

# How to Explain Infatuation with the Online Secondhand Market? An Analysis of Motivations and Perceived Risks

Durif Fabien, Rajaobelina Lova, Boivin Caroline, and Dehling Aurélie

## Introduction

Regarded as an anecdotal, dedicated to poorer population groups and motivated solely by financial advantage (Williams and Windebank 2000), secondhand consumption has historically triggered only marginal interest in academic and managerial audiences. However, in the wake of initial development in the 1980s and 1990s (Roux and Guiot 2001), the secondhand market today enjoys unprecedented growth. A 2013 survey in Canada revealed that 73.9 % of citizens had purchased at least one secondhand item and that 41.5 % had sold at least one secondhand item in the previous year. In France, in 2011, 33 % of consumers made at least one online secondhand purchase and 34 % sold at least one item via the Internet. Distributors are progressively implementing strategies designed to increase their share of this expanding market. Numerous distribution channels are popping up or enjoying newfound youth: second-order outlets, garage sales, thrifts stores and specialist secondhand retail chains are increasing in number and drawing increasing numbers of consumers. On the Internet, online classified advertisement and auction sites are booming (Guiot and Roux 2010a) with key players such as Ebay, Kijiji and Le Bon Coin.

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D. Fabien (✉) • R. Lova  
ESG-UQAM, Montréal, QC, Canada  
e-mail: [Durif.Fabien@uqam.ca](mailto:Durif.Fabien@uqam.ca); [Rajaobelina.Lova@uqam.ca](mailto:Rajaobelina.Lova@uqam.ca)

B. Caroline  
Université de Sherbrooke, Sherbrooke, QC, Canada  
e-mail: [Caroline.Boivin@USherbrooke.ca](mailto:Caroline.Boivin@USherbrooke.ca)

D. Aurélie  
Toulouse Business School, Toulouse, France  
e-mail: [adehling@gmail.com](mailto:adehling@gmail.com)

Marketing research into secondhand good consumption remains tends to focus on two main lines of questioning. The first seeks to identify and understand the motivations inherent to secondhand purchasing (e.g. Guiot and Roux 2010a), whereas the second seeks to update and understand potential impediments to this type of purchasing (e.g. Bezançon, Guiot and Le Nagard 2013). Although these two perspectives are of interest to distributors of both secondhand and new goods, they nonetheless suffer two main snags: the first relates to focus on the context of secondhand purchasing, excluding with only rare exceptions (e.g. Le Maitre and Barnier 2013), that of the sale of used goods. The second relates to the choice of systematically dissociating the study of motivations and impediments to secondhand purchasing. This study therefore proposes to make up for these shortcomings by simultaneously focusing on motivations and impediments inherent in secondhand consumption and respecting both the purchase and sale of used goods.

## Literature Review and Hypothesis Development

A secondhand item can be said to be a pre-owned item which may or may not have been used by an individual other than oneself. Roux and Guiot (2010a, p. 356) define 'secondhand shopping' as *'the acquisition of secondhand objects through methods and places of exchange that are generally distinct from those for new products.'*

In the 1980s, marked growth in secondhand consumption was initially attributed almost exclusively to a concomitant drop in the purchasing power of the middle class (Razzouk and Voight 1985). But, over and above the financial advantage, secondhand purchasing can prove entertaining (Stone, Horne and Hibbert 1996). Motivations for electing to purchase secondhand goods thus include both an economic and a recreational dimension (Guiot and Roux 2010a). From the economic point of view, motivations inherent in secondhand purchasing can take different forms: seeking out the best price (e.g. Guiot and Roux 2010a); distancing oneself from the traditional merchant system (e.g. Williams and Paddock 2003) and satisfying one's ethical and ecological concerns (e.g. Guiot and Roux 2010a). From the recreational standpoint, it can be a matter of seeking out a rare or unusual item (e.g. Belk 1988), embarking on a treasure hunt (e.g. Bardhi and Arnould 2005), seeking to savour the pleasure of social contact (e.g. Herrmann and Soiffer 2004; Guiot and Roux 2010a) or seeking to reconnect with the nostalgia of goods from days of yore (e.g. Debary 2004). At the opposite end of the spectrum, and more specifically relating to online purchasing, one also observes in secondhand buyers and sellers a willingness to maintain a certain distance between the different players involved in the transaction (Dehling 2013). We thus posit:

*H1: Economic motivations positively impact online secondhand purchasing*

*H1a: Distance from the system positively impacts online secondhand purchasing*

*H1b: Search for a fair price positively impacts online secondhand purchasing*

*H1c: Ethics and ecology positively impact online secondhand purchasing*

*H1': Recreational motivations positively impact online secondhand purchasing*

*H1'a: Treasure hunting across the system positively impacts online secondhand purchasing*

*H1'b: Originality for a fair price positively impacts online secondhand purchasing*

