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## **A TAXONOMY OF CONSUMER RESALE BEHAVIOR IN CONSUMER-TO-CONSUMER (C2C) E-COMMERCE: AN EXPLORATORY STUDY IN TAIWAN**

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### **ABSTRACT**

This article draws on a phenomenological study of consumer resale behavior in consumer-to-consumer (C2C) e-commerce. We developed a taxonomy to describe consumer online resale behavior using the dimensions of “planned” or “unplanned resell” and “used” or “unused products” in order to examine the relationship between consumers’ reselling and purchasing behavior. We named the four consumer resale types as 1) resale of extra purchase, 2) resale after temporary ownership, 3) unintentional resale, and 4) disposition. Further, we implemented consumer interviews to empirically examine our taxonomy. Three major implications are derived. Firstly, consumer resale behavior influences consumers’ purchasing decisions. Secondly, consumer unsatisfied resale experience would damage brand image and decrease consumers’ willingness to repurchase. Finally, the motivations and behavior of consumer resale behavior are multidimensional.

### **INTRODUCTION**

Information technology has reduced the search and transaction costs for buyers and sellers to locate and trade products, and can thereby facilitate the creation of technology-mediated electronic exchanges [8]. Today, online buyers are portrayed as having unprecedented power to avoid goods and services they do not want, to shape those they desire in a way that suits their individual tastes, and to shop around for the best price-quality combination [24]. Now the Internet allows sellers to easily reach a worldwide market and buyers to easily locate items that would be unavailable in traditional physical stores. Similarly, the sale of used products has been around for a long time in physical markets. However, electronic exchanges alter the scale and scope of what is possible with regard to the sale of used products [8]. Consumer-to-consumer (C2C) e-commerce is a revolutionary and popular model of e-commerce, where consumers form a market to sell and buy products online. For example, eBay, the largest and most popular C2C company running an online auction site, has 203 million registered users worldwide, with 90 million users in the U.S. and 113 million users in eBay’s international markets [27]. If eBay were a country, it would be the fifth most populous country in the world, and prior reports indicated that online auctions would account for US\$48.5 billion of the expected US\$195 billion of online retailing revenues by 2006 [7]. Approximately 1.3 million sellers utilize eBay as a primary or secondary source of income, according to A.C. Nielsen’s 2006 International Research.

The Internet not only changes business models but also dramatically changes consumer purchase and consumption behavior. Durable goods are no longer considered unrecoverable costs, but rather can be considered liquid assets or acceptable accounts for consumers who have mastered reselling on C2C online auction sites. The product’s value or benefits may be perceived differently when consumers contemplate reselling their propriety. With intention to resell, consumers will compare the value brought by continuously using the products, the value of holding cash earned by reselling the product, and the value of new products the cash can buy. Once the latter two values are higher than the former, consumers will conduct online resale. We can infer from the large number of online sellers and the sales amount that a great deal of consumer behavior is no longer the same as the traditional consumer behavior of purchasing and consuming only. In online auctions, consumers may play dual roles as both consumers and resellers simultaneously, or in turn. The role of a consumer as reseller is a relatively new concept; studies of consumer behavior with regard to selling, motivations, goals, knowledge, and skills differ tremendously from that of the traditional consumer buying and consuming behavior. Unfortunately, the behavior of consumer resale online has not been studied in depth. Most research mainly focuses on online buying behavior or issues related to a unique auction mechanism, such as bidding strategy in a flexible pricing e-commerce.

In addition, most previous studies about online behavior have not considered the relationship between online and offline behavior. It goes without saying that consumers consider online shopping as one of their channels to purchase goods, dispose of unwanted goods, and search for information about goods. However, it is important not to neglect the influences of offline channels when studying online issues. Cheung et al. [3] found the focus of prior studies was on investigating the factors which affect the buyer’s intention and participation levels for online purchases. However, in many countries, although e-commerce transactions have grown rapidly, the amount of total online sales is still relatively small when compared to total national retailing sales. In the United States, e-commerce sales makes up only 2.3 % of total retail sales [26], though the U.S. Internet usage rate is one of the highest in the world at 68% [14]. The low conversion rate from Internet usage to e-commerce sales indicates that consumers use the Internet

