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HOW DOES SHARING ECONOMY IMPACT TRADITIONAL ORGANISATIONS

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Abstract

Purpose

The author studies the impact of sharing economy on traditional organisations, which is an increasingly important topic as sharing economy gains momentum. To serve this purpose, we question the changes in traditional organisations to uncover the disruptive factors found in the sharing economy.

Design of the research

Drawing on Mauss and reciprocal-gift framework (2002), this study uses a sample of experts involved in marketing, innovation and technology to understand the dynamics and future developments facing traditional organisations. Further, a typical case sample is used to examine the specifics of the sharing platforms, including their (i) culture, (ii) external communication, (iii) value proposition and (iv) internal organisation. Finally, we analyse various sources data including imagery, video and websites as indicated in the references.

Findings

The sharing economy was found to influence traditional organisations in various ways as sharing patterns are ubiquitous. First, government has been challenged to update legislation as sharing economy accelerates the process of deregulation and decentralisation of power. As a result, government outsources public services and supports sharing in terms of collaboration and the building of sharing infrastructure. Second, incumbents are challenged to adapt to new business models, which bring new innovation to market, shifting and increasing customer expectations. Third, in sharing economy, individuals benefit from new sources of income, savings as well as more options of the products. Moreover, we uncovered a fundamental shift in culture and consumer behaviour (sharing as a lifestyle), which drive the sharing economy. More importantly, we examine the wider implications arising from the sharing economy.

Value

Sharing economy is not well understood and there are many misconceptions. For this reason, the author made an effort to contextualise the sharing paradigm within a cross-disciplinary framework. The value of this research is in its comprehensive approach to analysing the sharing economy, which can serve as a framework to understand current organisational developments.

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I thank my family for the opportunity to study in England as they have been extremely supportive during my studies and life. Without my family, this dissertation would not exist.

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Author’s Declaration

I declare that the work in this dissertation was carried out in accordance with the Regulations of the University of Bristol. The work is original except where indicated by special reference in the text and no part of the dissertation has been submitted for any other degree.

Any views expressed in the dissertation are those of the author and in no way represent those of the University of Bristol.

The dissertation has not been presented to any other University for examination either in the United Kingdom or overseas.

Signed: **Date:** 25th April 2016

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Introduction

What led Seoul to sharing

"Social demand on welfare, environment, and jobs is highly increasing, but hardship exist because of limited budget and resources. Drastic urbanization made people lose the community spirit, and the excessive consumption caused resource depletion and pollution. Seoul would like to solve the economical, social, and environmental problems with the new way, 'sharing'."

(Creative Commons Korea, 2016)

Terminology

The sharing economy is not new – it is based on old ideas reinvented through digital technology. We can trace sharing economy origins to pre-capitalist societies, where collaborative and later bartering processes were in place. We will refer to sharing as to the micro concept of reciprocal exchange of wealth, found in potlatch (Mauss, 2002). The author believes we must understand sharing at micro level before exploring the macro phenomenon of sharing (Puschmann and Rainer, 2016). Further in this work, we will refer to 'economy' as the system of "production, distribution and consumption of wealth" (Larousse, 2016) and establish the sharing-economy relationship. Sharing economy is a framework to rethink current socio-economic arrangements because "economics is not fundamentally about markets, but about resource allocation and distribution problems" (Botsman and Rogers, 2010). In this sense, we define resources as the productivity factors in economy. Examples include (i) tangible or intangible assets, (ii) human capital (stock of skills and knowledge), (iii) natural resources (environment), (iv) spatiotemporal (time and space) or (v) financial (money) resources. Similarly, we understand social capital as the number of connections between individuals (Putnam, 1995) characterised by "social interaction, trust and shared vision" (Tsai and Ghoshal, 1998). In this work, we use the term sharing economy to describe exchange (Mauss, 2002) in marketplaces (Plattner, 1989) that use existing resources to create new value (with or without money). Finally, we establish the value chain of the sharing economy to build on social (Adger, 2003), economic (Botsman and Bates, 2013), environmental (Preston, 2012) and human (Yeager, 1998) elements, making the sharing ecosystem more resilient and dynamic.

Challenging the traditional space

Today, the sharing economy is the application of technology to existing socio-economic infrastructure to deliver products and services, efficient in terms of cost, time and resources (Botsman and Rogers, 2010). Further, social and human capital are naturally embedded in digital infrastructure (Grannoveter, 1985), which allow sharing platforms to enjoy "sustained competitive advantage" over their competition (Barney, 1991). This made the sharing economy receive the 'disruptive' label (Sacks, 2011) because it challenges the basic systems of society, organisational processes of established businesses (Interviewee 9, 2016) and forces government to update legislation and to (de)regulate (Interviewee 2, 2016; Wosskow, 2014).

We will first introduce the roots of sharing under gift-exchange systems (Mauss, 2002), to later inscribe sharing within marketplaces (Plattner, 1989), before we conceptualise the modern, technology-driven sharing economy. Second, we will examine the dynamics, sharing economy created for the society. Third, we analyse how businesses respond to sharing economy – we find that firms investigate sharing economy to (i) shield their business from failure, (ii) find new growth, or (iii) improve operational efficiency and gain competitive advantage (Botsman, 2014). Equally, we will consider the shifting role of government, intended to improve the delivery of public services, answer the problems facing society and increase the efficiency of public authorities (Cabinet Office and Open Public Services, 2014). Finally, we will discuss the wider implications of the sharing paradigm.

Methodology

Design of the study

Within the limitations of an undergraduate research, this study emerges as a result of the author's wider interest in the impact of sharing economy on traditional organisations. To uncover the in-depth specifics of the sharing economy phenomenon, which affect traditional organisations, we chose to follow an inductive approach, to answer the question why traditional organisations change and identify the change factors within the sharing economy framework. We started with the assumption that sharing economy has impact on traditional organisations and were looking for arguments to explain the impact. To understand the sharing phenomenon, this research uses theory grounded in data, which provides flexibility to assess various data types and allows the researcher to establish new conceptual relationships as new data is obtained through "constant comparative analysis" (Strauss and Corbin, 1994).

Based on this data, the author elaborated a semi-structured interview guide, which followed two main elements consisting of instruction and thematic guide (Alain, 2007), attached in the Appendix B. The author decided to carry out interviews with a purposive sample of subjects. First, this study uses a sample of five experts, whose input helped the author understand the dynamics related to organisations. Second, a typical case sample of four respondents was studied, to understand the sharing economy from within and relate the findings to those of experts. Finally, imagery and internet research are used to illustrate some of the points raised in the interviews.

The author believes that the participatory inclusion of expert and typical case interviewees in the sample, their "constant comparative analysis" (Strauss and Corbin, 1994) and their intersection with existing research make this study internally valid (Bleijenbergh et al., 2011). Moreover, within the chosen framework of the UK, this research also has external validity (Campbell and Stanley, 1966) because the findings, based on input from experts, are true to the reality. As some of the interviewees had extensive international experience, the findings could still apply at larger scale, but we would have to collect more data to come to such conclusions. This study does not apply to countries with strongly centralised power such as China.

Choice of data collection

The author designed a purposive sample of interviewees, who were selected based on their expertise, experience and industry affiliation. The researcher contacted over 35 professionals based either on their attachment to (i) the sharing economy or established company (typical case sample) or (iii) their expertise in history, economics, sociology, technology, politics, marketing, branding and innovation (expert sample). The choice of this method reflects the constraints of an undergraduate dissertation, limited on time and available resources. Besides, this method allows the researcher to collect a great amount of information in a relatively short time.

Data sources

Conducting interviews

The author carried out semi-structured, conversational interviews (Alain, 2007), to remain open to themes that the researcher might have not thought of and to adapt to the flow of the interview. Interviews took place at interviewees' convenience and in spatiotemporal settings, which made them feel comfortable and open for discussion. First, the interviewer presented interviewees with the research question, background of the study and asked for their verbal consent for data collection before recording any data. Subsequently, the subjects were invited to introduce themselves and talk about their contextual specifics. The respondents in the typical case scenario were asked to talk about their company, industry and general market dynamics. Experts were asked to describe the organisational dynamics from the perspective of their specialisation (i.e. marketing, technology or sharing economy). The interviews ended with an open discussion, asking the interviewees to indicate themes that were not covered or suggest additional areas of research interest. After the interviews, the author has remained in touch with all interviewees to share the results of this study.

Coding of data

Thereafter the interviews took place, audio recordings were transcribed, anonymised and recordings were safely discarded. Each interview was classified within a given category (marketing, innovation, incumbent business), to conceptualise the opinions raised in the interview in a wider context of literature and other interviews, to "protect the author from accepting any beliefs on their own" (Strauss and Corbin, 1994). As a result, interviews were used within a wider context of available research to give a comprehensive account of the sharing components that impact traditional organisations.

Secondary data sources

This study uses literature published within an academic, professional or research context for theoretical analysis of the interviewees' opinions, beliefs and experiences. Equally, articles from respected journals, newspapers and government policy papers were analysed to reflect the attitude of traditional organisations towards sharing economy. Miscellaneous data sources, including websites, imagery or video, were used to identify the value chain of sharing platforms and their communication with customers. Government reports were used to assess the adaptation of authorities to sharing economy.

Sample

Interviewee 1: managing position at Airbnb, previous experience in meta-search business, venture capital funds and consulting. Typical case sample. Skype-based interview (46min), 17th February 2016

Interviewee 2: consultant with experience in marketing, technology and innovation. Expert sample. Skype-based interview (63min), 13th March 2016

Interviewee 3: background in creative industries, with focus on brand development and marketing. Expert sample. Interview at a cafeteria in Bristol (69min), 8th March 2016

Interviewee 4: researcher in sharing economy at the RSA. Expert sample. Telephone interview (30min), 22nd March 2016

Interviewee 5: co-founder of a social network that matches volunteers with people who need help. Typical case sample. Interview at Bristol University Student Union (29min), 10th December 2015

Interviewee 6: managing position at a start-up incubator, background in innovation, marketing and start-up incubation. Expert sample. Interview at Engine Shed, Bristol (23min), 30th March 2016

Interviewee 7: managing position at a start-up incubator, background in innovation, engineering and technology. Expert sample. Interview at Engine Shed, Bristol (31min), 30th March 2016

Interviewee 8: board member of local currency scheme, background in digital technology and creative industries. Typical case sample. Interview at interviewee's office (30min), 11th March 2016

Interviewee 9: managing position at Priceline Group. Typical case sample. Question-based email interview, 15th March 2016

Limitations of the method

Although the chosen methodology makes this study robust, we must nevertheless recognise its limitations. First, interpretative concepts and the resulting theory are limited in time and "never justified forever" (Strauss and Corbin, 1994). Second, the author might fail to establish the conceptual relationships and as a result, the usefulness of the work could be compromised. Furthermore, the study is sensitive to data: the researcher's ability to collect quality data has a direct impact on the academic quality of the work. There are also some issues with interviews – interviewees might be tired, in a bad mood or under pressure because of their busy schedule. These factors influence the quality of interviews as these pressures might lead to superficial answers (Alain, 2007). Other variables, which constrained the scope of the research were the availability of subjects, limited time and resources to carry out this research – some areas could not be fully explored. Furthermore, although the author made an effort to reach out to as many potential subjects by electronic communication, telephone or personal communication, many of the interview requests were ignored (especially from incumbent businesses). For this reason, the study lacks some important perspectives (traditional organisations, sociology, economics and politics); The author tried to compensate for this using secondary data sources.

