Research on the Influence of Seller's Social Class Signals on Second-hand Product Quality Perception

Shiyun Zhang¹, Huimin Chen¹,a and Cun Zhou¹

¹School of Economics and Management, Chongqing University of Posts and Telecommunications, Chongqing 400065, China.
a chenhm1994@sina.com

Abstract

Based on a situational experiment, this paper examines the relationship between sellers’ social class signals and buyers’ perception of the quality of second-hand goods in online transactions and introduces trust to explain the specific influencing mechanism. We found that buyers can form a preliminary impression of the seller’s social class through the product information in the seller’s shop home page and obtain a different perception of the quality of targeted products buyer. Buyers are more inclined to believe that the quality of products offered by the sellers with higher social class signals is better than that offered by those who show lower social class signals. Moreover, trust plays a completely mediating role between sellers’ social class signals and buyers’ perception of product quality.

Keywords

Social class signals; second-hand goods; trust; quality perception.

1. Introduction

Idle Fish, the most popular idle goods trading platform in China, has millions of daily active users. From the perspective of the user groups, it is showing a trend of getting younger and younger. Young people are not only addicted to online shopping but also willing to display their idle items online to find the right buyers. The personal homepage of the second-hand goods trading website shows sellers’ second-hand goods as well as their consumption habits and lifestyle. As a trading market that everyone can participate in, the second-hand goods trading platform not only displays sellers’ idle goods but also transmits their information to buyers.

When the information technology was not so developed as today, people mainly observe different people’s life style and environment through daily contact, and integrate life experience into the attitude towards different groups. Based on observation of people’s daily life and behavior, Kirk (1983) found that information such as clothing, house style, home furnishings and leisure ways represents individual’s social class [1]. Currently, people live a fast-paced life and are good at using simple clues, such as facial expression, clothing, language to divide strangers into different groups, and judge the credibility of strangers. These objective clues can help us judge a person’s social class and influence our attitude towards them. Then we have reason to believe that the products displayed by sellers on second-hand commodity trading websites can also represent the living standards of sellers and reflect their class information. This information is identifiable to buyers and can guide buyers to make different judgments.

Rivera (2016) think that people are more inclined to seek cooperation from high-class people, because the ability information of high-class people can strengthen the trust attitude of others [2]. In terms of consumption level, high-class people are considered to have more resources to enjoy better products [3]. In the trade of second-hand goods, scholars generally believe that the difficulty of buyers' purchase behavior lies in the difficulty of perceiving product quality. In this
respect, the high-class sellers seem to be able to convey the message that the quality of their second-hand products is better. After all, high-class people are taken for granted as highly capable.

Based on the above analysis, this paper focuses on the influence of social class signals of sellers on product quality perception, and through in-depth discussion of its internal theoretical impact mechanism. We want to provide more reference information for the buyers and sellers in the second-hand commodity transaction.

2. Literature Review and Hypotheses Development

Product quality perception is a concept that distinguishes product quality that can be judged by objective standards, and it's usually caused by buyer’s individual differences. It is believed that perceiving product quality will make buyers form certain psychological expectation, and then form an attitude towards products [4]. Peter (1995) defined perceived quality as a more abstract belief about product quality formed by buyers through internal and external cues [5]. A more comprehensive subjective evaluation of product formation based on product price and value [6]. The perception of product quality is also affected by external factors, such as advertising costs, endorsers, and so on. When the characteristics of the endorsers are consistent with the characteristics of the product, it can significantly improve buyers' perception of product quality [7]. But the second-hand goods is different from the normal products. The second-hand goods often has the user's signs of use, compared with the endorsers of new products, its user's impact on it will be more intuitive. From a reasonable point of view, in second-hand goods trading, the seller's characteristics will affect the buyers' perception of product quality more intuitively.

Kraus (2009) proposed the concept of social class signals, which refers to all clues that individuals perceive and judge other social classes [8]. On this basis, Kraus (2012) put forward the concept of social class psychology. He believed that social class is not only a social group classification label, but also a class specific value system and behavior model within the same class [9]. Since it is called signal, it also shows that the social class signals should be recognizable [9-11]. Kraus (2017) believes that the information disclosed by social platforms such as Facebook can help strangers quickly establish a judgment on the social class information of account owners [11]. It also puts forward the model of class signal and class solidification, which holds that social class can be interpreted for others, and barriers will gradually form between different classes. Warner (1949) believed that different levels of social class will reveal different consumption patterns, which is so stable [12]. In the field of cooperation research, many scholar tend to believe that people would like to make deal with high social class, which means that they can achieve the goal with the minimum cognitive cost. And this kind of cooperation is not a package deal, which is expected to bring them more benefits in the future [2-3, 13]. But Doesum's research shows that people tend to attract the inner group, and they are more inclined to cooperate with people with similar stratum [14]. In terms of such differences, Wu (2014) explained that these two phenomena may be caused by different goals. The high-class attraction is more likely to appear in the situation of exchange. Because in this case, ability appears more significant. And higher class people are thought to have more abilities While the similarity attraction is more likely to appear in the goal of sharing, the similar class is supposed to be more cooperative[15]. From this point of view, the second-hand commodity transaction is a typical exchange behavior. Buyers only want to pursue their own legitimate interests, and do not need to consider whether they need to cooperate with the seller in the future. That is to say, in this scenario, buyers are more likely to be attracted by high-class sellers. Based on this, we propose the hypothesis:

H1: Compared with the sellers with lower social class signals, those with higher social class
signals are more conducive to improving buyers’ perception of product quality. 

