Issues in Information Systems Volume 15, Issue I, pp. 360-369, 2014

E-COMMERCE EXPERIENCES AND IMPACT ON THE DEVELOPMENT OF PROFESSIONALISM

Thomas L. Ngo-Ye, Dalton State College, tngoye@daltonstate.edu

ABSTRACT

Nowadays, E-commerce has become so ubiquitous that millions of individuals and small businesses buy and sell things online. Do sellers engage in E-commerce activities just as a hobby and for fun? Or do sellers' E-commerce experiences shape them to become serious professionals? In this paper, we attempt to examine individual seller's E-commerce experiences, understand lessons learned at individual level, and investigate the impact of such experiences on professionalism development. We conduct an exploratory empirical case study by interviewing a local small business on its E-commerce experiences. We report the online seller's unique eBay experiences. Consistent with the literature, we find that feedback system and reputation building are important institutional mechanism on eBay. The interviewee's first-hand experiences reveal that the complexity of eBay marketplace and the extraordinary steps eBay take to protect and maintain the marketplace integrity. We also learn the innovations that eBay/PayPal/UPS implemented to encourage E-commerce activity with long-term customers. Overall, this study provides several interesting new business insights on E-commerce. Moreover, this research demonstrates that a seller's E-commerce experiences transform the individual not only in terms of acquiring a more sophisticated business understanding and increasing business curiosity, but also forming solid work ethics and developing professionalism and self-responsibility.

Keywords: E-commerce Experiences, Development of Professionalism and Self-responsibility, Lessons Learned, Business Insights, eBay

INTRODUCTION

In the past two decades, Internet and computer have gradually penetrated all aspects of our work and life. A lot of business transactions migrated from the offline physical environment to the online setting. Overtime, E-commerce became a critical part of modern business practice. Given the practical significance of E-commerce, many academic researchers investigated various issues and aspects of this new phenomenon. Among those E-commerce studies, some researchers used eBay as the backdrop.

Started in September 1995, eBay has been a pioneer in E-commerce [15]. By 2009, eBay has over 1.5 million listed sellers and operated locally in more than 30 countries [32]. As of May 2014, there are more than 500 million items listed on eBay and 128 million registered eBay users globally (source: http://www.ebay.com). According to eBay, it is the world's largest online marketplaces.

So many eBay sellers participate in eBay marketplaces. Do they engage eBay activities only as hobby and just for fun? Or do they take their eBay activities seriously and behave professionally? In this research, we examine eBay seller's E-commerce experiences, lessons learned at individual level, and impact on professionalism development.

We organize the rest of the paper in the following manner. First, we review literature on E-commerce. We then identify research gap. Next, we describe the research method employed in this study. Then we present the empirical evidences from the exploratory case study. Next, we discuss the findings. Finally we draw conclusions and point out future research directions.

LITERATURE ON E-COMMERCE

In this section, we describe some previous studies on E-commerce. In particular, we highlight some researches related to eBay.

Volume 15, Issue I, pp. 360-369, 2014

Roles of Intermediaries

Internet intermediaries, such as eBay, help to streamline E-commerce transactions and develop consumer trust in electronic markets [6]. In B2C e-commerce, intermediaries play discovery, facilitation, and support roles and affect customers' satisfaction [25].

Risk and Trust

Due to the faceless nature of E-commerce transactions, risk and trust are important research topics in this area. Extending Technology Acceptance Model (TAM), perceived risk in the context of transaction (PRT) and perceived risk with product/service (PRP) were incorporated to predict purchase behavior [26]. The authors found that these risk factors were significant in their cross-country empirical study [26]. EBay devised several ways to protect the integrity of its transactions - insurance program protecting buyers from paid goods not received and user feedback mechanism enabling buyers and sellers to rate the experience [18]. A negative rating may hurt the party in the future [18]. An empirical study confirmed that Chinese online shoppers' trust mediates the effects of other independent variables and has significant impact on users' purchase intention [17]. Based on information economics, transaction cost economics, and institution-based trust, a conceptual framework was proposed to justify the need for trust in intermediaries, such as eBay, in electronic markets [6]. An empirical research showed that structural assurance constructs – perceived vendor guarantee and perceived seals of approval – have significant effects in explaining online purchase intentions [30]. Moreover, perceived trust was found mediating the effects of structural assurance constructs on purchase intentions [30]. Online transaction self-efficacy, a situation-specific self-efficacy, was empirically demonstrated affecting consumer trust in the online vendor and influencing purchase intention in B2C E-commerce [14]. A cognitive model of trust in E-commerce was proposed and validated with a field study in China [9]. Trust propensity, perceived informativeness, perceived entertainment, and perceived irritation of online shopping affect a consumer's general trust in E-commerce and intention to use E-commerce [9]. Internet-based opinion mechanisms, popular rating schemes such as that found on eBay.com in particular, influence consumer purchase decision [27]. However, such rating scheme has bias and affects how users use ratings [27].

