

Summer 7-19-2017

How Trust and Risk Influence Sharing Intentions on Airbnb

Christoph Mittendorf

Goethe University, mittendorf@wiwi.uni-frankfurt.de

Follow this and additional works at: <http://aisel.aisnet.org/pacis2017>

Recommended Citation

Mittendorf, Christoph, "How Trust and Risk Influence Sharing Intentions on Airbnb" (2017). *PACIS 2017 Proceedings*. 90.
<http://aisel.aisnet.org/pacis2017/90>

This material is brought to you by the Pacific Asia Conference on Information Systems (PACIS) at AIS Electronic Library (AISeL). It has been accepted for inclusion in PACIS 2017 Proceedings by an authorized administrator of AIS Electronic Library (AISeL). For more information, please contact elibrary@aisnet.org.

How Trust and Risk Influence Sharing Intentions on Airbnb?

Completed Research Paper

Christoph Mittendorf
Goethe University Frankfurt
Department of Business Informatics
and Information Economics
mittendorf@wiwi.uni-frankfurt.de

Abstract

Peer-to-peer accommodation sharing continuously changes the traditional hospitality service industry. This study examines the sharing economy platform Airbnb. In particular, we investigate how trust in renters and perceived risk of renters influence the providers' intentions to share a particular type of accommodation – single room vs. entire apartment. Understanding the drivers of the sharing intentions is key – not only for Airbnb and accommodation providers, but also for researchers investigating services in the sharing economy. To fill this gap, this paper employs survey data ($n = 203$) and partial least squares structural equation modeling (PLS-SEM). Drawing on the theory of trust and risk, we find that the providers' intentions to share the entire apartment are stronger influenced by trust in renters respectively perceived risk of renters than the providers' intention to share only a single room on Airbnb. Academic and practical implications and future research directions are discussed.

Keywords: Airbnb, Single Room, Entire Apartment, Hospitality Service, Trust, Perceived Risk, Sharing Economy.

Introduction

The people's mindset towards consumption is steadily shifting from ownership to services – regarding the temporary sharing of resources (Belk 2014; Hamari et al. 2015). Especially the millennials generation, expedite a variety of Internet-based C2C platforms that enable them to disintermediate traditional commercial channels and to share privately owned excess capacity with each other effectively (Lenhart et al. 2010). This new form of consumption claims to be a more social, economic, anti-capitalistic, and convenient alternative to traditional means of consumption. Fostered by modern information technology, this service phenomenon is often referred to as the 'Sharing Economy' (Hamari et al. 2015).

While resources on sharing economy platforms are often shared between strangers, existing literature emphasizes the prevalence of trust and perceived risk as key drivers of user intentions (Corbitt et al. 2003). This finding does not seem surprising, as the need for trust and the prevalence of risk as influential factors on the users' intentions have been empirically validated in related online industries, such as the e-commerce industry. In particular, Jarvenpaa et al. (1999) demonstrated that high levels of trust encourage online transaction intentions, whereas perceived risk negatively influences the users' intention to pursue online transaction. Based on these findings, Hoffman et al. (1999) identified the lack of trust as one of the main reasons why people do not engage in online transactions. In this regard, Gefen and Straub (2004) confirmed that the existence of trust is particularly important for non-recurring interactions between unknown counterparts in the online environment, which are also predominant on Airbnb. Based on previous studies, we have good reasons to believe that trust and perceived risk are also key antecedents of the users' intentions in our unit of analysis – individuals in the sharing economy service model. However, lately there has been some discourse that trust in individuals (rather than the intermediary) in two-sided markets is context dependent. For example, Mittendorf (2017) found that trust in drivers on Uber has no significant effect on the customers' intention due to idiosyncrasies of the service encounter on Uber. On the other hand, Hawlitschek et al. (2016) found that trust in customers on Airbnb influences the "intention to supply". Hence, the level of service encounter or the respective user intention could be potential drivers of the given discrepancy. In this regard, we examine trust in renters and perceived risk of renters from the accommodation provider's perspective. Moreover, we go a step further, and examine the impact of both antecedents on the providers' intention to share their entire apartment vs. their intention to share only a single room on Airbnb. In doing so, we respond to the emerging call for a more detailed investigation of trust and risk on specific providers' intentions on contemporary sharing economy platforms (Hawlitschek, Teubner, and Weinhardt 2016; Mittendorf 2016). Therefore, our research question is:

RQ: *Do trust in renters and perceived risk of renters influence the providers' intentions to share their entire apartment respectively to share only a single room on Airbnb differently?*

We adopt and modify the research model by Nicolaou and McKnight (2006), which investigates the effects of trust and perceived risk on the intention to transact in related online industries. In this regard, we derive their findings from the sharing economy and propose a more detailed research model that seeks to explain the influence of both antecedents on the providers' intention to share a certain type of accommodation on Airbnb. We contribute to the field of IS by complementing the theory of trust and risk-based decision-making on online platforms (Gefen 2000; Kim et al. 2008). We further, contribute to the sharing economy research by assessing the provider perspective on Airbnb. Finally, by incorporating the effect of trust and risk on two distinct provider intentions, we also contribute to behavioral theory and shed light on sharing intentions in the hospitality industry (see Table 1).

The remainder of this paper is structured as follows: In Section 2, we review the related literature background of the sharing economy, including the relevant literature on trust, perceived risk, and user intentions. In Section 3, we propose a research model that displays the users' intentions for two distinct accommodation types. Then we theorize on trust and risk in the online environment and develop our hypotheses accordingly. In Section 4, we demonstrate our research methodology, including confirmatory factor analysis and structural equation modeling, and present our study results. We conclude our research paper by discussing the implications of our findings, limitations, and directions for future research.

