



## Gender differences in online auctions



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### ABSTRACT

Gender theories developed from traditional fixed and negotiated price shopping have largely been untested in the context of online auctions. The present study intends to fill this gap. Specifically, this study compares male and female online bidders based on their motivations, psychographics, and purchasing behavior. Our results show that females are more likely than males to be enjoyment seekers, information seekers, bargain hunters, variety seekers, and impulsive buyers. Female online bidders also have a higher level of risk aversion and need for uniqueness, but exhibit a lower level of social interaction than males. This study also finds that males are more likely to purchase electronics and computers, whereas females are more likely to purchase books, clothing, jewelry, and toys through online auctions. Based on these results, theoretical and managerial implications are discussed.

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The growth of online auctions has been exceptional since the late 1990s. As an alternative retailing format and a dynamic pricing mechanism, online auctions attract many businesses and individuals who can sell and buy almost everything on the Internet. For example, a current leader, eBay, has 157 million active buyers worldwide as of the second quarter 2015. On any given day, there are approximately 800 million listings and 25 million sellers ([www.ebay.com](http://www.ebay.com)).

The enormous growth of online auctions certainly generates considerable interest from the academic world. An extensive body of research has explored various aspects of online auctions, such as auction pricing, seller reputation, selling strategy, and online bidding behavior (Bapna et al., 2003; Borle et al., 2006; Chang and Chen, 2015; Heyman et al., 2004; Hou, 2007; Lee et al., 2013; Melnik and Alm, 2002; Park and Bradlow, 2005). Among these studies, several addressed consumer demographics including gender in online auctions. For example, Hou and Elliott (2010) examined how consumer demographics may influence their likelihood and frequency of participation in online auctions, while Korgaonkar et al. (2012) explored how online bidders' demographics may influence their product purchase preferences.

Though a few studies examining online bidders' demographics provide some insights and helpful information, there is still a lack of understanding of some fundamentals in the context of online auctions. Considering that gender has been perceived and validated as a significant predictor of consumer behavior in both

online and offline environments (Ailawadi et al., 2001; Baker and Wakefield, 2012; Bellenger and Korgaonkar, 1980; Chen et al., 2013; Danaher et al., 2006; Croson and Gneezy, 2009; Herrmann, 2004; Noble et al., 2006; Rodgers and Harris, 2003), it is surprising that little is known about gender differences in online auctions. In particular, do males and females attend online auctions for different reasons? Do male and female online bidders differ in terms of their psychographics? Do males and females purchase different types of products through online auctions?

Answers to these questions have important theoretical and practical implications. They not only advance our understanding on whether general gender theories hold true in the context of online auctions, but they also provide a basis for segmenting and targeting online bidders based on their gender, which is beneficial for both businesses and individuals who intend to adopt online auctions as a retailing alternative.

Therefore, the purpose of this study is to further our knowledge of gender differences in the context of online auctions. Specifically, we investigate three aspects of online bidders' behavior; namely, how do male and female bidders differ in terms of their motivations, psychographics, and purchasing behavior? The rest of this paper is organized as follows: first, we review the rich literature on gender differences. Second, a set of hypotheses are developed with respect to gender differences in online bidders' motivations, psychographics, and purchasing behavior. Third, we describe the methodology and present the results to test the hypotheses. Then, findings and implications from this study are discussed. Finally, this study concludes with limitations and future research directions.

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## 1. Literature review

This section first compares online auctions and other online shopping based on their different market structures, market participants, and pricing mechanisms. Given these differences, we argue that theories developed in traditional online and offline shopping (i.e., fixed and negotiated price shopping) should be assessed in the context of online auctions so as to enhance our understanding of external validity. Second, a review of gender differences in traditional shopping is provided. A conceptual model is then proposed in order to test gender differences in the context of online auctions.

## 2. Online auctions vs. other online shopping

There are several major differences between online auctions and other online shopping formats. First, the market structure differs. In most consumer online auctions (e.g., eBay), a large number of buyers bid for one auction item and the matching process can be very competitive among potential buyers. In traditional online shopping, however, there is little competition among buyers and individuals often engage in comparison shopping among multiple online vendors who typically offer numerous identical items.

Second, the market participants are different. In online auctions, many sellers are small businesses or even individuals who often sell secondary items (e.g., eBay), whereas in traditional online and offline shopping, the industry is concentrated with a small number of sellers dominating the market. Furthermore, most online auctioneers and bidders remain anonymous throughout the entire transaction process. Such high uncertainty in online auctions often involves a high level of perceived risk from sellers and bidders (Steinhart et al., 2013). Considering that perceived risk has a strong effect on consumers' online purchase decisions (Kim et al., 2008), it is not surprising that studies have found that online auction participants are different from other online shoppers. For example, Hou and Elliott (2010) indicated the demographic differences between online bidders and other online shoppers. Korgaonkar et al. (2012) explored how consumer shopping orientations may influence their preferences for shopping at online auctions. Their findings suggest that consumers with a higher level of information seeking, convenience orientation, and income are more likely to participate in online auctions.

