



**LUND UNIVERSITY**  
School of Economics and Management

**Dare to Share:**  
User Value Co-creation in the Sharing Economy

by  
Katelyn Hertler and Natasha Tasso  
May 28, 2015

Master's Programme in Management

**Supervisor: Professor Anna Thomasson**  
**Examiner: Professor Robert Wenglén**

# Abstract

<b>Title</b>	Dare to Share: User Value Co-creation in the Sharing Economy
<b>Date of Seminar</b>	June 2, 2015
<b>Authors</b>	Katelyn Hertler and Natasha Tasso
<b>Supervisor</b>	Professor Anna Thomasson
<b>Examiner</b>	Professor Robert Wenglén
<b>Course</b>	MGTN59: Degree Project - Management Challenges
<b>Key Words</b>	Sharing economy, Collaborative consumption, Value co-creation, Value creation
<b>Purpose</b>	The purpose of this research is to explore the impact users have on value co-creation in the sharing economy. More specifically, we aim to examine the values users can co-create for each other through exchanges and interactions within the sharing economy.
<b>Methodology</b>	Because the sharing economy is a recent phenomenon, an explorative research design has been chosen with a qualitative study. 25 semi-structured interviews were conducted in order to gather data on personal experiences with Airbnb, which was the company chosen to illustrate the concept. This company was chosen because it is a financially successful, international sharing economy company and therefore reflects the concept's impact. Due to the number of interviews, quantitative data is used to supplement the analysis.
<b>Theoretical Perspectives</b>	Holbrook's Value Typology, Metcalfe's Law and the Network Effect, DART Model of Value Co-Creation, Digital Network Interaction Models
<b>Main Findings</b>	Overall, it was found that users <i>can</i> have an impact on the value of other users of the sharing economy through saving them time, money, providing security, and enhancing the overall experience.

# Acknowledgements

This thesis has been conducted in the context of the Master's in Management Programme at Lund University School of Economics and Management during the spring 2015 semester. We would like to thank the following people who helped us during this process:

*Our supervisor, Professor Anna Thomasson, who has guided us through the process and provided us with valuable feedback.*

*The interview participants, who have taken the time to answer our questions and talk about their experiences.*

*Mrs. Julienne Stewart-Sandgren, for her support and providing us with helpful tips.*

*Mikhail Khoury, for helping us create clean graphics to better illustrate our ideas.*

*Our families, who supported our goals to earn our Master's in Management degrees.*

*And lastly, our Master's in Management 2015 classmates, who entertained us, challenged us, and made this year memorable!*

Lund, Sweden  
May 28, 2015

Katelyn Hertler

Natasha Tasso

# Table of Contents

- 1 Introduction..... 1**
- 1.1. Background ..... 1**
  - 1.1.1. Technological Progress with the Web 2.0..... 2
  - 1.1.2. User Involvement ..... 3
  - 1.1.3. Economic Impact..... 3
  - 1.1.4. Paradigm Shift..... 3
- 1.2. Significance..... 4**
- 1.3. Research Purpose..... 4**
- 1.4. Research Question ..... 5**
- 1.5. Research Limitations..... 5**
- 1.6. Thesis Outline..... 5**
- 2 Literature Review ..... 6**
- 2.1. Sharing Economy..... 6**
  - 2.1.1. Defining the Sharing Economy ..... 6
  - 2.1.2. The Roots of the Sharing Economy ..... 7
  - 2.1.3. User Roles ..... 8
- 2.2. Networks..... 9**
  - 2.2.1. User Network ..... 9
  - 2.2.2. Digital Network..... 9
- 2.3. Value Creation ..... 10**
  - 2.3.1. Defining Value Creation ..... 10
  - 2.3.2. Shift from “Traditional” Value Creation..... 11
  - 2.3.3. Co-creation of Value ..... 11
  - 2.3.4. Value Creation in E-business ..... 12
  - 2.3.5. User Perspectives on Value..... 13
- 2.4. Chapter Summary ..... 14**
- 3 Theoretical Framework..... 15**
- 3.1. Digital Network Exchanges..... 15**
- 3.2. Sharing Economy Companies and DART ..... 17**
- 3.3. Application of Holbrook Value Typology..... 18**
- 3.4. Chapter Summary ..... 20**
- 4 Methodology ..... 21**
- 4.1. Choice of Case ..... 21**
- 4.2. Research Approach ..... 21**
- 4.3. Research Design ..... 22**
- 4.4. Research Sample..... 22**
- 4.5. Data Collection Method ..... 24**
- 4.6. Interview Design and Conduct ..... 25**
- 4.7. Data Analysis..... 27**
- 4.8. Reliability and Validity ..... 28**
- 4.9. Chapter Summary ..... 29**
- 5 Empirical Information..... 30**
- 5.1. Case Introduction: Airbnb..... 30**

5.2.	How Airbnb Works .....	30
<b>6</b>	<b>Findings and Analysis.....</b>	<b>31</b>
6.1.	The Role of Dialogue and Access in Increasing Value in the User Network.....	31
6.2.	Dialogue and Access in User Value Co-Creation.....	33
6.2.1.	Dialogue Locus .....	33
6.2.2.	Access Locus.....	35
6.2.3.	Revised DART/Value Model.....	36
6.3.	Non-Dialogue and Access Points: Values Co-Created by Users.....	37
6.3.1.	Financial Value as Excellence.....	37
6.3.2.	Aesthetics .....	38
6.3.3.	Other Emerged Values: Generosity and Community.....	38
6.3.4.	Final Revised Framework .....	39
6.4.	Additional Findings .....	40
6.4.1.	Values Co-Created Between Users and Airbnb .....	40
6.4.2.	Holbrook Values Not Mentioned .....	41
6.4.3.	Factors Influencing the Decision-making Process for Airbnb .....	41
6.5.	Chapter Summary .....	42
<b>7</b>	<b>Discussion and Conclusion .....</b>	<b>43</b>
7.1.	Research Aim and Results .....	43
7.2.	Research Limitations.....	44
7.3.	Theoretical Implications and Contributions .....	44
7.4.	Practical Implications and Contributions .....	45
7.5.	Recommendations for Future Research .....	45
	References .....	46
	Appendix A: User Interview Questions.....	50
	Appendix B: Airbnb Employee Interview Questions.....	51
	Appendix C: Theoretical Framework Adaptations .....	52

# List of Figures

<i>Figure 1: Sources of Value Creation in e-business (Amit and Zott, 2001, pp. 504)</i> .....	13
<i>Figure 2: Sharing Economy Community Multilateral Model</i> .....	18
<i>Figure 3: The Holbrook Value Typology (Holbrook, 1994)</i> .....	19
<i>Figure 4: DART/Value Framework</i> .....	20
<i>Figure 5: Revised DART/Value Framework</i> .....	36
<i>Figure 6: Final DART/Value Framework</i> .....	39
<i>Figure 7: Most Important Factors Users Look for in Airbnb</i> .....	42

# List of Tables

<i>Table 1: Digital Network Interaction Models (Lechner and Hummel, 2014, pp. 42)</i> .....	15
<i>Table 2: List of Interview Participants</i> .....	23
<i>Table 3: First Round of Coding: by Source of Value Co-creation</i> .....	27
<i>Table 4: Second Round of Coding: by Value</i> .....	28

# 1 Introduction

*The introductory chapter of this thesis presents a brief background on the sharing economy, focusing on the trend's growth, effect on users, and economic impact. The significance of the issue and aim of this paper will also be discussed, as well as an introduction to the research question.*

## 1.1. Background

The idea of sharing is hardly a new concept; Belk (2013) argues that “sharing is a phenomenon as old as humankind” (pp. 1595) that has been studied from a multitude of perspectives. Belk (2010) also notes that, “these studies have generally concluded that the sharing frequently found in such societies improves the efficiency of resource use” (pp. 716). Thus, sharing a resource can be found to improve a society’s use of that resource, whether it be housing, transportation, or a variety of other goods and services. This “old” concept of sharing a resource is the basis of what has been deemed “the sharing economy,” a rather new phenomenon rooted in the tradition of sharing and described as being “born of the Internet age” (Belk, 2013, pp. 1595). Identified by the Ericsson ConsumerLab (2015) as one of the “Top 10 Hot Consumer Trends for 2015” (pp. 6) the idea of the sharing economy has recently permeated many industries, from hospitality to home improvement.

The sharing economy consists of consumers renting the use of underutilized goods and services directly to and from other consumers, minimizing the need for ownership. There is a shift from “owning” to “renting” that has changed consumer behavior and how companies conduct business. As Cusumano (2015) explains: “instead of selling products outright, companies can expand their potential markets by renting access to products that people used to buy” (pp. 32). These products are not owned by the company itself but by the people who are willing to share them, usually in exchange for a remuneration (Belk, 2014). The types of goods and services available vary greatly; consumers can “rent beds, cars, boats and other assets directly from each other, co-ordinated via the Internet” (The Economist, 2013).

The roles of both consumers and companies have also shifted in the sharing economy; consumers are more at the source of value creation and companies provide the digital platforms for people to meet, share and exchange (Cusumano, 2015). These companies have risen with the growth of the Web 2.0 and the opportunities allowed by Internet expansion and new technologies. The transactions in the sharing economy occur online; there are barely any physical materials used. Through the “explosion of peer-to-peer commerce” (World Economic Forum, 2013, pp. 3), many companies have been created in the vein of the sharing economy from different industries. Two of the most used platforms of the sharing economy and successful examples of the phenomenon are Airbnb, which has grown into one of the largest websites for sharing accommodations, and Uber, which allows car owners to share rides with strangers and is present in 58 countries (Uber, 2015). These new types of businesses are growing extremely fast and have changed the patterns of several industries.

The strategy to generate profits has changed, as these sharing economy companies have “near zero marginal costs” (Rifkin, 2014) in comparison to traditional businesses, as they do not actually own the assets being shared.

### 1.1.1. Technological Progress with the Web 2.0

The success of the sharing economy may be linked to the increase of digital networks, which have become stronger and more widespread due to technological advancements. With the development of social media, new ways of communicating and sharing digital material have appeared (Kaplan & Haenlein, 2010; Cusumano, 2011). The concept of the sharing economy is based on making use of the constant interconnectedness of individuals through technology. “Technological advances enable the networked platforms that underlie the sharing economy to operate at scale” (Zervas, Proserpio & Byers, 2015, pp. 2); thus, these advances have enabled companies such as Uber and Airbnb to function at an enormous scale despite the limited number of offices and employees. These sharing economy companies are able to operate internationally and reach millions of users (what the sharing economy companies call their ‘consumers’). Thus, the creation and monitoring of their digital network is inherent to their success.

Moreover, network effects lead to positive feedback loops, increasing returns to scale, and winner-take-all shakeouts that favor the bigger platforms—much like Amazon and Google have come to dominate Internet retailing and search. Airbnb and Uber are already big and probably here to stay (Cusumano, 2015, pp. 34).

In recent years, sharing economy companies have experienced large growth both financially and in the number of users who participate. This growth is possible because Internet-based businesses (e-businesses) are able to reach any user with a computer and an Internet connection. “Just over 15 years ago, collaborative consumption pioneers such as eBay and Craigslist launched, capitalizing on our newly found ability to use the Internet to match millions of haves with millions of wants, instantly and efficiently” (World Economic Forum, 2013, pp. 3). The lack of geographical barriers allows information to be disseminated both internationally and instantly. Both technological devices and softwares are developing extremely rapidly and with those advancements new business opportunities arise as well. This point is accentuated by the World Economic Forum’s position report (2013) which states, “digital technologies are enabling people to connect directly with one another in all kinds of meaningful ways and with fewer intermediaries” (p. 3). Companies such as TripAdvisor, Airbnb, and Uber have taken advantage of this ability to connect by developing platforms where users can meet and exchange common interests, and easily make secure transactions. By doing so, these companies have also accepted the caveat that not everything on the Internet can be controlled and that users have an important role as generators of content (Kaplan & Haenlein, 2010).

### 1.1.2. User Involvement

As the success of the sharing economy relies on user interactions, their input is crucial. Furthermore, in the sharing economy, the roles of the users have become that of both consumers and producers; users are not only borrowing, renting, or sharing goods and services, but they are also providing and renting out their own assets. Therefore, in order for the sharing economy to function, it is important that “trust and reputation” are well established between users (World Economic Forum, 2013, pp. 4). The companies play the role of facilitators of the exchanges, and “these business models are changing the way consumers think about value—assessing the impact of goods and services on their wallet, their time and the planet” (PwC, 2015, pp. 14).

### 1.1.3. Economic Impact

The impact and reach of the concept is evident in the economic growth of sharing economy companies and their impact on “traditional” industries. One large difference is that they have lower marginal costs. As explained by Rifkin (2014):

Uber's success is due, in large part, to the morphing of the Internet into a super Internet of Things, allowing carsharing services and other types of enterprises to operate on a Collaborative Commons, at near zero marginal cost, undercutting the higher fixed and marginal costs of conventional businesses. (Marginal cost is the cost of producing an additional unit of a good or service after fixed costs have been absorbed.)

Companies such as Airbnb and Uber have experienced such rapid growth that their valuations have reached the billions. For example, Uber has experienced such growth in the past few years that it has surpassed older, more “traditional” transportation companies in valuation. “Five-year-old Uber operates in more than 250 cities worldwide and as of February 2015 was valued at \$41.2 billion—a figure that exceeds the market capitalization of companies such as Delta Air Lines, American Airlines and United Continental” (PwC, 2015, pp. 14). Furthermore, PricewaterhouseCoopers (PwC) predicts that by 2025, the revenue from sharing economy companies could exceed \$335bn USD (PwC, 2015, pp. 14).

### 1.1.4. Paradigm Shift

The growth in the sharing economy has caused what PwC (2015) calls a “shifting value paradigm,” (pp. 17) where consumers are now seeking new and potentially different benefits through sharing assets rather than purchasing and owning them. According to *The Economist* (2013), in the sharing economy, “access trumps ownership.” This pursuit of different benefits suggests that the sharing economy is changing the idea about what consumers want from their exchanges and from the sharing experience itself, which does not rely only on the company anymore but also on the relationship with other users (Kaplan & Haenlein, 2010). And, because sharing economy companies influence the experience through providing and maintaining the network on which these exchanges take place, “flawless digital tools,

elegantly simple search and seamless transactions are not merely a nice-to-have for companies today—they are a requirement” (PwC, 2015, pp. 17).

