

Digital Discrimination: The Case of Airbnb.com

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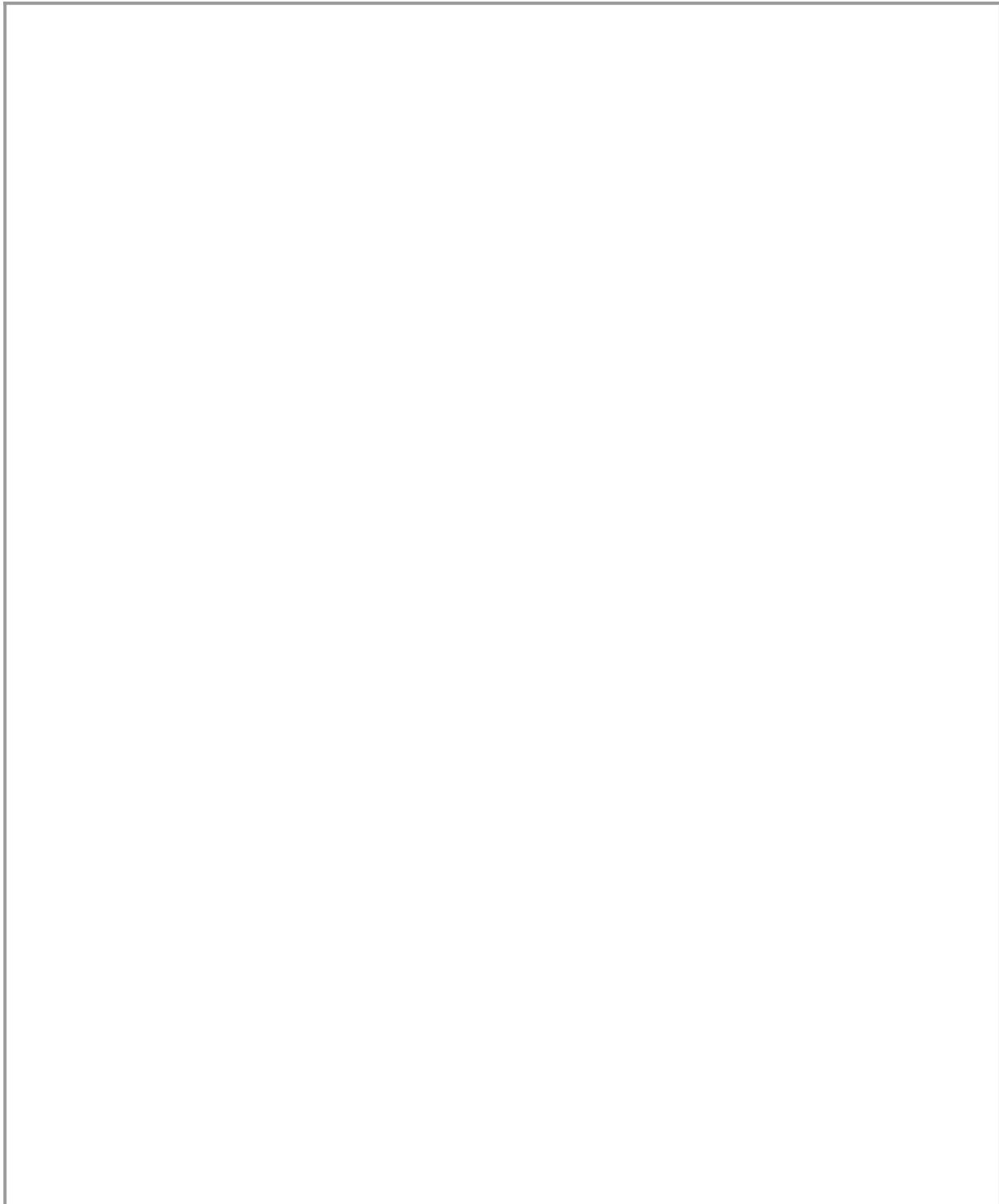
Why did we select this research?

In an effort to facilitate trust, many platforms encourage sellers to provide personal profiles and even to post pictures of themselves. However, these features may also facilitate discrimination based on sellers' race, gender, age, or other aspects of appearance. In this paper, Benjamin G. Edelman and Michael Luca test for racial discrimination against landlords on Airbnb.

Key findings

Using a data set combining pictures of all New York City landlords on Airbnb with their rental prices and information about quality of the rentals, the authors show that non-black hosts charge approximately 12% more than black hosts for the equivalent rental. Moreover, black hosts receive a larger price penalty for having a poor location score relative to non-black hosts.

These findings highlight the prevalence of discrimination in online marketplaces, suggesting an important unintended consequence of a seemingly-routine mechanism for building trust.



Reference

Edelman, B. G., & Luca, M. (2014). Digital discrimination: The case of airbnb. com. Retrieved from: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2377353
