From Avoidance to Approach: Understanding Consumer Behavior toward Blockchain Technology for Second-hand Luxury Shopping

Ishtehar Sharif Swazan and Song-yi Youn Ph.D.
Textile and Apparel Management, University of Missouri

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Introduction

The market for second-hand luxury goods has witnessed substantial expansion in recent times, growing from €22 billion in 2014 to €33 billion in 2021 (D'Arpizio & Levato, 2022; Kessous & Valette-Florence, 2019). This growth reflects an increase in consumers trading pre-owned luxury goods through online platforms, which have facilitated the acquisition of second-hand luxury items, expanding the broader consumer base far beyond traditional boundaries. Nevertheless, the new avenues for luxury shopping have also introduced uncertainties surrounding the attributes of the products and the credibility of the sellers. Amidst these complexities, the implementation of blockchain technology (BT) offers a promising strategy to address consumer uncertainties and mitigate the risks associated with acquiring previously owned luxury products (Herinckx & Ghislain, 2022). BT functions as a distributed and collaborative ledger that maintains a comprehensive record of all transactions conducted throughout supply chain operations (Khan et al., 2021). BT has been implemented to address the issue of product authenticity and mitigate moral hazard problems in the supply chain, particularly from the perspective of business (de Boissieu et al., 2021; Shen et al., 2020; Herinckx & Ghislain, 2022). However, there has been limited empirical evidence about the psychological mechanism that identifies how and why consumers build trust toward the BT regarding their perception of information traceability and online shopping uncertainties (i.e., Turunen & Pöyry, 2019). By adopting regulatory focus theory (RFT) and uncertainty reduction theory (URT), the purpose of this study is to examine how two types of shopping orientations—i.e., *approach* and *avoidance*—influence the perceived quality of traceable information and online shopping uncertainty, and how these perceptions consequently affect trust toward the BT-enabled platform.

Literature Review

The Uncertainty Reduction Theory (URT) provides insights into how people communicate in unfamiliar social contexts, including online shopping (Berger & Calabrese, 1975; Dimoka et al., 2012). URT explores how accurate online information alleviates the second-order concept of shopping uncertainty, encompassing *product* and *seller* uncertainty (Hwang & Youn, 2023). P*roduct uncertainties* involve worries about the quality of second-hand goods, while *seller uncertainties* concern the seller's trustworthiness and reputation (Dimoka et al., 2012). To mitigate online shopping uncertainty, BT can offer verified, traceable information about second-

hand goods. This hinges on three sub-dimensions: product diagnosticity, informativeness, and trustworthiness, which explain consumers' perception of product information traceability (Wu et al., 2021). *Diagnosticity* gauges the value of traceable information for product evaluation; *informativeness* assesses the completeness of this information, while *trustworthiness* measures its reliability and accuracy (Wu et al., 2021). This study implies that product traceability can build consumers' trust in BT-based platforms and reduce online shopping uncertainty. However, individual psychological processes can alter perceptions of traceable information quality and shopping uncertainty. This can be explained by the Regulatory Focus Theory (RFT), which describes how individuals strive to meet goals based on their standards (Higgins, 1998). RFT discussed two goal-oriented systems: a promotion-focus or *approach orientation* aiming for positive outcomes and a prevention-focus or *avoidance orientation* striving for safety and avoiding unpleasant experiences (Higgins, 1998). RFT discussed two different self-regulatory systems that an individual adopts towards achieving a goal. In the case of second-hand luxury products, consumers' self-regulatory processes can impact online shopping uncertainty, as they might want to understand the quality of traceable information before making a purchase decision. Drawing on the frameworks of URT and RFT, this research explores the association between consumers' motivational orientations and their perceived trust in BT-enabled platforms, while also examining the mediating role of traceable information quality and online shopping uncertainty in shaping this relationship. Therefore, the following hypotheses are suggested.

H1-H2: (H1) Approach orientation and (H2) avoidance orientation will have a positive effect on (a) the quality of traceable information obtained from a BT-enabled platform and (b) the shopping uncertainty of second-hand luxury products.

H3: The quality of traceable information obtained from the BT-enabled platform will reduce shopping uncertainty for second-hand luxury products.

H4: (a) The quality of traceable information obtained from a BT-enabled platform and (b) the shopping uncertainty of second-hand luxury products will enhance perceived trust towards the BT-enabled platform.

H5: (a) Approach and (b) avoidance orientations will enhance perceived trust in the BT-enabled platform.

Method

In the survey, the concept of blockchain technology in the second-hand luxury market was introduced. A mock website enabled with blockchain technology was used to simulate purchasing second-hand luxury products (i.e., a leather bag) from individual sellers. A questionnaire was developed to measure approach and avoidance-oriented motivations, second-

order concept of shopping uncertainty (i.e., seller, product uncertainty), second-order concept of information traceability (i.e., product diagnosticity, informativeness, and trustworthiness), and the perceived trust towards the BT-enabled platform on a 5-point Likert scale (Dimoka et al., 2012; Lee et al., 2021; Wu et al., 2021, Queiroz & Wamba, 2019; Moriuchi & Takahasi, 2022).

Results

The measurement and structural models were examined. Path results show that an approach orientation significantly influences traceable information quality (H1a: $\beta = 0.483$, $p < .001$) but not online shopping uncertainty. In contrast, an avoidance orientation significantly influences online shopping uncertainty (H2b: $\beta = 0.529$, $p < .001$) but not traceable information quality. Traceable information quality significantly reduces online shopping uncertainty (H3: $\beta = -0.190$, $p < .001$). Furthermore, both traceable information quality and online shopping uncertainty significantly enhance perceived trust in the BT-enabled platform (H4a: $\beta = 0.446$, $p < .001$, H4b: $\beta = 0.218$, $p < .001$). The approach orientation significantly increases perceived trust in the BT-enabled platform (H5a: $\beta = 0.233$, $p < .001$), while the avoidance orientation does not.

Discussion and Implications

This study extends URT to explore the RFT-based motivational mechanism that increases trust in BT platforms through understanding how BT reduces shopping uncertainties in second-hand luxury markets. It highlights that approach orientation improves traceable information quality and trust in BT platforms, while avoidance orientation influences shopping uncertainty without affecting trust or information quality. This emphasizes the need for high-quality traceable information provided by the BT system in second-hand luxury markets. Retailers should use BT to reduce uncertainties and build trust, particularly among approach-oriented customers.

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