NORWEGIAN SCHOOL OF ECONOMICS

Digital Discrimination in the Sharing Economy: What's Mine is *Not* Yours

Evidence From an Online Experiment

MASTER THESIS - MARKETING AND BRAND MANAGEMENT

NHH

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Abstract

Although the issue of racial discrimination has been studied extensively throughout the past decades, its appearance in the disruptive digital market called the *sharing economy* is a rather unexplored field of research. To address this issue, we study how consumer outcomes in an Airbnb-setting are influenced by a host's Arab (out-group) ethnicity compared to a Norwegian (in-group) ethnicity, and the underlying mechanisms and boundary conditions involved. Further, we examine the effect of introducing in-group characteristics (an *in-group symbol*) to the out-group host, to potentially eliminate discrimination.

Conducting an online survey experiment, we find negative main effects of the Arab host's ethnicity (vs. a Norwegian ethnicity) on some consumer outcomes. Yet, additional significant effects arise when accounting for individual differences in political orientation and intergroup threat. More specifically, being right-oriented (left-oriented) and perceiving Muslims as being of high (low) threat towards Western culture strengthens (reduces) out-group discrimination. Trustworthiness appears as the most important explanatory mechanism of the effects. In addition, the in-group symbol seems to eliminate discrimination in general, however not for all levels of political orientation and intergroup threat.

The uncovering of racial discrimination on Airbnb has impactful consequences for decision makers in the sharing economy. As the issue of digital discrimination is likely to persist as we move into the future, it is crucial for such platforms to focus on how this can be minimized. A key challenge is to properly facilitate trust among all users, no matter their origin - to create communities where truly *everyone* can belong.

Key words: Sharing Economy, Racial Discrimination, Social Identity, Self-other Overlap, Self-brand Connection, Trustworthiness, Perceived Risk, Political Orientation, Intergroup Threat, Consumer Outcomes, Marketing.

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Chapter 1: Introduction

1.1 Background

Our world is currently experiencing a drastic and highly impactful wave of digitalization. 8 billion devices are now connected to the internet, and this number is predicted to reach as much as 1 trillion in 2030 (WEF 2017). As a result, consumers are engaging in new ways and demonstrating completely new behaviors (Qvartz 2016). We no longer take part in just the physical world - the virtual world has become an equally essential aspect of our lives. In recent years, this rapid digitalization has triggered the rise of several disruptive markets. Built solely on the basis of technology, these businesses represent the new digital economy (PwC 2011).

A particularly flourishing part of the digital market is the sharing economy (PwC 2015). Over the last decade, a number of new businesses using the traditional concept of sharing as a central element of their business models have emerged. The sharing economy, also called collaborative consumption (Botsman and Rogers 2010) has been called an "idea that will change the world" (Time 2011). Consumers all around the world are taking part in this new marketplace, destined to make our lives easier - and more efficient (Leong 2015). By sharing everything from housing (Airbnb) to cars (Zipcar) to screwdrivers (Taskrabbit), this economy enables access to underutilized resources, profiting both owners, users, and Mother Earth. Valued as a EUR 28 billion industry in Europe in 2016, Europe's five most prominent sharing economy sectors are predicted to deliver EUR 570 billion by 2025 (PwC 2016). Evidently, there is no doubt that this groundbreaking economy is here to stay.

However, in a peer-to-peer economy based purely on private individuals deciding themselves who to share their own resources with, there is a risk of certain biases and prejudice unfolding (Leong 2015). Especially one age-old problem still remains in most societies: the issue of racial discrimination. Sadly, as witnessed across the globe, racial discrimination is not only a concept for the history books, but also very much relevant in our society today. Extensive research within housing,

employment, mortgage lending and a wide range of other social areas has exposed how racial discrimination is an evident issue the modern world (Van Bavel and W. A. Cunningham 2009). As a result, the issue of racial discrimination plays a critical part in shaping our society, by continuing to affect the allocation of contemporary opportunities (Pager and Shepherd 2008).

Yet, with the sharing economy's innovative way of virtually connecting people, could this disruptive market lead to a final eradication of such prejudicial behavior? Many have considered the various new businesses of the sharing economy to potentially pose as a cure for racial discrimination, by filtering out the racial signifiers one would encounter in more traditional marketplaces (Leong 2015). Instead of meeting each other in person, we communicate through digital channels, providing only the most essential information related to the transaction. However, recent incidents in the sharing economy raise questions as to whether such online platforms really reduce discrimination - or if they actually worsen it.

In March of 2015, a twenty-five-year-old Black man from Virginia named Gregory Selden was planning a trip to Philadelphia (Vara 2017). Eager to try out the Airbnb service for the first time, he set up his profile with a picture and some basic information about himself, and requested a place he liked. Although the apartment was posted as vacant for the relevant dates, the owner quickly messaged him back saying it was unavailable. As Selden immediately thought there was something strange about the exchange, he decided to create fake Airbnb profiles for two White people named "Jessie" and "Todd", and sent in requests for the same property and the same dates. In just moments after, Selden's suspicions seemed to be proven right: Jessie and Todd were both welcome.

Appalled by how the owner seemed to refuse to accommodate him simply based on his race, Selden turned to social media to share his experience (Vara 2017). In turn, this inspired many others to come forward with their own stories of similar instances. By using the tag "AirbnbWhileBlack", the personal stories were spread quickly throughout the internet. However, it was difficult to know whether these occurrences were only accidental, or if users were actually being discriminated solely based on their race. Yet in 2016, this phenomenon was picked up by three researchers - and the results were just as alarming.

In an experiment conducted at Harvard by creating fictional profiles on Airbnb, it was revealed how applications from guests with distinctively African-American names were 16 percent less likely to be accepted relative to identical guests with distinctively White names (Edelman, Luca, and Svirsky 2017). This article was, to the best of our knowledge, the first study to expose how racial bias influences consumer decision making within the sharing economy. As a market that has skyrocketed the last couple of years, and is predicted to continue growing far into the future, the issue of racial discrimination is unarguably an important area to investigate further. This sparks the question: *are we moving into an era of digital discrimination?*

1.2 Purpose

The purpose of this study is to investigate the newly identified phenomenon of racial discrimination within the sharing economy. More specifically, we will investigate how the ethnicity of a host on Airbnb influences consumers' attitudes and behavioral intentions, both when it comes to renting the host's apartment and switching their own apartment with the host's. We will look into potential processing mechanisms in this relationship, in order to learn more about the underlying psychological causes of discrimination. Also, we will study the boundary conditions involved in this overall process.

In addition, we will examine a potential strategy of eliminating bias towards the host, by introducing an "in-group symbol" meant to induce a common identity. As will be discussed during the literature review, there are certain ways of manipulating the perceived relation to another person, which can ultimately lead to more favorable outcomes for the person in question.

Based on this, we will seek to answer the following research questions:

RQ_1: Will Airbnb users discriminate hosts/guests based on ethnicity?
RQ_2: What are the psychological mechanisms explaining ethnic discrimination on Airbnb?
RQ_3: What are the boundary conditions for these effects?
RQ_4: Can in-group symbols eliminate ethnic discrimination?

In order to clarify the overall structure of the literature review in the following chapter, the proposed model is presented below. This is a visual representation of our study, and illustrates the variables and relationships we will explore.
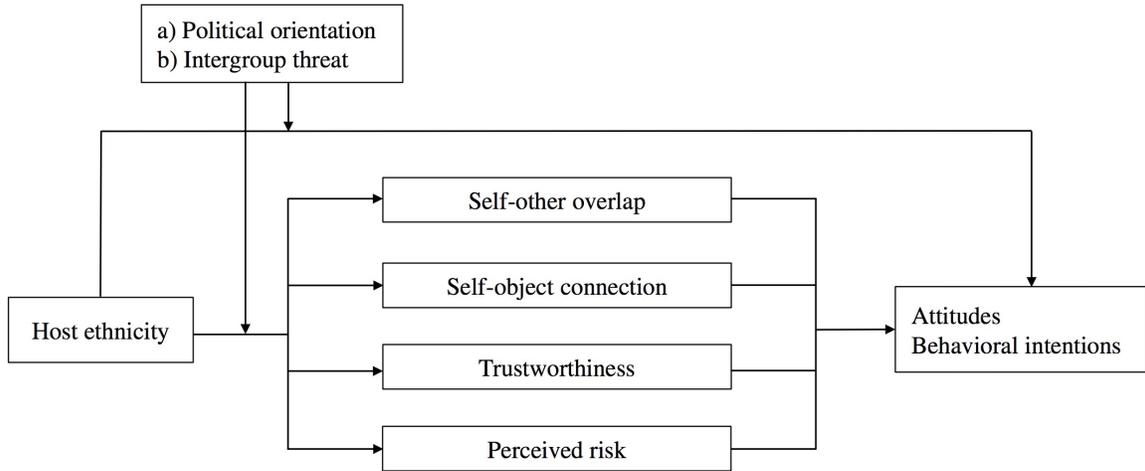
Figure 1.1: Proposed Model of Effects

As shown in Figure 1.1, the effect of discrimination will be examined both directly and indirectly, by investigating the psychological processes behind this relationship. The concepts we will explore are *self-other overlap*, *self-object connection*, *trustworthiness* and *perceived risk*. Classified as theories of congruence, self-other overlap and self-object connection (based on self-brand connection) encompass how we perceive and evaluate the world around us - with the aim of maintaining internal consistency (Abelson et al. 1968) and enhancing our self-concept (Graeff 1996). In addition, the theories of trust and perceived risk are both proved to be important within the area of consumer behavior, particularly in digital markets (Harridge-March 2006).

Furthermore, potential moderators of both the direct and indirect mechanisms will be identified. More specifically, we will investigate whether individual differences in *political orientation* and perceived *intergroup threat* related to a foreign ethnic group may reveal differences in outcomes. This will provide more specific information regarding how individual traits influence discriminatory thoughts and behavior.

As will be discussed in the literature review, all of the abovementioned theoretical constructs often appear within the field of consumer psychology, including in research on racial prejudice and discrimination. Overall, by learning more about the underlying factors explaining racial discrimination in this market, we can provide recommendations for potential improvements on sharing platforms, with the ultimate goal of eliminating it.

1.3   Structure

This master thesis starts with a review of the literature related to its three main topics: the sharing economy, racial discrimination and relevant research within the field of consumer psychology. As the merging of the research on the sharing economy and racial discrimination is relatively novel, the topics will first be introduced in separate parts, and then brought together. Furthermore, the theoretical basis for the psychological processes explaining discrimination will be presented. This is followed by a discussion of how this study can contribute to the research field. After this, the proposed model and the development of hypotheses will be described in more detail. Then, the methodology and findings of the study are presented. Finally, we will conclude by discussing the implications of our findings, the limitations of our study and suggestions for further research.

Chapter 2: Literature Review

2.1 Literature Search Process

This study involves the merging of three broad topics: 1) the sharing economy, 2) racial discrimination and 3) the psychological mechanisms behind discrimination. The literature search process involved extensive research within these areas, with the aim of achieving a comprehensive basis for our research. The database Business Source Complete was used as the starting point for all three topics, both separately and combined. In addition, the databases PsycInfo and PsycArticles were used as supplements when researching topics related to psychology. Google Scholar was also utilized when neither of the abovementioned databases provided sufficient numbers or types of articles on a certain topic.

2.2 Main Focus of Previous Research

2.2.1 The Sharing Economy

Sharing can be seen as one of the most basic forms of human economic behavior and has existed as a form of exchange in the society for hundreds of years (Prince 1975). In recent years, however, the Internet and other associated technologies have made sharing possible on a substantially larger scale (B. Cohen and Kietzmann 2014). Sharing platforms act as an intermediate empowering individuals to distribute, share and reuse, and provide transparency and convenience (Parsons 2014; Kathan, Matzler, and Veider 2016). The phenomenon as we know it today was first described by Botsman and Rogers (2010) in their book *What's Mine is Yours*, and has since gained widespread popularity among scholars, platforms and users. Due to its newness and diversity in the services offered, the sharing economy lacks a uniform definition. We will, however, use the commonly cited description of collaborative consumption: *"an economic model based on sharing, swapping, trading, or renting*

products and services, enabling access over ownership" (Botsman 2013, p. 1).

Airbnb, the "canonical example of the sharing economy" (Edelman, Luca, and Svirsky 2017), is an online marketplace for short-time housing rentals. Airbnb facilitates transactions between hosts and guests by enabling advertising of apartments, communication and handling payment, among other things. Hosts may decide whether to accept or reject a guest after seeing the person's name, and often a picture. Likewise, potential guests may utilize the information available about the host when selecting an apartment.

Previous research has unveiled the key reasons as to why people choose to take part in sharing economy platforms. Participation is motivated by factors such as sustainability, enjoyment of the activity as well as economic gains (Hamari, Sjöklint, and Ukkonen 2016). In addition, the sense of community belonging, social interactions, and altruistic enjoyment of helping others are part of the socially-related drivers highly relevant for participating in this unique marketplace (Teubner, Hawlitschek, and Gimpel 2016). Members expect to derive happiness and positive emotions from the socialization and community bonding arising from sharing (Hellwig et al. 2015). This is in line with Airbnb's claims on their website, to create an experience in which each guest will be a part of "a trusted community marketplace" (Airbnb 2017a). As mentioned in an industry report on the sharing economy:

"Today, the value of a [sharing economy] brand is often linked to the social connections it fosters. . . . By providing consumers with ease of use and confidence in decision-making, a [sharing economy] company moves beyond a purely transaction-based relationship to become a platform for an experience – one that feels more like friendship" (PwC 2015, p. 15).

However, how truly inclusive and fostering of friendly social interactions is the sharing economy? An upcoming section seeks to answer this question, by focusing on a potential issue of racial discrimination. But first, in order to achieve a general overview of the racial discrimination literature, this will be presented in the following part.

2.2.2 Previous Research on Racial Discrimination

The issue of racial discrimination has been investigated in a vast range of social and economic areas. In order to provide a summary of the research relevant to this thesis, this will now briefly be discussed.

Racial Discrimination in Marketplaces and Marketing Communications

Racial discrimination has undoubtedly played a crucial part in many historical events through both ancient and modern times (Van Bavel and W. A. Cunningham 2009). With the purpose of establishing a universal description of the issue, The International Convention on the Elimination of All Forms of Racial Discrimination defines racial discrimination as *"any distinction, exclusion, restriction or preference based on race, colour, descent or national or ethnic origin which has the purpose or effect of nullifying or impairing the recognition, enjoyment or exercise, on an equal footing, of human rights and fundamental freedoms in the political, economic, social, cultural or any other field of public life"* (UN 1965, p. 2). As emphasized by the definition, racial discrimination can come in many shapes and forms, and can be related to nearly any type of context.

Although progress has been made in most societies, evidence collected over the past decades portray how racial minorities still face considerable discriminatory behavior in a vast array of marketplaces. Such market transactions could be renting an apartment (Hanson, Hawley, and A. Taylor 2011), getting a job (Bye et al. 2014), being accepted for a bank loan (Harkness 2016), or shopping, both in a store (Bennett, Hill, and Daddario 2015) and online (Nunley, Owens, and Howard 2015). In addition, racial discrimination has been established within pricing (Ayres and Siegelman 1995; A. T. King and Mieszkowski 1973). These inequalities can be witnessed across the globe. Within the area of housing alone, a growing breadth of research shows how ethnicity-based discrimination is apparent in Western societies that attract migrants, including Norway (for a review, see Hanson and Hawley 2014). Overall, the persistent racial inequalities in most societies have renewed interest in the problem of racial discrimination, as it continues to skew the *real* social and economic opportunities people are facing (Pager and Shepherd 2008).

An area that particularly reflects how certain races are undervalued in a society is the field of marketing communications. As stated by D. Cohen (1970, p. 3): *"it has become almost axiomatic [unquestionable] to claim that advertising reflects the culture and the society in which it exists"*. Marketers often design brand positioning strategies by focusing on their majority consumers (Bennett, Hill, and Oleksiuk 2013), in order to best generate positive beliefs and attitudes, purchasing behavior and eventually brand loyalty (Pullig, Netemeyer, and Biswas 2006). As a result, minority consumers are often excluded from advertisements altogether (Puntoni, Vanhamme, and Visscher 2011).

Furthermore, when depicted in marketing communications, minorities are often portrayed by using stereotypes - *"consensually held sets of beliefs about a group"* (Biernat and Dovidio 2000, p. 108). Stereotyped advertisements normally hold an advantage over counter-stereotyped advertisements, as consumers can use heuristics to process and remember the information better (Grier and McGill 2000). Although they have been drastically toned down compared to previous decades (e.g. "Frito Bandito" that was the cartoon mascot for Fritos until 1971), advertisements are still characterized by stereotypes (e.g. Uncle Ben's rice) (Bennett, Hill, and Oleksiuk 2013). Such portrayals have received vast criticism of nurturing age-old biases towards minorities (Bailey 2006). In spite of this, stereotyped portrayals in media communications still persevere.

With the rise of the digital world, marketing campaigns have become more *personalized* - targeting consumers individually by displaying advertisements specifically meant for each person (Mulhern 2009). However, this "perfect personalization" also brings with it less attractive consequences, as it has been proven to discriminate consumers by displaying varying advertisements to different types of groups (Amit Datta, Tschantz, and Anupam Datta 2015). As a result, this new-age, algorithm-based marketing contributes to the continuous distortion of the real opportunities people face. In a study conducted at Harvard, it was revealed how search advertisements on Google differed varying on whether the names typed in were typically "Black" or "White" (Sweeney 2013). More specifically, advertisements containing the word "arrest" were shown for more than 80 percent of "Black" name searches, while fewer than 30 percent for "White". Although algorithmic systems can theoretically be designed to help prevent any bias, they are built by humans and rely on behavioral data - which means they in reality mimic the biases present in the real world (Chander

2016).

Measuring Racial Discrimination

Although racial discrimination is still evident in most societies, the way people discriminate has significantly changed over the years. Racism was originally based on a purely biological foundation, however modern researchers agree this is no longer the case. Instead, "modern racism" emphasizes the differences between ethnic groups in their languages, cultures and norms (Taguieff 1988). Today, people thus mainly discriminate based on ethnic belonging (Gilroy 1991).

Moreover, the act of discriminating has evolved from overt and explicit to more covert and indirect discriminatory behavior (Pager and Shepherd 2008). For example, during the era of racial segregation in the U.S., minorities were overtly excluded from retail settings ("no Blacks allowed") (Harris, Henderson, and Williams 1995). Today, many Blacks still face an underlying hostility in stores, for instance by being watched for shoplifting by salespeople while shopping in a store. Often disguised in a sophisticated manner that makes the effect difficult to isolate, racial discrimination is a challenging phenomenon to measure (Pager and Shepherd 2008).

A common way of studying discrimination is by investigating discrepancies in outcomes between ethnic groups (Pager and Shepherd 2008). This method involves examining the potential result of discrimination on unequal distribution of social and economic resources. However, a shortcoming of this approach is the inability to draw conclusions regarding causal relationships. One can only identify certain patterns, yet not fully conclude on discrimination being the sole factor explaining the outcomes. Other similar methods involve more detailed and systematic studies of individual cases, for example firms, in order to identify key factors that can better explain discrimination (Castilla 2008). In contrast, experimental approaches grant researchers the possibility of directly measuring causal effects by carefully adjusting the manipulations provided to respondents (Pager and Shepherd 2008). While laboratory experiments offers the strongest evidence of causal relationships, field experiments are also sometimes conducted in order to grasp the phenomenon in real-world contexts.

Within the fields of sociology and psychology, researchers studying biases have mainly utilized large-scale surveys focused on measuring people's *explicit* attitudes; views and opinions that we are consciously aware of (Pager and Shepherd 2008). A typical weakness for this method is that people tend to answer in socially desirable ways in order to present themselves in a favorable manner (M. F. King and Bruner 2000). Social desirability bias, as it is called, may potentially compromise the validity of a study (Malhotra 1988). As a response, researchers have started to use measures meant to capture *implicit* attitudes - evaluations that operate subconsciously, but still influence cognition, affect and conduct (Greenwald and Banaji 1995). Therefore, implicit attitudes are considered more reliable reflections of actual biases and behavior (Dovidio et al. 1997). Rooth (2007) was the first ever to include the implicit association test (IAT) in his study of discrimination in the Swedish job market. The results showed a significant negative correlation between implicit attitudes and the callback rate for an interview for applicants with Arab/Muslim sounding names.

2.2.3 Racial Discrimination in The Sharing Economy

As mentioned in the introduction, the sharing economy has been considered as a potential antidote against racial discrimination in transactions (Leong 2015). The main reason seems simple: it removes the signals of race one would normally encounter when doing business in conventional marketplaces. As the parties are situated in different locations, as opposed to face to face in traditional marketplace-settings, it is presumably difficult for a business to discriminate against someone on the basis of race. Consequently, such online marketplaces have the potential to lessen discrimination by enabling more arms-length transactions (Edelman and Luca 2014). As described by Leong (2015, p. 2161): *"the idea is that the Internet — by filtering out racial signifiers — will eliminate the possibility of discrimination arising from overt or unconscious racism"*. The internet can thus be argued to eliminate circumstances of discrimination, by acting as a neutral platform providing only the minimum information required to complete a transaction.

