The Visual Narrative: Premium Accounts, Social Media, and Ethnic Discrimination (Wave 2)

Raphael Moritz[a], Christian Manger[b], Kerstin Pull[c]

Abstract: We conduct a randomized controlled trial to investigate the impact of premium accounts that affect information salience on ethnic discrimination. We send fictitious applications to vacant room ads, with applicants randomly assigned either a Turkish- or German-sounding name to signal ethnic minority or majority status. To examine the role of information salience, half of the applications are sent using subscription-based premium accounts, which prioritize applications in the advertiser's inbox. Additionally, some applications include a link to a personal social media profile, with profiles either displaying or not displaying visual stereotypes that signal religious beliefs and cultural orientation. The results of a first wave indicate that applications with an ethnic minority name only benefit from a higher salience if their social media information do not display visual stereotypes. Furthermore, non-premium majority applicants have higher callback rates in all cases compared to premium ethnic minority applicants. This suggests that platform design, particularly monetization strategies like premium subscriptions, can significantly influence the extent of discriminatory behavior in two-sided markets.

Comment by the authors

Initially, we planned to conduct an experiment varying social media information by including visual stereotypes (see AEARCTR-0011322). We did not originally plan to incorporate a set of treatment arms using premium subscriptions. However, due to a platform design change during the experiment, we decided to include these treatment arms (with a small number of additional observations) due to possible spillover effects in the advertiser's behavior resulting from this new platform feature. The preliminary findings from this additional treatment arm revealed interesting trends, though the results were underpowered given the large number of experimental conditions. Consequently, we decided to conduct an additional experimental wave since we decided to separate the first part of the experiment (without premium accounts; AEARCTR-0011322) from this second part, which includes a randomized variation in account status affecting information salience (this pre-registration).

[a] Dept. of HRM & Organization, University of Tuebingen, Email: raphael.moritz@uni-tuebingen.de
[b] School of Business and Economics, University of Tuebingen, Email: christian.manger@uni-tuebingen.de
[c] Dept. of HRM & Organization, University of Tuebingen, Email: kerstin.pull@uni-tuebingen.de

Analysis Plan

We already collected data in the first wave (same experimental design; see AEARCTR-0011322).[1] This pre-registration pertains to a new wave of data collection aimed at increasing statistical power and further exploring specific effects. The new data collection will extend the initial study by including additional observations.

Main dependent variable: The key dependent variable to answer the research questions and to test the hypotheses stated above, is the *callback rate*, which will be measured as a binary outcome (1 = callback received, 0 = no callback) for each application sent. Additional analyses will consider the callback rate conditional on

- the account status (premium vs. non-premium)
- the ethnicity of the applicant's name (Turkish-sounding vs. German-sounding)
- the inclusion of a social media link (with vs. without) and, if a social media link is included, the content of the social media profile (presence vs. absence of visual stereotypes)

Participants, i.e., room advertisers, will be randomly assigned to receive one of 12 experimental conditions in a (2x2x3) between-subjects design.

Analysis: Initially, the impact of the treatment conditions on callback rates will be presented. Subsequently, we will present the aggregate results for the number of callbacks, disaggregated by the various conditions. Furthermore, we will conduct extended regression analyses focusing on various factors, including profiles, advertisers, room and apartment characteristics, and social media variables. We will also test our results for possible heterogeneity between cities. In summary, our objective is to present results in both aggregate form (validated with simple t- and/or rank sum tests) and in more detailed form by testing our hypothesis with OLS/Probit (average marginal effects) regressions to answer our research questions and test our hypotheses.

Handling of outliers: Outliers will be defined as observations where the callback occurs under unusual circumstances that are not representative of the typical response (e.g., callbacks from individuals who have interacted with the applicant in a prior study or those who provide feedback unrelated to housing). Such outliers will be excluded from the analysis. Additionally, any applications sent to duplicate advertisers (i.e., advertisers who received multiple applications by mistake) will be excluded to maintain the independence of observations.

---

[1] Note that we did not make a pre-analysis plan available for the first wave.