In the sharing economy, users are directly involved in the generation of exchanges and experiences of others, thus highlighting the shift in the roles of the consumers and companies. Users now have a different role in this new way of doing business and are an integral part of the value creation process as both producers and consumers. However, it is naive to assume that these exchanges are made seamlessly, without any problems. Thus, the role of the companies is to provide a platform on which to make these transactions and strive to enable the exchange experience to be valuable for all users. Companies must attempt to facilitate a controlled transaction despite the potential lack of boundaries due to technological growth—it is about maintaining a space where value may be co-created for consumers (Cova, Dalli & Zwick, 2011).

While studies have been conducted exploring the interests of users in the sharing economy, a challenge remains with understanding the ways in which the user network may contribute to providing these benefits desired from the shifting value paradigm. These significant changes in behaviors, expectations, and roles are therefore a relevant and recent research topic.

## 1.2. Significance

The phenomenon’s economic impact and effect on consumer expectations have garnered attention for the sharing economy. This impact, combined with the realm of possibilities that expands with greater technological advancements, makes the sharing economy an ideal topic to study. Among the most interesting of the factors regarding the sharing economy is the concept of the users themselves, who are directly part of the value co-creation process as active players, which is why this paper will focus on them specifically.

## 1.3. Research Purpose

This study seeks to better understand the sharing economy and the sources of value creation within this newer concept. More specifically, we aim to explore the value co-creation primarily from the perspective of the user, as the user is directly involved in exchanges and interactions within the sharing economy. “Peer-to-peer commerce” (World Economic Forum, 2013, pp. 3) has altered the traditional way of doing business and the relationship consumers have with value. However, despite its recent popularity, there is still a lack of academic studies related to the phenomenon.

The few studies about the phenomenon that do exist look at understanding why individuals engage in the sharing economy or how traditional organizations can compete against emerging companies that are affecting consumption habits. Because the sharing economy is a relatively recent phenomenon, it is still under-researched in academia. Therefore, the different studies that have been used in this paper are mostly conducted by consulting firms or

organizations rather than academic papers. This paper relies on several studies that are not conducted in the context of academic research, yet they are relevant as they show different perspectives on the topic.

By not merely studying the reasons *why* people engage in collaborative consumption but instead *what value* they get from participating, this explorative study contributes to the existing literature on the topic and also offers insights to businesses within the industry. There is a gap in the studies regarding value creation *from* and *for* users in the sharing economy, and these few studies that exist use quantitative research methods. Hence, this study aims at understanding the role of the user in creating value within a network of interconnected users in the sharing economy by using a qualitative research method.

## 1.4. Research Question

This dissertation seeks to address the following research question, which focuses on users' perspectives and their role in the value creation process:

**What impact do users have on value co-creation in the sharing economy?**

## 1.5. Research Limitations

This project has been conducted within the context of our Master's in Management studies. The time provided was 10 weeks. During this limited time period, the research has been conducted as extensively as possible. The reader must keep in mind that the data might not be representative as 25 interviews were conducted.

## 1.6. Thesis Outline

This paper is divided into seven sections: introduction, literature review, theoretical framework, methodology, empirical information, findings and analysis, and a final section dedicated to discussion and conclusion. While the introduction provided general insight into the sharing economy and our purpose for the research, the literature review will explore the phenomenon in greater detail and highlight specific research that pertains to this paper. The theoretical framework section will then discuss the theories that will support the data analysis in section six. During the methodology section, we provide an in-depth explanation about our research methods, why we chose the specific data collection method and to focus on Airbnb, and how the data was collected and analyzed. We then provide more details about Airbnb itself as a company. After we present the results and analysis, the final chapter will include a discussion and conclusion.

## 2 Literature Review

*While research conducted specifically on the sharing economy is limited due to the recentness of the phenomenon, several studies and perspectives exist that may help explain the key concepts around the sharing economy and value co-creation. This literature review thus focuses on several of these concepts and provides an analysis of their applicability to this research. The concepts described include: sharing economy, networks, and value creation and co-creation. Key concepts from will then be adapted into the theoretical framework with which the data will be analyzed, presented in the following chapter.*

### 2.1. Sharing Economy

The sharing economy, as previously described, is a phenomenon that enables efficient peer-to-peer transactions to make use of underutilized assets.

#### 2.1.1. Defining the Sharing Economy

A variety of terms exist to describe the sharing economy and have been used by journalists and researchers when discussing the phenomenon; these terms include “collaborative consumption” (Botsman, 2013), “peer-to-peer rental” (The Economist, 2013) and “mesh” (Gansky, 2010). Botsman (2013) defines collaborative consumption as: “An economic model based on sharing, swapping, trading, or renting products and services, enabling access over ownership.” However, Belk (2014) argues that Botsman’s definition is: “too broad and mixes marketplace exchange, gift giving, and sharing” (pp. 1597), and suggests his definition is more accurate: “Collaborative consumption is people coordinating the acquisition and distribution of a resource for a fee or other compensation” (Belk, 2014, pp. 1597). This definition is more specific and refers to the people involved in the coordination and rather than the companies involved. Therefore, Belk’s definition will be used to describe the action of the sharing between people in the sharing economy (collaborative consumption), while the actual “sharing economy” term (defined below) will be used to describe the phenomenon as a whole.

The terms “peer-to-peer rental” and “mesh” have also been used in discussions around the phenomenon. *The Economist* describes “peer-to-peer rental” as people renting assets directly from each other, “co-ordinated via the Internet” (The Economist, 2013). “Mesh” is used to describe companies that partake in the use of “social media, wireless networks, and data crunched from every available source to provide people with goods and services at the exact moment they need them” (Gansky, 2010). Although these definitions accurately describe some aspects of the sharing economy, they are much lesser known and used; “Peer-to-peer rental” again fails to mention the involvement of a company, while the term “mesh” is only prevalent in the book, “The Mesh,” by Lisa Gansky (2010) and is used to refer the the efficiency of the concept via the Internet yet nothing else.

For the clarification of this paper, we use Botsman's (2013) definition of sharing economy to describe the phenomenon, "An economic model based on sharing underutilized assets from spaces to skills to stuff for monetary or non-monetary benefits," as it broadly explains the phenomenon on a wider scale, encompassing all actors in the process. This term is more broadly used in journal articles, research studies, and media pieces, and thus will be utilized in this paper as well.

### 2.1.2. The Roots of the Sharing Economy

Despite the sharing economy being a relatively new concept, some researchers have attempted to understand its origins. Cohen and Kietzmann (2014) suggest that the sharing economy resulted from "a need for frugal spending after the global economic recession of 2008" (pp. 279), citing the financial distress as a primary proponent of consumers' actions towards the trend, i.e., consumers sought to save money, so may have been compelled to purchase less and share more. The authors also cite an "increase in environmental consciousness" (2014, pp. 280) and the power of technological advances as factors contributing to the popularity of the sharing economy.

Contrastingly, Belk (2014) argues that the sharing economy is a direct evolution of the sharing that has been enabled through the Internet, such as file sharing and downloads. "The Internet and especially web 2.0 has brought about many new ways of sharing as well as facilitating older forms of sharing on a larger scale" (Belk, 2014, pp. 1596). Zervas, Proserpio and Byers (2015) further this claim, arguing that, "The key differentiating enabler is that technological advances enable networked platforms that underlie the sharing economy to operate at scale" (pp. 2). Furthermore, a plethora of articles discuss specific Internet companies that may have paved the way for the success of the sharing economy. "To get here, we needed eBay, PayPal and Amazon, which made it safe to do business online" (Time, 2015); *Time* argues that these companies established the groundwork for newer companies to engage consumers in reutilizing previously owned goods.

Thus, while there is a lack of research on the concrete origins and causes of the sharing economy, there seems to be a general consensus that the Internet, technological advances, and networked platforms have served as catalysts for the birth of the phenomenon and are therefore inherent in understanding how it works. With these recent changes, new opportunities have emerged on the Internet, which are much different than the traditional way of doing business. As the relationship between a company and its consumers evolves, the business models have as well.

In its position report on the sharing economy, the World Economic Forum (2013, pp. 4) presents two business models found in the sharing economy: "the monetized" model such as Airbnb, where consumers pay a price per night, and the "non-monetized" model followed by the company CouchSurfing, in which consumers "are expected to host fellow guests if possible" and money is not exchanged directly. The authors also introduce three systems of the sharing economy (2013, pp. 4). The first system is "Redistribution market," which

consists of selling or giving away goods without getting them back. Companies of this system include eBay or Craigslist, which are websites where individuals can sell their goods. The second system is, “Product Service System,” which allows individuals to rent or use a good for a determined period of time without the need for ownership. Zipcar and RelayRides are companies in the transportation industry that provide such possibilities. The last system is collaborative lifestyles: “Collaborative Lifestyles platforms allow for the sharing and exchange of less tangible assets such as time, skills, money, experiences or space” (World Economic Forum, 2013, pp. 4) also for a determined period of time. Companies in this system are Airbnb or Skillshare, for example. These three systems demonstrate the thinking surrounding the sharing economy’s “new” models.

### 2.1.3. User Roles

While the birth of the sharing economy has ties to the Internet and technology, it still requires the participation and engagement of users to engage for it to be successful. To understand the growth of the sharing economy, it is important to examine why users choose to participate and engage in such exchanges and their beliefs about what the sharing economy entails. Several studies have been conducted in order to better understand these users’ behaviors and their reasons behind their potential participation.

In 2015, PwC conducted a study via a quantitative survey to understand consumer beliefs about the sharing economy. In this study, PwC found that among U.S. adults, over three-quarters of those surveyed believe that the sharing economy makes life affordable, is better for the environment, and builds a stronger community (PwC, 2015). The study also revealed demographics about the individuals most likely to participate, including age and income. PwC also surveyed how many adults have used the sharing economy, and for the 19% who had participated (PwC, 2015), the survey shared industries in which they have been active. This study offers a practical view of consumer thoughts about the sharing economy, yet it is limited to perceptions of adults who are familiar with the concept and is not specific only to those who have participated.

Another recent report, published by Havas Worldwide Insights in 2014, examines consumer perceptions on overconsumption and beliefs about engaging in collaborative consumption. This study reveals more specific beliefs of the consumers surveyed and offers a ranking of the aspects of the sharing economy that were surveyed to be most appealing. The top three most appealing aspects were “saving money” at 32%, “feeling active and useful” at 13%, and “reducing my consumption/carbon footprint” at 13% (Havas Worldwide, 2014, pp. 24), echoing the PwC findings regarding consumer interests in saving both money and the environment. Havas Worldwide Insights’ report provides another interesting insight into consumer beliefs about the sharing economy and even segments beliefs by age group, adding that millennials “drive the sharing economy” (Havas Worldwide, 2014, pp. 18). However, this study is again limited to consumer beliefs about the sharing economy and several of its industries, as well as why they may choose to participate; the study does not distinguish between the actual users and those who are simply aware of the concept.

The Ericsson ConsumerLab also conducted a survey in 2014 about the trend. The ConsumerLab surveyed 5024 smartphone owners around the world and concluded that “three-quarters of smartphone owners would be interested in [the sharing economy]” (Ericsson ConsumerLab, 2015, pp. 6). The study regarded the sharing of equipment, transportation means, and accommodations (Ericsson ConsumerLab, 2015). Additionally, this survey was based on people’s opinions about the sharing economy and not on actual experiences.

While several quantitative studies have been conducted on consumers and the sharing economy, these studies generally are focused on perceptions about the phenomenon, its potential appealing factors, and demographics about those who would or currently participate. This consistency of quantitative studies points to a lack of information about the views by active users, especially in a qualitative manner.

## 2.2. Networks

Another aspect of sharing economy companies is the utilization of a “network,” which is also an essential factor to their growth. For the sake of this paper, the term “network” refers to both the digital platform used by sharing economy companies (such as a mobile app or desktop website) and the network of users connected by their common use of a company.

### 2.2.1. User Network

As previously mentioned, a prominent factor of the sharing economy is the users themselves who actually engage in the collaborative consumption. As the concept of the sharing economy grows, it also affects people’s behaviors; users are willing to allow strangers access to their assets. This exchange is a new way of conducting an economic exchange between users with a third party acting as a facilitator rather than purveyor of the goods or services—in the sharing economy this means excluding taxi companies or hoteliers and directly connecting consumers. According the PwC study (2015), 89% of those surveyed agreed that the sharing economy is based on trust between users; thus, the interaction of users within the user network relies not only on the sharing economy company itself, but also on other users. This may be through both the actual interactions between users and the other communications that may occur through the digital network. Romero (2011) further emphasizes the fact that consumers tend to discuss their experiences: “Customers are comparing each other’s experiences, giving feedback to each other and as a result, customer communities are becoming an important influence in purchase decisions and brand loyalty” (pp. 448). With social media and the Internet, user networks are able to rapidly expand through communications.

### 2.2.2. Digital Network

The digital network of a sharing economy company is the platform on which users can interact and make their exchanges. Amit and Zott (2001) state, “In the context of e-business,

network externalities are present when the value created for customers increases with the size of the customer base” (pp. 507). These externalities include the effects, both positive and negative, that a digital network may have on its users. According to Amit and Zott (2001), “the total value created is a direct function of network size” (p. 507). This finding implies that the larger the network gets, the more valuable it becomes for its users, which may help explain many sharing economy companies’ international success.

Within their research, Amit and Zott also cite strategic network theory as a perspective to explain the usefulness of a digital network. “The size of the network and the heterogeneity of its ties have been conjectured to have a positive effect on the availability of valuable information to the participants within that network” (Amit and Zott, 2001, pp. 498). With a large network serving a multitude of different users, there can also be a large amount of useful information shared between the users of the network. This theory adds another perspective to the usefulness of the sharing economy network. Cusumano (2015) points out that: “that peer-to-peer networks can grow exponentially through the power of platform dynamics and network effects” (pp. 32). This effect will be further discussed to explain the effectiveness of networks in relation to Metcalfe’s Law in the ensuing theoretical section.

