

THE EFFECT OF CONSUMER SHOPPING MOTIVATIONS AND ATTITUDES ON
ONLINE AUCTION BEHAVIORS: AN INVESTIGATION OF SEARCHING,
BIDDING, PURCHASING, AND SELLING

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The purposes of the study were to: 1) identify the underlying dimensions of consumer shopping motivations and attitudes toward online auction behaviors; 2) examine the relationships between shopping motivations and online auction behaviors; and 3) examine the relationships between shopping attitudes and online auction behaviors. Students ($N = 341$) enrolled at the University of North Texas completed self-administered questionnaires measuring shopping motivations, attitudes, online auction behaviors, and demographic characteristics. Using multiple regression analyses to test the hypothesized relationships, shopping motivations and shopping attitudes were significantly related to online auction behaviors. Understanding the relationships is beneficial for companies that seek to retain customers and increase their sales through online auction.

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CHAPTER 1

INTRODUCTION

A fundamental issue consumers must address during their purchasing decision is where they should buy products or brands. Many products can be acquired through different channels such as brick-and mortar stores, catalogs, television, and online shopping. These increased shopping choices create special challenges for companies as they reexamine and revise their marketing strategies to target customers to secure a competitive advantage.

The Internet has exerted an increasingly strong influence on people's everyday life with approximately 605 million users (NUA, 2003). In fact, the Internet has become a popular shopping medium for consumers who have more shopping choices than ever before. Technological advances have created a dynamic virtual medium for buying and selling information, services, and products offering consumers unparalleled opportunities to locate and compare product offerings (Teo & Yu, 2005). Among fast-growing online market places, online auctions provide a unique way of connecting buyers and sellers together in venues that were not previously possible. Anyone can buy and sell products and services over the Internet at a fair price, where the seller posts a minimum purchase price and users then bid above this price to secure the item (Kung, Monroe, & Cox, 2002). Therefore, this

new online market has experienced remarkable growth and in turn has attracted wide attention from both consumers and retailers.

In a competitive marketplace, companies' long-term profitability depends on their ability to attract and retain loyal customers. This challenge is no exception for companies in online auctions. To these companies, understanding consumers' shopping motivations, attitudes, and decision making play a major role for differentiation because they address why consumers shop and what they purchase.

Numerous research has been conducted to investigate the linkages between shopping motivations, attitudes, and shopping channels (Burnkrant & Page, 1982; Dawson, Bloch, & Ridgway, 1990; Hallsworth, 1991; Hanna & Wozniak, 2001; Morschett, 2001; Rohm & Swaminathan, 2004; Sheth, 1983; Steenkamp & Wedel, 1991). There has been consensus that shopping motivations positively influence consumer's purchasing behavior in most retail settings including online shopping. However, these results have not been investigated within the context of online auctions. Given the significant growth in online auctions, the understanding of the particular reasons why consumers choose to shop in online auctions is critical in the development of emerging retail channels.

The purpose of this study investigated the impact of shopping motivations and attitudes on online auction behaviors. Specifically, this study sought to: 1) identify the

underlying dimensions of consumer shopping motivations and attitudes toward online auction behaviors; 2) examine the relationships between shopping motivations and online auction behaviors; and 3) examine the relationships between shopping attitudes and online auction behaviors.

Rationale

The phenomenal growth and rising popularity of the Internet has attracted consumers and businesses to leverage resulting benefits and advantages. As a result, e-commerce sales continue to grow. In fact, online sales at domestic retailers amounted to \$56 billion in 2003 and accounted for about 2% of all retail sales (U.S. Census Bureau, 2004). Forrester Research (2003) reported that business-to-business e-commerce increased from \$406 billion in 2000 to \$1,823 billion in 2003. In contrast, the business-to-consumer figures increased from \$64 billion in 2000 to \$144 billion in 2003. What is interesting is the emergence of the last variation, consumer-to-consumer e-commerce. Online auction sites such as eBay® are the most successful examples of the consumer-to-consumer e-commerce phenomenon.

Online auctions provide a new way of connecting buyers and sellers together in venues that were not previously possible. It attracts thousands, sometimes millions, of bidders for items ranging from commodities to collectibles (Massad & Tucker, 2000). The availability and convenience of the Internet with the variety of

products available at any time has contributed to the success of online auctions.

Therefore, many online companies are prioritizing customer relationships and moving to greater interactivity and value-adding information on products as well as making price information and the pricing process more dynamic through auctions (Walley & Fortin, 2005). With the rapid growing number of Internet users, the estimated number of auction sites also has increased. There are now more than 1660 auction sites listed on the online auctions portal web site (Walley & Fortin) with over 12 million items across 18,000 categories found daily for sale in online auctions (Lin, Li, Janamanchi, & Huang, 2006).

The increasing importance of online auctions has attracted the attention of consumer researchers (Bajari & Hortacsu, 2003; Bruce, Haruvy, & Rao, 2004; Cameron & Galloway, 2005; DeLyser, Sheehan, & Curtis, 2004; Gregg & Walczak, 2006; Hur, Hartley, & Mabert, 2006; Kazumori & McMillan, 2005; Lin et al., 2006; Lucking-Reiley, 2000; Massad & Tucker, 2000; Melnik & Alm, 2002; Park & Bradlow, 2005; Pitta & Fowler, 2005; Rafaeli & Noy, 2002; Roth & Ockenfels, 2002; Ruitter & Heck, 2004; Spann & Tellis, 2006; Walley & Fortin, 2005; Wilcox, 2000). However, there is limited research on consumers' shopping motivations and attitudes affecting online auction behaviors (Cameron & Galloway, 2005). Given the significant growth in online auctions, companies need to understand particular reasons why consumers

choose to shop in online auctions to increase consumer motivation and loyalty.

Online auctions sites that serve the consumer-to-consumer segment provide buyers and sellers with centralized procedures for the exposure of purchase and sale orders.

As previously mentioned, one of the best examples of this model can be found on

the eBay®.com website. eBay® was founded in 1995 in the United States as an

online auction company and is currently the largest online auction site in the world,

with approximately 147 million registered users (up from 55 million in 2002) and

some 60 million of eBay®'s users are active having bid for or listed items (How to

obey, 2005). eBay® boasts an average of 1.7 million new users every month, about

3.5 million items are added daily, and over one million auctions are held each day

(DeLyser et al., 2004). eBay® earned \$441.8 million in 2003, an increase of 77%

over the previous year (Pitta & Fowler, 2005), and earned revenue of \$4.5 billion in

2005 (Hoovers, 2006). With the buying and selling of goods exceeding \$40 billion

(The Economist), eBay® made an annual profit of around \$1 billion in 2005

(Hoovers).

Building strong consumer retention in the marketplace is the goal of many companies. Understanding consumers' shopping motivations in online auctions may be of particular interest to companies as they face highly competitive markets with increasing unpredictability and decreasing product differentiation. Online auctions

increase product exposure and ultimately extend the life of the product and brand.

Shopping motivations may play an important role in consumer decision making to participants in online auctions. If consumers rely on their needs and wants, the strength of shopping motivations would increase the likelihood that the consumer would search for product information. Shopping motivations refer to customers' needs and wants related to the choice of outlets (Sheth, 1983); enduring characteristics of individuals (Westbrook & Black, 1985); individual intention to engage in shopping activities (Luomala, 2003; Sheth, 1983); and value that consumers seek out of their total shopping experience that makes them go shopping (Babin, Darden, & Griffin, 1994). Consumers engage in shopping with certain fundamental motivations including factors such as value, quality, and brand consciousness.

Numerous research has found that shopping motivations influence shopping behaviors (Burnkrant & Page, 1982; Dawson et al., 1990; Hallsworth, 1991; Hanna & Wozniak, 2001; Morschett, 2001; Rohm & Swaminathan, 2004; Sheth, 1983; Steenkamp & Wedel, 1991) and are one of the important predictors of consumer behavior and attitudes toward online shopping (Chen & Chang, 2003; Dholakia, 1999; Dholakia & Uusitalo, 2002; Monsuwé, Dellaert, & Ruyter, 2004; Wu, 2003). However, significant research related to shopping motivations affecting purchasing

behaviors in online auction is rather limited. Therefore, it is important to understand the factors that might influence consumers' intentions to use online auctions. The understanding of consumers' shopping motivations will be one of the critical factors to success of companies in online auctions. In addition, researchers have found that the majority of Internet purchasing behaviors consist of one-time purchases (Smith & Sivakumar, 2004). Therefore the challenge for many online auction companies lies in converting one-time purchasers to repeat and/or loyal consumers. It may be hypothesized that consumer shopping motivations and attitudes are effective antecedents in predicting consumers' searching, bidding, purchasing, and selling behaviors within an online auction format.

Purpose of the Study

The purposes of the study were to: 1) identify the underlying dimensions of consumer shopping motivations and attitudes toward online auction behaviors; 2) examine the relationships between shopping motivations and online auction behaviors; and 3) examine the relationships between shopping attitudes and online auction behaviors.

Assumptions

The researcher assumed that the respondents would answer truthfully, and that the sample set consisted of consumers who had some experience in online auctions.

Operational Definitions

Online auctions. Online auctions can be defined as the process when individuals buy and sell goods over the Internet at a fair price, where the seller nominates a minimum purchase price, and users bid above this price to secure the item (Kung et al., 2002).

Online auction behaviors. Online auction behaviors are conceptualized as searching, bidding, purchasing, and selling in an online auction format.

Shopping motivations in online auctions. Shopping motivations refer to customers' needs and wants in relation to the choice of shopping outlets and purchasing behaviors in an online auction format (Sheth, 1983) including perceived quality, transaction costs, searching costs, social interaction, and brand consciousness for this study.

Perceived quality. Perceived quality is the customer's perception of the overall quality or superiority of a product or service with respect to its intended purpose, relative to alternatives (Aaker, 1991).

Transaction costs/searching costs. Overall transaction costs refer to the time and effort saved in shopping. Transaction costs include price-type costs (e.g., credit charged, transaction fees), time-type costs (e.g., waiting time, search time, delivery time), and psychological-type costs (e.g., perceived ease of use, inconvenience, disappointment) (Chircu & Mahajan, 2005).

Social interaction. Social interaction refers to consumers' desire to seek out social contacts in retail and service settings (Rohm & Swaminathan, 2004).

Brand consciousness. Brand consciousness is an associative network memory model consisting of two dimensions: brand awareness and brand associations. Positive customer-based brand equity occurs when the customer is aware of the brand and holds strong, unique, and favorable brand associations in their memory (Keller, 2002).

Shopping attitudes in online auctions. Shopping attitudes refer to consumers' consistent evaluations, feelings, and tendencies toward online auction behaviors (Armstrong & Kotler, 2000) including product assortment/price, customer service, and trust for this study.

Product assortment/price. Product assortment is the set of all products and items that retailers offer for sale. It can be described in terms of breadth, depth, and consistency (Kotler, 2002).

Customer service. Customer service is the interactive processes between customers and service providers (Harvey, 1998).

Trust. Trust is defined as customer willingness to accept vulnerability in an online transaction based on their positive expectations regarding future online store behaviors (Kimery & McCard, 2002).

Limitations

This study is limited by the use of a convenience sample comprised of university students. Another limitation is the experience level of university students within an online auction format.

CHAPTER 2

LITERATURE REVIEW

The purposes of the study were to identify the underlying dimensions of consumer shopping motivations and attitudes toward online auction behaviors and examine the relationships between shopping motivations and attitudes and online auction behaviors. The review of literature describes the uniqueness of online auctions in relation to traditional formats, previous research findings on consumers' shopping motivations and attitudes in different channels, and the proposed conceptual framework.

Online Auctions

With advances in technology, the Internet has exerted an increasingly strong influence on people's everyday life and become a popular shopping medium for consumers. In fact, the Internet has developed into a dynamic virtual medium for buying and selling information, services, and products offering consumers unlimited possibilities (Teo & Yu, 2005). The number of Internet users has grown significantly over the last few years and has surpassed the 605 million mark (NUA, 2003). The rapid growth in the number of Internet users has promoted a belief in many companies that online ventures represent huge marketing opportunities.

The phenomenal growth and rising popularity of the Internet have attracted

consumers and businesses to leverage the resulting benefits and advantages.

Approximately half of the current Internet users have purchased products or services online (Sefton, 2000). E-commerce sales continue to grow. Ernst & Young (1999) reported that 79% of non-buyers planned to purchase via the Internet, resulting in increased online sales. E-commerce sales at domestic online retailers amounted to \$56 billion in 2003 and accounted for about 2% of all retail sales (U.S. Census Bureau, 2004) and are projected to reach \$81 billion in 2006 (Forrester, 2001). Forrester (2003) forecasts that online retail sales in the US will reach nearly \$230 billion by 2008.

Unlike traditional stores, the Internet encompasses the entire sales process.

Among emerging online market places, online auctions provide a new channel for e-commerce and are applicable in a wide variety of businesses around the world.

Forrester Research (2003) reported that business-to-business e-commerce increased from \$406 billion in 2000 to \$1,823 billion in 2003. In contrast, the business-to-consumer figures increased from \$64 billion in 2000 to \$144 billion in 2003.

