve the quality of data gathered.

For the interviewee participation in the interview can be time consuming and a potential threat to privacy. By following recognised ethical guidelines, the researcher may overcome some of these concerns. In reality, many interviewees enjoy the opportunity the interview provides. Interviewees may enjoy being the centre of attention, and expressing their opinions freely to a conversation partner who is willing to listen to them without judging them (McCracken, 1988).

Limitations of the interview include that interviewees may distort the facts or hide information about themselves. Biases are difficult to rule out (Robson, 1993). The interviewer should avoid giving cues as to the specific answers they are seeking. The interviewer is responsible for cross checking what the interviewee says, for example by asking the same question in several alternate ways (Taylor & Bogdan, 1998).

A semi-structured interview is a qualitative interview where the interviewer has a series of general questions written in an Interview Guide, but the order in which questions are asked may vary (Robson, 1993). The interviewer also has latitude to make up new questions as the interview proceeds to probe new issues that may arise. A semi-structured interview is appropriate where the research has a clear focus as is the case with the current study (Bryman & Bell, 2003). Compared to an unstructured qualitative interview, the semi-structured interview helps control the kind and amount of data obtained, and maximises the value of the time spent with the interviewee. It is the use of the Interview Guide, supplemented by probing questions, that achieves this efficiency.

Within each of the questions, the opportunity for exploratory, unstructured responses remains...the questionnaire that is used to order data and free the interviewer must not be allowed to destroy the elements of freedom and variability within the interview.

(McCracken, 1988, p. 25)

The Interview Guide lists questions and issues to be explored during the interview. McCracken (1988) advises that the questions in the Interview Guide should be based on a thorough literature review to reveal what is known in the area of investigation and to

expose the concepts that other researchers have used in the area. McCracken also suggests that the questions in the Interview Guide are based on the researcher's personal experiences on the topic of investigation and what they can learn from interrogating these experiences.

The interviewer may change the wording and sequence of questions as the interview proceeds, leave out questions that seem inappropriate for a specific interviewee, or add new questions (Robson, 1993). The interviewer builds a conversation with the interviewee. The interviewer is free to probe, explore, and add additional questions to fully understand the topic (Patton, 2002). The advantage of using an Interview Guide is that it increases the comprehensiveness of data obtained, ensures each interviewee addresses all issues, yet the interview remains conversational. Use of an Interview Guide may also improve the interviewer's ability to listen, so they are not distracted by having to create all questions during the interview (McCracken, 1988).

The Interview Guide is a flexible document. Analysis should proceed at the same time as data gathering (Ezzy, 2002; Taylor & Bogdan, 1998). When new themes are identified in the interview data, questions can be added to the Interview Guide for use in subsequent interviews to test these emerging themes.

Note taking during the interview can help the interviewer formulate new questions as the interview proceeds, particularly if the interviewer needs to check out a statement made earlier in the interview. Note taking may also help in later stages with analysis of the data (McCracken, 1988).

The interview should be tape recorded and transcribed to ensure that a complete record is made of the interview in the interviewee's own words (Bryman & Bell, 2003; Seidman, 2006). Tape recording and transcribing ensures that every word spoken in the interview forms part of the data for the research. Tape recording also frees up the interviewer to concentrate on what is being said rather than being distracted with excessive note taking.

The typical qualitative interview takes at least one hour. Ideally it is conducted in a private place free from interruption where the interviewee will feel relaxed, such as their home or place of work (Taylor & Bogdan, 1998; Warren & Karner, 2005). There is nothing wrong however with conducting an interview in a public restaurant or bar provided the conversation is private.

The interviewer attempts to create a relaxed atmosphere where the interviewee can talk openly (Taylor & Bogdan, 1998). The aim is to ensure the interviewee is sufficiently at ease to provide full and honest answers to the questions asked. The interviewer should remain neutral to the answers provided even if they disagree with the interviewee (Taylor & Bogdan, 1998). The interviewee should feel that they are not being judged by the interviewer for what they say. The interviewer should occasionally reassure the interviewee that what they are saying is acceptable and alright, that the interview is going well and thanking them for their answers (Patton, 2002). The interviewer should let the interviewee talk at length. Some interviewees will readily talk a lot, while other interviewees will be slow to warm up. Certain behaviours can be used to encourage the interviewee to talk more about a subject, such as head nods, the taking of notes, saying “ah huh”, or remaining silent when the interviewee stops talking to let them know you are waiting for more information (Patton, 2002; Robson, 1993; Seidman, 2006).

The interviewer relates to the interviewee on a personal level. They are not totally detached and may occasionally express their own opinions and feelings (Taylor & Bogdan, 1998). Ideally the interviewer should present themselves as a balance between formality and informality, in their dress, manner, and speech (McCracken, 1988; Seidman, 2006). A certain degree of formality projects the interviewer in the role of a professional, while a degree of informality reassures the respondent that the interviewer is not a cold, distant individual.

Listening is a key ingredient in interviewing (Bryman & Bell, 2003; Seidman, 2006). The interviewer should be aware of the process of the interview as well as the substance of what is being said. The interviewer should be sensitive to the energy levels of the interviewee

and alert for any cues to move the interview forward. The interviewer listens carefully for key terms the interviewee uses. Any terms used should be followed up with probing questions. The interviewer is also listening for examples of impression management, topic avoidance, deliberate distortion, or misunderstanding of questions (McCracken, 1988).

A number of different types of questions can be used in the qualitative interview, including opening questions, open-ended questions, probing questions, and closing questions. Each of these question types will be discussed in turn. Leading questions should be avoided, that is, questions that hint at what the interviewee sees as a desirable or appropriate answer (Robson, 1993; Warren & Karner, 2005). Questions should be clear and understandable, and phrased in words commonly used by interviewees (Patton, 2002).

To open the interview, it is appropriate that the interviewer tells the interviewee they are interested in what they have to say and that what they say is important. The interviewer should explain their reasons for the research (Warren & Karner, 2005). They should reassure the interviewee that they will remain anonymous (Taylor & Bogdan, 1998). To help build rapport the interview should commence with non-threatening, broad, general informational questions, that give the interviewee the opportunity to talk freely (Lincoln & Guba, 1985; Robson, 1993). The interviewer should appear friendly, accepting, and curious (McCracken, 1988).

Throughout the interview, open-ended questions should be used (Robson, 1993; Seidman, 2006). With open-ended questions, the interviewer doesn't supply predetermined phrases or categories, but lets the interviewee express themselves freely (Patton, 2002). The interviewees are free to use any terms to explain themselves. This may reveal information the researcher did not anticipate. An open-ended question is never phrased as a dichotomy, such as: Do you enjoy TradeMe, to which the answer is either "yes" or "no". Examples of truly open-ended questions include: "How do you feel about?" and "What is your opinion of?"

A key to successful qualitative interviewing is the use of probing or follow-up questions (Lincoln & Guba, 1985; Seidman, 2006). Probing questions are used to clarify and elaborate on what the interviewee has said, and to make sure the interviewer understands what the interviewee means. The interviewer should probe for details on the interviewee's experiences and opinions, and any important terms used by the interviewee. Examples of probing questions include: "When did that happen?", "How did that happen?", "Could you say more about?", "What is the difference between?", "What are the characteristics of?", or "Describe an incident where" (McCracken, 1988; Patton, 2002).

To close the interview, it is appropriate to ask the interviewee if there was anything else they can add to, or would care to say about, the topic in general (Patton, 2002). The interviewee should be thanked for their cooperation (Lincoln & Guba, 1985).

Immediately after the interview, the interviewer should review their notes of the interview and ensure they provide a good record of what has occurred (Lincoln & Guba, 1985). After the interview, interviewers should also ask themselves how well the interview went. Did all the questions work well? Which questions were poorly worded? Did the researcher find out everything they needed to know from the interview? Using this form of debrief, the researcher will be able to make ongoing improvements to the Interview Guide and to their interviewing method (Patton, 2002).

4.4 Sampling

Sampling refers to the selection of units of study for the research (McDaniel & Gates, 1995). These units of study are most often persons, but could be sites, organisations, countries, or periods of time (Patton, 2002). Sampling is undertaken with a purpose in mind. That purpose might be to explore the breadth and diversity of a phenomenon, or to estimate the incidence of the phenomenon within the population, or a number of other purposes (Lincoln & Guba, 1985).

Nothing exemplifies the difference between quantitative research and qualitative research more than their approaches to sampling (Patton, 2002). Quantitative research relies on large

samples chosen using probability sampling methods. The logic is that the results of research on a probability-based sample can be generalized to a larger population using statistical probability theory.

By contrast, the purpose of sampling in qualitative research is not to learn how frequently a phenomenon occurs, nor to take the proportions observed in the sample and use them to estimate the proportions that occur in the population. The purpose of sampling in qualitative research is to gain insights and create explanations of a phenomenon (Ghauri & Gronhaug, 2005). Qualitative researchers believe that each case they study will display some unique variation. The aim of sampling in qualitative research is to capture this variation, rather than to gloss over it, or simply to seek the norm as is the case in quantitative research.

The purpose of sampling will most often be to include as much information as possible, in all of its various ramifications and constructions ... The object of the game is not to focus on the similarities that can be developed into generalizations, but to detail the many specifics that give the context its unique flavour.

(Lincoln & Guba, 1985, p. 201)

In qualitative research, the units of analysis are not chosen on a statistical basis; instead, the units of analysis are chosen purposively (Bryman & Bell, 2003; Lincoln & Guba, 1985; Patton, 2002; Silverman, 2001). Each unit of analysis is chosen because it represents an information-rich case that is likely to provide rich information on the phenomenon under study.

Patton (2002) describes fourteen alternative approaches to purposive sampling. Amongst these fourteen approaches, one approach that is often recommended by qualitative researchers is maximum variation sampling (Lincoln & Guba, 1985; Seidman, 2006; Silverman, 2001). In maximum variation sampling, the researcher thinks critically about the parameters of the population most likely to influence the phenomenon under study, such as the age, gender, occupation, or location of respondents. The researcher then seeks maximum variation in the types of persons or units of analysis studied, representing those

parameters of the population believed to influence the phenomenon under study. Such an approach is likely to provide broad insight by revealing much of the variation in the phenomenon that is likely to exist in the population.

For small samples, a great deal of heterogeneity can be a problem ... The maximum variation sampling strategy turns that apparent weakness into a strength by applying the following logic: Any common patterns that emerge from great variation are of particular interest and value in capturing the core experiences and central, shared dimensions of a setting or phenomenon.

(Patton, 2002, p. 235)

The one approach to sampling that is not acceptable in qualitative research is convenience sampling. Convenience sampling involves simply selecting whatever persons or units of analysis are readily at hand. This approach to sampling may be fast and convenient, but it is not purposive.

Sampling in qualitative research displays four characteristics, emergent sampling design, serial selection of sampling units, continuous adjustment of the sample and theoretical saturation (Lincoln & Guba, 1985). With emergent sampling design, the size, composition and method of selection of the sample is not fully specified in advance. Instead the method of selection of the sample evolves as the research proceeds. In serial selection of sampling units, each unit of study is chosen only after data from the previous unit has been analyzed. "Each successive unit can be chosen to extend information already obtained, to obtain other information that contrasts with it, or to fill in gaps in the information obtained so far" (Lincoln & Guba, 1985, p. 201). With continuous adjustment of the sample, subsequent sampling units are chosen to explore insights that arise. With theoretical saturation, sampling should continue to the point of redundancy, that is the point when no new information is being obtained. Sampling stops at "a point in the study at which the interviewer begins to hear the same information reported. He or she is no longer learning anything new" (Seidman, 2006, p. 55).

One final issue in sampling for qualitative research is the issue of appropriate sample size. Appropriate sample size will depend on the richness of information being obtained from

each unit studied. Sampling should continue until no substantial new information is being revealed, the point of theoretical saturation.

The validity, meaningfulness, and insights generated from qualitative inquiry have more to do with the information richness of the cases selected and the observational/analytical capabilities of the researcher than with sample size.

(Patton, 2002, p. 245)

4.5 Data Analysis

Traditionally, qualitative research has largely been based on inductive procedures. However, a number of researchers have called for the use of deductive procedures to improve the validity of qualitative research findings (Hyde, 2000; Perry, 1998; Yin, 2009).

The current study employs a combination of deductive and inductive processes. The literature review (Chapter 3) reveals a number of likely motives for buyers' enduring involvement with online auctions. These motives are expressed as a series of propositions to be tested in the qualitative data-gathering phase (see Table 3.6). In addition to this deductive process, the researcher is open to new insights into possible motives for buyer involvement with auctions that may be revealed in the qualitative interviews. Thus the deductive processes are followed by inductive processes. Other researchers utilise a similar approach. For example, Schouten (1991) in a qualitative exploratory study of the role of cosmetic surgery in self-image, distinguishes between *a priori* (deductive) themes which arise from a literature review, and *emergent* themes which arise inductively from the qualitative data.

Two procedures are commonly used in qualitative data analysis, coding and thematic analysis (Ezzy, 2002; Patton, 2002; Seidman, 2006). Coding refers to the process of identifying each key idea and observation in a dataset, and assigning a brief label to identify each unique idea or observation (Glaser & Strauss, 1967). Thematic analysis is "a method for identifying, analysing and reporting patterns (themes) within the data...A theme captures something important about the data in relation to the research question" (Braun & Clarke, 2006, pp. 79, 82). To ensure thorough understanding of the dataset and to identify

meaningful themes, Braun and Clarke (2006) recommend a six-stage process for thematic analysis: to familiarise oneself with the data, generate codes, search for themes, review themes, name themes, and write the report. Three criteria can be used to judge a meaningful theme, recurrence of the same idea expressed in different words, repetition of words and phrases within the dataset, and the forcefulness with which interviewees express an idea (Owen, 1984).

There is controversy amongst qualitative researchers about the use of computer software for coding and thematic analysis in qualitative research (Bryman & Bell, 2003; DeNardo & Levers, 2002; Welsh, 2002). Some researchers believe that use of computer software enhances the reliability of the coding process, and helps retain an audit trail of coding decisions. Other researchers believe that use of computer software diminishes the creativity and insight of the researcher. From her study of the use of NVivo software, Welsh (2002) concludes that qualitative analysis software helps automate the coding process, but is unlikely to assist in the analytical and creative activities required for thematic analysis.

4.6 Reliability and Validity

The quality of a piece of research can be judged in terms of its reliability and validity. Reliability refers to consistency in the measurement or observation of variables and concepts in a piece of research (Bryman & Bell, 2003). Validity refers to “the integrity of the conclusions that are generated from a piece of research” (Bryman & Bell, 2003, p. 575). To be valid, research needs to demonstrate reliability of measures, the use of rigorous procedures (internal validity), and relevance of findings to a broader sample beyond the one studied (external validity).

A number of researchers in the qualitative tradition document appropriate procedures for assuring the quality of qualitative research findings (Lincoln & Guba, 1985; Patton, 2002). There is controversy, however, with regard to use of the terms reliability and validity when applied to qualitative research (Bryman & Bell, 2003; Kirk & Miller, 1986). In particular, researchers who subscribe to a constructionist ontology or interpretivist epistemology object to the use of these terms when applied to qualitative research (Lincoln & Guba,

1985; Patton, 2002). They view these terms as only being appropriate to a positivist or realist epistemology, and prefer that interpretivist qualitative research is judged in terms of its trustworthiness or rigour. As the current research subscribes to a realist epistemology, it will continue to use the terms reliability and validity, while at the same time utilising the insights of qualitative researchers in regard to procedures designed to assure the quality of the research.

Qualitative researchers suggest a number of procedures for assuring quality in research. To ensure the rigour of qualitative research, Patton (2002) recommends that researchers examine negative cases (that is, cases that do not support the author's preconceptions), test rival explanations of a phenomenon, and employ triangulation of sources (the use of multiple sources of data for each conclusion drawn). To ensure the trustworthiness of qualitative research, Lincoln and Guba (1985) suggest that qualitative research demonstrates credibility, transferability, dependability, and confirmability. They suggest that the credibility of research is improved with the use of triangulation procedures; the transferability of research is improved with the use of thick descriptions of findings; the dependability of research is improved by presenting a chain of evidence for the conclusions drawn; and the confirmability of the research is improved by the researcher avoiding personal biases.

4.7 Methods

The following section describes the methods used in this study to collect, analyse, and report data.

4.7.1 Interview guide

An interview guide was prepared to test the study propositions developed from the literature review. This interview guide was revised several times during the schedule of interviews, as new insights and issues arose that required further investigation. A copy of the initial version of the interview guide can be found in Appendix 1. The interview guide questioned interviewees about how often they visit online auction sites, why they visit these sites, and what items they buy or sell. There followed a series of questions directly related

to the study propositions, for example, whether the items purchased relate to the buyer's self-image, what enjoyment is gained from participating in the auction, whether the interviewee enjoys competing in auctions, do they find bidding exciting, do they find the auction a convenient way to obtain goods, do they ever lose track of time or spend too much time or money in auctions, are they a collector, do they participate in the community notice board, are they influenced by the presence of other bidders, and do they have any concerns about risks when buying from an online auction. The interview guide concluded by asking each interviewee some basic demographic questions on their age, gender, and occupation.

A pilot interview was conducted to test the interview guide, to ensure the questions were unambiguous, would encourage conversation and reveal useful information, and that the interview would flow smoothly. The interview guide was then used in a series of semi-structured interviews (Bryman & Bell, 2003; Robson, 1993). The interviewer was willing to vary the wording and sequence of questions, probe interviewees for additional insights, and add new questions as the need arose in each interview.

Analysis of interview transcripts proceeded immediately after each interview was conducted. In other words, data gathering and data analysis proceeded concurrently (Ezzy, 2002; Patton, 2002). This allowed the interview guide to evolve to probe new insights that arose from each interview. This represents an iterative process of data gathering. The interview guide was continuously improved to gain the full benefit and insight from each interview, and enrich the findings of the study.

After completion of each interview, the researcher undertook revisions to the interview guide (see Appendix 2 for the final version of the interview guide). Some questions were re-worded to improve their effectiveness. When the data gathered in early interviews clearly supported a study proposition, less emphasis was placed on gathering data for that proposition in subsequent interviews, and more emphasis was placed on questions that gathered data to test propositions lacking support. New questions were added, based on insights gained from interviews.

4.7.2 Ethics

Ethical approval for conducting face-to-face qualitative interviews was obtained from the Auckland University of Technology Ethics Committee (AUTEC) on 26 November 2008. A requirement of ethical approval for the research was that each interviewee received an Information Sheet describing the purpose and procedure of the interview, and that each interviewee was required to sign a Consent Form for participation in the interview (see Appendices 3 and 4 for a copy of the Participant Information Sheet and Consent Form).

4.7.3 Interviews

Interviews were conducted at interviewees' place of work, home, or a coffee shop. Two of the interviews were conducted over the telephone for interviewees who live outside the Auckland region. The researcher conducted a total of twenty interviews, 19 one-to-one and one group interview (consisting of three males aged 20-24). Each interview lasted up to 65 minutes, and was audio recorded. A total of 15 hours of interviewing was conducted. Each interview was fully transcribed, immediately after the interview. An independent professional transcriber was employed, to add an additional layer of objectivity to the verbatim recording of the data (Taylor & Bogdan, 1998). In addition, follow-up questions were sent by email and answered by three of the interviewees. Appendix 5 contains a sample transcript of one interview.

4.7.4 Sample

Purposive sampling procedures were employed to seek variation in those variables likely to impact on buyers' motives for involvement with online auctions: gender, age, occupation, urban versus rural, and heavy user versus light user. In total, twenty interviews were conducted. Table 4.1 provides a brief demographic description of the sample of interviewees for this study. Tables 4.2 and 4.3 demonstrate variation in the key demographic variables of gender, age, and occupation.

Table 4-1 – Interviewees

Interviewee	Gender	Age group	Occupation
1	Female	35-39	Entrepreneur
2	Male	18-21	Bartender
3	Female	30-34	Student
4	Female	20-24	Food safety advisor
5	Males	20-24	Students
6	Male	50-54	Lecturer
7	Female	60-64	Housewife
8	Male	20-24	Student
9	Male	55-59	Self employed
10	Male	35-39	Lecturer
11	Female	45-49	Administrator
12	Male	35-39	Administrator
13	Male	20-24	Sales consultant
14	Female	35-39	Consultant
15	Female	50-54	Librarian
16	Female	30-34	Housewife
17	Female	30-34	Marketing manager
18	Female	35-39	Retail manager
19	Female	35-39	Accommodation manager
20	Male	35-39	Unemployed (at time of the interview)

Table 4-2 - Age and Gender of Interviewees

Age Group	Gender	
	Female	Male
20-29	✓	✓
30-39	✓	✓
40-49	✓	
50-59	✓	✓
60-69	✓	

Table 4-3 - Occupation of Interviewees

Accommodation manager
Administrator
Bartender
Consultant
Food safety advisor
Housewife
Lecturer
Librarian
Marketing manager
Retail manager
Self-employed
Student
Unemployed

4.7.5 Analysis

The dataset for this study comprises of the transcripts of twenty interviews and three items of email correspondence, a total of 148,000 words. Analysis of the transcripts proceeded immediately after each interview was conducted. NVivo 8 qualitative data analysis software was used to assist in coding the data (QSR-International, 2008).

The researcher first read through each transcript carefully, to become familiar with each interview, before proceeding to coding of the data (Warren & Karner, 2005). Coding proceeded in a 'bottom-up' manner (that is, codes were not predetermined) rather than a 'top-down' manner (the use of predetermined codes) (Braun & Clarke, 2006). Each line of interview data was examined for ideas and observations relevant to the aims of the thesis. Each unique idea or observation was assigned a unique code. In this way, the codes emerged from the data rather than being imposed upon the dataset (Glaser & Strauss, 1967).

A number of the codes that arose from the dataset corresponded closely with the propositions derived from the literature review. This is not unexpected, as the interview guide was designed to probe and test these propositions. As a result of the coding process, considerable evidence was identified on which to judge each of the research propositions. That is, data from the interview transcripts was identified and coded relevant to each research proposition. In this manner, both positive and negative evidence was applied to test each proposition. This represents the deductive process in the data analysis. The results of the deductive testing of each research proposition can be viewed in Chapter 5 – Findings.

The coding process also produced a number of codes representing ideas and insights that had not been identified from the literature review. This represents the first step in the inductive processes in the research.

At an early stage in data analysis, the researcher discussed the coding of the data with another researcher who is a university marketing academic. A second independent coder was then employed to check the reliability of coding. This independent person is a university academic specialising in marketing. Both coders were provided with the transcript of one interview, as well as a list and description of codes employed in the research, and were asked to independently code the transcript. Inter-coder reliability, that is the degree of agreement between coders, was assessed using the formula developed by Perreault and Leigh (1989). The Perreault and Leigh I score considers three variables, the

number of judgements on which the coders agree (F_o), the total number of judgements made (N), and the total number of unique codes the coders could employ (k):

$$I = \{[(F_o/N) - (1/k)][k/(k-1)]\}.5$$

For the sample transcript, the two coders were required to code 45 excerpts of the interview. The coders could choose from any one of 30 unique codes, and assign one of these codes to each of the 45 excerpts. The two coders working independently agreed on the coding of 39 of the 45 excerpts. This equates to 86.7% agreement. Calculating the Perreault and Leigh I score, $F_o = 39$, $N = 45$, and $k = 30$, therefore:

$$I = 0.928$$

This indicates a high degree of reliability in coding.

The two coders then met to discuss the six excerpts they had coded differently. As a result of this meeting, 100% agreement was reached on the coding of all 45 excerpts (see Appendix 6). Perreault and Leigh (1989, p. 147) declare, “if a multi-judge evaluation of a sub-sample of responses shows that the reliability of the coding process is high (e.g., $I > 0.90$), it may be reasonable to complete the coding process with only one judge.” On this basis, the researcher proceeded to code all remaining interviews.

In total, 62 unique codes were identified in the dataset representing motives for involvement with online auctions. Some of these codes align with the *a priori* propositions that arose from the literature review. Some of these codes represent *emergent* insights into possible motives for buyer involvement with online auctions that had not previously been identified in the literature review.

The researcher then scrutinised the data under each code to: (a) identify if each section of transcript was coded correctly, or should be re-coded, (b) whether any codes should be combined, or split, or completely removed, and (c) provide a full description of the code based on the data it represented. This resulted in the final consolidated set of 62 codes summarising the dataset, plus a computer record of all portions of transcript assigned to each code. Appendix 7 provides a list of these 62 codes, and a brief description of each.

