

# Understanding trust in mediation

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## Abstract

Intermediaries have always been a part of the society. It was individuals who played a role of broker to orchestrate and facilitate transactions between various parties. Business transactions could include property brokers, insurance brokers, stock brokers, marriage bureau, etc. The intermediaries take the advantage of information asymmetries [2]. The function of a broker is to connect the demand with supply by simplifying the complex knowledge and making the transaction process easy between the buyer and seller [1].

Web as a platform has given a chance for many online market places like amazon, ebay. There are also shared economy platforms like uber, airbnb that connect strangers and perform business transactions. They are autonomous agents that mediate demand with right supply based on factors like time, cost, type and quality of product or service. The key features of these mediations are volume, transparency, empowering individuals and enabling multi party business.

Trust plays an important role in enabling these transactions. Reputation, credibility ratings are used to enable trust among various parties [3]. A person with high reputation identified by lot of members is trustworthy against a person with no background information. We are trying to understand the component of trust in the mediations performed by these online market place.

## References

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- [3] Randy Farmer, Bryce Glass. Common Reputation Models. In *Building Web Reputation Systems*, March 2010.