mainly for non-purchase purposes or that they use the Internet to gather product information, but make the purchases offline. According to Nunes and Cespedes [18], as many as half of customers now shop for information in one channel, then switch from that channel to another when it comes time for money to change hands. In another study, Brown and Goolsbee [2] investigated the impact of Internet comparison shopping on the offline life insurance market and reported that the growth of online comparison sites reduces life insurance prices by 8% to 15%. The results of this study demonstrate the Internet's potential to cause a shift in welfare from a whole industry to private households. In a real case in Taiwan, five imported cosmetic brands were forced to decrease their prices 30 percent in response to a request from consumers because they could purchase the same products at a much cheaper price from parallel importers selling goods on the Web [6]. Thus, better price offers and easier price comparisons encourage consumers to make purchases online from sources other than official marketers, such as auctions and small retailers. This type of online buying can in turn attract more individuals to take a part in online trading and selling and give rise to consumer online resale activities. It is necessary, therefore, to look further into the effects of such a conjunction of online and offline consumer purchase behavior.

To study consumer behavior in the Internet environment more thoroughly, it is necessary to examine these issues from a broader perspective. In this study, we focus on consumers online resale behavior instead of the bidding behavior of buyers and look at the interaction between online and offline behavior rather than treating them separately as different boundaries. Further, we examine consumer disposition behavior and the linkage between the disposition and acquisition phases, rather than focusing only on one part. We first review literature and identify the background of consumer resale situations in order to elucidate our research questions for the nature and representation of consumer resale behavior in C2C e-commerce market and the possible implications for researchers and marketers. Next, we discuss issues related to consumer resale by conceptually defining and specifying types of consumer online resale behavior in a taxonomy. Then we conduct consumer interviews to examine the plausibility of these deductions. Finally, we present the conclusions and implications of the research.

## LITERATURE REVIEW

### *Consumer Disposition*

As much of the research in consumer behavior has focused on the acquisition phase, the disposition process has received relatively less attention [16] [17] [23]. Jacoby et al. [15], in the first research about consumer disposition, developed a conceptual taxonomy for describing consumer disposition behavior and classified resale as one of the disposition choices. Following Jacoby's research, Hanson [9] developed an explanatory model of several salient factors involved in the disposition decision process. Harrell and McConocha [10] explored further and conducted a field study to discover how consumer characteristics are related to the selection of several important disposition options. Besides giving or throwing away unwanted goods, consumers can resell them in such venues as a flea market, garage sale or consignment store. Jacoby et al. [15] suggested for future research in their article that consumer disposition patterns would vary over time. With the availability of C2C e-commerce in the Internet era, the resale pattern of consumer disposition is now not only more significant, the behavior is also more sophisticated. Consumers now have more options to dispose of unwanted possessions [20].

### *Consumer Resale Outlets*

Mowen [17] noted that the "disposition phase" refers to what consumers do with a product once they "have completed using it." But today, consumers may resell unused or not completely used goods to recover partial payment. The most important emerging disposition channel is doubtlessly the Internet via online auctions. Besides C2C websites, traditionally, consumers resell their unwanted goods through consignment stores, flea markets, garage sales and pawn shops. Consignment stores are designated to sell goods for consigners who have the willingness to sell unwanted goods at service fee. Consignment stores only receive the service fee after the sale is done. EBay "drop-off stores" often use the consignment model of selling to assist consumers in reselling products. These online drop-off store owners use eBay as a platform to sell goods for consigners who have no time or expertise to sell on eBay. A flea market or swap meet is a place where vendors come to sell or trade their goods. The vast majority of flea markets in rural areas sell goods that are second-hand. The semi-spontaneous nature and vendor-oriented open-market layout of flea markets sometimes offer concerts and carnival-type events to attract shoppers. Several studies have focused on the social embeddedness of consumption, marketplace ambience, and comparison of a flea market to traditional retail stores [1] [25].

