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The Effect of Seller Reputation on Buyer Intentions and Attitudes in
Online C2C Service Marketplaces

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Abstract

Online C2C service marketplaces are one of the most recent forms of peer-to-peer exchange, enabling consumers to offer and purchase services to and from other consumers. As services move to an online environment, while being offered by unknown sellers, uncertainty and risk often grows in the eyes of the buyer. To decrease the risk perceived by buyers and to increase the credibility of sellers, platform providers have created reputation mechanisms to collect and aggregate feedback provided by buyers in to seller reputation scores. These reputation scores supposedly function as a trust-builders between the buyer and seller, hopefully leading to increased exchange between the actors.

The purpose of this thesis is to explore and understand *the effects of seller reputation on buyer intentions and attitudes in online C2C service marketplaces*. More specifically, the aim is to investigate whether or not (1) a well-built seller reputation creates higher intentions and attitudes towards the purchase and the seller, (2) source credibility of the seller can help explain the effect of a well-built reputation on said intentions and attitudes, and (3) conditions, such as service involvement or buyer characteristics, influence how seller reputation and source credibility affect the intentions and attitudes of buyers. A quantitative study was conducted by a survey method, measuring respondents' reactions to different stimuli regarding seller reputations and services at hand. In addition, personal characteristics of respondents were included as moderators in the research. *Reputation*, in this study context, is assumed to translate to, the level, and amount, of ratings.

The results indicate that an increase in seller reputation had a direct positive effect on buyer attitude towards purchase, behavioral purchase intention and attitude towards seller. However, the effect on buyer willingness to pay for service was not found significant. Seller source credibility was found a relevant mediator between seller reputation and buyer intentions and attitudes, meaning that a good seller reputation does indeed build the seller's source credibility in a service marketplace setting, and that in turn has positive effects on how buyers feel about the seller and purchasing from them. Conditional influencers, namely level of service involvement, buyer disposition to trust and buyer

risk avoidance, did not have as prominent effects as expected, but did affect certain relationships between seller reputation, source credibility and buyer intentions and attitudes. To conclude, it can be said that when available information is scarce, seller reputation (rating score) does indeed carry significant value in an online service marketplace context in affecting certain buyers attitudes and intentions towards seller and purchase, thus making reputation mechanisms in an online service marketplace context a highly interesting topic in future research as well as in business practice.

Keywords: C2C; e-commerce; online service marketplace; source credibility; reputation

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Definitions

- Online (C2C) marketplace = A form of *intermediary* between customers and suppliers, who all are private people (consumers). In this thesis, the shortening *online marketplaces* is commonly used. Examples of these marketplaces are eBay, AirBnB and Taskrunner, as all of them facilitate exchange between consumers.
- Online (C2C) service marketplace = Online service marketplace is a subcategory to online C2C marketplaces, and it differs in the sense that the consumers exchange *services* between one another; a consumer might walk another consumers' dog, and the online service marketplace connects and facilitates this exchange. Examples of these are TaskRabbit (US), Grannar (SE) and Taskrunner (SE). In this study, the term is shortened to *online service marketplace* but refers to a C2C context.
- Buyer = A user who seeks to purchase on an online marketplace.
- Seller = A user that lists his/her offering, either a product or service, on an online marketplace.
- Platform provider = The company that provides the platform for exchange, for instance eBay, Amazon or Taskrunner. They are the third party in the transaction in addition to the buyer and seller.
- Reputation system / feedback mechanism = A system developed by platform providers to harvest experiences between users into the platform database, and then placed as an overall score for either the buyer or seller. This study focuses on the *seller* ratings (i.e. reputations). Reputation scores can vary in form; Airbnb uses a 5-star scale and eBay uses a 3-level rating system (positive, neutral, negative). In some cases, other forms are also possible, such as commenting the experience, however these are excluded from this study. Reputation systems is used interchangeably with the term *feedback mechanisms*.

1. Introduction

“A bad experience with an Internet seller can be, recorded in less than a minute, and spread to millions of potential customers” (Resnick & Zeckhauser, 2002: 127)

Only 20 years ago, the power of consumers and their word-of-mouth was still at its infancy (Keller 2007). After experiencing either exquisite or below-average service, an individual would talk about it to a few friends, at most. Today, a customer’s opinion can spread to thousands, if not millions of other potential customers in a matter of seconds (Resnick & Zeckhauser, 2002). Refined feedback systems have been developed to collect and showcase this information online, both in business-to-consumer (B2C) and consumer-to-consumer (C2C) contexts. As power continues to migrate from the seller to the buyer, the importance of understanding how feedback mechanisms influence consumer decision making grows significantly.

The phenomenon of consumers sharing information and experiences regarding products and services is not a new one. As early as in the 1970’s, a research conducted by The Roper Organization found word-of-mouth (WOM) to be the most important factor in consumer decision making across several category areas (Keller 2007). Since then, the importance of WOM has increased exponentially due to several factors, including the ease of sending and receiving information through the Internet. Further, word-of-mouth received from trusted acquaintances is perceived more credible than company-provided messages and strongly drive purchasing behavior (ibid). Word-of-mouth distributed online by complete strangers, surprisingly, also influences consumer decision making (Dellarocas, 2003).

Not only is the power of the consumer growing, but also *collaborative consumption* as a phenomenon is becoming exceedingly relevant. Euromonitor (2014) names the *sharing economy* as one of the top 10 consumer trends for 2015. As resources are growing scarce, technology, in turn, has advanced and allowed for new, sustainable consumption solutions. Technology-based solutions include online product marketplaces such as eBay or Amazon, but have recently also moved towards online service marketplaces such as Airbnb for apartment rentals and Über for car sharing. Euromonitor (2014: 12) fittingly states that “*consumers are increasingly preoccupied with access*

rather than ownership”. Further, consumers have found that time is also a good that has value and is exchangeable, leading to the creation of “chores” service marketplaces such as TaskRabbit or Taskrunner, where consumer hire other consumers to take care of small tasks for them.

As consumers begin to exchange with one another in masked, online environments, risk inherently grows and so does the need for trust. Trust is said to be a founding facilitator of productive buyer/seller relationships (Hawes, Mast & Swan, 1989). Trust can be built in several ways in traditional, physical marketplaces, such as allowing potential customers to try the products first or by allowing frequent interaction with the same vendor (Resnick and Zeckhauser, 2002). These trust-building mechanisms do not exist in online environments, where the seller tends to have an unfair advantage in information, creating information asymmetry (Ba & Pavlou, 2002). For this reason, online marketplace providers have developed online feedback mechanisms to collect and disseminate information between users, resulting in increased trust (Jones & Leonard, 2008; Ba & Pavlou, 2002). Exchange will be more efficient, as buyers trust sellers more based on previous performance and sellers are incentivized to serve their customers in the best possible way (Kollock, 1999: 103; Yang, Hu & Zhang 2007: 101). In turn, reputation becomes an important selling point for sellers in online marketplaces. The significance of a well-managed reputation has been studied extensively in the context of online product marketplaces (i.e. Wu, Li & Kuo, 2011; Ba & Pavlou, 2002; Wu, Cheng & Yen, 2014; Leonard, 2012; Strader & Ramaswani, 2002). Although results are in part conflicting, the vast majority of studies appear to show that a good reputation can lead to an increase in a) buyers’ trust towards the seller, b) buyers’ purchase intention and/or c) buyers’ willingness to pay.

As collaborative consumption and online usage continues to grow, understanding the dynamics of buying and selling in a C2C online environment becomes increasingly important. The effects of seller reputation in product marketplaces has been studied for years, but the effects in service marketplaces are still widely unexplored. Is reputation of importance also in an online *service* marketplace context? Does the nature of the service at hand have an effect on buyer intentions and attitudes, and do buyer characteristics play a part in how seller reputation is perceived?

1.1 Problem Definition

Previous research on the *influence and value of seller reputation in a C2C context* has mainly focused on product marketplaces such as eBay. However, the area of *online service marketplaces* is still a relatively unexplored topic in marketing research. At the same time, the phenomenon of *the sharing economy* keeps growing in significance, resulting in new forms of online marketplaces, such as AirBnB and Taskrunner, becoming more commonplace. As the definitions of products and services has been proven to differ significantly (Hill, 1977), a separate examination of *online C2C service marketplaces and the effects and value of seller reputation on buyer intentions and attitudes* is needed.

Apart from reputation, the type of offering has also been found to have an effect on buyer behavior, for instance when the good is more expensive (Ba & Pavlou, 2002). As services are most often more complex to evaluate than pure products (Zeithaml, 1981), buyer involvement in service poses interesting questions. The type of service as well as the contact with the service provider impact are potential risk-increasing factors (Bowen, 1990; Zeithaml, 1981), which leads to the practical question whether or not all services are suitable to be exchanged through C2C service marketplaces and what the impact of the type of service at hand has on buyer behavior, intentions and attitudes.

Finally, buyer characteristics also play a potential role in the mix. Studies have found that buyer risk avoidance and disposition to trust, in some cases, even override the effects of seller reputation on buyer behavior (Gefen, 2000). If this is indeed true, what is the extent to which seller reputation should be focused on? Should platform providers take special measures in treating services with different required involvement levels, or should the focus be on buyer types instead? As the online service marketplace is rapidly growing (Forbes, 2014) and at the same time represents a lightly explored, niche, area of research, it offers a highly interesting and relevant field of study.

1.2 Purpose

The purpose of this thesis is to explore and understand *the effects of seller reputation on buyer intentions and attitudes in online C2C service marketplaces*. In effect, the aim is to investigate if:

1. A well-built seller reputation creates higher intentions and more positive attitudes towards the purchase and the seller.
2. Source credibility of the seller can help explain the effect a well-built reputation has on said intentions and attitudes.
3. Conditions, such as buyer service involvement or buyer characteristics, influence how seller reputation and source credibility affects the intentions and attitudes.

A deeper understanding of seller reputation is relevant not only for the sellers and buyers in online service marketplaces, but also for platform providers in how they should maneuver their platform to reduce friction present in online marketplaces due to increased risk perceived by buyers.

1.3 Expected Contribution

This thesis aims to contribute to the field of marketing studies by fulfilling the present theoretical gap consisting of the three following parts, in the following ways:

- a. Introduce and examine a relatively unexplored field of research; online C2C service marketplaces and the effects of seller reputation on buyer intentions and attitudes.
- b. Shed light on whether (1) *buyer service involvement* and (2) *buyer characteristics* moderate the effects of seller reputation on buyer intentions and attitudes. The former adds to the theoretical pool of *consumer involvement in services* initiated by McColl & Fetter (2001) and Gabbott & Hogg (1999). The latter continues the discussion on the importance of buyer characteristics in online marketplaces initiated by Gefen (2000), Strader & Ramaswani (2002) and Wu et al. (2014).

- c. Introduce *source credibility* as a mediating concept into the area of online service marketplaces; regarding product marketplaces, *trust* has been the predominant mediator between seller reputation and effects of buyer behavior or attitudes.

The authors' hope, in addition to succeeding with the academic contributions listed above, to increase both academic and general attention to the area of online (service) marketplaces and the phenomenon of the sharing economy. The authors believe that the currently fresh topic will only increase in importance and potential in the future as peer to peer markets continue to grow, and thus should be given further attention by the research community.

1.4 Disposition

This paper consists of five (5) main chapters. After an introduction to the topic, its purpose and limitations, a literature review and theoretical framework of the topic is presented. The literature review consists of three parts (see Figure 1); a) an introduction of basic concepts; online (service) marketplaces, reputation mechanisms and the particularities of services marketing, b) a review of underlying concepts to help understand the need for reputation mechanisms; trust, risk, reputation and source credibility as well as risk and opportunity in online exchange, and finally, c) literature review of seller reputations' effects on buyers intentions and attitudes towards seller and purchase. In this final section, proposed hypotheses are presented.

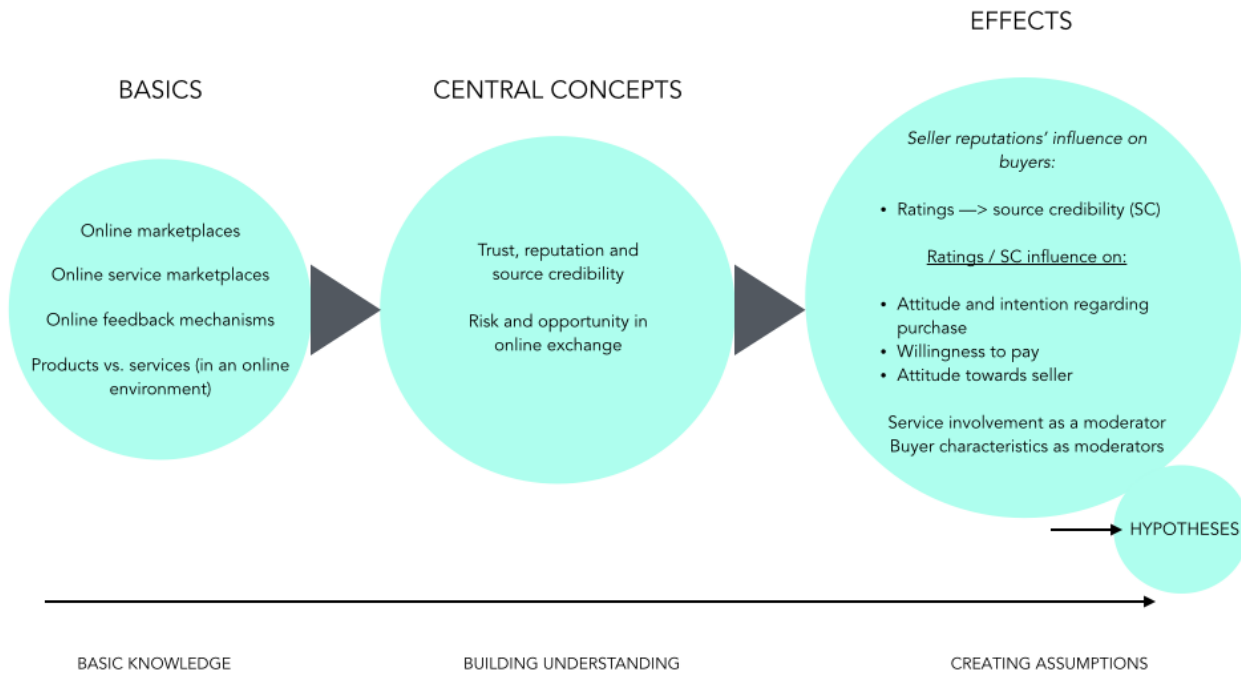


Figure 1. Structure of literature review and theory.

After establishing a comprehensive basis in knowledge and consequent hypotheses, the study proceeds into methodology and description of research design and practices. Followed by results, the obtained data is analyzed and presented. Finally, discussion on results, conclusions and managerial implications are presented.

1.5 Scope of Study and Limitations

In order to maintain a focus, the scope and limits of the study must be defined. This study focuses on understanding how reputation (ratings) impact buyer intentions and attitudes towards seller and purchase in an online service marketplace context. To understand this relationship, *source credibility* is chosen as a suitable mediator between the potential cause and effect to be studied. In addition, *buyer service involvement* and *buyer characteristics*, including risk avoidance and disposition to trust, are inspected as moderators of the effects of ratings.

Due to the scope of the study along with time and resource constraints, there are limitations to the study. The study focuses on *online service marketplaces*, but specifically on those meant for conducting peer-to-peer “chores” such as TaskRabbit (SE) or Taskrunner (SE). This excludes other types of online service marketplaces, such as Airbnb or Über, as they are not as clearly cut *consumer-to-consumer* marketplaces as the “chores” sites mentioned. Second, there is only one type of reputation mechanism that is tested for which is the 5-star rating. All other reputation mechanisms are excluded. Third, the study is not directly comparable with previous product marketplace studies. As a) no testing was conducted in the sphere of product marketplaces, and b) the study was conducted with unique variables and *source credibility* as a central concept, the results are not directly comparable to online product studies, although can be indicative to some extent. Fourth, the study examines *intentions and attitudes of buyers*, not actual buyer behavior. Therefore the results are indicative and definite conclusions on actual behavior cannot be made without further research. Also, it is acknowledged that sellers also rate buyers and in some cases, this might have an influence in buyer choice (especially in a service context). However, due to scope limitations, buyer reputation is excluded from the study. In addition, the effects of platform trust (whether or not the platform is trustworthy) are excluded and controlled for in this study.

2. Literature Review and Theoretical Framework

To understand online service marketplaces and their challenges as well as how ratings work, a literature review is presented as founding background information. The literature review begins with basic concepts around online marketplaces and services to establish grounding knowledge in the area. After understanding basic concepts around online service marketplaces, comprehension is built around central concepts that direct consumer behavior in online environment. These are namely trust, risk, reputation and source credibility. Finally, previous research in online C2C marketplaces is reviewed, and subsequent hypotheses are proposed.

2.1.1 Online Marketplaces

Online marketplaces are a form of *intermediaries* between customers and suppliers. Examples of known online marketplaces are eBay, Amazon, AirBnB, which all facilitate exchange of products or services between users. These intermediaries have several functions according to Bailey & Bakos (1997). Adapted from their study to fit C2C-markets, intermediaries a) *aggregate* buyer demand or seller offerings to achieve economies of scale or scope; b) act as an agent of *trust* between buyers and sellers; c) *facilitate* the market by reducing operating costs, and d) *match* buyers and sellers. In other words, they increase efficiency in online markets.

Of all the C2C online auctions and marketplaces, eBay has clearly gathered the most academic attention (Dellarocas, 2003). Numerous academic papers have been conducted based on eBay data, mainly due to the reason that it has been one of the earliest and most popular online marketplaces in the world (ibid). eBay has around 149 million active buyers worldwide (eBay.com, 2015), offering a broad representation of online marketplace users in general, thus increasing comparability. However, these results cannot be assumed to be identical for other sorts of marketplaces, which is why further research on other types of marketplaces (such as service marketplaces) is needed.

2.1.2 Online Service Marketplaces

Services as an industry contribute to 74 % of the Swedish GDP in 2014 (Euromonitor, 2014), yet services movement to the online sphere has long been undeveloped (Forbes, 2014). Online service marketplaces lack an official definition, but can be dubbed to be online platforms that connect service providers (often consumers) with potential customers, also most often other consumers. Forbes (2014) names the common denominator of successful online marketplaces to be “the single-minded obsessive focus on solving one big universal problem for the buyers, and removing the friction that existed in transacting offline”. In the business landscape, online service marketplaces have recently exploded in growth and are collecting large amounts of venture capital. A recent example of this is Fiverr, online freelancer network, which received \$30 million funding in 2014 (Forbes, 2014). The focus of this study is on the peer-to-peer “chore” providers for example TaskRabbit (US), ThumbTack (US), Airrunner (AU), InstaCart (US), Grannar (SE) and Taskrunner (SE), and many more.

2.1.3 Online Feedback Mechanisms

“What better safeguard than learning about the consumption experience from purchase to use to aftersales service or lack of it from someone who has already bought the product?” (Euromonitor, 2014: 13)

Online marketplaces are a relatively new exchange form for consumers and it often includes more risk than traditional forms of exchange (Ba & Pavlou, 2002; Resnick & Zeckhauser, 2002). To increase trust and efficiency in online marketplaces, platform providers have created systems that increase safety and efficiency. The focus of this study is one of them: online feedback mechanisms.

What are online feedback mechanisms?

Online feedback mechanisms, also known as *reputation systems* (Resnick, Zeckhauser, Friedman & Kuwabara, 2000), are “artificially engineered large-scale, word-of-mouth networks in which individuals share opinions and experiences on a wide range of topics, including companies, products,

services, and even world events” (Dellarocas, 2003: 1407). Online feedback mechanisms can be found in a variety of shapes and forms, including news sites (reader forums), consumer guides such as Yelp (consumer ratings for e.g. restaurants), Google (search results ordered based on links pointing to it) or online marketplaces such as eBay. The most robust form of online feedback mechanisms can be said to be the last example of buyer-seller ratings in online marketplaces, where the feedback mechanism is built to create trust between members. Ba & Pavlou (2002: 247) describe the eBay Feedback Forum as “a market signaling mechanism in a world with uncertainty and risk”.