Table 1. Preview of Study Contributions

Study Contribution	State of the Research	Relevance	
		Theory	Empirics
Extends the understanding of the sharing economy by adapting trust and risk literature that validates the users' intentions on contemporary sharing economy platforms.	Whereas trust literature has incipiently been adapted to explain interactions in the sharing economy (Hawlichschek, Teubner, and Weinhardt 2016; Mittendorf 2016; Mittendorf and Ostermann 2017), literature on risk has so far been overlooked by sharing economy researchers.	✓	
Specifies the understanding of the sharing economy, in particular the hospitality industry, by focusing on the provider perspective – rather than the customer perspective.	A large number of prior research loosely examines the two-sided market of the sharing economy (Möhlmann 2015); thus it does not differentiate between customers and providers in the sharing economy.	✓	
Advances the understanding of the sharing economy hospitality industry by examining trust in renters and perceived risk of renters on two separate provider intentions – intention to share entire apartment vs. intention to share a single room.	Prior research focuses 'flighty' on the general 'intention to supply' on contemporary sharing economy platforms rather than providing empirical evidence for distinct user intentions (Hawlichschek, Teubner, and Weinhardt 2016).	✓	✓

Related Literature

Sharing Economy

Contemporary sharing practices are appealing to property owners, as they often realize economic, cultural, and organizational benefits by enabling individuals to offer goods to potential consumers for a predefined time period (Belk 2014; Hamari et al. 2015). Hereinafter, we focus on the sharing economy, a two-sided market model that allows private individuals to share excess capacity on dedicated online platforms (Belk 2014; Hamari et al. 2015). In particular, we focus on sharing lodging in the hospitality industry (Cohen and Kietzmann 2014; Tussyadiah 2015). We take a closer look at Airbnb, an online platform that enables individuals to offer, share, and request private accommodations (Tussyadiah 2015). In this regard, Airbnb exploits recent peer-to-peer (Internet) technology to establish transactions between customers and accommodation providers (Matzner et al. 2015). Airbnb enables its users to share and request specific types of accommodations. In this paper, we exclude all other sharing economy platforms that focus on other industries, apply uncompensated sharing practices, or offer unequal goods and services.

Trust and Disposition to Trust

Researchers state that the definition of trust is dependent upon the situation in which trust is being considered and therefore elusive to define (McKnight and Chervany 2001). Whereas, trust is one of the most contradictory, complex, and confusing concepts (Shapiro 1987) it has been studied incessantly from different perspectives in numerous disciplinary fields, such as psychology (Geyskens et al. 1996), sociology (Luhmann 1979), philosophy (Hosmer 1995; Porter 1996), and economics (Fehr 2009). Irrespective of the field, researchers state that trust is context-dependent and has several connotations (Gefen and Straub 2004). Following this logic, there is no consensus definition of trust in the online context. Nowadays, in social sciences, researchers are rethinking how the rapid progress of technology has affected constructs such as trust. This is particularly true for information technology that continuously alters causation in social systems (Luhmann 1979).

In this paper, we follow the understanding of Lewis and Weigert (1985) who refer to trust as a collective attribute that originates from relying on actions of another individual that take place in the future. Related literature states that the need for trust is particularly high in socially distant relationships, such as in the online environment, due to a higher transaction complexity and uncertainties (Jarvenpaa et al. 1999). In this regard, uncertainty involves the risk of failure to the trustor if the trustee will not behave as expected. Hence, the need for trust is present whenever interpersonal or commercial relationships involve risk or interdependencies, and therefore is a critical factor in stimulating transactions over the Internet (Corbitt et al. 2003; Hosmer 1995).

Overall, the need for trust increases with the rising dependency on other individuals, thus growing vulnerability to their misconduct (Luhmann 1979). Current research demonstrates that trust is indispensable in computer-mediated environments, such as in crowdsourcing (Zheng et al. 2011), e-commerce (Gefen 2000; Pavlou and Gefen 2004), virtual teams (Jarvenpaa and Leidner 1999), and the sharing economy (Hawlitschek, Teubner, and Gimpel 2016; Weber 2014). Nevertheless, the implications of trust on provider intentions in the sharing economy respectively the hospitality industry are not yet fully understood.

Disposition to trust is generally defined as the tendency to believe in the goodness of other individuals based on a lifelong socialization process (Kim et al. 2008; McKnight and Chervany 2001). In general, disposition to trust is positively related to trust. It is the result of lifelong personal development, education, and cultural consistency (Kim et al. 2008; McKnight et al. 1998) and is highly effective when individuals are still unfamiliar with one another (Gefen 2000; McKnight et al. 2002); which is a predominate state on a variety of sharing economy platforms. Thus, the relationship of disposition to trust and trust has been empirically validated by Mittendorf (2016) or Mittendorf (2017) for the sharing economy. Although the effect of disposition to trust has already been assessed in the sharing economy, for the sake of completeness, we also include the antecedent in our model.

Perceived Risk

Nicolaou and McKnight (2006) define perceived risk as the extent to which one believes uncertainty exists about whether desirable outcomes will occur. We adopt this definition and understand perceived risk as a providers' belief about the potential negative outcomes from online and offline interactions with customers (Kim et al. 2008; Wu et al. 2010). Accordingly, this definition includes part of Sitkin and Pablo's (1992) broader perceived risk concept, which is formed by outcome uncertainty, outcome expectations, and outcome potential. We include perceived risk due to Mayer et al.'s (1995) call that perceived risk is necessary to make predictions regarding the influence of trust on behavioral intentions.

Perceived risk is an important barrier for providers who are considering sharing their accommodation on an online hospitality platform. Compared to the e-commerce industry, where goods are sold permanently for money, property in the sharing economy is shared with strangers for a predefined period of usage and needs to be returned to its owner in an agreed condition (Andersson et al. 2013; Belk 2014). As a result, there is a greater chance of misconduct of potential customers in the sharing economy (Weber 2014) – although perceived risk has not yet been empirically validated in the sharing economy. Prior research and the peculiarities of the sharing economy mechanisms encouraged us to investigate the implications of trust and perceived risk for temporal sharing of private accommodations on Airbnb.