Thematic analysis procedures were then used to identify over-riding themes in the 62 codes (Attride-Stirling, 2001; Braun & Clarke, 2006; Owen, 1984). This was done manually by the researcher, without the use of computer software, as recommended by Welsh (2002). The name of each code was written on a card and the cards laid out on a flat surface. Cards were sorted into minor groups where each group represented a minor theme. Minor groups were then sorted into major groups representing major themes. Six major themes and a number of minor themes are identified as a result of this analysis.

4.7.6 Assurances of reliability and validity

To assure the reliability of qualitative findings in the current study, an interview guide was employed, such that all interviewees were asked a similar set of questions. This interview guide was pre-tested with a pilot interview before data gathering commenced. Each interview was audio taped and transcribed verbatim without editing. Because the coding of data represented the basic step in data analysis, it was important to check the reliability of the coding. Inter-coder reliability was checked using the procedure described in 4.7.5 above.

To assure the validity of qualitative findings, a number of procedures were employed including, avoiding researcher bias, triangulation procedures, deductive procedures, and presentation of a chain of evidence. Avoiding researcher bias was achieved through employing an independent transcriber to provide an un-edited, verbatim transcript of all interviews, and by using a second independent coder to check a sample of coding. Triangulation of sources was achieved by examining data from twenty separate interviews, plus items of email correspondence, plus insights from extant literature.

The study employs deductive procedures to improve the validity of its findings (Hyde, 2000). A set of 18 propositions derived from the extant literature was tested using evidence from the interviews. Such deductive procedures seek to gather negative evidence and to test rival explanations, as recommended by Patton (Patton, 2002).

As a final procedure for assuring the validity of research findings, a chain of evidence has been kept to support the research findings. This chain of evidence is presented in the Findings Chapter. The chain of evidence provides clear links from the research findings to the themes identified in the data, from the research themes to the research codes, and from the research codes to excerpts of interview transcripts.

4.7.7 Reporting of results

In summary, the data gathering phase produces sufficient data to test all the *a priori* study propositions. In addition, the iterative process of data gathering and analysis reveals *emergent* insights into additional motives not previously identified in the literature review.

Thematic analysis identifies six themes, which provide insight into buyers' motives for enduring involvement with online auctions (see Chapter 5). These themes incorporate both the *a priori* study propositions that arose from the literature and the *emergent* insights from qualitative data gathering.

Chapter 5 presents the findings of the study. The Chapter is organised as follows. Each of the six themes and ten sub-themes is introduced, described at length indicating the codes that contribute to the theme, and supported by quotations from interviewees.

Chapter 5 Findings

5.1 Introduction

This chapter describes the findings of the study. Analysis of the dataset of 20 interviews and three email items reveals 62 unique codes. Thematic analysis suggests that the 62 codes represent six themes and a number of sub-themes. Table 5.1 lists these themes, which are, utilitarian, hedonic, social and personal motives, marketer activities, and anti-motives.

Table 5-1 - Themes and Sub-Themes Identified in the Data

Themes	Sub-Themes
Utilitarian Motives	Marketplace
	Product
	Perceived risks
	Ethical
Hedonic Motives	Bidding
	Browsing
	Owning
	Bargain Hunting
Social Motives	
Personal Motives	Image
	Competence
Marketer Activities	
Anti-Motives	

This chapter is organised as follows. Each of the themes is presented in turn, together with its sub-themes. The themes and sub-themes are explored and described, and the codes which contribute to each theme and sub-theme are listed. Direct quotations from interviewees are provided to illustrate each theme and subtheme. The presentation of

findings commences with a description of buyers' utilitarian motives for enduring involvement with online auctions.

5.2 Theme One – Utilitarian Motives for Involvement with Online Auctions

The distinction between utilitarian and hedonic motives is a major theme in the Literature Review chapter. The first theme identified in the dataset is buyers' utilitarian motives for enduring involvement with online auctions. Utilitarian motives are those concerned with pragmatic and practical issues, such as the utility of the goods acquired and the costs and risks involved in acquiring them (Babin et al., 1994). Four sub-themes contribute to this theme (see Table 5.2), utilitarian aspects of the online auction site as a marketplace; utilitarian aspects of the products on sale; buyers' perceptions that the online auction is a low risk marketplace; and buyers' ethical considerations in buying from this marketplace. Each of these sub-themes is now discussed in turn.

Table 5-2 – Theme One – Utilitarian Motives

Theme	Sub-Themes
Utilitarian Motives	Marketplace
	Product
	Perceived risks
	Ethical

5.2.1 Utilitarian aspects of the marketplace

Buyers discuss a number of pragmatic aspects of online auctions sites as a marketplace from which they purchase goods (see Table 5.3). The first column of Table 5.3 lists the codes in the dataset informing this sub-theme, alternative way of shopping, convenience, autonomy, ease of use, anonymity, low prices, wide selection of goods, access to items not readily available, knowledge of the market, on-selling, buy-now, and auto-bid. The second column of the table recognises those codes that are aligned with one of the research propositions developed in Chapter 3.

Table 5-3 – Codes Contributing to the Marketplace Sub-Theme

Code	Proposition
Alternative way of shopping	
Convenience	6a supported
Autonomy	7a supported
Ease of use	
Anonymity	
Low prices	6c supported
Wide selection of goods	6b supported
Access to items not readily available	
Knowledge of the market	5c supported
On-selling	
Buy-now	
Auto-bid	

Alternative to retail shopping. Online auctions provide buyers with a viable alternative to retail shopping. Many buyers do not like shopping malls and find shopping malls all very similar. These buyers do not enjoy the traditional retail shopping experience, with its stresses of driving, finding a car park, and jostling amongst the crowds of shoppers. By contrast, they enjoy shopping on TradeMe, from their home computer. It is an alternative way of shopping that is whole lot less stressful for them.

Christmas is my idea of hideous, like all those people out shopping or squashing or fighting for things, whereas like TradeMe, you can pick.

(Female, 30-34 years)

Some buyers have difficulty getting out of their homes to visit retail stores – either because they live in a rural area, or care for children or an elderly parent. For these shoppers, the ability to purchase goods from home is a bonus. TradeMe gives them access to the world of shopping. They are no longer isolated in their homes. For consumers constrained to their

home for long periods of time, TradeMe provides an alternative means of gaining retail therapy.

Like in the winter when it's horrible outside and you don't want to be... trudging through the shops and coming home empty-handed anyway... If you go to the shops you think, well I better figure out what I'm going to wear, and I've got to do my hair and you know, look decent, and dress the kids. And then by the time I've done all that it's like, well it's hardly worth going now because I've got to come home again. One [child] has to go to sleep or one needs lunch or...

(Female, 30-34 years)

Some buyers feel that buying from an online auction is a more active and involving way of shopping, rather than merely taking the product down from a retail shelf and handing over payment, the online auction buyer has sought out the item and actively bid on it, to gain ownership.

Convenience. Many consumers recognise the online auction site is a very convenient place to shop. The evidence in this code indicates support for Proposition 6a. With a few mouse clicks, consumers have access to many of the goods they desire while expending minimum effort. This access is available 24 hours a day, 7 days a week. Even if it is late at night when many of the stores are closed, they can still make a purchase, and if they wish, purchases will simply be delivered to their doorstep. Some buyers proudly label themselves lazy shoppers. Shopping is easy. The buyer does not have to leave the comforts of their home.

You don't have to leave your home and you can sit there and have your cup or coffee or a beer, or a glass of wine. You can just shop until your finger drops.

(Female, 45-49 years)

Autonomy. Buyers recognise that the online auction provides them with greater freedom and autonomy to make their own choices. The evidence in this code indicates support for Proposition 7a. Consumers feel they can shop any category they want, whenever they want.

They are in control of their own shopping. Many buyers appreciate the freedom of not having a salesperson present, pressuring them to buy an item.

You can go on whenever you want, and you can look at whatever you want. You don't have someone in a shop trying to convince you that this is better or something is better or this is going to be sold out soon, you should buy it now. So yes, I think there's a lot of freedom and choice and I think that's good.

(Male, 20-24 years)

Ease of use. The Technology Acceptance Model (TAM) recognises that ease of use is a key contributing factor to the adoption of new technologies (Davis, 1989). Buyers consider the TradeMe website to be easy to navigate and easy to use. They find the software interface to be very user-friendly. Both buying and selling on TradeMe is an easy matter. Some buyers contrast this to the use of the eBay website, which they find to be relatively difficult to use.

I mean it's very easy to navigate, I think that's one of their main benefits. Even if you don't use computers a lot, you can go onto TradeMe and it's very self explanatory as to what they want.

(Female, 20-24 years)

Anonymous. Some buyers like the fact that they are anonymous when they shop on TradeMe. They value their privacy. Shopping on TradeMe is the opposite of social networking websites such as Facebook, because no one knows who you are. Being anonymous the buyer can observe other auctions without being observed themselves. They can bid on an item and then withdraw from the auction at any time without the feeling of commitment that they may experience at a retail store. There is no normative pressure to complete the purchase.

I like to keep to myself and on TradeMe nobody else ... really knows what you're doing, what you're bidding on, how much you're paying, why, and all that sort of thing.

(Male, 35-39 years)

Low prices. All consumers recognise that TradeMe is a source of goods at low prices. The evidence in this code indicates support for Proposition 6c. Using TradeMe consumers have access to desirable luxury goods, albeit second-hand, at much lower prices than retail. As Nissanoff (2006) observes, online auctions play an innovative role in enabling consumers to afford to own luxury brands they have only dreamed of owning.

I bought a pair [of sunglasses] last week and I paid \$35 for them, plus I think \$7 for a courier pack handling. And she said to me, oh you know, there's a tiny, tiny little chip. I can't see it, they're like new. And they're Mossimo, and those glasses are about probably \$250. And the last pair I bought before that, you know, I think I paid like \$30 and they were Gucci ones. She sent me the price thing with it, that had been \$450, you know... I still want some decent, nice stuff, but I'm not going to pay \$300 for a pair of sunglasses.

(Female, 30-34 years)

TradeMe also provides buyers with access to brand-new items at lower prices, because manufacturers and importers list their goods for sale direct to consumers without use of a middleman.

You don't have to rush to the shops as well, even if there's a sale, because you know, hey, so what there's a sale. I can always go back to TradeMe, it's always going to be there, I can get it a bit cheaper.

(Male, 20-24 years)

Wide selection of goods. Another utilitarian motive for shopping on TradeMe is the wide selection of goods available all on one site. The evidence in this code indicates support for Proposition 6b. TradeMe offers consumers greater choice. Buyers find a huge selection of items available in different styles and colours, to suit a wide range of consumer tastes, from the latest technology to antiques. Buyers feel there is a better chance of getting what they want on TradeMe, rather than in retail stores or on other websites.

It's a big collection of everything you can look at. It's kind of like when you go window shopping ... all just collated there together. So you can see a wide range of stuff all at once without having to go everywhere, different sites. It's probably the most useful... I mean they sell a lot of stuff you wouldn't even consider being available in stores or stuff ... Probably a lot more than you would ever find, even in a whole shopping mall.

(Female, 20-24 years)

Access to items not readily available. Buyers find that online auction sites provide access to items not readily available in New Zealand retail stores. Online auctions give ready access to items that otherwise require a great deal of searching through a number of retail stores to find. Some interviewees complain about the limited range of goods available in New Zealand retail stores and believe that TradeMe gives them access to an alternative selection of goods. Online auctions provide access to goods supplied by specialist importers, and access to brands only available overseas. Online auctions sell rare, unusual, and quirky items. Such items might be available in small quantities from garage sales, but the online auction provides access to thousands of rare and unusual items all in one venue.

And the last thing I bought I couldn't find anywhere else in any of the shops, so it was the only place I could find exactly what I was looking for.

(Female, 30-34 years)

Knowledge of the market. Interviewees speak a great deal about how the TradeMe website provides them with knowledge of the market. The evidence in this code indicates support for Proposition 5c. By searching the TradeMe website consumers become informed on what products are available in the market, what options are available within product categories, and which options are most popular. Consumers discover what is new in the market, what are the latest technologies and gadgets. Of considerable importance to interviewees, by searching TradeMe they can learn a great deal about the price of goods. Using TradeMe the consumer learns the market value of items, and what price they can expect to pay for goods. TradeMe is a powerful source of information for these consumers. Having learned about the marketplace, what is available and what prices were being charged, some buyers then use this knowledge to approach retail stores and negotiate a

good deal. By searching TradeMe consumers are able to compare products and prices. In particular, a number of interviewees describe TradeMe as the best place to learn about real estate and motor cars for sale. They believe TradeMe offers the most complete listing of properties for sale and motor cars for sale, as it includes both private listings and agent or dealer listings all in one place.

On-selling. This thesis examines buyer behaviour in online auctions. It has not been an aim to investigate seller behaviour. Yet it is recognised that some buyers use online auctions to on-sell some of the goods they purchase (Chu & Liao, 2007). Interestingly, only one of the buyers interviewed said that they purchase goods online for the purpose of on-selling on TradeMe. By contrast, a number of buyers recognise an alternative purpose for on-selling as a remedy for selling items they regret purchasing. If they purchase an item from TradeMe that does not suit them, or they can no longer use, they simply list the item for sale and recover some of their expenditure. For example, one interviewee bought tickets for a concert on behalf of friends. When a number of the friends could not go to the concert, he on-sold the tickets to recover his expense. Another interviewee is a keen musician and drummer. To obtain specific items for his drum kit, he bought a full set of equipment, then on-sold the components he didn't need, to recover his expense. This facility acts as a safety net when purchasing, and perhaps even encourages consumers to make a greater number of impulse purchases with fewer feelings of anxiety or regret (see Section 5.3.2).

I love it as a piece of clothing. It's just a bit of shame, it's just that bit too tight on me. So I'll probably just try and sell it.

(Female, 35-39 years)

Buy-now. Some items listed for sale on TradeMe are offered to buyers at a Buy-now price, where instead of competing for the item through a bidding process, the consumer has the option to buy the item at a set price. A number of buyers mention that they prefer the buy-now option, as they are not interested in the thrill and entertainment value of bidding in an auction, or wish to avoid the anxiety of competing for the item in an auction. Buyers who use the buy-now option do so for utilitarian reasons. They recognise the item as something

they need. They simply want to buy it and own it immediately. This is especially so if the item is a common, readily available product and the buyer recognises that the asking price is reasonable. From the limited number of interviews conducted, it appears that such behaviour is most common amongst the younger consumers interviewed, those aged under 25 years. This preliminary observation would need to be tested using a larger quantitative study with a representation sample of online auctions users.

I don't just buy things for the sake of the thrill. Like I said I usually go in because I have a purpose and usually if the price is right I do the Buy Now.

(Female, 30-34 years)

Auto-bid. The TradeMe website provides consumers with a function called Auto-bid. This is where the computer software does the bidding on behalf of the buyer, posting small incremental bids even when the buyer is not present. Consumer use of the Auto-bid function illustrates either low consumer involvement with the purchase or high consumer involvement, but both for utilitarian reasons. Low involvement consumers sometimes use Auto-bid because they do not care enough about the item to vigorously compete for it. High involvement consumers sometimes use Auto-bid because they do not want to miss out on their desired item especially when they can not be present at their computer at a critical time when the auction is running. The software continues bidding for them even though they are unable to be present.

Say the auction finishes at 10.00 o'clock in the morning, or 10.00 o'clock at night you know, and I'm asleep or whatever, or have things. Then I'll put an auto-bid on.

(Female, 35-39 years)

5.2.2 Utilitarian aspects of the products available

Buyers reveal a number of motives for involvement with online auctions which relate to the utilitarian aspects of the products on sale. The first column of Table 5.4 lists the codes in the dataset informing this sub-theme, second-hand products, collectibles, brands, quality, products that meet my needs exactly, new products, gifts, anticipated utility, and readily-

available products. The second column of the table identifies those codes that are aligned with one of the research propositions developed in Chapter 3.

Table 5-4 – Codes Contributing to the Product Sub-Theme

Code	Proposition
Second-hand products	
Collectibles	11 supported
Brands	
Quality	
Products that meet my needs exactly	
New products	
Gifts	5b supported
Anticipated utility	5e supported
Readily-available products	

Second-hand. Many of the goods on sale on the online auction are second-hand. The buyers in the online auction openly admit that they do not mind that the goods they buy are second-hand, provided they are in good condition. Yet they recognise there are other consumers in the marketplace who are unlike them, consumers who refuse to buy goods that are second-hand. Buying second-hand clothing, however, is a specific case. While most TradeMe buyers are happy to buy second-hand books or DVDs, many are uncomfortable with buying second-hand clothing. Only a sub-set of TradeMe buyers buy clothing or shoes that are second-hand.

I know people who won't buy anything second-hand because they don't want to buy second-hand. And I know some people who just have a thing about buying second-hand. If I didn't buy second-hand my house wouldn't be as well furnished as it is. My child wouldn't be as well dressed, or have as many toys to play with. So on one hand you can say that it does make me appear as though I have more money because we have [pause] more material stuff, but I don't actually spend more money than [pause] other people....

Why waste money on something new if you can buy one that's just as good second-hand.

(Female, 35-39 years)

Collectibles. Proposition 11 suggested that collecting can be an important element in a buyer's involvement with online auctions. When online C2C auctions were first launched in the 1990s, collectable items represented a large portion of all items on sale (Lucking-Reilly, 2000). The interviews reveal evidence in support of Proposition 10. A number of the buyers interviewed are collectors, and feel that the items they collect are not readily available in retail stores. Instead they purchase items for their collection from TradeMe. Collectable items mentioned by interviewees include action figurines, art works, beaded handbags, books on Jack the Ripper, drums and drum equipment, DVDs, Fisher Price toys, glassware, music score sheets, novels, pottery, tikis, TinTin books, vintage clothing, and war comics.

It probably made me start collecting more because it was so easy. Actually, it was easy to get online and do it, and there was a lot of stuff there that I wouldn't normally come across in your daily routine, unless you purposely went looking for it, which I wouldn't in shops and things. But because it was there on your computer screen, it probably made me more readily part with my money and buy it.

(Male, 55-59 years)

One item of negative evidence for Proposition 10 came up in the interviews. One interviewee is an avid collector of boxes such as gift boxes and wooden boxes. She specifically said that she will not get items for her collection from an online auction, because to do so will be too easy and the items will not have personal significance. She only wants to add to her collection those boxes she had specifically hunted for and could touch and hold before purchase. The tactile aspect of collecting is vital to her.

Brands. Some buyers are very brand conscious. They want to buy specific brands, or like to own designer brand clothing, handbags, leather goods, and sunglasses. TradeMe is a good place for these consumers to find the brands they are after. Nissanoff (2006) identifies the role of online auctions in facilitating consumer ownership of expensive brand-label

goods, albeit in a second-hand form, by making these items affordable. The buyers interviewed look for and purchase the following brands on TradeMe: Adidas, Armani, Coach, Country Road, Dryberg Kern, Gap, Karen Walker, Mossimo, Nike, Olly Lilly, OshKosh, Ricochet, and Trelise Cooper. Interestingly, some of the purchases of fashion brand clothing are not for the buyer themselves, but for their children. Specific brands are also purchased as gifts for other people.

They don't have Karen Walker in a mall. You've physically got to go to Newmarket or Ponsonby and shop to have a look. They don't have Ricochet in a mall, so you've physically go to go to Ricochet. Whereas you know, you can just go on TradeMe and it's all there. You just search Moochi, any kind of designer thing that comes up, and then you can just go oh, that's nice, that's nice, and pay a third for it, you know, where someone may have only worn it once it will still have the label on it.

(Female, 35-39 years)

Quality. Another utilitarian motive concerning the products on sale in the online auction is the high quality of items on sale. This motive is mentioned by a number of buyers. Some buyers comment on the craftsmanship of items on sale, such as furniture, and comment that such high quality items can not be obtained from their local retail stores.

Plus on TradeMe, the things are more interesting than in the stores because the stores to me are a lot of rubbish, you know, some things that won't last. I like to buy something that'll last...Some beautiful things. That's why I think I've turned off the things in the stores today because it hasn't got quality in it, you know, there's no craftsmanship like it used to be years ago. People were proud of what they made. And that's why the old things I think are a lot better.

(Female, 60-64 years)

Products that meet my needs exactly. Because the online auction is a source of a wide selection of goods, some buyers specifically comment that by purchasing from the online auction they are able to obtain products that meet their needs exactly. For some buyers it is

important to obtain clothing or shoes in exactly the size, style, and colour that suit them. The online auction site is a good source of products that fit their needs.

New products. Online auctions are not just a source of second-hand goods. A number of buyers are motivated to shop from TradeMe because they can buy brand new items directly from suppliers or manufacturers. This is because TradeMe has become a website on which importers and other small businesses sell their products directly to consumers. Some consumers are using the online auction site as an alternative source of supply for items such as tooth brushes, photographic equipment, perfumes, electronic equipment, and contact lenses.

The last thing I purchased on TradeMe was contact lenses. Brand new. Same brand, same prescription, everything. So there are people who are strategically selling stuff, suppliers, and once you contact them then you can get things on your own personal needs, on your own prescription and stuff...And I think as it grows it's becoming a substitute, not just a compliment to your shopping. It's becoming a substitute to smaller areas of your shopping for example for me, contact lenses. It's a complete substitute now.

(Male, 20-24 years)

Gifts. For many buyers the online auction site is a good source of gifts. Sometimes TradeMe is their first option for sourcing gifts. Interviewees speak of buying gifts for their spouses, parents, grandchildren, nephews, brothers, girlfriends, work colleagues or friends. In addition, many of the purchases from TradeMe are described as gifts for oneself. This provides evidence in support of Proposition 5b. The online auction is a source of Christmas presents, birthday presents, or wedding gifts. Items purchased include toys, jewellery, watches, books, and perfumes. Some of the items on sale are beautifully presented, such as a framed photograph. What makes it more appealing is that the item can be sent directly to the recipient, beautifully wrapped with a card.

Almost everything I buy on TradeMe is technically a gift for myself.

(Male, 35-39 years)

Anticipated utility. For some buyers, their approach to the use of TradeMe is to simply go online and find the specific item they need. Their involvement with TradeMe is driven by the anticipated utility of the item they are after. The evidence in this code indicates support for Proposition 5e. Often this is an expression of low affective involvement (Park & Mittal, 1985; Park & Young, 1986). This type of purchase is task oriented. It is a planned purchase and not impulsive. The buyer is single minded in what they are looking for. They are not interested in the hedonic aspects of the online auction such as the thrill of bidding on an item.

Usually the stuff that I've bought has been because I needed it or I wanted. So I don't just go and browse and oh, I like that, and I'll buy it, or I like that and buy it. It's usually oh, I need this, check TradeMe and if I find it, I find it.

(Female, 30-34 years)

Readily available products. The fact that the online auction lists more than a million items on sale at any one time, means that some common consumer goods are always readily available on the site. The auction site can be relied upon as a good source for commonly available goods such as cell phones and television sets. Some buyers even comment that if they fail to win such an item in auction, they are not overly disappointed, as the item will be readily available again in a future auction.

5.2.3 Perceived risks

Another pragmatic decision by buyers is their decision regarding the risks involved in buying from an online auction. Buyer's perceptions of the risks involved in purchasing goods from the online auction have the potential to reduce their motivations for involvement with the auction. This proves not to be the case. All the buyers interviewed recognise that buying goods on TradeMe involves an element of risk, but without exception, all the buyers have resolved in their minds that this is a risk worth taking. This finding provides support for Proposition 18, that, lower levels of perceived risk can be an important element in a buyer's involvement with online auctions.

Two codes contribute to the low risk sub-theme, perceived risk, and risk the goods cannot be assessed (see Table 5.5).

Table 5-5 – Codes Contributing to the Perceived Risk Sub-Theme

Code	Proposition
Perceived risk	18 supported
Risk the product cannot be assessed	-

Perceived risk. Perceived risk represents the single largest code in the interview dataset. Interviewees speak at length on various facets of the issue of risk. They speak of TradeMe as a community of mutual trust. They speak of the steps they take to assess the trustworthiness of sellers, and the tactics they use to minimise risk. Some buyers feel they were quite safe buying from TradeMe, while others feel that the minor risks involved are a fait accompli. Yet others have learned valuable lessons from a bad trading experience. Some buyers speak of TradeMe as a safer marketplace than eBay. These facets of risk are now discussed in turn.