Third, the pricing mechanisms are different. In online auctions, buyers determine the price by participating in the bidding process, whereas in a typical online retailing setting, sellers determine the price by posting a fixed price that is not negotiable. The auction pricing mechanism can expose buyers to a price risk, which is often termed as winner's curse (i.e., buyers overbid the item) in the auction literature (Malmendier and Lee, 2011). Considering such price risk and uncertainty, research has shown that consumers differ in terms of their preferences for these two types of pricing mechanisms. For example, studies have indicated that consumers who are risk-averse and those with a higher level of impulsive buying tendencies and competitiveness tend to prefer fixed prices to auctions (Angst et al., 2008; Selcuk, 2012; Shehryar, 2008).

Considering the aforementioned differences between online auctions and traditional online shopping as well as the perceptual and behavioral differences between online bidders and other online shoppers, it would be interesting to examine whether theories developed in traditional online and offline shopping can be held true in the context of online auctions. As indicated by Lynch (1999) and Winner (1999), theories should be tested and assessed across different settings and subpopulations in order to enhance our understanding of their external validity. The current study represents an important step in this direction.

## 3. Gender differences

A variety of disciplines including economics, psychology, and business have long observed gender differences in numerous consumer contexts, such as consumption, social preferences, attitude, e-commerce, and investment (Ailawadi et al., 2001; Bellenger and Korgaonkar, 1980; Byrnes et al., 1999; Croson and Gneezy, 2009; Hasan, 2010; Jackson et al., 2001; Jen-Hung and Yi-Chun, 2010; Herrmann, 2004; Noble et al., 2006; Powell and Ansic, 1997; Rodgers and Harris, 2003; Seock and Bailey, 2008; Telang and Mukhopadhyay, 2005; Van Slyke et al., 2002; Weiser, 2000).

Early e-commerce studies have documented how males and females differ in terms of their Internet usage behavior and their perception of online shopping. For example, Weiser (2000) observed numerous gender differences in consumers' online behavior (e.g., males prefer entertainment and leisure, whereas females prefer online communication and education). Van Slyke et al. (2002) investigated how males and females differ in terms of their perception of online shopping as a new innovation. Specifically, they found that as compared to females, males perceive online shopping as having a higher level of compatibility, relative advantage, result demonstrability, and trustworthiness, but having a lower level of complexity. Rodgers and Harris (2003) further explained why males are more satisfied with online shopping than females (e.g., emotion and trust).

In the context of consumers' traditional shopping behavior (i.e., fixed and negotiated price shopping), researchers have identified gender as a significant predictor in consumers' motivations, psychographics, and purchasing behavior. For example, Noble et al. (2006) explored how males and females can be different across a number of shopping motivations (e.g., uniqueness seeking, convenience seeking, and social interaction) in a local retailing market, while other studies examined gender differences in online shopping motivations (e.g., convenience, enjoyment seeking, bargain hunting, and social interaction) among college and high school students (Jen-Hung and Yi-Chun, 2010; Seock and Bailey, 2008). Ailawadi et al. (2001) demonstrated how consumer demographics (age, gender, education and income) can influence their psychographic characteristics (e.g., innovativeness, impulsiveness, and shopping mavenism) using a shopping mall intercept survey. Herrmann (2004) investigated how males and females can behave differently at garage sales. Finally, studies have found that males and females purchased different types of products in both online and offline shopping environments (e.g., beauty products for females and consumer electronics for males) (Carpenter, 2006; Girard et al., 2003).

A few studies have also begun to examine gender differences in the context of online auctions. For example, Hou and Elliott (2010) found that males are more likely than females to attend online auctions, and they also participate in more online auctions than females. Shehryar (2008) discovered that males and females may exhibit different behavior (i.e., buy-it-now vs. bidding) depending on the time remaining in an online auction. Korgaonkar et al. (2010) also investigated how consumer demographics may influence their preferences for different types of products (e.g., search vs. experience) in online auctions, though no significant gender effect has been found.

As can be seen from the literature, gender theories developed from the traditional shopping environment have mostly been untested in the context of online auctions. The current study intends to fill this gap. Fig. 1 proposes a conceptual model showing that gender has an effect on online bidders' motivations, psychographics, and purchasing behavior, while Table 1 provides a summary of empirical findings on these effects from previous shopping studies. Consistent with the literature, online bidder

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