How do online feedback mechanisms work?

For instance on eBay, buyers and sellers rate each other based on “reliability and timeliness in payment and delivery” in the form of either positive, negative or neutral response (Bajari & Hortacsu, 2003: 331). These scores are then aggregated into an overall feedback score, that reflects the seller’s “reputation”. This procedure is common over other online marketplaces, too, although the format of the reputation score differs. eBay supports an “overall score” of positive, neutral and negative responses, whereas some platforms have a 0-5 star mechanism (for instance AirBnb) that shows the average rating for the seller (Zervas, Proserpio & Byers, 2014).

Why have online feedback mechanisms?

Trust. Trust is necessary for exchange to occur and be successful (Hawes et al. 1989). However, in an online environment the exchanging parties are, most often, unknown to each other. The sole way to create trust and reputation in a traditional setting, past experiences, is thus not naturally present. Online exchanges are also often defined as one-time exchanges and lacking face-to-face encounters (Resnick & Zeckhauser, 2002), which makes the creation of relationships even more difficult. This is why online feedback mechanisms have been developed; to minimize risk and increase trust between sellers and buyers (Kollock, 1999).

Efficiency. Online feedback mechanisms make exchange more efficient. The traditional process of creating reputation and trust is both “inefficient and perilous” according to Kollock (1999: 102-103). Inefficiency stems from the limited number of exchange partners one person is able to have, and perilous stems from the fact that one would have to experience several unsuccessful exchanges in

order to learn which exchange partners are to be trusted. The collecting and sharing of these past interactions and turning them into reputations can hold great gains for all parties, as it can reduce uncertainty and help in decision making. This, in turn, makes the whole online purchasing process faster and smoother. Meanwhile, it motivates the seller to uphold a positive reputation to ensure future sales (Kollock, 1999). Yang, et al. (2007) also find that buyers are more willing to trade when an auction market has a reputation feedback system than when it does not have one in place.

Measurable & controllable information. Online feedback mechanisms are an excellent way of collecting and disseminating word-of-mouth information. They provide unparalleled scale with inexpensive, bidirectional communication capabilities, naturally present in online environments. Second, online feedback mechanisms make word-of-mouth controllable and easier to monitor. Information technology (IT) enables systematic design to define what information is collected and how it is aggregated and shown to other users. The ways engineers design these systems have tremendous social impacts within these online markets, something that has not been available in brick-and-mortar setting before. (Dellarocas, 2003)

2.1.4 Products versus Services in an Online Environment

As earlier discussed, eBay along with other product-based online marketplaces have been the main focus of research to date. However, online service marketplaces are emerging in e-commerce and offer new challenges for academic research. In traditional, physical markets, products and services are treated very differently. Is this treatment necessary also in an online context?

To study the particularities of services in an online environment, a differentiation between products and services is necessary. Zeithaml (1981: 186) describes services as "intangible, non-standardized and inseparable", which means unique consumer evaluation processes compared to products. Hill (1977: 317-318) describes the product as "*an object that can be exchanged between two economic units*", whereas services are defined as "*a change in the condition of an economic unit which results from the activity of another economic unit*". The service itself is never exchanged, but is conducted by one unit for the other. This very fundamental statement helps to underline the need for separate

investigations regarding products and services, which is also suggested by the majority of marketing literature (Edgett & Parkinson, 1993).

In more practical terms, the difference between products and services is revealed in everyday life when conducting pre-purchase evaluations. Services are part of an ambiguous group of markets, where quality evaluation pre-purchase can be more difficult than with goods (Urbany, Bearden, Kaicker & Borrero, 1997; Zeithaml, 1981). Gathering information about an existing product, an object, is possible whereas information about a change in a unit's condition, a service, is usually gathered after the change has been made (Murray, 1991). Murray continues to state that services create a more extensive search process than products.

According to Zeithaml (1981), qualities in goods and services can be evaluated in three different ways. *Search qualities* are qualities that can be determined prior to purchasing, such as price, feel or style. *Experience qualities* are qualities that can be only evaluated during or after consumption; these include wearability or purchase satisfaction. *Credence qualities* are characteristics that are challenging to evaluate even after consumption. Examples of these are complex services, which require a high level of skills, for example car repair or medical procedures. When using these classifications, different products and services can be ordered in terms of evaluation difficulty. As can be seen in Figure 2 adapted from Zeithaml (1981), services tend to fall on the right of the continuum and product on the left side. The difficulty of evaluation is caused by the inseparable, intangible and non-standardized nature of services, and thus increases risk associated with the purchase (ibid).

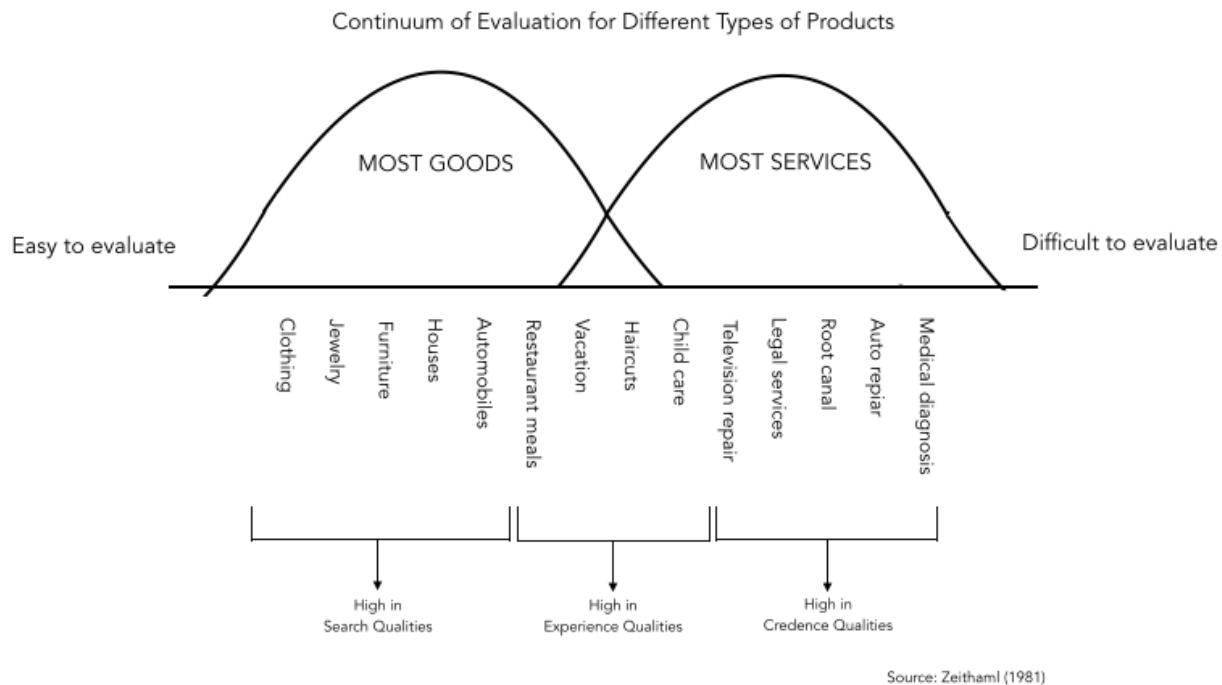


Figure 2. Continuum of Evaluation for Different Types of Products (Zeithaml, 1981).

One of the solutions to the pre-purchase problem is that the service provider is evaluated as a proxy for the service itself. Service providers often use tangible cues, such as a diploma on the wall or luxurious decorating, to influence consumers' pre-purchase evaluation (Edgett & Parkinson 1993; Shostack, 1977). These tangible cues are recommended for services marketing to convey "the reality of the service" to customers in order to position the service in a wanted way (Shostack, 1977: 79-80). Online, the use of signaling cues on business websites is also common practice. Details ranging from design, copy, to actual offering are sources of information that will influence the consumer (Edgett & Parkinson, 1993). Seller ratings are a part of signaling, and as the sharing economy grows as does the use and need for this particular signaling cue.

In addition to paying more attention to signaling queues, consumers rely on personal recommendation more when it comes to services (Zeithaml, 1981). Zeithaml lists a few reasons why, and even though the article is over 30 years old, the reasons still apply. First, different (mass) medias

can easily communicate search qualities but not experience qualities, which friends or experts can reliably convey. Second, the locality of services often means that there is less opportunity for advertising or mass media communication. Third, consumers often perceive word-of-mouth more credible and less biased which is needed due to the increased risk with services (Zeithaml, 1981; Keller, 2007).

2.2 Online Services: Trust and Risk

Online service marketplaces are inherently tied together with two concepts: trust and risk. As trust between exchange parties cannot be created in a traditional manner, new solutions to facilitate trust are required. However, why is trust and risk important, and what effects do they have on online exchange? How does trust and risk, or lack thereof, influence buyer attitudes, intentions and behavior? These questions along with concepts including reputation and source credibility are further discussed in this section.

2.2.1 Trust, Reputation and Source Credibility

The most central concepts needed to understand online feedback mechanisms and their effects are trust, reputation and source credibility. These concepts will be presented in this chapter.

2.2.1.1 Trust

Trust is the binding force in most productive buyer/seller relationships (Hawes et al., 1989: 1). Koller (1988: 266) defines trust as “a person’s expectation that an interaction partner is able and willing to behave in a promotive manner toward the person, even when the interaction partner is free to choose among alternative behaviors that could lead to negative consequences for the person”; the higher this expectation is, the higher the established trust is. Gambetta (1988: 217) defines trust as “a particular level of the subjective probability with which an agent assesses that another agent or group

of agents will perform a particular action, both before he can monitor such action ... and in a context in which it affects his own action”. In other words, trust can be said to be an expectation or belief that the other party will act in a promotive way towards the other party regardless of his/her chances to do otherwise.

For trust to exist, a situation must contain a level of freedom, meaning that the other party has the option to choose another alternative and disappoint the other (Gambetta 1988). In other words, risk is inherent in the concept of trust. Koller (1988) states that if one chooses to engage in a risky exchange, it means that one must also trust the other party. In this sense, risk directly affects the degree of trust. In order to control risk and the need for trust, the freedom of betraying the other party can be restricted, and thus lower the need of trust (Gambetta, 1988). An example of this kind of restriction is indeed the feedback mechanisms used in online marketplaces. An online environment, otherwise potent for fraud and deceit, can be controlled by collecting records of each conducted transaction and disseminated to all potential future customers.

Trust is most commonly said to consist of three constructs: ability, integrity and benevolence (Mayer, Davis & Schoorman, 1995; Lu, Zhao & Wang 2010). *Ability* is “that group of skills, competencies, and characteristics that enable a party to have influence within some specific domain” (Mayer et al. 1995: 717). Ability is domain specific and is often used synonymously with competence and perceived expertise. *Benevolence* refers to the willingness to do good to the other party, without ulterior motives. It ultimately means that the trustee believes that the trustee is positively oriented towards them (ibid). Integrity is defined as “the trustee's perception that the trustee adheres to a set of principles that the trustee finds acceptable” (ibid: 719). Integrity is also built by issues such as consistency of the trustee's past actions, belief of the trustee's strong sense of justice and the trustee staying true to his/her words.

2.2.1.2 Reputation

Reputation is closely linked to trust as a concept, and connects to the online feedback mechanisms previously mentioned. Wilson (1985: 27-28) defines reputation as the following:

“...a characteristic or attribute ascribed to one person (firm, industry, etc.) by another (e.g. “A has a reputation for courtesy”). Operationally, this is usually represented as a prediction about likely future behavior (e.g. “A is likely to be courteous”). It is, however, primarily an empirical statement (e.g., “A has been observed in the past to be courteous”). Its predictive power depends on the supposition that past behavior is indicative of future behavior.” (Wilson 1985: 27-28)

Reputation is a “source of information that can reduce uncertainty and guide the decision of whether to trust the partner” (Kollock, 1999: 103). Strader & Ramaswani (2002: 47) continue by stating that reputation speaks for the seller’s “record of honesty”. Online feedback mechanisms can be seen as reputation transferred into a visible and measurable form.

2.2.1.3 Source Credibility

When communicating a message, the properties of the messenger play an important part in the persuasiveness of an appeal. In the case of online marketplaces, the messenger is often the seller sending an offer to potential buyers. The belief that a more credible source can influence attitudes and behavior can be seen frequently in PR and advertising, for instance when sports stars promote products in ads or highly regarded individuals speak for political campaigns (Harmon & Coney, 1982). Source credibility has been widely studied, and the main effect found has been that highly credible sources are indeed (in most situations) more persuasive than the ones with low credibility. The dimensions of credibility are commonly defined as trustworthiness, expertise and attractiveness (Ruby & Sternthal, 1977; Harmon & Coney, 1982).

Source credibility as a concept has been under debate for the past 50 years in research. For instance, the triad of trustworthiness, expertise and attractiveness making up source credibility has been questioned several times, one piece at a time (Wiener & Mowen, 1986). It is apparent that the credibility building force of each of these depends on the context and study method. The amount of attractiveness can, for instance, hinder the effects of expertise and/or trustworthiness. However, when in Wiener & Mowen’s study (1986) attractiveness was neutralized, both trustworthiness and

expertise had a strong impact on source credibility. Harmon & Coney (1982) found source credibility to comprise of perceived trustworthiness and expertise, which is the definition this study follows. In the context of a masked environment, such as online exchange (without a picture of sender), attractiveness is not a relevant dimension in source credibility and is thus dropped from the definition in this context.

In this study, source credibility is chosen to measure trust and expertise in the seller. This is done for several reasons. Past studies have focused on online product marketplaces such as eBay and used trust towards seller as their main measure. As this study focuses on online service marketplaces, it can be argued that the inherent characteristics of seller (i.e. source credibility) play a larger role in the selection of a seller. Also, Ba & Pavlou (2002: 246) used *credibility* (“the belief that the other party is honest, reliable, and competent”) as their measure of trust, being highly similar to the definition of source credibility.

To find a final definition for source credibility which functions in the context of online service marketplaces, a sum-up is needed. As trust consists of *benevolence*, *integrity* and *expertise*, and source credibility of trustworthiness and expertise (attractiveness dropped, see explanation above), source credibility can be defined as a combination of the two; perceived trustworthiness (benevolence and integrity) and perceived expertise. This way, all aspects of trust has been taken into account while source credibility is used, as it is a more fitting measure in the context of services. See Figure 3 for a visualization of the concepts.

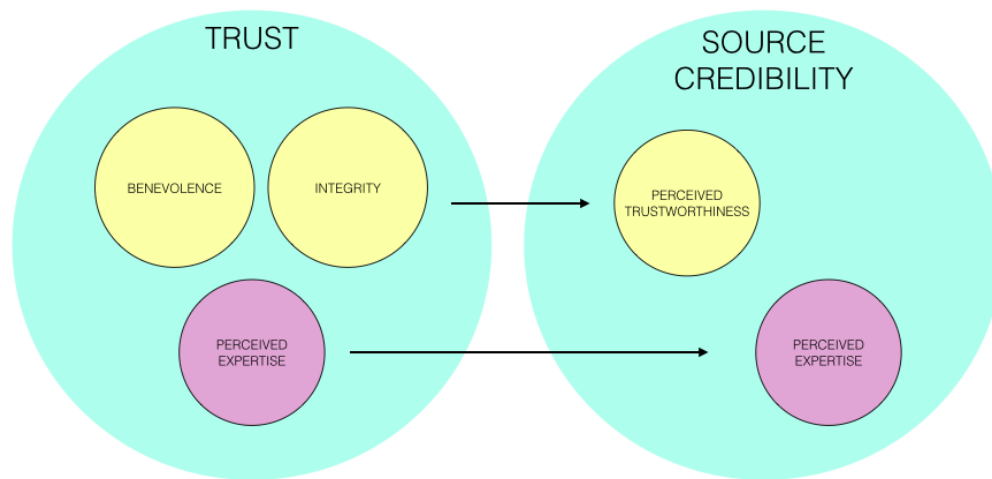


Figure 3. Source Credibility And Trust Defined.

The two concepts are highly related to one another; source credibility is a part of trust and trust is a part of source credibility, making the two concepts strongly interlinked but not synonymous. Interpreting the sources above, source credibility is something *perceived to be within* the sender of a message, whereas trust is something that is *created between* the two parties. As source credibility is dependent on the sender, situation and/or respondent, it is of interest to explore whether a good reputation (ratings) builds source credibility in seller in an online service marketplace context, and what effects this source credibility has on buyers.

2.2.2 Risk and Opportunity in Online Exchange

The grounding reason for why trust, reputation and source credibility matter in online exchange is that risk is inherent in online environments. Koller (1988: 267) defines risk as when “an individual perceives a situation as bearing risk if entering this situation might lead to negative consequences and if the individual is not able to control the occurrence of these consequences”. As earlier noted, Koller states that trust is directly dependent on the perceived degree of risk, meaning that when

someone has engaged in a risky situation, they also feel that they must trust the other party more to be able to do that decision.

Contrary to traditional exchange, online environments limit the buyer's ability to evaluate the quality of the product or service, by for instance "kicking the tires". The difference in information between buyer and seller is referred to as information asymmetry (Ba & Pavlou, 2002). Online marketplaces enable these risky exchanges, but do not claim any liability for fraudulent transactions (Yang, et al., 2006). In most online marketplaces, the buyer must pay before receiving the product or service, putting potentially high amounts of money at risk (Resnick & Zeckhauser, 2002). In addition, new risks emerge as fraud and changing identities in an online landscape is much easier than in a traditional one (Kollock 1999). Practical examples of morally hazardous behavior online are not hard to find, as reports on Internet fraud have more than tripled since 2007 (TV4 Play, 2015). According to Gavish & Tucci (2006), fraud levels are much higher than online auction houses publicly report. Bailey & Bakos (1997) state that *intermediaries* (i.e. online marketplaces) should act as protectors of buyers and sellers to decrease opportunistic behavior, thus acting as a solution to the increased risk in online service marketplaces.

2.3 The Influence of Seller Reputation on Buyer Intentions and Attitudes

Past research in the area of online marketplaces has focused on the effects trust towards seller has on buyer behavior. As mentioned earlier, since this study is performed in the setting of services, trust is perceived as too narrow of a measure as the seller is also the provider of the offering, and thus source credibility is used as a measure of perceived trustworthiness and expertise. This chapter presents previous research regarding seller's reputation and its effect on buyers' attitudes, intentions and behavior.

2.3.1 Seller Reputation Influences Seller Source Credibility

Following previous literature, we assume ratings to represent seller reputation. Feedback systems are often referred to as “reputation mechanisms” (Ba & Pavlou 2002), and the majority of studies that evaluate the effect of ratings on actor behavior use ratings as the denominator of reputation (Wu et al., 2011; Ba & Pavlou, 2002; Wu et al., 2014; Leonard 2012; Strader & Ramaswani 2002; Liu, Feng & Wei. 2012). This study follows to mentioned assumption and uses reputation and ratings interchangeably.

Several studies have found that a higher seller rating leads to a higher amount of trust towards the seller. Jones & Leonard (2008: 90) sum up previous research by stating “... a good reputation would lead one to develop trusting beliefs about an individual regardless of any firsthand knowledge of the individual”. For instance, Ba & Pavlou (2002) studied the effect positive ratings had on buyers’ trust towards sellers, and found that the amount of positive ratings directly correlated with the level of trust in the seller’s credibility. In online B2C studies, company reputation is defined as an important antecedent to creating trust in an online environment (Fung & Lee, 1999). Based on the theory presented above it can be hypothesized that good seller reputation leads to higher source credibility (i.e. perceived trustworthiness and expertise) seen in the seller by the buyer (H1a-c).