*H1'c: Social contact positively impacts online secondhand purchasing*

*H1'd: Nostalgic pleasure positively impacts online secondhand purchasing*

Respecting the sale of secondhand goods, motivations inherent in the practice would appear to revolve around five key axes (Le Maitre and Barnier 2013): (1) Recreational motivation linked to the pleasure of frequenting secondhand market-places and the opportunity of experiencing the role of apprentice vendor (e.g. Herrmann and Soiffer 2004); (2) Practical motivation linked to the destocking practices of these so-called merchants (e.g. Chu and Liao 2007); (3) Economic motivation enabling these same so-called merchants to boost their income; (4) Protest-related motivation linked to a form of 'anti-commercial rebellion' (e.g. Graham Austin, Plouffe and Peters 2005) and doing battle with over-consumption and the negative consequences thereof; and, (5) Generative motivation enabling one to achieve, via the transfer of possessions from one generation to another, a certain form of symbolic immortality (Price, Arnould and Curasi 2000). In the context of the sale of secondhand goods, two motivations specific to this practice come to light: practical and generative motivations. We thus posit:

*H2a: Protester-related motivation positively impacts online secondhand selling*

*H2b: Economic-related motivation positively impacts online secondhand selling*

*H2c: Generative-related motivation positively impacts online secondhand selling*

*H2d: Recreational-related motivation positively impacts online secondhand selling*

*H2e: Practicality-related motivation positively impacts online secondhand selling*

*H2f: Social/local/community-related motivation positively impacts online secondhand selling*

These motivations are naturally counterbalanced by impediments to which secondhand consumption. Research into these impediments generally focus on the secondhand clothing category and highlight the role played by perceived risk (Roux 2004; Bauer 1960) in the financial, functional, social, psychological (Kaplan, Szybillo and Jacoby 1974) and temporal realms (Roselius 1971). Dehling and Vernet (2013) point to five major impediments to secondhand consumption: (1) safety-related impediment; (2) utilitarian-related impediment; (3) hedonistic-related impediment; (4) self-expression related impediment; and (5) affiliation-related impediment (Bezançon 2012). In the more specific context of online secondhand consumption (Bezançon, Guiot and Le Nagard 2013), it would appear that the perceived risks impacting intentions to purchase can be generated by both the website (reassurance and perceived quality) and the product itself (performance-related risk, financial risks, psychological, temporal and physical risks). Thus we posit:

*H3a: Product-related risk negatively impacts online secondhand purchasing*

*H3b: Site-related risk negatively impacts online secondhand purchasing*

*H3c: Risk of self-expression/affiliation negatively impacts online secondhand purchasing*

*H4a: Tends to keep everything negatively impacts online secondhand selling*

*H4b: Site-related risk negatively impacts online secondhand selling*

*H4c: Financial risk negatively impacts online secondhand selling*

## Methodology

Data was gathered in September 2013 via a self-administered e-mail survey from a Web panel in Canada (n=1103). The sample comprised a mix of women (61.9 %) and men (38.1 %) of an average age of 47.8 years. A total of 61.1 % were university educated and 60.1 % had a gross annual income of less than C\$59 999. Proportions of homeowners (50.8 %) and renters (49.2 %) were about equal.

**Online secondhand purchasing motivations** were measured using an adapted secondhand shoppers' motivation scale developed by Guiot and Riot (2008) which comprises two super factors (economic motivations and hedonistic/recreational motivations) and seven dimensions (distance from the system, search for a fair price, ethics and ecology, treasure hunting, originality, social contact, nostalgic pleasure). One item was added to the ethics and ecology dimension and two items relating to local aspect were added by reason of the specifics of online purchasing for a total of 24 items. **Impediments to online secondhand purchasing** were measured using 26 items grouped into three dimensions (product risk; site risk; self-expression risk). The generation of items was based on an adaptation of the theoretical framework of perceived risks to online secondhand purchasing developed by Bezaçon, Guiot and Le Nagard (2013) and on the findings of an exploratory study conducted by Bezaçon (2012) into impediments to secondhand purchasing. **Online secondhand selling motivations** were measured using an instrument of measure not yet used in the literature of Lemaître and Barnier (2013) on secondhand selling motivations including four dimensions (recreational, protester, generative and economic). Six items linked to the local and community aspect were added for a total of 26 items. **Impediments to online secondhand selling** were measured using a scale developed by Guillard and Pinson (2012). We then adapted to the selling side the perceived website-related risks and product-related risks suggested by Bezaçon, Guiot and Le Nagard (2013) for a total of 19 items. The measure of **online secondhand purchasing** stems from the combination of two items: *In the last year, I purchased items from online classifieds sites* and *In the last year, I purchased items from online auction sites*; the measure of **online secondhand selling** derives from: *In the last year, I sold secondhand goods on online classifieds sites* and *In the last year, I sold secondhand goods on online auction sites*. All items were measured using a Likert-type scale calibrated from 1 'totally disagree' to 10 'totally agree'.

