# Chapter 6 Cross-Cultural Study of Trust Types in Sharing Economy Organizations: Evidence From Inside Airbnb

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# **ABSTRACT**

The sharing economy has developed very quickly. However, organizations like Airbnb and Uber have encountered crisis of trust. Academia still does not know what is the type of trust in sharing economy organizations. Therefore, the authors designed two studies, used data from Airbnb, to test 2 hypotheses: (1) the level of inter-organizational trust in sharing economy organizations is relatively positive to the level of participation, and (2) the price of the product or service being shared is relatively negative to the level of participation. The results find out that consumers are more willing to choose non-shared renting methods in China, yet the opposite in America. Under both conditions, price is an important moderator. This shows that the role of trust in China is mainly inter-organizational trust, but interpersonal in America. The theoretical contribution is to reveal the type of trust in the sharing economy organizations, collaborative relations and studies of Airbnb.

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# INTRODUCTION

In recent years, one of the major innovations of Web 2.0 technologies called the Sharing Economy has dramatically influenced the user experience in Web 2.0 technologies. In specific, Airbnb is a typical business platform based on sharing economy, it does not own many houses but enables its users to share their houses on the platform. This is different from traditional businesses and changed the user experience during this process. Users are not only consuming the products but also producing goods and services like a "producer". For example, one person can rent a house in Airbnb while traveling and lease his or her own house through this platform as well. It is clear that sharing economy presents an important role to understand the change of user experience in Web 2.0 technologies. So research on Airbnb in this chapter will give new insights to the change of the user experience in sharing economy.

Technically speaking, The sharing economy is a process of collaborative consumption online, so it is no doubt that there is a great risk of uncertainty in this process. In reality, several typical representatives of the sharing economy have encountered a crisis of trust during development. For example, violent incidents have repeatedly appeared in Airbnb, and two of Didichuxing's female passengers were killed years ago. Trust is an important factor in overcoming this kind of risk, but academia still does not know what is the type of trust in sharing economy organizations, neither knows little about the cultural influence under these circumstances. Although trust has always been the focus of sharing economy research (Huurne, Ronteltap, and Corten et al., 2017), relevant research is still insufficient in quantity and quality.

In this chapter, we view business platforms in sharing economy like Airbnb as growing organizations (Perren and Kozinets, 2018), and we will use "sharing economy organizations" for short in the following context. Therefore, the objective of this chapter is to find out the trust types in sharing economy organizations from a cross-cultural perspective. And the research question comes from the observation of Airbnb: Airbnb is a typical representative of the sharing economy, it should carry the main logic of sharing economy, that is, the participants would share, interact and trust each other, but the reality in China is just the opposite. This means users from different cultures in Airbnb perform differently and earn different user experiences. Why is that this counterintuitive phenomenon happened?

# **BACKGROUND**

# Research on Sharing Economy

Recently, Uber, Airbnb, and other sharing economy organizations have quickly become hot research topics in the management fields, forming a variety of concepts and theories, such as: collaborative consumption (Botsman and Rogers, 2010; Benoit et al. 2017), business sharing systems (Lamberton and Rose, 2012), access-based consumption (Bardhi and Eckhardt, 2012), gig economy (Friedman, 2014), peer-to-peer economy (Schor and Fitzmaurice, 2015), mixed economy (Scaraboto, 2015), platform economy (Kenney and Zysman, 2016), lateral exchange market (Perren and Kozinets, 2018), etc. At present, the concept of the sharing economy can accurately express this new type of resource allocation way. It has become a "big umbrella", covering the above-mentioned various theoretical explanations and phenomenon descriptions, and has formed a conceptual consensus in the theoretical world.

However, existing research on the sharing economy cannot directly reach our objective. Studies on the sharing economy are various from different perspectives. Economic researchers focus on the prop13 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

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