

# UNLOCKING REPUTATION MECHANISMS IMPACT ON COLLABORATIVE CONSUMPTION PRICING

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## ABSTRACT

This paper proposes to empirically explore the relationship between ratings and sharing economy pricing. An important aspect of the sharing economy is the establishment of feedback rating systems to foster trust in peer-to-peer platforms. Dellarocas (2003) raised an important question of “how well does the mechanism work?” while studying eBay’s online feedback mechanism. I intend to unpack this question to deepen our understanding of how feedback and reputation systems work by investigating how they impact Airbnb prices and how different types of ratings affect each other by applying fixed effects and directed acyclic graphs (DAG) methodologies.

**Keywords:** Sharing Economy, Collaborative Consumption, Ratings, Reputation Systems, Airbnb, Pricing, Fixed Effect Model, Directed Acyclic Graphs (DAG).