

High or Low Initial Setting Price?

Initial Setting Price as Prediction of Intention to Bid in On-Line Auctions

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1. Abstract

Studies have shown that buyers end up bidding in online auctions with a high setting price due to the anchoring effect (i.e. whether the initial setting price will have positive effect on the intention to bid). This is due to the value signal that the initial price transmits as well as the confirmation of the perception that bidders have on the products that are in auction. However, it is also debated that due to the social aspect of online auctions, a low starting price will generate a bidding frenzy, where there is a high degree of emotional involvement.

Therefore, this paper will analyse whether a high initial setting price for the auction will increase or offset the auction fever when compared to setting a low initial setting price and its subsequent effects. At the same time it will study the moderation effects of situational behavioural characteristics of bidders in the process of entering an auction using the eBay platform. Resorting to extensive literature on consumer behaviour and auction design, consumers' unique online shopping traits - such as impulsive buying, trustfulness and personal product valorisation - are assessed and used for predicting the intention to bid on auctions that use the contrasting effect of the anchor. The product, which was tested as the object of the simulated auction, was the Ipad, so to increase the generalizability of the results, as it is the second most sold category within the eBay platform. Furthermore, studies up to now focused their attention on collectable items, which present a high degree of uncertainty or wither a common or unique evaluation. As a result, technological products had not been used for this purpose. Nevertheless, these products can also present unique evaluation and value uncertainty, as was the case of the Nikon Camera, for which a low initial setting price was used. Data was gathered from two sets of surveys that were given to each respondent. One set of questionnaires represented a manipulation of an auction of an Ipad with a low initial setting price while the other set of questionnaires was characterized with a high initial setting price (0,99€ and 50€ respectively). The students of four master classes at the University of Nova School of Business and Economics undertook

this inquiry. Students' absences were not taken into account, as presence in class is not checked. A total of 145 questionnaires were answered, 72 for the high initial setting price group and 73 for the low initial setting price. Both questionnaires evaluated the moderation effect of product knowledge, auction expertise, value consciousness, propensity to trust and level of impulsiveness.

This study contributes theoretically to the growing literature on the buyer's characteristics in online environments and their implications for the design of such environments by demonstrating how a high initial setting price resulted in a higher intention to bid. Therefore, the course of action when selling the Ipad is setting a higher price. The study also concluded that people, who are value conscious as well as experienced with using the eBay platform, were more prone to bidding independently of the initial setting price and consequently the interaction effect on the situational traits versus the initial setting price was not confirmed. Additionally, it is argued that the use of questionnaires might not have portrayed the online atmosphere in depth and these effects are further discussed. Furthermore, it would be interesting to see if similar technological products with strong brands resulted in similar conclusions, as well as the analysis of other situational traits such as risk aversion.

The conclusions of this study are aimed at providing eBay sellers with practical tools for implementing a more effective marketing strategy and how this will ultimately impact on bidders' intention to bid.

2. Introduction

The pricing of products has brought a lot of discussion and much research has been done to understand the perception of customers when confronted with different pricing and what effect this has on consumers' intention to bid. Pricing involves certain factors, such as the market segmentation, how much the competition is charging and a good understanding of quality and price. It is worth referring the Aavanz (2013) case study. It refers to a tourism shop that was not selling its products and decided to cut down on prices. By

mistake the employee over charged and on that day the shop sold historical amounts. This just shows the importance of value uncertainty. Tourists were not aware of the true value of the product being sold and when presented with a high price, it reflected a high value proposition thus leading to a large amount of sales.

The same doubts have emerged in the online auctioning world with inconsistent results when attempting to argue what the best initial price setting should be.

Currently, anyone who possesses an Internet connection can become a seller. It is through consumer to consumer (C2C) that, in a way, the Internet has become democratized (Pinker et al., 2013). Through trust mechanisms, such as rating systems, it permits the transactions among geographically separated strangers (Dellarocas, 2003). We can see that individuals and retailers are increasingly selecting the electronic media as the new selling channel. This growth is backed up with the unique design features that are unequalled in the offline markets (Angst et al., 2008) . Auctions have already been studied in the past. In the 1870s stamp dealers, in the USA, offered the possibility of closed auction by mail. New parameterizations are emerging (Helander and Khalid, 2000). There is a growing popularity of online auctions.

Previous research has shown that there are major differences between traditional and electronic commerce. An online auction eliminates the geographical limit and it can last for a longer time with much lower operation costs (Ariely and Simonson, 2003). There is the possibility of having more diverse products being sold, individualized, with shopping convenience and privacy. The problem is that auctions have been rapidly changing. A variety of goods are currently being sold. The unique characteristics of the online auction environment raise important new questions. It is possible for the buyer to make a decision without even getting in contact with the seller or even physically looking at the product they are going to purchase. These differences will translate into an increase of the importance of the product information.

There are two paths one may take when examining the effects that the design has on the auction outcome. One path analyses the effect on the final price of the product and

usually that is the predominance of the major studies until the present date (See Appendix A). However, a newly emerging path analyses the effect of the auction design taking into account situational personality traits and the person's behaviour. It is interesting to see the example of the Angst et al. (2008) study, where the effect of the utilization of the buy it now feature on the final price was analysed bearing in mind three specific situational personality traits: level of competitiveness, hedonic fulfilment and impulsive buying.

Furthermore, the Kauffman & Wood (2006) study resorted to subject analysis at the consumer level as an attempt to demonstrate why consumers will end up paying a higher price due to a change in the individuals' valuation. It analysed antique coins and therefore it is questionable to what extent general conclusions may be withdrawn from this study.

However, the present study considers the effect that the initial setting price has and characterizes the bidders in terms of their preferences for these different design options, therefore focusing on how the uniqueness of each consumer influences the intention to bid on a product and not the reason why they will end up paying a higher price as seen in the previous examples.

Online second hand purchase services are a relatively recent business and therefore a more thorough analysis of the geographic and cultural specificities of the online consumer are needed to guarantee the success of the emergence of online business. Like with any launch of a successful online business, one needs to know with what customers the stores will be working with (Limayem et al., 2000). Taking this into account, a characterization of users' online shopping traits is required. Subsequently, fitting these parameters with the most adequate auction design is needed to guarantee the highest intention to bid. By doing so we are further leveraging the call of Pinker et al. (2013) (more investigation in the lens of users' characterization and what designs should be directed to them). This need is due to the heterogeneity of the bidders' population (Bapna, 2004).

Additionally, this study is aimed at contributing to the growing literature on buyer's characteristics in online environments and its implications for the design of the initial setting price, thus allowing readers to implement and achieve a more effective online auction.

3. Literature Review

Personality trait studies have played an important role in the understanding of human behaviour. In the field of marketing and consumer behaviour this type of research behaviour has been present since the 1950s. Chen (2011) comments that various traits existed within a certain percentage in each person and that the interaction among these traits moulded the person to have a unique behaviour. Personality traits are characterized as being represented and kept at a constant level throughout the person's lifetime as well as across a wide range of situations (Landers and Lounsbury, 2006). The leading framework for personality study at a broader level is the Big Five Personality Framework (McCrae and Costa, 1997). It takes into account five personality traits: extraversion; neuroticism; openness to experiences; agreeableness and conscientiousness (the "Big Five factors").

Landers and Lounsbury (2006) comment on how there is a limited yet growing literature on personality traits regarding Internet usage. This is a research field that deserves attention. Personality traits are present in a diverse set of human activities ranging from school attendance to gambling and music listening preferences (Rentfrow and Gosling, 2003). The usage of the Internet has become an increasingly common practice in our society. Therefore it seems rational to analyse personality traits in the lens of the several sub categories associated to Internet usage. It only seems logical to investigate from a personality perspective something that is discretionary rather than mandatory, which is the case of the Internet as well as online auctioning. The level of usage "is often discretionary rather than mandated, and thus more likely to reflect personal motives, needs, values, preferences and other personality attributes" (Landers and Lounsbury, 2006, p.284).

Guadagno et al. (2008) examined the growing body of evidence indicating that individual differences on the Big Five factors are associated with different types of Internet usage. These authors confront us with an analysis of the effects of personality and their consequences on using the Internet for blogging. Additionally, Hamburger (2000) underwent an exploratory analysis where he related two personality traits, extraversion and

neuroticism, as predictors of the use of three Internet services (leisure, information and social) which were heavily moderated by gender.

Other personality traits have to be considered and not just the big five. Despite the large amount of studies associated to Internet use, understanding personality traits and their relation to online shopping behaviour is an area with little development (Cheung et al., 2005). Only four studies have related personality with online consumer behaviour (Bosnjak et al., 2007). Donthu and Garcia (1999) found significant differences between people who shop online and those with Internet access but who don't use it for the purpose of online shopping. In their study, they demonstrated how online shoppers are more willing to innovate, as well as take risks and are more prone to impulse actions in contrast with non-Internet shoppers. Furthermore, the La Rose and Eastin (2002) study shows how an emotional instability is also correlated with online shopping. Copas (2003) discovered that the tendency to trust, as opposed to being suspicious of others, influences the frequency of online shopping. Moreover, Kwak et al. (2002) found out that people who score higher on sensation seeking and opinion leadership are more likely to buy online.

Fundamental traits, such as the big five dimensions, provide a general framework for predicting outcomes in a variety of situations. Context specific traits provide the reasoning for specific situations. In attempting to explain the variance in initial price setting, context specific traits are therefore more likely to provide the greatest predictive power (Angst et al., 2008). There is a growing debate on the validity of the relationships between these traits and on the idea that only looking at these cannot bring valid results. One would have to consider other narrow traits. It would be interesting to add other traits that do not fit into the Big Five factors (De Raad, 2000). Individual personality characteristics of the person, other than the broad personality, could also influence the outcome of the online auctions. There is a tremendous urge to understand what determines the willingness to buy in online retailers to make them profitable channels. Personality traits have been shown to have a strong influence in the shopping process (Brown and Stayman, 1992, Babin et al., 1994). Motivating customers to buy from the same online seller on eBay is essential for the

sustainability of the eBay auction business. There is a lot of competition, so loyal customers are a plus.