"A garage sale is usually a community-based special sale that can be found in virtually all American communities, and which is the temporary public sale of used goods, primarily household items and clothing from in and around a private residence"[12,p.182]. Sellers in garage sales have a wide range of styles and motivations, from periodical housecleaning and socializing to making profit and generating cash [13] Differing from retailers' profit-making motivation, several studies of consumer sellers at garage sales reported that the social relations of the garage sale experience may in fact be a major reason for sellers' and buyers' participation. Herrmann [12] argues that the U.S. garage sale is a complex site that provides the potential for specific exchanges to be constructed as gifts or commodities, or both. She explains that the participants of different races and classes can transmit something of themselves with their possessions, transform their own lives in the process, and contribute to a broader spirit of community through

these reciprocal transactions. On the other hand, a pawnbroker offers monetary loans in exchange for an item of value to be held by the pawn broker. These stores sometimes carry a negative impression due to the fact that they often offer a low price for used goods. People who pawn goods usually need money urgently and value the privacy of the transaction. We find that the resale channels above share the same feature of a lack of efficiency because they do not include enough buyers and sellers in the markets and often do not see goods being sold timely at reasonable prices.

**A TAXONOMY OF CONSUMER ONLINE RE SALE BEHAVIOR**

In order to understand consumer resale better, we have developed a taxonomy to help us get a more complete picture. After excluding professional full-time sellers or retailers on auction sites, we classify the resale behavior of consumers into four categories based on the first dimension of “planned resale” or “unplanned resale” and the second dimension of “reselling unused products” or “reselling used products” in order to study the essence of the each resale behavior. Here the dimension of unused product refers to the condition of the item that is kept intact after being acquired by consumers till it is sold whereas the products themselves may be new or second-hand before. Used product is defined as the condition when product has been used by consumers before it is sold, yet the product itself may already be used or new in the first place when consumers purchased. Table 1 presents the four types of consumer online resale behavior.

***Planned Resell upon Purchase***

We define the first dimension “planned resale” as the condition when consumers, before purchase, consider that they can and have the intention to resell the target product after possessing it for a period of time. Consumers will receive compensation in the future if the product is successfully resold on an online auction site. Once consumers have the thought to resell the products, how the products can be resold for a profit becomes a major concern which predetermines consumer evaluation and willingness to buy. Thus, we propose “intention to resell” as the first dimension of classification. While the intention to resell can occur anytime—after purchase, during purchase, or even before purchase—only if the intention to resell occurs before the purchase is the condition termed a “planned resale” behavior; otherwise, if the resale intention occurs after purchase, it is called “unplanned resale.”

“Intention to resell” is an important concept that we use to analyze consumer resale behavior. If consumers do not intend to sell, their passive disposal behavior is more like traditional disposition as described in prior literatures [9][10][15]. On the other hand, selling is traditionally the job of the retailer, and the main purpose for retailers to purchase products is to resell. The “consumer reseller” described here is situated between traditional consumers and retailers, and consumer resale behavior is an amalgam of traditional consumer and retailer behavior. Consumers play a role closer to that of a retailer if they plan to resell. In this case, product buying blends the purposes of personal use and future business. If consumers uncover the resell intention after they have purchased and used the product for a while without a prior plan of resale, they are more like traditional consumers and that product buying is mainly considered for personal consumption at the time of purchase. Another reason we use the dimension of “planned” or “unplanned resale” is that the nature of consumer resale is strongly linked to purchasing. Since the major purpose of consumer purchase is for personal use, consumers are not consumers if their purchase is solely for resale. Thus, to analyze consumer resale behavior, we have to start from examining the motivation for purchasing.

***Unused or Used Products***

The second dimension we propose is whether or not the products that consumers sell are used. The behavior of reselling goods that have or have not been used by sellers is quite different. Reselling unused products means the sellers sell products without using them, while the products may be new or second-hand. Reselling used products describes the condition where the sellers have used products before reselling them, with the products being either already used or new when the sellers first purchased the products. The original buyer and reseller of resold goods may not necessarily be the same person. For example, the original buyer may be the father of a family while his son may list the products online to resell. Likewise, someone may help her friend to resell products on eBay. Consumers who are involved in the resale process are all sellers, but they may also be the buyers, users, or person responsible for listing on an auction site. Their behavior influences the resale. Reselling unused products is similar to the behavior of retailers, while reselling used goods is more like traditional consumer disposition behavior. The motivation to dispose of used and unwanted goods is clear; the reasons for consumers to resell unused products, however, have not been examined in previous study. Using the resale plan and product usage conditions as our classification scheme, we identify four different types of resale behavior, each with its unique meaning.