However, this argument assumes that sharing economy platforms do not present information that could potentially lead to any biases. In reality, this is not the case.

By allowing members to present personal information about themselves, the main intention of platforms such as Airbnb is mainly to build trust and facilitate transactions (Edelman and Luca 2014). When offered a rental request, Airbnb hosts are provided with the potential guest's name, in most cases a picture, and other information that could possibly be of relevance (Todisco 2014). To increase the probability of being accepted, Airbnb encourages guests to share personal information with the hosts. Yet, these features can also bring unintended consequences by providing hosts with social cues as to who this person is. This is particularly the case when it comes to a trait as apparent as race (Leong 2015; Todisco 2014). What's more, Leong (2015, p. 2162) argues that *"in addition to these instances of one-off discrimination, sharing economy businesses also employ rating systems that risk expression of implicit bias and even magnify its effects. Rating systems therefore instantiate the same inequality long present in the old economy"*. As a result, online sharing economy platforms have been argued to do the opposite of providing a level field for all consumers (Leong 2015).

Although the right to full and equal access to any place of public accommodation has been strictly enforced in many countries, housing platforms within the sharing economy are not regulated under these laws (Leong 2015). While antidiscrimination laws ban the landlord of a large apartment building from discriminating based on race, it is argued that such laws do not reach many of the smaller landlords of the sharing economy (Todisco 2014). Concepts such as Airbnb are thus effortlessly circumventing this issue, by providing the individual landlords with the privilege of selecting their guests.

As mentioned in the introduction, in 2015, a Black man named Gregory Selden experienced the negative consequences of hosts being able to hand-pick their guests. In an attempt to achieve justice, he sued Airbnb for racial discrimination (Vara 2017). Even though Selden's lawsuit was unsuccessful in holding Airbnb legally accountable, it quickly inspired many others to spread their own similar experiences throughout the internet, putting pressure on Airbnb to start fighting this issue. As a response, the company introduced its own nondiscrimination policy, which emphasizes the importance of acting based on the values *inclusion* and *respect* (Airbnb 2017b). However, the true effect of the company's code of ethics remains questionable.

As current research depicts, Airbnb has been associated with facilitating both unintentional, as well as intentional, unregulated racial discrimination (Todisco 2014). As mentioned, an experiment conducted by Edelman, Luca, and Svirsky (2017) revealed that applications on Airbnb from guests with typically African-American names were 16 percent less likely to be accepted, compared to identical guests with typically White names. Another study, conducted by Edelman and Luca (2014), revealed that nonblack hosts were able to charge approximately 12 percent more than Black hosts, when keeping location, quality and rental characteristics constant. In addition, Black hosts received a larger price penalty for having a poor location, as compared to nonblack hosts.

Based on these studies, one can question whether the sharing economy is as inclusive as expected, or whether the saying *"what's mine is yours"* (Botsman and Rogers 2010) paradoxically only holds true for certain groups of privileged people. As research depicts, racial discrimination is still apparent in many types of markets - including digital ones. This triggers the question; why is it that, even in such new and future-oriented economies, consumers are still utilizing age-old biases to make decisions? Put from a more general perspective: *why do we discriminate?*

2.2.4 Psychological Processes Behind Racial Discrimination

A central theory of social psychology that can help explain why discrimination still exists, is social identity theory (Tajfel and Turner 1979). This theory provides a psychological perspective for studying country-of-origin effects, by connecting in-group bias with stereotypes of in-groups and out-groups (Verlegh 1999).

Social Identity Theory

One way to study the rationale behind people's behaviors, is through the assumption that individuals do what they do because of who they believe they are – their identity (Korte 2007). The core concept of the self *"embodies personal history, relates the individual to social situations, shapes cognition, and anchors a range of goals, motives, and needs"* (Turner and Onorato 1999, pp. 15-16). Identity is thus a relational and self-referential cognitive construct of the self, that answers the question *"Who am I?"*. Moreover, individuals encompass multiple selves or identities

(Fiske and S. E. Taylor 1991; Hogg, Terry, and K. M. White 1995). For example, a woman can characterize herself as both a mother, wife and business person.

Surrounding the core concept of the self are the more peripheral concepts, which allow an individual to adapt to various social situations through group identities (Korte 2007). These various roles are classified as an individual's social identities. The concept of social identity is defined as '*"that part of an individual's self concept which derives from his knowledge of his membership of a group (or groups) together with the value and emotional significance attached to the membership"* (Tajfel 1978, p. 63). Social groups can exist at multiple levels, including societal, cultural, industrial, organizational, functional and professional) (K. M. White, Hogg, and Terry 2002). Furthermore, the strength of a specific identity is related to the individual, the group, and the context (Ashforth and Mael 1989; Turner, Hogg, et al. 1987).

According to social identity theory, individuals tend to engage in intergroup differentiation – by attempting to maximize differences between the in-group (the group to which one psychologically belongs) and the out-group (the psychologically relevant opposition group) (Tajfel and Turner 1986). This mechanism is driven by the primary motivations of desire for certainty and positive self-evaluation (Abrams and Hogg 1990; Hogg and Grieve 1999). A crucial aspect of social identity theory is that social classifications are not justified by any formal group membership, rather self-perceived membership in a specific group (Greene 2004). Intergroup differentiation occurs in two primary ways: in-group-favoritism – by exaggerating and enhancing the favorable qualities of its members, and out-group derogation – by exaggerating the negative characteristics of relevant out-groups (Brewer and Brown 1998). These two processes do not necessarily need to co-occur. Either way, the result of each process is an enhanced distinction between groups, through establishing the superiority and status of the in-group.

Intergroup Differentiation and Race

The powerful influence of social identity can be witnessed in individuals displaying intentions and conducts that would originally conflict with their personal identities (Ashforth and Mael 1989). In particular, race can serve as a visually salient and stable cue for group categorization, by providing well-established associations as a basis for in-group favoritism and/or out-group derogation (Brewer

1979; Greenland and Brown 1999; Cosmides, Tooby, and Kurzban 2003). A particularly startling aspect of intergroup differentiation is that people have been shown to respond in an automatic and uncontrollable manner to even unconscious exposure to outgroups (e.g. Devine 1989; Dovidio et al. 1997; Greenwald and Banaji 1995). This is especially observable when it comes to race: ordinary cognitive processes can trigger automatic racial biases, even when an individual endorses egalitarian beliefs (Ito and Urland 2003; Gaertner and Dovidio 1986). Automatic biases therefore act as an essentially unescapable part of intergroup perception (Van Bavel and W. A. Cunningham 2009).

Racial biases have been proven exceedingly prominent and problematic to defeat (Park and Rothbart 1982). As a result, it is unsurprising that racial bias still persists in our world today (Blank, Dabady, and Citro 2004). Put eloquently by The National Research Council: *"People's intentions may be good, but their racially biased cognitive categories and associations may persist. The result is a modern, subtle form of prejudice that goes under-ground so as not to conflict with antiracist norms while it continues to shape people's cognitive, affective, and behavioral responses. Subtle forms of racism are indirect, automatic, ambiguous, and ambivalent"* (NRC 2004, p. 59).

Consumer Outcomes of Intergroup Differentiation

Stereotypes often arise as a result of out-group derogation, leading to prejudice and conflict as critical outcomes of social identity and self-categorization (Tajfel 1982; Turner, Hogg, et al. 1987). Moreover, exposure to stereotypes and prejudices over long periods of time generates even deeper and more profound associations (A. W. Staats and C. K. Staats 1958). Individuals that hold strong racial biases are more prone to engage in discriminatory behavior (Greenwald, Poehlman, et al. 2009), including explicit discrimination (Rudman and Ashmore 2007). Yet, implicit, automatic reactions to outgroup features can also lead to discriminatory behavior (Bargh and Chartrand 1999), fear and anxiety (Frantz et al. 2004; Phelps et al. 2000) and negative stereotypic associations (Olson and Russell H. Fazio 2003).

Whether it is explicit or hidden, racial bias has been proven to have a pronounced influence on consumer behavior. In-group members have empirically been proved as more likely to receive positive valuation from other in-group members (Brewer 1979) as well as achieve more affect and

trust than out-group members (Kramer and Brewer 1984). In addition, individuals belonging to an in-group also enjoy more cooperative behavior from other in-group members (Schopler and Insko 1992: Dawes, Van De Kragt, and Orbell 1988). Within the field of economic decision making, the concept of social identity is noteworthy to investigate (Akerlof and Kranton 2000). Research has shown that in-group members impulsively allocate resources to their fellow group-members, consequently harming the out-group (Brewer and Brown 1998; Frey and Bohnet 1997).

In conclusion, racial biases undoubtedly have a profound impact on how we intentionally – *and unintentionally* – choose to interact with others. However, in order to fully grasp the hidden causes of contemporary racial discrimination, it is essential to study which specific internal states cause this behavior (Pager and Shepherd 2008). This can be done by moving from "motives" to "mechanisms" (Reskin 2005). Therefore, in order to learn more about underlying factors that may shape racial biases, we now shift the focus towards more specific interpersonal concepts and their relevance in the sharing economy sphere.

2.2.5   Theories of Congruence

A relevant aspect within the area of consumer psychology that can aid in explaining racial discrimination is *congruence*. Individuals generally seek to maintain cognitive consistency (Abelson et al. 1968), and act in ways that preserve and enhance their self-concept (Graeff 1996). This can be done by associating with people and objects we feel are consistent with our own perceptions of ourselves (Britt 1966; A. Aron and E. N. Aron 1996). In the following section, two key psychological concepts that can be linked to discrimination within consumer behavior will be presented: *self-other overlap* and *self-brand connection*.

Self-other Overlap

A key concept within consumer-to-consumer interactions is *self-other overlap*, which sheds light on how we distinguish between the self and others. Research in social psychology has proposed that people sometimes psychologically include others in the self (A. Aron and E. N. Aron 1986; A. Aron, E. N. Aron, and Smollan 1992; Myers and Hodges 2012). As representative of a psychological

construct, self-other overlap refers to a sense of *oneness* and *"shared or interconnected identities with others"* (A. Aron, E. N. Aron, Tudor, et al. 1991). Put differently, it refers to overlapping mental representations between the self and others. The psychological construct of self-other overlap is more or less directly accessible to respondents (Myers and Hodges 2012) meaning that we almost immediately can establish our interpersonal closeness to any other person. Self-other overlap can form with any partner, regardless of affinity (Myers and Hodges 2012). In addition, it varies across social contexts, and adapts easily to changing input from the social environment. Self-other overlap develops and endures for several reasons, one key reason being people's desire to expand oneself (A. Aron and E. N. Aron 1986). As people perceive another person as part of the self, allocation of resources becomes mutual, actor-observer perspective differences are lessened, and the other's characteristics become one's own. As a result, this self-other overlap enhances a person's self-efficacy, intrinsic motivation, and self-actualization (A. Aron and E. N. Aron 1996; A. Aron, Melinat, et al. 1997; A. Aron, Norman, and E. N. Aron 1998; A. Aron, Norman, and E. N. Aron 2001).

A strong sense of self-other overlap can influence how information about the other person is processed. By contributing to a lessened self-other distinction at the cognitive level, it opens up for a more complex understanding of others (A. Aron and E. N. Aron 1986). Galinsky and Moskowitz (2000) found that self-other overlap had an effect on more positive evaluations of the target person and less stereotypical judgments of that person's group. Moreover, research has proved how strong self-other overlap leads to greater valuation of and commitment to the other person, as well as relationship satisfaction (A. Aron, E. N. Aron, and Smollan 1992; Agnew et al. 1998; A. Aron and Fraley 1999).

In contrast, a weak feeling of self-other overlap - a low sense of *"oneness"* - does the exact opposite. Based on a similar assumption central to social identity theory, we use certain clues to decide how we will ultimately behave towards others (Tajfel and Turner 1979 as cited in Schubert and Otten 2002). As the merging of self and in-group increases, so does the favoritism toward the in-group (Turner, Hogg, et al. 1987). With a *low* self-outgroup overlap, stereotypes will be activated when evaluating the person (Galinsky and Moskowitz 2000), consequently influencing how we act towards him or her. When it comes to ethnicity, we therefore tend to favor the in-group and thus

disadvantaging the out-group (Cadinu and Rothbart 1996; E. R. Smith and Henry 1996).

Self-brand Connection

As mentioned previously, the concept of "self" is something within every human that we use to describe ourselves, and is proposed to have an important influence on the brands we consume (Sameeni and Qadeer 2015). Self-brand connections are defined as *"the degree to which consumers have incorporated the brand into their self-concept"* (Escalas and Bettman 2003, p. 340). People use products and brands to create and represent self-images, reinforcing and expressing self-identity, and differentiating oneself (Belk 1988; Richins 1994). In this process, a link bridges the brand and the self. Thus, self-brand connections are proposed to capture an important part of consumers' construction of self (Escalas and Bettman 2003).

Self-brand connections can have a favorable effect on brand attitudes and behavioral intentions (Escalas 2004). Consumers respond more favorably to brands connected to their sense of self, and help them achieve their self-identity goals. There should also be a positive relation between self-brand connections and consumers' likelihood of trial, purchase, higher willingness to pay, or all of these, as consumers with self-brand connections behave more consistently with regard to the brand.

Research on reference groups related to consumer self-brand connections shows that consumers have a stronger self-brand connection to brands consistent with an in-group (Escalas and Bettman 2005). As self-brand connections are important in our construction of our self, we wish to be associated with the kind of people consuming the brands we choose, while also avoiding brands congruent with out-groups. Doing so may harm the consumers' self-image (R. E. Kleine, S. S. Kleine, and Kernan 1993); Wooten and Reed 2004). Associations about reference groups become associated with brands those groups are perceived to use and vice versa (Escalas and Bettman 2003).

Social identity theory can be used to explain reference group influences on self-brand connections. People strive for positive distinctiveness from out-groups (K. White and Dahl 2006). As ethnicity can serve as a cue for group categorization, consumers may avoid brands associated with different

ethnic groups. K. White and Dahl (2006) found that dissociative reference groups, e.g. a group a person wants to avoid, have a greater impact on consumers' negative self-brand connections, product evaluations, and choices than do products associated with out-groups more generally. Studies also find that service brands, which is the category Airbnb falls under, have the potential to engage consumers at the self-concept level (Dwivedi 2014). Consequently, the concepts of self-brand connection and reference groups may be applied to the sharing economy environment.

2.2.6 Theories of Trust and Risk

In addition to the theories of congruence, we have identified two other distinct concepts that can be applied to both the field of racial discrimination and online transactions in the sharing economy. These concepts are *trust* and *perceived risk*, and are both proved to be important in the area of consumer behavior research - in particular when it comes to the digital sphere (Kim, Ferrin, and Rao 2008; Ratnasingham 1998; Harridge-March 2006).

Trust

The role of trust in online economic exchange has been studied extensively, as this geographically dispersed, non-face-to-face transaction creates a significant risk of opportunism (Bapna et al. 2017; Lee 2015). As sharing economy platforms are working peer-to-peer without middlemen, trust is one of the fundamental principles for collaborative consumption to work (Botsman and Rogers 2010). Trust can be defined as *"the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor"* (Mayer, Davis, and Schoorman 1995, p. 712). Further, Coleman (1995) defined trust as *"a willingness to commit to a collaborative effort before you know how the other person will behave"*. Both definitions emphasize how trust is about the *willingness* to take risks, and the willingness to make oneself vulnerable.

Trustworthiness relates to the trusting attributes of the trustee (a party to be trusted) (Mayer, Davis, and Schoorman 1995). According to social identity theory, the more a person differs from oneself, the less likely it is that we will trust this person (Tajfel 1982; Messick and Mackie 1989,

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Brewer and Pierce 2005). Ethnicity is one such basis of difference that may lead to differences in trustworthiness. Zucker (1986) identified *characteristics-based trust* as being formed within a group on the basis of factors such as ethnicity. Cross-national surveys show that trust is lower in heterogeneous countries (Knack and Keffer 1997). Effects are also found in local communities, as diversity reduces generalized faith in others (Alesina and La Ferrara 2000). In the Norwegian society, the overall level of trust is relatively high, meaning that people generally trust the society's institutions as well as "most people" (Ortiz-Ospina and Roser 2016). In addition, the level of trust tends to increase for highly educated people.

Trust is a multidimensional concept that can be studied from the viewpoints of social psychology, sociology, economics, and marketing (Doney and Cannon 1997). For online platforms, trust has shown to be the single most important factor that determines consumers' transactions with a vendor (Gefen 2000). S. W. Wang, Ngamsiriudom, and Hsieh (2015) found a positively significant relationship between trust and *behavioral intention*. Trust in the online platform may also directly influence the *attitude* towards internet shopping (Jarvenpaa, Tractinsky, and Vitale 2000).

Benevolence is an important attribute of trust, and can be explained as the extent to which a trustee is believed to want to do good to the trustor, aside from an egocentric profit motive (Mayer, Davis, and Schoorman 1995). Benevolence can for example be how a mentor (trustee) wants to help a trustor without it being required, or having any extrinsic motivation. Benevolence suggests that the trustee has some specific attachment to the trustor, and high benevolence in this relationship would be inversely related to the motivation to lie (Hovland, Janis, and Kelley 1953). Ethnic diversity is argued to be negatively related to benevolence (Parboteeah, Seriki, and Hoegl 2014). Diversity encourages caring for those within the same ethnic group (in-group), at the expense of the out-group. The perceived benevolence from a out-group member can thus be reduced.

Hu et al. (2016) have shown how benevolence of peer members in an online shopping community positively impacts the shoppers' utilitarian value. This perceived utilitarian value predict individuals' consumption intentions. Further, Lu, Zhao, and B. Wang (2010) found how trust in members' benevolence stimulated the purchase intention in consumer-to-consumer e-commerce settings. In conclusion, trust, including the dimension of benevolence, seems to play an important role in both

the contexts of intergroup differentiation and digital platforms.

Perceived Risk

Many rational-choice economic models fail to explain how individuals actually calculate risk, as we are not always able to make informed predictions about the likelihood of future events. Social and cognitive psychological experiments show that distracting information bias our predictions, and that we are likely to look to social or contextual factors for additional information (Tversky and Kahneman 1975; Douglas and Wildavsky 1982; Short 1984). The theory of consumer perceived risk was first introduced by Bauer (1960). Bauer defined perceived risk as *"the unpredictable results that consumers perceive when they engage in purchasing behavior"*.

Airbnb's business model consists of online transactions, where the booking and payment is placed without any physical examination of the rental space, and no face-to-face contact with the seller beforehand. Online transactions involve more uncertainty than the traditional brick-and-mortar purchases, increasing the level of consumer perceived risk (Brynjolfsson and M. D. Smith 2000). In addition, evidence suggests that services may be perceived as particularly risky, due to their fundamental nature (Guseman 1981; Murray and Schlacter 1990). As a result, consumers will likely demand increased information for predominantly service-type products (Deshpande and Krishnan 1977).

Race is one influence that particularly contributes to individuals' perception of risk (Quillian and Pager 2010). This effect can be explained by the social amplification of risk, which refers to amplifying the relevance of certain factors while downplaying others (Kasperson 1988). The amplification can occur where the message is sent, such as extensive media coverage, or by the receiver, by adding social values and meaning to the message (Quillian and Pager 2010). A report from the Norwegian directory of Integration and Diversity from 2009 shows that 71 % of Norwegian media stories with immigrants or immigration as the main topic are considered to be problem-oriented (IMDi 2009). This negative media coverage is thus one factor that can amplify the perceived risk of engaging with immigrants.

S. M. Cunningham (1967) classified risk into six dimensions, which later has been modified by different scholars along with the emerge of online shopping. Luo et al. (2010) suggest seven dimensions of risk based on Cunningham's work, which are applicable to the context of Airbnb; functional, time, financial, privacy, security, psychological, and social risk. The dimensions of perceived risk have been identified as important attitudinal factors that influence adoption behavior (Luo et al. 2010; Laforet and X. Li 2005).

2.2.7 Individual Differences and Racial Bias

In addition to the abovementioned concepts, there are certain person-specific factors that may be influential in determining whether a person is prone to engage in racial discrimination. In contrast to the other concepts, these inherent aspects do not change according to the situation an individual finds himself or herself in. Hence, these are generally stable traits or attitudes that can affect how individuals perceive the world, and consequently act in it.