Economic Literature and Seller Reputation

In economic literature, there are also some studies investigating E-commerce and eBay auctions. For example, [11] reviewed theoretical and empirical questions addressed in the economic literature on eBay, concentrating on comprehending the behavior of sellers and buyers. The trustworthy of eBay sellers and the effectiveness of the feedback system were discussed [11]. While many researches emphasizing the seller feedback mechanism, [16] examined the role of disclosure seller's private information and disclosure costs. The empirical study on eBay Motors showed that photos and text provided by the seller strongly affect auction price [16]. The implication is that technology advancement reduces disclosure costs and enables enforceable explicit contract, which mitigates adverse selection problems in E-commerce [16]. Online seller's reputation is a subject of multiple studies. By investing in reputation, sellers can earn price premiums in online auctions [28]. In retail E-commerce, very large sellers and small sellers may stand to gain from their reputation in competition [28]. In an empirical study of Apple iPod Touch auctions on eBay, a seller's percent of negative rating was found to have significant effects on the final price received [19]. In a recent study, a new reputation management system was proposed to prevent retaliation and reduce fake ratings due to collusion [8]. The proposed model was validated through simulation tests [8].

Specific Industry, Cultural, and Cross-Country Studies

Some E-commerce studies were conducted in the context of a specific industry, while others investigated cultural effects and made cross-country comparisons. Three case study examples from manufacturing industries demonstrated that E-commerce can help deliver an enhanced service to customers, which created sustainable competitive advantage [3]. A case study of a small wine retailer explored why and how one small business adopted E-commerce and highlighted the importance of a chronological perspective [20]. An empirical study evaluated the major factors that can speed up the adoption of E-commerce in the apparel industry, with the purpose of enhancing business value [7]. E-commerce can be employed to enable banks to develop successful alternative delivery channels [31]. In an empirical research, factors that determine online auction price were compared between US and China [12]. The similarities and differences are identified and explained from cultural perspective [12]. Country-of-

Volume 15, Issue I, pp. 360-369, 2014

origin equity was found to generate price premium in eBay auction transaction price [13]. More specifically, the empirical results showed that sellers from the US enjoy the premium [13]. A recent study examined the similarities and differences among the e-commerce practices in the US and Saudi Arabia with the theoretical lens of national cultural dimensions [2].

Mobile Commerce and Security

Due to the recent massive adoption of smart phones and tablets, mobile commerce or M-commerce attracts a lot of attentions from academic researchers. For example, the perceptions of consumer's acceptance of M-commerce were examined in the context of soliciting mobile consumers to opt into target advertisement campaigns [29]. Another recent study investigated the technical foundations and the major characteristics of M-commerce [35]. Security is another critical issue in E-commerce research. An empirical study evaluated the security vulnerability of the Fortune 500 firms' retail E-commerce network system and offered suggestions to better secure information systems [36]. Another recent study applied grounded theory and case study to investigate the security perception of E-commerce [10].

Other E-commerce Studies

Computer game and 3-D virtual world environment had been utilized by companies as part of their E-commerce strategies for increasing sales and enhancing band awareness [21]. Other researchers had approached E-commerce research from legal perspective. For example, the economic impacts of the SARBANES-OXLEY Act on E-commerce firms were studied and a significant market value decline was found [34]. From an empirical study of small firms' E-commerce usage and perception, the perception that E-commerce is not strategically important for their business is discovered as the main reason that businesses do not engage in e-commerce [4]. An empirical study examining whether consumers' attitudes affect their participation in eBay purchasing found that eBay consumers possess a more positive attitude towards eBay than those eBay non-consumers [5]. Recently, eBay exploits its big data – user behavior data, transactional data, and customer service data – and applies analytics to get closer to its massive customers [32].

RESEARCH GAP

In the previous section, we surveyed various E-commerce studies conducted in multiple disciplines, including Information Systems, Economic, Marketing, Management, and Business. These studies cover many important and interesting topics such as roles of intermediaries, risk and trust, seller reputation, specific industry, cultural, and cross-country studies, mobile commerce, security, and strategies. Many of these studies are quantitative empirical studies. However, to the best of our knowledge, we have not found any study on the impact of an individual's E-commerce experiences on professionalism development. Given that tens of thousands sellers seek their fortune in online exchange, such as eBay, and spent a large chunk of their productive hours to tend their E-commerce businesses, it is important to understand what they learn from their E-commerce experiences and in what aspects the experiences shape their business view and professional career. Therefore, in this study we focus on investigating what lessons online sellers learn from their E-commerce experiences and what the professional impacts are.