A better understanding of the most relevant factors is important. There are several approaches that formulate the basis for the identification of the reasons that lead online shoppers to buy. (Bosnjak et al.,2007). Pachauri (2002) attempts to categorize these approaches into four broad and very general categories: (1) Economics of information, (2) cognitive cost, (3) lifestyle approach and (4) contextual influence. Nevertheless, these approaches do not directly analyse the traits that affect the willingness to buy online.

Auction design is an informational problem as a whole. Pachauri (2002) only considers the expenditure of information examination in auctions when referring to the economics of information. It is the perceived effectiveness of buying online. In other words, it focuses on the subjective costs of information search, especially the time factor. The extent to which consumers decrease their costs by using online shopping will command their choice of channel when they are buying their products. He further comments how this perspective argues that consumers cherish the mode that permits the best ratio of search costs for the lowest price.

As for the cognitive cost – another form of tackling this issue -, its focus is on choosing the best product taking into account not only price and quality, but also the reliability and credibility of the online merchants. Studies of this nature usually focus on the perceived risk of online shopping and the credibility and trustworthiness of the sellers. Xu et al. (2010) for example, observed the perceived risk and its relation to the “buy it now” feature (this is a mechanism that allows a potential buyer to end the auction at an earlier stage by choosing to purchase the product for a pre-established price).

When analysing the lifestyle approach, the main goal is the study of the socio-demographic characteristics of potential online users. Additionally, this approach also analyses the users’ values, opinions and buying motives. Joines et al. (2003) discovered that online shopping behaviours are closely related to the consumers’ perception and desire of controlling the shopping environment. Other studies have analysed the effect of habit on

online shopping (Liao et al., 2006).

Finally, we have the influence of the contextual influence. It refers to the navigation aspects and characteristics of the atmosphere of the shopping website (Childers et al., 2001). Senecal et al. (2005) demonstrate the importance of subjecting the consumers to product recommendations and how this facilitates the process of buying online. Buyers nowadays search through a large number of auctions due to the sheer amount of dealers selling similar or identical products. How buyers look through all their options, considering too many or considering too little, can lead to the loss of potential bargains (Drake et al., 2012).

Overall, the literature that is discussed here provides a first step towards better comprehending the reasoning behind the individual differences that affect the willingness to buy of online shoppers.

Despite this, looking at the broad sense has led to small variance in the study of buying intention. On the other hand, focusing too narrowly on domain specific traits can result in an immense emergence of concepts and scales (John and Sristava, 1999). In order to employ a more holistic approach and a better comprehensive view of the antecedents of the motivation of online shoppers, Mowen (2000) suggested the use of a hierarchical approach, so that the traits of different levels, regarding online shopping intention, could be empirically tested. Four levels were conceptualized: the elemental, compound, situational and surface traits. Both the situational traits (trust, value consciousness and buying impulsiveness) as well as the compound traits (need for cognition and general innovativeness) accounted for 31% of the intention to bid. Chen (2011) performed a study, which shows that the situational traits were overall the strongest predictors for consumers to engage in online shopping.

The web has become something that is inherent in our daily choices and, at the end of the day, we still do not dispense the disposition to trust when it comes to online shopping behaviour. It is an indispensable factor that plays a major role in the intention to purchase online (Jarvenpaa and Tractinsky, 1999). Impulsiveness to buy, as well as value

consciousness were traits that had been thoroughly tested in the traditional shops and therefore it seemed logical to see if they were important in the e-commerce business (Sun and Wu, 2011). As previously discussed, Internet reduces the cost of search of information and it would seem acceptable that consumers who praise this would be easily attracted by the advantage of shopping online. Users' cultural specificities, as well the expected difficulties when using the webpage and usefulness, could be added into the model, particularly at the situational level (Bosnjak et al., 2007).

Although the predictive ability of the hierarchy approach is high, other factors have to be taken into consideration. Not only do situational factors influence the customers' behaviour but also the contextual elements such as the auction design. The design element interacts with different behavioural dispositions leading to very specific results (Bapna, 2004). A clearer notion of the behaviour spectrum can help companies in formulating more effective marketing strategies (Bosnjak et al., 2007).

Online retailers have the opportunity to better target their customers and modify their auction design accordingly. The identification of different segments is also crucial. This can help sellers by preventing the utilization of heavy resource intensive features, as discussed in the study by Angst et al. (2008) . This study analyses the effects of offering the "buy it now feature" to online consumers that are more competitive and obtain enjoyment from participating and winning competitions. Additionally, it comments on the need for future studies to explore the effects of other diverse design mechanisms "The impact of such design features on bidders' strategy or satisfaction represents an opportunity for future research" (p. 77).

3.1 Design

It is important to acknowledge that there are bound to be differences depending on whether you are in a C2C or Business to Consumer (B2C) setting (Yen and Lu, 2008). Previous research has shown that the final price paid in an online auction is influenced by many parameters: (1) the duration of the auction, (2) the initial setting price, (3) the addition of the buy it now price feature (allowing an early termination of the auction), (4)

sellers' reputation and (5) the use of imagery (pictures of the products that are being sold). Each parameter leads to different conclusions. Why is there such a level of inconsistency? Liu et al. (2010) propose that this depends on whether or not the design of the auction interferes with the bidders' evaluation of the product. Ockenfels (2006) defines three specific outcomes in the online auction design:

First, how the auction's design influences the auction's outcome without changing the valuation that the bidder has made of the product. If the consumers can accurately estimate the value of the product, auction designs are less likely to influence the bidders' evaluation. For example, a high initial setting price can prevent bidders with a low valuation from entering the auction, thus leading to a reduced number of bids.

Secondly, how the online auction design influences the outcome due to a change in the bidders' evaluation. Online auction designs may be seen as value signals, which may have an effect on the evaluation (Cai et al., 2007). In the case of uncertainty in the evaluation these signals play a significant role.

Finally, we have the case where the aforementioned behaviour described may be amplified by the behaviour of others. Kauffman and Wood (2006) found that a bidder is willing to pay more due to the interest showed by others, thus showing "herd" behaviour. Additionally there is the auction fever, which reflects the thrill of competing against other bidders and ultimately increasing the willingness to pay. If bidders can accurately evaluate the products, the auction designs are less likely to impact the evaluation. On the contrary, if their evaluation is uncertain their assessments will be highly influenced by the value cues sent by the auction design (Liu, et al., 2010).

Looking at online duration, diverse conclusions were found. The study of Haruvy and Leszczyc (2009) as well as Bajari and Horta (2000) show how eBay auctions, with a longer duration, increase the amount of the final price. While on the other hand Ariely and Simonson (2003) argued that lower auction duration would lead to higher prices.

Feedback studies translated into various outcomes. Kauffman and Wood (2006) did not find any relationship between the level of feedback and the final price. Also, Ariely and

Simonson (2003) did not find any relationship with the sellers' reputation, although they concluded that bidders believe it is important for their buying decisions. Resnick and Zeckhauser (2002); Ottway et al., (2003) demonstrated the contrary. The Lucking-Reiley et al. (2007) study on collectable coins further sustained this perspective by demonstrating a positive relationship between feedback and final price. Similar to Lucking-Reiley et al. (2007), Wan and Teo (2001) also used collectable coins to explore the impact of five independent variables and curiously the reputation played no major role in that study.

The use of imagery also has its share of inconsistencies. One would imagine that the addition of imagery would have a positive effect. A study of Kauffman and Wood (2006) examining eBay auctions for coins, demonstrated that adding a picture could rise prices by approximately 12 percent when comparing to auctions that only had a description. On the contrary, Ottaway et al. (2003) concluded the opposite. The addition of the item's image being sold had no effect on the final bid amount on items that are commodity in nature.

The use of the buy it now feature is also quite interesting. This is a tool meant to facilitate the online auction (Ho et al., 2007). It basically anticipates the need of a "bidding war" and closes the auction. Mathews (2004) demonstrates how it can actually generate a higher price.

When looking at the effects of the setting price, several conflicts have been found. The main factor to take into account is whether or not a high setting price will lead to a higher final price. We refer to this as the anchoring effect, similarly to Tversky and Kahneman (1974). An anchor is a starting value of an auction.

On the one hand, auctions with low starting prices lead to lower barriers of entry thus resulting in a lower cost for the bidders to enter and place their bids (Ariely and Simonson, 2003; Kamins et al., 2004). Therefore, the low starting price attracts more bidders, which leads to a higher price (Ku et al., 2006). There is an escalation of commitment: early bids are not seen as sunk costs (Staw, 1981). Finally you have the herd effect - buyers are attracted to an "active auction" (Ariely and Simonson, 2003). Ku et al. (2006) study categorizes all these effects as the social aspect of the online auction (low

entry barrier, herd effect and escalation of commitment). It was one of the first studies that attempted to demonstrate the contrasting effects that the anchoring values can cause.

Usually the studies that focused on initial setting price effects directed their attention to product categories regarding antiquities, which used to be the most common sold category in the eBay platform. Ku et al. (2006) study was the first one to use the same principles (value uncertainty and common versus independent evaluation) in antiquities auction research by using a technological product to demonstrate this. They tested the effect of the initial setting price on the Nikon camera. The auctions that started at 0,01\$ averaged more than the auction that had started at a higher price. They discuss how a low initial setting price was more beneficial for the auction designer as it leads to a bidding frenzy. They comment on how this is to be true due to the social process aspect which is inherent in an online auction as well as the expected traffic level of the auction. In other words, the moderating effect of the "herd effect" ultimately influences the price of the auction, thus showing that a lower price leads to a higher final price. The social term increases the traffic and is seen as the major catalyst. This reinforces the conclusions of Kauffman and Wood (2006): if the product has a common value, where the bidders share the same valuation of the auction item, then you should start at a low price. In the case of an independent value, where each bidder has its unique evaluation, you should start with a higher price.

On the other hand, the anchoring effect can have a positive effect: high initial price leads to high final price. This can be seen in many aspects of our daily life as well as in auction design studies. Most notably, the anchoring effect can be observed in the final price as well as in the perception that we have of the product (Kauffman and Wood, 2006). For example, we can notice this effect in simple buyer/seller negotiations when buying housing. Likewise, in the courtroom the prosecution's proposed sentence plays an anchoring effect in the defending attorney's recommendation of a compromise sentence (Englich et al., 2005).