## 2.3. Value Creation

The topic of value creation is a widely researched concept spanning both decades and fields. While a variety of definitions and explanations of value creation exist, this paper will focus on those most relevant to the sharing economy. Furthermore, it is important to briefly distinguish the specific type of value referred to in this paper. By value we do not imply “personal values,” which are defined as “the individual's' beliefs about what are desirable to themselves. They are self-centered; that is, personal values are closely linked to needs” (Lai, 1995, pp. 382). We also do not imply “customer value,” which “normatively focuses on a buyer's evaluation at the time of a product purchase” (Lai, 1995, pp. 384), i.e. the value a buyer may expect to receive when deciding what to purchase. We instead will use value in the sense of “consumer values,” which “stresses people's valuation of consumption [or experience]” (Lai, 1995, pp. 384) after the actual consumption.

### 2.3.1. Defining Value Creation

As previously mentioned, many definitions and explanations of value creation exist in relevant literature. For the sake of this paper, few definitions will be discussed because, as Lepak, Smith, and Taylor (2007) state, “Addressing all the points of disagreement in researchers’ understanding of value creation would, we believe, require a book-sized contribution” (pp. 182). However, Lepak, Smith, and Taylor (2007) also aggregate a variety of explanations of value creation to offer their own definition: “Value creation depends on the relative amount of value that is subjectively realized by a target user (buyer) who is the focus of value creation—whether individual, organization, or society—and that this subjective value realization must at least translate into the user’s willingness to exchange a monetary amount for the value received” (pp. 182). Thus, value creation is arguably subjective and dependent

on the target user. Keeping this concept in mind, the background of value creation and where it takes place can be discussed.

### 2.3.2. Shift from “Traditional” Value Creation

Prahalad and Ramaswamy (2004a) argue that “in the traditional conception of process of value creation, consumers were ‘outside the firm.’ Value creation occurred inside the firm (through its activities) and outside markets” (pp. 6). The company was creator of value and its consumers were recipients; it was a one-way street. The role of the organization was to develop and market a product based on what it judged to be the best for the consumers, and the consumers remained passive. This explanation of the “traditional concept” of value creation is echoed in a variety of literature and from multiple perspectives. Among the most prominent, Porter’s (1985) explanation of how companies can create value through the value chain also contributes an understanding of the concept. However, as Porter’s explanation is focused on the perspective of the firm, it is not applicable to this research yet contributes to the general understanding of value creation.

Another noted insight on this topic is from Vargo and Lusch (2004), who present an explanation on value creation through their discussion about the shifts of marketing logic. In their paper, “Evolving to a New Dominant Logic for Marketing,” the researchers agree with Porter and other authors that with traditional goods-centered logic, “value is determined by the producer” (Vargo & Lusch, 2004, pp. 7). However, the researchers also discuss the emergence of service-centered logic, in which “value is perceived and determined by the consumer” (Vargo & Lusch, 2004, pp. 7). Vargo and Lusch’s (2004) research helps bridge the transition from the “traditional” source of value creation (the producer) to the currently identified source of value creation—the consumer. This idea is the foundation on which the remainder of literature discussed in this paper is built.

### 2.3.3. Co-creation of Value

The identification of consumers as a source of value creation has led to further exploration into the topic. In this paper, we focus on Prahalad and Ramaswamy’s research into co-creation of value, as their model is involved in the theoretical framework of this paper.

Prahalad and Ramaswamy (2004a) argue that consumers now have an increasingly active role in the value they create for themselves and others. “Informed, connected, empowered, and active consumers are increasingly learning that they too can extract value at the traditional point of exchange” (Prahalad and Ramaswamy, 2004a, pp. 6). The researchers emphasize the “experience” as essential to the current value creation process, noting that: “As value shifts to experiences, the market is becoming a forum for conversation and interactions between consumers, consumer communities, and firms” (Prahalad and Ramaswamy, 2004a, pp. 5). While this research draws attention to the consumer’s ability to co-create value, it also highlights the role of the company as well: the nature of value co-creation takes place in interactions between the company and the consumer; this interaction is the “locus of value

creation” (Prahalad and Ramaswamy, 2004a, pp. 10). Romero (2011) further emphasizes the importance of collaboration:

Value creation is no longer considered as a linear function, but a collaborative and co-evolutionary process with partners, allies, suppliers and customers that come together in close relationships within collaborative networks that aggregate knowledge, resources and activities in ‘value constellations’ to co-produce value (pp. 449)

However, Prahalad and Ramaswamy also identify inter-consumer communication as another beneficial source of value co-creation. “Consumer-to-consumer communication and dialogue provide consumers an alternative source of information and perspective” (Prahalad and Ramaswamy, 2004a, pp. 6). Thus, not only is the interaction between companies and consumers a source of value creation, but Prahalad and Ramaswamy credit consumers with potentially creating benefits for one another as well through the sharing of information.

#### 2.3.4. Value Creation in E-business

There have been several studies on the concept of value creation through e-business; as the sharing economy correlates to Internet growth, it is important to highlight one of the most disseminated studies. In their paper, Amit and Zott (2001) state, “E-business firms often innovate through novel exchange mechanisms and transaction structures not present in firms that are more traditional” (pp. 494). The study also includes their theory about four key sources of value creation in e-businesses: efficiency, complementarities, lock-in, and novelty, shown in *figure 1*.

**Efficiency:** Amit and Zott found that “the greater the transaction efficiency gains that are enabled by a particular e-business, the lower the costs and hence the more valuable it will be” (Amit and Zott, 2001, pp. 506). Transaction efficiencies in e-business companies can both reduce information asymmetries for consumers and lower search costs.

**Lock-in:** Once a user is engaged with an e-business site, value may also be created through lock-in. “Lock-in prevents the migration of customers and strategic partners to competitors, thus creating value” (Amit and Zott, 2001, pp. 507), thus, lock-in helps reduce switching costs and may save money for users, in turn creating value.

**Novelty:** Novelty refers to the innovation that may occur in e-business. Amit and Zott (2001, pp. 508) argue that e-business companies “create value by connecting previously unconnected parties, eliminating inefficiencies in the buying and selling processes through adopting innovative transaction methods, capturing latent consumer needs, and/or by creating entirely new markets.”

Amit and Zott’s (2001) fourth e-business value creation finding, complementarities, fails to apply to the sharing economy because it assumes businesses offer a bundle of products and

services; it is more descriptive of companies that directly sell goods to consumers, increasing ownership.

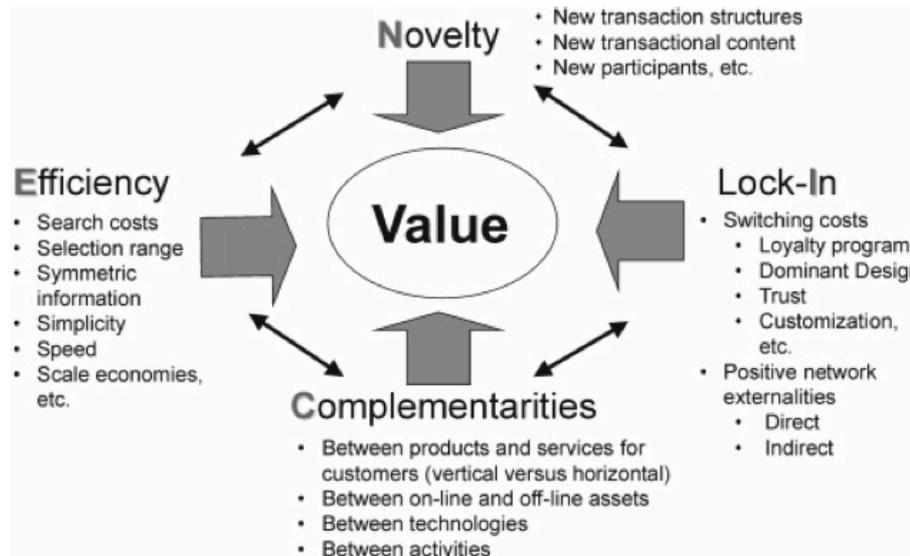


Figure 1: Sources of Value Creation in e-business (Amit and Zott, 2001, pp. 504)

While Amit and Zott's (2001) exploration into e-business value creation contributes a framework with which to evaluate websites, it presents this framework for the firm's perspective; it is a model companies can utilize in their strategies. Romero (2011) supports the same idea with value co-creation on the Internet arguing the importance of "leveraging a customer-based value creation system by providing a way to interact, learn, conduct transactions and share valuable knowledge with all the parties involved in the development and usage of products and services (e.g. e-commerce)" (pp. 449). Because these papers focus on the company's perspective, they are not applicable to user analysis; however, the uniqueness of value created from e-business provides additional background to the concepts of co-creating value through websites.

### 2.3.5. User Perspectives on Value

In 2.3.3, the role of the consumer in value creation was discussed; because this paper seeks to understand the consumer's perspective, it is imperative that existing literature on the topic is shared. Perhaps just as convoluted as defining value creation is identifying a universal explanation of *what* consumers value. Substantial literature exists on this topic from many fields, including management, psychology, and economics. Grönroos (2008) argues that value for consumers is a multifaceted concept that includes financial value as well as an "attitudinal" aspect. "Sometimes the value that has been created can be measured in financial terms, for example through effects on revenues or wealth gained or through cost saving, but value always has an attitudinal component, such as trust, affection, comfort and easiness of use" (Grönroos, 2008, pp. 303).

Among the classifications of value by researchers includes that of Sheth, Newman, and Gross (1991), whose "Theory of Consumption Values" identifies the five values that influence consumer choice as functional value, social value, conditional value, emotional value, and

epistemic value. These five themes pertain to consumer choice and refer to the perceived utility a consumer might think they could receive upon consumption of a product or service, what Lai refers to as “customer value” (Lai, 1995). Another author, Holbrook (1999), presents a more in depth classification of consumer values through his Holbrook Value Typology. This theory will be presented in the next section of this paper as it ties directly to our theoretical framework.

## 2.4. Chapter Summary

The research and studies previously described provide important insights about the sharing economy phenomenon, the role of both digital and user networks, and value creation and its potential sources. A multitude of marginally related theories may also apply; the previously described theories have been chosen because of their strong potential for application to the subject. As we have shown, much literature exists surrounding sources of value creation and categorization of value, however, there is a lack of literature and theories regarding direct causes of value creation for users within the network of a sharing economy company. Also, the studies conducted regarding the sharing economy or collaborative consumption are mostly written by consulting firms or organizations, but they provide important insights to help understand the trends. There is a lack of academic research on the subject, which is why non-academic sources have been used as references. Thus, we believe this reinforces the importance of this study and will help draw conclusions on the subject that may lead to further research and contributions to the field.

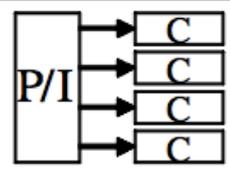
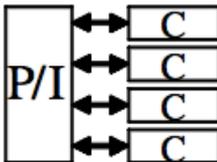
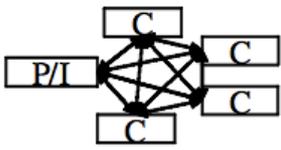
# 3 Theoretical Framework

*In order to analyze the data, several models and theories have been combined to create a theoretical framework applicable to value co-creation within the sharing economy. There are three models and theories that have been used: Digital Network Interaction Models, the DART model of value co-creation, and Holbrook’s Value Typology. The background of these models and theories as well as their application into a new framework will be presented in this section.*

## 3.1. Digital Network Exchanges

As previously explained, the topic of value creation has developed as the exchanges between consumers and companies have shifted. Value was once created by companies for their consumers; now, value may be co-created between consumers themselves. The evolution of this thinking as it applies to Internet companies is evident in Lechner and Hummel’s “Digital Network Interaction Models,” explained in detail in *table 1*.

*Table 1: Digital Network Interaction Models (Lechner and Hummel, 2014, pp.42)*

<b>Model Name</b>	<b>Depiction</b>	<b>Meaning</b>	<b>Application to Value</b>	<b>Example</b>
Mass Communication Unidirectional		One-way exchanges from “P/I” to consumers.	The “P/I” is the sole creator of value for the consumer.	Traditional Internet Companies such as online retailers
Mass Customization Interactive		Two-way exchanges from “P/I” to consumers.	The “P/I” and consumers may co-create value between each other only.	Amazon, eBay
Community Multilateral		Multidirectional exchanges from “P/I” to consumers, as well as between consumers.	The “P/I” and consumers may co-create value for each other, including consumer-to-consumer.	Sharing Economy Companies

Where “P/I” = Producer/Intermediary; “C” = Consumer; →, ↔ = Exchanges

The “Mass communication unidirectional” model in *table 1* demonstrates the one-way exchange of value from a company to its consumers (or in Lechner and Hummel’s model, “P/I” to “C”) and is closely associated with “traditional” Internet companies i.e. where the consumer shops online for the ownership of a good or service. The “Mass customization interactive” model shows the value co-creation that may occur between a company and its

consumers, where the consumers have an active role in value co-creation. Examples of this type of model include companies such as Amazon or eBay, where consumers can go back and forth in exchanges with the company. The final model, the “Community multilateral” model, demonstrates the peer-to-peer architecture of the network which allows direct user interaction; this model is most applicable for sharing economy companies because of the potential for interconnectedness of the users. The lines represent the exchanges that may occur between each party and demonstrate the possibilities for connections between every party involved. Furthermore, this last model ties back to the shift that has occurred with sharing economy companies, where the users (“C”) are not only consumers, but also producers as they share the assets they own, and thus forming a network.

Metcalfé’s Law can be directly tied to this model. The law declares that the value of a telecommunication network, such as telephones, computers, or Internet, is proportional to the square of the number of connected users in a system (Briscoe, Odlyzko & Tilly, 2006). This correlation indicates that as the number of users increases on the digital platform, which could also arguably be considered a communication network, the more valuable it becomes to other users. “Valuable” in this sense does not necessarily mean a categorized value such as that of Holbrook’s Value Typology, but instead refers to the general value for those involved, which may then be categorized further. In the case of Internet, the website or platform itself remains solitary in size, yet it is able to serve a larger number of users and thus may be more valuable to those active on the site. This law is also linked to what is named the *network effect*. Brynjolfsson and McAfee (2014) describe this effect as “a situation where the value of a resource for each of its users increases with each additional user” (pp. 60). Thus, the user may experience more value when others are also involved.