Chapter 1: From Sharing to Sharing Economy

People use the term ‘sharing economy’ to describe a different business model (Interviewee 4, 2016). Sharing economy captures a range of systems that include (i) access economy (Eckhardt and Bardhi, 2015), where people pay for cost-effective and convenient access to resources (Spinlister, BorrowMyDoggy); (ii) Collaborative economy (Morgan, 2014), where individuals can satisfy their needs without going to corporations (Couchsurfing, Wikipedia); (iii) On-demand economy (Jaconi, 2014), where the supply of goods and services is dictated by consumer demand (Airbnb, Uber); (iv) Gig-economy (Sundararajan, 2015), which stands for online marketplaces (Etsy) or supply/demand match of workers with jobs (Freelancer); Or (v) circular economy, based on the reduction, reuse and recycling of resources in the economy to close the loop of production and consumption (Preston, 2012). For this reason, the current definition of ‘sharing economy’ is too broad to be easily understood and needs to be questioned in a wider, cross-discipline framework, which will allow us to achieve a deeper understanding of the sharing economy complexity.

Sharing under gift systems

The sharing economy captures a diverse set of activities, which lack a shared definition (Botsman, 2013). To achieve a full understanding of the sharing phenomenon, it is useful to analyse the terms ‘sharing’ and ‘economy’ separately. Pure patterns of sharing existed in various primitive societies before the introduction of formal markets and money. According to Mauss (2002), tribal societies transacted under reciprocal gift-exchange systems, where gifts designated anything valuable including services, resources, craft goods, blessings or people. Gifts, containing symbolic, social and economic values, established contractual obligations, where counter-services for the given gift were demanded: “there must be a thing or service for there to be a gift” (Ibid.). Tribes were maintaining “profitable-alliances” (Ibid.) allowing farmers, fishermen and craft makers to exchange their produce under gift systems – these arrangements counted on collaboration and specialisation. In tribal societies, gifts were central in interaction as they were used to organise people, facilitate exchange, build relationships, establish hierarchy and distribute wealth. Gifts represent socially binding exchanges of wealth (Ibid.) – an instance of sharing.

In search for convenience and lower transaction costs, gifts were increasingly being replaced by physical commodities (precious metals or agricultural products including tea, sugar, salt, wheat or coffee beans), traded on a comparative value basis under bartering. For instance, three units of coffee beans would be traded for one unit of salt. The following development of markets and marketplaces, found in deep antiquity, facilitated the exchange of goods and scaled trading beyond local collectivities (Plattner, 1989). Moreover, these dynamics mark a nascent form of political involvement in socio-economic arrangements, giving birth to the institutionalisation of exchange (Ibid.). In our analysis of sharing, the transition from gift to market systems is crucial to our understanding of the core principles of sharing (with or without money) as a value exchange phenomenon within a social context, going beyond mere utilitarian exchanges (Mauss, 2002). The sharing economy combines elements of reciprocal exchange (Ibid.) with market elements (Plattner, 1989): sharing economy is about exchange of wealth, taking place at micro or macro levels (Puschmann and Rainer, 2016).

Economic systems

It is now time to introduce the term 'economy' to our discussion. In this work, we will refer to the French definition of 'économie' as a "set of activities of a human collectivity relating to production, distribution and consumption of wealth" (Larousse, 2016). According to Gregory and Stuart (1985), an economic system is a "set of mechanisms and institutions for decision-making and the implementation of decisions concerning production, income, and consumption", which influence various economic outcomes such as employment, distribution of wealth or living standards. Moreover, these systems produce by-products in terms of positive (respect of human rights) and negative (pollution of the environment) externalities. Each economic system varies in its characteristics (Table 1), efficiency and overall stability. Gregory and Stuart (1985) studied two prevalent modern economic systems – socialism and capitalism – which suffice for our basic understanding of real world systems[1]. An economy is about efficient allocation of resources designed to satisfy various performance outcomes that create value (Gregory and Stuart, 1985). Sharing economy combines socialist and capitalist systems characteristics, enhanced through digital technologies, which we will include in the discussion later. Labelled as 'social capitalism' by Shaughnessy (2012), sharing economy allows for the "most efficient resource allocation" (Interviewee 5, 2015). Sharing economy is characterised by efficient market-driven (i.e. supply/demand) resource-allocation mechanisms, effective use of information and mixed ownership (Table 1). In addition to these characteristics, the strength

[1] mixed systems; i.e. capitalism combined with socialism

of the sharing economy is in its multi-value appeal, which make the system more resilient to shocks.

Crafting knowledge and power in the digital world

Now that we covered the minimum background necessary for our understanding, it is time to assess the factors driving the sharing economy – we will start with the digital. The arrival of first user-friendly and Internet-equipped computers in the mid-1990s gave birth to a worldwide technological revolution. Digitalisation of the offline world profoundly transformed all pre-existing socio-economic structures into a globally interconnected virtual world (Tapscott, 1995), affecting the way we interact, produce, distribute and consume. Institutions, relationships and the nature of economic activity can become virtual, without any physical interaction taking place (Ibid.). Innovation together with better and cheaper technology (Figure 1) continue to spread digitalisation further into new areas (Internet of Things). Digital invades increasingly more aspects of our life; this phenomenon is associated with an exponential production of data – valuable information in digital form of ones and zeroes – making for a new "knowledge economy" (Stan and Botkin, 1994), where knowledge is the organisation's foremost important asset. Thus, existing economic players (incumbents, government and society) have to adapt and respond to the new realities of digitalised world. At the moment, the opportunities arising from digital transformation are not well understood (World Economic Forum, 2016). The hardship, as well as the key to success, is the capability to implement digital strategies into the existing structures; According to the report by World Economic Forum (2016), incumbents need to undergo a fundamental transformation into digital enterprises, rethinking their business models, their talent acquisition and their business success metrics.

If well understood, digital presents potential benefits to industry, government and society. New digital enterprises build their success using data-based knowledge to eliminate existing market frictions where important transaction costs exist (costly, difficult and time-consuming exchanges). Correspondingly, integrated knowledge systems allow digital corporations to achieve (i) gains in organisational efficiency through better information management and match between supply and demand (Interviewee 1, 2016), (ii) improved understanding of target markets and customers through organisational learning (Interviewee 3, 2016), and (iii) innovation in their product-service offerings (Interviewee 2, 2016) – value chain of businesses changes and so do customers' expectations (World Economic Forum, 2016). Furthermore, digital restored direct connections and relationships between economic agents (firms, suppliers, customers and government) eventually leading to disintermediation[2] (Carr et al., 2000), resulting in faster information exchange, eventually leading to shorter product life-cycles and real-time enterprises that are constantly adjusting to changing business conditions (Tapscott, 1995). Consequently, traditional economy was disrupted by digital economy, inevitably leading to a new-generation of high-tech, large-scale platform businesses (Amazon, Google, eBay) that further accelerated globalisation – a factor leading to decline in nation-state (Korten, 1995) in hand with increased national interdependence (Tapscott, 1995), resulting in an enormous shift in power.

To summarise, digital platforms' foremost valuable assets are in their (i) superior knowledge (baked in products and services, business processes and corporate culture), (ii) virtual frameworks (low-cost, high-flexibility structures), (iii) and network effects resulting from a large user-base (Chart 1). Moreover, platforms are new middlemen, who take a fee for arranging transactions (Interviewee 4, 2016; Interviewee 7, 2016; Interviewee 3, 2016). The unprecedented economic growth of the 20th century was based on reduced cost of inputs[3] per unit of output (Kendrick, 1966; Interviewee 2, 2016). Today, this trend is further reinforced by cheap and widespread digital technology, which fuels growth in the digital economy and sharing economy in particular.

Social networks and digital knowledge

Elimination of communication barriers in the digitalised world empowered previously disconnected individuals and communities in globalised, interconnected networks, allowing to tap an enormous pool of human capital resource (defined as the stock of knowledge), leading to the creation of global repositories of knowledge such as Wikipedia. Human capital is understood as an essential productivity and welfare creation variable (Yeager, 1998). Parallel to the rise of new platform businesses described, global peer-to-peer networks (P2P) and collaborative ecosystems (digital social networks) start to emerge, which allowed for collective intelligence (Levy, 1997). As such, individual skills, knowledge and information were

2 Disintermediation removes unnecessary middlemen from the transaction. However, Nicholas G. Carr predicts a future of "hypermediation", where profits arise from referral to rather than direct sales.
3 Gains in labour and capital efficiency, low-cost of material and energy

mobilised in a collective force, where people hold "power in numbers" (Botsman and Rogers, 2010).

Napster is one of the first larger P2P networks, which allowed people to share their music collections to one another. In this respect, "file sharing is the act of making a file available to other individuals" (Aigrain, 2012) without profit motives. As Giesler (2006) notes, Napster was an example of a social network with gift system characteristics – social distinction[4], reciprocity[5], but also rituals and symbolisms, which build the identity and culture[6] of the network's users, were all present in Napster. This important observation helps us explain why people share their possessions or give away their time, skills and knowledge in collaborative projects (Linux, Wikipedia) and P2P networks (BitTorrent, Napster) without monetary incentives. The story of Linux is interesting because it relies on a distributed community of developers of both individuals and corporations (Oracle) who contribute towards the project without being financially rewarded. The motivations behind these contributions lie in developers' (i) identification as Linux user and developer, (ii) desire for improving the quality of the system and (iii) recognition in the community (Hertel, Niedner and Herrmann, 2003). Social incentives found in community-based systems supersede financial motives.

