



## The Sharing Economy: Opportunities and Challenges for Marketing Channels and Supply Chains

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## EDITORIAL

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# The Sharing Economy: Opportunities and Challenges for Marketing Channels and Supply Chains

Neil C. Herndon  
*Editor*

This *Journal of Marketing Channels (JMC)* special issue appears to be the first to focus solely on the new sharing-economy phenomenon and offers the first articles to examine the sharing economy in the context of marketing channels. It identifies opportunities and challenges facing marketing channels and supply chains and it provides some revelations that have not been previously defined, analyzed, or researched in the context of the sharing economy.

The seven articles in this special issue provide comprehensive coverage of current knowledge as it relates to the sharing economy and marketing channels. The background provided by this special issue establishes an overall framework and identifies key issues of this important topic.

The sharing economy is changing the nature of the concepts of ownership, assets, and employment associated with traditional marketing channels: it has been so successful that some traditional industries have been threatened. The legal, ethical, and regulatory environment are in a development stage and there is a need to minimize risks to all stakeholders. The sharing economy is now a viable and sustainable alternative to ownership or traditional services, such as taxis and temporary lodging.

This special issue, guest edited by distinguished scholars O. C. Ferrell and Linda Ferrell, both of Auburn University, is a pioneering effort to provide knowledge about how the sharing economy is challenging traditional marketing channels. User acceptance of access, rather than ownership, is at the center of the challenges to marketing channels. Disruptive technology used by the sharing economy, such as apps and websites, connect the owners of resources to users facilitated by an agent or labor broker. This results in a peer-to-peer phenomena involving nonownership, but rather access, creating a unique marketing channel.

The first article, by O. C. Ferrell, Linda Ferrell, and Kyle Huggins, provides a systematic understanding of how the sharing economy fits into the traditional view of marketing channels and supply chains. This article provides a grounded framework of emerging research and examples that explain the business model. The authors provide an understanding of industries that fit into the sharing economy and industries, such as direct selling, that fall outside of this new marketing channel. Many of the issues discussed in other articles are identified and defined, including how marketing channels in the sharing economy are different from traditional marketing channels.

The next article, by Andrew B. Crittenden, Victoria L. Crittenden, and William F. Crittenden, provides insights into the changes that are impacting traditional marketing channels in specific industries. Their article addresses how the sharing economy and the technology associated with the sharing economy are providing new opportunities as well as challenges surrounding financial services, real estate, health care, transportation, and lodging. Directions for future scholarly exploration related to marketing channels is provided.

Thomas Martin Key's article explores the domains of digital marketing channels in the sharing economy. The domains of e-mail, social media, and search engine marketing are related to the developments of the sharing economy. A detailed model of the decision spectrum necessary to coordinate marketing channels is presented. The use of branded-mobile applications is examined with three embedded components to overcome, including trust, utility, and user experience. The impact of these developments has resulted in changes in the efficiency, effectiveness, relevance, and persuasive power in the marketing channel.

In the fourth article Dana E. Harrison and Joseph F. Hair provide empirical research showing how technology associated with the sharing economy is enabling direct sellers to create and maintain relationships. Their findings suggest that the use of technology does enhance the ability of direct sellers to create and maintain consumer relationships. They also point out that direct selling is based on ownership and the sharing economy is based on access. Therefore, direct selling is outside the sharing-economy business model, even though it uses technology similar to the sharing economy: direct selling has a more traditional marketing channel not based on the peer-to-peer sharing of resources.

Lora Mitchell Harding and Mark T. Schenkel conducted two experiments to examine access in the sharing economy compared with the ownership associated with traditional marketing channels. Brand advertising based on functional appeals resulted in more favorable attitudes toward access offerings. Consumers tend to satisfice in an access (i.e., sharing-economy) marketing channel. On the other hand, consumers are more likely to try to maximize in an ownership marketing channel. This research shows that consumers that satisfice are happier with their choices, whereas those who maximize are less satisfied and experience more regret. This may explain in part why the sharing-economy business model is growing so rapidly.

The sixth article, by Debbie M. Thorne and Floyd F. Quinn, explores regulatory concerns about supplier resources in the sharing economy with the authors' focus on the supply side of the sharing-economy marketing channel. They note that the sharing economy creates challenges for all stakeholders and especially challenges government regulators that face a new business model unlike those of the traditional industries that they are familiar with regulating. These regulatory issues include proper classification of employment relationships and property as well as data privacy and security. Thorne and Quinn point out that private property has been viewed in many countries as a key mechanism for achieving prosperity and most regulation rests on financial relationships and ownership such that digitally matching participants in the sharing economy may not be subject to regulations that apply to industries (such as transportation and lodging).

In the final article in this special issue, Tracy L. Gonzalez-Padron examines ethical issues in the sharing-economy marketing channels. She uses stakeholder trust and institutional theory to explain ways to encourage participant conformity to ethical practices in these new marketing channels. It is suggested that sharing-economy firms should adopt industry self-regulation or

collaborative approaches to regulation to avoid legal action, stakeholder distrust, and an unattractive business environment for innovation. Trust based on ethical conduct is viewed as an essential determinant of service satisfaction for a sharing economy that relies on exchanges between individuals who are most often strangers.

Howard Bellin, in our Marketing Channel Insights column, recognizes the roots of these sharing (rather than ownership) approaches to providing access to goods and services in the new sharing economy. He notes the importance of the facilitating role of mobile apps and the Internet without which the development of the sharing economy would be greatly slowed if not prevented from developing in the first place. He also sees the underlying dimensions of the desire to use a good or a service rather than own it and the convenience associated with access as factors adding to the acceptance of this model. Noting the present size and tremendous growth trajectory of this business model, Bellin believes that users, sharers, and organizations will be increasingly attracted to the model. This indicates an extremely bright future for the sharing economy.

Book review editor Jenny Buchan has prepared two book reviews for this issue. David Swanson, Amanda Atwood, and Daniel Calais review Mark Millar's *Global Supply Chain Ecosystems: Strategies for Competitive Advantage in a Complex, Connected World*. Rob Nicholls reviews *Phishing for Phools: The Economics of Manipulation and Deception* by George A. Akerlof and Robert J. Shiller. These expert reviewers provide valuable insights into the content of these books.

It saddens me to note that Bob Lusch has passed away. In addition to publishing scholarly articles multiple times in *JMC*, he was a member of the Editorial Review Board from the time of *JMC*'s first issue in 1991 (when Founding Editor Bert Rosenbloom was Editor-in-Chief) and served for about ten years. In the broader academic world, Bob made tremendous contributions to retailing, marketing channels, and distribution system theory and practice. One cannot mention his name without also recalling his seminal contribution with Stephen Vargo (also a *JMC* Editorial Review Board Member) to the marketing discipline with the development of service-dominant logic that provides an alternate perspective to goods-dominant logic. Bob Lusch's presence brought stature and prestige to the efforts of all of us who knew him. Our journal, and the marketing discipline, will be less bright without him.

**Robert F. Lusch**  
1949–2017