

Personal encounters and the illusion of accountability in the sharing economy

Author:

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Publication Date:

2017

DOI:

<https://doi.org/10.26190/unsworks/3115>

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PERSONAL ENCOUNTERS AND THE ILLUSION OF ACCOUNTABILITY IN THE SHARING ECONOMY

EMMA McDAID

A thesis in fulfilment of the requirements for the degree of Master of
Philosophy



School of Accounting

UNSW Business School

January 2017

PLEASE TYPE
THE UNIVERSITY OF NEW SOUTH WALES

Thesis/Dissertation Sheet

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Abbreviation for degree as given in the University calendar:

MPhil

School: Accounting

Faculty: Business

Title: Personal encounters and the Illusion of Accountability in the Sharing Economy

Abstract 350 words maximum:

Technologies of online ratings and reviews have recently emerged as mechanisms to facilitate transparency and accountability in the provision of goods and services. While online ratings have been shown to create trust in systems, trust in ratings by users has been largely neglected by researchers, despite the relationship between trust and reviews that has been posited in many accounts. Drawing on 30 field interviews with Airbnb guests and hosts and analysis of a range of secondary materials, I found that users are largely sceptical towards the information content of Airbnb's ratings and reviews. Scepticism is driven by initial perceptions of online ratings as being too high, and also by the face-saving practices adopted by users in the process of reviewing. Employing face-saving practices, users are found to adopt three distinct strategies – (1) use of private messenger channels, (2) creation of tactful reviews that camouflage reality and (3) abstinence from reviewing entirely – when leaving ratings and reviews on Airbnb. Trust in Airbnb's online ratings and reviews is found to be fragile, and users need support through other mechanisms to become informed. In addition to affecting trust, these three strategies combine to create illusory accountability in Airbnb's online ratings. This new form of accountability is conceptualised as crowd-sourced accountability and is found to survive without genuine engagement by users. These findings raise important questions about the efficacy of online ratings and reviews as a mechanism for self-regulation in the sharing economy.

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ACKNOWLEDGEMENTS

I am indebted to both of my supervisors, Clinton Free and Christina Boedker, for their constant support, guidance and patience during the last eighteen months. Clinton's wide-ranging insights, generosity and passion have motivated and inspired far beyond this thesis. The high quality of feedback received in the process has not always been easy to accept or master, but has taught me a tremendous amount which I hold in earnest for the next phase. Thank you to Christina for the invaluable advice before I began my research journey, and for since managing my theoretical and writing interests with an even keel.

Both the process and the end product have benefitted from helpful comments from the academic staff and students at UNSW and those from further afield. In particular, I would like to extend my thanks to Sarah Adams, Paul Andon, Al Bhimani, Wai Fong Chua, Conor Clune, Rina Dhillon, Yves Gendron, Bernard Pierce, Martin Quinn, Shaun Simmons and especially, Maude Pare Plante, for helpful comments and conversations.

I owe my interview participants a debt of gratitude for giving up their time and energy to be part of this study. I hope they would find what follows interesting.

Finally, I would like to thank all of my friends and family for enduring hours of thesis talk of the last frustrating while. In particular, I would like to devote this first piece of work to Neil, for his wisdom, pragmatism and love when the chips were down. I am eternally grateful to you.

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ABSTRACT

Technologies of online ratings and reviews have recently emerged as mechanisms to facilitate transparency and accountability in the provision of goods and services. While online ratings have been shown to create trust in systems, trust in ratings by users has been largely neglected by researchers, despite the relationship between trust and reviews that has been posited in many accounts. Drawing on 30 field interviews with Airbnb guests and hosts and analysis of a range of secondary materials, I found that users are largely sceptical towards the information content of Airbnb's ratings and reviews. Scepticism is driven by initial perceptions of online ratings as being too high, and also by the face-saving practices adopted by users in the process of reviewing. Employing face-saving practices, users are found to adopt three distinct strategies – (1) use of private messenger channels, (2) creation of tactful reviews that camouflage reality and (3) abstinence from reviewing entirely – when leaving ratings and reviews on Airbnb. Trust in Airbnb's online ratings and reviews is found to be fragile, and users need support through other mechanisms to become informed. In addition to affecting trust, these three strategies combine to create illusory accountability in Airbnb's online ratings. This new form of accountability is conceptualised as crowd-sourced accountability and is found to survive without genuine engagement by users. These findings raise important questions about the efficacy of online ratings and reviews as a mechanism for self-regulation in the sharing economy.

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CHAPTER ONE: INTRODUCTION AND MOTIVATION

1 Introduction

The role of accounting is very different today compared with how it was conceived 30 years ago. Exciting new techniques and technologies for accounting have emerged, with accounting scholars now studying the nature and impact of calculative practices in both commerce and society. That our social world is directly affected by these calculative practices was the central focus of Miller's (2001) study, in which he illumed the ways that politicians draw upon calculations to instil social law and order upon citizens. Away from the hand of the state, but still by virtue of calculation, accounting authority has been granted to rankings and league tables that are created by the public, for the public (Free, Salterio, & Sheerer, 2009; Jeacle & Carter, 2011; Kornberger & Carter, 2010; Scott & Orlikowski, 2012). As an academic collective, we appear united in our opinion of such instruments, ascribing them with the production of decision-useful information and trusted by newly democratised consumers (Jeacle & Carter, 2011; Scott & Orlikowski, 2012). The recent adoption of ranking

instruments by companies to self-regulate bestows more practical importance to these socially constructed accounting tools than ever before.

This thesis examines how users interact with the information produced by Airbnb's online ratings and reviews. The research is undertaken with the aim of understanding the degree of trust held in these ranking mechanisms across the sharing economy. Using field research and netnographic methods, this thesis examines users' decision-making by using Sztopka's (1999) narrative that describes the importance of personal and contextual cues in decision-making. A deeper understanding of interactions in the Airbnb field is sought by evoking Goffman's (1967) interaction ritual, a sociological account that characterises our interpersonal behaviour in social settings.

This chapter discusses the background and motivations for undertaking the research and provides a brief outline of the overall structure of the thesis. Section 2 of this chapter provides an overview of the sharing economy as the setting upon which the thesis is based. Section 2 also includes a brief synopsis of the management accounting ranking literature and explains the motivation for the current investigation into online ratings and reviews. Section 3 is an overview of the main findings and contribution of the study. Finally, Section 4 provides a summary of the thesis structure.

2 Background and Motivation

This thesis is motivated by the convergence of two phenomena: (1) the increased capacity of the lay-person as an expert in emerging peer-to-peer markets and (2) the proliferation of ranking mechanisms that reportedly provide enhanced transparency and accountability. Since 2008, peer-to-peer markets that operate under the umbrella of the sharing economy have experienced substantial growth. Along a similar timeline, publicly available ranking measures have assumed traction in the accounting literature as an accountability movement that promotes good governance (Espeland & Sauder, 2007). Of late, these mechanisms have had a direct role in enabling sharing

economy firms to operate, but an empirical examination of the adoption of information provided by user-generated rankings is lacking. Section 2.1 below provides an account of the evolution of the sharing economy by describing the operations of its major proponents: Airbnb and Uber. Regulation, or the absence of regulation, has significantly affected the development of this new marketplace; Section 2.1.1 includes a note on recent regulatory developments by way of a background. Extending upon this, Section 2.2 introduces the role of online ratings and reviews to the sharing economy as well as their coverage in accounting research. This section also frames the emerging research opportunity.

2.1 Understanding the Sharing Economy

The sharing economy emerged in the late 2000s, with members of the public using applications of information technology to lease or sell their own under-used assets. Enabling the establishment and growth of accommodation platforms such as Airbnb or Homestay, or the ride-sharing platform Uber, this disruptive business model has significantly reduced the need for ownership of assets in society. Early accounts of the marketplace have been plentiful, with Botsman and Rogers (2010) labelling it as *collaborative consumption* and Gansky (2010) using the term *the mesh* to describe new forms of trading. Elsewhere, business academics have recognised the filtration of prosumers in society (Willmott, 2010) and the surge of co-production (Zwick, Bonsu, & Darmody, 2008).

Technically speaking, organisations operating within the sharing economy are differentiated based on their style as either business-to-consumer or peer-to-peer enterprises. The business channels of the sharing economy range from practices that involve renting or selling owned assets to professional or skilled labour hire. Below, Table 1 explicates these business channels and differentiates each based on its style as either peer-to-peer or business-to-consumer. Table 1 is based on an analysis by

Stephany (2015) and an adaptation of a framework by Sundararajan (2014) that was submitted as part of a hearing on regulatory oversight in the United States (US).

Table 1: Conceptualisation of sharing economy business models, channels and characteristics

Business model	Business channel	Characteristics	Organisational example
Peer-to-peer	Repurposing owned assets as rental services	This business model facilitates the leasing of asset-based services for a fee, simultaneously creating labour opportunities for individuals who own the asset.	Airbnb
Peer-to-peer	Professional service provision	This business model creates a new channel for providers of different services or new providers with little service experience, thereby expanding business opportunities. This model also allows individuals to become entrepreneurs instead of working in traditional organisations.	Uber, Relayrides, Lyft
Peer-to-peer	General-purpose freelance labour provision	This business model creates new marketplaces for innovative streams of freelance labour. For example, the platform TaskRabbit allows individuals to outsource general tasks to taskers in the online community, thereby allowing the taskers to gain labour opportunities.	TaskRabbit
Business-to-consumer and peer-to-peer	Peer-to-peer asset sales	This business model enables organisations to create marketplaces that allow the buying and selling of goods between participants.	eBay, Etsy

Table 1 presents a high-level abstract understanding of the now established sharing economy marketplace. In practice, members can move between business channels freely if circumstances permit, and it is conceivable that peer-to-peer organisations may make the transition to the peer-to-business model as they accumulate legitimacy. It may also be argued that business-to-consumer organisations (such as eBay) have

diverged from the sharing economy in recent times because a growing proportion of their revenue is derived from the sales of high-street retailers (such as Target and JB Hi-Fi) in place of micro-entrepreneurs. For the former business models and for many individuals, the flexibility that peer-to-peer organisations provide is the leading attraction to partaking; this is largely attributed to the style of self-regulation that currently governs the marketplace.

2.1.1 Regulation of the Sharing Economy and the Ranking Mechanism Role

Sharing economy organisations are frequently referred to as *disruptive* due to the widespread implications for their traditional incumbent competitors. This disruption appears to sharpen as the volume of debate on regulation increases. Numerous positions have been advanced on the conversation, many of which advocate for global endorsement of self-regulation (Allen & Berg, 2014; Cohen & Sundararajan, 2013; Morgan & Kuch, 2015; Sundararajan, 2014). These moves are at odds with the faction in society that contests the business model due to concerns over the fair work rights of sharing economy contractors, safety standards, taxation law and zoning rules.

The standard of regulation varies across the organisations shown in Table 1. In the ride-sharing space, Uber has long been the target of criticism due to disparities between the legal checks imposed on Uber drivers and the checks imposed on traditional taxi drivers in the conventional qualification process. In 2016, Uber settled two class-action lawsuits that alleged safety concerns over their rides, paying out US\$28.5 million to an undisclosed number of passengers who raised the action (Lien, 2016). With Airbnb, hosts and guests have similar concerns in relation to transacting under seemingly oblique housing laws. A case is currently proceeding in the Australian judicial system that will seek to repeal a recent decision about the nature of an Airbnb stay. In previous cases, Airbnb transactions have been found to meet the definition of a license to occupy, opposing the position offered by landlords that the transactions are sublease agreements. In the interim, millions of renters around the world are listing their properties on Airbnb without the approval of their lessors.

To allay operational concerns, sharing economy organisations claim that reputational feedback mechanisms (i.e., online rating and review systems) are used for quality control and accountability. It is here that the practical significance of ranking mechanisms to the sharing economy is seen. For example, in the online information provided to budding Uber drivers, the organisation has made the following statement:

After every trip, drivers and riders rate each other on a five-star scale and give feedback on how the trip went. This two-way system holds everyone accountable for their own behavior. Accountability helps create a respectful, safe environment for riders and drivers. (Uber, 2016)

Airbnb has made similar statements when lobbying the Australian government against regulation, promoting its two-way online rating and review system as critical to maintaining quality standards (Orgill, 2015). Academics and policy-makers also appear to agree with these recent motions. Sundararajan (2014) has claimed that online ratings and reviews can be used to successfully rectify the information asymmetry between peer-to-peer transacting parties. Allen and Berg (2014) have positioned the information provided by ranking mechanisms as a network for reputational evaluation that upholds a method of civil-society governance. The accounting community has discussed rankings in terms of commensuration (Espeland & Stevens, 1998), performativity (Pollock and D'Adderio, 2012; Scott & Orlikowski, 2012) and systems trust (Jeacle & Carter, 2011); a blossoming regulation role relating to accountability is also emerging.¹

¹ For the purposes of this thesis, references to online ratings and reviews should be understood as references to ranking mechanisms. An organisation's algorithm calculates the ranking based on the score provided by a user through their rating and review of an experience.

2.2 Ranking Mechanisms in the Accounting Literature

In the accounting space, rankings have been studied from two ends: (1) the institutional end, where Master of Business Administration (MBA) programs and law schools have been subject to measurement in media such as the *Financial Times* or the *US News* (Espeland & Sauder, 2007; Free et al., 2008), and (2) the social end, where cities or hotels have been ranked for their liveable or hospitable qualities (Jeacle & Carter, 2011; Kornberger & Carter, 2010; Scott & Orlikowski, 2012). A review of the literature suggests that, while ranking instruments are found to possess qualities of reactivity because they shape the environment they purportedly measure, the objectivity of those charged with measurement has been questioned. There are also concerns around how the quantification of values takes place, with Espeland and Sauder (2007) believing that some unique qualitative characteristics of an object are eroded by the process of ranking.

Due to the value that accrues to a brand that is highly ranked, concerns have also been raised as to the gaming tendencies of actors in their interaction with ranking outcomes. On this basis, the value that can be gained from an audit is noted (Free et al., 2008). However, by observing the systems trust held in TripAdvisor (Jeacle & Carter, 2011), the public's apparent naivety to the gaming risk in the construction of crowd-sourced ratings is also noted. Systems trust is found to be predicated upon personal trust in other TripAdvisor users, the latter coming about because users perceive the voice of others as independent, authentic and divested from self-interested agency. Institutional motives also appear disaggregated from the new power accorded to citizens.

3 Motivation

The ranking system of the sharing economy presents an interesting parallel to that of TripAdvisor and to the many of the other contexts in which rankings have been

investigated. There are two features of the sharing economy that urges the study of ranking mechanisms therein.

First, organisations such as Uber and Airbnb are not focused in the same primal way as TripAdvisor on the production of user reviews to inform the public. The foremost objective of both Uber and Airbnb is to connect members of the public who are seeking to share and exchange. This is in distinct contrast to TripAdvisor, whose systems trust is engendered in part because of its mission statement to “Get the truth, then go” (Jeacle & Carter, 2011, p. 304). With a more obscure institutional role, concerns may be raised over the authenticity and verification of sharing economy user reviews and the associated rankings.

Second, a new era is emerging, defined by Stephany (2015, p. xi) as an “economic and social revolution”, where impassioned citizens are pursuing an opportunity to correct for inequalities in the global wealth distribution of past decades. The sharing economy differs from TripAdvisor because lay-people, being the consumers and the entrepreneurs, are united in their opposition to commercial enterprises. Instead, the public provide accounts of one another as the buyers or entrepreneurial sellers of a product or service. Transactions are hosted in intimate settings in Airbnb, and although intimacy is not of an equivalent level in Uber, drivers and passengers enjoy a brief relationship in a privately owned car that is free of the professional accoutrements adorned by traditional taxis. In this new economic and social revolution, guidelines on quality standards are hazy, and professionalism is somewhat replaced with personalised experiences. This may lead to questions about the objectivity and scientific rigour of the evaluations employed.

Finally, and in drawing Section 1 and Section 2 together, sharing economy ranking mechanisms are used as a resource that replaces regulation in a highly successful marketplace. This critical practical development – affecting society and commerce alike – compounds the need to verify the role and efficacy of online ratings and reviews.

For these reasons, this thesis asks the following question of participants of Airbnb: How do users interact with information provided by online ratings and reviews for decision-making? By empirically examining the steps that users take in making decisions based on ranking information, this thesis seeks to extend the literature linking trust and online rankings by examining the trust-in-use of ranking information. This thesis also aims to understand the credibility of accountability provided through socially constructed ratings and reviews.

4 Summary of Contributions

The thesis contributes to the literature on online rankings from the perspective of trust, accountability and the agency of accounting. This section describes these three contributions.

First, this thesis finds that online ratings and reviews are used in a qualified manner for decision-making. This implies that the limited fragile trust that users have in the ranking mechanism moderates its use in decision-making. By adopting the narrative of Sztompka (1999), this thesis shows that a mixture of personal and contextual sources of information are adopted in the overall decision-making process, with users primarily preferring to interview one another using a personal messaging service instead of solely relying on online ratings and reviews. Users appear sceptical of online ratings and reviews for two reasons: first, because of the high volume of positive ratings (compared with negative ratings) and secondly, because of the ways in which they personally rate and review another user following an experience. This thesis finds that users frequently employ face-saving practices (Goffman, 1967) when giving accounts of one another through online ratings and reviews; this weakens the perceived credibility of rating information and thus, the trust-in-use of online ratings is also weakened. This contribution extends prior research that links Giddens' (1990, 1991) systems trust to online ratings and reviews (Jeacle & Carter, 2011) by

highlighting the powerful effects of our behavioural response to evaluating our peers through an accounting instrument.

Second, this research finds that face-saving practices employed in the creation of online ratings and reviews are responsible for the construction of an illusion of accountability. In extending the current literature, this new form of accountability is conceptualised as a form of crowd-sourced accountability. It differs from the mainstream forms of accountability that have been previously defined as either hierarchical or socialised (Roberts, 1991). Crowd-sourced accountability is predicated by the asymmetry of power relations among online users, which suggests that crowd-sourced accountability is more closely aligned with the bottom-up lateral accountability found in socialised accountability (Roberts, 1991). In contrast with socialised accountability where users are mostly seeking a deeper understanding of their surrounds through their peers, crowd-sourced accountability is characterised by the desires and actions of individuals to protect each other's feelings and identity. It arises out of the same fear of exclusion felt by individuals in traditional hierarchical structures, and is enabled by the power asymmetries that characterise socialised forms of accountability. This third form of accountability, although evolving from previous forms, is found to lack legitimacy because it hides critical information in relation to the reality of using sharing economy services. This thesis advocates for an increase in institutional involvement in the design and operation of social accountability systems controlled by everyday citizens. Such involvement should appreciate the moderating effect of our expressive tendencies when giving accounts of our peers.