**Table 1. Taxonomy of Consumer Online Resale Behavior**

	UNUSED PRODUCTS	USED PRODUCTS
PLANNED RE SALE	RESALE OF EXTRA PURCHASE	RESALE AFTER TEMPORARY OWNERSHIP
UNPLANNED RE SALE	UNINTENTIONAL RE SALE	DISPOSITION

## CONSUMER INTERVIEWS

We conducted consumer interviews to collect possible consumer purchasing decisions and online resale behavior, evaluating correspondence to the proposed taxonomy. By a snowball process, a purposeful sample of nine participants who had successful experience in selling a number of products online took part in this study. Three of the nine participants are males and six of them are females. Intensive interviews were conducted using a conversational, unstructured, exploratory interview style guided by participants' stories of their shopping and online resale experiences. Each consumer interview lasted about an hour. Participants ranged in age from 19 to 32, with an average age of 25. They were current or past university students from different disciplines with 4 to 15 years of computer usage experience. Regarding online transaction experience, they had 2 to 8 years of online purchase experience and 1 to 5 years of online resale experience. Almost 95% of their resale transactions were through global online C2C auction websites affiliated in Taiwan, such as Yahoo Auction or eBay Auction. To help participants recall their experiences, a conversational-styled personal interview was conducted to gain in-depth information from each participant. The interviews focused on the participants' perceptions of themselves, of their environment and of their experiences. No questions were pre-determined or standardized. Information gathering came from a free-flowing conversation, relying on the interaction between the interviewer and the participants [21]. Burns [3] stressed that there are many advantages for in-depth or open-ended interviews; one of the advantages is the greater degree of informality involved, leading to stronger rapport.

## INTERVIEW FINDINGS

The results support our four-cell taxonomy. The taxonomy as a tool to analyze consumer online resale behavior is meaningful and useful, providing plenty of insights. In this session, we discuss findings from our interview regarding the typology and important subjects discovered in the process.

### *Four Types of Online Resale Behavior*

#### *Type 1 Resale of Extra Purchase*

In the "resale of extra purchase" situation, consumers sell unused goods with a planned behavior to resell. This occurs when consumers buy extra units of the same product over and above those purchased for self use with the intention of reselling the extra for profit or for personal enjoyment. Travelers may go abroad and buy products at a lower price than that found in their domestic market, and may buy one for self use and buy extra to list on online auction sites to make a profit.

*"When traveling in Italy, I found that a Prada bag is much cheaper there. I purchased one for myself and one for my sister as a gift. But after returning home, my sister told me that she didn't like the style. I ended up listing the bag on Yahoo and made a surprising windfall of NT\$5,000 (approximately US\$150). After that experience, I pay special attention to products with large price gaps around the world."*

#### *Type 2 Resale after Temporary Ownership*

"Resale after temporary ownership" type of consumer sellers are usually sophisticated consumers and heavy auction site users who savvy and have plentiful experience in reselling used goods on online auction sites. Products are conceived of as liquid assets which can be easily traded in exchange for cash at a low transaction cost. Having expertise to resell, they are knowledgeable of the possible resale price as well as the risk if they cannot successfully resell the goods online. For instance, consumers may replace their mobile phones more frequently because they know they can sell a particular cell phone for 70% of the price they paid after six months of use. Of course, market uncertainty may also cause consumers to lose money if they sell the cell phone at a lower price than expected. With the development of purchasing and resale skills similar to retailers, consumers' purchase considerations and behaviors are significantly different than traditional decision-making. We will discuss the effects further later in the article.