RESEARCH METHODOLOGY

To address the research question identified in the above section, we conducted an exploratory empirical case study. When scholars investigate an emerging real-world Information Systems (IS) phenomenon, case study as a research method is particularly appropriate [33]. The case study approach has often been employed by IS researchers [10] and is believed to be the most frequently used qualitative method in IS research [1, 24]. The direct real-world experiences described by the case study interviewee provide rich information on the phenomenon studied. According to [22, 23], with the case study approach, researchers usually concentrate on just one or at most a few cases. We conducted informal interview with one voluntary participant who had extensive experiences of selling and buying things on eBay. The participant was an undergraduate student majoring in Information System at a University in USA. In summer 2013, we had an unstructured interview with the participant. At the beginning of the interview, we briefed the participant the goal of this research and then asked him to share with us his E-commerce experiences and lessons learned. We took notes during the interview and typed down the notes as soon as possible

Volume 15, Issue I, pp. 360-369, 2014

after the interview. We acknowledge the potential bias and the concern of the generalizability of the findings, due to the small sample size. However, the primary goal of this exploratory study is to gain preliminary understanding of the issue. We expect that, in the future, more advanced theoretical development will profit from the comprehension garnered from this research. Next, we present the interviewee's account of his E-commerce experiences and lessons learned.

EMPIRICAL CASE STUDY

The interviewee started his eBay store in 2008 and had many years' experiences as a computer seller and buyer on eBay. The interviewee has a small family business and works with his brothers and cousins. The interviewee's brother told him a few websites where U.S. governments and schools auction off used PC at low price. The auction is not open to everyone. Bidders must be members with legitimate business. The government/school calls the bidders to make sure they have enough money to pay for the auction products. The interviewee bought in computers at low price and resold them on eBay.

Business Insights from eBay Experience

Advantage of eBay

The interviewee said that if he wants to buy something, usually eBay is the place with the cheapest price, if one can find the product on eBay for sale. On the other hand, Amazon book price is at the high end of price range compared to other online book sellers. Amazon marketplace is more restrictive than eBay. A seller can only sell products listed in the category by Amazon. If a seller has an item not being part of Amazon category, one cannot sell it on Amazon. However, on eBay, one can literally sell anything. Moreover, if a seller is willing to pay additional \$10/month, eBay presents other items from the seller on the webpage. When a buyer checks out the item of interest, he/she can see other items listed by the same seller. This policy helps sellers promote their eBay store. EBay sellers can offer warrantee, 30 days or 90 days. There was one instance where the interviewee sold a used laptop with 30 day warrantee. Sixty days after the sale, a female buyer claimed the laptop was having problems. The interviewee explained this situation to the buyer and eBay and offered to help the buyer for additional charge if she wanted. Sometimes, eBay sellers provide free shipping to attract buyers, but the real shipping cost is added to the product price. EBay is very good for independent small business, because it gives a lot of freedom, such as auction for 3 days, 5 days, and 10 days.

Difference between eBay Online Store and Physical Store

There is one big difference between online store and a physical store. In a physical store, if a customer was frustrated by a bad service, the consequence is that he/she will not come back to the store for future shopping. However, for the online store, a customer may leave negative feedback and cause a big impact on the online store. Other potential customers can see the negative feedback and may not shop in this online store.

There are other differences between eBay store and physical store in the real world. Physical store needs advertisement (AD) to drive customers into the store. A physical store needs a lot of marketing and ADs to get the words out in order for people to know the store. These marketing activities should be conducted even before the owner opens his/her small business store. The grand opening AD for business can be compared to movie trailer AD. A new small business needs to promote what it is and what it offers. The AD can be very expensive. For a 2X4 banner flyer, it costs \$5. If ordering a bulk of 300 flyers, it will be \$1500. It costs \$600 to have a normal name board in the store, with company name and business items. To appear in the yellow page book, it costs \$500. It costs \$35 per month to enable the business to be shown on the yellow pages' website. However, on eBay, one does not need to pay or worry about advertisement. EBay allows users to search based on product name, price, or by top seller. The top seller icon is earned based on points accumulated and number of stars.

EBay provides additional information to sellers, even if no one buys the products listed on eBay. After the 30 days listing period, eBay shows you how many times your product was viewed and how many people added your product to their watch list (wish list or favorite list). This information is encouraging to a seller, even if one did not actually sell the product in the last 30 days. A seller may be hopeful for the next 30 days. Based on the number of views and

Volume 15, Issue I, pp. 360-369, 2014

how many times the product being added to watch lists, a seller can decide to experiment with pricing. A seller can gamble to increase or decrease the price. Also if many people view and add it to watch lists, a seller can pre-pack the products, just in case in the near future there are a lot of orders for it. In that case, the products are already pre-packaged and ready for shipment.