## Results

The hypotheses are tested using structural equation modelling (EQS 6.2). The measurement models reveal a good fit with  $\chi^2$  values of 1949.93 with 704 degrees of freedom for the purchasing model and 1832.54 with 857 degrees of freedom for the selling model. The values of  $\chi^2/df$  are 2.77 for the purchasing model and 2.14 for the selling model, which indicate a good fit with the model (Bagozzi and Yi 1988). NNFI values (0.94 for the purchasing model/0.93 for the selling model) are greater than 0.90 (Kline 2005). CFI values (0.95 for the purchasing model/0.94 for the selling model) are greater than the 0.90 cut-off recommended by Bentler (1990). Lastly, RMSEA values obtained (0.05 for both models) indicate a satisfactory fit (Hu and Bentler 1999).

All alpha coefficient estimates are greater than 0.70 (Nunnally 1978). Composite reliabilities are all also greater than 0.70 (Fornell and Larcker 1981). Reliability through internal consistency is thereby confirmed. Content validity is confirmed by the comprehensive literature review and use of an expert panel in the scale development process. Construct validity is assessed by verifying both convergent and discriminant validity. Convergent validity is demonstrated since factor loadings are significant and greater than or equal to 0.5 for all items of the two models (Hair et al. 1998). In addition, average variance extracted (AVE) values are all greater than 0.50 (Fornell and Larcker 1981) except for the *Financial risk* construct relating to the selling model. To show discriminant validity of the constructs, AVE must be greater than the variance between the proposed factor and all other factors (Fornell and Larcker 1981). Results show that discriminant validity is achieved in this study for the two models. The structural models fit the data well (Goodness-of-fit indices:  $\chi^2$  (704)=1949.92,  $\chi^2/df=2.77$ , NNFI=0.94, CFI=0.95, RMSEA=0.05 for the purchasing model;  $\chi^2$  (865)=2017.73,  $\chi^2/df=2.33$ , NNFI=0.92, CFI=0.92, RMSEA=0.05 for the selling model). Results show that each model explains 55.1 % of purchasing variance and 47.4 % of selling variance respectively. By examining the structural model estimates, support is found for 5 out of 8 hypothesized causal paths in the purchasing model and 2 out of 9 in the selling model.

For the **purchasing model**, *Treasure hunting* ( $\gamma=0.50$ ,  $p<0.01$ ) and *Social contact and local aspect* ( $\gamma=0.32$ ,  $p<0.01$ ) are shown to have the greatest impact on purchasing. It is interesting to note that *Nostalgic pleasure* negatively impacts ( $\gamma=-0.14$ ,  $p<0.05$ ) purchasing. *Site-related risk* ( $\gamma=-0.13$ ,  $p<0.05$ ) is found to have the greatest impact on purchasing. *Distance from system* (motivations) and *Self-expression/Affiliation* (risks) marginally impact purchasing. Lastly, *Search for fair price/Ethics and ecology* and *Product-related risk* have no significant impact. For the **selling model**, only two types of motivations, *Economic (financial gain)* ( $\gamma=0.48$ ,  $p<0.01$ ) and *Practical* ( $\gamma=0.26$ ,  $p<0.01$ ), impact selling behaviour. The other types of motivations (*Protester; Generative; Recreational; Social/Local/Community*) do not impact selling behaviour. None of the risks impact selling behaviour.

## Discussion and Conclusion

This study demonstrates originality by jointly analysing motivations and impediments to online secondhand purchasing and selling. Purchasers of secondhand items—in 85.5 % of cases (Dehling 2013)—are also sellers of secondhand items. The survey brings to light a number of interesting findings. Firstly, in the instance of motivations, four of them—*treasure hunting*, *social contact and local aspect*, *nostalgic pleasure* and *distance from the system*—significantly impact the practice of online secondhand purchasing. It is interesting to observe that the ‘virtual’ nature of the distribution channel studied does not appear to impact motivations inherent in secondhand purchasing. Indeed, the pleasure of engaging in treasure hunting appears to be preserved both online and offline; the pleasure of social contact is also highly present; and, lastly, even though the web makes it possible to ignore geographical constraints, the local dimension seems to remain as important. This finding does not, however, extend to impediments inherent in online secondhand selling since one of the two impediments observed—*site-related risk* and *self-expression*—underscores the importance of the characteristics of online purchasing and selling site.

With respect to the context of the online selling of secondhand items, the two motivations that emerged (economic and practical) do not appear to take into account the specifics of the online distribution channel since they are consistent with motivations pertaining to more traditional channels (e.g. Lemaître and Barnier 2013). In contrast, it would appear that no impediment impacts the online selling of secondhand goods.

**References:** Available upon request