Hypotheses (H1a-c) presented:

REPUTATION --> SC (TRUSTWORTHINESS, EXPERTISE)	H1a	A good seller reputation (as opposed to poor reputation) leads to higher perceived source credibility in the seller.
	H1b	A good seller reputation (as opposed to poor reputation) leads to higher perceived seller trustworthiness.
	H1c	A good seller reputation (as opposed to poor reputation) leads to higher perceived seller expertise.

2.3.2 Seller Reputation and Source Credibility Influences Buyer Attitude and Intention towards Purchase

Having a good seller reputation can hold financial gains for the seller. This can happen in two ways: 1) the seller is chosen more frequently as a service provider, or b) the buyers are willing to spend more money for seller's services. Purchase intention reflects the likelihood that the particular seller is chosen as a service provider.

Past research has repeatedly proven that trust in seller influences buyer purchase intention positively. For instance, trust has a significant effect on purchase intention in a C2C-context according to Wu et al. (2014). Gefen (2000), when studying B2C e-commerce, also found trust to have a strong influence in both inquiring about a product as well as purchasing a product. Further, Leonard (2012) found that buyer's trust and perceived risk in the seller significantly influenced his/her attitude towards purchasing in a C2C context. According to Strader & Ramaswani (2002), trustworthiness (and price) was the most important factors for seller choice in an online auction.

Livingston (2005) found that a good reputation has a significant impact on both the willingness to place a bid and the bidding resulting in a sale. The first positive ratings had the largest effect on participation, showing that a larger amount of positive ratings did not have a dramatic increased impact on participation rates. In addition, Livingston found that sellers who had 1-25 positive ratings (in eBay) are 21 per cent more likely to sell their goods than those who had none. As hypothesized, it can be assumed that reputation creates source credibility, which in turn influences the buyers' attitudes and intentions towards the purchase. Based on the theory presented above, it is first hypothesized that a good seller reputation leads to higher buyer, attitude towards the purchase (H2a), and behavioral purchase intention (H2b) than a poor seller reputation. Secondly, it is hypothesized that a good seller reputation has a positive impact on buyer's attitude towards purchase and behavioral purchase intention through source credibility (H3a and H3b)

Hypotheses (H2a-b) and (H3a-b) presented:

REPUTATION --> BUYER INTENTIONS AND ATTITUDES	H2a	A good seller reputation (as opposed to poor reputation) leads to a higher buyer attitude towards purchase (ATP).
	H2b	A good seller reputation (as opposed to poor reputation) leads to a higher buyer behavioural purchase intention (BPI).
REPUTATION --> BUYER INTENTIONS AND ATTITUDES MEDIATED BY SOURCE CREDIBILITY	H3a	A good seller reputation (as opposed to poor reputation), mediated by source credibility, leads to a higher buyer attitude towards purchasing (ATP).
	H3b	A good seller reputation (as opposed to poor reputation), mediated by source credibility, leads to higher buyer behavioural purchase intention (BPI).

2.3.3 Seller Reputation and Source Credibility Influences Willingness to Pay

Ba & Pavlou (2002) find in their study that trust in seller credibility indeed mediates the relationship between feedback profile and price premiums. A higher the trust in the seller's credibility means a higher price premium for an identical product or service (more so for expensive products). Resnick, Zeckhauser, Swanson & Lockwood (2006) find that a seller with a good reputation (meaning a lot of positive feedback) is rewarded by the market; in their experiment a seller with a good reputation earned 8,1% more earnings than a seller with no accumulated ratings. Strader & Ramaswani (2002) found in their study that trust creates a price premium of 7-10% of the product price. These findings show that buyers are indeed willing to pay even significant amounts to do business with a trustworthy seller.

In addition, Melnik & Alm (2002) inspect the trade of gold coins at eBay and find that reputation is a statistically significant determinant of the auction price, although the impact on price tends to be small. Livingston (2005) finds that the first positive ratings have a significant effect on the highest bids received, but increasing the amount of ratings had only an incremental effect on the highest bids. This is to say that users are easily convinced by the seller's honesty and thus a large amount of reviews would not give them significant additional value.

However, there is some controversy around the topic. Pan, Ratchford & Shankar (2002) find that e-tailer pricing is mostly *not* dependent on seller characteristics, but rather due to market

characteristics such as competition. Liu et al. (2012) also discuss the *negative price premium effect*, meaning when good reputation sellers offer better service *and* lower prices due to a) the presence of both informed and uninformed buyers, and b) competition between sellers leading to good reputation sellers following a certain pricing strategy. However, this study reflects mixed pricing strategies and not whether the sellers are *able* to charge for their goods or services.

Following the studies most compatible to this study's context, it is believed that seller reputation positively affects buyer willingness to pay, due to increased trust and consequent safety received for paying a price premium. It is therefore hypothesized that a good seller reputation leads to higher buyer willingness to pay than a poor reputation (H2c) and that this relation is caused by an increase in the source credibility of the seller (H3c), the latter acting as a mediating variable.

Hypotheses (H2c) and (H3c) presented:

REPUTATION --> BUYER INTENTIONS AND ATTITUDES	H2c	A good seller reputation (as opposed to poor reputation), leads to a higher buyer willingness to pay (WTP).
REPUTATION --> BUYER INTENTIONS AND ATTITUDES MEDIATED BY SOURCE CREDIBILITY	H3c	A good seller reputation (as opposed to poor reputation), mediated by source credibility, leads to higher buyer willingness to pay (WTP).

2.3.4 Seller Reputation and Source Credibility Influences Attitude towards Seller.

In most cases, source credibility is evaluated against how much trust it creates between the sender and the receiver. However, studies have also delved into how source credibility influences attitude towards a brand or offering (sometimes called *likeability*). Friedman & Friedman (1979) found that a spokesperson with high source credibility appears to create better attitude towards the (advertised) product (depending on the context and type of sender). Likeability has also been studied in other research areas. In advertising research, likeability of an advertisement has been found to be both changing opinions and increasing processing effects (Smit, Meurs & Neijens, 2006). Based on the theory presented, it is hypothesized that a good reputation would create a more positive attitude towards the seller (H2d) and that this effect is reached through source credibility (H3d)

Hypotheses (H2d) and (H3d) presented:

REPUTATION --> BUYER INTENTIONS AND ATTITUDES	H2d	A good seller reputation (as opposed to poor reputation) leads to a more positive buyer attitude towards the seller (ATS).
REPUTATION --> BUYER INTENTIONS AND ATTITUDES MEDIATED BY SOURCE CREDIBILITY	H3d	A good seller reputation (as opposed to poor reputation), mediated by source credibility, leads to a more positive buyer attitude towards seller (ATS).

2.3.5 Impact of Service Involvement

The concept of involvement has a well established role within consumer behavior research. The level of involvement of an individual consumer will affect the extent of their decision process and their search for information (Laurent & Kapferer 1985). There are several definitions of the concept of involvement, which differ in detail but share the same basic foundation. Laurent & Kapferer (1985) break involvement down to a four-piece construct comprising of (1) importance; (2) risk; (3) pleasure (*hedonic value*); and (4) sign (*symbolic value*) that a certain product or service offers to a person. Mittal & Lee (1989: 365) defines involvement as the following: “*involvement is the perceived value of a ‘goal-object’ that manifests as interest in that goal-object*”. Involvement has also been defined as personal relevance (Greenwald and Leavitt 1984).

Involvement and external search research has traditionally been focused on the product domain and has been granted only scant attention in the services context (McColl & Fetter, 2001; Gabbott & Hogg, 1999). McColl & Fetter (2001), however, studied service involvement and its effect on external search, and found that *involvement indeed influences information search in services*. The authors state that “the more important and interesting a service is perceived as being the more likely one is to engage in external search, both in terms of source and effort” (ibid: 93). With experiential services (such as a vacation offer), consumers were more involved when they perceived the service as important to them, not whether they were interested in it or not. The authors explain the high need for information with the increased risk that comes with services.

Involvement has been featured indirectly in previous online marketplace studies. As involvement can be seen as personal relevance or importance of the purchase, a high price and/or uniqueness of the offering is often a characteristic that causes a consumer to spend more time on the decision making process. Ba & Pavlou (2002) find that with more expensive products, trust between buyer and seller in an online auction creates a higher price premium. Dellarocas (2003) also states that the impact of feedback profiles on prices and probability of sale is relatively higher for more expensive products and riskier transactions. Melnik & Alm (2002) find that seller reputation matters more when value and the heterogeneity of the item increases. Taking these findings to services, the prices of “small chores” do not fluctuate much between each other (as observed on Taskrunner.se). In addition, price is a difficult variable to use in this study as it is not absolute, but subjective (Gabbott & Hogg, 1999). However, the personal importance of the success of the service can fluctuate between services. For instance physical presence or closeness of service provider can be a possible risk-increasing factor, when the service provider is unknown (Bowen, 1990).

In addition, Kinard & Capella (2006) study involvement and service benefits by segmenting services according to the level of contact a customer has with the service provider (following Bowen, 1990). They find that *high contact, customized services create the greatest relational benefits* when the consumer themselves are involved with a high contact service (for instance when a customer is very concerned with their haircut). These benefits include increased confidence, which reduces anxiety and risk associated with the service. With these unique, high contact services a customer must be “close” to the service provider, requiring trust and causing high switching costs (Kinard & Capella, 2006). Thus, highly involved customers should receive special attention to build the required trust needed for interaction. From this, it can be assumed that ratings alone are not enough to create this trust and that highly involved buyers will view ratings with more skepticism than buyers that are less involved. It is therefore hypothesized that a high involvement setting will reduce the positive effect of ratings (reputation) on source credibility (H4e). It also hypothesized that a high involvement setting will increase the impact of source credibility on buyer (a) attitude towards purchase, (b) behavioral purchase intention, (c) willingness to pay and (d) attitude towards seller compared to a low involvement setting. This would occur since a higher trust is needed to reduce the perceived

anxiety and risk created by the high involvement setting, and when that occurs the effect of reputation (through source credibility) is greater.

Hypotheses (H4a-e) presented:

INVOLVEMENT IN SERVICE AS A MODERATOR	H4a	A high involvement setting will positively impact the effect source credibility has on buyer attitude towards the purchase (ATP).
	H4b	A high involvement setting will positively impact the effect source credibility has on buyer behavioural purchase intention (BPI).
	H4c	A high involvement setting will positively impact the effect source credibility has on buyer willingness to pay (WTP).
	H4d	A high involvement setting will positively impact the effect source credibility has on buyer attitude towards seller (ATS).
	H4e	A high involvement setting will negatively impact the effect a reputation has on source credibility.

2.3.6 Impact of Buyer Characteristics

When making decision in an online context, not only external influences affect decision-making - the internal characteristics of a buyer play a significant part, too (Jones & Leonard, 2008). Internal influences can consist of a multitude of aspects, such as person's propensity to trust and risk avoidance. This study examines the two mentioned.

2.3.6.1 Disposition to Trust

Disposition to trust is one's "general propensity to trust others, which can also influence an individual's beliefs and intentions towards a Web-based vendor" (McKnight, Choudhury & Kacmar, 2002), and thus bidders with different levels of disposition to trust will reveal different levels of willingness to trust a seller in an online auction market (Wu et al., 2014). Jones & Leonard (2008: 89) state that "interactions with individuals having different dispositions to trust may require different trust-building strategies".

Wu et al. (2014) found in their testing that *a bidder's disposition to trust to be a significant predictor of trust towards seller*. Further, Gefen (2000) found that disposition to trust had a much stronger effect on trust than familiarity with the seller did (in a B2C bookstore context). This is an interesting finding, as it shows that buyer characteristics might have even stronger influence on trust than an actual relationship between the exchange partners. One could argue that buyers with a high disposition to trust are more trusting in general, thus making it easier for a seller to communicate higher source credibility to such a buyer. Based on the theory presented, it is hypothesized that when buyers have a higher disposition to trust, a good seller reputation will have an increased effect on the perceived source credibility of the seller.

Hypothesis (H5) presented:

BUYER DISPOSITION TO TRUST AS A MODERATOR	H5	A higher buyer disposition to trust will increase the effect of reputation on perceived seller source credibility.
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2.3.6.2 Risk Avoidance

Compared to buying tangible goods from a physical store environment, online service marketplaces offer a seemingly very risky environment to purchase from. Strader & Ramaswani (2002) state that there are different needs for trust based on how risk averse the buyer is. They continue to discuss that if the buyer is *risk averse*, *trust in seller is likely to be more important for the buyer* and they are willing to pay more for a trustworthy seller. If the buyer is not risk averse, they might be more influenced by seller price than by the seller itself (ibid). Since trust is more important for buyers that are risk averse, it is hypothesized that source credibility will have an increased effect on (a) attitude towards purchase, (b) behavioral purchase intention, (c) willingness to pay and (d) attitude towards seller when a buyer is more risk averse. It is also hypothesized that when buyers are more risk averse, the more skeptical they will be, thus lowering the effect a good reputation has on perceived source credibility (H6e).

Hypotheses (H6a-e) presented:

BUYER RISK AVOIDANCE AS A MODERATOR	H6a	A higher buyer risk avoidance will increase the effect that source credibility has on buyer attitude towards the purchase (ATP).
	H6b	A higher buyer risk avoidance will increase the effect that source credibility has on buyer behavioral purchase intention (BPI).
	H6c	A higher buyer risk avoidance will increase the effect that source credibility has on buyer willingness to pay (WTP).
	H6d	A higher buyer risk avoidance will increase the effect that source credibility has on buyer attitude towards seller (ATS).
	H6e	A higher buyer risk avoidance will decrease the impact the effect reputation has on source credibility.

See Appendix 7.5 for a full table of hypotheses.

2.4 Proposed Effect Architecture

Based on the hypotheses presented, the following framework is presented:

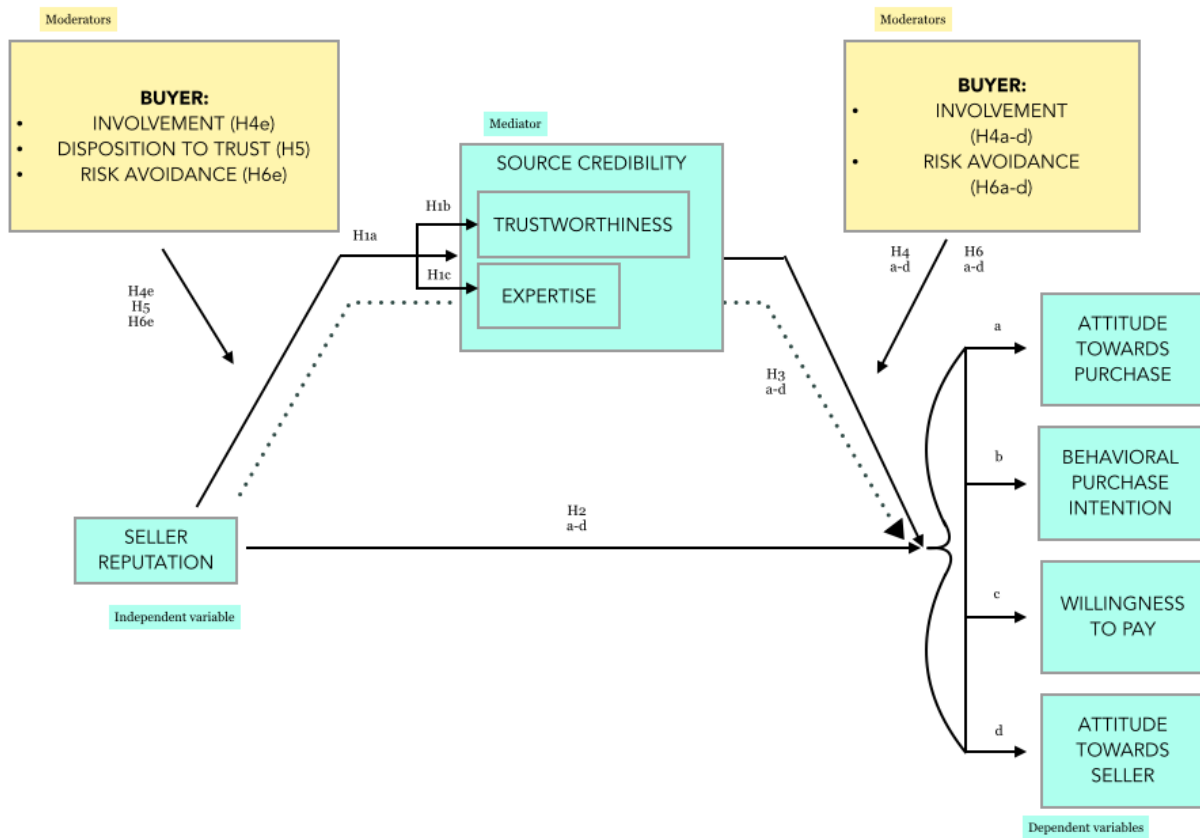


Figure 4. Proposed effect architecture with hypothesis overview.

3. Methodology

This chapter will present the methodology that was used to gather and analyze the primary and secondary data of this study. This comprises a full description of the research approach and insights regarding the reliability and validity of the study as a whole.

3.1 Scientific Approach

The academic aim of this study is to contribute to the existing body of literature around C2C e-commerce, particularly in the context of online service marketplaces. Specifically clarifying (1) the impact of seller reputation on buyer intentions and attitudes, (2) determining what role seller source credibility plays in that relation, and (3) how those relationships are affected by buyer characteristics and involvement level of the service.

To achieve this a *deductive approach* has been applied, using a literature review and established theory as a stepping stone to form hypotheses. The research commenced by reviewing available secondary data sources, which is advantageous to exhaust before collecting primary data (Malhotra, 2010). Consequent hypotheses are then tested in a *quantitative experiment* (Bryman & Bell, 2011). This allows a *conclusive research design* seeking *causal relationships* between variables, where the results are meant to guide the development and usage of seller reputation (Malhotra, 2010). This causal research is conducted in the form of an experiment, as it is often most suitable for studying causality according to Malhotra (2010).

A quantitative approach was chosen because of its methodological fit with previous research and the increased comparability and generalizability of quantitative data (Malhotra, 2010). When posing a new marketing research problem, qualitative research should only come after quantitative research to explain the findings found from the latter. As the area of online service marketplaces is rather new in academia, it is useful to begin with quantitative research.

Previous research regarding online (product) marketplaces and influence of seller reputation have used both experimental studies and existing field data for their quantitative analysis, most often the latter. As online *service* marketplaces are a relatively new phenomenon both in business and academia, existing field data is scarce. Taskrunner, an online service marketplace, was consulted for available data on user ratings, but since the company was founded in 2013, there was not enough data to provide a reliable analysis on user reputations. For these reasons, data collection through an experiment was deemed as the most suitable method of acquiring primary data.

3.2 Study Design

Causal research design: experimentation. “While experiments cannot prove causality, experimentation is the best method for making causal inferences” (Lynd Bacon in Malhotra, 2010: 248). In causal research, the aim is to infer a cause-and-effect relationship, not to prove one. The experiment in this study was undertaken in an artificial setting (*laboratory experiment*), meaning that the respondents were exposed to an imagined situation created by fictional stimuli. An artificial setting was used to control for external factors, such as other reputation signals such as comments or web page design, that could possibly influence the variables being tested (Malhotra, 2010).

Primary data collection. Collection of data was undertaken electronically by an Internet survey method. This was deemed the most suitable method of collection due to several factors. According to Malhotra (2010), it offers a reliable method of obtaining sensitive information with low cost and high speed compared to other collection methods. The pre-studies as well as the main study consist of existing items and indexes from past research to ensure reliability of measures.