From the interviews conducted, the impression is gained that TradeMe is a self-regulating consumer-to-consumer community built on mutual trust. Interviewees speak of an unwritten understanding, a circle of trust amongst TradeMe members.

I think if I rip someone off, a year later it's going to happen to me as well. So you know, it's created it's own little environment of [pause] people have reached the status quo where I'm not going to rip you off, you don't rip me off, and it seems to work.

(Male, 35-39 years)

There is normative pressure on members. Sellers are expected to be honest. If a seller dares to take advantage of a buyer, by providing misleading descriptions of the goods they have for sale, or fails to deliver goods that had been paid for, there will be consequences for the seller.

The feedback system helps keep buyers and sellers honest. It is a good means of protection. If a seller is dishonest, buyers can post negative feedback on them. Buyers feel that the TradeMe company does a good job of protecting its members. Dishonest sellers are delisted, or reported to the police. TradeMe does not hide instances of seller dishonesty. On the contrary, TradeMe appears keen to issue news stories about instances of dishonesty. Each of these mechanisms protects members of the community and helps add credibility to the site.

Buyers generally feel that TradeMe is a safe place to buy goods, because it is New Zealand based. Buyers feel that New Zealand is a small community, every seller lives only a short distance away, and sellers can be located if a deal goes wrong. Branded goods sold on TradeMe are genuine brands, not fakes. On both these points, eBay is perceived to be a less safe marketplace from which to buy: eBay sellers are not local or reachable, and the branded goods on sale on eBay are not always genuine.

Experienced buyers research the sellers they deal with. Buyers speak of the tactics they use to check out the honesty of sellers before making any bid on an item. They look carefully at feedback written on sellers, and do not bid on an item offered by a seller with a profile that features a lot of negative feedback. They check if the seller has a physical address. They are concerned if the name on a seller's bank account is not the same as the name they provide at the time of sale. They trust established sellers with a long record of sales or a high volume of sales, and feel that buying from new TradeMe members is more risky.

Apart from checking out the reputation of sellers, buyers have a number of other tactics to minimise the risks involved in trading. Some buyers ask sellers probing questions about the goods for sale, before bidding on them. Some buyers will not purchase large ticket items from TradeMe, for example setting themselves a upper price limit of \$500. For larger ticket items, they prefer to purchase from a retail store. Other buyers insist on driving to the seller's home to pick up any expensive item. In this way they can check out the goods before paying cash. If anything is wrong with the condition of the goods, they refuse to pay, or ask for a discount, or ask that the damage be rectified. Other buyers will not deposit

money into a seller's account until they have received the goods. Yet other buyers feel that payment by credit card is a safe option, especially if it is a card with a low limit. Some buyers use the track and trace service of courier companies, to assure themselves that goods are on their way. If the goods fail to arrive, some buyers are willing to issue a stop payment from their bank. One buyer comments that she always goes to the seller's home to pick up goods, as she prefers that sellers do not visit her home.

Some buyers speak of the risks involved in using TradeMe as a given fact, a fait accompli they are comfortable with. Other buyers admit that some sellers are dishonest, that some goods for sale are not in good condition, that sometimes a deal goes bad. But they accept these risks as minor in comparison to the advantages they gain from purchasing from TradeMe. This is the same observation as found in the interviews of online auction users by Cameron & Galloway (2005). A number of buyers speak of the lessons they have learned from a trade that went badly. They now feel wiser and more experienced, and now know how to avoid bad trading in the future. A small number of buyers feel completely safe purchasing from TradeMe, saying they have no concerns, or have never had any negative experiences when purchasing.

An issue that features from time to time in the news media is the illicit trade of stolen goods on TradeMe. Only one buyer speaks of the risk that the goods on sale might sometimes be stolen goods, and the implications of buying such goods.

Risk the product cannot be assessed. The literature recognises that there are two aspects to risk in purchasing from an online auction. Firstly, risks associated with the honesty of the seller, and secondly risks associated with the quality of goods. The discussion of findings above speaks of interviewees' doubts about the honesty of sellers. Interviewees also comment on the risks associated with the quality of goods.

Interviewees comment that they do not know how old items are, or what condition they are in, before they buy them. This is especially so if the listing does not include a photograph. Some buyers feel they have been misled by the description of the item they purchase. Other

buyers are strong in their opinion that they will not buy clothing from the online auction because they cannot be sure it will fit them, or cannot be sure of the colour of the item.

You get your item. That's not what it looked in the photo! It's a heck of a lot worse than the photo. So that elation and excitement, all that anticipation, is suddenly wiped out in seconds by seeing your physical product at that point in time. Whereas back in the shop you can see it and go, hmm, no, that's got a scratch on it, that's broken, that's got a whatever. I don't want it, I'll go to the next store.

(Male, 35-39 years)

5.2.4 Utilitarian - ethical considerations in buying

Buyers provide a number of rational reasons for using online auction sites that reflect their ethical principles (see Table 5.6). Three codes contribute to this sub-theme, ethical reasons for buying from an online auction, an appreciation that purchasing recycled goods contributes to sustainability, and loyalty to the TradeMe website. Each of these codes emerged from the data analysis. None had been anticipated in the study propositions.

Table 5-6 – Codes Contributing to the Ethical Sub-Theme

Code	Proposition
Ethical principles	-
Sustainability	-
Loyalty	-

Ethical principles. Some consumers buy from TradeMe because they support the ethical principles TradeMe demonstrates. They believe the TradeMe company has a heart. They like the fact that the system of consumers buying and selling from one another is built on trust, and believe that is the way society as a whole should be. Some buyers like the fact they are buying from home businesses, via the online auction, and thus supporting householders like themselves. They admire that TradeMe runs charity auctions, is involved in community projects, and offers sellers the option of donating a portion of each sale to charity.

I really think the rating tool keeps people honest and is a nice thing too. I sort of think that it's how society should be, and in many cases is, in a day-to-day real world, not just a virtual world. I think so, built on trust and ethics and the right thing to do, how should you morally be. And I think it's been a really successful, really successful tool and I like what it stands for ... The other thing is I like supporting individuals rather than big franchises and corporates. And if there's young, as I said before, cottage industry women with a new business, I like supporting that.

(Female, 35-39 years)

Sustainability. Some buyers believe that in buying from an online auction they are practicing environmentally friendly behaviour and sustainability. They believe that by buying second-hand goods they are practicing recycling and that by buying from local producers they are reducing their carbon footprint.

We believe in re-using and recycling. So you know, if I can get what I want on TradeMe rather than buying it brand new and, you know, elongate the life of something then I think that's good... Also to buy local where you can, so that things have less air miles and you know carbon burning and all the rest of it.

(Female, 35-39 years)

Loyalty. Many buyers feel a strong loyalty to TradeMe. They identify with TradeMe as very much a New Zealand enterprise, and believe that in buying from TradeMe they are being patriotic, and providing employment and income to New Zealanders. For this reason, they would rather buy from TradeMe than eBay or another auction site. Many buyers identify with Sam Morgan, the founder of TradeMe. They are aware of the legend of how he created the website and believe that Sam Morgan represents the best of New Zealand values of ingenuity, entrepreneurship, and honesty.

I'm proud that it's a Kiwi thing.

(Female, 35-39 years)

5.3 Theme Two – Hedonic Motives for Involvement with Online Auctions

In addition to the utilitarian motives buyers display, buyers also reveal a number of hedonic motives for their involvement with online auctions. Hedonic motives refer to the emotional benefits obtained from participating in an activity, such as the experience of fun, enjoyment or excitement (Holbrook & Hirschman, 1982). Theme Two identifies buyers' hedonic motives for involvement with online auctions. Four sub-themes contribute to this theme, hedonic aspects of bidding, browsing, ownership and hedonic aspects of hunting for bargains (see Table 5.7). Each of these sub-themes is now discussed in turn.

Table 5-7 – Theme Two – Hedonic Motives

Theme	Sub-themes
Hedonic Motives	Bidding
	Browsing
	Owning
	Bargain-hunting

5.3.1 Hedonic aspects of bidding

Buyers speak of the hedonic pleasures gained from bidding in the online auction site. The first column of Table 5.8 lists the codes in the dataset informing this sub-theme, competitive behaviour, excitement and fun, bidding frenzy, quasi endowment, loser's curse, and control myself. The second column of the table recognises those codes that are aligned with one of the research propositions developed in Chapter 3.

Table 5-8 – Codes Contributing to the Bidding Sub-Theme

Code	Proposition
Competitive behaviour	4 supported
	2d supported
Bidding frenzy	17 supported
Excitement and fun	2a supported
Quasi endowment	16 supported
Loser's curse	15 supported
Control myself	

Competitive behaviour. Interviewees speak at length about their competitive nature and their desire to win in auctions. The competitive code is used to identify a characteristic of the buyer, their competitive nature. There is considerable evidence in the interviews in support of Proposition 4. A number of buyers describe themselves as competitive people. They enjoy competing. Rather than using the Auto-bid function, for them there is a lot more pleasure to be gained from participating actively in the auction. Many buyers say that they love to win and hate to lose. They enjoy the thrill of winning an auction. They enjoy the feeling of having beaten another bidder. It makes them feel like a victor. This provides support for Proposition 2d, that the thrill of winning a bidding war can be an important element in a buyer's involvement with online auctions. Sometimes the competition becomes even very personal in nature: there is a single bidder, identified by a nom de plume, who must be beaten.

Not all buyers are competitive in nature. Some buyers specifically state that they do not like the competitive nature of auctions, and would rather obtain the goods for a set price. They do not like the uncertainty that accompanies competing in an auction, and just want to own the item on sale. There is obvious variation in the level to which competitiveness is a motive for buyers in online auctions. This is a useful finding. If a quantitative measure of buyers' enduring involvement with online auctions was developed, the measure should probably include rating scale items for competitiveness.

I like the competition element, I like the bidding....That was the thing when I first went on it, that was the thing that I got really excited about, and it's like an element of competition...Auto bid doesn't sound very fun. I prefer to go, make a bid.

(Female, 30-34 years)

I enjoy the competitiveness of it. I'm a very competitive person, no matter what it comes to, whether it's sports, whatever, very competitive, so I like the thrill of bidding against somebody else.

(Male, 35-39 years)

It's not even that I really want it, I just hate losing.

(Female, 35-39 years)

Bidding frenzy. Proposition 17 from the Literature Review chapter suggests that bidding frenzy is a motive for buyers' involvement with online auctions. The bidding frenzy code was used to identify an aspect of behaviour which develops during the auction. There is considerable evidence in the interviews to support this proposition. In fact, more evidence from the interviews is coded to the bidding frenzy code than any other code used in this research, apart from buyer perceptions of risk (see section 5.2.3).

Buyers speak of being caught-up in the excitement of the bidding war. They speak of being barely able to control their bidding in the competitive environment. They enjoy this excitement, which they find very different from the pleasures of shopping in a retail store. They speak about their hearts pounding. The experience is an adrenaline rush for them. This level of excitement is beyond the enjoyment of the game, it is more like a battle.

Some buyers relate stories of having paid much more for an item than they intended. In the bidding war, the prices keep going up and up. A number of buyers say they end up wanting an item more, because someone else wants it too.

Bidders may go through a series of stages in an auction. At first, they are excited to have found a desirable item, something they really want. Then they place a bid on the item, and

feel disappointed when someone else also desires that item and is bidding against them. They become angry, and the adrenaline rush of a bidding frenzy kicks in. When the auction is over, they feel the euphoria of having won or the disappointment of having lost.

The TradeMe website has an auto-extend function on auctions. If a bid is placed in the final minute of the auction, the auction is automatically extended for a further two minutes. This encourages continued bidding if a buyer wants to win the auction. As an illustration of the frenzy of the bidding war, a number of buyers relate stories about the final two minutes of an auction. They describe sitting at their computer frantically pressing the refresh button on the keyboard again and again, to view the moment-by-moment action so their competitor will not sneak in the final bid before auction-close.

There's a few cases where there was one other person bidding against me, and we were one on one. In that sort of case you sort of don't care about price in a way. You just want to win the auction ... Usually your heart keeps rushing up and down, for me anyway, saying come on, am I going to win, am I going to win?

(Male, 20-24 years)

And I find you end up going much higher in auctions sometimes than you meant to just because you go, I want it, I want it. I said I'd only pay \$20, now it's at \$30, but I want it, I want to win. And I got into that a lot, and I bought some stuff that I paid way too much for, just because I wanted it ... It's almost like you decide you desire it more because of the competition, you desire it more because someone else wants it.

(Female 30-34 years)

Then you get the person that bids every single time you bid, they'll bid again ... So you build up a very competitive interaction with that person...You're quite excited because you've found what you want, and you think great I'm going to get that. And then all of sudden someone comes in and bids against you, and you're ... deflated straight away ... There's a little bit of aggression I guess comes out, you're going to continue to bid against that person...So there's a bit of anger comes into it I guess because they refuse to give up, because they really want that item. So they keep bidding ... Why isn't that person stopping?

(Male, 35-39 years)

I've sat there and thought, oh no, this person is not going to have it...I wanted this, and I've gone higher and higher and higher, until I've got it, and I've paid far more than I actually wanted to, but you know, it's that thrill...Well it's like an adrenalin rush, it's sort of like gambling in a way... you just think I'll just have one more bid and I'll get it, I'll have one more ... I'll put one more dollar and yes, it is quite addictive, and it gets quite stressful too... all of sudden you don't realise how much you wanted something until maybe somebody else thinks that they do.

(Female, 30-34 years)

Excitement and fun. In contrast to the seriousness of buyers who treat the auction as a competitive battle, a number of buyers simply view the online auction as a source of excitement and fun. They see the online auction as a game, in which it is fun to participate. There is evidence in the interviews in support of Proposition 2a.

It's just the thrill of it, and just that excitement and thinking, okay you know, you're bidding on something you want, and yes it is good fun.

(Female 45-49 years)

Quasi-endowment. Proposition 16 from the Literature Review chapter suggests that quasi-endowment is a motive for buyers' involvement with online auctions. Quasi-endowment refers to temporary feelings of ownership that the bidder experiences during that part of the auction when they are currently the highest bidder (Heyman et al., 2005). There is evidence in the interviews to support this proposition.

I think probably the closer to the end of the auction it gets, the more you sort of feel like yes, it's going to be mine...Towards the end of the auction, once the time is ticking down and you're refreshing the page to see if anyone else has bid and it says you know, one minute remaining to the end, and you're thinking oh...me, it's mine, yes!

(Female, 35-39 years)

Quasi-endowment is not a motive experienced by all buyers. Some buyers are careful to not assume they have ownership of the item until the auction closes. Others are less cautious.

Because there is variation in this motive, this suggests that any quantitative measure of buyers' enduring involvement with online auctions should include a rating scale item on quasi-endowment.

I tend to be a person that doesn't count my chickens until they've hatched. I've always been like that with everything until I've got that item in my hand, or until it says closed, you are the winner. I haven't got that item as far as I'm concerned, until those things are done. I've always been like that.

(Male, 35-39 years)

Loser's curse. Proposition 15 suggests that the loser's curse is a motive for buyer involvement with online auctions. Loser's curse refers to the regret that bidders experience if they fail to win an auction and gain possession of the item being auctioned. Anticipation of this regret may motivate a buyer to compete vigorously in an auction (Cheema et al., 2005). There is evidence in support of this proposition. Buyers speak of the anger or disappointment they experience if they do not win a desired item at auction. As a result of failing to win the auction, some buyers speak of renewed vigour in searching TradeMe for a replacement.

Not all buyers experience loser's regret. It was pointed out earlier in this chapter (section 5.2.1) that many items on TradeMe are readily available. As a result, a number of buyers state that they do not feel extreme disappointment at losing an auction, because they know an identical item will be available elsewhere in the auction site. This variation in buyer behaviour suggests that a rating scale item on loser's regret could usefully be included in any quantitative measure of buyer's involvement with online auctions.

One thing I remember I missed out on it because TradeMe sent me a reminder an hour before the end, and I didn't, I wasn't at my computer to get that email, and then I forgot about it. So some other person got an awesome deal on this jacket that I was looking at because I wasn't actually around at the computer to get it. I should have told TradeMe to send me a text message and then I would have been able to go on and win it. And yes, so I

was really disappointed that I didn't get that because it was an awesome deal, and only one person bid on it.

(Male, 20-24 years)

An example is there's some nice old doors and things that I want for my house and they're pretty hard to find, so when you see them, you're like fantastic, there's what I'm after, I've been looking for a little while. And you bid and you bid and you bid, and then you lose. There's definitely a sense of anger and frustration because they're quite hard to come by this particular item of product. I've now got to start my whole search again.

(Male, 35-39 years)

Control myself. As a final expression of how much the bidding process motivates buyers to be involved in the auction, a number of interviewees explicitly describe actions they take to control their bidding behaviour. Such buyers are aware that they can get caught-up in the bidding frenzy and pay too much for a desirable item. To control their behaviour, a number of buyers set themselves a maximum price limit to spend on an item, and stick to that limit. Other buyers use the auto-bid function to avoid being caught in a bidding frenzy. Still other buyers put items on a watch list and consider bidding on them at some future date, rather than reacting instantly and impulsively at the time they first see a desirable item.

I'm very controlled, thankfully...yes, thankfully, I'm very controlled. So I would know my limit, and then I would either put it on auto bid, and if I get it, I get it. If I don't, I don't...I'm very disciplined.

(Female, 30-34 years)

Given the contrasting behaviour between bidding frenzy and controlling oneself, if a quantitative measure of buyers' involvement in online auctions was developed, that measure should include a bi-polar item, with "bidding frenzy" on one extreme and "control myself" on the other extreme.

5.3.2 Hedonic aspects of browsing online auctions

Buyers speak of the hedonic pleasures gained from browsing the online auction site. The first column of Table 5.9 lists the codes in the dataset informing this sub-theme, enjoyment of browsing, experiencing a state of flow, entertainment value, diversion from daily routine, and habit and routine. The second column of the table recognises those codes that are aligned with one of the research propositions developed in Chapter 3.

Table 5-9 – Codes Contributing to the Browsing Sub-Theme

Code	Proposition
Enjoyment of browsing	8 supported
	3 supported
Flow	7c supported
Entertainment value	2b supported
Diversion from daily routine	5a supported
Habit and routine	

Enjoyment of browsing. Buyers gain considerable enjoyment from browsing the online auction site. The evidence in this code indicates support for Proposition 8. Buyers enjoy spending time looking on the site just to see what is on sale. Some buyers describe their browsing behaviour as being just like window shopping. They enjoy discovering what new items have been recently listed, and enjoy looking at desirable items. They are curious about the unusual items that other people own and put up for sale. This provides evidence in support of Proposition 3, that the need for stimulation through exposure to new, varied and novel stimuli can be an important element in a buyer's involvement with online auctions.

I found sometimes I have done searches where you just are looking...not because you want it, you just want to see what's there, and suddenly I go, oh, look at all this stuff, I never even thought about this, you know... I could buy this for a present, I could buy this.

(Female, 30-34 years)

Flow. Chapter 3 presents the proposition that consumers may experience a state of flow if they become intensely involved in participating in an online auction (q.v. Section 3.3.3). Flow is a psychological state that occurs during periods of intense concentration on a challenging task, and involves a loss of self-consciousness and a loss of awareness of time (Csikszentmihalyi, 1975). Researchers note that consumer use of the Internet sometimes induces a flow state related to involvement with the medium (Huang, 2006). The interviews reveal evidence in support of Proposition 7c. A number of interviewees recognise that they become so intensely involved in browsing the online auction site they lose track of time.

I get lost if you like. I get into things and then I get further and further until I can't actually find my way back to where I was. Because I might read someone's feedback and think, I wonder what that was for, and I'll find that and I'll look at what that person sells, and then you get deeper and deeper into things...I don't really realise until Telecom sends me alerts saying that I've used my broadband allowance. You're 80%, I think oh, I know by tomorrow I'll be over 100... I do lose track of it [time].

(Female, 30-34 years)

Some respondents comment that they can spend as much as two hours engrossed in this activity.

I'll go home and I'm bored, there's nothing on TV, it's 11.00 o'clock at night, I'm not tired, and then I'll go on TradeMe. And then it's like gee, I've been on here for 2 hours, you know. So you've got to watch yourself for that. Whereas you wouldn't probably be in a mall for 2 hours you know. So, it can be very addictive... I'll go online just to have a look and then I'll think, oh my God, two hours later and I'm still on there.

(Female, 35-39 years)

Buyers find that one interesting item for sale leads them onto other items, and they will continue clicking a long series of links as further items grab their interest.

You'd be on until late at night ... And you would totally lose track of time, you'd be so engrossed and you'd go from one to the next, oh look at that and oh... say there's a feature, *see other items you might also like* or they bring up other items you may also like or I'd

click on *see seller's other listings*...They've got the things I like, what else have they got? So you'd jump from one to the next to next and time certainly would go, and you wouldn't notice it.

(Female, 35-39 years)

Entertainment value. Buyers use visits to the TradeMe website as a source of entertainment. They find the website to be fun and amusing. Some find the online auction more entertaining than television or shopping at the mall. Some describe visiting the online auction as their source of retail therapy. There is evidence in the interview transcripts that provides support for Proposition 2b.

I think it's entertaining, I think it's really entertaining. I watch other people's auctions. I'm just nosey, I'm terrible... There's nothing to watch on TV, I like to be busy doing things. And I can be sitting there and watching auctions and checking emails at the same time, you know, and it is I think it is exciting. It's great entertainment actually and very harmless if you don't buy too much.

(Female, 30-34 years)

Diversion from daily routine. A number of buyers comment that browsing the TradeMe website is a pleasant break or diversion from daily routine at home or at work. The evidence in this code indicates support for Proposition 5a. Browsing TradeMe helps buyers take their mind off the drudgery of daily activities. Chapter 1 reports that online auctions sites are amongst the most common websites visited by employees in New Zealand during working hours (Eriksen, 2008). Some interviewees comment that they visit TradeMe to take a break from their work.

Sometimes at work, when I'm looking at Excel spreadsheets for hours on end or something and you feel your eyes start to go all a bit blurry, you want to switch off from that work and something else to perhaps just switch on and do for the next 10 minutes, to give the brain a bit of break. You don't have to think as much or something like that. So I'll either go for a walk around the block, or I'll just jump on TradeMe and have a look at what I'm bidding on or what's on my watch list, or just look through TradeMe. Not necessarily to buy anything, but just to get away from the work, relax by just focusing on something else for 10 or 15

minutes. And I'll just scroll through the DVD section, or the book section or something, just to see what's there, but not necessarily to buy more, just to get away from what I'm doing, what I've been focusing on.

(Male, 20-24 years)

Other interviewees, such as the interviewees who are students, comment that they spent time on TradeMe because they want to procrastinate with their studies.

Habit and routine. For many of the people interviewed, checking the TradeMe website has become a habit, part of their daily routine. Just as interviewees check their emails on a regular basis, so they also check the TradeMe website for updates on the auctions they are participating in, or new listings in the categories that interest them. Some buyers log onto the TradeMe website first thing in the morning at breakfast time. Some keep the computer on all weekend, and when they have a spare moment, check the website. Others insist on checking the website even when they are on holiday. This may indicate a high level of involvement with online auctions.

It can be debated whether this involvement is utilitarian or hedonic in nature. The utilitarian aspect of this involvement is the important information that buyers acquire from regularly visiting the auction site. The hedonic aspect of the involvement is the pleasure of browsing that buyers experience from visiting the auction site.

5.3.3 Hedonic aspects of owning goods

Buyers speak of the hedonic pleasures gained from desiring and owning goods. Four codes contribute to this sub-theme, compulsive buying, impulse buying, desirable items, and package in the mail. Each of these codes is now discussed in turn.

Table 5-10 – Codes Contributing to the Owning Sub-Theme

Code	Proposition
Compulsive buying	9 supported
Impulse buying	10 supported
Desirable items	2c supported
Package in the mail	

Compulsive buying. In Section 3.4.4 compulsive consumption is defined as “a response to an uncontrollable drive or desire to obtain, use, or experience a feeling, substance, or activity that leads an individual to repeatedly engage in a behavior that will ultimately cause harm to the individual and / or to others” (O'Guinn & Faber, 1989, p. 148). Compulsive buyers, it is pointed out, have an irresistible urge to buy, and experience pleasure and excitement from buying and rewarding themselves (Faber et al., 1987).

