



Politecnico di Milano

Department of management, economics and industrial engineering

Degree course: M.Sc. Management engineering

Supervisor: Professor Raffaello Balocco

Study over C2C markets and possible improvements to Schnappundweg.eu

Master's graduation thesis by: Nima Mani

Matriculation number: 764376

Delivery date: 22nd of April 2013

Academic year: 2012/2013

Acknowledgement

Hereby, I wanted to express my sincere thanks to Professor Raffaello Balocco to support and supervise me through the whole course of this Master's thesis. Obviously, without his invaluable guides and helps, it was impossible to conduct this research.

I would like to also express my regards to Mr. Frank Harald Ihringer, CEO and Mr. Didier Prongue head of development department for providing me the opportunity of conducting my Master's thesis as the form of corporate research on Schnappundweg.eu in Serwise AG, Winterthur, Switzerland. I do appreciate their consideration and support during my stay in Switzerland.

Owe my loving thanks to my parents which without their encouragement and understanding it would have been impossible for me to finish my studies. My special gratitude is due to my brother, Arzhang, my friend Mehrdad and my girlfriend Sanaz for their loving support.

April 2013

Nima

Table of Contents

1) Abstract	7
2) Keywords	8
3) Literature review.....	9
3.1 Consumers' purchase intention in electronic commerce	9
3.1.1 Utilitarian Value.....	9
3.1.2 Hedonic value.....	11
3.1.3 Consumers' purchase intention in C2C electronic commerce	14
3.1.4 Trust, as the most important factor in online shopping.....	17
3.2 User trust in E-commerce website and C2C markets	18
3.2.1 Concept of trust in E-commerce	18
3.2.2 Trust in C2C electronic commerce	20
3.2.3 Risk relief services (RRS) and online escrow services (OES).....	25
3.2.4 Trust in virtual communities in C2C.....	28
4) Schnappundweg.eu	31
4.1 Introduction to schnappundweg.eu	31
4.1.1 Business idea of Schnappundweg.eu	32
4.1.2 Slogan of Schnappundweg.eu.....	32
4.2 General description of the services.....	32
4.2.1 Functional capabilities	32
4.2.2 Technical characteristics of Schnappundweg.eu	36
4.2.3 Registered domain names of platform	37
4.3 Monetary aspects of transactions in Schnappundweg.eu	37
5) Research on western European countries for online retail forecast	38

5.1	What is the aim of this market research.....	38
5.2	E-commerce growth in Western Europe	39
5.2.1	Western European E-commerce continues its double digit growth	39
5.2.2	Drivers of online shopping according to Forrester.....	43
5.2.3	A forecast to the online shopping for 2008-2014:	45
5.2.4	E-commerce in Italy is Surging: (Source :e-Marketter 2012)	46
5.3	Best fitting new market for Schnappundweg.eu among Western European countries	48
5.3.1	External aspects	48
5.3.2	Internal aspects.....	49
6)	Possible improvements to Schnappundweg.eu.....	49
6.1	New features:	50
6.1.1	Graphical interfaces.....	50
6.1.2	Virtual community.....	50
6.1.3	Third party recognition	51
6.1.4	New categories of offerings:	52
6.1.5	Adding English language to all GUIs	53
6.1.6	Money transfer costs from user's account to his bank account	53
6.1.7	Upgrade of user's level	53
6.2	Technical improvement	53
7)	Business plan for Schnappundweg.eu (Italy)	55
7.1	Executive summary	55
7.1.1	Business idea.....	55
7.1.2	Business area attractiveness.....	55
7.1.3	Business plan's objectives and constraints.....	56

7.2	General description of products/services.....	56
7.3	Strategic plan	58
7.3.1	Internal analysis	58
7.4	External analysis	59
7.4.1	PEST analysis of Italy.....	59
7.5	SWOT analysis.....	65
7.6	Marketing plan.....	66
7.6.1	Market analysis	66
7.6.2	Marketing mix strategy:.....	67
7.7	Operating plan	70
7.7.1	Headquarters	70
7.7.2	Key processes.....	70
7.7.3	Resources.....	72
7.8	Human resources and organizational plan	72
7.8.1	Core Human resources:	72
8)	Bibliography.....	73

Table of figures

Study over C2C markets and possible improvements to Schnappundweg.eu 1

Figure1: C2C trust model (D.H. McKnight, V. Choudhury, C. Kacmar, 2002) 21

Figure2: Projected online retail between 2008-2014 40

Figure 3: Adoption of online shopping between 2000-2008..... 41

Figure 4: Online retail categories sorted by attractiveness 42

Figure5: Demography of Western European e-commerce consumers 43

Figure 6: Main drivers of cross channel shopping 45

Figure7: Forecast of Western European Online travel and retail 2008-2014 46

Figure 8: Western European online retail sale by category 47

Figure 9: Average total expenditure by household type and chapter(ISTAT, Italy in figures) 61

Figure 10: Italy's main trading partners(ISTAT, Italy in figures) 62

Figure 11: Entertainment events attendance by type(ISTAT, Italy in figures) 63

Figure 12: Swindles and cyber fraud rates in Italy (ISTAT, Italy in figures) 63

Figure 13: Technological goods owned by Italians (ISTAT, Italy in figures) 64

1) Abstract

Online shopping and E-commerce have changed the pattern of many businesses as well as their actors and target customers. There are a number of well-known online markets in different areas namely, Amazon, a Business to Consumer (B2C) platform, and E-bay, a Consumer to Consumer (C2C) market, which have changed the dynamics of supply chain's end-user interface tremendously.

There are many factors which affect the level of popularity of online businesses. Whenever a monetary transaction between a website and a user happens, security and reliability of the website itself and that of all the involved third parties become more and more important and critical. In general, the reliability of an online shopping platform, affected by a number of factors, plays a pivotal role toward customer trust and satisfaction.

Trust building factors have been improved during the recent years and are still progressing towards becoming more robust. Anti-fraud features in online shopping platforms have been seasoned over the last few years, resulting in a number of diversified anti-fraud methodologies for a robust online security.

Created in 2005, Schnappundweg.eu is a Swiss online C2C platform launched by Serwise AG, an IT consulting company located in Winterthur, Switzerland.

This master's thesis is aimed at improving this platform with the goal of increasing its capabilities and hence its popularity.

Furthermore, a business plan for a new geographical user interface has been developed over the course of this Master's thesis.

In the "Literature review" section of this master's thesis report, characteristics and details of trust and reputation building factors, critical success factors, and buying intention factors in e-commerce websites, specially, C2C online markets, are discussed. The introduction section is dedicated to a brief description of services offered by the platform as well as its technical details.

Furthermore, in the “Possible improvements to Schnappundweg.eu” section, outcomes of literature review are compared to services currently offered by this platform and the improvement niches are examined. At the end, a brief marketability research is conducted to choose from a number of Western European countries in order to launch the Schnappundweg.eu. A business plan for Italy as the best fitting country follows in the same section.

2) Keywords

- Schnappundweg.eu
- Consumer to Consumer (C2C) business model
- Consumer's Purchase intention in C2C
- C2C e-commerce in Italy

3) Literature review

3.1 Consumers' purchase intention in electronic commerce

There are several factors which affect the buying intentions of online customers. Generally, there are two major reasons why users shop online. One of them is relevant to **utility** of shopping online (**Utilitarian value**) while **Hedonic value** is related to user experience while shopping online. In next part both of these values and their drivers are described:

3.1.1 Utilitarian Value

Utilitarian value is defined as mission critical and goal oriented actions done by utilitarian shoppers (Hirschman and Holbrook, 1982; Batra and Ahtola, 1991). Babin et al. (1994) defined utilitarian shopping motivation as acquiring the benefit of the product needed, or acquiring the product more efficiently during the shopping process. Therefore, utilitarian shoppers are transaction-oriented and desire to purchase what they want, efficiently and without interruption or hazard of unsecure third parties (Wolfenbarger and Gilly, 2001). Utilitarian value is an overall assessment of functional benefits, such as economic value, convenience, time savings (Jarvenpaa and Todd, 1997; Teo, 2001). many researchers believe that, utilitarian values are the fundamental factors for people shopping online. As it is appeared, this factor is a logical and rational one why buyers choose a specific way of shopping.

Utilitarian shoppers are interested in online shopping, generally, because of five specific drivers:

3.1.1.1 Convenience and accessibility

Convenience is defined as time savings and effort savings, including physical and mental effort during the online shopping process from buyer's side. Convenience is a crucial attribute for consumers when shopping online. Shopping online makes it easy for consumers to locate merchants, find items, and order offerings (Balasubramanian, 1997). Wolfenbarger and Gilly (2001) mentioned that internet shopping provides a more comfortable and convenient shopping environment. Consumers do not have to leave their home and they can also browse for items by category or online store easier and faster. Furthermore, there are usually price or quantity offers

proposed only online and not in the physical same brand shops. Schaffer (2000) argued that a convenient internet shopping provides a short response time and minimizes customer effort.

3.1.1.2 *Choice*

Wolfenbarger and Gilly (2001) indicated that normal retailers have stock pressure, while e-retailers can avoid stock and inventory problems. Furthermore, compared with physical stores, online stores are able to provide more diversified product categories in catalogues to be delivered at the door. E-retailers can supply customers with greater choice via alliances with other virtual suppliers. Shopping online represents the wider assortment of products that can be attractive to consumers. Hence, variability of choices is an important factor when shopping online.

3.1.1.3 *Information availability*

Bakos (1997) propose that the internet includes abundant public information resources that can be easily collected. For online users, internet is the most efficient means to get related information regarding everything as well as an article to buy. The internet as a medium facilitates searching both product specifications and price information. Price is an important reference and consumers often compare price between multiple websites. All the online shoppers tend to have the cheap price while shopping online. Therefore, information availability while shopping online, is one of the important motivational factors for utilitarian shoppers in order to compare prices and buy the best offering.

3.1.1.4 *Lack of sociality*

Wolfenbarger and Gilly (2001) indicated that online shopping enables people to execute a transaction without contacting others, and online buyers have more freedom and control over the whole transaction. One advantage of online shopping is that online buyers can decide to buy or not and the transaction is under their control. In addition, while shopping online, it turns out that people can avoid social interaction and crowded queues. Swaminathan et al. (1999) reported that male internet buyers were less motivated by social interaction than women internet buyers. Compared with men, women tend to enjoy shopping (Alreck and Settle, 2002), and they can have more social interactions in the process of consumption. Computer-mediated shopping does not

offer women much social contact. Hence, males have higher mean scores on lack of sociality than females. Swaminathan et al. (1999) proposes the lack of sociality as a less efficient reason for women to shop online.

3.1.1.5 Cost saving

Miller (2000) indicated that the virtual online stores allow vendors to save expenditure that enable consumers to purchase at lower prices. Moreover, it is relatively easy for internet buyers to make price comparisons via internet at any time. Chang and Samuel (2004) propose that, there is a universal trade-off between richness and reach when shoppers go to retail stores for their shopping. Richness refers to the quality of the information available to shoppers, whereas, reach refers to the number of shops that they visit to compare product qualities and prices. Computer-mediated shoppers can not only reach a broader selection of product but also acquire rich product information for efficient decision-making. Therefore, cost saving is an equally important driver as others to perform online shopping.

3.1.2 Hedonic value

Hedonic value, defined as consumption behaviors that relate to fantasy, happiness, sensuality, and joy (Hirschman and Holbrook, 1982), is an overall assessment of experiential benefits. Compared with logical utilitarian shopping motivations, the merit of hedonic motivation is experiential and emotional. The reason why hedonic consumers do shopping is not for physical objective but for the shopping experience instead. Research concerning hedonic motivation becomes more popular lies in two reasons. One is the obvious motivation that attracts consumers to look at the website, the other is the fact that hedonic motivation is the extension of utilitarian motivation and these two motivations seem to become crucial factors in keeping competitive advantage (Parsons, 2002).

Many research used to adopt hedonic value dimensions to discuss in physical stores shopping. Nevertheless, there are more researches using hedonic value dimensions to explore online shopping. Except for the freedom to search, hedonic motivation is also an important element.

Huang and Yang Mathwick et al. (2001) discussed the experiential value and enjoyment that should be viewed as hedonic value. Kim and Shim (2002) proposed that consumers going online are not only for information and products, but also, for emotional satisfactions they get out of their shopping. Hedonic online shoppers are accustomed to active pursuit while going online. They often browse website, search for new items and download updated information, actually they are enjoying the process of shopping. According to previous studies, it appears that hedonic value plays an important role in online shopping; therefore, based on Pui et al. (2007), the hedonic value here addresses adventure, sociality, fashion, value and authority. More details about each of these drivers are described as below:

3.1.2.1 Adventure

Adventure refers to the fact that shopping can bring stimulation and excitement, and consumers can run across novelty and interesting affairs in the process of fantastic shopping (Westbrook and Black, 1985).

Experienced consumers are inclined to view the shopping experience as thrills, excitement and amazement. Babin et al. (1994) regarded adventurous aspect of shopping as an element that may produce hedonic shopping value. Sherry (1990) addresses that in the shopping process shoppers pay more attention to sensual satisfaction like novelty of the product or the brand rather than the product itself.

3.1.2.2 Sociality

Sociality, grounded in McGuire's (1974) collection of affiliation theories of human motivation, suggests that people put emphasis on integrity, affiliation and affection in interpersonal relationships. Tauber (1972) indicated that shoppers are fond of affiliating with reference groups and interacting with those who have similar interests like Harley Davidson social groups. Westbrook and Black (1985) regarded affiliation as a shopping motivation, and Reynolds and Beatty (1999) stress on the importance of social motivations for shopping. Wolfinbarger and Gilly (2001) proposed that, virtual community is a new platform of sociality, meaning that, internet shopper can share updated information and related shopping experiences with one another.

Compared with traditional social benefits from friends, virtual community furnishes shoppers with fresh pleasure.

3.1.2.3 Fashion

Fashion refers to the concept that consumers shop to catch up with new trends and fashions based on the fact that many new fashionable goods are available online sooner than in physical store. Tauber (1972) indicated that keeping up with the latest trends, fashions and innovations is a kind of shopping motive. Parsons (2002) addresses that discovering the newest information is a crucial element for internet shoppers to use web. Alexander (1947) proposed that women's interests are more fashionable than those of men. In addition, Chyan and Chia (2006) discover that females are dominated over perfectionism and novel-fashion consciousness than males, suggesting that females are more fashion oriented.

