

BUYER SATISFACTION AND LOYALTY INTENTION IN AN ONLINE AUCTION: ONLINE AUCTION WEBSITE VERSUS ONLINE AUCTION SELLER

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ABSTRACT

Online auctions are becoming increasingly more important as an intermediary for both sellers and buyers (Lucking-Reiley et al. 2007). Traditionally, online auction websites serve individuals who want to buy and sell collectibles via the auction process. However, increasingly, online auction websites are also acting as a store-front for new goods that are sold by small-medium retailers at fixed prices (Aldridge 2004). This is especially true in the Asia Pacific market, where eBay has had difficulty competing with local sites that focus on addressing the needs of small to medium-sized independent retailers in the business-to-consumer segment (Song 2006; Vara and Chao 2006). Small retailers who initially explore online auctions as an additional channel are gradually moving their businesses to online auctions (Walezak, Gregg, and Berrenberg 2006).

The primary purpose of this paper is to examine the issue of the determinants of buyer satisfaction and loyalty toward online auction websites and online auction sellers. The relationship between loyalty toward the online auction website and loyalty toward the online auction seller is also explored. An Internet survey was conducted on 221 buyers of online auction. The results show that e-service quality of an online auction website and online auction seller has significant impact on overall satisfaction with the online auction website and online auction seller respectively. Overall satisfaction with the online auction website and the online auction seller not only affects loyalty intention toward the online auction website and the online auction seller, but also affects the Specific Asset Investment (SAI) of buyers on the online auction website as well as the online auction seller. SAI is found to affect loyalty intention toward both the online auction website and the online auction seller. Finally, loyalty intention toward an online auction seller positively affects a buyer's loyalty intention toward the online auction website, whereas his/her loyalty intention toward the online auction website negatively affects his/her loyalty intention toward the online auction seller.

References Available on Request.