ABSTRACT

Exchanges between Internet users have clearly increased with the proliferation of social networks. That has revalorized Consumer-to-Consumer (C2C) Websites which represent an important information source for clients. With the increase of actors in C2C markets, the reputation of the company is a fundamental element for internet users’ choices. The objective of this research paper is to identify the factors that can affect the companies’ reputation whose products are sold by consumers in C2C websites. A qualitative study was conducted. This study is based on the analysis of ads’ content of two Tunisian C2C websites as well as interviews with C2C websites’ users. The results highlight the determinants of companies’ reputation in C2C websites: quality of the classified advertisements, quality of the C2C website, price and electronic word-of-mouth (as a receiver). All these elements affect companies’ reputation in C2C website users’ mind. This reputation can also have consequences, such as electronic word-of-mouth (as a sender) and intention to buy the companies’ products in the future.

KEYWORDS

C2C, Corporate Reputation, Internet, Word-of-Mouth

1. INTRODUCTION

These last years were marked by the expansion of the social networks’ phenomenon which became an important information source for both companies and consumers. These communities facilitate interactions between Internet users where they can exchange products, services and interests. This form of membership assures a better credibility for the information and the products exchanged online. Buying and selling products online have become a common practice (Leonard, 2012). Recent years have witnessed the birth of several concepts such as the sale on social networks, the different forms of electronic commerce and C2C websites. These websites are dedicated to products and services exchanges between particulars. Consumers can sell their used or new products to other consumers. The website is an exchange place where both parties can contact each other, discuss about the product and finalize the transaction. Although the sold products are appropriate to brands, companies have no control over the way with which takes place the exchange between private individuals. The consumers “sellers” can exchange information about some products without a perfect conviction of the brand. The corporate reputation can then be affected.

Few researches explored the companies’ corporate reputation in C2C websites’ context (Yanchun et al., 2011). In addition to this theoretical gap, managers need to better understand the announcers’ role in determining the corporate reputation in order to control the companies’ image. It can then be interesting to explore this research thematic. The objective of this research paper is, firstly, to explore the concept of the companies’ reputation in C2C websites and identify, secondly, the factors that can affect corporate reputation.
2. LITERATURE REVIEW

2.1. Understanding the Consumer-to-Consumer

The exchange between private individuals began to expand especially further to the emergence of technologies which were able to offer new opportunities of exchange between consumers. Internet plays a major role in C2C development. Internet is an important tool for information exchanges and communication with transactions’ actors. C2C transactions concern all activities connecting two private individuals: a seller and a buyer (Mu, 2015). It includes online auctions, classified ads, discussion forums and chat rooms (Jones & Leonard, 2008). Exchanges between consumers can be transactional or relational (Gruen et al., 2005). Most studies focused on the relational context of C2C exchanges, especially exchanges in discussion forums. Bagozzi and Dholakia (2002) assert that exchanges between participants on virtual communities could have several values: an economic value related to ideas’ sharing for a cost cut or an increase of income, a second social value obtained further to the experiences and stories’ sharing and a third personal value related to the encouragements between communities’ members. So, resources shared by communities’ members can be cognitive, emotional or materials (McAlexander et al., 2002). If, at first, exchanges between Internet users are transactional and utilitarian, they become, over time, more relational getting social, intellectual, emotional and/or economic values (McAlexander et al., 2002).

Considering the complexity of these exchanges, companies have not much control over the information exchanged between consumers. The researches on C2C do not bring more answers, they are often focused on the informative exchanges between consumers on discussion forums (Bagozzi & Dholakia, 2002; Hagel & Armstrong, 1997; Kozinets, 2002; Gruen et al., 2005) and the notion of risk-taking (Flanagan & Metzger, 2007). It is, then, fundamental to understand the role played by C2C websites in determining the corporate reputation.

2.2. Corporate Reputation

We can notice the abundance of researches which focused on corporate reputation as a concept. In spite of this interest, there is no consensual definition for corporate reputation. The concept is still vague and ambiguous (Fombrun & Van Riel, 1997; Smaiziene & Jucevicius, 2015). According to literature, corporate reputation is assimilated, or sometimes opposed, to the image of the company (Bernstein, 1984; Dutton et al., 1994; Semons, 1998). Other researchers are adding conceptual confusion by lending a third concept, companies’ identity (Barnet et al., 2006; Da Camara, 2011). Gotsi and Wilson (2001) defined corporate reputation as “stakeholder’s overall evaluation of a company over time. This evaluation is based on the stakeholder’s direct experiences with the company, any other form of communication and symbolism that provides information about the firm’s actions and/or a comparison with the actions of other leading rivals” (p.29).

Boistel (2014) listed the most quoted definitions of corporate reputation in management science. The definition proposed by Fombrun (1996) arrests corporate reputation as “a perceptual representation of a company’s past actions and future prospects that describe the firm’s overall appeal to all its key constituents when compared to other leading rivals” (1996, p.72).

Corporate reputation is, then, a perception which concerns subjective dimension. It is also a result of the comparison made by consumers between well-known companies to establish a classification. Both definitions highlight the subjective aspect related to corporate reputation which varies from one person to another.

2.3. Determinants of Corporate Reputation

Consumers receive different signals about the company. These signals can affect their perceptions about the announcer (Brammer & Pavelin, 2006). For customers, a good corporate reputation values the company (Nguyen & LeBlanc, 2001). If affects their behavior toward the company, its products and services, and intervenes in the process of decision-making.
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