Furthermore, the social features present in digital networks allow for micro-macro community bridges (Granovetter, 1973), crafting powerful global communities of like-minded people, who were previously gathered in local, mutually disconnected communities. For this reason, we argue that elementary sharing of material (books, music collections, tools) and immaterial resources (help from neighbour, knowledge, information, experiences) always happened at micro level amid strong-ties social groups (family members, friends, community members) because of low transaction costs of such exchanges, which are described as the "time, effort, and other resources needed to search out, negotiate, and complete an exchange" (Macpherson, 2012).

The arrival of digital has minimised transaction costs (Botsman and Rogers, 2010) and profoundly transformed the scale, convenience and diversity of these connections. Digital world is a space for socialisation as it allows individuals to construct virtual identities, spread culture and build communities (Smith and Kollock, 1999). Social networks possess elements

[4] community recognition in terms of the number of likes, shares and views
[5] individual paybacks by contributing to the music repository himself
[6] strong identification with other members through shared values and beliefs

of social control through trust relations and reputation[7], preliminary for interaction between strangers and the creation of self-policing communities (Botsman and Rogers, 2010; Smith and Kollock, 1999), which allowed to scale micro interactions to macro level (Puschmann and Rainer, 2016). As a result, millions of strangers gather in "networked communities" (Tapscott, 1995) of like-minded people, where they can relate, exchange and produce. People created a new economic and social space (P2P) based on reciprocity, profoundly shifting the distribution of power as users were empowered (Mathews, 1997). Collaboration at this scale was new, and while these economic processes were not anchored in existing law, they operated within a "grey economy", where a new value was created (Yeager, 1998) but also lost (taxes, copyright infringement).

Successful collaborative projects show the incredible value found in the efficient use of human capital, which becomes organisations' most valuable asset, central to our discussion of sharing economy.

Extracting value from social networks

The success of peer-to-peer social networks led organisations to investigate the practical applications of collaborative processes as a means of creating and capturing new value. First generation social networks allowed people to communicate, share and produce various content, but most of this value was not monetised. Gradually, social networks evolved into powerful social media platforms built on a combination of platform and collaborative network elements. Successful social media platforms (Facebook, LinkedIn, YouTube) can extract value, created by their users, in their positioning as the medium of exchange between its members, without creating any content themselves. We can extend the concept of gift (Mauss, 2002): corporations give a conscious gift in terms of 'free' products and users repay with an unconscious gift, by giving away their data. At an elementary level, an exchange of wealth takes place between the organisation and users, who fail to realise that this transaction occurs (Interviewee 4, 2016). Users benefit from a seemingly 'free' tool[8] to exchange information as well as produce, distribute and consume content, which platforms monetise on the external market (advertising) or internally in terms of organisational advances allowing them to achieve competitive advantage (Barney, 1991). Value of these platforms (Table 2)

[7] virtual identities can be manipulated, which can prove harmful to the integrity of trust in the community
[8] i.e. smartphone app, social network, search engine or marketplace mapping users to their needs

closely correlates with their scale (Chart 1) because network effects increase their worth[9], leading to the creation of networked monopolies (Balaram, 2016). Although digital leads to significant disintermediation of exchanges, a new type of middleman emerged: platforms.

Social media disrupted industry and society on a massive scale. First, these platforms rely on asset-light business models, where users populate the site with an incredible amount of diverse and creative content that no traditional incumbent can match (Interviewee 1, 2016). Social media powerhouses (Facebook, YouTube) embody the largest population (Chart 1) of "prosumers"[10] (Tapscott, 1995) who create content free of charge. Moreover, these corporations rely on their users as unconscious 'volunteers', who think they share with other peers, while in reality, they unconsciously donate their time and productivity to these corporations, who turn the data into big cash (Table 2: revenue of Google)**.** While quality and credibility of peer-created content vary, there was a shift in customers' expectations to demand 'free' content[11], products and services[12]. Granovetter's concept of embeddedness (1985) found that people and organisations interact on both utilitarian and social level: it is vital to have a business with a human, sociable face. This is consistent with Tsai and Ghoshal's claim that social capital – "social interaction, trust, shared vision" – facilitates value creation in organisations (1998). For this reason, it is increasingly important for organisations to engage with customers so that customers understand and identify with the core beliefs and values of the organisation. As such, organisations have to adapt to changing social environment and adjust their core values and beliefs to match those of society. Digital social media were a worldwide revolution, which transformed industries, society and government. We learn the lesson that organisations with social capital are more valuable than organisations who only construct their value chains on utility. This concept is transferrable to sharing economy, where sharing platforms rely on people as their main source of value creation.

Sharing economy

The sharing economy is about the application of digital technologies, strategies and social processes to connect untapped physical and immaterial resources in the offline world. The idea to come back to a "global village", where people can once again meet and form

[9] Network effects: the more users a network has, the the greater its usefulness to other network members, the greater the value
[10] new type of consumer who produces, distributes and consumes content
[11] i.e. creative commons, open source licensing
[12] Google's services are free of charge to individual users

nonlocal trust (Botsman and Rogers, 2010) emerges at a time, when the consequences of consumerism and the endless desire for more resulted in several crises[13] and alarming environmental[14] problems. As Botsman notes, “we have run out of ways to shelter ourselves from our own destructive habits” (2010). Consequently, we have seen a dramatic shift in values and beliefs led by the millennial generation. People are no longer interested in ownership and instead, they want to access experiences (Interviewee 1, 2016); Similarly, we desire better instead of more (money does not equal happiness); And equally, we start to adopt communal lifestyles (Botsman and Rogers, 2010). After the 2008 collapse, people increasingly mistrust institutions as they recourse to collaboration and other alternatives to solve their needs. Take the case of Irish banking crisis in the 1970s, when trusted local pubs temporarily replaced banks as people turned to them for banking services (Sacks, 2011). For the sharing economy to work, trust must be established. For this reason, the global sharing economy could not have existed before social networks (Interviewee 1, 2016).

According to Botsman and Rogers (2010), sharing economy exists in three forms – redistribution networks, collaborative lifestyles and product service systems. The above systems existed in their elementary form before and were reinvented through the digital. Old redistribution systems (public libraries allowing members to share books) developed into P2P (BitTorrent) and circular economy (eBay) ecosystems. Next, local collaborative lifestyles, found in tribal societies (Mauss’ potlatch (2002)), scaled into global collaborative communities such as Wikipedia. Finally, product-service systems (paying for access to a product’s experience) are becoming increasingly popular because of convenience, low-cost and ease of use (Netflix, Spotify). For this reason, the principles of the sharing economy are recurrent mechanisms present throughout human history, now redefined in a powerful sharing economy movement based on scale, convenience and cost effectiveness. Further in this work, we will examine the impacts of sharing economy on (i) society, (ii) private businesses, and (iii) public organisations in greater detail.

[13] 2008 financial crisis, .com bubble in 2000
[14] pollution, global warming, and waste issues

Chapter 2: Sharing Economy and Society

> "Man is by nature a political animal, and a man that is by nature and not merely by fortune citiless is either low in the scale of humanity or above it."
> (Aristotle, 1944)

Changing landscape

Ownership has lost its social status it once had as people are defined by what they do instead of what they have (Botsman and Rogers, 2010; Garcia, 2013). People are interested in accessing unique experiences (Interviewee 1, 2016), in which they find social capital, described as the relations of trust, reciprocity and exchange by Adger (2003). Individuals value access as experiences shape their identity[15] and form their "online brands" (Botsman and Rogers, 2010).

Moreover, recent crisis (.com and 2008 crisis) and easy access to information "made many people realise we're on an unsustainable path" (Interviewee 5, 2015). This marks a fundamental socio-behavioural "shift from consumerism to consciousness" (Interviewee 2, 2016) as people start to value the social capital that you cannot buy (Interviewee 5, 2015).

Sharing economy opportunities

People are the foundation of the sharing economy space, where such a fragile exchange relying on trust takes place. Sharing economy, whether in macro (digital sharing platforms such as Airbnb) or micro form (local currency schemes such as Bristol Pound), creates "meaningful deeper connections" between individuals (Interviewee 5, 2015), where wealth exchanges create moral and social value that goes beyond an economic transaction (Interviewee 8, 2016). Sharing economy promotes weak-ties creation (Granovetter, 1973) to "bridge the gap between disconnected people" (Interviewee 5, 2015), recreate and promote real-life communities with shared values and beliefs (Interviewee 1, 2016). In the UK, Bristol is a leading example, where the local currency scheme, Bristol Pound, is forging deeper local connections (Figure 13), establishing strong city-based identity of Bristol enthusiast and customer-retailer loyalty that affect people's lifestyles and mindsets. It makes "money more human" and transactions almost like a "secret handshake" (Interviewee 8, 2016), where exchange of values and beliefs takes

[15] to share implies self-identification with core values and beliefs that establish a sense of belonging to community

place (Figure 13 and 14). Sharing economy brings the potential to recreate social capital through networking and bonding people together in strong communities (Adger, 2003).

Furthermore, digital changed the way people interact and live (Interviewee 6, 2016) in that interaction and relationships were digitalised: technology is increasingly becoming an integral part of people's life. Digital connects individuals in united in global communities, where they can act together to overcome collective menace such as climate change (Adger, 2003) or striking obesity. Strava is an example, where social interactions between people motivate collective sports participation, which can drive health and fitness improvement in the entire community (Figure 11). The power in sharing is our ability to work together, fuse individuals in communities, where they can shift things (Interviewee 3, 2016) to achieve common goals or improve well-being.

Sharing economy allows people to do things differently, it is about "opening access to resources" (Interviewee 6, 2016). In sharing economy, interaction occurs between people who would otherwise not meet – 'sharers' exchange human and social capital (Interviewee 1, 2016; Interviewee 5, 2015; Interviewee 8, 2016). We stay at places that were not previously on the market (Airbnb remote islands, boats or tree houses accommodation) and we can access luxury goods at low-cost (Interviewee 7, 2016; Figure 6) – sharing economy unlocks new experiences; We can generate more value from idling capacity in our resources – sharing economy unlocks economic benefits; We can reduce our impact on the environment if we redistribute and share resources; We can do all of these things in a fast, simple and efficient way (Jaconi, 2014). Besides, people gain flexibility (work on-demand), relationships (Strava – figure 11), find new solutions to their problems (car share) and act more responsibly as a result of circulation and redistribution of resources (Preston, 2012). Sharing economy is about having more choice. Consumers benefit from a greater diversity of the products (Interviewee 1, 2016); Workers can become independent micro-entrepreneurs, who 'work as they go'[16] in a flexible working environment (Johns and Gratton, 2013); Older people, who are likely to have accumulated fixed assets can find new sources of income in the sharing economy (Wosskow, 2014). Sharing economy is significant because it attracts people of different motives (Interviewee 2, 2016). In playing on wider value chain (economic, social, environmental), people have a powerful tool to answer their needs in a different way.

