An Exploratory Study on Buyers’ Participation in Reputation Systems

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AN EXPLORATORY STUDY OF BUYERS’ PARTICIPATION IN C2C REPUTATION SYSTEMS

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Abstract

Online reputation systems have been found to be an effective way to ensure honest behavior from the seller in consumer to consumer (C2C) e-commerce. At the same time, reputation systems have also been regarded as an important platform where large-scale of word-of mouth behavior and evaluations of the purchase experience could be communicated. There are altogether two components in online reputation systems: ratings and textual feedback. Thus, reputation systems are often considered to be constituted of buyers’ quantitative scoring and qualitative feedback which offers an important reference to other buyers when deciding whether or not to buy from a seller. The aim of this study is to develop a comprehensive understanding of the antecedents and motivation of buyers’ participation in the C2C reputation system after each transaction. Due to a lack of related research, interviews with online buyers have been first conducted to help to decide the research scope and identify the main antecedents. Satisfaction and conflict handling styles have a significant impact on willingness to submit a positive rating. The study also confirms that willingness to submit textual feedback could be investigated through WOM behaviour and online contribution.

Keywords: reputation systems, knowledge contribution, service quality, enjoyment in helping.
1. INTRODUCTION

Online reputation systems have become an important component of online shopping because they could help to elicit trust from buyers (Bakos & Dellarocas, 2003) and ensure sellers’ honesty to some extent (Dellarocas, 2003). Many buyers have formed the habit of reviewing sellers’ reputation records before making purchase decisions, which makes reputation a crucial clue to judge whether the seller is trustworthy. Prior research fully embodies the positive effect of reputation systems’ importance in an online shopping web site, including building trust (Bakos & Dellarocas, 2003), increasing profit (Standifird, 2001), and making the whole transaction process more efficient (Wood, Fan, & Tan, 2003). However, little attention has been paid to the participation in and effectiveness of these systems.

Although little research has been conducted in this field, we still could find some clues from the literature. Dellarocas and Wood (2008) conducted a quantitative research on eBay reputation systems and proposed several factors that may lead to reporting bias: buyers are more willing to share their unusual experiences rather than common ones; buyers are reluctant to share bad news; buyers fear retaliation from sellers. For these reasons, they demonstrate that the overwhelmingly positive feedback in eBay might not be so representative of reality.

After each transaction has been completed, buyers would be given the opportunity to rate their sellers with positive, negative or neutral evaluations. Besides the evaluation, buyers are also asked to submit a small paragraph expressing their feelings during this transaction. A rating number is easy to find because the number is easy to compare. Textual feedback needs to be carefully reviewed since it includes richer information. It has been proposed that the rich content of textual feedback carries more useful reputation information about a seller than numerical ratings (Pavlou & Dimoka, 2006). Due to important functions of textual feedback and ratings of reputation systems, it is meaningful to know why people intend to participate in the systems and are willing to leave feedback. In this research, we intend to investigate the antecedents of participation in reputation systems. Since positive ratings constitute more than 99 percent of all ratings, we intend to investigate why people are willing to give positive ratings. We also include textual feedback submission in the research because many buyers choose to leave no feedback, though it has been found that the actual satisfaction level is significantly lower than the positive comments suggest (Dellarocas & Wood, 2008).

2. LITERATURE REVIEW

2.1 Reputation Systems

A reputation system is a mechanism which could be used to decrease the severity of problems caused by information asymmetry between sellers and buyers in the online shopping context. Information asymmetry is one of the major reasons for market failure (Akerlof, 1970). Most of the time, buyers’ information is less rich than sellers which makes buyers unable to evaluate product quality before purchase. This condition is especially serious in the online shopping context because nearly all the information buyers could get is from the seller’s description through web pages; buyers could not touch or judge the quality directly like the situation of offline shopping context. Thus, some sellers might make use of this opportunity to deliver a product of a lower quality than they claim in their description of the product. To avoid this online shopping deception, reputation systems were brought in to encourage sellers to be honest. Past research shows that a reputation system could facilitate the trust building process (Fuller, Serva, & Benamati, 2007). The functions of reputation systems are more than simple trust building, Wilson (1985) indicates that reputation mechanisms could facilitate cooperative behaviour without enforcement. In addition, the tools of reputation mechanisms will not involve any costs, unlike traditional contracts.