*"I sold a pair of shoes at a price just 5% below the price I bought them at. I am thrilled. From that day, I learned I could wear a new pair for a while and sell them when I don't like them. The best part is I can even have most of my money back when I sell them."*

#### *Type 3 Unintentional Resale*

"Unintentional resale" is a behavior by which consumers resell a new product that they have no intention to resell upon purchase of the product. C2C e-commerce buyers sometimes realize it a very good deal because they can purchase good quality, totally new products at a much lower price when these consumer resellers conduct unintentional resale. There are three sub-categories in "unintentional resale" type resale:

**Impulse Buying:** Consumers sometimes purchase unnecessary products out of impulse. When realizing the purchased goods are unneeded, they list them on webs to recoup losses.

*“When shopping, I cannot help purchase lots of clothes by impulse. After arriving home, I come back to rationality and find a handful of clothes that just doesn’t fit my style, then I will resell them if I can’t return these clothes.”*

**Mis-Purchased Items:** Consumers may mistakenly purchase inappropriate items, and find returning them not worth the effort. Likewise, consumers may purchase too many items and find that they cannot use them all. In this case, consumer sellers are unable to return goods and may thus sell those mis-purchased items, such as clothing in the wrong size or the wrong computer components, via online auction sites. Having difficulties in returning these products for refund, the online resale becomes a risk reducer for consumers.

*“I sold an unfitted component of my personal computer because I can’t return it due to losing the receipt.”*

**Unwanted Gifts:** Since gift giving involves two individuals, there is a much higher possibility that the receiver may not like the gift. Gifts are ideal goods to be listed on eBay, because they are usually valuable, new, and have complete packaging, and can therefore be sold at an attractive price.

*“I am happier to receive gifts after learning how to resell unwanted online. If receiving a dislike gift, I list it online for resale. An unwanted gift actually means cash to me now.”*

#### **Type 4 Disposition**

“Disposition” type behavior is a phenomenon better described in the existing literature. Consumers dispose of their used products to secondary markets. Prior research about consumers disposing second-hand goods falls in this category. Jacoby et al. [15], in his research about disposition, developed a conceptual taxonomy to describe consumer disposition behavior. Although “sell it” has been a disposition category in Jacoby’s study, the ease and intensity of online resale in our study indicates a revolutionary difference from what was proposed by Jacoby and his colleagues. Using the Internet, consumers can currently resell unwanted goods at a much lower cost and on a higher scale than before. Comparing the popularity of traditional and IT-based secondary markets, we can see that the disposing scale is much larger than before the Internet era. In the United States, each year the US\$9 million of traditional garage sales are dwarfed by the \$19 billion worth of C2C online auctions [5] [11]. This category can be divided into two subcategories: “Complete Use” and “Incomplete Use”.

**Complete Use:** It is difficult to give a universal definition of “complete use” for each consumer because individual consumers have varying principles to manage their commodities. In this study, we define “complete use” as the situation where a product is no longer used when consumers think that the product’s value is already exploited. For instance, for many consumers, the value of a movie on DVD format is exploited once they have watched it once. Likewise, a pair of shoes has been worth its full value if worn for two years. Consumers will resell complete use products because of these reasons:

- (1) **Waste Avoidance:** Though product value is already exploited, consumers are aware of the salvage value of these used goods. To avoid the feeling of wasting, consumers feel more comfortable reselling unwanted items rather than throwing them away or storing them. Traditionally, consumers are more likely to throw away, donate, give away or store unwanted items, but after learning of the feasibility of trading unwanted items for cash, they may feel guilty if they simply discard the items.

*“I realized that the huge amount of unwanted goods in the storeroom is no longer trash. It’s another bank account for me-- if I sell them I can get cash for lots of new stuff I desire. It’s a waste to throw these them away.”*

- (2) **Clearing Out Space:** To create space in a house is a motivation to resell unwanted items [13] [4] [15]. Consumers may still want to keep some goods which may be used in the future, but space considerations push them to get rid of these unwanted items.

*“It costs me more to keep these children’s clothes because space is valuable to me. Since I don’t need these clothes, it’s acceptable if resale price is low.”*

- (3) **Environmental Protection:** Some eco-aware consumers may resell products to who may utilize the products to prevent resource shortage on earth. This type of sellers prefers doing products justice than making money.

