

Selling something on eBay? It pays to be a man

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Credit: George Hodan/Public Domain

Women can perform neurosurgery, sit on the Supreme Court and run for president. But when it comes to selling something on eBay, they might want to ask a guy for help.

This week, researchers revealed that women make 20 percent less than <u>men</u> on average when selling the exact same new product on eBay.



To put that in perspective, a seller listed as JohnSmith might get \$300 for selling a brand new iPhone 6, and JaneSmith would get just \$240, even if the two listings were identical in every other way.

"We were not surprised by the existence of the gender price gap, but we were a little surprised by its magnitude," authors Tamar Kricheli-Katz of Tel Aviv University and Tali Regev of the Interdisciplinary Center in Herzliya, Israel, wrote in an email to the Los Angeles Times.

The study, published Friday in the journal *Science Advances*, is based on an analysis of more than 1 million eBay transactions conducted from 2009 to 2012.

The data were provided by the eBay Research Lab, which gives scientists access to the vast stream of information the online marketplace collects on buyers and sellers.

To ensure that the results were not influenced by differences in product quality or the negotiating skills of men and women, the authors compared the sale of identical items in auctions where sellers and buyers did not interact with each other.

Auctions are ideal for testing how the gender of a seller affects the final price a buyer is willing to pay for a product, the authors write. That's because after an item has been listed for auction, the price is affected only by the bidding of potential buyers, not by the seller's behavior.

After crunching the data, Kricheli-Katz and Regev found that for every 100 bids a man might receive on an item, a woman received 89 bids on the exact same item. And that's after controlling for the type of product for sale, its condition, the seller's reputation and experience, the number of pictures used in the listing as well as other variables.



The authors also discovered that there was less of a price discrepancy based on gender when women and men were selling used items compared with new items.

On average, women received 2.9 percent lower prices than men for used products, but 19.7 percent lower prices on new products.

EBay doesn't advertise a seller's gender, but Kricheli-Katz and Regev say buyers can often figure it out by looking at the seller's user name and the other products he or she is selling.

As proof, they offered this: They presented 400 volunteers with randomly selected seller profiles and asked them to guess the gender.

Of the 2,000 evaluations they collected, volunteers made the right guess in 1,127 cases. In 701 cases, the volunteers said they couldn't tell whether the seller was male or female. Only 170 of the identifications were incorrect.

"We automatically sex-categorize everyone we meet without noticing it," Regev said. "We suspect the same thing is happening online."

The researchers propose that the disparity between men and women sellers on eBay might be because both men and women assign a lower value to products sold by women than products sold by men.

To test this hypothesis, they conducted a second experiment, asking 116 volunteers to report how much they would pay for an Amazon gift card valued at \$100 and sold by either "Brad" or "Alison."

Half the participants were told the card was being sold by Brad, and the other half were told it was being sold by Alison. Based on the name of the seller alone, the volunteers assigned an average value of \$87.42 to the



card sold by Brad, and an average of \$83.34 to the exact same card sold by Alison.

And both men and women were just as likely to assign a lower value to Alison's card than Brad's card.

"It is not the case that only men pay lower prices to <u>women</u> sellers," the authors said. "All buyers are unconsciously affected by the gender of the seller when making a bid."

If you are a woman, you might be feeling pretty low right now. But the authors say all hope is not lost.

They agreed that it is hard to change people's tendency to categorize others or follow cultural stereotypes, but they do think studies like this one can have an effect and ultimately lead to a more egalitarian society.

"Maybe if more people understand that we all have a tendency to do this, things will start changing," they said.

But in the meantime, if you are planning on buying something on eBay, you might want to look for a female <u>seller</u>.

More information: T. Kricheli-Katz et al. How many cents on the dollar? Women and men in product markets, *Science Advances* (2016). DOI: 10.1126/sciadv.1500599

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