Physical store has its limit, as the owner expects and is aware that a region has only fixed number of, say 10,000, residents. After all, there are only so many people who utilize computer at home and even a smaller quantity of people who may buy used PC for home use. In this case, physical store owner has some expectations of how many businesses one can receive from local customers, meanwhile, eBay store is open worldwide, literally. Buyers come from almost all of 50 states for the interviewee's eBay store. There are also cases where local buyers buy a product from eBay and call the store to ask if they can pick it up at the local physical store. In one case, a buyer from Chattanooga, Tennessee called in saying she has placed an order on eBay, asking if she can come to pick it up from the interviewee's physical store. The interviewee, the store owner, said yes, because it saves the packing and shipping cost for the seller. In this case, the buyer still pays eBay transaction fee. Still, some local buyers even prefer product being shipped to their home. The buyers may feel that it is safer to do business on eBay than in local store. Or maybe given the same price on eBay and in physical store, they want to save gas money. In another case, a buyer said he/she saw the interviewee's product price on eBay. The buyer asked if he/she can come to the interviewee's store and buy the same product at his eBay price. The interviewee said yes. In this case, the transaction is offline and eBay does not earn transaction fee.

EBay Environment, Feedback System and Seller Reputation

EBay creates a friendly atmosphere for sellers and buyers to buy and sell. It provides a very reliable, affordable, and protective environment for exchange. EBay has vested interest to police and discipline sellers and buyers to behave fairly. When a person is unsatisfied with one seller on eBay, he/she may not only abandon this particular eBay seller, but may also discouraged potential buyers to shop online. The seller may not only lose his/her EBay Store, but also discouraged potential sellers to set up new stores. As a result, eBay has to create a fair location for buyers and sellers, otherwise, an unhappy environment could jeopardize the entire eBay marketplace.

The feedback from buyer is very critical. EBay sellers try to avoid negative feedback from buyers. Even 99% positive is not good, because the 1% negative comment matters. The negative comments will last for one year on a seller's profile and everyone can see that. EBay gives out stars to sellers, with different color. As a seller does business with integrity on eBay for an extended period of time and earns positive feedbacks, he/she will accumulate more stars. The best sellers receive "top seller" badge, which signals to buyers that this seller can be trusted. On eBay, there are points next to a seller icon number. Also there are color stars. Yellow star means \$500 limit for each transaction and purple star means more amount is allowed. These points, color stars, and badges signify the power of online sellers. They are awards earned by a seller to show that the seller is reliable and creditable. Buyers rate the seller on five dimensions. Sellers try to get 5 stars. Even 4 stars are not good enough for eBay business. The online reputation is very important on eBay. On eBay some sellers have thousands of points and feedback, because they did sell a lot in the past.

PayPal, Shipping and UPS

PayPal was acquired by eBay and is currently an eBay company. EBay and PayPal are also business partners and PayPal helps eBay members. EBay uses PayPal to handle online payment. PayPal uses eBay to obtain more customers. PayPal charges 3% fee per transaction. PayPal also works with other E-commerce websites such as Amazon. Some people are long-term users of PayPal. If they are new to eBay, PayPal provides more protection for them. EBay is like a judiciary making decisions, while PayPal is like a police or sheriff, implementing rules and holding money. As one has long-term business relationship with PayPal and proves to be a good user, PayPal offers additional service and protection. For one instance, a buyer from out of the states purchased a PSP. The buyer already transferred money to PayPal. However, to be prudent, PayPal needs a few more days to verify the money transaction. PayPal was nice to tell the seller, a long-term PayPal user, to wait a few more days before shipping the item out, because it is an out of states buyer and the payment needs more time to verify. However, for a new PayPal user, PayPal would not provide such a nice additional service. There is likelihood that after a few days, the payment

Volume 15, Issue I, pp. 360-369, 2014

is void and if the seller already shipped out the item, it will be a loss for the seller. As one builds long-term good relationship with PayPal, PayPal is willing to work with the user and better serve the user.

From the interviewee's E-commerce experiences, for a small and light package, USPS ships cheaper, 44 cents for a small package. However, for a larger and heavier package, UPS is a better choice due to price and speed. The interviewee registered with UPS and said that he had a small business and asked if UPS had any discount. On the same day of his registration with UPS, the interviewee received a phone call from a UPS staff saying UPS wanted to work with him and provided discount if he shipped products heavier than a certain limit, say 200 pounds, and valued more than a certain limit, say \$400. But USPS does not provide such discount. Perhaps majority of USPS customers are regular individuals coming in for personal business. However, UPS primarily serves businesses, knows how to deal with businesses, and provides suitable discount.

For a PC tower, the package may be 40 pounds and it may cost \$15 for shipping. For a 30 pound PC tower, with USPS, it will be \$30 for shipping. If shipping to California from Georgia, it will be \$60 using USPS. For a used PC pricing at \$100, \$60 shipping cost would be too much. With discount UPS is 40% cheaper than USPS. For a 15 pound LCD, \$10 shipping cost is great. For a PC tower, \$15 – \$20 shipping cost is good. For laptop, under \$10 shipping cost is good.