3.3 Initial Research

During the past decade, the sharing economy has been a constant theme in future thinking and new business models. The book “*What’s mine is yours*” (Botsman, Roo & Rogers, 2010) introduced new, sustainable business models in the sharing economy sphere and inspired the authors to conduct

further research in the C2C e-commerce area. After reviewing literature on the topic it was discovered that the business models created around the sharing economy pose many barrier for new users, for instance the lack of trust. Tools like reputations mechanisms are a possible solution to resolving these challenges.

The second step of initial research was to connect with an active company that could offer expertise and insight regarding the challenges in the C2C online market. A Finnish C2C auction marketplace called Huuto.net contributed with knowledge regarding the purchase process of their customers, which inspired a closer look at the function and effects of reputation mechanisms and the relevance of trust in C2C exchange. A comprehensive review of available theory revealed that reputation mechanisms are rather well researched within a product marketplace setting, but practically nonexistent in C2C service marketplaces. Subsequently Swedish company Taskrunner, a recently founded C2C service market platform, was approached regarding this study. A qualitative interview regarding reputation mechanisms was held with CEO Robin Szekely (2015) where two main conclusions were drawn:

1. The five star rating system is seen as an important reputation mechanism at Taskrunner. It is supposed to function as a mental shortcut for the consumers allowing them to reach a purchase decision more rapidly. The ratings are aimed to minimize the need for other reputation mechanisms by being the key influencing factor of the buyer's purchase decision.
2. There had been indications that services with a perceived high level of involvement affected the consumer's decision making process. The platform had an abundance of requests regarding services assumed to be of high importance to the buyer, such as dog walking. However, this demand was rarely met on the platform, resulting in buyers rarely purchasing these services. A limited inquiry had been made by Taskrunner to understand why these services were not matched up with a provider, and it was gathered that the buyers did not feel comfortable making the purchase decision based on the available reputation mechanisms.¹

These insights verify the importance of reputation, trust and source credibility of sellers in an online service marketplace setting. Since services with high involvement to buyer seem to pose the most

¹ It is to be noted that due to the recent establishment of Taskrunner there is lack of reviews for sellers (underdeveloped reputations), meaning that the current amount of reviews might not be enough to create trust in sellers.

challenges, it is useful to inspect the role of both involvement and seller reputation on buyer behavior in an online service marketplace context.

3.4 The Independent Variables

The key findings from the literature review and the Taskrunner interview (2015) were transformed into two independent variables:

1. The seller's reputation (rating)
2. The level of buyer involvement regarding the service he/she is requesting

These variables were to be tested in order to investigate how they affect the buyer's purchase decision process and related attitudes in an online service marketplace setting. To test the influence of buyer involvement, it was examined as a moderator (see Figure 4, p. 40).

3.5 Experiment Design

In this section, the structure of the experiment conducted in this study will be described. In order to test the independent variables, it was necessary to begin by creating appropriate stimulus for each independent variable. This process is described in the section "Stimuli design", followed by "Pre-study 1" which contains description of testing whether the created stimuli represented what was intended. The following section called "Pre-study 2" describes the way the main study questionnaire was tested for legibility and purpose. Finally, the section "Main study" describes how the study was carried out and the measurements used are described.

3.5.1 Stimuli Design

To test the effects of the chosen independent variables, seller reputation and buyer involvement, four

types of stimuli were needed. The x-axis represents the expected involvement of the service and the y-axis the level of reputation of seller, both the independent variables of the study at hand (as shown in the Figure 5).

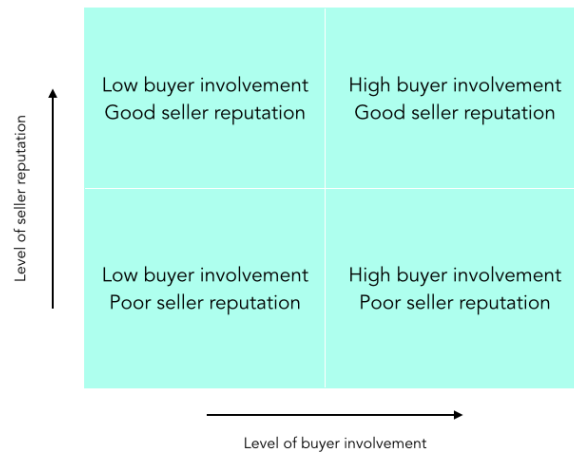


Figure 5. Stimuli matrix.

3.5.2 Ratings Stimuli

The five star rating system was chosen as the visual design of the ratings. It is a market standard in online service marketplaces and is used by Airtasker (AU), Thumbtack (US) and Taskrunner (SWE). The 5-star rating system allows for a more nuanced evaluation than eBay's three optioned one (positive, neutral, negative), and is deemed appropriate in this study as services are a more complex purchase to evaluate (Zeithaml, 1981).

When forming rating stimuli, "5/5 stars" was chosen to represent a high rating based on the notion that buyers tend to leave positive ratings (Zervas et al. 2014; Resnick & Zeckhauser 2002). The same study suggests that "4/5 stars" is a relatively low rating and it was preliminarily considered to be used as the "low rating stimuli". After careful consideration the rating was lowered to "3 / 5" stars, since the stimuli would be presented in a setting where the respondents would not have any other point of reference to what a high or low rating might be other than their own experience. See Appendix 7.7 for an image of the stimuli.

A zero condition for either rating stimuli (0/5 stars, no ratings) or involvement stimuli was not tested due to limited time and study scope constraints. A 0/5 rating is likely to be perceived as a low rating instead of creating the intended zero condition. It is assumed that the difference in effects created between high and low levels of the independent variables allow for sufficient inferences on the effects of ratings and buyer involvement.

3.5.3 Amount of Ratings

An amount of 3 feedback responses was chosen to act as stimuli for a low amount of ratings and 37 responses was chosen as the stimuli for a high amount of ratings. According to Ba & Pavlou (2002), a short selling history in a C2C product marketplace (eBay.com) would generate about 33 responses, whereas a long one 470 responses. Based on the amount of ratings observed in C2C service marketplaces (Taskrunner.com; Airtasker.com), which is currently very low, the equivalent for a short versus a long selling history is about 3 respectively 37 responses. In both cases, C2C product and service marketplaces, a short selling history, i.e. a low amount of ratings, has about 92% fewer responses in relation to a long selling history (following Ba & Pavlou's (2002) method of testing).

3.5.4 Reputation Stimuli Testing

Based on the discussion above, our assumption for appropriate ratings for this pre-study are thus 3,0 / 5,0 ("bad reputation") and 5,0 / 5,0 ("good reputation"). As feedback amounts, we chose 3 ratings ("low amount of ratings") and 37 ratings ("high amount of ratings"). To find support for our hypothesis, these ratings and amounts of rating with otherwise identical user profiles were shown to respondents as four dummy user profiles, in order to find out what respondents perceive as weak and strong seller reputation (see Appendix 7.8.3). The aim was to find and select two main profiles (one with a poor reputation, one with a good reputation) that would be used in the main study testing.

3.5.5 Involvement with Service

The services chosen to evoke different levels of involvement are real life examples taken from Taskrunner's Swedish platform, but adapted for a better fit with the survey as a whole. With the aid of Zeithaml's (1981) and Bowen's (1990) classifications of services, assumptions were made regarding which services would evoke low or high involvement respectively. The chosen services were 1) *garbage haul* (someone to pick up larger amounts of garbage and drive it away), 2) *assembly of furniture*, 3) *home cleaning* and 4) *study aid* (three latter conducted in the respondent's home).

These services were chosen in relevance to our target respondent group, students and young adults, to ensure that all respondents could relate to the services at hand. Following Zeithaml's (1981) categorization of services, study aid can be labeled as a *credence service*, meaning that it is difficult for the consumer to evaluate the service even after purchase due to the high skills needed. The three other services can be seen as *experiential services*, meaning that they must be experienced for the consumer to be able to evaluate the service. This method of sorting services into credence and experiential services when testing involvement was also employed by McColl-Kennedy & Fetter (2001). In addition, Bowen (1990) segment services based on contact and uniqueness level. The services are sorted from perceived contact and heterogeneity level based on Bowen's taxonomy (1990) and respectively according to Zeithaml's continuum (1981) of evaluation difficulty (see Figure 6). The ordering on the continuum/taxonomy is an assumption, and is thus tested for involvement in Pre-study 1.

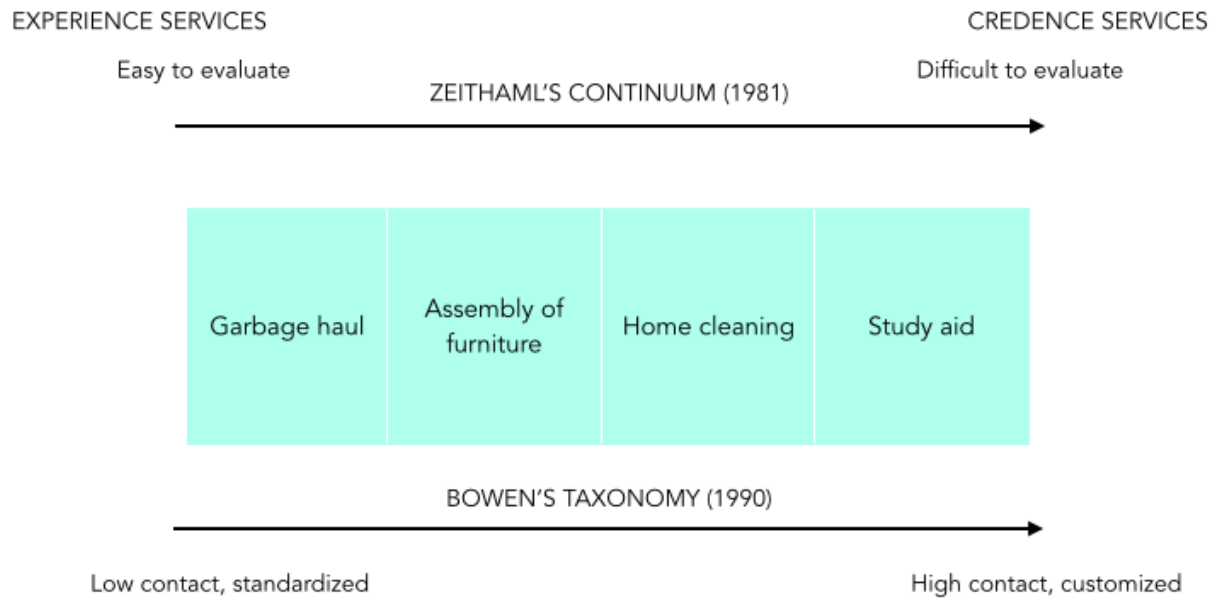


Figure 6. Assumption of service ordering according to Zeithaml's continuum (1981) and Bowen's taxonomy (1990).

Of the four services pre-tested, the aim was to find two separate services to be used in the main study to evoke different levels of involvement rather than using one service and control for each respondent's specific involvement. This was done for two reasons; 1) the difficulty of stating involvement without actual involvement (Kinard & Capella, 2006), and 2) the possible practical implications of the results of this study. If a specific type of service could be considered to evoke a certain level of involvement for a general population, these findings could easily be applied to how said service will be managed by a platform provider in the future. A platform designer could tailor the available mechanisms according to the needs created by the level of involvement of the service. As all involvement levels for each service vary from person to person (ibid), the involvement groups defined by this study are only indicative.

3.6 Pre-studies

The method and results of the two pre-studies are presented in this section. Results for pre-study 1 were gathered by a mean comparison using a paired sample t-test, whereas pre-study 2 was analyzed qualitatively.

3.6.1 Pre-study 1 (Stimuli Interpretations)

The first pre-study investigated how respondents would perceive the stimuli intended for use in the main study. It was distributed to 30 students between 22 and 27 years old, 12 of the respondents were male and 18 female. The questionnaire was created with Qualtrics, an online survey tool. The measurements of the questionnaire and stimuli are presented in full length in appendix 7.8.3.2.

The two independent variables, perceived service involvement and perceived rating (reputation) of user profile, were each tested with four different stimuli. The aim was to find stimuli for the main test by finding out what was perceived as a high and low involvement service and as a high and low rating in the eyes of the respondents.

Measurements for perceived rating of user profiles were 2 items with 7-point semantic differential scales. The level of buyer's involvement in service was measured with a seven-point Likert scale with four items derived from previous research regarding degree of involvement and inherent risk (Maheswaran & Meyers-Levy, 1990; Gurhan-Canli & Batra, 2004; Bruner II, 2009).

In addition, the involvement stimuli statements were phrased in a way that reflected the intimacy related to each service. Study aid and assembly of furniture were phrased in a way that the service provider would be *in the buyer's home* at the same time as the buyer, whereas home cleaning would occur while the buyer would be away but yet in their home. Finally, garbage haul was phrased in a way that the buyer and seller would not even need to meet, as the garbage would be picked outside the house. The assumption is that study aid would feel most intimate and risky as the two needs to

spend time together, whereas house cleaning is risky in a different sense as it requires handing keys to a stranger to the buyers' private property. Assembly of furniture is rather independent, although in the buyer's private property, and finally garbage haul should be the least risky as no personal contact is required.

3.6.1.1 Results of Pre-study 1

3.6.1.1.1 Perceived Level of Ratings & Amount of Ratings

Respondents identified clear differences in both rating of user and amount of ratings per user. The mean difference in *perception of rating* between User 1 (high rating/high amount) and User 4 (low rating/low amount) was 3,47, which is supported at a 1% significance level ($p=0,001$). Based on the results, User 1 (high rating/high amount) and User 4 (low rating/low amount) were chosen as user stimuli for the main study, as they reflect either a user with a very high or low rating. See appendix 7.6 for detailed table of results.

3.6.1.1.2 Perceived Involvement

As expected, the respondents perceived their involvement to be highest with *study aid* (M= 5,41), second *home cleaning* (M=5,15), third *furniture assembly* (M=4,21) and finally *garbage haul* (M=3,12). This order is in accordance to the estimate provided in Figure 6 (page 48). The difference between study aid and garbage haul is 2,29 (on 7-point scale), which is supported at a 1% significance level ($p=0,001$). The index used had a Cronbach alpha of 0,891, well above the recommended reliability level suggested by Malhotra (2010). Based on the results, the two extremes are chosen as stimuli for the main study; study aid as high involvement and garbage haul as low involvement service. See appendix 7.6 for detailed table of results.

3.6.2 Pre-study 2 (Main Study Evaluation)

Based on the findings derived from pre-study 1, the main study prototype was created with survey tool Qualtrics. To validate the study and avoid common pitfalls, the questionnaire should be tested in

collaboration with respondents to find out any potential mistakes and misunderstandings (Bryman & Bell, 2011). The questionnaire was evaluated qualitatively with a convenience group of n=10. The respondents represented the actual target group we were aiming for, being young students and professionals. The respondents answered the survey and pointed out any questions or inconsistencies they found in the survey. The questionnaire was distributed through Facebook and in person in Stockholm School of Economics. In addition, the study's supervisor Jonas Colliander reviewed the survey to ensure that all questions were in line and comprehensible. Based on the feedback provided by both our supervisor and respondents, question indexes and description texts were edited to be as clear and comprehensible as possible.

3.7 The Main Study

The main study data collection was carried out between the 17th until the 27th of March (total period of 10 days). A total of 212 valid responses was collected, 60 % of the respondents being female (128) and 40 % male (84). The respondents age span was from 19 to 40 years old, mean age being 25 years. Distribution occurred through Facebook and collecting responses in the premises of Stockholm School of Economics and Studentpalatset in Stockholm by providing a link to an online survey created on Qualtrics. Distribution method was chosen based on the choice to target students and young professionals to ensure relatability of the survey context.

3.7.1 Overview of Survey Groups

The study was divided into four groups according to a high or low rating, and a high or low involvement service. Each questionnaire was identical apart from the stimuli provided. See Appendix 7.4 for a visualization of survey groups.

Questionnaire 1: High rating (5 stars, 37 reviews), high involvement (study aid)

Questionnaire 2: High rating (5 stars, 37 reviews), low involvement (garbage haul)

Questionnaire 3: Low rating (3 stars, 3 reviews), high involvement (study aid)

Questionnaire 4: Low rating (3 stars, 3 reviews), low involvement (garbage haul)

3.8 Measures

The aim of the main study was to gather data on attitudes and intentions triggered by the designed stimuli, including the investigation for the possible mediation of source credibility and the moderation of buyer's characteristics. The study uses both *semantic differential scales* and *Likert scales*. Semantic differential scale refers to a seven-point scale with bipolar labels, which is useful in measuring perceived image. However, Likert scales are more suited to measure attitudes. It measures the degree of agreement on a 1 (strongly disagree) to 7 (strongly agree) scale to a proposed statement (Malhotra, 2010).

A seven-point scale is used consistently for all measures, for both Likert and Semantic differential scales, except for *Willingness to pay* which is open-ended. A 7-point scale was favored over a five-point scale, since Wakita, Ueshima & Noguchi (2012) suggest that it allows respondents to be more specific and thereby avoiding too many neutral answers. The mix between Likert and Semantic scales is due to the fact that the measures are taken from previously validated scales. Although this mix is not preferable, previous research shows that there is little or no variance in the results created by the two scales (Menezes & Elbert, 1979). It is therefore assumed that it will not have a negative impact on the study. List of measures with statement / question formulation is viewable in appendix 7.10.

3.8.1 Attitude towards Purchase (ATP)

Attitude towards purchase was adapted from a scale used by Verhagen, Meents & Tan (2006). The index measures the respondent's positivity towards buying a service from the seller as well as how appealing or how good of an idea they think purchasing from the seller will be. The scale used a seven-point Likert scale with three statements. Cronbach alpha measured $\alpha=0,954$.

3.8.2 Behavioral Purchase Intention (BPI)

Mitchell & Olson (1981) measured behavioral purchase intention with a single, seven-point Likert scale. The scale measured the likeliness to buy from the seller according to the respondent. This

measure is more action-oriented than ATP, and is used in this study as a measure picturing stronger intention towards purchase.

3.8.3 Willingness to Pay (WTP)

Willingness to pay (WTP) was measured with a one item, open ended question of “What price would you be willing to pay for seller X to conduct this service?”. This follows the lines of Homburg, Koschate & Hoyer (2005), who use an open-ended question when inquiring WTP to avoid any method bias. Both service stimuli were indicated to last 1 hour to gain a price for an hourly wage. Due to different nationalities, respondents were asked to add the currency used. The currencies was converted into SEK using a mean (M=9,24 SEK) calculated between 17th and 27th of March (when responses were collected) through currency converter Oanda (2015).

3.8.4 Attitude towards Seller (ATS)

Attitude towards seller measures how the respondent perceives the seller (*likeability*). This includes perceived sincerity, friendliness and likeability. Whittler & Dimeo (1991) created a 4-item, seven-point semantic differential scale to measure an actor's likeability, which was used in this study as such. Cronbach alpha measured $\alpha=0,879$.

3.8.5 Source Credibility

Source credibility was measured to understand the perceived trustworthiness and expertise of each seller according to the respondents. Harmon & Coney (1982) test source credibility with a 6-item, seven-point semantic differential scale. Their source credibility index is used as a mediator between reputation and the dependent variables. Cronbach alpha measured $\alpha=0,906$.

3.8.6 Disposition to Trust

Disposition to trust measures the respondent's general propensity to trust others, for which an existing index is borrowed from Gefen (2000). The index consists of a 4-item, seven-point Likert scale. Cronbach alpha measured $\alpha=0,825$.

3.8.7 Risk Avoidance

The measure of risk avoidance is borrowed from Raju (1980) (*risk avoidance*). The initial scale for risk avoidance was 9 items, but due to convenience was reduced to a 3-item scale and adapted to fit the service context. Scale used was a seven-point Likert scale. Cronbach alpha measured $\alpha=0,654$, which is lower than the other scales but still acceptable according to Malhotra (2010).