[16] referring to pay as you go; workers can choose how much, when and on which tasks they want to work

Problems to overcome

On a critical note, sharing economy presents major challenges that need to be addressed. For instance, sharing economy is often criticised (Kessler, 2014) for its failure to deliver on the purist promise of sharing in a 'global village' (Botsman and Rogers, 2010) because sharing economy is "utilitarian, micro-transactional economy" (Interviewee 5, 2015). It is a "variant of capitalism" (Interviewee 5, 2015; Interviewee 4, 2016), under which the capitalist machine invades people's privacy under the pseudonym of 'sharing'. More importantly, people are happy to share because the social features present in the sharing economy make transactions more human (Interviewee 3, 2016). Everything in the sharing economy has a price and we look for ways to monetise anything with 'idling capacity', including ourselves, our toilet and pets (All eyes on the sharing economy, 2013; Interviewee 5, 2015). If we look at the sharing economy through this lens, we become pessimistic and understand the sharing economy as a very perverted form of capitalism. There needs to be a balance between value creation and the respect of individual's right to privacy; excess value creation would mean going backwards, suggesting that money can buy anything.

Moreover, the transformation from a socio-economic system based on production and consumption to a system of a circular economy (Preston, 2012) and sharing, is not without hurdles. As we reuse and recycle, there is less need for production of new goods, potentially resulting in job losses, upsetting the current socio-economic infrastructure (Interviewee 7, 2016). In such a scenario, workers would need to requalify to new jobs – the process of creative destruction (Schumpeter, 1947) is always accompanied with hardships and opportunities.

Further, there is the problem making the sharing economy fair (Balaram, 2016). First, the growing popularity of on-demand platforms leads an increasing number of workers to rely on them as their primary income (Uber driver, renting on Airbnb), bringing up issues of protecting workers rights including benefits, insurance, training and development opportunities (Interviewee 4, 2016) and making sure they get paid a living wage (Levine and Somerville, 2016). Irrevocably, there is also the need to address the distribution of value and power, currently captured by corporations (Interviewee 2, 2016).

Finally, as sharing goes digital, an incredible amount of data is generated on all aspects of people's everyday life and this raises concerns over the use, ownership and security of that data (Interviewee 2, 2016). People do not realise how valuable their data is, what it is being used for and do not seem to care enough about it (Interviewee 2, 2016). There is a lack of transparency in data collection and analysis – companies who collect data are not willing to share their analysis with the users, which raises questions about the legitimacy of their behaviour (Bowman, 2015). We need to be careful about what we share and how much.

To conclude this section, the sharing economy recreates important social processes (reciprocity, connections, relationships and communities) that were lost in our individualist desire for more. Sharing creates value by maximising the potential of human capital and existing economic resources. Sharing economy promotes sustainability, steer away from wasteful behaviour towards a more responsible future. There are still hurdles to overcome regarding power and value distribution, as well as safety and fairness. In the next section, we will examine the sharing economy user cases in private organisations.

Chapter 3: Sharing Economy and Private Organisations

"Not all profit is equal. Profits involving a social purpose represent a higher form of capitalism, one that creates a positive cycle of company and community prosperity."
(Porter and Kramer, 2011)

Disruptive forces

Technology has always had transformational effects on the ways we produce, distribute and consume. Each technological revolution is a process of creative destruction (Schumpeter, 1947). While technology creates new opportunities (gains in efficiency), it also challenges low-level jobs (Interviewee 7, 2016) and relatively underperforming industries: "you will only survive if you adapt" (Interviewee 6, 2016). More recently, the digital technology (Tapscott, 1995) marks a major disruption in the business environment, a problem for large corporations to accommodate as they tend to "become attached to a certain way of doing things" (Interviewee 2, 2016). Consumers quickly accustomed to digital technology (adoption of smartphones and Internet) and started sharing their lives online (social networks), which forced traditional businesses to adopt digital strategies (World Economic Forum, 2016) to keep close to their customers (Edelman, 2010), take advantage of the digital opportunities and remain competitive in the global world (Interviewee 6, 2016).

Further, businesses need to respond to shifting customer expectations. Consumers are not looking for products but instead, they want the services and experiences of the products (Interviewee 1, 2016). Customers became more demanding because they expect good user-experience to be replicated across industries (Interviewee 2, 2016) so that the level of user experience in banking should be the same as that of Google. The "experiential economy" (Ibid.) creates a cross-industry potential for disruption and innovation – businesses fear competition from everywhere. Another significant factor is consumer anticipation of individual approach and customisation: businesses need to adapt their processes (i.e. personalised content) and touch points (sales, customer service) to these new realities as B2C interaction becomes one to one basis. Last, companies face the problem of customers having the benefit of low switching costs[17] to competitors – businesses must retain and keep their customers – loyalty is essential (Edelman, 2010).

[17] on the internet, you can compare different products very quickly

Finally, corporations face threats in their ability to sustain their business. Firms are more vulnerable than ever to public pressures (empowered customers), face pressing environmental challenges (environmental regulation) as well as internal threats (well-being of employees, business culture and relationships) (Vogel, 2005). The industry-wide adoption of Corporate Social Responsibility (CSR) strategies (Ibid.) suggests the move away from short-termism in favour of long-run strategies (Porter and Kramer, 2011). There is now a common understanding that by being more ethical and socially responsible, you can have a "better business" (Interviewee 7, 2016) and make good money along the way (Interviewee 6, 2016; Vogel, 2005).

To conclude this section, businesses need to adapt to important challenges including the disruption in technology and information, shifting consumer behaviour or internal (workers, suppliers) and external (environment) pressures. Next, we will examine how businesses respond to these new realities.

How businesses share (and keep the value to themselves)

Businesses are looking for ways to record data from transactions[18] and interactions[19] with customers (Viale, Gendron and Sudabby, 2015). Knowledge is in data, which corporations use to improve their business processes, marketing (Figure 4) and customer interaction (Figure 5): they "become smarter" (Interviewee 2, 2016). Data enable businesses to "sell better than we know ourselves" (Ibid.) – the classic case is Apple introducing the iPhone to everyone's surprise, including the leading competitors, as illustrates Blackberry founder, Mike Lazari's "how did they do that?" (McNish and Silcoff, 2015); Or Target knowing a girl was pregnant before her parents did (Hill, 2012). The understanding of this data becomes a must, not an option (Interviewee 6, 2016) – businesses found a key to understanding consumer preferences, desires and needs.

Consequently, corporations learned that the relationship between businesses and customers is not just rational (price, quality, features of products and services), but also emotional (experience, feelings, social status), which resulted in a paradigm shift (Interviewee 3, 2016). People have needs (Maslow, 1943) and not all of them are economical (Interviewee 3, 2016). Social media were another "massive change" in B2C relationship as businesses

[18] i.e. gain data through loyalty schemes
[19] tracking internet behaviour through cookies (Figure 12)

obtained a new channel for ‘social’ communication and marketing, making the relationship between businesses and customers closer, faster and the whole interaction more personal (Interviewee 6, 2016). Marketers and businesses need to be where people are (Porter and Kramer, 2011) and for this reason, businesses have to become more social, rethink their strategies and adapt to consumer demands.

Platform businesses in the sharing economy use their data-based know-how in various ways. First, they[20] marry a “unique match of supply and demand” that “creates value for everybody” (Interviewee 1, 2016). Second, platforms run efficiently using “asset-light” business models (Interviewee 1, 2016) that enable them to scale at low-cost. Sharing platforms are good at understanding social capital as a source of competitive advantage (Barney, 1991) and value creation (Tsai and Ghoshal, 1998). For example, Airbnb is now partnering with local communities in Cuba in its expansion to the country (Kessler, 2015), costing the company significantly less than their competitors, who have to build infrastructure. Besides, Tsai and Ghoshal (1998) found that differences in firms’ performance lie in their ability to create and exploit social capital. Businesses must grow closer with their customers, build communities around the brand (Figures 4, 15) and promote brand-centric lifestyle (Interviewee 5, 2015) to take advantage of social capital.

The deeper understanding of external market dynamics pushes businesses to rethink innovation. Consumer input is increasingly being used in research and development (Interviewee 3, 2016) to create an “infinite choice of the product” (Interviewee 1, 2016). Businesses understand they are no longer able to deliver the next generation of product and services internally (Interviewee 2, 2016) and they adopt open innovation (Chesbrough, 2003) ecosystems because the gains in idea diversity allow them to push the limit of innovation even further (Interviewee 6, 2016).

Corporations look for ways to make their brand equity stronger (Interviewee 3, 2016). Branding is important because aspirational brands like Apple (Interviewee 2, 2016), can turn your customers into faithful believers, who fully identify with the core values and beliefs of the business (Interviewee 1, 2016; Figure 2) and organically promote the brand. Businesses that have strong brands have a powerful means to stop wasting their marketing budgets in the wrong places (Edelman, 2010; Interviewee 2, 2016). Sharing platforms rely on people and for

[20] i.e. sharing platforms including Airbnb, Uber, Spinlister or Liquidspace

this reason, the maintenance of trust (Figure 8) is essential because "if we fail to establish the level of trust, the whole thing is going to fall apart" – it's about "setting the system right" (Interviewee 1, 2016).

The product and service offering changes as businesses shape to how customers live (by adjusting their value proposition) and how they interact (by going social media, digital) (Interviewee 6, 2016). Product-service offerings increasingly take the form of membership (purchasing access to music, i.e. Spotify) to ownership (purchasing music in a store or virtually – iTunes store). In Spotify, customers expect the company to deliver personalised music (Figure 3) and as we are moving to one to one B2C interaction, businesses rely on data to deliver their service (Interviewee 3, 2016). These products need to create and deliver unique experiences (Interviewee 1, 2016) – Nike is an example of such a product because buying a Nike trainer (Figure 4) gives you so much more[21] than a regular trainer. Moreover, customers care more about the service than the product itself – they want convenience, simplicity and ease of use (Interviewee 1, 2016) products that satisfy their needs. Businesses need to understand that they interact with humans and accordingly adjust their value chains: it is about creating customer happiness (Interviewee 3, 2016).