Political Orientation

Traditionally, people's social class has seemed to be the main determinant of their political orientation (Lipset and Rokkan 1967). However, in liberal countries (as for example Norway), personal values have shown to predict political orientation more strongly than sociodemographic variables over the last years (Piurko, Schwartz, and Davidov 2011). Individuals' left-right political orientation can thus be said to express their personal values. For left-orientated parties, equality and concern for others has traditionally been the main motivation (Piurko, Schwartz, and Davidov 2011). Avoiding change and controlling threats typically motivate a right orientation. This is also reflected in the respective immigration policies of the parties, ranging from right to left. For far right-wing parties in Europe, ethnic nationalism is a common ideological feature (Golder 2016). Ethnic nationalism is exclusionairy, and focuses on obtaining a monocultural state by limiting immigration. Although the common consensus does not support the extreme ideologies of far-right parties, several right-oriented parties in Norway have lately started to move towards a stricter immigration policy (Simonnes 2013). In contrast, left-orientated parties generally have a more liberal immigration policy.

In the U.S., research on political orientation and race has portrayed how White conservatives (generally right-wing oriented) overall still maintain prejudiced beliefs and attitudes towards Blacks, although they typically conceal such beliefs in most contemporary public settings (Nail, Harton, and Barnes 2008). However, when they are not aware of their behavior being monitored, they often reveal their prejudice through discriminatory actions (Nail, Harton, and Decker 2003). In addition, conservatives have been shown to feel lower obligation to conceal their implicit racial bias and consequently avoid discriminating (Redford and Ratliff 2016). Compared to conservatives, liberals (generally left-wing oriented) typically possess more subtle, indirect expressions of prejudice, and even though they tend to hold more egalitarian attitudes like fairness and equality, these negative, race-based feelings do surface from time to time (Hing, W. Li, and Zanna 2002). However, in situations where race and norms of fairness are both salient, liberals have been proven to actually show favoritism to Blacks - referred to as the *reverse discrimination effect* (Nail, Harton, and Barnes 2008). Political orientation has thus been included in several studies related to racial discrimination, often revealing distinct differences in outcomes depending on people's political views.

Intergroup Threat

As emphasized previously, research within psychology has shown how prejudice just may be an inevitable aspect of human life (Allport 1954). In this context, an important concept to investigate is intergroup threat, which occurs when *"one group's actions, beliefs or characteristics challenge the goal attainment or well-being of another group"* (Riek, Mania, and Gaertner 2006, p. 336). Put in other words, intergroup threat involves what might frighten one group (or individual) about another group (or individual), and the resulting perceptions and actions stemming from those fears. The term is person-specific, meaning that different individuals can feel different degrees of intergroup threats. The concept can be utilized when investigating intergroup prejudice, negative outgroup attitudes and their subsequent injustices (Riek, Mania, and Gaertner 2006; Sabbagh and Schmitt 2016).

Stephan and Renfro (2002) unveiled how intergroup threat can predict attitudes toward racial outgroups in both White and Black samples. Moreover, the concept has also been proven to explain attitudes toward various immigrant groups (Bizman and Yinon 2001; Curşeu, Stoop, and

Schalk 2007; Rohmann, Florack, and Piontkowski 2006, Stephan, Renfro, et al. 2005, Stephan, Ybarra, and Bachman 1999, Stephan, Ybarra, Martnez, et al. 1998). In general, as stated by Riek, Mania, and Gaertner (2006, p. 345): *"as people perceive more intergroup competition, more value violations, higher levels of intergroup anxiety, more group esteem threats, and endorse more negative stereotypes, negative attitudes toward outgroups increase"*. Furthermore, when members of an in-group feel endangered by the respective out-group, they tend to behave negatively towards the out-group (Hart et al. 2000, Phelps et al. 2000, Bargh and Chartrand 2000). This will either be by subtly ignoring them, or harming them by more explicit means, by systematically discriminating members of the out-group.

2.2.8   Eradicating Racial Bias

As emphasized throughout this literature review, our thoughts and behaviors are easily influenced by the social cues we encounter in our every day lives. Acting as simplifying heuristics, we use social categories to guide our perceptions and evaluations of others (Turner, Hogg, et al. 1987; Turner, Oakes, et al. 1994). As mentioned previously, one particularly visually noticeable social cue is race. Research has shown that racial biases are immediately activated just by seeing a person's face or name (Russel H. Fazio et al. 1995). On the other hand, we have multiple social identities, and the category that best fits a specific social context becomes salient in that particular case (Oakes and Turner 1990). As a result, biases can potentially be eliminated by manipulating the focus towards a more inclusive superordinate identity (Gaertner and Dovidio 2000).

This phenomenon is highlighted in the Common Ingroup Identity Model (CIIM) (Gaertner and Dovidio 2000). According to this model, one can reshape group boundaries through a process of *recategorization*. Cross-cutting social categories can become salient through the introduction of a shared bond between two groups (in-group and out-group) (Riek, Mania, and Gaertner 2006). As a result, intergroup bias will diminish, and former out-group members may suddenly receive the same preferential treatment as original in-group members. In a study conducted by Van Bavel and W. A. Cunningham (2009), the researchers investigated whether self-categorization with a new mixed-race group would defeat automatic racial bias. As predicted, Black in-group members

received more positive automatic evaluations than Black out-group members. This shows that just by receiving a hint that someone is more *"like us"*, prejudice may melt away and leave more favorable and embracing outcomes.

2.3 Summing Up

In conclusion, the issue of racial discrimination seems to be an almost inevitable aspect of ethnically diverse societies. Although it has evolved from overt and explicit into covert and implicit (Pager and Shepherd 2008), it is still present in areas such as traditional and digital marketplaces, as well as in marketing campaigns. Consequently, racial discrimination continues to systematically affect the allocation of resources in most societies. As revealed by Edelman, Luca, and Svirsky (2017), evidence of racial discrimination was even found within the disruptive digital market called the sharing economy. Characterized by its innovative way of connecting consumers directly to each other, the sharing economy has proved to be a free ground for people to make their decisions based on their own biases and preferences (Leong 2015; Todisco 2014).

Although racial discrimination is a complex phenomenon (Pager and Shepherd 2008), social identity theory can help us understand why we develop biases and discriminate towards certain others. With the ultimate goal of cultivating our own identity - our core concept of ourselves (Turner and Onorato 1999), we engage in intergroup differentiation in order to satisfy our desire for certainty and positive self-evaluation (Abrams and Hogg 1990; Hogg and Grieve 1999). However, in order to fully understand the hidden causes of contemporary racial discrimination in marketplaces, we must shift the focus from *motives* towards *mechanisms* (Reskin 2005). This will be discussed further in the following section regarding our contribution to the literature.

2.4 Our Contribution to the Literature

The issue of racial discrimination has been studied extensively within a broad range of social and economic areas, by researchers from academic fields such as law, economics, sociology and consumer

psychology. It is therefore a well-documented phenomenon in most contexts of society. Moreover, the influx of disruptive digital markets has created a new economy based on consumers sharing their resources directly with each other. Empirically proven by Edelman, Luca, and Svirsky (2017), it has been revealed that the sharing economy platform called Airbnb facilitates unregulated racial discrimination (Todisco 2014).

Modern researchers agree that racism is no longer based explicitly on race. Instead, it emphasizes the differences between ethnic groups in their languages, cultures and norms (Taguieff 1988). Especially during the last year, the world has witnessed an increase in xenophobia in Western countries, involving fear or hatred of people from different cultures (Roth 2017). This has particularly been directed towards people from predominantly Muslim countries, such as Arabs from Middle Eastern nations.

In this thesis, we will investigate the issue of ethnic bias further, by drawing inspiration from the experiment carried out by Edelman, Luca, and Svirsky (2017) in the sharing economy. As their study was conducted in the U.S. through a field experiment, we will contribute to the literature by examining the issue on a new population (in Norway), and instead employing an online experiment based on a survey. This way, we can examine the causal relationship between ethnicity and discrimination in the sharing economy in a more controlled manner. Moreover, we will explore the potential effect of introducing a common identity in order to eliminate bias.

Furthermore, this research design will enable us to investigate the mechanisms by which the effect of ethnic discrimination operates, as well as establishing its boundary conditions. More specifically, we will investigate mediating effects related to the theoretical concepts self-other overlap, self-brand connection, trustworthiness and perceived risk. In addition, the person-specific traits political orientation and intergroup threat will be included as potential moderators, to learn more about which types of people discriminate. Answering these questions of *how* and *when* may provide us with a deeper understanding of the phenomenon of racial discrimination (Hayes 2013), sparking useful insights for reducing the problem in the future.

Chapter 3: Research Model and Hypotheses

In this chapter, we will present the proposed research model and its corresponding hypotheses. This will be used for answering our research questions, presented in the main purpose of this study.

3.1 Proposed Model
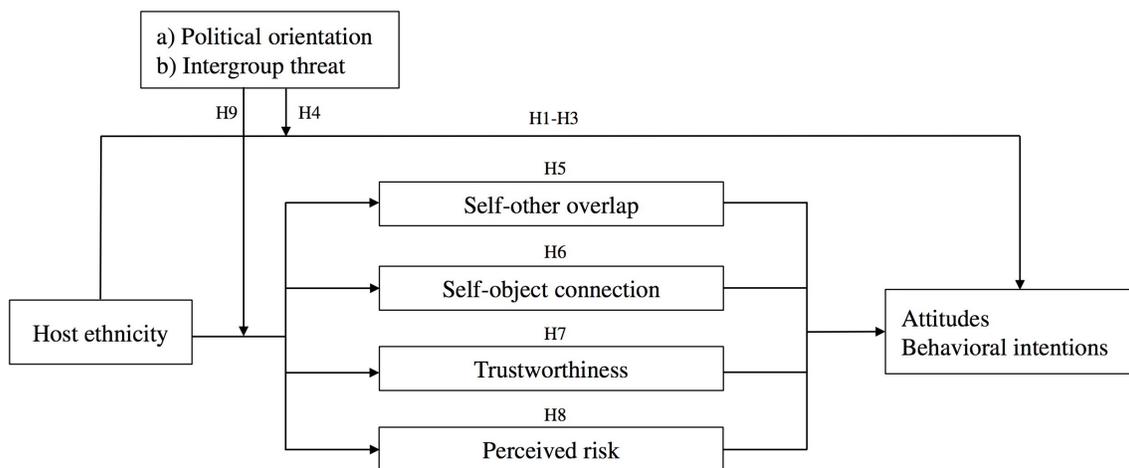
Figure 3.1: Proposed Model of Effects With Hypotheses

Figure 3.1 is a visual representation of our hypotheses, and summarizes the relationships we will investigate. It shows the hypothesized effects from the independent variable on the dependent variables, both directly and indirectly through four mediators. We propose that host ethnicity will influence both the outcomes *attitudes* and *behavioral intentions*. We consider this effect to be direct, as well as mediated through *self-other overlap*, *self-object connection*, *trustworthiness*

and *perceived risk*. In addition, we believe these direct and indirect processes are moderated by *political orientation* and *intergroup threat*.

3.2 Hypotheses

In order to answer our research questions, we propose nine hypotheses. Hypotheses H1-H3 aim to test the direct effects of the host's ethnicity on attitudes and behavioral intentions, which will be referred to as consumer outcomes. Moreover, hypotheses H5-H8 are concerning how the relationship between host ethnicity and consumer outcomes is mediated. Finally, hypotheses H4 and H9 involve the boundary conditions for both the direct and mediated effects.

3.2.1 Consumer Outcomes

As specified, consumer outcomes refer to our dependent variables, namely the attitudes and behavioral intentions regarding *two* Airbnb service scenarios. Previous research has established how discrimination based on race is apparent in a vast array of market transactions (Hanson, Hawley, and A. Taylor 2011; Bye et al. 2014; Nunley, Owens, and Howard 2015). Within the field of psychology, out-group members (such as those of another race) have empirically been proved to receive less favorable outcomes, compared to in-group members (e.g. Brewer and Brown 1998; Frey and Bohnet 1997). Edelman, Luca, and Svirsky (2017) unveiled how this phenomenon also exists in the sharing economy. As seen in the literature review, people now mainly discriminate based on ethnic belonging (Gilroy 1991). As we will discuss later on in the Methodology chapter, we chose to use the Arab ethnicity due to its stigmatization in the Norwegian society.

In order to minimize the effect of social desirability bias (M. F. King and Bruner 2000; Malhotra 1988), we will investigate the relationship between host ethnicity and several types of attitudes and behavioral intentions. We thus propose the following hypothesis:

*H1: The Arab host ethnicity will have a negative impact on consumers' **a) liking of the apartment**, **b) perception of its attributes**, **c) perception of its in-group attractiveness**, **d) willingness to rent** and **e) willingness to pay** compared to a Norwegian host.*

Research shows that ethnic biases can potentially be significantly reduced by manipulating the focus towards a more inclusive, common identity (Gaertner and Dovidio 2000). By introducing a shared bond between two groups (in-group and out-group), intergroup bias may diminish and outcomes become more favorable (Riek, Mania, and Gaertner 2006). Accordingly, we propose the following hypothesis:

*H2: The effects postulated in H1 will disappear when including an **in-group symbol** for the Arab host.*

Sharing economy platforms provide users with two main services; gaining access to use someone else's possessions, and the more intimate act of giving others the opportunity to borrow your personal belongings and spaces. Sharing of personal goods can be related to Belk's (1988) idea of extended self, relating one's possessions to the sense of self. Letting others use one's home can be seen as an intrusion into our personal spheres (Lampinen et al. 2013). Sharing your own apartment with strangers may thus be experienced as a more vulnerable act than for you to rent someone else's apartment, as this does not involve letting the other party intrude your extended self. As described by Bialski (2012), this willingness of opening one's home to others comes with a quickly materialized intimacy. This intimacy can involve friendliness and warmth, but also vulnerability and suffocation (Molz 2014). We propose that the willingness for consumers to share their *own* apartments with out-group members is generally low, as this more sensitive circumstance allows strangers to enter our personal spheres. This effect is also considered applicable for out-group members with an in-group symbol, as the intimacy of the service possibly overshadows the general effect of the in-group symbol - leading to differences in outcomes compared to the Norwegian host.

*H3: The Arab host ethnicity will have a negative impact on consumers' **willingness to switch apartments** compared to a Norwegian host, also when including an in-group symbol.*

3.2.2 Individual Differences as Moderators

There are certain person-specific factors that may be influential in determining whether a person is prone to engage in ethnic discrimination. An individual's *political orientation* may play an important role in determining this person's view on ethnic diversity in a society (Golder 2016). While left-oriented political parties generally favour liberal immigration policies, right-oriented parties tend to focus on stricter policies (Simonnes 2013). Furthermore, conservatives have been proven to show more discriminatory behavior towards racial minorities compared to liberals (Nail, Harton, and Decker 2003; Redford and Ratliff 2016; Nail, Harton, and Barnes 2008). In addition, the concept of *intergroup threat* can aid in explaining how some people consider certain ethnic groups as threats, and how this leads to intergroup prejudice, negative out-group attitudes and unfair results (Riek, Mania, and Gaertner 2006; Stephan, Ybarra, Martnez, et al. 1998). Research has shown that a high level of perceived intergroup threat can lead to both subtle ignoration or systematic discrimination of members of the out-group (Hart et al. 2000; Phelps et al. 2000; Bargh and Chartrand 1999). Based on these arguments, we hypothesize the following:

H4: The effects of the Arab host ethnicity postulated in H1-H3 are moderated by **a) political orientation** *and* **b) intergroup threat**.

3.2.3 Self-other Overlap

Self-other overlap, the concept that refers to a sense of *oneness* and *"shared or interconnected identities with others"* (A. Aron, E. N. Aron, Tudor, et al. 1991), can be applied to the issue of ethnic discrimination. With a low self-other overlap, typically in relation to people from other ethnic groups, stereotypes will be utilized in our evaluations (Galinsky and Moskowitz 2000). As a result, we tend to disadvantage such out-group members, leading to less favorable outcomes for them (Cadinu and Rothbart 1996; E. R. Smith and Henry 1996). Therefore, there is reason to believe that self-other overlap may play a role in discrimination in the sharing economy, leading us to the next hypothesis:

H5: The impact of the Arab host ethnicity on attitudes and behavioral intentions, as postulated in H1 and H3, is mediated by **self-other overlap**.

3.2.4 Self-object Connection

Previous research on reference groups has shown that consumers have stronger self-brand connections, *"the degree to which consumers have incorporated the brand into their self-concept"* (Escalas and Bettman 2003, p. 340), to brands consistent with an in-group (Escalas and Bettman 2005). People strive for positive distinctiveness from out-groups, and may therefore avoid brands associated with different ethnic groups (K. White and Dahl 2006; Escalas and Bettman 2003). Strong self-brand connections can have a favorable effect on brand attitudes and behavioral intentions, likelihood of trial, purchase and willingness to pay (Escalas 2004). In contrast, weak self-brand connections, especially those generated by dissociative reference groups (a group a person wants to avoid), can lead to more negative product evaluations and choices (K. White and Dahl 2006). Research has also established that service brands have the potential to engage consumers at the self-concept level (Dwivedi 2014). However, in this particular sharing economy situation, we believe the connection felt with an *apartment* is a stronger determinant of consumer outcomes than the connection with the Airbnb brand in general. On the basis of this, as well as the literature summarized above, we postulate that a host's ethnicity will influence consumers' *self-object connection* towards an apartment, and in turn influencing consumer outcomes.

H6: The impact of the Arab host ethnicity on attitudes and behavioral intentions, as postulated in H1 and H3, is mediated by **self-object connection**.

3.2.5 Trustworthiness

The concept of trust, involving one's willingness to take risks and to make oneself vulnerable, is highly relevant in research on both social identity and digital platforms such as the sharing economy. In relation to social identity theory, the more a person differs from oneself, the less likely it is that we will trust this person (Tajfel 1982; Messick and Mackie 1989, Brewer and

Pierce 2005). In addition, a person's ethnicity has been shown to be both negatively related to trust (Parboteeah, Seriki, and Hoegl 2014) as well as directly negatively influence it (Kramer and Brewer 1984; Zucker 1986). In a market based solely on peer-to-peer transactions, trust is one of the fundamental principles of the sharing economy (Botsman and Rogers 2010). Research conducted by S. W. Wang, Ngamsiriudom, and Hsieh (2015) has shown a positively significant relationship between trust and behavioral intentions in online markets. Further, Lu, Zhao, and B. Wang (2010) found that trust in members' benevolence stimulated purchase intentions in consumer-to-consumer e-commerce settings. Therefore, we postulate that a host's out-group ethnicity leads to a lower level of trustworthiness. This will again negatively affect consumers' attitudes and behavioral intentions, as predicted in the following hypothesis:

H7: The impact of the Arab host ethnicity on attitudes and behavioral intentions, as postulated in H1 and H3, is mediated by **trustworthiness.**

3.2.6 Perceived Risk

Also related to the topics of ethnicity and online transactions is the concept of perceived risk: *"the unpredictable results that consumers perceive when they engage in purchasing behavior"* (Bauer 1960). Research has demonstrated that in uncertain situations, especially in online transactions (Brynjolfsson and M. D. Smith 2000), consumers often look to social or contextual factors for additional information to guide their choices (Tversky and Kahneman 1975; Douglas and Wildavsky 1982; Short 1984). As a result, distracting information may bias our predictions. One particularly predominant cue is race (including ethnicity), which contributes to individuals' perception of risk (Quillian and Pager 2010). We therefore believe a host's ethnicity on Airbnb will play a strong role in influencing consumers' level of perceived risk. As perceived risk has been identified as an important factor in attitudes and adoption behavior (Luo et al. 2010; Laforet and X. Li 2005), we hypothesize the following:

H8: The impact of the Arab host ethnicity on attitudes and behavioral intentions, as postulated in H1 and H3, is mediated by **perceived risk.**

3.2.7 Individual Differences and the Mediators

As hypothesized previously in H4, the person-specific factors *political orientation* and *intergroup threat* are considered to act as potential moderators of the consumer outcomes. Due to their postulated roles in determining whether a person is prone to engage in discrimination, we believe these factors will also influence the abovementioned mediators, as they are all related to how we evaluate people of other ethnicities. Consequently, our final hypothesis involves this:

*H9: The postulated mediated effects of self-other overlap, self-object connection, trustworthiness and perceived risk in H5-H8 are moderated by **a) political orientation** and **b) intergroup threat.***

Chapter 4: Methodology

4.1 Introduction

To investigate the research questions of this thesis, an online survey with three conditions of differing host ethnicities was employed: 1) a Norwegian student living in Copenhagen, 2) an Iraqi student living in Copenhagen and 3) a Norwegian-Iraqi student living in Copenhagen. The respondents were randomly assigned to one of these conditions, and all presented with two scenarios: one regarding renting the host's apartment (scenario 1), and one concerning the prospect of exchanging apartments with the host (scenario 2). The following sections will further discuss the choice of this research design, as well as present details of the manipulations, the procedure for data collection and the measurements used in the survey.

4.2 Research Design

An experimental research design was chosen, as this was the only research design that could provide evidence of causality to our research (Churchill and Iacobucci 2006). Furthermore, we chose to conduct an online *between-subject* survey. In general, surveys can be conducted using either between-subjects or within-subjects design. A between-subjects design exposes each subject to only one treatment level, as opposed to a within-subject design where the subject is exposed to more than one experimental treatment (Pany and Reckers 1987). In our survey, it was important not to reveal the purpose of the study to avoid hypothesis guessing. Using a within-subjects design where the participants would be exposed to several different hosts could have revealed that we tested the response to different host ethnicities. Hypothesis guessing could then have served as a construct validity threat (Trochim 2006), as respondents would likely have based their behavior on what they guessed, and not just the experimental treatment.