Third, this study draws upon Goffman's (1967) interaction ritual to show how face-saving practices are employed in everyday online interactions. The human tendencies that are embedded in these interactions are often invisible to the observer and have limiting effects on the efficacy of the benchmarking tool. The wide range of face-saving practices found at Airbnb demonstrates the significance of the individual's agency when using accounting tools; individuals are found to exercise creativity in their

evaluations and are deeply committed to maintaining this form of impression management. Accounting is traditionally conceived as powerful because it is believed to present and enforce objective fact (Porter, 1996). Evidence of impression management techniques suggests that the power of accounting in social contexts is vulnerable to the will of the individuals who are charged with measurement and evaluation. Simultaneously, this shows how power relations have been recast in favour of the layperson. There may be important implications here for the future of ranking mechanisms, especially those residing in the public domain. Impression management techniques may also penetrate the work of teams in organisations, particularly in terms of performance evaluation and benchmarking.

Finally, this research is conducted with a view to applying Goffman's (1959) front-stage and back-stage metaphor to the study of information found in online sites. The metaphor is a helpful resource for addressing criticisms of netnographic research as relying too heavily upon textual representations. Indeed, by exploring the mindset of participants in their creation of online ratings and reviews and the subsequent reviews constructed, the back-stage is found to present a very different reality to the front-stage. It is hoped that this will sensitise future researchers to the drawbacks of using netnographic methods as a primary methodological approach.

4.1 Implications for Practice

In light of the regulatory role that has been ascribed to sharing economy ranking mechanisms, the disparities found between the back-stage and the front stage are concerning. That ranking mechanisms reduce information asymmetry is well known, but the quality of this information must be credible for regulation to have the desired effect. These concerns are consistent with those of Tsoukas (1997) and his argument that the information age provides us with unprecedented dangers if all information is accepted as knowledge. For this reason, a firm argument can now be made for further investment in research on how to regulate sharing economy platforms. This would

benefit from an examination that respects the subjective nature of the information provided by peer-based online ratings and reviews.

5 Structure

This thesis comprises four chapters. Chapter Two provides a substantial literature review. Divided into two main sections, Chapter Two provides an overview of the accounting literature as it has sought to investigate (1) institutionalised and socially constructed ranking mechanisms and (2) the relationship between trust and accounting. The latter half of Chapter Two begins with a short summary of the mainstream theories of trust and the motivation for the choice to use Sztopka (1999) and Ring (1996) in analysing the empirical data of this thesis.

Chapter Three presents an article that addresses the research question. The article entitled 'Personal encounters and the illusion of accountability in the sharing economy' is the main object and focus of this thesis. It is hoped that presenting the thesis in this way preserves a flow and orientation that resonates with academic readers.

Chapter Four presents a conclusion to the thesis by addressing the major themes uncovered and possible future areas for research. Some potential limitations of the study are also noted.

CHAPTER TWO: LITERATURE REVIEW

1 Introduction

This chapter provides a review of the accounting and trust literature that will enable an understanding of two broad areas of research: (1) the implications for accounting in online spaces, specifically the relationship between management accounting and the field of rankings and league tables, and (2) theorisations of trust and how trust has affected, and can affect, accounting research. This understanding will act as the foreword for the article presented in Chapter Three.

Calls to study accounting at its margins (Humphreys & Miller, 2012; Jeacle, 2012; Miller, 1998) have increased in recent years, with the state of the margins themselves expanding and enriching as the internet becomes more critical to society. Using the internet as a field, management accounting has moved concepts such as organisational rankings, calculative practices and modes of commensuration out of controlled institutions and into everyday life. The calculative practices associated with

social rankings are now understood to have powerful attributes that are capable of recasting the boundaries of accountability in long-established industries such as tourism (Scott & Orlikowski, 2012). These attributes replace the expertise provided by the travel agent by achieving a new sense of public systems trust in the architecture of the internet (Jeacle & Carter, 2011). These are recent and important developments for the future of management accounting in society, but are also a product of a decade of attempts by others to locate the role of accounting in the internet's unpoliced chaos.

Studies undertaken in the online field have been diverse. Accounting scholars have examined the role of accounting in the online interactive data field for companies under Securities and Exchange Commission regulations, where accountability fell short of its potential (Lowe, Locke and Lymer, 2012). Some research has problematised the auditors' attempts to gain legitimacy in the field of online assurance, also known as web-trust (Barrett & Gendron, 2006), while other studies have observed the lack of stakeholder democratisation from Shell's web forum, despite its objective to inform about social, environmental, economic and ethical responsibilities (Unerman & Bennett, 2004). Taken together, it is clear that public governing bodies or institutions may, either purposefully or non-purposefully, limit the democratising effect and indeed the accountability and transparency effects of information available in online spaces.

From the context of the previous research, the heightened credibility and legitimacy of user-generated ratings and reviews in TripAdvisor can be appreciated. Here, the user is in control because he or she has the ability to upload photographs, receive performance badges and may even get a promotion to level 6 contributor, depending on the level of use employed (Jeacle & Carter, 2011; Scott & Orlikowski, 2012). The user's position, divested from any self-interest goals, is found to be authentic. He or she gains the repertoire of an expert, inculcating a level of public trust that suggests online information is critical for decision-making in these settings.

Further to the right of the margins, inter-organisational management accounting scholars have been chipping away at the relationship between trust and accounting for decades. The results have been diverse, with several scholars criticising the trust-accounting research completed hitherto (Free, 2008; Mahama & Chua, 2016) and others pleading with us to explore the existence between trust and accounting on the internet as a new network for management accountants (Tomkins, 2001).

The remainder of this chapter is set out as follows. Section 2 is an overview of the literature that relates accounting practices to emerging phenomena observed on the internet. A key reflection here is included in Section 2.3, where the research into rankings at an institutional level and a social level is summarised. This is followed by a discussion of trust in general and with respect to its implications for management accounting research. Key reflections are included at the end of Section 3.

2 Examining Accounting in Online Spaces

As previously discussed, the internet has introduced a profusion of new and exciting accounting research that can be located in each of the financial, auditing and management accounting streams. The financial accounting literature has identified a weakness in the power of the internet to harness stakeholder opinions that would generate a consensus on topics related to social reporting (Unerman & Bennett, 2004). Misgivings about the capacity of online data to reflect thorough accountability mechanisms are also apparent, with Lowe et al. (2012) finding that the elimination of narrative data has a negative effect on the quality of decision-making. Both of these studies aimed to understand how the internet mediates the role of accounting: whether it delivers on its promises for improved reporting or whether it allows for improved decision-making from the perspective of investors.

On the other hand, management accounting research into the online field is often founded upon the existence of calculative practices. These practices are used to act

upon the agency and decision-making of others (Miller, 2001) and can “translate diverse and complex processes into a single financial figure” (p. 381). This has led to a spearheading of research to discover the role of accounting in organisations, institutions and society, when alternatives are ranked for decision-making. Rankings are associated with being “part of a global movement, redefining accountability, transparency and good governance in terms of quantitative measures” (Sauder & Espeland, 2009, p. 80).

2.1 Ranking Literature and Theory

The work of Espeland and Sauder (2007) highlights the direct and pervasive effects that rankings have on US law schools; key connections are made between rankings as social statistics and as processes of self-fulfilment and commensuration, the latter of which has been aligned with activities such as pricing and cost-benefit ratios (Lohmann, 2009). Commensuration is the key that unlocks the reactivity of ranking mechanisms (Espeland & Stevens; 1998). In relation to US law schools, modes of commensuration reduce volumes of information down to a hierarchical numerical order that enjoys the privilege of public trust because the “meaning of numbers is universal and stable” (Espeland & Sauder, 2007 p. 18). However, while ranking mechanisms are rigorously applied to measure performance, the rankings also have the power to erode the specialised niches that law schools have worked to achieve. Gaming strategies can be often employed to escape the brutal reduction of the same such qualities.

Pollock and D’Adderio (2012) uphold the consistent view of other management accounting scholars in this area: ranking mechanisms are constructed upon calculative practices. The views of Pollock and D’Adderio diverge in their extension of the concept of calculation to include other socio-material properties. In doing so, Pollock and D’Adderio introduce the concept of a ranking device, instead of a ranking mechanism, to formally reflect its function as an instrument that shapes the

environment it is purported to rank. In drawing out the reactivity concept introduced by Espeland and Sauder (2007), Pollock and D'Adderio (2012) claim that the qualities of socio-material affordances and constraints found in rankings, and observed in the creation of visual inscriptions (graphs and charts), allow teams to strategise against their competitors. Thus, rankings have a productive role in the market. The limitations of rankings are also addressed by Pollock and D'Adderio, who find that regulating a ranking mechanism can lead to a restriction in its agility and performance.

For Kornberger and Carter (2010), the reactivity of rankings is similarly consequential in the study of competition between cities; the threat of a poor ranking compels cities to differentiate themselves, and ultimately, to strategise. Once again, accounting is instrumental in the process of benchmarking due to the construction of league tables by virtue of calculative practices. The amalgamation of calculative practices creates a distinct brand for a city, further framing the reactivity of rankings. Powerful effects are noted by recalling how financial resources are allocated to highly ranked cities. However, effects of an index's outcomes are also presented as problematic. Movements of cities on the league table appear dramatic and without adequate explanation. The measures are not seen to take into account the unique cultural and historical qualities of cities, but rather the measures create a truth and reality that is known only within the ranking. The questioned objectivity of the league table shows the fragility of ranking outcomes, a finding that has been proposed as a corollary to the value attached to assurance practices in audits of ranking mechanisms (Free et al., 2008).

In an extension of Espeland and Sauder (2007), scholars have moved to scrutinise the rankings of MBA courses in publicly available media, such as the *Financial Times*. High levels of scepticism and acrimony are directed towards these instrumental scores, with Free et al. (2008) acknowledging the persistent concerns from business schools, such as Harvard Business School and Wharton Business School, about the scientific rigour of rankings available in the news media. Much is learned about the complexity that surrounds audits of these mechanisms, with systematic procedures lacking and

iterative negotiations between the *Financial Times* and KPMG dominating the style of audit engagement employed. Despite this seemingly opaque audit process, legitimacy is ascribed to the audited MBA rankings. This can imply one of two things: either the public trusts the black box of auditing to address methodological issues in the measurement of MBA courses, or the black box of rankings is gravely in need of external and independent oversight.

2.2 Online Rankings and TripAdvisor

In the past five years, two seminal studies have emerged that address the proliferation of online ratings and reviews in society. The first concentrates on how users trust the publicly available information provided by TripAdvisor (Jeacle & Carter, 2011), and the second extends upon that foundation to discuss the relationship between these ratings and accountability (Scott & Orlikowski, 2012).

In broad terms, trust held in online rankings, such as those provided by TripAdvisor, appears to be engendered through two interrelated channels. First, personal trust is inculcated as rating and review information is provided by those whom we perceive to be in possession of the following traits: ability, benevolence and integrity. Constructed by Jeacle and Carter (2011), this contribution employs Mayer, Davis, and Schoorman's (1995) account of interpersonal trust as a theoretical lens. Second, the calculative practices involved in the algorithm for TripAdvisor's Popularity Index, coupled with the changing role of the lay-person from novice to expert, produces important effects in how the public lives in the social world (in terms of signification) and augments the power of TripAdvisor. These features position TripAdvisor as an internet-mediated abstract system, trusted according to Giddens' (1990, 1991) sociology on modernity. The study by Jeacle and Carter (2011) is mainly theoretical and relies upon netnographic methods, but it proffers important inter-dependencies between the two styles of trust evident from the social effects of TripAdvisor. The role of other users and the related personal trust is paramount to whether TripAdvisor, in a more general sense, is trusted. Without trust, the legitimacy of TripAdvisor would

not be reproduced. In light of the literature, another way to view this is to consider the reproduction of legitimacy as a corollary to the reactivity of rankings.

Scott and Orlikowski (2012) examine TripAdvisor's ranking mechanism from the perspective of its implications on the notion of accountability. In highlighting the reactivity of rankings, Scott and Orlikowski illustrate the lengths that hotels will go to in order to remove a negative review. At times, hoteliers act when misleading information is posted only to find a low level of responsiveness from the TripAdvisor organisation, with hoteliers claiming, "it's as though there is no one at the end of the email" (Scott and Orlikowski, 2012, p. 35). In this tense environment, competition intensifies between hotels due to the ranking mechanisms. Hoteliers are now compared with, and are therefore competing against, other hotels in their 4-star or 5-star category, a point also made by Jeacle and Carter (2011).

The hotelier becomes highly productive in this environment, managing operations and staff in response to their vulnerable and changing status on TripAdvisor's rankings. The newly formed user-generated accountability positions the hotelier as the passive actor in its entanglements, often subjecting the hotelier to angst and anxiety that is imposed by an algorithm that is not held to account. Scott and Orlikowski (2012, p. 37) state, "while hoteliers are held to account by TripAdvisor reviews, a reciprocal, mitigating sense of accountability is unavailable to them – by design". In depicting the nature of these new accountability relations, which is both sourced from and dependent on the crowd, Scott and Orlikowski's efforts are mostly invested in unravelling the *discursive materiality* of these ranking mechanisms and not in providing a thorough-going account of this new form of accountability. However, they do convey that the form of accountability differs from the hierarchical and socialised accountability previously posited in Robert's (1991) thesis.

2.3 Discussion

By connecting the behaviour of actors and institutions with ranking outcomes through the *reactivity* of rankings, Espeland and Sauder (2007), Kornberger and Carter (2010), and Pollock and D'Adderio (2012) show the potential power that rankings can wield to shape or change our social living. Thereby, these authors introduce the helpful role that accounting research can play in controlling that power and investigate the accountability framed by rankings to ensure they are created in the name of the public good.

Reactivity of ranking mechanisms is highly supported and underlies the basis of the metaphor provided by MacKenzie (2006), where leagues tables are engines and not cameras. Of particular note here is the innate angst over the potential for gaming that can be employed to manipulate ranking outcomes. While significant work has examined the relationship between calculation/calculative practices and the construction and effect of the order within these mechanisms, a separate body of work has rightfully emerged to address the role of auditing in verifying the order that is often vulnerable to agential interference (Free et al., 2008). However, where rankings are partly a product of institutional forces such as the *Financial Times*, there is an expectation that an audit can render some degree of value. Rankings generated by public users on websites such as TripAdvisor, Yelp and IMDB are subject to fewer controls, and given the gaming tendencies identified in theoretical research, there is a need to empirically examine the credibility of user-generated rankings. In parallel with this, accounting scholars can espouse the potential for assurance providers to step in and expand their services to include user-generated rankings.

Both studies portend that, despite the power of TripAdvisor's rankings as a democratisation tool, this power itself could have potentially devastating outcomes for hoteliers who are at the mercy of public opinion. Jeacle and Carter (2011) report that in 2011, a United Kingdom (UK) firm named Kwikchex, that represents over 800 UK hotels, took legal action against TripAdvisor over the website's claims that each of

its reviews can be regarded as trustworthy. Jeacle and Carter allude to the irony of TripAdvisor's position as an expert system given that the reviews on the site largely reflect the scepticism of users towards official experts. This invites us to question the objectivity of reviewers in interactive settings, given their seemingly automatic preponderance to be critical of traditional travel experts. It is also worth noting that while Jeacle and Carter's (2011) investigation explored the constituents of the apparent trust in online ratings and reviews, they did not directly claim that all online ratings and reviews are trustworthy, rather that TripAdvisor acts as a means for producing and reproducing trust. Looming questions over the credibility of the collective of public opinion furthers the opportunity in the research to examine the credibility of ranking outcomes.

Scott and Orlikowski's (2012) work extends our understanding of the concept of reactivity, which was originally made famous by Espeland and Sauder (2007), by introducing its performative effects. Performativity is conceptually similar to the self-fulfilling effects of reactivity described by Espeland and Sauder (2007). However, through addressing the performativity effects, Scott and Orlikowski have opened up the rankings discussion to sensitise the academic and practical communities to the human element to reviewing activities. It is conceivable that reviewers may find that the reviewing process is limited by their capacity for self-reflection because users create an impression of the self in the review that is written. This point is cogently made by both Roberts (2009) and Messner (2009), when they describe the perils of giving an account of the self and may somewhat explain the paradox of lay-expertise described by Jeacle and Carter (2011).

Finally, in discussing the performative effects of rankings, Scott and Orlikowski (2012) allude to the gains in marketing that hoteliers can obtain. TripAdvisor pursues an agenda of providing the public with free information for decision-making. Organisations that take a direct share in commission when services are consumed based on their ranking, such as online accommodation providers, may also benefit from the positive gains in marketing.

The research to date reflects a triad of concerns that compels further research in the areas of credibility and the employment of ratings and reviews in decision-making. First, gaming effects may be potentially invisible in publicly generated rankings that are globalised and presumably difficult to audit. Second, the alleged objectivity of expert reviewers has already been questioned and could be found to cast doubt on the accuracy of reviews. Third, platforms that enable rankings may benefit commercially from gaming effects and the slanted objectivity of reviewers. These concerns present ample opportunity to re-assess our understanding of publicly created rankings, based on online ratings and reviews, from a decision-making perspective. This understanding will reveal whether the ranking mechanisms fulfil their stated objectives of accountability and transparency. Such an understanding is even more important in a time where these mechanisms add to the growing market share of technology companies that use them as regulatory devices.

2.4 Summary

Key terms circulate the accounting literature that investigates rankings. While the literature of earlier years was concerned with concepts of reactivity and commensuration, more recently the literature has been drawn to theories of technology as an internet-mediated abstract system and the nuances of the performativity and discursive materiality discharged by the system. In this thesis, I argue that the information provided by online ratings and reviews (the underlying data used for ranking mechanisms) is used in a limited manner for decision-making by the public and has significant implications for how users are found to trust the information. The resulting construct of accountability that is thought to have positive social effects by democratising users is also problematised as more illusory than real. By empirically addressing how users interact with online ratings and reviews, I will show that interaction theories (such as Goffman's 1959 dramaturgical framework) are key to understanding the implications that these ranking mechanisms have for trust, accountability and our wider social environment.