What is interesting is the emergence of the last variation, consumer-to-consumer e-commerce. Online auctions, such as eBay®, are perhaps the most well known examples of the consumer-to-consumer phenomenon. Online auction sales

reached \$13 billion in 2002, still growing at 33% per year (Kazumori & McMillan, 2005). The increasing importance of online auctions has attracted attention of consumer researchers who have studied issues on online auctions primarily in the area specific to auction format (Gregg & Walczak, 2006; Hur et al., 2006; Lucking-Reiley, 2000; Spann & Tellis, 2006). Little research has been conducted to identify consumer behavior in online auctions. However, this comprehensive research focused on searching, bidding, purchasing, and selling behaviors. Bajari and Hortacsu (2003) examined purchase behavior while bidding behavior was examined by other researchers (Bapna, Goes, Gupta, & Jin, 2004; Park & Bradlow, 2005; Roth & Ockenfels, 2002). In addition, selling behavior in online auctions has been studied by Bruce et al. (2004), Kazumori and McMillan (2005), and Melnik and Alm (2002). See Table 1.

Online auctions have salient characteristics that set them apart from traditional auction formats. First, online auctions have less face-to-face proximity for buyers and sellers, as well as less face-to-face proximity among buyers. Second, online auctions occur on the Internet. This medium enables computer mediated point-to-point as well as group communication systems (Rafaeli & Noy, 2002).

Online auctions have two distinct advantages over traditional auction formats. First, they provide the seller with a much larger pool of potential bidders. Therefore, they

drive up the expected sale price of the item. Second, the online format dramatically decreases the transaction costs of an auction (Wilcox, 2000). Both of these advantages have encouraged the explosive growth of online auctions. Online auctions also offer integration of the bidding process with contracting, payments, and delivery. To this point, benefits for buyers and sellers are increased efficiency, time-savings, convenience, and no need for physical transport until the deal has been negotiated. Because of the lower costs, it also becomes feasible to sell small quantities of low value goods. Like disadvantages of Internet shopping, disadvantages of online auctions are the inability to physically see and touch the merchandise and concerns about security and privacy. Of course, online auctions also have disadvantages compared to their traditional counterparts, such as lack of inspection of goods, lack of trust, and fraud possibilities (Ruiter & Heck, 2004).

Shopping Motivations

Shopping motivations refer to customers' needs and wants related to choice of outlets (Sheth, 1983). Numerous research has found that shopping motivations influence shopping behaviors (Burnkrant & Page, 1982; Dawson et al., 1990; Hallsworth, 1991; Hanna & Wozniak, 2001; Morschett, 2001; Rohm & Swaminathan, 2004; Sheth, 1983; Steenkamp & Wedel, 1991).

Customers may have different shopping motivations according to retail formats. Given the significant growth in online auctions, understanding the particular reasons why consumers choose to shop in online auctions is critical in the development of emerging retail channels. Therefore, it is necessary to examine literature concerning shopping motivations within the context of online shopping and online auctions. To gain a greater understanding of consumers' shopping motivations, researchers have approached shoppers from various perspectives. Researchers have found that motivations positively affect consumers' attitudes and behaviors towards different retail formats. In fact, shopping motivations have been found to be one of the important predictors of consumer behavior and attitudes toward online shopping (Chen & Chang, 2003; Dholakia, 1999; Dholakia & Uusitalo, 2002; Monsuwé et al., 2004; Wu, 2003).

Dawson et al. (1990) and Dennis, Harris, and Sandhu (2002) revealed that shopping motivations were significantly related to retail choice and preferences. Further, Jarvenpaa and Todd (1997) found that shopping motivations such as convenience and enjoyment have produced positive attitudes toward online shopping. Another research study identified that online shopping motivations included social escapism, socialization, and economic motivations (Korgaonkar & Wolin, 1999). Monsuwé et al. (2004) found that attitudes toward online shopping and

intention to shop online are affected by shopping motivations such as ease of use, usefulness, and enjoyment. Consumers' motivations such as enjoyment values also have been found to be significantly related to attitudes toward online shopping (Jayawardhena, 2004). According to Armstrong and Kotler (2000), a person's purchasing choices were influenced by psychological factors such as motivation, perception, and learning. A typology study based on motivations for shopping online found that convenience, variety seeking, and social interaction affected online purchasing behaviors (Rohm & Swaminathan, 2004).

Shopping motivation may be a key marketing strategy concept and differentiation because it addresses what consumers want and believe they get from purchasing products and/or services. Understanding consumer shopping motivations is a precondition for companies to survive in today's competitive marketplace. There are various dimensions in consumers' shopping motivations which influence consumers' purchasing behaviors labeled by different scholars. Tauber (1972) identified a number of shopping motivations with the premise that consumers are motivated by two dimensions: personal and social motives which are non-functional. These personal and social motivations have been investigated by other researchers as well (Bellenger & Korgaonkar, 1980; Darden & Ashton, 1974; Parsons, 2002; Westbrook & Black, 1985). Sheth (1983) proposed two shopping motivations

including customer's functional needs and non-functional wants. Seven dimensions of shopping motivations such as anticipated utility, role enactment, negotiation, choice optimization, affiliation, power and authority, and stimulation were proposed (Westbrook & Black, 1985). Babin et al. (1994) investigated shopping motivations and found both utilitarian and hedonic motivations. Six dimensions of hedonic shopping motivations such as adventure shopping, social shopping, gratification shopping, idea shopping, role shopping, and value shopping were proposed (Arnold & Reynolds, 2003).

Motivations can be categorized into extrinsic and intrinsic value (Holbrook, 1999; Shang, Chen, & Shen, 2005). Extrinsic motivations refer to shopping efficiency and rationality and fulfill the needs of a growing group of individuals who value saving time and devote less time to unpleasant tasks (Miller, Steinberg, & Raymond, 1999). Consumers who fall in this category try to purchase products in an efficient and timely manner to achieve their goals with a minimum of frustration. Conversely, consumers' intrinsic motivations seek other benefits that evoke freedom and fun, and are not associated with task completion. These motivations include enjoyment, captivation, escapism, sensory stimulation, and spontaneity (Dholakia & Uusitalo, 2002; Hirschman & Holbrook, 1982). Consumers who have intrinsic shopping motivations seek potential entertainment from the online shopping experience.

Like other shopping mediums, there may be many varied reasons consumers shop in online auctions (Cameron & Galloway, 2005). The extrinsic motivations provide advantages including convenience, a broader selection of products, competitive pricing, and greater access to information and lower search costs (Bakos, 1997). The intrinsic motivations typically provide personal and emotional stimuli that feed the consumers imagination. Therefore, consumers could be intrinsically motivated by social interaction and brand consciousness in online auctions to experience interest, and enjoyment.

Consumer purchases are influenced strongly by psychological, personal, social, and cultural characteristics. For the most part, retailers cannot control such factors, but they must take them into account (Wu, 2003). Consumers depend on different factors to reduce the uncertainty and complexity of purchasing in online auctions. Because shopping motivations influence consumers' purchasing behavior in traditional marketplaces (Babin et al., 1994; Cameron & Galloway, 2005; Shang et al., 2005; Wu, 2003), it is assumed that shopping motivations affect consumers' intention and behavior within the context of online auctions.

Shopping Attitudes

A person's buying choices are further influenced by psychological factors which are central to a buyer's purchase behavior process. These are the tools

people use to recognize their feelings, gather and analyze information, formulate thought and opinions, and take actions (Wells & Prensky, 1996). Shopping attitudes describe a person's relatively consistent evaluations, feelings, and tendencies toward shopping and put people into a frame of mind for liking or disliking items (Armstrong & Kotler, 2000). Jayawardhena (2004) defined online shopping attitudes as including attributes of shoppers' attitudes toward transactions, merchandising, pricing, and online retailers' service attributes.

According to previous researchers, attitude refers to an affective or a general evaluative reaction (Bagozzi, 1978; Fishbein & Ajzen, 1975; Mowen & Minor, 1998). Numerous research has found that shopping attitudes influenced shopping behaviors (Armstrong & Kotler, 2000; Burnkrant & Page, 1982; Goodwin, 1999; Hanna & Wozniak, 2001; Morschett, 2001; Morschett, Swoboda, & Foscht, 2005; Steenkamp & Wedel, 1991; Wu, 2003).

Other researchers have found that consumers' attitudes toward online shopping were strongly and positively correlated with consumers' shopping behaviors (Chiu, Lin, & Tang, 2005; Davis, 1989; Jayawardhena, 2004; Lederer, Maupin, Sena, & Zhuang, 2000; Moon & Kim, 2001; Shih, 2004; Sorce, Perotti, & Widrick, 2005; Venkatesh & Morris, 2000). Jayawardhena (2004) revealed that a favorable attitude toward online shopping attributes strongly influenced repatronage

intentions and also found that those consumers with a favorable attitude toward online shopping attributes were likely to spend time browsing online retailers. Wu (2003) revealed that consumers who shop online had higher attitude scores and this higher attitude score was directly related to online purchase decisions.

With the relation to shopping motivations, it was found that motivations positively affect consumers' attitudes and behavior towards different retail formats (Hanna & Wozniak, 2001; Monsuwé et al., 2004). Monsuwé et al. (2004) found that attitudes toward online shopping and intention to shop online are affected by shopping motivations such as ease of use, usefulness, and enjoyment. Most research about shopping attitudes similarly includes the same concept with the shopping motivations since attitudes are personal judgments and strongly depend on personal motives (Hanna & Wozniak, 2001). Therefore, some researchers have confused these two concepts (Jayawardhena, 2004; Morschett et al., 2005; Sorce et al., 2005). However, Sheth (1983) pointed out that attitude is the result of matching shopping motives and shopping options. For this reason, this study separately examined the impact of shopping motivations and shopping attitudes.

Customers may have different shopping attitudes according to retail formats. Given the significant growth in online auctions, understanding the customers' attitudes toward online auctions is critical in the development of emerging retail

channels. However, it is uncertain how shopping attitudes affect consumers' behavior and intention within the context of online auctions.

Conceptual Framework

Previous studies have revealed a positive effect of shopping motivations on customer attitude and behaviors towards online shopping (Chen & Chang, 2003; Dholakia, 1999; Dholakia & Uusitalo, 2002; Monsuwé et al., 2004; Wu, 2003). To develop a comprehensive understanding of consumers' shopping motivations and attitudes and online auction behaviors, the conceptual framework was developed based on previous literature (Keller, 1993; Kim, 2005; Netemeyer, Krishnan, Pullig, Wang, Yagci, Dean, Ricks, & Wirth, 2004; Rohm & Swaminathan, 2004; Shang et al., 2005; Teo & Yu, 2005). The conceptualization of the research constructs is shown in Figure 1.

The framework identified how shopping motivations such as perceived quality (Netemeyer et al., 2004), transaction costs (Teo & Yu, 2005), searching costs (Teo & Yu, 2005), social interaction (Rohm & Swaminathan, 2004), and brand consciousness (Keller, 1993; Netemeyer et al., 2004; Yoo & Donthu, 2001) affect consumers' online auction behaviors. In addition, the framework examined the impact of shopping attitudes; product assortment/price (Mazursky & Jacoby, 1986), customer service (Harvey, 1998), and trust (Kimery & McCard, 2002) on online

auction behaviors.

Perceived Quality

Perceived quality is defined as the customer's perception of the overall quality or superiority of a product or service with respect to its intended purpose relative to alternatives (Aaker, 1991). Perceived quality is different from objective quality. Perceived quality acts as a mediator between extrinsic cues and perceived customer value (Dodds, Monroe, & Grewal, 1991). Perceived quality is considered a primary consumer based brand equity construct because it has been associated with the willingness to pay a price premium, chose a brand, and purchase a brand (Netemeyer et al., 2004).

Based on previous work, there are three major external cues associated with perceived quality in online shopping; online shoppers' experience, e-retailer reputation, and product price (Chen & Dubinsky, 2003). Previous research found that perceived quality had a positive effect on purchase intentions (Boulding, Kalra, Staelin, & Zeithaml, 1993; Carman, 1990; Cronin & Taylor, 1992; Sweeney & Soutar, 2001; Tsotsou, 2006). Consumers with a favorable online shopping experience perceive a product to have better quality than those with an unfavorable experience. Furthermore, brand name or reputation of retailers has been found to affect quality perceptions (Gardner, 1971). Additionally, Brown and Dacin (1997) demonstrated

that what consumers know about a company can influence their beliefs and attitudes toward new products. Consistently, perceived quality is an important factor and one of the reasons why brand association has been elevated to the status of a brand asset (Aaker, 1996). Consumers believe a known branded product to be of better quality, while judging the same unbranded product as inferior. Although perceived quality is an intangible, overall feeling about a brand, it is based on underlying dimensions, which include characteristics of the products to which the brand is attached such as reliability and performance (Aaker, 1991).

Transaction Costs/Searching Costs

Overall transaction costs can be defined as the time and effort saved in shopping. Transaction costs include price-type costs (e.g., credit charged, transaction fees), time-type costs (e.g., waiting time, search time, delivery time), and psychological-type costs (e.g., perceived ease of use, inconvenience, disappointment) (Chircu & Mahajan, 2005). E-commerce has been promoted as a way of reducing the monetary, energy, time, and psychological transaction costs customers incur when shopping (Alba, Lynch, Weitz, Janiszewski, Lutz, Sawyer, & Wood, 1997; Bakos, 1997).

Within the online shopping context, transactions costs relate to ease of access and navigation, shopping time, trust, competence, flexibility, personalization,

and convenience. These costs ultimately impact customer value, satisfaction, and intention to purchase (Chircu & Mahajan, 2005). Furthermore, consumers search for products, receive personalized product recommendations, and evaluate and order products online. Researchers have proposed that transaction costs occur in terms of consumer's purchase decision: brand search, product search, and purchase (Chircu & Mahajan, 2005). Numerous shopping motive studies have identified transaction costs as a distinct motive for store choice in the offline setting (Rohm & Swaminathan, 2004). Bellenger and Korgaonkar (1980) characterized the convenience shopper as selecting stores based upon time or effort savings. Recent research suggests that transaction costs are an important factor, particularly because location becomes irrelevant in the online shopping context (Rohm & Swaminathan, 2004).