Finally, we note that traditional businesses recognise the significance of the sharing economy. Incumbents invest in the sharing economy (Interviewee 1, 2016) either through acquisition[22] (Interviewee 9, 2016), investment[23] or by unlocking idling capacity[24] (Botsman, 2014).

Problems with corporate sharing

Before we explore sharing user cases in government, we must recognise the problems liaised with sharing in a business environment. First, most of the corporate interests in sharing and ethics are driven by the desire of profit (Vogel, 2005) because big, publicly traded companies must return value to their shareholders (Interviewee 6, 2016). Second, it is hard for businesses to maintain their social capital as they scale (Interviewee 4, 2016), which can result in loss of their competitive advantage (Barney, 1991). Third, corporations lack transparency in the usage of personal data and there is a concern about what this information is used for

[21] personalised trainer, membership in a community of runners
[22] Expedia bought HomeAway in 2015
[23] Microsoft invests in Uber
[24] Marriott markets its empty conference rooms on Liquidspace

(Bowman, 2015); The failure to redistribute value based on user-data and the accumulation of power by these companies also need to be addressed. Fourth, the question of accountability needs to be addressed by the government because platform companies take only limited responsibility in positioning themselves as providers of tools that can be used and abused, although they invest in protective mechanisms and mostly welcome regulation (Interviewee 1, 2016).

Chapter 4: Sharing Economy and Public Organisations

"Most political forces, whatever their disagreements, agreed that politics would have to become social if political order was to be maintained."
(Rose, 1999, p118).

Government under pressure

Over the course of time, power was centralised to prevent "peer to peer transactions" (Botsman and Rogers, 2010) – there was a rising gap between people and government. The 20th century dictum to the good life was believed to be in money and fame, making people follow the prescribed path of consumerism and individualism to achieve happiness (TED, 2015). Individualisation destroyed social capital in the society (Putnam, 1995), weakening overall trust relations, creating loneliness and disconnection between people, leading to collective disengagement with the government (Ibid.). Beyond these internal threats, government is under increasing public pressure to find solutions to problems facing our society including environmental[25] (OECD, 2016), economic[26] (Keeley, 2015), and budgetary (Chart 2) difficulties. The government no longer has the means to address these problems on its own – the authorities have to partner with society and private corporations (Rose, 1999) to sustain the delivery of public services.

How sharing can help

Governments have been challenged by the rise of the sharing economy; Their responses were diverse from wide-arm acceptance of sharing economy in Amsterdam (Sprang, 2015) to full ban in France (Fioretti, 2016). Nevertheless, authorities can use the sharing economy to (i) engage with citizens (recreate meaningful social processes), (ii) redistribute value (maximise value and reduce waste in existing resources), (iii) outsource their responsibilities (decentralise governance) and (iv) open up and collaborate (improve quality of life, support innovation).

First, government has to recreate social capital and redress the gap between civilians and itself to promote citizenship and engage people in political life (Putnam, 1993). Putnam's study of Italian communities established a causal relationship between civic engagement and institutional performance, found in the elements of "solidarity, trust, tolerance, strong

[25] climate change, protection of commons
[26] rising wealth inequality

assocional life and political equality" (Ibid.). Disconnection is a bigger cities' stigma; Authorities endorse 'localism' (Buddery, 2016) to craft deeper local connections, shared identity and loyalty to the city (Interviewee 8, 2016): this is the rise of 'sharing cities' (Creative Commons Korea, 2016). Sharing usually arises "out of real need" (Botsman and Rogers, 2010), as demonstrated by Seoul's adoption of sharing to respond to economic, social and environmental problems (Creative Commons Korea, 2016). Cities share in the sense that they provide sharing infrastructure[27] (Bristol Is Open, 2016), encourage participation (run campaigns) and social cohesion (i.e. community centres) or support local businesses (i.e. Bristol Pound) (Creative Commons Korea, 2016; Sprang, 2015). Bristol Pound is interesting because it creates social capital through weak ties (Granovetter, 1973), which recreate a sense of belonging (Figure 13) to the city-wide community of shared values and beliefs (Interviewee 8, 2016), transforming individuals to citizens gathered in a "civic community" (Putnam, 1993). Sharing cities are an important trial space for a wider adoption of sharing, which the government desperately needs to answer the needs of the society.

Second, the public sector can benefit from optimising the allocation of resources that are in public ownership (Wosskow, 2014). Sharing in this sense refers to distributed use of fixed assets (car fleets, buildings or parking spaces) and resources (time, information or knowledge) to reduce their idling capacity and increase their usefulness to stakeholders (citizens, governments, businesses) (Wosskow, 2014). Public goods that lack clear ownership are often underutilised (schools during the summer) or even wasted (tragedy of commons). By assigning a direct cost to the 'shared' usage of public resources, the government has a means of tackling the problem of accountability and responsibility in the use of public goods (Inge, Grunberg and Stern, 1999) and improve the agency of spending "other people's money" (Smith, 1904).

Further, politicians reduce the apparatus of centralised government and relieve itself from the burden of responsibility (Rose, 1999). The building blocks of decentralisation[28] call for improved control of power and transparency in decision making (Interviewee 8, 2016). As the power of national government weakens (Mathews, 1997), authorities rely on soft forms of governance (Abbott and Snidal, 2000), where economic agents internalise non-legally binding codes of conduct: (i) government through community (Rose, 1999), (ii) CSR (Vogel, 2005) or

[27] i.e. investment in bike-share schemes, innovation incubators, smart sensors or communication networks
[28] i.e. independent local economy scheme like Bristol Pound

(iii) Creating shared value (CSV) (Porter and Kramer, 2011). First, communities can deliver public goods and services. To illustrate, the UK Fire and Rescue service is an example, where central government discharges itself from the responsibility to organise; As a result, the service is being decentralised to citizens and outsourced to external providers with the aim to deliver "localism, accountability, de-centralisation and transparency" (Department for Communities and Local Government, 2011). Second, it is argued that national governments no longer have the power to control global powerhouses (Korten, 1995). Instead, government can exercise control through weak-regulation (Abbott and Snidal, 2000), which corresponds to non-legally binding codes of conduct externally imposed on economic agents. Finally, CSV corresponds to company-specific internalisation of codes of conduct. To illustrate, we can take the example of Patagonia (Figure 9 and 10), which, in addition to ethics and concern for environment, promotes its own marketplace for used products. The industry-wide adoption of CSR and the potential of CSV show that it is possible for government to liaise with corporations to privatise responsibility and deliver value.

Last, government has to become open and transparent to enjoy the benefits of CSV (Porter and Kramer, 2011). Government's role lies in the support of sharing environments (setting up trade bodies such as Sharing Economy UK), in crafting a regulation that allows us to do more and not less (Interviewee 1, 2016). Data is a valuable resource that the government does not use effectively (Interviewee 2, 2016). Opening up datasets is a new opportunity to make "new things using this data, use it in ways that no one knew were possible" (Interviewee 6, 2016). In healthcare, the success of the Citizen Science Projects, such as Reverse the Odds, is a powerful demonstration of how opening up datasets for collaborative use can deliver advances in research and resource savings (Cancer Research UK, 2016). Opening up diverse sets of data on traffic, waste management, environment and society (The Economist, 2016; Bristol Is Open, 2016) are an opportunity for a remarkable improvement of the public services currently offered. Looking ahead, the concept of open government (Cabinet Office and Open Public Services, 2014), collaborating with citizens and businesses, has a real potential to satisfy society's needs and find solutions to environmental concerns.

Discussion

Findings of this research

First, we analysed sharing micro phenomena and found that sharing is an exchange of wealth (with or without money) that can be of symbolic, social or economic nature (Mauss, 2002). Later, we contextualised exchanges within marketplaces (Plattner, 1989) to understand sharing economy as ‘sharing marketplaces’. Further, we established that the economic outcome of sharing economy is in value creation (economic, social, environmental).

Second, we established that digital technology (Tapscott, 1995) made for a technological and informational revolution. It makes processes faster, easier and more transparent. Further, digital shifted power (Mathews, 1997), accelerated globalisation and connected people, forging human capital together to allow the world to share an incredible amount of knowledge. In this sense, the the sharing economy demonstrates a successful application of digital technology to organisational processes and value creation. Traditional organisations can unlock these benefits by realising the value creation potential in digital transformation (World Economic Forum, 2016).

Next, we depicted the collaborative processes found in Internet-based P2P networks, which network individual human capital to collective intelligence (Levy, 1997). P2P networks were a demonstration of the incredible value in collaboration and for this reason, digital platforms came in to have a share of this value. Platforms mark the rise of global powerhouses, which hold valuable user data and know increasingly more information about their customers. Platforms take the empty space between P2P, which now becomes peer-platform-peer (PPP). As such, a new business model emerges: asset-light platform corporations (YouTube, Facebook, Uber, Airbnb) who provide the tools for people to create value on their behalf. This leads traditional organisations to search for applications of collaboration, data-analytics and virtual infrastructures to their own benefit.

We considered the socio-behavioural shift from ownership to access and from consumerism to consciousness. Individuals are interested in the sharing economy because they can connect to people they would otherwise not meet, which enhances their social capital (Adger, 2003). Shared culture empowers individuals in communities that encourage civic communities (Putnam, 1993). Traditional organisations adapt because of their newly gained understanding that people are not only interested in utility as they have other needs (Maslow, 1943). Humans have emotions and organisations need to show a human face.

Both government and businesses need to learn their customer (Interviewee 3, 2016); People expect great user-experience, value, and customisation; They want to identify with the product or service. Organisations must be rooted in values shared with their audience to engage with customers. To answer the needs of society, we uncovered that government, corporations and people have to collaborate in the creation of 'shared value' (Porter and Kramer, 2011).

Furthermore, we found that sharing platforms are an evolution of digital platforms. The former outperform their traditional contenders in the utilisation of social and human capital and the ability to promote lifestyles and shared culture, which creates a community of faithful believers in the business, a source of competitive advantage (Barney, 1991). Organisations need to focus on both internal and external relationships and find ways to release the social capital, necessary for connecting human capital.