UPS claims to help online sellers. Just like with PayPal, long-term good business relationship with UPS has benefits. When a buyer claims that the delivered product is damaged, UPS will ask the seller if he/she followed the UPS guideline of how to pack an item, such as laptop. There are detailed rules of how to do that. EBay refunds to the buyer and UPS refunds to the seller, if the seller packed it correctly.

Good Long-term Business Relationship Matters

The same principle on keeping good long-term business relationship serves one well is also true with eBay. EBay establishes a schedule to gradually increase a seller's credit line or opportunity to operate on eBay. In the beginning, a new eBay seller receives 500 points, meaning for one transaction, the seller can sell up to \$500. Later if the seller is doing well, maintaining and proving to be a good seller, the limit is gradually raised. Eventually, eBay lifts up the limit to \$5000, then \$8000, and then even more. In another example, eBay charges the transaction fee every month. Initially eBay charges 9% flat transaction fee for a new seller. If the seller is a good one, after a while eBay will lower it to 8%, and later 7%, and finally 6%.

For new PayPal users, it is required that they keep minimum balance in their PayPal account. PayPal can charge to the user, if things do not go well. Therefore, new PayPal users cannot transfer all of their money from their PayPal accounts to their personal bank accounts. But for PayPal's long-term customers, they can transfer 100% money to their personal bank accounts, because they proved themselves as good customers and PayPal trust them.

In summary, there are a lot of differences in how eBay/PayPal/UPS treat long-term users and new users. Long-term users have established a history of sound record and won the good treatment. If an online seller has long-term good business relationship with the service providers – eBay, PayPal, and UPS – the seller will get help from the service providers. EBay/PayPal/UPS encourage these long-term sellers to do business with them. They see the mutual benefits in the continuing relationship.

Complex Issues of Fraud and Cheating

There is a chance that competitors on eBay may play a trick by pretending to be a buyer. They buy an item from a seller and then claim that the product is bad. This way of leaving negative comments may push a seller's business back. However, eBay knows this possibility and checks or anticipates this kind of fake feedback. One eBay ID is associated with a physical mail address. Also eBay asks sellers why they open business on eBay, among many other questions. If one opens eBay account as a personal individual account, he/she cannot do many things allowed for an eBay business account, such as no potential to increase per transaction limit beyond \$500.

In one interesting incident, the interviewee once bought a computer part from a seller on eBay. The part was not the exact one described by the seller or the desired one for him. Therefore, the interviewee, as a buyer, left a comment

Volume 15, Issue I, pp. 360-369, 2014

on the seller's eBay page requesting return and refund and saying the part was not right. EBay believed that the interviewee, the buyer, was intentionally pushing back his competitor because they were both computer sellers on eBay. To eBay, it appeared that the buyer simply tried to hurt his competitor. In turn, eBay took discipline action on the interviewee by locking his eBay account and reduced his eBay credit – credential. The interviewee contacted eBay representative and explained the true story that he was not aware his action might hurt his competitor. EBay representative said he understood it. But the punishment could not be manually removed, because it was automatically placed by the computer system. It would stay for a year on the interviewee's profile. The interviewee learned the lesson that next time if he needs to buy computer parts on eBay, he should not use the same eBay seller account. The interviewee advises that if one wants to buy and sell on eBay, one should create two accounts, one for the seller role and the other one for the buyer role.

On eBay there are some professional businesses and they bought things in bulk. They may buy 10 items for \$50 each. They can communicate via Gmail or Yahoo email and reference to the eBay listing. Then they took the transaction off eBay and just go through PayPal for 3% PayPal fee. In this way, professional wholesaler avoid 9% eBay transaction fee by not communicating through eBay message system. EBay does not like this practice and if eBay catches this, the perpetrators' eBay stores will be in trouble.

Two Types of eBay Users

EBay in general, favors the buyer's side, because eBay expects that if a buyer is unsatisfied with eBay, he/she will leave eBay and never comes back. Thus, eBay treats new buyer more leniently, because eBay thinks new buyer does not know what to expect and how to behave on eBay. But eBay treats seasoned sellers more strictly. The rationale is that seasoned sellers have been on eBay long enough and they should know the rules.

Another interesting finding is that eBay has different groups of buyers and sellers. On one side are the seasoned and professional sellers/buyers. They know how to behave on eBay and they do things seriously. They cherish online reputation and want to work with the other party to solve problem. For a seasoned eBay user, he/she is both a seller and a buyer. So he/she has been in the other's shoes and knows how it feels. Seasoned eBay users understand that "this can happen to me too!" Therefore, seasoned eBay users are more sympathetic, willing to solve the problem, and encourage communication. On the other side are the new and naïve buyers. New buyers do not know how to get help and are not interested in getting help, either. They just want to get a refund and be done with their unhappy eBay experience. When these new customers are unsatisfied, they are not interested in working things out. Instead, they leave negative feedback. It happened to the interviewee once. A new buyer claimed that the interviewee's product did not match the description and just wanted a refund. The buyer eventually left negative comment and it stayed for a year on the interviewee's eBay profile. New eBay buyers do not care about going along with the issue resolving process. New eBay buyers get protection from their credit card company. If they buy something for \$10 on eBay and are not satisfied, they can ask their credit card company for a refund. Therefore, they do not care much of resolving the issue with the eBay seller.