3 Trust and Accounting

In Luhmann's (1988) terms, trust is the rational answer to problems of complexity. Luhmann's sociological account of trust is predicated upon the diffusion of risk in contemporary society, determining that "trust is a solution for the specific problems of risk" (1988, p. 95). Theorisations of trust in its noun form originate from various streams (Blomqvist, 1997), with the literature broadly divided between psychological accounts, sociological accounts and accounts derived from transaction cost economics. Alongside this, attempts to document processes of *trusting* in its verb form have emerged to show how trust can be learned (Sztompka, 1999) and the fluidity in its process (Khodyakov, 2007). This is in contrast to the approach that focuses on the specific attributes of trust, and herein the dualities of trust that have gained inspiration from Granovetter's (1973) work on weak and strong ties. For the purposes of this research, I adopt the perspective of trust as a process and seek to analyse the various ways that users interact with online information in decision-making.

The aforementioned maze of trust theory has produced similar disparities across the accounting literature. Broadly, the accounting literature has examined the role of trust in inter-firm or inter-organisational alliances such as partnerships, networks or strategic alliances. In pursuing this scholarship, the trust-accounting nexus has provided us with conceptualisations of trust in its relationship to accounting practices (Free et al., 2008; Mouritsen & Thrane, 2006) as well as more recent accounts that observe how accounting practices interact with and are mobilised in the name of trust enacting (Mahama & Chua, 2016; Vosselman & van der Meer-Kooistra, 2009). However, the vast majority of research has sought to better understand implications for management control through researching inter-organisational relationships. On one end of the spectrum lies a substitutive relationship, where the level of trust in an organisation is inversely related to the level of control required. On the other end of the spectrum lies a complementary relationship, where trust and control are integrally related and an increase in the level of control produces an increase in trust.

Results for this body of work have been disparate; some find substitutive properties where trust replaces control (van der Meer-Kooistra & Vosselman, 2000) or where control is required at the inception of a relationship to build trust but the need attenuates over time once trust is established (Tomkins, 2001); others find complementary results where formal controls further improve already trusted relations (Johansson & Baldvinsdottir, 2003).

To address the aforementioned developments, Section 3.1 below summarises the mainstream theorisations of trust that inform this thesis. Section 3.2 is an overview of research that conceptualises trust with regard to accounting practices, and Section 3.3 summarises the relationship that trust has been found to bear on management control systems. An appraisal of the trust and accounting literature is included in section 3.4.

3.1 Theorisations of Trust

Trust has generally been rationalised as taking four main forms. Trust can be felt towards generalisable others, referred to as thin trust (Coleman, 1988; Putnam, 1995; Uslaner, 2000). Trust may be particularised to those with whom we are familiar and have strong social ties with, referred to as thick trust (Freitag & Traunmuller, 2009; Patulny & Svendsen, 2007; Uslaner, 2008). Trust can also evolve by way of rational or cognitive conventions involving self-interest and calculation (Hardin, 1992; Williamson, 1993) as well as evolving through affective or emotional means (McAllister, 1995; Williams, 2007). Other theorists present trust as a multidimensional social construct, requiring a mix of rational predictions and emotional ties (Barber, 1983; Lewis & Weigart, 1985; Luhmann, 1979). These theoretical pieces are in contrast to the rising understanding of trust as a fluid moving process (Khodyakov, 2007), which can be made visible by examining the practices and activities that circulate our attempts to reach a place of trust (Ring, 1996; Sztompka, 1999).

Thus far, accounting research has invoked theories of trust that fall somewhere in-between the schools of sociology and psychology, with particular emphasis on Mayer et al.'s (1995) concept of interpersonal trust and Giddens' (1990, 1991) account of trust in abstract systems. Because this study investigates the practices and activities triggered through the interactions between individuals and the information provided by ranking mechanisms, this thesis adopts the contrasting perspective of trust as a process in line with Sztopka (1999) and Ring (1996). Before providing an overview of both of these latter works, the paragraph below is a brief summary of the former.

Mayer et al. (1995) contribute in two ways to our understanding on trust. First, they provide a construct of personal characteristics that both the *trustor* and the *trustee* should possess to produce trusting relations.² Second, they clarify the relationship between trust and risk. The personal characteristics of trustors and trustees that enable trust are the characteristics of *ability*, *benevolence* and *integrity*. Mayer et al. propose that these factors can be used by an organisation to understand the trustworthiness of an employee; trustworthiness can be understood as existing on a continuum, paced by varying degrees of trustworthiness that can be reached from one end to the other.

Mayer et al. (1995) further propose that the level of trust a trustor has in a relationship will affect the level of risk he or she is willing to take. This relationship between trust and risk echoes the aforementioned link between trust and uncertainty, and is similarly presented in Lewis and Weigart (1985) and Yamagishi and Yamagishi (1994). The characteristics of ability, benevolence and integrity are deployed in the analysis of TripAdvisor by Jeacle and Carter (2011) to show trust in the abstract system relies in part upon personal trust. Free (2008) similarly adopts Mayer et al.'s (1995) definition of trust for his analysis of supply chain networks in UK supermarkets. Free (2008), Jeacle and Carter (2011), and Seal, Berry, and Cullen

² The term *trustor* is adopted with respect to a trusting party; the term *trustee* refers to the party to be trusted. I adopt these terms throughout the remainder of the thesis.

(2004) also use Giddens' (1990, 1991) insights into trust in abstract systems to understand the relationship between trust and accounting practices.

Giddens (1990, 1991) aligns modernity with our vulnerability because there may be a threat to our identities in the modern era in which globalisation has dramatically changed the way we live. Societies can be categorised as pre-modern and modern, with pre-modern societies deriving trust from kinship and tradition, and modern societies building trust as it relates to abstract systems. Broadly then, trust can be classified as (1) trust in persons and (2) trust in systems, with the latter dependent on trust in symbolic tokens and trust in expert systems. Symbolic tokens, such as money, are media of interchange that circulate networks and are independent of the characteristics of people in possession of them. Expert systems refer to systems of technical expertise that provide for "the security of day-to-day reliability" (p. 114). According to Misztal (2013), Giddens conceptualises interpersonal relations as a supplementary element that enhances abstract systems trust. She claims that "trust in abstract systems is not so psychologically rewarding, confidence in such conditions ought to be 'actively re-grounded' in personal ties with others" (p. 90). Connections between interpersonal trust and abstract systems trust are similarly made in Sztompka's (1999) sociology, where he contends that trust cannot be perceived as a one-dimensional form and that social and interpersonal trust are constantly and perpetually interlinked.

For Sztompka (1999), our evaluation of another's trustworthiness becomes a core resource when we are faced with an unknown, unpredictable and uncontrollable world. His idea of trust as placing a bet implies that the process of trusting requires the trustor to invest significant commitment to take action, based on the beliefs that he has in an expected outcome. Although Sztompka's trust model is systematic and explanatory, it is not interpreted as belonging strictly to the rational choice theory domain (Coleman, 1990; Hardin, 1992; Williamson, 1993). Instead, these bets are taken in response to the "chances of winning or losing" (p. 33) in a given situation. Sztompka (1999) argues that bets to evaluate trustworthiness are based on both

personal and contextual information or cues, which contribute to either a *primary* or a *derived* level of trustworthiness, respectively. Personal cues are mainly composed of three variables: reputation (being a record of past deeds), performance (present conduct) and appearance (identity), while contextual or secondary cues provide information of the context in which the trustee operates. These latter cues relate to the actions of a person or institution that are independent of their personal life or personality traits; accountability regimes are examples of secondary information cues because they provide a more formal incentive to meet the expectations of the trustor.

Accountability regimes refer to whether or not there are agencies that might monitor and sanction the trustee. According to Sztompka, “accountability dampens inhibitions to grant trust and encourages a more open, trustful attitude, because it provides the trustor with a kind of insurance against possible losses, a backup option against potential breaches of trust” (1999, p. 88). The scope for anonymity on the internet would not appear to provide this type of insurance. In his analysis of the effectiveness of accountability, Sztompka finds that people ought to be visible (as opposed to anonymous) and vulnerable to the agent of accountability in terms of possible sanctioning and that there must be a form of collateral to ensure obligations are met.

Primary and derived forms of trustworthiness reflect the information used in the decision-process of trusting and are less reflective of the nature of trust than theories resulting in the many trust dualities such as thick or thin, cognitive or affective, and generalised or particularised trust. Trust theory can be distributed along a similar spectrum, as is often noted in accounting research, where positivist functional accounts that describe end-to-end states of trust dominate one side, and the interpretative non-positivist accounts that look at the origins, evolution and implications of trust sit at the other side. The account provided by Ring (1996) may be found somewhere in the middle.

For Ring (1996), the trust that governs economic exchange can be thought of as fragile or resilient depending on the processes used in the enactment of trust. Ring’s thesis

builds on the foundations of cognitive thin trust and the opposing affective thick trust previously mentioned, but Ring theorises that it is based on the degree to which an individual expects opportunistic behaviour from another in an exchange. Fragile trust exists when there is little evidence to support positive outcomes from our interpersonal engagements, but armed with little other choice but to proceed, we work to supplement our fragile trust by collecting other types of information that ultimately protect us from the other's intentions. This information gathering is similarly reflected by Ring and Van de Ven (1992) in their discussion of formal safeguards in contracting, but in peer-to-peer networks safeguards can be conceived as taking a significantly less formal structure than previous research. Resilient trust, on the other hand, extends beyond predictions of the behaviour of others. Resilient trust ignores the agency or economic motivation in another's action, and instead just seeks that people fulfil the natural moral and social orders that exist.

This thesis uses Sztompka (1999) to illumine the process of users' decision-making in the midst of various information cues that are available on Airbnb's website. Sztompka's insights on the trustworthy nature of accountability systems are also helpful due to the previous contention that systematic online ratings and reviews enhance accountability. Ring's (1996) fragile and resilient trust can supplement this by providing context on the nature and type of trust depending on the activities observed in the field.

Section 3.2 below continues the focus on trust by examining specific developments in trust-accounting research. This is with respect to the roles that trust plays in accounting in general and more technically in the design of management control systems.

3.2 Conceptualisations of Trust in Accounting Research

Free's (2008) interpretative field study on UK supermarkets presents the relationship between trust and accounting as much more nuanced than previously

reported by some positivistic works (Tomkins, 2001; van der Meer-Koistra & Vosselman, 2000). Free finds that trust in buyer-supplier relationships tends to follow the encapsulated interest theory of trust (Hardin, 2002) characterised by expectations of another's self-interest and expected levels of opportunism. With respect to accounting, while Free finds that calculative practices were crucial for the inculcation of systems trust, he suggests that the controls bequeathed by category management fell short of their implied goals to build trust, instead raising the prospect that the controls were a product of power and dominion relations rather than a product of trusted relations. Despite the ineffective nature of calculative controls, they were invoked in public pronouncements to sell the idea of positive supplier relations to the public. This was labelled a *discursive resource* because making public pronouncements under the banner of trust blinded the suppliers to the real enactments of power behind the scenes and baited them into agreement on issues under negotiation. This work conceptualises the potential for trust as a strategic resource to gain competitive advantage. In doing so, accounting practices and their associated calculations have garnered a level of abstract systems trust, although trust itself can potentially be indistinct from the rules of power. This thread flows through the breadth of accounting research with Seal et al. (2004) finding accounting practices surrounding the construction of modalities were similarly vulnerable to power effects ingrained in buyer-supplier relations.

Mouritsen and Thrane (2006), in the study of three independent network organisations constituted as a network enterprise, show how accounting techniques such as self-regulating and orchestrating mechanisms act to hold the enterprise together. Mouritsen and Thrane show that trust is engendered in the management accounting system and that such a system can "outlive partners and organize the ways partners can engage with each other" (2006, p. 263). This trust, which is similar to abstract system trust (Free, 2008; Seal et al., 2004), arises due to perceptions of auditability because users are comforted by the idea that accounting is re-calculable and predictable. However, despite management accounting practices forming the centrepiece of the network, and being trusted by right of their

systemness, interactions are yet still innate to the functionality of the enterprise. And although partners do not explicitly act in the name of trust, the absence of trust becomes problematic. The absence of trust originates from the risk that a partner may withdraw from a network and extract the resources that other partner firms are reliant upon. Co-dependence on crucial shared resources is a leading cause of tension and scepticism in network relations; evidence of obscurity in the accounting literature between relations of trust and relations of power is noted.

Though Vosselman and van der Meer-Kooistra (2009) do not use the terminology that has been derived from Giddens' (1990) abstract systems trust, they still point out that accounting practices incite trust from organisational actors – in this case, it is communicated by way of relational signalling. In theorising accounting controls as relational signalling devices, Vosselman and van der Meer-Kooistra imply that parties in interfirm transactional relationships flag evidence of their trustworthiness through controls and calculations. This does not contribute to the formation of exclusively thin or exclusively thick types of trust that have been previously proffered as distinct (Nooteboom, 2002; Woolthuis, Hillebrand, & Nooteboom, 2005) but is found to establish a foundation for thin trust that also contributes towards the development of thick trust in the long run. This theorisation goes further than to suggest that accounting is innately trusted, proposing in detail that accounting can be used as a trust-building technology. Vosselman and van der Meer-Kooistra's theoretical perspective was to focus on the outcomes of trust-building processes to show how control and trust coincide to create stable and durable relationships.

In seeking to understand the role of accounting in alliance formation and lifecycle, Mahama and Chua (2016) use a practice-based lens to capture the dynamics relating to trust formation, and specifically, how these dynamics are intertwined with accounting practices over time. This is opposed to questioning whether accounting is itself trusted. Mahama and Chua therefore start their line of enquiry from a trust perspective, and work from this position to understand how accounting is enrolled

in the enactment of trusting or distrusting in a network. Studying trust in this way takes a process-based view of trust that is aligned with the work of Sztompka (2009), Khodyakov (2007) and Ring (1996). Trials of trust, such as ranking suppliers based on their potential revenue opportunity or obtaining corporate references on a supplier's credibility, are found to be more dominant in the earlier stages of a relationship, but that is not to say that they disappear in later stages; ongoing evaluation and performance measurement are found to be necessary throughout a relationship due to persistent concerns of opportunistic behaviour. By using accounting practices in an ongoing fashion to respond to matters of trust in buyer-supplier relations, it can be presupposed that accounting in and of itself is trusted in line with the *systemness* evoked above. However, Mahama and Chua (2016) chose to elevate the contribution of accounting to show the role that it plays in the creation and ongoing support of critical business relations, rather than conceptualise the nature or form of this trust needed for these relations. Here it is seen that accounting is much more than open-book costing, margin calculations etc. Accounting scholars learn that through *doing* accounting, we shape the present and the future, internal and external firm relations. And accounting is implicated in all of the effects of such relations in the broader social context. Mahama and Chua (2016) also posit that trust formation in business is found to be a product of historical and cultural influences that also draw on accounting practices to ensure confidence.

3.3 Trust, Information and Accounting Control

Tomkins (2001) challenges accountants to value the trust requirements in organisational relationships when designing their control mechanisms. He finds that the trust and control needs of individuals in organisations are highest at the beginning of their relationship, diagramming an inverted U-shaped graph to depict this association. Broadly, this theory can be placed alongside studies that show a complementary relationship between trust and control, where increased controls have a positive effect on trust.

As business relations mature, the information needs of business partners attenuate, but importantly, they do not disappear giving less credence to the argument that trust can substitute for accounting controls. Information needs can be of two types: Type 1 relates to forming initial trusting relations and Type 2 relates to information processed in making valuable business decisions. Tomkins (2001) bases this theoretical contribution on the idea that relationships, both personal and business oriented, are constructed on the premise of collaboration, where parties will not engage with one another until they are mutually satisfied that conditions are fair, raising similar resonations with studies that highlight the dysfunctional behaviour of those facing risks of self-interest and opportunism in others (Mouritsen & Thrane, 2006; Seal et al., 2004). By acknowledging that relationships in an organisation will interact with control systems with respect to the stage in their lifecycle, Tomkins (2001) motivates management to carry out an analysis of the trusting intentions of their employees before setting management control boundaries, substituting where possible elements of control for trust mechanisms.

Complementary relations between trust and accounting are further evident in the work of Johansson and Baldvinsdottir (2003) who consider the adoption of performance evaluation practices in two Swedish companies. They observe that trusting attitudes are critical for the successful adoption of performance evaluation practices. This hinges on the emotional tension that is brought about by performance evaluation in general, making the need for trust or trusted carriers (those trusted individuals that influence accounting practices) more significant due to heightened vulnerabilities in practice. Johansson and Baldvinsdottir reveal how open, supportive and proactive attitudes of management can circulate trust, and how critical attitudes and a blame culture can transfer distrust through accounting techniques. The literature suggests that the role of management is paramount to trust in accounting practices, which is slightly segregated from the literature addressing the *systemness* of accounting.

This complementary perspective is in contrast to the empirical case study account presented by van der Meer-Kooistra and Vosselman (2000), who find that different patterns of organisational styles also reflect the level of control required in those organisations. The three patterns of organisational style were market-based patterns, bureaucratic-based patterns and trust-based patterns. van der Meer-Kooistra and Vosselman examine the outsourcing of renovation and maintenance activities established by two case-study companies: NAM and Shell. In linking trust-based patterns to low control mechanisms, they categorise their findings into the strand of research promoting a substitutive relationship between trust and accounting control, where a trusting culture acts in place of a high-control culture. Trust-based patterns are characterised by informal control and abstract contracts, where information asymmetries are corrected by goodwill trust between partners. For example, in the contact phase of negotiations with suppliers, the criteria that Shell requested was vague because potential suppliers were required to “have a clear identity and should be aware of his own professional qualities”.

This is in stark contrast to NAM’s regulated tender process, where potential suppliers had to form consortiums and present inter alia, experience with similar bids, evidence of policies surrounding safety, health, wellbeing and the environment, as well as evaluating the competitiveness of their own bid. van der Meer-Kooistra and Vosselman correlate market forces with NAM’s highly controlled environment and suggest that Shell’s innovation and creativity culture is intuitively opposed to accounting controls. In the latter case, an interesting turn with respect to power relations is taken. Not only are activities outsourced, but so too are the management and coordination of these activities, transferring more power to the supplier than in previous instances of outsourcing. Despite this, contracts were negotiated without bargaining prowess, presenting us with a key question: can trust be leveraged in business to win bargaining or competitive advantage?