3.9 Instrument of Analysis

All online survey data collected was exported to SPSS. Responses that were abandoned at 1/4 of completion or earlier were deemed as invalid and deleted. The SPSS add-on “PROCESS” was downloaded from www.afhayes.com, as it allows for analysis of mediation and moderated mediation through conditional process analysis. A short introduction guide to mediation and moderated mediation can be found in appendix 7.1 and 7.2. To reduce the risk of Type I error, an alpha level of .05 for statistical tests was used, which means that the significant results of this study have at least a 95 % confidence level if nothing else is stated.

3.10 Data Quality

3.10.1 Sample

The two pre-studies and main study were all conducted on a demo- and geographically consistent target group. Respondents were targeted based on their young age and/or student status, for several reasons. E-commerce studies often choose to use students as their respondents due to their online experience and high connectedness online (Jones & Leonard, 2008; McKnight et al. 2002). In fact, 98 % of students in Sweden have access to the Internet at home (whereas only 57 % of people over 75 years old have access to Internet at home) (Statistiska centralbyrån, 2014).

Geographically, the respondents originated mainly from Sweden and Finland, due to the authors' geographical location and the commercial interests of Taskrunner.se. In addition to practical reasons, the Nordic countries have the highest internet penetration rates in the world (eMarketer.com, 2013), meaning that the respondents can be assumed to be more familiar with using the Internet than the global average. For instance, 80 % of Swedes in the (aged 18-79) shopped online in 2013 (Postnord, 2014), revealing the established nature of online shopping today.

3.10.2 Reliability

Reliability “refers to the consistency of a measure of a concept” (Bryman & Bell, 2011). Reliability depends on three factors: 1) stability, 2) internal consistency and 3) inter-observer consistency. Stability refers to whether measures are stable and consistent over time. As a *test-retest* method is out of this study's scope, used measures were borrowed from existing literature to ensure stability of measures, as they have been used successfully before. Using existing measures also provides compatibility with existing research, which is important for reliability. Internal reliability refers to the coherency of measures and whether they relate to each other. In this study, internal reliability was examined by calculating a Cronbach's alpha for each index used. The coefficient varies from 0 to 1, and we follow Malhotra's (2010) suggestion of deeming all values of 0.6 or under as unsatisfactory internal consistency reliability values. In addition, indexes used were borrowed from existing literature that has already tested a Cronbach alpha successfully for each index. Inter-observer consistency refers to subjective judgment for example when categorizing items, often used in content analysis and thus not highly relevant for the study at hand. However, to avoid subjective judgment interfering with reliability, all categorizations of service involvement levels and ratings were defined through a pre-study. (Bryman & Bell, 2011)

3.10.3 Validity

Validity refers to the question whether or not a measure of a concept actually measures the intended concept (Bryman & Bell, 2011). Validity can be further divided into *external* and *internal validity*

(ibid). External validity refers to whether or not the cause-and-effect relationships found can be generalized outside the experiment. Internal validity refers to whether or not the manipulation of independent variables is actually the reason for the observed effects on the dependent variables. Malhotra (2010) states that it is desirable to have both external and internal validity, but that one must often trade one for the other. Internal validity is seen as more important for validity (ibid), which is what is emphasized in this study, too.

The studies were designed to follow the utmost internal validity by taking several measures. The study was conducted in a controlled laboratory setting, which provides high internal validity compared to a field experiment (Malhotra, 2010). This allowed better control over the setting and minimizes the effects of history. A controlled setting also allows for replication of the test. Conducting pre-study 1 ensured the internal validity of the stimuli designed with the relevant target group. Also, in order to simplify the study and ensure internal validity (Malhotra 2010), *seller reputation* was decided on to consist of only ratings, in the same manner as most C2C marketplace studies. This means that other influencing variables, such as feedback comments or seller description have been controlled for in testing.

However, the price of a laboratory experiment is lower external validity. In a real online service marketplace setting, a buyer would most often see several sellers and be able to compare them and then make an informed decision. However, each stimulus needed to be isolated to ensure internal validity and minimize the main testing effects (when prior observation influences latter observation) (ibid).

The main study was divided into four respondent groups, where the study was identical throughout except for the change of stimuli. Showing only one stimulus per respondent ensured that other stimuli would not affect the respondent's opinions of the main stimulus. Also, the order of questions remained constant. Selection bias was avoided by sending out questionnaires by random and at several locations, although limiting respondents geographically and demographically. This can possibly cause selection bias, and needs to be taken into consideration when evaluating the external validity of the study.

To avoid question order bias in Pre-study 1, user profiles were set to show to respondents at random order and one at a time, as respondents were asked to rate all stimuli in one survey. Returning back to alter responses was disabled to ensure that the being subjected to other user profiles would not influence responses. This, according to Bryman & Bell (2011), would be a potential threat to data quality.

4. Results and Analysis

This chapter will present the empirical findings from the data analysis. Based on these findings the hypotheses created in Chapter 2 will be either accepted or rejected.

In order to fulfill the purpose of this study and explain the effectiveness of a good reputation, it will first be determined if a good, respectively a poor, seller reputation creates a difference in the seller's source credibility - the proposed mediator of the effect of ratings. A control for differences created by reputation in seller, expertise, and trustworthiness will also be included in this step as they are the components of source credibility (SC). The effect that creates the mean differences is also investigated through a multiple regression as to better understand the construct of SC. Second, it will be examined whether or not there is a total difference in attitudes and intentions when the buyer is exposed to a good or poor seller rating. This is followed by the investigation of the mediated effects of a good reputation on the buyer's attitudes and intentions represented by the four dependent variables of the study; buyer (1) attitude towards the purchase (ATP), (2) behavioral purchase intention (BPI), (3) willingness to pay (WTP), and (4) attitude towards the seller (ATS). Finally the impact of the involvement settings, the buyer's, and disposition to trust (DTT) and, risk avoidance (RA) will be tested for moderation effects.

4.1 The Total Effect of Reputation on Source Credibility and its Components (H1a-c)

	Poor reputation (n = 106)	Good reputation (n = 106)	mean dif.	p (2-tailed)
Source credibility mean	3,87	5,30	1,43**	0,000
Trustworthiness mean	4,24	5,69	1,45**	0,000
Expertise mean	3,51	4,92	1,41**	0,000
**significantly different from poor reputation at p= 0,01 (2-tailed)				

Table 1. The Total Effect of Reputation on Source Credibility and its Components.

Hypothesis 1a-c suggests that a good reputation will lead to higher a) source credibility (SC), b) perceived seller trustworthiness (PT) and c) perceived seller expertise (PE) than a poor reputation

would lead to. SC is the proposed mediator for the effects of ratings whereas PT and PE are the components of the SC measure. The difference in SC ($M_{\text{dif.}} 1,43$) between a poor reputation ($M_{\text{PoorR}} 3,87$) and a good reputation ($M_{\text{GoodR}} 5,3$) was significant at a 1% level ($p=0,002$). A good reputation is also confirmed to lead to significantly higher PT ($M_{\text{PoorR}} 4,24$ versus $M_{\text{GoodR}} 5,69$), and higher PE ($M_{\text{PoorR}} 3,510$ versus $M_{\text{GoodR}} 4,92$) than a poor reputation; with mean differences of 1,45 and 1,41 respectively. With confirmed significant and positive differences in SC, PT and PE that are created when going from a poor to a good seller reputation H1a-c can be accepted.

To get a better understanding of source credibility (SC) and its construct, an examination was done on how a good reputation affected SC and its building blocks, PT and PE. Through mere observation it is gathered that PT ($B=1,45$, $p=0,001$) and PE ($B=1,41$, $p=0,001$) are affected by a good reputation (as opposed to a poor) in very much the same way. Reputation explains slightly more of the variance in trust ($R^2=0,37$) than in expertise ($R^2=0,32$), whereas 40 % of the variance in SC is explained by reputation. This confirms that reputation communicates more than just trustworthiness and that SC could be tested as a possible mediator. Finally, a good reputation (as opposed to a poor) has a significant and positive effect on SC ($B=1,43$, $p=0,001$). This effect is known as the a-path in a mediation analysis and is important to note as it will be constant throughout the mediation analysis in section 4.3.

4.2 The Total Effect of Reputation on Buyer Intentions and Attitudes (H2a-d)

Hypotheses 2a-d suggest that a seller with a good reputation will generate a higher buyer a) attitude towards the purchase (ATP), b) behavioral purchase intention (BPI), c) willingness to pay (WTP) and d) attitude towards the seller (ATS) than a seller with a poor reputation. An independent t-test was conducted and the results in Table 2 indicate that a good reputation has a more positive effect on all four measures compared to a poor reputation.

		Poor reputation (n = 106)	Good reputation (n = 106)	mean dif.	p (2-tailed)
H2a	ATP	3,59	5,40	1,81447**	0,0000
H2b	BPI	3,44	5,54	2,094**	0,0000
H2c	WTP	203,10	220,19	17,09	0,4500
H2d	ATS	4,18	5,31	1,12893**	0,0000
**significantly different from poor reputation at $p=0,01$ (2-tailed)					

Table 2. The Total Effect of Reputation on Buyer Intentions and Attitudes (H2a-d)

ATP shows a significant mean difference of 1,81 between poor ($M_{\text{PoorR}} 3,59$) and good ($M_{\text{GoodR}} 5,40$) reputation. ATS was also significantly increased with a good reputation ($M_{\text{PoorR}} 4,18$ versus $M_{\text{GoodR}} 5,31$), reaching a mean difference of 1,13. The strongest significant effect was seen between poor ($M_{\text{PoorR}} 3,44$) and good ($M_{\text{GoodR}} 5,54$) reputation for BPI with a mean difference of 2,10. WTP shows a difference of 17,09 SEK between poor ($M_{\text{PoorR}} 203,10$) and good ($M_{\text{GoodR}} 220,19$) reputation. This difference is however not significant ($p = 0,450$), even when a 90% confidence interval is used as a consideration for the high variance given that WTP was an open ended measure. This analysis shows that although all four measures show a positive increase under a good reputation, as compared to a poor, only three are statistically proven to do so. Therefore it is stated that H2a, H2b and H2d are accepted whereas H2c is rejected. These mean differences are referred to as the total effects of a high reputation since they are looking at the overall effects of a high reputation on the dependent variables. The following mediation analysis will attempt to, at least partly, explain how these total effects occur.

4.3 The Mediating Effect of Source Credibility (H3a-d)

The following section investigates what part source credibility plays in explaining the total effects a good reputation exert on the dependent variables. It is hypothesized that source credibility is an intervening variable that is causally located between ratings and the dependent variables. Intervening variables like the one theorized here are called mediators and are used to explain how and why an effect occurs (Hayes 2013). Subsequently, in order to answer H3a-d a mediation analysis, using Hayes (2013) model 4, was conducted. To interpret if, and what type, of mediation that occurs a decision tree developed by Zhao et al. (2010) was used.

As the influence of reputation on source credibility has already been established as having a significant positive effect ($B=1,43$, $p=0,001$) in section 4.1 the relation between a high reputation and SC will only be presented when necessary in the analysis of hypotheses 3a-d since the relational

values does not change when the dependent variable is shifted. The results from the mediation analysis are presented in Table 3.

SIMPLE MEDIATION MODEL							
	R ²	Beta	SE	t	p	LLCI	ULCI
Y _{ATP} = Attitude Towards Purchase (n _{ATP} = 212)							
a	0,40**	1,43**	0,12	11,87	0,000	1,19	1,67
b	0,64**	0,94**	0,07	12,94	0,000	0,80	1,09
c'		0,46**	0,16	2,82	0,005	0,14	0,79
ab		1,35*	0,14			1,09	1,65
Y _{BPI} = Behavioral Purchase Intention (n _{BPI} = 212)							
a	0,40**	1,43**	0,12	11,87	0,000	1,19	1,67
b	0,59**	0,90**	0,09	10,41	0,000	0,73	1,07
c'		0,81**	0,19	4,18	0,000	0,43	1,20
ab		1,28*	0,14			1,03	1,57
Y _{WTP} = Willingness To Pay (n _{WTP} = 212)							
a	0,40**	1,43**	0,12	11,87	0,000	1,19	1,67
b	0,04**	35,36**	12,72	2,78	0,006	10,28	60,43
c'		-33,50	28,73	-1,17	0,245	-90,13	23,13
ab		50,59*	17,72			20,42	91,87
Y _{ATS} = Attitude Towards Seller (n _{ATS} = 212)							
a	0,40**	1,43**	0,12	11,87	0,000	1,19	1,67
b	0,59**	0,68**	0,05	12,48	0,000	0,57	0,78
c'		0,16	0,12	1,30	0,195	-0,08	0,40
ab		0,97*	0,11			0,77	1,19
Independent variable: Good reputation							
Mediator: Source Credibility							
**significantly different from poor reputation at p= 0,01 (2-tailed)							
*significantly different from poor reputation at p= 0,05 (2-tailed)							

Table 3. Mediation Results.

4.3.1 Mediated Effect on Buyer Attitude towards Purchase (H3a)

Hypothesis 3a suggests that a good reputation has an indirect positive effect, through SC, on attitude towards purchase (ATP). Multiple regression analyses were conducted to assess the components of the mediation model number 4 as proposed by Hayes (2013) in the attempt to confirm this.

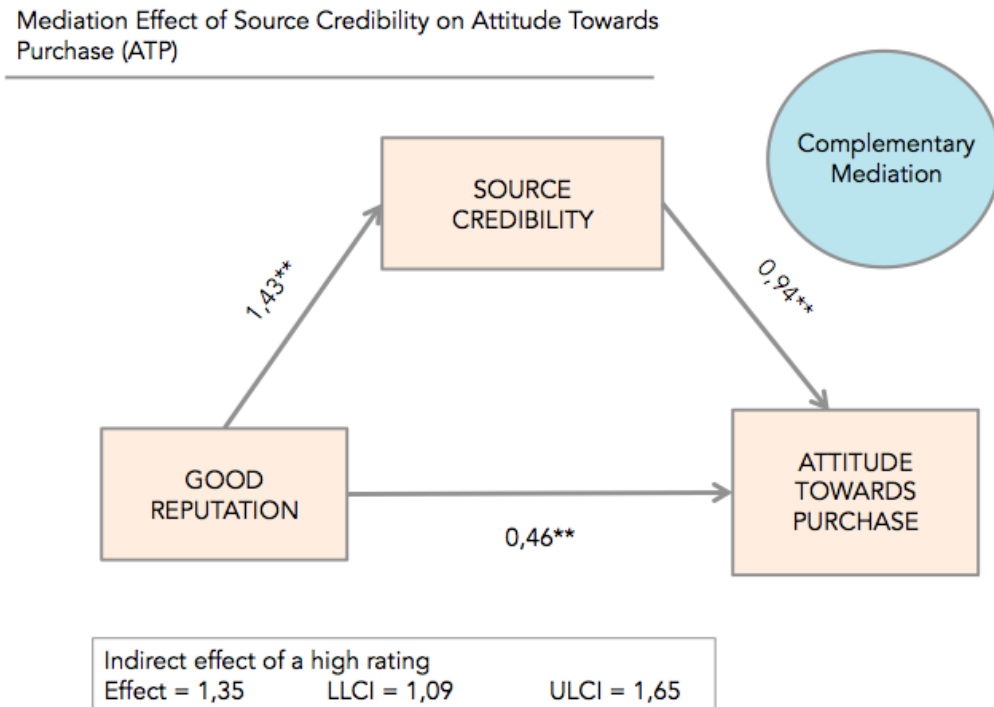


Figure 7. Mediation Effect of Source Credibility on Attitude Towards Purchase (ATP).

First, the test showed that a good reputation was positively associated ($B=0,46$, $p=0,01$) with ATP (see Figure 7). This is the direct effect of the good reputation on the dependent variable that is not explained by SC. It was also found that the mediator, source credibility, was positively related ($B=0,94$, $p=0,01$) to ATP, a relation known as *the b-path*. Given that the a-path (described in section 4.1) and the b-path were both significant, the model was analyzed for mediation by using a bootstrapping method with bias-corrected confidence estimates (Hayes 2013). A 95% confidence interval was used to obtain the indirect effect using 5000 bootstrap samples which is the recommended setting (Hayes 2013). The results confirmed that SC has a mediating role in the relation between reputation and ATP ($B=1,35$, $LLCI=1,09$, $ULCI=1,65$). The indirect effect is found significant ($p=0,05$).

According to the decision tree formulated by Zhao, Lynch & Chen (2010), a direct and indirect effect that are both significant and of the same sign will indicate a complementary mediation. This means that SC only partially explains the total effect that a good reputation has on ATP. It is likely that the

theoretical framework is missing one or more mediator/s that can explain the total effect. The power of SC as a mediator should however not be underestimated considering the size of the indirect effect as well as the R^2 value of the b-path (table 3, p. 61) which indicates that more than 60 % of the variance in ATP is explained by source credibility. To conclude, it was found that the indirect effect was both positive and significant which means that source credibility is a mediator of the relation between ratings and attitude towards purchase, therefore H3a can be accepted.

4.3.2 Mediated Effect on Buyer Behavioral Purchase Intention (H3b)

Hypothesis 3b suggests that a good reputation has an indirect positive effect, through SC, on buyer's behavioral purchase intention (BPI). Again using Hayes' (2013) mediation model number 4, the results show that the direct effect between ratings and BPI is positive and significant ($B=0,81$, $p=0,01$) (see Figure 8). The relation between SC and BPI is also positive and significant ($B=0,90$, $p=0,01$). The mediation analyses showed a positive and significant indirect effect which confirms the role of source credibility as a mediator between ratings and behavioral purchase intention ($B=1,28$, $LLCI=1,03$, $ULCI=1,57$).

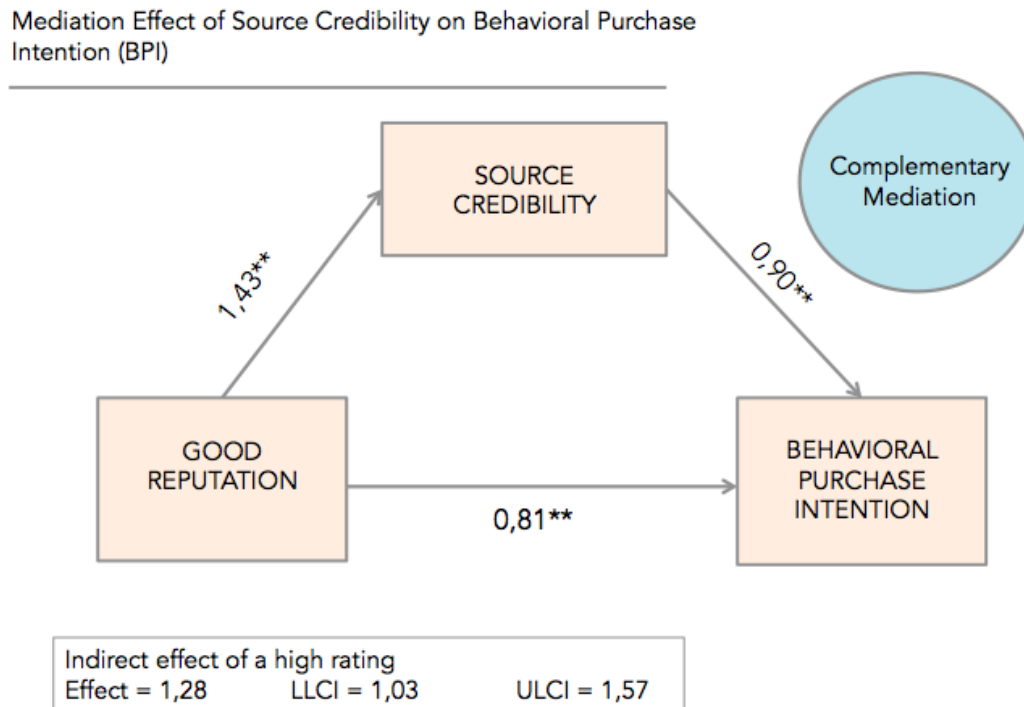


Figure 8. Mediation Effect of Source Credibility on Behavioral Purchase Intention (BPI)

Similar to the mediation described for ATP, the mediation here is a complementary mediation (Zhao et al. 2010), which is also indicated by the variance explained by SC in BPI. This indicates that it is likely that one or more mediators have been omitted from the theoretical framework and that the framework could possibly be adjusted in future studies. SC is however a proven mediator of a positive and significant indirect effect between reputation and BPI which leads to the acceptance of H3b.