Development of Sense of Professionalism

The interviewee's overall experience on eBay was very good and positive. The interviewee said that he really likes eBay. The interviewee's eBay experience felt like a real world business practice! In the beginning, the interviewee did not care much and did not take it seriously. The interviewee thought that he would not meet buyers face-to-face. So who cares? Soon the interviewee discovered that PayPal held the money. The interviewee had to behave well online. In the interviewee's own words, EBay and PayPal gave him motivation.

To be a good eBay seller, one has to be active in the business. Moreover, it is expected that the seller respond to customers' inquires in a reasonable time frame, usually 24 hours. If the seller does not respond to a buyer's question, buyer will complain to eBay. EBay will contact the seller. If the seller still does not respond, eBay will reduce points and penalize the seller. EBay is a 24X7 business. Therefore, the interviewee keeps his smartphone on and always monitors any new sale or buyer message. Sometimes, the interviewee sells a few items overnight. The next morning after the interviewee wakes up, he checks the orders, packs items, and ships them out. On eBay, if a seller promises that the handling time is one day and if the seller does not provide a tracking number to the customer within 24 hours after the sale, the buyer will complain. Thus, eBay business is a very serious one with its own industry norm.

Volume 15, Issue I, pp. 360-369, 2014

Sellers also need to pay attention to matching description with product to be delivered, pack properly, and promptly respond to buyer's inquiry. If a buyer claims that the physical item and the description do not match, the buyer gets to keep the wrong item and also gets a refund. In this case, sellers have a loss. As a seller, the interviewee was very careful to pack the right product and ship on time to the buyer. If a buyer has a problem, the interviewee tries to follow up to resolve the issue to avoid a bad comment. The interviewee knew eBay watches him very closely. EBay provides online sales report, financial reports, and income statement. Sellers can see how much sales, fees, and profit each month. It is in the online QuickBooks style. EBay sellers do not need to pay additional fee to receive this online accounting service. PayPal sends W2 form at the end of the year for tax purpose. The interviewee was surprised for the amount of businesses he did on eBay. With all these professional looking reports, the interviewee felt that what he was doing on eBay was a real business.

Another interesting finding for the interviewee was that, on eBay, there are so many really professional businesses. Their eBay online stores look professional, not fake and fraud. From the way they conduct the communication, the interviewee learned a lot of how to properly address customers and respond in a professional manner. The interviewee was impressed that some eBay businesses are so professional. When those professional eBay businesses respond to buyer/seller's question, the text often goes like this: "welcome you to our business, thank you, etc."

A Puzzle

The interviewee always wondered one question. The interviewee could buy products on eBay from Chinese eBay sellers in China very inexpensively. Some items were on sale for just \$1 or \$2. The interviewee wondered how it can be so cheap. At such a low sale price, not talking about profit, it may not even be enough to cover the expense of the packing material. It may take up to two weeks to get the item delivered, yet, it was very cheap. The interviewee suspected that the Chinese eBay sellers may have a warehouse in the U.S. But the interviewee saw shipping label having Chinese characters and the address was from China. The interviewee used to buy book for just one cent and paid \$4 for shipping. It was still a great deal. The interviewee got the tracking service for shipping. It did ship from California. It took many days to receive the book. But it was fine. The interviewee wondered how the sellers can earn profit from this. Maybe the sellers earn points for this transaction on eBay and accumulate more points. Maybe earning more eBay points is the primary motivation for this practice of low price sale.

DISCUSSION

In this section, we discuss the main findings derived from the exploratory empirical case study. We relate the findings to the existing literature on e-Commerce. Moreover, we highlight those surprising findings not expected from the literature. Overall, the interviewee provided a very rich, detailed, and interesting account of his firsthand E-commerce experiences with eBay, as well as lessons learned.

The first group of findings can be categorized as business insights that the interviewee learned from his eBay experiences. The claim that eBay has the advantage of being a place to find cheap deals is consistent with the previous study of predicting the likelihood of consumers participating in eBay transactions [5]. Regarding to the difference between eBay online store and physical store, one interesting new discovery is that the information of the number of views for a product and how many times it being placed on watch list helps online sellers to better prepare the operations in advance of order surge. The interviewee's comments on eBay environment, its feedback system, and seller reputation are largely in line with previous studies on E-commerce trust, structural assurance, feedback and reputation mechanism [18, 19, 27, 28, 30]. The interviewee's elaborations on PayPal, shipping and UPS, as well as eBay's transaction amount limit schedule and transaction fee schedule illustrate an important new insight that the good long-term business relationship still matters a lot even in the faceless E-commerce. The description of complex issues of fraud and cheating sheds light on these challenging problems and reminds us the sophistication of eBay marketplaces. Finally, the account of two types of eBay users and their behavior difference is refreshing and mind-opening. This insight of two clusters of eBay users may help us better understand the dynamics of eBay behaviors.