Metcalfé’s Law can also be used as a perspective to view the effectiveness of the sharing economy’s user network; the more people participate, the greater the opportunity for users to find what they need (e.g., accommodation, transport, or clothes). This assumes that more interactions are taking place as more users are engaged with the site. However, Briscoe, Odlyzko and Tilly (2006) have argued that Metcalfé’s Law is not as valid as it was when it was first developed. The authors underline the fact that the value of each user can be different and that Metcalfé’s Law considers the value to be equal in every connection. Additionally, the direct application of Metcalfé’s Law to explain the connectedness and success of companies of the sharing economy may be too simple of an explanation. Briscoe, Odlyzko and Tilly (2006) argue that Metcalfé’s Law is an overestimate of the value of a telecommunication network, and thus the Law may not be a concrete indication of the reach of sharing economy companies’ digital networks. What is clear, however, is that there is a correlation between the usefulness of a network and the number of people engaged with the network.

So far, theories such as Briscoe, Odlyzko and Tilly’s and Metcalfé’s Law have limitations because they do not directly address sharing economy companies’ effectiveness but provide a support of the effectiveness of the network; the newness of the phenomenon may help explain the lack of research in this area. Nevertheless, the network effect is evident, and it is clear that the more participants are interconnected with each other, the higher value will be given to the

particular network (Brynjolfsson & McAfee, 2014; Cusumano, 2015). On the Internet, as users are interconnected with each other, the value that lies in the network may therefore be influenced by the users themselves. Keeping this connection in mind and using the “Community multilateral” model as a base, we developed a model to explain the co-creation of value in sharing economy companies specifically. This model is explained in the following section.

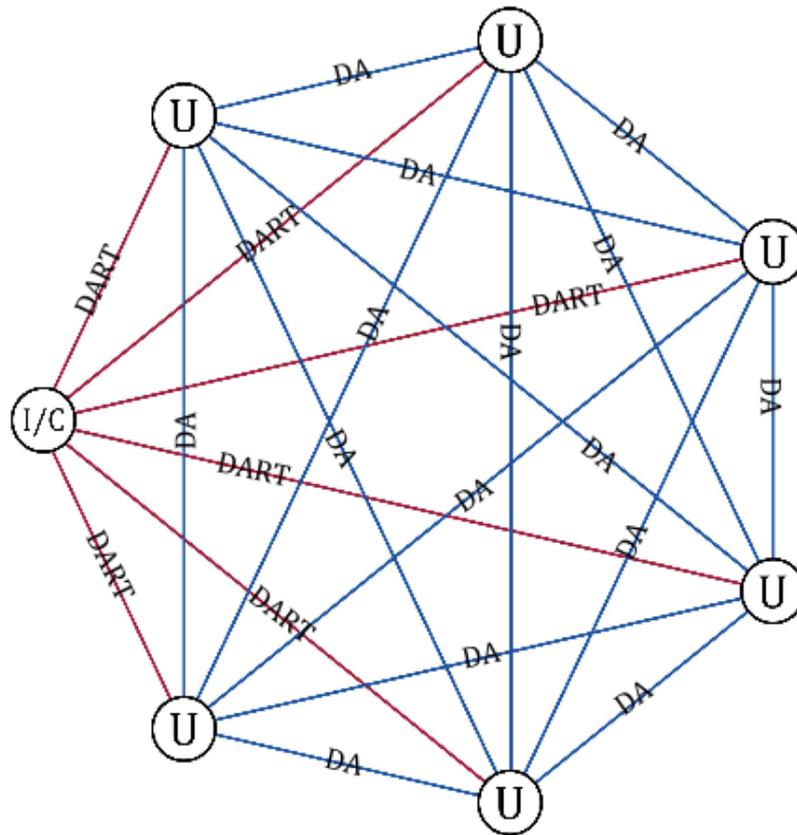
### 3.2. Sharing Economy Companies and DART

The interconnectedness of users within the sharing economy indicates the potential for these users to create value for each other, being both producers and consumers. In order to evaluate how value may be co-created, Prahalad and Ramaswamy’s (2004b) “DART” model has been adapted to fit the sharing economy companies’ model of value creation.

The DART model was developed by Prahalad and Ramaswamy (2004b) in order to explain the process of value co-creation between a company and its consumers. DART constitutes four building blocks which stand for: Dialogue (“D”), which means communication between the parties, Access (“A”) to needed information to make better decisions, Risk (“R”) assessment regarding the question of who bears the risks, and Transparency (“T”) about the company and facts. These four blocks can also be considered loci (latin for “places”) for value creation, or interaction points at which value may be co-created (Prahalad & Ramaswamy, 2004b). The DART model is a way of categorizing the exchanges between different parties by four loci in order to co-create value between two parties.

As sharing economy users are both producers and consumers, it can be extracted that the DART model may be applied not only to sharing economy companies and their users, but also between the users themselves. However, not all of the interaction loci—Dialogue, Access, Risk, and Transparency—may occur between every party. Dialogue and Access rely on communication between parties and refer to the information shared. Contrastingly, Risk and Transparency refer to the company informing all involved parties about risks and the responsibility of the company to be transparent about the business itself (i.e. profits and commissions). The Risk and Transparency points are more from a company perspective, thus, Dialogue and Access are applicable as sources for value co-creation between users, while the entire model is applicable between the company and users.

In order to bring the DART application to sharing economy companies into fruition, a model has been created. *Figure 2* presents a modified version of the “community multilateral” model as it pertains to the sharing economy, where “I/C” represents the intermediary or company and “U” represents the user.



**U:** Users, **I/C:** Intermediary/company, **Red:** Company value co-creation with users, **Blue:** User value co-creation

*Figure 2: Sharing Economy Community Multilateral Model*

As shown in *figure 2*, exchanges between the company and the users (shown in red) allow for value to be co-created through all loci of the DART model, because every interaction point is applicable. Exchanges between the users themselves (shown in blue), however, may allow value to be co-created only through Dialogue and Access from user-to-user. The “types” of value created through Dialogue and Access from user-to-user may be tied to Holbrook’s Value Typology; the final piece of the framework is thus explained as follows.

### 3.3. Application of Holbrook Value Typology

In evaluating the value users may co-create between each other, it is essential to identify the types of value that may be used for categorization. Holbrook’s Value Typology is used in this aspect of the framework.

Holbrook’s (1999) Value Typology is a method of categorizing values. These values are both extrinsic (consumption for a functional purpose) and intrinsic (consumption for the experience) values, as well as self-oriented (for one’s own sake) and other-oriented (for another’s sake) (Holbrook, 1999). The eight value types and Holbrook’s (1999) edited descriptions of each are as follows and are shown in *figure 3*:

**Efficiency:** “*Efficiency* involves extrinsic value that results from the active use of a product or consumption experience as a means to achieve some self-oriented purpose” (Leclerc and Schmitt, 1999, pp. 13).

**Excellence:** “*Excellence* involves a reactive appreciation of some object’s or experience’s potential ability to serve as an extrinsic means to some personal self-oriented end” (Oliver, 1999, pp. 15).

**Status:** “The term *status* designates the active manipulation of one’s own consumption behavior as an extrinsic means towards the other-oriented end of achieving a favorable response from someone else. In other words...we seek *status* by adjusting our consumption in a manner that affects those whom we wish to impress” (Solomon, 1999, pp. 16).

**Esteem:** “*Esteem* tends to result from a somewhat passive ownership of a possessions appreciated as a means to build one’s reputation with others” (Richins, 1999, pp. 17 ).

**Play:** “*Play* typically involves having fun and thereby characterizes the intrinsically motivated side of the familiar distinction made between work and *play*” (Grayson, 1999, pp. 18).

**Aesthetics:** “*Aesthetics* refers to an appreciation of some consumption experience valued intrinsically as a self-oriented end in itself [...] it is enjoyed purely for its own sake” (Wagner, 1999, pp. 20).

**Ethics:** “The active and other-oriented pursuit of *ethics* involves doing something for the sake of others—that is, with a concern for how it will affect them or how they will react to it—where such consumption experiences are valued for their own sakes as an end in themselves” (Smith, 1999, pp. 22).

**Spirituality:** “*Spirituality* entails an intrinsically motivated acceptance, adoption, appreciation, admiration, or adoration of an Other” (Brown, 1999, pp. 23).

Self/Other Orientation	Active/Reactive Orientation	Extrinsic Orientation	Intrinsic Orientation
Self	Active	(1) Efficiency	(2) Play
	Reactive	(3) Excellence	(4) Aesthetics
Others	Active	(5) Status	(6) Ethics
	Reactive	(7) Esteem	(8) Spirituality

Figure 3: The Holbrook Value Typology (Holbrook, 1994)

Because Holbrook’s framework analyzes the consumer perspective, his “Typology of Consumer Value” is an ideal representation of the different ways consumers perceive value. Also, the utilization of the term “experiences” as well as “products” indicates that it is applicable to services as well and thus the experiences which may be had while engaging in collaborative consumption.

By taking *figure 2* one step further and “zooming” in on the exchanges between users, Holbrook’s Value Typology may be applied. *Figure 4*, shown below, highlights the framework that will be used in the evaluation of the data in this paper.



Figure 4: DART/Value Framework

Between each user (“U”), the points of Dialogue and Access allow for the co-creation of value, categorized by Holbrook’s eight values within the rectangle of *figure 4*. In applying Holbrook’s eight values described in his typology, the final framework can be seen as a framework for categorizing users’ values both by the manner through which they are created, by either Dialogue or Access, and the “type” of value. The analysis of the results will show to what extent Dialogue and Access enable the co-creation of these eight specific Holbrook values and if other values emerge, whether through the Dialogue and Access loci or not.

### 3.4. Chapter Summary

In this section we have explained in further detail the models, which will be used to analyze our research findings. By combining the Digital Network Interaction Models, DART, and Holbrook’s Consumer Typology, we have laid the framework, which we will use to analyze the data. The Dialogue and Access loci of DART can serve as points of value co-creation for users; the value can then be categorized in Holbrook’s Typology. In the following chapter, this process is explained in greater detail.

# 4 Methodology

*This chapter will outline the different steps of the empirical research used to answer the research questions, beginning with choice of case. Following the research approach, the research design, the sampling method, the data collection method, and details about the sampling and procedures will be explained.*

## 4.1. Choice of Case

We became particularly interested in the concept of the sharing economy after a guest lecture with a representative from Ericsson ConsumerLab in one of our Management courses. We looked into the concept and found that the phenomenon is a multi-billion dollar valued concept that spans multiple industries. Furthermore, within the sharing economy, behaviors are shifting towards more open collaboration where people are willing to share their goods with strangers. As this phenomenon is rapidly growing, we wanted find out what value people gain from connecting and interacting on digital platforms that fundamentally do not sell anything directly to customers.

Airbnb is an example of a successful sharing economy company from which information could also be gathered relatively easily. As we have used and experienced Airbnb and could directly relate to it, we thought it would be a perfect company on which to focus to understand and show how value can be co-created in the sharing economy. Airbnb is also one of the most popular companies of the sharing economy, and therefore, the availability of participants from which to gather data was high. In order to better understand how value is created for Airbnb users, as presented in the research question, we will explore the concept of the sharing economy from their perspectives.

## 4.2. Research Approach

There are two fundamental research approaches: the quantitative approach and the qualitative approach. They distinguish themselves in the way that the former relies on a systematic approach of data collection and the analysis is based on numbers to explain facts; the latter is based on a more interpretative method where meanings are analysed and interpreted (Diekmann, 2007). Quantitative methods are mainly used for surveys or content analysis and qualitative methods are usually applied in interviews, observations, or text analysis. These approaches differ in the way the data is analyzed but they are complementary as both can be used depending on the purpose of the research (Thomas, 2013). It is also important to note that the chosen approach has to be based on the research question and not the other way around (Thomas, 2013).

The collected data was analyzed primarily using a qualitative approach because it helps to gain a more in-depth analysis. As the topic of the research focuses on the *what* and *how* people interact in the sharing economy and not on *how much*, the analysis must follow a qualitative method. This adheres to an interpretivist view, where the human criteria is taken into account, e.g. that each and everyone of us think and interpret the world in a different way (Thomas, 2013). Pursuing the qualitative interpretative method helps us to better understand behaviors. Nevertheless, some statistics have been drawn from the interviews to identify possible trends or common behaviours of the users. and a quantitative approach has been used to evaluate them and to help quantify some of the results as a supplement to the main analysis. Qualitative methods provide in-depth information about a topic and help develop explanations as to *why* something is happening (Thomas, 2013).

### 4.3. Research Design

The design of the research can be regarded as the plan and goal of the study (Thomas, 2013; Patel & Davidson, 2003). There are several types of research design that can be used. Diekmann (2007) identifies four for the field of social sciences: explorative research, descriptive research, testing of hypotheses and theories, and evaluation studies. Thomas (2013) focuses on seven design frames: action research, case study, comparative research, evaluation, experiment, longitudinal, cross-sectional studies and surveys. Each design frame has a precise purpose and must be chosen in accordance to the research question in order to get the best possible result.

As this field of sharing economy is a relatively new research topic, we adopted an explorative design frame in order to better understand the concept with a focus on Airbnb to support the analysis. The objective is “understanding behaviour and the meaning of that behaviour in its specific social context (Bryman, 2012, pp. 46). An explorative study intends to examine relatively unknown fields without any specific assumptions and unknown social structures of the phenomenon (Diekmann, 2007). It starts with a broad idea or topic, and the more the research advances, the more questions arises. Diekmann (2007) also emphasizes on the fact that explorative research is more effective when based on qualitative research methods as they offer broader possibilities of analysis, thus supporting our choice of research design.

### 4.4. Research Sample

The aim of the study is to understand *the impact users have on value creation in the sharing economy*, therefore the sample must be based on individuals who have experienced the service and have something to discuss. Additionally, different points of view are needed to see if there are common patterns in the values for users in the sharing economy or if there are considerable differences between the values created for different users. Due to time constraints, a stratified sample strategy has been used (Thomas, 2013) because individuals who have used the website and were either a host or a guest at an Airbnb accommodation were needed. Furthermore, the population between 25-to 34-years-old represent the one of the

biggest portions of sharing economy users (PwC, 2015). Therefore, we targeted these specific individuals to get significant results in a relatively short period of time. Participants selected for the user interviews were individuals from Sweden, Switzerland, the United States, Australia, Germany, Brazil, Peru, Canada, Iceland, Armenia and Italy, as shown in *table 2*.