Another important aspect of the sharing economy are the implications for organisational theory. First, sharing economy maximises the use of human capital because sharers internalise values and beliefs of the businesses and act on their behalf. Second, sharing economy demonstrates the commercial use of on-demand workers through flexible working conditions and fluid organisational infrastructure that matches supply and demand. Finally, sharing economy validates an efficient allocation of resources that allows for greater productivity with fewer inputs (Schumpeter, 1947).

Finally, we need to remain cautious about the real purpose of sharing platforms. As most of them are publicly traded firms, they need to return value to their shareholders and they inevitably have to chase profit (Interviewee 6, 2016). Further, we found there are important issues around the protection and use of personal data by organisations; Next, there is the difficulty of sharing platforms being in compliance with regulation as the government is slow at updating legislation; Finally, we stress the need to address the distribution of power and wealth in the sharing space, currently captured by platform businesses.

Opportunities for humanity

The sharing economy offers immense opportunities for humanity. These opportunities lie in bringing people together to create value, maximise the use of resources, eliminate waste, restore relationships and promote communities that work towards shared goals, which get us back on track for sustainability.

Whether we look at macro (Airbnb, Helpfulpeeps) or micro (Bristol Pound), sharing economy is significant in that it helps bring virtual acquaintances to real-life, creating experiences and forging new connections and relationships between strangers, who would otherwise not meet – this is sometimes called the "real economy" (Bristol Pound, 2015).

Human capital is worth a lot. Platform businesses such as Facebook[29], Google[30], Uber[31] or Airbnb[32] have enormous market valuations in contrast to their asset-light structure. These businesses have humans at their core and their valuations reflect the value of information (data), knowledge (understanding the data) and engaged people (prosumers). The difference with sharing economy is that it takes the mostly wasted human capital (knowledge) in social media such as Facebook (Interviewee 3, 2016) and creates something meaningful, valuable with this asset.

Similarly, as demonstrated by the sharing cities (Creative Commons Korea, 2016), sharing existing infrastructure and resources has the potential to overcome hurdles in uncontrolled urbanisation. Further investigation of sharing economy has the potential to solve problems facing our society in inter-collaboration of government, businesses and citizens (Cabinet Office and Open Public Services, 2014). Contrary to capitalism or socialism, the by-product (whether conscious or unconscious) of the sharing economy is encouraging. First, sharing economy reduces the impact of economic activity on the environment, but also through the new need of producing durable products that survive redistribution and shared use (circular economy) (Preston, 2012). Second, sharing economy facilitates interaction between people who would otherwise not interrelate, which increases the social capital of 'sharers'. Further, sharing economy allows people and organisations to do more with less: sharers have greater choice and businesses achieve higher productivity. Moreover, collaborative projects such as Coursera, which facilitate access to knowledge, have a great potential in improving collective intelligence (Levy, 1997) – it would be interesting to explore how could we use collaboration to solve problems of developing countries such as access to public services. To conclude this section, the author believes that sharing is a huge educational piece that could help us to stop

[29] Facebook is valued at $226 billion (Table 2)
[30] Google's market capitalisation is $373 billion (Table 2)
[31] Uber's market valuation is $68 billion (Newcomer, 2015)
[32] Airbnb's market valuation is $25billion (Winkler and Macmillan, 2015)

being selfish, rethink ourselves and become loving humans. Sharing economy is capitalism with a human face (Figure 7).

Further potential for organisations

For businesses and government, the sharing economy is an exciting space, where they can improve as organisations. First, traditional companies can learn from sharing economy platforms and incorporate social features in their businesses to improve their B2C position (Interviewee 7, 2016). Some of the examples of successful corporations, that have done that are Apple[33], Nike[34], Spotify[35], Google[36] or Patagonia[37]. These corporations understand that they can make more money by being closer to the customers (Barney, 1991), whether it means being ethical, using big data for analysis of customer needs and wants, facilitating exchange or developing an environment for value creation (by customers).

Moreover, in addition to value creation, sharing economy allows saving of a significant amount of resources, which can be reallocated to create even more value. Another area of interest is the application of sharing economy in B2B space (Interviewee 7, 2016; World Economic Forum, 2016), where businesses would share resources to collaborate in finding solutions to problems and work towards common goals. While the B2C application of sharing economy already created unimaginable value, the sharing of resources among businesses (B2B) has an incredible potential to encourage innovation and value creation; create enduring business connections, relationships and partnerships; and rethink the organisational structure (sharing of workers, space, assets, IT infrastructure).

When it comes to public institutions, the potential sharing opportunities are in improving agency and control over politicians and government (Interviewee 3, 2016) in sharing information or even decision making with individuals. First, sharing in public institution can lead to more efficient public organisations, like the NHS, where the doctor-patient relationship could become closer, improving the flow of information and feedback loop, to create a better healthcare service, all while saving costs and resources that would be otherwise wasted (Bland et al., 2015). Furthermore, there is a great potential in using collaboration for research (making

[33] Apple has one of the largest bases of app developers, who constantly create and improve the software functionality of Apple's products
[34] augmenting physical products with social features i.e. 'personal trainer' (Figure 4)
[35] Spotify provides access to personalised music, a product based on user-data (Figure 3)
[36] Google positions humans are the core of their business
[37] Patagonia promotes circular use and recycling of its products (Figure 9 and 10)

it faster, cheaper, better), as successfully demonstrated by the Citizen Science project (Cancer Research UK, 2016). Another interesting area, where sharing can help are improvements in the use of public infrastructure and resources to empower people, retrieve control and help disengaged people access public goods. Moreover, government can pass some of its responsibilities onto more efficient service providers (Rose, 1999). Finally, sharing economy can help in engaging people in public affairs (sense of belonging, community), improve control and policymaking through distributed power (collaboration, creation of self-policing ecosystems, feedback) and reduce the bureaucratic burden of indebted government (free up its resources for other use, lower costs, outsource responsibilities to communities and private businesses).

To conclude this section, the conceptual application of sharing economy concepts to organisations can lead to important benefits. The benefits include cost savings, value creation or the improvement of internal (efficient organisational structures) and external (user experience) processes leading to gains in productivity. In addition to these direct benefits, by adopting sharing economy mechanisms, organisations create positive externalities in terms of the environment, community bonding and global cooperation.

Limitations of the sharing economy

While the author is very optimistic about the sharing economy because most of its potential is still unchartered (B2B and institutional applications), we must remain vigilant about the fallacies that currently exist in the sharing economy.

First, the sharing economy disrupts, which means that it challenges current ways of doing things (Interviewee 2, 2016). The transition from the old to new ways of doing things can be challenging in the labour market (Interviewee 7, 2016), for the government (updating legislation) and incumbent businesses, who might not survive the disruption if they fail to adapt (Nokia's failure in smartphone industry after the arrival of iPhone).

Second, the distribution of power is potentially dangerous in the sharing economy, which is a subset of the wider platform economy. Digital platforms can become networked monopolies, concentrating incredible power (Balaram, 2016), in terms of their existing (Facebook) or potential (Uber) user-base (Interviewee 7, 2016; Chart 1). Global powerhouses such as Google or Facebook have data on everyone (people, businesses, government officials) and we stress the necessity to question the use and potential abuse of this information.

It is inevitable that we need better agency over the uses of data, decentralisation of power and decision-making from corporations to users, better accountability and responsibility in the sharing economy (issues with liability for damage, what happens if someone using a shared good dies?). We need to think about the ways, in which we can ensure fairness in the sharing economy (Balaram, 2016) before its full deployment to traditional organisations.

Conclusions

While based on similar principles and fundamentals, the sharing economy has many faces and takes diverse forms. In the first chapter, we admitted that sharing takes a recurring form that can be traced to pre-capitalist societies, where bartering and cooperative networks existed. Sharing has been recurring at local levels (micro), but the rapid development of the digital has taken sharing to new horizons (macro). The global scale at which sharing occurs today is revolutionary. We described the core principles at the heart of the sharing economy – mostly based on technology and people – that jointly create the most efficient form of capitalism.

We find that traditional organisations take sharing economy seriously and adapt. Sharing economy brings new ways of production, distribution and consumption of resources and products. While the public sector has been confronted to rethink regulation and legislation, it understands sharing economy to be a source of future economic growth and improved efficiency of public services. The impacts on private sectors are diverse and specific to industry. We found that traditional businesses are looking for ways to adopt and incorporate sharing economy ideas in their structures to enjoy the benefits of customer engagement, productivity gains and data-driven knowledge that are sources of competitive advantage. Consumers gain from wider choice of product, increased flexibility and lowered transaction costs. Workers benefit from innovative job opportunities, capitalising on their skills, resources or increased work flexibility. Furthermore, people who 'share' their idling or no-longer-used possessions in new, more convenient way have a source of extra income and cost savings. We found the sharing economy to rely on people, social features and digital technology, which are the source of new value using existing resources.

Suggestions for further research

This study is by no means complete and only provides a limited account of what can be expected from the sharing economy. We were particularly focusing on the UK, which welcomes sharing economy with open arms. It is worthwhile noting, that this is not necessarily the case everywhere and the sharing economy businesses have to overcome important regulatory and market resistance – we believe it is a matter of time to overcome this. The author hopes that his research will inspire many others to investigate further the sharing economy as very little academic research is available in this area. First, it would be worthwhile exploring the uses of collaboration in solving complex problems for the society and in the third world. Next, sharing economy should be studied from a cross-disciplinary perspective to extend the wider implications of the sharing paradigm. Moreover, further research should be done regarding user agency over their personal data, the transparency in the use of that data by corporations and the ways, through which we can redistribute the value back to users. The rise of on-demand economy has important managerial implications – sharing economy is a new way of achieving productivity, control and motivation of employees, power, creation of value. Finally, the author would like to motivate more people, businesses and authorities to share because the finest research happens in real-life.

