

# Anthropologic Concepts in C2C in Virtual Communities

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## INTRODUCTION

Consumer-to-consumer (C2C) electronic commerce (e-commerce) is increasing as a means for individuals to buy and sell products (eMarketer, 2007). The majority of research surrounding **C2C e-commerce** deals with online auctions (Lin, Li, Janamanchi, & Huang, 2006; Melnik & Alm, 2002) or aspects of online auctions such as the reputation systems (Standifird, 2001). However, C2C e-commerce is being conducted in many different venues in addition to online auctions, such as third party listing services and virtual communities (Jones & Leonard, 2006).

Consumers can be quite resourceful when identifying one another to buy/sell their products even when a formal structure to conduct such transactions is not provided. However, when C2C e-commerce is conducted outside a formalized venue such as online auctions and third party listing services, the lines of accountability can be blurred. It makes one wonder why a consumer would choose to participate in C2C e-commerce in venues not designed to facilitate this kind of exchange. One such unstructured venue is a virtual community. This article will discuss the possible reasons why consumers are feeling more comfortable transacting with one another in this particular venue.

## BACKGROUND

Andrews (2002) defines community as not a physical place but as relationships where social interaction occurs among people who mutually benefit. A **virtual community**, or an online community, uses technology to form the communication between the people; it offers a space “for people to meet, network, share, and organize” (Churchill, Girgensohn, Nelson, & Lee, 2004, p. 39).

Armstrong and Hagel (1996) describe virtual communities as meeting four consumer need types: transaction, interest, fantasy, and relationship. A community of transaction is traditionally organized by a vendor. The company would allow the buying and selling of products/services in the community environment. However, the transaction community could be established by a multitude of buyers and sellers organizing together to facilitate a transaction type. A community of interest allows people of a particular interest or topic to interact. It also offers more interpersonal communication than a transaction community. One example is the “The Castle” that focuses on Disneyland interests (Lutters & Ackerman, 2003). A community of fantasy allows people to create new personalities or stories. In this type of community, real identities do not matter. A community of relationship allows people with the same life experiences to interact, for example, those suffering from cancer or an addiction (Josefsson, 2005). Of course, these virtual communities are not mutually exclusive; therefore, a transaction could occur in any of the realms.

Cothrel (2000) discusses virtual community segments in terms of business-to-business (B2B), business-to-consumer (B2C), and employee-to-employee (E2E). B2B communities consist of suppliers, distributors, customers, retailers, and so forth who are connected by a meaningful relationship (Lea, Yu, & Maguluru, 2006), whereas B2C communities consist of customers only and E2E communities consist of employees only. Each of the segments offers advantages; however, none offer a clear explanation on how C2C transactions could occur in a virtual community. Essentially, the B2C communities are opening an area of trust and mutual interest for online consumers. Trust and building trust in virtual communities is extremely important for interactions to occur and for the community to survive. Leimeister, Ebner, and Krcmar (2005) examined trust in a virtual

community of German cancer patients. They found that perceived goodwill and perceived competence result in trust creation between the community members and lead to the success of the virtual community. This trust among virtual community members leads to transactions between the community members, that is, C2C e-commerce. Andrews (2002) suggests that knowing the demographics of an online group will help to sustain it as a virtual community. Therefore, virtual communities can be characterized by their size and their members' demographics. Sproull and Patterson (2004) suggest that people can easily meet/interact in virtual communities, and in doing so, they discover common interests. This discovery can lead to the community members' participation in other activities in the "physical-world," such as C2C transactions.

It is evident that many researchers have discussed virtual communities, and some have studied impact, trust, design, and so forth of these realms. However, studies have not been conducted regarding how C2C e-commerce occurs in virtual communities. Since C2C e-commerce in virtual communities is not considered to be a structured, established commerce mechanism, it can be difficult to understand how commerce occurs. The next section will further explore the aspects of virtual communities that lead to consumer participation in C2C e-commerce.

## **C2C E-COMMERCE IN VIRTUAL COMMUNITIES**

As discussed in the previous section, virtual communities, while conducted online, are indeed created to represent relationships based on some common bond. In this light, concepts from the anthropology literature, such as rite of passage, appear to be relevant. Determining why consumers would transact in virtual communities as opposed to structured areas, such as online auctions, may be answered by exploring some of these **anthropologic concepts**. Members of a virtual community act in ways consistent with a face-to-face community. These actions are transcribed in all dealings within the community, even when members of the community transact individually with one another. Therefore, even though there is no formal governance over individual transactions such as C2C e-commerce, the members continue to follow the culture and rituals established by the community. This can be seen by mapping the

events in C2C e-commerce in virtual communities to the normal events of a community.

Trice and Beyer (1984) define **rites** as "relatively elaborate, dramatic, planned sets of activities that consolidate various forms of cultural expressions into one event, which is carried out through social interactions, usually for the benefit of an audience" (p. 655). Below is a brief explanation of types of rites (passage, enhancement, degradation, renewal, conflict reduction, and integration) and how they are displayed in virtual communities. A review of the Trice and Beyer (1984) article will provide a more in depth discussion of each type.

**Rite of passage** is probably the most discussed type of rite. A rite of passage is represented when a particular event changes the status of those involved. For example, the birth of a child is a rite of passage for a woman to become a mother. In terms of the virtual community, one might consider the first act of participation in the community as the rite of passage to becoming a member of that community.

**Rite of enhancement** is defined as the recognition of the efforts of a member in a community and the public praise of that member (e.g., awards). In a virtual community, rites of enhancement can be seen in terms of support and approval of various submissions, acclamation for efforts displayed in the community, and recommendations of the member to roles of leadership in the community. Much like the feedback system in the online auction format, members are allowed to rate each other's participation and comments. The reputation points of a member are very visible and help to indicate how close the member is to the opinions of the other members of the community. In addition, an administrator has the ability to name a member of the community to the moderator position. This increases the member's power in terms of making decisions for the community.

**Rite of degradation** is an event in which a member is removed from a privileged position in the community back to the same level as the other members or the member is completely removed from the community. This is represented in a virtual community when one member is asked to be the moderator of the community and is subsequently removed from leadership based on comments or actions within the community. Members of a community can also be banned from participating, and/or individual members can select members to "ignore" in the community. In contrast to the rite of

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