Regulating consumers' contributions and usage of a shared good: An experimental approach

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Regulation in the sharing economy is scarce; neither (inter-)national governance nor self-regulation of providers are present to prevent misbehavior of sharing consumers. Nevertheless, prior research suggests that consumer in the sharing economy desire an entity to take responsibility and protect them from exploitation of other users in the sharing economy. We use the extended slippery slope framework developed in governance research for investigation how regulation of the providers of the shared goods can be used to influence consumers' behavior in the sharing economy. We assume that the degree of coercive power (punishment and strict controls) and of legitimate power (information, expertise, position, role model) of different sharing organizations influence the contribution to a shared good and the usage of this good. In a laboratory experiment, 362 young consumers took part in a give-or-take-same game (GOTS) and had to imagine that they share a car and a box with children's toys in a group of four people. They received the fictitious car or box. In a first step, they had to indicate their contributions of financial resources to the shared good ('give' in the GOTS); in a second step, they indicated their usage of the car or box, respectively, for a certain amount of hours ('take' in the GOTS). Results indicate the importance of legitimate power: the higher legitimate power, the higher the contributions. In contrast, coercive power did not have an impact on contributions. Usage was not influenced by power: all consumers took about a quarter of the available hours. As a practical implication, this indicates that sharing economy organizations should try to inform their costumers and support them in dealing with the shared good in a decent and fair way to both ensure correct behavior and show their customers that regulation is present.

Keywords: sharing economy, regulation, coercive power, legitimate power, give-or-take-same game