4.3　Manipulations

In order to test the participants' response to the host's ethnicity, three treatment conditions were developed: 1) an in-group host, 2) an out-group host and 3) an out-group host with an indication of a shared identity - an *in-group symbol*. The stimuli of these manipulations can be found in Appendix A. Research has shown that Norwegians' attitudes towards Muslims is generally more negative than their attitude towards other immigrants (IMDi 2014). In addition, as a Muslim-majority group of people, Iraqi's are among the largest groups of immigrants in Norway (SSB 2017). Moreover, male individuals with a Middle Eastern background are most likely to experience discrimination in Scandinavia (Lange 2000; Ahmed and Hammarstedt 2008). Therefore, the hosts were described as a Norwegian male, an Iraqi male, and a Norwegian-Iraqi male. In order to make the descriptions more realistic, two additional characteristics were included in all three descriptive texts: the host being a student and living in Copenhagen.

Names

Previous research has established that a name alone is enough to cause discrimination, in areas varying from job applications to rental housing markets (e.g. Rooth 2007; Ahmed and Hammarstedt 2008). As typical Norwegian names and Middle-Eastern names are distinctively different, this effect was considered likely to occur in our survey as well. We chose names that were among the most common for Norwegians and immigrants with Middle-Eastern background. The name Martin was chosen for the Norwegian host, as it is the most popular male name for 25-year-old Norwegians (SSB 2016). Being one of the most common Arabic names in Norway (UiB 2011), the name Ahmed was chosen for the Iraqi hosts.

Pictures

The profile pictures were provided with a technique used to create the "average face" of an ethnicity, by combining 100 faces (Postnational-Monitor 2011). These were chosen to avoid having facial expressions or characteristics of the face beyond ethnicity affect the information processing. Furthermore, in the advertisement of the apartment, only one picture of the apartment was shown. The picture was of a neutral-looking kitchen without any symbols that could reveal anything about

the host's characteristics. Also, the text in the ad was short and informative.

In-group Symbol

As mentioned in the literature review, one may manage to reshape group boundaries by introducing a shared bond between two groups (in-group and out-group) (Riek, Mania, and Gaertner 2006). To create an "in-group symbol" for the Iraqi host in the third condition, adjustments were made in the host profile. The host was presented as a Norwegian-Iraqi student, enjoying travelling, meeting new people, and outdoor sports, and frequently travelling to Norway. Hence, this was included in an attempt to potentially diminish any intergroup bias and thereby positively influence the response towards this host.

4.4 Procedure

Recruitment

To avoid revealing that the respondents were assigned to different treatments, it was important that the they answered all questions individually. Using email as a recruitment medium was favorable to secure individual responses, as opposed to conducting the survey in an auditorium setting where the respondents could possibly see each other screens, revealing the different treatments. In order to provide the students with an incentive to participate, gift cards from Godt Brød were distributed to all participants. Using a small reward for all participants was chosen instead of using a draw where one or two participants could win a larger prize. The choice of incentive was meant to counteract selection bias of voluntary responses, where certain groups can be over-represented, as the extrinsic motivation of a gift card will attract participants beyond only those that are intrinsically motivated (StatTrek 2017).

Participants

The invitation with a link to the survey was sent to 1571 students, which yielded 225 (14.3%) respondents. Of the 225 respondents, 214 completed the whole survey. The 11 incomplete re-

sponses were omitted from the data set. All participants were students at the Norwegian School of Economics, on the bachelors' and masters' level. As the survey was in Norwegian, all participants were Norwegian speakers. 94% of the participants were born in Norway, 57% had prior experience with using Airbnb, 57% of the participants were women, and the average age was $23.73 \approx 24$.

Questionnaire

The survey (Appendix B) was set up in Qualtrics, and took less than 10 minutes to complete. To avoid having respondents rush through the survey without looking at the ad and host profile properly, a forced timer of minimum 10 seconds was added to these steps. After having completed the survey, the respondents were transferred to a debrief-page. In the debrief, the respondents were informed that the ads, profile and the hypothetical scenario of Airbnb's mutual exchange service were all fictive. The respondents were also asked not to reveal the content of the survey to other students who potentially were going to participate in the study.

4.5   Measurements

The online questionnaire was designed to achieve a comprehensive and detailed view of how the respondents reacted to the manipulations. In the actual order, the questions measured the dependent-, mediator-, moderator- and control variables. Ideally, moderator variables should be measured prior to the dependent variables, as the sequence of the questions may have a great impact on the results (Pew 2017; Kenney 2015). However, in our survey, placing the moderator questions prior to measuring the main effects could have had unintended effects due to hypothesis guessing. The moderator questions measured sensitive items such as the perceived threat of Muslims, and evidence suggests that difficult or sensitive items should be placed near the end of the survey (Andrews 1984). For that reason, they were presented *after* measuring the main- and mediating effects.

In the following section, the different items used in the questionnaire will be presented, including their theoretical basis.

Dependent Variables

Liking of the apartment. In order to test the participants' liking of the Airbnb apartment they were exposed to, a single-item, 11-point Likert scale was used. The question was based on Batra and Athola (1991), and measured the general liking of the apartment by letting the participants select a point on the scale between "not at all/ very well".

Attributes of the apartment. As a second way of measuring the participants' attitude towards the apartment, we also tested how the participants believed previous guests would have rated the apartment. This was done by using a semantic differential three-item, 11-point Likert scale. The items "very unpleasant/ very pleasant" and "very dirty/ very clean" were based on Batra and Athola (1991), while the item "very low standard/ very high standard" is an adapted version of Haley and Case's (1979) "extremely low quality/ extremely high quality".

Attractiveness of the apartment among in-group. To test how attractive the participants believed fellow students would perceive the apartment, a single-item, 11-point Likert scale was deployed. The question was based on S. N. Singh and Spears's (2004) item "very unappealing/ very appealing", however the wording of the scale was slightly altered into "very unattractive/ very attractive".

Willingness to rent. To test whether the participants would be willing to rent the Airbnb apartment they were exposed to, a single-item, 11-point Likert scale was utilized. The question was based on Bergkvist and Langner's (2017) developed measure of purchase intentions. The participants were asked to choose a point on the scale between the extremes "very unlikely/ very likely".

Willingness to pay. As a second measurement of behavioral intentions, the participants were asked directly how much they would be willing to pay for the Airbnb apartment. This open-ended question was based on Homburg, Koschate, and Hoyer (2005).

Willingness to switch apartments. In order to test whether the participants would be willing to mutually exchange their own hypothetical apartment with the Airbnb apartment they were exposed to, a single-item, 11-point Likert scale was used. Participants could select a point between the extremes "very improbable/ very probable". The wording was based on Mackenzie, Lutz, and Belch's (1986) three-item scale for measuring brand purchase intentions ("likely/unlikely",

"probable/improbable", and "possible/impossible").

Mediating Variables

Self-other overlap. The perceived self-other overlap between the participants and the Airbnb host they were exposed to was measured with a single-item, 11-point Likert scale. The question was based on A. Aron, E. N. Aron, and Smollan (1992), and the extremes used in the scale were "completely disagree/ completely agree".

Self-object connection. A single-item, 11-point Likert scale with the extremes "completely disagree/ completely agree" was chosen to measure the participants' experienced level of self-object connection. The question was based on Escalas and Bettman (2005), yet altered slightly to encompass the apartment instead of a brand.

Trustworthiness. The concept of trustworthiness was measured with two items, namely overall trustworthiness and benevolence-based trustworthiness. Both aspects were encaptured using 11-point Likert scales, with the extremes "completely disagree/ completely agree". The measures were based on McKnight, Choudhuryb, and Kacmarc (2002), more specifically the 11-item Trusting Beliefs scale, using items 1 and 4.

Perceived risk. The extent of perceived risk the participants associated with a potential transaction with the host was measured with a single-item, 11-point Likert scale. The question was based on Dowling and Staelin (1994) and contained the extremes "hardly at all risky/ very risky".

Moderating Variables

Political orientation. The participants' political orientation was measured using a single-item, 11-point Likert scale, with the anchors of the scale being "left/ right". The measurement was based on Inglehart and Klingemann (1976), who have shown that this is a valid and reliable measure of left-right identification.

Intergroup threat. This moderator measured to what extent participants generally perceive a sense of threat of Muslims towards Western culture. The concept was measured with a single-item, 11-

point Likert scale. The question was based on Hackel, Looser, and Van Bavel (2014), and included the extremes "not at all/ very much".

Control Variables

In addition to the abovementioned dependent-, mediating- and moderating-variables, we also measured a number of control variables. These variables were included in order to control for different aspects that could potentially disturb our results. In other words, by isolating the effect of these control variables, we can properly focus on the relationships of interest.

Age and gender. We controlled for these demographic variables.

Country of birth and cultural identity. In order to control for potentially differing effects across nationalities, we asked the participants to disclose their country of birth. In case there were any respondents who were born in other countries, but had grown up in the Norwegian society, we also included a measure of *cultural identity*. The question was based on Berry et al. (2006), and measured to what degree participants considered themselves as Norwegian. This was done with a single-item, 11-point Likert scale, with the anchors "completely disagree/ completely agree".

Previous experience with Airbnb. As previous experience with the Airbnb service might influence the results in some way, respondents were also asked directly about this. They were to respond with one of the following choices: "yes, as a host", "yes, as a guest", "yes, both as a host and a guest" or "no".

Hypothesis guessing. For the sake of controlling for a possible issue of hypothesis guessing, we asked the participants what they believed we were testing.

Factor Analysis and Scale Reliability Check

As some constructs in our model are theoretically correlated, we performed a factor analysis on three combinations of items. Factor analysis is an interdependence technique, whose primary purpose is to define the underlying structure among the variables in the analysis (Hair 2010, p. 94). Identifying these patterns would make it simpler to interpret and understand the relationships

(Yong and Pearce 2013). However, performing a factor analysis on all items could lead to unwanted interpretations if underlying patterns of variance were observed in concepts that are theoretically different. This is referred to as the redundancy of constructs problem (J. Singh 1991). Hence, we only performed a factor analysis on the constructs that were theoretically correlated.

We performed factor analyses on two different clusters of items; attributes of the apartment and trustworthiness. Attributes of the apartment was measured with three separate items in the survey, based on established measures in the literature; *standard*, *cleanliness*, and *pleasant*. Therefore, it was likely to assume that these attributes were correlated, and a factor analysis was performed to check for possibilities to reduce the number of items of this measure. According to Mayer, Davis, and Schoorman (1995), benevolence is one of the three characteristics leading a person to be judged as trustworthy. Trust and benevolence could thus be considered to build on the same theoretical construct. Both of the concepts attributes of the apartment and trustworthiness had only one component with an eigenvalue above 1. According to Hair (2010, p. 117), the acceptance level for a sample size of 200 is a factor loading of 0.40. The factor loadings were all above 0.9, which is considered to be a high level.

Further, Cronbach's alpha was used to perform scale reliability checks. Cronbach's alpha is the most widely used measure of scale reliability, and assesses the reliability of the entire scale (Hair 2010). The generally agreed upon lower limit for Cronbach's alpha is 0.70. The Cronbach's alpha for the variables attributes and trustworthiness were respectively .913 and .847, supporting findings from previous research regarding the reliability of the established scales.

The results from the factor analysis and scale reliability check are reported in Appendix C.

Chapter 5: Analysis and Results

5.1 Data Analysis

5.1.1 Main Effects

The main effects of our conceptual model (H1-H3) were tested using a one-way analysis of variance (ANOVA) with planned comparisons. One-way ANOVA with planned comparisons is used when you wish to compare the mean score between specific groups (Pallant 2005). As we are only interested in comparing the scores between the groups from our hypotheses (White vs. Arab, and White vs. Arab with an in-group symbol), and not all possible comparisons, the planned comparison gives more power than post-hoc tests, and is more sensitive in detecting differences. We can reject the null hypothesis of equal populations if the t-test is significant. By squaring the t-value in the results, we find the F-ratio, which represents the variance between the groups, divided by the variance within the groups.

5.1.2 Moderation Analysis

To test hypothesis H4, we performed a moderation analysis using the PROCESS-macro by Hayes (2013). Moderation analysis is used for answering questions of *when* we have an effect of a phenomenon, by identifying its boundary conditions. The effect of X on some variable Y is moderated by M if its size, sign, or strength depends on or can be predicted by M (Hayes 2013, p. 208). Moderation analysis can thus uncover interesting effects that are not revealed by only testing the main effects through an ANOVA-analysis, giving a deeper understanding of under what conditions the effects are present. We used the Johnson-Neyman procedure to identify the point(s) along the moderators where the relationship between X and Y transition between being significant and nonsignificant (Montoya 2016). This procedure computes boundaries of significance with a 95%

confidence interval. In our conceptual model, the moderators political orientation and intergroup threat are suggested to moderate the effect of host ethnicity on the dependent variables. The Johnson-Neyman output will then identify for what *levels* of political orientation and intergroup threat the moderation takes place. Figure 5.1 illustrates a simple moderation model, where M moderates the effect of X on Y.
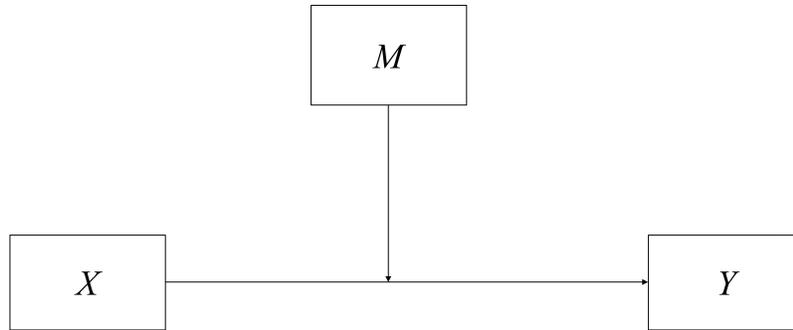
Figure 5.1: Simple Moderation Model (Hayes 2013)

5.1.3 Mediation Analysis

As a moderation analysis can answer questions of *when* we have an effect, mediation analysis can be used to answer questions of *how* (Hayes 2013). In order to test hypotheses H5-H8 regarding the underlying mechanisms of discrimination, a mediation analysis was conducted. Mediation exists when an independent variable (X) affects a dependent variable (Y) through one or more potential intervening variables, or mediators (M) (Preacher and Hayes 2008). Figure 5.2 shows a simple mediation model with a single mediator variable M located causally between X and Y.

Figure 5.2: Simple Mediation Model (Hayes 2013)
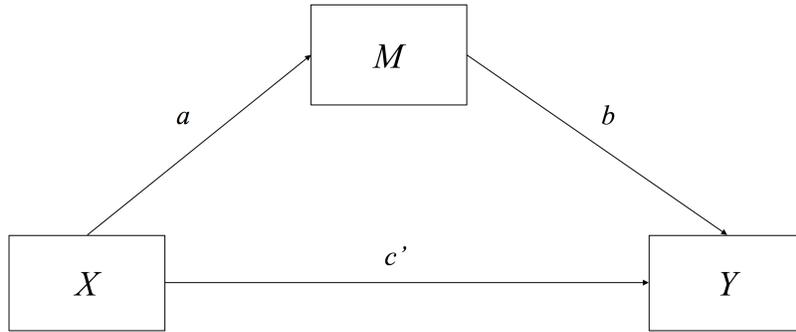
There are two distinct pathways in this model, the *direct effect* of X on Y (c'), and the *indirect effect* of X on Y through M (a*b). The direct and indirect effect together make the total effect (c=a*b+c').

The simple model in Figure 5.2 is based on only a single mediator variable, and represents an oversimplification of the kind of processes researchers usually study. In our conceptual model, we propose that the phenomenon operates through multiple mechanisms simultaneously. We thus employed a parallel mediator model instead, as illustrated in Figure 5.3, to measure the mediating effects. We used the PROCESS macro by Hayes (2013) to perform the test.
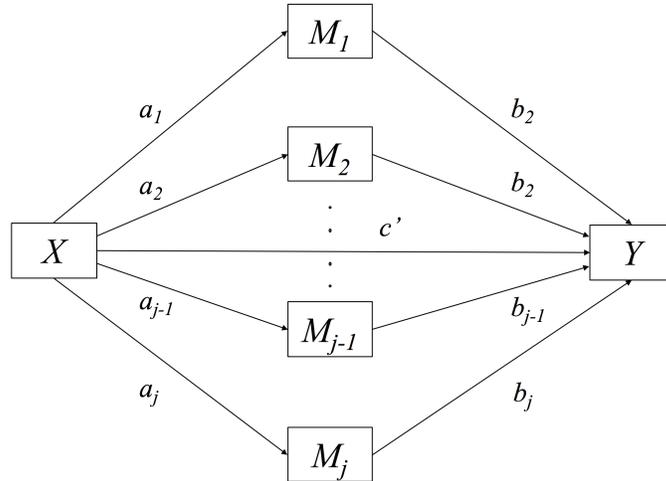
Figure 5.3: Parallel Multiple Mediator Model With j Mediators (Preacher and Hayes 2008)

Previously, the *causal step approach* developed by Baron and Kenny (1986) has been the most popular approach to mediation analysis (Hayes 2013). However, this method has received critique for not taking indirect effects into consideration unless there is a significant total effect between X and Y. This does not have to be the case however, as recent research finds that a significant total effect is *not* essential for mediation (Hayes 2013). Sobel's test and Bootstrapping are methods used to test indirect effects independently from the total effect. As Boostrapping doesn't require normal distribution of the indirect effect, as opposed to Sobel's test, we used this method to analyze the mediation-effects.

Bootstrapping draws samples from the data set repeatedly, and measures the indirect effect in each re-sampled data set. By testing this several thousand times, it is possible to construct a confidence interval for the indirect effect (Preacher and Hayes 2008). In our analysis, we used 5000 bootstrap samples during the procedure.

5.1.4 Moderated Mediation Analysis

To test hypothesis H9, we utilized moderated mediation analysis, also called conditional process analysis. Conditional process analysis is used when one's research goal is to *"understand and describe the conditional nature of the mechanism(s) by which a variable transmits its effect on another and testing hypotheses about such contingent effects"* (Hayes 2013, p. 327). By performing this analysis, we can answer under what conditions the mediators have significant effect on the dependent variables. Figure 5.4 illustrates a conditional process model.
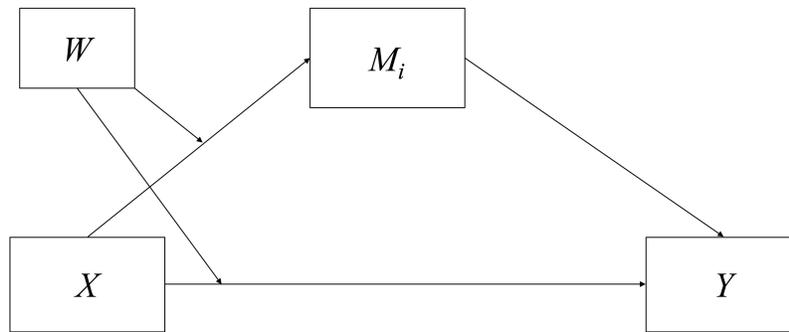
Figure 5.4: Conditional Process Model (Hayes 2013)

5.2 Results

In the following section, the results of the analysis will be presented. To clarify, we have named the variables of the three different conditions 1) *White* for the Norwegian host, 2) *Arab* for the Iraqi host without any indication of a shared identity, and 3) *Arab symbol* for the Iraqi host with an in-group symbol. As our sample size could be considered as relatively large (N=214), we decided to use a $p < .05$ significance level in our analysis.

Descriptive Statistics

Descriptive statistics of the dependent variables, mediator variables from scenario 1 and 2 and moderator variables can be found in Tables D.1, D.2 and D.3, respectively (Appendix D).

5.2.1 Test of Assumptions

To be able to perform the analysis mentioned above, several assumptions needed to be satisfied. These will now be discussed briefly.

Independence of Observations

First, the observations of our data had to be independent of one another, meaning that *each observation or measurement must not be influenced by another* (Pallant 2005, p. 197). A typical violation of this requirement can occur if the observations or measurements are collected in a group setting. As our survey was distributed by email and performed individually, this should not represent a problem. Also, the participants were anonymous, and instructed not to speak to others about the content of the survey after completion.

Normal Distribution

We used descriptive statistics to provide information regarding the distribution of the data, by measuring skewness and kurtosis (Appendix D).