Ariely and Simonson (2003) further comment on how higher reference prices would lead to a higher final price when there are no comparable buyable products in the

immediate context. In other words, scarcity plays an important impact on the degree of emotional involvement thus reflecting once more on the degree of uncertainty and how that leads to an adjustment of the willingness to pay even when the anchoring effect is not reasonable. These authors conclude by arguing that lower starting prices in auctions draw more bidders than in situations with higher starting prices, but the final selling price is not significantly different between the two. These conclusions are similar to those drawn by Bajari and Horta, (2000), who comment how a higher starting price could decrease the number of bids thus leading to a lower price. However, both the starting price as well as the number of bids is positively related to the final price of the sold items. Wan and Teo (2001) showed that, on average, a 1% increase in initial price would result in a 0,83% raise on the final price. While a 1% increase in the number of bids would lead to a raise in 0,48% on the final price. Reynolds et al. (2009) and Fuchs et al. (2011) also obtained the same conclusions on how, despite the lower number of bids, the opening price should translate into higher final price. The opening price has a stronger influence especially when there are no reference prices. The Lucking-Reiley et al. (2000) study shows how this effect is not easy to measure as sometimes a very high initial price may prevent the product from actually being sold. His research also demonstrated how the starting price also has a direct and positive influence on the final price. Nevertheless, a low starting price would also lead to a higher auction price (helps to increase the observation effect and auction fever effect), which in turn may increase the auction price. A high initial price will block bidders with low initial willingness to pay and decrease the auction fever of the bidders (Ariely and Simonson, 2003).

The findings from these researchers have shown that the relation between the initial price with the number of bids and the final price, are the only consistent results. The remaining studies led to diverse and contradicting outcomes.

4. Hypothesis Construction

The person's intention to purchase is conceptualized as the intention to carry out or

not to carry out a specific action. It is the immediate antecedent of the actual behaviour (Chen, 2011). In other words, we are talking about the disposition of displaying certain behaviour in a certain environment, i.e. in the online context (Ajzen, 1991). Morwitz and Schmittlein (1992) define it as the metric used to demonstrate the probability of a purchase. Several studies demonstrate a satisfying level of variance that accounts for the actual shopping conduct through the measurement of intention to bid (Ajzen and Fishbein, 1980). Nevertheless it has been acknowledged that the answers given to this construction are not perfectly correlated with the actual behaviour (Morwitz, 2001).

When analysing the effects of the initial setting price on the intention to bid, two main reflections have to be considered:

On the one hand, you may have the case where the consumer does not know the value of the product being sold. Therefore, when starting with a higher price, the value cue conveyed to consumers is increased and the consumer's perception of the product will be different (Cai et al., 2007). This could offset the positive effect of the low initial setting price i.e. the resultant bidding frenzy and traffic. This effect becomes even stronger when there is a greater level of uncertainty regarding the value (Liu et al., 2010). Only lead Ipad users know the benefits that the product can bring. Ipad usage is a very recent trend and customers still have some scepticism about the true advantage of having such a technological product (Brockmeir, 2012). Subsequently, if bidders are uncertain of the value, they will rely even more on product value signalling. Thus, the initial setting price should be set accordingly.

On the other hand, you may have the case where the consumer does know the value of the product being sold. Therefore, when starting with a higher price, the value conveyed to consumers is not increased, as the initial setting price doesn't serve as a value signal but instead as a confirmation of what the consumer thinks about Apple Products. These consumers know beforehand that Apple Products maintain most of their original value. Analysts state that second hand Ipads2 retain up to 70% of their original selling price (Knerl, 2012). This is a consequence of Apple's pricing strategy. They impose a higher price

mark on their products by maintaining a tighter control on their retailers. The same does not happen with other tablet brands and buyers are aware of this. Taking this into account, consumers will possibly lose interest when seeing a second hand Apple Ipad with a low initial setting price as it does not reflect their expectations of brand value. People are expecting a high price from Apple due to the first-class category that their respective products fall into.

As we can see in the above arguments, there is an indication that a high initial setting price leads to a higher intention to bid. Even if the initial setting price is not reasonable, it will ultimately work as a value signal for some or as a confirmation of value for others. Bidders will adjust their willingness to pay accordingly, hence the following hypothesis:

H1: A high initial setting price will positively relate to a high intention to bid.

Impulsive buying occurs when there is the urge for the customers to buy something un-planned with limited time to search for information. The main factor that differentiates between a planned purchase and a non-planned purchase is the speed at which the act itself is performed and also how the decision process is done (Stern, 1962). Impulsive buying is the act of performing an action in the spur of the moment. There is an instant gratification in the act of buying the product. It is a very complex construct to understand as people are prepared to pay a higher price when acting under impulsiveness (Hausman, 2000).

When examining impulsiveness with the initial setting price, we have to contemplate the internal as well as the external cues that have shown to trigger the impulsive purchase. External cues are associated with shopping and involve market controlled sensory influences, while internal ones refer to the consumer's self-reflection. Recent studies have shown that atmospheric cues in the retail environment are important triggers for purchase (Youn, and Faber, 2000). Consequently, value cues such as the initial setting price, will also influence the intention to bid in the online world. Since impulsive buying is more connected to the spur of the moment and the gratification of buying without having a planned process,

there should be a positive relationship between the initial setting price and the intention to bid being moderated by impulsiveness (Zhang et al., 2007).

As we have seen, the setting price will increase the auction fever and the sunken cost commitment due to the herd effect of eBay auctions. Accordingly, this relates to the non-existing purchase process that is present in impulsive people. They are not worried about knowing the true value of what they are buying. Their main concern is the acquisition of the product. Therefore, a low setting price should trigger this purchase because, at a first glance, it is easier for them to buy the product. This proposition goes along the same lines as the Bosnjak et al. (2007) study that argues that impulsiveness is present in online shopping due to the emotion of winning an auction and how the constant higher presence of emotion versus the rational, in the online world, will lead people to pay a higher price than the expected one. Nonetheless, one must be aware that too high a price might sink this impulsive effect and this is why the low price will be positively related to impulsivity. Therefore, when taking into account the impulsiveness and the moderation effect of initial setting price, the following will be hypothesized:

H2: A bidder's level of impulsive buying will increase the intention to bid for a low initial setting price when compared to a high initial setting price.

Lichtenstein et al. (1990) define value consciousness as the preoccupation of customers with paying the lowest price in accordance with a certain quality constraint. A customer may recognize the value of a certain brand although it may be over what he requires. Bidders who have a high degree of value consciousness will spend most of their time comparing prices online. Through the Internet you have access to the most amount of information available, thus leading to a decrease in the prices of products as people can easily compare them. Since this is the major impulse for online buying, value conscious people will turn to the Internet to do their shopping for the best deal. When taking into account the choice of channel, due to the capability of comparing prices, a high initial setting price will translate into a positive effect when compared to the low setting as the

consumer can evaluate it with other auctions and see if it is a fair price or not (Lichtenstein et al., 1990).

Besides price information seeking, consumers also look for information on the vendors and the availability of the products (Chen, 2011). A low initial setting price in our study is characterized by the value of 0,99€, nowhere near the real value of an Apple product. Therefore, the higher initial setting price should have a positive effect as it better translates the true value of an Apple product. In a way, we can compare this to value based pricing, formulating the price setting founded on the perceived value that the consumer has of the Ipad. Value conscious people enjoy buying. It is just a matter of getting their money's worth and a low price doesn't mirror the inherent quality of Apple products. It is consistent with the premises that points to a ratio of quality and price that the bidder is looking for (Monroe and Petroschius, 1981).

As we have commented, the low initial setting price doesn't show the value signal that the buyers are looking for and consequently there is a misalignment that leads to a low intention to bid. Value conscious people are concerned with paying for the best value in the market and they may want the premium quality products as long as they are priced according to their evaluation. Therefore the following will be hypothesized:

H3: A bidder's level of value consciousness will increase the intention to bid for a high initial setting price when compared to a low initial setting price.

In a broader view we define trust as positively knowing what to expect from others based on previous actions. Trust implies that someone else will behave according to what you are expecting. It is seen as the major impediment for consumers to participate in online auctions (Pavlou and Gefen, 2000). Tan and Sunderland (2004) conceptualized the model of trust with dispositional, institutional and interpersonal trusts as antecedents of intention to trust in online purchase behaviour. Trust will not be analysed at the level of the seller as the previous research has done Chen (2011). In the present study, it will be analysed at the buyer's level.

Taking into account the definition of propensity to trust, if someone possesses this trait, that person will be inclined to believe the seller's initial price evaluation and therefore will have a high intention to bid (Ku et al. 2005). Therefore, if there is a high initial setting price, this will transmit a high quality in the product and a correct product evaluation in the eyes of the buyer, thus leading to a higher intention to bid. Hence the following hypothesis:

H4: A bidder's level of propensity to trust will increase the intention to bid for a high initial setting price when compared to a low initial setting price.

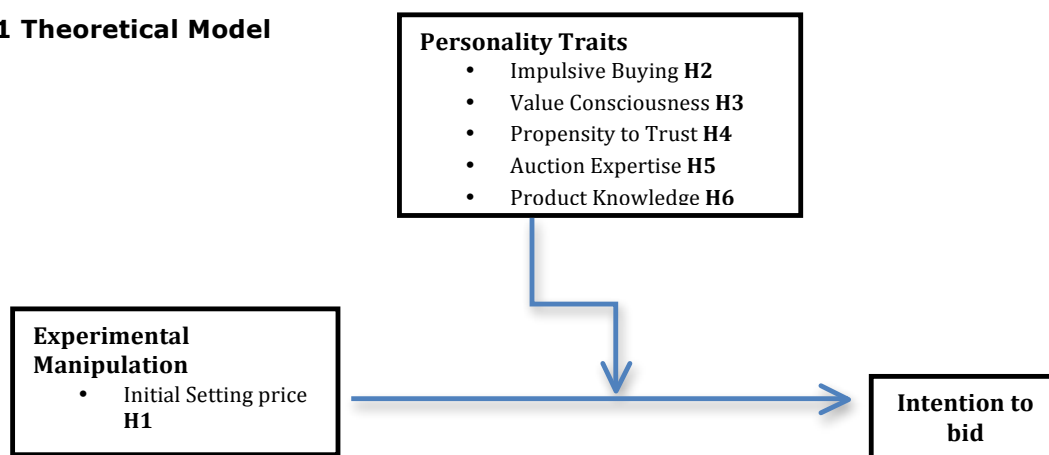
Tsao and Chang (2010) comment how the product involvement with the consumer and the extent of the user's expertise with the auction world, may have a high degree of moderating effect on the impact of the initial setting price and the intention to bid. It is important to look at the consumer's expertise regarding the product as well as on the process of the auction, as this can change the dynamics of events. Furthermore, the comparability of the products and how that can influence the effects of a high initial price is another important aspect to take into consideration. An experienced user can easily search for other reference prices on the internet and check if the initial setting price is set accordingly and see which eBay auctions are the most trustworthy as he/she knows how to analyse feedback, imagery, etc. If there are several reference prices, the effects of the initial price are heavily reduced (Ariely and Simonson, 2003; Bosnjak et al., 2007). Additionally, if the bidder is someone with experience using the eBay platform, he/she will not be subject to value cues that are transmitted from setting a low or high initial price. Therefore, any positive or negative effect due to the initial setting price will be attenuated if the person is an experienced consumer as the person will be aware of the tools used to increase the intention to bid (Ariely and Simonson, 2003). It can be argued that the more experienced you are, the less tempted you become (Mitchell and Dacin, 1996). Therefore, the user experience will attenuate any subsequent effects that are present. Thus, the following will be hypothesized:

H5: Auction expertise will attenuate the positive relationship between a high initial setting price and the intention to bid when compared to a low initial setting price.