Hypothesis Development and Research Model

In this paper, we propose a research model that allows us to analyze the influence of both trust in renters and perceived risk of renters on the corresponding provider intentions. We further assess the influence of disposition to trust on trust in renters. Our study focuses on Airbnb, a popular hospitality platform, which was among the pioneers of the online sharing economy platforms. In our paper, we take the perspective of an accommodation provider respectively a host on Airbnb.

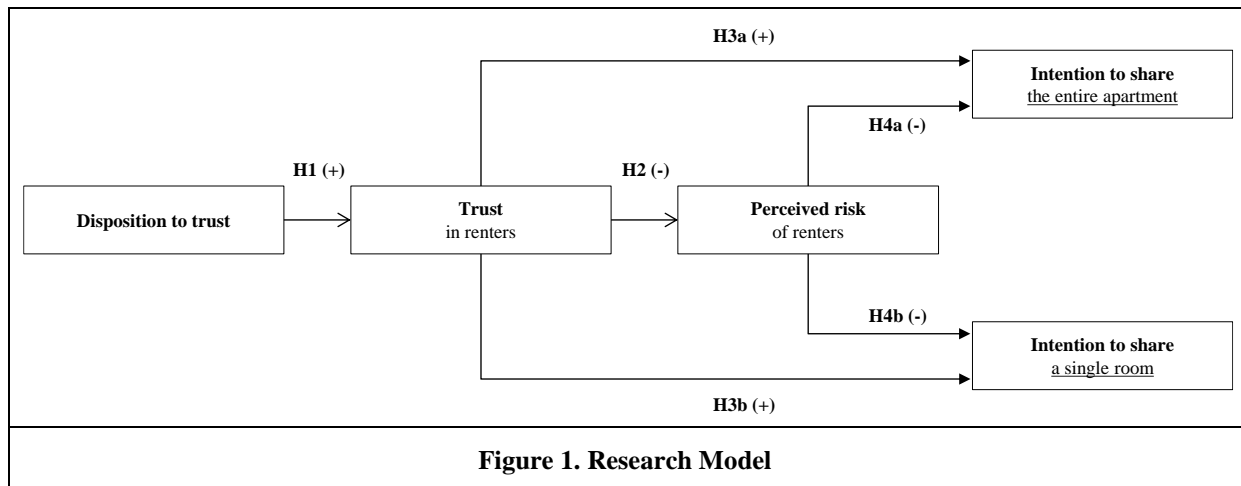
We follow the understanding that disposition to trust can build trust by detracting the likelihood of individuals harming others; thus engaging in undesirable future actions (Gefen 2000; Gulati 1995). Disposition to trust is adopted without any changes from previous literature. Furthermore, we adopt and modify items from related trust and risk studies to assess trust in renters and perceived risk of renters. In the latter, we draw on literature from behavioral intention theory to assess the constructs intention to share a single room and intention to share the entire apartment on Airbnb.

One has to keep in mind that providers who are sharing a single room on Airbnb usually stay with the renters throughout the sharing period in the same accommodation. This in general has two advantages for the providers: 1. The accommodation provider has the possibility to monitor the renter and his actions throughout his stay; hence keeping control over the accommodation (Weber 2014). 2. The accommodation provider has the possibility to interact with the renter; thus building a social relationship with the visitor (Bucher et al. 2016). On the other hand, renting out the entire accommodation via Airbnb usually allows the accommodation provider to charge higher fees for the accommodation (compared to sharing only a single room). Table 2 presents the five research constructs employed in our study.

Table 2. Key Constructs

Construct	Description	Reference
Disposition to trust	General faith in humanity and belief that other individuals are well-meaning and reliable.	Gefen (2000), Kim et al. (2008), McKnight and Chervany (2001)
Trust in renters	Confidence that potential renters will behave in a favorable way.	Chen et al. (2009), Kim et al. (2008), Tussyadiah (2015)
Perceived risk of renters	Belief about uncertain negative outcomes when interacting with renters.	Kim et al. (2008), Nicolaou and McKnight (2006)
Intention to share a single room	Intention of sharing a single room on Airbnb. (provider stays with renter in the accommodation)	Davis et al. (1989), Matzner et al. (2015), Mittendorf (2016), Pavlou (2001), Schoorman et al. (2007)
Intention to share the entire apartment	Intention of sharing the entire apartment on Airbnb. (provider lets the entire apartment to the renter)	

Trust in renters on Airbnb is among other things determined by a general trusting disposition (Gefen et al. 2011). In general, literature states that individuals have a natural disposition to trust and ability to judge trustworthiness. McKnight and Chervany (2001), for example, define disposition to trust as the tendency to believe in the integrity of other individuals. Moreover, McKnight et al. (2002) argue that the implications of disposition to trust are dependent on the environment. Wu et al. (2010) further state that individuals of high disposition to trust are more inclined to frame positive initial interactions with unfamiliar counterparts. In our research model, disposition to trust directly affects trust in renters. **H1:** The stronger the providers' disposition to trust is, the more they will trust in renters on Airbnb. Following risk theory, we conclude that high degrees of trust decrease the perception of related risk (Kim et al. 2008; Pavlou and Gefen 2004). In particular, Pavlou and Gefen (2004) provide empirical evidence that trust works as a reduction method of perceived risk in online marketplaces. Based on this logic, we assume that trust in renters decreases the perceived risk of renters engaging in unfavorable sharing actions. **H2:** Increased degrees of trust in renters will decrease the providers' perceived risk of renters on Airbnb.



In addition, researchers argue that trust can be a positive direct and indirect antecedent, acting through risk perceptions, of intention to engage in online transactions (Kim et al. 2008; Pavlou and Gefen 2004). We assume that trust influences the providers' intentions to share on Airbnb (Gefen 2000; Pavlou 2001). For example, Mittendorf (2016) shows that trust in renters has a significant effect on the accommodation providers' general intention to provide. In practice, accommodation providers have the possibility to share a single room on Airbnb or to share their entire apartment for a predefined timeframe. Given this context, we hypothesize that the providers' intentions to share a specific type of accommodation rise with increased degrees of trust (Chen et al. 2009). **H3a:** Increased degrees of trust in renters will increase the providers' intentions to share their entire apartment on Airbnb. **H3b:** Increased degrees of trust in renters will increase the providers' intentions to share a single room on Airbnb.