The skewness value provides an indication of the symmetry of the distribution, measuring whether the scores are clustered towards the left or right of a normal distribution (Pallant 2005). Kurtosis provides information about the peakedness or flatness of a distribution when compared with a normal distribution (Hair et al. 2006). A positive value indicates that the distribution is relatively peaked, whereas a negative value indicates a relatively flat distribution. With a perfectly normal distribution, the value of skewness and kurtosis would be 0, which is rather uncommon, and values between -1 and 1 indicate that the scores are normally distributed. None of the skewness values were above |1|, but five of our 22 variables had kurtosis values above |1|; four positive and one negative. This breaks the normality assumption of our data, as some scores are peaked. However, with a large enough sample (+30), *"the violation of this assumption should not cause any major problems"* (Pallant 2005, pp. 179–200).

Homogeneity of Variance

To test if the assumption of homogeneity of variance was satisfied, we conducted Levene's test. The results should *not* be significant in order to hold the assumption of homogeneity of variance (Pallant 2005). The Levene's test showed no significant values for our data, meaning that the variability of scores for each of the groups is similar. The results are shown in Table D.4.

5.2.2 Control Variables

The control variables age, gender, country of birth, cultural identity and previous experience with Airbnb could possibly have influenced the response on the independent variables. We performed a correlation analysis and found that only the variable previous experience with Airbnb had a correlation with willingness to rent (Pearson correlation (r)=-.15, p=.028). However, the significance of r is strongly influenced by the sample size (Pallant 2005). In a large sample size (N=+100), even low correlations may be significant, and one should rather look at the amount of shared variance. For r=-.15, the shared variance is only 2.25%, meaning only a minor overlap between the two variables.

5.2.3   Main Effects

A one-way analysis of variance (ANOVA) test with planned comparisons was conducted to answer the following hypotheses:

H1: *The Arab host ethnicity will have a negative impact on consumers' a) liking of the apartment, b) perception of its attributes, c) perception of its in-group attractiveness,) willingness to rent and e) willingness to pay compared to a Norwegian host.*

H2: *The effects postulated in H1 will disappear when including an in-group symbol for the Arab host.*

H3: *The Arab host ethnicity will have a negative impact on consumers' willingness to switch apartments compared to a Norwegian host, also when including an in-group symbol.*

The mean scores of each group is presented in Table 5.1. The significant differences between groups on a p<.05 level using planned comparisons are marked with matching alphabetic notation. More detailed ANOVA-tables with planned comparisons can be found in Appendix E.

Table 5.1: Mean Scores, Dependent Variables

	White	Arab	Arab symbol	Total
Liking of apartment	6.8056	6.5634	7.0845	6.8178
Attractiveness of apartment	6.9306^a	6.2958^a	6.7183	6.6495
Attributes of apartment	7.2824	7.0610	7.3803	7.2414
Willingness to rent	6.166	5.7324	6.2394	6.0467
Willingness to pay	657.6389	604.9296	621.8310	628.2710
Willingness to switch apartments	6.6528^b	5.5070^b	6.8451	6.3364

Mean scores with matching alphabetic notation are significantly different

White versus Arab

There were significant main effects between White and Arab on the perceived in-group attractiveness of the apartment [$F(1,214)=3.95$ p=.048] and willingness to switch apartments [$F(1,214)=5.28$, p=.023], as can be seen in Table E.1 in Appendix E. We note from the mean scores in Table 5.1 above that the Arab host ethnicity has a negative impact on these two consumer outcomes (6.2958 vs. 6.9306 for attractiveness of apartment, and 5.5070 vs. 6.6528 for willingness to switch apartments). There were no other significant effects for the remaining dependent variables (liking of apartment, attributes of apartment, willingness to rent and willingness to pay). This means that H1 is only partly supported, as H1c is the only accepted hypothesis. Moreover, the first part of H3 was also supported, as the respondents discriminated the Arab host when it comes to willingness to switch apartments. The second part of this hypothesis will be discussed below.

White versus Arab with In-group Symbol

There were no significant effects when comparing the White host and the Arab host with an in-group symbol (Table E.4). H2 is therefore fully supported, as we postulated that the in-group symbol would eliminate any out-group differentiation in scenario 1. This indicates that the introduction of a common identity served its purpose. However, willingness to switch apartments was not significantly different for the Arab with an in-group compared to the White host, as opposed to what we originally hypothesized. This means that the second part of H3 (postulating that the in-group symbol would not work in scenario 2) was not supported.

5.2.4   Moderation Effects

In order to uncover the boundary conditions for the associations between the independent and dependent variables, a moderation analysis using PROCESS Model 1 with the Johnson-Neyman procedure was performed. This could reveal whether certain effects depend on specific personal factors, providing a more nuanced picture of the relationships. This was postulated in the following hypothesis:

H4: *The effects of the Arab host ethnicity postulated in H1-H3 are moderated by a) political orientation and b) intergroup threat.*

From the Johnson-Neyman results presented in Table 5.2, we see that political orientation and intergroup threat are both moderating several of the direct effects - we have thus found significant interaction effects. In other words, these two person-specific factors influence the size of the causal effect of host ethnicity on consumer outcomes. The intervals presented in the table show the zones of significance where political orientation and intergroup threat moderate the direct effects. Intervals marked with "neg" signify that these areas of the 11-point scale moderate the direct effects, leading to a significantly negative evaluation of the Arab host compared to the White on that specific consumer outcome. Similarly, intervals marked with "pos" indicate that moderation leads to positive evaluation of the Arab host compared to the White for these intervals of the moderator. The specific instances when this happens will be discussed more in detail below.

Political Orientation

When it comes to political orientation, the extreme value of "1" refers to being situated far left on the political scale, and "11" corresponds to far right. A person placed in the center of the scale is considered as in-between these political ideologies.

White versus Arab

When comparing the White and Arab hosts, we found that political orientation moderated the effect on several attitudes related to scenario 1, namely liking of apartment, attributes of apartment and attractiveness among in-group. As can be seen in Table 5.2, people who are politically right-oriented (above 8.45 points on the 11-point scale) liked the apartment belonging to the Arab host *significantly less* than the one belonging to the White host. This was also the case when evaluating attributes of the apartment; right-oriented respondents (above 8.46) responded in a *less* favorable manner when being exposed to the Arab host. However, the perceived attractiveness of the apartment among other in-group members (NHH students) was only moderated for a narrow group of right-oriented (between 6.41 and 7.02), but still also involving a *negative effect* of the Arab host. In all of these cases, the effects increased in magnitude when moving rightwards.

In addition, political orientation moderated willingness to switch apartments, hence the measurement connected to scenario 2. More specifically, right-oriented respondents (between 6.04 and 10.50) were significantly *less* willing to switch their apartments with the Arab host, compared to the White host. This negative effect became stronger when maneuvering towards the extreme right.

Table 5.2: Areas of Significance for Moderators

	White/Arab	White/ Arab symbol
a) Liking of apartment		
Political orientation	neg:[8.45, →]	pos:[←, 5.89] neg:[6.36, →]
Intergroup threat	neg:[6.10, →]	pos:[←, 2.75] neg:[6.40, →]
b) Attributes of apartment		
Political orientation	neg:[8.46 →]	not sig.
Intergroup threat	pos:[←, 1.20] neg: [5.20, →]	pos:[←, 2.19] neg:[5.71, →]
c) Attractiveness of apartment among in-group		
Political orientation	neg:[6.41,7.02]	not sig.
Intergroup threat	not sig.	not sig.
d) Willingness to rent		
Political orientation	not sig.	pos:[←, 5.16] neg:[8.60, →]
Intergroup threat	neg:[4.86, →]	pos:[←, 2.23] neg:[5.12, →]
e) Willingness to pay		
Political orientation	not sig.	not sig.
Intergroup threat	neg:[4.24, →]	neg:[4.29, →]
f) Willingness to switch apartments		
Political orientation	neg:[6.04,10.50]	not sig.
Intergroup threat	neg:[3.74, →]	pos:[←, 2.24] neg:[5.58, →]

White versus Arab with in-group symbol

In order to investigate the potential effect of the in-group symbol further, we also conducted

the same analysis when comparing the White host with the Arab host containing an in-group symbol. The results showed that political orientation moderated consumers' liking of the apartment and their willingness to rent. For liking of the apartment, we saw that politically left-oriented respondents (below 5.89) actually *favored* the apartment belonging to the Arab with the in-group symbol. In contrast, politically right-oriented (6.36 and above) liked the apartment belonging to the Arab with the in-group symbol significantly *less* than the White host's. This circumstance was the same for willingness to rent; the effect of the Arab host with the in-group symbol was positive for left-oriented (5.16 and below), while negative for right oriented (8.60 and above). The effects increased in absolute values when approaching the two polar opposites.

Intergroup Threat

For the variable intergroup threat, the extreme value of "1" represents perceiving Muslims as being of low threat to the Western culture, while "11" corresponds to a high perceived threat. Also here the effects moderated by intergroup threat increased in absolute size when moving towards both extreme points of low versus high perceived threat.

White versus Arab

As shown in Table 5.2, intergroup threat moderated the relationship between host ethnicity and several consumer attitudes and behavioral intentions related to scenario 1; liking of the apartment, attributes of the apartment and willingness to rent and pay. Following the same logic as with political orientation, those with a high perception of intergroup threat significantly disfavored the Arab host.

When it comes to scenario 2, negative effects of the Arab host on willingness to switch apartments already appeared at a perceived threat level of 3.47 (and above). As was the case for several other dependent variables from scenario 1 (e.g. willingness to pay with the significance zone starting at 4.24), the negative effects appeared at relatively low values of intergroup threat.

White versus Arab with in-group symbol

When analyzing the effects of the Arab host with the in-group symbol, intergroup threat acted

as a significant moderator on multiple outcomes in scenario 1: liking of the apartment, attributes of the apartment, willingness to rent and pay. In addition to the negative effects generated by respondents feeling a relatively high intergroup threat, *positive* effects appeared for low levels of threat.

Furthermore, intergroup threat displayed interaction effects on the willingness to switch apartments with the Arab "in-group symbol" host. More specifically, those with *low* intergroup threat (below 2.24) would significantly *prefer* switching apartments with the Arab. Contrasting this, those with relatively high intergroup threat (5.56 and above) displayed significantly *negative* intentions towards the Arab host compared to the White.

In conclusion, as both political orientation and intergroup threat moderated several of the attitudes related to scenario 1, as well as behavioral intentions related to scenario 1 and 2, H4 is generally considered supported, although with some exceptions. The results indicate that the in-group symbol had a different effect on consumer outcomes depending on the boundary conditions; for left-oriented and those with low intergroup threat, the effect was *positive*. In contrast, right-oriented and those with high intergroup threat displayed discrimination effects towards the Arab with the in-group symbol. A similar effect was found for intergroup threat in the second scenario.

5.2.5   Mediation Effects

In order to test *how* X exerts its effects on Y, a mediation analysis using PROCESS Model 4 was performed. The analysis provides an understanding of the underlying mechanisms of discrimination, by studying the intervening variables, or mediators, between X and Y. We conducted a multiple mediation analysis to study the following hypotheses:

H5-H8: *The impact of the Arab host ethnicity on attitudes and behavioral intentions, as postulated in H1 and H3, is mediated by self-other overlap (H5), self-object connection (H6), trustworthiness (H7) and perceived risk (H8).*

The results discussed in the following part can be found in Appendix F.

White versus Arab

Surprisingly, there were no significant mediation effects when comparing the White and Arab host. As a result, none of the abovementioned hypotheses will be *fully* supported. However, some significant mediation effects arose when comparing White with Arab symbol.

White versus Arab with In-group Symbol

When comparing the White host to the Arab with an in-group symbol, mediating effects of self-other overlap and trustworthiness were found for several consumer outcomes, as will be discussed further below. Perceived risk had no mediating effects on any of the consumer outcomes, neither from scenario 1 nor 2. This was also the case for self-object connection. As a result, we can conclude that H6 and H8 are *not* supported.

Self-other overlap

As mentioned, self-other overlap displayed mediation effects, more specifically on willingness to pay (effect=20.3847, 95% CI={1.1423,58.5694}), and on willingness to switch apartments (effect=.2824, 95% CI={.0347,.7940}). The remaining consumer outcomes were not mediated by self-other overlap. Consequently, H5 is considered partly supported.

Furthermore, the more detailed processes behind the mediation effects can be illustrated with a visual example, as seen in Figure 5.5. As mentioned in the Data Analysis section, there are two distinct pathways in a mediation model, the *direct effect* of host ethnicity on consumer outcomes (c'), and the *indirect effect* of host ethnicity on consumer outcomes through a mediator (a*b). Together, the direct and indirect effects make up the total effect (c=a*b+c'). In the example illustrated below, willingness to switch is included as the outcome variable. As portrayed, the effect of the Arab host with an in-group symbol on self-other overlap was significant (path a_1 shows a significant mean difference of .7815*). In addition, the second path from self-other overlap to willingness to switch apartments was also significant (b_1=.3614*). As a result, the indirect effect *through* self-other overlap was significant. This was also the case for willingness to pay, as shown in Appendix F.
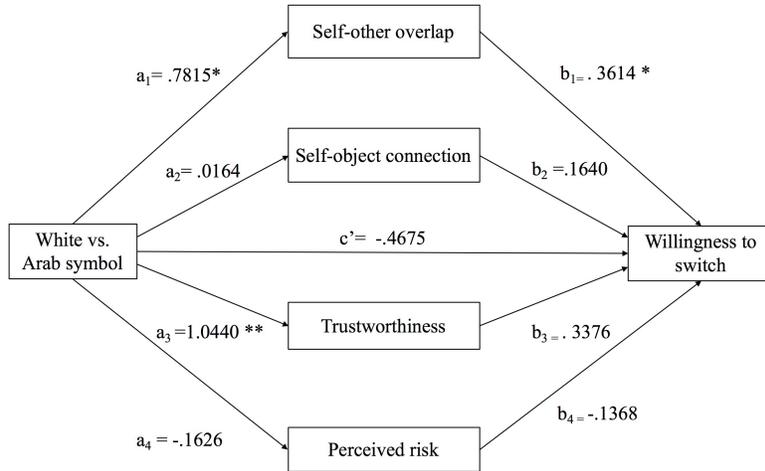
Figure 5.5: Parallell Mediation Model: Willingness to Switch Apartments

Significance level: *p<.05, **p<.01

Trustworthiness

In addition to self-other overlap, we found significant mediation effects of trustworthiness on several attitudes and behavioral intentions. Trustworthiness mediated liking of apartment (effect=.2179, 95% CI={.0509,4946}), attributes of apartment (effect=.2518, 95% CI={.0677,5294}), willingness to rent (effect=.2358, 95% CI={.0010,.6115}), and willingness to switch apartments (effect=.3525, 95% CI={.0350,.91440}). On the basis of this, we can conclude that H7 is partly supported.

As an example, the mediating effect of trustworthiness is illustrated in Figure 5.6, including willingness to rent as the outcome variable. Path a_3 shows how trustworthiness is significantly higher for the Arab host with an in-group symbol compared to the White host, with a mean difference of 1.044, significant on a p<.01 level. Further, path b_3 shows that the effect of trustworthiness is *not* significant on willingness to rent. However, as the indirect effect is calculated by a*b, trustworthiness is still significantly mediating willingness to rent altogether. This paradox has been emphasized by Hayes (2013); when a path is close to being significant, the indirect effect could become significant.
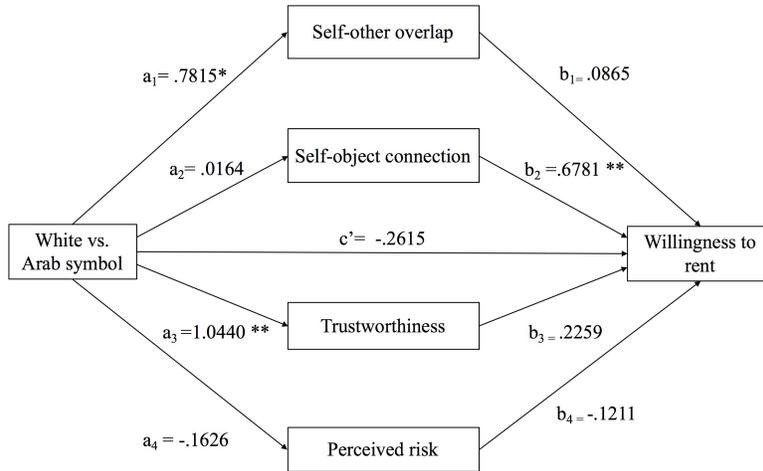
Figure 5.6: Parallell Mediation Model: Willingness to Rent

Significance level: *p<.05, **p<.01

Further, illustrations of the significant mediation effects of trustworthiness on additional consumer outcomes are presented in Appendix F. For simplification purposes, the additional figures will not be discussed any further.

In general, although the hypotheses H5 and H6 are considered somewhat supported, the *positive* effects of the Arab host with the in-group symbol on self-other overlap and trustworthiness are generally not as predicted. As mentioned in hypotheses H1-H3, the in-group symbol was postulated to eliminate any discrimination in scenario 1, but not in scenario 2. Yet, the mediation analysis indicates that the in-group symbol is actually generating *positive* effects on self-other overlap and trustworthiness, hence for both scenarios. However, investigating the boundary conditions of this mediation will provide a more exhaustive perspective. This will be discussed in the following section.

5.2.6   Moderated Mediation Effects

Finally, in order to achieve a comprehensive overview of the interplay between the proposed dependent variables, mediators and moderators, a moderated mediation analysis was conducted using PROCESS Model 8. This conditional process analysis is used to estimate and interpret the conditional nature (the moderation component) of the indirect and/or direct effects (the mediation component) of X on Y in a causal system. In our case, we are seeking to describe the *conditional nature* of the mechanisms by which host ethnicity transmits its effect on the consumer outcomes. Our last hypothesis, illustrated in Figure 5.7, is the following:

H9: *The postulated mediated effects of self-other overlap, self-object connection, trustworthiness and perceived risk in H5-H8 are moderated by a) political orientation and b) intergroup threat.*

The integrated analytical model behind this hypothesis is illustrated with our proposed model in Figure 5.7.
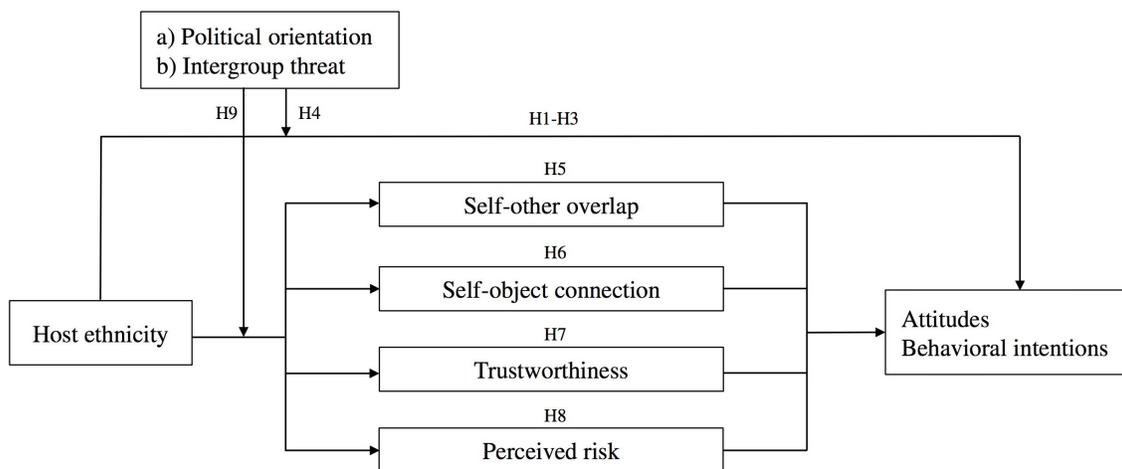
Figure 5.7: Overview of Proposed Model of Effects

The results are presented in Appendix G. The tables report the index of moderated mediation (the slope of the line relating the indirect effect to the moderator), as well as the corresponding

bootstrap confidence intervals. The variables political orientation and intergroup threat both displayed significant moderating effects, and these will be discussed below. All effects reported in the following section were negative, and had confidence intervals entirely *below* zero. This means that when moving from the low extreme on the scale of the moderators (hence 1) and towards the highest point (11), the mediation effects will become increasingly *negative*. For all results reported below, we stress the fact that this negative development only occurs when moving in the direction *towards* the highest extreme-points (11) of the political orientation- and intergroup threat scales, as the slope of the moderated mediation effect is negative.

Political Orientation

White versus Arab

When comparing the White and Arab hosts, political orientation moderated the mediating effects of self-object connection on several outcomes in scenario 1, leading to decreasingly *lower* liking of the apartment, more *poorly* evaluated attributes and attractiveness of the apartment, as well as *lower* willingness to rent and pay. Political orientation had the same effect regarding trustworthiness; on the attitudinal outcomes liking of apartment, attributes of apartment and attractiveness of apartment. Moderated mediation of trustworthiness was also found for the behavioral intentions willingness to rent and willingness to pay. Furthermore, political orientation moderated two mediation effects in scenario 2 - self-other overlap and self-object connection - leading to *lower* willingness to switch apartments for right-oriented consumers.

