Abstract:
A salient feature of online peer-to-peer secondhand exchange platforms is the prevalence of novice sellers with no past transaction records, meaning buyers have to rely on listing descriptions to make purchase decisions. In this paper, we study how seller narratives, the optional and unrestricted part generated by sellers in a listing description affect the transaction outcomes, using data from a major secondhand platform in China. We use the pre-trained BERT model and k-means clustering method to identify six narrative dimensions encompassing content and language styles. After controlling for product attributes and seller profiles, we find that these narrative dimensions significantly affect sales outcomes. However, they do not affect buyer satisfaction after the transaction, suggesting that seller narratives do not indicate seller quality. We further examine how seller narratives evolve and how their impact on buyers' purchase decisions changes as sellers accumulate transaction records. We conclude with a discussion on the policy implications for platforms.

Keywords: Online secondhand market, Novice sellers, Seller narratives, User-generated content