*Table 2: List of Interview Participants*

<b>No.</b>	<b>Gender</b>	<b>Age</b>	<b>Nationality</b>	<b>Locations where Airbnb has been used</b>
1.	F	24	Swiss	Copenhagen, Basel, Bern, Zurich, Barcelona
2.	F	24	Swiss	Berlin, Barcelona
3.	F	25	Swiss	Nice, Marrakech
4.	F	26	Canadian/Swiss	Amsterdam
5.	M	26	Armenian/Swiss	Amsterdam, Copenhagen, Rome, Munich
6.	F	25	American	New Orleans
7.	F	30	Peruvian	San Francisco, Vail, Lund, Lima, Paris, CPH
8.	M	22	Australian	Stockholm, London, Copenhagen, Budapest, Berlin twice, Turkey
9.	M	24	American	Salt Lake City, Toronto
10.	F	30	Icelandic	Stockholm, Copenhagen
11.	M	25	Swiss	Rome, Amsterdam
12.	F	29	Italian	Istanbul, Lund
13.	F	25	Swiss	Berlin, Virginia
14.	F	24	American	Lisbon, Paris, Budapest, Munich, Normandy, Split
15.	F	23	American	Washington state, Pokonos, the Berkshires
16.	F	26	Australian	Copenhagen, Budapest, Stockholm, Berlin, Tasmania, Hamburg, Athens
17.	F	32	American	Wisconsin, Michigan, Minneapolis, S. Dakota
18.	M	32	American	Chicago (Host)
19.	M	25	Brazilian	Amsterdam, Berlin, Copenhagen, Stockholm, Bergen
20.	F	26	Swiss	Copenhagen
21.	M	26	Swiss	Amsterdam, Rome
22.	F	24	Swiss	Copenhagen, Madrid, France
23.	F	20	Canadian	Seattle
24.	F	26	Swiss	New York, Antibes, Rome, Copenhagen
25.	M	26	Swiss	Singapore, Croatia

This sample might not be representative for the entire population participating in the sharing economy, but the research findings illustrate the behaviors and thoughts of an important target group (Patel & Davidson, 2003). As Thomas (2013) explains: "In taking a stratified sample, you ensure that the sample you are taking reflects in important ways the characteristics of the actual population" (pp. 136). Airbnb is an e-business that works in the same way internationally and the sample is not from one country but from different parts of the world. The inconvenience of this sampling method is that even though the individuals fulfill the criteria, there is a significant selection bias. The participants are all acquaintances and friends because it was more convenient to ask them directly if they wanted to participate. As the sample is composed of individuals from 20- to 32-years-old, the results will apply to this group, which means that they can be different if the study was conducted on another group of individuals with different characteristics. In order for the results to be more representative and general, further research is needed where objectivity is obtained through a systematic and standard sample or a random sampling method (Patel & Davidson, 2003) and tested in other contexts. More means would have been needed to select random users through Airbnb's database or the company would have needed to share confidential information regarding their customers. As an expert point-of-view was needed to better understand the business idea, one interview was conducted with a representative of the company Airbnb.

## 4.5. Data Collection Method

Primary data and secondary sources have been used in this research. Thomas (2013) underlines the difference in the source of the data; secondary sources have been revisited and rewritten by different people, whereas primary data are original facts that have not been modified. The first part of this thesis, including the background literature and theory review, is based on secondary sources from international academic research, journal articles, news websites, and non-academic studies conducted by organizations or top consulting firms. These sources were accessed through the digital library of the Lund University School of Economics and Management (as all information related to the literature is on the Internet) and from course literature for both the literature review and the theoretical framework.

The primary data for this research was collected through semi-structured interviews both face-to-face or via the video conferencing application *Skype*. Thomas (2013) identifies three types of interviews: structured, unstructured and semi-structured. Semi-structured interviews are the form that best fit this research because it is explorative. Additionally, this type of interview also enables researchers to observe non-verbal communication signs such as emotions or mimics (Thomas, 2013). Because the concept of sharing economy is new, an expert point-of-view was desired to give insight into the company's perspective. Also, as sharing economy companies only work through digital and users networks, it was important to get an insight from individuals who are a part of the community. Therefore, one semi-structured interview has been conducted with an Airbnb employee in order to get a perspective from the managerial view, and 25 interviews were conducted with users to understand the values derived from using Airbnb. As this research is explorative, semi-structured interviews enable

an open dialog with participants where we had the possibility to adapt to each situation (Thomas, 2013). Interviews also enable the interviewees to develop their answers when they feel they need to, as each response has unique characteristics. By using the interview method as opposed to surveys, it allows interviewers to ask open questions and not restrict the interviewees to predefined answers that may not best represent the reality. After conducting a pilot version of the interview (Patel & Davidson, 2003) with one of our friends, two questions had to be clarified before conducting the actual interviews with the Airbnb users.

A survey could have been a viable option as well, but since this is explorative research it was important that the interviewees had the opportunity to speak freely and openly about their experiences, as they are all unique. Redefining users' answers through a survey would not have reflected their exact opinions and would follow a quantitative methodology (Diekmann, 2007). Additionally, other studies that have already researched this topic used a quantitative method, and we wanted to use an alternative method.

We initially intended to conduct research based on interviews with Airbnb employees to better understand their business model and how they create value for the users without selling an actual product. We reached out to them first through our personal networks and then via the social network *LinkedIn* with a search for "people working at Airbnb," but no specific country. We received one positive response from an employee working at the Nordic office in Copenhagen. Afterwards, we had difficulty getting in touch with more employees, as several did not respond to our interview requests or we received negative responses; some employees are not allowed to participate in academic studies. Therefore, we had to change the angle of our topic and analyze the phenomenon also from the consumer's point of view, with the sole Airbnb employee interview serving as a source of information rather than data.

## 4.6. Interview Design and Conduct

The employee interview questions were developed on the basis of the literature review. We decided on which topics to cover and then developed several main questions. This development led to the preparation of the interview schedule, which is essential to keep while conducting interviews (Thomas, 2013). We then adapted the questions and themes to Airbnb as our first interview took place with an employee from the company. It was important that we were well informed about the phenomenon of the sharing economy and about the company before meeting with the employee (Thomas, 2013; Patek & Davidson, 2003). As we both have experience with Airbnb, we could also adapt the questions from a user perspective. Because semi-structured interviews were conducted, we pre-selected a certain number of topics that needed to be discussed and added sub-questions in case their answers needed to be probed further (Thomas, 2013). The interview questions were sent out to the Airbnb employee in advance in order for this person to be better prepared. For this interview, both of us were present with pre-defined roles, one in charge of asking the questions and the other focused on writing down the information. After the first interview with the Airbnb representative and our difficulty contacting others, we revised our literature review and adapted the theoretical section, as we decided to focus more on the user perspective.

After this adjustment, we developed the interview questions for the user interviews. Both of us were present for interviews conducted in Lund. However, for the interviews with people living outside of Sweden, we each conducted the interviews separately on *Skype* as we had to be flexible with time differences and the participants' schedules. The advantage of direct interviews is that we were physically or virtually present to explain uncertainties or unclarities if the participants needed additional information, as opposed to surveys where participants have to complete them alone. The semi-structured interviews done over *Skype*, due to individuals living in different parts of the world, might not give the same "feeling" as to face-to-face interview where emotions and mimics can be better captured (Thomas, 2013), but it was the best solution given the means we had at our disposal. The face-to-face interviews were conducted in neutral places chosen by the participants such as study areas or coffee houses. As indicated by Diekmann (2007), the environment in which interviews take place has an influence on the answers. Therefore, it was important that we adapted to the preferences of the participants in order for them to be as comfortable as possible.

The *Skype* interviews were also arranged in accordance to participants' availabilities, and were between 10 and 20 minutes in length. The majority of interviews were conducted during a period of one month from mid-April to mid-May in English, with three of the interviews in French, as some participants were not comfortable to speak in English. As one of us speaks fluent French, the translation of the interviews was done in the most accurate way possible in order to ensure that the same meaning was kept and not interpreted differently. The language used was informal and easy to understand in order for the participants to not be confused and not interpret the questions in another way than what was intended (Thomas, 2013; Diekmann, 2007). In addition, in order to better analyze the information, all interviews were recorded (Bryman, 2012), under the agreement of the interviewees and after having reviewed and signed an informed consent (Patel & Davidson, 2003). On the one hand, it allowed us to have a more informal conversation with the participants, and on the other hand, it enabled us to have a precise transcript of their answers.

The two different type of interviews, as shown in Appendices A and B, are of different length and have different purposes. The questions for the Airbnb representative were developed in order to understand managerial decisions and the process of managing the network of the company. The interviews for the users were slightly longer (ten questions). By having a few straightforward questions containing the information we needed, it enabled us to gather more participants as it did not take much of their time and they were more willing to partake (Thomas, 2013). This allowed us to interview 25 Airbnb users. All of the interviews began with a short explanation about us, why we chose this topic, and the aim of the study. We then presented the consent form to the participants in order to insure them anonymity and explain why recordings were needed (Thomas, 2013). If they accepted, we continued to the actual interview. One challenge with interviews is that participants can be influenced by social norms or values and their answers can be influenced by what they think sounds good (Diekmann, 2007). Also called "prestige bias" (Thomas, 2013), this problem can be minimized by ensuring anonymity where participants do not feel judged, which was

guaranteed with the consent form and assurance of anonymity. Another challenge that might occur in interview situations is the Interviewer-effect (Diekmann, 2007). The Interviewer-effect is likely to occur, even unconsciously, through gestures or non-verbal communication from the interviewer (Thomas, 2013; Diekmann, 2007). Therefore it was important that the participants were in an environment where they felt at ease and could speak freely and that we did not influence the way they responded.

## 4.7. Data Analysis

All of the interviews, both face-to-face and through *Skype*, were recorded in order to transcribe them afterwards. Transcription is an important step as it allows a more effective analysis of the data (Thomas, 2013; Patel & Davidson, 2003). The purpose of our research is to understand and illustrate the users' perceptions and values through interpretation of their answers; thus, it is an analysis of words. In order to make sense of the data, a constant comparative method (Thomas, 2013) was used. This method involves reviewing the collected information several times and comparing the words, phrases, sentences, and paragraphs to each other (Thomas, 2013). Qualitative interview methods generate an enormous amount of information as the questions are open-ended and there is a low level of standardization in the process. These methods also provide a deeper understanding of the topic (Patel & Davidson, 2003). Therefore, the data is firstly compiled and displayed in an understandable way (Walliman, 2006). During the scanning of the information, the second step is the coding of the data with the help of colors or words from which categories are extracted (Thomas, 2013). Based on our theoretical framework about value co-creation in between users, the categories are directly related to both the DART model of value co-creation and Holbrook's Value Typology (1995). *Tables 3 and 4* show the words that were used in the coding process.

The interviews were individually analyzed and compared with one another in order to get a deeper understanding of their perspectives. This way, we were able to draw similarities and disparities (Patel & Davidson, 2003). Because of the subjectivity of the interviewees' responses and the fact that they were not aware of the values we were using to classify their responses, we had to connect their phrases, words, and stories to values ourselves. The coding was a two-step process. First, the transcribed interviews were reviewed and coded for the mention of two concepts, Dialogue and Access. The words and concepts used for coding are listed in *table 3*.

*Table 3: First Round of Coding: by Source of Value Co-creation*

<u>Value Source</u>	<u>Key Words/Concepts</u>
<b>Dialogue</b>	Talk; Discuss; Chat; Inform; Connect; Write/Wrote; Read; Shared
<b>Access</b>	Knowledge; Information; Facts; Tips; Directions; Instructions

After the 25 interviews had been coded for their mention of the points Dialogue and Access, the mentions were coded a second time by the Holbrook's Value Typology. The keywords for

the eight values are found in *table 4* and were extracted from Holbrook’s (1999) descriptions of the values.

*Table 4: Second Round of Coding: by Value*

<b><u>Holbrook’s Value</u></b>	<b><u>Key Words/Concepts</u></b>
<b>Efficiency</b>	Utilitarian/Useful; Freedom; Independence; Time-saving; Efficient; Save/Saved; Ease/Easy; Simple/Simplicity
<b>Excellence</b>	Low Price; Cheaper/Cheap; Costs; Quality; Prefer/Preference; Worth; Financial value; Security/Safety; Quality; Performance
<b>Status</b>	Status; Reputation; Seen as _____; Appearance; Interpersonal ties
<b>Esteem</b>	Expressing Identity; Reputation
<b>Play</b>	Enjoy/Enjoyment; Fun; Good time; Growth (personal) through experience
<b>Aesthetics</b>	Aesthetic experience; Judging that something looks nice; Beauty; Design
<b>Ethics</b>	Benefiting others; Effect on others
<b>Spirituality</b>	Spirituality; Religion; The Other

By using the preceding tables, firstly coding by source of value co-creation and secondly by type, we were able to ascertain mentions of specific values and how they were co-created. This two-step analysis allowed us to understand the consumer value from two perspectives: its source and what it means for the user. The framework we developed in *figure 4* was both used to visually represent the analysis and was tested upon reviewing the content of the interviews. However, it should be explained that we also took note of consistent mentions of other values even outside of the developed framework; it was important to be critical of the framework and be open to other findings.

## 4.8. Reliability and Validity

Diekmann (2007) remarks that researchers need to be objective, reliable, and valid. An objective level of study is reached when the research method is used by several researchers and all reach the same results (Diekmann, 2007). In this case, because the research has been conducted on the basis of semi-structured interviews, the level of objectivity is not very high, and it is a subjective analysis.

The data collected for the research has to be as reliable as possible, which means that if someone else’s uses the data in a different point in time, he or she should find more or less the same results (Diekmann, 2007). Consistency in the method is important for any type of research. However, Thomas (2013) argues that in an interpretative research, reliability is difficult to achieve, because interpretation is merely subjective. In this study, each

interviewee's response corresponds to their unique experiences and thus are not standardized. Therefore reliability, like objectivity, is difficult to achieve in the interpretation of qualitative data.

Validity of research is the the extent to which the research represents what it is supposed to represent (Bryman, 2012). In order to achieve a high validity level, the theoretical section must be as accurate as possible and the data collection method has to enable the researchers to find results that can be generalized to other situations. Yet, Diekmann (2007) also argues that reliability and validity in qualitative collected data can be problematic. Furthermore, Bryman (2012) underlines that validity is about "measurement" (pp. 389) and that it is usually not in line with qualitative method to use measurement methods as it is a more interpretative work.