White versus Arab with in-group symbol

The mediating effects of self-object connection and trustworthiness were also moderated by political orientation when comparing the White to the Arab host with the in-group symbol, however not as frequently as for the group mentioned previously (White versus Arab). For self-object connection, the disfavored outcome variables were attributes of the apartment, willingness to rent and willingness to pay. With regards to trustworthiness, the significant negative effects were on liking and attributes of the apartment.

Intergroup Threat

White versus Arab

Like political orientation, intergroup threat revealed significant moderated mediation for trustworthiness. More specifically, the effect was present for the outcomes liking of apartment, attributes of apartment, attractiveness among in-group and willingness to rent. Furthermore, intergroup threat moderated perceived risk in relation to scenario 2, leading to significantly *lower* willingness to switch apartments with the Arab host. Surprisingly, no effect was found for trustworthiness in relation to scenario 2, as previously found when analyzing the impact of political orientation.

White versus Arab with in-group symbol

Finally, intergroup threat displayed similar disadvantageous effects for the Arab host with the in-group symbol. Intergroup threat moderated the mediation effects of trustworthiness, leading to significantly *lower* liking- and *less favorable* evaluations of the apartment's attributes. In addition, the moderator showed similar *negative* effects through perceived risk on the willingness to switch apartments in scenario 2. However, the most frequent moderated mediaton effect was self-object connection, negatively influencing all outcomes related to scenario 1.

Overall, although significant moderated mediation effects were not present across *all* combinations of the independent and dependent variables, hypothesis H9 is considered partially supported due to multiple significant effects. A supplementary observation is made regarding the in-group symbol, as discussed in previous analyses. The conditional process analysis depicts how the in-group symbol had an increasingly negative effect when moving towards the right-wing zone of political orientation, as well as a high perceived level of intergroup threat. This will be reflected more upon in the Discussion chapter.

5.2.7   Summary of Findings

In this chapter, we have reported the results achieved when testing for hypotheses H1-H9. By studying the direct relationship between host ethnicity and consumer outcomes, we found two significant main effects. Perceived in-group attractiveness of apartment was significantly higher for the White host compared to the Arab, as well as willingness to switch apartments. There were no significant effects when comparing the White host and the Arab host with an in-group symbol, as postulated.

Conducting a simple moderation analysis, we found the boundary conditions under which host ethnicity displayed additional significant effects on the consumer outcomes. Respondents who were right oriented, as well as those with high perceived intergroup threat, disfavored the Arab host on several consumer outcomes, compared to the White host. That was also the case for the Arab host with the in-group symbol. In addition to this, opposite effects (favoritism) was found for the Arab host with the in-group symbol when only looking at respondents who were left-oriented and those who felt a *low* sense of intergroup threat regarding Muslims.

The mediation analysis allowed us to identify potential explanatory mechanisms behind discriminatory attitudes and behavioral intentions. Notably, we found no significant mediation effects when comparing the White host with the Arab host. However, the mediation analysis revealed several significant differences in outcomes when comparing the White host and the Arab host with the in-group symbol. More specifically, trustworthiness and self-other overlap showed mediating effects on several consumer outcomes, including willingness to switch apartments (scenario 2).

Lastly, we integrated all constructs from our conceptual model, and performed a moderated mediation analysis. This conditional process analysis allowed us to achieve a more comprehensive picture of how all the effects interacted simultaneously. We found a negative moderating effect of political orientation and intergroup threat on several mediators, the most persistent being self-object connection and trustworthiness. This means that when moving upwards from the low levels of the scales of the moderators, the Arab host ethnicity has an increasingly negative effect on the outcomes through the mediators. This was also found for the Arab host containing an in-group symbol.

Chapter 6: General Discussion and Conclusion

6.1 Discussion of Findings

The main purpose of this master thesis was to further explore the issue of racial discrimination in the sharing economy. To study this phenomenon we developed the following research questions:

RQ_1: *Will Airbnb users discriminate hosts/guests based on ethnicity?*

RQ_2: *What are the psychological mechanisms explaining ethnic discrimination on Airbnb?*

RQ_3: *What are the boundary conditions for these effects?*

RQ_4: *Can in-group symbols eliminate ethnic discrimination?*

With these questions, we investigated the effect of host ethnicity on consumer outcomes in the sharing economy, identified the boundary conditions and mechanisms under which the phenomenon operates, and tested the effect of including an in-group symbol in order to minimize racial bias. By analyzing the direct effect of host ethnicity, we found two significant main effects: first, the respondents believed that *other* in-group members (fellow business students) would rank the Arab host's apartment significantly lower in terms of attractiveness than the White host's apartment. Second, the respondents also displayed significantly lower willingness to switch their *own* apartment with the Arab host for a weekend.

However, including political orientation and intergroup threat as boundary conditions revealed the explanation of the missing main effects of the other consumer outcomes; they were only present under specific conditions of these moderators. Negative effects of the the Arab host without the in-group symbol (vs. Norwegian host) were found for politically right-oriented people and those sensing a high intergroup threat. This can be linked to what has recently been happening in the Western world: right-wing movements are gaining more traction, and ethno-nationalism is on the

rise (Pazzanese 2017). In addition, intergroup threat is particularly interesting considering our data sample; students with an average age of 24, residing in a city. Norwegian statistics on the perceived level of threat of Muslims towards Western values shows that 24% of the population under the age of 30 agree with this threat, compared with an overall average of 40% in the rest of the population (Respons-Analyse 2017). Similarly, only 29% of the respondents living in cities agree to the perceived threat. In comparison, the respondents from our survey had an average perceived intergroup threat of 3.77 (on a scale of 1-11, Table D.3). This indicates that if we were to test on a cross section of the Norwegian population, even stronger effects of discrimination would likely be found.

Furthermore, the moderation analysis exposed valuable findings concerning the Arab host with the in-group symbol; the symbol seemed to work in *opposite* ways depending on where along the scales of political orientation and intergroup threat respondents placed themselves. For right-oriented people, and those who felt a relatively strong sense of intergroup threat, we found evidence of discrimination of the Arab host. Interestingly, in the opposite end of the scale there were also significant findings: left-oriented and those who felt a weak sense of intergroup threat *favored* the Arab host with the in-group symbol. This finding can be traced back to previous research on racial discrimination among liberals (left-oriented) in the U.S., in which some situations Whites displayed *favoritism* towards Blacks - called the *reverse discrimination effect* (Nail, Harton, and Barnes 2008). The fact that this finding of favoritism for the Arab host occurred among left-oriented, whereas the right-oriented discriminated the Arab host, demonstrates that the in-group symbol may work in different ways for various groups of people.

Although the moderation analysis revealed the circumstances under which more effects became significant, it is still interesting to note the two main effects present across all levels of the moderators. First, as mentioned above, perceived in-group attractiveness of the apartment displayed significant effects. As the two other attitudinal variables included in the study - liking and perceived attributes of the apartment - were *not* significant, this could indicate the impact of social desirability bias when answering surveys, as this measurement was able to capture the effect of discrimination. In addition to this, the other significant main effect was on willingness to switch apartments. This is an interesting finding, as this aspect of the Airbnb service could be experi-

enced as a more intimate situation than renting someone else's apartment. As stated by Lampinen et al. (2013), it can be seen as an intrusion into one's own personal spheres. Furthermore, the results from the main effects also indicated that the in-group symbol served its purpose, due to the absence of any discrimination effects in scenario 1. This was also the case for scenario 2, even though we had predicted that the common identity would not work in this instance.

The parallel mediation analysis emphasized the mediating roles of trustworthiness and self-other overlap. For willingness to switch apartments in scenario 2, these effects were present simultaneously. In order to investigate whether the two indirect effects were significantly different, we performed an additional contrasts analysis (Hayes 2013). However, no significant differences were found, implying that these mechanisms do not differ in relative magnitude.

A more nuanced picture of the mediation effects was revealed by incorporating the moderators in a conditional process analysis. For the Arab host without an in-group symbol, we found negative moderating effects of political orientation and intergroup threat on all mediators: trustworthiness, self-object connection, self-other overlap and perceived risk. Similar effects were found for the Arab host with an in-group symbol. Trustworthiness was the most frequently occurring mechanism, indicating that this is a crucial explanatory concept of racial discrimination in the sharing economy. Cross-national surveys on interpersonal trust show that Norway has the highest score of interpersonal trust in the world, with 74% of the population agreeing to the statement "most people can be trusted" (Ortiz-Ospina and Roser 2016). The relative level of trust in a society could have an impact on this explaining mechanism, and we propose that conducting this study in societies with lower level of trust could generate more negative consumer outcomes.

In addition to trustworthiness, self-object connection showed many significant effects, suggesting that some people exerted their preconceptions of the Arab ethnicity onto the apartment, leading to discriminatory outcomes. Interestingly, perceived risk was only significant for the second scenario concerning switching apartments. This indicates that sharing your own personal space involves a higher perceived risk than renting someone else's apartment.

However, the moderated mediation analysis does not tell us for *what levels* of political orientation or intergroup threat these mediating effects become significant. The output only depicts that the development is negative when moving towards the high extreme (11) of the scales. To truly understand the nature of the moderation, we will perform further analyses concerning the moderators' zones of significance. This will be discussed below.

6.1.1 Zones of Significance for Moderated Mediation

A simple moderation analysis using PROCESS Model 1 with the Johnson-Neyman technique was performed on all significant mediators from the abovementioned conditional process analysis. Selecting the mediators as the outcome variables (Y), the results displayed the same logic as a similar analysis conducted earlier for the direct effects on consumer outcomes; right-oriented/high intergroup threat individuals favored the Norwegian host over the Arab host, whereas the left-oriented/low intergroup threat individuals favored the Arab host over the Norwegian host. An example is illustrated in Figure 6.1, using trustworthiness as the outcome variable and political orientation as the moderator. The results showed how the effect of the Arab (vs. Norwegian) host on trustworthiness varied depending on the respondents' political orientation. Right-oriented respondents trusted the Arab host significantly *less* than the White host (neg:$[10.29, \rightarrow]$), whereas those leaning towards the left (pos:$[1, 6.29]$) trusted the Arab host *more* than the White.
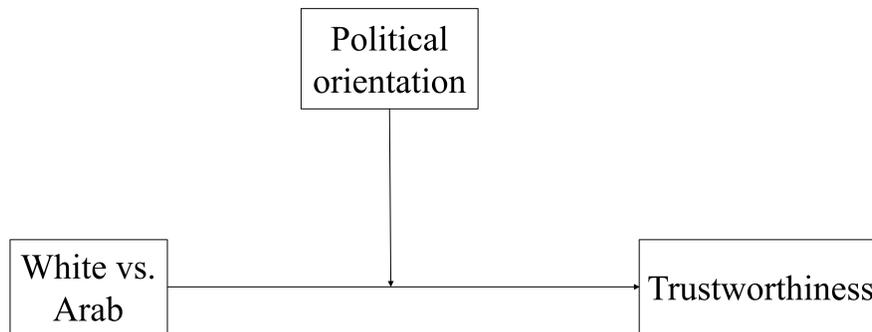

Figure 6.1: Simple Moderation Model: Trustworthiness and Political Orientation

A similar effect was found for respondents with strong perceived intergroup threat (neg:$[7.88, \rightarrow]$) compared to those with weak intergroup threat (pos:$[1, 3.70]$). This was also the case for the Arab host with the in-group symbol. Conducting the same analyses for self-other overlap, self-object connection and perceived risk related to scenario 2 yielded similar results. Therefore, we can conclude that there were clear patterns for which types of people disfavored the Arab host, versus those who favored him.

6.2 Implications

In the following section, we will discuss the implications of our findings. We will begin with the theoretical implications; how this study contributes to the literature related to racial discrimination in the sharing economy. Then, we will present the corresponding managerial implications. More specifically, we will discuss the implications of our findings for decision-makers in the sharing economy, particularly for Airbnb. In addition, our findings will be evaluated from a more general perspective, by discussing the impact of this prevalent phenomenon in the digital world.

6.2.1 Theoretical Implications

The results of our research generate several theoretical implications. First, it is essential to point out the novelty of this particular research field, although the issue of racial discrimination has been studied for many decades. Previous research has established how racial discrimination is a prevailing issue in our world, leading to inequalities in nearly all facets of a society (e.g. Hanson, Hawley, and A. Taylor 2011; Bye et al. 2014; Pager and Shepherd 2008). Furthermore, this effect has also been proven in the digital sphere (e.g. Nunley, Owens, and Howard 2015), yet only recently within the sharing economy platform Airbnb (Edelman, Luca, and Svirsky 2017). In comparison with Edelman, Luca, and Svirsky (2017) who conducted an online field experiment, our study contributes to the literature by using an online survey experiment, in order to investigate in a more controlled manner the causal relationship between host ethnicity on consumer outcomes. This research design also provided us with the ability of individually measuring the explaining

mechanisms of discrimination, as well as its boundary conditions, allowing for more nuanced results.

Our resulting main effects support the evidence revealed by Edelman, Luca, and Svirsky (2017), as well as previous research on racial discrimination in more traditional marketplaces. Although not all proposed main effects were supported, the two significant effects show evidence of out-group discrimination in the predicted direction. The finding of discrimination on some outcomes is in itself a contribution to the literature. Moreover, significant effects on consumer outcomes, both attitudes and behavioral intentions, appeared when incorporating the moderators political orientation and intergroup threat. From this, we were able to reveal multiple effects of discrimination, also a contribution to the research field. Furthermore, as emphasized in the literature, these person-specific traits have been proven influential in contexts involving out-groups (e.g. Golder 2016; Riek, Mania, and Gaertner 2006). Our findings suggest the importance of these characteristics in determining whether a person is more prone to discriminate.

A great amount of previous research on racial discrimination has focused on uncovering the mere *presence* of the effect in various settings, such as within housing. This was also the case for the study conducted by Edelman, Luca, and Svirsky (2017). By including several mediating variables as proposed explanations for this effect in our experiment, we contribute to the literature by investigating the underlying psychological *mechanisms*, as underlined by Reskin (2005). However, the essence of our study can be linked to incorporating the moderators in the mediation analyses. The results exposed how the effect of the Arab host became increasingly negative for politically right-oriented people, as well as those feeling a relatively high intergroup threat from Muslims. These negative effects on the consumer outcomes were partly explained by the underlying mechanism self-object connection. This extends existing research related to self-brand connections and out-groups (K. White and Dahl 2006; Escalas and Bettman 2003), as well as service brands (Dwivedi 2014).

Moreover, the negative effect of the Arab host in scenario 2 (concerning switching apartments) was partially explained by a higher sense of perceived risk. Previous research has demonstrated that in uncertain situations, especially in online transactions (Brynjolfsson and M. D. Smith 2000), consumers often look to social or contextual factors for additional information to guide their choices (e.g. Tversky and Kahneman 1975; Douglas and Wildavsky 1982) - and one particularly prominent

cue is race (Quillian and Pager 2010). Our finding emphasizes how sharing your *own* apartment could be considered as a more uncertain situation, due to an increased vulnerability and intimacy (Bialski 2012; Molz 2014). As a result, the respondents looked to the social factor of race to guide their choices in this more risky circumstance. This extends the existing literature on perceived risk.

Yet, across all combinations of analyses, the most frequently occurring significant mechanism was trustworthiness. The importance of trust in situations related to in-groups and out-groups is reflected in previous research on ethnicity and trust (Parboteeah, Seriki, and Hoegl 2014; Kramer and Brewer 1984; Zucker 1986). Moreover, this finding contributes to accentuating the fundamental role trust plays in both the sharing economy (Botsman and Rogers 2010) and other e-commerce consumer-to-consumer platforms (Lu, Zhao, and B. Wang 2010). Overall, trustworthiness appeared as a crucial processing mechanism within our scene of research.

Another compelling observation contributing to the literature was the impact of the "in-group symbol". When designing our model, we hypothesized that an in-group symbol would eliminate the negative effect of an out-group ethnicity, and consequently discrimination. As previous research has shown, such a "sign" of having something in common may make any out-group bias disappear (Gaertner and Dovidio 2000). This was supported when reviewing the results for the main effects. However, when accounting for the moderators political orientation and intergroup threat, the results varied depending on where along these scales the respondents were placed. On the one hand, the in-group symbol did not seem to serve its purpose for right-oriented and those with high perceived intergroup threat; just as the Arab host without any in-group symbol, this host was also discriminated compared to the Norwegian host. However, we saw that for certain groups of people (left-oriented and those with low perceived intergroup threat), the in-group symbol not only eliminated discrimination - it actually created more favorable outcomes for the Arab host, in comparison with the Norwegian host.

Although not directly comparable, this finding can be linked to the newly released research conducted by J. Li, Zhang, and Cui (2017) on how to fight discrimination in the sharing economy. According to their study, guests with distinctively African American names were 19 percentage points less likely to be accepted than those with distinctively White names. However, when

including *one* positive review on the guest's account, the acceptance rates were statistically indistinguishable. This was also the case for a negative review. The findings are consistent with the economic theory called *statistical* discrimination, regarding how economic agents construe the quality of a guest by race, due to the lack of perfect information. As a result, hosts make their decisions based on the average predicted quality of each racial group, and discrimination follows. Yet, when enough information about the guest is shared, in particular something that signals guest quality, discrimination suddenly disappears. This will be discussed in the following sections.

6.2.2 Managerial Implications

Indeed, the uncovering of racial discrimination on Airbnb has vast ramifications for decision makers in the sharing economy. First of all, diversity has become an almost inevitable characteristic of most societies. Even though the issue of racial discrimination on Airbnb has only been uncovered in the U.S. (and now Norway), it is likely that the phenomenon is a global one - reaching across most national borders. For a company whose core focus is to create an experience of a "trusted community marketplace" where all people can belong (Airbnb 2017a), this revelation is truly going against what this whole new economy is built on. Although the idea of a platform that fosters social connections and friendships across the globe surely seems appealing, the reality is that it only holds for certain groups of people. These disparate levels of marketplace access have impactful consequences.

For Airbnb, the issue of discrimination has both reputational and financial implications. Not only could this recently unveiled dark side of the market impact Airbnb's image, it is simply not good for business. In the U.S., Black buying power alone is expected to reach $1.4 trillion by 2020 - so much combined spending power that it translates into the 15th largest economy in the world in terms of GDP (Humphreys 2016). As the demographic group is growing quite rapidly, Black consumers will have an increasingly stronger impact in many marketplaces. By facilitating the systematic exclusion of certain demographic groups, the platform could be missing out on substantial amounts of potential income. Even hosts who discriminate have been empirically proven to suffer financially as a result of their actions. According to the study conducted by Edelman, Luca, and Svirsky

(2017), those who indulge in discrimination are able to find a replacement only 35% of the time. Furthermore, in addition to guests suffering due to discrimination, minority hosts also bear the burden, typically by being paid less for their accommodations.

However, just as important as the reputational and financial implications are the *ethical* implications triggered by this serious issue. As Airbnb has become one of the largest accommodation providers in the world (Mudallal 2015), the company has surely gained impressive market power during recent years. Yet, one could argue that with this power comes great corporate social responsibility - a responsibility to make sure all consumers are treated fairly and given equal opportunities. Still, some might argue that the power to change this situation ultimately lies in the hands of the consumers, and that Airbnb is only acting as a facilitator between private parties. Nevertheless, as research has shown, biases are nearly impossible for consumers to discard (Park and Rothbart 1982), and they are often used actively in decision making (Van Bavel and W. A. Cunningham 2009). It seems as if leaving the influence in the hands of consumers is simply not sufficient.

Meant as an answer to the problem of discrimination, alternative services such as "Noirbnb" and "Innclusive" have surfaced, seeking to alleviate the issue by appealing to those who typically experience exclusion (Nguyen 2016). Following the release of the revealing evidence collected by Edelman, Luca, and Svirsky (2017), stories in the media and perhaps the increased competition from other platforms, Airbnb has eventually admitted to facing significant challenges of racial bias and discrimination. This was emphasized in a statement released by Brian Chesky, Co-founder and CEO of Airbnb:

"At the heart of our mission is the idea that people are fundamentally good and every community is a place where you can belong. I sincerely believe that [discrimination] is the greatest challenge we face as a company. It cuts to the core of who we are and the values that we stand for" (Airbnb 2017c).

With a promise of devoting extensive resources to combating the issue, the company has published a report detailing the complete strategy to "fight discrimination and build inclusion" (Murphy 2016). At the core was their "stronger, more detailed" nondiscrimination policy, by making all

users agree to a community commitment to treat all others without judgment or bias. In addition, Airbnb encouraged the growth of instant book listings - those who can be booked immediately without approval, as well as pledged to experiment with reducing the prominence of guest photos in the booking process. If a host does not comply with the policies of the platform, Airbnb will take action to enforce this policy, "up to and including suspending the host from the platform". However, the question remains whether these actions will be enough to completely eliminate the problem.

