The Asymmetric Effects of Minority-Owned Markers for Business on Online Review Platforms

By

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Abstract:
Recent social justice movements have rekindled interests in supporting minority-owned businesses, and in response, popular online business-review platforms launched features to mark minority-owned businesses. We ask: Do such markers increase the willingness to visit and support the businesses? In a politically-divided environment, the markers may have heterogeneous effects across those who support the cause of helping minority-owned businesses and those who do not. Moreover, the markers may also act as a reminder of biases and prompt consumers to expect different levels of quality purely based on the ethnicity of the business owner. We conducted two online experiments—using restaurant business as the context—and found that, in aggregate, the markers seemed to have the intended effect (i.e., a positive effect on users’ willingness to visit and support the corresponding restaurants). However, the markers had such an effect only on users who supported the cause of helping minority-owned businesses. For those who did not, the markers had little effect for restaurants that matched positive biases based on the ethnicity of ownership, and worse, the markers actually backfired when the restaurants did not match the biases. We discuss the research and practical implications of our findings.

Bio:
Antino Kim is an Associate Professor of Information Systems and Grant Thornton Scholar at the Kelley School of Business, Indiana University. He earned his Ph.D. in Information Systems from the Foster School of Business at the University of Washington. His research interests include: AI and human interaction; Misinformation and social media; digital piracy; and markets for information goods. His research has appeared in ISR, JMIS, Management Science, MISQ, among other outlets.