With the prosperity of online shopping markets, reputation systems, also known as online feedback mechanisms have focused a lot. Past research confirms the contribution of the existence of reputation systems by the following ways:
1. It is believed that reputation systems could facilitate the building of trust between sellers and buyers. Online shopping and auctions have their own character that buyers could not see the product unlike traditional trade. The buyer should take on the risk of buying the wrong product.

2. Sellers with good records in reputation systems could bring themselves more opportunity to engage in business and to command higher prices. It has been found sellers’ reputation could exert a significant impact on price through data collected from eBay (Houser & Wooders, 2006). Thus, sellers’ honest behavior was greatly encouraged through reputation system and buyers’ interest could be protected to some extent.

3. Buyers could collect more information from the reputation system which might facilitate their purchase behavior and make them more confident in online markets.

4. The existence of the reputation system would make the transaction process more efficient.

2.2 Online knowledge contribution

With the development of IT, knowledge exchange could take place far beyond the organizational context. Online knowledge sharing has been investigated through virtual communities of practice (Ardichvili, 2008) or networks of practice (Wasko & Faraj, 2005) and public document repositories (PDR) (Peddibhotla & Subramani, 2007). Since motivating people to contribute knowledge to others is the basic way to keep the community or repositories prosperous, determinants of knowledge contribution behavior have been a focus in the past research.

Virtual communities (VC) means “online social networks in which people with common interests, goals, or practices interact to share information and knowledge, and engage in social interactions” (Chiu, Hsu, & Wang, 2006). Compared to the VC contributors who could gain reputation, building networks with others, contributors of PDR share their knowledge from their intrinsic motivation to a greater extent (Kankanhalli, Tan, & Wei, 2005).

2.3 E-Service Quality

Service quality has been defined as “conformance to requirements” (Crosby, 1979). It has been widely accepted that service quality refers to the gap between expectations and perceived service performance. Sullivan and Walstrom (2001) applied SERVQUAL measurement scales to B2C websites, the wording of the measures were modified in order to fit for online environment. Gefen (2002) employed the SERVQUAL into electronic context and found that original five dimensions collapse to three with online service quality. Thus, researchers found that adapting offline scales might not satisfy the need for online service quality investigation. Yoo and Donthu (2001) developed SITEQUAL to measure site quality, the whole measurement including four dimensions: ease of use, aesthetic design, processing speed and security. Parasuraman, Zeithaml and Malhotra (2005) demonstrated in great detail that results of past research focusing on interaction between human and technology reveal attributes of the technology such as ease of use and usefulness would affect consumers’ perceived service quality. Due to the gap of the measurement, Barnes and Vidgen (2000) developed a instrument to measure quality of web sites including usability, information and service interaction. However, (Zeithaml, Parasuraman, & Malhotra, 2000) believed that only experiences of customers’ interactions with the site might not offer a complete assessment of web site’s quality, they defined e service quality as “the extent to which a web site facilitates efficient and effective shopping, purchasing, and delivery”. Thus, E-S-QUAL was created for measuring the service quality delivered by web sites (Parasuraman et al., 2005).

