Chapter XVII

Are Multi-Channel Technologies Adopted in Online Consumer Auction Markets in Finland?

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Abstract

In this chapter, we analyze factors relevant for adopting multi-channel technologies in online auction markets. Its focus is on how multi-channel technologies, such as Web and Internet technologies, digital TV technologies, and wireless technologies, are used in online consumer auction markets. Using a conceptual framework that identifies four factors that could explain the adoption of multi-channel technologies, we analyze five Finnish consumer auction markets: Huuto.Net, Keltainen Pörssi, QXL Finland, Systeemi.Net, and Tori. Our analysis shows that the Internet and World Wide Web are the predominant—and, in most cases, the only—online channel available to the users. Furthermore, not even the Web technologies are used to their full potential. This chapter suggests that media richness
and the ability to provide multiple modes of communication relationships stimulate the adoption of multi-channel technologies. Conclusions are presented and implications are drawn for future research.

Introduction

Since the beginning of the 1990s, various types of online markets have become increasingly popular (Kambil & van Heck, 2002; Lucking-Reiley, 2000). One of the key drivers behind the increase has been the rapid proliferation of the use of the Internet both by consumers and by firms. Various types of closed information systems had been used in the implementation of online markets before the Internet became widely accepted, but as Malone (1995) has argued, the market prefers the decentralized and open Web for electronic commerce to the traditional, centralized, and closed environments provided by different types of service providers. From the online auctioneers’ point of view, the Internet makes auctions accessible even to novice bidders. In other words, one doesn’t have to be an expert in auctions in order to participate in online auctions. Another nice feature of an auction in an online environment is that consumers can participate simultaneously in several auctions, giving them freedom to surf among Web-based auctions all around the world (Bapna et al., 2003).

There also are two other trends (including online auctions) that make online commerce more attractive for consumers. First, the number of retailers offering multiple channels (i.e., traditional brick-and-mortar, mail-order catalogs, and virtual online and wireless channels) is increasing; and second, as a result of rapid technological development, the Internet has become a powerful and efficient search-purchase tool (Shim et al., 2004). We argue that online markets represent a novel search-purchase tool that consumers will adapt to at an increasing rate in the future, as the success of eBay suggests.

Therefore, we can anticipate that, along with the growth of the Internet, both the number of consumers entering the world of online auctions and the number of auctions they participate in will grow, provided that online auctioneers manage to implement exchange processes and supporting technologies in such a manner that consumers not only try their services once, but continue to participate in online auctions again and again.

In this chapter, we will analyze the relevant factors for adopting multi-channel technologies in online consumer auction markets by focusing on how multi-channel technologies (e.g., Web and Internet technologies, digital TV technologies, wireless technologies) are used in online consumer auction markets. Then, using a conceptual framework that identifies four factors that could explain the
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