Online shopping retailers offer convenience to consumers enabling them to search, compare, and access information more easily and ultimately save transaction costs. These retailers are responding to the needs of more informed and demanding customers by improving the tradeoff between customer benefits and transaction costs. This, in turn, enables retailers to attract and keep customers, increase sales and market share, and improve profits and value (Chircu & Mahajan, 2005) by lowering access, search, evaluation, selection, and ordering costs.

Social Interaction

Social interaction refers to consumers' desire to seek out social contacts in retail and service settings (Rohm & Swaminathan, 2004). Rafaeli and Noy (2002) suggested that when consumers and sellers interact with each other in a traditional face-to-face exchange, their presence affects their shopping behavior. The concept of social interaction as a source of shopping motivation stems from work by Tauber (1972) positing that numerous social motives help to influence shopping behavior. These motives include social interaction, reference group affiliation, and communicating with others having similar interests (Rohm & Swaminathan, 2004). One of the most significant areas of study that has emerged in recent years explored the effects of social interaction in the online auction environment (Cameron & Galloway, 2005). Alba et al. (1997) suggested that desire for social interaction plays a key role in determining the choice of retail format such as the store, catalog, or online setting. Kim, Kang, and Kim (2005) found that social interaction played a motivational role for elderly groups to choose to shop in mall settings. Past research suggests that consumers motivated by social interaction may choose to shop within a conventional retail store format as opposed to the online context. However, online auctions' real power lies in its ability to connect people instantly around the world, so buyers and seller alike can share information about brands, products, and prices

with each other. For example, eBay®'s feedback forum is the most popular and successful online reputation system, and it has been the data source for most of the research of online reputation (Lin et al., 2006).

With the increase in consumer acceptance of online auctions, consumers are participating at the purchasing level. Each of the decisions a buyer makes in online auctions can be influenced by interaction with communities that are focused on the same brand or product. Buyers in online auctions are increasingly likely to seek out online forums to assist in their purchasing decision. These forums provide members with the ability to participate in the exchanging of ideas, discussion of issues, problem solving, and access to a repository of knowledge collected over time. Research has suggested that relationships among consumers influence brand choice (Wind, 1976), the choice of services, and relationships among communicators in the context of interpersonal communication networks (Reingen & Kernan, 1986). According to Muniz and O'Guinn (2001), brand communities significantly change traditional dyadic customer-brand relationships by integrating customer-to-customer interaction.

Brand Consciousness

Brand consciousness is an associative network memory model consisting of two dimensions: brand awareness and brand associations (Keller, 1993). Positive

customer-base brand equity occurs when the customer is aware of the brand and holds strong, unique and favorable brand associations in their memory (Christodoulides & De Chernatony, 2004).

Brand consciousness is mainly concerned with customer perceptions, preferences, comparative evaluation, and behavior toward certain brands or companies. The components of brand equity build on consumers' knowledge of the brand derived from their brand awareness and its image. Whereas brand awareness can be defined and measured in terms of simple recognition and recall, brand image is a more complex construct derived from different types, favorability, strength, and uniqueness of brand association (Keller, 2002). Balabanis and Reynolds (2001) examined the influence of brand attitudes toward online shopping and confirmed that the influence was significant. Similarly, brand consciousness may play an important role in decision making to participants in online auctions. If consumers rely on their ability to recall possible brands, the strength of brand consciousness would increase the likelihood that the consumer would search that brand name for information. People make important buying decisions based on their level of knowledge with the product, salesperson, and/or the company. Similarly, decision making in online auctions involve the brand consciousness not only about certain brands or products, but also auctioneers such as eBay®. Brand consciousness would not be needed if

actions could be undertaken with complete certainty and no risk. One of the main asserted benefits of brand consciousness is its ability to build purchase confidence and improve customer loyalty (Aaker, 1991). Brand consciousness may play an increasingly powerful role in encouraging customers to repeat purchases in online auctions. Brand consciousness may be helpful in online auctions where customer decision making is complicated due to breadth and complexity of available products.

Product Assortment/Price

The weighting of product assortment and price has been one of the most important attributes in store choice (Mazursky & Jacoby, 1986). Jarvenpaa and Todd (1997) found that product assortment could increase the probability that consumers' wants and needs would be met and satisfied.

Numerous research suggests that product assortment influences consumers' purchasing behavior (Borle, Boatwright, Kadane, Nunes, & Shmueli, 2005; Finn & Louviere, 1996). Bell (1999) underlined significant relationships between quality and range of products and consumers intent to patronize a retail store. Alba et al. (1997) found that product, situation, and consumer characteristics influence the evaluation and selection of a particular shopping medium.

Price has long been suggested as an important extrinsic cue for product quality. Today's consumers are busy people that do not have the time or the

willingness to visit multiple outlets seeking the lowest price for the purchase.

Therefore, consumers use price as a quality indicator as it reflects a belief that supply and demand forces a natural ordering of products on a price scale (Chen & Dubinsky, 2003). It is argued that a primary role of an online store is to provide price-related information to help reduce consumers' search costs (Bakos, 1997).

Previous research has examined the role of price as an attribute of consumers' behaviors (Bolton & Lemon, 1999; Keaveney, 1995; Mittal, Ross, & Baldasare, 1998; Jiang & Rosenbloom, 2005) and has found that price perceptions do affect consumers' satisfaction (Fornell, Johnson, Anderson, Cha, & Bryant, 1996). Price perceptions play an increased role in determining consumers' behaviors and attitudes such as post-purchase satisfaction and intention to return (Jarvenpaa & Todd, 1997; Liu & Arnett, 2000). Other studies discovered that online retailers tend to charge lower prices than traditional retailers (Brynjolfsson & Smith, 2000; Morton, Zettelmeyer, & Risso, 2001).

The availability and convenience of the Internet with the variety of products available at any time has contributed to the success of online auctions. Therefore, many online companies are prioritizing customer relationships and moving to greater interactivity and value-adding information on products as well as making price

information and the pricing process more dynamic through auctions (Walley & Fortin, 2005).

Customer Service

Customer service is the interactive process between customers and service providers (Harvey, 1998). Customer service has been considered as one of the key determinants of the success of retailers. The Internet can be a powerful tool to increase overall customer service offerings. However, online customer service is more critical than in traditional stores since customers and retailers do not meet face to face. Online customers expect fast, friendly, and high quality service. They want choice, convenience and a responsive service with a personal touch (Zhao & Gutierrez, 2001). To survive in the competitive marketplace, it is very important to know how to improve customer service to attract potential customers and how to retain current customers.

One of the most widely known service quality measures is SERVQUAL (Parasuraman, Zeithaml, & Berry, 1985) which consists of 22 items measuring five key dimensions of service quality such as tangibles, reliability, responsibility, assurance, and empathy. Van Riel, Liljander, and Jurriens (2001) suggested that Parasuraman's dimensions can be applied in e-commerce. Furthermore, various researchers have attempted to identify key service quality attributes that best fit the

online business environment (Cai & Jun, 2003). Zeithaml, Parasuraman, and Malhotra found that eleven dimensions of online service quality such as access ease of navigation, efficiency, flexibility, reliability, personalization, security/privacy, responsiveness, assurance/trust, site aesthetics, and price knowledge (Marketing Science, 2000). Similarly, other studies have attempted to identify key dimensions of service quality (Jun & Cai, 2001; Kaynama & Black, 2000; Madu & Madu, 2002; Van Riel et al., 2001).

Previous studies have revealed that customer service in online environments is an important determinant of the effectiveness and success of e-commerce and influence consumers' behavior (Griffith & Krampf, 1998; Janda, Trocchia, & Gwinner, 2002; Jarvenpaa & Todd, 1997; Marketing Science, 2000; Srinivasan, Anderson, & Ponnavaolu, 2002; Van Riel et al., 2004; Yang & Jun, 2002). Zeithaml (2002) has emphasized that companies should focus on online customer service encompassing all cues and encounters that occur before, during, and after the transaction.

According to Walsh and Godfrey (2000), online retailers offer better customer service than traditional stores and personalize sites, create opportunities for customization, and provide added value. Furthermore, online retailers treat customers as individuals rather than broad segments. Archer and Gebauer (2000) revealed that building and maintaining customer relationships are the key to success

in e-commerce, which depends on maintaining effective customer service. Voss (2000) illustrated three levels of service delivered over the Internet: foundations of service, customer-centered service, and value-added service. However, there is limited research on customer service within an online auction format which is a new way of doing business for both customers and online retailers.

Trust

Trust is defined as customer willingness to accept vulnerability in an online transaction based on their positive expectations regarding future online store behaviors (Kimery & McCard, 2002). Lack of trust is one of the most frequently cited reasons for consumers not shopping on the Internet (Lee & Turban, 2001).

Numerous studies have emphasized the importance of online trust between customers and online stores (Lee & Lin, 2005; McKnight, Choudhury, & Kacmar, 2002). Hoffman, Novak, and Peralta (1999) observed that consumers simply did not trust many online retailers enough to engage in relationship exchanges with them. Jarvenpaa, Tractinsky, and Vitale (2000) also noted lack of trust, both in the retailers' honesty and in their competence to fill Internet orders. From a survey of online shoppers, it was found that the most important attribute in selecting an online retailer was trust (Reichheld & Shefter, 2000). Trust encourages online customer purchasing activity and affects customer attitudes toward purchasing from online stores (Gefen,

2000; Gefen, Karahanna, & Straub, 2003; Morrison & Firmstone, 2000; Urban, Sultan, & Qualls, 2000). The extent to which e-commerce can build trust significantly influences the willingness of consumers to make online purchases (Mercuri, 2005; Saini & Johnson, 2005). George (2002) found that trust helped to determine attitudes toward the Internet and affect intent to make Internet purchases. Other studies also found that consumer-perceived information security and trust in e-commerce transactions had a significant impact on purchase behavior (Chellappa & Pavlou, 2002; Miyazaki & Fernandez, 2001; Udo, 2001).

Personal awareness of security has influences on purchase intentions (Chiu et al., 2005; Rust & Kannan, 2002; Salisbury, Pearson, Pearson, & Miller, 2001) because there may be a perception of risk involved in transmitting sensitive information such as credit card numbers across the Internet (Janda et al., 2002). According to a recent report by the research group GartnerG2 (2002), Internet transaction fraud is 12 times higher than traditional fraud. The U.S. Department of Justice (2002) survey also revealed that high levels of online fraud, pointing especially at frauds common on online auction sites.

Since online auctions are a relatively new shopping medium and most consumers have little experience, shopping in online auctions provide a challenge to many consumers. Therefore trust has an important effect on the relationship

between consumers' attitude toward online auction behaviors and intention to shop in online auctions. It is obvious that establishing consumer trust of feeling of security is an important part for successful online auctions.

CHAPTER 3

METHODOLOGY

This chapter describes the empirical study undertaken to better understand consumers' shopping motivations and attitudes toward online auction behaviors. To collect data for the study, a convenience sample was selected. In this chapter, sample characteristics and data collection procedures are described followed by the problem statement, hypotheses, instrument development, and pilot study results.

Sample and Data Collection

After the university review board for the protection of human subjects approved the study, data was collected from students enrolled at the University of North Texas. Questionnaires ($n = 410$) were distributed to students during regularly scheduled courses. Students were selected from a broad range of courses (e.g. economics, education, marketing, merchandising, music, psychology, and visual arts). To be included in the study, students had to be at least 18 years of age. Qualifications for completing the questionnaires were self-determined. Students were informed in writing that completing the questionnaire was anonymous, voluntary, and that there were no penalties for not participating. Refer to Appendix – consent letter.

Problem Statement and Hypotheses

The purposes of the study were to: 1) identify the underlying dimensions of consumer shopping motivations and attitudes toward online auction behaviors; 2) examine the relationships between shopping motivations and online auction behaviors; and 3) examine the relationships between shopping attitudes and online auction behaviors. Based on the theoretical model proposed by Rohm and Swaminathan (2004), the framework for the study was developed. The hypothesized model posited positive relationships between consumer shopping motivations, attitudes, and online auction behaviors. The following hypotheses were examined:

H1): Shopping motivations are positively related to online auction behaviors including searching, bidding, purchasing, and selling.

H1a): Perceived quality is positively related to online auction behaviors.

H1b): Transaction costs are positively related to online auction behaviors.

H1c): Searching costs are positively related to online auction behaviors.

H1d): Social interaction is positively related to online auction behaviors.

H1e): Brand consciousness is positively related to online auction behaviors.

H2): Shopping attitudes are positively related to online auction behaviors including searching, bidding, purchasing, and selling.

H2a): Product assortment/Price is positively related to online auction behaviors.

H2b): Customer service is positively related to online auction behaviors.

H2c): Trust is positively related to online auction behaviors.

Instrument Development

A self-administered questionnaire was developed to gather information regarding purchasing behaviors in online auctions based on the literature review. The research constructs included shopping motivations (perceived quality, transaction costs, searching costs, social interaction, and brand consciousness), shopping attitudes (product assortment/price, customer service, and trust), online auction behaviors (searching, bidding, purchasing, and selling), and demographic information. See Table 2.

Online auction behaviors. Online auction behaviors were measured with four items including consumers' frequency of searching, bidding, purchasing, and selling

in an online auction format (Kim, 2005; Yoo & Donthu, 2001). Students responded to the question, “How often do you search, bid, purchase, and sell products in online auctions?” The 5-point Likert scale ranged from 1 (never) to 5 (daily) for each online auction behavior.