Based on the credibility model of information sources, the professionalism and reliability of information sources are important factors for the results [16]. The reason why the endorsers can affect the buyers’ perception of the product quality is that his personal characteristics strengthen the product feature. This enables buyers to have a good association between the endorsers and the product quality[17]. Liu (2007) provides that the personal charm and excellent ability of the endorsers make buyers have a sense of trust, and transfer the worship of the endorsers to the trust of the product [18]. The high-class signal of the seller shows a kind of comprehensive capacity, which may be reflected in the economic aspect or social resources. When sellers display exquisite products, buyers will feel the seller’s economic strength and use this as a seller’s ability to improve the perception of product quality; On the contrary, when sellers show products that look less satisfying, buyers are hardly attracted to the products, and they may even feel that the sellers do not have the ability to provide quality products. buyer

Normally, the higher class is regarded as the representatives of high ability. If competence is a trigger, then trust is an attitude, we have reason to believe that trust plays an important role between the social class signal and perceived quality of sellers. Therefore, we propose the following hypothesis:

H2: Trust plays an mediating role between sellers’ social class signals and buyers’ perception of product quality.

3. Research Design and Data Analysis

3.1. Scenario Experiment Development

The selected target product needs to meet the following three conditions: 1. The product has wide popularity; 2. Products occupy a certain share in the second-hand trading market, which means that for most buyers, even if they have not traded the products, they know that people around them may trade related products, which can reduce the cognitive threshold of buyers.;3. The product price is generally accepted by the most of students, and it will not be too high or too low for the subjects. It can make subjects substituted in the experimental scenario. Combined with the above factors and our actual investigation, the final target product is iPad 2018, which is Apple products released two years ago.

In the scenario design, We refer to the page design of Idle Fish, the most popular second-hand product transaction APP in China. And combine the information of the real seller to reasonably adapt the seller’s information in the experimental materials. At the same time, we used the mature and widely used scale to measure the related concepts, and revised it in combination with the research scenarios.

First, control the social class of sellers. The subjects first looked up the home page of the seller’s shop designed by us. The home page contains four products, the first one is the target for subject supposed to purchase, and the other three are products that display the seller’s class. Then the subjects will be asked to guess the seller’s education background, income, and the most likely occupation range, and then judge the seller’s subjective class by the MacArthur scale, also known as the ladder scale. It is a subjective social class scale proposed by Adler and colleagues in 2000. This scale uses a 10 point scale from 1 to 10. This scale presents the subjects with a ladder of ten levels. From the bottom up, each level represents a social class, and the higher the number of the upper steps, the greater the social class [19]. Regarding the speculation of occupations, according to Lu Xueyi’s ten occupational classes divided into Chinese occupations according to social resources and economic status, they are divided from top to bottom into the state and social managers, managers, private entrepreneurs, professional and technical personnel, Clerical staff, individual industrial and commercial households, business service employees, industrial workers, agricultural
workers, urban and rural unemployed and semi-unemployed [20].
Secondly, the subjects filled in the questionnaire of trust and product quality perception according to the materials about the target goods, which were all Riquet level 6 scales (1 means totally disagree; 6 means totally agree). The measurement of trust is based on Mayer’s scale, which is authoritative and widely used. It is also suitable for the measurement of trust between people, including 3 indicators of ability, benevolence, integrity [21]. The measurement of product quality perception mainly refers to the scale of Dodds, including 5 indicators of overall quality, reliability, reliability, process level and durability [22].
Then, the relevant control variables are measured. Previous studies have shown that gender, purchase experience and other factors may affect buyers’ online shopping willingness. Moreover, the social class of the subjects may affect the judgment of the seller class, so we should consider whether these factors are significant before the model test.
Finally, the subjects were asked to fill in demographic factors such as education background and age. At the end of the questionnaire, we thank them for their contributions to our research and ask they to guess the purpose of our research.

3.2. Experimental Results
3.2.1. Sample Analysis
All the subjects were randomly assigned to the high and low groups of the seller class. The selected experimental samples are the active persons in the second-hand commodity trading platform of a university in Chongqing. Because the study is based on scenario experiments, we need to ensure that there are at least 30 participants in each group. A total of 102 samples were collected. After eliminating the samples with inconsistent logic, 78 valid samples were finally obtained, including 40 high-level samples (16 males) and 38 low-level samples (9 males). 93.59% of the subjects were in the age range of 18-25 years. The homogeneity test of variance was carried out on the demographic variables of the sample. It was found that there was no significant difference in age, education background, family income and other factors except for gender (Levene = 9.096, P = 0.003 < 0.01).