2.4 Word of mouth

WOM is understood as a kind of “informal communication between private parties concerning evaluations of goods and services” (Anderson, 1998). Thus, the formal complain to company and customer service is excluded. Also, word of mouth includes positive, neutral and negative content. Positive word-of-mouth may due to satisfaction of the product and service and the content might include positive evaluations and encouragement and recommendation. Negative word-of-mouth, on the contrary, may due to unpleasant experience of using the product or service. The content includes
complaints and dissuasion from buying the product. The function of word-of-mouth has been demonstrated through past research. Hogan, Lemon and Libai (2004) showed that word-of-mouth often constitutes a complement to and extension of an advertisement. It has also been pointed out that word-of-mouth is positively related to a company’s profit growth at a macro level (Kumar, Petersen, & Leone, 2007). On the contrary, negative word-of-mouth brings the opposite effect. What is more, past research even indicated that dissatisfied customers will be more inclined to engage in word-of-mouth behaviour than satisfied ones (Anderson, 1998). Past research also shows that word of mouth often has a great impact on attitudes and judgments on products. In addition, people are inclined to search and ask for others experience before they made their purchase decisions. Thus, others’ experience may be an important antecedent of the purchase decision.

3. INTERVIEWS ON REASONS FOR BUYERS’ PARTICIPATION

Little research has been conducted on participation in reputation systems in the Chinese context. Although there is lots of research in western countries, little research could be found done in Chinese context. Interviews were conducted to explore the potential antecedents of satisfaction formation and motivation of participation in reputation systems in TaoBao. Each interview lasted 10 to 30 minutes. The interviewers were randomly chosen from the TaoBao website and all of them have experienced a successful transaction at least five times on TaoBao. The interviews were undertaken through online conversation using WangWang: a kind of instant message tool specially designed by TaoBao and mainly used for buyer-seller communication. Past research and related statistics shows that more than 95% of the transaction is dealt by using WangWang (Ou & Davison, 2009). Questions of satisfaction formation were first asked which could facilitate our understanding of this topic in TaoBao’s context. Altogether 30 buyers have been interviewed and their answers have been coded following open coding techniques.

<table>
<thead>
<tr>
<th>Antecedents</th>
<th>Frequency of mention</th>
<th>Illustrative comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of the product</td>
<td>29 (97%)</td>
<td>“Of course, the most important thing is the quality of the product”</td>
</tr>
<tr>
<td>Service quality</td>
<td>19 (63%)</td>
<td>“I always care for sellers’ attitude, if they could be considerate for me, if they could be warm and let me feel comfortable during the whole process”</td>
</tr>
<tr>
<td>Delivery</td>
<td>12 (40%)</td>
<td>“I prefer those sellers who could delivery the product I ordered quickly”</td>
</tr>
<tr>
<td>Accommodating</td>
<td>8 (26.7)</td>
<td>“Although the quality is not satisfying, but I think it is not too bad. Anyway, it not easy for seller. So, I give a positive rating as a encouragement”</td>
</tr>
<tr>
<td>Avoiding</td>
<td>7 (23.3)</td>
<td>“I do not want to dispute with sellers, just leave a positive rating and never buy a second time”</td>
</tr>
</tbody>
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Table 1. Antecedents of Positive Ratings

<table>
<thead>
<tr>
<th>Antecedents</th>
<th>Frequency of mention</th>
<th>Illustrative comments</th>
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<tbody>
<tr>
<td>Satisfaction</td>
<td>21 (70%)</td>
<td>“I will write feedback in two conditions. One is when I am very satisfied; the other is when I am very dissatisfied. If I feel just so so, I will leave the work to system default”</td>
</tr>
<tr>
<td>Perceived usefulness of knowledge</td>
<td>12 (40%)</td>
<td>“I usually will submit textual feedback. As for my experience, I will always look at others’ feedback before purchase. I think it offer a reference. So, no matter how I feel I will always write it as a feedback. I think some one must care about it. Anyway, I do care!”</td>
</tr>
</tbody>
</table>
| Enjoyment                     | in 11 (36.7%)        | “I write the feedback every time. I think future buyers
helping could make it as a reference. Ah, I am a good person.”