4.3.3 Mediated Effect on buyer Willingness to Pay (H3c)

Hypothesis 3c suggests that a good reputation has an indirect positive effect, through SC, on buyer's willingness to pay (WTP). Although no significant total effect was created for WTP when going from a poor to a good reputation (see Table 2, p. 60), hypothesis 3d is still tested. Zhao et al. (2010: 199) suggest that "there need not be a significant zero-order effect of X on Y, r_{xy} , to establish mediation". Zhao et al. (2010) propose that the zero order effect is the equivalent to the "total effect"

that the independent variable have on the dependent variable. A mediated indirect effect could still be present but is suppressed by variables not included in the theoretical framework.

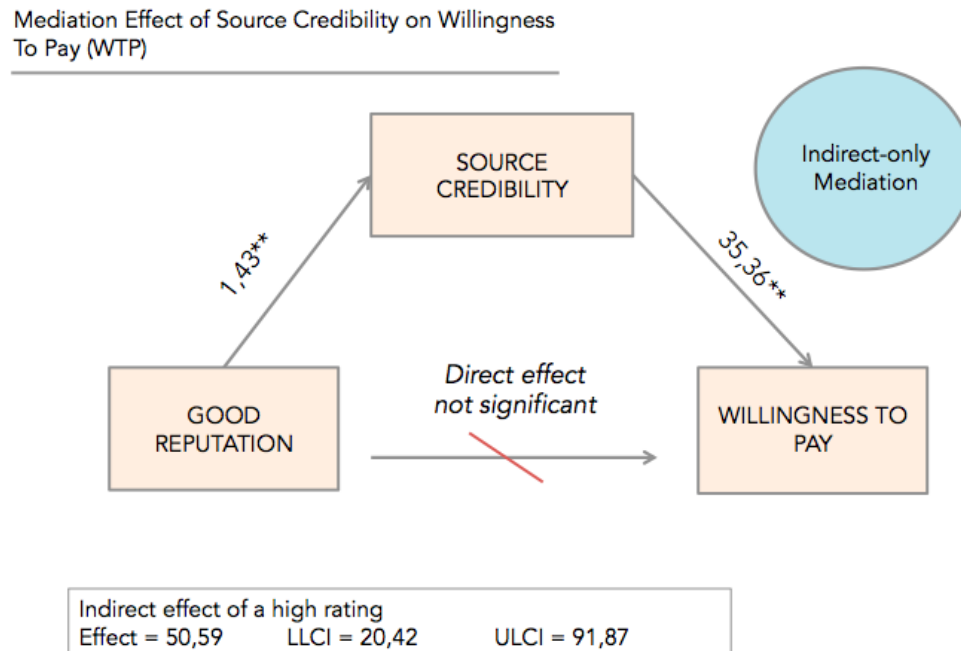


Figure 9. Mediation Effect of Source Credibility on Willingness to Pay (WTP).

The mediation analysis first shows that there is no significant direct effect between reputation and WTP ($B=-33,50$, $p=0,245$). SC does however have a positive and significant influence on WTP ($B=35,36$, $p=0,01$) (see Figure 9). Worth pointing out is the fairly low variance explained ($R^2=0,04$) in WTP by SC. This indicates that 96 % of the variance in WTP is explained by other variables that could have a positive or a negative effect.

The mediation analysis confirms the role of SC as a mediator for the relation between reputation and WTP. The indirect effect is significant and positive ($B=50,59$, $LLCI=20,42$, $ULCI=91,87$). The mediation was found to be indirect-only since the direct effect was not significant. This suggests that other mediators are likely not missing from the theoretical framework (Zhao et al. 2010). The low (4%) variance explained in WTP by SC can partly explain why this indirect effect does not heavily impact the total effect created when going from a poor to a high reputation. Hypothesis 3c is still

accepted as it is proven that source credibility mediates a significant and positive indirect effect between reputation and WTP.

4.3.4 Mediated Effect on Buyer Attitude towards Seller (H3d)

Hypothesis 3d suggests that a good reputation has an indirect positive effect, through source credibility, on buyer's attitude towards the seller (ATS). The test, using the method described in section 4.3.1, showed that a good reputation was not associated ($B=0,16$, $p=0,195$) with ATS, which suggests that there is no direct effect between the two variables. The b-path, the relation between source credibility and ATS, was however found positive and significant ($B=0,68$, $p=0,01$).

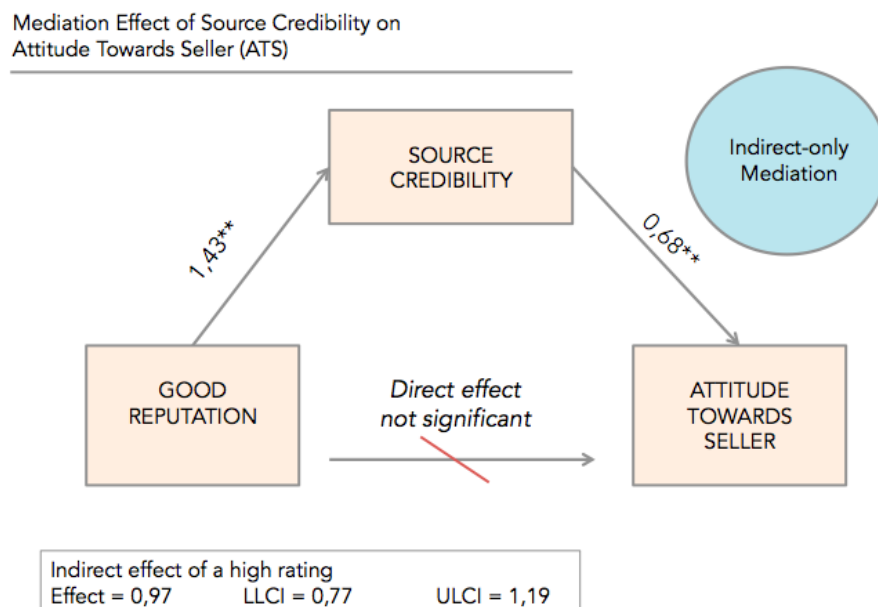


Figure 10. Mediation Effect of Source Credibility on Attitude Towards Seller (ATS).

The results confirm that source credibility has a mediating role in the relation between ratings and the attitude towards the purchase ($B=0,97$, $LLCI=0,77$ $ULCI=1,19$). The indirect effect is found significant ($p=0,05$). As the direct effect between ratings and ATS was not significant, whereas the indirect effect was significant, the mediation is described as being indirect-only (Zhao et al. 2010). This means that the theoretical framework is unlikely to have omitted other mediators and that

source credibility is proven as a mediator between ratings and the attitude towards the seller, and therefore H3d is accepted. As in the previous mediation analyses, the variance of the dependent variable (in this case ATS) that is explained by SC needs to be considered. The R^2 value is in this case 0,59 which indicate that SC plays a substantial role in the explanation of the total effect.

4.4 The Moderating Effect of Conditional Influencers

The influence of specific conditions on, the effect of a good reputation on SC, and SC's effect on the dependent variables, is investigated by testing for moderated mediation and through a conditional process analysis. A moderator is a condition that is applied to investigate a relation between two variables (Hayes 2013). In this study, the moderators are the involvement setting that a respondent have been subjected to, the buyer's disposition to trust and the buyer's risk avoidance. It allows one to measure if respondents under higher or lower influence of the moderator respond in a certain way because of it. To achieve this Hayes (2013) model 59 is used implementing a 95% confidence interval and 5000 bootstrapping samples.

4.4.1 Buyer Involvement as a Moderator (H4a-e)

Hypothesis 4a-d suggests that high involvement (as opposed to low involvement) will lead to a greater effect of SC on buyer (a) ATP, (b) BPI, (c) WTP and (d) ATS. The test for moderating effects showed that the interaction of SC and level of involvement carried no significant effect on ATP ($B=0,19$, $p=0,169$), WTP ($B=15,08$, $p=0,551$) or ATS ($B=-0,04$, $p=0,680$). Subsequently H4 a), c) & d) are rejected.

	M	W	Y	Interaction	Beta	p	LLCI	UUCI	model R^2
H4a	SC	Involvement	ATP	M*W on Y	0,19	0,169	-0,08	0,46	0,68**
H4b	SC	Involvement	BPI	M*W on Y	0,33*	0,041	0,01	0,65	0,65**
H4c	SC	Involvement	WTP	M*W on Y	15,08	0,551	-34,72	64,89	0,07*
H4d	SC	Involvement	ATS	M*W on Y	-0,04	0,680	-0,26	0,17	0,60**

Conditional indirect effects of reputation on BPI under values of the moderator	moderator	Beta	SE	LLCI	ULCI
The buyer is exposed to an involvement setting that is ...	low	1,07	0,18	0,74	1,45
The buyer is exposed to an involvement setting that is ...	high	1,53	0,23	1,14	2,05

Table 4. Buyer Involvement as a Moderator.

The interaction of source credibility and level of involvement did however have a significant effect on BPI ($B=0,33$, $p=0,04$). This allowed for a control of the conditional indirect effects of reputation on BPI at high and low involvement. In a high involvement setting the conditional indirect effect of a good reputation on BPI is higher ($B_{\text{high}}=1,53$, $LLCI_{\text{high}}=0,74$, $ULCI_{\text{high}}=1,45$) than in a low involvement setting ($B_{\text{low}}=1,07$, $LLCI_{\text{low}}=1,14$, $ULCI_{\text{low}}=2,05$). This confirms H4b and it is therefore accepted.

Hypothesis 4e suggests that a high involvement will lead to a lesser effect of a good reputation on source credibility. The test for moderation showed that the interaction of ratings and level of involvement carried no significant effect on source credibility ($B=-0,01$, $p=0,955$) (see Table 4). H4e is therefore rejected.

	X	W	M	Interaction	Beta	p	LLCI	UUCI	model R ²
H4e	Reputation	Involvement	SC	X*W on M	-0,01	0,955	-0,49	0,46	0,40**

Table 5. The Effect of Reputation on Source Credibility Moderated by Buyer Involvement.

4.4.2 Buyer Disposition to Trust as a Moderator (H5)

The influence of the buyer's disposition to trust (DTT) is only examined regarding its interaction with a good reputation's effect on source credibility, since it is where the theoretical framework suggests that it would show an effect. The moderation is tested for using Hayes (2013) model 7 with a confidence interval of 95% and 5000 bootstrapping samples.

Hypothesis 5 suggests that a higher DTT will lead to a greater effect of a good reputation on source credibility. The test for moderation showed that the interaction of ratings and DTT carried no

significant effect on SC ($B=0,18$, $p=0,095$) (see Table 5). The lower level confidence interval is only slightly negative (LLCI= $-0,03$) indicating that there might be tendencies of an actual interaction. The confidence interval is however set at a 95% level which is not met, H5 is therefore rejected. Because no significant effect was found, the variance of the DTT measure was controlled. The mean was found to be 5,05 with a standard error of 0,07 and a standard deviation of 1,03. This indicates that the majority of the sample population ($n=212$) have a relatively high DTT.

	X	W	M	Interaction	Beta	p	LLCI	UUCI	model R ²
H5	Reputation	DTT	SC	X*W on M	0,18	0,095	-0,03	0,3847	0,53**

Table 6. The Effect of Reputation on Source Credibility Moderated by Buyer Disposition to Trust.

4.4.3 Buyer Risk Avoidance as a Moderator (H6a-e)

The influence of the buyer's inherent risk avoidance (RA) on source credibility and the dependent variables is investigated by testing moderated mediation and through a conditional process analyses. Hayes (2013) model 59 is used implementing a 95% confidence interval and 5000 bootstrapping samples.

Hypotheses 6a-d suggest that a higher RA will lead to a greater effect of source credibility on the (a) ATP, (b) BPI (c) WTP and (d) ATS. The test showed that there were no significant interaction effects created between source credibility and RA for ATP ($B=10$, $p=0,124$) or WTP ($B=1,98$, $p=0,860$). Thus H6a & H6c are rejected.

Source credibility and RA do however have significant interaction effects on BPI ($B=0,17$, $p=0,026$) and ATS ($B=0,13$, $p=0,005$). This allowed for a control of the conditional indirect effects of ratings on BPI and ATS at different levels of RA. The conditional indirect effect of ratings on BPI and ATS is increasing together with the level of RA as illustrated in Table 7 (p. 70). Both the effects are significant ($p=0,05$). These findings support that higher RA does lead to a higher effect of source credibility on both BPI and ATS. H6b and H6d are therefore accepted.

	M	W	Y	Interaction	Beta	p	LLCI	UUCI	model R ²
H6a	SC	RA	ATP	M*W on Y	0,10	0,124	-0,03	0,22	0,65**
H6b	SC	RA	BPI	M*W on Y	0,17*	0,026	0,02	0,31	0,61**
H6c	SC	RA	WTP	M*W on Y	1,98	0,860	-20,09	24,04	0,04
H6d	SC	RA	ATS	M*W on Y	0,13**	0,005	0,04	0,23	0,60**

**significantly different from poor reputation at p= 0,01 (2-tailed)

*significantly different from poor reputation at p= 0,05 (2-tailed)

Conditional indirect effects of reputation on BPI under values of the moderator					
	moderator	Beta	SE	LLCI	ULCI
Buyer's inherent risk aversiveness is ...	low	1,04	0,21	0,66	1,48
Buyer's inherent risk aversiveness is ...	medium	1,21	0,14	0,97	1,52
Buyer's inherent risk aversiveness is ...	high	1,34	0,22	0,97	1,82
Conditional indirect effects of reputation on ATS under values of the moderator					
	moderator	Beta	SE	LLCI	ULCI
Buyer's inherent risk aversiveness is ...	low	0,78	0,14	0,53	1,09
Buyer's inherent risk aversiveness is ...	medium	0,92	0,10	0,73	1,14
Buyer's inherent risk aversiveness is ...	high	1,02	0,17	0,72	1,38

Table 7. Buyer Risk Avoidance as a Moderator.

Hypothesis 6e suggests that a higher RA will lead to a lesser effect of a good reputation on source credibility. The test for moderation showed that the interaction of reputation and RA carried no significant effect on source credibility ($B=-0,12$, $p=0,291$) (see Table 7, p. 70). There is no significant evidence to support that buyers with higher inherent risk avoidance infer lesser source credibility based on the seller's rating. H6e is therefore rejected.

	X	W	M	Interaction	Beta	p	LLCI	UUCI	model R ²
H6e	Reputation	RA	SC	X*W on M	-0,12	0,291	-0,34	0,10	0,41

Table 8. The Effect of Reputation on Source Credibility Moderated by Buyer Risk Avoidance.

4.5 Effects Framework with Results

The proposed effect framework is completed with results on whether or not hypotheses were accepted or rejected (see Figure 11). See Appendix 7.11 for a detailed table of results on all hypotheses.

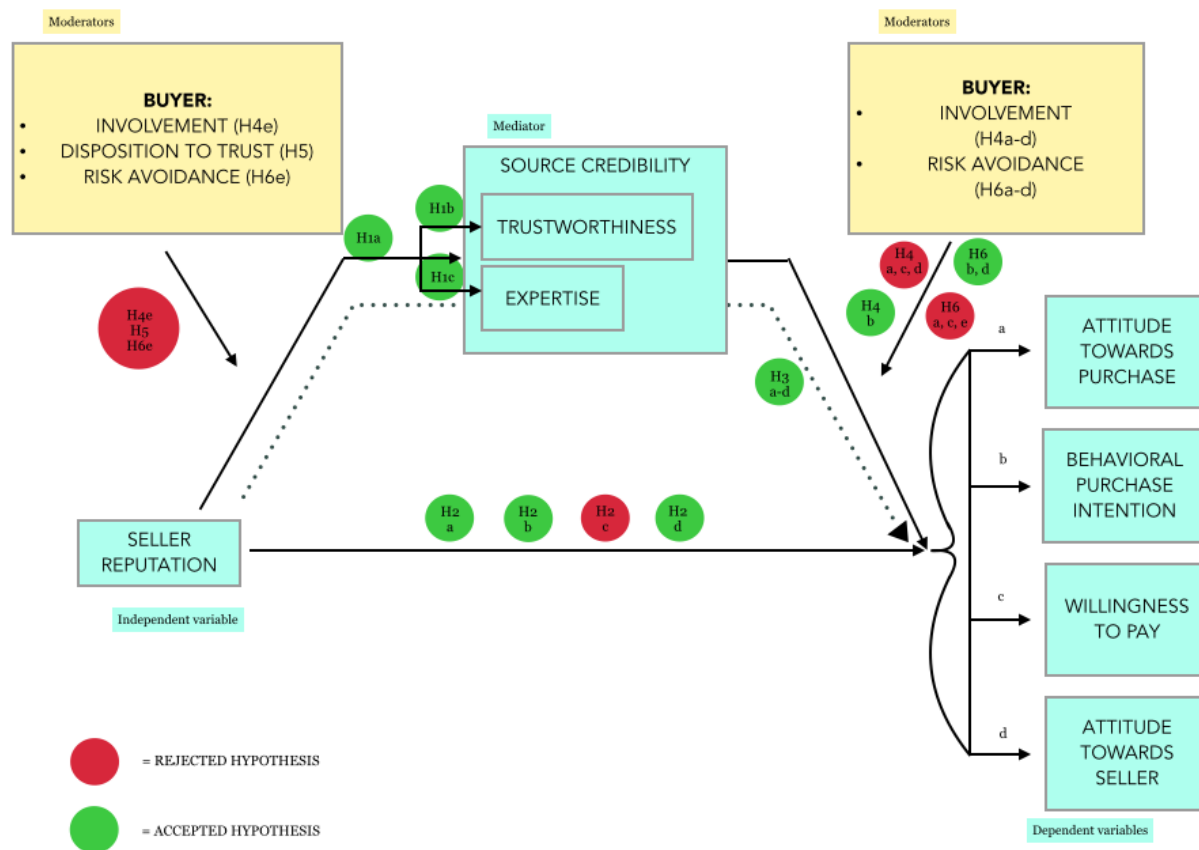


Figure 11. Effects Framework with Results.

5. Discussion, Conclusions & Implications

In chapter 5 the findings of the data analysis are concluded and discussed in relation to the aim and purpose of this study. Established theoretical concepts are related to the findings as to investigate their fit to previous research, and how they help fill the proposed theoretical gap. Any shortcomings in the gathering process and analysis of the data will also be discussed in relation to how it may affect the validity of the findings. The possible theoretical and practical implications will also be discussed.

5.1 Discussion & Critique

In this chapter, discussion and potential critique on the results is presented. the total effect of a good or poor reputation setting is discussed together with the reputation effect that is mediated by source credibility (SC) as to investigate SC's role in regards to the total effect. This is done separately for each of this study's dependent variables - buyer attitude towards purchase (ATP), buyer behavioral purchase intention (BPI), buyer willingness to pay (WTP) and buyer attitude towards seller (ATS). This is followed by a discussion of the buyer's involvement level impact on (1) the effect of reputation on SC, (2) SC effect on the four dependent variables and (3) any indirect effects that occur when reputation is mediated by SC. Later, the level of buyer's disposition to trust (DTT) and whether or not the level of DTT influences how reputation affects source credibility is discussed. Finally the impact of buyer's risk avoidance (RA) level is discussed regarding the same variable relations as buyer involvement level.