The typical items purchased by compulsive buyers - clothes, cosmetics, jewellery, gifts, electronic gadgets and cars - are readily available from online auctions. Other researchers observe compulsive buying among consumers in online auctions (Cameron & Galloway, 2005; Peters & Bodkin, 2007). The current study reaches similar conclusions. Interviewees relate a number of stories of excessive behaviour, indicative of compulsive buying. They relate stories of spending excessive time or money or both on the online auction. This provides support for Proposition 9, that compulsive buying is an element of a buyer's involvement with online auctions.

A number of features of the online auction marketplace encourage this compulsive behaviour. Buyers relate stories of getting caught-up in the excitement of a bidding war and spending an excessive amount of money. Other buyers feel compelled to buy items immediately rather than risk the chance of never acquiring the items. One buyer relates a story of bidding on four video games simultaneously in four different auctions, as each of the games was desirable (a practice termed cross-bidding (McCart, Kayhan, & Bhattacharjee, 2009)). When he won all four auctions he was initially elated, then realised the total cost of these four wins on his wallet!

Buyers talk about spending excessive time online because they are intent on finding a specific item and keep browsing for hours until they find it. Some buyers describe logging into the online auction often throughout the day, from very early in the morning, then during the hours of work, then again at night time. Some stay online on the auction until the early hours of the morning, waiting for an auction to close or simply involved in browsing the site for a desirable item.

Some buyers appear to get 'hooked on' the buying experience and admit that they have gone over their budget. Their successes in getting a few bargains encourage them to continue shopping. Some buyers talk of being on a 'buying binge' or of being addicted. They feel that involvement with the online auction can be dangerous, and they have to make efforts to control themselves. Others relate stories of their spouses commenting about the excessive time or money they are spending on auctions.

Because each item they purchase is such a low price, some buyers fail to recognise that when they buy a large number of low-priced items, their total expenditure adds up to a large sum. The same buyers admit that a number of the items they have acquired at a low price are items they neither need nor use.

Oh well, when I was looking for the furniture, I was getting involved and it was two in the morning or something like that. My husband was... *woman, what are you doing? Get down here, you know. So alright, just a minute, just a minute* and I have just to finish that section.

(Female, 60-64 years)

It's a dangerous thing really, if you've got no self control. I mean sometimes we've bought a plant, you know, a plant here and a plant there and then look, in a week \$1,000 has gone.

(Female, 45-49 years)

There have been times I've stayed up to ridiculous hours of the night because there has been something I've wanted, and I've suffered the next day by being extremely tired or whatever, but I want that product, I'm going to stay up for 11.30 tonight, and I'm going to

bid until I get that product... Well, I'm up all night, I really want it, what's the harm in paying another \$50?

(Male, 35-39 years)

I'm sure I was addicted at some point. I needed to check all the time, every few hours, what was happening to my auction.. I probably bought some things that I didn't absolutely need.

(Female, 35-39 years)

Sometimes I feel like it dominates my day a bit actually ... Sometimes I think I've got to stop this, it's like an addiction... I think I really should be playing with my kids, they're just sort of playing around me, and I'm yes, *in a minute, in a minute, I have to look at this...* I think there are some days when I feel really guilty... Some days I race in the door and I'm on there, any emails, anything on TradeMe, bids, anyone outbid me?

(Female, 30-34 years)

I used to do a lot of TradeMe at like 2.00, 3.00, 4.00 in the morning, so when I was up already or I couldn't sleep because I especially late in pregnancy, I had insomnia. So I'd be up on TradeMe, yes, and spend a lot of money ... He [my husband] said I'd love to put a camera and log in, you probably check it more than you recognise.

(Female, 35-39 years)

People telling me, you know, like man, *was that another TradeMe?* Yes. *Did you really need that? How many pairs of black shoes do you have?* I'm like yes, *I know, I'm getting bad, I'm getting bad. You need to go to TradeMe AA*, and we'd laugh about it, laugh about it. And then it was like gee, you know, I'd look in my wardrobe or whatever and I'd say I didn't really need that. I didn't need that, you know.

(Female 35-39 years)

It is interesting to note that a majority of the instances of compulsive behaviour are reported by female interviewees, as suggested in the literature (O'Guinn & Faber, 1989). This observation however cannot be taken as conclusive without undertaking a large scale representative survey of online auction buyers.

Impulse buying. Impulse buying can be distinguished from compulsive buying. In compulsive buying the desire to own products is not the primary motivation for shopping, instead, the compulsive buyer is driven by an urge to acquire items. Compulsive buyers display a lower level of object attachment compared to general buyers (O'Guinn & Faber, 1989). In many instances, compulsive buyers do not even unwrap the items they purchase!

Impulse buying refers to those unplanned purchases that are made suddenly with no pre-shopping intentions, and associated with strong emotional responses (Beatty & Ferrell, 1998). Impulse buying is different from buying based on stored demand. The interview data provides evidence of impulse buying on TradeMe by the consumers interviewed. The data provides support for Proposition 10. A common feature of buying on impulse from the auction site is that it is prompted by browsing the site. The website makes browsing for items easy. Buyers can spend hours looking through their favourite categories, following an easy chain of links from item to item. Browsing the site, the buyer stumbles upon items they had no prior knowledge of, nor plans to buy. The items they find come as a pleasant surprise, they look highly desirable, and the buyer is struck by an urge to bid on them.

The items purchased on impulse are often of a low dollar value and the buyer considers there was little harm in bidding on them. Alternatively, the item appears to be a real bargain and the buyer is attracted to the item by feeling they are saving themselves money. Still other items are purchased on impulse because they are rare, and the buyer feels they should bid on it now or otherwise lose the chance of finding it again.

Interviewees suggest that activities by the seller can encourage impulse buying. If the seller has used attractive photography and written a lengthy description to promote the item, this can make the item particularly attractive. This observation concurs with the findings of Stern and Stafford (2006), and Gregg and Walczak (2008). One feature of the auction website also encourages impulse buying. This is the weblink at the bottom of each listed item for sale declaring, "other stuff you might like". This encourages buyers to continue browsing through the items for sale.

You sometimes come across things and think, well that's quite nice. And you check out the rest of the listings and think oh, that's nice too, and that's nice. And let's have a go, we could win it easy. You know, they're not always sort of essential items, obviously they're all luxuries.

(Female, 30-34 years)

Gosh, I have bought some weird stuff, like stuff that I didn't go with the intention of buying ... And I started off just looking for Dora [the Explorer] stuff, like Dora party bags ... I went oh, I didn't know you could get that and that and that. And so I bought more stuff than I would have [had I] gone to a store.

(Female, 35-39 years)

Desirable items. Buyers speak of how searching for, and finding, a highly desirable item increases their motivation to spend time in the auction. There is evidence in the dataset in support of Proposition 2c. The online auction is seen as a good source of the goods that buyers desire. When buyers want a specific item, whether it is a power tool, a motor car, an item of furniture, a collectible or a concert ticket, they spend hours on the auction site over a period of days or weeks, looking for the item to be listed. Buyers are thrilled to find the item they specifically desire, and pay close attention to the auction of that item perhaps even switching off the auto-bid function. If they finally win the item and receive it in the mail, they are very excited.

We looked and looked and looked and looked, and finally found what we wanted ... Sometimes you can spend about a week, two weeks looking for something that you want.

(Female, 45-49 years)

Well my friend rang me from Dubai and said I'm in Auckland on the 9th December, do you want to go to Kylie [the Kylie Minogue concert]? And I said, it sold out in 5 minutes. And he said, oh no, I'm watching them on TradeMe. So over the course of the next few days I had emails, texts from him going: I'm looking ... and then I got them, and I opened them up and I was like texting back "We've got the tickets!" I've got to put them somewhere safe, you know. And you get excited.

(Female, 30-34 years)

Package in the mail. A number of buyers comment how they enjoy receiving parcels in the mail. Some comment how it reminds them of receiving a present, and eagerly open the wrapping of the package to see what is inside. This contrasts with the usual volume of items they receive in the mail, which are typically bills. Some find the receiving of packages in the mail is more exciting than buying from a retail store.

It's great to receive a package in the mail... that sounds funny because... you don't actually get tangible personal things in the mail, you don't get letters.. you get bills ... it's nice to receive a package. Like if someone sends you a package without you knowing it, and it's really exciting and in some ways maybe TradeMe does that too, you know.

(Female, 35-39 years)

When I was a little girl, the parcel van used to come around at Christmas and it would be really exciting, you'd have parcel in the post. Now it's really exciting getting a parcel in the post.

(Female, 50-54 years)

Whereas if you go into a shop, it's pretty transactional, you know. Whereas I guess there's that extra element of oh, I'm waiting for it to turn up, has it arrived today?

(Female, 30-34 years)

5.3.4 Hedonic aspects of bargain-hunting

Buyers speak of the hedonic pleasures experienced from gaining a bargain in the online auction or negotiating a bargain. Two codes contribute to this theme, bargain-hunting and pleasure in negotiating (see Table 5.11).

Table 5-11 – Codes Contributing to the Bargain-Hunting Sub-Theme

Code	Proposition
Bargain-hunting	
Pleasure in negotiating	5d supported

Bargain-hunting. For some buyers, participation in the online auction provides one of the same pleasures they experience in retail shopping, the pleasures of hunting for a bargain. Interviewees declare with some joy, there are bargains to be had! Buyers describe the thrill they experience when they not only find an item they were looking for, but they also get that item at a bargain price. This provides a sense of self-satisfaction for them. They consider themselves to be clever shoppers.

I feel most elated when there's a situation where you...just might bid 50 cents and you win it. And you think, oh my God, no one else was watching that [item], you know. Smart me. So that's a really good feeling because you think, well, no one else was in some respect as smart as me to find that.

(Female, 35-39 years)

Pleasure in negotiating. There are occasions when buyers can negotiate for the price of an item. For example, instead of bidding on an item, they can offer the seller a set price. On other occasions, when the auction finishes without a successful sale, the seller may approach bidders offering them the goods at a set price. These occasions present the buyer with the opportunity to negotiate a good price. For some buyers this is an experience they enjoy, as they enjoy negotiating. Buyers with good negotiating skills can get the items they desire, at a bargain price.

5.4 Theme Three – Social Motives for Involvement with Online Auctions

Beyond utilitarian and hedonic motives, a set of social motives for involvement with the online auction are described by interviewees. Theme three recognises the social motives for buyer involvement with online auctions. Nine codes contribute to this theme (see Table 5.12), virtual presence, virtual community, community in the physical world, business relationships, in-group, and positive comments from friends. These codes are now discussed in turn.

Table 5-12 – Theme Three – Social Motives

Code	Proposition
Virtual presence	14 not supported
Virtual community	12 not supported
Community in the physical world	
Business relationships	
In-group	
Positive comments from friends	

Virtual presence. Proposition 14 suggests that the virtual presence of other consumers can be an important element in a buyer's involvement with online auctions. This proposition arises from an examination of the literature on social facilitation theory (Zajonc, 1980). Previous experimental research with simulated online auctions suggests that the virtual presence of other bidders may encourage buyers to participate more frequently and bid more vigorously in an auction (Rafaeli & Noy, 2002, 2005).

There is mixed evidence in the interview data regarding this proposition. Much of the evidence fails to support Proposition 14. Rather than being attracted to participate in auctions where there are other bidders, interviewees suggest they would rather participate in auctions that attract few or no bidders. Other bidders are a nuisance, who drive up the price of an item. If there are no other bidders, they will be able to obtain the item more readily, and at a lower price.

No, no, it's not the people on TradeMe, they're not the reason I log into TradeMe. I log into TradeMe to buy something. I don't care if there's one person on it, or 600,000. And I don't know who, what, why or when or where that one person is. Apart from having this name pop up and a figure competing against me, I don't even care who's on TradeMe, or how many people.

(Male, 35-39 years)

It's usually just annoying. I don't want other people bidding on stuff, because I'm trying to get something cheap. If other people are bidding on things they're just pushing the price up. So, no, that's a nuisance.

(Male, 35-39 years)

Many buyers do not view participating in an auction as a social act. To these buyers, the other bidders are just faceless numbers, they are not people to interact with socially.

One interviewee, on the other hand, recognises social facilitation processes in her own behaviour. This interviewee assumes that the auctions attracting many participants are probably selling better products, and she is willing to bid a higher price for those items.

If I saw there were 20 watchers, I'd be like oh my God, you know! And reassess my price, and I might take it up because the assumption would be there's that many people, so it's such a good product or price. So that would make me a little bit nervous, and it would just make me more competitive and probably spend more than I need to.

(Female, 35-39 years)

It appears that social facilitation may impact on consumer's bidding behaviour in the auction, but it is not a motivating factor to encourage involvement with the auction.

Virtual community. Proposition 12 suggests that the desire to belong to a virtual community of interest can be an important element in a buyer's involvement with online auctions. Virtual communities are groups of people that form on the Internet to conduct public discussions, share feelings, and form social relationships (Rheingold, 2005). Chapter 3 argues that the Message Board facility of TradeMe promotes the formation of one type of virtual community, a virtual community of interest. A virtual community of interest is a loosely-held, community that gathers around a common topic of interest, to exchange information, ask and answer questions. Members of the community seek information for personal benefit, rather than for the benefit of the community as a whole (Henri & Pudelko, 2003).

The interview data does not support Proposition 12. None of the 20 buyers interviewed is currently active on the TradeMe message board. Many are not even aware that the message board exists. Others are aware it exists but have never visited. Still others have a negative impression of the community message board and choose not to visit it. Only one buyer had used the message board in the past, and this was to learn about auction policies and mechanisms when she first started using TradeMe (Cameron & Galloway, 2005).

I'm not sure TradeMe has a community board like that. If there is, I haven't used it.

(Male, 20-24 years)

I know of it, but I've never actually gone on to any of their forums or stuff, but I do know of it.

(Female, 20-24 years)

The community itself is generally a cesspool. Yes, there is little or no reason to actually go there.

(Male, 20-24 years)

One interviewee comments that if he wanted to be part of an online community he would much rather visit FaceBook, the online social networking site. Although the TradeMe message board has dozens of discussion threads, the buyers interviewed are not participants. It appears that the opportunity to join a virtual community of interest is not a motive for involvement with online auctions for the people interviewed. This issue could be researched further to determine if the participants in TradeMe's message board are active buyers from the auction site or not.

Community in the physical world. Though the interviewees have not joined the virtual community of the TradeMe message board, the interviews reveal a surprising fact: many buyers have joined a community as a result of participating in the online auction. The interviewees reveal a very different, and unexpected community amongst TradeMe buyers, a community in the physical world. Rather than an online community, it appears that TradeMe's buyers and sellers have formed communities offline.

The research finds that substantial social contact between buyer and seller commences when the auction finishes. The procedure of a TradeMe auction requires the winner of the auction (the buyer) and the seller to communicate with each other. After the auction finishes, the TradeMe site reveals email addresses of the buyer and seller, to the buyer and seller. They then communicate with each other by phone, text message, or email to arrange payment and delivery of the goods. Sometimes buyers prefer for goods to be delivered through the post, especially if it is a small item that can be posted. On other occasions, the buyer and seller meet to physically exchange the goods for payment.

Buyers speak at length of the enjoyment they experience in meeting sellers for the first time. They speak of how pleasant and friendly sellers can be. Buyers enjoy socialising with sellers. Some contrast this experience to the impersonal experience of online shopping, where there is no human contact. Sometimes they strike up friendships with the sellers. Other buyers relate stories of how sellers can be very accommodating with their requests, such as delaying pick-up for a few weeks.

Common sense would suggest that buyers might be apprehensive about meeting at a stranger's house to exchange money for goods, or having a stranger visit their home. Few of the interviewees express this apprehension. By contrast, most buyers speak of how enjoyable it is to meet with strangers for the purpose of buying and selling. It is as if, for some buyers, the satisfying experience of meeting with a stranger, and exchanging goods for money without any suggestion of physical harm coming to them, has restored their faith in people. Some buyers say that the TradeMe community represents the best of the 'Kiwi spirit', a community based on mutual trust and understanding. The combined effect of obtaining quality goods at a good price, and experiencing a pleasant social exchange with a stranger as a result of the transaction, motivates buyers to continue to use TradeMe.

Once you buy something you have you know some communication with the seller, and you generally go and meet the seller if you're picking up an item. And um yes, it's often quite a

pleasant social experience. Even if it's just email exchange, it's generally people are generally very friendly and chatty and you know.

(Female, 35-39 years)

If it's in Auckland I might go and collect it. They're all very pleasant, they're all [pause] it is almost like a TradeMe community, you know. Yes, everybody is kind of in the same boat, and yes, I've never had any problems.

(Female, 50-54 years)

It's a community you know. You talk to each other.

(Male, 35-39 years)

You know we've met these people and they just say pop in anytime, so that's quite nice. You've made a [pause] you know, you meet people, yes, made a friend.

(Female, 45-49 years)

What I sometimes like about it is there's a little bit of an email conversation that goes on after the sale, with the buyer or the seller organising how to make it happen. And people are generally friendly, down to earth, great Kiwis, it's a real Kiwi spirit I think... I've had traders, they put in little gifts into the parcel. I don't know, you've bought something and they give you a little, a little chocolate, or a little soap or something and you're like, what friendly, nice people...

I think it only becomes real when you have completed a sale and then you start entering into negotiations about how to pay, where you live, posting, collecting, what time suits. And then it often goes from the computer to phone, or the computer to the cell, text messages. So then it becomes much more engaging and personal. At that sort of virtual phase there's not a lot of human contact there, no face to face, no voice. As soon as it steps out of that then it becomes much more engaging...

I like the personal aspect of it. I sold a book to somebody and they took ages to come back to me. And then they said, oh, they had a funeral and they're very sorry about the delay. And it was just a really nice feeling. Oh don't worry, never mind, and I'm so sorry. And

then we had a few emails going back and forth about the funeral, nothing to do with the purchase.

(Female, 35-39 years)

Just one interviewee speaks of apprehension in meeting sellers.

I don't like that part to be honest... It's when you get the email and you think, oh my God it's a nutter. Because they sort of make these shapes in their words and they've got all these little pictures down the bottom there. Like, oh my God, I've just bought from a crazy nutter that spends too much time on the Internet. And they go on and on about their product. I just want a simple transaction, and so I want it to be like checkout.

(Female, 35-39 years)

Business relationships. Related to the building of social contacts between buyers and sellers, the interview data reveals that a number of business relationships have been established as a result of participating in TradeMe. Buyers relate incidents where they meet with a seller, and experience a satisfying experience. A number of things can be satisfying about this initial contact with the seller. The item on sale is of good quality, or closely matches the buyer's needs, or is difficult to obtain elsewhere. Interaction with the seller is a pleasant social experience. The buyer finds the seller to be particularly helpful and professional to deal with. Or, the seller offers to sell other items of interest to the buyer at a good price. These experiences encourage the buyer to maintain contact with this seller. The seller's name, telephone number, or email address may be saved for future reference. Whenever they consider purchasing a similar item again, a number of buyers will return directly to the seller they have dealt with before. Sellers may encourage continued contact by suggesting the buyer telephones them directly in future, or sellers send out emails to their favoured buyers offering them first call on any items for sale. In these ways, business relationships are developed. Sometimes these business relationships operate through the TradeMe website, whereby the buyer regularly checks this specific seller's listings for items of interest. Sometimes these business relationships continue outside of TradeMe, whereby buyers and sellers continue to trade with one another directly, outside of the auction site, after the initial sale online.

The person who, you know, does those leather goods, I'd definitely buy from her again. Because she was, you know, just very professional to deal with and I thought her goods were very good and I mean I'm a bit of a leather addict actually. And if I had more to disposable income I'd probably have a wardrobe full of bags and things from her because she gets some lovely things. And unusual because they're older, they're things that you can't buy easily, or they're from overseas, or whatever. So you know, definitely I probably will purchase from her again.

(Female, 35-39 years)

Once you buy something from somebody, or sell something to somebody, I have a separate account dealing with TradeMe, my Internet account. So, in the address book, I have these people. When I bought my wristwatch, there was this guy based in North Shore I bought it from. The next time I actually saw the products he had listed, and I sent him an email directly rather than going to TradeMe. And I said to him, look, auction number so and so, I bought these couple of wristwatches from you in the past, and I see you have a similar product right now. Rather than going through TradeMe, can I buy it from you straight away? And he said yes, so it saved me about \$25.

(Male, 35-39 years)

In-group. Two facets of the data speak to normative influences on the buyer, in-group, and positive comments from friends. In the first instance, some buyers speak of TradeMe as a normal and expected part of daily life. Most of their acquaintances are buying or selling on TradeMe. To be actively using TradeMe is to be a member of the in-group.

If you don't talk about or use TradeMe, where have you been? What are you doing with your life sort of thing. So if you are not using it, or you're not aware of it, you're not in the in-group.

(Male, 35-39)

Positive comments from friends. Buyers also fondly recount incidents when friends comment positively about the items they have bought on TradeMe. Friends praise the buyer for the style, quality, or brand of item they have purchased. Sometimes the item is a rare or

unique one, or an item that is admired because it is sourced from overseas. Friends also praise the buyer for getting the item at a bargain price, and tell them they are clever to get such a bargain. These strong signals of admiration from friends are likely to encourage the buyer to continue using TradeMe as a source of goods.

And you can go around and tell your friends. They'll go, oh yes I love it, oh my God, it's such a bargain. Because it's for \$10 on TradeMe. And they're like, oh, you're such a shopper!

(Female, 35-39 years)

One buyer weighs up the negative reaction she expects from her spouse versus the positive reaction she expects from friends, regarding her TradeMe purchases. According to this buyer, the admiration of her friends carries more weight than the criticism of her spouse.

I've got this little compromise in my head: whether I go 'oh wow look at what I got', because my husband thinks I spend too much on TradeMe. But usually the bragging rights with my friends [matter more], yes!

(Female, 35-39 years)

5.5 Theme Four – Personal Motives for Involvement with Online Auctions

Beyond utilitarian, hedonic and social motives, other aspects of buyer motivation are identified in the interviews. The fourth theme identified in the interviews is the personal motives of the buyer. Two sub-themes contribute to this theme (see Table 5.13), self-image, and competence in using online auctions. These two sub-themes are now discussed.

Table 5-13 - Theme Four – Personal Motives

Theme	Sub-Themes
Personal Motives	Self-image
	Competence

5.5.1 Self-image

Buyers describe how use of the online auction site is important to their self-image. The first column of Table 5.14 lists the codes in the dataset informing this sub-theme, self-image, and status.

Table 5-14 – Codes Contributing to the Self-image Sub-Theme

Code	Proposition
Self-image	1 supported
Status	13 not supported

Self-image. The Literature Review chapter suggests that a consumer's enduring involvement has two components, one of which is the degree to which the product or activity relates to a consumer's self-image (Bloch, 1982; Higie & Feick, 1989; Richins & Bloch, 1986). There is evidence in the interviews in support of Proposition 1, that the relevance of auctioned items to a consumer's self-image can be an important element in a buyer's involvement with online auctions. Buyers buy items that they believe represent who they are, for example, furniture, bikes, music, musical equipment, motorbikes, DIY equipment, electronics, computer games, and designer clothing. It may be speculated that such items relate to a consumer's ideal self-image (Marshall, Na, State, & Deuskar, 2008). Some buyers also view their competence in the use of TradeMe as being part of their self-image (see 5.4.2 below).

We bought a very unusual cabinet for our hallway which probably says something about who we are when you walk into our house, you know? And mountain bikes definitely have been a big part of our lives and who we are and you know, our social rides and all the rest of it.

(Female, 35-39 years)

I am the TradeMe Queen. Everyone knows me. If you want to know about a bargain, you ask me, whether it's retail or that. So that's part of it, I suppose that's part of who I am.

(Female, 35-39 years)

Status. In the Literature Review chapter it is noted that status maybe a motive for buying from traditional bricks and mortar auctions. Smith (1989), for example, points out that some participants in traditional auctions seek status by showing to an audience they have a lot of money to spend on items of personal taste. Evidence from the interviews contradicts this suggestion. Time and again, the interviewees reject the suggestion that status is involved in motives for participating in an auction. The interviewees point out, that online auction participants can neither see one another, nor identify one another. The auction is an anonymous forum. Some interviewees also point out that buying second hand goods is unlikely to be a source of pride and status. Proposition 12 is not supported.