3.4 Discussion

In light of the question above, some evidence has already been proffered in the accounting literature. Free (2008) finds that UK supermarkets use trust as a discursive resource to temper the actions of suppliers into cooperation. However, it could also be argued that the buyers publicly promoted category management as a response to regulatory pressures ensuing from a Competition Commission enquiry in 2000 and building pressures imposed by the Institute of Grocery Distribution (Hingley, 2005). However, the idea that accounting practices are trusted according to Giddens' (1990) abstract system concept is certainly well documented (Free, 2008; Jeacle & Carter, 2011; Seal et al., 2004). Accounting practices are seen to incite trust from individuals across the vast majority of research: they can be institutionalised (Seal et al., 2004), they have "the ability to command the partners" (Mouritsen & Thrane, 2006, p. 272) in a network and they are used outside of mainstream methods for tasks such as surveillance and discipline (Free, 2008). Additionally, researchers are invited to discuss the power of accounting when we learn of how trials of trust are perpetually framed through the use of accounting practices (Mahama & Chua, 2016). Even when trust has been shown to substitute for accounting control (van der Meer-Kooistra & Vosselman, 2000), accounting is still implicated in the control structure, despite the authors contention otherwise. Accounting is not totally redundant in Shell's control structure, high exit costs are written into negotiations to aid co-operation, showing the inter-reliance between trust and accounting numbers. This thread comes together to portray accounting as a resource that can be used, if required, to build trust. But limited research has investigated the gains that can be made by this trust: how far will partners go in the name of trust and how much can be gained by manipulating trust?

3.5 Summary

Trust and accounting are certainly entangled and these issues have been flagged for further research due to the proliferation of the internet in general (Sztompka, 1999) and as a network for organisations (Tomkins, 2001). Enabling this research agenda, the idea that accounting is most interesting at the margins is gaining popularity (Miller, 1998). Calculation and calculative practices have moved outside organisations and into social spheres (Free et al., 2008; Jeacle & Carter, 2011; Kornberger & Carter, 2010). New networks that are founded on these calculative techniques are emerging in the form of peer-to-peer markets in the self-regulated sharing economy. While the literature has taken steps to show that ranking mechanisms are trusted as an abstract system (Jeacle & Carter, 2011), the literature review above aims to highlight the dispersion in the previous trust and accounting-control research that could imply a similar future dispersion in trust rankings research. This thesis aims to discern the degree of trust felt towards these mechanisms for decision-making purposes. Of the modes of governance proposed by van der Meer-Kooistra and Vosselman (2000), the self-regulated sharing economy would appear to fall within the trust structure, with few market forces available to protect consumers. In this setting, the ranking mechanisms effectively regulate the market, illustrating the many potential roles that trust can play and the value it can bestow to a marketplace.

CHAPTER THREE: PERSONAL ENCOUNTERS AND THE ILLUSION OF ACCOUNTABILITY IN THE SHARING ECONOMY

1 Introduction

The past five years have witnessed innovative disruptors transform industries and activities as fundamental as communication, transportation, shopping and holiday-making. By directly connecting buyers and sellers online, the exchange of products and services is now occurring for lower costs and at a greater reach than ever before. These burgeoning peer-to-peer exchanges primarily use commodities sourced from assets that are under-used. Taken together, they have created the marketplace commonly referred to as the *sharing economy*. Uber and Airbnb lead the way of this new mode of e-commerce, with Uber now valued in excess of the market capitalisation of General Motors and Ford, and Airbnb having recently surpassed the market valuation of the Marriott, Starwood, Expedia and Wyndham groups (Winkler,

2015). Yet neither Uber nor Airbnb own any infrastructure with respect to the services they provide.³ The sharing economy has been positioned as a revolution in the making that increases participatory democracy, while also giving greater power and control to the consumer through the free exchange of information in ratings and reviews. Nonetheless, the sharing economy has also become an increasingly attractive target for regulators due to the perceived illegalities that exist in relation to using the services in certain regions (Allen & Berg, 2014; Sundararajan, 2014).

A recent report issued by the US Department of Commerce (Telles, 2016) is concerned with the size and effects of sharing economy organisations and establishes four critical characteristics that define these organisations: (1) information technology systems are adopted to enable peer-to-peer transactions, including collection of payments; (2) user reviews are utilized for quality control purposes; (3) service providers have flexibility in deciding their working hours and (4) any tools or assets used or sold are personally owned by service providers (Telles, 2016; see also Allen & Berg, 2014; Deloitte Access Economics, 2015; Sundarajan, 2014). User reviews are widely seen to be a central component of the successful operation of the sharing marketplace. Sundararajan (2014) claims that the very success of the sharing economy rests upon the effect that ratings and reviews have on users as they ameliorate the information asymmetry between transacting parties. Stephany (2015) similarly argues that rating and review systems are the primary mechanisms through which values are upheld, policed and defended. A range of regulatory policy documents have underscored the central role played by ratings and rankings in building trust and informing and protecting the consumer (Deloitte Access Economics, 2015; PricewaterhouseCoopers, 2015; Telles, 2016)

³ A recent press release issued by Airbnb indicates that from the period of May to September 2015, the organisation placed 17 million consumers in accommodation with international hosts, a number that exceeds the total population of the city of Mumbai in India, and annually, a number that exceeds the total number of tourists to New York City. In comparison, the same period in 2010 accounted for 46,000 individuals who used Airbnb to find accommodation.

To date, research examining these rating and review systems has largely been concerned with the way that ratings and reviews incite trust and have reconfigured accountability relations across a number of industries (Jeacle & Carter, 2011; Scott & Orlikowski, 2012). Jeacle and Carter (2011) find that the TripAdvisor ranking mechanism engenders systems trust (Giddens, 1990) through the use of symbolic tokens – such as the Popularity Index and the TripAdvisor Traveller Rating, and expert systems. The nature of TripAdvisor as an “internet-mediated abstract system” (Jeacle & Carter, 2011, p. 306) means that trust is constructed through calculative practices; this has the effect of highlighting the social role that calculative practices can play and ultimately the potential role of accounting in contemporary society. Similarly, Scott and Orlikowski (2012) argue that web-based crowdsourcing and algorithmic rating and ranking mechanisms recast the boundaries of expertise around the “wisdom of the crowd” (p. 36) – the shared experiences posted in reviews by lay-people – rather than professionals with expertise in the travel sector. However, little research has examined the impact that ratings and reviews have on the actual decision-making process in the sharing economy, a growing and specialised market directly predicated by peer engagement. This research gap may have significant practical implications when we consider how online ratings and reviews affect global regulation efforts.

This study addresses calls for empirical research that examines the consequences of ratings and reviews on individual decision-making (Scott & Orlikowski, 2012) in the rapidly growing sharing economy. Airbnb was selected from the wide spectrum of sharing economy organisations because it incorporates a relatively mature ranking mechanism based on source data of user ratings. Specifically, this research is motivated by the following research question: How do Airbnb users interact with the information provided by the online ratings and reviews during decision-making? By examining the specific moments when users experience either hesitation or conviction (and all of the moments in between) in the decision-making process, important nuances are found in the way that users trust the information content of online ratings and reviews. Studying the processes and activities that surround trust

embraces the study of the concept in its verb form, as a process of *trusting* rather than its noun form (Mahama & Chua, 2016). The research question is answered through an interview and netnographic study of Airbnb that comprises 30 interviews with guests and hosts who have used rating and reviews as part of transacting on the platform, as well as a review of a wide range of archival data including online ratings and reviews on publicly available property listings, media articles, the content of user forums and monthly reports issued by Airbnb on data analytics. By assessing the inner workings of users' decision-making processes in a field where online ratings and reviews represent the public's impression of Airbnb listings, an insight is gained into the backstage of the field, understanding how these impressions are perceived and how closely the accounts that are created serve to match reality.

This paper makes two primary contributions. First, trust in reviews and ratings by Airbnb users is found to be limited, fragile and constantly in need of verification. Ratings and reviews become the supplementary (as opposed to primary) source of information used in decision-making due to concerns about quality and authenticity. These concerns, which in turn trigger sceptical attitudes among users, mean that users tend to rely on other mechanisms to inform, in particular, the interview technique that is made available through the private messenger application on Airbnb's website. Through this analysis of how users interact with information for decision-making, trust in ratings and reviews is found to be problematic.

Second, this study finds that users adopt face-saving practices in a peer-to-peer self-regulated marketplace that creates an illusion of accountability in Airbnb's online ratings and reviews. In extending the current literature, this new form of accountability is conceptualised as a form of crowd-sourced accountability. It differs from mainstream forms of accountability that have previously been defined as either hierarchical or socialised (Roberts, 1991). Crowd-sourced accountability is predicated by the asymmetry of power relations among online users, which suggests that it is more closely aligned with the bottom-up lateral accountability found in socialised accountability (Roberts, 1991). However, crowd-sourced accountability differs from

socialised accountability because of the motivations of the individuals who are held to account. Individuals in a crowd-sourced accountability system have the power to cooperate to protect each other from the exclusion that can be felt by negative reviews in the system. This third form of accountability hides critical information about the reality of using sharing economy services. Crowd-sourced accountability, unlike other forms of accountability, suffers from a lack of legitimacy. This study advocates for an increase in institutional involvement in the design and operation of these accountability systems. Such involvement should appreciate the moderating effect of our expressive tendencies when giving accounts of our peers.

The remainder of this paper is organised as follows. Section 2 is an overview of the current research in online systems of ratings and reviews to establish the case for the current study. The section also includes a brief synopsis of the trust literature from its sociological origins in the work of Piotr Sztompka (1999). Goffman's (1959, 1967) sociology on face-work is also described in Section 2; his interaction narrative is used to further our understanding of the behaviours noted in Airbnb and how they affect users' decision-making. Section 3 and Section 4 describe the method adopted and the setting of the field under examination. Section 5 reports the empirical data collected with Section 6 providing a discussion of the findings.

2 Trust in Online Ratings and Reviews

Online ratings are now understood as an influential authority on areas such as MBA courses (Free et al., 2009), academic accounting research (Rowlinson, Harvey, Kelly, Morris, & Todeva, 2015), city living (Kornberger & Carter, 2010), online shopping (Floyd, Freling, Alhoqail, Cho, & Freling, 2014) film reviews (Bialecki, O'Leary, & Smith, 2016), and travel and tourism (Jeacle & Carter, 2011; Scott & Orlikowski, 2012). Research in accounting has sought to explore the constitutive properties of rankings, their impact on organisational processes and the relationships that these

ranking mechanisms have with the notions of trust and accountability.⁴ As a body of work, this research has identified a number of insights about the operation of online ratings and reviews. Three key streams of this work are described below.

First, accounting research has shown that trust in the TripAdvisor rankings is generated through calculative practices embedded in symbolic tokens and expert systems (Jeacle & Carter, 2011). The trust engendered in the rankings is a function of both personal trust (Mayer et al., 1995) and abstract system trust, as reified by Giddens (1990, 1991), and is used commercially by TripAdvisor as part of its business strategy. Key to trust relations in TripAdvisor is the execution of calculative practices by the lay-person (who has replaced the traditional professional travel expert) to provide users with “the objectivity and rationality of hard numbers” (Jeacle & Carter, 2011, p. 305). This echoes the findings of the study by Kornberger and Carter (2010), where confusion over whether the ranking mechanism measures variables accurately is resolved by assessing the objectivity of those charged with reviewing. The object of reviews and the knowledge the reviewer possesses with respect to it, is found to be a central element in both studies. In other words, trust has so far been found to be based on the perceived attributes of the reviewer, with a less concentrated focus on the underlying information captured by the actual rating system.

Second, the interaction between underlying information and the production of ranking mechanism outcomes has been examined by Mehrpouya and Samiolo (2016), whose study of an index designed to benchmark companies in the pharmaceutical industry showed the significance of the analysts’ “trained judgment” (p. 26) in appraising underlying data that is seen to be subjective and open to interpretation. Here, the Access to Medicine Index is influenced by analysts’ negotiations over tiny variances in companies’ performances that are exaggerated to create competition in

⁴ Online ratings of various objects are consolidated into a ranked order by algorithmic technology (see Brivot & Gendron, 2011) that enables comparability in a ranking mechanism in which the value of one object is relative to another.

the form of *good distribution*, which is seen as important in moving a market and satisfying stakeholder needs. Intervention by analysts and their professional judgement appears as a variation of the notion of objectivity, which is put forth by Mehrpouya and Samiolo (2016) as a mode of commensuration in the benchmarking process. The negotiations attached to this mode of commensuration, and the production of ranking outcomes are both influenced by political pressures that interact with our ideals of objectivity. This may be perceived as problematic for the notion of trust, where the current literature finds a tight linkage between trust in systems and the objectivity of calculation. Despite the modern pervasiveness of online ratings, in particular their constitutive benefits for sharing economy organisations and the variations recently noted in commensuration techniques (Mehrpouya & Samiolo, 2016), little accounting research has examined the limitations that processes of commensuration may have on ranking mechanism outcomes.⁵

Third, marketing and management scholars have contributed widely to the discussion on both the merits and the limitations of the use of these online verification systems (Bolton, Greiner, & Ockenfels, 2015; Bolton, Katok, & Ockenfels, 2004; Chen & Xie, 2008; Chevalier & Mayzlin, 2006; Dellarocas, 2005; Dellarocas & Wood, 2008; Resnick & Zeckhauser, 2002). A key finding in the area includes the fact that reciprocity in online reviewing had a negative impact on the quality of the information available through ranking mechanisms in the eBay market. Here, overarching trends towards positive accounts were found to be provided by users out of fear of retribution in terms of their own reputation scores or ratings; the effect was a hampering of public trust in eBay's online ratings (Bolton et al., 2013; Dellarocas & Wood, 2008). Following Bolton et al.'s (2013) analysis, eBay introduced changes to its rating process to lessen the risk of biased accounts. The changes involved moving the rating system to a more one-sided feedback system with sellers capable of leaving only positive reviews for buyers. While this action removed the threat of reciprocity for

⁵ With the exception of Sauder and Espeland (2009) who find that the process of commensuration diminishes the specialised niche that US law schools had previously worked to achieve.

eBays review-writing users, this approach also better aligned eBay with more commercial business-to-consumer infrastructure. Small strides have been made in the analysis of trust held in ratings in decision-making, but while these advances have emerged from marketing and management research, implications for accounting may be critical and remain unconsidered.

2.1 Studying Trust as a Situated Practice

Trust as a phenomenon sustaining social order has a long history, much of which has evolved since Luhmann's (1979) seminal depiction of trust in a risk-based society. The last five decades have witnessed the emergence of social-psychological accounts, philosophical accounts and accounts of trust that derive from transaction-cost economics (Blomqvist, 1997), although trust accounts often overlap with the psychological and philosophical. These accounts have been criticised as seeking only to fix the phenomenon, assuming it to be a finished good rather than a work-in-progress (Mahama & Chua, 2016). The most notable accounts of trust mobilised in the accounting literature (Dekker, 2004; Free, 2008; Jeacle & Carter, 2011; Johansson and Baldvinsdottir, 2003; Mouritsen & Thrane, 2006; Seal et al., 2004; Tomkins, 2001; van der Meer-Koistra & Vosselman, 2000;) have originated from the social-psychological accounts, especially those provided by Mayer et al. (1995) and Giddens' (1990, 1991) in his account of trust in abstract systems. Some research has presented trust as a substitute for managerial control systems such as systems of accountability (Tomkins, 2001). However, this general suggestion is at risk of downplaying the opportunistic tendencies of economic actors and the complex and sensitive nature of trust. This risk is particularly salient due to increasingly anonymous online transactions that may have the effect of limiting trust because of the lack of visibility around the characters we frequently interact with (Sztompka, 1999).

Mahama and Chua (2016) advocate for examining trust as a situated practice; that is, focusing on the "bodily routines, understandings and knowledges that become mobilized in the enactment of trust and/or distrust" (p. 32). This stance enables an

understanding of how trust is created in a network of diverse actors and how accounting processes affect the development of trust, rather than seeking to add to the literature that merely describes the various typologies of trust. Mahama and Chua argue trust is better understood by analysing the everyday decisions made, or activities undertaken, in the name of enacting trust. Trust has previously been conceptualised as a process and as a fluid, moving target that can also be better understood by focusing specifically on the individual's agency when he or she is working towards trust development (Khodyakov, 2007). In fact, for Sztompka (1999), trust evaluation techniques are a core resource when we are faced with an unknown, unpredictable and uncontrollable world. Sztompka's idea of trust as placing a bet implies a process of trusting that requires the trustor to invest significant commitment when he or she chooses between alternatives; he or she takes action based on the belief that he has in an expected outcome.⁶ These actions or bets that are taken are done so in response to the "chances of winning or losing" (p. 33) in a given situation. Sztompka (1999) argues that bets placed in the process of trusting are normally founded upon either the personal or the contextual information available in relation to another person. Personal cues are composed of three variables for decision-making: reputation (record of past deeds), performance (present conduct) and appearance (identity), while contextual cues provide information about the context in which the trustee operates.

While Sztompka (1999) suggests that we can determine a person's (or related object's) trustworthiness by extracting and using information from either personal or contextual cues, he provides less detail on the specific qualities of trust determined by that information. An analysis of the frequently used dualities of trust – having arguably evolved from Granovetter's (1973) study of the importance of weak and strong ties – such as trust described as *thick* versus *thin* (Nooteboom, 2002; Woolthuis et al., 2005) or *fragile* versus *resilient* (Ring, 1996) may be more helpful on

⁶ Although Sztompka's (1999) trust model is systematic and explanatory, it is not interpreted as belonging strictly to the rational choice theory domain (Coleman, 1990; Hardin, 1992; Williamson, 1993).

this point.⁷ Resilient (or thick) trust occurs where there are strong ties between people due to a shared basis of familiarity and similarities in personal objectives and backgrounds. Fragile (or thin) trust prevails in interactions with those whom we know little about but must trust to reciprocate our own actions and comply with our expectations for the exchange of economic goods or valuable assets. Fragile trust is somewhat predictably presaged by exposure to higher risk, but these risks need to be managed by making investments in safeguards or controls to compensate for the weak ties that form the basis of this trust. In other words, the concept of fragile trust implies a distinct process of trusting, where relational ties are weak and characterised by an individual's uncertainty and where there is also a clear intention by the individual to pursue other actions that bestow further reassurance. The safeguards employed when trust is fragile represent the rationally calculated "side-bets" (Ring, 1996 p. 153) that reflect the real expectations we have when it comes to trusting another. A perspective such as the fragile or resilient trust duality enables an appreciation of the "processes ... employed by parties seeking to rely on trust in governing economic exchange" (Ring, 1996 p. 150). Effectively, this approach can bring to bear the nuances in trust formation, while also allowing us to understand the potential qualities or nature of such trust.