5.1.1 Seller Reputation and Source Credibility

The acceptance of H1a-c confirmed that established theory regarding the positive relation between seller reputation and trust in seller found in a product market (Jones & Leonard, 2008; Ba & Pavlou, 2002) is also relevant in the service market. By looking at the mean values and their differences in

Table 2 (p. 60) it is apparent that seller ratings have a similar effect on both perceived trustworthiness and expertise of seller. However, it is shown that a good reputation infers slightly higher perceived trustworthiness than perceived expertise, seeing that the mean values are lower for expertise under low and high ratings than they are for seller trustworthiness.

The significant impact of reputation on expertise suggest that reputation, in a service setting, communicates more than only trustworthiness (the focus mediator in product markets) which justifies the assumption made in the theoretical section: that source credibility is a functioning mediator in the relationship between seller reputation and buyer intentions and attitudes. The assumption is also supported by the increase in variance explained by ratings in source credibility (40%) compared to trust (37%) and expertise (32%).

5.1.2 Seller Reputation, Source Credibility and Buyer Attitude Towards Purchase (ATP)

Hypothesis 2a is accepted, as the total difference seen in ATP when buyers are exposed to a poor respectively a good seller reputation was positive and significant, as shown in table 2 (p. 60). This clearly indicates that an improvement in the seller's reputation will make the buyer more positive towards the purchase at hand. This finding is rather easy to grasp. It is logical that a consumer feels better about a purchase when buying it from a seller that has a good reputation than from one with a poor reputation. Previous empirical findings (Leonard, 2012) suggest that a good reputation creates a higher trust towards the seller and that in turn, higher trust makes the buyer feel better about the possible purchase. The study at hand has replaced trust with source credibility as it was believed to be a better fit for a service market. So how much of the total increase in the ATP can be accredited to a higher seller source credibility (created by a good reputation)?

When going from poor to good seller reputation, the SC of the seller increases, which in turn increases ATP. The complete effect of this path is called the indirect effect, meaning that ATP increases when going from a low to a high rating and that this increase is created through SC. This finding is in line with Leonard's (2012) suggestions regarding seller trust and confirms H3a, which suggests a positive increase in ATP for a high rating that is mediated by SC.

However, SC does not fully explain the total effect that ratings have on ATP. The indirect effect of reputation through SC on ATP is lower than the total mean difference presented table 2 (p. 60). The analysis of the mediation model (Figure 7), also reveals that SC does not fully explain the total increase in ATP. This strengthens the likelihood that there is something more than SC that mediates the effect of ratings.

5.1.3 Seller Reputation, Source Credibility and Buyer Behavioral Purchase Intention

As predicted in H2b, based on Livingston's (2005) findings, a good reputation creates a much stronger total effect on BPI than a low rating. Ergo, buyers that see a seller with a good reputation are more likely to buy than buyers who see a seller with a poor reputation. The increase in BPI is also rather substantial as seen in Table 2 (p. 60), which illustrates the power of both a good reputation and the reputation mechanism itself. Behavioral purchase intention is used as a more action-oriented measure, which reflects stronger intent towards purchase than ATP.

The proposed mediating capability of source credibility was also proven. A good reputation will increase BPI through SC, which confirms H3b. Similar to the mediation effect seen in the previous section (5.1.2), SC does not explain the total effect created by a good reputation. Although SC can be accredited for a large part of the increase in BPI caused by a good reputation, there is one or more variables that are missing from the theoretical framework that could help explain the total effect. The identification of the missing variable or variables is a possible subject for further studies.

5.1.4 Seller Reputation, Source Credibility and Buyer Willingness to Pay

There is an increase in WTP when comparing buyers that have been exposed to a seller with a poor reputation to those that have exposed to a seller with a good reputation. However, the difference is not statistically significant and it cannot be proven that a good reputation creates a higher WTP. The non-significance can partly be explained by the high variations seen in the survey responses. The

respondents were free to write any amount that they would have paid resulting in a span from 10 - 1000 SEK for both a low and a high rated seller. This means that it is not certain that a good seller reputation will make the buyer pay more for a service, which results in H2c being rejected. The finding indicates that there is a difference between product and service markets as Resnick et al. (2006), Melnik & Alm (2002) and Livingston (2005) found that a good reputation leads to higher willingness to pay regarding products. However, one should tread lightly in this discussion as the existence of the effect in product markets is debated (Liu et al., 2012; Pan et al., 2002), and the testing at hand was conducted by experiment, making WTP only indicative and not reflective of actual behavior. In addition, the services and context presented were presumably new for the respondents and thus difficult to evaluate a true market price for them. In retrospect, it might have been better to measure WTP as a scale with price ranges instead of using an open-ended measure, since the online C2C service concept is new and the respondents have little experience in pricing an hour's worth of work. This might have reduced the high variance in the response.

What about source credibility; would it not be logical to assume that higher SC would make a buyer willing to pay more? Strader & Ramaswani (2002) and Ba & Pavlou (2002) found the relation to be true for trust in a product market. The results found in the study at hand are somewhat ambiguous. A good reputation does make a buyer willing to pay more (see WTP ab-path, table) due to the higher source credibility that is created by the rating. However, the positive effect reached with SC only explains very little of the variation of the total effect that a high rating have on WTP. This suggests that source credibility only plays a small part in how the buyers reach their decision to rate a price for the service. The positive effect of SC is most likely suppressed by other considerations made by the buyer which brings us to the fact that this study cannot state that a good seller reputation leads to higher WTP. A future study that solely focuses on WTP in C2C online markets for both products and services is recommended.

5.1.5 Seller Reputation, Source Credibility and Buyer Attitude Towards Seller

A good seller reputation will make the buyer like the seller more than a poor reputation would. The total effect that is created is not as strong as it is for ATP or BPI but is still sizeable and important to

consider. It could be assumed that for services that include close or repeated physical contact, the likeability of the seller would become more important to the buyer. Since reputation can help communicate likeability, it could potentially help the buyer in their purchase decision.

Friedman & Friedman (1979) found that source credibility of the spokesperson had an impact of the likeability of the product being sold and a similar relation is found in this study. An indirect effect that was close to the total effect and a suggested “indirect-only mediation” of the theoretical framework makes it clear that SC has a strong role in explaining how much a good reputation impacts ATS. This finding is interesting, as it shows that increased perceived trustworthiness and expertise in seller does indeed lead to the likeability of a seller, encouraging platform designers to emphasize these two traits in sellers. Further, it would be of interest to study the positive effects *likeability of seller* has on actual buyer behavior in a C2C service context.

5.1.7 The Impact of Buyer Involvement Level

The impact of a high involvement setting did not create the overall effect that was expected. The effect of a good reputation on SC was not affected by a change in the involvement setting the buyer was exposed to, and neither was SC’s effect on ATP, WTP or ATS. However SC’s effect on BPI was positively affected when there was a high involvement setting. The full scenario indicates that a good reputation will have a stronger positive impact, through SC, on BPI when *the buyer is highly involved in the service*. This indicates that highly involved buyers put more value in source credibility, which transfers to BPI, than those that feel a low involvement. This finding is of importance to platform designers that need to be aware that certain (high involvement) services need reputation mechanisms that can create enough source credibility seen in the seller for the buyer to complete the purchase.

Based on established theory (Laurent & Kapferer, 1985; McColl-Kennedy & Fetter, 2001; Kinard & Capella, 2006) and market indications (Szekely, 2015) the level of involvement was expected to have a more prominent effect. The one proven effect should however not be underestimated. BPI,

although only measuring intentions, is a powerful measure as it indicates whether or not an actual purchase intention is created within the buyer. The finding that highly involved buyers put greater value into source credibility, when considering their BPI, is very much in line what could be seen in the real world example that was discussed with Taskrunner (section 3.3 Initial research). It was discussed that highly involved buyers could not make a purchase decision based on the existing reputation mechanisms, and although a good reputation does lead to higher source credibility, it is most likely not enough for a purchase to be made in a high involvement setting. Based on the results of the study at hand, source credibility is valued more in a high involvement setting and a good reputation contributes to this relationship, creating subsequent higher BPI. However, whether or not only ratings are enough for an actual purchase decision is questionable, meaning that platform designers should focus on enabling sellers to create source credibility in a multitude of ways, if possible.

It is possible that the non-significant results for ATP, WTP and ATS could partly be caused by the respondents' inexperience with the purchase of services online. The respondents might not be acquainted to this relatively new type of business, which could make it difficult for them to comfortably evaluate a service setting. Furthermore, the significant result regarding BPI could have been caused by the fact that it is an action related measure. This would presumably increase the respondent's sense of reality regarding the situation described and thereby force the respondent to evaluate the rating (reputation) more thoroughly.

5.1.8 The Impact of Buyer Disposition to Trust

Hypothesis 5 proposed that a higher buyer disposition to trust (DTT) would positively influence the effect of a good reputation on source credibility, however the hypothesis was rejected. The interaction of a good reputation and high DTT only indicated a small increase of the effect that reputation carries on SC, and this increase was found to be non-significant at the confidence level chosen for this study. However, as pointed out in the results section regarding DTT, the increase created by the interaction would be significant if one allowed for a slightly greater margin of error.

This indicates that DTT should not be dropped from further studies since there is a possibility that it could aid in the understanding of reputational effects as suggested by Wu et al. (2014).

A potential reason for why DTT was not found a significant moderator could be due to the homogeneity of the sample, as variance between responses was low, meaning that responses were highly similar. With a geo- and demographically more varied sample, interesting result could possible surface. Another reason could be the strength of reputation as an influence, meaning that the buyer's disposition to trust does not actually override the impact a reputation has. For deeper understanding in buyer characteristics and their potential impact in C2C exchange, further examination is encouraged.

5.1.9 The Impact of Buyer Risk Avoidance

Similar to the level of involvement, a buyer's level of risk avoidance (RA) did not have an overall effect on all the variables of the theoretical framework. According to the results, a greater RA does not mean that a buyer is more skeptical towards a good reputation, which would have reduced the reputation effect on SC. Neither does it influence the effect of SC on ATP or WTP. It does, however, impact SC's effect on BPI and ATS. How this affects the indirect (mediated by SC) relation between a good reputation and BPI and ATS is shown in Table 7 (p. 40). Because a good reputation increases SC, which is valued more when RA is higher, it can be said that the effect of a good rating is increased the more risk averse the buyer is, which goes for both BPI and ATS. Strader & Ramaswani (2002) state that there are different needs for trust based on how risk averse the buyer is. The findings of this study suggests that this is true for the relation between SC and RA, regarding BPI and ATS, as well.

Reasons for why BPI and ATS were found affected by the buyer's risk aversion could be due to several factors. As in the case of buyer involvement with service, BPI was the sole dependent variable that was affected, and it was subsequently assumed that as it is an action-oriented scale it activates the respondent's personal intent towards the purchase more strongly than the other

measures. If a seller has high source credibility, more risk averse buyers jump at the chance to purchase from them than other buyers. If the seller has low source credibility, the risk averse buyers are less likely to purchase from that seller than others. It would be logical that risk averse buyers would be more skeptical towards purchasing online in general, but it seems that they are in fact more incentivized to purchase for a high source credibility seller than the buyers that are not risk averse. This is very interesting from a platform provider point of view, as it shows that the sample group (students/young professionals) not hesitant towards purchasing online, but more towards whom the seller is. This phenomenon links to the likeability of seller (ATS), as it seems that more risk averse sellers scrutinize the source credibility the seller has created in more depth, which thus leads to stronger likeability in the case that the seller has high source credibility. As the variance with the sample on RA was also low, it would be of interest to examine a larger and more heterogeneous population to find for extreme differences and their impacts on the results.

5.2 Conclusions

The purpose of this study was to explore and understand *the effects of seller reputation on buyer intentions and attitudes in online C2C service marketplaces*. More specifically, the aim was to investigate whether or not (1) a well-built seller reputation creates higher intentions and attitudes towards the purchase and the seller, (2) source credibility of the seller can help explain the effect of a well-built reputation on said intentions and attitudes, and (3) conditions, such as service involvement or buyer characteristics, influence how seller reputation and source credibility affects the intentions and attitudes of buyers.

A good seller reputation does, indeed, create more positive buyer intentions and attitudes towards the seller and the purchase at hand. An increase in seller reputation had a direct positive effect on buyer attitude towards purchase, behavioral purchase intention and attitude towards seller. The effect on buyer willingness to pay for service was not found significant; however, there was an indication of a positive tendency. The positive effects created by seller reputation is in line with previous studies in

product marketplaces, indicating that seller reputation is also a highly relevant influence on buyer intentions and attitudes in an online C2C service marketplace context.

Source credibility was chosen as a measure of perceived trustworthiness and expertise in seller, due to its expected suitability in a service provider context. Source credibility proved to be a highly relevant mediator between seller reputation and buyer intentions and attitudes when evaluating a service provider, as perceived trustworthiness and expertise in seller had a slightly stronger effect together on subsequent attitudes and intentions than they would have had separately. The impact of seller reputation on source credibility was also proven to be very stable, as conditional influencers such as level of service involvement, buyer disposition to trust and buyer risk avoidance did not affect the said relationship. This means that regardless of these external factors, seller reputation does have a strong impact on source credibility. It is however important to notice that source credibility does not explain the total effect of reputation, thus more in-depth research is needed to wholly understand how the total effect of reputation is created.

Conditional influencers, namely level of service involvement, buyer disposition to trust and buyer risk avoidance, were examined as potential influencers on the relationship between seller reputation, source credibility and buyer intentions and attitudes. Although the effects were not as prominent as expected, interesting relationships were discovered.

First, in a high involvement setting, in this case the study aid, source credibility has a greater effect on behavioral purchase intention than it would in a low involvement setting, in this case garbage haul. This is to say that buyers likely put more emphasis on source credibility when dealing with an actual high involvement purchase decision. Although service involvement needs further research and testing, this finding indicates that platform providers should consider the needed measures depending on risk and involvement perceived in certain services, and tailor their platforms accordingly.

Second, the higher the buyer's risk avoidance, the more impact seller source credibility had on behavioral purchase intention and attitude towards seller. It can be inferred that risk averse buyers like sellers with high source credibility more, and this could in turn lead to a more fruitful

relationship with the seller. Also, when posed an action-oriented question, such as in the case of involvement in service relation with behavioral purchase intention, buyers seem to react to external influencers more. This indicates that in an actual purchase situation these influencers might actually have a stronger impact than is apparent in this testing situation.

Third, although buyer disposition to trust did not show any significant impacts regarding the relationship between seller reputation and perceived source credibility in seller, this measure should not be disregarded. Previous literature suggested the existence of an impact created by DTT and there were clear tendencies, although not statistically proven, of the same impact in this study. Further examination of the relation is recommended.

Concluding the results, seller reputation does indeed carry significant value. When other available information is scarce, respondents rely on the reviews left by others and base their judgment on the seller based on their reputation. As a result, the seller is either perceived to have high or low source credibility, which in turn has a significant impact on buyer's intentions and attitudes towards seller and purchase of service, disregarding willingness to pay. The service at hand as well as buyer characteristics have an impact on these relationships in varying degrees. A seller who plans long-term is therefore wise when conducting services successfully, as creating a strong reputation can be used as a signal of trustworthiness and expertise. Platform providers are strongly encouraged to enable sellers to build reputations with well-functioning feedback systems, as the increased purchase intentions and behaviors of buyers can be seen to benefits not only sellers, but also platforms in the form of increased traffic. Finally, not only platform providers and sellers win in the equation, but also buyers can enjoy increased trust with functioning feedback systems, leading to less doubt and friction when purchasing from an unknown service provider online. All in all, this study increases the expectation that feedback mechanisms truly play an important role in online C2C service marketplaces.

5.3 Implications

This section presents suggested implications of this study that are connected to both the results and the authors' experiences of working with this field of research.

One of the most relevant theoretical findings of this study is the confirmation of source credibility as a viable mediator of the relation between seller reputation and buyer intentions and attitudes in an online C2C service market. Future studies are recommended to further explore the mediating capabilities of source credibility in a service setting. In addition, as source credibility was found not to be the only mediator between seller reputation and buyer intentions and attitudes, further research in this area is strongly recommended to understand the full impacts of a good seller reputation.

An application of the findings in this study for a business context is to take service involvement into consideration when designing feedback mechanisms. Using Zeithaml's (1981) "Continuum of evaluation for Different Types of Products", along with Kinard & Capella (2006) segmenting of services, estimates of a service involvement level can be created. If these estimates can predict a user base's involvement level, as they did in this study, platform designers can add or subtract reputation mechanisms to reach the optimal source credibility level that a buyer needs to go through with a purchase. This would in effect mean that only the necessary reputation mechanisms would be shown to the buyer and thereby minimizing their time and effort spent on information search. For this to be possible further studies regarding other reputation mechanisms ability to create source credibility need to be advanced and it is hoped that this study will inspire the research community to do so.

This study has established that a 5 star rating system is an effective reputation mechanism, but it is important to notice that it has not been compared to other possible rating systems. Ebay's three options system or binary systems, used by Youtube.com among others, could prove to be more or less optimal than the 5 star system chosen. The final decision for what type of design a rating system should have should be based on how the users of a platform use the system to rate each other. In services, we assume that a more nuanced 5 star system is the most suitable one, but this would be interesting to test in the future.

The influence that was created by buyer risk avoidance on behavioral purchase intention and attitude towards seller suggest that buyer personalities can be used to tailor individual buyers' platform experience. For example, buyers that are found to be more risk averse could receive a list of suggested seller that all have high reputations when posting a service. It would then be up to the buyer to connect with a seller that is found suitable. To learn which buyers that carry certain personality traits, a platform provider can use existing information about consumer characteristics related to, for instance, age groups or gender or investigate and segment their own user base.

Finally, it would be wise for platform providers to communicate the benefits a good reputation holds for sellers and guidelines how to acquire such a reputation. Encouraging sellers to do so could motivate them to be more meticulous in their service delivery and how they present themselves online, which could result in a more pleasant overall service experience for all parties involved.

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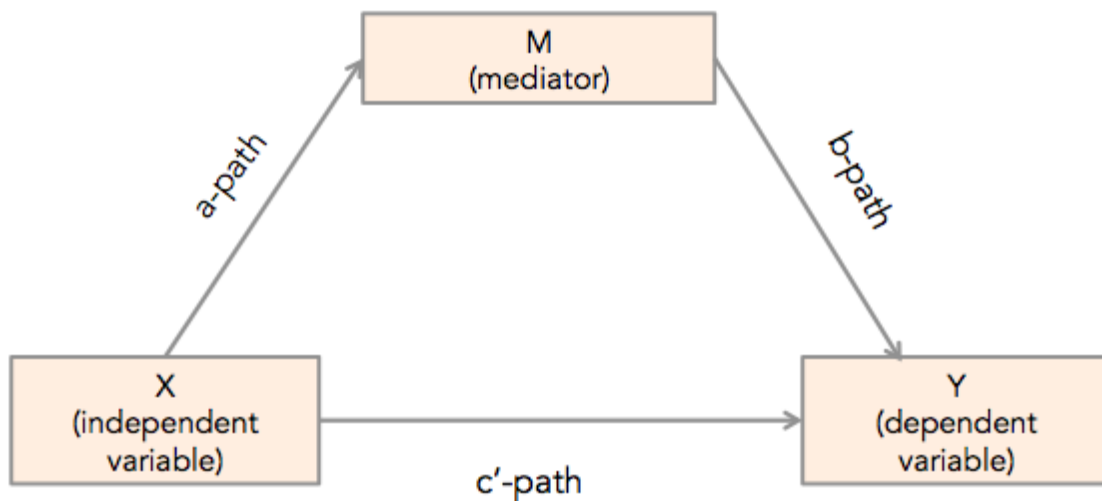
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7. Appendix

7.1 Model of Mediation

Mediation



When an independent variable (X) is thought to have an effect on a dependent variable (Y) there is often an intervening variable that can help explain how X affects Y. This intervening variable can be referred to as a mediator (M). A mediation analysis can be done to understand how M helps to explain the relation between X and Y. The mediation analysis computes multiple regressions analyses between:

- X & M - this relation is known as the a-path
- M & Y - this relation is known as the b-path
- X & Y - this relation is known as the c'-path. The c' indicates that this is the relation when the mediator is present in the theoretical framework. The c'-path can also be referred to as the

direct effect of X on Y for this theoretical model (not to be confused with the total effect gathered from a t-test)

As a result of these regression analyses we also get the “indirect effect” of X on Y. This is the effect that X carries on Y that is explained by the mediator (M), the indirect effect is often mentioned as the mediation.