The second cluster of finding centers on the development of professionalism and self-responsibility. The interviewee's story of eBay experiences molding his professionalism is especially telling and unexpected. The interviewee's positive attitude toward eBay confirms the previous study that eBay consumers have a more positive

Volume 15, Issue I, pp. 360-369, 2014

outlook on eBay [5]. It is very interesting to see how a young business professional's notion of conducting business on eBay evolves. The interviewee's eBay experiences totally transform his work ethics to become diligent and responsive to customers and to follow the industry norm. All these transformations happen naturally from his eBay experiences, not from listening to classroom lectures! The professional looking reports and statements from eBay and PayPal also strengthen the interviewee's belief that this is a real business experience, not a hobby or just for fun. Finally, from his communication and interaction with other professional businesses on eBay, the interviewee picked up the subtle clues of professional business communication. More importantly, it helped the interviewee identify with those professional businesses on eBay and built his own professional identity.

The third piece of finding revolves around a puzzle that the interviewee always wondered. From this case, we can see that the interviewee's eBay experiences really shape him so that he thinks like a business person and explores possible answers for an intriguing business question. The interviewee's E-commerce experiences cultivate his business curiosity and enable him to ask relevant and better business questions. All these things set stage for the interviewee's future professional business career and entrepreneur endeavor.

CONCLUSIONS

In this research, we reviewed many studies on E-commerce, covering a variety of topics. We approached Ecommerce research from a different perspective – examining individual's E-commerce experiences, lessons learned, and impact on the development of professionalism. We conducted an exploratory case study by interviewing a small eBay business owner who had several years of E-commerce practices. The case study reveals that the interviewee learned a lot of important business insights from his E-commerce experiences. Moreover, through these experiences, the interviewee developed a strong sense of professionalism. In summary, this research contributes to our collective understanding of lessons learned from E-commerce experiences at individual level, as well as its impact on the development of professionalism. E-commerce experiences do transform a young business professional by developing more sophisticated business understanding, acquiring business acumen, and nurturing business curiosity. Moreover, such experiences have profound impacts on building a strong work ethics, strengthening professionalism, and preparing a young professional to become a better business entrepreneur. As an exploratory study, the primary objective of this research is to develop an initial understanding of the topic and lay down the foundation for future investigation. We do recognize the limitation that we draw conclusion based on only one case. Additional empirical studies are needed to further test and validate the findings to make it more generalizable. We do plan to extend this initial exploratory study by interviewing additional small eBay businesses to increase the sample size. Future research can also take up the interesting and surprising insights and advance our knowledge on topics such as the dynamics of two types of eBay users and the effects of professional business communication on eBay. We believe that the line of inquiry on individual's E-commerce experiences and impact on the development of professionalism is conductive for theory building and broadening our knowledge. More theoretical discoveries and practical insights are anticipated.

REFERENCES

- 1. Alavi, M., & Carlson, P. (1992). A review of MIS research and disciplinary development. *Journal of Management Information Systems*, 8(4), 45-62.
- 2. Aseri, A. (2013). Cultural impact on e-commerce: A comparative study. *Issues in Information Systems*, 14(1), 431-440.
- 3. Barnes, D., Hinton, M., & Mieczkowska, S. (2004). E-commerce in the old economy: Three case study examples. *Journal of Manufacturing Technology Management*, 15(7), 607-617.
- 4. Bharadwaj, P. N., & Soni, R. G. (2007, October). E-commerce usage and perception of e-commerce issues among small firms: Results and implications from an empirical study. *Journal of Small Business Management*, 45(4), 501-521.
- 5. Black, G. S. (2007). A comparison of the characteristics of eBay consumers and eBay nonconsumers. *Journal of Direct, Data and Digital Marketing Practice*, 9(1), 16–29.
- 6. Datta, P., & Chatterjee, S. (2008). The economics and psychology of consumer trust in intermediaries in electronic markets:. *European Journal of Information Systems*, 17, 12–28.
- 7. DiIorio, K. M., & Wei, J. (2011). Value increasing electronic commerce solutions in the apparel industry. *Issues in Information Systems*, 12(1), 134-140.

