

SHIPPING CHARGES IN ONLINE AUCTIONS

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ABSTRACT

Considering that the shipping charges are a component of the winning bidder's payment, it is expected that online bidders may incorporate it when bidding. From sellers' perspective, they can manipulate the shipping charges to compete against other sellers. To examine the effect of the shipping charges in online auctions, this study investigates completed auctions at eBay. Two problems will be solved. First, this study examines how the shipping charges may influence the auction outcomes (e.g., the likelihood of attracting bids and the final price). Second, this study investigates how different types of shipping charges (e.g., fixed shipping vs. flexible shipping charges) may take effect in online auctions.