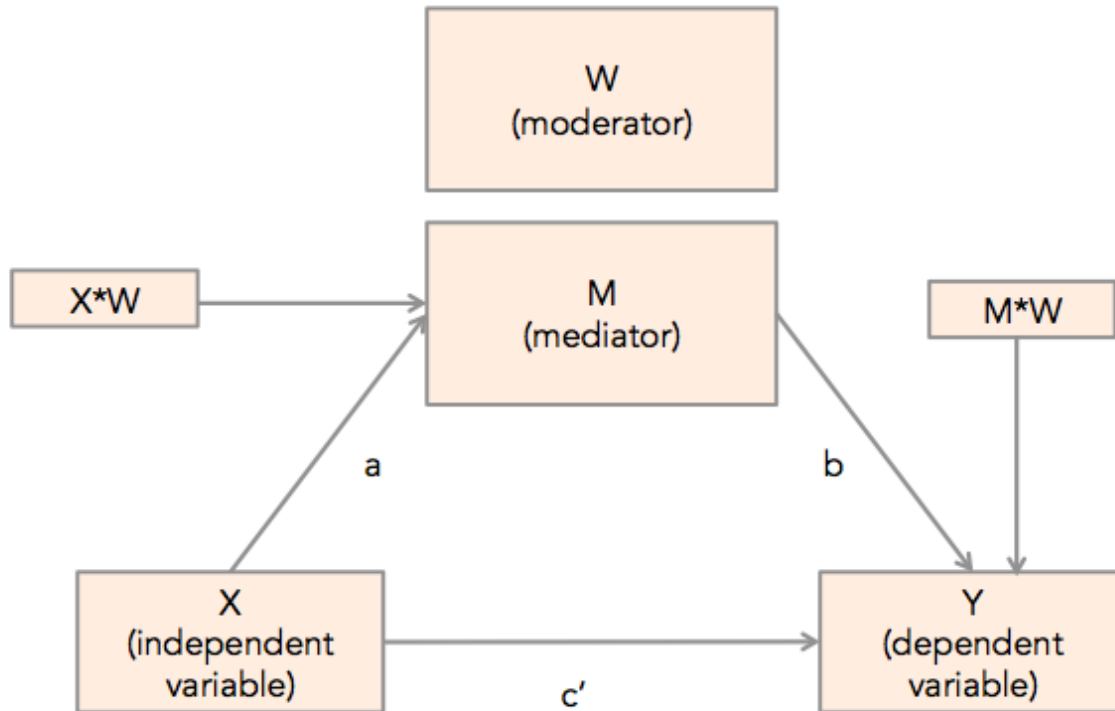
The most important values to consider are:

- the beta coefficients (unstandardized) - this is the effect that one units change in a variable causes in a goal variable (e.g. going from a poor to a good reputation will create a 1,43 increase in source credibility).
- The confidence intervals - simply put, if the value “0” is not between the lower and upper level confidence interval the effects are significant ($p=0,05$)
- The variance explained by the model - the R^2 shows how much of the variance in the goal variable that is explained by the variable that is thought to cause an effect (e.g. reputation explains circa 40% of the variance in source credibility). Low R^2 values can indicate that although there is a significant indirect effect it could have a small effect in an overall perspective.

The quality of the mediation model can then be assessed with the decision tree formulated by Zhao, Lynch & Chen 2010.

7.2 Model of Moderated Mediation

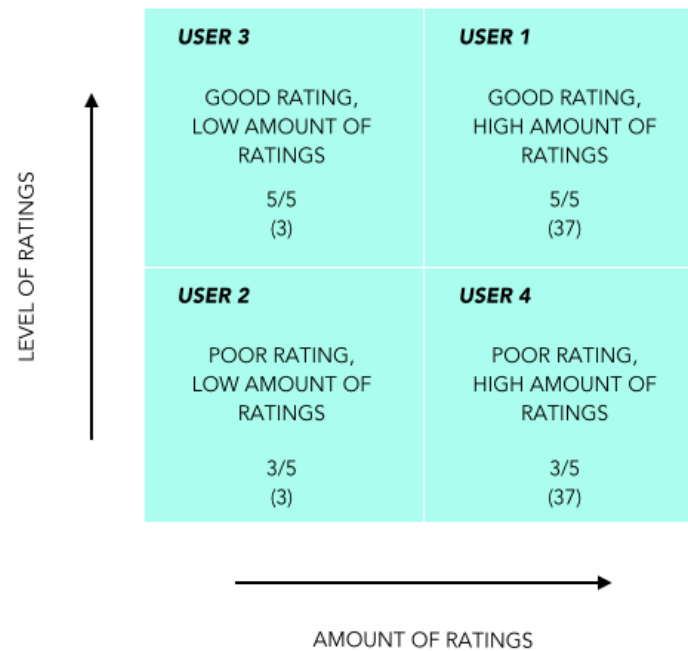
Moderated Mediation



When an independent variable (X) is thought to have an effect on a dependent variable it is often believed that certain conditions, such as personal traits of the population being investigated, can influence the strength of the effect that X has on Y. These conditions are known as moderators (W). In this study we are looking at how specific moderators impact the mediation models previously described. The key effect to look for in this context is the interaction between the moderator (W) and variables that are causing effects (X & M). If there are significant interactions it means that, depending on the level of the moderator, the effect of, for instance, X on M could be increased or decreased depending of the outcome of the interaction. An existing interaction means that we can look at the “conditional indirect effects” of the entire model and see how an increase in X will affect Y, through M, under different levels of a moderator (e.g. how much does an increase in reputation

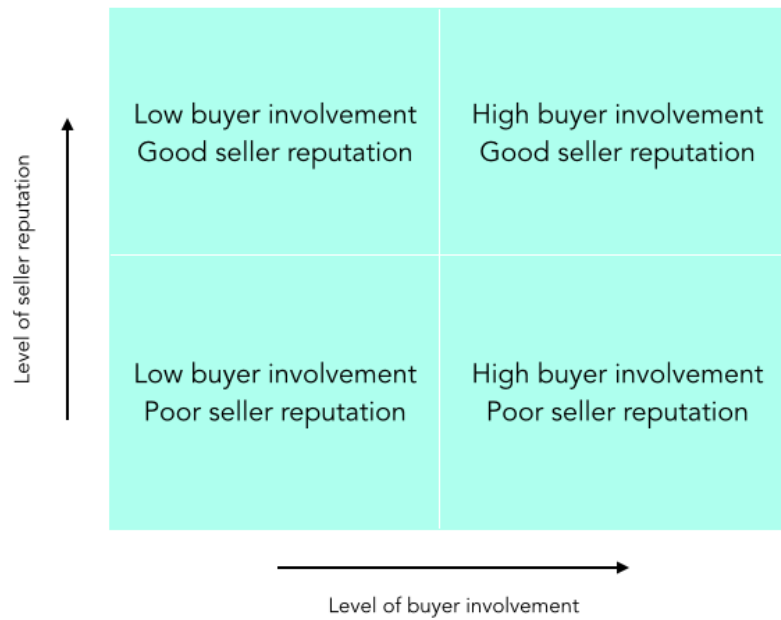
affect willingness to pay, through source credibility, when a buyer is highly or moderately involved in the purchase).

7.3 Reputation Stimuli Design



Reputation stimuli design.

7.4 Survey Groups for the Main Study.



7.5 Summary of Hypotheses

TABLE OF HYPOTHESES

REPUTATION --> SC (TRUSTWORTHINESS, EXPERTISE)	H1a	A good seller reputation (as opposed to poor reputation) leads to higher perceived source credibility in the seller.
	H1b	A good seller reputation (as opposed to poor reputation) leads to higher perceived seller trustworthiness.
	H1c	A good seller reputation (as opposed to poor reputation) leads to higher perceived seller expertise.
REPUTATION --> BUYER INTENTIONS AND ATTITUDES	H2a	A good seller reputation (as opposed to poor reputation) leads to a higher buyer attitude towards purchase (ATP).
	H2b	A good seller reputation (as opposed to poor reputation) leads to a higher buyer behavioural purchase intention (BPI).
	H2c	A good seller reputation (as opposed to poor reputation), leads to a higher buyer willingness to pay (WTP).
	H2d	A good seller reputation (as opposed to poor reputation) leads to a more positive buyer attitude towards the seller (ATS).

REPUTATION → BUYER INTENTIONS AND ATTITUDES MEDIATED BY SOURCE CREDIBILITY	H3a	A good seller reputation (as opposed to poor reputation), mediated by source credibility, leads to a higher buyer attitude towards purchasing (ATP).
	H3b	A good seller reputation (as opposed to poor reputation), mediated by source credibility, leads to higher buyer behavioural purchase intention (BPI).
	H3c	A good seller reputation (as opposed to poor reputation), mediated by source credibility, leads to higher buyer willingness to pay (WTP).
	H3d	A good seller reputation (as opposed to poor reputation), mediated by source credibility, leads to a more positive buyer attitude towards seller (ATS).
INVOLVEMENT IN SERVICE AS A MODERATOR	H4a	A high involvement setting will positively impact the effect source credibility has on buyer attitude towards the purchase (ATP).
	H4b	A high involvement setting will positively impact the effect source credibility has on buyer behavioural purchase intention (BPI).
	H4c	A high involvement setting will positively impact the effect source credibility has on buyer willingness to pay (WTP).
	H4d	A high involvement setting will positively impact the effect source credibility has on buyer attitude towards seller (ATS).
	H4e	A high involvement setting will negatively impact the effect a reputation has on source credibility.
BUYER DISPOSITION TO TRUST AS A MODERATOR	H5	A higher buyer disposition to trust will increase the effect of reputation on perceived seller source credibility.
BUYER RISK AVOIDANCE AS A MODERATOR	H6a	A higher buyer risk avoidance will increase the effect that source credibility has on buyer attitude towards the purchase (ATP).
	H6b	A higher buyer risk avoidance will increase the effect that source credibility has on buyer behavioral purchase intention (BPI).
	H6c	A higher buyer risk avoidance will increase the effect that source credibility has on buyer willingness to pay (WTP).
	H6d	A higher buyer risk avoidance will increase the effect that source credibility has on buyer attitude towards seller (ATS).
	H6e	A higher buyer risk avoidance will decrease the impact the effect reputation has on source credibility.

7.6 Table for Pre-Study 1 Results

	user 1	user 2	user 3	user 4
	high rating / high amount	high rating / low amount	low rating / high amount	low rating / low amount
Mean, Rating	6,40	5,00	3,43	2,93
Mean, Amount	5,77	5,21	2,43	2,03
	study aid	home cleaning	assemble furniture	garbage haul
Mean, Involvement	5,41	5,15	4,21	3,12

7.7 User Rating Stimuli

User 1.  (5/5)
37 ratings

7.8 Pre-study 1 Questionnaire and Stimuli

7.8.1 Introductory Text

Site X is an online platform, where you can hire other private people around you to help you with daily chores (e.g. dog walking, carrying furniture and so on).

Imagine you have recently noticed that you are too busy with work / studies and need external help to conduct daily tasks, and have turned to site X to hire a private person to help you.

Please answer the following questions in the context of this platform and the situations described.

7.8.2 Service Stimuli

Assembly of furniture

You have recently bought furniture for your home. You need to find a person that can assist you in assembling the furniture.

Study aid

A big exam is approaching and you are facing difficulties with learning all the material in time. You need to find a person who can sit down with you and tutor you in your home.

Garbage Haul

You are renovating your home. You need to find a person to transport the garbage from the curb outside your home to the recycling station.

Apartment/house cleaning

You don't have time to clean your home. You need to find a person to clean your home while you are at work/school.

7.8.2.1 Scales for Service Stimuli:

Scales originally found in Bruner II, 2009.

(1) To me, decisions regarding this service are ... (Not important (1) - Important (7))

Source: Maheswaran, Durairja and Joan Meyers-Levy (1990)

(2) To me, decisions regarding this service ... (Do not matter (1) - Matter (7))

Source: Maheswaran, Durairja and Joan Meyers-Levy (1990)

(3) In decisions regarding this service I would be ... (Not involved (1) - Highly Involved (7))

Source: Maheswaran, Durairja and Joan Meyers-Levy (1990)

(4) For me, the decision to purchase this service involves a ... (Low risk (1) - High risk (7))

Source: Gurhan-Canli, Zeynep and Rajeev Batra (2004)

7.8.3 Pre-Study 1: User Profiles Stimuli

Each presented on separate page with respective questions.

User 1.  (5/5)
37 ratings

User 2.  (3/5)
3 ratings

User 3.  (5/5)
3 ratings

User 4.  (3/5)
37 ratings

7.8.3.2 Ratings Measures

- (1) “Do you perceive this person’s rating to be...” (*Very Bad (1) - Very Good (7)*)
- (2) “How would you evaluate the amount of ratings the user has?” (*Very Few (1) - Very Many (7)*)

7.9 Main Study stimuli

7.9.1 Stimuli for “good seller reputation” and “poor seller reputation”

Good seller reputation

User 1.  (5/5)
37 ratings

Poor seller reputation

User 1.  (3/5)
3 ratings

7.9.2 Stimuli for “high involvement service” and “low involvement service”

High involvement service

Imagine you are now a member of site X. Site X is an online platform, where you can hire other private people around you to help you with small services (e.g. dogwalking, carrying furniture and so on).

You need help with studying for an exam and have posted an announcement of the job on site X. User 1 has offered to help you with this chore, and tutor you at your home. Here you can see User 1's profile.

Low involvement service

Imagine you are now a member of site X. Site X is an online platform, where you can hire other private people around you to help you with small services (e.g. dogwalking, carrying furniture and so on).

You are renovating your home and need to find a person to transport the garbage from the curb outside your home to the garbage station. You have posted an announcement of the job on site X. User 1 has offered to help you with this chore. Here you can see User 1's profile.

7.10 Main Study Measures

Source credibility of the seller (SC)

I believe User 1 is ...

Bad ... Good

Immoral ... Moral

TRUSTWORTHINESS

Not Trustworthy .. Trustworthy

Untrained ... Trained

Not Experienced ... Experienced

EXPERTISE

Not Expert ... Expert

Source: Harmon & Coney (1982)

Buyer attitude towards the purchase (ATP)

I am positive towards buying the service from User 1.

Strongly Disagree ... Strongly Agree

The thought of buying a service from User 1 is appealing to me.

Strongly Disagree ... Strongly Agree

I think it is a good idea to buy a service from User 1.

Strongly Disagree ... Strongly Agree

Source: Verhagen, Meents & Tan (2006)

Buyer behavioral purchase intention (BPI)

If you were to buy this service, how likely is it that you would buy it from User 1?

Very Unlikely ... Very Likely

Source: Mitchell & Olson (1981)

Buyer willingness to pay (WTP)

What price would you be willing to pay for User 1 to conduct this service (1h)? (Please add your local currency)

Buyer attitude towards the seller (ATS)

I perceive User 1 as ...

Unlikeable ... Likeable

Insincere ... Sincere

Unfriendly ... Friendly

Source: Whittler, Tommy E. and Joan DiMeo (1991)

Buyer disposition to trust (DTT)

I generally trust other people.

Strongly Disagree ... Strongly Agree

I generally have faith in humanity.

Strongly Disagree ... Strongly Agree

I generally trust other people unless they give me reason not to.

Strongly Disagree ... Strongly Agree

Source: Gefen (2000)

Buyer risk avoidance (RA)

When I choose a service, I feel it is safer to buy from service providers I am familiar with.

Strongly Disagree ... Strongly Agree

I am very cautious in trying new/different services.

Strongly Disagree ... Strongly Agree

I never buy something I don't know about at the risk of making a mistake.

Strongly Disagree ... Strongly Agree

Source: Raju (1980)

7.11 Hypotheses Results Overview

TABLE OF HYPOTHESES		ACCEPTED / REJECTED	
REPUTATION --> SC (TRUSTWORTHINESS, EXPERTISE)	H1a	A good seller reputation (as opposed to poor reputation) leads to higher perceived source credibility in the seller.	ACCEPTED
	H1b	A good seller reputation (as opposed to poor reputation) leads to higher perceived seller trustworthiness.	ACCEPTED
	H1c	A good seller reputation (as opposed to poor reputation) leads to higher perceived seller expertise.	ACCEPTED
REPUTATION --> BUYER INTENTIONS AND ATTITUDES	H2a	A good seller reputation (as opposed to poor reputation) leads to a higher buyer attitude towards purchase (ATP).	ACCEPTED
	H2b	A good seller reputation (as opposed to poor reputation) leads to a higher buyer behavioural purchase intention (BPI).	ACCEPTED
	H2c	A good seller reputation (as opposed to poor reputation), leads to a higher buyer willingness to pay (WTP).	REJECTED
	H2d	A good seller reputation (as opposed to poor reputation) leads to a more positive buyer attitude towards the seller (ATS).	ACCEPTED
REPUTATION --> BUYER INTENTIONS AND ATTITUDES MEDIATED BY SOURCE CREDIBILITY	H3a	A good seller reputation (as opposed to poor reputation), mediated by source credibility, leads to a higher buyer attitude towards purchasing (ATP).	ACCEPTED
	H3b	A good seller reputation (as opposed to poor reputation), mediated by source credibility, leads to higher buyer behavioural purchase intention (BPI).	ACCEPTED
	H3c	A good seller reputation (as opposed to poor reputation), mediated by source credibility, leads to higher buyer willingness to pay (WTP).	ACCEPTED
	H3d	A good seller reputation (as opposed to poor reputation), mediated by source credibility, leads to a more positive buyer attitude towards seller (ATS).	ACCEPTED
INVOLVEMENT IN SERVICE AS A MODERATOR	H4a	A high involvement setting will positively impact the effect source credibility has on buyer attitude towards the purchase (ATP).	REJECTED
	H4b	A high involvement setting will positively impact the effect source credibility has on buyer behavioural purchase intention (BPI).	ACCEPTED
	H4c	A high involvement setting will positively impact the effect source credibility has on buyer willingness to pay (WTP).	REJECTED
	H4d	A high involvement setting will positively impact the effect source credibility has on buyer attitude towards seller (ATS).	REJECTED
	H4e	A high involvement setting will negatively impact the effect a reputation has on source credibility.	REJECTED
BUYER DISPOSITION TO TRUST AS A MODERATOR	H5	A higher buyer disposition to trust will increase the effect of reputation on perceived seller source credibility.	REJECTED

BUYER RISK AVOIDANCE AS A MODERATOR	H6a	A higher buyer risk avoidance will increase the effect that source credibility has on buyer attitude towards the purchase (ATP).	REJECTED
	H6b	A higher buyer risk avoidance will increase the effect that source credibility has on buyer behavioral purchase intention (BPI).	ACCEPTED
	H6c	A higher buyer risk avoidance will increase the effect that source credibility has on buyer willingness to pay (WTP).	REJECTED
	H6d	A higher buyer risk avoidance will increase the effect that source credibility has on buyer attitude towards seller (ATS).	ACCEPTED
	H6e	A higher buyer risk avoidance will decrease the impact the effect reputation has on source credibility.	REJECTED

7.12 Effects Framework with Results