Because interpretative methods are subjective, these criterias are overall difficult to reach with this type of qualitative study.

## 4.9. Chapter Summary

The aim of this research is an explorative study to understand the value gained for users by participating in the sharing economy. This topic is studied through the conduct of semi-structured interviews that were analyzed following a qualitative and interpretative methodology.

# 5 Empirical Information

*This chapter presents basic information about the case company—Airbnb—we have chosen to focus on to illustrate the concept of the sharing economy.*

## 5.1. Case Introduction: Airbnb

International accommodation provider Airbnb (a shortened version of Air ‘bed-and-breakfast’), which was founded in 2008, is arguably among the most successful of the sharing economy companies thus far, with a valuation estimated at \$10 billion (Konrad & Mac, 2014). An e-business company that enables users to rent out their space—rooms, apartments, houses, even igloos—to other users, Airbnb has had over 11 million guests from 2009 to 2014 and is used in over 160 countries (Konrad & Mac, 2014).

## 5.2. How Airbnb Works

Airbnb is used through both a desktop website and a mobile app. Users can access the site as either a “guest,” meaning they are looking for accommodation, or a “host,” which indicates they have space to “share.” The Airbnb process is rather simple; the following denotes the process from the guest’s perspective:

1. A guest searches for accommodation based on location, type (e.g. apartment, room), price point, and a long list of other filters.
2. Once a desired space is found, the guest sends a “booking request” to the host, letting them know the dates and details of the visit.
3. The host can accept or deny the request within 24 hours; upon accepting, the guest’s reservation is confirmed payment is charged.

The users are responsible for arranging details between each other, such as meetings to exchange keys, rules, and even solving disputes. Furthermore, both hosts and guests are asked to leave reviews about each other after their stays. This information is displayed on a user’s profile and is visible to others.

## 6 Findings and Analysis

*The objective of this thesis is to gain a deeper insight of the concept of sharing economy and how consumers are part of the value creation process. The data is presented in accordance to the theoretical framework developed in chapter three based on Prahalad and Ramaswamy's (2004b) DART model and Holbrook's Value Typology, beginning with Dialogue and Access and continuing with other findings. To maintain anonymity, numbers have been assigned for each interviewee and are placed in brackets alongside quotes to designate the source (ex. [3]).*

### 6.1. The Role of Dialogue and Access in Increasing Value in the User Network

It was found in interviews that the points of Dialogue and Access contribute to growing and sustaining Airbnb's user network. Airbnb originated by creating a platform for individuals to connect through sharing each other's space (Airbnb, 2015). As interactions and exchanges between these individuals from all over the world increase both rapidly and in quantity, the network grows more and more into a larger web. This web, e.g. the network, becomes more valuable as more people become involved, as explained by Metcalfe's Law and the network effect, where the more users "use" the network, the more valuable it is for them (Brynjolfsson & McAfee, 2014). Dialogue and Access were found to support the growth of the network through both the communications between users and what information they were actually sharing.

The data collected by the interviews has shown that Airbnb's network growth can be attributed to word-of-mouth between users as 87.5% of the interviewees have used Airbnb because a friend or a family member has told them about it. This word-of-mouth is a direct tie to the exchange of Dialogue between users.

*"It's a former colleague who talked to me about it" [3]*

*"I went with a friend and she heard about it from other friends and I heard about it from other friends too [...]" [4]*

The word-of-mouth growth was also pointed out by Airbnb's employee who stated that:

*"We have been quite fortunate with organic growth; word-of-mouth has always been very strong for us". [Airbnb employee]*

Word-of-mouth also works online, where users share about their experiences on Airbnb's website itself and on social media; this idea is expanded upon in ensuing paragraphs.

*"I think it was on the newspaper or advertisement on social media" [5]*

The power of the network effect is well illustrated in the case of Airbnb as people rely on their connections to use Airbnb and engage with strangers. This fact also shows that people are more inclined to interact and exchange information with people they have never met before. This also ties back to the report from the World Economic Forum (2013) which emphasizes the importance of the trust factor in the sharing economy. The interviewed Airbnb users seem to trust and make decisions based upon the access to information that they hear from one another and read online, more specifically on Airbnb's website. 84% of interviewees also mentioned that reviews play an important role in their decision making process, as they can be a valuable source of information. For example interviewees [4] and [24] mentioned that if there is a lack of reviews it might deter them from choosing a particular accommodation. It is clear that people are willing to use Airbnb and communicate with strangers because people they know have used it and have had good experiences, and thus recommended the experience.

Word-of-mouth can be directly tied to the Dialogue locus described in the theoretical framework because as users spread the word about Airbnb through communicating with their friends and acquaintances, it brings new users to the website. As more and more people join the community, it increases the number of people involved in the network, thus the the general value for each users increases as well (Brynjolfsson & McAfee, 2014). Furthermore, as more users provide information to each other through reviews, this enables access to more knowledge about the site and other users, thus making the network even more valuable. While this sense of "valuable" does not directly correlate to a specific Holbrook Value as described in the framework, it indicates the usefulness for users in general; as more users communicate and exchange information, there is more opportunities for them to co-create value with one another. This co-created value may then be categorized by type and will be in the ensuing paragraphs.

The use of Dialogue helps grow Airbnb's network and make it more valuable and useful for everyone. However, this network may also be a double edged-sword, because users may also write about and share their bad experiences, which can hinder people from using the site. The interviews showed that as guests, many participants would just not book an accommodation with poor reviews. Also, some participants mentioned that they would not host anyone if they heard bad stories.

*"I would never rent out my apartment if I would hear horror stories about the tenants at Airbnb" [10]*

*"I choose an apartment if it's nice, well located and cheap, I won't rent it if the reviews are bad" [21]*

Communication through Dialogue is important and influences the user's choices, as well as Access to the actual content of the communication. None of the interviewees had enough of a bad experience to stop using Airbnb, but they are aware of problems that can occur. Therefore, a lot relies on the connection with and experiences of the other users.

The interviews demonstrated that through exchanges of Dialogue and Access, users are able to grow the network themselves thus increasing its usefulness for everyone. However, this point refers to the very general value of the network; the specificities of the value that can be co-created and their categorization by the framework will be presented in the following section.

## 6.2. Dialogue and Access in User Value Co-Creation

In examining the role of Dialogue and Access more specifically as points through which value may be co-created, it was found that these two concepts can connect to different types of value created for users. The types of value discussed will be those from Holbrook’s Value Typology, as described in section 4 and shown in *figure 4*.



Figure 4: DART/Value Framework

By first examining the relationship between users through Dialogue and Access, the perceived values can then be understood. We followed the process as described in 4.6 (data analysis) to identify the two points and then the values experienced by users.

### 6.2.1. Dialogue Locus

During their interviews, over half of the interview subjects (56%) mentioned Dialogue in some capacity and the importance of interactions with other users; the mentions included the discussion of writing and reading “reviews,” “communicating with users,” and “talking to hosts,” throughout the Airbnb experience. The Dialogue between users was noted as being important for a variety of reasons. The reviews especially seemed to serve an important role, both as a vetting process for deciding where to stay and as a method of communicating the experience they had to other users.

*“I just love that trust, that connection with how people can go back and forth through reviews.” [15]*

*“I think it’s a good opportunity to share your experience by commenting on the profile of the host who I stayed with so that the next ones can benefit from it.” [3]*

*“More in the end we noted in the comments for the housing what was good and what was not good just to have feedback. But we got in touch easily with the people and I thought that was cool.” [2]*

By leaving reviews on their experiences, sharing economy users may create value for other users by providing more information, thus lowering the time and effort a user would have to spend obtaining that specific information. Amit and Zott's research (2001) ties into this area and supports the idea that value can be created for other users through leaving reviews online. Furthermore, having another user's feedback on someone or something may help quell doubts about using the sharing economy in general; PwC found that of surveyed respondents who had used the sharing economy, 57% felt that they were intrigued by the concept but expressed concerns (PwC, 2015). These concerns stem mostly from trust, as "convenience and cost-savings are beacons, but what ultimately keeps this economy spinning—and growing—is trust" (PwC, 2015). Thus, if users are reporting their experiences, others become more informed. The interviews showed that participants trust their friends and acquaintances based on their past experiences, but as previously discussed, users also trust strangers as they base many of their decisions on reviews.

Furthermore, Dialogue interactions were noted to provide a sense of security for users, whether for solving an issue with a stay or asking questions about rules of the accommodation. Being able to contact hosts directly provided a sense of relief and comfort to Airbnb guests.

*"The owner was easily reachable and you could really solve a problem quickly. There wasn't any contact with Airbnb [...] You get solutions more quickly when directly getting in touch with the host."* [2]

Finally, some users mentioned the connection that is established through Dialogue interactions, noting its contribution of value on another, more experiential level. The common phrases used included "human interaction," "connections," and "social contact".

*"You really share something with the people that you meet through Airbnb and I think it's really nice that the human is at the center."* [3]

*"Of course you can ask for this kind of stuff at a hotel but it's not going to be the same. You don't have the same social contact I guess."* [1]

*"When you're traveling you can meet people in restaurants or on the street or in bars, but this is the first time where there's an actual set-up network that feels safer than couch surfing, where you get to meet local people. And it's unbelievably cool."* [15]

These interactions, made possible through Dialogue, may be tied to several of Holbrook's Values. The first value, Efficiency, correlates with usefulness, time-saving, and ease, as shown with the value description in *table 1*. Through easily connecting with other users via interactions and reviews, interviewees were able to learn more about different stays based on the reportings of other users. This can save time and thus be perceived as the value of Efficiency. A second value, Excellence, may also be extracted through the described interactions, as it is associated with cost saving, security, and quality. Because users are able

to directly ask questions of each other and solve problems with their stays without the hassle of going through Airbnb, they may have a more secure and a quality experience. A last value, Play, also relates to the role of Dialogue. Described as “pursued for its own sake” and “growth through experience” (Grayson, 1999, pp. 106), the value of Play ties closely to enjoyment, fun and consumption for the sake of experiences. As the human contact between the users in face-to-face interactions was also noted to be a fun benefit to the travel experience, the value of Play emerges as representative of the “fun” associated with meeting new people in different places and having novel experiences.

### 6.2.2. Access Locus

Described as access to needed information to make better decisions (Pralhad & Ramaswamy, 2004b) the locus of Access may also connect to several values that can be co-created between users. While Dialogue describes the interactions and exchange, Access pertains to the actual information traded and the ability to do so. Through exchanging information and allowing users access to information that can positively influence their decisions and Airbnb experience, the users themselves can co-create value for each other. This became apparent when users discussed the specific information they would gain from other users.

One of the most frequently cited types of information was added benefits provided by hosts to their guests trying to have the “local experience.” Many interviewees noted how discussions with the hosts about the city they were visiting led them to discover restaurants, sights, and other activities that enhanced their overall experience.

*“I think it definitely adds to the travel experience. I always make sure to ask my host, ‘What’s your favorite restaurant?’ ‘What’s your favorite cafe?’ and ‘What’s something I shouldn’t miss in the city?’” [14]*

*“It’s nice to know people who actually live in the city, in the neighborhood, who give you tips on where to go and stuff. It’s definitely more useful than a hotel.” [1]*

*“You get a lot of tips from the owner of the apartment as well so that is fun.” [4]*

*“This last time the host really helped us. She left a printed guide—her guide, not like one she found—to the city...It made the visit better, really helped us and saved us a lot of time and money.” [19]*

*“Her having the bike we could use meant that we didn’t have to stress out about the extra \$50 it would have cost to get another bike.” [6]*

The benefits users gained from access to information can be categorized into three different values. First, as sharing maps, directions, and tips about their visits helped users save time, the value of Efficiency is apparent. Second, the ability to borrow extra amenities such as bikes and learning from locals about cheaper ways to experience the city help users save money, which can be seen as a value of Excellence. This value also ties to the study conducted by Ericsson ConsumerLab (2015, pp. 6), which states that “saving money” is a highly motivating

factor to engage in the sharing economy. Last, because the end result was attributed by users to be a “fun” experience, access can also be tied to the value of Play.

However, while over half of interviewees, 64%, mentioned the benefits of having the “local experience” and using information from their hosts to do so, several mentioned that hotels could provide this as well.

*“Of course you can ask for this kind of stuff at the hotel but it’s not going to be the same.” [1]*

*“When you are in a hotel, there is a reception and someone to speak to.” [22]*

Thus, for some, the value was found from attaining “local tips” and information from the hosts themselves because they seemed more “a part of” the area, while a few did not care where the information was coming from, as long as they were able to get it.

### 6.2.3. Revised DART/Value Model

Thus, because in the interviews the loci of Dialogue and Access were only tied to Efficiency, Excellence, and Play, a new DART/Value model revised from *figure 4* may be necessary to highlight the connection between users and their value co-creation. As it was only found that these three values were co-created by users through Dialogue and Access in this study, this new *figure 5* more accurately demonstrates the ties these values have to these points of interaction. This new figure excludes the values of Status, Esteem, Ethics, Spirituality, and Aesthetics, because these five values were not mentioned by interviewees to be influenced by either Dialogue or Access to information between users. The rectangle encompasses the space where value may be co-created by users.



*Figure 5: Revised DART/Value Framework*

While only three of Holbrook’s values were found to be tied to Dialogue and Access as sources of value co-creation, this finding does not mean that Dialogue and Access were not sources of value co-creation in some other manner, or that any other types of value were not apparent; these concepts are solely what we initially searched for. The remainder of the findings presented will thus discuss how these concepts tied into the findings in other ways.

## 6.3. Non-Dialogue and Access Points: Values Co-Created by Users

As previously mentioned, several of the other Holbrook values and values uncategorized by the typology emerged in the user interviews. While these values may not be directly tied to Dialogue and Access, they still were frequently discussed and are therefore important to the findings because they are initiated by the users themselves.

### 6.3.1. Financial Value as Excellence

As explained by Grönroos (2008): “Sometimes the value that has been created can be measured in financial terms, for example through effects on revenues or wealth gained or through cost saving [...]” (pp. 303). Money was an aspect that came up in almost every interview and mostly in comparison to the price of hotels and hostels. The words “cheap”, “cheaper” and “cheapest” appeared overall 40 times in 25 interviews. As discussed by Oliver (1999) in relation to Holbrook’s Value Typology, value-as-excellence can be determined as such only in comparison to something else: “Individuals cannot know if something provided value unless a standard of valuation is possible” (Oliver, 1999, pp. 44). This idea was illustrated by the fact that participants frequently compare Airbnb’s prices to hotels.