I think if you're buying second hand on TradeMe it probably says you've got less money.
(Female, 35-39 years)

I don't know if people with money to burn would go on TradeMe anyway. Wouldn't they just buy something brand new?
(Female, 45-49 years)

5.5.2 Competence

At times, buyers speak of their competence in using online auctions. Three codes contribute to this sub-theme, competent, buying for others, and success as a seller (see Table 5.15).

Table 5-15 – Codes Contributing to the Competence Sub-Theme

Code	Proposition
Competent	7b supported
Buying for others	
Success as a seller	

Competent. A number of buyers consider themselves competent, skilled and experienced in the use of the online auction site and this is a source of confidence and pride. The evidence from the interviews indicates support for Proposition 7b. These buyers believe they can recognise a reliable seller from an unreliable one, and judge the quality of items

for sale from the photographs and information displayed. They believe that they know the best strategies for bidding to acquire goods at the best possible bargains, and not be drawn into paying too much for an item. This supports Wilcox's (2000) contention that experienced bidders know the best strategies for bidding. These buyers' friends and colleagues recognise their skills and competence, and seek their advice before buying something from TradeMe.

But the more you bid, the more smart you get, the more experienced you get, the more easier it gets for you to get bargains... Yes, there is a lot of psychology in it as I've said so if you can understand what's going on, you can get a good price.

(Male, 20-24 years)

Yes, they call me the Queen of TradeMe. I used to be the Princess, but this is the fun thing. We used to have at work there's a woman over the Shore who she called herself the Queen of TradeMe ... And now I'm the Queen and she's the princess because I've sold houses and all kinds of stuff.

(Female, 35-39 years)

Buying for others. Because the buyer is experienced in the use of TradeMe, other people may approach them and ask them to buy products on their behalf. Such incidents may help bolster the buyer's confidence and pride in their online trading abilities.

And I've got a colleague of mine... I actually helped him out buying on TradeMe. He didn't have an account, and I said I'll buy it for you, you just pay me.

(Male, 35-39 years)

Success as a seller. As noted previously, a number of the buyers sell items on TradeMe as well as buy items. There is some suggestion in the evidence that success as a seller encourages buyers to continue using the TradeMe site. Their success as sellers reinforces their feelings of confidence and competence as buyers.

5.6 Theme Five – Marketer Activities Contributing to Involvement with Online Auctions

Comments made by interviewees suggest that some of the activities of the online auction company are motivating factors in their continued involvement with the online auction site. These activities include the marketing tactics employed by the online auction company. Three codes contribute to this theme (see Table 5.16), accumulate rating points, email from TradeMe, and rewards. These codes are now discussed in turn.

Table 5-16 – Codes Contributing to the Marketer Activities Theme

Code	Proposition
Accumulate rating points	
Email from TradeMe	
Rewards	

Accumulate rating points. The feedback systems in online auctions have been described in Chapter 2. In these feedback systems buyers and sellers post comments, positive or negative, on the people they trade with. Buyers and sellers accumulate rating points in the form of stars to indicate the volume of positive trades they have completed. While the member rating and feedback system is put in place as a mechanism to protect members, the rating and feedback system appears to play another role: buyers are motivated to accumulate points to enhance their reputation. The member rating system therefore works as a loyalty and incentive scheme, encouraging buyers to continue to purchase from the online auction rather than from other marketplaces.

And also there's that good old feedback rating that, you know, motivates you because you're trying to up and up and up that all the time. So if you can buy it, you know, off a website, or if you can buy it off TradeMe, I'll always go off TradeMe and, you know, get my good feedback.
(Female, 30-34 years)

Email from TradeMe. Another common mechanism in online auctions is the use of email alerts. This is where the auction software emails a buyer when they have been outbid, or when the auction is about to close. These emails act as a motivating factor encouraging

buyers to become more involved in each auction. The auction company sends regular bulletins and newsletters to buyers, featuring items for sale they are interested in.

Rewards. One final marketing tactic mentioned by interviewees, is the rewards that the auction company sends to members who have achieved high volumes of trade. Such rewards include a company T-shirt or discount on fees.

5.7 Theme Six – Anti-Motives Detracting from Involvement with Online Auctions

Interviewees discuss a number of factors that can potentially impact negatively on their motivation to be involved in the online auction. This final theme in the analysis of data is termed, anti-motives. Three codes contribute to this theme (see Table 5.17), winner's curse, delayed gratification, and medium not tactile. These codes are now discussed in turn.

Table 5-17 – Codes Contributing to the Anti-Motives Theme

Code	Proposition
Winner's curse	
Delayed gratification	
Not a tactile medium	

Winner's curse. Winner's curse refers to feelings of disappointment that buyers sometimes experience after winning an auction, and knowing they have paid too much for the item (Bajari & Hortacsu, 2003; Chakravarti et al., 2002). One of the buyers interviewed refers to this experience as 'buyer's remorse'. This is an unfortunate outcome of the buyer getting caught up in a bidding frenzy, and carried away with the excitement of bidding on an item. Interviewees mention that sometimes during the auction process they feel apprehension about the escalating price of an item. In other words, they anticipate the remorse they may feel if they win the auction but pay too much for the item. These feelings of apprehension act as an anti-motive reducing the buyer's motivation to continue bidding.

It definitely has a drawback, because then you start bidding more than what you should have, or what you thought was reasonable. The competitiveness against the person takes over and you go great, I've won. But my goodness I've paid double what I really should have.

(Male, 35-39 years)

Delayed gratification. The hedonic pleasure that some buyers experience from receiving a parcel in the mail was described earlier in this chapter. However, having to wait for goods to arrive in the mail represents an anti-motive for other buyers. Having to wait for delivery of goods is unwelcome for some buyers, as this entails delayed gratification. Some buyers would rather receive their goods immediately. This observation concurs with Rohm & Swaminathan (2004) who find that shoppers who prefer malls over online shopping, enjoy the immediate gratification of possession of goods. Also, sometimes goods are required immediately by a consumer. To bid on and win an auction, and await delivery of goods through the mail can take up to one week. For such goods, shopping from a retail store is a better option for this consumer.

Not a tactile medium. One final aspect of online auctions as a marketplace also represents an anti-motive. This is the fact that consumers are not able to handle or touch the goods for sale. The online auction is not a tactile medium. For example, some buyers state that they will not buy clothing from the online auction, as they cannot touch the fabrics or assess how well the clothing fits.

5.8 Chapter Conclusion

This chapter has presented the detailed findings of the thematic analysis of the interview dataset. The following chapter, Conclusions, summarises the key findings of the thesis. The final chapter of the thesis, Discussion, explores the theoretical and practical implications of these findings.

Chapter 6 Conclusions

The aims of this thesis are to explore the ways in which the consumer involvement construct offers an explanation for variation in buyers' ongoing use of online auctions, and to discover which consumer motives contribute to buyers' enduring involvement with online auctions. This chapter summarises the findings of the research.

Based on an extensive literature review, Chapter 3 presented 18 propositions regarding buyers' motives for involvement with online auctions. The researcher then conducted twenty semi-structured qualitative interviews with online auction buyers to test these propositions and explore any additional motives that had not been identified in the literature. Evidence from the interviews provides support for 15 of the propositions (see Table 6.1). Evidence from the interviews does not support the remaining three propositions, concerning consumers' ongoing participation in an online community (Proposition 12), the seeking of status (Proposition 13), and the virtual presence of other bidders (Proposition 14) as possible motives for involvement with online auctions.

In addition to deductive testing of propositions, analysis of the qualitative dataset revealed a number of additional motives for buyer involvement with online auctions that had not been previously identified in the literature. Together, the *a priori* propositions and the *emergent* codes from the interview dataset present six themes regarding buyer involvement with online auctions. These themes are utilitarian, hedonic, social, personal motives, marketer activities, and anti-motives. Each of these themes is now summarised.

Table 6.1 – Results of Test of Research Propositions

Proposition		Supported or Not
P1:	The relevance of auctioned items to a consumer's self-image	✓
P2:	Hedonic pleasures gained from participating in online auctions – including	
	e) feelings of excitement and fun	✓
	f) entertainment value	✓
	g) the thrill of finding a desirable item, and	✓
	h) the thrill of winning a bidding war	✓
P3:	The need for stimulation through exposure to new, varied and novel stimuli	✓
P4:	The need for assertion through competitive behaviour and the achievement of goals	✓
P5:	g) diversion from daily routine	✓
	h) self-gratification	✓
	i) knowledge about the products available in the market	✓
	j) pleasure in bargaining for goods	✓
	k) anticipated utility, and	✓
	l) choice optimization	✓
P6:	Perceptions of online auctions	
	d) as a convenient medium	✓
	e) offering a wide selection of goods	✓
	f) at low prices	✓
P7:	d) autonomy	✓
	e) competence, and	✓
	f) flow in the use of online auctions	✓
P8:	Enjoyment with browsing the Internet	✓
P9:	Compulsive buying	✓
P10:	Impulse buying	✓
P11:	Collecting	✓
P12:	The desire to belong to a virtual community of interest	✗
P13:	The seeking of status	✗
P14:	The virtual presence of other consumers	✗
P15:	Anticipated regret in the form of the 'loser's curse'	✓
P16:	Quasi-endowment	✓
P17:	Bidding frenzy	✓
P18:	Lower levels of perceived risk	✓

✓ proposition supported

✗ proposition not supported

Online auction buyers demonstrate four types of utilitarian motives, utilitarian aspects of the marketplace and of the product purchased, perceptions of the auction as a low-risk source of goods, and ethical reasons for purchase. Regarding the online auction as a marketplace, buyers have a number of reasons for preferring the online auction to traditional retail shopping. Many buyers do not like the stresses of commuting and crowds of shoppers at the shopping mall, or they have responsibilities for caring for children or an elderly parent, so they find mall shopping to be inconvenient. Buyers find the online auction a convenient way of sourcing goods, and easy to use. They value the anonymity of buying from an auction. They believe the online auction offers a wide selection of goods, including rare and unusual items, at low prices. They find the online auction to be a good source of information about goods available in the marketplace and what they were worth. The online auction also acts as a safety net, as the buyer can on-sell goods they have purchased and are not satisfied with, or no longer needed.

Buyers have a number of utilitarian reasons for purchasing products from online auctions. Online auction buyers are not averse to buying products that are second hand. By purchasing second hand products from the auction they are able to own many more goods than would otherwise be the case, including owning expensive luxury brands. Some buyers use the auction as a source of items for their collections. Some buyers find the products on sale in the auction meet their needs exactly in terms of size and style and colour. Other buyers find some of the products on sale, such as handcrafted furniture, are better quality than those available in retail stores. The online auction is viewed by many buyers as a good source of commonly available goods such as cell phones and television sets. For many buyers the online auction is also a source of gifts, including self gifts. For some buyers the online auction is their preferred source for consumable items they use regularly, such as toothbrushes and contact lenses.

All buyers interviewed recognise that there are risks in purchasing goods from online auctions but believe these risks are relatively low, and will not deter them from purchasing in this marketplace. Many buyers feel that because the TradeMe auction site is New

Zealand based, and because New Zealand is a small community, it is a safe place to buy goods.

Buyers also have a number of ethical reasons for buying goods from the online auction. Some buyers believe that by purchasing second-hand goods they are demonstrating sustainability. By buying from local traders, who might be ordinary householders just like them, some buyers feel they were providing income and support for New Zealanders. Some buyers even feel that the system of consumers buying and selling from one another, in an environment of mutual trust, represents the way society should be. Many buyers feel strong loyalty to TradeMe. They view TradeMe as a New Zealand success story and identify with the Kiwi entrepreneur who founded the website; they admire the TradeMe company for its support of charities; they believe that by buying from TradeMe they are being patriotic.

Online auction buyers demonstrate four types of hedonic motive for involvement with online auctions. Buyers find pleasure in bidding, browsing, owning, and hunting for bargains. Regarding the pleasures of bidding, many buyers describe themselves as competitive people and relate stories of being caught up in the bidding frenzy of an auction. Others simply enjoy the auction as a source of excitement and fun, as much as being a pragmatic source of goods. The buyers interviewed demonstrate variation in their level of competitiveness and feelings of quasi-endowment during the auction, suggesting that these two aspects might help distinguish high versus low involvement with auctions.

Regarding the pleasures of browsing, many buyers enjoy browsing the online auction site. They compare the enjoyment of browsing the auction site to the enjoyment of window shopping, only experienced from the comforts of one's home. Buyers find browsing the online auction site is a form of retail therapy. Browsing the online auction site has become part of the daily routine for many of those interviewed.

Researchers note that consumers experience a state of flow when using the Internet or shopping online (Csikszentmihalyi, 1975; Hoffman & Novak, 1996; Huang, 2006). This research finds that some of the same characteristics of the Internet that stimulate a

consumer flow experience apply to online auction sites. A number of buyers experience a flow state during browsing of the auction site, as evidenced by their accounts of losing track of time during sessions on the site. Consumers tend to lose themselves in searching the huge array of listings on the auction site, with one interesting link enticing them to click on to other, and yet other links. Flow may be a hedonic experience that motivates users to return to the auction site repeatedly and thus by definition a motive for enduring involvement with online auctions.

In addition to the hedonic experiences associated with browsing the auction site or bidding for an item, buyers spoke of the hedonic experiences associated with gaining ownership of goods. These hedonic experiences are illustrated in instances of impulsive buying, compulsive buying, and the joys buyers experience from unwrapping a parcel received in the mail.

Previous research notes the incidence of impulse buying amongst online auction users (Lee et al., 2008; Stern et al., 2008). Impulse buying can be differentiated from a buyer's response to stored demand for a specific item because impulse purchase decisions are made suddenly, and with no pre-shopping intention (Beatty & Ferrell, 1998). This study confirms that online auction buyers do buy impulsively. While browsing the auction site, buyers often stumble upon desirable items that they had no prior intention of buying, or find highly attractive items they were unaware existed. These items are only available for a limited time, and can be easily snapped up by another person. As a result, these buyers tend to buy such items spontaneously, on the spur of the moment. Attractive photographs and descriptions of the items on sale further encourage impulsive buying (Gregg & Walczak, 2008; Stern & Stafford, 2006).

A number of interviewees in this study report spending excessive time and money in the online auction. Many consumers admit to being 'addicted' to the auction site. As noted by other researchers of online auction consumers, these behaviours illustrate elements of compulsive buying (Lee et al., 2008; Peters & Bodkin, 2007).

Online auction sites encourage compulsive buying because of the urgency of the purchase situation. Bidding wars push buyers to go well above their spending limits just for the sake of winning. The excitement stimulated by competing against other consumers in the auction is similar to the excitement that gambler feels (Peters & Bodkin, 2007). The abundance of low-priced items on the auction site encourages buyers to buy more and thus spend more.

Also illustrating the hedonic experiences associated with gaining ownership of goods, a number of buyers eagerly anticipate the arrival of their purchases in the post, and experience real excitement when unwrapping their parcels as if they were gifts.

The hedonic pleasures gained from bargain hunting on the online auction site are also illustrated in the interviews. Buyers speak of the thrill of hunting for a bargain, and the elation experienced when they snare the bargain.

Chapter 3 explores the likely utilitarian and hedonic motives for buyers' enduring involvement with online auctions. In addition to utilitarian and hedonic motives, the qualitative interviews reveal a number of social motives for buyers' enduring involvement with online auctions. The interview evidence provides little support for the view that TradeMe is an ongoing virtual community. However, the interviews reveal that friendships are formed between buyers and sellers outside the auction website. After winning an auction, buyers enter into email correspondence with the seller, or physically visit their home to receive the goods. Many interviewees find the social exchanges which follow are pleasurable, and in some cases result in friendships. The efforts of the TradeMe company to form a community online may be relatively ineffective, yet consumers are forming their own communities outside of the website. The combined effect of obtaining quality goods at a good price, and experiencing a pleasant social exchange, motivates buyers to continue to use TradeMe.

Buyers also speak of enduring business relationships they form with some sellers, as a result of successful transactions in the online auction. Some of these ongoing business relationships operate through the auction website, while others continue outside the auction.

The interviews reveal a number of social influences encouraging buyer involvement with the online auction. These influences include praise from friends, wanting to be part of the in-group, and the frequency with which TradeMe is talked about in conversation. Friends praise buyers on the style, quality or brand of goods they purchase from the auction. They also praise buyers for getting goods at a bargain price (e.g. “You’re such a shopper!”). For some buyers, involvement with the online auction is a way of belonging to the in-group, as many of their friends are also TradeMe users. For other buyers, talking about their experiences in the online auction has become part of everyday conversation with family and friends.

The fourth theme in the dataset is the personal motives for involvement with online auctions, namely, self-image and competence. Higie and Feick (1989) suggest that the bases of enduring involvement are the hedonic pleasures obtained from a product or activity and the degree to which a product or activity relates to the consumer’s self-image. The interview evidence provides support for the proposition that self-image can be an important element in buyers’ involvement with online auctions. Buyers speak of the products they buy from TradeMe that represent who they are, or speak of the use of TradeMe as being part of their self-image (e.g. “I am the TradeMe Queen!”). Buyers also speak with pride of their competence and skill in the use of the auction site.

The fifth theme in the dataset is the marketing activities that motivate buyer involvement with the auction. These activities include the member rating system, emails and rewards from the auction company. The intended purpose for a member rating system is to protect buyers and sellers, but use of this system has an unexpected consequence. Buyers are motivated to continue buying from the auction site, rather than somewhere else, so that they can build on their total of rating points. Activities of the online auction company motivate buyer involvement with the auction. The online auction company sends emails or texts to buyers when they have been outbid in an auction, and when the auction is about to close. This encourages the buyer to enter more bids in the auction. The online auction company sends regular electronic newsletters listing items for sale the buyer might be interested in.

The online auction company also offers rewards to active long-term members, such as a T-shirt or a discount on fees, to encourage loyalty.

The final theme in the dataset is a number of anti-motives that can reduce buyer involvement with online auctions, namely, winner's curse, delayed gratifications, and absence of tactile sensations (Bajari & Hortacsu, 2003; Wolfinbarger & Gilly, 2001). Some winners of auctions experience remorse when they realise they have overspent to win an item at auction. Buying goods from an online auction also involves delayed gratification for the buyer. In contrast to buyers at retail stores who receive their goods immediately, buyers from an online auction or online store have to wait before they can take possession of goods. One further characteristic of online auctions, shared in common with online stores, can demotivate buyers. The online auction does not provide buyers with tactile experiences of the goods they are buying, such as assessing the texture of a garment, as would occur when purchasing from a retail store.

This chapter has summarised the main findings from the study. The next chapter of the thesis will discuss these findings in light of existing theory and discuss the theoretical and managerial implications of the research findings.

Chapter 7 Discussion

7.1 Introduction

The Internet has changed the way consumers buy goods (Peters & Bodkin, 2007). Perhaps the most dramatic change has been consumer adoption of online auction sites for C2C trading of goods (Herschlag & Zwick, 2002; Tang & Forster, 2007).

There is a need to understand consumer behaviour in this new marketplace (Cui et al., 2008; Lee et al., 2008). This thesis argues that the concept of enduring involvement may provide some explanation for the amount of time and money consumers spend in online auctions, and the frequency of their visits to auction sites (Higie & Feick, 1989; Michaelidou & Dibb, 2008; O'Cass, 2000). No previous research has attempted to apply the enduring involvement construct to consumer behaviour in online auctions.

The research questions for this thesis were to explore the ways in which the consumer involvement construct offers an explanation for variation in buyers' ongoing use of online auctions, and to discover which consumer motives contribute to buyers' enduring involvement with online auctions. Given the popularity of TradeMe in New Zealand society, a study of New Zealand consumers has provided a unique context in which to study buyers' involvement with online auctions.

This chapter discusses the major contributions of the thesis. The chapter then discusses the implications of the research findings for marketing practice. The chapter concludes with a discussion of limitations of the study and suggestions for future research on buyers' involvement with online auctions.

7.2 Theoretical Contribution of the Thesis

This thesis contributes valuable knowledge to our understanding of consumer behaviour. It provides new knowledge about consumer behaviour in an important context, the online auction. The thesis makes seven important contributions to theory.

Firstly, the thesis identifies that the enduring involvement construct provides useful explanation of consumer behaviour in online auctions. Secondly, it proposes that consumer motives for involvement with online auctions go beyond the existing distinction of utilitarian versus hedonic motives, to include social and personal motives, influences by the marketer, and anti-motives. Thirdly, it recognises how consumer behaviour in online auctions differs from consumer behaviour in traditional auctions, online shopping and traditional retail shopping. Fourthly, it provides substantial additional information on consumer perception of risk in online auctions, the tactics used by consumers to reduce such risk, and the unique aspects of the TradeMe auction site which help minimise consumer perceptions of risk. Fifthly, it identifies that a community of buyers and sellers exists amongst the users of the TradeMe auction site, but this community exists more offline than it does online. Sixthly, the use of the online auction encourages the formation of buyer-seller relationships outside of the auction site. And seventhly, the TradeMe website represents a unique example of an online auction, with some consumer behaviour that is unique to this auction site. Each of these contributions will now be discussed in turn.

7.3 Reflection on the Enduring Involvement Construct

The first major contribution of this thesis is to propose that the enduring involvement construct provides some explanation for why consumers spend time and money on online auctions. Costley's (1988) framework for understanding the various definitions of involvement recognises that definitions of involvement differ along four dimensions, content, nature, intensity and object. We now reflect on this framework in light of the findings of the research.

Regarding the content of the involvement construct adopted here, the findings of the thesis support a cognitive-based definition. Involvement is conceived as being a set of cognitions

(beliefs and interests) relating to an object of interest (Laaksonen, 1994). Regarding the nature of the involvement construct adopted here, involvement is conceived as being both cognitive and affective in nature (Mittal & Lee, 1989). There is ample evidence from the interview data that consumers have both utilitarian and hedonic motives for using online auctions. Regarding the intensity of the involvement construct, the findings support an involvement construct that varies along a continuum (Zaichkowsky, 1985). Where the findings of the thesis add to Costley's (1988) framework, is to suggest that the object of a consumer's involvement can be different than a product, an advertisement, a situation, or consumption. The object of a consumer's involvement can be an activity, in this case the use of online auction sites.

In this thesis, buyers' enduring involvement with online auctions is defined as, *the long-term and enduring relevance, connection and relatedness of online auctions to a consumer's life*. Each of these aspects of involvement, relevance, connection and relatedness is recorded in the accounts of interviewees. The relevance of online auctions to a consumer's life is illustrated by those interviewees who view the online auction as a source of many of the goods they require. The connection between a consumer and online auctions is demonstrated by those interviewees who check the status of auctions several times a day. Relatedness is demonstrated by those interviewees for whom participation in the online auction relates to their self-image.

Figure 7.1 presents a conceptual model of the elements of buyers' enduring involvement with online auctions. This represents a revision and clarification of the elements of involvement presented in Figure 3.3, based on the findings of this research. Six distinct factors are recognised - utilitarian, hedonic, social and personal motives, as well as marketer activities and anti-motives.