Some have argued that the only way to fully combat discrimination is through laws and regulations (Todisco 2014), making it illegal for hosts to reject anyone based on traits such as race. However, the practical impact has been questioned, as discrimination is often difficult to explicitly prove (Leong 2015). According to Benjamin Edelman, one of the researchers behind the previously mentioned Harvard study (Edelman, Luca, and Svirsky 2017), the solution lies within the design of the platform. When asked about Airbnb's strategy, Edelman stated that *"the new policy is more marketing fluff than diligent effort to fix the problem. There's a simple solution to discrimination at Airbnb — conceal names and photos prior to booking"* (McGee 2017, p. 1). Still, Airbnb claims that profile photos are an essential security feature of the sharing economy platforms, meant to build trust among users (Murphy 2016). Yet, as our research has shown, this is not the case across different ethnicities: some of our respondents trusted the Arab host significantly less than the White host.

Also depicted in our research, in the scenario of renting out one's own apartment to a racial out-group host, perceived risk arose as an underlying reason for discrimination. In other words, the user's Arab ethnicity lead some people to perceive the situation as more risky (compared to a Norwegian host), which lead them to *not* wanting to share their apartment with this person. This finding also underlines the importance of focusing on generating more trust and less uncertainty among users in such platforms.

On that note, there is one aspect of this issue that is important to stress: most discrimination that occurs today is implicit; happening *below* our consciousness (Fiske and S. E. Taylor 1991). As mentioned previously, J. Li, Zhang, and Cui (2017) found how one positive review on a guest's profile could eradicate any effects of discrimination. As a consequence, they recommend sharing

economy platforms to emphasize the distribution of truthful and relevant information through credible reputation and communication systems, in order to generate trust. As stated by the authors; *"bringing information to light, rather than trying to hide it from users, is more likely to be a successful approach to tackling discrimination in the sharing economy"*. In other words, Airbnb should motivate users to write reviews of one another and facilitate improved information sharing - to steer the focus *away* from irrelevant social cues and onto useful signals of apartment and guest quality.

Finally, the uncovering of the issue of racial discrimination on Airbnb does not only have consequences for this particular platform, but also other sharing economy platforms. As stated by Todisco (2014, p. 1), *"the scope of the sharing economy is limited only by human imagination. New companies are born every day - ranging in kind from peer-to-peer lending to shared Wi-Fi access to crowd-source dog-sitting services"*. Many of these platforms require users to include photos and names in their profiles, including the ride-hailing companies Uber and Lyft. Not surprisingly, a recent academic study found "a pattern of discrimination" against users of these platforms with African American-sounding names (Ge et al. 2016). In addition, when Uber refused to add a tipping function to the platform in early 2016, the company pointed towards its customers' unconscious racial biases as a reason (Condliffe 2016). Although unproven by extensive research, it seems as if the phenomenon of racial discrimination is not only limited to Airbnb's platform.

According to Fisman and Luca (2016), a key part of the problem is that these digital businesses have become too reliant on algorithms to power their online marketplaces. As discussed in the literature review, although algorithmic systems can theoretically be constructed as completely unbiased, they are created by humans and based on real big data (Barocas and Selbst 2016). In other words, they just reflect the racial discrimination present in society itself (Mock 2016). In fact, as put by Fisman and Luca (2016, p. 1), *"algorithm-generated discrimination occurs in ways that humans would probably avoid"*. As research has shown, racial minorities are not only rejected in digital marketplaces, they are often not even provided the opportunity to participate at all - by not being presented with the same advertisements as others (Sweeney 2013).

All in all, the issue of racial discrimination is one that needs to be addressed rigorously in the years to come, to avoid letting this age-old way of thinking perpetuate across all corners of the digital

world. As emphasized by Fisman and Luca (2016), the problem can be corrected by composing algorithms that are "more attuned to potential bias". In addition, as discussed, designing platforms specifically with the aim of minimizing the opportunity for discrimination to happen in the first place is crucial.

6.3 Limitations

The presented research is not without limitations. In the following, we will present potential limitations regarding construct-, internal- and external-validity.

Construct validity can be defined as *"the extent to which an operationalization measures the concept which it purports to measure"* (Zaltman, Pinson, and Angelmar 1977, p. 44). This is necessary for meaningful and interpretable research findings. All the questions in our survey were built on established multi-item or single item scales from existing literature, making sure that the questions measured the right concepts. This strengthens the construct validity.

Internal validity addresses whether the results obtained within the study are true (Ghauri and Grønhaug 2002). Using an experimental research design strengthens the internal validity as it allows the researcher to take control of the situation. This way we can infer that the relationship between the variables actually is responsible for the effects we observe, and not due to some other variation beyond our control. The fact that the only difference between the three different survey conditions were the manipulations of apartment and host profile, secures the internal validity, as the different conditions is what leads to variation in the remaining variables. Still, as the survey was distributed online, and the respondents could complete the survey whenever and wherever they wanted, it was not as controlled as a lab experiment. We were not in complete control of whether the respondents actually dedicated their full attention to the survey, which could lead them to not fully process the information provided in the manipulations. We attempted to prevent this by informing respondents about how the survey demanded their full attention and no distractions, and by adding a time restriction of 10 seconds to the manipulations.

A relevant threat to our research is social desirability bias, which refers to *"the pervasive tendency of individuals to present themselves in the most favorable manner relative to prevailing social norms"* (M. F. King and Bruner 2000, p. 80). Such a tendency can occur when completing explicit-bias tests, as surveys of attitudes towards minority groups are not likely to give honest answers (Dovidio et al. 1997). Implicit attitudes and biases, on the other hand, are not as easy to hide, and a research design testing this would be more suitable in preventing social desirability bias. However, as mentioned earlier, the most sensitive questions regarding attitudes towards Muslims were asked towards the end of the questionnaire in order to avoid that these questions would have an impact on all results. We believe that the purpose of the study was not revealed until this point. Also, the fact that we found significant effects indicates that the extent to which our results are biased by social desirability is limited.

External validity refers to whether the findings can be generalized (Ghauri and Grønhaug 2002). In experimental research designs, the external validity is weaker as it is a fictive situation, and is often compromised for the benefit of internal validity. This is a potential limitation of our study. The degree to which we can generalize our findings to count for discrimination of all out-group hosts and guests is limited, as the manipulations in our study were limited to only measure male hosts, and only one specific out-group ethnicity. As the survey only was conducted on students from the Norwegian School of Economics, the results from our population might not represent the general population, which serves as another limitation to the external validity.

6.4   Further Research

Racial discrimination in the sharing economy is a rather unexplored field of study, with this contribution as one of the few to highlight the issue. We suggest that further research could replicate the study on different populations, and with different research approaches. Replicating the study in societies with lower levels of trust, different mixtures of political orientation, and higher perceived intergroup threat could generate results with stronger effects of discrimination. Moreover, conducting research with different host ethnicities than what has previously been studied is needed to explore under what circumstances discrimination occurs. Using research designs such

as field studies and lab studies with implicit-bias testing could also be interesting to see whether such approaches would generate different results than by explicit testing, as done in this study. Also, when conducting explicit testing, including a separate control measure of social desirability bias can help in isolating those who are responding factually from those distorting their answers in a positive direction.

Just as important as proving its existence is research on how to *eliminate* discrimination in the sharing economy. For this purpose, we suggest two main areas of study. First of all, the question of whether to display the host's name and profile picture at all should be further examined. Benjamin Edelman, one of the authors behind the first research to reveal discrimination in Airbnb, argues that this is the most obvious and effective change Airbnb could make in its platform (Kessler 2016). As such information is providing the opportunity for digital discrimination, it is interesting to research the overall impact of removing the name and picture. In addition, contrary to the suggestion of *removing* information leading to discrimination, is the idea that *more* information might reduce digital discrimination. This builds on the abovementioned theory of *statistical discrimination*, assuming that imperfect information is the cause of discrimination. J. Li, Zhang, and Cui (2017) studied the effects of guest reviews as signifiers of quality, and found that the reviews eliminated the effect of discrimination. Consequently, we suggest more research on additional ways to prevent statistical discrimination.

6.5   Conclusion

The purpose of this thesis was to explore the issue of racial discrimination in the sharing economy, a rather unexplored field of study. To address this issue, we researched how consumer outcomes in an Airbnb-setting were influenced by a host's ethnicity, and studied the underlying mechanisms and boundary conditions involved. Further, we examined the effect of bringing in an in-group symbol to potentially eliminate discrimination.

By conducting an online survey experiment, we found negative main effects of the Arab host's ethnicity (vs. a Norwegian ethnicity) on some consumer outcomes. We also found that the response varied across the participants' political orientation and their perceived threat of Muslims towards Western culture. More specifically, being right-oriented and perceiving Muslims as a high threat towards Western culture led to additional discriminatory effects of the Arab host. In contrast, respondents who were left-oriented and those who did not find Muslims any threatening actually showed favoritism towards the Arab host. Trustworthiness appeared as the most important explaining mechanism of discrimination (and in contrast, favoritism). In addition, the in-group symbol seemed to eliminate discrimination in general, although not for all levels of political orientation and intergroup threat.

In conclusion, the sad truth is that racial discrimination is a multifaceted, complex and deep-rooted issue that will continue to persevere as we are moving into the future. As consumers are still utilizing age-old biases even in disruptive digital markets, it is essential to focus on how the phenomenon can be battled. Technology companies such as Airbnb will surely face many challenges ahead in their attempts to combat the issue of digital discrimination. The main challenge lies within smarter platform design - making us consumers trust each other, regardless of where we come from.

Chapter 7: References

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Appendices

Contents

Appendix A: Manipulations

A.1 Advertisements of Apartments

Figure A.1: Fictive Apartment Ad for White Host

Figure A.2: Fictive Apartment Ad for Arab Hosts

A.2   Host Profiles

Verten din

Martin
København, Danmark

Hi,

My name is Martin. I am a 25-year-old Norwegian student living in Copenhagen. I am renting out my apartment in periods when I am out of town.

Figure A.3: Fictive Host Profile for White Host

Verten din

Ahmed
København, Danmark

Hi,

My name is Ahmed. I am a 25-year-old Iraqi student living in Copenhagen. I am renting out my apartment in periods when I am out of town.

Figure A.4: Fictive Host Profile for Arab Host

Verten din

Ahmed

København, Danmark

Hi,

My name is Ahmed. I am a 25-year-old Norwegian-Iraqi student living in Copenhagen. I enjoy traveling, meeting new people, and outdoor sports.

I am renting out my apartment as I frequently travel to Norway to work, as well as seeing my friends and family.

Figure A.5: Fictive Host Profile for Arab Host with In-group Symbol

Appendix B: Survey

B.1   Invitation

Kjære student,

Vi ønsker med dette å invitere deg til å delta i en spørreundersøkelse om Airbnb.

Det tar deg mindre enn 10 minutter, og alle som deltar vil få tilsendt et gavekort (50kr) fra Godt Brød.

Klikk her for å delta!

Vennlig hilsen,
Center for Service Innovation (CSI), NHH

B.2   Questionnaire

Informasjon om studien
Denne undersøkelsen tar maksimum 10 minutter, og alle som deltar får tilsendt et gavekort på 50 kr fra Godt Brød. Det vil ikke lagres noen personsensitive data i forbindelse med undersøkelsen, og deltakelse er frivillig. For å dele ut gavekortet vil vi trenge din kontaktinformasjon, som kun vil brukes i tilknytning til forsendelsen. Vi vil be deg oppgi denne helt til slutt i undersøkelsen.

To steg før du begynner
1.   Trykk på F11-knappen på tastaturet ditt for visning i «full screen». (Dersom dette ikke fungerer på din enhet er det OK. I så fall ber vi deg om å lukke alle andre faner i nettleseren, slik at du ikke distraheres underveis i undersøkelsen.)
2.   Besvar alle spørsmål individuelt: Ikke kommuniser med andre underveis, hverken ansikt-til-ansikt eller via internett.

Informert samtykke
Dersom du bekrefter at du har lest informasjonen over, og gir samtykke til å frivillig delta i undersøkelsen, skriv inn følgende tekst i boksen under: **«Ja, nå er jeg klar til å delta»** og klikk neste.

Denne undersøkelsen dreier seg om Airbnb, en online markedsplass hvor brukere kan bestille overnattingssteder over hele verden. I motsetning til tradisjonell overnatting (hotell), så er dette et forum hvor privatpersoner kan leie ut boligen sin til andre privatpersoner gjennom en sikker betalingsplattform.

Før du fortsetter: Se for deg at du skal reise til København for en helg og er interessert i å leie en Airbnb-leilighet i prisklassen 500-1500 NOK per natt. På neste side vil du bli presentert for en leilighet sentralt i København innenfor denne prisklassen.

Vi ber deg om å lese informasjonen i annonsen, og klikke videre for å få informasjon om verten (utleier). Du kan ikke klikke deg videre fra annonsen eller informasjon om verten før det har gått minst 10 sekunder. Deretter vil du bli bedt om å svare på noen spørsmål.

Generelt sett, hvor **godt** likte du denne leiligheten?

0 - Ikke i det hele tatt	1	2	3	4	5	6	7	8	9	10 - Svært godt
○	○	○	○	○	○	○	○	○	○	○

Dersom du skulle tatt en beslutning her og nå, hvor sannsynlig er det at du ville **valgt akkurat denne leiligheten?**

0 - Helt usannsynlig	1	2	3	4	5	6	7	8	9	10 - Svært sannsynlig
○	○	○	○	○	○	○	○	○	○	○

Leiligheten du så ligger i prissjiktet 500-1500 NOK pr natt. Hvor mye ville du **vært villig til å betale for denne leiligheten per natt**? (Oppgi beløp i norske kroner).

[   ]

Hvor attraktiv tror du akkurat denne leiligheten ville vært for den **gjennomsnittlige NHH-student**?

0 - Svært lite attraktiv	1	2	3	4	5	6	7	8	9	10 - Svært attraktiv
○	○	○	○	○	○	○	○	○	○	○

Basert på ditt generelle inntrykk, hvordan tror du denne leiligheten har blitt vurdert av **tidligere gjester?**

0 - Svært dårlig standard	1	2	3	4	5	6	7	8	9	10 - Svært god standard
○	○	○	○	○	○	○	○	○	○	○

0 - Svært urenslig	1	2	3	4	5	6	7	8	9	10 - Svært renslig
○	○	○	○	○	○	○	○	○	○	○

0 - Svært lite trivelig	1	2	3	4	5	6	7	8	9	10 - Svært trivelig
○	○	○	○	○	○	○	○	○	○	○

Jeg følte med en gang at denne leiligheten er **"typisk meg"**

0 - Helt uenig	1	2	3	4	5	6	7	8	9	10 - Helt enig
○	○	○	○	○	○	○	○	○	○	○

Jeg føler at jeg hadde trengt **mer informasjon om verten** for å kunne velge denne leiligheten

0 - Helt uenig	1	2	3	4	5	6	7	8	9	10 - Helt enig
○	○	○	○	○	○	○	○	○	○	○

Jeg føler at jeg hadde trengt **mer informasjon om leiligheten** for å kunne ta et valg

0 - Helt uenig	1	2	3	4	5	6	7	8	9	10 - Helt enig
○	○	○	○	○	○	○	○	○	○	○

Hvor **risikabelt** mener du det ville vært å velge denne leiligheten uten mer informasjon enn det du fikk se i annonsen?

0 - Svært lite risikabelt	1	2	3	4	5	6	7	8	9	10 - Svært risikabelt
○	○	○	○	○	○	○	○	○	○	○

(Note: in the following questions, "Ahmed" was replaced by "Martin" for those exposed to the Norwegian host)

Jeg tror Ahmed er en vert som først og fremst **ønsker det beste for sine gjester**

0 - Helt uenig	1	2	3	4	5	6	7	8	9	10 - Helt enig
○	○	○	○	○	○	○	○	○	○	○

Jeg tror Ahmed er **til å stole på**

0 - Helt uenig	1	2	3	4	5	6	7	8	9	10 - Helt enig
○	○	○	○	○	○	○	○	○	○	○

Ahmed og jeg har antageligvis **lignende verdier og prinsipper**

0 - Helt uenig	1	2	3	4	5	6	7	8	9	10 - Helt enig
○	○	○	○	○	○	○	○	○	○	○

Del 2

Airbnb vurderer å tilby en tjeneste som skal tilrettelegge for gjensidig bytte av leiligheter. Som et eksempel, la oss si at du skal til København samme helg som Ahmed skal til din hjemby. Da vil dere kunne finne hverandre gjennom Airbnb sin bytteordning, slik at begge sparer penger på å dele hverandres leilighet samtidig.

Vi vil gjerne at du svarer på noen få spørsmål om denne typen tjeneste.

La oss si at du eier en 2-roms leilighet i Bergen tilsvarende den Ahmed leier ut i København. Hvor aktuelt hadde det vært for deg å foreta et **gjensidig boligbytte med Ahmed** for en helg?

0 -Svært lite aktuelt	1	2	3	4	5	6	7	8	9	10 - Svært aktuelt
○	○	○	○	○	○	○	○	○	○	○

Jeg føler jeg hadde trengt **mer informasjon om Ahmed** for å kunne foreta et gjensidig boligbytte

0 - Helt uenig	1	2	3	4	5	6	7	8	9	10 - Helt enig
○	○	○	○	○	○	○	○	○	○	○

Jeg føler jeg hadde trengt **mer informasjon om tjenesten** for å kunne foreta et gjensidig boligbytte

0 - Helt uenig	1	2	3	4	5	6	7	8	9	10 - Helt enig
○	○	○	○	○	○	○	○	○	○	○

Hvor **risikabelt** tror du det hadde vært å foreta et gjensidig boligbytte med Ahmed?

0 - Svært lite risikabelt	1	2	3	4	5	6	7	8	9	10 - Svært risikabelt
○	○	○	○	○	○	○	○	○	○	○

Vennligst oppgi i hvilken grad følgende utsagn **beskriver deg som person**

	0 - Helt uenig	1	2	3	4	5	6	7	8	9	10 - Helt enig
Jeg har en tendens til å stole på andre mennesker, selv om jeg vet lite om dem på forhånd	○	○	○	○	○	○	○	○	○	○	○
Å stole på andre mennesker er ikke vanskelig	○	○	○	○	○	○	○	○	○	○	○

I politikken snakker man ofte om "venstresiden" og "høyresiden". Nedenfor er en skala der 0 representerer de som står helt til venstre politisk, og 10 representerer de som står helt til høyre politisk. Hvordan vil du **plassere deg selv** på en slik skala?

0 - Venstre	1	2	3	4	5	6	7	8	9	10 - Høyre
○	○	○	○	○	○	○	○	○	○	○

Hvilket land er du født i?

○ Norge

○ Annet, vennligst spesifisér:

Vennligst oppgi i hvilken grad **følgende utsagn stemmer**

	0 - Helt uenig	1	2	3	4	5	6	7	8	9	10 - Helt enig
Jeg ser på meg selv som norsk	○	○	○	○	○	○	○	○	○	○	○

Har du erfaring med Airbnb fra tidligere?

○ Ja, som vert

○ Ja, som gjest

○ Ja, som både vert og gjest

○ Nei

Vi vil nå be deg om å besvare noen avsluttende spørsmål

I hvilken grad tror du muslimer **utgjør en trussel mot nordmenn?**

0 - Ikke i det hele tatt	1	2	3	4	5	6	7	8	9	10 - Veldig mye
○	○	○	○	○	○	○	○	○	○	○

I hvilken grad tror du muslimer **utgjør en trussel mot vestlig kultur?**

0 - Ikke i det hele tatt	1	2	3	4	5	6	7	8	9	10 - Veldig mye
○	○	○	○	○	○	○	○	○	○	○

Tenk på hvordan muslimer blir sett på av nordmenn generelt. I hvilken grad er muslimer ansett av folk flest til å ha følgende egenskaper?

	0 - Ikke i det hele tatt	1	2	3	4	5	6	7	8	9	10 - Veldig mye
Kompetente	○	○	○	○	○	○	○	○	○	○	○
Selvsikre	○	○	○	○	○	○	○	○	○	○	○
Dyktige	○	○	○	○	○	○	○	○	○	○	○
Vennlige	○	○	○	○	○	○	○	○	○	○	○
Varme	○	○	○	○	○	○	○	○	○	○	○
Ærlige	○	○	○	○	○	○	○	○	○	○	○

Vennligst oppgi kjønn

○ Mann

○ Kvinne

Vennligst oppgi alder

[   ]

Hva tror du var hensikten med denne undersøkelsen?

[   ]

B.3 Debrief

Takk for at du tok deg tid til å delta i denne undersøkelsen. Vi vil presisere at Airbnb-annonsen vi viste deg helt i starten ikke er en virkelig annonse. Den er laget for å undersøke hvordan folk vurderer innholdet i slike annonser. Tjenesten gjensidig boligbytte fra Airbnb er heller ikke en virkelig tjeneste, og vi har ikke kjennskap til hvorvidt Airbnb faktisk vurderer å tilby en slik tjeneste i fremtiden.

Det er VIKTIG at du ikke forteller om innholdet i denne undersøkelsen til andre studenter før det har gått minst 7 dager. Grunnen til det er at det kan påvirke måten man svarer på dersom man vet akkurat hva man kan forvente i forkant. Takk for at du respekterer denne oppfordringen.