Liu et al. (2010) comment on the possibility that the reasoning of the inconsistencies in the studies of initial price setting may be due to the uncertainty of value of the auctions being carried out. Hence their suggestion of using commodities versus collectable items due to the common value and independent evaluation the bidders may have. In the findings of Angst et al. (2008) it is suggested to resort to using other categories to see if the generalizability of their findings would hold. If the bidder has more knowledge about the product in the auction, he/she will have a clearer and precise notion of the benefits and the costs that the product can provide, hence a lower need of extrinsic cues to evaluate the product. Therefore, the bidder will not need the use of initial setting price in order to help with his/her evaluation. This type of bidder already knows the true value of the product and for which price it should be sold. Thus, a higher degree of product knowledge will attenuate any positive effect that comes from the initial setting price as it is only distorted by the bidder's assessment (Kamins et al., 2004). Thus, the following will be hypothesised:

H6: Product Knowledge will attenuate the positive effect between a high initial setting price and the intention to bid when compared to a low initial setting price.

4.1 Theoretical Model



5. Operationalization of the Variables

Multi item scales used in this study have been previously tested and validated when measuring all the situational behavioural traits. They were measured using a five point Likert scale, going from *strongly agree* to *strongly disagree* as opposites of the spectrum. The questionnaire used can be seen in Appendix B1 & B2.

Looking at the impulsive buying, the original scale was first developed by Rook and Fisher (1995) and later modified by Hausman (2000). Angst et al. (2008) analysis took these changes into account and subsequently also modified the scale for their study. This was the adopted scale for the present report. In order to measure the propensity to trust, the measurement scale was adjusted from the Pavlou and Gefen (2004) study, while the value consciousness scale was adopted from Lichtenstein et al. (1990). Product knowledge was measured using a validated scale of Mitchel and Dacin (1996). Looking at the user experience, we will consider the number of purchases or sales using exclusively the eBay platform in the past six months. The analysis takes into consideration the average use per month: 1) being less than one transaction, 2) at least one transaction and 3) more than one transaction. In other words, a simple measurement of the number of sales and purchases will be done (Zhang et al., 2007).

Finally, when measuring the purchase intention, a lot of scales have been previously used and the nature of the study has to be taken into account (Limayem et al., 2000). The most appropriate scale and the one that has brought more coherent results is the Juster scale (Juster, 1966). It is based on the probability approach using an 11-point [scale] which is a probability scale that is calculated through the question: "On a scale of 0 - 10 where 0 indicates no chance and 10 indicates certainty, what is the probability of purchasing the product?" (See Appendix I). It results in an estimation of the average probability that the population in question will perform the behaviour at hand, which in this case is the purchase.

6. Methodology

Master degree students were chosen due to the simple and cost effective way of delivering the questionnaires as well as the ease in obtaining a large set of individuals to answer the questionnaire.

Data was collected through the distribution of two sets of questionnaires that were handed out to master students. Four master classes at the Nova School of Business and Economics undertook this inquiry. Students' absences were not taken into account, as presence in class is not checked so there is no bias on which classes would have more students when answering the respective questionnaire. A total of 145 questionnaires were answered, 72 for the low initial price group and 73 for the high initial price group. One of the questionnaires represented the low initial setting price, containing an auction simulation of an Ipad at a starting price of 0,99€. The second questionnaire presented the exact same conditions as the low initial setting price questionnaire, but with a high starting price of 50€. Price ranges took into account the field experiments of Ku et al. (2006) study. Out of the 145 questionnaires, 55.2% were female and 44.8% were male. In terms of age, 40% were 21, which was in accordance with the fact that they were 1st year master students, 17.9% were 22 years old and 15.2% were 23. The other ages had a small weight in the sample.

Additionally, 74,5% of the respondents had not used the eBay platform in the previous 6 months (no use). Moreover, only 21.4% of the sample in question had used the eBay platform less than once a month in the past 6 months (low use), while only 2.1% had used it at least once (medium use), and finally 2.1% had used it more than once (high use). The variable was recoded into a dummy variable using the "no use" as the base line versus the rest of the sample as experienced auction users (low, medium and high).

Going through the program of Terapeaks, it tracked the amount of sales per product category among other variables on the eBay platform in the last two years. It is quite famous in the eBay community and therefore it was used in order to choose the product category. It had to be the category that had the most sales and it took into account the

sample of our study in order to obtain a higher degree of generalizability. It presented two interesting conclusions.

Firstly, how the top two categories sold in the previous 2 years in eBay.com platform had been *antique watches* as the top category and in second place *the tablet pcs* (See Appendix D & C). Secondly, how the most searched items on the eBay platform had been the Ipad and associated items (See Appendix E). Therefore, taking into account the population of the study (university students), the Tablet category was chosen, more specifically the Ipad 2 (used condition).

The product category had to be carefully chosen, as this could be the reasoning behind different conclusions in past studies (Angst et al., 2008; Reynolds et al., 2009 and Fuchs et al., 2011). Liu et al. (2010) comment on the possibility that the reasoning for these inconsistencies in the studies of initial price setting may be due to the uncertainty of the products' value at auction as previously described. Hence their suggestion of using items that could have different perception and value among the bidders. In the present study the product category took into account the lack of studies of technological products that analysed the impact of the initial starting price.

7. Statistical Tests

Hypothesis testing was conducted using the SPSS 11.0 software through regression analysis. This was the most appropriate method in order to analyse the significance of each variable by itself or in conjunction with a subset of the others. Additionally, confirmatory factor analyses, as well as reliability tests, were performed (See Appendix F, G & H). Subsequently, the beta coefficients and the statistical significance of the hypotheses were calculated.

8. Results

Appendix J presents the descriptive statistics for all the observed variables. Normality analysis was done through the Kurtosis and Skewness tests in order to see if the errors of the sample tended to normality. The deviations from the normal were not seen as

a main concern for this sample (See Appendix J), which led to the use of parametric tests in our testing.

Two methods were used in order to choose the final items of the questionnaire that were used for the analysis: the Cronbach reliability and the exploratory factor analysis (rotated factor matrix).

A Cronbach's reliability coefficient test was calculated for each construct. As illustrated in Appendix H, all coefficient alpha estimates ranged from 0,707 to 0,902 and therefore were greater than or equal to 0,7 making each construct in agreement with internal consistency that many researchers accept as being the established level for the coefficient alpha (Roberson et al., 1991).

An exploratory factor analysis was also executed using rotated factor matrix, as this has been the suggested approach for personality measurements (Hair et al., 1998). Using the condition of 0,4 or greater as significant, items that scored highly on multiple factors or whose loading was less than 0.4 were excluded from the study. Through the analysis, four scales were submitted and they each loaded effectively on their factor. In other words, they loaded on their respective construct showing no correlation among the constructs and therefore all the questions from the questionnaire were used in the study (See Appendix F).

In order to test H1, an independent T-Test was conducted. It was performed to compare the mean of intention to bid on both sets of the questionnaires. A pre-requisite for T-Test is the equality of the variances. The Levene's test was performed to assess this pre-requisite. We can see that there is a difference between the variance in the sample and this meets the requirement of equal variances.

Table 1		Independent Samples Test				
		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	t	df	Sig. (2-tailed)
Intention to Bid	Equal variances assumed	,496	,482	-2,692	143	,008
	Equal variances not assumed			-2,697	142,660	,008

Going through the T-test for the intention to bid variable, the results suggest that there is a statistical significance between the low and the high initial setting price at $p < 0,05$. This can be seen in Table 1. Taking this into account, we can conclude that H1 was confirmed, showing how in fact a high initial setting price had a positive effect on the intention to bid. Additionally, to further confirm H1, we could see that the control or modified dummy variable was also significant (see Table 5), which shows the level of importance that the initial setting price has on the object ($B=0,894$ significant at $p < 0,05$).

Moreover this can be confirmed through Table 2. The data show that the low initial

Group Statistics

Table 2	Control or Modified Auction	N	Mean	Std. Deviation	Std. Error Mean
Intention to Bid	Control	74	4,2297	2,65117	,30819
	Modified	71	5,3662	2,42157	,28739

setting price ($m = 4, 2297$) and the high initial setting price ($m = 5,36662$) translate into 42.2% and 53.3% probability of bidding in the Juster scale respectively (See Appendix I).