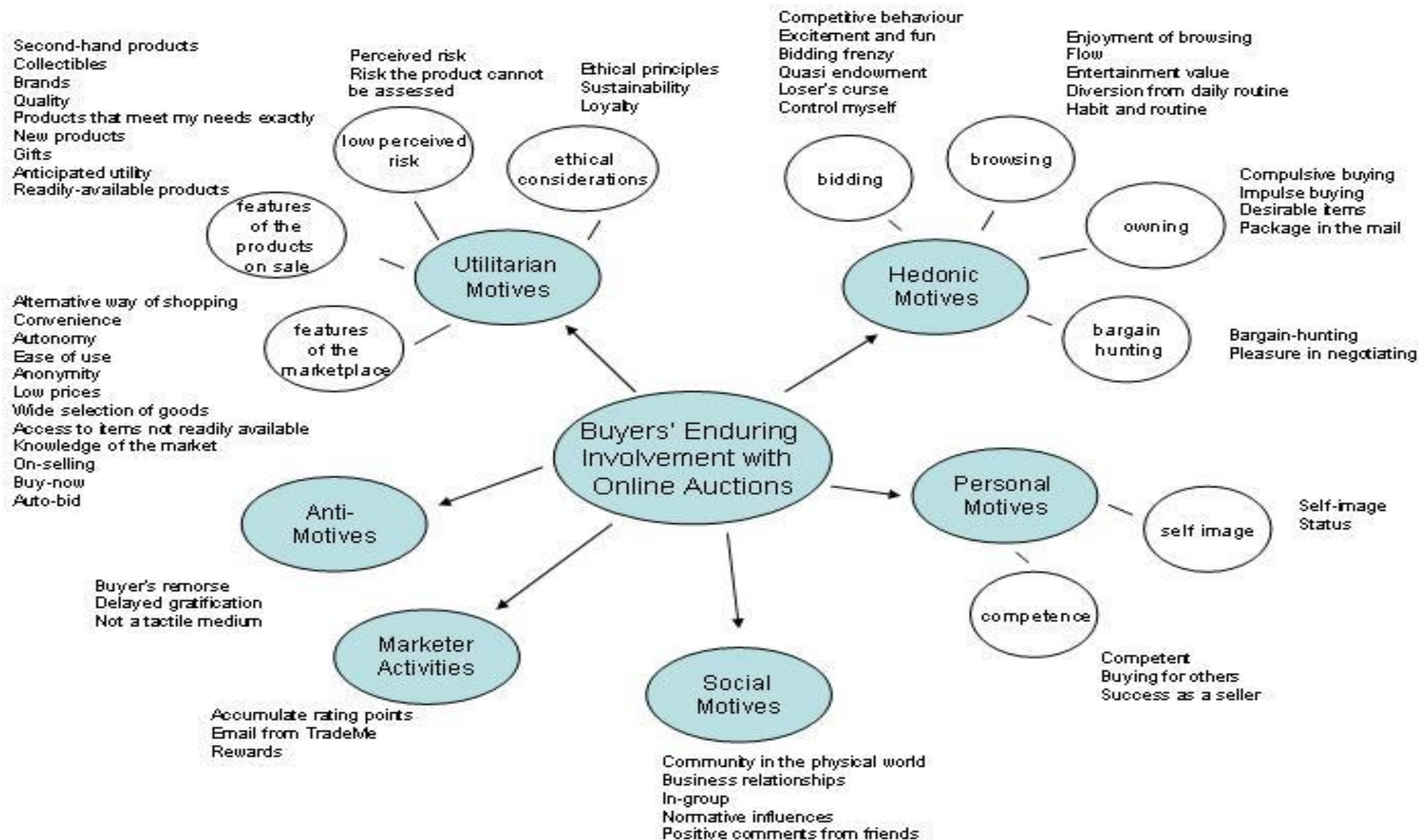


Figure 7-1 –Conceptual Model of the Elements of Buyer's Enduring Involvement with Online Auctions

7.4 Beyond Utilitarian versus Hedonic Motives

The second major contribution of this thesis is the discovery of the motives underlying consumer involvement with online auctions. The concept of motivation lies at the core of this thesis. Intrinsic motivation refers to the human desire to explore, to seek out novelty and challenges, and to learn new knowledge and capabilities (Ryan & Deci, 2000). This study has shown that for many consumers, participation in online auctions is intrinsically motivating. The online auction site provides them with new, varied and novel stimuli such as the extensive listings of both common and unusual items for sale, and the opportunity to participate in or watch a bidding war. Consumers seek challenges and learn new competencies in their ability to shop, bargain, win auction battles, and source the goods they desire, at a good price.

Existing research into consumer motives for shopping, including motives for online shopping, is largely based on the distinction between utilitarian and hedonic motives (Arnold & Reynolds, 2003; Babin et al., 1994; Bergadaa et al., 1995; Childers et al., 2001; Jones et al., 2006). In common with this research, the current study confirms that there are distinctive utilitarian and hedonic motives for consumers' involvement with online auctions. Interestingly, a new and unexpected group of utilitarian motives related to consumers' ethical reasons for purchasing from the auction site emerge from the data. In today's society, consumers are more aware of sustainability issues. Some online auction buyers believe that by purchasing recycled goods from online auctions they are practising a more sustainable form of consumption. A further ethical reason for involvement with the online auction is that some buyers believe by purchasing from small cottage businesses that operate on the site, they are supporting fellow New Zealanders.

What the current study finds is that consumers' motives for involvement with online auctions go beyond the simple distinction between utilitarian and hedonic motives, to also include a variety of social motives. Buyers enjoy getting to know sellers *after* a deal has closed, sometimes forming friendships with them. They believe that by buying products from TradeMe they have become part of an in-group. They enjoy receiving positive comments from their friends and family for the smart purchases they make.

In addition, buyers have personal motives for involvement with online auctions. Use of the online auction site provides buyers with opportunities to enhance their self-image by buying products they believe represent who they are. Continuing use of the auction site builds buyers' feelings of competence in their ability to use the auction site cleverly and skilfully.

7.5 How Consumer Behaviour in Online Auctions Differs From Consumer Behaviour in Other Marketplaces

Online auctions are nowadays an important new marketplace from which consumers source goods. The online auction represents a unique context for consumer behaviour, and as such is deserving of research attention. Chapter 2 introduced some of the differences between online auctions, online shopping and bricks-and-mortar shopping. The third major contribution of this thesis is to contrast consumer behaviour in online auctions with consumer behaviour in other marketplaces, specifically, traditional bricks-and-mortar auctions, online stores, and traditional retail stores.

7.5.1 Traditional auctions

The study has shown that, while consumer behaviour in online auctions shares some characteristics in common with consumer behaviour in traditional auctions, there are some important differences between the two. Consumers in both marketplaces demonstrate competitiveness, a desire to win and beat other bidders (Smith, 1989). Consumers experience intense emotional involvement with the battle of bidding and get caught up in the bidding frenzy (Dholakia, 2005). Feelings of quasi-endowment, the 'loser's curse' and the 'winner's curse' occur in both auction settings (Bajari & Hortacsu, 2003; Chakravarti et al., 2002; Heyman et al., 2005). In both settings, consumers enjoy the entertainment value of watching other people bid (Smith, 1989).

Yet consumer behaviour in online auctions also differs from consumer behaviour in traditional auctions. Online auctions enable C2C transactions for low-value items that would seldom be auctioned in a traditional auction, because there is a larger pool of

potential buyers, an auction that remains open a period of several days, lower transaction costs and no need for buyers to physically gather in one place (Wilcox, 2000). Buyers in traditional auctions can physically view the other bidders involved, and thus can size-up their competition. But buyers in online auctions cannot view other bidders and do not know their identity, which makes it difficult for them to assess the competition. Some bidders in traditional auctions seek status by showing publicly that they have excessive money to spend on items of personal taste (Smith, 1989). In contrast, the findings of the current research suggest the seeking of status is not a motive for buyers in online auctions.

7.5.2 Online shopping

Common sense would suggest that, because online shopping and online auctions both occur via the medium of the Internet, that consumer behaviour in both marketplaces would share similarities. Yet, major differences in consumer behaviour between these two marketplaces also exist.

Both online shopping and online auctions offer a number of shared utilitarian and hedonic benefits for the consumer. They both provide the consumer with the convenience of shopping from the comforts of home, 24 hours a day, without being distracted by other people (Wolfenbarger & Gilly, 2001). In both venues consumers enjoy the sensory stimulation of browsing a wide selection of goods and enjoy searching for bargains (Anwar et al., 2000; Rohm & Swaminathan, 2004; To et al., 2007). In both venues, consumers can experience a state of flow when browsing the site (Hoffman & Novak, 1996; Huang, 2006; Novak et al., 2000).

Yet there are differences in consumer behaviour in these two marketplaces. Research suggests that utilitarian motives such as convenience are the dominating motives for the online shopper (Rohm & Swaminathan, 2004). By contrast, hedonic motives play a greater role for consumers in online auctions. Consumers are involved in online auctions as much for the thrill and enjoyment of bidding and watching other buyers bid, as they are for accessing goods. In online shopping, the price of goods is fixed, while in online auctions

prices are established via the bidding process. The online shopping transaction is completed relatively quickly while the online auction continues over a period of days.

Online shopping is an example of human-computer interaction, whereby the consumer interacts with a shopping website. By contrast, an online auction is an example of human-human interaction. The online auction commences with consumers interacting with other consumers via the auction website, and once the auction closes, interaction between buyer and seller continues outside that website. The transactions which occur outside the auction website can form the basis for ongoing social and business relationships between buyers and sellers.

7.5.3 Retail shopping

Consumer behaviour in online auctions shares some characteristics in common with consumer behaviour in retail shopping, and yet important differences exist between the two. Consumers in both marketplaces face decisions about the value of the items they see offered for sale and which items to buy, but this is where the similarities end. Consumer decision making in online auctions is far more complex (Dholakia, 2005).

Compared to shopping from an online retailer, shopping from an online auction is a more dynamic and animated process (Rauniar et al., 2009). During the auction, the consumer must decide when to bid and how much to bid. Consumers focus intensely on the auction process as it proceeds and participation in the auction can be a very emotional experience. Consumers perceive other bidders as competitors and refer to the result of an auction as 'winning or losing' (Ariely & Simonson, 2003). The online auction consumer may experience greater feelings of fulfilment, compared to the retail shopper, as a result having *won* the item they desire.

There is greater risk, uncertainty and complexity for consumers purchasing from an online auction rather than from a retailer (Finch, 2007). Consumers in online auctions face uncertainty about a number of things, how much are they willing to pay for the item, the

strategy of other bidders, the identity of those bidders, and the quality of the item on sale (Vishwanath & Barnett, 2005).

Table 7-1 – Comparison of Consumer Behaviour in Four Marketplaces

	Online auction	Traditional auction	Online shopping	Traditional shopping
Competing	✓	✓		
Bidding frenzy	✓	✓		
Quasi-endowment	✓	✓		
Losers curse	✓	✓		
Winners curse	✓	✓		
Entertainment value	✓	✓	✓	✓
Seeking status		✓		✓
Convenience	✓		✓	
Wide variety of goods	✓		✓	✓
Cost savings	✓		✓	
Not distracted by other people	✓		✓	
Browsing	✓		✓	✓
Bargain hunting	✓		✓	
Sensory stimulation	✓	✓		✓
Flow	✓		✓	
Bargaining	✓	✓		✓
Hierarchical, sequential and constructive decision-making	✓	✓		
Other shoppers are competitors	✓	✓		
Risks concerning seller	✓			
Risks concerning quality of goods	✓	✓		
Risks with security of payment	✓		✓	
Price of goods determined socially	✓	✓		

In summary, the online auction is a unique marketplace in which the consumer's behaviour is not exactly alike to a consumer's behaviour in a traditional auction, or a traditional retail store, or an online store (see Table 7.1). It is important that research continues to explore consumer behaviour in online auctions, and not simply assume that such behaviour follows the principles of consumer behaviour observed in other marketplaces.

7.6 Perceived Risk

A number of writers note that purchasing from online auctions involves greater risks than purchasing from retail stores (Lee et al., 2008; Standifird, 2002). There are two aspects to this risk, that sellers might defraud buyers by taking their money but failing to deliver goods, or that the goods delivered may not meet expectations (Finch, 2007). The fourth major contribution of this thesis is to provide greater insight into online auction buyers' perceptions of risk, their tactics for minimising risk, and how this contributes to their ongoing involvement with online auctions.

The buyers interviewed are aware of the risks involved in purchasing from an online auction and spoke about these risks at length. Perceptions of risk could have acted as a deterrent to involvement with the online auction. Instead, the buyers have resolved in their minds that these risks are minimal compared to the benefits to be gained from buying from the auction site (Cameron & Galloway, 2005). Buyers demonstrate a variety of perceptions of risk such as, 'I have learned from my mistakes', 'it has never happened to me', 'there are risks, but they are minor', or 'I know how to play it safe'. They protect themselves by adopting tactics which minimise their exposure to risk. By resolving the issue of perceived risk, buyers reinforce their ongoing use of the auction site.

Trade in illicit goods through online auction sites, such as stolen property, is an important issue that is sometimes highlighted in the media. Interestingly, only one of the consumers interviewed mentioned the issue. It is likely that the TradeMe company and the New Zealand police are both vigilant regarding the listing of illicit goods for sale on the TradeMe site. Research into this issue would make a worthwhile topic for future investigation.

7.7 Community

The fifth major contribution of this thesis is the discovery of an off-line community of auction users. This discovery is surprising.

It had been proposed that the formation of an *online* community of interest was one of the motives for buyer involvement with online auctions. Specifically, it had been proposed that TradeMe's Message Board matches Henri and Pudelko's (2003) description of a virtual community of interest. The evidence from this study however suggests that participants in TradeMe auctions do not form a strong online community.

A TradeMe community does exist, but it exists off-line. Previous research has not discussed the existence of an off-line community of auction users. The research finds that TradeMe buyers enjoy meeting sellers and sometimes socialise with them. Friendship bonds and business relationships build up amongst TradeMe users outside of the TradeMe website. The evidence points to the existence of a TradeMe community in which the strongest bonds and human interactions occur off-line.

7.8 Building Business Relationships

The sixth major contribution of this thesis concerns the building of business relationships between auction buyers and sellers. Previous research suggests that online auctions do not appear to involve the building of ongoing buyer-seller relationships, compared to B2C transactions and other forms of C2C trading (Rauniar et al., 2009; Zhou et al., 2009). This is supposedly because the two parties are anonymous, their business relationship fleeting, and because they are unlikely to transact with each other again in the future.

By contrast, the current research finds that the building on on-going business relationships is a common phenomenon for TradeMe buyers. What previous researchers fail to recognise is that, while on-going relationships are unlikely on the auction website, participation in the online auction frequently prompts the building of business relationships outside the auction site. Buyers and sellers find each other on the auction site, then partake in an initial

business transaction by email and post or in person. Provided the transaction experience is favourable, the two parties may undertake further business transactions outside of the auction site. Again this fostering of ongoing business relationships may in part be a result of the TradeMe community being limited to a single, small, geographically constrained national population of users.

7.9 What is Unique about TradeMe?

The seventh major contribution of this thesis concerns the unique aspects of consumer behaviour in the New Zealand online auction site, TradeMe. A study of New Zealand consumers participating in an online auction has provided an opportunity to study online auctions in a unique context. In a nation of just four million people, there are more than one million members of the national auction website, TradeMe. TradeMe is now part of daily life in New Zealand society, the subject of regular new items in the media and the subject of daily conversation amongst people. Something about the auction site is appealing to a million consumers.

Many of the buyers interviewed display sentiments of loyalty towards the TradeMe company. They prefer to use the TradeMe auction site rather than an international auction site such as eBay. Buyers feel more secure dealing with a community of buyers and sellers who are New Zealanders, who live only at most a few hundred kilometres away. They feel less secure dealing with international sellers. For some buyers, involvement with the TradeMe auction site is an expression of patriotism. They express positive feelings towards the TradeMe company, saying that it represents New Zealand values. They admire the TradeMe company for its contributions to charity. The founder of TradeMe, Sam Morgan, is admired for his ingenuity and Kiwi entrepreneurial spirit. The online auction is seen as supporting small New Zealand businesses and providing income to New Zealand householders.

Buyers feel proud that by purchasing second-hand goods they are demonstrating sustainable consumption practices. Some buyers admire the spirit of mutual trust on which

the community of buying and selling depends, and comment that this spirit of mutual trust represents how society should be.

There is some similarity between the finding of the current study and the findings of Chen et al. (2007) regarding the Taobao auction website in China. In their explanation for the success of Taobao, Chen et al. (2007) refer to the social aspects of Chinese culture where people are treated as strangers until social ties are built. According to Chen et al. (2007), the success of Taobao in the Chinese market is a reflection that Taobao provides an online platform for strangers to get to know each other, share their knowledge, personal stories and feelings, and build virtual communities. The TradeMe Bulletin Board does not serve the same function of building an online community of TradeMe users. However, the social interaction of buyers and sellers outside the auction website is an important factor in TradeMe's success. The success of TradeMe is in no small part a result of trusting consumer-to-consumer interactions offline.

This study reveals interesting insight into a uniquely New Zealand phenomenon. An important part of TradeMe's success is that it is a local, New Zealand-based auction site.

7.10 Implications for Marketing Practice

The findings of this research have some obvious implications for the practice of marketing, for two parties. The findings have implications for businesses that operate online C2C auction sites, and implications for businesses that wish to sell products through an online C2C auction site.

The role of the online auction site is to facilitate trading between buyers and sellers (Chia-Hui & Hsi-Peng, 2008). The business that operates the online auction site is more likely to be successful if it considers the requirements of its buyers and sellers. This thesis has learned about some of the requirements of buyers. Buyers are conscious of the risks involved in purchasing from the auction site. The auction site company should do all it reasonably can to minimise the risks. This may include a very public profile in the

prosecution of fraudulent sellers. Such a public profile not only deters fraudulent behaviour by sellers, but also reassures buyers that their interests are being served.

The auction site company should also be proactive in the development of its product, the auction site. The auction company needs to consider the needs and desires of its buyers and sellers, and proactively develop new services and features for the auction site. Ease of use, include ease of listing items for sale and ease of searching the site for items to buy, are a key. A number of the interviewees in this research commented on how complicated it was to use the eBay auction site, and how easy it was to use the TradeMe site. The ease of use of the TradeMe site is an important factor in explaining the rapid diffusion of adoption of the auction site in New Zealand society.

Other factors likely to enhance the success of an online auction business have come to light in the research. The online auction company should keep its customers informed about the latest technical developments, services and facilities offered by the website, through newsletter, email and text communications. An auction site that attracts a large number of sellers is more likely to attract buyers, so it is important for the auction business to provide attractive propositions for sellers. This will include a careful consideration of the level of fees charged to sellers for listings and transactions.

The interview data revealed that a number of buyers are loyal to the TradeMe brand. This loyalty has its base in more than the simply the utility of the website, and its ability to provide the buyer with access to desirable items at low prices. Brand loyalty to the auction site is also based on ethical decision making. Businesses that operate C2C auction sites can emphasise their contribution to sustainability in society by supporting the recycling of products. Businesses that operate auction sites can enhance their brand image by being seen to contribute financially to charities representing environmental issues.

The thesis has a number of implications for businesses that wish to sell products to consumers through an online auction. The research finds that the building of business relationships between auction site buyers and sellers is common. Such relationships are

more likely to develop if the seller provides the buyer with a satisfying initial transaction, if the seller addresses buyer questions and concerns promptly and obligingly. Friendly social interactions are also valued by buyers. Sellers should be prompt at closing a deal, and prompt and efficient in delivering product to their buyers (Chia-Hui & Hsi-Peng, 2008; Finch & Huang, 2009). Sellers should also offer a generous returns policy, being willing to replace product that buyers are unsatisfied with. A generous returns policy will offer security to buyers who are concerned about the risks of purchasing from an auction site. Provided the seller is honest, prompt, obliging and friendly in their dealings with customers, an offline business relationship is more likely to develop.

7.11 Limitations of the Research

This research has involved twenty in-depth qualitative interviews of online auction buyers. The findings of the research are exploratory in nature and require further testing and confirmation through the use of large sample, quantitative inquiry.

A second limitation of the research might be a lack of diversity in the sample of buyers interviewed. All the buyers interviewed, with only two exceptions, were residents of the urban Auckland area. The study might be improved by interviewing a broader sample of users from throughout New Zealand's urban and rural regions.

7.12 Future Research

This study provides valuable background for future research into buyers' involvement with online auctions. Variations in the level of enduring involvement with online auctions are observed amongst the consumers interviewed in this study. Future research should examine this variation quantitatively and relate measures of enduring involvement to consequent behaviours.

To do this would require the development of a valid multi-item psychometric measure of buyers' enduring involvement with online auctions. A psychometric scale to measure buyer involvement should probe consumers' utilitarian, hedonic, social and personal motives for using online auctions, as well as their assessment of buyer anti-motives (see Figure 7-1).

Items from a variety of existing scales could be trialled for inclusion in the multi-item measure of buyers' enduring involvement with online auctions, including items on involvement (Zaichkowsky, 1994), enduring involvement (Higie & Feick, 1989), competitiveness, flow, utilitarian and hedonic motives (Babin et al., 1994), hedonic shopping motives (Arnold & Reynolds, 2003), consumer involvement with shopping (O'Cass, 2004), compulsiveness (O'Guinn & Faber, 1989), impulsiveness (Rook & Fisher, 1995), collecting, ease of use (Davis, 1989) and perceived risk.

The validity of such a psychometric measure could be tested within the context of its proposed antecedents and consequences. Figure 7-2 presents a proposed model of the antecedents and consequences of buyers' enduring involvement. The model portrays buyer's enduring involvement in a partial mediating role between consumer demographics and consequent behaviours. Firstly, the model proposes that consumer demographics have some influence on the amount of time and money a buyer spends in online auctions and the frequency of their visits to online auction sites. The demographic variables proposed to be most important are age, gender and income level of the consumer, and whether they live in an urban or rural area. Secondly, the model proposes that the level of a buyer's enduring involvement with online auctions may be influenced by demographic characteristics of the consumer. Thirdly, by portraying enduring involvement in a partial mediating role, the model suggests that buyer involvement provides additional explanation for the amount of time and money buyers spends in online auctions and the frequency of their visits to online auction sites.

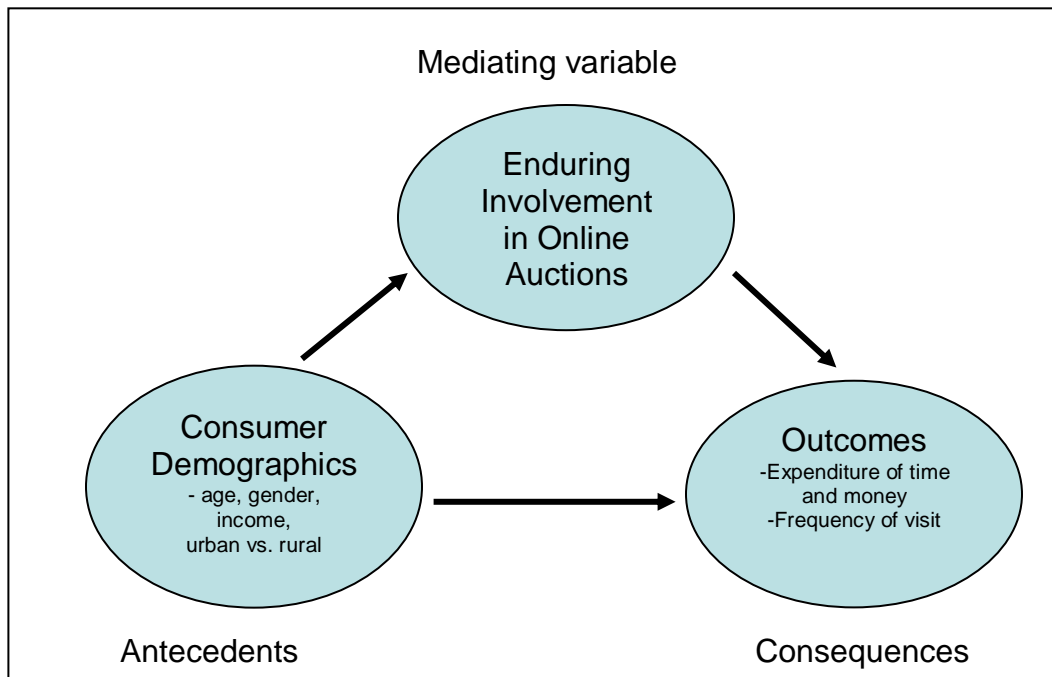


Figure 7-2 - Antecedents and Consequences of Buyers' Enduring Involvement

The current study suggests that differences in consumer behaviour in online auctions may exist by gender, age, and urban versus rural settings. The qualitative data, for example, suggests that female buyers may display compulsive buying more frequently. The data also suggests that utilitarian motives may predominate for younger consumers. Many younger consumers use the online auction as a utilitarian source of goods, are aware of the market value of the items they seek, and make frequent use of the Buy-now option rather than seeking the hedonic pleasures of bidding. Rural users appear to favour use of the online auction, as they do not have ready access to retail stores. A similar observation is made with consumers who have difficulties leaving their home because of their responsibilities for the care of the elderly or children. These preliminary findings regarding the demographics of online auction users require further investigation from a quantitative study utilising a representative sample of online auction buyers. The same study could seek to create a taxonomy of buyers according to their levels of involvement with online auctions, and present the demographic features of each taxonomical group (Lee et al., 2008).

A majority of the interviewees in this study who exhibit compulsive buying in the auction are females. This contrasts with the findings of Lee et al (2008) who find no gender

difference amongst their 'auction lovers' who are motivated by compulsivity. This issue could to be investigated further with a quantitative study using a representative sample of online auction buyers.