Sztompka (1999) has not been widely used in accounting research, with the exception of Barrett and Gendron (2006) in an analysis of interpersonal relations in web-based assurance services. However, Sztompka's work has been heavily referenced in information systems and internet-based studies (Beldad, Jong, & Steehouder, 2010; Beldad, van der Geest, Jong, & Steehouder, 2012; Benbasat and Wang, 2005; Henderson & Gilding, 2004) due partly to his coverage of the internet and the effect it has in interpersonal relations for trusting purposes. Drawing on Sztompka (1999), we can recognise an individual's advancement towards a state of trustworthiness by his

⁷ A plethora of dualities of trust are found in the trust literature. The following texts provide a sample of these dualities: Uslander (2002) – particularised and generalised trust; Zucker (1986) – characteristic and process-based trust; McAllister (1995) – cognitive and affective trust; and Williamson (1993) – calculative and societal trust.

or her adoption of specific information cues in decision-making. By combining Sztompka with Goffman's insight on interactions, this research hopes to use a wide lens to capture a multitude of trust-seeking practices and activities that fall under the influence of the online rating and review system in our investigation of trust.

2.2 Insights on Interaction in Everyday Life

For Sztompka (1999), a state of primary trust is generally granted by an individual's estimation of personal information cues; these are the cues that involve evidence of another individual's reputation (to inform the trustee of past conduct), evidence of an individual's current performance and aspects of another's appearance, such as his or her personality, identity and social status. Sztompka's work on how the role of appearance affects trust builds upon the work of Goffman's (1959) *Impression Management* and the choreographed performance an individual puts on to create their ideal situation. To quote Sztompka, "nobody was more perceptive than Erving Goffman in spotting the possible manipulations with appearance and demeanour: the 'presentation of the self', building artificial 'fronts', arranging the 'stage' and using various 'props', to seduce the other into trusting" (1999, p. 81). Independent of primary cues, secondary or contextual cues relate to the actions of a person or institution that are separate to their personal life or personality traits; accountability regimes are good examples of secondary information cues because they provide an incentive to meet the expectations of the trustor.

Accountability regimes refer to whether or not there are agencies that might monitor and sanction the trustee, providing insurance in times of breached trust. The scope for anonymity on the internet would not appear to provide this type of insurance. In his analysis of the effectiveness of accountability, he finds that people should be visible (as opposed to anonymous) and vulnerable to the agent of accountability in terms of possible sanctioning, and that there must be a form of collateral to ensure obligations are met. While highlighting the utility behind various information types for trusting

purposes, Sztompka (1999) does little to enrich us as to the practices surrounding interactions between and resulting actions of individuals in the field. For this, Goffman's (1959, 1967) *face-work* sociology may help us gain insight into the creation of online accounts that can often reflect the character of others.

Face-saving activities (Goffman, 1967) emerge from the same practices employed when an individual is trying to preserve the *scene* as demonstrated in the dramaturgical work of impression management (Goffman, 1959). In impression management, a careful performance is put on by the individual in front of an unknown audience to influence them in some way; face-saving is a more focused, if not urgent, activity that is needed to preserve one's face or one's ideal personal identity when interacting with others. Goffman (1967) distinguishes between *defensive practices* that are employed to correct for any threats to one's own face and *corrective practices* that are employed to correct for any threats to another's face when elaborating on face-saving. With online reviews aiming to reflect another user's performance, corrective practices would appear to be more relevant in the Airbnb setting.

Corrective practices are mainly constituted by the courtesies and tact exerted by an individual while interacting with others; tactful strategies are employed to hide information that may be deemed inconsistent with the faces that others are projecting. Goffman considers the use of the "language of hint, the language of innuendo, ambiguities, well-placed pauses, carefully worded jokes and so on" (1967, p. 30) to demonstrate a language of tact that is often artfully used by an individual as a means of controlling potentially threatening information. As part of his sociology, Goffman (1967) finds that we are all motivated to act to save the face of another because we have likely come to identify with them and the arduous journey they have endured to create their face, causing a reluctance to humiliate or shame them. Additionally, if a face is lost, the multitudes of complexities that exist in the interaction mean that it is not easily regained. To these points, Goffman states, "the discreditor is just as guilty as the person he discredits – sometimes more so, for if he has been

posing as a tactful man, in destroying another's image he destroys his own" (1967 p. 106).

Jeacle and Carter (2012) use Goffman's (1959) dramaturgical sociology when they illustrate how accounting plays a role as an impression management prop in the alliance of buyers, sellers and merchandisers in the high-street fashion world. Solomon, Solomon, Joseph, and Norton (2013) use Goffman's (1959) impression management work as a lens to analyse the motivations of investors and investees in reporting on social and environmental accountability, and find that the passive naivety of investors or *performers* contributes to the myth of social and environmental accountability. Of interest to this study are the particular mechanisms that interact with the process of maintaining face (herein face-saving practices) in a setting where a large volume of daily accounts created online often directly reflect the character and identities of other individuals in Airbnb. Goffman's interpersonal sociology work has been rigorously used in research on social media websites such as Facebook (Lewis, Kaufman, & Christakis, 2008; Mendelson & Papacharissi, 2010; Tufekci, 2008), Twitter (Marwick, 2011) and online dating websites (Ellison, Heino, & Gibbs, 2006) due to the focus on our profiles and identity.

In summary, trust and ranking mechanisms are considered individually and together as important phenomenon. The literature presents a semblance of trust that is linked to the objectivity of people and systems, while a separate literature is beginning to describe the growing expanse of commensuration and the importance of valuation techniques in the information society (Power, 1996). This study helps us gain insights into how trusting processes can affect decision-making when using a rating and review system that often measures our novel personal experiences with others, a system where the principles of scientific measurement need to interact and co-exist

with the desire users have to *belong anywhere*.⁸ Sztompka's (1999) account of trust formation as well as Goffman's (1967) interpersonal sociology are used together to interpret the social phenomenon of trust in online rating and review systems.

3 Research Method

The field research reported in this study is a combination of conventional interviews with guests and hosts registered with Airbnb and analyses of online archival data, which is defined in modern terms as netnography. The field research was conducted over a twelve-month period. In total, 30 interviews were conducted, with nine interviews held over Skype video calls and 21 interviews conducted face-to-face. The Skype interviews were digitally recorded using software called Call Recorder and were held with participants based in the US, UK, Ireland, Europe, Middle East and China. All face-to-face interviews were held in semi-private locations across Australia, particularly Sydney and Melbourne. The majority of interview participants recruited for the study had used the Airbnb service in the capacity of *guest*. This was a purposeful decision because the literature on rating systems repeatedly draws a link between the provision of more online information and a more informed and powerful consumer (Zhang, Craciun, & Shin, 2010; Zwick et al., 2008). Airbnb guests and hosts have no affiliation with the internal Airbnb organisation; they are members of the public who use the service by accessing the publicly available website www.airbnb.com.au. Secondary data was collected through emails from online Airbnb forum members, systematic reviews of online forum content and documents obtained from Airbnb directly. The documents obtained from Airbnb took the form of Airdna reports that were purchased to corroborate participant accounts of perceived trends in ranking strategies. These reports effectively allowed triangulation of the data collected via primary methods.

⁸ *Belong Anywhere* is the slogan of Airbnb; the greeting meets users when they arrive on the website's homepage.

Netnographic research (defined as ethnographic research completed on the internet) allows researchers to either observe online behaviour or to be totally immersed as a participant in the field (Jayanti, 2010). Netnographic research is typically invoked for the study of online communities (Kozinets, 2002) or, more broadly, any computer-mediated communications research (Mann & Stewart, 2000). While netnographic research can involve observation of online forums and analysis of online content, open-ended interviews that are traditionally found within the domain of ethnographic field research can now be conducted with members of online communities via Skype. Skype interviews function through digital technology; they can be visually and audibly recorded with the help of numerous software products, and therefore the netnographer delves past the textual representations of online content to observe body language and social cues while continuing to take field notes.⁹ An analysis such as this allows the researcher to avoid some of the limitations linked to netnographic research, such as the potential falsehoods that underlie textual representations found online (Kozinets, 2002). By moving back and forth from online content in reviews to the underlying motivations of *reviewers*, this study is motivated by the possible disparities that may exist between the *back-stage* and the *front-stage* proposed in Goffman's (1967) dramaturgical philosophy. Where applicable, extracts of user reviews have been evoked in the findings section to show the front-stage.

Interview participants were recruited through a combination of online forums and the researcher's direct use of the Airbnb service as a guest. In using the service as a guest, the researcher had personal engagement in the field and enjoyed the added advantage of being a participant observer (Patton, 2005). It was also possible to recruit participants through the snowballing technique (Biernacki & Waldorf, 1981), the functionality of which was positively affected by online networks and the resulting

⁹ Skype interview participants are often contacted through the online forums or blogs of which they are users. This is meaningful because the participants targeted are volunteers and are often passionately engaged in the social topic under investigation, potentially yielding richer data for the researcher and avoiding the tyranny of distance discussed in Baxter and Chua (1998).

ease in access and communications. Interviews were semi-structured to allow flexibility during the interview process. Specifically, this flexibility enabled participants to provide discourses and examples of their perception and interaction with Airbnb's online system. This was found to be crucial due to the nature of this study's broad research question. The data was analysed over a period of six to twelve months and continued during the write-up phase of the findings.

3.1 Data Analysis

During the interviewing stage of the research, data analysis was initiated by converting archival data, field notes and the audio and visual interview files into text transcripts. Transcription was undertaken by a third party but was regularly reviewed by the researcher for accuracy and completeness. Following the interview stage, data was coded and analysed using QSR NVivo software. Insights were generated both during and after the interview stage. The researcher used analytical displays such as matrices (Miles, Huberman, & Saldana, 2013) to assist in the synthesising and sense-making required during data collection.

In particular, the use of a matrix on which the data could be collated and organised in a summary format allowed preliminary findings or themes to emerge at the initial stages of data analysis. From this, the researcher returned to the participants' interviews to corroborate their accounts and interpretations provided; this also had the effect of adding credibility to the collected data (Creswell & Miller, 2000). The main data analysis stage involved a focus on finding central themes and consistencies from the various sources of data. First, the researcher identified indigenous categories, which involved adopting the perspective of the participants in making sense of their own world, before the researcher-centric interpretation was generated. Interpreting the field in this way directs researchers to understand the field "in the words of the local people, in their language, within their world view" (Patton, 1990, p. 479). Van Maanen's (1979) framework of 1st-order and 2nd-order analysis of data

was helpful to distinguish and then reconcile informant-centric terms and codes and the researcher-centric theories used to explain these terms and codes as part of this process. Once recurring consistencies or themes were found, a logical analysis of the data was performed to cross-reference findings in search of a hidden pattern (Patton, 1990). This logical analysis, as well as the coding, was performed by one author and then challenged or confirmed by the other author, to support the substantive significance of the data¹⁰ (see Patton, 1990).

The coding process was iterative to address the recurring regularities in the central themes and consistencies. The process evolved from coding the participant-provided categories at the beginning (Silverman, 2000) to coding more technical concepts that are simultaneously more discipline specific towards the end. Participants had diverse backgrounds and used the Airbnb service in different capacities and to varying degrees, and therefore the coding was initially organised under the hierarchies of guest and host to sensitise the author to their high level differences before further categories were contrasted based on level of experience using Airbnb. To prevent the author suffering from a loss of context or getting caught in a coding trap (Bazeley & Jackson, 2013), coding hierarchies were reviewed and reassessed by co-authors along the process, until completion.

4 Context: The Rise and Rise of Airbnb

Joe Gebbia, Brian Chesky and Nathan Blecharczyk founded Airbnb in 2008. Their motivation was to introduce a community marketplace for people to list, discover and book unique accommodation around the world, via the internet. Airbnb may be accessed from a desktop computer, mobile phone or tablet device. Since 2008, Airbnb has grown to service 60 million users who can avail themselves of more than 2 million lodgings globally, which is substantially more than that provided by Hilton Worldwide

¹⁰ Note that initial interviews were conducted by both researchers to ensure a consistency of approach.

or InterContinental Hotels (Airbnb, n.d.; Helm, 2014). Airbnb is currently available in 192 countries, and its 2015 revenue was estimated to fall within the region of US\$800 to US\$900 million. By 2020, Airbnb estimates that its annual revenue will sit at US\$10 billion. Airbnb's business model administers a cut of 3% from each host's booking in addition to charging guests a significant percentage (6%–12%) of the booking total as a service fee (Winkler, 2015). The total number of employees at Airbnb reported at the end of 2015 was 2,368, and notably 1,160 (49%) of these employees were hired during 2015.

Airbnb is built upon the principle of sharing accommodation and the expectation that users will reciprocally review after each experience hosted on the platform. This means that both the guest and the host have fourteen days to review one another. While guests can rate and review hosts under the categories of *accuracy*, *cleanliness*, *communication*, *location*, *check-in* and *value*, hosts can only rate and review guests under the categories of *communication*, *cleanliness* and *observance of house rules*. The Airbnb system took measures against reciprocal reviewing (i.e., retaliating to negative reviews by counter-reviewing and acting out of fear that a user will leave a negative review) by engaging in a dramatic system change in July 2014. At that time, the system was amended to withhold the publication of reviews until the end of the fourteen-day period, after which both parties could access their reviews. This reduced retaliatory action against negative reviewers. Importantly, the fourteen-day period is the only time that users can leave a review for another party; the system does not accept reviews once this period closes. Brian Chesky of Airbnb claimed back in 2012 that 80% of hosts leave a review for guests on Airbnb, while approximately 72% of guests leave a review for hosts (Chen, 2012). This is in contrast to users of other online travel websites where only 13% write reviews after their experiences (Grezel et al., 2010, as cited in Scott & Orlikowski, 2012). In addition to the reviewing functionality on the Airbnb website, it also employs an algorithm to list the best properties in a location, based on these reviews.

Reviews are not the only feature on the Airbnb website that should engender trust between users. An individual's profile is made public on Airbnb and can be linked to social media accounts such as Facebook, LinkedIn and Twitter. Users can also validate their profiles by providing telephone numbers, email addresses, passports or driving licenses. Most users create a biography and provide photographs as well as a history of the reviews they have received and those they have left.

Although the checks employed by Airbnb are somewhat comprehensive and the information contained in reviews should aid decision-making, the platform has still faced disaster stories in the media. Two notable instances have recently gained headlines. One story, the *New York Times* reported in July 2015, was centred on a Massachusetts man named Jacob Lopez and his trip to Madrid, Spain (Lieber, 2015). The Spanish host locked Mr Lopez in a closet before sexually assaulting him. Airbnb's advice to Mr Lopez's mother, who received a distress call from her son at the time, was to call the Spanish police, although they would not release the address of the Madrid apartment. Another infamous story published in the *Guardian* reports London man Nigel Broome's experience of renting out his home on New Year's Eve (Quinn, 2016). Mr Broome received a call when he was overseas about partygoers who had caused a disturbance and an estimated £12,000 of damages to his home. This included destroying the floor through flooding and removing a window from its hinges to enable easier access for other partygoers. Incidents seem to take place during Airbnb bookings despite the reviewing mechanism and all of the other trust mechanisms employed by the Airbnb website. Although damage by guests is to be covered under the US\$1 million host guarantee (according to Airbnb founders), continuing questions are raised over the credibility of these measures in the public domain.

The following section describes the main findings and the central themes that became evident during data collection and analysis. This will begin with a broad overview of the outcomes of online ratings in the Airbnb environment that are evident from the initial years of the company's operations. Because outcomes are found to be mostly positive in nature, meaning very high or excellent ratings in search results, Section 5.1

seeks to explain the drivers of high ratings. Section 5.2 addresses users' attitudes towards Airbnb online ratings and reviews, finding high levels of scepticism among many participants. Finally, Section 5.3 describes the users' decision-making processes; this is illuminated by an overview of the features of the website that are predominantly used by participants to inform themselves.

5 User Engagement with Airbnb Ratings and Reviews

Despite having designated online review sites¹¹ that allow the public to effectively publish opinions online, there appears to be a variation in rating and review trends across organisations. Research shows that the proportion of 5-star reviews is 31% on TripAdvisor and 44% on Expedia (Mayzlin, Dover, & Chevalier, 2014). Our documentation analysis has found that Airbnb ratings are much more positively distributed: 97% of listings are rated from 4 to 5 stars, 79% are rated from 4.5 to 5 stars and 61% are rated at 5 stars.¹² The average rating for properties on the TripAdvisor website is 3.8 stars (Zervas, Proserpio, & Byers, 2015), while the average rating for Airbnb properties is 4.7 stars.¹³ The five-point Likert scale at the centre of Airbnb's rating system is technically identical to the five-point Likert scale operated by websites such as TripAdvisor and Expedia. However, the distribution of ratings is skewed with more ratings at the extremely positive end for Airbnb. This may imply that the Airbnb service provides a higher level of quality, but it is a phenomenon that has been observed in similar peer-to-peer platforms such as eBay, where mostly second-hand goods are resold amongst members

¹¹ Examples are TripAdvisor and Yelp, although most businesses have adapted their online presence to include a forum for users to share reviews. See, for example, [http://www.apple.com/au/shop/help/shopping experience](http://www.apple.com/au/shop/help/shopping_experience).

¹² This is sourced from a report designed by Airbnb to provide data on listings, prices and occupancy rates to members of the Airbnb community. The report provides an overview of the Sydney marketplace. An extract of this report is included in Appendix 1.

¹³ This is also the average rating of Airbnb properties as is presented in the Zervas et al. (2015) case study.

The statistics referred to in the previous paragraph have not been lost on users of Airbnb's service. Participants acknowledge the highly favourable ratings of properties and people listed on Airbnb in comparison to other websites. One host in particular comments, "you would have to have someone who is seriously nuts to really get a bad rating. People have a tolerance" (Host 10). Participants also provide indications that they change and adjust their interpretation of rating scales to come in line with the unique scores of Airbnb:

I would never stay with anyone that's got less than four, and you know that's not being a snob, that's just being realistic, because I know that most people give relatively good reviews ... If someone's getting a three, they're really screwing up badly on something.
(Host 6)

These adjusted perspectives are based on the users' observations from repeatedly using the service and becoming accustomed to a setting where very slight differences in ratings differentiate top performers. This adjustment shows newly formed rules around what is acceptable in the new system, with 4-star ratings the minimum standard for decision-making. Participants frequently offered their own accounts of the drivers of these high ratings and excellent evaluations. These are outlined below.

