# Understanding Behavior and Design in Secondary Markets – Evidence from Vinted.cz

## 1. Platform Context

**Platform:** Vinted.cz – a major online secondary market for used clothing and household items.

**Key recent developments:**

* Introduction of the **“Buy Now”** button (lower transaction costs).
* Addition of a mandatory **“User Protection”** fee (reduces ex‑post buyer risk).
* Rapid expansion into Slovakia and Poland, accompanied by reputational concerns and removal of explicit country flags (implicit signals remain via price format, language, etc.).

## 2. Research Directions

### 2.1 Discrimination in Secondary Markets

Motivation

* Even when platforms hide sensitive seller information, users may infer identity from subtle cues. A growing body of work shows that unequal attention to those cues can itself create discrimination (Bronchetti et al., 2023). Recent evidence demonstrates that:
  + biased beliefs evolve dynamically as reputational information accumulates, potentially reversing the direction of discrimination (Bohren, Imas & Rosenberg 2019), and
  + limited attention shapes which attributes users inspect and update (Lancee, Bouhlel & Rosenkranz 2023

#### **Key Questions**

* Does partial anonymisation (no country flag but price‑based clues) lead to statistical or taste‑based discrimination **because** buyers allocate attention unevenly across listings?
* After the country‑filter removal, did discrimination levels change, and is the change mediated by shifts in buyer attention?
* How does reputation accumulation (likes, sales, prior feedback) interact with belief‑based vs. preference‑based discrimination as in Bohren et al.?

#### **Relevant Literature**

* **Bohren, Imas & Rosenberg (2019)** – The Dynamics of Discrimination: dynamic reversal distinguishes biased beliefs from taste‑based bias. fileciteturn0file0
* **Lancee, Bouhlel & Rosenkranz (2023)** – Inattention in Multi‑Attribute Search: attribute importance drives attention; nudges can realign search with optima. fileciteturn0file1
* Bronchetti, Delecourt & Tadelis (2023) – Attention allocation and unequal exposure.
* Badalyan, Korlyakova & Rehak (2023); Bellemare et al. (2023); Manart et al. (2018).

#### **Empirical Approach**

* **Field experiment:** Randomise seller profiles on Vinted Mini‑shops varying implicit nationality
* **Attention measurement:** Collect click‑stream, hover‑time, and scrolling data
* **Outcomes:** Listing views, message initiation, negotiation incidence, final sale probability, and negotiated price.
* **Dynamic test:** Mimic Bohren et al.’s design by allowing reputational signals to accrue, testing for mitigation or reversal of discrimination over time.

### 2.2 General Effects of Secondary Market Presence

Motivation  
Secondary markets can both enable responsible consumption and create feedback loops that alter primary market behavior. Understanding this tension is central to the growing debate on sustainable consumption.

#### **Key Questions**

Does the presence (or expansion) of a well-functioning secondary market increase or decrease consumption/consumer welfare in the whole market?

#### **Relevant Literature**

* Kaufmann, Kornemann, Kőszegi (2024) – Secondary Markets Undermining Responsibility: Theoretical model of feedback from resale markets to primary consumption.
* Bartling, Valero, Weber – Income and Responsibility: Responsible behavior increases with income, but consumption may rise too.
* Chen, Esteban, Shum – Secondary Market Competition: Secondary markets change firm pricing, durability strategies, and total consumption patterns.
* Gavazza – Ownership vs. Leasing Dynamics: Durable goods trading as a lens to understand secondary market incentives.

#### **Empirical Approach**

* If platform data accessible: Track product flows and resale prices before/after feature introductions.
* Alternatively: Use proxies from experimental treatments (e.g., inferred item value, buyer profile).

## 2.3 Platform Design & Feature Impacts

Motivation  
Changes in the design of digital marketplaces—transaction options, risk protections, interface design—shape liquidity, efficiency, and perceived trust.

#### **Key Questions**

* How do platform features like buy button, negotiation options, or user protection fees influence market efficiency and user trust?
* Does removal of explicit seller location help or hinder platform functioning?
* How does clearing structure (e.g., instant purchase vs. back-and-forth negotiation) affect liquidity?

#### **Relevant Literature**

* Garbade & Silber (1979) – Market Structure & Clearing: Market design affects liquidity and volatility.
* Ghose, Telang & Krishnan (2014) – Electronic Secondary Markets: Platform architecture alters pricing, trust, and engagement.

#### **Empirical Approach**

* **Field experiment** with random assignment of listing features:
  + “Buy now” vs. “negotiation only”
  + Explicit vs. hidden country signals
  + Measure impact on buyer engagement and sales.
* Or use data from the platform.