Past research notes that many consumers experience a state of flow when using the Internet or shopping online (Hoffman & Novak, 1996; Huang, 2006), but no previous research has questioned if consumers experience a state of flow when using online auction sites.

Findings from this study support that the suggestion that some consumers experience flow when using an online auction site. This suggestion could be explored further.

Research notes the incidence of impulse buying in online auctions. The characteristics of online auctions that may encourage impulse buying include the positive mood of the consumer, the ease with which bids can be made, the fact that a bid is a less committing act than a cash purchase, and the privacy of the marketplace. The link between these characteristics of online auctions and impulse buying could be tested in future research.

Finally, this research has proposed that the users of the online C2C auctions do not represent a strong online community, rather they represent a community offline. This suggestion should be researched further in the future.

7.13 Thesis Conclusion

The online auction C2C marketplace is barely ten years old in New Zealand, and fifteen years old worldwide. And yet this new marketplace has been adopted enthusiastically by millions of consumers of diverse ages and social backgrounds, as a primary source of the products and brands they desire. Participation in C2C online auctions has become part of the daily routine of many consumers. These consumers no longer think of shopping malls as their first and only option to purchase goods. In addition, consumers are nowadays more willing to buy goods that are second-hand. This change in consumer behaviour is worthy of considerable research. And yet, there has been limited research into this new and important aspect of consumer behaviour. To date, most research into consumer behaviour in online

auctions has focused on the dynamics of the bidding process, rather than the reasons for consumers' adoption and ongoing use of this marketplace.

This thesis has detailed the ways in which the consumer involvement construct offers an explanation for variation in buyer's ongoing use of online auctions. In addition, it has described the consumer motives that contribute to buyer's enduring involvement with online auctions. Although this study has been exploratory in nature, it has contributed considerable new knowledge into an under researched phenomenon in consumer behaviour, and opened the door for further exciting research in this area.

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Appendices

Appendix 1. Initial Version of the Interview Guide

1. Are you a registered member of TradeMe?
2. How often do you visit the TradeMe site?
 - What days of the week?
 - What times of the day?
 - Where are you (home, work, uni, mobile) when you check the TradeMe site?
3. Why do you visit TradeMe this often?
4. What items have you bought on TradeMe?
 - How often do you buy from TradeMe?
 - What have you bought in the last month? How much did you pay for it? Did you win these items in an auction or use the “pay now” facility?
5. Are you a user of any other auction sites?
 - Which ones?
 - How often do you visit these sites?
 - Have you ever bought anything from these sites?
 - How often?
6. Have you ever sold anything on an auction site?
 - Which site/s?
 - Which items?
 - How often?
7. You have told me you visit auction sites x times a week/month/year?
 - Approximately how long do you stay on the site per visit?
 - Why do you stay online this long?
8. In what way are the items you have bought consistent with your image?
9. What is it that you enjoy about participating in TradeMe?
 - (excitement, fun, entertainment value, finding a desirable item, thrill of winning an auction)
10. To what degree do you think TradeMe offers new, varied and interesting things to see?
11. Do you enjoy competing to win auctions? Explain.
12. To what degree would you say TradeMe offers you
 - an interesting diversion from daily routine?
 - information about the products on offer in the market?
 - useful products?
 - plenty of choices in products?
 - a convenient way to obtain goods?
 - a wide selection of goods?
 - low prices?
13. Do you think that TradeMe gives you greater freedom of choice? Explain.
14. Do you consider yourself skilled in the use of TradeMe? Explain.
15. Do you ever get so absorbed in TradeMe that you lose track of time? Explain.

16. Do you ever think you are spending *too much* time on auction sites? Explain.
 - Do you ever think you are spending too much money on auction sites? Explain.
17. Are you a collector and use TradeMe to get items for your collection?
18. Do you ever use the TradeMe community message board? Explain.
19. Explain how you feel when you win a TradeMe auction?
20. Do you find bidding on online auctions exciting? Have you ever had to compete vigorously to obtain something you want from an auction?
21. Do you think the presence of other bidders in an auction makes the auction more interesting or less interesting?
22. How do you feel when you miss out on an item you are bidding on, that you really wanted?
23. How does it make you feel when you have got the leading bid part way through an auction?
24. Do you have any concerns about any risks when buying from TradeMe?

Appendix 2. Final Version of the Interview Guide

REVISED 02-02-09

1. Are you a registered member of TradeMe?
2. How long have you been registered on TradeMe? How long have you been buying from TradeMe?
3. How often do you visit the TradeMe site?
 - What days of the week?
 - What times of the day?
 - Where are you (home, work, uni, mobile) when you check the TradeMe site?
4. Why do you visit TradeMe this often?
5. What items have you bought on TradeMe?
 - How often do you buy from TradeMe?
 - What have you bought in the last month? How much did you pay for it? Did you win these items in an auction or use the “buy now” facility?
6. Are you a user of any other auction sites?
 - Which ones?
 - How often do you visit these sites?
 - Have you ever bought anything from these sites?
 - How often?
7. Have you ever sold anything on an auction site?
 - Which site/s?
 - Which items?
 - How often?
8. You have told me you visit auction sites x times a week/month/year?
 - Approximately how long do you stay on the site per visit?
 - Have you ever stayed for a longer period of time?
 - Why do you stay online this long?

Self-image

9. You told me you have bought a number of on TradeMe. Would you say that these are important to who you are? Are they part of your self-image?

Hedonic

10. What is it that you enjoy about participating in TradeMe?
 - (excitement, fun, entertainment value, finding a desirable item, thrill of winning an auction)

Competing

11. Do you enjoy competing to win auctions? Explain. Do you ever feel compelled to bid now or lose the opportunity to gain an item?

Bidding

12. Do you regularly check on auctions you are bidding on?
13. Do you ever use the AutoBid function?

14. How does it make you feel when you have got the leading bid part way through an auction?
15. Have you ever had to compete vigorously to obtain something you want from an auction?
16. Explain how you feel when you win a TradeMe auction?
17. How do you feel when you miss out on an item you are bidding on, that you really wanted?
18. Do you think that winning an auction shows other people that you have money to spend on items of personal taste in a public forum?

Impulse

19. Have you ever bought anything from TradeMe on impulse?

Aim to sell it on

20. Have you ever bought anything on TradeMe with an aim to sell it on again?

Tauber's Motives for Shopping

21. To what degree would you say TradeMe offers you
 - an interesting diversion from daily routine?
 - information about the products on offer in the market?

Convenience

- useful products?
- plenty of choices of products?
- access to rare items?
- a convenient way to obtain goods?
- a wide selection of goods?
- low prices?

Gifts

- a source for buying gifts?

Autonomy

22. Do you think TradeMe offers you more freedom of choice when looking for goods?

Experience

23. Do you consider yourself skilled and experienced in the use of TradeMe?

Flow

24. Do you enjoy browsing through the TradeMe listings? Do you ever get so absorbed in TradeMe that you lose track of time? Explain.

Compulsiveness

25. Do you ever think you are spending *too much* time on auction sites? Explain.
 - Do you ever think you are spending too much money on auction sites? Explain.

Collecting

26. Are you a collector and use TradeMe to get items for your collection?

Virtual Community

27. Do you ever use the TradeMe community message board? Explain.

Social Facilitation

28. Do you think the presence of other bidders in an auction makes the auction more interesting or less interesting?

Risks

29. Do you have any concerns about any risks when buying from TradeMe?

Participant Information Sheet



Date Information Sheet Produced:

20 November 2008

Project Title

Buyers' enduring involvement in online auctions: A New Zealand perspective

An Invitation

My name is Eathar Abdul Ghani, I am a student of the Master of Philosophy (MPhil) at AUT University. I invite you to participate in this research into buyers' involvement in online auctions. This research forms the basis of my MPhil thesis. Your participation in this research is entirely voluntary. You may withdraw from this research at any time, without any adverse consequences.

What is the purpose of this research?

This research forms the basis of my Master of Philosophy degree. The research seeks to explore the reasons for New Zealanders' participation as buyers in online auctions.

How was I chosen for this invitation?

Your name has been suggested to me as someone who is a regular user of online auction sites.

What will happen in this research?

The research involves a 30-60 minute interview following a set of prepared questions regarding your participation of online auctions.

What are the discomforts and risks?

Minimal discomfort or risk is anticipated for any participant. The interview might raise awareness of potential overuse of online auctions sites, which you might feel uncomfortable or embarrassed about.

What are the benefits?

This research will add to theoretical knowledge about consumer involvement in online auctions. Participants may enjoy the opportunity to talk about their experiences with online auctions.

How will my privacy be protected?

Your name will not be recorded against the data you provide and will not be used in the final report. Your identity will be kept confidential as any quotations used will not be attributed.

What are the costs of participating in this research?

The only cost of participating in this research is the time you have given to the interview.

What opportunity do I have to consider this invitation?

You will be given a week to consider this invitation to be interviewed. At the end of this week, the researcher will contact you to see if you want to proceed with the interview.

How do I agree to participate in this research?

You will be invited to sign the research Consent Form which accompanies this Information Sheet.

Will I receive feedback on the results of this research?

You will be provided with a transcript of the interview, for your approval. You will be provided with a copy of the results of the research project if you wish to receive a copy.

What do I do if I have concerns about this research?

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, Dr Ken Hyde, *ken.hyde@aut.ac.nz*, phone 09-921-9999.

Concerns regarding the conduct of the research should be notified to the Executive Secretary, AUTECH, Madeline Banda, *madeline.banda@aut.ac.nz*, phone 921 9999 ext 8044.

Whom do I contact for further information about this research?

Researcher Contact Details:

Eathar Abdul-Ghani, Faculty of Business, AUT University, Private Bag 92006, Auckland.

Project Supervisor Contact Details:

Dr Ken Hyde, ken.hyde@aut.ac.nz, phone 09-921-9999.

Approved by the Auckland University of Technology Ethics Committee on 26 November 2008,
AUTECH Reference number 08/270.

Appendix 4. Consent Form

Consent Form



Project title: ***Buyers' enduring involvement in online auctions:
A New Zealand perspective***
Project Supervisor: ***Dr Ken Hyde***
Researcher: ***Eathar Abdul-Ghani***

- ☐ I have read and understood the information provided about this research project in the Information Sheet dated 20 November 2008.
- ☐ I have had an opportunity to ask questions and to have them answered.
- ☐ I understand that notes will be taken during the interview and that the interview will also be audio-taped and transcribed.
- ☐ I understand that quotations will be included in the findings but my name will not be mentioned.
- ☐ I understand that I may withdraw myself or any information that I have provided for this project at any time prior to completion of data collection, without being disadvantaged in any way.
- ☐ If I withdraw, I understand that all relevant information including tapes and transcripts, or parts thereof, will be destroyed.
- ☐ I agree to take part in this research.
- ☐ I wish to receive a copy of the report from the research (please tick one): Yes ☐ No ☐

Participant's signature:

.....

Participant's name:

.....

Participant's Contact Details (if appropriate):

.....
.....
.....
.....

Date:

Approved by the Auckland University of Technology Ethics Committee on 26 November 2008.

AUTEC Reference number 08/270

Note: The Participant should retain a copy of this form.

Appendix 5. Sample Interview

Interview WS20031 for Eathar Abdul Ghani, AUT

File begins.

So are you a registered member of TradeMe?

I am, yes.

And may I ask how long have you been registered?

Um [pause] probably about [pause] 2002, 6 six years maybe, 6 years...quite a long time, yes.

And have you been buying all this time?

Um [pause] buying and selling, for a short term for about 1 year we lived in Singapore, so I wasn't buying or selling in that time but [pause] on and off throughout that time, yes.

OK, alright, that's very good. And may I ask what times do you usually...go on the site?

Generally in the evening um [pause] when [pause] my daughter is asleep or [pause] yes, probably generally in the evening, yes.

And what do you usually buy from there?

Um [pause] I buy [pause] children's clothes, I buy gifts, I buy [pause] electronic equipment, I buy [pause] yes, that's probably about the main things, yes.

And usually how long do you stay you know, on the site when you visit?

Probably about half an hour each time, half an hour [pause], yes.

OK. So the research is about why do people you know, use TradeMe to buy goods. So we'll start with this general question. Why do you visit TradeMe?

I am pretty busy, I've got a young child and I've got my own business and I don't have time to easily go out shopping [pause] with her or [pause] during sort of conventional shopping hours, so for me, it's an easy way to [pause] see what's available at a time that suits me [pause], it's generally got a huge selection of things and it's [pause] generally although, I'm wondering about this now, it used to be quite price competitive. But I think that some people have got in and created businesses out of it which means it isn't just selling second hand things cheaply, it's actually a different mechanism for people to

[pause] have a business. So I think perhaps some of the cost competitiveness is not quite there that it used to be, but still for me, the fact that they rate sellers and give a guide about their honesty, and that you can search [pause] a wide variety of things very quickly with the search engines, and that I can go anytime I want, it's really helpful.

[File position reading – 0:02:36]

That's very good. And do you, are you a user of other auction sites, other than TradeMe, like eBay for example?

No, I don't use eBay because it's difficult [pause] with overseas transactions, no, not [pause] I use um [pause] a site like travel booking sites, things like that I do use. They're not necessarily auctions but I'm doing online purchasing. But probably TradeMe is the biggest one, yes.

OK. There is a travel facility on TradeMe as well.

Oh, OK, OK, no I haven't used that, yes.

That's alright. You said, you mentioned selling. Do you sell on TradeMe as well?

Yes, I do, yes, I go through phases. When we went to move to Singapore, we sold all our furniture in our house, so I sold a lot and it was great. Um [pause] you don't get much mucking around, people can see what you have if you're honest with your descriptions and your photos of the goods. People can see that that's what they want, they don't have to travel around. We've sold a lot of things on TradeMe [pause] and that's been a sort of no nonsense way. And it's better than a garage sale because at a garage sale people expect to get things for 20 cents, and you have people coming on to your property that you don't know and it's a made scramble, whereas TradeMe, it's a bit more of an organised sale.

Did you buy items for the purpose of selling them on TradeMe?

No, no.

So you didn't...

We're selling things I no longer need or things that my daughter has grown out of, [pause] or old things, no, but I've never bought and sold, never, no.

That's alright. Have you ever stayed on TradeMe for a longer period of time?

Um, [pause] I went through a phase where I sort of got a bit addicted to it, and I would be [pause] I hadn't really refined my buying technique, so now I do [pause] more auto auctions, I set the limit that I want to spend and if I win, I win, I'm much less involved with it now, because I have less time to spend, [pause] so I'm a bit more matter of fact. It's either I win it or I don't, so there's little emotional engagement for me now, and it's more

about a time [pause] efficiency thing, so if I recently [pause] probably about a month ago I bought a [pause] weed [pause] a leaf vacuum, a leaf blower and a leaf sucker. I knew what I wanted, saw what they were, saw one was closing in 3 hours, saw what the reserve was, bid, [pause] wrote in the message and said look if I win this can you text me, I'll pick it up today. No mucking around, if I don't win I'm not worried about it. So yes I have spent time on there, [pause] prior [pause] probably several years ago when I had a new baby, [pause] and I was keen to win auctions and I hadn't really worked out auto bid features, then I'd be [pause] there was much more emotional involvement in it, now [pause] I'm matter of fact.

[File position reading – 0:05:45]

OK. Do you remember those times when you were, used to spend more time on it? And what made you spend that much time on it?

I definitely think there's a [pause] definitely a sense of wining, there's an adrenalin boost with the competitive sort of [pause] fight of the auction. Um [pause] it was new when TradeMe was new, and a hip thing to do. It was quite a thing to say [pause] at work talk about TradeMe. Now TradeMe is such a common thing you don't really ever talk about it. It's nothing special or different. I think when TradeMe was sold, [pause] that was a very big thing, I think New Zealanders felt that Sam was a great, down to earth New Zealand, Kiwi guy who brought this to New Zealand and [pause] by selling it we'd sort of sold our soul to [pause] an overseas buyer. So people got a bit sceptical and I've spent time on the forums, TradeMe forums and [pause]...

You did, OK.

Yes, but [pause] some people spend their life on it and tell their life stories on it. I just had a quick browse around [pause], I'm quite precious about the feedback. I've got no negative feedback and I'm quite careful [pause] that I do that, and I really look at people's feedback to see if their good sellers and buyers. But yes, I remember the times where I was quite addicted to it, and you'd spend a lot of time, yes.

OK. So from the goods that you bought from TradeMe would you think those goods sometimes might be representative of you and that's why you buy or is it just generally what you buy is not really something...?

That's an interesting question. I buy [pause] yes, it might be. For example, [pause] children's clothing, [pause] I buy second hand children's clothing that are brand labels for my daughter that are cheap, [pause] but good. So I'm always looking for a bargain and [pause] but I like it to be quality as well. So perhaps it does. Some of the technology things, we recently bought a trampoline for our daughter for Christmas and that was a really good one, that it was cheap and good and quick. So, [pause] I suppose that is me, I'm always looking for a bargain but not a bad quality bargain, yes. So maybe yes, it does, yes.

OK, that's very good. So I'm after what do people enjoy from participating in TradeMe or in online auctions. And so I've got some factors here. I'm going to start with the excitement and fun factor, we call hedonic. Is that something that you enjoy?

Ah these days [pause], not so much. I'm a real matter of fact buyer these days, I just don't have the time [pause]. What I sometimes like about it is there's a little bit of an email conversation that goes on after the sale, with the buyer or the seller organising how to make it happen. And people are generally friendly, down to earth, great Kiwis, it's a real Kiwi spirit I think. Interestingly enough, we used to live in Singapore and in Singapore eBay or TradeMe equivalent is very, very [pause] small in Singapore, and I was surprised, because Singapore is quite technologically enabled. However [pause] Asian people do not like second hand goods, so that whole component of TradeMe, whereas Kiwis are generally not wealthy people, and so they're quite happy with second hand goods and they like a bargain, which hasn't transposed well for Singapore because they don't like second hand goods. In fact they will dump their second hand computers on the road rather [pause] and buy a new one rather than sell it. So [pause] that's been an interesting cultural shift but I think for me [pause] nowadays it's not about entertainment, although I do like the community side to it, yes.

What about finding a desirable item?

Um [pause] yes, I like the search, the ability of searching and seeing things that you don't necessarily find in the shops, for example kids clothes, you know Osh Kosh or Old Navy or things like that that aren't available here, and [pause] yes, I don't know Tiffany jewellery or something like that but [pause] yes, it's not for me, I don't browse anymore, I know what I'm going in for, I look for that thing and I get off. I'm not looking to kill time, I'm trying to use it really sparingly, yes...

And when you bought items did you, you said, did you actually bid on them or did you use the auto bid?

Yes, no, I do bid on things. Um [pause] it depends. If I really, really want it and I don't have time to sit there and watch the auction, I'll auto bid. Sometimes I just do a taste bid to see oh, am I really committed to this and what happens next? For example, we bought a trampoline, and I've been looking for [pause] for probably about a year at trampolines, and then we decided actually this Christmas we were going to buy one. And I already knew what the trampoline was, I'd seen it on there before, I knew which name of the trader was, and then when I bought it, it was a Buy Now, [pause] get it shipped, really mechanical transaction because I'd done all the information searching beforehand. So yes...

[File position reading – 0:11:19]

Alright, OK. But say there was an item that you were bidding on and you won it, is there any thrill from winning the auction?

Oh, I think so, yes, I think yes, it's the closing of the deal, it's a [pause] especially if you've had a bit of a fight for it and you really wanted it, [pause] there is, but then on the other hand if you lose it, I think it's [pause] you justify oh well, it got too expensive or oh well, I didn't really need it, or oh well, a better one will come up. I remember a long time ago we were buying a dolls house, a play house for our daughter, and I'd looked and tried several auctions, numerous auctions, every time the cost of the playhouse has just got crazy. And people were going into bidding wars and I just thought oh no, and then I found one, one day, and it was a bit of a bid, but [pause] a reasonable price, lots of extras thrown in and great people and [pause] it was a satisfying experience. But I think by then I'd got over the emotional frustration of losing all the time, so I was more matter of fact about it, yes....

OK, yes, it does get frustrating if you want something badly.

Yes, yes, yes, I'm sure [pause] I'm sure there's been times that I really wanted something, oh I know there've been times. I was [pause] my nanny had a charm bracelet, and I was buying some charms to put on it. And I kept losing each time, and I was running out of time, because sometimes I buy things as gifts with a specific birthday in mind, and by the time you finish the transaction and they post it to you and all this, several days happen and she was leaving and I was [pause] it was getting really frustrating. So yes, in the end it was OK.

Was it? Oh, OK. So, is there any enjoyment from competing against someone else on an item? Do you...?

Um [pause] no, that's not a big factor for me. No, I'm not a big sort of conflict or competition person so, no, that's not so much, yes...

OK. Do you feel sometimes when you're bidding that you're compelled to bid now or lose the opportunity of getting the item?

If I've got an involvement or really, really want the item, I'm sure. Maybe that's what an auto bid is too, that you [pause] think to a certain amount, [pause] you'll put your neck out and that may drive the bidding with your auto bid feature but [pause] yes, I don't know...

Yes. And say for example you've got the auto bid, do you feel that you want always to go back to check how is the bidding going?

Sometimes, yes, sometimes you do, sometimes you want to see where you're going and how much more room there is on your auto bid, or whether someone else has come in and topped you. I think if you really, really want the item you would do that, yes.

[File position reading – 0:14:16]

And it happened to you that sometimes you really wanted an item, kept checking?

Yes, yes, yes.

And did you stay a long time on site?

Um [pause] I haven't, when I think about it, I haven't bought, I mean I have recently bought this leaf blower and we [pause] bought a trampoline, so quite a big purchase prior to Christmas. Prior to that a few kids clothing and things like that, not a lot, although I suppose if I went back and checked my history I could see. But nothing that I've been particularly emotional about. I think that happened in the earlier days when I was new to TradeMe and it was all exciting and I think that [pause] it was more then than now. Now it's quite a routine thing to do, yes.

Again, talking about bidding. When you're currently the highest bidder for example, do you feel ownership of the item or do you...?

Already? Um [pause] maybe that it's [pause] it's your right to [pause] have that because you're the highest bidder for that moment. Possibly, and I think maybe you engage a little bit more because you are on the top of the list, especially if you're over the reserve.

And maybe when TradeMe says you are currently the highest bidder...

Yes, bidder, yes, maybe, maybe, yes....

And how do you feel when you win an auction?

Oh, I think pleased if it's what you wanted and especially if there was a fight for it, I think you'd be [pause] delighted about that. Um [pause] if it's something that you really needed or really wanted and had spent a lot of time researching, I think maybe it depends on how much you want it, or how much time you'd invested in deciding that you wanted to do that. I think maybe that if it's a spur of the moment thing and [pause] maybe not so much, but I think definitely if you have spent a lot of time and energy and thought, in behind the process, then I think definitely you would feel very happy about it.

[File position reading – 0:16:18]

So do you get into a situation where it was one on one, a bidding war?

Might have been yes, yes, yes, I've had that, I've had that, yes.

And you've felt you want to go for it or...?

Yes, errr, bugger off, I want to win it! Yes, I have. I have with some bits and pieces and then you try all sorts of tactics like bid at the last minute, and then you get the auto extend or [pause] then you bid crazy numbers like \$12.00 by 2, hoping that that just does the auto bid in, then you do big jumps of bidding and hope that might scare them off, or yes, all of that, yes.

Did you, when you were going through that, you know in traditional auctions, not the online auctions, sometimes people and I don't mean you, but sometimes a buyer who wants to throw, show people he's got money and just to show status, is that something which...?

The status, no I don't think there's status, but I do think there's [pause] some sort of deception and trickery involved in pulling out the punches to try and put off other buyers and maybe show them that yes, you've got so much money, you don't care how high this auction goes, you're going to win it at all costs, I don't know if there's status involved because you don't know these people. They can't [pause] you're never going to meet them, they're not real people.

They can't see you, yes, yes. OK. So one of those times you went and bought from TradeMe did you experience buying things on impulse, where you haven't actually planned for it?

Yes, I'm sure. When I used to spend more time on it, I sort of surfed around and browsed and go oh, didn't know they had that, that's a good idea, or come across some items I'd never heard of or never seen and think oh gee, yes, that would be useful or...justify why I needed that, yes, I'm sure. Kids birthday parties, there's always bits that you need for that I didn't know existed or...yes, in the earlier days I'm sure I fell into lots of TradeMe traps, yes.