Concurrently, perceived risk decreases the intention of individuals to engage in online transactions (Kim et al. 2008; Pavlou and Gefen 2004). Hence, we assume that perceived risk is a negative antecedent of the providers' intention to share on Airbnb. We hypothesize that the providers' intention to share a specific type of accommodation on Airbnb decreases with increased degrees of perceived risk (Chen et al. 2009). **H4a:** Increased degrees of perceived risk of renters will decrease the providers' intentions to share their entire apartment on Airbnb. **H4b:** Increased degrees of perceived risk of renters will decrease the providers' intentions to share a single room on Airbnb.

Research Method

Instrument Development and Data Collection

We designed the questionnaire explicitly to measure the influence of trust and risk on two distinct provider intentions. We chose the survey method because it is best adapted to assess personal beliefs and attitudes, as it allowed us to build a foundation for an extended study, including controlled laboratory and contextual field studies with behavioural measures (Fang et al. 2014). As explained earlier, we differentiated between the providers' intention to share a single room and the intention to share the entire apartment on Airbnb. Our online survey contained 36 questions, covering five constructs, controls, and demographic data. The survey employed a standardized response format: 7-point Likert scale ranging from "strongly disagree" (1) to "strongly agree" (7). See Table 8 in the Appendix for the full item catalogue, including the constructs, the corresponding item codes, the loadings, as well as the references.

Table 3. Participants Characteristics					
N = 203	Count	%		Count	%
Age			Gender		
under 18 years	1	0.49%	Female	111	54.68%
18 to 24 years	158	77.83%	Male	92	45.32%
25 to 34 years	24	11.82%	Profession		
35 to 44 years	10	4.93%	Student	151	74.38%
45 to 54 years	1	0.49%	Employed for wages	25	12.32%
55 to 64 years	3	1.48%	Self-employed	23	11.33%
Age 65 or older	6	2.96%	Retired	4	1.97%
Marital status			Income		
Single	187	92.12%	less than US\$20,000	140	68.97%
Married	6	2.96%	between US\$20,000 and US\$29,999	17	8.37%
Separated	6	2.96%	between US\$30,000 and US\$39,999	9	4.43%
Divorced	4	1.97%	between US\$40,000 and US\$49,999	5	2.46%
Education			between US\$50,000 and US\$59,999	2	0.99%
High school graduate	38	18.72%	between US\$60,000 and US\$69,999	7	3.45%
Associate degree	3	1.48%	between US\$70,000 and US\$79,999	0	0.00%
Bachelor's degree	99	48.77%	between US\$80,000 and US\$89,999	2	0.99%
Master's degree	60	29.56%	between US\$90,000 and US\$99,999	8	3.94%
Doctorate degree	3	1.48%	above US\$100,000	13	6.40%

We conducted the study in late 2016. By the due date, we received a total of 224 responses. The data was gathered targeting accommodation providers on Airbnb through suitable social media channels, such as Facebook community groups for Airbnb hosts. In this regard, we particularly aimed for young individuals of the millennials generation, which are the main user group of contemporary sharing economy services (Arthursson 2016). In this regard, we dropped 21 participants who did not complete the survey. Table 3 shows the demographic characteristics of the 203 remaining respondents, including gender, age, marital status, education, profession, and income. Furthermore, in our survey, we included specific control variables that may affect the intention to engage in transactions on the Internet (Fang et al. 2014), which could ultimately bias the providers' intention to share on Airbnb. First, we include financial attributes, such as yearly income, profession, and financial motives (Bucher et al. 2016; Hamari et al. 2015; Möhlmann 2015). Second, we include social attributes, such as marital status and social motives (Hamari et al. 2015; Möhlmann 2015; Rose and Lamberton 2012). Third, we include experience-based attributes, such as age and experience as a host (Kim et al. 2008). Finally,

we include personality-orientated attributes, such as education and gender (Rose and Lamberton 2012)

Data Analysis and Results

Measurement Model

We performed the statistical analysis on the collected data using SPSS Statistics and SmartPLS. The SPSS Package was used to perform the factor analysis, to test the reliability of the measurement model, and to examine the demographic data. SmartPLS was used to estimate the parameters of our research model.

We determined the factor structure of our dataset in order to examine the reliability of our measurement model. The individual items with the respective loadings (with 203 data points) are presented in Table 8 in the Appendix. In the next step, we evaluated the validity and reliability of our survey constructs. We assessed internal consistency by following the recommendations from Hair et al. (2010) and Straub et al. (2004). In this regard, we found sufficient reliability for all our constructs, as the calculated Cronbach's Alpha and Composite Reliability scores are all above the threshold of 0.70 (Bagozzi and Yi 1988; Fornell and Larcker 1981). Table 4 shows the descriptive statistics and the reliability indices for all our constructs.

Table 4. Descriptive Statistics and Reliability Indices for Constructs					
	DisTr	TrRe	PRRe	IntAp	IntRo
Cronbach's Alpha	0.882	0.962	0.960	0.944	0.949
Composite Reliability	0.914	0.971	0.969	0.957	0.960
rho_A	0.891	0.963	0.970	0.953	0.979

In an additional step, the data was examined for Kurtosis and Skewness to obtain insights about the distributional characteristics. We applied the thresholds ± 1 for Skewness and ± 2 for Kurtosis (Finney and DiStefano 2006; Sposito et al. 1983). In our analysis, we could not identify any Skewness or Kurtosis issues in our study. Hence, we assume that our data is sufficiently normal distributed across all our construct items. Furthermore, we controlled for common method bias (CMB). The Harman's single factor test confirmed that no single component explained more than 50% of total variance (Harman's single factor test of our data: 36.5%); thus CMB is unlikely a potential bias in our dataset. Finally, we assessed construct validity by evaluating convergent validity and discriminant validity (O'Leary-Kelly and Vokurka 1998).