*“I believe resale is good to our earth. I would rather resell in a low price than throw usable goods away.”*

**Incomplete Use:** Here we define the “incomplete use” situation as one where consumers cease using a product despite the fact that the product is still in good condition and working order. The reasons to resell usable products are as follows:

(1)**Dissatisfaction with Products:** It is impossible for some consumers to become familiar with a product until after using it for a period of time. It may take digital camera owners weeks to learn that the camera is too complicated in operation, and they would prefer to buy a simpler model which is easier to operate. When it is too troublesome to return the used camera, reselling it online and getting back a portion of the original money spent seems a good choice for consumers.

*“I sold my newly purchased bag on eBay because I disliked the shape and it’s too small to pack my notebook.”*

(2)**Writing off an Old Product’s Book Value:** Consumers may face financial guilt after making purchases of new items that are not justifiable. Holding a usable old product makes purchasing a new one “unnecessary.” Therefore, some consumers are happy to resell the old goods in order to justify the purchase of a new one [19] [22].

*“I am a lover of electronic products and always use the newest models of digital cameras, TV games, PDAs and computers. Because electronic products are quickly replaced by new models and I can’t afford all these items, I deal with the problem by reselling them online.”*

(2) **Life-Passage:** There are many changes for people facing a life passage, such as children growing up, relatives passing away, or moving to another country and that require some shift in possessions. Consumers may have no choice but to dispose of these belongings under these circumstances. Although the online resale will make significant revenue, the central motive of the seller is putting a distinct phase of life behind him or herself [13].

*“I sold my motorbike on Yahoo auction because I have gone to U.S. to study for four years.”*

### **Online Resale and Online/Offline Purchase**

The purpose of our interview questions was to examine our proposition that online resale will influence purchase behavior. Our interview findings show that resale does have a positive effect on consumers in that they are more willing to buy from retailers and other suppliers. This is because consumer sellers feel the security of the online resale channel as a convenient disposition outlet, so they perceive less risk even if they have purchased something less desirable. Among the nine participants, three replied that there is no significant influence on their purchasing, while six replied positively, including answers such as “becoming more sensitive to online and offline prices,” “more willingly to buy from the Web,” “trying to sell more to get cash for a new purchase,” and “feeling frustrated when reselling products at a low price.” The results support a plausible strong relation between purchasing and reselling. More importantly, resale also affected repurchasing in a cyclical manner. Thus, online resale behavior and resale result play important roles in determining the first purchase and subsequent repurchase.

*“I like comparing price before buying things online or offline. I feel excited to purchase products at low price and sometimes buy extra to resell for a profit.”*

*“I have experience in reselling my used mobile phone, shoes and PC monitors on the Internet in order to cover a shortage of NT\$10,000 (approximately US\$300) needed for a new laptop computer.”*

*“When I purchase a high-priced product, I consider buying one with a better resale price. For example, limited edition models usually have better resale price.”*

*“After selling a cell phone on the Internet at a very low price, I wondered about the reason and considered not to buy the same brand next time.”*

## **DISCUSSION AND CONCLUSIONS**

### **Online Resale Taxonomy**

By in-depth interview, we discovered that the motivations for consumer online resale are multidimensional. Consumers under the four types of resale situations in our taxonomy may resell for different reasons. Unlike retailers who have profit as the only goal of selling, consumers resell for different purposes. These purposes include practical concerns of monetary return and reduction of purchase risk, or emotional dimensions of pleasure and avoidance of felt guilt. Just as consumers select and purchase to fulfill different needs, online consumer resale serves to meet individuals’ financial, utilitarian, and hedonic goals. However, it is well illustrated in our consumer interviews that consumer online resale behavior is idiosyncratic and multifaceted which differs fundamentally from consumer buying behavior. For further research, we suggest more detailed examination of each type online resale behavior. In addition, the consumer resale behavior should be studied across countries, since our study is conducted in Taiwan. Resale behavior should be different among cultures and retail background.