3.1.2.4 Value

Value shopping, based on McGuire's (1974) collection of assertion theories that regard the human as a competitive achiever who seeks success to enhance his self-esteem, refers to the pleasure and satisfaction when shoppers search for discounts and hunt for bargains. Chandon et al. (2000) indicated that consumers would think themselves to be smarter when getting an extraordinary discount. Arnold and Reynolds (2003) depicted that getting a bargain makes consumers feel like winning the challenge, and the bargaining process is viewed as a kind of hedonic value (Babin et al., 1994). Therefore, it is correct to say that buying online and cheaper is a motivational hedonic motivational factor.

3.1.2.5 Authority

Han and Han (2001) indicated that, internet is the best medium relative to physical stores that provide customers with customized services, such as product specs, packaging, shipment, design and transaction method. Parsons (2002) pointed out that shoppers could determine which to buy, when to purchase and when to receive delivery via post at the door. Internet shopping furnishes customers with authority by controlling over computer-mediated tool.

Clammer (1992) mentioned that, shopping is not only the exchange of a product for money, but also, the construction of the self via the buying of identity. Gunter and Furnham (1998) indicated that, seeking one's identity is an important concern in youth stage, and adolescents become adults by making independent purchase.

3.1.3 Consumers' purchase intention in C2C electronic commerce

Consumer to consumer (C2C) electronic commerce is one of the few applications that come close to emulating the success of the other two main electronic commerce models for Business to Consumer (B2C) electronic commerce and Business to Business (B2B) electronic commerce. The C2C websites, like E-bay.com, have attracted many people and are very famous. C2C is growing rapidly for several reasons:

First, the C2C model provides an online transaction platform for individual buyers and sellers; thus, the buyers and sellers can auction product online

Second, the C2C model has received widespread support from major Internet users because of the ease of interactions between users

Third, C2C online transactions have no time and space restrictions compared with tradition auction models, so they maximize the probability of transactions and help identify the real value of the merchandise.

He Duha et al. believe that C2C electronic commerce is a relatively new model among the various information technology applications. Davis's Technology Acceptance Model (TAM) can be used as a method to assess the attractiveness of a C2C website. Therefore, 2 following conclusions could be accepted also for the C2C websites:

1: The perceived ease of use toward C2C websites significantly and positively influences the perceived usefulness of C2C websites.

2: The perceived usefulness of C2C websites significantly and positively influences the purchase intention of C2C consumers.

Because the C2C model is a model of individual to individual transactions, the seller in a C2C environment is very different from B2c or B2B models. In C2C, the buyers and sellers take part in transactions as individuals and the goods are mostly second-hand goods or not very expensive. Lee and Turban, proposes following three parameters as important factors in C2C markets regarding the purchase intention:

- i.* Vendor competence as perceived by the consumers significantly and positively influences the consumers' purchase intention. High vendor competency implies low probability of risk and fraud in the transaction which is very important especially in the high uncertainty of virtual activities such as e-commerce.
- ii.* Introductions and recommendations by the third parties significantly and positively influence the consumers' purchase intentions.
- iii.* The vendor's attitude as perceived by the consumers positively, influences the consumer's purchase intention.

As all three factors are suggesting, credibility of C2C E-commerce website plays an important role in consumer's purchase intention from that specific E-commerce website.

3.1.3.1 Influencing factors in credibility of C2C E-commerce websites

As Zhou Shandan and Xu Yunyun propose, honesty is the key factor in success of a business as well as a C2C E-commerce website. They propose three major honesty problems in C2C e-commerce websites:

- i.* **Reliability of information:** Since internet is free for everyone to put information, users has experienced fraudulent information in different ways through the network. Therefore, this fact makes it difficult for the users to trust completely in the information from different users. C2C E-commerce websites, should deploy all possible security solutions in order to make the information from user's side reliable on the web.

- ii. **Credibility of the subject:** For instance, the vendor can charges the fee and not to provide the product or service which was offered to the buyer. These problems always cause the credibility problems for both the vendor and also the E-commerce website.
- iii. **Trading safety:** There are the problems of information security and property security in e-commerce transactions. The problem of Information security refers to the risks of leak, loss and tamper of information, Such as stealing trade secrets, forging or illegal deleting trading information and losing Trade information, etc. The property security refers that e-commerce subject faced the loss of property because of various causes. Such as credit card accounts, bank money stolen, traders' property is stole, etc.

3.1.3.2 *Solutions proposed to honesty problems in C2C E-commerce websites*

Zhu Yan and Zhu Yongxin propose 4 improvements for the honesty problems in C2C E-commerce websites:

- i. **Strengthen credit consciousness, and build credit atmosphere**

Having a credit system in the C2C markets in order to rank the users and motivate them to have more credibility in the website. They believe that, E-commerce website as a small society needs to have credit system in order to motivate vendors to have higher credits and as a result, higher credibility among vendors.

- ii. **Legislation as soon as possible, strengthens the construction of the law, and creates a fair legal environment**

E-commerce is a global business activities, its legislative involves in a wide scope, and content is usually very complex. Its legislative needs to solve the complex problems, such as the electronic contract, online tax, intellectual property, personal privacy, user rights protection, online trading rules, user sincerity, electronic payment, network security, network crime, network evidence, intellectual properties, etc. These factors must be considered in order to conduct a complete code of ethics and constitution for an online market.

- iii. **Improve the means of payment**

The vendor and the buyer cannot direct contact in the network trade, which it caused the gap of time between the delivery of goods and payment. It appeared to cause network fraud. To solve this problem mainly is through third-party payment method. As a kind of online security trading for payment services, the third-party payment temporarily keeps payments for the vendor and the buyer. Escrow services ease this problem as well.

iv. **Strengthen the research and application of e-commerce security technology**

Perfect technology can effectively prevent the problems caused by lack of honesty of actors. More effort should be put in order to achieve a better result out of the total security system of the E-commerce website, including the network information technology security standards, firewall technology, access control technology, encryption technology and the authentication technology (digital signatures, digital certificates and CA certification, etc.

3.1.4 Trust, as the most important factor in online shopping

Online shopping, different from traditional shopping behavior, is characterized with uncertainty, anonymity, and lack of control and potential opportunism. Therefore, trust is an important factor to facilitate online transactions. Tzy-wen Tang, believes that technology acceptance model (TAM) is one of the most influential research models in determining the user's acceptance of technology in E-commerce websites.

In the traditional brick-and-mortar store, one could inspect the goods or services and evaluate the vendor before making the purchase. Online shopping, different from traditional shopping, has a unique feature of uncertainty, anonymity, and lack of control and potential opportunism (Sonja and Ewald, 2003). For example, on-line consumers are required to share personal detail (such as mailing address, telephone number), financial information (such as credit card numbers), and suffer from the risk of products or services not matching the description on the website, and the risk of damage during the delivery process, etc. There seems little assurance that customers will receive the products or services comparable to the ones they ordered according to the description

and image on the computer screen. Customers also do not know how the retailer will deal with the personal information collected during the shopping process (Sonja and Ewald, 2003). Therefore, trust is an important factor in the buyer-seller relationships in electronic commerce (Sonja and Ewald, 2003). Trust is also one of the most frequently cited reasons for consumers not willing to purchase online (Lee and Turban, 2001) and plays a critical role in facilitating online transactions. Recently, there have been a number of empirical researches investigating the role of trust in the specific context of e-commerce. In the next section of this literature review, concept of trust in online shopping and also relevant risk relief services and escrow services in C2C markets will be discussed.

3.2 User trust in E-commerce website and C2C markets

3.2.1 Concept of trust in E-commerce

Generally, trust refers to a situation in which one party (Trustor) is willing to rely on the actions of another party (Trustee). In addition, the trustor (voluntarily or forcedly) gives the control over the actions performed by the trustee. As a consequence, the trustor is uncertain about the outcome of the other's actions; he can only develop and evaluate expectations. The uncertainty involves the risk of failure or harm to the trustor if the trustee will not behave as desired. This concept is very relevant when it comes to C2C markets since both end actors are individuals and not the business actors. (S. Ba, P.A. Pavlou, 2002)

Mayer et al. defined trust as “the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other party will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party”. (R.C. Mayer, J.H. Davis, F.D. Schoorman, 1995)

Also, trust has been found to have an influence on consumer's willingness to buy online. Mayer et al. offered that it is an influencer of the overall transaction outcome.

Conceptually, trust is also attributable to relationships within and between social groups (families, friends, communities, organizations, companies, nations etc.). It is a popular approach to frame the dynamics of inter-group and intra-group interactions in terms of trust.

When it comes to the relationship between people and technology, the attribution of trust is a matter of dispute. The intentional stance demonstrates that trust can be validly attributed to human relationships with complex technologies. However, rational reflection leads to the rejection of an ability to trust technological artifacts.

In current situation of E-commerce, users are mostly concern about the trust in other part of the business more than the E-commerce itself. Some 10 years ago, trust in E-commerce as a new concept in virtual world (Internet) was the matter of dispute. But now after positive drastic changes in security matters of internet, this arrow has changed direction to trustees as individual actors in internet. (K.K. Kim, B. Prabhakar, 2004)

One of the key current challenges in the social sciences is to re-think how the rapid progress of technology has impacted constructs such as trust. This is specifically true for information technology that dramatically alters causation in social systems. Therefore, societies tried to bring back the trust of individuals into the Internet and more specifically, to E-commerce as an alternative way of traditional shopping. Meanwhile, many fraudulent activities by internet users caused elimination of trust in individuals and trustees in internet. (Kiku Jones, Lori N.K. Leonard, 2008)

A.E.schlosser believes that there is a gap between concepts of trust in B2B or B2C online businesses with that of C2C. In B2B and B2C, trustees are always businesses in which they are mostly known or at least transactions have been done for couple of time with these actors. But in C2C online businesses, trustees are individual actors and vendors and in many cases are prone to fraudulent activities on internet. As a result, there should be other relevant ways in order to relief the risk of C2C transactions. (A.E. Schlosser, T.B. White, S.M. Lloyd,2006)

In the following sections, C2C markets will be studied as the matter of trust and also trust building factors.

3.2.2 Trust in C2C electronic commerce

There are differences between C2C e-commerce and B2C e-commerce which implies that B2C e-commerce methods cannot be utilized in C2C e-commerce. Therefore, there is a ground for an individual research over C2C model of operations. (K. Jones, L.N.K. Leonard, 2006)

Trust in C2C website is extremely important because it helps consumers to overcome the perception of uncertainty and risk related to that website. Some years ago, creating motivations to perform shopping were important factors to be satisfied in E-commerce websites. But now after drastic changes in technological breakthroughs in security matters, trust in C2C websites became more important matter of dispute.

McKnight et al. attempted to define trust using a model. Their model proposes that trusting intentions will be influenced by disposition to trust, institution-based trust, and trusting beliefs.

“Disposition to trust” is the willingness and tendency of an individual to trust the others. It encompasses 2 factors which are Faith in humanity, meaning that others are trustable and reliable and Trusting stance, which is the belief that better outcomes result when individuals deal with trustable other individuals.

“Institution-based trust” is the belief that structural conditions exist in order to increase the likelihood of successful process. “Institution-based trust”, itself, depends on 2 other factors which are “Structural assurance” and “Situational normality”. Structural assurance is the belief that structures ensure relevant regulations, guarantees and legal remedies in case of fraud. Situational normality is the belief that environment is in proper conditions and success will be achieved as the result. Institution-based trust is an important factor when it comes to C2C online markets to ensure mutual trust on web. (D.H. McKnight, V. Choudhury, C. Kacmar, 2002)

Kiku Jones et al. proposes a model for trust in consumer-to-consumer electronic commerce. They propose two main group of influencers would affect an individual's trust in C2C e-commerce.

“**Internal factors**”, refers to the factors which are related to C2C e-commerce website itself, while “**external factors**” refers to external drivers of trust in C2C website (Figure 1)

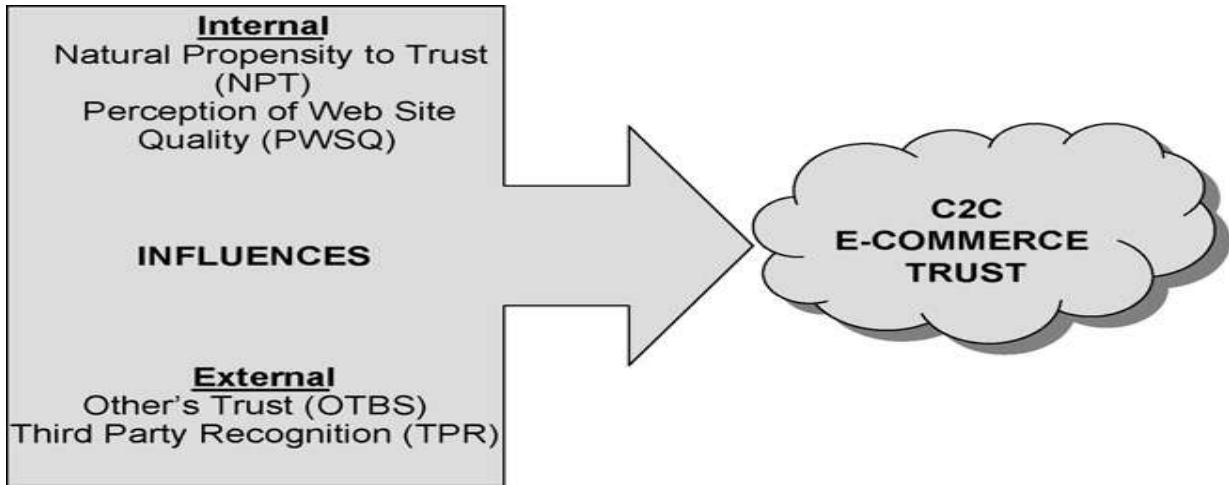


Figure1: C2C trust model (D.H. McKnight, V. Choudhury, C. Kacmar, 2002)

3.2.2.1 *Internal factors*

- **Natural propensity to trust (NPT)**

Base trust or NPT, is an individual's general willingness to depend on others. McKnight et al, sees trust as faith in humanity and trusting stance. Therefore, one individual's NPT refers to one's faith in humanity and trusting stance. (M.K.O. Lee, E. Turban, 2001)

Therefore, NPT can be affected by the amount of information which buyer has about the seller as well as any previous positive or negative experiences.