By following the definition of convergent validity as the extent to which the measures for an item act as if they are measuring the underlying theoretical construct because they share variance (McKnight et al. 2002), researchers consider convergent validity acceptable when the Average Variance Extracted (AVE) is above the threshold of 0.50 for all constructs (Fornell and Larcker 1981). Discriminant validity, on the other hand, is the degree to which measures of different latent variables are unique (O'Leary-Kelly and Vokurka 1998); thus is considered acceptable when the square roots of the AVE are superior to the correlations among the research constructs (Fornell and Larcker 1981). Overall, the results of our study indicate that there is strong evidence of construct validity in our data. Table 5 shows that there are no discriminant validity concerns. In addition, the variance explained by each construct is larger than the measurement error variance (Pavlou and Dimoka 2006). In summary, our analysis and the proposed model provide an adequate basis for our SEM approach.

Table 5. Convergent and Discriminant Validity Coefficients						
	AVE	DisTr	TrRe	PRRe	IntAp	IntRo
DisTr	0.681	0.825				
TrRe	0.870	0.439	0.933			
PRRe	0.861	0.015	-0.300	0.928		
IntAp	0.816	0.327	0.480	-0.335	0.904	
IntRo	0.830	0.294	0.212	-0.182	0.429	0.911

Note: AVE = Average Variance Extracted. Diagonal elements of the last five columns represent the square root of the AVE. Off diagonal elements are the correlations among latent constructs.

Structural Model Assessment

The major goal of this study was to understand the implications of trust and perceived risk on two distinct provider intentions. Therefore, after we confirmed the factor structure of our dataset in the CFA, we performed PLS-SEM to analyze both measurement and structural relationships for our research model (Anderson and Gerbing 1988; Gefen et al. 2011). The PLS analysis shows that the collected data adequately fits our research model (Fan and Sivo 2005; Hu and Bentler 1999). The given items share only little residual variance and indicate unidimensionality of the SEM approach (Bagozzi and Yi 1988; Hu and Bentler 1999). The results of the SEM are presented in Table 6 and visually summarized in Figure 2. The explanatory power of our research model was assessed by examining the significance levels of the corresponding path coefficients. The results show support for four hypotheses. Disposition to trust significantly affects trust in renters, supporting H1. In addition, H2 is supported, demonstrating that trust in renters has a significant negative effect on perceived risk of renters. As postulated in H3a, trust in renters have a significant positive effect on the providers' intention to share their entire accommodation, whereas as postulated in H4a, perceived risk of renters has a significant negative effect on the providers' intention to share their entire accommodation.

Table 6. Results of Path Coefficients

Hypothesis	Path	Path coefficient	Standard error	t-value	p-value
H1	DisTr --> TrRe	0.439	0.058	7.563	***
H2	TrRe --> PRRe	-0.300	0.085	3.525	***
H3a	TrRe --> IntAp	0.418	0.079	5.302	***
H3b	TrRe --> IntRo	0.173	0.092	1.873	0.062
H4a	PRRe --> IntAp	-0.210	0.090	2.339	*
H4b	PRRe --> IntRo	-0.131	0.101	1.291	0.197

Note: * significant at a .05 level, ** significant at a .01 level, *** significant at a .001 level

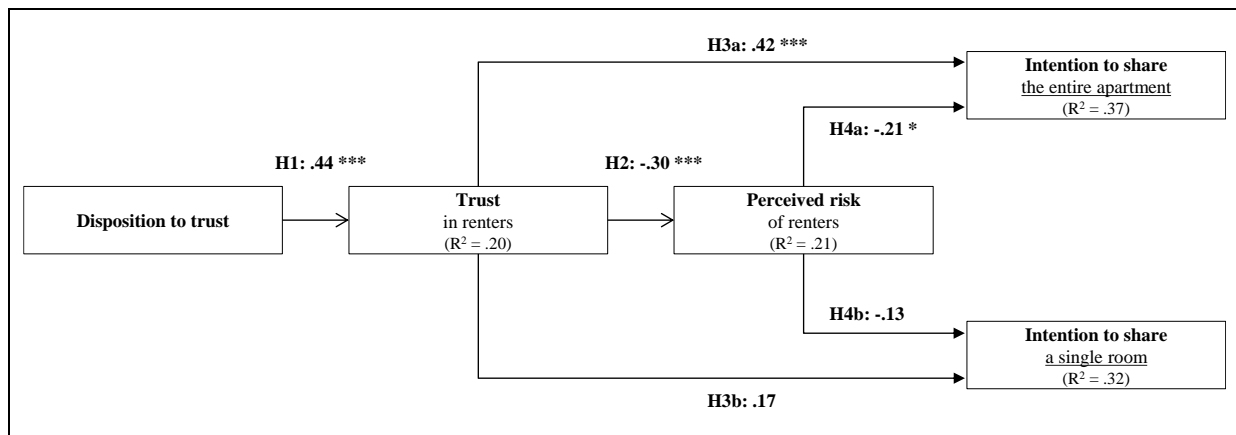


Figure 2. Research Model

On the other hand, H3b and H4b are not supported, indicating that the providers' intention to share only a single room in their accommodation is not significantly dependent on trust respectively perceived risk of renters; as the providers always stay in control during the sharing interaction. Hence, the data analysis successfully answered our research question. We could show that disposition to trust has an effect on trust in renters. In addition, we are in line with previous literature identifying a negative effect of trust on perceived risk. Moreover, we contribute to research by demonstrating that trust and risk are highly dependent on the providers' intention to share a respective type of accommodation – entire apartment vs. single room.