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Appendix A: Accompanying Material

Economic system	Market socialism	Capitalism	Sharing economy
Ownership	Public (collective or state)	Private	Mixed
Decision making	Decentralised, market driven	Market driven	Market driven
Motivation	Material and moral	Material	Material and moral

Table 1: Economic systems characteristics, adapted and extended to sharing economy by the author from (Gregory and Stuart, 1985)

Online Users	Values	Statistic
Number of worldwide internet users	3174m	Details →
Number of internet users in Western Europe	326.1m	Details →
Number of internet users in China	483.18m	Details →
Number of internet users in the U.S.	201.78m	Details →

Internet Companies	Values	Statistic
Google market value	$373bn	Details →
Facebook market value	$226bn	Details →
Average revenue of Amazon.com	$88.99bn	Details →
Google's global revenue in 2015	$74.54bn	Details →

Access and Traffic	Values	Statistic
Number of fixed broadband subscriptions worldwide in millions	711	Details →
South Korea's average internet connection speed	26.7 Mbps	Details →

Mobile Internet	Values	Statistic
Average number of mobile apps used by mobile internet users globally	6.8	Details →
Time spent on gaming apps on iOS and Android devices as a % of total session	15%	Details →
Mobile phone internet user penetration	52.7%	Details →

Table 2: Number of worldwide internet users (Source: Statista, 2015)

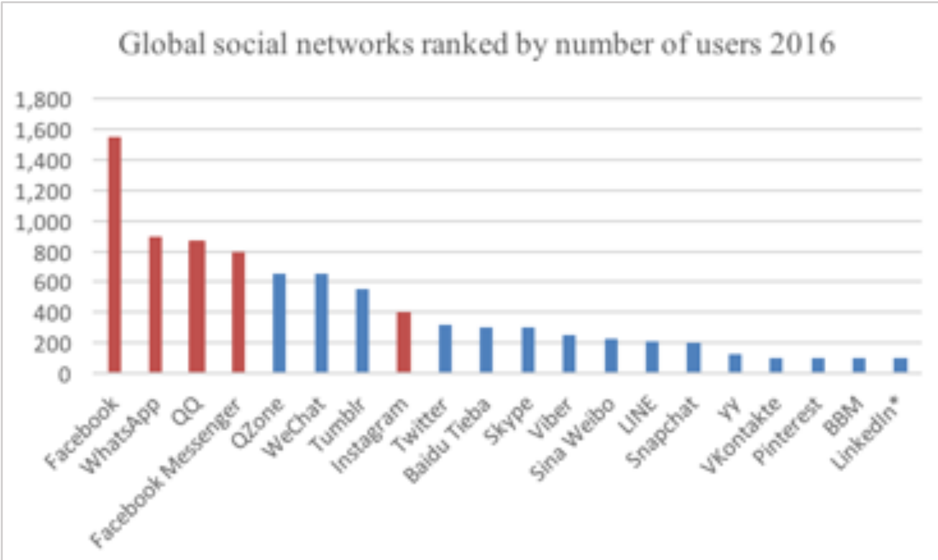

Chart 1: Global social networks ranked by number of users, Facebook-owned companies in red. Facebook is a social media networked monopoly (Source: Statista, 2016)

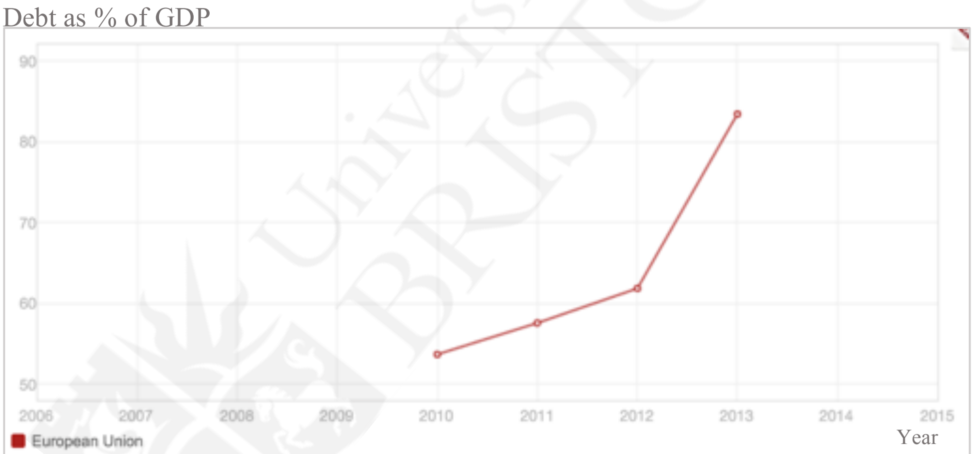

Chart 2: Central government as % of GDP in European Union (Source: The World Bank, 2016)

Figure 1: Falling cost of technology (Source: World Economic Forum, 2016)

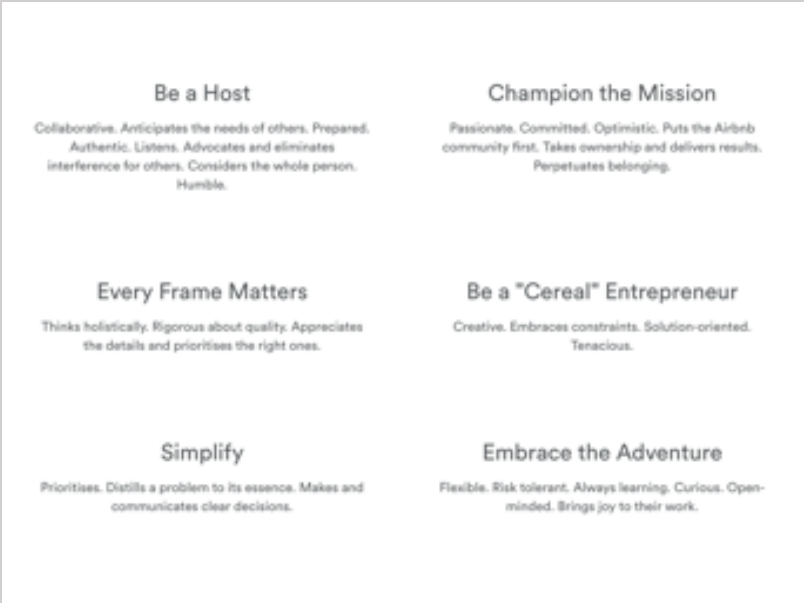

Figure 2: 6 core values of Airbnb (Source: Airbnb, 2016)

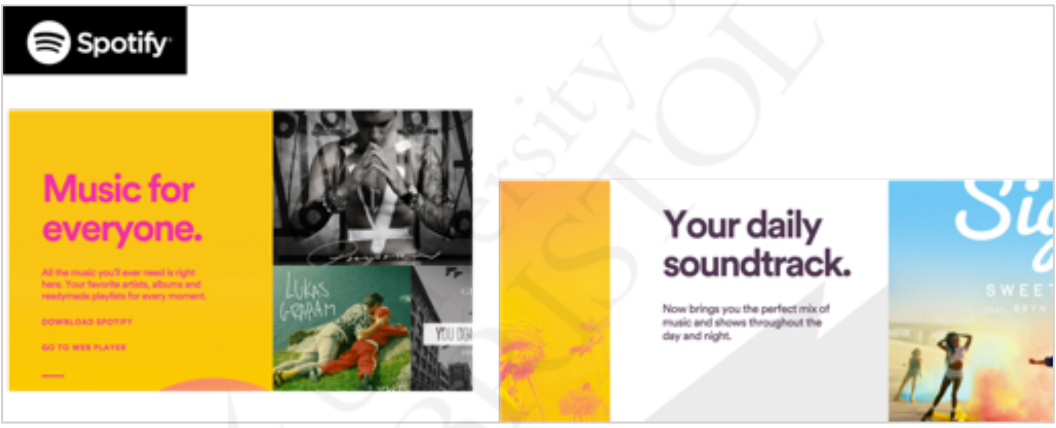

Figure 3: Spotify branding (Source: Spotify, 2016)

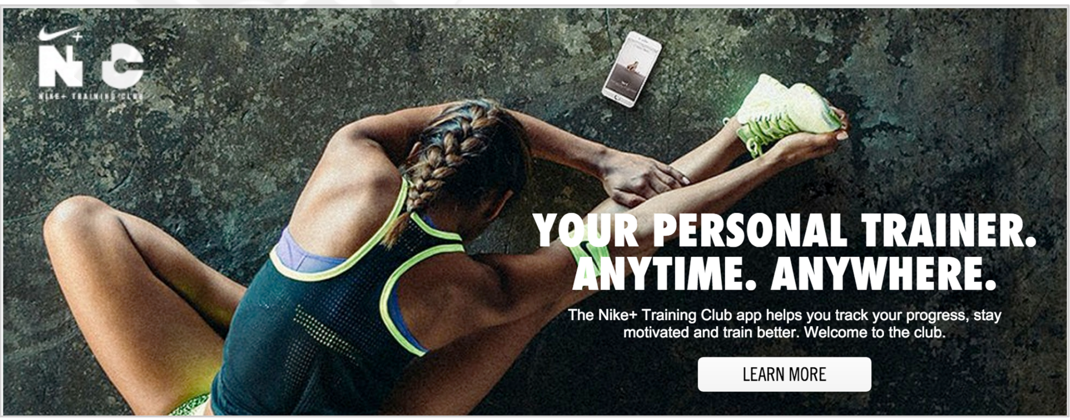

Figure 4: Nike product (Source: Nike, 2016)

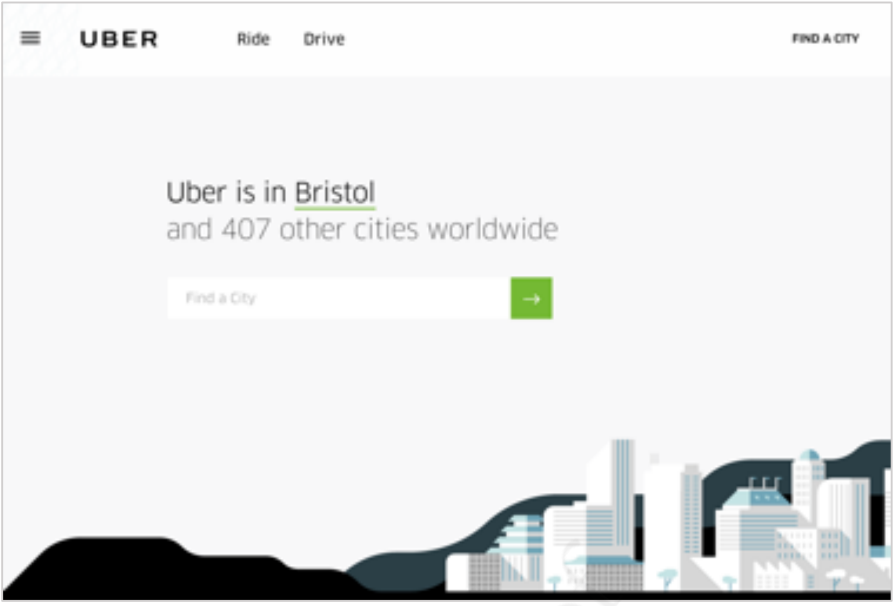

Figure 5: Analysis of potential customer's data when site accessed from Bristol (Source: Uber, 2016)