3.2.2. Reliability Analysis
The reliability test mainly tests the perception quality and trust dimension used in the experiment. The Cronbach’s α coefficients of the two constructs are 0.905 and 0.888.

3.2.3. Manipulation Test
In view of the fact that the subjective class judgment of the seller is easily influenced by their own stratum, we consider the consistency among several options during sample screening. After screening, we conduct independent sample t-test on the subjective social class, occupation, income and education background of the seller in the two groups of data, and find that the subjective class of the seller (MH = 7.00 > ML = 4.47, P = 0.000), seller’s occupation (MH = 7.98 > ML = 5.68, P = 0.000), seller’s income (MH = 4.40 > ML = 2.47, P = 0.000), seller’s education (MH = 4.10 > ML = 2.89, P = 0.000) are significantly different, which proves that our manipulation is effective.

3.2.4. Common Method Bias Test
According to Podsakoff. (2003), the common method deviation test of data was carried out. The results show that the variance contribution rate of the first factor before rotation is 39.846% less than 40%, which is not the majority, so there is no obvious common method bias [23].

3.2.5. Hypothesis Test
The first step is to test the relationship between the seller's social class and product quality perception. The product quality perception of high-level group and low-level group was tested
by independent sample t-test. The product quality perception of high-level signal group was significantly higher than that of low-level signal group (F (1, 77) = 0.166, t (78) = -2.648, MH = 4.330 > ML = 3.847, P = 0.010). H1 is validated. Compared with the low seller’s social class signal, the high seller’s social class signal is more conducive to improving buyer product quality perception.

The second step is to test the mediating effect of cognitive trust. According to SPSS notebook, this paper uses bootstrap method to test the mediating role of cognitive trust between leadership style and product quality perception. The independent variable is a binary variable, which is treated as a virtual variable (signal of high social class of the seller = 1; signal of low social class of the seller = 0). The total effect of social class of independent sellers on product quality perception of dependent variable (B = 0.4619, SE = 0.1858, P = 0.0152<0.05) is not significant after controlling the cognitive trust of intermediary variable (B = 0.1725, SE = 0.1507, P = 0.2560>0.05), and the estimated interval includes 0 (LLCI = -0.1278, ULCI = 0.4728); however, after the mediation variable trust was incorporated into the model, the mediation effect was significant, the size of mediation effect was 0.2894, and the estimated interval did not include 0 (LLCI = 0.0440, ULCI = 0.6173). Therefore, trust plays an intermediary role between the seller’s social class and product quality perception, and cognitive trust is the only intermediary. Hypothesis H2 is verified. Trust plays an mediating role between the seller’s social class and product quality perception.

When using the step method to start the comparison of subjective stratum, the subjects are easily affected by the reference effect. We also conducted independent sample t-test of subjective and objective class indicators for the two groups of subjects. It was found that there was no significant difference in subjective social class (MH = 4.70 > ML = 4.63, P = 0.844 > 0.05), parents’ occupation, family income and parents’ education level. That is to say, the experimental materials did not manipulate the subjects’ perception of their social class.

4. Conclusions and Limitations

This paper found that sellers’ social class has a significant impact on buyers’ perception of the quality of second-hand goods. Buyers have a perception of better quality of products offered by the sellers with higher social class signals is better than that offered by those who show lower social class signals. Buyers are not affected by the judgment of sellers when they judge their own social class. Trust plays an intermediary role in the influence of seller’s social class on second-hand goods quality perception. This paper enriches to a certain degree the literature on social class signals and meanwhile is of some practical significance. This paper provides a good reference for sellers to improve the product quality perception in the second-hand goods transaction. As for the seller, the goods sold can be regarded as the judgment of buyers their own social class, so the selecting of products is important. In addition, Wu (2014) thinks that the level of buyers’ perception of product quality is an important process variable to generate the purchase intention and recommendation intention [15]. Uniformity of the entire product homepage also provides some information for buyers. In online shopping, stereotypes of social classes are also beginning to play a role. It is important for buyer to avoid going into the fixed thinking and examine the products objectively and truly.

This paper is only an exploratory study, and there are still many unsolved problems. For example, will the targeted product category affect buyers’ perception of product quality? People also notice that the higher social class prefer to buy hedonic goods, while the lower social class prefer to buy practical goods in daily life. Will hedonic and practical goods affect buyers’ judgment of the sellers’ social class? Which influence mechanism will be adopted? All of such questions have not been answered. Moreover, of the respondents in the sample are mostly students. Whether the conclusions
are applicable to other social people has not been testified.

Acknowledgments

We would like to thank the anonymous reviewers for their valuable suggestions. Financial supports from Chongqing Social Science Found (Project#2018YBGL079) and Chongqing Scientific Research Innovation Foundation for Graduate Students (Project# CY18255) are also acknowledged.

References