Shopping motivations. The following measures were used to examine shopping motivations: 6-item perceived quality (Netemeyer et al., 2004), 6-item transaction costs (Teo & Yu, 2005), 3-item searching costs, 5-item social interaction (Rohm & Swaminathan, 2004), and 11-item brand consciousness (Keller, 1993; Netemeyer et al., 2004; Yoo & Donthu, 2001) scales. Items were measured using a Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree).

Shopping attitudes. An 18-item scale of attitudes toward online auctions was adapted from previous research on online shopping (Netemeyer et al., 2004; Rohm & Swaminathan, 2004; Teo & Yu, 2005). All items were measured using a Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree).

Demographic information. Consumer demographic characteristics were measured for descriptive purposes. Demographic variables included gender, age, ethnicity, employment status, classification, major, Internet experience, and Internet access. Additionally, 16 items measured the frequency of purchasing product items in online auctions based on previous research by Lucking-Reiley (2000).

Pilot Study

To reduce the possibility of non-random errors, a pilot study was conducted using a group of 30 undergraduate students from the University of North Texas to review the design and content of the questionnaire for validity and completeness. Minor adjustments were made to the questionnaire based on the student feedback to improve readability.

Data Analysis

The data collected for this study were analyzed using Statistical Package for the Social Sciences (SPSS). Principle component factor analyses with varimax rotation were conducted to determine the underlying dimensions. The reliability and variance extracted for each latent construct was computed separately for each multiple indicator construct in the model using indicator standardized loadings and measurement errors (Hair, Anderson, Tatham, & Black, 1998). Multiple regression analyses were used to test the hypothesized relationships among the variables. Frequency and percentage distributions were used to describe the sample.

CHAPTER 4

RESULTS

The data for this study consisted of 341 respondents from University of North Texas. The demographic information of the sample is described, followed by data analysis. The factor analysis resulted in five factors for shopping motivations and three factors for shopping attitudes. The chapter concludes with a section on hypotheses testing using regression analyses.

Sample Characteristics

Of the 410 questionnaires distributed to students, there were 341 usable surveys returned for a response rate of 83.2%. The sample was primarily female ($n=255$, 74.8%), Caucasian ($n=239$, 70.3%), senior level ($n=145$, 42.6%), and majoring in merchandising ($n=130$, 38.6%). Students ranged in age from 18-40 years with an average age of 22.6. Approximately, half ($n=168$, 49.4%) of the students were employed part-time, the remaining participants were either unemployed ($n=94$, 27.6%), employed full-time ($n=66$, 19.4%), or other ($n=12$, 3.5%). The majority of students used the Internet everyday (90.9%) and accessed the Internet from their home (76.8%). See Table 3.

Students reported online auction experience in different levels of online auction behaviors: searching (79.8%), bidding (55.7%), purchasing (64.5%), and

selling (19.4%). See Table 4. Moreover, students (32.6%) reported that they had purchased a name brand product in online auctions. College students responded to the question: "How many times do you purchase the following items?" in an open-ended format. The majority of items purchased by students in online auctions were entertainment such as CDs and DVDs ($M=2.9$, $N=340$), books ($M=2.3$, $N=339$), clothing ($M=1.2$, $N=340$), accessories ($M=0.9$, $N=339$), and electronics and computers ($M=0.6$, $N=340$).

Data Analysis

Factor Analysis

A principal components factor analysis with varimax rotation was conducted to identify the dimensions of shopping motivations including perceived quality, transaction costs, searching costs, social interaction, and brand consciousness and the dimensions of shopping attitudes such as product assortment/price, customer service, and trust in online auctions. The factor analysis revealed that 22 items of the shopping motivation loaded on five factors and 15 of the shopping attitude items loaded on three factors. In order to quantify the scale reliabilities of the factors identified, Cronbach's alpha coefficients were computed. All of the alpha coefficients easily passed the minimum level of .70 recommended by Nunnally (1994) indicating acceptability and reliability of all of the scales. Items loading less than .50 were

eliminated. Therefore, nine items of the shopping motivations and three items of the shopping attitudes were eliminated.

Shopping motivations in online auctions. The factor analysis revealed dimensions labeled as perceived quality, transaction costs, searching costs, social interaction, and brand consciousness, explaining 68.79% of the variance. In general, a factor with an eigenvalue greater than 1 is considered significant (Hair et al., 1998). Scale reliabilities were acceptable with scores ranging from .82 to .90. See Table 5.

Factor 1. Perceived quality contained four items related to consumers' perceptions on products and service provided in online auctions. This factor yielded an eigenvalue 2.73 explaining 12.41% of the variance and included items such as "offering best products," "product performance is better," "the higher the price of a product, the better its quality," and "very high quality of products." The factor loadings were .84, .82, .68, and .64 respectively.

Factor 2. Transaction costs examined the degree of students' concern for convenience while shopping in online auctions. Six items loaded on this factor, which yielded an eigenvalue of 3.53 explaining 16.05% of the variance. The transaction costs factor included items such as "saving time," "saving money," "less time for making purchases," "spending effort monitoring," "spending time searching," and "less time for browsing through alternatives." The factor loadings

were .82, .74, .70, .66, .62, and .60 respectively. All six rotated factor loadings were greater than .50 (Hair et al., 1998).

Factor 3. Searching costs measured consumers' concern for time and effort savings in online auctions. This factor yielded an eigenvalue of 2.84 explaining 12.90% of the variance. This factor included items such as "carefully plan the purchases before buying," "comparing prices before buying," and "great deal of information before buying." The factor loadings were .88, .87, and .85 respectively.

Factor 4. Social interaction included five items and evaluated the degree to which consumers desired to seek out social contacts in online auctions. This factor yielded an eigenvalue of 3.24 explaining 14.71% of the variance and included items such as "gathering information from forum discussions," "asking people in the forum," "observing what others are buying," "active member of forum," and "consulting other people." The factor loadings were .84, .84, .69, .65, and .64 respectively.

Factor 5. The four-item brand consciousness factor referred to perceptions, preferences, and comparative evaluation towards name brand products in online auctions. This factor yielded an eigenvalue of 2.80 explaining 12.73% of the variance and included items such as "paying premium prices for name brands," "bidding a higher price for name brand," "motivated to buy name brand," and "preferring more

expensive brands.” The factor loadings were .87, .86, .70, and .61 respectively.

Shopping attitudes in online auctions. A factor analysis of the online auction attitudes scale resulted in three dimensions labeled as product assortment/price, customer service, and trust. These three dimensions accounted for 67.91% of the total variance. Scale reliabilities ranged from .78 to .90. Three of the shopping attitude items such as “offering the same products at relatively lower prices,” “intend to shop over the next few years,” and “providing more information about product features” did not load properly on the factor and were eliminated. See Table 6.

Factor 1. Product assortment/price factor contained seven items measuring participants’ attitudes of product assortment and price provided in online auctions. This factor yielded an eigenvalue of 4.22 explaining 28.12% of the variance and included items such as “a wide variety of products,” “unique and unusual products,” “lower prices,” “selling is for extra money,” “find products I want,” “find products that are not easy to find in other retail formats,” and “easy to search for product information.” The factor loadings were .84, .81, .72, .71, .70, .66, and .66 respectively.

Factor 2. Customer service included five items that investigated the degree to which participants expected customer service in online auctions. This factor yielded an eigenvalue of 3.46 explaining 23.04% of the variance and included items

such as “effective handling of complaints,” “special and valuable customer treatment,” “active communication with customers,” “serving customer’s specific needs,” and “providing products at promised times.” The factor loadings were .87, .80, .80, .76, and .61.

Factor 3. The trust dimension included three items measuring security and privacy issues in online auctions. This factor yielded an eigenvalue of 2.51 explaining 16.75% of the variance and included items such as “trust brand names,” “easy to compare differences,” and “trust reputation of sellers and buyers.” The factor loadings were .78, .72, and .70.

Multiple Regression

To test the hypothesized relationships, multiple regression was employed using the enter method that determined the contribution of each independent variable to the regression models. The Variance Inflation Factor (VIF), a measure of the effect of the other independent variables on a regression coefficient, was calculated. See Table 7 and Table 8.

Hypothesis 1. Hypothesis 1 predicted that shopping motivations were positively related to online auction behaviors. To test hypothesis 1, the five subscales of shopping motivations were employed as independent variables and the four dimensions of online auction behaviors as dependent variables.

The four regression equation models significantly explained online auction behaviors for searching [$F(5, 305) = 14.31, p < .001; R^2 = 0.18$], bidding [$F(5, 305) = 20.12, p < .001; R^2 = 0.24$], purchasing [$F(5, 305) = 16.25, p < .001; R^2 = 0.20$], and selling [$F(5, 305) = 4.54, p < .001; R^2 = 0.05$].

The findings confirm that consumers placing stronger emphasis on transaction costs and searching costs are more likely to participate in online auctions. Interestingly, perceived quality ($\beta = -.10, p < .05$) was negatively related to online auction bidding behavior. Therefore, H1a was not supported. Transaction costs were positively related to searching ($\beta = .35, p < .001$), bidding ($\beta = .45, p < .001$), purchasing ($\beta = .42, p < .001$), and selling ($\beta = .16, p < .01$) behaviors in online auctions. H1b was supported. Searching costs were positively related to searching ($\beta = .16, p < .01$), bidding ($\beta = .11, p < .05$), purchasing ($\beta = .10, p < .05$), and selling ($\beta = .13, p < .05$) behavior in online auctions. H1c was supported. There were significant positive relationships between social interaction and online auction selling behaviors ($\beta = .14, p < .01$). H1d was supported. Brand consciousness was positively related to searching ($\beta = .18, p < .001$), bidding ($\beta = .12, p < .05$), and purchasing ($\beta = .11, p < .05$) behavior in online auctions. H1e was supported. In total, 4 of the 5 proposed relationships were significant. Thus, H1 was supported. See Figures 2 to 5.

Hypothesis 2. Hypothesis 2 posited that there were significant positive relationships between consumers shopping attitudes and online auction behaviors. To test Hypothesis 2, the three subscales of shopping attitudes were employed as independent variables and four dimensions of online auction behaviors as dependent variables.

The four regression equation models significantly explained online auction behaviors for searching [$F(3, 319) = 28.25, p < .001; R^2 = 0.20$], bidding [$F(3, 319) = 31.52, p < .001; R^2 = 0.22$], purchasing [$F(3, 319) = 28.01, p < .001; R^2 = 0.20$], and selling [$F(3, 319) = 8.83, p = .000; R^2 = 0.068$].

The findings of this research show that all three dimensions of shopping attitudes, namely, product assortment/price, customer service, and trust, were significantly related to consumer behavior toward online auctions. Specifically, product assortment/price was positively related to searching ($\beta = .33, p < .001$), bidding ($\beta = .33, p < .001$), purchasing ($\beta = .33, p < .001$), and selling ($\beta = .26, p < .001$) behavior in online auctions. H2a was supported. There were significant and positive relationships between customer service and online auction searching behaviors ($\beta = .12, p < .05$). H2b was not supported. Trust was positively related to searching ($\beta = .30, p < .001$), bidding ($\beta = .33, p < .001$), and purchasing ($\beta = .30, p < .001$) behavior in online auctions. H2c was supported. Two of the three proposed

relationships for hypothesis 2 were significant. Thus, H2 was supported. See Figures 6 to 9.

CHAPTER 5

DISCUSSION AND IMPLICATIONS

This study provides a unique contribution to the understanding of online auction behaviors related to searching, bidding, purchasing, and selling. In addition, results suggest that consumers' shopping motivations and attitudes are critical antecedents to predict online auction behaviors. Insights into understanding the emerging shopping medium of online auctions are important as little research exists regarding this unique format.

Transaction and searching costs were significant determinants of consumers' online auction behaviors. Transaction costs, including searching costs, refer to the time and effort saved in shopping. This finding supports research by Chircu and Mahajan (2005) and Rohm and Swaminathan (2004) indicating that transaction costs occur in terms of consumer's purchase decisions. In fact, brand search, product search, and purchase and transaction costs are distinct motives for store choices in the offline setting (Rohm & Swaminathan). In online auctions, consumers are likely to browse the entire product assortment with minimal effort, time, money, and inconvenience. Consumers can efficiently obtain information about products, brands, price, and companies thereby increasing their competency in making decisions when they shop in online auctions. To most consumers important attributes

of online shopping are convenience and accessibility (Wolfenbarger & Gilly, 2001) because consumers can shop on the Internet in the comfort of their home environment, it saves time and effort, and they are able to shop any time of the day or night.

Social interaction affected selling behavior in online auctions. According to Herschlag and Zwick (2002), people are motivated to use online auctions for the purpose of friendship and community in any relationship. However, this study interestingly found that social interaction encourages consumers' selling behavior in online auctions. When selling products in online auctions, college students may think that observing what others are doing and gathering information from forum discussions is important. It may be that individuals seek additional feedback before selling personal items of intrinsic value.

Brand consciousness impacted online auction searching, bidding, and purchasing behavior. Monsuwé et al. (2004) supported that online shoppers are goal-oriented and know what products and brands are available. Consumers often rely on a single motivation to simplify their decisions and one of the most important motivations to consumers in the marketplace may be brand name. This explanation may be particularly important for purchasing in an online auction environment. Consumers tend to infer quality, value, reputation, service, and credibility from an

acceptable brand name and thus brands are often repositories for an organization's overall reputation (Zeithaml, 1988). If consumers rely on their ability to recall possible brands, the strength of brand consciousness increases the likelihood that the consumers search that brand name first for information in online auctions. In addition, consumers may bid and purchase brand name products which are sold at lower prices compared to that in traditional stores. Therefore, the understanding of initiating, building, and maintaining brand equity is one of the critical factors of success for companies in online auctions.