Table 7. Results of Hypothesis Testing

Hypothesis	H1	H2	H3a	H3b	H4a	H4b
Supported?	Yes	Yes	Yes	No	Yes	No

Discussion

Our research attempts to understand the influence of trust in renters and perceived risk of renters on the providers' intentions to share a single room and to share their entire apartment on Airbnb. In our study, we took the perspective of an accommodation provider. Previous studies have shown that interactions in the sharing economy are inherently risky (Weber 2014); thus trust is an important factor in giving customers and providers the confidence to engage in sharing transactions (Hawlitsek, Teubner, and Weinhardt 2016). However, current sharing economy research does not systematically explore how trust and perceived risk may operate in combination to influence sharing intentions. Building on that, there is no research approach differentiating between distinct provider intentions in the sharing economy – respectively differentiating the type of accommodation to be shared. In our paper, based on the research model from Nicolaou and McKnight (2006), we developed a trust-risk-based provider decision-making model for the sharing economy that recognizes that trust in renters and perceived risk of renters influence specific provider intentions differently. Our proposed model and expected results are likely to have important practical implications for the sharing economy platforms of the hospitality industry that aim at incentivizing potential accommodation providers to share. At the same time, a detailed analysis of two provider intentions reveals several important research findings.

Research Implications and Practical Implications

Trust in the sharing economy is not a new concept, albeit prior research has only broadly examined the general effect of trust on sharing intentions. To the best of our knowledge, existing literature has not incorporated and evaluated both trust and perceived risk in the sharing economy from the providers' perspective, despite Mayer et al.'s (1995) call that perceived risk is necessary to make predictions of the influence of trust on behavioral intentions. To close this research gap, we incorporated related literature, especially research of e-commerce intermediary frameworks (Fang et al. 2014; Gefen et al. 2003; Pavlou and Gefen 2004) which assessed the connection of trust and perceived risk in more detail. Finally, we evaluated and identified differences of the influence of both antecedents on the corresponding provider intentions while performing PLS-SEM. Therefore, our study contributes to research in several ways:

First and foremost, we show how trust and perceived risk affect provider intentions. We find a mediation effect of perceived risk and trust on the providers' intentions. In particular, we could identify a partial mediation effect between trust in renters and the providers' intention to share the entire accommodation through the mediator perceived risk of renters. On the other hand, we could show that the providers' intention to share only a single room is neither affected by trust in renters nor perceived risk of renters. A possible explanation for this finding might be that providers do not fully give up control of their accommodation; thus, they can always intervene in case of any misconduct of the customer. In other words, control might replace the necessity of trust and perceived risk in a controlled sharing environment. These results will add to the sharing economy literature by addressing the call of Kim et al. (2008) and Weber (2014) to evaluate perceived risk and trust in the sharing economy respectively different online environments. Our study is among the first to address this theoretical gap by incorporating two distinct types of provider intentions, sharing a single room vs. sharing the entire apartment, in an empirical analysis. Differences regarding the sharing intention could also come from financial or social motives which ultimately affect individuals to take part in the sharing economy (Bucher et al. 2016; Hamari et al. 2015; Hawlitsek, Teubner, and Gimpel 2016; Möhlmann 2015). As a result, our findings are an important contribution to our scholarly understanding of sharing economy mechanisms. In addition, our study has practical implications for both sharing economy platforms and property providers. First, the identification of a mediation effect of perceived risk on the providers' intentions could lead to an endorsement for the online platform to emphasize risk-reduction methods, such as advanced background checks, in correspondence to trust-building measures, such as ratings and reviews. Secondly, by drawing on behavioral theory, as the providers' intentions are affected differently by trust and perceived risk, we build a foundation for further investigations on possible moderators that imply the identified differences in the providers' sharing habits.

Limitations and Future Research

Additional research can take this study further by addressing several limitations of our study. This study exclusively focuses on the perception of trust in renters and perceived risk of renters on Airbnb,

thus, our study is context-dependent and it is unclear whether our findings can be generalized to other sharing economy hospitality platforms, such as *Couchsurfing* or *HouseTrip*. In this regard, it might be worthwhile to examine a moderation effect, such as financial motives and social motives, regarding the influence of trust and perceived risk and specific sharing intentions as service encounters in the sharing economy are strongly diverse. Furthermore, it might be worthwhile to include antecedents of perceived risk, such as disposition to risk aversion, in order to get a more balanced model. Similarly, we make a call to examine distrust which might add additional understanding to service encounters in the sharing economy and which has so far been overlooked by sharing economy researchers. Finally, we recommend fellow researchers to evaluate our findings for other sharing economy platforms.