All the studies, have shown a great role of NPT in C2C e-commerce trust.

Gill et al, examined the antecedents of trust intentions. They not only found that trust intention is influenced by **Perceived ability, benevolence and integrity of trustee**, but also that NPT is correlated with trust intention when trustworthiness

information is ambiguous and not clear. (H. Gill, K. Boies, J.E. Finegan, J. McNally, 2005)

According to these studies, a person's NPT influences that person's trust in C2C e-commerce. (K. Jones, L.N.K. Leonard, 2006)

- **Perception of website quality (PWSQ)**

Experts have speculated that the biggest threat to e-commerce websites is not the safety of information but the perception of consumers. (A.E. Schlosser, T.B. White, S.M. Lloyd, 2006)

McKnight et al. suggested that one's perception from an environment can affect his/her risk and safety assessment from that environment. Therefore, therefore, objective trust could be very important in the C2C e-commerce transactions.

Objective trust is the set of social signals that are widely accepted as conveyance of trust. One very simple example of objective trust is a policeman who wears the police uniform and this appearance brings the trust to people who observe him/her. (D.H. McKnight, V. Choudhury, C. Kacmar, 2002)

One signal which can trigger the objective trust is the perceived quality of the website. Consumers will view the quality of the website as the proxy of the owner. Hampton-Sosa and Kofaris, believe that website's appearance influences a person's initial trust of the site owner which leads the consumer positively or negatively to make the purchase decision. Since in C2C e-commerce, most of the consumers have not met prior to their transactions, this impression and perception of the website's quality is very important.

Schlosser et al. performed an experimental study using two websites (high and low investments). The high investment website was using a sophisticated graphical design, mixture of high quality pictures and text with zooming features and low investment website utilized the default gray background and limited zoom features. While the appearance of the sites was different, the contents were

identical. The results showed that the appearance affected the consumer's purchase intention. Thus, **additional investment may increase the trust level of consumers.**

According to these studies, a person's perception of web site quality will influence a person's trust in C2C e-commerce. (K. Jones, L.N.K. Leonard, 2006)

3.2.2.2 *External factors*

- **Other's Trust of buyer/seller (OTBS)**

C. Dellarocas, defines reputation as the degree in which the buyer believes in the seller's honesty. HA, founded that the websites which gain positive word of mouth (WOM) help consumers gain higher degree of trust.

Einwiller, found that vendors having higher reputation in virtual communities in C2C websites, absorb higher degree of trust event for the consumers who have not experienced the C2C website before.

Mc Knight et al. asserted that an individual could be perceived as trustworthy because of his own actions or because he is a member of a competent group. Therefore, good reputation would lead to trust on an individual regardless of any firsthand knowledge of the individual.

Koufaris and Hampton-Sosa, believe that website's reputation-feedback systems have been successful in building reputations in an online environment. Web sites, such as eBay, allowed both buyers and sellers to rate their transactions experiences. Reputation of the seller has been found to influence a consumer's trust, with higher ratings leading to higher levels of trust and as a result, higher probability of purchase. In an online auction, seller reputation was found to affect the auction price and the probability of making a sale, with a higher seller reputation producing a higher selling price.

Reputation can also be built or lost, without traditional reputation systems which were not in electronic way. It is still a word-of-mouth concept, but in an electronic

world. Online chat rooms, discussion boards, and emails are a few examples of such feedback mechanisms. Garbarino and Strahilevitz, found that a site recommended by a friend leads to lower degree of perceived risk and an increase in willingness to purchase. Smith et al. also found that peer recommendations affected **decision-making** in online shopping, regardless of the peer recommender's personal characteristics. (D. Smith, S. Menon, K. Sivakumar, 2005) **According to these studies**, Others' trust of a buyer/seller (i.e., reputation) will influence a person's trust in C2C e-commerce.

- **Third party recognition**

Third party institutions can help to reduce some of the risk of an online transaction and increase overall trust. McKnight et al. referred to this as institution-based trust which discussed previously. It is a fundamental requirement in conducting e-commerce and having institution based trust. This can reduce a consumer's uncertainty when dealing with new sites or people. Institution-based trust implies that if something goes wrong, the institution will attempt to preserve trust and thus reduce the risk to the customer the institution's "signature" provides consumers with a sense of security.

Third party institutions can play many different roles. In all the roles, if the third party is a trustworthy institution, consumer can make sure of any transaction made via the intermediary. Many of the consumers do not know the exact role of the third party in the transaction. But appearance of the relationship increase the trust of the consumer.

Stewart, performed a study utilizing a hypertext link from one organization's website to another. All the visitors had the feeling that two organizations have business relationship and therefore, trusted easily to the linked site.

Third party recognition gives the feeling of security to the to the consumers.

According to these studies, we can conclude that recognition of the third party by the seller/buyer will influence a person's trust in C2C e-commerce. (K. Jones, L.N.K. Leonard, 2006)

3.2.3 Risk relief services (RRS) and online escrow services (OES)

Risk relief services (RRSs), as complementary to other online trust promoting services, are becoming inevitable options for risk reduction in online consumer-to-consumer e-commerce. In this part of literature review, Some factors which make the use of online escrow services (OES) mandatory or optional are studied. As it is said, market factors, such as fraud rate, product price, and seller's reputation are important in determining buyers' OES adoption.

3.2.3.1 Risk relief services in C2C e-commerce

The consumer-to-consumer (C2C) e-commerce market has undergone rapid growth in the last few years. However, increasing online fraudulent activities have been haunting tens millions of traders in the market. It was reported by fraud.org in 2005 that among the 35.6 million Americans who participated in online auction, more than 40% have encountered Internet fraud problems. In 2006, among the 37,183 complaints reported to FraudWatchinternational.com, 89% were related to online C2C e-commerce websites. According to Fraud.org statistics, online C2C markets continue to be the most fraud prone Internet service. Traders in C2C online websites have limited information to estimate the risk in transacting with others. The high risk of online trading fraud coupled with low trust in potential trading partners significantly affects traders' willingness to trade.

M. Fan, Y. Tan, A.B. Whinston, believes that to promote online trust, the services by trusted third parties (TTPs) can be effective by generating trustworthy trade procedures, such as the trust seal services and other risk relief services. In addition, the online reputation system plays an important

role in providing services the needed information in the adoption of TTPs. For buyers, TTP services can only reduce the risk but not eliminate it. Recent risk relief services (RRSs), on the other hand, can eliminate risk. (C.G. McDonald, V.C. Slawson 2002/ P. Pavlou, D. Gefen 2004)

The business models used by RRSs vary. There are online debit accounts and online escrow services (OES) as well as other risk relief services.

3.2.3.2 *Online escrow services*

X. Hu, Z. Lin, A.B. Whinston, H. Zhang, states that online escrow services not only passively compensate the losses, but also eliminate C2C fraud if every online C2C transaction adopts it. Thus, OES is effective both in trust-building and in risk elimination. However, **“only 6% of those who have bought items have paid through an online escrow service”**. (Zhang, Z. Lin, X. Hu,2004)

It is important to know the reason behind of not deploying OESs in C2C transactions. Only in this way true motivations could be communicated to the customers in order to eliminate risks and elevate the trust.

Solomon Antony, Zhangxi Lin, Bo Xu 2006, studied the behavior of buyers in a simulated C2C market place and analyze the factors that affect their perceptions of risk and their subsequent decisions to adopt OES. They have studied three main factors as the risky ones from consumer's point of view to deploy online escrow services in their transactions.

- **OES adoption decision**

Deploying OES would cost the buyer a nominal or actual amount. Not deploying OES can potentially save some money while increase significantly the probability of fraudulent activity in which could be prevented by deploying OES.

Solomon Antony, Zhangxi Lin, Bo Xu 2006, believe that OES adoption decision by user is based on some factors. Below, list of factors are mentioned.

1- Perceived risk

It is shown that perceived risk is a significant factor in online shopping and also the final purchase decision. In online shopping, mostly there are two kinds of perceived risk. First kind of risk is related to the product and its characteristics as it is described in e-commerce website and the reality. Second type is the financial risk related to financial transaction to perform the online shopping.

Usually, users are more concern about the financial risks when it comes to online shopping. In online trades, financial risk is considered a key risk which can be lowered by warranties and money back guarantees. However, purchase of OES for specific trade will eliminate the financial risk with an amount of surcharge. In the case of OES adoption, the user's perception on whether he is likely to be cheated will ultimately determine his decision to purchase OES protection. (T.J. Strader, M.J. Shaw 1999)

Therefore, OES adoption is positively associated with perceived risk.

2- Reputation

In the absence of first hand information about the seller, seller's reputation becomes an important factor for decision making. Reputation can signal the buyer about a safe transaction and eliminate the risk of buyer. Also it can signal the trustworthiness of the seller and as a result, reflects the buyer's belief about the quality of products and services.

Therefore, reputation of the seller is negatively associated with perceived risk and therefore, OES adoption is negatively associated with seller's reputation.

3- Product price

R. Rao, K.B. Monroe, 1989, states that Product price plays an important role in purchasing and financial decisions. The risk of an incorrect assessment of a product is proportional to the price of the product. So, the price of the product being traded is an inherent component of perceived risk. In the C2C market, the quality of the specific product being sold cannot be ascertained until the product is received and inspected by the buyer, so buying in a C2C market is a risky proposition. But, for low value

transactions, more people would be willing to take this risk, as compared to high value transactions.

Therefore, perceived risk is positively associated with product price and as a result, OES adoption is positively associated with the price of product being traded.

4- Fraud rate

Fraud rate is an indicator of fraud in the market and reflects the average risk level caused by fraud in the whole market. Although it cannot tell exactly how risky a specific transaction is, it does signal the relative level of risk compared with the same figure in different time points or locations. If the market level fraud rates were high, buyers would perceive a higher risk and would subsequently be more willing to purchase OES protection.

Therefore, fraud rate positively affect OES adoption.

5- Defraud experience

Past behavior and experience is an important factor which affects the present online shopping habit. A user's negative experience of being cheated in the past makes him more cautious about online shopping in the future and makes him to use OES more often than the person who has not defrauded before.

Therefore, a person is more likely to adopt OES after a defraud experience.

Solomon Antony, Zhangxi Lin, Bo Xu 2006, examined 8 factors which were relevant to OES adoption in online shopping and found 5 mentioned ones as the ones which have direct effect on OES adoption in C2C online shopping. (Solomon Antony, Zhangxi Lin, Bo Xu 2006)

3.2.4 Trust in virtual communities in C2C

Major C2C websites have been focusing on increasing their customer bases by converting members of their virtual communities (VCs) into C2C buyers and sellers. This phenomenon is called e-commerce based on social networks.

In this part, the factors which affect trust building among VCs members as well as their role in trust building for C2C website is studied.

3.2.4.1 *Virtual communities in C2C websites*

Xu, 2007 quote a sentence from Yanhong Li who is the CEO of baidu.com, one of the biggest (If not the biggest) C2C platforms in China:

“Search and virtual communities are reliable under pinning of C2C e-commerce”

After development of web2.0 many new business models have emerged as well as the virtual communities in business websites. In B2C and B2B websites, virtual communities are being used in order to provide or get more technical information over the products or special services regarding special conditions and etc. In B2C websites like Amazon, consumers can leave their reviews regarding special product or their last experience in which they made the shopping.

But, as it is also mentioned before, there is a big difference between B2B or B2C and C2C business models. In C2C, since the vendor is mostly unknown, trust is a big problem and usually not easily achieved. It has been always the matter of dispute to find a way to bring back the level of trust to the users and buyers in C2C e-commerce.

For C2C platform providers, using VCs to facilitate member's communication and converting VC members to C2C buyers and sellers are critical to their success. An informal survey by Sina.com revealed that more than 70% of the respondents had bought fake products online and worried about making purchases on C2C websites in the future (Sina 2009). Therefore, trust in C2C website is more crucial than other online forms of e-commerce.

Virtual communities (VCs) are considered as an effective way to bring the trust to its users because of two major reasons:

- 1- First, VCs allow members to obtain information or support from each other. Many people go to VCs to search product-related information. They are influenced by the opinions of VC

leaders and other members. A recent report shows that word of mouth marketing has great potential in VCs (iResearch 2007b)

2- VCs can be an effective medium to facilitate trust building in the digital marketplace.

Ba 2001, proposes that trust building in community level is much more cheaper than trust-building in individual level.

Williams and Cothrel 2000, proposes four common characteristics for the VCs:

- 1- They exist in Cyberspace
- 2- It is based on information technology
- 3- It is being used for communication among common interests and most of the contents are user generated
- 4- They allow the formation of social relationships

Lee et al. (2003), gives the following definition for virtual communities:

“Virtual community is a cyberspace supported by computer-based information technology, centered upon communication and interaction of participants to generate member-driven contents, resulting in a relationship being built up”

3.2.4.2 *Trust in C2C Vendor/Website and trust in virtual communities*

There are two kind of trust when it comes to trust in VCs and C2C e-commerce.

- 1- **Trust in vendor/website:** refers to the beliefs that the C2C website or the VC sponsor is capable of providing quality services and would do well to its consumers or users. It is the assessment toward the performance of an institution or organization rather than an individual. Institutional trust affects consumers' purchase behaviors in e-commerce(Gefen et al. 2003b, Pavlou and Gefen 2004)
- 2- **Trust in members:** It can be a major factor that affects the prosperity and success of VCs as, in a virtual environment where participants are usually anonymous and do not engage

in direct face-to-face communication, trust can be a significant issue. In VCs, trust also plays an important role in affecting members' behavior as people would act more proactively when they trust the environment and other people. (Kankanhalli et al. 2005)

Chen et al. 2007, compared different C2C e-commerce websites in china in which some of them were using the VCs inside the platform and the others not. The outcome of the study showed the difference between the level of trust in the C2C e-commerce websites which have VCs and the ones which do not have.

Yao bin lu et al. encourages all the C2C websites to establish a VC inside the website since they study shows the significant tendency of the VC members to be the C2C buyers or sellers. Also they propose that the C2C websites should focus more on trust building factors in VCs since these trust will turn back to the trust in C2C website as the buyers and sellers.