A linear regression was calculated to test H2, H3, H5 and H6. As we can see through Table 4, none of the interaction terms were significant and surprisingly, the manipulation effect was also not significant. Therefore, H2-H6 could not be confirmed. The only variable that was significant in this case was the SalesTotal, which reflects the experience of the user with auctions in eBay and provides evidence of the importance that it has on the dynamics of the auction. Definition of the variables on the regressions are presented in Table 3

Variable	Definition Table 3
ProductC	Average value of the questionnaire questions for the product knowledge construct
ValueC	Average value of the questionnaire questions for the value conscious construct
TrustC	Average value of the questionnaire questions for the propensity to trust construct
ImpulsiveC	Average value of the questionnaire questions for the impulsiveness construct
SalesTotal	Dummy variable where 0=no experience and 1=experience
ProductT	Interaction term with Control or Modified versus the respective trait
ValueT	Interaction term with Control or Modified versus the respective trait
ImpulsiveT	Interaction term with Control or Modified versus the respective trait
TrustT	Interaction term with Control or Modified versus the respective trait
Gender of the Participants	Dummy variable where 0=female and 1= male
Control or Modified Auction	Dummy variable where 1=High initial setting price and 0=low initial setting price

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,412 ^a	,170	,094	2,47052

Table 4 Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,173	2,787		,421	,675
	ImpulsiveC	-,121	,441	-,033	-,273	,785
	ProductC	,145	,254	,062	,571	,569
	ValueC	,342	,537	,078	,638	,524
	TrustC	,459	,366	,138	1,257	,211
	SalesTotal	,575	,691	,097	,831	,407
	impulsiveT	,622	,662	,284	,939	,349
	valueT	1,072	,769	,918	1,394	,166
	TrustT	-,723	,550	-,499	-1,315	,191
	Control or Modified Auction	-3,432	4,355	-,663	-,788	,432
	Gender of the Participants	-,183	,431	-,035	-,424	,672
	ProductT	,222	,395	,134	,562	,575
	SalesTotalsT	,719	1,022	,096	,704	,483

a. Dependent Variable: Intention to Bid

Nevertheless, continuing the analysis, we can observe through the regression analysis on Table 5 that the value consciousness ($B=0,880$ significant at $p<0,05$) plays a major effect on the intention to bid as well as the level of experience of the user ($B=1,048$ significant at $p<0,05$). Through this regression we can conclude that people with value consciousness and with experience will have a high likelihood to purchase the product regardless of the price. Furthermore, the initial setting price will have an effect on the intention to bid but it is not affected by experience and personality situational traits as the interaction terms of the latter were not significant in the analysis that was made.

As noted in the correlation matrix, (Appendix K & L) we can also see that impulsiveness is highly negatively correlated with value consciousness at a $-0,363$ value and is significant at $p<0,01$. This analysis may help explain the reason why there were non-significant results in our study, as we will observe in the discussion section.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,369 ^a	,136	,092	2,47338

Model	Table 5	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1,141	2,082		-,548	,584
	ImpulsiveC	,223	,319	,062	,699	,486
	ProductC	,219	,190	,094	1,156	,250
	ValueC	,880	,383	,201	2,299	,023
	TrustC	,123	,272	,037	,452	,652
	SalesTotal	1,048	,488	,177	2,149	,033
	Gender of the Participants	-,043	,425	-,008	-,100	,920
	Control or Modified Auction	,894	,422	,173	2,115	,036

9. Discussion

9.1 Initial Setting Price Effect

Scholars in diverse subjects such as economics, marketing and psychology are deeply attentive to comprehend the dynamics behind the auction market. As a result there has been the need to construct a better understanding of the bidders' individual characteristics in conjunction with their intention to bidding for online auctions using an initial setting price manipulation (Pinker et al., 2003).

Through this study we have shown that a high initial price can result in a higher intention to bid. The value cue conveyed to consumers was drastic thus leading to a higher intention to bid. The use of a low setting price, intended to increase the auction fever, may actually backfire as we saw in this study. It seems that people might look at the auction with a doubtful perspective and think it is "too good to be true" (Kamins et al., 2004). Another reason why a high initial setting price could have prevailed in our study would be for the non-existence of the social factor. As we previously described this is the main driver on why a low initial setting price might lead to a higher intention to bid. Understanding this social process is crucial when giving the advice on whether you should start your auction at a low or at a high price.

Additionally, it can also be argued that other features might have played an important role to further emphasize the low intention to bid for the low initial setting price

group. For example, the lack of imagery Lee et al. (2009) or the initial stage phase of the auction (i.e. it still had more than six days to end). If both of these elements were combined with the low setting price, it might have led people to wait before bidding. This principle is based on the idea on whether people bid straight away or wait. The auction is a multistage process that involves multiple periods. There is a distinctive phase when the consumer enters the auction and concludes it with the "moment of truth" (Ariely and Simonson, 2003; Lucking-Reiley et al., 2000).

Other interesting conclusions emerged in this study. Through our results, we concluded that impulsiveness was negatively correlated with value consciousness, which was significant in the present study. Therefore, this could also be used to explain the non-significance of impulsiveness in the proposed model. This is aligned with the theory that argues that value conscious people, before purchasing, thoroughly look over the pricing to obtain the product with the best price along with the best quality (Chen, 2011).

It is also important to discuss the product category, as this is an important variable in the auction dynamics. As previously described, only one study had used technological products when analysing the effect of the initial setting price. The Ku et al. (2006) example of the Nikon camera demonstrated, how a low setting price led to a higher average final price due to the increase of traffic. Likewise, the study also used a technological product and therefore the comparison between these cases is important to further understand the dynamics of the initial setting price and also check if traffic played an influence on the intention to bid. On one hand, Nikon has a lot of price comparison points available and therefore the initial setting price is important to attract people. You can easily compare 10 different stores, each one of them presenting a different price with broad ranges.

On the other hand, an Ipad was used in the present study. At first glance, it would be different to raise the traffic if a high initial setting price were to be used (Reynolds et al., 2009). Despite this, we cannot forget the brand notoriety of Apple and its pricing strategy, which will also induce a higher intention to bid. As previously discussed, Apple products work within a closed system and price comparison is non-existent because shops charge a

consistently high price. Apple products can hold their value and second-hand prices do not vary too much. Taking this into account, consumers will possibly lose interest when seeing a second hand Apple Ipad with a low initial setting price. It does not reflect the high value retention of the product and it results in a decrease of traffic versus charging a higher initial setting price.

Consequently, it just shows the importance of how having the correct initial setting price can result in an increase in the intention to bid and that should be an important aspect for the auction designer to consider (Liu et al., 2010).

9.2 Non-Significance of the Interaction Terms

Unexpectedly, the interaction terms (situational personality traits when combined with a low or a high initial setting price) were non significant and had no relationship between them, thus showing no moderation effect. It would be important to analyse the present study with other studies that used similar reasoning and processes and observe possible differences or similarities. Consequently, this takes us to the Angst et al. (2008) study. On the one hand, they used actual auction winners by sending emails with the questionnaire to study the variables of the analysis. This is an important aspect because at first glance the respondents should be familiar with purchasing or selling in an online auction, thus being well acquainted with the utilization of the service as well as knowing what to expect.

On the other hand the present study had a different approach. It used master students and it was assumed that at least half of the respondents would have had some previous contact in the last six months using the eBay platform, thus granting a higher level of generalizability in our study (Gefen et al., 2003). Contrarily, our study didn't show this. Out of the 145 respondents, 74.5% had not used the EBay platform in the previous 6 months. This represents a considerable gap from previous researches where it was assumed that respondents were familiar with the online environment. This misalignment with the sample may have led to a different interpretation of the respondents when confronted with this questionnaire. To better comprehend the auction experience of the user, a separate

regression, that only analysed experienced users, was calculated within the sample as well as one with only non-experienced users respectively (See Appendix M1 & M2). Interestingly, the experienced user regression resulted in three significant interactive personality terms when setting a low initial price (impulsiveC, trustC and valueC). When compared to the regression of only non-experienced users, it only resulted in one significant interactive personality term (trustC). Therefore, it shows the possibility that this contrast indicates the importance that user experience can have in this study. Despite this, the control variable (initial setting price) is no longer significant, so further analysis would have to be done. Nevertheless, we can see the importance that the auction experience may have on the dynamics of the auction.

We are analysing situational personality traits and the "situation" through a questionnaire might not be the most appropriate tool to utilize. Thus, certain situational traits might not have emerged through this process, as the auction simulation may not have been adequately realistic.

9.2.1 Impulsiveness

When analysing the non-significance of the interaction of impulsiveness with the initial setting price, important issues emerge. Firstly, how the initial setting price might not be the determining factor for impulsivity. Spool (1999) debates how a well designed website, which is easy to use with a clear presentation, contributes to impulsive buying. So, other design features, such as imagery, could prove to encourage impulsive purchases. This goes along the same principle of having a technological acceptance as suggested by Davis (1990).

Secondly, there could have been possible moderation from other possible variables that are antecedents of the impulsive construct. For example, subjective norms could have reduced the impact on the impulsiveness as it has been shown that there could be a possible relationship in some cases between those two variables (Zhang et al., 2007). Subjective norms suggest how for example, society tries to implement the view on how the economic crisis leads people to become less impulsive. Therefore, students might have been

“ashamed” or hidden the fact that they could be impulsive as this goes against society norms. This is especially true for countries that face economic crises, as is the case with Portugal. Bearing in mind the nature of the sample, the student population and the location where it was done, a Portuguese university, we can consider that subjective norms could have led impulsiveness to be lower and therefore resulting in a non-significant relationship.

Lastly, the non existence of impulsiveness might suggest how buying online is a structured process while others say it is an emotional process (Bosnjak et al., 2007 ; Tsao and Chang, 2010) .

9.2.2 Product Knowledge

Regarding product knowledge, the non-existence of a relationship within the proposed model was surprising. Researchers have suggested that product knowledge is an important influence on the consumer’s reference price (Tsao and Chang, 2010). The reason being that the more knowledgeable you are of the product, the less you need to base yourself on extrinsic value cues that the auction designer can manipulate which, in this case, was the initial setting price and therefore a significant interaction term was expected (Brucks, 1985; Ariely and Simonson, 2003).

Additionally, there was also no relationship in the intention to bid even when not considering the initial setting price. Further research would have to be done but a preliminary reasoning could be due to the brand Apple, where people know, from an initial point of view, that it will be beneficial and will bring quality even if not knowing the details of the product.

9.2.3 Propensity to Trust

As we have discussed and seen above, it can be argued that propensity to trust will have a significant effect on the intention to bid as well as a possible moderation effect. It is indispensable for shopping online. In the present study, initial setting price was not significant with intention to bid when moderated by propensity to trust. Furthermore, independently of the initial setting price, propensity to trust also had no effect on the intention to bid. A possible explanation could emerge as an influence from the users’

experience in auctioning. Experienced users have shown that they are not influenced by propensity to trust when bidding for an item. Experience can have a strong influence as an antecedent of propensity to trust, as Wang and Chen (2009) have shown.