<table>
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<tr>
<th>Relationship with the seller</th>
<th>6 (20%)</th>
<th>“I kept some good relationships with several sellers. I would like to write some thoughts to them. I will honestly express my feeling about the product I bought, mostly are positive comments”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ease of use</td>
<td>2 (6.7%)</td>
<td>“Writing feedback is not convenient to do, so I just finish the payment after I received the good from sellers”</td>
</tr>
</tbody>
</table>

Table 2. Antecedents of Textual Feedback Submission

4. MODEL AND HYPOTHESES

Results from online interviews show that evaluations of product quality are important determinants leading to customer satisfaction. The relationship between service quality and satisfaction has also been extensively researched in the past. Tsiotsou (2005) defines perceived quality as “a consumer’s judgment about a product’s overall excellence or superiority” which is different from objective quality referring to actual technical excellence of the product which could be proved through measurement (Monroe & Krishman, 1985). Most researchers in the marketing area accept the framework showing that product quality would lead to satisfaction (Olsen, 2002; Tsiotsou, 2005). Although electronic commerce research has focused a lot on web site qualities rather than product quality, it is still the most influential factor both in online and offline shopping contexts (Ahn, Ryu, & Han, 2004). Thus, we have the first hypothesis.

H1, Satisfaction will be positively related to evaluations of product quality.

Service quality has been believed by many researchers to have a positive and significant effect on consumer satisfaction in many fields (Selnes, 1993). In the online shopping context, service quality has also been deemed as an important antecedent of customer satisfaction (Cristobal, Flavian, & Guinaliu, 2007; Shankar, Smith, & Rangaswamy, 2003). Jun, Yang and Kim (2003) find that four dimensions of service quality should be paid attention, viz. prompt responses, attentiveness, ease of use, and access because their survey results indicate that these dimensions could increase customers’ satisfaction substantially.

H2, Satisfaction will be positively related to evaluations of service quality from the seller.

In TaoBao, ratings given by buyers are based on one transaction towards a certain seller. Therefore, the evaluation, to a large extent, is affected by customers’ transactional satisfaction. According to our statistical results, 99.52% of evaluations are positive including 6.32% from system default. Moreover, 93.68% of buyers will rate sellers after a transaction is complete. Then, we proposed that satisfaction is an important antecedent of willingness to submit a positive rating.

H3, Customer satisfaction has a positive effect on willingness to submit positive rating to sellers.

Antecedents of submitting textual feedback could be investigated from three perspectives. First, from marketing research, textual feedback offered by sellers could be regarded as digital word of mouth (WOM) behaviour. Buyers share their knowledge of sellers, products bought from sellers, or experience of dealing with sellers. This knowledge is not only helpful to potential buyers, but also precious to buyers themselves because this could let them have the opportunity to communicate with sellers after the product is dispatched, so as to let buyers understand their advantage and disadvantage. Literature focused on knowledge contributions might also offer some guidance to this line of research. Finally, we could also investigate textual feedback submissions from the perspective of communications with sellers. Some buyers also express their feelings towards the product, transaction satisfaction, or service.

Ladhari (2007) demonstrate that the relationship between satisfaction and WOM may be one of conflict for there is no consensus as to whether a satisfied customer or dissatisfied customer participates more in WOM activities. Due to the conflicting results, Ladhari further proposes that different aspects of evaluation, different leading factors, and different environmental issues such as
financial, social or psychological risks, might all explain the conflicting results of past WOM research. His research further confirms that satisfaction has a significant effect on the likelihood of WOM which is consistent with past research showing that customers with a satisfactory experience will engage in WOM activities more frequently (Holmes & Lett, 1977; Reichheld & Sasser, 1990). So, we hypothesise that, 

H4, Level of satisfaction has a positive effect on the level of willingness to submit textual feedback.