A virtual community also can reward the participants for their best effort or best answer in the C2C website or VC. (Chen et al. 2007)

4) Schnappundweg.eu

4.1 Introduction to schnappundweg.eu

Schnappundweg.eu is an online C2C e-commerce website which sellers and buyers from different geographical areas can offer what they have as an online offering to each other. The sellers offer new or second handed objects and also the buyers buy their objects from the platform. The philosophy behind the platform is the same idea of "EBay" "Ricardo" and "Exsila" with some points of differentiations. Schnappundweg.eu is currently active in Switzerland (Schnappundweg.ch), Germany (Schnappundweg.de) and Austria (Schnappundweg.at).

Beside the main websites under the domain names which provide C2C e-commerce functionalities for the users, different apps also developed for mobile environments.

4.1.1 *Business idea of Schnappundweg.eu*

The business idea of schnappundweg.eu was ignited by an unsuccessful online shopping from an unknown C2C website by CEO of the Serwise Company. He bought and paid immediately for a stereo Hi-Fi on internet and he never received the product. Then the idea of having a safe account as the third party account for a same platform as EBay came to his mind and he initiated schnappundweg.eu on 2005. Schnappundweg.eu is an online market platform to provide the customers with the possibility of putting their objects as a fixed price offering on the website and also finding the others offerings regarding the objects of others.

4.1.2 *Slogan of Schnappundweg.eu*

The slogan of Schnappundweg.eu is “Sofort, Einfach und Günstig” which we can translate it as “Immediate, straightforward and beneficial”.

Immediate: Steps which are necessary to be taken in order to make a purchase or put a new object is so fast and immediate. Schnappundweg.eu benefits from a very simple and right to the point design which makes it very easy for the users to get its advantages.

Simple: Schnappundweg.eu is very simple and easy to use. Therefore, a basic user of internet is also able to buy and sell on the platform.

Beneficial: Schnappundweg.eu is beneficial for both sellers and buyers. In case of online purchase, used objects on the platform are much cheaper than those in the market. In case of online selling, seller can benefit from the easy and cheap offering of the object in Schnappundweg.eu.

4.2 General description of the services

4.2.1 *Functional capabilities*

One of the most important points about the platform is its **simplicity**. All the GUIs are easy to understand and efficient yet very simple and not very colorful. The design of the platform requires

even the least knowledge of IT and internet. It means that if a buyer or seller is a basic computer user, he/she can see and put the offerings easily.

The main objective of Schnappundweg.eu is secure sales transactions between a seller and a buyer on the Internet. At the same time, the anonymity of market participants to be preserved.

At the first page of the platform, random offerings from different customers are shown. By clicking on it, the whole offering with all the details, pictures and other information will be displayed. In case that the customer wants to buy the product, username and password will be asked. Prior to make an online offer or purchase, the customer should enter his/her registration information into the platform. Then the method of the delivery will be chosen and at the end payment will be done for an object.

All the users have a **personal account** in Schnappundweg.eu. Users can charge their accounts with their credit cards and make the further shopping or selling using their own account. In this way, users do not need their credit card information to be kept or communicated to the platform/seller at each time of purchase/sell.

There is no cost to put an offering on Schnappundweg.eu. It means that using the platform is free until there is a buying or reservation process.

Offerings are being displayed for between 10 to 90 days upon preference of the seller. Of course, if it is sold out before expiry of offering, it will not be shown on the platform.

Security of **financial transactions** is one of the very positive aspects of Schnappundweg.eu. Online escrow services are being adopted by Schnappundweg.eu. This capability is called "Zug-um-Zug" in the platform. It works exactly as an online escrow service which a third party account will keep the money between buyer and seller till the time that buyer expresses his total satisfaction from the received object. This function is mandatory for all the transactions over 100 Euros and optional for under this amount. In case of adopting escrow service by the platform, specific surcharge will be charged to the buyer.

The seller can also determine the **method of delivery** for the object. There are 3 options to send the objects in Schnappundweg.eu. First one is the in person delivery in which the seller only deliver the object to the buyer at the door. The other method is to send it domestically and the last way is to send the object abroad. Depending on the options which seller proposes for his offering, the buyer can choose the way to get the object. There are costs which apply to the methods of sending either domestic or abroad.

Reservation of an object is possible in Schnappundweg.eu. When a customer is not fully certain to make a direct purchase, he can reserve the object for maximum of 48 hours. Within reserved time period, no one is able to re-reserve or purchase the object. Within the reservation period, user who has made the reservation can cancel or confirm the purchase. Adopting this function has a specific surcharge for the purchaser.

Waiting list capability of the platform happens in the situation in which one object is reserved by one user and also the other user wants to do the same with the same object. In this situation the second potential buyer of the object can be put into a reserve list which will be treated as FIFO. If one person cancels the reservation, the first person in the list will take his place by notification. Number of the people in the queue for an offering will be shown also to the persons in the list.

Anonymity of the seller and buyer is guaranteed in Schnappundweg.eu in order to prevent any fraudulent activity as well as respecting all the platform user's privacy rights.

User's rating is another functionality of the platform. Like other C2C e-commerce websites, buyers can rate the seller as the matter of honesty and trustworthiness. Once a buyer receives an object from the seller, he can accept or reject it comparing what he was expecting and what he has received. Time by time, when a user demonstrates trustworthy activities on Schnappundweg.eu, his ranking grows. Ranking scale is 5 stars in which 1 star is the least and 5 star is the most rank one user can obtain.

If a registered buyer or seller acts not ethically in the platform, which means fraudulent activities like not delivering the object or delivering the object with major differences with the one offered online, there will be negative points for the user in the user rating.

Mobile apps 3 different mobile applications are developed for different environments. Not all the functionalities which are present in live version are available on apps. But they provide an environment in which the user can easily see the offerings and put the offer. Idea behind of having mobile apps, is the fact that users may remember to offer some objects while they are on-board in trains or other transportations. With current internet coverage rate in the world, it will be easy for the users to use Schanppundweg.eu while not on their PCs.

Different methods for registration and authentication

There are three different ways in order to log-in into the platform.

- 1- **Full registration:** with all the details. In this case user will be asked to for his/her electronic signature information. In Switzerland, there is a card for each Swiss person called SuisseID which is his/her very personal representative. Inserting information of this card in case of full registration works like an electronic signature.

In case of full registration, user will be able to benefit from his own account in Schnappundweg.eu which provides him/her with the possibility to use escrow service (Trust function) of the platform.

Registered user will be provided with set of access codes which he needs to access his/her personal account on the platform.

- 2- **Short registration:** in this case just some minor information will be asked from the user to insert including an optional username, optional password and a valid Email address.

As mentioned, in this case, the user can not benefit from escrow service. Therefore, transactions could be preceded by Payment service providers such as Credit card or PayPal and etc.

- 3- Facebook log-in:** In this case Schanppundweg.eu records user's Email address as the identification. Of course, also in this case, benefiting from all facilities of platform like those of fully registered users is not possible.

4.2.2 Technical characteristics of Schnappundweg.eu

As the programming language, the platform is using **JAVA** which is an object oriented programming language. As the database management system, it is using an open source object relational database management system (**ORDBMS**). **Piwik** is being installed to monitor the web metrics of the platform in order to have an up-to-date statistics about the number of visits and other analytics of the platform.

Mantis bug tracking software product is being used to report and track the problems and bugs of the software. It works as error report software in which the users can report the bugs and the problems of the software and assign it to the proper person to be fixed. All the servers used for the platform are Linux-based and all are using the open source and free software in order to avoid the licensing fees. Altogether, there are 4 server for development, testing, integration and production. All of them are using Debian Linux as OS. Firewall system is a combination of the software and hardware firewall.

Database of the platform is **LUCENE** which is a full-text database created in Java and providing full-text searching and indexing capabilities. For a multi-lingual platform like Schnappundweg.eu having full-text indexing capability makes it easy and feasible to add new languages and adding translations for different language areas.

All the software products, Databases, Operating systems and components which are being used to maintain Schnappundweg.eu are open source. According to the policy behind the platform, it is decided that Schnappundweg.eu benefits from free license software products forever. In this way,

there will be cost benefit for the company since they do not pay for the licenses to maintain the platform.

For the mobile Apps, HTML5 and CSS3 have been used.

4.2.3 Registered domain names of platform

Schnappundweg.eu has already 7 domain names extensions for 3 countries and also 2 others for general purposes. These five domain names are '.eu', '.ch', '.de', '.at', '.biz', '.com' and '.info'.

4.3 Monetary aspects of transactions in Schnappundweg.eu

According to the business model of Schnappundweg.eu, if there is a buying process for an object, the buyer pays 1 euro as a transaction fee to Schnappundweg.eu. Also in case of the reservation for an object there is 1 euro reservation fee. It means in case of reservation and buying there are 2 Euros of fee for the buyer and in case of either reservation or direct buying there is 1 euro of fee for buyer.

Obviously, for a user in waiting list there is no cost until he becomes a buyer or a person who reserved the offer.

Adopting online escrow service (Trust function) costs 1 euro for the buyer. If the transaction value is over 100 Euros, adopting OES is mandatory. Otherwise it is optional.

Break-even point of sales as defined by the company is 1.000.000 transactions per year. 1.000.000 transactions mean 1.000.000 Euros of revenue in the worst case or 3.000.000 Euros in the best case. Right now, the platform requires growing and therefore, is not currently generating much revenue for the company. But according to the potential, the company is holding a positive view to it.

Although Schnappundweg.eu is a Swiss market platform which is supposed to use CHF as currency, circulating currency in the platform is Euro. Reason behind is the fact that offerings

could be sent internationally all around Europe and it should as easy as possible. If the currency of the system was CHF, Euro country's users would subject to pay exchange rate differences and longer procedure of shopping. Though, for Swiss users, it is possible to get their money in CHF in their bank account. Inter-Europe transactions are being done through SEPA channel.

To transfer the balance of one's Schnappundweg.eu account to his bank account, there is a cost of 1 Euro if the balance is over 50 Euros. Otherwise, in case of balances less than 50 Euros, 5 Euros will be charged as the expenses of money transfer.

In order to meet anti-money-laundering regulations, a registered user is subject to limit of money transfer of 5000 CHF or its equivalent in Euro through Schnappundweg.eu. For the same purpose, all the transactions through the platform are being monitored by an automated monitoring system and tracing the potential money-laundering or fraudulent cases.

5) Research on western European countries for online retail forecast

5.1 What is the aim of this market research

In this part, an analysis is done over the market of Western Europe for e-commerce solutions. We are looking for the answer for the following Questions:

- **How the current situation looks like and also how is the future of the E-commerce market in Western Europe?**
- **Which is the best fitting country for Scnappundweg.eu to be developed in?**

The following information is gathered mostly from the last **Forrester's** article By Victoria Bracewelllewis titled "**Western European Online Retail and travel Forecast, 2008 to 2014**". This article is conducted in 16 March 2009 and updated on 30 July 2009. Other data in this part is gathered from CIA fact book and also some of the local reference websites like ISTAT and Wikipedia as well.

5.2 E-commerce growth in Western Europe

There is a considerable growth for the online travel and retail forecasted between 2009 and 2014. The whole online retail and travel in Western Europe was 129 Billion Euros in 2009 which will reach to 203 Billion in 2014. The number of online new shoppers is rising and it will increase the total potential market of the online retail and travel. Western Europeans spent annual average of 942 Euros per person for their online shopping which this number will grow to 1086 Euro for 2014 which represents the 15.23% of the growth in the related market.

For the EU-17 countries, Compound Annual Growth Rate (CAGR) of 8% is forecasted between the years of 2008 and 2014.

5.2.1 Western European E-commerce continues its double digit growth

In 2008 the online retail and travel reached 116 Billion Euros of sale representing the 18% of the growth in comparison with the previous year. Despite the economic down-turn of the countries, CAGR of 8% is forecasted for Western Europe in the period of 6 years between 2008 and 2014. The UK is the biggest online retail market with half of its adults buying online regularly. This rating is continued by Switzerland and afterward by Austria. Below there is a ranking table regarding the EU-17 countries and their projected online retail sales between 2008 and forecasted 2014.

Source: Forrester Research institute

	2008	2009	2010	2011	2012	2013	2014
Austria	€887	€911	€937	€982	€1,013	€1,039	€1,056
Belgium	€804	€812	€847	€879	€898	€916	€929
Denmark	€792	€808	€852	€892	€908	€921	€933
Finland	€795	€798	€836	€864	€880	€894	€905
France	€754	€781	€825	€872	€896	€917	€932
Germany	€825	€869	€890	€926	€952	€977	€994
Greece	€699	€703	€723	€770	€786	€799	€811
Ireland	€804	€805	€888	€949	€970	€981	€987
Italy	€766	€792	€830	€849	€865	€880	€890
Luxembourg	€788	€810	€839	€863	€882	€901	€915
Netherlands	€779	€780	€815	€840	€858	€875	€892
Norway	€791	€793	€832	€861	€879	€893	€906
Portugal	€663	€668	€692	€728	€745	€761	€776
Spain	€925	€908	€990	€1,053	€1,073	€1,088	€1,097
Sweden	€782	€789	€827	€849	€863	€973	€888
Switzerland	€959	€1,005	€1,040	€1,082	€1,103	€1,122	€1,135
UK	€1,378	€1,341	€1,427	€1,501	€1,531	€1,561	€1,582
Western Europe average	€934	€942	€985	€1,029	€1,052	€1,072	€1,086

Figure2: Projected online retail between 2008-2014

According to the table above, UK has the highest rank between the countries in the aspect of the total online spending by the online shoppers. From the other side, the popularity of the online shopping is increasing since the number of online surfers is approaching the number of the people who does the shopping online which implies the necessity to online retailing and E-commerce between the different generations of the web users. The figure below, shows the adoption of the online shopping in western Europe countries between 2000 to 2008.