9.2.4 Value Consciousness and Auction Expertise

From the last regression presented (Table 5) some interesting conclusions emerged. We can comment how, independently of the initial setting price, experienced people, as well as people with a high degree of value consciousness, will have a higher likelihood to purchase the product. Value conscious consumers are not necessarily cautious when it comes to materialism. Their main concern is the price they are paying for the value of the product they are acquiring. The Internet is the perfect vehicle to compare prices and is the perfect tool to look up product information and therefore value conscious buyers are more inclined to shop online.

Despite not discovering an interaction effect, we saw a direct result from user experience. When we consider experience, we can comment how these students are more used to the eBay platform, have purchased before, know the process and have the necessary "*know how*". They have done it before and were probably satisfied (Mitchell and Dacin, 1996). When analysing the auction experience, it was expected that the initial setting price should play a weaker effect due to the bidder's expertise and knowledge in auction dynamics and he or she consequently would not fall into the errors of the novice bidders (Ariely and Simonson, 2003).

10. Theoretical Implications

Bearing in mind the fragmented findings about the effects of the initial setting price on the final price, as well as on the antecedents of online shopping behaviour, the proposed model further contributes to a better understanding of the auction dynamics and presents three main conclusions:

1. It contributes to the auction literature regarding the contrasting results of whether the bidders should set a low or a high starting price, which has brought several inconsistencies in the past and led to different outcomes. Despite going against the

numerous social phenomena - "foot in the door", Freedman and Fraser (1966) and "disobedience experiment" Milgram (1963), etc. - the situation characterized in this study was different and therefore we argue that the anchor effect is a complex construct that depends on numerous variables: the product category and the presence of the social aspect (among others). The effects of the initial setting price are unique to each situation. Unlike some of the previous studies that argued in favour of the premise of a low initial setting price for technological products e.g. Nikon camera (Ku et al., 2006), our case demonstrated the contrary. A high initial setting price not only conveyed a high value signal but also confirmed bidders the prior perceptions that they had of the product.

Furthermore, we also demonstrate how the non-existence of the social aspect of the auction (the auction fever, herd effect, auction frenzy, etc.) could be a possible explanation for the fact that our present study concluded that a high initial setting price leads to a high intention to bid. This is important, given that, as we have discussed, the social aspect, could be the primary reason why a low initial setting price may lead to a positive effect on the intention to bid.

The study underlines the importance of the initial setting price and emphasizes the conclusions of Liu et al. (2010) analysis. They argue that the effects of a high initial setting price, that result in a higher intention to bid, are stronger and more dominant. This is in contrast with Ku et al. (2005) and Heyman et al. (2004).

Despite not confirming if contextual elements (initial setting price) will interact with the different situational behavioural traits and will lead to unique inter-individual consequences, the study still provided insights on how to conduct experiments of this nature by calling the attention of user experience in the formulation of this type of studies. This was seen in the regressions (Appendix M1 & M2) that took into account the experienced users and the non-experienced users respectively.

2. The majority of the studies analysed the effects of the auction design on the final price while our study is one of the few studies that analyses the individual bidding behaviour, instead of looking at the historical bidding patterns of the consumers. It does so

by identifying behavioural traits and their effects upon the auction design thus resulting in a higher or lower intention to bid, similarly to what happened in the Angst et al. (2008) review.

3. Our study suggests how online bidders' behavioural characteristics present themselves as variables to explain the intention to bid, those being value consciousness and auction experience. Value consciousness hints that shopping online is more of a structured process and a non-emotional one. Furthermore this trait was negatively correlated with impulsivity thus strengthening the idea of how value consciousness is a structured process. Value consciousness confirms the conclusions of Chen (2011) that people who score highly on this trait will use the Internet to make the best deals. These findings further contributed to the hierarchical model of personality proposed by Mowen (2000). The model argued the existence of an emotional, as well as a structured process, and did not take into account the user experience as a possible variable for intention to bid. On the one hand, our findings suggest that there is only a structured process. On the other hand, previous research by Bosnjak et al. (2007) argued the contrary and that there was only affective involvement. They also further discussed the possibility of the user experience having an effect on the intention to bid and our study demonstrated this direct result. The generalizability of these conclusions has to be carefully deliberated. When looking at other studies that analysed the intention to bid, it is worth highlighting that they concluded that other traits, such as impulsiveness and propensity to trust, were significant while our study did not. As we have previously discussed, this could be due to the process of the experiment, the sample and other antecedents that could have moderated the traits.

11. Practical Implications

Our study resulted in interesting practical implications, which will be useful in the formulation of the initial setting price, among other aspects:

1. Our study suggests how auctioneers should set the initial setting price. In other words, what the course of action is when it comes to setting the initial setting price for the second most sold category on the eBay platform, tablet pcs. Consequently, the choice of a

technological product and a higher setting price leads to a higher value signal. Therefore, for technological products that present similar characteristics to the Apple Ipad, we suggest charging a higher initial setting price. This is quite important, as recent studies have shown that due to the social term inherent to the eBay auctioning world, design auctioneers do typically not see this as the best practice.

2. Setting the auction design not only increases the intention to bid, therefore raising the chances of selling the product, but it is also beneficial for the eBay company. The reason being that the eBay platform's main revenue stream comes from the commissions on sold products. eBay is currently charging 9,9% of the final value of all the products sold. Therefore, an increase in the intention to bid is a win-win situation for both the seller and eBay.
3. This study also contributes with a significant outlook on the buyers' perspective, as this allows them to have a better understanding of the effects as a consequence of setting an initial low or high setting price. Therefore they are no longer influenced by the seller's strategic choice for the auction design, neither by the actions of other bidders. A more comprehensive knowledge of the value signs of auction design may change the bidders' perception turning them into more objective buyers (Wilcox, 2000).
4. Furthermore, design auctioneers have a better understanding of their customers and know how they should target their clients. Bapna (2004) study showed how there is heterogeneity within the population. As we have seen in our sample, value conscious as well as experienced people will have a higher intention to bid. As a consequence, there is a subsequent need for online stores to introduce behavioural traits in their marketing segmentation and target customers who possess this type of traits (value consciousness and user experience). Taking this into consideration, the auction design can be formulated in such a way that it lures the customers who present these traits. This can be done by, for example, providing the consumers with clear and detailed information about the product, so value conscious people are aware of the quality requirements that they are looking for. When commenting about how to lure experienced people, the auction design can appeal

these bidders with information about the easiness to buy products using the eBay platform as an attempt to remind them about their previous experience. The auction can invoke the following aspects as an attempt to achieve this: the level of usefulness, easiness and satisfaction level of having been a customer of the eBay system. This is also important to the eBay company, as it should perhaps try to keep the auction design within what is expected by the eBay-experienced community. If new features appear, then experienced people have to relearn how the system works and therefore the influence on the intention to bid may be different.

12. Limitations

Before looking at the final results and subsequent effects, it is important to analyse the limitations that were present in this study. It was done within a limited time and budget. Consequently, this led to the choice of resorting to the questionnaires, despite the virtues of using the experiment based approach (an actual simulation of an auction) or spider program as a tool to analyse a greater number of auctions as done by the majority of the main studies within this area. Spider programs are open services, which dictate the variables that are captured when looking at the eBay platform. Experiments were used in the study of Ku et al. (2006) and spider programs in the Lucking-Reiley et al. (2000) and Liu et al. (2010) analysis. All these reports led to significant results but nevertheless the use of questionnaires still achieved reasonable and useful conclusions (Tsao and Chang, 2010; Angst et al., 2008) . Despite this, we have to consider the social interaction variable, which as we have previously discussed and commented, is the main driver for the low initial setting price having a positive effect on the intention to bid. Taking this into account, the use of the questionnaire might have not represented this characteristic in the best way. It did not conceptualize an auction environment. If it had been more realistic and used other tools to replicate the necessary conditions to create this "auction environment," it could have developed more objective results. Moreover, questionnaires are more hypothetical, as they do not mirror the real live purchase. There could be a lag between intent and the actual action (Ajzen, 2002).

Additionally, notwithstanding the sample size being acceptable and the conditions on how the questionnaires were answered being similar, the low level of experience in the sample was not expected despite the questionnaire being distributed to more than 145 students, thus there is a possibility of bias being present (also due to the fact that the questionnaire was only distributed to master students). Besides, one should not forget the self-selection process of delivering the questionnaires to four master classes might not lead to a general online shopper population.

In conclusion, we must also remark how only one product was studied despite the attempt of generalizability backed up by the Terapeaks eBay statistical program. As previously discussed, the product choice was based on the most sold category. Nevertheless, the array of products on eBay is immense and therefore the choice of the product can lead to different results and conclusions. Any generalizability of the conclusions of this study, so as to apply to other product areas, has to be done cautiously. Moreover, one must accept the fact that there may be endogeneity within the consumers who buy the Ipad, in such a way, that buyers could limit themselves by only looking at the auctioneer who presents the lowest common initial setting price or the highest initial common setting price in the eBay platform. While this may explain some variance, the study's main argument is that individual behavioural characteristics will influence the intention to bid.

Despite these limitations, we came to the conclusion that the higher initial setting price positively affected the intention to bid as it conveyed more value to the consumer. Additionally, value consciousness and user experience also influenced the intention to bid despite no interaction with initial setting price.

13. Future Studies

Due to the present selection in our study, other situational traits might have been important for the present study, such as risk aversion, which is more interlinked to non-experienced users. Moreover, a better understanding of the auction experience variable should be sought to better comprehend its effects and its impact on situational personality traits. Additionally, there should be auxiliary studies to acknowledge if shopping online is an

emotional or a structured process in order to further contribute to the understanding and validation of the 3M hierarchical model.

Moreover, the cultural and socio-economic specificities could have reduced the usefulness of the results. The spectrum of services in Portugal is quite narrow. It is possible that, in other markets, different product groups may display different intentions to bid (Bosnjak et al., 2007). Therefore, performing the study in other countries could prove to be beneficial. Besides, a different path for future studies could also be followed: the analysis of design options other than the initial setting price or even simple variations of the latter, for example, the "secret reserve price" (works as the minimum price that the auction will be sold for but is not publicly known to the bidder). A bigger spectrum in the study of the auction design is crucial and it is important to analyse and portray the bidders in terms of their likings of such designs (Klemperer, 2002). For example, the use of images in auctions has not been a topic of great emphasis in previous studies and certainly deserves more attention. There could be interesting results as the addition of imagery is a time consuming process in an auction set-up and it would be important for the auctioneers to know if this is a must in their efforts (Lee et al., 2009).