[File position reading – 0:18:28]

So obviously in the early days there was a lot of browsing. Did you enjoy the browsing?

Yes, I did, it was like shopping in a [pause] it was vicarious, I suppose it was vicarious shopping mall shopping that I could do from home with a young baby, that I couldn't get out and [pause] I mean, I was still connected to the world, I could still get things I [pause] needed, or things that I hadn't seen or heard. It meant that I wasn't isolated at home. It meant that I had sort of a place in the world rather than being a stuck at home Mum. And it meant I could access what I needed to, and maybe get that retail therapy adrenalin that you couldn't get so easily with a little baby, you know. Getting out of the home and all of that sort of stuff, so...and now [pause] because I'm just so busy running from one thing to another, and I rarely have to spend browsing on TradeMe, I think still if I do go on it, I still enjoy it, I like [pause] I'd love to sit and browse and see what there is and go oh, that's a good idea for a present or...watch, yes, I would. I don't have the time for it to be a recreational hobby [pause] and I'm not sure that I'd want it to be but when I go on there, I still enjoy it, yes.

OK. And there's a concept I'm studying called flow and it's just when people interact with a website and they sometimes lose track of time.

Right.

Does that apply to you?

Oh, in the early days I think it certainly did. Um [pause] you'd be on until late at night, you know, yes, you would be. And you would totally lose track of time, you'd be so engrossed and you'd go from one to the next, oh look at that and oh, and then you'd...[pause] say there's a feature, see other items you might also like or they bring up other items you may also like or I'd click on see seller's other listings. So I'd go and see, oh that child is the same age, oh yes, they've got the things I like, what else have they got? So you'd jump from one to the next to next and time certainly would go, and you wouldn't notice it, yes.

So you experienced that?

Absolutely, yes, yes.

Alright. So I'm going through some motives that from previous studies, motives for people to go shopping and I'm trying to see if that applies to TradeMe. And one of the things is that shopping offers people like an interesting diversion from daily routine. How does that apply to you?

Um, [pause] I think so, not huge, huge thing for me, [pause] I feel my life is quite diverting in itself and quite busy and interesting but, what is it, the crux of it for me? Um [pause] it's yes...it's fun, it's efficient, it's community, it's [pause] why do I go back? It's great to receive a package in the mail, that's [pause] you know, that sounds funny because...you get bills, you get [pause] you don't actually get tangible personal things in the mail, you don't get letters, you don't get [pause] you get bills, you get form things. And you get, [pause] it's nice to receive a package. Like if someone sends you a package without you knowing it, and it's really exciting and in some ways maybe [pause] TradeMe does that too, you know. When you get a package from [pause] and I've had traders, they put in little gifts into the parcel [pause]...I don't know, you've bought something and they give you a little...A little chocolate, or a little soap or something and you're like...what friendly, nice people. So...um [pause] yes, what was the question again?

It's about do you think it offers you any diversion from your daily routine, like you know, going to work, going back home.

Yes, look, and in some ways there must be an element of that, the whole retail therapy thing makes you feel good, a bit fun, I think there's an element of that, yes.

And also do you think there's some self gratification like buying yourself...?

Definitely.

Yourself a treat?

Yes, and I also find buying others things [pause] makes you feel good too, like buying children little gifts or things like that, and it's [pause] especially if it's buying a gift for somebody, it's like a task achieved in an easy, painless way. So yes, I do think there's an element of that.

[File position reading – 0:23:00]

Well you're getting into one of my next questions that you use it to buy gifts and why?

Yes, I do. Um [pause] again it's a time factor. It's easy for me to [pause] do it from home, it's hard to get out. Um [pause] I also feel like it can give me a really quick scan of what's available on the market, which otherwise I'd have to go to 10 different shops. The only thing it doesn't have is the tangibility. You can't see or feel or try on. Like I buy clothes for my daughter, but I don't really buy clothes for myself because I can't try it on. And you can't see, oh does it fit? No, that's not so good, so that's one that I don't buy clothes for myself very often. Um [pause] yes...

Interesting. And when you said you get a feel for what's on the market when you're buying gifts. Do you look, is it because there's a lot of retailers now who actually sell on TradeMe so that you...?

Yes, and there's also the other thing too, there's quite a boutique...for example, I've had a lot of friends who've had babies recently and [pause] a really nice thing to give people are merino [pause] wraps or merino baby hats and things like that. And [pause] a lot of those people, if you buy in the retail stores are very expensive. And there are a lot of new [pause] cottage industry suppliers that because of the low entry costs to TradeMe can afford to use that as their means of distribution. So there's a lot of Mums with kids with little businesses selling those sort of things that perhaps you wouldn't find a shop and so [pause] it's a boutique gift, [pause] easily accessible. Having said that, there's a lot of trash on there, bad quality, cheap rubbish. I bought oh, some things that you know, have fallen apart or looked better than they are or...things like that, but yes, for that accessibility um [pause] and different. Like I've bought some quite great things that people have said oh, I've never seen that before, where have you got it from? You know, that's been great too.

So that was a good feeling.

But it's funny though because I don't know if I say I got it from TradeMe [pause] is that a good thing? Does it have a status or is it oh, you're so cheap, you're buying on TradeMe? Or, would it be better to say oh no, I got it from a designer shop in Ponsonby or did I get it from TradeMe? Is TradeMe a clever thing to do in status terms, or is it an easy shortcut, cop out thing? I don't know. I don't know, if I said oh, I got it off the Internet versus I got it off TradeMe, TradeMe sometimes people would say oh well, it's second hand. But you can buy new things.

You can now buy new things, that's right.

So I don't know what that says. Is TradeMe a status buy? Oh, I don't know if it is, yes...but I've bought some luxurious, beautiful things off there, brand new, at fair prices that I couldn't have as easily achieved elsewhere.

Yes, so that's very good.

[File position reading – 0:25:57]

And we talked about it gives information about what's on the market. And also useful products?

Yes, [pause] I think so. There's a whole range of things you've never even heard of, especially in regard to computers, cell phones, printers, cameras, all of that technology stuff that moves very quickly. TradeMe is a fast way of getting what you want...like my brother [pause] actually you need to speak to my brother. He is [pause] quite a whiz kid with electronics. And he [pause] the other day for my parent's birthday, I bought them a [pause] little photo printer so you can click, plug it into your camera and print the photo straight off. And [pause] I said oh well, this is good, happy birthday, but I'm sorry the paper is really expensive, the photo paper and my brother said, oh no, I've been on TradeMe it's really cheap, you can buy it 6 cents a sheet, I know TradeMe has got all those sorts of stuff. So he's very up to speed on what you can buy in the technology area through TradeMe. So [pause] I think a much wider selection of products than I would even find at Dick Smiths or something like that, yes.

OK. So that's very good. And access to rare items?

Yes, yes, [pause] definitely, I suppose if you're a stamp collector or an old book collector or medals or something I'm sure...and retro items. Like my husband ?? he sold an underwater dive camera which [pause] got into a crazy, crazy bidding war and [pause] we got way more than [pause] for it than we ever expected because I think it was quite a rare, special thing and the enthusiasts obviously went crazy. So um [pause] I'm sure...oh look, I bought a historical book once and yes, definitely rare and exotic items I think are on there, yes.

[File position reading – 0:27:50]

And of course we talked about the convenience side of things.

Definitely, it's huge for me. If I had to say [pause] my main motivating factor, that's it, probably that's it, yes.

And the prices of course?

Yes.

Do you think one of the factors is that TradeMe gives you the freedom to choose what you want when you want it?

Yes, huge. The when I want is a big thing, an absolute big thing because it's 24/7, which shops aren't, and my time is not aligned with retail hours when I have free time is in the evening, which all the shops are shut. And generally if you're at home with little children and they're sleeping you can't go out, so it's really easy to do it from home, so time is a huge thing for me.

And also being in a shop with a salesperson there who kind of...you feel them standing your shoulder urging you to buy, you don't have that.

I'm sure for some of the personal items, [pause] I don't know [pause] if you need to buy something a bit intimate or embarrassing, and you can buy online without being worried about the purchase, I'm sure that's a great thing to buy [pause] I'm sure if you want to buy restricted items or something like that, and then it comes in a plain packaging, it's the easy way.

Yes, yes and then without somebody, you know how sometimes in the shop, the salesperson just trying to...more attractive and say oh yes, are you interested, but there's times...yes.

Although you know, sometimes if you're in a shop and you're trying something on, you know, oh, have you thought about this? And which TradeMe doesn't, so they don't up-sell and they can't give you other ideas, you know there's lots of other browsing opportunities on there.

Yes, that's right. Do you consider yourself skilled in the, you know as an experienced person of, user of TradeMe?

Um [pause] I'd say average, yes, I do. I don't know what the [pause] distribution of skills is on TradeMe from the very you know, new, newbies to the ones with the cleverest strategies and they have their business on there. I don't think I'm that end, or I'm probably in the middle, I know how the major features work, I'm totally comfortable with it, [pause] I know some of the strategies, I'd probably say maybe so do most people now, they probably have grown in skill level. I'm not at the top end, certainly by the whiz bang ones, the young people that just know all the tricks. I probably...yes, average, yes.

[File position reading – 0:30:33]

Because you used it once and again and again, and you're now comfortable with buying from the...

Absolutely, totally, yes, totally, and the other thing too is I've got quite a large number of sales and purchases or purchases in my history, my experience I suppose, so I suppose if

somebody is buying or selling with me they can see oh, she knows what she's doing. It's not like [pause] hello, I'm a new TradeMe, help me through this I'm...no, yes.

OK, good. Do you think you know, let's go back to the old days. So do you think you were spending too much time or too much money?

I think yes, I do. Um [pause] I am sure OK there was a time, when I was selling a lot of stuff when we moved, or I was on every day because I had large numbers of sales of small items going through, and it was really time consuming packaging them and sending them, it was a pain. Then I [pause] yes, I went through quite a [pause] big bout of buying a lot and [pause] I'm sure I was addicted at some point, I needed to check all the time, every few hours, what was happening to my auction? Money, whether I spent too much? I don't know whether I spent too much, I probably bought some things that I didn't absolutely need.

Yes. Um [pause] but whether it was over the top, I don't think I ever went crazy, but I'm sure in the scheme of things at one point I was spending too much time on it, yes, yes.

OK. And let's talk about the community because it's really interesting, you mentioned it. I've interviewed a lot of people who said no, they don't use it. So I just want to know, what were your motivations for using the online community?

[File position reading – 0:32:15]

Sometimes there was a new feature on TradeMe that I hadn't seen before and I went in to see how that had developed and what had happened and where the suggestions came, and what other people thought about it or [pause] solutions. Sometimes there's been a particularly notorious buyer or seller and people have said oh, I had bad experience with them too and watch out for this person, so that was quite useful.

Um [pause] some were totally irrelevant like oh, I'm losing weight, oh, me too, oh, have you tried this? So [pause] I didn't really do it for that, I did it for the TradeMe information and things like that. Um [pause] again, it's a time thing now, I don't have time to do that, but [pause] when I was just getting into TradeMe, it was a fun thing to [pause] sort of browse once you've finished shopping, then go and [pause] have a look to see what's going on and then [pause] there were some names that came up all the time, those people clearly lived on TradeMe. Um [pause]...

And did you use it for example to get information about a product and an auction that's going on at the same time?

Um [pause] not really, no. It was more about information about buyers and sellers I think. Um [pause] and information about TradeMe [pause] tools and TradeMe policies and TradeMe categories, how they, and things like that, sort of the TradeMe mechanics I suppose, yes.

OK. And sometimes the thread goes on and on and on and people get...

Yes, yes, yes, and then it goes crazy and yes...

And are you a collector yourself...?

Of...?

You collect items, any items?

No, [pause] not really, no.

Because one of the things I'm thinking of is that people use, go to buy from TradeMe to get items for their collections?

I'm absolutely sure they do, I think that's very real and it's an easy way [pause] especially if it's rare or exotic things or [pause] yes, I'm sure.

Antiques, collectibles.

Oh, without a doubt, yes, yes.

[File position reading – 0:34:08]

OK. And we talked about, you said the people who are on TradeMe, you can't see them, there's a, the virtual presence of other people. Does you know, knowing that there other people bidding on the same item, does that make you wanting to buy more and bid more or what does it make you feel like, the presence of other people?

No, [pause] not really, in that regard I suppose I'm quite blinkered, I'm just buying for what I need or for myself. I'm not really caring about other people on TradeMe. Um [pause] I'm after doing my own shopping and [pause] I think it only becomes real when you have completed a sale and then you start entering into negotiations about how to pay [pause], where you live, posting, collecting, what time suits, and then it often goes from the computer to phone, or the computer to the cell, text messages. So you then, it becomes much more engaging and personal, at that sort of virtual, virtual [pause] phase there's not a lot of human [pause] contact there, no face to face, no voice. As soon as it steps out of that then it becomes much more engaging, yes.

[File position reading – 0:35:22]

OK, OK, no that's very interesting, OK. And we've just about finished. The risks, do you have any concerns about you know, using TradeMe to buy goods?

Ah yes [pause] there's the odd, [pause] I've only ever had one deal go sour and it wasn't even really sour, they just didn't pick it up, so I sold it again. Um [pause] I've had [pause] I'm sure there are some people who have bad luck, whether their item didn't arrive in the post, so they think oh, the person didn't send it. I'm sure if you got too involved with some of the community forums there might be you know, some clashing [pause] um [pause] I

think, I don't know, I don't think for me there's not a lot. It's all [pause] because it's all by email you know, if it gets bad, just delete it, you know. Yes, I haven't really had any problems.

[File position reading – 0:36:12]

So you didn't have like concerns, for example buying an item that it might never arrive or your money?

You know that's a risk. I've been really lucky, [pause] I think because of the rating system because you have to rate, people don't want negative ratings on their thing, so if they don't send it, [pause] I would always [pause] when I'm rating, I would always give people an option to correct what they've done before I rate them. I don't [pause] because what happens is that if you put a negative rating they'll rate you, yes...

They will put it back on you, that's right.

So you know, try and work it out and then [pause] take things from there. But as far as I'm concerned I haven't really had any bad experiences with it, no risks or...yes.

So you probably are aware that there might be risk but the benefits outweigh the...?

Yes, without a doubt. I mean, for example some of the sellers now you can use credit card [pause] to buy things. And I would say that's more risky with any online [pause] buying site, using a credit card. But I've never had any problems with it, and you know what, if you do, you can go back to your bank and say oh, this is a fraudulent transaction, that's OK. No, I haven't ever had, I have met really lovely, friendly people who've you know, said they'd come at 2.00 o'clock, come at 2.00 o'clock, don't let you down, but you know there's a couple of odd people who do [pause] but nothing bad and it sort of restores your faith in humanity. And I really think the rating tool keeps people honest and [pause] is a nice thing too. I sort of think that it's how society should be, and in many cases is, on a day to day real world, not just a virtual world. I think so, built on trust and ethics and the right thing to do moral, how should you morally be and [pause] I think it's been a really successful [pause], really successful tool and I like [pause] what it stands for, so yes, yes.

OK, well I'm just finishing, is there any motivation that you know, other than what we've talked about that you can think applies to you?

Only when I use TradeMe.

For example as compared to going to an Internet site to buy a thing or...?

OK. Um [pause] what I like about TradeMe is Internet hmmm [pause] definitely the rating. So you rate people. I like the [pause] bidding thing, because you do, sometimes you can get a real bargain which if you just buy something off an Internet site, it's a set price, whereas this [pause] you know, sometimes there's a \$1 reserve and that's the deal. Um [pause] I

like, what else do...why do I go back to TradeMe? I like, you know the other thing is I like supporting individuals rather than big franchises and corporates, and if there's young, as I said before cottage industry, women with a new business, um [pause] you know, I like supporting that rather than [pause] Farmers or somebody like that. Um [pause] what else do I like? I like the personal aspect of it. I like [pause] you know, I sold a book to somebody and [pause] they took ages to come back to me and then they said oh, they had a funeral and they're very sorry about the delay, and it was just a really nice feeling, oh don't worry, never mind, and I'm so sorry. And then we had a few emails going back and forth about the funeral, nothing to do with the purchase. And it just [pause] there's a personal spirit that the other websites, because you do a purchase and then a [pause] credit card buy, you have nothing to do with anybody. This one here, it's TradeMe as the middle man, and then you deal with the person. And whether you see them or [pause] talk to them or then email it, [pause] there's still some personal contact there, yes.

That's very, very good. That's actually really good. OK, we've finished now. I just have a couple of demographic questions.

Yes, sure.

If you don't mind, please can you tick your age group in here.

Sure, yes.

And can I please have what's your occupation?

Sure, I'm a consultant, yes [pause] for the public sector.

Thank you very, very much.

You're welcome.

I will, we've finished now, I will close that.

Appendix 6. Notes of Meeting to Discuss Coding

The two coders, working independently, had coded 39 of the 45 quotations identically. They then met to discuss the six quotations they had coded differently. The following is a record of the results of those discussions:

1. Agreed that this could be coded both “second-hand” and “cheap prices”
2. Agreed this could be coded both “gifts” and “brands”
3. A agreed this should be coded “winner’s regret”
4. A agreed the first half of this quote should be coded “second-hand”. She pointed out that the second half of the quote is about status: the interviewee has used TradeMe to achieve some additional status, the status that comes with having a home full of possessions (albeit possessions that were purchased second-hand).
5. A agreed this should be coded “anticipated utility”
6. A agreed this should be coded “alternative way of shopping”

In conclusion, the two coders reached 100% agreement on how all 45 quotations from the sample transcript should be coded.

Appendix 7. Codes Identified in the Dataset

access items not readily available	Online auctions provide access to rare items, unusual items. Items not readily found in retail stores. Difficult to find in the shops.
accumulate rating points	Just like FlyBuy points, this person buys from TradeMe rather than somewhere else, so they can increase their feedback rating points. A loyalty scheme / incentive scheme. A marketing tactic of TradeMe.
alternative way of shopping	I can't easily get out from home to visit the shops - because I have to look after children, or I live in a rural area. Don't have to drive around looking for at lots of different shops, don't have to use petrol, don't have to worry about parking. I don't like malls, I don't like big shops, I don't like crowds. A more enjoyable way of shopping.
anonymous	I like to be anonymous
anticipated utility	The reasons for using the website are practical. Pragmatic. The person visits TradeMe with the purpose of getting a specific item.
auto-bid	Consumers sometimes use auto-bid because they are not much involvement with the item. Consumers sometimes use auto-bid because they are highly involvement with the item: they want the item but the auction ends at a time they cannot be at the computer, so they set up auto-bid to bid on their behalf.
autonomy	Freedom to make your own choices; not being pushed by a salesperson. I don't want a shop assistant bugging me. You are in control
bargain hunting	Hunting for a bargain. On the hunt for a good deal. A bargain "to be had". The thrill of getting a bargain. I love getting a bargain. Thrill of the chase.
bidding frenzy	Bidding war. Can't control myself have to keep bidding. Paid more than I intended to, because I got carried away with the bidding war. Adrenaline rush.
brands	I like specific brands. Luxury brands; designer clothes. I like branded products. TradeMe is a good source of affordable brands.
browsing	Just browsing. Like window shopping. Discovering desirable stuff. Interested to see what

business relationships	is available. Curious about what other people own. Like to see what's there. Building an ongoing business relationship with specific suppliers. Will continue buying from this seller.
buy for others	I buy items on behalf of family or friends. I am the TradeMe expert.
buy-now	People who use buy now don't want to compete because they are after immediate ownership. Serves a purpose in a hurry. Don't want the thrill of bidding. Pragmatic. Just want to own the item.
cheap prices	The prices are cheaper on an online auction. Cheaper source of supply.
collecting	The online auction gives me access to items for my collection. I am interested in a specific set of collectibles.
competence	I am skilled and experienced. I am proud of my skills. I am confident in my use of TradeMe. I can judge the quality of an item. I can recognise a bargain. If you understand what's going on, you can get a bargain.
competitive	I have to win. The thrill of winning. I am competitive. I like competition. I like competing.
compulsive	"Compulsive" people spend too much time/money on TradeMe. It's addictive. I spend too much time / money on online auctions. Excess time or money spent. Difficult to control myself.
control myself	I am careful to control the amount of money I am spending. Control my bidding behaviour. Try not to be emotionally involved.
convenience	It's easy. Don't have to leave home. Items get mailed to you.
delayed gratification	You have to wait for the item to be delivered. Not instant like buying from a retail shop.
desirable items	Wants a specific item, and persists until they get it. Keeps on searching for that specific item on TradeMe until they find it. Thrill of finding a desirable item.
diversion daily routine	A break from work or routine. Leisure time. A cure for boredom.
ease of use	It's easy. The site is easy to work with, not complicated. Can navigate easily.
email from Trademe	TradeMe emails me when I am outbid, or when the auction is closing. This encourages me to bid again.

entertainment value	Entertainment. I spend time on TradeMe because I find it entertaining. It's amusing. Retail therapy.
ethical	I like to support small NZ businesses. I support TradeMe because it is built on Trust and they are involved in the community.
excitement and fun flow	It's exciting. It's fun. I get so involved in the website that I lose track of time. I am so engrossed interacting with the website - clicking on and on through the site.
gifts	I buy gifts from online auctions - for other people, for myself.
habit - routine	It's part of my daily routine.
impulse buying	That would be nice to have. Why not? I'll have one of those. Unplanned purchase.
in-group	Everyone is doing it. It's a normal part of life. Belong to the in-group.
knowledge of the market	Know what is available in the market, what options are available, what are the prices. Compare prices. A good source of information on the latest technology, what real estate is available, what cars are worth.
loser's regret	Unhappy to lose out on winning the item. You were too busy at the time. You missed the auction. You didn't bid high enough. Angry. Disappointed.
loyalty (Trademe, NZ)	TradeMe is a New Zealand thing. I am supporting it. Patriotic. What keeps you loyal to TradeMe.
meets my needs exactly	I will shop on TradeMe again because I was able to get exactly what I wanted. Clothing / shoes exactly the size, style, colour and fit for me..
new stuff	TradeMe is not just for second hand stuff. Many businesses are selling new stuff on TradeMe at good prices. I use TradeMe to buy unused goods, new stuff.
new varied novel stimuli	Something new to see
normative influences	What will my husband think? What will my friends think?
not tactile	Which product categories are bought on TradeMe. If it is a tactile product I'd rather buy from a retail store.
on-selling	Buying items to on-sell them. Not concerned if I buy the wrong item; I can on-sell it again on TradeMe. Looking for bargains that I can on-sell.
package in the mail	I like to receive a parcel on my doorstep. The joy of receiving a package in the mail. Anticipation of a parcel arriving, anticipation of unwrapping it

pleasure of negotiating	and seeing what is inside.
positive comments from friends	Enjoy bargaining, negotiating Friends comment positively on what you have bought. Praise from friends for the item you have bought. Praise from friends that you have got a real bargain.
quality	Good quality items on sale. Sometimes better quality than items available in retail stores. Craftsmanship. Beautiful things. Also, expensive items slightly worn but in great condition.
quasi endowment	When you have the leading bid, you anticipate winning. You imagine what it will be like to win, and to own the item.
readily available	Item is commonly available. Can find the same item again.
rewards	Rewards from TradeMe
risk	There are risks, but I have worked out how to handle them.
risk – the product cannot be assessed	The risk the product will not be as good as you anticipated. You can't tell if the clothing will fit you. You can't tell how old or worn or damaged the items are. The item is not as good as it looked in the photo.
second hand	I don't mind buying second hand goods, though some people would never buy second hand. I don't mind buying second hand furniture and clothing. Second hand goods can be in excellent condition, but much cheaper than the new price. "Pre-loved" goods.
self image	These items I look at, or buy, are just my sort of thing, an expression of who I am.
social	I have met nice friendly people through TradeMe. It is nice to socialise with sellers. TradeMe is a more social experience than shopping online. The social presence of other people commences when the auction finishes.
status	One motivation in live auctions is status – to show people that you have money to spend. Does not apply in online auctions.
success as a seller	Substantial success as a seller of a major item encourages the person to keep using the site; highly involved; continues using as a buyer
sustainability	I care for the environment. Reusing, Recycling.
virtual community	I don't use the community board
virtual presence of others	I would rather there weren't other people in my auction.

wide selection of goods

A wide variety of goods to choose from. You can find almost anything.

winner's curse

Worried that you have spent more than planned to. Paid more than you should have. Paying more than retail price.