Source: European Technographics

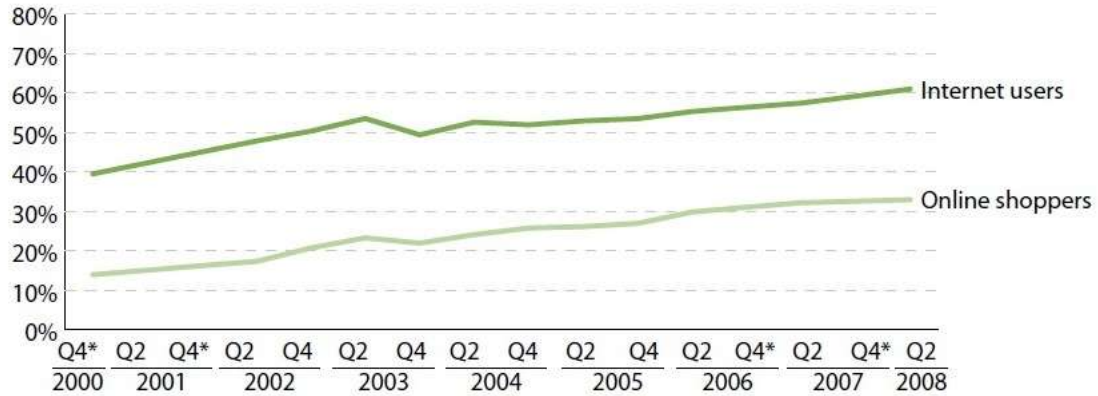


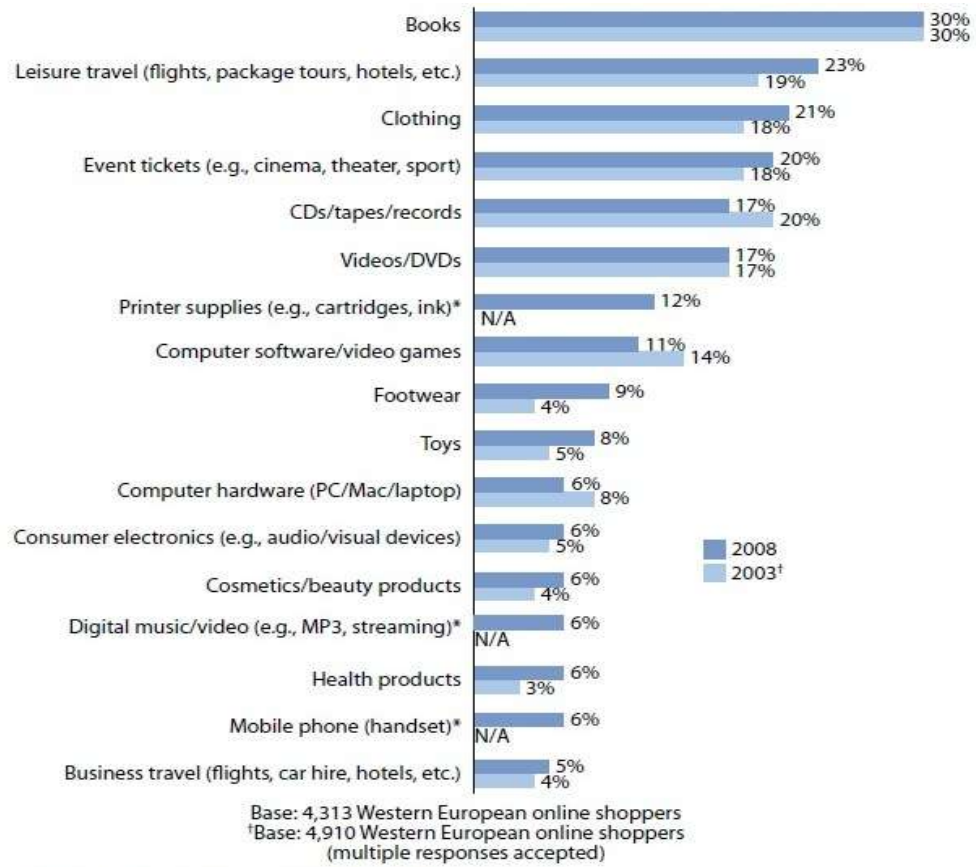
Figure 3: Adoption of online shopping between 2000-2008

This figure shows that how the number of online shoppers in approaching the total number of internet users. The gap is becoming so small in which we can consider the fact that almost all the online users which have the possibility to shop online, at least once they try it and the get the advantage of the internet to shop online.

within the last years, this gap reduced to almost Zero. According to the **CIA fact book**, till 2011 97.5% of the internet users, had at least one online shopping in their last one month.

There is another matter for the E-commerce which is the willingness of the online shoppers toward different online offerings.

The figure below, shows the attractiveness of different categories of online offerings:



Source: European Technographics* Benchmark Survey, Q2 2008
[†]Source: European Technographics Benchmark Survey, Q2 2003
 *This category was not listed in the 2003 survey.

Figure 4: Online retail categories sorted by attractiveness

According to this ranking, Books, Leisure travel and clothing are the most attractive categories. This ranking is followed by the online tickets, CDs, DVDs,

This ranking differs from country to country. For instance in the countries like Italy and France which online shoppers are Brand sensitive, Clothing and bags have the second Rank among the common online purchases. (ISTAT)

➤ **Demography of the E-commerce customers:**

	All adults	All Net users	Online shoppers	Online, don't shop online
Male	48%	52%	53%	51%
Mean age	45	39	39	40
High education	24%	33%	40%	26%
Work full-time	41%	53%	57%	48%
High income	29%	38%	44%	31%
Household assets	€76,206	€84,415	€90,055	€76,500
Online regularly	61%	100%	100%	100%
Broadband at home	47%	76%	84%	66%
Shop online	33%	54%	100%	0%
Confident of online security	25%	34%	46%	20%

Base: 25,443 Western European consumers

Figure5: Demography of Western European e-commerce consumers

According to the demography of the online shoppers, there are large number of people who are skeptical about the safety and security of the online platforms. According to the table above, just 34% of online shoppers are confident about the security of internet and accordingly about the security of the online payment by credit card. Therefore, skepticism about fraudulent activities in net, is the biggest deterrent against the online shopping.

C2C business model has become more attractive recently. It implies that internet users are considering the internet as a tool which they can make money out of it as well as buying the necessary objects.

5.2.2 Drivers of online shopping according to Forrester

According to **Forrester** research institute, there are some points which make the customers to migrate to online shopping instead of traditional way:

- 1- Internet surfing is very popular among the adult users and western European adults are the main group. When it comes to online shopping, main deciders of buying process are adults. .

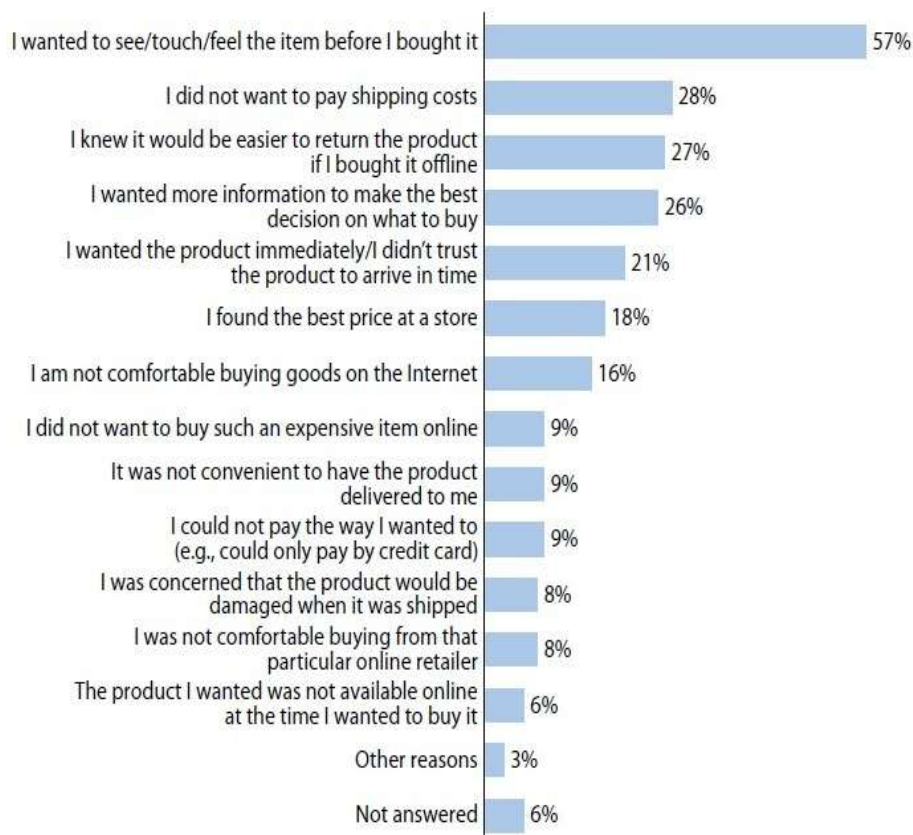
Also it is said that Western European countries are in economic down-turn in which online shopping will decrease accordingly. But according to **CIA fact book**, the demand and supply for the online shopping will increase for the next five years. Because it is believed that the global recession will affect internet shopping less than the other channels since shoppers will become more price sensitive and therefore, will choose the internet to make the shopping more economically and efficiently.

- 2- Internet is providing an excellent platform to make a product search, customer services and price hunting among customers. Online users, found online shopping as a convenient, time-saving, petrol saving way in which also necessity to stand on the long queues of the shops is eliminated.

- 3- **Cross-Channel shopping** is the dominant factor for the retail shopping. It means that there are 45% of the online users, first see the online product and then they shopped it in the store. The main driver of the cross-channel shopping is the lack of physical evidence for the online products. Those who perform the cross-channel shopping believe in the fact that the product which is delivered by online shopping, is not as the same as what they have seen in the website. Number of the people who are doing the cross-channel shopping is decreasing since the options like refunding or “see before buy” or online escrow services are becoming more commonplace and established in the websites.

Also as it is mentioned before, the most wanted online products are those which are not very variable from what we can see in the website and what we get as the delivery like Books, leisure travels, Event tickets, CDs and tapes and printer and platter supplies and inks. (Products with the least level of uncertainty).

5.2.2.1 Drivers of cross channel shopping



Base: 3,176 European online adults who researched a product online but bought it in a store (multiple responses accepted)

Source: European Technographics® Benchmark Survey, Q2 2008

Figure 6: Main drivers of cross channel shopping

5.2.3 A forecast to the online shopping for 2008-2014:

According to the researches, western European online retail and travel will rise to 203 Billion by 2014.

Figure 5: Western Europe online retail and travel sales
(€ millions)

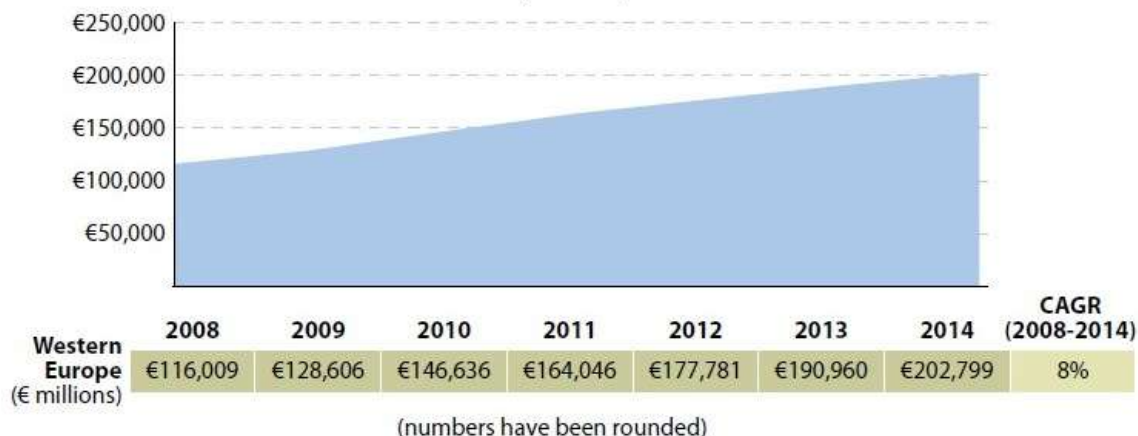


Figure7: Forecast of Western European Online travel and retail 2008-2014

5.2.4 E-commerce in Italy is Surging: (Source :e-Marketter 2012)

e-Commerce in Italy is surging, catching up from a slow start relative to France, Germany, Spain and the UK. It climbed more than 32% in 2011, and e-Marketer expects growth of 25.5% in 2012. By 2016, B2C online sales will have more than doubled from \$12.88 billion in 2011 to \$31.25 billion.

The slow start is due to lack of a critical mass of consumers buying online. In 2011, only 38.5% of internet users in Italy were buying online, compared to 82.5% in the UK and 74.6% in Germany. Prospects for the future aren't spectacular, given the gloomy economic climate: eMarketer expects 41.3% of internet users in Italy to buy online in 2012, and 44.1% in 2013, amounting to 11.7 and 13 million buyers, respectively.