5.1 Drivers of Airbnb's High Online Ratings

This section provides a description of the causes of the current trends of reviewing in Airbnb. In particular, the theme of intimacy is presented, where intimacy acts as a mediator in the process of leaving fully honest reviews in Airbnb. The level of intimacy generated by the nature of home-sharing experiences in Airbnb also acts as a differentiating factor when comparing it with competitors such as Expedia. Additionally, three observed reviewer strategies that dominate the Airbnb users' reviewing trends are described; these are also found to contribute towards the unusually high ratings and reviews found in the Airbnb system.

5.2 The Role of Intimacy in Reviewing

In discussing the proliferation of positive Airbnb reviews, many participants exhibit a sense of confusion about the criteria under review in Airbnb, compared with the systems deployed by organisations such as Trip Advisor and Expedia. The delicate nature of personal relationships in Airbnb is frequently referred to by participants, and while personal relationships are inevitable due to the home-sharing model, Airbnb encourages users to build up their relationships with others they meet on the platform through its *belong anywhere* slogan. Scientific evaluation of personal relationships on a Likert scale is found to be difficult:

It's just the whole flat sharing experience. I guess, the intimacy related to, you know, being roommates for that time. Everybody has their own habits and I don't think you feel comfortable you know, judging somebody else's habits over your own. (Guest 12)

Despite the five criteria provided by Airbnb to assist in the reviewing process, difficulties are found to be embedded in reviewing and the five criteria are lost due to the nuances of the feelings and bonds ensconced in personal engagement. Airbnb experiences are described as intimate, and participants appear to empathise with their counterparty by saying that they wish to restrain themselves from leaving comments that could be regarded as unfair. As one participant notes, "I don't think I could write a bad review, it would be like having a personal vendetta against that particular person" (Guest 11). The common theme behind each of these quotes is that concern for the counterparty in Airbnb seems to conflict with the objectivity that people need to possess when reviewing an experience. The general sense of reluctance was also evident in cases where guests and hosts had not physically met, for example, where a guest booked an entire apartment through the website and communicated with the host only at the pre-booking stage. A guest talks about the notion of having an obligation to give a positive review to a host whom she has never met previously, as follows:

I think if you offer something, it is nice to get some recognition, it would be nice if I could tell him personally and thank him very much ... I probably will never meet him because he has gone away, but I think it's part of lodging, of staying in someone's home. (Guest 6)

Here, it can be noted that the guest perceives the host to be acting in an almost charitable sense. Both the host's profit motive and the cost to the guest are ignored; instead, the guest's attention is primarily focused on the host's goodwill in foregoing his home, regardless of the outcome of the experience. Whether the user feels compromised due to the intimate nature of the experience, or feels obliged to another user whom they have never met, questions are generated over the accuracy of information produced by seemingly compromised or biased reviewers. Confusion over the subjective nature of reviewing in Airbnb is well illustrated as follows:

I don't like to judge based on other people's perceptions of a person. I can kind of relate when they're talking about a place but when it's an actual person, like a host, that they're judging, I like to make my own judgments. So a bad review wouldn't stop me from speaking with them. (Guest 11)

This participant shows us that, although reviews are subjective, they still garner a level of interest, attracting a baseline curiosity. But ultimately, reviews (at times, even negative reviews) are not found to play a major role in the decision-making process.

5.3 Alternative Reviewing Strategies

As discussed previously, the Airbnb information system includes a vast number of techniques a user can use to assess the intentions of another. The review system is relatively open in terms of content provided, with Airbnb prompting users on their review page to "Tell your host what you loved and what you think they can do better". Airbnb works to ensure that as many reviews are left on the system as possible. This is reinforced through sending repeated reminders over the fourteen-day period to both guests and hosts. Due to the design of the application, reminders are delivered via email, text message and as a notification on the Airbnb application. In the majority

of the discussions on reviewing, participants divulged lively anecdotes of their experiences. The participants also provided copies of online reviews written after these experiences, which were verified by the researcher online. The following section provides a brief overview of the common methods employed to create a review on the Airbnb website, with particular focus on reviews completed following a negative experience. These reviewing strategies combine to create the appearance of highly positive reviews as noted in the introduction of Section 5.

Private Reviews

Many participants express discomfort at the thought of providing a critical review about another Airbnb user in the aftermath of a negative experience. This may not be surprising in light of the section above that discusses the highly positive distribution of ratings on Airbnb and the connection individuals feel towards their peers in the Airbnb environment. However, this culture of kindness leads users to engineer their own distinct methods to rectify a situation in which they had a negative experience. In other words, courtesies are extended between users that act to save face (Goffman, 1967) in online reviews. The most common method or courtesy adopted was to privately contact the host to give advice about how to correct the experience for the next guest, or at times, share advice on how to resolve a current situation. For example, many guests use the private messaging service provided by Airbnb to relay concerns or ask for assistance *during* their stay. The guests attribute this private communication as a review because they feel the host reacts in accordance with their specific concerns and the original problem no longer exists:

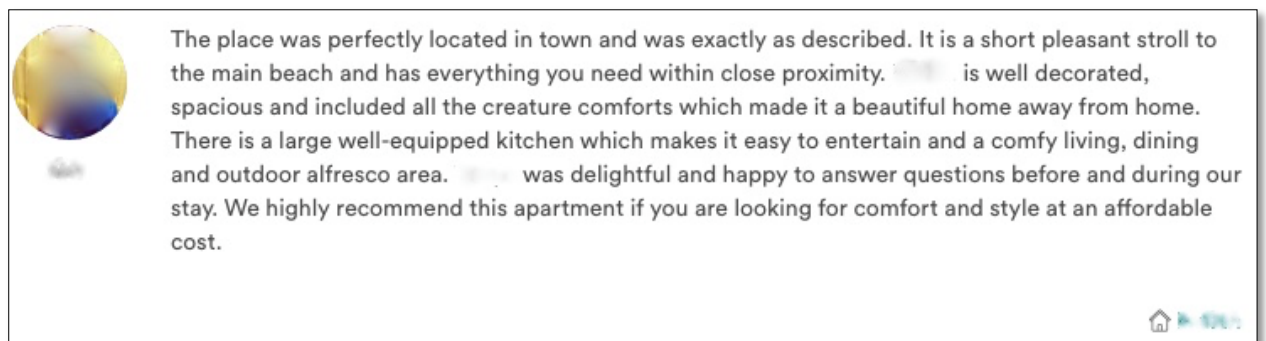
It was really strange because everything was very clean and then all of a sudden, cockroaches started coming out ... I actually didn't end up writing it in my review, but I contacted them straight away and spoke to them about it and they were very apologetic. When we wanted to check in they told us that there were cleaners there. So it wasn't about them not taking care of the place I guess, and I just figured it was a one off sort of situation and I wanted to tell them myself ... They managed it well, so I didn't think it was worthwhile adding it in. (Guest 11)

At a later point in the interview, it becomes clear that the relationship the users have with each other directly mediates the reviewer's propensity to be critical in review writing. Reflecting upon the cockroach experience afterwards, the same guest comments:

I felt it was more of an obligation to let her know that I found cockroaches rather than to blame her that there were cockroaches there. (Guest 11)

Guest 11 provided a copy of her review following the cockroach incident, the written account below is provided in Figure 1.

Figure 1: Review created by Guest 11 in respect of stay in March 2015¹⁴



It is not just guests on the Airbnb system that display behaviour in accordance with this schema; hosts have reviewed guests under a similar ethos. The following anecdote was provided by a host in his description of how he prefers to review his guests:

Two examples, one was a Chinese guest who had no reviews on her profile and I took her in. She left the place in a complete mess. She left wet towels on the sofa, beer bottles on the coffee table without a coaster, food containers there for a couple of days. So I left a review that didn't mention any of that but then I left her private feedback saying, "It was really nice to meet you, I hope you had a lovely time in Sydney. But you need to

¹⁴ In this section, the reviews have been pixelated in places to preserve the anonymity of the reviewer and the reviewee.

understand that you cannot do that again. I know it's your first time in Airbnb but you can't treat it like it's a hotel, you have to treat it as if you were staying at a friend's house". So I didn't do it publicly because I thought, no-one would ever take her again, and I didn't want to shame her. (Host 6)

Participants do convey a general sense that this reviewing strategy is not in the best interests of the public but it does appear to be in the best interests of the host or the guest, depending on whose side the review is coming from. Most guest participants hesitate when they are asked what they disclosed in the public review. This reticence quickly turns to defensive responses about other factors that could mitigate the other's role in their experience, such as the weather or just bad luck. A copy of the review provided by Host 6 on a guest is presented in Figure 2 below.

Figure 2: Review created by Host 6 in respect of stay in April 2016



When Host 6 was asked to reflect on his decision to give his guest a positive review, he replied, "my intentions are to not lose a client for Airbnb". His loyal response was likely in line with how he sees his relationship with the company, where he compares himself to an investor, adding "I've got a very collaborative relationship with the company".

Generalised Reviewing

This section addresses the second method adopted by users in creating an online review in Airbnb. The generalised reviewing technique involves creating a review that partially captures the reality of the experience. This is what Goffman (1967) refers to as *tactful language*, where the content of the review is strategically worded to provide

clues to the public that can indicate the complete truth behind the situation. The design of the review in this way is a well-thought-out position by the reviewers who have considered the consequences of negatively reviewing the counter-user. Most users evaluate the hard evidence they have of the instance under review, before committing to the review:

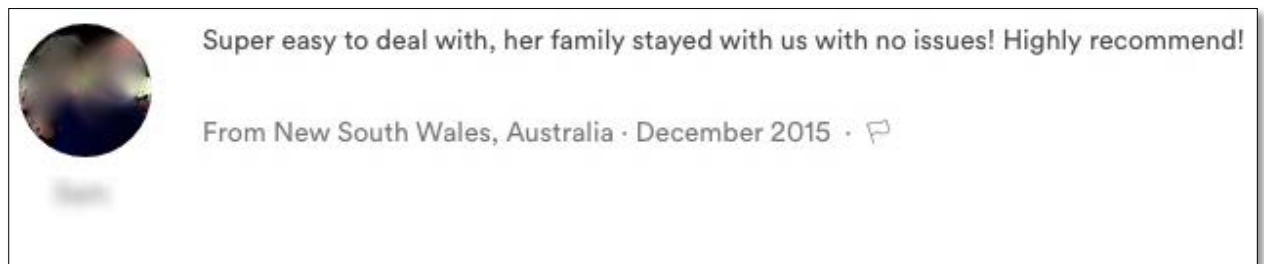
They left a quite a few marks in the carpet and upstairs and we had a cleaner come in and she said that they'd left the place in a complete mess. So we messaged the guest privately – she said that it wasn't her and it could have been our cleaner. I mean we don't think it was the cleaner but if we had concrete evidence that it was them that had left the property like that then we would have pushed it a bit more. So we were weighing up one person's word against the other and so we didn't want to leave negative feedback in case it wasn't her.

Did you give her a public review? Yes.

What were your comments like? It was more of a neutral review. So just we highlighted some of the good things that she was really responsive and that we met her beforehand. But that it was actually her parents and family that let the place as opposed to her directly. I think that's all we said. (Host 2)

A copy of this host's review of their guest is shown in Figure 3 below.

Figure 3: Review created by Host 2 in respect of stay in December 2015



Although users do not believe that they are being untruthful in their account, they are omitting critical information about their experiences. Again, this can be traced back to the intimacy described in the first section and the feeling of obligation that exists in these peer relations. Other users presented more chilling anecdotes where more

significant physical and emotional distress was caused during an Airbnb stay but the user felt unable to publish this in a review:

He has great reviews from others, but in my home, he couldn't keep his hands to himself and he put his hands on me ... On his profile, there's no review from me, I only put a dot ... I didn't want to get in a debate about this ... If I wrote it bluntly, and Airbnb give warnings about no bad language, no personal things ... or whatever, how can you write about this? "This man cannot keep his hands to himself." They might even remove my listing if they like this other person, I don't know, or believe him. So the risk was for me to hide. I didn't want to jeopardise my listing. (Host 4)

There may be more forces (outside Goffman) at work here. It appears that doubt surrounding Airbnb's institutional values also interact with the participant's propensity to leave an honest review. At a later point in the interview, the participant said that she had contacted Airbnb in private and disclosed details about the guest's behaviour, but this complaint remains unanswered today. A copy of the review is shown below in Figure 4.

Figure 4: Review created by Host 4 in respect of stay in March 2015



A guest described the learned reviewing environment of Airbnb well when he noted that users can employ a combination of generalised reviewing and the private messenger feature on the website to provide feedback to another user. The participant's statement below reflects the thoughts of the majority of participants on the issue:

When you leave a review, you have two options, the public review and the private review. You don't want to offend the host, most of the time – if you had a good relationship with him or her. So you will try your best to find the best essence out of it, the best thing about the experience and you can leave that in the public review. Then you can leave a private comment to the host saying it was nice, okay, we enjoyed a lot of different things but maybe we didn't want to be rude in the review, maybe you should enhance this or think about this maybe. (Guest 15)

Comments that are deliberately vague or tactful create an information environment where the public tries to read in between the lines when it comes to decision-making. The public needs to interpret the reviews to understand the exact nature of the experience and seek out warning signs that would suggest that the guest or host is being tactful. One guest comments, “it takes a long time to read through all these reviews and you have to judge yourself you know, to try to see if the reviews can tell you something, because the reviews are usually positive” (Guest 8). This practice appears to lessen the ability of the rating system to produce a simple abstraction of outcomes (Strathern, 2002) and complicates and lengthens the decision-making process for users.

Silence

One final strategy for the process of leaving reviews on Airbnb has emerged from the data: the strategy of opting out of the process completely. The strategy of silence could also be inferred from the tactful account left by Host 4 above. It seems that opting out is the most common method of reviewing on Airbnb when the experience had by the reviewer is particularly negative. Again, Goffman's (1967) insights on choosing to overlook a mistake made by another can help us develop an understanding of why this occurs. One participant illustrated this rather simply as follows:

To give you an example if there's somebody in your workplace you don't like, you don't necessarily go up to him and tell him. You just avoid that person. On Airbnb, it's similar. (Guest 4)

This participant's insight suggests that the nuances that can influence an interaction in an office corridor, or in any shared space, are also prevalent in online interactions that are interpersonal in nature. The risk of silence likely stems from the voluntary nature of reviewing on Airbnb's website; people are not required to report on their experience with other users after the service. Of course, this adds complexity for the public browsing the reviews because there is no way to tell if silent reviews should be considered. In extreme instances, it becomes hard for the reviewer to know how to act, especially if the current reviews are very positive. Ambiguity, in terms of our responsibility to review others, extends to instances where Airbnb (corporate) has been involved in dispute resolution. Guests and hosts alike are not sure of the role of the ratings or reviews in these cases where, technically, the dispute has been already resolved and one party to the transaction has been held accountable:

I'm not entirely confident that they paid for it. I feel like it might have been Airbnb that stepped in and paid for it. But again I don't know for sure so I didn't feel confident in leaving a review. (Host 9)

Between using private reviews, generalised reviews and opting out of reviews entirely, most users can avoid creating a (public) negative review of another user. These combined strategies may help to explain the current average ratings of 4.7 stars for properties in Sydney, Australia. The unfortunate consequence of these styles of reviewing is that the information in reviews may continue to be problematic for users of the Airbnb system and remain a likely cause of scepticism in user attitudes unless there is a notable change in behaviours.

5.4 Effects of Airbnb's High Online Ratings

Sceptical user attitudes and behaviours emerge from the online rating and reviewing system in Airbnb. There are three main drivers of this scepticism. First, in Airbnb, the highly rated experiences that users can select from when booking a transaction also appear to induce sceptical attitudes among the public. Scepticism is seen to emerge in

a first-time user's account of using the Airbnb online reviews when he compares the information he finds in the system with the hard facts of reality outside of the review:

If you're looking at Airbnb, everybody seems great and everybody's really nice and, and I don't think that's so. So even if everybody says it is the most amazing place in the world I'm guessing it's going to be nice, but I'm always a little sceptical. (Guest 4)

In this instance, the reflexivity in the participant's response is noted. He shows us that users may not trust the guidance of the ranking mechanism when making decisions, and that this is due to emerging attitudes of scepticism towards a rating and review system that reflects perfection or the nearest thing. When probed on their levels of scepticism, other users admit that the reviewing strategies they previously employed interact with their current level of trust in the system:

I probably trust the reviews a little less, probably because I know that I'm prepared to manipulate what I'll publicly write. (Host 6)

It's clear from the above and when recalling the descriptions of the intimacy and reviewing strategies noted in Section 5.1, that users possess a tacit doubt with regards to the online ratings and reviews for decision-making.

Second, factors relating to the organisation's processes and values also significantly influence the users' sceptical impressions. This was clearly seen by the single dot review left above, but participants also appear to be suspicious that positive reviews may be an intended consequence of a clever marketing strategy by Airbnb. Many participants allude to the lack of transparency that surrounds Airbnb's internal policies and procedures, with participants struggling to get access to personnel within the organisation when needed and questioning the organisations motives.

Obviously it makes sense for them to make money, so I think that they want people to be positive and promote the sharing economy. I mean, I guess there's an idealism that they want everything to be known, but I don't think they're too encouraging of negative reviews ... I work in IT and I know how these things work. (Host 1)

Although there is no evidence to suggest that Airbnb discourages negative reviews, doubts have been raised by participants over the true purpose and trustworthiness of online positive reviews. This appears to be driven by recognition of the advantageous effects of positive ratings on the Airbnb institution. These effects appear more prominent to sceptical participants than the presumed effect of increased transparency and better quality decision-making for consumers.