References

- Anderson, J. C., and Gerbing, D. W. 1988. "Structural equation modeling in practice: A review and recommended two-step approach," *Psychological Bulletin* (103:3), pp. 411–423.
- Andersson, M., Hjalmarsson, A., and Avital, M. 2013. "Peer-to-peer service sharing platforms," in *International Conference on Information Systems* (Vol. 4), pp. 2964–2978.
- Arthursson, D. 2016. "How Millennials Are Defining the Sharing Economy," *Entrepreneur*.
- Bagozzi, R. P., and Yi, Y. 1988. "On the Evaluation of Structural Equation Models," *Journal of the Academy of Marketing Science* (16:1), pp. 74–94.
- Belk, R. 2014. "You are what you can access: Sharing and collaborative consumption online," *Journal of Business Research* (67:8), Elsevier Inc., pp. 1595–1600.
- Bucher, E., Fieseler, C., and Lutz, C. 2016. "What's mine is yours (for a nominal fee) – Exploring the spectrum of utilitarian to altruistic motives for Internet-mediated sharing," *Computers in Human Behavior* (62), Elsevier Ltd, pp. 316–326.
- Chen, J., Zhang, C., and Xu, Y. 2009. "The Role of Mutual Trust in Building Members' Loyalty to a C2C Platform Provider," *International Journal of Electronic Commerce* (14:1), pp. 147–171.
- Cohen, B., and Kietzmann, J. 2014. "Ride On! Mobility Business Models for the Sharing Economy," *Organization & Environment* (27:3), pp. 279–296.
- Corbitt, B. J., Thanasankit, T., and Yi, H. 2003. "Trust and e-commerce: A study of consumer perceptions," *Electronic Commerce Research and Applications* (2:3), pp. 203–215.
- Davis, F., Bagozzi, R., and Warshaw, P. 1989. "User acceptance of computer technology: a comparison of two theoretical models," *Management science* (35:8), pp. 982–1003.
- Fan, X., and Sivo, S. A. 2005. "Sensitivity of Fit Indexes to Misspecified Structural or Measurement Model Components: Rationale of Two-Index Strategy Revisited," *Structural Equation Modeling: A Multidisciplinary Journal* (12:3), pp. 343–367.
- Fang, Y., Qureshi, I., Sus, H., Mccole, P., Ramsey, E., and Lim, K. H. 2014. "Trust, Satisfaction, and Online Repurchase Intention: The Moderating Role of Perceived Effectiveness of E-Commerce Institutional Mechanisms," *MIS Quarterly* (38:2), pp. 407–427.
- Fehr, E. 2009. "On the Economics and Biology of Trust," *Journal of the European Economic Association* (7:2–3), pp. 235–266.
- Finney, S. J., and DiStefano, C. 2006. "Nonnormal and Categorical Data in Structural Equation Modeling," in *Structural Equation Modeling: A Second Course*, pp. 269–314.
- Fornell, C., and Larcker, D. F. 1981. "Evaluating Structural Equation Models with Unobservable Variables and Measurement Error," *Journal of Marketing Research* (18:1), pp. 39–50.
- Gefen, D. 2000. "E-commerce: the role of familiarity and trust," *Omega* (28:6), pp. 725–737.
- Gefen, D., Karahanna, E., and Straub, D. W. 2003. "Trust and TAM in Online Shopping: An integrated Model," *MIS Quarterly* (27:1), pp. 51–90.
- Gefen, D., Rigdon, E. E., and Straub, D. W. 2011. "An Update and Extension to SEM Guidelines for Administrative and Social Science Research," *MIS Quarterly* (35:2), pp. iii–xiv.
- Gefen, D., and Straub, D. W. 2004. "Consumer trust in B2C e-Commerce and the importance of social presence: Experiments in e-Products and e-Services," *Omega* (32:6), pp. 407–424.
- Geyskens, I., Steenkamp, J.-B. E. M., Scheer, L. K., and Kumar, N. 1996. "The effects of trust and interdependence on relationship commitment," *International Journal of Research in Marketing* (13:4), pp. 303–317.
- Gulati, R. 1995. "Does familiarity breed trust? the implications of repeated ties for contractual choice in alliances," *Academy of Management Journal* (38:1), pp. 85–112.
- Hamari, J., Sjöklint, M., and Ukkonen, A. 2015. "The Sharing Economy: Why People Participate in Collaborative Consumption," *Journal of the Association for Information Science and Technology*, pp. 1–19.
- Hawlitschek, F., Teubner, T., and Gimpel, H. 2016. "Understanding the Sharing Economy - Drivers and Impediments for Participation in Peer-to-Peer Rental," in *Proceedings of the Annual*

- Hawaii International Conference on System Sciences*, pp. 4782–4791.
- Hawlichschek, F., Teubner, T., and Weinhardt, C. 2016. "Trust in the Sharing Economy," *Die Unternehmung* (70:1), pp. 26–44.
- Hoffman, D., Novak, T., and Peralta, M. 1999. "Building Consumer Trust Online," *Communications of the ACM* (42:4), pp. 80–85.
- Hosmer, L. T. 1995. "Trust: The Connecting Link between Organizational Theory and Philosophical Ethics," *The Academy of Management Review* (20:2), pp. 379–403.
- Hu, L., and Bentler, P. M. 1999. "Cutoff criteria for fit indexes in covariance structure analysis," *Structural Equation Modeling: A Multidisciplinary Journal* (6:1), pp. 1–55.
- Jarvenpaa, S. L., and Leidner, D. E. 1999. "Communication and Trust in Global Virtual Teams-," *Organization Science* (10:6), pp. 791–815.
- Jarvenpaa, S. L., Tractinsky, N., and Saarinen, L. 1999. "Consumer trust in an internet store: a cross culture validation," *Journal of Computer Mediated Communication* (5), pp. 1–35.
- Kim, D. J., Ferrin, D. L., and Rao, H. R. 2008. "A trust-based consumer decision-making model in electronic commerce," *Decision Support Systems* (44:2), pp. 544–564.
- Lenhart, A., Purcell, K., Smith, A., and Zickuhr, K. 2010. "Social Media & Mobile Internet Use among Teens and Young Adults. Millennials," *Pew internet & American life project* (1).
- Lewis, D. J., and Weigert, A. 1985. "Trust as a Social Reality," *Social Forces* (63:4), pp. 967–985.
- Luhmann, N. 1979. *Trust and Power* (Vol. 23), John Wiley & Sons.
- Matzner, M., Chasis, F., and Todenhöfer, L. 2015. "To Share or not to Share – Towards Understanding the Antecedents of Participation in IT-enabled Sharing Services," *European conference on information systems 2015*, pp. 1–13.
- Mayer, R. C., Davis, J. H., and Schoorman, F. D. 1995. "An Integrative Model of Organizational Trust," *Academy of Management Review* (20:3), pp. 709–734.
- McKnight, D. H., and Chervany, N. L. 2001. "What Trust Means in E-Commerce Customer Relationships: An Interdisciplinary Conceptual Typology," *International Journal of Electronic Commerce* (6:2), pp. 35–59.
- McKnight, D. H., Choudhury, V., and Kacmar, C. 2002. "The impact of initial consumer trust on intentions to transact with a web site: A trust building model," *Journal of Strategic Information Systems* (11:3–4), pp. 297–323.
- McKnight, D. H., Cummings, L. L., and Chervany, N. L. 1998. "Initial Trust formation in new organizational relationships," *Academy of Management Review* (23:3), pp. 473–490.
- Mittendorf, C. 2016. "What Trust means in the Sharing Economy: A provider perspective on Airbnb.com," *Americas Conference on Information Systems*, pp. 1–10.
- Mittendorf, C. 2017. "The Implications of Trust in the Sharing Economy – An Empirical Analysis of Uber," in *50th Hawaii International Conference on System Sciences (HICSS)*, pp. 5837–5846.
- Mittendorf, C., and Ostermann, U. 2017. "Private vs. Business Customers in the Sharing Economy," in *50th Hawaii International Conference on System Sciences (HICSS)*, pp. 5827–5836.
- Möhlmann, M. 2015. "Collaborative consumption: determinants of satisfaction and the likelihood of using a sharing economy option again," *Journal of Consumer Behaviour* (14:3), pp. 193–207.
- Nicolaou, A. I., and McKnight, D. H. 2006. "Perceived information quality in data exchanges: Effects on risk, trust, and intention to use," *Information Systems Research* (17:4), pp. 332–351.
- O’Leary-Kelly, S. W., and Vokurka, R. J. 1998. "The empirical assessment of construct validity," *Journal of Operations Management* (16:4), pp. 387–405.
- Pavlou, P. A. 2001. "Integrating Trust in Electronic Commerce with the Technology Acceptance Model: Model Development and Validation," in *AMCIS 2001*, pp. 816–822.
- Pavlou, P. A., and Dimoka, A. 2006. "The nature and role of feedback text comments in online marketplaces: Implications for trust building, price premiums and seller differentiation," *Information Systems Research* (17:4), pp. 392–414.
- Pavlou, P. A., and Gefen, D. 2004. "Building Effective Online Marketplaces with Institution-Based Trust," *Information Systems Research* (15:1), pp. 37–59.
- Porter, T. 1996. *Trust in numbers. The pursuit of objectivity in science and public life*.
- Rose, R. L., and Lamberton, C. P. 2012. "When Is Ours Better Than Mine? A Framework for Understanding and Altering Participation in Commercial Sharing Systems," *Journal of Marketing* (76:4), pp. 109–125.
- Schoorman, F. D., Mayer, R. C., and Davis, J. H. 2007. "An integrative model of organizational trust: Past, present, and future," *Academy of Management Review* (32:2), pp. 344–354.
- Shapiro, S. P. 1987. "The Social Control of Impersonal Trust," *American Journal of Sociology* (93:3), pp. 623–658.
- Sitkin, S. B., and Pablo, A. L. 1992. "Reconceptualizing the Determinants of Risk Behavior," *The Academy of Management Review* (17:1), pp. 9–38.

