

The Issue of Overestimating the Final Price in Online Auctions In The Context of User Experience – Based on Selected EEU Markets*

Lukasz ZAKONNIK

Faculty of Economics and Sociology, University of Lodz, Rewolucji 1905 r. 37, 90-214 Lodz, Poland

Grzegorz PODGORSKI

Faculty of Management, University of Lodz, Matejki 22/26, 90-237 Lodz, Poland

Piotr CZERWONKA

Faculty of Management, University of Lodz, Matejki 22/26, 90-237 Lodz, Poland

Correspondence should be addressed to: Lukasz ZAKONNIK; lukasz.zakonnik@uni.lodz.pl

* Presented at the 39th IBIMA International Conference, 30-31 May 2022, Granada, Spain

Copyright © 2022. Lukasz ZAKONNIK, Grzegorz PODGORSKI and Piotr CZERWONKA

Abstract

In the article, the authors ask whether and to what extent does the experience of the buyer play a role in overestimating the final price in online auctions (winner's curse). The article, as part of the expert study, defines how the buyer's experience is understood and specifies 6 assumptions. The verification of the assumptions, in most cases, indicated that the victims of the winner's curse are people with less experience, only in one case the opposite situation occurred – it was dictated by the use of programs that automatically, on behalf of the user, submit an offer at the last possible moment of the auction (the so-called sniper). The article suggests the possibility of managing the risk of an unfavorable transaction.

Keywords: e-commerce; transaction cost; online auction; user behavior; online auction risk management