The hypothesized relationship between perceived quality and online auction behaviors was not supported. However, the negative impact on bidding behavior is intuitive. Bidding is the "middle phase" of the auction experience that spans from the time that a bidder places an initial bid until just before the end of the auction (Ariely & Simonson, 2003). During this phase, consumers need to decide whether, when and how much to raise their bid, or whether to drop out. Results of this study suggest that perhaps bidding behavior is a unique dimension compared to other behaviors with regards to consumers' motivation of perceived quality. When consumers initially post a bid, they are motivated by the lowest price which may imply inferior quality.

This study confirms the effect of shopping attitudes toward online auction behaviors. Specifically, product assortment/price is strongly related to online auction

behaviors. In general, products with standardized attributes such as quality, variety, and price are relatively suitable to be sold in online environments because people perceive less risk in their purchase decisions (So, Wong, & Sculli, 2005). From this evidence, providing a wide variety of merchandise and relatively lower prices can make consumers actively participate in online auctions for searching, bidding, purchasing, and selling. Consumers can browse the entire product assortment with minimal effort and easily compare product features, availability, and prices more efficiently and effectively in online auctions. These advantages of online auctions further lead to the consumer's satisfaction and loyalty.

Customer service is another determinant when consumers search information about products and services in online auctions. Although many researchers have found that customer service and quality of service affect consumers' intention to shop, there was no significant relationship between customer service and bidding, purchasing, and selling behavior in online auctions. Results of this study suggest that perhaps customer service in online auctions is somewhat different from that of online shopping. Online auctions provide self-help functions and products and services are provided by individual sellers in online auctions. Therefore, consumers can obtain most information about products, price, and seller's reputation in the searching process. If the seller has a good reputation,

consumers (buyers) infer enhanced service quality.

Consumer's expectation concerning trust was found to be important when they search, bid, and purchase products in online auctions. Lack of trust is one of the most frequently cited reasons for consumers not shopping on the Internet because consumers cannot physically check the quality of a product or monitor the safety and security of sending sensitive personal and financial information (Lee & Turban, 2001). Further, since online auctions are relatively new and most consumers have only little experience, shopping in online auctions provides a challenge to many consumers. It can be supported that trust is an issue from the buyer's perspective, thus, indicating reputation and feedback systems enforce trustworthiness (Bolton, Katok, & Ockenfels, 2004; Cameron & Galloway, 2005). However, trust did not affect online auction selling behaviors. According to the Federal Trade Commission (2006), online auction fraud consistently ranks near the top of the list and most complaints involve problems with sellers. The complaints generally deal with late shipments, no shipments, or shipments of products that aren't the same quality as advertised; unreliable online payment or escrow services; and fraudulent dealers who lure bidders from legitimate auction sites with seemingly better deals. However, college students feel that the benefits of using online auctions far outweigh potential fraud. This finding supports the research by Cameron and Galloway (2005) indicating that

auction users believe the benefits of participating in online auctions outweigh the threat of fraud.

Although previous research has mainly been conducted on consumers' shopping motivations and attitudes on the Internet, there has been limited research about consumers' motivations and attitudes within the context of online auctions. This study provides insights for researchers to understand the motivations and attitudes toward online auctions behaviors. Researchers may attempt to filter out the relatively less significant factors and determine relevant situational differences to develop a new conceptual framework.

Understanding what makes customers engage in online auction behaviors is a challenging task. It is likely that retailers attempting to expand their market potential will use online auctions to extend the life of their brand, discard discontinued merchandise, and test new products. Therefore, online companies participating and competing in online auctions should build a good reputation of caring and protecting their potential customers in order to protect customers from fraudulent transactions. Companies competing in online auctions may provide good information and easy browsing systems for consumers to save time and effort for checking products and services that they sell. They also may provide name brand products (i.e., franchised, discontinued, or used) at lower prices to appeal to brand

conscious consumers. Previous research proposed that consumers who were brand conscious would be willing to pay a price premium (Netemeyer et al., 2004). From this evidence, companies providing name brand products may increase profitability. As online auctions become more common in the marketplace, it is necessary for companies to understand the factors that influence customers' online auction behaviors.

Previous research found that motivations positively affect consumers' attitudes and behaviors towards different retail formats. Monsuwé et al. (2004) found that attitudes toward online shopping and intention to shop online are affected by shopping motivations such as ease of use, usefulness, and enjoyment. The results of this study also showed that these relationships are applicable within the context of online auctions. In other words, consumers who are motivated to participate in online auctions have a certain attitude toward online auctions and further these motivations and attitudes affect consumer' behavior in online auctions.

Retail and marketing managers may benefit from the results reported in this study. Specifically, some of the benefits and innovations being brought to individual customers by online auctions are now available to small companies. Companies are able to offer products and services not only through traditional channels, but also in an online format and today's consumers are multi-channel shoppers (Monsywe et al.,

2004). Evidence suggests that companies that complement their traditional channels with Internet-based channels would be more successful than single-channel companies (Gulati & Garino, 2000; Porter, 2001; Vishwanath & Mulvin, 2001). Because online auctions are increasingly acting as a shop-front for new products sold by traditional retailers at fixed prices, retailers can start selling limited product assortments to consider how to integrate this with their existing multi-channel strategies. Through online auctions, small companies can communicate individually with their current and potential customers. As a result, products, services, and even marketing plans can be adjusted to the profile of customers in order to influence customers' shopping behavior in online auctions. For these companies, building strong relationships with customers is very important to compete in the online auction marketplace.

CHAPTER 6

LIMITATIONS AND RECOMMENDATION FOR FUTURE RESEARCH

Although the study provided insights into critical factors affecting consumers' behaviors in online auctions, the findings should be interpreted with caution due to specific limitations. First, convenience sampling limited the generalizability of the study. The results may have differed if the population had included students nationwide in the U. S. or people who have extensive experience in online auctions. A more diverse and representative population with larger and national/international samples is required. Further research also is needed to understand how online auctions would impact the marketing mix such as product, price, place, and promotion strategy and how to integrate this new technology with conventional marketing activities. Second, additional independent variables of consumer behavior including demographic, economic, social, situational, and technological factors should be included to understand the primary relationship between shopping motivations and attitudes and online auction behaviors. For instance, income, household composition, and life cycle stage may influence consumer values which were not tested in this study. Another limitation is the reliance of the student population surveyed. Several studies have argued against using such samples for research purposes or the results should be accepted with caution (Wells, 1993).

Although it is easier to achieve internal validity with a homogenous sample such as undergraduate college students and thus appropriate for theory building purposes, achieving external validity presents a greater challenge that can be especially difficult in regards to behavioral studies. Future research needs to include diverse groups when examining shopping motivations and attitudes toward online auctions. The final limitation is related to conceptualization and operationalization of shopping motivations and attitudes. In this study, shopping motivations were operationalized as perceived quality, transaction costs, searching costs, social interaction, and brand consciousness and shopping attitudes included product assortment/price, customer service, and trust. Future studies may specify and revise the domain of each variable toward online auction behaviors.

Table 1
Previous Research on Online Auctions

Key Factor	Description	Source
Behavior	Buying and bidding	Ariely & Simonson (2003)
	Extent of the winner's curse	Bajari & Hortacsu (2003)
	Bidding strategies	Bapna et al. (2004)
	Online auction motivation	Cameron & Galloway (2005)
	Internet auction	Herschlag & Zwick (2002)
	Buyer and product traits	Kim (2005)
	Bidding and pricing	Massad & Tucker (2000)
	Integrated model for bidding behavior	Park & Bradlow (2005)
	Communication and social facilitation	Rafaeli & Noy (2002)
	Last minute bidding phenomenon	Roth & Ockenfels (2002)
Selling	Experts and amateurs	Wilcox (2000)
	Seller rating, price, and default	Bruce et al. (2004)
	Selling	Kazumori & McMillan (2005)
	Reputation distribution	Lin et al. (2006)
Transaction costs	Value of seller reputation	Melnik & Alm (2002)
	Transaction costs	Chircu & Mahajan (2005)
	Reserve price and disclosure	Walley & Fortin (2005)

(table continues)

Table 1 (continued).

Key Factor	Description	Source
Auction format	Decision support system	Gregg & Walczak (2006)
	Reverse online auction	Hur et al. (2006)
	Effect of auction format	Lucking-Reiley (2000)
	Multi access technologies	Ruiter & Heck (2004)
	B2B auction	Sashi & O'Leary (2002)
	Name-your-own-price auction	Spann & Tellis (2006)

Table 2
Research Constructs

Constructs	Description	Source
Online Auction Behaviors	4 items with 5 point scale	Kim (2005); Yoo & Donthu (2001).
Shopping Attitudes	18 items with 7 point scale	Lucking-Reiley (2000); Netemeyer et al. (2004); Teo & Yu (2005)
Perceived Quality	6 items with 7 point scale	Netemeyer et al. (2004)
Transaction Costs	6 items with 7 point scale	Chircu & Mahajan (2005); Teo & Yu (2005)
Searching Costs	3 items with 7 point scale	Teo & Yu (2005)
Social Interaction	5 items with 7 point scale	Cameron & Galloway (2005); Rafaeli & Noy (2002)
Brand Consciousness	11 items with 7 point scale	Keller (1993); Yoo & Donthu (2001); Netemeyer et al. (2004)
Demographic Information	8 items	

Table 3

Demographic Characteristics of Student Respondents (^a *n* = 341)

Variables	Frequency ^a (<i>n</i>)	Percent (%)
Gender		
Male	86	25.2
Female	255	74.8
Age		
18-20	83	24.4
21-25	210	61.8
26-30	35	10.2
31-35	11	3.3
40	1	0.3
Major		
Merchandising & Hospitality Management	130	38.6
Business	75	22.3
Arts & Science	33	9.8
Music	39	11.6
Visual Arts	48	14.2
Others	9	2.7
Undecided	3	0.9
Level of Education		
Freshman	19	5.6
Sophomore	33	9.7
Junior	79	23.2
Senior	145	42.6
Graduate Student	64	18.8
Employment Status		
Employed full-time	66	19.4
Employed part-time	168	49.4
Unemployed	94	27.6
Other	12	3.5
Ethnicity		
African-American	22	6.5
Caucasian/Non-Hispanic	239	70.3
Hispanic	26	7.6
Asian	33	9.7
Native American	4	1.2
Other	16	4.7
Access to the Internet		
Home	262	76.8
Work	22	6.5
Campus	56	16.4
Other	1	0.3
Use of the Internet		
I have used the Internet a few times before this survey	7	2.1
I use the Internet a few times a month	3	0.9
I use the Internet every week	21	6.2
I use the Internet everyday	310	90.9

Table 4
Frequency Table for Online Auction Behaviors

	Never <i>n</i> (%)	1-2 a year <i>n</i> (%)	Once a month	Every week	Daily	Total
Searching	69 (20.2%)	100 (29.3%)	102 (29.9%)	52 (15.2%)	18 (5.3%)	341 (100%)
Bidding	151 (44.3%)	121 (35.5%)	57 (16.7%)	10 (2.9%)	2 (0.6%)	341 (100%)
Purchasing	121 (35.5%)	170 (49.9%)	45 (13.2%)	4 (1.2%)	1 (0.3%)	341 (100%)
Selling	275 (80.6%)	52 (15.2%)	10 (2.9%)	3 (0.9%)	1 (0.3%)	341 (100%)

Table 5

Factor Analysis of Shopping Motivations in Online Auctions^a

Factor name	Scale items ^{bc}	Factor loading	Explained variance (%)	α
Perceived Quality	Only the best products are offered.	.84	12.41	.85
	Products purchased in online auctions consistently perform better than other products.	.82		
	In online auctions, the higher the price of a product, the better its quality.	.68		
	Compared to other products, products purchased in online auctions have high quality.	.64		
Transaction Costs	I save a lot of time by shopping in online auctions.	.82	16.05	.85
	I save a lot of money by shopping in online auctions.	.74		
	It takes less time for making purchases in online auctions than in retail stores.	.70		
	I spend a lot of effort monitoring whether products I bid are processed.	.66		
	I spend a lot of time searching in online auctions.	.62		
	It takes less time for browsing through alternatives in online auctions than in retail stores.	.60		
Searching Costs	I carefully plan my purchases before I buy something in online auctions.	.88	14.30	.90
	I always compare prices before I buy something in online auctions.	.87		
	I like to have a great deal of information before I buy something in online auctions.	.85		
Social Interaction	I frequently gather information from forum discussions in online auctions about products before I buy.	.84	14.71	.82
	If I have limited experience with a product, I often ask people in the forum about products.	.84		
	To make sure I buy the right product in online auctions, I often observe what others are buying.	.69		
	I am an active member of an online auction forum discussion.	.65		
	I often consult other people to help choose the best alternative available from a product class.	.64		
Brand Consciousness	I am willing to pay a lot more for name brand products than for other brands of products.	.87	12.89	.83
	I am willing to bid a higher price for name brand products than for other brands of products.	.86		
	I'm usually motivated to buy name brand products in online auctions.	.70		
	In online auctions, the more expensive brands are usually my first preference.	.61		

(table continues)

Table 5 (continued).

^a $n = 341$.

^b Range: 1 = strongly disagree; 7 = strongly agree.