- Sposito, V. A., Hand, M. L., and Skarpness, B. 1983. "On the Efficiency of Using the Sample Kurtosis in Selecting Optimal lp Estimators," *Communications in Statistics - Simulation and Computation* (12:3), pp. 265–272.
- Tussyadiah, I. P. 2015. "An Exploratory Study on Drivers and Deterrents of Collaborative Consumption in Travel," in *Information & Communication Technologies in Tourism 2015*, pp. 817–830.
- Weber, T. A. 2014. "Intermediation in a Sharing Economy: Insurance, Moral Hazard, and Rent Extraction," *Journal of Management Information Systems* (31:3), pp. 35–71.
- Wu, G., Hu, X., and Wu, Y. 2010. "Effects of Perceived Interactivity, Perceived Web Assurance and Disposition to Trust on Initial Online Trust," *Journal of Computer-Mediated Communication* (16:1), pp. 1–26.
- Zaleskiewicz, T. 2001. "Beyond risk seeking and risk aversion: personality and the dual nature of economic risk taking," *European Journal of Personality* (15:1), pp. 105–122.
- Zheng, H., Li, D., and Hou, W. 2011. "Task Design, Motivation, and Participation in Crowdsourcing Contests.," *International Journal of Electronic Commerce* (15:4), pp. 57–88.

Appendix

Table 8. Overview of Items after the Content Validity Assessment				
Construct	Code	Item	Loading	Reference
Disposition to trust (reflective)	DisTr1	I generally trust other people.	0.903	Items adapted and modified from: Gefen (2000), McKnight et al. (2002)
	DisTr2	I generally have faith in humanity.	0.716	
	DisTr3	I generally trust other people unless they give me reason not to.	0.834	
	DisTr4	I feel that people are generally reliable.	0.847	
	DisTr5	I tend to count upon other people.	0.817	
Trust in renters (reflective)	TrRe1	I trust the renters using Airbnb.	0.949	Items adapted and modified from: Gefen (2000), Pavlou and Gefen (2004)
	TrRe2	I believe that the renters on Airbnb are trustworthy.	0.961	
	TrRe3	I feel that renters on Airbnb are honest.	0.955	
	TrRe4	I feel renters on Airbnb are reliable.	0.951	
	TrRe5	Even if not monitored, I'd trust renters on Airbnb.	0.841	
Perceived risk of renters (reflective)	PRRe1	I think it is risky to accept renters on Airbnb.	0.954	Items adapted and modified from: Pavlou and Gefen (2004), Zaleskiewicz (2001)
	PRRe2	I hesitate to accept renters on Airbnb.	0.933	
	PRRe3	Accepting renters on Airbnb is unsafe.	0.927	
	PRRe4	It is likely that renters on Airbnb will fail to meet my expectations.	0.893	
	PRRe5	It is likely that renters on Airbnb will cause me a financial loss.	0.933	
Intention to share the entire apartment (reflective)	IntAp1	I would feel comfortable to share my entire apartment on Airbnb.	0.903	Items adapted and modified from: Davis et al. (1989), Gefen et al. (2003), Pavlou (2001)
	IntAp2	I am very likely to share my entire apartment on Airbnb in the future.	0.929	
	IntAp3	I could imagine sharing my entire apartment on Airbnb in general.	0.924	
	IntAp4	I would share my entire apartment on Airbnb to host renters.	0.892	
	IntAp5	I am intentionally planning to share my entire apartment on Airbnb.	0.869	
Intention to share a single room (reflective)	IntRo1	I would feel comfortable to share a single room on Airbnb.	0.943	
	IntRo2	I am very likely to share a single room on Airbnb in the future.	0.922	
	IntRo3	I could imagine sharing a single room on Airbnb in general.	0.931	
	IntRo4	I would share a single room on Airbnb to host renters.	0.956	
	IntRo5	I am intentionally planning to share a single room on Airbnb.	0.795	