Trusting strangers: Details matter to millennials using Uber, Airbnb

February 25 2020, by Shannon Roddel

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The "sharing economy" is a defining feature of the millennial generation, allowing people to earn money from renting their assets that may be sitting unused, including homes, spare bedrooms and vehicles.

Modern marketplaces like Uber and Airbnb necessitate [trust](#) among complete strangers, and new research from the University of Notre Dame examines that trust and the ways in which it differs among platforms.

"Trust in Sharing Encounters among Millennials," published in *Information Systems Journal* by Nicholas Berente, the Viola D. Hank Associate Professor of IT, Analytics, and Operations at the University of Notre Dame's Mendoza College of Business, studies 1,047 millennials who work with Uber and Airbnb—both as customers and as providers—to understand how different sharing platforms build trust.

"We find that Uber only requires trust in the platform," Berente said. "Drivers and customers do not need to trust each other much as long as they trust Uber. Airbnb, on the other hand, requires that consumers and providers do build trust in one another in addition to trusting the platform."

The difference, the study shows, is due to "dimensionality" or variety of details. Uber is considered a low dimensionality sharing encounter that only warrants institutional trust, while Airbnb involves higher dimensionality, which requires its platform providers to find ways to build trust between renters and customers.

Odd though it may seem that Uber customers trust the company itself and don't require much trust in the complete stranger hauling them around, Berente said it's all about the depth of involvement with the service.

"The dimensions we highlight include duration of service, financial investment, personalization and social interaction," he said. "Airbnb is higher than Uber across the board. You trust Uber to weed out bad drivers and be sure things are ok. So although you are dependent on the

driver, you don't need to establish much trust with any particular driver before jumping in the car. Now, these are general relationships. You can of course identify situations where you might not get into a car or where you blindly trust Airbnb."

Berente said the research findings—showing the extent to which dimensionality matters—are important.

"Those of us who study digital business models tend to lump all platform strategies together," he said. "Now, we can begin distinguishing among platform-based business strategies in important ways."

The article recommends, "Internet policymakers should be advised to commit themselves to building a risk mitigation mechanism in order to support the contemporary sharing economy infrastructure. A perceivable safer sharing economy environment could help make trust building a less difficult mandate for sharing economy platforms to embark upon, thereby contributing to the prosperity of the overall economy."

Berente teaches strategic business technology and studies how digital innovation drives large-scale change in organizations and institutions. An entrepreneur prior to his academic career, Berente founded two technology companies.

  More information: Christoph Mittendorf et al. Trust in sharing encounters among millennials, *Information Systems Journal* (2019). DOI: 10.1111/isj.12237

Provided by University of Notre Dame

Citation: Trusting strangers: Details matter to millennials using Uber, Airbnb (2020, February