Interestingly, while Italy may not have as many online buyers as countries like Spain, France or Germany, it does beat out those countries in terms of average amount spent per online buyer. In 2012, eMarketer estimates that Italy's online buyers will spend an average of \$1,380 and will increase spending to \$1,885 by 2016. (eMarketer, July 2012)

		Western European online retail sales by category (€ millions)						
		2008	2009	2010	2011	2012	2013	2014
Apparel	3rd	€11,906	€13,139	€14,775	€16,396	€17,656	€18,840	€19,877
	Clothing	€10,031	€11,018	€12,360	€13,687	€14,695	€15,636	€16,451
	Footwear	€1,610	€1,820	€2,070	€2,320	€2,533	€2,739	€2,927
	Jewelry/watches	€265	€301	€345	€390	€428	€465	€499
Electronics and electricals		€25,435	€28,458	€32,501	€36,416	€39,574	€42,622	€45,376
	2 nd Computer hardware	€6,666	€7,246	€7,787	€8,154	€8,423	€8,624	€8,731
	Household appliances	€2,040	€2,328	€2,686	€3,045	€3,352	€3,654	€3,933
	Consumer electronics	€16,728	€18,885	€22,028	€25,218	€27,799	€30,344	€32,712
Groceries	4th	€8,508	€9,492	€10,687	€11,831	€12,845	€13,818	€14,703
	Alcohol	€861	€959	€1,097	€1,229	€1,340	€1,448	€1,547
	Food and drinks	€5,616	€6,226	€6,998	€7,721	€8,373	€9,000	€9,571
	Beauty and cosmetics	€976	€1,109	€1,261	€1,408	€1,535	€1,656	€1,767
	Health products	€1,057	€1,196	€1,340	€1,473	€1,597	€1,714	€1,820
Household goods	8th	€4,151	€4,618	€5,195	€5,761	€6,219	€6,650	€7,031
	Home furnishing and furniture	€3,121	€3,461	€3,890	€4,312	€4,648	€4,964	€5,241
	Garden, tools, and home improvement	€657	€728	€806	€882	€943	€999	€1,046
	Baby equipment	€372	€429	€498	€567	€627	€687	€744
Leisure travel	1st	€44,985	€49,587	€57,030	€64,184	€69,662	€74,950	€79,726
	1 st Flights	€21,983	€24,094	€27,711	€31,154	€33,737	€36,222	€38,453
	Train and boat tickets	€3,943	€4,436	€5,027	€5,571	€6,019	€6,443	€6,821
	Hotels	€11,554	€12,727	€14,560	€16,316	€17,639	€18,903	€20,027
	Package tours	€5,579	€6,216	€7,273	€8,350	€9,212	€10,071	€10,879
	Car rental	€1,925	€2,124	€2,459	€2,793	€3,054	€3,310	€3,547
Media	6th	€7,052	€7,643	€8,473	€9,215	€9,724	€10,171	€10,517
	Books	€2,397	€2,592	€2,862	€3,097	€3,247	€3,374	€3,464
	Computer software and video games	€604	€644	€695	€739	€759	€772	€774
	Music	€2,044	€2,232	€2,481	€2,705	€2,867	€3,014	€3,133
	Videos and DVDs	€2,007	€2,174	€2,434	€2,675	€2,850	€3,010	€3,146
Recreation	7th	€6,293	€6,953	€7,952	€8,931	€9,687	€10,415	€11,069
	Tickets	€4,498	€4,939	€5,666	€6,377	€6,912	€7,427	€7,891
	Sports equipment	€1,038	€1,156	€1,317	€1,477	€1,606	€1,730	€1,843
	Toys	€756	€857	€969	€1,077	€1,170	€1,257	€1,335
Automotive	5th	€7,681	€8,707	€10,023	€11,312	€12,414	€13,496	€14,500
	Cars	€4,878	€5,516	€6,367	€7,214	€7,932	€8,639	€9,300
	Car parts	€2,803	€3,192	€3,656	€4,098	€4,482	€4,856	€5,200
Total online retail sales		€116,009	€128,606	€146,636	€164,046	€177,781	€190,960	€202,799

Figure 8: Western European online retail sale by category

5.3 Best fitting new market for Schnappundweg.eu among Western European countries

In this part the possible options for schnappundweg.eu has been studied in order to develop the platform to new geographical/language areas.

According to the research over Western European countries in previous section, we can point out following points:

5.3.1 External aspects

- Italy is the third country in the ranking between the EU17 countries from the aspect of the online shopping spending per person which means that people like to buy online and online shopping is popular in the country. According to the statistics, each Italian in average shops online 766 Euro per year. (ISTAT)
- According to eMarketer, in 2012, eMarketer estimates that Italy's online buyers will spend an average of \$1,380 and will increase spending to \$1,885 by 2016. In Western Europe, that figure is second only to the UK.
- The Italian people have one of the lowest level of trust in online transactions among Western European countries. With only 10% of adults stating that they are confident with providing their credit card information online to the websites. Having the OES (Trust function) in the platform, we have a positive competitive advantage.
- Following the recent financial recession in Italy and also the financial austerity regulations, many rules have been ratified which they make the financial situation of the people worse than before in the short term. Therefore, people will be more demanding to buy the cheaper online and also to sell online.
- Italian language is spoken in Italy, San Marino, south of Switzerland and Malta. Having the platform to work in Italian, means a big market.
- Italy has supporting rules in favor of the new companies as the matter of the tax and start-up funding which is not the same in the other countries.

- We have a big competitive advantage in being a Swiss company since there is a high level of trust among Italian people for Swiss products and companies. More specifically, when it comes to online shopping in which financial transaction overshadows other processes.
- Italians have great affinity with smart phones. In 2012 33% of Italian adults were using smart phones. (PDA review)
- **"The Italians want to buy brands but at affordable prices"** stated Nicolas Deschamps Hennon, spokesman for Kiabi Italy. Adding the ability to our platform in which people can choose and also sell their offers according to its brand.
- Various courier service providers makes it fast and cheap to send the packages nationally and internationally.

5.3.2 Internal aspects

- Almost all the GUIs of the platform have already been translated to Italian. Therefore we have a good competitive advantage in this aspect of the platform. In case of having the new GUIs or parts inside the platform, they can be easily translated by the help of the assigned colleagues in the company.
- Lucene, is a full text index searching software product. Also, there are built-in translators which can be installed in order to translate the texts in the database into Italian. This capability will be described in details in operating plan in business plan section.

6) Possible improvements to Schnappundweg.eu

In this part of my master's thesis, I would like to address some missing points of Schnappundweg.eu which seems to be necessary for a C2C platform.

- In **"New features"** section, I address the possible capabilities which can help Schanppundweg.eu to be more powerful to attract sellers and buyers. This part is done following the comparison between **"Literature review"** and **"Introduction to Schanppundweg.eu"**

- In “**Technical improvement**” section, possible technical improvements which are crucial for the platform to be developed to new geographical areas will be addressed.

6.1 New features:

6.1.1 Graphical interfaces

Schnappundweg.eu, is using very simple GUIs in order to avoid being sophisticated and keeps the simplicity. This is a positive characteristic of the platform which tries to keep the simplicity of the GUIs in order to keep it comprehensible for all the users with all the level of IT knowledge. Also this design provides the user with accessibility and convenience to use all the features of the website. Also it elevates the perceived usefulness of the website which, as mentioned in TAM model, is a positive point in C2C e-commerce.

But from the other side, this simplicity gives the feeling of low quality of the website which results in low level of trust in the C2C e-commerce platform. As it is written in Literature review, Perception of website quality (PWSQ) is a parameter which users evaluate before trusting a website. In Schnappundweg.eu, simplicity of GUIs and graphical features implies the low quality of the website and it could be a reason in which users avoid trusting Schanppundweg.eu.

As the matter of perceived risk, also I can mention the fact that perceived risk negatively affect the trust in C2C e-commerce. Low quality of graphical interfaces of the platform increase the perceived risk by the user which results in low level of trust in Schnappundweg.eu.

What I can propose in this regard, is the fact to keep simplicity and to improve graphical quality.

6.1.2 Virtual community

Virtual communities (VCs) are considered as an effective way to bring the trust to C2C website's users because of two major reasons:

- 1- First, VCs allow members to obtain information or support from each other. Many people go to VCs to search product-related information. They are influenced by the opinions of VC leaders and other members.
- 2- VCs can be an effective medium to facilitate trust building in the digital marketplace.

But this is a missing point in Schanppundweg.eu. The only trust building factors in the platform are user's rating feature and online escrow services.

As it is mentioned in literature review, having the possibility of virtual community in the C2C platform brings the trust among users and also the platform itself. Also it allows the formation of social relationships among the users. As it is said that *"Virtual community is a cyberspace supported by computer-based information technology, centered upon communication and interaction of participants to generate member-driven contents, resulting in a relationship being built up"* this feature can build a relationship between the users of the platform which makes them kind of loyal to use it.

Also, VCs are a virtual place to search information and provide help for possible problems of the users.

This feature is missing in Schanppundweg.eu which can be an effective part of that to attract more sellers and buyers.

6.1.3 Third party recognition

The very missing point of Schnappundweg.eu, is the matter of its third party recognition. As it is mentioned in literature review, trust in e-commerce becomes very important when it comes to C2C business model.

One of the ways in which a C2C business can gain the trust is by third party recognition. When there is a reference of Schnappundweg.eu in a trustworthy website, felling of being secure will be implied to the seller or buyer.

It becomes much more important when it comes to a new country to be developed in. Schnappundweg.eu is a Swiss brand. But is it obvious from GUIs or other parts of the platform?

Swiss brands and companies have trustworthy images for many people. But is there strong connection between Schnappundweg.eu and this Image? My answer to this question is NO and I do believe that establishing this connection helps significantly to the platform to increase the level of trust of users.

6.1.4 New categories of offerings:

As it is discussed in marker research section, 5 top attractive categories are offerings in online markets are

- 1- Books
- 2- Leisure travels (Flights, package tours and hotels)
- 3- Clothing
- 4- Event tickets (Cinema, theatre, sports)
- 5- CD and records

But Schnappundweg.eu is not active in 2nd and 4th category which they could be so beneficial in case of having this capability.

This could be a good idea to have a section dedicated to event tickets in which users can propose their extra places over purchased tickets for events to other users. Online escrow service (Trust function) could be adopted for all the transactions in this category in order to prevent selling the non-transferable tickets (Buyer can authorize the payment to seller after the event)

6.1.5 Adding English language to all GUIs

Regardless of location of the user, it should be possible to see the pages in English. This possibility gives the non-native users in specific geographical location to use the platform. For instance an English speaker person residing in Italy should be able to work with the platform.

6.1.6 Money transfer costs from user's account to his bank account

To transfer the balance of one's Schnappundweg.eu account to his bank account, there is a cost of 1 Euro if the balance is over 50 Euros. Otherwise, in case of balances less than 50 Euros, 5 Euros will be charged as the expenses of money transfer.

This amount of money is something which is not common in the business model of C2C online e-commerce. According to nowadays money transfer methods which are mostly free even between continents, this surcharge seems not rational to be paid by the user. In another word, it is supposed to bring about loyalty to the platform but it works in opposite way.

6.1.7 Upgrade of user's level

Beside the rating possibility which is present in the platform, it could be also a good idea to promote a user from normal to premium once he/she performed certain number of transactions through the platform. Premium users can benefit from quantity/price discount.

6.2 Technical improvement

From technical point of view, an index should be added to Lucene which keeps the text in English. A built-in translator should be deployed in order to translate all the languages in English and store it in DB.

In this way we can also increase the ability of search in the platform. For instance, consider a user in Italy searching for "Racchetta da Tennis" which means Tennis racket. There is no offer for tennis racket in Italy and Italian language but one Swiss user already put an offer as "tennisschläger".

The Italian user can find the offering of Swiss user if following process proceeds for all the offerings:

- 1- Once a user put an offer in Schnappundweg.eu, a built-in translator translates the name and a short description of the offer and stores it as text in the index pointing to its original language.
- 2- Once a user search for an offer in Schnappundweg.eu, text will be searched in its original language in the index and also text will be translated to English (If not already English) and will be searched in English index.
- 3- All the results which are matching in original language or English will be shown to the user.
- 4- In case our Swiss user set the possibility to send the object abroad, Italian user can order the offering in the platform although, offering language was originally Swiss german.

7) Business plan for Schnappundweg.eu (Italy)

7.1 Executive summary

7.1.1 Business idea

The business idea of schnappundweg.eu was ignited by an unsuccessful online shopping from an unknown C2C website by CEO of Serwise. He bought and paid immediately for a stereo Hi-Fi on internet and he never received the product. Then the idea of having a safe account as the third party account for a same platform as Ebay came to his mind and he initiated schnappundweg.eu on 2005. Schnappundweg.eu is an online market platform to provide the customers with the possibility of putting their objects as a fixed price offering on the website and also finding the others offerings regarding the objects of others.

Schnappundweg.eu provides a simple way of C2C e-commerce among its users. It has been developed by considering the financial security problems as the most important issues.

7.1.2 Business area attractiveness

According to external and internal analysis which has been done, Italy is a country with positive C2C e-commerce trend as well as population who are becoming price sensitive in their shopping.

Also, almost all the drivers are online shopping are positive in case of Italy.

Also from Internal point of view, Schnappundweg.eu has already been established in DACH countries. It implies that almost all the technical necessities are set now for development. There is no licensing fee in terms of technological and geographical development and also almost all the GUIs have already been translated to Italian as the language. There is no transportation cost to enter a new geographical area for a C2C e-commerce platform.

7.1.3 Business plan's objectives and constraints

7.1.3.1 Business plan objectives

This business plan is aimed at providing details about Italy as well as different steps which should be taken for this development.

In "Strategic plan" section, first a PEST analysis is done over market of Italy. Internal and external analysis over the firm and relevant market in Italy has been done.

For Internal analysis, resources and competences of the firm are studied and for external analysis, PEST analysis and Porter's five forces analysis are conducted in order to evaluate the current conditions of the market and Italy as well.

7.2 General description of products/services

General characteristics of the platform which will be working in Italy would be as the same as what has been described in previous sections. But of course there will be some technical and visual differences:

- 1- Proposed domain name for Italy is: **trovabene.it** which is not occupied yet for almost all the other extensions as well.
- 2- Language of all GUIs, parts, logos and helps will be Italian in order to be usable by Italian users. Depending on the final decision of the company, English also could be added as the second language of the platform.
- 3- Since Italian users are brand-oriented, sellers will be able to define the brand of the offered object (If any) and also buyers can search and find their desired products based on its brand.
- 4- There are several courier service providers in Italy like BRT, SDA, DHL and FEDEX which operate in delivering fast and traceable parcel delivery in Italy and abroad. All have different pricings regarding their services which will affect final price of an object to be

proposed to the buyer. Courier service provider will be selectable according to buyer preference/object characteristics. Poste Italiane which is the national post of Italy is also providing acceptable services but just nationally and not internationally.

5- As it is discussed in marker research section, 5 top attractive categories are offerings in online markets are:

- Books
- Leisure travels (Flights, package tours and hotels)
- Clothing
- Event tickets (Cinema, theatre, sports)
- CD and records

But Schnappundweg.eu is not active in 2nd and 4th category which they could be lucrative ones.

This could be a good idea to have a section dedicated to event tickets in which users can propose their extra places over purchased tickets for events to other users. Online escrow service (Trust function) could be adopted for all the transactions in this category in order to prevent selling the non-transferable tickets (Buyer can authorize the payment to seller after the event). Specially, for Italy which there are always theatres and artistic events.