Lastly, analysing other type of products or even non-products such as football tickets, would be noteworthy in order to see if the implications of the presented theoretical model could be applied to other types of products (Kauffman and Wood, 2006).

14. Conclusions

In this study we continued the investigation of the classic assimilation of the anchoring effect. On one hand, we analysed how a high initial setting price might lead to a higher intention to bid versus the effects of a low initial setting price, which could also have similar results due to the herd effect and the low cost of commitment. On the other hand, we also analysed how a high initial setting price may result in a reduced number of biddings, as this might decrease the auction fever and, as a consequence, show a low intention to bid when compared to a low initial setting price.

The present study added one extra stone in the literature of auction design when also considering the behavioural aspects of the online bidders. We took into account the level of impulsiveness, value consciousness, propensity to trust as well as auction user experience and product knowledge. In fact we demonstrated how these variables could change the decision dynamics of an auction.

Through this study we reached the conclusions that the initial setting price plays a major role in the intention to bid and, unlike recent studies that showed that a low initial setting price was beneficial, ours showed the contrary. The high initial setting price reflected a higher value in the product being sold and therefore when auctioning the second most sold product category in eBay, it is important to format the auction accordingly. Furthermore, we also concluded that the value consciousness would have an impact on the intention to bid as well as the user experience on the auction world, despite these traits not interacting with the initial setting price.

So being, we can better understand auctioning dynamics and try to exploit the bidders' preferences with more clarity and predictability of final results, so as to extract the highest value of the auctions, thus providing a key marketing tool for auctioneers.

15. References

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Appendix A- Resume of Key Findings on Online auctions (Angst et al., 2008, pp 61)

Author	Key findings
Ariely and Simonson [2]	Behavioral characteristics and preferences of consumers are not likely to vary between on-line auctions and traditional buying channels. Factors such as endowment, self-perception, and escalation can lead to consumer purchases not informed by a priori perceived value. Lower starting prices in auctions draw more bidders than higher starting prices, but the final selling price is not significantly different between the two. Loser's curse is more powerful than winner's curse, i.e., bidders will be more upset with potential loss of an item than possibility of overpaying for an item and regretting it.
Bapna, Goes, and Gupta [6]	Bid increments have important implications in a market consisting of bidders with heterogeneous strategies.
Bapna et al. [7]	Identifies heterogeneous bidder strategies and the implications for auction design.
Brazerman and Samuelson [10]	Empirically identifies instances of winner's curse.
Kahneman, Knetsch, and Thaler [39]	"Endowment" effect. Bidders take psychological ownership of an item on auction if they are high bidder for a time. If outbid prior to close of auction, they have more incentive to bid again to ensure that they win.
Kauffman and Wood [41]	Presence of a picture in coin auctions yields 12% greater final price
Kirkegaard and Overgaard [43]	Experienced sellers can generate more profit when selling multiple goods if they use a BIN feature in subsequent auctions once the selling price has been established in previous auctions.
Lucking-Reiley [48]	Dutch auctions earned 30% higher revenues than first-price auctions. English and second-price auctions earned approximately the same revenue.
Ottaway, Bruneau, and Evans [60]	In a commodity-type auction, a picture of the item has no bearing on the final price paid. Buyer reputation (feedback) has no bearing on the final price paid, but seller feedback does impact the final bid.
Resnick and Zeckhauser [63]	Feedback is a good proxy for experience. Sellers with higher feedback yield higher prices for their goods.
Roth and Ockenfels [68]	Late bidding, or bid sniping, occurs at equilibrium, as it offers a way for bidders to implicitly collude. Experienced bidders submit bids later than less experienced bidders.
Stafford and Stern [72]	Integrates the Technology Acceptance Model (TAM), affinity theory, and involvement theory to predict bidding in on-line auctions.
Ward and Clark [78]	Auctions won by bidders submitting bids early in the auction yield higher revenue than auctions won by bidders submitting bids late in the auction.
Wilcox [80]	More experienced bidders are more likely to bid according to theoretical predictions

Appendix B1 - Initial Setting Price Questionnaire Template

Apple iPad 2 16GB, Wi-Fi, 9.7in



Click to view larger image

Stock photo

Have one to sell? [Sell it yourself](#)

Item condition: **Used**

Time left: 6d 23h (24 Sep, 2013 16:22:58 BST)

Starting bid: **0.99**

[0 bid]

Enter 0.99 or more

Place bid

Add to Watch list

Postage: **5.50** Standard Int'l Postage | [See details](#)

Item location: **Carcavelos, Lisbon, Portugal**

Post to: **Worldwide**

Delivery: **Varies for items sent from an international location**

Seller dispatches within 5 days after receiving cleared payment.

Payments: **PayPal** | [See payment information](#)

Returns: **Returns accepted** | [Read details](#)

Protection: **ebay MONEY BACK GUARANTEE** | [See terms](#)

Seller information

raider*2007 (62)

100% Positive Feedback

[Save this seller](#)

[See other items](#)

AdChoice

Description

Postage and payments

Seller assumes all responsibility for this listing.

Last updated on 17 Sep, 2013 16:25:51 BST [View all revisions](#)

Item specifics

Condition: **Used**: An item that has been previously used. The item may have some signs of cosmetic wear, but is fully operational and functions as intended. This item may be a floor model or an item that has been

Type:

Tablet

[Print](#) | [Report item](#)

eBay Item number: 171128951569

Appendix B2- Questions used in the questionnaire to analyse the situational personality traits

Impulsiveness (5. Points Likert Scale, Angst et al., 2008)

- I often buy things spontaneously
- “Just do it” describes the way I buy things
- I often buy things without thinking
- “Buy now, think about it later” describes me
- Sometimes I feel like buying things on the spur of the moment
- Sometimes I am a bit reckless about what I buy

Product Knowledge (5. Points Likert Scale, Mitchel and Dacin, 1996)

- I am very familiar with the Ipad 2
- I am very clear about which features are important for providing me maximum satisfaction with the Ipad 2
- I know a lot about the Ipad 2
- My knowledge of Ipad 2 is probably greater than other EBay purchaser’s knowledge

Value Consciousness (5. Points Likert Scale, Lichtenstein et al., 1990)

- When I buy products, I like to be sure that I am getting my money’s worth
- I am very concerned about low prices, but I am equally concerned about product quality
- When purchasing a product, I always try to maximize the quality I get for the money I spend

Propensity to Trust (5. Points Likert Scale, Pavlou and Gefen, 2004)

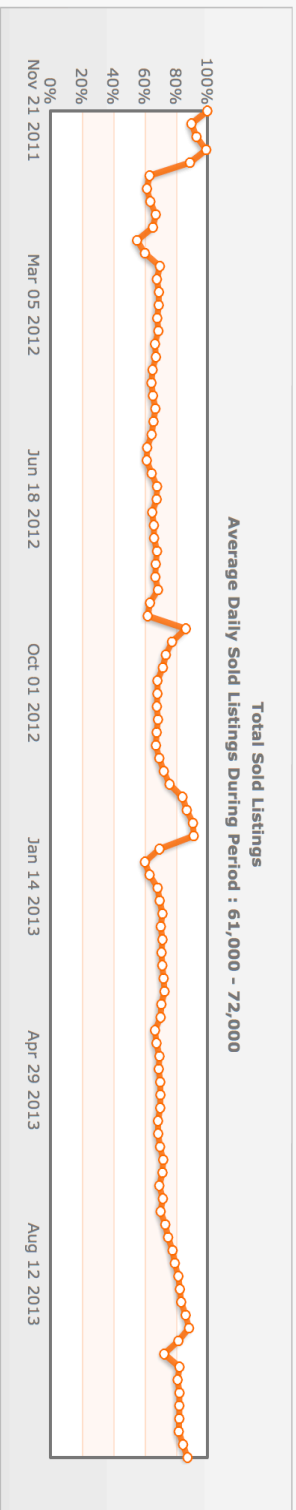
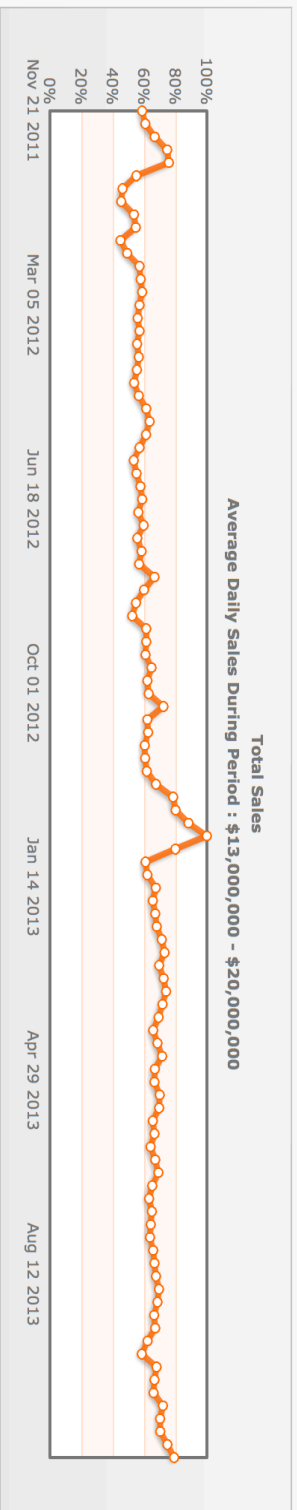
- I generally trust other people unless they give me reason not to
- I generally trust other people
- I tend to count upon other people
- I generally have faith in humanity