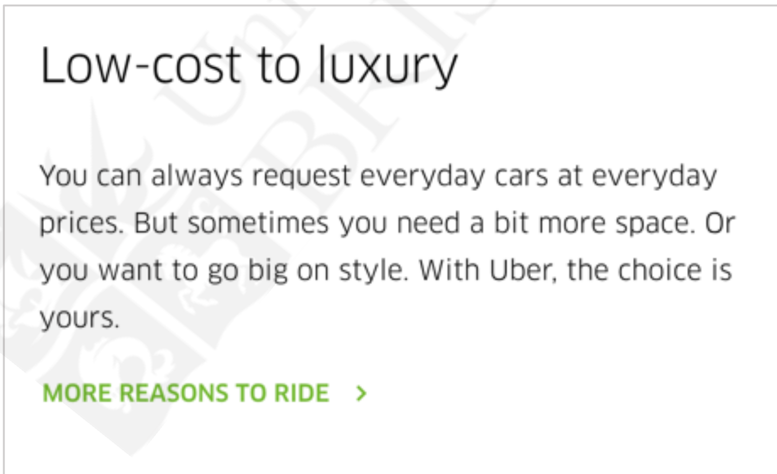

Figure 6: Uber's promise of low-cost (Source: Uber, 2016)

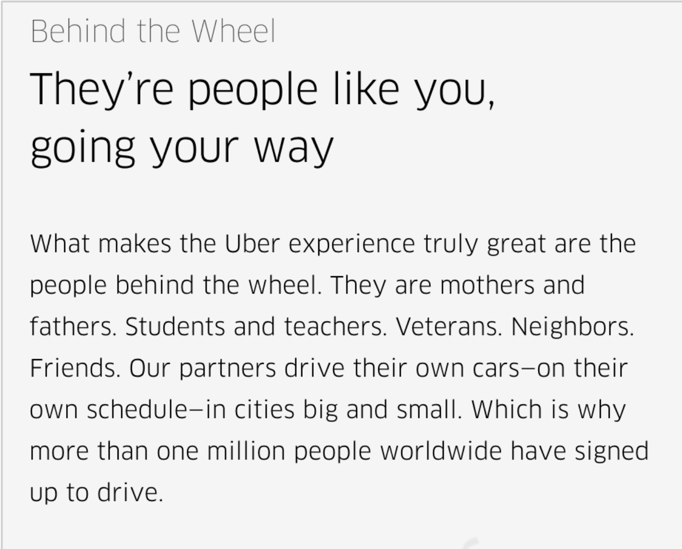

Figure 7: Uber's demonstration of its human face (Source: Uber, 2016)

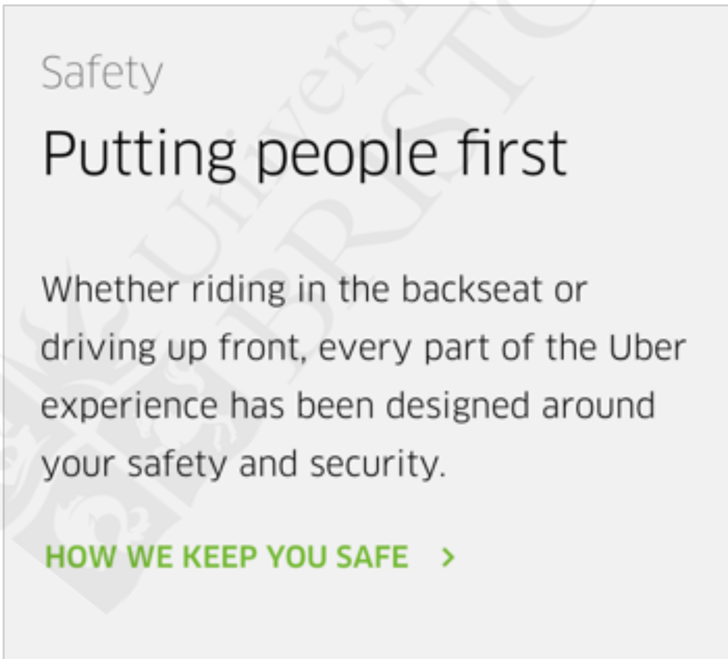

Figure 8: Uber's promise of safety and security (Source: Uber, 2016)

Figure 9: Patagonia campaign to buy used clothing (Source: Patagonia, 2016)

Figure 10: Patagonia promoting the reuse and recycling of its products (Source: Patagonia, 2016)

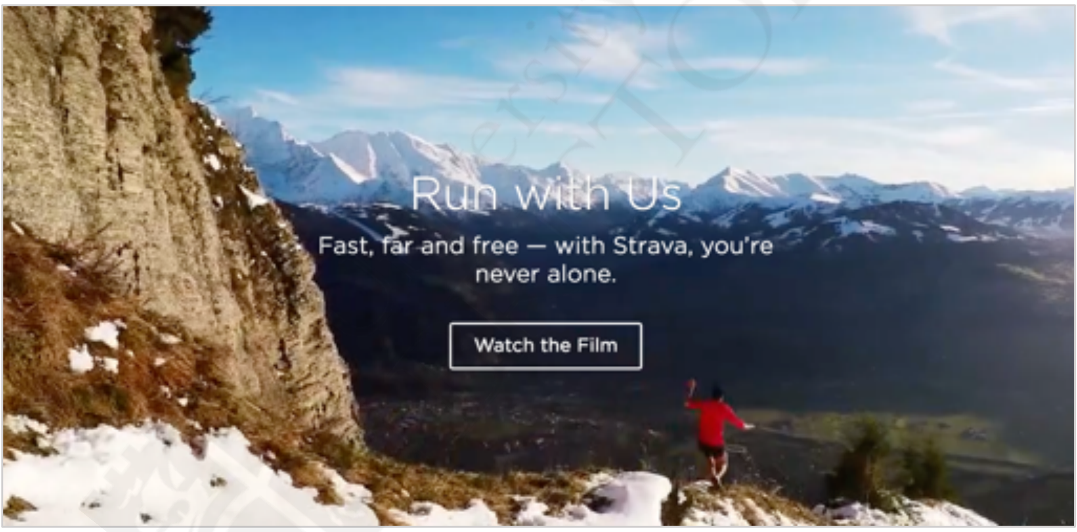

Figure 11: Strava encouraging individuals to become part of the social network (Source: Strava, 2016)

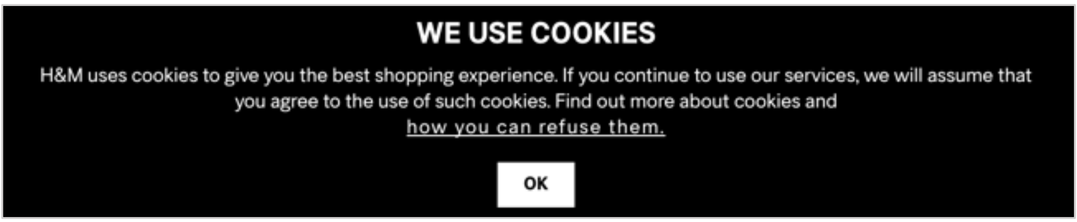

Figure 12: H&M tracks user behaviour to deliver "the best shopping experience" (Source: H&M, 2016)

Figure 13: Values of Bristol Pound: "Build community connections" (Source: the author, 2016)

Figure 14: Message on £1 Bristol Pound note "Help to make Bristol greener" (Source: the author, 2016)

Appendix B: Interview Guide

Thematic guide to follow
The researcher covers the following themes by asking how and why do phenomena arise to reveal interviewee's understanding of such phenomena

- **Introduction** (asking interviewees to introduce themselves to give the interviewer an idea of their background)

- **Describe the industry and activity of the company** (uncover the mechanisms and ways, in which the company fits in the sharing economy or traditional business framework) ***expert sample only***
    a. Can you describe the industry, in which *your company* operates? (uncovering the 'raison d'être' of the company i.e. is this industry inefficient?)
    b. Can you describe the activity of your company? (accessing the mission, goals, and identifying, in which ways is it different from the competitors)
    c. In which ways would you say your company differs from the traditional competitors in (new disruptive businesses entering) your industry? (how is the company different from competitors, questioning values and beliefs, interaction with customers)

- **Social** (covering the trends in culture, community and lifestyle.)
    a. **Culture - Values and beliefs** (corporate values, visions of the world and beliefs; society's set of values & beliefs (shift in values like the change of ownership perception); government's role in protecting values & beliefs)
    b. **Community** (how does technology re-enable community; assess people's motivation in sharing; find what is at core of a community)
    c. **Lifestyle** (Questioning lifestyle trends and customer desires)

- **Change** (covering the rise of a relatively new sharing paradigm, changes in traditional businesses, human behaviour, government behaviour)
    a. **Triggering factors**. What is triggering the change? (Social, economic, political and human unrest; macro problems with hyper consumption such as global warming, great pacific junk garden, financial crisis; increased competition?)
    b. **Enabling factors**. What enables the change (technology? Trust?)
    c. **Future** asking about innovation to understand where might sharing lead (sharing cities, open government)

- **Governance** (covering the issues of governance in our civilisation/society in terms of shifts in trust, power and a move towards more resilience against shocks)
    a. **Trust** (position of government/trust in large organisations and institutions)
    b. **Power** (corporations/individuals, consumers and eventually communities/state – politicians → further democratisation of the processes; changing nature of institutions in the internet-era → laws become redundant i.e. no longer apply to those new businesses; companies become more and more consumer-centric i.e. Amazon)
    c. **Resilience economics** (resilience against shocks by establishing micro-economies at a very local level; focusing on sustainability: Bristol pound/Brixton pound and many other local currencies can be examples of giving money its old function i.e. medium of exchange)

- **Sustainability and Ethics** (questioning our valuation of the future as a civilisation i.e. if we want to sustain what we created so far, what do we have to sacrifice in order to achieve it)
    a. **Sustainability** (do people care? Questioning shift in consumer behaviour and in corporate culture i.e. CSR)
    b. **Economic model** (0 growth, sustainable, responsive firms that operate with scarce resources and in a closed-loop fashion; resilience 'Lego' economy)
    c. **Ethics** (questioning themes in ethics, i.e. social enterprise)

- **Final question:**
  Do you feel like there is something we haven't covered? Is there an advice you would like to give me? Is there someone you would recommend me talking to next?