

Price Setting on Peer-to-Peer Sharing Platforms

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Abstract

Women may be more exposed to risk when using Sharing Economy online platforms than men and hence not able to take full advantage. New data from Turo, the largest peer-to-peer car sharing platform in the U.S., shows that due to safety concerns, female renters prefer renting from female owners and owners with experience on the platform. Consequently, experienced female owners face increased demand and charge a price premium of up to 13% compared to men. Inexperienced female owners charge 6% less than men and acquire a track record more quickly. Counterfactuals from a dynamic model of price setting show that requiring experienced female owners to lower their prices, while compensating them for lost income, improves outcomes for renters and female car owners, and is profitable for the platform. Such platform design adaptations in favour of underrepresented groups may be necessary to make the Sharing Economy truly inclusive and equitable.