Personal Details

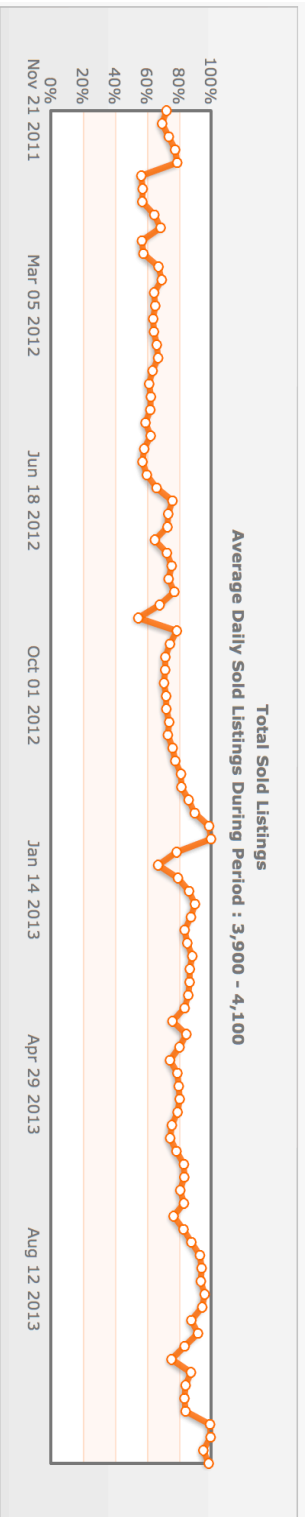
- What is your gender?
- What is your year of Birth
- How many sales or purchases have you done in the past 6 months using eBay

Appendix C - Total Sales in the last 2years of eBay platform for "Jewellery and watches" and for "tablet pcs". Data collected from <http://www.terapeak.com> on the 5 September 2013 at 14.00pm



Jewellery and watches




Tablet PCs



Appendix D- the most sold product category in the eBay.com platform. Data collected from <http://www.terapeak.com> on the 5 September 2013 at 14.05pm

 Product Research Competitor Research Category Research Hot Research My Research Title Builder				
Views		Site	eBay.com	Hot Categories
Sales Rank	Category Name	Hot	Success	
#1	Jewelry & Watches > Watches > Wristwatches	Very Hot	50.21%	
#2	Computers/Tablets & Networking > iPads, Tablets & eBook Readers	Very Hot	49.59%	
#3	Cameras & Photo > Lenses & Filters > Lenses	Hot	34.03%	
#4	Computers/Tablets & Networking > Laptops & Netbooks > Apple Laptops	Hot	48.93%	
#5	Clothing, Shoes & Accessories > Women's Shoes > Boots	Very Hot	26.36%	
#6	Video Games & Consoles > Video Games	Hot	36.67%	
#7	Clothing, Shoes & Accessories > Men's Clothing > Coats & Jackets	Very Hot	23.98%	
#8	Computers/Tablets & Networking > Computer Components & Parts > Other	Hot	35.01%	
#9	Business & Industrial > Electrical & Test Equipment > Industrial Automation, Control > Control Systems and PLCs	Hot	31.65%	
#10	Consumer Electronics > Portable Audio & Headphones > iPods & MP3 Players	Hot	64.41%	

Appendix E- the most searched word on the eBay platform. Data collected from <http://www.terapeak.com> on the 5 September 2013 at 14.00pm

Views  Find <input type="text" value="Find Hot Searches"/> eBay.com Hot Searches			
Popular Searches on eBay.com			
Rank	Search		
1	ipod touch		ebay
2	necklace		ebay
3	xbox 360		ebay
4	ipad		ebay
5	laptop		ebay
6	iphone		ebay
7	earrings		ebay
8	bracelet		ebay
9	ipod		ebay
10	headphones		ebay

Appendix F - Rotated Factor Matrix

Rotated Factor Matrix	Factor			
	1	2	3	4
Impulsive Buying1	0,748			
Impulsive Buying2	0,8			
Impulsive Buying3	0,71			
Impulsive Buying4	0,717			
Impulsive Buying5	0,583			
Impulsive Buying6	0,451			
Product knowledge1		0,897		
Product knowledge2		0,911		
Product knowledge3		0,922		
Product knowledge4		0,6		
Value consciousness1				0,63
Value consciousness2				0,66
Value consciousness3				0,62
Propensity to trust1			0,765	
Propensity to trust2			0,897	
Propensity to trust3			0,752	
Propensity to trust4			0,693	
Extraction Method: Principal Axis Factoring.				
Rotation Method: Varimax with Kaiser Normalization.a				
a Rotation converged in 4 iterations.				

Appendix H- Cronbach Alpha of all the constructs

	Cronbach Alpha	Number of Items
Impulsiveness	0.835	6
Product Knowledge	0.902	4
Value Consciousness	0.707	3
Propensity to Trust	0.856	4

Appendix G- Factor Extraction

Communalities	Initial Extraction	
	Initial	Extraction
Impulsive Buying1	0,534	0,573
Impulsive Buying2	0,586	0,64
Impulsive Buying3	0,554	0,582
Impulsive Buying4	0,559	0,551
Impulsive Buying5	0,43	0,377
Impulsive Buying6	0,32	0,234
Product knowledge1	0,786	0,806
Product knowledge2	0,795	0,833
Product knowledge3	0,78	0,857
Product knowledge4	0,453	0,38
Value consciousness1	0,361	0,453
Value consciousness2	0,39	0,493
Value consciousness3	0,4	0,467
Propensity to trust1	0,541	0,593
Propensity to trust2	0,655	0,807
Propensity to trust3	0,528	0,578
Propensity to trust4	0,459	0,486
Extraction Method: Principal Axis Factoring.		

Juster's 11-point probability scale

Score	Verbal equivalent
0	No chance, almost no chance [1 in 100]
1	Very slight possibility [1 chance in 10]
2	Slight possibility [2 chances in 10]
3	Some possibility [3 chances in 10]
4	Fair possibility [4 chances in 10]
5	Fairly good possibility [5 chances in 10]
6	Good possibility [6 chances in 10]
7	Probable [7 chances in 10]
8	Very probably [8 chances in 10]
9	Almost sure [9 chances in 10]
10	Certain, practically certain [99 chances in 100]

Appendix-I
Juster Scale

Appendix L - Correlation Matrix

	Intention to Bid	ImpulsiveC	ProductC	ValueC	TrustC	SalesTotal	Control or Modified	Gender
Intention to Bid	1	0,03	0,156	0,211	0,081	0,207	0,22	0,032
ImpulsiveC	0,03	1	0,032	-0,363	0,002	0,21	-0,005	-0,175
ProductC	0,156	0,032	1	0,127	0,042	0,095	0,101	0,119
ValueC	0,211	-0,363	0,127	1	0,1	0,003	0,104	0,146
TrustC	0,081	0,002	0,042	0,1	1	-0,064	0,187	0,084
SalesTotal	0,207	0,21	0,095	0,003	-0,064	1	0,06	-0,019
Control or Modified Auction	0,22	-0,005	0,101	0,104	0,187	0,06	1	0,06
Gender of the Participants	0,032	-0,175	0,119	0,146	0,084	-0,019	0,06	1

Appendix J - Univariate Statistics

Descriptive Statistics	Variable	Mean	SD	Skewness	Kurtosis
Impulsive Buying	V1	2,469	1,13685	0,293	-0,851
	V2	1,9517	0,95983	0,862	0,076
	V3	1,7931	0,94205	1,285	1,342
	V4	1,5862	0,80438	1,379	1,411
	V5	2,6759	1,03335	0,303	-0,549
	V6	2,4069	0,93909	0,223	-0,585
Product Knowledge	V7	3	1,38944	-0,016	-1,241
	V8	2,8552	1,3016	0,005	-1,124
	V9	2,6828	1,284	0,255	-0,985
	V10	2,0621	1,0751	0,929	0,396
Value Consious	V11	4,4069	0,67182	-0,978	0,952
	V12	4,1793	0,76075	-0,698	0,202
	V13	4,2966	0,80038	-1	0,493
Propensity to Trust	V14	3,4138	0,93976	-0,408	-0,606
	V15	3,331	0,92837	-0,392	-0,299
	V16	3,131	0,88392	-0,199	-0,151
	V17	3,2483	0,97561	-0,609	0,249

Appendix K - Pearson Correlation

		ImpulsiveC	ProductC	ValueC	TrustC
ImpulsiveC	Pearson Correlation	1	0,032	-,363 **	0,002
	Sig. (2-tailed)		0,701	0	0,985
ProductC	Pearson Correlation	0,032	1	0,127	0,042
	Sig. (2-tailed)	0,701		0,127	0,619
ValueC	Pearson Correlation	-,363 **	0,127	1	0,1
	Sig. (2-tailed)	0	0,127		0,23
TrustC	Pearson Correlation	0,002	0,042	0,1	1
	Sig. (2-tailed)	0,985	0,619	0,23	
	N	145	145	145	145

Appendix M1 - Sub-Group Regression of only Experienced Users

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	SalestTotal = 1,00 (Selected)			
1	,650 ^a	,422	,200	2,45751

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1	(Constant)	-3,235	6,347		-5,10	,615
	ImpulsiveC	1,602	,907	,475	1,766	,089
	ProductC	-,423	,641	-,184	-,660	,515
	ValueC	2,836	1,650	,584	1,718	,098
	TrustC	-2,139	1,129	-,644	-1,894	,069
	Gender of the Participants	-1,112	1,035	-,203	-1,074	,293
	Control or Modified Auction	-5,906	10,744	-1,086	-,550	,587
	TrustT	1,922	1,333	1,273	1,442	,161
	impulsiveT	-,834	1,406	-,424	-,593	,558
	valueT	,759	2,123	,615	,357	,724
	ProductT	,273	,888	,182	,308	,761

Appendix M2- Sub-Group Regression of only non Experienced Users

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	SalestTotal = ,00 (Selected)			
1	,348 ^a	,121	,030	2,43979

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1	(Constant)	,983	3,196		,308	,759
	ImpulsiveC	-,536	,529	-,144	-1,012	,314
	ProductC	,094	,280	,041	,335	,738
	ValueC	,374	,584	,091	,640	,524
	TrustC	,803	,398	,248	2,015	,047
	Gender of the Participants	-,222	,490	-,045	-,452	,652
	Control or Modified Auction	-2,478	4,859	-,502	-,510	,611
	TrustT	-,851	,653	-,614	-1,303	,196
	impulsiveT	,932	,772	,408	1,208	,230
	valueT	,645	,851	,580	,758	,450
	ProductT	,446	,459	,261	,971	,334