*“I choose it over a hotel because it’s cheaper and you get more amenities, like you get the privacy aspect, you can come home.” [14]*

*“Often, the cheap hotels or hostels are far from the city center. With Airbnb it’s possible to be closer to the heart of the city for a fair price.” [3]*

Price was seen as a positive characteristic of Airbnb by the participants. As previously mentioned, the hosts decide the price at which they want to rent out their accommodations. Hosts may be aware that in order to attract guests, they should set prices lower than hostels or hotels and similar to other Airbnb accommodations in their area. However, users are also realistic and understand that depending on what they are looking for, prices might not be very low, such as an apartment in the city center or villa by the sea. One participant even shared that paying a little more for a special unique is worth staying at Airbnb than in a hotel:

*“We actually probably could have stayed at a hotel for cheaper, so it was definitely about the experience for us.” [17]*

The financial aspect is clearly important when individuals use Airbnb. As the prices are set by the tenants of the properties and guest can influence these prices, it can be extracted that in this case, users have a direct impact on the Excellence value when evaluating an Airbnb stay’s “worthiness” (Oliver, 1999, pp. 46).

### 6.3.2. Aesthetics

The value of Aesthetics also arose several times in the interviews, but this value is not directly tied to the Dialogue and Access loci of the theoretical framework. The Aesthetics value is also directly influenced by the users themselves as it concerns the appearance of the apartment that users see first through pictures on Airbnb's website and then in reality. How a host presents his or her apartment has an effect on people's choice. Additionally, if pictures show one side of the accommodation but the reality is different, this can have a negative impact on the user's enjoyment of the accommodation. For 56% of the interviewees, pictures are the most important factor when choosing to book the accommodation. As "a picture is worth a thousand words," original photos are very important and this was especially emphasized by interviewee 10:

*"I would never rent an apartment that does not look good on the pictures." [10]*

The reality was also important to interviewees as several mentioned that they appreciated the appearance of the accommodation while they were staying there.

*"It was so clean, and beautiful, and I couldn't have paid for anything better even if it was a hotel." [15]*

*"Sometimes it's really beautiful apartments and I really like the design in comparison with a lot of hotels." [1]*

Aesthetics was also mentioned in relation to the website, which is more connected to how Airbnb designed the website; but, words such as "cool pictures", "cool website" were used several times. However, the importance was more so with photos and real appearance of the accommodation rather than the appearance of the website.

### 6.3.3. Other Emerged Values: Generosity and Community

Other qualities emerged from the collected data that cannot be classified in the developed framework: generosity and a sense of community. These qualities, which could be perceived by users as values because they are subjective, have emerged through participants discussing that small perks can increase the enjoyment and feeling of the travel experience. These perks are mostly generated by the hosts giving extra effort and are linked to promoting a sense of community and "homeyness". Airbnb facilitates the contact the users have between each other, which makes it easy for them to offer something extra to one another. It is these "extras" that Airbnb does not influence that are particularly appreciated by the guests.

*"The more we were looking into it the more we thought it would be cool; the girl we ended up staying with had a bike we could use which meant we only had to rent one bike, so we ended up biking everywhere, and seeing so much more of the city." [6]*

*"[...] so he gave us a map he had circled his favorite places and the two restaurants he recommended were the best meals we had that entire weekend." [14]*

“I also like the idea of community; who knows, maybe one day I will be able to host people that have hosted me. You really share something with the people that you meet through Airbnb and I think it’s really nice that the human is at the center again [...]” [3]

The generosity of hosts is also shown by the way they “welcome” their Airbnb guests to their neighborhoods and help them live as a part of their community for a short time. This “homey” aspect, staying in someone else’s apartment and experiencing the location as a “local,” was important to 19 of the interviewees, and was often tied to something “extra” provided by the host. Sentences and words such as “personal character” [2], “see how another home is in another part of the world” [4], “authentic experience” [6], “more personal” [10], “you can come home” [14], “living local” [15] and “feel at home even if you are far away from home” [20] echoed this sentiment. This consistency shows that hosts can influence a guest's sense of community during their stay through their generosity.

6.3.4. Final Revised Framework

Upon finding that other values emerged outside of the value co-creation points of Dialogue and Access, the theoretical framework was revisited one final time. In this final figure, *figure 6*, the new DART/Value model is combined with the other emerged values.



Figure 6: Final DART/Value Framework

As shown in *figure 6*, the value co-creation points of Dialogue and Access are correlated to the creation of the values of Efficiency, Excellence, and Play. However, these points limit the value that may be perceived by users. As previously mentioned, other values emerged that must be adapted into the framework to present the full extent of the connections between users in the sharing economy; these values are shown under “other values.” The full transition of the theoretical framework is shown in Appendix C.

It should be noted that Holbrook’s value of Excellence appears twice in the final framework. This repetition is because according to Holbrook, Excellence describes both security and financial value (as shown in *table 4*). Thus, in 6.2 it is applied in the security sense and in 6.3 it is referred to in the financial sense. The difference remains in *how* the value of Excellence is created and influenced in both cases: in 6.2, it is created through discussions between users

(and thus is tied to Dialogue), and in the financial sense it is tied to the relative lower price set by other users, and is therefore deemed an “other” value.

## 6.4. Additional Findings

While the framework led the analysis of the findings and eventually changed based on said relevant findings, there were other points that arose during the interviews that are important to mention as well. These points are not correlated to the original framework because they are specific to Airbnb and are therefore not included in its modification, yet should still be discussed nonetheless.

### 6.4.1. Values Co-Created Between Users and Airbnb

Despite this study’s intention to focus on user value co-creation, the interviews also revealed values that tie closer to Airbnb than users as the sources of value co-creation. Thus, these values will also be presented as they were repeated enough in interviews to stand out in the findings. Throughout the interviews, Holbrook’s Values of Efficiency and Excellence were also apparent as they tied directly to exchanges from users to the company. These values could be derived from interviewees’ discussions around what they have enjoyed from their stays at Airbnbs.

The idea of staying together with friends in an Airbnb was common, with over one third of interviewees, 36%, noting that the ability to stay in groups makes the experience easier and more enjoyable.

*It’s more fun and easier to be in a group and stay together and hang out. [16]*

*We wanted a place where we could stay together. [17]*

*If you gather a lot of people it’s much cheaper than a hotel per person and you can all stay in the same place. [19]*

These users seemed to appreciate the ability to stay together in a private space as a group, as opposed to splitting up into hotel rooms or sharing a larger area with strangers in a hostel. This idea suggests that staying in an Airbnb can offer the values of Efficiency, through independence and freedom in their groupings, as well as Excellence, in that their stays can allow privacy and a space to themselves. As this is directly related to the Airbnb concept and not necessarily to actions by other users, this value can be categorized as being between Airbnb and its users.

Furthermore, the ease and security of the transactions was also mentioned by multiple interviewees as being a beneficial aspect of the experience, and can be tied to the values of Efficiency and Excellence, respectively.

*It’s easy. You get to pay online...I can just do it even if I’m staying in Europe. It’s just easy. [13]*

*(Friend from the U.S.) mentioned how cheap it was and the fact that it was secured, that you can see the pictures verified by Airbnb and this was really important for me, that you can be sure of what it's going to look like. [1]*

This finding demonstrates the idea that users may not be able to co-create this sense of security and ease themselves, and it is necessary for the company to serve as the facilitator of this aspect. The ease of the exchange is also relevant to Amit and Zott's finding that "efficiency" of transactions as a source of value creation in e-business (2001). The more efficient transactions are, the more valuable the exchange is for both the consumer and the company; thus, this finding highlights the instrumental role of the company and user in co-creation, rather than co-creation between users.

#### 6.4.2. Holbrook Values Not Mentioned

Throughout the interviews, there was a lack of mention of several of the Holbrook Values from his Typology. These values were Status, Esteem, Ethics, and Spirituality. In this case, "not mentioned" indicates that the users did not mention any of the terms in *table 1*, and the general ideas of the values were not mentioned. Incidentally, these four values are categorized by Holbrook to be "other-oriented" (*figure 3*), meaning an experience is valued for someone else's sake. Because the interviews were based entirely on the users' subjective experiences and the values they perceive, this finding is not entirely surprising.

Furthermore, as the Havas Worldwide study (2014) found that the three most appealing aspects of the sharing economy to be saving money, feeling useful/involved and reducing carbon footprint, we anticipated they would come up in the interview responses. While "saving money" was a common topic, "feeling useful/involved" and "reducing carbon footprint" were not mentioned at all. The lack of mention of "environmentalism" in any regard also contradicts Cohen and Kietzmann's view that the sharing economy is correlated to an increase in environmental awareness (2014, pp. 280).

#### 6.4.3. Factors Influencing the Decision-making Process for Airbnb

A last finding stems from discussions with interviewees around which factors they pay attention to the most when choosing an Airbnb, which also presents support to previously conducted studies. As shown in *figure 7*, location of the accommodation was consistently noted as the most important thing users looked for in descriptions of accommodations. Price was ostensibly an important factor, supporting the Havas Worldwide study (2014), which indicated interest in saving money.

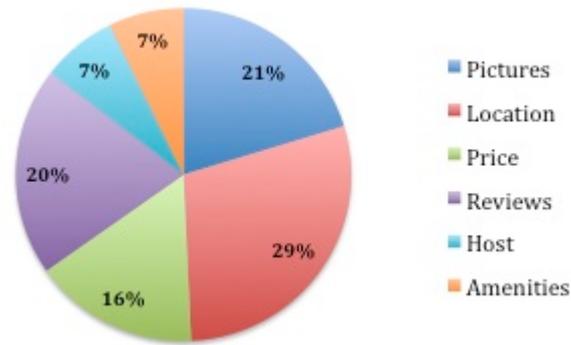


Figure 7: Most Important Factors Users Look for in Airbnb

Furthermore, it is also interesting to note the impact that other users may have on several of these factors, including pictures, price, reviews, and host, as previously mentioned. Users arguably influence or provide all of these, thus furthering the idea that users impact others' experiences.

These additional findings are specific to the company Airbnb and are therefore not directly tied into the theoretical framework. They may not be applicable to other industries but were interesting to mention as they complete our understanding of the sharing economy in regards to Airbnb.

## 6.5. Chapter Summary

In this chapter, we presented the research findings and analysis of the 25 interviews. Word-of-mouth dialogue between the users was found to be a contributor to increase the general value in their network. Furthermore, it was found that the loci of Dialogue and Access (from the DART model) were most closely tied to fueling the Holbrook values of Efficiency, Excellence, and Play, which led to a first revision of the DART/User value co-creation model, as shown in *figure 5*. Other values also shown to be important to interviewees included Efficiency through saving money, Aesthetics and appearance of the accommodations, and a sense of generosity and community tied to interactions with other Airbnb users; these other values were thus incorporated into the second and final revision of the framework in *figure 6*.

This study also drew attention not only to values co-created between users, which was the original intention of this research, but also to values created between users and the Airbnb company itself. Ease and security of transactions (the value of Efficiency) was found to be an important value for interviewees but tied to the company's role as an intermediary between users. Furthermore, there were several Holbrook values that were not mentioned at all, including Esteem, Status, Ethics, and Spirituality, indicating that the values experienced by the interviewees were very self-oriented. Overall, it was found that users can co-create certain types of value for each other, yet the company is still needed as a facilitator of exchanges and co-creator of other types of value such as security and transparency.

# 7 Discussion and Conclusion

*This final chapter will discuss the importance of the results and present the conclusion for the entire paper. Furthermore, the limitations of the study and implications for future research and applications will also be discussed.*

## 7.1. Research Aim and Results

The aim of this study was to investigate the impact of users on value co-creation in the sharing economy. The results found that not only do users have an impact on the value of others, but also that they do so in multiple ways. Several of the values were identified by the Holbrook Value Typology and tied to the DART points of Dialogue and Access as the sources of their value co-creation. These values were Efficiency, in making their experiences easier and saving each other time through tips and reviews, Excellence, by saving other users money by providing information to gain a “local” experience, and Play, in benefitting the overall experience and allowing more “fun” to be had during their stays.

Through the value co-creation points of Dialogue and Access, it was found that users can communicate with one another through reviews, in person, and online to provide access to information to help each others’ stays with Airbnb become a better experience. In speaking with interviewees, a better experience was commonly referred to as “living local” and experiencing a new place like a local.

In addition to the emergence of these three Holbrook values through Dialogue and Access, users also co-created values outside of these interaction points. These values were Excellence through financial value, Aesthetics, generosity, and community. We found that these values were able to be co-created between users through actions made by users of their own free will. Thus, the final theoretical framework, *figure 6*, integrated these findings and may now be used as a guide for future research. The remaining Holbrook values of Status, Esteem, Ethics, and Spirituality were values that the interviewed Airbnb users did not seem to be concerned with.

This research is generally consistent with previously conducted studies, for example, those which have found that “saving money” is an appealing aspect of the sharing economy (PwC, 2015). However, the findings do not correlate with studies, which have shown that “environmentalism” may be another attractive factor; this study’s interviews did not reveal any mention of valuing this concept.

This study is the first, to our knowledge, to examine the impact that users may have on each other while participating in the sharing economy through a classification of the values they perceive. However, in conducting this research, some unexpected findings also arose. While this study intended to focus on user value co-creation, some indications of company-to-user

value creation also became evident. For example, it was found that Airbnb provides users with a sense of security and ease with the transactions that occur; this indicates the important role the company has which users themselves may not be able to provide. In revisiting *figure 2*, the red lines can be categorized as the value of Efficiency Airbnb provides users through security and ease of stay, and the blue lines can be categorized as the values previously mentioned which users may provide each other. The greater the number of connections to other sources of value (U, I/C), the more opportunities a user may have to attain values from their experiences.

We have shown that the sharing economy trend is becoming increasingly popular both financially and through the number of companies and users involved. This research is thus extremely relevant as it addresses the sharing economy's different and new way of doing business where the users act as both consumers and producers and are able to co-create value for one another.

