Chapter 11

Factors Influencing the Effectiveness of C2C Websites in Delhi–NCR

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ABSTRACT

Electronic commerce is becoming increasingly important in business, and Consumer-to-Consumer (C2C) e-commerce is a growing area of e-commerce. C2C (Consumer to Consumer) refers to transactions that take place directly between consumers; the suitable example would be consumers selling their used or new things directly to other consumers on some auction sites like eBay. There are various items, such as books, designer items, collectibles, and so on, that have gained immense popularity and business on such sites. The purpose of this study is to find the factors contributing to the success of a C2C Website and to understand the impact of various factors on the effectiveness of a C2C Website. A structured questionnaire survey is used to collect data from selected users of C2C Websites. Questionnaire are filled by 200 respondents and used for analysis. These respondents are selected with the help of convenience as well as snowball sampling. The findings indicate that the effectiveness of a C2C Website in e-commerce is affected by ease of use of the C2C Website, usefulness of the C2C Website, security, vendor’s competence, and transaction facilities. On the contrary, third-party facilitators do not vary according to the demographic predictors and do not contribute to the effectiveness of a C2C Website. This study proves that while using a C2C Website some variables affect effectiveness of C2C Website. These variables also vary across age, household income, and occupation of the respondents.

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INTRODUCTION

Technology has always been an important tool for the development. And because of it, the markets have emerged as a boundary-less trade medium. In the recent years, electronic commerce is becoming increasingly important in business. Wareham et al. (2005) described e-commerce as a continuously evolving phenomenon. According to Yamamoto et al. (2004) in addition to the growth in Business-to Business (B2B) e-commerce, Business-to-Consumer (B2C) e-commerce, a large number of consumers are using the Internet to buy from and sell to other consumers, also referred to as Consumer-to-Consumer (C2C) ecommerce. Jin and Wu (2004) stated that because of simplicity and efficiency in price negotiation elements in C2C auctions, they are more popular than purchasing process between the individual buyers and the sellers. Rupak Rauniar et al. (2009) stated that C2C auctioneers or in other words Web sites are generally third parties that facilitate selling and buying activities through their Website. They are merely providing a platform for individuals to engage in the C2C auction trade is not going to suffice to attract more buyers and sellers auctioning through their Website. Buyer satisfaction and net benefit are important performance measures in the C2C online auction environment. A C2C auction Website’s content, user friendliness (format and ease of use), timeliness, and security are positively related with Website performance. Ockenfels et al. (2006) emphasized that decrease in transaction cost is associated with conducting and participation. Liquing et al. (2002) concluded that content, technology; architecture, emotion, promotion, shopping operation, and customization service are the seven leading indicators for evaluating and improving C2C e-commerce Website usability. Sami I. Makelainen (2006) argued that three of the major challenges of C2C e-commerce are connectivity of buyers and sellers, trust and financial transactions. With these critical success factors in place, C2C e-commerce is playing an increasingly important role in online e-commerce.

FACTORS OF EFFECTIVENESS OF C2C WEBSITE

1. **Ease of Use of the Website:** Ease of use is defined as the degree to which the C2C auction Website is “user-friendly” for the auction buyer. In the context of online auctions, auction buyers may assess the Website based on how easy it is to use and how effective it is in helping to accomplish bidding and winning activities. Jones and Leonard (2007) found that ease of use of the C2C Web platform for the e-consumers was significantly correlated with user satisfaction. Ease of access for online auction sites is an important measure of user efficiency (Parasuraman et al., 2005). Earlier studies by Liljander et al. (2002) found that ease of use affects online user satisfaction. An easy to use Website can enhance the bidders’ experience with an auction Website (Stafford & Stern, 2002; Palmer, 2002; Molla & Licker, 2001; Yoo & Donthu, 2001; Zeithaml, 2000) by making site navigation, information search, transaction processing, and product selection easy.

2. **Perceived Usefulness of the Website:** Perceived usefulness of the Website refers to the usability of the Website according to customer’s preference. In the absence of this factor customers may perceive that buying and selling the product and obtaining the required information in a traditional bricks-and-mortar manner is easier and more reliable. A user forms his or her perception
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