^c Scale items with factor loadings below .50 include the following: (1) The quality of products purchased in online auctions is extremely high; (2) I always get a good value when I purchase products in online auctions; (3) I like to buy the same brand name product regardless of retail format; (4) I intend to buy name brand products in online auctions; (5) I regularly buy name brand products in online auctions; (6) I am satisfied with the purchase of name brand products in online auctions; (7) Name brand products in online auctions are reliable; (8) I'm usually not motivated to buy name brand products in online auctions; and (9) Name brand products at lower prices are attractive for purchasing in online auctions.

Table 6

Factor Analysis of Shopping Attitudes in Online Auctions^a

Factor name	Scale items ^{bc}	Factor loading	Explained variance (%)	α
Product Assortment /Price	Online auctions offer a wide variety of products.	.84	28.12	.90
	Online auctions offer unique and unusual products.	.81		
	Lower prices are incentives for purchasing in online auctions.	.72		
	Selling products in online auctions is a good way to earn extra money.	.71		
	I can find products I want when shopping in online auctions.	.700		
	When shopping in online auctions, I can find products that are not easy to find in traditional retail stores.	.66		
	It is easy to search for product information when shopping in online auctions.	.66		
Customer Service	Online auctions handle complaints of customers effectively.	.87	23.04	.88
	Online auctions treat you as a special and valued customer.	.80		
	Online auctions actively communicate with customers.	.80		
	Online auctions anticipate your specific needs and serve you appropriately.	.76		
	Online auctions provide products at promised times.	.61		
Trust	I trust brand names in online auctions.	.78	16.75	.78
	It is easy to compare differences among products and brands in online auctions.	.72		
	I trust the reputation of sellers and buyers in online auctions.	.70		

^a $n = 341$.

^b Range: 1 = strongly disagree; 7 = strongly agree.

^c Scales items with factor loadings less than .50 include the following: (1) Online auctions offer the same products at relatively lower prices; (2) I intend to shop in online auctions over the next few years; and (3) Online auctions provide more information about the product features than traditional stores.

Table 7

Multiple Regression between Shopping Motivations and Online Auction Behaviors

<i>Independent Variables</i>	<i>Dependant Variables</i>			
	<i>Standardized Beta Coefficient (β)</i>			
	<i>Search</i>	<i>Bid</i>	<i>Purchase</i>	<i>Sell</i>
Perceived Quality	n/s	-.10*	n/s	n/s
Transaction Costs	.35***	.45***	.42***	.16**
Searching Costs	.16**	.11*	.10*	.13*
Social Interaction	n/s	n/s	n/s	.14**
Brand Consciousness	.18***	.12*	.11*	n/s
R Square	.19	.25	.21	.07
Adjusted R Square	.18	.24	.20	.05
<i>F</i>	14.31***	20.12***	16.25***	4.54***

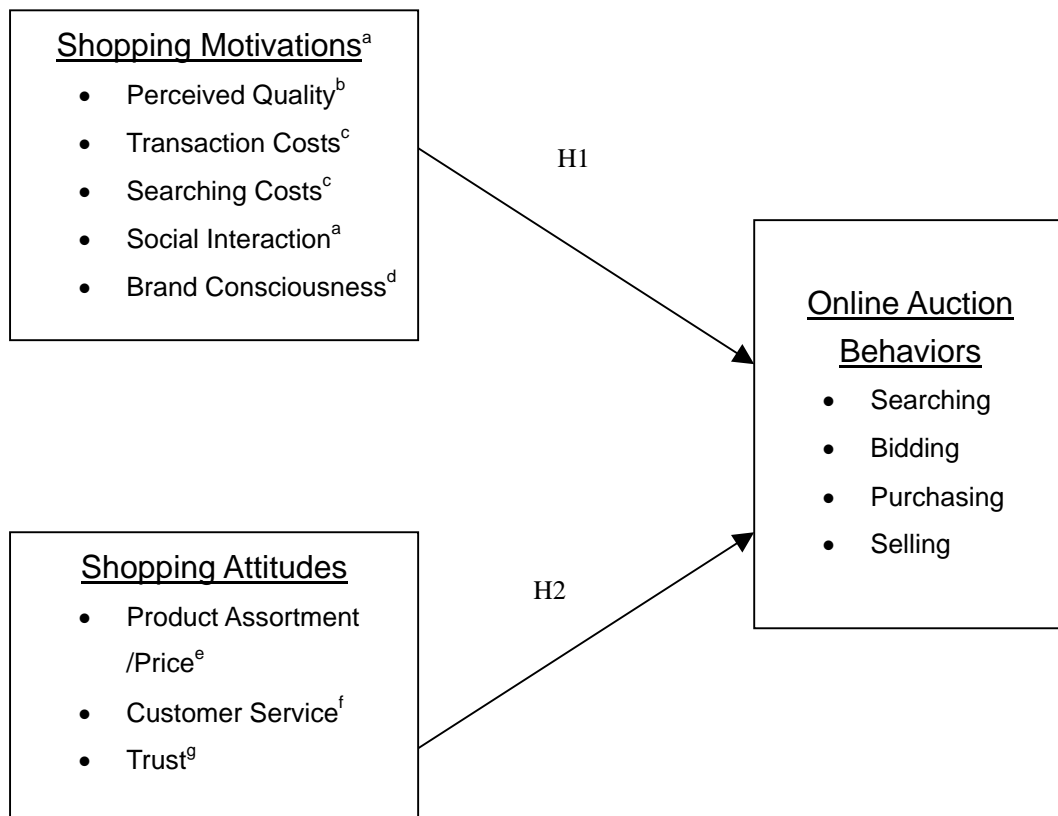
* $p < .05$; ** $p < .01$; *** $p < .001$; n/s: not significant

Table 8

Multiple Regression between Shopping Attitudes and Online Auction Behaviors

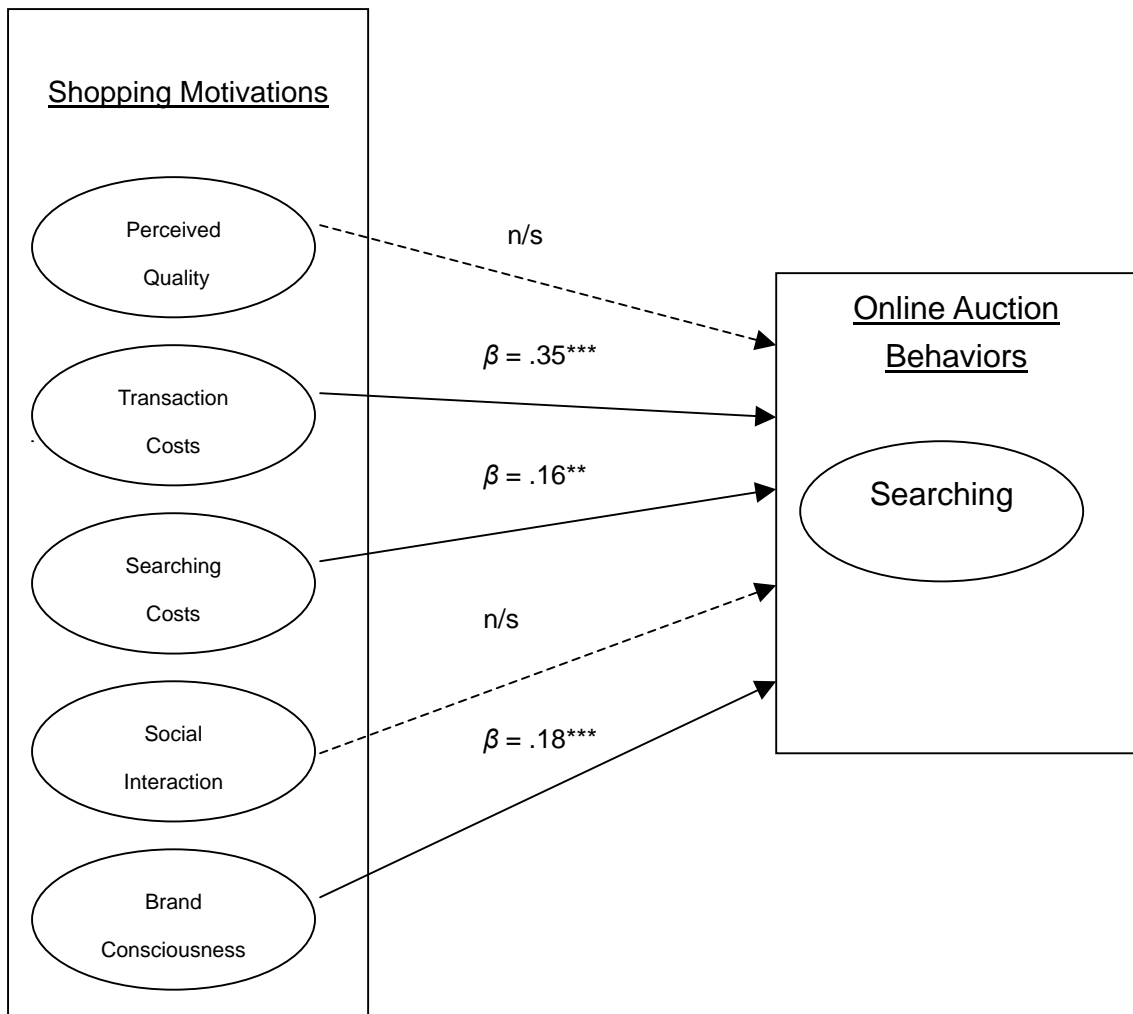
<i>Independent Variables</i>	Dependant Variables			
	Standardized Beta Coefficient (β)			
	Search	Bid	Purchase	Sell
Product Assortment	.33***	.33***	.33***	.26***
/Price				
Customer Service	.12*	n/s	n/s	n/s
Trust	.30***	.33***	.30***	n/s
R Square	.21	.23	.21	.08
Adjusted R Square	.20	.22	.20	.07
<i>F</i>	28.25***	31.52***	28.01***	8.83***

* $p < .05$; ** $p < .01$; *** $p < .001$; n/s: not significant



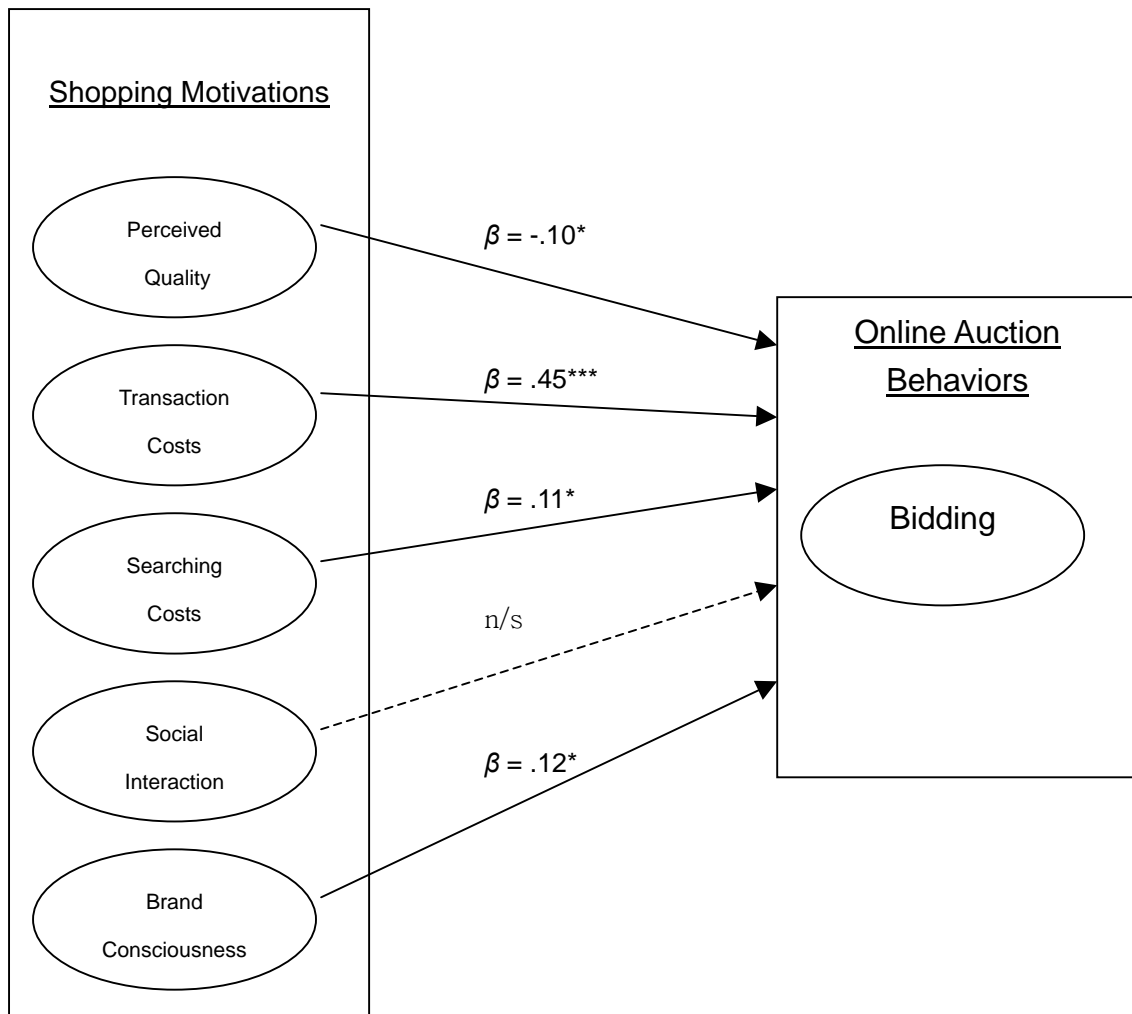
Rohm & Swaminathan (2004)^a; Netemeyer et al. (2004)^b; Teo & Yu (2005)^c; Keller (1993)^d; Mazursky & Jacoby (1986)^e; Harvey (1998)^f; Kimery & McCard (2002)^g

Figure 1. Impact of shopping motivations and attitudes on online auction behaviors.