Volume 15, Issue I, pp. 360-369, 2014

- 8. Fouliras, P. (2013). A novel reputation-based model for e-commerce. Operational Research, 13, 113–138.
- 9. Gao, Y., & Wu, X. (2010, January/February). A cognitive model of trust in e-commerce: Evidence From a field study in China. *Journal of Applied Business Research*, 26(1), 37-44.
- 10. Halaweh, M. (2012, March). Integration of grounded theory and case study: An exemplary application from e-commerce security perception research. (Y. J. Kim, Ed.) *Journal of Information Technology Theory and Application*, 13(1), 31-51.
- 11. Hasker, K., & Sickles, R. (2010). eBay in the economic literature: Analysis of an auction marketplace. *Review of Industrial Organization*, 37, 3–42.
- 12. Hou, J. (2007). Price determinants in online auctions: A comparative study of eBay China and US. *Journal of Electronic Commerce Research*, 8(3), 172-183.
- 13. Hu, Y., & Wang, X. (2010). Country-of-origin premiums for retailers in international trades: Evidence from eBay's international markets. *Journal of Retailing*, 86(2), 200–207.
- 14. Kim, Y. H., Kim, D. J., & Hwang, Y. (2009, January-March). Exploring online transaction self-efficacy in trust building in B2C e-commerce. (M. A. Mahmood, Ed.) *Journal of Organizational and End User Computing*, 21(1), 37-59.
- 15. Lear, A. C. (2000, March-April). Managing e-commerce reliability, eBay style. IT Pro, 76-79.
- 16. Lewis, G. (2011). Asymmetric information, adverse selection and online disclosure: The case of eBay motors. *American Economic Review, 101*(4), 1535–1546.
- 17. Li, R., Kim, J., & Park, J. (2007). The effects of Internet shoppers' trust on their purchasing intention in China. *Journal of Information Systems and Technology Management*, 4(3), 269-286.
- 18. Light, D. A. (2001, Fall). Sure, you can trust us. MIT Sloan Management Review, 43(1), 17.
- 19. Mickey, R. (2010, Fall). The impact of a seller's eBay reputation on price. American Economist, 55(2), 162-169.
- 20. Molla, A., Heeks, R., & Balcells, I. (2006, August). Adding clicks to bricks: A case study of e-commerce adoption by a Catalan small retailer. *European Journal of Information Systems*, 15, 424–438.
- 21. Moscato, D. R., & Moscato, E. D. (2009). A critical analysis of using 3-D virtual world environments in e-commerce strategy. *Issues in Information Systems*, 10(2), 267-274.
- 22. Myers, M. D. (1997, June). Qualitative research in Information Systems. MIS Quarterly, 21(2), 241-242.
- 23. Myers, M. D. (2012, November 5). *Qualitative research in Information Systems*. Retrieved January 4, 2013, from MISQ Discovery, updated version: http://www.qual.auckland.ac.nz/
- 24. Orlikowski, W. J., & Baroudi, J. J. (1991). Studying information technology in organizations: Research approaches and assumptions. *Information Systems Research*, 2, 1-28.
- 25. Palvia, P. C., & D'Aubeterre, F. (2007). Examination of infomediary roles in B2C e-commerce. *Journal of Electronic Commerce Research*, 8(4), 207-220.
- 26. Park, J., Lee, D., & Ahn, J. (2004). Risk-focused e-commerce adoption model: A cross-country study. *Journal of Global Information Technology Management*, 7(2), 6-30.
- 27. Poston, R. S., & Royne, M. B. (2008, October-December). Ratings scheme bias in e-commerce: Preliminary insights. (M. A. Mahmood, Ed.) *Journal of Organizational and End User Computing*, 20(4), 45-73.
- 28. Saastamoinen, J. (2009). Returns on reputation in retail e-commerce. *Journal of Electronic Commerce Research*, 10(4), 196-219.
- 29. Scibelli, D. B., & Stevens, B. (2012). The strategic hunt for mobile consumers through m-commerce. *Issues in Information Systems*, 13(1), 144-150.
- 30. Sha, W. (2009). Examining mediators of structural assurance constructs in business-to-consumer e-commerce. *Issues in Information Systems*, 10(2), 364-371.
- 31. Strong, R. (2011). ICT banking strategies designed to grow and retain e-commerce: Alternate delivery channels' customer base. *Issues in Information Systems*, 12(1), 1-6.
- 32. Sundaresan, N., & Ferguson, R. B. (2013, June). How eBay uses data and analytics to get closer to its (massive) customer base. *MIT Sloan Management Review*, 1-4.
- 33. Yin, R. K. (2002). Case Study Research, Design and Methods (3rd ed.). Newbury Park: Sage Publications.
- 34. Young, R., Huang, H.-W., & Yan, Y.-C. (2010). Economic consequences of the SARBANES–OXLEY act on e-commerce firms. *Issues in Information Systems*, 11(1), 377-383.
- 35. Zhang, R., & Hilton, T. (2012). The characteristics and technical foundations of mobile commerce. *Issues in Information Systems*, *13*(2), 394-396.
- 36. Zhao, J. J., Truell, A. D., & Alexander, M. W. (2009). A security vulnerability audit of fortune 500 e-commerce network systems. *Issues in Information Systems*, 10(2), 88-94.