**Influences of Online Resale Intention to Purchase Decision Making Process**

Online resale intentions may influence the purchasing decisions of consumers in many aspects. In the pre-purchase phase, consumers with the intention to resell online may more easily arouse a need because they may perceive a lower product price; therefore, more brands and products become affordable. Furthermore, they may search for different information and have different evaluations of market preferences, such as brands providing a longer guarantee period. They also perceive lower risk toward purchase than those only with the intention to buy and are more willing to purchase goods they hesitated to buy because they can resell goods they find unsatisfactory. Moreover, consumers’ online resale price knowledge of the secondary market can also directly affect their attitudes toward and their perceived value of a brand, regardless of any intention to resell. In the post-purchase phase, consumer satisfaction with a brand may be heavily altered by the resale result, as noted earlier. Consumers may also be less likely to purchase a new product if on the one hand they cannot make “complete use” of it and on the other hand cannot resell it. Under this circumstance, consumer online resale can help to decrease the psychological dissonance that arises from a mis-purchase or incomplete use [19]. We summarize the influences of online resale intention on each phase of consumer decision process in a typical buying decision-making model in Table 2.

**Table 2 Influences of Online Resale Intention to Purchase Decision Making Process**

Decision Making Process	Influences of Online Resale Intention
Recognition of Need	More easily to arouse a need
Information Search	1. Less product information searching 2. More information needed related to online resale
Alternative Evaluation	1. Preferring products with higher second-hand price 2. Preferring products that are easier to resell
Purchase	1. Higher intention to “try” new goods 2. Keeping original package and certificate of authenticity 3. More carefully preserve products
After-Purchase Evaluation	1. Comparing value of a resale and continuously possessing a product 2. Activating a resale once the resale value is higher 3. Negative attitude if dissatisfied with the resale product

**Market Cannibalization Effect**

While the speculated cannibalization effect [8] predicts C2C online auction markets may steal some sales from retailers, online auction sites that resell consumers’ unwanted goods may actually carry over and lead to more new product sales from retailers [20], in particular with the resale of extra purchases. The other three types of consumer resale also can bring consumers cash to recover part of the original purchase payment, which could in turn encourage them to buy more new products from retailers [20] and actually increase retail sales. Consumers may even spend more with this resale money because they perceive the resale income as a windfall earning. Online resale also drives consumers to spend less time in searching product information and, therefore, to purchase what they are hesitant to buy before. The possible positive or negative impact of the online secondary market on consumers and retailers deserves further examination in future research.

**Implications for Marketers**

To marketers, our study has several important implications. Firstly, marketers cannot stop the growth of online secondary market but should be aware of the changes it brings. There is a loop connecting new-product markets and the secondary market [22]. When more and more consumers sell used goods, consumers may find it easier to purchase used goods by using the Internet. Therefore, a new segment of those who prefer to purchase cheaper used goods may be created by this constant secondary-product supply. Marketers must examine if the new segment is a separate segment from those who always purchase new products. If the new segment of secondary goods purchase is sufficiently large and independent, marketers need to adjust targeting and positioning strategies by addressing the resale value of goods. Secondly, millions of consumer resellers may be potential sales representatives for companies. Direct-selling companies may take advantage of these resellers to sell products or conduct customer service on C2C websites. To build an online direct-selling structure may save significant costs and allow for cross-national sales. Thirdly, gray market issues have diluted international brand values for a long time. With the boom of C2C auction sites, consumers not only can find price disparities more easily between countries but can purchase directly from small importers online. This will grow new challenges in international channel management and global pricing strategy for global brands. Therefore, international brands should rethink their global pricing policy.

With the continuous growth in the Internet user population and the development of the Internet infrastructure, there is little doubt that the phenomenon of consumers as online resellers will proliferate. Given its potential impact on changing consumer purchase and consumption patterns, online consumer resale behavior should be extensively researched and addressed. Even though a large



portion of consumers have not sold or purchased via the Internet, the impact of C2C e-commerce is intensifying with more selling agents and online resale consignment stores emerging daily [20]. In sum, the more efficient the information flow on the Internet and the lower the cost to resell products online, the faster consumer behavior will transpire. Therefore we should pay more attention to these evolving consumers.

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