Trust was defined as “existing when one party has confidence in an exchange partner’s reliability and integrity” (Morgan & Hunt, 1994). Prior research shows that trust will lead to positive WOM behavior (Ranaweera & Prabhu, 2003). Ranaweera and Prabhu (2003) proposed that trust was an antecedent to customer loyalty while positive WOM is a typical characteristic of a loyal customer. It has also been demonstrated that customer trust in an employee will lead to positive WOM intentions, because it is believed that positive encounter experiences could induce customer advocacy behaviours, such as positive WOM (Gremler, Gwinner, & Brown, 2001). In TaoBao, the seller is the person who will interact with the buyer in most cases. Thus, according to this logic, we develop hypothesis 5.

H5, Level of trust has a positive effect on the willingness to submit textual feedback.

The result of interviews shows that the relationship with a seller is also an important factor which leads to willingness to submit textual feedback. Some buyers suggested that good relationships make them more willing to write what they think about the product, and their thoughts about their transaction experience. They think this kind of feedback could not only let sellers know their feelings, but also induce other potential customers to consider buying from the seller.

H6, Relationship with the sellers has a positive effect on the willingness to submit textual feedback.

Also, prior research shows that satisfaction is an antecedent to trust. It has been found that web site satisfaction has a positive effect on web site trust because trust could be built through satisfaction based on their own experiences(Horppu, Kuivalainen, Tarkiainen, & Ellonen, 2008). Satisfaction from past experiences also provide customers with confidence in the retailer (Siau & Shen, 2003). Although the relationship between trust and satisfaction has not been confirmed in the C2C context, according to this logic, we could believe that buyers with satisfaction experience with the seller also have confidence in buyers that a product and service of good quality could be offered. So we developed the following hypothesis.

H7, Satisfaction is positively related to trust in sellers

Ford and Staples (2006) indicate three dimensions of perceived value of knowledge: usefulness, benefits from owning the knowledge, and source of the knowledge. They also indicate that the more valuable the knowledge, the more likely it would be shared, which is contradictory to past research results showing that knowledge power would be a barrier to knowledge sharing intentions because the contributor might lose the power of knowledge (Gray, 2001). Power of knowledge’s barrier does exist in organizational context according to past research (Huang, Davison, & Gu, 2008). However, this barrier does not exist in reputation systems context, since the premise of knowledge power lies in the uniqueness of the knowledge and the benefits that accrue to the owner. According to this logic, buyers have no reasons to give up knowledge sharing because of the potential loss of knowledge power. Thus, we hypothesise that,

H8, Perceived value of knowledge is positively associated with willingness to submit textual feedback.

According to replies from online buyers, the enjoyment of helping is also an important antecedent. “Altruism is motivation with the ultimate goal of increasing the welfare of one or more individuals other than oneself” (Batson, 1994). Enjoyment in helping others comes from the definition of “altruism” referring to people deriving enjoyment intrinsically from helping others without anticipation for any return (Smith, 1981). At the same time, this factor could also be found in past research investigating knowledge contributing behaviour (Kankanhalli et al., 2005; Peddibhotla & Subramani, 2007). Thus, those who enjoy helping other customers through recording their ideas about the transaction will be more likely to submit textual feedback.
H9 Enjoyment in helping others is positively associated with willingness to submit textual feedback.

From the results of interviews, some buyers express that inconvenience of submitting feedback will produce a barrier for them to leave textual feedback. Thus, we have our last hypothesis, 

H10 Ease of use is positively associated with willingness to submit textual feedback.

Interview results also give us some guidance as to the identity of the antecedents of buyers’ intentions to give positive ratings. Conflict handling theory is appropriate to depict this condition. Mobert defines conflict style as “specific behavioral patterns that one prefers to employ when addressing conflict situations” (Mobert, 2001). Dual concern models indicate that “concern for self” and “concern for others” lead people to choose different conflict-handling strategies. Most researchers, although they give a different name to the dimension, agree that conflict handling choice is based on the two dimensions of “concern for self” and “concern for others” (Sorenson, Morse, & Savage, 1999).