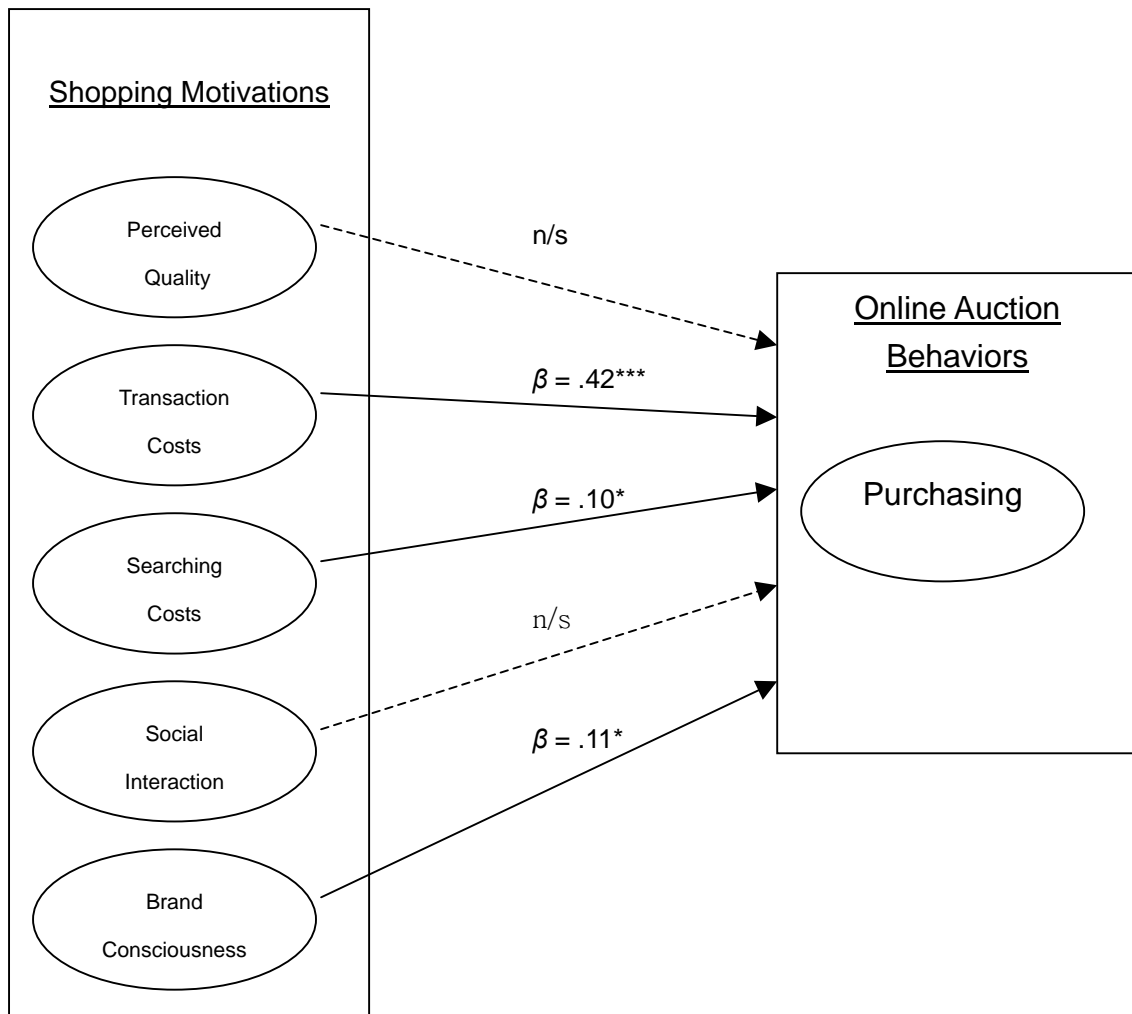
* $p < .05$; *** $p < .001$; —————> significant, - - - - -> n/s: not significant

Figure 2. Shopping motivations and searching behavior in online auctions.



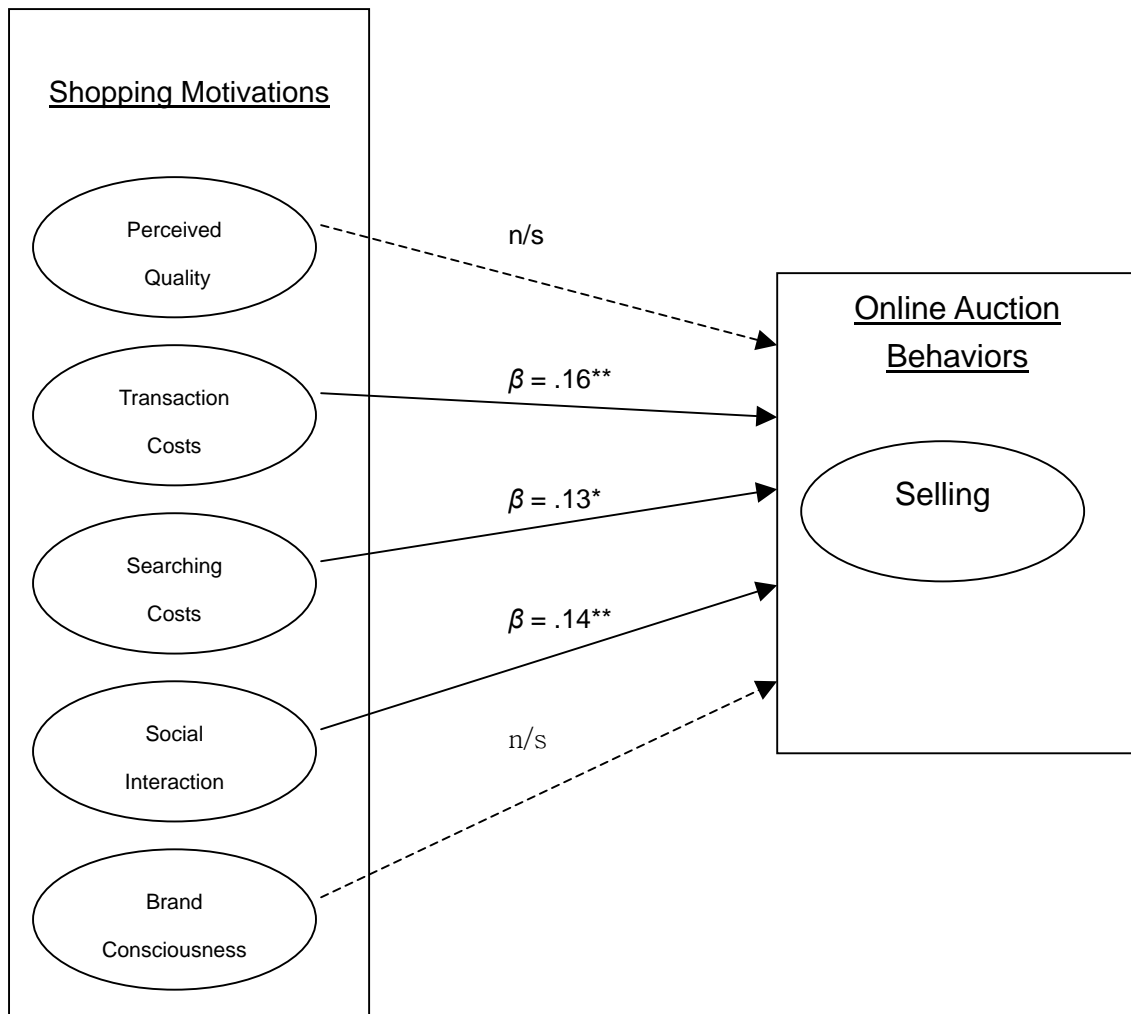
* $p < .05$; *** $p < .001$; —————> significant, - - - - -> n/s: not significant

Figure 3. Shopping motivations and bidding behavior in online auctions.



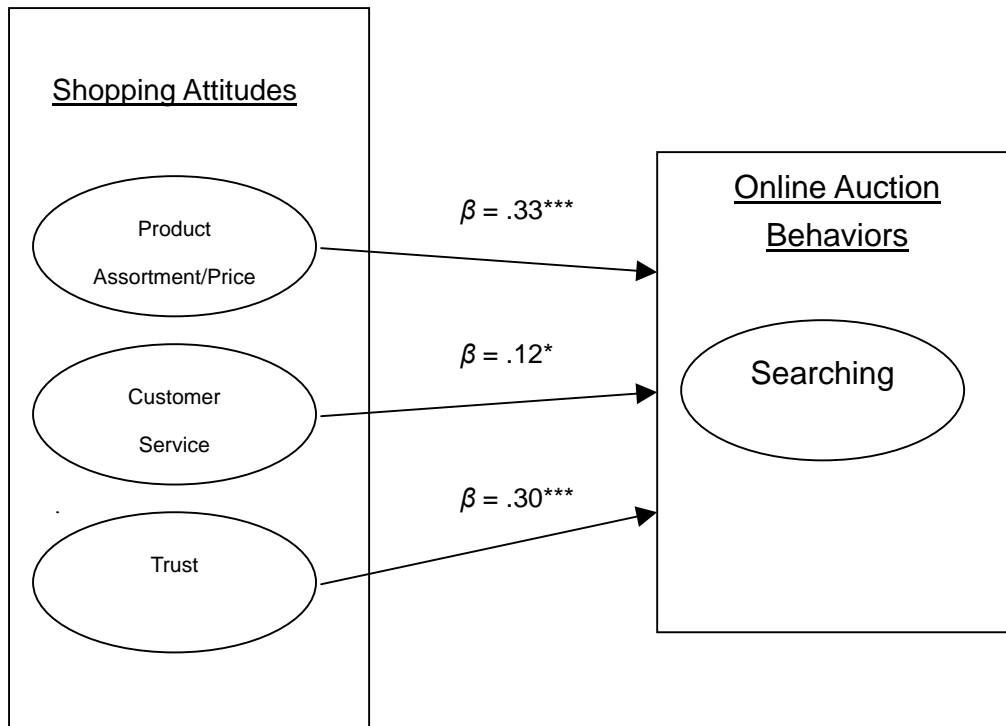
* $p < .05$; *** $p < .001$; —————> significant, - - - - -> n/s: not significant

Figure 4. Shopping motivations and purchasing behavior in online auctions.



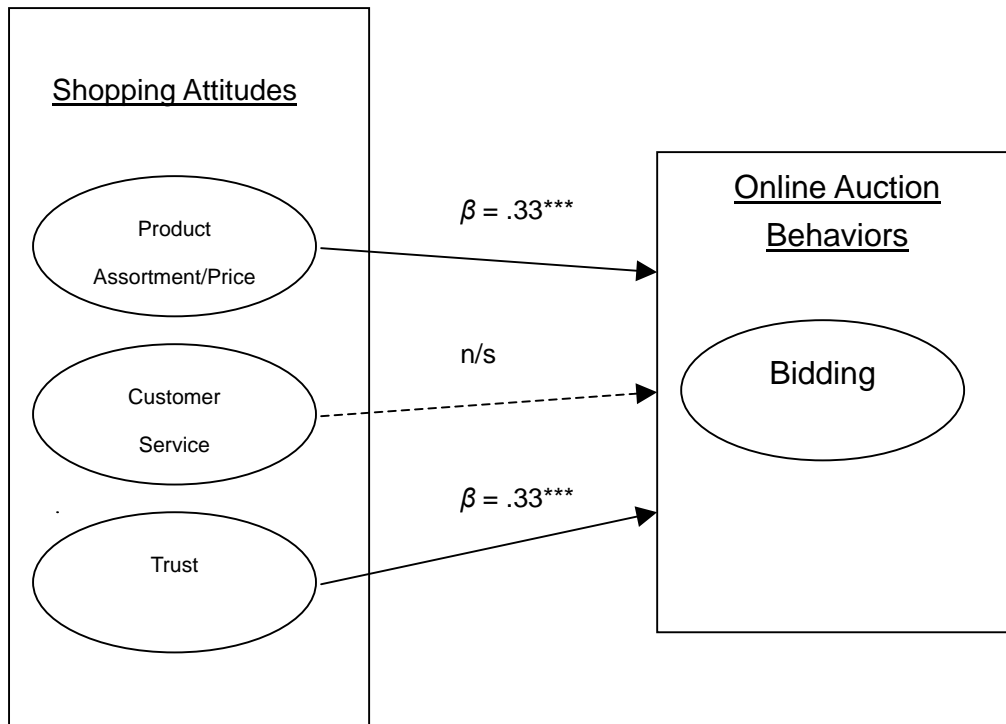
* $p < .05$; ** $p < .01$; —————> significant, - - - - -> n/s: not significant

Figure 5. Shopping motivations and selling behavior in online auctions.