6- As discussed in literature review, virtual communities have tremendous effect on trustworthiness and as a result, attractiveness of a C2C e-commerce website. A possible service for Schanppundweg.eu in Italy could be VC as a discussion forum between users.

7.3 Strategic plan

7.3.1 Internal analysis

7.3.1.1 Resources/competences

1) Resources:

- Adequate human resource to perform the technical development on servers, sites and GUIs.
- Adequate human resources to perform new graphical user interfaces as well as other graphics in order to make the platform more aligned with accepted ones in Italy.
- Adequate source of finance. As it is said in business idea, geographical development for a C2C e-commerce website does not mean so much since in initial phases no physical movement will be required.
- Adequate human resource to help translating parts in Italian.
- Adequate required hardware and software infrastructure in order to develop the platform for new service area and domain extension.
- Bank accounts/third party accounts are already in Euro. Therefore, need minor changes in this aspect.

2) Competences:

- Online escrow service (Trust function) which will be adopted for transactions. This functionality will prevent many fraudulent activities by users in Italy. According to statistics, 95,000 swindles and cyber frauds reported on 2011.
- Already established platform which makes it easier for technical teams to develop the platform to new geographical areas.
- Born as a Swiss product which implies security, trustworthiness and quality to its customers. As it is written in operation plan, it should be explicitly mention Switzerland as the mother company's country.
- Platform is using all the software products, operating systems and databases as free ones. Therefore, for such developments, no more licensing costs are applicable.
- Having the possibility to send the objects abroad which makes it possible for users to send their objects for buyers out of Italy.

- Currency which is being used now in the platform is Euro. Therefore, we can use the same system accounts/bank accounts also in case we develop the platform to Italy in which circulating money is Euro.

7.4 External analysis

7.4.1 PEST analysis of Italy

7.4.1.1 Political analysis

- **Unification anniversary:** In 2011, Italy celebrated its 150th Anniversary of its unification and emergence as a modern nation. In fact on April 17th 1861, the Republic Senate and the Chamber of Deputies approved the law n. 4671 of the Sardinia's Kingdom that represented the official proclamation of the Kingdom of Italy.(www.italiaunita150.it)
- **Stability of the political environment was critical but now getting better:** the government has changed till last year for 4 times in the last 4 elections bouncing from left wing to right wing and vice versa. In the last change, all the cabinet of Silvio Berlusconi has changed by the new prime minister (Mario Monti) and also new people in key positions.
- **Current president:** Giorgio Napolitano (11th president)
- **Trading Agreements:** Italy is a founding member of the European Community - now European Union (EU). The country was admitted to the United Nations in 1955 and is a member of: NATO, the Organization for Economic Cooperation and Development (OECD), World Trade Organization (WTO), The Organization for Security and Cooperation in Europe (OSCE), Council of Europe.

Italy is also a member of G8 group of leading industrialized countries.

7.4.1.2 *Economical analysis*

- Following the global financial crisis in 2008, Italy has gone through the many economic downturns as well as many other European countries. But during the last years it has been recovered from the crisis and has started to get back to its good position. As 2011 Italy has the rank of 10th between all the countries in the aspect of total GDP (PPP). (Source: World Bank)
- Italy has a smaller number of global multinational corporations than other economies of comparable size, but there is a large number of small and medium-sized enterprises, notoriously clustered in several industrial districts, which are the backbone of the Italian industry. (Source: Ocse, tasso di disoccupazione stabile nell'eurozona)
- Tourism is one of the fastest growing and profitable sectors of the national economy: with 43.6 million international tourist arrivals and total receipts estimated at \$38.8 billion in 2010, Italy is both the fifth most visited country and highest tourism earner in the world. (Source: www.unwto.org)
- The accounting system abides by the International Accounting Standards (IAS), the same adopted by all EU countries, and quite similar to the American's General Accepted Accounting Principles (GAAP).
- There are tax advantages for new startup companies which are active in IT related fields. (Interno.gov.it)
- Some numbers regarding Italian economy: (World economic outlook database)
 - 1- GDP 2012 (PPP): Total: \$1.980 Trillion , per capita \$32.522
 - 2- Inflation rate (CPI): 1.4 % (2010 estimate)
 - 3- Unemployment: 10.8 % (September 2012)

- 4- Ease of doing business rank: 73rd

- 5- Top 3 Italian banks are: 1- UniCredit, 2- Intesa Sanpaolo 3- Monte dei paschi di Siena

- 6- Banks interest rate: 4.49% as of March 2013

Average expenditure by chapter: Figure below, shows the average monthly expenditure by household type and chapter (Source: ISTAT, Italy in figures)

AVERAGE MONTHLY EXPENDITURE BY HOUSEHOLD TYPE AND CHAPTER
 2010, percentage composition to total expenditure

	Food	Clothing	Housing	Transport	Leisure	Others	Average monthly exp. (€)
Single person under 35	16.8	6.7	37.2	16.9	5.6	16.8	1,898
Single person 35 to 64	16.7	5.5	40.9	16.1	4.7	16.1	2,001
Single person 64 and over	21.3	2.8	53.4	7.0	3.6	11.9	1,446
Couple without children with r.p. under 35	13.9	6.3	37.0	21.1	4.7	17.0	2,908
Couple without children with r.p. 35-64	16.5	5.2	38.2	18.1	4.8	17.2	2,858
Couple without children with r.p. 65 and over	21.7	3.6	45.8	11.6	3.9	13.4	2,213
Couple with 1 child	18.2	6.6	36.8	17.2	5.9	15.3	2,922
Couple with 2 children	19.0	7.2	33.1	18.7	6.7	15.3	3,131
Couple with 3 or more children	20.3	7.8	32.2	17.7	7.7	14.3	3,298
Single parent	20.2	5.7	39.2	14.1	6.2	14.6	2,308
Other types	21.2	5.7	38.3	15.8	5.1	13.9	2,644
Total households	19.0	5.8	39.1	15.8	5.5	14.8	2,453

r.p. = household reference person

Figure 9: Average total expenditure by household type and chapter(ISTAT, Italy in figures)

Italy's main trading partners: Figure below shows the main trading partners of Italy as of 2011:



Figure 10: Italy's main trading partners(ISTAT, Italy in figures)

7.4.1.3 Social analysis

- Italy has the population of 60,770,000 of inhabitants.
- 66.5% of total population are aged between 15 to 64.
- In average, each Italian has 1.25 Cell phones. It means that total number of cell phones in Italy is 72,900,000. Reason behind is the fact that since couple of years ago, enterprises have started to provide business cell phones for their employees. Therefore, individuals have one personal and one business cell phone.
- Italian is the official language of whole Italy. 44% of population can speak Italian properly. 51% mix Italian with some dialects and 5% speak only dialects. Though, 62% of population declared to speak at least one foreign language. 50% declared to speak English, 37% declared to speak French and 4% declared to speak German. Less than 20% declared to speak more than 2 languages.

Italy's entertainments events attendance:

ENTERTAINMENT EVENTS ATTENDANCE
2011, per 100 persons aged 6 and over

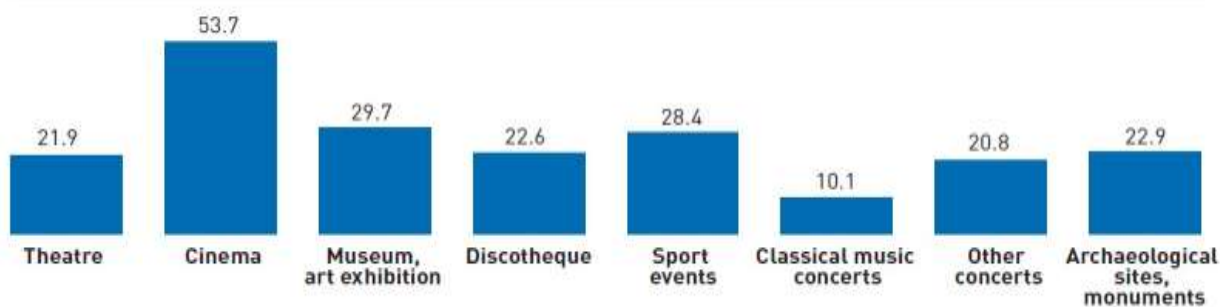


Figure 11: Entertainment events attendance by type (ISTAT, Italy in figures)

CRIMES REPORTED BY POLICE FORCES TO THE JUDICIAL AUTHORITY
2007-2010

	2007	2008	2009	2010
Intentional homicides	627	611	586	526
Attempted homicides	1,588	1,621	1,346	1,309
Unintentional homicides	2,040	1,881	1,718	1,765
Culpable injuries	63,602	65,791	65,611	64,866
Blows	14,917	15,288	15,205	14,270
Menaces	81,073	83,580	83,483	81,164
Kidnapping	1,867	1,816	1,481	1,436
Rapes	4,897	4,893	4,963	4,813
Thefts	1,636,656	1,392,544	1,318,076	1,325,013
Robberies	51,210	45,857	35,822	33,754
Extortions	6,545	6,646	6,189	5,992
Swindles and cyber frauds	120,710	104,174	99,366	96,442
Laundering*	1,209	1,253	1,269	1,344
Receiving stolen goods	31,104	27,786	23,619	23,686
Damaging	384,529	402,163	415,391	414,923
Arson	16,716	12,662	10,921	9,622
Drugs	34,439	34,082	34,101	32,761
Embezzlement, bribery, extortion**	1,236	1,280	1,229	1,266
Abuse of office	1,097	1,168	1,099	1,193
Other crimes	477,084	504,792	508,356	504,874
Total	2,933,146	2,709,888	2,629,831	2,621,019

* articles 648 bis and 648 ter of the penal code ** articles 314, 316, 316 bis, 316 ter, 317, 318, 319, 319 ter, 320, 321, 322, 322 bis of the penal code

Figure 12: Swindles and cyber fraud rates in Italy (ISTAT, Italy in figures)

7.4.1.4 *Technological analysis*

- High level of government investment on Green opportunities for companies.
- High number of connected people to internet.
- Internet usage rate is 58.7% of total population which is equal to 35,855,000 persons.
- 57% of households in north of country having internet access while this rate in South is only 48% (Source: ISTAT)
- 26.3% of the individuals aged 14 and over who have surfed the Web during the last 12 months shopped on line, according to Istat. Travel related products were the top ranking goods and services purchased online. (Istat, December 2011)
- 20.1% of total population have access to internet via their cell phones. (newmediatrendwatch.com)
- Forecasted number of tablet owners in Italy as of 2014: 12.6 Million (e-marketer)

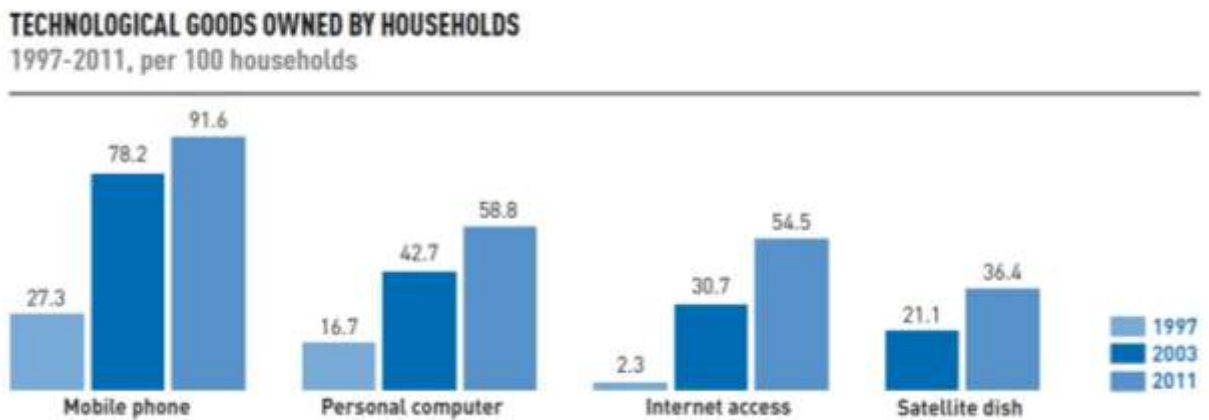


Figure 13: Technological goods owned by Italians (ISTAT, Italy in figures)

7.5 SWOT analysis

SWOT analysis is done according to internal and external analyses which have been done in Strategic planning.

Strength	Weaknesses
<ul style="list-style-type: none"> - Already established platform - Being a Swiss company - Trust function is attractive for Italian users - Open source software solutions deployed - Almost all the GUIs translated to Italian - Euro based bank and system accounts - Apps for different mobile environments - Ease of use for all users 	<ul style="list-style-type: none"> - Apps are not translated to Italian - Attractive categories of offerings for Italian users not present - Graphically not so attractive - Virtual community is not present on the platform - Brand-based categorization not present - Not a known brand in comparison with Ebay.it
Opportunities	Threats
<ul style="list-style-type: none"> - Tremendous trend of online shopping in Italy - Tremendous trend of C2C e-commerce popularity in Italy - Economic down-turn of Italy which makes people more price sensitive - Italian users can easily buy from Swiss/German/Austrian users. - Trustworthiness of the website and its escrow service will be attractive for Italian users. They are afraid of cyber fraudulent activities 	<ul style="list-style-type: none"> - Online escrow service which is our big competitive advantage could be copied easily by our competitors/new entrants - Security aspect of mobile apps should be considered in the same level of live environment - Cyber fraud rate in Italy is higher than Switzerland. Fraudulent activities of platform users will result in defame of our brand. - "Poste Italiane" as the national post of Italy is not a high quality one to be our supplier.

7.6 Marketing plan

7.6.1 Market analysis

7.6.1.1 Source of information

Source of market information in this section are Internet, Magazines, publications and institutional organizations.

7.6.1.2 Actual dimensions:

Italy has the population of 60,770,000 of inhabitants. Since our product as a C2C online platform internet users are the target market of our product and counted as our potential customers. Internet usage rate in Italy is Internet usage rate is 58.7% of total population which is equal to 35,855,000 persons.

Let's assume that in the first year of our activity just 5% percent of the potential customers come to our business. This number would be 1,860,000 transactions at least for the very first year. According to PEST analysis this number has been considered as the worst case. Therefore, we can expect the higher number in this case. It is considered to be the worst case because we did not take into account the number of people who are connected through their Mobile devices.