According to interview results, we find that many sellers have conflict handling styles of avoiding and accommodating. They offer sellers positive ratings not because they are satisfied with the transaction but because they try to avoid an embarrassing experience with the seller, or they think a negative or neutral rating will do harm to seller’s reputation and so influence future profit. Prior research demonstrates that traditional Chinese culture will influence Chinese negotiating behavior (Kirkbride, Tang, & Westwood, 1991). Toomey et al. (1991) investigated the relationship between face maintenance dimensions and conflict styles in five countries including China. The results of this research show that Chinese people are more likely to use a higher degree of accommodating and avoiding conflict management styles. Further, Ma (2007) proposed that the Chinese culture of collectivism might lead to non-confrontational styles, such as accommodating, compromising, and avoiding styles. Then, we propose Hypothesis 11 and Hypothesis 12.

H11 An accommodating style will positively affect willingness to submit positive ratings to sellers

H12 An avoiding style will positively affect willingness to submit positive rating to sellers
5. RESEARCH METHODOLOGY AND DATA ANALYSIS

5.1 Data Collection

A pretest has been conducted on 30 buyers to ensure construct reliability and validity. Two identical versions of the final survey were used: an online version and a .doc version. Most people completed the online version, but a few were unable to do so and we emailed them the .doc version to complete and return. Participation in the survey was voluntary. The formal study population are all actual buyers who have engaged in real transaction experiences on TaoBao at least three times. We contacted potential respondents through email and forum messages. Each respondent left their TaoBao ID after completing survey; then they were entitled to join the lucky draw with a chance to win a gift. After data collection, a cash prize of between 30 RMB and 100 RMB was sent to respondents through TaoBao’s payment system. Altogether, a total of 269 valid responses were received.

5.2 Reliability and Validity of the Scales

Tables 3 and 4 show the reliability and validity of all constructs (available from the authors on request). For convergent validity, the results of CFA (Confirmatory Factor Analysis) show that all the loadings are above 0.6 criteria. Cronbach’s Alpha and Composite Reliability scores are all higher than the benchmark of 0.6 (Fornell & Larcker, 1981). At the same time, AVE (Average Variance Extracted) were above the recommended level of 0.5. It means that measurement model has good convergent validity. Besides, we assessed discriminate validity through the relationship between correlations among constructs and the square root of AVEs, which has been shown in Table 2.

5.3 Hypothesis Testing

The results show that service quality ($\beta=0.101, p<0.05$) and product quality ($\beta=0.779, p<0.01$) have a significant effect on satisfaction. So, both H1 and H2 are supported. It has also been found that satisfaction positively affects willingness to submit a positive rating ($\beta=0.769, p<0.01$) and textual feedback ($\beta=0.162, p<0.05$) showing that H3 and H4 are supported. Trust ($\beta=0.179, p<0.01$), relationship with seller ($\beta=0.165, p<0.01$) and enjoyment in helping ($\beta=0.424, p<0.01$) all have a significant effect on willingness to submit textual feedback. So, H5, H6 and H9 are supported. However, there is no significant relationship between willingness to submit textual feedback and perceived value of knowledge, so H8 is not supported. Moreover, we did not find a significant relationship between willingness to submit textual feedback and ease of use either, so H10 is unsupported. Trust is significantly affected by satisfaction ($\beta=0.677, p<0.01$), so H7 is supported. Finally, we find that an accommodating style ($\beta=0.169, p<0.01$) is an important antecedent to the willingness to give a positive rating while an avoiding style is not. So, H11 is supported while H12 is not.
6. DISCUSSION AND IMPLICATIONS

In the C2C context, buyers’ transactional satisfaction would be decided primarily by service quality and product quality instead of web site design or security. Product quality has a much stronger effect than service quality. Therefore, we could find that although C2C is a kind of online transaction, essentially it does not have any difference with offline transactions: quality is the basic attribute to which customers pay attention. An over dependent relationship between product quality and satisfaction suggests that there is considerable room for C2C reputation systems to be improved and so for customers to command a higher standard of service quality from sellers.