The third and final factor that drives users' sceptical attitudes is the potential risks to physical safety. This appears in two forms: (1) users are afraid to leave negative reviews in case the reviewee exacts revenge in the future and (2) users are faced with a heightened sense of risk because of the nature of home-sharing and the perception of increased vulnerability when staying with a stranger. For the former, users admit that the fear of retribution is not valid because many of them note that the reviewing process is double blind in Airbnb. However, they still feel a natural reluctance to leave negative reviews about another in case they come face-to-face with that person in the future. One participant notes:

I just would write something very bland and I think that in itself is revealing if you read a bland review. Yeah ... I don't know. It's like a sort of fear of retribution or something, which doesn't make sense I know because they've already come and gone but ... I know this is not rational. (Host 7)

For the latter, the risk to personal safety during a stay compels participants to look beyond the online ratings and reviews because they are faced with a potential robbery, attack or, more innocently, an uncomfortable encounter with an individual who they consider to be a stranger:

You never know if someone's going to be really weird. So, since he's older – I guess a part of my brain thought if it gets to that situation I'll be able to defend us rather than someone who was younger, it would be possibly a little bit different. So the safety perception, it's a bit safer knowing that he was an older person, which I could see from his profile and his photo than with a younger person. (Guest 3)

Many participants characterise their safety risk as significant, which prompts them to hide their negative experiences and seek extra information for decision-making. The extra information sources are deemed to be more comprehensive than the source providing review information. Another participant comments, “the messenger service is a very good way for the host to know what kind of person you are ... I guess it’s a first filter that you’re not some kind of nut job” (Guest 4). It is clear that both guests and hosts feel a certain degree of risk in terms of their personal safety, and there are mechanisms emerging other than reviews that are used to assuage that risk.

The slight reticence uncovered when participants were asked to evaluate online ratings and reviews simultaneously identifies a more popular mechanism to use in decision-making: the option of the conversation. This is not the only information source that transcends rating systems; a multitude of other options are characterised as in the section below. Having reflected on the participants’ attitudes towards using ratings and reviews, there is an indication that these systems are not the central information source that is used in decision-making. Sztompka (1999) crucially notes that the amount of true information gained from an information cue will determine the amount of well-placed trust in another. The information cues selected by the user in their decision-making are therefore of vital importance in assessing trust in the online rating system. Having established that users are sceptical about the review content due to (1) their observations of reviews as subjective and their self-confessed reviewing strategies, (2) the institutional values, and (3) physical safety risk, the next section addresses how users fulfil decision-making on the Airbnb website.

5.5 Other Ways of Informing: Primary Decision-Making Cues for Airbnb Users

Airbnb’s system includes a plethora of information sources for the decision-making. These information sources lead the user to what Sztompka (1999) calls “grounds for trust”, that is, “the various clues – reasons, predilections and rules – which make people grant or withdraw trust, and choose a specific type of trust” (p. 69). Sztompka

(1999) accords significance to reputations as a potential indicator of trustworthiness, a fact that should instantly augment the trustworthiness of online ratings and reviews in decision-making, but he admits that reputational information may be sometimes vulnerable to manipulation that could mislead an individual into false grounds for trust. For reasons related to scepticism, ratings and reviews (providing reputational information) are not found to be the predominant method of informing when Airbnb participants make decisions. The section below provides a description of the mainstream cues or arrangements that are used often by participants; the private messaging service, the visual representations of the property and the biographical information available on the counterparty are the primary indicators of the trustworthiness of another individual.

5.5.1 Private Messaging Service

Participants (both guests and hosts) mostly allude to the private messaging service as the most valuable information source in terms of gaining knowledge about another Airbnb user. Through private messaging, participants deal directly with the individual they need to trust, as opposed to reading second-hand accounts of conduct through their reviews. Most guests confirmed that the private messaging service, as a direct communication tool, is used as a first point of reference to gain an in-depth understanding of the characteristics of their potential new acquaintance. Effectively, this information allows guests to assess the host's current performance, which is critical when reputational information is viewed with scepticism. The specific criterion that is used to evaluate another individual's performance appears to vary somewhat, with some guests hoping for a simple personality fit, and others employing much more rigorous rules. Participants often refer to this essential process as the *interview*, with one guest commenting as follows:

It felt like a little bit of an interview to begin with. The initial conversation started like, "Tell us about you. Who are you? Why are you coming down? What type of a trip are you coming for? Is it for work, holiday?" (Guest 1)

The interview process, which allows the direct exchange of sufficient information, either by private online messages or text messages, becomes the main basis for decision-making due to the high stakes involved in interactions:

The most important thing was the message that they sent when requesting a booking, and for us, the most important aspect of that was that they had a purpose and that they were willing to share their purpose with us. We knocked back some people where we just couldn't get a conversation going about why they were visiting and we sort of did that because we felt that if we couldn't have that conversation online, then it would be quite difficult to have that within the house. (Host 7)

The interview process described here demands a certain type of behaviour from guests, and puts them in a position where they need to supply the prescribed amount of information to gain the trust of the host. This is possibly because hosts need to protect their belongings and home from users who may have adverse intentions. Elsewhere, analogies were drawn between the introductory conversation occurring through the personal messaging service and a corporate sales pitch, with some participants describing the exact information points that are sought through the messaging service. At the critical pre-booking stage, the most sought after information concerns aspects of the other user's identity, such as their job or profession, their holiday history and how often they have used the Airbnb service. These indicators likely convey hard facts – deemed as more objective – about character references, and although evidence is not generally sought for the assertions made in the interview process, the interviewees said that the information was examined for accuracy using social media websites that the interviewees were members of, such as LinkedIn, Facebook etc. In Airbnb, guests work tirelessly at the messaging stage to ensure they are presented in the most attractive light and hosts have systematic standards in assessing their performance. This evaluation process takes place irrespective of the data provided in the online ratings and reviews of the interviewee; the popularity of the interview renders it the most common method of informing in the Airbnb decision-making process.

5.5.2 Visual Representations

The photographs provided of Airbnb properties are the next most commonly used feature of the information system for decision-making purposes. Photographs are used by guests in determining the quality of the property they need to decide on. Photographs convey information about the property that is seen as more scientific and external to the individual. One participant reflects this point in terms of describing how she navigates in the system:

The look of the place for me, the photographs are critical. It's the only way that I can get a sense of what the place will look like and it's really the only thing that I can rely on. If the reviews say the place is beautiful, that's really subjective but if the photographs show me the place, I can make up my own mind about whether or not it's beautiful. (Guest 19)

Most guest participants use photographs to conduct a detailed examination of their prospective lodgings. The photographs are trusted to provide a comprehensive overview of the property, with one participant noting “unless the pictures grab my attention to begin with, I won't book the property” (Guest 1). The photographs on the website are, in fact, professional photographs paid for and organised by Airbnb; the service is offered to hosts when they join the platform as part of the terms and conditions of the Airbnb policy. The quality of the photographs is high – regardless of what type of property it is and whether this is a property that goes on to fetch 3, 4 or 5 stars in the reviews – which is also understood by potential guests. In fact, guests commented that if they did use ratings in decision-making, the ratings they used were the ones that indicated whether the photographs of the property were as described by the host:

What I look at is the stars that tell you do the pictures show you what it really is, do they reflect the inside of the property. I think then that that's a good thing because then you can tell if it's exactly like what the pictures show. (Guest 8)

Despite photographs being classed as a mechanism to inform that is scientifically generated, participants still appear concerned over the accuracy and capacity of

photographs to faithfully represent the property. Information held in previous written testimonies is a lesser-used mechanism, possibly due to doubts over the source of that information.

5.5.3 Biographical Information

Appearance cues, such as photographs, do not only reflect the physical attributes of the property but can also convey information about the identity and status of the host (or guest). The use of these cues may require the Airbnb user to stereotype the target of trust in some way that will reconcile with their interpretation of social identity and status. When making decisions, both guests and hosts often use the biographical information on the profile page of Airbnb's users, although the (potential) guests seem to use the information pages more extensively. Due to the stereotypes involved, the amount and type of information extracted is defined by criteria that are personal to the individual. One participant illustrated this as follows:

I'm looking for somebody that I feel I resonate with. I just remembered I did use Airbnb a third time in the Canary Islands and I was looking to windsurf there. As I was talking to the hosts, I was looking at their profiles, checking out if there was a guy that enjoyed surfing or windsurfing, so he would be able to tell me where to go and give me some tips on that. (Guest 4)

Many participants indicate that the profile page of the guest or the host was similar to completing a background check. This is possible because information can be obtained on whether the other individual is a user of Facebook (and how many friends they may have) or whether they have been verified by supplying their driving license or passport. Some others were more interested in the other individual's physical appearance on the profile page:

We checked his profile page and found out that he was older and that impacted the decision. Like we just used the stereotype that older people are nicer and less threatening as well because I guess one of the concerns with Airbnb is what if you turn up there and

it's like Christian Bale in American Psycho, he wants to hack us into little pieces or something. (Guest 3)

The significance of profile pages to guests in their decision-making is understood by the hosts involved, especially the significance of profile pages to the trusting process, with many hosts saying that a lot of time and energy is invested into the construction of their biographical pages. The purposeful inclusion of a lot of information on profile pages suggests that users understand that they are presenting information that will be critical to the decision-making process. It is at these three specific junctures (messaging, property photographs and profile pages) that turns are taken towards trusting or not-trusting the individual involved. Ratings and reviews are adopted during the process in conciliatory manner, providing the desired level of assurance for a decision that is made primarily on the basis of other information sources.

6 Discussion

Previous research has demonstrated that systems of online ratings and reviews engender trust from users, both in a personal sense through the provision of personal comments or opinions and through what is referred to as the signification of expert systems (Jeacle & Carter, 2011). This latter research addresses the implications of a system that provides “credible sources of reliable information” (p. 302) to online users involved in making decisions. Scott and Orlikowski similarly investigate the materiality behind TripAdvisor’s online ratings and reviews, believing that users place a trust in the Popularity Index algorithm “to configure content in a way that informs their travel plans” (2012, p. 11). Ratings and reviews are typically seen to improve decision-making. One of the key pillars in positivist accounting research is the role that financial information plays in decision-making, such as the use of financial or non-financial information disclosures and the effect on the market (Amir & Lev, 1996; Ball & Brown, 1968; Botosan & Plumlee, 2002; Healy & Palepu, 2001; Jensen & Meckling, 1976). In the management accounting discipline, our understanding of an accounting practice has evolved to include any information used “to increase

efficiency, to promote economic growth, to encourage responsibility, to improve decision making, to enhance competitiveness” (Miller, 2001, p. 394) in a display where accounting is found to govern the social. The progressive growth of accounting research at its margins and its ability to inform our understanding of how society is affected by accounting techniques (Jeacle, 2012) creates a pathway to explore the usefulness of the information of sharing economy online ratings and reviews for decision-making. This is in addition to the critical role of online ratings and reviews as a self-regulation device over the sharing economy. This role is fundamentally based upon the notion that online ratings and reviews are useful for decision-making.

Ratings and reviews have emerged as the centrepiece of attempts to oppose traditional modes of regulation due to the perception that these mechanisms reduce information asymmetries (Sundararajan, 2014).¹⁵ During a recent regulatory inquiry in New South Wales, Australia, Airbnb presented its two-way rating and review system as a powerful tool that maintains quality standards and empowers consumers (Orgill, 2015). In the context of another Australian inquiry, Brad Kitschke, Uber’s Director of Public Policy recently argued that it’s 5-star rating system *regulates* the ride-sharing experience because the feedback received on drivers and passengers is continuously monitored by Uber’s administration staff (Kitschke, 2015). Figure 5 below was extracted from the submission and is an example of Uber’s safety framework in which the important role ascribed to online ratings is made clearer.

¹⁵ In similar circumstances, researchers have learned that the English Tourist Board is considering a repeal of state-backed hotel legislation in favour of publicly generated user reviews (Jeacle & Carter, 2011).

Figure 5: Extract from Kitschke (2015, p26) submission to the Australian Capital Territory in Australia entitled *Ridesharing, a progressive direction for the ACT*



Although accounting research has not yet determined how this self-regulated accountability emerges in settings supported by online ratings and reviews, previous observations warn about the limitations of self-regulation. Anantharaman (2012) finds that more favourable reviews were accorded to US public accounting firms in the era of peer reviewing before the more formal Public Company Accounting Oversight Board regulation. The benefits that self-regulation provide to sharing economy organisations are easily discerned; added regulation would bring added costs to the participating parties and the organisations involved, and restrictions over the extent of operations would be similarly pervasive. Online ratings and reviews have accrued significant power, both as a tool to provide useful information to the public and as an important discursive resource to deflect the gaze of regulators. However, relatively little (by way of empirical research) is known about user encounters with these systems in practice. This study seeks to understand how users interpret and act upon reviews and rankings in this peer-to-peer marketplace, a marketplace that is enabled by self-regulated disruptive companies and funded by unprecedented levels of venture capital.¹⁶

¹⁶ *The New York Times* recently reported that Uber has raised US\$15 billion in venture capital since it was founded in 2009. This has contributed to the US\$68 billion market capitalisation that Uber reflects today. This

This study finds that users are sceptical towards using information from the Airbnb online ratings and reviews for decision-making. This scepticism emerges partly because of users' perceptions that the online ratings produced by Airbnb's search results are unusually and persistently high, and partly due to the strategies that users admit to employing when they construct misleading reviews following their personal experiences. Evidence of highly positive online ratings in the sharing economy has been previously provided; Resnick and Zeckhauser (2002) find 99.1% of feedback provided by eBay buyers (based upon a sample of 36,233 products) to be positive rather than negative, and Uber rules that drivers in Australia are disqualified if their ratings fall underneath a certain threshold, which is reported to linger around an average of 4.6 stars (out of a maximum of 5 stars; Tucker, 2016).¹⁷

Scepticism has been shown to compel users to use the ratings and reviews in qualified ways, mainly by evoking other mechanisms to inform or by using other decision-making cues that, together with the information from online ratings and reviews, create assurance to proceed. This resonates with Preston (1986) who identifies informal and socially constructed arrangements to inform in organisations that are sourced from simple casual observations between peers. The reliance on these other mechanisms to inform and the *reasons* motivating this reliance have important implications for how users trust information generated by online rating and review systems for decision-making.

Levels of scepticism that exist in Airbnb imply that the "wisdom of the crowd" (Scott & Orlikowski, 2012, p. 36) carries less utility than it does in TripAdvisor. Instead, decision-making is enhanced through directed communication between peers (the interview technique) and reliance on other safeguards such as photographs and

can be compared to the online organisation Amazon that had raised US\$54 million in 1997, before going public through an initial public offering valued at US\$438 million (Ross Sorkin, 2016).

biographical information. These deep-seated sceptical attitudes are found to endure as users reflect on the difficulty embedded in the act of reviewing relationships. Guest 12 perfectly sums up the quandary of the measurement scale in Airbnb's rating and review system by asking, "how can you really rate the intimacy of a relationship?" More critically, guests are seen to understand how their own employment of reviewing strategies, actions that are translated as contemporary illustrations of *face-saving* in this study (Goffman, 1967), serve to negatively affect the credibility of the available information.

Corrective practices such as courtesies are evident when users reach out to their counterparts privately following a bad experience (such as a cockroach infestation) to give them forewarning about their impression and an opportunity to resolve issues before a negative review is required. Tactful language is pertinent because reviews are constructed to include a mere hint to the public that other information is withheld (such as an ominous dot left in lieu of a detailed review). Airbnb guests and hosts demonstrate Goffman's (1967) tactful blindness behaviour when they decide to opt out of the reviewing process after a negative experience. With the knowledge of these practices in their minds, users are enticed into systematically using other mechanisms to inform, mechanisms they believe to be more objective and scientific, where they hedge their bets with multiple information sources before deciding. While users demonstrate impressive resourceful behaviour when presented with good and bad information for their trade, this behaviour is also worrying because the continued use of face-saving strategies is likely to sustain the highly positive ratings of sharing economy search results. In turn, these high ratings drive further sceptical attitudes and are responsible for the divergence of even more decision-makers to the other mechanisms to inform. In this instance, it appears that face-saving practices, rather than the ranking mechanism, acts as the engine.

The use of these other mechanisms to inform has important implications for how users trust the online ratings and reviews. Cues selected in decision-making include performance cues (the interview technique) and appearance cues (photographs and

biographical information) but also partly include the information from the online ratings and reviews, which fits into the contextual cue grouping in line with its definition as an accountability system (Sztompka, 1999). The latter is found to be true because Airbnb's system meets the three accountability criteria of visibility, vulnerability and collateral: (1) users' identities are made visible through social media accounts and verified identifying information¹⁸ is accessible by the public, (2) users are vulnerable to sanctioning due to the perceived threat of a negative review on their profile and (3) users act to retain a form of collateral (in the form of a financial deposit) that is provided at the booking stage. This shows that personal and contextual cues can be combined in the calculation of trustworthiness. The act of supplementing the contextual cue with other information also demonstrates the limited nature of the accountability systems' trust, arising due to doubts over the face-saving motivations of sources generating these online testimonies.

Trust has previously been conceptualised as fragile when the trustor adopts multiple mechanisms or endogenous safeguards to hedge their bets in decision-making (Ring 1996). This fragile trust is similar in style to the cognitive-based trust found by many to be the basis of everyday commercial transactions (Dunn, 2000; McAllister, 1995) but refers more specifically to the active demands made by the trustor in seeking to allay his concerns. The scepticism and hesitation displayed by users in their decision-making is not indicative of a particularly strong or high level of trust held in the online ratings and reviews. Reliance placed on other informing mechanisms draws parallels with the actions of those in possession of fragile trust (Ring, 1996), reflecting a weaker form of trust than found in previous research into online ratings. The success of online ratings and reviews is critically dependent upon the user's ability to adopt other mechanisms for informing because we find that the majority of users do not make a decision based on ratings and reviews alone. Additionally, there are risks

¹⁸ Airbnb requires documentation as part of their Verified ID tool that is used to build trust among Airbnb users. Passports and drivers licenses are often required at the Verified ID stage, although these are not accessible to the public. A Verified ID Badge is given to every user who supplies this information.

attached to users possessing a limited, fragile trust in the system; fragile trust is unable to survive a fall from grace (Ring, 1996). Because of this, trustors often abandon the trustee in favour of competitors if they are let down by the extracted information. This demonstrates the temporary and vulnerable nature of this type of trust and the angst that may be felt by users as they continually reassess information provided by the mechanism before making a decision.