Dersom du ønsker å få tilsendt et gavekort fra Godt Brød på 50 kr som takk for hjelpen: Oppgi fullt navn og gateadresse i boksen under.

[   ]

Appendix C: Factor Analysis and Scale Reliability Check

Table C.1: Factor Loadings and Cronbach's Alpha, Attributes of Apartment

Items:	Factor loadings
Standard	.933
Cleanliness	.910
Pleasant	.929
Eigenvalue:	2.562
Cronbach's α :	.913

Table C.2: Factor Loadings and Cronbach's Alpha, Trustworthiness

Items:	Factor loadings
Benevolence	.931
Trust	.931
Eigenvalue:	1.735
Cronbah's α :	.847

Appendix D: Descriptive Statistics and Levene's Test

Table D.1: Descriptive Statistics, Scenario 1

Variables	N Statistic	Mean Statistic	Std. Dev. Statistic	Skewness Statistic	Skewness Std. Error	Kurtosis Statistic	Kurtosis Std. Error
Liking of apartment	214	6.8178	1.72783	-.134	.166	.391	.331
Attributes of apartment	214	7.2414	1.51101	-.588	.166	**1.897**	.331
Attractiveness of apartment	214	6.6495	1.91940	-.231	.166	.231	.331
Willingness to rent	214	6.0467	2.29055	-.183	.166	-.483	.331
Willingness to pay	214	628.2710	195.80651	.190	.166	**1.919**	.331
Self-other overlap	214	6.6636	1.94016	-0.65	.166	.077	.331
Self-object connection	214	5.0935	2.08744	-.081	.166	-.118	.331
Trustworthiness	214	7.1051	1.80295	-.216	.166	.223	.331
Perceived risk	214	7.2336	2.14751	-.456	.166	-.165	.331

Note: Violation of normality assumption in bold

Table D.2: Descriptive Statistics, Scenario 2

Variables	N Statistic	Mean Statistic	Std. Dev. Statistic	Skewness Statistic	Skewness Std. Error	Kurtosis Statistic	Kurtosis Std. Error
Willingness to switch apartments	214	6.3364	3.02709	-.192	.166	-.962	.331
Perceived risk	214	6.1636	2.06386	-0.18	.166	-.019	.331

Note: Violation of normality assumption in bold

Table D.3: Descriptive Statistics, Moderators

Variables	N Statistic	Mean Statistic	Std. Dev. Statistic	Skewness Statistic	Skewness Std. Error	Kurtosis Statistic	Kurtosis Std. Error
Intergroup threat	213	3.77	2.521	.899	.167	.061	.332
Political orientation	214	6.69	1.950	-.365	.166	-0.47	.331

Note: Violation of normality assumption in bold

Table D.4: Levene's Test of Equality of Variance

Variable	F	p
Liking of apartment	.127	.881
Attributes of apartment	.185	.831
Attractiveness of apartment	.499	.608
Willingness to rent	2.340	.099
Willingness to pay	.294	.746
Willingness to switch apartments	2.787	.064

Appendix E: Main Effects

Table E.1: Planned Comparison, White vs. Arab

Dependent Variables:	t:	df:	Sig.:
Liking of apartment	.840	211	.402
Attributes of apartment	.875	211	.382
Attractiveness of apartment	1.987	211	**.048***
Willingness to rent	1.134	211	.258
Willingness to pay	1.612	211	.108
Willingness to switch apartments	2.297	211	**.023***

Significance level: *p<.05

Table E.2: Descriptives, Attractiveness of Apartment

Group:	N:	Mean:	Std. Dev.:	Std. Error:
White	72	6.931	1.849	.219
Arab	71	6.296	2.024	.240

Table E.3: Descriptives, Willingness to Switch Apartments

Group:	N:	Mean:	Std. Dev.:	Std. Error:
White	72	6.653	2.707	.319
Arab	71	5.507	2.898	.344

Table E.4: Planned Comparison, White vs. Arab Symbol

Dependent Variables:	t:	df:	Sig.:
Liking of apartment	-.968	211	.334
Attributes of apartment	-.387	211	.699
Attractiveness of apartment	.664	211	.507
Willingness to rent	-.190	211	.850
Willingness to pay	1.095	211	.275
Willingness to switch apartments	-.385	211	.700

Significance level: *p<.05

Appendix F: Mediation Analysis

F.1 Tables of Indirect Effects

Table F.1: Mediation Effects of Host Ethnicity on Liking of Apartment

Dependent variable:	a) Liking of apartment			
Independent variable:	White/Arab		White/ Arab symbol	
Mediator:	Effect:	95%CI (LL, UL):	Effect:	95%CI (LL, UL):
Self-other overlap	.0006	(-.0641,.0758)	.0585	(-.0429,.2579)
Self-object connection	-.1110	(-.4328,.2249)	.0074	(-.3006,.3353)
Trustworthiness	.1010	(-.0052,.3180)	**.2179***	(.0509,.4946)
Perceived risk	-.0021	(-.0596,.0964)	.0019	(-.0287,.0723)

Table F.2: Mediation Effects of Host Ethnicity on Attributes of Apartment

Dependent variable:	b) Attributes of apartment			
Independent variable:	White/Arab		White/ Arab symbol	
Mediator:	Effect:	95%CI (LL, UL):	Effect:	95%CI (LL, UL):
Self-other overlap	.0264	(-.0217,.1860)	.0506	(-.0641,.2448)
Self-object connection	-.0662	(-.2853,.1332)	.0048	(-.2054,.2213)
Trustworthiness	.1912	(-.0579,.4960)	**.2518***	(.0677,.5294)
Perceived risk	.0104	(-.0327,.1138)	.0064	(-.0175,.0951)

Table F.3: Mediation Effects of Host Ethnicity on Attractiveness of Apartment

Dependent variable:	c) Attractiveness of apartment			
Independent variable:	White/Arab		White/ Arab symbol	
Mediator:	Effect:	95%CI (LL, UL):	Effect:	95%CI (LL, UL):
Self-other overlap	.0202	(-.0335,.1964)	.0221	(-.1563,.2878)
Self-object connection	-.1202	(-.4923,.2312)	.0073	(-.2820,.3292)
Trustworthiness	.0768	(-.0100,.2935)	.0793	(.-1339,.3791)
Perceived risk	-.0024	(-.1007,.0791)	.0087	(-.0245,.1191)

Table F.4: Mediation Effects of Host Ethnicity on Willingness to Rent

Dependent variable:	d) Willingness to rent			
Independent variable:	White/Arab		White/ Arab symbol	
Mediator:	Effect:	95%CI (LL, UL):	Effect:	95%CI (LL, UL):
Self-other overlap	-.0239	(-.2137,.0263)	.0676	(-.0785,.3835)
Self-object connection	-.1083	(-.4587,.2121)	.0111	(.4432,.5248)
Trustworthiness	.1137	(-.0173,.3889)	**.2358***	(.0010,.6115)
Perceived risk	.0499	(-.0228,.2376)	.0197	(-.0607,.1721)

Table F.5: Mediation Effects of Host Ethnicity on Willingness to Pay

Dependent variable:	e) Willingness to pay			
Independent variable:	White/Arab		White/ Arab symbol	
Mediator:	Effect:	95%CI (LL, UL):	Effect:	95%CI (LL, UL):
Self-other overlap	-2.8085	(-32.9105,3.7037)	**20.3847***	(1.1423,58.5694)
Self-object connection	-5.7421	(-28.7557,9.3257)	.3232	(-12.7894,18.2881)
Trustworthiness	10.1901	(-1.2653,39.9068)	6.9091	(-14.4376,32.5240)
Perceived risk	4.9886	(-1.5189,22.6536)	2.5455	(-7.5534,17.6098)

Table F.6: Mediation Effects of Host Ethnicity on Willingness to Switch Apartments

Dependent variable:	f) Willingness to switch apartments			
Independent variable:	White/Arab		White/ Arab symbol	
Mediator:	Effect:	95%CI (LL, UL):	Effect:	95%CI (LL, UL):
Self-other overlap	-.0437	(-.3689,.0364)	**.2824***	(.0347,.7940)
Self-object connection	-.0434	(-.3008,.0700)	.0027	(-.1464,.1839)
Trustworthiness	.1586	(-.0202 .5355)	**.3525***	(.0350,.9144)
Perceived risk	.0794	(-.0168,.3325)	.0222	(-.0506,.2268)

F.2 Illustrations of Parallel Mediation Models
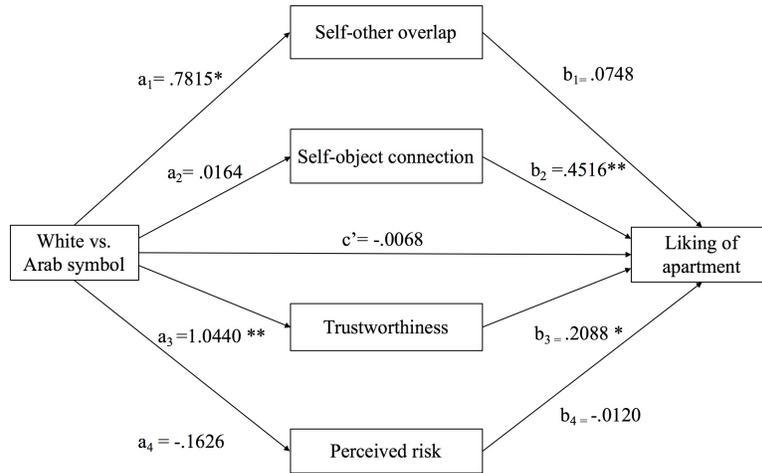
Figure F.1: Parallel Mediation Model: Liking of Apartment

Significance level: *p<.05, **p<.01
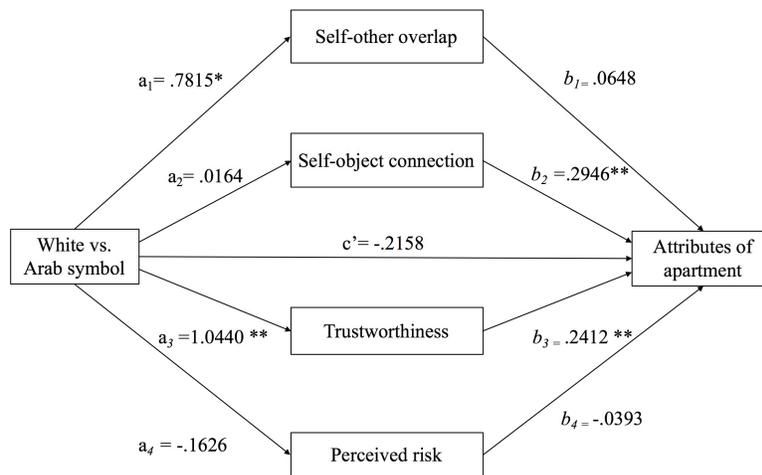
Figure F.2: Parallel Mediation Model: Attributes of Apartment

Significance level: *p<.05, **p<.01
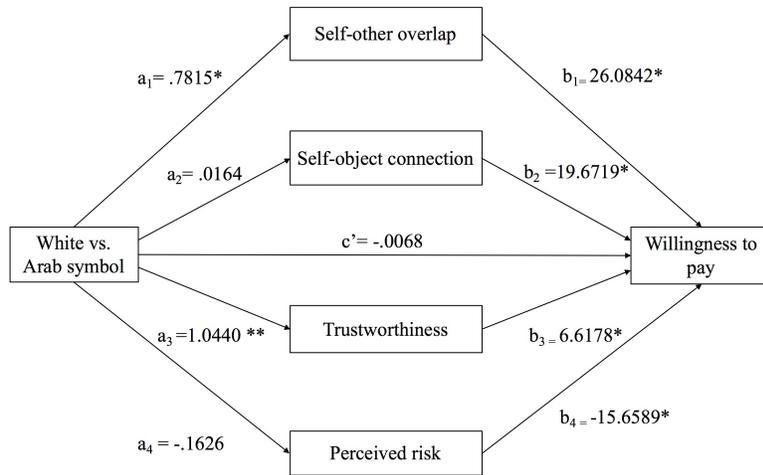
Figure F.3: Parallel Mediation Model: Willingness to Pay

Significance level: *p<.05, **p<.01

Appendix G: Conditional Process Analysis

G.1   Moderated Mediation of Political Orientation

Table G.1: Moderated Mediation: Political Orientation on Liking of Apartment

Dependent variable:	Liking of apartment			
Moderator:	Political orientation			
Independent variable:	White/Arab		White/ Arab symbol	
Mediator:	Effect:	95%CI (LL, UL):	Effect:	95%CI (LL, UL):
Self-other overlap	-.0003	(-.0744,.0706)	-.0258	(-.1293,.0139)
Self-object connection	**-.2520***	(-.4372,-.0808)	-.1652	(-.3428,.0018)
Trustworthiness	**-.1111***	(-.2387,-.0322)	**-.0813***	(-.2143,-.0119)
Perceived risk	-.0029	(-.0533,.0140)	-.0009	(-.0430,.0183)

Table G.2: Moderated Mediation: Political Orientation on Attributes of Apartment

Dependent variable:	Attributes of apartment			
Moderator:	Political orientation			
Independent variable:	White/Arab		White/ Arab symbol	
Mediator:	Effect:	95%CI (LL, UL):	Effect:	95%CI (LL, UL):
Self-other overlap	.0416	(-.0107,.1393)	-.0205	(-.1339,.0268)
Self-object connection	**-.1512***	(-.2868,-.0543)	**-.1088***	(-.2445,-.0035)
Trustworthiness	**-.2083***	(-.3837,-.0834)	**-.1045***	(-.2546,-.0204)
Perceived risk	-.0038	(-.0531,.0104)	-.0033	(-.0568,.0118)

Table G.3: Moderated Mediation: Political Orientation on Attractiveness of Apartment

Dependent variable:	Attractiveness of apartment			
Moderator:	Political orientation			
Independent variable:	White/Arab		White/ Arab symbol	
Mediator:	Effect:	95%CI (LL, UL):	Effect:	95%CI (LL, UL):
Self-other overlap	.0263	(-.0350,.1502)	-.0109	(-.1349,.0641)
Self-object connection	**-.2839***	(-.4883,-.0942)	-.1644	(-.3478,.0070)
Trustworthiness	**-.0932***	(-.2380,-.0119)	-.0304	(-.1764,.0531)
Perceived risk	-.0029	(-.0581,.0151)	-.0040	(-.0683,.0145)

Table G.4: Moderated Mediation: Political Orientation on Willingness to Rent

Dependent variable:	Willingness to rent			
Moderator:	Political orientation			
Independent variable:	White/Arab		White/ Arab symbol	
Mediator:	Effect:	95%CI (LL, UL):	Effect:	95%CI (LL, UL):
Self-other overlap	-.0421	(-.1638,.0164)	-.0329	(-.1964,.0228)
Self-object connection	**-.2510***	(-.4532,-.0878)	**-.2500***	(-.5260,-.0072)
Trustworthiness	**-.1281***	(-.2915,-.0337)	-.0821	(-.2544,.0137)
Perceived risk	-.0180	(-.1083,.0204)	-.0092	(-.0887,.0308)

Table G.5: Moderated Mediation: Political Orientation on Willingness to Pay

Dependent variable:	Willingness to pay			
Moderator:	Political orientation			
Independent variable:	White/Arab		White/ Arab symbol	
Mediator:	Effect:	95%CI (LL, UL):	Effect:	95%CI (LL, UL):
Self-other overlap	-4.8977	(-23.0011,3.7638)	-8.3571	(-30.8567,.8455)
Self-object connection	**-13.6566***	(-30.9385,-4.5170)	**-7.1379***	(-19.9583, -.3770)
Trustworthiness	**-11.5289***	(-29.9434,-.3757)	-2.5172	(-15.3640,6.5129)
Perceived risk	-1.6960	(-10.0805,1.4380)	-1.2892	(-9.8970,4.8844)

Table G.6: Moderated Mediation: Political Orientation on Willingness to Switch Apartments

Dependent variable:	Willingness to switch apartments			
Moderator:	Political orientation			
Independent variable:	White/Arab		White/ Arab symbol	
Mediator:	Effect:	95%CI (LL, UL):	Effect:	95%CI (LL, UL):
Self-other overlap	**-.0949***	(-.2904, -.0046)	-.1017	(-.3539,.0055)
Self-object connection	**-.1055***	(-.2873,-.0057)	-.0773	(-.2513,.0039)
Trustworthiness	-.0843	(-.2702,.0359)	-.0781	(-.2988,.0401)
Perceived risk	-.0758	(-.2635,.0653)	-.0020	(-.1938,.2120)

G.2 Moderated Mediation of Intergroup Threat

Table G.7: Moderated Mediation: Intergroup Threat on Liking of Apartment

Dependent variable:	Liking of apartment			
Moderator:	Intergroup threat			
Independent variable:	White/Arab		White/ Arab symbol	
Mediator:	Effect:	95%CI (LL, UL):	Effect:	95%CI (LL, UL):
Self-other overlap	.0015	(-.0413,.0446)	-.0410	(-.1387,.0386)
Self-object connection	-.1136	(-.2710,.0224)	**-.2355***	(-.3823,-.1169)
Trustworthiness	**-.0921***	(-.2369,-.0167)	**-.1073***	(-.2298,-.0299)
Perceived risk	.0008	(-.0273,.0405)	-.0024	(-.0419,.0165)

Table G.8: Moderated Mediation: Intergroup Threat on Attributes of Apartment

Dependent variable:	Attributes of apartment			
Moderator:	Intergroup threat			
Independent variable:	White/Arab		White/ Arab symbol	
Mediator:	Effect:	95%CI (LL, UL):	Effect:	95%CI (LL, UL):
Self-other overlap	.0189	(-.0070,.0901)	-.0313	(-.1383,.0595)
Self-object connection	-.0698	(-.1726,.0125)	**-.1528***	(-.2789,-.0651)
Trustworthiness	**-.1662***	(-.3108,-.0569)	**-.1193***	(-.2446,-.0317)
Perceived risk	-.0034	(-.0417,.0183)	-.0081	(-.0498,.0063)

Table G.9: Moderated Mediation: Intergroup Threat on Attractiveness of Apartment

Dependent variable:	Attractiveness of apartment among in-group			
Moderator:	Intergroup threat			
Independent variable:	White/Arab		White/ Arab symbol	
Mediator:	Effect:	95%CI (LL, UL):	Effect:	95%CI (LL, UL):
Self-other overlap	.0186	(-.0159,.1197)	-.0176	(-.1641,.1097)
Self-object connection	-.1254	(-.2932,.0243)	**-.2357***	(-.4096,-.1129)
Trustworthiness	**-.0709***	(-.2055,-.0032)	-.0401	(-.1887,.0669)
Perceived risk	.0027	(-.0308,.0462)	-.0116	(-.0721,.0086)

Table G.10: Moderated Mediation: Intergroup Threat on Willingness to Rent

Dependent variable:	Willingness to rent			
Moderator:	Intergroup threat			
Independent variable:	White/Arab		White/ Arab symbol	
Mediator:	Effect:	95%CI (LL, UL):	Effect:	95%CI (LL, UL):
Self-other overlap	-.0223	(-.1432,.0120)	-.0399	(-.1944,.0744)
Self-object connection	-.1111	(-.2773,.0200)	**-.3491***	(-.5512,-.1677)
Trustworthiness	**-.0945***	(-.2375,-.0101)	-.1084	(-.2740,.0193)
Perceived risk	-.0219	(-.1032,.0099)	-.0244	(-.0993,.0037)

Table G.11: Moderated Mediation: Intergroup Threat on Willingness to Pay

Dependent variable:	Willingness to pay			
Moderator:	Intergroup threat			
Independent variable:	White/Arab		White/ Arab symbol	
Mediator:	Effect:	95%CI (LL, UL):	Effect:	95%CI (LL, UL):
Self-other overlap	-2.5366	(-18.3023,1.6567)	**-14.3987***	(-35.3978,-1.2006)
Self-object connection	-5.6209	(-16.9927,.4464)	**-9.7966***	(-21.8188,-2.3013)
Trustworthiness	-9.0430	(-26.9122,.4412)	-3.6891	(-16.9072,6.3701)
Perceived risk	-2.3056	(-10.9071,.4933)	-3.1061	(-10.9400,.2970)

Table G.12: Moderated Mediation: Intergroup Threat on Willingness to Switch Apartments

Dependent variable:	Willingness to switch apartments			
Moderator:	Intergroup threat			
Independent variable:	White/Arab		White/ Arab symbol	
Mediator:	Effect:	95%CI (LL, UL):	Effect:	95%CI (LL, UL):
Self-other overlap	-.0433	(-.1957,.0151)	-.1359	(-.3559,.0249)
Self-object connection	-.0478	(-.1767,.0061)	-.0883	(-.2519,.0336)
Trustworthiness	-.0643	(-.2324,.0310)	-.1035	(-.2951,.0624)
Perceived risk	**-.2040***	(-.3709,-.0882)	**-.2110***	(-.3935,-.0905)