## 7.2. Research Limitations

This study ostensibly has several limitations, which must also be addressed. The first limitation is the sample size of 25 people. While we attempted to make the sample size as diverse as possible in terms of gender and nationality, the available participants were our acquaintances, as it was convenient to get their participation. This impacted the results in the way that the group was quite specific within the age range of 20-32. In order to gain a wider range of ages, different or more interviewees could have been recruited. However, 25 interviewees enabled us to avoid saturation of data with repetitive answers. The second limitation is the focus on one specific company, Airbnb. Focusing on one company allowed us to recruit specific interview participants and ensure that everyone had used the company, however, Airbnb is only one representation of the sharing economy. Examining other companies and industries may have provided interesting insights as well, but would have taken more time and widened the focus. The third limitation was the quality of sources. Due to the recentness of the sharing economy, there is a lack of relevant academic research pertaining to the topic. Therefore, we had to use non-academic sources such as reports conducted by consulting firms to supplement our literature.

## 7.3. Theoretical Implications and Contributions

This thesis contributes to existing literature about sharing economy and value creation between peers. As values were analyzed based on experiences and not perceptions with a qualitative method, we were able to show what users have actually experienced and not only what they think. Because of the limited sources about the sharing economy and collaborative consumption, this study also contributes to academic research, as the theoretical framework was developed based on existing theories and models to help better understand the concept of the sharing economy.

## 7.4. Practical Implications and Contributions

In addition to the theoretical contributions, this study may also provide practical implications. After the initial development of the theoretical framework, it was tested with the company Airbnb through user interviews. Because the framework had to be revised twice, it shows that the theories used need to be adapted to the new values that have emerged with the sharing economy and the new opportunities and challenges it generates.

This study was only tested on Airbnb, but its findings may prove to be valuable insights in other sharing economy companies, such as Uber. If tested in these other contexts, the framework from this paper could be continually adapted and used to establish more findings about the co-creation of values within other sharing economy companies. The framework may also be reverted back to its original format and tested again to determine whether or not it has the same results on other studies.

## 7.5. Recommendations for Future Research

Applying this study and the framework to other companies and industries within the sharing economy and comparing the findings would be a natural extension of this study. This research could also be conducted with a different sample size of other ages and backgrounds. Furthermore, as “saving money” was a common appeal of the sharing economy, another angle would be to conduct a study aiming to discover on what people spend their saved money on instead, if at all.

As the sharing economy grows and expands to many industries, users are “unconsciously” changing their behaviors, expectations and values. This thesis has shown that many of the interview participants are willing to use a sharing economy service, such as Airbnb, instead of a traditional option; they find that participating in the sharing economy provides other values created by interacting with their fellow users. There is a shift in values and in what users seek when they engage in the sharing economy, where the sense of “human” and community are at the center of the exchange again.

# References

- Airbnb (2015). About Us: Airbnb, Available Online: <https://www.airbnb.com/about/about-us>, [Accessed 20 March 2015]
- Amit, R. & Zott, C. (2001). Value Creation in E-Business, *Strategic Management Journal*, vol. 22, no. 6/7, pp. 493-520
- Belk, R. (2010). Sharing, *Journal of Consumer Research*, vol. 36, no. 5, pp. 715-734
- Belk, R. (2014). You are what you can access: Sharing and collaborative consumption online, *Journal of Business Research*, vol. 67, no. 8, pp. 1595-1600
- Botsman, R. (2013). The Sharing Economy Lacks a Shared Definition. Fast Company, 21 November. Available Online: <http://www.fastcoexist.com/3022028/the-sharing-economy-lacks-a-shared-definition> [Accessed 22 March 2015]
- Briscoe, B., Odlyzko, A. & Tilly, B. (2006). Metcalfe's Law is wrong. IEEE Spectrum, 1 July. Available Online: <http://spectrum.ieee.org/computing/networks/metcalfes-law-is-wrong> [Accessed 8 May 2015]
- Brown, S. (1999). Devaluing value: the apophatic ethic and the spirit of postmodern consumption, in M. Holbrook (ed.), *Consumer Value: A framework for analysis and research*, London: Routledge, pp. 159-182
- Bryman, A. (2012). *Social Research Methods*, New York: Oxford University Press
- Brynjolfsson, E. & McAfee, A. (2014). *The Second Machine Age: Work, Progress, and Prosperity in a Time of Brilliant Technologies*, New York: W. W. Norton & Company
- Cohen, B. & Kietzmann, J. (2014). Ride on! Mobility Business Models for the Sharing Economy, *Organization & Environment*, vol. 27, no. 3, pp. 279-296
- Cova, B., Dalli, D. & Zwick, D. (2011). Critical perspectives on consumers' role as 'producers': Broadening the debate on value co-creation in marketing processes, *Marketing Theory*, vol. 11, no. 3, pp. 231-241
- Cusumano, M. A. (2011). Technology Strategy and Management. Platform Wars Come to Social Media. *Communications of the ACM*, vol. 54, no. 4, pp. 31-33
- Cusumano, M. A. (2015). How Traditional Firms Must Compete in the Sharing Economy. *Communications of the ACM*, vol. 58, no. 1, pp. 32-34
- Diekmann, A. (2007). *Empirische Sozialforschung: Grundlagen, Methoden, Anwendungen*, Hamburg: Rowohlt-Taschenbuch-Verlag

- Ericsson ConsumerLab (2015). 10 Hot Consumer Trends 2015 [pdf], Available Online: <http://www.ericsson.com/res/docs/2014/consumerlab/ericsson-consumerlab-10-hot-consumer-trends-2015.pdf> [Accessed 4 March 2015]
- Foster, R.J. (2011). The Uses of Use Value: Marketing, Value Creation, and the Exigencies of Consumption Work, in D. Zwick and J. Cayla (eds) *Inside Marketing: Practices, Ideologies, Devices*, Oxford and New York: Oxford University Press, pp. 42–57
- Gansky, L. (2010). What is the mesh? Available Online: <http://meshing.it/about> [Accessed 8 March 2015]
- Grayson, K. (1999). The dangers and opportunities of playful consumption, in M. Holbrook (ed.), *Consumer Value: A framework for analysis and research*, London: Routledge, pp. 105-125
- Grönroos, C. (2008). Service logic revisited: Who created value? And who co-creates? *European Business Review*, vol. 20, no. 4, pp. 298-314
- Havas Worldwide (2014). Prosumer Report: The New Consumer and the Sharing Economy, Vol. 14, Available Online: <http://prosumer-report.com/blog/2014/05/new-research-from-havas-worldwide-reveals-shift-in-consumption-patterns/>[Accessed 3 May 2015]
- Holbrook, M. (1994). The Nature of Customer Value: An Axiology of Services in the Consumption Experience, in Rust, R. and Oliver, R. (eds.) *Service Quality: New Directions in Theory and Practice*, Thousand Oaks, CA: Sage Publications, pp. 21-71
- Holbrook, M. (ed.)(1999). *Consumer Value: A framework for analysis and research*, London: Routledge
- Kaplan, A. & Haenlein, M. (2010). Users of the world, unite! The challenges and opportunities of Social Media, *Business Horizons*, vol. 53, no. 1, pp. 59-68
- Konrad, A. & Mac, R. (2014). Airbnb Cofounders To Become First Sharing Economy Billionaires As Company Nears \$10 Billion Valuation. *Forbes*, 20 March. Available Online: <http://www.forbes.com/sites/alexkonrad/2014/03/20/airbnb-cofounders-are-billionaires/> [Accessed 8 March 2015]
- Lai, A. (1995). Consumer Values, Product Benefits and Customer Value: a Consumption Behavior Approach, *Advances in Consumer Research*, vol. 22, no. 1, pp. 381-388
- Lechner, U. & Hummel, J. (2014). Business Models and System Architectures of Virtual Communities: From a Sociological Phenomenon to Peer-to-Peer Architectures, *International Journal of Electronic Commerce*, vol. 6, no. 3, pp. 41-53
- Leclerc, F. & Schmitt, B. (1999). The value of time in the context of waiting and delays, in M. Holbrook (ed.), *Consumer Value: A framework for analysis and research*, London: Routledge, pp. 29-42

- Lepak, D., Smith, K. & Taylor, M. (2007). Value Creation and Value Capture: A Multilevel Perspective, *The Academy of Management Review*, vol. 32, no. 1, pp. 180-194
- Oliver, R. (1999). Value as excellence in the consumption experience, in M. Holbrook (ed.), *Consumer Value: A framework for analysis and research*, London: Routledge, pp. 43-62
- Patel R. & Davidson, B. (2003). *Forskningsmetodikens grunder: Att planera, genomföra och rapportera en undersökning*, Lund: Studentlitteratur
- Porter, M. (1985). *Competitive advantage: creating and sustaining superior performance*, New York: Free Press
- Prahalad, C.K. & Ramaswamy, V. (2004a). Co-creation Experiences: The Next Practice in Value Creation, *Journal of Interactive Marketing*, vol. 18, no. 3, pp. 5-14
- Prahalad, C.K. & Ramaswamy, V. (2004b). Co-creating unique value with customers, *Strategy & Leadership*, vol. 32, no. 3, pp. 4-9
- PricewaterhouseCoopers [PwC] (2015). The Sharing Economy [pdf], Available Online: <http://www.pwc.com/us/en/industry/entertainment-media/publications/consumer-intelligence-series/assets/pwc-cis-sharing-economy.pdf> [Accessed 28 April 2015]
- Richins, M. (1999). Possessions, materialism, and other-directedness in the experience of self, in M. Holbrook (ed.), *Consumer Value: A framework for analysis and research*, London: Routledge, pp. 85-104
- Rifkin, J. (2014). Uber and the Zero Marginal Cost Revolution. The Huffington Post, 3 September. Available Online: [http://www.huffingtonpost.com/jeremy-rifkin/uber-german-court\\_b\\_5758422.html](http://www.huffingtonpost.com/jeremy-rifkin/uber-german-court_b_5758422.html) [Accessed 26 May 2015]
- Romero, D. & Molina, A. (2011). Collaborative networked organisations and customer communities: value co-creation and co-innovation in the networking era, *Production Planning & Control: The Management of Operations*, vol. 22, no. 5/6, pp. 447-472
- Sheth, J., Newman, B., & Gross, B. (1991). Why We Buy What We Buy: A Theory of Consumption Values, *Journal of Business Research*, vol. 22, no. 2, pp. 159-170
- Smith, N. (1999). Ethics and the Typology of Consumer Value, in M. Holbrook (ed.), *Consumer Value: A framework for analysis and research*, London: Routledge, pp. 147-158
- Solomon, M. (1999). The value of status and the status of value, in M. Holbrook (ed.), *Consumer Value: A framework for analysis and research*, London: Routledge, pp. 63-84
- The Economist (2013). The Rise of the Sharing Economy. The Economist, 9 March. Available Online: <http://www.economist.com/news/leaders/21573104-Internet-everything-hire-rise-sharing-economy> [Accessed 23 March 2015]

Thomas, G. (2013). *How to do your research project: A guide for students in education and applied social sciences*, London: Sage

Time (2015). 5 Things You Never Knew About the Sharing Economy. Time, 29 January. Available Online: <http://time.com/3686877/uber-lyft-sharing-economy/> [Accessed March 30 2015]

Uber (2015). Cities. 58 Countries. Available locally, Expanding globally. Available Online: <https://www.uber.com/cities> [Accessed 24 May 2015]

Vargo, S. & Lusch, R. (2004). Evolving to a New Dominant Logic for Marketing, *Journal of Marketing*, vol. 68, no. 1, pp. 1-17

Wagner, J. (1999). Aesthetic value, beauty in art and fashion, in M. Holbrook (ed.), *Consumer Value: A framework for analysis and research*, London: Routledge, pp. 126-146

Walliman, N. (2006). *Social Research Methods*, London: Sage Publications Ltd

World Economic Forum (2013). Circular Economy Innovation & New Business Models Initiative, Position paper, Young Global Leaders Sharing Economy Working Group [pdf], Available Online: <https://thecirculars.org/documents/04%20Sharing%20Economy%20Paper.pdf> [Accessed 24 May 2015]

Zervas, G., Proserpio, D., & Byers, J. (2015). The Rise of the Sharing Economy: Estimating the Impact of Airbnb on the Hotel Industry, Research Paper, Boston University School of Management, Available Online: <http://people.bu.edu/zg/publications/airbnb.pdf> [Accessed 29 March 2015]

# Appendix A: User Interview Questions

1. How many times have you used Airbnb and where have you used it?
2. How did you first hear about it?
3. Why do you choose Airbnb over a hostel or a hotel?
4. What amenities/features/factors would you say you look for when you're deciding where to stay?
  - a. For example, location, friendliness of host, reviews, photos, etc.
5. Have you had any problems during your hostings or stays at Airbnb? - Non-values
  - a. If so, how did you solve them?
  - b. Was Airbnb involved?
6. Have you noticed any differences in bookings in different countries?
7. Do you post about Airbnb on the Internet?
  - a. If yes, where? Reviews?
  - b. If no, why not?
8. How much attention do you pay to reviews?
  - a. Which aspects of reviews do you pay attention to?
9. During your stays at Airbnbs do you see it as simple "transactions" or a valuable travel experience?
  - a. What makes it seem that way? Please elaborate on your response
10. If you have not hosted, what would be reasons convincing you to do so?

# Appendix B: Airbnb Employee Interview Questions

1. Could you explain your role and what you do for Airbnb?
2. Could you tell us a little about how Airbnb's network was created from your perspective as an employee?
3. How important is the network itself to the business?
  - a. Which factors are essential for Airbnb to successfully expand the network?
  - b. What problems does Airbnb encounter with relying so heavily on a network for its success?
  - c. How do you manage the network and keep control of it?
4. How does Airbnb rely on networks (social media, existing hosts & guests) to expand its business or does it have concentrated marketing efforts?
  - a. How much are hosts and guests involved in the marketing process?
5. How centralized is Airbnb's "network"? We noticed you work in the Swedish market - does your work with the "Swedish Airbnb network" differ than your colleagues' work in other areas?
  - a. Would you say that maintaining the host/traveler network is similar or different in the Nordics? In Europe? Etc.?
  - b. How much do you have to adapt to the host/travelers?
6. How reliant is Airbnb's success on social media - on what the company posts, what users post, etc.?
7. Can you tell us about how Airbnb adapts to any roadblocks it faces; for example, backlash on social media, negative press; other factors that may halt the growth of the Airbnb network?

# Appendix C: Theoretical Framework Adaptations



Figure 4. DART/Value Framework



Figure 5. Revised DART/Value Framework



Figure 6. Final DART/Value Framework