Finally, despite the online rating and review system displaying all of the hallmarks of an accountability system, a user's adoption of face-saving practices partially avoids the accountability control that the ratings and reviews were set up to enforce. Users move outside of the rules established by the accountability system in pursuit of more personal agendas. In contrast with accountability systems that make invisible information visible, in peer-to-peer markets misleading information is made visible to enable decision-making, while more rational information is withdrawn from public view via face-saving. While this would suggest that the accountability system underperforms for its members, the system is consequential and its effects are broadly accepted by users. For example, users are regularly promoted to superhost status in times of continued 5-star reviews, and it appears that hosts who receive negative reviews will be penalised by a lower position in the search results¹⁹. Although rationalising this passive acceptance is difficult, it may be that the skewed distribution of Airbnb's ratings, with tiny differences segregating listings, softens the effects of sanctions on users, making the particular style of accountability easier to accept.

¹⁹ A host's property is penalised or rewarded by the ranking algorithm that decides an order based on a range of information. While Airbnb states that this relies on the information provided by ratings and reviews, host participants suggest that the algorithm also ranks by calculating the response times of hosts, number of photographs and cancellation activity. Airbnb does not disclose the exact nature of this calculation. On the other hand, guests are not subject to the ranking algorithm in Airbnb, only past comments are available on a guest's profile.

With the scepticism and the fragile trust that users have in the Airbnb system, the nature of accountability frameworks is called into question. Roberts (1996) suggests that being held accountable “holds a mirror up to an action and its consequences in a way that creates focus within the stream of lived experience” (p. 42). Two main forms of accountability are included in his conceptualisation: the hierarchical form and the socialising form (Roberts, 1991). While hierarchical accountability is the top-down imposed accountability found in vertical power relations within organisations, socialised accountability is observed among peers who share an understanding of their organisation’s reality (Roberts, 1991). A third form of accountability – crowd-sourced accountability – can be found among users of sharing economy organisations. This form of accountability differs from its hierarchical predecessor due to the flat outlay of power relations among members of the public in the sharing economy. While this would suggest that crowd-sourced accountability is more closely aligned with the socialised form of accountability, the motives of users in the sharing economy differ from those identified by Roberts (1991) in lateral organisational relations. Under crowd-sourced accountability and in their display of corrective practices, sharing economy users act purposefully to protect each another from the harm caused by negative reviews. The mirror of crowd-sourced accountability is not then focusing on the reality of sharing economy experiences but focusing instead on an illusion brought about by the face-saving of individuals in the accountability system.

Concerns are developed here in line with Goffman’s (1959) problematising of impression management techniques because they misrepresent reality and cause the audience to be “duped and misled” (p. 65). There is an expertise that is lacking in crowds, and face-saving is a good example of how this can manifest. Users may appear to be more empowered, but without a form of control, this power has resulted in a softer accountability that is not embraced in the decision-making process. Thus, there is a concern that crowd-sourced accountability, although popular amongst the newly democratised masses, lacks the legitimacy traditionally accorded to the hierarchical and socialised forms of accountability. Where crowd-sourced accountability appears

to deliver results, however, is in its role as a resource to sharing economy organisations in their quest for self-regulation.

7 Conclusion

It is hoped that this article extends the conversation on user-generated ratings and reviews in such a way that it captures the reality of the back-stage while appreciating the scene constructed on the front-stage. In identifying practices that save-face, this study also offers an explanation for the trend towards extremely high ratings found in sharing economy platforms, as has been noted in previous research on eBay (Resnick and Zeckhauser, 2002) and conveyed by the practical governance methods at Uber (Uber, 2016). In commenting on this study with respect to the prior research, face-saving practices and activities can be related to the notion of gaming that was previously set forth by Espeland and Sauder (2007). While institutions have fought the ranking authority for the increased value in branding, social participants in Airbnb acknowledge the import accorded with personal brand and identity. Unfortunately, the lengths that are employed in the protection of this personal brand have negative consequences for how users trust the accounting of online ratings and reviews, not to mention the wider social consequences when according rating and review systems a public accountability role.

The study proffers the idea that users' trust in using online ratings and reviews is limited and fragile, as shown by the adoption of other mechanisms to inform in the decision-making process. This finding relates to social peer-to-peer markets that operate in a self-regulated fashion and may not contradict the theoretical model introduced by Jeacle and Carter (2011) in their account of systems trust at TripAdvisor. Had our study applied the latter model, it would likely have found that both the high ratings observed by a first-time user and the face-saving practices confessed by repeat users fail to meet the integrity antecedent in Mayer et al.'s (1995) interpersonal trust model. The theoretical model that links personal trust and systems trust would possibly have determined that both were lacking in Airbnb.

This paper also advances the concept of crowd-sourced accountability as a third form of accountability evident in peer-to-peer markets. This form of accountability, although heralded by advocates of self-regulation, is found to be lacking in legitimacy due to the face-saving actions of those held to account. Crowd-sourced accountability has emerged in line with the dispersion of power back to members of society who partake in the “economic and social revolution” (Stephany, 2015, p. xi). Questions over the efficacy of crowd-sourced accountability simultaneously convey the power of controls in traditional organisations. Indeed, this point also draws focus to questioning the role of the organisation in peer-to-peer markets.

At this turn, suggestions for future research can be made. With this research positing a suspected link between the design of online rating and review systems (in light of their limitations) and the benefits gained by the organisation in the areas of regulation and perhaps even marketing, it is plausible that these systems could be an artefact of management control systems. This may be motivated by the link made by Merchant and Otley (2006) in their suggestion that accountability systems can be leveraged as control devices.

A second area for research could also extend our knowledge of the black-box of algorithmic technology. Although this would depend heavily on organisational access, the contribution to the accounting and accountability literature could be significant. These mechanisms dynamically control pricing by responding to demand, and impose accountability regimes without much transparency on the rationale for warrants and sanctions or the calculation of accountability itself.

Finally, by holding the front-stage up to the back-stage, there is empirical evidence of the limitations of conducting netnographic research in the social sciences. Although netnography has previously been critiqued as relying too heavily on factual representations, this study delivers confirmation that online accounts and information, at least in a peer-to-peer marketplace, are deficient in terms of reliability.

In the future, netnographic researchers can respect these concerns by triangulating data and questioning the true motivations behind online interactions. This could be underscored by the understanding that as researchers, we take up the role of the audience in our observations.

CHAPTER FOUR: THESIS CONCLUSION

1 Concluding Remarks

This chapter synthesises the main findings of the article in Chapter Three. In doing so, it recaps on the contribution made in the field of trust and the credibility of accountability in online ratings and reviews of the sharing economy.

2 Trust-in-use and Accountability of Online Ratings

In their paper on TripAdvisor, Scott and Orlikowski (2012) frame the “need to move beyond the hubris and speculation ... of the web to examine empirical-founded implications” (p. 27). By generating evidence from the Airbnb field, this thesis contributes to this call. In its quest, this thesis finds significant scepticism among users when questioned on the schematics of their practical use of online ratings and

reviews. Scepticism originates from two main trenches: the suspiciously high search results that regularly populate Airbnb's platform, and concerns that stem from the user's personal use of online ratings and reviews in their role as reviewer. In line with Goffman (1967), the latter investigation found that users employ face-saving practices during the course of reviewing. The impression management practices invoked during times when a negative review of another user is *warranted* but subsequently *avoided* serve to preserve the image and feelings of the counter-user. Both of these channels converge to cause users to use online ratings and reviews in a qualified manner for future decision-making.

Instead of the systems trust found in TripAdvisor ratings and reviews, trust in the use of these mechanisms in Airbnb is regarded as limited and fragile. While evidence shows that users adopt the rating and review information in a partial sense, their calculated adoption hinges upon the availability of other mechanisms to inform, with many users claiming ratings and reviews alone are not sufficient to allow them make decisions in Airbnb transactions. This article also proffers the existence of crowd-sourced accountability, which is found to be related to previous forms of accountability, such as the hierarchical and socialised forms (Roberts, 1991), but differs due to the motivations of those captured by the accountability system. Crowd-sourced accountability arises in the absence of vertical power relations and is characterised by individuals who cooperate and protect each other from the negative effects of the system. This particular style of crowd-sourced accountability creates an illusion assembled by face-saving practices and this study problematises it as having less legitimacy than the hierarchical and socialised forms of accountability. Finally, this study speculates that, for the sharing economy, the value bestowed by crowd-sourced accountability may sit mostly with those fighting for self-regulation and not with the assurance-seeking public.

The finding of scepticism towards ratings and reviews is a significant step brought by this study to the ranking literature. In showing the two channels of scepticism – pre-existing high ratings and reviews and the users' previous deployment of face-saving –

this study shows that both first-time users and return-users in Airbnb hold a qualified trust in the system. In other words, the fragile trust developed in these online systems is not created by face-saving practices and activities alone. It is a product of two forces, one that interacts with a new user when lodging a request with the Airbnb search engine and the second that emerges through repeated user behaviour. It is hoped that by identifying the drivers of scepticism in this way, this article also captures the extent of the limited trust engendered by socially constructed user reviews.

2.1 Contributions to the Literature of Ranking Mechanisms

Prior research on rankings (Espeland & Sauder, 2007; Kornberger & Carter, 2010) suggests the risk of gaming is significant in ranking environments. This thesis offers further support to these findings because face-saving practices at Airbnb can be theorised as a subtle form of gaming. However, other forms of gaming may be also apparent. Airbnb users often clarify their position with their counter-user before the end of the stay, with Host 5 claiming, “I sit down with my guests before they leave and I jam it down their throat that they need to give me a five-star rating”. In Airbnb, gaming is characterised as a much more personalised and urgent endeavour, demonstrating the significance attached to our personal brands. In reflecting on this, these endeavours also reveal the vulnerability of ranking mechanisms and numbers in general, with Espeland and Sauder (2007) describing the criteria needed for the credibility of numbers. In their words, “the erasure of context and the people who make numbers, is crucial for their authority” (Espeland & Sauder, 2007, p. 18). The information age and the new capacities of lay-people that highlight the role of accounting in society may bring with it a need to revise our previous conception of the public’s trust in numbers.

2.2 Contributions to the Literature on Trust

In reviewing both channels of scepticism, this thesis presents the problem of subjectivity in the construction of accounts and some associated concerns with regards to the scientific accuracy of rankings. Subjectivity in the creation of reviews has been similarly addressed by Scott and Orlikowski (2012) and by Jeacle and Carter (2011) in their portrayal of the lay-person in biased opposition to experts. The paradox presented in the latter study is similarly prevalent in Airbnb, where a biased affection for peers is certainly clear. In the Jeacle and Carter (2011) paper, the paradox was not sufficient to limit the formation of personal trust in other TripAdvisor users. With higher stakes involved in the sharing economy, such a paradox may be strong enough to negatively affect the *integrity* thread of Mayer et al.'s (1995) antecedents to interpersonal trust. In clarification, this thesis supports the theoretical contribution of the Jeacle and Carter (2011) study. Had Jeacle and Carter applied a similar theoretical lens to the field of Airbnb, they would likely have found that personal trust was compromised due to face-saving practices, which would have a similar limiting effect on systems trust.

This thesis contends that rankings of the sharing economy and other systems predicated on peer-to-peer transactions are highly vulnerable to the empathetic tendencies of reviewers, which negatively impacts the credibility of ranking outcomes in these environments. With reduced credibility, this study posits that users have a fragile trust in adopting ratings and reviews for decision-making purposes. Fragile trust is found by observing the volume and scope of the publics' information needs during decision-making, with increasing information needs signalling lower trust. This extends the extant literature by Ring (1996) and Ring and van de Ven (1992) in their analysis of the trust - information nexus that affects economic decision-making in organisations, by applying the same insights to individuals making economic decisions in social contexts. Though information needs of citizens in a peer-to-peer market are less formal than those of economic actors in organizations, the processes behind fragile and resilient trust are comparably evident.

2.3 Linkages with Regulation

The result of such face-saving practices is a rating system in Airbnb that struggles in its path to be decontextualised and abstracted to other decision-making settings (Strathern, 2002). This also brings negative consequences for the legitimacy of crowd-sourced accountability. Tensions exist in evaluating others (Johansson & Baldvinsdottir, 2003), and these tensions are elevated when we account for our peers on a social level that is part of a self-regulated environment and entangled with norms and rituals of everyday interaction. In an era heralded by an abundance of information, this thesis proposes a more careful assessment of the setting in which online rating and review systems operate. Organisations and their stakeholders, academics and policy-makers are thus urged to appreciate the delicate nature of peer-to-peer transactions. In terms of regulation, state intervention may be warranted where companies operate in a less-governed monopolistic market and where benchmarking tools face less economic pressures in terms of control and design. Airbnb's statement on their rating and review system concludes that it provides "constructive information that helps the community make better decisions" (Airbnb, n.d.). This position could signal that intervening regulators have tough challenges ahead.

3 Areas for Future Research

Here, two significant opportunities for future scholarly work are presented. The first addresses the idea that organisations may benefit by the deployment of ranking systems under the auspices of accountability. The second relates to the research space for management accountants in studying algorithmic technology.

3.1 The Interaction between Management Control and Systems of Online Ratings and Reviews

The utility of user reviews for decision-making in Airbnb is dependent on the availability of other information sources, raising the question of why organisational investment in such ratings and reviews continues. At this disjuncture, the commercial benefit achieved by TripAdvisor due to its ranking mechanism can be recalled (Jeacle & Carter, 2011). Sztompka (1999), in his analysis of the intersection between accountability and trust, cites Coleman (1990, p. 111) as follows, “it is to the trustor’s interest to create social structures in which it is to the potential trustee’s interest to be trustworthy, rather than untrustworthy”.

Merchant and Otley (2006) suggest considering the notion of accountability, as an organisational control mechanism “for generating results measured in accounting terms” (p. 785). While the accountability mechanism in Airbnb should serve to support the decision-making needs of the public, time and time again it is manipulated through the face-saving practices of users. The limited trust held in the system brings forth the risk of unhappy customers dealing with uncertainty and the burden of having to select other mechanisms to inform. This suggests that the risk brought forward by introducing crowd-sourced accountability is a calculated risk, one that Airbnb is willing to take to maintain the potential benefit it expects from its online rating and review system, despite the gaps that exist between true and illusionary accountability. In other words, this raises the speculation that the rating and review system may be a means for Airbnb to manage the commercial risks to itself rather than the risks borne by guests and hosts in using the online service.

Further research could investigate the link between the design of these systems and the profit-making objectives set by management. The notion that these systems can be used as a commercial resource for organisations may extend the ranking and control literature, as well as provide significant practical contributions for regulation.

3.2 Algorithmic Accountability

Future research could also address the nature of the ranking algorithm and seek to understand more about its design and functionality as a measurement tool. Scott and Orlikowski (2012) make the point that, in and of itself, this tool is cloaked in opacity, black-boxed and not held to account, which further isolates those individuals captured in the mirror of an accountability system. While this algorithmic technology plays a significant role in accountability relations, it also directly affects price setting in Airbnb and in other sharing economy companies such as Uber. In fact, an algorithm that can account for a suburb or community's rental value, seasonality and the associated levels of expected demand and competition, presents management accountants with the challenge of retaining their own legitimacy as experts in the field of product costing and customer profitability analysis. These opportunities may form a separate opportunity for future research but have timely significance in light of the increasing growth in market share of sharing technology organisations.

3.3 A Note on Methods

The nature of qualitative research has faced contest in terms of rigor and scientific accuracy for decades. More specifically, this study used netnographic concepts in data collection. Although this reflects a small percentage of the overall data collected, criticisms have been levelled at netnographic research for its reliance on textual representations and the propensity of virtual participants to provide falsehoods (Kozinets, 2002). While netnographic research is becoming more mainstream in accounting (Bialecki et al., 2016; Jeacle & Carter, 2011; Scott & Orlikowski, 2012), the data collected under the netnographic approach in this study provides evidence that online content in ratings and reviews is somewhat misrepresented due to the face-saving practices employed by users. While this is linked to the specifically delicate characteristics of the object under review in Airbnb, we highlight the critical importance of conducting netnographic research with sensitivity towards the reality

back-stage (Goffman, 1959) and advocate for further adoption of Goffman's dramaturgical framework when practicing netnographic research and even for field research methods during normal face-to-face interviews.

4 Thesis Limitations

The field research in this study has been conducted in the social community with members of the public who access the Airbnb website as either consumers or service providers. This puts forth two main limitations of this study.

First, while accessing the social actors of Airbnb was critical to answering the research question, some may find the claims about accountability tenuous. Interview access was not granted to management within Airbnb and a detailed study of this accountability is probably called for in a future study. For that reason, speculative claims about the way in which these systems can be used for management control are limited to the extent that access to Airbnb management has not been granted to the author.

Additionally, the inferences drawn are based on accounts that have been created in the system and the corresponding reality that has been described by the interview participants. Although measures were taken to corroborate both of these accounts, these measures are vulnerable to the criticisms often levelled at qualitative research. For that reason, thesis supervisors played a role in the data analysis and interpretation process to mitigate against researcher bias.

5 Concluding remarks

This thesis has been concerned with the practical engagement by users of the sharing economy with online ranking mechanisms. In unravelling this tapestry, we come to realise the distinctly personal nature of sharing economy transactions and peer-

evaluation. Goffman's (1967) interaction ritual narrative introduces context for our understanding of how ranking outcomes are produced in the social context. It also provides evidence that face-saving practices have concerning implications for measurement systems, charged with both accountability and regulation. With the sharing economy in its infancy, this study provides some initial clarity on strategies that could help further it in ways aligned with the public good.

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1 APPENDIX 1

Extract from Airbnb Statistics Report, March 2016

Ratings

Overall Rating					
	★★★★★	★★★★☆	★★★☆☆	★★★☆☆	★★★☆☆
# of Listings	1647	468	496	32	59
% of Listings	26%	7%	8%	1%	1%

Detailed Ratings	
Sydney	
Accuracy	4.71
Cleanliness	4.59
Communication	4.84
Location	4.79
Check In	4.82
Value	4.59

✓ Over 95% of listings in America currently have a 4.5 or 5 star rating. Recent changes to the review process have made achieving 5-stars more difficult. Look for ratings to increasingly differentiate the most successful hosts.

Amenities

Percentage of Properties With Amenities					
	Yes	No		Yes	No
Cable TV	22%	78%	Washer/Dryer	87%	13%
Gym	11%	89%	Air Conditioning	36%	64%
Pool	17%	83%	WIFI	88%	12%
Heating	59%	41%	Free Parking	36%	64%
Pets Allowed	8%	92%	Smoking	8%	92%
Fireplace	6%	94%	Hot Tub	9%	91%
Kitchen	94%	6%	Breakfast	11%	89%

✓ A general rule of thumb for amenities in your area

- Must Have = 80% or greater
- Should Have = 50% to 80%
- Nice to Have = Under 50%