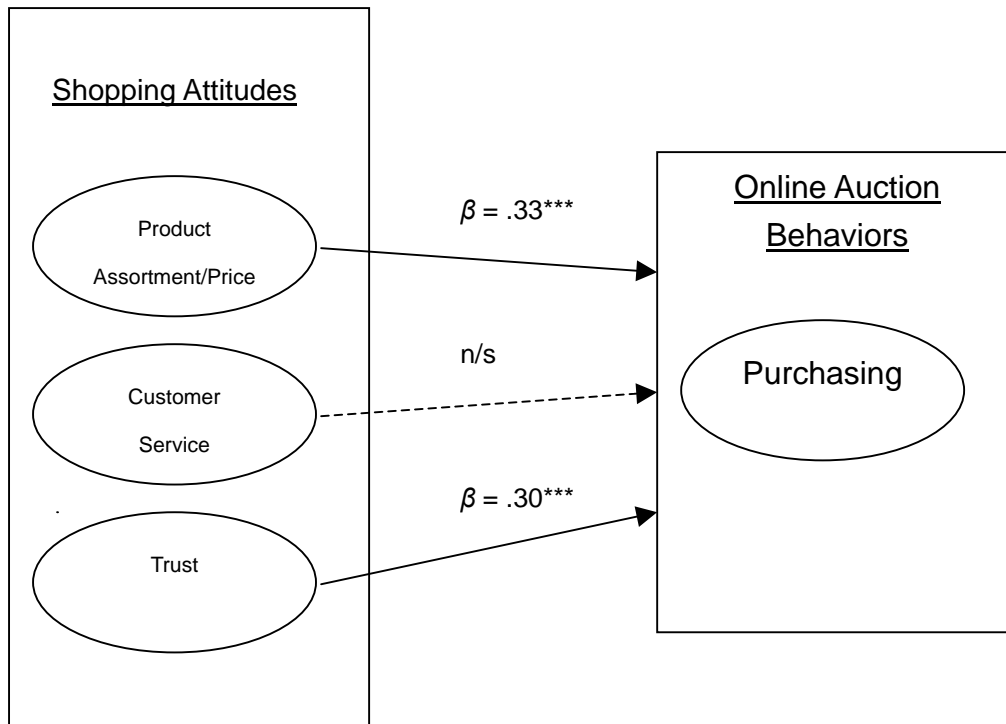
* $p < .05$; *** $p < .001$; —————> significant

Figure 6. Shopping attitudes and searching behavior in online auctions.



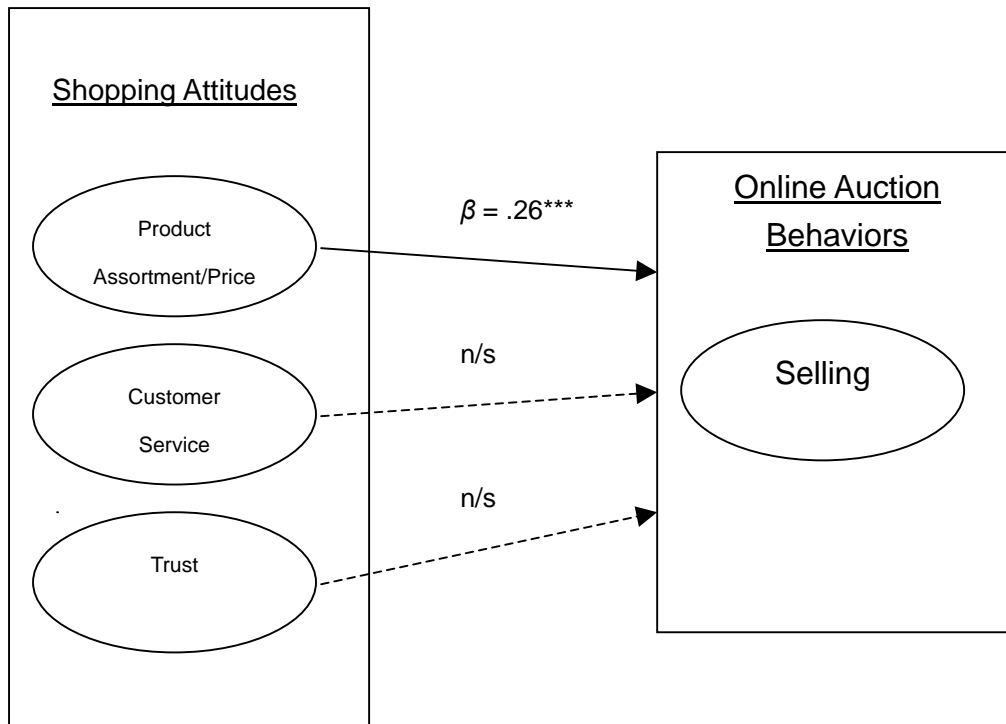
*** $p < .001$; n/s: ———▶ significant, - - - - -▶ n/s: not significant

Figure 7. Shopping attitudes and bidding behavior in online auctions.



*** $p < .001$; n/s: ———▶ significant, - - - - -▶ n/s: not significant

Figure 8. Shopping attitudes and purchasing behavior in online auctions.



*** $p < .001$; n/s: ———▶ significant, - - - - -▶ n/s: not significant

Figure 9. Shopping attitudes and selling behavior in online auctions.

APPENDIX
SURVEY INSTRUMENT

Dear Student:

The School of Merchandising and Hospitality Management at the University of North Texas is interested in learning about customers' shopping motivations and purchasing behaviors regarding shopping in online auctions. You are invited to participate in a study entitled, "*The Effect of Shopping Motivations and Attitudes on Online Auction Behaviors: An Investigation of Searching, Bidding, Purchasing, and Selling.*" Your participation in this study will help researchers, retailers, and auctioneers better understand your attitudes and motivations in online auctions.

You must be 18 years of age to participate in the study. If you choose to participate, please do not put your name on the questionnaire because responses are anonymous. No questions are asked that would pose any physical, psychological, or social risks. The time to complete the survey is approximately 15 minutes, and all questions are important, so please answer all of them.

Your participation in this study is voluntary, and the completion of the questionnaire serves as your consent to participate in the study. However, if at anytime during your participation in this study you wish to stop, feel free to do so. There are no penalties for not participating. If you have any questions, please contact Sua Jeon or Dr. Christy Crutsinger at 940-565-3263. Please keep this letter for your records and thank you for your time.

Sincerely,

Sua Jeon
Graduate Student
Merchandising Division
University of North Texas

Christy A. Crutsinger, Ph.D.
Associate Professor
Merchandising Division
University of North Texas

**This research project has been reviewed and approved by the
University of North Texas Committee for the Protection of Human Subjects (940) 565-3940.**

		Strongly Disagree-----					Strongly Agree	
		1	2	3	4	5	6	7
12	When shopping in online auctions, I can find products that are not easy to find in traditional retail stores.	1	2	3	4	5	6	7
13	Lower prices are incentives for purchasing in online auctions.	1	2	3	4	5	6	7
14	Online auctions offer a wide variety of products.	1	2	3	4	5	6	7
15	Online auctions offer unique and unusual products.	1	2	3	4	5	6	7
16	Online auctions offer the same products at relatively lower prices.	1	2	3	4	5	6	7
17	I intend to shop in online auctions over the next few years.	1	2	3	4	5	6	7
18	Online auctions provide more information about product features than traditional stores.	1	2	3	4	5	6	7
19	Online auctions provide products at promised times.	1	2	3	4	5	6	7
20	Online auctions treat you as a special and valued customer.	1	2	3	4	5	6	7
21	Online auctions handle complaints of customers effectively.	1	2	3	4	5	6	7
22	Online auctions actively communicate with customers.	1	2	3	4	5	6	7
23	Online auctions anticipate your specific needs and serve you appropriately.	1	2	3	4	5	6	7
24	Selling products in online auctions is a good way to earn extra money.	1	2	3	4	5	6	7
25	I am an active member of an online auction forum discussion.	1	2	3	4	5	6	7
26	To make sure I buy the right products in online auctions, I often observe what others are buying.	1	2	3	4	5	6	7
27	If I have limited experience with a product, I often ask people in the forum about products.	1	2	3	4	5	6	7
28	I frequently gather information from forum discussions about products before I buy in online auctions.	1	2	3	4	5	6	7
29	I often consult other people to help choose the best alternative available from a product class.	1	2	3	4	5	6	7

Section 3. CONSUMER BEHAVIOR. Circle the *one* number that best describes your purchasing patterns.

		Strongly Disagree-----					Strongly Agree	
		1	2	3	4	5	6	7
30	I like to have a great deal of information before I buy something in online auctions.	1	2	3	4	5	6	7
31	I always compare prices before I buy something in online auctions.	1	2	3	4	5	6	7
32	I carefully plan my purchases before I buy something in online auctions.	1	2	3	4	5	6	7
33	I spend a lot of time searching in online auctions.	1	2	3	4	5	6	7
34	I spend a lot of effort monitoring whether products I bid are processed.	1	2	3	4	5	6	7
35	I save a lot of time by shopping in online auctions.	1	2	3	4	5	6	7
36	I save a lot of money by shopping in online auctions.	1	2	3	4	5	6	7
37	It takes less time for making purchases in online auctions than in retail stores.	1	2	3	4	5	6	7
38	It takes less time for browsing through alternatives in online auctions than in retail stores.	1	2	3	4	5	6	7
39	The quality of products purchased in online auctions is extremely high.	1	2	3	4	5	6	7

		Strongly Disagree-----Strongly Agree						
		1	2	3	4	5	6	7
40	I always get a good value when I purchase products in online auctions.							
41	Compared to other products, products purchased in online auctions have very high quality.							
42	Only the best products are offered in online auctions.							
43	Products purchased in online auctions consistently perform better than other products.							
44	I like to buy the same brand name product regardless of retail format.							
45	In online auctions, the higher the price of a product, the better its quality.							
46	In online auctions, the more expensive brands are usually my first preference.							
47	I intend to buy name brand products in online auctions.							
48	I regularly buy name brand products in online auctions.							
49	I am satisfied with the purchase of name brand products in online auctions.							
50	Name brand products in online auctions are reliable.							
51	I am usually motivated to buy name brand products in online auctions.							
52	I am usually not motivated to buy name brand products in online auctions.							
53	Name brand products at lower prices are attractive for purchasing in online auctions.							
54	I am willing to bid a higher price for name brand products than for other brands of products.							
55	I am willing to pay a lot more for name brand products than for other brands of products.							

Section 4. CONSUMER CHARACTERISTICS. Circle the one number that best describes your purchasing patterns.

		Strongly Disagree-----Strongly Agree						
		1	2	3	4	5	6	7
56	In general, I am among the last in my circle of friends to purchase a new product/brand.							
57	If I heard that new products or brands were available, I would be interested enough to buy.							
58	Compared to my friends, I do little shopping.							
59	I will consider buying a new product, even if I haven't heard of it yet.							
60	In general, I am the last in my circle of friends to know the names of the latest products on the market.							
61	I know more about new products or brands before other people.							
62	I like to try new and different things.							
63	I often try new brands before my friends and neighbors do.							
64	I enjoy exploring several different alternatives or brands while shopping.							
65	Sometimes I feel the urge to buy something really different from the brands I usually buy.							
66	I would rather stick with a brand I usually buy than try something I am not very sure of.							
67	If I like a brand, I rarely switch from it just to try something different.							

Strongly Disagree-----Strongly Agree

68	I get bored with buying the same brands even if they are good.	1	2	3	4	5	6	7
69	If I buy a product in online auctions, my purchase might not be worth the money that I paid for it.	1	2	3	4	5	6	7
70	The price that I pay for products in online auctions is not worth the risk of buying in online auctions.	1	2	3	4	5	6	7
71	I believe sellers in online auctions will deliver to me the product I purchase according to the posted delivery conditions.	1	2	3	4	5	6	7
72	If I buy in online auctions, my private information (e.g. credit card number) might be used by someone else without my permission.	1	2	3	4	5	6	7

Section 5. ONLINE AUCTION PURCHASE EXPERIENCE. How many times have you purchased these products in an online auction?

	How many times have you purchased these products in an online auction?		How many times have you purchased these products in an online auction?
73	Computer software (____times)	74	Antiques (____times)
75	Books (____times)	76	Celebrity memorabilia (____times)
77	Sporting goods (____times)	78	Stamps (____times)
79	Clothing (____times)	80	Coins (____times)
81	Accessories (____times)	82	Trading cards (____times)
83	Travel services (____times)	84	Electronic games (____times)
85	Real estate (____times)	86	Electronics and computers (____times)
87	Wine (____times)	88	Entertainment (Music, CDs, etc.) (____times)

Section 6. ABOUT YOU. The following background information questions are included to help us interpret your responses in relation to other questions.

89. What is your age? _____ Years Old

90. What is your gender? (Circle one number)

1 Female

2 Male

91. What is your major?

92. Which of the following best describes your level of education? (Circle one number)

1 Freshman

4 Senior

2 Sophomore

5 Graduate Student

3 Junior

93. Which of the following best describes your employment status? (Circle one number)

- | | | | |
|---|--------------------|---|------------|
| 1 | Employed full-time | 3 | Unemployed |
| 2 | Employed part-time | 4 | Other |

94. Which of the following best describes your ethnicity? (Circle one number)

- | | | | |
|---|------------------------|---|-----------------|
| 1 | African-American | 4 | Asian |
| 2 | Caucasian/Non-Hispanic | 5 | Native American |
| 3 | Hispanic | 6 | Other |

95. Which of the following best describes your access to the Internet most of the time?

(Circle one number)

- | | | | |
|---|------|---|--------|
| 1 | Home | 3 | Campus |
| 2 | Work | 4 | Other |

96. Which of the following best describes your use of the Internet? (Circle one number)

- | | | | |
|---|---|---|-------------------------------|
| 1 | I have used the Internet a few times before this survey | 3 | I use the Internet every week |
| 2 | I use the Internet a few times a Month | 4 | I use the Internet everyday |

97. Is there anything else about your “**online auction experiences**” you would like to tell us about?

Thank you for your participation!

This project has been reviewed and approved by the University of North Texas Institutional Review Board for the Protection of Human Subjects in Research (940) 565-3940.

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