

## **Challenging the Global, Rediscovering The Local: Voluntary Market Contraction in C2C e-marketplaces**

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### Abstract

The current age of networked systems brings concerns that in an increasingly global world the dominance of multinational corporations overrides regional and national identities. This view is challenged by the concept of globalisation where ideas in the global environment are adapted to take account of localised cultures. Many global organisations seek to adapt their business strategies to fit with local environments. However, in an increasingly globalized world there is evidence of organisations curtailing their market by forming boundaries around their online presence; in essence making local what is potentially global. We have identified this strategy of boundedness as 'voluntary market contraction'. The aim of this study is to examine voluntary market contraction in the consumer-to-consumer (C2C) space where online marketplaces are differentiating themselves by creating boundaries within which they situate communities. This paper examines three C2C e-marketplaces that have strong similarities in their market mechanisms and have the potential to operate globally. Two market makers have chosen to put boundaries around their markets; one by language and one by geography. They have succeeded in wresting considerable local market share from the global e-marketplace. The paper concludes by discussing the implications of the research and suggestions for future study.