
Price dispersion reflects the differences in prices for identical products. While in physical markets such dispersion is prevalent due to high search costs, many researchers argue that search costs and price dispersion will be much lower in electronic markets (e-markets). Empirical evidence does not support this contention, and researchers have studied search costs, market factors, and service-quality factors to explain this dispersion. Previous research has largely assumed that more information is better. By ignoring the dark side of information, we argue that only a partial understanding of price dispersion is possible. In this article, information overload and equivocality are studied as two dark attributes of information that lead sellers to different pricing decisions in e-markets. Hypotheses relating these attributes to price dispersion are supported through analysis of 161 product markets. This work opens up new avenues in the study of e-markets and discusses the implications of these findings for research and practice on consumer and seller decisions.