7.6.1.3 Demand's sources:

Demand's sources assumed to be all the population which they are already Italian internet users. This assumption is based on the fact that not all the population have internet access or they have the knowledge to use the internet for online shopping.

It worth mentioning that in case of population aged between 15-18 final decider could be different as initiator. But, anyway, 15-18 is also assumed to be the potential customers.

7.6.1.4 Estimated growth rate:

According to ISTAT, in 2011 e-commerce in whole Italy grew 20% and this rate for 2012 was forecasted equal to 23%.

7.6.1.5 *Methods of purchase:*

According to Banca di Italia, the central bank of country, in past 2 years online shopping by using prepaid credit cards have been tremendously increased. This fact implies that people do not want to provide their credit cards information to the third party websites.

This is a positive point in the case of our platform in which the big competitive advantage is trustworthiness.

7.6.2 *Marketing mix strategy:*

4 aspects of Marketing mix which are:

- 1- Product (Formerly discussed on general description of products/services)
- 2- Price
- 3- Place
- 4- Promotion

will be discussed in this part.

7.6.2.1 *Product*

Proposed domain name for Italian version of Schanppundweg.eu is **trovabene.it**. It could be translated in two ways which makes this name interesting:

- 1- Find good objects
- 2- Find it efficient and useful

New domain name is proposed for the platform since it will not be very convenient for Italian users to type the original name of platform which is pure German and not so familiar to type or understand.

Other features of our product would remain the same as what is described in "General description of products/services)

7.6.2.2 *Price*

Pricing methodology of the platform should remain the same as present.

Strategy of offerings should be fixed price offers. Floating prices or auctions, will convey the sense of discrimination to users.

We can define discount policies for loyal users of the platform in the form of direct credit in their platform's accounts.

7.6.2.3 *Place*

Point of sale for our product is just through internet.

Distribution channel could be chosen by the buyer. Availabilities in Italy are:

- 1- Poste Italiane
- 2- DHL
- 3- BRT courier services
- 4- SDA courier services
- 5- FEDEX

All the options provide domestic or international sending options with price differences. Also all of them are providing fixed rate contracts with business customers. With this option customer pays fixed quote and can use the service unlimited during the contract period.

7.6.2.4 *Promotions:*

According to the findings and possible ways to promote our product in Italy, following solutions are proposed.

- **Promotions**

- 1- Entry level promotions in the form of direct credit in user's account in trovabene.it.

- 2- Entry level offers for new customers like using the escrow or reservation service for free for one time.
 - 3- It is also possible to propose free sending options for premium users.
 - 4- In case of having a section dedicated to event's tickets, free tickets in-line with user's interest could be an attractive idea.
 - 5- Reservation fee could be zero for premium users after becoming premium.
- **Advertisements**
 - 1- According to statistics, 5 top entertainments with highest event attendance by Italians are: Cinemas, Museums and exhibitions, Sport events, archaeological monuments and discotheques. As proposed also formerly, a section should be added to the platform in order to sell the event tickets (C2C). Therefore, direct marketing during the relevant events in the form of a stand and possible small gifts could be a cheap and effective way of advertisement.
 - 2- Billposting and leafleting in popular places of big cities. For instance, Milano Teatro alla scala, San Siro football stadium.
 - 3- Newspaper websites like *corriere della sera*, *la repubblica*.

Proposed solutions could be the promotions and advertisements plan for start up the business in Italy. Once, *trovebene.it* becomes more popular, new advertisement and promotion plans could be defined.

7.7 Operating plan

7.7.1 Headquarters

At the initial phase of activities in Italy, the main headquarter should remain as the one in Winterthur, Switzerland. As mentioned formerly, being a Swiss brand with a headquarter in Switzerland is a competitive advantage of trovabene.it.

After one year of activity, if the outcome is as expected, a new office (not headquarter) could be established in Italy.

7.7.2 Key processes

In this section all the necessary steps from technical to operational aspects of this development is discussed.

7.7.2.1 Technical processes

- 1- Since our product is an online platform, this development has not the limits of a physical product export. But, as the matter of the website, it should be prepared for the development.

In the course of this master's thesis, some minor or major improvements have been proposed to proliferate the quality of services offered by the platform. Depending on which of them would be implemented, relevant updates and modifications should be made on the technical or graphical parts of the website.

One of the definite changes which should be made on the system, is the change over the indexing system which is Lucene.

Currently, the active language of the platform is German. But according to this development and also possible next ones, other languages will be added to platform gradually.

Also considering the fact that objects can be sent internationally by sellers, for instance, an Italian user should be able to search and find an object which is offered in Switzerland and the language of the offer is German by searching it in Italian.

Using Lucene which is full text indexing software, it is possible to add a built-in translator to the platform.

The architecture of the index and should be changed in a way that all the offers have an equivalent text in English. Once a user in a specific geographical location searches for an object, if the language of search is not English, the object will be searched in the index of that language plus English. For this purpose we need a side field to keep all the offers in English in order to perform the search also on that field.

- 2- Domain registration: trovabene.it, as a proposed domain name for Italian version of Schnappundweg.eu is an available one. Also, other extensions of this domain are available for possible future developments. Euroregistry.com offers one year subscription of IT extension domain for 49 Euros.

To register an enterprise domain, official documents of the company is necessary.

7.7.2.2 Administrative processes

- 1- For all the new start up businesses in Italy, even online ones, it is necessary that the business submitted 2 months prior to start of the works in an Italian office called "Perfettura". Role of perfettura is to provide the business owners legality and validity documents in order to proceed in Italian market.
- 2- Registered domain regarding online businesses should be validated by "Ministro della Giustizia" in order to get the permissions for possible loans and bank accounts. This authorization is vital for our business since financial transactions are involved in our business. Therefore, having business bank accounts is necessary for trovabene.it.

7.7.3 Resources

7.7.3.1 Tangible assets

In our case, at the very beginning is not very relevant to point out tangible assets. In case of proceeding with the development, an office and all the assets could be our tangible assets.

7.7.3.2 Intangible assets

If the business will be started under the domain name of trovabene.it, domain name and all its access rights and extensions will be our intangible assets.

Also, the methodology we adopt in order to control the transactions domestically or internationally as well as the functionality of anonymity, escrow services and all the processes behind the curtain are count as our intangible assets.

7.8 Human resources and organizational plan

7.8.1 Core Human resources:

- 1- **Frank harald Ihringer:** CEO of the company and final decider of financial and administrative issues. In case there are constraints, risks, investments or credit problems, he will be the final decider.
- 2- **Didier Prongue:** head of technical teams. He will be the head of development and deployment teams in the process of this development. Having deep knowledge about technical matters of the platform, he will be the head of technical teams in order to manage technical and coding developments.
- 3- **Lorena Brunner:** Having linguistic and communication skills, she will be the marketing head for Italian side. She could also help the team for translation of parts which are not still in Italian.
- 4- **Nima Mani:** residing in Italy, will handle all the procedures in Italy.

8) Bibliography

- 1- CNNIC. 18th statistical survey report on the Internet development in China.
<http://www.cnnic.net.cn/uploadfiles/pdf/2006/7/19/103651.pdf> , August 2006
- 2- Gefen D, Karahanna E, Straub D W. Trust and TAM in online shopping: An integrated model. *MIS Quarterly*, 2003
- 3- Lee M K O, Turban E. A trust model for consumer Internet shopping. *International Journal of Electronic Commerce*, 2001
- 4- Koufaris M. Applying the technology acceptance model and flow theory to online consumer behavior. *Information Systems Research*, 2002
- 5- Vijayasathy L R. Predicting consumer intentions to use on-line shopping: The case for an augmented technology acceptance model. *Information & Management*, 2004
- 6- Sultan F, Urban G L, Shankar V, Bart I. Determinants and consequences of trust in e-business A large scale empirical study [Working Paper]. Sloan School of Management, Massachusetts Institute of Technology, Cambridge, USA, 2002
- 7- Kim J K. Factors influencing consumers' apparel purchasing intention in the C2C e-commerce market [Ph. D. Dissertation]. University of Nebraska, Lincoln, USA, 2005
- 8- Davis F D. Technology acceptance model for empirical testing new end-user information systems: Theory and results [Ph.D. Dissertation]. Sloan School of Management, Massachusetts Institute of Technology, Cambridge, USA, 1986
- 9- Davis F D. Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly*, 1989
- 10- Davis F D, Bagozzi R P, Warshaw P R. User acceptance of computer technology: A comparison of two theoretical models. *Management Science*, 1989
- 11- Venkatesh V, Davis F D. A model of antecedents of perceived ease of use: Development and test. *Decision Science*, 1996

- 12- Venkatesh V, Davis F D. A theoretical extension of the technology acceptance model: Four longitudinal field studies. *Management Science*, 2000
- 13- Venkatesh V, Morris M G, Davis G B, Davis F D. User acceptance of information technology: Toward a unified view. *MIS Quarterly*, 2003
- 14- Grabner-Krautera S, Ewald A K. Empirical research in online trust: A review and critical assessment. *Int. J. Human- Computer Studies*, 2003
- 15- Pavlou P A, Gefen D. Building effective online marketplaces with institution-based trust. *Information Systems Research*, 2004
- 16- Walczuch R, Lundgren H. Psychological antecedents of institution-based consumer trust in e-retailing. *Information & Management*, 2004
- 17- Salam A F, Lyer L, Palvia P, Singh R. Trust in e-commerce. *Communications of the ACM*, 2005
- 18- Paul A P. Consumer acceptance of electronic commerce: Zhu Yan, Ding Zhiqiang, Zhu Yongxin. The credit crisis of C2C e-business models [J]. *Journal of China east economic management*, 2007
- 19- K. Jones, L.N.K. Leonard, Consumer-to-consumer electronic commerce: is there a need for specific studies? in: *Proceedings of the paper presented at the 12th Americas Conference on Information Systems, Acapulco*, 2006
- 20- S. Ba, P.A. Pavlou, Evidence of the effect of trust building technology in electronic markets: price premiums and buyer behavior, *MIS Quarterly* 26, 2002
- 21- K.K. Kim, B. Prabhakar, Initial trust and the adoption of B2C e-Commerce: the case of Internet banking, *Database for Advances in Information Systems* 35, 2004
- 22- R.C. Mayer, J.H. Davis, F.D. Schoorman, An integrative model of organizational trust, *Academy of Management Review* 20, 1995

- 23- K. Jones, L.N.K. Leonard, Consumer-to-consumer electronic commerce: is there a need for specific studies? in: Proceedings of the paper presented at the 12th Americas Conference on Information Systems, Acapulco, 2006
- 24- D.H. McKnight, V. Choudhury, C. Kacmar, Developing and validating trust measures for e-commerce: an integrative typology, *Information Systems Research* 13, 2002
- 25- M.K.O. Lee, E. Turban, A trust model for consumer internet shopping, *International Journal of Electronic Commerce* 6, 2001
- 26- H. Gill, K. Boies, J.E. Finegan, J. McNally, Antecedents of trust: establishing a boundary condition for the relation between propensity to trust and intention to trust, *Journal of Business and Psychology* 19, 2005
- 27- X. Hu, Z. Lin, A.B. Whinston, H. Zhang, Hope or hype: on the viability of escrow services as trusted third parties in online auction environments, *Information Systems Research* 15 (2004)
- 28- Fombrun, M. Shanley, What's in a name? Reputation building and corporate strategy, *Academy of Management Journal* 33 (1990)
- 29- P. Pavlou, D. Gefen, Building effective online marketplaces with institution-based trust, *Information Systems Research* 15 (2004)
- 30- Zhang, Z. Lin, X. Hu, Escrow Services in Online Consumer-to-Consumer Auction Markets: System Dynamics and Experimental Exploration, in press *Journal of Organization Computing and Electronic Commerce*.
- 31- Zhang, Z. Lin, X. Hu, Escrow Services in Online Consumer-to- Consumer Auction Markets: System Dynamics and Experimental Exploration, in press *Journal of Organization Computing and Electronic Commerce*

- 32- T.J. Strader, M.J. Shaw, Consumer cost differences for traditional and internet markets, Internet Research 9 (1999)
- 33- Solomon Antony, Zhangxi Lin, Bo Xu, Determinants of escrow service adoption in consumer-to-consumer online auction market: An experimental study, 2006
- 34- X. Hu, Z. Lin, A.B. Whinston, H. Zhang, Hope or hype: on the viability of escrow services as trusted third parties in online auction environments, Information Systems Research 15 (2004)
- 35- A. Abdul-Rahman, S. Hailes, Supporting trust in virtual communities, Proceedings of the 33rd Hawaii International Conference on System Sciences, IEEE Computer Society, 2000.
- 36- Z. Chen, A.J. Dubinsky, A conceptual model of perceived customer value in e-commerce: a preliminary investigation, Psychology and Marketing 20 (2003)
- 37- Fombrun, M. Shanley, What's in a name? Reputation building and corporate strategy, Academy of Management Journal 33 (1990)
- 38- E.U. Weber, R.A. Milliman, Perceived risk attitudes: relating risk perception to risky choice, Management Science 43 (1997)
- 39- Yaobin Lu, Ling Zhao, Bin Wang, From virtual community members to C2C e-commerce buyers: Trust in virtual communities and its effect on consumers' purchase intention, 2009
- 40- Kiku Jones *, Lori N.K. Leonard, Trust in consumer-to-consumer electronic commerce, 2008
- 41- A.E. Schlosser, T.B. White, S.M. Lloyd, Converting web site visitors into buyers: how web site investment increases consumer trusting beliefs and online purchase intentions, Journal of Marketing 70, 2006

- 42- R.L.Wakefield, D. Whitten, Examining user perceptions of third-party organization credibility and trust in an e-retailer, Internet Research: Electronic Networking Applications and Policy 9, 2006
- 43- K.K. Kim, B. Prabhakar, Initial trust and the adoption of B2C e-Commerce: the case of Internet banking, Database for Advances in Information Systems 35, 2004
- 44- H.-Y. Ha, Factors influencing consumer perceptions of brand trust online, Journal and Brand Management 13, 2004
- 45- Victoria Bracewell Lewis, Western European Online Retail And Travel Forecast, 2008 To 2014, eBusiness & Channel Strategy Professionals, Forrester