We do not find a significant relationship between perceived value of knowledge and willingness to submit textual feedback, which indicates that some buyers do not want to submit any comments even though they think it is important information for other buyers. This result partly explains why those moderately dissatisfied customers choose to keep silent and do not want to share with others about their unsuccessful experience even though their contributions could help others avoid the same result. Lack of incentives is a possible explanation for this insignificant relationship. TaoBao will not offer any tangible or intangible reward for those who submit their textual feedback although it will take time and effort to do so. Many respondents agree that leaving textual feedback is meaningless and doing so will not get them any benefit. As in the WOM area, Wirtz and Chew (2002) suggest that satisfaction might not be sufficient to leverage word of mouth activity; incentives are also needed.

The relationship between ease of use and willingness to submit textual feedback is also not significant. Some buyers’ answers show that they do not want to write feedback because the web site setting makes it difficult and inconvenient to finish the task. Survey results indicate, however, that this may be a superficial reason. If a buyer really has the intention to share knowledge or spread his WOM, he will do it although it will take him some time and effort to overcome the trouble brought by
inconvenience. Nevertheless, we see that on average, buyers’ attitude towards the ease of use of the reputation system is positive.

A significant contribution of this research has been the inclusion of conflict styles. We find that an accommodating conflict style could be embodied when buyers give a rating to sellers. This result accords with interview data, where buyers indicated that offering a neutral or negative rating would have a negative effect on sellers’ future sales and profit. So, as long as the product or the service could be endured, they were inclined to give a positive rating. On the other hand, the avoiding conflict style has not been found to have a significant relationship with the willingness to give positive a rating. One possible reason for this insignificant relationship might be that due to the context of online transactions, the interaction of buyers and sellers primarily involve instant messenger tools such as WangWang and MSN. Thus, there is no need for them to face each other as they would do in the offline shopping context. Thus, embarrassment caused by conflict could be alleviative to some extent. The second reason is that most positive ratings are given after the disagreement has been resolved. With appropriate communication between sellers and buyers, reputation mechanisms make both sellers and buyers shy away from serious conflict, also reducing the incidence of embarrassing situations.

6.1 Implications for Theory

This study advances theoretical development in the area of reputation systems and C2C e-commerce. Our exploratory research has identified the antecedents of willingness to participate in reputation systems by using theory from several areas: customer satisfaction, WOM, online knowledge contribution, and conflict handling theory. The survey data provides strong evidence that we have caught the right orientation in this area.

Service quality and product quality has been proved to be more significant than web quality, and product quality in particular has a very strong relationship with customer satisfaction. This finding gives us a good reminder that the focus of online shopping research should not neglect the basic factors related to the product itself, at least in the Chinese context.

This study demonstrates that participation in reputation systems could be explained through conflict handling behaviour. This finding breaks new ground by introducing conflict styles into reputation systems research and confirms that accommodating does affect the willingness to provide positive ratings. This illuminates future research by adding a more detailed and a more comprehensive examination on conflict styles into reputation research.

6.2 Implication for Practice

This research also has significant practical implications for three parties: seller, buyer, and web site. If sellers wish to win more positive ratings and textual feedback so as to attract more potential customers, there is far more that needs to be done besides increasing service quality and product quality. Being honest, frank and friendly to buyers, keeping them updated with transactional information, and establishing a good relationship with them are all important.

On the other hand, C2C websites need to improve the quality of their reputation systems. Firstly, there is an atmosphere that neutral ratings could not be tolerated by sellers. Websites should encourage buyers to submit genuine ideas about transactions instead of simply accommodating their concerns by giving positive ratings, since this will mislead future buyers and make them distrust reputation systems, ultimately damaging the website itself. Secondly, not all buyers realize that their textual feedback is useful to future buyers. The website could emphasize this by providing some guidance when asking buyers to write comments, helping them to realize the importance of contributing a few sentences of feedback. At the same time, buyers need to realize that feedback from reputation systems constitutes a kind of public good: all buyers could reciprocally benefit if every one is willing to share.
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